

# RACIAL-ETHNIC DIVERSITY AND SOCIOECONOMIC PROSPERITY IN U.S. COUNTIES



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Figure 1: Diversity and Prosperity in U.S. Counties, 2007 to 2011

# **CURRENT STUDY**

#### **BACKGROUND**

Researchers interested in the spatial distribution of diversity and inequality tend to focus on nonwhites' overrepresentation in disadvantaged places, but areas that are diverse and faring well economically remain underexplored. Despite recent increases in county diversity, little is known about the factors that separate diverse, prosperous places from those that are diverse and less prosperous than the nation as a whole.

#### **RESEARCH QUESTIONS**

We build on Isserman, Feser and Warren's (2009) notion of prosperity, focusing specifically on its relationship with ethnoracial diversity. We ask the following research questions:

- 1) How many US counties are both more racially diverse and also more prosperous than nation as a whole?
- 2) How does the relationship between diversity and prosperity differ by county metropolitan status?
- 3) Lastly, how do diverse counties that are prosperous differ from diverse, but less prosperous ones in terms of labor market context and demographic change?

<u>Source</u>: Isserman, Andrew M., Edward Feser and Drake E. Warren. 2009. "Why Some Rural Places Prosper and Others Do Not." *International Regional Science Review* 32(3):300-342.

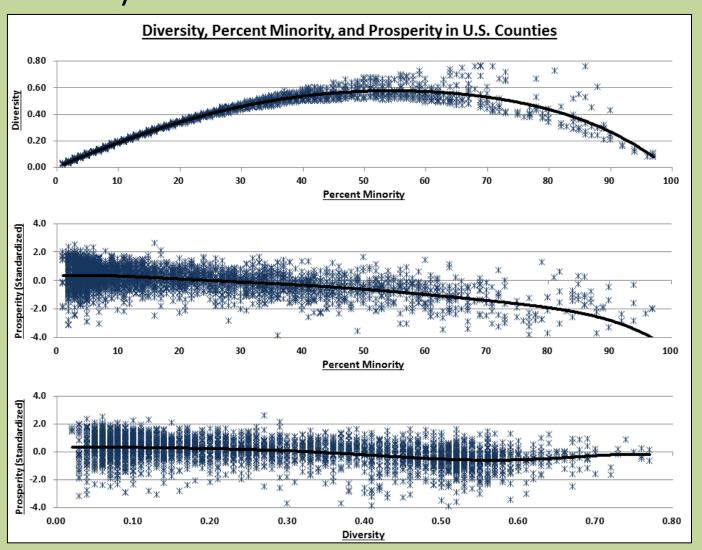
# DATA & METHODS

## DATA AND METHODS

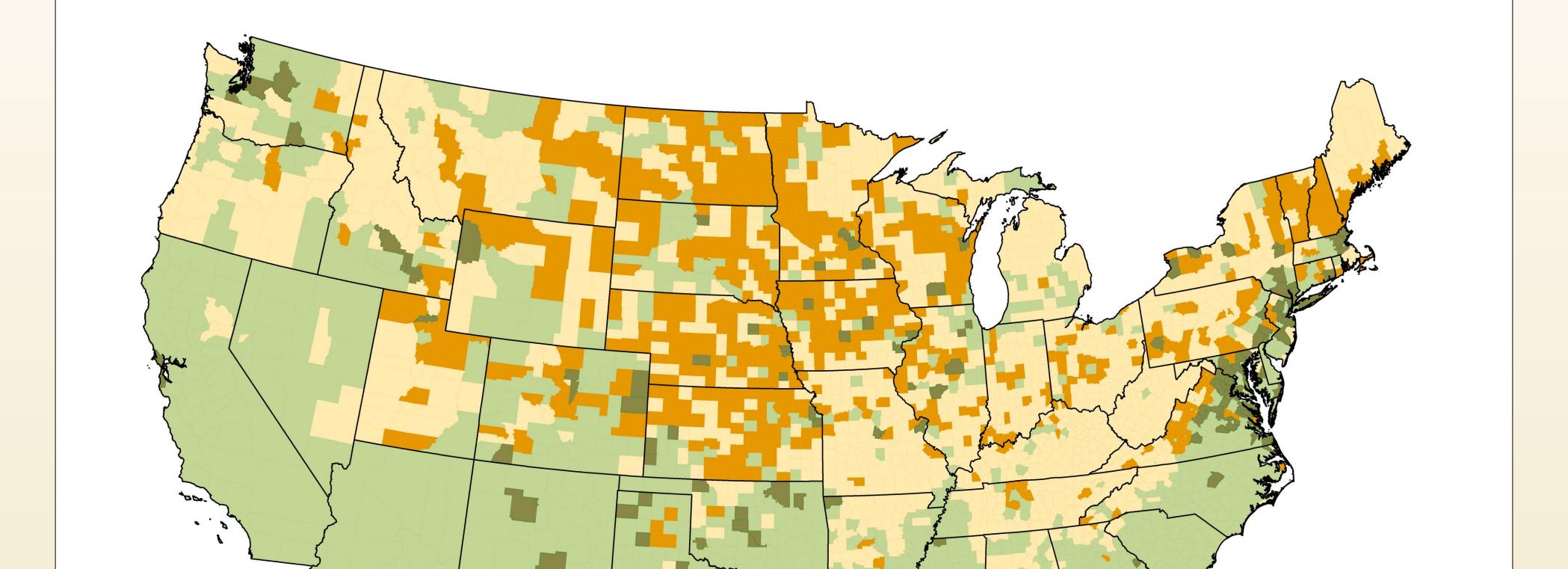
Data come from the U.S. Decennial Census (2000, 2010), and the American Community Survey Five-Year Estimates (2007-2011). All variables are measured at the county level. This analysis includes all 3,144 counties. We use descriptive and spatial statistics to examine the dimensions along which prosperity and diversity are stratified.

