SEF Research and Policy Report



Children in Extreme Poverty in the South and Nation



The Southern Education Foundation

The Southern Education Foundation (SEF) is a nonprofit organization comprised of diverse women and men who work together to improve the quality of life for all of the South's people through better and more accessible education. SEF advances creative solutions to ensure fairness and excellence in education for low income students from preschool through higher education.

SEF develops and implements programs of its own design, serves as an intermediary for donors who want a high-quality partner with whom to work on education issues in the South, and participates as a public charity in the world of philanthropy. SEF depends upon contributions from foundations, corporations, and individuals to support its efforts.

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We seek a South and a nation with a skilled workforce that sustains an expanding economy, where civic life embodies diversity and democratic values and practice, and where an excellent education system provides all students with fair chances to develop their talents and contribute to the common good. We will be known for our commitment to combating poverty and inequality through education.

SEF's Timeless Mission

SEF develops, promotes, and implements policies, practices, and creative solutions that ensure educational excellence, fairness, and high levels of achievement for all students. SEF began in 1867 as the Peabody Education Fund.

CREDITS

The Worst of Times: Children in Extreme Poverty in the South and Nation, as well as other SEF reports and publications, may be found at www.southerneducation.org.

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The Worst of Times

Children in Extreme Poverty in the South and Nation









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Foreword

This report is part of a series issued by the Southern Education Foundation (SEF) to track demographic trends shaping the South's future. It presents critically important data on quality of life in the South, the viability of democratic systems of governance, basic fairness, national security, and economic growth. The series' first report, A New Majority (2007), documented the disturbing growth in the number of low income students enrolled in the South's public schools. The second report, A New Diverse Majority (2010), showed that not only is there a new majority of low income students in the South, but that a majority of those students are "of color." This report adds to the portrait of the South's education challenges by documenting that growing numbers of the South's children are not only low income or "of color," but also live in conditions of extreme, concentrated poverty.

In considering the trends evident in these three reports, one is tempted to quote civil rights activist Fannie Lou Hamer's plaintive question, "Is this America?" How can it be that we have allowed so many to slip into extreme poverty and desperation? The three reports convey one basic message: If the South's people are to enjoy a decent quality of life in the future, it is time to put education improvements at the top of the region's list of pressing priorities for ameliorative actions before it is too late.

A robust debate persists among scholars and governmental officials about the level of resources that constitutes an appropriate "poverty line." Today the federally established poverty line is \$22,025 for a family of four. The term "extreme poverty" refers to a family of four that subsists on half that amount, or approximately \$11,000 a year. As the report shows, the pro-rated income of such families means that a maximum of seven or eight dollars a day is available to meet the food, clothing, lodging, and other needs of each of the approximately

2.4 million children living in extreme poverty in the South. Many of these children are homeless; indeed, the South has the dubious distinction of being "home" to 53 percent of the nation's homeless children, more than all other US regions combined. These children literally have no place to call their own, and the stresses of their lives make them especially vulnerable to underachievement in school.

This report's message about the growth in extreme poverty among children in the South is all the harder to hear at a time when the nation's economy is in great distress and many poor and middle class people are hurting. In times such as these, there exists a real temptation to turn a blind eye to the educational needs of children who do not vote or pay taxes, or to the plight of the region's millions of low income families whose rates of political participation are not high. Many Americans can be said to be suffering from "compassion fatigue."

Moreover, only about 30 percent of the nation's households have children attending public schools. The impulse among the other 70 percent to not care about the education or life chances of "other" people's children is powerful. When those children come from politically, socially, and economically disadvantaged families, deferring attentiveness to such children's needs may seem attractive to many preoccupied with their own needs. When those children are also members of minority groups that have long been relegated to the bottom rungs of education quality and whose schools and residences are distant from those of the more affluent, indifference, if not resentment, can fuel disregard. Anger over immigration may result in displaced antipathy toward immigrant children born into circumstances beyond their control.

Today's Americans must make decisions while under levels of extraordinary stress, when budgets are being cut and claims for scarce resources are legion. It is in a sense the worst of times to make consequential choices, but choose we must. In the future, we will

all have to live with the decisions we make today about who will receive a quality education and who will not. We had better chose wisely.

The world is full of nations with small numbers of wealthy, well-educated elites and large numbers of the desperately poor. These are places where crime, disease, and tragedy run rampant, where frayed social welfare nets barely keep society from collapsing. These are places where social disorder and dysfunction pose tangible threats, both within and beyond national borders. It is difficult for most Americans to face up to the fact that our great nation, with all of its aspirations to be a "land of opportunity" where the American Dream thrives, is beginning more and more to resemble such unequal societies. But that is the direction in which our great nation is moving.

The truth is that if a child does not have the opportunity to receive a quality education irrespective of class, race, gender, or place, the promise of equality is a hollow formalism. Equal opportunity means nothing to a growing child without equal access to the educational resources necessary to take advantage of equal opportunity. In effect, denying children a quality opportunity to learn means denying them the chance to avail themselves of "equal opportunity" as adults.

It is a tragedy for a child, who comes into the world an "innocent," to live in extreme poverty in the richest nation in the world. But it will be a tragedy for the nation when the ranks of the poor are so numerous and of such a scale that remediation becomes well nigh impossible.

Addressing the educational needs of the poorest of the poor will not be easy. Sacrifices will have to be made. But as Dr. Martin Luther King, Jr., once said, "Whatever affects one directly, affects all indirectly. I can never be what I ought to be until you are what you ought to be. This is the interrelated structure of reality."

The global economy in which we live and work demands that we invest in a world-class system of education for as many people in our nation as possible. An educated people can innovate, grow the nation's economic base, respond to market opportunities, attract and use investment capital, create jobs, compete successfully with well-trained people around the world, and thrive. Lack of education contributes not only to poverty, marginalization, and dependence, but also to an undertrained. unprepared workforce. Having masses of desperately poor and marginalized people is a crippling liability in a nation with a modern, information-based economy.

We can pay now or pay later. Shall we pay for schools today or for more prisons tomorrow? Shall we have well-educated people or embrace ignorance at a time when education is the means by which to have choices, live with dignity, support oneself and one's family, and advance the economic interests of the nation? Shall we face the future with hope and resolve to improve education for all or shall we, ostrich-like, continue to deny the evidence of demographic trends? What is enough to shake us out of our complacency or indifference?

SEF issues this report as a warning that all should heed. When the numbers of poor are expanding so rapidly that we need to make distinctions between levels of disadvantage and destitution, it is time for change. We must act to reverse the downward spiral of poverty through education. Our future is at stake. What we do today matters.

Lynn Huntley President Southern Education Foundation

Spring 2010

Introduction

The numbers of poor and low income students in the public schools of the South and nation have substantially increased during the last decade. Today a majority of the South's public school students are low income, and nationwide more than 45 percent of the public school children are also eligible for free or reduced lunches due to low family income.1

A large, growing number of children live in destitute, often desperate conditions across the country—girls and boys under the age of 18 whose families and households have incomes below 50 percent of the national poverty threshold. These children include the homeless and a much larger number of children in transitory or fragile households where each person survives on less than seven or eight dollars a day. These children live in extreme poverty in the United States.

This report examines the latest census data on children in extreme poverty in the South and the nation. It summarizes and analyzes patterns of extreme child poverty in the states and in most US counties. It also estimates how the recent recession has expanded the number of children in extreme poverty in both the South and the nation. The report uses data for all children—not just school-age children. It examines patterns and conditions in more than 2,700 public school districts with almost 32 million students enrolled across the United States. Finally, the report addresses some of the implications of these findings for local, state, and federal policies in education, and it offers specific conclusions and recommendations.

¹A New Majority: Low Income Students in the South's Public Schools (Southern Education Foundation, 2007); also see A New Diverse Majority: Students of Color in the South's Public Schools (Southern Education Foundation, 2010). The SEF's South includes 15 states: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. This definition of the South resembles the region defined by the US Census, except that SEF does not include Delaware and the District of Columbia.

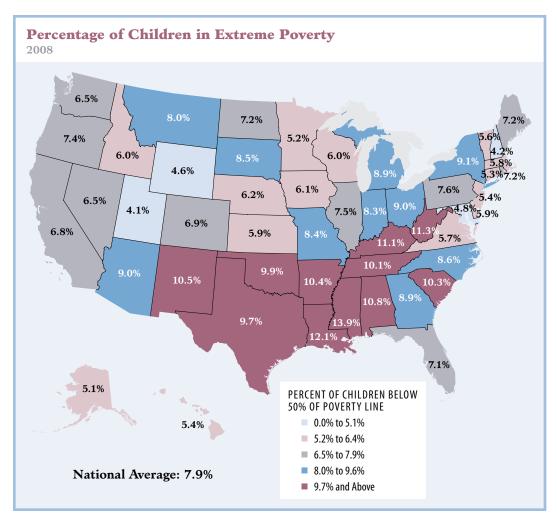
In this study the definition of extreme poverty in the United States includes only those persons in households whose income, as determined by the US Census Bureau, falls below 50 percent of the federal poverty line. In 2008, the threshold of poverty for a household of four persons was \$22,025, or \$5,506 per person. This income amounts to \$15.09 per day for each of the four persons in the household. A child in extreme poverty lives in a household where the income is less than half that amount—below \$7.54 per day for each person.

