



**NEW DEMOGRAPHIC REALITIES:**

**THE NORTHEAST-MIDWEST REGION**

August 2010

**The Northeast-Midwest Institute** is a private nonprofit, nonpartisan research organization based in the nation's capital. Our mission is to promote economic vitality, environmental quality, and regional equity for the 18 Northeastern and Midwestern states: Connecticut, Delaware, Illinois, Indiana, Iowa, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Wisconsin.

Since our formation in the mid-1970s, we have carried out this mission through conducting research and analysis, developing and advancing innovative policy, evaluating key federal programs, disseminating information, and highlighting sound economic and environmental technologies and practices.

The Institute is unique among policy centers because of its ties to Congress through the bipartisan Northeast-Midwest Senate and Congressional Coalitions, which, along with their task forces, help advance federal policies that enhance the region's economy and environment.

**Northeast-Midwest Institute**

50 F Street, NW  
Suite 950  
Washington, DC 20001

Phone: 202.544.5200  
Fax: 202.544.0043  
[www.nemw.org](http://www.nemw.org)

**Contributors to this Report:**

Colleen Cain, PhD  
Caitlin Cipicchio  
Joshua McGowan  
Fritz Ohrenschall  
Sean Fitzpatrick (layout)

The Metropolitan Policy Program at the Brookings Institution recently unveiled the first report of an ongoing series entitled *State of Metropolitan America*.<sup>1</sup> Based on U.S. Census Bureau data, Brookings identified five new *national* demographic realities:

**1. GROWTH AND OUTWARD EXPANSION**

Having surpassed 300 million people, the U.S. population is growing. In addition, the population is growing outward from cities and inner suburbs to less developed outer suburbs and exurbs.<sup>2</sup>

**2. POPULATION DIVERSIFICATION**

The U.S. is becoming more racially/ethnically diverse due to growth of non-white and foreign-born populations. In large metropolitan areas, racial/ethnic minorities already make up a majority of the under-18 population.

**3. AGING OF THE POPULATION**

The U.S. population is aging, with large metropolitan areas at the forefront of this trend. The first of the baby boomers turns 65 in 2011 and life expectancy continues to increase.

**4. UNEVEN HIGHER EDUCATIONAL ATTAINMENT**

The percentage of U.S. adults with post-secondary degrees has increased. However, there has been a slight decrease in this percentage for younger adults (25–34), especially in metro areas. Degree attainment also presents an uneven pattern, with whites and Asians attaining higher levels of education than blacks and Hispanics.

**5. INCOME POLARIZATION**

Even before the financial crisis, the inflation-adjusted income of the average American household declined over the course of the decade. The middle class continued to shrink as low and middle-wage workers' incomes decreased, high-income workers' earnings increased, and the percentage of people below the poverty line increased. These trends were most exaggerated in large metro areas.

Based on *State of Metropolitan America* and additional U.S. Census Bureau data, this report addresses the question:

**How are these five new realities manifest in the Northeast-Midwest region  
and what are their policy implications?**

## A. THE VARIABLE METRO MAP

The Brookings report questions the continued practice of categorizing the U.S. by economic/geographic regions, such as the rust belt. Instead, its authors propose that what differentiate groups of metro areas are **population growth**, **racial/ethnic diversity**, and **educational attainment**, as compared to national averages. Nevertheless, given these criteria, the **Northeast-Midwest region** continues to exhibit similarities. As the figures below illustrate, the majority of metro areas in two of their proposed categories—Skilled Anchor and Industrial Core—are clustered in the Northeast and Midwest.



Source: Brookings Institute, p. 32

**Skilled Anchor:** Seventeen of 19 “skilled anchor” metro areas identified by Brookings lie in the Northeast and Midwest. These are “slow-growing, less diverse metro areas that boast higher-than-average levels of educational attainment” (p. 9). Many of these are former manufacturing and port centers that have already made the transition to a postindustrial economy. All of their modest recent growth has taken place in lower-density suburbs.

**Industrial Core:** The report identifies 18 “industrial core” metro areas. These are largely older industrial centers of the Northeast, Midwest, and Southeast. Their populations are “slower-growing, less diverse and less educated than national averages, and significantly older than the large metropolitan average” (p. 9). As a whole, they lost population in the 2000s, although there was some growth in outer suburbs. Some industrial work remains in these areas.

