



4. Poverty in Eastern Idaho—Overview of Rural Poverty, Stakeholders, and Policy Initiatives

4.1 Problem Definition

Poverty is most often discussed as an inner-city or metropolitan issue. Rural poverty is left out of many discussions, including policy initiatives, and so forgotten in terms of reduction measures. As compared to metropolitan areas, rural communities have higher poverty and unemployment, and lower life expectancy. They have lower educational attainment, employment skills, and vocational training. Rural people have limited access to health care, social services, public water systems, and modern telecommunication systems.¹ The problems facing the rural communities center on declining and eroding infrastructures, a limited and declining tax base, and a declining economic base and quality of life. The results are dwindling incomes, rising unemployment, and population exodus from rural areas.²

Although rural communities face problems on an ongoing basis, and unemployment rates remain high, the rural poor do not rely on public assistance to the extent that urban poor use such programs. Some of the reasons for the difference between rural and urban poor include a lack of information and access to services, fear of stigmatism, and reliance on informal employment as a means of earning money.³ The scarcity of jobs, goods, and services has caused an outward migration of rural populations to areas with more opportunities. As a result, rural communities are sparsely populated, have decreased tax bases, and their populations are severely impoverished.

The rural communities in Eastern Idaho face dwindling infrastructures and a population decline. Many communities suffer from low paying jobs, a decrease in opportunities provided by resource based economies, and difficulty in finding access to job training and educational programs. These have contributed to the story of poverty in Eastern Idaho. Studies reveal that children and single mothers remain among the largest populations in poverty in Eastern Idaho. The numbers also show that a large portion of those living in poverty are in the severely impoverished category, with incomes less than 50% of the federal poverty threshold. Current poverty literature indicates there are several factors contributing to this situation. First, adults who lack job skills remain at high risk for poverty, especially if they have child dependents.⁴ Since workers in their twenties and thirties are the main breadwinners in many families with children, the low wages earned by many unskilled individuals in this age category increase the risk that families with children will be in poverty.

Another factor is the rising percentage of young families with only one parent, which decreases the earning potential for the family. Furthermore, if the potential breadwinner is a single mother as head of household, she must divide her time between working and rearing

¹ Christenson, James A. and Cornelia Flora. *Rural Policies for the 1990's*. Westview Press, Boulder, Co, 1992.

² Miller, Juanita E. "Poverty Fact Sheet Series: Rural Poverty". Ohio State University, Columbus, Ohio.

³ Id

⁴ Danziger, Sheldon H. and Robert H. Haven, ed. *Understanding Poverty*. Russell Sage Foundation; New York: 2001. p 61.



children. This makes it difficult for single mothers to earn a living wage.⁵ In addition, a large percentage of single mothers, especially those who have never been married, usually have limited education and few labor skills. This contributes to the low hourly wage potential of many single mothers in the workforce, even if they work full-time.⁶

The lack of parental economic resources may be tied to children's opportunities and educational attainment. Much of the literature on poverty discusses the effect of poverty on children's futures. Due to the responsibility impoverished parents have of devoting all their resources to meet basic needs, little time, money, or energy is left to devote to improving their own or their children's education and skills.⁷ Further analysis emphasized how economic and demographic factors contribute to the transmission of poverty across generations. Still others attribute factors such as the loss of "family values," the decline of the nuclear family, illegitimacy, teen birth rates, and increased numbers of single mothers as reasons children are more likely to live in poverty. Lawrence Mead claimed that an actual "welfare culture" develops among individuals who use welfare heavily and work rarely, which leads to self-defeating work attitudes and poor work ethics that are passed on to children.⁸ Research has further proven that poverty is a definite factor in a child's educational attainment and success, development of job and social skills, good health, and cognitive development.

Research shows that family income and child development are closely related. Poverty can impede children's cognitive development and their ability to learn. It can contribute to behavioral, social, and emotional problems. The risks posed by poverty appear to be greatest among children who experience poverty when they are young and among children who experience persistent and deep poverty. The negative effects of poverty are also associated with difficulties later in life such as teenage childbearing, dropping out of high school, poor adolescent and adult health, and poor employment outcomes.⁹

4.2 The Changing Economy of Eastern Idaho

Prior to the 1980s, much of the economy within Eastern Idaho revolved around blue collar industries such as railroads, trucking, mining, and manufacturing. Trucking was a large employer in the region until the mid 1980s, when the industry was deregulated. This opened access to trucking routes and altered the geography of the industry. Competition increased and new hubs were stationed outside of Eastern Idaho, drawing away a large portion of the trucking industry.

⁵ Id. p 60

⁶ Id

⁷ Id. p. 141

⁸ Mead, Lawrence M. Beyond Entitlement: the Social Obligations of Citizenship. Free Press; New York: 1986.

⁹ Cauthen, N.K. "Policies that Improve Family Income Matter for Children". National Center for Children In Poverty, April 2002. p. 1-8.



The railroad industry was also deregulated in the 1980s. Places like Pocatello, with large numbers of railroad workers, faced uncertainty due to lower wages and the elimination of jobs. The situation was further complicated by the merger between Union Pacific and Southern Pacific Railways. Mining and manufacturing also faced economic hardship during this period. Large mines (such as the Gay Mine in Bingham County) began to close throughout Eastern Idaho. In addition, several major manufacturers that employed large numbers of people experienced downturns that led to layoffs of thousands of people. Bucyrus Erie, a large manufacturer of mining equipment that opened in the 1970s, closed its doors in the mid 1980s, leaving over 1,000 workers out of jobs. Other layoffs were common throughout this time period in many blue-collar industries, causing a shift in the economic structure of the region.¹⁰

According to Paul Zelus, Director of the Center for Business Research and Service, Eastern Idaho's economic niche is not singular, it is plural. Communities within Eastern Idaho each have a unique and distinct economic environment, depending on the area. Eastern Idaho includes three different trade centers each with its own area of specialization that sets it apart from the other centers. The economies in Pocatello and Idaho Falls, for example, are genuinely different. Each trade center is different from the other in the predominant industry and the major strengths. The major trade centers of Eastern Idaho are Idaho Falls, Pocatello, and the Logan trade area.¹¹

Eastern Idaho Trade Centers

- The Idaho Falls Retail/Trade Area includes an area of about 4,000 square miles, with a resident population of approximately 180,000.
- The Pocatello Retail/Trade Area includes an area of about 4,000 square miles, with a resident population of approximately 110,000.
- The Logan Retail/Trade Area is part of a much larger Ogden-Salt Lake City-Provo urban corridor, known as the Wasatch front. Major retail leakage flows from rural southeastern Idaho to this area.

Because of the diverse regional economy, it is difficult to strategize about economic development in the region. More often, decisions are based on an assessment of the needs and assets of specific communities.¹²

The Eastern Idaho Technology Corridor is one of only two examples of a genuine corridor that spans Eastern Idaho.¹³ The corridor reaches from Rexburg to Pocatello, and provides an environment for technology-based companies to flourish. Eastern Idaho continues to grow in its reputation as a technology leader by providing services that are based on the

¹⁰Allen, S. "Notes and comments regarding the economy of Eastern Idaho from Shelley Allen". Department of Labor, Idaho. September 2003.

¹¹Zelus, P. "Notes and comments regarding the economy of Eastern Idaho". Eastern Idaho Economic Development Council, Idaho. September 2003.

¹²Id

¹³Id



development and application of technology in a wide variety of fields.¹⁴ Idaho Falls has become a leading area within the corridor by having the largest numbers of technical professionals in the northern Rocky Mountains. The vast desert area of Eastern Idaho provides an ideal location for the Idaho National Laboratory, employing engineers, chemists, physicists and other scientists. The need for technical expertise has spawned the growth of numerous technology-related companies in the area. The Department of Energy recently announced that the laboratory would become the nation's premier nuclear laboratory.

TechConnect East was recently announced as a project that will serve the area as a regional science and technology office.¹⁵ According to Idaho Governor Dirk Kempthorne, TechConnect East will serve as a valuable asset because, "Idaho is gaining a national reputation as a technology state. Science and technology is an \$11 billion industry and accounts for nearly 30 percent of state's economy. This office will build on that and create new jobs and businesses for eastern Idaho." In 2001, construction began on the Eastern Idaho Science and Technology Center in order to provide workspace for educational programs, specialized research and further development in the fields of science and technology.¹⁶ According to Governor Kempthorne, the \$5 million project will serve as an "anchor" for the technology corridor.

