The Socioeconomic Well-Being of Rural Children Lags that of Urban Children

Larger shares of rural minority children were poor than White children in 1996. They were more likely than White children to live in families headed by single parents or without an earner and have less educated parents, all of which substantially increased their chances of poverty. Rural minority children also lived in families that relied on social welfare programs more than their White counterparts. Thus, they will be more affected by welfare reform than White children.

In 1997, just over 14 million of 70.7 million children under the age of 18 in the United States lived in rural areas. The economic circumstances under which children live are of interest to policymakers because children make up about a quarter of the urban and rural populations, and represent one of the most vulnerable segments of the Nation's population. Additionally, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that the U.S. Bureau of the Census provide each State with a current annual estimate of its young child (under 6 years old) poverty rate; if the rate has increased by more than 5 percent over the previous year's rate and that increase is attributable to the effects of welfare reform, the State must submit a corrective action plan. While rural children are less likely to be minorities than urban children, poverty rates remain much higher for rural minority children than for rural White children.

Minority Children Made Up a Smaller Share of Rural than Urban Children

A comparison of urban and rural children shows marked differences in their socioeconomic well-being, region of residence, and racial/ethnic background, but considerable similarity in their age, family structure, parental education, and absence of a wage-earner (app. table 15).

The well-being of rural children lagged that of urban children (fig. 1). The poverty rate for rural children was 24 percent, compared with 22 percent for urban children (see box, below, for definition of child poverty rate). Further, over half of rural children lived in families with income between 100 and 300 percent of the poverty level, compared with just over one-third of urban children. Conversely, the share of children living in higher income families (over 300 percent of the poverty level) was much larger for urban (39 percent) than rural children (25 percent).

Factors, such as region of residence and family characteristics, help explain the marked socioeconomic differences between urban and rural children. The poverty rate for all urban and rural children was highest in the South and the West at about 25 percent in both regions for urban children and about 30 percent in both regions for rural children. The largest share of children in both rural and urban areas, like the population as a whole, resided in the South (fig. 2). However, the share of rural children living in the South (43 percent) was considerably larger than the share of urban children living in that region (32 percent). Also, a much larger share of rural than urban children resided in the Midwest—30 percent compared with 22 percent. Where children live makes a difference in the services and support available to their families, and job opportunities may be more limited in some areas than others.

How Child Poverty Is Defined

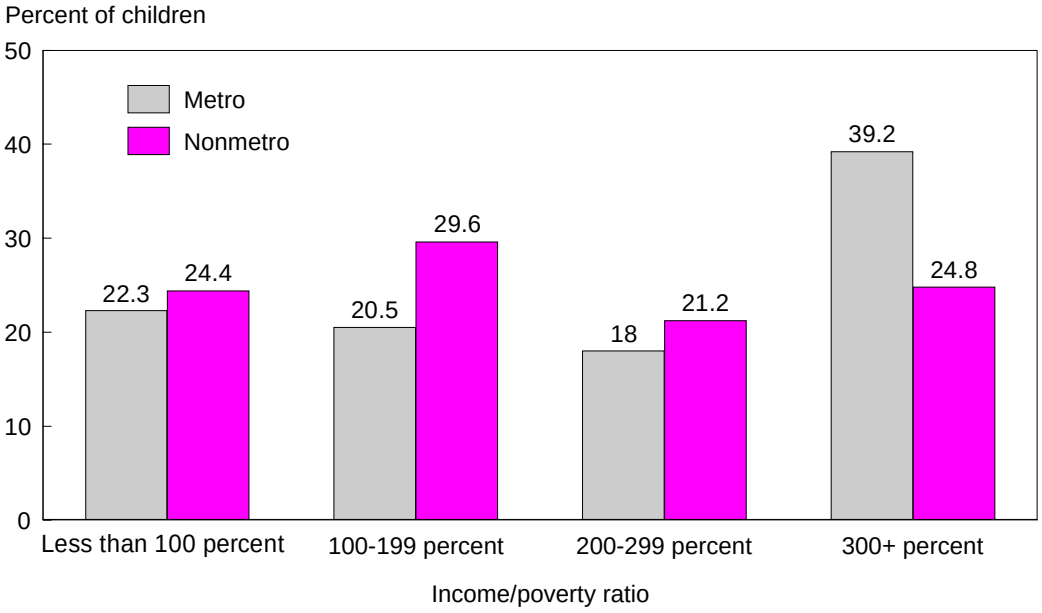
The Current Population Survey (CPS) assigns the poverty rate of the primary family to children living in a related subfamily (see appendix, p. 116, for definition of family. However, CPS provides a variable that permits computation of the poverty rate for related subfamilies. In this article, the poverty rates for children in related subfamilies are the poverty rates for that family rather than those assigned to them from the primary family.

