CARSEY INSTITUTE

The Forgotten Fifth

Child Poverty in Rural America

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CARSEY INSTITUTE

Building Knowledge for Rural America's Families and Communities in the 21st Century

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William P. O'Hare

A Carsey Institute Report

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Introduction

One in five poor children in this country lives in a rural area. Yet this group of vulnerable young Americans is seldom on the minds of the public or policy makers when they talk about child poverty in the United States. The image, rather, is overwhelmingly an urban one despite higher poverty rates in rural areas for decades.

Measuring, monitoring, and understanding child poverty is important because children growing up in poverty are less likely to become the productive adult workers, capable parents, and involved citizens this country needs for a prosperous future (Children's Defense Fund 1994). Moreover, persistent childhood poverty, according to the Center for American Progress, "is estimated to cost our nation $500 billion each year" (Center for American Progress 2007, 1).[1] Given that rural child poverty rates are higher than those in urban areas, these consequences are likely to fall disproportionately on children in rural areas and small towns (see Box 1 for the definitions of *rural* and *urban* used here).

A prominent UNICEF report card calls poverty "the most telling single indicator of child well-being" (Unicef 2005, 7). By almost every measure, including health, cognitive development, educational outcomes, and emotional difficulties, children in low-income families are at higher risk than those in families with higher incomes (Vandivere, O'Hare, Atienza, and Rivers 2007).[2]

Historically, images of rural poverty launched some of this nation's major social policy initiatives (for the roots of rural antipoverty efforts, see Box 2). In recent decades, however, rural poverty has been overshadowed by the plight of the "urban underclass," those impoverished families living in disadvantaged neighborhoods in large cities (Wilson 1996). For example, during national discussions over the reauthorization of the federal welfare reform legislation in the early 2000s, few acknowledged the special circumstances of the rural poor. Among more than 1,400 newspaper articles on federal welfare reform during early 2002 as TANF reauthorization was hotly debated, not one dealt with welfare issues in rural areas (Communication Consortium Media Center 2002). This lack of attention is particularly vexing given that many of the barriers to moving from welfare to work, such as lack of transportation and child care services, are higher in rural than urban areas (Pickering, Harvey, Summers, and Mushinski 2006).

Box 1. What is Rural?

Scholars and policy makers use a variety of definitions to identify rural areas in America, and all have strengths and weaknesses. For more information on a number of different ways of identifying rural areas, see www.ers.usda.gov/Briefing/Rurality.

Except where noted, I use the Office of Management and Budget's (OMB) 2003 definitions of "metropolitan." This system is a county-based system; counties are either entirely inside or entirely outside metro areas. Once metropolitan areas are identified, all other counties are deemed nonmetropolitan. I use the traditional metropolitan/nonmetropolitan distinctions, not the new Core Based Statistical Area classification system announced by the OMB in June 2003, because most major data collection efforts (Current Population Survey and the American Community Survey, for example) continue to report data this way.

For more information on official definitions, see Office of Management and Budget, *OMB Bulletin No. 60–01* (December 5, 2005), available at www.whitehouse.gov/omb/bulletins/fy2006/b06-01_rev_2.pdf.

Assessing rural trends using the Current Population Survey is confounded because the metropolitan status classification of individual counties is constantly changing. The post-Census changes often result in the abrupt reclassification of millions of people from nonmetropolitan to metropolitan status. The changes stem largely from the expansion of urban areas. Changes after 2000 are complicated, because the definition of what is rural, or nonmetropolitan, was changed slightly in 2003, and the sampling frame for the CPS was "redesigned" following the Census 2000. Nevertheless, the CPS provides data that are conceptually consistent over time.

Although interpreting changes in rural populations is complicated by the new metropolitan area definition and the redesign of the CPS sampling frame, evidence suggests that many of the recent trends identified with CPS data are similar to what we would see if there had been no change in the definition. Comparisons of rates and percentages are typically more reliable than changes in raw numbers.

The metro definition changes between 2000 and 2005 had virtually no effect on the child poverty rate and the rate of health insurance coverage. For example, using the pre-2003 definition of metropolitan areas, the rural child poverty rate derived from data in Census 2000 was 19.6 percent, compared to 19.2 percent using the post-2003 definition. Likewise with child health insurance: using the pre-2003 definition, 12.4 percent of children lacked health insurance compared with 12.3 percent using the post-2003 definition.

The terms *rural* and *nonmetropolitan* are used interchangeably, as are *urban* and *metropolitan*. The population living inside metropolitan areas includes people who reside in large cities and their suburbs, while the nonmetropolitan population resides in small cities and the open countryside. Some rural areas are located just beyond the urban fringe, whereas others are many miles from the closest city.

Although urban poverty is typically concentrated in a small number of neighborhoods, rural poverty is much more widespread and diverse. Rural poverty encompasses impoverished rural hollows in the Appalachian Mountains, former sharecroppers' shacks in the Mississippi Delta, desolate Indian reservations on the Great Plains, and emerging *colonias* along the Rio Grande. The lack of a single image of rural poverty makes it more difficult to describe and discuss it.

Box 2. Rural Roots of Antipoverty Efforts

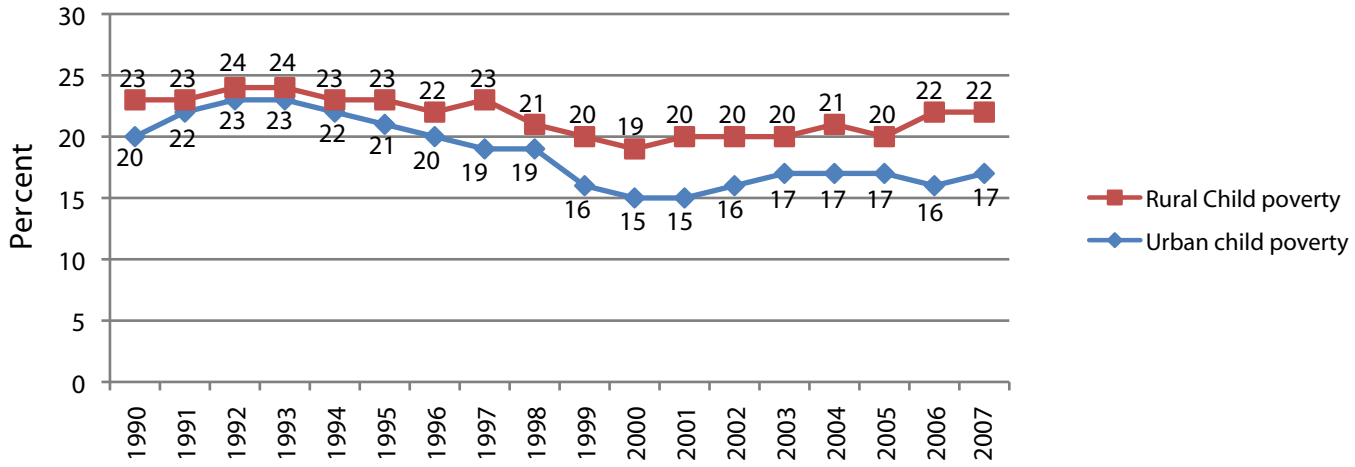
Given the heavy focus on urban poverty today, the important role that rural poverty played in stimulating social programs to aid the needy is often overlooked. Starting in the 1930s, the needs of rural America spurred government action, including the establishment of the Tennessee Valley Authority and the Rural Electrification Administration. The presidential campaign of John F. Kennedy in the 1960s illuminated the dismal prospects of people living in the rural South and played a role in the initiation of the Great Society and antipoverty programs of the 1960s. The plight of the rural poor was further highlighted by President Johnson's National Advisory Commission on Rural Poverty in 1967 and by books such as Michael Harrington's *The Other America* (1962).

Child Poverty in Rural Areas

The child poverty rate—the percentage of children living in families with incomes below the official poverty line—is the most widely used indicator of child well-being. In 2007, the poverty threshold for a family of two adults and two children was $21,027 per year. (See Box 3 for more details on how poverty is officially defined.) By that measure, 22 percent of those under age 18, or 2.6 million children, in rural America are poor, higher than the child poverty rate in urban areas (see Figure1).[3] (Box 4 provides more details on child poverty in cities and suburbs.) One in five poor children in the country lives in rural America (U.S. Census Bureau 2008a). These are the forgotten fifth.

