

# Inequality

- Inequality between the “haves” and “have nots” is predicated on the availability of cheap, exploitable labor
- This is especially pervasive in the most disadvantaged places
- There are deep historic roots of current inequalities, dating back to the time following emancipation
- Indicators used in *The Injustice of Place* reflect three dimensions:
  - Cyclical measures that vary with the economy (poverty, deep poverty)
  - Cumulative measures reflecting the ways long-term exposure to disadvantage shapes outcomes over time
  - Structural measures that reflect how the labor market offers opportunities

# Selected Outcomes for Communities

Measure	200 Places of Most Disadvantage	National Average	200 Places of Greatest Advantage
Poverty	26.8%	13.7%	5.6%
Deep Poverty	13.2%	6.2%	2.6%
Life Expectancy (years)	74.2	79.1	83.1
Low Birth Weight	12.2%	8.2%	6.6%
Severe Housing Burden	17.8%	15.0%	10.9%
Less than High School	16.7%	12.7%	6.4%
College Graduates	22.8%	32.7%	48.6%
Non-Hispanic White	37.9%	56.6%	70.0%
Non-Hispanic Black	48.4%	13.3%	3.7%
Hispanics	7.3%	20.5%	11.1%

Source: **THE INJUSTICE OF PLACE. UNCOVERING THE LEGACY OF POVERTY IN AMERICA.** by Kathryn J. Edin , H. Luke Shaefer & Timothy J. Nelson. HarperCollins. August 8, 2023. Page 265.

# The Poor Man Pays Twice: Exploitation

- Labor exploitation: people are underpaid relative to what they produce
- Consumer exploitation: people are overcharged based on the value of a purchase
- Economic freedom is limited with resources are limited.
- Without sufficient resources, people become dependent on those who have them, which invites exploitation – what's bad for you could be good for me
- Even if a household can afford to pay rent, without credit, it's impossible to buy a house
- Bank overdraft fees amounted to \$11.68 billion (2019), but just 9% of account holders pay 84% of these fees. Who are they? Customers carrying average balances of less than \$350. In 2021, the average overdraft fee was \$33.58, and banks often issue multiple fees a day. It's not uncommon to overdraw an account by \$20 but end up owing \$200. (Source: M. Desmond, Poverty by America, page 71.)
- Predatory lending targets people with few credit options or inadequate income. Exploitive lending keeps Americans trapped in debt: payday loans can have annual interest rates of more than 600%. (Politifact)

# Poverty is Pain

It may start with money, but money equals choice and without it, there are additional burdens

- Jobs available to people in rural poverty are often highly physical
  - Home health aides and CNAs: back pain from lifting and hoisting
  - Maids: skin rashes and migraines from using harsh cleaning products
  - Cashiers: sore feet and knees from standing on cement all day
  - Loggers and miners: broken limbs
  - Meatpackers and lumber mill workers: loss of fingers or hands
  - Farmers and ranchers: accidents with heavy equipment
  - Injuries can lead to long-term dependence on opioids
- Housing available to people living on low-wage incomes is often toxic with black mold, cockroach allergens, lead-based paint, asbestos
- Lacking dental insurance means that ¼ children in poverty have untreated cavities, which can devolve into decay and infection
- Absent adequate health insurance, small issues become larger ones