The problems of extreme poverty among children go far beyond education, but schools and school districts with large concentrations of extremely poor children face enormous challenges in providing these children with real opportunities to learn. These schools are often the first responders to these children's needs. The success of schools in meeting this responsibility is at the core of the American promise of equal educational opportunity and constitutes today the primary means by which extremely poor children can eventually realize the American Dream. As former Mississippi Governor William Winter has often observed. "The road out of poverty almost always runs by the schoolhouse."

Children in Extreme Poverty in the United States: 2008

More than 5.7 million children lived in extreme poverty in the United States in 2008—surviving on less than seven or eight dollars per day. According to US Census data, 7.9 percent of boys and girls under the age of 18 in 2008 were in households with incomes below 50 percent of the poverty line.

These children belonged to households in every state of the Union, but they were unusually concentrated in the 15 states of the American South. More than 2.4 million extremely poor children—42 percent of the nation's total—lived in the South. As a result, one child out of every 11 in the South suffered the nation's deepest levels of poverty in 2008.



Almost all the states—10 out of 11—where at least one in every 10 children lived in extreme poverty were located in the South. Mississippi had the largest proportion—14 percent. Louisiana, West Virginia, Kentucky, and Alabama followed at 11 to 12 percent. Arkansas, South Carolina, Tennessee, Oklahoma, and Texas had one child in every 10 in extreme poverty. New Mexico with 11 percent was the only non-Southern state with one of the highest rates of extreme child poverty (see Appendix 1, US Map and Percentage of Children in Extreme Poverty by State: 2008).

Several other states, both in and outside of the South, were not far behind. Nine percent of children in New York, Ohio, Arizona, and Michigan lived in extreme poverty in 2008. Georgia and North Carolina had

similar rates. Two states in the Midwest, Missouri and Indiana, also had rates of extreme poverty for children above eight percent.

The state with the lowest rate, Utah, had only one in every 25 children living in extreme poverty. New Hampshire, Wyoming, and Maryland (one of three Southern states ranking below the national average) also had less than one in 20 children living in extreme poverty in 2008.

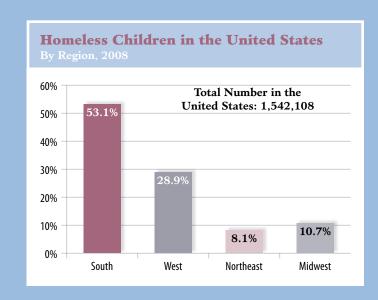
The rates of extreme child poverty within most states span a wide range. In Mississippi, for example, 29 percent of the children in Adams and Leflore Counties lived in extreme poverty in 2008, twice the state average and the highest rate among

Mississippi counties with reported data. In the same state, only three percent of all children in Lamar County lived in extreme poverty.

In Pennsylvania, the rate of extreme child poverty ranged from 17 percent in Philadelphia County to barely more than two percent in suburban Chester and Bucks Counties. In New York state, one child in five in the Bronx lived in extreme poverty, ten times the number of such children in Putnam and Nassau Counties, where the rate was one in 50. In southern Illinois, 21 percent of children in rural Jackson County were extremely poor, but only two percent in Kendall County outside of Chicago. The range in California counties ran from 1.4 percent in San Benito County to 12.8 percent in Fresno County.

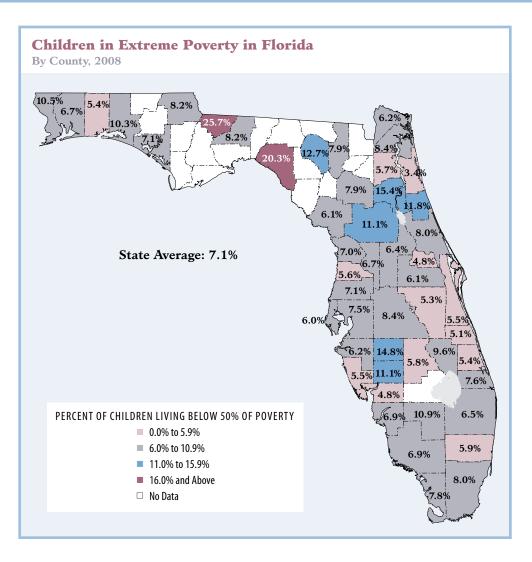
Homeless Children in Extreme Poverty

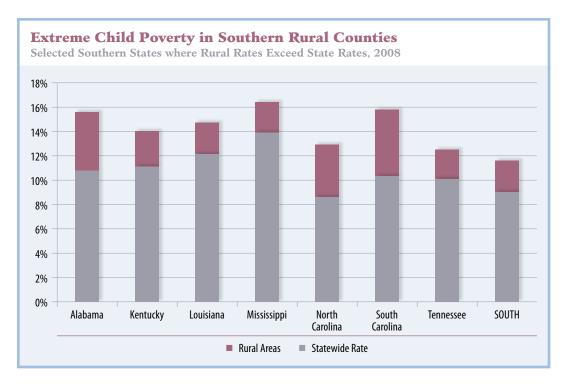
The US Census Bureau is not able to count the number of homeless among children in extreme poverty in the United States, but million children were homeless in 2008. The South has an exceptionally large number of these children. According to the latest data, more than half of the nation's homeless children—at least 53 percent—were located in the three percent of the South's total population under the age of 18.



Almost every state—even those with relatively low rates of extreme child poverty—had local areas with very high rates. In Virginia, for example, the statewide rate of children in households with incomes below 50 percent of the poverty line was less than six percent in 2008. While a few suburban counties such as York (Norfolk area) and Loudon (DC area) had only one percent of their children in extreme poverty, areas in southern Virginia, such as Hopewell (21 percent) and Danville (15 percent), had above-average rates. Similarly, most local jurisdictions in Maryland had rates below the state average of 4.8 percent (e.g., Anne Arundel at 1.6 percent), but the city of Baltimore had an extreme child poverty rate of 13 percent, and Somerset County an even higher rate of 14.2 percent.

In Florida, the extreme poverty rate for children in St. Johns County was





extreme child poverty rate was 7.1 percent, while the collective rate in rural counties was 8.1 percent. In South Carolina, the state average was 10.3 percent. In the sparsely populated counties, however, the collective rate was 15.8 percent. In North Carolina the rural rate was 12.9 percent—4.3 percentage points higher than the statewide rate. The rate of extreme child poverty in these rural areas exceeds by more than 2.5 percentage points the statewide rate in seven Southern states.

barely more than three percent, but in Gadsden County the rate hit 26 percent.²

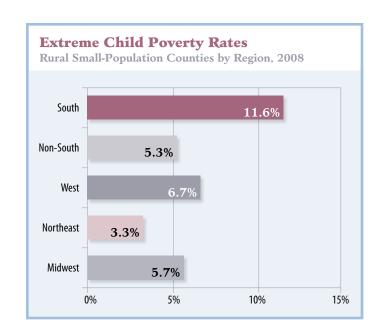
Rural Children in Extreme Poverty

Data on extreme child poverty was unavailable for the nation's more sparsely populated counties and school districts in 2008,³ but it is clear that the rates in rural areas in the South are often higher than the states' overall rates.

The rate of extreme child poverty in the South was nine percent in 2008. The collective rate for the South's counties too sparsely populated to be reported individually was 11.6 percent—almost one-third higher. In every Southern state except Maryland, the collective rate for these rural counties was higher than the state's overall average. In Florida, for example, the state's overall

²See "Web Extras" for this report at the SEF web site (www.southerneducation.org) for county maps of children in extreme poverty in 2008 in each Southern state.

This pattern was much less evident outside the South. In most other states, including many rural Western states, rural, small-population counties as a group often had a lower rate of extreme child poverty than the state as a whole. In New Mexico, for instance, the 12 rural counties without individual data on extreme child poverty had a lower collective rate



³See Appendix 6 for an explanation of the limits and methods for assembling and calculating the data, including collective data on sparsely populated areas.

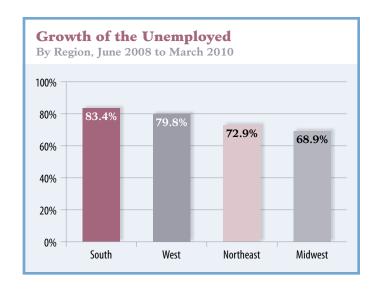
(9.4 percent) than did the whole state (10.5 percent). Similarly, in Iowa, the sparsely populated counties had an extreme child poverty rate of five percent—one percentage point lower than the state rate.

The South's rate of extreme child poverty in rural, small-population areas far exceeds those in all other regions. This difference is probably explained by the region's Black Belt counties, named for the rich, dark soil where the South's large plantations once grew cotton. This subregion has been the location for much of the nation's most persistent poverty for decades.

The Recession's Effects on **Extreme Child Poverty: 2008-2010**

The latest statistical data on extreme poverty among children portray the patterns and conditions across the South and the nation as of 2008, the year in which the "Great Recession" hit full force. During the last two years, a large number of additional households have lost income, jobs, housing, and the ability to pay off debts. The statistics quantifying these economic conditions evidence a rapid growth of widespread, severe hardship and leave no doubt that extreme poverty among children in the United States has increased since 2008. In fact, indicators suggest a very substantial rise in the number of households and children who have fallen below half of the national poverty threshold.

