

The Ethnic Dimension of Persistent Poverty in Rural and Small-Town Areas

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More than 500 rural counties¹ (nearly a fourth of the total) had poverty levels of 20 percent or more in each census from 1960 through 1990. In two-thirds of these cases, the high poverty incidence reflects inadequate income among Black, Hispanic, or American Indian and Alaskan Native residents. Poverty rates have dropped substantially in counties where most of the poor are Blacks, but much less progress has been made in the Hispanic and American Indian areas.

There are many circumstances that can produce poverty-level income. Sometimes the causes are personal, such as poor health or abandonment by a spouse. Other cases result from economic events, such as a factory shutdown. But much poverty is less event-specific and more related to the effect of long-established factors such as the legacy of race discrimination, or low-wage regional and rural economies in which even full-time workers may receive only poverty-level incomes.

Given these varying conditions, periods of poverty-level income are only temporary for many people, ended by a change in personal circumstances or by a new job, whereas for others they may be of long duration, even intergenerational. The contrast between short-term and long-term poverty can also be applied to entire areas. A rural and small-town community may temporarily have a high poverty rate because of a poor year for farm income. Asset levels may remain high, and incomes may recover the next year. On the other hand, in large areas of the country poverty has been chronically high and remains at levels well above those acceptable to society. The purpose of this chapter is to identify such areas

¹ Rural people are those who live in counties outside the boundaries of metropolitan areas, as defined by the Office of Management and Budget. Thus, rural counties include small cities (under 50,000 pop.), small towns, and open country. See appendix for a complete definition.

because of the stubborn challenge they pose to rural development, and to assess the manner and extent to which the financial plight of minorities lies behind such chronic area-wide poverty.

County-level poverty data are available for the last four censuses and enable us to note rural counties that had high poverty rates in each census from 1960 to 1990. A high incidence of poverty is defined here as 20 percent or more of a county's population living in households with poverty-level income.

Measuring the number and percentage of people in "poverty" has become one of the most widely used statistical procedures of our time. Its premise has been rather simple, based on a 1955 USDA food consumption survey which found that families of three or more persons spent about one-third of their income on food. Poverty-level income, therefore, was defined as a level less than three times the cost of the cheapest adequate food plan for a family of three or more persons. Income slightly higher than three times food costs was used for one- and two-person households. With relatively minor changes in the concept since its first use in the 1960's, annual adjustments of the poverty income thresholds are made to reflect changes in the cost of living. No allowances for regional variation in the cost of living are available.

For the 1990 Census, poverty incomes were defined as those of less than \$6,451 (in 1989) for a person under age 65 living alone, less than \$8,343 for a two-person household with the head under 65, and less than \$12,575 for a family of four persons, including two children under 18 years. The concept measures income after receipt of cash transfer payments such as Social Security, public assistance, earned income tax credit, retirement or disability income, or child support. It excludes, however, the value of such programs as public housing, food stamps, or Medicare and Medicaid. For working age people, the resulting data understate the number who

would be defined as poor if poverty were measured only by their own earnings. But, the data overstate the incidence of poverty that would be found if the value of all ameliorative programs was accounted for.

Poverty has typically been more common in rural and small-town areas than in cities and suburbs. Among the 2,383 rural counties (nonmetro as defined in 1983), 540 had poverty levels of 20 percent or more in each of the last four censuses. These counties represent nearly a fourth of all rural counties. The national incidence of poverty was 13.1 percent in the 1990 Census, slightly up from 12.4 percent in 1980. For rural areas, the poverty rate had risen faster, from 15.4 percent in 1980 to 16.8 percent in 1990. Poverty in the rural counties of persistently high poverty was 28.7 percent in 1990; twice that of all other rural counties (14.3 percent).

Persistent-poverty counties are largely in the coastal plain and highlands regions of the South, along or near the Rio Grande from its source to its mouth, and in portions of both the Texas plains and the northern plains (fig. 1). Such county-wide areas of persistent poverty are not found in the Northeast or the Pacific Coast, and are rare in the Corn Belt. In demographic and cultural terms, the great majority of the persistent poverty counties fall within four types. They are counties in which the high overall poverty rate results primarily from low income among either Blacks, Hispanics, American Indians and Alaskan Natives, or the White population of the Southern Highlands. In two-thirds of all counties with persistent high poverty, the high incidence reflects conditions in a minority population.