## B. NORTHEAST-MIDWEST MANIFESTATIONS

### 1. POPULATION GROWTH

Like the nation, the population of the Northeast-Midwest grew over the course of the decade; between 2000 and 2009, the population of the Northeast-Midwest region increased by nearly 3.8 million people. However, the region's population grew at a slower rate than the populations of the South and West (Figure 1.2). According to Brookings, from 1990 to 2000 and 2000 to 2009, there was little change in the list of the slowest growing and declining metro areas; all but one metro area in both decades were in the Northeast and Midwest (p. 40).

Figure 1.1. Population of the Northeast-Midwest Region, 2000–09

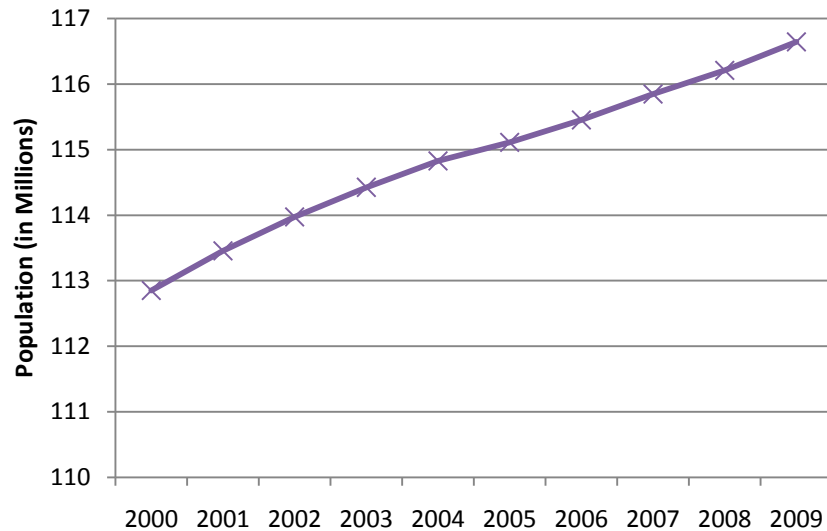
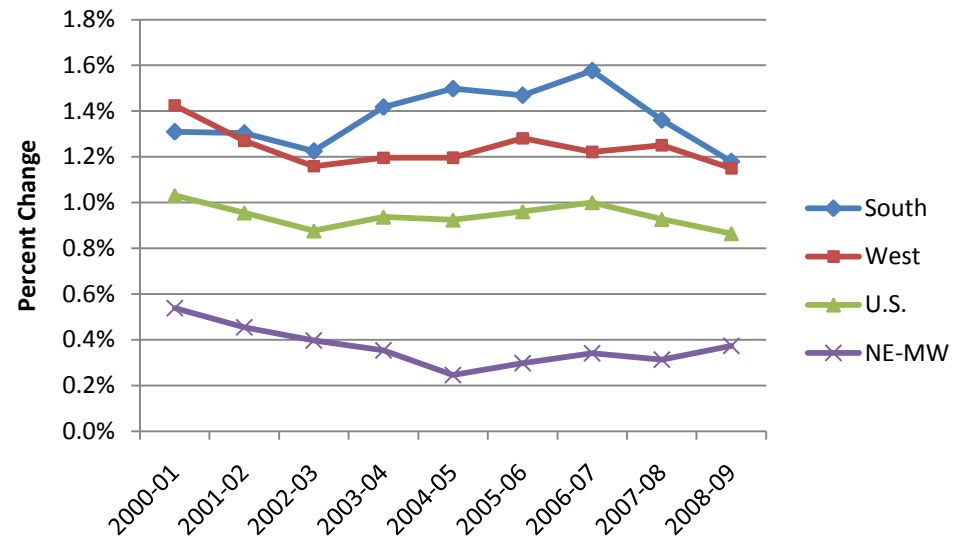


Figure 1.2. Percent Change in Population, U.S. vs. Region, 2000–09

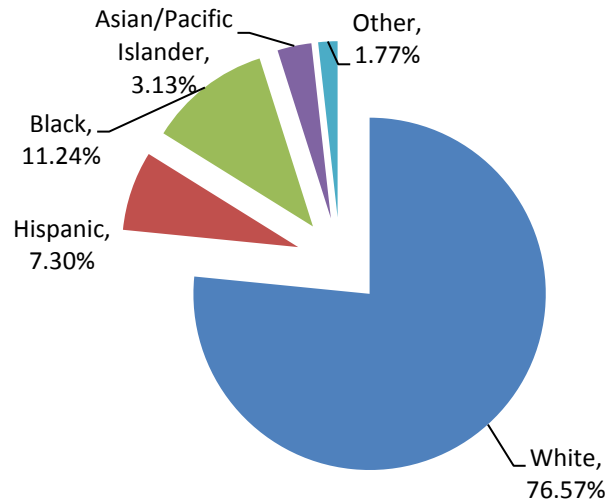


Source: Northeast-Midwest Institute analysis of U.S. Census Population Estimates Program data

