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NEWS

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MDC and Duke Complete NC Rural Poverty Study

Chapel Hill, NC - MDC, with Duke University's Terry Sanford Institute for Public Policy, has completed a study of rural poverty based on methodology developed by Duke Professor Anirudh Krishna. The study, jointly sponsored by The Duke Endowment's Program for the Rural Carolinas (PRC) and the Terry Sanford Institute, was conducted in summer 2005 among 312 families in four rural North Carolina counties: Gates, Beaufort, Burke, and Vance.

"The value of this study is that we are not relying on some static definition of poverty that assumes poverty in Washington, NC, is the same as poverty in Washington, DC," said MDC's Leslie Boney, who manages the PRC. "Instead local people are telling us what poverty looks like to them and, more importantly, which programs and services actually help them and which ones don't. Then the challenge is finding a way to strengthen the programs that really work, so that more people can get out of poverty and stay out."

The study asked community groups in each of the four counties to develop local definitions of poverty. Using those definitions, researchers then conducted one hour follow-up interviews with families, asking the families to assess where they stood on that community's "poverty scale" currently, five years ago, and 10 years ago. Researchers discovered that four main factors formed the pathways into or out of poverty:

- *Job status* – losing a job is the most common factor cited among families falling into poverty; getting a good new job is the most-often cited reason for an escape from poverty.
- *Health-related issues* – disabilities, extended illnesses and loss of health insurance and the resulting medical debt were cited by about a third of those falling in to poverty as one of the principal causes. In many cases,

medical debt drains equity from homes and often forces families to borrow money at high rates.

- *Family factors* – divorce or lack of family support often helped propel families into poverty; marriage or the presence of a supportive family helped people escape.
- *Budgeting* – Several of the families escaping poverty reported that forming and sticking with a budget was a significant factor in helping them move out of poverty.

Researchers also found that no single factor can transport a family into or out of poverty; most families cited two or more of these factors in explaining their change of status. In the majority of cases, it was the combination of loss of job and loss of insurance, or getting sick with no insurance or other family support, that pushed families into poverty.

To conduct the study, five trained student researchers from Duke worked with eight representatives of PRC teams. PRC is a rural economic development program, funded by the Duke Endowment and co-managed by MDC, that works with rural communities in North Carolina and South Carolina on both small and large-scale projects to spur economic development and community revitalization.

The study should help communities work toward the program's goal of increasing employment and income for those "left behind by the economy."

Details of the poverty study results can be found at MDC's website:
www.mdcinc.org.

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About MDC: MDC is a private, nonpartisan nonprofit headquartered in Chapel Hill, NC. Founded in 1967 to identify and help remove barriers to progress for the South, MDC has been publishing research and developing policies and programs focused on expanding opportunity, reducing poverty and building inclusive civic cultures in the American South for the past 39 years. We build the capacity of institutions and communities to work for more just and equitable conditions now and into the future. MDC's mission is to provide communities and their leaders with the research, strategies, and assistance they need to advance equity and opportunity. www.mdcinc.org

