

Insights on Southern Poverty

The Newsletter of the UK Center for Poverty Research

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UK
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Department of Economics
Gatton College of
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A Research Agenda on Poverty in America’s South

James P. Ziliak

It is a distinct pleasure to welcome you to the inaugural issue of *Insights on Southern Poverty*, a quarterly newsletter of the UK Center for Poverty Research (UKCPR). The UKCPR was established in October 2002 as one of three federally designated Area Poverty Research Centers with core funding from the Office of the Assistant Secretary for Planning and Evaluation (ASPE) in the U.S. Department of Health and Human Services. The UKCPR is a nonprofit and nonpartisan academic research center housed in the Department of Economics at the University of Kentucky. The other two Area Centers are the Institute for Research on Poverty at the University of Wisconsin-Madison and the Rural Policy Research Institute’s Rural Poverty Center at the University of Missouri-Columbia. The National Poverty Center is located in the Gerald R. Ford School of Public Policy at the University of Michigan.

Our Mission

For over 30 years ASPE or its predecessor, the Office of Economic Opportunity, has sponsored national poverty research centers: first the Institute for Research on Poverty at Wisconsin and then in more recent years the Joint Center for Poverty Research at Northwestern University and the University of Chicago. In the current funding cycle ASPE adopted a new model whereby one center would be designated as the National Poverty Center and three others would

be designated Area Poverty Centers in order to foster more targeted research on areas with high concentrations of poverty.

We at the UKCPR proposed an Area Center dedicated to multidisciplinary research on the causes, consequences, and correlates of poverty and inequality in the southern United States. Our focal region of interest encompasses the 16 states that form the Southern Governor’s Association and the Southern Legislative Conference, including Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Why focus on the South? To many the answer is transparent—the southern United States has long been defined by the problems of poverty and material deprivation. Economic development in the region over the past two centuries has been closely tied to the agricultural (especially tobacco and cotton), mining (especially coal), and textile industries, each of which tend to require long hours and offer relatively low wages in often dangerous working conditions. The dependence on these industries, coupled with strained race relations emanating from slavery, has historically translated into an economic status with poverty rates above the national average.

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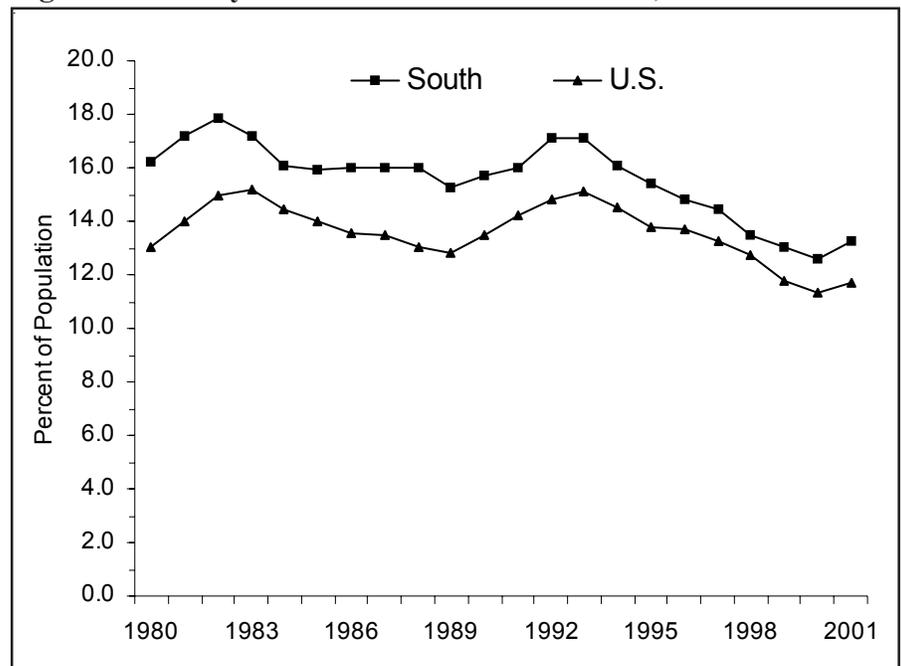
Jeffrey Talbert, Associate Professor, Martin School of Public Policy and Administration and Department of Political Science, University of Kentucky

Aaron Yelowitz, Associate Professor, Department of Economics, University of Kentucky

These historical disparities persist even today. For example, in Figure 1 we compare the fraction of the southern population who are poor (i.e., whose incomes fall below the federal poverty threshold) to the fraction of the U.S. population who are poor. The figure reveals that in every year over the past two decades poverty in the South is

states—Florida, Kentucky, Maryland, and Texas—over the past 20 years. The level of poverty in Maryland is not only below the average for the South, but is also below the national rate in every year. Kentucky and Texas, on the other hand, typically have above-average poverty rates.