Areas of High Black Poverty

In 255 of the persistent-poverty counties, Blacks either are a majority of the poor, or it is only their high incidence of poverty that produces an overall county rate of 20 percent or more. These counties stretch across the heart of the old agricultural South, once mostly dependent on cotton, and Blacks make up 67.5 percent of their 1.5 million poor persons.

Poverty was endemic among rural Blacks in the past, when they were largely small-scale tenant farmers. Comparatively few Blacks today are still involved in agriculture, however, either as farmers or laborers. In the entire United States, a monthly average of only 11,000 Blacks were reported as working solely or primarily as farmers in 1993, along with 59,000 hired farmworkers. But, although there have been major gains in rural education, nonfarm employment, public assistance, and general access to public life for

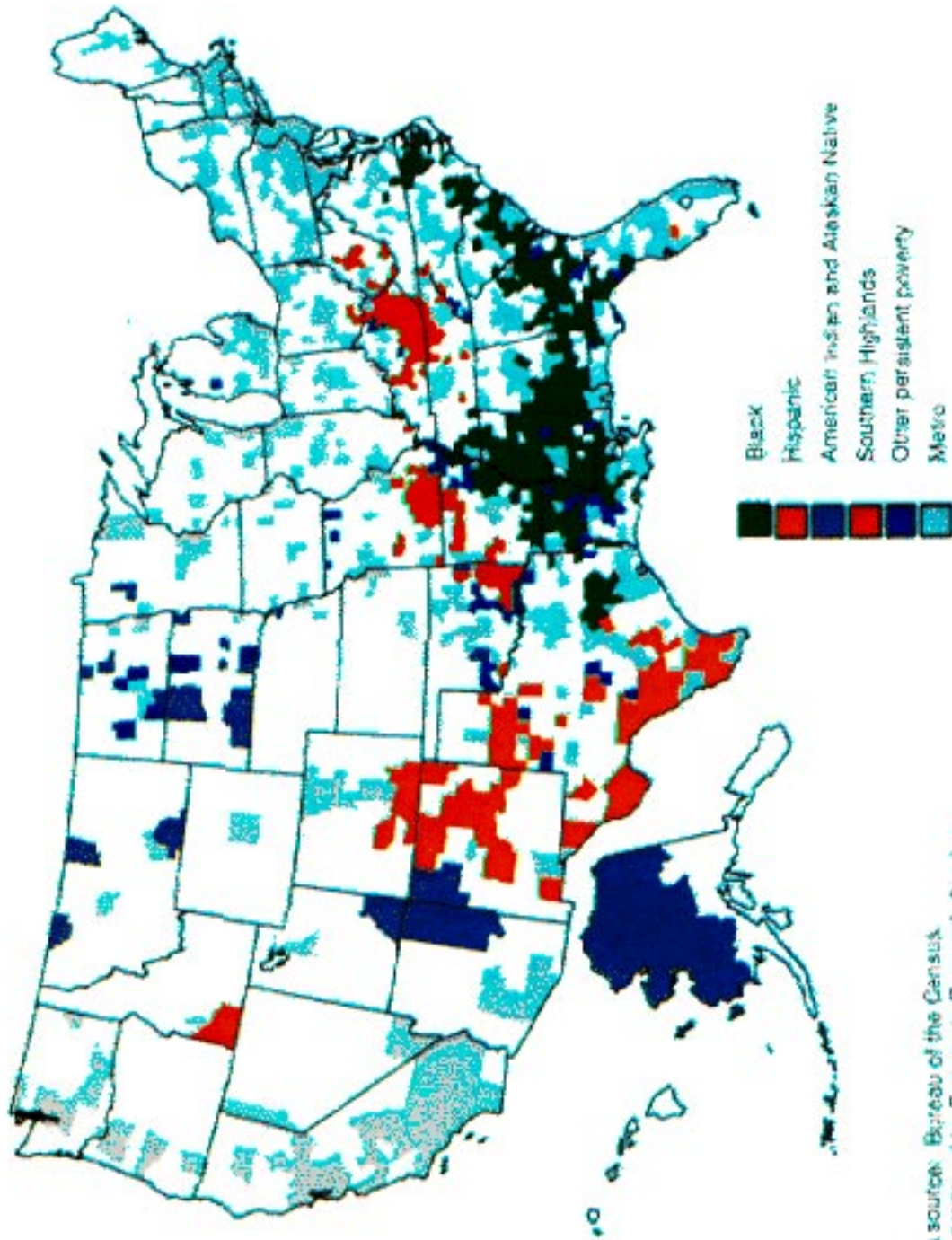
Blacks, the level of Black poverty is still over 50 percent in more than 100 Black persistent high-poverty counties and under 30 percent in only 2.

