



THE STATE OF POVERTY

A VIEW OF THE NORTH CENTRAL REGION OF THE U.S.

PURDUE
EXTENSION

North Central Cooperative Extension Association Annual Meeting – October 5-7, 2016 – Indianapolis, IN



1. What is the current poverty line for a family of four (two parents & 2 related kids under 18 years old)?

2. What percent of counties in the North Central Region have child poverty rates of 20% or more?

3. The overall poverty rate in the U.S. is increasing.

YES, NO, DON'T KNOW

HOW MUCH DO YOU KNOW ABOUT POVERTY? A BRIEF TEST

POVERTY: IMPORTANT DEFINITIONS



Persistent Poverty



Counties with 20% or more of their population living in poverty **over the past 3+ decades** (i.e., 1980, 1990, 2000, and the 2007-11 five-year estimates).



High Poverty



Counties with 20% or more of their population living in poverty **at a given point in time** (such as 2000 or 2010).



Child Poverty



The **proportion of children** (under 18 years old) living in families whose money income fell below the poverty threshold.

HOW POVERTY IS MEASURED

- Determined by comparing **pre-tax cash income** against a threshold that is set at three times the cost of a minimum food diet in 1963, updated annually for inflation using the Consumer Price Index (CPI).
- The threshold is adjusted for family size, composition, and age of householder.
- "Family" is defined as persons living together who are related by birth, marriage, or adoption.
- Thresholds do not vary geographically.

Source: Institute for Research on Poverty, U of Wisconsin - Madison



PRE-TAX CASH INCOME?



INCLUDES

- Earnings
- Capital Incomes
- Cash Transfer Payments
- Social Security, SSI, SSDI, TANF

DOES NOT INCLUDE

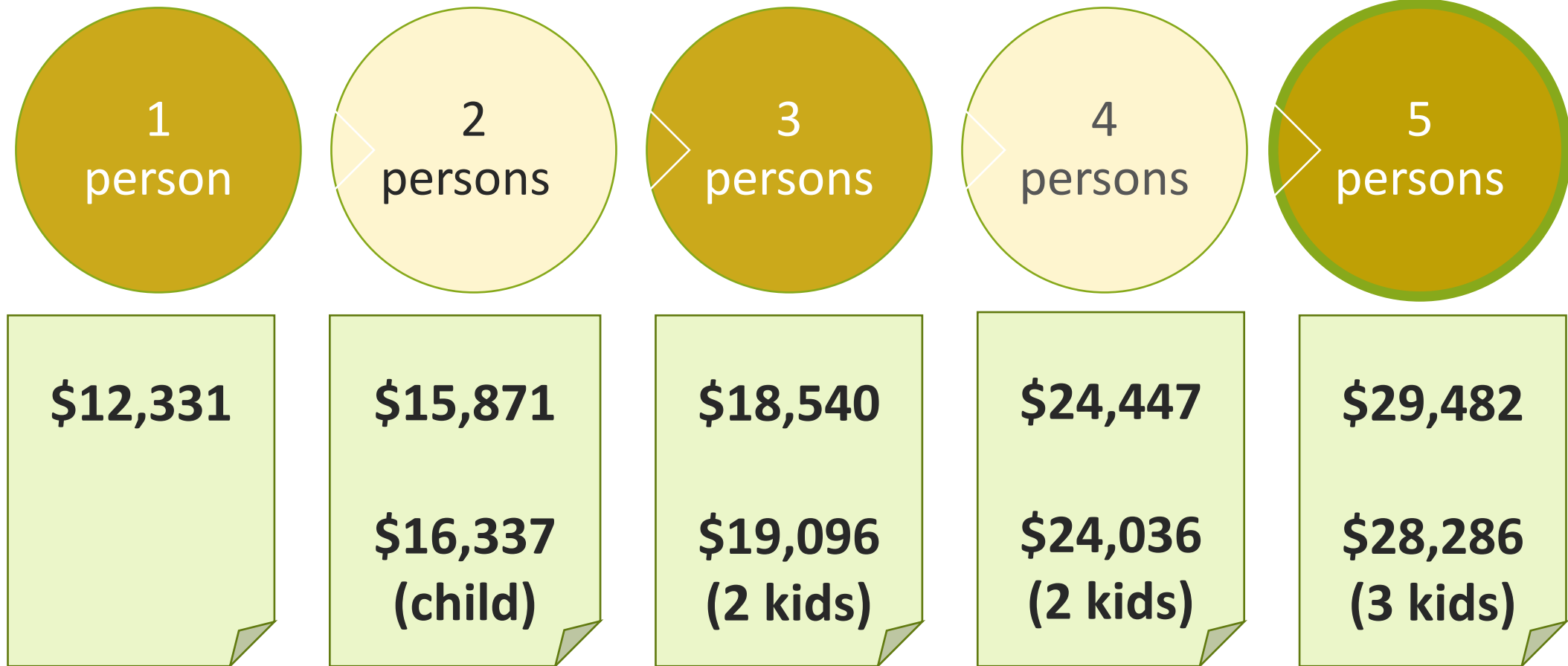
- SNAP
- Supplemental Nutrition Program; WIC
- Free/Reduced Lunch
- EITC, CTC



