Revisiting Poverty in Rural America
Where are we 50 years after the war on poverty began?

4 Rural Poverty, Before and After the War
10 A Frank Discussion on Persistent Poverty in Rural America
22 A Single Mother’s Struggle Out of Poverty to Provide a Better Life for Her Son
Dear Friends,

Fifty years ago the “War on Poverty” was officially declared. The degree and disgrace of deep poverty in many rural communities was part of the justification to wage the campaign. But after a half-century of thought, action, and a panoply of programs and initiatives, where are we today? And more specifically, what does poverty look like in rural America where the issue has so often been overlooked? In this edition of Rural Voices, we revisit the issue of poverty with frank questions, informed viewpoints, and honest assessments to help provide a better understanding of this complex issue and its intersection with housing in rural communities.

In some respects, great strides have been made in reducing poverty over the past few decades. But since 1964, the national poverty rate has yet to dip below double digit levels, and poverty is shockingly high among children, minorities, and single parent households — all three of which are growing demographic groups. Poverty is particularly pervasive in several geographic regions that are almost exclusively rural. Additionally, with a large demographic age shift afoot, some of the gains in economic improvement for older persons are at risk. But poverty is much more than an abstract condition for the over 10 million rural Americans who face daily struggles with food security, access to health care, and lack of basic shelter.

The perspectives highlighted in this edition provide insights into how poverty manifests itself in rural America by asking what has changed, what remains the same, and what can be done? We explore the long arc of poverty in rural America, examine how poverty is experienced through firsthand perspectives, and learn about new, innovative local approaches that combine housing and poverty-reduction.

Figures from the U.S. Census Bureau’s recently released official poverty estimate indicate that the number of rural Americans living in poverty decreased slightly from the previous year, which is a step in the right direction. However, that same report presented record levels of income and wealth inequality in our nation. The war on poverty is not over. The rural voices presented here examine how far we have come, how far we still need to go, and in what direction.

In community,

Polly Nichol  
Chair, Board of Directors

Andrew Bias  
President, Board of Directors

Moises Loza  
Executive Director
Dear Friends

A Frank Discussion on Persistent Poverty
Five housing experts discuss the persistence of long-term poverty in several rural communities.

Decline in Senior Poverty: A Success Story... ...With a Cautionary Outlook
Staying housed on a fixed income: the importance of available affordable housing for seniors.

Innovative Approaches to Reducing Poverty Locally
The problem of poverty is often viewed from a national or regional perspective. But success in moving people out of poverty can emanate from community-specific innovation and solutions.

A View From Washington
“The People Left Behind” Are Today the People Still Behind

Editors: Lance George, Eric Oberdorfer, and Dan Stern
DESIGNER: Salta With Us
ISSN: 1903–8044
Cover Photo: George Ballis

Unless otherwise noted, photos should be credited to the authoring organization. Statements made in Rural Voices are the opinions of the authors of the individual articles, not of the Housing Assistance Council. Material may be reproduced without permission, but Rural Voices should be credited.
The 50th anniversary of the War on Poverty has generated scores of articles, books, and radio and television reports. Lost in much of this coverage is the acute hardship facing rural America at the dawn of the 1960s and the role this played in shaping the nation’s response to poverty. Lack of access to adequate food and health care, along with quality schools, roads, and housing was rampant in many rural communities, especially in Appalachia and the Deep South. The public policy response reflected that need with the creation of programs such as food stamps, school lunch and breakfast, Medicaid, Medicare, Head Start, and later on, Section 8 vouchers, and Low-Income Home Energy Assistance. This article provides a brief overview of poverty trends, and lingering challenges, facing parts of rural America.
Poverty Trends

In the United States, the official measure of poverty compares a family’s money income against a family-size specific threshold. Money income includes private income from wages and salaries, self-employment, rent/interest/dividend income, and government cash transfers such as Social Security, disability, veteran’s payments, unemployment, and welfare, among others. This information is collected in March of each year as a supplement to the roughly 50,000 – 60,000 households in the monthly Current Population Survey, and the income information refers to the previous calendar year. The family is the basic reference unit for poverty measurement, where family means two or more persons residing together and related by marriage, birth, or adoption. The income of all family members is summed to yield total family income for the year. All members of the same family, including related subfamilies, share the same poverty status. It is important to note that this measure excludes many of the programs borne out of the War on Poverty, such as the dollar value of food stamps and housing subsidies, Medicaid and Medicare, and also excludes tax liabilities and the refundable Earned Income Tax Credit. Spending on these programs now exceeds $1 trillion, but they are not part of the official poverty rate.

The poverty threshold for a family is based on a 1955 survey of American families whereby it was determined that the average family of three or more persons spent about one-third of their after-tax money income on food purchases. This implies that after establishing the appropriate food budget one could use a multiplier of 3 to establish an income cutoff for minimally adequate needs. The food plan adopted in the 1960s was the least costly of four nutritionally adequate diets specified by the U.S. Department of Agriculture known as the ‘economy’ food plan. The poverty line was first implemented in 1967, and in each year since it has been updated by changes in the consumer price index. This means for purposes of poverty measurement we have allowed no adjustment for changes in the standard of living, including the fact that the average family of three spends closer to one-seventh of their budget on food today. In 2014 the poverty line for a single individual is $11,670 and for a family of four it is $23,850.

Figure 1 depicts trends in the national poverty rate, as well as the numbers of persons in poverty, from 1959 through 2011. As seen in the figure, the overall poverty rate was about 22 percent in 1959, and the number of Americans living in poverty was about 40 million. Within a decade, poverty fell by half. Since 1970, however, while moving up and down with the business cycle, both the poverty rate and especially the number of poor have trended upward such that in 2011 15 percent of the population, or over 45 million people, were poor. Research suggests that this post-1970 experience is due to a host of factors, the most prominent of which include the slowdown of economic growth, rising inequality (including declining inflation-adjusted wages among less-skilled workers), and the rise in female-headed families.
Geography of Poverty

What is missing from Figure 1 is the vast difference in poverty rates across the country. For example, while the overall poverty rate in 1959 was 22 percent, Figure 2, which depicts poverty rates at the county level from the 1960 Decennial Census, shows that in much of the rural South and Native American territories poverty rates exceeded 50 percent. It was this level of deep poverty that then-Senator John F. Kennedy witnessed during a campaign stop in West Virginia in his 1960 bid for the presidency, and subsequently shaped his domestic agenda and that of President Johnson.

