

PERSISTENT POVERTY AND PLACE:

HOW DO PERSISTENT POVERTY DYNAMICS AND DEMOGRAPHICS VARY ACROSS THE RURAL-URBAN CONTINUUM?

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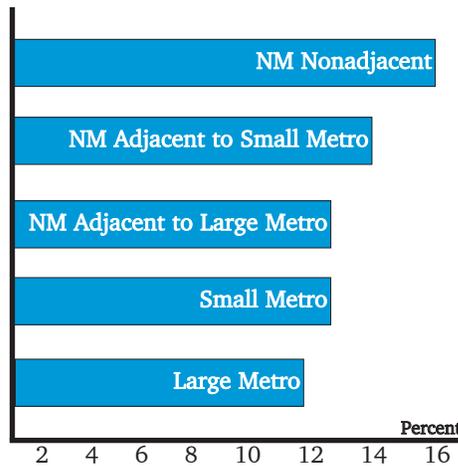
The Economic Research Service of the United States Department of Agriculture has developed a number of typologies to capture variations in economic base, urban influence and social conditions in nonmetropolitan counties of America. One of the most useful of these is the “persistent poverty” classification that defines counties as persistent poverty counties if the poverty rate is 20 percent or higher in each decennial census since 1960 [a]. The identification of these counties has focused the attention of policymakers and researchers on the long-term economic distress in these mostly rural places.

This issue brief examines how poverty and persistent poverty vary across the Urban Influence Codes developed by ERS and where poverty is concentrated in the United States [b]. We will examine the location, rurality and demographics of counties that escaped persistent poverty status between 1990 and 2000 and identify the new entrants into high poverty since 1960.

POVERTY AND PLACE

Perhaps the first important fact about poverty and place is that poverty rates vary across the rural-urban continuum. Poverty rates are lowest in large metropolitan counties and highest in non-adjacent nonmetro counties (Figure 1).

Figure 1. Poverty Rate by Urban Influence Code, 1999



Source for all figures: U.S. Census Bureau and ERS, USDA

High poverty counties are geographically concentrated. Counties with poverty rates of 20 percent or higher are concentrated in the Black Belt and Mississippi

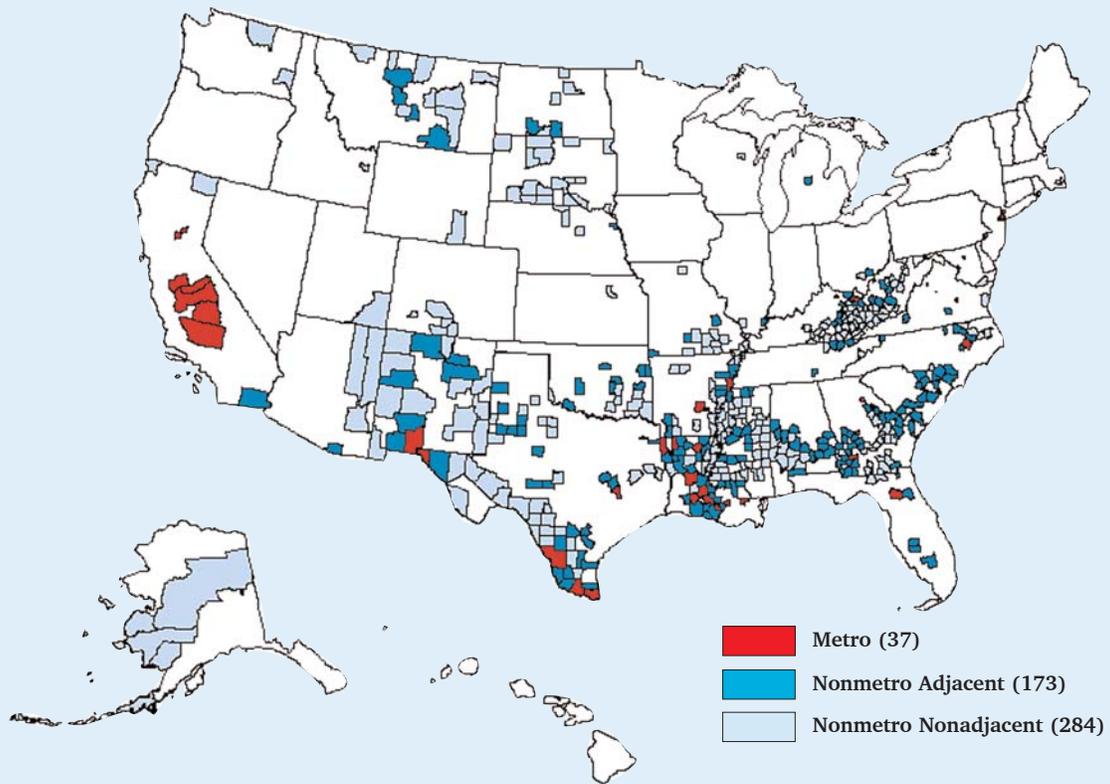
Delta in the South, in Appalachia, in the lower Rio Grande Valley and in counties containing Indian Reservations in the Southwest and Great Plains (Map 1).