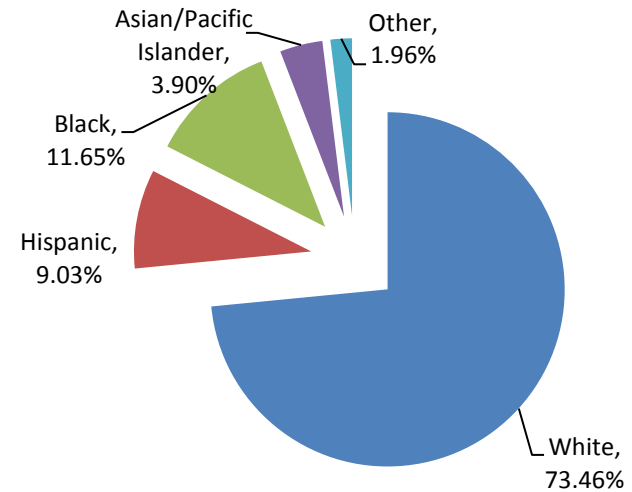
## 2. POPULATION DIVERSIFICATION

Similar to national trends, the region is becoming more racially/ethnically diverse due to growing non-white and foreign-born populations. As the figures below illustrate, the region’s Hispanic population share experienced the largest increase of any racial/ethnic group between 2000 and 2008, from 7.3% to 9%. Simultaneously, the share of the white population saw a 3% decrease over the course of the decade.<sup>3</sup>

**Figure 2.1. Racial/Ethnic Composition of Northeast-Midwest Region, 2000**



**Figure 2.2. Racial/Ethnic Composition of Northeast-Midwest Region, 2008**



Source: Northeast-Midwest Institute analysis of American Community Survey data

Additionally, as a whole, the Northeast-Midwest region experienced an increase in the proportion of its foreign-born population, from 9.7% to 11%.<sup>4</sup> As shown in Table 2.1, the native-born population grew at a much slower rate than the foreign-born population. Not only is the foreign-born population growing, but also the percentage of immigrants achieving citizenship (from 45.6% to 48.5%).

**Table 2.1. Place of Birth and Citizenship Status, Northeast-Midwest, 2000–08**

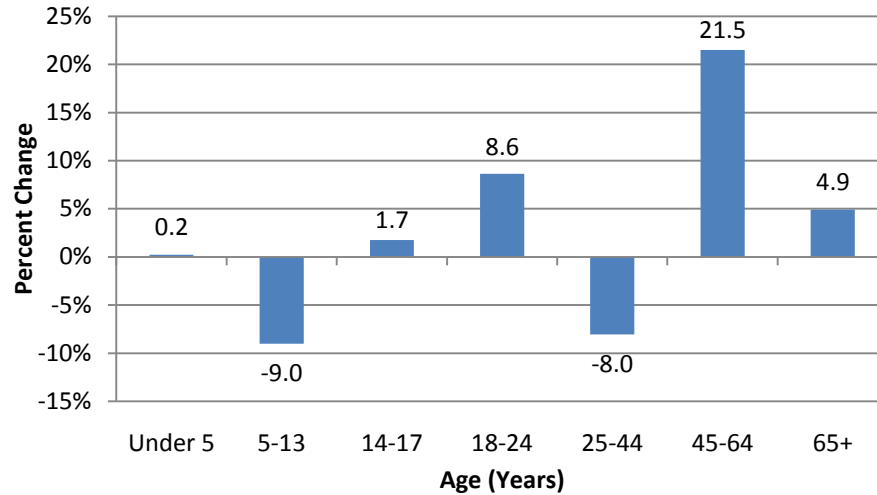
Place of Birth	2000	2008	% Growth
Native	98,758,471	103,272,380	4.6%
Foreign-Born	10,645,474	12,777,694	20.0%
—% Citizen	45.6%	48.5%	6.4%

Source: Northeast-Midwest Institute analysis of American Community Survey data

### 3. AGING OF THE POPULATION

Although the fastest senior (65+) growth over the decade occurred in the Intermountain West and Southeast, the Northeast and Midwest, along with Florida, continue to have the largest concentration of seniors (Brookings, p. 77). Figure 3.1 illustrates how the region's population changed with respect to age between the years 2000 and 2008. The percentage of the population aged 45–64 saw the greatest increase (21.5%), whereas the percentage of 5–13-year-olds experienced the largest decrease (-9%).

