

POVERTY

The Stanford Center on Poverty and Inequality

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Who are America's poor? The popular discourse leads many to believe that they comprise blacks residing in urban ghettos, Hispanic immigrants parceled into Latino and Chicano enclaves across rural and urban locales, Native Americans in geographically isolated reservations, and whites with long-standing intergenerational ties to Appalachia. Is this popular discourse—which melds together race, ethnicity, and place—on the mark?

We take a closer look at poverty by race and place by asking whether these commonly reported profiles of the poor mask different types of spatial variation within specific racial-ethnic groups. Throughout our analysis, we focus on household heads aged 25 and over.¹ Our data are from the Decennial Census (1980, 1990, 2000), the American Community Survey (2015), and the Annual Social and Economic Supplement of the Current Population Survey (2007–2015).

Trends in Poverty by Race and Ethnicity

Looking back over the past 35 years, we see dramatic differences by race and ethnicity in the risk of poverty. We see two Americas, with blacks, Hispanics, and Native Americans experiencing the high-poverty America, and Asians and whites experiencing the (relatively) low-poverty America.² This portrait holds in rough form over the entire time series shown in Figure 1. Although Hispanics had somewhat lower poverty rates than blacks and Native Americans in 1980, this gap closed during the Great Recession.

In the most recent data from 2015, one in four blacks and Native Americans, and one in five Hispanics, are poor. This contrasts with one in ten whites and Asians. Although the poverty rate for whites is low, whites make up the majority of the nation's poor because there are more whites in the total population. In comparison, blacks and Hispanics, who comprise just 25 percent of all household heads, account for 44 percent of the nation's poor.

KEY FINDINGS

- Though some gaps have narrowed, there remain substantial racial-ethnic differences in poverty, with blacks and Native Americans continuing to experience the highest poverty rates, Hispanics following with slightly lower rates, and whites and Asians experiencing the lowest poverty rates.
- The sizes of these racial-ethnic gaps often differ substantially by region, with black women in the rural South, for example, facing poverty rates as high as 37 percent.

The Geography of Poverty by Race and Ethnicity

How is poverty arrayed spatially? Cities have the highest poverty rate (18%), rural areas have a somewhat lower rate (15%), and suburban areas have the lowest rate (9%). If poverty is examined by region, we find that the poverty rate in the South (14%) is slightly higher than in the rest of the country (13%). Yet given its larger population, the South has a much higher share of the country's poor households (41%). In comparison, the West has 22 percent, the Midwest 20 percent, and the Northeast 17 percent of the country's poor households.

These broad characterizations of the spatial distribution of poverty, which do not consider race and ethnicity, hide much variability. While the inner city provides the prototypical image of poverty in the United States, rural poverty rates are often higher for some groups. When we examine the geography of racial and ethnic poverty, as we do in Figure 2, we find that blacks (33%) and Hispanics (28%) in the rural South, blacks in the rural Northeast (31%), and Native Americans in the rural West (32%) have among the highest poverty rates in the country. The latter rural groups face a greater poverty risk than these same racial and ethnic groups do in the cities of these regions.

The high poverty rate in the rural South (20% overall) is particularly noteworthy. Why is this rate so high? It is partly because black women in the rural South have a poverty rate of 37 percent (in 2015). In fact, single mothers in the rural South face some of the highest rates of poverty in the nation.³

