

Session 3 Discussion:  
Social & Political Aspects of Poverty

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# Lichter, Parisi, & Taquino

- Careful study of:
  - Poor/non-poor segregation
  - Minority segregation
- Focus on “places” (smaller than counties)
- Based primarily on ACS
- Maps, tables and regression

# Lichter, Parisi, & Taquino

- “...geographic distribution of poor places does not necessarily coincide with geographic distribution of poor counties”
- Share of rural poor living in poor places is increasing
- Concentration of poor Hispanics into poor places is decreasing while poor blacks is stagnant.
- Within county poor/non-poor segregation is increasing.
- New ethnic enclaves of Hispanics in rural areas
- Manufacturing mitigates poor/non-poor segregation

# Future Research

- Enclaves: good, bad, or indifferent?
  - Plus side:
    - Easier to transition from home country
    - At least in short term, better support systems
    - Perhaps more employable within the milieu
  - Minus side:
    - Poverty trap?
    - Limited markets
    - Potential for future social upheavals if inequality persists
- Enclaves: why are they arising?
  - Housing prices?
  - Preferences?
  - New age red-lining?

# Future Research

- “Places” might be consistently poor; are the people in them consistently poor?
  - Churn? (New poor people replace old poor people who move out?)
  - Moving up a steep pyramid?
  - Large family problem?
  - Questions might be answered with Census Data Center
- With “reshoring” of manufacturing, is more equality on the horizon?

# Sherman & Sage

- Ethnographic case study of rural community decimated by economic change
- Exploring who is groomed to be educated (probably to leave) and who is not
- Data from semi-structured in-depth interviews
- “Family social class standing and their moral status impact the ways in which their children are viewed and treated...”

# Sherman & Sage

- Poor families opting out of school system
  - Anecdote: some non-poor as well
- Better-off families accepting education as preamble to permanent departure

# Future Research

- Growth of home-schooling in US
  - Rural areas; declining enrollments → vicious circle of fewer choices, longer commutes leading to more home-schooling
  - Growth of online schooling
    - Free tablet
  - Are the less educated more likely to home school; use online to opt out due to perception of poorer treatment in traditional schools?
  - Will online education make graduates less tied to place (no longer meeting “sweet heart” at school)?
  - Will online offset lack of preparation parents or “cement” certain social viewpoints?



# Islam, Minier, & Ziliak

- Large-scale econometric study using standard growth models and estimation techniques
- Innovation: incorporate county level-data from 1890 – 1900 as explanatory variables for contemporary poverty/non-poverty outcomes
- Focus on human capital (measured as illiteracy rate & HS graduation rate)

# Islam, Minier, & Ziliak

## Conclusions

- While much of the income difference is explained by contemporary factors, the contribution of historical levels of human capital is surprisingly large.
- Black race not significant if control for human capital

# Islam, Minier, & Ziliak

## Policy Recommendation

- Investments in education, coupled with economic development programs that aim to diversify the economic base around nearby urban centers, may offer a path out of persistent poverty.

# Islam, Minier, & Ziliak

## Future Research

- A basic finding is that poverty is persistent. What about counties that did change?
  - Poor → Non-poor
  - Non-poor → Poor
- Poverty & outmigration
  - Policy recommendation implies moving people from hinterland areas of county to more central location
  - After they move once, “risk” of outmigration increases?

# Islam, Minier, & Ziliak

## Future Research

- Perhaps revisit religion/ethnicity variables, recode?
  - Places where predominant religion/ethnicity did not change
  - Places where descendants of 1890 people are still present but now mixed with more recent arrivals
  - Places where the 1890 religion/ethnicity are no longer found

# Putting it all Together

- 3 very different and interesting contributions to our knowledge about poverty.
- Not inconsistent with each other
  - Persistent county-wide poverty
  - Pockets of poverty in other counties
  - Human capital important cause and possibly a conscious intergenerational choice

# Policy Ideas

- Experiments?
  - Randomly select places and counties
  - Also control places counties
  - Invest in education in treatment counties
- Investments
  - Enhance traditional bricks and mortar education
    - Double shifts to extend school day?
    - Three square meals?
  - On-line education and infrastructure
  - Teach for America

# Ethical Question

- Some (many) of these places have their own cultural identities
  - Tribal
  - Black Belt
  - Appalachia
- Our value system (education & social mobility as answer to poverty) may not fit the value system of these places
- Is it ethical to ask/expect them to conform to the majority way of doing things?
- What are alternatives that allow people to make a decent living in place with their own values?



# Practical Question

- “Life cycle” of a job is speeding up.
  - “Bitcoin miner”
- Rural areas are isolated from knowledge of latest trends in industry.
- How can we connect rural workforce training programs to rapidly evolving industry needs?