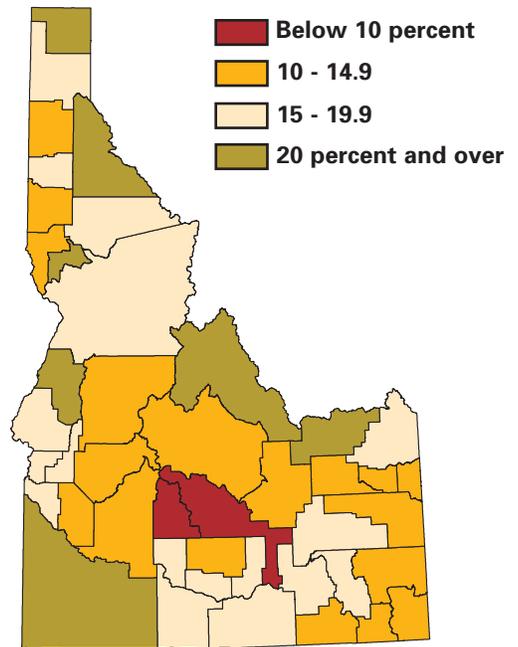


POVERTY

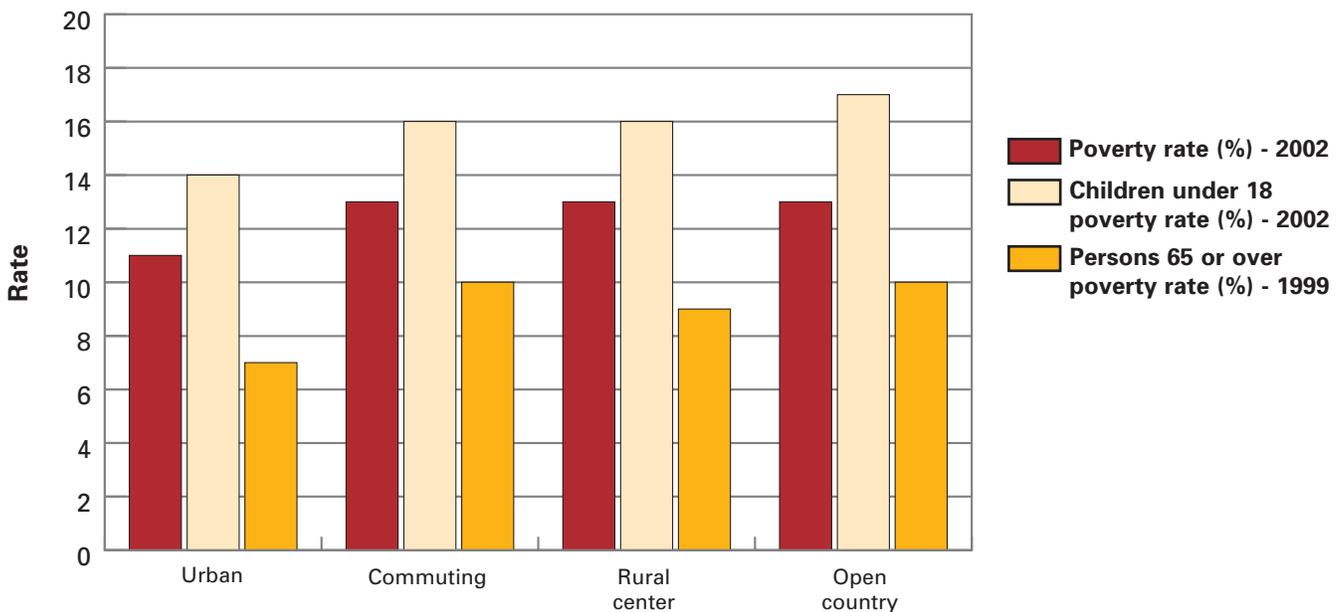
Though it has many flaws, the most commonly used measure of poverty is one that has been used by the federal government since the 1960s. It is called the “poverty rate” and is defined as the percentage of people who live in families with less than a certain threshold level of income. The level is adjusted by the Census Bureau every year and varies for different size families (though not for different geographic areas or differences in living costs). In 2002, the threshold level was \$18,392 for a family of four.

