

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

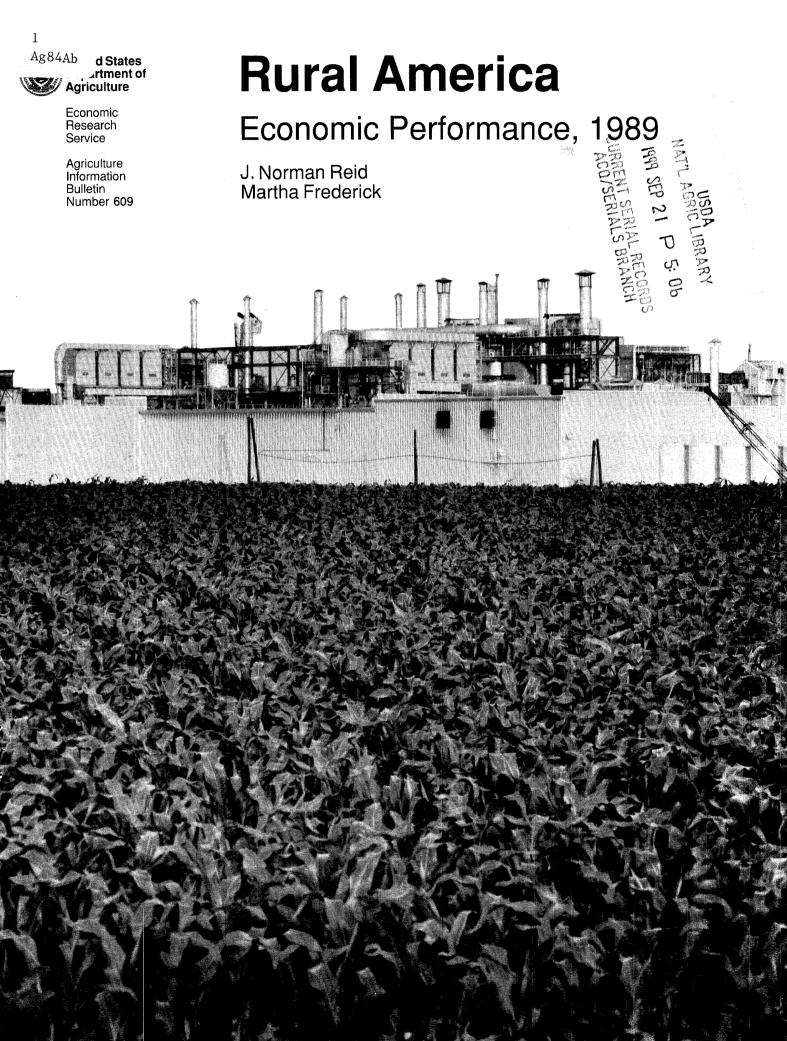
Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search http://ageconsearch.umn.edu aesearch@umn.edu

Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.



Rural America: Economic Performance, 1989. By J. Norman Reid and Martha Frederick. Agriculture and Rural Economy Division, Economic Research Service, U.S. Department of Agriculture. Agriculture Information Bulletin No. 609.

Abstract

Rural America's economy in 1980-89 had a hard time keeping up with the urban economy and continued to undergo industrial restructuring, key indicators show. Nonmetro employment growth lagged growth in urban areas during that period. Job losses early in the 1980's, and slow growth afterwards, limited economic opportunities and led to declining relative incomes, higher poverty rates, and slow population growth in parts of rural America. These economic conditions reflect both the cyclical downturn in the early 1980's and continued restructuring that has affected traditional rural industries.

Keywords: Nonmetro economy, employment, unemployment, population, migration, income, earnings, regions, rural areas.

Acknowledgments

This report draws heavily on the work of the Human Resources and Industry Branch, Agriculture and Rural Economy Division, Economic Research Service, U.S. Department of Agriculture.

Cover photo: Photo by Runk/Schoenberger, Grant Heilman Photography, Inc.

Contents

Page

Summary Key Indicators Measure Rural Conditions	2 2
Overview of the Rural Economy	
Restructuring	4
Employment and Unemployment Rural Employment Is Growing Again, but Job	
Quality Shows No Gains	6
Income and Poverty Rural Areas Have Declining Incomes and Rising Poverty Rates	8 8
Population	10 10
Economic Adjustment and Change The Rural Economy Has Had Difficulty Adapting to	
Changed Economic Conditions	
Geographic Dimensions of Rural Performance	14
Regional Patterns	14
Urban-Influenced Rural Areas Fared Better in the 1980's Than Did More Remote Rural Places Rural Economic Performance Hinges on County	16
Industrial Specialization	18

Summary

Key Indicators Measure Rural Conditions

The rural economy went through major adjustments during the 1980's, resulting in high levels of unemployment, slow job and income growth, and widespread population losses. Rural areas may now have passed the hardest times, but current trends do not point to a return to the boom years of the early 1970's.