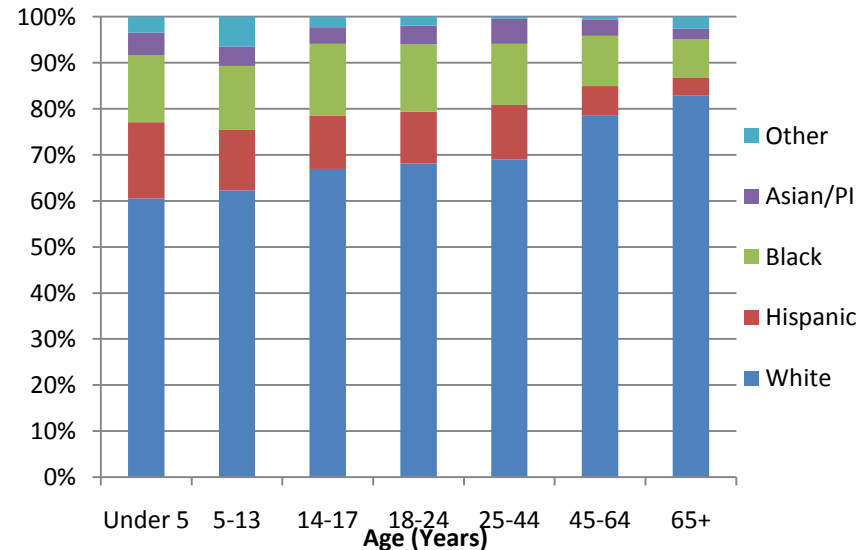
**Figure 3.1. Northeast-Midwest Region Population Change by Age Group, 2000–08**



Source: Northeast-Midwest Institute analysis of U.S. Census Pop. Estimates Program data

In addition, younger segments of the region's population are more racially/ethnically diverse than older segments. Figure 3.2 illustrates this pattern for the region's 2009 population. Whereas the senior population is 15% non-white, the youngest segment of the population (under 5 years) is 40% non-white.

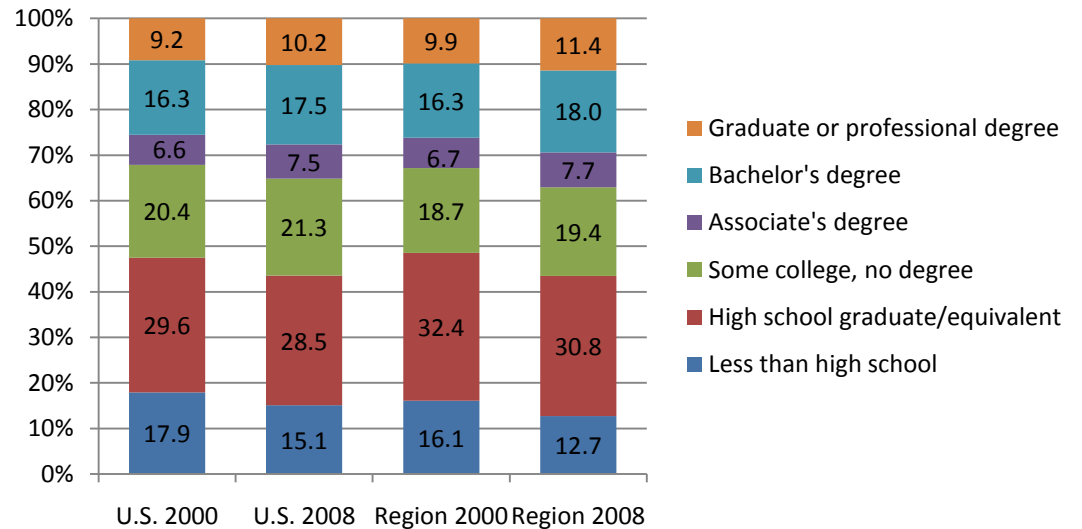
**Figure 3.2. Northeast-Midwest Region Age by Race, 2009**



Source: Northeast-Midwest Institute analysis of U.S. Census Pop. Estimates Program data