PERSISTENT POVERTY COUNTIES

There are 382 counties in the United States that have had poverty rates of 20 percent or more in every decennial census between 1960 and 2000 (Map 2). We call these counties “persistent poverty counties.” Persistent poverty counties are overwhelmingly and disproportionately rural (95 percent of persistent poverty counties are nonmetro; 16 percent of nonmetro counties are persistent poverty counties, versus only 2 percent of metro counties). Persistent poverty increases as county population centers become smaller and as places become more remote from urban centers. While less than 7 percent of non-metro counties adjacent to large metro areas are persistent poverty counties, almost 18 percent of completely rural counties not adjacent to metro areas are persistent poverty counties (Figure



Map 1. High Poverty Counties, 1999: Counties with Poverty Rates of 20 Percent or Higher



2). Like the high poverty counties shown in Map 1, persistent poverty counties are concentrated in the same four regions.

Persistent poverty counties have

unique demographic and economic characteristics. Not surprisingly, incomes are lower and unemployment rates higher in persistent poverty counties than in all coun-

ties [c]. Figure 3 shows the median household income across five categories of urban influence, comparing persistent poverty counties to all counties. Among all counties the

■ Persistent Poverty Counties ■ All Counties

Figure 2. Percent of Counties in Persistent Poverty by Urban Influence Code, 1959-1999

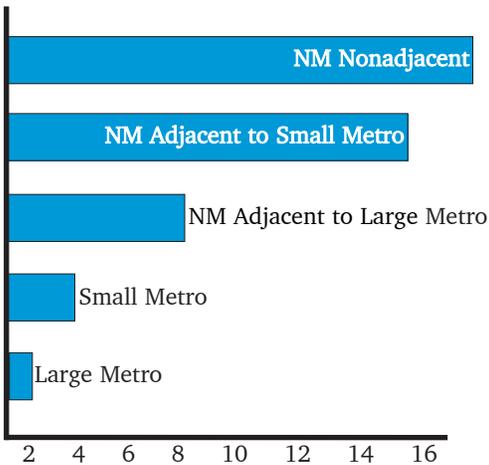


Figure 3. Median Household Income (1999) for all Counties and Persistent Poverty Counties by Urban Influence