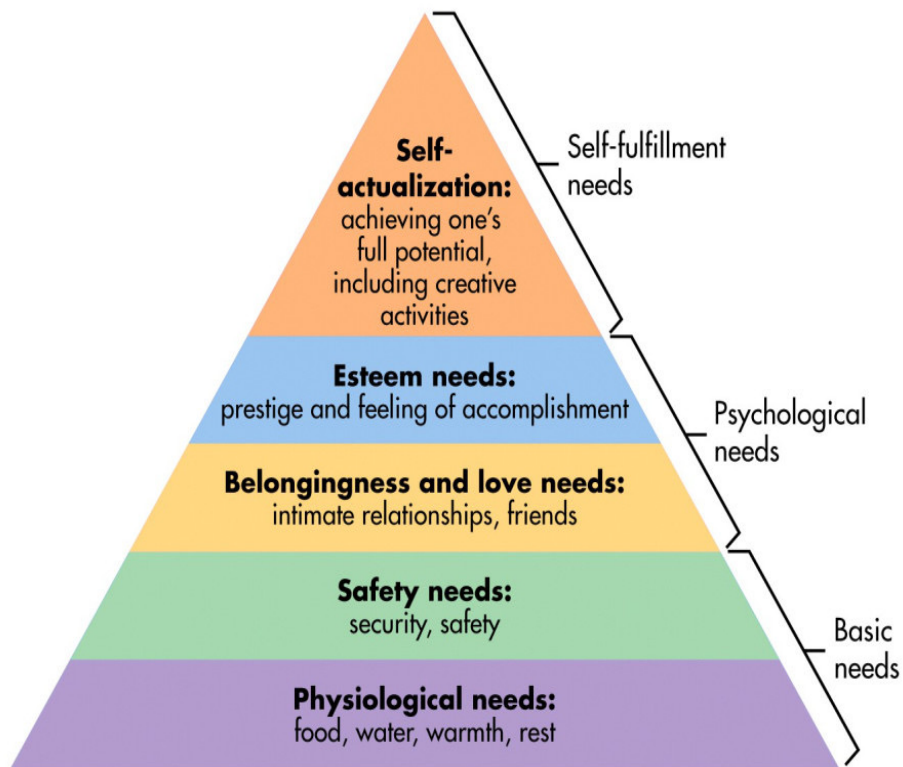
# People Get Stranded



# 2 Understanding Poverty



# Maslow's Hierarchy of Needs

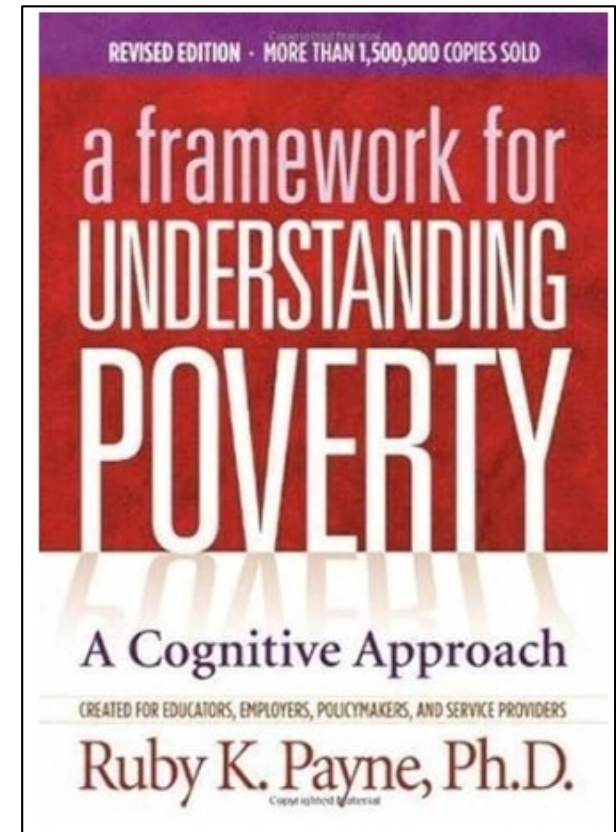


*Needs lower down in the hierarchy must be satisfied before individuals can attend to needs higher up.*



