

# Economically Disconnected Areas Local Strategy Map Methodology

One of the principles of ON TO 2050 is inclusive growth, which refers to “economic processes that enable the broadest possible proportion of residents and communities to contribute to and benefit from the region’s prosperity.” This local strategy map identifies the region’s Economically Disconnected Areas (EDAs) and disinvested areas, which highlight places in the region least connected to this prosperity that may also be experiencing disinvestment. EDAs identify areas with concentrations of both low-income households and minority or limited English proficiency population; approximately one-third of the region’s population lives in EDAs. Disinvested areas identify predominantly nonresidential places with struggling local economies. These geographies should be examined both separately and together. While some policy solutions will be common to both geographies, other solutions may be unique to each geography.

## Purpose

Economic inequity restricts the Chicago region’s ability to grow. A lack of access to economic opportunity for some residents lays waste to their talents and skills, which could otherwise contribute to the regional economy’s growth. The Inclusive Growth Strategy Paper defines CMAP’s inclusive growth strategy, highlighting it as one of just three over-arching principles in the ON TO 2050 comprehensive regional plan. Inclusive growth references economic processes, outcomes, and opportunities that benefit the broadest possible proportion of communities and residents, promoting long-term economic growth for all residents. The Inclusive Growth strategy paper identifies specific communities that are particularly affected by inequality, called *economically disconnected areas*.

An economically disconnected area, or EDA, is a census tract with a concentration of either:

1. Low-income households AND minority population **OR**
2. Low-income households AND limited English proficiency (LEP) population

## Inputs

Economically disconnected areas were identified by examining three key indicators to equity and inclusive growth:

1. **Minority concentrations**

Source: American Community Survey, 5-year estimates, 2010-2014 data. Table is B03002: *Hispanic or Latino Origin by Race*.

2. **LEP concentrations**

Source: American Community Survey, 5-year estimates, 2010-2014 data. Table is B16008: *Citizenship Status by Age by Language Spoken at Home and Ability to Speak English for*

the Population 5 years and Over.

### 3. **Low-income household concentrations**

Source: American Community Survey, 1-year estimates, 2014 data. Tables are 1) B11016 *Household Type by Household Size*, 2) B19119 *Median Family Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars) By Family Size*, and 3) B19019 *Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars) by Household Size*.

The availability of tract-level data limits the analysis to examining characteristics of race, ethnicity, income, and the share of workers able to participate in the economy. Older adults are not included in this analysis because their participation in the economy is not a primary concern. Individuals with disability are also excluded from this analysis due to inconsistent availability of data.

In addition to supporting broader inclusive growth work, the chosen characteristics for analysis provide the base of environmental justice and Title VI analysis, meeting federal environmental justice requirements.

## **Procedures**

### **Concentration of people-of-color populations**

American Community Survey, 5-year estimates, 2010-2014 data. Table is B03002: *Hispanic or Latino Origin by Race*. Included variables are:

- B03002004: Not Hispanic or Latino, Black or African American Alone
- B03002005: Not Hispanic or Latino, American Indian and Alaska Native Alone
- B03002006: Not Hispanic or Latino, Asian Alone
- B03002007: Not Hispanic or Latino, Native Hawaiian and Other Pacific Islander Alone
- B03002008: Not Hispanic or Latino, Some Other Race Alone
- B03002009: Not Hispanic or Latino, Two or More Races
- B030020012: Hispanic or Latino

Threshold: Tracts were flagged for high minority concentrations if they met or exceeded the average percent of people of color across all tracts: 50.7%.

### **Concentration of LEP populations**

Data: American Community Survey, 5-year estimates, 2010-2014 data. Table is B16008: *Citizenship Status by Age by Language Spoken at Home and Ability to Speak English for the Population 5 years and Over*. Included variables are:

- B016008007: Native Population, 5 to 17 years, Speak Spanish, Speak English less than “very well”
- B016008010: Native Population, 5 to 17 years, Speak Other Languages, Speak English less than “very well”
- B016008015: Native Population, 18 years and over, Speak Spanish, Speak English less than “very well”

- B016008018: Native Population, 18 years and over, Speak Other Languages, Speak English less than “very well”
- B016008025: Foreign-Born Population, Naturalized U.S. Citizen, 5 to 17 years, Speak Spanish, Speak English less than “very well”
- B016008028: Foreign-Born Population, Naturalized U.S. Citizen, 5 to 17 years, Speak Other Languages, Speak English less than “very well”
- B016008033: Foreign-Born Population, Naturalized U.S. Citizen, 18 years and over, Speak Spanish, Speak English less than “very well”
- B016008036: Foreign-Born Population, Naturalized U.S. Citizen, 18 years and over, Speak Other Languages, Speak English less than “very well”
- B016008042: Foreign-Born Population, not a U.S. Citizen, 5 to 17 years, Speak Spanish, Speak English less than “very well”
- B016008045: Foreign-Born Population, not a U.S. Citizen, 5 to 17 years, Speak Other Languages, Speak English less than “very well”
- B016008050: Foreign-Born Population, not a U.S. Citizen, 18 years and over, Speak Spanish, Speak English less than “very well”
- B016008053: Foreign-Born Population, not a U.S. Citizen, 18 years and over, Speak Other Languages, Speak English less than “very well”

