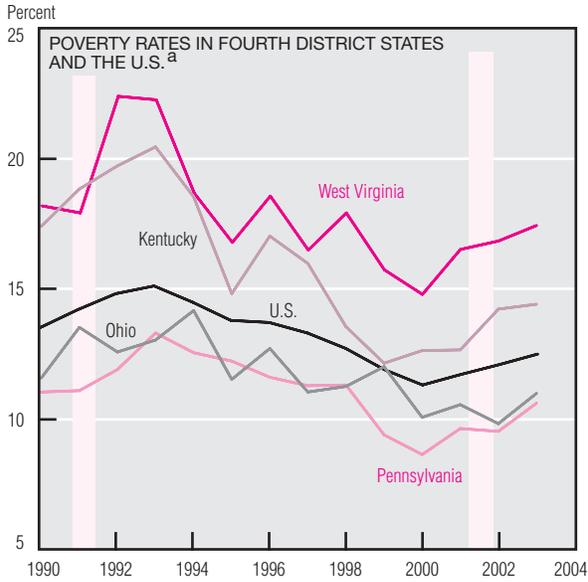
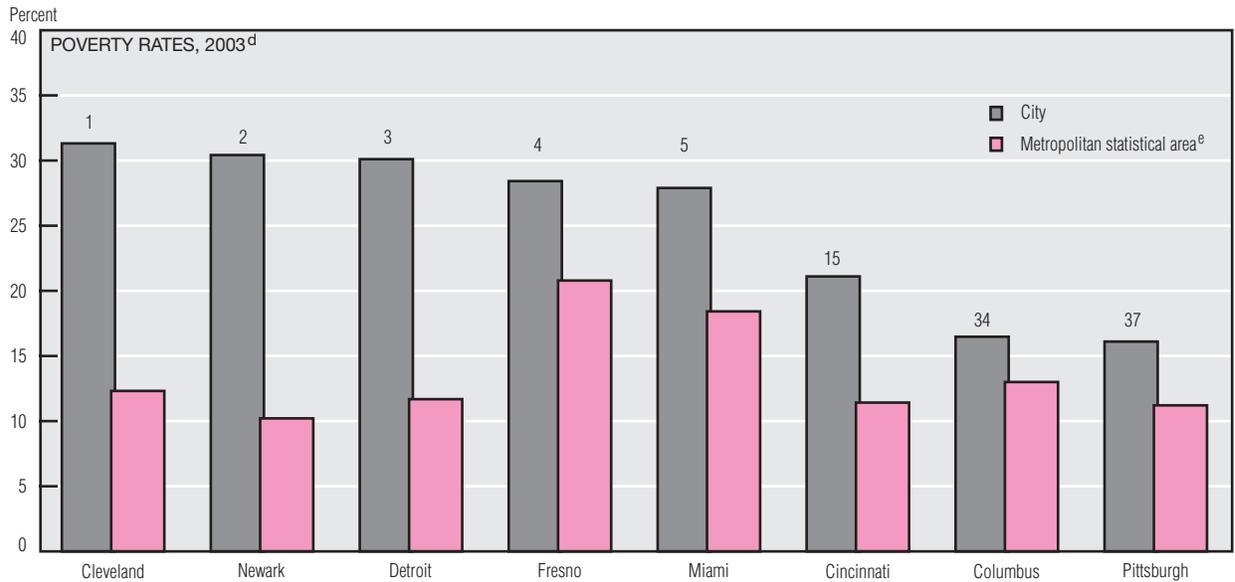


Urban Poverty in the Fourth District



City Poverty Rates^b

	Percent of residents below poverty level			
	2003	2002	2001	2000
Cleveland	31.3	26.3	25.9	24.3
Cincinnati	21.1	23.2	19.8	20.7
Toledo	20.3	19.4	18.7	17.7
Columbus	16.5	16.9	14.4	15.7
Pittsburgh	16.1	17.5	15.6	18.6
Lexington ^c	18.1	18.8	—	—
U.S.	12.7	12.4	12.1	12.2



a. Poverty rates from the Current Population Survey.
 b. Poverty rates from the American Community Survey. Refers to cities, not MSAs.
 c. Includes all of Fayette County.
 d. Numbers above bars are national rankings.
 e. Due to insufficient data, the Cincinnati MSA is represented by Hamilton County, which has 48% of the MSA's population; the Columbus MSA is represented by Franklin County, which has 67% of the MSA's population.
 SOURCE: U.S. Department of Commerce, Bureau of the Census.