Overall, rural America shared in the prosperity of the ensuing decades, such that by the end of the economic boom of the 1990s, the excessive high rates of poverty were mostly absent, as depicted in Figure 3. But upon closer examination what one sees is the emergence of pockets of persistently high poverty. Specifically, following the USDA definition, a persistently poor county is one with a poverty rate above 20 percent across Decennial Censuses. In Figure 4 this is represented across each Census year from 1960 to 2000. The figure shows that these persistently poor counties, which represent about 11 percent of all counties, are generally clustered in five regions: central Appalachia, the “Black Belt” region from the Carolinas to Alabama, the Mississippi Delta, the Texas “colonias,” and counties with Native American reservations in the western U.S. These five regions vary greatly in terms of race, ethnicity, geography, culture, and primary economic specialization. What they have in common, and what distinguishes them even from other rural counties, is low levels of formal education attainment, low labor force participation rates, low capital expenditures, and greater distance from urban economic hubs, which when combined, help explain the high rates of poverty persistence. An obvious question to ask is, which factor matters most?
Long Reach of Human Capital

Historical sociologists have theorized that patterns of land tenure in Appalachia and the Mississippi delta, where ownership was highly concentrated, led to the development of institutions that contribute to those regions’ low incomes today. Macroeconomists have also pointed to the role of climate and geography; namely, temperate climates have more predictable rainfall, better soil quality, and lower disease prevalence than tropical areas. Again in the U.S. context, this may place the coastal regions at an advantage relative to the South and Appalachia.

In a recent study\(^1\) at the Center for Poverty Research at the University of Kentucky, we ran a “horse race” of sorts to understand whether the persistently poor counties are where they are economically because of lower levels of human and physical capital, less efficient use of their human and physical resources, or from historical contributions of institutions, culture, and geography. Our research points to the key role that education plays both contemporaneously and historically in the development of these poor counties—shortfalls in human capital account for about 60 percent of the income gap between persistently poor and non-poor counties. While persistently poor counties historically were also warmer, had lower stocks of physical capital, fewer foreign-born residents, and were less urban, what really stands out is that persistently poor counties today had, on average, illiteracy rates 25 percentage points higher than did non-poor counties a century ago. In recent decades, gains have been made in closing the gap in high school graduation rates, but while that gap narrowed, the gap in college completion rates widened just as college was becoming more important for the economic success of families and communities. In other words, human capital has a long reach.

---

Policy Considerations

The most important factor contributing to persistent poverty in rural America today is low levels of human capital. While daunting, this is not an insurmountable barrier from a policy perspective. Substantial investment in education from prekindergarten through higher education, coupled with incentives to retain the recipients of the investments, are needed for poor rural regions to have a chance of catching up to the rest of the nation. These investments in education, coupled with economic development programs that aim to diversify the economic base around nearby urban centers, may offer a path out of persistent poverty.

Whether this investment should come from the state and local level, or the federal level, or both, is the subject of much debate. Most agree that state and local governments should invest in their local communities across a host of dimensions from education to health to business incentives, but if and how the federal government gets involved is another matter. If people are mobile across communities, and state lines, in response to additional opportunities offered by education, then there are clear grounds for federal investment in schooling from pre-K and beyond. However, investing in schooling is a long-term proposition and cannot be accomplished in isolation of present-day economic development needs—place-based policies such as infrastructure projects, business subsidies, and even public-works jobs akin to the Works Progress Administration after the Great Depression.
Proponents of place-based policy typically make an appeal on redistributive grounds, i.e. persistently poor regions are trapped and there is a national interest in ameliorating those deficits through direct investment. The case against such place-based intervention follows from the belief that helping poor places is not the same thing as helping poor people—business subsidies may just induce new firms to bring new migrants to the area and not hire locals. This drives up local prices harming the poor who tend to be renters. However, federal involvement cannot be ruled out in the persistently poor regions of the country if the primary consideration is to ameliorate historical deficits in human capital and overall well being of the regions.

There is some precedent for effective federal investment. In an evaluation of the introduction of the Appalachian Regional Development Act in 1965, research showed that the ARDA reduced Appalachian poverty between 1960 and 2000 by 7.6 percentage points relative to the rest of the U.S., and 4 percentage points relative to border counties. These anti-poverty gains were most pronounced in the Central Appalachian region. Most of the benefits were realized in the first five years of the law when the investment was largest. This suggests that federal involvement will be most effective if it is well targeted and sustained.

Further Reading


A FRANK DISCUSSION ON PERSISTENT POVERTY IN RURAL AMERICA

Forgotten or hidden from mainstream America, several rural areas and populations are isolated geographically, lack resources and economic opportunities, and have suffered through decades of disinvestment and double-digit poverty rates. Persistent poverty is most evident within several rural regions and populations, including the Lower Mississippi Delta, the rural Southeast, Central Appalachia, Native American lands, the colonias along the U.S. Mexico border, and migrant and seasonal farmworkers.

Among the most economically depressed areas in the country, addressing social, economic, and housing problems has proved challenging. To help better understand this issue, Rural Voices spoke with five housing experts, each with decades of experience providing housing and working with low-income families in persistent poverty areas. Their firsthand knowledge presents an unparalleled view into the harsh reality of families and communities grappling with long-term poverty. These experts offer their insights, passion, and commitment to help solve what is often considered an intractable problem.
What does poverty look like in your community or region?

**Ann Cass:** In Hidalgo County, Texas, one out of every three people in our community is poor. One out of every two children is poor. This poverty is lived out in the Rio Grande Valley of Texas, a region that has no viable public housing program. This means that, typically—usually—a child will be living in a neighborhood or colonia that looks like a shanty town in a third world country.

The families live in mobile homes with busted walls and ceilings, in shacks made of grocery store pallets, or in sheds made out of old political campaign billboards. If you visit such a home, you will find two or even three families living in the same home.

**Selvin McGahee:** I’m located in rural central Florida, and I work in rural communities throughout the Southeastern United States and Puerto Rico. There are many places in these areas that define persistent poverty. It looks like remnants of the economic and educational inequalities that have persisted since the post slavery/Jim Crow era throughout much of the rural south. There are still many racially segregated neighborhoods that contain a disproportionate share of substandard housing and other examples of economic hardship.

**Bill Bynum:** Nation-wide, one out of four persistently poor counties and parishes are located within the Mid South states. In Louisiana and Mississippi, over half of the states’ counties and parishes are classified as persistently poor. Within these counties and parishes, poverty and race are inextricably connected. Thirty-five of the region’s thirty-nine counties and parishes in which the African American population exceeds 50 percent have had poverty rates in excess of 20 percent consistently for the last three decades.

**Tom Carew:** One thing you can surely say about poverty in Central Appalachia: it is persistent. Since the War on Poverty began in the 1960s, Central Appalachia has remained at the bottom. That is not to say there has been no progress over the past 50 years. There is much to celebrate: safe drinking water, sanitary sewers, four lane highways, hospitals, good schools, the incidence of homes without full plumbing, a prime indicator of substandard housing, are at historically low levels.

Unfortunately even with all the improvements the region remains at the bottom compared to the rest of the country. In Central Appalachia, especially the coal fields, unemployment has increased as the demand for coal has decreased primarily due to the price of natural gas and environmental concerns. It is very difficult to find replacement employers who can pay annual salaries of $60,000.

**Ann Cass:** If I were to sit at a table and visit with the head of the household in the colonias in Hidalgo County, the conversation would be terse, for these are people who work long hours for little pay and less relief, and many hold down two or three jobs at minimum wage. The conversation may well be guarded, for many of these families are of mixed-immigration status, and there is no telling when a beloved uncle or cousin will be picked up and “disappeared”—deported back to Mexico.

The children are children and play and laugh and are affectionate. Yet, the educational system fails so many. Half the students who begin kindergarten will not graduate from high school. In the midst of their long suffering, I see resilience, persistence, creativity, and strength. I see a people who need hope. As we attempt to offer them that hope, somehow we are gifted with hope by them.

