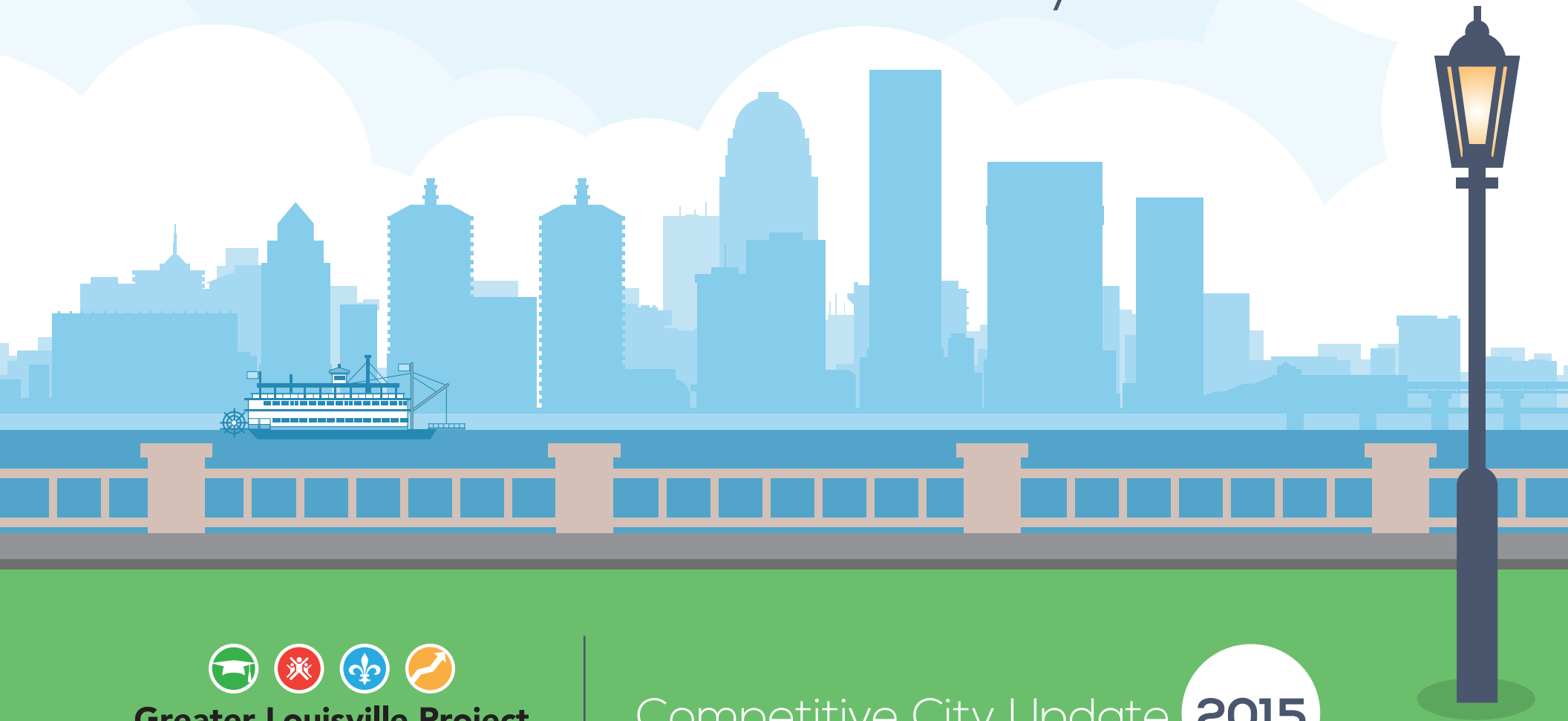


Louisville

A Focus on Poverty



Greater Louisville Project
ADVANCING A COMPETITIVE CITY

Competitive City Update **2015**

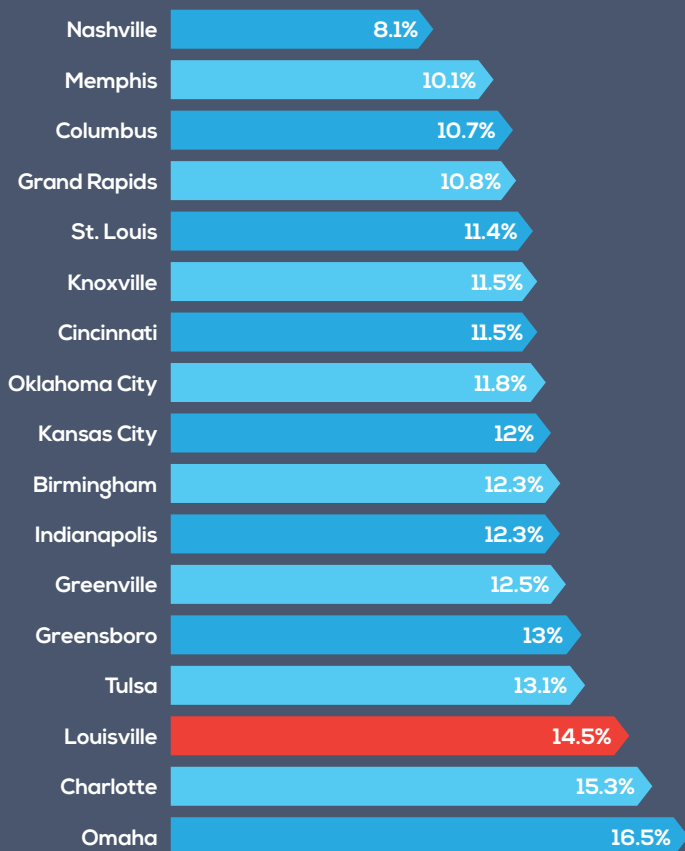
Trailing Our Peers

Louisville ranks 15th out of 17 among our peer cities, with 1 in 7 Louisvillians living in concentrated poverty.

Concentrated poverty is defined as a census tract that is far below the citywide average across income, jobs, education, and health. A census tract in concentrated poverty is one that is in aggregate at least 1 standard deviation worse off than the citywide average in terms of all four MPI indicators highlighted in this report.¹



Population in Multidimensionally Poor Areas



¹ A multidimensionally poor census tract is defined as one where the average z-score is greater than 1, calculated across each of the four indicators. These tracts are orange to red in the Multidimensional Poverty in Louisville map on the poster side of this report.

Concentrated Poverty is Keeping Louisville from Reaching its Competitive Potential

The effects of multidimensional poverty do not just add up, they compound. Each additional disadvantage that a person experiences multiplies their barriers to success and wellbeing.



Poverty is everything that makes it more difficult for individuals and communities to thrive. Its effects are felt not only in the wallet, but in every barrier to health and wellbeing.

People experience poverty in multiple forms. This concept led the Brookings Institution to release a Multidimensional Poverty Index (MPI). This new index gives us a more comprehensive way to examine poverty in Louisville in terms beyond income alone. The Brookings MPI evaluates poverty through five dimensions: low income (under 150% of the poverty line), unemployment, lack of health insurance, lack of a high school degree, and living in a poor neighborhood (an area where more than 1 in 5 people are poor). While Brookings uses the MPI to identify poor individuals, this report uses those first four dimensions in order to identify and evaluate concentrated poverty in Louisville's neighborhoods.



This report uses Brookings' new multidimensional poverty index along with GLP's Deep Drivers of Change to examine Louisville's neighborhoods and peer cities.

If Louisville wants to be at the peak of its competitiveness, it must take steps to include all of its neighborhoods in its progress.

What would Louisville look like if its poorest neighborhood areas were brought up to the citywide average? This report examines how Louisville would compare to its peer cities in terms of the Deep Drivers of Change if the poorest four neighborhood areas in Louisville had their levels of health, jobs, income and education brought up to the level of the average neighborhood in Louisville.

