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THE LEGACY OF HARDSHIP: Persistent Poverty in North Carolina

*Timely,
accessible,
and credible
analysis of
state and local
budget and tax
issues*

Author:
Alexandra F. Sirota
919/861-1468
alexandra@ncjustice.org

North Carolina
Justice Center
P.O. Box 28068
Raleigh, NC
27611-8068

www.ncjustice.org

KEY FINDINGS:

- **Ten counties in North Carolina were persistently poor in 2000, meaning that they had high poverty rates (20 percent or more of their populations lived in poverty) every year for three decades (1970 to 2000).**
- **Persistent poverty has been concentrated in the eastern region of the state. These counties have had little diversification of employment, fewer teachers with advanced degrees, more housing stress due to lack of affordable housing stock and substandard conditions, and are underserved by health care providers.**
- **Living in a community of persistent poverty limits the opportunities of residents and represents a challenge to regional economic development and the state's overall economic growth.**

The Persistence of Poverty in North Carolina

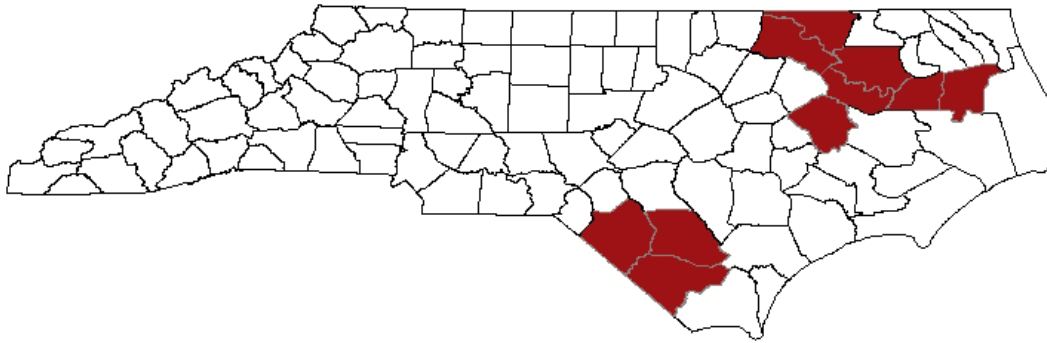
The causes of persistent poverty – which is primarily a rural phenomenon in the United States – are systemic and complex. Concentrations of high poverty have endured for decades in certain areas due to factors such as physical isolation and exploitation of labor and natural resources that have been compounded by the inequitable allocation of government resources and the failure of private markets to function effectively or equitably.¹

Today, in North Carolina, some communities remain disconnected from good jobs and growing industries and the networks and infrastructure that can connect residents to economic opportunity. When for generations communities cannot access the tools and systems that support mobility and prosperity, it becomes difficult for these geographic areas to reduce the economic hardship of their residents. The result is poverty persists.

Persistent poverty is a measure developed by the United States Department of Agriculture and is defined by both the percentage of people living in poverty and the period of time that the poverty rate has remained high in a given geographic region. The current thresholds for this definition find a county to be experiencing persistent poverty if at least 20 percent of the people in the county lived in poverty in every year from 1970 to 2000.²

As of 2000, there were 10 counties in North Carolina that fit the definition of persistently poor: Bertie, Bladen, Columbus, Halifax, Martin, Northampton, Pitt, Robeson, Tyrrell and Washington counties.³

FIGURE 1: Persistently Poor Counties, 1970 to 2000



Persistently Poor Counties 1970 to 2000
Bertie County
Bladen County
Columbus County
Halifax County
Martin County
Northampton County
Pitt County
Robeson County
Tyrrell County
Washington County

North Carolina and the Black Belt Region

All of North Carolina’s persistently poor counties are located in the eastern region of the state. This area is part of the northern tip of the Black Belt, a crescent of economically distressed communities that stretches south to Louisiana. The challenges for these communities can be traced back to the economic oppression of slavery and the economic exclusion of segregation and discrimination. As a result, these communities have long struggled with a lack of connection to the opportunities that generate improved economic outcomes such as education, employment, infrastructure, and technology. More recently, these communities have been impacted by economic restructuring—the dramatic decline in the state’s manufacturing employment base and the rise of low-paying service-sector jobs—and the need to adapt to today’s highly competitive economy.⁴

The lack of employment opportunities has meant these communities have little to offer residents in terms of good jobs and opportunities for advancement.⁵ Often, those residents who achieve middle-class status leave the Black Belt to continue their post-secondary education or seek higher-paying jobs.

