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Locational Differences in the Underlying Characteristics of Poverty

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Abstract: We explore how poverty differs between urban and rural areas and among U.S. regions, using metropolitan versus nonmetropolitan to proxy urban versus rural. Our study focuses on social and demographic characteristics, rather than economic characteristics. We are concerned with which personal characteristics appear to increase the risk of poverty, regardless of whether these characteristics manifest themselves through unemployment, low-wage employment, or some other economic problem that ultimately leads to poverty. Using data for the working-age population from the one percent Public Use Microdata Sample of the *1990 Census of Population and Housing*, we find significant differences in predictors of poverty across area types and regions. Our empirical results suggest that anti-poverty programs should vary across area types and regions in order to meet the unique needs of each location's low-income population.

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I. Introduction

By nature, national anti-poverty policies tend to treat the poor as a homogeneous group. Administratively, this facilitates setting eligibility criteria and distributing benefits in a seemingly fair, consistent, and objective manner. U.S. anti-poverty policies have been biased toward the stereotypical low-income urban individual of the 1960s – displaced from farms or declining industries with potential to be retrained and made self-sufficient in the urban economy. This bias developed partly because the explosive growth of U.S. anti-poverty programs began in the late 1960s, a period of “heightened public awareness of poverty and related problems of the inner city” (Wilson (1987), p. 168). Also, as Hoppe (1993, p.20) noted, this was probably inevitable in a nation where most people live in or near urban centers.

Anti-poverty policies have, thus, failed to differentiate between urban and rural poverty. Neither have they considered interregional differences in the nature of poverty. For example, many programs have not taken into account the lesser access to government offices in rural areas, particularly those outside the more densely-populated New England region. Many rural low-income families have not consistently participated in programs for which they qualified because they found it too difficult to reach the administrative office to fill out paperwork or collect benefits. Similarly, poverty’s underlying nature differs among the old industrial North’s urban blacks, the southwest’s urban Hispanic immigrants, Appalachia’s rural whites, Mississippi Delta’s rural blacks, and the southwest’s and Great Plains’ American Indians. Effective anti-poverty programs must vary across area types and regions in order to meet the unique needs of each location’s low-income population. Anti-poverty policies that are uniform across area types and targeted at the overall poverty population, rather than at specific population subgroups, will more likely yield disappointing results. Deavers and Hoppe (1992, p. 3) more pointedly note that “national policies to serve the poor often unintentionally discriminate against the rural poor...”

A large body of literature exists regarding characteristics of the urban poor in the United States. Much research has focused on the growing problem of isolated urban ghettos, more particularly, the “urban underclass.”¹ During the past 15 years, however, scholars have devoted substantial effort to studying rural or nonmetropolitan poverty, including prominent volumes by Duncan (1992) and the Task Force on Persistent Rural Poverty (1993). Some rural poverty research has looked at specific classic poverty issues, such as race, sex, age, and family structure

¹ See Wilson (1987), Jencks and Peterson (1991), and Jennings (1994)

from a rural perspective.² Much has focused more broadly on rural poverty's characteristics and issues unique to rural poverty.³ Several works have considered how characteristics of the poor vary across area types (metropolitan, nonmetropolitan, central city, suburban, etc.)⁴. We focus on this latter issue.

We explore how poverty differs between urban and rural areas and among U.S. regions. We use metropolitan versus nonmetropolitan to proxy urban versus rural, since data for the former geographical breakdown are more readily available and more commonly used in studies regarding the United States. Our study emphasizes social and demographic characteristics, rather than economic characteristics such as occupation, hours worked, or employment status. Obviously, the latter correlate strongly with poverty. We concern ourselves more, however, with which personal characteristics increase the risk of poverty, regardless of whether these characteristics manifest themselves through unemployment, low-wage employment, or some other economic problem that leads to poverty. The next section summarizes recent data regarding poverty rates of different demographic groups stratified by area type and region. Then, we develop a logistic regression model and analyze the demographic and locational characteristics affecting an individual's propensity to experience poverty.

