



Revival

Nearly 30 percent of America's black households have achieved middle- and upper-income status. An analysis of Census 2000 data reveals the importance of the rising black middle class.

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By William H. Frey

NO TERM IN AMERICA'S SOCIO-CULTURAL VERNACULAR conveys the idiosyncratic identity, psychic resonance, values, vibrancy and symbolism quite like the term "middle class." For decades, the pairing of these two words has simply meant everything American—from plain vanilla mediocrity to the oppressed majority to the very pulse, indomitable spirit and vitality of the nation's most defining households. About 10 percent of America's population controls 90 percent of its wealth and power. In fact, a great deal of the country's past and present persona and ethos, and, inarguably, a critical key to the nation's future as an economic, political, technological and cultural world leader lies in the health and well-being of its middle class.

Here is the first in a series of analyses *American Demographics* plans to publish in the next six to nine months under the title "America's Money in the Middle." The reports will dissect and drill down into the data, and pan for revelations and insights that can make their way into audience and customer segmentation models, marketing initiatives

William H. Frey is a demographer and Visiting Fellow at the Brookings Institution in Washington, D.C., and on the faculty of the University of Michigan Population Studies Center. His Web site is www.frey-demographer.org.

The rising prosperity and mobility of African Americans during the 1990s has taken them to new, and sometimes surprising, destinations.

and models, marketing initiatives and organizational strategies regarding the numbers of America's middle class and what they all mean.

The black middle class represents a significant share of many more markets than in the past, and this has tremendous bearing on the nation's future. The economic boom of the 1990s, the rising professional ranks of African-American Gen Xers and Gen Ys and the dispersion of blacks to growing, prosperous parts of the country—including their return to a revived “New South”—have increased both the numbers and visibility of middle-class blacks. Many are located in familiar African-American settlements, both in and outside of the South. Yet the rising prosperity and mobility of African Americans during the 1990s has taken them to new, and sometimes surprising, destinations.

UPSCALE BLACK LOCATIONS

“MIDDLE CLASS” IS AN AMBIGUOUS PHRASE, even to those who use it to characterize themselves. It is especially tricky when applying household income as the critical yardstick. The 2000 census reveals that a little more than 4 in 10 American households earn in excess of \$50,000 per year—an income that reflects middle-class consumption in even the toniest of markets. Because of significant income gains over the past two decades, nationally, nearly 3 in 10 black households have achieved middle- and upper-income status.

The extent to which black households in the “middle and above” income categories cluster into metro areas varies widely. The highest concentrations tend to occur in and around pricey coastal regions in the Northeast and in California, resurgent Southern magnets for middle-class blacks (e.g., Austin, Texas, Atlanta) and emerging

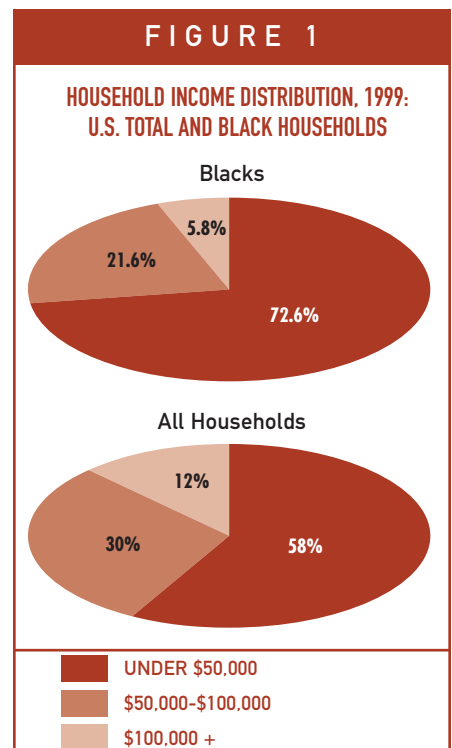
Highest Shares of Middle- and High-Income Blacks*

[More than 58 percent of black households in Middlesex, N.J., have incomes of \$50,000 and higher.]

