

# Rural Development Center Newsletter-October 1999

## University of Maryland Eastern Shore

### MARYLAND RESIDENTS RELUCTANT TO GIVE?:

Maryland residents are more willing to give to charity when they know where their money is going or are asked to donate by someone they know, according to a study by the state and nonprofit groups.

The survey of 1,048 households was sponsored by Maryland Gives!, a task force of state government and nonprofit officials, in an effort to determine why charitable donations by Maryland residents lag behind national rates.

Although Maryland is the fifth wealthiest state in the nation, it ranks at the bottom in several categories of giving among those who make \$100,000 or more. The state is \$200 behind the national average charitable tax deduction for 1997, the most recent figures available from the Internal Revenue Service.

The phone surveys found that Maryland residents are not swayed by television ads or solicitors that call them at home looking for donations. Respondents said they are more likely to give if they have a personal connection to the cause or know the person asking for donations.

A professor at the University of Baltimore While the use of the personal computer and the Internet have soared in the past few years, there remains a significant digital divide separating American information "have's" and "have nots." In many cases, this divide has actually widened in the past year. The US Department of Commerce National Telecommunications and Information Administration's (NTIA) new report, **Falling Through the Net: Defining**

conducted the survey at the university's Schaefer Center for Public Policy. The survey shows that charities should try to personalize their approach to potential donors rather than institutionalize their efforts.

Among the survey's findings:

- Nearly all the respondents reported giving some money to charity in the past two years, but 70 percent said they gave less than \$1,500 a year.
- Of the 189 people surveyed who made \$100,000 or more a year, 46 percent donated less than \$1,500 a year.
- Donors were more likely to give to social welfare causes, religious organizations, police and fire groups and nonprofits that work to cure disease.

The survey included anonymous quotations from residents who participated in focus groups on giving over the past year, many reacting to those who say people don't give enough.

The **Maryland Gives!** task force plans to use the information to develop a charity awareness campaign over the next year.

### DEFINING THE DIGITAL DIVIDE:

**the Digital Divide**, the third in the **Falling Net** series, relies on December 1998 Census Bureau data to provide an updated snapshot of the digital divide.

**Defining the Digital Divide** reports a soaring access to computers and the Internet, despite a persistent digital divide between the information rich (Whites, Asians/Pacific Islanders, those with higher incomes, those

## Rural Development Center Newsletter-October 1999

### University of Maryland Eastern Shore

who are more educated and dual parent households) and the information poor (younger, those with lower incomes and education levels, certain minorities and those in rural areas or central cities.)

*Regardless of income level, Americans living in rural areas are lagging behind in Internet access.*

At the lowest income levels, those in urban areas are more than twice as likely to have Internet access than those earning the same income in rural areas.

For a copy, contact NTIA's Office of Public Affairs at (202)482-7002 or find it on NTIA's website at [www.ntia.doc.gov](http://www.ntia.doc.gov).

#### **HOUSEHOLD INCOME AT RECORD HIGH; POVERTY DECLINES IN 1998:**

A fourth straight year of growth in real median household income made 1998 the year with the highest income levels ever recorded, as poverty dropped significantly and the children's poverty rate was lower than 20 percent for the first time since 1980, according to reports released by the Census Bureau.

All types of households saw significant gains in real median household income between 1997 and 1998 and, for the first time since 1975, all four regions of the country experienced significant increases. Also, 1998 was the first year that real median household income surpassed its 1989 pre-recession peak.

As income rose, the proportion of the population living below the poverty level dropped to 12.7 percent (34.5 million people) in 1998, down from 13.3 percent

(35.6 million people) in 1997.

The number of poor children and their poverty rate decreased as well, from 14.1 million, or 19.9 percent, in 1997 to 13.5 million, or 18.9 percent, in 1998. This was the first time the poverty rate for children has been statistically below 20 percent since 1980.

The South's poverty rate declined to a new record low of 13.7 percent, down from 14.6 percent in 1997.