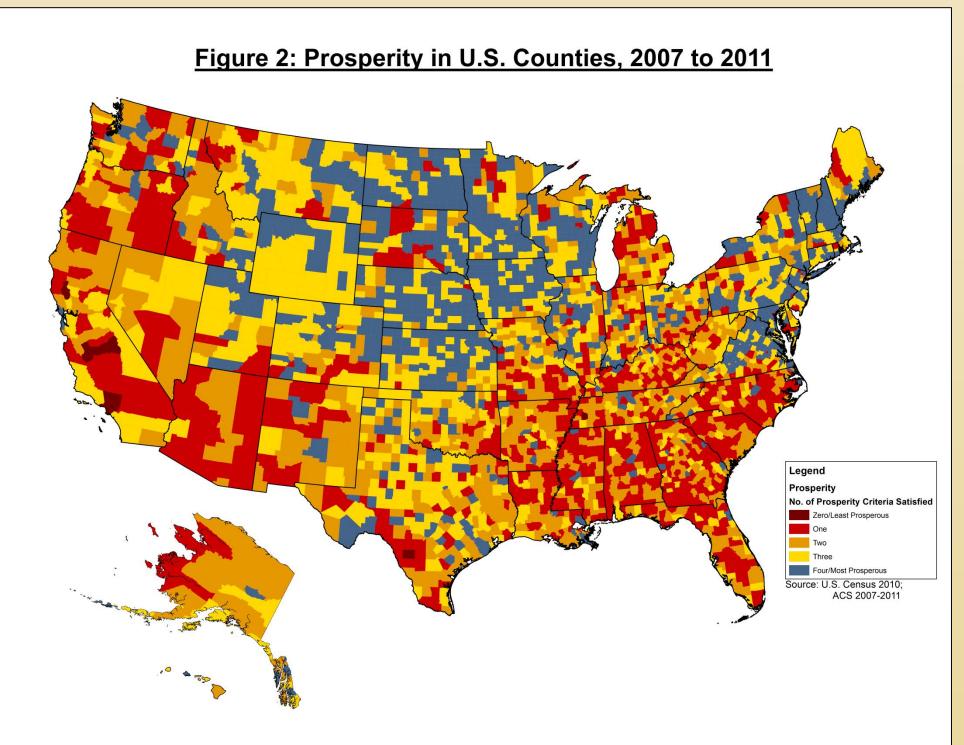
## **MEASURING DIVERSITY & PROSPERITY**

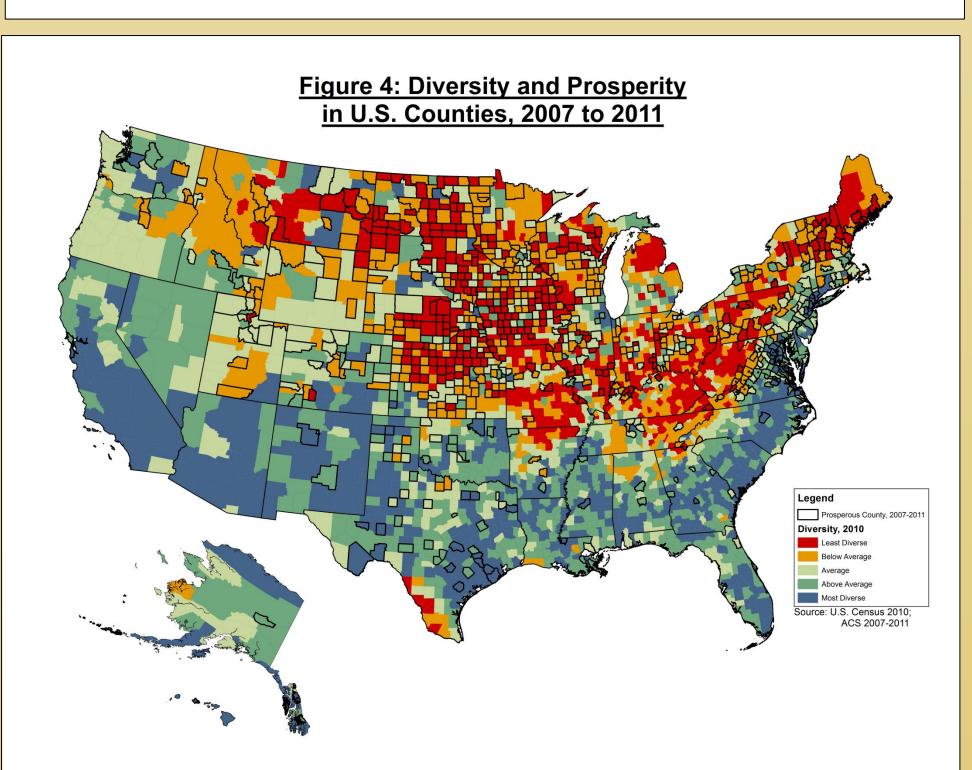
- The diversity index measures the likelihood that two randomly selected individuals in a county will be of a different racial/ethnic background. We define a "diverse county" as a county that has a diversity index higher than the national average.
- A county is considered "prosperous" if it ranks lower than the national average on 1) poverty, 2) unemployment, 3) high school drop out rate, and 4) housing problem rate.