The areas of persistent high poverty in which the poverty of Blacks is dominant have several features typically associated with low income, such as early childbearing, low availability of year-round full-time work, and low education (table 1). Compared with other rural counties, they have an especially high percentage of children under 18 who do not live in married-couple families (31 percent), a situation frequently leading to low income and welfare dependence. Whereas just 9 percent of all rural households have no motor vehicle (car, van, or truck), 29 percent of all Black households in persistent poverty areas have no motor vehicle. Such an exceptional lack presumably stems from poverty, but also clearly is a hindrance to employment and escape from poverty, given the typical lack of public transportation in rural and small-town places.

A striking feature in many areas characterized by Black poverty is the great difference between poverty rates for Blacks and Whites. The Black persistent high-poverty counties in Alabama, Arkansas, Louisiana, and Mississippi had average 1990 Census poverty rates of 51.4 percent for Blacks, compared with 15.4 percent for Whites. That disparity reflects social and economic conditions that are still radically different for the two racial groups. On the more industrialized east coast, in the Carolinas and Virginia, the Black poverty counties had an average rate of 37.0 percent for Blacks (with all counties under 50 percent) and 11.6 percent for Whites. In these areas and elsewhere (such as the Alabama Black Belt and parts of the Mississippi Delta), the White poverty rate was even below that for Whites in counties without persistent high poverty.

In counties where Whites are consistently a minority of the total population, such as the Black Belt, one might argue that their low poverty rate is achieved only in the context of an elite population historically possessing a disproportionate share of the resources and positions that provide a good income. Their success may not be extendable to the rest of the population. In the South Atlantic States, however, the relatively low incidence of poverty among Whites, who are usually a majority of the population, coupled with the progress already made in reducing Black poverty below levels in the Mid-South, lends more optimism about the underlying strength of that regional economy and its future prospects for rural Blacks.

Figure 1
Nonmetro persistent poverty counties



Data source: Bureau of the Census.
Map prepared by Economic Research Service.

Table 1—Characteristics of rural¹ counties with persistent poverty

Item	Persistent poverty county classification						
	Black	Hispanic	Indian and Alaskan native	Southern Highlands	Other persistent poverty	Total persistent poverty	Other rural counties
	<i>Thousand</i>						
Population	5,356	941	558	1,781	828	9,464	45,414
Persons in poverty*	1,479	299	191	514	230	2,714	6,506
	<i>Percent</i>						
In poverty, by year							
1990	27.6	31.8	34.2	28.8	27.8	28.7	14.3
1980	27.2	26.9	29.2	26.4	24.7	26.9	13.2
1970	38.7	34.1	35.8	38.7	34.3	37.7	16.6
1960	59.8	47.1	48.2	59.1	52.5	57.3	29.7
In poverty, by race:							
White	14.7	NA	15.3	28.5	23.3	20.6	12.8
Black	46.3	--	--	--	54.2	46.6	32.5
Indian	27.5	--	50.9	--	--	45.1	33.5
Hispanic	--	43.6	--	--	--	42.2	28.4
Population per 100 workers	259	274	312	286	271	269	227
	<i>Thousand</i>						
Children ever born to women age 15-24	443	455	538	419	439	444	335
	<i>Percent</i>						
Male workers with year-round full-time work	42.1	40.2	35.2	35.6	39.0	40.0	47.2
Population 16-64 with work disability	11.7	9.4	9.8	16.2	13.7	12.4	9.5
Education--age 25 & over:							
Not H.S. graduate	41.1	42.8	36.4	47.7	42.9	42.5	28.5
College graduate	10.9	11.1	10.9	7.9	9.0	10.2	13.5
Children under 18 not living with married couple	31.0	18.9	26.0	17.5	22.5	26.1	17.4
Households with no motor vehicle	14.9	10.1	16.7	12.6	11.9	13.8	7.9
White	6.8	--	7.2	12.4	9.3	8.8	7.0
Black	29.3	--	--	--	32.7	29.4	24.3
Indian	13.1	--	29.9	--	--	23.9	14.6
Hispanic	--	13.8	--	--	--	13.6	10.1
Persons in households with income below 75 percent of poverty level	19.6	22.3	26.2	20.4	19.1	20.4	9.4

¹ Rural is defined as those areas outside metropolitan areas and is equivalent to nonmetropolitan.

