

Ladies and gentlemen thank you for standing by and welcome to today's The Geography of Recent Growth in Rural Child Poverty. All, during this presentation all participants will be in listen only mode, should you wish to ask a question during the presentation please use the chat feature located at the lower left hand corner of screen, of your screen. If you need to reach an operator at any time please press star zero. As a reminder this conference is being recorded Wednesday July 22, 2015. I would like to now turn the conference over to your host Miss Nancy McNiff, you may begin your conference.

Good afternoon everyone and welcome to our webinar my name is Nancy McNiff and I will be your moderator today. I'm going to introduce our speaker and I will also field your questions at the end of the webinar. Our speaker today is David McGranahan, David is a senior economist in the Rural Economy Branch Resource and Rural Economic Division at the Economic Research Service at the United States Department of Agriculture. David's research focuses on rural population and business change with projects on the importance of natural amenities, rural enterprise innovation, technology adoption by rural manufacturers and the importance of education for rural development. I think we are ready to start now so David you can begin the presentation.

Okay thank you Nancy, so as it says the geography of recent growth in rural child poverty, I'll just start with, you know, why are we, why are we looking at this, why is this an interesting subject and there are, there's three major reasons first rural or non-metropolitan which is because this is a county level analysis we're using non-metropolitan counties to represent rural parts of the US. Child poverty has risen markedly, it was 19 percent in 1999 and now in 2013 it's risen to 26 percent and it's much higher than the overall metropolitan rate which is 21 percent although metropolitan child poverty also rose. A second reason to look at this is that child poverty is pernicious, it undermines health and economic wellbeing later in adulthood so it's not just representing current conditions but it has long term affects and the third reason to look at the geography in particular is that while high rising child poverty has been widespread it's not pandemic so the, some counties still with relatively low poverty rates of 16 percent even though one out of every five has a child poverty rate of 33 percent and then some counties even while there has been an overall rise some counties have had declines in child poverty as actually we'll see a bit later. So I'm going to look at three factors, and we can't

cover everything related to child poverty but I'm going to look at three major factors related to rural county child poverty and its rise over the past 15 years. Now I should say right away that there's I say or have on the title 2009/13 that's because a lot of the statistics for counties now the Census produces for the American Community Survey five year averages and I'm using five year averages of 2009 to 2013. So to get back to the three factors, the first is the recession of child poverty particularly sensitive to parents' economic opportunities and rural areas really had a hard time during the recession and I believe they've not even gained back the number of jobs they had in 2007. The second factor I'm going to look at is young adult education because labor market opportunities are fewer and earnings are lower for people with lower education, for instance in 2013 the poverty rate for people 25 to 64 was 29 percent for people with less than high school and that was double the poverty rate for people with a high school degree and six times the rate of poverty for people with a college degree so the likelihood of poverty really decreases as education goes up and the third fact I'm going to look at is family structure in particular I'm looking at the percent of children in single parent families as opposed to married couple families and there to you find sharp differences. In single parent families the poverty rate is 50 percent and married couple families in 2013 it's only 13 percent so, so these three things I think really help shape the poverty today and to change from 2009. I'm going to consider all these three factors and how they're inter-related and related to poverty and then I'm going to kind of relate to this, to the racial and ethnic composition of the county population but before I do that I've kind of two measurement issues one of them is the measurement of poverty. This study like most others uses the official poverty measure, this was designed in the 1960's and it's been adjusted over time to account for changes in the cost of living but these days because there's so many government programs and earned income tax credit programs and other kinds of things its less a measure of wellbeing than of the inadequacy of earnings to support families. The second measurement issue is recession, how do we measure recession, often at ERS we just measure it with gain or loss in jobs, here I've added earnings so I have change in employment and then change for people who were employed the change in their earnings over time and I've weighted these two measures equally and I have three categories, counties in the top quarter in terms of gains in employment and earnings is, had an 11 percent gain in employment and five percent gain in real or inflation adjusted earnings. In the bottom quarter which I've labeled severe recession there the average employment earnings were in the loss column of 13 percent and 15 percent respectively, and the middle half had lower losses, maybe about five percent in each one so there are sharp differences among counties in terms of how the recession, the national recession and affected them. So the, I have a series of maps in this presentation