Technological Expertise in Eastern Idaho

- Information Security
- Subsurface Technology
- Environmental Remediation
- Integrated Circuit Design and Manufacture
- Radiation Sciences
- Particle Acceleration

In 2001, a Science and Technology plan was created through the Science and Technology Advisory Council. Many believe the plan positions Idaho, specifically Eastern Idaho, to be a leader in the technology expansion. The plan links schools, industries, and state agencies in order to improve the economy and enhance competitiveness. The Council includes representatives from engineering, education, business, and technology. The strategy is to transfer technology to the private sector and increase business opportunities for a technically skilled workforce. The plan also calls for improvements in math and science education for

¹⁴ "A growth medium for technology-based enterprise" (2002) Retrieved September 2003, from <http://www.eastidaho.org/tech/index.html>

¹⁵ "Kempthorne announces regional tech center in Pocatello". News Release, June 27, 2002. Governor of the State of Idaho, Dirk Kempthorne.

¹⁶ Id



grades K through 12, including doubling the number of science and technology graduates. It also encourages Idahoans working in technical fields in other places to return to Idaho.¹⁷

It is important to get away from the idea that we have a single economy in Eastern Idaho.

Paul Zelus, Director, Center for Business Research and Service

In addition to technology, agriculture comprises a large portion of the Eastern Idaho economy. Although it does so, only 5.3% of the total labor force for Eastern Idaho in 2002 was in agriculture, compared to over 13% in the late 1960s. New trade and industry have replaced many of the previous farm and agriculture positions. Service, wholesale trade, and technology are three areas that have significantly increased in the last thirty years to provide a more diverse regional economic base. Eastern Idaho relies on a number of crops to sustain its strong agricultural presence. Potatoes are considered one of the most vital crops of the Eastern Idaho economy.



Famous Potatoes

In 1998, Eastern Idaho produced nearly 80,000,000 pounds of potatoes. Bingham County is the state's largest producer of potatoes, producing almost as many potatoes as the entire state of Maine. Potatoes make up 32.8% of Eastern Idaho's economy, as compared to only 6.8% of Southwest Idaho's economy. Potatoes contribute \$2.5 billion, or 15 percent, of Idaho's gross state product.¹⁸

Wheat and barley, along with alfalfa hay, also contribute to Eastern Idaho's crop production. Idaho barley production was the second highest in the nation in 2002; alfalfa was third, and wheat sixth. Loose volcanic soil and an abundance of water make the dry and warm climate ideal for these type of crops.¹⁸ "Value added agriculture" adds another critical dimension to the Eastern Idaho economy by shipping goods directly to local processing plants.¹⁹ The Budweiser and Corona companies have local processing plants that process a large amount of local malt and barley for beer. Potato processing plants process potatoes for chips, French fries, and other potato products for some of the largest fast food chains and restaurants in

¹⁷ "Science and Technology Plan Positions Idaho as a Leader in the New Economy. State of Idaho: Department of Commerce". (2001) Retrieved September 2003 from <http://www.idoc.state.id.us/news/action.lasso?-database=PressRelease&-layout=web>

¹⁸ Idaho Agricultural Statistics Service. (2002) Agriculture in Idaho, Annual Bulletin Archive. Retrieved September 2003 from <http://www.agri.state.id.us>

¹⁹ Hertz, C. "Notes and comments regarding the economy of eastern Idaho". Eastern Idaho Economic Development Council, Idaho. September 2003.



America and around the world. According to Chris Hertz of the Eastern Idaho Development Council, value added agriculture is one of the important economic niches of Eastern Idaho.²⁰ Tourism is also important to the Eastern Idaho economy, although the type of tourism in Eastern Idaho is different from traditional tourism. Traditional, or Destination, tourism is centered on the destination or the one place to spend a vacation. Non-destination tourism areas are adjacent to vacation areas and benefit from tourists “traveling through” on their way to the destination areas. Eastern Idaho typically falls into the latter category of non-destination tourism.²¹ Two examples of non-destination tourism areas are the towns of Ashton and Driggs, which are adjacent to large destination stops: Driggs benefits from tourists on their way to Jackson Hole, Wyoming; and Ashton benefits from tourists on their way to Yellowstone National Park. Each of these communities promotes tourism by offering lodging, recreational opportunities, local or natural attractions, restaurants, gift shops, and other services. Yet while tourism may be important in Ashton and Driggs, it is not creating a boom economy. According to the Idaho Department of Commerce, the largest segment of tourism (47%) falls into the category of “visiting friends and family.”²²

The Negative Consequence of Tourism: A Case Study of Driggs

Although tourism has positive economic benefits for many local businesses, there are some negative consequences as well. One example is the non-destination town of Driggs, located in Teton County about 35 miles from Jackson Hole, Wyoming. Driggs experiences a “spillover” effect from Jackson Hole, a premier tourist destination. The cost of living for the entire surrounding area has increased exponentially over the past ten years. In order to get away from high property prices many people have located in Driggs. The influx of people and high demand for property has driven up the price of property and the general cost of living in Driggs. According to Driggs Mayor Louis Christensen, the influx of people from Jackson Hole has changed the local economy away from being agriculturally driven, which used to account for 80 to 90 percent of the economy in Teton County. Currently agriculture accounts for only 45 percent of the economy. The increase in population has driven property prices up in Driggs as well and increased the cost of living to an extent that many people can no longer afford to live in the area. Many people are faced with the difficult decision of leaving the area since pay scales have not kept up with the increased cost of living. For examples, the Mayor notes that many of the people working in city hall are paid slightly over eight dollars an hour with benefits. This is not a living wage for the area.²³

²⁰ Id

²¹ Zelus, P. “Notes and comments regarding the economy of eastern Idaho”. Eastern Idaho Economic Development Council, Idaho. September 2003.

²² “Eastern Idaho” Retrieved September, 2003 from <http://www.insiders.com/yellowstone/main-overview5.htm>

²³ The Northwest Income Gap Study.



4.3 The Global Economy and Eastern Idaho

The global economy with relation to Eastern Idaho has been described as a “chill wind”.²⁴ Zelus explains that the global economy has had a chilling effect on the economy of Eastern Idaho. The potential for global change causes businesses to become uneasy, which may lead to a stagnation of growth. Markets are increasingly driven by supply produced outside of Idaho. Potato buyers, for example, look for places to buy potatoes at a more competitive price rather than from Idaho farmers. According to Zelus, the supply side is the “wild card” in agriculture for Idaho, meaning that the future is less determined by the demand side as it is by the supply side.²⁵ Chris Hertz, of the Eastern Idaho Economic Development Council, reports that Eastern Idaho generally feels the effects of the global economy.²⁶ The Labor Force and Employment Statistics for Idaho indicate that for 2002 the global and national economic slowdown had a direct impact on Eastern Idaho.

As the national and global economic slowdown occurred, many local and regional businesses reduced staff or even closed. Losses from jobs at American Microsystems, Astaris, Monroc, Suprema Cheese, Union Pacific Railroad, J.R. Simplot Co., and Agrium, eliminated more than 1,000 jobs in Eastern Idaho in 2002. Two series of state budget holdbacks eliminated jobs in state government, and the combined reductions increased Eastern Idaho’s annual average unemployment rate from 4.8 percent in 2001 to 5.3 percent in 2002.²⁷ Other industries were significantly affected by global and national events in the same time period. The terrorist attacks on the World Trade Center of 2001 significantly reduced travel and tourism in the region, which has yet to fully recover. Also, manufacturing lost 170 jobs in 2002, mostly because of reductions at American Microsystems Inc. in Pocatello; this loss can be directly related to national and global economic conditions.

Economic Outlook

The outlook for Idaho’s economy has improved since the last *Forecast* was published in January 2002. In the current *Forecast*, Idaho nonfarm employment is forecast to rise 0.7% this year and 1.7% next year. The real personal income estimates show a similar pattern. The Idaho economy is positioning itself for stronger growth down the road; however, a return to the growth rates of the 1990s is not likely.

4.4 Stakeholders’ Summary

Stakeholders throughout Eastern Idaho are faced with many of the effects of poverty. Their contributions to both individual and community interests are vital in building coalitions and opening the process to allow many voices to be considered in planning efforts. A stakeholder analysis is necessary to understand and recognize the differences in values, interests, and

²⁴ Zelus, P. “Notes and comments regarding the economy of eastern Idaho”. Eastern Idaho Economic Development Council. September 2003.