Threshold: Tracts were flagged for high LEP concentrations if they met or exceeded the average percent of LEP across all populated tracts: 12.5%.

### **Concentration of low-income households**

Data: American Community Survey, 1-year estimates, 2014 data. Tables are 1) B11016 Household Type by Household Size, 2) B19119 Median Family Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars) By Family Size, and 3) B19019 Median Household Income in the Past 12 Months (In 2014 Inflation-Adjusted Dollars) by Household Size. Included variables are:

- B11016003: Family Households, 2-person Household
- B11016004: Family Households, 3-person Household
- B11016005: Family Households, 4-person Household
- B11016006: Family Households, 5-person Household
- B11016007: Family Households, 6-person Household
- B11016008: Family Households, 7-or-more-person Household
- B11016010: Nonfamily Households, 1-person Household
- B19119002: Median Income, 2-person Families
- B19119003: Median Income, 3-person Families
- B19119004: Median Income, 4-person Families
- B19119005: Median Income, 5-person Families
- B19119006: Median Income, 6-person Families
- B19119007: Median Income, 7-or-more-person Families
- B19119002: Median Income, 2-person Families

Threshold: Tracts were flagged for high low-income household concentrations if they had an estimated 5% or more of households living below the Chicago MSA median income by household type.

Process:

1. Estimated counts below the median income value for each tract by simply halving the household counts pulled from table B11016, by household size.
2. Compared median income value by household size to low-income threshold by household size, defined as 60% of the Chicago MSA median income by household size.

The following chart displays the Chicago MSA median incomes and the low-income thresholds, by household size:

Household size	MSA Median Income	60% of MSA Median Income
1	\$33,129	\$19,877
2	\$67,102	\$40,261
3	\$76,208	\$45,725
4	\$90,661	\$54,397
5	\$84,945	\$50,967
6	\$72,668	\$43,601
7	\$75,811	\$45,487

3. Summed all estimated counts where median income value was less than 60% of the Chicago MSA median income.
4. Created the percent low-income by dividing the total estimated counts by the count of all households. Any tract exceeding 5% was given a low-income flag. An example using actual numbers for Census Tract 101 in Cook County is shown below.

	1-Person Households	2-Person Families	3-Person Families	4-Person Families	5-Person Families	6-Person Families	7-or-more-Per. Fam.
Count	1147	321	211	113	72	34	0
Ct. Below Median	573.5	160.5	105.5	56.5	36	17	0
Median Income	24,420	43,512	25,096	111,507	n/a	n/a	n/a
Low-Income Threshold	19,877	40,261	45,725	54,397	50,967	43,601	45,487
Count if < Threshold	0	0	105.5	0	0	0	0

Ct Families + 1-person HH	1,898
% Low-income	5.56%

## Notes:

1. A relative poverty measure (median income) is use to better describe challenges facing the Chicago region specifically. This comparative analysis of median incomes defines not only how households are doing but how they are doing in relation to similar households with the same standards of living.
2. Using a percentage below the regional median income is a common method and accounts for regional differences in costs of living. For example, the U.S. Department of Housing and Urban Development (HUD) uses local median income levels to designate households as low-income and establish eligibility for a variety of housing programs.<sup>1</sup>
3. The chosen threshold for low-income households is 60% of the Chicago MSA median income, identifying households that are in poverty or likely at risk of poverty.
4. A census tract met the low-income threshold for economically disconnected areas if it had an estimated five percent or more of families below 60 percent of the Chicago metropolitan statistical area median income by household or family size. The concentration of five percent is based on Pew Charitable Trusts' methodology defining high and medium poverty at the census tract level, where medium poverty is between 5 and 24 percent of families.<sup>2</sup> The concentration of five percent is an appropriate threshold in this analysis because the relative measure in median incomes serves as a proxy measure for poverty.
5. An entire tract is identified as an economically disconnected area if it meets the race/LEP threshold and at least 5% of households are estimated to be below the regional median income. This is meant to highlight the direct impact economic exclusion has on low-income households AND the negative externalities it imposes on other households living nearby.

