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- [Metro](#)
- [Wayne](#)
- [Oakland](#)
- [Macomb](#)
- [Michigan](#)
- [Casinos](#)
- [Roadwork](#)
- [Education](#)
- [Health](#)
- [Children First](#)
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MARKETPLACE

Metro incomes soar, but a big gap exists

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Incomes grew sharply for most metro Detroiters between 1990 and 2000, but a stubborn trend persisted: White workers continued to earn more than racial and ethnic minorities.

The contrasting portrait came from U.S. Census Bureau data released Tuesday. Overall, metro-area residents benefited substantially from the boom of the 1990s as the stock market skyrocketed, auto sales hit record marks and unemployment rates hovered at record lows. But conditions have shifted somewhat with an economic downturn in the last two years.

In Detroit, median household income rose 21 percent to \$29,526, when adjusted for inflation, according to the 2000 census. It was \$18,742 a decade earlier.

In Wayne County as a whole, median income levels jumped 12 percent to \$40,776. Oakland County residents saw income levels jump by 10 percent to \$61,907. Macomb County median incomes increased 3 percent to \$52,102. Statewide, median incomes rose 11 percent to \$44,667.

Ruth Johnson was among those who rolled with the good times.

She moved from Lansing to Detroit in 1989 to work as a staff attorney for General Motors Corp. in hopes of not only making more money, but improving her social

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and cultural life. She left GM for private practice in 1993, and later started a nonprofit consulting business.

"Things are getting better," said Johnson, a 40-year-old African American who lives on Detroit's east side. "I don't think I would have had the opportunities to do what I've done if it weren't for the economic boom that took place in the 1990s."

Kurt Metzger, research and analysis director at the Center for Urban Studies at Wayne State University, said: "Overall, what we've seen is that across the board, households, families and all race groups have benefited from the 1990s economy. By and large people are a lot better off, and in particular in Detroit, relative to 10 years ago." Median incomes for black residents of Detroit, among the nation's poorest cities, rose by nearly 29 percent between 1990 and 2000, to \$29,647, while incomes for Detroit Hispanics climbed 35 percent to \$30,270. White Detroiters had more modest income gains of 7.5 percent to \$29,402.

Income levels also jumped sharply for American Indians and Asians in Detroit -- by 74 percent and 21 percent, respectively.

Experts caution that the gains, although impressive looking, don't reflect the fact that Detroiters were among the poorest income earners in the nation a decade ago.

In Detroit's suburbs, median income levels grew sharply between 1990 and 2000.

Incomes among white residents in Grosse Pointe Farms, for instance, grew 16 percent to \$99,912 annually. Beverly Hills saw incomes for white people jump 13 percent to \$90,475.

Black residents of Grosse Pointe Park saw their median income levels fall significantly, as those of white people increased 15 percent.

For example, the median income of African Americans who lived in Grosse Pointe Park in the 1990s fell 12 percent to \$57,404, when adjusted for inflation. Meanwhile, white income levels rose 15 percent to \$81,167.

Other cities that saw overall income increases include



Allen Park, Livonia and Birmingham.

As the '90s boom took off, Detroit shed the label of being the poorest major city in America. The Motor City dropped from first to fifth on the list of cities with the largest population living below the poverty line. The government defines poverty as a household income of less than \$17,029 a year for a family of four.

Also telling was that Hispanics in Detroit saw their median income go from 82 percent of white people in the city to 102 percent of white incomes.

Detroit is one of the leaders in the nation in terms of growth and income and decreases in poverty.

However, some residents of metro Detroit point out that things aren't as rosy as median income levels may suggest.

James Gibson, 33, says he believes the fruits of the longest peacetime economic expansion in U.S. history may have benefited others, but he didn't see much evidence of it. He started the previous decade working as a quality control operator for 3M Corp.

Today, as manager of a community center in Detroit and a youth minister at Second Ebenezer Baptist Church, Gibson says he has seen his income fall by \$4,000 since 1990.

He and his wife both work to support their two children. The Gibsons rent a townhouse in downtown Detroit. "I think there is a tremendous disparity of an economic boom statewide as compared to what so many city dwellers received in the 1990s," said Gerald Smith, president and chief executive officer of the nonprofit Detroit Youth Foundation.

Smith said many of the elements that fueled economic prosperity -- technology and service sector jobs -- bypassed many who live and work in Detroit.

"The net result is that many people end up having a more difficult time at the same time others were bragging on prosperity, which I think has been a myth for an increasing amount of residents in the city of Detroit."

While it showed gains among middle- and

upper-income Michigan residents, the census data also told the story of an increasing gap between the haves and the have-nots.

For example, the median income for black people across Michigan grew from being 58 percent of non-Hispanic whites in 1990 to 66 percent in the 2000 census. The income gap is closing for some, but there is still the question of what is happening with lower-income Michiganders.

"Now we see that income improvement was shared by both whites and blacks, which is the positive side of the story," said John Logan, director of the Lewis Mumford Center at the State University of New York at Albany. "On the other hand, the disparity on black and white income remains very acute. And when we look at the quality of the neighborhoods where groups live, we find racial gaps between white and black neighborhoods is as strong now as compared to 10 years ago."

For Johnson, the income figures in the census only paint part of the picture of Detroit's future. Although she remains confident that she will continue to be successful, Johnson says she has concerns about future generations.

"My concern is that there may be an even greater gap between the haves and the have-nots due to disparities in education, job skills and the inability to adapt to change, regardless of income."

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