Place Matters: Poverty and Development Challenges in Amenity Rich, Declining Resource Dependent and Chronically Poor Regions

Havens Center
University of Wisconsin
March 12, 2008

The Carsey Institute
University of New Hampshire
What I will do today

• Talk about the Carsey Institute and our efforts to be a new kind of applied and policy research institute.

• Describe the changes sweeping across rural America and how they play out in the “three rural Americas.”

• Suggest the diverse development challenges in each type of place.
Building Knowledge for Families and Communities

• Applied and policy research
• Rigorous methodological approach
• Genuine connections with policy makers and practitioners running programs – listen and be an accessible resource with good outreach
• Build the fields we are engaged in
  – Youth, Working Family Policy, Sustainable Development and Rural Area Studies
• Support faculty and train students
Rural America Today

- 50 million people live in small town and rural communities, 17% of the US population, on 80% of the land
- Slow growth over the last century, compared to urban America
- Trends vary by region and type of rural community

Figure 1. Population Trends in Metropolitan and Nonmetropolitan Areas 1920-2004

Important challenges across America

ECONOMIC: Growing inequality, stagnant wages since the 1970s; loss of blue collar jobs & the blue collar middle class; decades of neglect in poor areas

DEMOGRAPHIC: Aging population, youth outmigration in rural areas, & growing immigrant population

ENVIRONMENTAL: environmental degradation & stress on natural resources; climate change and energy issues
Rural America has depended heavily on low skill manufacturing – the jobs threatened by **globalization** (42% of rural jobs are low skill).
Demographic shifts: Young leave, older people come, especially to places with natural amenities

Though youth outmigration is declining overall...and other age groups are coming into rural communities.

Source: Johnson et. al., 2005.
Today there are three rural Americas, each with its own challenges

- **Amenity rich areas** that are growing as baby boomers retire, as more people buy 2nd homes, and as “footloose professionals” choose to settle in small town communities with rich natural amenities or outside large cities.

- **Declining and transitioning resource dependent areas**, where once agriculture, timber, mining or related manufacturing industries supported a solid blue collar middle class, albeit sometimes with booms and busts.

- **Chronically poor communities**, places with majority people of color, as well as Appalachia and the Ozarks, where decades of resource extraction and underinvestment in communities have left a legacy of poverty, low education and broken civic institutions.
Amenity-rich areas are growing and likely to grow more over the next decade.
Persistent population loss plagues other resource dependent areas

- Loss is concentrated in the Great Plains, parts of the Corn Belt, the lower Mississippi Valley, and Appalachia.
Current rural policy largely relies on the Farm Bill: these declining areas are the same ones where farm subsidies are the highest: USDA Subsidies by Congressional District, 1995-2004

Five percent of the nation's 435 congressional districts collected more than half of all subsidies over the past decade—some $69 billion (Environmental Working Group ewg.org).
Metro Counties (1089)
Nonmetro Counties (2052)
Nonmetro Persistent Child Poverty (601)
Metro Persistent Child Poverty (129)

Data: Census data supplied by Economic Research Service, U.S.D.A.
Analysis: Johnson and O'Hare, 2004.
And these are the places where $\frac{1}{4}$ or more of working age adults have dropped out of high school.

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.
A Fresh Look at Migration, Coping with new Economic Conditions, and Perspectives on Community and the Environment

Rocky Mountain West – Amenity Boom
Pacific Northwest – Amenity & Decline
Northeast Forest – Amenity & Decline
Midwestern Plains – Decline
Central Appalachia – Chronic Poverty
Mississippi Delta – Chronic Poverty
Alabama’s Black Belt – Chronic Poverty
New Areas Coming

• Michigan’s Upper Peninsula
• Nebraska’s Panhandle
• Indian Country – WI and AZ

• Maybe Western North Carolina
**Closer Look at The Three Rural Americas:**
*Carsey Institute Survey of 6,500 rural adults*

<table>
<thead>
<tr>
<th>Amenity Boom Rocky Mtn</th>
<th>Popn change 1990-05</th>
<th>25-34 year olds change 1990-05</th>
<th>Pct 16-64 Working 2000</th>
<th>Pct Poor 2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amenity and Decline Pacific NW</td>
<td>+12%</td>
<td>-1%</td>
<td>68%</td>
<td>14%</td>
</tr>
<tr>
<td>Amenity and Decline Northeast</td>
<td>+3%</td>
<td>-24%</td>
<td>73%</td>
<td>12%</td>
</tr>
<tr>
<td>Decline Midwest</td>
<td>-19%</td>
<td>-50%</td>
<td>78%</td>
<td>11%</td>
</tr>
<tr>
<td>Chronic poverty Appalachia</td>
<td>-12%</td>
<td>-28%</td>
<td>43%</td>
<td>27%</td>
</tr>
<tr>
<td>Chronic poverty Delta</td>
<td>-3%</td>
<td>+2%</td>
<td>56%</td>
<td>29%</td>
</tr>
</tbody>
</table>
Net Migration for Amenity Growth in Northwest Communities, 1980 to 2000

