

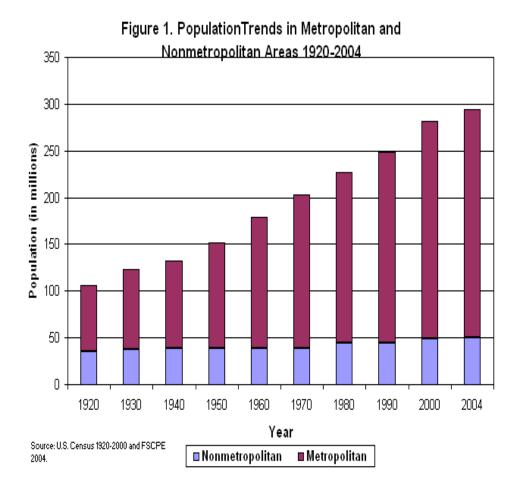
## This morning I will

- Provide a context for thinking about poor rural areas
- Build on the report to describe obstacles to sustaining strong community institutions in poor rural communities, and
- Consider the policy implications.

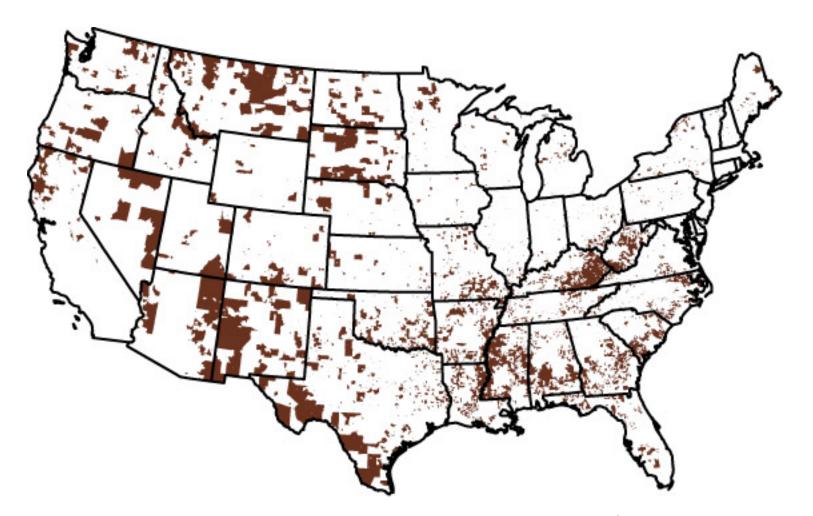


# 50 million people live in small town and rural communities

- 17% of the U.S. population on 80% of the land
- Slow, modest growth, though trends vary by type of community
- There are 7.5 million rural poor, <u>half</u> living in areas with high poverty



## **Concentrated Rural Poverty Is Widespread:** and Half the Rural Poor live in Poor Areas





# Big challenges impact rural America differently, depending on conditions

### Economic challenges

Loss of stable, blue collar jobs that pay a living wage and decades of neglect in poor areas

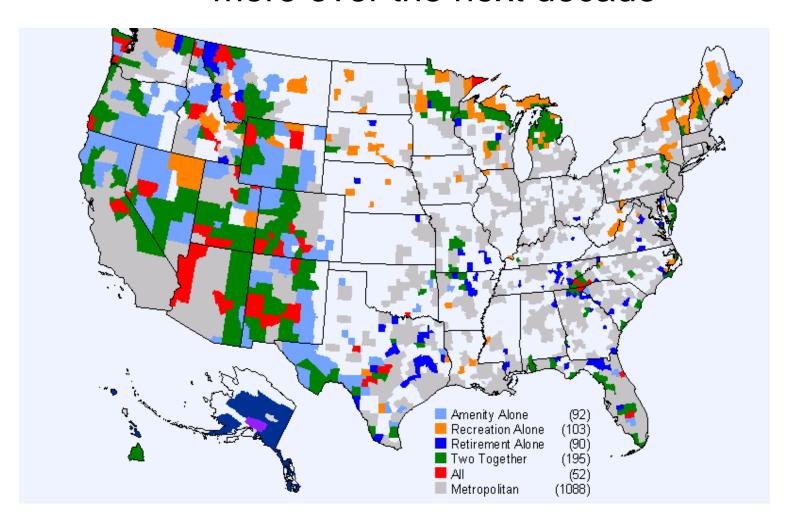
### Demographic changes

An aging population, outmigration of young and the educated, and a growing immigrant population

