
Concentrated Poverty in Rural Settings

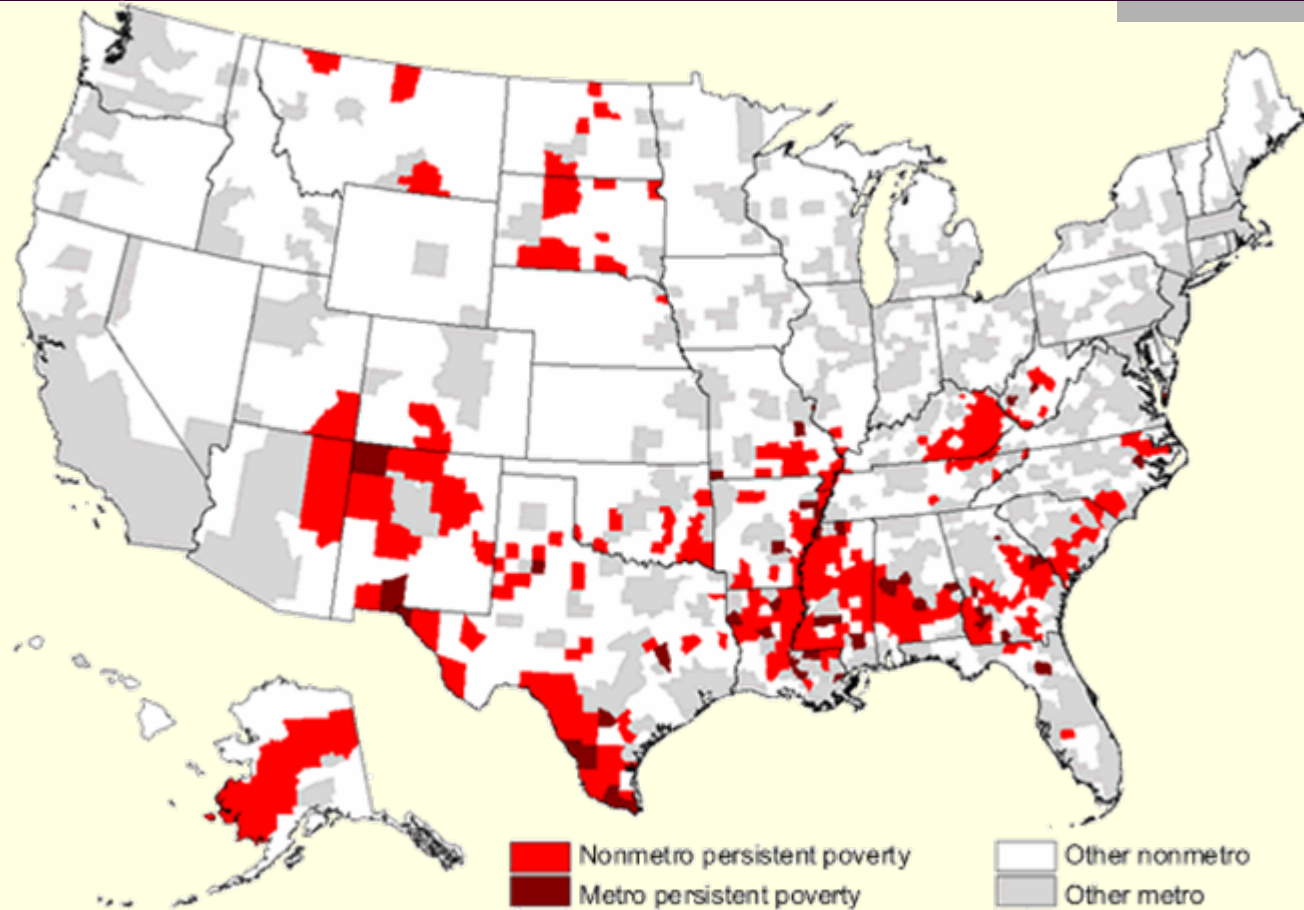
Karl Stauber, Ph.D.

