

**FEDERAL DOMESTIC SPENDING UP
4 PERCENT IN 1999:**

The federal government distributed more than \$1.5 trillion in domestic benefits, subsidies, grants, goods and services, and salaries and wages in fiscal year 1999 -- a 4 percent increase over 1998, according to two reports released by the Census Bureau.

California received the most federal funds of any state (\$166 billion), followed by New York (\$102 billion), Texas (\$98 billion), Florida (\$87 billion) and Pennsylvania (\$69 billion).

Altogether, Social Security, Medicare and Medicaid accounted for \$735 billion in 1999, 48 percent of all federal domestic spending.

The areas of the biggest increases were grant awards and direct payments to individuals for retirement and disability.

Federal direct payments to individuals for retirement and disability in 1999 reached \$523 billion, a 3.2 percent increase over 1998, with Social Security alone totaling \$415 billion, a 3.1 percent increase. Other direct payments in 1999 totaled \$328 billion, a 0.7 percent decrease, including Medicare at \$209 billion, a 0.4 percent decrease. Spending on grant awards in 1999 totaled \$294 billion, a 9.3 percent increase over 1998, with Medicaid payments totaling \$111 billion, an 11.7 percent increase. Procurement contracts in 1999 were \$216 billion and federal government salaries and wages, \$177 billion.

At the county or county-equivalent level, New York City, N.Y., led the list (\$44.2 billion), followed by Los Angeles County, Calif. (\$43.5 billion), Cook County, Ill. (\$24.3 billion), San Diego County, Calif. (\$17.9 billion), and Harris County, Texas (\$14.0 billion).

New York City and Los Angeles County received the most federal funds of any local area, topping 41 states; however, on a per capita basis, they ranked 769 and 1,653, respectively, among the 3,137 counties or county-equivalent areas.

Per capita federal spending topped \$8,000 in three states -- Alaska (\$8,521), Virginia (\$8,416) and **Maryland (\$8,119)**. New Mexico (\$7,805) was fourth, followed by Hawaii (\$7,228), North Dakota (\$7,157) and Montana (\$7,052).

Defense Department domestic spending, which includes payroll, defense contracts and grants, and military pensions, totaled \$237 billion in 1999, a 4.9 percent increase over 1998.

The top five states in Defense Department spending in 1999 were California (\$29 billion), Virginia (\$23 billion), Texas (\$17 billion), Florida (\$14 billion) and **Maryland (\$9 billion)**. For counties or county-equivalent areas, the top five beneficiaries were Los Angeles County, Calif. (\$8.0 billion), San Diego County, Calif. (\$7.3 billion), Fairfax County, Va. (\$5.1 billion), St. Louis City, Mo. (\$4.0 billion), and Norfolk City, Va. (\$3.9 billion).

The Census Bureau report, Consolidated Federal Funds Report for Fiscal Year 1999 (State and County Areas), CFFR/99, covers most domestic spending by the federal government. The largest exception is interest on the federal debt. This report is the only consolidated source of state and local data on the majority of direct federal expenditures, as well as data on federal loan and insurance programs. Another report, Federal Aid to States for Fiscal Year 1999, FAS/99, contains federal agency and program-level data on grants to state and

local governments.

U.S. BUSINESSES 1998 CAPITAL GOODS INVESTMENT \$974 BILLION:

U.S. businesses invested a record \$974 billion in capital goods in 1998, according to a report released by the Census Bureau. The 1998 total represents an increase of 12 percent from 1997 and follows an 8 percent increase in 1997 from 1996.

Businesses with employees accounted for 90 percent of all 1998 capital investment, spending \$879 billion. About two-thirds of this, or \$565 billion, was spent on new machinery and equipment, an increase of 9 percent from 1997. Investment in information-processing equipment, including computers and communications equipment, was \$184 billion, followed by transportation equipment, primarily cars and light trucks, at \$157 billion, and industrial equipment, at \$143 billion.

Businesses with employees spent \$290 billion for structures. Investment in new buildings and structures totaled \$251 billion; \$91 billion of which was used for remodeling, renovation and modernization. Of the \$148 billion spent on construction of new facilities, \$27 billion, or 18 percent, was used for utility structures and facilities, \$23 billion, or 15 percent, for industrial buildings, \$21 billion, or 14 percent, for commercial buildings, including shopping malls, and \$19 billion for mine shafts and wells. Businesses also spent \$48 billion on acquiring existing facilities, both new and used.