	Metro Area	% HHs with Middle- and High-Incomes
1	Middlesex-Somerset-Hunterdon, NJ PMSA	58.7%
2	San Jose, CA PMSA	58.0%
3	Nassau-Suffolk, NY PMSA	57.3%
4	Orange County, CA PMSA	50.0%
5	Vallejo-Fairfield-Napa, CA PMSA	48.3%
6	Washington, DC-MD-VA-WV PMSA	45.6%
7	Bergen-Passaic, NJ PMSA	40.9%
8	Monmouth-Ocean, NJ PMSA	39.2%
9	Oakland, CA PMSA	38.1%
10	Wilmington-Newark, DE-MD PMSA	37.3%
11	Atlanta, GA MSA	37.3%
12	Riverside-San Bernardino, CA PMSA	37.2%
13	San Francisco, CA PMSA	36.6%
14	Ann Arbor, MI PMSA	36.5%
15	Colorado Springs, CO MSA	36.3%
16	Newark, NJ PMSA	36.2%
17	Seattle-Bellevue-Everett, WA PMSA	34.2%
18	Tacoma, WA PMSA	34.1%
19	Austin-San Marcos, TX MSA	34.1%
20	Boston, MA-NH NECMA	34.1%

*Among 93 large metro areas with 2000 populations exceeding 500,000, and black populations exceeding 25,000.

Source: William H. Frey analysis of decennial census data



Source: William H. Frey analysis of 2000 census

magnets for mobile black professionals (e.g., Denver, Phoenix). At the same time, many parts of the country with large settlements of black households, be they Midwest Rust Belt cities (e.g., Cleveland, Milwaukee), or part of the old Southern Black Belt (e.g., Birmingham and Mobile, Ala.), have relatively low shares of higher-income black households.

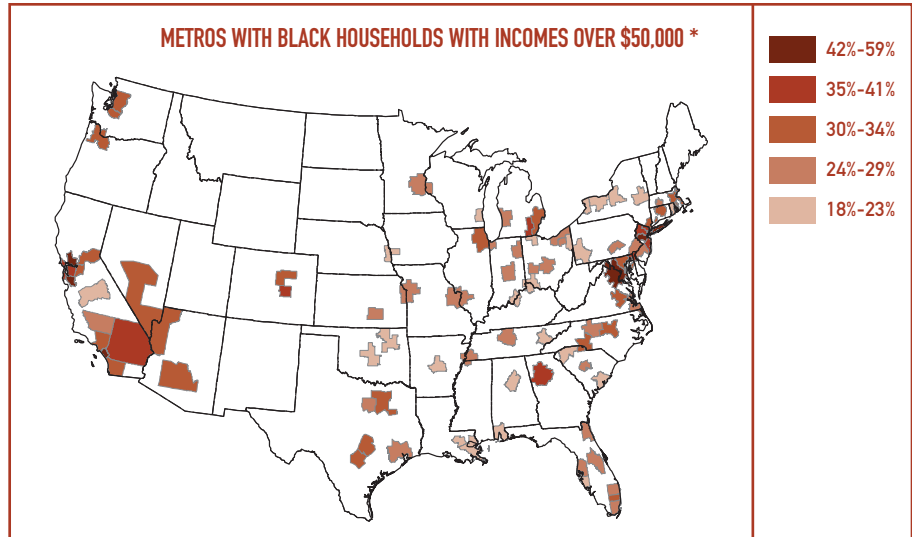
In four large metro regions, more than half of all black households earn more than \$50,000 per year (see chart, “Highest Shares of Middle- and High-Income Blacks”). These include Middlesex, N.J., and Nassau-Suffolk, N.Y., home to many commuting New Yorkers, “The Silicon Valley” (San Jose, Calif.) and Orange County, Calif.,—home of suburbanizing Los Angelinos. In fact, 10 of the top 13 metros for well-off blacks are located in the greater New York, San Francisco and Los Angeles regions.

Two exceptions are Washington, D.C., a traditional magnet for blacks in government, and Atlanta, a “rising star” magnet for black professionals in the 1990s. College towns (Ann Arbor, Mich. Colorado Springs, Colo.), and high-tech economy clusters (e.g., Austin, Texas and Boston) also pop up on the radar. Curiously, despite a vibrant Southern economy, only four of the top 20 metros for middle- and high-income blacks are in the South.

RAPIDLY RISING

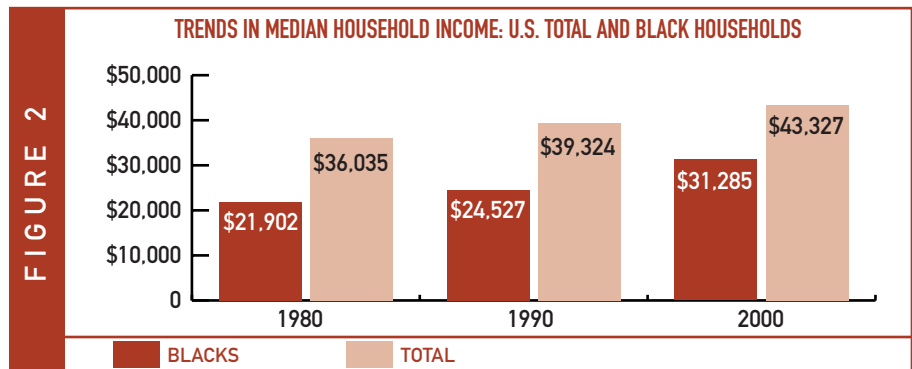
ALTHOUGH THE SOUTH might be underrepresented among markets with the highest shares of middle-class blacks, Dixie metros are prominent when it comes to rapid growth in both black households and incomes. Three Texas metros—Austin, San Antonio and Dallas—along with Atlanta, lead all others in the growth of black per capita household incomes in the 1990s, among markets that increased their black household populations by more than one-fifth. Other such Southern metros are the Research Triangle hub, Raleigh-Durham-Chapel Hill, N.C., and Fort Lauderdale, Fla.