## 4. UNEVEN HIGHER EDUCATIONAL ATTAINMENT

**Figure 4.1. Educational Attainment, U.S. vs. Northeast-Midwest Region, 2000 and 2008, % of population 25 years and older**



Source: Northeast-Midwest Institute analysis of American Community Survey data

Although larger percentages of each racial/ethnic group in the region achieved higher educational attainment in 2008 than in 2000, a disparity between groups is evident. Asians achieved the highest levels of post-secondary education, followed by whites. Blacks and Hispanics attained the lowest levels of post-secondary education, with blacks achieving slightly higher levels than their Hispanic counterparts. Furthermore, whites and Asians experienced larger increases in their post-secondary degree attainment between 2000 and 2008 than blacks and Asians.

**Table 4.1. Highest Degree Achieved by Race/Ethnicity in Northeast-Midwest, 2000 and 2008, % of population 25 years and older**

Highest Degree Achieved	High School Diploma		Associate's Degree		Bachelor's Degree		Graduate Degree	
	2000	2008	2000	2008	2000	2008	2000	2008
White	52.0	51.0	6.8	7.9	16.9	18.6	10.1	11.7
Hispanic	42.0	43.8	4.9	5.1	8.6	9.7	4.4	5.0
Black	53.8	55.4	6.4	7.6	10.7	11.9	5.6	6.6
Asian	26.8	24.0	5.6	5.2	27.2	30.5	23.0	24.9
Other	44.2	38.0	5.8	5.4	9.4	17.2	5.3	11.1

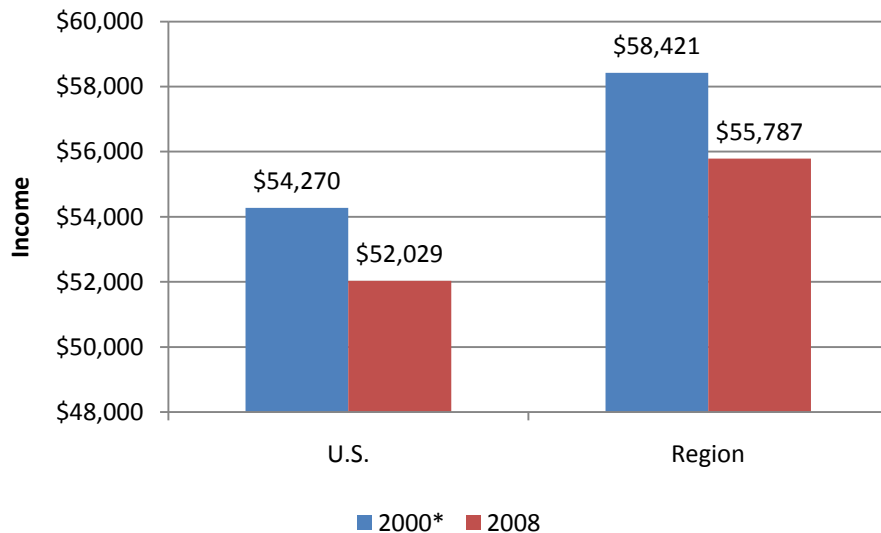
Source: Northeast-Midwest Institute analysis of American Community Survey data



## 5. INCOME POLARIZATION

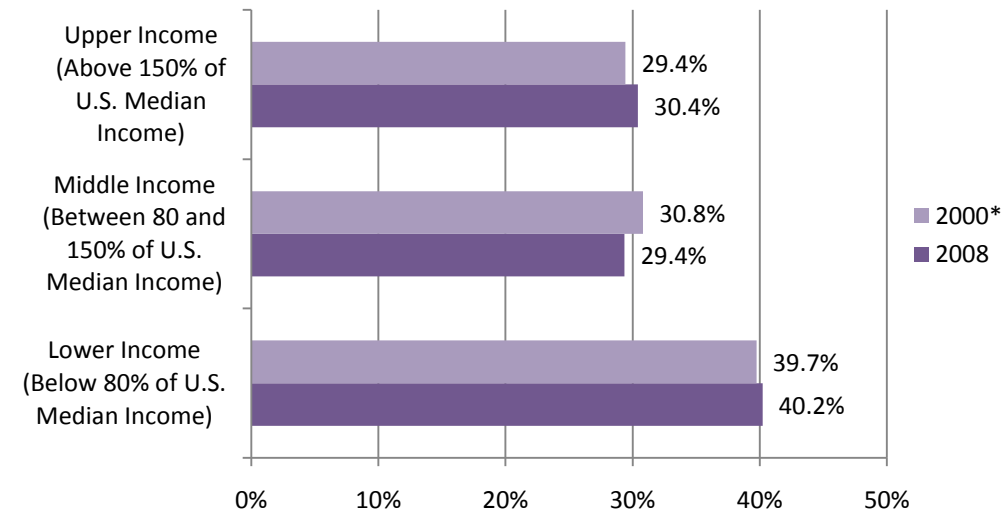
As Figure 5.1 demonstrates, median household incomes in the U.S. and the Northeast-Midwest region decreased between 2000 and 2008.<sup>5</sup> While the region continues to exhibit higher median household incomes than the nation, the decrease in median household income from 2000 to 2008 was slightly larger for the region than the nation.

