Factors Affecting High Child Poverty in the Rural South

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Child poverty in the 1990's remained high, especially in the rural South. In 1998, the poverty rate for children in the rural South was nearly 27 percent, compared with 17 percent for rural children in the rest of the Nation. A higher proportion of poor children in the rural South are in severe poverty, a level of family income under 50 percent of the poverty level. Poor children are more likely to live in mother-only families, to be Black, and to have parents who are younger, less educated, and not employed. The composition of the rural South's population contributes to the region's high child poverty.

Poverty remains a persistent problem in the rural South. Although poverty exists throughout the United States, the rural South has a higher poverty rate than any other region. Over half of rural poor children reside in the South and this number has remained large despite several years of economic expansion. In 1990, the poverty rate for children in the rural South was 29 percent, compared with 19 percent for rural children in the rest of the Nation. By 1998, the poverty rate for children had dropped only 2 percentage points, to 27 percent in the rural South and 17 percent in rural areas in the rest of the Nation (fig. 1). Child poverty rates are even higher than rates for the general population; in 1998, 14 percent of the total population in the South was poor (and 13 percent of the Nation as a whole). With child poverty remaining high throughout the 1990's, especially in rural areas of the South, it is critical to identify those children in need of assistance who may fall through the safety net.

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The South's population grew nearly 12 percent between 1990 and 1998, and over half of that growth occurred among minority populations (Murdock and others). Recent demographic changes in the rural South, such as greater racial and ethnic diversity and more mother-only families, place children at greater risk of poverty (Beaulieu). Poverty rates are much higher among rural Blacks in the South as well as among children living in mother-only families. National economic prosperity, however, has also reduced the risk of poverty. The social and economic costs of child poverty are high, and understanding the nature of child poverty in the South is important for local community planning and public policy. In light of recent changes in the welfare system, States and local communities have increased responsibility to address the economic well-being of poor children and develop policies and programs to assist them.

This article examines the poverty status of children in the rural South, and explores why its character and magnitude continue to be distinct in relation to the rest of the Nation. The aim is to show how child poverty is affected by demographic characteristics, family circumstances, characteristics of the parents, and rural-urban residence and region. This analysis will (1) compare poverty rates of children in terms of demographic characteristics of the child and the family's social and economic circumstances; (2) examine the character of poverty by measuring the proportions of the child population who are near-poor and extremely poor; and (3) determine what factors are most important in affecting child poverty in the rural South and the rest of the Nation. This profile of child poverty underscores the need to examine the family context as well as the influence of parental education and employment on children's economic well-being. The data are from the March 1999 Current Population Survey data files.

Child Poverty Rates Remain High, Especially in Rural Areas

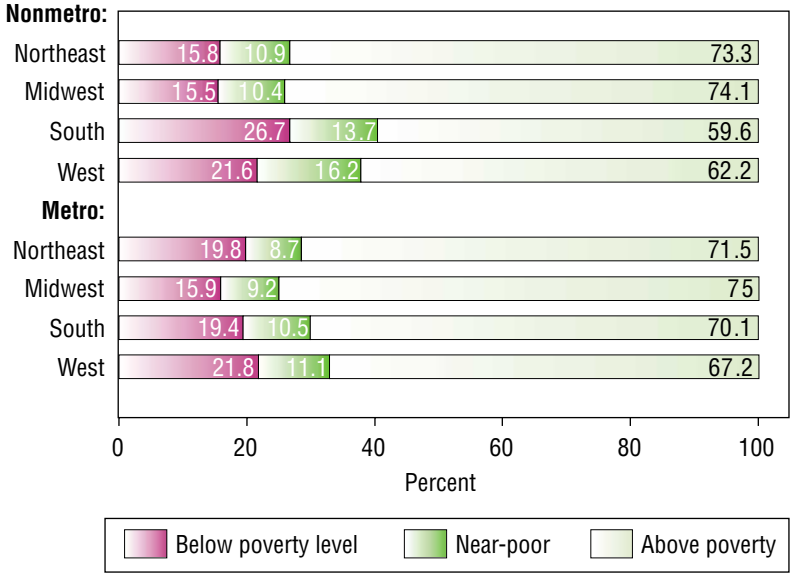
Many factors contribute to child poverty rates, including the reduced earnings of mothers as they work fewer hours to accommodate the presence of children, the assumption of greater household needs when children are present, and the explicit raising of the poverty threshold as family size increases, with fewer per-child resources available in larger families. Child poverty has historically been higher in rural areas than in urban areas, especially in the South. In 1970, the child poverty rate was 12 percent in metro areas and 20 percent in nonmetro areas. In the early 1970's, poverty rates for children by metro-nonmetro residence began to converge, but by the late 1970's, poverty rates increased in both metro and nonmetro areas, and the residential gap in poverty widened. The recessions of the early 1980's pushed poverty rates up, and the slower economic recovery in nonmetro areas delayed improvement in poverty conditions. After 1983, metro poverty rates declined, but nonmetro rates remained high.

