Chapter 1

The Realities of Deprivation . . .

Graphs and tables can hardly relate the acutely personal story of a child in a remote valley, his horizon of opportunity limited to the enclosing hills; nor the despair of his father, who, idled by forces beyond his control and seeing no prospect of future employment, must live month in and month out with the vision of that child repeating his own history. This report can only present statistical evidence, the inanimate pictures, and hope that they are as convincing as the visitor to Appalachia finds the realities.

In the text that follows, selected measures are presented to document the statement that Appalachia is a region apart. These measures represent the Appalachian entirety, and are contrasted to the balance of the United States. A more detailed tabular presentation will be found in Appendix C at the close of the report. There the full range of the regional condition can be viewed—and the disparity that exists from one subregion to another can be clearly seen.

LOW INCOME

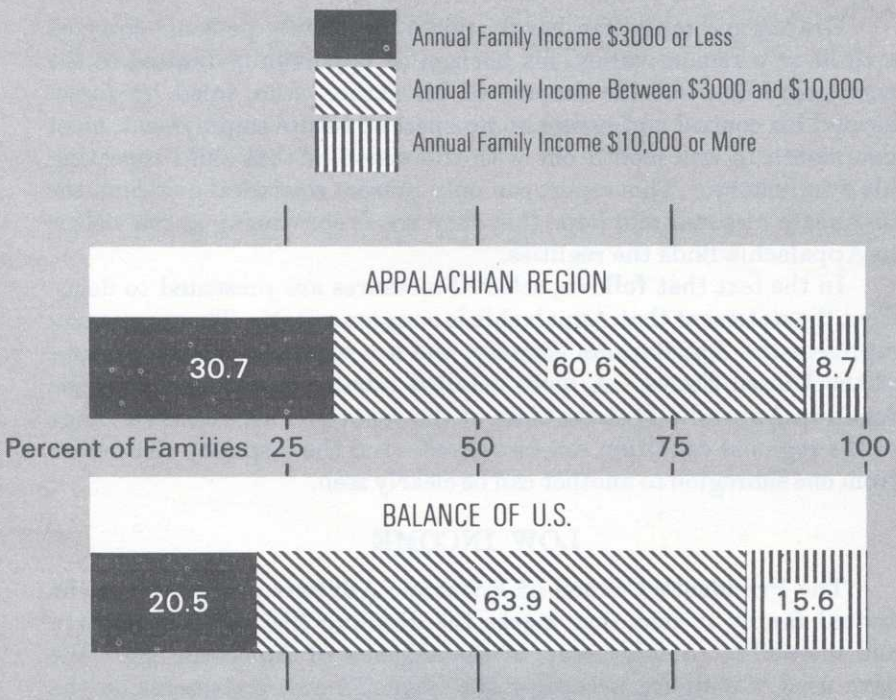
The President's Council of Economic Advisers uses $3,000 as the annual family income that marks the dividing line between poverty and the ability to enjoy some of the affluence of American life. We have used that figure, accepting the Council's own statements on the justifications and limitations involved. We agree that other factors, such as savings, property, credit, and differences in costs of living prevent its application to an individual family.

In Appalachia, almost one in three families lives on an annual income of $3,000 or less. Elsewhere in the United States, that figure drops to one family in every five. Only 8.7 percent of Appalachian families have incomes over $10,000 a year, compared to 15.6 percent, a figure almost twice as high, in the rest of the United States. Average per capita income for the balance of the United States, $1,900, is 35 percent greater than the Appalachian figure of $1,400. [*See figs. 3 and 3a.*]

FIGURE 3

THE INCOME GAP II

Distribution of Families by Income Group for Appalachia and Balance of U.S., 1960