Those four neighborhood areas (Russell, Portland, Phoenix Hill/Smoketown/Shelby Park, and South Central Louisville) contain 55,000 residents, 7.5% of Louisville's overall population. Because poverty has such a disproportionate impact on those who have multiple disadvantages, the potential gains from focusing on these communities are significant.

Imagining a More Competitive Louisville

What if Louisville's four poorest neighborhood areas were brought up to the current citywide average? Those neighborhoods as a whole would experience...



5,200

fewer low income children

7,200

additional bachelor's degrees

6,200

more employed people

\$377M

in additional earnings

8

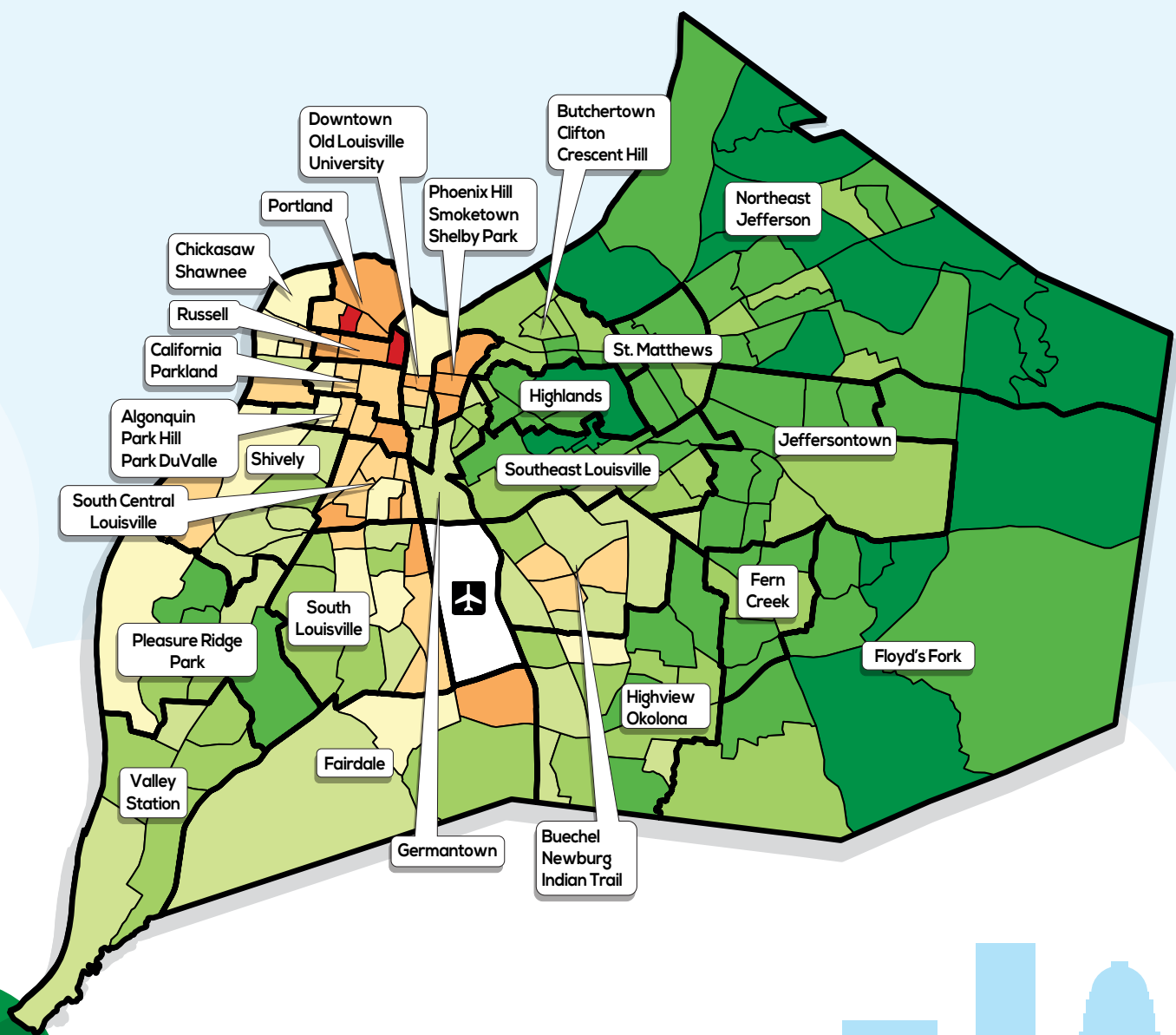
extra years of life per resident

Poverty Beyond Income

Multidimensional Poverty in Louisville

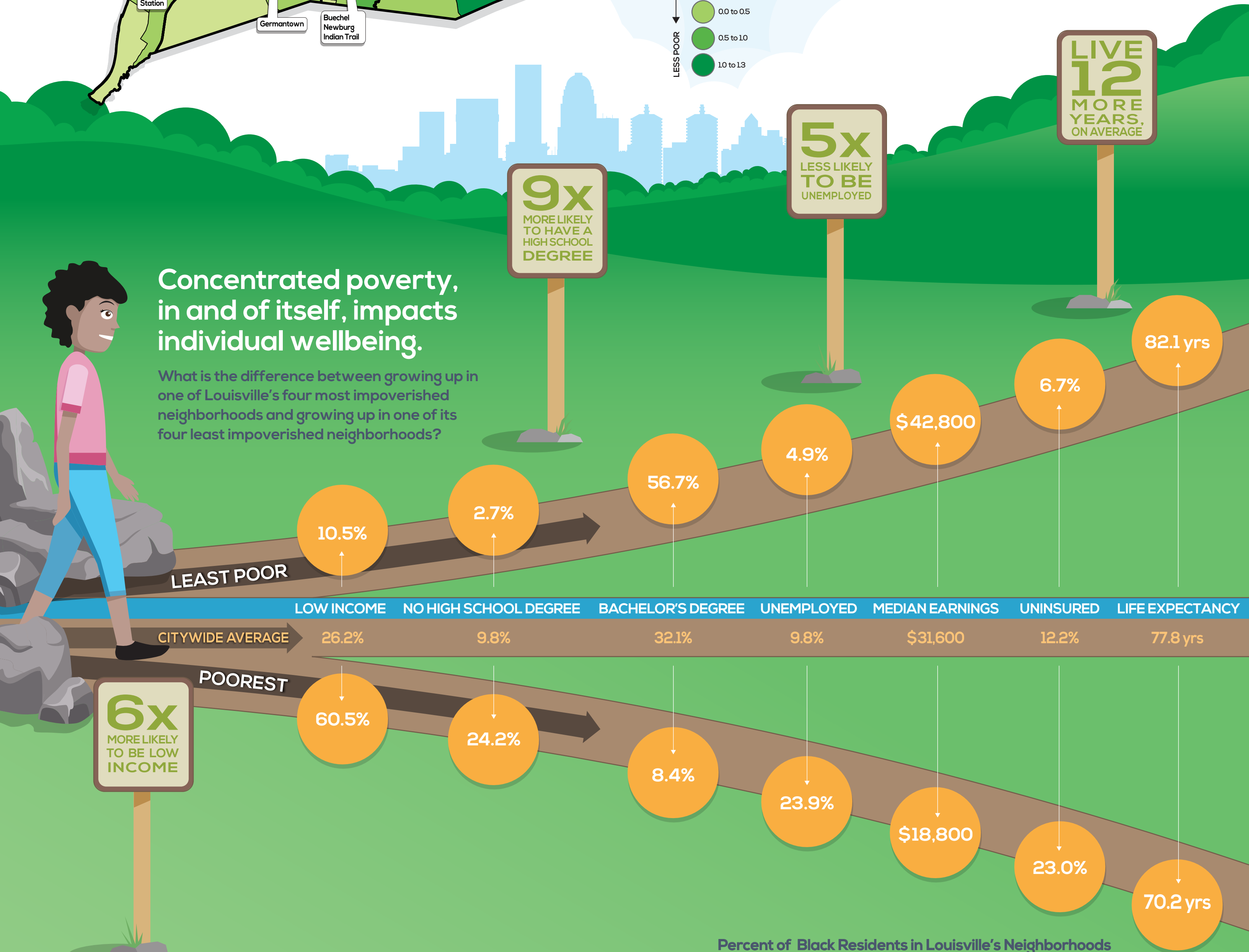
Of all 3,228 census tracts in all of our peer cities, the poorest tract in Russell is the 3rd poorest overall. The poorest tract in Portland is the 10th poorest overall. Nine of our peer cities have zero census tracts more than 2.5 standard deviations below average. Louisville has two.¹