because we're talking about geography so it makes a lot of sense to have maps and the first map I'm going to present is really what are we talking about, what is non-metropolitan today and it's non-metropolitan is green in this map and I've put in urbanized areas which are cities of 50,000 or more, the bigger the black basically the bigger the city and the more spread out it is and then the surrounding counties are counties that have been in defining metropolitan areas they've been added to the metropolitan center counties on the basis of commuting. Now I'm not going to keep this delineation throughout the presentation although I am going to keep the urbanized area designation up there so, because sometimes it's kind of interesting to see the, how cities affect their surrounding counties. So what are we talking about? Poverty rate in 1999 and I've divided poverty rates up into less than 20, 20 to 33 and then 33 and over so the red counties are counties where child poverty rate is above 33 percent or, but roughly one in three children is living in a family in poverty and poverty then is kind of concentrated in the Southeast, in Appalachia, in scattered counties in the north central part of the country mostly, most of those have American Indian populations and then a lot of counties in the Southwest along the Mexico-Texas border. Now most of these counties are yellow indicating child poverty of less than 20 percent but if we go to current conditions or 2009 to 2013 conditions then you have a lot fewer yellow counties and a lot more red counties and the number of red counties actually that is where poverty is over 33 percent actually went from 185 to 425 so there's been a lot more development of high or severe poverty and it's kind of spread out so now it used to be kind of in the Southeast or scattered or in the north central but now you're finding it in Michigan and parts of Wisconsin, eastern Oregon so there are a lot of counties that are kind of where poverty rates have gone up for children. So the question I'm going to turn to first is the recession and child poverty and I'm going to look first at industry because manufacturing in rural areas took a real hit actually beginning in the early 2000 but then especially in the recession. So this is kind of, we've divided non-metropolitan counties up according to kind of their major economic activity, manufacturing is in the Southeast and then in Indiana and Ohio, kind of north central counties but scattered everywhere, farming is as you expect kind of down the center of the county, recreation is in north, kind of north country they call it, Minnesota, Wisconsin and Michigan and then the Rockies and also here in Nevada Mountains and scattered around. So there's a, there's a, there's a considerable amount of economic diversity across rural areas. Now I'm not sure whether you're going to be able to see this but I have marked the counties in yellow outlined that had severe recession and one of the things you see is that, is that it really hit the manufacturing counties and I think 43 percent of the manufacturing counties had severe recessions and mining counties of course really boomed during the decade, I think only 10 percent of them had recession and the same thing,

farming also was booming and recreation kind of, I think 25 percent had severe recession and that's really upper Michigan and parts of upper Wisconsin. So now I'm just going to use the measure of recession, this is the recession you can see the yellow is the severe recession and the, it included practically all of Michigan, included a lot of the Southeast, a lot of Oregon and various sections of New Mexico and then the places with very little recession were in up in North Dakota which some of that's mining, some of that's agriculture and Utah and Wyoming a lot of, also a lot of that's mining. If we look at where high child poverty is you see why child poverty went up in Michigan but it's really concentrated still in the Southeast and parts of Appalachia but, but there're scatterings all over this county in as I said before in Oregon, a couple of counties. So this is kind of a before and after graph, so we have the three no, no recession essentially mild recession and severe recession and the poverty distribution of poverty in 1999 compare that to 2009/2013 where there was no recession there was actually very little change, there wasn't any improvement even though earnings went up and employment went up there wasn't any improvement which suggests that recession wasn't the only think going on, on the other hand where there was severe recession the proportion of counties with very high child poverty at 33 percent, you know, doubled to over a third and very few but some counties still had child poverty rates below 20 percent. So that, that covers the, kind of the recession and now I want to turn also to the education and family structure. So how did that change over the decade? In terms of education, in terms of here, the percents of young adults, and I chose young adults because are the ones most likely to have children living at home, that proportion went down so in 2009 to 13 25 percent had... (Indistinct)... 25 percent had 18 percent or more without a high school degree in 2000 it was over 43 percent so I should also say that my data from the 2000 Census, and the Census asked about earnings in the previous year which would have been 1999 so my poverty measure is 1999 but my education measure is 2000 it's from the same source. Also the proportion with eight percent or fewer having, lacking a high school degree went up from 16 percent to 25 percent. The story is quite different when you look at the percent of children living in families with a single parent there it went from, the top category went from 10 percent to 25 percent and the bottom category which was at 60 percent went down so the, or relatively few counties now with children and single parents where that percentage is 25 percent or less so that's a huge rise. Now I'm going to focus first on this rise in the percent of children in single parent families and I'm going to cross change in, this change in the percent of children in single parent families with the recession and this graph, I hope you can see the arrow, this graph is designed so you go county-recession it's more severe as you go this way to the right and then change in single parents gets more severe or, or more problematic as you go from right, right to left

