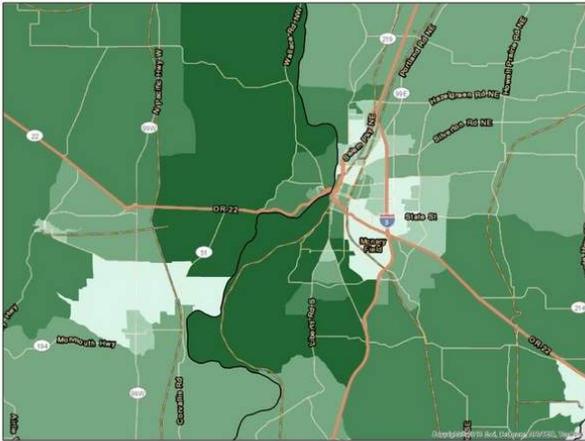


# Sorting Salem: Income likely dictates neighborhood makeup

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*The Oregon Office of Economic Analysis reported three maps to show how some neighborhoods show unusually large concentrations of one income level. This shows the concentrations of high-income residents – the darker the green, the higher the concentration. / Oregon Office of Economic Analysis*

## What do ‘low,’ ‘middle,’ and ‘high’ income labels mean?

The Oregon Office of Economic Analysis uses the following definitions for income categories. They measure individual incomes, not household incomes: **Low-income:** Less than \$25,000 annually, occupations include food preparation, agriculture and building maintenance.

**Middle-income:** Between \$25,000 and \$55,000 annually, occupations include administrative support, teaching, construction.

**High-income:** More than \$55,000 annually, occupations include doctors, lawyers, architects, management.

## How it looks

The Oregon Office of Economic Analysis created three maps to show how some Salem neighborhoods show unusually large concentrations of one income level. These three maps show the different concentrations of income level — high-, middle- and low-income residents — with the darker the color the higher concentration of the income level.

Neighborhood by neighborhood, Salem is sorting itself by income and by profession. The trend isn't specific to Salem, or to Oregon, experts say. It's happening nationally, as people choose more and more often to live near people whose lives are like theirs.

One thing is clear in the way Salem has sorted itself: Low-income and middle-income people still live side by side, but the wealthy aren't mixing at all. They have their own neighborhoods and largely aren't leaving them.

The Washington Post released a report earlier this month that ranked each ZIP code in the United States by median income and education, which showed a similar trend of people clustering with similar people.

However, one ZIP code can contain multiple neighborhoods, and it doesn't give a complete picture of a town like Salem, where one neighborhood doesn't resemble the adjacent ones at all.

The Oregon Office of Economic Analysis created its own report on Salem specifically, which shows how some neighborhoods show unusually large concentrations of one income level.

Analyst Josh Lehner said the report relied on two sources of data: Salem residents' self-reported occupations and the Bureau of Labor Statistics' reported average wages for those professions.

The results are nearly mirror images.

Salem's wealthiest residents live in West and South Salem, straying into a few neighborhoods close to downtown, likely in the Bush's Pasture Park area.

The high-income map shows a dark green swath across the west and south sides of town, with the rest of town is pale green or nearly white because the wealthy largely don't live there.

Middle-income Salem residents are more evenly disbursed, although there are more concentrated pockets in Keizer and west of Salem, near Dallas. Low-income residents are especially concentrated north of Silverton Road NE and south of State Street, west of Interstate 5.

However, those maps show overlap. Some neighborhoods show up darker yellow and darker red on both maps because they have a mix of people who live there. They're interspersed throughout the same parts of Salem.

On the middle- and low-income maps, the areas that appear dark green on the high-income map are washed out — the middle and low-income people just don't live there.

Lehner said these mirror images can be found in nearly every American city. Portland shows the same pattern, he said, although the larger city has an "urban premium" that Salem doesn't have. It is expensive and impressive to live in Portland's Pearl District, Lehner said, but Salem doesn't have an equivalent part of its downtown.

As a result, Salem's wealthy have stayed in the more suburban parts of town with newer houses and larger pieces of property, he said.

Further, Portland has experienced rapid gentrification over the past decade, he said, which has drawn wealthier people to poorer parts of town. However, Salem's older neighborhoods have largely not been renovated or changed to attract a higher-income population, he said.

No one has a definitive explanation for why cities are being sorted like this, Lehner said, but it has become more pronounced over the past 10 and 20 years.

One explanation could be found in a report released in October by Lehner's office. The "Job Polarization in Oregon" report shows job growth in Oregon following the 2008 recession.

Where nearly all the jobs lost during the recession were in the middle income ranges, nearly all the jobs added back between 2010 and 2012 were in the high-income levels. That means the state (and Salem) lost middle-income earners and gained people on the more extreme ends of the spectrum, which could explain why the town looks more segregated than it did 10 years ago: Because its income distribution is far more stratified.

The bottom line, Lehner said, is that in Salem, Oregon and the United States, "where you live and what you live in is highly correlated with your income."

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