



**U.S. House Select Committee on Economic Disparity and Fairness in Growth
Roundtable on Rural Economic Development
July 14, 2022**

Thank you, Chairman Himes and Ranking Member Steil for your leadership on this committee. Representative Craig, thank you for your leadership in bringing issues facing rural communities to the forefront of the policy conversation. I appreciate the opportunity to participate in this roundtable.

My name is Jessica Fulton, and I am the Vice President of Policy at the Joint Center for Political and Economic Studies. We are a research organization focused on providing compelling policy solutions to eradicate persistent and evolving barriers to the full freedom of Black people in America.

My testimony focuses on opportunities to support some of the most excluded members of rural communities—Black people living in the Black Rural South. The Joint Center [defines the Black Rural South](#) as Southern counties comprised of a population that is at least 35 percent Black that have been [designated as “rural”](#) by the U.S. Department of Agriculture. Our most recent analysis finds that the region currently consists of 152 counties across 10 states (Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia). However, many of the statistics cited below will refer to 2019 data, which consists of 156 counties.

Counties of the Black Rural South

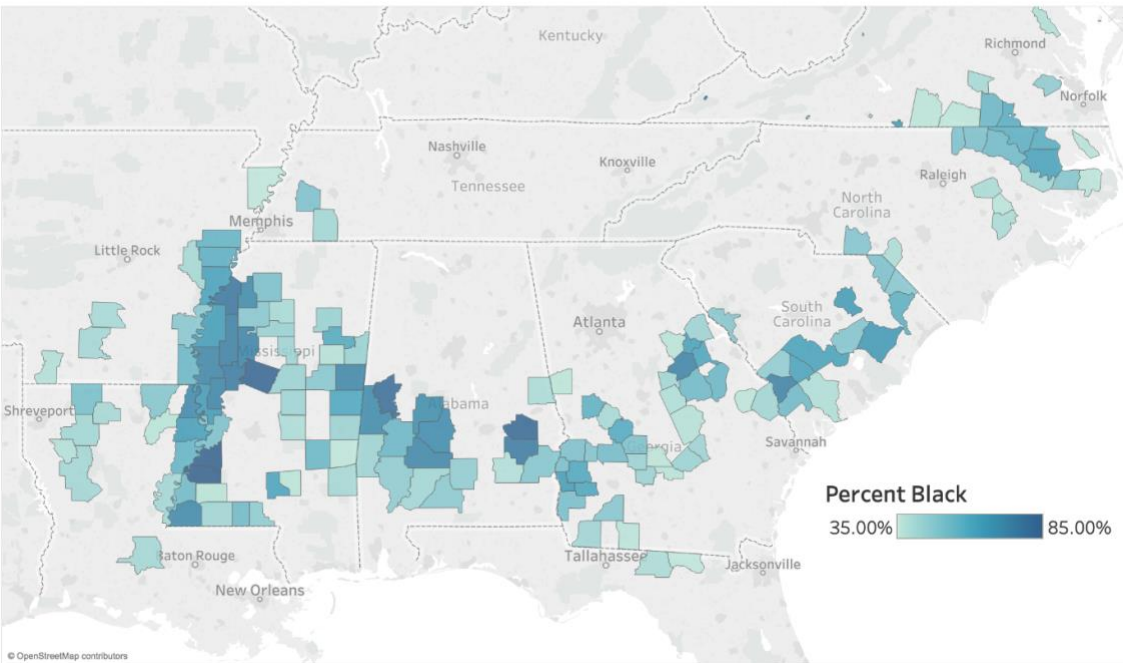


Figure 1: 156 Counties of the Black Rural South (2019)

This testimony will focus on four key points:

1. Black Americans living in the Black Rural South face uniquely severe economic challenges.
2. The Black Rural South economy has seen stunted economic growth in recent decades.
3. As the economy changes, the Black Rural South is at even greater risk.
4. Federal policymakers have an opportunity to change the trajectory of economic growth in the Black Rural South, and in doing so, can positively impact growth for all Americans.

Black Americans living in the Black Rural South face uniquely severe economic challenges.

Rural residents across the country face myriad circumstances that make them more vulnerable to crises, more excluded from the economy, and more likely to experience economic hardship, but for people living in the Black Rural South, these challenges are magnified. As this committee works to dismantle barriers to success for rural Americans, I urge you to take special interest in those communities who experience economic marginalization. The Black Rural South is one of these communities and focusing on the barriers that exist there will allow policymakers to make an impact on rural communities across the country.

