Philanthropic Investment in Rural America: The Real Story and How We Can Change It

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Rural Philanthropy: A Tragic Oxymoron, Needing Overcome!

Three Questions, Always Raised as Rebuttal:

I. What is the rural need, really?

II. Is there any rationale, beyond need, for philanthropic investment?

III. Why should the public sector have any say at all in what private philanthropy does?
I. What is the rural need, really?
Rural Americans are Older

- The median age in noncore counties is over 40.

- In noncore counties, 18% of the population is over 65, compared to 13% in metropolitan counties.

Data: U.S. Census Bureau, American Community Survey, 2012 Annual Estimates
Rural Americans Face More Difficult Health Care Challenges

- In noncore counties, nearly 18% of the population has a disability, compared to only 11% of the metro population.

- A higher percentage of the noncore population lacks health insurance.

Data: U.S. Census Bureau, American Community Survey, 2012 Annual Estimates
Rural Americans are Less Educated

Educational Attainment

Data: U.S. Census Bureau, American Community Survey, 2012 Annual Estimates
Therefore, Rural Workers are Far Less Likely to Work in Technical and Management Occupations

Data: U.S. Census Bureau, American Community Survey, 2012 Annual Estimates
So, Rural Americans Earn Less

Real median household income by residence, 2000-12 (in 2012 dollars)

Notes: The definition of metropolitan areas changed during the course of 2004 and metro/nonmetro estimates for 2004 are not available. Post-2004 estimates reflect the 2003 Office of Management and Budget metro/nonmetro definitions. Source: USDA, Economic Research Service using data from U.S. Census Bureau’s P-60 reports and updates. Inflation-adjusted using CPI-U.
Rural Americans are Poorer

Poverty Rate

- Metropolitan
- Micropolitan
- Noncore

Data: U.S. Census Bureau, American Community Survey, 2012 Annual Estimates

Poverty Rates Over Time by Current CBSA Category

Sources: ERS, USDA; U.S. Census Bureau, Decennial Censuses and ACS
Of 347 “persistent poverty” counties, 299 or 86% are nonmetropolitan.
Rural Poverty is also Deep

- Defined as those with incomes less than 50 percent of the federal poverty level
- Deep poverty rates are highest among rural children
- The gap in deep poverty rates between urban and rural children has widened in the most recent year
Deep poverty rates are highest for rural children

Note: Rural and urban are defined by metropolitan area definitions.
The Rural Poor Face Multiple Challenges

- The Kresge Foundation approached RUPRI to help them broaden their understanding of rural poverty and human services needs.

- RUPRI completed *The Geography of Need* in response to this request from the Foundation.
Poor Rural Americans Face Many Challenges

The Geography of Need

- An examination of human services needs across the country (8 demographic and 4 economic needs indicators)

- Nearly one-third of noncore counties experience three or more risk factors, compared to only 9% of metro counties

- 10% of noncore counties experience five or more risk factors, compared to only 2% of metro counties.

Demographic and Economic Indicators

- Percent of population age 65 and over
- Percent of population that are racial or ethnic minorities
- Percent of the population living in subfamilies
- Ratio of the working age population to the non working age population
- High fertility areas
- Veterans as a percent of total population
- Areas with low educational attainment
- Percent of population that is foreign born
- Percent of population in poverty
- Percent of households without a vehicle
- Percent of households receiving SNAP benefits
- Percent of county income from transfer payments
Finally, Racial and Ethnic Minorities have Higher Rates of Poverty in both Metropolitan and Nonmetropolitan Areas

While the Rural Population is Declining, Overall,

Population change by metro/nonmetro status, 1976-2013

Local Circumstances Vary Widely

Population change, 2010-13

But Rural Recovery from the Recession is Slower

No net employment growth in nonmetro counties in 2012 and first half of 2013

Employment index (2008 Q1 = 100)

Notes: Local Area Unemployment Statistics (LAUS) estimates cover both wage and salary workers and the self-employed. Metro and nonmetro counties are as identified by the Office of Management and Budget in 2013. New population controls were introduced into the LAUS data following the April 2010 Census, leading to an increase in estimated employment in the second quarter of 2010. The data shown have been corrected to compensate for this change, but caution should be used in comparing levels before and after this date.

Source: USDA-ERS analysis of Bureau of Labor Statistics-LAUS data, seasonally adjusted by ERS.
II. Is there any rationale, beyond need, for philanthropic investment?
RESHAPING ECONOMIC GEOGRAPHY
Structural Differences in Federal Funds

Metro, FY2010

Nonmetro, FY2010

Data: Economic Research Service, USDA
New Study Confirms the Importance of Place-Based Investments

“The main lesson of our analysis is that intergenerational mobility is a local problem, one that could potentially be tackled using place-based policies.”

Where is the Land of Opportunity? The Geography of Intergenerational Mobility in the United States

*Quarterly Journal of Economics, 2014*

-Chetty, R., N. Hendren, P. Kline, and E. Saez
III. Why should the public sector have any say at all in what private philanthropy does?
“All great truths begin as blasphemies.”

--George Bernard Shaw
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