Regional Income Inequality in the United States: 1969-2017

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Overview: What we will and will not do

- We will:
  - Examine the 100 lowest and highest per capita income counties in the US
    - Including their characteristics
  - Examine the changing composition of these counties from 1969 to 2017
  - Discuss some data issues
  - Reach some conclusions
- We will not:
  - Attempt to examine convergence –either absolute or conditional
  - Discuss theory or the literature review

Motivation:

There is no place in the world where a well-educated population is really poor. If so, let us here in the United States select, beginning next year, **the hundred lowest income counties** …and designate them as special education districts. These would be equipped (or re-equipped) with a truly excellent and comprehensive school plant, including primary and secondary schools, transportation and the best in recreational facilities.

John Kenneth Galbraith (1964, 1967, p. 129).

Motivation (2)

Peach, J. T. (1996). "Regional Income Inequality Revisited:
Lessons from the 100 Lowest Income Counties in the United States"
(pp. 237-250) in William M. Dugger (Ed.), New York, NY: M.E. Sharpe:
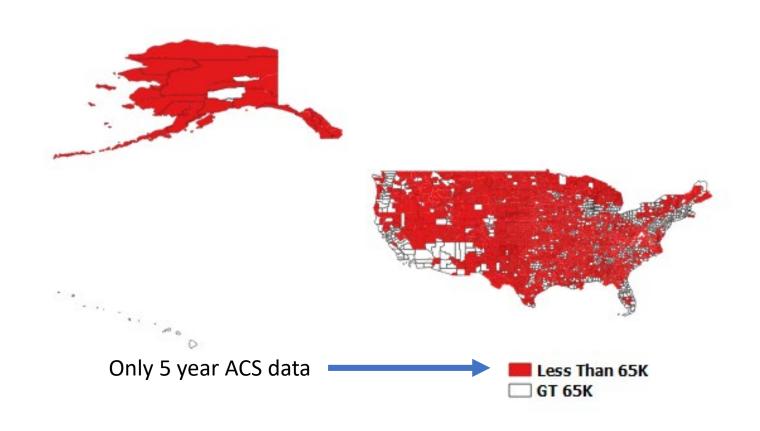*Radical Institutionalist Perspectives on Inequality*.

The Data

- Bureau of Economic Analysis (BEA) per capita income for 3,089 counties

- 1969 to 2017

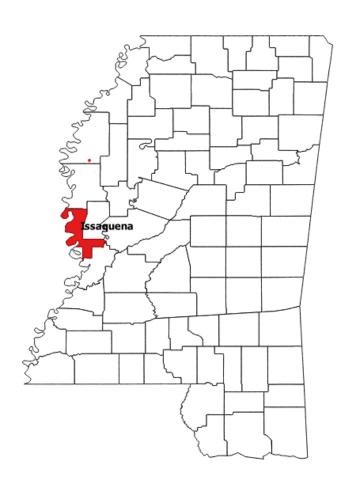- Census (5 year ACS for characteristics)

Why not use census data

- Census income data available every ten years through 2000 census
- American Community Survey (ACS) after 2003
- ACS data is annual for counties with 65,000 or more population
- ACS data is a 5 year average for counties with less than 65K
- Unlike census, ACS is conducted throughout the year

US counties above and below 65,00 population in 2017

Only 5 year ACS data →

■ Less Than 65K
☐ GT 65K

Issaquena County, Mississippi

In 2017

Lowest per capita income county in the US ($11,937 or 21% of US)

Smallest county in MS (population = 1,339 < half its 1969 pop)

63.8 % Black (US=13.4%)

Median house price = $50,200 (US = $193,500)

BA or higher = 6.1%, US = 38.1%
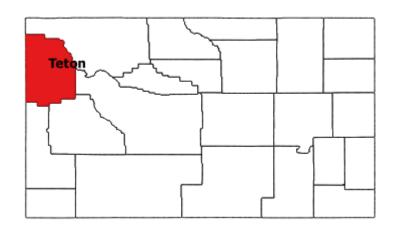
Issaquena County, Mississippi