**Pinky Clifford:** Here, on the Pine Ridge Reservation, poverty looks like the word “without.” The vastness of our area captivates visitors but it doesn’t take long for them to experience just how large it is out here. My thirty-five mile commute to work (one way) consists of two stop signs and two traffic lights. When I say that poverty looks like the word “without,” it means we do without adequate housing, jobs, health care, economic development, and improved road systems. In our area poverty looks like older trailers and manufactured homes in desperate need of repair or replacement. Poverty looks like the many roofs, windows, and doors that need replacement and severely overcrowded homes. Poverty makes us look like we don’t want to work or do anything for ourselves, and at the same time, poverty masks the positive in the community.

Bill Bynum
is the CEO of Hope Enterprise Corporation/Hope Credit Union (HOPE). Bill has worked with HOPE for over 20 years providing banking opportunities to low-income individuals and families in the rural South.

Tom Carew
is the Executive Vice President of Membership and Advocacy at the Federation of Appalachian Housing Enterprises (FAHE). Tom has more than 34 years of experience providing affordable housing in Central Appalachia.

Ann Cass
is the Executive Director of Proyecto Azteca and has over three decades of experience working in the Texas border colonias.

Emma “Pinky” Clifford
is the Executive Director for the Oglala Sioux Tribe Partnership for Housing (OSTPH). As a tribal member of the Oglala Sioux, Pinky has worked to improve access to safe, affordable housing with OSTPH for the past two decades.

Selvin McGahee
is the Executive Director of Florida Non-Profit Housing, Inc. and has spent his career working to provide affordable housing in the rural Southeast and farmworker housing.
While the causes of poverty are complex and varied, what do you feel are a few of the biggest contributors to long-term poverty in your community?

**Tom Carew:** It is the economy of Central Appalachia that drives poverty. The outflow of our young people to the urban centers is primarily driven by the job market. While our political and economic development leaders work hard to attract industry to Rural Appalachia, it is an uphill battle. Some folks from my hometown of Morehead, Kentucky drive over 140 miles per day to jobs in Lexington or Georgetown, Kentucky.

The four lane roads have helped make this possible, but isolation is still evident in towns like Welch, WV, a two hour drive to the nearest four lane highway. As the 2013 school year began in McDowell County, WV, they were 50 teachers short! Due to its isolation, recruiting teachers to McDowell County is difficult, and even if they are recruited, affordable housing for young teachers is not available.

**Pinky Clifford:** I think our economic corridors have limited growth and access to landowners so that they are unable to live on their own land. We constantly go elsewhere to purchase goods and services that could be provided right here to create jobs, financial stability, economic development, larger schools, adequate health care, and safe communities. One of the biggest contributors in dealing with long-term poverty is the huge growth spurt that we’ve had. Over 50 percent of our population is under the age of eighteen. We have never had a lot of economic opportunity offered to us until the last twenty-five years or so.

**Bill Bynum:** One of the biggest contributors to long-term poverty includes a systemic lack of access to opportunity structures for the children and families that live in economically distressed communities. Poor communities are less likely to have high quality schools and access to good jobs than communities of affluence.

**Selvin McGahee:** For many of the unskilled and/or uneducated workers in my area, the minimum wage does not afford them a fair opportunity to take care of themselves and their families, even when working two jobs. Furthermore, some are locked out of the job market because of criminal records, often for petty offences that receive unequal treatment in the judicial system based on race or ethnicity.

**Ann Cass:** One of the biggest contributors to long-term poverty is companies paying poverty wages rather than a living wage. The low wages mean that our talented craftsmen often migrate north where they can make three or four times that amount but at the cost of leaving their families and community behind. With low wages, people also succumb to pay day loans and title loans, which keep them in economic bondage.

**Bill Bynum:** The relationship with a depository financial institution matters greatly. Low-income families with an account at a depository are more likely to own assets than families of similar means without an account. Additionally, in low-income neighborhoods, there is a strong relationship between the presence of a branch and the origination/cost of mortgages. Responsible financial institutions provide families with the tools needed to accumulate assets that pave the way for families to get ahead. In communities mired in the cycle of long-term poverty, the presence of sustainable, responsible financial institutions is often absent relegating services to instead be provided by high cost, wealth stripping entities.

**Tom Carew:** In Central Appalachia, low-wages make it near impossible to access traditional financial markets because of strict underwriting.

**Ann Cass:** Our cities refuse to provide affordable housing, even though they want low-income people to maintain their golf courses, clean municipal buildings, work in restaurants and hotels. In Hidalgo County, working families have no other choice than to live in a rural colonia (shantytown). There is no planning and zoning enforcement in the unincorporated areas of the county where most of the 1,200 colonias are. This means no garbage collection, street lights, parks, or recreational areas. There is no building code enforcement. Public transportation is practically non-existent, health care is perceived as a privilege, not a right, and people die of diseases that in this country they should not die of. Because poverty has existed here for so long, in a racist system where people of color do not have access to resources, decision making, or leadership, many have developed a learned helplessness of “this is the way it has been, is, and will be forever.”

**Pinky Clifford:** In all my years on this planet, I have seen and heard about economic initiatives that have come and gone doing little to address the long-term poverty.
With your experience working in these regions, what are some of the changes you have seen in the nature and level of poverty over the past few decades?

**Pinky Clifford:** Conditions are worse on Pine Ridge. With a larger population and not many more jobs, homes or rentals, and more quick fix trailers, you have more wear-and-tear on everything: stress on families (substance abuse, suicide, domestic violence), road systems, hospitals, schools, homes – how much can a home take with such severe overcrowding? When everything becomes worn you think of replacement, and when you don’t have the resources for replacement, then the community degenerates and the veil settles in.

**Ann Cass:** The colonias now have some infrastructure: paved streets, potable water, either public sewer or septic fields, but they still need street lights, parks, garbage collection, and drainage systems. After Hurricane Dolly, we were building in 10 colonias that were under water for more than 120 days!

Although finding a decent paying job in the area is still a challenge, more and more children from the colonias are going on to college. School districts are beginning to replace ESL classes with dual language enrollment, teaching classes in English and Spanish from k-12 grades. These schools are graduating students who are fluent in both languages.

**Selvin McGahee:** Over the past few decades, I have seen many substantial changes for the better. Most of the flagrant acts of racism and discrimination, often supported by public institutions, have gone away. Laws have been enacted that make such acts illegal, although in many cases, acts of discrimination have become more subtle and much more sophisticated. This has been evident in the past couple of years through the dismantling of some of the long established protections including voting rights, government contracting, educational opportunities, and so on.

**Tom Carew:** Life without question is better in the physical sense. Water, sewer, hospitals, health care, highways, school facilities, and reasonably priced utilities are all much better than they were 50 years ago. On the other hand, high school dropout rates remain high in many counties, and persistent unemployment and low-paying jobs can be seen throughout the region. Unemployment in the coal fields is high.

Are we better off than 50 years ago? Most definitely – but as we look at Central Appalachia as a region, we remain at the bottom when compared to the rest of these great United States.