### Environmental pressures

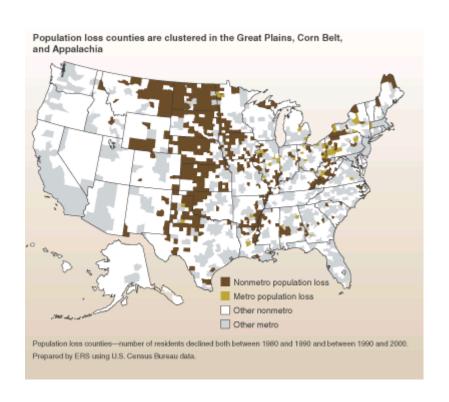
Environmental degradation and stress on natural resources; impact of climate change and high energy costs

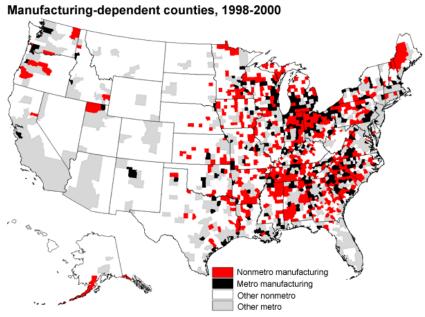
## **Amenity-rich areas** are growing and likely to grow more over the next decade





# Declining resource dependent areas see population loss and job loss





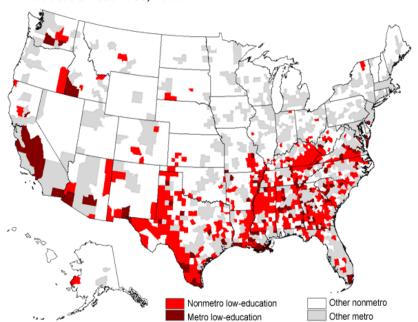
Manufacturing-dependent counties--an annual average of 25 percent or more of total county earnings derived from manufacturing during 1998-2000.

Source: Economic Research Service, USDA.



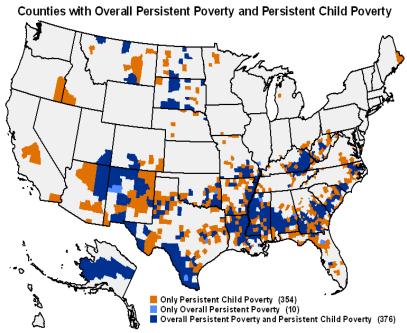
# Chronically poor communities, places with majority people of color and low education

#### Low-education counties, 2000



Low-education counties--25 percent or more of residents 25-64 years old had neither a high school diploma nor GED in 2000.

Source: Economic Research Service, USDA.



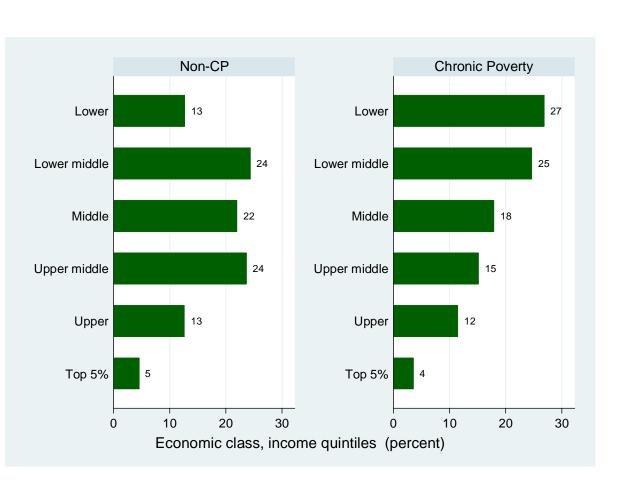




### Carsey Surveys of Rural America: Population Loss in Declining Areas, Low Education, Low Work, and High Poverty in Poor Areas

REGION/TYPE	POPULATION % CHANGE 1990-2005	% CHANGE IN POPULATION AGE 25-34 1990-2005	% AGE 16-64 WORKING 2000	% w/o HS DIPLOMA 2000	% IN POVERTY 2004
ROCKY MOUNTAINS/ AMENITY-BOOM	71%	41%	72%	9%	10%
PACIFIC NORTHWEST/ AMENITY-DECLINE	2%	-1%	68%	17%	14%
NORTHEAST/ AMENITY-DECLINE	3%	-24%	73%	20%	12%
UPPER PENINSULA/ AMENITY-DECLINE	9%	-11%	56%	19%	14%
MIDWEST/ DECLINE	-19%	-50%	78%	14%	11%
APPALACHIA/ CHRONIC POVERTY	-12%	-28%	43%	41%	27%
DELTA/ CHRONIC POVERTY	-3%	2%	56%	40%	29%
BLACK BELT/ CHRONIC POVERTY	-4%	-21%	54%	32%	22%