While child poverty is higher in rural areas than in urban areas, it is worth noting that children have the highest poverty of any age group in both urban and rural America (see Box 5).

Figure 1. Child Poverty in Rural and Urban Areas: 1990 to 2007



Box 3. How is Poverty Measured?

In this publication, the official U.S. poverty measure, as specified in Statistical Policy Directive 14 issued by the U.S. Office of Management and Budget, is used to determine poverty status. Families are classified as being above or below the poverty level by comparing their family income to a set of thresholds. The official poverty measure is a set of income thresholds that vary by family size and composition. Although critics of the current poverty measure are numerous, it remains a central measure of well-being

The original poverty thresholds constructed by the Social Security Administration in 1964 were based on the 1961 Economy Food Plan of the Department of Agriculture and reflect the consumption needs of families, depending on their size and composition. A Department of Agriculture's l955 Survey of Food Consumption found that families of three or more persons spent an average of about one-third of their income on food. The poverty level for these families was therefore set at three times the cost of the Economy Food Plan.

The poverty income thresholds are updated each year to reflect changes in the Consumer Price Index (inflation). In 2007, the poverty threshold was $21,027 for a family of two adults and two children.

Many contentious issues surround the measurement of poverty. For example, noncash benefits such as Medicaid, school lunches, food stamps, and housing subsidies, which make up the majority of means-tested benefits, are not included in the poverty calculation. On the other hand, pretax family income is used to compare to the poverty thresholds. No geographic cost of living is taken into consideration. For a good review of the issues, see the 1996 National Academy of Sciences report (Citro and Michael 1996). Few are happy with the measure, but no consensus exists on how to fix it (Blank 2008). Although I am sympathetic to many of the criticisms of the current poverty measure, I also believe it is useful because it identifies a group of Americans who are very likely to be needy.

Some have argued that poverty is less pressing in rural areas because the cost of living is lower (the poverty thresholds do not account for cost of living). Indeed, at least one study finds lower poverty rates when adjusting for cost of living in rural areas (Jolliffe 2006). On the other hand, analyses using data from the Federal Consumer Expenditure Survey find that rural families pay approximately 20 percent more for health care and 10 percent more on transportation, the cost of both of which is increasing rapidly. However, a recent empirical research study found, "The results indicate that, contrary to popular perception, when prices of the same products and services were compared, there was no consistent pattern of lower prices in rural counties" (Zimmerman, Ham, and Frank 2008, 485).

Box 4. Child Poverty in Principal Cities, Suburbs, and Rural Areas

Urban areas, as defined here, combine major cities and their suburbs, but child poverty within cities differs substantially from that in suburbs.

In Census Bureau terms, "principal cities" are cities that anchor the core of a metropolitan area, and suburbs are most commonly defined as the area within an officially defined metropolitan area but outside the principal cities. Rural areas are typically defined as those counties outside official metropolitan areas.

Table A shows child poverty data from the 2007 American Community Survey for Principal Cities, Suburbs, and Rural Areas. Although the number of poor children in cities and suburbs is similar (5.6 million in principal cities and 4.9 million in suburbs), the child poverty rate is 25 percent in principal cities and 13 percent in suburbs.

Child poverty in both rural areas and principal cities is significantly higher than in the suburbs. However, the higher child poverty rate in central cities relative to rural areas is a product of the racial composition of the two areas. Black and Hispanic children have higher poverty rates and they are larger segments of the central city population. Table B shows that for each minority group, the child poverty rate in 2007 was higher in rural areas than in principal (central) cities. But black children are 32 percent of central city population compared with 19 percent of rural areas, and Hispanic children are 38 percent of central city population compared with 15 percent of rural areas. The higher child poverty rate for principal cites is due to the fact that they have a disproportionate number of minority children.

Table A. Child poverty in principal cities, suburbs, and rural areas 2007

	Number of children in poverty (in millions)	Percentage of children in poverty (%)
Principal Cities*	5.6	25
Suburbs **	4.9	13
Rural ***	2.5	22

* These are the largest cities at the core of metropolian areas
**Balance of metropolitan area outside principal (central) cities
***Outside metropolitan areas

Source: U.S. Census Bureau, 2008 American Community Survey. Table C17001, accessed through American Factfinder.

Table B. Child poverty rates in principal cities, suburbs, metro, and rural areas, 2007

	Principal cities * (%)	Suburbs** (%)	Rural*** (%)
Total	25	13	22
Non-Hispanic white	12	8	17
Black	40	25	45
American Indian/ Alaska Native	34	26	38
Hispanic	31	23	33

* These are the largest cities at the core of metropolian areas
**Balance of metropolitan area outside principal (central) cities
***Outside metropolitan areas

Source: 2008 American Community Survey, Table C1700, accessed through American Factfinder.

Box 5. Children Are Poorer Than Elderly

In both urban and rural America, the risk of poverty is greater for children than for any other age group. In 2007, the child poverty rate in rural America was 22 percent, while it was 15 percent for the working-age population (aged 18 to 64) and 12 percent for the elderly (aged 65+). In urban America, 17 percent of children were in poverty, 11 percent of working-age adults were in poverty, and 10 percent of urban elderly were in poverty. Dependence on their parents' wages makes rural children more vulnerable than the rural elderly, who rely on pensions, Social Security, and Medicare. A recent report shows that the federal government allocates five times as much per capita to those over age 65 ($19,405) as it does to those under age 18 ($3,997) (Carasso 2007).

This has not always been the case. As recently as 1972, elderly poverty rates exceeded those of children. Since then, child poverty rates have exceeded rates for seniors, and the gap between them is widening. The sharp reduction in poverty among the elderly is one of the great American social policy triumphs of the late twentieth century. Social Security, Medicare, and federal initiatives to encourage retirement savings and regulate pension systems, together with an expansion of private pensions, dramatically improved the financial security of seniors. The remarkable success of these policies lends hope for the plight of America's children. Yet much needs to be done to accomplish this goal, and rural children are at particular risk given their high rate of poverty.

Child Poverty Trends 1990–2007

The relatively high poverty rate for children in rural America today is not new (Duncan 1992). In 1970, the poverty rate was 12 percent for urban children and 20 percent for children in rural areas. Although the gap between rural and urban child poverty narrowed in the 1970s and 1980s, it has widened (see Figure 1) from 3 percentage points in 1990 to 5 percentage points in 2007. The rise of child poverty in rural America is consistent with the growing income gap between urban and rural families (Economic Research Service 2006).

The rural/urban dichotomy used in most analyses does not fully capture the extent of poverty discrepancies. Poverty rates in rural areas are highest in counties that are the most remote and lowest in counties that are in or adjacent to metropolitan areas. Table 1, based on Census Bureau data from 2007, shows a close relationship between a county's level of "rurality" and the percentage of children in poverty. The most urban counties have the lowest percentage of children in poverty (16 percent) and the most rural counties have the highest share of children in poverty (27 percent).

