Persistent Poverty Dynamics:

Understanding Poverty Trends over 50 Years

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INTRODUCTION

High and persistent poverty is an enduring characteristic of many U.S. counties. More than one in five (23 percent) U.S. counties had poverty rates of 20 percent or more in 2009. Half (49.6 percent) of these counties were persistent high poverty counties, having had poverty rates of 20 percent or more in each of the decennial censuses since 1970. Persistent high poverty counties are very concentrated geographically and disproportionally nonmetropolitan. With the Great Recession, many previously high poverty counties returned to high poverty status. What is new, however, in the geography of poverty in the first decade of the twenty-first century is (1) the emergence of a relatively large number of counties that are experiencing high poverty rates of 20 percent or more for the first time in this 50 years period, and (2) the high share of micropolitan and metropolitan counties among the new entrants.

This paper provides an update of 2003 RUPRI analysis of persistent poverty dynamics across U.S. counties (Miller and Weber 2003).In this analysis, we drop 1959 from the time period used to determine persistent poverty status, and consider only counties whose poverty rate was 20 percent or more in the 1970, 1980, 1990 and 2000 Censuses and the 2007-2011 American Community Survey.

DATA

County Poverty Rates

Poverty rates were compiled for each county in the U.S. for the 50 year period starting in 1969 through 2009. In our previous report, we included he 1959 poverty rates in our analysis. However, because official poverty rates were not developed until the 1960s, we start the analysis of persistent poverty counties with1969 data. Poverty rates from 1969, 1979, 1989, and 1999 were pulled from the Decennial Census long form data. Following the 2000 Decennial Census, the "long form" was discontinued, the source from which poverty rates were calculated. In its place, the Census Bureau implemented the American Community Survey, an ongoing survey of all communities in the US, which provides more timely and frequent data. Data for counties with populations of less than 20,000 are released as five year estimates, and we utilized the 2007-2011 estimates for all U.S. counties in order to be consistent across all geography. Throughout the paper, we refer to these estimates as the 2009 poverty rate, as this year represents the mid-point of the five year period.

Rural Classification

Throughout this paper, the official Office of Management and Budget Core Based Statistical Area classifications are used to represent the rurality of counties. These classify counties into one of three categories. Metropolitan areas include core counties with an urbanized area of 50,000 population or greater, and surrounding counties that are linked to that core, as measured by commuting flows. Micropolitan areas include core counties with an urban cluster of between 10,000 and 49,999, and surrounding counties that are linked to that core, as measured by commuting flows. All other counties are classified as noncore. Both micropolitan and noncore counties are "nonmetropolitan" counties.

Classifications based on the 2010 Decennial Census were recently released, and the distribution is as follows:

Classification	Number of Counties Classified, 2010	Percent of Total Counties	Total Population, 2010	Percent of Total Population, 2010
Metropolitan	1,167	37.1%	262,452,132	85.0%
Micropolitan	641	20.4%	27,154,213	8.8%
Noncore	1,335	42.5%	19,139,193	6.2%
Total	3,143	100.0%	308,745,538	100.0%

Demographic and Economic Indicators

Data to describe demographic and economic characteristics of counties were accessed from the U.S. Census Bureau's American Community Survey 2007-2011 estimates. Characteristics of each county's population were tabulated across the poverty classifications we develop (below). Educational attainment, median household income, unemployment rates, and racial and ethnic composition of the population were tabulated.
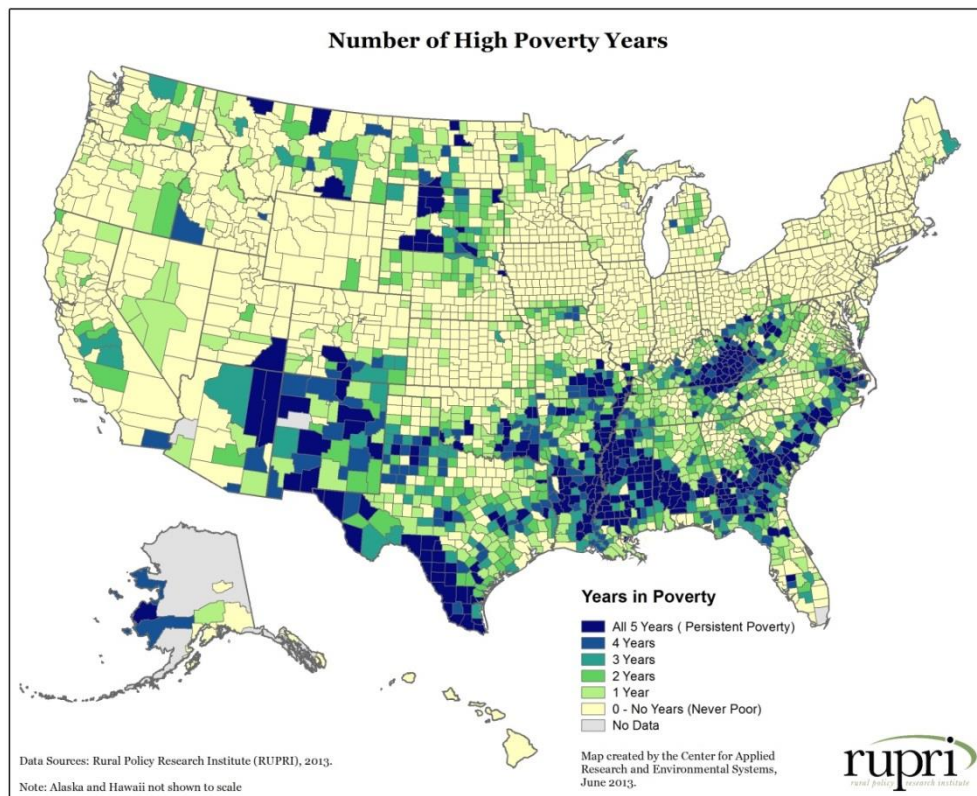
POVERTY DYNAMICS