**Bill Bynum:** One phenomenon on which we have been paying close attention is the proliferation of bank deserts. Despite robust profitability, bank branches have closed at high levels – disproportionately in high poverty areas. In Mississippi alone, 1,031 of 1,679 ZIP codes are bank deserts.

When banks decide to leave certain markets, particularly markets with a substantial population of low-income residents, leaders face a continuum of choices. At one end, banks can work to find responsible, sustainable alternatives through partnerships with Community Development Financial Institutions (CDFIs) and nonprofit organizations. At the other end, banks can simply export the community assets held in the branches slated to close to more affluent communities without consideration of the residents left behind. We’ve seen both approaches applied by banks – it remains to be seen whether or not the financial sector in our region can embrace a habit of meaningful collaboration.
What are the ramifications of persistent poverty for affordable housing provision within your community?

Bill Bynum: Within the Mid South’s persistently impoverished communities, and particularly those with high populations of African Americans, high cost lending was particularly prevalent during the early part of the last decade. Mississippi provides a good case study. In 2007, black households in Mississippi received approximately 10,000 mortgages. Four out of 10 mortgages to black households in Mississippi were classified as high cost loans. The same year, white Mississippi households received 36,000 mortgages, of which 2 out of 10 were classified as high cost.

In 2012, mortgage originations for black households were just over half the number of mortgages originated in 2007. High cost lending dropped drastically; however, prime loan lending to African American households remained significantly below 2007 levels. For white households, high cost lending also dropped, however the drop had been more than made up for by increased levels of prime lending with both prime and total mortgage originations surpassing 2007 levels.

Selvin McGahee: Persistent poverty makes it very difficult for people in the rural south to improve their living conditions. A disproportionate amount of substandard housing is located in low-income communities. The economic downturn that began 6-8 years ago has made fewer resources available and decreased the availability of affordable housing. Housing policies at the federal, state, and local levels have also had a negative impact on affordable housing. Things are not getting better; in fact they are getting worse.

Tom Carew: Central Appalachia has its urban centers: Morgantown, Charleston, Knoxville, Kingsport, Johnson City, Bristol, Chattanooga, which are, relatively speaking, better off than the surrounding rural counties. But decent housing has always been about affordability. The poorer the region, the harder it is to afford a decent home.

Selvin McOahee: Housing costs are typically the largest single item on a household budget. The initial move-in costs, security and utility deposits, or down payments for homeowners, are often insurmountable hurdles for most people in poverty. Without some type of subsidy these costs easily consume 50 percent or more of the monthly income for someone in poverty. Circumstances become even more extreme with any crisis such as the loss of employment, extended illness, accidents, and so on, often leading to overcrowded extended families or even homelessness. Poverty affects the quality of housing that can be afforded, and most substandard housing, both rented and owned, is occupied by people in persistent poverty.

Bill Bynum: The effects of persistent poverty following the Great Recession point to a widening of gaps within the Mid South that are already too far apart, especially given the relationship between homeownership and wealth accumulation.

Ann Cass: We do a before and after survey of our home owners to measure our success in improving their physical and mental health, children’s progress in school, social-bility, and accrual of financial wealth with a new home. It is clear that substandard housing contributes to negative outcomes for all of the above, while new affordable housing make a huge positive difference in the quality of life.

Persistent poverty leads to higher rates of poverty, sicker people due to substandard housing (we are the asthma capitol of the country), separated families, and mental health problems, such as depression and drug and alcohol abuse. The worst result of all this is the sense of hopelessness it brings.

Pinky Clifford: Inadequate financial and management skills results in a lack of motivation to want to move forward no matter where you are in life, as does a lack of sufficient or better housing to create new and safer communities. When we talk about safe communities you have to have adequate services to support the community.
What strategies, solutions, or policies would you recommend to reduce poverty and long-term poverty in your community?

**Tom Carew:** The War on Poverty has had many successes in Central Appalachia as well as throughout the rest of the US, but our region along with the Delta, Native American lands, and the colonias continue to be the poorest places in America. The regions need to convene and come up with a strategy to collectively move us off the bottom! It is certainly time for us to move these regions forward. Obviously, this is not just a housing issue; it involves all aspects of life and endeavors in the regions. What has seemingly worked for the rest of America has not worked as well for us. How do we create and or shape federal and state policies to better serve the regions and provide the changes we need? This will take academics, activists, economic experts, and community developers.

**Selvin McGahee:** We must acknowledge and understand that there are distinctly different needs in urban and rural communities. Yet, often the policies and programs implemented at the federal or state level are designed with one-size-fits-all approach. Rural communities are not typically entitlement communities for federal funds like CDBG or HOME, they have to compete – often against the larger urban areas that have more resources and expertise.

It is extremely important to design the strategies and policies from a rural perspective. We should make every effort to reduce housing costs or at least reduce the vast number of households that are cost-burdened. Our state and federal governments should strive to create more affordable housing rather than dismantling successful programs that have worked well for years to help address the problems.

**Ann Cass:** We are working to help the economic development corporations understand that they have to change the paradigm of what they consider to be economic development. Bringing in new companies, with most of the jobs paying minimum wage, is not economic development.

It is clear to me that we absolutely need to focus on mixed-income neighborhoods and affordable housing. We have to make it possible for people to get out of the colonias. We are watching carefully as cities are working on their development plans. We see they are requiring larger homes in an effort to keep low-income families from living there. We see NIMBYism taking place where housing authorities are prevented from developing units in neighborhoods that are not already blighted with poverty. Those are policies that we are working on.

The bottom line is that we need more affordable housing, rental and ownership. We have 3,800 families on our waiting list and the only thing preventing us from significantly decreasing the list is a lack of funding. Building a new house is of course not the only thing needed. I do believe that as housers we need to continue working with the families providing them as many resources from the community that we can. It is our experiment, for better or worse, at getting families from poverty to prosperity.

**Pinky Clifford:** Federal and nonfederal agencies, corporate entities, foundations and organizations (both public and private), and individuals who want to make change need to look at the map showing poverty in the United States and concentrate on the poorest areas. Combining their resources they could focus on helping us help ourselves. By that, I mean that consultation with leadership would let all of the above know what we need to re-capture the spirit of self-sufficiency. The solution on our side is not simple. Any underserved area has to do a lot of homework in its own strategic planning to assure any entity that we are serious.

Poverty tends to mask the positive in a community. We are proud of our tribal programs and our accredited college, our chamber of commerce, our schools, our nonprofits and other faith-based and community organizations who work hard to provide much needed services to our communities. However, this is a large Reservation and they can’t do it all. We want out of the dark area on the map.

---

**MORE ON PERSISTENT POVERTY**

To read the full interviews, please visit: [www.ruralhome.org/revisitingpoverty](http://www.ruralhome.org/revisitingpoverty)
Poverty in Rural America

Approximately 45 million Americans, or 15 percent of the population, had incomes below the official poverty rate in 2012. In rural America, the poverty rate is above 17 percent with more than 10 million people living in poverty.