Federal Reserve Board

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Persistent Poverty Counties, 1970-2000

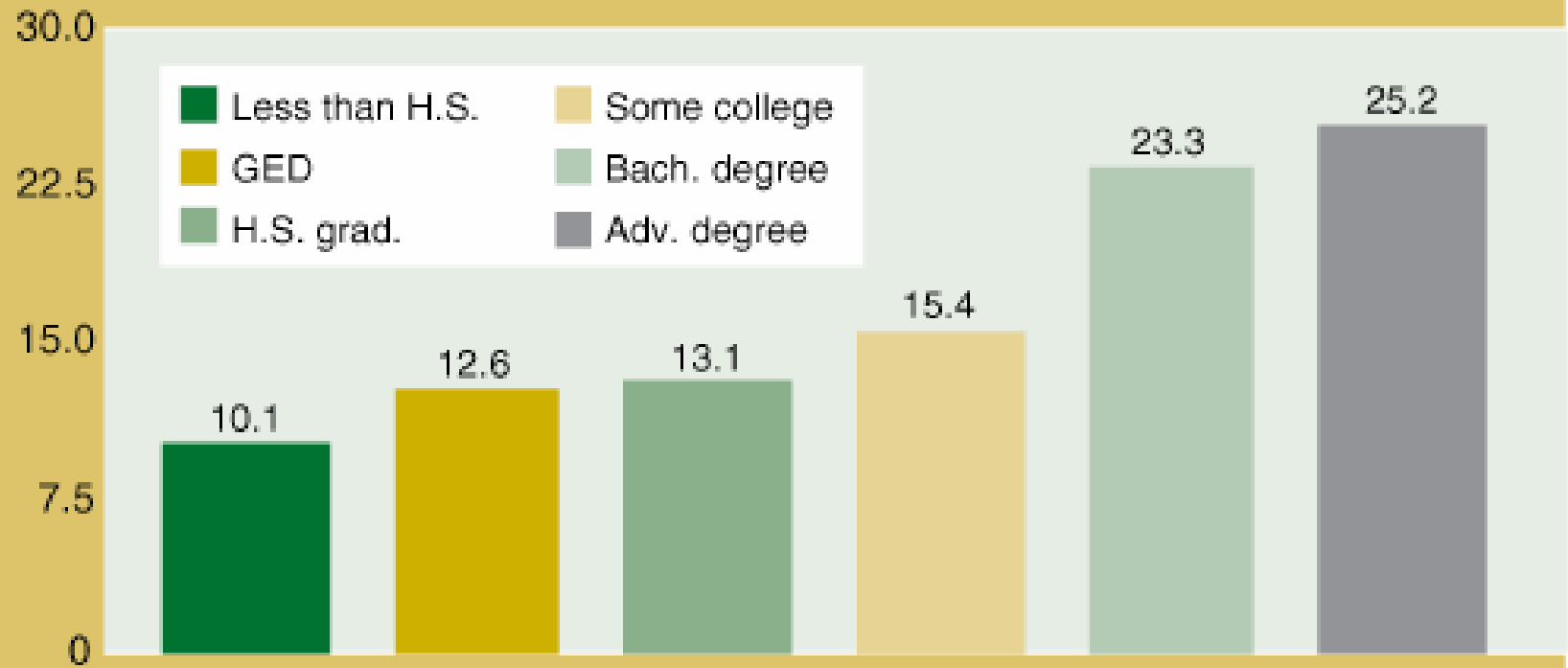


Persistent poverty counties--20 percent or more residents were poor as measured by each of the last four censuses, 1970, 1980, 1990, and 2000.

Source: Economic Research Service, USDA.

Metro-nonmetro earnings gap rises with level of education

Percentage difference by which metro earnings exceed nonmetro



Source: Calculated by ERS using data from the 2006 Current Population Survey Earnings File.