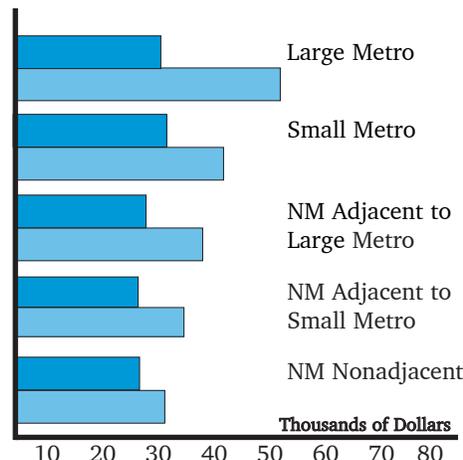
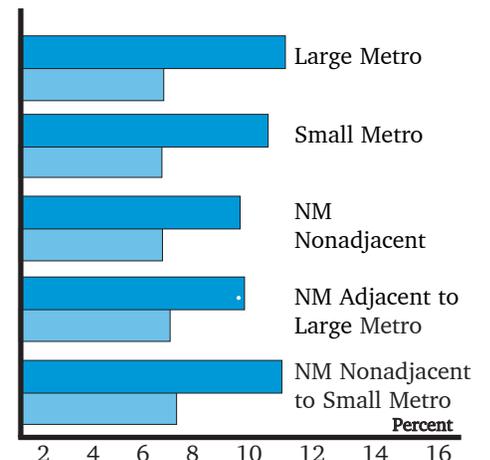
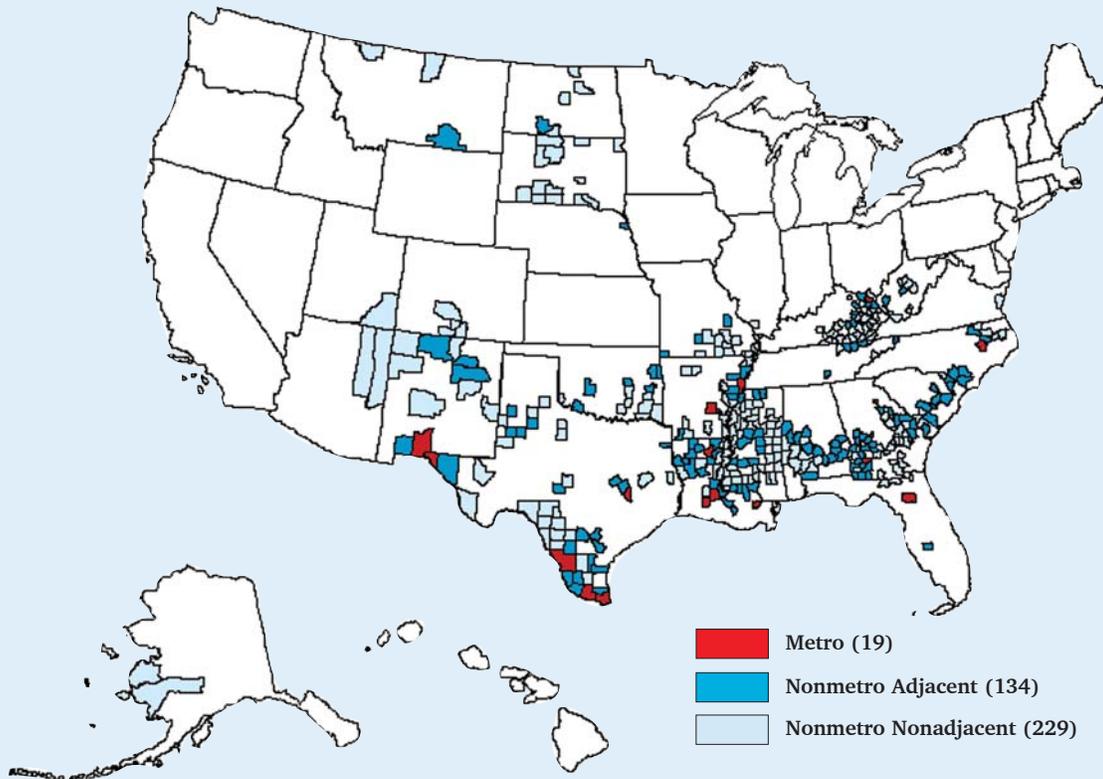


Figure 4. Unemployment Rates (2000) for All Counties and Persistent Poverty Counties by Urban Influence





Map 2. Persistent Poverty Counties: Poverty Rates 20 Percent or Higher in 1959, 1969, 1979, 1989, 1999



more urban counties have higher median incomes. As expected, median incomes are lower in persistent poverty counties across the entire continuum of urban influence.

Figure 4 shows the unemployment rates for all counties and persistent poverty counties across the five urban influence categories. Unemployment rates are relatively

steady across urban influence categories for all counties. Metropolitan and nonmetro nonadjacent persistent poverty counties have the highest unemployment rates across

■ Persistent Poverty Counties

Figure 5. Percent Minority Population (2000) for all Counties and Persistent Poverty Counties by Urban Influence