Figure 1: Poverty Rate in the South and the U.S., 1980 to 2001



Source: U.S. Census Bureau, Current Population Survey, Annual Demographic Supplement. Poverty and Health Statistics Branch/HHES Division.

more acute than in the nation as a whole. While the regional gap in poverty rates narrowed somewhat in the expansionary 1990s, the sour economy over the past couple of years and attendant pronounced rise in poverty in the South raise the specter of a possible return to historical patterns.

Importantly, while poverty collectively in the South exceeds that in the country, poverty across the 16 southern states varies substantially. Figure 2 depicts poverty rates for four of those

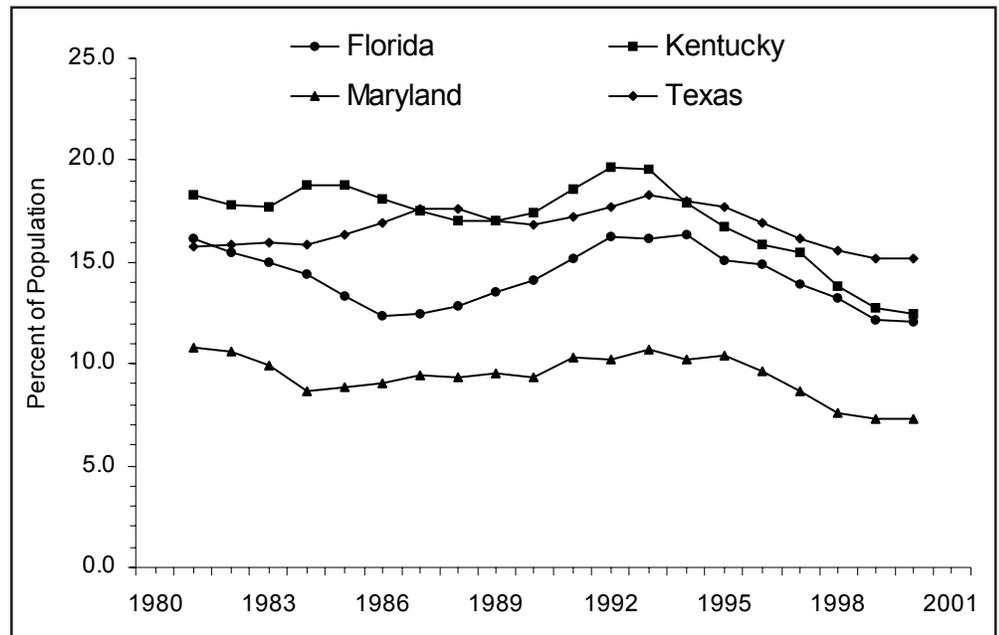
The levels of poverty tell only part of the story, however, as the changes in poverty experiences over time have differed widely across these states. While Florida made important inroads on the “War on Poverty” in the mid 1980s, Texas was mired in a recession induced by a collapse in the oil market that coincided with an upward push of poverty rates to a new, higher level from which it took 15 years to recover.

Perhaps surprisingly, the higher concentration of poverty in the South does not uniformly translate into higher levels of transfer-program participation. Figure 3 shows that per capita participation in the primary cash assistance program—Aid to Families with Dependent Children (AFDC) and its successor, Temporary Assistance for Needy Families (TANF)—is persistently lower in the South than the national AFDC/TANF participation rate. In contrast, Figure 4, which shows per capita participation rates in the Food Stamp Program, reveals that reliance on food assistance is stronger in the South than in the country as a whole.

Given the strong historical links between AFDC and Food Stamp Program participation (recall that AFDC, and now TANF, recipients are categorically eligible for food stamps, and thus comprise about one-half of the food stamp caseload), these figures raise a host of questions. Are the divergent participation rates the result of regional differences in the demographic composition of TANF and food stamp caseloads? Or is the difference simply a reflection of comparatively low cash benefit levels in the South? Alternatively, are there spatial differences in program usage and program outreach?

