Much research on the effects of concentrated poverty and residential segregation has focused on urban areas and issues. Similarly, discussions of economic mobility from poverty often focus on urban geographies and use urban assumptions that may not be true for rural communities. Rural communities experience different types of place-based effects on poverty, and rural poverty has often been forgotten and hidden behind a myth of an idyllic agrarian past (Daft 1982; Duncan 1996; Thiede, Lichter, and Slack 2016). But compared with metropolitan areas, rural areas have a higher prevalence of persistent poverty, where 20 percent of the population has been living at or below the federal poverty level (FPL) for three consecutive decades. In 2010, 85 percent of the 429 persistently poor counties in the US were rural (HAC 2012). At the same time, some rural communities have seen growing inequality between low-wage service workers and wealthier retirees and tourists who drive up local costs of housing and services.

Several place-based initiatives to build rural opportunity have been launched in recent years, but they have not yet been fully evaluated. There is also no comprehensive research on what a move to rural opportunity areas looks like for poor households. This knowledge gap is significant, given the high rates of residential instability among rural people in poverty and the well-documented out-migration of more educated and skilled individuals from rural areas (Foulkes and Newbold 2008; Schafft 2006). We have learned some lessons about creating economic mobility in rural places, but additional research is necessary to understand how to create and implement pathways from rural poverty.

DEFINING “RURAL”

There is no universal definition of “rural.” Important federal definitions focus on population size (US Department of Agriculture [USDA]), population density (Census), county labor markets (Office of Management and Budget), and regional commuting patterns (USDA Economic Research Service). These definitions highlight some characteristics of rural places and their relationship to urban areas, but ignore their overall diversity and uniqueness as individual places connected to broader regions. Remote rural areas with small populations look very different from many agricultural communities within metropolitan counties with large urban centers.

Neighborhood Effects

Like high-poverty urban neighborhoods, high-poverty rural communities often lack access to quality jobs and services such as schools. Poor rural households face economic and housing instability that translates into high residential mobility, often to other high-poverty communities. But rural people experiencing poverty are more likely to be working and to be earning lower wages than their urban counterparts. They are also more geographically and technologically isolated, often lacking services such as public
transportation and broadband access. Though rural households have lower housing costs than urban households, they face higher costs associated with traveling long distances to work, school, or grocery stores (Partridge 2017). This makes building opportunity in place challenging, and it means that accessing opportunity may require a move to another town, county, or even state.

Migration and Mobility

Rural communities grow poorer through two migration patterns: the out-migration of educated youth, leaving behind a less educated, low-skilled, and older population; and the in-migration of additional poor households. Cushing and Rogers (1996) found that in central Appalachia, young, well-educated, and affluent people moved out of distressed areas and left behind an immobile population stuck in poverty. But a later study of rural high-poverty communities in New York State documented high mobility among the people in poverty, driven by economic insecurity and a lack of affordable housing (Schafft 2006). Poor rural households migrate to high-poverty communities, causing further concentration of poverty, particularly among African-American and Hispanic households (Foulkes and Schafft 2010). This concentrates rural poverty among people of color, with more than 80 percent of rural children of color living in high-poverty counties.

Age

High-poverty urban communities and high-poverty rural communities differ in population age. Rural areas made up approximately 15 percent of the total US population in 2010, but they had over 25 percent of the nation’s seniors (Pendall, Goodman, Zhu, and Gold 2016). The aging of rural America is driven by the out-migration of young adults to work centers and the natural aging of the remaining rural residents. In some areas, aging is also driven by the in-migration of elderly adults to retirement areas. Advanced population age has consequences for the economic viability of communities. Most seniors live on a fixed income; many aging households find that their housing is unable to meet their needs as they age or that it becomes unaffordable to maintain (HAC 2014).

