TAKING STOCK
RURAL PEOPLE, POVERTY, AND HOUSING
IN THE 21ST CENTURY


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HIGH POVERTY RURAL AREAS AND POPULATIONS IN THE UNITED STATES
OVERVIEW

Beginning with the first Taking Stock report published in 1984, researchers from the Housing Assistance Council (HAC) have examined the conditions impacting rural America in general and among high poverty regions and populations. For four decades, HAC has assessed economic and housing conditions in Central Appalachia, the Lower Mississippi Delta, Native American lands, the U.S.-Mexico border, and among farmworkers. HAC’s analyses illustrate how these vulnerable communities have endured historical circumstances and benign neglect.

The stress and uncertainty of the recent national economic recession has been a reality for residents of the high needs regions for decades. Unlike much of rural America and the rest of the nation, these regions and populations experience widespread and persistent poverty. A high proportion of residents are unable to find jobs that provide a living wage. Low incomes are visible in the substandard housing conditions where there are still homes without plumbing and electricity, and where sewage may still run open in the streets. The economic downturn has only served to exacerbate these conditions as more jobs have been lost and assistance is more difficult to access. It is not surprising that many youth consider leaving these areas to be their best option.

Although rural areas face common challenges, the causes and results of each region’s economic conditions are unique. In some cases, intense need is juxtaposed with the incredible wealth of natural resources. The Central Appalachian region is well known for its energy resources in the form of coal and, more recently, natural gas. It is equally well known for the continued economic depression left after the coal industry declined and jobs disappeared. Ironically, the mountains that fueled the region’s economy also act as a barrier to services and make it prohibitively expensive for thousands of households to access water and sewer lines. The natural wealth of the Lower Mississippi Delta’s fertile soil has produced food and cotton that has fueled the nation and also helped to create and maintain an economic system built on a racial divide that continues to have repercussions. In the rural Delta, nearly 25 percent of African Americans live in poverty, higher than the region’s overall rate of 21.9 percent.

The ownership and regulation of land plays a critical role on Native American lands and in the border Colonias communities. Land is a central issue for Native Americans, who were first relegated to reservations and who later had those sovereign lands further reduced. Today, the three U.S. counties with the highest poverty rates are entirely or predominantly located
on reservation land. Along the U.S.-Mexico border, lax enforcement of land regulation led to the widespread development of informal subdivisions, called colonias, which are characterized by substandard housing and infrastructure. Often with large Hispanic populations, colonias present additional issues due to “under-the-table” financing mechanisms used by developers.

Finally, farmworkers continue to do the back-breaking labor required to bring food to the nation’s table in exchange for low pay and increasing anti-immigration sentiment. Migrant farmworkers, in particular, face poverty and poor housing conditions as they move around the country in search of employment, often at less than subsistence wages. Half of all individual farmworkers earn less than $16,250 annually. Given these low wages and the nature of their work, many farmworkers are forced to take whatever shelter they can find.

Despite this dismal picture, there are indications that conditions are improving. Poverty levels have fallen throughout the high need regions, and housing indicators have improved dramatically over the past few decades. These signs of improvement can be easily missed without closer inspection. Local leaders and residents maintain hope for the future of their communities and continue to protect places that many others have forgotten.

A CLOSER LOOK

In every Taking Stock report, HAC highlights the demographic and housing conditions of high poverty rural areas in addition to national figures for rural America. To better illustrate how poverty and housing conditions manifest themselves within these regions, Taking Stock also provides an “on the ground” perspective from five distinct communities in rural America: Hancock County, Tennessee in Central Appalachia; Shannon County, South Dakota on the Pine Ridge Reservation for Native American lands; West Feliciana Parish, Louisiana in the Lower Mississippi Delta; and Zavala County, Texas near the U.S.-Mexico border. In addition, Kern County, California was visited in 2002 and 2011 to provide a closer look at the farmworker population. HAC has conducted research in these communities for each of the past four decades. Through these profiles the everyday reality of life in high poverty regions comes into focus and the resilience of these places and their residents becomes clearer. Some areas have changed very little over the past 40 years, while others have undergone significant change. Detailed case studies of these high poverty communities can be found on-line at www.ruralhome.org.

* Most of the data collected for the case studies in this publication came from on-site interviews of local housing practitioners and community officials in the selected counties. The site visits took place between October 2010 and April 2011. Some telephone interviews were also conducted.
BORDER COLONIAS*

In Latin America, the word colonia means neighborhood or community. In the United States, the term has been applied to neighborhoods and even towns along the U.S.-Mexico border in Arizona, California, New Mexico, and Texas that lack potable water, sewer services, and electricity. Residents choke on dust kicked up from the unpaved roads that easily enters aging manufactured homes or structures built using found materials.

Colonias are typically thought of as rural border settlements inhabited overwhelmingly by individuals and families of Mexican heritage living in impoverished conditions. The public health issues posed by the poor living conditions that characterize colonias were first brought to public attention in the 1980s. As a result, nonprofit networks were formed to address the needs in colonias and government programs directed funding to assist these efforts.

The process by which most colonias developed is the dominant method of housing provision in many countries, including Mexico: land is sold without infrastructure present and a dwelling is constructed gradually. Residents were drawn to these settlements because they

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*Unless otherwise noted, these data are derived from HAC tabulations of the 2010 U.S. Census of Population or the American Community Survey 2005-2009 Five Year Estimates.
offered an opportunity for them to own land and homes, a source of great pride for many. In many cases, the visible substandard conditions mask thriving communities where neighbors support and provide for one another.

National and international events have profoundly affected the communities along the U.S.-Mexico border over the past decade. The border region, and consequently the border colonias, face new challenges to social and economic development as a result of increased border security in the wake of the September 11, 2001 attacks. The “thickening” of the U.S.-Mexico border has slowed the flow of goods, increased the cost of trade, and created barriers between family members living on either side of the border. These issues will need to be recognized and addressed in any attempts at further developing the border region in the coming years.

DEFINING COLONIAS

To address the lack of infrastructure and the poverty present in communities along the border and to target funding to these areas, government agencies have developed geography-based definitions of colonias.

In 1990, the Cranston-Gonzalez National Affordable Housing Act (NAHA) created a federal definition for colonias, which is still used for most Department of Housing and Urban Development (HUD) programs today. Under NAHA, a colonia is an “identifiable community” established before November 28, 1989 in Arizona, California, New Mexico, or Texas within 150 miles of the U.S.-Mexico border that lacks potable water and sewage systems and decent housing. The 150-mile boundary is part of the definition used by the U.S. Department of Agriculture, while the Environmental Protection Agency defines the boundary as 62 miles from the border. HUD has designated 86 colonias in Arizona, 15colonias in California, 142 colonias in New Mexico, and more than 1,800 in Texas. These governmental definitions are not without controversy, however, as some researchers make the case that colonias exist beyond the border region.

For the purposes of this analysis, the border region will be defined as all U.S. Census tracts with some portion within 150 miles of the border, excluding metropolitan areas with a population of 1 million or more. Because colonia boundaries are not used as geographies for collecting census data, researchers find analyzing both individual colonias and the colonia region difficult. The presence of mobile populations, such as migrant workers, can skew the data. For those reasons, the border region will be analyzed as a whole, with particular focus paid to rural areas.

SETTLEMENT PATTERNS AND ORIGINS

Despite being categorized together, colonias vary extensively within the border region, from small clusters of homes located near agricultural employment opportunities to established communities whose residents commute to nearby urban centers. Colonias have varied histories. Some emerged in the last 50 years, but others have been in existence since the 19th century. The unmet need for affordable housing was a key factor driving...
the demand for homes in colonia developments in both recent and historic colonias. Various other factors led colonia development within each border state. The increased visibility of colonias in Texas, however, tends to guide common perceptions and even government policy based on the situations of colonias found there.

In Texas, colonias resulted from lax land regulations, particularly over the last few decades. For much of the 20th century, county governments in Texas lacked the power to regulate the subdivision of land that lies outside the jurisdiction of city governments. Without these controls in place, landowners were able to subdivide and sell their property without the necessary infrastructure. In the mid-1990s, all Texas counties were finally granted the power to enforce state minimum standards for water and sewer infrastructure.

Also impacting the proliferation of colonias in Texas is the contract-for-deed system. Through a contract for deed, the buyer makes payments directly to the developer while the land title remains with the developer until the amount is paid in full. These arrangements often involve high interest rates and many are not recorded with the county clerk. If even one payment is missed, the developer may foreclose on a property and the buyer loses his or her entire investment.

Most Texas colonias are small, consisting of fewer than 40 lots, but more than one-third of the total colonias population lives in large colonias of 300 or more units. These large colonias make up only 7 percent of the total number of colonias in the state.

A variety of settlements have been designated colonias in Arizona, California, and New Mexico, including those on Native American lands, in old mining towns, and in retirement communities. Colonias in Arizona, California, and New Mexico are generally older than those found in Texas. In Arizona, “wildcat” subdivisions emerged in the 1950s and are inhabited by individuals and families who do not understand or wish to follow government regulations, which differ from patterns for Texas’ colonias. Many New Mexico colonias have been in existence since the mid-1800s and all California colonias were developed prior to 1929, when subdivision laws went into effect in that state. Additionally, New Mexico’s historic settlements are experiencing new fringe growth in the form of illegal subdivisions similar to those created in Texas under contract-for-deed arrangements.

Colonias in these states are often connected to infrastructure systems, although they are aging and in need of upgrades, and they often have more access to services than those in Texas. Land regulation is also a smaller problem in the other border states than in Texas, although codes were not always enforced in Arizona.

The designation as colonias of communities that bear more resemblance to aging rural towns far from the border than to the classic colonias in Texas has led several researchers to suggest that the definition and related policy response deserve a second look. Recent research has investigated the presence of colonia-like subdivisions located beyond the border region. As many as 5 million people may live in Informal Homestead Subdivisions (IFHSs) across the United States, with confirmed locations in Arizona, New Mexico, and Texas, as well as in non-border states such as Georgia and North Carolina. IFHSs fall into seven categories that are based, in part, on the differences in their geography as well as the demographics and socioeconomic status of their residents. Classic border colonias, however, are recognized to have more extreme poverty and unsafe, improvised homes than villages of other designations.

The expansion of the colonias definition is controversial due to the increase in designated colonias eligible for already limited funding. New Mexico and Texas have both officially recognized colonias beyond the 150-mile boundary, however. Researchers have also found non-border IFHSs similar to classic colonias in regions of Greensboro, North Carolina, as well as Austin and San Antonio, Texas.

A total of 5.6 million people reside in the border region and 1.7 million, or 29.5 percent, live in rural areas. The border region typically experiences high population growth due to immigration. Despite tighter border security and the impact of the economic recession, at the end of the decade the region experienced a slightly higher rate of migration than the United States as a whole. In 2009, for example, 2.7 percent of the colonias population had moved to the area from another state within the past year and 0.9 percent had moved from another country; nationwide, 2.5 percent moved...
to other states and 0.6 percent immigrated into the country. Rural areas experienced a higher domestic migration rate than urban areas, at 3.0 percent, and 0.7 percent moved from abroad.

Domestic migration to the border region is associated with the general growth of Sunbelt states: the four border states’ share of the U.S. population has increased from 1 in 18 in 1900 to more than 1 in 5 in 2010. The proportionally higher domestic migration to rural areas could be the result of seniors moving to the region’s retirement communities.

The U.S.-Mexico border is home to a larger percentage of foreign-born persons than the nation as a whole. The difference is most pronounced in rural areas; in the border region, 14.7 percent of the rural population was born outside the United States, but only 5.0 percent of rural residents (and 13.7 percent of all residents) across the nation are foreign born. This high level of foreign-born population often leads to questions about citizenship. In the rural United States, 7.1 percent of the population are not citizens (including both documented and undocumented immigrants). Along the U.S.-Mexico border as a whole, 12.2 percent of all residents, including those foreign born, are not citizens and in the rural border region 8.7 percent are not citizens. Of the foreign born population across the border region, noncitizens make up approximately 60 percent. High immigrant populations pose challenges for communities by way of language and cultural barriers that fuel anti-immigration sentiment.

Hispanics account for 15.1 percent of the U.S. population and only 8.4 percent of the rural population. Along the border with Mexico, that proportion is higher. Of the population in the rural border area, 52 percent identify themselves as Hispanic or Latino, and 88.8 percent of those are of Mexican descent. Less than 8 percent of the Hispanic population in the border region consists of individuals that are not of Mexican, Puerto Rican, or Cuban descent. This subset of individuals is less common in the border region than rural areas overall, where they make up 10.6 percent of the Hispanic population. Across the region, Hispanics comprise 61.8 percent of residents, and 91.6 percent of those Hispanics are Mexican.

The border region lags behind the nation in terms of education. Just under 75 percent of adults in the rural border area graduated from high school compared to 84.6 percent nationwide. The graduation rates are more similar for those with a bachelor’s or more advanced degree in rural areas: 16.4 percent along the rural border and 17.4 percent in the rural United States have earned postsecondary degrees, compared with 27.5 percent nationwide.

Educators in the colonias face many challenges common to other areas of the country, such as high dropout rates and language barriers. In addition, high population growth can strain educational resources even further by adding hundreds of students to a school’s roster each year.

The youth population is larger across the region (29.2 percent of the population) than across the United States (24.6 percent). Even in the rural border region, young people under the age of 18 account for 26.6 percent of the population. A high birthrate and the relocation of families with young children are likely factors in these population statistics.

