

Poverty *and* the Economy



Faculty Research Grants Program
| **2008** |

**UGA RESEARCH FOUNDATION, INC.
OFFICE OF THE VICE PRESIDENT FOR PUBLIC SERVICE & OUTREACH
UNIVERSITY OF GEORGIA**



The University of Georgia

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Introduction

With 91 counties in persistent poverty, Georgia is at the heart of the South's poverty belt — a 242-county region in the southern United States that has experienced persistent poverty for the last three decades and has not been served by federal initiatives.

To improve the economic well being and quality of life for Georgians, the University of Georgia's Office of the Vice President for Public Service and Outreach has undertaken an initiative that aims to address issues of persistent poverty and the economy. One aspect of that initiative is the Poverty and the Economy Faculty Research Grant program, which is jointly supported by the University of Georgia Research Foundation (UGARF) and the Office of the Vice President for Public Service and Outreach.

The grant program fosters applied research and creative scholarship related to poverty and contributes to the UGA research program. In particular, this program supports research that builds on understanding public policy barriers that inhibit or limit an individual's ability to participate fully in the economy.

Multiple outcomes are expected, including a better understanding of how the university can address the issue of persistent poverty through teaching, research, and outreach; reinforcement of the linkages between research, application, and policy; and new knowledge about persistent poverty and the conditions associated with it. This grant program also will initiate new research programs that have the potential to be supported by extramural funding.

UGARF awarded a total of \$100,000 for the third round of grants in 2008. Five proposals, representing 11 faculty members from seven academic and public service units were funded.

This report highlights the major findings for the FY 2008 grant recipients.

2008 Poverty and the Economy Grant Recipients

- Angela Fertig, College of Public Health, Department of Health, Policy and Management, and the Carl Vinson Institute of Government, Research and Policy Analysis Division, and Doug Bachtel, College of Family and Consumer Sciences, Department of Housing and Consumer Economics, “Exposing Persistent Poor Health in Georgia;”
- John Greenman and Diane Murray, Grady College of Journalism and Mass Communication, “Raising Awareness of Persistent Poverty through Journalism;”
- Santanu Chatterjee and David Mustard, Terry College of Business, Department of Economics, “Understanding Poverty and Inequality in the Developed World: A Study of Healthcare and Education in Georgia;”
- Jeffrey Jordan and Bulent Anil, College of Agricultural and Environmental Sciences, Department of Agricultural and Applied Economics, and Velma Zahirovic-Herbert and Swarn Chatterjee, College of Family and Consumer Sciences, Department of Housing and Consumer Economics, “Why Do Dropouts Happen? Exploring Education, Homeownership, and Poverty;” and
- Jolie Ziomek-Daigle, College of Education, Department of Counseling and Human Development Services, “Georgia’s Graduation Coach Program: Impacting Poverty by Increasing School Completion.”

Exposing Persistent Poor Health in Georgia

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The need for an increased understanding of the relationship between poverty and health and for translation of this knowledge to policy and program development has never been greater. Georgia ranks toward the bottom in terms of the overall health of its citizens. As a result, many proposals in the General Assembly are aimed at improving the health resources in this state.

This study identifies the counties in Georgia with persistent poor health for children, working age adults, and seniors; describes the characteristics of these counties to assess the region's needs; and suggests some policy recommendations. The following includes the key findings from this study:

- Of Georgia's 159 counties, 108 counties were found to have persistent poor children's health and working age adult health, and 75 counties have persistent poor seniors' health.
- Persistent poor health in all three age groups occurs in 49 counties. Of those, 81% (39 counties) also have persistent poverty.
- More counties report poor health for all three age groups in 2000-05 than in 1992-97, signaling a decline in the health status of Georgians compared to the rest of the U.S. over this period.
- Regression results from risk factor analysis suggest that economic deprivation is correlated with persistent poor health of children and seniors. Interventions addressing poverty may also have health benefits.

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Raising Awareness of Persistent Poverty: *A Tool Kit for Journalists*

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Media coverage of poverty is an apt test of whether academics, through research and outreach, can influence journalists to cover an important — but often ignored or poorly handled — topic. We interviewed editors, publishers and other senior managers at 14 newspapers located in Georgia counties identified by UGA research as persistently poor. We concluded that:

- Senior managers value the poor as potential readers of the newspaper, but significantly less so than all other income groups.
- Editors do not mention “poverty” when asked to name five facts about their market that — when taken together — convey a sense of place.
- Lack of time and money and lack of interest in specific topic areas are the most significant barriers to training journalists on issues related to poverty.