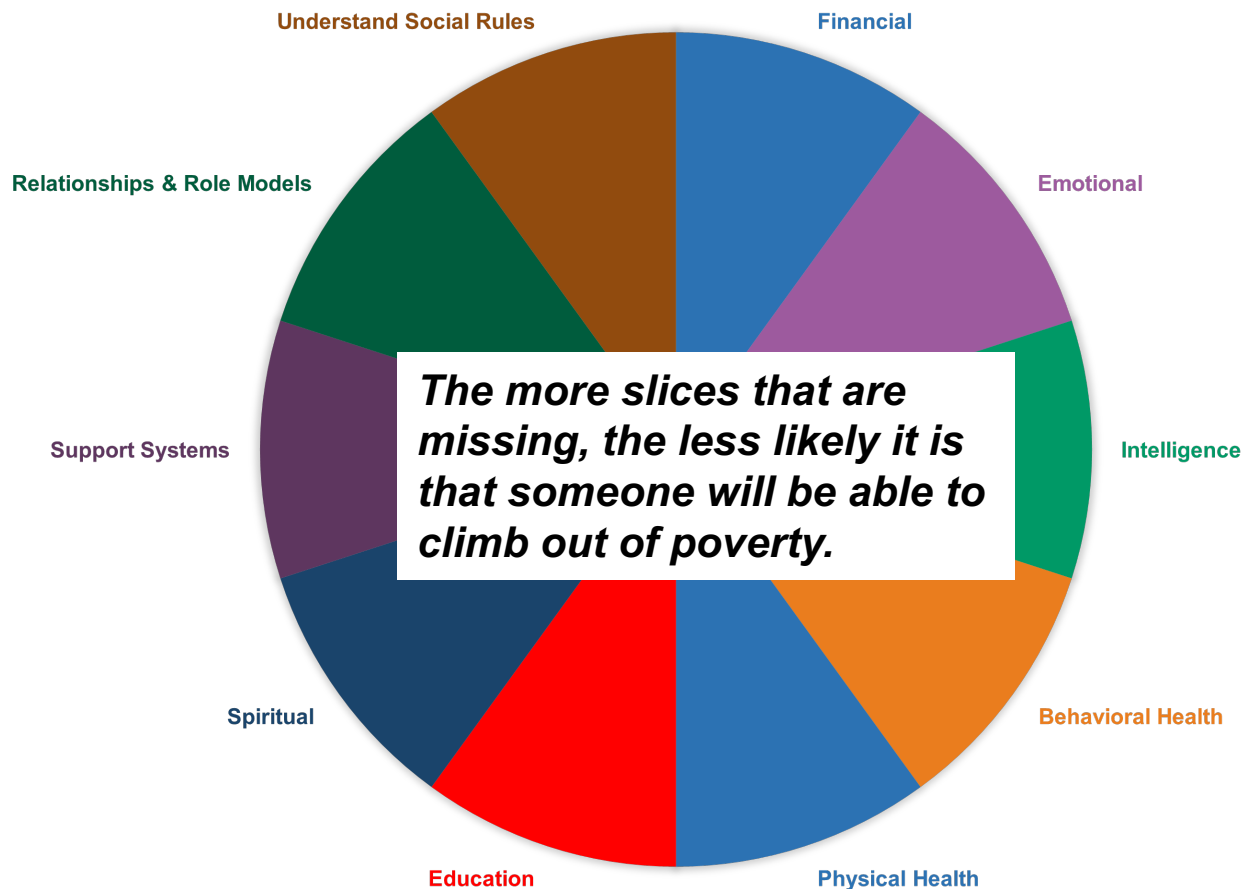
This approach and structure by Ruby Payne, Ph.D. was published in 1996. Some key points include:

- Poverty is relative. Poverty and wealth become apparent in relation to known quantities and expectations. *If everyone is poor, no one is poor.*
- Generational poverty and situational poverty are very different.
- Individuals carry the hidden rules with which they were raised. Many patterns of thought, social interaction, cognitive strategies remain even when crossing economic classes.
- Schools, businesses, and agencies operate from middle-class norms, and are based on those values.





# Rural Poverty is About More Than Money



According to Ruby Payne, four resources help someone move from poverty:

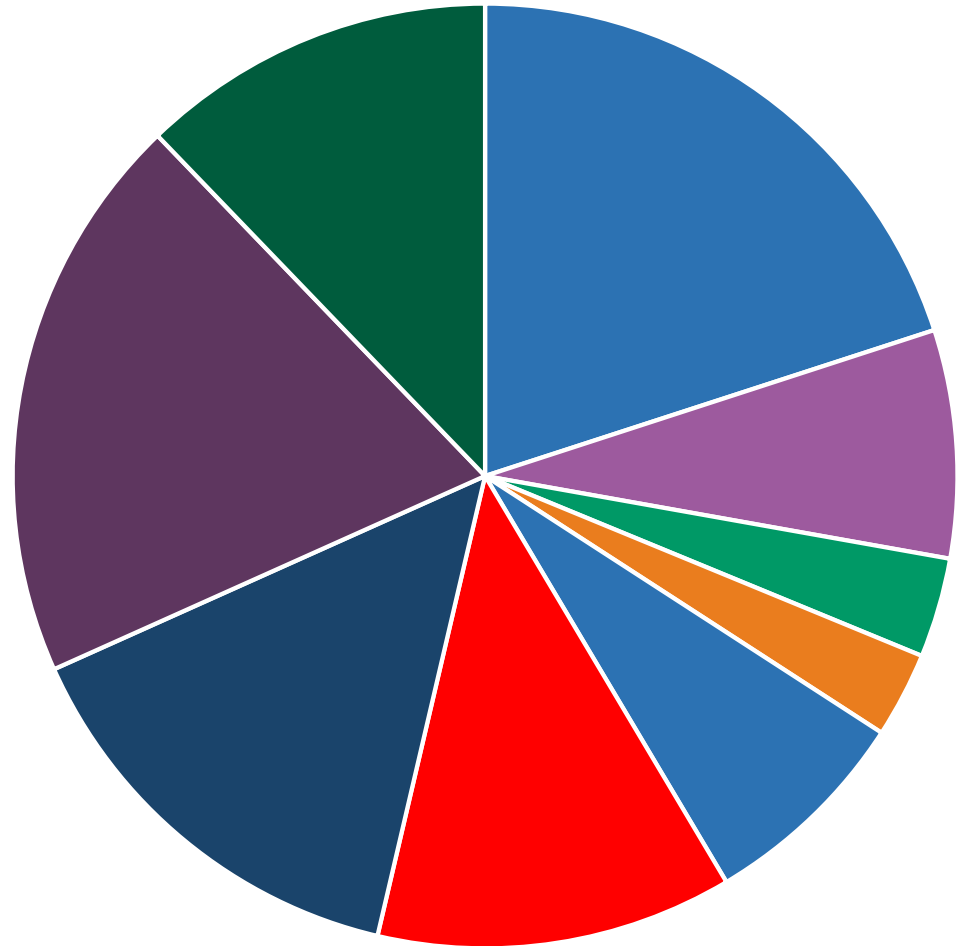
1. Employment
2. Education
3. Relationships bridging social capital
4. A vision for the future

Two are critical:

1. Relationships
2. Education

Personal resource pies are going to look a little different for each of us. Some pieces will be bigger, or smaller, or missing altogether. What matters is that you have sufficient resources to support the life you want.

*What are some of the slices in your pie?*



# Rural Strengths

- Independence
- Self-sufficiency
- Strong work ethic
- Community
- Pride in family and community
- Resilience
- Deep roots
- Multiple points of connection



# Rural Poverty and the Rural Middle Class: *Tools*

Rural Poverty	Middle Class
Raising and cooking your own food	Getting your kids into Little League, piano lessons or tutoring
Sharpening a chainsaw, cutting firewood, starting a fire	Setting the table properly
Hunting, butchering, and storing game	Ordering food in a nice restaurant
Living without a checking account	Maintaining a good credit rating; saving for the future
Making do, using up, or wearing out	Purchasing and preparing nutritious food
Getting by when you can't pay the bills	Opening a bank account or taking out a loan
Accessing and using SNAPs, free and reduced school lunch, and/or Medicaid	Engaging in the formal register and knowing how to behave in a professional environment
Getting by with one barely functioning car and three parts cars	Maintaining and using house, car, and life insurance appropriately
Trading for what you need when you don't have money	Organizing and managing a fund raiser

*What else?*

# Hidden Rules

Item	Poverty	Middle Class
<b>Money</b>	To be used and spent	To be managed
<b>Personality</b>	Sense of humor highly valued	Achievement highly valued
<b>Social Emphasis</b>	Social inclusion	Self-governance and self-reliance
<b>Food: Key Question</b>	Did you have enough? (Quantity)	Did you like it? (Quality)
<b>Time</b>	Present. Important decisions are based on feelings or survival	Future. Decisions are made against future ramifications.
<b>Education</b>	Valued in the abstract	Crucial for career and financial stability
<b>Language</b>	Casual register	Formal register