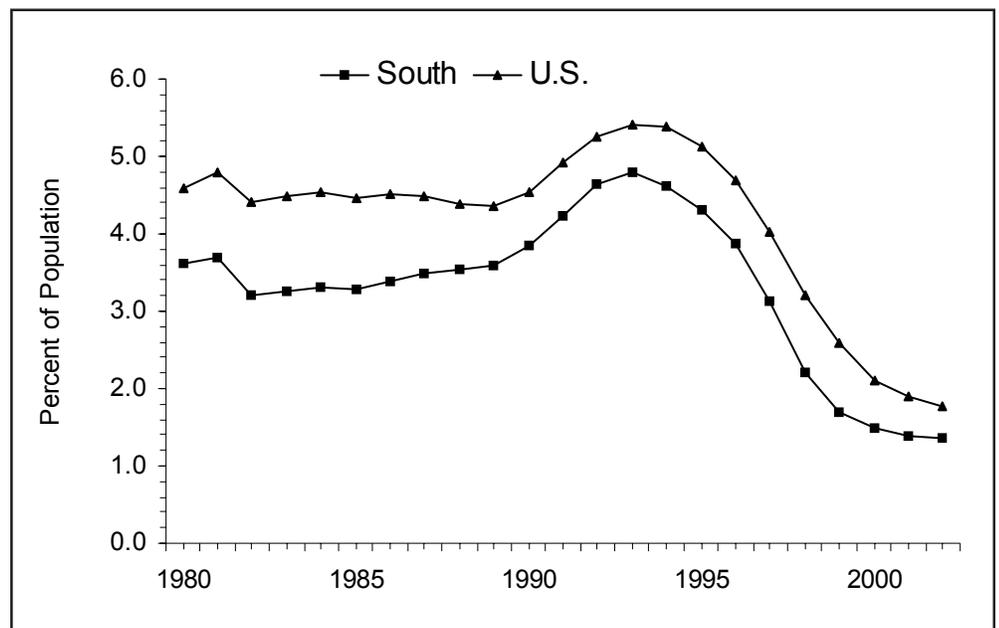
“In every year over the past two decades poverty in the South [has been] more acute than in the nation as a whole.”

Figure 2: Poverty Rate in Florida, Kentucky, Maryland, and Texas, 1981 to 2000



Source: U.S. Census Bureau, Current Population Survey, Annual Demographic Supplement, Poverty and Health Statistics Branch/HHES Division. Note: The series are comprised of three-year moving averages.

Figure 3: AFDC/TANF Recipients in the South and the U.S., 1980 to 2002

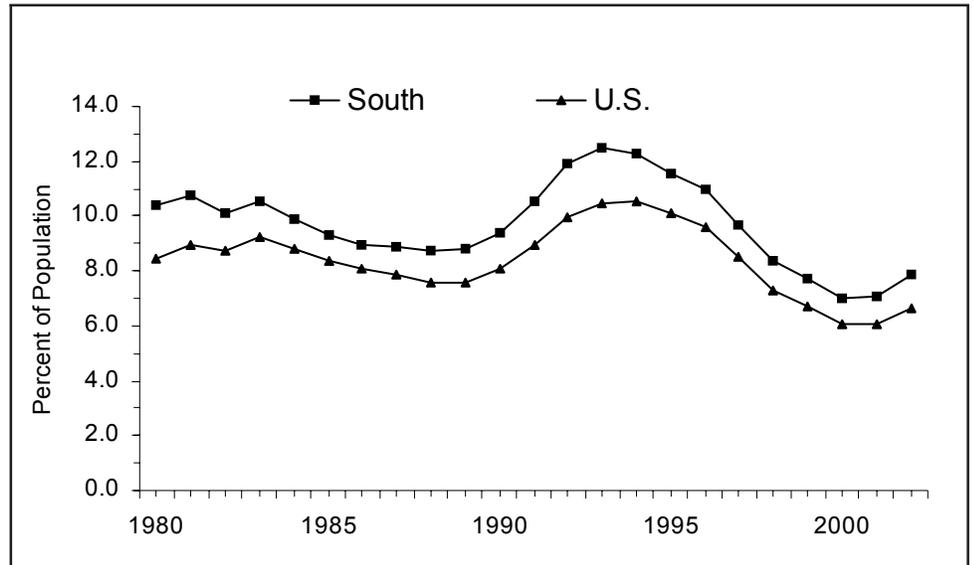


Source: Office of Planning, Research, and Evaluation, The Administration for Children and Families, U.S. Department of Health and Human Services. Note: The series for the South and the U.S. equal the ratio of total recipients in the region to the total population in the region.