**Figure 5.1. Median Household Income, U.S. vs. Northeast-Midwest Region, 2000\* and 2008 (\$2008)**



\*Census 2000 household income data refers to 1999 income  
 Source: Northeast-Midwest Institute analysis of U.S. Census 2000 and 2008 American Community Survey data

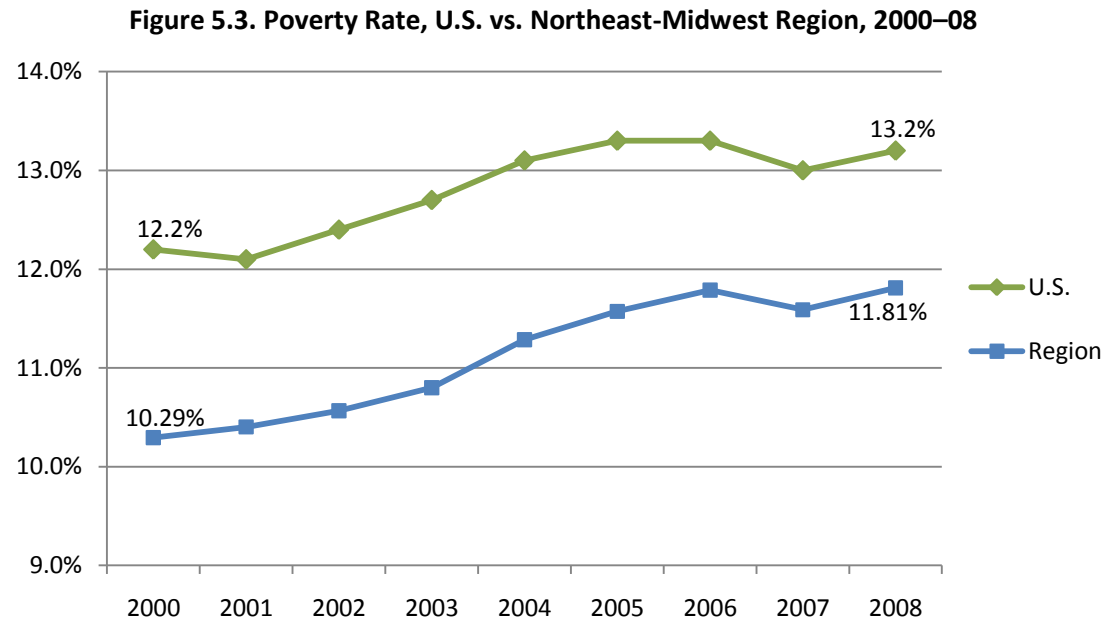
**Figure 5.2. Share of Northeast-Midwest Households by Income Category, 2000\* and 2008**



\* Census 2000 household income data refers to 1999 income  
 Source: Brookings and Northeast-Midwest Institute analysis of U.S. Census 2000 and 2008 ACS data

Figure 5.2 indicates that—similar to national trends—lower income households continued to comprise the largest share of the Northeast-Midwest region’s population in 2008. Upper income households made up the smallest share of the population in 2000, but middle income households did so in 2008. As in the nation, the share of middle income households in the region decreased between 2000 and 2008, while the shares of upper and lower income households increased. Thus, the pattern of a shrinking middle class is evident on both regional and national levels.

Moreover, in accordance with national trends, the poverty rate in the Northeast-Midwest region increased throughout the decade (Figure 5.3). While the region's poverty rate experienced a larger increase than the U.S. rate between 2000 and 2008, the region continues to have a lower poverty rate than the nation.