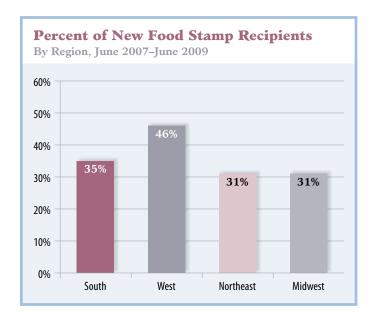
From June 2008 to March 2010, the number of unemployed in the US rose by 6.7 million persons a 77 percent increase in less than two years. In seven states (Alabama, Florida, Nevada, New Mexico, Utah, West Virginia, and Wyoming) the numbers of unemployed more than doubled during this time. No region in the nation has been spared large increases in the number of adults without jobs, but the South has suffered the largest expansion of unemployed adults since the middle of 2008.





From the start of 2008 through January 2010, the United States had almost 5.5 million mortgage foreclosures. The numbers grew by 21 percent from 2008 to 2009. The states with the sharpest increases (50 percent or more) in foreclosed mortgages during this time were Alabama, Hawaii, Idaho, Louisiana, Minnesota, Mississippi, New Mexico, Oregon, South Carolina, South Dakota, Utah, West Virginia, and Wisconsin. The West and the South endured the highest increases from the start of 2008 through the end of 2009.

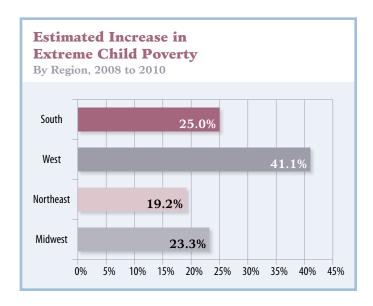
The number of individuals and households receiving food stamps also has risen dramatically since the start of the recession.4 More than one-third of the nation's food stamp recipients in late 2009—35 percent—had become eligible for assistance only within the previous two years. In the West, the number of new recipients surged by 46 percent in this two-year period. In several states, the hardship was widespread. The number of new food stamp recipients grew at least by half in 70 percent of the counties in Hawaii, Utah, and Nevada. Two other states outside the West, Wisconsin (85 percent) and Florida (84 percent), saw an even higher proportion of counties increase their food stamp rolls by at least 50 percent from June 2007 to June 2009.



The rapid rise in food stamp recipients across the nation has continued into 2010. From December 2008 to January 2010, more than 7.6 million people began receiving food stamps for the first time. More than 452,000 new recipients enrolled in January 2010 alone. In addition, 1.2 million of the new food stamp recipients from June 2007 to June 2009 from 30 states (data from the other 20 were unavailable) reported that they had no income at all.

Estimated Increases in Rates of Extreme Child Poverty: 2008-2010

This vast expansion of the food stamp program means that the number of children in extreme poverty in the United States has probably grown significantly perhaps by as much as 26 percent between 2008 and 2010.5 By SEF calculations, the West and South have the highest estimated increases in the rates of extreme child poverty since 2008, although in other regions, states such as Wisconsin, Rhode Island, and Delaware also show a dramatic projected growth (see Appendix 4 for state projections). According to SEF's estimates, Western states have endured on average as much as a 41 percent rise in children in extreme poverty from 2008 to 2010, while the South has seen an increase of 25 percent during the same period.



Several factors point to the likelihood that the recession of the last two years has brought into the food stamp program a notably larger percentage of total households that are extremely poor. First, Southern state departments of education report that the number of enrolled

⁴States have differing standards of income and assets for food stamp eligibility, but households at or below the poverty threshold are eligible for food stamps in all states.

⁵See Appendix 6 for the methods by which this projection was made. It assumes that the recession has not substantially changed the characteristics and current income levels of food stamp recipients. Other reasonable assumptions on the recession's effects on extreme poverty were also tested and all showed a significant gain in children in extreme poverty. See also Appendix 4.

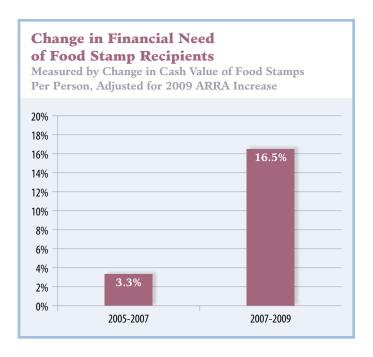
homeless students rose by 21 percent from 2008 to 2009. Second, a large increase in unemployment and mortgage foreclosures over a period of two years translates into a significant number of households that have lost most, if not all, of their income, savings, and assets—suffering more than just a partial decline in income.

Third, as the number of food stamp recipients has risen, so has the monthly amount of food stamps per recipient. The monetary value of food stamps for the average recipient grew by 30 percent from 2007 to 2009. Approximately 13 percent of this growth was likely the result of an increase in food stamp benefits mandated by the American Recovery and Reinvestment Act of 2009 (ARRA). Even with this adjustment, however, the increase in the value of food stamps for the average recipient since 2007 was five times larger than the increase during the prior two years. This huge jump indicates that the average recipient received a good deal more food stamps in 2009 as the result of a much lower income than in prior years.

Given these statistics, the rise in the nation's percentage of children in extreme poverty from 2008 to 2010 will likely come close to SEF's estimate of 26 percent (the Census estimates of extreme poverty for 2010 will be available in the fall of 2011). Regardless of the final, exact rate of increase, the number of boys and girls under the age of 18 living in extreme poverty in the United States has probably increased by one million to one-and-a-half million since 2008.

Lingering Effects of the Recession on Extreme Child Poverty

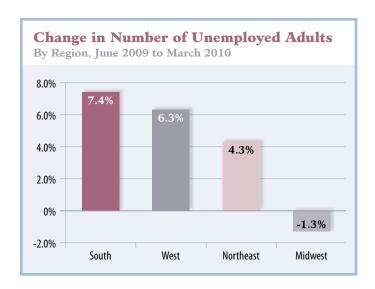
The expansion of extreme child poverty since 2008 could be a temporary phenomenon if the recession's effects on household income, housing, and debt diminish as rapidly as they emerged. But most relevant data point in the opposite direction—indicating a continuing rise of hardship and extreme poverty for



children, especially in Southern and Western states, beyond early 2010.

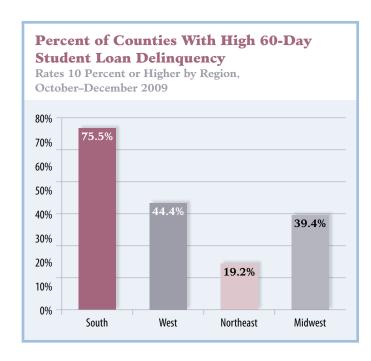
A significant number of households reported in the last three months of 2009 that they did not have enough money to buy the food they needed. According to results of a Gallup survey analyzed by the Food Research and Action Center, 18.5 percent of all households in the United States reported this kind of "food hardship" during the last quarter of 2009—up from 16.3 percent at the start of 2008. The rate of food hardship for households with children was even higher—24.1 percent. In Mississippi, Alabama, Nevada, Louisiana, and Arkansas—the five states with the highest rates—30 to 34 percent of all households with children in late 2009 reported "food hardship."

In most regions of the nation, the numbers of unemployed have also continued to rise. From June 2009 through March 2010, the number of jobless workers grew in every region except the Midwest, where there was a slight dip. The highest increases in unemployed workers prevailed in the South and the West.



The number of mortgage foreclosures declined across the nation by four percent between November 2009 and January 2010, but they continued to rise in several states, especially in the West. In states such as Arkansas, Oklahoma, Arizona, Montana, and New Mexico, the rates of increase actually appeared to be growing not declining. By the end of the first quarter of 2010, RealtyTrac reported that six states still had very high rates of foreclosure. These included Nevada, with one foreclosure in every 33 mortgages; Arizona, with one in every 49; Florida, one in every 57; California, one in every 62; Utah, one in every 88; Michigan, one in every 99; and Georgia and Idaho, one in every 101 mortgages.

Other indicators also strongly suggest that the worst of times is far from over in several states. Thirteen states had bank card delinquency rates above the national average of 1.21 percent during the last three months of 2009. Nine of these states were in the South, and four were in the West. Twelve states had delinquency rates for automobile loans of one percent or more substantially above the national average of .81 percent in the last quarter of 2009. Seven of these states were in the South, and five were in the West (see Appendix 5).



During the same period, 10 percent or more of student loans for higher education were at least 60 days delinquent in more than half the counties in the United States. The overwhelming majority of these overdue student loans were in the South, where three out of four counties had delinquency rates of 10 percent or more. In one out of every 12 Southern counties, the delinquency rates were 20 percent or higher. In Mississippi and New Mexico, the rates of bad student loans were 20 percent or higher in one out every five counties.

These indicators of consumer well-being suggest that a large part of the nation—especially states in the South and the West—are continuing and will remain in the depths of a recession for months to come. These conditions also indicate that the growth of extreme poverty among children will continue into 2011.

Defining Poverty and Extreme Poverty

A robust discussion among experts and scholars in the field of poverty studies is addressing the question of whether the US government's methods for defining poverty are out-of-date. Some critics have complained for decades that several forms of in-kind support for people in poverty, including food stamps and medical care, are not counted as income in determining who subsists below the nation's poverty threshold. Others have noted that no one in the United States counts the cost of medical care as income, and that a large segment of the population above the poverty threshold receives a wide range of subsidies (business expenses, including meals and entertainment) that are not considered personal income. In fact, most scholars in this field believe that the current definition of poverty understates the number of people in relative deprivation in the United States.