Nationwide, the number of poor non-Hispanic Whites (15.8 million) and poor Hispanics (8.1 million) did not change significantly, but the poverty rate for both groups experienced a significant decrease. For non-Hispanic Whites, the rate dropped from 8.6 percent to 8.2 percent. For Hispanics, 25.6 percent were poor in 1998, down from 27.1 percent in 1997.

Although the 1998 poverty rate for African Americans -- 26.1 percent, or 9.1 million people -- remained statistically unchanged from 1997, it continued to represent the lowest rate since 1959, the earliest year for which poverty statistics are available.

The poverty rate for Asians and Pacific Islanders -- 12.5 percent, or 1.4 million people -- also did not change from the previous year.

The average poverty threshold for a family of four in 1998 was \$16,660 in annual income; it was \$13,003 for a family of three.

On the income front, between 1997 and 1998, the median income level for the nation's households rose 3.5 percent in real

# Rural Development Center Newsletter-October 1999

## University of Maryland Eastern Shore

terms, from \$37,581 to a new high of \$38,885. The previous high -- in 1998 dollars -- was \$37,884 in 1989 (not statistically different from the 1997 median income of households).

Among the racial groups, non-Hispanic White households were the only group to experience statistically significant growth in real median household income between 1997 and 1998, increasing 3.0 percent, from \$41,209 to \$42,439.

As a result, the median income of non-Hispanic White households is the highest recorded since 1972, the first year data by Hispanic or non-Hispanic origin were collected.

Hispanic households experienced their third consecutive year of rising income -- going from \$27,043 to \$28,330 between 1997 and 1998, a 4.8 percent increase. (The difference between the 1997-98 percentage increase in the median incomes of non-Hispanic White households and Hispanic households was not statistically significant.)

The reports, **Money Income in the United States: 1998** and **Poverty in the United States: 1998**, include data for states. These reports are available on the Internet, for income and for poverty.

Other highlights:

❑ Despite the drop in child poverty, children under age 6 remained particularly vulnerable; those living in families with a female householder and no husband present experienced a poverty rate of 54.8 percent, more than five times the rate for children under 6 in married-couple families (10.1

### Poverty

❑ Based on comparisons of two-year moving averages (1996-97 and 1997-98), New Mexico and Virginia had significant drops in their poverty rates while North Dakota showed an increase; the other states had no significant change.

❑ Using three-year averages (1996-98), poverty rates ranged from 8.4 percent in New Hampshire to 22.7 percent in Washington, D.C. Although numerically the lowest, the rate for New Hampshire was not statistically different from 19 other states and the rate for Washington, D.C., was not statistically different from the rate for New Mexico.

❑ While the South achieved an all-time low, none of the other regions (Northeast, Midwest and West) experienced significant declines in their poverty rates in 1998.

❑ The poverty rate for metropolitan areas was 12.3 percent in 1998, but those living inside central cities had a poverty rate (18.5 percent) more than twice that of those living in the suburbs (8.7 percent).

❑ Families of Hispanic origin had a significant decline in their poverty 22.7 percent were poor in 1998, down from 24.7 percent in 1997. There was no change statistically in the number of Hispanic families who were poor. For the racial groups, neither the poverty rate nor the number of poor families changed significantly.

percent).

### Income

❑ Based on comparisons of two-year moving averages (1996-97 and 1997-98), real median household income increased for

## Rural Development Center Newsletter-October 1999

### University of Maryland Eastern Shore

16 states. Six of these states (Arizona, Colorado, New Mexico, Utah, Washington and Wyoming) were in the West; four (Alabama, Florida, Georgia and Oklahoma) were in the South; another four (Indiana, Minnesota, Missouri and Ohio) were in the Midwest; and two (Pennsylvania and Vermont) were in the Northeast. The only state to show a decline in real median household income was Alaska.

❑ Using a three-year average (1996-98), median household income was highest in Alaska (\$51,421), though not statistically different from New Jersey.

❑ 1998 were 4.4 percent in the Midwest, 3.0 percent in the West, 2.8 percent in the Northeast and 2.6 percent in the South. (The differences were not statistically significant.) While the Midwest and the South surpassed pre-recessionary 1989 levels, the West stayed close to its 1989 level and the Northeast still lagged 5.0 percent behind its 1989 level.