Statistics on employment and unemployment, income and poverty, and population change document the economic and social adjustments rural areas underwent in the 1980's.

Nonmetropolitan (nonmetro) area employment growth generally was slower in the 1980's than in earlier years, reflecting the rural economy's trouble keeping pace with an increasingly urban-centered national economy. Job losses during the recession early in the decade, and slow job growth afterwards, restricted economic opportunities available in rural locations, leading to higher levels of unemployment. (The terms "rural" and "urban" are used interchangeably with the terms "nonmetro" and "metro" throughout this report.)

Nonmetro earnings growth was also slow, limiting increases in rural income levels and causing poverty rates to rise. Faster economic expansion in the Nation's cities produced wider differences in income and poverty levels between metro and nonmetro areas during the decade.

The pull of rapid economic growth in urban areas, coupled with the push of stagnating conditions in many rural locations, led to increased outmigration and widespread population losses in rural counties during most of the 1980's.

Although these economic conditions reflect the convergence of cyclical downturns in several major rural industries, more basic economic restructuring continued. Over the long term, structural adjustment is probably a more important explanation of rural economic trends than patterns of recession and recovery.

These statistics give no indication that rural economic adjustment has been completed, or that it will result in long-term improvements in jobs and income levels. Rural areas remain dependent on low-wage industries to employ a work force with lower-than-average skills. Neither the rural industrial mix nor the education level of the rural population has improved in recent years.

Slow employment and earnings growth limited economic opportunities in rural America.

During the 1980's, rural job growth was much slower, and nonmetro unemployment higher, than in metro areas. Real earnings per job, which measure the economy's ability to generate economic returns for its workers, declined. These facts document a rural economy that experienced considerable difficulty in producing expanded economic opportunities for its residents during the 1980's.

Rural income lagged, and poverty rates rose.

The difference between rural and urban income levels widened steadily during the 1980's. Nonmetro per capita incomes have fallen in relation to metro incomes since 1973. The nonmetro poverty rate has risen and now stands 35 percent higher than the metro rate. Both nonmetro and metro poverty rates fell slightly in 1987, but whether this signals the beginning of a lasting improvement in underlying conditions is unclear.

Limited opportunities led to major population losses.

Most rural counties lost population during the mid-1980's, as far more people moved away from rural areas, especially outlying counties, than moved into them. Population losses reflect both slow rural economic expansion and the pull of more and better jobs in the cities. Rural population losses may now be moderating, but population loss and outmigration remain major concerns for many rural areas.

Slowed rural economy reflects difficulty of adjusting to the new world economy.

The steady drop in the share of nonmetro workers in natural resource industries since 1970 points to continued adjustments in the rural economy. Although restructuring may lead to a healthier rural economy in the long run, it has produced much dislocation in the short run. Much rural economic adjustment occurred by outmovement of persons and firms from rural areas. As of yet, the substitution of new economic activity for old has not led to net improvements in rural incomes. The generally low skills of rural workers probably will make successful adjustment of the rural economy to a more competitive position long and difficult.

Rural Economic Change Reflects Ongoing Industrial Restructuring

Periodic ups and downs in the U.S. economy and the severe recession of the early 1980's helped to hide basic industrial restructuring in the rural economy. Rural areas continued to lose jobs in natural resource industries, while job growth concentrated in nontraditional industries such as private services.

Cyclical ups and downs in the Nation's economy are an important explanation of trends in the rural economy. During the 1970's and 1980's, the Nation's economy experienced three major periods of economic expansion (fig. 1). Two of these, separated by a recession in 1974-75, brought fast job growth to rural areas at rates often exceeding urban job growth. The third, following a major slowdown in the rural economy between 1979 and 1982, was a recovery that lasted for most of the 1980's. These cyclical patterns account for most of the year-toyear movement in rural job creation.

Since 1977, however, the rural economy has failed to match metro areas' job creation rate. The gap in performance widened during the 1980's, pointing to reduced rural comparative advantage that is reflected in such indicators as slow job growth, high unemployment, falling relative income, rising poverty rates, and population loss. Although rural job growth caught up to the urban area rate in 1988, it resulted from rapid national growth in real gross national product (GNP) during 1987 and 1988 at rates unlikely to be sustained.

