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Why is the American South poorer?

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Why is the American South Poorer?

Regina S. Baker

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WHY IS THE AMERICAN SOUTH POORER?

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WHY IS THE AMERICAN SOUTH POORER?

ABSTRACT

While American poverty research has devoted greater attention to poverty in the Northeast and Midwest, poverty has been persistently higher in the U.S. South than other regions. Thus, this study investigates the enduring question of why poverty is higher in the South. Specifically, it demonstrates the role of power resources as an explanation for this regional disparity, yet also considers family demography, economic structure, and racial/ethnic heterogeneity. Using six waves (2000-2016) of U.S. Census Current Population Survey data from the Luxembourg Income Study (N=1,157,914), this study employs a triangulation of analytic techniques: (1) tests of means and proportions differences, (2) multi-level linear probability models of poverty, and (2) binary decomposition of the South/Non-South poverty gap. The comparison of means associated with the power resources hypothesis yield the largest substantive differences between the South and the Non-South. In the multi-level models, adjusting for power resources yields the largest declines in the South coefficient. Binary decomposition results indicate that power resources are the second most influential factor explaining the South/Non-South poverty gap. Overall, power resources are an important source of the South/Non-South poverty gap, though economic structure and other factors certainly also play a role. Results also suggest an important interplay between power resources and race. Altogether, these results underscore the importance of the macro-level characteristics of places, including political and economic contexts, in shaping individual poverty and overall patterns of inequality.

American poverty research has devoted much attention to poverty in Northeastern and Midwestern cities and relatively less attention to the South,¹ where poverty has been persistently higher. As of 2016, the South accounted for 38% of the U.S. population, yet 42% of all Americans living under the official poverty line (Semega, Fontenot, and Kollar 2017). The South has the highest official poverty rate among regions (14.1%) (Semega et al. 2017), and a higher rate of relative poverty (20%)². Additionally, nearly 84% of persistent poverty counties (i.e. 20% or more of the population has lived in poverty the last 30 years) are in the South (U.S. Department of Agriculture 2017). Indeed, many of the most chronic, economically depressed areas of the country (e.g. Mississippi Delta, Appalachia, Black Belt, Rio Grande Valley) are concentrated in the South (Curtis, Voss and Long 2012; Wimberley 2010).

These observed regional disparities reflect what sociologists identified 80 years ago when the U.S. National Emergency Council (1938) prepared the “Report on the Economic Conditions of the South,” leading President Roosevelt to conclude the South was “the Nation’s number one economic problem” (O’Connor 2001:67). The South has since made noteworthy economic strides, including increased economic growth and urban expansion relative to other regions (Lloyd 2012) and per capita income gains narrowing regional disparities (Miller and Ku 2014). Yet, 9 out of the 10 highest poverty states are in the South, as defined by the U.S. Census, and 6 of the 10 are former Confederate states (see Table 1). Further, of all regions, the South has the lowest median household income (\$51,174 vs. \$62,182 in the West) (Proctor et al. 2016). It has the highest income inequality, with 32% of its counties having Gini indexes ranked in the top fifth of all U.S. counties (Bee 2012). A high concentration of Southern counties also has lower

¹For the main analyses in this study, I define the South as the former Confederate states. However, in supplemental analyses I use the Census regional classification for the South.

² Based on the author’s calculations using 2000-2016 data from the Luxembourg Income Study.

average socioeconomic mobility (Chetty et al. 2014) and overall well-being³ (A. Flippen 2014).

[TABLE 1 ABOUT HERE]

Given these regional disparities in poverty and related economic dimensions, Wimberley (2008:899) appropriately calls the South “a neglected regional crisis of historic and contemporary urgency. While there have been important contributions to the study of poverty in the South, several studies have focused on particular high-poverty sub-regions of the South, such as the Mississippi Delta, Appalachia, the Texas borderlands, and the Black Belt (see Duncan 2000; Hattery and Smith 2007; Slack et al. 2009; Wimberley 2010) and highlight distinct characteristics of these areas due to family composition, economic transformations, and racial/ethnic composition. Other studies of poverty in the South examine how variations in political economy (e.g. differences in planation history, elite power, racial relations, and land ownership) lead to heavily stratified social structures and thus, uneven development (Duncan 1996; Tomskavic-Devey and Roscigno 1997). In more recent studies, scholars have explored the legacy of slavery, showing a relationship between slavery and racial inequality in poverty and Black poverty (O’Connell 2012) and socioeconomic mobility (Berger 2018). In comparing *across* regions, the poverty literature has tended to focus heavily on the urban/rural gap, highlighting the significant roles of family structure/single motherhood (Brown and Lichter 2004; Snyder et al. 2006) and labor market characteristics (Cotter 2002; Tickamyer 2002). Even fewer studies address poverty disparities *between* Census regions. Curtis, Voss, and Long (2012), examine how local area racial/ethnic and economic contexts contribute to South/Non-South differences in child poverty generating processes. Newman and O’Brien (2010) find local and

³ This well-being measure includes income, unemployment rate, education, disability, obesity, and overall life expectancy.

state tax burdens especially disadvantage poor individuals in the South. Despite these contributions, there remains much to learn regarding the South and regional disparities. Especially given the South's persistently high poverty despite having experienced economic expansion, major theoretical and empirical contributions could result from greater sociological examination of the region (Lloyd 2012).

Thus, this study addresses an enduring question of regional inequality in the U.S.: why is poverty higher in the South? Prior research on the spatial distribution of poverty often highlights key factors driving poverty differences across place, including the well-documented role of family structure, economic structure, and racial minority concentration. Beyond these factors, this study focuses on the role of politics and policy via power resources theory (PRT). Here, power resources refer to class-based collective political actors, such as labor unions and parties, and the social policies they are able to institutionalize (Brady 2009; Korpi 1985; Huber and Stephens 2001). Scholars find power resources help explain inequality differences across rich democracies (Brady 2009; Huber and Stephens 2001; Moller et al. 2003) and U.S. states (Brady, Baker, and Finnigan 2013; Jacobs and Dirlam 2016). I draw on PRT to further understanding of the higher poverty in the South.

Specifically, this study examines the extent to which power resources, family structure, economic structure, and racial composition and heterogeneity contribute to higher poverty in the South. The six most recent U.S. waves (2000-2016) from the Luxembourg Income Study (LIS) provide the individual-level data derived from the Current Population Study. The LIS sample of 1,157,914 individuals in households is nested in economic, political, and racial data on states. The analyses employ a triangulation of analytic techniques (i.e. comparison of means, multilevel linear probability models, and binary decomposition) to investigate the regional poverty gap.

POWER RESOURCES THEORY

Research has increasingly recognized the role of politics and power in shaping regional inequalities (Brady, Blome, and Kleider 2016). Power Resources Theory (PRT) offers a unique perspective from which to examine how politics and power contribute to inequality across place. PRT is characterized by the mobilization of less advantaged groups of citizens around shared interests (Korpi 1983; 1985). These groups gain power by forming unions and leftist parties to fight against the unequal distribution of political power inherent in a capitalist democracy, which leads to welfare state expansion, resulting in more equitable outcomes (Korpi 1983; 1985). According to Korpi (1985:41), “inequality in the distribution of power resources between countries and between time periods provide a fruitful base for the understanding of variations among the western democracies.” While PRT was traditionally developed to explain variation in welfare state generosity across rich democracies, it was intended and has been increasingly used to explain variation in poverty and inequality across (e.g. Brady 2009, Huber and Stephens 2001) and within countries (Brady et al. 2013, Moller et al. 2003). Thus, PRT may further understanding of the South’s higher poverty relative to the Non-South.

Recent studies of poverty in rich democracies incorporate PRT. Moller and colleagues (2003) consider the role of government and welfare policies, concluding longer periods of left rule and greater welfare generosity make states more likely to redistribute income to the poor. Huber and Stephens (2001) find democratic control has a significant, moderately large effect on civilian government employment, which provides public social services. Brady (2009) argues leftist collective political actors/politics, coalitions for equality, and the social policies these institutionalize, shape poverty across territories. Leftist politics are necessary for a strong welfare

state, which consists of policies and programs that disproportionately allocate economic resources to vulnerable populations. Hence, rich democracies with historically more generous welfare states have less poverty (Brady 2009).

Unions are another key leftist collective actor. Unions reduce inequality by encouraging wage compression and maintaining relatively high wages (Wallerstein 1999). They also help help "institutionalize norms of equity, reducing the dispersion of nonunion wages in highly unionized regions and industries" (Western and Rosenfeld 2011:513) Indeed, unionization is associated with lower inequality across rich democracies (Brady 2009; Wallerstein 1999). Within the U.S., unions increase wages (Branch and Hanley 2011), reduce working poverty (Brady et al. 2013), and slow overall inequality growth (Jacobs and Myers 2014).

Given considerable evidence that power resources shape inequality, PRT may help address why poverty is higher in the South. This is especially plausible as scholars show states to be consequential polities where struggles and settlements over distribution occur (Brady et al. 2013, Hicks 1999, Moller 2009 et al.). Moreover, while national governments sometimes dictate regional/local activities, states have the independence to implement or individualize national policies or develop their own (Leicht and Jenkins 2007). This yields differences in power resources, making inequalities across place inevitable.