Segregation and Immigration

Rural households are more racially and ethnically homogenous than the rest of the United States, but rural areas have distinct needs. Poverty is especially concentrated in central Appalachia, the lower Mississippi Delta, tribal communities, colonias near the US-Mexico border, and farming communities (HAC 2012). Central Appalachia relied on mining for much of its history, and the poverty associated with the decline of that industry is exacerbated by the mountainous terrain that makes it difficult and costly to supply these areas with necessary services such as water or sewer lines. The lower Mississippi Delta is characterized by a legacy of slavery. Such areas have historically had small populations and less developed infrastructure. Agriculture has not created or sustained the number of jobs needed to support the region (HAC 2013). Tribal areas have historically been difficult to serve because of their large land area, geographic isolation, and separation from surrounding economic opportunities. The colonias developed into informal subdivisions that attract immigrant populations but lack basic infrastructure and have other severe housing problems.

In some predominantly agricultural communities, the low wages of seasonal agricultural employment interact with immigrant labor to produce pockets of concentrated poverty. Within
nonmetropolitan counties and metropolitan counties with a high dependence on agriculture, the 
foreign-born population fell to around 2.1 million from 2007 to 2011. Some agricultural counties in 
states such as Florida, Texas, California, Washington, Arizona, Idaho, Kansas, and Georgia had foreign-
born population rates of more than 25 percent. Many of these workers are Hispanic, and Hispanic 
people continue to drive overall population growth in rural America. Since 1990, Hispanic people have 
been settling in nonmetropolitan counties at a higher rate than they do in urban areas, particularly in 
the Southeast and Midwest. The link between immigrant farm workers and poverty is reflected in 
pockets of concentrated poverty in traditional rural immigration destinations of the Southwest. 
However, the trends of concentrated poverty in immigrant communities are not entirely linked to farm 
labor. New immigrant gateways in the rural Northwest and Southeast that have fewer ties to agriculture 
fare even worse in wealth accumulation and income (Kandel et al. 2011).

**Employment**

Rural poverty often stems from a lack of jobs and a concentration of low wages. In rural areas, 
agriculture, manufacturing, and mining make up a higher share of jobs and earnings than they do in 
urban areas. But for every employment field except agriculture and related occupations, earnings in 
urban areas outstrip rural areas (Kusmin 2016). Poor rural households are more likely to work than poor 
urban households (Cotter 2002). The rate of working poverty (share of people who spend at least 27 
weeks in a year working or looking for work but whose incomes fall below FPL) is higher among rural 
workers than among urban workers (Thiede, Lichter, and Slack 2016), and according to 2013 data, rates 
were especially high among households headed by women (9 percent) and among people of color (10.9 
percent for black workers and 16.5 percent for Hispanic workers).

As industries change and workers are forced out of employment by technological changes or 
globalization, rural economies drift into self-employment, which increased after the Great Recession. 
Self-employment encompasses a wide range of workers, including sole proprietors of businesses, 
individual workers, child-care providers, and contractors. There is some debate over whether self-
employment indicates an economic downturn or growing entrepreneurship. Many rural areas 
experienced a postrecession “jobless recovery,” but the number of self-employed workers in rural areas 
increased between 2000 and 2009. Self-employment is also associated with positive outcomes; some 
studies have linked it to reduced poverty rates at the county level (Goetz and Rupasingha 2011). 
Research shows that higher shares of small businesses and self-employment are consistent with faster 
future growth, especially in lagging regions such as central Appalachia (Stephens, Partridge, and Faggian 
2013). Thus, investing in the development of small business in rural areas can yield high returns and 
often creates net new jobs in a local economy.

**Place-Based Initiatives for Growing Rural Opportunity**

In the late 1960s, the National Advisory Commission on Rural Poverty made recommendations to end 
poverty across the nation and in rural areas (Daft 1982). However, many of the poverty alleviation 
programs worked through income supports, which decreased the number of rural people living in 
poverty but left underlying rural economic disadvantages unaddressed and ignored pockets of deep 
poverty. More recently, several national place-based initiatives have tried to empower and improve
rural communities by triggering investment in economic development and housing. These initiatives often share common objectives such as supporting rural entrepreneurship, improving housing availability and quality, and upgrading infrastructure (e.g., broadband access). The Obama administration launched several place-based initiatives that either specifically targeted rural communities or included rural and urban areas. Other programs are supported by local community organizations and foundations. Some place-based initiatives targeted at rural areas are as follows:

- **Federal Promise Zones** allow federal agencies to engage with local communities by pairing federal government partners with local leaders to streamline resources. President Obama announced the first round of Promise Zones in 2014 and the third round in 2016. Each location selected will retain the designation for 10 years and receive a mix of the following benefits, depending on funding allocations and agency policies: opportunity to engage five AmeriCorps VISTA members in their work, a federal liaison to help navigate federal programs, a preference for certain federally competitive grant programs, and a Promise Zone tax incentive. Out of the twenty-two Promise Zones, four are rural areas: southeastern Kentucky; the South Carolina Low Country; Puerto Rico’s Ceiba, Fajardo, and Naguado municipalities; and southwestern Florida. Another four are tribal areas: Choctaw Nation, Oklahoma; Pine Ridge Indian Reservation of the Oglala Sioux Tribe; Spokane Indian Reservation, Washington; and Turtle Mountain Band of Chippewa Indians, North Dakota.

- Begun in 2009, the **Partnership for Sustainable Communities** was a five-year partnership among the Department of Housing and Urban Development (HUD), the Environmental Protection Agency, and the Department of Transportation that helped communities improve access to affordable housing, increase transportation options and lower transportation costs, and protect the environment (Partnership for Sustainable Communities 2011). As part of the Partnership, HUD’s Sustainable Communities Initiative provided competitive grants through the Sustainable Communities Regional Planning Grant Program and the Community Challenge Planning Grant Program; both set aside funds for communities of less than 50,000 people and regions of less than 200,000 people. The former supported metropolitan or multijurisdictional projects for planning efforts that addressed long-term regional development, and the latter supported local efforts to update plans to integrate transportation, housing, and economic development. The Sustainable Communities Initiative was defunded in 2012 after two rounds of grantees. Funding for the first round ended in 2015 (Rose 2015).

- In 2009, USDA Rural Development launched **Stronger Economies Together** in collaboration with the four Regional Rural Development Centers and their land-grant university partners. It helps communities work together to develop economic blueprints that build on the current and emerging strength of their regions. The program includes a curriculum for rural regions that focuses on building a strong regional team, recognizing regional competitive advantages, setting goals, and measuring success. Stronger Economies Together was implemented in six phases and now includes 94 regions across 32 states.

- USDA’s **StrikeForce** for Rural Growth and Opportunity initiative identifies census tracts with over 20 percent poverty and works with state, local, and community officials to spread the word
about USDA programs and help build program participation. Currently 25 states and Puerto Rico have designated StrikeForce zones. In general, Rural Development programs provided by USDA are grouped into categories (housing and community facilities, business and cooperative programs, and rural utility programs), and individual programs provide land or buildings, machinery or equipment, working capital, infrastructure, or technical assistance.

- The **Promise Neighborhoods** program issued its first grants in 2010 and aims to promote a cradle-through-college-to-career solution for children and youth growing up in targeted Promise Neighborhoods. There have been four rounds of funding for planning and implementation grants since 2009, with three out of six 2016 grantees serving rural or tribal communities. Recipients include local universities, tribes, health centers, and nonprofit youth-oriented organizations. The programs created by grantees focus on identifying needs in their communities, breaking down siloes to develop family and community supports, scaling success by building upon local infrastructures, and conducting rigorous evaluations of their progress.

- **Cool & Connected** is a planning assistance program sponsored by the USDA Rural Utilities Service, the Environmental Protection Agency's Office of Sustainable Communities, and the Appalachian Regional Commission. It helps small towns use broadband service to revitalize main streets. The Appalachian Regional Commission is part of the Partnerships for Opportunity and Workforce and Economic Revitalization initiative, a multiagency effort by the Obama administration to invest federal resources in communities and regions that have relied on the coal industry and are affected by the changing energy landscape.