Focusing on the Black Rural South is critical because the communities in the region face drastically worse outcomes than other communities. Unemployment rates in the Black Rural South remain far above those of other regions. And the percentage of children living below the poverty line is significantly higher in the Black Rural South, even when compared to non-southern rural children.

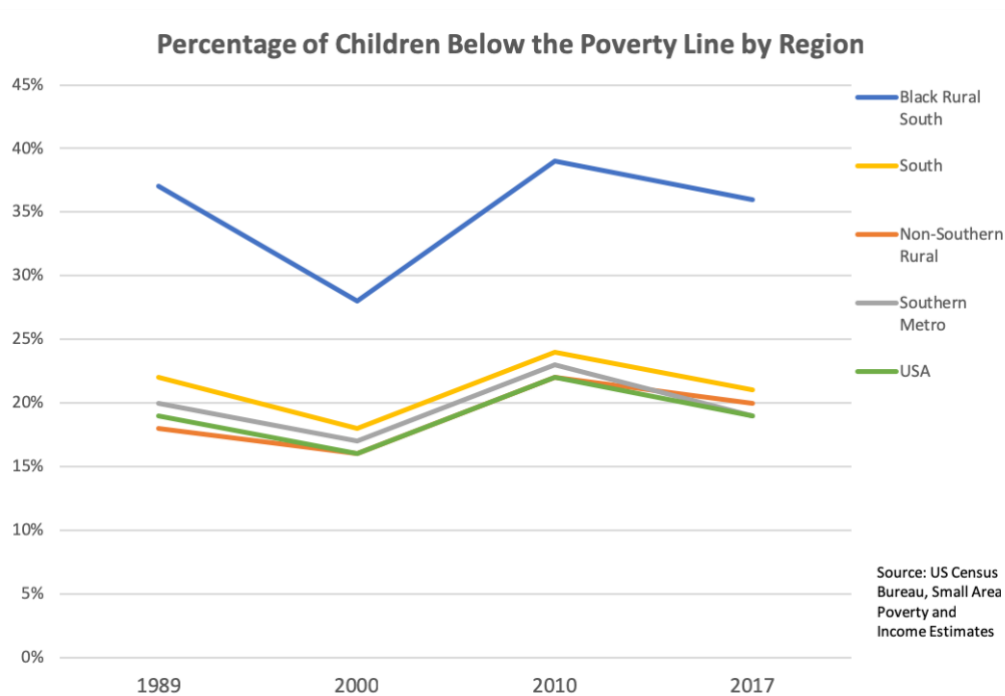


Figure 2: Percentage of Population Under 18 Below the Poverty Line from 1989-2017. This figure is **not** broken down by race.



Figure 3: Average Non-Seasonally Adjusted Unemployment Rates from 1990-2018. This figure is **not** broken down by race.

Black people face particularly challenging circumstances in the Black Rural South. According to the Joint Center’s 2020 report, [An Introduction to the Future of Work in the Black Rural South](#), Black people living in Black Rural South face more dire circumstances than even white people living in Black Rural South counties. Black people living in the Black Rural South face lower labor force participation rates, higher unemployment rates, lower earnings, and higher child poverty than their white neighbors. As my colleagues Spencer Overton and Harin Contractor remarked in the 2020 report:

“The racial inequality in the Black Rural South is illustrated, in part, by the fact that white people in the region have unemployment and poverty rates comparable to those of other rural whites throughout the United States. Indeed, despite high Black poverty rates in the Black Rural South, whites living in the Black Rural South have much lower poverty rates than whites who live in southern rural counties with few African Americans. A similar pattern exists for unemployment rates (the unemployment rate for whites in the Black Rural South is 5.9 percent, compared with 5.2 percent for whites in non-Southern rural counties and 7.0 percent for whites in Southern rural counties that are at least 90 percent white).”