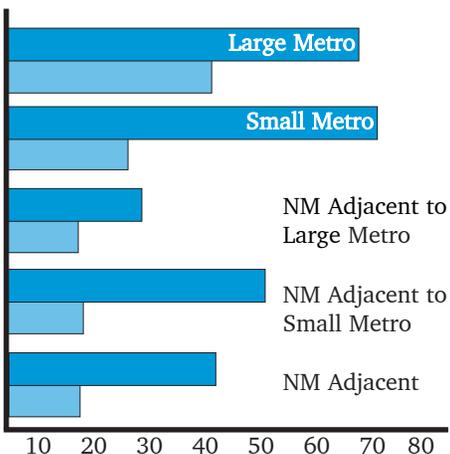
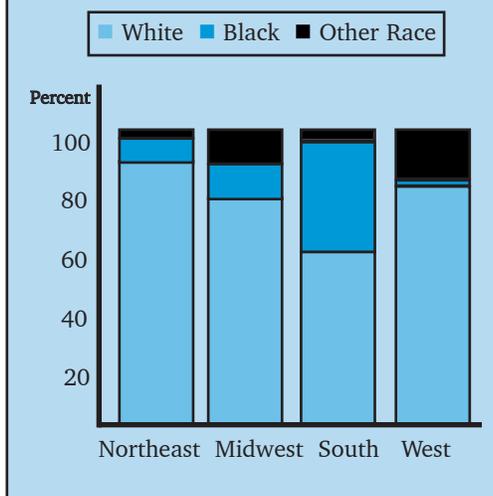
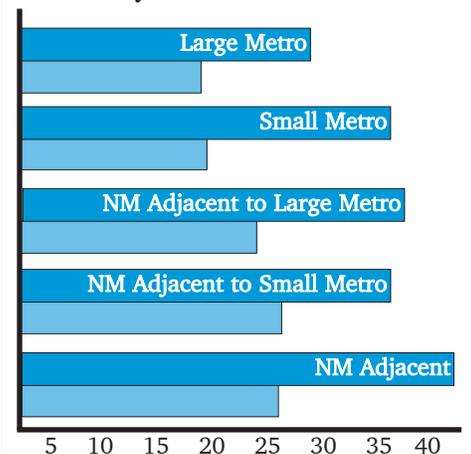