Source: Hertz and Farrigan, May 2016

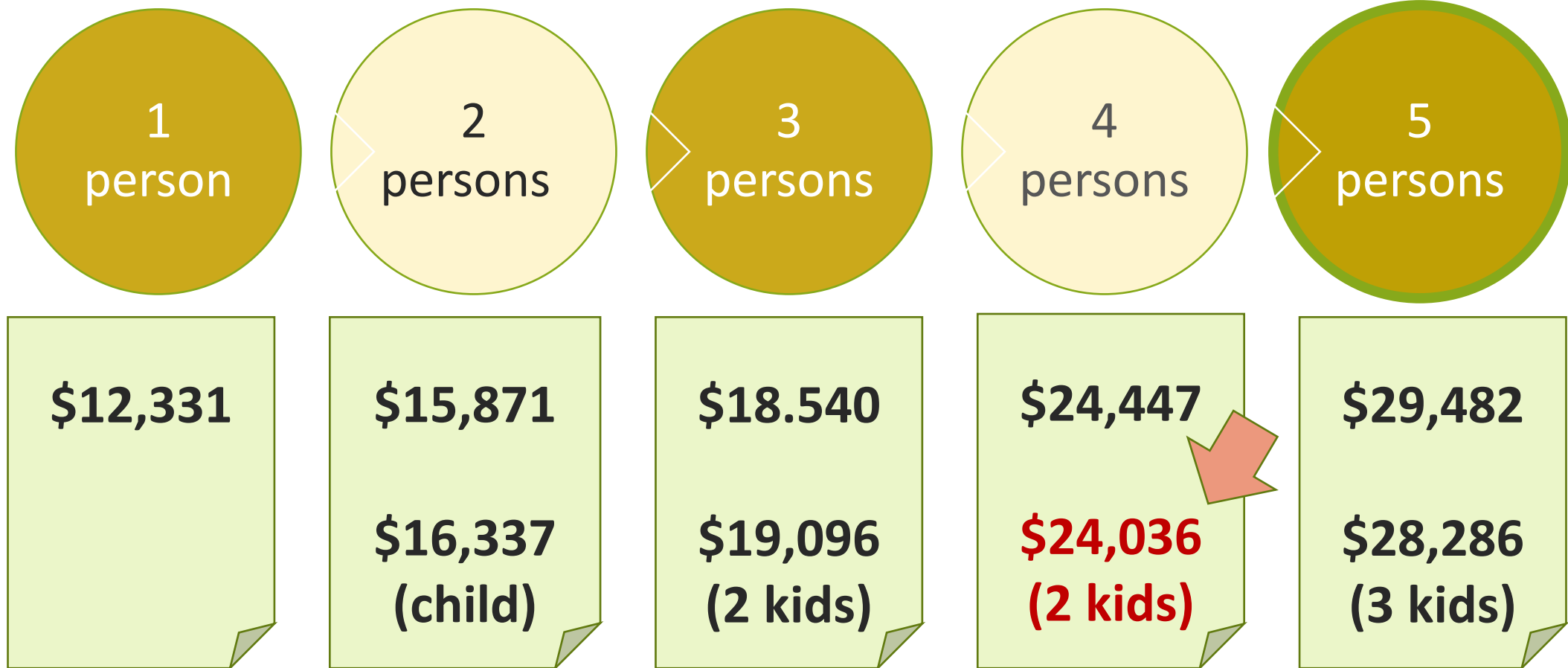
THE LATEST POVERTY THRESHOLDS, 2015

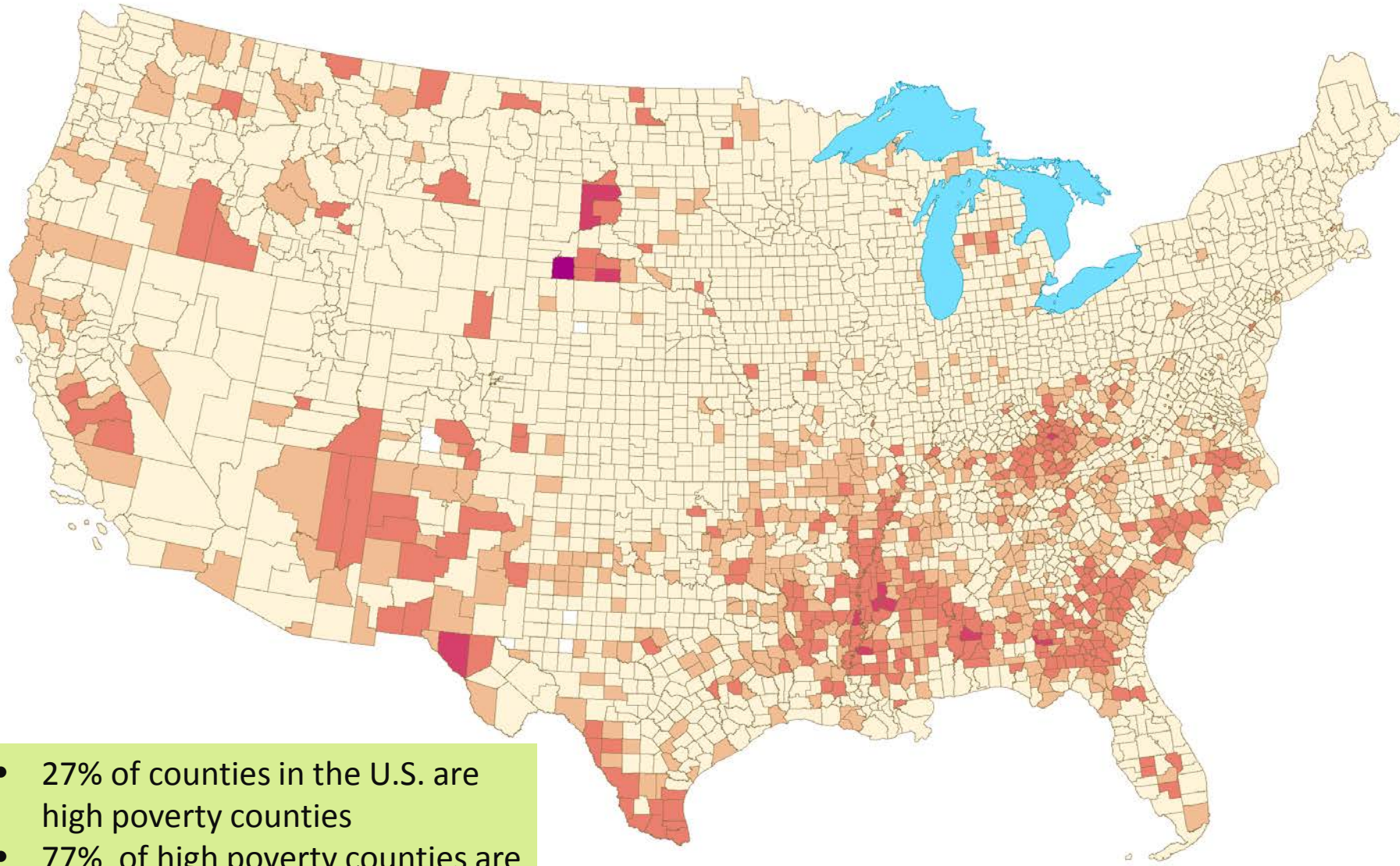
Size of Family and Related Children Under 18 Years



THE LATEST POVERTY THRESHOLDS, 2015

Size of Family and Related Children Under 18 Years





POVERTY IN THE U.S, 2010-14

Poverty rate (%), Total U.S. population

	0.0 - 19.9
	20.0 - 24.9
	25.0 - 39.9
	40.0 - 49.9
	50.0 - 71.0

Metro	190
Non-metro	649

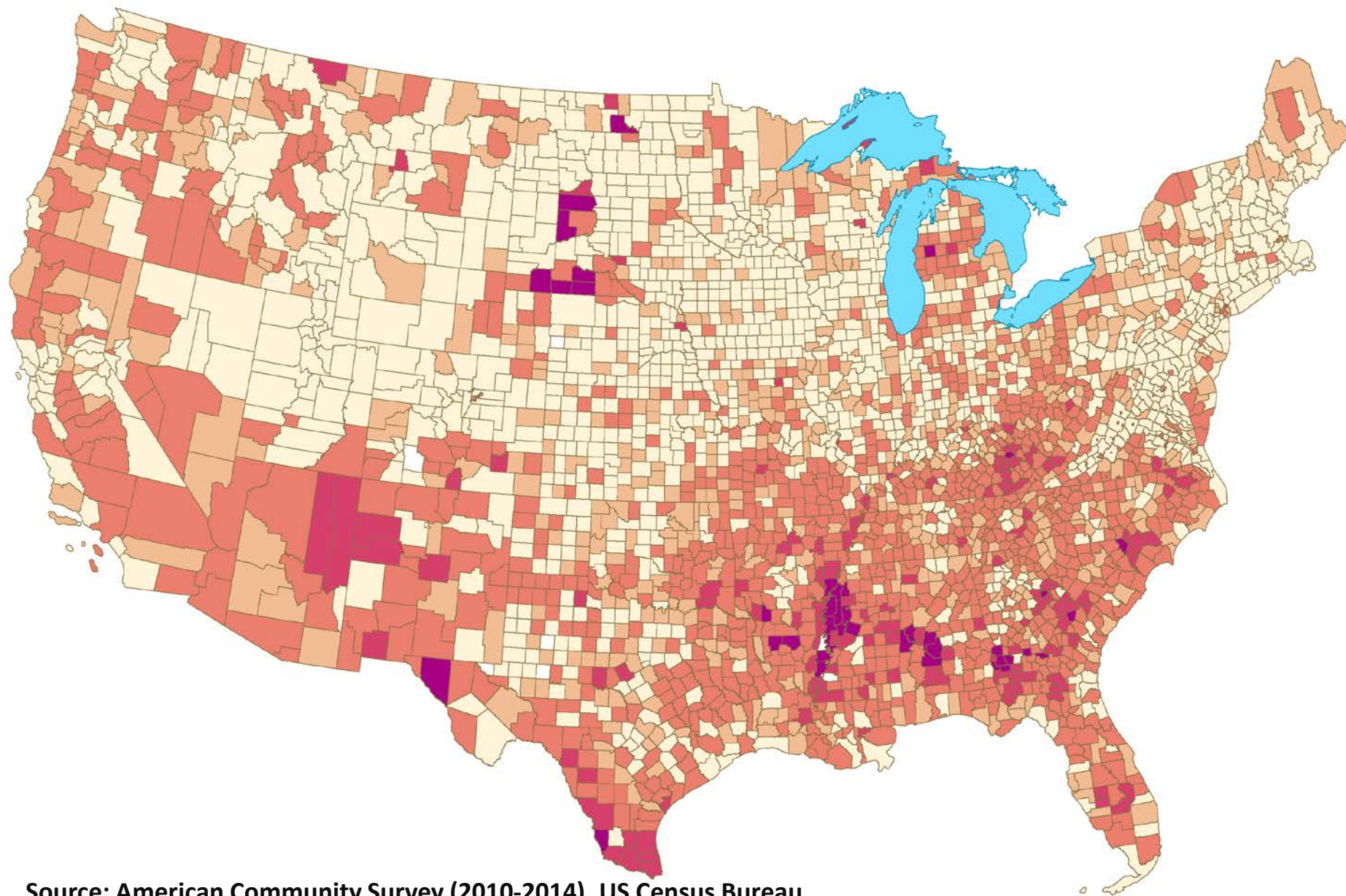
- 27% of counties in the U.S. are high poverty counties
- 77% of high poverty counties are in Nonmetro America