❑ Households outside of metropolitan areas experienced a 4.9 percent increase in real median income between 1997 and 1998, from \$30,525 to \$32,022. For households inside metropolitan areas, the growth was 2.5 percent from \$39,994 to \$40,983. (The difference between the percentage changes in median household income for households

❑ The real median earnings of men and women who worked full time and year-round increased between 1997 and 1998 by 3.4 percent and 2.0 percent, respectively. (The difference between the percentage increases in the earnings of men and women was not statistically significant.) It was the second straight year of increases for men and third straight year of increases for women. The female-to-male earnings ratio in 1998 was 0.73, not statistically different from its all-time high of 0.74 in 1996.

located outside metropolitan areas and inside metropolitan areas was not statistically significant.)

❑ Even though median household income rose in real terms for all types of households between 1997 and 1998, the percentage increase for nonfamily households (6.3 percent, from \$22,043 to \$23,441) was twice as high as the increase for family households (3.1 percent, from \$46,053 to \$47,469). Although family households surpassed their pre-recessionary 1989 level in 1997, 1998 was the first year that nonfamily households did so.

❑ Per capita income reached a new high by increasing 3.0 percent in real terms between 1997 and 1998, from \$19,541 to \$20,120. For non-Hispanic Whites, the growth was 3.2 percent, to \$22,952, and for African Americans, the increase was 3.3 percent, to \$12,957. The per capita income of Asians and Pacific Islanders (\$18,709) did not change significantly between 1997 and 1998. Hispanics experienced a 4.5 percent increase, from \$10,941 to \$11,434. (The differences in the percentage increases in per capita income between 1997 and 1998 for non-Hispanic Whites, African Americans, Asians and Pacific Islanders and Hispanics were not statistically significant.)

The data are from the March 1999 Current Population Survey.

#### **STATE & COUNTY RACIAL AND ETHNIC POPULATION CHANGES:**

The Census Bureau released annual estimates, from 1990 to 1998, of the population by race, Hispanic origin, age and sex for the nation's 50 states, the District of Columbia and 3,142 counties.

*These estimates show that the number of*

## **Rural Development Center Newsletter-October 1999**

### **University of Maryland Eastern Shore**

*Hispanics, and the number of Asians and other racial groups living in the United States has increased substantially during the 1990s. However, Census 2000 will provide more precise information on the demographics of America. This is a good interim snapshot to document the increasing diversity of the country.*

The following are highlights from the estimates available on the Internet:

#### **Hispanic Population (be of any race)--**

Nationwide, the Hispanic population increased from 22.4 million in 1990 to 30.3 million in 1998, a gain of 35.2 percent or 7.9 million people. At 10.1 million, California's Hispanic population was the largest of any state in 1998. Since the 1990 Census, California's Hispanic population increased by 2.4 million, the largest numerical gain of any state. The other big gainers in Hispanic population over this period were: Texas (1.5 million), Florida (669,000), New York (411,000), and Arizona (345,000).

New Mexico led all states with the highest concentration of Hispanics (40.3 percent) in its overall population.

#### **Asian and Pacific Islander Population--**

Nationwide, the Asian and Pacific Islander population increased from 7.5 million in 1990 to 10.5 million in 1998, a gain of 40.8 percent or 3.0 million people. California had both the largest population and the largest numerical increase in the Asian and Pacific Islander population of any state. The increase in this population in California between 1990 and 1998 (990,000) was

larger than the total Asian and Pacific Islander population of any other state in 1990. The other big gainers in Asian and Pacific Islander population over this period were: New York (285,000); Texas (225,000); New Jersey (176,000); and Florida (115,000). Hawaii had the highest concentration (63.4 percent) of Asians and Pacific Islanders in its population in 1998.