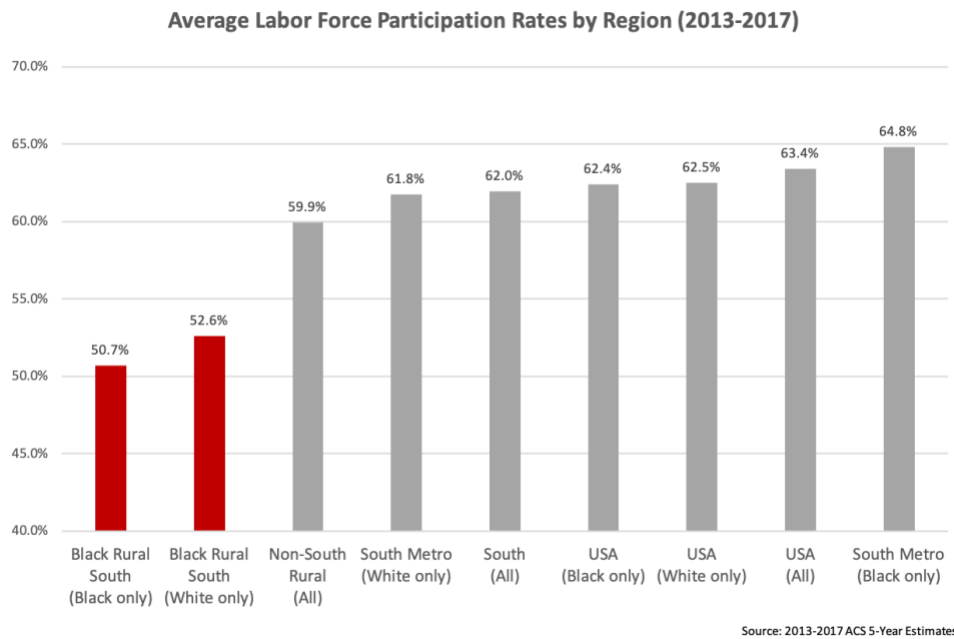
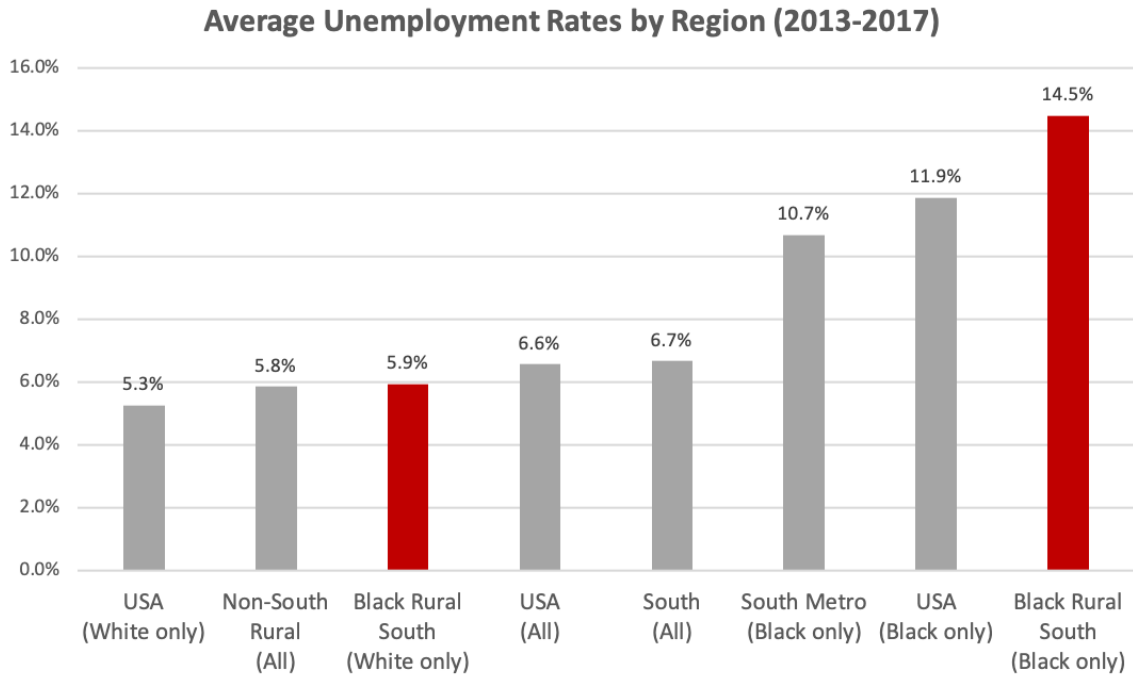