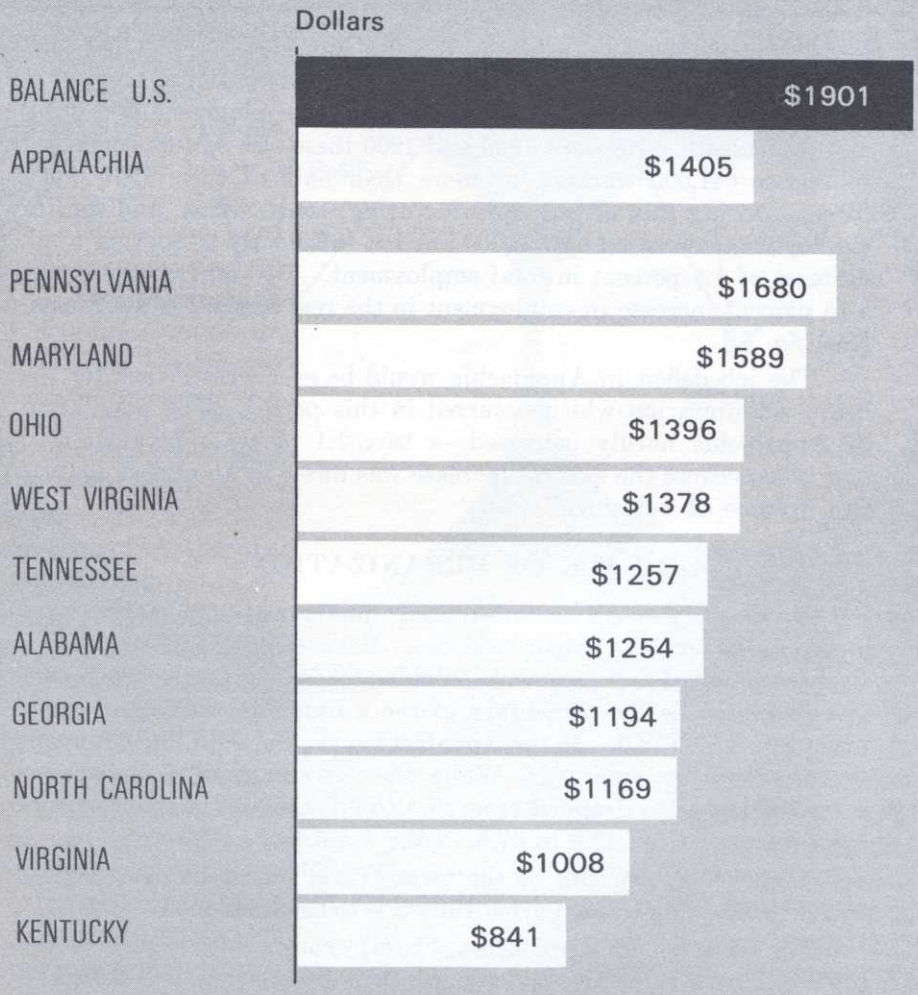


Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 4, Appendix.

THE INCOME GAP III

FIGURE 3A

Per Capita Income for Appalachia by States and Balance of U.S., 1960



Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 5, Appendix.

HIGH UNEMPLOYMENT

In 1960 there were 380,000 unemployed workers in Appalachia. These represented 7.1 percent of the Appalachian labor force, compared to 5.0 percent in the rest of the United States. But the deficiency of job opportunity is far greater than these statistics would indicate. For these figures do not take into account the many men and women who, in despair of ever finding jobs, have given up the search and withdrawn from the labor force. In Appalachia that group is extremely large. If the average proportion of Appalachians employed or seeking work equaled the national average, there would be an additional 700,000 persons in the labor force, a figure which far exceeds the number of unemployed. [*See fig. 4.*]

The deficiency of job opportunities in the Appalachian region in recent years is the result of severe declines in employment in mining and agriculture. Between 1950 and 1960 these two sectors combined to release 641,000 workers, or more than half of their 1950 work force. During this period manufacturing, construction, and service employment increased by 567,000 but not sufficiently to prevent a net decrease of 1.5 percent in total employment. By contrast there was a 15 percent increase in employment in the rest of the United States. [*See fig. 5.*]

The job deficit in Appalachia would be even greater but for the heavy outmigration which occurred in this period. The population of Appalachia hardly increased—a bare 1.1 percent—between 1950 and 1960 because the natural increase was offset by an almost equivalent volume of outmigration.

LACK OF URBANIZATION

In recent decades, a substantial number of Americans have moved from farms to urban localities. Between 1950 and 1960 alone, the percentage of farm residents outside of Appalachia dropped from 14.4 to 7.3, while the percentage of those living in towns and cities rose from 66.2 to 72.0. In the Appalachian region, a similar but much slower trend has emerged. While the percentage of Appalachian farm residents has dropped from 22.4 to 9.7, the rise in city dwellers has been only from 43.9 to 47.5. [*See fig. 6.*]

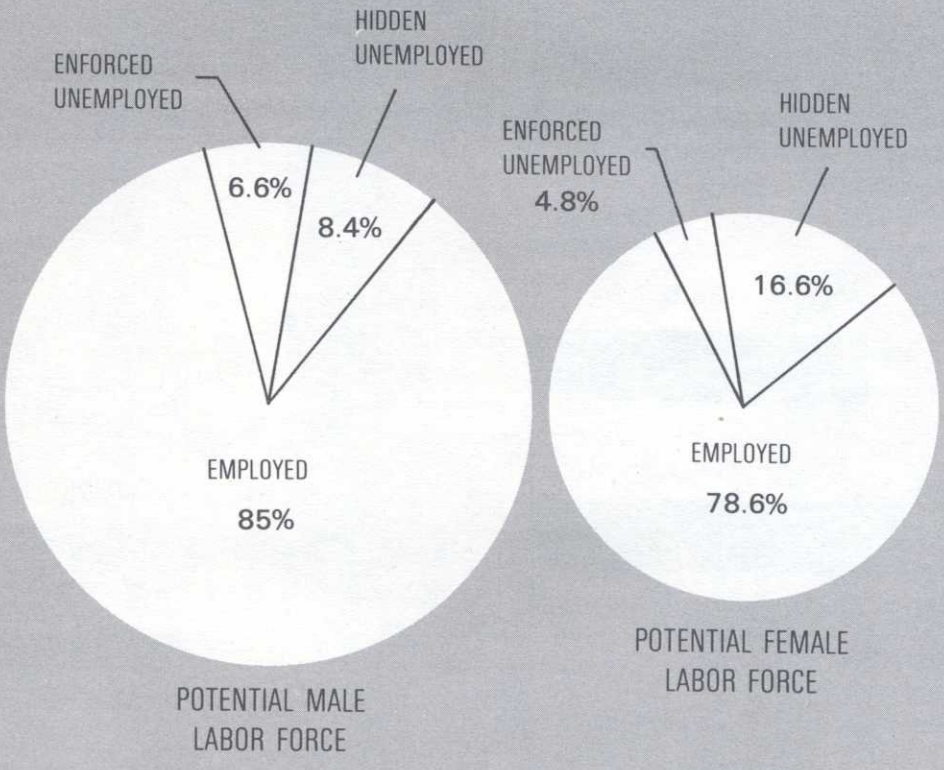
Traditional concepts of the term "rural" must be discarded if this lagging trend toward urbanization is to be understood.

