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trade, and finance enable a smaller economy to connect to national and international marketplaces. In nonmetro counties with an urban population between 10,000 and 49,999, earnings per job were 69 percent of metro, compared with 61.4 percent in nonmetro counties of less than 10,000.

Lower earnings, however, do not necessarily indicate that rural residents are worse off than their metro counterparts. The cost of living varies with geography, and nonmetro areas typically have lower costs than metro. For more information, see, "Adjusting for Living Costs Can Change Who Is Considered Poor" (pages 10-15).

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This finding is drawn from . . .

The Nonfarm Earnings chapter of the ERS Briefing Room on Rural Income, Poverty, and Welfare, www.ers.usda.gov/briefing/incomepovertywelfare/nonfarmearnings/

from 1976 to 2005, compared with 36.5 percent in the 2,022 counties that remained nonmetro. At the same time, employment in the 625 counties that remained metro from 1976 to 2005 grew 61.7 percent to 104.7 million. The reclassified counties represented more than 30 percent of the nonmetro employment base in 1976.

Even if the expansion of metro areas continues, the current nonmetro counties likely will still account for something close to their present share of national employment 30 years from now when growth rates are compared based on 2005 metro status. However, a disproportionate number of the fastest growing among these counties will be reclassified as metro, and statistically speaking, the remaining nonmetro counties' share of national employment will decline even further.

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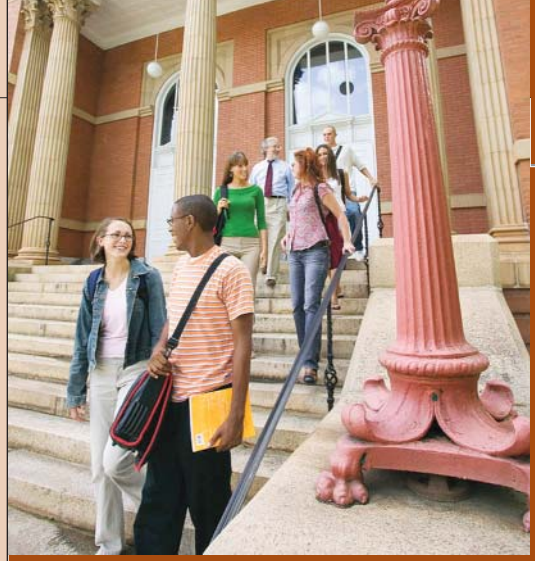
This finding is drawn from . . .

The ERS Briefing Room on Measuring Rurality, www.ers.usda.gov/briefing/rurality/



Designing an Effective Rural Development Strategy

Technological change and the shift to a more competitive global economy have reduced employment in farming and many other rural-oriented industries. To help rural communities adjust, Federal, State, and local governments have invested in improved education, training, and infrastructure, and provided other valuable assistance. But without a good local plan or strategy, these investments are often unsuccessful.

Most rural development experts argue for an inclusive, local strategy-building process that proposes ways to build on community strengths and shore up weaknesses. A community's strengths may include an education system that produces a highly skilled labor force or natural amenities that attract tourists and future residents. Local weaknesses may include inadequate infrastructure, lack of a highly skilled workforce, or a housing shortage.

A collaborative effort using an entire region's assets may be required to help a locality improve access to community colleges, airports, amenity attractions, and telecommunications. Successful economic development strategies pay attention to market trends when identifying economic niches where the locality can have a comparative advantage. For instance, some communities may find it economically feasible to focus on developing value-added food processors, particularly if raw inputs are plentiful, demand for the industry's output is significant and rising, and transportation links and other business location factors match the industry's needs. These "niche" strategies try to foster the growth of industries with desirable qualities, such as high wages and long-term growth potential.

Effective development strategies also aim for economic diversification, so the community is less subject to fluctuations associated with one or two industries. A focus on entrepreneurship and small business development can be particularly helpful.

Local strategies will vary. For example, agricultural or manufacturing areas may focus more on improving education and training, upgrading Internet connections, and finding new niches—such as alternative energy production—to encourage renewed growth. In contrast, rapidly growing communities may pursue policies aimed at managing growth to make it more sustainable and amenable to local quality of life.

Regardless of the local situation, effective development strategies recognize the importance of community development, including improved housing and health, and reduced crime and poverty. Such activities share the gains from economic development with those who might otherwise not benefit and boost local support for the strategy. Community development also helps attract people and industry to the community, since many consider noneconomic factors in their decisions to relocate.

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This finding is drawn from . . .

The ERS Briefing Room on Rural Development Strategies, www.ers.usda.gov/briefing/ruraldevelopment/