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University of Maryland Eastern Shore

POLL: MOST OF US HAVE COMPUTER ACCESS

For the first time, a majority of Americans have access to at least one computer at home and almost as many can reach the Internet, a National Science Foundation survey finds.

An NSF report, called Science and Engineering Indicators 2000, said that a 1999 survey of Americans found that 54 percent had access to a computer at home, an 11 percent increase from a 1997 survey. "The percentage has been rising steadily since 1983, when only 8 percent" had computer access at home.

Home computers with modems, for Internet connection, rose to 46 percent in the survey, in contrast to 21 percent in a 1995 survey, the report said.

The average hours spent each year on the home computer dropped slightly, the survey found. In 1997, the survey found that the average home computer user spent 302 hours on the machines, while the average was 283 hours in the 1999 survey.

For Internet users, however, the survey found that the average number of hours spent online annually has increased from 80 in 1995, to 161 in 1997, to 296 in 1999.

Those able to define the Internet increased to 16 percent in 1999, from 13 percent in 1997. (The Internet is a global network that connects computer systems and permits the electronic exchange of information.)

The survey is based on a random-digit sampling of 1,882 American adults. The response rate to the 1999 survey was 66 percent. The report did not state the margin of error. The Complete NSF report: ✇http://www.nsf.gov/sbe/srs/stats/htm.

1998 U.S. BUSINESSES INVESTED RECORD $974 BILLION IN CAPITAL GOODS:

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.

SERVICE INDUSTRIES -- NEW ECONOMY'S BIGGEST JOB GENERATOR:

Service industries, one of eight major divisions in the nation's private nonfarm economy, created 6.4 million new jobs, more than half of all new jobs, between 1992 and 1997, and Mississippi led the way, according to a report released by the Census Bureau.

Service industries are the biggest and fastest-growing part of our economy as measured by jobs.

Business services account for much of that growth, but there are some important exceptions. For example, service industries in Mississippi grew faster than other states on the strength of hotel and amusement industries.

The report, **Comparative Statistics**, compares, at the U.S. and state levels, 1997 Economic Census results with those from the 1992 Economic Census.

Taxable and tax-exempt service establishments showed a 24 percent increase in employment between 1992 and 1997, from 27.4 million to 34.0 million jobs. Most of that growth was among service establishments subject to federal income tax (19.3 million to 25.5 million jobs, or 32 percent), while tax-exempt service establishments, including most hospitals, grew at a more modest rate (8.1 million to 8.6 million jobs, or 6 percent).
Receipts of service establishments climbed 46 percent, from $1.6 trillion to $2.4 trillion, between 1992 and 1997. (All figures in the report are presented in current dollars and not adjusted for inflation. Between 1992 and 1997, consumer prices increased 14 percent and producer prices, 7 percent.)

Within service industries, the broad subcategory called "business services" had the biggest dollar growth in receipts among firms subject to federal income tax, from $275 billion to $529 billion, or 92 percent. Employment in business services grew 56 percent.

Individual service industries with fast-growing receipts include data-processing schools (up 197 percent), computer rental and leasing (160 percent), prepackaged software (152 percent) and help-supply services (142 percent).

Mississippi led all states in growth of service businesses subject to federal income tax, with a 66 percent increase in employment (from 108,000 to 180,000) and a 94 percent increase in receipts (from $5.5 billion to $10.7 billion). Mississippi's receipts in hotels and motels skyrocketed from $235 million to $1.34 billion. "From another report, we know that Mississippi's 1997 hotel receipts were dominated by casino hotels. Casino hotels were not separately identifiable in reports for 1992.

Other fast-growing states in service industries were South Carolina, Colorado, **Delaware**, Washington and Arizona.

Retail Trade--
Nationally, retail sales increased by 34 percent between 1992 and 1997, to $2.5 trillion. Employment by retailers, on the other hand, went up 15 percent, to 21.2 million employees.

The fastest-growing large retail industries were computer and software stores (179 percent); mobile home dealers (134 percent); used-car dealers (116 percent); and catalog and mail-order houses (86 percent).

South Dakota led all states in growth of retail sales between 1992 and 1997, nearly doubling its receipts ($5.1 billion to $9.9 billion). Other states with fast-growing sales were Nevada, Utah, Arizona and North Carolina.

Manufacturing--
The dollar value of shipments from manufacturing establishments was up 32 percent between 1992 and 1997 (from $3.0 trillion to nearly $4.0 trillion), the largest percentage gain for manufacturers since the 1977 to 1982 period. Job growth was a modest 3.5 percent, but this was the first five-year period with any job growth in manufacturing in 20 years.

Within manufacturing, the subcategories with the fastest growth in value of shipments were electronic and other electrical equipment (61 percent) and industrial machinery and equipment (58 percent), a category that includes computer manufacturing.