Table 1. Child poverty in 2007 by urban influence codes

2003 Urban influence code*	Type of county	Total child population (in 1000s)	Number of children in poverty (in 1000s)	Poverty rate (%)
1	In large metro area with 1 million or more residents	39,670	6,481	16
2	In small metro area with fewer than 1 million residents	21,666	4,071	19
3	Micropolitan adjacent to a large metro area	1,245	247	20
4	Noncore county adjacent to a large metro area	555	120	22
5	Micropolitan adjacent to a small metro area	3,467	755	22
6	Noncore adjacent to a small metro area with town of at least 2,500 residents	1,824	437	24
7	Noncore adjacent to a small metro area and does not contain a town of at least 2,500 residents	402	99	25
8	Micropolitan not adjacent to a metro area	2,151	466	22
9	Noncore adjacent to micro area and contains a town of 2,500–9,999 residents	716	174	24
10	Noncore adjacent to micro area and does not contain a town of at least 2,500 residents	269	72	27
11	Noncore not adjacent to a metro/micro area and contains a town of 2,500 or more residents	499	120	24
12	Noncore not adjacent to a metro/micro area and does not contain a town of at least 2,500 residents	205	56	27

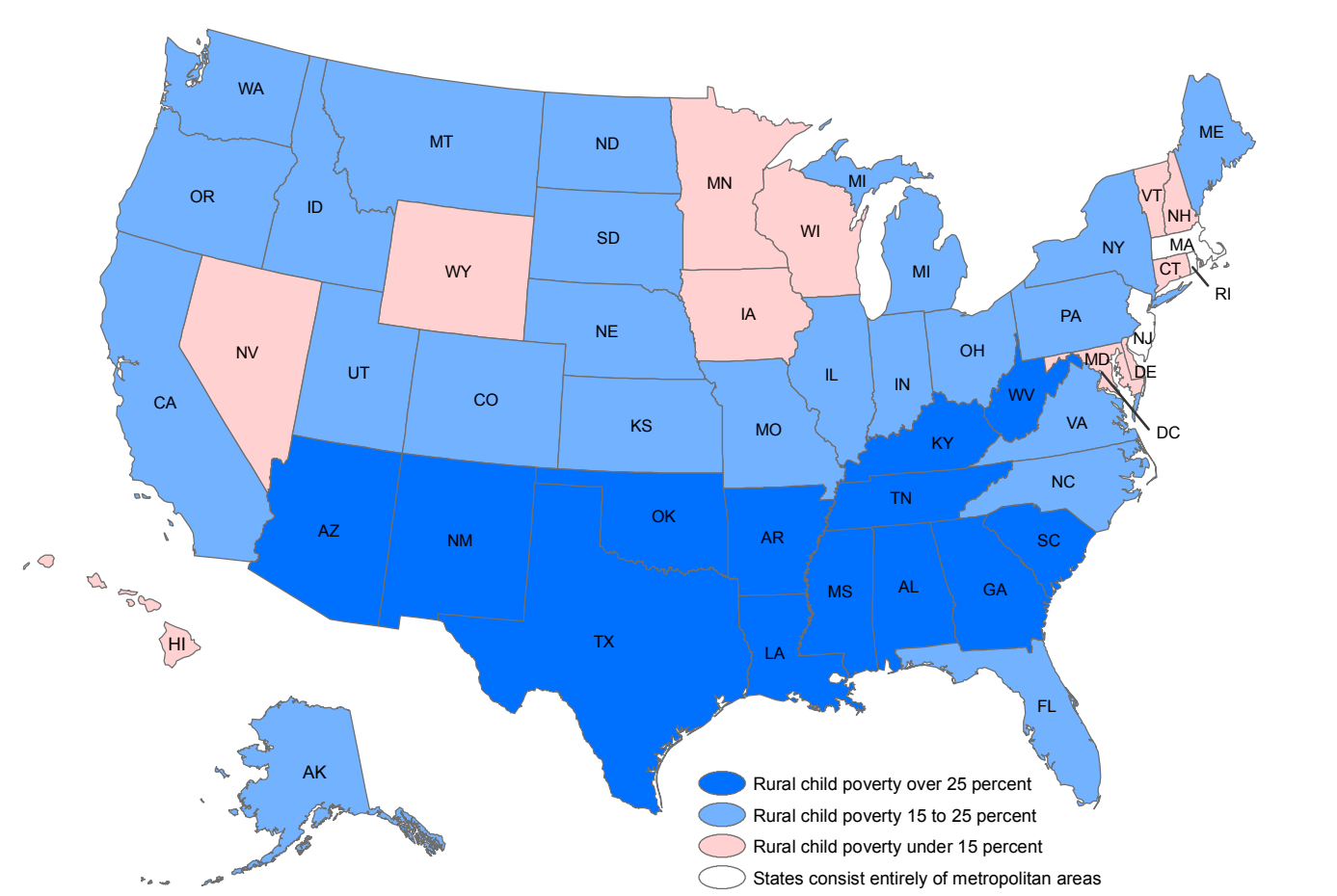
*Counties are classified based on U.S. Department of Agriculture's 2003 urban influence codes, available online at www.ers.usda.gov/Briefing/rurality/UrbanInf/.

Source: Other data from U.S. Census Bureau 2007 Small Area Income and Poverty estimates. Available online at: http://www.census.gov/did/www/saipe/index.html.

State and Local Patterns

The national trends discussed thus far mask enormous variations across the country. The rural child poverty rates in states range from a low of 8 percent in Connecticut to a high of 35 percent in Mississippi (Savage 2008). In thirteen states, more than one-fourth of rural children are poor. Map 1 shows states classified into three categories: (1) low child poverty rates (under 15 percent), (2) moderate child poverty rates (15 to 25 percent), and (3) high child poverty rates (over 25 percent).

Map 1. Rural child poverty in the United States, 2007



The 2007 county-level child poverty estimates from the Census Bureau provide a stark picture of child poverty in rural America; the estimates show that of the fifty-one counties (several counties were tied) with the highest child poverty rates, fifty are located in rural America (see Table 2). Similar results from Census 2000 prompted prominent child advocate Marian Wright Edelman to argue that "Americans tend to picture poor children living in big cities. But there are 38 counties with child poverty rates higher than in the poorest big cities, virtually all of them rural counties" (Edelman 2002).

Table 2. U.S. counties with the highest child poverty rates: 2007

Rank	State	County (or parish) name	Percentage under age 18 in poverty	Metro status
1	TX	Loving	67	Nonmetro
1	SD	Ziebach	67	Nonmetro
2	MS	Issaquena	62	Nonmetro
2	TX	Zavala	62	Nonmetro
3	MS	Humphreys	58	Nonmetro
4	SD	Buffalo	57	Nonmetro
5	LA	East Carroll (Parish)	56	Nonmetro
5	SD	Todd	56	Nonmetro
6	KY	Owsley	55	Nonmetro
6	MS	Sharkey	55	Nonmetro
7	MS	Leflore	54	Nonmetro
7	SD	Mellette	54	Nonmetro
7	NM	Luna	54	Nonmetro
8	KY	Wolfe	53	Nonmetro
8	MS	Bolivar	53	Nonmetro
9	KY	McCreary	52	Nonmetro
10	WI	Menominee	51	Nonmetro
10	MS	Sunflower	51	Nonmetro
10	LA	Morehouse (Parish)	51	Nonmetro
10	MS	Holmes	51	Nonmetro
11	SD	Shannon	50	Nonmetro
11	SD	Corson	50	Nonmetro
11	MS	Quitman	50	Nonmetro
11	KY	Clay	50	Nonmetro
11	LA	Tensas (Parish)	50	Nonmetro
11	TX	Reeves	50	Nonmetro
11	TX	Willacy	50	Nonmetro
12	GA	Clay	49	Nonmetro
12	AR	Phillips	49	Nonmetro
12	MS	Adams	49	Nonmetro
12	LA	Madison (Parish)	49	Nonmetro
13	TX	Oldham	48	Nonmetro
14	MS	Wilkinson	47	Nonmetro
14	KY	Perry	47	Nonmetro
14	AR	Lee	47	Nonmetro
14	SD	Bennett	47	Nonmetro
14	WV	McDowell	47	Nonmetro
14	TX	Zapata	47	Nonmetro
14	TX	Brooks	47	Nonmetro
14	AL	Wilcox	47	Nonmetro
14	AL	Sumter	47	Nonmetro
15	AL	Perry	46	Nonmetro
15	SD	Jackson	46	Nonmetro
15	TX	Dimmit	46	Nonmetro
15	SC	Allendale	46	Nonmetro
15	MS	Washington	46	Nonmetro
15	MO	Pemiscot	46	Nonmetro
15	KY	Lee	46	Nonmetro
15	TX	Cameron	46	Metro
15	LA	Franklin (Parish)	46	Nonmetro
15	CO	Saguache	46	Nonmetro

Source: U.S. Census Bureau, 2007 Small Area Income and Poverty estimates, available online at http://www.census.gov/hhes/www/saipe/county.html.

