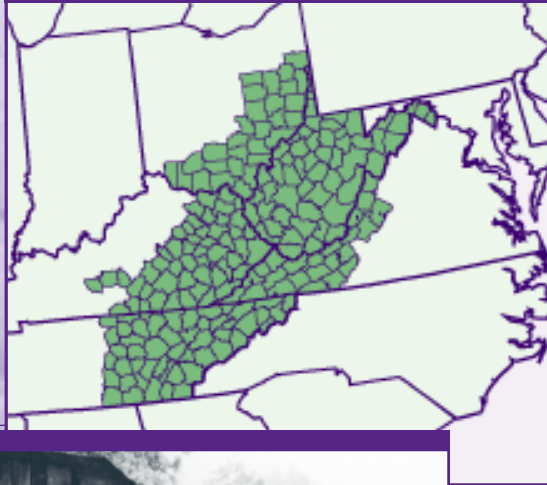


CENTRAL APPALACHIA

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Central Appalachia Region



Central Appalachia Overview

The Appalachian mountains are the oldest mountain range in North America.¹ This geography and the vast resources within these mountains have greatly influenced the social, economic, and political characteristics of the region. The rugged hills of Appalachia have often been viewed by much of America as poor, rural, white, and home to “yesterday’s people.”² The region is largely defined by certain characteristics of low incomes, poor health, inadequate housing, and sub-standard education. Consequently, Appalachia has frequently been defined as a subculture within the broader context of mainstream America.³

Yet, in spite of these burdens, Appalachians have a rich culture and a tradition of resiliency, community, and family that have helped them persevere through a tumultuous 20th century. Appalachia and its people are profoundly touched by tragedy, pride, spirit, determination, and an unparalleled natural beauty.⁴

The most common definition of Appalachia is that constructed by the Appalachian Regional Commission (ARC). ARC is a federal-state agency that administers a multi-billion dollar economic development program under the 1965 Appalachian Redevelopment Act.⁵ ARC defines the region as selected counties in 12 states and all counties in the state of West Virginia. According to this ARC definition, Appalachia stretches from northern Mississippi to southern New York.

The central portion of the Appalachians, on which this portion of *Taking Stock* is focused, has consistently experienced much higher poverty and greater levels of economic and social problems than the rest of the region. For this report, Central Appalachia is defined as the 215 ARC-designated (2002 definition) counties in the States of Kentucky, Ohio, Tennessee, Virginia, and West Virginia.*

Social Characteristics

Central Appalachia has a population of approximately 7.5 million residents. The region’s population grew by nearly 8 percent, which is somewhat lower than the national rate of 13 percent, from 1990 to 2000. Population growth in the region varied somewhat though. Nearly 30 percent of Central Appalachian counties lost population during the 1990s. In general the areas that experienced population loss are located in the center of the region, particularly in the southern half of West Virginia and far southeastern Kentucky. Population growth was greatest in Appalachian Tennessee, which increased its population by 15 percent over the past decade. In contrast, population growth was less than one percent for West Virginia.

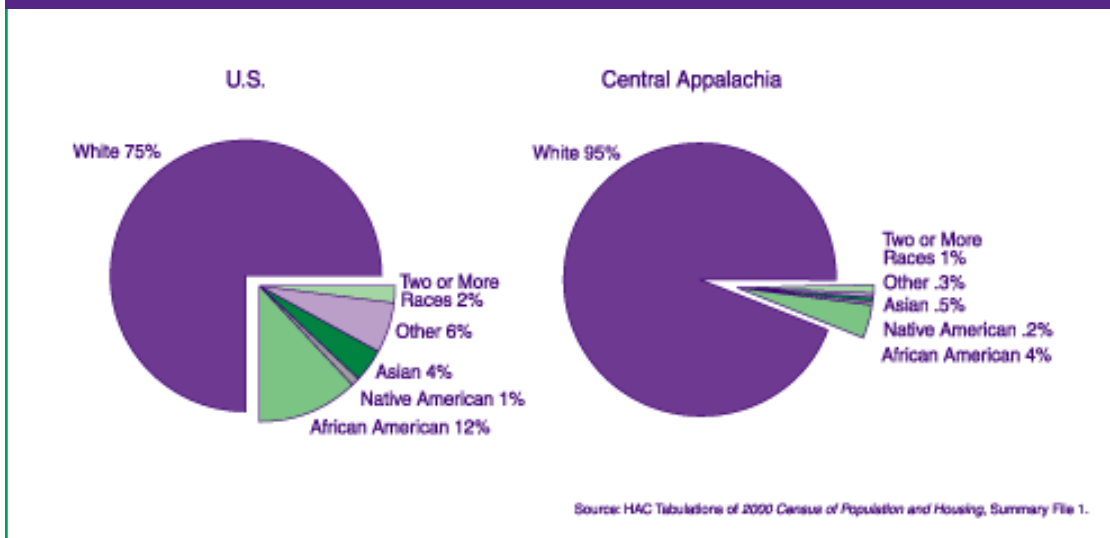
Central Appalachia is predominantly rural. Over 80 percent of Central Appalachia’s counties are nonmetropolitan. Approximately 58 percent of the