SEPTEMBER 2016 REPORT ON POVERTY

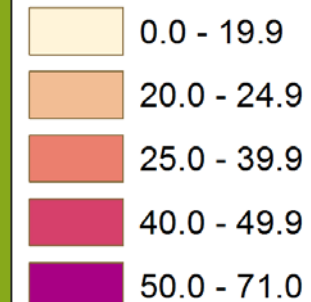
- 2015 Poverty Rate: **13.5%**
 - Metro: 13%;
 - Nonmetro: 16.7%
 - North Central: 11.7%
- 2014 Poverty Rate: **14.8%**
- 2015 Rate – **1% higher** than in 2007 (period just prior to the Great Recession)
- 43.1 million people now live in poverty in the U.S.; 7.5 million in the North Central Region



CHILD POVERTY IN THE U.S., 2010-14



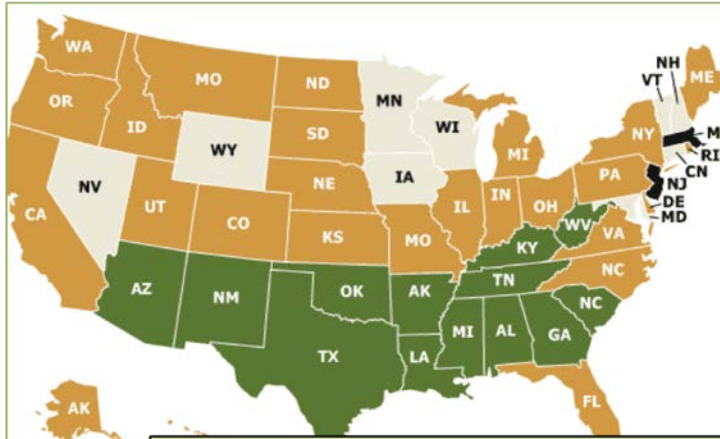
Poverty rate (%),
related children



Source: American Community Survey (2010-2014), US Census Bureau.



A LOOK AT THE NORTH CENTRAL REGION



Geography



Race/Ethnicity



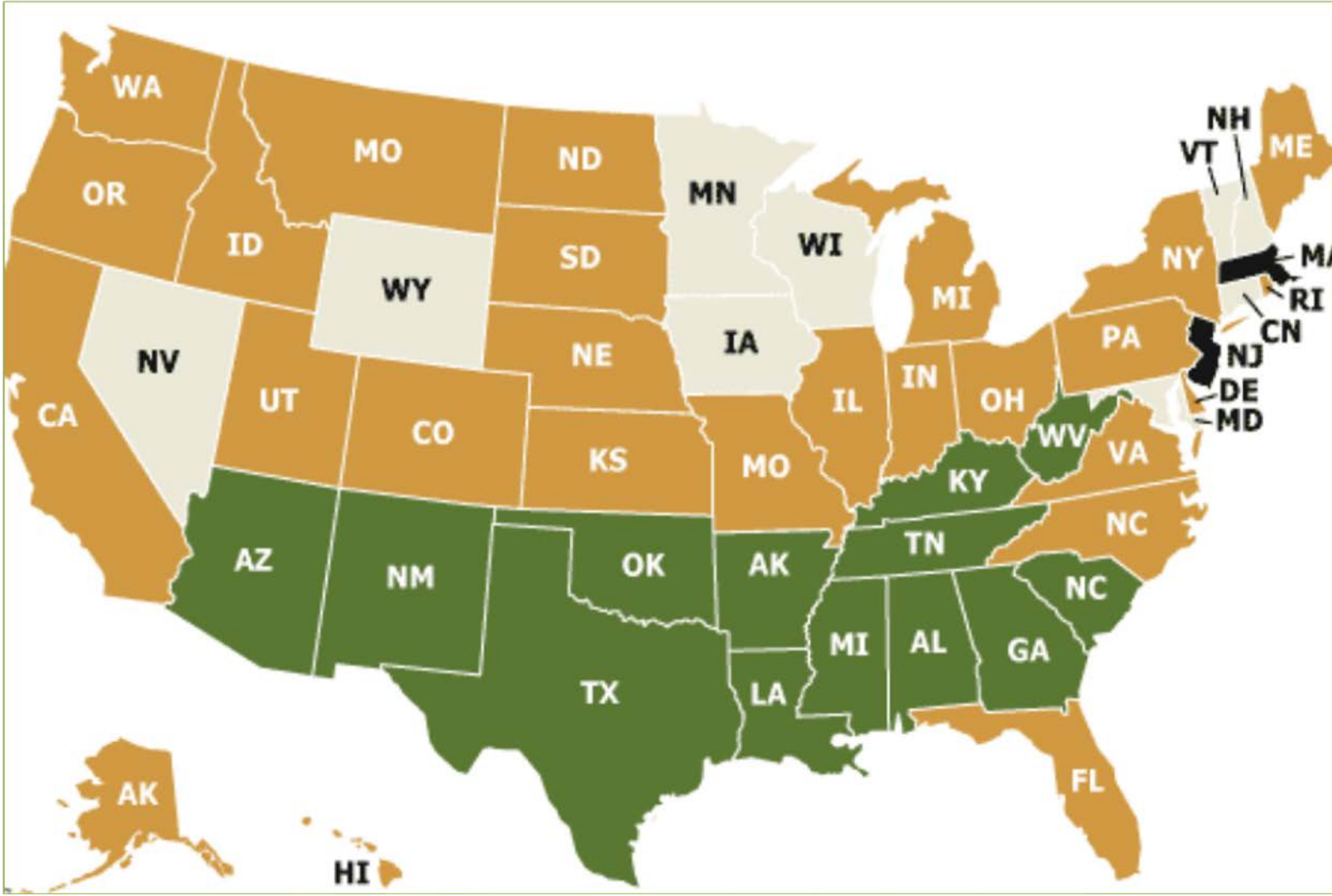
Family Structure



Education

SOME FACTORS IMPACTING POVERTY?

