

CHAPTER 5

POVERTY, FEMALE HEADSHIP, AND WELFARE DEPENDENCY

According to the urban poverty research presented in *Chapter 3*, growing and concentrated urban poverty is associated with high rates of female headship and welfare dependency among other characteristics. In this chapter I examine the relationships between high poverty rates, per-capita income, and high rates of female headship for each of the cities and towns in the Lower Merrimack Valley between 1980 and 1990. High rates of welfare dependency in Lawrence relative to the surrounding region in 1990 are also shown. Once I establish the relationships between each of these variables at the regional level, I illustrate, in detail, exactly how changes in poverty and female headship manifested themselves spatially within Lawrence between 1980 and 1990.

As a result of this analysis, striking patterns of spatial polarization and marginalization are shown to be taking place in Lawrence relative to the surrounding region. Between 1980 and 1990, for example, the number of persons living in poverty in the city of Lawrence grew from 19.3% to 27.5%. This trend lies in sharp contrast to changes in the surrounding cities and towns which either maintained their 1980 poverty levels or experienced declines. The increase and growing spatial polarization of high rates of poverty in Lawrence relative to the surrounding municipalities is similar to spatial trends in the growth and concentration of female headed households in the region.

5.1 Municipal Poverty Rates and Changes in Per-Capita Income

Poverty rates in Lawrence were much higher than those in any of the surrounding cities and towns in both 1980 and 1990 as *Figure 5.1* illustrates. Regional poverty rates in 1990 ranged from a high of 27.5% in Lawrence to a low of 1.5% in Boxford. These statistics are shown in *Table 5.1*. Even more striking is a regional comparison of percentage point changes in municipal poverty rates between 1980 and 1990. Lawrence is the only municipality in the region that experienced an increase in its poverty rate between 1980 and 1990. As shown in *Figure 5.2*, the number of persons living in poverty in Lawrence increased by 8.2 percentage points. All other municipalities, except Boxford, the wealthiest town in the region and the one with the lowest poverty rates, showed a decline in their poverty rates. Boxford showed no change between 1980 and 1990.

Table 5.1

*Poverty Rates
Lower Merrimack Valley Service Delivery Area
1980-1990*

	Pcntg Pt Chng Poverty Rate 1980-1990	Poverty Rate 1990	Poverty Rate 1980
Lawrence	8.2	27.5%	19.3%
Boxford	0.0	1.5%	1.5%
North Andover	-0.3	2.8%	3.1%
Methuen	-0.5	7.2%	7.7%
Andover	-0.9	2.9%	3.8%
Groveland	-1.6	2.3%	3.9%
Haverhill	-1.7	8.8%	10.5%
West Newbury	-2.0	2.1%	4.1%
Rowley	-2.1	1.5%	3.6%
Georgetown	-2.5	5.3%	7.8%
Merrimac	-2.9	5.0%	7.9%
Newburyport	-3.8	5.7%	9.5%
Amesbury	-3.8	6.3%	10.1%
Salisbury	-4.3	8.6%	12.9%
Newbury	-5.0	3.2%	8.2%

Source: 1980 and 1990 Census of Population and Housing

Figure 5.1

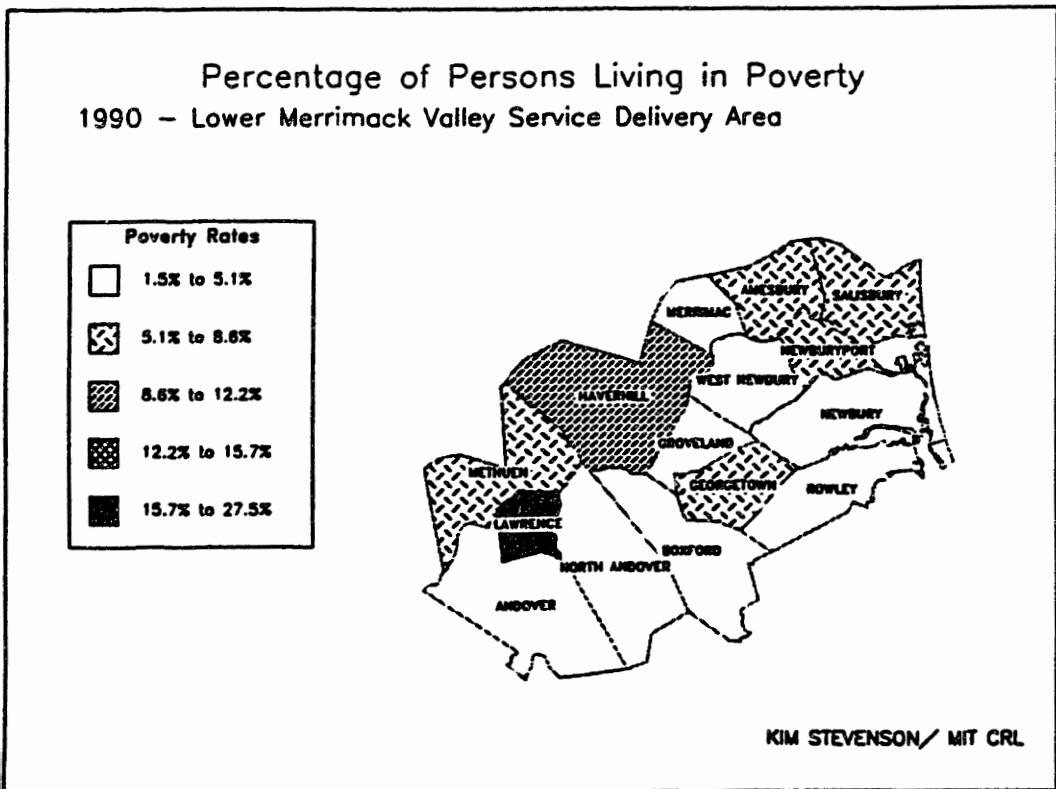
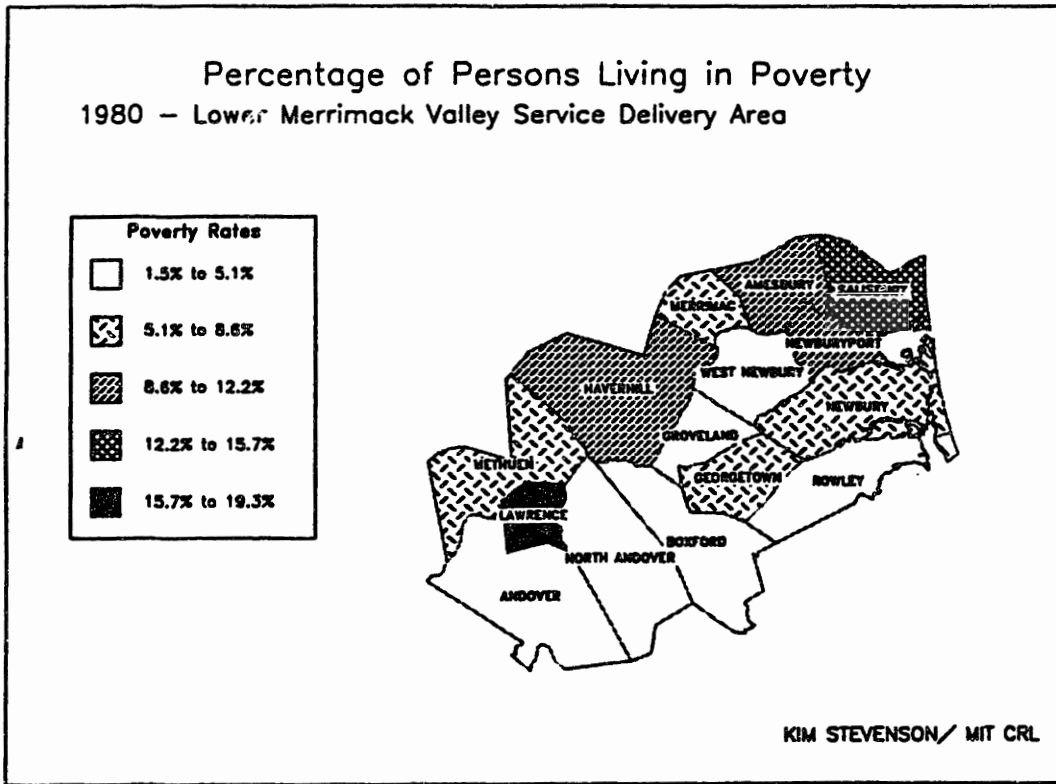
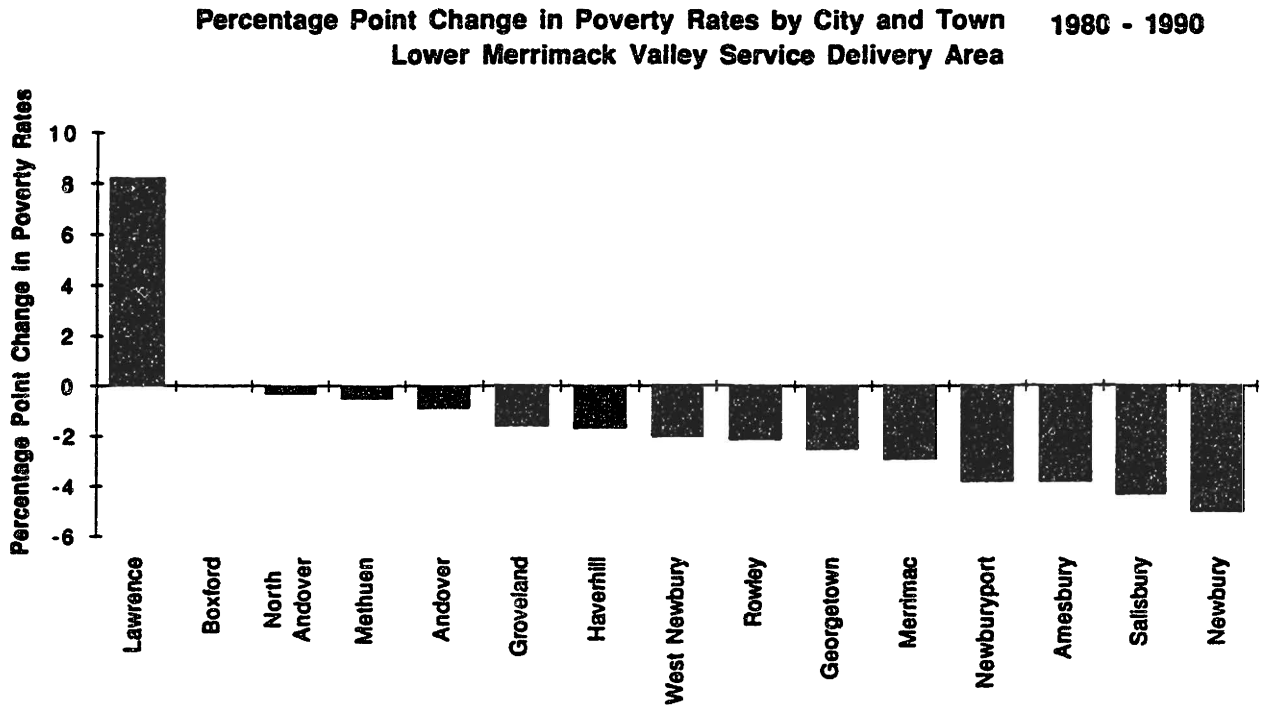