For in much of Appalachia, "rural" comes with a difference; the rural scene is in fact unique. Rural in Appalachia does not mean a checkerboard of rich farms; instead, dense but narrow ribbons of bleak habitation wind along the valley roads and up the tributary hollows, threading among the wooded hills. It suggests, in fact, an endless town, but it is not a town, for typically there is no central

THE JOB GAP

FIGURE 4

Within Appalachia, 1960



Enforced Unemployed: Those who seek work and can not find it.

Hidden Unemployed: The number of additional workers the Region would have if participation in the labor force were equal to the national rate.

Job Gap (assuming a 4% unemployment rate)

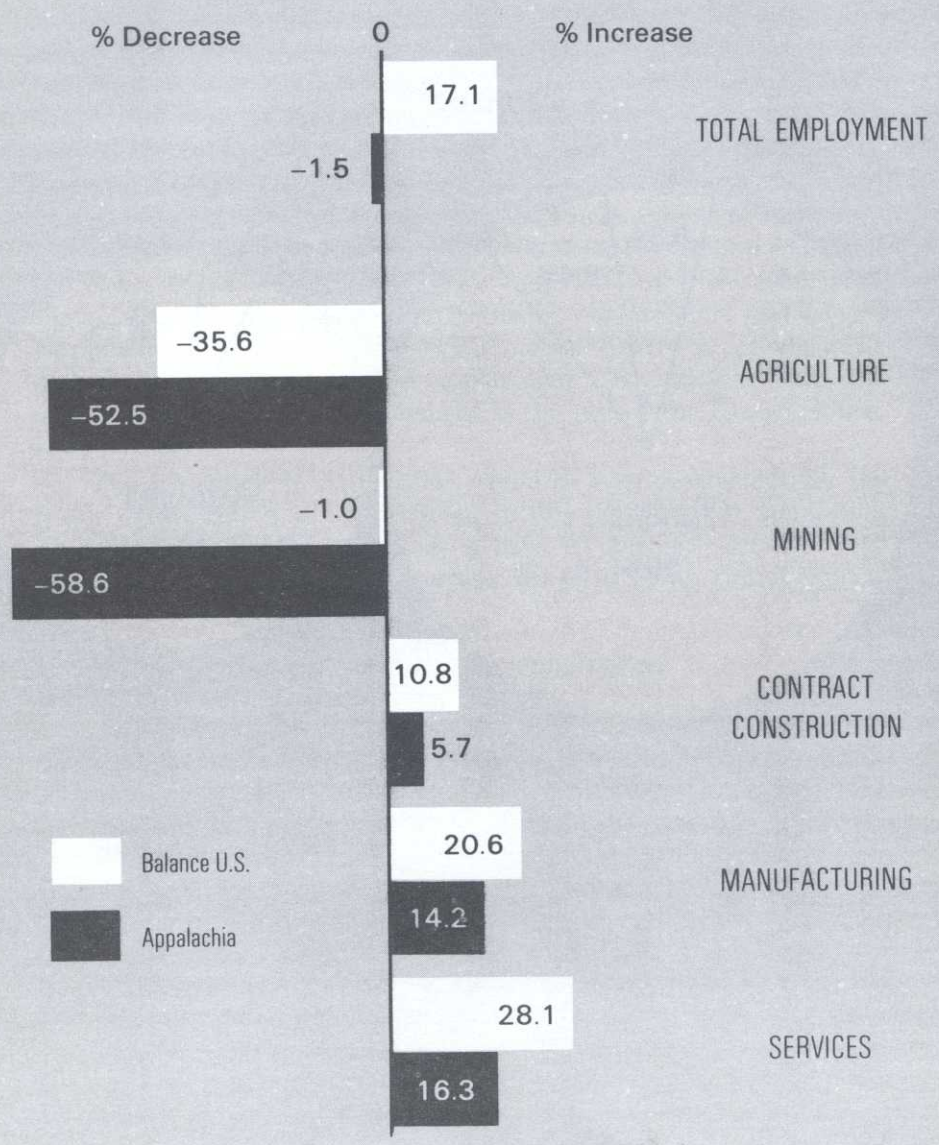
Male	282,688
Female	97,780
Male	357,398
Female	337,888
	1,093,754

Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Tables C - 6, 7, Appendix.

