

25 Years in Review

1993-2018

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Children in Poverty

Poverty has always posed a problem in society, especially for children. In 1992, 17% of children in South Dakota under the age 18 lived in poverty. Twenty-five years later, the rate is again at 17%. Although the rate of poverty hasn't fluctuated significantly within the past 25 years, it has ranged between 14% (2000, 2001, 2002) to 19% (2008, 2012). While many people know what poverty is, fewer are able to pinpoint some of the direct influences. Dr. Robert Haveman, Professor Emeritus of Economics and Public Affairs and Research Associate at the Institute for Research on Poverty researches what poverty is and its causes. Three major attributes that he sees as contributing factors are race, demographic characteristics, and labor market uses & education.

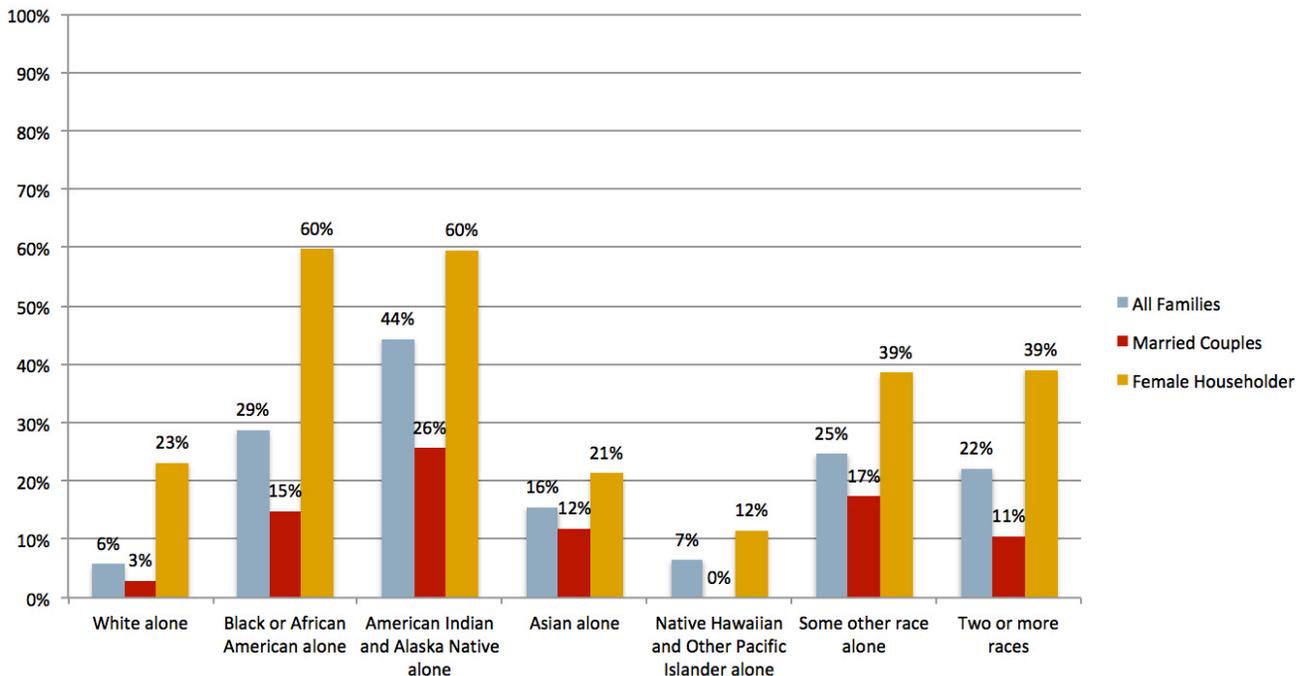


Labor market issues and education. Poverty is closely tied to the conditions of the labor market, with availability of jobs and wages paid playing a large role. In 1993, in South Dakota, the unemployment rate was three percent. Twenty-five years later, the SD unemployment rate held steady at three percent. Nationally, unemployment rates are much higher for low-skilled workers. In 1993, the unemployment rate was seven percent for individuals who had a high school diploma compared to three percent for individuals attaining a Bachelor's Degree. However, in 2017, the U.S. Bureau of Labor Statistics reported that the unemployment rates decreased to five percent for individuals holding a high school diploma and three percent for those with a Bachelor's Degree. According to the Russell Sage Foundation's Chartbook of Social Inequality, in the early 1970's, those with a high school diploma earned a median salary of \$47,168 a year, and Bachelor's Degree holders received a median salary of \$70,787. In 2010, high school diploma holders were making a median salary of \$38,976, a 17% decrease. Bachelor's Degree graduates had a median income of \$75,568 annually in 2010, a seven percent increase.

Demographic Characteristics. The demographic characteristics that are important for defining poverty are age and family structures. Family structures can be a huge factor when it comes to poverty rates for families with children under 18. In 1993, the national rate for poverty in a female household where no husband is present was 46%. In 2016, that rate decreased to 42%. Married-couple families nationally stayed about the same at nine percent in 1993 and eight percent in 2016. In South Dakota, the 2012-2016 American Community Survey 5-Year Estimates show that 38% of female, no husband present, households were at the poverty level, compared to 40% nationally. During that same time frame, six percent of married-couple families in South Dakota were in poverty, when nationally, eight percent of married-couple families were in poverty.

