

Poverty Across the Nation: Intersections of Geography, Race, and Ethnicity

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*The views expressed are the authors' own and do not necessarily reflect those of the University of California, Santa Cruz, the Federal Reserve Bank of Boston, the Federal Reserve System, its Board of Governors, the University of California, Berkeley, or Duke University.

**This chapter updates: Burton, Linda M., Marybeth J. Mattingly, Juan M. Pedroza, and Whitney Welsh. 2017. "Poverty." In *State of the Union: The Poverty and Inequality Report*. [Special issue]. *Pathways: A Magazine on Poverty, Inequality, and Social Policy*. Stanford Center on Poverty and Inequality.

The COVID-19 pandemic, related recession, and racial-reckoning tragedies of 2020-2021 fixed our gaze on racial, economic, and other social disparities. But, of course, these disparities are long-standing. The geography of poverty across the United States mirrors the realities of a nation divided by race and influenced by histories of oppression. Here, we use the lens of poverty to highlight inequality by race-ethnicity and situate disparities in historical, place-based context.

Who are America's poor? The popular discourse leads many to believe that they comprise Black residents residing in urban ghettos, Hispanic immigrants parceled into Hispanic/Latine 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.

To do this, we show trends over time and rely on Decennial Census (1980, 1990, 2000), and later American Community Survey (ACS) (2005-2019) data. These data are particularly well-suited for our analyses given the large sample size allow us to drill down to relatively small geographies and populations, and we can use the Official Poverty Measure in both data sets across time.¹ Throughout our analysis, we focus on household heads aged 25 and over and weight to account for sampling error.²

Trends in Poverty by Race and Ethnicity

Looking back over the past 40 years, we see dramatic differences by race and ethnicity in the risk of poverty. We see two distinct realities across the United States, with Black, Hispanic, and Native American households experiencing high rates of poverty, and Asians and Whites

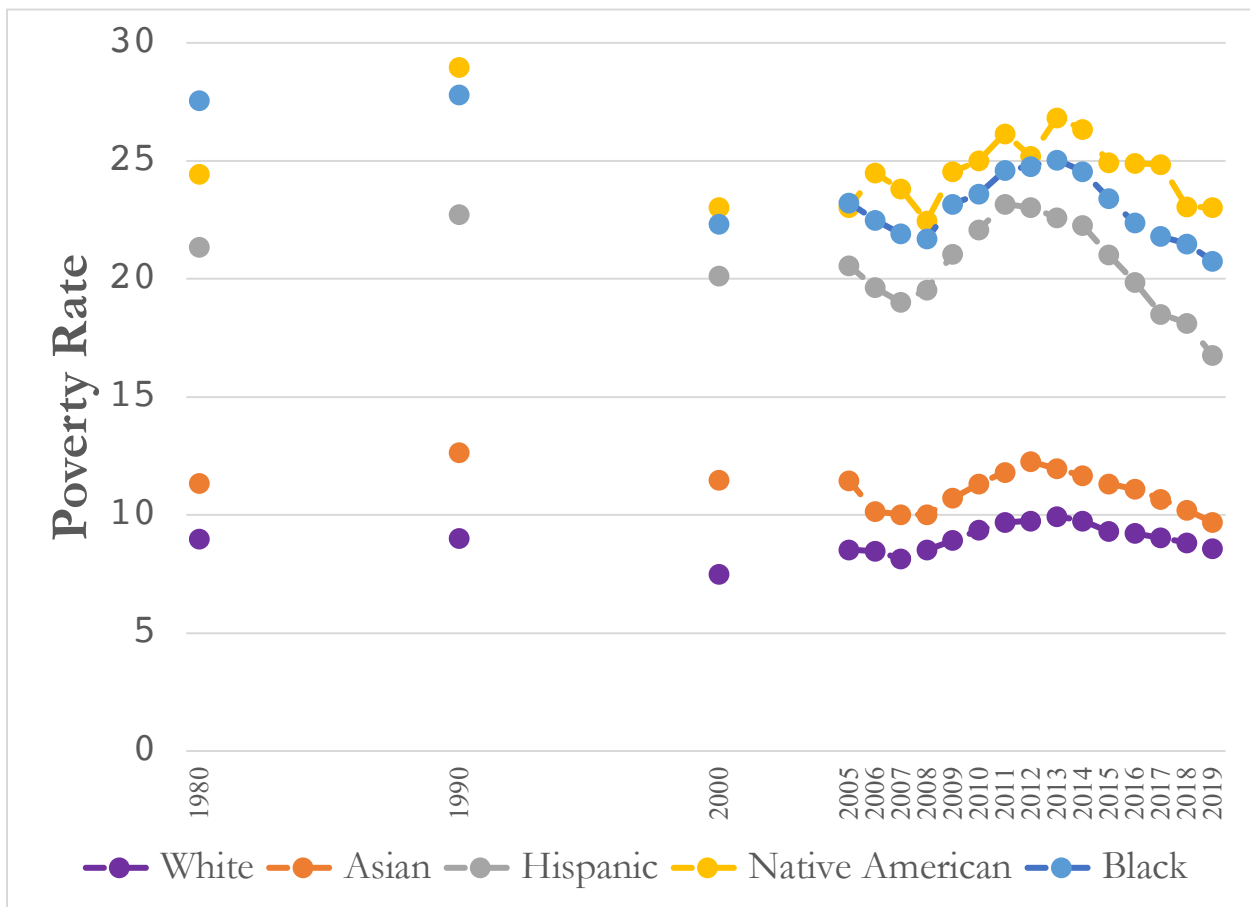
¹ Though the Supplemental Poverty Measure (SPM) has some advantages, the OPM is still an excellent proxy for understanding economic hardship¹ and offers us a broad view of poverty across recent decades.

