
Tim Slack
Department of Sociology
Louisiana State University

ABSTRACT Researchers are increasingly recognizing space as a key axis of inequality. Scholars concerned with spatial inequality have called for special attention to issues of comparative advantage and disadvantage across space as well as the consideration of the subnational scale. This study draws on these ideas by examining the relationship between work and poverty in the United States with an explicit comparative focus on metropolitan (metro) and nonmetropolitan (nonmetro) areas. Moreover, this study joins space with its counterpart time by exploring how this relationship has changed over the last quarter century. Using data from the March Current Population Survey, the results show that working poverty persistently had a disproportionate impact on nonmetro families between 1979 and 2003. However, the results also show a trend of residential convergence, as working poverty in metro areas has climbed toward the levels experienced in nonmetro areas. Logistic-regression models exploring the effects of residence, family labor supply, and period confirm that labor supply has consistently provided nonmetro families with less protection from poverty than their metro counterparts, but also show that this disadvantage has waned in recent years. The findings underscore the need for policies that support those working on the economic margins and recognize the variable opportunity costs of employment across the rural-urban continuum.

Introduction

Underpinning the American Dream is the idea that hard work pays off. Americans embrace the promise that over time a conscientious work effort will yield higher pay and status, greater time for leisure, and protection from poverty. However, for many working Americans employment is not a sufficient condition for keeping them from poverty’s grasp. Indeed, over the last quarter century, dramatic changes in the economic

* I presented an earlier version of this article at the 2008 meeting of the Rural Sociological Society in Manchester, NH. The Population Research Institute at Pennsylvania State University, which has core funding from the National Institute of Child Health and Human Development (2 R24 HD041025-06), provided infrastructural support for this research. My thanks to the editor of Rural Sociology and three anonymous reviewers for their thoughtful vetting of this manuscript. My thanks also to Don Genismore for programming assistance, and Alisha Coleman-Jensen, Matthew Lee, Diane McLaughlin, Candice Myers, Leif Jensen, and David Warner for helpful input on previous drafts. Direct correspondence to: Tim Slack, Department of Sociology, Louisiana State University, Baton Rouge, LA, 70803 or slack@lsu.edu.
landscape faced by American workers have served to put the issue of working poverty on center stage in the national poverty debate. Even with the good fortune of a “full-employment” economy in the latter 1990s, many American workers and their families remained poor at decade’s end (Bernstein 2004). The salience of this issue is highlighted by the recent popular success of such books as Nickel and Dimed: On (Not) Getting By in America (Ehrenreich 2001), The Betrayal of Work: How Low-Wage Jobs Fail 30 Million Americans and Their Families (Shulman 2003), and The Working Poor: Invisible in America (Shipler 2004), all of which were published after the much heralded expansion of the 1990s.

Working poverty has been defined in a variety of ways (see Blank and London 1995; Kasarda 1995; Klein and Rones 1989; Lichter, Johnston, and McLaughlin 1994; Morrissey 1991; Mosisa 2003), but conceptually hinges on whether individuals attached to the labor market through formal employment fail to earn an income that keeps them out of poverty. Working poverty has long been an important part of the poverty problem in the United States, and historically this has been especially true in rural America (Brown and Hirschl 1995; Jensen, McLaughlin, and Slack 2003; Lichter et al. 1994; Lichter and McLaughlin 1995; Rural Sociological Society Task Force on Persistent Rural Poverty 1993). However, the increasing national attention garnered by the issue suggests that working poverty may be affecting growing numbers across the rural-urban continuum. In this article I examine the issue of working poverty by drawing on data spanning the years 1979 through 2003, with a special comparative focus on the situation in metropolitan (metro) and nonmetropolitan (nonmetro) areas. In doing so, I seek to outline how the contours of working poverty have changed across the metro-nonmetro divide over the last quarter century. Further, I seek to assess how family labor supply and period effects, net of other important sociodemographic variables, have influenced the likelihood that workers and their families will be poor.

Theoretical Considerations

An important recent development in stratification research has been a concerted call for the consideration of geographic space as a key axis of social inequality (Gans 2002; Lobao 2004; Lobao, Hooks, and Tickamyer 2007; Lobao and Saenz 2002; Tickamyer 2000). Lobao et al. (2007) outline four overarching ways in which space can be brought into sociological research on inequality. First, space intersects with class, gender, race/ethnicity, and other statuses in important ways. This is true both in terms of the spatial distribution of population groups—such as the
changing spatial concentration of the rural poor (Lichter and Johnson 2007)—as well as in how those of different social statuses use and experience space—for instance, the negotiation of long commutes for low-wage rural workers (Webb 2003) or the locational embeddedness of family livelihood strategies (Nelson and Smith 1999; Ziebarth and Tigges 2003). Second, space can serve to channel inequality processes by either muting or amplifying their effects. For example, research has shown the returns to work (Lichter et al. 1994) and human-capital investment (McLaughlin and Perman 1991) tend to be lower in rural areas than urban areas. Third, social inequality is space forming. An illustration of this effect is the regional concentrations of high and persistent poverty in places such as Appalachia, the Mississippi Delta, and the Texas Borderland (Lyson and Falk 1993; Rural Sociological Society Task Force on Persistent Rural Poverty 1993; Slack et al. 2009), geographies of disadvantage that are the products of social struggle and negotiation. Last, spatial processes and inequality processes can be causally meshed. For example, economic restructuring (Falk, Schulman, and Tickamyer 2003) and devolution in the form of welfare reform (Tickamyer et al. 2007; Weber, Duncan, and Whitener 2002) are inherently spatial processes.

