

MAIN STREET AND THE NATION'S ECONOMIC BOOM:

The nation's economic expansion claims a new prize, becoming the longest in the nation's history. The economic boom began in March 1991, amid swirling doubts about the economy and concerns over war in the Mideast. Since then, it has proven highly resilient, and has now lasted 107 months. The surging economy has put millions more people to work, lifted incomes, and spurred a record-setting run on Wall Street.

But how have people on Main Street fared? Has the economic boom resonated in rural hamlets throughout the land? The answer is mixed. Some parts of rural America have enjoyed a growth surge, but other parts have struggled to keep up. In short, the nation's record-setting economic expansion has been a tale of two booms throughout rural America.

Since the current expansion began, the nation has added 19.4 million people to its job rolls. Per capita personal incomes have risen sharply, about 25 percent on an inflation-adjusted basis. And the gains in employment and income have helped spark an unprecedented bull run on Wall Street, lifting the Dow Jones Index from 2920 when the expansion began to 10,941 at the end of January 2000.

How well has rural America fared in capturing these gains? Rural data are not available for all economic and financial indicators. However, extensive employment data provide a good barometer of overall rural gains during the expansion. In particular, the data help answer four key questions. How have rural areas fared overall? Where have the biggest gains occurred in rural America? How have

isolated rural areas fared relative to those nearer the nation's metropolitan areas? And how have farming areas fared?

In the aggregate, rural America has been a hearty participant in the nation's expansion. While the nation's job rolls have jumped about a sixth (16.7 percent) since the expansion began, those gains have been fairly well balanced between metro and rural areas (16.8 vs. 16.2 percent). Rural and metro employment data are analyzed from February 1991 through November 1999, the last month for which rural data are currently available.

But the growth has not been evenly balanced throughout time. Urban areas were hard hit by the 1990-1991 recession, with manufacturing firms and many large companies undergoing a wave of "downsizing" rural areas were hurt much less, helped by a budding recovery in the farm economy. Thus, the early years of this expansion were characterized by faster job growth in rural areas.

More recently, the momentum has swung dramatically toward metro areas. With the economy posting strong GDP growth of more than 4 percent a year the past three years, metro areas have seen a sharp rise in jobs. Rural areas have added new jobs, too, but the growth has been more moderate. In short, there was a sizable gap in economic performance between rural and urban areas as the new millennium began. The recent downturn in the farm economy is part of the explanation, but other factors are also at work. These include rural America's struggle to participate fully in the fastest growing segments of the economy, such as high-technology, and a more sluggish shift to service industries in rural areas.

Comparing rural job gains across regions shows widely divergent performance. When the nation is divided into the nine regions used by the Census Department, the fastest rural job growth-by a wide margin-has been in the Mountain states, where rural employment has jumped 28 percent during the expansion. The rapid gains were driven by a strong influx of population and businesses as millions of new residents sought scenic lifestyles in the Intermountain West. Communities like Sheridan, Wyoming, and Durango, Colorado, discovered that the mountains in their backyard attracted footloose businesses and also spurred a boom in residential and commercial real estate development. While rural areas in the Mountain states benefited from the wave of economic activity, booming metropolitan areas in those states grew even faster, posting a 38 percent surge in job rolls.

A similar wave of amenity-driven development helped many rural places in the Pacific states. Mounting congestion in major West Coast cities led many people and businesses to find rural havens rich with amenities, pushing rural jobs up 18 percent. That was more than 2 percentage points faster than job gains in the region's metro areas, which were especially hard hit by lingering effects of the 1990-1991 recession. The rural gains in the Pacific states also reflect the ongoing growth of the region's many large metroplexes, whose economic influence continues to spread to surrounding areas.

In the central part of the nation, rural performance was more mixed. Growth was strong in the Great Lakes states comprising the East North Central region. In these states, manufacturing has a strong presence in many rural communities, and heavy industry has clearly been a strong engine for rural growth. In fact, rural communities in this region have generally grown faster than their city cousins (18 percent vs. 16 percent).

Further west, rural growth has been weaker in the West North Central region. Rural communities in this part of the nation remain more dependent on farming than states to the east, and also have fewer factories to broaden their economic base. With agriculture consolidating at a fairly rapid pace in the 1990s, many farm-dependent communities have posted only meager job gains even when farm incomes were relatively strong in the mid-1990s. In the southern part of the nation, rural areas have generally lagged behind during the nation's current expansion. The fastest growth in the South has been in the South Atlantic states, where rapid growth in the region's dynamic metro areas has readily transferred to many rural communities. Atlantic and the research triangle in North Carolina, for instance, have sparked economic activity well beyond the core and suburbs. Moreover, the region has benefited from the continued spread of manufacturing to rural communities. This trend is also evident in the East South Central and West South Central regions, where the Saturn plant in rural Tennessee offers a prime example of new manufacturing activity spurring broader rural job gains.