Figure 6. Nonmetro Poverty Population by Race and Region, 2001



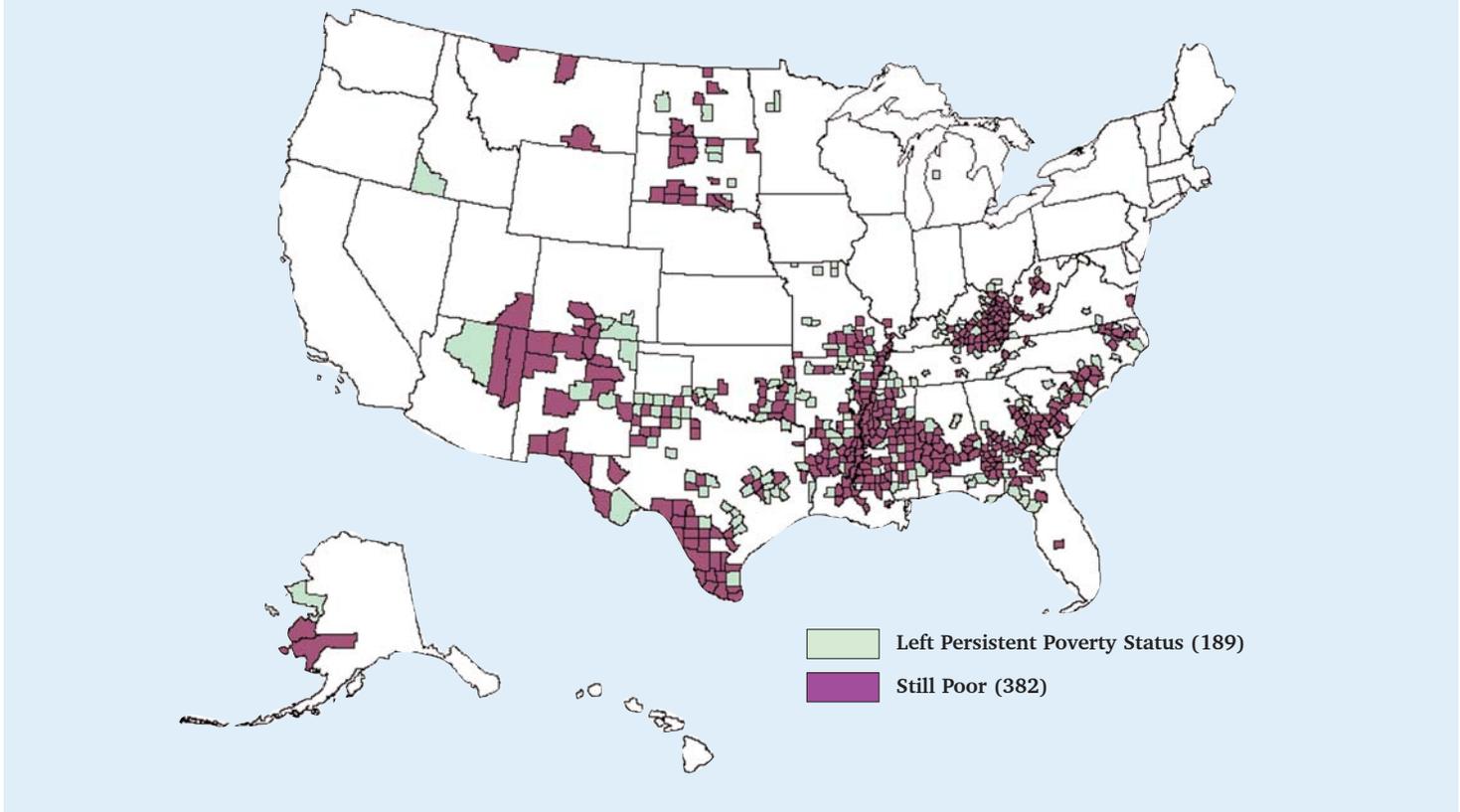
■ All Counties

Figure 7. Percent of Population with Less than High School Diploma for all Counties and Persistent Poverty Counties by Urban Influence





Map 3. Persistent Poverty Leavers: Left Persistent Poverty Status between 1989 and 1999



the urban influence categories.

The shares of the population that are minorities are strikingly different for persistent poverty counties. In all categories of urban

influence, the percent minority population is considerably higher in persistent poverty counties than in all counties (Figure 5). The demographic structure of persistent

poverty counties varies across the United States. While the majority of the poverty population is white in all regions, the South contains a larger percentage of Blacks, and the

Figure 8. Persistent Poverty and Leaver Counties by 1990 Poverty Rate

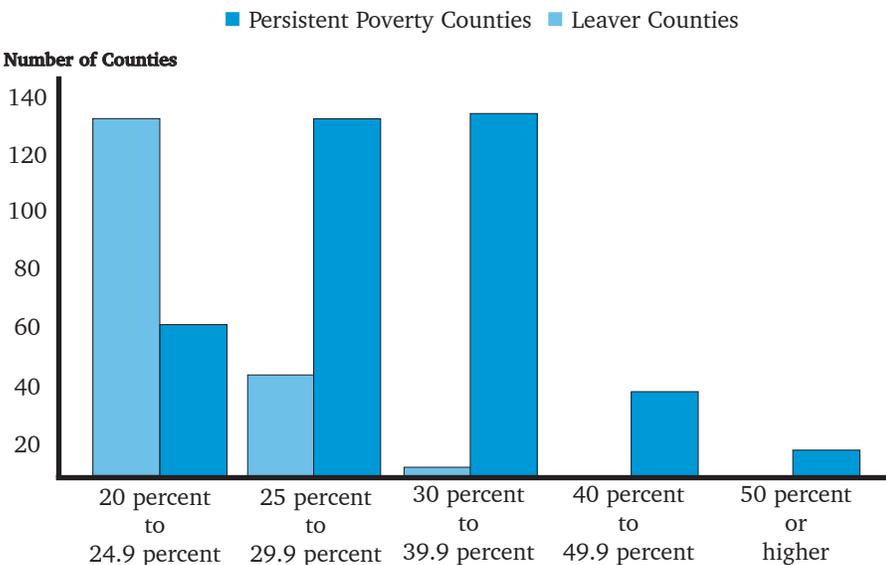
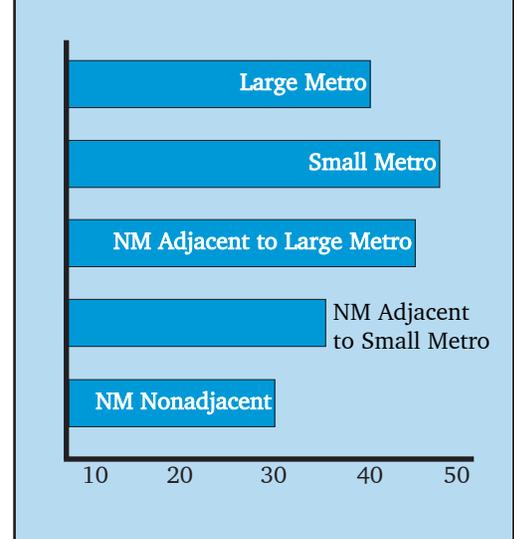


Figure 9. Percent of Counties that Left Persistent Poverty Status, 1990-2000





Midwest and West contain a larger percentage of other races (Figure 6).