II. Poverty Rate Differentials by Area Type and Region

Using Table 1 we summarize poverty rates for major demographic groups and highlight differences by area type and region. The poverty data are based on a random sample of 234,885 persons, drawn from the one percent Public Use Microdata Sample (PUMS) of the *1990 Census of Population and Housing*.⁵ We exclude individuals who resided in group quarters at census time, April 1990.^{6,7} The overall sample 1989 poverty rates (in percent) by region were: total

² For example see Rogers (1991) and Garrett et al (1993) on children; Adams and Duncan (1991), Jensen (1991), and Snipp et al (1993) on race; Kaiser (1991), Glasgow et al (1993), and McLaughlin and Jensen (1993) on age; and Lichter et al (1993) on human capital.

³ See Deavers and Brown (1985), Hoppe (1985), Thompson (1986), Ross and Morrissey (1987), Brown and Warner (1991), Dudenhefer (1993), and Humphrey et al (1993).

⁴ McLaughlin and Sachs (1988), Adams and Duncan (1991), Rogers (1991), Dudenhefer (1993), Hoppe (1993), McLaughlin and Jensen (1993), Rodgers (1994), and McDowell and Allen-Smith (1995).

⁵ Essentially, we have selected a 1-in-1000 sample from the U.S. population.

⁶ Individuals in group quarters include residences such as military barracks, school dormitories, prisons, mental institutions, and nursing homes.

⁷ Excluding the institutional population reduces poverty rates compared to published numbers from the *1990 Census*.

U.S.=12.3; Northeast=9.4; Midwest=11.1; South=15.4; and West=11.4. For area types, the poverty rates were: nonmetropolitan=16.5; central cities=17.3; and suburbs=9.3.^{8,9}

Within each region-area type cohort (each column), poverty rates for those aged 18-64, males, those with high school or college degrees, whites, and married couple families consistently fell below average. Poverty rates for children, females, those with no high school diploma, blacks, female-headed households, unrelated individuals, those with work-preventing disabilities, those not fluent in English, and noncitizens consistently exceeded the average. These outcomes match theory and other empirical evidence regarding U.S. poverty.¹⁰

The first row of Table 1 immediately illustrates important variations in poverty rates across area types and regions. In the Northeast and Midwest, the central city poverty rate exceeded the nonmetropolitan rate by 40-50 percent. In the South and West, the nonmetropolitan poverty rate stood slightly above central city rate. Despite the general perception that higher poverty rates prevail in the South, which many consider a statistical artifact resulting from a lower cost-of-living in the South, the central city poverty rates in the Northeast and Midwest match that in the South. The data support the assertion by the Task Force on Persistent Rural Poverty (1993), Deavers and Hoppe (1992) and other recent studies that the severity of Southern nonmetropolitan poverty is comparable to that of central cities, even though much of our nation's anti-poverty policy remains geared toward the latter.

A number of notable regional and/or area type differences in poverty stick out for specific demographic groups. For all regions, child poverty was more exaggerated in central cities, where it stood 45-60 percent above the regional average, compared with other area types. In all regions, poverty rates for the central city elderly fell below those for other central city adults; excepting the West, the elderly poverty rate exceeded that for other adults in nonmetropolitan areas. In the South, one quarter of the nonmetropolitan elderly were poor in 1990. The large nonmetropolitan/central city gap in the South largely drives the perception that poverty among

⁸ Income and poverty data for the *1990 Census* are for calendar year 1989.

⁹ The PUMS data do not permit perfect identification of central city, suburban, and nonmetropolitan areas. It codes some individuals as residing in either mixed metropolitan/nonmetropolitan areas or in mixed central city/noncentral city areas. In both cases, we classified these individuals as suburban to preserve the integrity of central city and nonmetropolitan borders. Three percent of the sample resided in mixed metropolitan/nonmetropolitan areas. Twenty five percent resided in mixed central city/noncentral city areas.

¹⁰ For good general discussions of theory and evidence on U.S. poverty, see Sawhill (1988), Kimenyi (1995), O'Hare (1996), and Wolff (1997).

the nonmetropolitan elderly exceeds that in central cities or suburbs. The gap is modest in the Midwest and West, while, in the Northeast, the nonmetropolitan poverty rate for the elderly falls below the central city rate.

Education appears to have the largest effect on poverty in central cities and in all parts of the South. The most dramatic effect occurs in the nonmetropolitan South where the poverty rate jumped from 3.8 percent for a person with a college degree to 28.8 percent for a person without a high school diploma. With the exception of high school graduates in the West, once we control for educational level, poverty rates are always highest in central cities and lowest in suburban areas.

