

CHAPTER ONE

The *Economics* of the Poor Urban Experience

The topic of neighborhood poverty concentration effects can best be characterized as an overarching research framework in the study of urban poverty rather than a sociological theory in the strictest sense. Much of the research on national and local structural changes and their related urban consequences have been supplanted by more recent work that considers global competition and the implications of economic restructuring in Internet driven markets. And while this book is informed by the implications of internationalization, it is more in the spirit of earlier analyses by scholars such as Drake and Cayton [1945](1962), Hannerz (1969), and Williams (1981), as well as more recent studies by Duneier (1992) and William Julius Wilson (1996), and focuses on the relationship between societal changes and outcomes at the local level to explore the experiences of urban residents most affected by neighborhood concentrated poverty.

Neighborhood Poverty Concentration Effects

Neighborhood poverty concentration effects suggest a direct relationship between urban poverty and negative economic and social conditions. In the broadest sense, this framework assumes increasingly dire conditions, as the proportion of impoverished residents within a given area increases. Neighborhood can be used to represent social and cultural connectedness (although the term “community” may be most appropriate, see Craven and Wellman [1973] and Wellman and Leighton [1979]), however within this context, neighborhood is usually synonymous with census tract. The latter definition provides a more concrete approach to examine and compare historic and current socioeconomic trends using census data. Similarly,

poverty is defined based on the official poverty line used by the U.S. Census to reflect a set of rock-bottom food expenditures for families based on composition and area of residence.¹ And although the inadequacies and limitations of this poverty threshold have been illustrated, given its wide use and appeal as a statistical baseline, it serves as an adequate point of reference here.² Based on these criteria, *poor neighborhoods* are defined as census tracts, where more than 20 percent of residents live below the official poverty threshold; using terminology made popular by Wilson (1987), Jargowsky (1994, 1996), Massey and Denton (1993) and other scholars, over 40 percent of impoverished residents in a given census tract constitute a “ghetto-poverty neighborhood.” Although these definitions allow us to empirically associate physical locales with socioeconomic indices, their implications are more far-reaching.

Earlier scholars from Drake and Cayton [1945](1962) to their contemporaries suggest that, prior to the 1970s, dramatic increases in urban poverty were kept at bay due largely to the influences and lifestyles of middle- and working-class families who lived in segregated, socioeconomically heterogeneous, but manufacturing-dependent cities. More recently, urban centers that are densely populated with impoverished persons have been unable to effectively counteract the deleterious effects of neighborhood poverty. As neighborhood poverty increases, the following types of outcomes are expected to result: social disorganization, high unemployment,³ female-headed households, welfare dependency, lack of marriageable men, increased crime, constrained social networks, inadequate housing, malaise, segregation, and isolation. Other possible manifestations include aberrant social behavior and countercultures.⁴

The neighborhood poverty concentration effects framework may seem somewhat deterministic in that it presupposes economic barriers preclude other mechanisms for social control, local solidarity, and community. To imply agency on the part of residents, some scholars emphasize prevailing “mainstream sentiments” in inner cities, caution against generalizing the effects of concentrated poverty to all urban dwellers, and suggest that, for those residents who do not succumb to the effects of poverty, changing opportunity structures can result in changes in attitudes and behavior.⁵ The terms *census tract* and *neighborhood* are used interchangeably in this study when referring to empirical data, with the understanding that the latter term may also inculcate a broader meaning that reflects social and economic interactions in a given locale.

The two-pronged question to be addressed here is how structural changes associated with class and race/ethnicity influence the experiences, choices, and responses of urban residents, in particular, those in Gary, Indiana. And although it is generally believed that some residents in urban settings possess a certain degree of self-efficacy and wherewithal to combat social forces, the longevity, pervasiveness, and history of structural forces imply that their effects are more formidable than individual initiative alone can arrest. The neighborhood poverty concentration framework guides this inquiry because of its ability to correlate issues of structure and agency in ways that are important in academic, applied, and policy-making settings.

Economic Effects of Deindustrialization and Disinvestment

Industrial occupations provided an opportunity for many hard working, less formally educated men to earn a family wage. In the late nineteenth century, small towns and subsequent cities began to emerge as sites for industrial workers and their families. At certain periods, particularly during World War I, the demand for unskilled labor became so great, recruitment efforts reached the southern and western regions of the United States. For example, in 1950, the country produced 50 percent of the world's steel;⁶ related industries in textiles, meat packing, automobile, and railroads located in central cities also produced the bulk of these resources.⁷ It has been suggested that the United States failed to recognize the inevitable decline in demand for manufactured products internationally, increased competition and production efficiency of competitors such as Japan and China, and the effects of the burgeoning technological age. In addition, many industrial workers did not predict the dramatic economic changes that were about to occur in the late 1900s and the implications for their livelihood. Without foresight, younger men often opted for steel mill positions rather than college, and many heads of household were not prepared for the "rainy day" that was postindustrialization.