During the 1990's, the nonmetro child poverty rate continued to exceed the metro rate. In the early 1990's, the poverty rates for children in both metro and nonmetro areas rose slightly in response to the economic recession, peaking in 1993 at 22 percent in metro areas and 24 percent in nonmetro areas (Rogers and Dagata). Beginning in 1994, the metro child poverty rate dropped slightly, declining to 19 percent in 1998. The nonmetro child poverty rate also declined, ending up at 21 percent in 1998. In 1990, the child poverty rate in the rural South was 29 percent and 19 percent in rural areas outside the South. By 1998, these rates had declined only 2 percentage points.

Figure 1

Poverty status of children by region and metro-nonmetro residence, 1998

The nonmetro South has the Nation's highest child poverty rate.



Note: Near-poor is an income of 100-149 percent of poverty level.
Source: Calculated by ERS from the March 1999 Current Population Survey (CPS).

Child Poverty Is Higher in the South Than in Other Regions

Child poverty is more pervasive in the rural South than in other rural areas. In 1998, over half of rural poor children resided in the South. Poverty rates are lowest for children in the Northeast and Midwest (fig. 1). While rural poor children are concentrated in the South, child poverty in urban areas is more evenly spread among the four regions of the United States.

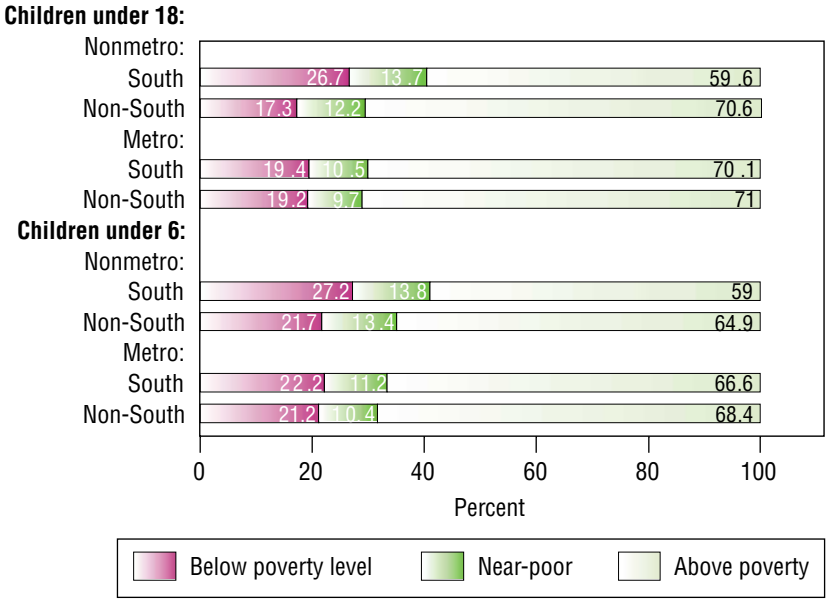
Many Southern children are also near-poor, in families with total incomes 100-149 percent of the official poverty level. In nonmetro areas, 14 percent of children in the South fall into this category, compared with 12 percent in the rest of the country. The financial standing of the near-poor is precarious at best, but because they are above the level of poverty, the near-poor are extremely vulnerable to losing out on various governmental assistance programs. On the other hand, near-poor children may benefit from expansion of programs such as the Earned Income Tax Credit (EITC).

Almost one-half of poor children, regardless of residence, lived in severe poverty, with family incomes less than 50 percent of the poverty level. Urban children had lower overall poverty rates, but those who were poor were in deeper poverty. Among poor urban children, 47 percent in the South and 42 percent outside the South were in severe poverty, while 41 percent of poor children in the rural South and 33 percent in rural areas outside the South were severely poor. Children in the rural South are more likely to be in severe poverty

Figure 2

Poverty status of children by age, region, and residence, 1998

Older children generally have lower poverty rates than very young children.