Because of county boundary and other changes, 59 counties were dropped from the dataset, in order for us to analyze a consistent group of counties over the whole time period. All tabulations that follow are based on this reduced number of counties (3,084).

First, county poverty rates for each measurement year were calculated (1969, 1979, 1989, 1999, and 2009). The table below summarizes the number of high poverty counties in each measurement decade:

Measurement Year	Number of High Poverty Counties	Percent of Counties Classified as High Poverty
1969	1,341	43.5%
1979	721	23.4%
1989	842	27.3%
1999	487	15.8%
2009	699	22.7%

As the table shows, 43.5 percent of counties were high poverty in 1969, and this number dropped by almost half over the next decade. In 1999 only 15.8 percent of counties were classified as high poverty, the lowest number during the time period.

The map below shades counties by the number of measurement years with poverty rates of 20 percent or more. As illustrated in the map, counties with 5 measurement years of high poverty, which we refer to as persistent poverty counties are geographically concentrated in Appalachia, the black belt and Mississippi Delta, Rio Grande Valley, and Native American lands.
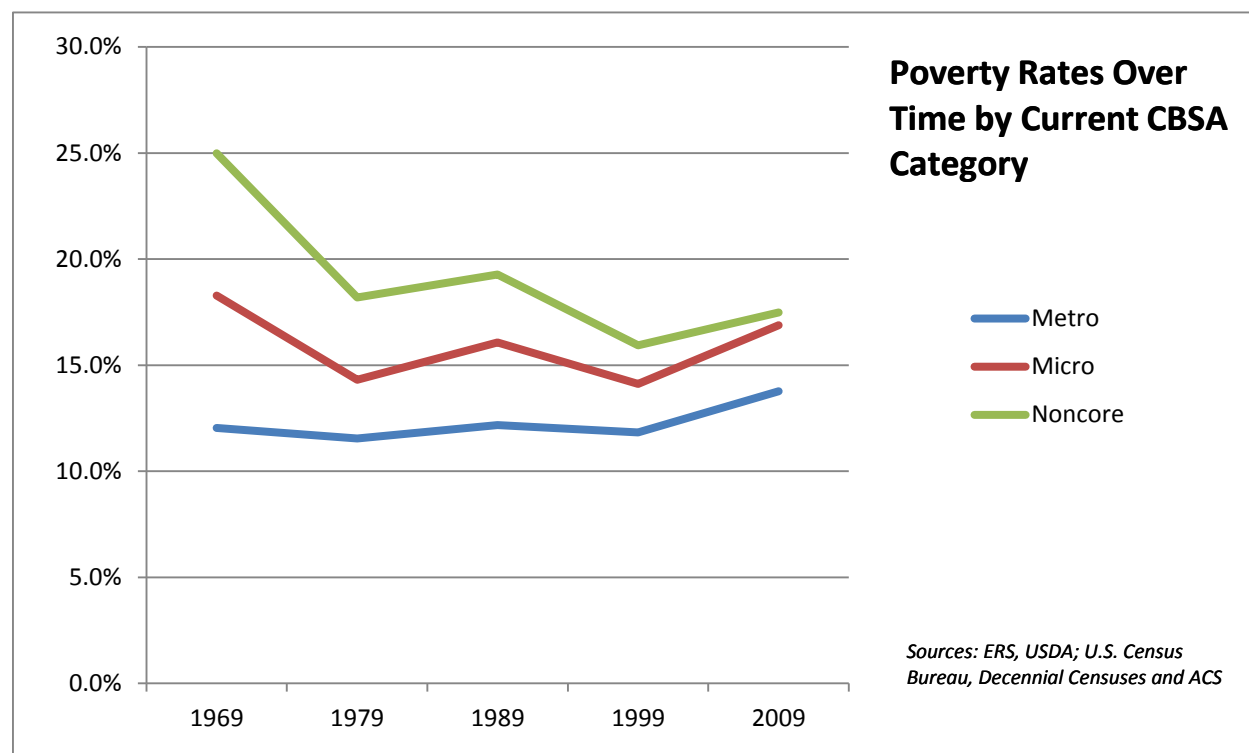

Number of High Poverty Years

Years in Poverty
- All 5 Years (Persistent Poverty)
- 4 Years
- 3 Years
- 2 Years
- 1 Year
- 0 - No Years (Never Poor)
- No Data

Data Sources: Rural Policy Research Institute (RUPRI), 2013.