In response to increased competition globally and from nonunion shops, industries often found it cheaper to relocate abroad, to the suburbs, or in some instances, to southern locales, where they could benefit from higher profits due to lower operating costs and enjoy both lower land prices and taxes. Although generally implemented later than its foreign competitors, U.S. technological improvements also

made it possible to produce more efficiently and, in some cases, increase production, with fewer workers.⁸ This efficiency resulted in considerable downsizing of the labor force. By the late 1900s, most persons previously gainfully employed in northern industrial cities found themselves either unemployed, underemployed, or working in service occupations for substantially lower pay and reduced benefits.⁹ Urban centers, where most manufacturing plants were located, were hurt the most.¹⁰ Flanagan (1999) notes:

From 1963 to 1977 the total number of manufacturing jobs in the central cities of the 25 largest metropolitan areas dropped by 700,000, while their suburbs added about 1.1 million. What was more serious for the populations of the older industrial regions was that such employment opportunities were moving out of their metropolitan areas altogether. From 1958 to 1972, the more established industrial cities of the North lost between 14 to 18 percent of their manufacturing jobs, while the cities of the Sunbelt increased theirs between 60 and 100 percent. (p. 211)

Cities such as Chicago, New York, Detroit, and Philadelphia lost over half their manufacturing jobs during the 20-year period following 1967. This translated into 500,000 jobs in New York, 326,000 in Chicago, 160,000 in Philadelphia, and 108,000 in Detroit.¹¹ Economic-driven changes that severely limited or closed opportunity structures, coupled with factors such as poor infrastructure and housing to accommodate urban masses, group conflict and competition over jobs and space, redlining, discrimination, racism, and public/private sector tensions ultimately resulted in today's poor urban cities.

Related and secondary economic enterprise in manufacturing-dependent cities also suffered as a result of deindustrialization. The negative implications were evident in Chicago: "During the 1960s, Chicago lost 500,000 white residents, 211,000 jobs, and 140,000 private housing units. As the West Side of Chicago was enveloped in an expanding core of poverty . . . 75 percent of its businesses disappeared" (Grogan and Proscio 2000, pp. 40–41). Recent data show a 50 percent decline in local businesses in some poor urban settings, where the "local commercial environment [is] dominated by liquor stores, bars, small groceries, and the illegal drug trade" (Chin 2001, p. 96). Many small, local businesses are often owned by immigrants with limited ties to

the community and tenuous relationships with residents.¹² And although the negative economic effects of deindustrialization on cities are evident, a myriad of correlated factors have irrevocably altered the quality of life of urban residents. Yet Wilson (1996) provides an important observation regarding diversity within even the most impoverished areas:

Three quarters of all the ghetto poor in metropolitan areas reside in one hundred of the nation's largest central cities; however, it is important to remember that the ghetto areas in these central cities also include a good many families and individuals who are not poor. (p. 12)

Social Implications and Neighborhood Organization

Neighborhood poverty has long been considered a key influence on the social milieu of many urban areas. Wilson (1996) suggests that the life chances of the poor are further reduced, if they also reside in impoverished neighborhoods. The social environment found in more economically stable neighborhoods is said to reinforce appropriate (often referred to as "mainstream") norms and values, aid in the proper socialization of youth, and help cultivate important informal networks. It has been suggested that some of the social implications of neighborhood poverty concentration effects manifest in the form of low self-efficacy, involvement in the illegal workforce, and poor personal choices that perpetuate poverty. Acute social isolation has been shown to result in oppositional identity and aberrant attitudes and lifestyles as compared to individuals in the larger society.¹³ In its milder form, oppositional identity may manifest in clothing, speech forms, and attitudes considered counterculture. At its most negative, oppositional lifestyles have been correlated with criminal behavior and violence. However, it has been documented that the vast majority of urban residents, even some who experience abject poverty, often embrace norms and values typically associated with the larger society.¹⁴

