

Rural and urban communities need different policies to boost economic mobility

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The farther away from a city a person is raised, the more likely they are to climb the economic ladder, according to economists, who also found that community characteristics associated with upward mobility actually

have different effects in rural and urban locations.

The researchers looked at intergenerational economic mobility in low-income children at the U.S. county level, which also allowed them to examine the effects of distance from metropolitan counties—those having populations of 50,000 or more. They found that being far removed from an [urban](#) area is beneficial to low-income children's [upward mobility](#), all other things being equal.

"That's a significant finding, because it suggests that policy aimed at improving mobility shouldn't simply consider rural and urban effects, but should account for how far a county is from an urban area," said Stephan Goetz, professor of agricultural and regional economics, Penn State, and director of the Northeast Regional Center for Rural Development.

The researchers also looked at five factors strongly associated with upward mobility. Three of these factors have a strong negative correlation: a greater share of single-mother households, a higher high-school dropout rate, and greater income inequality are linked to lower rates of economic mobility.

The other two factors have a strong positive correlation: a greater share of jobs with [commute times](#) of 15 minutes or less, and a greater amount of social capital, are associated with enhanced economic mobility in a community.

"We wanted to understand whether these five factors play out differently in urban and rural places," said Bruce Weber, professor emeritus of applied economics at Oregon State University and lead author of the study, which was published in a recent issue of *Regional Science, Policy and Practice*. "For example, would the same proportion of jobs with short commute times have the same effect on income mobility in a rural

county as it would in an urban county?"

In fact, according to the analysis, the effect is quite different. The researchers found that the beneficial effect of short commute times was amplified in non-metro (rural) counties, where the effect was three times stronger than in metro (urban) counties.

Similarly, metro counties are significantly more sensitive than non-metro counties to the negative consequences of a higher dropout rate.

"School quality matters in different ways depending on where you are," Weber said. "It suggests that improving schools may be more important to income mobility in metro counties than in non-metro counties."

On the other hand, the researchers found that there are different factors at work in the metro counties, such as better public services, including child care and transportation, that are helping to buffer the negative effects of single-mother households and income inequality.

"We found that two counties can have the same share of single-parent households, but single-parenthood will be less likely to suppress upward mobility in the metro county than in the non-metro county," said Goetz. "The same holds true for inequality. Its negative effects are half as large in metro counties as in non-metro counties."

The researchers found only one factor—social capital—has similar effects in both metro and non-[metro](#) counties. Social capital measures a community's social networks and bonds that allow for feelings of belonging, trust and reciprocity among its residents, according to Goetz, who was a member of the team that developed the standard measure of social capital for use in economic analyses.

Goetz said the main takeaway of the study is that there's no one-size-fits-

all policy when it comes to improving [economic mobility](#).

"There are different factors at work in [rural](#) and urban places," said Goetz. "If we want to enhance the upward income mobility of low-income youth, we need place-based policies that specifically address these differences."

For example, investing in public transportation in order to relieve highway congestion could shorten commute times, leaving more time for people to spend with their children or invest in their communities, Goetz said.

More information: Bruce Weber et al. Intergenerational mobility of low-income youth in metropolitan and non-metropolitan America: A spatial analysis, *Regional Science Policy & Practice* (2018). [DOI: 10.1111/rsp3.12122](#)

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