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Linda L. Swanson and
 David A. McGranahan

Nonmetro Youths Lagging in Education

Only 14 percent of nonmetro adults age 25-64 had a college degree in 1988, compared with 25 percent in metro areas, and nearly 25 percent of nonmetro adults had not graduated from high school.

The lower levels of education in the nonmetro population result from both lower educational attainment among nonmetro "natives" and the net out-migration of nonmetro college graduates to take advantage of better job opportunities in the city. Since the mid-1970's, the percentage of nonmetro young adults who have completed high school has risen but the percentage of nonmetro college graduates has dropped.

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High School Dropout Rate Greater in Nonmetro Areas

Although nonmetro areas have shown greater and more consistent improvement in high school dropout rates (a measure of those age 16-24 who are neither enrolled in nor graduated from high school) than have metro areas in the last decade and a half, nonmetro areas still remain behind. In 1988 the percentage of high school dropouts among young adults in nonmetro areas was 13.6 percent versus 12.2 percent in metro areas.

Much of the recent improvement in nonmetro areas is due to a greater number of nonmetro women finishing high school. In 1974, 74 percent of nonmetro women age 18-24 completed high school. By 1988, that figure had risen to 77 percent, about the same as metro men, but still not as high as metro women. Nonmetro men, on the other

hand, showed no change over time in their propensity to complete high school, with 73 percent high school graduates in both years.

During the 1974-1988 period, the racial gap in high school completion among young adults narrowed considerably in nonmetro areas. High school completion for nonmetro blacks lagged behind whites in 1974 by nearly 20 percentage points (56 percent versus 75 percent). By 1988, the difference had been halved (65 percent for blacks versus 75 percent for whites).

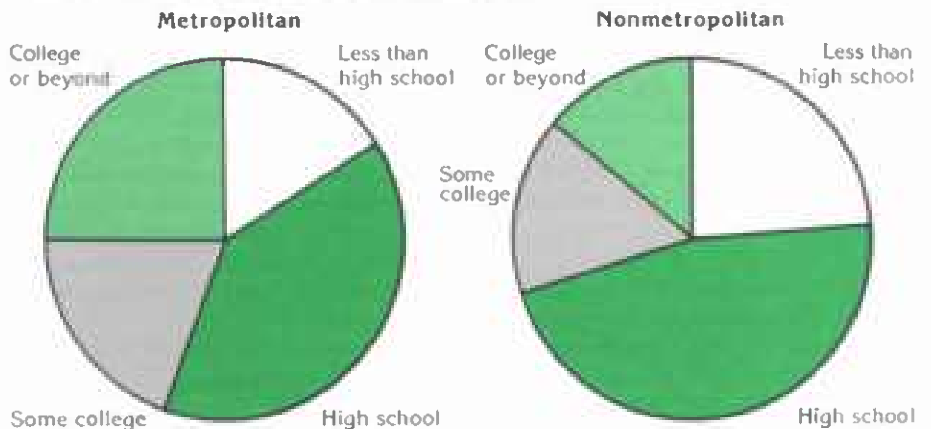
Nonmetro Areas Less Likely to Send their Youths to College...

The nonmetro disadvantage continues at higher education levels, as nonmetro residents are less likely to have continued their education beyond high school. College graduates are more common in metro areas, and the metro/nonmetro difference was greater in 1988 than it had been in 1974. In 1974, men age 25-34 showed an unprecedented rate of college graduation, driven in part by college deferment from the Vietnam War draft through the early

About the Data

Results are drawn from the monthly Current Population Survey, Bureau of the Census. Comparisons between nonmetropolitan areas in 1974 and 1988 involve a change in the metro/nonmetro definition of some areas over time. Some of the results may be affected. Further, to protect respondent confidentiality, the Census Bureau has merged the nonmetro population and some of the "small metro" population for several States. In this report, that mixed-residence group has been treated as nonmetro and makes up less than one-half of 1 percent of the total nonmetro population.

Nonmetro areas lag in higher education



1988 education attainment data

1970's. The high percentage of college graduates in this age cohort was further increased when returning Vietnam veterans went to college under the GI bill, producing a peak in the percentage of college graduates in this group who were age 40-44 by 1988. Largely because better job opportunities enable metro areas to attract and retain college graduates, this 1988 college graduate peak among those 40-44 years old was quite high (36 percent) in metro areas.

The gap between male and female propensity to finish college closed for young adults age 25-29 in both metro and nonmetro areas between 1974 and 1988, but due to different processes.