Independent experts of the Human Rights Council of the United Nations argue that the United States understates extreme poverty by limiting the definition of poverty solely to a calculation of income. This international agency recognizes two additional types of extreme poverty: 1) extreme underdevelopment of human capacity, as measured by indicators such as literacy and school enrollment rates, lack of adequate education or health care, and life expectancy or infant mortality rates; and 2) social exclusion of individuals and groups as "outsiders" in the social hierarchy, as measured by obstacles to their participation in society; racial, ethnic, and other forms of discrimination; and denial of their rights within the existing legal system.

This study relies on the current, income-based definition of poverty in identifying children in extreme poverty in the South and the nation, but its analysis examines some of the issues of human development and social exclusion that international agencies have raised in studying extreme poverty in nations across the globe. An abbreviated bibliography with links to some of the latest studies relating to defining poverty and extreme poverty are available on the index page for this report in the "What's New" section of SEF's website: www.southerneducation.org.

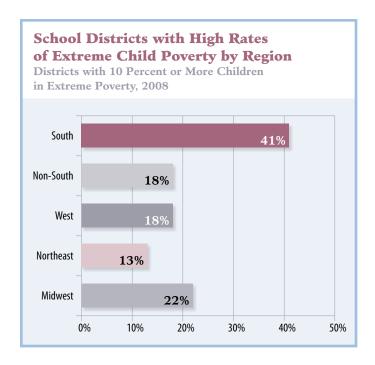
Children in Extreme Poverty in US School Districts: 2008

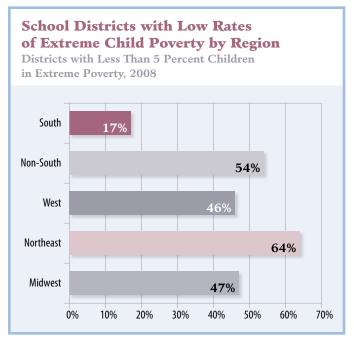
Before suffering the harshest effects of the "Great Recession" during the last two years, more than one thousand public school districts across every state in the Union—2/5 of the more than 2,700 school districts for which data was available in 2008—had rates of extreme child poverty greater than the national average of 7.9 percent. The highest rates were concentrated primarily in Southern school districts, although several

non-Southern states, especially Ohio, Michigan, and Indiana, had school districts with some of the nation's highest rates of extreme child poverty.

Warren City Schools in Ohio topped the list, with fully 35 percent of children within its jurisdiction living in extreme poverty. Three other school districts in Ohio (East Cleveland, Youngstown, and Portsmouth) also had more than one child in four living in extreme poverty. These four ranked among the 25 school districts in the nation with the highest percentages of extreme child poverty, as did three school districts in Michigan—Saginaw (27.5%), Flint (26.5%), and Benton Harbor (25.8%)—and two in Indiana, Gary (28.7%) and East Chicago (26.6%). Several other non-Southern school districts likewise suffered some of the nation's highest rates of extreme child poverty: East St. Louis,

⁶This study included data on 2,761 school districts in 50 states with a total enrollment of 31.7 million students (approximately 2/3 of all US public school students) in 2008. Almost all districts in the study had individual enrollment totals of at least 1,800 students. See Appendix 6 for additional details.





Illinois (29.5 percent); Camden, New Jersey (28.3); Douglas, Arizona (27.8); and Utica, New York (25.8).

The remaining 12 school districts with the 25 highest rates of extreme child poverty in 2008 were in the South, including five districts in Texas and four in Mississippi. Among the top 100 school districts with

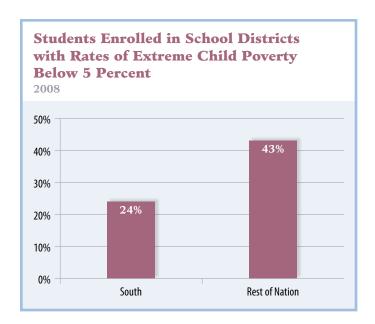
the highest rates, the South was home to 56, or well over half (see Appendix 2). Similarly, 111 of the 200 highest-ranked districts for extreme child poverty were in the Southern states. These districts were spread throughout the Southern states, except for Maryland and Virginia.

Compared with the other 35 states, the South had more than twice its share of school districts with 10 percent or more of children living in extreme poverty. Two out of every five Southern school districts in this study had a rate of extreme child poverty at or above 10 percent. In the Northeast, less than one in eight school districts had such high rates.

On the other end of the spectrum, 34 school districts in the United States had no children in extreme poverty in 2008. None of these districts were in the South. Nine were in New York, eight in New Jersey, and four in Pennsylvania. Both Ohio and Michigan had three school districts without extreme child poverty, and Massachusetts and Connecticut each had two such districts. California, Colorado, and Minnesota had one school district where no child lived in extreme poverty (Appendix 3).

A total of 396 school districts in the nation had less than two out of every 100 children in extreme poverty in 2008. Only 16 of these districts were in Southern states—and 11 of those 16 were found in Texas and Virginia. Most of these 396 districts were located in California, Connecticut, Massachusetts, Michigan, New Jersey, New York, Ohio, and Pennsylvania.

More broadly, a majority of school districts outside the South in this study had rates of extreme child poverty below five percent in 2008. Within the South, only 17 percent of school districts had such low rates of extremely poor children. In each of the other regions, especially the Northeast, the percentage of school districts with less than one in 20 children in extreme poverty far exceeded the proportion in the South.



In terms of numbers of individual students, most public school students in the United States attended districts where more than one in 20 children was extremely poor in 2008, but a significant percentage outside the South attended districts with rates below that level. Fortythree percent of the students in this study who lived outside the South lived in districts with rates of extreme child poverty below five percent. Only 24 percent of the South's students were enrolled in such districts in 2008.

Student Demographics in School Districts by Rates of Extreme Child Poverty

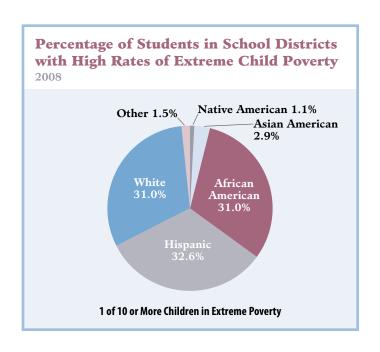
School districts with high concentrations of extremely poor children have a disproportionately large enrollment of students of color—primarily African Americans and Hispanics.7 African American (43.4 percent) and Hispanic (34.4 percent) students make up 78 percent of the total enrollment of the 100 school districts in the

United States with the highest levels of extremely poor children—districts where at least two children out of every 10 live in extreme poverty. White students comprise only 18 percent of the more than 1.3 million students in this group of extreme poverty school districts.

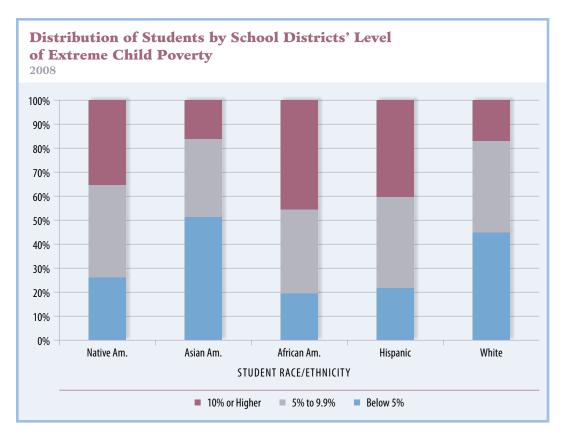
The same pattern persists in districts where one out of every 10 children is extremely poor. Two-thirds of the more than 8.8 million students enrolled in these districts are African American and Hispanic, and less than onethird are White.

At the other end of the scale, White students constitute 79 percent of the combined enrollment of the nation's school districts without any extremely poor children. African American (5.5 percent) and Hispanic (7.2 percent) students total 13 percent of such students.

As a consequence, students of color are overrepresented in school districts where rates of extreme child poverty are highest. Forty-six percent of all African American students in this study—more than 2.7 million students across the nation—were in school districts where at least one of every 10 children lived in extreme poverty in 2008. Forty percent of all Hispanic students attended school in such districts. In contrast, only 17 percent of



⁷The census data on children in households with income below 50 percent of the federal poverty line does not provide information on the demographic characteristics of these children. By linking census data with enrollment data for the same school district, this report identifies the characteristics of students enrolled in the public schools according to the districts' numbers and percentages of extremely poor children. There are 31.7 million students in the national database of school districts for this study, and 51 percent are White. See Appendix 6.



White students were enrolled in districts with extreme poverty rates of 10 percent or higher.

Native American students were similarly overrepresented in school districts with higher rates of extreme child poverty, although the largest segment of these students were enrolled in districts with rates between 5 and 9.9 percent. This pattern does not apply to Asian American students, however. More than 51 percent of all Asian American students were enrolled in school districts with an extreme child poverty rate of less than five percent. Asian Americans were more likely to be in school districts with lower levels of extreme child poverty than any other racial or ethnic group, including Whites.