The highest concentration of elderly individuals in the border region is found within rural areas, where 15.8 percent of the population is over the age of 65 years, comparable to the national rural rate of 15 percent and much higher than the national rate of 12.6 percent. Nationally, the challenges faced by rural areas with an increasing elderly population that requires access to specialized services will be particularly acute in colonias, where even basic services are lacking. The high concentrations of youth and seniors in the region put an additional strain on social services.

Not all seniors within the rural border region enjoy a peaceful retirement. Almost one-half of grandparents who reside with their grandchildren (47.3 percent)
are responsible for them. In the region, 43.4 percent of grandparents are raising grandchildren and 41.0 percent of elderly persons across the nation have taken this responsibility.

Colonias were first noted for the public health concerns caused by poor living conditions and other environmental issues, in addition to challenges due to lack of infrastructure. The location of colonias in flood plains and near desert streams leaves them susceptible to flooding, which can exacerbate health problems by causing cesspools to overflow and leaving standing water ideal for breeding disease-carrying mosquitoes. Common health issues within the colonias include hepatitis, asthma, dysentery, and tuberculosis.32

ECONOMIC CHARACTERISTICS

Due to proximity to Mexico, the border economy is even more closely linked to national and international markets, and the effects of disturbances from either side, than the economies of other U.S. locales. Approximately 58.8 percent of U.S. exports to Mexico originate in the four border states. The escalating violence along the Mexico side of the border has promoted the perception that the region is unsafe, inflating the cost of doing business. Increased border security is also increasing wait times at ports of entry, which can affect trade detrimentally.33

Policies such as the North American Free Trade Agreement (NAFTA, which took effect in 1994), have drawn much attention to the border area but produced little in terms of economic development within the region.34 Research has shown that, although NAFTA was not the initial cause of falling wages in the border region, it has helped to continue the trend.35

The government plays a large role in employment across the border region. In the United States, 14.6 percent of the workforce is employed by the government. In the border region, 20.0 percent of the employed population works for the government and that proportion increases to 22.7 percent in rural border areas. While this could signify few private employment opportunities in the region, the presence of the border as well as the customs and security agents required for its maintenance could also be a factor.

Agriculture continues to be an important part of the rural border economy, employing 8.7 percent of the population in the industries of agriculture, forestry, fishing and mining (5.5 percent of the rural U.S. population works in these sectors). Although mechanization has reduced the role of agriculture in many border communities, in some areas the majority of residents depend on agricultural employment in the form of seasonal farm work or year-round dairy employment.36 In other locations, residents commonly work in nearby towns and cities in low-paid service occupations, manufacturing, or food processing.37

Cross-border manufacturing operations producing wares such as electronics, medical devices, and automotive parts take advantage of low-cost maquiladoras, which are factories located on the Mexico side of the border.39 Manufacturing plays a smaller role in rural parts of the border region, however, than in the United States as a whole. Approximately 4.8 percent of the rural colonias workforce is employed in manufacturing compared to 11 percent nationally.

A survey of stakeholders showed a shared desire to move the region toward “a knowledge-based, sustainable economy that is safer for its citizens and that affords a more efficient and rapid movement of people and goods across the international border.”40 The low education levels of the local labor force, however, stand in the way of efforts toward the production of higher value-added manufactured goods.41
Incomes are low across the border region, and not just in rural areas; one-quarter of all border residents earn less than $20,000 annually, while 18.4 percent of workers nationwide earn this amount. Conversely, the proportion of the population earning incomes over $100,000 in the colonias region is considerably less than that of the U.S. rate (12.1 percent versus 20.3 percent). Some contend that wages throughout the region are depressed as a result of the proximity to low-wage workers in border areas of Mexico who, consequently, enjoy higher wages on average than they could earn elsewhere in Mexico. Areas where people attain little education are typically characterized by low-wage, low-skill sectors, however.

A defining factor of colonia developments, high poverty, is visible throughout the region. Nearly one-quarter (23.8 percent) of border residents live in poverty. Hispanics experience a higher rate of poverty than others in the larger region, and in the rural border region, more than 28 percent of Hispanics live in poverty. The poorest counties in Texas are located in the border region. Eight Texas border counties are among the 50 poorest counties in the United States.

The use of government income assistance is greater in the colonias than across the nation. In the rural portion of the colonias, 36.6 percent of residents receive Social Security payments, 14.5 percent receive food stamps, 5.6 percent receive Supplemental Security Income, and 2.4 percent receive public assistance. Additionally, 27.2 percent of rural border households do not earn income from wages. Across the United States, 19.9 percent of households do not earn wages.

**HOUSING CHARACTERISTICS**

Poor housing conditions play a central role in the recognition and designation of colonias, where the housing stock includes conventional stick-built houses, manufactured homes, and adobe structures. In older colonias, the substandard conditions are largely the result of an old, deteriorating housing stock, while the newer colonias contain units that do not meet code.

Homeownership rates in the border region mirror those across the country. Vacant properties, a sign of disinvestment, are more common in the border region compared to the nation as a whole, particularly in rural areas where 12.0 percent of properties are standing empty; only 8.4 percent are vacant nationally. Occasional-use units, such as seasonally used units or vacation homes, are also more common in rural areas. Just over 10 percent of rural colonias units and 5.5 percent of all colonias units are only used for part of the year; meanwhile, across the nation, 3.5 percent of homes are used part-time.

Although the region has a high rate of homeownership, home values often do not equal those in other parts of the country. In the rural border region, 23.5 percent of homes are valued at less than $50,000, while across the United States, 8.3 percent of homes are valued at this price. Similarly,
while more than three-quarters of the homes in the United States are worth more than $100,000, only about one-half in the rural border region reach such values.

Despite significantly lower values, cost burden affects many border households. Homeowners in the rural border region experience cost burden at lower rates than in the nation as a whole. The rates for rural areas nationally and in the border region are nearly identical, however; approximately 24 percent of homeowners pay more than 30 percent of their income on housing expenses. Renters are more often cost burdened, with those in rural areas experiencing lower rates of cost burden. Approximately 45.6 percent of renters in the rural border region are cost burdened versus 51.0 and 50.0 percent in the region and the United States, respectively.

The housing problems that attracted attention to the colonias are improving, but dilapidated homes are still prevalent. Across the border area, more than 19,000 occupied housing units lack complete plumbing facilities; about a third of them are located in rural areas. Although only 1.1 percent of rural homes along the border lack plumbing, this is about twice the percentage of the rest of the United States (0.5 percent). Approximately 1 percent of rural border homes do not have complete kitchen facilities while 0.7 percent of occupied homes nationwide feature incomplete kitchens.

These housing problems are not necessarily the result of an aging housing stock. While 31.6 percent of all homes nationwide were built before 1960, approximately 18.8 percent of border homes are that old. Manufactured homes, however, are more prevalent along the border, making up 19.2 percent of the houses in rural border areas. Across the United States, 14.4 percent of dwellings in rural areas and 6.8 percent of those nationwide are manufactured homes.

Crowded conditions (more than one person per room) are also more common in the border region. Approximately 4.9 percent of rural border units are crowded compared to 3.0 percent of homes nationwide.

The willingness of many border residents to use informal financing mechanisms to obtain homeownership, such as the contract-for-deed system, is an indication of the gap in traditional financing available to low-income and immigrant populations. In some cases, this may be due to a dearth of financial institutions in remote rural areas. Another likely contributor is the large immigrant population, which may be unfamiliar with the services offered by banks or who are simply unsure of such arrangements. If they lack documentation, these individuals face another barrier to accessing traditional finance mechanisms.46

ADDRESSING THE NEEDS

Modest gains are being made along the border to improve housing conditions, install and upgrade infrastructure, and extend other services. In some colonias, residents have organized to improve living conditions through various activities, including organizing community clean-up efforts, sending representatives to regional meetings, or even forming nonprofit organizations to solicit funds.47 Although local independent nonprofits often struggle to provide services to the colonias, those that are aided by external networks have seen success in meeting community needs.48

As the state with the greatest presence of colonias, Texas has also led efforts to address the housing problems in the border region. Texas worked first to
prevent the spread of colonias and then to improve the conditions in existing colonias. Legislation was passed in 1995 that requires developers to install the needed infrastructure and services before subdividing and selling land. This legislation had unintended consequences: it greatly increased the cost of developing new subdivisions and it blocked sales, restricted land use, and limited commercial activities in the colonias. As a result, expansion within the colonias was facilitated by residents further subdividing their land and putting additional strain on sewage systems.

In 2001, Texas passed legislation to increase the authority of counties to regulate subdivisions and the installation of sewer and water systems. The legislation also required greater coordination between cities and counties in regulating subdivisions in the areas just outside incorporated boundaries. In 2005, the Texas legislature mandated a colonia identification system in addition to the tracking of state-funded projects in the colonias.

In 2010, New Mexico passed the Colonias Infrastructure Act, which will provide dedicated state funds to colonias infrastructure projects. It only applies to the 10 counties within the 150-mile zone designated by HUD, however, so colonia-like developments that have appeared around Albuquerque will not be impacted. Some government funding streams target the colonias region. Through HUD, each border state is required to allocate a portion of its Community Development Block Grant funds to projects benefiting designated colonias. Additionally, USDA Rural Development provides funding for water and waste-water improvements.

Some state programs, mostly in Texas, have been implemented. The Texas Department of Housing and Community Affairs administers the Contract for Deed Conversions (CFDC) program using funds from the federal HOME Investment Partnerships program. Through CFDC, a contract-for-deed may be converted into a warranty deed and the resident can thereby obtain ownership and property rights.

The process of installing and upgrading infrastructure in border colonias is ongoing. The small size and remote location of some colonias greatly increases the per capita cost to extend water lines and build water treatment plants, making these basic necessities prohibitively expensive. Similarly, the lack of land platting has left many colonias without clearly delineated property lines or access roads. Without these features, even those colonias bordering incorporated areas are unlikely to be annexed due to the high cost of alleviating the problems.
ZAVALA COUNTY, TEXAS

U.S. Highway 83 through Zavala County is lined with the high fences and prominent gates of the big game ranches that occupy the land of once productive farms and cattle ranches. Located in the Rio Grande Valley, the county has a mild climate ideal for growing winter vegetables, such as spinach, which gives the county seat its reputation as the Spinach Capital of the World. Zavala County’s rich history includes milestones in the Chicano movement and an agricultural boom followed by decline that has deeply affected the economy.

The county’s non-Hispanic white population has declined significantly over the past few decades, and the Hispanic population in 2010 reached 93.9 percent. Whites continue to be the primary wealth and land holders in the county, however, and some residents believe this imbalance has contributed to the county’s continued economic stagnation for more than 40 years. A poverty rate of 37 percent ranks Zavala County as the 33rd poorest county in the U.S. While the rest of the nation faces new difficulties as a result of the recession, a local official remarked, “[Zavala County has] always been in a recession.” Yet the county median income is increasing and unemployment is lower than in past years. Historically, agricultural industry and a cannery operated by the Del Monte Corporation were key players in the economic vitality of Zavala County. Over the past few decades, however, agriculture has played a much smaller role. The area is seeing some new employment opportunities including a call center and expansions in the Crystal City Correctional Facility. The mayor would like to increase tourism as well, and revitalize the downtown area.

The lack of amenities and decent housing for people with a range of incomes is considered the community’s greatest barrier to economic development. The housing stock is much older than in other areas in Texas and therefore more likely to be dilapidated and to contain lead paint and asbestos. Homes often cannot be rehabilitated due to their state of disrepair. Crowding and high rates of cost burden for both homeowners and renters also affect the quality of life in the county.

According to the office of the Texas attorney general, 13 colonias are located within Zavala County. A recent study on seven of the county’s colonias states that “all have access to potable water, but many lack adequate sewer and all are deficient in the area of decent, safe, and sanitary housing.”

Several barriers affect both affordable and market-rate housing development in the community, including low household income, low credit scores, and expensive insurance and building requirements due to a flood plain that covers much of the county. The contract-for-deed system of land tenure (described above) is still a barrier to housing development, and a state law enacted to stop the spread of colonias by requiring that infrastructure be in place before land is subdivided and sold has also had a major impact. The law succeeded in its intended purpose but has also increased development costs. Some local landowners want to build market-rate subdivisions but are unable to fund the infrastructure.

The changes in Zavala County over the past decade have been incremental. While progress is being made, housing conditions and the overall economic situation of this remote rural county in southern Texas are persistently inadequate. Challenges over the last four decades have remained largely the same: job creation, youth out-migration, an aging population, and a difficult socioeconomic past. The county’s colonias now have mostly paved streets and running water, while sewer systems and housing conditions are improving. Looking to the future, the county, Crystal City, and the housing authority are all planning to continue rehabilitating and replacing housing in the area and using a comprehensive plan to target housing, streets, and sewer needs.
CENTRAL APPALACHIA
CENTRAL APPALACHIA*

The Appalachians’ plentiful natural resources, including coal, natural gas, and timber, played a key role in the growth of the United States during the 19th and 20th centuries and continue to be vital to the nation’s economic well-being. The region’s distinctive culture and rich heritage have also left their mark on the American experience both culturally and economically.

Despite its cultural distinction, the Appalachian region is more commonly known for its economic challenges. High poverty rates, poor housing, and limited economic opportunities have persisted for generations. Federal and state efforts, often in response to stories of despair or need, have attempted to address the region’s difficulties. While these initiatives have improved Appalachian communities, too many families in the region continue to have significant housing and economic needs.

DEFINING APPALACHIA

The Appalachian Mountain range is one of the most prominent geographic features in eastern North America. The hills and valleys of this ancient mountain chain stretch from Newfoundland to Mississippi, encompassing

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an area more than 2,000 miles long and up to 300 miles wide. The majority of the Appalachian range is found in the United States, where it covers parts of 18 states.