and so high, the top column is high in both, they had both a large increase in the proportion of children in single parent families and severe recession so they had 11 percent gain in child poverty, on the other hand where there was low gain and no recession child poverty actually went down presumably because there was more economic opportunities and education levels were rising but even where there was no recession if the number of children in single parent families went up then child poverty went up so recession was not the only thing acting also during this period so with the increase in single parent families. So why did I focus on single parent families? Well here I'm looking just at poverty in 2009/2013, the chart is designed the same way so it goes from low to high on the right going from left to right and then low to high on the left side, high and, high and child poverty is really associated with the percent of children single parent families and that's where education makes a difference. Where the percentage of children single parent families is relatively low then actually poverty rates are unlikely to be high even where there are a lot of people without high school degrees. So the thing driving poverty during the past decade, one was recession and the other one was the increase in single parent families and education didn't really, even though it improved it didn't really drive poverty rates down at all and this is a quick map of low education I just want to say that, you know, here it's a lot more scattered but you do find it in the Southeast and you also find, this is again the same outline of child poverty and it's a fair match but if you look at the high proportion of single parent families that has a really close correlation between that and high poverty and it's kind of what you'd expect from that other map. A major exception is probably the Ozarks, the mountain highlands in southern Missouri and parts of Kentucky. The, all the previous statistics are really related to minority populations and I've marked out three minorities here, Blacks 20 percent or more Blacks are in these counties, these counties have 20 percent or more of their population is Black, these counties are 20 percent or more Hispanic, the number here has increased over the past decade and then the Native Americans in blue as you can see is scattered. Now having looked at all the other maps is a clear correspondence with poverty because almost, you know, a vast majority of the Black counties have high poverty but it's not only the Black counties it's less prevalent among the Hispanic counties and actually also less prevalent among the Native American counties. So when we look at the statistics for these minority counties we see that the recession period, the last 10 or 15 years has been particularly hard on counties with high proportions of Black population. Over half of them had severe recession compared to only 10 or 15 percent of Native American or Hispanic concentration, the counties with those concentrations their average child poverty rates just, I mean, they had improvements, Black counties with Black populations, substantial Black populations had improvements in education but the proportion of children in single

family, parent families is higher than elsewhere and so is the child poverty rate. Now one question, when I was doing a practice run one question was well you know all of these things tend to go together, there's the education, there's the proportion of children in single parent families, there's manufacturing and so on, isn't this just really a problem for the Southeast, isn't that just a, and not really necessarily related to race at all but if I divide the counties up into the proportion of the counties that is Black or African American there really is a clear indication that the recession was really hard on the Black population in the South at any rate counties under, I think there are about 60 or 70 counties which is over 50 percent Black population and 82 percent of them had severe recession and so on. At the same time you can see that the Southeast in general even where the Black population was relatively low from 20 to 30 percent 35 percent of the counties had severe recession which is much higher than the rest of the country. Now while the recession outcome is kind of clear it really has affected the African American or Black population in the South the explanation is a lot less clear. I looked at apparel and it's, the apparel industry is like 75 percent of those jobs are gone, a lot of those had a lot of Black employees but also white and that's not really what caused it, some of it is out migration, a lot of the very poor counties were already losing people before the recession even started just because of the lack of opportunities to begin with, that it may be that businesses aren't really attractive to areas with low education and a high proportion of parents with single, with children in single parent families so it...and there may be more demand now for people with higher training and it could be race, there could be racial bias but we just can't tell at this moment and about recession in particular Tom Hertz and some of his co-authors wrote a report, I believe it came out last year that's ERR-172 that really looked at the recession and, recession and in particular looked at the, what happened in the Southeast so if you want more information you can look up that report. So that really concludes my presentation so what have we learned? Well manufacturing was strongly linked to... the decline in manufacturing was strongly linked to the local recession which in turn was linked to the rise in child poverty, that's one thing but also the second thing is the counties with a rising proportion of children in single parent households also experienced a severe rise in child poverty rates so you had two things going on and counties with... the third is that counties with substantial Black populations were particularly adversely affected by the recession, they had both severe recession and they had high and rising proportion of children in single parent households so some of it was just explained by those two factors and we're going to close with three kinds of unanswered questions because this is research kind of in process. One of the questions is what's behind the increase in single parent households? A lot of people point to teen pregnancy but that's actually been going down so that's not what's contributed to the rise. So what,