Figure 5.2



Source: 1980 and 1990 Census of Population and Housing

Percentage changes in per-capita incomes among the municipalities also showed similar trends. Lawrence experienced a meager 5% increase in per-capita income (adjusted for inflation) between 1980 and 1990, while all other municipalities experienced increases greater than 30%. These changes are illustrated in *Figure 5.3*. It is also significant that the wealthiest towns generally showed the highest percentage increases in per-capita income (e.g. Boxford, Andover, and North Andover), whereas, the poorer municipalities showed smaller increases (e.g. Lawrence, Salisbury, and Amesbury). These statistics are shown in *Table 5.2*.

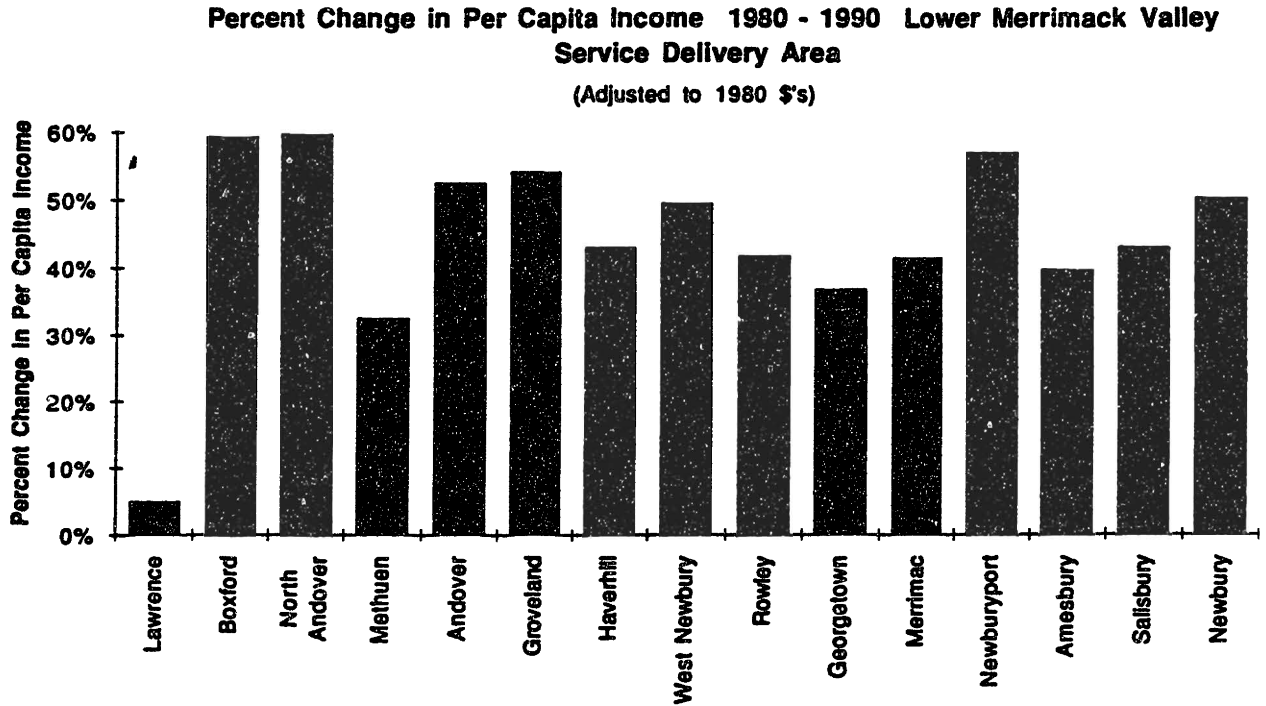
Table 5.2
Per Capita Incomes
Lower Merrimack Valley Service Delivery Area
1980 - 1990

	Per Capita Income 1990	Per Capita Income 1990 (Adj)*	Per Capita Income 1980	Per Capita Change 1980-1990*	Per Capita % Change 1980-1990*
Boxford	\$30,634	\$18,217	\$11,442	\$6,775	59.2%
Andover	\$26,327	\$15,656	\$10,267	\$5,389	52.5%
North Andover	\$22,957	\$13,652	\$8,554	\$5,098	59.6%
West Newbury	\$20,450	\$12,161	\$8,140	\$4,021	49.4%
Groveland	\$20,038	\$11,916	\$7,731	\$4,185	54.1%
Newbury	\$19,917	\$11,844	\$7,888	\$3,956	50.2%
Newburyport	\$19,008	\$11,304	\$7,206	\$4,098	56.9%
Rowley	\$18,130	\$10,781	\$7,611	\$3,170	41.7%
Georgetown	\$17,571	\$10,449	\$7,639	\$2,810	36.8%
Merrimac	\$16,327	\$9,709	\$6,866	\$2,843	41.4%
Methuen	\$15,598	\$9,276	\$7,002	\$2,274	32.5%
Haverhill	\$15,464	\$9,196	\$6,433	\$2,763	43.0%
Amesbury	\$15,423	\$9,172	\$6,571	\$2,601	39.6%
Salisbury	\$14,455	\$8,596	\$6,015	\$2,581	42.9%
Lawrence	\$9,686	\$5,760	\$5,485	\$275	5.0%

Sources: 1980 and 1990 Census of Population and Housing
U.S. Department of Labor - Bureau of Labor Statistics

* 1990 values were adjusted for inflation using the Boston Area Consumer Price Index of all Urban Consumers (CPI-U), 1982 - 1984 = 100

Figure 5.3



Source: 1980 and 1990 Census of Population and Housing

These data indicate that the poorest municipality, Lawrence, is becoming increasingly more marginalized, particularly from three of its closest neighbors: Andover, North Andover, and Boxford. Furthermore, income data show that per-capita incomes increased in all cities and towns, however increases were substantially higher in the wealthiest municipalities. As the following section shows, growth in the number and concentration of female headed households showed similar patterns of spatial polarization throughout the region.

5.2 Rates of Female Headship in the Region

The Lower Merrimack Valley experienced a sharp increase in the number of female headed households between 1980 and 1990 (an increase of 2,142 households or 30%). Even more striking was the large increase in female headed households in Lawrence (1,883 households) accounting for 88% of the net increase in the region. Furthermore, Lawrence had the highest rates of female headship in the region in both 1980 and 1990 - 31.4% in 1980 and 43.9% in 1990¹ These statistics are illustrated in *Figure 5.4* and shown in *Table 5.3*.

Unlike changes in the regional poverty rates, the percentage of female headed households increased in half the cities and towns and declined in the other half. However, the 12.5 percentage point increase in Lawrence was significantly higher than that in any of the surrounding cities and towns. Methuen showed the second highest increase of 3.3 percentage points, in contrast to Amesbury which showed the largest decline of 2.9

¹The term female headed households refers only to those female headed households with children under age 18. The rate of female headship was calculated by dividing the number of female headed households with children under age 18 by the number of all households with children.

percentage points. These changes are illustrated in *Figure 5.5*. Note that those cities and towns, closest in proximity to Lawrence, showed the highest percentage point increases in female headship. Further research would be necessary to explain why this is the case.

