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Low-Skill Workers Are a Declining Share of All Rural Workers

Rural workers in jobs with low skill requirements declined as a share of all rural workers during the 1990s, a decade when technological change seemed to favor high-skill urban-oriented economic activities. The share of workers in low-skill jobs declined more in rural areas (2.2 percentage points) than in cities and suburbs (1.1 percentage point) in the 1990s. This trend suggests that rural workers as a whole are participating in the long-term national movement toward a more skill-intensive economy marked by higher labor productivity and wages. The low-skill workforce includes a majority of the rural working poor and near-poor population, who are the focus of recent Federal policy initiatives designed to ensure a sustainable wage. By 2000, 42 percent of rural America's 25 million workers were employed in jobs with low skill requirements (6 percentage points above the national average).

According to ERS research, the declining share of rural workers in low-skill jobs resulted from a shift in industrial employment from the goods-producing sector to the service sector. Mining and manufacturing, major forces in the goods sector, have historically

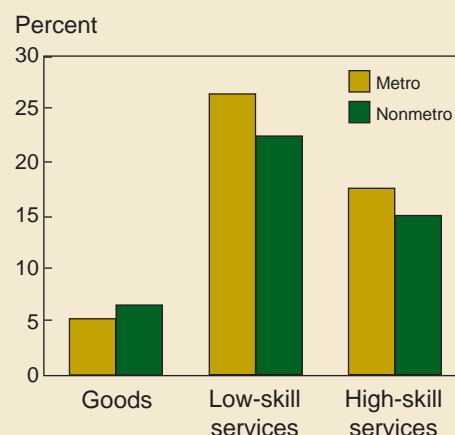
required a large number of workers with limited skills, but now employ a much smaller proportion of the rural workforce than in previous decades. On the other hand, service employment, with typically higher verbal and quantitative skill requirements, grew rapidly.

A shift *within* the service sector toward less-skilled jobs, however, offset the drop in goods-producing employment. Most of the recent decline in the low-skill share of rural employment is attributable to occupational shifts *within* industries, with the most pronounced shift in the goods sector. These shifts reflect a growing demand for workers engaged in high-skill activities, such as administration and research associated with corporate headquarters. Moreover, technological advances in the way that goods and services are produced favor workers who can perform more complex tasks and are more proficient in verbal and quantitative skills.

Other recent evidence corroborates the picture of skill upgrading in rural America. ERS research on rural and urban differences in computer use and the

adoption of advanced production technologies in manufacturing has found that technological skills are being upgraded at about the same rate in rural and urban establishments. Furthermore, educational attainment, which closely tracks skill measures, rose as quickly among rural adults as among urban adults in the 1990s. In some rural communities, the loss of low-skill jobs creates a hardship for workers lacking training opportunities or alternative employment.

Employment growth by sector in metro and nonmetro areas, 1990-2000



But the growth in expertise and skills needed for a more technologically advanced economy should benefit the rural workforce overall. These trends are primarily evidenced by shifts in the employment mix within industries, rather than by the employment shifts between industries that often attract the most attention. \mathbb{X}

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This finding is drawn from . . .
www.ers.usda.gov/Briefing/LaborAndEducation/lwemployment



Photo by Joe Valbuena, USDA