The size and density of cities have been linked to the prevalence of crime. Logic dictates that the larger the population, the greater the likelihood of offenses and victimization. Further examination of urban literature illustrates that large, densely populated areas of poor and near-poor persons tend to exacerbate

such conditions. Research suggests a direct relationship between poverty, unemployment, and urban crime. Conservative authors associate urban criminal activity with lower class culture.¹⁵ Others concede the existence of urban countercultures, but conclude that the majority of urban residents are law-abiding citizens who must contend with a numeric-minority criminal element and consequences of proximity to various illegal economies.¹⁶ And still other scholars suggest urbanites adapt to varying situations that, in some instances, require a law-abiding persona, and in others, require them to take on “street” mannerisms and behavior to survive.¹⁷ However, the most telling depictions of the gradual effects of poverty on social control and neighborhood organization illustrate how residents who have been socialized to accept and work toward the “American Dream” and the benefits of following societal dictates become critical and bitter over time and ultimately reject prevailing norms and values as counterintuitive based on their daily problems.¹⁸

Social disorganization has also been associated with constrained interaction, both formal and informal, with the larger society. In this context, many residents in poor areas are said to have limited exposure to persons in the main and few “weak ties” needed to procure job, resources, and information.¹⁹ And although social and physical segregation, the out-migration of gainful jobs, and young mothers with limited parenting skills among other factors have been associated with social disorganization in urban areas, it is important to also consider the possible implications for those persons whose preoccupation with basic daily survival issues may overshadow other concerns, such as neighborhood involvement and social control. The topic of social disorganization also considers leveled aspirations and failure to adhere to prevailing societal guidelines due to economic conditions that ultimately give rise to crime, an inability to maintain control over youth, particularly young African American males, and a loss of residential solidarity and camaraderie. This study expands the notion of social disorganization by focusing on the implications of city-wide economic demise as a result of precarious public/private sector ties that failed to stimulate business, the resulting low tax base, limited real and perceived residential clout to effect change, and the relationship between racial/ethnic and economic homogeneity and limited enterprise. In this context, I examine how residents in Gary, Indiana, contend with the social and economic disorganization that comes about as a result of deindustrialization and disinvestment in their city and neighborhoods.

Disproportionately Affected and Underrecognized Groups

Racial/Ethnic Groups

In spite of the various groups that experienced downward mobility as a result of deindustrialization, the “face of poverty” is often depicted as African American, female, and urban. Media sources earn rating share and profits by reinforcing prevailing beliefs,²⁰ despite facts that more Whites are poor than are African Americans and rural residents rather than urbanites are more likely to be impoverished. Given the potential disconnect between scholarship and public sentiment, in order to investigate various costs associated with life in Gary, Indiana, it is important to identify key persons, groups, and organizations, their histories, inter- and intragroup relations, and how the nexus between race/ethnicity, class, and place influence contemporary conditions in the city. Such a query will shed light on those groups most affected by poverty.

Although census data show that about 75 percent of all impoverished person are White, poverty among Whites appears to be less expected, less recognized, less stigmatized, and less often the focus of research and social commentary. Poverty among Whites disproportionately affects women, especially those who are single-parents or divorced with children. Based on 2000 census data, 8.1 percent of non-Hispanic/Latino Whites live below the poverty level; about 5 percent of White persons 18–64 years old are poor. Of those Whites living below the official poverty threshold, about 8.9 percent are 5 years old or younger, and 59.6 percent are 18–64 years old. And of White families that are poor, about 29.4 percent are married couples with dependent children under the age of 18, and 36.4 percent are female-headed households with such children. Flanagan (1999) summarizes the prevalence and profile of poverty in U.S. cities:

The higher overall concentration of poverty in central cities is in large part the result of the concentration of poor *whites* [emphasis is his] in these areas: At the time of the last general census poverty rate for African Americans and Latinos who live in nonmetropolitan areas is actually higher than the rate in the central cities. These distinctions are important to note, because they inform us that the assumption that most of the central city poor are minorities is false; most are white. (p. 264)

Although more Whites experience poverty, people of color, women, and children are at greater risk. Aspirations of gainful employment in industrial factories and economic security, coupled with the desire to escape oppressive conditions in the South, resulted in an exodus by African Americans to places such as New York, Indiana, Illinois, Pennsylvania, and Michigan. In 1920 the urban African American population increased by almost 50 percent. The benefits of the industrial era were short-lived, and the technological age brought many challenges for African American urbanites, especially the working class, who tended to be employed in the manufacturing arena. Deindustrialization meant downward economic mobility for the less educated, blue-collar workers—a disproportionate number of whom were urban African Americans. And African Americans continue to be one of the groups most affected by urban poverty. According to 2000 census figures, 22.1 percent of African Americans are poor (down from 23.6 percent in 1999), and over 40 percent of African American children are growing up impoverished. The majority of impoverished African Americans reside in urban centers.