Source: Northeast-Midwest Institute analysis of American Community Survey data

## C. NORTHEAST-MIDWEST CHANGES AND POLICY IMPLICATIONS

This report suggests a number of noteworthy demographic changes in the Northeast-Midwest region throughout the decade thus far:

- The region's population experienced an increase, but its growth rate was slower than that of the nation. Moreover, the nation's population continues to shift from our region toward the South and West.
- The population is diversifying with respect to race/ethnicity. Among all groups, Hispanics' share of the regional population experienced the largest increase between 2000 and 2008. There was also an increase in the region's foreign-born population.
- Although other parts of the nation experienced larger *increases* in their senior populations between 2000 and 2008, the Northeast and Midwest continue to have the largest *concentration* of seniors. The aging of the baby boomers is a pressing issue throughout the nation and especially in the Northeast-Midwest region. The region's pre-senior age group (45–64 years) saw the greatest percent increase of all age groups in the region throughout the decade. Interestingly, a younger, more racially/ethnically diverse population will be tasked with taking care of this older, less racially/ethnically diverse population as it ages.
- The region also continues to exhibit higher educational attainment than the nation, with younger adults enrolling in higher education at exceptional rates. This trend reflects the great number of well-established and respected educational institutions in the Northeast-Midwest. It also suggests that the region should continue to capitalize on those institutions as strong assets. Despite these achievements, a pattern of racial/ethnic disparity is evident, with Asians achieving the highest levels of post-secondary education, followed by whites. Blacks and Hispanics attained the lowest levels of post-secondary education, with blacks achieving slightly higher levels than their Hispanic counterparts.
- Lastly, median household incomes in the region are higher than those of the nation, but the region saw a slightly sharper decrease in its median household income than the nation between 2000 and 2008. Illustrating a shrinking of the middle class, in 2008, middle income households made up a smaller share of the region's population than upper and lower income households. Those making less than 80% of the median household income continue to make up the largest share of the region's population and the poverty rate increased throughout the decade.

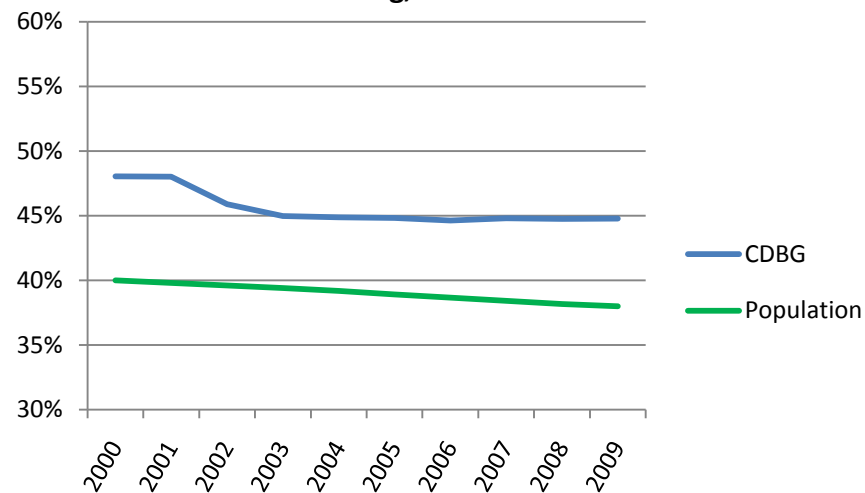
The region's slow population growth and income inequality are of special concern to the Northeast-Midwest Institute:

- If current (2008–09) population trends continue, they will have negative consequences for 2010 Congressional apportionment and state funding.
  - The region is projected to lose seats in the House of Representatives in each of the following states: Illinois, Iowa, Massachusetts, Michigan, Minnesota, New Jersey, New York, Ohio, and Pennsylvania. According to this projection, Ohio will lose two seats, while the remaining states will lose one each (Frey 2009).
  - Because Census population estimates guide much of states' federal assistance and grant funds (Reamer 2010), it is likely that such funding will decrease for the Northeast-Midwest region.
- Reducing income inequality and aiding in the growth of the middle class should be a priority for the region. Pertinent to these goals are the **Low Income Home Energy Assistance Program** (LIHEAP), and the **Manufacturing Extension Partnership Program** (MEP).
  - Restoring higher funding levels for LIHEAP will provide assistance to states' lower income households and can respond to rising costs of reducing home energy burdens (Department of Health and Human Services 2009).
  - Continuing to fund the MEP will aid the region in rejuvenating its manufacturing industries. In conjunction with related policies and programs, by fostering and compensating a skilled workforce, this

program has the potential to raise household incomes and increase the size of the middle class.