EMPLOYMENT CHANGE

FIGURE 5

In Major Industry Groups for Appalachia and Balance of U.S., 1950 to 1960

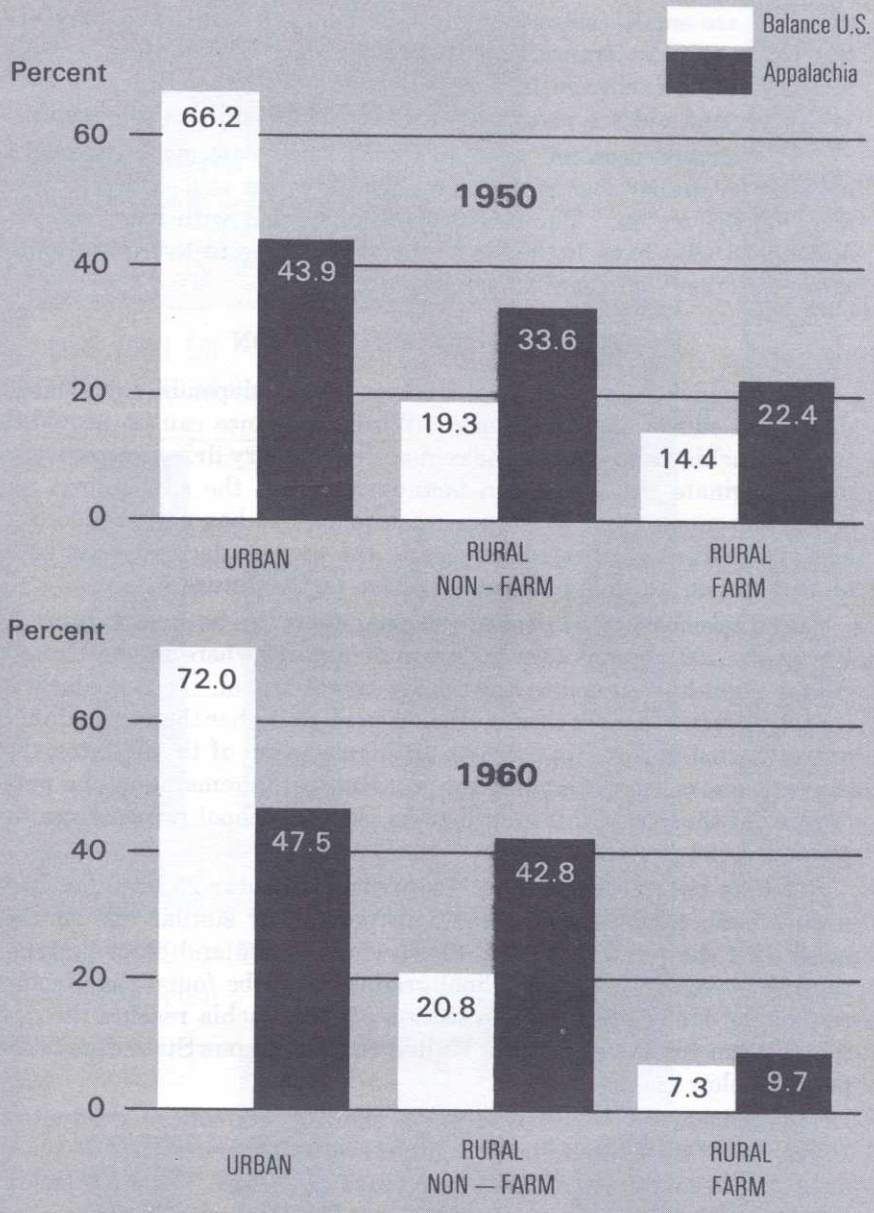


Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 8, Appendix.

POPULATION SHIFT

FIGURE 6

Appalachia and Balance of U.S., 1950 to 1960



Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 12, Appendix.

water supply or disposal, no police station or firehouse, no hospital or hotel, no streets or sidewalks, no shops or places of amusement.

At intervals, where the valley broadens to field size, the ribbon-town is interrupted by a true farm; at further intervals, the ribbon thickens to what was once, still passes for, or truly is, a proper town.

Most of these centers are county seats, for the counties of Appalachia are small (excepting those in Pennsylvania), and they are the focus of most transactions between citizen and State—in itself a considerable exchange in a region where the expenditure on federally assisted welfare programs alone is over $41 million per month.

The streets, crowded with foot traffic and cars, actually reflect not a true vitality, but rather the unemployment and underemployment of the region. The sidewalks are crowded with men, women, and youth who have little else to do but to come to town, and once there they have no place to congregate.

DEFICITS IN EDUCATION

Economic growth in the modern world depends to a large degree on educational excellence. While assistance can be provided in Appalachia from outside the region, the primary drive for recovery must originate inside its own boundaries. Yet the educational resources to mount that drive are inadequate. It has not produced a sufficient corps of educated persons in the past—it lacks the tax base to provide an adequate education effort in the future.

The insufficiency of past educational effort can be seen in figure 7. For every 100 persons over 25 years of age elsewhere in the United States, eight have failed to finish five years of school. In Appalachia, that figure rises to more than eleven, 45 percent higher than the balance of the United States. In the Appalachian portion of three States, the figure is above the national average. But in the remainder, the percentage of those who fail to finish five years of school ranges from 11 percent to 22 percent.

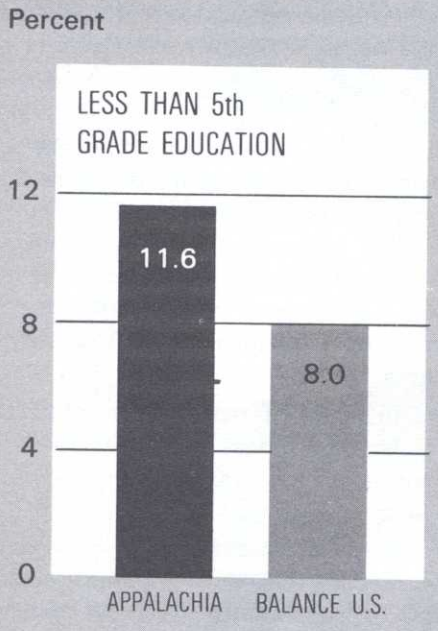
Thirty-two out of every 100 Appalachians over 25 have finished high school, contrasted to almost 42 persons of similar age in the balance of the United States. Thus, within its 25 and older population, 23 percent fewer high school graduates can be found than in the rest of the United States. No section of Appalachia reaches the national norm for the rest of the United States and one State dips to 58 percent below that norm.