Nevertheless, job growth in the other two southern regions has trailed the nation as a whole in the current expansion. Rural communities in the East South Central and West South Central regions have clearly posted economic gains in the expansion. Nevertheless, parts of the two regions contain some of the poorest rural communities in the nation, notably rural counties scattered along the Mississippi Delta. Thus, at least some of the gains were made from an already low base.

Finally, rural portions of New England and the Mid-Atlantic regions have had the weakest job gains in the current expansion. In part, this reflects weaker performance more generally; the metro areas in these two

regions have also had weaker job gains in the expansion than those in any other part of the nation. Broadly speaking, economic activity in the United States has moved south and west for more than a decade, leaving many northeastern places-urban and rural alike-searching for new economic engines. For rural communities, that quest continues but apparently with only moderate success.

In sum, a survey of rural growth around the nation shows rural places in the Intermountain West doing extremely well, with their scenic amenities attracting a new flood of economic activity. To a lesser degree, the same story holds in Pacific states. In the Great Lakes and Southeast, rural areas are doing quite well, building on a fairly dense web of healthy metro areas. Elsewhere, rural areas appear to be lagging behind the rest of the nation.

A hallmark of the nation's current boom has been an explosion in technology that has made e-commerce a new way of doing business. Indeed, technical innovation has fueled a surge in productivity generally throughout the economy.

A critical issue for rural America going forward is whether the digital revolution opens new horizons to a brighter rural future or merely gives people and businesses more reasons to move to the nation's burgeoning cities. While the jury is still out on this issue, an analysis of the current economic boom suggest that remote rural places are lagging behind.

Employment gains in the current boom reveal a disparity between remote rural areas and those near metro areas. Rural counties new to metro areas are faring quite well, nearly matching the job gains in the nation's cities. More remote places, on the other hand, are not keeping up. Jobs have risen less than 16 percent in remote rural counties, more than a percentage point less than in the nation's cities.

Moreover, gains have been even weaker in the remotest counties. Jobs have increased just 13 percent in counties removed from metro areas and where the largest town has fewer than 2,500 people. Counties with bigger towns fared substantially better. Counties not next to metro areas but with towns between 2,500 and 20,000 in population saw their job rolls rise 16 percent in the expansion.

In sum, despite the steady march of telecommunications, remoteness has been a liability to much of rural America during the current boom. This reflects the general lack of digital infrastructure in many parts of rural America. In other cases, it may reflect the lack of entrepreneurs or a skilled workforce to take advantage of new opportunities in the economy. In either case, how remote rural places fare in highly dynamic economy remains one of the most important questions facing rural America in the new century.

Another important measure of rural performance in the current boom is how well farming areas have fared. While agriculture is no longer an economic tide that lifts all of rural America, it is the leading source of income to about a quarter of all rural counties. How have these counties been doing?

Farm-dependent counties have been among the weakest in creating new jobs in this expansion. Total employment growth in these counties has been just 13.4 percent, or nearly 3.5 percentage points less growth than in the nation's cities. Only mining-dependent counties fared worse, with job growth half as much as farming counties. Mining counties appear to be growing slowly due to weak energy prices throughout much of the 1990's and the continued shift to production methods that use more capital equipment and fewer workers.

Meanwhile, rural counties whose economies

are based primarily on services and government posted strong gains, as did so-called "nonspecialized" counties. In many cases, these rural counties are emerging rural trade centers with a diversified base built on retail, financial services, and health care.

Lagging job formation in farming counties underscores the economic dilemma many such counties face. Technological change is the steady companion of the U.S. farm economy; each year farmers grow more with fewer inputs. While beneficial to the U.S. economy overall, impressive gains in farm productivity do not by themselves spark strong job growth on Main Street. Thus, many farming communities in the nation's Heartland continue to search for economic engines that can broaden and strengthen their local economy. For many farm communities, the next ten years may well be a defining period.

Main Street has fared quite well overall in the longest expansion in the nation's history. Job gains in rural America have been about half a percentage point less than for the nation's metro areas.

Within rural America, scenic rural areas have been the biggest winners. In places like the Intermountain West, the boom on Wall Street has been matched by a boom on the nation's cities have also been quite strong.