Note: Alaska and Hawaii not shown to scale

Map created by the Center for Applied Research and Environmental Systems, June 2013.

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The table below shows the distribution of what we refer to as "high poverty years" by the core based statistical area classification. The most rural counties are overrepresented in the persistent poverty category. Of counties with five high poverty years, 64 percent are noncore counties.

Number of High Poverty Years	Metropolitan	Micropolitan	Noncore	Total
0	747	348	491	1,586
1	187	92	221	500
2	70	47	154	271
3	44	35	128	207
4	41	38	92	173
5	48	76	223	347
Total	1,137	636	1,311	3,084

Poverty rates over time were calculated for each class of counties in the core based statistical area classification. Rates were calculated by summing the total population and the total poor population for each classification (metropolitan, micropolitan and noncore), then calculating the poverty rate for each year. The chart below shows the trends in poverty rates over time, with the rates in noncore counties exceeding the other classifications over the time period.

Poverty rates have risen in all types of counties. The sharp rise in micropolitan poverty rates is notable. Whereas in 1969, the poverty rate of micropolitan counties was much lower than the rate for noncore counties, the noncore county poverty rate has declined significantly and 2009 poverty rate is almost the same for micropolitan and noncore counties.

Poverty Rates Over Time by Current CBSA Category

Sources: ERS, USDA; U.S. Census Bureau, Decennial Censuses and ACS

POVERTY TYPOLOGY

While the number of years in high poverty is a useful categorization, it misses several interesting trends that occurred throughout the time period. Therefore, counties were next grouped into five categories based on a county's poverty history as follows:
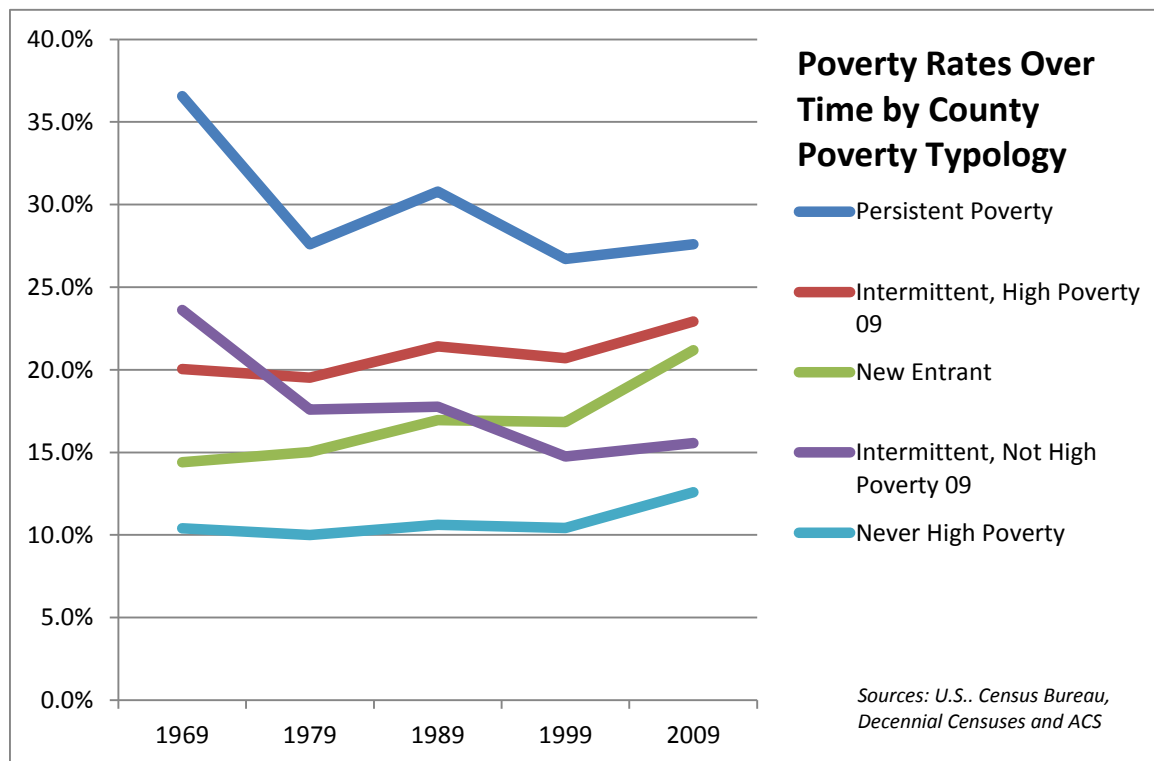
1) Persistent Poverty Counties – counties with poverty rates of 20% or higher in each of the measurement years (1969, 1979, 1989, 1999, and 2009).
2) Intermittent, High Poverty– counties that have had at least one year of high poverty between 1969 and 1999, and are currently measured as high poverty
3) New Entrants – counties that were high poverty only in the most recent measurement year, 2009.
4) Intermittent, Not High Poverty – counties that have had at least one year of high poverty, but are not high poverty in the 2009 measurement
5) Never High Poverty Counties – counties with a poverty rate below 20 percent in each of the measurement years.

