

Poverty and Well-Being in Rural America

Four aspects of rural poverty and well-being are discussed and compared with urban America: The rural poverty rate, the socioeconomic well-being of rural children, levels of food security in rural households, and housing problems in rural America.

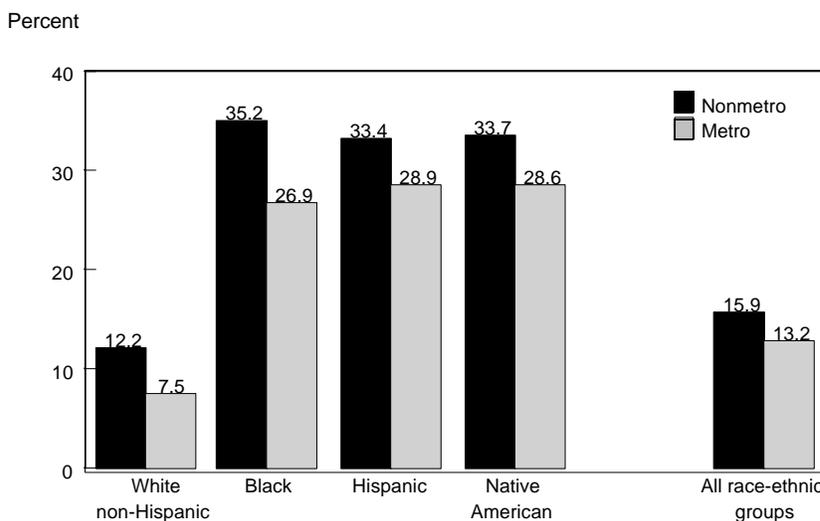
Rural Poverty Rate

In 1996 the poverty rate in rural America was 15.9 percent, essentially unchanged from 1995. The urban poverty rate in 1996 was 13.2 percent. The rural poverty rate varied by only 1.6 percentage points in the last 8 years.

Poverty rates among rural minorities were nearly three times as high as for rural Whites and substantially higher than those of urban minorities (figure). The poverty rate was highest for rural Blacks, followed by rural Native Americans and rural Hispanics. Poverty rates were higher for female-headed families than for other household types, and rural Blacks and Native Americans had higher percentages of households headed by a female than did rural Whites. Rural minorities had, on average, less education than rural Whites, and education was a strong predictor of income. Even for people with similar education in households of the same type, poverty rates for rural minorities were about twice those of non-Hispanic Whites. Differences also may be caused by discrimination in employment and wages and concentrations of minorities in areas that are unable to attract high-wage employers.

Poverty rates, by race/ethnicity and residence, 1996

Poverty rates are highest for rural minorities, nearly three times those of Whites and substantially higher than those of urban minorities.



Source: Calculated by ERS using data from the March 1997 Current Population Survey.

In 1996, 3.2 million rural children under the age of 18 lived in families with income below the poverty level. While the poverty rate for all rural children was 22.4 percent, the rates for rural Black children and for rural Hispanic children were twice as high: 46.2 and 41.2 percent, respectively. Most rural poor children (61.9 percent) lived in single-parent families, and the poverty rate for these families was 47.3 percent, compared with 12 percent for rural children in two-parent families. More than half of the rural poor lived in families headed by single women (or were women living alone).

Almost two-thirds of rural poor people lived in families with at least one working member or, if they lived alone, were themselves employed. Among rural households with full-time workers, the poverty rate was 5.0 percent.

Rural poverty rates were highest in the South and West (18.7 and 18.4 percent, respectively); over half of the rural poor (51.6 percent) lived in the South. The Northeast was the only region where the poverty rate was higher for urban areas than for rural areas.

The Socioeconomic Well-Being of Rural Children

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires that the U.S. Bureau of the Census provide each State with a current annual estimate of the poverty rate for its children less than 6 years old. If the rate has increased by more than 5 percent over the previous year's rate and that increase is attributable to the effects of welfare reform, the State must submit a corrective action plan.

A comparison of urban and rural children shows marked differences in their socioeconomic well-being, region of residence, and racial/ethnic background. There was, however, considerable similarity in their age, family structure, parental education, and absence of a wage earner. The poverty rate for all urban and rural children was highest in the South and West—about 25 percent in both regions for urban children and about 30 percent in both regions for rural children. Although rural children were less likely to be minorities than were urban children (24 and 38 percent, respectively), poverty rates remain much higher for rural minority children than for rural White children.

Rural minority children tended to be concentrated in two regions. About 89 percent of rural Black children lived in the South, and 45 percent of Native American children lived in the West. Rural Hispanic children resided mostly in two regions—the South (47 percent) and the West (44 percent). Over one-half of rural Black children living in the South were poor.

The poverty rate for children in families with no earners was higher for urban children (92 percent) than for rural children (87 percent). Rural minority children more often lived in families with no earners than did rural White children: White, 5 percent; Black, 19 percent; Hispanic, 8 percent; and Native American, 12 percent.

Social welfare programs contribute to children's well-being by providing cash or in-kind assistance to needy families. In 1996, 1.2 million rural children lived in families participating in Aid to Families with Dependent Children (AFDC), which was replaced by the Temporary Assistance to Needy Families (TANF) program. TANF provides time-limited

Percentage of households experiencing food insecurity, 1995

Levels of food insecurity were very similar in rural and urban households; food insecurity was most prevalent among racial and ethnic minorities and in single-parent families with children.