Note: Near-poor is an income of 100-149 percent of poverty level.
Source: Calculated by ERS from the March 1999 Current Population Survey (CPS).

if they are under age 6, Black, or in mother-only families.

Rural children under 6 in the South had a poverty rate of 27 percent, essentially the same as the rate for rural children under 18 in the South. However, the poverty rate for children under 6 is higher than for children under 18 in metro areas and in rural areas outside the South (fig. 2). Because younger children are more likely to be near-poor and their parents may be more prone to spells of unemployment due to their younger age and less experience in the labor force, these younger children are at greater risk of falling into poverty than are older children. In rural areas, poverty rates are lowest for older children age 12-17. One-quarter of rural children age 12-17 in the South were below the poverty line in 1998, compared with 14 percent outside the South. At each age group—children under 6, 6 to 11, and 12 to 17—poverty rates in the South are consistently higher than outside the South.

How Do Poverty Rates Differ by Demographic and Family Characteristics of Children?

Both race and ethnicity affect a child's poverty status. In general, minorities are more likely to be poor than White children. The 41-percent poverty rate for rural Black children in the South compares with a rate of 21 percent for White children (fig. 3). A similar racial pattern is seen in rural areas outside the South, though the poverty rates are lower. In the metro South, Black children are more likely to be poor than their White counterparts, though their poverty rate is lower than that for rural Black children in the South. A larger proportion of the child population in the South is Black, a factor that contributes to the region's higher poverty. Since a higher proportion of Blacks reside in metro areas than in nonmetro areas, the gap between metro and nonmetro poverty rates would most likely be even larger without the difference in racial composition.

Despite their higher poverty rate, nonmetro Black children do not make up the majority of nonmetro poor children. In the rural South, 39 percent of poor children were Black and 58 percent were White, with marginal percentages being American Indian and Asian (table 1). Blacks comprise a much smaller proportion of the population in rural areas outside the South.

Like Black children, Hispanic children had higher poverty rates than non-Hispanic Whites. Hispanic children are over-represented in the count of poor children relative to their share in the general population, and they had a higher poverty rate in the rural South (38 percent) than in rural areas outside the South (30 percent) and in the metro South (33 percent).

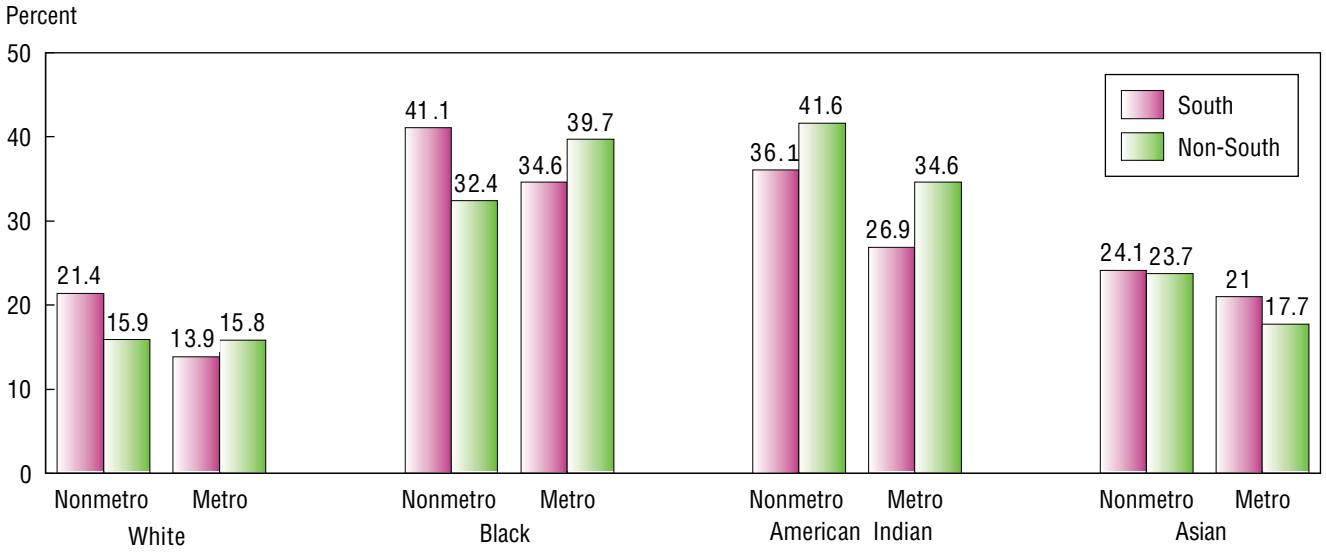
Family structure has an enormous impact on the well-being of children. Children in mother-only families are more likely than children in two-parent families to live in poverty. In these families, there is only one parent to generate income and even that effort is constrained by child care arrangements. In the South, 50 percent of rural children and 43 percent of urban children who lived in mother-only families were poor (fig. 4). Outside the South, about 45 percent of children in mother-only families were poor.