Dreams of economic and political betterment also precipitated migration of persons of Hispanic descent. One writer notes, “of the 22.3 million people in the United States in 1991 with ties of identity (however distant) to New World Spanish colonial territories, 52 percent lived in central cities and 93 percent in metropolitan areas.”²¹ Most were originally from Mexico, Puerto Rico, Cuba, and Central and South America. Just as African Americans are concentrated in northern cities and “rust-belt” locales, Hispanic urbanites tend to reside in large cities such as Chicago, New York, and Miami and in the Southwest. Like many African Americans, segments of the Hispanic population experienced discrimination, racism, and social isolation in inner cities. However, factors such as mobility patterns, human capital, place of origin, and assimilation rates have contributed to the upward mobility of certain Hispanic subgroups (example, Cubans) as compared to African Americans, Mexicans, and Puerto Ricans.

In 2000 approximately 21.2 percent of Hispanics lived in poverty; the comparable figure in 1999 was 22.8 percent.²² When areas in New York and Los Angeles are considered, patterns similar to those of impoverished African Americans emerge—female headed households, chronic unemployment, segregation and isolation in barrios, and persons with limited education and training. And negative conditions are particularly acute for many Puerto Ricans, who have been characterized as the “other underclass”

(Lemann 1991, p. 96). Flanagan's (1999) general observation is germane to this analysis, "Once we have absorbed these subtleties of classification we are left with the most important fact: many poor African Americans, Latino, and white people live in cities" (p. 264). The importance of comparing and contrasting racial/ethnic experiences with poverty is not to illustrate that certain groups are *better at* negotiating poverty than others, but rather to illustrate inter- and intragroup patterns, as well as possible distinctive features for groups who experience similar social and economic challenges.

Women and Children

When identifying groups most affected by urban poverty, some overlap is evident between poverty found among racial/ethnic groups and poverty among both women and children. Factors such as employment restructuring resulting in pink color jobs with low wages and limited or no health care, lack of affordable housing and child-care, absentee fathers, difficulty enforcing alimony and child support edicts,²³ divorce, limited "marriageable males," and changing values about marriage and childrearing²⁴ have all been correlated with the feminization and juvenilization of poverty. Furthermore, these dynamics have contributed to the disproportionate percentage of poor urban women and their children. Female-headed homes are common in urban settings and indicative of overall trends in marital relations in the United States. But with this change has also come increased risk of socioeconomic instability, especially for African American and Puerto Rican women.²⁵

According to 2000 census data, about 34.3 and 46.4 percent of female-headed households with children under 18 and 5 years old, respectively, are poor; substantially greater representation occurs for households headed by females from racial/ethnic groups. The importance of marriage in staving off poverty is further illustrated by 2002 census data. While about 9.6 percent of families in general live below poverty, slightly over 5.3 percent of married couples are poor. Comparable census measures for African Americans and Hispanics are substantially higher. Thus the economically stabilizing character found in many nuclear families stands in stark contrast to the precarious economic status of many households that deviate from this structure.²⁶ Studies on facets of the experiences of poor and near-poor women parallel census data. Wilson and Wacquant (1989) note that

substantially more women comprise the ranks of the ghetto poor, while McLanahan and Garfinkel (1989) contend that female-headed households may represent the “crystallization of an urban underclass” (p. 93). Similarly, Pearce (1983) suggests that “the ‘double’ disadvantage experienced by African American women is actually, in quantitative terms, a geometrically increasing ‘quadruple’ disadvantage,” (p. 72) because such women contend with micro-level disadvantage at the hands of African American men, as well as macro-level effects in the form of racial and gender discrimination.

Women’s poverty has also been attributed to weak labor force attachment and limited human capital for currently demanded jobs. Lower labor force participation has been found for African American single mothers as compared to their White single parent and African-American and White married counterparts. In summary, research suggests that: 1) female-headed households have increased, and women of color are more likely to live in such households;²⁷ 2) poor and near-poor women of color are more likely to reside in cities; 3) unmarried women with children are more likely to bear the brunt of economic and noneconomic support for their children;²⁸ 4) women tend to earn \$0.70–\$0.77 to every dollar earned by men; and, 5) some inner-city women will continue to have relationships with men who are not “marriageable” from whom children may result.²⁹ The combined effects of these trends for Whites, racial/ethnic groups, and women and children inform our understanding of the current levels of concentrated poverty in urban centers, in general, and in Gary, Indiana, in particular.

