

POVERTY & THE ECONOMY

A Profile of Athens-Clarke County

January 2006

Facts about Poverty and Other Socio-Economic Data in Athens-Clarke County¹

POVERTY:

- Athens-Clarke County is one of Georgia's 91 persistently poor counties, as determined in the 2002 publication of the *Study on Persistent Poverty in the South*².
- In Clarke County, the poverty rate is **26.3 percent**, which equates to over 26,000 Clarke County residents living in poverty, and nearly 11,000 households. That is the 8th highest rate in the State of Georgia (out of 159 counties), and more than double the state's rate of 13.0 percent.
- A more realistic indicator of the poverty that exists in Athens-Clarke County is 150 percent of the federal poverty threshold. At the 150 percent poverty rate, **39.3 percent** of Clarke County residents are poor—equating to over 36,000 individuals. That is nearly double the state's 150 percent poverty rate of 21.6 percent.
- At the lower end of poverty (50 percent of the federal poverty threshold), **16.8 percent** of Athens-Clarke County residents live below half the poverty rate, compared to only 6.1 percent for the state's population. This measure ranks Clarke County the highest in Georgia. In real terms, Clarke County's 50 percent poverty rate translates into nearly 16,000 individuals living below half the poverty rate. Consequently, Athens-Clarke County's 50 percent poverty rate of 16.8 percent is higher than the State of Georgia's 100 percent poverty rate of 13.0 percent.
- It is reasonable to suggest that students account for some of the poverty population in Athens-Clarke County. However, even when the student population is accounted for, the poverty rate for the county remains **23.5 percent**, which is 81 percent higher than the state rate.
- Students do not account for the high child poverty in Athens-Clarke County either. Children are disproportionately affected by poverty in Athens-Clarke County as **25.2 percent** of the population under 18 years old lives in poverty, compared to 16.7 percent for the state as a whole. That equates to nearly 5,000 poor children in the community.
- Contrary to the myth that poor people do not work, **65 percent** of all families that live in poverty are working in Athens-Clarke County. That is 12.1 percent greater than the State of Georgia's average of 58 percent.

INCOME, WAGES, & OCCUPATIONS:

- The underlying issue with income and wages in Athens-Clarke County deals with the influences of the student population. Specifically, the student population skews income and wages downward. Common sense suggests that it is the case in the Athens-Clarke County labor market that students are in low-wage service and retail jobs that might otherwise be filled by permanent county residents. Thus, the student population influence not only drives down wages but also drives up poverty rates.
- Consequently, per capita income for Athens-Clarke County is **\$17,123**, which is more than \$4,000 less than Georgia's average of \$21,154. If the gap in per capita income between ACC and the state were closed, the result is an additional **\$474 million** to the local economy.
- More telling is the income deficit of those living in poverty in Athens-Clarke County. If we could somehow eliminate the income deficit of those in poverty in Athens-Clarke County (e.g., simply bring everyone's income up to the federal poverty threshold), families would realize an additional income of **\$21 million**, or about **\$7,115 per family**.
- Median household income for Athens-Clarke County is **\$28,403**, which is only 68 percent of the national median (\$41,994), 67 percent of the state median (\$42,433), and 75 percent, 82 percent, and 86 percent of the medians for Savannah (\$37,752) Columbus (\$34,798), and Augusta (\$33,086), respectively.
- At the lower end of household income, the proportion of households with incomes less than \$20,000 for Athens-Clarke County is **37.7 percent**, which is 72 percent greater than the proportion for the State of Georgia at only 21.9 percent. Conversely, the proportion of those households with incomes on the upper end (\$75,000 or more) is far less for Athens-Clarke County than it is for the state. Specifically, the proportion of households with incomes greater than \$75,000 in Athens-Clarke is **13.6 percent**, which is 63 percent less than the state's proportion.
- Wage data for ACC reveal that average weekly wages are **\$572**, which is \$104 less than the State of Georgia's average of \$676. Projecting lost income from that sub-par weekly wage rate indicates that an additional **\$6 million** could be added to the local economy each week if ACC's rate were that of the state's.
- The median hourly wage rate for the Athens-Clarke County MSA³ is **\$11.75**, with the mean hourly wage rate at **\$14.63**, suggesting that the distribution of wages is skewed in the direction of the lower end of wages. Not surprisingly, the lowest mean hourly wage rate was that of food preparation and serving related occupations at \$7.99/hour—well below the mean for the area as a whole (\$14.63).
- According to the Georgia Department of Labor, the Athens MSA average unemployment rate for 2004 was **3.4 percent** (91,943 employed ÷ 95,181 labor force). That rate bests the state and national averages for the same time period (4.6 percent and 5.5 percent, respectively).
- "Service-producing" occupations comprise **54.2 percent** of all occupations in the Athens MSA for 2003, with retail trade, healthcare and social services, and accommodation and food services comprising the bulk of "service-producing" jobs. Manufacturing occupations comprise 12.5 percent of all occupations in ACC, with "food manufacturing" occupations (e.g. chicken processing plant jobs) comprising the largest percentage of those manufacturing occupations.
- Conclusively, this low unemployment rate, coupled with median wages nearly \$3.00 less than mean wages and an over-reliance on service-producing occupations, suggests that the Athens economy is not without

jobs, but that the types of jobs ACC has to offer do not pay wages high enough to sustain self-sufficient families.