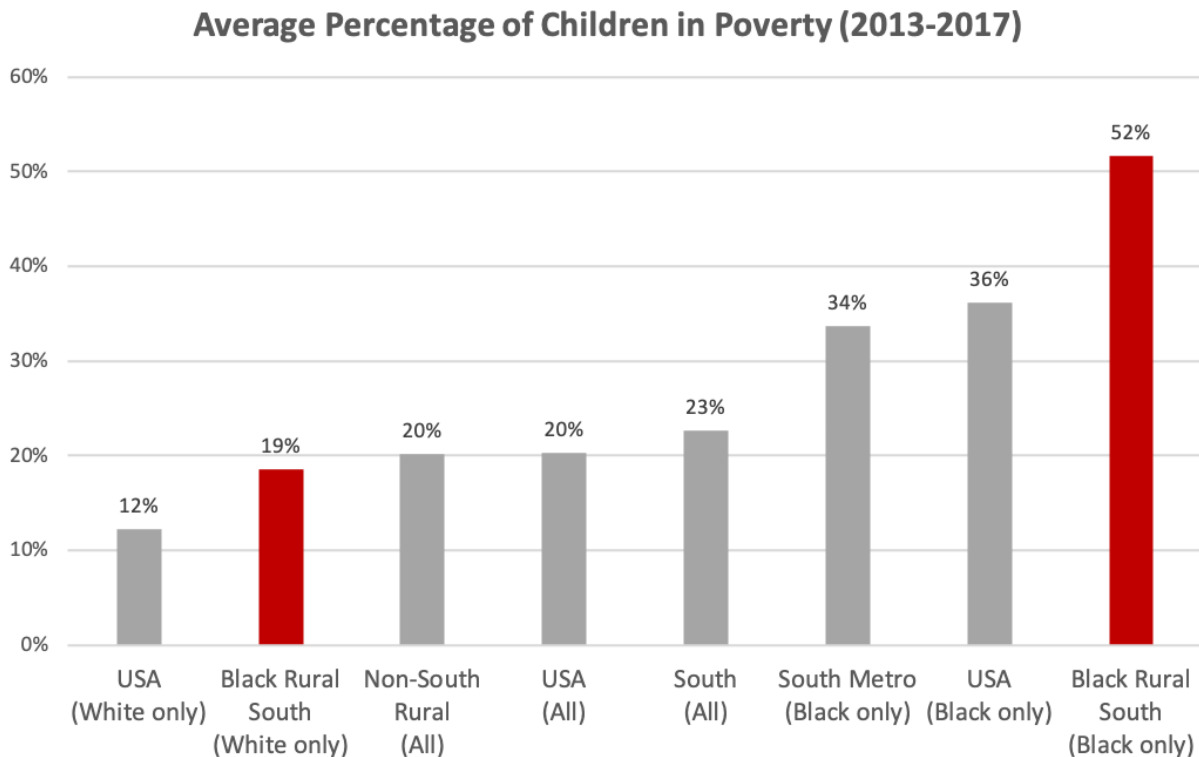