Poverty and economic distress have persisted for decades in the central portion of the Appalachians. For this reason, the following analysis will focus on conditions in the Central Appalachian subregion. Based on the Appalachian Regional Commission (ARC) subregion typology, this study defines Central Appalachia as all counties within ARC north central, south central, and central sub-regions. The region contains 238 counties and county-equivalent jurisdictions in Kentucky, North Carolina, Ohio, Tennessee, Virginia, and West Virginia.

**SOCIAL CHARACTERISTICS**

Central Appalachia has a population of over 8.8 million residents. Comparing 2000 and 2010 U.S. Census population counts, the region’s population grew by 6.5 percent, which is somewhat less than the national growth rate of 9.7 percent. Central Appalachia is largely rural with approximately 55 percent of the population residing in rural areas or small town communities.

Over 90 percent of the region’s population is non-Hispanic white, far higher than the 66 percent that makes up this cohort nationwide. The largest racial minority group is African Americans, who make up approximately 4.8 percent of the Central Appalachia region’s population. Hispanics make up only 2.4 percent of the region’s entire population and just 1.8 percent in its rural areas.

The migration of rural residents to urban centers for work has long been a trend in Appalachia. In past decades, the region’s migration patterns were largely influenced by manufacturing industries, which attracted Appalachians to factories in the north and east. Today the “brain drain” phenomenon – young and educated people leaving for more prosperous areas and opportunities – is a major reason for population out-migration in the region. The loss of these individuals is particularly difficult to overcome because they take their professional and leadership skills with them.

Central Appalachia’s limited employment opportunities have likely worked to reduce the growth of the region’s native population as well. Only 2.8 percent of Central Appalachian residents moved into their current area from another state or abroad during the year (roughly
the same proportion for Central Appalachian rural areas as for the region as a whole), while 6.6 percent of the nation’s residents had done so. This stagnant population migration can be linked to the lack of economic growth throughout the region.

Like the nation as a whole, Central Appalachia is aging. The median age in the United States is 36.5 years, and the median age for those in Central Appalachia is 39.6 years. Fifteen percent of the region’s residents are age 65 years or older, higher than the proportion of elderly persons nationwide (12.6 percent). This age demographic is partly attributable to the out-migration of younger people from the region.

An aging population poses unique problems for local communities because senior citizens often need access to specific healthcare services and daily living assistance. Service providers have difficulty reaching them in rural areas, compounding the challenge for communities with limited resources.

An advanced education is increasingly necessary for successful competition in today’s global economy; in this key attribute, however, the region lags behind. About half as many rural Central Appalachians as all Americans have earned a bachelor’s or graduate degree. Approximately 79 percent of rural Central Appalachian residents have graduated from high school, continuing an upward trend in graduation rates over the years.

While some well-paying jobs may not require a new employee to hold a traditional four-year degree, those in professions such as carpentry often call for familiarity with new tools and building materials and codes. Many Central Appalachian areas lack enough people certified for such positions. The end result can be long waits for services such as plumbing and electrical work, and employment opportunities going to nonresidents while local unemployment levels remain exceptionally high.

ECONOMIC CHARACTERISTICS

The Central Appalachian region’s economy has traditionally been defined by the abundance of its many natural resources, coal and timber, and efforts to extract them. Coal mining, in particular, was the primary impetus for growth in the region throughout the 19th and 20th centuries. The vast coal fields in eastern Kentucky and southern West Virginia served as an energy repository for a growing nation. The harsh working conditions and poor treatment of miners led to some of the nation’s most bitter and violent labor conflicts, which ultimately helped expand labor rights efforts. As a result of the prominent role coal has played in the Central Appalachian region’s past, many associate the region with coal mining and assume most residents are either directly or indirectly involved in the industry.

Today, the mineral extraction industry employs only 3 percent of residents in the entire region and 5 percent in rural areas. Due largely to mechanization and a shift to surface mining technologies, the number of mining-specific jobs has decreased. Nevertheless, coal still plays an important role in certain areas of Central Appalachia. The sale
of coal represents over 25 percent of the local economic activity for certain communities in eastern Kentucky and southern West Virginia. The number of these coal-dependent counties has been shrinking consistently, however.

The past reliance on mineral extracting industries, which in large part removed not only the natural resource but the wealth generated by them from Central Appalachia, ultimately left many parts of the region without alternative employment options. Residents — particularly in the region’s rural communities, which have always lagged behind more developed areas — are left struggling economically.

The recent economic decline has only exacerbated these problems. Unemployment rates jumped from 6 percent in 2008 to over 10 percent by the first quarter of 2010. For Appalachia, overall employment levels dropped back to 2002 levels, wiping out all of the jobs added from 2002 to 2008. These poor economic conditions have put more strain on state and local governments to meet the increased demand for assistance.

Census figures indicate that education and health care are the largest employment sectors in both Central Appalachia as whole and its rural areas in particular. Therefore, compared to those in other parts of the country, a relatively large percentage of people in the region are employed by the local, state, or federal government.

MINING JOBS CONTINUE TO DECLINE IN CENTRAL APPALACHIA

MINING IN CENTRAL APPALACHIA: AN EVER-CHANGING LANDSCAPE

The mining industry has been an integral aspect of the Appalachian culture and economy for more than a century. The region’s abundant natural resources have produced a paradox between jobs and economic development on the one hand, and boom-and-bust economies and environmental degradation on the other.

Over the past 10 years, the issue of “mountain-top removal” has exploded, quite literally, in local economies, courts, Congress, and the public press. Mountain top removal represents a growing source of Central Appalachian coal. In West Virginia such mining accounted for 42 percent of all coal extracts compared to just 31 percent a decade ago.

The mountain top removal process, which allows companies to employ fewer workers and extract larger quantities of coal more quickly, is the most profitable form of coal mining. The cost to local communities, however, is staggering. This mining method has been responsible for the destruction of not only thousands of mountain top acres, but also an estimated 1,000 or more miles of streams that have been buried during the process. As a result, entire communities and their way of life have been forever altered. Vacant and barren landscapes are sometimes all that remain as tons of dirt that were once forested ridges fill in previously vibrant valleys where families lived for generations. In a region where unemployment is persistently high and few opportunities exist, residents are often forced to choose between the environment they cherish and the income they need to put food on the table.
government. The disparity is even greater between rural Central Appalachia, where 17.0 percent are employed by government, and the nation as a whole, in which 14.6 percent of people work for the government. This difference likely reflects the fact that in many rural communities government entities, particularly school districts, are the best employers because most other employment there is found in either dangerous fields, such as mining and logging, or in poor-paying and unstable opportunities, such as service positions.

While largely diminished from previous decades, manufacturing still provides employment in the overall region and rural communities. Producers of goods such as furniture and manufactured housing employ many in Central Appalachia. Many of these industries had already been suffering for years due to global competition, however, and the dramatic downturn in the U.S. economy caused widespread job losses in parts of the region. For example, from 2007 to 2008, the state of Tennessee lost 3.3 percent of its industrial employment, totaling 15,110 jobs.8

Because of the many economic challenges facing the region, income levels are low across Appalachia. Approximately 27 percent of Central Appalachian households earn less than $20,000 per year; across the nation only 18.4 percent earn such low wages. An estimated 30 percent of rural Central Appalachian households earn less than $20,000 and slightly over half of rural households in Central Appalachia earn less than $35,000.

Almost 15 percent of Central Appalachian households receive public assistance or food stamps, while the national proportion is just 9 percent. Similarly, demand for assistance from government agencies and nonprofits has been extremely high. Both government and nonprofit-run food pantries and energy assistance efforts struggle to meet the demand, which has exploded since the economic downturn.

Central Appalachia continues to endure much higher poverty levels than the nation as a whole. These conditions have existed in the region for decades. The poverty rate in the entire Appalachian region was over 30 percent in 1960, a level that drew the attention of the nation and helped lead to the “War on Poverty.” While those historic efforts have certainly had an impact, poverty remains a problem throughout much of the region.

Central Appalachia’s rural poverty rate is 20.3 percent, with several counties experiencing poverty rates over 30 percent. Poverty is particularly high for minority populations living in Central Appalachia; an estimated 29 percent of African Americans and 34 percent of Hispanics live in poverty in the region.
Even though minority poverty percentages are high, white non-Hispanic residents make up 85 percent of all people in poverty in the region. The poverty rate for white, non-Hispanic residents in the United States is 9.4 percent, but for those in Central Appalachia it is 16.7 percent. Within the region, for all racial and ethnic groups the poverty rates are higher in rural areas than in urban places. For example, in rural Central Appalachia the rate of non-Hispanic whites living in poverty was 19.5 percent.

Another indicator of the region’s poor economic situation is the ARC’s designation of “distressed counties.” ARC defines distressed counties as those with a three-year average unemployment rate that is at least 1.5 times the U.S. average; a per capita market income that is two-thirds or less of the U.S. average; and a poverty rate that is 1.5 to 2 times the U.S. average (depending on whether unemployment or income level is used as the indicator of poverty). Over the entire 13-state ARC region, 96 counties are designated as distressed. Seventy-four of them (77 percent) are in Central Appalachia.

HOUSING CHARACTERISTICS

Central Appalachia, with its substantial rural population, has a dispersed housing stock largely comprised of homes in small towns and isolated mountain valleys far away from major interstate highways and metropolitan areas. The overwhelming majority of residents are homeowners living on land that has been owned by their families for years.

A common sight along many rural Central Appalachian roadways is a forested hillside with the occasional small home or aging manufactured home. Their isolated locations, combined with the limited economic resources available to their owners, too often mean that these modest dwellings are in substandard condition. Problems such as inadequate plumbing and sewage treatment systems have long plagued the region’s residents.

Central Appalachia is a region largely comprised of homeowners. Nearly three-quarters (73 percent) of the region’s housing units are owner occupied, compared to 66 percent for the nation. Although homeownership can confer many benefits on the individual and the community, Central Appalachian residents tend to live in relatively modest dwellings. Approximately 18 percent of Central Appalachian homes are worth less than $50,000; only 8 percent of homes nationwide are worth so little. Over 55 percent of rural Central Appalachian homes are worth less than $100,000. In Appalachia, therefore, homeownership does not translate into the investment accrued by those living in many suburban locations where homes are a substantial asset and form of savings.

Home values and affordability rates vary dramatically across the region. For example, the tourism industry has impacted certain communities, causing home prices to increase dramatically. In Abingdon, Virginia, where historical sites and an arts and crafts festival draw visitors, home values have risen so high that many workers must live outside the area and drive a considerable distance to work because of the lack of affordable units.10

Figure 6

POVERTY IS 50 PERCENT HIGHER THAN THE NATIONAL LEVEL IN RURAL CENTRAL APPALACHIA
Poverty, Central Appalachian Region, 2005-2009

Source:
HAC Tabulations of 2005-2009 American Community Survey Data
Fewer than 1 million (958,199) rental units are available to residents of Central Appalachia. Like those in the rest of the nation, Central Appalachia’s rental households suffer from a range of housing cost and quality problems. Approximately 47 percent of these housing units are unaffordable, meaning rent and utilities consume 30 percent or more of the residents’ income. In addition, rental units in Central Appalachia are twice as likely as owner-occupied units to be crowded (more than one person per room). Despite representing only an estimated 27 percent of all units in the region, rental dwellings make up almost 37 percent of all homes with incomplete plumbing.

Overall, the quality of the region’s housing stock has improved greatly from the 1960s when many residents lived in physically substandard units. The proportion of occupied housing units in the entire Central Appalachian region without complete plumbing is now 0.7 percent (0.8 percent for rural communities). This still represents an estimated 15,358 homes in rural Central Appalachia that lack complete plumbing facilities. Over 70 percent of Central Appalachian counties have higher proportions of housing units with inadequate plumbing than the national percentage of 0.5. In more remote rural areas, the situation is worse. For instance, over 5 percent of all units in Hancock County, Tennessee lack adequate plumbing – 10 times the national rate.

Manufactured housing continues to be popular in the region. In rural Central Appalachia, manufactured homes comprise 20.7 percent of the housing stock, compared to just 6.8 percent for the United States. Manufactured homes provide a safe and affordable homeownership option for many households; they are not without challenges for owners, however. While often more affordable than conventionally constructed or “stick-built” dwellings and often a good housing option for the region’s low- and moderate-income residents, manufactured homes are susceptible to unaffordable loan terms due to the prevalence of personal property or “chattel” lending common for this type of housing. In an area where bad credit ratings are already common, additional high-cost loans add to the potential for further financial problems for borrowers.

While housing affordability is not an overwhelming problem for most in the region, financing is a barrier for many. Many residents have poor credit histories that either force them into high-cost mortgages or disqualify them from getting loans. A review of 2009 Home Mortgage Disclosure Act data reveals that high cost loans are more common in Central Appalachia than in the nation overall at 10 percent and 5 percent respectively. Similarly, poor credit history is the most common reason families in the region do not qualify for the USDA Section 502 direct loan program, which provides low-interest mortgages to low-income families in rural areas.