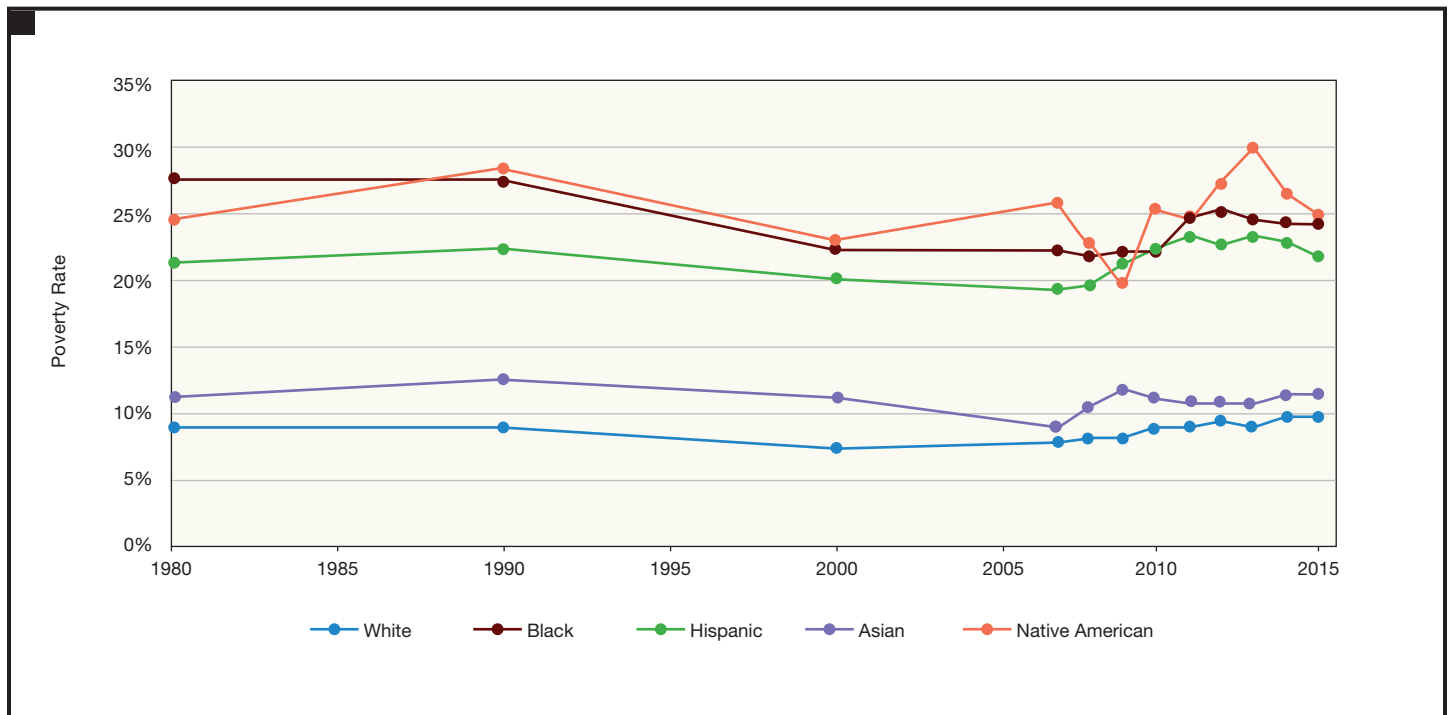
The rural South, of course, has a unique context given the legacy of slavery. This legacy lives on in continued forms of racial exclusion and disadvantage. Impoverished rural minority communities serve as “dumping grounds” for urban America:

Economically declining rural communities have become home for America’s growing prison population, hazardous and toxic waste sites, landfills, slaughterhouses, and commercial feedlots (that pollute the groundwater, rivers, and streams). These forms of economic development often involve matters of environmental justice and racial discrimination, bringing many competing economic and community interests into potential conflict.⁴

More detailed data also reveal that poor Hispanics are increasingly settling in rural areas and Southeastern states.⁵ Although cities in the Northeast have the highest Hispanic poverty rate (nearly 31%), the Hispanic population in the Northeast is a small fraction of the country’s total Hispanic population. Indeed, just 11 percent of poor Hispanics now reside in the Northeastern urban core.

The rural South is also exceptional for its high white poverty rate. Whites experience similar poverty rates (11–12%) in the urban and rural areas of the West, Northeast, and Midwest. In the South, however, poverty rates are much higher (16%) among rural whites than they are among whites residing in cities (8%). This difference is tied closely to declines in extractive industries, like mining, that historically provided decent jobs without large investments in education. Similar to inner cities experiencing economic distress, many of these communities today lack a strong education infrastructure. Limited skills and limited opportunity present a double challenge for residents in these communities.⁶

FIGURE 1. Poverty Rates by Race/Ethnicity, 1980–2015



Note: Figures 1 and 2 are limited to heads of household aged 25 and over who identify as one of the five racial/ethnic categories above. The poverty rates pertain to the Official Poverty Measure. Source: Authors’ calculations using IPUMS-USA from Ruggles et al., 2015, and IPUMS-CPS microdata from Flood et al., 2015. Data are drawn from the Decennial Census (1980 5% state sample; 1990 1% metro sample; and 2000 5% sample) and the Annual Social and Economic Supplement of the Current Population Survey (2007–2015).

It is important to bear in mind that our regional breakdowns provide only a current snapshot. In the last few decades, urban centers underwent a dramatic transformation, as public housing was torn down and gentrification converted some of the worst neighborhoods into some of the least affordable. Poor people have increasingly been pushed into aging suburbs and rural areas, and we have seen a surge in “rural ghettos.” If we were to chart poverty trends by race, ethnicity, and place retrospectively, we would see the effects of such shifts as they have shaped the new American poverty.

Conclusions

In this brief article, we have highlighted the aggregate and underlying patterns of poverty by race, ethnicity, and place among America’s poor. There are of course other critical aspects of poverty that bear on this discussion but those we do not address in detail here.