McKinley Morganfield 1913-1982

Teton County Wyoming

In 2017

Highest per capita income county ($233,360 US = $55,446)

95.2% White, 81.5% White Non-Hispanic

Median house price = $739,100 (US = $195, 500)

BA or higher 54.1 %, US = 30.9%

Unemployment = 2.8%

Poverty Rate = 5.8%

County Characteristics 2017

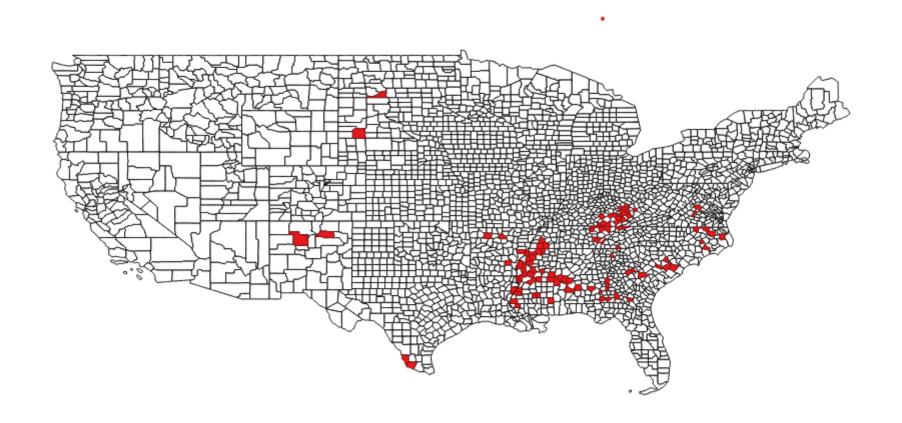|	Lowest 100 Counties	US	Highest 100 Counties
Per Capita Income	$26,448	$31,177	$83,260
Population	3,052,629	321,004,407	44,797,436
Percent White Non-Hispanic	58.96	61.4	71.34
Percent Black	15.12	12.65	9.98
Percent American Indian	3.51	0.82	0.38
Percent Asian	1.09	5.35	12.05
Land Area (Sq. Miles)	858.1	1128.9	1784.2
Population Density	35.0	91.2	246.6
Percent Hispanic	12.92	18.3	11.91
Percent with BA or More	12.24	30.9	43.3
Percent Below Poverty Level	26.84	11.8	9.03
Median Value of House	$79,689	$193,500	$373,003
Median Age	38.8	37.8	41.2
Dependency Ratio	64.79	60.8	61.10
Unemployment Rate	5.8	4.4	3.7
Sources: American Community Survey, 5 Year Estimates, 2013-2017 and Bureau of Labor Statistics, Local Area Unemployment Statistics.			