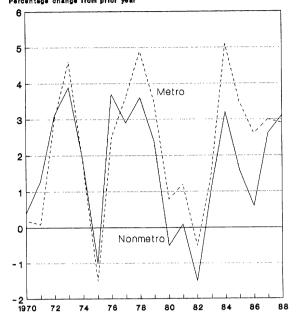
The changed rural comparative advantage also has contributed to major restructuring in basic rural industries. Over several decades, improved labor productivity in farming and other natural resource industries led to a loss of jobs in those industries, even as output increased. Since 1969, the percentage of rural workers employed in these industries has fallen by half (fig. 2). Although farm earnings in rural counties rose by 60 percent between 1982 and 1987, they accounted for only 8 percent of earnings in 1987 and the increase had little effect on total rural earnings.

The concentration of rural job growth in nontraditional industries (industries other than farming, mining, forestry, and fishing) underscores the extent of the industrial restructuring in the rural economy. The fastest growing industries since 1969 have been private services and construction (fig. 3). In the 1980's, private services accounted for all net new jobs in the rural economy, while growth in the number of government jobs helped offset job losses in other industries (fig. 4).

Figure 1

Annual rate of employment change, 1970-88 Nonmetro areas fell behind in the mid-1980's, but

improved in 1988. Percentage change from prior year

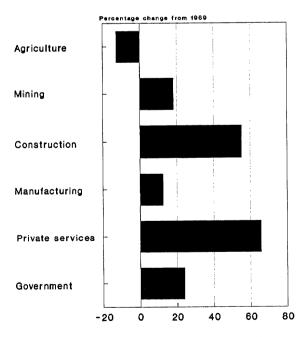


Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 3



Private services and construction grew fastest.

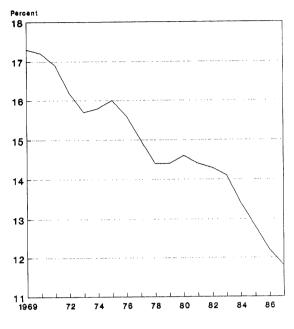


Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 2

Proportion of nonmetro jobs in resource industries, 1969-87

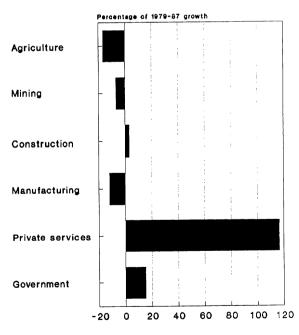
The share declined steadily for two decades.



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 4 Nonmetro job growth, 1979-87

Private services and government accounted for all net new jobs in the 1980's.



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment and Unemployment

Rural Employment Is Growing Again, but Job Quality Shows No Gains

The nonmetro economy lost jobs during the national recession and suffered from high rates of unemployment during the early and mid-1980's. The nonmetro job growth rate now exceeds the metro rate, but the rural economy is just recovering to its prerecession employment levels in some industries.

The ability of the nonmetro economy to keep pace with urban America in job creation steadily eroded over the last two decades (fig. 5). While nonmetro job growth equaled or exceeded the urban rate during the early 1970's, it fell behind in the latter part of that decade. During most of the 1980's, the gap in job creation widened. Despite an improved rate of nonmetro job growth in 1988, that gap was not significantly reduced.

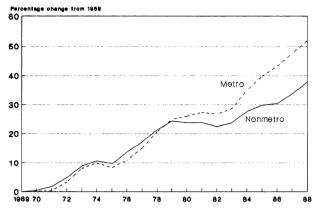
Unemployment figures tell a similar story (fig. 6). The nonmetro unemployment rate, historically lower, exceeded the urban rate for the first time in 1978. The rural-urban gap in unemployment widened in the early 1980's. The narrowing of that gap since 1986 points to continued improvement in the rural economic picture.

On the whole, rural jobs remain financially less rewarding than urban jobs. The organization of American industry results in a greater concentration of low-paying production jobs in rural areas, while managerial jobs are concentrated in urban headquarters locations. As a result, real average earnings per job in rural areas are well below the urban level (fig. 7).

Furthermore, though inflation-adjusted rural earnings per job are 10 percent above the 1969 level, they remain well below the level they held during most of the 1970's. Although earnings have grown somewhat in recent years, there is no evidence that a narrowing of the rural-urban gap is underway.

Overall, there is little evidence that rural job growth is translating into longer term development.

Figure 5 Employment change, 1969-88 Nonmetro areas fell behind in the 1980's.