College graduation among metro men in this age group was 26 percent in 1988, the same as in 1974. The proportion of metro women age 25-29 who graduated from college rose from 19 percent in 1974 to 24 percent in 1988, nearly matching the 1988 male rate. In nonmetro areas, the closing of the gender gap was a result not of increased college completion among nonmetro women but of lower college completion among nonmetro men. Thirteen percent of nonmetro women age 25-29 in 1988 graduated from college, the same as in 1974. Thirteen percent of nonmetro men in this age group in 1988 completed college, down from 19 percent in 1974.

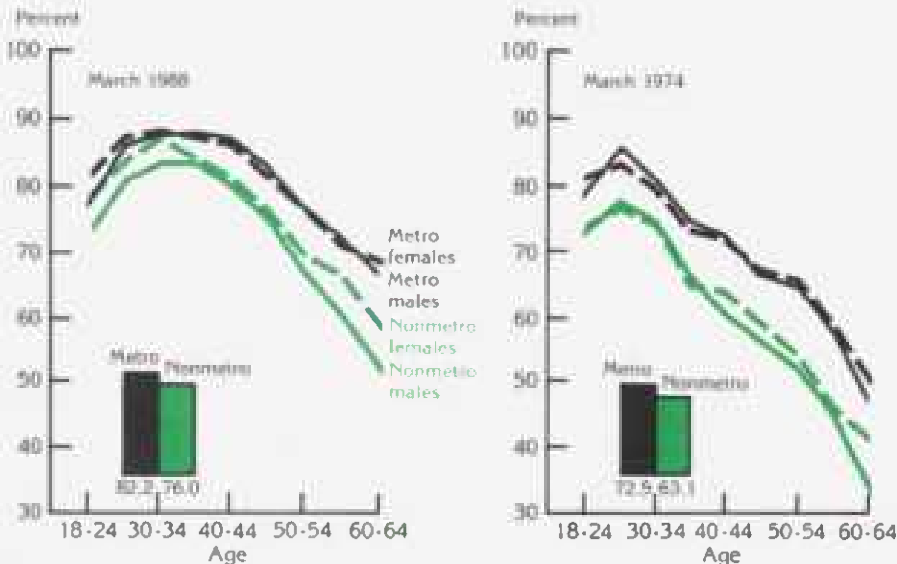
...And Hold on to Those Who Do Graduate

Although some of this metro-nonmetro difference in college education reflects lower attainment among nonmetro "natives," much of the difference is due to the lure of the city for those with a college degree. Whether higher education makes people anxious to use their education in better jobs or simply makes them more aware of opportunities elsewhere, the tendency to move increases with education beyond high school. Those with a college education have tended to move to cities, particularly in the 1980's. Between 1987 and 1988, the nonmetro areas increased their college-educated population 4.4 percent from people moving in, but lost 6.8 percent from people moving out, resulting in a net loss of 2.4 percent. A similar loss has been repeated year after year in the 1980's, steadily reducing the pool of highly educated people in the nonmetro labor force.

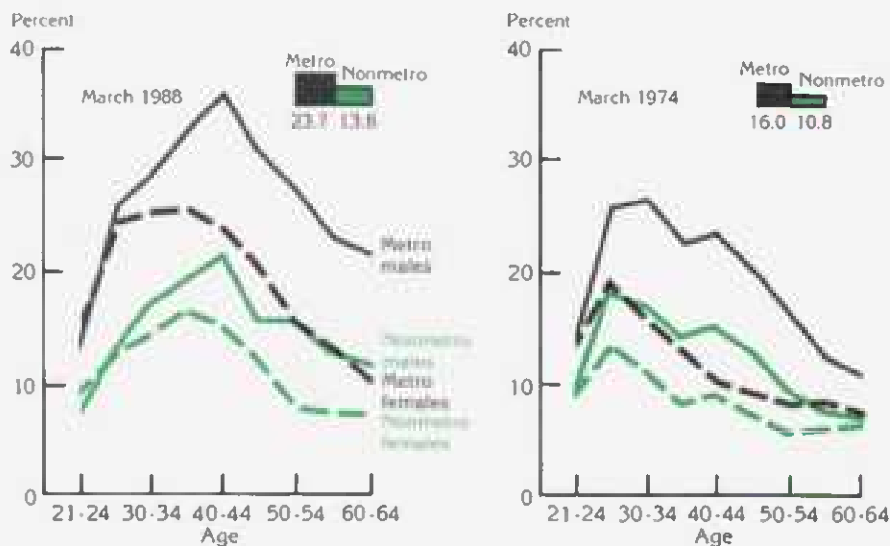
The lower average education in nonmetro areas is intertwined with the lower average skill level needed for jobs in nonmetro areas, and it is not entirely apparent which drives the other. People who plan to stay in a nonmetro area may have less incentive to go on for further education because so many of the available jobs do not require it. College graduates who live in nonmetro areas are more likely to be underemployed than if they lived in a metro area. That makes it difficult for nonmetro areas to attract college graduates or hold on to those they have.