Depth of Poverty

Rural children are not only more likely to be poor, they are more likely to be living in deep poverty, with family incomes less than 50 percent of the poverty threshold. The official poverty rate does not differentiate how poor a person is. A family that has an income one dollar below the poverty threshold is classified as poor, without making a distinction from the family that has income thousands of dollars below the threshold.

Deep poverty is important because for most of these families, poverty is entrenched and their needs are more desperate. The poorest families benefited the least from the economic boom in the late 1990s, and the major reform of the welfare system in the late 1990s may have exacerbated their plight (Blank 2007). For low-income families, an income difference of even a few thousand dollars a year can have a major effect on child well-being (Duncan, Brooks-Gunn, Yeung, and Smith 1998). Small differences in expenditures in early childhood can also have implications for well-being in adulthood (Duncan and Kalil 2008).

Again, as Table 3 shows, rural children are more likely than urban children to be living in deep poverty (with income less than one-half the poverty threshold). Ten percent of rural children lives in deep poverty compared with 8 percent of urban children.

The extent to which a family's income falls below the poverty threshold is often referred to as the poverty gap. The mean poverty gap for rural families with children (the difference between a family's income and the poverty threshold) is just under $9,000. It would take $10 billion to lift all rural children out of poverty. Although $10 billion is a lot of money, it is small relative to America's $3 trillion federal budget or the $14 trillion economy.

Table 3. Children in deep poverty in urban and rural areas, 2007

	All income levels	In Deep Poverty (Income less than 50 percent of the poverty line)	
	Number (in 1000s)	Number (in 1000s)	Percentage
Urban (inside metro areas)	62,467	4,677	8
Rural (outside metro areas)	11,529	1,092	10

Source: 2007 Current Population Survey. Available online at: http://pubdb3.census.gov/macro/032008/pov/new40_004.htm and http://pubdb3.census.gov/macro/032008/pov/new40_001.htm.

Persistently Poor

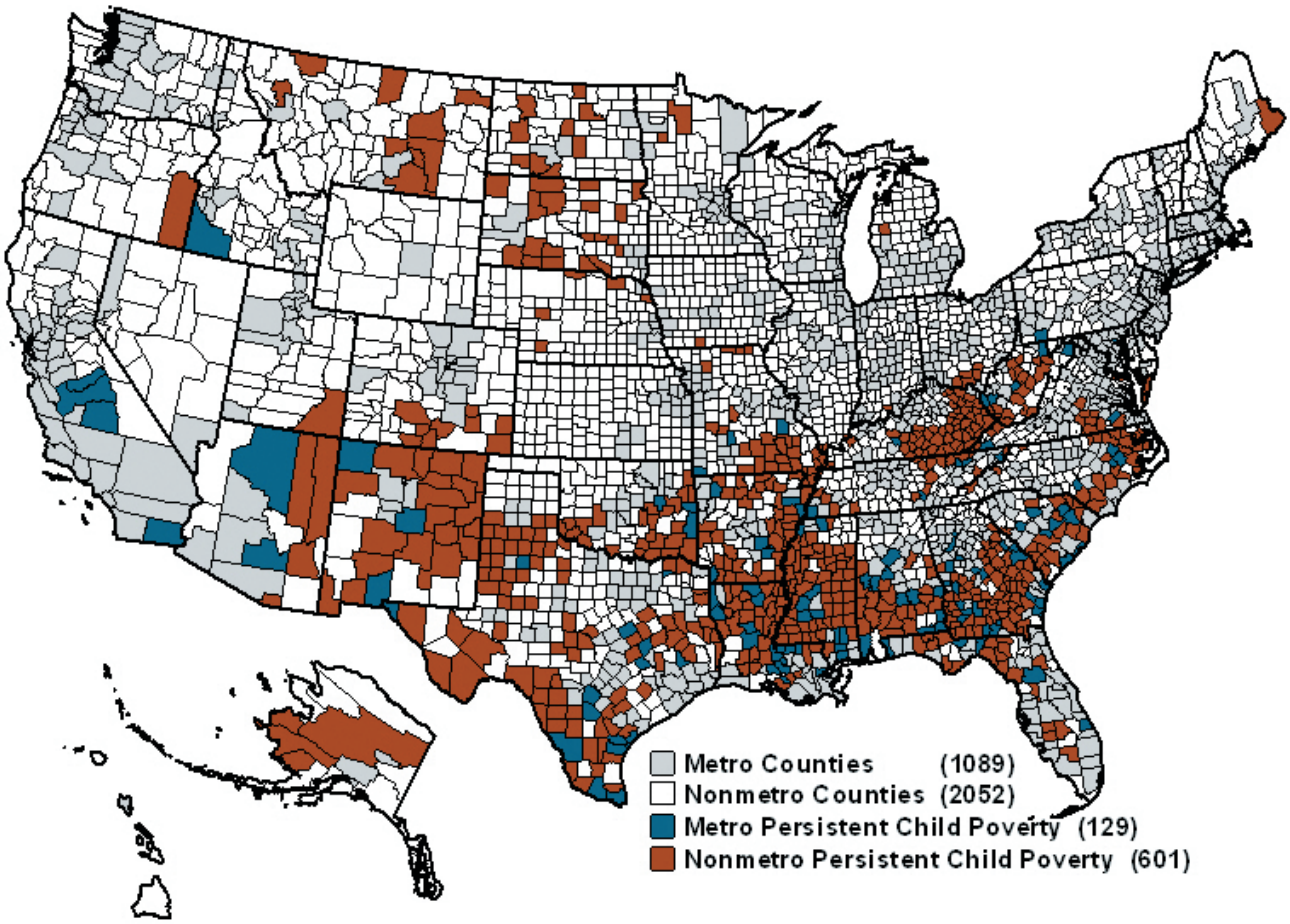
The impact of poverty on families and children who are poor year after year is more severe than the impact on those experiencing a brief bout of poverty. Persistent poverty can have an impact at the personal and community level. People who are persistently poor are disadvantaged, but so are people who live in *communities* that are persistently poor. Persistently poor families who live in persistently poor communities are doubly burdened.

The rural poor tend to be poor for longer spells than their urban counterparts. The median length of poverty in rural areas is 15 percent longer than in urban areas (U.S. Census Bureau 2005.) Nine percent of rural people who became poor at some point between 1996 and 1999 were still poor twenty-four months later, compared with only 7 percent of people in urban areas. Other studies tend to confirm this pattern (Duncan 1984).

The Economic Research Service of the United States Department of Agriculture defines "persistently poor counties" as those in which the poverty rate has exceeded 20 percent at every decennial census since 1970. Children living in places that are persistently poor face special problems because communities shape a child's schoolmates, peers, and role models. Of the 730 counties that, since 1970, experienced persistent child poverty, 601, or 82 percent, are located in rural America (Lichter and Johnson 2007). Most of these persistently poor counties are among the more isolated rural counties. These counties with high and enduring child poverty tend to be concentrated in the rural South and Southwest (Lichter and Johnson 2007; Johnson and Lichter 2007).

At the county level, the child poverty in rural areas is also more concentrated than in urban areas. In 2000, 56 percent of poor rural children lived in high-poverty counties (20 percent poverty rate or higher) compared with only 40 percent of poor urban children (Lichter and Johnson 2007, 346). Minority children are also highly concentrated in high-poverty rural areas. The overwhelming majority (83 percent) of rural poor black children live in high-poverty counties, as do two-thirds of rural poor Hispanic children. Moreover, there are signs that segregation of poor children from nonpoor children increased in the 1990s in rural American. All this suggests an enormous disadvantage for this segment of children growing up in rural America. Researchers Daniel Lichter and Kenneth Johnson conclude that "rural children—those still in persistently poor counties—may be more disadvantaged than ever, if we measure disadvantage by lack of opportunities and community resources that can promote positive development" (Lichter and Johnson 2007, 354). Map 2 shows persistently poor rural counties.

Map 2. Metro and nonmetro counties with persistent child poverty



NOTE: Counties are defined as persistently poor if more than 20 percent of the related children in the county fell below the poverty line in each of the last four census years. Counties are defined as metropolitan or nonmetropolitan as of 2003.