The report, Annual Capital Expenditures: 1998, ACE/98, defines capital goods as items with an expected use of more than one year, which ordinarily are depreciated by businesses. They include buildings and other structures, machinery and equipment, furniture, and computers and vehicles. While

the report shows estimates of investment by all nonfarm businesses, only businesses with employees were asked to report investment by type of structure, type of equipment and industry sector.

Industry highlights:

□ Manufacturing led all industry sectors in spending on capital goods with \$207 billion, or nearly 24 percent of total expenditures. Investment spending by durable goods manufacturers totaled \$119 billion, or 57 percent, of the manufacturing total. Most of their investment, \$100 billion, was for equipment. Within the durable goods sector, the communication equipment and electronic components industry spent the most on capital goods, \$28 billion. Nondurable goods manufacturers spent \$88 billion on capital goods. Chemical products (excluding drugs) at \$22 billion and food products (excluding beverages) at \$13 billion, together accounted for nearly 40 percent of the total of nondurable capital expenditures in 1998.

The services sector accounted for \$182 billion, or 21 percent, of total capital expenditures. The leading industry spenders in this sector were automotive and truck rental and leasing businesses, at \$32 billion, and hospitals, at \$25 billion. Together they accounted for nearly one-third of capital goods expenditures in the services sector. The industry with the largest dollar increase from 1997 in this sector was computer programming and data-processing services. Total capital expenditures for that industry were up nearly \$3 billion from 1997, a 23 percent increase.

□ The finance sector spent \$110 billion on capital goods, an increase of nearly 21 percent from 1997. Expenditures for structures nearly doubled from \$13 billion in

1997, to \$24 billion. Nondepository credit institutions spent \$68 billion on capital goods, accounting for 62 percent of this sector's spending.

❑ The communications services sector invested \$78 billion on capital goods in 1998. Virtually all of this sector's spending was for infrastructure, that is, communication structures and facilities and information-processing equipment.

The report shows capital investment spending by nonfarm businesses for structures and equipment in 97 separate industry categories. The data are used to identify trends in capital expenditures, analyze business asset depreciation and improve estimates of capital stock for productivity analysis.

1 IN 5 OF ASIANS/PACIFIC ISLANDERS COLLEGE EDUCATED:

In 1999, 3 out of 10 Asians and Pacific Islanders were under age 18, more than half lived in the West and 2 in 5 age 25 and over had earned at least a bachelor's degree, according to tables released by the Census Bureau.

The Internet tables from the March 1999 Current Population Survey (CPS) show characteristics for the Asian and Pacific Islander population, such as age, marital status, family type and size, education, occupation, income, poverty and housing. They also show comparable national data for non-Hispanic Whites.

Other highlights:

❑ Asians and Pacific Islanders were more likely than non-Hispanic Whites to have a bachelor's degree or higher, 42 percent versus 28 percent.

❑ Fifty-three percent of Asians and Pacific Islanders and 57 percent of non-Hispanic Whites age 15 and over were married and lived with their spouse. Thirty-four percent of Asians and Pacific Islanders and 24 percent of non-Hispanic Whites 15 years old and over had never married.

❑ A similar proportion of Asians and Pacific Islanders (66 percent) and non-Hispanic Whites (67 percent) 16 years old and over were in the civilian labor force.

❑ There was no statistical difference in the proportion of Asian and Pacific Islander families (53 percent) and non-Hispanic White families (52 percent) with incomes of \$50,000 or more.

❑ In 1998, the poverty rate for Asians and Pacific Islanders was 13 percent, compared with 8 percent for non-Hispanic Whites.

❑ About 52 percent of the Asian and Pacific Islander householders were homeowners compared with 73 percent of non-Hispanic White householders.

❑ The Asian and Pacific Islander population includes many groups who differ in language, culture and how long they have been in this country. Some of the Asian groups, such as the Chinese and Japanese, have been here for several generations. Others, such as the Hmong, Vietnamese, Laotians and Cambodians, immigrated to the United States comparatively recently. Relatively few Pacific Islanders are foreign-born; Hawaiians are, of course, native to the United States.

Also the Census Bureau released the Asian Pacific American Heritage Month Facts for Features, a brief compendium of current Census Bureau statistics on Asians and Pacific Islanders.

Later this year, the Census Bureau will release The Asian and Pacific Islander Population in the United States: March 1999, an analytical report on the country's Asian and Pacific Islander population, which uses data collected in the March 1999 CPS.