Among individual manufacturing industries, the fastest-growing large industry was semiconductors and related equipment, which registered a 144 percent increase in shipments.

New Mexico (114 percent), South Dakota (107 percent) and Nevada (102 percent) had triple-digit growth in the value of their manufactured shipments, but all three started from relatively low levels of manufacturing.

New Mexico's manufacturing growth was led by electronic and electrical equipment; South Dakota's by industrial equipment, including computers; and Nevada's by paper and allied products.

As for dollar increases in shipments of manufactures, Texas, up $89 billion to $302 billion, outgained California, whose $84 billion increase put it at $390 billion, although California remains the state with the most manufacturing shipments and the highest manufacturing employment.

SELF-EMPLOYMENT BOOMING IN THE RURAL NORTHEAST:
Growth in the number of self-employed workers is outpacing overall job growth in the rural Northeast. Between 1969 and 1997, the number of workers in the rural Northeast who were self-employed in non-farm occupations more than doubled, from 307,457 to 699,096 (or grew by 127 percent), while total rural full- and part-time job growth--including self-employment expanded by only 49 percent. Both of these number were well ahead of total metropolitan job growth in the Northeast (33 percent). In comparison, the number of all nationally increased by 72 percent. To a large extent, the shift to self-employment that is occurring in the rural Northeast reflects downsizing within firms as well as the movement of manufacturing firms out of the region.While some rural regions in the Northeast may be able to attract economic activity from the outside through the natural amenities they offer, many will have difficulty recruiting industries to replace the jobs that were lost over the last decades. Instead, these regions will have to look to the retention and expansion of existing businesses, and the development of new businesses by local entrepreneurs, if they want to maintain or expand their economies.

At the same time, average earnings of the self-employed nationally in 1997 were only around $15,000 in non-metro areas, vs. $23,000 per self-employed worker in metro areas. These earnings levels are well below the average of most industries. In addition, unlike many wage-and-salary workers, self-employed workers usually pay for their own retirement programs and health insurance plans.

All of this raises questions about strategies that are available to increase the productivity and earnings of the self-employed in rural areas. As indicated in the last newsletter, as many as 1 in 4 workers in the rural Northeast will be self-employed by the year 2017 if present trends continue. This will in turn have important implications for how schools, colleges and universities prepare students for their future careers. (North East Regional Center for Rural Development)

U.S. FAMILIES:
Single Fathers--
The number of single fathers grew 25 percent between 1995 and 1998, from 1.7 million to 2.1 million, while the number of single mothers remained constant at about 9.8 million. Consequently, men comprised 1 in 6 of the nation's 11.9 million single parents in 1998, up from 1 in 7 in 1995 and 1 in 10 in 1980.

The typical single father in 1998 was 38 years old; a ratio of 1 in 9 was under age 25; and 1 in 70 was 60 or older. About half of single fathers resided in suburban areas in 1998.

Most of the nation's single fathers (85 percent) maintained their own household in 1998. The remainder lived in the home of a relative (12 percent) or a nonrelative (3 percent).

In 1998, 44 percent of single fathers were divorced, 35 percent had never married, 12 percent were separated, about 5 percent were widowed and another 5 percent were separated for reasons other than marital discord.

Of single fathers raising their own children in 1998, 63 percent cared for only one child under 18 and 11 percent cared for three or more.

In 1998, a ratio of 5 of every 6 (83 percent) of the nation's single fathers were White. African Americans and Hispanics (who may be of any race) each comprised about 13 percent of the total.

Fifty-five percent of single fathers who maintained their own households in 1998 had at least one other adult in their home to help them out.

For further information on data in this section, go to the following URL:
http://www.census.gov/Press-Release/cb98-228.html.

Child Support--
The 2.1 million fathers who had custody of their children in 1996 comprised 15 percent of all custodial parents. They were less likely to have been awarded child support (40 percent) than custodial mothers (61 percent). Of those due payments in 1995, they also were less likely to receive at least a portion of payments owed (57 percent) than were custodial mothers (70 percent).
http://www.census.gov/Press-Release/www/1999/cb99-77.html.

Fathers receiving child support had higher average incomes ($30,030) than mothers receiving it ($21,829) in 1995. These men received an average $3,370 in 1995, not statistically different from the $3,767 in support payments custodial mothers received.
http://www.census.gov/Press-Release/www/1999/cb99-77.html.

The source for the preceding facts are the **Current Population Survey** and the **Survey of Income and Program Participation**. Questions or comments should be directed to the Census Bureau's Public Information Office (Tel: 301-457-3030; fax: 301-457-3670;
e-mail: pio@census.gov).

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