Dramatic growth in the number of female headed households in Lawrence is important for our understanding of growing and concentrated poverty in Lawrence relative to the surrounding region. High rates of poverty are strongly correlated with high rates of female headship. For example, in 1980, 17% of all persons living in families in Lawrence lived in poverty, whereas, 68% of all persons in female headed households lived in poverty. It is also important to note that poverty rates among Hispanic female headed families are particularly severe. Ninety eight percent of all persons living in a household headed by a Hispanic mother in Lawrence lived in poverty in 1980. This fact is particularly relevant to the case of Lawrence because of the high and growing concentration of Hispanic persons living in the city.

According to 1990 census statistics, 42% of Lawrence's population or 29,200 persons are of Hispanic origin. These 1990 figures represented an almost three fold increase in the number of Hispanic persons living in the city between 1980 and 1990. They are also significant for our understanding of growing poverty in Lawrence and will be discussed in much greater detail in *Chapter 7*.

Figure 5.4

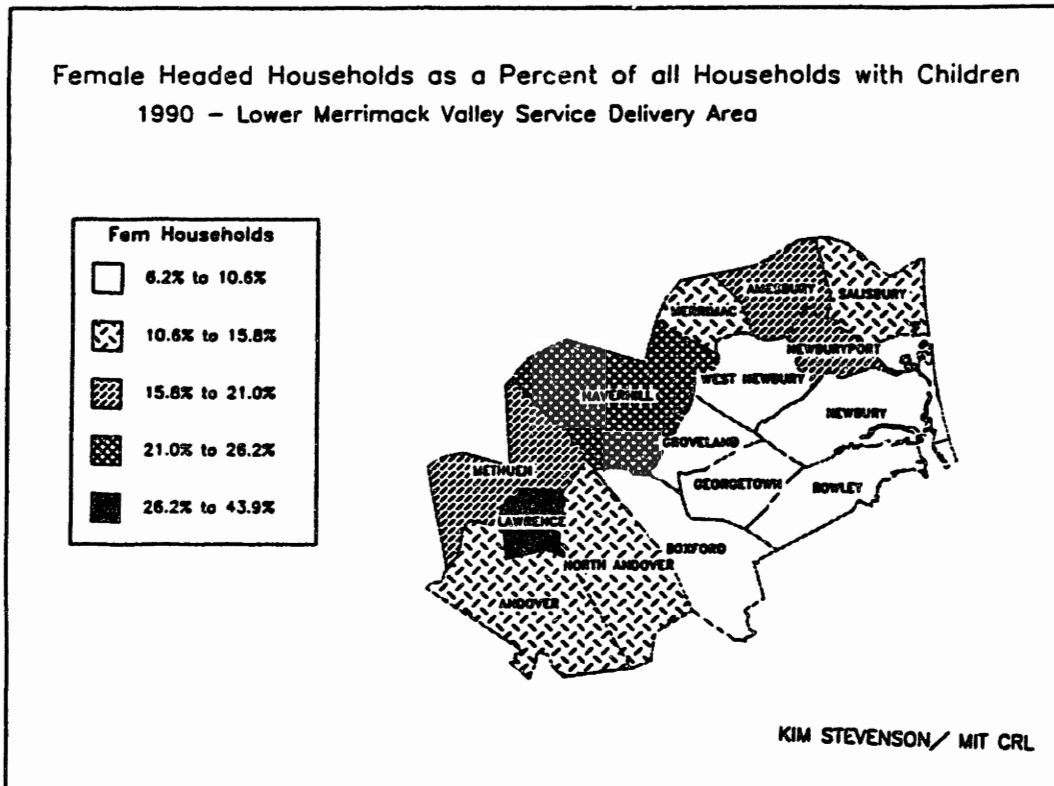
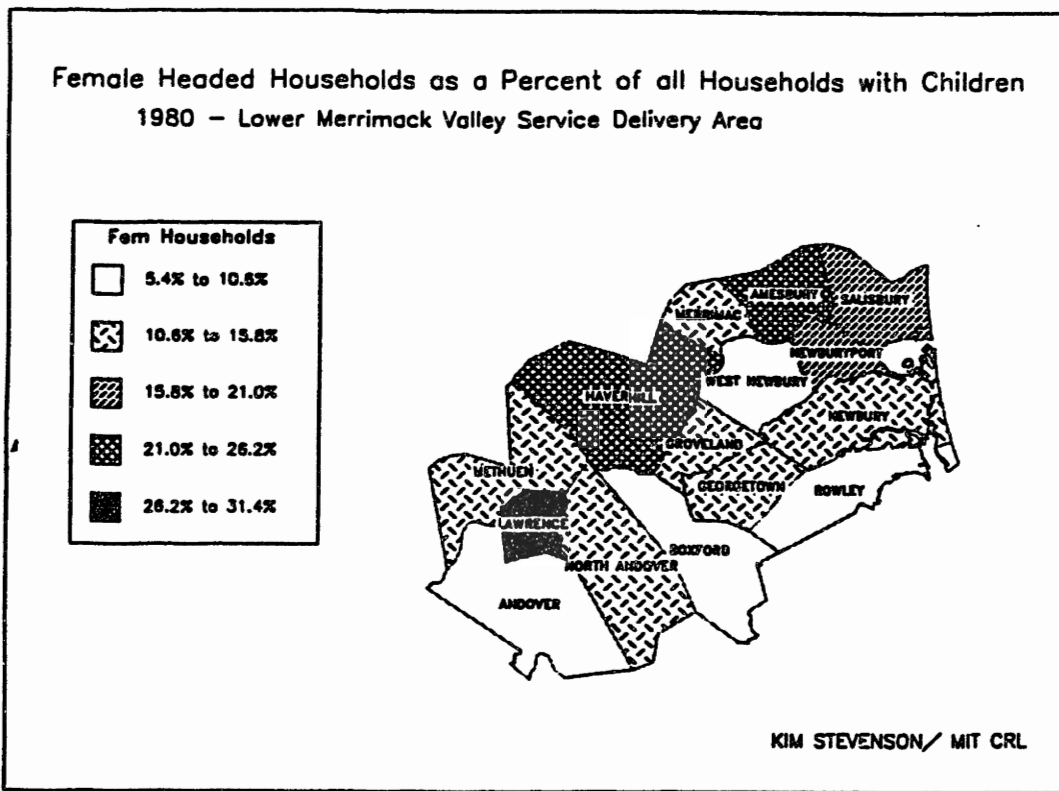


Table 5.3

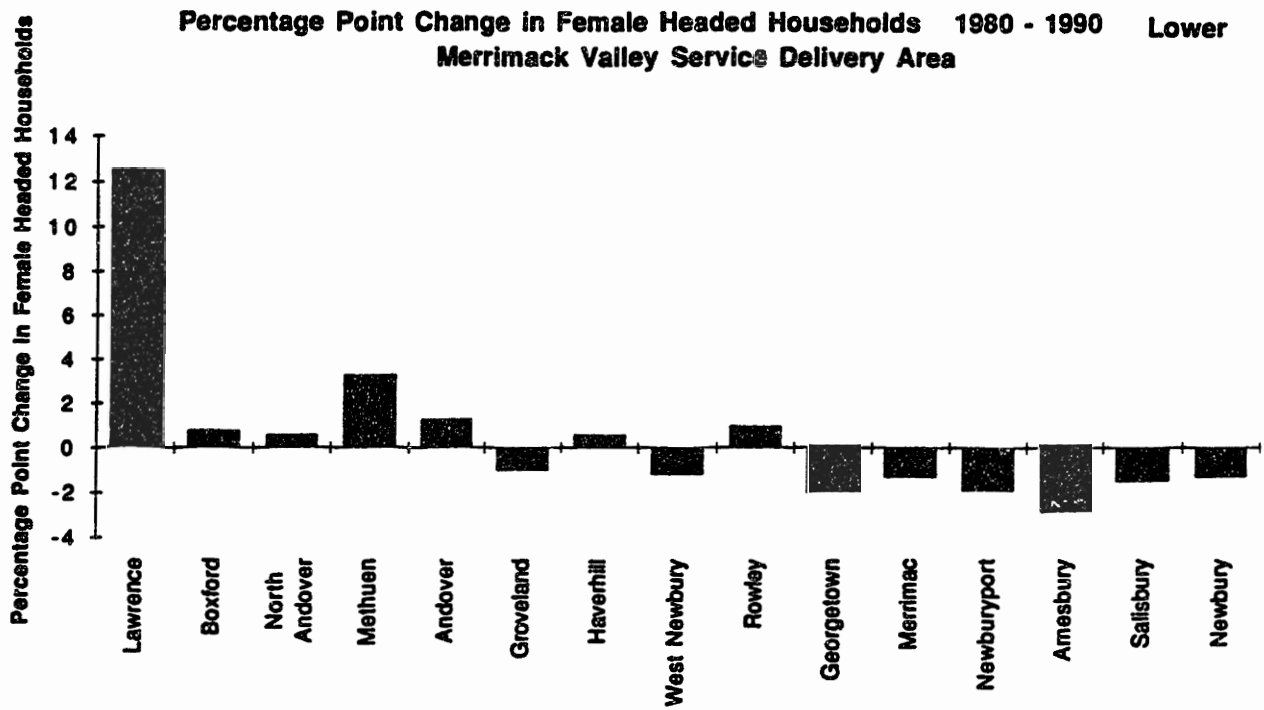
*Female Headed Households
Lower Merrimack Valley Service Delivery Area
1980-1990*