Prospects for bringing enough high-skill jobs to nonmetro areas to solve this problem are not encouraging. Labor specialists, having examined the phases an industry goes through, determined that the highest skill levels are required in the initial, innovative stage. This innovative stage is best carried out in a central place, where professional and supporting services are clustered. Almost by definition, this describes a metropolitan area. Computer technology has made physical proximity less important, but it is not clear that long-distance communication is sufficient to sustain this innovative business stage, where training at the college level and beyond is needed and rewarded.

Metro/nonmetro gap for high school graduates narrows...



...but gap for college graduates widens



Sources: Current Population Survey, March 1974 and March 1988, Bureau of the Census.

Southern Discomfort

The Rural South in Crisis: Challenges for the Future.

Lionel J. Beaulieu (ed.). Boulder, CO: Westview Press, 1988. 384 pp. \$29.85.

Reviewed by Molly Sizer Killian

By the end of the first chapter in this book, I was convinced that the rural South is indeed facing a very real, very immediate crisis. Beaulieu's picture of increasing inequality in a region that has been torn asunder by its history of inequality is compelling and disturbing. With the exception of some relatively good news about southern agriculture, my impression of a severe, longstanding crisis of poverty, social and economic inequalities, and declining communities in the rural South continued to build throughout the first section of the book. Few readers, whether novices to rural sociology or veterans of rural development, could walk away complacent after reading about the conditions described in these first six chapters.

As in any edited volume, the quality of chapters varies. Nevertheless, the overall structure of the book makes it fairly easy for readers to pick and choose among those articles most relevant to their interests. Following the rather powerful introduction to the crisis faced by the rural South, Beaulieu has included a series of empirical analyses that focus on some of the distinctive characteristics of rural and/or southern areas thought to play significant roles in the creation and maintenance of the rural South's crisis. These important "socioeconomic forces that influence the vitality of rural and agricultural communities in the region" (p. 6) include the significance of racial distinctions in the rural South, the importance of women's attitudes and roles on the family farm, farm-nonfarm relationships, and local labor and capital markets.

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These analyses are serious attempts to explain some of the factors contributing to current conditions in the rural South. As a whole, however, they seem inadequate. Given the magnitude of the crisis, these empirical studies shed relatively little light on why the rural South has such problems. My disappointment is not a criticism of any particular analysis. Rather, it stems from the sluggishness with which the social sciences have applied their knowledge of the forces that create and maintain inequalities to an understanding of how those forces are played out in a country that is both geographically and economically segmented.

The remainder of the book focuses on farm and rural development policies and specific strategies. Two of the most informative and challenging articles in the book focus on opportunities for shaping development policies to address the specific problems facing rural areas in the South. Duffy and Knutson summarize past and present Federal farm programs and discuss the impacts of these programs on southern agriculture. Lyson describes both the South's current *de facto* industrial policies and a set of alternative policies. Both of these articles serve to remind the reader that the making of rural development policy includes a great deal of politics, timing, and economic forces that are well beyond the control of the populations in the poorest parts of the poorest region of the country.

The final section of the book reviews specific strategies and proposes concrete programs that may be achievable within the rather severe constraints facing the rural South. Despite the gloomy picture of the early chapters, the final chapter left me feeling as though I had received some good news. Schertz

reminds us that there are things that we, as social science researchers, can do to help alleviate the problems in the rural South. He calls for the USDA/land-grant system in general and social scientists in particular to play a more active role in rural development, with a special emphasis on education. According to Schertz, the appropriate recipients of our educational efforts should include the faculty and deans of southern universities, USDA officials, congressional advisors and policymakers, as well as the 6-year-old just entering the public school system and the 48-year-old deciding to quit farming.

Much of the material included in the book is not new. Many articles are slight revisions of papers presented elsewhere. What is new is the way in which the articles are put together. Beaulieu has done a commendable job of bringing together under one cover a multitude of ideas from sociology, economics, and planning, from academia and government.