ADDRESSING THE NEEDS

Numerous organizations assist Central Appalachian families in meeting their housing and economic needs. ARC was created by Congress in the mid-1960s to provide assistance to one of the nation’s most distressed regions. ARC annually provides grants throughout the designated Appalachian region for a variety of activities, such as extending water and sewer service, highway improvement, and business development. These ARC grants make resources available for community development projects that might otherwise go unfunded.
The Federation of Appalachian Housing Enterprises (FAHE) stands out for its 30 years of housing assistance work in the region. FAHE operates as a central processing center for a network of more than 50 non-profit housing providers in the region. The organization receives funding from federal, foundation, and private bank sources. Many of these funds, offered as low-interest mortgages for home purchases, are made available to low-income families identified by members of its housing provider network. In the past 30 years, FAHE and its network have provided a range of housing resources and assisted thousands of families in buying homes. The program resources offered evolve to meet the changing and diverse needs of the population these organizations serve.

Nonprofit housing organizations have helped ensure that many Central Appalachian residents have safe, quality homes. Families that otherwise would have gone without many of the basics of life, including clean water and indoor bathroom facilities, now have a much higher quality of life. In fact, as was the case in Beattyville, Kentucky, whole communities have been actively involved in creating dramatic community-wide infrastructure improvements that have brought new housing units, water and sewer treatment facilities, and medical clinics to areas that previously lacked them. In a region long shaped by economic suffering, these efforts have helped create a brighter future for many.

Federal housing programs, such as HUD’s Rural Housing & Economic Development (RHED) program/Rural Innovation Fund (RIF), which awarded over $200 million in grants nationally during the 2000s, have provided funds to assist many efforts in Central Appalachia. RHED/RIF funds were used in a variety of ways to support housing and community development activities. For example, organizations like FAHE, and many members of its provider networks, used RHED funds for everything from improving physical facilities and organization operations (computers, training, etc.) to providing capital for home loan funds. Such government investment plays an important role in enabling local organizations and municipalities to positively impact housing conditions in the region.

Along with the Central Appalachia’s rich cultural history, its legacy of poverty and its limited economic opportunities continue to weigh on the region and its people. The recent economic downturn and the heavy toll it has taken on Central Appalachia are a reminder of efforts still needed to reach a point where all residents can enjoy a higher standard of living. Significant improvements in education and increased and diversified employment opportunities are needed to create a thriving economy that will not only help the region retain its best and brightest but also encourage others to move there.

Efforts over the last 40 years have greatly improved the lives of many in the region, while at the same time laying the groundwork for continued improvement. Still, much more needs to be done in those parts of Central Appalachia that remain mired in poverty. Policy efforts should continue expanding successful activities – for example, those reducing the number of homes with inadequate plumbing. While the list of problems remains significant, previous work shows that change is possible.
Hemmed in by the rugged Clinch and Powell Mountains in Tennessee, Hancock County is an extremely isolated area located in the Cumberland range of the Appalachian Mountains. The lack of access has meant Hancock County’s natural environment remains relatively pristine. Conversely, the isolation means many county residents, in addition to lacking access to basic goods and services such as clean water and safe sewage treatment facilities, have few employment opportunities and experience poverty at extremely high levels.

Hancock County has a small population of just over 6,800 residents and a limited economy with few local businesses and industries. Local residents stated that jobs were rare and job creation has been the county’s biggest immediate need since the mid-1980s. Young people regularly leave the county to seek employment and other opportunities unavailable in Hancock County. The major industries employing Hancock County residents are manufacturing and retail, both of which offer low pay and few benefits, and education. Education jobs along with opportunities in the healthcare industry are among the only high-skilled jobs in the area.

Even in a place that has long endured high poverty rates and limited economic opportunity, the last few years have been extremely difficult as unemployment jumped from 6 to 18 percent between 2007 and 2009 after the closure of a local factory. Because of economic conditions, the county median household income is less than one-half of the national median and more than one-third of Hancock County lives below the poverty line.

Since HAC’s first visit to Hancock County in 1984, problems have persisted with the community’s housing stock, especially in terms of basic quality and substandard housing. Outside of its primary small town, Hancock County continues to have a relatively high proportion of homes without complete plumbing or kitchens. The current housing stock consists largely of owner-occupied homes with a somewhat disproportionate share of vacant units, and almost one-fifth of all units are manufactured homes. In many cases, these homes are aging and in need of repair.

Health problems arise due to lack of access to reliable, safe, and affordable public water and sewer service. Poor living conditions, including inadequately sealed and insulated structures, contribute to high rates of chronic respiratory illness and pneumonia. But over the past decade, Hancock residents have seen important improvements in healthcare and education. A new high school opened in the late 1990s, and the Hancock County Hospital began seeing patients in 2005. Hancock County certainly faces many challenges. The continued economic decline has fallen hard on an already depressed county; a loss in manufacturing jobs nearly doubled the local unemployment rate. As a result, the need for assistance is extremely high and many families are suffering. Yet the past decade has seen a growth in community development and assistance organizations in the area, as well as in the public’s willingness to access them.

Residents stated that jobs were rare and this has been the county’s biggest immediate need since the mid-1980s. Hancock County faces many challenges. The continued economic decline has fallen hard on an already depressed county; a loss in manufacturing jobs nearly doubled the local unemployment rate. As a result, the need for assistance is extremely high and many families are suffering. Yet the past decade has seen a growth in community development and assistance organizations in the area, as well as in the public’s willingness to access them. The Appalachia Service Project and Jubilee Ministries, two faith-based nonprofits, serve the area along with several regional groups who work to spur community development. While small in scale, this increased attention is a promising development in a long overlooked place.
FARMWORKERS
**FARMWORKERS***

Agriculture is a multibillion dollar industry in the United States and is integral to the health and well-being of the nation. Most Americans enjoy an abundance of high quality food at some of the most affordable prices in the world. The affordability of fresh and unblemished fruits and vegetables comes, in part, through cheap labor undertaken by farmworkers. While no definitive figures are available, approximately 2.5 million people work harvesting fields, farms, and orchards in the United States. Among the poorest groups in the nation, farmworkers earn low wages and experience working conditions that hinder their ability to access affordable quality housing. The condition of farmworkers is further exacerbated by a plethora of legal, cultural, and geographic circumstances that often keeps this population in the shadows of American society and contributes to their economic marginalization.

Farmworkers in the United States have often been ethnic minorities or immigrants. A pattern has evolved over the past few decades: farm work, which involves physically demanding labor, often serves as entry-level employment for new workers, who eventually move out of farm labor and into other forms of employment. They are replaced by others, who go through the same cycle. Economic, political, technological, and national security transitions are changing the landscape of migrant and seasonal labor. Today, the farm labor population is more stable, experienced, and less mobile than 10 years ago. Fewer farmworkers are following crops along the migrant streams, instead staying in one place all year. These developments are creating new and different demands on housing, while the conditions of substandard, unaffordable, and crowded housing remain unchanged for numerous farmworkers in America today.

Data for farmworkers are generally nonexistent in large-scale surveys and data collection instruments such as the 2010 Census or the American Community Survey. The National Agricultural Workers Study (NAWS) provides some insight into the characteristics of farmworkers in the United States and serves as the basis of information presented in this report. Administered by the U.S. Department of Labor, NAWS is an employment-based, random survey of the demographic and employment characteristics of the U.S. crop labor force. Since 1988, NAWS has been surveying crop workers annually and publishing periodic research reports and a public-use data set.

**SOCIAL CHARACTERISTICS**

Many factors contribute to the evolution of farmworkers in the United States, but two events of the last decade in particular have had significant impacts on farming and harvesting labor. In the Great Recession the near collapse of some industries, especially the construction sector, interrupted traditional labor transition patterns long associated with farm work. Fewer non-farm jobs are available for farmworkers to move into.

Homeland security concerns in the wake of the September 11, 2001 terrorist attacks have also shaped farmworker demographics. Before September 11, many farmworkers would work in the United States and visit their families several times a year in other countries. Now, farmworkers and others find it easy enough to exit the United States, but getting back into the country has become much more difficult. Increasingly, farmworkers are remaining in the United States for longer periods or relocating their families to make their work situation less precarious. The circumstances are altering the demographic composition of farmworker populations such that families are now more prevalent than single men.

*Unless otherwise noted, the figures and statistics in the farmworker analysis come from HAC tabulations of the 2005 to 2009 NAWS data. NAWS provides vital information on the conditions of farmworkers. However, these surveys have distinct limits. The NAWS provides data estimates for active farmworkers only, includes only limited information on the families of farmworkers, and contains virtually no data on the conditions of persons who were farmworkers in the past but have made the transition to other employment or on currently inactive, unemployed, or retired farmworkers. NAWS conducts surveys, not enumerations, so its data are not as representative as those of the decennial Census. The NAWS does not allow for an estimate of the total farmworker population or households.
Farmworkers in the United States are largely ethnic minorities or immigrants. Approximately 78 percent of all farmworkers are of Hispanic heritage. Much has been reported about how the rapidly growing Hispanic population has impacted the face as well as the economies of many areas of the United States. The Hispanic population increased by 15 million between 2000 and 2010 and now comprises 16 percent of U.S. residents. This growth is equal to four times the amount of the overall population growth in the United States throughout the decade.4

Contrary to expectations, however, the increases between 2000 and 2010 in the total Hispanic population and in the numbers of individuals who are undocumented may not be intimately connected to the farm labor population. In fact, a recent report by the Pew Hispanic Center challenges the perception that the growing undocumented Hispanic population has found employment primarily in farm labor, estimating that only 3 percent of unauthorized workers are employed in agriculture.5

Fifty percent of the persons engaged in U.S. farm work are legal residents of the United States (30 percent are citizens and 20 percent are legal permanent residents), while the other 50 percent are undocumented workers. While the rate of unauthorized workers has remained consistent at about one-half of the farm worker population over the past decade, an increasing share of immigrant crop workers are naturalizing.6 The rate of citizen farmworkers increased from 22 percent in 1998 to 30 percent in 2009. Additionally, the share of “mixed status” families among farmworkers is increasing. In 1998 only 4 percent of farmworkers lived in a household with both citizen and unauthorized family members.7 By 2009, the incidence of mixed-status families among farmworkers had increased to 12 percent.

The majority (nearly three-quarters) of farmworkers were born outside the United States, while 27 percent were born in the United States or Puerto Rico. The proportion of foreign born farmworkers is down from 81 percent in 1998. Currently, farmworkers in the United States are predominantly of Mexican descent or are immigrants from Mexico. Seventy percent of U.S. farmworkers were born in Mexico and another 4 percent were born in other Latin and South American countries. Consistent with overall immigration trends and patterns, the Mexican-born farmworker population is down from 77 percent in 1998.

FARMWORKERS ARE PREDOMINATELY IMMIGRANTS, AND MOST ARE FROM MEXICO

On average, immigrant farmworkers have resided in the United States for 15 years. Residency figures signal a shift in the demographics of farmworkers, with farmworkers now entering the United States earlier and staying in this country longer than was once the case. More than 80 percent of farmworkers entered the United States before 2005. Estimates indicate that in 1988, 27 percent of immigrant farmworkers had resided in the United States for over 15 years. Today more than 40 percent of immigrant farmworkers have lived in the United States for 15 years or more.

Consistent with the nature and physical demands of their occupation, farmworkers are largely adults who tend to be slightly younger than the general population. In 1998 the median age of farmworkers was 31 years, but by 2009 the farmworker median age had increased to 34 years. The increasing average age of agricultural workers may be influenced by immigration policies and issues that have reduced the number of new nonresident farmworkers entering the United States.

The nature of farm work creates unique household and family dynamics. While some farmworkers live in a family unit, others travel, work, and live in groups of
single men. The vast majority of farmworkers (78 percent) are males. More than half of all farmworkers are married, but many do not live with their families. Approximately 44 percent of farmworkers’ spouses live with them. Likewise 45 percent of farmworkers have children, but only half of those parents live with their children.

**ECONOMIC CHARACTERISTICS**

Harvesting crops is largely low-wage employment, but for many, it serves as a stepping-stone into higher paid and better work options. Non-English speaking and undocumented workers are at increased risk of being victims of labor rights violations, and they are the target of anti-immigrant sentiment. Yet, while the economy and mechanization have reduced the need for farm labor, crops are largely still harvested by hand and a substantial number of agricultural jobs still exist in the United States.

Historically, migration has been an element of farmworker life. A pattern of traveling to a particular geographic area to harvest crops for a temporary period was common in past decades. Under this framework, migrant farmworkers were categorized according to one of three migration streams: East, Midwest, and West. During the winter months, migrant farmworkers typically resided in their home-base communities in California, Florida, and Texas, or in Mexico or other Central American and Caribbean nations. They traveled along the respective streams to perform farm work.

In recent years, migration patterns appear to have changed. In the past decade, the proportion of migratory farmworkers declined substantially, and by 2009 an estimated 70 percent of farmworkers remained in the same place throughout the year. Increasingly, farmworkers are settling in and traveling shorter distances to work while generally remaining in a specific geographic area. The number of farmworkers reporting only one farm employer in the past year has increased in the past decade. In 2009, as many as 81 percent of farmworkers were hired by only one farm employer for the year, up from 65 percent in 1998.

An additional sign of greater stability in the farmworker population is increased work experience. In 2009, the average farmworker had 13 years of experience in farm labor, up substantially from an average of eight years of farm work reported in 1998. While work patterns are changing for this group, many farmworkers still travel to different regions and different states following crop seasons and labor demand. Roughly 30 percent of farmworkers are still considered migrant workers.