This classification first distinguishes the polar cases – those with high poverty rates in all years (the "persistent poverty counties") and those that did not experience high poverty in any of the years. Counties that had been high poverty counties in some but not all of the previous decades were divided into those with high poverty rates in 2009 and those without high poverty rates in 2009 with the expectation that the former were on different development trajectories than the latter. Finally, we identify the "new entrant" counties that show the disturbing spread of high poverty into new places: these counties had poverty rates 20 percent or higher in 2009 but had not experienced such high poverty rates in any of the previous periods.
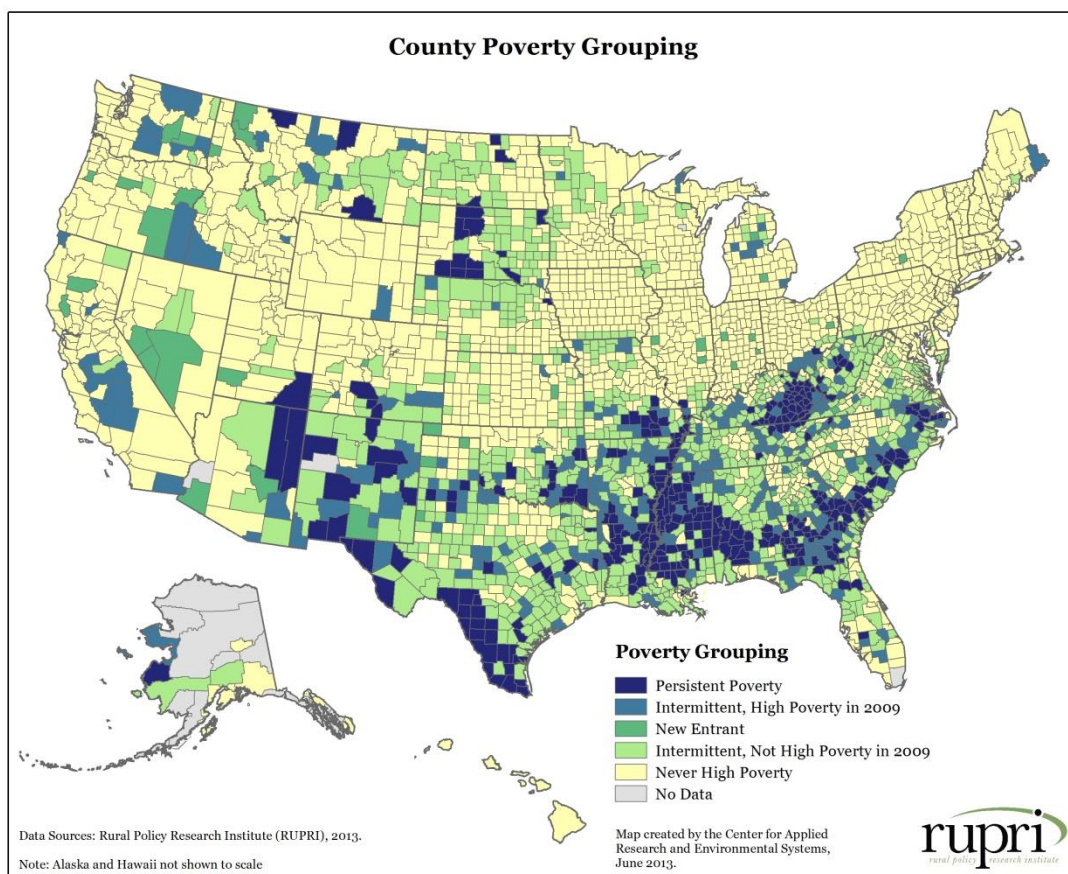
The distribution of counties by these poverty classifications by the core based statistical area designations is shown in the table below. The following chart shows the poverty rates over time for each poverty typology grouping.

Poverty Typology	Metropolitan	Micropolitan	Noncore	Total
Persistent Poverty	48	76	223	347
Intermittent, High Poverty in 2009	66	82	154	302
New Entrant 2009	17	17	16	50
Intermittent, Not High Poverty in 2009	259	113	427	799
Never High Poverty	747	348	491	1,586
Total	1,137	636	1,311	3,084

Another striking fact, observable in the figure below, is the very large increase in the average poverty rate in these counties during the past decade. The average poverty rate in these counties increased by about 5 percentage points, the largest rise of any county group.