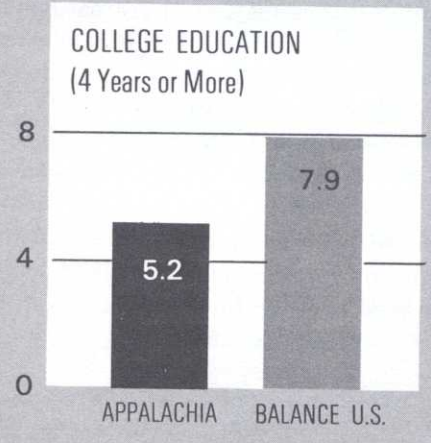
Appalachia also suffers from a shortage of college graduates. In the rest of the United States, eight of every 100 persons over 25 years of age have completed at least four years of college. In Appalachia that figure drops to five, a rate 34 percent less than outside the region. Again, none of the 10 States reaches the figure for the rest of the

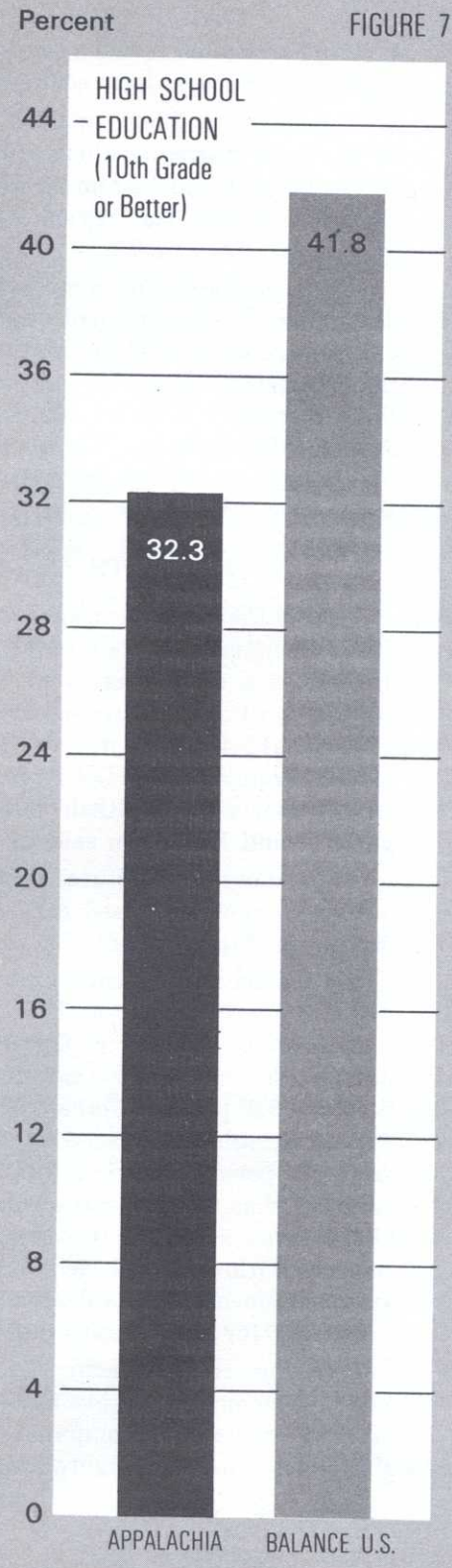
FIGURE 7

THE EDUCATION GAP I

Comparison of Education Levels of Person 25 Years Old or Over in Appalachia and Balance of U.S., 1960







Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 14, Appendix.

United States, and in the most deficient State, only three of every 100 persons 25 and over have completed college.

If the 8.4 million Appalachians over 25 years old were educated to the same degree as their counterparts in the rest of the United States there would be almost 800,000 more high school graduates in Appalachia and the region could call on 226,000 more college graduates. [*See fig. 8.*]

The prospects for improvement in Appalachian education are dimmed by the region's inadequate tax base. We have already pointed out that the balance of Nation's per capita income is 35 percent greater than Appalachia's. This inevitably cripples States income and sales tax collections, common sources of school revenue. Furthermore, Appalachian property has an assessed per capita value 38 percent less than the comparable national figure. Levies on property constitute the major educational tax base both in the region and Nation.

DEFICITS IN LIVING STANDARDS

From the facts on income and joblessness, we can infer that the "real" Appalachian standards of living are below national norms. The evidence mounts as we look at some direct indicators. For example, retail sales in Appalachia in 1962 were equal to 6.4 percent of national totals, a figure well below Appalachia's 8.5 percent share of U.S. population. Had Appalachians purchased retail goods at a rate proportionate to their population, an additional $4 billion in goods would have been sold in the area.

Consumer expenditures measured in terms of receipts for retail purchases, new and used cars, and selected services are additional indicators of the level of living prevalent in Appalachia.

Appalachian per capita retail trade receipts are $885 per year, while they are $1,140 for the balance of the United States, 28.8 percent greater. The per capita receipts within the region from automobile sales is $151 per year, and $180 for the balance of the United States—19.2 percent higher. Regional receipts for establishments within the selected service sector (hotels, amusement and recreation facilities, personal services, automobile repair, etc.) within the region are $96; that figure for the balance of the United States is $189, or almost twice as much. Of the three indices we have presented here, receipts within the selected services reflect to a greater extent the amount of income available and spent within the region, over and above that spent for the necessities of life. [*See fig. 9.*]

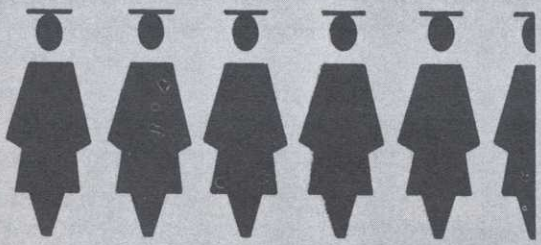
Savings in Appalachia, as measured by the combination of deposits in commercial banks and savings and loan associations are $514 on a per capita basis, compared to the $920 average for the balance of the United States, a figure almost 80 percent higher. There is no