EDUCATION⁴:

- Athens-Clarke County lags behind the State of Georgia as a whole on a variety of educational factors. The following shows how ACC compares to Georgia in graduation rates, dropout rates, absenteeism, 8th grade CRCT scores, 11th grade high school graduation test scores, SAT scores, and ACT scores.

	<u>ACC</u>	<u>Georgia</u>
Graduation Rate	60.5%	69.4%
Dropout Rate (9 th -12 th grade)	8.1%	5.0%
Absent from School more than 15 days	14.9%	10.6%
8 th grade CRCT scores (meets or exceeds state standards)		
Reading	61.0%	83.0%
English	66.0%	80.0%
Mathematics	54.0%	69.0%
Social Studies	74.0%	85.0%
Science	60.0%	74.0%
11 th grade high school graduation test scores (meets or exceeds state standards)		
English	91.0%	95.0%
Mathematics	89.0%	92.0%
Social Studies	78.0%	84.0%
Science	64.0%	68.0%
SAT scores (average)	989	989 ⁵
ACT scores (average)	19.1	20.0 ⁶

- Those lagging K-12 statistics translate into an adult population with low educational attainment levels. For example, **19.0 percent** of Clarke County's adult population (25 years and over) has not completed high school. That equates to nearly 10,000 county residents over the age of 25 without high school diplomas. If those 10,000 residents somehow could obtain a high school diploma, an estimated **\$70 million** could be added to the local economy in the form of personal income. If that same adult population were to obtain a college degree, approximately **\$288 million** could be added to the local economy.
- Not all the news is bad for Athens-Clarke County. The percentage of graduates eligible for the HOPE Scholarship is higher for Athens-Clarke County (**64.3 percent**) than it is for the State of Georgia (62.0 percent).

HOUSING STOCK:

- There are 42,106 total housing units in Athens-Clarke County, 39,709 (94.3 percent) of which are occupied. Of those 39,709 occupied housing units, not surprisingly only **42 percent** are owner-occupied while the remaining **58 percent** are renter-occupied. When compared to the other 158 counties in the rest of the State of Georgia, with the exception of one county (Chattahoochee), Athens-Clarke County has the lowest percentage of owner-occupied housing units, and conversely, the highest percentage of renter-occupied housing units as a percentage of total housing units.

- The median home value in Athens-Clarke County is **\$111,300**. Using the 30 percent rule⁷, annual income of \$33,390 is required to afford a home of this value, which equates to an hourly wage of about \$16.05/hour working 40 hours/week. Consequently, approximately **21,000** households in Athens-Clarke County do not have incomes that would support monthly homeowner costs for a home of this value.
- Even for an **\$80,000** home in Athens-Clarke County, where an individual would have to make an annual income of \$24,000 to afford a monthly homeowner costs without paying more than 30 percent, approximately **17,250** households could not afford to this home.
- On the rental side in Athens-Clarke County, the average monthly rental costs for renter-occupied housing units are **\$540**. If we use the same 30 percent rule for renters, there are nearly **13,000** renter households in Athens-Clarke County that pay more than 30 percent of income on rent. That is 56 percent of total renter households, and 32 percent of all households.
- Athens-Clarke County's housing stock ranks it as one of the Economic Research Service "**housing stress**" counties.⁸

ENDNOTES:

¹ All data are taken from U.S. Census Bureau, unless otherwise noted.

² The *Study on Persistent Poverty in the South* defines a county as a "persistent poverty" county if the following criteria are met: it has experienced poverty rates in the nation's top two quartiles during 2000 and during 1980 and/or 1990; it is not part of the service area for the Appalachian Regional Commission or Delta Regional Authority; it is not a metropolitan county (100,000+ pop.); and it is contiguous to other persistent poverty counties most typical of the historic Black Belt.

³ The Athens-Clarke County includes Clarke, Madison, Oconee, and Oglethorpe counties. These wage data come from the May 2004 Metropolitan Area Occupational Employment and Wage Estimates of the U.S. Bureau of Labor Statistics.

⁴ Graduation/dropout rate data and test score data were obtained from the Governor's Office of Student Achievement 2004-2005 Annual Report Card. Educational attainment data are for the population 25 years and over. Thus, the impact from UGA's student population on educational attainment statistics is minimal.

⁵ The national average SAT score is 1020.

⁶ The national average ACT score is 20.9.

⁷ Housing is considered affordable when mortgage/rent payments do not exceed 30% of gross household income.

⁸ The Economic Research Service of the U.S. Department of Agriculture classifies counties as "housing stress" counties if 30 percent or more of the county's housing units meets one or more of the following criteria: lacked complete plumbing, lacked complete kitchens, paid 30 percent or more for owner costs or rent, or had more than one person per room.

For additional information pertaining to these data, please contact Matt Bishop with the University of Georgia's Initiative on Poverty and the Economy at mlbishop@uga.edu, or 706-542-6201.