² 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 White, Black, Asian, and Native American households.

experiencing (relatively) low rates of poverty.³ Between 2015 and 2019, Native American poverty remained higher than that of all other groups, while Black and Hispanic poverty rates both fell to pre-Great Recession levels – although still remained higher than rates of White or Asian poverty. Such snapshots reveal that, even before the COVID-19 pandemic, poverty remained strongly stratified along racial/ethnic lines. This portrait holds in rough form over the entire time series shown in Figure 1. Although Hispanics had somewhat lower poverty rates than Black and Native American households in 1980, this gap closed during the Great Recession.

In the most recent data from 2019, one in four Native Americans are poor, as well as one in five Black households and one in six Hispanic households. This contrasts with one in ten Asians and one in 11 Whites. 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, Black and Hispanic households combined – who comprise just 26 percent of all household heads – account for 43 percent of the nation’s poor.

Figure 1



³ Steven Ruggles, Sarah Flood, Sophia Foster, Ronald Goeken, Jose Pacas, Megan Schouweiler and Matthew Sobek. IPUMS USA: Version 11.0 [dataset]. Minneapolis, MN: IPUMS, 2021. <https://doi.org/10.18128/D010.V11.0>

The Geography of Poverty by Race and Ethnicity

How is poverty arrayed spatially? In 2019, cities have the highest poverty rate (16%), rural areas have a somewhat lower rate (14%), and suburban areas have the lowest rate (9%). These differences across urban, rural, and suburban settings are discussed in further detail in Scott Allard's chapter (see Ch. X). We focus instead on regional differences and how they intersect with race, ethnicity, and urban, rural, and suburban settings.

When poverty is examined by region, we find that the poverty rate in the South (13%) is slightly higher than in the rest of the country (11%). Yet given its larger population, the South has a much higher share of the country's poor households (42%). In comparison, the West and the Midwest each have 21 percent, and the Northeast has 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 the highest poverty rates in the country among Black (32%) and Hispanic (26%) households in the rural South, and Native American households in the rural West (29%). Thus, our collective notion of Black poverty concentrated in central cities does not capture the full story. The latter rural groups face a greater poverty rate than these same racial and ethnic groups do in the cities of these regions.