To add to the puzzle Figure 5 shows that over the 1990s the utilization rates of the Medicaid program were fairly coincident between the South and the nation. Prior to program expansions in the 1990s the Medicaid caseload consisted primarily of AFDC recipients. Given the result in Figure 3 that AFDC participation is lower in the South compared to the U.S. average, the fact that Medicaid participation in the South usually equals or exceeds that of the nation suggests a change in the demographic composition of the Medicaid program in the South in response to the 1990s program expansions.

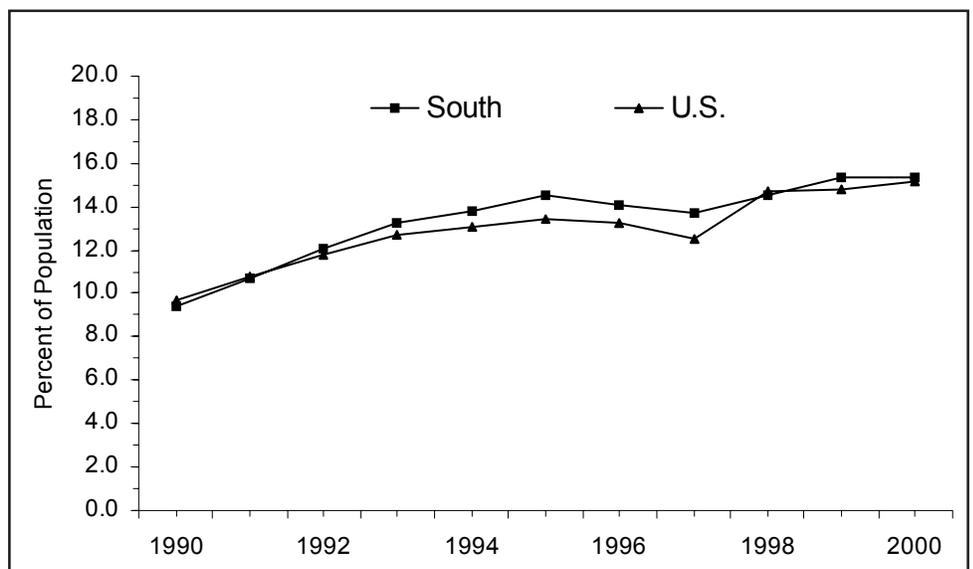
What underlies the regional differences in the level and changes in poverty rates? Why does higher poverty in some instances translate into higher levels of transfer-program participation, and in other instances lower levels of participation? How are states coping with these differential burdens in welfare caseloads? How are current, former, and prospective welfare recipients in the South faring in terms of labor market outcomes, health, child development, family structure, and family relations in light of the massive overhaul of the welfare system in 1996? What are the implications of TANF reauthorization in 2003 for low-income families? The figures and questions presented here only touch the surface of the varied economic and social outcomes both between the South and the nation, and between the states within the South. The mission of the UKCPR is to support research into these and many other related questions in the hope of informing local, state, and federal poverty policy.

Figure 4: Food Stamp Program Participation in the South and the U.S., 1980 to 2002



Source: U.S. Department of Agriculture Food and Nutrition Service, Public Information Data Bank. Note: The series for the South and the U.S. equal the ratio of total recipients in the region to total population in the region.

Figure 5: Medicaid Recipients in the South and the U.S., 1990 to 2000



Source: Medicaid Program Statistics, Centers for Medicare and Medicaid Services, U.S. Department of Health and Human Services. Note: The series for the South and the U.S. equal the ratio of total recipients in the region to total population in the region.

“Perhaps surprisingly, the higher concentration of poverty in the South does not uniformly translate into higher levels of transfer-program participation.”

Research Support and Activities

To achieve its research mission the UKCPR is bringing together junior and senior scholars and students across multiple disciplines to create an environment conducive to interdisciplinary poverty research. UKCPR staff and Faculty Affiliates are drawn from economics, political science, public health, public policy, social work, and sociology. The Center is governed by a Director; an Executive Committee, whose role is to advise the Director on internal matters on the UK campus; Departmental Liaisons, who will foster relations between the Center and individual units on campus; and a National Advisory Board (see sidebar, p. 2), whose role is to advise the Director on the Center's research agenda.