what, what is going on? Then the second question, what is the role of migration? I mean we know people move, poor people move, they, you have a problems of brain drain in many counties and this is kind of, this study has kind of treated the population as relatively fixed but some of the characters could have changed just due to migration and the third question which is probably, I think at the moment just the most interesting and perhaps important question is that at what level are these influences acting? You have the family level where you say children in vulnerable families with single family, with single parents who have not completed high school have a high probability of being poor but recent research is showing a community level effect which is these children in these families are more likely to be poor and more likely to have other kinds of health problems and so where in large where they're living in a, where they're living with a large population that has relatively low income where there are a lot of other children in the same situation so with...if you're poor and a child growing up with a single parent you're much better off in a middle class community where there are not many people in your situation than you are surrounded by other children with single parents and low education or at least low income, and that ends my presentation, it's drawn largely from something that came out in "Amber Waves" called "Understanding the Geography of Growth in Rural Child Poverty", I guess I dropped the "understanding" because it's clearly quite complex so thank you very much and if you have any questions I'd be glad to answer them.

Okay, just a reminder if you have questions you can submit them through the chat function and I will relay them to David. I have a first question from Maria, there's been a lot of tension, attention lately on income and inequality, how do you think that issue may relate to this one?

Well this is... both the recession and the geography of the recession and the geography of children living in single parent families clearly went to increase the problem of inequality across rural areas and within rural areas. In general areas that's had a high proportion of college graduates and relatively high income were less likely to have a recession and they were less likely to have increases in poverty or less likely to have substantial increases in poverty.

Thank you, and we have a question from Faith, if teen pregnancy doesn't seem to be the main factor in the increase in single parent families did you see that there is possibly a spike in divorces or do you have any explanation or indication why there was a, what the factor may have been for the increase in single parent families?

Well that's a good question, I think that's the next thing to look at. There are a lot of young unwed parents but often these people in the past at any rate have gotten married as they've matured and as they've started to earn money and it's possible that, that's not happening, it's possible that people are just not forming families later on the way they used to so I, that's a good question that I don't have an answer to yet.

Okay, well we have another question from Laura, she says she's from Hawaii and the cost of living is very high there, she wasn't sure whether there was no data showing that there was not an impact from the recession in Hawaii but she was wondering if you had any thoughts on that?

It didn't, I mean we had data, it didn't look like the recession really hit Hawaii. One of the things I will say about this measure as opposed to some of the new proposed measures of poverty is that it's starting to take cost of living into account so if Hawaii is very expensive it may look like people are well off but once you take into account cost of living some adjusted poverty rate may show higher economic need in Hawaii.

Thank you, and we have a question from Mary, do you have any idea why there was an improvement in educational attainment?

Well I know that, you know, nationally and locally there's been a fair emphasis on lowering dropout rates and I just have to presume that that worked, I mean that the people have stayed longer in school. Now sometimes during recession people are

since there's no opportunity in the labor market people stay in school longer so it's possible that their education went up in part because of the recession itself.

Okay, well we have one more question, the recovery from the general recession supposedly began sometime in 2009 it appears that the recession persisted in rural areas, is that the case or was it hard to tell based on the types of data that you had to work with?

Well on our website we have a graph of employment change in rural areas and you can really see that the improvement in employment situations started in metropolitan areas it wasn't actually until 2014 that employment began to grow substantially in rural areas and we don't really know yet, we don't have information on, you know, whether that was manufacturing coming back or health services or what the source of that gain was.

Okay I think that's all the time we have for questions, David thank you very much...

Well thank you for listening.

...and thank you for joining us everyone and have a wonderful day. We will also be just letting you know this has been recorded and we will put it up on our website when we have it thank you.