Scholars concerned with spatial inequality have also called for explicit attention to issues of comparative advantage and disadvantage across space as well as to issues of spatial scale. While an understanding of the sources of comparative advantage and disadvantage are central to understanding questions of social inequality, Tickamyer (2000) argues that spatial context is often overlooked as a setting for and component of stratification. Relational spatial constructs such as metro and nonmetro allow for the comparison of different types of locations and the social-spatial structures characterizing them (e.g., households, labor markets, human-capital and population factors) that speak to “configurations of social, political, demographic, and economic practices that provide people and places with varying degrees of power, opportunity, and advantage” (Tickamyer 2000: 810). Those calling for attention to spatial scale have noted that stratification research has tended to focus on cross-national, national, and urban scales but has left the subnational scale—spatial units between the level of the city and nation-state—relatively neglected in accounts of inequality (Lobao 2004; Lobao and Hooks 2007; Tickamyer 2000).

Lobao (2004) has argued that attention to these issues stands to simultaneously strengthen rural sociology and demonstrate why the approach taken by rural sociologists is critical to the social sciences. In this view, the topic of spatial inequality strengthens rural sociology by
helping tie together substantive strands in the field, introducing new conceptual perspectives and methodologies, and by speaking to questions of uneven development by drawing out how territorial inequality is created, perpetuated, and changed. At the same time, rural sociology’s tradition of comparative regional analysis and attention to middle-range territorial units puts the discipline in a position to play a prominent role in advancing the social-scientific understanding of spatial inequality. For example, while social scientists have disproportionately focused on large cities to understand development processes, rural sociologists stand to provide a needed corrective by bringing the experiences of other spaces and places to bear. Further, attention to these concerns has the potential to speak to broader questions about the national spatial division of labor and the territorial expression of new forms of inequality.

This study draws on these considerations by examining the relationship between work and poverty with an explicit comparative focus on differences between metro and nonmetro areas. More specifically, this research contributes to the body of scholarship that draws attention to issues of comparative advantage and disadvantage across space as well as the consideration of the subnational scale. This research also speaks to questions of how space intersects with other social statuses (e.g., poverty and the characteristics of workers and their families) and how space serves to channel inequality processes (e.g., differential returns to work and human capital), and more indirectly to the meshed nature of spatial processes and inequality processes (e.g., economic restructuring and devolution). Moreover, this study joins space with its counterpart time by exploring how this relationship has changed over the last quarter century.

Background

Change in the National Context

In the period spanning from the end of World War II to the mid-1970s, the average standard of living in the United States improved dramatically—median income rose, inequality declined, and poverty fell (Harrison and Bluestone 1988; Massey 2007; Morris and Western 1999). But after the mid-1970s the context changed markedly in what has been variously referred to as the “Great U-Turn” (Harrison and Bluestone 1988) and the “Fall of Egalitarian Capitalism” (Massey 2007). Inequality began a steady upward march as the incomes of those at the top of the distribution increased dramatically, median income crept upward only slightly, and the incomes of those at the bottom of the distribution stagnated (Harrison and Bluestone 1988; Massey 2007; Morris and Western 1999).
Western 1999). Poverty rose in the late 1970s and remained high throughout the 1980s and early 1990s. It then fell during the latter 1990s, only to rise again at the start of the twenty-first century (DeNavas-Walt, Proctor, and Smith 2008).

This period has been characterized by both macroeconomic growth and decline. Since 1980, the macroeconomy has gone through the longest contraction (1981–1982, 16 months), and the longest (1991–2001, 120 months) and third longest expansions (1982–1990, 92 months) in the postwar era (National Bureau of Economic Research 2009). Research has shown a clear countercyclical relationship between the state of the macroeconomy and poverty (e.g., Gunderson and Ziliak 2004; Iceland 2003)—when the economy is strong, poverty tends to decrease; and when it is weak, poverty rises. In the 1980s, the gains of economic growth were largely offset by rising inequality and the increasing share of families headed by single females, serving to keep poverty high throughout the decade. But in the 1990s, the effect of inequality waned, the shift toward vulnerable family structures slowed, and the economy enjoyed an unprecedented expansion. Together these trends combined to decrease poverty during the latter half of the decade (Iceland 2003).

American labor supply and demand have also been in flux during this time. On the supply side, American families have steadily increased their labor supply to keep pace with the modern economy. Labor-force participation among women increased substantially during the 1980s, a trend that continued in the 1990s albeit at a slower pace. Much of this overall increase was driven by a rise in the formal labor supply of married women (Juhn and Potter 2006). By 2000, nearly two-thirds of married couples with children were characterized by the employment of both spouses (Bureau of Labor Statistics 2002). The rise in dual-income families is related to the decline in real earnings among male workers since the early 1970s, a trend that has necessitated families increasing their labor supply in order to maintain their standard of living (Danziger and Gottschalk 1995).

On the demand side, the globalization of world markets, facilitated by revolutionary technological advances in computerization, has led to major changes in the structure of the labor market confronted by American workers (Massey 2007; Rifkin 2004). Beginning in the 1970s, U.S. firms began to restructure in response to growing international competition. Two key trends characterized this restructuring: (1) the

---

1 This is tied with the 16-month contraction experienced between 1973 and 1975. At the time of this writing, the United States is in the midst of a contraction of even greater length.
shift from a goods-producing to a service-based economy; and (2) the rise in nonstandard employment—outsourcing, subcontracting, and temporary, contingent, and part-time work contracts (Morris and Western 1999). Following World War II, manufacturing represented the largest sector of employment, but it was surpassed by the service sector in the early 1980s (Meisenheimer 1998). In fact, during the 1990s the service sector accounted for more than 97 percent of all job growth (Goodman and Steadman 2002). While the service sector comprises a wide range of jobs that vary greatly in quality, the evidence indicates a shift toward labor-market bifurcation due to displacement of manufacturing workers and the divergence of job quality within the service sector (Harrison and Bluestone 1988; Meisenheimer 1998). This process has had particularly painful consequences for men with a high school education or less (Bianchi 1995; Morris and Western 1999).