A related subfamily is defined as a married couple with or without children, or one parent with at least one never-married child under age 18 living in a household and related to, but not including, the householder or spouse. One example of a related subfamily is a young married couple sharing the home of the husband's or wife's parents.

Figure 1

Ratio of family income to poverty level for children, by residence, 1996

Rural children are much more likely than urban children to live in lower income families

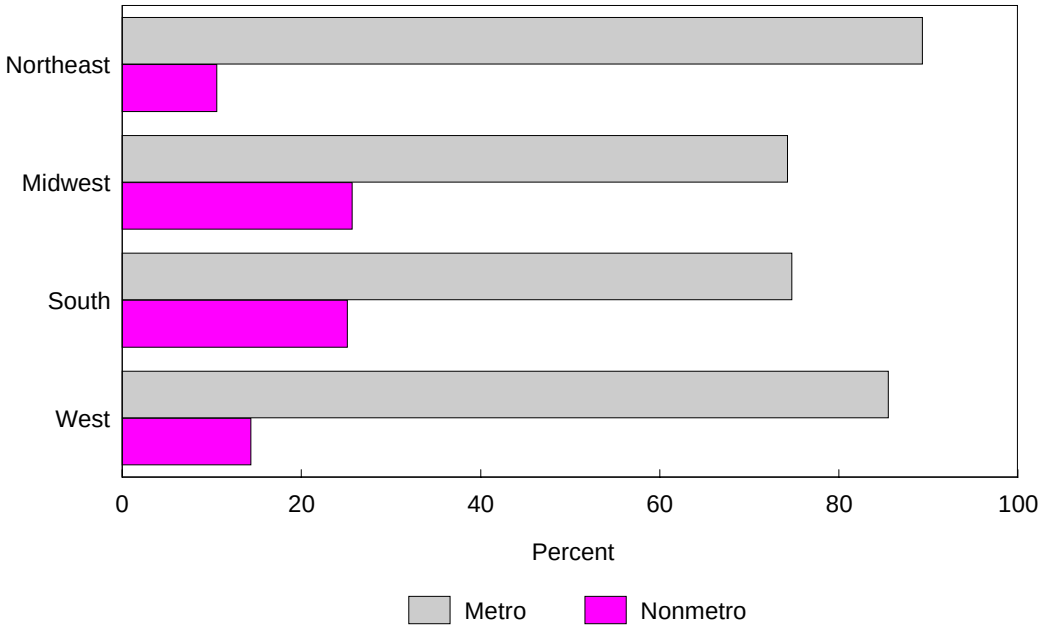


Source: Calculated by ERS using data from the March 1997 Current Population Survey.

Figure 2

Distribution of children, by region of residence, 1996

Larger shares of children lived in rural areas in the Midwest and South



Source: Calculated by ERS using data from the March 1997 Current Population Survey.

Family structure plays an important role in a child's economic welfare. The chances of poverty are likely to be higher for children in single-parent families than for children in two-parent families. About half of rural children in single-parent families were poor, compared with 12 percent for rural children in two-parent families.