Source: Kenneth M. Johnson, Carsey Institute, University of New Hampshire, analysis of child poverty data from the 1970, 1980, 1990, and 2000 Census. Data compiled by the Economic Research Service of the U.S. Department of Agriculture.

Race, Region, and Rural Child Poverty

A significant difference between rural and urban poor children is that rural poor children are more likely to be white. More than one-half (57 percent) of all poor rural children are non-Hispanic white compared with about one-fourth (28 percent) of poor urban children (see Table 4). On the other hand, black children make up only 21 percent of the poor children in rural America compared with 30 percent in urban America, and Hispanic children make up only 15 percent of poor rural children compared with 35 percent of poor urban children.

Table 4. Distribution of urban and rural poor children by race and Hispanic origin: ACS 2005–2007

	Percentage of total urban poor children (inside metro areas)	Percentage of total rural poor children (outside metro areas)
White (Alone) non-Hispanic poor children	28	57
Black (alone) poor children	30	21
American Indian/Alaskan Native (alone) poor children	1	4
Hispanic poor children	35	15

Totals do not equal 100 percent because some groups are not included in the distribution and some children are doubled counted in race and Hispanic groups.

Source: U.S. Census Bureau, American Community Survey, Table C17001, accessed through American Factfinder.

Another notable difference between rural and urban poor children is the regional distribution (see Table 5). Urban centers of the Northeast are home to 16 percent of all urban poor children, but only 7 percent of rural poor children live in the Northeast. More than one-half (55 percent) of all rural poor children live in the South compared with a little over one-third (39 percent) of all urban poor children. One-fourth of poor urban children live in cities and suburbs of the West, but only 13 percent of rural poor children live in that region.

Table 5. Distribution of all urban and rural children who are poor by region of the country, 2007

	Percentage of all urban poor children located in this region	Percentage of all rural poor children located in this region
Northeast	16	7
Midwest	19	25
South	39	55
West	25	13
Total*	100	100

*Details do not sum to 100 percent due to rounding.

Source: U.S. Census Bureau, American Community Survey 2007, Table C17001, accessed through American Factfinder.

Although the geographic concentration of poor minorities is often thought of primarily as an urban issue, most of the counties whose majority population is a "minority" (black or Hispanic, for example) are in rural America, and many of these rural counties are high-poverty counties. In 2006, Non-Hispanic whites made up less than 50 percent of the population in 303 U.S. counties. The majority of these counties (62 percent) were located in rural America, largely in the South (including Texas).

Poor rural children are highly concentrated in the South (including Texas) and Midwest, which together contain more than three-quarters of all poor rural children (see Table 5). The South alone is home to 55 percent of all rural poor children. The concentration of rural poor children in the South is a product of its large rural population and significantly higher poverty rates for families there. About 43 percent of all rural children live in the South, and the poverty rate for children there (25 percent) is much higher than any other region and almost twice as high as the child poverty rate in the rural Northeast.

The Midwest also has many poor children; 25 percent of poor rural children live there. Although the child poverty rate in this region is relatively low, it has increased by 3 percentage points since 2000, more than in any other region (O'Hare and Savage 2007). Most (72 percent) of the poor rural children in the Midwest are non-Hispanic white.

The distribution of poor rural children by region and race (including Hispanic origin) is in part a product of their overall regional distribution and in part a product of the child poverty rates within each region. In other words, the reason there are more poor rural children in the South than any other region is partly due to the fact that more children (poor and nonpoor) live in the South and partly due to the fact that the child poverty rate is higher in the South.

The vast majority (95 percent) of poor rural black children live in the South, a legacy of slavery, racial oppression, and economic marginalization. Nearly one-half of poor, rural, non-Hispanic white children live in the South and one-third live in the Midwest. Poor rural Hispanic children are heavily concentrated in the South and the West.

There is a strong racial overlay to regional rural child poverty (see Table 6). In Appalachia, which stretches from southern New York to northwest Mississippi, there are many pockets of poverty, but most (74 percent in 2000) of the poor in Appalachia are non-Hispanic white (Lichter and Campbell 2005). On the other hand, in the Mississippi Delta (primarily Mississippi, Arkansas, and Louisiana), most of the poor children are black. This is also true for the Black Belt (named for the color of the rich soil, not the population), which runs

across the Deep South from the Mississippi Delta through the Carolinas.

In the Southwest, including the *colonias* along the Rio Grande in Texas, most of the rural poor children are Hispanic. In fact, 108,000 poor rural Hispanic children live in Texas alone. A recent study of children in this area concluded, "Child poverty in Texas border counties approaches, and in some cases exceeds 50 percent, and is highest among Hispanic children" (Center for Public Policy Priorities 2006, 1).

Poverty among rural American Indian children is concentrated in a small number of reservations in the Southwest and Northern Plains. Some of the poorest rural counties in the nation are those where American Indian children are the largest group. There are only about 14,000 poor Asian children in rural America, and they are located mostly in the rural Midwest and West.

Table 6. Rural child poverty by race and region, 2007

	Number of Rural* Children in Poverty (in 1,000s)				
	Total	Northeast	Midwest	South	West
Non-Hispanic white alone	1,325	207	405	585	127
Non-Hispanic black alone	455	—	17	431	7
Non-Hispanic American Indian/ Alaska Native alone	137	—	28	59	49
Hispanic	364	20	89	159	96
Total**	2,394	236	565	1,293	300

Cells with [—] round to zero

*Rural is defined here as outside metropolitan areas.

**Details do not sum to total because some groups are not included as their cell size was too small to produce reliable estimates.

Source: 2008 March Current Population Survey.

Immigrant Children in Rural America

Despite small overall numbers in rural areas, immigrant families are a growing presence in some parts of rural America, and their impact has been clearly felt (Jensen 2006). The majority of immigrants living in rural America are Hispanic, and new research shows that Hispanic population growth is emerging in many unexpected places around the country (Johnson and Lichter 2008). Nationwide, more than one in five American children has at least one foreign-born parent. This amounts to 15.6 million children. Twenty-two percent of these children are poor. Only 5 percent of immigrant children live in rural areas, but their poverty rate (29 percent) is higher than urban children (21 percent) (American Community Survey 2006).

In many communities, immigrant families are a revitalizing force, but they also may require additional resources (such as English as a second language instructors in schools). Hispanics also stand out because they are the only racial/ethnic group that experienced a substantial influx of young adults to nonmetropolitan areas during the 1990s.

Summary of the Demographics of Rural Child Poverty

- Rural children have higher poverty rates than urban children.
- The gap between rural and urban child poverty has grown since 1990.
- Rural children are more likely to be in deep poverty.
- Rural children are in poverty for longer spells.
- Poor rural children are more likely to live in areas of concentrated poverty (at the county level).
- Rural child poverty (especially for rural black children) is concentrated in the South.

The Roles of Marriage and Work in Rural Poverty

One reason that child poverty is higher in rural areas is that the factors that commonly protect children from poverty, such as living with parents who are married and who have a strong attachment to the labor force, are not as effective for rural children. Other trends in rural families have also contributed to higher child poverty rates there.

Family Structure—Poverty and Marriage

Table 7 shows the child poverty rates for three types of families: married-couple families, single-mother families, and single-father families. For every family type, the child poverty rates are higher for rural children. The gap is highest for the most vulnerable family type, single-mother families. More than half (51 percent) of rural children in single-mother families are poor, compared with 42 percent for urban children in single-mother families.

Table 7. Child poverty rates by family structure in urban and rural America, 2007

	Urban (inside metro areas) child poverty (%)	Rural (outside metro areas) child povety (%)
Children in married-couple families	8	11
Children in single-father families	19	25
Children in single-mother families	42	51

Source: 2007 American Community Survey online custom table.

A fourth type of family—those whose partners are living together without marrying, commonly called cohabiting families—is the fastest growing family type nationally. A larger share of rural children lives in cohabiting families, and they have higher poverty rates than their urban counterparts. Eight percent of rural households with children are cohabiting couples compared with 5 percent of urban households (O'Hare, Manning, Porter, and Lyons 2009). Moreover, cohabitation has been increasing more rapidly in rural America, with the biggest increases occurring since 2000.