Source: Economic Research Service, USDA

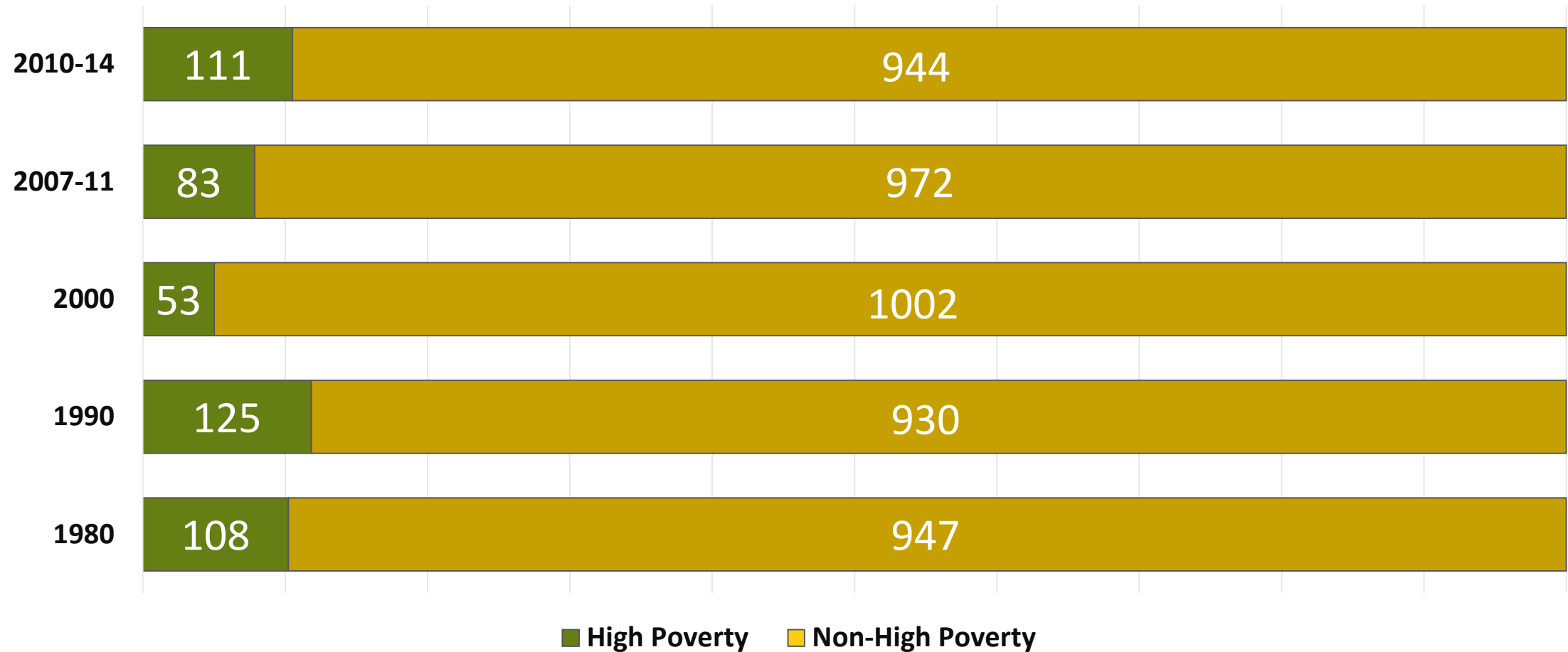


GEOGRAPHY



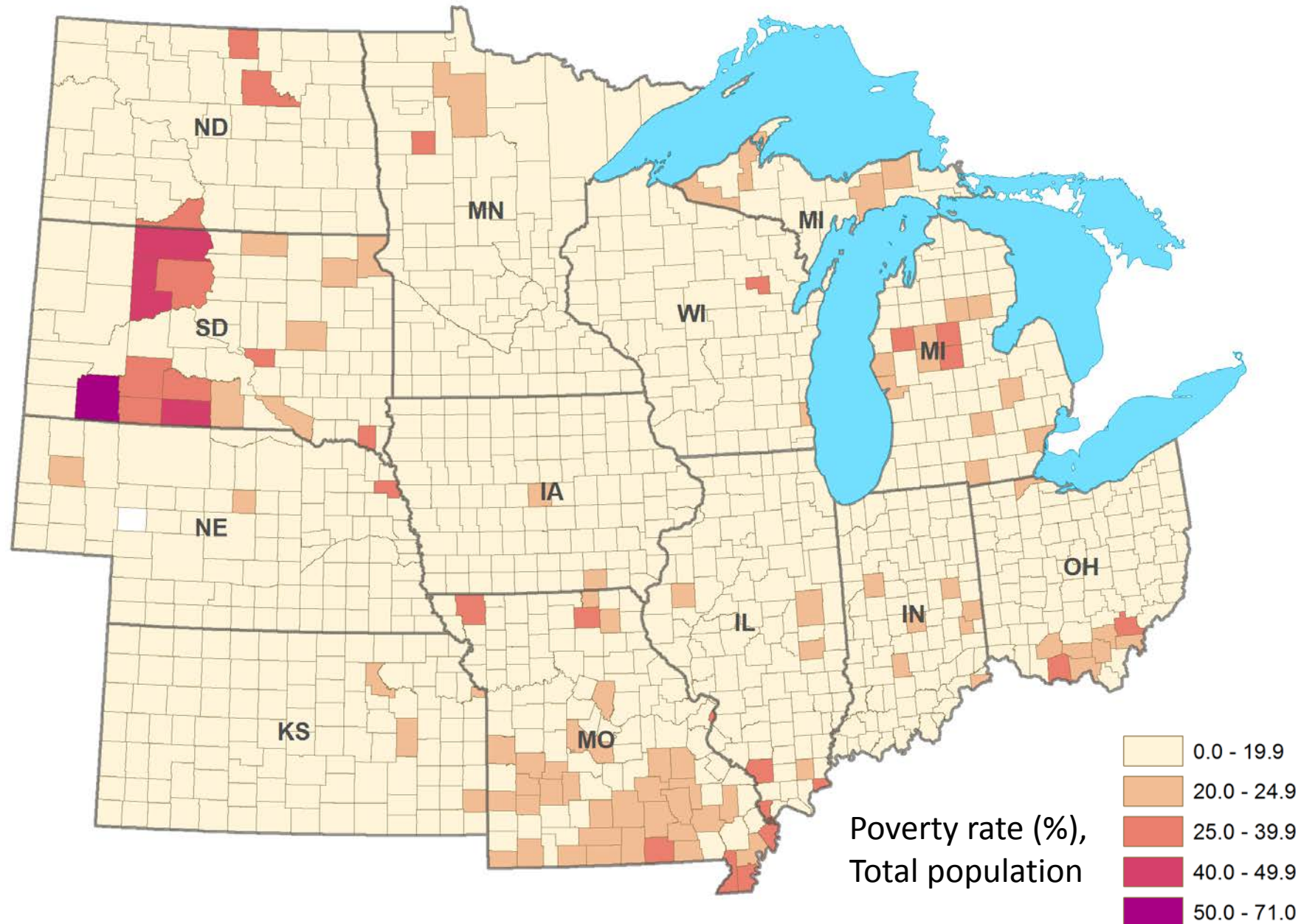
High Poverty Counties in the North Central Region of the U.S.