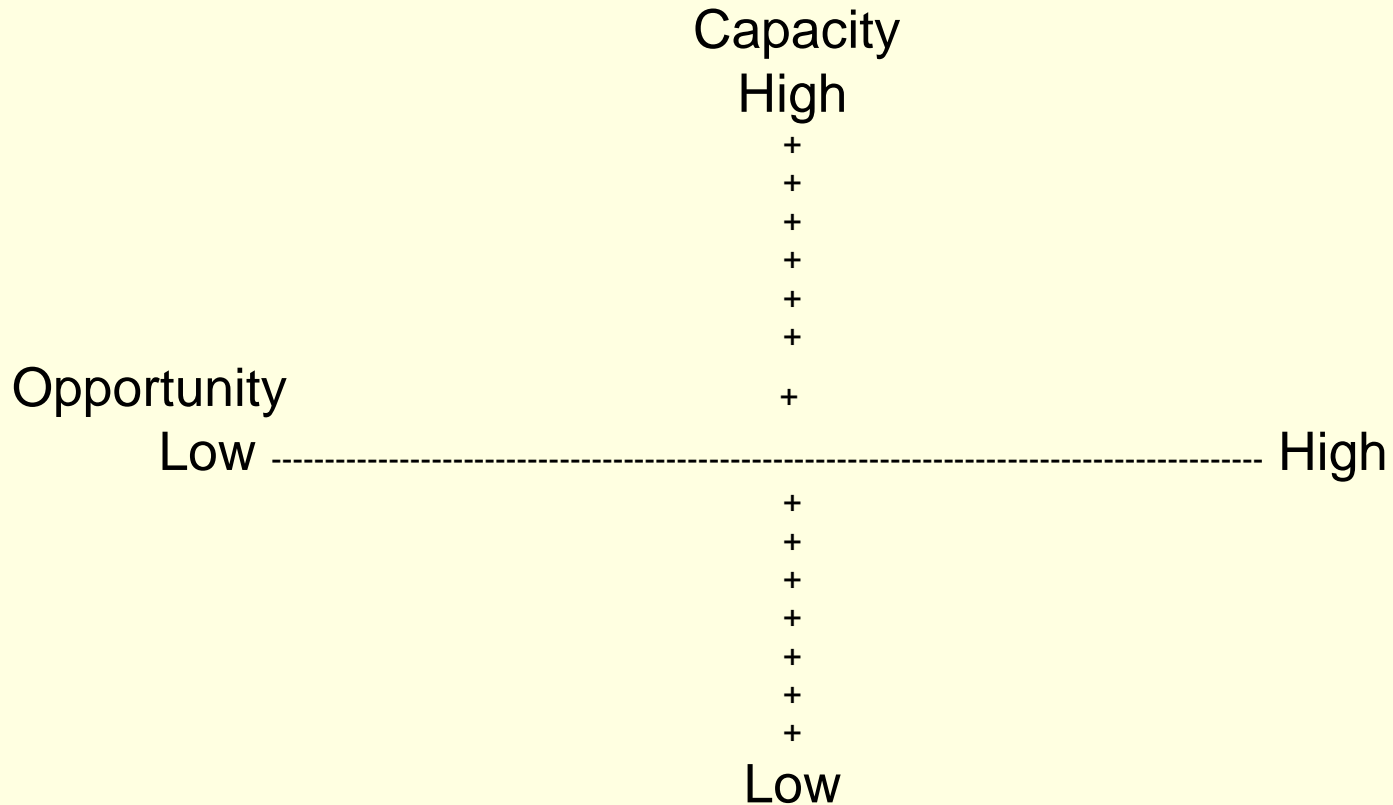
Urban Poverty Reduction

- Creating Connections to Opportunity via
 - Changing the Scale
 - Human Capital Development
 - Connecting Strategies
 - Infrastructure Development

Rural Poverty Reduction

- Creating Opportunities to Connect to and making sure low income families benefit via
 - Targeted business recruitment
 - Human capital development
 - Creation and support of community capacity
 - Alternative connecting strategies
 - Building regional competitive advantage