*Relationships are key for all of us, but they can serve as a survival strategy for people living in persistent crisis poverty.*

# Generational Versus Situational Rural Poverty

Factors in Generational Poverty	Factors in Situational Poverty
Entrenched and passed from parents to children over for two generations or more	Caused by sudden change in circumstances (e.g., job loss or medical expenses)
Children are taught little about finance; families are often crushed by high-interest credit	Considered temporary: situational poverty can be resolved once the triggering event has been addressed
Living hand-to-mouth	Planning for the future
Surviving day-to-day is key; education can be spotty	Education is key; survival is assured
Multi-generational households	Single-family households
Acceptance of “fate” and resignation about the future	Hope for the future
Influenced by factors including lack of access to quality education, systemic barriers, and limited social mobility	Children learn about systems, finance, and budgeting implicitly and explicitly

# Pathways Out of Rural Poverty



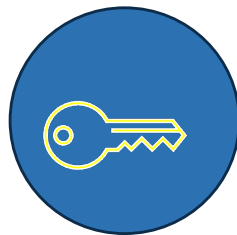


# Systems Approaches to Reducing Rural Poverty



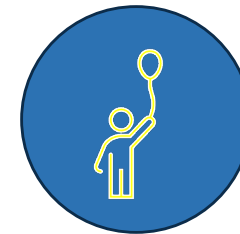
## Create Jobs

Living wage jobs reduce un- and under-employment in rural areas. Creating jobs based on transferrable skills is key.



## Increase Access

Reduce barriers and increase self-sufficiency. Increase access to credit, services, housing, and financial literacy.



## Focus on Families

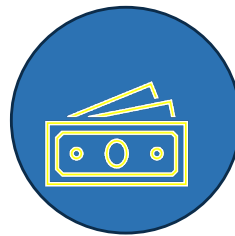
Reduce child poverty through such devices as SNAP, the Earned Income Tax Credit, the Child and Dependent Care Tax Credit, and universal child allowances

# Systems Approaches to Reducing Rural Poverty



## Housing

Fund public housing. Families are desperate for affordable, safe, stable housing, but public housing has been underfunded for decades



## Raise the minimum wage

Revisit minimum wage standards. Allow minimum wage standards to be set through collective bargaining, or by central government.



## Empower workers

Revisit labor laws with the recognition that they must be inclusive, antiracist, and empowering for all workers. Make organizing easy.

# More Solutions

- Ensure accessible, affordable healthcare by funding rural hospitals
- Promote excellent education for all
- Make higher education affordable for all
- Promote and fund blue-collar education
- Make child-care affordable and accessible for all young families – or offer subsidies for mothers who choose to stay home
- End food deserts in rural areas
- ***What else?***



# Discussion



# For Further Reading

- Desmond, Matthew (2023). Poverty, By America. Crown, a division of Penguin Random House LLC, New York. [Poverty, by America - Kindle edition by Desmond, Matthew. Politics & Social Sciences Kindle eBooks @ Amazon.com.](#)
- Edin, Kathryn J., Shaefer, H. Luke, Nelson, Timothy J. (2023). The Injustice of Place: Uncovering the Legacy of Poverty in America. [The Injustice of Place: Uncovering the Legacy of Poverty in America: Edin, Kathryn J., Shaefer, H. Luke, Nelson, Timothy J.: 9780063239494: Amazon.com: Books](#)
- Edin, Kathryn and Shaefer, H. Luke (2016). \$2.00 a Day: Living on Almost Nothing in America. [Amazon.com: \\$2.00 a Day: Living on Almost Nothing in America: 9780544811959: Edin, Kathryn, H. Luke Shaefer: Books](#)
- Ohio Department of Development's Office of Research (2020). [THE OHIO POVERTY REPORT](#)
- Payne, Ruby K. (1996). [A Framework for Understanding Poverty 4th Edition: Ruby K. Payne: 9781929229482: Amazon.com: Books.](#)

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