Although rural children in the South have higher poverty rates than urban children in the South, rural poor children are less likely than urban poor children to live in

Figure 3

Poverty rates for children by race, region, and residence, 1998

Black children's poverty rates are at least twice the rates for White children.

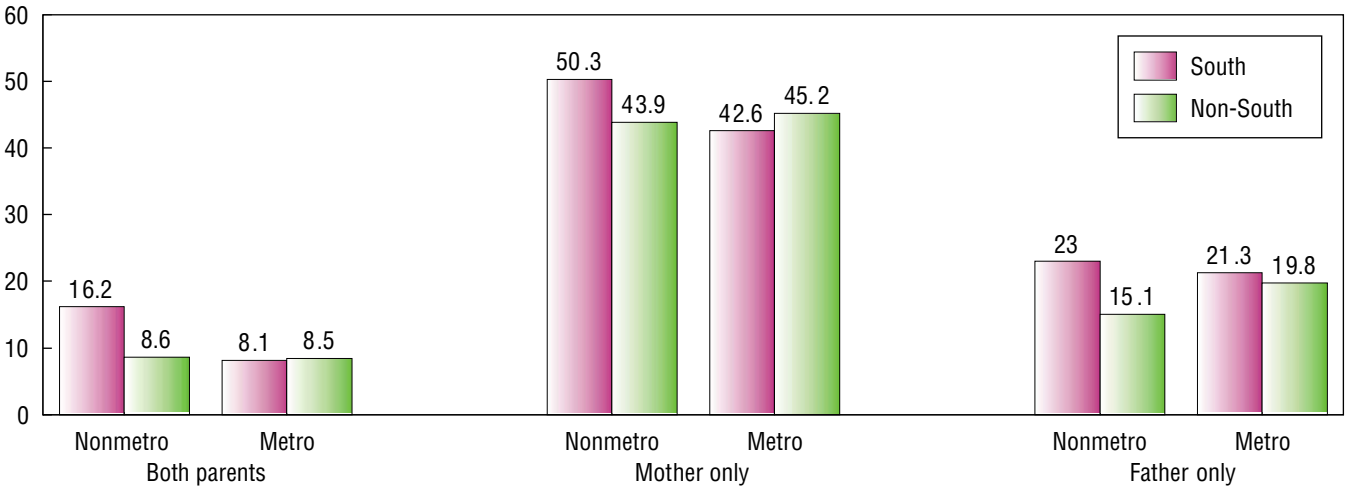


Source: Calculated by ERS from the March 1999 Current Population Survey (CPS).

Figure 4

Poverty rates for children by family living arrangements, region, and residence, 1998

Half of all nonmetro southern children in mother-only families are poor.



Source: Calculated by ERS from the March 1999 Current Population Survey (CPS).

mother-only families (table 1). Just over half of rural poor children in the South lived in mother-only families, versus 55 percent of rural poor children outside the South, and 64 percent of poor children in the urban South. Children residing outside the South are more likely to be in two-parent families than in mother-only families, a factor that contributes to higher poverty in the South.

Another facet of family living arrangements that affects children's economic well-being is whether they live in the primary family or a subfamily. Poverty was lower for children living in the primary family than for those in either related or unrelated subfamilies. This is not surprising since subfamilies are

Table 1

Total child population and poor child population, by region, residence, and selected characteristics, 1998

Among poor children in the rural South, a majority are in mother-only families, are White, non-Hispanic, and have employed parents.