Source: U.S. Department of Commerce, Bureau of Economic Analysis

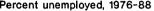
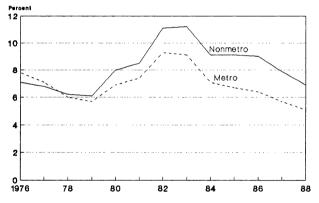


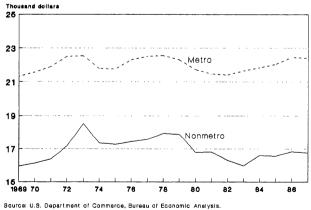
Figure 8 **Percent unemployed, 1976-88** The nonmetro rate surpassed the metro rate in 1978, but the gap has narrowed since 1986.



Source: U.S. Department of Labor, Bureau of Labor Statistics.

Figure 7

Rural workers have progressed little financially in two decades.





Real earnings per job, 1969-87

Income and Poverty

Rural Areas Have Declining Incomes and Rising Poverty Rates

Since the early 1970's, nonmetro per capita incomes have fallen in relation to urban area incomes. The rural poverty rate is higher than the urban poverty rate, and it has been rising throughout most of the 1980's.

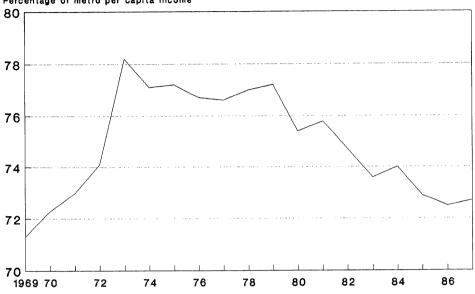
The per capita incomes of rural residents historically have been lower than those of urban area residents. This gap may be partly offset by the lower living costs that enable rural residents in some areas to achieve a standard of living closer to the urban area average with smaller cash incomes. Nonetheless, the rural economy has been unable to deliver equivalent incomes for rural citizens.

Until 1973, when average rural per capita income reached 78 percent of the metro area level, rural incomes were catching up with urban incomes (fig. 8). Since then, however, the rural share has fallen steadily to less than 73 percent of the metro level. The slide points to continuing difficulties in the ability of the rural economy to generate incomes that are keeping pace with overall national economic progress.

Poverty rate figures tell a parallel story (fig. 9). During most of the 1970's, the nonmetro poverty rate--though higher than the metro area rate--was falling, while the metro rate was generally rising. But after 1979, the nonmetro poverty rate rose more sharply, widening the urban-rural gap, until in 1986 the nonmetro rate was nearly 50 percent higher than the metro rate. Since then, the gap has begun to narrow, though it remains wide.

Figure 8 Nonmetro per capita income as a percentage of metro per capita income, 1969-87

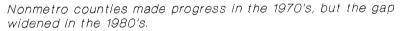
Nonmetro areas saw a steady decline since the early 1970's.

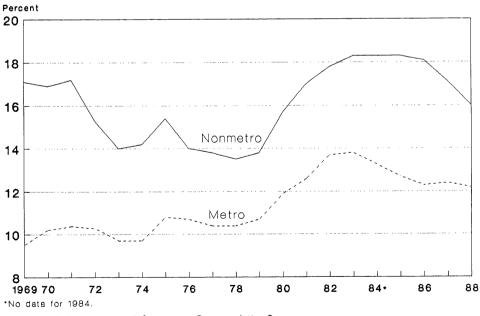


Percentage of metro per capita income

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 9 Poverty rates, 1969-88





Source: U.S. Department of Commerce, Bureau of the Census.

Population

Many Rural Areas Lost Population During the 1980's

Nearly half of nonmetro counties lost population during the mid-1980's.

Rural areas faced record net outflows of residents in the mid-1980's after a decade of unprecedented net migration from urban to rural areas. Though these conditions appear to be moderating, population loss remains a widespread rural issue.

During the 1980's, most rural counties had difficulty retaining residents (fig. 10). Between 1980 and 1988, the nonmetro population grew only 4.7 percent-less than half the metro area growth rate. The most serious population losses occurred after 1982, when metrononmetro differences in economic performance became evident. Between 1982 and 1987, 1,181 nonmetro counties, just under half, lost population.

The disparity between nonmetro and metro population growth rates widened as the decade progressed. Until 1984, nonmetro population growth was about threefourths as fast as metro area growth. Since then, the nonmetro population has grown by only 1.2 percent-less than one-fourth as fast as the metro population. However, more recently these nonmetro population losses have moderated, and the overall growth rate has improved.

These nonmetro area population losses reflect a net outmovement of residents to metropolitan areas rather than a slower pace of natural population increase. Estimates of the extent of rural outmigration vary. The most conservative estimate shows a net loss of some 345,000 residents between 1983 and 1988. Other estimates have ranged to more than half a million annually for some years. This pattern reverses the trend of the 1970's, which saw more people moving from cities to the countryside than moved out.