We concluded that traditional, conference-based training would fail. But a different approach might succeed, one that: Views poverty as an element of reporting on any beat, not a beat in itself. Offer self-directed, easy-to-follow, free training. Place the training online, observing tested approaches to online training of journalists. And, market the training as a “Web site for journalists who want to improve coverage of poverty on any beat.”

Drawing on advice from journalists and journalism educators across the United States, UGA faculty and staff developed a Web site titled “Covering poverty: A tool kit for journalists” at www.grady.uga.edu/poverty. The site includes:

- Eight tutorials on covering poverty as part of most news beats;
- Fifteen tip sheets;
- A bibliography; and
- Links to the best poverty-oriented Web sites.

We’ve marketed the site through press releases, letters and cards.

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Understanding Persistent Poverty in the Developed World:

A Study of Socio-economic Factors in Georgia

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This study examines the role of educational attainment, race, and healthcare services in determining poverty rates across counties in Georgia. Using a regression analysis with 2004 data from the *Georgia County Guide* and the *Small Area Income and Poverty Estimates*, we find that increasing numbers of students who do not complete high school have a strong relationship with an increasing poverty rate in a county. On the other hand, high school graduates with a College Prep Endorsement on their Diplomas are correlated with lower poverty rates.

Not completing high school severely restricts a person's future income potential and mobility, thereby increasing the rate of living in poverty. On the other hand, high school graduates with a CPE have a better chance of a college education, thereby increasing the potential for future income, which might help reduce poverty.

The results for the health variables are less clear. An increase in the number of hospital facilities and share of OBGYN doctors is correlated with a slight increase in the poverty rate. A possible explanation for this could be that counties with more hospitals or OBGYNs might also attract more poor people for medical care. Race and ethnicity also play an important role. While the share of the black population is positively correlated with poverty, increasing the percentage of the population that is Hispanic is correlated with lower poverty rates in Georgia's "non-poor" counties. The next step in this research is to create a dynamic panel for Georgia counties starting from the early 1980s and to examine a wider range of variables that capture the effects of educational attainment and quality of healthcare.

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Why Do Dropouts Happen?

Exploring Education, Homeownership and Poverty

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College of Family and Consumer Sciences, Department of Housing and Consumer Economics

We wanted to know if students who face housing uncertainties through mortgage foreclosures and eviction learn impatient behavior and are therefore at greater risk of dropping out of school. Not completing school impedes human capital formation and community development.

We incorporated results of a parent survey that covered the family housing situation and family characteristics with experimental data on the time preferences of 8th grade students. Time preferences are decisions people make involving the tradeoffs among costs and benefits occurring at different times and are calculated using a discount rate to relate present and future dollars. We found that large household size and an eviction significantly increases the discount rates of children. Living in a single-family home with both parents significantly decreases child discount rates and thus impatience. In addition, nonwhite males and chronically absent students also have higher discount rates than others. Children who live in large houses, have older and younger siblings, and have income generated from child support payments have lower discount rates as exhibited in the experiments.

Our regression analysis showed there is a negative relationship between housing equity (larger homes have more housing equity), living with both parents, and discount rate, which shows the beneficial effect of the family's financial stability on the time preference of children. Income shocks may have less damaging consequences for families with greater housing equity, as parents are better able to cope with the family tensions resulting from temporary financial troubles.

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Georgia's Graduation Coach Program: *Impacting Poverty by Increasing School Completion*

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In Athens and surrounding school districts, the high school graduation rate hovers around 60% -70%, with the rate for students of color up to 10 to 15 percentage points lower. I examined the impact of Georgia's Graduation Coach Program on the dropout rate in area school and developed a dropout prevention identification and intervention framework that can be used in school counseling training programs, related programs, and professional workshops.

During spring 2008, I conducted a qualitative study and interviewed graduation coaches, students, and key stakeholders about strategies used to identify the potential for dropping out. The Georgia Department of Education worksheet of common risk factors helped identify at-risk students. Several strategies were utilized to support student success in schools, such as developing a graduation team to create support systems and integrate individuals at various systemic levels. These levels, which include school, family, and community, generate supports to help students engage, perform, matriculate, and graduate. Team members representing each level (school, family, and community) would mentor and guide the student and, at times, help the student negotiate the challenges of that level e.g. providing additional academic supervision and tutoring (school), guidance in finding part-time employment and day care (community), and making sure basic needs are met (family).

Based on data from the qualitative study, a survey was developed and disseminated to 2,500 elementary, middle, or high school counselors from the American School Counselor Association. The fall 2008 survey included questions regarding the school counselor's dropout prevention awareness and confirmed the initial findings related to identification of at-risk students and intervention strategies. Results indicate dropout prevention and intervention content should be included in school counseling preparation programs and related disciplines.

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