Rural Poverty and Rural-Urban Income Gaps: 
A Troubling Snapshot of the “Prosperous” 1990s

Kathleen K. Miller and Thomas D. Rowley
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Introduction

When most people think of poverty in the United States, they think of “big cities”—broken down tenements and boarded up storefronts in the heart of urban ghettos. Whether hidden behind images of bucolic settings or lost in misperceptions about the rural economy, rural poverty is often all but forgotten. Certainly, poverty is an urban problem. It is also, however, a rural problem—and a large one at that. Indeed, while 11.3 percent of Americans and 10.8 percent of urban Americans live in poverty, 13.4 percent of rural Americans live in poverty.

Using just-released data from the 2000 Census (as well as other sources), the table, maps, and narrative below give a brief overview of the extent, location, and longevity of rural poverty.

Rural vs. Urban Income and Poverty: A Look at the Numbers, 2000

<table>
<thead>
<tr>
<th></th>
<th>Total Number</th>
<th>Poverty Rate</th>
<th>Poverty Rate Greater than U.S. Average (11.3%)</th>
<th>Number in 500 Poorest Counties</th>
<th>Number in 500 Lowest Per Capita Income Counties</th>
<th>Number in 500 Highest Per Capita Income Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonmetro Counties</td>
<td>2,288</td>
<td>13.4 %</td>
<td>1,610</td>
<td>459</td>
<td>481</td>
<td>150</td>
</tr>
<tr>
<td>Metro Counties</td>
<td>813</td>
<td>10.8 %</td>
<td>344</td>
<td>41</td>
<td>19</td>
<td>350</td>
</tr>
</tbody>
</table>

Source: Based on data from the Economic Research Service; Bureau of Economic Analysis; and Census Bureau.

America’s 2,288 nonmetro counties outnumber metro counties by nearly 3 to 1. On several measures related to poverty, however, the ratios tip disproportionately in favor of metro.

- Of all counties with poverty rates above the national average rate, 1,610 are nonmetro, outnumbering metro almost 5 to 1.
- Of the 500 poorest counties, 459 are nonmetro, outnumbering metro 11 to 1.3
- Of the 500 lowest per capita income counties, 481 are nonmetro, outnumbering metro 25 to 1.
- And of the 500 highest per capita income counties, only 150 are nonmetro, outnumbered by metro more than 2 to 1.

These figures, coupled with the fact that 13.4 percent of rural Americans compared with 10.8 percent of urban Americans live in poverty, show that poverty is not only a rural problem, it is disproportionately a rural problem.
As the map shows, large swaths of the country have poverty rates that are above the national average. The Great Plains and the Northwest have large numbers of counties with poverty rates as high as 19.9 percent. Worse off are counties in Appalachia, the Deep South, the Southwest, and also in the Northern Plains where poverty rates are 20 percent or more.
Some of the hardest hit areas have been that way for decades. In 361 nonmetro counties located in the heart of Appalachia, the so-called “Black Belt”, the Mississippi Delta, the Rio Grande Valley, and on Native American reservations, poverty rates of 20 percent or more have persisted in every decennial census from 1960 on.
Other counties in those same areas are among the 500 poorest in the nation. And while overall nonmetro counties outnumber metro counties almost 3 to 1, among the 500 poorest, nonmetro counties outnumber metro 11 to 1.
Another way of looking at wealth or the lack of is to measure per capita income. Here again, rural counties come up short. Among the nation’s 500 lowest per capita income counties, nonmetro counties outnumber metro an astounding 25 to 1.
Not surprisingly, the reverse is also true. Metro counties outnumber nonmetro counties more than 2 to 1 on the list of high per capita income counties. Notably, the high per capita nonmetro counties tend to be in sparsely populated regions on the Plains (where one or two wealthy individuals can bring up the average) and in high-amenity, resort areas where urban emigrants tend to settle.
Looking at nonmetro county per capita income relative to U.S. per capita income again shows that large portions of the nation have below average incomes.
Looking at changes over time shows that many of those areas have gotten worse. During the 1990s—a time of national prosperity—many counties that were “in the pink” turned “red”, going from per capita incomes that were 75-100 percent of the U.S. average to incomes that were only 50-74%.
MAP 8—Per Capita Income Gap in 1990: Nonmetro Per Capita Income as a Percent of Metro

Moving from county-level to state-level data shows that in 1990 only 3 states—New Hampshire, Nevada, and Rhode Island—had nonmetro per capita income that was within 10 percent of metro per capita income. Fourteen states had a nonmetro-metro gap of more than 25 percent.

![Map of Per Capita Income Gap in 1990: Nonmetro Per Capita Income as a Percent of Metro](map.png)

Source: Bureau of Economic Analysis
Map prepared by RUPRI

Note: New Jersey and Washington, D.C. do not have nonmetropolitan areas
Ten years later, the picture had grown worse. In 2000, only Rhode Island and Nevada had nonmetro income close to or better than metro income. Conversely, 22 states had a gap of more than 25 percent.
MAP 10-Change in the Per Capita Income Gap 1990 to 2000

In all, the gap between nonmetro and metro per capita income increased in 41 states. While the 1990s were an era of prosperity, judging by per capita income, that prosperity has significantly bypassed rural America.

Source: Bureau of Economic Analysis
Map prepared by RUPRI

Note: New Jersey and Washington, D.C. do not have nonmetropolitan areas
Summary

Though often thought of as an “urban problem”, poverty is an unfortunate fact of life in rural America too. Indeed, in some ways poverty in the United States falls disproportionately on rural residents and rural areas. And the problem is getting worse.

The reasons are many: lower paying jobs; the prevalence of part-time and seasonal work; historically lower educational achievement; the presence of racial groups that have not enjoyed the same opportunities as most Americans; and the relative lack of developmental capacity—infrastructure, capital, and the like.

Because the reasons are many, the solutions must be multi-faceted. And because the rural context differs from the urban and even among rural areas, the solutions will vary.

Regardless of the exact approach, the solutions to poverty must take into account the long term. Solutions that yield only short term gains are not really solutions, only band-aids. And taking into account the long-term necessarily means addressing the issue of local capacity—helping communities build the human, social, physical, and economic capital needed to truly develop, to eliminate poverty once and for all.

Endnotes

1 The terms "rural" and "urban" are used interchangeably with "nonmetro" and "metro".

2 Central cities had the highest rate of poverty (16.1 percent). That rate, however, tends to be masked at the county level by low poverty rates in better-off metro areas.

3 Defined as the number of people in poverty divided by the number of people for whom poverty status is determined.