Nonmetro population decline has been concentrated in counties not adjacent to a metro area (fig. 11). While other nonmetro counties grew at just over half the metro area rate, nonadjacent counties lost population in 1984-88. These losses reflect high rates of outmigration from remote counties, totaling 633,000 residents between 1980 and 1988, while close-in rural counties continued to attract new residents.

Although the population losses affected large parts of nonmetro America, they were concentrated in farming

and mining areas. Farming and mining areas have been losing population for decades (fig. 12).

Retirement-destination counties continued to grow rapidly, adding 15.2 percent to their populations in the 1980's, a pace nearly twice the national average.¹

¹See maps on page 19.

Figure 10 Nonmetro counties that lost population, 1982-87

Losses were widespread but were concentrated in sparsely settled areas.

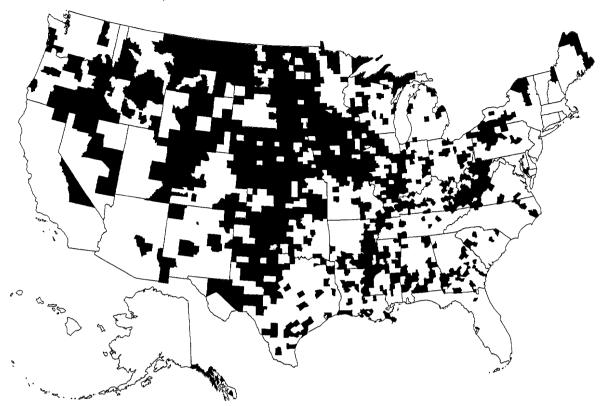
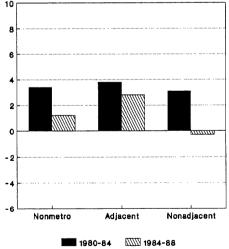


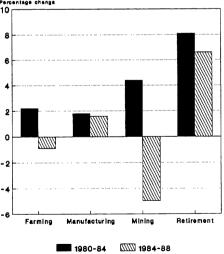
Figure 11

Nonmetro population change, by metro adjacency, 1980-88

Remote (nonadjacent) nonmetro counties lost the most.



Floure 12 Population change, by nonmetro county type, 1980-88



Aetirement counties grew fast despite losses elsewhere. Persentage change 10

Source: U.S. Department of Commerce, Bureau of the Census.

Source: U.S. Department of Commerce, Bureau of the Censue.

Economic Adjustment and Change

The Rural Economy Has Had Difficulty Adapting to Changed Economic Conditions

The viability of the rural economy depends on its ability to adapt to changed market conditions by introducing new, more profitable activities, but there is little evidence that such a successful transformation is occurring.

The nonmetro economy has undergone major changes in the last two decades. Among the most significant is the loss of jobs in resource-based industries--farming, forestry, fishing, and mining--that were the traditional base of most rural economies. Since 1969, the share of nonmetro employment in those industries has declined by nearly 50 percent.

In the wake of the job loss in these industries, there is little evidence that the nonmetro economy as a whole has been able to convert its industrial base to be competitive in the modern economy. While metro area manufacturing since 1979 has steadily converted from simpler to more complex industries--producing more advanced products that demand more highly skilled workers--nonmetro manufacturing, much more heavily oriented toward routine operations, achieved no such conversion (fig. 13). A similar condition exists in the service sector where advanced services and services to businesses (the most profitable service firms) have grown much faster in urban than in rural locations.

The relatively low education levels in the rural population, especially in the South where the nonmetro manufacturing industries are concentrated, will make industrial conversion to higher paying industries and occupations more difficult to achieve. The percentage of nonmetro adults with high school educations or less is significantly higher than their share of the national population, 23 percent (fig. 14). Of rural residents, a small share has attended college, and an even smaller share has completed 4 or more years of college.

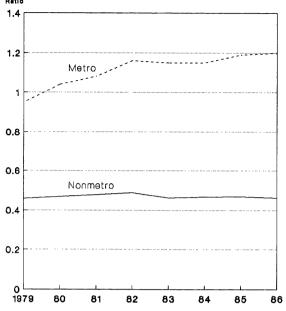
These skills leave rural workers ill prepared for the modern economy. Most new jobs created during the 1980's demanded higher levels of education, especially in the production sector (fig. 15). At the same time, rural areas had little growth in new jobs at any education level. While the current rural education profile matches existing rural jobs, the rural work force on the whole does not possess the skills needed to qualify for newly created jobs.

