Rural Conditions and Trends

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ERS

Rural Trends in the Early 1990's . . .

Population growth is widespread

Employment grows as unemployment falls

"Brain drain" slows

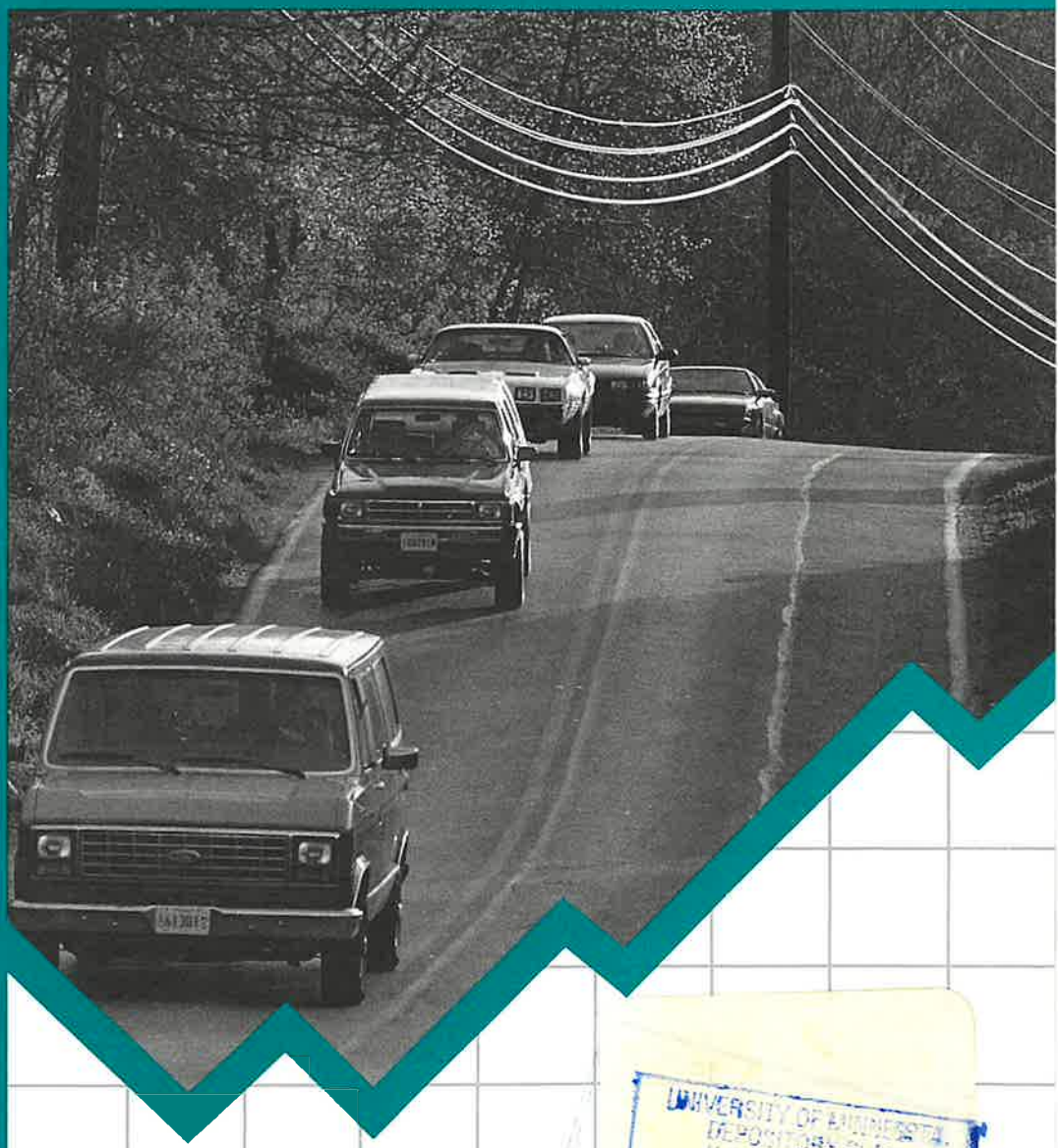
Earnings are still stagnant

Household income declines and poverty rates increase

Dependence on government transfer payments increases

Farm household income on par with other U.S. households

Farmworkers' earnings remain low



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Spring 1995, Vol. 6, No. 1

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Indicators Point to a Post-1990 Revival in Rural Areas with Some Cautions

Post-1990 data suggest the possibility of a new rural revival although the indicators are not conclusive. During the 1990's, rural areas have seen widespread rural employment and population growth. However, rural real earnings have not improved in the 1990's, rural real household incomes have declined, and rural poverty rates are higher now than at the beginning of the decade.