Poverty Rates Over Time by County Poverty Typology

Legend:
- Persistent Poverty
- Intermittent, High Poverty 09
- New Entrant
- Intermittent, Not High Poverty 09
- Never High Poverty

Sources: U.S.. Census Bureau, Decennial Censuses and ACS

The map on the following page shows the geographic distribution of these counties. What is interesting in this map is the geographic dispersion of new high poverty entrants to the western United States. There are no persistent poverty counties west of the Rocky Mountains, but many of the new entrants and the intermittent counties that sunk into high poverty in 2009 are in this region.

County Poverty Grouping

Poverty Grouping

- Persistent Poverty
- Intermittent, High Poverty in 2009
- New Entrant
- Intermittent, Not High Poverty in 2009
- Never High Poverty
- No Data

Data Sources: Rural Policy Research Institute (RUPRI), 2013.

Note: Alaska and Hawaii not shown to scale

Map created by the Center for Applied Research and Environmental Systems, June 2013.

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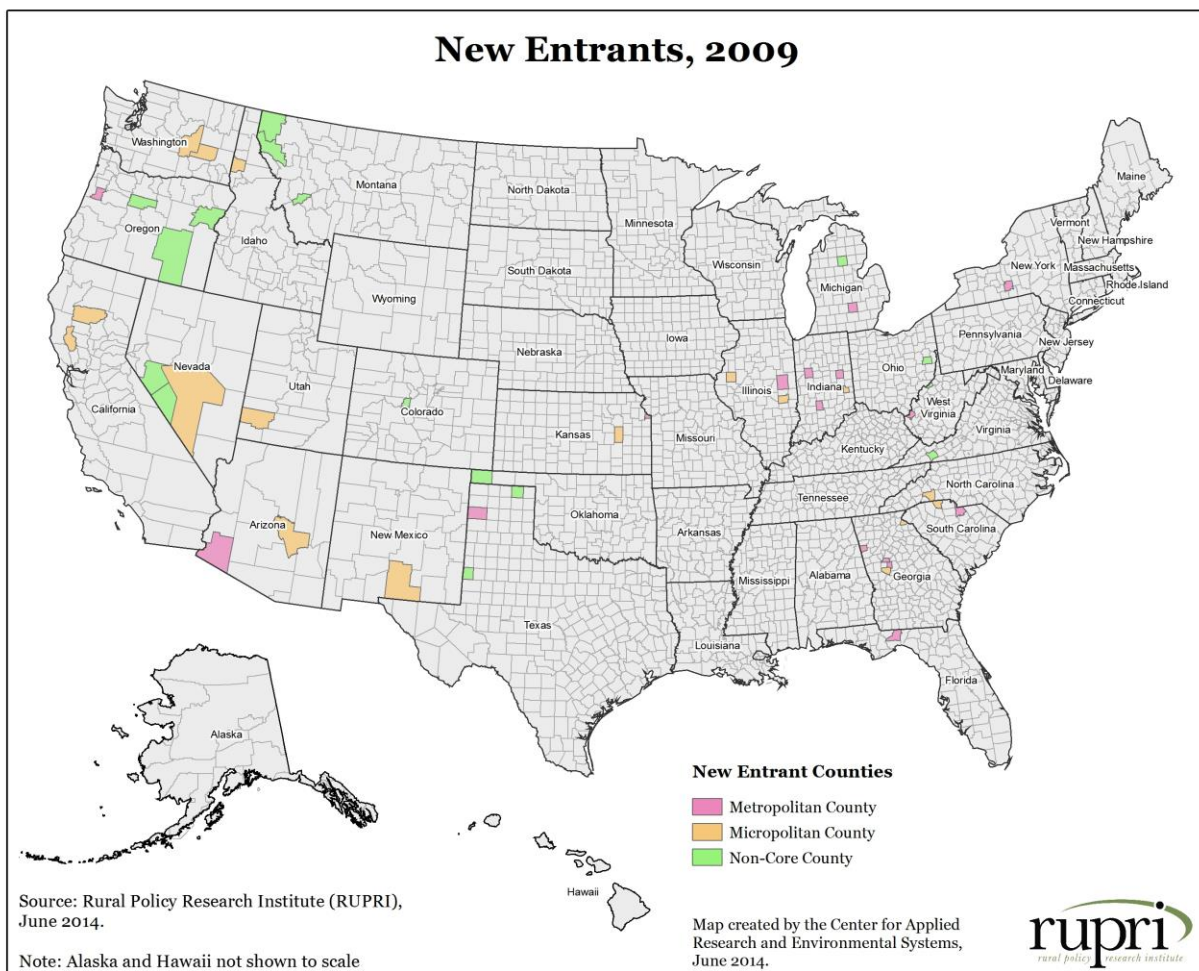
NEW ENTRANT HIGH POVERTY COUNTIES

In addition to the large increase in poverty rates and geographic location of the new high poverty counties, a couple of other things are striking about this cohort of 50 "new entrant counties". First is the high number of new entrant counties. While there had been more " new entrants" in previous decades, there was no decade in which the new entrants represented such a high share of all high poverty counties. In 1980, there were 38 new entrants (5.3 percent of the high poverty counties that year); in 1990 and 2000 there were 57 and 12 counties respectively (6.8 percent and 2.5 percent of the high poverty counties in their respective years). The 50 new entrants in 2009 represent 7.2 percent of the high poverty counties that year.