Though major adjustments to changed market conditions have occurred in many rural areas, they often occurred through the migration of workers and firms to other areas. Thus, the inability of the rural economy to add high-skill jobs created strong pressures for the educated to leave rural areas in the 1980's. Outmigration of the rural population in the mid-1980's was highest among the highly educated (fig. 16).

Figure 13

Ratio of employment in routine to complex industries, 1979-86

Nonmetro areas lagged in advanced industry jobs and fell further behind.



Source: (1).*

Figure 15

Nonmetro and metro production sector job growth, by education demanded, 1980-88 New jobs favored high skills, urban locations.

Percentage change from 1980

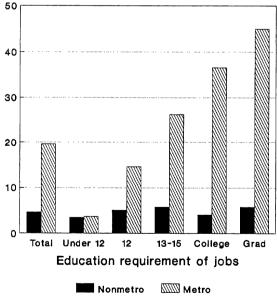
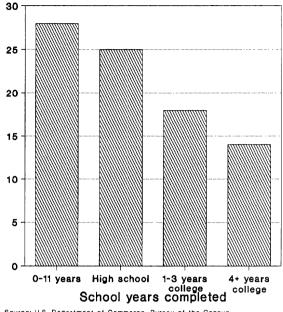


Figure 14

Nonmetro share of U.S. adult population, by education completed, 1980

Nonmetro residents were behind the Nation in education.



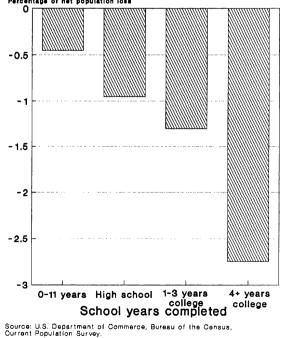


Source: U.S. Department of Commerce, Bureau of the Census, Current Population Survey.

Figure 18

Net migration of nonmetro population aged 25-64, 1987-88 The most educated were leaving fastest.

The most educated were leaving fastest. Percentage of net population lose



Source: (1).

*Numbers in parentheses refer to literature cited in the References section at the end of this report.

Rural Performance Differences Follow Broad Regional Patterns

Three broad patterns characterize rural economic performance, creating groupings of rural areas in the South, Midwest, and east and west coasts.

Economic conditions differ among several broad regions within nonmetro America. Rural development issues in each are distinct.

Sixteen States, mainly in the South, are characterized by low nonmetro per capita incomes (fig. 17).² In 1986, nonmetro per capita incomes in these States were 75 percent of the U.S. average and 14 percentage points below the average for all nonmetro areas. These States contain 90 percent of the 242 counties consistently among the poorest nonmetro counties since 1950. They contain 41 percent of the Nation's nonmetro population and more than 60 percent of its nonwhite population. Job growth in the nonmetro parts of these States was at the national nonmetro average during the 1980's, and population growth was faster. The work force in these areas is poorly educated, however, and many workers are qualified only for low-paying jobs. As a result, job growth in these areas has not succeeded in raising the low incomes that are characteristic of this region.

A second group of 13 States, located mainly in farming areas of the upper Great Plains and in the Midwest, lost nonmetro population between 1982 and 1987 (fig. 18).³ These States, which contain 27 percent of the Nation's nonmetro population, averaged a yearly 0.2 percent population loss during the mid-1980's. These losses stem from job growth that was less than half the nonmetro average during 1982-86. Despite this lagging economic performance, nonmetro citizens in these States enjoy per capita incomes that are 92 percent of the U.S. average and 3 percentage points above the average for all nonmetro areas. Although the work force in these States is relatively well educated, the slow pace of job growth has forced many to seek better paying jobs in urban areas.

A third group of 17 States had nonmetro population growth of nearly 2 percent a year between 1982 and

1987, nearly four times the national nonmetro average (fig. 19).⁴ These States contain a quarter of the Nation's nonmetro population. Located in coastal and other areas attractive to retirees and vacationers, these States contain many of the counties that added 11 percent or more to their populations during the period. Rural job growth in these States was twice the nonmetro average during the mid-1980's. Per capita incomes in these States are 92 percent of the U.S. average and 3 percentage points higher than the average for all nonmetro areas. The major challenge in many of these areas is how rapid growth can be managed and channeled into benefits for their rural residents.

⁴States gained over 4.5 percent in nonmetro population between 1982 and 1987. Counties gained over 11 percent in this period.

 $^{^{2}}$ Low-income States have 1986 per capita incomes below \$11,300. Persistent low-income counties have been in the lowest 20 percent of nonmetro counties since 1950.

³States lost nonmetro population between 1982 and 1987. Counties lost over 7.5 percent of population in this period.

Figure 17 States with low nonmetro incomes and persistent low-income counties, 1986

Growth in population and jobs was not producing higher incomes in the South.