²⁵ Id

²⁶ Hertz, C. “Notes and comments regarding the economy of eastern Idaho. Eastern Idaho Economic Development Council, Idaho”. September 2003.

²⁷ Allen, S. “Southeast Idaho: Labor force and employment”. Idaho Employment, Idaho Department of Labor, September 2003.



perceptions. As McBeth and Clemons said, “It is the act of determining the “who,” detailing what they value and want and how salient this issue is to them, evaluating the resources they can bring to bear effectively on both the adoption and implementation of policy, and strategizing about how to get them on board.”²⁸ The Stakeholder Analysis is divided into two sections: General—to reflect the role of regional stakeholders; and Specific—to reflect individual stakeholders currently working within the scope of the project. Table 4-1 is an analysis of regional stakeholders.²⁹

| Stakeholder | Individual Concerns | Community Concerns | Influence/ Contributions |
|------------------------|---|---|---|
| Individuals in Poverty | <ul style="list-style-type: none"> • Meeting basic needs: housing, food, health care, child care. • Finding adequate, long-term employment. • Access to services and assistance. • Self-sufficiency and personal empowerment. | <ul style="list-style-type: none"> • Developing social networks that will enrich social contributions. • Finding training and educational opportunities. • Economic development of living wage jobs • More stable infrastructure. | <ul style="list-style-type: none"> • Currently individuals in poverty have high interest in poverty reduction measures but often have a low influence in the development of programs. |
| Hispanic Community | <ul style="list-style-type: none"> • Low wages and decreased access to health care and income assistance for non-citizens. • Multiple barriers to employment. • Less education and less access to training. • Skill building and job training priority in moving to higher wage jobs. | <ul style="list-style-type: none"> • Welfare and government assistance less accessible because of new welfare-reform measures. • Barriers due to language and cultural differences for minorities in Eastern Idaho. | <ul style="list-style-type: none"> • The Hispanic community in Eastern Idaho has a high interest in poverty measures yet their influence in social policy is among the lowest. • Culture and language barriers make it more difficult to remain active in community development. • Most Hispanics have a high work ethic and many skills to contribute to entrepreneurial initiatives. |
| Native Americans | <ul style="list-style-type: none"> • High rates of poverty for Native Americans in Eastern Idaho. • Finding higher wage jobs and long term employment opportunities. • Multiple barriers to | <ul style="list-style-type: none"> • Need for an increase in diversity training in communities surrounding the Fort Hall Indian Reservation. • Many disadvantaged Native American | <ul style="list-style-type: none"> • The Shoshone Bannock tribes have a high interest in issues of poverty, but often face barriers that prevent their ability to influence systems change. • Contributions include a |

²⁸ Clemons, R. and McBeth, M.

²⁹ A list of specific stakeholders can be found in Appendix A.



Table 4-1 Regional Stakeholder Analysis

| Stakeholder | Individual Concerns | Community Concerns | Influence/ Contributions |
|-------------------------|---|---|---|
| | <p>employment including discrimination and cultural differences.</p> <ul style="list-style-type: none"> • Vocational training and access to education. • Access to services and assistance from federal programs. | <p>families living in poverty.</p> <ul style="list-style-type: none"> • Need for building coalitions between Fort Hall and surrounding communities to find joint ventures benefiting individuals of both cultures. | <p>strong leadership base important in community building and economic development.</p> |
| African Americans | <ul style="list-style-type: none"> • Small numbers of African-American residents in the community. • Low wages and decreased access to health care. • Multiple barriers to employment and the socio-political life of communities. • Higher wage jobs and long term employment opportunities. • Youth leaving communities because of cultural homogeneity. | <ul style="list-style-type: none"> • Need for an increase in diversity training in communities in Eastern Idaho. • Welfare and government assistance less accessible because of new welfare-reform measures. • Growing gap within the community between haves and have-nots. | <ul style="list-style-type: none"> • The African-American community in Eastern Idaho is among the smallest in the region. Yet, it has a high interest in poverty measures. • Influence in social policy is mixed; some members occupy significant and high profile positions in many of the communities in which they reside. • Cultural barriers within and outside of the community make it difficult to be active in community development. • Many African-Americans have high work ethics and skills that can be mobilized to reduce poverty. |
| Social Service Agencies | <ul style="list-style-type: none"> • Social service agencies' individual goals incorporate their responsibility to implement public policy measures including: welfare reform measures and assistance programs. • They are accountable to both elected officials who pass policy measures and to the | <ul style="list-style-type: none"> • Ensuring accessibility to services for individuals and citizens in their jurisdiction. • The actions and policies of other agencies and organizations that affect their mission and are crucial to their ability to fulfill agency objectives. • Social Service | <ul style="list-style-type: none"> • Social service agencies are in a unique position to enjoy both high interest and high influence in the area of poverty issues. This allows them to be intimately involved in policy objectives, local initiatives, and long-term planning strategies that will address poverty reduction measures. • Their contributions may |



Table 4-1 Regional Stakeholder Analysis

| Stakeholder | Individual Concerns | Community Concerns | Influence/ Contributions |
|--------------------------|--|---|---|
| | <p>citizens they serve.</p> <ul style="list-style-type: none"> • They must be aware of the needs and issues in the community. • They contribute to policy decisions and have discretion to implement those decisions. | <p>agencies are often involved with non-profit organizations and businesses in ensuing community development projects.</p> | <p>include a variety of resources available to poverty issues such as personnel, expertise, office space, poverty data, access to individuals with needs and wants, federal and/or state funding, access to elected officials, and understanding of public policy.</p> |
| Local Business Community | <ul style="list-style-type: none"> • Local businesses are often concerned with their own individual goals to minimize costs in order to maximize profits. • They are concerned with finding a skilled, dedicated workforce at an affordable price. • Businesses continue to look for opportunities for growth and their decisions are most often directed by the market and not by individual needs in their community. • They are concerned with providing goods and services that will compete on the market and are not interested in market failures that are non-exclusive to the population. | <ul style="list-style-type: none"> • Responsibility to shareholders and less often to the community at large. • The business community depends on a stable infrastructure and relies on economic development in the communities in which they operate. • Economic issues such as use of land issues, zoning, and environmental impact of land use and development. • Businesses do not want to see out-migration of the population. | <ul style="list-style-type: none"> • The business community creates a unique dynamic; they have a relatively low-interest in specific poverty issues but a high interest in economic development. Their influence, depending on business size, is often high. This dynamic makes the business community a key stakeholder in poverty reduction measures because economic development in rural poverty issues is important. • Businesses have resources to make contributions on issues such as providing child care subsidies for workers, health insurance, livable wages, and job training or education reimbursements. |
| Elected Officials | <ul style="list-style-type: none"> • Reelection, political power, and community influence. • Elected officials often seek policies and programs that will give them individual recognition or departmental | <ul style="list-style-type: none"> • Elected officials are usually concerned with apparent community issues. They spend time/resources on issues of public concern. • They operate in a political climate and | <ul style="list-style-type: none"> • Elected officials have a high influence on welfare policy and assistance programs; however, their interest in spending time and resources on these policies is dependent on public opinion/concern. • Elected officials have the |



Table 4-1 Regional Stakeholder Analysis

| Stakeholder | Individual Concerns | Community Concerns | Influence/ Contributions |
|---------------------------|---|--|---|
| | <p>recognition.</p> <ul style="list-style-type: none"> • They represent the public and are often driven by public opinion and are influenced by issue networks that have high profiles in the public and media. | <p>have many different accountability sources. They represent the will of the people and have direct access to public policy.</p> <ul style="list-style-type: none"> • They are persuaded by individuals and interest groups. Strong interest groups influence policy. | <p>potential to make great contributions to poverty reduction measures. This contribution comes in the ways they allocate resources for programs and the policies. Elected officials must be motivated by public opinion in order to make necessary contributions.</p> |
| Faith-Based Organizations | <ul style="list-style-type: none"> • Faith-based organizations often have individual concerns with their own constituencies. They are concerned with the issues and problems that face these individuals. • Faith-based organizations often contribute a certain portion of their resources to helping individuals meet their basic needs, but do not always have adequate resources to help everyone in need. • These organizations are often non-profit and rely on individual contributions for survival. | <ul style="list-style-type: none"> • Faith-based organizations have a concern in community issues. They often work in conjunction with other organizations to provide assistance and participate in programs that improve family, and individual, quality of life. • Faith-based organizations provide important social networks and structures and provide access to their constituencies to these social networks and other assistance programs. | <ul style="list-style-type: none"> • Faith-based organizations often have interest in poverty issues and their influence comes from their ability to motivate and influence their constituencies. Community action groups and relationships are often centered on individuals' social network, which may be built around their church activities. • These organizations make contributions by providing programs and assistance to individuals in poverty. They contribute resources such as food assistance programs, social networks, employment opportunities, and family/individual counseling. |

4.5 The Effects of Welfare Reform Policies

Welfare reform initiatives were implemented in 1996 when President Clinton and Congress passed several policies in an attempt to transform the welfare system and reduce the number of individuals receiving assistance. Reforms have focused on job placement, with time limits for welfare assistance, as a means to encourage or force individuals to find full time employment. The problem this measure has created is that too many low-skilled laborers enter the workforce and are unable to compete for living wages. The welfare-to-work



programs have moved individuals off welfare programs, but have not been successful in moving individuals out of poverty. The current approach under new federal guidelines focuses efforts on job placement and retention, with minimal education and job training programs available if employment cannot be secured.