	Rural				Urban			
	South		Outside South		South		Outside South	
Characteristic	Percent of total	Percent of poor	Percent of total	Percent of poor	Percent of total	Percent of poor	Percent of total	Percent of poor
Child's age:								
< 6	29.8	30.3	30.4	38.1	33.5	38.4	33.5	36.8
6-11	33.5	34.9	34.3	33.1	33.7	33.9	34.4	36.3
12-17	36.7	34.8	35.3	28.8	32.7	27.6	32.2	26.9
Living arrangements:								
Both parents	70.2	45.1	74.3	39.9	68.9	31.3	71.4	33.8
Mother only	25.5	51.0	19.9	54.6	26.8	63.6	24.2	61.3
Father only	4.3	3.9	5.8	5.5	4.3	5.1	4.4	4.8
Subfamily:								
Primary family	90.8	85.8	96.0	92.1	93.7	91.6	94.2	91.6
Related subfamily	8.5	13.0	2.5	2.2	5.5	6.3	4.8	5.6
Unrelated subfamily	0.7	1.2	1.6	5.7	0.8	2.1	1.0	2.8
Race:								
White	71.9	57.5	93.3	86.0	71.1	51.0	79.8	65.4
Black	25.5	39.2	1.9	3.5	25.0	44.6	13.2	27.4
Native American	2.1	2.8	3.7	8.9	0.6	0.8	0.9	1.6
Asian	0.5	0.5	1.2	1.6	3.3	3.6	6.1	5.6
Hispanic:								
Non-Hispanic	90.6	86.8	93.8	89.5	83.7	72.8	81.0	64.3
Hispanic	9.1	13.0	6.0	10.3	15.8	26.8	18.6	35.3
Parent's age:								
18-29	20.0	27.7	15.8	33.4	17.3	33.2	15.5	30.2
30-44	62.5	58.7	66.1	56.0	63.7	55.2	65.0	57.9
45 and older	17.4	13.7	18.2	10.6	19.0	11.5	19.5	11.9
Parent's education:								
Less than high school	24.8	47.2	12.2	25.1	15.9	41.4	17.6	45.7
High school graduate	38.8	38.6	39.3	44.3	30.6	37.9	28.8	32.6
College +	36.4	14.2	48.7	30.5	53.5	20.8	53.6	21.7
Parent's labor force status:								
Employed	75.6	53.8	82.9	63.3	80.3	54.1	78.5	48.2
Unemployed	4.1	9.3	4.8	10.4	3.5	9.4	4.0	10.9
Not in labor force	20.3	36.9	12.3	26.3	16.2	36.5	17.6	40.9
Parent's part-time status:								
Full-time	79.6	61.9	81.9	59.6	82.1	59.6	81.1	65.2
Part-time	20.4	38.1	18.1	40.4	17.9	40.4	18.9	34.8
Parent's earning status:								
Earner	80.5	60.0	90.1	76.5	86.9	68.4	84.5	58.4
Nonearner	19.5	40.0	9.9	23.5	13.1	31.6	15.5	41.6

Source: March 1999 Current Population Survey (CPS).

usually formed because of financial difficulties that can be lessened by living with and sharing resources with another family. In the rural South, children were more likely to be in subfamilies than children in the rest of the United States, and subfamilies tend to have higher poverty than primary families.

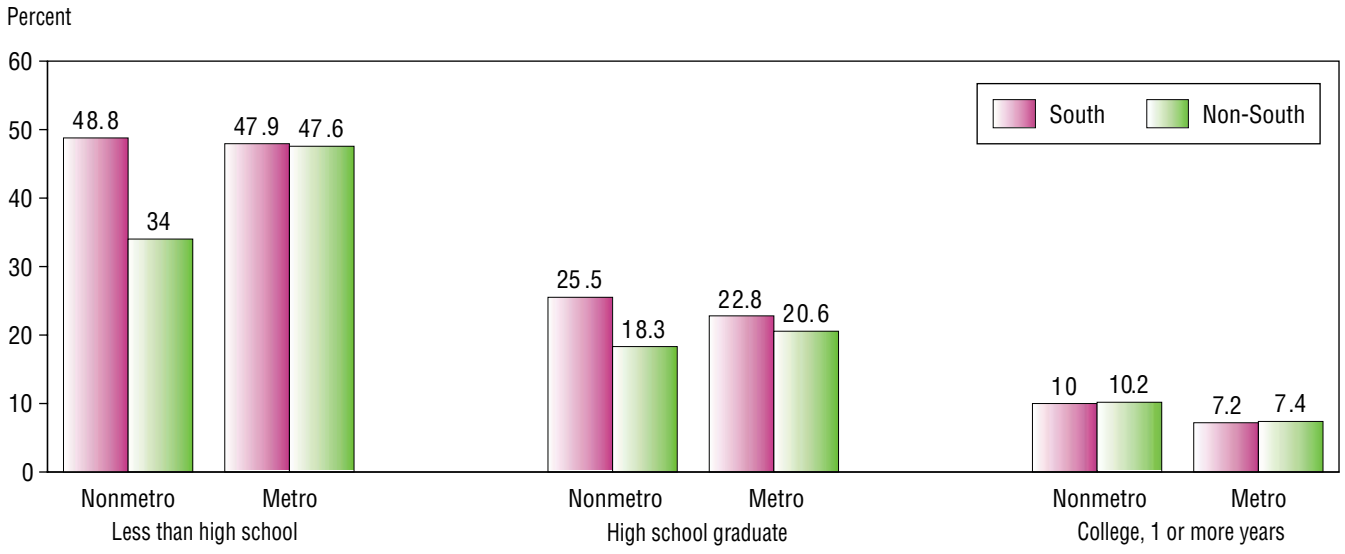
Children With Younger and Less-Educated Parents Are More Likely To Be Poor