Figure 7 shows the share of population that has less than a high school diploma. In all categories of urban influence, persistent poverty counties have considerably higher shares of populations with less than a high school diploma.

PERSISTENT POVERTY LEAVERS

The 2000 Census results showed a dramatic decline in the number of persistent poverty counties. In 1990, there were 571 counties with 20 percent or more of the population in poverty in every decennial census since 1960. In 2000, that number had declined to 382, a 33 percent decrease. The majority of counties that left persistent poverty status were those that had the lowest poverty rates in 1990. The majority of persistent poverty counties had poverty rates between 25 and 40 percent in 1990 (see Figure 8).

There were 189 counties that left persistent poverty status between

1990 and 2000. As shown in Figure 9, the metro counties were more likely to be leavers than nonmetro counties, and nonmetro adjacent counties were more likely to be

“Persistent poverty is increasingly a problem of remote rural areas.”

leavers than were nonadjacent nonmetro counties. From 1990 to 2000, 40 percent of the large metro persistent poverty counties and nearly half of the small metro persistent poverty counties saw their poverty rate drop below 20 percent. Forty-five percent of nonmetro counties adjacent to large metro areas saw their poverty rate decline below 20 percent. In contrast, only 34 percent of the nonmetro persistent poverty counties adjacent to small metro areas and 30 percent of the nonmetro nonadjacent persistent poverty counties saw their

poverty rate decline below 20 percent in 2000. Persistent poverty is increasingly a problem of remote rural areas.

By definition, all of the leaver counties had declines in their poverty rates between 1990 and 2000. Ninety percent of leavers (177 of the 189 leaver counties) had poverty rate declines of more than 10 percent. Among persistent poverty counties, the majority (268 of the 382 persistent poverty counties) experienced declines of more than 10 percent. Thirty counties, however, experienced increases in poverty rates between 1990 and 2000 — three of those counties by more than 10 percent (Figure 10).

As one looks at the geographic distribution of these counties, it is clear that there are leavers in every region, and if there is a pattern, it seems to be that the leavers are on the fringes of the persistent poverty region. Very few of the leavers are in the center of a concentration of persistent poverty counties (Map 3).

Figure 10. Changes in Poverty Rates 1990-2000 in Persistent Poverty and Leaver Counties

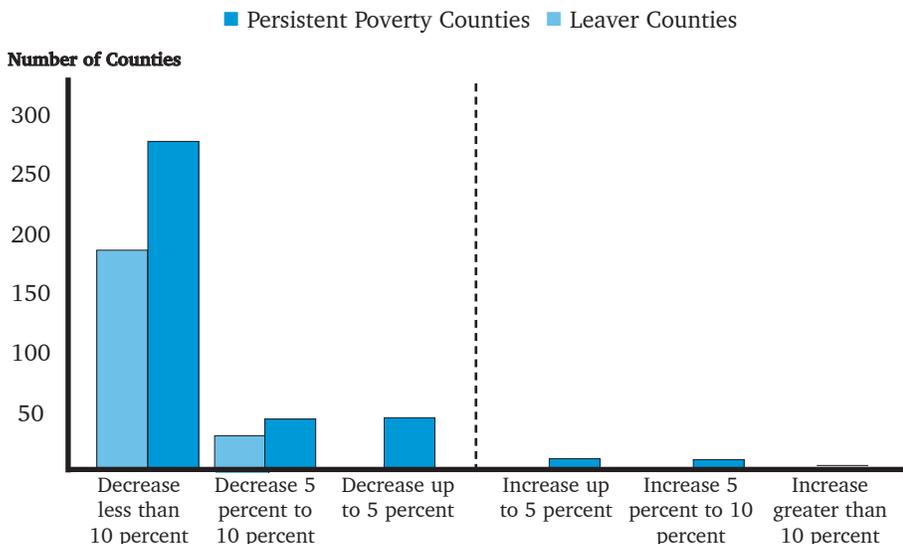
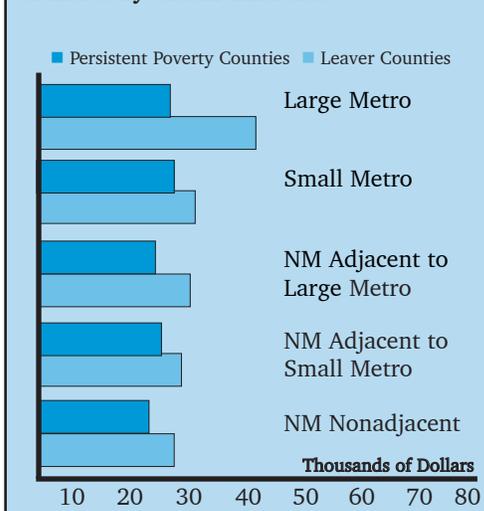


