Rural America Entering the 21st Century: Forces of Change

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Agricultural Outlook Forum 2003
February 20, 2003
Rural America is home to 56 million of the Nation’s people.

Source: Prepared by ERS using Census of Population data.
Forces shaping Rural America

- Changing demographics
- Health of the economy
- Industrial restructuring
- Policy forces
- Changing technology and knowledge
Changing demographics

Population change varies widely across rural America

Nonmetro population change, 1990-2000

Source: Prepared by ERS using Census of Population data.
Hispanics are the fastest growing racial/ethnic group in rural America

Percent nonmetro population change, 1990-2000

Source: Prepared by ERS using Census of Population data.
Unemployment rates rise during recession

Health of the economy

Large employment losses in the rural South and Northwest

Nonmetro employment change, 2000-2001

Health of the economy

Rural areas do not fare as well as urban areas on many key indicators

Percent of population

- Unemployed
- Poor
- High school dropouts

Farm earnings in local economies are less important now than 30 years ago.

1969:
Farming accounted for 20 percent or more of earnings in **935** nonmetro counties.

1999:
Farming accounted for 20 percent or more of earnings in only **262** nonmetro counties.

Source: Prepared by ERS using Bureau of Economic Analysis data.
Industrial restructuring

Farming and manufacturing jobs fall, trade and service jobs increase in rural areas

Percent of nonmetro employment

Source: Prepared by ERS using Bureau of Economic Analysis data.
Industrial restructuring

Basic assets offer opportunities for improved sustainability

- Natural amenities for tourism, retirement, and recreation
- Labor and land for manufacturing, prisons, health facilities
- Natural resources for farming, forestry, and mining
Policy forces

Welfare reform: Devolution and local capacity

- Established TANF
- Limited lifetime benefits
- Required work activities
- Devolved authority to States
Local capacity differences lead to smaller rural effects

- State program operation
- Structure of opportunities
- Work support services
- Recipient characteristics
Welfare reform has been less successful in poor and remote rural areas.

Consistently high poverty counties contain 24 percent of the nonmetro poor.

Source: Prepared by ERS using Census of Population data.
Much of the rural South is characterized by low education.

Percent of nonmetro adults completing high school, 2000

Categories indicate county rates one standard deviation or more above and below nonmetro mean completion rate (84.9 and 87 percent, respectively).

Source: Prepared by ERS using Census of Population data.
The rural-urban gap in college completion widens

Source: Prepared by ERS using Census of Population data.
Key principles for rural development

- Rural America is diverse and changing
- Rural policy is not synonymous with agricultural policy
- Rural America has prospered, but continues to face challenges
Key principles for rural development

• Enhanced sustainability depends on innovative income generation

• Rural issues are most effectively addressed at local and State levels

• Improved education is key to rural development
Key principles for rural development

- Educational institutions play an important role in attracting businesses
- The future is a local, State, and National concern