The rise in nonstandard employment has been driven by desires on the part of both employers and employees for greater flexibility. In response to increasing global competition and volatile consumer demand, firms have used outsourcing and contingent work contracts to reduce labor costs and shift a greater share of the risk of market uncertainties onto workers. Some workers have benefited from these arrangements, though most nonstandard workers indicate they would prefer standard employment if given the choice (Kalleberg et al. 1997). On balance, nonstandard employment has been shown to strongly increase the likelihood that workers will face low earnings and lack benefits (Kalleberg, Reskin, and Hudson 2000).

The 1980s and 1990s also saw a major shift in the emphasis of national poverty policy, evolving from the ambitious agenda of the 1960s, which sought the abolition of poverty, to one centered on concerns about welfare dependency, nonwork, and unwed motherhood (Ellwood 1989; Mead 1992; Murray 1984). In 1996, the U.S. Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the central premise of which was that the welfare system fostered dependency and that the best way to reduce poverty and encourage self-sufficiency was to move people from “welfare to work.” PRWORA ended the nation’s largest federal cash-assistance program—Aid to Families with Dependent Children—as an entitlement and replaced it with Temporary Assistance for Needy Families, a state block-grant program with time limits on receipt and the requirement of “work effort” in exchange for aid. In the wake of this legislation caseloads fell to less than half their previous level nationwide and the low-wage labor market experienced a massive influx of former welfare recipients (Lichter and Jayakody 2002).
Other important policy considerations for those working on the economic margins include the declining real value of the minimum wage and expansions of the Earned Income Tax Credit (EITC). Between 1980 and 1990, Congress failed to raise the minimum wage a single time, resulting in a 30 percent drop in its real dollar value, the largest and longest continuous decline in the postwar era (Card and Krueger 1995). At the same time the nation witnessed significant federal and state expansions of the EITC, which has been credited with having substantial impacts on after-tax poverty in the 1990s (Gunderson and Ziliak 2004).

**Metro and Nonmetro Areas in Comparative Perspective**

The context outlined above culminates in important questions about the ability of many American families to make ends meet. This issue may be a particular concern for those living in nonmetro areas, where work has traditionally offered less protection from poverty (Brown and Hirschl 1995; Jensen et al. 2003; Lichter and McLaughlin 1995; Rural Sociological Society Task Force on Persistent Rural Poverty 1993), a comparative disadvantage that increased dramatically during the 1980s (Lichter et al. 1994). Evidence suggests that the unprecedented economic expansion of the 1990s, as measured by unemployment or wage growth, was less beneficial in reducing absolute poverty rates in nonmetro areas (Gunderson 2006). Even with the boom of the latter 1990s, low wages continued to plague many rural workers at decade’s end. By 1999, more than a quarter of nonmetro workers over age 25 continued to earn wages that—if earned full-time, full-year—would still leave them below the poverty threshold for a family of four (Bowers, Cook, and Gibbs 2000).

Research has shown that in comparison to those in metro areas, nonmetro workers face a higher likelihood of being underemployed (Slack and Jensen 2002, 2008a), and once underemployed are less likely than their metro counterparts to regain adequate employment (Jensen et al. 1999). The problem of marginal employment is underscored by the fact that the nonmetro poor tend to rely more heavily on income generated from work and less on public-assistance programs than do their metro counterparts (Jensen and Eggebeen 1994; Lichter and Jensen 2002).

The disadvantages borne by nonmetro workers are rooted in both compositional and structural differences between metro and nonmetro areas. Compositional factors, such as lower average educational levels in nonmetro areas (Beaulieu and Mulkey 1995), contribute to higher levels of inadequate employment. At the same time, research has shown that jobs in nonmetro areas tend to pay lower wages for comparable work and
provide lower returns to the human-capital endowments possessed by workers (McLaughlin and Perman 1991). Structural factors, such as physical isolation and lack of economic diversification, serve to limit the employment options and opportunities of nonmetro workers. Because rural areas tend to rely on less diverse local economies, the impact of economic restructuring has often proven particularly unkind (McLaughlin 2002). Data from the mid-1990s indicate that although nonmetro workers were less likely to be displaced than metro workers, they had a lower probability of finding new employment after losing their jobs (Hamrick 2001). Recent research has also shown that nonmetro workers are more likely than their metro counterparts to be employed in nonstandard and varied-hour work—jobs which, on average, provide lower wages and fewer benefits (McLaughlin and Coleman-Jensen 2008). And workers hailing from economically marginalized groups—such as racial and ethnic minorities (Slack and Jensen 2002; Summers 1991) and single-female-headed households (Brown and Lichter 2004; Snyder and McLaughlin 2004)—have been shown to face particular disadvantages in nonmetro areas.

**Current Study**

Growing recognition of the theoretical relevance of spatial inequality, changes in the economic context faced by American workers over recent decades, and the particular historical disadvantages faced by rural workers raise important questions about the economic well-being of working families and comparative advantages/disadvantages in this regard across the metro-nonmetro divide. In what follows I draw on data from 1979 through 2003 to assess how the relationship between work and poverty has changed over the last quarter century. Throughout, I pay special attention to the comparison of working poverty between metro and nonmetro areas.

**Data and Methods**

To address these objectives, I analyze data drawn from the March Current Population Survey (CPS) in three-year intervals from 1980 through 2004 (i.e., 1980, 1983 . . . 2004). Collected by the Bureau of the Census on behalf of the Bureau of Labor Statistics, the CPS is a nationally representative monthly survey of the civilian, noninstitutionalized population, and is the principal source of official labor-force data. The March survey (or Annual Social and Economic Supplement, formerly the Annual Demographic Survey) contains a variety of data not collected
during other months of the year. These data allow researchers to describe the socioeconomic and demographic characteristics of individuals, families, and households in much greater detail. While I use the survey data in three-year intervals from 1980 through 2004, the income and employment data I draw on actually reference the preceding year (i.e., 1979 is the reference for the 1980 survey, 1982 is the reference for the 1983 survey, and so on). Because poverty, labor supply, and period effects are of central interest in this analysis, it is the reference year (i.e., 1979, 1982 . . . 2003) that I refer to in describing the results. The nine data files were concatenated and analyzed as a single dataset.