	Pctg Point Change in Female Headed Households 1980-90	Change in Female Headed Households 1980-90	Percent		Percent	
			Female Headed Households 1990	Female Headed Households 1990*	Female Headed Households 1980*	Female Headed Households 1980
Lawrence	12.5	1,883	4,595	43.9%	2,712	31.4%
Methuen	3.3	184	956	18.9%	772	15.6%
Andover	1.3	59	447	10.9%	388	9.6%
Rowley	1.0	15	66	9.7%	51	8.7%
Boxford	0.8	8	56	6.2%	48	5.3%
Haverhill	0.6	134	1,577	23.3%	1,443	22.7%
North Andover	0.6	49	388	13.3%	339	12.7%
Groveland	-1.0	(16)	76	10.2%	92	11.2%
West Newbury	-1.2	0	34	6.6%	34	7.7%
Newbury	-1.3	3	77	10.0%	74	11.3%
Merrimac	-1.3	(1)	97	12.9%	98	14.2%
Salisbury	-1.5	(7)	143	15.4%	150	16.9%
Newburyport	-1.9	(83)	353	18.0%	436	20.0%
Georgetown	-2.0	(15)	83	9.1%	98	11.0%
Amesbury	-2.9	(37)	419	18.9%	456	21.9%
LMVSDA Totals	4.3	2,142	9,333	23.8%	7,191	19.6%

Source: 1980 and 1990 Census of Population and Housing

* The percentage of female headed households was calculated by dividing the number of female headed households with children under 18 by the number of all households with children under 18.

Figure 5.5



Source: 1980 and 1990 Census of Population and Housing

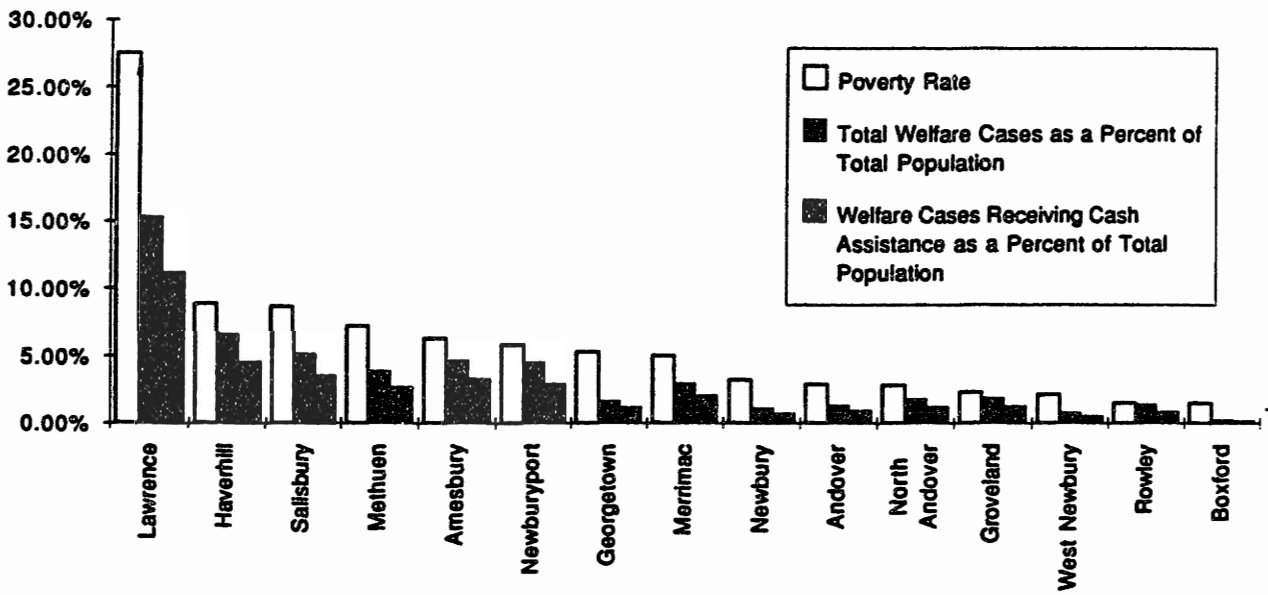
5.3 Welfare Dependency in the Region

Like high rates of poverty and female headship, the region's welfare cases are also concentrated in Lawrence.² In January of 1990, 57% of all welfare cases in the Lower Merrimack Valley were located in Lawrence. This fact becomes particularly striking because a much smaller proportion (24%) of the region's total population lives in Lawrence. In addition, 66% of all AFDC cases in the Lower Merrimack Valley were concentrated in Lawrence. This statistic is not surprising, given the high concentration of poverty and the number of female headed households in the city. *Figure 5.6* shows that in 1990, Lawrence had the highest number of welfare cases as a percentage of its total population (15%) followed by Haverhill with 7%. Boxford had the lowest rate of less than 1%. A preliminary analysis of the January 1992, data indicates that there was significant increase in welfare cases for all towns between January 1990 and January 1992.

²Welfare programs fall into several categories. Those providing cash assistance include Refugee Assistance, Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), and General Relief. Non-cash assistance programs include Medicaid and Food Stamps.

Figure 5.6

**Poverty Rates and Welfare Cases Lower Merrimack Valley Service Delivery Area
1990**



Sources: 1980 and 1990 Census of Population and Housing; Massachusetts Department of Welfare

As a result of the analysis that has been presented to this point, I have shown that poverty in the Lower Merrimack Valley remains highly concentrated in Lawrence. In fact, not only did poverty rates in Lawrence show an alarming increase of 8.2 percentage points between 1980 and 1990, Lawrence was the only municipality in which poverty rates grew at all. Increases in high rates of poverty in Lawrence have also been accompanied by a very small increase in per-capita income relative to the surrounding municipalities in the region; growth in the number and concentration of female headed households; and concentrated welfare dependency. These data clearly show that Lawrence is growing increasingly poorer and becoming increasingly more marginalized from its surrounding region.