- The scattergrams below illustrate the relation between percent minority and diversity; percent minority and prosperity (standardized); and diversity and prosperity (standardized).

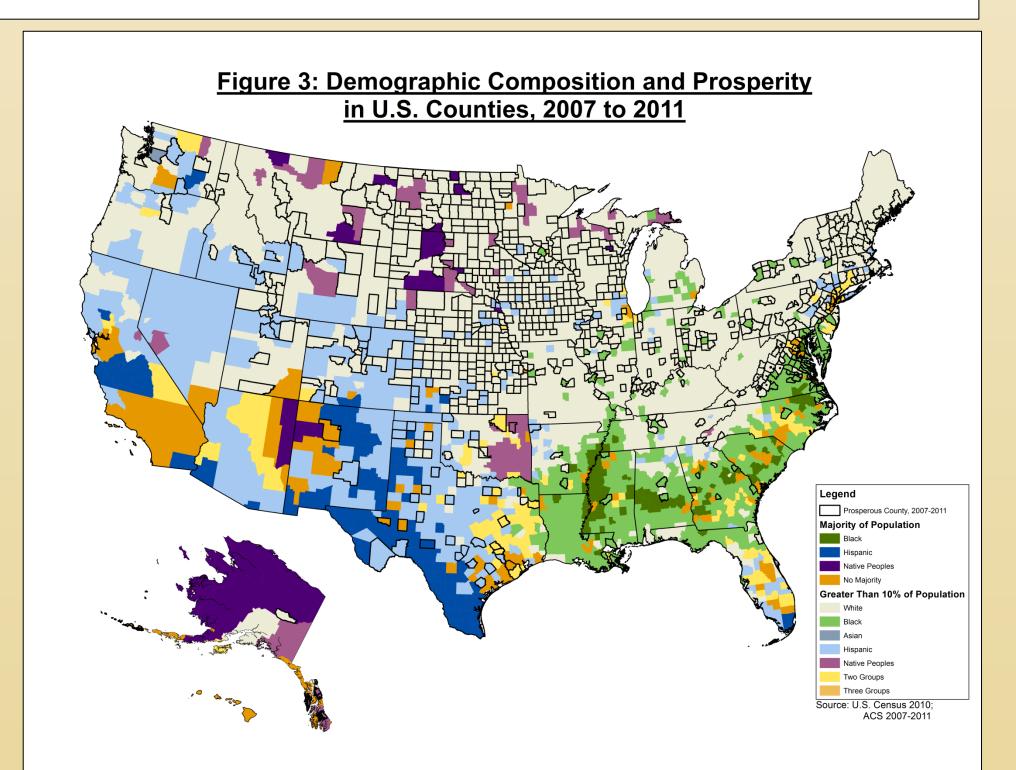


Note: The housing problem rate refers to the percent of households without complete plumbing and kitchen facilities, more than 1.01 occupants per room or where rent exceeds 30 percent of household income.