HOW INTERNET MAY CHANGE DAILY LIFE:

As Internet use grows, Americans report they spend less time with friends and family, shopping in stores or watching television, and more time working for their employers at home - without cutting back their hours in the office.

These are the major preliminary results of a new study that is the first assessment of the social consequences of Internet use based on a large, representative sample of American households, including both Internet users and non-users. The study was conducted by the Stanford Institute for the Quantitative Study of Society (SIQSS). The sample was of 4,113 adults in 2,689 households.

A key finding of the study is that-- the more hours people use the Internet, the less time they spend in contact with real human beings. This is an early trend that, as a society, we really need to monitor carefully.

A number of commentators have speculated about how the Internet might change people's daily lives. Some studies have looked at the use patterns of non-representative groups of Internet users, while only a sample representative of households nationally allows analysts to make projections about future Internet usage and its likely consequences, the researchers say. They worked with InterSurvey of Menlo Park, Calif., to develop a unique Internet-based method for conducting surveys with a national probability sample of the general population, including both

Internet users and non-users.

Some of the preliminary findings are:

- People spend more hours on the Internet the more years they have been using it.
- Up to a quarter of the respondents who use the Internet regularly (more than 5 hours a week) feel that it has reduced their time (in person or on the phone) with friends and family or attending events outside the home.
- A quarter of regular Internet users who are employed say the Internet has increased the time they spend working at home without cutting back at the office.
- Sixty percent of regular Internet users say the Internet has reduced their TV viewing, and one third say they spend less time reading newspapers.
- The least educated and the oldest Americans are least likely to have Internet access, but when they do use the Internet, their use is similar to others.
- About two-thirds of those surveyed who have Internet access said they spend fewer than five hours a week on the Internet, and most of them did not report large changes in their day-to-day behavior, the researchers said. But the other 36 percent who use the Internet five or more hours a week do report significant changes in their lives. The largest changes are reported by those who spend more than 10 hours a week on the net - individuals who currently account for only 15 percent of all Internet users but are likely to be a much larger fraction in the future.

As of today, heavy Internet users are still a small fraction of the total population but that fraction is steadily growing. Moreover, time spent on the net also grows with the number

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of years a person has been connected. The researchers Erbring emphasized that their analysis is preliminary, and SIQSS plans to conduct follow-up studies on at least an annual basis.

RECORD INTERNATIONAL TRAVELERS TO U.S.:

A record 51.5 million international travelers will make the United States their destination this year, pumping more than \$104 billion into the American economy, says a report issued by the U.S. Department of Commerce's Tourism Industries. The inbound travel forecast predicts the number of arrivals this year will increase by 3 million or 6 percent over 1999.

This year will mark the eleventh consecutive year of a trade surplus in inbound travel to the United States. International travel to America is a top export, helping fuel a robust economy and supporting more than 1.1 million U.S. jobs in a range of industry sectors.

Tourism is America's fourth largest export category, and the Tourism Industries' forecast shows continual growth in international travel to the U.S. from 2000 through 2003. Last year, 48.5 million international visitors contributed \$96 billion in revenues to the U.S. economy. In three years, the number of foreign visitors to the U.S. is expected to grow to 59.6 million-generating \$128 billion in export revenue.

Continual economic growth in Europe and Asia are key to long-term growth in U.S. tourist arrivals in the new millennium. Europe is projected to see its seventh straight year of increased visitation to America, maintaining their role as the top generating inbound overseas region. Visitors from Europe are expected to surpass 13.5 million by 2003, an increase of 21

percent over 1999. Asian visitors are forecasted to surpass 8.9 million by 2003, or a 29% growth over the 1999 arrivals total.

During that same period, visitors from South America could reach 3.5 million, while the number of tourist from Central America could reach 835,000. The combined total of tourists from these regions could surpass the 4.3 million mark by 2003. Arrivals from Canada should continue to show growth for the next five years, reaching 18.1 million arrivals.

The forecast data reflect current world economic indicators and use a relationship between past historical international arrival levels to project upcoming visitation for the next several years. The data will be used by the U.S. travel industry to develop strategic analyses of plans to attract even greater numbers of travelers and to expand the export earnings generated from international travel to the country.

The forecast covers more than 30 countries and all world regions. It will be available on the Tourism Industries Internet site at (<http://tinet.ita.doc.gov>).

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