5.4 Poverty Within Lawrence

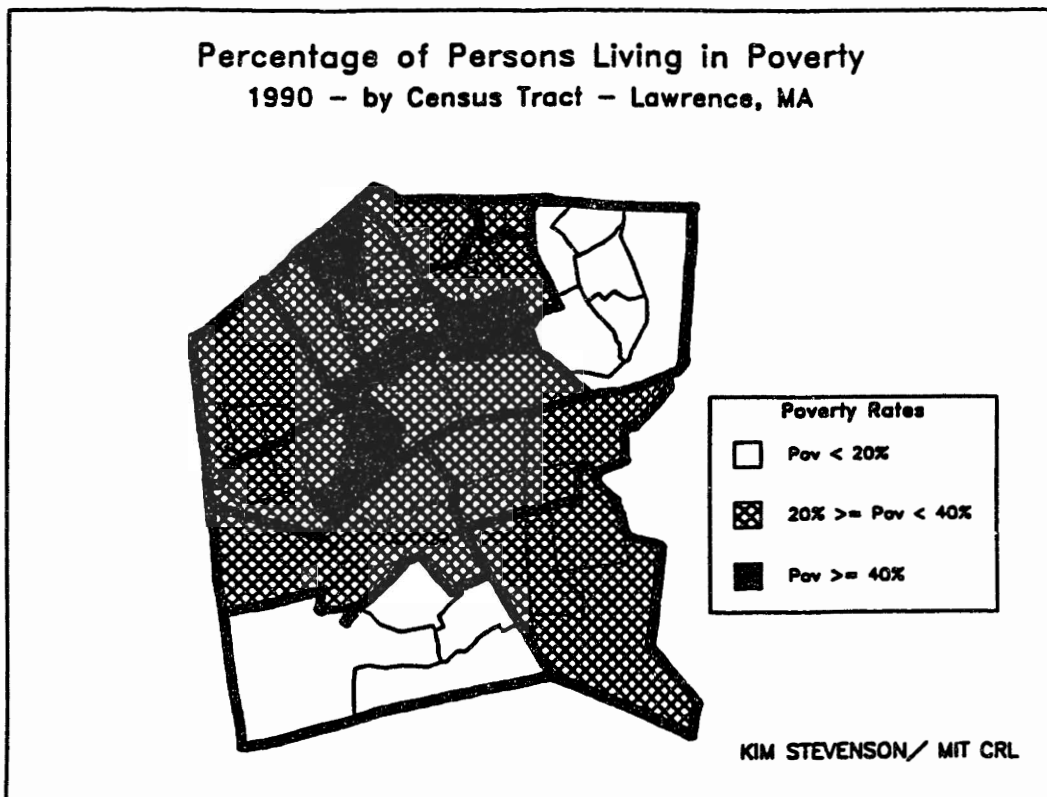
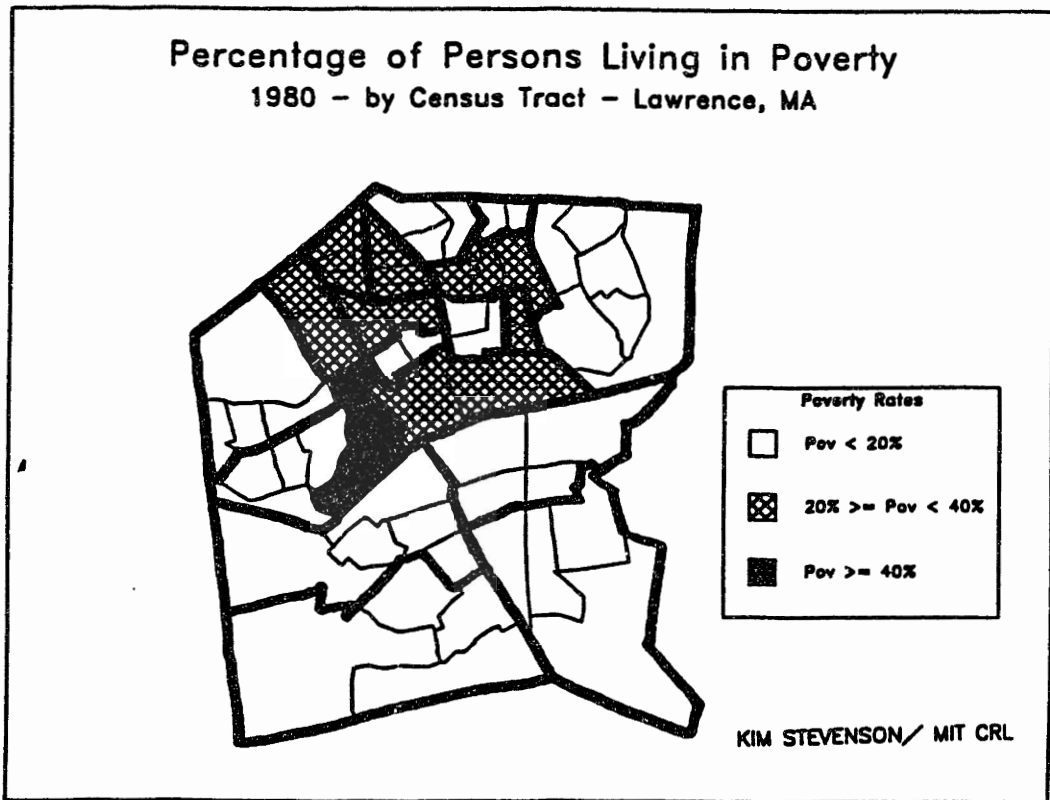
Now that we have a clearer picture of the trends in poverty, per-capita income, female headship, and welfare dependency in the region, we next examine, in detail, how changes in poverty and female headship manifested themselves spatially within the city of Lawrence between 1980 and 1990. In this section, census tracts are used as the unit of analysis to show changes in poverty rates. Census block groups are used in the following sections to illustrate spatial changes in female headship and the relationships between poverty in 1990, female headship, and high concentrations of Hispanic persons.³

In 1980, poverty areas were located in North Lawrence with eight census tracts having poverty rates greater than or equal to 20%. Of these tracts, one was a ghetto poverty tract,

³ Because 1980 poverty statistics were not available at the block group level, a block group comparison was not possible between 1980 and 1990. However, all other census data used in this study were available and are analyzed and illustrated at the block group level. Remember that 1990 census tracts in Lawrence average 3,700 persons; block groups average 1,100 persons.

with a poverty rate above 40%. By 1990, the number of poverty tracts had spread southward and outward from North Lawrence. Only the far north-eastern and south-western sections of the city remained with poverty areas below 20%. In addition, the number of ghetto poverty tracts had increased to a total of five by 1990. These patterns, illustrated in *Figure 5.7*, indicate that Lawrence is experiencing a dramatic process of ghettoization in which the number of poor areas are growing in number and becoming increasingly poorer.

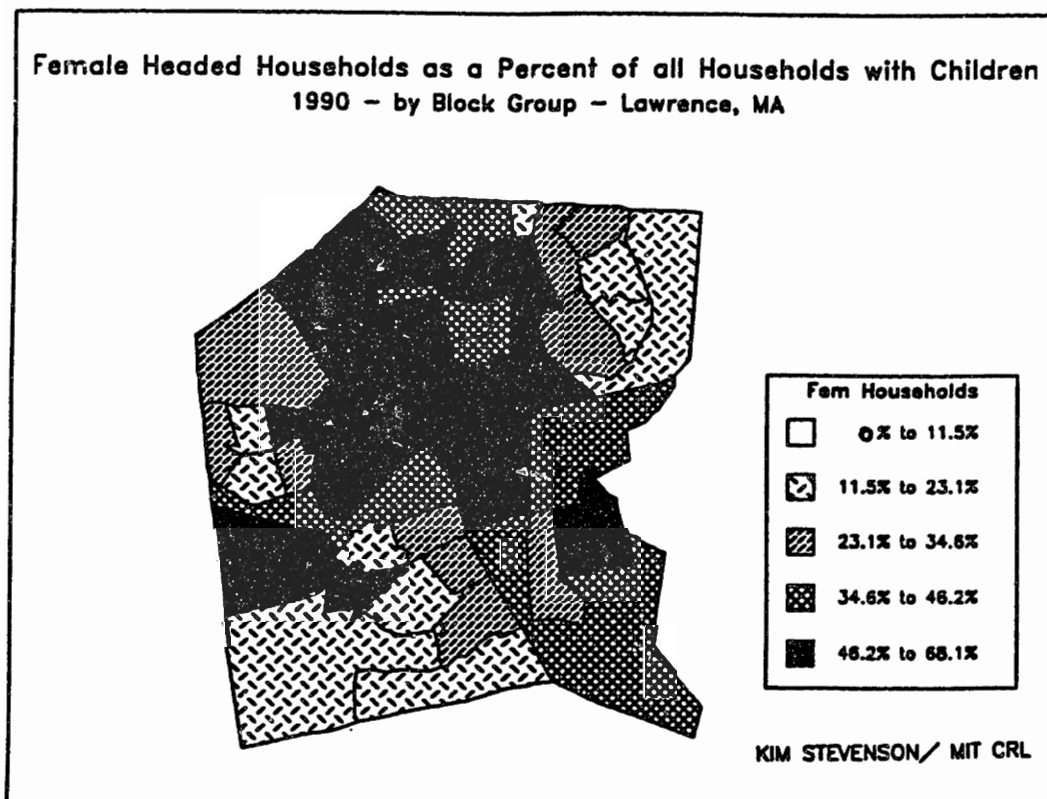
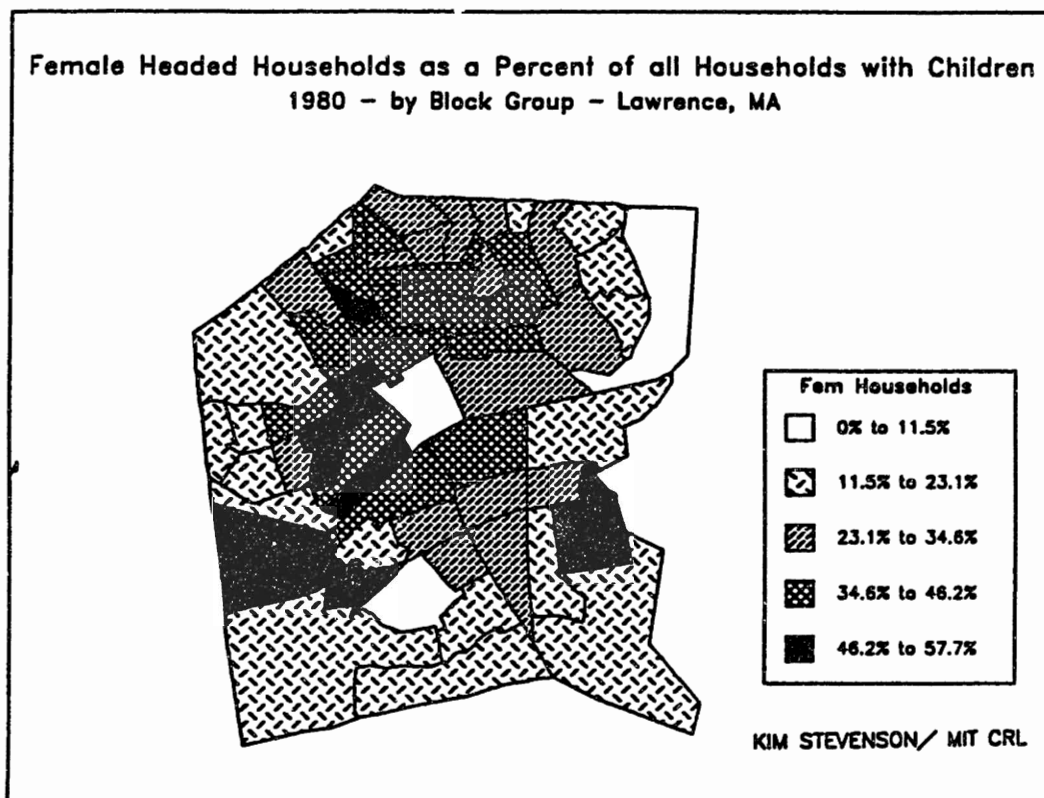
Figure 5.7



5.5 Female Headship in Lawrence

Increases in the growth and concentration of female headed households showed similar spatial patterns to those of high and growing poverty rates. These patterns are illustrated in *Figure 5.8*. Note that areas with high rates of female headship in 1980 were primarily located in the northern and central sections of the city with two block groups in South Lawrence having rates of female headship above 46%. By 1990, these areas had expanded dramatically with the most highly concentrated areas located in the northern and central sections of the city.