The high poverty rate in the rural South (19% 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 2019). This is driven, in large part, by single mothers as Black single mothers in the rural South face some of the highest rates of poverty in the nation (47%).⁴ Furthermore, poverty and single-headed households remain especially common in areas where slavery was most prevalent.⁵

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 the rest of the country:

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

⁴ Mattingly, Marybeth J., and Jessica A. Bean. 2010. "The Unequal Distribution of Child Poverty: Highest Rates Among Young Blacks and Children of Single Mothers in Rural America." Issue Brief No. 18. University of New Hampshire. Retrieved from <https://scholars.unh.edu/cgi/viewcontent.cgi?article=1123&context=carsey>.

⁵ Berger, Thor. "Places of persistence: Slavery and the geography of intergenerational mobility in the United States." *Demography* 55, no. 4 (2018): 1547-1565.

discrimination, bringing many competing economic and community interests into potential conflict.⁶

More detailed data also reveal that poor Hispanics are increasingly settling in rural areas and Southeastern states.⁷ Although cities in the Northeast have the highest Hispanic poverty rate (nearly 25%), the Hispanic population in the Northeast is a small fraction of the country's total Hispanic population. Indeed, when looking across the nation, we find the share of all poor Hispanics residing in the Northeast urban core is just 11 percent.

The rural South is well known for its high White poverty rate, (14.8%). But Figure 2 shows that Whites also experience quite high rural poverty rates in other regions as well as in the urban areas of the Northeast, Midwest, and West. This finding fits with our understanding of generational poverty across Appalachia, though rural White poverty extends beyond this region.⁸ In the South, however, poverty rates are much higher (15%) among rural Whites than they are among Whites residing in cities (7%). This difference is tied closely to declines in extractive industries, like mining, that historically provided decent jobs without large investments in education: a high school degree was not necessary for many good jobs in these industries.⁹ 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.¹⁰

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 most disadvantaged neighborhoods into some of the least affordable (see the related chapter by Scott Allard for details).¹¹

⁶ Burton, Linda M., Daniel T. Lichter, Regina S. Baker, and John M. Eason. 2013. "Inequality, Family Processes, and Health in the 'New' Rural America." *American Behavioral Scientist* 57(8), 1134.

⁷ Saenz, Rogelio. 2012. "Rural Race and Ethnicity." In *International Handbook of Rural Demography*, eds. László J. Kulcsár and Katherine J. Curtis. New York: Springer, 207–223; Macartney, Suzanne, Alemayehu Bishaw, and Kayla Fontenot. 2013. "Poverty Rates for Selected Detailed Race and Hispanic Groups by State and Place: 2007–2011." *American Community Survey Briefs*. Retrieved from <https://www.census.gov/library/publications/2013/acs/acsbr11-17.html>.