The history of Southern partisan control is essential to understanding how power resources may shape Southern poverty. In the old South, Democrats dominated one-party politics, fighting to uphold white supremacy and institutionalize racial injustice through Jim Crow (Key 1949). They also opposed organized labor and taxation (Black and Black 2002). As the national Democratic party became more "liberal" (e.g. supported the New Deal, civil rights, and labor unions) the Southern Democratic "solid South" dissipated, and White southerners,

especially the growing middle to upper class electorate, realigned with the “new” more conservative, national Republican party (Black and Black 2002). A strong two-party system has since emerged, yet recruitment efforts and redistricting have enabled Republicans to seize vital electorates to become a voting stronghold in the region (McKee 2009).

Regardless of changing partisan dynamics, “conservatism occupies an exalted ideological position in the South” (Black and Black 1987:213). Rooted in deep racial history, this conservatism reflects ideologies not aligned with leftist politics, and is associated with less support for redistributive policies and welfare (Johnson 2003, Weakliem and Biggert 1999). For example, more politically left-leaning states often have higher welfare benefit levels (Johnson 2003). Since countries with more generous welfare states experience less poverty (Brady 2009), the South’s weaker welfare state (Quadagno 1996) could be associated with its higher poverty.

Also reflecting the region’s conservative politics, the South historically has a strikingly low percentage of unionized workers (Roscigno and Kimble 1995). As Rosenfeld (2014) highlights, states (e.g. Southern states) with Republican leadership tend to have low levels of unionization. Scholars have identified several barriers to unionization in the South. These include: right-to work laws and political repression (Dixon 2010), differences in collective bargaining laws (Rosenfeld 2014), employer resistance and racial divisions among manual workers, (Griffin and Hargis 2012), vast, hard-to-cover rural areas, blue-collar job loss due to technological advances (Roscigno and Kimble 1995) and job growth in traditionally hard to unionize sectors (Griffin and Hargis 2012; Rosenfeld 2014). In the absence of unions and labor agreements, “the government’s hands are untied and there is institutional freedom for policy to reflect the incumbent’s preferences,” such as regressive taxes among more conservative governments (Beramendi and Rueda 2007:627). In the South, regressive taxation intended to

replace missing revenues disproportionately burdens poor residents and exacerbates conditions leading to poverty (Newman and O'Brien 2011).

While components of PRT (e.g. unions, leftist parties, and the welfare state) can each help shape poverty in their own right, PRT emphasizes the interrelationship between them that allows for a stronger overall impact on the distribution of resources. Thus, the regional poverty gap is not simply a story about individual features of the South (e.g. lower wages, stronger right-to-work laws (Dixon 2010), or other individual features of Southern political economy, like the exercise of elite power (Roscigno and Kimble 1995, Tomaskovic-Devey and Roscigno 1997) which are linked to power resources). It is more a story of how *the collective impact* of power resources in the South puts it at a greater disadvantage. Accordingly, less unionization and less generous social policies (often reflecting weaker Democratic control) exemplify overall weaker power resources. If power resources shape inequality as PRT posits, the South's weaker power resources could explain its higher poverty.

Although PRT provides a plausible explanation for the South's comparatively higher poverty, there are reasons for skepticism. First, while the South has more recently become increasingly Republican in politics (McKee 2009), for decades it had more Democratic control, yet Southern poverty rates have remained high. For example, Arkansas, Louisiana, Mississippi, and North Carolina had more years of Democratic control on average than Republican control from 1990-2012 (Elliot and Balz 2013), but most of these states have high poverty rates. Moreover, fundamental to some Southern states has been a bipartisan rejection of redistributive politics and an acceptance of trickle-down economics (Luebke 1998). Similarly, bipartisan opposition to rapid expansion of collective bargaining in the South has led to differential spreading of employee bargaining rights laws (Rosenfield 2014). More generally, Left parties'

shifting right on economic issues has weakened their characteristic commitment to economic egalitarianism (Brady et al. 2016). This coupled with an increasingly Republican South would seem to weaken the expected impact of leftist, collective political actors on poverty.

Second, given unionization rates are low or declining everywhere in the U.S., yet poverty rates vary considerably across the country (Brady et al. 2013), perhaps union mobilization cannot explain the South's higher poverty. Third, PRT does not explicitly consider whether and how race might impact the distribution of power resources. While Blacks are the most likely to be unionized (U.S. Bureau of Labor Statistics 2017) and hold more favorable views of unions (Pew Research Center 2015), unionization levels among Black workers remain lowest in the South (Bucknor 2016) where more Blacks reside. Moreover, despite their overrepresentation in unions, Black workers do not gain the same additional wage benefits of unions as their White counterparts, often due to discrimination (Rosenfeld and Kleykamp 2012). Similarly, racism influences the uneven pattern of welfare benefits across states (Kail and Dixon 2011). Thus, racism might overwhelm any effects of power resources because racism, not power resources, could be the dominant cause of poverty.

Despite these skepticisms, the impact of power resources on the regional poverty gap is worth exploring, particularly given recently documented associations between power resources and inequality (Brady et al. 2013; Jacobs and Dirlam 2016; Moller et al. 2003).

ALTERNATIVE EXPLANATIONS

Family Structure

A substantive share of American Poverty research focuses on family characteristics, underscoring that poverty is not randomly distributed across households. Families with certain

demographics are more likely to experience poverty. More specifically, the literature focuses on the role of family structure. Marital status is of particular importance here. Households headed by single-females, especially mothers, have a greater likelihood of poverty due to being typically younger and having lower levels of education, which translate into less employment and income (McLanahan 1985; Thomas and Sawhill 2005; Western, Bloome, and Percheski 2008). Also associated with a greater likelihood of poverty is the presence of children in the household, especially young children (Chen & Corak 2008) and young headship (Brown and Lichter 2004).

Because the composition of families varies across place, family structure is potentially important for understanding place-based inequalities. For example, several studies examine how family demographic differences, such as female-headed/single mother households and the characteristics associated with them (e.g. younger heads), contribute to the rural-urban poverty gap (Brown and Lichter 2004; Snyder et al. 2006; Slack et al. 2009). That differences in family structure account for inequality across urban and rural places suggests that such differences may also account for regional differences.

The evidence that family structure relates to poverty differences across place is consequential for this study. The strong relationship between single-mother households and poverty is pertinent to the South. Almost 40 percent of Southern children reside in single-parent households (National KIDS COUNT 2016), and almost one-third reside with single mothers (Mattingly 2010). The rate of female household heads in the South exceeds the national average as well (Lofquist et al. 2010). Given these characteristics are associated with higher poverty, it follows that family structure likely contributes to the South/Non-South poverty gap.

Economic Structure

A broad, rich literature establishes that economic structure shapes economic opportunities

and overall inequality (e.g. Blank 2005; Wilson 1987). Economic structure includes industrial composition, the extent of industrial specialization/agglomeration, employment, and job quality and quantity. An area's economic structure is related to its overall wealth and income levels, and thus shapes poverty (Blank 2005). Rainwater and Smeeding (2004) conclude the labor market matters most for decreasing poverty. High economic growth also prevents poverty due to increased work hours, often better wages, and upward mobility opportunities (Newman 2006).

Indeed, economic structure is a key element to spatial inequality (Lobao 1996). Places experience differences in economic structure, which causes disparate economic outcomes. For example, economic structural changes (i.e. manufacturing job loss, suburban growth, and the rise of low-wage service work) led to increased joblessness and insufficient wages among inner-city Black families (Wilson 1987). These changes fostered concentrated high poverty and growing disadvantage (Massey and Denton 1993). Structural changes also yielded economic patterns that contributed to highly concentrated, persistent poverty in rural areas (Albrecht and Albrecht 2000; Cotter 2002; Tickamyer and Duncan 1990) and sub-regions of the South, like Appalachia, the Mississippi Delta, and the Borderlands (Duncan 2000; Slack et al. 2009). Other studies clearly demonstrate how economic structure influences poverty differences. For example, rich counties with a large percentage of employed working age adults and low unemployment levels have lower levels of pre-tax and transfer poverty (Moller et al. 2003). Similarly, labor market characteristics (e.g. % in manufacturing, unemployment) help explain the rural-urban poverty gap (Cotter 2002). Given the economic transformations in the South and regional differences, economic structure may similarly explain the South/Non-South poverty gap.

In the South, agricultural industry decline led to entire local economies collapsing (Albrecht and Albrecht 2000). Although growth in manufacturing and extraction helped offset

this loss, increased automation and outsourcing caused more job loss (Blank 2005; Duncan 2000; Luebke 1998; Tickamyer and Duncan 1990). Thus, the highest poverty in the region tends to be in rural areas relying on low-wage employment. Moreover, the South has experienced significant growth in service sector jobs that are often part-time, low-skill, low-wage, and temporary, leading to under-employment and unemployment. (Branch and Hanley 2011). Because such economic transformations led to uneven development and economic disadvantage in the South, regional variation in economic structure is a necessary factor in examining regional disparities.