Farmworkers are among the poorest populations in the country. In 2009, approximately half of all individual farmworkers earned $16,250 or less annually. To put these income levels into perspective, only 18 percent of all households nationally earn under $20,000 per year. While farmworkers have very low incomes, their average hourly earnings increased nominally and in real terms over the past decade. Yet these income gains do not compare with those gained by nonfarm workers.
Approximately 25 percent of farmworkers have below-poverty family incomes, roughly twice the national rate of poverty. Poverty rates are decreasing for farmworkers, however. In 1998, approximately 46 percent of farmworkers had incomes below poverty level compared to 25 percent today. The reduction is likely related to the greater stability of the labor force. By 2009, farmworkers were working more days of the year, earning higher wages, and living more often in two-income households than in 1998.\(^*\)

Despite low incomes and periodic unemployment, most farmworkers do not use public assistance programs. Between 2007 and 2009, an estimated 43 percent of farmworkers accessed need and contribution assistance programs, an increase from the 35 percent who used these services between 1998 and 2000. While contribution-based assistance such as unemployment insurance has remained constant, there has been a more marked increase in need-based assistance – Medicaid; the Special Supplemental Nutrition Program for Women, Infants, and Children program (WIC); and food assistance.\(^{12}\)

**FARMWORKER HOUSING CONDITIONS**

The shift away from migrant labor toward a year-round workforce as well as the transition of farmworkers into other industries added pressure on housing during the decade. The decrease in farmworker mobility has affected the cultural diversity and economic development of the communities in which they live while also adding to the strain on housing. Whether the shift in farm labor has been the result of the economic downturn, an increase in the temporary visa workforce, or advanced technologies, the stress on rural communities and an inadequate farmworker housing stock remains.

Because of the nature of their employment and working conditions, farmworker housing options are often substantially different from others nationwide in terms of arrangement, costs, and quality. Farmworker housing may be provided by the private market or the employer. Most farmworkers (85 percent) access their housing through the private market. More than 60 percent of farmworker-occupied housing units are rented and approximately 35 percent are owner-occupied. The private housing market often fails to meet the needs of farmworkers, however. In rural communities, rental housing is not as plentiful as it is in urban areas. Additionally, in many instances rental properties can only be acquired with a security deposit, a credit check, and a long-term commitment, requirements that often conflict with the unique conditions of the farm labor industry.\(^{13}\) Furthermore, because private housing is typically not subject to standards or regulations, units available to farmworkers may be substandard and expensive for farmworkers.

Roughly 13 percent of farmworker housing units are employer owned and, among these, 83 percent are provided free of charge to the workers. The prevalence of employer-owned housing has declined markedly since 1995, when nearly 30 percent of farmworker units were owned by the employer. In many states, employer-provided housing is regulated to some degree for health and safety reasons, thus benefiting workers whose other housing options are not subjected to scrutiny. Employer-owned housing is not without problems, however. A situation with an employer as a landlord may compound an already asymmetric relationship. Some farmworkers may be uncomfortable complaining or making suggestions regarding housing to their employer.\(^{14}\) Increasingly, regulations combined with the costs of administration and maintenance of housing have dissuaded many growers from providing housing to workers.\(^{15}\)

\(^*\)Farmworkers who did not have prior calendar year income are not included in the poverty estimates produced by the NAWS. This stipulation eliminates about 15 percent of all crop workers from NAWS data. If the earnings of these omitted workers were calculated, the share of farmworkers with incomes below poverty level would likely be higher.
Farmworker housing may also be categorized as on farm or off farm housing. During the Depression era and after, farmworkers in many parts of the country were housed predominately by growers in large on-farm tent camps. After public outcry about deplorable living conditions in the 1960s and 1970s, however, laws and regulations were enacted to ban these makeshift developments. Since then, growers generally have been less involved in the housing of farmworkers. Today on-farm housing, while much improved from past decades, often only affords the most basic arrangements, such as simple concrete barracks or older manufactured homes; it is typically of lower quality than off-farm housing.

The vast majority of farmworker housing units (85 percent) are located in off-farm settings, with the remaining 15 percent of farmworker housing units located on a farm. The number of on-farm housing units has been in decline over the past few decades. Prior to 1995 estimates indicated that 75 percent of farmworker housing was off the farm.

Farmworkers are much more likely to rent their homes than are U.S. residents as a whole. Only one-quarter of farmworkers own a home or manufactured home in the United States, compared to nearly two-thirds of all households in the United States. Forty percent of farmworkers are estimated to own a home in another country, however.

Farmworkers in the U.S. most commonly live in single-family homes (58 percent), but single-family homes are prevalent throughout the rural U.S. The shares of farmworkers living in apartments and manufactured homes are similar at approximately 18 percent for each. A more telling indicator of the precarious nature of farmwork-
er housing arrangements is the number that live in dormitory or barracks settings (2 percent) and tents, motels, or other housing structures (1 percent).

Farmworkers cope with a spectrum of housing problems including costs that do not fit their incomes, substandard quality, and the need for short-term housing during temporary work. Farmworkers often face crowded housing conditions as a result of their low incomes and high housing costs. Crowded units include those with more than one person per room (excluding bathrooms). Excluding dormitories and barracks (structures designed for high occupancy), almost 31 percent of farmworkers live in crowded conditions. This figure is more than six times higher than the national average. While a substantial portion of farmworker housing units are crowded, the incidence of crowding is even greater in some types of housing. More than 40 percent of apartments housing farmworkers and one-half of duplexes contain more than one person per room.

NAWS does not provide detailed information about housing quality or conditions; however, a survey of farmworker housing conditions conducted by HAC in the early 2000s estimated that 17 percent of farmworker housing units were severely substandard and an additional 16 percent were moderately substandard. Farmworkers in manufactured homes were more likely to experience substandard living conditions, with 44 percent of manufactured homes being classified as moderately or severely inadequate.21

Substandard and structurally deficient conditions are endemic to farmworker housing; however, they are often exacerbated by crowding or lack of affordability. Approximately 20 percent of farmworker hous-
ing units surveyed by HAC were both substandard and crowded. In 11 percent of all units surveyed both substandard conditions and cost burden existed, and 6 percent suffered all three housing deficiencies: substandard, crowded, and unaffordable. These units with numerous serious problems often were home to children. In addition to high housing costs, crowding, and substandard housing, farmworkers also encounter unique environmental hazards related to housing, particularly exposure to pesticides in homes near fields.

ADDRESSING THE NEEDS

Less than 1 percent of farmworkers are estimated to receive any form of affordable housing assistance from a state, local, or federal government entity. The federal government has been working to combat farmworker housing problems for more than 40 years through grant and loan programs administered through various federal departments and initiatives. One important farmworker housing resource is the USDA Section 514/516 Farm Labor Housing program that provides funding to buy, build, improve, or repair housing for farm laborers.* The Section 514/516 program alleviates some of the barriers farmworkers face in finding safe, decent housing, such as high levels of poverty, the lack of affordable rental housing, and the inability to sign a full-year lease.

Slightly fewer than 800 USDA Farm Labor Housing properties encompass more than 14,000 units located across the nation. While many USDA projects are employer-managed and located on-farm, the majority of the 514/516 units are located off-farm because off-

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* A number of other federal programs address farmworker housing problems, such as the Department of Labor’s Migrant and Seasonal Housing program, HUD’s Rural Housing and Economic Development program/Rural Innovation Fund, and HUD’s HOME Investment Partnerships program, as well as the Low Income Housing Tax Credit.
farm properties tend to include many more units than on-farm projects. Off-farm housing is located primarily in the West and in the states of California, Florida, and Texas.

Despite moderate increases in overall funding, the development of new units of Section 514/516 Farm Labor Housing has been steadily dropping over the past 25 years. This decrease in housing unit development may be due partially to the fact that development funding has not kept pace with rising development and construction costs due to inflation. This decline culminates in an aging housing stock with the majority of units over 25 years old.25

In addition to federal efforts, recent economic, social, and political developments in the United States continue to change the landscape for farmworkers. While reliable data are scarce, available information indicates that the nation’s farm laborers are less mobile, have more work experience, and are more stable than 10 years ago. While most of these developments are generally positive, the social, economic, and housing conditions that many farmworkers experience are still precarious. Farmworkers live in poverty at more than twice the national rate and are six times more likely to live in crowded homes than are others across the nation.

With the prevalence of crowded, substandard, and unaffordable farmworker housing conditions, an increased investment in housing for farmworkers is critical. This investment should be multifaceted and come from private as well as public sources. The agricultural industry, from local growers to multinational corporations, has a responsibility to ensure that an integral element of its workforce is appropriately compensated, housed, and protected. Additionally, farmworker housing needs have long outpaced the federal funding offered to improve the housing conditions.
KERN COUNTY, CALIFORNIA

Kern County’s agricultural relevance reaches back to a time when California’s Central Valley was an inland sea, which made the San Joaquin Valley a highly fertile agricultural region. The San Joaquin Valley has been referred to as America’s Salad Bowl, attracting farmworkers to labor in the productive fields for over a century. Roughly the same size as Massachusetts, Kern County stretches from the agriculture and oil regions of the San Joaquin Valley in the west to the Mojave Desert in the east. Kern County is a metropolitan county and the largest city, Bakersfield, is home to 347,483.

Just outside Bakersfield are small towns whose residents rely on agricultural production for their livelihood. Today, these towns are largely Hispanic but in the past they were occupied by “Okies” who migrated west during the Dust Bowl of the 1930s and inspired John Steinbeck’s *The Grapes of Wrath*. Recent demographic changes have moved populations towards larger towns and cities. Hispanics are now the majority population group in Kern County, yet the racial and ethnic segregation noted in past decades has continued and become more drastic. Seventy percent or more of the population in every Kern County town except Bakersfield and one other town consists of a single racial or ethnic group. Nearly 20 percent of the population of Kern County is foreign born and approximately 13.8 percent are non-citizens, including both documented and undocumentated persons.

Reflecting national trends, an increasing number of farmworkers are opting to remain in Kern County where farm employment is available nearly year-round. Of the remaining migrants, some travel an established route from southern Texas to Arizona or northern Mexico in the late winter, eventually making their way up through California in the summer and then back again in the fall. Others are skilled in certain crops and follow the harvest around the Valley.

In 2002, the economy in Kern County was largely stable and insulated from swings in the state’s economy. While the county weathered the 2001 recession without significant impacts, the 2008 recession hit the area hard. A booming construction industry that lured workers from the fields ground to a halt with the housing collapse and unemployment rates in the area nearly doubled.

Accurate data on farmworker housing conditions are minimal and conditions range widely from homeownership and subsidized rental units to living in garages, campers, cars, and fields. Conditions are particularly poor for undocumented farmworkers who are unable to access subsidized housing units, including those financed by USDA Rural Development (RD), and migrant farmworkers. For farmworkers following the migrant stream, finding decent, affordable housing during their temporary stay in the area can be extremely difficult.

Local practitioners believe that there are more affordable units available to farmworkers now than in past years. However, poor housing conditions are still prevalent among Kern County farmworkers, as are dismal working conditions and low pay. With increasing numbers of undocumented farmworkers, conditions are unlikely to improve because they cannot access many existing subsidized units and face other abuses due to their immigration status.

Numerous organizations are willing to help the people who plant and harvest the country’s food, regardless of documentation. Movements are also afoot to make pathways to citizenship more accessible for these workers, but so far there have been no major breakthroughs. In the next decade, Kern County will likely become a majority-minority county as the Hispanic population grows to constitute more than 50 percent of the population. Any changes brought by this demographic shift remains to be seen.

"LOTS OF WORK, LITTLE PAY": THE FARMWORKER REALITY

In 1984, when Oscar* began working in the fields as a farmworker, he was able to maintain a family on the hourly wage of $3.25. Twenty years later, in 2004, Oscar left the fields because wages had failed to keep up with the increasing cost of living. As his mother used to say “mucho trabajo, poco dinero” (“lots of work, little pay”). Today he drives a taxi in Bakersfield and says that a typical farmworker earns a weekly wage of $300 but often must pay $600 or more for a monthly rent. Today, Oscar says immigrants are returning to their home countries, disappointed in the promise of a better life in the United States.

*Name has been changed
LOWER MISSISSIPPI DELTA
In early May 2011, a levee was blown up along the Mississippi River to save Cairo, Illinois, from an impending flood caused by torrential storms that had been impacting the region for weeks. Water levels had been rising dangerously high and threatened to overwhelm small communities along the river. In destroying the levee and saving the town, thousands of acres of valuable farmland were flooded, crops were destroyed, and fields were left unusable for the foreseeable future. Over the next few weeks, emergency personnel opened several other levees along the Mississippi River, bringing high water levels to rural parts of the Mississippi Delta to protect the region’s population centers.\footnote{Unless otherwise noted, these data are derived from HAC tabulations of the 2010 U.S. Census of Population or the American Community Survey 2005-2009 Five Year Estimates.}

The resolution to this emergency highlights the incredible connection and tension that exist between the land and the people of the Lower Mississippi Delta. The fertile Delta region has been both shaped and named by the mighty river that runs through it. For generations, the

\begin{figure}
\centering
\includegraphics[width=\textwidth]{lower_mississippi_delta.png}
\caption{Lower Mississippi Delta}
\end{figure}
High Poverty Rural Areas and Populations in the United States

Table 1. Lower Mississippi Delta Quick Facts

<table>
<thead>
<tr>
<th></th>
<th>Rural Delta</th>
<th>Delta</th>
<th>United States</th>
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<tr>
<td>Population</td>
<td>4,556,880</td>
<td>8,922,311</td>
<td>301,461,533</td>
</tr>
<tr>
<td>Black or African-American Population</td>
<td>24.4%</td>
<td>30.9%</td>
<td>12.4%</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>21.9%</td>
<td>19.7%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Population Living in Small Town/Rural</td>
<td>100%</td>
<td>50.8%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Homeownership</td>
<td>70.9%</td>
<td>68.0%</td>
<td>66.9%</td>
</tr>
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</table>

Source: HAC Tabulations of the American Community Survey 2005-2009 Five-Year Estimates

Land has provided a way of life that has meant different things to different people. For some, these resources have brought economic prosperity and for others, economic exploitation. The result is a land of two distinct cultures: one reflecting the interests and needs of the have and one for the have-nots. It is a region that still bears the legacy of a deep racial divide and clearly illustrates the irony of extreme poverty in a land of abundant riches.