The weakest rural gains have been in the more remote corners of rural America, including many farm-dependent communities, raising questions about whether remote rural places are fully participating in the digital era that now serves as one distinctive hallmark of the nation's longest economic boom.

PROFILE OF NATION'S LATINO GROUPS:

The estimated proportion of the Hispanic population with at least a bachelor's degree ranges from 25 percent for Cubans to 7

percent for Mexicans, according to 1999 data released by the Census Bureau.

Overall, about 11 percent of Hispanics age 25 years and older reported having at least a bachelor's degree, compared with 28 percent of non-Hispanic Whites.

The country's Latino population is not as homogeneous as some might think according to: **The Hispanic Population in the United States March -- 1999**. In many respects, people with origins in Cuba, Mexico, Puerto Rico, Central America and South America, as well as other Hispanic countries, have wide variations in their social and economic characteristics, from educational attainment and marriage, to employment and income.

Estimates for 1999 showed that nearly two-thirds (20.6 million) of Hispanics were of Mexican origin; 14 percent (4.5 million) were of Central and South American origin; 10 percent (3 million) were of Puerto Rican origin; 7 percent (2 million) had origins in the Caribbean and other countries; and 4 percent (1.4 million) were of Cuban origin.

Other findings:

□ Among Hispanic groups, people of Mexican origin had the lowest proportion (50 percent) of people with a high school diploma or more; others: Puerto Ricans and Central and South Americans (64 percent each); other Hispanics -- those from the Caribbean and other countries (71 percent); and Cubans (70 percent). (The percentages of Puerto Ricans and Central and South Americans with a high school diploma or more were not significantly different from each other. In addition, the percentages of Cubans and other Hispanics with a high school diploma or more were not significantly different from each other). Overall, 56 percent of Hispanics were high school graduates compared with 88 percent of non-Hispanic Whites.

□ The poverty rate among Hispanic groups

ranged from 31 percent for Puerto Ricans to 14 percent for Cubans. (The percentages of Puerto Ricans and people of Mexican origin in poverty were not significantly different from each other). Hispanics were about three times more likely to be living below the poverty level (26 percent) than non-Hispanic Whites (8 percent).

❑ Among children (under 18 years of age), 44 percent of Puerto Ricans lived below the poverty level in 1998, 35 percent of Mexicans, 32 percent of other Hispanics, 27 percent of Central and South Americans and 16 percent of Cubans. (The poverty rates for Puerto Rican children were not significantly different from that of Mexican and other Hispanic children. In addition, the poverty rates for Cuban children were not significantly different from that of Central and South American and other Hispanic children. Finally, the poverty rates for other Hispanic children were not significantly different from that of Mexican and Central and South American children).

❑ About 34 percent of Hispanic children lived in poverty in 1998, as did 11 percent of non-Hispanic White children.



<http://www.census.gov/population/www/socdemo/hispanic.html>

PROFILE OF THE NATION'S WOMEN:

In 1999, nearly 1 out of every 4 women had a bachelor's degree, 6 in 10 were in the labor force and about half were married and living with their spouse, according to a Census Brief released by the Census Bureau. The two-page brief, titled **Women in the United States: A Profile**, commemorates Women's History Month. It shows data on age, race, education, earnings, poverty, marital status, living arrangements, occupation and child-support awards, as well as comparable national data for men and historical data.

Other highlights:

❑ Women have almost achieved educational parity with men. In 1999, 23 percent of women age 25 and over had a bachelor's degree or higher, compared with 27 percent of men. In 1980, 14 percent of women and 21 percent of men had completed four years of college or more.

❑ The median earnings of women age 25 years and over who worked full-time, year round in 1998 was 73 percent of their male counterpart's earnings (\$26,711 and \$36,679 respectively).

❑ Women continue to be over-represented in administrative support and service occupations. For example, in 1999, 79 percent of the 18.6 million people working in administrative support (including clerical) were female, as were 95 percent of the 859,000 people employed as service workers in private households.

❑ In 1999, nearly 3 in 4 women age 15 and over worked in four occupational groups: administrative support, including clerical (24 percent); professional specialty (18 percent); service workers, except private households (17 percent); and executive, administrative and managerial (14 percent).

❑ Between 1970 and 1998, the number of women living alone doubled from 7.3 million to 15.3 million. The percentage of women who lived alone rose for every age group, except those ages 65 to 74.

❑ Women outnumbered men 139 million to 133 million in 1999. The male-to-female ratio declined with age, so that among people age 85 and over, it was 49 males for every 100 females.

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