Racial Composition and Heterogeneity

It is well-documented that Blacks, Latinos, and Native Americans are significantly more likely to be economically disadvantaged (Bonilla-Silva 2017; Oliver and Shapiro 2013). Coupled with the overrepresentation of Blacks in the South, this makes racial composition and heterogeneity pertinent to understanding regional poverty disparities. Regarding place inequality, extensive research documents the linkage between minority concentration and poverty in inner-city neighborhoods (Jargowsky 1997; Massey and Denton 1993, Wilson 1987). Similarly, the most impoverished areas in America (e.g. Mississippi Delta, Rio Grande Valley, America Indian reservations) are those with high minority concentrations (Curtis et al. 2012; Lichter, et al. 2011; Wimberley 2010). One explanation for high poverty in minority-concentrated areas is that racial disparities result from discrimination and oppression maintained through systems of inequality (Albrecht et al. 2005; Massey and Denton 1993; Snipp 1996; Tomaskovic-Devey and Roscigno 1996). Indeed, Blacks and Latinos experience greater discrimination in education, employment, and housing (Pager and Shepherd 2008), which may contribute to poverty in high minority areas.

Group threat theory links minority concentration and poverty. It posits that the larger proportion of the population belonging to a subordinate group, the greater competition among

groups for economic resources and thus, the greater potential for the dominant group to act collectively against the subordinate group (King and Wheelock 2007; Bobo and Hutchings 1996). This perceived threat contributes to actions that disadvantage the subordinate group. For example, a higher proportion of Blacks in an area is strongly associated with more negative views of Blacks among Whites (King and Wheelock 2007; Taylor 1998; Bobo and Hutchings 1996) and less support for welfare spending (Fullerton and Dixon 2009).

Racial heterogeneity—the degree to which a population is racially/ethnically diverse – may also help to explain place-based poverty differences. Easterly and Levine (1997) show ethnic diversity may increase polarization among groups, thus causing disagreement regarding public goods provision. Indeed, spending on public goods is inversely related to ethnic fragmentation in U.S. cities and counties, especially where ethnic groups are polarized and politicians have ethnic constituencies (Alesina, Baqir, and Easterly 1999). This literature suggests that racial heterogeneity matters because it can lead to weaker public infrastructure and a general weak state capacity. This then disadvantages low-income and minority residents who have the most to gain from public goods, thereby contributing to spatial inequalities.

Racial/ethnic composition and heterogeneity are pertinent to the South, which has the greatest concentration of Blacks and experienced the largest minority population growth (34%) from 2000 to 2010 (Humes, Jones, and Ramirez 2011). A history of racial subjugation is also salient. Minorities in economically distressed areas often share the experience of location in places with histories of oppressive, racialized institutions (e.g. slavery and the plantation system, Jim Crow, post-slavery agricultural peonage, and convict leasing) (Snipp 1996). Consequently, the South's greater Black presence and population diversity could contribute to greater group threat and racial polarization, resulting in higher poverty.

METHODS

Data

The Luxembourg Income Study (LIS) provides the individual-level data. The LIS consists of harmonized and standardized micro-data from national household surveys at various timepoints. LIS U.S. data come from the Census Bureau's Current Population Survey (CPS) Annual Social and Economic Supplement. The advantage of the LIS over the underlying CPS is its high-quality, comprehensive income measures that incorporate taxes and transfers. I pool the six most recent waves of the U.S. datasets (2000, 2004, 2007, 2010, 2013, and 2016) to obtain more reliable and robust estimates and ensure no single year is overly influential for any observed differences. The individual is the unit of analysis. The pooled sample includes 1,157,914 individuals in households across the 50 U.S. states and the District of Columbia (treated as a 51st state). (Appendix A1 lists all data sources.)

Dependent Variables

The dependent variable is *poverty*. Following recent studies using LIS data (Brady et al. 2013; Chen & Corak 2008; Gornick & Jäntti 2012; Rainwater & Smeeding 2004), I employ a standard relative poverty measure; the threshold is 50 percent of the national median disposable household income (DHI). DHI includes cash and noncash income after taxes and transfers (including food stamps, housing allowances, tax credits, and near cash benefits.) DHI is adjusted for household size by dividing by the square root of the number of household members.

Although this is a "relative" measure, it is based on the national median within each year, not state-specific median. Thus, every state has the same threshold, which is absolutely applied,

and temporally relative⁴ I also use an alternative relative poverty measure, a “time-anchored” threshold based on the 2016 median adjusted backwards for inflation so the measures are fixed (Chen & Corak 2008). While the standard relative poverty measure may be less sensitive to the business cycle, standards of living improvements, and economic development, the anchored measure fixes the median and should be more responsive. These poverty measures are defensible alternatives to the official U.S. measure based on gross pre-tax income and excluding in-kind benefits. They also are based on a more comprehensive income definition, providing more reliable and valid poverty estimates (Brady 2009; Rainwater and Smeeding 2004).

Key Independent Variables

The key independent variable is a binary measure indicating residence in the South. In this study, I define the South as those states that were formally part of the Confederacy. These include Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia. This South definition is commonly used by historians and political scientists (e.g. Black and Black 1987; Keith 2002). These states’ shared history of slavery, union secession, Civil War defeat, and enduring the worst of Jim Crow distinguish them from other Census-classified Southern states (i.e. WV, MD, DE, DC, KY, and OK). However, I also replicate analyses using the Census-defined South⁵.

Power Resources Variables

⁴ In the LIS, some state-year samples are too small and not representative of the entire state in a year. Thus, I cannot calculate reliable state-specific median thresholds. To my knowledge, only Parolin and Brady (2019) have estimated three-year moving average state-specific medians and used those for state-year specific poverty thresholds. Because LIS data is not every year, this cannot be replicated here. However, to account for geographical differences, the analyses do control for median housing costs as a proxy for cost-of-living at the state-level. The GDP per capita and unemployment also help capture state-level economic differences.

⁵ The results are substantively similar using the Census definition of the South. See Appendix B

Five state-level political variables measure power resources. Because the outcomes of the Left being in control are cumulative and long-term (Huber and Stephens 2001), I measure *Democratic Control*, which is the lagged five-year average of the governor being a Democrat and the proportion of the two houses of the legislature that were Democratic.⁶ *Unionization* is the percent of civilian wage and salary employees aged 16 and over that are members of labor unions measured in the same year. Whereas democratic control can experience radical shifts in a short period of time, unionization rates remain relatively stable. These two variables essentially capture both short- and long-term effects. Welfare generosity is another key component in understanding how power resources influence poverty (Huber and Stevens 2001, Brady 2009). Accordingly, analyses include the two social policies that arguably exhibit the most variation across states: 1) the combined monthly, maximum potential *Temporary Assistance for Needy Families (TANF)* and *Supplemental Nutrition Assistant Program (SNAP)* (i.e. previously known as Food Stamps) benefit for a 3-person family, and 2) the maximum weekly *unemployment insurance* benefit per worker. Lastly, *Government Employment* is the total share of workers in the government sector. This measure is a good proxy for welfare state employment and reflects public social services (Huber and Stephens 2001).

Family Structure Variables

Based on the extant literature, I incorporate several family structure variables measures at the individual household-level. With married/cohabitating couples as the reference, family structure includes binary variables *single mother*, *single father*, *female head no children*, or *male head no children*. I also include the *number of children* and binary indicators for the presence of

⁶ For Nebraska, I use the Democratic proportion of congressional representatives as a proxy for the non-partisan state legislatures. For Washington, D.C., I impute Democratic control of the governor and state legislature.

young children (under age 5) and *older adults* (over age 65) in the household. Also included in family structure is whether there is a *young head* under age 25. For this measure, and other variables discussed below, I use the characteristics of the lead earner in the household (i.e. that is the individual with the highest earnings, with ties settled by age).

Economic Structure Variables

To assess labor market standing of the household, binary measures indicate whether the individual resides in a household that is *unemployed* (i.e. no paid earners) and has *multiple earners* (i.e. two or more earners). Following prior U.S. poverty studies (Brady et al. 2013; Newman & O'Brien 2011), three variables assess state-level economic performance, measured for each survey year. *Gross domestic product per capita (GDP PC)*, *economic growth*--the annual rate of change in a state's real GDP, and *unemployment rate*--the share of the state's civilian labor force that is unemployed. While GDP PC tracks long-term economic development, economic growth and unemployment assess the shorter-term business cycle. I also include the share of all workers in *manufacturing* in a given year to examine industrial composition.