Poverty is experienced as more than just a lack of income. Using a Multidimensional Poverty Index that includes low income (under 150% of the poverty line), unemployment, lack of health insurance, and low education levels (no high school degree) we can identify neighborhoods in Louisville challenged by overlapping barriers to health and wellbeing.



Concentrated poverty, in and of itself, impacts individual wellbeing.

What is the difference between growing up in one of Louisville's four most impoverished neighborhoods and growing up in one of its four least impoverished neighborhoods?

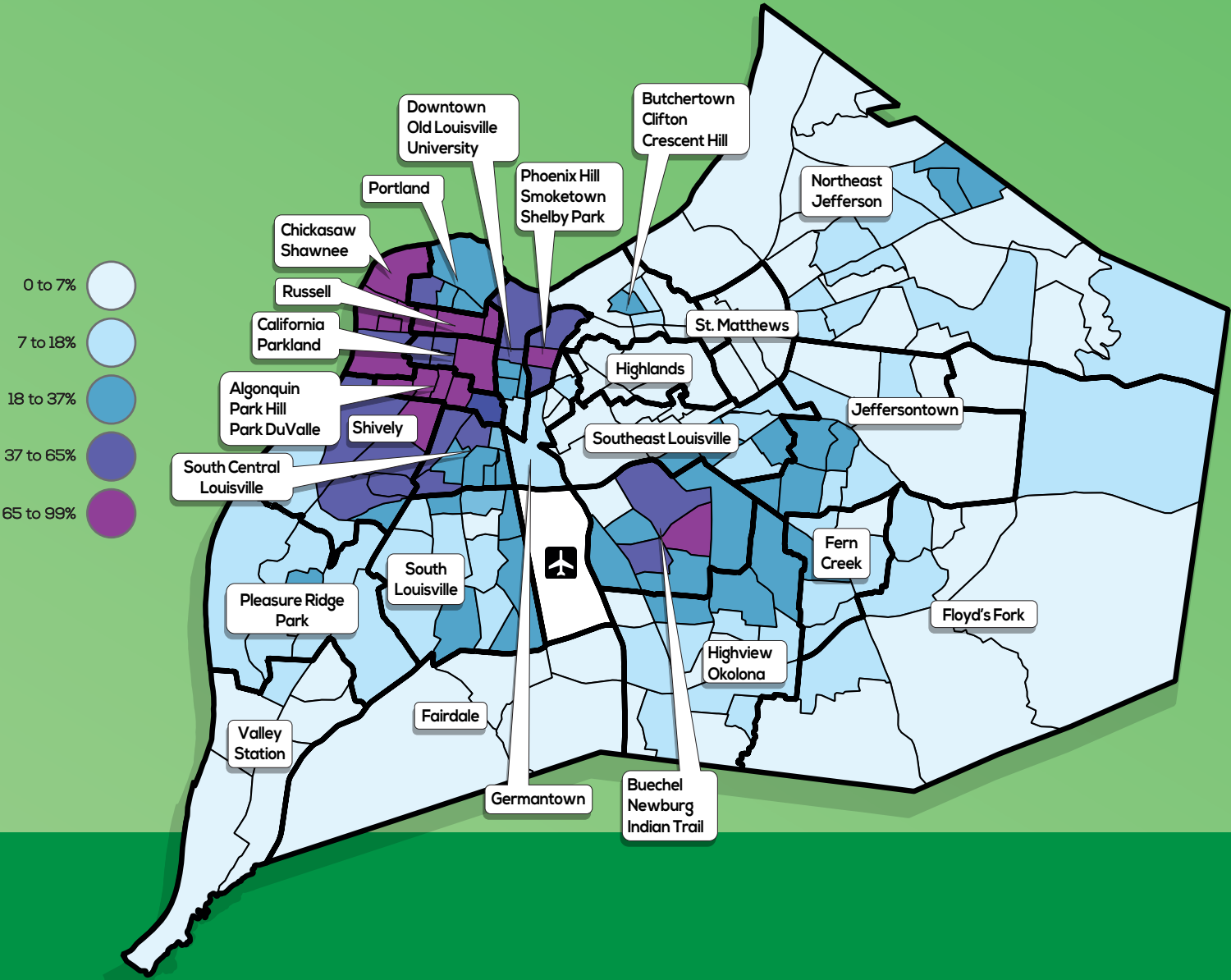


Percent of Black Residents in Louisville's Neighborhoods

Black residents are much more likely to live in multidimensionally poor neighborhoods.

Louisville's history of institutional racism and segregation has had - and continues to have - a significant impact on its multidimensionally poor neighborhoods and the populations concentrated within them. While this report highlights the extent of the disparities across factors like income, health insurance, and educational attainment, it does not discuss the mechanisms behind these disparities. It is clear, however, that these systemic problems significantly contribute to the distribution of poverty across racial lines in Louisville.

When examining poverty in Louisville, our data show that race matters. Black citizens in Louisville are much more likely to live in multidimensionally poor areas than white citizens. The correlation is high (0.64) and is unlikely to have happened by chance ($p < .0001$).



¹ We examine 24 neighborhood areas in Louisville and use the Brookings Institution's poverty index to identify our four most impoverished neighborhoods and our four least impoverished neighborhoods. We put Louisville's 190 census tracts into 24 neighborhood areas as defined by the Louisville's Center for Health Equity.

We All Have a Stake

The experience of multidimensional poverty can decimate hopes, dreams, and possibilities. Systemic barriers created by poverty—such as lack of income, health, employment, education and a feeling of wellbeing—can inhibit a person from considering the possibility that they too can participate in our city's progress. When those barriers come to define too much of a community or neighborhood, the concentration of poverty itself adds an additional layer of challenges.