**Measuring Working Poverty**

The official poverty measure in the United States is based on an approach developed in the early 1960s and has been subject to only minor modifications since that time (see U.S. Bureau of the Census 2008). The measure uses a set of income thresholds that vary by family size and composition. Families are defined as all individuals related by blood, marriage, or adoption who reside in a given household. Family income is calculated as the sum of before-tax money brought into a household by all related members in the form of earnings or cash transfers (e.g., Social Security, public assistance, and unemployment compensation). The value of noncash transfers (e.g., food stamps, health care, and housing subsidies) and capital gains and losses are not considered. The thresholds were originally formulated to represent the cost of a minimally acceptable diet multiplied by three to allow for expenditures on other goods and services, and have since been pegged to inflation to adjust for increases in the cost of living. In the CPS, poverty thresholds are based on a family’s annual income in the year preceding the March interview (e.g., the March 2004 survey asks about various sources of income in 2003). If a given family’s income falls below its specified threshold, then that family (and every individual in it) is defined as poor.

Whether the official poverty measure provides a realistic standard of what constitutes a minimally adequate standard of living has been the subject of much contentious debate (see Citro and Michael 1995; Ruggles 1990). One important criticism of the official measure, especially in assessing metro-nonmetro differences, is that it fails to adjust for geographic differences in the cost of living. However, the degree to which this problem misrepresents metro-nonmetro differences in economic well-being is difficult to determine. Housing costs are generally lower in nonmetro areas, but other costs of living, such as transportation, food, and health care tend to be higher (Nord 2000). While experts
continue to grapple with how to improve the official poverty measure, the federal government has yet to adopt any changes. Despite its shortcomings, I rely on the official poverty measure in this analysis because of its long-standing availability in the CPS and, more importantly, because it continues to be the official measure and is therefore the recognized standard for general policy assessment and benchmarking economic well-being over time. It is also the measure utilized in the vast majority of poverty research.

Various methods have been used to define the “working poor.” As Kasarda (1995:45) notes, “Counting the working poor is neither simple nor clean. This is because working is an attribute of an individual while poverty is defined in terms of the total income of the family to which the individual worker belongs.” Most researchers have focused on whether an individual worker hails from a family with an income below its respective poverty threshold. But there has been less consistency in determining who qualifies as “working,” with definitions ranging from full-time, year-round employment (i.e., 35 or more hours a week, 50 or more weeks a year) to employment during just a single week in a given year (Blank and London 1995; Kasarda 1995; Klein and Rones 1989; Lichter et al. 1994; Morrissey 1991; Mosisa 2003). A common threshold has been to identify those employed 27 or more weeks (i.e., at least half) of the previous year (Kasarda 1995; Klein and Rones 1989; Lichter et al. 1994), a cutoff that is not overly restrictive but does exclude nonworkers and those with only marginal labor-market attachment.

Consistent with this approach, I define the working poor as those employed at least half of the previous year (i.e., 27 or more weeks) and hailing from a poor family. I further restrict the analysis to family reference persons between the ages of 24 and 64 years. The restriction to

---

2 For the recommendations of the National Academy of Sciences (NAS) Panel on Poverty and Family Assistance, see Citro and Michael (1995).

3 In addition to the NAS recommended measure, it should be noted that researchers have employed an array of alternative poverty measures. These include measures that assess the depth of poverty and income-to-needs ratios, relative poverty (e.g., less than half of median family income), consumption, material hardship, and social exclusion (for an overview see Iceland 2006). These approaches provide useful complements to the official measure utilized here.

4 The “family reference person” is the person relative to whom the relationship of all other family members is recorded. In most cases (99.4 percent of the sample examined here), this person is the “householder.” The householder refers to the person (or one of the persons) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees. If the house is owned or rented jointly by a married couple, the householder may be either the husband or the wife. In unrelated subfamilies (0.6 percent of the sample examined here) the family reference person is any adult relative to whom the relationship of all other family members is recorded.
family reference persons was made for two reasons. First, I wanted to consider the economic circumstances of all kinds of families, those related to both the householder and members of unrelated subfamilies. This definition helps to capture the diversity of living arrangements among American families, particularly those who have chosen to “double-up” out of economic necessity. Second, I wanted to avoid the potential confound of examining multiple workers from a single family, all of whom would share the same poverty status. The age restriction was made to keep the emphasis on those of “working age.” In sum, this is a conservative definition of the working poor as it focuses on the heads of poor families in the prime of their working years with significant attachment to the labor market.

Analytic Strategy

I approach the analysis by first examining descriptive statistics that compare the relationship between work and poverty in metro and non-metro areas over the period spanning 1979 through 2003. I then estimate a series of logistic-regression models that predict the likelihood of a worker’s family being poor, with a special focus on the influences of residence, family labor supply, and period. The models assess the effects of these three key sets of independent variables, net of the influence of other important predictors of marginal employment and poverty. These controls include industry of employment, occupation, class of worker, sex, marital status, presence of own children, age, educational attainment, race/ethnicity, and region. Each is straightforwardly measured and described in greater detail as it enters the analysis. The stratified cluster sampling design of the CPS necessitates the use of weights to produce reliable population estimates. Because family reference persons

---

5 The CPS defines an “unrelated subfamily” as a family that does not include the householder or relatives of the householder among its members. Members of unrelated subfamilies may include persons such as guests, boarders, or resident employees and their relatives living in a household. In keeping with the official poverty measure, this analysis treats all related family members in a given household as a single family with a single poverty status and unrelated subfamilies as separate families with their own poverty status. Unrelated individuals are excluded from the analysis.