Many efforts have been made to address the economic and community development needs of the Mississippi Delta region. In 1988, Congress authorized the creation of the Lower Mississippi Delta Commission to investigate the social, political, and economic conditions of this region and propose recommendations to bring about change and an improvement in conditions in the region. The commission ultimately recommended a series of actions around human capital, social, economic, and community development. Authorized under the Delta Regional Authority Act of 2000, the Delta Regional Authority (DRA) was created to provide a unified, regional approach to economic and community development in the region. The DRA has crafted a Regional Development Plan that proposes an investment strategy to help the region grow and prosper.

Whether these proposed actions have improved or will improve conditions in the Delta is the subject of much debate by the many stakeholders across the region. Evidence shows simultaneous progress and inertia. Major manufacturing plants have opened in communities across the region and renewed interest in the region’s history and culture have led to increased tourism to plantations, battlefields, and museums. With almost one-fifth of the region’s population in poverty, however, the region’s residents continue to experience some of the most pressing social, economic, and community development needs in the country.

Added to the ongoing economic and social struggles that have plagued the region, the Delta has been hard hit by a number of natural and manmade disasters. From hurricanes Katrina, Rita, and Gustav in the mid-2000s to the numerous tornados and storms that touched down in the region, these natural disasters have devastated communities and tested the resolve of Delta residents. The 2010 Gulf oil spill, and the resulting moratorium on drilling, have had untold environmental and economic impacts. Despite these changes and the uncertainty wrought on the people and the land, the residents still demonstrate a sense of permanency; in the face of adversity, the people are still resilient.

Defining the Delta

The Mississippi Delta is a region both romanticized and reviled in great American literature. Writers including William Faulkner and Eudora Welty have shared the complexities of life in the Mississippi Delta. As defined by the federally sanctioned Lower Mississippi Delta Commission, the Lower Mississippi Delta (LMD) region is comprised of 219 counties and parishes in portions of Arkansas, Louisiana, Mississippi, Missouri, Illinois, Tennessee, and Kentucky. Technically, the region is not a delta but a 200-mile plain that covers more than 90,000 miles of rivers and streams and more than 3 million acres of some of the most fertile land in the na-
This fertile land gave birth to an economy, a music form, and a people that are all inextricably linked.

The Mississippi Delta region is both rural and urban. It includes major southern cities, such as New Orleans, Louisiana, with more than 400,000 residents, as well as small hamlets, such as Hot Coffee, Mississippi, with a population of less than 7,500 people. These seemingly separate communities have differing needs and differing levels of access to resources, but they are connected geographically, historically, and economically.

SOCIAL CHARACTERISTICS

The counties within the Lower Mississippi Delta are bound together not only through geographical proximity, but also by a common cultural history and debilitating racial legacy. With a population of more than 8.9 million people, the LMD is more populated than 41 states. More than one-half (51 percent or 4.5 million) of all LMD residents live in rural areas, 36.8 percent (3.3 million) live in suburban communities, and 12.2 percent (1.1 million) in urban areas.

While the nation’s population has grown by more than 9.7 percent over the last decade, the population of the LMD remained virtually unchanged from 2000 to 2009. More than one-half (59 percent) of all LMD counties lost population from 2000 to 2009. Overall, the population grew by 102,000 people or 1 percent over the decade. This stagnant population rate is a reflection of the health and well-being of Delta residents, the impact of natural disasters that have driven residents away from their communities, and the limited opportunities the region provides for its young residents.

The region has some of the highest mortality and lowest birth rates in the nation. Many Delta communities have soaring rates of diabetes, hypertension, and stroke, conditions that are connected to the region’s low birth rates. More than one-half (58.9 percent) of the Delta’s counties have experienced dramatic population loss. While a significant amount of the population loss occurred in Louisiana parishes that were hard hit by a series of hurricanes, counties throughout the region have experienced similar losses. From 2000 to 2009, Delta counties and parishes that experienced a population loss did so at a rate of 7 percent.

In an analysis of migration patterns in the Mississippi Delta, researchers found that the greatest out-migration rates among higher educated young people in the Delta are reported in the region’s rural communities. Whereas highly educated Delta residents living in urban centers (e.g., Jackson, New Orleans) tend to remain in their communities, highly educated rural residents are more likely to migrate to other communities in search of jobs and opportunities. Young and educated people are leaving the community in search of greater opportunities, while the less educated and elderly remain.

While educational attainment is a laudable goal, it represents a double-edged sword for many rural Delta communities. Increasing educational opportunities is an important public investment as it builds community resources that can strengthen the community’s economy; however, without job opportunities to support this newly educated population, the community ultimately loses this vital resource. Rural Delta communities have made some strides in terms of education, as 76.5 percent of rural residents have a high school diploma and 14.2 percent have earned a bachelor’s or higher degree.

Race has historically been a central issue in the Delta overall and the LMD specifically. From slavery to sharecropping to Civil Rights to the 21st century, the Delta region is inextricably tied to issues of race and the legacy of economic exploitation and racial segregation. While issues of race are far less overt than they were in decades past, many of the decisions about the allocation of resources have a racial impact.

RACE HAS TRADITIONALLY BEEN AN IMPORTANT DYNAMIC IN THE DELTA

Race and Ethnicity, Lower Mississippi Delta Region, 2005-2009

<table>
<thead>
<tr>
<th>Race/ Ethnicity</th>
<th>2005-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>65.5</td>
</tr>
<tr>
<td>African American</td>
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<tr>
<td>Native American</td>
<td>0.3</td>
</tr>
<tr>
<td>Asian</td>
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<tr>
<td>Other</td>
<td>1.0</td>
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<tr>
<td>Two or More Races</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Source: HAC Tabulations of 2005-2009 American Community Survey Data

Figure 2
Overall, almost two-thirds (63.8 percent) of the region’s population is white non-Hispanic and 30.9 percent is African American. The rural LMD, however, has a much larger white population (74 percent) and a smaller African-American population (23 percent).

Although whites constitute the majority population in the LMD region, in many counties throughout the region they are in the minority. For example, in 16 Mississippi counties African Americans exceed 60 percent of the population; the same is the case in the Louisiana parishes of Orleans (62.3 percent) and East Carroll (67.6 percent) as well as in Phillips County, Arkansas (61.5 percent). Many of these majority minority counties are also among the poorest counties in the region and the nation.

The Hispanic population has grown slightly, from 2.0 percent in 2000 to 2.8 percent in 2009. Local stakeholders have noted that in certain parts of the region, Hispanic residents have been drawn to jobs in the food processing industry, contributing to the growth in this ethnic group. Additionally, many of the workers who migrated to the Gulf region after Hurricane Katrina to aid in the cleanup and construction were Hispanic.

**ECONOMIC CHARACTERISTICS**

The LMD is a site of widespread economic distress, exacerbated by anachronistic social and political infrastructures. The Delta has a higher concentration of poor African Americans than any other region in the United States.
country. According to the 2009 American Community Survey, 19.7 percent of the Lower Mississippi Delta population is living in poverty and more than 21.9 percent of the rural LMD population is living in poverty, compared to the national rate of 13.5 percent.

High poverty rates are symptomatic of local economies that have, for the most part, not been able to create jobs that would enable residents to earn higher wages. As of 2009, more than one-third of all Delta residents had incomes below $25,000 per year and almost one-quarter have no earnings. A significant proportion of the region’s residents are dependent upon government assistance; 36.1 percent of Delta residents receive Social Security Insurance payments (this includes SSI) and 2.3 percent receive some form of public assistance. Many Delta households (16.2 percent) use food assistance.

The DRA Regional Development Plan reflects the frustration of stakeholders over the economic stagnation of the region. The data clearly show that Delta incomes continue to lag behind those in the rest of the nation and that pockets of poverty have in some cases deepened in recent decades. The region’s rural per capita income is among the lowest at $18,315 (compared to $27,041 for the nation). In light of these challenges, the DRA is charged with promoting innovative economic and community development strategies that will enable the region to become more competitive. The region is recognizing the need for economies that are built on more than the agricultural pursuits that once made this region great.

The traditional economy of the LMD was built on cotton and the slave labor that planted and harvested this crop. The Civil War drastically changed the labor structure, and the mechanization of farming ultimately brought about further changes that resulted in significant reductions in wages for farm labor. With increased competition from foreign markets and other structural changes, the agricultural sector has not created or sustained the level of jobs needed to support the region. In 2010 agriculture accounted for less than 3.2 percent of the Delta’s economy. The job losses associated with this sector, and the paucity of other economic drivers in many communities, have left many feeling that the Delta is on the cusp of extinction.

In light of reduced agricultural prospects, many Delta communities have pursued alternative economic development efforts to bring jobs and revenue to dying communities. The transitional economy strategy includes a range of service and manufacturing efforts as well as tourism and prison development. Some communities have tried these approaches, and in some cases failed, so now look to economic development alternatives, including gaming.

**HOUSING CHARACTERISTICS**

The socioeconomic problems plaguing the region are serious, and housing conditions are nearly impossible to disarticulate from the larger economic realities within the region. Many of the housing challenges faced by people in the Delta are more pronounced in the rural areas of the region and among the region’s African-American population.

Slightly more than one-half (51.0 percent) of the region’s population lives in rural areas and more than one-half (53.0 percent or 2.08 million) of the region’s 3.9 million housing units are located in rural communities. Every county and parish in the region had a net increase in the number of housing units during the 2000s with the exception of Orleans, Jefferson, Plaquemines, and St. Bernard parishes, all of which lost thousands of housing units due to the natural disasters that devastated the region over the decade. Overall, the region gained more than 250,000 housing units in this decade.

A higher proportion of rural units are vacant than in the rest of the region (15.1 and 13.9 percent, respectively) and a larger proportion of units are dedicated to seasonal, recreational, or occasional use (3.9 and 2.5 percent, respectively). The vast majority of units in the region are single-family detached homes: 70.9 percent in rural areas and 68.6 percent throughout the region. A significant proportion of the region’s housing stock is made up of manufactured homes, specifically in rural Delta communities (17.1 percent, compared to 12.2 percent regionally).

As is the case in the nation as a whole, the level of inadequate housing in the LMD declined significantly over the past few decades. Still, more than 13,622 occupied units (0.8 percent) in the rural LMD lack complete kitchen facilities and 11,271 (0.6 percent) lack adequate plumbing. A significant proportion of these units are occupied by African Americans. Crowding – defined as more than one person per room – is not a significant problem in the Delta; however, crowding is substantially more problematic for renters and minorities.
Less than 30 percent of all rural LMD units are renter occupied, a slightly lower percentage than rental rates in the region overall (32.0 percent). Homeownership is overwhelmingly the preferred form of tenure among Delta residents; on average, 67.9 percent of all Delta units are owner-occupied. It is significantly higher in the rural LMD than in urban areas, 70.9 and 51.4 percent, respectively. However, low homeownership rates, substandard housing, and crowding are common problems among the region’s African-American population. Just over half of all African-American households in the LMD are homeowners, a rate significantly lower than the overall homeownership rate in the LMD.

Housing values in rural America are typically lower than in the rest of the nation. Almost one-half (49.5 percent) of all units in the region and almost two-thirds (62.2 percent) of all housing units in the rural LMD are valued under $99,000. Despite the lower cost of housing in the LMD, housing affordability is still a problem for many low-income households. Almost one-quarter (23 percent) of all LMD households are cost burdened – paying 30 percent or more of their earnings for housing. Cost-burden rates are higher for renters in the region (51.3 percent) than for those who own their homes (23.4 percent).

Homeownership, housing value, and asset retention are heavily dependent on access to mortgage financing. Rural areas generally have fewer conventional banks and financial institutions than urban centers. This is a major factor in the proliferation of subprime lending, particularly in rural areas with high minority populations; these lenders are more active in low-income and minority communities. According to 2009 Home Mortgage Disclosure Act data, 5.1 percent of all reported home loans were considered high-cost loans. In the Delta, a greater proportion of rural mortgages are high cost, particularly among African-American residents. The rate of high-cost lending in the LMD is more than twice the national rate (12.5 percent). It is almost 19 percent for rural Delta residents, and it is more than 22 percent for rural African Americans living in the Delta. While not all high-cost loans are predatory in nature, higher fees and aggressive lending practices and terms, in general, can rob an owner of equity and reduce the benefits of owning one’s home.

ADDRESSING THE NEEDS

Nonprofits have been a critical part of the effort to revitalize the Delta and bring improvements to the region. The network of nonprofit organizations in the region has limited capacity, however, and has struggled to compete for dwindling sources of funding.

With a number of new but fragile organizations, the nonprofit housing providers in the Delta tend to be understaffed and to have limited administrative resources. Nonetheless, these organizations operate across large service areas. Many housing providers develop a small number of housing units each year and the productivity of these organizations is limited by their ability to secure government funding. Other income streams beyond public funds are utilized by many groups; however, these sources provide only a modest amount of money for the organizations. Most of the Delta organizations have administrative budgets of under $100,000 and engage primarily in new construction and rehabilitation of single-family homes. A Housing Assistance Council report on the organizational capacity of housing nonprofits in the Lower Mississippi Delta highlights several characteristics that may be helpful in planning effective housing and community development efforts in the region.