County changes by decade

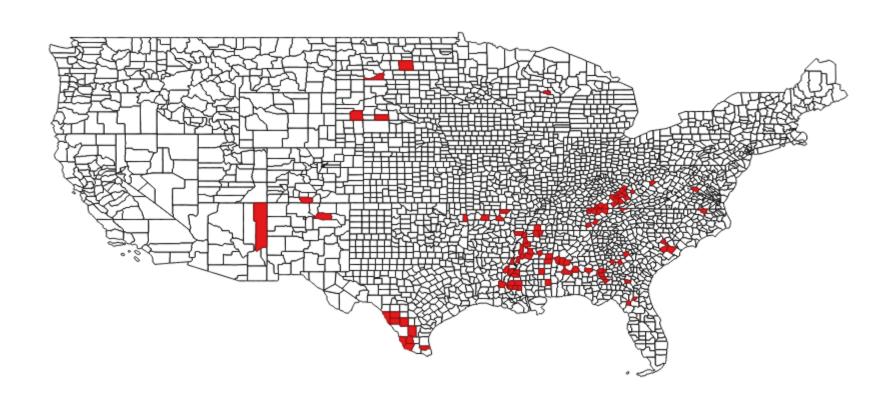| Lowest 100 Counties Remaining in Lowest 100 (lowest 10 %) by Decade					
	1969	1979	1989	1999	2009
1969	100 (100)				
1979	53 (88)				
1989	53 (89)	52 (86)			
1999	40 (79)	45 (74)	59 (96)		
2009	28 (66)	33 (70)	34 (71)	44 (83)	
2017	28 (66)	29 (66)	32 (69)	39 (75)	70 (92)
Highest 100 Counties Remaining in Highest 100 (highest 10 %) by Decade					
	1969	1979	1989	1999	2009
1969	100 (100)				
1979	60 (85)				
1989	60 (79)	60 (79)			
1999	61 (73)	54 (73)	76 (97)		
2009	43 (69)	50 (76)	67 (92)	75 (95)	
2017	48 (71)	54 (75)	66 (94)	76 (98)	74 (94)
Source: Author calculations from BEA personal income data.					

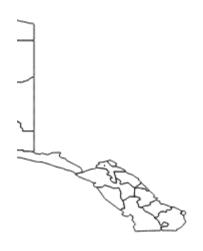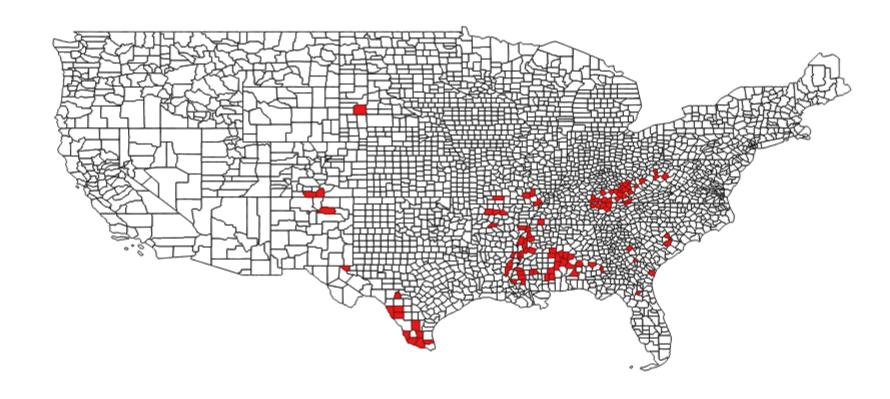# 100 Lowest Per Capita Income Counties in 1959 (Census)

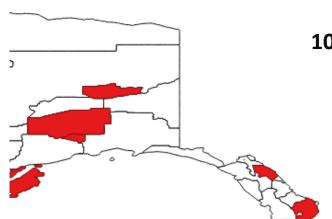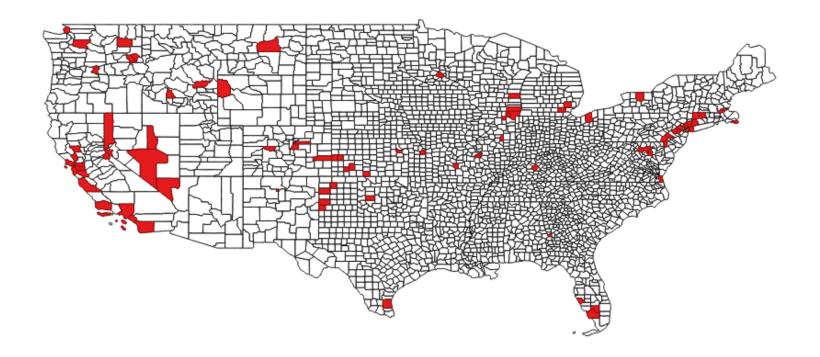100 Lowest Per Capita Income Counties in 1969 (Census)