6 The CPS also includes a small number of cases for which metro/nonmetro residence is “not identified” to help protect confidentiality. These cases are excluded from the analysis. It should also be noted that following the decennial census the Office of Management and Budget reevaluates the metro/nonmetro status of each county in the United States and makes reclassifications as necessary. Therefore, an issue confronted in any interdecade study using the CPS is that the set of counties defined as metro and nonmetro is subject to change. The approach generally taken in such studies is to assess the circumstances of people residing in conceptually similar settings over time, rather than people in the same geographic units, which may become conceptually dissimilar as time passes.
are my unit of analysis, I use the March supplement person weights. However, to achieve more realistic tests of statistical significance, I divide these weights by their means to yield weighted N’s approximately equal to the CPS sample size. To further adjust for the complex sampling design of the CPS, I also report statistical significance levels based on robust standard errors using the method advocated by Davern et al. (2007). More specifically, I utilize the “surveylogistic” procedure in SAS to make strata and cluster adjustments. I use the lowest level of identifiable geography available in the CPS that can be applied to both metro and nonmetro populations (i.e., state) as the strata variable, and I use the household ID as the cluster variable. The latter is an issue in only a small number of cases (0.6 percent) where unrelated families reside in the same household.

Results

Prevalence of Working Poverty by Residence

Table 1 shows the percentage of working poor families as a share of all poor families from 1979 to 2003. Data are presented for the entire United States and for metro and nonmetro areas specifically. Over the last quarter century, nationwide the working poor have constituted between 33.7 percent and 42.1 percent of all poor families headed by a working-age individual.7 Notably, the majority of poor families during this period were

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Metro</th>
<th>Nonmetro</th>
<th>Nonmetro-Metro Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>35.9</td>
<td>30.6</td>
<td>45.9</td>
<td>15.3</td>
</tr>
<tr>
<td>1982</td>
<td>33.7</td>
<td>28.6</td>
<td>42.9</td>
<td>14.3</td>
</tr>
<tr>
<td>1985</td>
<td>35.5</td>
<td>31.0</td>
<td>46.4</td>
<td>15.4</td>
</tr>
<tr>
<td>1988</td>
<td>34.0</td>
<td>31.4</td>
<td>40.4</td>
<td>9.0</td>
</tr>
<tr>
<td>1991</td>
<td>34.8</td>
<td>32.2</td>
<td>42.9</td>
<td>10.7</td>
</tr>
<tr>
<td>1994</td>
<td>36.1</td>
<td>34.3</td>
<td>41.2</td>
<td>6.9</td>
</tr>
<tr>
<td>1997</td>
<td>39.6</td>
<td>39.7</td>
<td>39.2</td>
<td>-0.5</td>
</tr>
<tr>
<td>2000</td>
<td>42.1</td>
<td>41.7</td>
<td>43.6</td>
<td>1.9</td>
</tr>
<tr>
<td>2003</td>
<td>38.8</td>
<td>37.5</td>
<td>43.5</td>
<td>6.0</td>
</tr>
<tr>
<td>N</td>
<td>12,180</td>
<td>7,831</td>
<td>4,349</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Note: Analysis restricted to family reference persons aged 24–64 years.

7 For reference, population estimates from the 2004 CPS indicate that the definition of the working poor used here would apply to approximately 2.4 million workers in 2003. Importantly, note that the poverty status of these individuals extends to all related family members in their household.
not headed by individuals with substantial labor-market attachment, whether due to personal choice or structural obstacles. It is also notable that the highest shares of the working poor were recorded in 1997 and 2000. Because the latter 1990s were a period of unprecedented economic growth, one might presume that working poverty would fall as economic opportunity expanded. Indeed, poverty did fall to its lowest recorded level during this time. On the other hand, this finding could signal that the expansion allowed more of the poor entrée to the labor market, albeit at levels that did not allow their families to escape poverty—an interpretation supported by the fact that the occupations in which the most jobs were created in the 1990s were low wage (Bernstein 2004). These numbers could also reflect the impact of the welfare reform bill of 1996, which aimed to reduce welfare rolls and poverty by moving former recipients from “welfare to work.” These policies did slash welfare rolls to less than half their previous level, but may have transferred many from the ranks of the welfare poor to the working poor.

The residence-specific trends underscore themes of both persistence and change. From 1979 to 2003, working poverty was consistently higher in nonmetro than metro areas. The sole exception was in 1997, the year following welfare reform, when metro working poverty was a fraction of a point higher than in nonmetro areas. Over the quarter century examined, working poverty was 8.8 percent higher in nonmetro areas on average, with gaps approaching twice that size in some years. These numbers provide support for prior research that showed the 1980s to be an unkind period for nonmetro workers (Lichter et al. 1994). As illustrated in Figure 1, however, the data also show a trend of residential convergence in working poverty. The greatest inequalities existed in the early 1980s, but since the middle part of that decade metro working poverty has steadily risen toward the levels observed in nonmetro areas. While this trend has been in motion since the late 1980s, it accelerated between 1994 and 2000. As noted above, this was a period in which the United States experienced unprecedented economic growth, but was also when welfare reform was introduced. Given that the metro poor have been shown to rely more heavily on public assistance than their nonmetro counterparts (Jensen and Eggebeen 1994; Lichter and Jensen 2002), this convergence may in part reflect the differential residential impact of welfare reform. It might also reflect trends in low-wage job growth during this period (Bernstein 2004).

