The United States is dotted with communities and neighborhoods that share a long legacy of poverty. From the easternmost reaches of New England through the industrial heartland and Appalachian coal country, across the rural South with its legacy of slavery, and westward into the plains and coastal states, nearly 25 million Americans live in what are termed “persistently poor” places.
Identifying poverty traps in the United States

What is a “persistently poor” place? How might we identify places trapped in poverty? Scholars of rural poverty typically define persistently poor counties as those where the poverty rate has been over 20 percent for at least three decades. Scholars who study concentrated poverty in central cities often use a similar poverty rate threshold when identifying high-poverty neighborhoods or census tracts.

There are three primary processes that can generate or maintain persistently poor places: (1) few good-paying jobs, declining industry, and low-quality schools may raise the chances of poverty for everyone living in that place (a “structural effect”); (2) the lack of opportunities or amenities in a persistently poor place may lead higher-income households to exit the community at a higher rate than lower-income households (an “outflow effect”); and (3) opportunities for low-wage workers may lead lower-income households to enter a community at a higher rate than higher-income households (an “inflow effect”).

While the particular mix of these three factors varies from place to place and over time, persistently poor places tend to be characterized by low or no economic and population growth.

Using the standard three-decade definition, the number of rural counties identified as persistently poor increased between 1979 and 1990 but fell after 1990. Of the 2,043 counties we would define as rural today, 208 were defined as persistently poor in 1979 (10.2%), rising to a recent high-water mark of 479 counties (23.4%) in 1990 before falling to 302 counties in 2017 (14.8%). If we apply this same definition to census tracts in the top 100 metropolitan areas in America, there are more than 5,000 tracts today that would be labeled as persistently poor since 1990 (see Figure 1). The vast majority of these persistently poor tracts are within cities—about 75 percent—but nearly 1,300 suburban tracts in the largest metro areas in the United States have experienced poverty rates over 20 percent since 1990.

How many Americans live in persistently poor places? More than many might assume. Approximately 7 million people live in persistently poor rural counties; another 5.5 million people live in persistently poor suburban neighborhoods; and the largest share, yet another 14.2 million
people, live in persistently poor urban neighborhoods. Although a slight majority of all people in persistently poor places are living in cities (53.7%), it’s also quite clear that there’s a nontrivial rural and suburban population living in persistently poor settings.7

In 2017, it was estimated that 39.7 million people lived in poverty.8 As Figure 1b shows, there were nearly 9 million poor people, roughly 1 in 4 of all poor people, living in persistently poor places in 2017. Approximately 5 million poor people in persistently poor places live in cities, with another 1.84 million poor people living in persistently poor suburban counties and 1.75 million poor people in persistently poor rural tracts.

Of the 26.5 million people living in persistently poor places in 2017, therefore, about one-third were people in poor families.9 This means that nearly 17.9 million people living in persistently poor places or neighborhoods were in families with income above the poverty line. Even more striking, there are close to 60 million people experiencing poverty and/or experiencing the disadvantages of living in a persistently poor place—a number much larger than that reported by the official poverty measure. While we should seek to help poor families wherever they live, we should expect that poor families in persistently poor places require unique attention. At the same time, given what we know about the long-term effects of being exposed to life in a poor place, we should ensure that proper investments and supports are made to assist all families living in poor places.

Core features of poor places
Do places trapped in poverty share common structural features? Indeed they do. Most persistently poor counties or neighborhoods face two types of challenges: (1) unemployment is chronically high, and wages and mobility are consistently low; and (2) key local institutions and community-based organizations—like schools, nonprofits, and government agencies—are underfunded and lack capacity to even minimally address economic issues.

Unemployment and wages: Persistently poor places do not provide enough opportunities for employment or economic mobility. The unemployment rate in persistently poor counties is 59 percent higher than in other counties (10.2 percent versus 5.9 percent in 2017), while the average median income in persistently poor counties is 30 percent lower than in other counties ($34,214 versus $49,077 in 2017). Gaps in unemployment and income are even greater when comparing persistently poor tracts with other tracts in metropolitan areas.10 What accounts for such gaps? Most important, manufacturing shifts over the past 50 years have reduced the number of well-paying low-skill jobs available in metropolitan and rural
especially important in understanding why the impact of and prospects for some persistently poor places may be different than others.