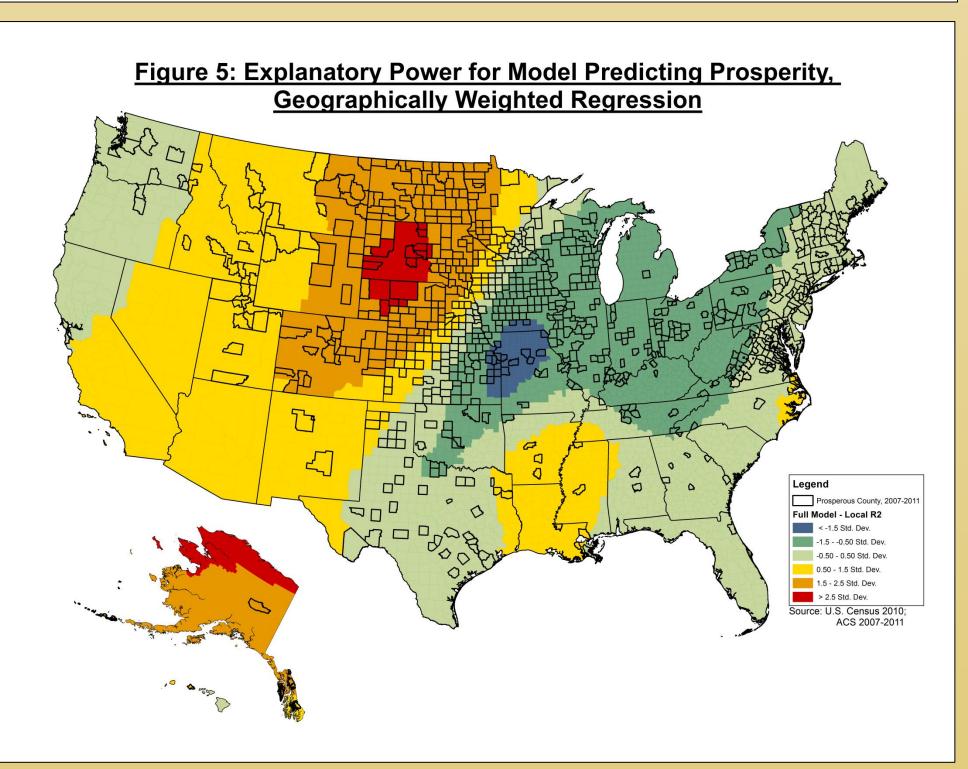
**Diversity and Prosperity** 

More Diverse, Prosperous

Less Diverse, Not Prosperous

ACS 2007-2011

Source: U.S. Census 2010;



# **FINDINGS**

#### DIVERSITY & PROSPERITY

- Only 181 racially diverse counties (13 percent of all diverse counties, or 6 percent of all counties) meet the criteria of a prosperous county. In comparison, a third of less diverse counties are prosperous (Figure 1).
- In addition, 575 (18 percent of all counties) are less diverse but prosperous, while 1,242 (39 percent) are more diverse/less prosperous, and 1,145 (36 percent) are less diverse/less prosperous.

#### THE ROLE OF METROPOLITAN STATUS

- Metro status is one factor delineating diverse/prosperous counties and diverse/less prosperous counties.
- Among counties that are more diverse and prosperous, 42 percent are located on the fringes of large core metropolitan areas, and 29 percent are in nonmetropolitan areas. Only 5 percent of diverse/prosperous counties are categorized large metro cores.
- For counties that are more diverse but not prosperous, only 10 percent are located on the fringes of large core metropolitan areas.
- Less diverse counties in general, regardless of prosperity, are also nonmetropolitan (65 percent less diverse and prosperous).

## RACIAL/ETHNIC DIMENSIONS

- Of all 756 prosperous counties, 98 percent (742) are a majority non-Hispanic white.
- Hispanic immigration/domestic migration plays an important role in prosperity among diverse counties; over half (53 percent) of diverse/prosperous counties are Hispanic destinations (see Johnson et al. 2014).
- A fifth of diverse/prosperous counties are new Hispanic destinations, whereas only 13 percent of diverse/less prosperous counties fall into this category. In contrast, 16 percent of all diverse/prosperous counties are established Hispanic destinations, compared to 23 percent in diverse/less prosperous counties.

## OTHER FACTORS ASSOCIATED WITH COUNTY PROSPERITY

- Spatial models suggest that overall the diversity index is negatively related to county prosperity, as are counties economically dependent on Federal/State employment and those designated as "unspecialized" by the USDA's Economic Research Service (2004).
- Population change (specifically Net Migration and Natural Increase) is positively related to prosperity. The robustness of these models is illustrated in Figure 5.

Sources: Johnson, Kenneth M., Andrew Schaefer, Daniel T. Lichter, and Luke T. Rogers. 2014. "The Increasing Diversity of America's Youth." Carsey Institute Issue Brief 72. University of New Hampshire: Durham, NH. For a detailed explanation of the ERS County Typologies, see: http://www.ers.usda.gov/data-products/county-typology-codes (retrieved August 21, 2013).

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