Other high-fliers are places not typi-



* Among large metros with 2000 populations exceeding 500,000, and black populations exceeding 25,000.

Source: William H. Frey analysis of 2000 census



Source: William H. Frey analysis of 2000 census

Well-Off and Flying High*

[Between 1990-2000, Austin, Texas, showed a 50 percent surge in mean household income among blacks.]

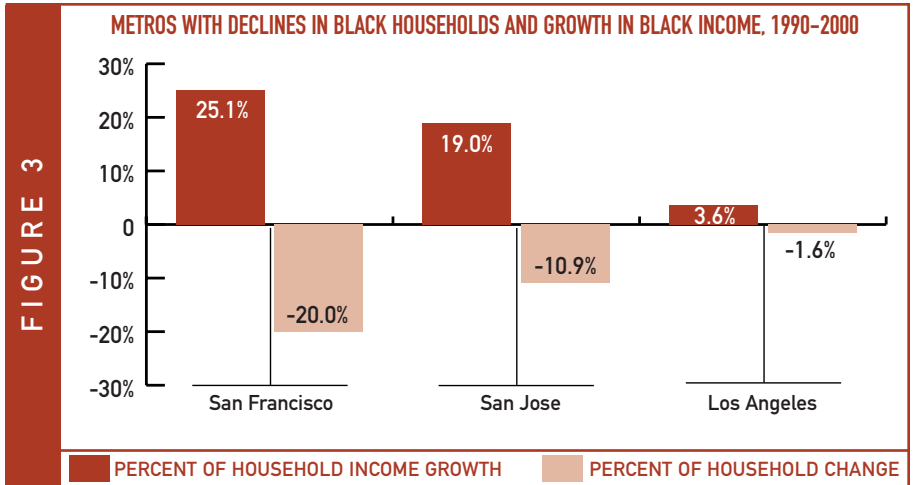
	Metro Area	% Increase Mean HH Income	% Increase Black HHs	% w/ Middle- and High-Incomes
1	Austin-San Marcos, TX MSA	50.2%	24.7%	34.1%
2	San Antonio, TX MSA	29.7%	22.9%	30.5%
3	Atlanta, GA MSA	28.3%	61.0%	37.3%
4	Dallas, TX PMSA	26.8%	35.2%	30.9%
5	Denver, CO PMSA	26.2%	21.5%	33.8%
6	Portland-Vancouver, OR-WA PMSA	26.0%	24.6%	30.4%
7	Phoenix-Mesa, AZ MSA	25.5%	63.3%	33.2%
8	Tacoma, WA PMSA	24.9%	31.6%	34.1%
9	Stockton-Lodi, CA MSA	24.0%	56.3%	31.9%
10	Raleigh-Durham-Chapel Hill, NC MSA	23.6%	35.3%	31.2%
11	Fort Lauderdale, FL PMSA	23.4%	77.0%	31.4%
12	Colorado Springs, CO MSA	21.7%	24.5%	36.3%
13	Las Vegas, NV-AZ MSA	18.5%	95.6%	30.8%
14	Seattle-Bellevue-Everett, WA PMSA	18.5%	34.6%	34.2%
15	Vallejo-Fairfield-Napa, CA PMSA	18.0%	31.5%	48.3%

*Among metros with more than 20 percent gains in black HHs and where middle- and upper-income HHs consist of more than 30 percent of blacks.

Source: William H. Frey analysis of decennial census data

cally associated with black middle-class populations (see chart, “Well-Off and Flying High”). Western metros such as Denver, Phoenix, Las Vegas, Portland, Ore. and Colorado Springs, Colo. have increased their total population dramatically over the last decade. Today, they are also attracting droves of middle- and high-income blacks. Additional black population spillover into the Pacific Northwest and more “suburban” interior California metros is being driven by an accelerated out-migration of blacks from large coastal California metros such as San Francisco, Los Angeles and San Jose.