**Proximity to zones of economic growth:** The likely trajectory of a poor place depends on its proximity to new centers of economic growth. Consider, for example, remote rural communities that emerged around the extraction of natural resources. Such places used to offer good jobs in industries like mining, logging, and manufacturing without any requirement of a high school education. Schools in such declining areas have suffered from decades of underinvestment relative to today's educational standard. In many of these remote areas, there just aren't any obviously feasible options for creating meaningful local growth opportunities. By contrast, high-poverty rural areas near regional economic and population centers enjoy easier access to job opportunities, which can facilitate upward mobility. Likewise, some metropolitan areas are seeing rapid growth as the technology sector demands highly skilled and college-educated workers, while others—older industrial hubs in particular—struggle to compete in a new economy with a reduced manufacturing base.

**Transportation:** It matters fundamentally whether low-income people can travel to take advantage of opportunities and services. If you live in a neighborhood with few opportunities, it's obviously important to be able to access such opportunities wherever and whenever they present themselves. But some neighborhoods are just not set up to allow for movement to opportunities. For example, people living in high-poverty places often must navigate great distances without a reliable automobile or good public transportation, thus making it difficult to access the limited job opportunities, commercial or retail areas, and available human services.

**Critical intersectionalities:** Not everyone living in a poor place is exposed to these types of negative consequences to the same extent. The impact of place varies most obviously by gender and race. Moreover, even when the underlying structural features are the same, they can have different effects on mobility depending on the demographic composition of the communities and other community features. Recent research points to three dimensions that are especially important in understanding why the impact of and prospects for some persistently poor places may be different than others.

**Local institutions and organizations:** In addition to dealing with low-growth economies, places mired in poverty often lack capacity in key institutions. Because of weak professionalization among local and county government offices and limited public revenue, public services and infrastructure can be of very low quality in persistently poor places. Poor places often have, for example, lower-quality educational and after-school opportunities for children. This limited governmental capacity is compounded, in many instances, by the limited capacity of charitable nonprofit organizations. Without strong local government and nonprofit institutions, efforts to address economic issues, tackle persistent poverty, or foster increased mobility rarely get off the ground.

This combination of deep economic and infrastructural problems is common across virtually all poverty traps, regardless of geographic location. Such conditions in turn generate higher exposure to violence, homelessness, eviction, and other environmental harm. The psychological response to such forces—increased stress, hopelessness, and compromised bandwidth—also cuts across all persistently poor neighborhoods. Finally, prolonged exposure of children to poverty traps is increasingly understood to have immediate and long-term consequences for cognitive development, health, and economic well-being.

**Not all poor places are the same**

Despite the presence of some common factors behind poverty traps, it's important to recognize that these factors come together in unique ways in different places. There also are a great many idiosyncratic features of places that matter as well, thus making the task of taking on poverty traps more complicated. Moreover, even when the underlying structural features are the same, they can have different effects on mobility depending on the demographic composition of the communities and other community features. Recent research points to three dimensions that are especially important in understanding why the impact of and prospects for some persistently poor places may be different than others.
making it no easy task to develop a comprehensive place-based strategy for reducing poverty. If we were to nonetheless attempt to build such a strategy, how might it look? The next section takes on this question.

**Policy and safety net response**

The United States provides various types of income support and social assistance to individuals and families near and below the poverty line. Although our policies and interventions tend to be family-focused, it’s worth asking how they might change if we treated places—as well as the family—as a fundamental “poverty unit” when targeting resources and supports.

