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Minority Poverty

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RESEARCH COLLIQUOUM 2024

PITTSBURGH STATE UNIVERSITY



INTRODUCTION

- The purpose of this study is to investigate the dynamics of poverty within communities, with a specific focus and understanding of how different variables can affect communities that experience poverty.

PURPOSE AND CONTRIBUTION OF THE STUDY

- Provides insights into the complicated nature of poverty and its implications for individuals, families, and society at large.
- Tax dollars

LITERATURE REVIEW

- **Low Education Levels:**
 - Psacharopoulos, George. "The Impact of Education on Poverty." International Encyclopedia of Education, Third Edition, 2010.
- **Unemployment and Underemployment:**
 - Jenkins, Stephen. "The Effects of Unemployment on Poverty." Oxford Research Encyclopedia of Economics and Finance, 2018.
- **Low Wages and Income Inequality:**
 - Cornia, Giovanni Andrea, and Julius Court. "Income Inequality and Poverty." WIDER Working Paper Series, 2001.
- **Health Issues and Healthcare Access:**
 - Sarwer, David B., and Thomas A. Wadden. "The Relationship Between Health and Poverty." Encyclopedia of Poverty and Inequality, 2009.
- **Discrimination and Structural Racism:**
 - Wilson, William Julius. "Racial Discrimination and Poverty." Annals of the American Academy of Political and Social Science, 2011.
- **Family Structure and Household Composition:**
 - McLanahan, Sara, and Audrey N. Beck. "Family Structure and Poverty." Future of Children, 2010.
- **Geographical Location:**
 - Lichter, Daniel T., and David L. Brown. "Rural Poverty in the United States." Annual Review of Sociology, 2011.
- **Lack of Affordable Housing:**
 - Stone, Michael E. "Housing Affordability and Poverty." International Encyclopedia of Housing and Home, 2012.
- **Limited Access to Financial Services:**
 - Morduch, Jonathan, and Barbara Haley. "Financial Inclusion and Poverty Reduction." Journal of Economic Perspectives, 2011.

THE EMPIRICAL MODEL

$$\begin{bmatrix} \textit{poverty rate} \\ \textit{2000 – 2021} \\ \textit{Period} \end{bmatrix} = \begin{bmatrix} \textit{Vector of} \\ \textit{Social} \\ \textit{Variables} \\ \textit{unemployment rate} \\ \textit{2000} \\ \textit{2021} \end{bmatrix} + \begin{bmatrix} \textit{Vector of} \\ \textit{Economic and} \\ \textit{Productivity} \\ \textit{Variables} \\ \textit{Labor force participation rate} \\ \textit{2000} \\ \textit{2021} \end{bmatrix} + \begin{bmatrix} \textit{Vector of} \\ \textit{Fixed Effects} \\ \textit{and} \\ \textit{Other Control} \\ \textit{Variables} \\ \textit{education level} \\ \textit{2000} \\ \textit{2021} \end{bmatrix}$$

DATA

Independent variable	Dependent
Education level (X1)	poverty rate (Y)
Unemployment rate (X2)	
Labor force participation rate (X3)	
Household composition (X4)	



Findings

Econometric Study

Independent variable	Coefficient	Std. Error	t-statistic	Prob.
Gini				
	798.8563*	316.0238	2.527836	0.0224
HSCGREMPL				
	0.935050*	0.382739	2.443047	0.0265
LFP				
	-1467.047**	422.1536	-3.475149	0.0031
SPHH				
	7.169005***	1.692646	4.235383	0.0006
UR				
	360.7562**	98.83777	3.649983	0.0022
c				
	103089.6**	27591.55	3.736275	0.0018

Significant Variables - * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Gini index
HSCGREMPL (High School Graduates Employed)
LFP (Labor Force Participation)
SPHH (Single-Person Household):
UR (Unemployment Rate)
Constant (c)

FINDINGS

Conclusions

Gini Coefficient (GINI): The positive coefficient

High School Graduates Employed (HSCGREMPL): The positive coefficient

Single Parent Households (SPHH): The positive coefficient

Unemployment Rate (UR): The positive coefficient

Constant (C): The positive coefficient

Labor Force Participation Rate (LFP): The negative coefficient

Conclusions

1. **Investment in Education:** Providing quality education to all, regardless of socioeconomic background, can help break the cycle of poverty.
2. **Job Creation and Training Programs:** Implementing initiatives that focus on creating job opportunities, particularly in underserved areas, can help reduce unemployment and poverty rates.
3. **Promotion of Financial Inclusion:** Ensuring access to financial services such as banking, credit, and savings accounts for all individuals, including those in minority communities, can promote financial stability and economic empowerment.
4. **Addressing Structural Racism:** Recognizing and addressing systemic racism and discrimination in institutions and policies is crucial for promoting equity and justice. This may involve reforms in criminal justice, education, housing, and employment practices to eliminate barriers and ensure equal opportunities for all.
5. **Public-Private Partnerships:** Collaboration between government, businesses, nonprofit organizations, and community groups can leverage resources and expertise to implement effective solutions to poverty and inequality.
6. **Investment in Healthcare:** Access to affordable healthcare services is essential for overall well-being and economic stability. Investing in healthcare infrastructure, preventive care, and mental health services can improve health outcomes and reduce financial burdens on individuals and families.

QUESTIONS