# Poor areas have a small middle class and a large lower class with very low education

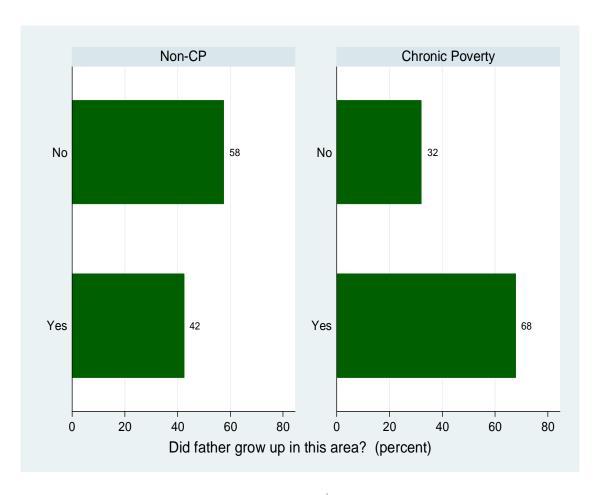


In chronic poverty areas 40% say their father did not go further than the 8th grade...



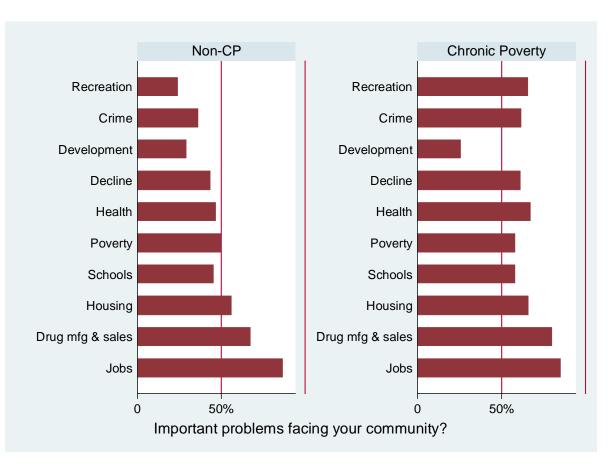
# Roots run deep for the poor in chronically poor places, and there are few newcomers

- 70% of poor area residents say their father grew up in this community
- Only 20% are newcomers





### Community conditions are much worse in poor areas



 In poor areas people worry more about the lack of social services, especially health and recreation, affordable housing and drugs. Everywhere people worry about jobs.



# The report finds similar conditions in concentrated poverty areas

- Isolation
- Bad schools, low levels of education, high dropout rates
- Low skills, low labor force attachment
- Teen pregnancy and lone parent families
- Lack of public safety, crime and drugs



## **Defining Poverty**

"Poverty is the lack of adequate resources to participate in the accepted ways in society."

"Social exclusion" – being cut off from, left out of, the mainstream and participation in the wider society



# In the 1980s William Julius Wilson's Chicago studies moved us beyond the old "values versus structure" debates

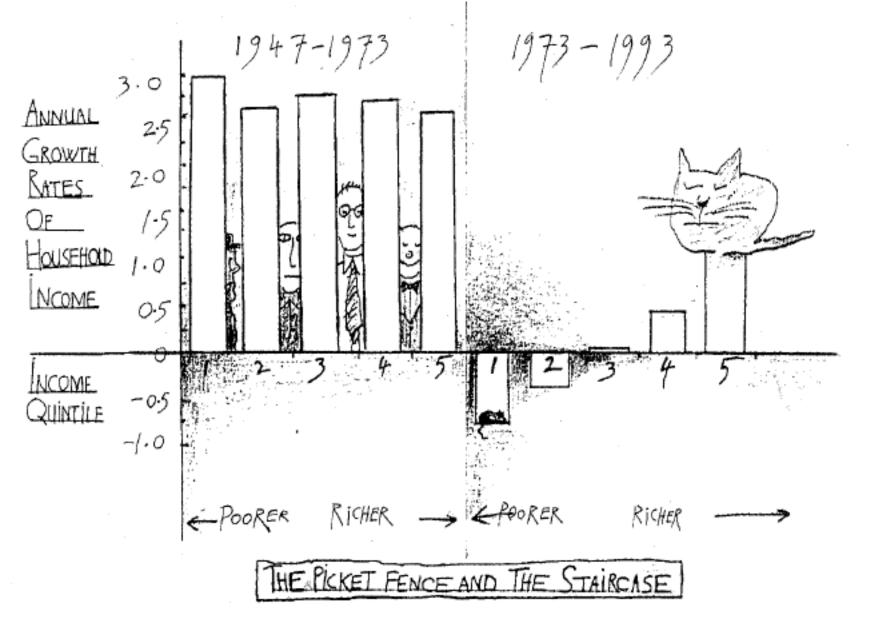
- Work disappeared, especially for low skill workers seeking stable blue collar jobs.
- The black <u>middle class left</u> the ghetto, leaving neighborhoods
  - without role models
  - with little access to cultural learning about the mainstream, and
  - disinvestment in community institutions.