Figure 4: Average Labor Force Participation Rate over 2013-2017.



Source: 2013-2017 ACS 5-Year Estimates

Figure 5: Average Unemployment Rate over 2013-2017. Note that the white unemployment rate in the Southern metro, not included in this figure, is 5.1 percent, just slightly below the white unemployment rate across the USA.



Source: 2013-2017 ACS 5-Year Estimates

Figure 6: Percentage of Population Under 18 that is Below the Poverty Line, averaged over 2013-2017. Note that the Child Poverty Rate among whites in Southern metro counties, omitted from this graph, is 11 percent.

The Black Rural South economy has seen stunted economic growth in recent decades

The aforementioned statistics are unsurprising given the challenging economy Black Rural South residents face. Black Rural South counties saw negative employment growth in the period from 2001-2017. Meanwhile, non-south rural counties saw modest, but positive employment growth. Much of this decline in job growth in the Black Rural South can be attributed to the decline in manufacturing jobs — the region lost 100,000 or nearly 40 percent of the region’s manufacturing jobs over this period. Government, retail trade, construction, farm, wholesale trade, information, and forestry and fishing jobs also declined.

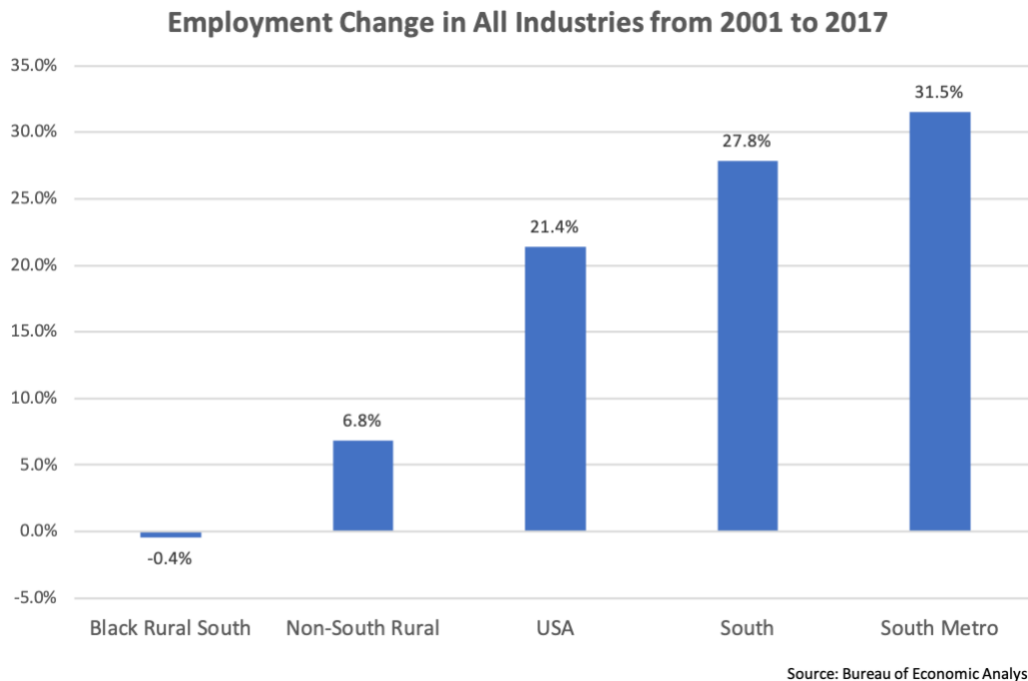


Figure 7: Percentage change in Private Non-Farm Employment between 2001 & 2017. Data is for counties in the Black Rural South, rural counties outside the South, Southern metro counties, Southern counties, and the entire U.S.

Black workers in the Black Rural South face lower education levels, which also limits their economic freedom. Over 60 percent of Black people over 25 in the Black Rural South hold only a high school diploma or less. For both Black people nationwide and rural people outside of the south, this rate is lower than 50 percent. Across the United States about 40 percent of people hold a high school diploma or less. As you know, research shows obtaining some form of education beyond high school [typically pays off](#) for workers in the form of higher incomes. Workers with lower levels of education are also more likely to be [in roles at risk of displacement by automation](#), putting their livelihoods at higher risk.