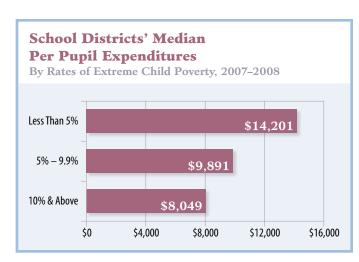
Students enrolled in special education classes were evenly distributed among the school districts with differing levels of extreme poverty in this study. Thirtynine percent of these students were in the districts in the middle range and roughly 30 percent in both the

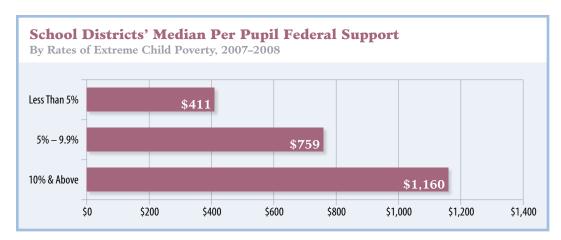
highest and lowest categories. The distribution of students enrolled in English language learners classes (ELL) generally repeated the distribution patterns for Hispanic students.

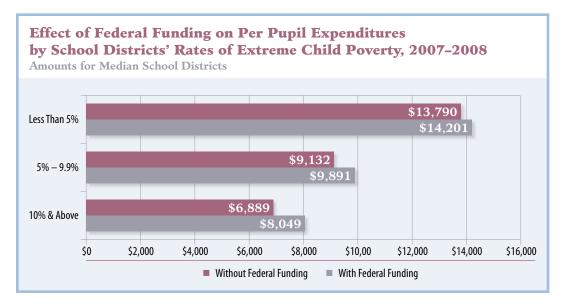
Funding Patterns in School Districts by Rates of Extreme Child Poverty

The nation's school districts with the largest reported percentages of extremely poor children appear to have the least money to educate these children when they enter school. Based on financial data for 2007-08 (the latest available numbers for the nation's school

districts), the median per pupil expenditure among school districts with rates of extreme child poverty of 10 percent or more was barely half the amount spent by districts with rates of less than five percent. Similarly, the median per pupil expenditure in the districts with extreme child poverty rates between 5 and 9.9 percent was almost one-third less than the median for the lower-poverty districts.







These differences reflect large discrepancies in annual per pupil spending. The median school district with lower rates of extreme child poverty had \$6,152 more for educating each student—76 percent more funding than the median school district with high rates.

The distribution of federal funds to school districts followed an inverse pattern. Because federal support is based in large measure on the rate of school-age poverty in school districts, the districts with the highest reported rates of extreme child poverty received the largest federal per pupil support. The median figure for districts with less than five percent of extreme child

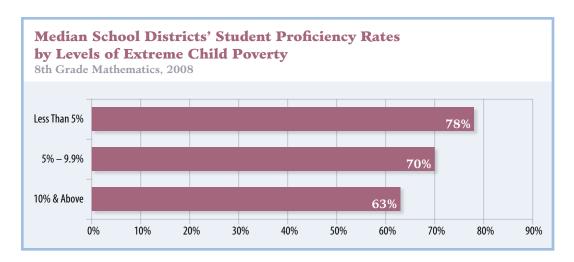
poverty—\$411—was only about one-third the federal amount in support of school districts with the highest rates.

Federal funding is progressive in nature, but it has had a relatively minor impact on narrowing the gap of total education spending between public school districts with high and low rates of extreme poverty. The median district with high extreme poverty rates received an extra \$759 in revenue for each pupil because of the level of school-age poverty in the district. But the gap in per pupil spending remained vast-with and without federal revenues.

Student Performance in School Districts by Rates of Extreme Child Poverty

The federal government

does not provide data allowing comparison of student performance by school district across the 50 states. The National Assessment for Educational Progress (NAEP), the only common examination for K-12 students in the United States, reports test scores only by state—not by local school district. As a result, this study relied on state-mandated tests to examine in aggregate the percentage of students in various school districts who passed standardized exams. State tests are less rigorous than NAEP exams and usually understate differences between high and low scoring groups. As a result, by using state tests, this analysis probably understates



the disparities in school performance between school districts.8

School districts with a rate of extreme child poverty at or above 10 percent had a median score of 63—in half the districts more than 63 percent of students scored proficient on their state-mandated mathematics examinations in 2008, while in the lower half of the districts less than 63 percent of students scored as proficient. Districts with less than five percent extreme poverty had a median score of 78 percent—a rate that is about one-fourth better. Those districts in between these two groups—with extreme child poverty rates between 5 and 9.9 percent—exhibited a median rate in the middle.

Similar gaps between the three categories of school districts were also evident when the districts' median pass rates for students were aggregated for all available subjects in 16 different tests over three years for 4th grade, 8th grade, and high school students.9

Issues and **Implications for Policy and Practice** in Education

The findings of this report raise serious questions at every level about the impact and validity of current educational policies and practices on children in extreme poverty. These

children exist in significant numbers in school districts in every region and state in the country. Those who are homeless, in foster care, or in migrant families are recognized for special, limited assistance in federal programs. But these different groups of extremely poor children are a smaller part of a much larger number of children living on the margins of US society.

No educational policy at any level acknowledges children in extreme poverty and the extraordinary challenges they face in education.

Children in extreme poverty in the United States face profound challenges in attaining a good education from before the moment of birth. Their mothers are among those most likely to have had insufficient prenatal care. These children are more likely to be born low-weight and to have health problems that grow as they get older. During the course of their early years, children in extreme poverty receive considerably less informal education due to their parents' oftentimes limited education and the absence of rich learning environments that non-poor children often enjoy. For example, poor children hear and learn on average about one-third to one-half the number of spoken English words that non-poor children learn simply through exposure in their early years. Poor children less frequently visit children's museums, libraries, and other cultural institu-

⁸See Mapping 2005 State Proficiency Standards Onto the NAEP Scales (2007). NAEP does report tests scores for a few large urban school districts for 4th and 8th grades. State-mandated tests exist in all 50 states for several grades and subjects, and most have considerably higher rates of students performing at or above proficient levels.

⁹See Appendix 6 for statement of methods and the "Web Extras" link for this report at www.southerneducation.org.

tions or attend child-focused educational programs with stimulating learning environments.

When extremely poor children reach school age, they are seldom school-ready. The average poor child enters school—be it kindergarten or pre-kindergarten—far behind other students in most areas of everyday knowledge and learning. Exceptions exist, but in early childhood education today, the poorer the child's household, the further that child will be behind other students in knowledge and understanding on the first day of school.

Offering a vivid glimpse of this reality, the documentary film LaLee's Kin: The Legacy of Cotton follows a wellmeaning, illiterate grandmother raising three of her grandchildren in the Mississippi Delta. On the first day of school for her youngest grandchild, who is bursting with nervous excitement as he prepares to catch the bus, the grandmother realizes he needs school supplies, but she is unable to find a single pencil or pen—any writing instrument or writing paper—in her trailer house.

"It's a different world," the local school superintendent, Reggie Barnes, says later in the film. "We get kids in kindergarten who don't know colors; we get kids in kindergarten who have never been read to."10

Despite this reality, educational policies and practices at every level in the United States-local, state, and national—fail to recognize or effectively address the needs of extremely poor children. Many local schools and communities do have programs offering school supplies or supplemental food, tutoring, reading circles, and afterschool remedial activities, and many teachers and administrators do attempt to provide special attention to the poorest, neediest students.

But these efforts are largely patchwork, and local schools are rarely able to maintain and focus their efforts each day on the ever-changing needs of individual children.

State policies and practices in education do not address the primary needs of low income students—much less the needs of extremely poor children. Many states have funding formulas that take into consideration, to some extent, the inequalities of local school funding, but in most states these formulas have had a modest impact on the gross disparities in school funding within most states and between most states. State departments of education have no programs to address the needs of extremely poor students except for programs such as free and reduced lunches and the provisions of the McKinney-Vento Homeless Assistance Act, which they administer with federal funding.

Since 1965, when the US Congress passed the first major federal law for support of elementary and secondary schools, national policy and funding has been aimed at providing disadvantaged students with equal opportunity in education. Today there are special, relatively small federal programs for different groups of students that include children in extreme poverty (homeless students, students of migrant families, special grants for severely impacted communities, etc.). In addition, most federal funding for public schools has been distributed during the last 45 years through a complicated formula largely on the basis of the number of poor students in a school district. But there has been no consideration in federal law or federal practice for the challenges of educating extremely poor children as a group.

Nor have most programs proven effective enough on their own to change the odds for the vast majority of extremely poor students. Since so much of public education funding—usually more than 40 percent depends upon the local wealth of a community, school districts with a high percentage of extremely poor children often have low levels of income by which to support public schools or special efforts for extremely poor students. In America, the poor must finance the education of the poor.

¹⁰LaLee's Kin, Maysles Films Inc. Production, Home Box Office, 2000.

It is time for federal, state, and local education policy to acknowledge and assist America's neediest children.

It is also time for a new perspective and framework for the education of America's most vulnerable children. This report identifies and analyzes extremely poor children—not simply school-age children between the ages of 5 and 17—who live in extreme poverty within specific school districts. The reason for this conceptual approach is simple: the challenges of school districts in educating children in extreme poverty do not and can not begin at the age of five. This may be the age when public schools (without Pre-K) presently receive most children. But it does not represent the span of ages when these children's primary education—and growth in their capacity to learn—takes place.

