In 2000, 14.2 percent of the nonmetro population, or 7.5 million people, were poor, compared with 11.6 percent of the metro population. This difference has persisted through time, and it is also evident when poverty is analyzed by race, ethnicity, age, and family structure.

Race and ethnicity strongly correlated with rural poverty

According to the 2000 Census, racial and ethnic minorities constitute 17 percent of the nonmetro population, with nonmetro minority populations growing in all 50 States. Overall, U.S. poverty rates are higher for minorities than for non-Hispanic Whites. This racial disparity is even more marked when considering rural poverty rates and other dimensions of well-being, such as education and depth of poverty.

• More than one out of four nonmetro Hispanics, Blacks, and Native Americans live in poverty.
• The nonmetro poverty rates in 2002 for non-Hispanic Blacks (33 percent) and Native Americans (35 percent) were more than three times the nonmetro poverty rate for non-Hispanic Whites (11 percent). The rate for Hispanics (27 percent) was more than twice as high.
• Forty-five percent of nonmetro Native Americans who are poor have incomes that are less than half of the poverty line.
• Poverty rates for non-Hispanic Blacks and Native Americans are more than 10 percentage points higher in nonmetro areas than in metro areas, the largest gap among minority population groups.

Poverty rates by race and ethnicity, 2002

Nonmetro Blacks, Native Americans, and Hispanics have highest poverty rates

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Nonmetro</th>
<th>Metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>11.0</td>
<td>7.2</td>
</tr>
<tr>
<td>Black, non-Hispanic</td>
<td>33.2</td>
<td>22.7</td>
</tr>
<tr>
<td>Hispanic</td>
<td>26.7</td>
<td>21.4</td>
</tr>
<tr>
<td>Native American</td>
<td>34.6</td>
<td>19.2</td>
</tr>
<tr>
<td>Multiracial</td>
<td>19.5</td>
<td>12.4</td>
</tr>
</tbody>
</table>

Note: Hispanic is defined as anyone who is Spanish, Hispanic, or Latino. All race categories exclude Hispanics. Native American includes American Indians, Eskimos, and Aleuts. White, Black, and Native American categories exclude persons who respond with multiple races.

Dimensions of poverty

The rural South has the highest and most persistent poverty rates

A particularly revealing dimension of poverty is time spent living in poverty. ERS has defined counties as being persistently poor if 20 percent or more of their populations were poor over the last 30 years (measured by the 1970, 1980, 1990, and 2000 decennial censuses). For more information on persistent poverty and other county typologies, see www.ers.usda.gov/briefing/rurality/typeology.

• The United States has 386 persistent poverty counties, home to 4 percent of the U.S. population.
• Nonmetro counties make up the large majority (340 of 386) of persistent poverty counties. Fourteen percent of the Nation’s nonmetro population live in persistent poverty counties.
• Among nonmetro persistent poverty counties, 280 are in the South, and 60 are in the West and Midwest. None are in the Northeast.
• The nonmetro South, with over 40 percent of the U.S. nonmetro population, has the greatest prevalence of both poverty and persistent poverty. More than one in six persons in the region are poor and more than one in four live in persistent poverty counties.

Nonmetro persistent poverty counties, 1999

Poverty is highest in the most rural areas

Nonmetro areas are commonly mischaracterized as being sparsely populated small towns with open countryside. Indeed, many nonmetro counties fit this description, but others contain relatively large urban areas. ERS rural-urban continuum codes account for the differences among nonmetro areas and categorize nonmetro counties by degree of urbanization and adjacency to metro areas.

• The poverty rate is the highest in the completely rural counties (not adjacent to metro counties), with 16.8 percent of the population poor.
• The poverty rate in the largest metro areas is the lowest, with 11.5 percent of the population poor.
• Counties with low employment rates are disproportionately located in the most rural areas. ERS defines a county as having a low employment level if less than 65 percent of the adult (age 21-64) population is employed. In the most urban areas, 6 percent of the population reside in low-employment counties. In the most rural areas, 32 percent of the population reside in low-employment counties.
• Persistent poverty and degree of rurality are also linked. Nearly 28 percent of the people living in completely rural counties live in persistent poverty counties in contrast, 7.5 percent of the people living in the most urban nonmetro areas live in persistent poverty counties.
Who Is Poor?

Any individual with income less than that deemed sufficient to purchase basic needs of food, shelter, clothing, and other essential goods and services is classified as poor. The income necessary to purchase these basic needs varies by the size and composition of the household. Official poverty lines or thresholds are set by the Office of Management and Budget (OMB). The 2002 poverty line for an individual under age 65 is $9,359. For a three-person family with one adult and two children, it is $14,994. For a five-person family with two adults and three children, the poverty line is $21,469. Income includes cash income (pretax income and cash welfare assistance), but excludes in-kind welfare assistance, such as food stamps and Medicaid. Poverty lines are adjusted annually to correct for inflation. Comparisons of metro–nonmetro poverty rates pose some measurement difficulties. For example, U.S. poverty rates do not adjust for differences in cost of living across areas. If, as assumed, basic needs cost less in nonservice areas, then the nonmetro poverty rate would be lower. However, some costs—such as transportation to work—are likely to be higher in nonservice areas.

For more on the definition of poverty and a full listing of poverty thresholds, see http://www.census.gov/hhes/povverty.html.

Selected poverty rates and economic indicators, 2002

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Nonmetro</th>
<th>Metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median household income (dollars)</td>
<td>34,654</td>
<td>45,257</td>
</tr>
<tr>
<td>Poverty population (millions)</td>
<td>256.0</td>
<td>290.0</td>
</tr>
<tr>
<td>Prevalence of poverty (percent)</td>
<td>14.2</td>
<td>11.6</td>
</tr>
</tbody>
</table>

Poverty by region of U.S. (percent)

- Northeast: 10.7
- Midwest: 10.7
- South: 17.5
- West: 14.3

Poverty rates for selected groups (percent)

- Non-Hispanic Blacks: 33.2
- Non-Hispanic Whites: 11.0
- Hispanics: 26.7
- Child younger than age 18: 19.8
- Elderly (age 65 and older): 11.9
- Nonelderly adults (age 18-64): 12.4

Educational attainment of poor adults (percent)

- Less than high school education: 44.5
- No more than high school education: 32.8
- More than high school education: 22.8

Income levels of poor adults (percent)

- Less than the poverty line: 36.4
- Between half and 75 percent of the poverty line: 28.2
- Greater than 75 percent of the poverty line: 35.4

Poverty rates by residence

- Nonmetro: 23%
- Metro: 19%

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