Racial Composition and Heterogeneity Variables

To measure racial composition, I include individual-level binary indicators of whether the household head (i.e. "lead" earner) is *Black*, *Hispanic*, or *Other Race* (reference = Non-Hispanic White). To capture racial heterogeneity, I employ Alesina and colleagues' (1999) measurement of *racial/ethnic fractionalization*, which reflects how racially/ethnically diverse a state is by computing the likelihood two randomly drawn persons from the same state are of the same race/ethnicity. Values range from 0 to 1 and are calculated by taking one minus the squared proportions of the population in each racial and ethnic group (i.e. Non-Hispanic White, Non-Hispanic Black, Non-Hispanic Asian/Pacific Islander, Non-Hispanic American Indian, Non-

Hispanic Two or More Race, Hispanic) ⁷. See Appendix A1 for variable descriptive statistics.

Control Variables

Analyses also include several control variables. I measure education of the lead earner with binary variables, *less than high school*, and *college degree or more* (reference group = high school and some college).⁸ Additionally, binary indicators reflect the lead earner's *immigrant* status and whether the household resides in a *non-metropolitan* area (population less than 100,000).⁹ These demographics are linked to fewer economic resources and weaker ties to the labor market, causing greater susceptibility to poverty. I also measure *state-median rent costs* to control for housing costs as a proxy for cost-of-living at the state-level to help address geographical differences in cost-of-living.¹⁰ Finally, all models include binary indicators for each year 2000 (reference), 2004, 2007, 2010, 2013, and 2016.

Analytic Strategy

The analyses employ a triangulation of methods including: 1) a comparison of variable means, 2) multilevel linear probability models, and 3) binary non-variance decomposition. Together, this combination of analyses yields a greater understanding of the factors associated with higher poverty in the South.

The first analyses compare variable means for the South and Non-South. This includes t-

⁷ Following U.S. Census race/ethnic classification, I group Hispanics of all races in one category.

⁸ Education is a control, as it is hard to classify which variable group it fits best. Reflecting public investments in public goods, it can arguably fit into power resources. However, education also reflects private resources, individual behavior, and human capital. Additionally, while education reflects public investments in some states, broader structures (e.g. labor and housing markets) attract more educated people to other states.

⁹ The LIS defines a non-metropolitan area as having a population of less than 100,000. The U.S. Census defines a non-metropolitan area as having a population of less than 50,000.

¹⁰ Compared to median housing costs, median rent is a more optimal measure. Whereas homeowner expenditures include both costs and investment, rents more directly capture shelter costs (see Flippin 2013). Rent data is also more readily available.

tests (for continuous variables) and tests of proportions (for dichotomous variables) of whether the differences are statistically significant. While these descriptive statistics cannot explain the regional poverty gap, they highlight factors that may prove substantively important in the multivariate analyses.

Because the data consists of individuals (Level-1) nested in states (Level-2), the second set of analyses employ multilevel regression models, which test how Southern residence impacts the regional poverty gap net of individual/household and state-level characteristics.¹¹ Here, I examine how adjusting for different groups of independent variables (i.e. power resources, family structure, economic structure, and racial composition/heterogeneity) impact the South/Non-South difference. I begin with the unadjusted model that includes only Southern residence controlling for year. I then add one group of independent variables to the model, in turn (e.g. South + family structure). Lastly, I test combinations of the models with two, three, and all independent variable groups. All models robust cluster errors by state.

Multilevel analyses with binary dependent variables typically employ multilevel logit models. However, there is a concern that comparison of coefficients across logit models or groups is inherently problematic due to the varying degree of unobserved heterogeneity across groups (Karlson, Holm, and Breen 2012; Mood 2010). Because logit coefficients depend on both the size of effects and the magnitude of unobserved heterogeneity, logit models do not allow for straightforward interpretation and comparison of coefficients compared to linear regression

¹¹Since multiple individuals can reside in the same household, the standard errors could be overconfident for individual variables, and the Z-scores could be inflated, increasing the chances of Type I errors. However, because the data have substantial statistical power ($N=1,157,914$), it can tolerate this threat because Level 1 variables are going to be significant regardless of the weighting used. Thus, I follow the precedent of Brady, Baker, and Finnigan (2013) and others in the LIS tradition, who treat household-level variables as individual-level variables.

models (Mood 2010).¹² Thus, I employ linear probability models for the multilevel analyses.¹³

The third set of analyses are non-linear Fairlie decompositions (see Legewie and DiPrete 2014; Fairlie 2005) to examine the extent to which each independent variable grouping contributes to the South/Non-South poverty gap.¹⁴ I use a counterfactual decomposition analyses with the pooled sample as the reference group to determine the relative contribution of each set of independent variables to the poverty gap. Results can be sensitive to the ordering of the variable groups. Thus, I randomize the ordering of the variable groups and estimate 100 replications of the decomposition. This approximates the average results over all possible ordering of the variable group across the 100 replications. While this decomposition technique does not account for the multilevel structure of the data, the inclusion of controls for year correct the non-independence of observations within years.

RESULTS

Differences in Means

Table 2 displays the means and difference statistics for all variables for the South and Non-South from 2000-2016. All differences (except male head no children, children under age five in household and foreign-born head) are significant at the .01 level. As expected, the South has higher poverty on average, with relative and anchored poverty rates of 20.5% and 22.6%, respectively, compared to 15.5% and 17.4% for the Non-South, respectively.

¹² While the KHB method developed by Karlson et al. (2012) rescales logit coefficients across models for more straightforward comparison, it is not designed for multilevel data. Statistical properties have not yet been established for combining a multilevel model and KHB.

¹³ Specifically, I estimate linear probability models using xtmixed in Stata. LPMs effectively address the issues of comparing logit coefficients. However, differences in error distributions across LPMs could potentially lead to erroneous inferences about confounding variables, which could bias results (Karlson et al. 2012).

¹⁴ For a binary poverty measure, non-linear Fairlie decomposition is more appropriate than the alternative Blinder-Oaxaca decomposition, which is based on linear assumptions (Fairlie 2005).

[TABLE 2 ABOUT HERE]

Among the power resources measures, the most striking difference in means is for unionization, which is over two times lower in the South (5.2%) than the Non-South (13.9%). Democratic control is also lower in the South (43.8%) than the Non-South (51%). Government assistance in the South is lower as well, with a TANF/SNAP combined maximum benefit for a family of three that is \$236.70 less, and a maximum unemployment insurance benefit that is \$86.66 less than the Non-South. Differences in government employment, however, are small. Overall, because these types of power resources are associated with lower poverty, the large differences suggest the importance of power resources in explaining the regional poverty gap.

Among the family structure variables, Southern household heads are more likely to be female and under age 25 years. The average number of children in the household is slightly larger in the Non-South (1.28) than in the South (1.34), whereas Southern households are slightly more likely to have adults over age 65 present.

Regarding measures of economic structure, Southern households are less likely than Non-Southern households to have multiple earners (53.5% vs. 59.4%) and more likely to have zero earners. This suggests weaker ties to the labor market in the South. There is also a sizeable difference per capita GDP, which is \$7,104.44 lower in the South compared to the Non-South. Economic growth is also lower; however, the unemployment rate and the percent of workers employed in manufacturing are only marginally higher in the South than the Non-South.

With respect to racial/ethnic composition and heterogeneity, the South has over two times as many households with Black heads as does the Non-South (21% vs. 8.9%), while Hispanic heads are almost one-fourth more likely. The South is also more racially diverse than the Non-South, as indicated by its level of racial fractionalization, which is almost a fourth higher.

Lastly, for the control variables, the largest difference is for low education. Southern household heads are more likely to have less than a high school degree (15.8%) compared to Non-Southern households (11.9%). Conversely, the former is almost 4 percentage points less likely than the latter to have a college degree. Southern households are less likely than Non-Southern households to reside in a non-metro area, however. The South also has a median rent that is \$61.21 less than the Non-South, reflecting the region's lower cost of living.

Multilevel Linear Probability Models (LPMs)

Table 3 summarizes results from the multilevel LPMs for both relative and anchored poverty. The goal with this set of analyses is to see which theoretical variable grouping leads to the greatest attenuation of the South coefficient. Thus, for each model, the results shown are for the South coefficients. In the baseline (i.e. South only) model, Southerners have a 5.9% and 5.7% higher probability of relative and anchored, respectively. This is consistent with the higher mean poverty rates observed for the South in Table 2. In the model that adds the control variables, Southerners have a 4.3% and 4.4% higher probability of relative and anchored poverty, respectively.

After adjusting for the primary variable group of interest—power resources, living in the South reduces the probability of relative and anchored poverty from 5.9% and 5.7% to 1.9% and 2.0%, respectively. Thus, the power resources model decreases the regional gap by more than half of what it is in the baseline model with no covariates. Regarding alternative explanation variable groups, the introduction of family structure variables to the base model lowers the probability of poverty to only 4.2% (relative) and 4.5% (anchored), respectively. In the economic structure model, however, Southerners have a 2.6% higher probability of relative and anchored poverty. Racial composition/heterogeneity have a similar South coefficient (2.7% for relative

and 2.8% for anchored) as does economic structure. Compared to the baseline model, the South coefficient attenuates the least in the family structure model, whereas its largest attenuation is in the power resources model. However, the South coefficients for the economic structure and racial composition/heterogeneity models, though smaller than power resources, are more similar to the power resources model.