It’s not as if neighborhoods don’t at all enter into existing anti-poverty policy. Some of the best-known experiments with place-based policy strategies to reduce poverty are the Enterprise and Empowerment Zone programs. Over the last several decades, these provided a mix of subsidies and tax incentives to induce new business and job creation in depressed urban centers. While it might be thought that incentivizing economic development would work, such approaches do not appear to have had, to date, much of a direct economic impact.26

Other types of place-based investments have emerged in recent years. For example, the Harlem Children’s Zone Project seeks to break the intergenerational transmission of poverty in a historically high-poverty, racially segregated community by providing high-quality education and support services to children from conception to cradle to college.27 The Promise Neighborhoods Initiative was an effort to replicate portions of the Harlem Children’s Zone by supporting local efforts in a selected set of high-poverty urban and rural communities to coordinate a continuum of educational services and care for children and their parents.28

There also is renewed thinking about how to connect young adults in poor or low-mobility places to advanced training and education that can help them access better opportunities.29 And finally, many local places and regions are experimenting with housing programs that promote greater residential mobility.30

These are important efforts, yet place-based initiatives remain limited compared with the more substantial anti-poverty programs and support services targeted at individuals and families. It is thus...
important to ask how well conventional individual and family services are working in persistently poor places. How, in other words, does the effectiveness of person-based aid vary across place?

Certain federal safety net programs, such as the federal Earned Income Tax Credit (EITC) and the Supplemental Nutrition Assistance Program (SNAP), are seemingly “place-blind” in the sense that they're intended to reduce poverty across the board without any reference to where the family or individual lives. This feature of the EITC and SNAP is due to the role the federal government plays in funding and regulating program administration in a manner that cuts across state, county, and municipal boundaries.

But even policies that are seemingly place-blind in this sense may have a “place-leveling” side to them. This is because, even though the rules underlying the programs are formally place-blind, they may indirectly target greater levels of assistance to persistently poor places or places where a high proportion of families are in poverty. A place-leveling effect may arise, for example, when program resources or benefits increase in places where many people are poor.

Are the EITC and SNAP place-blind or place-leveling? Because the EITC credit or refund is based on the tax filer’s income and household composition regardless of where the tax filer lives, it turns out that the median EITC refund is nearly identical for tax filers in urban, suburban, and rural counties (see Figure 2).

At the same time, tax filers in persistently poor counties have a higher median refund than tax filers in other counties, which no doubt reflects the lower income levels in persistently poor counties (and thus a higher overall credit or refund). This feature of the EITC is place-leveling, then, in the sense that it works to raise benefits in counties that are poorer and with more acute need. We should be cautious, however, as poorer counties also typically have lower rates of employment and labor force attachment. For those who are not working or who are not able to find work, the EITC provides no relief. In this respect, the EITC may not be as place-blind as we might think because people in poorer places with fewer employment options may not be able to find enough work to be eligible or receive substantial refunds.

Figure 3 shows the median annual SNAP benefit per program participant across geography. As with the EITC, we see that median SNAP benefits are nearly identical across urban, suburban, and rural counties (almost $1,700 a year per participant). We also see that median SNAP benefits are negligibly different in persistently poor counties. Although this result suggests little place-leveling effect, the more important point is that the vast majority of SNAP participants are not subject to work requirements, thus allowing places with non-working poverty to disproportionately benefit.

Also, whereas the EITC reaches households well above the poverty line, SNAP program benefits are targeted mostly at those with low levels of income. This means that SNAP benefits are critical for people living in places where jobs pay less or where full-time work is hard to come by. Some of these place-leveling effects may be offset by differential take-up rates, however, as SNAP enrollment among eligible households does vary from place to place due to state and/or county administrative policies.

We would also like our anti-poverty programs to ramp up when needs increase. Thus, another test of whether a program is place-blind relates to whether the program responds similarly across all types of places when times get bad and needs increase. Although not shown here, both the EITC and SNAP do indeed expand as need rises in all types of counties, both those that are persistently poor and those that are not. Therefore, to the extent that they are place-leveling to begin with, this impact may be enhanced when greater need arises.

Although the EITC and SNAP have limited place-leveling features, many of the country's other safety net programs may be more problematic. Because most of our other programs depend fundamentally on the locality’s capacity to deliver them, high-poverty localities are precisely the ones that lack the capacity to address the needs. Most notably, this problem arises for human service programs, which provide more than $100 billion in emergency assistance, employment services, behavioral health programs, and housing assistance to low-income populations each year. These programs rely heavily on the capacity of local nonprofit organizations. High-poverty communities, typically those most in need of human service
programming, often lack the local public funds, private philanthropy, and nonprofit capacity to develop adequate programming in many service areas. Such challenges are particularly present in suburban and rural counties where, as shown in Figure 4, per capita human service expenditures lag far behind those in urban counties.

