

Rural Development Center Newsletter-April 1999

University of Maryland Eastern Shore

U.S. DEPARTMENT OF COMMERCE:

Enjoying an apparent resurgence, the Department of Commerce has received a substantial increase in its proposed overall budget from \$5.1 billion in FY 1999 to \$7.2 billion in FY 2000. As with the current years increase, most of those additional funds will go to support the 2000 Census effort. The total department increase other than for the Census, is only 5.6 percent.

With the passage of the Economic Development Act of 1998, which is the five year reauthorization of EDA, the agency has received its first substantial modifications since 1965 and the first multi-year reauthorization since 1981. The president has requested \$93.35 million for EDA in the FY 2000 budget request to Congress. This amount is only \$971,000 above the FY 1999 appropriations of \$392.37 million. Reauthorization will provide much needed stability to the agency and will permit it to assume a greater leadership position in assisting economically distressed communities.

The program modifications involve the proposed realignment of EDA's traditional programs into four divisions: Community The Community Economic Adjustment programs has a request of \$12 million, an increase of \$1.5 million. For Trade Adjustment Assistance and the Disaster Mitigation and Economic Recovery, the program request is \$3.379 million. Finally, the National Program Analysis and Information Consolidation budget request is \$2.1 million for technical assistance and research.

PBS FEATURE ON MICROCREDIT:

Only 20 percent of the world's population draw "conventional" wages. The rest is self-

and Regional Economic Enhancement; Community Economic Adjustment; Disaster Mitigation and Economic Recovery; and National Program Analysis and Information Consolidation. The largest division, which contains the best known traditional programs, is Community and Regional Economic Enhancement. Its requested budget amount is \$346.9 million, broken down as follows:

- Public Works, \$191.18 million
- Planning, \$29.67 million
- Technical Assistance, \$10 million
- Economic Adjustment Assistance, \$51.25 million
- Defense Economic Adjustment, \$64.8 million

The greatest increase in requested funds over FY 1999 appropriations is in the Public Works program, which has a proposed increase of more than \$30 million. Public Works grants are used to finance infrastructure projects such as wastewater treatment facilities, acquisition and development costs of research and industrial parks, and transportation facility improvements.

employed. The startup capital necessary for microenterprises, however, often is out of the reach of the world's poor for lack of collateral. About 1.3 billion of the world's people must live on less than \$1 a day in part due to this credit gap.

To *Our Credit* is a PBS documentary on microcredit, the small-loan strategy that has enabled people to create their own employment. This two-part video presents case studies from abroad (Part 1) and in the United States (Part 2). Praised by the Wall Street Journal and academics, the series

Rural Development Center Newsletter-April 1999

University of Maryland Eastern Shore

explores the potential for small business development while identifying challenges and pitfalls.

For further information, contact Rooy Media at: ☎(877) 226-4276.

🌐 www.tourcredit.org.

Economic Development Abroad has arranged reduced prices of \$29.95 (for each) and \$49.95 (for both videos). Please mention Abroad when ordering. Institutional rates and shipping and handling charges apply.

SUSTAINABLE ECONOMIC DEVELOPMENT:

The Community Sustainability Resource Institute recently updated their guide, *Sustainability in Action*, which profiles 51 communities that are implementing sustainable development practices. One project is a partnership organization founded by citizens around Cobscook Bay in northeastern Maine.

Their efforts include: a sustainability indicators project which measured the status of four commonly held values of residents: environment, economic development, education, and community/cooperation; a conference on using Cobscook Bay as a teaching tool; a soft shell clam habitat restoration and management project; and a directory of regional cottage industries.

The showcase programs demonstrate that if issues are addressed in an interconnected manner, economic success need not come at the expense of environmental quality, community preservation and social equality. The updated case studies are available at no charge on the Sustainable Communities website at <http://www.sustainable.org>, or in

print by contacting Susanna MacKenzie Euston by phone at ☎(704) 681-1955, by fax at (704) 687-0441 or by email at sustain@primeline.com.

MYTH OF THE RURAL SKILLS GAP:

The theory that rural education and job training are inferior to that offered in urban areas has been challenged by a new book published by Iowa State University Press. *Rural Education and Training in the New Economy: The Myth of the Rural Skills Gap* provides information about new ways to measure rural skills. It also offers realistic information regarding the structures, strengths and weaknesses of the current rural labor market, and suggest means of professional improvement, from traditional schooling to adult education. The book may be ordered for \$54.95 on the Iowa State University Press:

🌐 <http://www.isupress.edu>), or by phone at ☎(800)862-6657 or fax at (515) 292-3348.