We often think of black poverty as a problem of central city ghettos. Adams and Duncan (1991), Deavers and Hoppe (1992), Hoppe (1993), Snipp et al (1993), and others have demonstrated a strong nonmetropolitan component to black poverty. Table 1 shows that black poverty rates were most severe in the Midwest and South, particularly in the nonmetropolitan parts of these two regions, where poverty rates were about 40 percent. Roughly 95 percent of the black nonmetropolitan poor resided in the South, with most of the remainder in the Midwest.¹¹ Poverty rates for other racial and ethnic groups also differed by region and area type. For example, about one third of American Indians resided in the nonmetropolitan West and Midwest, where poverty rates for this group exceeded 50 percent. Another one third resided in suburban areas of the West, South, and Midwest, each with a poverty rate more than twice the suburban average of their respective regions. Hispanic poverty tended to be more severe in nonmetropolitan areas than in central cities, with the most extreme poverty in the nonmetropolitan South and in central cities of the Northeast and South. About 80 percent of Hispanics resided in the South and West and more than ten percent in the central cities of the Northeast.

The issue of family structure, particularly female-headed families, has dominated the poverty literature. Poverty among female-headed families was severe everywhere, but most extreme in the Midwest and South, along with the nonmetropolitan West. Only 10-15 percent of the people in the nonmetropolitan South lived in female-headed families, but nearly half of these

¹¹ In the aggregate, black poverty may not seem important in places such as the nonmetropolitan Northeast and West, where relatively few blacks reside. Cushing and Rogers (1996), however, show that even in predominately white counties, the extremely high rates of black poverty (often severe poverty) make black poverty a significant issue.

were poor. Poverty among unrelated individuals tended to be highest in nonmetropolitan areas. Undoubtedly, isolation of individuals in nonmetropolitan areas exacerbates poverty among this group. In both the South and West regions, nonmetropolitan poverty among female-headed families, male-headed families, and unrelated individuals far exceeded that in central cities. This differed substantially from the pattern in the other two regions. National data misses this information, for example showing simply that the female-headed poverty rate in nonmetropolitan areas was comparable to that in central cities.

Southern adults suffered the most poverty from a work-preventing disability. Poverty among the this group always greatly exceeded that in other regions. Once again, in the South and West regions, nonmetropolitan poverty rates surpassed those in central cities, while the opposite held true in the Northeast and Midwest.

English fluency and citizenship, which undoubtedly captures the effect of recent immigration, appeared to have the biggest impact on poverty rates in the South and West. Fluency was critical in the South where poverty rates among the nonfluent were extremely high compared with the rest of the nation, exceeding 50 percent in the nonmetropolitan South. In the Northeast and Midwest, these were more significant factors in central cities.

A few useful conclusions emerge from the preceding descriptive analysis. First, many demographic subgroups experience substantially more poverty than average, regardless of area type or region. In that sense, looking at regions and area types does not change some broad perceptions regarding poverty. On the other hand, the extent of poverty and size of the poverty population for most of these at-risk groups varies widely across regions and area types. This shows the need for policies flexible enough to address unique poverty situations of different locations.

For some demographic groups, poverty rates vary relatively little across regions. This is most evident for those with a college degree, but also holds reasonably well for those with a high school degree, and perhaps those aged 18-64, whites, married couple families, and unrelated individuals. Interestingly, we might expect these groups to be relatively mobile, and thus more adept at adjusting to spatial variation in economic opportunities. In a nutshell, these groups are likely to have more locationally dispersed economic opportunities. In theory, greater interregional mobility would close the interregional gap in poverty rates for these groups, which we observe to a great extent.

Too many studies still compare metropolitan with nonmetropolitan poverty to determine where poverty is concentrated. Inevitably, these studies conclude that while more of the poor reside in metropolitan areas, nonmetropolitan areas have a disproportionate number of poor (higher incidence of poverty). The more interesting comparison is between nonmetropolitan poverty and central city poverty. Both areas have a relatively high incidence of poverty. Their patterns of poverty coincide in many respects, yet differ enough to yield useful information for developing policies that target the unique problems of central cities and nonmetropolitan areas.