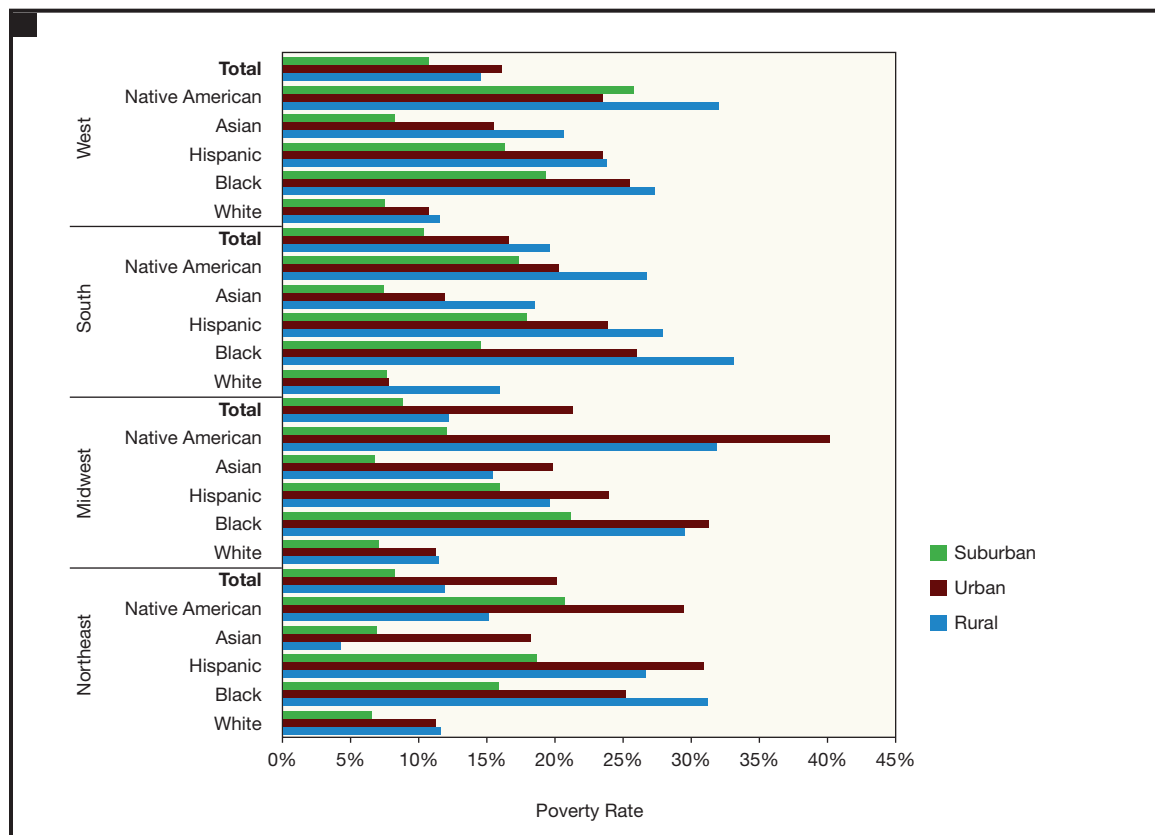
Intergenerational poverty, for example, is especially common in many black families in the South, rural white families across Appalachia and the Ozarks, Native Americans in states with large reservation populations, and Hispanics along the border

with Mexico.⁷ Further, some racial and ethnic groups are more likely to live in places of concentrated poverty, a spatial form that is especially disadvantaging.⁸ Additionally, the immigration status and experiences of racial and ethnic groups can deeply affect their life chances. Finally, although it has not been our focus, there is striking variation in poverty within the broad racial and ethnic categories we define here. Country of origin, for example, is a central distinguishing factor in the poverty risk faced by Hispanic and Asian families.

The two key points that we have stressed, and with which we will close, are that (a) we remain two Americas, a high-poverty America for blacks, Hispanics, and Native Americans, and a (relatively) low-poverty America for whites and Asians, and (b) the usual stereotypes about the melding of race, ethnicity, and place are often far off the mark. ■

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FIGURE 2. Poverty Rates by Race/Ethnicity, Place, and Region, 2015



Source: Authors’ calculations using IPUMS-USA from Ruggles et al., 2015. Data are drawn from the 2015 American Community Survey (1% national sample).

NOTES

1. We assume that the primary survey respondent is the household head. The age group in our analysis (25 and over) includes those who have had an opportunity to complete formal education. We restrict our analysis to household heads so as not to include duplicate respondents from the same address. All figures are limited to five racial/ethnic categories as follows: Hispanic and non-Hispanic whites, blacks, Asians, and Native Americans.
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