Poverty rates are highest for children whose parents are under age 30. In 1998, the poverty rate for nonmetro children in the South with a parent under age 30 was 35 percent, a rate similar to that of young parents nationally. Children with younger parents comprise a disproportionate share of the population of poor children. While 28 percent of poor children in the rural South had parents under age 30, only 20 percent of all rural southern children had young parents. In contrast, lower poverty rates are found for children with older parents; in the rural South, the poverty rate was 24 percent for children with a parent age 30-44 and 20 percent for children with a parent age 45 and older. The lowest poverty rates occur among children with parents age 45 and older, a period when most adults are established in their careers and in their peak earning years. While metro areas showed a similar pattern in poverty rates by parental age, nonmetro areas showed that poverty rates for children with parents age 30 and older were substantially higher in the South.

Children in families with a parent who did not complete high school were worse off economically than children with more educated parents. Poverty rates for children whose parents had not completed high school were 49 percent in the rural South in 1998, compared with 48 percent in metro areas and only 34 percent in rural areas outside the South (fig. 5). A disproportionate share of poor children had parents with less than a high school education than in the general population. In the rural South, 47 percent of poor children had parents with less than a high school education, compared with 25 percent of all rural children in the South (table 1).

Parents of urban children are better educated than rural parents, especially those in the rural South, with a greater share of urban parents having completed at least 1 year of college. For children whose parents had completed at least 1 year of college, the poverty rate was 10 percent in rural areas and 7 percent in urban areas (fig. 5). Parental age and educational attainment interact, as younger parents are more likely to have interrupted their high school or college educations due to early childbearing. Highly educated parents are more marketable in the labor force and better able to provide an economically secure environment for their children than less educated parents.

Figure 5
Poverty rates for children by parent's education, region, and residence, 1998
The highest poverty rates occurred for children whose parents had not completed high school.