The Center supports research that will inform policy on the correlates and causal channels that underlie the geographic differences in economic and social progress among America's poor. Through core support from ASPE the UKCPR is able to provide limited funds to sponsor research across a variety of programs:

- The ***Internal Research Support Program*** is designed to support the research endeavors of the UKCPR Faculty Affiliates and to foster interdisciplinary research on the University of Kentucky campus. Up to three grants will be awarded competitively each year to Faculty Affiliates of the Center for research on poverty-related topics of regional importance.

- The ***Regional Small Grants Program*** is designed to support the research endeavors of academic scholars who are not members of the University of Kentucky faculty. Up to three grants will be awarded competitively each year, with preference given to research that sheds light on socioeconomic issues facing low-income populations in the South. (See insert, this page.)

UKCPR Regional Small Grants Program

Request for Proposals

DEADLINE: June 2, 2003

Purpose:

The UKCPR seeks proposals for social science research on issues salient to low-income populations, especially as it pertains to residents of the American South. Topics of particular interest include, but are not limited to,

- labor-market outcomes, including labor force participation, hours of work, wage levels and growth, and multiple job holding
- human capital accumulation, including formal schooling and general and specific training
- joint choice of work and (multiple) transfer-program participation, as well as possible interactions with federal and state tax policies like the Earned Income Tax Credit
- child and family well-being, including health outcomes, family structure, self sufficiency, asset accumulation, and barriers to employment
- the effects of state and local policies and programs on any of the latter four areas

Research combining secondary data sources with administrative data is encouraged.

Eligibility:

Applicants for UKCPR grants must hold a Ph.D. or equivalent academic degree by September 1, 2003. Preference will be given to researchers with full-time academic appointments and for research topics that are salient to low-income populations in the South. Members of minority and underrepresented groups, as well as recent Ph.D.'s, are strongly encouraged to apply. Members of University of Kentucky faculty and postdoctoral fellows are not eligible for funding under this competition.

Award:

The UKCPR anticipates funding three proposals, up to a maximum of \$20,000 per award. The Center will support expenses such as the PI's salary, research assistant's salary, data, computer services, supplies, and travel. Personal service contracts without indirect cost recovery are preferred. Due to the limited funds available, if indirect costs are necessary we request that they be limited to no more than 10 percent of the grant amount. Results of funded projects will be presented at a Spring 2004 conference in Lexington, Ky. Travel to the conference should be included in the proposed budget. The award period is July 1, 2003 to September 30, 2004. Final reports are due at UKCPR by the final day of the award period.

For more information please visit our Web site at <http://www.ukcpr.org/FundingOpps/>

Core funding for UKCPR and this competition are provided by the Office of the Assistant Secretary for Planning and Evaluation at the U.S. Department of Health and Human Services.

- **Graduate Student Dissertation Fellowships** are available to encourage and mentor University of Kentucky graduate students in the social and behavioral sciences to conduct poverty research.

- The **Emerging Scholars Program** offers the opportunity for young scholars in the social and behavioral sciences to visit the UKCPR, interact with faculty in residence, present their research, and become acquainted with the staff and resources of the Center. The intent of the Emerging Scholars Program is to enhance the skills and research interests of young scholars and to broaden the corps of poverty researchers with research emphases on issues salient to the South. The Center will be able to mentor scholars in quantitative or qualitative methods and a wide array of substantive areas of interest to poverty researchers. Self nominations are accepted and should be forwarded along with a current CV to Kathryn Kirkland at kaconr0@uky.edu.

In addition to formal funding opportunities UKCPR supports a number of other activities such as the Joint Poverty and Policy Seminar Series, where scholars from around the country visit the UKCPR to present their latest research (see insert, p.7); a Working Paper Series, where Faculty Affiliates post their current research on the UKCPR Web site; and mentoring to undergraduate and graduate students both through

formal classes as well as through individual supervision of research projects. In the coming months and years we anticipate seeking out additional sponsors to support both the research of UKCPR staff and Affiliates and to support additional grant competitions for scholars outside of the UKCPR whose interests lie in understanding poverty in the South.