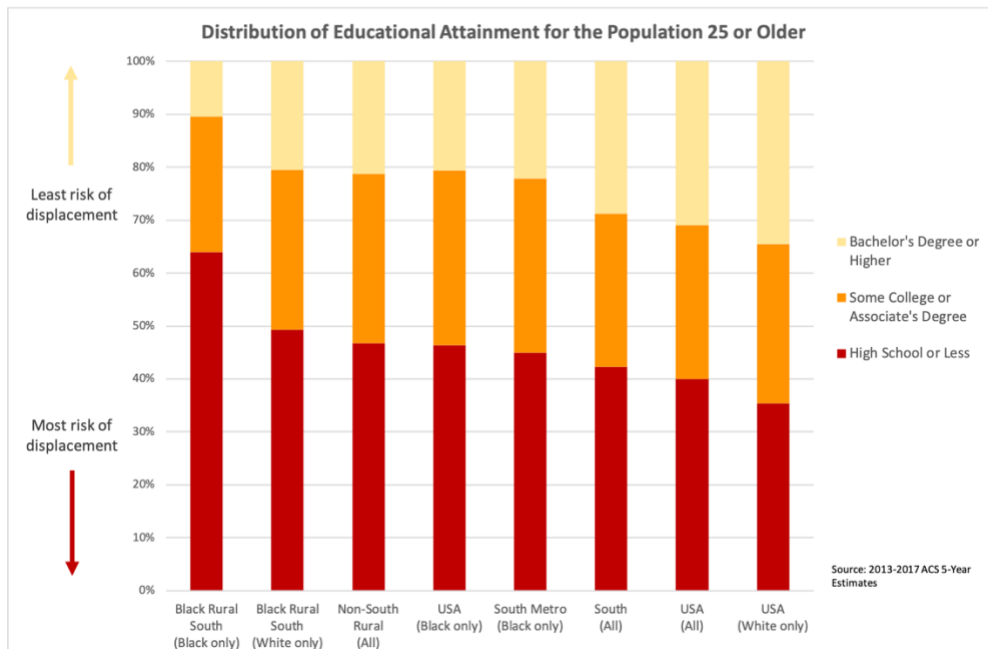


Figure 8: Education level and risk of displacement due to automation.

As the economy changes, the Black Rural South is at even greater risk.

As the economy continues to change and grow, Black Rural South residents face even more dire economic prospects. Black Rural South workers are concentrated in jobs that are at risk to automation. According to the Joint Center’s 2019 analysis, about half of all workers in the Black Rural South were concentrated in occupations with a high likelihood of automation by 2023. These industries include manufacturing, retail trade, agriculture, accommodation and food services, transportation and warehousing, and mining.

Crises, like the pandemic-related recession, are likely to speed this job displacement. Economists posit that the COVID-19 pandemic provided an opportunity for employers to find ways to [substitute machines for workers](#). Prior to the pandemic, researchers from the McKinsey Institute [suggested](#) that “Automation-related job losses are not likely to manifest as sudden mass unemployment. Some occupations are likely to shrink through attrition and gradually reduced hiring, and many of these declines would represent a continuation of past and current trends.” For excluded communities like those in the Black Rural South, these job losses could go under the radar and be particularly devastating to families across the region.

While experts expect new jobs to replace old ones, accessing them may be challenging for workers in the Black Rural South. If negative job growth trends continue, the Black Rural South may not have as many roles for workers to take on. Further, workers in the Black Rural South may need to gain new skills or access new training to get into the newly created roles.

The Black Rural South also lacks access to critical investment in the form of broadband. Thirty-eight percent of Black people in the Black Rural South report that they [lack home internet access](#). Just 23 percent of white Americans in the region report the same, and only 18 percent of all Americans nationwide report that they lack home internet access. As we saw during the COVID-19 pandemic, broadband access is critical for [education](#) and [healthcare](#). Further, broadband can

help spur job growth. As my former colleague Dr. Dominique Harrison notes in *Expanding Broadband in the Black Rural South*, “Policies that expand broadband access and adoption can help increase job growth in the Black Rural South. Various studies indicate that [access to broadband](#) increases job growth rates, and that [80 new jobs](#) are developed for every 1,000 new broadband users.”

Federal policymakers have an opportunity to change the trajectory of economic growth in the Black Rural South, and in doing so, can positively impact growth for all Americans.

To shift the trend in the Black Rural South, policymakers should focus on strengthening the economy in the Black Rural South through workforce development, job creation, strengthening the safety net, and monitoring broadband implementation. Focusing on this population is critical because, as economist Gbenga Ajilore stated in *Redefining Rural America*, “the dominant narratives about rural America frequently neglect the experiences of black, Native American, and nonwhite Latinx populations—not to mention immigrants, LGBTQ people, and disabled people.” If policymakers do not intentionally include this group in policies, they risk leaving communities behind. Further, policies to help these groups are also likely to make a significant positive impact on Americans nationwide. My recommendations for Members of Congress, including Members of this Committee are as follows:

- **Ensure that the recently passed Infrastructure Investment and Jobs Act (IIJA) create quality jobs for Black workers in the Black Rural South.** Ensuring that Black workers are able to hold these roles will require a significant effort from policymakers and private sector decisionmakers. Women and people of color are [under-represented](#) in infrastructure roles, and representations can be improved through close monitoring and investment in recommendation (2) on workforce development. Meanwhile, policymakers must ensure that Black Rural South counties are able to secure projects in their local communities.
 - The bipartisan IIJA thankfully includes [funds earmarked for rural jurisdictions](#). Also, the Biden-Harris administration’s focus on equity bodes well for the possibility of rural Black communities being able to access resources. However, policymakers, including this committee, must ensure that marginalized communities like those in Black Rural South counties are able to access these resources by holding administration officials accountable. Members of Congress can review or request reporting of distribution data, including equity reports where they have been provided. Members of Congress can also proactively engage with Black (and other marginalized) rural constituents in their districts who may need assistance accessing these resources.
- **Strengthen the workforce development system to ensure it connects Black Rural South workers to quality jobs (including those created by the IIJA).** In the near term, Congress can do this by passing the bipartisan JOBS Act of 2021 (passed by the House as part of the America COMPETES Act), which expands eligibility for Pell Grants by establishing the Job Training Federal Pell Grant Program.

- Joint Center Workforce Policy Director Dr. Alex Camardelle also recommends that Congress strengthen the [Workforce Innovation and Opportunity Act \(WIOA\)](#) to improve training outcomes for Black workers. WIOA is “designed to [strengthen and improve](#) the nation’s public workforce system.” Dr. Camardelle emphasizes the following:
 - WIOA should require reporting and disclosure of workforce performance data by race at the program level. Currently, federal law requires that states report program performance data to the Department of Labor. However, these reports only show aggregate outcomes by race and ethnicity at the national and state levels, masking what could be useful information for Black job seekers who are exploring programs and legislators who are crafting policies and public investments. WIOA funds the Workforce Opportunities for Rural Communities Initiative demo grants. Any future grants should require reporting outcomes by race to ensure that Black (and other marginalized) workers are benefitting from the funding.
 - Individuals who receive WIOA-funded training and services are not responsible for the direct costs of the training itself (i.e., tuition and fees), but they often sacrifice a great deal to participate. For instance, many training programs operate during traditional work hours, requiring participants to give up income to receive training. In a recent study, researchers found that Black respondents are [60 percent more likely](#) than others to cite the opportunity cost of lost wages as a barrier to training. WIOA should support programs that compensate participants for training. A promising, yet underutilized, approach is earn-and-learn opportunities, such as apprenticeships and work-based learning. Unfortunately, these programs remain out of reach for most Black workers. For example, just [10 percent](#) of apprenticeship enrollees are Black job seekers.
- Strengthen federal worker supports to improve earnings and labor force participation in the Black Rural South.
 - Increase the federal minimum wage. Throughout much of the Black Rural South, [the state minimum wage](#) either does not exist or match or is lower than the federal minimum wage of \$7.25 per hour. Increasing the federal minimum wage can help those workers who are able to find work to make ends meet.
 - Expand the Earned Income Tax Credit (EITC) to [increase incomes](#) through increased labor force participation and increased tax refunds. Currently, workers without children who earn very low incomes and do not have children in their homes receive only a very low (or no) EITC. These credits have been shown to boost incomes because they ensure that workers earn more for their work. The CARES Act expanded the EITC and provided the benefit to childless workers under 25 and over 65 (who were previously barred from accessing the credit). This bipartisan tax policy also fixes a flaw which leaves many people taxed into poverty after paying their taxes.
 - Extend, expand, and subsidize unemployment insurance benefits and other supports for those seeking work. Unemployment rates in Black Rural South counties are higher than in other counties. Simultaneously, workers in Black Rural South states have [relatively low levels](#) of unemployment insurance reciprocity and lower income replacement rates.

- Monitor progress on broadband deployment in Black Rural South counties to ensure that all communities can access supports. IJA provides \$42.5 billion for the National Telecommunications and Information Administration (NTIA) to establish and launch the Broadband Equity, Access and Development (BEAD) Program. The purpose of the BEAD program is “to bridge the digital divide” by allocating resources to states to build out broadband access, infrastructure, and digital equity/inclusion in unserved and underserved areas like many in the Black Rural South. In [recent comments](#) to the Federal Communications Commission (FCC), Joint Center President Spencer Overton outlines ways that Black Rural South communities may be excluded, either intentionally or unintentionally, from the buildout of quality broadband. Members of Congress should diligently work with constituents in their districts, the NTIA, and other stakeholders to ensure that Black Rural South communities are able to access affordable broadband, and that America does not continue to leave these communities behind as our economy grows and shifts.