SPRAWL AND GROWTH MANAGEMENT:

Urban sprawl, the phenomenon where urban development moves farther and farther beyond the suburbs and into the countryside, has become a popular buzzword used frequently by politicians and the media. *When City and Country Collide*, a book written by Tome Daniels and just released by Island Press, examines how traditional rural industries are giving way to residential and commercial development, and how the land at the fringe of developed areas is becoming the middle landscape that the suburbs once were. The 361-page book goes beyond simply reiterating the problem, by providing a number of carefully researched actions that federal, state and local governments, as well as private citizens, can take to foster more compact development. Daniels' appendices

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Rural Development Center Newsletter-April 1999

University of Maryland Eastern Shore

of five model ordinances provide a viable alternative to traditional land use and development practices. *When City and Country Collide* can be ordered for \$32.50 from Island Press online at:

☎ <http://www.islandpress.org>, by phone at ☎ (800)828-1302 or by fax at (707)983-6414.

1997 ECONOMIC CENSUS NEW BUSINESS CLASSIFICATION SYSTEM:

The Commerce Department's Census Bureau today released the 1997 Economic Census, marking the premiere of a new business classification system that will be used to measure the U.S. economy in the new century.

The 1997 Economic Census is based on the new system known as the **North American Industry Classification System (NAICS)** and contains, for the first time, measurement of such key components of the 21st Century economy as information, high-tech support services and entertainment sectors, among others.

The 1997 Economic Census provides the first snapshot of the economy as it enters the new millennium. This new and improved version gives business and government a better framework to make decisions that will keep our economy in high gear.

Our new system of measurement is organized the way our economy is organized, recognizing the role of new technology and the services that define our daily lives.

The economic census provides a detailed portrait of the economy every five years, from the national to the local level. Results

from the 1997 census will provide information on businesses operating at more than 21 million locations, giving key information on the number of businesses and employees, the value of shipments, sales, receipts, revenue and payroll. This advance report is the first in a series of more detailed reports that will follow over the next two years.

Among the key findings of the 1997 Economic Census using NAICS:

- ☐ The nation's information sector, including publishing, motion broadcasting, telecommunications, and information and data processing services, generates 3.2 million jobs, a \$135 billion annual payroll and \$642 billion in receipts at 115,000 locations.
- ☐ The health care/social assistance sector generates 13.6 million jobs, a \$379 billion annual payroll and \$890 billion in receipts at 645,000 locations.
- ☐ The professional/scientific/technical services sector, including scientists, engineers, architects, programmers and designers, generates 5.4 million jobs, a \$233 billion annual payroll and \$609 billion in receipts at 622,000 locations.
- ☐ The administrative/support services subsector, including employment agencies, employee leasing services, phone centers, telemarketing bureaus and travel agencies, generates 7.2 million jobs, a \$129 billion annual payroll and \$262 billion in receipts at 260,000 locations.
- ☐ The computer/electronic manufacturing sector generates 1.7 million jobs, a \$71 billion annual payroll and \$431 billion in shipments at 17,000 locations.
- ☐ The arts/entertainment/recreation sector generates 1.6 million jobs, a \$32 billion annual payroll and \$103 billion in receipts at 100,000 locations.

Rural Development Center Newsletter-April 1999

University of Maryland Eastern Shore

Other highlights include:

- ❑ The manufacturing sector employs the most people at 17 million employees, followed by retail trade at 14 million employees and health care/social assistance at 14 million employees.
- ❑ The top five manufacturing subsectors by shipment value are transportation equipment (\$578 billion), computers/electronic products (\$431 billion), food (\$425 billion), chemicals (\$418 billion) and machinery (\$272 billion).
- ❑ The top five retail subsectors by sales are motor vehicle/parts dealers (\$648 billion), food/beverage stores (\$401 billion), general merchandise stores (\$330 billion), building material/garden equipment stores (\$230 billion) and gas stations (\$198 billion).
- ❑ The NAICS system replaces the Standard Industrial Classification (SIC) system begun 60 years ago.

NAICS better measures the 21st Century economy by highlighting businesses that contribute the most to our economy and classifying businesses consistently by production process. Jointly developed with Canada and Mexico, the system makes possible comparisons with these major trading partners. Forsyth County, part of the Atlanta, Ga., Metropolitan Statistical Area (MSA), was the fastest-growing county with a population of at least 10,000. The county's population increased by 13.0 percent from 1997 to 1998 and by 95.4 percent since 1990. Nearby Henry and Paulding counties, located in the same MSA, and Dawson County, just outside the Atlanta, Ga., MSA, ranked fourth, sixth and seventh respectively, between 1997 and 1998.

Douglas County, south of Denver and part of the Denver-Boulder-Greeley, Colo.

partners. And the system is easily updated to reflect the changing economy.

The NAICS system provides 1,170 detailed U.S. industry classifications, or 15 percent more than were available under the old system. This includes 358 new industries and 390 revised industry classifications. Only 422 industries will continue to be measured in the same way. Many government agencies are expected to use the new system to redesign and benchmark other economic statistics programs.