Structural Changes and Neighborhood Concentrated Poverty in Gary, Indiana

History in Economic Context

Macro-level structural changes associated with economic shifts and racial and spatial arrangements have transformed many once relatively stable urban centers into blighted shells of their former selves. Early cities were confronted with poverty, but residents still had buffers in the form of access to jobs, class heterogeneity among households within neighborhoods, and local businesses, organizations, and service providers.³⁰ However, in the 1970s, urban cities like Chicago, Detroit, and Gary, Indiana, that were dependent on manufacturing industries experienced in-

creased poverty. Although recognized, but not often the focus of studies, is the fact that structural changes, such as business relocations, out-migration of many economically stable families, and concentrated poverty, have also resulted in an absence of basic service providers, such as grocery, drug, and clothing stores, banks, and gas stations in affected areas. Such establishments are often replaced by check cashing facilities, corner and liquor stores, and pawnshops.³¹ Gary, Indiana is one such case in point; current conditions in the city belie its former state.

Gary, Indiana was founded in 1903 as a center for the U.S. Steel Corporation's manufacturing operations and a place of residence for steel workers and their families. The city was named after Judge Elbert Gary, U.S. Steel's chairman of the board. To some, Gary and other neighboring cities such as Waukegan, Aurora, and Joliet represented manufacturing satellites of the burgeoning transportation industries in Chicago.³² The early twentieth century witnessed the migration of African Americans to Gary in large numbers from the South to take advantage of manufacturing jobs. According to Hurley's (1995) historical account:

Between 1920 and 1930, more than 15,000 migrants, most of them from Mississippi, Alabama, Tennessee, Arkansas, and Georgia arrived in Gary to work in the mammoth lakefront factories . . . the following decade, another 20,000 African Americans came to the Steel City to fill industrial positions created by the wartime boom. (pp. 112–113)

By the 1940s, U.S. Steel, in addition to two other steel mills, Bethlehem and Inland, provided the city with as much as half of its labor force. And by 1950, about 75 percent of African American men in Gary worked in the industrial sector. The benefits of industrialization were great for African Americans:

The continued availability of manufacturing jobs through the 1950s and 1960s made Gary somewhat of a mecca for blacks. In 1956 *Ebony* magazine ranked Gary as the best place in the country for African Americans; by 1969, Gary's blacks had a higher median income than their counterparts in any other U.S. city. (Hurley 1995, p. 113)

Less than four decades later, the postindustrial city would be referred to as the murder capital of the country.³³

Gary remained a steel-producing leader until national out-migration of steel manufacturing in the late 1970s resulted in high unemployment rates, especially among African American men and the replacement of many manufacturing jobs with lower-paying service-oriented occupations over the subsequent 25 year period. In his political and historical analysis on the city, Catlin (1993) notes that the Gary metropolitan region saw a decline in steel mill jobs from 70,000 in 1979 to 40,000 in 1982. Such jobs in the *city* of Gary fell from 30,000 in 1974 to under 6,000 by 1987. This employment change also led to the exodus of other businesses and residents, infrastructure decline, a reduced tax base, and other economic and social ills that occur when work disappears. Businesses that out-migrated were not replaced in kind and, in 1986, the 20 percent unemployment rate found in Gary was almost three times the national average and seven percentage points higher than in neighboring counties.³⁴ The gradual out-migration of Whites to nearby areas like Merrillville and Portage, Indiana, occurred simultaneously.

Gary's population declined from 175,415 in 1970 to 151,953 in 1980, and to 116,646 in 1990. According to 2001 U.S. Census figures, the city spans approximately 57.24 square miles, is currently populated by about 102,746 predominantly African American residents, and has a population per square mile of about 2,046. Although Gary is predominately African American, predominately White districts such as Black Oak remain in the city. Although Gary is in close proximity to the town of Merrillville and the city of Portage, both are predominately White, smaller, and less densely populated than Gary (areas of 33.32 and 27.43 square miles, 30,560 and 33,496 population counts, and 918 and 1,316 persons per square mile, respectively). The gradual postindustrial economic decline in Gary contrasts starkly with increased economic stability in Merrillville and Portage. Both are economically linked to Gary, especially Merrillville, due to its shopping mall district frequented by Gary residents for goods, services, and jobs. In addition, both places provide affordable housing options and employment prospects for some Gary residents. However, certain segments of Merrillville and Portage also experience high levels of poverty. In many respects, Gary's history parallels that of other manufacturing-dependent cities such as Milwaukee, Detroit, and certain parts of Chicago that experienced globalization and deindustrialization, coupled with current and historical racism, discrimination, segregation, political disempowerment on the statewide landscape, and the resulting out-migration of businesses and more economically stable residents.