Along these lines, it makes little sense today for the federal government to continue to base its federal funding for school districts on measures of poverty without also considering those in extreme poverty. It also makes little sense to count only children between the ages of 5 and 17 in calculating poverty and extreme poverty rates for school districts. Such a policy will continue to understate the challenges that many districts face in educating extremely poor children. Unless changed, federal policy also provides no financial incentives or additional means for school districts to mount prekindergarten programs and other initiatives for the education of three- and four-year-olds in extreme poverty.

A disproportionately large percentage of African American and Hispanic students are enrolled in those school districts with the nation's highest rates of extreme child poverty. For example, this report finds that 63.6 percent of the more than 8.8 million students enrolled in districts where at least one child in every 10 is extremely poor are African American and Hispanic (see pages 15-16). This pattern may offer a partial explanation for the persistently lower levels of achievement and attainment for many African American and Hispanic students in public schools. In turn, it suggests that if federal and state educational policies were to give priority to

improving and supporting school districts with the highest rates of extreme child poverty, they would simultaneously address more fully the needs of a large portion of African American and Hispanic students.

This study's findings on the funding of school districts according to rates of extreme child poverty flatly contradict the nation's stated commitment to equal opportunity in education. In 2007-08, the difference in median expenditures between districts with an extreme child poverty rate of 10 percent or more and those with under five percent was \$6,152 for each and every student. This data adds to prior SEF research findings (2009) that the system of school funding in the United States today, which relies heavily on local property taxes and the wealth of the local school district's community, not only helps to perpetuate existing poverty but also expands inequality and poverty.11 SEF's 2009 report also reveals that, while progressive in its effect, supplemental federal funding for elementary and secondary public schools currently has only a minor impact in reducing this system of inequality. In 2007-08, federal funding decreased the gap in median per pupil expenditures between districts with high and low rates of extreme child poverty by only \$759.

No doubt every dollar of additional federal support to extreme poverty schools is truly appreciated by local school personnel, but the distribution of federal funds at current levels is doing very little to provide every child, regardless of income, a relatively fair opportunity to learn. Unless it vastly increases federal revenues a scenario that no one can foresee in the near future the federal government must find other policies and practices in order to assure a more equitable system of school financing in the United States for the sake of students in the poorest school districts.

¹¹No Time To Lose: Why America Needs an Education Amendment to the US Constitution to Improve Public Education (Southern Education Foundation, 2009).



Conclusions and Recommendations

America's recession is doubly tragic for the education of children in extreme poverty. It has significantly enlarged their numbers and, at the same time, made it increasingly difficult for budget-cutting school districts and others to respond to their needs. The immense inequalities in school funding for extreme poverty school districts may widen. Massive budget cutbacks have reduced the number of classroom teachers, increased class size, and eliminated many afterschool programs and in-school personnel outside the classroom. As a result, America's poorest, neediest students will likely receive much less attention and direct assistance from school districts next fall and in the next few years.

In these hard times, the best policymakers and educators will work to assure that the children with the least do not suffer the most as students. To this end, during the next two years, all policymakers and school officials should adopt at least an informal practice of having an "extreme child poverty impact assessment" that gauges how any major change in policy, practice, or funding in public education might adversely or positively affect the education of children in extreme poverty in their school districts. Such an assessment should also include alternatives and programs to reduce any adverse impact.

It is the least the richest nation in the world, even during the worst of times, can do for the least among us.

In addition, this study establishes a warrant for the national government, in association with local and state education leaders, to undertake a full-scale investigation of how policies and practices at all levels address the educational needs and advance the educational success of the country's poorest children. SEF recommends that the White House, the US Department of Education, and other federal policymakers establish a bipartisan, blue-ribbon national commission on the education of children in extreme poverty. This

body should commission additional research, awaken public understanding and awareness, and identify how the nation's educational policies can assure a real opportunity to learn for the growing numbers of our nation's poorest children. The commission's work should be the beginning of a new national approach at the federal, state, and local levels for acknowledging and effectively addressing the education of extremely poor children.

This work must squarely acknowledge and address the fact that the nation's system of school financing today has become the scaffolding for a permanent system of education inequality in which school districts with the highest levels of poverty receive the fewest resources and the districts with the lowest levels of poverty spend the most on educating their children. Instead of helping to reduce the numbers of those in poverty, this education system helps to perpetuate and expand poverty and extreme poverty in the South and the nation. Today, most children in extreme poverty who prevail against the odds are the exceptions, the rare young people who overcome adversity and succeed in public schools that lack the resources to make such individual triumphs common.

There is much to gain by focusing on the educational needs of children in extreme poverty. If the nation identifies and comes to terms with what is necessary to provide a good education to these children, the United States will know how to solve most of the nation's pressing problems in public education. The education of these children encompasses and defines most of the nation's primary challenges in public education today.

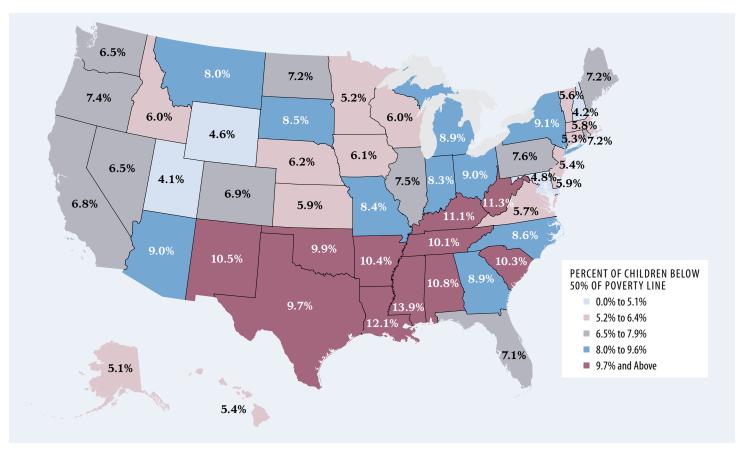
Education cannot eliminate the deep poverty in which these children currently live. A good school cannot provide them and their families with decent housing, gainful employment, or adequate income. But a good school can provide them with a safe, meaningful place to grow in life and learning as children equipped with the means to lift themselves out of poverty as young adults. Education can be one of the nation's most efficient and most effective long-term investments to help young people out of poverty and extreme poverty.

The education of children in extreme poverty also can be one of the best investments for advancing the entire country's future well-being. In the 21st century, developed nations and their communities with extreme poverty and gross inequality on a significant scale are more likely to have high rates of crime and social unrest; lower standards of living for everyone; large, costly government-support programs; declining civic life; and increased religious, racial, and ethnic strife. More than ever before, America as one nation will prosper more when it invests in the education of its children with the fewest resources and greatest needs.

Children in extreme poverty in the South and the nation also represent a fundamental test of America's enduring values. As the world's oldest continuous democracy, we the people of the United States of America ignore these children and their educational needs at the peril of our sacred beliefs and democratic ideals. The progress of these children in our midst will be the lasting measure of our true worth as a people and as a nation in the worst of times no less than the best.

Appendix 1 – Percentage of Children in Extreme Poverty by State

2008



Alabama10.8%
Alaska
Arizona
Arkansas
California6.8%
Colorado
Connecticut
Delaware
Florida
Georgia
Hawaii
Idaho6.0%
Illinois
Indiana
Iowa
Kansas
Kentucky

Louisiana
Maine7.2%
Maryland
Massachusetts
Michigan
Minnesota
Mississippi
Missouri
Montana
Nebraska
Nevada6.5%
New Hampshire4.2%
New Jersey
New Mexico
New York
North Carolina 8.6%
North Dakota

Ohio9.0%
Oklahoma
Oregon7.4%
Pennsylvania
Rhode Island
South Carolina10.3%
South Dakota
Tennessee
Texas
Utah
Vermont
Virginia
Washington
West Virginia
Wisconsin
Wyoming

Appendix 2 – Nation's 100 School Districts with Highest Reported Rates of Extreme Child Poverty

2008

Sortea	bу	Percentage	

School District	State	Percent
Warren City School District	.Ohio	. 34.7%
Donna Independent School District	.Texas	. 32.6%
East Cleveland City School District	.Ohio	. 31.2%
Morehouse Parish School Board	.Louisiana	. 30.1%
La Joya Independent School District	.Texas	. 29.8%
Youngstown City School District	.Ohio	. 29.8%
East St Louis School District 189	.Illinois	. 29.5%
Natchez-Adams School District	. Mississippi	. 29.3%
Gary Community School Corporation	.Indiana	. 28.7%
Weslaco Independent School District	.Texas	. 28.7%
Camden City Public Schools	.New Jersey	. 28.3%
Pine Bluff School District	.Arkansas	. 28.2%
Douglas Unified School District	.Arizona	. 27.8%
Saginaw City School District	.Michigan	. 27.5%
Pascagoula Separate School District	.Mississippi	. 27.0%
Scotland County Schools	.North Carolina.	. 27.0%
School City Of East Chicago	.Indiana	. 26.6%
Flint City School District	.Michigan	. 26.5%
Meridian Public School District	. Mississippi	. 26.4%
South Panola School District	. Mississippi	. 26.3%
Laredo Independent School District	.Texas	. 26.0%
Portsmouth City School District	.Ohio	. 25.9%
Mission Consolidated Independent School District	.Texas	. 25.8%
Benton Harbor Area Schools	.Michigan	. 25.8%