Source: Housing Assistance Council (HAC) Tabulations of 2008-2012 American Community Survey Data and U.S. Census Bureau Decennial Census Data

Poverty in the United States, 2012

Approximately 45 million Americans, or 15 percent of the population, had incomes below the official poverty rate in 2012. In rural America, the poverty rate is above 17 percent with more than 10 million people living in poverty.

Source: Housing Assistance Council (HAC) Tabulations of 2008-2012 American Community Survey Data and U.S. Census Bureau Decennial Census Data

Poverty in 1960

Poverty in 1980

Poverty in 2000
Nearly Half of Rural Families Headed by Single Mothers Live Below the Poverty Line

Poverty by Location and Family Status, 2012

- **U.S.** 10.9%
- **Rural** 12.5%
- **Rural with Children** 20.8%
- **Rural Female Headed with Children** 47%

Source: HAC Tabulations of U.S. Census Bureau 2008-2012 American Community Survey

Poverty by Race & Ethnicity

- **Total**
- **White, Not Hispanic**
- **Asian**
- **Hispanic**
- **Native American**
- **African American**

Source: HAC Tabulations of U.S. Census Bureau 2008-2012 American Community Survey (ACS) Data

Poverty in the U.S. by Residence, 1960-2013

Source: HAC Tabulations of U.S. Census Bureau Data; Income and Poverty in the United States: 2012
One of the biggest successes in reducing poverty has been among older Americans. Until recent decades, elderly persons in the United States experienced poverty rates at much higher levels than the overall population. The enactment of safety net programs such as Social Security, Supplemental Security Income (SSI), and Medicare have likely contributed to the reduction in the poverty rate of seniors over the past half century. In the mid-1960s, nearly 30 percent of seniors in the United States were in poverty – this has steadily declined to 9.5 percent by 2013.

While these reductions in older age poverty are significant, they have not occurred evenly across the board. Rural seniors experience higher poverty than seniors nationwide, at 11.4 percent, and older women have higher poverty rates than their male counterparts. Overall, 14 percent of rural, elderly women have below poverty-level incomes, compared to 8 percent for rural men over the age of 65. Senior minorities in rural areas are among the poorest and worst housed groups in the entire nation. While just 10.8 percent of all elderly households in rural America are headed by minorities, they account for 22.9 percent of all rural elderly households in poverty. While poverty rates for seniors are now lower than the overall population, the looming demographic shift of baby boomers progressing into older age may present challenges that halt, or even reverse, this progress.
During the past decade, the overall poverty rate for Americans age 65 and older has held steady at about 10 percent. However, examining these data closer reveals significantly higher rates of poverty among older women and minorities. Single females 65 and older represent approximately 70 percent of people over 65 living alone; many have not spent as much time in the workforce as their male cohorts, nor did they have similar earning power. Many rely on Supplemental Security Income (SSI), which can place them in vulnerable financial positions. This is not a problem faced solely by senior women; several of the Neighborhood Nonprofit Housing Corporation’s (NNHC) rental property managers have noted that there is a growing trend of tenants whose only source of income is SSI. Corroboratively, the AARP states that “among all older Americans in 2012, almost half relied on Social Security for 50 percent or more of their family income, while nearly one in four relied on Social Security for 90 percent or more of their family income.” This leads to many seniors living from one SSI check to the next with little or no contingency for emergencies.

In recent years, NNHC’s property managers have also seen an increase in the number of tenants using local food pantries; these data are supported by the findings of a 2013 National Foundation to End Senior Hunger study. “In 2011, almost one in every 12 seniors above the age of 60 in the United States was food insecure. That represents 4.8 million seniors nationwide, which is more than double the number of food insecure seniors in 2001.”

Tenants who live near a food pantry that provides free deliveries are particularly fortunate. A recent survey of senior properties in Utah found that over half of seniors do not own a vehicle. They rely on public transportation, which can be limited or even nonexistent in rural areas. An NNHC tenant who has lived in both large urban centers and small rural areas noted that rural areas tend to be less pedestrian friendly, lacking wheelchair-friendly curbs and even sidewalks. One rural senior noted that without public transportation, getting to medical appointments becomes very difficult. Consequently, she felt rural seniors were less likely to get the health care they needed.

These challenges faced by seniors are only too familiar to Deanne Jones, a resident at NNHC’s River Park Senior Housing property in Logan, Utah. Deanne was employed and renting a small home when she faced...
a permanent disability and eventually had to stop working. She went from being able to provide for herself to having to choose between paying for rent or buying groceries. After several months of difficult financial struggles, she read an article in the local paper about a new affordable senior property that was under construction. She called immediately and put her name on the list to be contacted when a unit became available. She called frequently to check on the progress of the development and was one of the first tenants to move in. She counts her current apartment as a “huge blessing” and is grateful to have both a roof over her head and food on the table as well as neighbors that help watch over one another. Deanne expressed appreciation to both the LIHTC and HOME programs for funding the River Park property that gave her the ability to be independent and maintain her dignity. To her, these programs are “critical” and a lifeline to seniors in need.

Another resident, Larrie Lou Hogge, has lived in River Park for just over two years and says she “loves it!” She admits that living solely on SSI is difficult, even with the affordable rent she pays. Increased food and prescription medicine costs have stretched her budget, but she is happy to have a home with a community feeling. The local Independent Living Center provides her invaluable support via a weekly shopping trip; as a wheelchair user, it is difficult for her to get around. Without some form of public transportation, she would lose the ability to live independently.

Senior homeowners also struggle to make ends meet. Regina Clements lives in a home that is as old as she is – a spry 75. Unfortunately, the home wasn’t doing as well as its owner; the chimney was falling apart, the roof needed repairs, and the home only had a few rain gutters and no downspouts. When it rained, Regina could stand at the window and watch pieces of shingles fall off the roof. In the winter, she had six foot icicles hanging from her eaves. Regina didn’t have the funds to make much-needed repairs, but then she read in her city utility bill about a home rehabilitation program that offered grant funds for homeowners in her situation. At first, she felt it was “too good to be true,” but still attended the orientation meeting. She found most of the other attendees were in similar situations; they owned older homes that needed repairs and simply didn’t have the ability to pay for them. The Northern Utah Neighborhood Improvement program provided Regina with a $9,800 grant to remove the chimney, replace the roof, and install rain gutters with downspouts. The program requires its participants to “give back” through community service, and Regina was tasked with organizing a neighborhood cleanup. Now her neighbors will benefit from her efforts, and she has enjoyed interacting with people from all walks of life. She sees this as a “wonderful program that should be continued” and one that acts as a catalyst to make other good things happen. But future program funding is always tentative; previous support has come from CDBG, the Federal Home Loan Bank of Seattle, and affordable housing money from partnering cities.

There is a need for affordable housing for seniors throughout the country. U.S. Census data
Kim Datwyler has been the Executive Director of the Neighborhood Nonprofit Housing Corporation (NNHC) since 2000. Founded in 1996 with a mission to create affordable housing opportunities, strengthen and enhance communities, and provide households with the skills to become self-sufficient; NNHC’s primary focus is to assist underserved communities, particularly in Utah’s rural areas.