This issue of *Rural Conditions and Trends* (RCaT) provides both a snapshot of current socioeconomic conditions in rural areas of the country and an early review of rural trends in the 1990's. Although data available for the early 1990's are far less complete than decennial Census of Population data, this issue updates analyses from the Fall 1993 special Census issue of *Rural Conditions and Trends* (Vol. 4, No. 3). That issue used Decennial Census of Population data to document rural changes between 1980 and 1990 and compare them with 1970-80 changes.

The 1980's were a decade of widespread rural economic stress. The special Census issue showed that the rural turnaround of the 1970's evaporated in the 1980's. Not only did the widespread nonmetro population growth that characterized the 1970's disappear in the 1980's, but the pattern of improvement in rural earnings and income that had occurred in all decades since World War II disappeared as well. As a result, rural-urban gaps in income and poverty increased for the first time in the 1980's.

The post-1990 data analyzed in this issue present a decidedly mixed picture. On the one hand, population and employment data suggest a new rural revival, with widespread rural growth. Rural-urban gaps in earnings, income, and poverty have declined slightly. And, the rural "brain drain" resulting in a loss of college-educated people from rural areas during the 1980's is no longer evident. On the other hand, rural real earnings have not improved in the 1990's, rural real household incomes have declined, and rural poverty rates are higher now than at the beginning of the decade.

All County Types Are Not Participating Equally

Also, a rural revival, if it has begun, is not occurring across all of rural America. Mining- and farming-dependent counties experienced slow population and employment growth between 1990 and 1994, reflecting reduced labor force requirements in both industries as well as depressed prices in mining. Services-dependent counties' population grew the most rapidly of any of the economic types of counties, and they had moderate employment growth as well. Much of this increase reflects the growth of resort areas for recreation and second homes, particularly in the West. Also, retirement-destination counties showed exceptionally high population and employment growth. Employment growth, especially in service jobs, in these counties tends to attract younger people as well.

Considerable regional variation exists. Some regions are growing rapidly and doing quite well; others continue to decline in population and employment opportunities. In this issue, a specially constructed regional delineation is used to assess post-1990 changes in rural America.

Data are summarized for four major regions, defined somewhat differently from the standard census regions. The West follows the standard census region, but a Central region has been carved out of the Midwest, plus Oklahoma, to show change in the States most susceptible to population loss over the past decade. Delaware and Maryland have been taken from the South and added to the North region since they are increasingly identified with economic activities of the metro sprawl of the northeast region. Wisconsin, Indiana, Michigan, and Ohio have been added to the North from the Midwest region. For simplicity of presentation, these regions have been defined as North, Central, South, and West, though alternative terms would be more descriptive. For example, the Central region could be more specifically called the Great Plains/Corn Belt.