* For a complete list of Central Appalachian counties included in this analysis, please consult Appendix B.

FIGURE 3.1

Race in Central Appalachia



region’s population resides in these nonmetro counties. The mean county population in the region is just over 35,000, and over half of the region’s counties have populations under 25,000.

Central Appalachia has traditionally been, and continues to be, much more racially and ethnically homogeneous than the nation as a whole. Over 95 percent of Central Appalachians are white compared to 75 percent of U.S. residents (Figure 3.1). Approximately 4 percent of Central Appalachians are African American, with the remaining 1.6 percent being of other races. Many of the region’s minorities are descendants of people who came to work in coal mines. Appalachia has been described as a white, working, middle American ghetto region, but Appalachian blacks and women experience higher rates of economic difficulty than white Appalachians.⁶

Consistent with nationwide trends, Central Appalachia’s Hispanic population grew dramatically between 1990 and 2000. Approximately 74,000 Central Appalachian residents are Hispanic. While Hispanic persons make up only 1 percent of the region’s population, they grew by 155 percent during the 1990s. As is the case nationwide, much of this Hispanic population growth is attributable to immigration as many Hispanics sought employment in the region’s processing and agricultural work, particularly in Appalachia’s tobacco industry.

Central Appalachia’s population is older than that of the rest of the nation. Nationwide 12 percent of the population is elderly, but in Central Appalachia 14

percent of the population is age 65 or older. The proportion of elderly population is particularly high in West Virginia and the Appalachian portion of Virginia. In fact, West Virginia, with a median age of 38.9 compared to a national median of 35.3, has the highest median age of any state.

Migration has been a traditional fact of life in Appalachia. For generations, many Appalachians migrated north or west to work in industrial cities such as Cincinnati and Detroit. However, in recent years Appalachian migration patterns have changed from long-range flows into distant metropolitan areas to short-range exchanges principally centered around cities in and immediately adjacent to the region.⁷

Educational attainment in Appalachia has increased markedly in the last 30 years, but problems of illiteracy and high school drop-out rates persist. While the region’s educational attainment levels are growing stronger, considerable progress is still needed. Overall, 27 percent of Central Appalachians do not have high school diplomas or equivalent degrees compared to 20 percent for the U.S. Educational attainment is especially low in eastern Kentucky where 37 percent of the population 25 and older do not have high school diplomas. Furthermore, many areas of the region have high school drop-out rates of more than 40 percent. High drop-out rates cause a ripple effect resulting in a greater demand on social services and increases in the number of working poor people.⁸

Economic Characteristics

The economies of Central Appalachia have long been closely tied to extractive industries such as mining and forestry. Much of this nation's dramatic growth during the industrial revolution was fueled by coal from the Appalachian mountains. The specific natures of these industries have had profound impacts on the economic well-being of many Appalachians. One of the economic by-products of this historical pattern of mining is its unstable effect on local economies. Over the past century, mining has produced several boom and bust economies with periods of rapid growth and expansion, followed by precipitous decline.

Much of this abundance of wealth produced within Appalachia has not come back to develop the region. Today the mines and their jobs are virtually gone as many mines have been automated or shut down. Now the primary sources of jobs, the service and retail sectors, pay only a third of what coal mining did.⁹ The decline in small family farms and the tobacco industry have also deeply impacted the region's traditionally strong agricultural economy. As a result, this area of the nation suffers from exceptionally high poverty, unemployment, and welfare use and low incomes.

Unemployment and low-wage employment are key contributors to Central Appalachia's economic problems. As of 2000, the Central Appalachian unemployment rate was 6.3 percent compared to 5.7 percent for the nation. The unemployment rate is even higher among the region's nonmetro counties. Low incomes are also a signal of under-employment as many Central Appalachians are stuck in low-skill and low-earning jobs due to a dearth of high skilled positions. The median income in the Central Appalachian region is \$28,531, which is two-thirds the national median. Furthermore, one-quarter of the region's households have annual incomes below \$15,000 compared to 16 percent for the nation as a whole.