Data are for 1990, unless otherwise indicated.

-- = Population base less than 50,000

NA = Not available

*Numbers do not total due to rounding

Source: Compiled by Economic Research Service from Census of Population, U.S. Bureau of the Census.

Areas of High Hispanic Poverty

Hispanic persistent high-poverty areas are numerous in Texas and New Mexico, with some occurrence in Colorado. There are 73 such counties, and within them 76 percent of all poor persons are Hispanic. Many of these counties are on or near the Rio Grande, along its entire length, where Mexican settlements already existed when the United States acquired the land. The Rio Grande counties on or near the Mexican border in Texas have many immigrants in the population, but those elsewhere have relatively few.

Other areas of high Hispanic poverty reflect the extensive migration of Mexican-Americans to Texas High Plains counties as farmworkers over the last two generations, following the introduction of irrigated agriculture. Over time, many of these people and their children have remained in the Plains, with movement into other occupations. And their proportion of the population is rapidly growing. In the 13 High Plains counties of Texas that are persistently high in poverty, Hispanics rose from just 6 percent of the total population in 1950 to 40 percent in 1990. Thus susceptibility of the Hispanic population to poverty has become central in determining the overall poverty rate of the Plains counties, whereas it was only a negligible factor in the past.

Hispanic poverty counties as a group do not show the worst degree of any of the socioeconomic measures conducive to high poverty. They are, however, well above rural or urban areas as a whole in the ratio of population to workers, lack of full-time year-round work for men, adults who did not complete high school, youth who have dropped out of school, and the extent of early childbearing.

Among all persistent-poverty counties, those in the Southern Great Plains are the areas where poor families are most likely to work in agriculture, other than in some scattered counties in the Midwest. In 1980, 29 percent of all employed Hispanics in these counties (and 40 percent of men) worked in agriculture, at a time when only 7 percent of rural workers did so nationally. The vast majority of Hispanics in agriculture (91 percent) are hired farmworkers rather than operators, subject to the seasonality of work and low wages that characterize such jobs. In the Hispanic poverty counties of Texas, there has been a lack of congruence between the amount of poverty and per capita county income. Because of a higher than average degree of income

concentration, poverty has been more widespread than would be expected from per capita income levels.

Areas of High Poverty Among American Indians and Alaskan Natives

In 35 counties and Alaskan county equivalents, high overall poverty stemmed from the chronically low income levels of Native Americans—Indians and Alaskan Natives. Outside of Alaska, all of these counties contained Indian reservations, except in Oklahoma where the counties encompassed former reservations and Indian nations. In the Alaskan areas, the residents are principally Eskimos.

The Indian and Alaskan Native counties are the least populous of the persistent-poverty types, with just 558,000 total population. They are distinctive in several ways affecting the incidence of poverty and their development potential. They have the highest overall poverty rate of any of the county types (34.2 percent), with rates for the Indians and Alaskan Natives themselves averaging 51 percent. Most seriously, over three-fourths of the poor households in these counties have severe impoverishment, with incomes less than 75 percent of the official poverty level. Twenty-six percent of the entire population of these areas lived in severe income poverty even after counting all forms of cash assistance.

With limited work availability and below-average labor force participation, workers in the Native American counties have a much higher ratio of population per worker than do other rural areas. In 1990, there were 312 persons of all ages per 100 employed people in the Native American counties, compared with 227 per 100 in rural counties that do not have persistent high poverty and 206 in urban areas. Furthermore, among all men who had some employment in 1989, only 35 percent had full-time year-round work in the Indian and Alaskan areas, compared with 50 percent among U.S. men as a whole.

The age composition of the poor is also different in Native American persistent-poverty counties. Whereas in the Black and Southern Highlands poverty areas, there are two children under 18 in poor households for every poor older person 60 years and over, in the Native American areas poor children outnumber poor older people by four to one. In part, this reflects the young average age of Native Americans in general, derived both from above-average family size and from their lower life expectancy. The high proportion of children among Native American poor is also produced by the

comparatively high rate of childbearing among women under age 25 (which adds more members to youthful families whose earnings are still low), and by the lower percentage of Indians who live alone in old age.