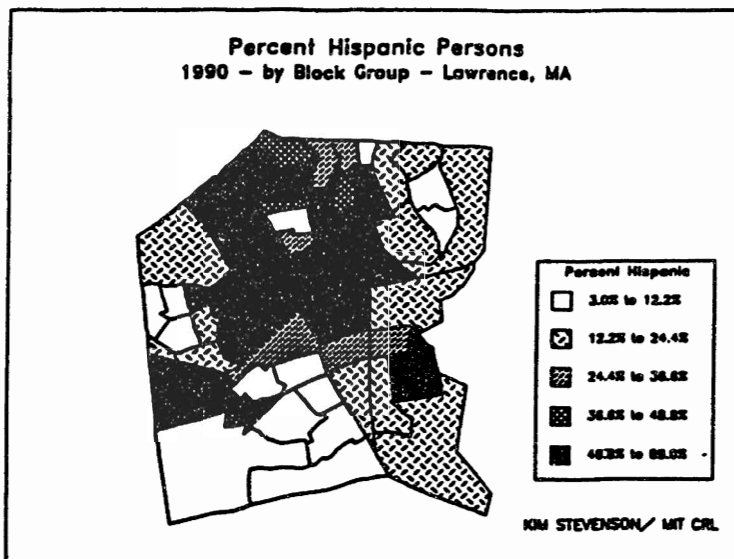
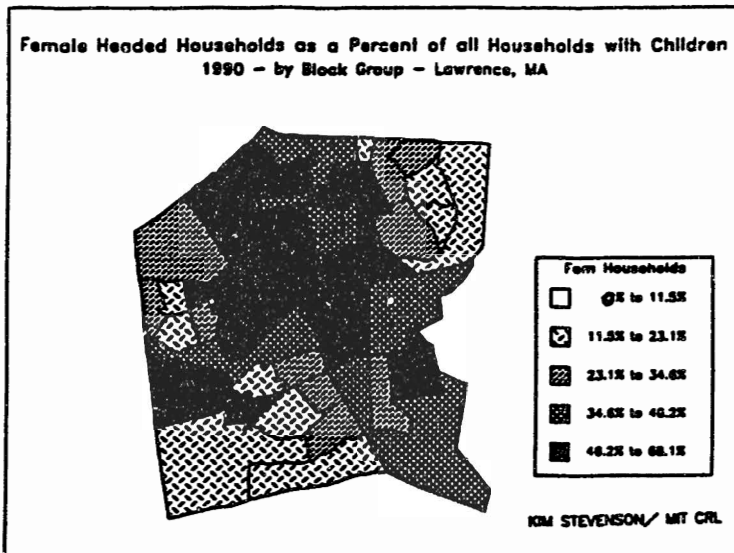
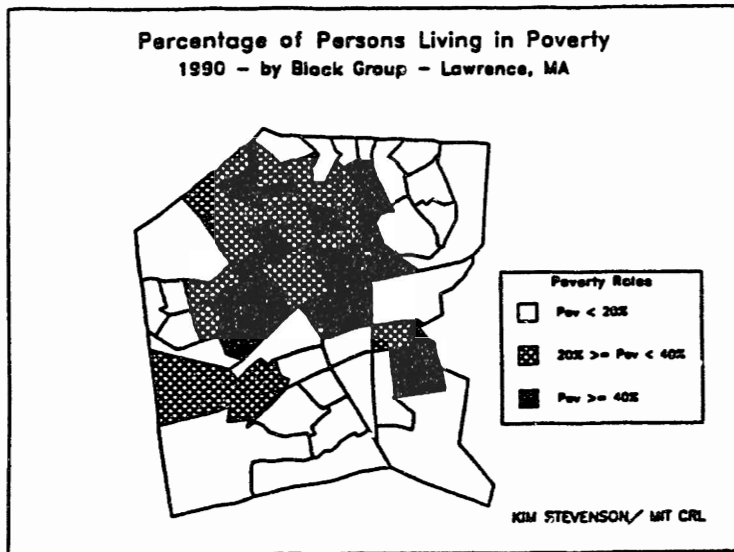
Figure 5.8



5.6 Spatial Correlation Between Poverty, Female Headship, and Persons of Hispanic Origin in Lawrence

Figure 5.9 provides a spatial comparison of poverty rates, rates of female headship, and percent Hispanic persons by block group in 1990. Note the very high spatial correlation between each of these variables. In fact, the the two maps illustrating the spatial distribution of female headed households and percent Hispanic persons are almost identical. In addition, 1990 census statistics indicate that Hispanic female headed households with children under age 18 constituted almost 70% of all households with children in Lawrence. The data also indicate that more than 57% of all Hispanic children in Lawrence lived with a single mother in 1990. These are alarming statistics, particularly in light of the fact that almost all Hispanic female headed households live in poverty.

Figure 5.9



As a result of the analysis presented in this chapter it is clear that Lawrence is experiencing a dramatic process of ghettoization and marginalization relative to its surrounding region. The next step is to ask why this is happening. According to Wilson's model, growing and concentrated urban poverty is primarily explained by economic changes including the loss of low-skill manufacturing jobs in central cities. These jobs have been replaced by high-skill service sector jobs in central cities, whereas growing numbers of low-skill service jobs have moved mainly to the suburbs. These dynamics have created both a skills and a spatial mismatch between the low-skilled, inner-city labor force and the job supply. They have resulted in high rates of joblessness, unemployment and concentrated poverty. Because high proportions of inner-city Blacks and Latinos were traditionally employed in manufacturing jobs, these have been the groups hardest hit by the economic changes.

In the next chapter I attempt to determine if these assumptions apply to the case of Lawrence. In many respects they do; however, I also find there are significant limitations in the data that do not allow me to present conclusive evidence in support of Wilson's Model. Furthermore, the two chapters that follow suggest that economic restructuring is only one of many complex forces behind the changes taking place in Lawrence. *Chapter 7* discusses important demographic changes taking place in the region and their relationship to growing poverty in Lawrence. *Chapter 8* discusses the importance of politically defined spaces, the regional housing market, and their links to growing poverty in Lawrence.

CHAPTER 6

INDUSTRIAL CHANGE, UNEMPLOYMENT, AND JOBLESSNESS

The purpose of this chapter is to provide a preliminary account of job losses, gains, and changes in the industrial composition of the Lower Merrimack Valley between 1980 and 1990. After identifying important limitations in the data, the chapter suggests how economic changes may be linked to high rates of poverty in Lawrence, particularly high rates of Latino poverty.

6.1 Important Data Limitations

It is necessary to stress that because of important data limitations, only suggestive conclusions concerning the relationships between industrial change and poverty rates in the region can be drawn. The main explanations, proposed by academics including Wilson and Kasarda, to explain growing income inequality and high poverty rates for blacks and Hispanics were reviewed in the previous chapter. These include: (1) the loss of moderately paid, low-skill manufacturing jobs that traditionally employed a large portion of these groups; and (2) spatial and skills mismatches between the location and skill requirements of growing numbers of service sector jobs and the residential location of inner city Blacks and Hispanics. Marginalization resulting from the growth of informal economies in central cities, particularly within immigrant communities, has also been offered as an additional explanation by researchers including Sassen and Portes. Unfortunately, in order to test the applicability of the first two explanations for the case

of Lawrence and the Lower Merrimack Valley, we would need data broken down by industry and job-skill requirements at a level of detail that is simply not available. Primary data collection would be required. Documentation of the growth and impact of the informal economy on poverty in Lawrence would also require further research including the gathering of data and information from interviews and other primary sources beyond the scope of this research.

Annual employment and wage data, provided by the Massachusetts Department of Employment and Training (DET), are available only by two digit standard industrial (SIC) codes for Massachusetts cities and towns.¹ Because these data are so highly aggregated at the municipal level, they provide no information regarding industrial composition within each two digit industrial sector in each of the cities and towns. For example, the two digit manufacturing category includes the total number of both high- and low-technology manufacturing jobs added together. Therefore, if a municipality's computer industry grew while its textile industry declined, we would know nothing about relative changes in each of these industries - only the net change in total manufacturing jobs. Similarly, the service sector category includes highly skilled doctors and corporate lawyers along with dishwashers.