#### **African American Population--**

Nationwide, the African American population increased from 30.5 million in 1990 to 34.4 million in 1998, a gain of 12.8 percent or 3.9 million people. The state with the largest African American population in 1998 was New York, with 3.2 million. Between 1990 and 1998, Florida registered the largest numerical increase (495,000) in this population, followed by Georgia (430,000), Texas (382,000), **Maryland (232,000)** and North Carolina (204,000). In 1998, 62.3 percent of the District of Columbia's total population was African American -- the largest percent among state equivalent.

#### **American Indian, Eskimo and Aleut Population--**

Nationwide, the American Indian, Eskimo and Aleut population increased from 2.1 million in 1990 to 2.4 million in 1998, a gain of 14.3 percent or 295,000 people. California's 1998 American Indian population of 309,000 was the largest of any state. The largest numerical increase among states for the American Indian, Eskimo and Aleut population over the 1990-1998 period occurred in Arizona (42,000). Rounding out the top five gainers in this category were New Mexico (25,000), Texas

Daniel Kuennen, Director

Rural Development Center • Richard A. Henson Center • Room 2147, UMES  
Princess Anne, MD 21853 • 410/651-6183 • 410/651-6207 fax

e-mail: [dskuennen@mail.umes.edu](mailto:dskuennen@mail.umes.edu)

<http://skipjack.net> • <http://chesapeakebiz.org>

# Rural Development Center Newsletter-October 1999

## University of Maryland Eastern Shore

(23,000), California (23,000) and Florida (21,000). In 1998, 16.2 percent of Alaska's population was American Indian, Eskimo and Aleut, the highest percentage among all states.

### Other Information--

The data for states and counties include estimates by single year of age (to age 85 and over), race (White, Black, American Indian, Eskimo and Aleut, and Asian and Pacific Islander), Hispanic origin and sex. Additional tables provide rankings by race and Hispanic origin for states and counties in 1998.

Internet **state** data are available at:

☎<http://www.census.gov/population/www/estimates/statepop.html>

- ☐ 1990 to 1998 Annual Time Series of State Population Estimates by Race and Hispanic Origin
- ☐ 1990 to 1998 Annual Time Series of State Population Estimates by Age, Sex, Race and Hispanic Origin
- ☐ 1998 State Population Estimates Ranked by Race and Hispanic Origin Population

Internet **county** data are available at:

☎<http://www.census.gov/population/www/estimates/countypop.html>

A modestly priced house was defined as one that is less expensive than 75 percent of all owner-occupied houses in the area of residence.

If renters received a down-payment subsidy of \$5,000, about 2 in 10, or 8.9 million renters would have been able to afford a modestly priced house.

- ☐ 1990 to 1998 Annual Time Series of County Population Estimates by Age and Sex
- ☐ 1990 to 1998 Annual Time Series of County Population Estimates by Race and Hispanic Origin
- ☐ 1990 to 1998 Annual Time Series of County Population Estimates by Age, Sex, Race and Hispanic Origin
- ☐ 1990 to 1998 Annual Time Series of County Population Estimates by Selected Age Groups
- ☐ 1998 County Population Estimates Ranked by Race and Hispanic Origin Population

The estimates presented in these products are based on a method that is still in a developmental stage and should be used with caution since individual data cells may not be accurate in every case.

### DOWN PAYMENT & CLOSING COST HELP CONVERTS RENTERS TO OWNERS:

Helping renters with down payments and closing costs would have substantially increased the proportion in 1995 who would have been able to afford a modestly priced house in the area where they lived while about 1 in 10 would have qualified for a mortgage with no help at all, according to a new report released from the Census Bureau.

A \$10,000 subsidy would have increased the proportion of renters who would qualify for a mortgage to 3 in 10, or 13.4 million renters.

Surprisingly, decreasing the mortgage interest rates and reducing the required down payment would have less effect on

## Rural Development Center Newsletter-October 1999

### University of Maryland Eastern Shore

affordability than down-payment assistance said the author of the report, **Who Could Afford to Buy a House in 1995?**

Reducing interest rates by 3 percentage points would have increased the proportion of renters who would have qualified for a mortgage from about 10 percent to about 11 percent. Requiring no down payment would have increased the proportion of qualified renters to about 13 percent. This option would lower the amount of cash required for the down payment and closing costs, but would increase the amount of income necessary because of higher monthly mortgage payments.