FAST GROWTH SOUTHERN, WESTERN AND PREDOMINANTLY METROPOLITAN:

The nation's fastest-growing counties for all 3,142 U.S. counties were in or near metropolitan areas of the South and West, according to the Census Bureau:

④ www/estimates/countypop.html

Of the nation's 2,426 counties with at least 10,000 people in 1998, four of the top 10 fastest-growing were in Georgia, two each were in Colorado and Texas, and one each was in Nevada and Virginia.

Consolidated Metropolitan Statistical Area (CMSA), ranked second, growing by 11.2 percent between 1997 and 1998. From 1990 to 1998, Douglas was the fastest growing county in the nation, up by 133.4 percent. Elbert County, neighboring both the Denver-Boulder-Greeley, Colo., CMSA and the Colorado Springs, Colo., MSA, ranked eighth between 1997 and 1998.

Two Texas counties Collin, in the Dallas-Fort Worth, Texas CMSA, and Williamson, north of Austin in the Austin-San Marcos, Texas MSA ranked fifth

Rural Development Center Newsletter-April 1999

University of Maryland Eastern Shore

and ninth, respectively. **Loudoun County, Va., in the Washington-Baltimore, D.C.-Md.-Va.-W. Va., CMSA was third.** And Nye County, Nev., in the Las Vegas, Nev.-Ariz., MSA, ranked 10th.

It really is no accident that all 10 of the counties that grew the fastest from 1997 to 1998 were in or near metropolitan areas. Growth may be concentrated regionally in the South and West, but more specifically, it's occurring in counties around large cities such as Atlanta and Denver.

The rapid population growth in all 10 counties was due to high amounts of net domestic migration. Douglas County, Colo., and Williamson County, Texas, each had net domestic migration of more than 10,000 people last year. Collin County, Texas, had net domestic migration of more than 20,000 people.

Ten Fastest-Growing Counties in the United States with 10,000 or More Persons in 1998

County/State	%Increase: 97-98
1 Forsyth GA	13.0
2 Douglas CO	11.2
3 Loudoun VA	8.2
4 Henry GA	7.2
5 Collin TX	6.9
6 Paulding GA	6.9
7 Dawson GA	6.5
8 Elbert CO	6.5
9 Williamson TX	6.2
10 Nye NV	6.1

The 10 counties with the largest gains in the number of people between 1997 and 1998 were all in Southern and Western metropolitan areas. Four were in California (Los Angeles, Orange, San Diego and Riverside); three were in Texas (Harris, Dallas and Tarrant); and one each was in Arizona (Maricopa), Nevada (Clark) and Florida (Broward).

Los Angeles County was the largest gainer, with an increase of 97,027 people. Eight of the 10 counties (Los Angeles, Orange, San Diego, Riverside, Harris, Maricopa, Clark and Broward) also were among the top 10 gainers between 1990 and 1998.

Maricopa County, in the Phoenix-Mesa, Ariz. MSA, had the largest gain between 1990 and 1998, with an increase of 661,974 people.

Ten Biggest Numeric Gainers in Population 1997 to 1998

County/State	Increase
1 Los Angeles CA	97,027
2 Maricopa AZ	84,977
3 Orange CA	58,140
4 San Diego CA	56,881
5 Clark NV	55,229
6 Harris TX	51,953
7 Riverside CA	39,628
8 Broward FL	30,480
9 Dallas TX	30,245
10 Tarrant TX	29,229

Among regions, the West grew most rapidly 1.6 percent between 1997 and 1998, led by a 2.0 percent rate of growth in the Mountain states. The South also exhibited a high rate of growth, at 1.3 percent. The Northeast grew only by 0.3 percent, with the **Middle Atlantic states growing only 0.2 percent.**

STATE/LOCAL SPENDING \$1.4 TRILLION:

Spending by the nation's state and local governments increased to \$1.4 trillion during 1995-96, while spending in California topped all states at \$187 billion, according to tabulations released today by the Census Bureau.

The 1996 Annual Survey of Government Finances tabulations provide information for

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Rural Development Center Newsletter-April 1999

University of Maryland Eastern Shore

all 50 states and the District of Columbia.

Nationwide, the 1996 expenditure level reflects an increase of about 3.4 percent from the 1995 expenditure level. During this same period, expenditures for California increased by 3.1 percent.

On the other side, state and local governments' revenues increased by 6.7 percent to \$1.5 trillion between 1995 and 1996. California's revenues were up by 6.4 percent to \$201 billion.

Other findings from the 1996 tabulations, released on the Internet, include:

- ❑ State and local governments spent more than one-half of their money on four areas education (\$399 billion), public welfare (\$193 billion), highways (\$79 billion) and hospitals (\$71 billion).
- ❑ Taxes continued as the primary source of government revenue, with state governments relying primarily on general sales tax (\$139 billion) and individual income taxes (\$133 billion) and local government relying primarily on property taxes (\$199 billion).
- ❑ State and local governments had an outstanding debt of \$1.2 trillion, interest payments on debt of \$69 billion and cash and security holdings of \$2.3 trillion.

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