Our analysis demonstrates the potential value of paying attention not only to poverty's demographic aspects, but also its spatial aspects. We have explored, in some detail, how demographic characteristics interacts with area type and region, with respect to poverty. The descriptive analysis, however, does not account for the correlation among demographic characteristics. We turn now to a multivariate analysis so that we can explore more precisely which demographic characteristics relate to the incidence of poverty, and how this varies by location.

III. A Logistic Regression Analysis of the Propensity to be Poor

The previous analysis is useful for indicating which population subgroups tend to suffer the greatest poverty. It does not, however, address some important questions. In particular it does not reveal which specific characteristics are critical in determining risk of poverty. For example, do blacks have higher rates of poverty as a result of race-related factors (such as discrimination) or interracial differences in educational levels, family structure, or other characteristics? Answering such questions requires multivariate analysis. We undertake an unconditional logistic regression analysis of the propensity to be poor. McLaughlin and Jensen (1993) and McDowell and Allen-Smith (1995) have used this type of analysis to consider the effect of area type on poverty among the elderly and the Southern working poor, respectively. We study the larger adult population and how region and area type interact with demographic characteristics to predict an individual's likelihood of poverty.

Once again, we employ the one percent PUMS data from the *1990 Census of Population and Housing*. For this analysis, we exclude from the sample those residing in group quarters and

children under the age of 18 years.¹² The dependent variable is a binary variable equal to 1 if an individual is classified as poor based on the official poverty thresholds, and equal to 0 otherwise.

The explanatory variables are a series of demographic characteristics:

Elderly = 1 if age greater than or equal to 65, equals 0 otherwise;

No HS Degree = 1 if does not have a high school diploma (or equivalent), equals zero otherwise;

College Degree = 1 if has a college degree, equals zero otherwise;

Married-Kids = 1 if married couple family, with children less than 18 years of age, equals 0 otherwise;

Male-No Kids = 1 if male-headed family, with no spouse present and no children less than 18 years of age, equals 0 otherwise;

Male-Kids = 1 if single-parent, male-headed family, with children less than 18 years of age, equals 0 otherwise;

Female-No Kids = 1 if female-headed family, with no spouse present and no children less than 18 years of age, equals 0 otherwise;

Female-Kids = 1 if single-parent, female-headed family, with children less than 18 years of age, equals 0 otherwise;

Unrelated-Male = 1 if male unrelated individual, equals 0 otherwise;

Unrelated-Female = 1 if female unrelated individual, equals 0 otherwise;

Family Size = number of persons in family (equals one for an unrelated individual);

Number of Children = number of related children (under 18 years of age) living in household;

In School = 1 if enrolled in school, equals zero otherwise;

Black = 1 if race is black, equals 0 otherwise;

Asian = 1 if race is Asian, equals 0 otherwise;

American Indian = 1 if American Indian, equals 0 otherwise;

Hispanic = 1 if Hispanic ethnicity, equals 0 otherwise;

Not Fluent = 1 if classified as linguistically isolated, equals zero otherwise;¹³

Noncitizen = 1 if not a citizen of the United States, equals zero otherwise;

Veteran = 1 if a veteran of the armed forces, equals zero otherwise;

¹² Children's poverty situations depend on those of the working-age population.

¹³ The 1990 Census classifies as "linguistically isolated" any household in which no person age 14 years or over speaks only English and no person age 14 years and over who speaks a language other than English speaks English "Very well."

Total Work Disability = 1 if have a disability that prevents employment, equals 0 otherwise; The default individual is a working age, white, non-Hispanic, high school graduate from a two-person married couple family (no children under 18 present), who is a nonveteran, a U.S. citizen, does not have a work-preventing disability, is not linguistically isolated, and is not in school.