THE EDUCATION GAP II

FIGURE 8

Potential Increase in High School and College Graduates in Appalachia, Assuming Education Levels Equivalent to National Average, 1960

HIGH SCHOOL GRADUATES□



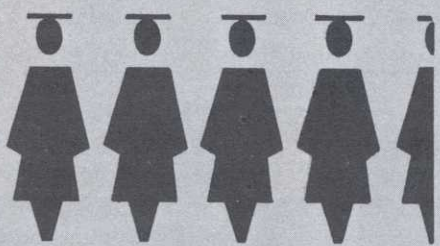
2,712,000

(Each figure represents 500,000 Graduates)

HIGH SCHOOL GRADUATE DEFICITS□

798,000

COLLEGE GRADUATES□



437,000

(Each figure represents 100,000 Graduates)

COLLEGE GRADUATES DEFICITS□

227,000

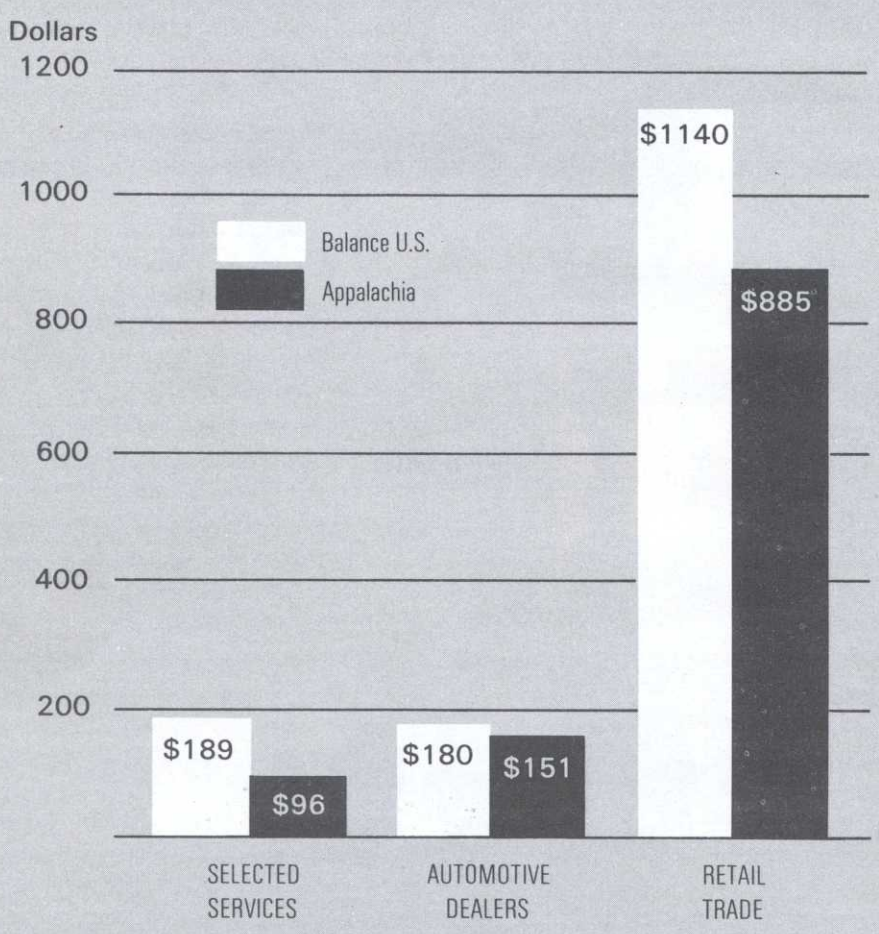
□25 Years Old and Over, Within Appalachian Population

Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 14, Appendix.

THE SALES GAP

FIGURE 9

Comparison of Per Capita Purchases in Three Major Sales Catagories in Appalachia and Balance of U.S., 1958



Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 16, Appendix.

Appalachian portion of any of the 10 States which reaches the average per capita savings for the balance of the United States. Combined savings in the Appalachian portions of the States range from $186 to $771. [*See fig. 10.*]

Another index of poverty in the area is the condition of housing. In Appalachia, 26.6 percent of the homes need major repairs and 7.5 percent are in such a dilapidated condition that they endanger the health and safety of the families. The comparable percentages for the rest of the United States are 18.1 and 4.7, respectively. The situation is more aggravated in rural areas. Here almost 1 out of 4 homes has basic deficiencies that require correction to provide adequate housing; 1 out of 10 is dilapidated. More than half of the farm homes lack adequate plumbing. In the rural sections of one State almost half of the homes need either major repairs or replacement, and more than three-fourths of the farm homes lack complete plumbing. [*See appendix C, table 18.*]

The value of Appalachian housing is far below that in the rest of the United States. As the table below indicates, the percentage of owner-occupied housing worth less than $5,000 in Appalachia is just double the U.S. average, while the regional component worth more than $15,000 is about half the national average. In each of these categories, the balance of the Appalachian States more closely resembles the national figure. It will be noted that the median value of all owner-occupied housing in Appalachia is well below the national average—27.7 percent below, to be exact. [*See fig. 11.*]

The most complete set of figures available on Appalachian distress is the tally of federally supported programs of public assistance—the price tag of welfare relief in areas where the roots of free enterprise have been undernourished. Here in Appalachia, the percentage of total population receiving Federal assistance is 45 percent above the figure for the rest of the Nation—5.9 in the region, as against 4.1 in the rest of the country.