Changes in Gary and surrounding cities and towns illustrate important demographic and economic factors needed to undergird a strong economy. Table 1.1 includes economic and social indices for Gary and neighboring Merrillville and Portage. The latter two areas are central to Gary's transition, because they were often beneficiaries of businesses, middle-class residents, and other establishments that vacated the city. For example, Gary experienced an 11.9 percent population decline from 1990–2000, while Merrillville's population increased by 12.1 percent during the same period.³⁵ An inverse relationship exists between the percentages of White and African American residents that occupied the city each period. And just as Gary saw a decrease in Whites between 1970 and 2000, the number of Whites in Portage also grew. It should be noted that, just as more economically stable White and African American families exited Gary, the lack of jobs meant that fewer emigrants moved there, and continued economic problems made the city less attractive to others who might have considered relocating there. Just as the proportion of women, primarily single mothers, grew in the city over the 40-year period, similar increases were not apparent in Merrillville and Portage.

Trends show a significant decline in manufacturing positions in the 40-year period from the late 1960s. By 2000 less than 20 percent of employed residents worked in the manufacturing industry, while about 24 percent were employed in service occupations. Given that the estimated average yearly earnings for the two occupational categories for Gary residents were \$57,368 and \$26,891,³⁶ respectively in 2000, the city experienced a substantial change in both the types of gainful employment available and the earning power of those who remained employed. The decline in manufacturing jobs as the mainstay source of revenue, both for the city and its residents, was accompanied by increases in poverty and unemployment. Although Gary experienced a drop in poverty since the 1990s, in 2000, Gary's poverty rate was almost six times the rate in Merrillville and three times that in Portage.

Rural and Urban Differences

Although Gary and Portage are, by census definition, cities, and Merrillville, a town, both Portage and Merrillville have certain characteristics that may benefit the poor that are often absent from resources in the inner city. When rural immigrants began to enter the United States in large numbers, most followed family members to large cities. For example, Klebanow, Jonas, and Leonard (1977) note that by 1870, although only 15 percent of the total U.S. population

Table 1.1
Demographic Changes in Gary and Surrounding Areas
in Indiana, 1970-2000

	Gary			
	2000	1990	1980	1970
Total Population	102,746	116,646	151,953	175,415
% African American	84.0	81.6	73.6	53.3 ⁺
% White	11.9	16.3	26.4	46.7
% Hispanic [‡]	4.9	5.7	7.5	—
% Female	54.2	54.0	52.8	57.4
% Manufacturing industry	19.0	21.7	38.9	48.8
% Service occupations	24.0	16.0	14.7	13.2
Unemployment rate	8.3	16.7	14.5	8.8
Poverty rate	25.8	29.4	20.4	15.1
		Merrillville		
	2000	1990	1980	1970
Total Population	30,560	27,257	27,677	15,918 [±]
% African American	22.9	5.0	0.001	0.001 ⁺
% White	69.7	91.7	99.9	99.9
% Hispanic [‡]	9.7	6.9	0.1	—
% Female	52.3	52.1	51.7	67.1
% Manufacturing industry	19.4	23.5	31.8	38.3
% Service occupations	14.3	9.1	11.0	6.9
Unemployment rate	2.9	4.2	5.9	3.3
Poverty rate	4.3	3.6	3.2	2.6
		Portage		
	2000	1990	1980	1970
Total Population	33,496	29,060	27,409	19,127
% African American	1.4	0.4	0.001	0.3 ⁺
% White	92.5	97.1	99.9	99.7
% Hispanic [‡]	9.9	6.4	0.1	—
% Female	51.5	51.3	50.8	73.2
% Manufacturing industry	26.4	30.5	39.3	46.5
% Service occupations	16.8	11.7	11.8	9.5
Unemployment rate	3.2	6.2	8.9	5.8
Poverty rate	7.5	7.9	5.1	3.8

Sources: Profile of General Demographic Characteristics: Census 2000 Summary File (SF 1), Race and Hispanic or Latino: Census 2000 Summary File, Profile of Selected Economic Characteristics: Census 2000 Summary File 3 (SF 3), Income and Poverty Status: Census 1990 Summary Tape File 3 (STF 3), General Population and Housing Characteristics: Census 1990 Summary Tape File 1 (STF 1), 1980 and 1970 General Social and Economic Characteristics: Census of Population Part 16 Indiana Section 2. Note: Poverty rate represents values for individuals: + 1970 figures included Negro and other non-White races combined: ‡ Hispanic ethnicity may be part of White or Black race: ± Includes Merrillville, Lottville, and Rexville.

consisted of immigrants, 34 percent of residents in the 50 largest cities were foreign-born. Residents in Portage and Merrillville may benefit due to their proximity to farms, where produce can be purchased less expensively. In some cases, poor rural families tend plots of lands to grow food to augment their constrained budgets.³⁷ And although the density in a large city may give inner-city poor greater access to certain organized social services and churches that provide assistance, the rural poor often live with or in close proximity to family members who provide economic and instrumental support.³⁸ In addition, places like Merrillville and Portage exhibit “city and town” features (example, access to farming and social services) that may benefit residents. And although rural residents aren’t exempt from poverty, the highest levels of *concentrated* poverty continue to be found in central cities.³⁹ However, because of the influence of media representations and stereotypes that associate poverty with urban residents, rural poverty, like White poverty, tends to be less visible, less acknowledged, and less stigmatized.