Figure 11. Median Household Income (1999) for Persistent Poverty and Leaver Counties by Urban Influence





A comparison of demographic and economic characteristics between persistent poverty counties and the leaver counties shows many differences. Incomes in persistent poverty counties are lower than in the leaver counties, particularly in the large metro category (Figure 11). Unemployment rates are higher in persistent poverty counties than in leaver counties. The largest differences are in metro counties and nonadjacent nonmetro counties (Figure 12).

Leaver counties have significantly lower shares of minority populations than persistent poverty counties. The most striking differences are in the metro categories. Leaver counties also have lower shares of people without a high school diploma (see Figures 13 and 14).

PERSISTENT POVERTY AND ECONOMIC STRUCTURE

The ERS economic typology classification groups counties into six economic categories. Figure 15

compares the typology across all nonmetro counties to persistent poverty counties. Government and unspecialized counties are more likely to be in persistent poverty than are all nonmetro counties. It is important to note that the nonspecialized counties reflect both those with strong, diversified economies as well as counties with weak economies caused by shifts away from traditional rural industries (farming, mining and manufacturing). The proportion of services dependent counties in persistent poverty is significantly lower than for all nonmetro counties.

IMPLICATIONS

Poverty rates are highest in more remote rural counties and lowest in metro counties. Persistent poverty is most prevalent in the most remote rural places. The percent of counties in persistent poverty increases almost monotonically as one moves from large metro to nonadjacent nonmetro counties. Persistent

poverty is increasingly a rural problem, as the counties leaving persistent poverty during the 1990s were disproportionately metro.

The persistent poverty classification identifies areas with a long history of concentration of vulnerable populations. Over three quarters of the 484 counties with poverty rates of 20 percent or more in 2000 are persistent poverty counties. They have had high poverty rates continuously for the last half century. The low high school completion rates and high unemployment rates for these counties suggest the need for additional efforts to strengthen education and build the employment base in these counties. The fact that leaver counties in the 1990s had higher high school completion rates and lower unemployment rates strengthens this argument.

Persistent poverty counties are not the only counties with high poverty rates, of course. There are 102 high poverty counties that do not have a history of persistent

■ Persistent Poverty Counties ■ Leaver Counties

Figure 12. Unemployment Rates (2000) for Persistent Poverty and Leaver Counties by Urban Influence

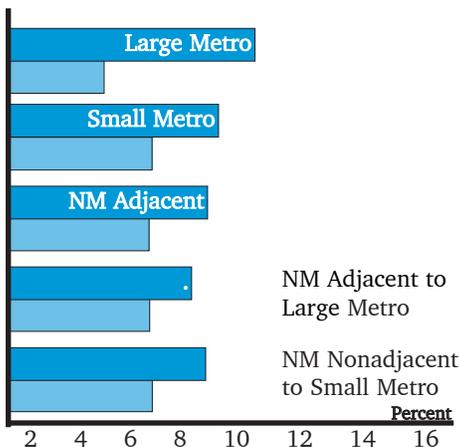


Figure 13. Percent Minority Population (2000) for Persistent Poverty and Leaver Counties by Urban Influence