Tracts were classified as EDA if the low-income flag was present AND people of color OR limited English proficiency flag was present. The complete analysis identified 743 tracts as economically disconnected areas.

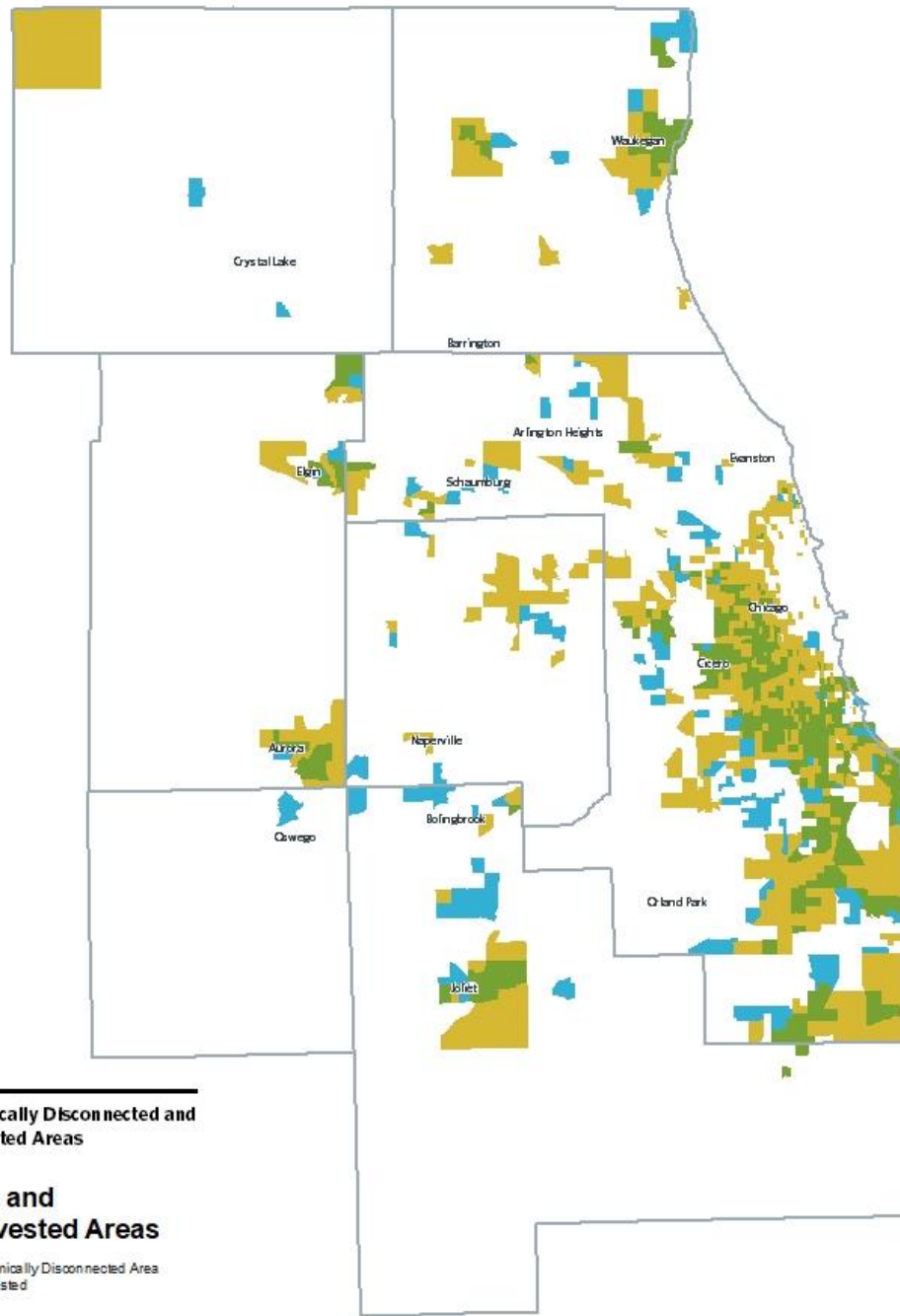
## Contacts

Contact [Elizabeth Scott](#) with any questions about this local strategy map.

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<sup>1</sup> United States Department of Housing and Urban Development, "Income Limits," 2017. See: <https://www.huduser.gov/portal/datasets/il.html>

<sup>2</sup> The Pew Charitable Trusts, "Neighborhood Poverty and Household Financial Security," 2016. See: [http://www.pewtrusts.org/~media/assets/2016/01/chartbook--neighborhood-poverty-and-household-financial-security\\_v3.pdf](http://www.pewtrusts.org/~media/assets/2016/01/chartbook--neighborhood-poverty-and-household-financial-security_v3.pdf)



Source: CMAP, 2017.