Standard economic theory and previous empirical work provide a strong basis for predicting the signs of most coefficients. Human capital theory suggests that, relative to a person with a high school degree, those without a high school degree are more likely and those with a college degree less likely to be poor. Among others, Tickamyer et al (1993), Rodgers (1994), and Rodgers (1996) have documented and discussed the myriad of economic, educational, and social disadvantages that leave women relatively more vulnerable to poverty, including the burden of supporting dependents without the help of another nondependent adult. We expect families with children to have greater likelihood of poverty than families without, and all female-headed families (and unrelated individuals) to have greater risk of poverty than their counterpart male-headed families. Evidence consistently shows high rates of poverty for unrelated individuals. A closer look would probably reveal characteristics such as age distribution (disproportionately more very young and very old) and health profile (greater rates of physical and mental health problems) consistent with greater likelihood of poverty. Those in school have less opportunity to earn income and thus a greater likelihood of poverty, all else equal. For a whole host of reasons that have been carefully documented, even if not perfectly understood, we expect a greater likelihood of poverty for blacks, Asians, American Indians, and Hispanics, relative to non-Hispanic whites. Lack of English fluency by any adults in a household, noncitizen status, which also may capture recent immigration, and presence of a work-preventing disability all decrease economic opportunities, thus increasing the likelihood of poverty. We have no particular expectation regarding veteran status, which confers many social, human capital development, and retirement benefits but, for many, some social, physical, and psychological costs.

Predicting the differences across regions and area types is more difficult. Our descriptive analysis suggests generally high default rates of poverty and marginal effects in the South, along with the central cities of the Northeast and Midwest. In addition, we expect relatively low default rates of poverty and, with few exceptions, low marginal effects for suburban areas. We

employ the multivariate analysis, however, specifically to draw out information that may not have surfaced in our descriptive analysis.

Table 2 presents regression results for the unconditional propensity to be poor, stratified by region and area type. The first row of numbers shows the likelihood of being poor for a person with the default characteristics, i.e. the logistic function evaluated for the default individual. The other rows indicate the marginal effect of each characteristic on the default probability of being poor for each region and area type.¹⁴

In the aggregate, the logit results accord with expectations. Age (elderly), a college degree, a larger family, and veteran status all significantly reduced the likelihood of poverty. At first glance, the results for family size seem contrary to intuition. After controlling for number of children in the family, however, larger family size reflects a greater number of individuals receiving income. We have no clear explanation for the lower likelihood of poverty in some locations for married-couple families with children. All other personal characteristics significantly increase the likelihood of poverty in at least four of the twelve area types. Statistically significant effects switch signs within a row only in two instances: married families with children and Asians in Western central cities.

The probability of being poor for the default individual immediately illustrates how location interacts with demographic characteristics in determining poverty. As expected the probability of being poor is relatively low for an individual with the default characteristics for all area types and regions. In all regions, however, this probability is highest in nonmetropolitan areas. With the exception of the Northeast, it is about twice as high in nonmetropolitan areas as in central cities. In the South and West the likelihood of being poor for the default person is lower in central cities than in suburban areas! The default central city poverty rates in these two regions are also less than central city poverty rates in the Northeast and Midwest. For a person with the “right” characteristics, many of the conclusions from Table 1 regarding the effect of location on poverty no longer hold.

The marginal effects show numerous interesting spatial patterns with respect to demographic characteristics. With the exception of nonmetropolitan areas of the Northeast and

¹⁴ Except for Family Size and Number of Children, all variables are binary dummy variables. For the default probability, we assume a family size of two and no related children (under age 18). Strictly speaking, the marginal effect of Family Size in our analysis considers an increase from a two person

South (insignificant marginal effects), the elderly were less likely to be poor, compared with the working age population – a more consistent pattern than illustrated in Table 1. Educational attainment had the expected, often substantial, effect for all locations. Lack of a high school degree made the biggest difference in nonmetropolitan areas and in the Midwest and South regions, where it more than doubled the likelihood of poverty in all area types. A college degree decreased the likelihood of poverty by as much as 75 percent with the largest effects in nonmetropolitan areas.

The family structure variables had a major impact on the likelihood of poverty. Female-headed households and unrelated individuals were substantially more likely to be poor than other types of families. In some locations, the marginal effects for other single-headed families were also large, mostly in central cities. Few other marginal effects approach the magnitude of the family structure effects. For example, when combining the marginal effects for Female Head-Kids and Number of Children, the likelihood of poverty for a female-headed family with one child more than tripled compared with the default probability, regardless of location. In Midwestern central cities, this increased the likelihood of poverty from the default rate of 2.1 percent up to 19.5 percent. Except in the Midwest, the largest marginal effects for this group always occurred in nonmetropolitan areas, though the largest percentage changes relative to the default group occurred in central cities. The marginal effects for unrelated females were also substantial across all regions and area types, but with greater variance. With the exception of the Midwest where there was little variation across area types, marginal effects were largest in nonmetropolitan areas. For both male and female unrelated individuals, marginal effects were most severe in the nonmetropolitan West. In the Midwest, family structure characteristics yielded larger increases in the likelihood of poverty in central cities than in other locations. Other regions did not show such consistent patterns.

