



## **The State of Poverty in Knox County**

*An assessment of the poverty rate in Knox County, Ohio, and the systemic barriers faced by low-income individuals and families*

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### Introduction

Poverty has become a focus of government, non-profit, and even private business. It is included in state and federal legislation, used in international aid efforts, and rests at the center of the vast majority of social policies established around the globe. It has become a term used in political rhetoric and an election year buzzword. The World Bank estimates extreme poverty, by their definition, affects roughly one in ten people around the world or 10.7% of the world's population. The international threshold for extreme poverty is defined by someone living on less than a \$1 a day. Therefore, it is not surprising that reducing or ending poverty has become an international goal. However, there is no international guideline or agreement on how to accurately measure poverty beyond what the international community considers extreme poverty.

If we approach poverty from a strictly economic view, poverty is “when a family’s income fails to meet a federally established threshold that differs across countries” (UNESCO, 2017). Often times poverty is also described as *relative* or *absolute*. “Absolute poverty measures poverty in relation to the amount of money necessary to meet basic needs” (UNESCO, 2017). Basic needs being classified as food, clothing, and shelter. The concept of absolute poverty does not consider that individuals and families all have social and cultural needs that are important to be able to meet. This consideration brought the concept of *relative poverty* to life. “Relative poverty defined poverty in relation to the economic status of other members of society - people are poor if they fall below prevailing standards of living in a given societal context” (UNESCO, 2017). For example, those defined as “living in poverty” in San Francisco or New York City will differ in relation to those living in rural or suburban areas of smaller cities across the US. The idea that poverty should be considered in terms of societal concepts and one’s ability to not only meet basic needs but participate socially in their environment is the key difference between absolute and relative poverty (UNESCO, 2017). In fact, the concept of social exclusion which plays a significant role in one’s Social Determinants of Health, emerged in part because of how poverty was so narrowly defined.

As social scientists continue to advocate for a multi-faceted approach to understanding poverty on a global level, we at the ground level must also develop a commonly understood definition of poverty specific to the community we serve. The United Nations outlines three perspectives in which to approach poverty from. The *income perspective* indicates that a person is poor only if his or her income is below the country’s poverty line; the *basic needs perspective* goes beyond the income perspective to include the need for the provision by a community of basic social services necessary to prevent individuals from falling into poverty; and finally, the *capability (or empowerment) perspective* suggests that poverty signifies a lack of some basic capability to function” (UNESCO, 2017). We must also approach poverty at its root causes and focus on how culture, power, social structure, race, gender, and other factors out of individual control that keep the poverty cycle turning. Our definition of poverty needs to encompass all three perspectives and should be based on the “idea that individuals are influenced by the physical and cultural context in which they live” (UNESCO, 2017).

## **Poverty in America**

The poverty rate in America has remained at a relatively steady 15% since the housing bubble crisis that sent the American economy into the 2007 recession (Porter, 2013) but, is it accurately determining who is poor in America? The United States government established its poverty threshold in 1960s by deciding that “you were poor when you had to spend more than a third of your cash income on what is considered the minimally acceptable diet” (Porter, 2013). This definition is much different than our global counterparts - a large majority of countries measure poverty by defining the poor as “those who earn less than half the income of a typical citizen in the middle of the income distribution” (Porter, 2013). If we look at poverty in the United States from this measure, the poverty measure has been gradually increasing. From 1995 - 2010 the rate increased from 16.7% to 17.4%, both of which are higher than our current report rate of around 15% (Porter, 2013). Essentially, we are seeing evidence that as the wealth gap in our country grows, so does our poverty level. However, because of the method of assessing poverty, our poverty rate does not accurately reflect that. While the Census Bureau does recognize that their current measure is horribly outdated and creates a lower rate of what poverty really is in America, it is unlikely that measure will change within the near future.