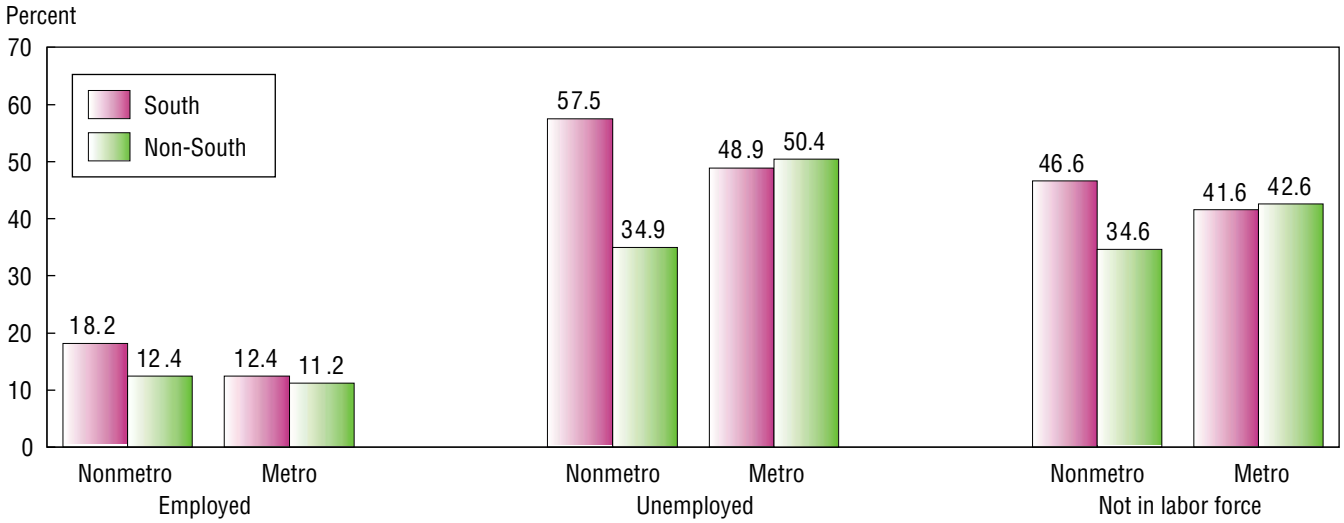


Source: Calculated by ERS from the March 1999 Current Population Survey (CPS).

Figure 6

Poverty rates for children by parent's labor force status, region, and residence, 1998

Nonmetro southern children have higher poverty rates than other children regardless of parent's labor force status.



Source: Calculated by ERS from the March 1999 Current Population Survey (CPS).

Employment Status of Parents Affects Children's Poverty

Children of employed parents have a clear financial advantage. Regardless of region, poverty rates are highest for children whose parents are unemployed, not in the labor force, or employed part-time. While 18 percent of rural children in the South with employed parents were poor, 58 percent whose parents were unemployed were poor (fig. 6). For children whose parents were unemployed, metro poverty rates approached those of the rural South (nearly 50 percent), while rates in rural areas outside the South were considerably lower (35 percent). For children whose parents worked part-time, poverty rates were higher in the rural South (34 percent) than in rural areas outside the South (28 percent), metro areas in the South (28 percent), and metro areas outside the South (21 percent). With higher unemployment in nonmetro areas, many workers and their families may experience periods of poverty.

The poverty rate for rural children whose parents were without earnings in 1998 was 53 percent in the South and 38 percent outside the South, compared with 19 percent in the South and 14 percent outside the South for children whose parents had earnings. Rural children with parents who had no earnings comprised 19 percent of the child population in the South, but 40 percent of rural poor children in the South (table 1).

What Factors Are Important in Determining Child Poverty?

To determine the independent effect of each factor—demographic characteristics, family circumstances, and parental characteristics—on the likelihood of a child being poor, logistic regression was performed. The model included the child's age, race, and Hispanic origin; family structure and subfamily status; parental age, educational attainment, labor force status, and earning status; and metro-nonmetro residence and South/non-South residence.

The regression results confirmed the descriptive analyses presented earlier in the article. Younger children (under age 12) have an increased chance of being poor compared with children 12-17. Black children and other minority children had a greater chance of being poor relative to White children. For example, the probability of being poor for a Black child, age 12-17, in a mother-only family, with a parent age 30-44, a high school graduate, and employed, and residing in the rural South is 0.58. Because the probability is greater than 0.5, we can predict that the child will fall below the poverty line. When the child is White and all other variables remain the same, the probability decreases to 0.37 that the child will be below the poverty level.

Children living with their mother only or father only also had an increased chance of being poor compared with children in two-

parent families. If the Black child above lives with both parents (versus mother-only), the probability of being below the poverty level drops to 0.17. Children in related subfamilies had a decreased chance of being poor compared with those in primary families, while children in unrelated subfamilies had an increased chance of being poor. This is not surprising since children in related subfamilies likely share economic resources with their relatives in the primary family.

Children with parents age 30 and older had a decreased chance of being poor compared with parents under age 30. And children whose parents had less than a high school education had a higher risk of being poor than children of better educated parents. If the Black child cited earlier (age 12-17, in a mother-only family, with a parent employed, and residing in the rural South) now has a parent under 30 and not a high school graduate, the probability of being poor jumps from 0.58 to 0.84, a very likely event.

Children with employed parents had a decreased chance of being poor compared with children whose parents were not in the labor force, while children of unemployed parents had an increased chance of being poor compared with those not in the labor force. Not surprisingly, children whose parents had no earnings had an increased chance of being poor in relation to children whose parents had earnings.

Once demographic, family, and parental characteristics are taken into account, do residence and region have an impact on child poverty? Metro-nonmetro residence has a significant effect; nonmetro residence increases the chance of being poor. Changing only the residence variable of the above child from rural to urban, the probability of being poor drops from 0.58 to 0.47. In this case, urban residence reduces the likelihood of the child's being poor.

