

Electric Cooperatives and Persistent Poverty Counties

Key Highlights

- The Economic Research Service of the U.S. Department of Agriculture assesses and reports on counties in the U.S. that have consistently high poverty rates.
- NRECA's analysis of the latest data issued in 2023 shows that electric cooperatives serve territory in 92% of persistent poverty counties.
- This advisory provides an update on this topic and how it impacts our members.

What has changed?

In December 2023, the Economic Research Service (ERS), the statistical agency of the U.S. Department of Agriculture (USDA), released an updated list of the nation's Persistent Poverty Counties (PPCs). These are counties and county equivalents that have experienced high poverty rates of 20% or above for at least 30 years. ERS identified 318 PPCs in its latest analysis, down from 353 counties a decade earlier.¹ Most PPCs are rural non-metropolitan counties, 267 out of 318 (84%) in this list. PPCs are concentrated in Appalachia and the Southeast, along the U.S.-Mexico border, and around tribal reservations and Alaska Native lands.

ERS used the following methodology: "Areas with a poverty rate of 20.0 percent or more for 4 consecutive time periods, about 10 years apart, spanning approximately 30 years (baseline time period plus 3 evaluation time periods)." ERS based its analysis on county-level poverty data from the U.S. Census Bureau.²

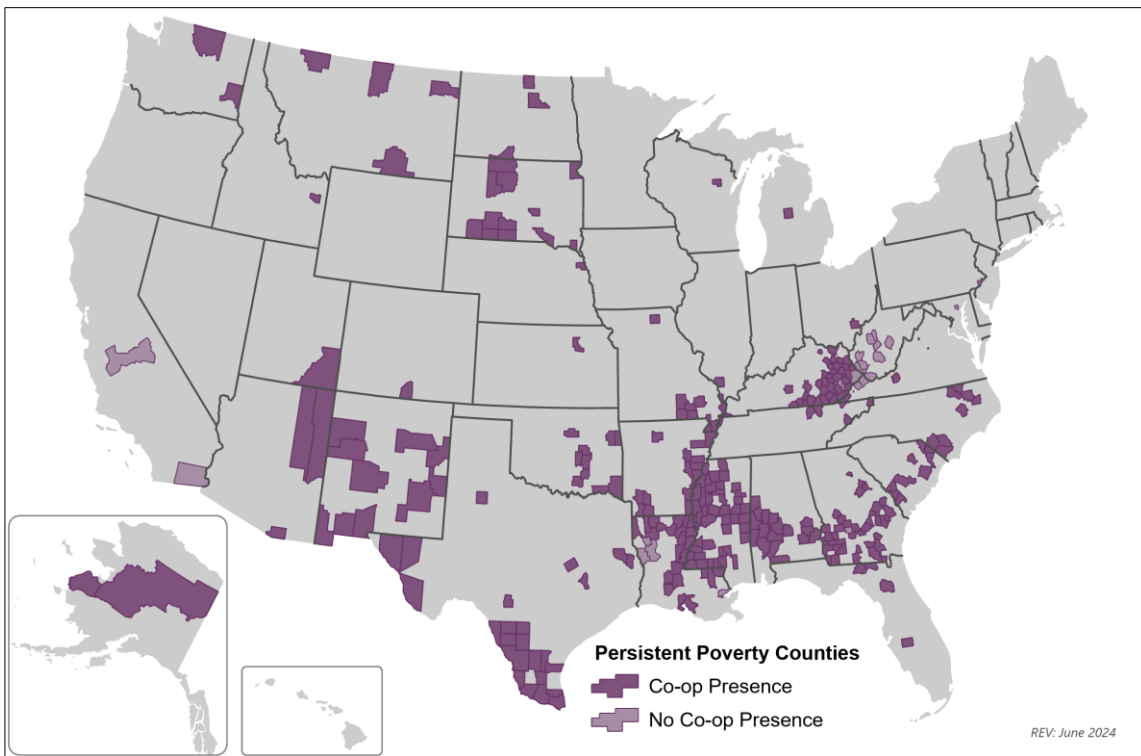
What is the impact on cooperatives?

According to analysis by NRECA, electric cooperatives serve territory within 291 of the 318 (92%) of persistent poverty counties identified by ERS, with more than 215 distribution cooperatives³ serving an estimated 3.5 million people in these counties. The following map shows the nation's persistent poverty counties and which ones do or do not have an electric cooperative service presence.

¹ See <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=108102>.

² The Decennial Census ceased collecting poverty data after 2000. For this update, ERS based its analysis on Decennial Census data from 1990 and 2000, and 5-year American Community Survey (ACS) data for the periods 2007-11 and 2017-21.

³ This analysis includes NRECA's public power and tribal utility members.



USDA ERS Persistent Poverty Counties by Co-op Presence

What do cooperatives need to know or do about it?

Many federal economic development programs, including those administered by USDA, apply the “10-20-30 formula” mandating that at least 10% of a program’s funds be spent in counties that have had poverty rates of 20% or higher for at least 30 years (i.e., persistent poverty counties).

While PPCs are not the only counties experiencing high poverty rates, the long-term entrenched nature of poverty in these areas presents significant challenges to electric co-ops serving there. Extreme poverty is often geographically concentrated in only a portion of a county. To help consumer-members in these areas, co-op economic development, community and bill assistance programs might need to specifically target these communities.

Keeping electricity affordable is especially important for low-income consumer-members who are most vulnerable to energy poverty. High poverty rates are often reflected in less efficient housing stock, such as older manufactured housing, which can lead to wasted energy and disproportionately higher bills for those who can least afford it. These households often lack the resources to make energy saving improvements to their homes,

Different Calculations of PCCs

It is important to note that while NRECA’s analysis is based on the latest list produced by USDA, other departments and agencies produce their own lists that sometimes use alternative data sources, data years, and methodologies (e.g., applying rounding or adjusting for margins of error when assessing against the 20% threshold). These approaches can result in a significant difference in the number of counties that meet their criteria. USDA and other agencies may also provide data on persistent poverty and other poverty measures below the county level, most commonly by census tract.

NRECA members seeking to utilize federal programs should research the appropriate list and geographic level for the particular program they are pursuing.

so co-op programs to help repair, weatherize and install cost-efficient appliances and equipment are also important.

Additional Resources

- The USDA Economic Research Service’s current data on poverty area measures, including persistent poverty counties: <https://www.ers.usda.gov/data-products/poverty-area-measures/>.
- The Congressional Research Service has a good report on defining persistent poverty counties under the 10-20-30 formula. This report is updated periodically, with the latest version (16) now available: <https://crsreports.congress.gov/product/pdf/R/R45100/16>.
- The U.S. Government Accountability Office issued a report in 2021 discussing how to serve persistent poverty counties more effectively, including a suggestion that Congress consider requiring a uniform list for future applications of the 10-20-30 formula and citing ERS as a suitable agency to do so: <https://www.gao.gov/assets/gao-21-470.pdf>.
- The U.S. Census Bureau issued a report in 2023 looking at persistent poverty at the county and census tract level and comparing them over the last 30 years: <https://www.census.gov/library/publications/2023/acs/acs-51.html>.

Contact for Questions

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