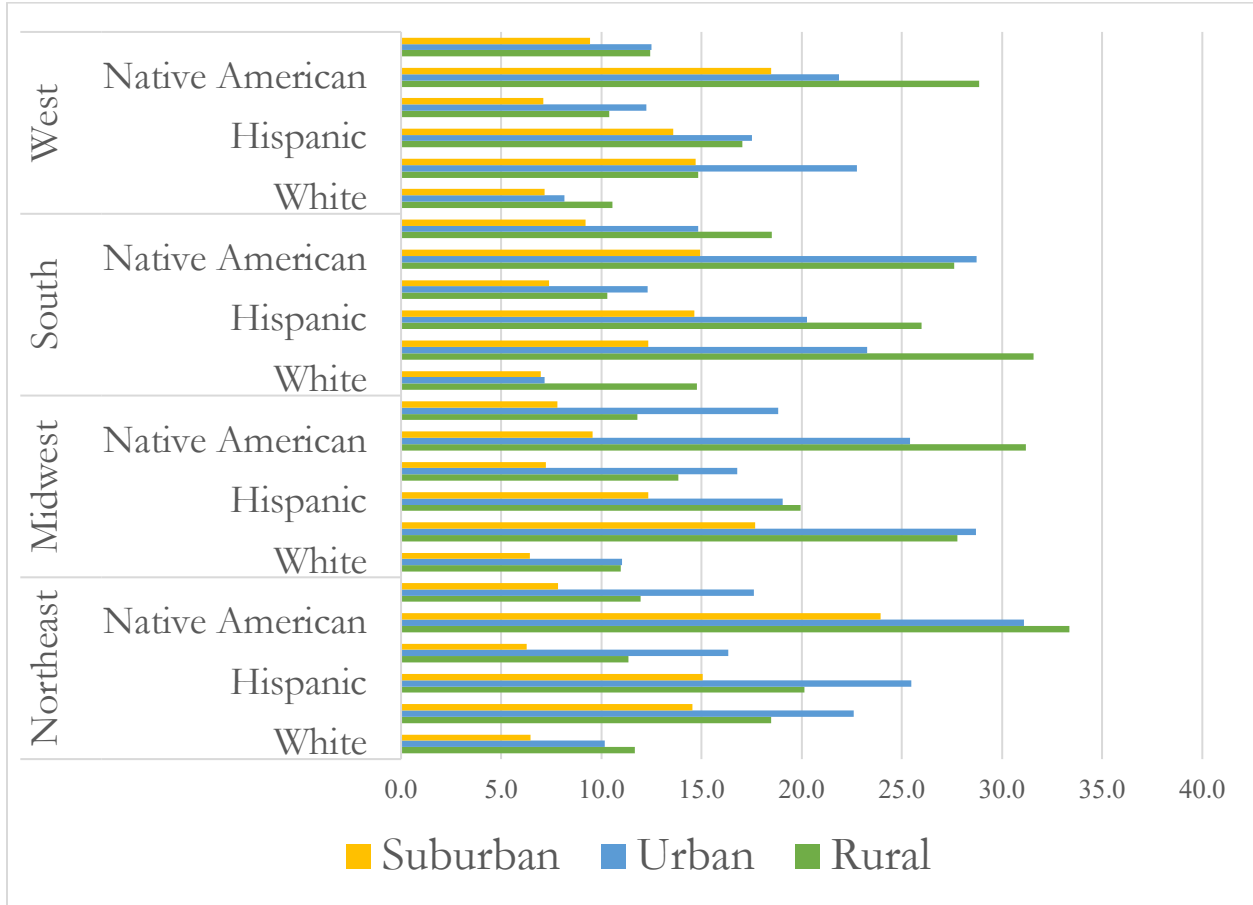
⁸ Schaefer, Andrew, Marybeth J. Mattingly, and Kenneth M. Johnson. 2016. "Child Poverty Higher and More Persistent in Rural America." *Carsey School of Public Policy, National Issue Brief #97*, Winter 2016: <https://scholars.unh.edu/cgi/viewcontent.cgi?article=1265&context=carsey>

⁹ See Duncan, Cynthia Mildred. 2014. *Worlds Apart. 2nd edition*. New Haven, CT: Yale University Press.

¹⁰ Roscigno, Vincent J., Donald Tomaskovic-Devey, and Martha L. Crowley. 2006. "Education and the Inequalities of Place." *Social Forces* 84(4), 2121–2145.

¹¹ See Jargowsky, Paul A. "Sprawl, concentration of poverty, and urban inequality." In *Urban Sprawl: Causes, Consequences & Policy Responses* edited by Gregory D. Squires. The Urban Institute, 2002. And Lobao, Linda, and Rogelio Saenz. "Spatial inequality and diversity as an emerging research area." *Rural Sociology* 67, no. 4 (2002): 497-511

Figure 2



Conclusions

We have documented persistent patterns of poverty in which one's race is closely related to the risk of economic precarity? Specifically, we demonstrated geographic patterning for Hispanic, Black, Native American, and White families but no such patterns were evident in our data for Asian families in the aggregate. Why do we see spatial patterning? How did this happen?

While some popular narratives of the past sought to explain these differences as a result of individual decisions, choices, and shortcomings, it is now clear that poverty has structural sources.¹² A vast literature has established that structural racism pervades our social order and influences individual opportunities while shaping long-term outcomes in racialized ways.¹³

This process of racialization intersects with other statuses. Intergenerational poverty, for example, is especially common in many Black families in the South, rural White families across

¹² See Small ML, Harding DJ, Lamont M. Reconsidering Culture and Poverty. *The ANNALS of the American Academy of Political and Social Science*. 2010;629(1):6-27. doi:10.1177/0002716210362077

¹³ See, for example: Brady, David, and Linda M. Burton, eds. *The Oxford handbook of the social science of poverty*. Oxford University Press, 2016.