Dissemination

The intent of the *Insights on Southern Poverty* newsletter is to disseminate current research on low-income populations to a broad community of scholars and policymakers. The topics covered in each issue will vary, and every effort will be made to draw lessons from each state in the research region. Plans are underway for the subsequent two issues to (i) discuss the successes and failures of state welfare programs after the 1996 Welfare Reform Act, and (ii) discuss the successes and failures of state school finance reforms in closing the achievement gap across income groups, race, and gender.

In addition to this quarterly newsletter the UKCPR employs two other primary mechanisms to disseminate the Center's activities. One medium is an e-mail listserv where we announce events, seminars, funding opportunities, and opportunities and activities from the other poverty research centers. If you wish to be added to the listserv please contact Kathryn Kirkland at kaconr0@uky.edu.

The other key dissemination tool is the UKCPR Web site, which was recently launched at the URL <http://www.ukcpr.org/>. The Web site contains (or will contain in the near future) details on all the major activities of the Center, including current research projects, publications such as *Insights* and Working Papers of Faculty Affiliates in downloadable PDF format, lists of seminar speakers and events, funding opportunities, news, and links to related Web sites.

(Continued on page 7)

For the latest news and announcements from UKCPR, add your name to our e-mail listserv.

Send your name and contact information to Kathryn Kirkland, UKCPR Staff Associate, at kaconr0@uky.edu

Bookmark the UKCPR Web site for information about research opportunities, seminar series, state poverty statistics, and more. <http://www.ukcpr.org>

Questions about this newsletter or the UKCPR Web site?

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UKCPR Joint Poverty and Policy Seminar Series

Spring 2003:

Friday, February 21, 2-3:30 p.m., 305 Gattton B&E Building

“The Interactions of Workers and Firms in the Low-Wage Labor Market,” presented by **Harry Holzer**, Professor, School of Public Policy, Georgetown University

Friday, February 28, 2:15-3:45 p.m., 18th Floor, Patterson Office Tower

“Marriage as Public Policy: Welfare Reform and Union Formation among Single Mothers,” presented by **Daniel Lichter**, Professor, Department of Sociology, Ohio State University

Wednesday, April 2, 2-3:30 p.m., 18th Floor, Patterson Office Tower

“What’s Happening with Welfare Reform?,” presented by **Rebecca Blank**, Dean of the Gerald R. Ford School of Public Policy and Co-Director of the University of Michigan National Poverty Center

Thursday, May 1, 2-3:30 p.m., 18th Floor, Patterson Office Tower

“Improving Performance Management in the Workforce Investment Act Programs,” presented by **Carolyn Heinrich**, Assistant Professor, School of Public Policy, University of North Carolina at Chapel Hill

Fall 2003:

Audra Bowlus, Associate Professor, Department of Economics, University of Western Ontario, topic and date to be announced

Maria Cancian, Associate Professor, School of Social Work and LaFollette School of Public Affairs, University of Wisconsin-Madison, topic and date to be announced

A unique feature of our Web site is the interactive map of our 16-state region. Clicking on each state reveals the state’s flag, and then offers links to two additional sites. One link provides access to the state’s primary social assistance agency, e.g., Cabinet for Families and Children in Kentucky, Department of Human Services in Texas, or Division of Human Services in North Carolina. The other link offers selected economic and programmatic data at the state level, which is then in turn compared to the South and to the nation. The economic data available to date include unemployment rates, employment per capita, growth rates in real gross state product, and statistics on real personal income per capita, food security, and low-income uninsured children. The program data includes AFDC/TANF recipients per capita; Food Stamp Program recipients per capita; Medicaid recipients per capita; and Women, Infants, and Children (WIC) program recipients per capita. For most series the data span the 1980–2001 time period. The hope is that this descriptive data will assist local and state policymakers in benchmarking their respective state’s economic and social conditions against their neighbors in the South and in relation to the country. We intend to update the charts on an annual basis. As an additional service to researchers and policymakers the data is downloadable for free as an Excel spreadsheet.

It is hoped that the Center’s emphasis on the challenges facing low-income populations in the South, as well as the market and non-market-based opportunities for economic and social mobility, will greatly aid local, regional, and national policymakers in the design of anti-poverty programs and policies. We look forward to sharing the results of policy-relevant research affecting low-income populations residing in the South in future issues of *Insights*.

James P. Ziliak is Professor of Economics, holder of the Gattton Endowed Chair in Microeconomics, and Director of the UK Center for Poverty Research.

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