A second strength of the book lies in its treatment of rural farm and nonfarm. In the past, researchers and policymakers often failed to recognize that rural does not equal agriculture. Yet, the agricultural sector is a critical element that must be taken into account when describing rural areas. In many places, including the rural South, it does no good to talk about one without acknowledging the significance of the other. This book does a good job of keeping rural separate from agriculture, all the time paying attention to the interrelationships between the two.

The Rural South in Crisis is impressive in its undertaking, powerful in its introduction, hopeful in its conclusion, and uneven but occasionally inspiring in the middle.

A Pair of Books on Rural Health Care

Community Health Systems in the Rural American South.

Carole E. Hill, Westview Press, 1988, Boulder, CO, 230 pages, \$34.50.

Reviewed by Jerry Coopey.

It is easy to talk about the gaps between policymakers and community needs, but a lot more difficult to describe them. Hill, a medical anthropologist, has nearly succeeded. Given the growing national concern with improving access to health care for rural people, this well-researched book is both relevant and timely.

To help define the people side of this gap, Hill describes the structure and culture of the "health" in Coberly, a rural town somewhere in the American South. Using household surveys, personal interviews, and relevant observations, Hill describes the health attitudes and behaviors of the various socioeconomic and demographic groups in the community. Unlike most research of this kind, this part of the book lets the reader create a truly vivid image of the people who live in Coberly, not just a statistical description. Hill uncovers significant differences between ethnic and income groups in their beliefs about the causes and treatment of illness, the place of family and God in their lives, and the effectiveness of doctors and their medicines. It is these beliefs that affect the decisions they make about when and how to utilize the health care system.

Coberly links to this system with the introduction of a Federal community health center. While the center proves successful in providing outpatient services, Hill observes that it cannot address the full range of the primary health care needs of the community. This programmatic failure is the direct result of rural health policies that are based on an urban hospital model of medical care and basic misconceptions about the unique needs, beliefs, and health behaviors of rural people.

To better understand the policy side of this gap, Hill devotes the remainder of

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her book to a discussion of the cultural and social systems of policymakers. It is the system she argues, that defines the structure of public programs and not the cultural systems of the people who need the services. As a result, the existing power arrangements in our political and economic system are the basic reason there is not enough money, time, and personnel to implement a truly successful health delivery program in rural areas. To overcome this gap between

Financing Rural Health Care. LaVonne Straub and Norman Walzer (eds.). New York: Praeger Publishers, 1988. 230 pages. \$42.95.

Reviewed by Dena S. Puskin

Long relegated to the equivalent of the back room of public policy, rural health care is now a familiar topic in both the popular press and academic policy journals. *Financing Rural Health Care* is another in a series of recent publications that reflect the growing interest in this issue.

This volume is largely a compendium of papers presented at an Illinois conference on financing rural health care held in 1987. Many of the papers go beyond financing issues and examine the changing character of the rural health care environment.

In the first chapter, Paul Lasley provides an excellent overview of rural population changes in the Midwest and their effect on the demand for health care. Lasley traces the familiar story of economic downturns, population declines, growing proportions of elderly citizens in rural areas, and the declining ability of rural citizens to pay for their health care. The implications of these trends for economic development and the provision of health care services are briefly discussed. While the Lasley paper focuses on events associated with the farm crisis in the Midwest, readers in other parts of rural America will find parallels to their own situations.

Dean Puskin is Deputy Director of the Office of Rural Health Policy, U.S. Department of Health and Human Services.

people and policy, Hill suggests that policymakers need to acquire a better understanding of the culture and structure of local communities. This can be achieved through a more decentralized approach that encourages participation by those at the bottom.

Hill's microlevel description of the health beliefs and behaviors in Coberly makes for fascinating reading. Her ideological tour through the policy process is exciting but sometimes a bit vague and arduous. Those willing to make the journey, however, will be rewarded with a thought-provoking challenge to their assumptions about how to improve access to health care in rural communities.

Lasley sets the stage for the remaining papers. Altogether, they describe today's rural health care environment. Throughout, the reader is struck by the major implications of population density for rural health care. As Sam Cordes notes in the final chapter, low population density tends to: (1) create a need for intrinsically different delivery systems in rural areas, (2) reduce the reliability of statistical indicators as tools for planning and monitoring health services in rural areas, and (3) introduce various types of financial risk not encountered with larger population bases.