The Rural West Shows Strong Economic Recovery

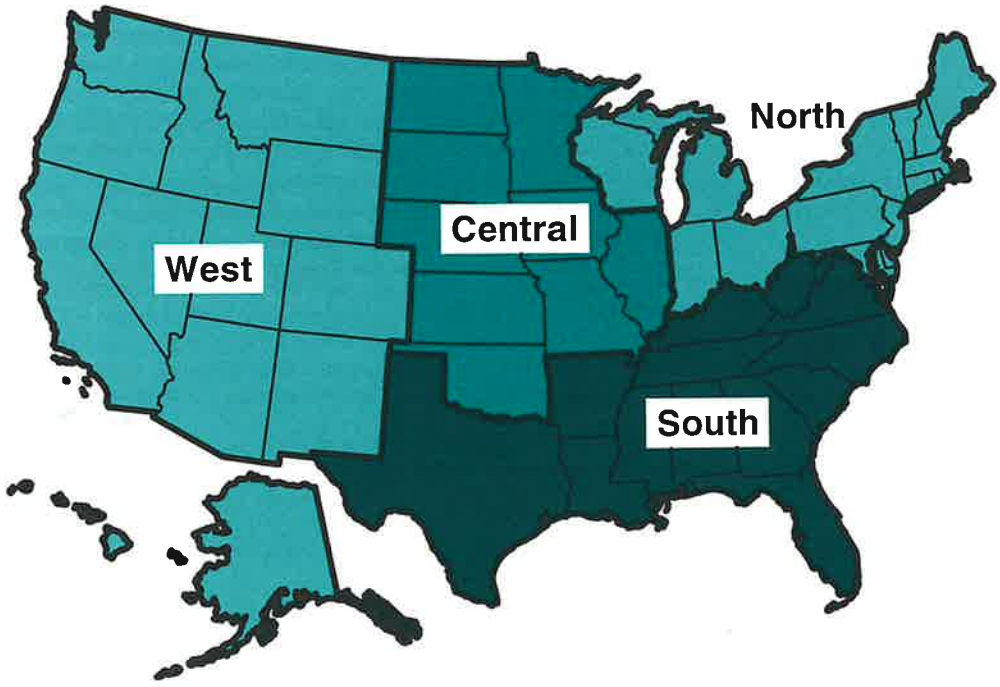
The greatest economic recovery is evident in the rural West. Although nonmetro population grew in all four regions during 1990-94, the growth rate in the nonmetro West was more than double the pace of any other nonmetro region. Migration data suggest that the rural West has been the primary beneficiary of the turnaround in rural-urban migration trends. While employment in the nonmetro West grew at almost twice the rate of other nonmetro regions, unemployment rates rose in the region. But, the increase in unemployment was confined to the Pacific coast States where defense cutbacks, lumber-related industry problems, and the effects of recent natural disasters have been substantial. The metro-nonmetro earnings gap declined in the West between 1990 and 1993, but was more a result of declining metro wages than of rising nonmetro wages.

The 1980's were particularly hard on the Central region of the United States, and rural parts of this region showed few indicators of economic recovery in the early 1990's. Farming dominates the economies of many Central region counties and continued reductions in labor requirements in agriculture have contributed to slower population and employment growth in this region. The Central region experienced the smallest 1990-94 population increase of any region, and employment grew more slowly than in nonmetro areas in general. The outmigration of college graduates has slowed, but the region is now tending to gain people with low education and poverty incomes. The rural-urban gap in earnings decreased between 1990 and 1993, but remained larger in the Central than in other regions. Nonmetro median household income in the region did not change significantly between 1989 and 1993, but the poverty rate increased.

Rural areas in the South and North generally did better than rural areas in the Central region, but not as well as the rural West. Both the North and South showed moderate population and employment growth during the early 1990's, while unemployment rates in both regions were about the same as in 1990. However, rural earnings in these regions barely kept pace with inflation between 1990 and 1993 and the rural-urban gap in earnings remained about the same. Poverty levels remained steady in the South, but increased in the North.

Regional delineation used in this issue of RCaT

Special regions help to identify rural variation in the early 1990's



The Socioeconomic Status of the Agricultural Population Is Mixed

This issue not only reports on the social and economic characteristics of rural areas and rural people, but also addresses issues related to the socioeconomic status of the agricultural population. Farming is not synonymous with rural, but agriculture remains important as a source of income and jobs in many rural areas. Over 550 nonmetro counties are farming dependent, deriving 20 percent or more of their earned income from farming. Also, U.S. farms employed over 3 million persons, including farm operators and hired workers. The nonfarm rural economy is a critical source of employment and earnings for both of these groups since many farm operators and hired workers supplement their farm-related income and earnings with off-farm employment.

Two articles report mixed findings on the status of the agricultural population relative to other U.S. households and workers. For farm operator households, average income is almost equal to that for all U.S. households, although this favorable position is due largely to income from off-farm sources rather than farming. The average income of farm operator households (including income from their farming operations and off-farm sources) was $40,223 in 1993, about 97 percent of the national average household income. In contrast, hired farmworkers continue to be one of the most economically disadvantaged of all occupational groups, experiencing seasonal employment, low earnings, and nonfarm employment options limited by low education and skills. Full-time (working 35 hours or more per week) hired farmworkers received median weekly earnings of $250 in 1993, about 54 percent of the weekly earnings of other U.S. wage and salary workers. *[Leslie A. Whitener, 202-219-0935]*