Those who stay in the Black Belt face a precarious economic existence. Controlling for other factors, researchers have found that an African-American worker in the Black Belt will earn just 82 percent of what African-Americans across the rest of the South earn. And African-Americans in the South are already earning just 80 percent of non-Southern blacks.⁶

Key Characteristics of North Carolina’s Persistently Poor Counties

A comparison of four key indicators of the opportunity structure in North Carolina’s persistently poor counties demonstrates the systemic barriers to reducing poverty (See Appendix 1 for County Specific Data).⁷ Opportunity structures are those institutions and conditions that support economic success for residents and include secure employment, safe homes, physical well-being and networks of educated adults and effective institutions. Analysis of how communities are faring on these indicators can inform an understanding of the outcomes for residents of persistently poor counties.

Employment: Persistently poor counties are more likely to have concentrations of employment in a single sector. According to the USDA Economic Research Service, North Carolina’s persistently poor counties have been identified as economically dependent on manufacturing (5 counties), farming (1 county) or government (1 county). The two sectors for which data are readily available—manufacturing and government—experienced declines during the Great Recession and the recovery period through November 2011 of 18.9 and 1.9 percent respectively.⁸ The lack of diverse employment in alternative industries drives high and long-term unemployment as fewer jobs are available in growth industries.

Education: In a global economy that places a premium on skilled workers, persistently poor counties lack the ability to connect students to networks of educated adults. Research has found that such connections can provide pathways to higher educational attainment and career mobility.⁹ In persistently poor counties, the educational attainment levels of the adult population are below the state averages. Equally important in the literature is the role of highly qualified teachers.¹⁰ In many of the persistently poor counties in the state, the percent of teachers with advanced degrees is below the state average.¹¹ Student achievement as measured by the four-year graduation rate was actually higher than the state average in five of the ten counties, suggesting that the additional investment in these counties of state dollars have been effective.¹²

Housing: The USDA Economic Research Service finds 9 out of the 10 persistently poor counties in North Carolina experience housing stress. Housing stress is defined as when 30 percent or more of the households in a county have one or more of the following conditions: lack complete plumbing, lack complete kitchen, pay 30 percent or more of their incomes for housing costs, or have more than one person per room. Substandard housing and a lack of affordable housing has been linked to poor health outcomes, more frequent moves by households, and less consistency in the neighborhood environments and institutions, like schools, that support children's healthy development.¹³

Health Care: The lack of access to health-care providers in North Carolina's persistently poor counties means that prevention is less available and treatments can be more expensive and more difficult to reach. Among these counties, the average number of primary care physicians per 10,000 people is 5.6—below the state average of 9.4 per 10,000 people.¹⁴ In addition to being underserved health-care areas, these counties have low levels of health insurance coverage, further complicating the ability of residents to access health care. Poor health-care outcomes are evident in these communities; the life expectancies in nearly all of the persistently poor counties are below the state average.

Conclusion

Geographies that have experienced three decades or more of high poverty face unique challenges in providing economic opportunity to all. The lack of wealth, few employment opportunities and a crumbling opportunity structure in these communities makes it difficult for local governments to overcome the legacy of persistent hardship and provide pathways to mobility. State policymakers must utilize place-based solutions to support economic opportunity across the state and level the playing field for all communities.