Nationwide, poverty rates fell during the economic expansion of the 1990s and have begun to edge upward again since the 2001 recession. Throughout this period and for several previous decades, rural poverty rates have been consistently higher than those in urban areas. Poverty rates among rural children have been especially high. Across the United States, about one in five rural children was living in poverty in 2002, compared to 16 percent of urban children.

Poverty rate for children under 18, 2002



Poverty rates, rural and urban Idaho, selected years



POVERTY

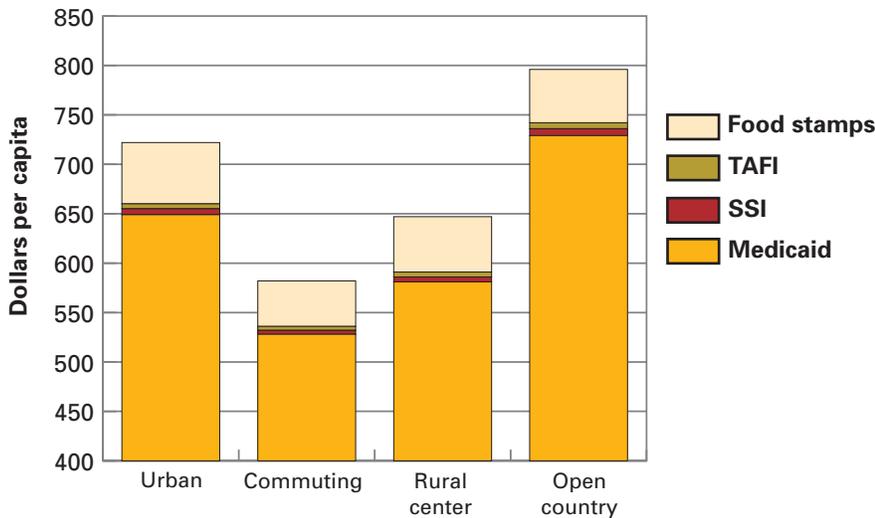
Poverty rates are generally higher in rural areas for several reasons. Rural adults tend to have less formal education and participate in the labor force in lower numbers. Jobs in rural areas also tend to pay lower wages.

Characteristics of poverty in Idaho are similar to those nationwide. In 2002, the overall rural poverty rate was roughly 2 percentage points higher than the rate in urban areas. On average, rural Idaho's children under 18 and adults 65 and older both experience higher rates of poverty than their urban counterparts. Similarly, rural Idaho's racial and ethnic minorities have higher poverty rates than those in urban areas. One in four rural American Indians and 27 percent of rural Hispanics had incomes below poverty in 1999.

The gap between rural and urban poverty in Idaho has narrowed slightly since 1980. Looking across rural Idaho, the most significant decline since 1980 has occurred in commuting counties, suggesting that economic ties with cities benefit low-income residents. In contrast, rates in the most rural counties have stayed relatively constant.

Poverty rates for adults 65 and older in Idaho have declined dramatically since 1980 in both rural and urban areas. Just under 10 percent of rural Idahoans in this age group were poor in 1999, compared to 7.4 percent in urban areas. In contrast, rates among both rural and urban children remained persistently high between 1980 and 2002, declining less than 1 percentage point in rural counties and increasing almost 2 percentage points in urban counties.

**Per capita assistance payments by type,
rural and urban Idaho, 2003**



One strategy for reducing poverty is through government-financed public assistance. On a per capita basis — total payments averaged over the entire population — Medicaid payments are the largest in Idaho followed by Food Stamps, Supplemental Security Income (SSI) and Temporary Assistance for Families (TAFI). Average payments are the lowest in commuting counties and highest in the open country.