Analysis: K.M. Johnson, Carsey Institute
Counties: Pacific (WA) and Clatsop (OR)

Population (2000) = 56,614
Net Migration for Declining Midwestern Communities, 1980 to 2000

Outmigration of more than 60% of young adults

Analysis: K.M. Johnson, Carsey Institute
Counties: Osborne (KS), Republic (KS), Smith (KS), and Jewell (KS)

Population (2000) = 18,614
Net Migration for Chronically Depressed Communities in Appalachia, 1980 to 2000

Analysis: K.M. Johnson, Carsey Institute
Counties: Harlan (KY) and Letcher (KY)

Population (2000) = 58,479
Net Migration for Chronically Depressed Communities in Alabama's Black Belt, 1980 to 2000

Analysis: K.M. Johnson, Carsey Institute
Counties: Choctaw (AL), Clarke (AL), Marengo (AL), and Wilcox (AL)

Population (2000) = 79,511
Age Pyramid
Northwest Amenity Growth Communities (2006)

Amenity migrants inflate already large baby boom cohorts

Analysis: K.M. Johnson, Carsey Institute
Data: U.S. Bureau of the Census
Counties: Pacific (WA) and Clastrop (OR)

Population = 59,050
Age Pyramid
Declining Midwestern Communities (2006)

Analysis: K. M. Johnson, Carsey Institute
Data: U.S. Bureau of the Census

Loss of young adults Distorts age structure

Population = 16,359
Let’s look at what’s going on in our three (or four) types of areas

• Amenity rich areas
• Declining resource dependent areas
• Transitioning amenity/decline areas
• Chronically poor areas

• Clusters of counties where we conducted 1-1500 interviews with a random sample of adults in the area (with ~40,000 popn.)
Still a small middle income group in poor areas
Amenity rich areas are college grad rich

![Bar chart showing college graduate percentage for amenity rich and Decline areas with Yes and No options.](chart.png)
While fathers far less likely to have a high school degree in chronically poor areas.
Around 40% work full time, 20% are retired; self employment varies
Many rural Americans work 2 jobs, especially in the Midwest.

Do you have another job or other work to earn money? (percent)
Severe economic dislocation since 2000 affects the poor & transitioning places most.

The diagram shows the percentage of people who have lost or left their job due to the economy in the last 7 years for different amenity and amenity/decline statuses. For amenity, 89% of those who have lost or left their job due to the economy are Amenity, and 11% are Amenity/decline. For amenity/decline, 84% of those who have lost or left their job due to the economy are Amenity, and 16% are Amenity/decline.
Low food stamp use in Midwest

![Bar charts showing food stamp use by Amenities and Chronic Poverty](chart.png)

- **Amenity:**
  - Yes: 8%
  - No: 92%

- **Amenity/decline:**
  - Yes: 22%
  - No: 78%

- **Decline:**
  - Yes: 6%
  - No: 94%

- **Chronic poverty:**
  - Yes: 32%
  - No: 68%
Everywhere adults think young people need to leave for opportunity
The wars in Iraq and Afghanistan touch rural Americans – when young people seek opportunity

You know someone Iraq/Afghanistan? (percent)

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<thead>
<tr>
<th></th>
<th>No/DK</th>
<th>Yes</th>
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<tbody>
<tr>
<td>Amenity</td>
<td>35</td>
<td>65</td>
</tr>
<tr>
<td>Amenity/decline</td>
<td>25</td>
<td>75</td>
</tr>
<tr>
<td>Decline</td>
<td>19</td>
<td>81</td>
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<tr>
<td>Chronic poverty</td>
<td>27</td>
<td>73</td>
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Lots of newcomers in amenity areas

- Amenity
  - No: 51%
  - Yes: 49%

- Amenity/decline
  - No: 69%
  - Yes: 31%

- Decline
  - No: 80%
  - Yes: 20%

- Chronic poverty
  - No: 83%
  - Yes: 17%
Roots run deep in the declining and the poor areas