Several regional entities are working to help meet the economic and community development needs of the region. The Enterprise Corporation of the Delta, Foundation for the Mid South, and others have provided the capital, capacity development expertise, and technical support needed by local nonprofit organizations. Additionally, the Delta Regional Authority has outlined its vision for a more sustainable economic development model that includes investments in technology, infrastructure, and job creation.
West Feliciana Parish, Louisiana is a place of contradictions. It is a nature lover’s paradise comprised of beautiful open spaces and it is home to one of the nation’s most notorious prisons – the Louisiana State Penitentiary at Angola. African American and white residents live together, yet separately, and poverty exists alongside significant affluence. Racial issues continue to drive some of the politics and decision-making in the parish. The antebellum plantation homes are a source of pride for many West Feliciana Parish residents; however, a significant amount of substandard housing as well as run-down manufactured homes also characterize the area.

Poverty remains over 20 percent in West Feliciana, where it has hovered since 2000. Poverty rates measured by the past four decennial censuses have exceeded 20 percent and unemployment rates are consistently high.

As of 2010, West Feliciana has 15,625 residents, including more than 5,000 living in the Louisiana State Penitentiary at Angola. In addition to increasing the overall population growth rate, the imprisoned population skews certain demographic data related to the parish. Slightly more than one-half of the parish’s population is white and 46.5 percent is African American, with the majority of African Americans residing in the western portion of the parish where the prison is located.

In addition to the school system, three major employers operate in the parish: the prison, a paper mill, and a nuclear plant. Less than 10 percent of employees at these major employers are West Feliciana residents, however. The nuclear plant has also been the parish’s largest source of tax revenue in recent years; however, the plant is now depreciating, and the revenue from this source will continue to decline. The parish now struggles to identify resources to replace these critical dollars, leading to renewed efforts to find an economic development plan that will generate the level of prosperity required to meet current and future needs. At least one positive event occurred in early 2012, when the paper mill, which had declared bankruptcy in 2011, was reopened.

While many social and economic conditions have improved somewhat in West Feliciana Parish over the past few decades, housing conditions have remained largely unchanged. The lack of decent, affordable housing in the parish is an issue not only for the community’s low-income population; it also affects young and moderate-income residents who wish to remain in the parish but cannot afford housing. The parish has a high homeownership rate, but rental units are in short supply. More than one-quarter of all units in the parish are manufactured homes. Local real estate agents note that investors often buy manufactured homes and rent them to others. In addition, the parish has a very high rate of household crowding, which is often a proxy for homelessness, as family members and friends often take in others when no affordable housing options are available. Segregated living patterns have a significant impact – particularly on the community’s African American population – as the traditionally African American communities have poor drainage and homes that flood often.

Dedicated community residents have tried to advance several different, often conflicting, economic development strategies to bring more revenue and jobs to the community. Local stakeholders have been interested in exploring the potential of local ecotourism and luring visitors to the parish and local plantation homes. West Feliciana Parish is a community that can achieve much when it dedicates itself to addressing problems. The community decided to improve its educational system, and it is now ranked as one of the top three school districts in the state. The very real issues of race surrounding segregated high school proms and representation on the police jury have been resolved. There are ongoing tensions, however, surrounding leadership, representation of interests, and direction.

*The 2010 Small Area Income and Poverty Estimates (SAIPE) estimate that 20.9 percent of West Feliciana Parish residents live below the poverty line. 2005-2009 ACS five year estimates, on the other hand, measure 10.2 percent poverty and a seven percentage point decline in poverty since 2000. This report prefers the SAIPE estimate, as stakeholders on the ground have not witnessed a shift in the parish to account for the large change in the ACS data. Moreover, the ACS estimate may have been impacted by the lower poverty rates in the 2005 to 2007 period, when the economy was stronger.
NATIVE AMERICAN LANDS*

The history of Native Americans in North America can be traced back 30,000 years. At the height of their presence in North America, more than 1,000 Native American tribes occupied a land base of over 2 billion acres. The arrival of Europeans brought disease, displacement, and oppression that resulted in the loss of lands that had previously been integral to Native culture. By 1871, the land base held by Native Americans in the United States had decreased to 155 million acres, and by 1997 only 54 million acres remained in their care.1 Numerous treaties were signed between Native American tribes and European settlers; however, these were often broken and led to further removal of Native populations from traditional lands.

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1Unless otherwise noted, these data are derived from HAC tabulations of the 2010 U.S. Census of Population or the American Community Survey 2005-2009 Five Year Estimates.

2In this report, Native American refers to U.S. Census-designated American Indians/Alaska Natives and Native Hawaiian/Other Polynesian racial groups. American Indians/Alaska Natives are people with origins in any of the original peoples of North and South America (including Central America) and who maintain tribal affiliation or community attachment. Native Hawaiian and Other Polynesians are persons with origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.
Today, over 500 federally recognized Native American tribes live in disparate locations across the United States. Each of these tribes has a unique structure of governance, culture, history, and identity. Native American lands can be found in all geographic regions of the United States. Although their spatial locations are diverse, these tracts are also the product of a common set of historical and political actions. As a result, similarities exist among Native American communities, including persistent poverty and inadequate housing conditions that are often endemic to the largely rural Native American Indian, Alaska Native, and Hawaii Homeland (Native American) lands. These areas are often among the poorest places in the United States. Common obstacles to housing provision exist, including the legal complexities of tribal and trust lands, barriers to financial lending, undercounted federal population data, limited employment and economic opportunities, and a scarcity of safe, secure housing. Social concerns such as substance abuse, a lack of access to quality education, and youth suicides are also prevalent.

DEFINING NATIVE AMERICAN LANDS

The federal government recognizes over 560 Native American tribes and Alaska Native Villages across the United States, predominantly in the Plains region and the American Southwest. Tribal size, scope, operation, and jurisdictional authority vary among the tribes and villages. Approximately 326 Native American reservations exist in the United States; not all of the country’s recognized tribes have clearly defined land. Some tribes have more than one reservation, some share reservations, others have none.

Although Census data are aggregated for geographic areas associated with Native populations, not all Native Americans live in federally recognized American Indian reservation and trust land, Alaska Native villages, or Hawaiian Homeland areas. Additionally, Native Americans do not always make up majorities within these regions.

Complicating the identification of Native lands is the “checkerboarding” of real property ownership. Checkerboarding generally refers to the patchwork pattern created when land is held in a variety of ownership types, including trust, tribally-owned, and allotted lands as well as conversions, commingled with non-tribal lands. A good example of checkerboarding can be found in the Oklahoma Tribal Statistical Areas (OTSAs). Many tribes in Oklahoma do not have clearly defined tribal lands or reservations, adding another layer of complexity to the definition of their territory. More than 2.4 million individuals live in Oklahoma Tribal Statistical Areas, but Native Americans make up only 8.3 percent of the total population there.

Data in this report reflect individuals residing only on federally recognized American Indian reservation and

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*In this report, these areas, collectively called “Native American Lands,” include federally recognized American Indian Reservations and trust lands, Alaska Native Village Statistical Areas, and Hawaii Home Lands. In this report, Native American Lands do not refer to State Recognized American Indian reservations and off-reservation trust land, state designated tribal statistical areas, tribal designated statistical areas, or Oklahoma Tribal Statistical Areas.*
Tribal leaders, state officials, and academics often worry that U.S. Census data greatly undercount populations on federally recognized reservations and tribal lands. Individuals living on reservations or tribal lands may avoid the Census due to mistrust of the federal government. One clear example of undercounted Native American populations can be seen in Charles Mix County, home of the Yankton Sioux Reservation, in South Dakota. U.S. Census data estimate that 2,893 of the 9,129 county residents are Native American. According to tribal enrollment on the reservation, 3,500 is a more accurate count. In addition, according to the Yankton Sioux Tribal Chairman, a large segment of the Native American population is in transition. He stated that individuals will “stay with relatives for a limited time... and will move around quite a bit.”

Age distribution differs between those on Native American lands and in the nation overall. Native American lands have a significantly higher proportion of children; 30.0 percent of the population on Native American lands is under 17 years of age, compared to 24.6 percent nationwide. As an example, the Rosebud Reservation in South Dakota has seen incredibly rapid growth in the youth population in the last ten years; in 2010 50 percent of reservation residents on the Rosebud Reservation were under 20 years old.

Tribes are struggling to deal adequately with the needs that stem from a younger population, including a significant rise in the number of youth suicides. The lack of job opportunities on Native American lands combined with a high birthrate are likely causes of this extreme age imbalance; many parents move elsewhere to find work, leaving their children with grandparents. The prevalence of elderly populations is similar on Native American lands and the nation overall at 10.6 and 12.6 percent, respectively.
Households on Native American lands are less likely to include married couples. Contributing to these household dynamics is the fact that Native American children are more likely to be raised by grandparents. Over 56 percent of grandparents on Native American lands who live with their grandchildren are solely responsible for them, compared to 41 percent of grandparents raising grandchildren in the United States as a whole.

Educational attainment levels have historically been much lower on Native American lands than in the overall United States. Although adults have typically earned high school diplomas, the number of individuals with advanced degrees is small compared to those in the greater U.S. population. Of individuals 25 years or older, 80 percent of Native Americans and 85 percent of all U.S. residents have high school diplomas. The number of individuals living on Native American lands with bachelor’s or graduate degrees is almost one-half the national level. Low education attainment is further exacerbated by the scarcity of job opportunities in these areas; residents have little incentive to pursue a higher degree.

Despite these disparities, the situation for Native Americans has improved in the past ten years. In some regions, tribal colleges have significantly helped increase the number of individuals on Native American lands who receive college training. Currently, 14 states have tribal colleges, which typically provide educational opportunities in remote, rural regions that would not otherwise provide access to higher education. Courses are designed from a Native American perspective, helping to keep retention levels high. Tribal colleges have been designated land grant institutions by Congress in recognition of the ties between the colleges, tribal lands, and local economic development. Although tribal colleges provide an exceptional resource for Native Americans, private sector employment opportunities on the reservations are rare. Therefore, many young, educated individuals move elsewhere to find better work opportunities.

ECONOMIC CHARACTERISTICS

Unemployment rates are typically high on Native American lands. These areas often lack the resources necessary for business development, making job creation difficult. Numerous tribes across the country are seeking innovative solutions to unemployment through tribally owned businesses and chambers of commerce, but the economic downturn of the late 2000s complicated these efforts. Although some tribes have benefited from monies authorized by the federal American Recovery and Reinvestment Act of 2009 and other assistance such as HUD Rural Housing and Economic Development grants, and HUD Rural Innovation Fund grants, unemployment and job creation remain a significant challenge.

Nationwide, 70 percent of all individuals between the ages of 15 and 64 years are employed; however, that number is much smaller (58 percent) on Native American lands. Additionally, residents of Native American lands are disproportionately dependent on the government for both income assistance and employment. Of employed persons on Native American lands, over 31 percent work for federal, state, and local governments; this is a much larger proportion

![Figure 3](image.png)

**POVERTY RATES ON NATIVE AMERICAN LANDS ARE NEARLY DOUBLE THE NATIONAL LEVEL**

*Poverty, Native American Lands, 2005-2009*

Source: HAC Tabulations of 2005-2009 American Community Survey Data
than found in the general population (14.6 percent). Government employers include the Bureau of Indian Affairs, public schools, tribal governments, and the Indian Health Service.

Casinos are often thought of as economic powerhouses for Native American lands. The success of this form of economic development, however, varies substantially from tribe to tribe. The seven casinos owned by the Choctaw Nation in Oklahoma provide a significant source of employment and economic gain. Conversely, the Rosebud Reservation in South Dakota, where the Sicangu Oyate tribe has managed a casino for 20 years, has seen little economic success or job creation. Success from gaming is heavily influenced by the location of the tribe itself. The Choctaw Nation is located about two hours from both the Dallas–Fort Worth metropolitan region and Oklahoma City, making it an easy trip for residents of both areas. In more remote rural regions, like the Rosebud Reservation, casinos attract few visitors.

Low incomes are commonplace on reservation and trust lands. Over 25 percent of all households have incomes less than $20,000 a year compared to 18.4 percent of households nationwide. The difference is even more pronounced at the opposite end of the financial spectrum, however: only 13 percent of households on reservations or tribal lands earn $100,000 a year or more, but 20 percent of non-Native households throughout the United States earn this much. Furthermore, the percentages of families and individuals in poverty are almost twice as high on Native American lands as elsewhere in the United States.

People on Native American lands also depend on income from Social Security payments, Supplemental Security Income, and public assistance more than others in the United States. For example, residents of Native American lands utilize food stamps at about twice the national rate.

### THE POOREST OF THE POOR

The three counties with the highest poverty rates in the United States are all located in South Dakota and all are made up either wholly or predominantly by Native American reservations. Roughly half of each county’s population lives in poverty. That the three poorest counties contain predominately federally recognized reservations shows the clear economic disparity that exists on these lands. This pattern of extremely high poverty is found on various Native American lands across the country.

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>POVERTY RATE (%)</th>
<th>RESERVATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Ziebach County, SD</td>
<td>50.1</td>
<td>Cheyenne River Indian Reservation/ Standing Rock Indian Reservation</td>
</tr>
<tr>
<td>2) Todd County, SD</td>
<td>49.1</td>
<td>Rosebud Indian Reservation</td>
</tr>
<tr>
<td>3) Shannon County, SD</td>
<td>47.3</td>
<td>Pine Ridge Indian Reservation</td>
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</table>


### HOUSING CHARACTERISTICS

Like most rural Americans, residents of Native American lands typically own their homes. Approximately 70 percent of homes on Native American lands are owner-occupied, comparable to the 66.9 percent homeownership rate across the nation. Homeownership on Native American lands is substantively different than homeownership elsewhere, however, due to the legal complexities of Native land titles. The tribe itself, rather than individual tribal members, often owns the property. This practice ensures that land is not sold to nontribal members.