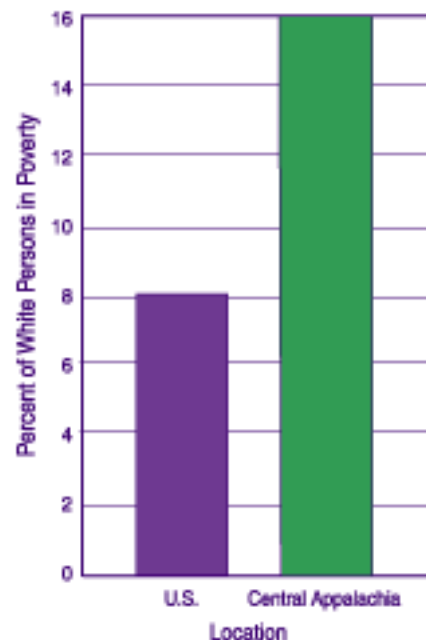
A lower percentage of households earn incomes from employment in this region. Nationwide over 80 percent of households have wage or employment earnings, compared to 73 percent of households in Central Appalachia. Due to the prevalence of more elderly residents, households receiving income from social security and retirement pensions are also more prevalent in Central Appalachia. The use of public assistance programs is also more common in this region. Approximately 79 nonmetro counties — 47 percent of the region's nonmetro counties — are designated by the USDA Economic Research Service (ERS) as transfer dependent.^{10*} One-fifth of all

ERS-designated transfer dependent counties in the nation are located in this region.

Poverty has been a persistent reality in Appalachia for much of the last half century. Nearly 17 percent of Central Appalachians live in poverty, compared to 12 percent of all Americans. Nationwide, minorities have much higher poverty rates than whites, and this is true in Central Appalachia as well. The African-American poverty rate in the region is 29 percent, and the Hispanic poverty rate is 22 percent. However, the vast majority of Central Appalachians in poverty are white. In fact, the white poverty rate in Appalachia (16 percent) is twice the rate of white poverty nationwide (8 percent) (Figure 3.2). Poverty rates also vary somewhat among different areas of the region. The poverty rate in Appalachian Kentucky is double the national rate as nearly one-quarter of eastern Kentuckians have incomes below the poverty level. And many counties have poverty rates above 30 percent — some as high as 45 percent. Not only is poverty prevalent in this region, but it is also ongoing. Over 43 percent of Central Appalachia's counties experienced poverty rates of 20 percent or more in 1960, 1970, 1980, 1990, and 2000. Many of these persistent poverty counties are heavily concentrated in the center of Appalachia as over 60 percent of the region's persistent poverty counties are in eastern Kentucky alone.

FIGURE 3.2

Poverty in Central Appalachia

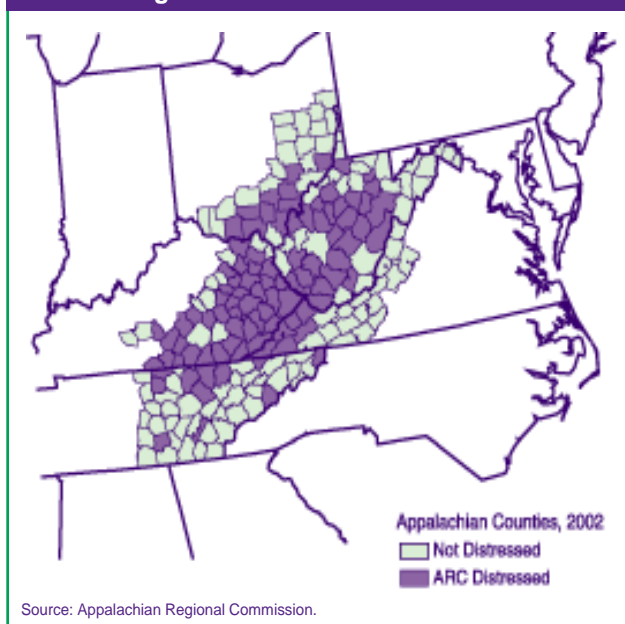


Source: HAC Tabulations of 2000 Census of Population and Housing, Summary File 3.

* In transfers dependent counties income from transfer payments (federal, state, and local) contributes a weighted annual average of 25 percent or more of total personal income.

