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

Havens Center
University of Wisconsin
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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
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).

Manufacturing-dependent counties, 1998-2000

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

Source: Economic Research Service, USDA.
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.
Hispanic Population Growth Patterns 1990 to 2005

Source: 1990 and 2000 Census and 2005 Census Estimates
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
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>Region</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><strong>Amenity Boom</strong></td>
<td>+71%</td>
<td>+41%</td>
<td>72%</td>
<td>10%</td>
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<tr>
<td>Rocky Mtn</td>
<td></td>
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<tr>
<td><strong>Amenity and Decline</strong></td>
<td>+12%</td>
<td>-1%</td>
<td>68%</td>
<td>14%</td>
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<tr>
<td>Pacific NW</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Amenity and Decline</strong></td>
<td>+3%</td>
<td>-24%</td>
<td>73%</td>
<td>12%</td>
</tr>
<tr>
<td>Northeast</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Decline</strong></td>
<td>-19%</td>
<td>-50%</td>
<td>78%</td>
<td>11%</td>
</tr>
<tr>
<td>Midwest</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Chronic poverty</strong></td>
<td>-12%</td>
<td>-28%</td>
<td>43%</td>
<td>27%</td>
</tr>
<tr>
<td>Appalachia</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Chronic poverty</strong></td>
<td>-3%</td>
<td>+2%</td>
<td>56%</td>
<td>29%</td>
</tr>
<tr>
<td>Delta</td>
<td></td>
<td></td>
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</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

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

Outmigration of more than 60% of young adults

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)

Loss of young adults
Distorts age structure

Age Range

00-04
05-09
10-14
15-19
20-24
25-29
30-34
35-39
40-44
45-49
50-54
55-59
60-64
65-69
70-74
75-79
80-84
85-up

Analysis: K. M. Johnson, Carsey Institute
Data: U.S. Bureau of the Census
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
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.
Severe economic dislocation since 2000 affects the poor & transitioning places most
Low food stamp use in Midwest

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

![Bar charts showing the percentage of adults who advise teenagers to stay or move away based on different factors: Amenity, Amenity/decline, Decline, Chronic poverty. The charts show a trend where more adults advise moving away in scenarios with declining amenities or chronic poverty.](image)
The wars in Iraq and Afghanistan touch rural Americans – when young people seek opportunity.

You know someone Iraq/Afghanistan? (percent)

- **Amenity**
  - No/DK: 19
  - Yes: 61

- **Amenity/decline**
  - No/DK: 27
  - Yes: 73

- **Decline**
  - No/DK: 25
  - Yes: 75

- **Chronic poverty**
  - No/DK: 35
  - Yes: 65
Lots of newcomers in amenity areas

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

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

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

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

**Amenity**
- No: 48%
- Yes: 52%

**Amenity/decline**
- No: 68%
- Yes: 32%

**Decline**
- No: 98%
- Yes: 2%

**Chronic poverty**
- No: 82%
- Yes: 18%
Amenity area residents value conservation rules

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Amenity/decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad</td>
<td>13</td>
</tr>
<tr>
<td>No effect</td>
<td>31</td>
</tr>
<tr>
<td>Good</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Decline</td>
<td>9</td>
</tr>
<tr>
<td>No effect</td>
<td>63</td>
</tr>
<tr>
<td>Good</td>
<td>28</td>
</tr>
<tr>
<td>Chronic poverty</td>
<td>12</td>
</tr>
<tr>
<td>No effect</td>
<td>56</td>
</tr>
<tr>
<td>Good</td>
<td>31</td>
</tr>
</tbody>
</table>

Have conservation rules here been good? (recode) (percent)
20% 'Use natural resources to create jobs'

% with high school or less

- Rocky Mtn
- Pacific NW
- Midwest
- Northeast
- Delta
- Appalachia
Concern about housing affordability goes with growth and with poverty

![Bar charts showing the percentage of people who think there is a problem with lack of affordable housing in different contexts: Amenity, Amenity/decline, Decline, and Chronic poverty. The charts show the percentage of 'Yes' and 'No' responses for each context.]
Lack of recreational opportunities a problem in poor areas
Lack of health and social services a problem in poor areas

![Bar charts showing percentage of respondents indicating a problem with not enough health/social services in various contexts: Amenity, Amenity/decline, Decline, Chronic poverty.]
Drugs concern everyone, but especially those in poor areas.
Family structure varies by type of region – a smaller percent are married in poor places.

<table>
<thead>
<tr>
<th>Are you currently ...? (percent)</th>
<th>Amenity</th>
<th>Amenity/decline</th>
<th>Decline</th>
<th>Chronic poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>69</td>
<td>63</td>
<td>75</td>
<td>54</td>
</tr>
<tr>
<td>Widowed</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Divorced</td>
<td>9</td>
<td>11</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Separated</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Never married</td>
<td>15</td>
<td>18</td>
<td>10</td>
<td>25</td>
</tr>
<tr>
<td>Living together</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>
Born again Christians are prevalent in poor areas

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

- **Amenity/decline**
  - Yes: 40%
  - No: 60%

- **Decline**
  - Yes: 56%
  - No: 44%

- **Chronic poverty**
  - Yes: 79%
  - No: 21%
Blue and red politics in rural America vary by region.
Trust is highest in everywhere, especially in the Midwest, lowest in poor places.
Rural Americans are joiners, especially in the Midwest

**Belong to any local organization? (percent)**

- **Amenity**
  - No: 43%
  - Yes: 57%

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

- **Decline**
  - No: 32%
  - Yes: 68%

- **Chronic poverty**
  - No: 54%
  - Yes: 46%
People want to stay for natural beauty, especially in amenity areas.
And for many family is important

![Bar charts showing the percent of people who stay to live near family based on the importance of amenities and decline.](chart.png)
Rural Americans enjoy the out of doors, though less in poor places.

Do you or family participate in outdoor recreation?
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
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Carsey Institute
University of New Hampshire
Durham, NH 03824

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