New initiatives must encourage job training and educational opportunities to help increase individuals' ability to find long-term, adequate paying employment that can support the individual or family once that individual no longer receives public assistance. Investing in programs that aim to increase human capital by improving skills and competencies so that an individual becomes a more productive worker will help reduce poverty both short and long term.³⁰ New policy initiatives must address the following issues:

- Identify pre- and post-employment strategies to find jobs that pay a living wage.
- Address education for high school drop-outs or people with minimal education.
- Welfare to work programs should retain their focus on work but avoid restrictions that discourage education or training opportunities.³¹
- Address job training and educational opportunities for rural communities with limited access to educational or training facilities.
- Training programs are needed to upgrade job skills.³²

Table 4-2 illustrates both positive and negative effects welfare reform policies have on poverty issues.

| Reform Policy | What is It? | Positive Contributions | Negative Contributions |
|--|---|--|---|
| Temporary Assistance for Needy Families (TANF) | TANF was created to achieve four key goals: to provide assistance to needy families; to end the dependence of needy families by promoting job preparation, work, and marriage; to prevent and reduce out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families. ³³ TANF emphasizes a work- | TANF was established to replace AFDC as a cash assistance program to help needy families. The time limit was imposed to reduce the number of recipients on welfare. Current welfare caseloads have fallen by nearly 52 %. The measure was adopted to emphasize work, personal responsibility, economic self-sufficiency, and strong families. The strict time limits have forced individuals into the workforce. | All states have different standards, funding priorities, time limits, and client bases for their TANF assistance. This has made it difficult to determine the effectiveness of the program. TANF forces individuals into the workforce without training or education, making their opportunities potentially short term or in low paying employment. As a result, many persons cycle between work and welfare. ³⁴ There is a two (2) year time |

³⁰ Danziger, Sheldon H. and Robert H. Haven, ed. Understanding Poverty. Russell Sage Fndtn.; New York: 2001 p 350.

³¹ Gueron, Judith M. and Gayle Hamilton. "The Role of Education and Training in Welfare Reform." The Brookings Institute: April 2002.

³² Danziger, Sheldon H. and Robert H. Haven, ed. Understanding Poverty. Russell Sage Fndtn.; New York: 2001 p 341.

³³ Danziger, Sheldon H. and Robert H. Haven, ed. Understanding Poverty. Russell Sage Fndtn.; New York: 2001. p 238.

³⁴ Blank, Rebecca M. and Ron Haskins. "Welfare Reform Reauthorization". Poverty Research News. 5'6; 2001. p 3.

**Table 4-2 Effects of Welfare Reform**

| Reform Policy | What is It? | Positive Contributions | Negative Contributions |
|----------------------------|--|--|--|
| | based assistance system through work participation requirements, penalties for noncompliance, and time limits for assistance. | There are exemptions that allow states to remove individuals from the program who refuse to cooperate with the work requirement, preserving aid for the rest of the family. | limit on receipt of assistance in Idaho. TANF does not recognize that some individuals will always need a safety net, and consequently creates limited access to individuals in need of public programs. |
| Child Support Enforcements | Welfare reform policies significantly altered the design of the child support enforcement system. It expanded and simplified paternity establishment procedures; enhanced access to information and data collection through employers' report of newly hired workers to state child support programs, and increased use of processes to establish child support rewards. ³⁵ | This policy has been crucial in recovering support for single mothers with children. Child support enforcement laws have increased the amount of dollars coming into a home with children present, making it more feasible for mothers to afford to work and receive less cash assistance from the state. | The question of how much child support money welfare recipients receive versus how much should go to the state to offset the cost of welfare is still being debated. Child support systems are funded in large part by retained collections from current or former welfare cases. With declining participation, this source of income is likely to diminish. ³⁶ |
| Child Care Initiatives | Since child care expenses are often seen as deterrents to entering the workforce, the emergence of child care programs is a focus in welfare reform in an effort to focus on work-based assistance rather than welfare. | The antipoverty effects for child care subsidies are unknown. It is an important policy in alleviating some of the barriers to work for mothers and poor families. In 1998, total spending on the Child Care Development Fund was \$5.5 billion. ³⁷ Since there is a strong expectation that low income parents of young children should be employed, child care is critical. | Funding for the federal Child Care Development Fund is unstable and needs to be addressed if the program is to have a future. There needs to be a focus on the quality of care for children to meet the goals of school readiness, health, and developmental success. The government should also focus resources on caregiver training and support. ³⁸ |

³⁵ Danziger, Sheldon H. and Robert H. Haven, ed. Understanding Poverty. Russell Sage Fndtn.; New York: 2001. p 241.

³⁶ Blank, Rebecca M. and Ron Haskins. "Welfare Reform Reauthorization". Poverty Research News. 5'6; 2001. p 5.

³⁷ Danziger, Sheldon H. and Robert H. Haven, ed. Understanding Poverty. Russell Sage Fndtn.; New York: 2001. p 208.

³⁸ Blank, Rebecca M. and Ron Haskins. "Welfare Reform Reauthorization". Poverty Research News. 5'6; 2001. p 7.



Table 4-2 Effects of Welfare Reform

| Reform Policy | What is It? | Positive Contributions | Negative Contributions |
|--------------------------|--|---|--|
| Food Stamps and Medicaid | Food stamps are designed to give low-income households a nutritionally adequate, low-cost diet. With reforms and restrictions to assistance, food stamp participation fell 27% from 1996 to 1999. ³⁹ Medicaid funds medical assistance to low-income persons who are aged, blind, disabled, and to members of families with dependent children, and pregnant women. | Food stamps and Medicaid are still offered to millions of Americans. The assistance of food stamps and medical health coverage address important needs of the working and nonworking poor. Accessibility allows families to maintain assistance for their children as well. | Parents who enter the workforce are often entering low wage jobs that barely cover basic costs. Limiting food stamp participation makes it difficult for families to leave welfare permanently. Parents entering employment lose Medicaid coverage and typically take jobs without health care coverage. Congress should simplify access to Medicaid for families transitioning from TANF and work to encourage states to expand Medicaid coverage for low income parents. ⁴⁰ |

4.6 Poverty Reduction Initiatives

4.6.1 Focus on Self-Sufficiency

The self-sufficiency standard has a number of uses in the development and evaluation of policy. The self-sufficiency standard has been endorsed by the Economic Policy Institute as an effective measurement and tool of analysis to determine a living wage. This standard calculates the income needed for families to cover basic needs without public or private assistance and is considered an accurate yardstick in measuring a realistic cost-of-living since it takes into account geographic location, the ages of children in the family, and family composition. On a national basis, self-sufficiency rates range from \$8.00 an hour for a single person with one child to more than \$15.00 per hour for two workers with two children.⁴¹ These determinations are valuable tools in policy analysis because they allow policy makers and program directors to assess the ability of various jobs, occupations, and sectors that can provide self-sufficiency wages for workers. Focusing on self-sufficiency standards in poverty reduction measures is essential in determining policy objectives that will effectively move individuals out of poverty and provide a living wage without public assistance.

The following factors should be considered when developing policy initiatives:

- A living wage should be considered in evaluating outcomes from employment based programs and education or job training programs. By using the self-sufficiency standard, we can determine the effectiveness of programs to assist individuals who move off public assistance.

³⁹ Danziger, Sheldon H. and Robert H. Haven, ed. *Understanding Poverty*. Russell Sage Fndtn.; New York: 2001. p 206.

