Income and Poverty Trends Across Iowa 2000-2014

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Great Inequality U-Turn …

Economic Change …

- 1970s Postwar Boom
- 1980s Farm and Manufacturing Crises
- 1990s Free Trade Expansion
- 2000s Great Recession

Small towns and rural areas have not been immune from these trends.
Also helps state spending, but mostly local govt.
SAIPE is model-based estimates from admin and Census data. Some MOE. Income does not include wealth/property. Does not deduct taxes. Poverty is USDA basic food needs, not a self-sufficient income.
Beware – rural has a specific definition of under 2,500 town or countryside.
INCOME TRENDS

As a statistical average...

...Americans' incomes are growing again!
Iowa relatively insulated from effects of Great Recession.
Most Iowa incomes at or above national levels …
- Suburban incomes far above U.S. and Iowa levels (~$65k).
- Metro core incomes near U.S. levels (~$55k).
- Rural incomes below U.S. and Iowa levels, but catching up (~$52k).
- Micro incomes are low and falling (~$48k).

Relatively recession-proof …
2001 Recession …
Modest drops across IA.
2008-09 Recession …
Hit core metros.
No micro/rural impact.
Growth for suburbs.
INCOME TRENDS

Thriving suburbs and countryside …

- Suburbs have steadily gained income since 2000. Recent leveling. (urban sprawl)
  (10.6% 2000-14, 2.9% 2008-14, -0.6% 2013-14)
- Rural at or above 2000 levels since 2007. Fast gains since 2012. (farm economy)
  (4.6% 2000-14, 3.4% 2008-14, 0.2% 2013-14)
- 2001 recession had major impact in suburbs and rural.
- 2008 recession had little effect … suburbs gained, rural small losses.
INCOME TRENDS

**Recovering metros …**
  (-2.4% 2000-14, -0.5% 2008-14, 3.5% 2013-14)
- 2008 recession had big impact, slow recovery. Trends U.S. change.

**Withering micros …**
- Same trend as metro, except income loss in 2014. (-4.1% 2000-14, -2.1% 2008-14, -1.0% 2013-14)
- Recession lingers.
Rural incomes growing even in remote rural places, especially in 2010-14 period.
High income areas …

**Metro**
- Economic, political, and cultural urban centers (Linn, Polk, Johnson).
- Suburbs adjacent to core metros (Dallas, Warren).

**Micro**
- Natural amenity areas from retirees & recreation (Dickinson).
- Metro adjacency (Boone, Jackson).
- Minority manufacturing towns with full empl. (Muscatine).

**Rural**
- North & central Iowa due to improved farms & socioeconomics.

Metro - $62,700 Linn (Cedar Rapids), $61,030 Polk (Des Moines), $59,950 Johnson (Iowa City)

Suburban - $79,170 Dallas (Des Moines), $67,340 Warren (DSM-Indianola)

Micro - $56,550 Dickinson (Spirit Lake), $54,440 Muscatine, $54,190 Boone

Rural - $62,750 Plymouth (Le Mars), $61,750 Lyon (Rock Rapids), $61,400 Cedar (Tipton)
Low income areas …

- Smaller metros experiencing long-term industrial decline (Woodbury, Pottawattamie).
- Exurbs with high commute times & more retirees (Guthrie).
- Struggling micros with minorities & manufacturing (Wapello, Lee, Webster, Des Moines, Mahaska).
- Rural southern tier due to history, limited farming, socioeconomic, and colleges.

Metro - $45,640 Woodbury (Sioux City)

Suburban - $49,510 Guthrie (DSM)

Micro - $41,100 Jefferson (Fairfield), $42,400 Wapello (Ottumwa)

Rural - $36,740 Decatur (Leon), $40,400 Appanoose (Centerville)
Metro - Linn (Cedar Rapids), Dubuque and Black Hawk (Waterloo) gained over 3%.

Suburban - Madison (DSM-Winterset) and Dallas (DSM) gained over 5%.

Micro - Clay (Spencer) and Buena Vista (Storm Lake) gained over 5%.