Meaningfully acting on this data will require acknowledging our history and incorporating a diverse set of voices from across our community, particularly those most impacted by the barriers of poverty. Making Louisville a more competitive city means creating opportunities for all people – regardless of the neighborhood we live in – to flourish and thrive.

It is important to remember that the data discussed represent human lives. In this report we talk about the impact of multidimensional poverty on our city's competitiveness, but the most significant impact of reducing poverty is renewing hope.

Our hope for this report is twofold. First, by identifying concentrations of poverty beyond income, this data will facilitate investment in the neighborhoods and communities that can benefit most from reducing barriers to success. Second, we hope to spark meaningful collaborations across sectors that address the interconnected nature of the barriers to living one's fullest life. The multiple dimensions of poverty do not exist in isolation and cannot be addressed in isolation.

The Greater Louisville Project's purpose is to provide research and data that catalyzes civic action. We focus on four Deep Drivers and track our progress against our peer cities over time. By engaging community leaders in conversations and planning using that data, we hope to create a more competitive city that benefits all of our community.

Acknowledgements

The Greater Louisville Project is an independent, non-profit civic organization whose mission is to act as a catalyst for civic action by providing research and data analysis that engages the community in a shared agenda for long-term progress. Louisville's Deep Drivers of Change are reviewed each year, capturing where the city thrives as well as where we collectively fall short.

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Data provided by the American Community Survey and Louisville Metro Health Department's Center for Health Equity. Framework provided by the Brookings Institution.

Visit www.greaterlouisvilleproject.org to view additional resources related to the report and beyond.
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