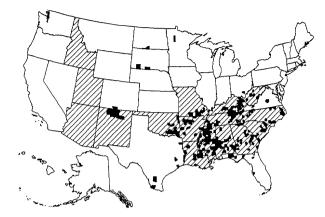
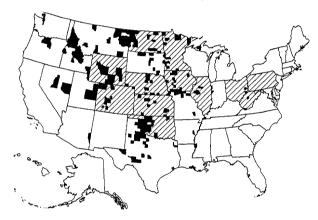
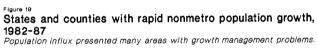
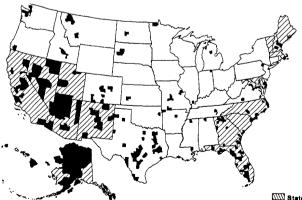


Figure 18 States and counties with largest nonmetro population losses, 1982-87

Despite high incomes, slow job growth forced many to leave the Midwest.







State County

Urban-Influenced Rural Areas Fared Better in the 1980's Than Did More Remote Rural Places

Counties adjacent to metropolitan areas had the strongest growth in the 1980's, demonstrating the increasing importance of access to metro areas in the emerging national economy.

Just over half of all nonmetro residents live in the 38 percent of nonmetro counties that are adjacent to a metropolitan area. Concentrated in the eastern half of the country, these close-in rural counties tend to be more densely settled.

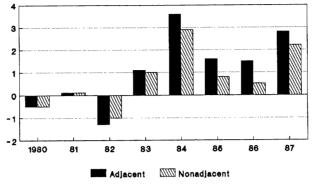
During the 1980's, the strongest job growth occurred in metro-adjacent counties (fig. 20). After losing jobs rapidly during the 1979-82 recessionary period, these counties rebounded quickly in 1983 and 1984 before slowing again in following years.

As the decade progressed, job growth in nonadjacent counties persistently lagged the growth in metroadjacent counties, reflecting the increased value of location in capitalizing on fast growth in the Nation's metro areas. Job growth picked up in remote nonmetro counties in 1987, although preliminary data for 1988 indicate that close-in rural counties continue to have an advantage.

The unemployment rate followed a similar pattern (fig. 21). Until 1984, unemployment was more severe in metro-adjacent rural counties. After that, more rapid job growth brought the jobless rate down more quickly in close-in rural counties. By 1987, however, the difference in unemployment rates between adjacent and remote counties again narrowed. In part, the improved unemployment rate in nonadjacent counties reflects the high rates of population losses from these counties as workers left to find jobs elsewhere.

Real earnings per job fell off sharply in all nonmetro counties in the final years of the recession, growing less than 3 percent a year during 1982 and 1983 before recovering strongly in 1984 (fig. 22). But growth abated again in the late 1980's as economic slowdowns in the mining and energy industries set in. Since 1983, real earnings per job have grown fastest in metro-adjacent counties, but only by a narrow margin. Figure 20 Annual rate of nonmetro employment change, by metro adjacency, 1979-87 Close-In (adjacent) countles grew faster.

Percentage change from prior year



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Figure 21

Percentage of nonmetro workers unemployed, by metro adjacency, 1980-88

Remote (nonadjacent) areas recovered more slowly.

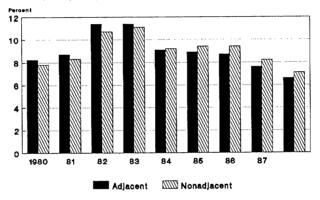
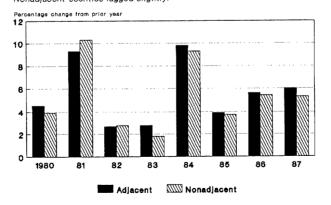




Figure 22

Annual growth in nonmetro real earnings per job, by metro adjacency, 1979-87 Nonadjacent counties lagged slightly.



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Rural Economic Performance Hinges on County Industrial Specialization

Specialization of nonmetro county economies makes them sensitive to national and international market trends affecting their leading industries. Resource-dependent areas performed poorly during the 1980's, and manufacturing-dependent areas hit a low during the recession but have now rebounded.

Overall, the nonmetro economy encompasses a wide range of economic activities, but individually, most of the nearly 2,400 nonmetro counties are specialized in a limited range of industries. That specialization makes them highly vulnerable to economic swings affecting employment in their leading industries (fig. 23).

Farming had been the predominant rural industry and is still the major user of rural land. But the declining importance of farming as an employer has left few areas principally dependent on this sector. In the late 1970's, only 716 of the nearly 2,400 nonmetro counties derived as much as 20 percent of their earned income from farming. During the 1980's, these counties experienced slow but steady loss of jobs and population, but had lower levels of unemployment than other nonmetro counties. By 1986, their number had dropped to 516 (fig. 24).