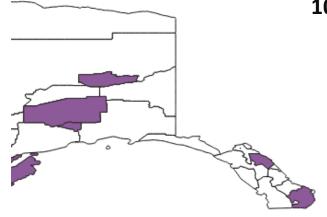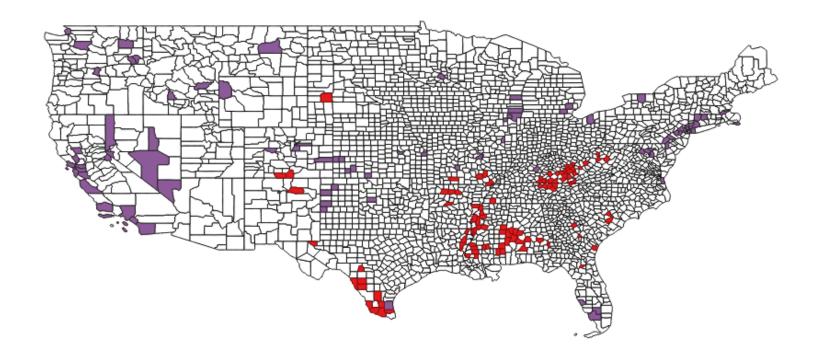**100 Lowest Per Capita Income Counties in 1969 (BEA)**

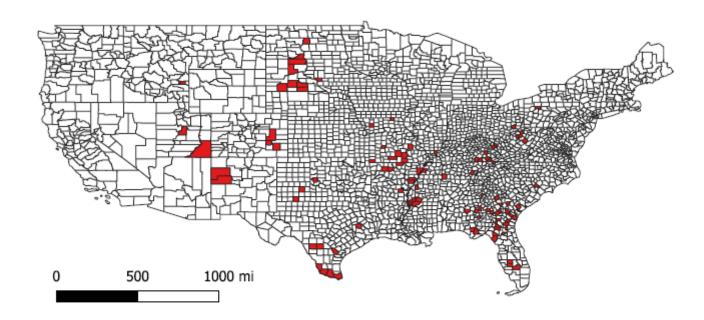100 Highest Per Capita Income Counties in 1969 (BEA)

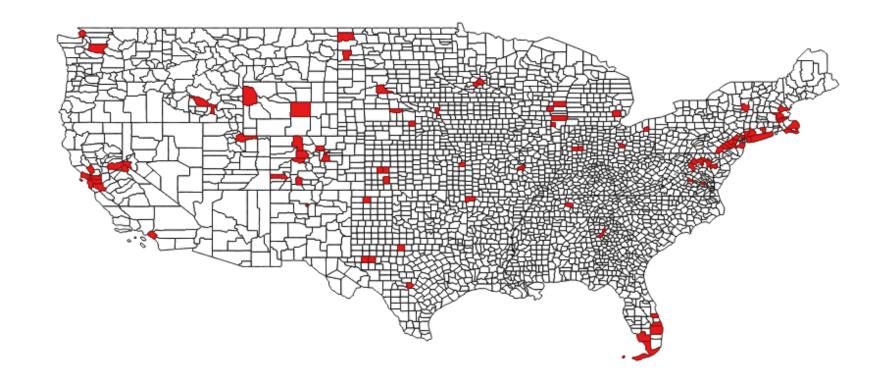# 100 Lhighest and Lowest Per Capita Income Counties in 1969 (BEA)

100 Lowest Per Capita Income Counties in 2017 (BEA)

100 Lowest Income Counties 2017

100 Highest Per Capita Income Counties in 2017 (BEA)

Conclusions

- Low income counties geographically concentrated (clusters)
  - High income counties less geographically concentrated
- Low income counties generally small and rural
  - High income counties generally larger and urban
- Low income counties are racially and ethnically concentrated
- Low income counties population is less well educated
- Both groups tend to change slowly during last 50 years
- General nature of regional inequality not likely to change in the next 50 years

BEA PCI CV 1969 to 2017