A second major theme is the increased emphasis on cost containment and competitive strategies in health services, brought on by both government and the private sector. These strategies, together with general decline in many rural industries, have often served to reduce the health resources available in rural communities. At the same time, the rural health care needs of these communities have frequently increased as the proportion of elderly in the population increases.

Because rural communities are diverse, not all areas will face this challenge. For those that do, the options are limited: do nothing and risk the collapse of local health services, rethink local priorities

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Expanding Role of Community Colleges

What local institution supports economic development, belongs to the chamber of commerce, helps recruit new industry, serves on the local recruitment economic development board and the local association of industrial leaders, runs small business assistance centers offering financial planning guidance, demographic data, feasibility studies, information on venture capital, and business incubators, and besides all that is a local cultural center as well?

If you said your local small rural community college, you're right.

Those are a few of the observations in a new booklet, *Small-Rural Community Colleges*, published by the American Association of Community and Junior Colleges. The booklet collects the essays of a dozen presidents of small rural community colleges from all over the country and their observations on the role of their institutions in particular as well as that of community colleges in general.

Their observations cover such topics as the role of the community college in local development issues, its cultural and civic responsibility, and its value as a proponent and training ground in new technology, in addition to its more traditionally pedagogic roles in literacy, partnerships with high schools, and accessibility to (almost) all who wish to attend class there.

The 68-page booklet costs \$10 and can be ordered from the American Association of Community and Junior Colleges, National Center for Higher Education, Suite 410, One Dupont Circle, N.W., Washington, DC 20036. Or call 202-293-7050.

SBA Loans to Rural Businesses Approach \$1 Billion

The U.S. Small Business Administration is focusing on rural America in a big

way. SBA awarded over \$864 million worth of business loans for rural small businesses in fiscal year 1988. That amounts to 25 percent of total SBA business loans for the year, even though fewer than 21 percent of the Nation's small businesses are in nonmetro areas.

SBA knows those loans translate to jobs. SBA's Maine district office reports that seven loans helped create or save 149 jobs, while the Springfield, MO, branch office reports that its 110 loans created or saved 1,114 jobs.

In Pennsylvania, SBA is supporting development of a business development resource database to provide businesses and business advisors with up-to-date information about Federal, State, local, and private programs and policies for economic development.

Several States are compiling video libraries of training tapes for small business entrepreneurs. The impetus behind this effort is that small business owners in rural areas are seldom able to take advantage of training seminars offered in cities. The tapes will bring the seminars out beyond the urban fringe so rural areas can enjoy the high-caliber, dynamic instruction available in the city. The video library for Washington, Oregon, and Idaho hopes to use in-house training tapes from corporations located there. A library for Delaware, Maryland, Pennsylvania, Virginia, and West Virginia will concentrate on explaining how small businesses can land

Government contracts.

SBA has also issued a free report, *Working Together: A Guide to Federal and State Resources for Rural Economic Development*. The 210-page book lists Federal and State programs and agencies involved in rural development, along with names, addresses, and a brief description of each program. Copies of the report are free from the U.S. Small Business Administration, Office of Marketing, Washington, DC 20416; or call 202-653-6123. SBA plans to supplement the information in this book by issuing 10 regional directorates, with more local information, by around the beginning of October. Copies will be available through SBA's regional offices.

Foreigners Own Less Than 1 Percent of U.S. Farmland

Year after year, USDA's Economic Research Service debunks a popular myth about foreign ownership of U.S. farmland. The reality is that it doesn't really amount to much.

This year's report, released in April, documents foreign ownership of 12.5 million acres of U.S. agricultural land as of December 31, 1988. That is slightly less than 1 percent of all privately held agricultural land in the United States. Maine led the list with nearly 10 percent of its privately owned agricultural land in foreign hands (nearly 1.8 million acres). Oregon was next with 3 percent (804,000 acres).

Distribution of foreign-ownership of agricultural land, by State, Dec. 31, 1988



The top 10 foreign countries owning U.S. agricultural land are:

1. United Kingdom 22%
2. Canada 20%
3. France 9%
4. West Germany 9%
5. Netherlands Antilles 5%
6. Netherlands 4%
7. Switzerland 4%
8. Liechtenstein 3%
9. Mexico 3%
10. Panama 2%

The Japanese owned less than 2 percent of foreign-owned U.S. agricultural land, or 217,700 acres.