Rural children in cohabiting households are again at an economic disadvantage compared with their urban counterparts. Pooled data from the 2005 and 2006 Current Population Survey shows 19 percent of children in cohabiting families in rural families are poor compared with 13 percent in urban cohabiting families.

Trends in Family Structure and Child Poverty in Rural America

In 1990, 77 percent of rural children were living in married-couple households compared with 72 percent of urban families (see Table 8). Although numbers of married-couple families with children were on the decline in both urban and rural areas between 1990 and 1995, since then, the share of urban children living in married-couple families has stabilized while their rural counterparts continued to decline. By 2007, only 66 percent of rural children were living in married-couple households compared with 70 percent of urban children. In 2008, urban children still had a higher likelihood than rural children of living in a married-couple family. These family trends may help explain the growing gap between rural and urban child poverty rates. Children in single-parent families and in cohabiting households have much higher poverty rates than those in married-couple families.

Table 8. Trends in percent of children living in married-couple families in urban and rural areas, 1990 to 2008

Year	Urban (inside metro areas) (%)	Rural (outside metro areas) (%)
2008	69	68
2007	70	66
2006	69	67
2005	69	69
2004	69	69
2003	70	70
2002	70	69
2001	70	71
2000	70	73
1999	69	71
1998	69	69
1997	69	70
1996	69	71
1995	68	73
1994	69	74
1993	70	75
1992	70	77
1991	71	76
1990	72	77

Percentage is based on all persons under age 18, including those not living with either parent.

Source: U.S. Bureau of the Census, Current Population Survey files, various years.

Another difference between the two areas is single motherhood. Although the proportion of single mothers in rural and urban America is similar, rural women have babies at an earlier age than their urban counterparts, and the teen birth rates are higher. Data from the 2007 American Community Survey indicate that rural teens (aged 15 to 19) were 26 percent more likely than their urban counterparts to have had a child in the past 12 months (U.S. Census Bureau 2007).[4]

Such early births are a major concern. Early childbearing is likely to cut short the education of the mother, reduce the likelihood that her marriage will last, and increase the likelihood of material deprivation and child poverty. At the extremes, the child poverty rate for children born to unwed teen moms who did not finish high school is 80 percent compared with 8 percent for children born to married women over age 20 who finished high school (O'Hare 2004, 19). Of particular concern is the link between early unwed births and intergenerational persistence of poverty common to some areas of rural America.

In sum, American families are changing and neither tradition, culture, nor distance from urban centers has immunized rural families against these forces of change. In fact, some key changes, such as rising cohabitation, have been more prominent in rural areas than urban, and those changes are related to the higher child poverty rates in rural America.

Child Poverty and Parents' Work

Several aspects of work in rural America make it different from work in urban areas. Rural work is more likely to be seasonal and/or temporary, and many rural labor markets are dominated by one employer. Lower earnings for rural workers and higher poverty rates for their children do not stem from a lack of a work ethic. Many full-time workers in rural areas simply do not earn a family-sustaining wage. The level of work effort in rural America is nearly the same as that in urban America, but work in rural areas is less likely to lift a one-worker family out of poverty. Family poverty in households with no workers is about the same in urban and rural areas, and the same is true for families with two or more workers (see Table 9). However, among families with just one worker, family poverty in rural areas is higher: 19 percent for rural families compared to 15 percent for urban families.

The weak labor market in many parts of rural America is reflected in the difficulty many young adults have gaining a foothold in the economy. Data from the 2007 American Community Survey show the poverty rate among 18- to 24-year-olds is 21 percent in urban areas but 26 percent in rural areas.

Table 9. Family poverty in rural and urban areas by number of workers in the household, 2007

	Percent in Poverty	
	Urban (inside metro areas) (%)	Rural (outside metro areas) (%)
No workers	23	24
1 worker	15	19
2 workers	3	4
3 or more workers	2	2

Source: 2007 American Community Survey, Table C17014, accessed through American Factfinder.

The Working Poor

The dearth of high-quality jobs (with adequate wages and good benefits) in many rural communities also influences the incidence of low-income, working families, sometimes called the working poor. About 3 million children in rural America live in low-income, working families in which at least one parent works all year, yet family income is less than 200 percent of the federal poverty level (about $42,000 for a family of four in 2007) In rural America, 27 percent of children live in low-income, working families compared with only 23 percent in metropolitan areas (see Table 10).

Table 10. Children in low-income, working families in urban and rural areas, 2007

	Total children (in millions)	Children with family income under 200% of poverty line (in millions)	Children in low-income, working families* (in millions)	Percentage of all children in low-income, working families*
Urban	60.2	22.5	13.7	23%
Rural	10.8	4.9	2.9	27%

*Income under 200 percent of poverty and at least one parent worked 50+ weeks

Source: 2008 Current Population Survey

Underemployment

The current unemployment rate for workers living in rural areas is similar to the unemployment rate for those living in urban areas (both were 5.3 percent in the second quarter of 2008) (Economic Research Service 2008). However, the unemployment rate does not tell the whole story. The underemployed—those who have given up looking for work, those working part-time but preferring full-time, and low-income workers—is even more of an issue among rural workers. Tim Slack and Leif Jensen found that 19 percent of rural workers were underemployed compared with 15 percent of urban workers (Slack and Jensen 2002). They also found that, during

the past 30 years, rural workers have consistently been underemployed at higher rates than workers living in urban areas, and that blacks and Hispanics living in rural America are particularly vulnerable to underemployment. Even in the robust economy of the late 1990s, more than one-fourth of black and Hispanic workers in rural America were underemployed. The high rate of underemployment for rural workers reflects the difficulty many have finding a steady, full-time job that pays a family-supporting wage.

Education of Parents

In 2007, 11 percent of adults aged 25 to 44 in rural America had not finished high school, which is about the same as the 12 percent in urban America (see Table 11). Where differences emerge, however, is among the college-educated. More than one-third (35 percent) of 25- to-44-year-olds in urban areas have a four-year college degree compared with only 20 percent of those in rural areas. During the past thirty years, economic rewards have increasingly gone to those with more education. This educational attainment gap stems from both the greater propensity of high school graduates to choose college in urban areas and the so-called "brain drain" of better-educated adults leaving rural for urban areas.

Although the higher educational levels of adults in urban areas help explain the lower poverty rate for children there, it is not the whole story. At every education level, rural adults are poorer than their urban peers. The gap is largest for those without a high school education: 37 percent of rural high school dropouts are poor compared with 29 percent of urban dropouts (see Table 11).

Table 11. Poverty rates by educational attainment for adults (aged 25 to 44) in urban and rural areas, 2007

	Urban (inside metro areas)		Rural (outside metro areas)	
Educational Attainment	Percentage of adults in this education category	Percentage of people in this educational category who are poor	Percentage of adults in this education category	Percentage of people in this educational category who are poor
Less than high school	12	29	11	37
High school graduate only	27	13	39	16
Some college, no four-year degree	27	8	30	11
Four-year college degree or more	35	3	20	*
Total**	100		100	

*Sample too small to produce reliable estimate.
**Details do not sum to 100% due to rounding.
Source: March 2007 Current Population Survey.

Summary of Family Structure and Work Effort

- For every family type, child poverty is higher in rural than urban America.
- Families are changing more rapidly in rural America. For the first time ever, a smaller share of rural children than urban children are living in married-couple families, and rural children are much more likely to be living in cohabiting families.
- The child poverty rate is higher in rural families despite nearly equal employment rates.
- Underemployment is a bigger problem in rural America than in urban America.
- Rural children are much more likely to be living in working-poor families.
- Parents in rural America are less likely to be college graduates.
- At every level of education, rural families are more likely to be in poverty.

Government Assistance and Needy Families in Rural America

Given the unique aspects of social and economic life in rural America, public policies and programs such as welfare reform, expansion of government health insurance, and the restructuring of education often affect rural children differently. Therefore, these government programs designed to help low-income workers often need to operate differently in rural areas (Weber, Duncan, and Whitener 2002).