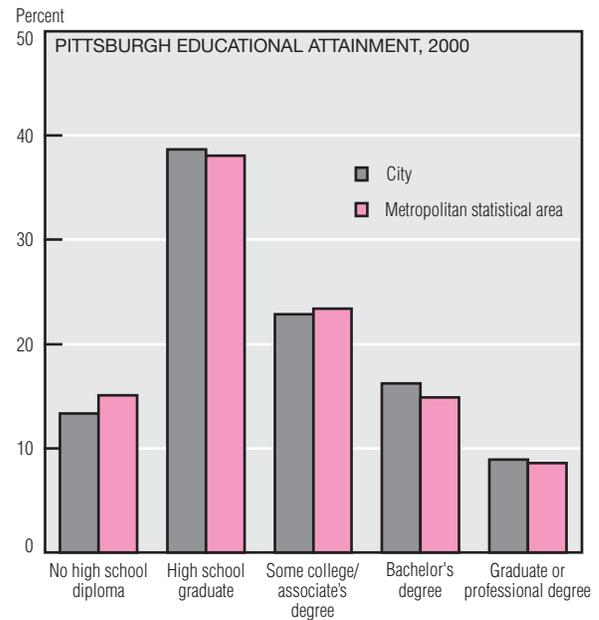
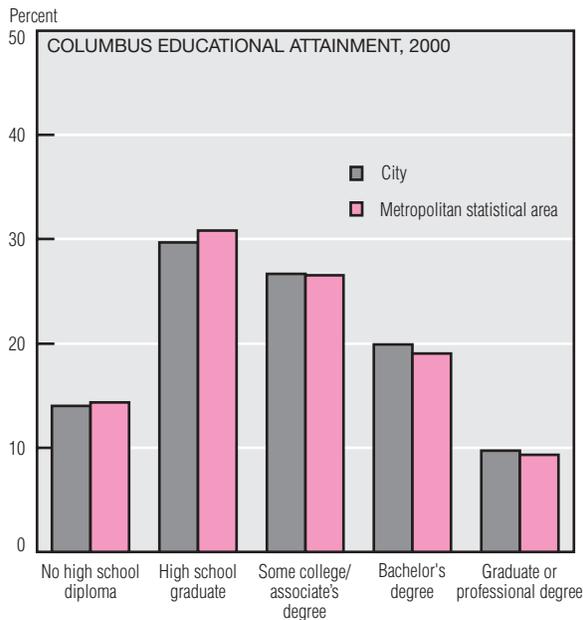
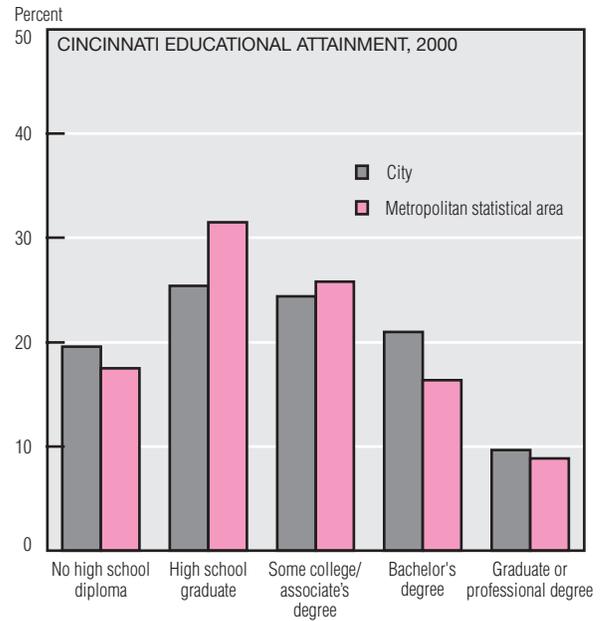
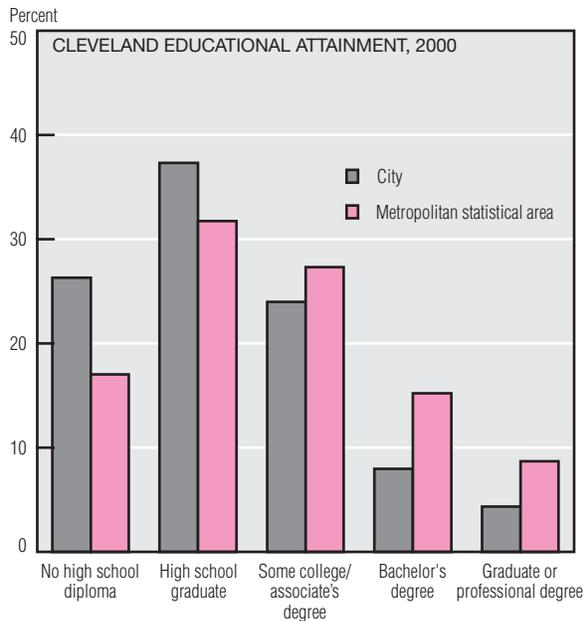
Cleveland recently attracted national attention when the Census Bureau ranked its poverty rate the highest of any U.S. city with a population over 250,000. In part, Cleveland's worsening poverty rate reflects the harsh impact of the recent recession. However, the recession worsened poverty rates across the country to some degree. After trending downward for a decade, poverty rates in the U.S. and in all four Fourth District states began