Race Relations in Gary, Indiana

If economic restructuring is considered the central catalyst behind contemporary urban poverty, race relations can be considered a mitigating factor in the process. Just as an analysis that is uni-causal in its emphasis on racism as the reason for urban poverty should be questioned, suspicions should arise when scholarship that explores societal inequities fails to consider the implications of racism or other discriminatory practices. The cumulative effects of historic institutional racism in political, economic, and social arenas continue to manifest and impact life chances of many residents in poor urban areas. The history of Gary and cities like it shows that tenuous race relations, discrimination, and institutionalized racism had an indelible impact on the city’s development and current impoverished conditions.

Migratory groups to Chicago, Cleveland, Detroit, St. Louis, Toledo, and Gary were initially small as compared to indigenous and immigrant Whites who lived in cities.⁴⁰ Thus African Americans (and Mexicans) were not initially considered a threat for jobs, space, or power. In some cities, minorities were actively recruited to fill lower-level, mostly manual-labor positions made available during periods of restricted European immigration in the 1920s and during World Wars I and II. The majority of minorities were employed in manufacturing or transportation-related industry. According to Mohl and Betten

(1986), by 1920, 14 percent of the U.S. Steel labor force was African American. But in 1928, only 4.7 percent of African American steelworkers were skilled laborers. The majority were considered unskilled workers. Thus African American and Hispanics were concentrated in the lowest job levels. According to the same authors:

Gary had only a few hundred blacks in 1920, but . . . during the next two decades . . . the city's black population rose to 5,299 in 1920 and 17,922 in 1930. During both decades, Gary led every other American city in the percentage of black population increase—1,283.6 percent during the teens, and 238.2 percent during the twenties. By 1930, blacks in Gary constituted 17.8 percent of the city's total population—a proportion higher than that of any other industrial city in the North. (p. 49)

However, as suggested by Blumer (1958), White anxiety over perceived group threat and potential power shifts due to significant increased minority presence meant racial backlash in Gary after 1920. And because most minorities were prevented from working in all but the most menial, lowest-paid positions, discrimination also served to create a two-tiered economic system within most industries. Up until the late 1950s, African American and Mexican steel workers in Gary were usually barred from competing with Whites for better positions and active union involvement, and were typically the first groups to be downsized during periods of economic problems. Mohl and Betten (1986) describe the scope of race relations in the city:

Like Gary's white immigrants, the black newcomer arrived in the steel city hoping to fulfill economic aspirations and to achieve a new and better life for themselves and their children . . . But because they were black, they faced persistent problems of discrimination and segregation with which white immigrants did not have to contend . . . The segregation of Gary's population did not develop accidentally out of housing patterns. Rather, discrimination and segregation in education, housing, employment, public services, and recreation was established and carried out by the city's white elite—businessmen, bankers, realtors, educators, steel company officials, and local government leaders. Indeed, the history of Gary provides an illuminating case study for analyzing the evolution of racism against a background of working-class ethnic and racial conflict. (pp. 49–51)

The segregation of minorities in every arena of society was also readily enforced by the legal system and law enforcement. Economic disenfranchisement was driven by the private sector and political officials in local and state government and was reinforced in the public sector. Ironically, most European immigrants who *initially* arrived in the city lived near and interacted with minority groups; little conflict between African Americans and working-class White immigrants was recorded. However, most White immigrants were quickly socialized regarding the hierarchy of segregation, and they too began to reap benefits of a separate and unequal city. The experiences of Gary's racial/ethnic minorities support the following observation by Myrdal in *American Dilemma* (1962):

Even the poor classes of whites in the North come to mistrust and despise the Negroes. The European immigrant groups are the ones thrown into most direct contact and competition with Negroes: they live near each other, often send their children to the same schools, and have to struggle for the same jobs. Recent immigrants apparently sometimes feel an interesting solidarity with Negroes or, at any rate, lack the intense superiority feeling of the native Americans educated in race prejudice. But the development of prejudice against Negroes is usually one of their first lessons in Americanization. (p. 293)

Similar observations were confirmed in the *Gary American* (1945), the city's African American newspaper: "When they [European immigrants] find that native white Americans make a practice of disadvantaging the Negro, . . . the foreigners were ready, willing, and even eager to follow" (p. 4). In addition, new White *employees* were said to be socialized to discriminate against minorities, further entrenching institutionalized racism in the local steel industry. "Anti-Negro" campaigns were frequent, promoted in local papers, enforced by the police force, and condoned by White residents. Mexican immigrants did not fare much better.