Figure 5 shows how nonprofit human service expenditures are only weakly responsive—if at all—to rising numbers of low-income families. We see not only that persistently poor counties have less capacity to provide services, but when needs in these counties increase, the provision of services does not increase in turn and may actually decline. By contrast, well-off counties are more able to ramp up services when needs increase, precisely as one would want. In sum, poor Americans living in persistently poor areas are receiving less in services despite increased need, a seemingly topsy-turvy result.

Apart from human services, there is evidence that other major social assistance programs, far from being place-leveling, may in fact contribute to increasing spatial inequality. Early childhood education and child care programs can vary widely in accessibility and quality by geography. The availability of health and behavioral health providers accepting Medicaid or other public insurance programs is not always spatially matched to need. Temporary Assistance for Needy Families (TANF) also has become less responsive to spatial trends in poverty and persistent poverty over time. Because many key features of the safety net are less available in places with limited resources, they are not equipped to address the country’s poverty trap problems. The implication, then, is that greater effort should be made to ensure that safety net programs are at least place-blind and, ideally, place-leveling.

The safety net also fails to address poverty traps because of the marginal tax rates present in many social assistance programs. Marginal tax rates are a feature of many cash and in-kind assistance programs like the EITC and SNAP, where benefits and program eligibility can be reduced as household earnings increase. Under these circumstances, workers encounter “benefit cliffs,” where additional income from work is offset partially or totally through reductions in benefits. In extreme instances, the cliffs may be so severe...
that reductions in benefits exceed the increase in wages and make workers worse off for their effort to advance in the labor market. Marginal tax rates operate consistently across place, reinforcing the poverty traps that families experience and effectively capping mobility in low-income communities. It is important, therefore, to consider policies that smooth or flatten marginal tax rates in order to offer better pathways out of poverty traps.

We are left with the unfortunate conclusion that many social welfare policies do not really address the country’s poverty traps—and in some perverse instances they may even reinforce spatial inequalities. How could this be? Much of the popular discussion about poverty traps portrays high-poverty places as distant communities full of people who are not seen as “us.” This is so even though there are communities trapped in poverty all around us, and even though almost one in 10 Americans lives in a persistently poor place. It is unlikely that we can make progress on poverty if we aren’t willing to forge policies that recognize that all places are our places.


The Winter 2019 edition of Pathways was delayed in publication and is based on articles written in 2018. Work on this piece began over three years ago. My thinking around issues of place and poverty has evolved in that time. This piece should more clearly state that any future policy intended to strengthen our poorest communities must directly confront the roles that structural racism and safety net policy informed by such racism play in perpetuating concentrated poverty. It is to these challenges we must turn as scholars, practitioners, and policymakers.

Notes
6. Census tracts are defined as persistently poor if the tract poverty rate was over 20 percent in 1990, 2000, 2010, and 2017. It is important to note that the largest 100 metro areas in the U.S. comprise roughly two-thirds of the total population. By focusing on the largest 100 metro areas, it becomes possible to make distinctions between urban and suburban tracts. See Allard, Scott W. 2017. *Places in Need: The Changing Geography of Poverty*. New York: Russell Sage Foundation.

7. Author’s calculations for the largest 100 metro areas from the 2013–17 American Community Survey.


9. Author’s calculations from the 2013–17 American Community Survey.

10. The unemployment rate in 2017 was 13.4 percent in persistently poor tracts in the largest 100 metro areas and 10.4 percent in persistently poor rural counties, compared with 6.3 percent and 5.7 percent in other tracts and rural counties, respectively. Average median income was $29,891 in persistently poor tracts in the largest 100 metro areas in 2017 versus $73,126 in other tracts. Average median income was $33,275 in persistently poor rural counties in 2017, compared with $47,851 in other rural counties. Author’s calculations from the 2013–17 ACS.