The effect of racial and ethnic characteristics varied widely across locations. Being black consistently raised the likelihood of poverty with the largest effects in the South and Midwest, particularly in the nonmetropolitan portions of these two regions. As expected, the effect of American Indian heritage was much more restricted. Marginal effects were substantial in nonmetropolitan areas of the Midwest, South, and West, with smaller but still significant effects

household to a three person household. The marginal effect of Number of Children evaluates a change from no children to one child.

in suburbs of the South and West. Hispanic heritage was most problematic in Midwestern suburbs and throughout the South, with smaller effects in parts of the West and Northeast. Fluency and citizenship were not statistically significant factors for nonmetropolitan areas. They influenced the likelihood of poverty in most other locations, with the largest marginal effects in Western central cities. Work-preventing disabilities significantly increased the likelihood of poverty in all locations. With the exception of the Northeast, this effect was strongest for nonmetropolitan areas and weakest for central cities, perhaps due to more diverse opportunities and greater accessibility in the latter.

The logistic regression results lead to some conclusions that are quite different from those one would draw based on the descriptive analysis related to Table 1. Several characteristics that appeared to be crucial determinants of poverty based on the descriptive analysis show more modest (blacks) or unimportant (for many locations, other racial/ethnic groups, noncitizens, and the nonfluent) impacts in the regression analysis. This suggests that the high rates of poverty for these groups may primarily result from other characteristics that place individuals at-risk for poverty. For example, racial factors, such as discrimination or cultural differences may be relatively minor determinants of poverty compared with family structure and educational characteristics of the Black and Hispanic populations. On the other hand, even after controlling for important demographic characteristics, race and ethnicity still have sizable effects on likelihood of poverty in some instances. In a similar vein, the marginal effects indicate consistently lower likelihood of poverty for the elderly, despite the fact that the elderly have higher poverty rates than working age adults in six of the twelve location categories. Other characteristics associated with being elderly, such as family structure and disability characteristics, can explain this seeming contradiction.

Based on the logistic regression analysis, we are still left with many of the basic implications from the earlier analysis, although some are qualified. We can conclude that, all else equal, some subgroups tend to have higher rates of poverty, including those with little education, nonwhites, Hispanics, most single-parent families with children, unrelated individuals, noncitizens, the nonfluent, and those with work disabilities. We can no longer include the elderly who appear to be somewhat less prone to poverty based on the logistic regressions. The presence and magnitude of all demographic effects, however, varies substantially by region and type of area.

IV. Conclusion

The United States has generally had anti-poverty policies that were uniform across location, often with an urban bias. Due to social, cultural, spatial, economic, or other factors, however, some demographic groups may persistently have a higher incidence of poverty in some area types or regions. We set out to compare poverty in different locations. We wanted to look closely at demographic characteristics, not only to see which generally correlate with poverty, but also to see which might differentially correlate with poverty in different area types and regions.

Using data from the *1990 Census of Population and Housing* we find that, even after controlling for factors such as education and race, family structure stands out as the most critical factor in determining likelihood of poverty among individuals 18 years of age and over. Additional efforts directed toward female-headed families with children and unrelated individuals have potential for meaningfully reducing poverty. We also find evidence that education, race, disability status, English fluency, and citizenship status contribute significantly to the likelihood that an individual will face poverty, but, holding other characteristics constant, the effects were much smaller than were the family structure effects. Much poverty associated with each of these characteristics may result from other correlated characteristics. Nevertheless, all of these characteristics contribute substantively to poverty in at least a few if not all types of locations considered in this study. After controlling for other factors, the elderly were less likely to be poor.