FIGURE 3.3

ARC Designated Distressed Counties



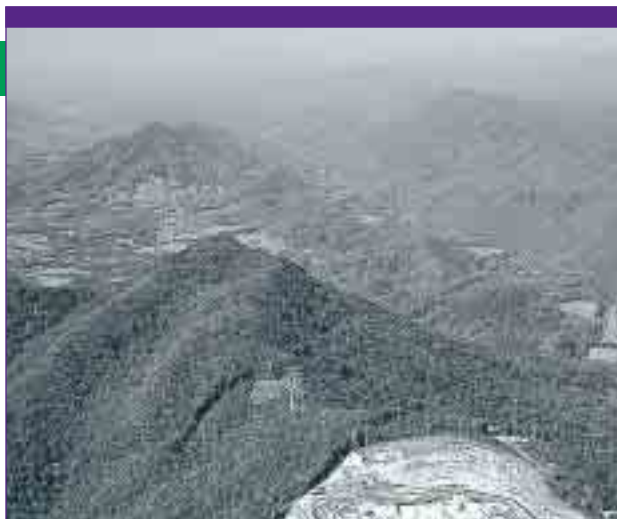
A more telling indicator of the region's economic woes is the Appalachian Regional Commission's Distressed Counties program. ARC designates distressed counties as those counties with a three-year average unemployment rate that is at least 1.5 times the U.S. average; a per capita market income that is two-thirds or less of the U.S. average; and a poverty rate that is at least 1.5 times the U.S. average; or with two times the U.S. poverty rate and qualified according to the unemployment or income indicator.¹¹ Over the entire 13-state ARC region, 118 counties are designated as distressed (Figure 3.3). Over 80 percent of these distressed counties are in Central Appalachian states. The 24 percent poverty rate for Central Appalachia's distressed counties is twice the national average. The median household income among these counties is only 56 percent of the national median, and the unemployment rate of 9 percent for Central Appalachia's distressed counties is nearly double the national unemployment rate.

Land in Appalachia

Land is inextricably linked to the people of Central Appalachia, their economies, and their housing. However, land issues are also the crux of many of the region's problems. The terrain of Central Appalachia is rugged and steep. As a result, the region has traditionally been isolated from the rest of the nation. Many mountain areas are inaccessible to commerce and industry. Furthermore, lots suitable for affordable housing construction are scarce.

Problems with the region's mining industry are also often associated with land issues. For decades the existence of the notorious "broad form deed" forced many Appalachian residents from their homes and land without compensation due to unfair laws protecting the mineral rights of large coal companies. The 1970s and 80s witnessed a growing concern over strip mining with its devastating impacts to the region's environment and safety. Mining related floods like those at Buffalo Creek, West Virginia in 1972 killed hundreds, displaced thousands, and unsettled communities that still have not recovered completely.

Today, a more recent iteration of these land problems is evidenced in the controversial issue of "mountain top removal," particularly in southwestern West Virginia. This mining technique involves coal companies bulldozing the mountains' forests and removing the topsoil. Then the underlying rock is blasted away with powerful explosions. Next, large dump trucks remove the rubble to get to thin, multiple layers of low-sulfur coal. In a process called



valley fill, the "overburden" is dumped into valleys and streams, in piles that can be two miles long and over 100 feet high. At least 750 miles of the state's streams have been buried by valley fills. It is estimated that about 300,000 acres of southern West Virginia hardwood forest have been destroyed, leaving scars astronauts can see from outer space.¹²

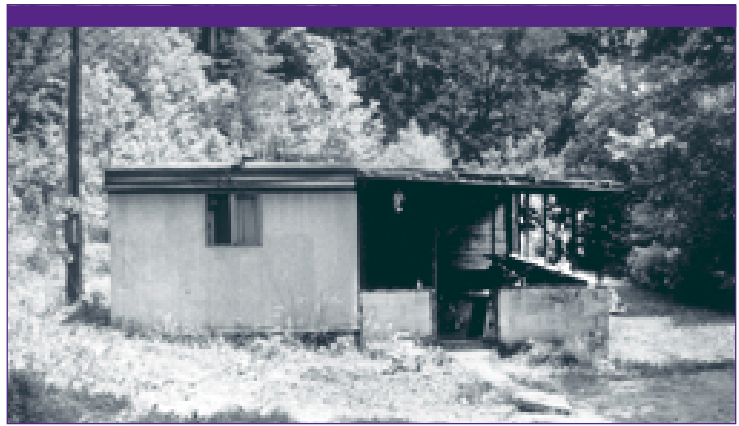
Mountaintop mining also affects central Appalachian residents and their housing. The continual blasting damages homes, dries up wells, and pollutes air and water sources. Many residents near mountain top removal sites have sold their homes to the coal companies while others stay and watch their once beautiful communities being transformed into barren landscapes.¹³

Housing Characteristics

Appalachia's housing needs remain significant. On most housing measures, the region lags behind the nation, despite many efforts to improve the quality and affordability of housing in Appalachian states.