In addition to family structure, parental educational attainment, which influences employment opportunities and earnings, plays an important role in family poverty status. For all rural children living in two-parent families, the chances of poverty increased sharply if only one or neither parent had finished high school. Forty-four percent of rural children in two-parent families whose parents had not completed high school were poor, while the chances of poverty for rural children in single-parent families whose parent had not finished high school climbed to 72 percent.

As one would expect, living in a family with no wage earners strongly influences a child's poverty status. Urban and rural children in families with no earners had the highest poverty rates of all children, and the poverty rate for urban children in such families was higher (92 percent) than that of rural children in similar families (87 percent).

The racial/ethnic makeup of urban and rural children differed markedly (fig. 3). Minority groups represented a smaller proportion of the rural child population (24 percent) than of the urban child population (38 percent). However, Native American children made up a somewhat larger share of the rural than urban child population, while Hispanic children made up a larger share of the urban than rural child population.

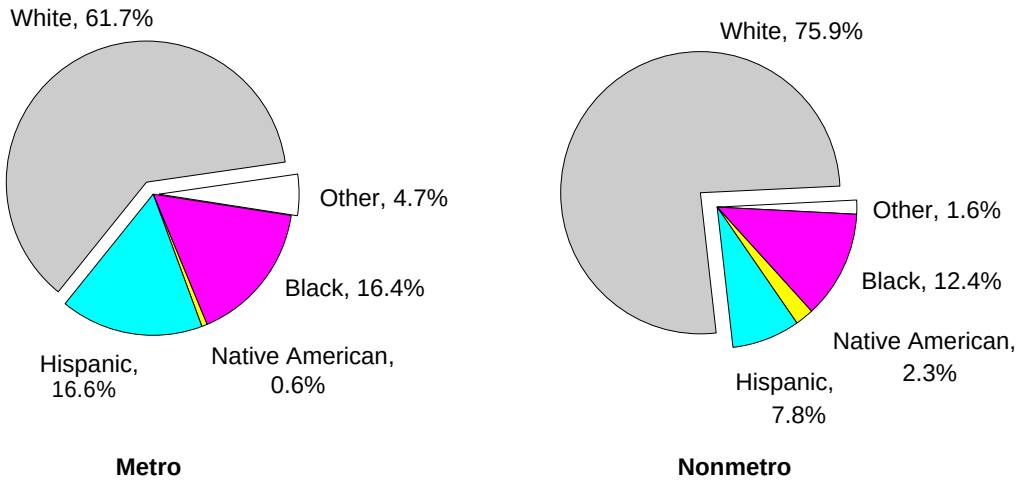
Poverty Is More Prevalent Among Rural Minority Children

In 1996, the poverty rate for all rural children was 24 percent (table 1). However, poverty rates were much higher for rural minority children than for rural White children (17 percent). Rural Black children's poverty rates were the highest (50 percent), while Hispanic and Native American children poverty rates exceeded 40 percent. In addition, severe poverty (family income below 50 percent of the poverty level) for minority children was disproportionally high. Thirty percent of rural Black children lived in conditions of severe poverty, compared with only 8 percent of rural White children. Rural White children were much more likely than rural minority children to live in higher income families. Thirty per-

Figure 3

Children, by race/ethnicity and residence, 1996

Rural children are less likely than urban children to belong to a minority group



Source: Calculated by ERS using data from the March 1997 Current Population Survey.

cent of rural White children lived in families with income over 300 percent of the poverty level, compared with just under 10 percent of minority children.

Poverty rates for young children (under 6 years old) were much higher among rural minority children than for rural White children. The poverty rate for rural young Black children was about three times higher than the poverty rate for young White children, while the poverty rates for rural Hispanic and Native American children were twice that of White children. The higher poverty rate among young children may be influenced by the fact that the number of family members available for the labor force is sometimes limited due to the need to care for a young child, and in many rural areas adequate child day care may be scarce.