Post-1990 indicators of nonmetro performance

Some indicators suggest the beginning of a rural revival; others suggest caution

Item	Nonmetro	Metro	Item	Nonmetro	Metro
	Percent			Percent	
Population change:			Change in median household real income:		
1980-90	2.7	11.8	1979-89	-7.1	5.5
1990-94	3.9	4.9	1989-93	-3.2	-8.5
Annual employment change:			Poverty rate:		
1980-90	0.9	2.0	1979	13.6	10.7
1990-94	1.6	0.8	1989	15.7	12.0
			1993	17.3	14.6
Unemployment rate:					
1980	8.0	6.9	Average annual change in transfer payments, 1989-92:		
1990	6.5	5.3	Total	5.8	5.7
1994	6.6	5.9	Retirement and disability	2.4	1.9
			Medical	10.8	9.7
Change in average weekly real earnings:			Income maintenance	8.9	8.1
1979-90	-12.6	-1.6	Food stamps	10.5	14.9
1990-93	0.0	-0.8	Unemployment insurance	27.2	34.2

Source: Taken from other articles and appendix tables in this issue.

Nonmetro Population Continues Post-1990 Rebound

Rural and smalltown population growth has had a surprisingly strong recovery since 1990. All types of counties are affected, and in the aggregate, the net outmigration of the 1980's appears to have shifted to inmigration of people in the 1990's.

In last year's Spring issue of *Rural Conditions and Trends*, we reported that the first post-1990 population data for counties (1990-92) revealed greater retention of people in nonmetro areas than had been true in the 1980's, a time of widespread rural economic distress. Population estimates for 1994 show this recovery is continuing.

From April 1990 to July 1994, the population of nonmetro counties grew from 50.9 million to 52.9 million, an increase of 3.9 percent. By comparison, growth during the entire decade of the 1980's was just 2.7 percent for the same counties. The recent nonmetro growth was still below that of metro areas (4.9 percent) where both immigration from abroad and natural increase from the margin of births over deaths occur at higher rates.

Only Half as Many Counties Declined in the 1990's

Although the 1980's saw some overall increase in nonmetro population, 55.5 percent of the counties declined. This seeming contradiction was possible because declines were most common among very rural and agriculturally dependent counties, which tend to have the smallest populations. Growth mostly favored larger areas that already had some urban development.

A major feature of the trend since 1990 has been a reduction in the number of declining areas. During 1990-94, 600 nonmetro counties (26.2 percent of all nonmetro counties) are estimated to have declined in population, fewer than half as many as in the 1980's. This is still a large number of counties, however. The nonmetro growth rate has been somewhat higher in counties that adjoin metro areas than in those more distant from them, as is usual. But the degree of rebound in growth since 1990 has been far greatest in the nonadjacent counties. Such areas had an absolute increase of 772,000 people during 1990-94, compared with just 134,000 over the entire decade of the 1980's. The nonmetro gain is not simply further growth on the fringes of metro areas.

Population Change Is Linked to Economic Functions

With the completion of ERS's revised typology of nonmetro counties, it is possible to determine the extent of population growth associated with various economies. All six of the economic functional types of nonmetro counties have had increased population growth (app. table 1). The farming- and mining-dependent counties that represent the bulk of the traditional rural extractive industry areas had the least growth during 1990-94 (2.3 and 2.1 percent, respectively). This result is not surprising, given the continued productivity increases and reduction of labor force requirements that occurred in both industries, along with the depressed prices and markets that beset mining during the period. The modest growth is, however, a change from the overall population decline seen in both types of counties during the 1980's.

Manufacturing-dependent counties are the largest economic type, containing about 30 percent of the nonmetro population. These areas had total growth of 3.6 percent during 1990-94, which is a little below that of the total nonmetro population (3.9 percent). Without national growth in manufacturing employment, it is difficult for such areas to grow from further development of their major sector. (U.S. manufacturing employment growth was lower during 1990-94 than in any 4-year period of the 1980's.) And given the large base population, it is also difficult for manufacturing counties to acquire other types of jobs at a pace rapid enough to provide more than modest growth. However, the manufacturing counties have shown less susceptibility to outright decline than have the more rapidly growing economic types specialized in services or government. Of the manufacturing counties, 88 percent had some population increase, even if small.