Detailed data at the city and town level is suppressed primarily because of confidentiality restrictions.² More disaggregated data are available for larger geographic areas, but these areas are too large to test the mismatch hypotheses. Furthermore, the DET data are not

¹ These industrial categories include Agriculture; Mining; Construction; Manufacturing; Transportation, Communication & Utilities; Trade (including Wholesale & Retail); Finance, Insurance, & Real Estate; and Services.

² Summary level data from the DET is considered confidential if there are less than three reporting units in the total or if, with three or more units, one unit accounts for 80 percent or more of the total.

broken down by race and Hispanic origin. Data provided by the Bureau of Labor Statistics (BLS) also presents similar limitations. Unfortunately, 1990 census data from Summary Tape File 3, which does provide more detailed data and is broken down by race and Hispanic origin, were not available prior to the completion of this study. In addition, employment and industry data from the 1980 census were of little use because census data and DET data are not comparable. Census totals are derived from a sample population survey, whereas DET data provides a complete count of firms covered by state unemployment insurance. Despite these limitations, the economic data that were available for the region did reveal trends that lead to significant conclusions concerning the relationships between economic change and poverty in Lawrence.

6.2 Employment and Industrial Change in the Lower Merrimack Valley

Employment Share by City and Town

Employment in the Lower Merrimack Valley grew from a total of 103,008 jobs in 1980 to a peak of 126,354 jobs in 1988. It declined to 117,138 jobs in 1990, representing a net increase of 13.7% between 1980 and 1990. Total employment grew in every city and town in the region except for Lawrence. In fact, not only did Lawrence lose a shocking 6,976 jobs between 1980 and 1990, the city also lost a significant portion of its regional employment share.

The data shown in *Table 6.1* provide us with important intra-regional information regarding the change in share of total employment from 1980 to 1990. Lawrence experienced the largest decline in job share, falling from holding 29.5% of the region's

total employment in 1980 to 20.0% in 1990. Andover grew to become the largest supplier of jobs in the region in 1990, increasing its share by 4.5 percentage points followed by Methuen which grew in share by 2.8 percentage points. All the other cities and towns maintained a fairly constant share from 1980 to 1990. These statistics are also illustrated in *Figure 6.1*.

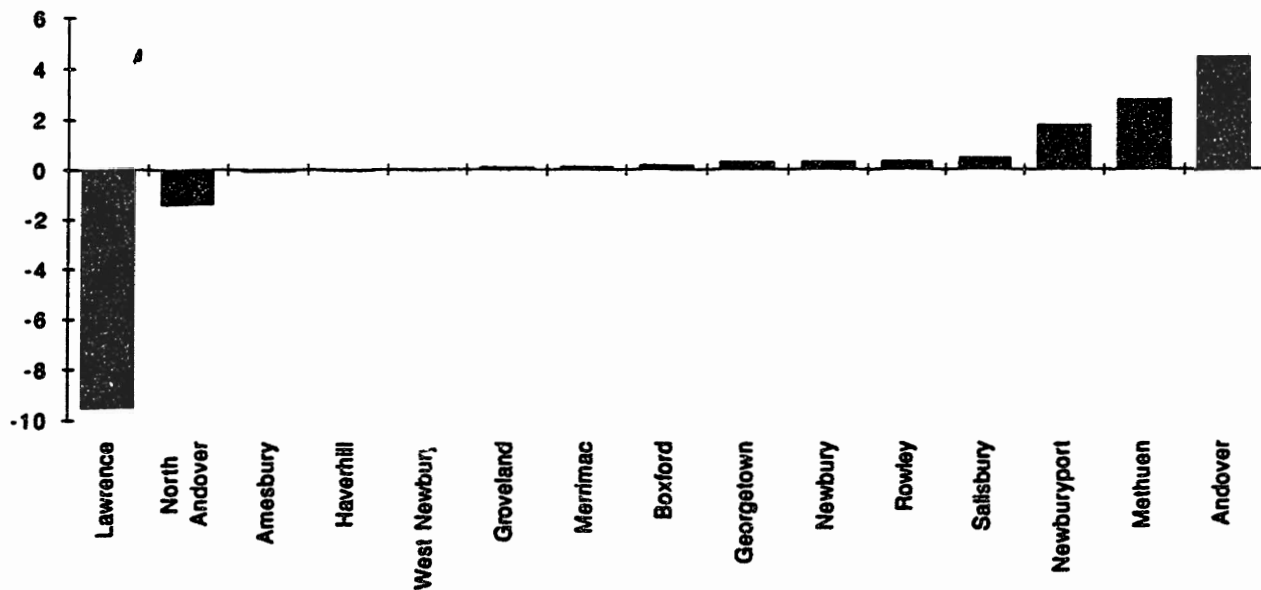
Table 6.1
Total Employment
as a Percent of Total LMVSDA Employment
by City and Town 1980 and 1990

	Job Share in 1980	Job Share in 1990	% Pt. Chng. 1980-1990
Lawrence	29.5%	20.0%	-9.5
Andover	16.7%	21.2%	4.5
North Andover	5.7%	14.3%	-1.4
Haverhill	14.9%	14.8%	0.0
Methuen	8.7%	11.5%	2.8
Newburyport	5.3%	7.1%	1.8
Amesbury	3.8%	3.8%	-0.1
Salisbury	1.2%	1.7%	0.5
Georgetown	0.9%	1.3%	0.3
Rowley	0.9%	1.2%	0.4
Groveland	0.6%	0.7%	0.1
Merrimac	0.5%	0.6%	0.1
Newbury	0.5%	0.8%	0.1
West Newbury	0.4%	0.4%	0.0
Boxford	0.4%	0.6%	0.2

Source: Massachusetts Department of Employment and Training

Figure 6.1

Percentage Point Change in Total Employment Share 1980 - 1990 Lower Merrimack Valley Service Delivery Area



Source: Massachusetts Department of Employment and Training

Employment by Industrial Sector

A closer look at the data, disaggregated by the largest industrial sectors and by the municipalities with the highest employment shares, helps to account for the increase in share of jobs in Andover, Methuen, and Newburyport and the decline in share of jobs in Lawrence.³ These data are shown in *Table 6.2*.

Table 6.2

***Change in Total Employment by Sector
Selected Cities and Towns 1980 to 1990***

	<u>Lawrence</u>		<u>Andover</u>	
	Number	% Change	Number	% Change
Construction	-170	-28%	203	53%
Manufacturing	-5,733	-45%	2,799	36%
Trans Com & Util	-1,013	-62%	211	86%
W & R Trade	-311	-6%	1,103	52%
F.I.R.E.	-187	-14%	216	26%
Services	1,281	24%	3,053	152%

	<u>Methuen</u>		<u>Newburyport</u>	
	Number	% Change	Number	% Change
Construction	435	106%	45	57%
Manufacturing	223	17%	906	63%
Trans Com & Util	296	144%	123	62%
W & R Trade	1,265	41%	981	73%
F.I.R.E.	43	9%	59	27%
Services	1,512	63%	836	60%

Andover, Methuen, and Newburyport increased in all sectors, with significant increases in manufacturing, wholesale and retail trade, and services. The fact that there were

³ Conclusions could not be made for North Andover because of data suppression.

substantial increases within the manufacturing sector in each of these cities and towns is significant. In fact, Lawrence and Haverhill were the only two cities that experienced a decline in manufacturing. Haverhill lost 494 manufacturing jobs between 1980 and 1990. These facts indicate that the manufacturing story is much more complicated than a simple, overall regional decline. Surprisingly, these data appear to indicate that the total number of manufacturing jobs in the Lower Merrimack Valley actually remained fairly stable between 1980 and 1990.

It is impossible to discern from these data the migratory patterns of firms or what types of firms they are. For example, did manufacturing firms move from Lawrence to the surrounding cities and towns or did they move out of the region? What are the characteristics of the firms in each municipality? Do specific types of firms locate in certain cities and towns? Do firms that require mainly low-skill labor tend to locate in Lawrence or Haverhill, for example? Do those requiring a higher-skilled labor force tend to locate in Andover and North Andover? These questions should be the subject of further research.

The most striking observation that can be made from these data is the significant decline of jobs in Lawrence in all sectors but services. *Figure 6.2* illustrates annual overall decline of total jobs in Lawrence between 1980 and 1990. Although there was an increase of 1,281 service sector jobs in the city, this growth hardly compensated for the loss of 5,733 manufacturing jobs throughout the decade. Unfortunately, these data provide no information regarding the number of Lawrence residents who fill these jobs. However, the city's high unemployment and poverty rates relative to the surrounding cities and towns certainly indicate that Lawrence residents have been seriously affected

by the dramatic loss of jobs in Lawrence.

Furthermore, it is also important to note that the steep decline of manufacturing jobs in Lawrence began back in 1969, as shown in *Figure 6.3*. Many of these jobs were the "mill-based," low-skill manufacturing jobs referred to by Wilson and Kasarda. This fact becomes particularly important when we begin to ask why it is that large numbers of immigrants have continued to move into Lawrence, particularly when the jobs that traditionally employed them have been leaving at a rapid rate. According to Wilson's model, the loss of low skill manufacturing jobs has led to increased poverty rates among already established inner city populations, particularly among Blacks and Hispanics. Lawrence, however, has historically been a city of European immigrants. The dramatic in-migration of Hispanics to Lawrence is a very recent phenomena. Hispanics were not a large proportion of the population in the early 1970's when manufacturing jobs began to leave the city in large numbers. Further research would, therefore, be required to understand who was migrating into the city during the 1970's, who was leaving, and why.