**Poverty among Workers by Residence**

Table 2 shows the percentage of all workers in poverty from 1979 to 2003. As in Table 1, this table presents data for the entire United States
and for metro and nonmetro areas specifically. The data show that over the last quarter century, the poverty rate among all workers has remained relatively low and stable, averaging 4.8 percent and ranging between 3.7 percent and 5.4 percent. Residential comparisons reveal that working poverty has consistently plagued a greater share of nonmetro workers than those in metro areas. Between 1979 and 2003, the share of nonmetro workers in poverty has averaged 6.9 percent and ranged from 5.3 percent to 8.9 percent. In comparison, the share of metro workers in poverty has averaged 4.3 percent and ranged from 3.0

![Figure 1. Percentage of Working Poor as a Share of All Poor Families by Residence, 1979–2003](image)


### Table 2. Percentage of Workers in Poverty by Residence, 1979–2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Metro</th>
<th>Nonmetro</th>
<th>Nonmetro-Metro Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>3.7</td>
<td>3.0</td>
<td>5.3</td>
<td>2.3</td>
</tr>
<tr>
<td>1982</td>
<td>5.2</td>
<td>4.1</td>
<td>7.9</td>
<td>3.8</td>
</tr>
<tr>
<td>1985</td>
<td>5.0</td>
<td>4.0</td>
<td>8.9</td>
<td>4.9</td>
</tr>
<tr>
<td>1988</td>
<td>4.4</td>
<td>3.7</td>
<td>6.9</td>
<td>3.2</td>
</tr>
<tr>
<td>1991</td>
<td>5.2</td>
<td>4.6</td>
<td>7.1</td>
<td>2.5</td>
</tr>
<tr>
<td>1994</td>
<td>5.4</td>
<td>5.0</td>
<td>7.1</td>
<td>2.1</td>
</tr>
<tr>
<td>1997</td>
<td>5.2</td>
<td>4.9</td>
<td>6.7</td>
<td>1.8</td>
</tr>
<tr>
<td>2000</td>
<td>4.5</td>
<td>4.3</td>
<td>5.7</td>
<td>1.4</td>
</tr>
<tr>
<td>2003</td>
<td>5.0</td>
<td>4.7</td>
<td>6.6</td>
<td>1.9</td>
</tr>
</tbody>
</table>


*Note:* Analysis restricted to family reference persons aged 24–64 years and employed 27 or more weeks in the reference year.
percent to 5.0 percent. As illustrated in Figure 2, the metro-nonmetro gap in the percentage of workers in poverty shows a consistent nonmetro disadvantage over the entire 25-year period. However, again, there is also evidence of residential convergence. After the first half of the 1980s—a particularly unkind period for nonmetro workers—the residential gap narrowed as the share of workers in poverty stabilized in nonmetro areas and trended upward in metro areas.

### Multivariate Models of Working Poverty

Table 3 presents estimates from logistic-regression models predicting poverty \((1 = \text{poor})\) among working family heads. I estimated models for the nation as a whole and for metro and nonmetro areas separately. The intent of these models is to examine the influence of residence, family labor supply, and period effects on the likelihood of being poor. The models also control for a series of variables that have been shown to be important correlates of marginal employment and poverty, including industry of employment, occupation, class of worker, sex, marital status, presence of own children, age, educational attainment, race/ethnicity, and region. Specifically, I control for industry of employment with a series of dummy variables measuring whether or not a worker’s job was in extraction, manufacturing, transportation/utilities, trade (wholesale/

---

**Figure 2.** Percentage of Workers in Poverty by Residence, 1979–2003


---

8 I chose to keep a more parsimonious focus on residence, family labor supply, and period effects. The tables do not include estimates for the control variables, but these estimates are available from me upon request.
Table 3. Logistic-Regression Coefficients from Models Predicting Poverty among Workers by Residence, 1979–2003

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Total</th>
<th>Metro</th>
<th>Nonmetro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonmetro (1 = yes)</td>
<td>0.484**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family labor supply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family head FTFY (1 = yes)</td>
<td>-1.347**</td>
<td>-1.462**</td>
<td>-1.141***</td>
</tr>
<tr>
<td>Number of other full-time workers</td>
<td>-1.986**</td>
<td>-2.250**</td>
<td>-1.573***</td>
</tr>
<tr>
<td>Number of other part-time workers</td>
<td>-0.623**</td>
<td>-0.673**</td>
<td>-0.535***</td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979 (ref.)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>0.497**</td>
<td>0.498**</td>
<td>0.506**</td>
</tr>
<tr>
<td>1985</td>
<td>0.553**</td>
<td>0.481**</td>
<td>0.696**</td>
</tr>
<tr>
<td>1988</td>
<td>0.423**</td>
<td>0.434**</td>
<td>0.422**</td>
</tr>
<tr>
<td>1991</td>
<td>0.633**</td>
<td>0.685**</td>
<td>0.539**</td>
</tr>
<tr>
<td>1994</td>
<td>0.730**</td>
<td>0.783**</td>
<td>0.619**</td>
</tr>
<tr>
<td>1997</td>
<td>0.644**</td>
<td>0.713**</td>
<td>0.493**</td>
</tr>
<tr>
<td>2000</td>
<td>0.510**</td>
<td>0.592**</td>
<td>0.320**</td>
</tr>
<tr>
<td>2003</td>
<td>0.523**</td>
<td>0.561**</td>
<td>0.454**</td>
</tr>
<tr>
<td>Intercept</td>
<td>-2.120**</td>
<td>-1.950**</td>
<td>-1.965**</td>
</tr>
<tr>
<td>$R^2_L$</td>
<td>0.398</td>
<td>0.414</td>
<td>0.356</td>
</tr>
<tr>
<td>$-2LL$</td>
<td>61,187</td>
<td>41,627</td>
<td>19,294</td>
</tr>
<tr>
<td>$N$</td>
<td>236,968</td>
<td>174,418</td>
<td>62,550</td>
</tr>
</tbody>
</table>


Notes: Models restricted to family reference persons aged 24–64 years and employed 27 or more weeks in the reference year. Models control for the effects of industry of employment, occupation, class of worker, sex, marital status, presence of own children, age, educational attainment, race/ethnicity, and region. FTFY = full-time, full-year.

* $p < .01$; ** $p < .001$. *Nonmetro model coefficient is significantly different from the metro model coefficient at $p < .05$.