[TABLE 3 ABOUT HERE]

Adjusting for two variable groups further reduces the regional poverty gap. Among all the combinations of two variable group, power resources and racial composition and heterogeneity yield the largest decline in the South's higher poverty. In this model, the South coefficient is .001 for both relative and anchored poverty and is not significantly different from zero. The inclusion of power resources variables and racial composition/heterogeneity variables in the model renders living in the South not associated with poverty.

The two variable group models yielding the second largest decline in South coefficient is the combination of economic structure and power resources. In this model, living in the South increases the probability of poverty by only 1.3% (relative) and 1.4% (anchored). This difference is also not significant. The economic structure and racial composition/heterogeneity group are quite similar (1.6%, relative; 1.5% anchored) but the relative model remains slightly significant. Among the two variable group models, of note is *all* the two group models that adjust for power resources yield South coefficients that are not significant.

Among the three group relative poverty models, the combination of power resources, economic structure, and racial composition/heterogeneity have the largest impact on Southern residence, yielding a probability of poverty that is not significantly different from Non-Southern residence. The coefficients for these models (.003 for both relative and anchored) are near zero

and not significant. The combination of power resources, family structure, and racial composition/heterogeneity has the second largest impact on the South coefficient among both the relative poverty anchored poverty models. Most notably, the only three group models where the Southern coefficient for both poverty measures remains significant is the combination of family structure, economic structure, and racial composition/heterogeneity variable. That is, this is the only combination of variable groups *excluding* power resources.

In the full LPM consisting of all the variable groups, the South coefficient is .010 and .011 for the relative and anchored models, respectively, and not significant. This is larger than the coefficients in the best three group model (i.e. power resources, economic structure, and racial composition/heterogeneity). Indeed, it is the combination of power resources, economic structure, and racial composition/heterogeneity that leads to the greatest attenuation of the South coefficient among all the LPMs.

Binary Decompositions

While the multilevel linear probability models give insight into how four groups of variables reflecting potential explanations for South/Non-South difference can attenuate the coefficient for Southern residence, the binary decomposition analyses suggest the relative importance of each variable group in explaining the South/Non-South poverty gap. All variables are included in the decomposition. Results from this analysis are summarized in Table 4.

[TABLE 4 ABOUT HERE]

The differences in relative and anchored poverty rates for the South and Non-South are .050 and .049, respectively. Among the four variable groups of interest, economic structure explains the largest portion of the difference in the gaps for both relative (36.28%, $p < .001$) and anchored (36.50%, $p < .001$) poverty. Power resources account for the second largest share of the

difference at 23.78% (relative, $p < .001$) and 24.29% (anchored, $p < .001$). In this model, the economic structure and power resources variables comprise most of the explained difference in the South/Non-South poverty gap. Racial composition/heterogeneity account for the third largest share of the poverty gap, but this share is slightly larger in the anchored model (18.48%) relative model (16.75%) model (for both, $p < .001$). Family structure explains the smallest portion of the gap among the four variable groups (-0.50%, relative and 1.79%, anchored) (for both, $p < .001$). Comparing the decompositions for each poverty measure, we see that the portion of the gap explained by each of the four variable groupings is slightly larger in the anchored poverty model than the relative model. Overall, the anchored model explains slightly more of the South/Non-South gap than the relative poverty model.

Of note regarding the control variables, the education level of the head of household explains a larger portion of the gap than does the family structure variable group. Low and high education explain 11.26% and 4.21% of the South/Non-South gap in the relative model, respectively. In the anchored model the portion explained by low and high education are slightly higher at 12.26% and 3.95%, respectively.

DISCUSSION

The South has historically high rates of poverty compared to all other U.S. regions. Motivated by this regional disparity and the shortage of sociological research on this topic, this study seeks a deeper understanding of why poverty is higher in the South. Of primary interest is the role of power resources as an explanation for regional poverty gap. However, three alternative explanations for poverty across place— family structure, economic structure, and racial composition/heterogeneity—also warrant serious consideration. Using multiple analytic

techniques, I examine the extent to which power resources, family structures, economic structure, and racial composition/heterogeneity contribute to higher poverty in the South compared to the Non-South from the years 2000 to 2016.

A simple comparison of variable means reveals almost all mean differences between the South and Non-South are statistically significant, with some notable differences among each of the four variable groups representing theoretical explanations for the regional poverty gap. Nonetheless, collectively, variable means associated with power resources theory yield the largest substantive regional differences. Multilevel, linear probability regression models add depth to these observed mean differences. Specifically, among the one variable group models, power resources yield the largest decline in the regional poverty gap, as the South coefficient more than halves. Among the two variable group models, the combination of power resources and racial composition/heterogeneity yields the largest decline. Among all models, however, the combination of power resources, economic structure, and racial composition/heterogeneity makes the South coefficient most attenuate. Notably, the models including power resources either yield the smallest South/Non-South differences or eliminate significant differences entirely. Finally, decomposition results demonstrate the role of economic structure and power resources, as these groups explain the two largest portions of the regional poverty gap. In sum, these analyses, each with their own strengths and limitations, lead to a similar conclusion: a state's political and economic context are salient factors contributing to regional disparities.

That economic structure contributes the most to the regional poverty gap in the decomposition model simply reinforces the well-established literature demonstrating the role of economic structure in shaping poverty and inequality across place (see Blank 2005; Wilson 1987). However, that power resources explain the second largest portion of the regional gap in

the decomposition, and most substantially attenuates the South coefficients in the LPMs, demonstrates its importance as well. In examining how broader contextual factors shape poverty, American poverty literature has tended to focus primarily on role of joblessness and economic performance (Brady et al. 2013), and with good reason. However, findings from this study suggest that more research on power resources and the broader political context of place is a valuable undertaking for better understanding poverty and poverty trends.

Although results conclude economic structure and power resources account for most of the regional poverty gap, the role of racial composition/heterogeneity is more complex. There are large regional differences for some of the race variables (e.g. Black-headed households and racial fractionalization), which would seem consequential given the well-documented link between minority concentration and poverty (see Lichter et al. 2011; Massey and Denton 1993) as well as the salient racial history in the South. On balance, in the LPMs, adjusting for only racial composition/heterogeneity attenuates the coefficients for Southern residence about the same amount as economic structure.

However, the combination of both power resources *and* racial composition/heterogeneity, yield the largest declines in the coefficient for Southern residence. Moreover, in the decomposition of the South/Non-South poverty gap, racial composition/heterogeneity explain more of the gap than family structure. Additional research is necessary for a deeper examination of race and regional disparities. Recent qualitative studies detailing the experiences of African Americans in specific Southern locales have contributed to the growing, rich literature on race and region (Brown 2018; Pendergrass 2013, Robinson 2014). Such studies highlight the role of history in shaping contemporary experiences and outcomes, providing a deeper understanding of what might be driving Southern poverty. For example, scholars can expand on the notion of

racial legacy mechanisms (see O'Connell 2012; Ruef 2014, Reece and O'Connell 2015) and interrogate the role of historical racism in understanding regional disparities.

Given the complexities of racial and political contexts, future research should also focus on the interactions between race and politics and how this shapes inequality. For instance, Kail and Dixon (2011) find race influences the uneven pattern of welfare benefits experienced across states. Thus, racial history and division could undermine power resources in the South. Given the finding here that the combination of power resources and racial composition/heterogeneity have a considerable impact on the South/Non-South difference (reducing the coefficient in both size and statistical power), power resources can be mechanisms through which the disparate outcomes of racism operate. In a supplementary analysis decomposing the South/Non-South poverty gap for Blacks and Whites separately, power resources explain the largest portion of the gap for Blacks, whereas economic structure explains the largest portion of the gap for Whites. Extant research explores the complex, intertwined relationship of race and politics in the South (e.g. Black and Black 1987; Tomaskovic-Devey and Roscigno 1997). As such, exploring the link between race and power resources seems a necessary next step to advance understanding of high and persistent poverty, especially Black poverty, in the South.

Related to race and power resources, scholars could also explore how contemporary civil rights movements, which exemplify the mobilization of citizens (e.g. minorities, the working class, etc.), fit in PRT. The benefits of these movements may plausibly operate through power resources. For example, the Civil Rights Movement amassed political power to shape broader politics (Morris 1999) and anti-poverty programs (Andrews 2001). Moreover, PRT has incorporated gender mobilization (Huber and Stephens 2001); thus, PRT can also incorporate racial mobilization (e.g. civil rights movements).

Regarding family structure, while the analyses find it does influence the likelihood of individual poverty, it does not appear to be a driving factor in explaining regional differences in poverty. In the LPMs, family structure yields the smallest decline in the South coefficient. Additionally, in the binary decompositions, family structure makes the smallest contribution to the regional poverty gap. These findings illustrate how broader structural and institutional contexts, beyond individual family structure, are perhaps more consequential for poverty and inequality, particularly across place.