Category	Nonmetro	Metro	U.S. total
<i>Percentage of households</i>			
All households	12.2	11.9	11.9
Census region			
Northeast	9.7	10.4	10.3
Midwest	10.3	10.8	10.6
South	13.3	12.3	12.5
West	14.9	13.6	13.8
Race and ethnicity (of household head)			
White non-Hispanic	10.3	8.1	8.7
Black	28.3	23.5	24.2
Hispanic	21.3	26.2	25.7
Household structure			
Two-parent families with children	12.9	11.1	11.5
Single-parent families with children	32.8	32.2	32.3
Multiple-adult households, no children	6.9	6.3	6.4
Single men living alone	13.3	12.9	13.0
Single women living alone	10.2	11.4	11.1
<i>Percentage of persons¹</i>			
Age			
0-17	20.4	19.7	19.8
18-64	12.9	11.9	12.1
65 and over	5.5	5.5	5.5

¹Food security is determined at the household level. In the age breakdown, the numbers represent the percentage of persons in each age category living in households classified as food insecure. Source: Prepared by ERS using data from the Current Population Survey Food Security Supplement, April 1995.

benefits to needy families, mostly headed by single parents, and provides assistance in finding employment for the parents.

Changes in the TANF program will trigger changes in the Food Stamp Program, a program with much higher child participation rates than AFDC. Among the most important changes that affect children are the reduction of food

stamp benefits from 103 to 100 percent of the Thrifty Food Plan and the restriction of food stamp eligibility for many legal immigrants. These changes could affect 2.8 million or 20 percent of rural children.

Families of rural minority children rely more on government assistance programs than do families of rural White children. Forty-five percent of rural Black children,

36 percent of Native American children, and 29 percent of Hispanic children lived in families that received food stamps, compared with 14 percent of rural White children. Also, 15 percent of rural Black and Native American children lived in families that participated in the housing subsidy program that helps needy families pay their rent, compared with 5 percent of rural White children.

Levels of Food Insecurity in Rural Households

USDA's food assistance programs are intended not only to prevent hunger, but also to ensure that all citizens—especially all children—have regular access to the quantity and quality of food needed for an active, healthy life. USDA and the Department of Health and Human Services have developed a survey to monitor food insecurity and hunger in the United States. Households are said to be food insecure when they do not have assured access, in socially acceptable ways, to enough food for an active, healthy life.

During the year prior to April 1995, only 12 percent of rural and urban households could be classified as food insecure (table). Within urban areas, food security was more prevalent in central cities (16.1 percent) than in suburban areas (9.5 percent). Regionally, food insecurity was highest in the rural West (14.9 percent) and lowest in the rural Northeast (9.7 percent). Rural-urban differences were not substantial in any region.

Overall, food insecurity was much more prevalent among Blacks (24.2 percent) and Hispanics (25.7 percent) than among Whites (8.7 percent). The household type that experienced the highest rates of food insecurity was the single-parent family: nearly one-third of these families

were classified as food insecure. The lowest rates of food insecurity were observed in multiple-adult, no-children, households—6.4 percent. Among those living alone, food insecurity was more prevalent among men than among women, even though the poverty rate for women living alone was substantially higher than that for men living alone.

Hunger in the United States is intermittent and often hidden. However, one or more household members experienced repeated, poverty-related hunger in 4.1 percent of U.S. households. More than 10 percent for rural Blacks as well as single-parent families with children in both rural and urban areas experienced hunger.

Less than 1 percent of households experienced what is characterized as severe hunger: adults going whole days without eating, reducing the size of children's meals, and children being hungry because there is not enough money to buy food. Estimating the percentage of children who experience poverty-related hunger is indirect and uncertain, and the quality of children's diets is often reduced even in households in which adult hunger is less severe.

Housing Problems in Rural America

Recent changes in Federal housing programs have added flexibility, increased the role of State and local governments, and emphasized the inclusion of segments of the population and geographic areas that were deemed underserved by existing housing and home mortgage markets. Public policy is clearly geared toward promoting greater homeownership, as demonstrated by government tax policies and program initiatives. The rate of homeownership is at an all-time

high, with nearly two-thirds of all U.S. households and three-fourths of rural households owning their home in 1995.

In the first quarter of 1998 U.S. median household income was 34 percent more than needed to afford the median-priced home. According to this widely used indicator, housing has not been so affordable since 1973.

In 1995 homeownership was higher among nonmetro than among metro households for each of the population groups. Ownership was the dominant pattern for all nonmetro groups but not for metro Black, Hispanic, or poor households. Whereas nearly 80 percent of nonpoor White households in nonmetro areas owned their home, comparable figures for Hispanic and Black households were only 62 and 68 percent, respectively.

Housing that lacks complete plumbing facilities for the exclusive use of residents was a problem in 1995 for less than 2 percent of U.S. households. In 1960, 30 percent of nonmetro and 7 percent of metro homes lacked complete plumbing facilities. Housing expenses were more of an urban than a rural problem for all the population groups considered. As expected, excessive housing expenses were mostly a problem for the poor. Over 2 percent of nonmetro households had housing expenses that consumed over half the household's income.

Homeownership rates among the 65-and-older population were 84 percent in nonmetro and 76 percent in metro areas—well above the overall levels in 1995. The median home equity of elderly nonmetro homeowners was over \$60,000, because more than 85 percent owned their home free and clear of mortgage debt.

Source: *Rural Conditions and Trends*, 1998, 9(2):81-101.