- **Amenity**
  - Yes: 84
  - No: 16

- **Amenity/decline**
  - Yes: 58
  - No: 42

- **Decline**
  - Yes: 67
  - No: 33

- **Chronic poverty**
  - Yes: 71
  - No: 29

Did father grow up in this area? (percent)
Amenity area folks value natural beauty

Moved here for natural beauty? (percent)

Amenity

- Not important/NA: 17%
- Somewhat important: 17%
- Very important: 66%

Amenity/decline

- Not important/NA: 25%
- Somewhat important: 26%
- Very important: 49%

Decline

- Not important/NA: 65%
- Somewhat important: 17%
- Very important: 17%

Chronic poverty

- Not important/NA: 50%
- Somewhat important: 19%
- Very important: 31%
And worry about sprawl and development

<table>
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<th>Sprawl/development is problem (dichotomy) (percent)</th>
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<tr>
<td>Amenity</td>
</tr>
<tr>
<td>No: 48</td>
</tr>
<tr>
<td>Yes: 52</td>
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</tbody>
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| Amenity/decline                                  |
| No: 68                                           |
| Yes: 32                                          |

| Decline                                          |
| No: 98                                           |
| Yes: 2                                           |

| Chronic poverty                                  |
| No: 82                                           |
| Yes: 18                                          |
Amenity area residents value conservation rules

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Have conservation rules here been good? (recode) (percent)
Concern about housing affordability goes with growth and with poverty

![Bar charts showing the percentage of people concerned about lack of affordable housing in relation to amenities, amenity decline, decline, and chronic poverty.](chart)
Lack of recreational opportunities a problem in poor areas

- Amenity
  - Yes: 7%
  - No: 93%

- Amenity/decline
  - Yes: 15%
  - No: 85%

- Decline
  - Yes: 31%
  - No: 69%

- Chronic poverty
  - Yes: 61%
  - No: 39%
Lack of health and social services a problem in poor areas

- **Amenity**
  - No: 64%
  - Yes: 36%

- **Amenity/decline**
  - No: 58%
  - Yes: 42%

- **Decline**
  - No: 70%
  - Yes: 30%

- **Chronic poverty**
  - No: 42%
  - Yes: 58%
Drugs concern everyone, but especially those in poor areas.
Family structure varies by type of region – a smaller percent are married in poor places.
Born again Christians are prevalent in poor areas
Blue and red politics in rural America vary by region

Amenity

- Strong Dem: 16%
- Not strong Dem: 9%
- Ind closer Dem: 14%
- Ind closer neither: 17%
- Ind closer Rep: 8%
- Not strong Rep: 12%
- Strong Rep: 20%
- Other: 4%

Amenity/decline

- Strong Dem: 17%
- Not strong Dem: 11%
- Ind closer Dem: 14%
- Ind closer neither: 23%
- Ind closer Rep: 8%
- Not strong Rep: 11%
- Strong Rep: 13%
- Other: 3%

Decline

- Strong Dem: 28%
- Not strong Dem: 10%
- Ind closer Dem: 9%
- Ind closer neither: 13%
- Ind closer Rep: 10%
- Not strong Rep: 22%
- Strong Rep: 38%
- Other: 3%

Chronic poverty

- Strong Dem: 38%
- Not strong Dem: 14%
- Ind closer Dem: 12%
- Ind closer neither: 7%
- Ind closer Rep: 4%
- Not strong Rep: 9%
- Strong Rep: 12%
- Other: 3%

CARSEY

...
Trust is highest in everywhere, especially in the Midwest, lowest in poor places.
Rural Americans are joiners, especially in the Midwest.
People want to stay for natural beauty, especially in amenity areas.
And for many family is important

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<th>Stay to live near family? (percent)</th>
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<td>Not important/NA</td>
<td>37</td>
</tr>
<tr>
<td>Somewhat important</td>
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<tr>
<td>Not important/NA</td>
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Rural Americans enjoy the out of doors, though less in poor places.
Rural America is diverse, but there are patterns

- Everyone values the good community spirit of trust and cooperation, and many participate in local organizations.
- Many value the natural beauty and ability to do things outdoors.
- Family is important.
- But jobs are a worry, and young people are advised to leave, even as those we talked with planned to stay…
What policy strategies will provide opportunity and shore up the middle class in rural America?

- **Amenity rich places**: policies for environmental protection to maintain amenities, and policies for living wages and affordable housing to assure inclusion, avoid gated communities

- **Declining places**: build on historical human and social capital – New Homestead Act-like policies

- **Poor places** with low education, high dependency, limited future prospects: Invest in human capital: early childhood education, charter schools, technical colleges; restore natural environment