The second striking fact about these counties is how disproportionately metropolitan they are. Whereas 18.7 percent of all high poverty counties are metropolitan, 34 percent of the new entrant high poverty counties are metropolitan. This is consistent with the emergence of a "new suburban poverty" that has been the subject of much commentary. (Kneebone and Berube, 2013). Perhaps even more striking is the recent and rapid rise in the share of micropolitan counties that are new high-poverty entrants. The metro share of new entrants has gradually increased from 1 in 5 counties in 1979 to 1 in 3 counties in 2009. The

micro share increased from about 1 in 6 counties in 1979 and 1999 to 1 in 3 high poverty entrants in 2009. This new micropolitanization of poverty has not been reported and bears more investigation.

These new high poverty entrants are a very diverse set of counties. There are both sparsely settled and densely populated counties, with both growing and declining populations. Two particular subsets of the new entrants bear some discussion.

Measurement Year	Number of New Entrant High Poverty Counties	New Metro Entrants (% of New Entrants)	New Micro Entrants (% of New Entrants)	New Noncore Entrants (% of New Entrants)
1979	38	8 (21%)	6 (16%)	24 (63%)
1989	57	16 (28%)	13 (23%)	28 (49%)
1999	12	4 (33%)	2 (17%)	6 (50%)
2009	50	17 (34%)	17 (34%)	16 (32%)

New Entrants, 2009

New Entrant Counties
- Metropolitan County
- Micropolitan County
- Non-Core County

Source: Rural Policy Research Institute (RUPRI), June 2014.

Note: Alaska and Hawaii not shown to scale

Map created by the Center for Applied Research and Environmental Systems, June 2014.

"College town" counties

About one third (15) of the new high poverty entrants are homes to major universities, with many off-campus students having incomes below the poverty line. Cornell University, Indiana University, Michigan State University, Oregon State University, Purdue University, and the Universities of Idaho and Illinois are all located in counties whose poverty rate in 2009 qualified them as new high poverty entrants. Part of this new appearance of college campus counties as high poverty counties may be an artifact of the change in the way the Census Bureau instructs those who fill out their surveys about how to identify their place of residence. In the Censuses of 2000 and earlier, those filling out the Census form were instructed to indicate their "usual residence," that is, "the place where a person lives and sleeps most of the time". College students were singled out as one of the populations where the usual place of residence might not be apparent, and it is likely that some students identified their place of residence as their home community. The American Community Survey, however, asked people to identify their "current residence.", the place where they are currently living or staying for more than two months.