Region and area type had a complex pattern of effects. The analysis indicates that those residing in nonmetropolitan areas and in the South region may have had the greatest risk of poverty, while those in suburban areas and in the Northeast or West had the least risk of poverty. Nonmetropolitan areas had the highest likelihood of poverty for the default characteristics and, more often than not, had greater marginal effects than did central cities or suburbs. Central cities, particularly Midwestern central cities, were the most common exception to this pattern, often having large marginal effects. Many other exceptions existed, however, across regions and area types. It makes sense to learn more about the underlying reasons for these differentials in poverty rates for demographic groups by type of area and region. Effective anti-poverty policies

would not only target specific high-risk demographic groups, but also the situations where these groups seem disproportionately disadvantaged.

During the past few years, the U.S. welfare system has substantially changed, with much of the responsibility for designing policies shifted to the individual states. People have debated many dimensions of this policy shift. Given our analysis, providing an opportunity to design different policies to fit different groups in different locations is much preferred to a system of highly centralized uniform anti-poverty policies applied equally to all locations. Whether states take the opportunity or have the incentive to design effective policies that fit different situations is another issue.

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Table 1. Poverty Rates of Demographic Subgroups by Region and Area Type, 1989

Region		Northeast			Midwest			South			West		
Area Type		non-metro	central city	suburb	non-metro	central city	suburb	non-metro	central city	suburb	non-metro	central city	suburb
Total Population		12.4	17.0	6.0	13.4	20.3	8.1	20.3	19.2	12.0	14.5	13.4	9.8
Age	under 18	16.7	26.3	8.1	17.7	32.0	10.6	26.4	28.2	16.6	17.4	20.6	13.8
	18-64	10.4	14.3	4.9	11.2	16.8	7.0	16.5	16.4	10.0	13.9	11.6	8.7
	65 and over	13.0	14.2	8.0	14.0	13.3	8.4	24.7	15.0	12.8	10.8	9.9	7.0
Sex	male	10.7	15.0	5.0	11.7	17.5	6.8	17.8	17.1	10.4	13.1	12.2	8.9
	female	14.1	18.8	7.0	15.0	22.7	9.3	22.7	21.1	13.6	15.8	14.5	10.7
Education	college degree	3.8	5.5	1.9	4.1	6.9	2.6	3.8	5.1	3.0	5.0	5.2	3.2
	high school degree	10.0	13.0	5.0	9.6	13.3	6.4	12.3	13.6	8.1	12.2	10.4	7.9
	no high school degree	17.2	24.5	9.3	18.7	30.0	12.1	28.8	29.5	18.8	19.2	21.0	14.9
Race	White	12.1	12.6	5.3	12.6	12.0	6.9	15.6	12.5	9.2	12.2	11.2	9.1
	Black	--	25.1	17.1	38.9	31.1	23.7	40.6	31.8	26.9	--	23.3	15.2
	Asian	--	20.9	9.6	--	26.1	14.8	--	26.4	11.0	13.0	16.2	12.6
	American Indian	--	--	7.1	50.2	--	21.4	29.7	13.2	24.5	51.2	--	25.1
Ethnicity	Hispanic	--	26.5	12.9	22.1	18.2	18.0	40.9	30.5	22.8	23.7	21.4	21.0
Family Structure	married couple	7.0	7.3	2.5	8.0	6.3	2.9	11.7	9.9	6.1	8.1	8.2	5.3
	female-headed	31.5	31.8	18.4	38.4	44.8	29.8	48.6	39.0	33.0	38.6	27.0	26.6
	male-headed	11.4	17.5	6.6	16.5	20.5	6.4	27.2	20.5	15.4	18.5	11.6	14.1
	unrelated individual	26.3	24.9	16.0	28.6	25.6	18.9	38.0	25.4	23.6	31.6	19.3	18.4
Disability	prevented from working	20.7	28.7	17.7	23.7	25.8	18.4	36.9	32.4	24.6	23.9	18.9	16.3
Fluency	linguistically isolated	--	29.1	13.6	13.8	27.5	17.6	50.8	41.1	30.9	33.8	33.5	28.4
Citizenship	noncitizen	--	21.0	10.9	--	22.7	15.3	35.6	31.2	22.1	23.7	27.4	21.5

Source: U. S. Bureau of the Census, *Census of Population and Housing, 1990*, One-Percent PUMS file, random sample of 234,885.