Rural - Adams, Lyon, Hancock, Palo Alto (Emmetsburg), O’Brien and Ida gained over 10%.
Areas lagging from the recession …

- Exurbs with retirees and commuters. Recession hit development and portfolios. (Guthrie)
- Southeast micros due to lagging industrial sector, corrections, & colleges. (Lee, Muscatine, Jefferson)
- Rural southeast has remained stable, but income growth needed.

Metro - Woodbury (Sioux City), Pottawattamie (Council Bluffs) and Story (Ames) lost over -4%.

Suburban - Guthrie (DSM) and Grundy (WCF) lost over -4%.

Micro - Jefferson (Fairfield) lost over -12%.

Rural - Monroe (Albia) and Humboldt lost over -7%.
POVERTY TRENDS
WHAT DO YOU KNOW?

What areas in Iowa have the highest poverty rates?
*Metro-Core, Metro-Suburban, Micropolitan, or Rural?*

Is Iowa poverty higher or lower than the national rate?

<table>
<thead>
<tr>
<th>Area</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>15.5%</td>
</tr>
<tr>
<td>Micropolitan</td>
<td>13.4%</td>
</tr>
<tr>
<td>Metro-Core</td>
<td>13.2%</td>
</tr>
<tr>
<td>Rural</td>
<td>11.4%</td>
</tr>
<tr>
<td>Metro-Suburban</td>
<td>8.1%</td>
</tr>
</tbody>
</table>
Iowa is a low poverty state …

- Trends U.S. rates, but are 3-8% lower
- Suburban poverty far lower than U.S. and Iowa levels (~8%).
- Rural poverty below average and falling (~11%).
- Metro/micro poverty above Iowa rates, but still below U.S. (~13%).

Recession impacts …

2001 Recession …
Modest gains in metro, micro & rural.

2008-09 Recession …
Small recession gains.
Large post-recession gains in metro & micro.

US rate 15.5%.
Metro poverty gain during recession.
Micro poverty gain after recession.
POVERTY TRENDS

Metro poverty problem …
• Growing much faster than U.S. rates. Recent downward trend. Major issue in IA. (5.2p 2000-14, 1.3p 2008-14, -0.6p 2013-14)
• Steep rise in poverty during and after 2008 recession.

Micros mirror the nation …
• Poverty trend similar to U.S., except 2007-2009. (-4.2p 2000-14, 0.9p 2008-14, -0.1p 2013-14)
• Post-recession spike in poverty similar to U.S.
POVERTY TRENDS

Rural poverty turn-around …
  (2.7p 2000-14, 0.4p 2008-14, -0.2p 2013-14)
• Small rise in poverty during 2008 recession, then plateaued.

Security in the suburbs …
• Very little gain in poverty. Far better than IA & U.S. (-1.7p 2000-14, 0.1p 2008-14,
  0.3p 2013-14)
• Recession barely moved poverty.
POVERTY TRENDS

In rural areas …
• Slower poverty growth vs. metro/micro.
• Rural Non-Adj areas have high rates but slow growth.

For all areas …
• Poverty gains largest in 2000-04 period, especially for metro/micro.
Metro - 19.5% Story (Ames), 15.9% Johnson (Iowa City), 15.2% Woodbury (Sioux City)

Suburban - 12.4% Guthrie (DSM)

Micro - 17.7% Lee (Ft. Madison/Keokuk), 16.9% Jefferson (Fairfield), 16.7% Wapello (Ottumwa), 16.3% Webster (Ft. Dodge), 15.7% Des Moines (Burlington), 15.4% Davis (Ottumwa-Bloomfield)

Rural - 21.3% Decatur (Leon), 19.3% Montgomery (Red Oak), 17.5% Appanoose (Centerville), 16.7% Wayne (Corydon), 16.6% Ringgold (Mt Ayr), 16.0% Lucas (Chariton)
Metro - 9.3% Linn (Cedar Rapids)

Suburban - 6.2% Dallas (DSM), 6.3% Warren (DSM-Indianola), 6.7% Grundy (WCF)

Micro - 7.4% Dickinson (Spirit Lake)

Rural - <8% Cedar & Iowa (Iowa City), <8% Lyon, Plymouth, Sioux (NW)
Metro - Polk (DSM) gained over 3 pts.