Race. When looking at the poverty status by race and wage, what can be attributed to economic factors (skills/experience), and what can be relative to discrimination? While it is difficult to parse out, researchers attempt to control many factors while researching this. Estimates are very imprecise, but the range is from very small to about 25% of the wage gap which is attributed to employer wage discrimination. However, much of the wage gap is due to lower school attainment and skills.

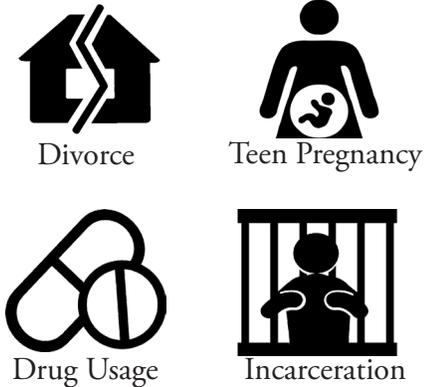
Poverty Status in South Dakota- Race Origin 2016



Grandparents Caring for Their Own Grandchildren

At a time when older adults look forward to enjoying visits from their grown children and grandchildren, an increasing number have become daily caregivers for their grandchildren who are under age 18. In 1970, about three percent of children nationally lived in grandparent maintained households. Forty-two years later, in 2012, approximately twice that many (six percent) lived in grandparent maintained households. In South Dakota, the percentage of children in 2016 that were in the care of their grandparents was four percent, the same as the national rate. From 1970 to 1990, the greatest increases in grandparent responsible households were among children living with one parent, while from 1990 to 2000, the greatest increases were among children with no parent present.

Main attributes for grandparent co-residence increases since the 1970's



Grandparents living with grandchildren are usually comprised of two types of households. The first is three-generation households, which include the grandparents, adult children and grandchildren. The other type is the skipped generation households, consisting of grandparents and grandchildren only. In a report issued by the U.S. Census Bureau, the four main attributes for the increase of grandparent co-residence since the 1970's are divorce, teen pregnancy, drug usage and incarceration. According to the 2016 ACS 5-year estimates, 37% of grandparents living with their grandchildren were responsible for caring for them in the United States. Three generation households could be considered to be an answer to divorce, illness, or willingness to lend a hand. Skipped generation arrangements may result from incarceration, death of child's parents, child abuse/neglect or substance abuse.

5-year Estimate Changes for Grandparents Caring for Own Grandchildren under 18 years

United States	
2006-2010	2012-2016
41%	37%
10% DECREASE	
Minnesota	
2006-2010	2012-2016
41%	33%
20% DECREASE	
Nebraska	
2006-2010	2012-2016
45%	41%
9% DECREASE	
South Dakota	
2006-2010	2012-2016
59%	53%
10% DECREASE	



Source: ACS 5-year estimates

Iowa	
2006-2010	2012-2016
46%	41%
11% DECREASE	
Montana	
2006-2010	2012-2016
52%	50%
4% DECREASE	
North Dakota	
2006-2010	2012-2016
54%	44%
19% DECREASE	
Wyoming	
2006-2010	2012-2016
56%	51%
9% DECREASE	

Facts on Kids Issue Sources: KIDS COUNT Database, Institute for Research on Poverty- University of Wisconsin-Madison, U.S. Bureau of Labor Statistics, Maria Cancian and Sheldon Danziger, eds. 2009. Changing Poverty, Changing Policies. Russell Sage Foundation, Sheldon Danziger and Robert Haveman, editors. 2002. Understanding Poverty. Russell Sage Foundation., Sheldon Danziger, Gary Sandefur, and Daniel Weinberg, editors. 1994. Confronting Poverty: Prescriptions for Change. Cambridge, MA: Harvard University Press., William Julius Wilson. 1987. The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy. University of Chicago Press., People's views on the causes of poverty: <http://www.npr.org/programs/specials/poll/poverty/>, <http://www.buzzle.com/articles/causes-of-poverty-in-america.html>, A conservative perspective: Robert Rector, "Understanding and Reducing Poverty in America," Testimony before the Joint Economic Committee, United States Senate, September 25, 2008, at <http://www.heritage.org/Research/Welfare/tst040209b.cfm>, A liberal perspective: <http://www.thenation.com/article/167564/other-america-2012-confronting-poverty-epidemic#>, http://en.wikipedia.org/wiki/Earned_income_tax_credit, Mark Rank. 2009. "Toward a New Understanding of American Poverty." Washington University Journal of Law and Policy. Pp. 17-51, Renee R. Ellis, Tavia Simmons. 2014 "Coresident Grandparents and Their Grandchild: 2012," U.S. Census Bureau, American Community Survey.

SD KIDS COUNT Project
 Beacom School of Business
 The University of South Dakota
 414 East Clark Street
 Vermillion, SD 57069

South Dakota Family Household Structures



1990's

Married Couple Family Households

1990	2010
152,519	142,000

7% DECREASE

Male Householder Family (no wife present)

1990	2010
7,076	14,000

98% INCREASE

Female Householder Family (no husband present)

1990	2010
20,711	44,000

112% INCREASE



2010's