This also study has some limitations that can help guide future research. The cross-sectional nature of the analyses does not permit observation of individual poverty trajectories, including changes that may affect those outcomes. For example, during the Great Recession of the late 2000s, unemployment and economic growth may have had a larger and stronger relationship with individual poverty as compared to other time periods. Indeed, individual-level longitudinal (i.e. panel) data would enable more in-depth analyses of how and why place matters for individual outcomes, helping us to better understand regional disparities. Studying the dynamic effect of exposure to the South using longitudinal data also presents future research opportunities. Flippen (2013) examines regional migration patterns using Census data and finds significant differences in relative earnings and occupational status by race. Thus, scholars could examine within-person variation using a dataset such as the Panel Study of Income Dynamics to study what happens to individual's probability of poverty as they move in/out of the South

The timeframe consisting of six waves of data between the years 2000 to 2016 also limits the scope of this study. Including more waves and starting at an earlier timepoint (e.g. the 1970s) would provide more data to capture contextual changes that are helpful in examining the regional poverty gap. This would also allow for examination of how the poverty gap, and factors

contributing to it, have changed over time (e.g. across business cycles and over the long-term since the Jim Crow era).

Lastly, although the South is poorer than other regions, it is not a monolithic, geographic entity. Salient differences in poverty *within* the South, not captured in this study, are also meaningful. For example, the Deep South, which has a larger Black population, has higher rates of poverty than the Peripheral South. Moreover, county-level analysis would also provide more insight into sub-regional variation. Relatedly, there are distinct characteristics between rural and urban areas that make the context of poverty vary across the rural-urban continuum. As such, future research could examine the South/Non-South gap for urban and rural areas separately and compare the extent to which power resources and other factors drive the regional gap in each context.

Despite its limitations, this study makes valuable contributions to literature on poverty, inequality, and place. Spatial research tends to focus on all aggregate-level data or all individual-level data. However, as Cotter, Hermsen, and Vannerman (2007) indicate, individual factors vary across space and time in macro-level patterns affecting outcomes, and thus, multilevel models can illustrate how both micro-and macro variables help determine outcomes, such as poverty across place. In considering both micro- and macro-level variables in the context of space, studies such as this help provide a more comprehensive analysis of inequality.

Additionally, the finding of the salient role of power resources and economic structure in explaining the regional poverty gap is noteworthy, considering American poverty literature has focused heavily on family structure. Clearly, macro-level factors (e.g. labor market and political institutions) also matter, and as this study shows, can impact the relationship between individual level factors (e.g. Southern residence) and poverty. This is also important for creating

alternatives to anti-poverty solutions that focus solely on marriage. For example, the importance of power resources suggests the need for greater policy emphasis on areas such as stronger workers' rights and greater income supports (e.g. increased TANF/SNAP benefits) in the South. Yet, the importance of economic structure further underscores the need for more policies designed to stimulate the Southern economy and create better work opportunities and increase work supports for those who need it most.

This study is also useful for thinking about approaches to help address racial disparities in poverty. As abovementioned, in separate Black and White analyses of the regional poverty gap, power resources have about the same explanatory power for both Blacks and Whites. Moreover, power resources are the most important explanatory group for Blacks and the second most important for Whites after economic structure. Given these findings, it seems reasonable to argue that class-based mobilization in the South would be a more racially equal pathway for reducing poverty, whereas economic growth would be less likely to decrease racial disparities.

Lastly, this study focuses attention on the South, where pressing socioeconomic conditions have persisted. Yet, a read of the American poverty literature does not reflect this. This disparity in light of the uncertain racial and political climate in contemporary America, the growing concern of threats to social safety nets and public expenditures, and even recent natural disasters, have potential implications for poverty and regional disparities, making sociological study of the South even more pressing.

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Table 1: Top 10 Highest and Lowest Poverty Rates by State, 2000-2016, N=1,157,914

<i>Highest</i>		<i>Lowest</i>	
1. Mississippi^a	27.36	1. New Hampshire	7.29
2. Louisiana^a	25.44	2. Alaska	10.75
3. New Mexico	23.41	3. Minnesota	10.89
4. Alabama^a	23.02	4. Hawaii	11.16
5. Arkansas^a	22.84	5. Maryland ^a	11.19
6. Kentucky ^a	22.84	6. Connecticut	11.72
7. West Virginia ^a	22.78	7. New Jersey	11.84
8. Washington D.C. ^a	21.88	8. Vermont	12.12
9. Texas^a	21.58	9. Utah	12.34
10. North Carolina^a	22.99	10. Wisconsin	13.03

Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: Poverty rates are based on the author's calculations of relative poverty in which the poverty threshold is 50 percent of the national median post-tax and post-transfer household income. The bolded states are former Confederate States. ^a denotes the state is Southern as defined by the official U.S. Census regions.

Table 2: Means and Difference Statistics for South and Non-South, 2000-2016, N=1,157,914

Variables	South	Non-South	Z-score	T-score
Relative Poverty	20.54	15.52	-61.26	----
Anchored Poverty	22.57	17.37	-60.82	----
<u>Power Resources</u>				
Democratic Control	43.76	50.92	----	183.54
Unionization Rate	5.22	13.94	----	871.01
TANF/SNAP Maximum	701.06	937.76	----	652.98
Unemployment Insur. Maximum	324.53	411.19	----	368.43
Public Employment	11.78	12.16	----	29.54
<u>Controls</u>				
Less than High School Head	15.75	11.91	-52.37	----
College Degree Head	28.17	32.12	38.78	----
Foreign-Born Head	5.83	5.73	-1.92 ^{NS}	----
Non-Metro Residence	22.92	27.29	45.22	----
Median Housing Rent	773.75	834.96		120.91
<u>Family Structure</u>				
Single Mother Head	10.73	9.55	-18.08	----
Single Father Head	3.74	4.23	11.76	----
Female Head, No Children	9.89	9.32	-8.82	----
Male Head, No Children	7.32	7.53	3.71 ^{NS}	----
Number of Children	1.28	1.34	----	21.10
Children < Age 5	24.26	25.68	4.40 ^{NS}	----
Adults > Age 65	17.21	16.16	-13.30	----
Young Head (Age <25)	5.24	4.90	-7.01	
<u>Economic Structure</u>				
No Earners	12.48	10.58	-23.62	----
Multi-Earners	53.45	59.42	55.05	----
Per Capita GDP	45639.42	53743.86	----	230.76
Economic Growth	1.02	1.74	----	150.84
Manufacturing Employment	7.88	7.85	----	-3.78
Unemployment Rate	5.77	5.71	----	-12.56
<u>Racial Composition & Heterogeneity</u>				
Black Head	21.04	8.86	-1.7e ⁺⁰²	----
Latino Head	20.23	15.25	-61.08	----
Other Race Had	4.56	9.38	79.63	----
Racial Fractionalization	54.22	42.26	----	3.5e ⁺⁰²
<i>N</i>	217,520	755,939	----	----

Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: *H₀*: Non-South - South = 0. Z-scores test binary variables; t-scores test continuous variables. All differences significant at the $p < .001$ level unless noted ^{NS}.

Table 3: South Coefficients (Z-Scores), Multilevel Linear Probability Models of Poverty, 2000-2016, N=1,157,914

Models	Relative Poverty		Anchored Poverty	
	<i>South Coef.</i>	<i>South Z-Score</i>	<i>South Coef.</i>	<i>South Z-Score</i>
South Only Model				
No covariates	.059***	(4.85)	.057***	(4.86)
Controls only	.043***	(4.81)	.044***	(4.72)
One Group Model				
+ Power Resources	.019	(1.61)	.020	(1.71)
+ Family Structure	.042***	(5.39)	.045***	(5.30)
+ Economic Structure	.026***	(3.54)	.026**	(3.36)
+ Racial Composition & Heterogeneity	.027**	(3.12)	.028**	(2.99)
Two Group Models				
+ Power Resources + Family Structure	.020	(1.80)	.022	(1.93)
+ Power Resources + Economic Structure	.013	(1.36)	.014	(1.38)
+ Power Resources + Racial Composition & Heterogeneity	.001	(0.11)	.001	(0.11)
+ Family Structure + Economic Structure	.028***	(4.47)	.028***	(4.07)
+ Family Structure + Racial Composition & Heterogeneity	.036***	(4.18)	.037***	(4.06)
+ Economic Structure + Racial Composition & Heterogeneity	.016*	(2.07)	.015	(1.78)
Three Group Models				
+ Power Resources + Family Structure + Economic Structure	.017	(1.84)	.018	(1.88)
+ Power Resources + Family Structure + Racial Composition & Heterogeneity	.012	(0.92)	.012	(0.98)
+ Power Resources + Economic Structure + Racial Composition & Heterogeneity	.003	(0.27)	.003	(0.23)
+ Family Structure + Economic Structure + Racial Composition & Heterogeneity	.022*	(2.85)	.021*	(2.58)
Full Model	.010	(0.95)	.011	(0.93)

Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: Coef. is the variable coefficient. All models include year controls. *** $p < .001$, ** $p < .01$, * $p < .05$

Table 4: Decomposition of South/Non-South Poverty Difference, 2000-2016 (N= 1,157,914)