And even those numbers, low as they are, may be a bit overstated because of the way the law defines a foreign entity. Land owned by a corporation is considered foreign owned even if only a small percentage (10 percent) of the corporation's stock is in foreign hands. The data are contained in two reports: *Foreign Ownership of U.S. Agricultural Land through December 31, 1988*, AGES-89-14 (\$5.50) and *Foreign Ownership of U.S. Agricultural Land Through December 31, 1988: County-Level Data*, AGES-89-15 (\$8.00). The data are also available on disk for \$130; ask for AFIDA Database, order no. 87015. Order the reports and the database from ERS-NASS, P.O. Box 1608, Rockville, MD 20850. Or call toll-free 1-800-999-6779.

The Greatest Small Business County in America

It's not in Silicon Valley. It's not even real close to any big cities. But *In Business* magazine (Sept./Oct. 1988) gives that moniker to rural Holmes County, Ohio. The magazine attributes the county's thriving small business community to the large population of Amish, their belief in small businesses and their willingness to buy from one another.

That seems to pick up one of the themes in Sonya Salamon's article in this issue of RDP. The *In Business* description of Holmes County makes it sound a lot like Salamon's town of Kircheberg. "The real name of the Amish manufacturing game is keeping local money in the local community," the magazine says.

One business in the community makes horse-drawn plows. Another makes carriages, a third bends the wood for the

shafts the others need, a fourth makes the different kinds of wheels needed. They all buy their parts and supplies from other local firms, but they don't limit their market just to the local area. Some of the bentwood shafts, for instance, are exported to Europe.

In less parochial merchandise, too, the Holmes County Amish supply their own. Their breakfast cereals come locally from Mohican Country Bakery instead of nationally advertised brands, their cheeses come from local cheese factories, their meat comes from their own farms or from local packers.

The economic payoff? Prosperous farms, onfarm sideline businesses, and a bustling Main Street. Mt. Hope, one of the small towns in Holmes County, has a population of just about 200 people but boasts at least 20 shops and businesses in addition to the farm-based businesses in the surrounding countryside.

Rural Low-Income Housing Projects Awarded

Two rural housing groups in Colorado and Alabama were among the half dozen that received \$25,000 Awards of Excellence by Fannie Mae (Federal National Mortgage Association) for their innovative low-income housing projects.

The Colorado Rural Housing Development Corporation was awarded for its Transform Housing project, which converted 12 old mobile homes into permanent housing for farmworkers in rural Monte Vista, CO.

The Federation of Southern Cooperatives Land Assistance Fund was awarded for building the Griffin-Mandela apartments in rural Greensboro, AL, for senior citizens, families, single-parent households, and the physically disabled. Most of the tenants have an average income only 50 percent of the area's median. The tenants have developed a stay-in-school program, which encourages children to graduate from high school and assists in placing them in college or trade school.

Fannie Mae has invested more than \$2 billion in public-private partnerships for low-income housing in the past 2 years, providing housing for about 40,000 families. For more information, call Fannie Mae's Gene Eisman at 202-752-6673.

Book Reviews

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to make more effective use of local resources, or increase the amount of outside resources. To a large extent, these papers provide an introduction to some of the strategic options available to meet the demands of the 1980's.

Ira Moscovice provides an overview of the precarious status of rural hospitals in America today. He argues that rural hospitals must assume a new role if they are to avoid more frequent closures. They will be able to do so, however, only if they are not "overburdened with the cost containment efforts central to current federal health policy."

Jeff Bauer suggests that the answer to many rural communities' health care needs does not lie with the traditional hospital. He challenges the reader to go beyond traditional hospital services and outlines a series of nonhospital alternatives for providing the same services (see Bauer's article in this issue of RDP on the same theme). This theme is carried further by Kevin Fickenscher, who argues that to survive in an increasingly competitive and restrained financial environment, rural communities need to seek options for service integration beyond the confines of their individual hospitals. Jon Christianson and Maureen Shadle outline the advantages and constraints on the development of one type of integration strategy, rural-based HMO's (health maintenance organizations). Finally, Barry Maram and E. Michelle La Mothe provide the financial novice with a succinct description of health care financing options. Access to capital is often the key to both the survival of existing rural hospitals and the development of nonhospital alternatives. For those not familiar with capital financing, the book is worth the purchase price for this chapter alone.

I recommend *Financing Rural Health Care* for those who want an overview of the subject but are not already familiar with it. As frequently occurs with compendiums, however, the book is somewhat disjointed. I often found myself thinking, "haven't I read this earlier?" To avoid this problem, I recommend that the reader scan both the introduction and the excellent synthesis at the end of the book before reading the individual chapters.