ticking up in 2000—in advance of the recession. Compared to other District cities of similar size, Cleveland also fares poorly: In 2003, its 31.3% poverty rate was more than 10 percentage points higher than that of Cincinnati, the city with the second-highest poverty rate in the District. Cleveland's poverty rate was nearly double Columbus's 16.5% and Pittsburgh's 16.1%. The comparison to Pittsburgh is especially

striking because the two cities have similarly high concentrations of manufacturing. Finally, Cleveland's poverty rate increase in 2000–03 was 14 times greater than the U.S. and seven times greater than Ohio. Cleveland's difficult passage through the recession is part—but not all—of the story. Because city boundaries are historically determined, they do not usually encompass all relevant economic activity in a labor market. A more

(continued on next page)

Urban Poverty in the Fourth District (cont.)



SOURCE: U.S. Department of Commerce, Bureau of the Census.

appropriate context for an area's economic information is the metropolitan statistical area (MSA), which is designed to capture most of an area's related economic activity and may span several counties. In this context, the Cleveland MSA looks fairly unremarkable and far more like its counterparts in the District.

Income differences between the city and the metropolitan area can be partly explained by educational attainment: On average, higher

education levels are associated with higher earnings. In 2000, suburban Cleveland had double the central city's share of people with at least a bachelor's degree. And whereas people with no more than a high school education made up half of the MSA's working-age population, they accounted for about two-thirds of the central city's. These city/MSA disparities in education are more pronounced for Cleveland than for Cincinnati, Columbus, or Pittsburgh.

In educational attainment, Cleveland's central city also compares poorly with Cincinnati, Columbus, and Pittsburgh. In 2000, the share of the central city population with no more than a high school education was over 60% in Cleveland but around 40%–50% in Cincinnati, Columbus, and Pittsburgh. People with at least a bachelor's degree made up only 12% of the central city population in Cleveland, compared to better than 25% in Cincinnati, Columbus, and Pittsburgh.