One-time Golden State magnets for blacks are now registering declines in African-American households, but at the same time, we’re seeing increases in black per capita household incomes in these areas (see Figure 3). This can be credited to the rising cost of living, which drives even middle-class blacks to less pricey destinations in nearby areas and states. These flows into emerging black magnets expand the visibility of middle-class blacks in new Western markets.



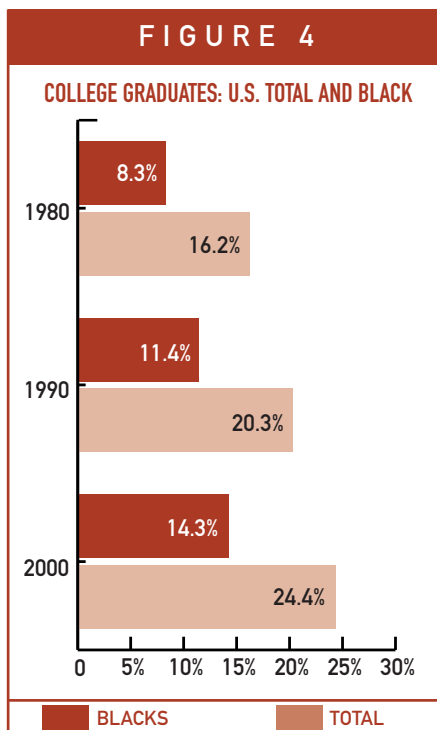
Source: William H. Frey analysis of 1990 and 2000 census

SMART GROWTH

ANOTHER EMERGING SEGMENT of middle-income African Americans, “knowledge workers,” is redefining yet another part of the geographic landscape. This description reflects a significant clustering of black adults who have at least college educations as well as middle-class incomes.

This tracks with the greater tendency for Gen X and Gen Y blacks to graduate from college and enter into professional careers. (See Figure 4.)

Leading the list is San Jose, Calif., home of Silicon Valley and haven for software engineers, scientists, entrepreneurs and various other knowledge workers (see chart, “Smart and Comfortable”). Additional high-tech magnets include Washington, D.C., Raleigh-



* Among adults, age 25 and older
Source: William H. Frey analysis of decennial censuses

Smart and Comfortable*

[Orange County, Calif. has the highest percentage of black college graduates ages 25 and older.]

Metro Area	% College Grads	% w/ Middle- and High-Incomes
1 San Jose, CA PMSA	29.7%	58.0%
2 Orange County, CA PMSA	27.6%	50.0%
3 Middlesex-Somerset-Hunterdon, NJ PMSA	27.2%	58.7%
4 Washington, DC-MD-VA-WV PMSA	24.1%	45.6%
5 Ann Arbor, MI PMSA	24.1%	36.5%
6 Raleigh-Durham-Chapel Hill, NC MSA	22.2%	31.2%
7 Atlanta, GA MSA	21.9%	37.3%
8 Seattle-Bellevue-Everett, WA PMSA	21.1%	34.2%
9 Denver, CO PMSA	21.0%	33.8%
10 Nassau-Suffolk, NY PMSA	20.8%	57.3%
11 Boston, MA-NH NECMA	20.3%	34.1%
12 Austin-San Marcos, TX MSA	20.1%	34.1%
13 Phoenix-Mesa, AZ MSA	19.4%	33.2%
14 Colorado Springs, CO MSA	19.0%	36.3%
15 Oakland, CA PMSA	18.6%	38.1%

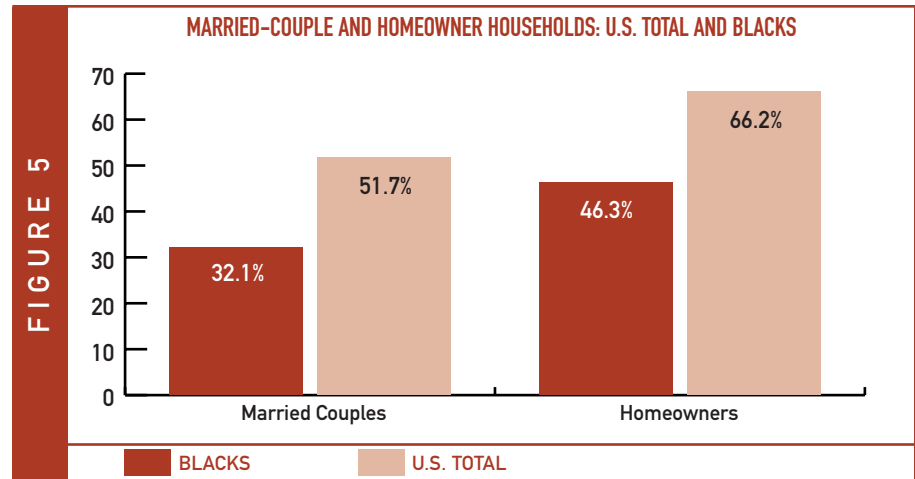
* Among metros where middle- and upper-income HHs consist of more than 30 percent of blacks.