School District	State	Percent
Utica City School District	.New York	. 25.8%
Gadsden County School District	.Florida	. 25.7%
Lewiston Public Schools	.Maine	. 25.6%
Trotwood-Madison City School District	.Ohio	. 25.3%
Lima City School District	.Ohio	. 25.2%
York City School District	.Pennsylvania	. 25.2%
Bowling Green Independent School District.	.Kentucky	. 25.1%
Shawnee Public Schools	.Oklahoma	. 25.0%
Detroit City School District	.Michigan	. 24.8%
Whitley County School District	.Kentucky	. 24.7%
Bay City Independent School District	.Texas	. 24.4%
Hamtramck Public Schools	.Michigan	. 24.3%
Brownsville Independent School District	.Texas	. 24.2%
Harrisburg City School District	. Pennsylvania	. 24.1%
Upshur County School District	.West Virginia	. 24.0%
Floyd County School District	.Kentucky	. 23.7%
Nacogdoches Independent School District	.Texas	. 23.7%
Ashtabula Area City School District.	.Ohio	. 23.5%
Harlingen Consolidated Independent School District	.Texas	. 23.2%
Greenville Public School District	. Mississippi	. 23.1%
Syracuse City School District	.New York	. 23.0%
Lorain City School District	.Ohio	. 22.8%
North Forest Independent School District	.Texas	. 22.6%
Hartford School District	.Connecticut	. 22.5%
Holyoke Public Schools	. Massachusetts	. 22.5%

School District	State	Percent
Columbus Municipal School District	.Mississippi	. 22.2%
Atlantic City School District	.New Jersey	. 22.1%
Columbus City School District	.Ohio	. 22.0%
Dayton City School District	.Ohio	.21.8%
Danville Community Consolidated School District 118	.Illinois	. 21.8%
Buffalo City School District	.New York	.21.8%
El Dorado School District	.Arkansas	.21.8%
Pharr-San Juan-Alamo Independent School District	.Texas	. 21.5%
St. Landry Parish School Board	.Louisiana	.21.4%
Jonesboro Public Schools	.Arkansas	.21.3%
Jackson Public School District	. Mississippi	.21.3%
Battle Creek Public Schools	.Michigan	.21.3%
Orangeburg School District 05	.South Carolina .	.21.3%
Cleveland Municipal School District	.Ohio	. 21.3%
Assumption Parish School Board	.Louisiana	. 21.2%
Thomasville City School District	.Georgia	.21.1%
Lexington City Schools	.North Carolina.	.21.1%
Aransas County Independent School District.	.Texas	.21.1%
Galesburg Community Unit School District 205	.Illinois	.21.0%
Forrest City School District	.Arkansas	. 20.8%
Toledo City School District	.Ohio	. 20.7%
Mcallen Independent School District.	.Texas	. 20.6%
Evangeline Parish School Board	.Louisiana	. 20.5%
Hopewell City Public Schools	.Virginia	. 20.5%
Reading School District	. Pennsylvania	. 20.5%

School District	State	Percent
Northampton County Schools	.North Carolina.	. 20.4%
Rochester City School District	.New York	. 20.4%
Logan County School District	.West Virginia	. 20.4%
Taylor County School District	.Florida	. 20.3%
Gadsden Independent Schools	.New Mexico	. 20.3%
Knox County School District	.Kentucky	. 20.3%
Coalinga/Huron Joint Unified	.California	. 20.1%
Edinburg Consolidated Independent School District.	.Texas	. 20.0%
Connellsville Area School District	.Pennsylvania	. 20.0%
Indianapolis Public Schools	.Indiana	. 19.9%
Robeson County Schools	.North Carolina.	. 19.9%
Waco Independent School District	.Texas	. 19.9%
Paducah Independent School District	.Kentucky	. 19.9%
Harlan County School District	.Kentucky	. 19.9%
Akron City School District	.Ohio	. 19.8%
Atlanta City School District	.Georgia	. 19.8%
Anderson Community School Corporation	.Indiana	. 19.8%
Kingsville Independent School District	.Texas	. 19.7%
Valdosta City School District	.Georgia	. 19.7%
Harlandale Independent School District	.Texas	. 19.7%
Williamsburg County School District	.South Carolina .	. 19.7%
Grenada School District	.Mississippi	. 19.6%
Perry County School District	.Kentucky	. 19.3%
Gateway Unified School District	.California	. 19.3%
El Paso Independent School District	.Texas	. 19.2%

Appendix 3 – Nation's School Districts Reporting No Extreme Child Poverty

2008

Alphabetically Sorted

School District	State	Percent
Allen Park Public Schools	Michigan	0.0%
Avon Lake City School District	Ohio	0.0%
Bethel School District	Connecticut .	0.0%
Burlington Township School District	New Jersey	0.0%
Copley-Fairlawn City School District	Ohio	0.0%
Deer Park Union Free School District	New York	0.0%
East Pennsboro Area School District	Pennsylvania	0.0%
Garden City Union Free School District	New York	0.0%
Great Valley School District	Pennsylvania	0.0%
Herricks Union Free School District	New York	0.0%
Hillsborough Township School District	New Jersey	0.0%
Hopewell Valley Regional School District	New Jersey	0.0%
Hudsonville Public School District .	Michigan	0.0%
Lampeter-Strasburg School District	Pennsylvania	0.0%
Mahwah Township School District .	New Jersey	0.0%
Matawan-Aberdeen Regional School District	New Jersey	0.0%
Milton School District	Massachusett	s 0.0%

School District	State	Percent
Monroe-Woodbury Central School District	New Yorl	k 0.0%
New Albany-Plain Local School District	Ohio	0.0%
Ojai Unified School District	California	a0.0%
Paramus Borough School District.	New Jers	ey0.0%
Port Washington Union Free School District	New Yorl	k 0.0%
Roxbury Township School District	New Jers	ey0.0%
Shrewsbury Public Schools	Massachi	usetts 0.0%
Somers Central School District	New Yorl	k 0.0%
South Orangetown Central School District	New Yorl	k 0.0%
South Windsor School District	Connecti	cut 0.0%
Southgate Community School District	Michigan	n 0.0%
St. Michael-Albertville School District	Minnesot	ta0.0%
Summit City School District	New Jers	ey0.0%
Summit Re-1 School District	Colorado	0 0.0%
Warwick Valley Central School District	New Yorl	k 0.0%
York Suburban School District	Pennsylva	ania 0.0%
Yorktown Central School District .	New Yorl	k 0.0%

Appendix 4 – Estimated Increase of Children in Extreme Poverty by State

Percent Increase

2008-2010

Alphabetically Sorted by Region

Fercent Increase Standard Estimate	Conservative Estimate
United States 27.1%	16.2%
South25.0%	
Alabama	15.6%
Arkansas	10.6%
Florida	27.9%
Georgia	21.7%
Kentucky	7.9%
Louisiana 16.6%	9.9%
Maryland	22.4%
Mississippi 16.1%	9.6%
North Carolina 25.9%	15.6%
Oklahoma 28.2%	16.9%
South Carolina 25.7%	15.4%
Tennessee	15.3%
Texas	9.1%
Virginia	17.3%
West Virginia 14.6%	8.8%
West 41.1%	24.6%
Alaska	29.3%
Arizona	28.3%
California	23.9%
Colorado 28.5%	17.1%
Hawaii 26.5%	15.9%
Idaho	31.2%
Montana 25.4%	15.2%
Nevada	24.8%
New Mexico 30.6%	18.3%
Oregon	27.5%
Utah44.5%	26.7%
Washington 53.3%	
Wyoming	21.4%

Percent Increase

	Percent Increase Standard Estimate	Percent Increase Conservative Estimate
Northeast	19.2% .	11.5%
Connecticut	30.2%	18.1%
Delaware	40.0%	24.0%
Maine	17.8%	10.7%
Massachusetts	21.4%	12.8%
New Hampshire	24.2%	14.5%
New Jersey	19.4%	11.7%
New York	15.8%	9.5%
Pennsylvania	19.1%	11.5%
Rhode Island	40.3%	24.2%
Vermont	23.8%	14.3%
Midwest	23.3%	14.0%
Indiana		12.7%
		13.4%
Kansas		16.1%
		17.5%
_		20.5%
Missouri		5.8%
		13.8%
North Dakota		8.1%
Ohio		14.9%
		19.7%