Extended funding cuts to federal housing programs, as well as HOME and CDBG funding, have made it harder to provide affordable housing for very low-income seniors, particularly in rural areas. Smaller rural populations equate to smaller projects which do not allow for developmental economies of scale like those of larger urban projects. In addition, rural communities have fewer resources to contribute to affordable housing projects than their urban counterparts.

Safe, affordable housing is a crucial need for our nation’s seniors, and providing them opportunities to remain independent is not only better for them, but it also makes economic sense for everyone. It is up to us to make certain our nation’s policy makers understand and support this premise. After all, isn’t everyone aging?

The Housing Assistance Council’s loan fund offers short term capital for single and multifamily projects, assists in leveraging other funding sources, and helps develop a network of partnership through the layering of loan structures. With $52 million in lending capital, the HAC loan fund is a crucial source of financing for rural affordable housing providers, situated to assist your organization with your next affordable housing development.

To learn more about the HAC loan fund, visit www.ruralhome.org or call 202-843-8600
HAC is an equal opportunity lender.

HAC has updated its rural resource guide on the USDA Rural Development Section 504 loan and grant program. This program provides assistance to very low-income homeowners who are unable to finance necessary repairs through other sources. The guide explains the requirements for using the Section 504 program and how to apply. It is intended to assist individual applicants as well as nonprofit application packagers in preparing applications for program funds.

To download the guide, visit www.ruralhome.org/504guide
Douglas County, Oregon is arguably one of the most beautiful places anyone could hope to live. The icy cold waters of the North Umpqua rush headlong down from their headwaters at Lake Maidu in the Cascade Mountains. The North Umpqua crashes headlong into Little River at Glide forming the only head-to-head colliding rivers in North America. Tall evergreen forests give way to grass-covered, rocky hills of madrone and scrub oak. Outside Roseburg, the North and South Umpqua meet and join to make their way to the coast. Douglas County stretches from Central Oregon to the Oregon Coast and is larger in land size than the state of Connecticut. For all the beauty surrounding the residents in Douglas County, life here can mean facing some ugly realities. Jobs are scarce. The median income is among the lowest in the state, and unemployment persists at higher levels than most of the state – and much higher than the national average. Resources too are limited by the rural
nature of the county, and county budgets have been severely curtailed by the loss of timber revenues.

Chriset came to Roseburg (population about 21,000), the largest town in Douglas County, in 2011 with her 13 year old son, Gabe. Chriset was following her mother and sister, who had moved to the area several years earlier. Driving into town in her dilapidated Toyota Camry, Chriset managed to find a temporary home for the two of them in the spare bedroom of a friend in tiny Sutherlin, 11 miles north of Roseburg.

Chriset came into town with no money, but a lead on a job at a Roseburg non-profit. She landed the job, and with her new salary – the most money she had ever made – Chriset managed to rent a tiny one-bedroom attic apartment for her and Gabe. The apartment was freezing in winter and the baseboard heat was so expensive they rarely used it. Even with her new job, Chriset found the apartment difficult to afford. To conserve energy, Chriset would turn off her power at the main box every day before she left for work. With her new job, Chriset lost the food stamps that had been part of her food security. Chriset had no internet (and has never had cable TV), and made all of her meals at home from basic ingredients. Still, when Chriset’s car died after 3 months in Roseburg, she felt she could not afford a new one, and the old one didn’t seem worth repairing. Chriset says, “I can’t imagine how people can afford a car. I don’t have $200 extra in my budget each month!”

Chriset started bicycling to work, and Gabe (like most kids his age) was able to get around by busing to school and walking or biking everywhere else. Chriset remembers their living situation was “sub-par”. After a few months at her new job, Chriset learned of a landlord who was willing to rent at a reduced rate to an employee at the non-profit where she works. Chriset applied for the rental, and she and Gabe moved into a spacious 3 bedroom historic house only a half a block from her job. To afford the new home, Chriset had to have a roommate, but she also had a garden, and Gabe had his own room. The new house, though roomier, was also old, drafty, and difficult to heat. Chriset wanted to quit moving around – she had moved so many times and twice had lost her rentals when the landlords went into foreclosure. Chriset wanted a home of her own.

In 2012, Chriset applied for an Individual Development Account (IDA) through a local non-profit. The Oregon IDA Initiative provides a matched savings program for low-income individuals to help them purchase assets with the hope that they
will become more financially stable and eventually move out of poverty. One of the eligible uses of the funds is the purchase of a first home. Chriset had to save $1,000 of her own to receive $4,000 in matching grant funds ($3,000 from state funds and an additional $1,000 from the federal Assets for Independence program). Chriset had savings accounts before but had never been able to build a balance. Through the IDA program, Chriset was saving money for the first time.

In addition to saving money, financial education helped Chriset improve her credit score and start tracking her expenses and budgeting using online resources. She also took home buying classes. Yet, Chriset was having a very difficult time finding anything suitable to purchase in her price range. She needed something close enough to her job and Gabe’s school that they could make do without a car. Chriset also needed a large yard with enough sun to continue growing her vegetables and fruits – and she wanted to be able to plant fruit trees. Chriset’s younger brother, a computer programmer in Seattle, offered to loan her additional money to make a deal work, and Chriset doggedly kept up her search. Finally, she found a property that was “distressed” – the current owner, an investor, needed to get rid of the property quickly because of cash flow problems. It met much of Chriset’s criteria; large lot, room for trees, two bedrooms, a big kitchen. A huge bonus for Chriset was a smaller cottage that she could rent out to help pay her mortgage. And, the price was right, at about $95,000. The house needed too much work to finance, but Chriset was able to convince the owner to carry a contract because of her ability to make a down payment.

In the late summer of 2013, Chriset and Gabe moved into their new home. Chriset immediately started a new IDA for some of the home repairs she would need. She shopped the local recycled building materials store for supplies, borrowed tools, and traded labor with friends. Chriset learned to replace windows, caulk, paint, and landscape. A whiz at bargaining, Chriset talked a local tree service into dumping wood chips in her yard for mulch. She planted fruit trees and her garden (with a few flowers for looks). She became a landlord and manages to pay half her monthly mortgage through the rental income. She has insulated, upgraded the electrical, and refinshed her wood floors.

While her home continues to be a “project house” – and she still is cold in the winter, at least until she saves enough for a new heating system – Chriset loves her home. “I get to paint my walls, and I don’t have to worry about having to move. I will have the mortgage paid off in 6 more years, and then I will start paying off my brother, but every month I know the money I am paying is going to benefit me in the future.”

Gabe walks three blocks to the local high school. Now entering his sophomore year, Gabe is earning A’s and B’s for the first time in his life. Says Chriset, “I don’t know for sure what is different now for Gabe…he’s a teenager, so you never know. But I am so thrilled with how he is doing.” Chriset and Gabe still eat at home, and their only modes of transportation are bicycles and their own two feet. Chriset says even if she had the money to buy a car, she probably wouldn’t until

> “I like my life. Things have been rough, but they are getting better.”