Keeping in mind the inaccuracy of our census measure for poverty, how do we determine who is poor in America? If we are to truly assess poverty from a relative definition then we have to dig beyond the basic poverty rates so commonly referenced. Based on that idea, we open new data to be included in the overall picture of poverty. “In 2016, one-third of those living in poverty were children under the age of 18 and 11% were senior citizens over age 65. The remaining 56% of those [in poverty] were of working age (18-64). One quarter of all those living in poverty were in the labor force and 3% were early retirees” (The Hamilton Project, 2017). This breakdown of poverty in America is critical to how we assess poverty in Knox County. Knox County’s unemployment rate has typically hovered between 3 and 6%, with a poverty rate of 15.6% (American Community Survey, 2016). This means we have an average of about 10% of people in poverty classified as “working poor”. The idea of working poor is a relatively new statistic being used when describing poverty and one that is included when approaching poverty from a relative definition. The Bureau of Labor Statistics defines the working poor as “people who spend 27 weeks or more in a year in the labor force either working or looking for work but whose incomes fall below the poverty level defined by federal poverty standards”. As we dive further into what poverty looks like in Knox County, it is important to remember that reducing poverty in our community must come from strategies to incorporate all the factors that contribute to poverty. Long gone are the days of the poor being defined as those who do not work - poverty has become multifaceted and our solutions to address reduce poverty in Knox County must recognize that.

## **What does poverty look like in Knox County?**

As stated, the poverty rate in Knox County sits around 15%, but what does that mean? To assess poverty it is important to look beyond the initial percentage and assess what is included within that percentage. To start, the unemployment rate, as of June 2018, was 5% and 1,160 people received SSI in 2017, (FRED, 2018) (SSA, 2018). There are 5,580 Supplemental Nutrition Assistance Program recipients totalling \$66,493 in food assistance within Knox County, (JFS, 2018). SNAP is accepted throughout the county but concentrated in the Mount Vernon area. There are 27 eligible SNAP businesses in Mount Vernon, four in Danville, four in Centerburg, four in Fredericktown, one in Martinsburg, and none in

Gambier, (USDA, 2017). The Women, Infant, and Children (WIC) program has a current caseload of 1,005, assisting Knox County mothers and their children with basic WIC eligible necessities. There are 5 WIC vendors in Knox County, 3 of which are located in Mount Vernon. (Knox County WIC, 2018). 5% of meals in Knox County are purchased by income, 20% or about 4,411,771 meals were provided from government resources, and 5% are from charitable sources. Area churches provide a hot meal every night of the week. 1,010,239 hot meals were served in 2016 (Measurement Resources, 2017). The majority of those hot meals are central to the Mount Vernon area; however, the First Presbyterian Church in Fredericktown offers a weekly hot meal and has served about 30-40 meals per month so far in 2018, (Knox County Hot Meals Schedule, 2018). The Mid-Ohio Food Bank is a vital and very active service in this arena, helping to connect those in need of assistance with government and private services such as food pantries, hot meal programs, as well as assistance with connecting to and using SNAP benefits. They have on record 18 food pantries and community kitchens, with 12 of them being food pantries. 6 of these 12 food pantries are in Mount Vernon, and 6 of the 8 community kitchens are in Mount Vernon, (Mid-Ohio Food Bank, 2018). However, Knox County residents still face food insecurity. 20% of meals are missed in Knox County with about 4.23 meals missed per week per person. That percentage has risen continually since 2013.

Shifting our attention to subsidized housing, the Knox County Metropolitan Housing Authority (KMHA) managed 654 housing vouchers in 2016, with the average housing voucher containing 1.9 persons. The average voucher has a household income of \$11,093 per year. 97% of the vouchers being given to households that are considered *very low income* and 76% of these households being considered *extremely low income*. 16% of the household had earned wages as their primary source of income, 2% of households had programs such as TANF as their primary source of income, and 77% had pension programs or social security as their primary income, (Affordable Housing Online, 2018).

In discussing who is included in poverty in Knox County, it is imperative to discuss children in poverty. Out of the 15.6% of persons in poverty, 22.1% of those persons are children. 58.4% of Knox County children are living in households receiving some kind of benefit such as: SSI, SNAP, WIC, or other public assistance. In 2016, there were 138 SSI recipients under 18. 12.6% of children in Knox County do not have any form of health insurance. In 2015, there were 3,020 Knox County students enrolled in Reduced/Free Lunch at their school. The breakdown by schools is as follows: Centerburg - 257, East Knox - 195, Danville - 278 (including Danville Elementary), Fredericktown - 445, Knox County Career Center - 272, Mt. Vernon - 2,108 (including St. Vincent), (County Health Rankings, 2018).