⁴⁰ Blank, Rebecca M. and Ron Haskins. "Welfare Reform Reauthorization". *Poverty Research News*. 5'6; 2001. p 6.

⁴¹ "The Living Wage". Pinkerton Service Corporation. 2002.



- This standard can also be useful in helping individuals seeking employment or training to make decisions about various occupations and jobs.
- The guidelines that determine a living wage or a self-sufficiency standard can be useful in evaluating economic development strategies that can provide incentives for new businesses that offer a living wage to their employees.

4.6.1.1 Individual Development Accounts. One powerful approach to self-sufficiency lays in the creation of Individual Development Accounts (IDA). IDAs are financial accounts that encourage people in poverty to save for a specific purpose such as education, home purchases, or small business development. State agencies, non-profit organizations, and financial institutions are all examples of organizations that are capable of developing IDAs. Each IDA has a savings limit, with typical amounts of about \$2,000 for an individual and \$4,000 for a family. Pennsylvania, the first state to develop and maintain IDAs, currently has the largest IDA program with over 4,000 accounts. States that sponsor IDAs typically provide a method for employers and institutions to contribute or match the funds that are put into IDAs by the participant. Recent federal legislation created matching incentives for states with established IDA programs.⁴²

IDAs are quickly being recognized by financial institutions and other sponsoring organizations as an opportunity to support community development and increase business potential. IDAs provide sponsoring organizations with the opportunity to contribute to the community and serve those in poverty, as well as provide a plan for good business, according to Robin Newberger of Consumer and Community Affairs. Financial institutions, for example, receive Community Reinvestment Act (CRA) credit for their participation. Also IDAs provide business motivation for financial institutions to cross-sell other bank products or target new customers.⁴³ Although Idaho does not currently have any type of state IDA program, it is clear that using IDAs as an empowerment tool is possible and has worked for other states. The reciprocal nature of IDAs provides increased opportunities for people in poverty as well as social incentives for sponsors to genuinely serve their community while simultaneously promoting business interests.

4.6.2 Personal Empowerment

Personal empowerment is defined in many ways, but encompasses the idea that individuals acquire the inner authority to act as free and useful people, and that they are responsible for their future regardless of circumstances.⁴⁴ In broad terms, empowerment refers to the expansion of freedom of choice and action. For people in poverty, freedom is often curtailed by a lack of voice and power in relation to the market and the state.⁴⁵ Personal empowerment

⁴² Crane, M. (1999) "A capital idea". State Government News, 42 (2), p 19-21.

⁴³ Newberger, R. (Dec. 2002) "Financial institutions as stakeholders in individual development accounts". The Federal Reserve Bank of Chicago, p 184.

⁴⁴ Pastor, Jean. "Empowerment: What it is, and What it is Not". *Empowerment in Organizations*. 4:2; 1996. p 5.

⁴⁵ Narayan, Deepa. "Empowerment and Poverty Reduction". *Poverty Reduction and Economic Management*. World Bank; 2002.



strategies must focus on expanding the assets and capacity of people to participate in, negotiate with, control, and hold accountable, institutions that affect their lives.⁴⁶

In order to effectively empower people, it is necessary to strengthen assets and capacities on a number of levels. At an individual level, those in poverty need education, health care, housing, and employment. At the community level there is a need for individuals to find the ability to work together and mobilize resources to solve problems of common interest. A focus on personal empowerment allows communities to organize, and individuals within those communities to have their stories heard and their needs met.

The empowerment of people lays in the ability to remove both formal and informal institutional barriers that prevent them from taking action to help improve their life situation or well-being. Four key elements are described by the World Development Report of 2000/2001 as necessary in institutional reform:

- Access to information- Citizens must have an opportunity to access information in important areas such as state and private sector performance, financial services and markets, and rules and rights regarding basic services. Informed citizens then have an opportunity to take advantage of opportunities, access services, and exercise their rights.
- Inclusion/Participation- The opportunity for people in poverty to participate in the decision making process is critical in order to ensure that the decisions being made benefit those who may be traditionally excluded. The ability to be more inclusive in the decision making process may mean a paradigm shift in how people have traditionally participated in the decision making processes.¹
- Accountability- State officials, public employees, and private actors must be held accountable for their actions in order to ensure that the decisions being made are truly in the best interest of those who are in poverty, specifically those within the lowest economic quartile.
- Local Organizational Capacity- Communities must work together in a common effort to organize and mobilize resources, in order to solve the problems of common interest and empower those within their community.

4.6.3 Leadership Development

Healthy communities face problems of poverty: unemployment, high crime, domestic violence, broken homes, and limited opportunities. Many communities attempt to mobilize and address the issues, but people in poverty are often less connected and lack direction about how and where to find answers.⁴⁷ Statistics show that 72% of Americans do not know their neighbors well and 66% have never worked with others to solve community problems.⁴⁸ If communities are to take ownership of their efforts to reduce poverty, leadership models must be developed that give people direction on where to turn for help, assistance in finding available resources, and empowerment to take ownership of community problems.

⁴⁶ Id. p vi.

⁴⁷ Jason, Leonard A. Community Building: Values for Sustainable futures. Westport, Connecticut: 1997.

⁴⁸ Id



Leadership and empowerment go hand in hand in poverty reduction initiatives. Building leadership models within rural communities requires building a process where people are enabled to tell stories, to understand and evaluate these stories, and then learn to recognize the value of each individual.⁴⁹ As members of a community come together to understand poverty, they will emerge as leaders in efforts to revitalize community spirit.

4.6.4 Leadership Sustainability

According to the 1997 Human Development Report, poverty is much broader and more comprehensive than simply lacking sufficient income.⁵⁰ The report defined poverty as “a deprivation in the valuable things that a person can do or be.” The concept is that in order for people to escape poverty, they must not only improve their lives in a monetary sense, but expand their individual capacity and secure human rights. In order to create genuine pathways out of poverty, leadership opportunities need to be created for people who have traditionally been disempowered. This leadership effort begins with education and the inherent right to human freedom and dignity. Human rights have intrinsic values that empower people in poverty to take a proactive role in their personal well-being. As people in poverty come to understand the causal links between rights, such as the right to food, rights to free speech, education, and so on, they become active in promoting their own sustainability. Understanding and acknowledging these rights directly expands human freedoms and personal development.⁵¹

Quality, sustainable leadership among people both in and out of poverty, is critical in order to provide a unified, community-centered approach to fight poverty. Grefe refers to this principle of leadership support within the community as “grassroots” versus “grasstops” leadership.⁵² Grasstop leadership includes the traditional community members such as elected officials, members of the business community, and other prominent or recognizable community members. Although these traditional stakeholders may serve an important purpose, “influential” individuals are often lacking in the leadership process.⁵³ “Influentials” are described as those people who may not hold any elected position or position of institutional power, but often command the respect of their neighbors and the community. In order to have a “grassroots” leadership effort within the community, Grefe advocates what he refers to as the four “I’s”: identify, inform, involve, and invest.

- Identify the most influential people. People who are experiencing poverty would be influential in community decisions and policy objectives related to poverty
- Informing the influentials about the benefits of the project creates the educational component of leadership sustainability
- Involvement from the influentials means that people participate in order to gain leadership skills and an opportunity for direct, personal empowerment

⁴⁹ Gardner, Howard and Emma Laskin. *Leading Minds: Anatomy of Leadership*. Basic Books; New York: 1996.

⁵⁰ “Rights empowering people in the fight against poverty”. Human Development Report, 2000, ch 4.

⁵¹ Id

⁵² Grefe, E. (1997) “Grassroots or grasstops: Your call, your gamble”. *Economic Development Review*, 15 (2), p 15-18.

⁵³ Id



- Investment from the influentials is a commitment of time, effort or other means to provide a voice and method in which actions influence the situation.⁵⁴

Social Capital and Systems Change

Researchers interested in empowering people in poverty have focused attention on social capital and the way its development can lead to positive life change. Social capital refers to the "...collective ties, norms values, interactions, networks, and relationships reflecting the involvement of human individuals in a common life based on family and community."⁵⁵ Specifically, individuals and communities rich in social capital have strong and vibrant communities in which individuals connect with others who have information and expertise that can help them integrate into the community and economic circles more fully.