- The region's slow population growth and rising poverty rate hold implications for its share of **Community Development Block Grant** (CDBG) funding. Formulas A and B for entitlement communities and states rely in part on their metropolitan shares of population and poverty. For entitlement communities, Formula B also takes share of growth lag into account. Growth lag is determined by comparing a city or county's current population with the population it would have if it grew like all metropolitan cities since 1960. Using this formula, slow-growing cities and counties benefit.

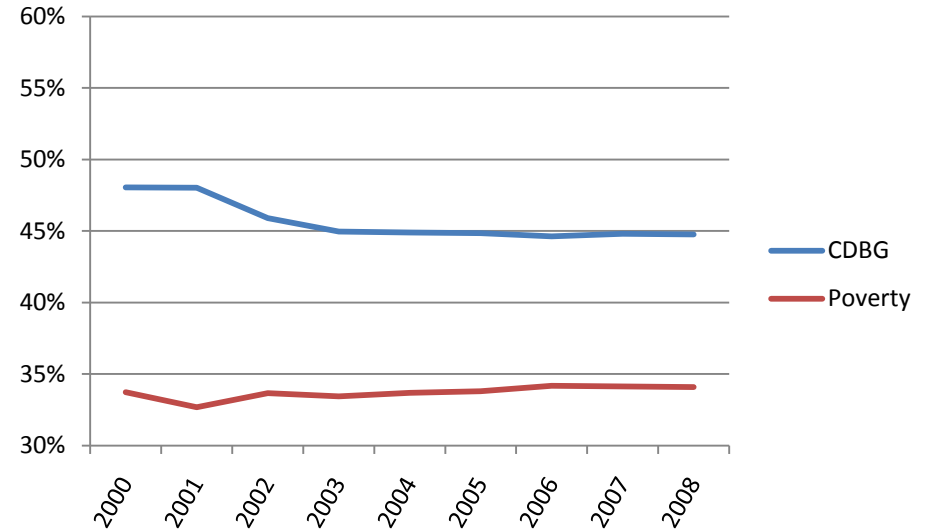
**Figure 6.1. Northeast-Midwest as Proportion of U.S. Population and CDBG Funding, 2000–09**



Source: Northeast-Midwest Institute analysis of U.S. Pop. Estimates and HUD data

Figure 6.1 shows the relationship between Northeast-Midwest CDBG funding and population throughout the decade. Because of the growth lag consideration, the region's share of the U.S. population declined but its CDBG funding remained stable. Figure 6.2 shows the relationship between CDBG allotment and the proportion of U.S. residents in poverty living in the Northeast-Midwest. The region's share of poverty was relatively stable throughout the decade; its share of CDBG funding experienced a large decrease between 2000 and 2003, but was stable in the remainder of the decade. These trends suggest that use of the current CDBG formulas is beneficial for the Northeast-Midwest region.

**Figure 6.2. Northeast-Midwest as Proportion in Poverty and CDBG Funding, 2000–08**



Source: Northeast-Midwest Institute analysis of U.S. Population Estimates and American Community Survey data

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<sup>1</sup> The entire *State of Metropolitan America* report is available online at: [www.brookings.edu/metroamerica](http://www.brookings.edu/metroamerica).

<sup>2</sup> Brookings categorizes suburbs as such: 1) “high-density” (often called “inner” or “older” suburbs, over 95% of residents live in densely populated communities); 2) “mature suburbs” (75–95% of residents live in densely populated communities, often developed in 1960s and 1970s); 3) “emerging suburbs” (25–75% of residents live in densely populated communities, among the fastest growing metro areas, experienced significant development beginning in 1980s); and 4) “exurbs” (located at rural fringe of metro areas) (p. 19).

<sup>3</sup> For all graphs, “white” refers to non-Hispanic whites. For graphs that cite U.S. Census and the American Community Survey, “other” refers to the following: American Indian/Alaskan Natives; 2 or more races; some other race alone. For graphs that cite U.S. Census Population Estimates Program, “other” refers to the following: American Indian/Alaskan Native; 2 or more races alone.

<sup>4</sup> This percentage varies according to state but, within the region, only Rhode Island and Maine experienced slight decreases in the proportion of their population that is foreign-born.

<sup>5</sup> For the indicator “median household income,” Census 2000 data refers to income in 1999.

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