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- 1 Lichter, Daniel T. and Domenico Parisi, Fall 2008. Concentrations of Rural Poverty and the Geography of Exclusion. Carsey Institute: University of New Hampshire.
 - 2 Due to differences in the survey methods and data sources, the available county-level estimates of poverty from 2010 cannot be compared to decennial census data.
 - 3 U.S. Census Bureau data were used for the years 1970, 1980, 1990 and 2000 to determine those counties that had poverty levels of more than 20 percent.
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 - 5 Wimberley, Dale. "Quality of Life Trends in the Southern Black Belt, 1980-2005: A Research Note" *Journal of Rural Social Sciences*, Vol. 25, no. 1 (2010) pp. 103-118; USDA, Economic Research Service, Understanding Rural America: Persistent Poverty. Accessed at: <http://www.ers.usda.gov/publications/aib710/aib710l.htm>; Tickamyer, Ann R. and Cynthia M. Duncan. "Poverty and Opportunity Structure in Rural America," *Annual Review of Sociology*, Vol. 16 (1990) pp. 67-86
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 - 8 Employment Security Commission of North Carolina, November 2011. *State Unemployment Rate*.
 - 9 Brooks-Gunn, Jeanne, Greg J. Duncan and J. Lawrence Aber, ed. 1997. *Neighborhood Poverty: Context and Consequences for Children*, Vol. 1. The Russell Sage Foundation: New York, NY.
 - 10 Rice, Jennifer King, 2003. *Teacher Quality: Understanding the Effectiveness of Teacher Attributes*. Economic Policy Institute: Washington, DC.
 - 11 The higher percent in Tyrell County reflects the small number of teachers and the greater share that does have advanced degrees.
 - 12 Henry, Gary T., Charles L. Thompson, C. Kevin Fortner and Rebecca Zulli. April 2009. "The Impact of the DSSF on Middle School Student Performance in Pilot Districts." *Carolina Institute for Public Policy*.
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 - 14 North Carolina Health Professions Data System, 2010, Cecil Sheps Center for Health Statistics at UNC Chapel Hill. Accessed at: <http://www.shepscenter.unc.edu/hp/prof2010.htm>.

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APPENDIX: Measures of the Opportunity Structure in Persistently Poor Counties of North Carolina

COUNTY	Population Density	USDA Sector Dependence	Unemployment Rate (November 2011)	Median Household Income (2010)	Primary Care Physicians per 10,000	Life Expectancy	Uninsured Rate	Educational Attainment of Adult Residents	Housing Stress	Renter Occupied Units
Bertie	30.4	Manufacturing	11.4	30,586	4.2	73.3	15.9	11.2	Yes	27.1
Bladen	40.2	Manufacturing	11.7	31,637	4.3	73	20.6	10.4	Yes	27.7
Columbus	62	Manufacturing	12.0	32,518	6.5	72.8	21.4	11.6	Yes	28.9
Halifax	75.4	Unspecified	12.9	30,861	7.3	74.1	14.5	11.2	Yes	36
Martin	53.1	Manufacturing	10.8	35,206	6.1	74	18.4	11.2	Yes	32
Northampton	41.2	Farming	11.6	32,168	2.3	75.5	15.1	9.8	No	27.3
Pitt	258.1	Unspecified	9.3	32,168	17.6	76.5	17.7	27.1	Yes	45.4
Robeson	141.4	Manufacturing	12.4	30,627	6.8	72.5	24.3	12.2	Yes	34.7
Tyrrell	11.3	Government	9.5	31,732	0.0	78.7	n/a	n/a	Yes	27.6
Washington	38	Unspecified	12.1	33,293	3.8	76.5	n/a	n/a	Yes	30.3
NORTH CAROLINA	*	*	10	43,417	9.4	77.3	16.2	26.3	*	33.3

SOURCE: Population density from U.S. Census Bureau, American Community Survey, 2011; Sector Dependence, Housing Stress from USDA, 2004 County Typology; Unemployment Rate from Employment Security Commission of North Carolina, November 2011, Local Area Unemployment Statistics; Median Household Income from U.S. Census

Bureau, Small Area Income and Poverty Estimates, 2010; Primary Care Physicians from Health Professionals Data System, Sheps Center on Health Statistics, UNC-Chapel Hill; Uninsured rate from ACS, 3 year average, 2008-2010; Life Expectancy from the State Center for Health Statistics; Percent of Adult Residents with Bachelor's Degree and Renter

Occupied Units from American Community Survey, 2011; Teachers with Advanced Degrees from NC Department of Public Instruction, County District Schools Cards; Four Year Graduation Rate from NC DPI, Education Statistics Access System, 2010-2011.