Rural minority children tended to be concentrated regionally. About 89 percent of rural Black children lived in the South, while almost half (45 percent) of Native American children lived in the West. Rural Hispanic children largely resided in two regions—the South (47 percent) and the West (44 percent). Over one-half of rural Black children living in the South were poor, compared with 19 percent of rural White children in the South. Forty-nine percent of rural Hispanic children living in the West and 46 percent of rural Hispanic children living in the South were poor. Forty-one percent of rural Native American children in the West were poor.

The chances of poverty for rural minority children in single-parent families were much higher than for rural White children (45 percent). Hispanic children in single-parent families had the highest chances of poverty (75 percent) followed closely by Black children (68 percent). However, only one-quarter of rural Hispanic children lived in single-parent families, compared with almost two-thirds of rural Black children. For these children, something other than family structure is influencing their high poverty rate, such as being members of illegal immigrant families.

Table 1

Poverty rates and distribution of family income for rural children, by race/ethnicity, 1997

Rural minority children have much higher poverty rates than rural White children

Item	White	Black	Hispanic	Native American	All
			Thousands		
Number of children	10,776	1,767	1,104	331	14,192
			Percent		
Total poor	17.3	50.0	45.9	40.5	24.4
Family income as percentage of poverty level:					
Less than 50	7.6	29.7	14.5	21.4	11.3
50-74	4.8	9.4	16.7	11.5	6.7
75-99	4.9	10.9	14.7	7.6	6.4
100-124	6.6	9.3	10.2	9.7	7.2
125-149	7.1	9.9	8.6	8.5*	7.5
150-174	8.3	9.3	7.2	6.0*	8.2
175-199	7.0	4.1	7.3	7.6*	6.7
200-299	24.2	9.1	11.5	17.8	21.2
300+	29.5	8.3	9.3	9.9	24.8

*Weighted number, fewer than 30 cases reported.

Source: Calculated by ERS using data from the March 1997 Current Population Survey.

Rural Hispanic children in two-parent families whose parents had not finished high school were particularly disadvantaged, experiencing a poverty rate of 53 percent, and nearly half of rural Hispanic children lived in these families. Rural Black and White children in such families had poverty rates of 41 and 36 percent, respectively, with much smaller shares of each of the two groups living in these families.

Minority children in a single-parent family whose parent had not completed high school had very high poverty rates. About three out of four of rural Hispanic and Black children in these families were poor, and more than one-third of the children in these two groups lived in these families. Although they had the lowest poverty rate of all children in single-parent families whose parent had not completed high school, rural White children's poverty rate was high at 64 percent. However, slightly less than 20 percent of rural White children lived In these families.

Further, rural minority children more often lived in families with no earners than rural White children (5 percent). Nineteen percent of Black children, 8 percent of Hispanic, and 12 percent of Native American children lived in no earner families in 1996. These children all had high poverty rates that exceeded 90 percent. Although the poverty rate for rural White children in similar families was considerably lower than the poverty rate for minority children, it was very high at 79 percent.

Additional analysis indicates that differences in family structure and presence or absence of a family wage earner account for nearly three-quarters of the difference in rural White/Black child poverty rates. However, these characteristics play a lesser role in explaining differences in White/Hispanic and White/Native American child poverty rates because their family structure and family wage-earner status more closely resemble those of rural White children.

Social Welfare Programs More Important to Minority Children

Social welfare programs contribute to the well-being of children by providing cash or in-kind assistance to needy families. In 1996, 1.2 million rural children lived in families participating in Aid to Families with Dependent Children (AFDC), the guaranteed Federal assistance program for dependent children, which was replaced with the Temporary Assistance to Needy Families (TANF) Program in 1996. The TANF program provides time-limited benefits to needy families, mostly headed by single-parents, and provides assistance in finding employment for the parents. While the hope is that more parents will be able to meet their families' needs through employment, some families could possibly face economic hardship resulting from the discontinuation of benefits when time limits expire.