Manufacturing employs twice as many rural workers as does farming. In 1979, 621 counties, more densely populated than the farming counties, obtained 30 percent of their earned income from manufacturing. Between 1979 and 1982, they experienced a sharp loss of jobs, but they bounced back rapidly in succeeding years. Still, the number of these counties fell to 577 by 1986 (fig. 25).

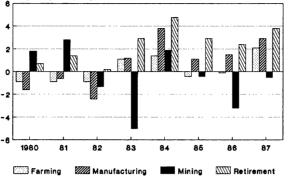
Nonmetro mining-dependent counties followed a different trend, adding jobs during the recession, then losing them rapidly after 1982 as energy and mineral prices plunged. In the 155 rural mining counties as of 1979, unemployment reached nearly 15 percent in 1983 and remained over 10 percent until 1988. Real earnings fell sharply through 1987. By 1986, the number of nonmetro counties that relied on mining had fallen to 124 (fig. 26).

Some 515 nonmetro counties attracted large numbers of retirement-age residents from cities and other rural areas during the 1970's (fig. 27). Located mainly in areas offering good climates, scenic surroundings, or

recreational amenities, these counties grew faster than any other group during the 1980's.

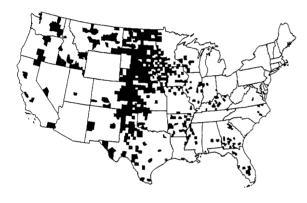


Percentage change from prior year



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Floure 24 Farm-dependent nonmetro counties, 1986 Most were in the Midwest.



Flgure 26 Manufacturing-dependent nonmetro counties, 1986 Nearly all were in the East.



Figure 26 Mining-dependent nonmetro counties, 1986 They were located in a narrow range of areas.

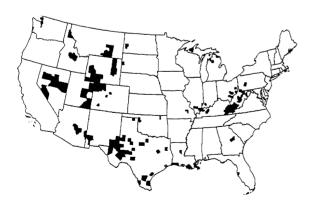
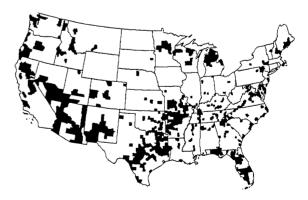


Figure 27 **Retirement-destination nonmetro counties, 1986** Only these areas performed consistently well economically among nonmetro counties in the 1980's.



Reference

(1) McGranahan, David A., and Linda M. Ghelfi, "The Education Crisis and Rural Stagnation in the 1980's," in *Strategies for Rural Economic Development: Education and Training*. Economic Research Service, U.S. Department of Agriculture, forthcoming.

For Additional Information...

Contact J. Norman Reid, (202) 786-1520, at the Agriculture and Rural Economy Division, Economic Research Service, U.S. Department of Agriculture, Room 328-D, 1301 New York Avenue, NW., Washington, DC 20005-4788.

Find out what else is happening in rural America Subscribe to Rural Conditions and Trends

A new quarterly periodical from USDA's Economic Research Service.

Track rural events on a variety of subjects in this new quarterly periodical: macroeconomic conditions, employment and underemployment, industrial structure, earnings and income, poverty, and population.

Quck-read text and sharp graphics will help you get the information you need to know efficiently and effectively.

"...At the national, state, or community level, the best hope of effectively addressing both rural problems and opportunities is to take a strategic approach. ERS' new "Rural Conditions and Trends" can build our understanding of what is happening in rural America and will help us stay ahead of the curve."

---Mark Popovich Senior Staff Associate Council of State Policy and Planning Agencies

Call or write today for a free sample copy of *Rural Conditions and Trends*. Phone toll free 1-800-999-6779. Order # RCA. 1 yr, \$14; 2 yrs, \$27; 3 yrs, \$39

It's Easy To Order Another Copy!

Just dial 1-800-999-6779. Toll free (in the United States and Canada). All other areas please dial 301-725-7937.

Ask for Rural America: Economic Performance, 1989 (AIB-609).

The cost is \$8.00 per copy. For non-U.S. addresses (including Canada), add 25 percent. Charge your purchase to your VISA or MasterCard, or we can bill you. Or send a check or purchase order (made payable to ERS-NASS) to:

ERS-NASS P.O. Box 1608 Rockville, MD 20849-1608.

We'll fill your order by first-class mail.

U.S. Department of Agriculture Economic Research Service 1301 New York Avenue, NW. Washington, DC 20005-4788