Social capital plays a role in community and leadership development, the ability of social service, charitable, and non-profit organizations to administer their programs and the acquisition of jobs and better wages. The following attributes are particularly important when considering the function social capital plays in the development of human potential:

- Horizontal Networks: links between individuals who share significant similarities (racial, ethnic, economic social, etc.). Generally these links are most often based on reciprocity.
- Vertical Networks: links between individuals who may or may not share significant similarities. They differ from horizontal links in that they link individuals of differing economic and social class and may not be based on reciprocity.
- Strong and weak links refer to the proximity of network connections. Strong network links are typically those that found in close proximity to an individual (neighborhood, family, community) whereas weak links are between individuals distant from each other (friends in other cities, towns, countries).

Important for the reduction of poverty is Putnam's suggestion⁵⁶ that weak-vertical links are crucial because they form bridges between individuals of differing social classes and can potentially expose disadvantaged people to resources and opportunities that they would not have access to in the absence of such ties. People in poverty often lack the social capital necessary to change their circumstances.

4.6.5 Education and Training

One of the key links to poverty is education. Statistics show that a lack of education directly correlates to poverty. For example, poverty rates for high school dropouts are three times higher than the poverty rate among high school graduates. According to Juanita Miller, professor of Ohio State University Extension, there is a direct relationship between educational attainment, job opportunities and poverty. Although some people with low levels of education have been able to break the cycle of poverty and live successful, productive lives, this scenario is not typical. In 1995 the poverty rates for children whose parents did not complete high school was 57%, while the poverty rate for children with at least one parent

⁵⁴ Id

⁵⁵ McClenaghan, P. (200) "Social capital: Exploring the theoretical foundations of community development education". *British Educational Research Journal*, 26 (5), p 565-582.

⁵⁶ Putnam, R.D. *Bowling alone: The Collapse and Revival of American Community*. Simon and Schuster Printing, New York, New York 2000.



holding a college degree was 4%. Today's technological society, work environment, and current economy make obtaining living-wage jobs difficult. Technical jobs require technical knowledge and skills that are usually acquired at the post high school level. As a result, the level and kind of educational attainment will have an even stronger relationship to poverty levels.

Another barrier to educational attainment is related to language, culture and standards regarding education. Although people in poverty may value education as the best escape route from a life of poverty, social connections, family pressure, and community support all play a big role in the values and attitudes placed on formal education. In essence, there may be a level of understanding that education is necessary for better employment and higher standards of living, however, there may be a tendency for people in poverty to decline the opportunity for further education for numerous social reasons.⁵⁷

4.6.6 Literacy and Community Development

Many planners have come to understand and view literacy as the key to greater economic opportunity and social equality.⁵⁸ The problems associated with illiteracy, specifically in industrialized countries and rural communities, have recently received increased attention. The problem of rural illiteracy may be worse than urban illiteracy.⁵⁹ Historically, urban populations have received more attention with regards to literacy than rural communities. Yet the problems of rural illiteracy are made worse by isolation, economic decline, and the lack of educational opportunities for adults. There are also researchers who suggest that the literacy programs in rural areas are often ineffective, because although people may learn to read, the process often does little to improve the situation of the person or the local community itself.

The National Center for Children and Poverty conducted a study that shows the poverty rate of children under six directly correlates to the education level of their parent. Higher education is linked to an effective way to raise family income. Policies that reflect commitment and support of education for low-income parents and children offer a greater potential for economic security.

One successful rural literacy initiative that has worked to improve the economic and social life of rural communities is the Rural Literacy and Self Reliance Program (RLSRP). The program focuses on building self-reliance among women and people in poverty. It was started with the support of the Canadian Cooperation Office (CCO) in 1991. Since then the program has been implemented in thirteen Village Development Committees in Canada. Activities include organization building; educational and awareness building on literacy, health, gender, environment, and human rights; and programs that have a direct impact on changing the economic situation of the people. Programs such as savings accounts, enterprise development, institutionalization and strengthening of savings and credit cooperatives, are

⁵⁷ Epstein, W. *Welfare in America*. The University of Wisconsin Press, Madison, WI. 1997.

⁵⁸ Ewert, D. (Sept. 1993) "Rural literacy and community development: Building the link". *Literacy Practitioner*, 1 (2), Retrieved September 12, 2003, from <http://www.litcommunity.org/article6.html>

⁵⁹ Id



examples of rural literacy initiatives that have positively impacted people in poverty and provided a pathway for personal empowerment.⁶⁰

Underscoring the Value of Latino Education

Many Latino families don't have sufficient faith in the school system to help their children successfully navigate through it. Parents who desperately want their children to succeed are confused or intimidated by an educational system that is unfamiliar to them and that operates in a language they do not speak well. All too often, parents put the short-term economic benefits of their children's early entrance into the workforce ahead of a long-term investment in their education. These attitudes are sometimes mirrored by the children themselves, for whom school can seem irrelevant, demeaning or even threatening. There is also a cultural component to this related to persistent expectations and roles based on gender, which in particular holds back young Latinas from scholarships and other educational opportunities.

If Latino families could learn how the educational process works and about the high value our society places on formal education, they would be more motivated to make the sacrifices necessary to keep their young people in school. There are many examples of very successful Hispanic youth who have prospered in the school system, and a selection of these stories could be profiled in a program or documentary in Spanish with English subtitles. The video/DVD could be shown in schools, community meetings, and churches and would be inexpensive enough to duplicate that it could be given away at community events with high Hispanic attendance such as Farmworker Appreciation Day, Diez y Seis de Septiembre, and Cinco de Mayo.

The video/DVD would also be helpful for teachers and administrators who don't really understand the pressures their Hispanic students face, and could be linked to a statewide implementation plan addressing bilingual education efforts. I've seen research indicating that students immersed in English only classrooms learn English far more slowly (years more slowly) than in classrooms where students have the opportunity to link Spanish and English concepts through a bi-lingual approach.

According to local filmmaker Randall Morgan, a twelve to fifteen minute broadcast-quality program would cost about \$20,000 to produce. Although any serious media production is expensive, the payback on a program that could change the educational destinies of Hispanic youth is really incalculable, not only in terms of what education does for the individual, but in terms of what the educated individual contributes back to the community. It is also a model that could be taken nationwide.

⁶⁰Rural literacy and self-reliance program, March 2003. Retrieved September 12, 2003 from <http://www.interconnection.org/coppades/rlsrp.htm>.



4.6.7 Early Childhood Education

Recent findings prove a direct link between quality early education and educational success, as well as success throughout future careers. A child's readiness to learn is strongly predictive of future academic performance and children who enter kindergarten behind their peers are unlikely to ever catch up. Therefore, implementing a high quality early learning program is a key strategy for closing the achievement gap.⁶¹ The consequences of insufficient early education in Eastern Idaho are apparent.

In 2001, 36 percent of the population in Clark County did not have a high school diploma. In six counties of Eastern Idaho only 17 percent of the population over age 25 had a bachelor's degree, as compared to 24 percent for the national average.

Studies show that a more strategic and quality approach to early education will lead to higher graduation rates, more post high school education, and less grade retention. Early learning programs have also been shown to prevent problems such as crime and lack of safety among youth. When children are better educated, they are more productive as adults: likely to be healthier, pay more taxes, and less likely to require welfare and other public assistance. Findings from the High/Scope Perry Preschool Project, as well as other studies have concluded that for every dollar invested in a high-quality early childhood program, the direct and indirect economic benefit to the public totals approximately seven dollars and sixteen cents. For school systems, the report specifically noted that a one dollar investment in preschool leads to seventy three cents in reduced costs for remedial and special education.

Research definitively shows direct associations between family income levels and children's cognitive development, achievement, and behavior during the preschool period. Many childhood intervention programs take steps to diminish the socioeconomic status disparities in the preschool years so that children in poverty enter school on a more equal basis with their affluent peers.⁶²

Although Idaho has a history of minimal support for early childhood education, there are a number of initiatives that have taken an active lead in early childhood education in Eastern Idaho. The Bannock County Success by Six Project, initiated in 2002 in conjunction with the United Way, provides early literacy initiatives and raises the awareness of the need for early education. Other initiatives are also effective. The Even Start Family Literacy program helps families break the cycle of low literacy and poverty, and serves to strengthen families. The program promotes strengthening children's relationships with their parents through an enriched literacy environment. It teaches parents and families how to turn ordinary experiences into learning experiences for the entire family.

⁶¹ Economic Opportunity Institute. Retrieved September 2003 from <http://www.econop.org>

⁶² Id



4.6.8 Math and Science Education

Eastern Idaho's largest employer, the Idaho National Environmental and Engineering Laboratory (INEEL) relies heavily on education in the math and science field for a skilled work force. While Eastern Idaho continues to employ large numbers of workers with strong backgrounds in these two fields, student achievement in these two areas is low.