Renting is less common on Native American lands than in the nation as a whole; however, that does not necessarily indicate lower demand for rental units. As is the case in much of rural America, there is a shortage of decent, affordable rental properties on Native American lands. Private rental development is limited in these communities because landlords do not get much return on their investment, so they have little incentive to develop rental housing in the region.

As a consequence, rental supply issues are common on many Native American lands across the country. For example, there were 816 occupied rental properties on the Rosebud Reservation in South Dakota in 2010 with a waiting list of over 400 individuals. Lack of rental
properties is a concern facing many Native American lands across the country. Given the shortage of rental options, those who are unable to, or choose not to, become homeowners often move in with extended family, creating overcrowded conditions.

The majority of housing units in Native American lands are either single-family units (71.1 percent) or manufactured homes (15.8 percent). These homes are often found close together in clusters across reservations. Cluster housing was introduced in the 1960s by the U.S. Department of Housing and Urban Development (HUD) as a means to provide “modern housing and utilities” in a cost-effective manner to reservations across the country. These arrangements differed from the traditional housing arrangement most familiar to Native Americans, but many individuals and families moved into the clusters to access better housing and modern utilities. The impact of cluster homes on tribal communities has been equated to the impact of 1960s housing projects built in inner city neighborhoods: social networks were completely disrupted, and drug and crime problems significantly increased. Today, many refer to cluster homes as “reservation ghettos” that have stolen away the “Indian-ness” that once existed in many Native American communities.

In addition to site-built detached homes, manufactured homes are prevalent in Native American lands. They are often found in the yards of other homes, where they help ease crowded living conditions. In general, home construction costs are significantly higher in these locations due to increased transportation costs to rural, isolated places, but manufactured homes are significantly less expensive than site-constructed new homes.

Overcrowded homes, or homes with more than one occupant per room, are common on Native American lands. Of the homes on Native American lands, 8.8 percent are crowded compared to 3.0 percent nationwide. Although crowding is partially linked to stronger kinship ties that exist within Native American communities, it also highlights a serious shortage of safe, affordable housing.

A 2006 study on homelessness on tribal lands in Minnesota found that 98 percent of doubled-up responders, or individuals staying in another individual’s house, would “prefer to be in their own housing if they could find or afford it.” Doubling up is often a last resort.

Overcrowding puts greater physical stress on the house and greater emotional stress on individuals. Furthermore, the Minnesota study found doubling up and homelessness to be interchangeable, as nearly 62 percent of individuals surveyed had been living “temporarily” with others for over a year, and 31 percent had been without their own housing for three years or longer.

Crowded conditions typically lead to substandard living conditions. Studies by the National American Indian Housing Council (NAIHC) have linked...

### FIFTEEN YEARS OF NATIVE SELF-DETERMINATION IN HOUSING: NAHASDA

Passed in 1996, the Native American Housing Assistance and Self-Determination Act (NAHASDA) simplified federal housing assistance to Native American, Alaska Native, and Hawaii Homeland communities by reducing regulatory structures and allowing tribes to determine without federal interference how best to use grants. These funds are known as Indian Housing Block Grants. They are awarded by HUD based upon tribal population, housing need, and current amount of federally funded housing stock. Grants can be used for Indian housing assistance, development, housing services, housing management services, crime prevention and safety activities, and model activities – activities that enhance the professional abilities of tribes and tribal housing organizations. To receive funds, tribes must complete five-year Indian Housing Plans, which are reviewed by the Office of Native American Programs at HUD. The program allows tribes to pursue culturally appropriate strategies to address the concerns of their communities. The program has short-term output goals and largely achieves them (such as creating 570 jobs in 2004-2005), but it lacks long-term outcome measures of program impact on community quality of life.

According to a report by the Government Accountability Office, most grantees view NAHASDA as effective due to its emphasis on tribal self-determination. The report notes that most tribes that received grants of $250,000 or more used the funds for developing new housing. Grantees that received less than $250,000 typically used funds for rental assistance programs. While recipients are happy with the NAHASDA program overall, it has been difficult to use funding for developing new housing finance mechanisms as well as increasing economic development. Beyond this, due to the large scope and cost, infrastructure creation has been difficult through NAHASDA, leaving many Native American lands still without proper water and sewer systems.
crowded conditions to an increased spread of diseases that are transmitted in crowded spaces. These include increased incidences of tuberculosis, pneumonia, gastrointestinal disorders, head lice, conjunctivitis, and hepatitis, among others. Beyond health issues, crowded housing can also lead to increased social problems including lower educational attainment among children, alcoholism, domestic violence, and child abuse and neglect.

Generally, homes on Native American lands are newer than those in other places in the United States. Only 17.3 percent of homes on Native American lands were built before 1960 compared to 31.6 percent of homes nationwide. Age may not be an indication of quality, however, as 5.3 percent of homes on Native American lands lack complete plumbing and 4.8 percent lack complete kitchens. The comparable nationwide figures are 0.5 and 0.7 percent respectively.

Affordability varies from reservation to reservation, but as a whole those living on Native American lands experience affordability problems less often than other rural U.S. residents. Twenty-five percent of households on Native American lands are cost-burdened compared to 28 percent in rural areas nationwide. Of renters on Native American lands, 30.8 percent are cost burdened, a far lower proportion than the 46.3 percent of all rural renters who are cost burdened. Native American lands typically have tribal housing entities that play an important role in helping all tribal members acquire homes affordably. Although tribal housing entities are responsible for supplying housing, they struggle to keep up with the high demand.

The legal complexities of land ownership on Native American lands present a major barrier to securing a home mortgage. Numerous types of tribal lands exist, including trust, tribally owned, and allotted lands as well as conversions that allow lands within reservations to be held in a variety of ownership types (checkerboarding). Trust and tribally owned lands are often the most complex arrangements. Trust land is owned by either an individual Native American or a tribe, and the title is held in trust by the federal government. Most trust land is within reservation boundaries, but it can also be off-reservation. The title to tribally owned land is held by the tribe, and not by the federal government. Because tribal land sales to non-Native Americans lead to severe fragmentation of tribal lands, most tribes do not allow such transactions. Thus mortgages are difficult to obtain for homes constructed on tribal land because lenders (which are not tribal members) cannot foreclose on such land and resell it.

Because of the dearth of private lending activity on Native American lands, federally funded and sponsored loan products play a substantial role in home mortgage finance in tribal areas and reservations. One of the largest homeownership programs dedicated

<table>
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<tr>
<th>COUNTY</th>
<th>STATE</th>
<th>RESERVATIONS</th>
<th>OVERCROWDED</th>
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<tr>
<td>United States</td>
<td></td>
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<tr>
<td>Shannon County</td>
<td>South Dakota</td>
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</tr>
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<td>Apache County</td>
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<td>Navajo Nation; Fort Apache Reservation</td>
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<tr>
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<td>North Dakota</td>
<td>Standing Rock Reservation</td>
<td>14%</td>
</tr>
<tr>
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<td>South Dakota</td>
<td>Rosebud Reservation</td>
<td>13%</td>
</tr>
<tr>
<td>Navajo County</td>
<td>Arizona</td>
<td>Navajo Nation; Fort Apache Reservation; Hopi Indian Reservation</td>
<td>12%</td>
</tr>
<tr>
<td>Ziebach County</td>
<td>South Dakota</td>
<td>Cheyenne River Reservation</td>
<td>11%</td>
</tr>
</tbody>
</table>

Source: HAC Tabulations of the American Community Survey 2005-2009 Five Year Estimates
solely for Native Americans is the HUD Section 184 loan guarantee program. Under this program, HUD guarantees loans made by private lenders to Native American families, tribes, or Indian housing authorities for construction, acquisition, or rehabilitation of single-family homes. Since the program’s inception in 1994, HUD has issued over 12,000 loan guarantees totaling more than $1.8 billion to private lenders.22

Another federal financing source for Native Americans on trust lands is the U.S. Department of Agriculture (USDA) Rural Development (RD). The majority of RD housing finance efforts for Native Americans fall under the Section 502 program, which makes direct homeownership loans or guarantees loans made by private lenders for low-income families in rural areas. Because most Native American lands are largely rural, RD programs like Section 502 may be more advantageous to Native American borrowers than other mortgage programs. However, RD origination rates among Native Americans are relatively low. Of the more than 150,000 Section 502 loans (guaranteed and direct) made in fiscal year 2010, only 560 were made to Native American households and only 15 were made on tribal trust lands.23 While federally subsidized loan sources are somewhat more available than private-market conventional loans, their contributions to affordable homeownership efforts on Native American lands are still small compared to the need.

Some tribal housing authorities, like that in the Choctaw Nation, have their own mortgage company that operates a revolving loan fund. The Choctaw Tribal Housing Authority’s mortgage company is much more willing to work with clients to refinance than other banks so that individuals are less likely to lose their homes in the event of a foreclosure.24 Tribally owned mortgage companies also offer housing counseling and assistance to clients. This increased assistance has significantly improved financial literacy.25
ADDRESSING THE NEEDS

Although conditions remained relatively consistent from 2000 to 2010, the ability of tribes to determine how to spend federal funds through NAHASDA is an important step. Tribal housing authorities have been able to find creative solutions to their housing needs including access to Federal Emergency Management Agency (FEMA) dollars, acquisition of FEMA trailers, sales of manufactured homes at cost to tribal members, and increased collaboration with nonprofits and faith-based organizations.

After more than 13 years of litigation, the 2009 settlement from the Cobell vs. Salazar lawsuit, which alleged the federal government had violated its duties and mismanaged funds related to trust lands, has awarded $3.4 billion to Native Americans. More than $1.9 billion of the settlement will go to purchasing fractionalized land that has multiple owners with undivided interest. They will be able to sell their fractionalized properties to the U.S. government, which will then hand the property over to the tribe. The settlement from the lawsuit has the potential to affect 500,000 Native Americans by providing increased opportunities to access housing. These funds will provide Native American communities an opportunity to effectively address issues that have arisen from years of federal land mismanagement.

Despite the economic downturn, employment levels have remained consistent in the last ten years on Native American lands. This means that the extremely high unemployment rates that existed before the economic and housing crises persist. Foreclosure rates have remained relatively low due to historically limited lending on Native American lands. Although lending is still complex on Native American lands, banks have an increased understanding of the legalities of lending on tribal lands and are more willing to begin investing there. Moreover, through NAHASDA, some tribes have been able to create their own mortgage companies that better suit the needs of their populations.

The challenges faced on Native American lands are substantial. Substandard housing conditions, a lack of job opportunities, and the legal complexities of land tenure continue as pertinent issues and concerns. Regardless, Native American communities now have more ability than ever to define and tackle problems in culturally appropriate ways for each community. The commitment of local and federal leaders to address these concerns creatively will be a critical component for decreasing poverty and substandard living conditions throughout the next decade.
Bordered to the north by the Badlands and to the west by the Black Hills, Shannon County is set amidst the rolling grassland hills of southwestern South Dakota. Contained entirely within the Pine Ridge Reservation and run entirely by the Pine Ridge tribal government, Shannon County is often ranked as one of the poorest counties in the nation.

The Oglala Lakota Sioux, who occupy the Pine Ridge Reservation, make up over 95 percent of the Pine Ridge population of 13,586. Tribal chairmen and other officials in South Dakota question U.S. Census 2010 data on Native Americans within the state because many residents are reluctant to participate in census surveys. Tribal officials state that growth has continued to be a significant issue in Shannon County and that the population of the Pine Ridge Reservation has, in fact, quadrupled in size.

Although government positions make up the largest percentage of the workforce, the decline in unemployment seen in the last ten years stems mainly from an increase of private business on the reservation, along with informal and artisanal economy, tourism, and nonprofit activity. While unemployment in the county has decreased over the past decade, it is still remarkably high. Data from the American Community Survey reveal that only 40 percent of the population between the ages of 16 and 65 years are employed.

Low incomes, high unemployment, and the geographic isolation of the Pine Ridge Reservation all impact housing conditions in Shannon County. Individuals and families do not have the means to perform necessary regular home maintenance, and harsh winters that batter homes and shorten the construction season further complicate the issue. Household crowding is a substantial problem in Shannon County and is ten times more prevalent than it is across South Dakota. According to local housing officials, up to 11 individuals may reside in a three-bedroom unit on the reservation. Numerous homes are considered substandard and unsafe. American Community Survey data indicate that households in Shannon County lack complete plumbing facilities at more than seven times the rate of South Dakota overall and lack complete kitchens at five times the rate for the state. New housing on the reservation is typically provided by a variety of government programs as well as nonprofit developers and the local college.

The challenges faced by Shannon County and the Pine Ridge Reservation have remained consistent over the course of four decades of research. Pine Ridge remains one of the least developed Native reservations in the United States, characterized by a lack of economic and physical infrastructure, a shortage of services, and prevalent substandard housing. Social problems exist as well, including violence, youth suicide, drug and alcohol abuse, and a high infant mortality rate. Since 2002, the general economic condition of the reservation has slightly improved, with slight decreases in unemployment. Although the county’s origin lies in a history of oppression and forced migration, a renewed sense of cultural pride and identity has emerged and brought increased efforts to pursue locally driven development.
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