- **Healthy Places North Carolina** is an initiative launched in 2012 with the support of the Kate B. Reynolds Charitable Trust that aimed to improve community health in approximately 15 counties in North Carolina. The initiative has dedicated $100 million over 10 years to grants to support health improvement projects and capacity building for individuals and organizations. The initiative sends program officers to local communities, engages with actors interested in improving community health, and encourages them to apply for funding and develop those ideas.

**Successes and Lessons Learned**

There has been little systematic evaluation of place-based solutions to rural poverty, though a variety of case studies cite improvements to public buildings, infrastructures, and services and enhancements in rural quality of life and economic competitiveness. Some of these cases are highlighted below:

- **Rural federal Promise Zones** are trying to reduce poverty through a variety of place-based interventions. They aim to provide basic needs such as food and housing, increase graduation rates, improve high-speed internet access, retrain workers for new technology industries, incubate businesses and create jobs, renovate buildings, and reduce crime. The overall efficacy of this program has not been assessed, but the Kentucky Highlands Promise Zone increased the graduation rate at Leslie County High School from 67 to 98 percent with the support of AmeriCorps VISTA members.³
Through a series of partnerships, Kentucky’s Berea College Promise Neighborhood has doubled the percentage of kindergarteners who come into school ready to learn. Libraries in the neighborhood have transformed into spaces of multigenerational learning; the county health department works to increase enrollment in Health Access Nurturing Development Services, a home visiting program for infants; and the Jackson County court system has developed a program that provides counseling and parenting classes to substance abusers who have lost custody of their children.4

As part of Stronger Economies Together, the University of Nebraska is working in five southeastern Nebraska counties to create two industry cluster goals about manufacturing and arts and entertainment and two foundation support goals about the workforce and entrepreneurship. So far the collaborative has developed regional partnerships to endorse the plan, created a mechanism for advertising workforce development through housing brochures, planned a manufacturing summit and entrepreneurship training, and is now conducting a tourism needs assessment and hospitality training.5

Healthy Places North Carolina has seen an increase in competitive grant proposals from counties, engagement by the business community in these projects, and the development of cross-sector partnerships (e.g., connecting institutional leaders such as YMCA directors and heads of chambers of commerce) to carry out major projects. These grants are seen by the funder and by the recipients as catalysts for open conversations about improving community health, and as examples of the potential of place-based initiatives to engage all levels of the community (Easterling and Smart 2015).

Though these initiatives are new and have not been extensively evaluated, they all point to the importance of leveraging resources and partnerships to work toward economic mobility for rural people and places. Success requires strong leaders capable of bringing together community partners to identify needs, develop plans, implement solutions, and track results. Regional organizations such as the Appalachian Regional Commission can coordinate services across multiple counties and connect communities to neighboring urban and rural economies (Partridge 2017).

Compared with urban communities, rural communities have fewer resources and partners available to run place-based initiatives. In addition, impact assessment is difficult because of the lack of quality public data on rural communities and the lack of adequate administrative program data from place-based interventions. The smaller the population served or number of sites engaged, the harder it is to produce valid, reliable data and generalizable analyses.

More innovative measurement and evaluation strategies are needed to uncover replicable methods of helping rural households achieve greater economic mobility from poverty. Future place-based initiatives could work in conjunction with people-based initiatives to provide a continuum of opportunity for rural residents and communities (Partridge 2017).
Notes


References


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ABOUT THE US PARTNERSHIP ON MOBILITY FROM POVERTY

With funding from the Bill & Melinda Gates Foundation, the Urban Institute is supporting the US Partnership on Mobility from Poverty. Led by chair David Ellwood and executive director Nisha Patel, the Partnership consists of 24 leading voices representing academia, practice, the faith community, philanthropy, and the private sector.

The Partnership’s definition of mobility has three core principles: economic success, power and autonomy, and being valued in community. Our collective aspiration is that all people achieve a reasonable standard of living with the dignity that comes from having power over their lives and being engaged in and valued by their community.