Southern Highlands Areas

A fourth large bloc of rural counties with chronic high poverty is in the Southern Highlands, mostly in the Cumberland Plateau and Highland Rim country of the Southern Appalachians, but also in parts of the Ozark Plateau and the Ouachita Mountains. In these areas the poverty is in the White population, thus lacking an ethnic minority aspect. The residents, however, share some of the poverty-induced or poverty-related characteristics of the minority poverty areas, such as low education, high ratio of population to workers, insufficient full-time jobs, and above-average early childbearing. The Southern Highlands were materially poor at an early date and became regarded as isolated and culturally distinctive. It has not been uncommon for persons from these areas who went elsewhere—such as to the cities of the Midwest—to feel themselves subject to discrimination if they were readily identifiable by language, accent, or other attributes. Cincinnati, OH, even has an ordinance prohibiting discrimination against people from Appalachia. Thus, they have been subject, to a certain degree, to some of the same barriers imposed on ethnic minorities. But the poverty of the Southern Highlands areas will not be discussed further here because of its lack of an ethnic context.

Other Persistent-Poverty Areas

Only an eighth of the persistent-poverty counties fall outside the four identified types. Many are counties that do not quite fit one of the types. Most have high Black, Hispanic, or Indian poverty rates, but are in areas where White households also have poverty rates of over 20 percent and comprise a majority of the poor. Others are heavily White counties that adjoin Southern Highlands areas, or are Midwestern corn or wheat belt counties of marginal productivity. The "other persistent poverty" group shows the same social and economic disadvantages as the rest of the groups, but not generally to an extreme degree. These counties show the lowest incidence of severe poverty (19.1 percent) and they have the highest percentage of older people among those in poverty (20.6 percent).

Change Since 1960

The greatest progress in reducing poverty levels in minority-dominated high-poverty counties has come in the Black areas, whose overall poverty rate

dropped by more than half, from 59.8 percent in 1960 to 27.2 percent in 1980. This is a major achievement, but there was no additional improvement from 1980 to 1990, when the rate in the Black poverty counties rose slightly from 27.2 to 27.6 percent.

Some of the improvement from 1960 to 1980 resulted from extensive outmovement of Blacks from most of the counties, thus lowering the proportion of the population that had been most subject to very low incomes. Such change was a rational response to perceived better opportunities elsewhere, usually in metropolitan areas.

Black outmigration continued in the 1980's from most Black persistent high-poverty counties. But this factor was offset by some deterioration of economic conditions and by the further spread of family patterns, such as childbearing among unmarried young women, that are highly conducive to low income.

Much less improvement has occurred since 1960 in the Hispanic and American Indian areas. These areas had slightly less than half of their population in poverty in 1960 (47.1 and 48.2 percent), but still had rates of over 30 percent in 1990 (31.8 and 34.2 percent). In both Hispanic and Indian persistent poverty areas, the proportion of minorities has been steadily rising, partly from minority growth and partly from outmovement of non-Hispanic Whites. In just 10 years from 1980 to 1990, the average percentage of American Indians in the Indian persistent-poverty counties (exclusive of Alaska) rose from 34.9 to 40.4 percent; in Hispanic areas, the rise in Hispanics was from 46.0 to 49.4 percent. (A minor portion of the increase in the Indian proportion results from the increased propensity by people of mixed ancestry to identify themselves as Indian now, but such persons are likely to have lower poverty rates than the Indian average.) Similar changes occurred in the 1970's.

Altogether, the counties with high persistent poverty had 29.2 percent of the U.S. rural-county poor population in 1990, a smaller figure than 32.4 percent in 1960. Thus, it must be stressed that these counties do not dominate the total rural poverty problem. They are, however, the areas where poverty is most entrenched at levels well above the norm.

Other research has shown that most people who ever experience poverty do not do so permanently. Likewise, most poor rural residents do not live in counties that have high area-wide poverty decade after decade. But the 2.7 million poor people who

live in areas of persistently high poverty are in communities where the chronic high poverty itself becomes a serious impediment to progress. It limits the tax base and imposes a poverty of services. The lagging education of the labor force makes it difficult to attract new jobs beyond those of low skills and modest wages. And the distinctive racial and/or cultural context of most persistent-poverty areas makes it clear that their problems cannot be addressed without reference to the factors that have contributed to the enduring existence of poverty.