Other highlights from the report include:

☎ <http://www.census.gov/hhes/www/hsgaffr.html>

❑ The percentage of all families (both owners and renters) financially able to buy a modestly priced house was slightly lower in 1995 (56 percent) than in 1993 (58 percent).

❑ Three primary reasons explain why families and individuals cannot afford to purchase a house: excessive debt, not enough cash for a down payment and monthly mortgage payments too high for the family to afford on its current income.

❑ Affordability for families and individuals Revenue for firms (taxable and tax-exempt, employer and non-employer) providing health services totaled \$881 billion in 1998, up 6 percent from \$835 billion in 1997, according to tabulations of the nation's health services sector released today by the Census Bureau.

Employers are businesses with paid employees. Non-employers are businesses

was greatest in the Midwest (55 percent), followed by the Northeast (50 percent), the South (48 percent) and the West (39 percent).

❑ Two-thirds of married couples, 36 percent of male-householder families and 22 percent of female-householder families, could afford a modestly priced house in 1995.

### CENSUS BUREAU UPDATES ZIP CODE AREA BUSINESS DATA:

The Census Bureau released a new CD-ROM product with 1996 business data for more than 39,000 ZIP code areas nationwide.

The 1996 ZIP Business Patterns disc, the third annual edition of this product, shows total number of establishments, employment and payroll. The establishments are broken down by Standard Industrial Classification code and nine employment-size categories (the largest being 1,000 or more employees).

The disc comes with Windows software that enables users to view, print or extract the data sets they want. Orders for the disc, which sells for \$50, should be directed to the Census Bureau's Customer Services Branch at 301-457-4100.

### REVENUE FOR HEALTH SERVICES INDUSTRY UP 6 PERCENT:

with no paid employees.

The tabulations also showed that receipts (taxable, employer and non-employer) for offices and clinics of medical doctors were up 5 percent in 1998 at \$189 billion; dental care receipts were up 6 percent at \$54 billion; and optometrist's receipts were up 8 percent at \$7 billion.

Daniel Kuennen, Director

Rural Development Center • Richard A. Henson Center • Room 2147, UMES  
Princess Anne, MD 21853 • 410/651-6183 • 410/651-6207 fax

e-mail: [dskuennen@mail.umes.edu](mailto:dskuennen@mail.umes.edu)

<http://skipjack.net> • <http://chesapeakebiz.org>

# **Rural Development Center Newsletter-October 1999**

## **University of Maryland Eastern Shore**

### **Economic Development Administration**

The health services sector also includes receipts for other practitioners, nursing and personal-care facilities, hospitals and other health-care services.

The health services tabulations are the first data to be released from the 1998 Service Annual Survey. The full report will be released at a later date.

Other findings from the tabulations include sources of receipts for selected industries:

- Medicare payments to medical doctors' offices and clinics in 1998 were \$40 billion, nearly a quarter of total employer receipts.
- Medicaid payments to medical doctors were \$12 billion, accounting for 7 percent of total employer receipts.
- Private insurance payments to medical doctors were \$88 billion, or 50 percent of total employer receipts.

Sources of receipts data for other taxable firms such as dentists, other health practitioners and nursing-care facilities also are included. The estimates from the 1998 Service Annual Survey.

Daniel S. Kuennen  
Director  
E-mail: [dkuennen@umes-bird.umd.edu](mailto:dkuennen@umes-bird.umd.edu)

☎Internet Addresses:  
Economic Development Administration and  
RB-CS, US Department of Agriculture  
Sponsored Pages for RD Center and  
Development Projects at:  
**<http://skipjack.net>**  
**<http://chesapeakebiz.org>**

### **A University Center**

Daniel Kuennen, Director  
Rural Development Center • Richard A. Henson Center • Room 2147, UMES  
Princess Anne, MD 21853 • 410/651-6183 • 410/651-6207 fax  
e-mail: [dskuennen@mail.umes.edu](mailto:dskuennen@mail.umes.edu)  
<http://skipjack.net> • <http://chesapeakebiz.org>