Appendix 5 – State Indicators of Recent Economic Hardship

2009-2010

Blue Coded for Top 10 States in Each Indicator

	Change in Number of Unemployed Adults	Student Loan Median County Delinquency Rate	Bank Card Delinquency Rate	Auto Loan Delinquency Rate
State	Jun 2009 - Mar 2010	Oct-Dec 2009	Oct-Dec 2009	Oct-Dec 2009
Alabama	5.4%	13.50%	1.39	1.39
Alaska	3.0%	9.80%	0.67	0.29
Arizona	10.2%	13.20%	1.52	1.05
Arkansas	8.6%	14.70%	1.27	0.94
California	7.5%	9.60%	1.40	1.22
Colorado	2.8%	9.50%	1.07	0.83
Connecticut	16.8%	7.30%	1.04	0.62
Delaware	6.8%	10.40%	1.20	0.87
Florida	17.3%	12.40%	1.75	1.01
Georgia	2.9%	12.10%	1.44	1.12
Hawaii	-8.2%	8.70%	0.95	1.09
Idaho	13.2%	9.30%	1.14	0.67
Illinois	12.0%	8.70%	1.11	0.79
Indiana	-9.7%	11.70%	1.19	0.65
Iowa	10.1%	7.80%	0.91	0.59
Kansas	-7.0%	9.70%	0.90	0.56
Kentucky	-1.1%	12.00%	1.11	0.89
Louisiana	2.1%	14.80%	1.31	1.01
Maine	-3.2%	7.50%	1.01	0.74
Maryland	6.3%	8.20%	1.21	0.69
Massachusetts	9.4%	6.70%	0.99	0.78
Michigan	-7.8%	9.80%	1.18	0.54
Minnesota	-11.8%	6.30%	0.94	0.54
Mississippi	29.2%	16.00%	1.49	1.45
Missouri	2.0%	11.00%	1.17	0.62
Montana	11.3%	10.10%	0.90	0.45

	Change in Number of Unemployed Adults	Student Loan Median County Delinquency Rate	Bank Card Delinquency Rate	Auto Loan Delinquency Rate
State	Jun 2009 - Mar 2010	Oct-Dec 2009	Oct-Dec 2009	Oct-Dec 2009
Nebraska	0.0%	7.00%	0.88	0.54
Nevada	9.9%	11.60%	2.00	1.15
New Hampshire	4.8%	9.00%	1.08	0.64
New Jersey	6.6%	7.20%	1.11	0.65
New Mexico	31.6%	13.70%	1.26	1.01
New York	-2.6%	8.40%	1.07	0.62
North Carolina	1.1%	12.00%	1.10	0.84
North Dakota	-4.5%	6.00%	0.69	0.32
Ohio	-1.0%	10.90%	1.10	0.56
Oklahoma	5.0%	13.40%	1.23	0.89
Oregon	-14.0%	8.50%	1.09	0.83
Pennsylvania	8.4%	8.60%	0.98	0.51
Rhode Island	2.7%	7.00%	1.14	0.62
South Carolina	-0.2%	13.80%	1.25	0.8
South Dakota	-5.3%	5.70%	0.74	0.41
Tennessee	-2.8%	13.30%	1.24	1
Texas	11.4%	12.40%	1.33	1.01
Utah	24.8%	8.30%	1.02	0.98
Vermont	-6.7%	8.90%	0.88	0.53
Virginia	3.0%	10.00%	1.05	0.57
Washington	0.6%	8.40%	0.98	0.84
West Virginia	2.6%	12.20%	1.16	0.78
Wisconsin	-3.5%	7.30%	1.04	0.73
Wyoming	23.8%	7.70%	0.96	0.5
USA	4.5%		1.21	0.81

Appendix 6 – Notes on Data, Estimates, and Methods

This study examines patterns and trends relating to persons under the age of 18 in extreme poverty—those subsisting on an income below 50 percent of the federal poverty line. The source for data on extreme child poverty in 2008 is the US Census Bureau's American Community Survey (ACS). SEF used the merged ACS data reported for 2006-2008 as the most reliable dataset for measuring the latest rates of extreme child poverty.

Because of the limits of sampling size, ACS data for extreme child poverty at the local level have wide margins of error. To examine the reporting errors for this study's use of data for counties and school districts, SEF compared ACS poverty statistics (which generally have smaller, but notable margins of error for local areas) with extreme poverty statistics for counties and school districts to identify how often there were wide variances in the ratios of percentages. The review did not show a continuous or frequent pattern of substantial variants.

Such comparisons do not remove the statistical probability that errors exist in the reported data, since both data sets are subject to wide margins of sampling errors. But this comparison suggests that the reported patterns of extreme child poverty are generally as reliable as the reported patterns of poverty. It is important to note that, even with statistical margins of error, ACS poverty estimates for school districts' school-age children (5-17 years) involves an even smaller sample size by age; nonetheless, the school district data are used to determine the annual allocation of federal Title I funding for local school districts.

All things considered, the author of this report decided that if ACS' local estimates for poverty are currently reliable enough to guide the annual distribution of billions of dollars in federal funds, ACS' local estimates of extreme child poverty are reliable enough to analyze current public policies and practices.

The methods for estimating changes in the rates of extreme poverty from 2008 to 2010 rely upon annual studies undertaken by Mathematica Policy Research, a privately owned and nationally recognized research organization, for the US Department of Agriculture. These studies determine characteristics of recipients of households and individuals who receive federal food stamps (see the bibliography for references). They provide, by state, the percentages of recipients who are children in households that earn less than 50 percent of the national poverty threshold as of 2008. These percentages have not changed significantly in recent years. The participation rates in the federal food stamp program were applied to the increased numbers of food stamp recipients from June 2008 through January 2010 to determine how many of the new food stamp recipients were children in extreme poverty.

SEF calculations for children in extreme poverty for 2008 based on findings of the Mathematica studies were compared with ACS findings for extreme child poverty for 2008 in order to confirm comparable results for the base year. The results showed a variance of less than one-half of one percent nationally. The calculations on food stamp recipients had approximately 31,000 fewer children in extreme poverty than did the ACS survey. There were larger variances in individual states, but calculations for most states based on food stamp program characteristics understated the number of extremely poor children by comparison with the ACS survey. Most regions also had relatively smaller variances.

Several alternative assumptions were used to test other results. One was to assume that the percentage of new food stamp recipients in extreme poverty from 2008 to 2010 has been 40 percent lower than the percentage reported in 2008. Arguably, this could be the case if the increase in recipients has included a much higher rate of people who have not lost enough to drop their

households into extreme poverty. This scenario would probably require a trend in which the percentage of poor or near-poor households with sharply declining income has been notably smaller than the percentage of more middle class households whose income has declined enough to require food stamps, but not enough to send them into deep poverty. In any event, in an abundance of caution, this assumption of a decline by 40 percent in the number of households in extreme poverty was used to calculate the "conservative estimate" for the growth of extreme child poverty in Appendix 4.

Scholars at the Brookings Institution have recently estimated the effects of the Great Recession on poverty rates. This study's estimates are generally in line with the Brookings' findings. By simulating unemployment rates and poverty rates, Emily Monea and Isabel Sawhill have estimated that an additional eight million people will live in poverty in 2011. In another paper on the effects of the recession on child poverty, Julia Isaacs at Brookings examined the correlation between increased participation in the federal food stamp program, now entitled the Supplemental Nutrition Assistance Program (SNAP), and possible increases in child poverty. Isaacs did not make specific state estimates due to concerns about margins of sampling error, but her analysis identified the states that are most likely to have substantial increases in child poverty. Those states are primarily the states that this study estimates will have had the larger increases in extreme child poverty in 2010.

As noted in this study's text, small-population counties and school districts did not have reported data on children in extreme poverty due to the limits of ACS sampling. SEF reports a collective number and percentage of children in extreme poverty in these counties for each state by calculating the difference between the numbers reported for each state and the sum of the numbers for all counties with reported data. This

difference represents the number and percentage of children in extreme poverty in those counties without individually reported data. Most of these are rural counties.

SEF linked ACS data on extreme child poverty with the school district database made accessible by the Federal Education Budget Project of the New American Foundation (http://education.newamerica.net/home). In the process, SEF created a database of 2,761 school districts by which to analyze characteristics of school districts with different rates of extreme child poverty. SEF used school districts' rates of extreme poverty for all children (under the age of 18), not just school-age children (ages 5-17) for reasons stated in the text. This choice also may have narrowed somewhat the margins of error for the data at the local level.

Because ACS does not report data for small-population counties and school districts, SEF's linked database does not match the location and characteristics of the nation's entire set of school districts. The New American Foundation database contains 13,642 school districts and the National Center for Education Statistics (NCES) reports in 2007 on 13,923 districts. In terms of differences in the location, SEF's linked database overrepresents suburban districts (50 percent are in SEF's database versus 38 percent in the NCES database) and under-represents districts in small towns (seven percent in SEF versus 12 percent in NCES) and especially in rural areas (10 percent in SEF versus 19 percent in NCES). The SEF database also overrepresents urban school districts by about three percent (SEF's 33 percent to NCES' 30 percent). The differences varied more in some regions than others. The largest variances for rural districts between the SEF and NCES databases were in the Northeast and the Midwest.

The SEF database represents districts with 2/3 of all students in the public school districts in the NCES database. Nearly 10 million of the 16 million students who are not in the SEF database are in districts in small towns and

	American Indian	Asian American	African American	Hispanic	Other	White	Students of Color
NCES	1.20%	4.80%	17.0%	22.0%	_	55.0%	45.0%
SEF	0.80%	4.90%	19.0%	22.5%	1.8%	51.0%	47.2%

rural areas. The racial composition of the SEF database more closely images the NCES database as shown in the chart on this page.

The variances in the two databases could indicate that the findings in the SEF study are not entirely representative of conditions in all school districts in the United States. As noted in the text, it is quite likely that some unreported rural districts, especially in the South, have higher rates of extreme child poverty than those listed in reported districts in earlier appendices. Because districts in towns and rural areas that are underrepresented in this study usually have lower per pupil expenditure than suburban and some urban districts, a fairly good possibility exists that the findings concerning disparities in per pupil expenditure according to levels of extreme child poverty are also understated in this study.

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