	Relative Poverty			Anchored Poverty		
Non-South	0.155			0.148		
South	0.205			0.197		
Difference	-0.050			-0.049		
<i>Relative Contribution to Difference</i>	<i>Coef.</i>	<i>Z-Score</i>	<i>Explain. (%)</i>	<i>Coef.</i>	<i>Z-Score</i>	<i>Explain (%)</i>
Power Resources	-0.012***	(-19.72)	23.78	-0.018***	(-19.48)	24.29
Family Structure	-0.001**	(3.08)	-0.50	-0.001***	(-11.72)	1.79
Economic Structure	-0.018***	(-74.48)	36.28	-0.018***	(-74.92)	36.50
Racial Composition & Heterogeneity	-0.008***	(-25.06)	16.75	-0.009***	(-26.62)	18.48
Low Education Head	-0.006***	(-100.40)	11.26	-0.006***	(-108.82)	12.36
High Education Head	-0.002***	(-34.85)	4.21	0.003***	(-31.84)	3.95
Rural Residence	0.001***	(25.64)	-1.47	0.001***	(30.31)	-1.84
Foreign Born Head	0.000	(2.98)	-0.05	0.000	(1.12)	-0.02
Median Rent	-0.001***	(5.10)	1.74	-0.001***	(5.40)	1.84
Year 2004	-0.001	(-8.08)	0.26	0.000	(-10.57)	0.36
Year 2007	0.000	(3.95)	-0.12	0.000	(0.24)	0.00
Year 2010	0.000	(2.08)	0.22	0.000	(-3.18)	0.27
Year 2013	0.000*	(1.95)	-0.06	0.000	(2.03)	0.05
Year 2016	-0.001*	(-8.99)	2.36	0.000	(-2.43)	0.59
All Variables Included (Total Explained)	-0.048		94.67	-0.053		98.61

Source: Luxemburg Income Study (U.S. Current Population Survey)

Notes: *Coef.* is the variable coefficient. *Explain. (%)* is the percentage of the difference explained by the model. *** $p < .001$, ** $p < .01$, * $p < .05$

Appendix A1: Descriptive Statistics and Data Sources for Pooled Sample, 2000-2016, N=1,157,914

Variable	Mean	S.D.	Min.	Max.	Sources
Relative Poverty	0.167	0.373	0	1	Luxemburg Income Study (LIS)
Anchored Poverty	0.186	0.389	0	1	LIS
South Residence	0.233	0.423	0	1	LIS
Non-South Residence	0.767	0.417	0	1	LIS
Single Mother HH	0.107	0.310	0	1	LIS
Single Father HH	0.041	0.198	0	1	LIS
Female, No Children HH	0.092	0.298	0	1	LIS
Male, No Children HH	0.072	0.259	0	1	LIS
Number of Children HH	1.343	1.370	0	13	LIS
Children < Age 5	0.250	0.433	0	1	LIS
Adults Over Age 65	0.156	0.363	0	1	LIS
Age < 25 HH	0.051	0.220	0	1	LIS
Less than High School HH	0.132	0.339	0	1	LIS
College Degree HH	0.305	0.460	0	1	LIS
Rural Residence	0.266	0.442	0	1	LIS
Foreign-Born HH	0.056	0.230	0	1	LIS
No Earners	0.111	0.314	0	1	LIS
Multi-Earner	0.585	0.493	0	1	LIS
GD PPC	48643.26	14987.31	29337.00	1742.40	Bureau of Economic Analysis (BEA)
Economic Growth	2.698	2.20	-3.5	11.6	BEA
Unemployment Rate	5.92	2.44	2.3	13.7	Bureau of Labor Statistics (BLS)
Manufacturing Employment	11.70	4.25	0.18	22.88	BLS
Black HH	0.12	0.32	0	1	LIS
Latino HH	0.16	0.37	0	1	LIS
Other Race	0.08	0.28	0	1	LIS
Racial Fractionalization	0.45	0.17	0.07	0.76	U.S. Census Bureau
Democratic Control	49.30	18.20	10.00	100.00	University of Kentucky Center for Poverty Research (UKCPR)
Unionization Rate	11.91	5.86	1.60	25.50	Hirsch and Macpherson (2014)

Appendix A1 Continued...

Variable	Mean	S.D.	Min.	Max.	Sources
TANF/SNAP Maximum Benefit	882.54	192.97	499.00	1550.00	UKCPR
Unemployment Insurance Maximum Benefit	390.98	113.14	190.00	1032.00	U.S. Department of Labor

**Appendix A2: Multi-Level Linear Probability Full Model for Poverty, 2000-2016,
N=1,157,914**

	Relative Poverty		Anchored Poverty	
	<i>Coefficient</i>	<i>Z-score</i>	<i>Coefficient</i>	<i>Z-score</i>
South Residence (<i>Level 2</i>)	0.010	(0.95)	0.011	(0.93)
<u>Power Resources</u>				
<i>Level-1</i>				
(None)				
<i>Level-2</i>				
Democratic Control	0.000	(-0.25)	0.000	(-0.69)
Unionization	-0.001	(-1.46)	-0.001	(-1.34)
TANF/SNAP	0.000	(-1.07)	0.000	(-0.80)
Unemployment Insurance	0.000	(-0.62)	0.000	(-0.76)
Gov't/Public Employment	0.000	(0.43)	0.000	(0.46)
<u>Family Structure</u>				
<i>Level-1</i>				
Single Mother HH	0.137***	(29.97)	0.144***	(28.53)
Single Father HH	0.027***	(7.57)	0.030***	(7.95)
Female, No Children HH	0.075***	(19.96)	0.081***	(19.43)
Male, No Children HH	0.030***	(13.29)	0.031***	(12.44)
# Children	0.030***	(24.66)	0.028***	(26.43)
Children < 5	0.023***	(12.84)	0.028***	(14.24)
Adults >65	-0.100***	(-27.94)	-0.100***	(28.75)
Young HH	0.165***	(40.50)	0.172***	(48.27)
<i>Level-2</i>				
(None)				
<u>Economic Structure</u>				
<i>Level-1</i>				
Unemployed Household	0.306***	(52.78)	0.305***	(59.24)
Multi-Earners	-0.159***	(-28.01)	-0.173***	(-31.29)
<i>Level-2</i>				
GD PPC	0.000	(-1.68)	0.000	(-1.60)
Economic Growth	0.002**	(2.99)	0.002**	(2.75)
Unemployment Rate	0.005***	(3.70)	0.005***	(3.81)
Manufacturing Employment	-0.001	(-0.56)	-0.001	(-0.80)
<u>Racial Composition & Heterogeneity</u>				
<i>Level-1</i>				
Black HH	0.080***	(1.90)	0.084***	(18.80)
Latino HH	0.073***	(12.75)	0.082***	(15.31)

Other Race HH	0.054 ^{***}	(10.24)	0.056 ^{***}	(9.91)
<i>Level-2</i>				
Racial Fractionalization	-0.034	(-1.63)	-0.034	(-1.44)

Controls

Level-1

Less than High School HH	0.164 ^{***}	(43.38)	0.174 ^{***}	(43.84)
College Degree HH	-0.070 ^{***}	(-33.50)	-0.082 ^{***}	(-35.53)
Non-Metropolitan	0.029 ^{***}	(12.32)	0.032 ^{***}	(12.17)
Foreign-Born HH	0.029 ^{***}	(12.00)	0.032 ^{***}	(12.85)
Year 2004	-0.014 ^{***}	(-3.85)	-0.200 ^{***}	(-5.15)
Year 2007	0.004	(0.99)	-0.006	(-1.55)
Year 2010	-0.033 ^{***}	(-3.94)	-0.032 ^{***}	(-3.80)
Year 2013	-0.015	(-2.11)	-0.008	(-1.18)
Year 2016	-0.010	(-1.05)	-0.014	(-1.22)

Level-2

Median Rent	0.000	(1.28)	0.000	(1.30)
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Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: ^{***} $p < .001$, ^{**} $p < .01$, ^{*} $p < .05$

Appendix B1: South (Census-Defined) Coefficients (Z-Scores), Multi-Level- Linear Probability Models of Poverty, 2000-2016, N=1,157,914