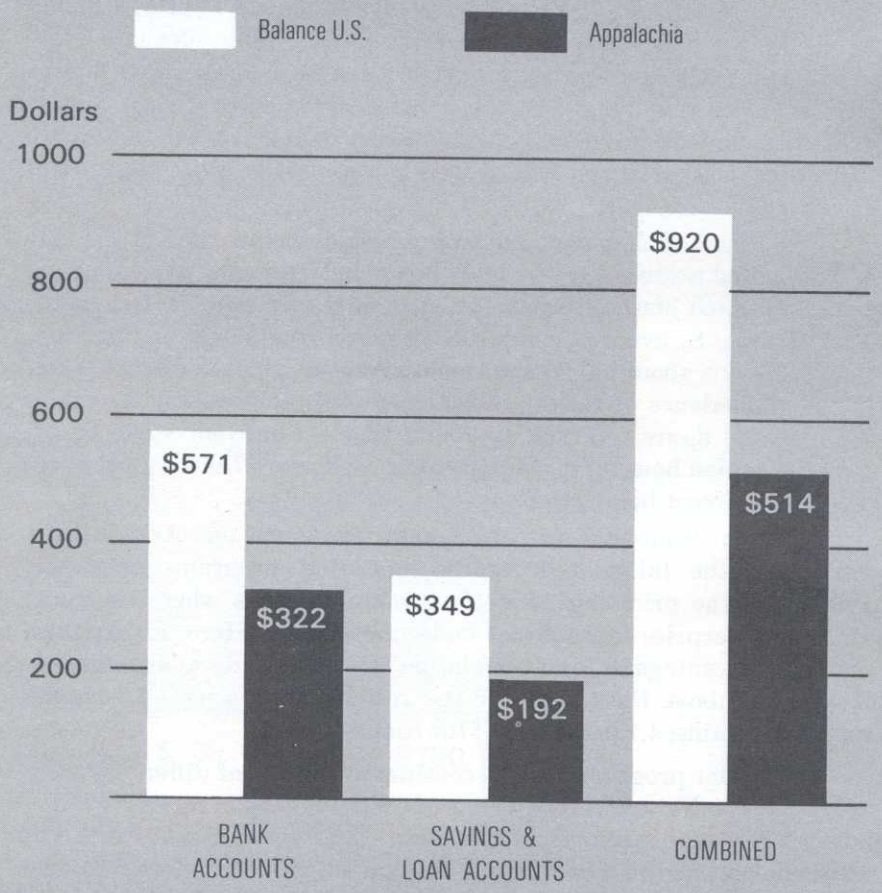
Particular programs show a considerable range of difference from the rest of the Nation in the percent of total population receiving aid—but in every case, Appalachia is higher. [*See appendix C, table 20.*] This is also true of more than 1 million in the region who receive assistance in the form of surplus food. Appalachia's 8.5 percent of the U.S. population receive 17 percent of this form of aid.

The total monthly Federal expenditure in Appalachia for welfare—including food programs, but excluding all programs to which the recipients have contributed, such as unemployment compensation and social security—is conservatively set at $41 million. In one year this figure mounts to almost $500 million; in 10 years to almost $5 billion.

THE SAVINGS GAP

FIGURE 10

Per Capita Savings in Appalachia and Balance of U.S., 1960

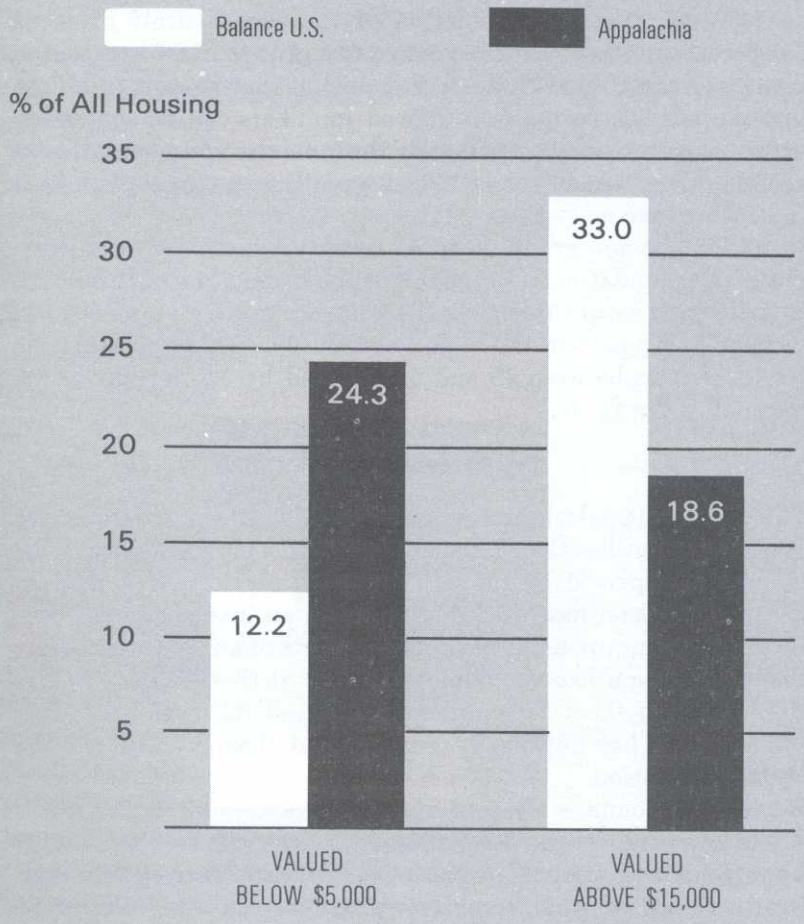


Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 17, Appendix.