Hispanic immigrants, primarily Mexicans, also migrated to Gary and other northern cities in the early 1900s to fill industrial positions. For example, Mexican workers were recruited to offset the 1919 steel mill strike. By 1920 over 2,500 Mexicans were employed in the steel and railroad industries. By 1928 Mexicans comprised about 11 percent of employees in 15 of the area's meat packing, steel, and other plants and approximately 43 percent of the track and maintenance workers on 16 major railroads in the Chicago-Gary

region.⁴¹ The following series of quotes, all taken from Mohl and Betten (1986), inform an understanding of the racism and sanctioned discrimination that occurred in employment settings in Gary. One employer in 1923 noted: "What we need is 'Hunkies' and lots of 'em . . . the Mex doesn't come under the quota law and he's willing to work long and cheap, so we'll keep on importing him" (p. 92). Several other employment managers echoed similar discriminatory comments: "When I hire Mexicans at the gate, I pick out the lightest among them. No, it isn't that the lighter-colored ones are any better workers, but the darker ones are like the niggers . . . when employment slackens the Mexicans are the first ones off. They are not Americans" (p. 98).

Like many of their African American counterparts, Mexicans were housed in crowded, dilapidated shacks on the city's south side, often in conditions more deplorable than those of the former group. Although such acts were commonly meted out on them, minorities of color were often associated with crime and violence. Stereotypes were reinforced by politicians and local newspapers, such as the *Gary Post-Tribune*, "Next to the bad negroes, the bad Mexicans were declared to be the worst offenders."⁴² However, unlike African Americans, who were U.S. citizens, Mexicans in Gary experienced a series of initially voluntary and later coercive repatriation campaigns during the 1920s Depression Era. In 1932 about 1,500 Gary Mexicans and 1,800 from surrounding areas in Lake County were repatriated, and by mid-1932 voluntary repatriation evolved into forced expulsion. Harassment and discrimination against remaining Mexicans intensified. By the 1960s, the city reflected an entrenched, three-tiered hierarchy of economic, political, and social power, where native Whites were located at the top of the pyramid followed by immigrant Whites, and lastly by African Americans and Mexicans. Most discrimination was experienced by the two latter groups.

In his historiography and sociological study on the subject, Robert Catlin's (1993) *Racial Politics and Urban Planning: Gary, Indiana 1980-1989* suggests that the devolution of Gary from a once booming steel-mill city to one now ravaged by poverty and urban decay was due largely to conflict based on race (African American vs. White), political affiliation (Democratic vs. Republican), and public and private sector tensions. The author contends that major revitalization plans for the city were purposely thwarted due to race-based decision making, political and economic gatekeeping, and partisan pettiness that overshadowed professionalism and potential mutual

benefits for Gary and the region. Central to the problems was the inability of the predominately White private sector as well as suburban and state governments to work with predominately African American local officials. Even as Gary declined around them, elites seemed unable to compromise and reach consensus about the future of the city. Catlin argues that, without key alliances, the city was virtually left to fend for itself and could not withstand the postindustrial recessionary periods of the 1970s and 1980s. He further argues that the two-fold goal of Gary's opponents was to diminish the city's racial, economic, and political power base, while simultaneously providing support for nearby Merrillville and suburban Lake County, such that Gary would be economically dependent on surrounding, predominately White areas.

It would appear that xenophobia, in addition to variations of both "old fashioned" and aversive racism manifested throughout the history of Gary; negative race relations were particularly acute.⁴³ With the former type of racism, Gary's minority residents contended with physical and verbal mistreatment, especially when they sought redress. The latter form of racism was evident as Whites sought to avoid interaction with African Americans and Mexicans during all but the most inopportune times. Theoretically, segregation and covert discrimination waned with the victories of the Civil Rights Movement.⁴⁴ However, their cumulative effects cannot so easily be repaired. Ironically, history suggests that working-class conflict, fueled by native, White power elite formed a wedge between African Americans, Mexicans, and immigrant Whites that served the interests of private and certain public sector leaders at the expense of groups with potentially greater class-based commonalities than the perceived race-based alliances posited by White natives toward White immigrants. These macro-level political, economic, and social changes would influence how postindustrial urban spaces in Gary would develop.