On the other hand, South/non-South residence was the one variable in the regression that did not have a significant effect on child poverty. By changing only the region variable in the above example, the probability of a child being below the poverty line remains essentially the same (from 0.58 to 0.57). This may seem surprising since child poverty rates in the South are higher than outside the South. The logistic regression, however, indicates that it is not residence in the South but the composition and characteristics of the rural Southern population that affect child poverty. The rural South is more likely to be comprised of children and families with the characteristics that increase the likelihood of experiencing child poverty.

Profile of Children in the Rural South—Why Is Poverty So High?

Why are child poverty rates higher in the rural South than in the rest of the country? The factors associated with child poverty include being younger than age 6; living in a mother-only family; being Black or Hispanic; having parents under age 30, with less than a high school education, unemployed, and without earnings; and residing in a rural area. Most but not all of these factors are more prevalent in the rural South than in other regions.

The rural South does not have a younger age distribution of children than the urban South; urban areas had a somewhat younger child population. By all other measures, however, the rural South is at a disadvantage. Children outside the South were more likely to be in two-parent families and less likely to be in mother-only families than children in the South. In the rural South, children were just as likely to be in mother-only families (26 percent) as in the urban South (27 percent), but much more likely than in rural areas outside the South (20 percent).

A larger proportion of the child population in the South is Black. In the rural South, 26 percent of children were Black, as were 25 percent in the urban South and only 2 percent in rural areas outside the South.

Children in the rural South are more likely to have younger and less educated parents; 20 percent had parents under age 30, compared with 17 percent in the urban South and 16 percent in rural areas outside the South. Likewise, 25 percent of rural Southern children had parents with less than a high school education. In the urban South, 16 percent of children had parents with less than a high school education, versus 12 percent of rural children outside the South. Just 36 percent of children in the rural South had parents with some college training, compared with 54 percent in the urban South and 49 percent in rural areas outside the South.

Because poor children's parents tend to be younger and less educated than nonpoor parents, they are also less likely to be employed and more likely to be earning a lower wage. The rural South had a lower share of children with employed parents (76 percent) than in rural areas outside the South (83 percent), and a higher share not in the labor force (20 percent versus 12 percent).

Finally, children in the rural South are more likely to have parents without earnings (20 percent) than those in rural areas outside the South (10 percent) or in the metro South (13 percent). On all factors associated with child poverty, except the age of the child, the rural South has a disproportionate share of the population. Hence, one possible explanation for the rural South's higher poverty rates is based on differences in the composition of the child population by residence and region.

Future Challenges for Child Poverty in the Rural South

It appears that the effect of residence in the rural South on child poverty is an indirect one, through the composition and characteristics of the population residing in the rural South. The rural South has a larger share of children in mother-only families, who are Black, who have parents under age 30, and whose parents are less educated, unemployed, and without earnings. Younger, less-educated parents tend to be in lower paying jobs or to not be working at all.

High child poverty draws attention to the large number of children who are economically vulnerable. Many of these children may also be disadvantaged in terms of health and health care, nutritional adequacy, and educational skills. Poverty and disadvantage often lead, in turn, to lost educational and career opportunities as adults. With the transition from AFDC to Temporary Assistance for Needy Families (TANF), cuts in food stamps, and the introduction of work requirements and time limits under welfare reform, child poverty rates were expected to climb higher in future years (Courtney). Although this has not happened yet, there is still cause for concern because some participants have been eliminated from receiving any assistance and, for families who do receive assistance, many are receiving less than under pre-reform programs.

The high concentration of workers in low-wage jobs, large minority populations, and high levels of unemployment have resulted in the rural South's heavy dependence on public assistance programs. Even with recent increases in educational attainment and growth in employment, the rural South continues to lag the rest of the Nation on these measures (Zimmerman and Garkovich). The rural South has higher unemployment and more working-poor families, which places children in such families at greater risk of poverty. Furthermore, recent demographic changes in the rural South and the Nation, particularly the greater racial and ethnic diversity and the increase in mother-only families, imply changing demands for services such as child care and more convenience-services (such as prepared meals and dry-cleaning services) for working parents.

Understanding the impact of parental education, employment, and family economic resources on child poverty in the rural South is important in planning welfare and program assistance such as food stamps, free lunch programs, and health insurance coverage. Working parents must have sufficient work supports such as access to child care providers and transportation in rural areas. Child poverty is an important problem facing the rural South and how this problem is dealt with will have far-reaching implications for family and child well-being. RA

For Further Reading . . .

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