HOUSING QUALITY

FIGURE 11

Percent of Owner-Occupied Housing by Value for Appalachia and the U.S., 1960



Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 19, Appendix.

A CHANGING CITIZENRY

Population trends in Appalachia offer the most convincing statistics to prove the deficit of opportunities which pervades the entire region. Americans have traditionally been apt students of the geography of opportunity—their migrations have clearly marked the regions of growth and decline.

The Appalachian birth rate, for decades higher than the Nation's, dropped until it almost duplicated that of the rest of the Nation in the decade 1950–60. Yet the population of the region itself grew by only 1.1 percent in those years, compared to a growth of 20.4 percent in the balance of the United States. For during that decade, 2 million more people left the region than moved in. This can be contrasted to California, a State of approximately the same size and population as Appalachia. Between 1950 and 1960, 2½ million more people moved into California than moved out.

People in the age group 18 to 64 comprise the most productive segment of our population. In the rest of the United States, this group has expanded at a slower rate than the younger or older segments, but it has grown by 8.6 percent in the period 1950–60. In Appalachia the number of persons between 18 and 64 declined by 5.1 percent in the same period. [*See fig. 12.*]

IN SUMMARY

This then, is Appalachia: a nonurban land with a population over 50 percent rural but less than 10 percent farm; deeply unemployed; all too frequently deprived of the facilities and services of a modern society; dependent on local jurisdictions with an inadequate tax base and too often reliant upon the marginal comforts of a welfare economy.

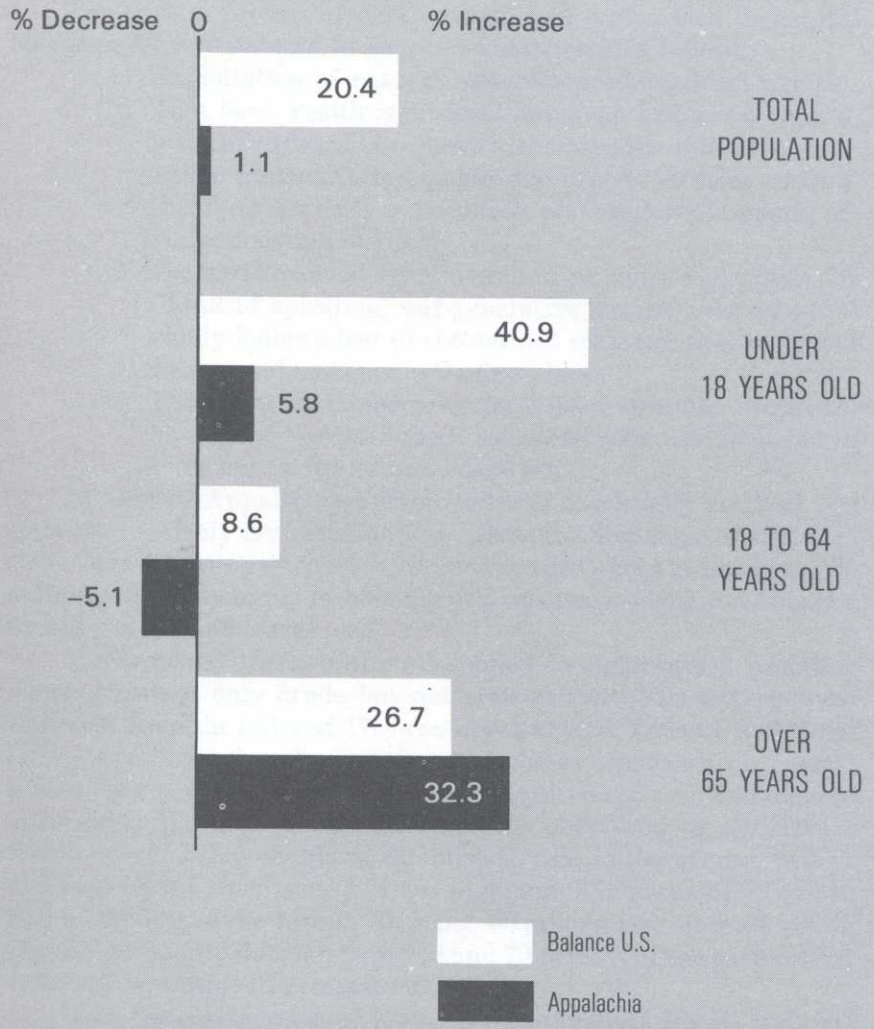
The Commission has not blinked its eyes at these facts. It has, however, regarded them as symptoms only, and its investigation of possible solutions has necessarily gone behind them to seek out the underlying dislocation.

What it has found is a record of insufficiency—a history of traditional acts *not* performed, of American patterns *not* fulfilled. This sets Appalachia apart from the rest of the Nation more clearly than the diverse record of what actually was performed and fulfilled in eastern Kentucky or in central Pennsylvania, in western Virginia or northernmost Georgia. The sins of commission in Appalachia are numerous and as opaque as history; what was omitted—the traditional pattern of growth thwarted by this neglect—is, on the other hand, transparent and may be simply stated.

POPULATION CHANGE

FIGURE 12

In Appalachia and Balance of U.S. by Selected Age Groups, 1950 to 1960



Source: Compiled from the U.S. Bureau of the Census Published Reports and Based on Table C - 21, Appendix.