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Rural Life Census Data Center Newsletter: Working Poverty

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Working Poverty

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Do more jobs mean increased community well-being? Not necessarily if the jobs are low-paying and keep people poor.

The “working poor” have increased in many South Dakota counties. Several of those counties have also made the list of U.S. counties that have changed most drastically in working poverty percentages between 1990 and 2000 (Anderson 2006).

What is working poverty?

The definition includes households with members who work 27 or more hours and have an income below the official poverty line (U.S. Census 2000; Wolch 1980).

Some regions have more poverty than others (Rural Sociological Society 2006). For example, Indian reservations have consistently had high poverty rates.

What is often neglected is how counties perform over time. Do some people (and counties) manage to pull themselves out of this classification? If they do, how? Census data can help explain what factors help lead to changes in working poverty.

Why should we care?

Because they are our neighbors and if they are not well off, we and our community are not well off ei-

ther. Working poverty concerns all the people who live in a community and its community leaders.

Working poverty is never-ending in many rural areas. People in working poverty usually find it hard to raise their standard of living. The time spent working for low wages limits important opportunities. For example, a person working two low-paying jobs may not have time to look for better pay or to invest in learning other and more paying skills.

Where did working poverty change the most?

Table 1 shows South Dakota's counties that had a considerably high increase in working poor in the last 10 years. Table 2 shows South Dakota's counties that have decreased working poverty. The last column in Table 2 shows the difference in working poverty between 1990 and 2000. Having a positive number means that the county **increased working poverty**. A negative number means the county has **decreased working poverty**.

Jerauld, Haakon, and Jones counties increased working poverty rates more than other counties in South Dakota. Faulk, Dewey, and Union counties had the largest reductions for 1990 to 2000.

So why did some counties actually record increases in working poverty from 1990 to 2000? Reasons in-

Table 1: South Dakota counties with the largest **increase** (top 20%) in working poverty rates between 1990 and 2000.

| <i>County</i> | <i>2000</i> | <i>1990</i> | <i>Difference</i> |
|---------------|-------------|-------------|-------------------|
| Bennett | 18.9 | 17.955 | .93 |
| Haakon | 11.3 | 9.48 | 1.86 |
| Harding | 16.6 | 15.205 | 1.38 |
| Jerauld | 16.5 | 11.877 | 4.64 |
| Jones | 14.1 | 11.504 | 2.59 |
| Lake | 10.3 | 9.7972 | .49 |
| Lyman | 17 | 16.014 | 1.02 |
| Perkins | 12.8 | 11.144 | 1.65 |
| Sully | 10.5 | 9.8756 | .62 |
| Todd | 32.2 | 32.087 | .07 |
| Tripp | 16.2 | 15.932 | .22 |

clude an increase in service and manufacturing sectors, a young population, and high unemployment rates.

An employment shift to certain sectors can increase (or decrease) working poverty. Service jobs are generally lower paying, staffed through part-time employees, and often filled by single parents and college-aged people. Counties that increase manufacturing jobs also tend to increase in working poverty.

Other counties that increased working poverty have a young labor force. A combination of youth and low educational attainment is strongly related to working poverty. Younger people are generally less educated and are more likely to hold lower paying jobs. Youth are also likely to find part-time jobs or seasonal employment.

Finally, counties with high unemployment rates generally have high working poverty rates. This is true for many counties with Indian reservations located within their boundaries.

How do you decrease working poverty?

The shift in certain economic sectors and the out-migration of young adults help explain why some

Table 2: South Dakota counties with the largest **decrease** (top 20%) in working poverty rates between 1990 and 2000.

| <i>County</i> | <i>2000</i> | <i>1990</i> | <i>Difference</i> |
|---------------|-------------|-------------|-------------------|
| Campbell | 10.1695 | 15.65 | -5.481 |
| Deuel | 8.0082 | 12.17 | -4.16 |
| Dewey | 20.5595 | 28.54 | -7.982 |
| Edmunds | 8.6645 | 13.8 | -5.134 |
| Faulk | 8.9572 | 17.54 | -8.587 |
| Hand | 7.6588 | 13.59 | -5.933 |
| Hutchinson | 7.2428 | 13.06 | -5.82 |
| Kingsbury | 6.0373 | 9.635 | -3.597 |
| McCook | 7.1863 | 10.91 | -3.723 |
| Miner | 8.4245 | 14.29 | -5.861 |
| Moody | 6.5836 | 10.91 | -4.326 |
| Stanley | 6.7952 | 13.19 | -6.399 |
| Turner | 5.5901 | 11.21 | -5.623 |
| Union | 3.5283 | 11.11 | -7.583 |

counties were able to reduce working poverty. But how badly do you want to lose the younger generation?

Young adults are generally just starting out in their careers or educational experiences. The decrease in the working poverty from 1990 and 2000 may have been a natural consequence of the out-migration of young adults.

Many of the counties that decreased in poverty also shifted into more and larger educational and health services. Educational and health jobs are relatively high paying jobs with benefits. They are also likely to be filled by people with a high educational attainment.

Summary

Jerauld County had the highest increase in working poverty. Faulk County had the largest decrease.

There is no one best factor explaining why some counties are successful at reducing working poverty and some increase. Three things may help explain

the changes in working poverty from 1990 to 2000 for several South Dakota counties. The first is a shift in industry. The second is a change in age structure of the populations. Last, the social characteristics of the counties make a difference in working poverty.

Working poverty raises a philosophical question beyond the scope of this newsletter but one with which community and county leaders will have to grapple. The working poor includes youth, which, if they stay, become the future in the community and county. Efforts to improve the lifestyles of the working poor may have the unintended consequence of driving youth and younger workers to relocate in other parts of the state.

Contact information

If you want more information on working poverty in South Dakota contact Trevor Brooks or Mike McCurry in the Rural Life/Census Data Center. Our e-mail address is sdsudata@sdstate.edu and our phone number is (605) 688-4899. You can also learn more at our website at <http://sdrurallife.sdstate.edu/>

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