These variables have been shown to be important predictors of underemployment, with workers in extractive industries facing particular disadvantages (Slack and Jensen 2004). Following Lichter et al. (1994), I control for occupation using dummy variables for whether or not a worker’s occupation is characterized as managerial/professional (reference group), sales and clerical, service, or labor, with the expectation that higher-status occupations will carry a lesser risk of poverty. I also consider the effects of worker class with dummy variables measuring whether one works for an employer in the private sector (reference group), public sector, or is self-employed. The expectation here is that the self-employed will face higher odds of poverty than will those working for private- or public-sector employers (Lichter et al. 1994). To control for the important effects of family structure, the models include dummy variables for a worker’s sex (1 = male), marital status (never married, widowed/separated/divorced, or married as the reference group), finance/insurance/real estate, or services (reference group).
group), and whether or not a worker’s family has children under the age of 18 years living in the household (1 = yes). These variables are included to control for the disproportionate risk of poverty faced by unmarried women and their children (Bianchi 1999; Lichter and Jayakody 2002). I include worker’s age as a continuous variable and dummy variables for educational attainment (bachelor’s degree or more, some college, high school diploma or equivalent, or less than high school as the reference group), race/ethnicity (non-Hispanic black, Hispanic, non-Hispanic other, or non-Hispanic white as the reference group), and region of residence (Midwest, South, West, or Northeast as the reference group). All of these variables have been shown to be important predictors of poverty and underemployment, demonstrating disadvantages associated with youth, less education, being black or Hispanic, and residing in the South (see Jensen and Slack 2003; Jensen et al. 1999; Lichter et al. 1994; Slack and Jensen 2002, 2008a, 2008b).

Table 3 shows that net of family labor supply, period effects, and the full range of control variables, nonmetro workers have faced significantly higher odds of being poor than their metro counterparts over the last quarter century. That is, nonmetro workers and their families have faced a disproportionate risk of economic hardship that is not explained by how much their adult family members work, whether economic times are good or bad (period effects), or other important sociodemographic characteristics that are common correlates of poverty. Not surprisingly, greater family labor supply is associated with significantly lower odds of being poor. Workers who work full-time, full-year are significantly less likely to be poor than those who work less. Having additional full-time workers in the family also exerts significant downward pressure on the likelihood of poverty, and to a lesser degree this is also true of additional part-time workers. Period effects are shown to be important predictors of working poverty, consonant with research that has shown the same for underemployment (Slack and Jensen 2008b). In fact, the likelihood of a worker being poor has been significantly higher in every period examined since 1979.

The residence-specific models show the same general pattern of effects. Among both metro and nonmetro workers, family labor supply is negatively associated with the likelihood of being poor, while period effects since 1979 are positively associated with the probability of living in

---

9 Beginning in 2003, the CPS allowed individuals to identify themselves as a member of more than one racial group. In order to create racial and ethnic group definitions that are roughly consistent over the period examined, in the 2004 data I counted the small number of mixed-race individuals as “other,” and limited the remaining groups to those identifying as non-Hispanic white only, non-Hispanic black only, and Hispanic only.
poverty. However, tests for statistical significance between the corresponding coefficients for the metro and nonmetro models (see Clogg, Petkova, and Haritou 1995; Paternoster et al. 1998) indicate a number of significant across-model differences. Notably, each of the family labor supply variables provides significantly less downward pressure on poverty for nonmetro workers than their metro counterparts. In other words, over the last quarter century, net of other significant factors, work has provided nonmetro families with less protection from poverty than has been true for metro families. In addition, the models show that metro workers struggled disproportionately in 2000, a finding reflective of the trends observed in the descriptive analysis. Again, it is surprising to find evidence of increasing hardship for metro workers at the tail end of a period during which the United States experienced unprecedented economic growth, though while we witnessed very tight labor markets, those sectors adding the most jobs during this time were low wage (Bernstein 2004). It is also possible that welfare reform is at play here, given the greater reliance on public assistance among metro poor than the nonmetro poor (Jensen and Eggebeen 1994; Lichter and Jensen 2002) and the great influx of workers into the low-wage labor market due to this policy shift.

In order to delve deeper into how the circumstances of metro and nonmetro workers have changed over the 25 years in question, the models presented in Table 4 compare the effects of family labor supply on poverty in metro and nonmetro areas for three chronological time periods: 1979 to 1985, 1988 to 1994, and 1997 to 2003. To account for the effects of time within each of the three periods, I include dummy variables for the second and third year of observation in the models. Again, the models also include the full range of control variables outlined previously. Substantively, these three periods allow for a number of important comparisons. In the early 1980s (1979–1985), the gap in working poverty was especially pronounced between metro and nonmetro areas. During this period the share of poor families who were working poor was an average of 15.0 percent higher in nonmetro areas. In the latter part of that decade and into the early 1990s (1988–1994), that gap closed considerably, averaging 8.9 percent over that time period. Between 1997 and 2003 the gap closed even further, averaging just 2.5 percent. In addition, this last period also taps the post-welfare reform era.

Consistent with the results presented in Table 3, in each of the three time periods family labor supply exerts significant downward pressure on poverty in both metro and nonmetro areas. The results also suggest that residential differences in this effect have diminished over time. In the
Table 4. Logistic-Regression Coefficients from Models Predicting Poverty among Workers by Residence and Period, 1979–2003

