'90s boom left Metro's poor behind

By JAY HAMBURG
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Nashville's much-celebrated economic growth in the 1990s did little to help those living in poverty. Davidson County's poverty rate for children improved by only a tiny fraction during the decade, and its overall poverty rate worsened slightly.

That contrasts with clear declines in poverty in the home counties of Tennessee's other major cities — Memphis, Chattanooga and Knoxville.

Declines also can be found in the six counties that are homes to cities often used as measuring sticks against Nashville: Charlotte, N.C.; Birmingham, Ala.; Louisville, Ky.; Austin, Texas; Jacksonville, Fla.; and Columbus, Ohio.

No one is sure why this has happened. But experts agree it could spell trouble for Nashville.

At the same time, the seven-county metropolitan area that surrounds Davidson showed a significant decline in overall poverty and poverty in children during the decade, an analysis by The Tennessean indicates.

While the Nashville-area economy is
still relatively strong, with unemployment figures below the national average, the disparity in poverty between the core county of Davidson and the surrounding counties could cause serious economic consequences.

Especially if the gap continues to widen.

"It is distressing," said Linda O'Neal, executive director of the Tennessee Commission on Children and Youth. "Conditions could even be worse now. I think it really reflects the difference between rich and poor."

The Davidson numbers and comparisons, which come from the 1990 and 2000 Census reports, worried those who deal in social services for children and baffled university demographers and economic analysts.

Marc Hill, who directs the Mayor's Office of Children and Youth in Nashville, said he could not explain the numbers.

"I'm not sure why Nashville seems to have a different trend than other cities its size, but it's obviously a very complex issue with a number of factors that you want to look at to try to figure out why it's happening."

He noted that Mayor Bill Purcell, who was elected in 1999, has started several initiatives to improve schools, Head Start programs and affordable housing — important components of a balanced city.

Economists and demographers guess that the reasons for the continuing poverty include a complex mix of some affluent people leaving Davidson for the surrounding counties and an influx of less affluent people, drawn here by Nashville's robust economy.

Whatever the reasons, experts say, the trend could spell trouble for the city in the years ahead. More poor people create a greater need for city services, but the exodus of more affluent residents makes it harder to collect the taxes to fund those services.

"It's a big problem for your tax base," said David Penn, economics professor at Middle Tennessee State University.

"And it's a big problem for the city when your tax base moves."

Counties get most of their funds from property taxes and their portion of the sales tax.

So, if an increasing number of affluent people work in Nashville but reside...
and spend money elsewhere, then Nashville in the future may not fully share the regional prosperity it helped generate.

Nashville gained a growing reputation as a roaring economic engine during the 1990s and added great vibrancy to the area with its new professional sports teams and the beginnings of a new art center and new hall of fame for country music.

Indicators are plentiful that the boom was real. Nashville added more than 50,000 jobs during the 1990s.

The unemployment rate dropped from 3.5% to 2.7%, well below the national average. Median household income rose on par with the national average, by 28%, from $28,380 to $39,800.

But during the same time, 19 of every 100 children in Davidson County lived in poverty in 1990 and again in 2000, according to the major census reports of those years. In 2000, the poverty level for a family of four was $17,603.

While the numbers in Davidson held steady, the percentage of children in poverty dropped in seven comparable counties (home to Austin, Birmingham, Charlotte, Columbus, Jacksonville, Louisville and Memphis) by an average of almost 3 percentage points.

The counties included in that average are all core counties with populations of more than 500,000 and sit in the middle of metropolitan areas that range from 1 million to 1.5 million residents.

Also striking is the fact that the seven counties surrounding Davidson, which include the state's wealthiest county, Williamson, showed a decline in children in poverty of about 2 percentage points.

In 2000, Nashville ranked 49th highest in the rate of children living in poverty among the 230 counties with populations of more than 250,000, census figures show.

And there is some indication things may be getting worse, not better.

A supplemental survey conducted by the Census Bureau in 2001, as the national economy began slumping, showed that 27 of every 100 Nashville children were living in poverty.

The accuracy of this survey is not unassailable.

It is based on a smaller sample size than the census that is taken each decade and is therefore less reliable.

However, even if the sample overstates the number of children living in poverty here, it still suggests that poverty may be worsening in Nashville.
And it coincides with the observations of those who work with the poor such as Irene Boyd, a community organizer for the nonprofit Tying Nashville together.

"I don't think Nashville has a clue to the pervasiveness of the poverty that exists in this city."

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