Models	Relative Poverty		Anchored Poverty	
	<i>South Coeff.</i>	<i>South Z-Score</i>	<i>South Coeff.</i>	<i>South Z-Score</i>
South Only Model				
No covariates	.056***	(4.96)	.054***	(4.98)
Controls only	.044***	(5.32)	.047***	(5.36)
One Group Model				
+ Power Resources	.023**	(2.20)	.025**	(2.33)
+ Family Structure	.042***	(5.66)	.040***	(5.69)
+ Economic Structure	.027***	(4.22)	.028***	(4.20)
+ Racial Composition & Heterogeneity	.028**	(3.39)	.029**	(3.31)
Two Group Models				
+ Power Resources + Family Structure	.023*	(2.18)	.025*	(2.38)
+ Power Resources + Economic Structure	.014	(1.81)	.015	(1.88)
+ Power Resources + Racial Composition & Heterogeneity	.008	(0.65)	.009	(0.72)
+ Family Structure + Economic Structure	.029***	(5.21)	.031***	(5.21)
+ Family Structure + Racial Composition & Heterogeneity	.033***	(4.26)	.036***	(4.21)
+ Economic Structure + Racial Composition & Heterogeneity	.018**	(3.20)	.019**	(3.02)
Three Group Models				
+ Power Resources + Family Structure + Economic Structure	.019*	(2.50)	.020**	(2.62)
+ Power Resources + Family Structure + Racial Composition & Heterogeneity	.015	(1.22)	.016	(1.33)
+ Power Resources + Economic Structure + Racial Composition & Heterogeneity	.008	(0.89)	.009	(0.96)
+ Family Structure + Economic Structure + Racial Composition & Heterogeneity	.024***	(4.58)	.025***	(4.44)
Full Model	.015	(1.75)	.065	(1.88)

Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: Coef. is the variable coefficient. All models include year controls. *** $p < .001$, ** $p < .01$, * $p < .05$

Appendix B2 Multi-Level- Linear Probability Full Model for Poverty (Census-Defined South), 2000-2016 N=1,157,914

	Relative Poverty		Anchored Poverty	
	<i>Coefficient</i>	<i>Z-score</i>	<i>Coefficient</i>	<i>Z-score</i>
South Residence (<i>Level 2</i>)	0.015	(1.75)	0.016	(1.88)
<u>Power Resources</u>				
<i>Level-1</i>				
(None)				
<i>Level-2</i>				
Democratic Control	0.000	(-0.31)	0.000	(-0.74)
Unionization	-0.001	(-1.40)	-0.001	(-1.25)
TANF/SNAP	0.000	(-0.87)	0.000	(-0.64)
Unemployment Insurance	0.000	(-0.52)	0.000	(-0.68)
Gov't/Public Employment	0.000	(0.36)	0.000	(0.41)
<u>Family Structure</u>				
<i>Level-1</i>				
Single Mother HH	0.137***	(29.96)	0.144***	(28.53)
Single Father HH	0.027***	(7.57)	0.030***	(7.95)
Female, No Children HH	0.075***	(19.96)	0.081***	(19.42)
Male, No Children HH	0.030***	(13.30)	0.032***	(12.44)
# Children	0.029***	(24.66)	0.028***	(26.44)
Children < 5	0.023***	(12.84)	0.028***	(14.24)
Adults >65	-0.100***	(-27.95)	-0.099***	(28.71)
Young HH	0.165***	(40.50)	0.172***	(48.26)
<i>Level-2</i>				
(None)				
<u>Economic Structure</u>				
<i>Level-1</i>				
Unemployed Household	0.306***	(52.78)	0.305***	(59.24)
Multi-Earners	-0.158***	(-28.00)	-0.173***	(-31.29)
<i>Level-2</i>				
GD PPC	-0.000*	(-2.01)	-0.000	(-1.90)
Economic Growth	0.002**	(3.05)	0.002**	(2.81)
Unemployment Rate	0.005***	(3.70)	0.005***	(3.86)
Manufacturing Employment	-0.001	(-0.52)	-0.001	(-0.76)
<u>Racial Composition & Heterogeneity</u>				
<i>Level-1</i>				
Black HH	0.080***	(17.91)	0.084***	(18.80)
Latino HH	0.073***	(12.76)	0.082***	(15.32)

Other Race HH	0.054 ^{***}	(10.25)	0.056 ^{***}	(9.92)
<i>Level-2</i>				
Racial Fractionalization	-0.036 [*]	(-2.05)	-0.037	(-1.90)

Controls

Level-1

Less than High School HH	0.164 ^{***}	(43.37)	0.174 ^{***}	(43.88)
College Degree HH	-0.070 ^{***}	(-33.52)	-0.082 ^{***}	(-35.55)
Non-Metropolitan	0.029 ^{***}	(12.33)	0.032 ^{***}	(12.17)
Foreign-Born HH	0.029 ^{***}	(12.01)	0.032 ^{***}	(12.86)
Year 2004	-0.014 ^{***}	(-3.89)	-0.200 ^{***}	(-5.19)
Year 2007	0.004	(1.06)	-0.006	(-1.51)
Year 2010	-0.033 ^{***}	(-3.96)	-0.032 ^{***}	(-3.80)
Year 2013	-0.015	(-2.14)	-0.008	(-1.18)
Year 2016	-0.009	(0.99)	-0.014	(-1.24)

Level-2

Median Rent	0.000	(1.24)	0.000	(1.24)
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Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: ^{***} $p < .001$, ^{**} $p < .01$, ^{*} $p < .05$

Appendix B3: Decomposition of South (Census-Defined)/Non-South Poverty Difference, 2000-2016, N=1,157,914

	Relative Poverty			Anchored Poverty		
Non-South		0.152			0.170	
South		0.199			0.220	
Difference		-0.047			-0.049	
<i>Relative Contribution to Difference</i>	<i>Coef.</i>	<i>Z-Score</i>	<i>Explain. (%)</i>	<i>Coef.</i>	<i>Z-Score</i>	<i>Explain. (%)</i>
Power Resources	-0.013***	(-26.06)	26.62%	-0.013***	(-22.12)	26.28%
Family Structure	0.001***	(18.08)	-3.18%	0.002***	(21.46)	-3.45%
Economic Structure	-0.018***	(-92.35)	38.56%	-0.019***	(-97.21)	40.35%
Racial Composition & Heterogeneity	-0.006***	(-22.87)	12.91%	-0.007	(-24.01)	13.46%
Low Education Head	-0.004***	(-90.92)	8.74%	-0.004***	(-100.14)	9.17%
High Education Head	-0.003***	(-45.68)	6.08%	-0.003***	(-50.61)	6.64%
Rural Residence	0.000	(1.50)	-0.04%	0.001	(3.93)	-1.73%
Foreign Born Head	0.000***	(20.70)	-0.66%	0.000***	(22.06)	-0.62%
Median Rent	-0.001***	(-5.08)	1.77%	-0.001***	(-5.37)	17.94%
Year 2004	-0.001***	(-92)	0.24%	0.000***	(-9.50)	0.30%
Year 2007	0.000**	(3.03)	-0.08%	0.000	(0.19)	0.00%
Year 2010	0.000*	(-2.15)	0.26%	0.000*	(-2.05)	0.18%
Year 2013	0.000	(1.83)	-0.05%	0.000	(-1.89)	0.04%
Year 2016	-0.001***	(-8.95)	2.16%	0.000	(-2.43)	0.04%
All Variables Included (Total Explained)	-0.044		93.31%	-0.045		93.09%

Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: *Coef.* is the variable coefficient. *Explain. (%)* is the percentage of the difference explained by the model. *** $p < .001$, ** $p < .01$, * $p < .05$

Appendix C: Decomposition of South/Non-South Poverty Difference for Blacks and Whites, 2000-2016

Relative Poverty	Blacks			Whites		
Non-South		0.283			0.111	
South		0.323			0.121	
Difference		-0.040			-0.020	
<i>Relative Contribution to Difference</i>	<i>Coef.</i>	<i>Z-Score</i>	<i>Explain. (%)</i>	<i>Coef.</i>	<i>Z-Score</i>	<i>Explain. (%)</i>
Power Resources	-0.015***	(-5.97)	34.07%	-0.007***	(-9.20)	33.18%
Family Structure	0.003***	(-13.68)	-8.60%	0.008***	(-61.81)	-39.85%
Economic Structure	-0.001	(-0.89)	3.06%	-0.018***	(-97.21)	89.07%
Racial Composition & Heterogeneity	0.001	(0.89)	-1.37%	0.000	(-0.94)	-2.27%
Low Education Head	-0.004***	(-38.80)	10.56%	-0.004***	(-59.51)	14.60%
High Education Head	-0.003***	(-16.79)	6.77%	-0.003***	(-11.39)	4.37%
Rural Residence	0.010***	(-15.78)	24.77%	0.001	(-30.33)	-10.20%
Foreign Born Head	0.001***	(-8.81)	-3.49%	0.000***	(-13.40)	-0.91%
Median Rent	-0.001***	(-4.82)	14.41%	-0.001	(-1.96)	0.81%
Year 2004	-0.001*	(-2.15)	0.26%	0.000*	(-3.20)	0.27%
Year 2007	0.000*	(-2.23)	-0.16%	0.000**	(3.05)	-0.30%
Year 2010	0.000	(-0.99)	0.30%	0.000	(1.50)	0.54%
Year 2013	0.000	(-1.74)	-0.28%	0.000	(0.17)	-0.01%
Year 2016	-0.001*	(-2.18)	2.68%	0.000***	(-8.78)	0.11%
All Variables Included (Total Explained)	-0.033		82.98%	-0.045		89.41%

Source: Luxembourg Income Study (U.S. Current Population Survey)

Notes: *Coef.* is the variable coefficient. *Explain. (%)* is the percentage of the difference explained by the model. *** $p < .001$, ** $p < .01$, * $p < .05$