Source: William H. Frey analysis of decennial census data

Durham-Chapel Hill, N.C., Austin, Texas, Atlanta, Seattle and Boston. In each of these, at least a fifth of black adults graduated from college, and over a third of black households had incomes exceeding \$50,000. These include college towns (Ann Arbor, Mich., and Colorado Springs, Colo.) as well as suburban havens (Orange County, Calif., and Middlesex, N.J.) in places that employ large numbers of well-educated workers.

NESTING AREA

A **NOTHER DEFINITION OF MIDDLE CLASS** involves a lifestyle component associated with “settling down” in a stable community, along with a comfortable income. Although Ozzie and Harriet is no longer the norm for American families, and even married-couple households have been on the decline nationwide, almost a third of all African-American households are married couples. The number of black households that represent homeowners is approaching one-half (see Figure 5). As a consequence, a set of metropolitan cen-



Source: William H. Frey analysis of 2000 Census

ters associated with the “nesting area” of black middle class emerges as a definable geographic category. These areas have significant shares of black married couples and homeowners, as well as those with middle-class incomes.

Many of these are “suburban” metros (see chart, “Married and Settled”) such as Nassau-Suffolk, N.Y., Middlesex, N.J., Vallejo and Riverside, Calif.—areas that lie in close proximity to employment hubs

for knowledge workers. These communities attract professional blacks who prefer a more suburban settled lifestyle.

What is somewhat surprising is that this list of nesting areas also includes many “New South” growth centers that have begun to attract professional blacks. The image of their growth is one driven by creative class singles moving into townhouses and lofts near Internet cafés to become part of the cappuccino culture. Countering this bohemian image are high shares of “married and settled” blacks who live in fast-growing places like Atlanta, San Antonio, Raleigh-Durham-Chapel Hill, N.C., and Austin, Texas. Clearly, much of their growth involves blacks moving with spouses and looking for a stable, settled environment.

Married and Settled*

[More than 52 percent of blacks in Colorado Springs, Colo. live in married-couple households; 43 percent are homeowners.]

Metro Area	% Married-Couple HHs	% Home-owners	% w/ Middle- and High-Incomes
1 Colorado Springs, CO MSA	52.7%	43.9%	36.3%
2 Nassau-Suffolk, NY PMSA	47.8%	65.1%	57.3%
3 Middlesex-Somerset-Hunterdon, NJ PMSA	42.8%	50.0%	58.7%
4 Vallejo-Fairfield-Napa, CA PMSA	42.4%	51.6%	48.3%
5 Riverside-San Bernardino, CA PMSA	41.9%	48.7%	37.2%
6 San Antonio, TX MSA	39.1%	48.5%	30.5%
7 Fort Lauderdale, FL PMSA	38.8%	52.5%	31.4%
8 Monmouth-Ocean, NJ PMSA	38.1%	45.4%	39.2%
9 Stockton-Lodi, CA MSA	37.3%	43.9%	31.9%
10 Raleigh-Durham-Chapel Hill, NC MSA	35.3%	48.6%	31.2%
11 Phoenix-Mesa, AZ MSA	35.2%	44.5%	33.2%
12 Austin-San Marcos, TX MSA	35.1%	45.8%	34.1%
13 Atlanta, GA MSA	34.9%	48.6%	37.3%
14 Washington, DC-MD-VA-WV PMSA	34.7%	49.4%	45.6%
15 Denver, CO PMSA	34.6%	44.9%	33.8%

*In metros where black homeownership exceeds 40 percent and middle- and upper-income HHs consist of more than 30 percent of blacks.

Source: William H. Frey analysis of decennial census data

LOOKING AHEAD

M **IDDLE-CLASS BLACKS** and areas that attract them are in a dynamic state. As black Gen Y, and later, Millennial cohorts join the professional ranks, and as African Americans become more mobile, the black middle class will become a larger presence in many more new destinations outside the traditional old South and urban North. Different segments will gravitate to new economic growth centers, university towns and more “suburban-like” family oriented settings. As more African Americans move up the economic ladder, stereotypes about how and where they live need a new look. ■