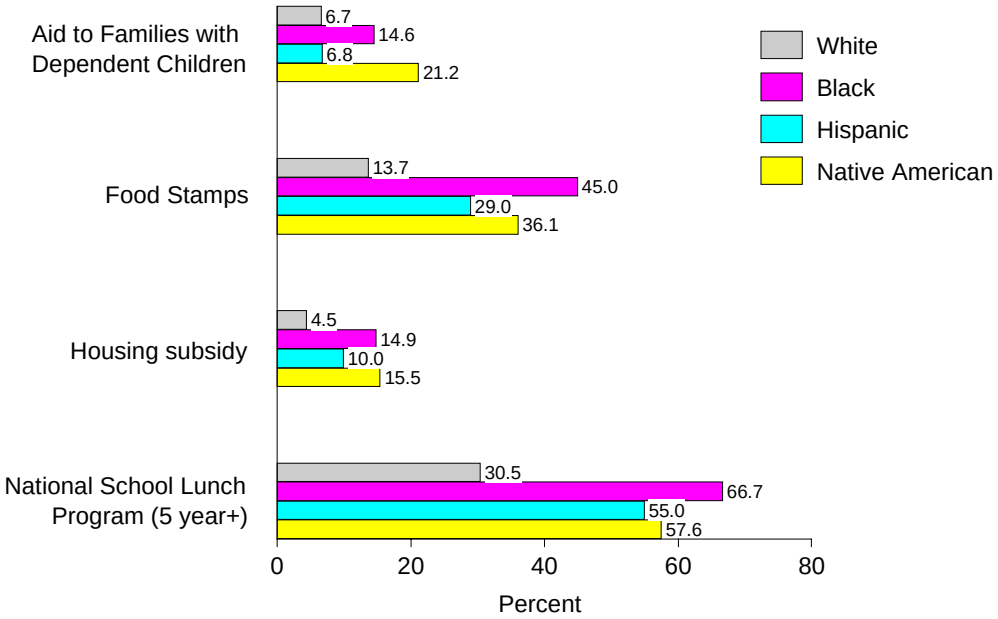
Larger shares of rural Black and Native American children lived in families receiving AFDC benefits than White or Hispanic children (fig. 4). This is to be expected since rural Black and Native American children were more likely than Hispanic or White children to live in single-parent families.

Changes in the TANF program will trigger changes in the food stamp program, a program with much higher child participation rates than AFDC. Among the most important changes that will affect children are the reduction of food stamp benefits from 103 to 100 percent of the Thrifty Food Program and the restriction of food stamp eligibility for many legal immigrants. Changes in the food stamp program will potentially affect 2.8 million, or 20 percent of rural children. Furthermore, rural Black and Native American children will be disproportionately affected. Forty-five percent of rural Black children and 36 percent of rural Native American children lived in families that receive food stamps. The share of rural Hispanic children in families receiving food stamps was also high at 29 percent.

The families of rural minority children also relied on other government assistance programs more than the families of White children. Children in rural Black and Native American families had the highest participation rates in the housing subsidy program that helps needy families pay their rent. Fifteen percent of rural children in both these groups lived in families participating in this program. The reduced food stamp benefits associated with the implementation of TANF may cause some recipients to have difficulty paying

Figure 4
Participation rates in selected social welfare programs for nonmetro children, by race/ethnicity, 1996

Rural minority children participate in most social welfare programs at a higher rate than White children



Source: Calculated by ERS using data from the March 1997 Current Population Survey.

their share of their rent because they will need more of their income to buy food. Finally, participation rates in the national school lunch program for rural children over 5 years old were very high among all four racial/ethnic groups. Well over half of rural Black, Hispanic, and Native American children, compared with about a third of White children, received free or reduced-price lunches from this feeding program in 1996. *[Elizabeth M. Dagata, 202-694-5422, edagata@econ.ag.gov]*