Number of Counties (N=1,055)



Source: Decennial Census (1980, 1990, 2000) and American Community Survey (2010-14), US Census Bureau.

Poverty Rates Across the North Central Region, 2010-2014

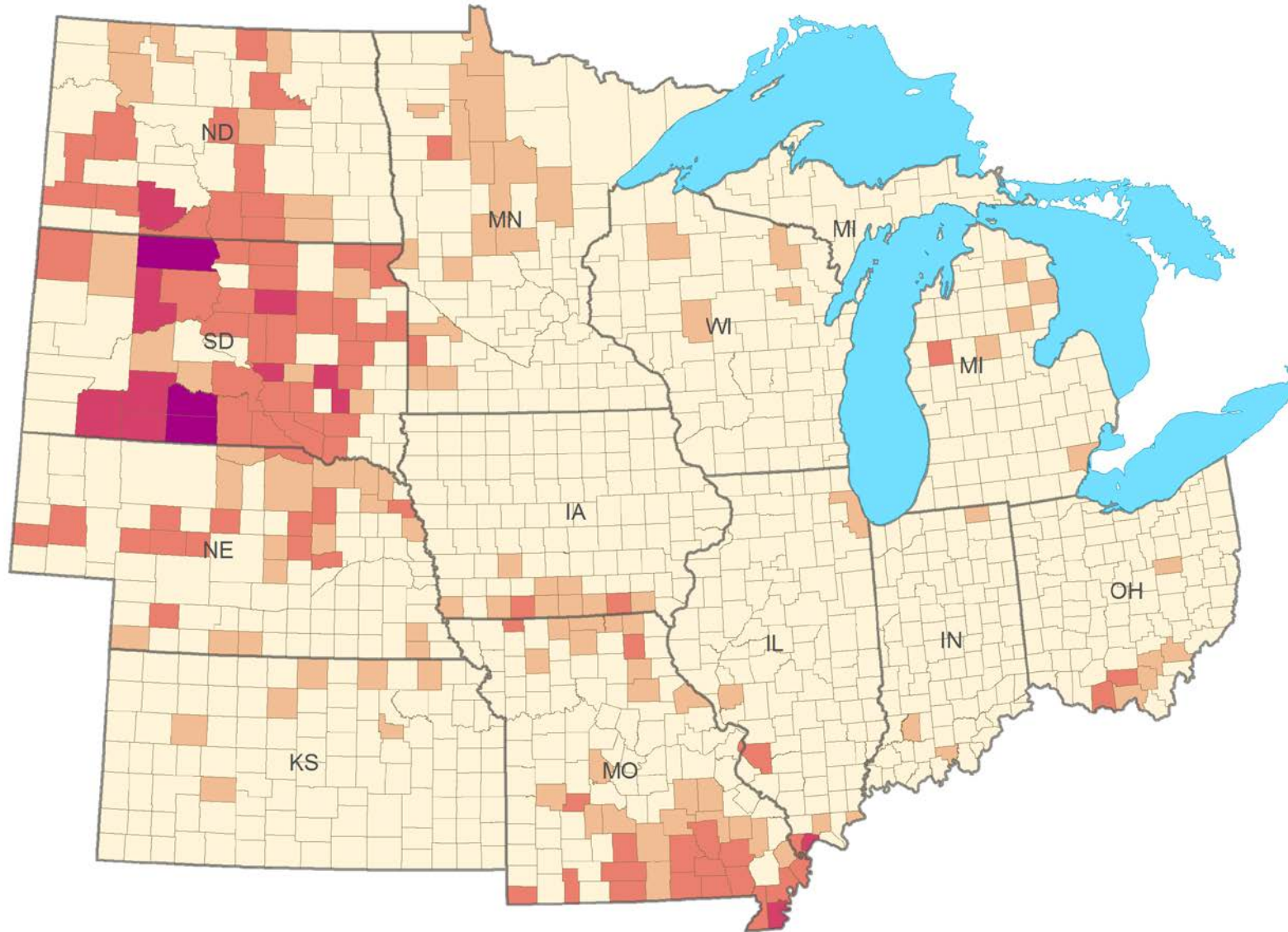


Source: American Community Survey (2010-2014), US Census Bureau.



CHILD POVERTY

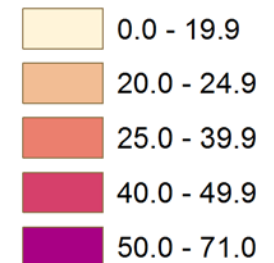
Child Poverty, North Central Region of the U.S., 1980



High child poverty counties:

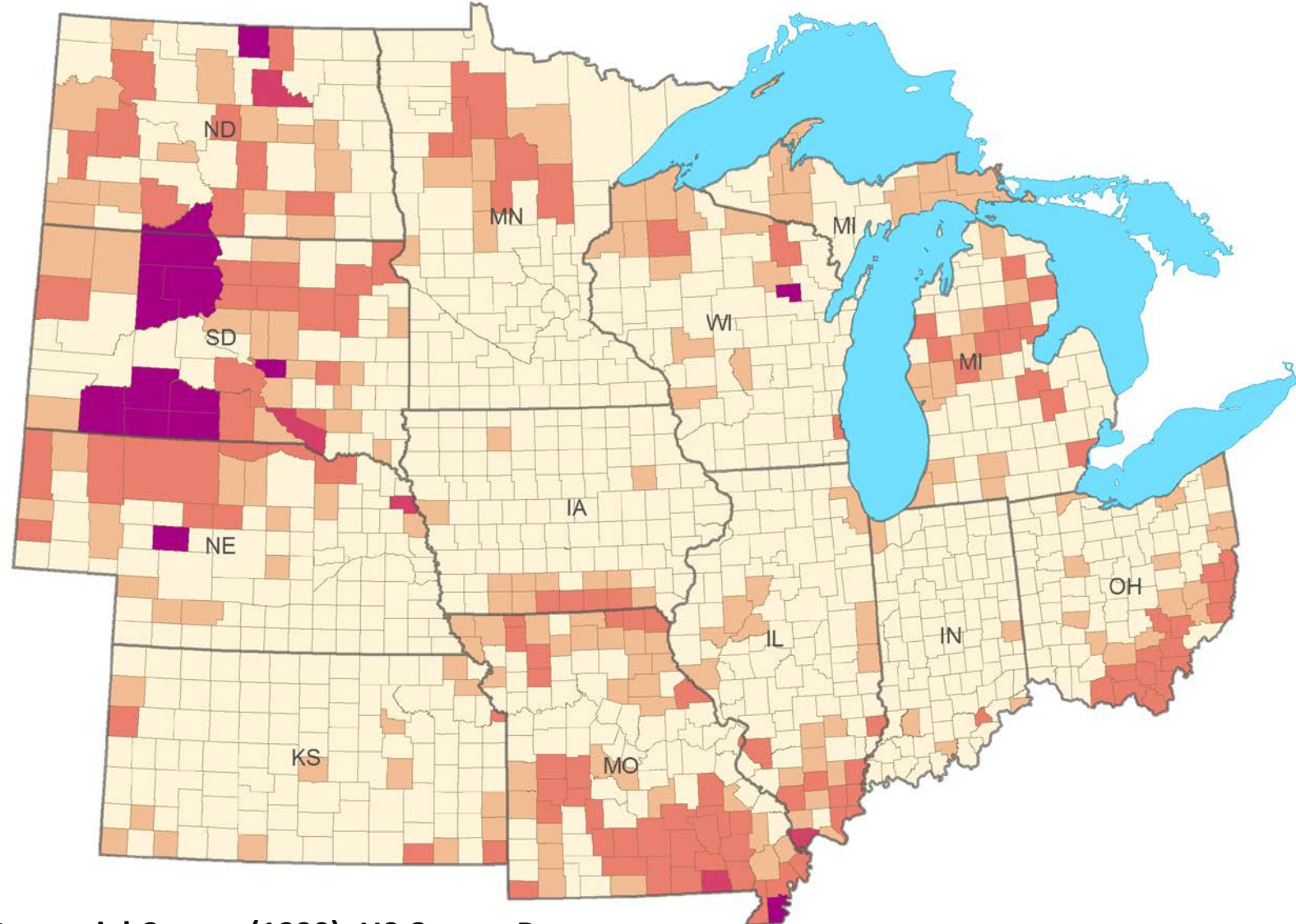
Metro	11
Non-metro	181

Poverty rate (%), related children



Source: Decennial Census (1980), US Census Bureau.