# The report's observations about causes of concentrated poverty

- Economic change job loss in core industries
- Out-migration of the middle class
- Historical race and economic segregation
- Poor schools
- Changing patterns of family formation and structure
- New poor immigrants in gateway communities





During the postwar Golden Era, real incomes rose at the same rate for everyone. But from 1973 to 1993 the gap between the classes grew enormously.

# Consensus on policy to help working families earning low wages

- encourage work and make it pay
  - raise minimum wage, expand EITC;
- support working families
  - with child care, health insurance, paid leave;
- invest in educating poor children and connect youth to the mainstream
  - early childhood education, quality child care, youth mentoring and training programs



# Less consensus on how to address intractable concentrated poverty

- Bill Galston says give up, we don't know anything that works, target individuals and families in need.
- Geoffrey Canada, immersed in a poor area with all its social problems and cultural challenges, focuses on kids, builds supportive systems and institutions—97 blocks in Harlem.



## Challenges in rural places

- Isolation physical as well as social
- Low education
- Stigma and low expectations for chronically poor families
- Scarce jobs, controlled by a few
- Broken institutions, lack of investment in the "common good," political corruption



### Haves and Have-nots.

 The poor are socially isolated, worlds apart from the haves.

 They rely on different institutions – schools, churches.

 They do not develop the "cultural learning," skills and contacts that they need to participate in the mainstream.



## The middle class is missing

 Families with middle incomes ally with the elite, hold themselves separate from the poor and invest in separate institutions.

 There is no middle class to demand high standards in public schools and hold public officials and employers accountable for honest fair practices.



## Appalachia: family name matters



- "A lot of times you can hear somebody's last name and before you even meet, you've already got the idea that they're either a good person or they're sorry as can be."
- Those that have a family with a horrible name, when they come in, we know them, and they're not worth two cents.
  They're sorry as can be—stealing, selling dope, bootlegging, picked up for driving drunk, in and out of bankruptcy court."



## Family, not community, concerns

"I see people very, very concerned about their own families, and their concern stops there. They're strongly family oriented here. And they would do anything for their family.

They have a great concern for their own family. I've talked to my congregation. This concern ought to go beyond family."

-- Minister in Appalachia



# Delta: Blacks are the have-nots, and they are still vulnerable



- "If one of the blacks was to piss Jimmy off--you know he drives for a farmer--he could make it hard on him if he said something to his boss. He could make it really hard on the boy, make him get fired.
- It's just over here the blacks don't have the opportunities that whites does. They're really disgraced."

--Truck driver's wife in the Delta



## Change comes slowly

"Blacks who have known only the plantation and a life in which they relied on the bossman will vote with him out of habit and deference...

Uneducated people need to go through someone, they need to get help from Toms that have been there for a long time and the whites have gained control of them."

-African-American leader in the Delta



Places with a middle class have trust, cooperate, include rather than exclude and invest in the common good. Thus community institutions work and the poor have greater opportunity.



- "We're a working community...
   There's very little difference
   between people. There doesn't
   seem to be any class-level
   distinctions...
- We have a broad, working middle-class. Most of the people who live here feel that they're part of the community...

-- small business leader in northern New England mill town



## Community Challenges

- Isolation and remoteness makes it hard to implement programs
- Small social worlds mean family stigma can have real consequences.

 Few new people and businesses make changing local leadership and politics challenging.



## Economic challenges

- Weak markets
- Physically remote
- Low education and skill levels

And training is not enough to link people to jobs because jobs do not exist.



## Policy strategies for rural America

- In declining places build on human and social capital, and provide incentives for investment – New Homestead Act
- In poor places invest in child and youth education and strengthening community institutions:
  - early childhood education, schools that work, youth recreation and mentoring programs
- In both build on opportunity to steward natural resources and create alternative energy sources
  - technical colleges to train for middle skill jobs not only in health, construction, but also jobs to restore the natural environment, provide local energy and food.