### **System of Services in Knox County**

A large portion of rhetoric surrounding poverty and breaking the poverty cycle for individuals and families centers on the systemic issues that create barriers to climbing out of poverty. While the concepts of individual choice and self-sufficiency do play their role in the poverty discussion there are often times the systemic barriers institutionalized in a community outweigh an individual's ability to break the poverty cycle. It is important to assess where Knox County stands in terms of our system and its services before we are able to determine where we hope to be in the future. Does Knox County have a system that helps break the poverty cycle? Are we setting people up to be self-sufficient? Do we have the means to set people up to be self-sufficient?

To begin to answer these questions, it would be useful to look at the type of employment and wages that are available to the residents of this county. The following chart indicates the top ten employment categories of the Knox County labor force and its average wage.

<b>JOB</b>	<b>WAGE</b>
Fast Food & Counter Workers (856 jobs)	\$9.32/hr \$19,386/year
Nursing, Psychiatric, & Home Health Aides	\$10.44/hr \$21,715/year
Misc. Assemblers & Fabricators	\$17.15/hr \$35,672/year
Secretaries & Administrative Assistants	\$16.07/hr \$33,446/year
Laborers & Material Movers	\$12.01/hr \$24,981/year
Drivers/Sales Workers & Truck Drivers	\$14.42/hr \$29,994/year
Retail Salespersons	\$9.78/hr \$20,342/year
Postsecondary Teacher	\$37.09/hr \$77,147/year
Cashiers	\$9.35/hr \$19,448/year
Building Cleaning Workers	\$10.80/hr \$22,464/year

Knox County Comprehensive Plan, 2018

Of these top ten employment categories, 7 categories pay wages less than 150% of the federal poverty threshold. As indicated by this chart, several of the top job classification may not require a college degree. This may, in part, be explained by the education distribution level within the county with 88.2% of people earning a high school diploma or GED and 21.9% of people earning a Bachelor's degree or higher (US Census, 2016). While an education is not a guaranteed ticket out of poverty, access to education and job training are among the barriers faced by low-income residents. In total, there are roughly 5,860 businesses in Knox County, with about 4,788 of these being *non-employer establishments* and the rest being *employer establishment* businesses. “A nonemployer business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Nonemployer businesses are generally small, such as real estate agents and

independent contractors” (US Census, 2016). Using this information, we can infer that there are 1,072 employer established businesses in Knox County that can contribute to the employment of Knox County residents.

While an important factor in moving individuals and families out of poverty, employment will not contribute to decreasing our poverty rates if employees are not making a livable wage. The Massachusetts Institute of Technology developed a *Living Wage Calculator* to determine an accurate living wage based on the county one lives in. The calculator takes into account the cost of living in each area and is shown at the “hourly rate an individual must earn to support their family, if they are the sole provider and are working full time (2080 hours per year)” (Glasmeier, 2017). The following chart shows what is considered a living wage for Knox County county residents.

Family Type	Calculated Living Wage
1 Adult	\$10.43/hr \$20,025/year
1 Adult, 1 Child	\$22.05/hr \$42,336/year
1 Adult, 2 Children	\$25.76/hr \$49,459/year
2 Adults (1 working)	\$17.11/hr \$32,851/year
2 Adults (1 working), 1 Child	\$19.85/hr \$38,112/year

Knox County Comprehensive Plan, 2018

Knox County’s established minimum wage is \$8.30/hour, as set by the state, which is \$2.13 less per hour than the calculated living wage for the county. With those numbers in mind, who is actually making a living wage in Knox County? Theoretically, if everyone in Knox County was a single adult with no children roughly 14% of the population would not be making the calculated livable wage. If everyone in Knox County was married or living with other adult and had one child, roughly 27.9% of the population would not be making the calculated living wage. However, we know that family dynamics, employed adults, and children in the home are fluid and constantly changing - particularly for many families that are included when we talk about poverty. The harsh reality for many families stuck in a cycle of poverty is many are single parent families with two or more children in the home. If every family in Knox County had one working adult and two children, an estimated 40% of the population would not be making the calculated living wage. An increase in wages is not the magic answer to breaking the poverty cycle, but how can we help move individuals and families out of poverty if they are making below what is classified as a livable wage relative to our community?