Homeownership rates are very high. 2000 Census data reveal that 74 percent of Central Appalachian households own their homes — a level that is virtually unchanged from 1990. This is significantly higher than the national homeownership rate of almost 68 percent and close to the 76 percent rate of homeownership in nonmetro areas nationwide. In Central Appalachia, 70 counties have homeownership rates over 80 percent.

One of the more significant housing issues impacting Central Appalachia in the past few decades is mobile homes. There are well over one-half million mobile homes in Central Appalachia comprising nearly 18 percent of the 3.4 million housing units in the region. In nonmetro areas of the region, mobile homes are present at three times the national rate. Between 1990 and 2000 the number of mobile homes in the region grew by 35 percent, which is much higher than mobile home growth nationally in the same time period. In some rural parts of Appalachia, manufactured homes account for 50 to 75 percent of new home starts.¹⁴ Factors of limited suitable land and low incomes have greatly contributed to the growth of this type of housing in the Central Appalachian region. Despite their actual numerical minority, mobile homes have a ubiquitous presence in Central Appalachia. Mobile homes are commonly spotted from back mountain roads dotting the hillsides, alongside the creeks and valleys, or flocked together in parks. Another common characteristic of mobile home placements in the region is close proximity to parental homes.



This house was replaced by the unit on the following page.

However, unlike the traditional camp house or log cabin of the mountains, mobile homes do not exude an impression of rugged individualism or perseverance so frequently associated with Appalachian culture. In contrast, these aluminum box-like structures are more likely to carry stigmas of impoverishment, impermanence, and non-acceptance.¹⁵

While there have been significant improvements in the housing of Central Appalachians over the past few decades, substandard housing remains a serious problem. In Central Appalachia, over 30,000 units lack complete plumbing and more than 22,000 units lack adequate kitchen facilities. Overall, 80 percent of Central Appalachian counties have rates of housing units with inadequate plumbing higher than the national level (Figure 3.4). While crowding is not as much a problem in the region as it is in urban areas or the nation as a whole, over 50,000 Central Appalachian households have more than one person per room in their homes and are considered crowded. Furthermore the proportion of Appalachian households without a phone is twice the national level.

Using more detailed measures than are found in the Census, the 1996 West Virginia Consolidated Plan classified over 70,000 owner-occupied units as substandard.¹⁶ Only 21,000 of these units were assessed as suitable for rehabilitation. Homes with no running water or indoor plumbing, crumbling foundations, sagging roofs, unsafe wiring, or no insulation are typical.



The homeowner in her new house.

As it is throughout the nation, housing affordability is a growing concern for many Appalachian households. This is especially true among renter households in the region. While 17 percent of Appalachian homeowners are cost-burdened, 33 percent of Appalachian renters are in this situation. Over 40 percent of West Virginia and Kentucky Appalachian renter households are cost-burdened. These levels of housing affordability problems have grown dramatically since 1990.

Addressing the Needs

A number of national, regional, and local organizations are working to address the region's housing and economic problems. Most notable of these is the Appalachian Regional Commission (ARC). Since the mid-1960s, ARC has pumped billions of dollars for economic development into the region. While ARC has been criticized for misguided or uneven allocation of resources, primarily into roads and highways, its presence at a federal level has drawn significant national attention and increased organizational capacity in the region. Other high need areas of the nation do not have an equivalent to ARC or have only started to develop such organizations.

Another significant resource in the region directly related to housing is the Federation of Appalachian Housing Enterprises (FAHE). For over 20 years, FAHE has provided resources to local nonprofit organizations and builders, such as training in quality construction, and nonprofit housing development, low-interest mortgage financing for low-income homebuyers, and construction loans. FAHE's member groups in Central Appalachia have built thousands of affordable homeownership and rental housing units in the region in the past 20 years, but more importantly FAHE has provided organizational capacity so that local groups can continue to alleviate housing problems in their communities.

FIGURE 3.4

Units without Adequate Plumbing in Central Appalachia