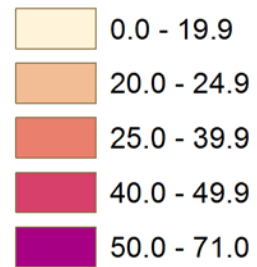
Child Poverty, North Central Region of the U.S., 1990



High child poverty counties:

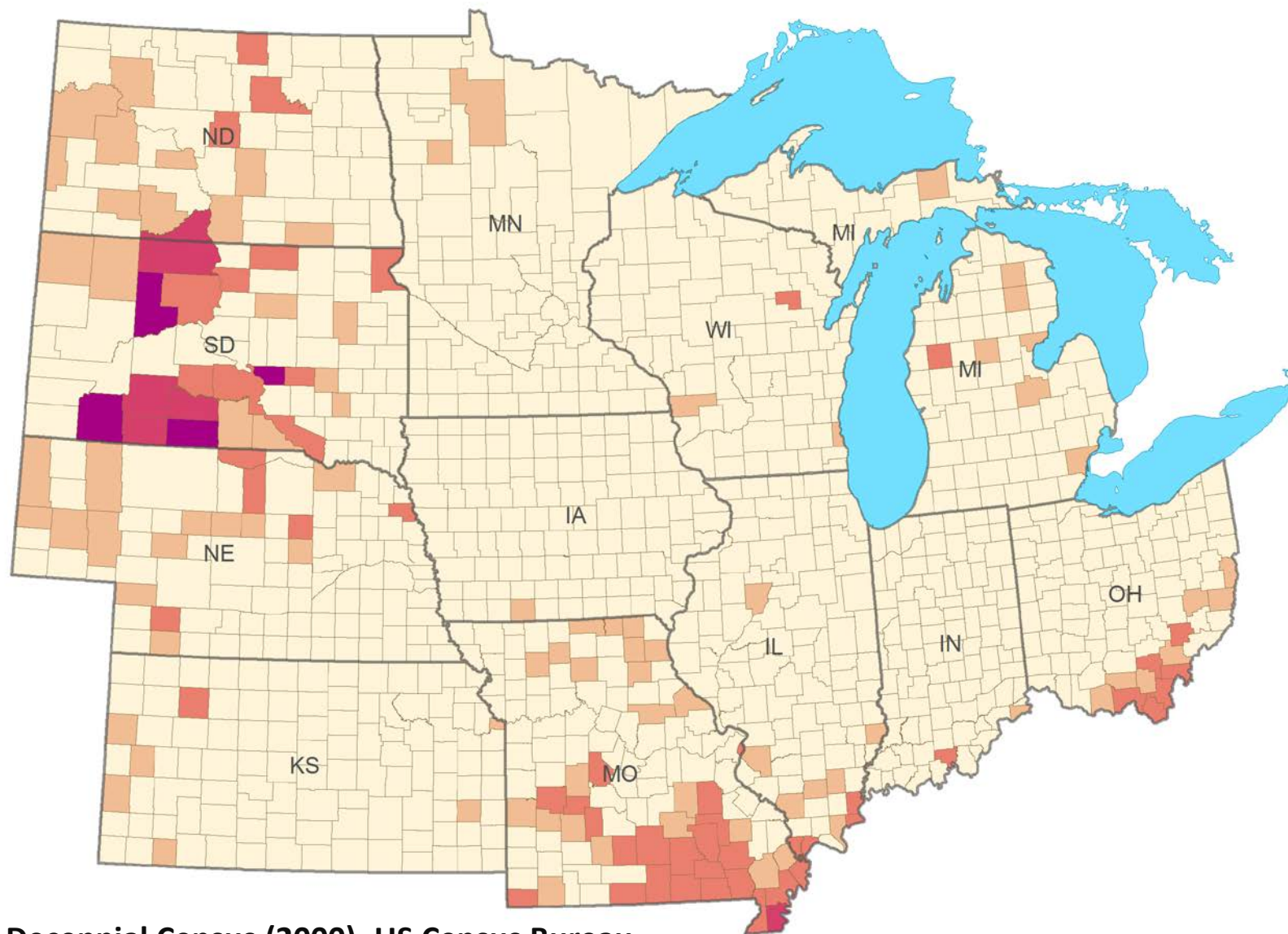
Metro	38
Non-metro	265

Poverty rate (%), related children



Source: Decennial Census (1990), US Census Bureau.

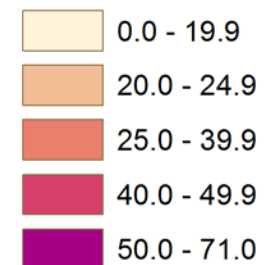
Child Poverty, North Central Region of the U.S., 2000



High child poverty counties:

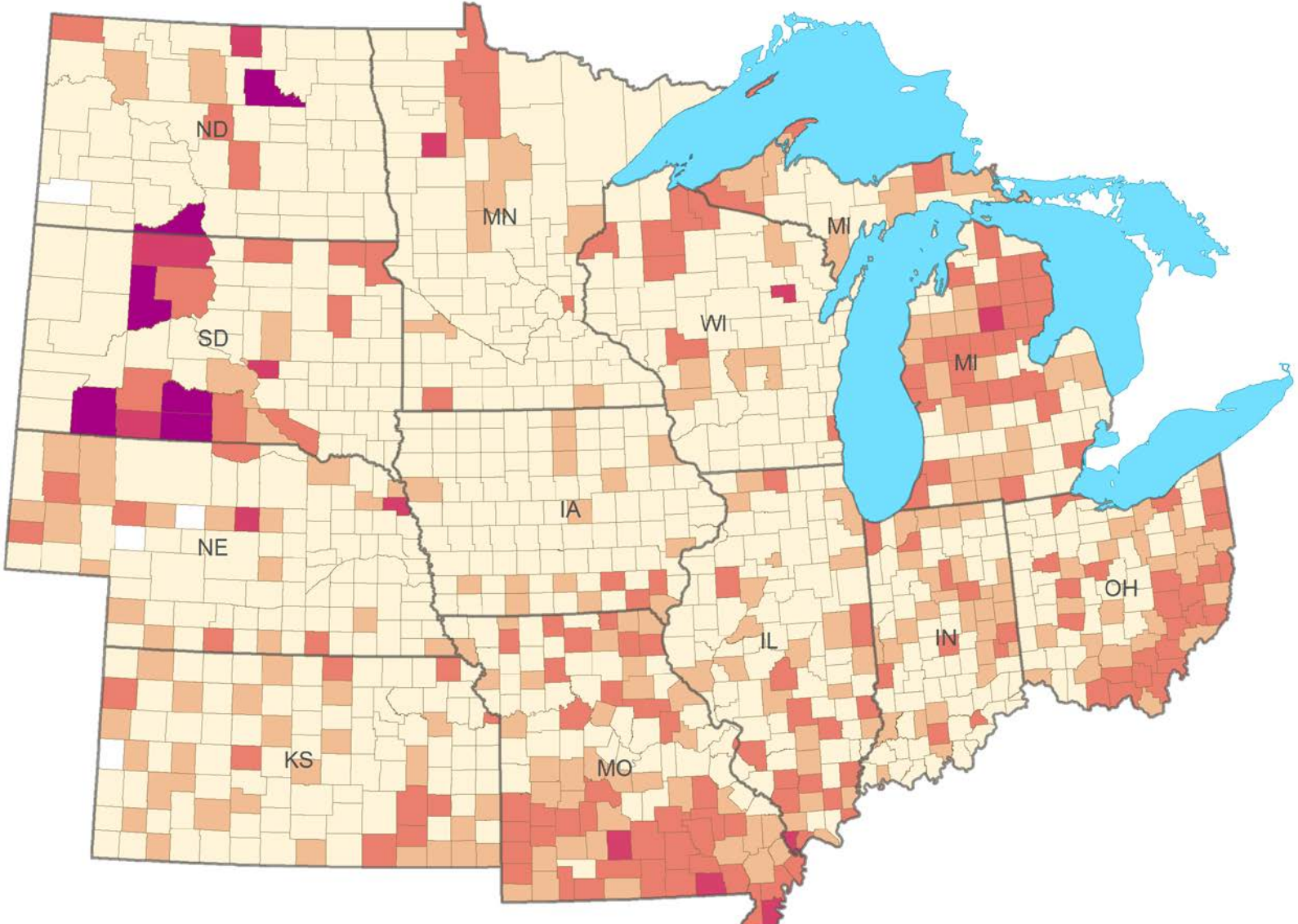
Metro	17
Non-metro	129

Poverty rate (%), related children



Source: Decennial Census (2000), US Census Bureau.

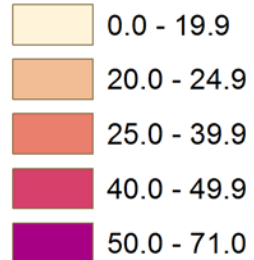
Child Poverty, North Central Region of the U.S., 2007-11



High child poverty counties:

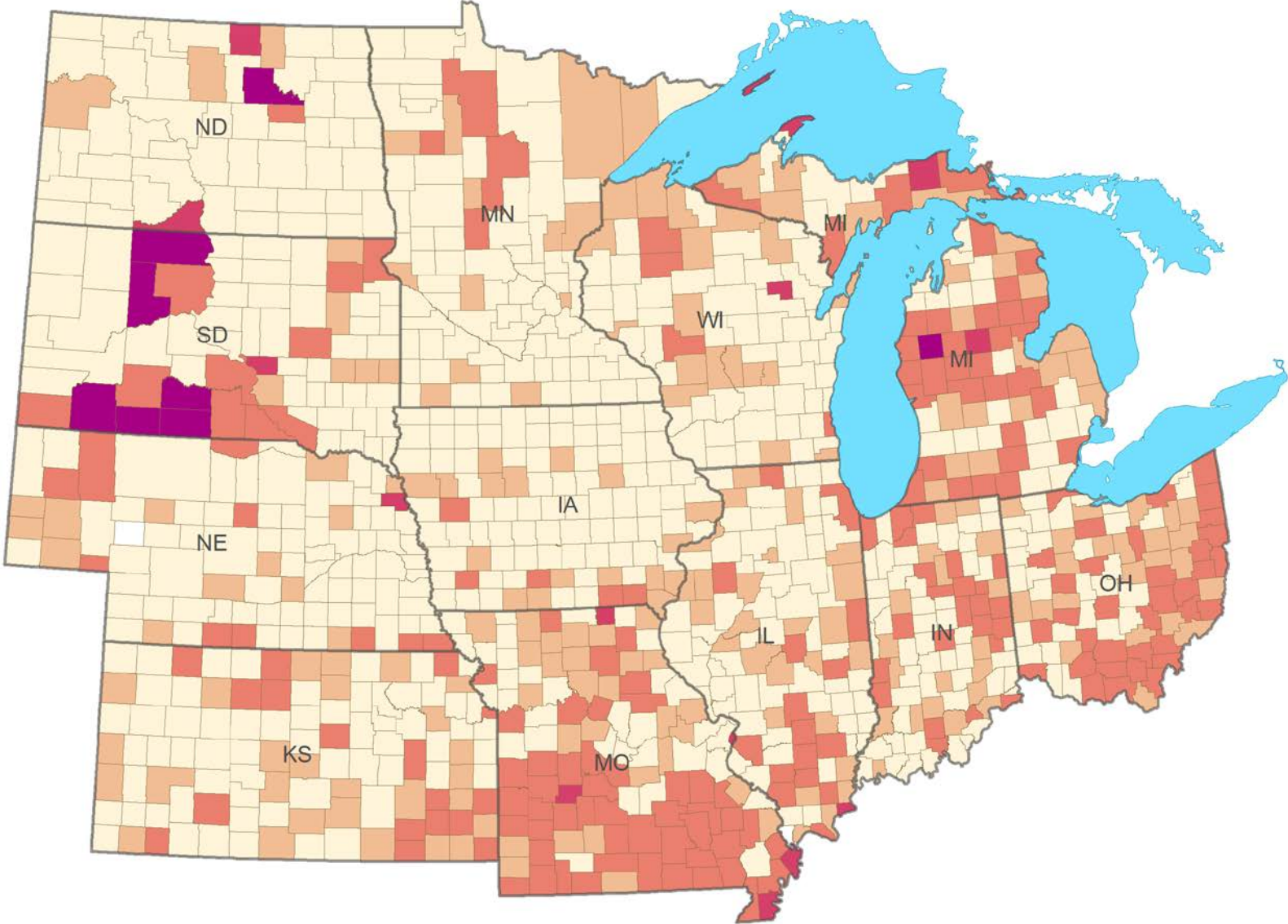
Metro	76
Non-metro	296

Poverty rate (%), related children



Source: American Community Survey (2007-2011), US Census Bureau.

Child Poverty, North Central Region of the U.S., 2010-2014



High child poverty counties:

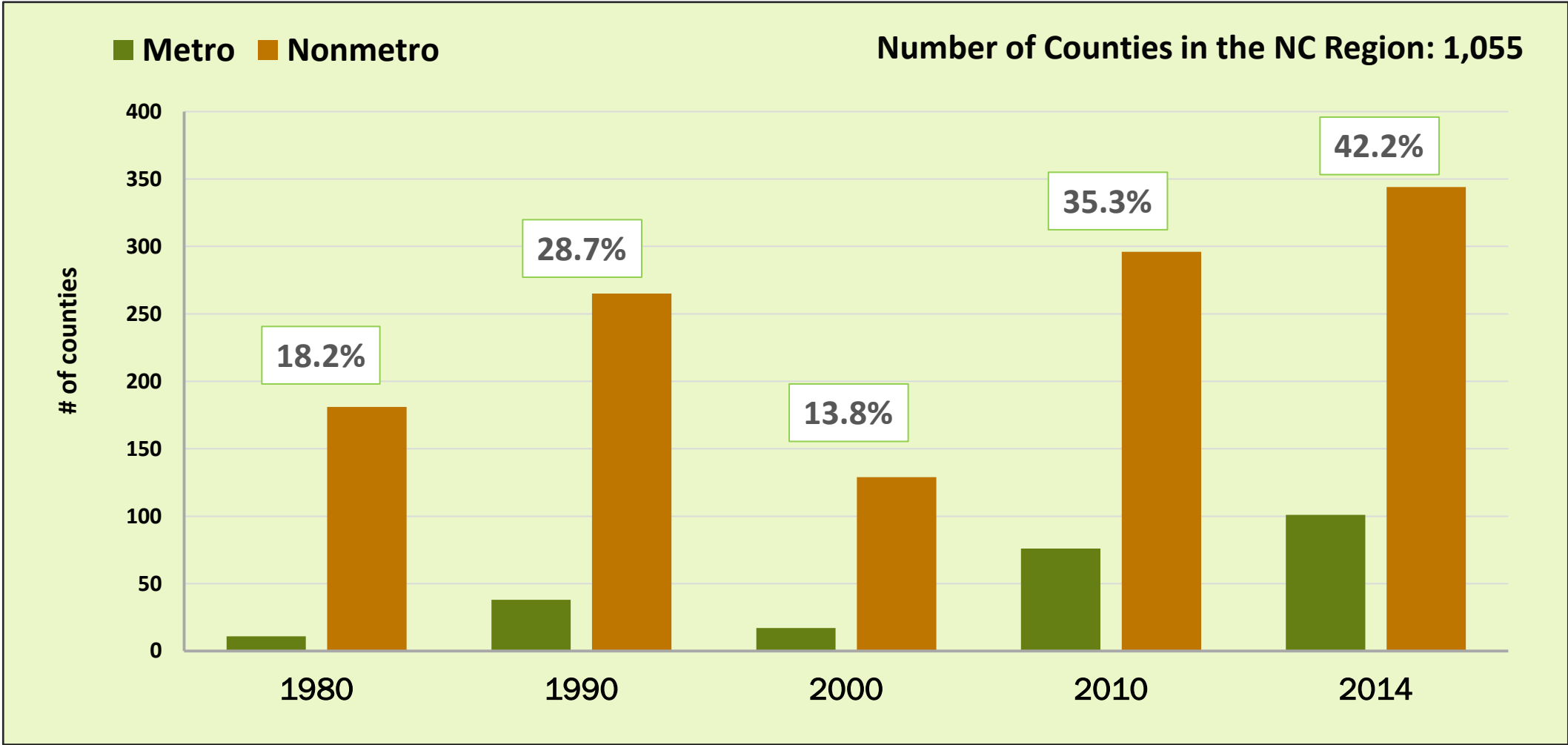
Metro	101
Non-metro	344

Poverty rate (%), related children

- 0.0 - 19.9
- 20.0 - 24.9
- 25.0 - 39.9
- 40.0 - 49.9
- 50.0 - 71.0

Source: American Community Survey (2010-2014), US Census Bureau.

High Child Poverty Counties in North Central Region















Note: Metro 2013 definitions are assumed.
2010 uses 5 Yr. ACS 2007-2011; 2014 uses 5 Yr. ACS 2010-2014 data

Source: ERS, USDA; Census 1980, 1990, 2000, 2010, ACS 2007-2011, ACS 2010-2014















**DEMOGRAPHIC
AND EDUCATION
FEATURES OF
HIGH POVERTY
COUNTIES**









CHILD HIGH POVERTY VS. REST OF COUNTIES IN THE NC REGION: PERCENT OF THE POPULATION IN EACH CATEGORY

		High Poverty Metro	Lower Poverty Metro		High Poverty Nonmetro	Lower Poverty Nonmetro
	H.S. or Less	41.1%	34.2%		39.6%	37.1%
	Bachelor's +	27.9%	34.2%		16.1%	20.0%
	White	71.0%	86.1%		92.4%	94.2%
	Black	19.2%	6.0%		2.3%	1.5%
	American Indian	0.4%	0.4%		1.9%	0.8%
	Hispanic	10.0%	6.1%		4.1%	4.4%









CHILD HIGH POVERTY VS. REST OF COUNTIES IN THE NC REGION

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	Bachelor's +	27.9%	34.2%			16.1%	20.0%
	White	71.0%	86.1%			92.4%	94.2%
	Black	19.2%	6.0%			2.3%	1.5%
	American Indian	0.4%	0.4%			1.9%	0.8%
	Hispanic	10.0%	6.1%			4.1%	4.4%

CHILD HIGH POVERTY VS. REST OF COUNTIES IN THE NC REGION

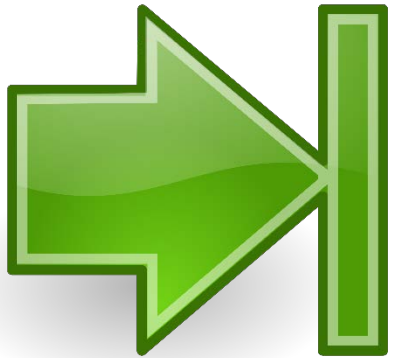
		High Poverty Metro	Lower Poverty Metro		High Poverty Nonmetro	Lower Poverty Nonmetro
	65+ years old	13.5%	12.9%		17.3%	17.3%
	Married Couple Households w/ Kids Under 18	61.0%	73.3%		66.0%	71.6%
	Male Headed Households w/ Kid Under 18	8.4%	7.2%		9.7%	8.9%
	Female Headed households w/ Kids Under 18	30.6%	19.5%		24.3%	19.5%

CHILD HIGH POVERTY VS. REST OF COUNTIES IN THE NC REGION

		High Poverty Metro	Lower Poverty Metro			High Poverty Nonmetro	Lower Poverty Nonmetro
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FINAL OBSERVATIONS

- Relative to other regions in the U.S., the North Central region has the lowest percentage of its population living in poverty (as of 2015).
- The lion's share of both high poverty counties and high child poverty counties in the NC region are located in the nonmetro areas of the region.
- A growing share of counties in the region have child poverty rates of 20% or higher (42% as of 2010-2014).
- High child poverty counties tend to have residents with lower educational credentials and sizable percentages of senior citizens (65+ years old).
- A larger share of female-headed and male-headed households (with children under 18) are found in high poverty metro and nonmetro counties.
- High poverty counties in metro areas of the region are more diverse than their nonmetro counterparts in terms of their race and ethnic makeup.





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3. The overall poverty rate in the U.S. is increasing.

YES, NO, DON'T KNOW

HOW MUCH DO YOU KNOW ABOUT POVERTY? A BRIEF TEST



Presenter: Bo Beaulieu, PCRD Director and Assistant Director,
Extension Community Development

Data Analysis and Mapping:

Indraneel Kumar, Regional Planner: GIS & Spatial Analysis
Andrey Zhalnin, GIS & Data Analyst
Ben St. Germain, GIS Technician
Wenxuan Li. Graduate Student

Contact Information:

Bo Beaulieu, PhD
ljb@purdue.edu
765-494-7273

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presentation*

PRE-TAX CASH INCOME?

INCLUDES:



- Earnings, capital incomes, and cash transfer payments, such as Social Security and other retirement incomes, Supplemental Security Income (SSI), Social Security Disability Insurance (SSDI), and Temporary Assistance to Needy Families (TANF), and other smaller sources.

DOES NOT INCLUDE:



- **In-kind support** available to low-income families with children, including food and nutrition assistance provided through the Supplemental Nutrition Assistance Program (SNAP), the Special Supplemental Nutrition Program or Women, Infants, Children (WIC), and the free and reduced-price National School Lunch Program. Also not included is the Earned Income Tax Credit (EITC) or the Child Tax Credit (CTC).