Appalachia and the Ozarks, Native Americans in states with large reservation populations, and Hispanics along the border with Mexico.¹⁴ Further, some racial and ethnic groups are more likely to live in places of concentrated poverty, a spatial form that is especially disadvantaging.¹⁵

These racial, ethnic, and place-based dynamics of course intersect with other statuses. The immigration status and experiences of racial and ethnic groups can, for example, deeply affect their life chances. Although it has not been our focus, the country of origin is also a central distinguishing factor in the poverty rates faced by Hispanic and Asian families; which affect some segments of these populations more than others.

We do not attempt here to examine the role of key safety net programs in reducing poverty and in narrowing the gap between Asian and non-Hispanic White populations, on the one hand, and Hispanic, Native American, and Black populations, on the other. But the poverty-reducing role of policy is indisputable. Prior research suggests the package of safety net policies available to lower-income individuals and families have played an important role in reducing poverty over the past few decade¹⁶ and, in particular, kept rates at bay during the early months of COVID recession.¹⁷ Additionally, programs like SNAP and the EITC both reduce poverty *and* narrow racial-ethnic disparities, while social security actually widens racial-ethnic disparities despite reducing poverty.¹⁸ These results make it clear that, in evaluating policy, it is critical to attend to both overall and group-specific effects. Because racial and ethnic disparities are, as we have shown, very large, this stricture is exceedingly important.

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 Black, Hispanic, and Native American households, and a (relatively) low-poverty America for White and Asian households, and (b) the usual stereotypes about the melding of race, ethnicity, and place are sometimes off the mark.

¹⁴ Garcia, Ginny (2011). Mexican American and immigrant poverty in the United States. The Springer series on demographic methods and population analysis. New York, NY: Springer; Leichenko, Robin M. “Does place still matter? Accounting for income variation across American Indian tribal areas.” *Economic Geography* 79, no. 4 (2003): 365-386; Macartney et al., 2013; Schaefer, Andrew, Marybeth Mattingly, and Kenneth M. Johnson. 2016. “Child Poverty Higher and More Persistent in Rural America.” National Issue Brief No. 97. University of New Hampshire. Retrieved from <https://scholars.unh.edu/cgi/viewcontent.cgi?article=1265&context=carsey>; Mattingly, Marybeth J., and Juan M. Pedroza. “Convergence and Disadvantage in Poverty Trends (1980–2010): What is Driving the Relative Socioeconomic Position of Hispanics and Whites?” *Race and Social Problems* 10, no. 1 (2018): 53-66.

¹⁵ Chetty, Raj, Nathaniel Hendren, Patrick Kline, and Emmanuel Saez. 2014. “Where Is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States.” *Quarterly Journal of Economics* 129(4), 1553-1623.

¹⁶ Christopher Wimer, Liana Fox, Irwin Garfinkel, Neeraj Kaushal, Jane Waldfogel; Progress on Poverty? New Estimates of Historical Trends Using an Anchored Supplemental Poverty Measure. *Demography* 1 August 2016; 53 (4): 1207–1218. doi: <https://doi.org/10.1007/s13524-016-0485-7>

¹⁷ Parolin, Zachary, Megan Curran, Jordan Matsudaira, Jane Waldfogel, and Christopher Wimer. “Monthly Poverty Rates in the United States during the COVID-19 Pandemic.” Center on Poverty & Social Policy, School of Social Work, Columbia University Working Paper October 15, 2020. <https://static1.squarespace.com/static/5743308460b5e922a25a6dc7/t/5f87c59e4cd0011fabd38973/1602733471158/COVID-Projecting-Poverty-Monthly-CPSP-2020.pdf>

¹⁸ Mattingly, Marybeth J. and Carson, Jessica A., “Closing Racial-Ethnic Gaps in Poverty: How Government Programs Compare” (2019). *The Carsey School of Public Policy at the Scholars’ Repository*. 367. <https://scholars.unh.edu/carsey/367>