Federal policies can have differing effects on rural families because of conditions in rural America (a dearth of jobs, lack of affordable child care, and public transportation, for example). But the well-being of children in rural America is also affected by a "new federalism" in which a growing number of social policy choices have devolved to states. As states have assumed greater responsibilities for social programs, states with large numbers of rural families often have made different policy choices than those with few rural families.

The Importance of the Near-Poor

Many programs (including those in Table 12) are designed to serve not only those in poverty, but also the near-poor—those with incomes just above the poverty line. Food stamps, cash assistance (Temporary Assistance for Needy Families), housing assistance, and health care are but a few of the antipoverty programs the federal government funds and states administer. Many of these programs extend their eligibility to the near-poor, those living just a paycheck away from economic calamity. A serious illness or a bad accident can erode what little economic foothold these families have. The fact that the near-poor are often eligible for government assistance and the fact that many families bounce back and forth between poverty and near poverty make the population just above the poverty line important.

A number of analysts have used a threshold of twice the poverty level (or 200 percent of poverty) to identify the near-poor in their evaluations of programs and their studies of U.S antipoverty efforts. By that measure, almost one-half of all rural children (46 percent) live in families with income less than twice the poverty line, significantly higher than the 38 percent of urban children at this level (U.S. Census Bureau 2008a). In all, 2.8 million rural children live in families with incomes between 100 percent and 200 percent of the poverty line. Many of these families alternate between poverty and near-poverty from year to year. Adults in many of these families have a tenuous attachment to the labor force and often move in and out of temporary or part-time jobs trying to earn a living. Table 12 shows that for many of the major federal, means-tested benefit programs, one-fourth or more of recipients live in households with incomes between 100 and 200 percent of poverty.

Table 12. Children receiving government benefits by poverty status, 2007

Children in Households Where Someone Receives:	Total (in millions)	Below 100% of poverty (in millions)	Between 100% and 199% of poverty (in millions)	Percentage of recipients between 100% and 199% of poverty
Food Stamps	10	6.5	2.6	26%
Cash assistance (TANF)	2.8	1.9	0.6	21%
Supplemental Security Income (SSI)	2.4	1.2	0.7	29%
Free/reduced-price school lunch	17.7	8.3	6.9	40%
Housing assistance*	3.7	2.7	0.9	24%
Medicaid/Medicare	25.5	9.8	7.6	30%
Energy assistance	2.5	1.7	0.8	32%

* Lives in a public housing project or receives a housing subsidy.

Source: U.S. Census Bureau, 2008 Current Population Survey

Temporary Assistance for Needy Families (TANF)

Bill Clinton campaigned for president in 1992 on a key slogan of "ending welfare as we know it," and in1996, a Republican-controlled Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), which indeed ended the welfare program that had existed since the 1930s. PRWORA ended the entitlement program enacted in the 1930s to help poor children (Aid to Dependent Children), and replaced it with a system of block grants to states called Temporary Assistance for Needy Families. Block grants give states more flexibility for crafting programs. TANF was reauthorized in 2005 with only a few changes.

TANF provisions include:

- Federal block grants to states capped at $16.4 billion a year
- Work requirements for most beneficiaries
- Lifetime limits of no more than sixty months, although 22 states have opted to impose shorter time limits
- Greater state choice on passing earnings or child support payments along to welfare recipients before deducting the amounts from their TANF checks

Since welfare reform legislation was passed, caseloads have declined, although the declines differ significantly before and after 2000. After dramatic caseload declines, increasing labor force participation by single mothers, and falling child poverty rates in the late 1990s, the caseload declines began to slow after 2000. Child poverty also began to rise, and employment gains of single mothers with children leveled off.

Rural families experienced welfare reform differently than urban families, in part because of the different characteristics of the population and communities and in part because of state choices. In rural areas, particularly those where potential employers are few and far between, child care and transportation costs are serious impediments to single mothers entering or reentering the labor force.

For example, in 2007, 1.3 million rural households (7 percent of all rural households) had no vehicle available, and virtually everyone in rural areas lacks easy access to public transportation (Rucker 1994). Research shows that low-income families lacking a vehicle are at a severe disadvantage, and carless households in rural America are doubly disadvantaged (Waller 2005).

Historically, rural families have been less likely than urban families to receive public cash assistance. However, today, needy families in rural areas are about as likely as their urban counterparts to do so (cash assistance is primarily from TANF or Supplemental Security Income). During calendar year 2006, 9 percent of low-income children in urban areas resided in households receiving cash assistance compared with 8 percent of similar children in rural areas.

Although rural and urban families today are similar in their welfare receipt, this was not the case in the mid-1990s. In 1995, 32 percent of children in low-income urban families received cash assistance compared with only 21 percent of rural families. It appears that welfare reform was more effective in moving families into the workforce in urban than rural areas. This may be related to the better job climate in many urban areas during the late 1990s.

However, rural families typically receive a smaller amount of cash assistance than those living in urban areas, in part because states differ widely in the availability and generosity of welfare benefits. Among the ten most rural states (those with the highest percentage of children living in rural areas), the mean (average) TANF payment per individual is $148. This compares with $183 in the ten most urban states (those with the smallest share of children living in rural areas) (see Table 13).

Table 13. Average TANF* payments in 10 most and least rural states

10 most urban states (those with smallest percentage of children living in rural areas)	Monthly average per recipient 2005	Percentage of children in rural areas, 2000
New Jersey	$159.22	0
California	261.33	3
Massachusetts	241	4
Connecticut	206.43	4
Rhode Island	163.67	6
Florida	126.73	7
Maryland	149.68	7
New York	261.34	8
Arizona	120.68	13
Nevada	136.23	13
Mean	**$182.63**	**7**
10 most rural states (those with highest percentage of children living in rural areas)	**Monthly average per recipient 2005**	**Percentage of children in rural areas, 2000**
North Dakota	$139.64	57
West Virginia	137.98	57
Alaska	239	60
Idaho	164.43	61
Maine	135.45	64
Mississippi	66.59	64
South Dakota	153.78	66
Montana	121.2	67
Wyoming	111.23	70
Vermont	212.3	73
Mean	**$148.16**	**64**

*Temporary Assistance to Needy Families. Monthly payments for 2005 for states are taken from: http://ssaonline.us/policy/docs/statcomps/supplement/2005/9g.html#table9.g2.

Programs for Low-income, Working Families with Children

Many proponents of welfare reform in the 1990s also supported efforts to make work pay more than welfare. In this context, many of the most important public policy changes in recent years apply only to low-income families in which parents work. Given the higher rate at which children in rural America live in poor and low-income, working families, these programs are particularly important for them. Moreover, in many cases, rural families experience these programs differently than their urban counterparts.

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) is a federal program that works through the tax code. It was enacted in 1975 to offset the regressive nature of payroll tax for Social Security and Medicare for low-income workers, and it has been expanded several times since. The EITC is largely targeted to families with children and is available to low-income families with earnings from wages or self-employment. Given that EITC is a credit rather than a deduction, even those who owe no income taxes receive a payment.

The EITC has enjoyed strong bipartisan support because it rewards work (only those with earned income are eligible), it is focused on working families with children, and because the payments are widely perceived as a refund, not as stigmatizing welfare. Since the EITC was expanded in 1993, 25 percent more families now receive the credit, and the average amount received per family has grown by more than 50 percent. In 2005, the federal government transferred approximately $42 billion to low-income families through the EITC compared with $16.4 billion through TANF (Kneebone 2008).

Because rural families are more likely to be poor and near-poor, they are more likely than those living in cities and suburbs to receive the EITC. One-fifth (20 percent) of tax filers in rural counties receives the tax credit compared with 16 percent in urban counties (O'Hare and Kneebone 2007). In the rural South, 27 percent of tax filers received the EITC, the highest proportion of any area in the country (Kneebone 2008).

In addition to the federal EITC, 18 states and the District of Columbia offer a state EITC as well (Tax Credit Resources 2009). However, states that offer a state EITC program frequently are highly urban states. Of the ten states with the largest number of children living in rural areas, only one (Illinois) has a state EITC program.