-- means poverty rate not reported due to fewer than 100 observations in raw data sample.

Table 2. Logistic Regression Analysis of Propensity to be Poor, by Region and Area Type

	Northeast			Midwest			South			West		
	Nonmetro	Central City	Suburb	Nonmetro	Central City	Suburb	Nonmetro	Central City	Suburb	Nonmetro	Central City	Suburb
P(Poor/default)	2.9	2.6	2.1	4.2	2.1	1.9	4.8	2.0	2.6	3.5	1.8	2.1
Elderly	-0.6	-0.7**	-0.7**	-1.3**	-1.0**	-0.7**	-0.4	-0.8**	-0.7**	-1.6**	-0.4*	-0.7**
No HS Degree	2.7**	2.1**	2.5**	5.2**	3.7**	2.8**	7.3**	2.9**	4.8**	4.1**	1.3**	2.4**
College Degree	-2.2**	-1.5**	-1.3**	-2.7**	-1.1**	-1.2**	-3.4**	-1.2**	-1.7**	-2.1**	-0.9**	-1.2**
Married-Kids	-0.9	-0.8	-1.1**	-1.4**	0.8	-0.7**	-0.3	0.6	-1.3**	-0.8	1.1*	0.0
Male Head-No Kids	3.0	1.4	-0.1	-0.6	7.6**	1.4*	2.6**	0.7	0.5	2.2	-0.7	2.7**
Male Head-Kids	1.0	1.5	1.9*	0.3	4.6**	0.2	1.9*	1.8*	0.5	3.3*	3.5**	2.0**
Female Head-No Kids	0.6	2.0**	0.2	0.8	3.0**	1.6**	3.4**	5.1**	1.3**	2.0	4.4**	2.4**
Female Head-Kids	7.8**	7.3**	4.7**	10.1**	15.5**	9.3**	11.6**	7.6**	4.0**	10.7**	7.3**	6.7**
Unrelated Male	5.7**	5.8**	1.5**	4.1**	6.6**	4.4**	5.0**	6.6**	5.7**	10.9**	6.0**	5.6**
Unrelated Female	11.7**	7.7**	3.9**	7.6**	8.7**	6.9**	12.1**	7.6**	9.6**	24.1**	8.9**	6.6**
Family Size	-0.8**	-0.8**	-0.8**	-1.4**	-0.7**	-0.6**	-1.2**	-0.6**	-0.5**	-0.2	-0.5**	-0.5**
Number of Children	4.4**	3.7**	3.2**	5.7**	1.9**	2.0**	4.3**	2.0**	3.2**	1.7**	1.6**	1.9**
In School	4.4**	2.9**	2.4**	3.6**	3.0**	2.6**	2.5**	1.9**	3.0**	4.8**	1.6**	2.5**
Black	--	1.2**	1.2**	3.4**	1.5**	1.8**	4.6**	2.4**	2.5**	--	1.4**	0.8**
Asian	--	2.3**	3.2**	--	3.3**	2.9**	--	5.0**	0.5	-1.0	-0.5**	0.7**
American Indian	--	--	--	8.9**	--	1.5	4.5**	-0.2	2.9**	13.6**	--	3.6**
Hispanic	--	1.1**	0.7	1.4	0.2	4.2**	7.9**	3.3**	2.4**	2.0**	-0.2	1.0**
Not Fluent	--	1.8**	0.1	-0.8	0.3	-0.2	0.4	1.2**	1.7**	1.4	2.7**	1.1**
Noncitizen	--	0.7*	2.1**	--	1.4*	1.2*	0.8	0.3	0.8**	0.7	2.7**	1.7**
Veteran	-1.0*	-1.0**	-0.3	-0.8*	-0.9**	-0.6**	-1.9**	-0.7**	-0.6**	-0.3	-0.4	-0.8**
Total Work Disability	3.2**	4.3**	4.4**	4.7**	1.9**	3.3**	7.1**	3.2**	4.2**	4.0**	1.3**	2.5**
sample size	5,589	7,107	24,110	15,261	4,015	22,733	19,043	7,884	33,675	6,260	7,732	20,074

** significant at the one percent level.

* significant at the five percent level.

-- not included in the regression due to small representation in sample.