These 15 new entrant college town counties have high concentrations of college-age populations with higher than average poverty rates. Whereas the average share of the population age 18-24 nationally is 8.2 percent, the share for these 15 counties ranges from 11.6 percent for Cabell County, West Virginia (Marshall University) to 21.7 percent for Monroe County Indiana (Indiana University). This age cohort generally has an above average poverty rate (24.2 percent). In the college counties, however the rate is even higher, ranging from 31.8 in Iron County, Utah (Southern Utah University) to 67.8 percent in Monroe County, Indiana (Indiana University)
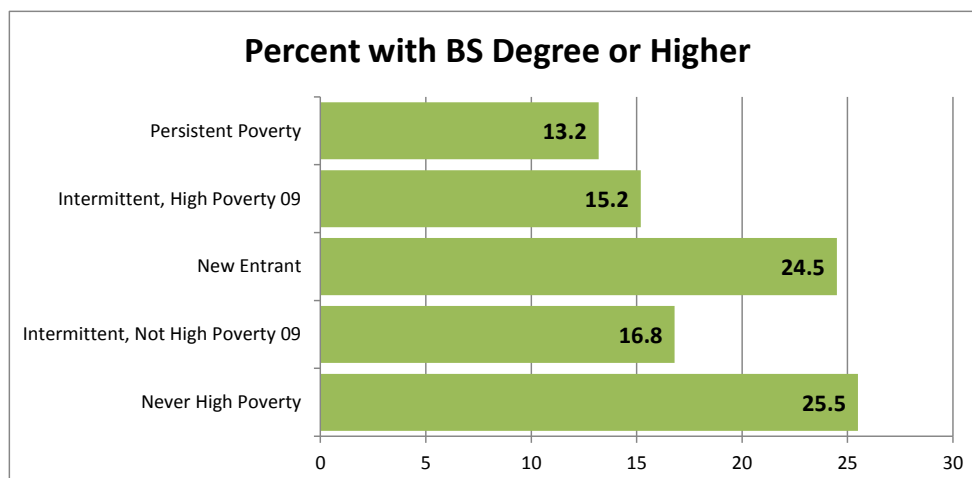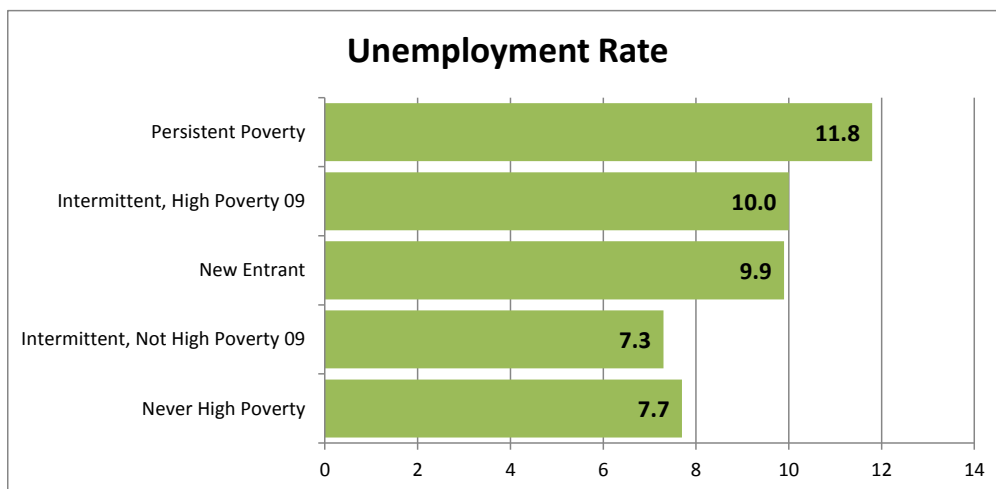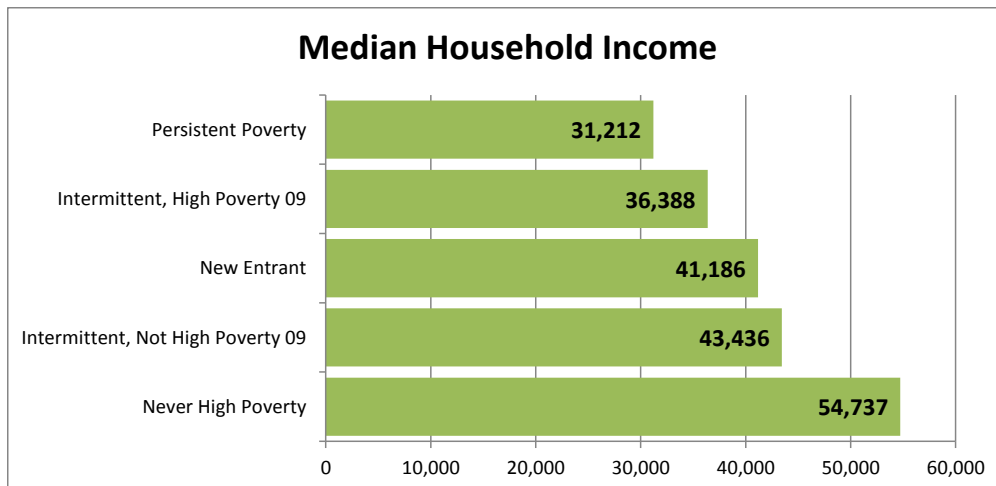
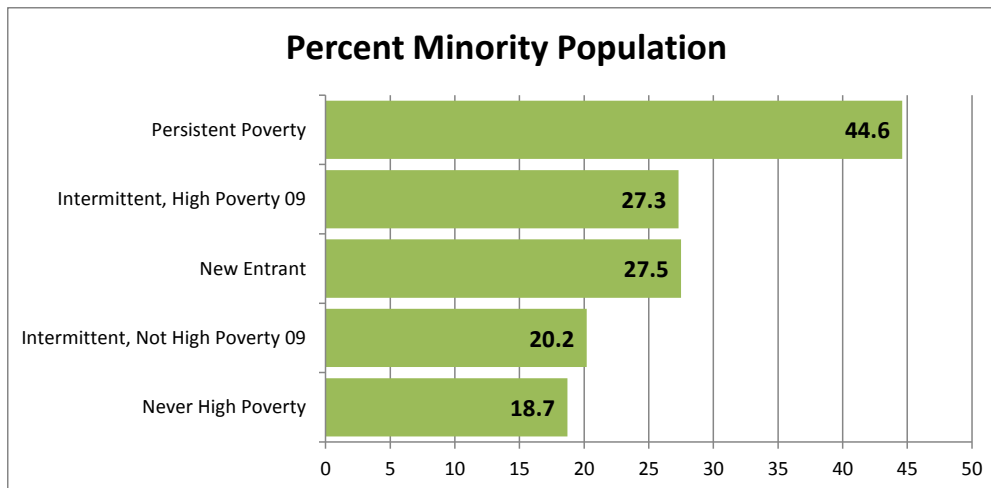*Small declining counties with increasing poverty*

Another set of distinctive counties is the 15 nonmetropolitan counties with total population declines and increases in the number of poor people. This includes the set of 7 noncore counties (less than 10,000 population in 2000) whose total population declined between 2000 and 2010 and whose population in poverty increased. Except for one county in West Virginia, these counties were in the Western United States (Oklahoma, Colorado, Montana, California, Oregon and Nevada).