Minimum Wage

Unlike the EITC, the minimum wage is not targeted toward families with children; however, evidence indicates that most minimum-wage workers are members of low-income, working families with children (Holzer 2006). In 2007, Congress raised the federal minimum wage for the first time in ten years. During that decade, the value of the minimum wage eroded by 20 percent. Because of the low wages in many rural jobs, rural workers are slightly more likely to be affected by any change in the minimum wage. In 2007, analysts projected that 15.4 percent of rural workers would be affected by the increase in minimum wage compared with 13.5 percent of urban workers (O'Hare 2007a).

Prior to the federal increase in minimum wage, 29 states had raised their own state minimum wages above the national standard ($5.15 an hour). As with the state EITCs, those with higher minimum wages tend to be highly urban states. Nearly all of the twenty-one states that had not raised their minimum wage by 2007 have larger than average rural populations. Collectively in these states, 30 percent of the states' children lived in rural areas compared with 15 percent for those states that did raise their minimum wage.

Health Insurance

Public health insurance can also be considered a work-support program. Most public health care for children is provided through Medicaid, which is a government program that provides health care to the most impoverished families. The State Child Health Insurance Program (SCHIP) provides health insurance for children in low-income families whose incomes are too high for the Medicaid program (but still below a certain ceiling). Children in SCHIP often live with parents whose jobs do not offer health insurance (typically low-wage jobs).

Prior to the mid-1990s, low-income, working families without health insurance were often forced to leave their jobs and return to welfare to get health care for their children because one had to be enrolled in the cash assistance program (AFDC) to receive Medicaid. However, in 1997, the federal government decoupled Medicaid eligibility from TANF, and Congress enacted the State Child Health Insurance Program (SCHIP). In early 2009, the Federal government expanded the SCHIP program to provide health insurance to even more children in low-income families.

Although rural and urban children are equally likely to be insured, their coverage often comes from different sources. Among children who have health insurance, rural children

(32 percent) depend more heavily on health insurance from public sources, such as Medicaid, Medicare, or SCHIP, than urban children (26 percent) (O'Hare 2007b). Among rural children in low-income families (those below 200 percent of poverty), more than one-half (54 percent) rely on public health insurance. Private insurance typically provides better coverage than public-sector health insurance (O'Hare 2007b).

Rural children's greater reliance on public health insurance is partly related to their parents' tendency to work in small companies, which are more common in rural areas—36 percent of rural employees work in small firms compared with 30 percent in urban areas. Only 30 percent of rural workers work at large firms (1,000 or more employees) compared with 39 percent or urban workers.

The Census Bureau reports only about one-third of employees in small firms (fewer than twenty-five employees) were covered in 2007 by employer-based health insurance, compared with 70 percent of employees in large firms (1,000 or more employees) (U.S. Census Bureau 2008b). Reflecting the tendency toward small employers, only 52 percent of children in rural America get health insurance through a parent's employer.

Even for insured children, obtaining quality health care is more challenging for rural children. Metropolitan counties have nearly four times as many physicians per capita as small rural counties (Rosenblatt and Hart 1999, 39). Rural areas also lag far behind urban areas in the number of obstetricians and pediatricians available to deliver and care for children in the first critical years of life. Urban areas have three times as many pediatricians per capita than rural areas. Problems related to the relative dearth of health care professionals in rural areas is exacerbated by the long distances residents must frequently travel to receive care.

Overall State Spending on Children in Predominantly Rural and Urban States

The changing face of federalism has important implications for children in rural America. Giving more responsibility to states, as has been the trend in policy making since the mid-1990s, is troubling given the evidence that predominantly rural states have been less likely to raise the minimum wage, less likely to enact state EITCs, and more likely to pay lower TANF benefits.

Analysis by researchers at the Rockefeller Institute on Government also shows that rural children tend to be concentrated in states that spend less per child (Billen, Boyd, Dadayan, and Gais 2007). The five states with the fewest rural children spend an average of $7,622 of state money per child compared with $5,188 for the five states with the most rural children (see Table 14).

The lower spending on children may be related to lower incomes of rural residents. The average per capita income in the ten most rural states is $18,461 compared with $24,562 for the ten most urban states. Therefore, giving states more responsibility for care for the poor is likely to squeeze the rural poor more than the urban poor.

Table 14. States by number of rural* children and per capita public spending

State rank by number of rural* children	State	Population under age 18	Urban population under age 18 (inside metro areas)	Rural population under age 18 (outside metro areas)	Per capita spending in 2003
1	Texas	5,886,759	5,045,376	841,383	$5,239
2	Georgia	2,169,234	1,505,537	663,697	5,641
3	North Carolina	1,964,047	1,333,637	630,410	4,384
4	Ohio	2,888,339	2,332,174	556,165	6,192
5	Kentucky	994,818	487,802	507,016	4,485
				Mean for top five states	**$5,188**
46	Massachusetts	1,500,064	1,443,952	56,112	7,780
47	Connecticut	841,688	806,023	35,665	8,230
48	Delaware	194,587	159,282	35,305	6,129
49	Rhode Island	247,822	233,781	14,041	7,222
50	New Jersey	2,087,558	2,087,558	0	8,753
				Mean for bottom five states	**$7,622**

* Outside metropolitan areas

Source: Patricia Billen, Donald Boyd, Lucy Dadayan, and Thomas Gais, October 2007, Rockefeller Institute. "State Funding for Children: Spending in 2004 and How it Changed from Earlier Years." http://www.rockinst.org/government_finance/state_funding_for_children.aspx.

Summary of Public Assistance Programs

- 47 percent of rural children live in low-income families compared with 38 percent of urban children.
- 8 to 9 percent of rural and urban children in low-income families receive cash public assistance, but rural children receive lower amounts, on average, than urban children.
- Rural children are more likely to live in households that receive EITC benefits.
- Rural children depend more on Medicaid and SCHIP for health insurance.
- Rural children are more likely to live in states with lower welfare benefits and lower overall expenditures on children.

Conclusion

Rural America is not the same place it was 50 years ago. Yet one aspect remains unchanged: higher child poverty rates. The narrowing of the poverty gap between urban and rural children that characterized the 1970s and 1980s has reversed since 1990.

Poor children living in rural America face significant educational, social, and economic challenges just as their urban counterparts do, but many of these problems are exacerbated by the isolation and limited access to support services common in rural areas. Rural parents are also more likely to have less education and they are more likely to be underemployed. The poorer education and job experiences of their parents mean rural children are more likely to be poor. Moreover, recent changes in family structure (fewer rural children in married-couple families) have exacerbated child poverty in rural America.

Although many of the differences between rural children and urban children are relatively small, the vast majority of those differences disadvantage rural children.

In addition to the scarcity of jobs, the physical and social isolation associated with rural poverty creates problems different from those in densely settled urban areas. Moreover, in many rural areas the social stigma of government programs is stronger because of the high value on self-reliance in rural areas.

The urban focus of welfare programs means policy makers often shortchange needy rural families when designing and implementing the safety net. The socioeconomic environment that poor rural families face should be considered before designing and implementing policies and programs for the poor. Because of their isolation, poor rural children may be more disadvantaged in some ways than poor children in urban areas.

Recommended Readings

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Endnotes

1. Others document these high costs as well. See General Accountability Office. 2007. "Poverty in America: Economic Research Shows Adverse Impacts on Health, Status and Other Social Conditions as well as Economic Growth Rate" (GAO-07-344). Washington, DC: U.S. Government Printing Office.

2. Also see Moore, Kristen, Christina Theokas, Laura Lippman, Margot Bloch, Sharon Vandivere, and William O'Hare. 2008. "A Microdata Child Well-Being Index: Conceptualization, Creation and Findings." *Child Indicator Research* 1 (1): 17–50.

3. Similar to the data from the Current Population Survey, data from the Census Bureau's American Community Survey (ACS) show that child poverty in rural America is also well above the corresponding child poverty rate in urban America.

4. The birth data from the American Community Survey are underreported compared with vital events, but there is no reason to believe it is underreported at a higher rate in rural areas than urban areas.

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