Chriset
her student loans and loans for the house were paid off. Gabe gets insurance through the Oregon Health Plan, so Chriset doesn’t have to worry about his medical care, but just in case, she makes sure both of them stay healthy. Life hasn’t been easy for Chriset, but she says, “I like my life. Things have been rough, but they are getting better. Sometimes, if one more thing wasn’t totally OK…one little thing can devastate a family. Right now, I am happy.” Chriset’s face glows, probably from her healthy lifestyle of eating fresh, simple foods and bicycling many miles every week. But probably it also glows because Chriset knows she has a home, one no one can take away.

Stacey Howard has lived and worked in rural Oregon for most of her life. She is currently the director of the DreamSavers IDA program at NeighborWorks Umpqua in Roseburg Oregon.

HAC recently launched a beta version of its Mapping Rural America application. Interactive and downloadable maps on a wide array of social, economic, and housing conditions are now available online and allow users to visualize, compare, and map their community’s characteristics.

Visit Mapping Rural America and start mapping your community today at: http://hac.maps.arcgis.com/home/index.html
INNOVATIVE APPROACHES TO REDUCING POVERTY LOCALLY

The problem of poverty is often viewed from a national or regional perspective. But success in moving people out of poverty can emanate from community-specific innovation and solutions.

Job Skills Through Housing Development

Based in Texas, Motivation, Education, Training, Inc. (MET Inc.) provides academic and vocational training to migrant and seasonal farmworkers. Although predominantly focused on serving farmworkers, MET Inc. also includes initiatives that target low-income and disadvantaged populations throughout the agency’s service area.

The colonias on the U.S.–Mexico border are one of the most impoverished regions in the United States. Located on the U.S.–Mexico border on the Rio Grande in Maverick County, Texas, the Rositas colonias are comprised of a cluster of numerous individual colonias all faced with the same substandard housing conditions and concerns. The housing stock in the Rositas colonias includes conventional stick-built structures, manufactured homes (that are often not hooked up to any infrastructure), adobe structures, and make-shift dwellings such as lean-tos.

MET Inc.’s housing staff worked to combine housing development and training for farmwork- ers. Faced with high unemployment rates, over one-third of the population in Maverick County has incomes below the poverty line. Through their housing program and their educational and vocational training programs, MET Inc. created an initiative that would rehabilitate homes in the Rositas colonias while providing construction training to the farmworkers living therein. MET Inc. secured an instructor through a partnership with Southwest Texas Community College, which...
had previously conducted a construction training program, and trainees were able to use the facilities at the college. MET Inc. initially received two rounds of Rural Housing and Economic Development (RHED) grants for the program. When RHED was discontinued, MET Inc. secured funding through HUD’s Rural Innovation Fund (RIF). Like RHED, RIF provides funding for capacity building for innovative rural housing and economic development activities.

Through leveraging funds, MET Inc. covers costs of tuition, buys tools for students, and pays a stipend to students, while they are in the training program. Additional funding also came from the National Farmworker Job Program (NFJP), which provides job training and placement services to eligible farmworkers or dependents of an eligible farmworker who are in the country legally.

The training program lasts for about 12 weeks and includes classroom and hands-on instruction. The initiative has seen success in meeting the basic housing needs of individuals in the Rositas colonias. Many families have hot water for the first time, children are able to have their own bedrooms as opposed to doubling up with parents or sleeping in communal spaces, and repaired homes are safer, more sanitary, and more secure than they were before.

The educational and vocational component has been extremely beneficial to those who underwent training. There is a need for people with construction skills in the region, and the program is helping provide this skill set to more workers securing higher-paying jobs and further increasing their quality of life. Through a combination of affordable housing provision, job training, and individual resilience, MET Inc. has created long-term and quality job options to the residents of the Rositas colonias.

The RIF program boosts the agricultural sector, especially coffee, and hospitality and tourism industries. It also increases the number of job opportunities for low-income workers.

Combating Poverty in Puerto Rico with Job Training & Economic Development

PathStone is a regional nonprofit housing provider that focuses on four major service areas: housing development, homeownership assistance programs, training and employment services, and economic development. PathStone has undertaken two innovative approaches to combating poverty in Puerto Rico in recent years – the Rural Innovation Fund economic development and agro-tourism initiative, and the Pathways out of Poverty job training program.

Interested in integrating these various service areas to spur economic growth and development in a focused region in western Puerto Rico, PathStone requested, and was awarded, $2 million from HUD’s Rural Innovation Fund program.

The Rural Innovation Fund (RIF) is a comprehensive rural community economic development project in the Castañer Region of the western portion of the Island. In an effort to address the overall needs of this unique rural area, the approach combines the following elements into a single coordinated project to boost the local economy:

- Training and employment services for workers;
- Training and resources for farmers & growers;
- Financial and technical assistance for micro enterprise and small business;
- Collaboration with local organizations around the agro-tourism industry; and
- Homeownership counseling and creation of affordable housing.

The target area is the center for coffee growing in Puerto Rico and there is a growing interest on the island in “agro-tourism” as well as organic farming. There is a local desire to attract tourists from on and off the Island into the mountain region to discover the process of coffee production while enjoying the natural beauty of the area.

The focus for economic development is the Route 123 corridor, a route traditionally used to bring goods from the rural mountainous areas to market in Ponce. The RIF program boosts the agricultural sector, especially coffee, and hospitality and tourism industries. It also increases the number of job opportunities for low-income workers, and supports small businesses and micro enterprises linked to agro-tourism.
PathStone leads the initiative in partnership with the School of Architecture of the Pontifical Catholic University of Puerto Rico, the Tourism Company of Puerto Rico, Massachusetts Institute of Technology (MIT), the Center for the New Economy (CNE), the Conservation Trust of Puerto Rico, and the Small Business Administration (SBA).

One of the entrepreneurs assisted is Miriam Sierra, owner of the Restaurant Alborada, located in Castañer. Sierra received technical assistance and funding from PathStone to expand a local cafeteria into a full bakery that now sells a wide range of pastries and baked goods.

To promote the launch of the new corridor, PathStone, in collaboration with the School of Architecture, developed the bilingual tourist magazine “Route 123: More than a Route, It’s a Culture.” The publication details the various attractions, resources, and businesses along the corridor between Ponce and Utuado. It also describes in both words and beautiful photos the history, culture, food, and geography of this unique area.

To date, the PathStone RIF program has provided technical assistance to 139 entrepreneurs and small businesses and has created or retained 110 jobs. The PathStone Enterprise Center (our CDFI affiliate) has also originated 5 small business loans.

In addition to the RIF program, PathStone also received a Pathways Out of Poverty grant from the US Dept. of Labor to provide green jobs training to residents in high poverty areas who are unemployed, have been incarcerated, or lack a high school diploma. This “Green for Gold” program targeted three areas; Rochester, NY, Scranton, PA, and portions of Puerto Rico.

The rural areas of Puerto Rico targeted by this program have poverty rates of over 50 percent and unemployment in the 18–21 percent range. Through Pathways out of Poverty, 1,158 individuals completed training courses and 554 participants secured in full time, unsubsidized employment. Over 300 of these individuals obtained jobs directly related to the training they completed. PathStone also assisted close to 300 individuals in attaining their high school equivalency, further positioning them for future career growth.

Both the Rural Innovation Fund and Green for Gold have proven to be effective models for combating pervasive poverty and helping families work toward a more secure future.