Rural Community Types and Strategies



Rural Poverty Reduction Requires Targeted Rural Prosperity Initiatives

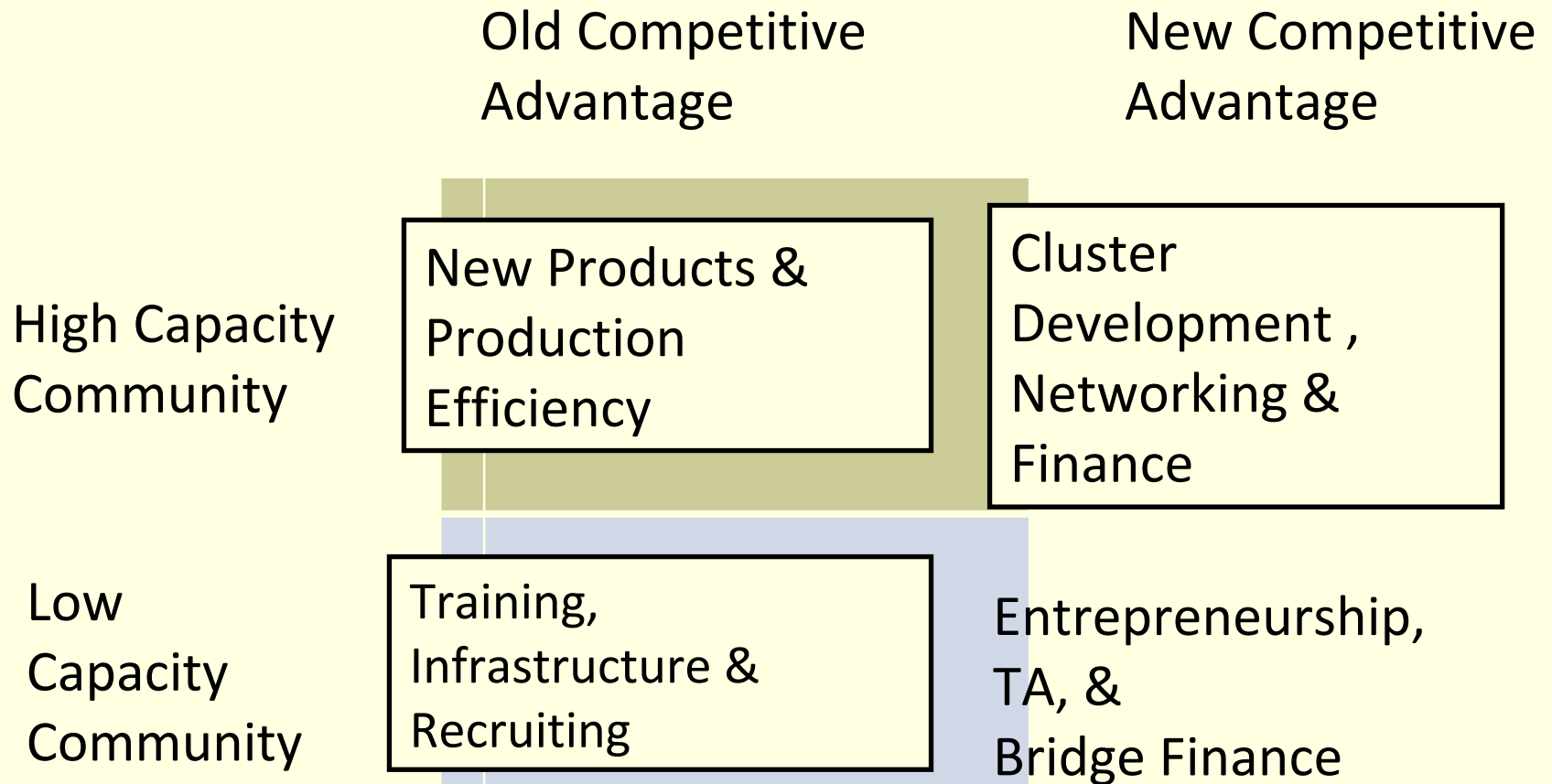
We know:

- Communities and firms without competitive advantage will not prosper—they lapse into decline or subsistence.
- Nations, communities, and firms that prosper constantly invest in creating new competitive advantage rather than protecting old advantage. Risk-taking entrepreneurs are one of the keys to the continual seeking.

■ Economic improvement and growth alone are not enough to sustain communities. They are necessary, but not sufficient. Communities that survive and prosper also invest in building the social and human capital of their institutions and people. But communities with high social and human capital and declining economic opportunity are not likely to have positive futures.

Stauber, "Why Invest in Rural America--And How?"
Kansas City Federal Reserve, 2001, P. 9

Investment Approaches



Specific Federal Recommendations

- End Agricultural Subsidies, they mostly benefit wealthy farmers and encourage dependency and concentration.
- Rural Regions will be the major US source of carbon sequestration. Design “cap & trade” protocols so rural regions are paid for the national benefits they produce.
- Build regional linkages that assure rural areas connectivity to metropolitan engines.

Specific Federal Recommendations

- Require federal policies influencing rural communities to be differentiated based on poverty levels, opportunity, and isolation.
- In low capacity, low opportunity areas, invest in building non-profit and governmental infrastructure focused on poverty reduction.
- Give qualified states and tribes the ability to take over federal programs and operate them. Have an intentional bias toward benefiting poorer areas.

Specific Federal Recommendations

- Federal infrastructure projects in rural areas should require local partners and resources should be included to assure community capacity development.

Contact Info

Karl N. Stauber
President & CEO

Danville Regional Foundation

103 S. Main St.

Danville, VA 24541

434-799-2176

kstauber@danvilleregionalfoundation.org

www.danvilleregionalfoundation.org



Current Federal Policy

- Today's rural public policy is not based on carefully crafted, desired, public policy goals.
- Today's rural public policy is largely a “one size fits all” approach to the significant diversity that is rural America.
- Today's rural public policy consists of isolated elements of sectoral policy created without regard to extra-sectoral effects.

Current Federal Policy

- Today's rural public policy is often national policy that has been created with little or no thought for its implications for rural communities.
- Today's rural public policy is based on the erroneous assumption that there are public institutions that serve the unique needs of rural areas.