Students in Idaho were only 52% proficient in performance of math standards according to their grade level in 2003. Statewide science testing standards have not yet been adopted in Idaho.⁶³

According to the 1996 Biennial Report to Congress by the Committee on Equal Opportunities in Science and Engineering, a significant portion of the American people do not have acceptable standards of scientific literacy. The report states that these shortcomings in math and science do not bode well for our societal well-being as America seeks to stay competitive and meet the challenges of a global society.

Some progress has been made in participation and achievement in science and mathematics by ethnic minorities, female students, and other under-represented populations. Greater participation and inclusion from grade school to college is needed to be more inclusive of the total U.S. population.⁶⁴

William Schmidt, the director of the U.S. National Research Center for the Third International Math and Science Study, stated that the two major problems with the curricula of science and mathematics are the lack of coherence and rigor. Schmidt found that low-income students are not always exposed to a rigorous curriculum, whereas more affluent students had greater expectations by parents. Schmidt advocates for a teaching process that emphasizes a coherent, logical progression of curricula with an emphasis on rigorous and demanding course work.⁶⁵

⁶³ Measured by Idaho Standard Achievement Tests (ISAT) for Idaho school districts grades fourth, eighth, and tenth 2003.

⁶⁴ Committee on equal opportunities in science and engineering. 1996 Biennial Report to Congress. p 1-15.

⁶⁵ Chute, E. (2002) "Solid curriculum called a smart move" [Electronic Version]. Post Gazette, Retrieved September 12, 2003 from <http://www.post-gazette.com/regionstate/2020208timss4.asp>



In summary, education is an important link to poverty since it often provides the empowerment opportunities for people to take more control of their lives. At a personal level education is regarded by many as the opportunity to make their opinions heard. At a community level, it provides the skills through which people can protect their rights and participation in public life. At a national level, it creates a demand to be heard. Without education, the process for empowerment and the ability to better oneself is often futile. Education opens the door to a life of dignity and independence, providing a direct avenue for the seed of empowerment – hope.

4.6.9 Access to Health Care

In Idaho, nearly a quarter million people lack health insurance, resulting in adults with untreated medical problems and higher insurance rates for everyone since many uninsured people only seek treatment in a medical crisis. Although the United States spent 13 percent of its gross domestic product on health care in 2002, there is still a deep inequality in access to medical care. On average, 14 percent of the total population is uninsured; however, the average increases to 32 percent for Hispanics and 26 percent for people without a high school diploma.⁶⁶ The uninsured are greatly overrepresented by people in poverty. Two thirds of all uninsured persons are more than 200% below the poverty level. In addition, many of the uninsured are young, with 60 percent under the age of 34.⁶⁷ In July 2001, Douglas Fagerness, president of the Idaho Association for the Education of Young Children, reportedly called poverty the number one threat to the health, as well as education, of Idaho children. Because people in poverty often lack insurance, the financial toll for medical treatment due to sudden medical need or catastrophic illness is often devastating. According to a study on the economic consequences of being uninsured, households without health insurance rely more heavily on wealth depletion when dealing with a health or medical crisis. For example, findings suggest only a 2 percent reduction in income for insured households, versus 20 percent for uninsured households when facing a health “shock” or crisis.

There are a number of barriers as to why people in Idaho and across the United States continue to remain uninsured. For some people, the answer is simply a lack of access, or they are uninsurable. For others, often times those in poverty, there is the problem of cost and the social pressures and barriers that account for a lack of insurance.⁶⁸ One of the most significant barriers in obtaining insurance is the rising cost of health care. For example, health care costs rose 7.2 percent in 2000, the largest increase in over ten years. The rise in

⁶⁶ Barr, D. (2003) United states: Vast resources for the rich. *Student BMJ*, 11, p 209.

⁶⁷ About the uninsured: Primer- the problem. (n.d.) Retrieved September 12, 2003 from <http://www.abouttheuninsured.com/primer.html>

⁶⁸ Lyons, W. and Zanetti, L. (1999) “The uninsured in the context of an experimental approach to health care reform”. *American Journal of Health Behavior*, 23 (2), p 83-95.



health care costs has directly affected people with employer-sponsored coverage. In 2001, employees saw an average 11 percent increase in premiums. Long-term care insurance that covers older adults for nursing home and in-home services has also increased over the last several years, making it increasingly difficult for people in poverty to afford. In 1996, the average cost of a nursing home was more than \$47,000 a year.⁶⁹

4.6.10 Community Revitalization

There are several approaches to community revitalization and economic development strategies for rural communities. Anthony Redwood outlines several factors that are important for economic development or community revitalization to occur. Infrastructure, innovation, commitment, and financial and human capital are vital for development success. Social and cultural foundations, as well as physical infrastructure, underpin the quality of life in a community.⁷⁰ Therefore arts, recreation, public education, and post-secondary systems are all important parts of building human capital.

Redwood also discusses the importance of innovation and says that competitiveness and entrepreneurial business development depends on innovation in science and technology.⁷¹ There must be a focus on the development of new technologies to promote successful business development efforts.

Finally, human capital is also an important strategic factor in successful community development efforts. Investment in human capital will produce a better educated work force to handle and adapt sophisticated technologies. Vocational training will develop a more multi-skilled work force.⁷²

While it is important to understand the factors involved in community development efforts, strategies for community revitalization should also be examined. Chambers and McBeth state that the “Community development process must place strength on the need to ‘empower local citizens’ in democratic society.”⁷³ The authors say this approach will allow local control to be maintained while economic and social development take place.

The strategy of developing local leadership and focusing on local resources has been one of the main goals of Partners for Prosperity.

⁶⁹ Kassner, E. (May, 1999) “Long-term care insurance”. Public Policy Institute, AARP, p 1-4.

⁷⁰ Redwood, Anthony. “Job Creation in Non-Metropolitan Communities”. The Journal of State Government: 1988. p 12.

⁷¹ Id.

⁷² Id. p 13.

⁷³ Chambers, Robert E. and Mark K. McBeth. “Community Encouragement: Returning to the Basis for Community Development”. Journal of Community Development Society. 21:1; 1992. p 24.



Community Revitalization Strategies Significant in Rural Community Development

- Self-development is the implementation of local projects that increases income or jobs in the community. Self-development contrasts to other economic development efforts in that it focuses inward on local resources rather than outward for community revitalization. Self-development strategies must include involvement of local organizations, investment of local resources, and local ownership and control of the enterprise or activity.⁷⁴
- Sustainability promotes and advances the eventual independence of communities from outside services so that communities will be able to return to their traditional fellowship. It must place the responsibility and capacity within the community.⁷⁵
- Community revitalization efforts should be done after careful analysis of the local economy, while understanding the emerging trends that exist, and developing relevant goals or identifying problems that need to be addressed.⁷⁶
- Strong consideration should be given for expanding existing industries, stimulating the local service sector through new business development, and recruiting new industries. Community development should focus on the promotion of innovation and productivity.⁷⁷
- Community revitalization efforts should encourage communities to engage in constructive controversy that will help them arrive at workable decisions; persuade investment by local residents of their own private capital locally and collectively in the community; and establish links in the community to others in similar circumstances to provide diverse sources of experience and knowledge.⁷⁸

4.6.11 Rural Employment

Although there are numerous definitions and ideas about what constitutes “the working poor,” there are still no accepted definitions that encompass what “working poor” really means. Studies show that working families were seven times less likely to be poor, or below the federal poverty level. Among all children living in families that met the work standard, only 8 percent were poor, compared with 54 percent of children in families not meeting the work standard.⁷⁹ Recent research has shown a number of barriers that can prevent people in poverty from successfully gaining adequate employment in remote, rural areas. Several problems differentiate rural areas from urban areas. First, rural areas tend to have less job opportunities as well as fewer programs that assist people in poverty in the welfare-to-work transition. Other barriers such as long distances in commuting to work, inadequate public transportation, and fewer child care options prevent meaningful employment in rural areas.

⁷⁴ Flora, Jan L, Green, Gary P, and Edward Gale, et al. “Self Development: A Viable Rural Development Option?” *Policy Studies Journal* 20:2; 1992. p 277.