Counties with over half of their earnings income from employment in services (including retail and wholesale trade) had the most rapid growth (5.8 percent) of any of the economic types. Most of the services counties are in the West and the farm belt of the Central region. Those in the Central United States typically have small service-center cities, but have had rather limited growth, or even some decline, as their rural sections have continued to thin out. In the West, however, many of the service counties are resort areas that have boomed through their contin-

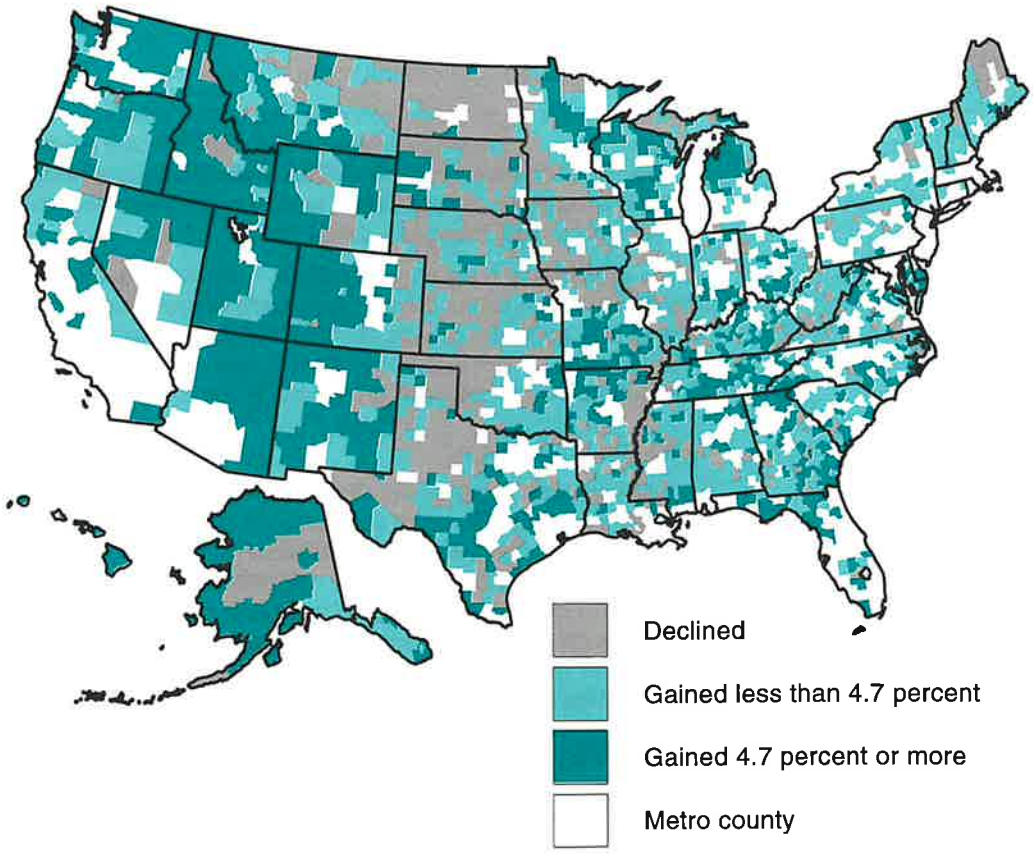
uing attraction of urban residents for recreation and second homes. These counties contain such places as Aspen, Jackson Hole, Sedona, Sun Valley, Taos, Vail, and all of nonmetro Hawaii. The rapid population increases of the resort areas pushed the group average above the low growth of the more traditional service centers elsewhere.

Counties dominated by government employment grew 4.3 percent, slightly above the nonmetro average. One type of government employment—work in prisons—has risen rapidly. And prisoners themselves are counted in the population of the counties where they are held. Public college enrollment has continued to grow, but military base staffing has declined.

A fifth of nonmetro counties are classed as unspecialized, and are most common in a triangle bounded by Iowa, Texas, and Georgia. Many of them have healthy, diverse economies. But a fourth of them are areas of persistently high poverty and sluggish job growth. About the same number are former farming-dependent counties where diminishing farm work has left an unspecialized economic structure, but one with limited development. The unspecialized counties nonetheless had a rate of population increase during 1990-94 equal to that of the nonmetro whole (3.9 percent), illustrating how pervasive the revival of rural and smalltown population growth has been.