Figure 6.2

**Lawrence, MA: Total Employment, Manufacturing Employment
& Service Sector Employment 1980 - 1990**

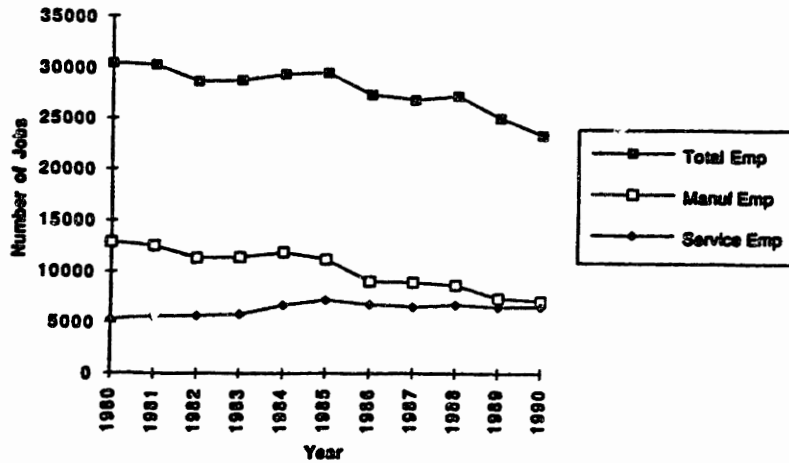
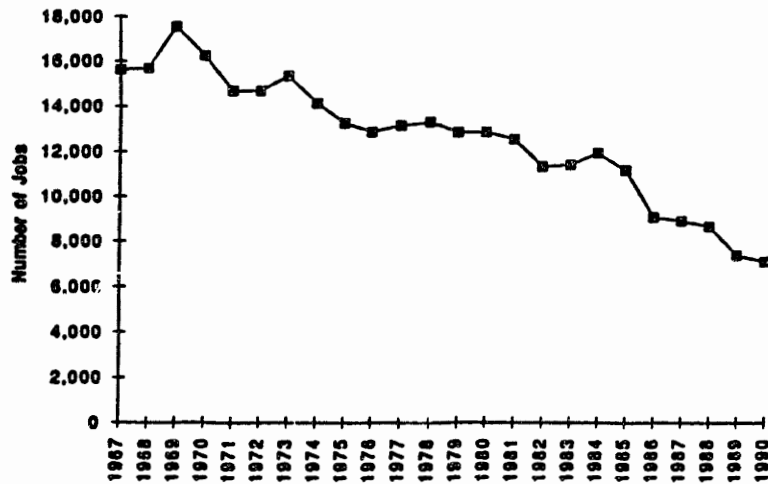


Figure 6.3

Lawrence, MA: Total Manufacturing Jobs 1967 - 1990



Source: Commonwealth of Massachusetts, Department of Employment and Training

Finally, 1980 census data show that by 1980, 76% of the Hispanic labor force living in Lawrence were employed in manufacturing jobs. Although Hispanic employment patterns could have shifted dramatically between 1980 and 1990, we can be sure that the loss of these jobs had a significant impact on the Hispanic community. Further research would be required to understand exactly what the impact was and how employment patterns shifted. Data from the 1980 census also indicated that 10% of Lawrence's Hispanic labor force were employed in service sector jobs (the remaining 14% were divided among the other sectors). Although service sector jobs increased between 1980 and 1990, more research would also be required to determine the skill and wage levels of these jobs and the characteristics of the labor force filling the positions.

Summary of Employment Changes

The total number of jobs in the Lower Merrimack increased between 1980 and 1990. Services experienced the largest gain while the total number of manufacturing jobs appeared to remain fairly stable. The city of Lawrence lost a total of 6,976 jobs, and of these 5,733 were manufacturing jobs. This loss was partially compensated by a gain of 1,281 service sector jobs. In addition, Lawrence experienced the largest decline in share of jobs, falling from holding 29.5% of the region's total employment in 1980 to 20.0% in 1990. The high concentration of Hispanics living in Lawrence, and the fact that 76% of the Hispanic labor force residing in Lawrence were concentrated in manufacturing in 1980, suggests that the loss of these jobs had a severe impact on the Hispanic community, particularly in terms of high unemployment, joblessness, and poverty.

6.3 Unemployment in the Lower Merrimack Valley

Throughout 1990 unemployment averaged 11.5% in Lawrence. This was by far the highest unemployment rate in the region. It was 4 percentage points higher than the overall rate for the Lower Merrimack Valley and 6.9 percentage points higher than the city and town average. Unemployment rates in 1990 for the Lower Merrimack Valley are shown in *Table 6.3*.

The two most striking observations that can be made from *Table 6.3* are Lawrence's high employment rate and the low portion of Lawrence's total population that were in the labor force and employed in 1990. Furthermore, unemployment continued to rise in Lawrence throughout the early 1990's, as it did in the Lower Merrimack Valley and in the state of Massachusetts. As of June 1992, unemployment in Lawrence was above 12%. These trends indicate that Lawrence residents continue to bear more than their fair share of region's unemployment and hardship. They also help to explain high poverty rates in Lawrence relative to the surrounding municipalities.

Table 6.3

**Labor Force and Unemployment Rates for Cities and Towns
Lower Merrimack Valley Service Delivery Area: 1990 Annual Averages**

	Total Population		Labor Force	Employed Labor Force	Unemployed Labor Force	Unemployment Rate	Employed Labor Force as % of Tot Pop	Unemployed Labor Force as % of Tot Pop
	1990							
Lawrence	70,207		28,093	24,866	3,228	11.5%	40.0%	35.4%
Amesbury	14,997		7,147	6,592	555	7.8%	47.7%	44.0%
Haverhill	51,418		23,928	22,070	1,858	7.8%	46.5%	42.9%
Merrimac	5,166		2,495	2,309	186	7.5%	48.3%	44.7%
Salisbury	6,882		3,759	3,482	277	7.4%	54.6%	50.6%
Groveland	5,214		2,708	2,513	195	7.2%	51.9%	48.2%
Methuen	39,990		21,374	19,909	1,465	6.9%	53.4%	49.8%
Newburyport	16,317		8,494	7,923	571	6.7%	52.1%	48.6%
Rowley	4,452		3,018	2,839	178	5.9%	67.8%	63.8%
Georgetown	6,384		3,093	2,915	178	5.8%	48.4%	45.7%
Newbury	5,623		2,660	2,511	149	5.6%	47.3%	44.7%
West Newbury	3,421		1,648	1,566	82	5.0%	48.2%	45.8%
North Andover	22,792		11,197	10,646	551	4.9%	49.1%	46.7%
Andover	29,151		13,632	12,970	662	4.9%	46.8%	44.5%
Boxford	6,266		3,052	2,936	116	3.8%	48.7%	46.9%
City and Town Averages								
LMVSDA Totals	288,280		136,298	126,047	10,251	7.5%	47.3%	43.7%
State Totals	6,016,425		3,166,000	2,977,000	189,000	6.0%	52.6%	49.5%

Source: Massachusetts Department of Employment and Training

6.4 Conclusions Regarding Economic Changes and Poverty in Lawrence

This chapter and the one that preceded it confirm many relationships that have been established in the urban poverty literature. These include high and growing rates of poverty in the city of Lawrence that are associated with high rates of female headship; high rates of welfare dependency; and high rates of joblessness and unemployment. In addition, these characteristics are concentrated in a city with a high proportion of Hispanics. It is also clear that the dramatic loss of jobs in Lawrence has had a significant impact on poverty rates in the city. In many other respects, however, the urban poverty literature and the Wilson Model do not satisfactorily explain the patterns of ghettoization taking place in Lawrence.

The literature describes conditions of growing concentrated poverty in large, central cities where the ghetto poor live segregated from, but in close proximity to, thriving commercial districts (like Wall Street and Boston's Financial district) and old established or newly gentrified residential neighborhoods (like the Upper East and now West Side of New York or Boston's Back Bay). Although large segments of these cities suffer from severe and growing poverty and economic decline, many also have segments of their economies that are strong, specifically their financial and producer services industries. In the case of Lawrence, no segment of the economy is particularly vital. In addition, Lawrence has no opulent commercial districts or gentrified residential areas. Instead, the pattern of ghettoization taking place is best described as one in which the entire city is rapidly becoming an urban ghetto relative to the surrounding municipalities.

It is also questionable whether or not Hispanics were an established group that constituted a large portion of the city's work force in the 1970's, the time when large numbers of low-skill manufacturing jobs began to leave the city. In addition, there is no good data available to either support or refute the skills and the spatial mismatch hypotheses. Furthermore, dramatic demographic changes, not addressed by the Wilson Model, took place during a period when jobs in the city continued to decline at a rapid rate. These changes include the in-migration and natural increase of 18,900 Hispanic persons⁴ in Lawrence and are discussed in detail in the next chapter.