Housing also needs to be discussed when addressing poverty at the systemic level. Housing has a vital role in maintaining stability for individuals and families. Stability can make all the difference when it

comes to securing and maintaining employment (Cunningham, 2016). and its importance can often be overlooked in the poverty discussion. Cunningham (2016) states that research shows the consequences lack of stability has on families including the ability to obtain necessities and depression among mothers. For children affected by this instability research shows increases in the rates of absenteeism and low test scores. Additionally, instability in housing or homelessness can be strongly linked to child abuse and neglect (Cunningham, 2016). The evidence speaks to the importance of addressing stable housing, especially for families living in poverty, but does the policy environment reflect the research? Unfortunately no, “only one in four households [nationwide] eligible for housing vouchers receive them, and waiting lists in most cities are closed or years long. The private market does not produce enough affordable housing [or housing willing to accept vouchers], especially for deeply poor families” (Cunningham, 2016). The current housing environment has left families across the country paying historically high rents and facing the threat of evictions and starting the housing process over again. This continual cycle of instability makes it nearly impossible for individuals and families to find and maintain a balance that allows them to move up the economic ladder.

The Knox County Metropolitan Housing Authority (KMHA) administers the Section 8 Housing Choice Voucher program for Knox County and manages the majority of housing voucher dollars within the county. There are some apartments and social service agencies that operate their own application and approval processes to obtain a similar voucher but for the purposes of this assessment we will be focusing on KMHA and Section 8. As stated previously KMHA managed 654 vouchers in Knox County in 2016. There are ten apartment complexes, three subsidized apartments, and six senior subsidized apartments that accept Section 8 vouchers administered by KMHA, if housing units are available. There 13 area landlords renting out privately own units that accept Section 8 vouchers at their own discretion and if units are available. In addition to the 654 vouchers administered, there is a 164 person (as of August 2, 2018) waitlist for vouchers. Preference is given to those who receive income from Supplemental Security Income (SSI) (not counting retirement income), Social Security Disability Income (SSDI), and Veterans. Preference is not given based on income level or time on waiting list. Those who are given preference typically wait about two to three months, those who are not may wait up to three years before vouchers are available. Knox County is not alone in its lack of affordable rentals, it is a trend across the country and the rental rates keep rising. The lack of affordable housing and stress of instability coupled with the strain on voucher programs as waitlists grow all contribute to the continued cycle of poverty.

Transportation is also widely discussed when addressing poverty and the factors that contribute to keeping individuals and families in poverty. Access to safe and reliable transportation can and should be a core component in helping break the poverty cycle. Without it, individuals and families are unable to access basic needs to escape poverty. Necessities like: employment, education, health care, and various social services. Transit gives people the ability to take full advantage of a system set up to help them succeed but within it they remain trapped in the same situation.

Knox County provides a handful of options to assist in the transportation needs of our community. Knox Area Transportation is the largest and most available service, as well as being the only public non-referral option. Fares start at \$1 for the shuttle service. Additional services in Knox County include: Station Break, transportation for residents 60 or older; Roadrunner Transportation, taxi service from Knox County to Columbus airports and bus stations; Go Bus, makes routes to and from various towns including Columbus; Veteran’s Services, free transportation to medical appointments to a VA approved clinic, as well as fuel vouchers for trips if driven by veteran; 211, free, confidential information

and referrals for services; Medicaid or Medicare, healthcare providers provide free or reduce appointment transportation; Non-Emergency Transport (NET), transport provided to Medicaid eligible customers whose appointment is covered by Ohio Medicaid; and Madden Transportation Services. These services fall into three categories; general public transportation, medically related transportation, or airport connection services. While KAT operates as an efficient bus service and is fairly inexpensive, the need for fully functioning fixed routes to include the rural areas of this community. For example, a resident of Danville without a car will have difficulty making it into Mount Vernon to grocery shop for healthy food at Kroger or Walmart. They may also struggle with finding employment if they are expected to be in Mount Vernon or Centerburg by a time that does not fall within KAT's fixed route system. While Knox County has several options for transportation, the majority operate within normal working hours which creates issues for individuals and families who need transportation access beyond the standard working day. Transportation, while relatively inexpensive, still carries a cost and there are financial assistance options through several services for many they still have some out of pocket cost creating a potential barrier to access. Issues such as these are not uncommon, particularly in rural areas such as Knox County; however, it does make having a vehicle seem necessary.