⁷⁵ Chambers, Robert E. and Mark K. McBeth. “Community Encouragement: Returning to the Basis for Community Development”. *Journal of Community Development Society*. 21:1; 1992. p 37

⁷⁶ Malizia, Emil E. “Economic Development in Smaller Cities and Rural Areas. *APA Journal*. Fall 1986. p 493.

⁷⁷ Id. 495

⁷⁸ Flora, Cornelia Butler and Jan L. Flora. “Entrepreneurial Social Infrastructure: A Necessary Ingredient”. *The Annals of the American Academy*, 529; September 1998. p 48.

⁷⁹ Wertheimer, R. (May, 2003) “Poor families in 2001: Parents working less and children continue to lag behind”. *Child Trends*, Publication 2003-10, p 1-10.



Creating opportunities for improved employment and high-growth jobs in rural areas has become increasingly important. As poverty continues to grow in rural areas, the need for sustainable employment becomes more apparent. Issues such as the remote nature of the areas, unfavorable economic conditions, lower levels of work supports, and transportation difficulties, all affect sustainable work opportunities for those in poverty. There are a number of strategies to address barriers in rural employment:

- **Transitional Job Opportunities:** Transitional jobs are wage paying, community service jobs for people in poverty or those who have looked for work but continue to remain unemployed. More transitional jobs are needed in rural, low-income areas in order to help welfare recipients and other unemployed persons become more self-sufficient and build experience for future success in the job market.
- **Investment in Workforce Advancement:** investing federal money into local public-private workforce advancement, along with matching money from local sources, could help to build the capacity of rural, remote areas and increase economic vitality. This investment funding would ensure that the transitional job policy would be sustainable through work supports after the transitional job ended for the employee.
- **Transportation:** Promoting access to better and more effective methods of transportation is critical. Changing legislation, such as removing limits on the value of a car owned by a family on welfare, and making TANF rules consistent with Food Stamp rules, is under consideration, and is currently being practiced in 22 states. Simply, policy makers and communities need to provide people in poverty incentives for securing accessible and affordable transportation.⁸⁰

Rural Entrepreneurship

Another strategy for more positive growth and employment in rural economies is through local entrepreneurship. According to some studies, high-growth entrepreneurs create the bulk of new jobs in the United States. Nevertheless, rural America is creating relatively few high-growth entrepreneurs. In order for rural communities to attract more entrepreneurs, they must overcome the challenges of being small and remote. Rural communities must work to encourage and help entrepreneurs gain knowledge and access information that is outside of rural areas. Entrepreneurs must acquire the technical and managerial capabilities that will ultimately cultivate growth in rural communities. Many community colleges in rural communities have begun using community outreach courses to develop entrepreneurial education for people looking to start their own business. Free or reduced-price workshops and courses provide an avenue for unemployed workers with an alternative form of employment and the education necessary for entrepreneurial efforts.⁸¹

⁸⁰ Fisher and Weber. 2002.

⁸¹ Henderson, J. (2002) "Building the rural economy with high-growth entrepreneurs". Federal Reserve Bank of Kansas City, p 45-63.



4.6.12 Balancing Economic Growth and the Environment

Preserving the environment and fostering economic growth are related, not opposing issues. Some researchers believe it is possible to foster strong, economic growth while at the same time protecting the environment. A study conducted by MIT compared the growth rates in states with strong environmental policies and regulations with growth in states that have weaker environmental policies. The results showed that growth in gross state product and in labor productivity was twice as high in the environmentally conscious states as it was in the states with less stringent environmental policies. Many companies and businesses find a balance between economic growth and protection of the environment. In fact, many argue that a balance between the economy and the environment is critical if communities are to prosper both socially and economically. The price of neglecting the environment for short-term economic gain is evident. The Soviet Union neglected the environmental consequences of economic activity and heavy industry and is now paying for it. A huge economic price has been paid for cleaning up pollution and tremendous social costs have been extolled to those affected by the pollution, not to mention the price of health care costs in relation to the pollution.⁸²

Environmental policies must be adopted that recognize a balanced approach. According to Bormann, "Man, rich or poor, is utterly dependent on his global life support system." More comprehensive, well-planned strategies as well as strategies that emphasize man in harmony with nature are needed in order to ensure that resources are preserved and that economic impact is minimal. Progressive companies such as DuPont, 3M, and Dow Chemical are looking ahead and pursuing strategies in environmental technology. These companies are thinking about how their business operations and strategies will help them profit from an environmentally friendly economic structure.⁸³ Economic and engineering studies have shown that there continues to be room for environmental improvement among business and industry at a relatively low cost. New processes and production methods can greatly reduce the amount of pollution; safer substances can be used over more dangerous materials; and information can, at times, replace material goods.⁸⁴

4.7 Summary

The literature provides a well-rounded culmination of some of the indicators associated with poverty in Eastern Idaho. Each of the variables or topics described in the literature are independent issues; however, they become reciprocal in nature when viewed in the context of poverty. The following represents an overview of the findings and the relevance of the indicators in Eastern Idaho.

The research clearly finds that personal empowerment has a direct relationship to poverty in Eastern Idaho. Although personal empowerment may have multiple meanings, the concept of

⁸² Sawhill, J. (1993) "Balancing economic growth and environmental protection". *Management Quarterly*, 34 (1), p 24-30.

⁸³ Sawhill, J. (1993) "Balancing economic growth and environmental protection". *Management Quarterly*, 34 (1), p 24-30.

⁸⁴ "Global environmental change: Re-thinking the questions". Retrieved September 12, 2003 from <http://gecko.ac.uk/doc-c/coredoc-c-01.html>



disempowerment must be regarded as a key to understanding poverty from an individual perspective. Theories that build greater empowerment revolve around overcoming barriers through the use of individual development accounts, improving access to information, and increasing participation for people in poverty, and increasing social capital through systems change. Empowerment is one of the key strategies for true systems change.

Education is another key indicator in relationship to poverty. Eastern Idaho lags behind other states in adult basic education, early education, high quality math and science programs, and other educational initiatives. A positive correlation between empowerment and education is apparent. Research clearly indicates that as education increases, the level of empowerment and personal initiative increases. If Eastern Idaho is going to substantially reduce poverty, more comprehensive and methodical approaches to quality education is critical.

Health care in the United States constitutes nearly 13 percent of the GDP; however, many people in Eastern Idaho are uninsured: most significantly, people in poverty. Although there are numerous reasons why people lack health insurance, the findings conclusively show that people without health insurance are less healthy and face greater economic difficulties than those with health insurance. In order for people in Eastern Idaho to access health insurance, institutional barriers must be removed and education and empowerment strategies must be instigated to increase the number of insured in Idaho. Ultimately, a positive relationship between health insurance coverage and education and empowerment exists. As the rates of the insured increase within Eastern Idaho, people can have greater health, thus increasing their ability to pursue education and achieve empowerment.

Leadership provides a mechanism for greater involvement in the issues that directly affect people in poverty. Grassroots leadership, using “influential” community members not held to any formal position, is necessary to make effective change. Leadership must exist at a grassroots, community level, rather than a bureaucratic one. Findings suggest that a positive relationship exists between leadership and the other indicators. As leadership increases, so do many of the other indicators such as empowerment, education, and opportunities for employment.

The rural economy often lags behind its urban counterpart. Some of the issues that contribute to the lack of sustainable employment include inadequate transitional job opportunities, limited transportation, and the rural nature of many of the counties in Eastern Idaho. There is a direct relationship between employment and the reduction of many different types of poverty. For example, obtaining a living wage job not only provides a means for reducing economic poverty, but job skills and employment satisfaction greatly increase the level of personal empowerment. The Eastern Idaho economy is one of transition, where blue-collar employment has been replaced as the largest type of employment. Service oriented professions and a technology corridor have emerged as two of the major industries in a more diverse Eastern Idaho economy.

Understanding the causes and effects of poverty in Eastern Idaho requires first defining, then measuring, poverty. Analysts often overlook the human dimension of poverty in America by using concrete measures such as food supply and housing shortages. While such an approach is necessary to understand the scope of the problem, the literature indicates that qualitative



information may provide a more accurate picture of the multi-dimensional aspects of poverty. This type of analysis will link the findings in the literature with actual people and their experiences in poverty.

In conclusion, Partners for Prosperity found a dynamic and intricate relationship among poverty indicators. Although the indicators do not represent a complete view of poverty in Eastern Idaho, they do provide an important picture of the features of poverty. It is evident that continued research is necessary to analyze and develop the links between indicators in order to develop strategies driven by these many dimensions of poverty.