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Metro</td>
<td>Nonmetro</td>
<td>Metro</td>
<td>Nonmetro</td>
<td>Metro</td>
<td>Nonmetro</td>
</tr>
<tr>
<td>Family labor supply</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family head FTFY (1 = yes)</td>
<td>−1.509**</td>
<td>−1.069***</td>
<td>−1.409**</td>
<td>−1.179***</td>
<td>−1.514**</td>
<td>−1.308**</td>
</tr>
<tr>
<td>No. of other full-time workers</td>
<td>−1.837**</td>
<td>−1.180***</td>
<td>−2.186**</td>
<td>−1.636***</td>
<td>−2.635**</td>
<td>−2.396**</td>
</tr>
<tr>
<td>No. of other part-time workers</td>
<td>−0.513**</td>
<td>−0.400**</td>
<td>−0.689**</td>
<td>−0.658**</td>
<td>−0.903**</td>
<td>−0.831**</td>
</tr>
<tr>
<td>Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979 (ref.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>0.514**</td>
<td>0.528**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>0.471**</td>
<td>0.717***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1988 (ref.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td></td>
<td></td>
<td>0.237*</td>
<td>0.107</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td></td>
<td></td>
<td>0.327**</td>
<td>0.153</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997 (ref.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td>−0.117</td>
<td>−0.161</td>
<td>−0.170*</td>
<td>−0.042</td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>−2.307**</td>
<td>−2.291**</td>
<td>−1.394**</td>
<td>−1.093*</td>
<td>−0.956**</td>
<td>−1.047*</td>
</tr>
<tr>
<td>$R^2_L$</td>
<td>0.388</td>
<td>0.347</td>
<td>0.409</td>
<td>0.370</td>
<td>0.446</td>
<td>0.397</td>
</tr>
<tr>
<td>$-2LL$</td>
<td>12,895</td>
<td>8,594</td>
<td>14,014</td>
<td>5,868</td>
<td>14,500</td>
<td>4,556</td>
</tr>
<tr>
<td>$N$</td>
<td>53,835</td>
<td>24,018</td>
<td>57,524</td>
<td>19,740</td>
<td>63,059</td>
<td>18,792</td>
</tr>
</tbody>
</table>


Notes: Models restricted to family reference persons aged 24–64 years and employed 27 or more weeks in the reference year. Models control for the effects of industry of employment, occupation, class of worker, sex, marital status, presence of own children, age, educational attainment, race/ethnicity, and region. FTFY = full-time, full-year.

* $p < .01$; ** $p < .001$. a Nonmetro model coefficient is significantly different from the metro model coefficient at $p < .05$. 
period covering 1979 through 1985, tests for statistical significance between the corresponding coefficients for the metro and nonmetro models show that full-time labor supply, by both the head and other workers, provided nonmetro families significantly less protection from poverty than their metro counterparts. These tests also indicate that 1985 was a particularly unkind year for nonmetro families. In the period spanning 1988 through 1994, again full-time labor supply by nonmetro workers shielded their families less from poverty than is true in metro areas. But in the period covering 1997 through 2003, significant differences in the effects of labor supply between metro and nonmetro areas cease to exist. Ancillary analyses show that if the period comparison is between pre-welfare reform (1979–1994) and post-welfare reform (1997–2003), the same pattern of effects holds. These results provide further support that recent years have been a period of residential convergence in the relationship between work and poverty across the metro-nonmetro divide.

Conclusions and Implications

Geographic space is increasingly being recognized as a key dimension of social inequality (Gans 2002; Lobao 2004; Lobao et al. 2007; Lobao and Saenz 2002; Tickamyer 2000). Scholars concerned with spatial inequality have called for special attention to issues of comparative advantage and disadvantage across space as well as the consideration of the subnational scale (Lobao 2004; Lobao and Hooks 2007; Tickamyer 2000). In particular, these scholars have identified poverty analysis as providing “an exceptionally transparent example of the importance of spatial analysis, both negatively in the dangers of failing to examine variation by place and space and positively in the benefits gained from such investigation. Poverty is gendered, raced, and spaced” (Tickamyer 2000:809).

Joining the consideration of both space and time, I examined residential differences in working poverty between metro and nonmetro areas over the last quarter century. My results show that the relationship between work and poverty across the metro-nonmetro divide has been subject to both persistence and change. I find that working poverty persists in its disproportionate impact on nonmetro families. However, the results also show a trend of residential convergence, as working poverty in metro areas has risen toward the levels experienced in nonmetro areas. Logistic-regression models exploring the effects of residence, family labor supply, and period confirm that labor supply has consistently provided nonmetro families with less protection from poverty than their metro counterparts over the quarter century in question, but also show that this disadvantage has waned in recent years.
The story of the changing relationship between work and poverty across the metro-nonmetro divide would be a more optimistic one if the data suggested that while nonmetro workers remain at a disadvantage, residential convergence has been driven by relative gains among nonmetro workers. Unfortunately, it appears that the opposite is true—metro working poverty appears to be trending upward toward the levels observed in nonmetro areas. For a society that places great emphasis on the value of the work ethic and views employment as the primary mechanism by which families are to avoid poverty and maintain economic self-sufficiency, this finding represents a troubling trend.

While these findings provide reasons for concern—to the degree that the working poor are viewed as among the “deserving poor”—they may also help motivate policies aimed at supporting low-wage workers. Such policies would be particularly welcome news in rural America, where marginal employment has long been central to the poverty problem. One important policy intervention to help the working poor would be to raise the minimum wage beyond a poverty wage and, once this has been done, make annual adjustments for increases in the cost of living. Putting more money in the pockets of the lowest-paid workers is a straightforward step that could be taken by Congress to help reduce working poverty. Indeed, in recognition of congressional inaction on this issue, voters across the nation have begun supporting referendums to raise local and state minimum wages rates above that set at the national level. Other important policy initiatives aimed at helping the working poor include refundable tax credits, such as the EITC, as well as work-support programs (Bernstein 2004). The EITC is already a successful and popular program (Gunderson and Ziliak 2004). Extending it further would raise the incomes of low-wage working families, while simultaneously encouraging greater work effort. Investments in work supports, such as subsidies for transportation and childcare, would provide important assistance to those working on the economic margins, as would investments in subsidies tied less directly to work, such as those aimed at offsetting housing and health-care costs. These policy considerations not only represent important ways to help fill the gaps for the working poor but would also help increase the odds that those leaving the welfare rolls are able to make the transition successfully. It is also important that policymakers recognize that the opportunity costs associated with work differ across spatial contexts. For example, in many rural contexts there is no viable public transportation system, making maintaining and fueling a working vehicle a necessary cost associated with employment. In urban areas, where public transportation may be more accessible, other opportunity costs may carry greater significance,
such as the high cost of housing. In a nation whose ethos is underpinned by the idea that hard work pays off, it follows that those who work hard should be able to avoid poverty’s grasp, and when the market fails to achieve this end, public supports should be crafted to fill the gap.

References