Suburban - Guthrie (DSM) also gained 3 pts. Outlier.

Micro - Lee (Ft.Madison/Keokuk), Webster (Ft.Dodge) & Jefferson (Fairfield) posted 3 pt. gains.

Rural - Montgomery (Red Oak) gained 5 pts. Clarke (Osceola) & Marion (Knoxville/Pella) 3 pts.
Metro - Black Hawk (Waterloo) poverty drop. Linn (Cedar Rapids) & Johnson (Iowa City) had no change.


Micro - Poverty fell in Cerro Gordo (Mason City), Dickinson (Spirit Lake) & Muscatine. No change in Mahaska (Oskaloosa), Buena Vista (Storm Lake) & Marshall (Marshalltown).

Rural - Poverty fell in south Iowa (Monroe, Taylor, Union) and north Iowa (Kossuth, Emmet, Winneshiek). Many saw drops or no change in poverty.
POLICY IMPLICATIONS

The minority report ...
• Minority populations linked with high-poverty/low-income. Most are Hispanics or immigrants. (African Amer. popl. concentrated in only a few counties)
• Demographic will grow in the future ... Especially for micro/metro.
• Limited skills, extended families, and limited English ability.
• Local programs needed to address issues. Must be cultural and language specific.

Two heads are better than one ...
• Single-headed families linked with high-poverty/low-income.
• Economic hardship of providing and caring for children.
• Local programs to focus on child care, parenting, and work-life balance.
• Issue difficult to address because of limited resources, variable infrastructure, and social values.
POLICY IMPLICATIONS

Education pays ...
- High school drop-outs linked with high-poverty/low-income.
- Necessary credential for employment and skills training.
- Local programs to support *alternative and adult* K-12 education.
- HS+2 programs especially effective. *But how to keep them from leaving?*

Quality and not quantity ...
- Middle-skill jobs linked to low-poverty/high-income. Jobs in manufacturing, transport, communications, utilities.
- More skills, higher wages/benefits. Accessible to low-mid income people.
- Rural and micro areas have competitive advantage. Should be focus of state and local economic development.
- Avoid jobs in retail, entertainment, dining/drinking & tourism. Lower skilled, poorer wages, fewer benefits.
  - What about agriculture?
QUESTIONS AND COMMENTS

Questions or comments?

Thank You

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Presentation and county data available at
www.soc.iastate.edu/smalltowns
INCOME TRENDS since 2000 BOOM

Metro ...
- Johnson (Iowa City) gained 6.6%.
- Woodbury (Sioux City) lost -12.3%.

Suburban ...
- Dallas (DSM), Bremer (WCF-Waveland) and Grundy (WCF) gained over 10%.
- Guthrie (Iowa) lost -1.2%.
INCOME TRENDS since 2000 BOOM

Micro …
- Buena Vista (Storm Lake) gained 6.1%.
- Davis (Otto and Clear Lake), and Dickinson (Spirit Lake) about 5%.
- Jefferson (Fairfield) and Des Moines (Burlington) lost over -10%.

Rural …
- Adams (Cuming) and Lyon (Rock Rapids) gained over 20%.
- Montgomery (Red Oak), Louisa (Wapello-Columbus-JC), Monroe (Albia), and Henry (Mt. Pleasant) all lost over -5%.
POVERTY TRENDS since 2000 BOOM

Metro …
- Story (Ames), Johnson (Iowa City), Polk (DSM) & Woodbury (SXC) saw 6 pt. gains or more.
- Linn (Cedar Rapids) & Scott (Davenport) has slower gains (~3 pts).

Suburban …
- Gained no more than 3 pts. Slowest gains around DSM and WCF metros.
POVERTY TRENDS since 2000 BOOM

Micro …
• Lee (Ia.Madison/Kossuth), Webster (Ia.Dodge), & Des Moines (Burlington) gained 5 pts. or more.
• Dickinson (Spirt Lake) had slowest gains (<1 pt).

Rural …
• Decatur (Ia.Lyon), Montgomery (Red Oak), & Henry (Mt.Pleasant) all had large gains >5 pts.
• Slowest gains Lyon, Kossuth, & Sac in north Iowa (<1 pt).