Santos Irizarry Castillo joined the PathStone Green for Gold program seeking a better future for himself and his family. Santos had looked for a job but quickly discovered that without a high school diploma or specific job training his options were very limited. Determined to succeed, Santos worked through the on-site training program and obtained the licenses needed to drive heavy vehicles as well as his certification to manage hazardous materials. Santos even obtained his high school diploma. As a result of his hard work, Santos is currently employed full time by Puerto Rico Wire.
IDAs Help Low-Income Families Save for Increased Opportunities in Rural Oregon

In rural Oregon, where jobs are scarce, options for employment may seem limited. Funds to start a business of your own may be practically impossible to find. However, thanks to an innovative tax credit program called the Oregon Individual Development Account Initiative (ORIDA), currently funded at 10 million dollars per year, Oregon residents earning as much as 80 percent of statewide median income can qualify for up to $9,000 to help start a business, get post-secondary training or education, or “assistive technology for employment” to help them get back on their feet. NeighborWorks Umpqua DreamSavers IDA program currently serves over 1,000 participants and is working to build businesses, homes, and affordable housing as well as help government and other agencies to provide needed infrastructure, conserve resources, and develop a stable, local economy.

The DreamSavers program allows participants to save up to $3,000 over a period of up to 3 years. The savings are then matched, typically at 3:1. Eligible uses, in addition to those mentioned above, include the purchase of a home for first-time homebuyers, and home repairs, maintenance, or modifications to increase accessibility for disabled homeowners.

Participation in DreamSavers requires participants to actively partner and work toward their financial goals. All participants complete 16 hours of financial and asset-specific education. Statewide, approximately 4,000 savers work individually with an IDA Specialist to reach their goals. Savers must deposit into their IDA monthly, in amounts that will allow them to reach their goal savings.

IDA savers, even those who don’t complete the program, report higher levels of economic satisfaction with their lives, increased use of budgets, and increased use of savings accounts. Participants appreciate the financial boost that comes from being able to accelerate the impact of their savings through the program match. IDAs reduce student loan debt load after college, capitalize microenterprise, increase home equity at the time of purchase, preserve the asset of home ownership by allowing for repairs that preserve the home, and help people get better jobs with assistive technology. IDA funds are paid directly to the vendor for the asset being purchased, so there is no tax owed on the benefit by the participant.

Oregon advocates for the ORIDA program are always working to innovatively improve the IDA program, and the demand for accounts currently outstrips our capacity to serve new participants. As we advocate in 2015 for the renewal of the tax credit that supports this innovative program, the future will continue to present challenges and opportunities. For now, this program is a resounding success for Oregonians.
A View From Washington

“The People Left Behind” Are Today the People Still Behind

By Joe Belden and Lance George

The United States has a long – but not recent – history of important, high-level efforts to combat rural poverty. The Homestead Act of 1862, Theodore Roosevelt’s 1909 Country Life Commission, and the Resettlement and Farm Security Administrations during the New Deal were such efforts, strongly supported by Presidents. Very recently, there has been wide recognition of the 50th anniversary of Lyndon Johnson’s War on Poverty and the Economic Opportunity Act of 1964. Less well known was another effort that began in 1966: President Johnson’s creation of a National Advisory Commission on Rural Poverty. It held hearings, conducted research, and in September 1967 produced a 160-page report, “The People Left Behind,” that is still relevant today. The report’s summary begins: “This is a report about a problem which many in the United States do not realize exists. The problem is rural poverty. It affects 14 million Americans. Rural poverty is so widespread, and so acute, as to be national disgrace…. The total number of rural poor would be even larger than 14 million had not so many of them moved to the city…. This Nation has been largely oblivious to these … impoverished people left behind in rural America.”

The report found that the rural poor population is characterized by low incomes, higher unemployment, low educational attainment, poor housing, hunger, malnutrition, and a higher infant mortality rate than among the least privileged urban groups. The Commission also laid out several primary recommendations to “eliminate” poverty in rural America:

1) The U.S. should adopt and effect a policy of equal opportunity for all people,
2) The national policy of full employment, inaugurated in 1946, should be made effective,
3) Our federal government should assure all people enough income for a decent living,
4) Manpower policies and programs should be revamped,
5) Rural education should be improved,
6) Better health services with family planning should be provided,
7) An improvement should be made in rural housing, and
8) Multicounty districts should be formed to plan cooperatively and coordinate programs for economic development.

The report also recognized that rural is more than agriculture. The impetus and energy behind this focus on rural poverty coincided with several large-scale and better-known policy and government initiatives to combat poverty and inequality more generally. These included the Social Security Act of 1965 (Medicare & Medicaid), the Food Stamp Act of 1964, the Elementary and Secondary Education Act, the
Office of Economic Opportunity, VISTA, the Community Action Program, Job Corps, Head Start, Legal Services, the Appalachian Regional Commission, and the continuation and expansion of many New Deal initiatives.

A commitment to the improvement of housing conditions among the rural poor was also evident in dramatic increases in USDA’s housing production through the Farmers Home Administration (FmHA). FmHA’s housing programs began in 1950, but were not expanded and widely used until the 1970s. Between 1970 and 1980, over 1 million low-income rural households became homeowners through low cost mortgage loans from FmHA. In fact, roughly one-half of all direct homeownership loans ever issued by USDA were made in the 1970s alone. Similarly, more than 40 percent of affordable rental housing units funded by USDA were developed between 1963 and 1980. Additional housing improvements and efforts were initiated by the newly formed U.S. Department of Housing and Urban Development (HUD) throughout rural America during this time.

The pace of anti-poverty efforts slowed markedly in the 1980s after substantial cuts in domestic federal aid and social safety net programs. In the mid-1990s, the Personal Responsibility and Work Opportunity Act of 1996, or “welfare reform,” was enacted. While welfare reform was largely viewed as a success in moving people to work, the overall impacts are still being assessed and can vary widely by state.

Today, poverty, and especially rural poverty, seems to have become an afterthought in national priority or action. “Inequality” is the more politically correct word. But more than 40 million Americans – one-quarter of who live in rural communities – still have incomes below the poverty threshold. The poverty rate has been consistently higher in rural America since the government began keeping track of this condition in the 1960s. There has been no increase in the federal minimum wage in five years. And in the recent severe recession, many Americans slipped into poverty and lost their jobs, homes, or both.

Increased access to health insurance through the Affordable Care Act is a significant accomplishment for low-income people. But new or meaningful federal actions to improve the economic and living standards of our poorest citizens are sparse to nonexistent. While progress in the long fight on poverty is undeniable, it could be argued that much of that success was a direct result of the energy and effort of the substantial federal investment in the early years of the war on poverty.

In a 1966 message creating the Commission on Rural Poverty, President Johnson wrote that “the abolition of rural poverty may require a journey of a thousand miles.” “The People Left Behind” found that there were 14 million rural Americans living in poverty. We have come some of the way. But in 2014 10 million rural people are still “left behind.” Isn’t it time that the federal government and its leaders once again pay attention to the stain and injustice of poverty and help the millions of rural Americans who are still behind?

Joe Belden is the Deputy Director, and Lance George is the Research and Information Director at the Housing Assistance Council.