There were an additional 8 noncore and micropolitan counties with 2000 populations of between 10,000 and 50,000 that experienced population declines and poverty population increases. These are mostly Midwestern counties (Ohio, Michigan, Kansas, Illinois, and Indiana).

DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS OF COUNTIES BY POVERTY TYPOLOGY

To provide some descriptive analysis about the characteristics of the different types of counties, we averaged the unemployment rate, racial and ethnic composition, median household income, and education attainment for each grouping of counties. Results are summarized in the following charts.

Median Household Income

Category	Value
Persistent Poverty	31,212
Intermittent, High Poverty 09	36,388
New Entrant	41,186
Intermittent, Not High Poverty 09	43,436
Never High Poverty	54,737

Unemployment Rate

Category	Value
Persistent Poverty	11.8
Intermittent, High Poverty 09	10.0
New Entrant	9.9
Intermittent, Not High Poverty 09	7.3
Never High Poverty	7.7

Percent with BS Degree or Higher

Category	Value
Persistent Poverty	13.2
Intermittent, High Poverty 09	15.2
New Entrant	24.5
Intermittent, Not High Poverty 09	16.8
Never High Poverty	25.5

Percent Minority Population

Category	Value
Persistent Poverty	44.6
Intermittent, High Poverty 09	27.3
New Entrant	27.5
Intermittent, Not High Poverty 09	20.2
Never High Poverty	18.7

These charts reveal few surprises. Median household income is highest in the counties that were never high poverty. The lowest incomes were in persistent poverty counties, and in counties that are intermittent with high poverty in 2009.

Unemployment rates are highest in counties that are high poverty in 2009, which are represented among three groupings of counties (persistent poverty, intermittent-high poverty 09, and new entrant).

Educational attainment, measured here as the percent of the population age 25 and over with a Bachelor's degree or higher, is interestingly quite high in the new entrant category. This fact, coupled with the high unemployment statistic, might reflect impacts of the economic downturn on higher skilled occupations. It is more likely that this is due to the prevalence of college towns noted above. The national average percent of the county population with a B.S. degrees or higher is 28.2 percent. For the third of the new entrant counties that have universities, however, the percent with a B.S, degree or higher ranged from 22.2 percent for Delaware County, Indiana (Ball State University) to 49.9 percent for Tompkins County, New York (Cornell University)

Finally, racial and ethnic minorities (defined here as all categories other than non-Hispanic whites) make up the largest share in persistent poverty counties. This is not surprising given the geographic concentration of these counties in areas with minority populations. The next two highest minority shares are in the new entrant and intermittent high poverty counties, illustrating the continued link between racial and ethnic minorities and poverty.

SUMMARY AND CONCLUSION

Persistent poverty is an enduring problem in rural America. Persistent poverty is still concentrated in nonmetropolitan (and particularly noncore nonmetro) America: only 14 percent of persistent poverty counties are metropolitan (22 percent are micropolitan and 64 percent are noncore).

Counties with high poverty rates in 2009 that have intermittently been high poverty counties are also overwhelmingly rural: only 22 percent are metro (27 percent are micro and 51 percent are noncore.)

During the past decade, however, a new set of high poverty counties has emerged. Fully one-third (34 percent) of the new entrant counties are metropolitan, 34 percent are micropolitan, and only 32 percent are noncore counties.

An important question is whether the policies that have been developed for the historically persistent poverty counties and inner cities need to be modified to address the conditions in the new high poverty counties. As high poverty migrates from the most densely and the most sparsely settled places to the suburban and micropolitan "middle spaces", it may be time to revisit the "place-based" policies designed for the persistent poverty regions. Many of the elements of these traditional "place-based" policies are still relevant: investments in locality-based economic development, local work supports, local educational systems and collaborative institutions. What is being learned about successful innovations for addressing the new suburban poverty (see Kneebone and Berube, 2013) may provide guidance for micropolitan counties facing high poverty for the first time.

REFERENCES

Kneebone, Elizabeth and Alan Berube, *Confronting Suburban Poverty in America,* Washington DC: Brookings Institution, 2103.

Miller, Kathleen K. and Bruce A. Weber, *Persistent Poverty Across the Rural-Urban Continuum.* RPRC Working Paper No. 03-01. RUPRI Rural Poverty Research Center. July 2003.

ACKNOWLEDGMENTS