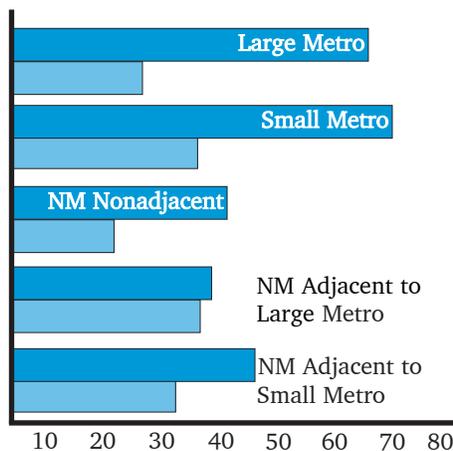


Figure 14. Percent Population with Less than High School Diploma for Persistent Poverty and Leaver Counties by Urban Influence

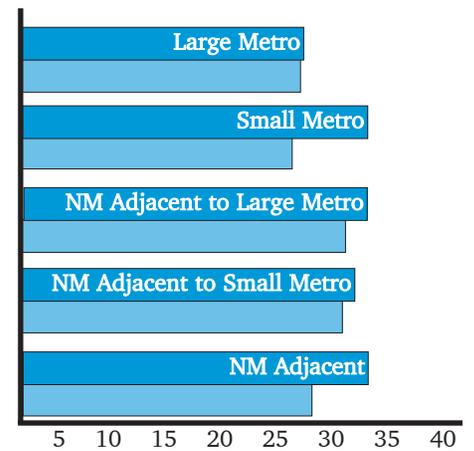
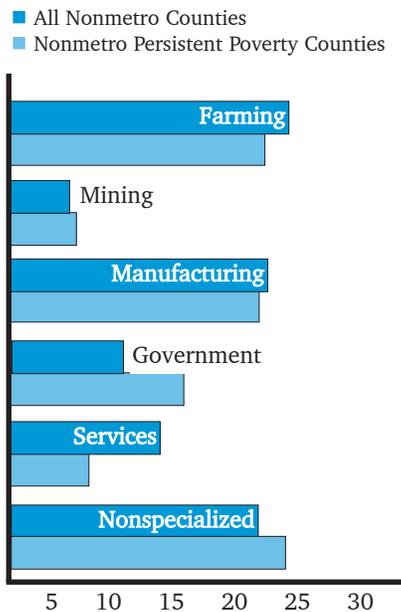




Figure 15. Percent of All Nonmetro Counties and Nonmetro Persistent Counties by ERS Typology



poverty where attention to education and job growth would improve local opportunities for economically vulnerable populations.

ENDNOTES

[a] Poverty rates in the Census are for the pervious calendar year since, for example, the question in the 2000 Census asks about income in 1999. When we identify poverty rates with a particular decennial Census, the poverty rate is for the previous calendar year. ERS defines persistent poverty counties as those with poverty rates of 20 percent or higher in 1959, 1969, 1979 and 1989. We define “persistent poverty counties” as those with poverty rates of 20 percent or higher in 1959, 1969, 1979, 1989, and 1999.

[b] Urban Influence Codes classifi counties into nine categories. Metro counties are classified as large or small. Nonmetro counties are classified according to their adjacency to a large or small metro

area and by the size of the largest city. For this paper, the Urban Influence Codes are collapsed into five categories: large metro, small metro, nonmetro adjacent to large metro, nonmetro adjacent to small metro and nonmetro nonadjacent.

[c] Income statistics reported in this paper are unweighted averages; poverty, unemployment, education, and percent minority statistics reported are weighted averages.

SOURCES

The maps, figures and tables in this brief were constructed using the U.S. Department of Commerce, Bureau of the Census, Decennial Census Data, 1960, 1970, 1980, 1990 and 2000. The data and definitions provided can be found in the Measuring Rurality briefing room of the Economic Research Service, USDA. The maps were prepared by RUPRI.

MEASURING RURAL DIVERSITY CONFERENCE
November 21-22, 2002
Economic Research Service, Washington, DC

At this conference, which inspired this new policy series, researchers presented their current work on rural conditions such as demographic changes, business trends and local distress. The conference was made possible through joint funding from the Economic Research Service, the Southern Rural Development Center and the Farm Foundation. The conference proceedings are available on the SRDC website at <http://srdc.msstate.edu/measuring/ruraldiversity.htm>.

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