Nonmetro population change, 1990-94

Many western counties grew faster than the national average, while many central counties declined



Note: National population growth was 4.7 percent during 1990-94.
Source: Calculated by ERS using data from the Bureau of the Census.

Retirement and Recreation Areas Show the Most Rapid Growth

The most rapidly growing type of nonmetro areas consists of those that can be identified as retirement-destination areas, regardless of their economic type. Counties that had at least 15-percent growth of older people through inmovement during the 1980's averaged a 10.7-percent increase in total population from 1990 to 1994, 3.7 times the growth rate of nonmetro areas as a whole and more than double the metro rate. These counties also have had rapid rates of employment growth, especially in service jobs and thus tend to attract younger people as well.

Although retirement-destination counties accounted for only 8 percent of all nonmetro counties, their population gain was 28 percent of the total nonmetro increase. This rapid growth has occurred despite the fact that the 1990-2000 decade is not a prime period for retiree growth, inasmuch as persons now entering their sixties were born during the 1930's when births were at a low level. Half of the retirement counties can also be regarded independently as recreation areas, as measured by data reflecting motel, entertainment, and second home activity. Where the combination of retirement and recreation is present, an even higher population growth of 11.7 percent was observed during 1990-94.

Migration Now Producing Over Half of Nonmetro Growth

Although recent nonmetro population growth has occurred at a moderate rate of only 0.9 percent annually, this rate is more than can be supplied through the excess of births over deaths. The birth rate is too low and the advanced age distribution in many rural areas produces too many deaths for such growth. More than half of nonmetro growth since 1990 has stemmed from net inmovement of people. Some 60 percent of nonmetro counties are estimated to have had more people move in than out in this period. This is not surprising in retirement-destination or recreation areas or in counties that are on the fringes of thriving metro areas. But, it was not predicted for hundreds of manufacturing, traditional service-center, unspecialized, or farming-dependent rural counties where the Bureau of the Census has estimated at least some minimal net inmovement of people.

Regional Data Highlight the West

All four of the regions had nonmetro population growth during 1990-94. Even the Central region grew 1.4 percent, compared with a 4.0-percent decline during 1980-90. Declining areas continue to be numerous in the Great Plains (both north and south), the western Corn Belt, and the lower Mississippi Valley, as can be seen from the map. But population declines elsewhere have been infrequent and scattered.

The growth rate in the nonmetro West, however, at 9.4 percent was double the rate of the total U.S. population and of the nonmetro pace of any other region. The West received 34 percent of all U.S. nonmetro growth, although that region had only 14 percent of the nonmetro population in 1990. In the North, nonmetro growth was not rapid (3.0 percent), but was ahead of metro growth (1.7 percent) in this heavily industrial region.

What Is It All About?

Fully satisfying explanations of the increased nonmetro population growth since 1990 are not easily attainable. Changed economic conditions are quite evident, though, and must have a large influence on the trend. From the first half of 1990 to the first half of 1994, nonmetro employment rose by 5.8 percent, compared with metro growth of only 2.5 percent. In contrast, nonmetro job growth had lagged well behind metro growth in the 1980's. With metro labor markets having difficulty accommodating the growing numbers of their own working-age people, there was much less economic incentive for nonmetro workers to move to large cities after 1990, despite the lower wages that prevail in nonmetro areas. But stories of noneconomically motivated movement to nonmetro areas are also common, often couched in terms of urban flight. The pace-setting growth of retirement-destination and other high amenity areas seems to corroborate such anecdotal evidence.

In sum, there has been a clear upturn of population growth in rural and smalltown America since 1990. There is still a wide range in the rates of change, with some areas' populations still declining, most growing at a moderate pace, and others having faster growth than can be easily accommodated. Amenity-based retirement and recreation growth, and proximity-based

exurbanization from metro areas are the most common sources of rapid growth. Agricultural dependence continues to be the most frequent characteristic of areas where the number of residents is decreasing. Altogether, the current nonmetro population trend resembles that of the rural turnaround years of the 1970's much more than it does that of the recession and recovery years of the 1980's. *[Calvin L. Beale, 202-219-0482, and Kenneth M. Johnson, Loyola University-Chicago, 312-508-3461].*