### **Identified Areas for Growth and Change in Knox County**

What we see when we review these social programs is a system that covers a surprising amount of services, ranging from non-emergency medical transportation to market choice housing subsidies to increased access to healthy food. The introduction of a Federally Qualified Health Center at the Knox County Health Department and organizations like Station Break, Board of Developmental Disabilities, and Knox Area Transit that help to increase access to care. However, there are some identified issues with this current ecosystem of services.

The first issue identified in this research is the geographical cluster of SNAP eligible businesses. Mount Vernon has 27 food stores within city limits that accept SNAP benefits, while towns like Danville and Fredericktown have four; following this trend, the majority of WIC vendors are also centrally located in the Mount Vernon area. This distribution could be a result of the higher population in the Mount Vernon area leading to a higher demand for services; however, the average annual household income in the Mount Vernon area is higher than surrounding towns which would lead us to believe that a significant portion of clients receiving these benefits may not live in the Mount Vernon area. For example, in 2017, one-third of WIC's caseload were clients who did not live within the Mount Vernon zip code.

The distribution of stores that accept the benefits that many of our low-income residents receive presents a potential area to grow our system of services. However, with a relatively sparse public transportation system this could still present an issue to residents outside Mount Vernon having access to those benefits - particularly consumers whose access is affected by factors such as late shifts, school pickup times, weekend shifts, childcare hours, and transportation of goods. In a larger sense, having a car becomes almost a need to offset a relatively constricted public transportation schedule. The expense of a car will likely put additional strain on lower income members of the county. KAT services to the Knox County area are seeing continual growth and this presents the opportunity to assess how to grow our public transportation system to increase access to fit all schedules and lifestyles. This trend can also be seen in the hot meal system we have in this county. The majority of hot meal sites and food pantries are in Mount Vernon. Again, this could be explained by a simple difference in population size of these towns but this trend combined with the previously mentioned lack of a more readily available public



transportation system means that this distance is made more pronounced when taking into account the financial and time constraints of needing a personal vehicle.

Affordable housing was also identified as an area where Knox County can grow and expand its network of service. As stated previous, KMHA currently has a waitlist of 164 people facing a potential wait of two to three years before vouchers become available. This list did not account for the individuals or families who have not applied for or may not qualify for assistance but may be in desperate need of lowering their housing cost. With rental rates continually increasing, the waitlist for KMHA vouchers may continue to grow. Knox County has the potential to shift its housing policies to make room for more affordable housing to help reduce the burden of growing housing costs on families who are already financially strained.

The breakdown of wages and job categories also showcases a potential area for growth in Knox County. As discussed, the population of those making what is considered a living wage, according to the Living Wage Calculator, is relatively low. An increase in minimum wage across the county has the potential to help move our lower income residents up the economic ladder. However, if wages are increased there must also be an increase in education about financial responsibility and economic stability. Job training, workforce development, and secondary education are all critical components to increasing wages as well. Knox County has an opportunity to emphasize the importance of workforce development and education as a means to increase wages and economic opportunity for residents.

Based on this body of research, it would serve Knox County's best interest to approach poverty from the relative perspective with the understanding that poverty is about more than just an income threshold - it includes access to all the basic social needs as well as needs for survival. To reduce poverty in this community in a holistic manner, there are three components that need to be addressed. The first is improving access to services through a more robust public transportation program, this could include having more 24 hour routes to aid people who work 3rd shifts or parents who have to coordinate childcare around part-time shifts. The second is increasing the distribution of vendors who accept SNAP and WIC benefits. The third is seeking solutions to increasing the wages of workers through more participation in job training, workforce development, and higher or skilled-labor education. As we look to the future and ways of assessing and reducing poverty in our community, it is critical that this topic is approached from a multifaceted angle with the understanding that poverty is multidimensional with factors that are affected by the system in which we operate. Knox County has the opportunity to expand upon an already robust system of care and services. Knox County is a community rooted in support and care of our neighbors, the simple idea that everyone needs help once and awhile. Our residents are the first to offer a helping hand and our system of services and policies should reflect the caring spirit of this community.

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