Regional population change, 1980-94

Nonmetro population growth higher than metro growth in the West and North

	Population			Change	
Region	1994	1990	1980	1990-94	1980-90
		Millions			Percent
United States:					
Metro	207.5	197.8	177.0	4.9	11.8
Nonmetro	52.9	50.9	49.6	3.9	2.7
North:					
Metro	76.2	75.0	72.7	1.7	3.0
Nonmetro	12.9	12.5	12.1	3.0	3.2
Central:					
Metro	22.6	21.7	20.7	3.8	5.0
Nonmetro	10.6	10.5	10.9	1.4	-4.0
South:					
Metro	59.7	55.6	46.9	7.4	18.7
Nonmetro	21.4	20.6	20.0	3.9	2.9
West:					
Metro	48.9	45.5	36.7	7.5	24.1
Nonmetro	8.0	7.3	6.5	9.4	12.0

Note: See appendix for definition of regions, p. 45.
Source: Calculated by ERS using data from the Bureau of the Census.

Rural-Urban Migration Patterns Shift

Current Population Survey (CPS) migration data from 1990-94 indicate a dispersal of population out of urban areas into small towns and open country areas. The net rural gain has been small according to these data (0.1 percent), but it contrasts sharply with rural outflow of the late 1980's. Even more significantly, the rural "brain drain" of the 1980's has not carried over into the 1990's.

During the late 1980's, rural-urban migration patterns both reflected and enhanced rural economic disadvantages. As the rural-urban pay gap for college graduates increased, the outmigration of the better educated from rural areas further widened rural-urban differences in workforce education. Families with poverty-level incomes in the previous year tended to move into rural areas in the 1980's while those with higher incomes moved out, increasing rural poverty rates even further above urban rates. So far, both of these patterns have largely disappeared in the 1990's.

The March Current Population Survey (CPS) asks respondents where they were living a year earlier. The migration data presented here are derived by comparing past with current residence. Because migrants to other countries are not part of the CPS sample, we consider only internal U.S. migration. While they show that migration patterns in the early 1990's have been quite different from the late 1980's, the CPS-based migration statistics show much less rural net inmigration in the 1990's than Beale and Johnson's analysis in the previous article. One reason is that their migration estimates, derived by subtracting natural population increase from estimated population change, include what is undoubtedly a significant net gain from other countries. Also, the CPS data include only the noninstitutional civilian population. The institutional population, such as people in prisons, tends to be more rural than the population as a whole, reducing CPS net migration to rural areas. (People coming out of prison are counted as migrants; people going into prison are not.) These differences account, however, for only some of the discrepancy between the two net migration estimates, which are based on entirely different sources and methods.

Migration Contributed to Rural Decline During the 1980's

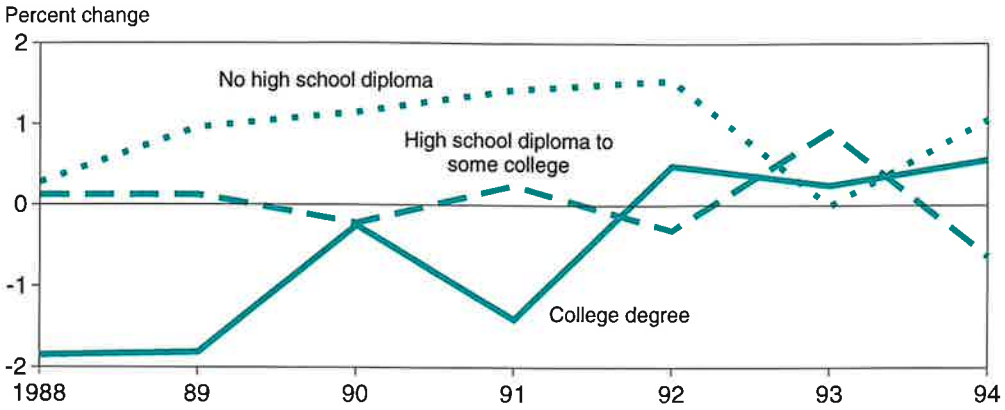
During the late 1980's (and much of the rest of that decade), there was a significant movement of population out of rural areas in search of urban opportunities. The loss was particularly great among people graduating from high school and either entering college or joining the work force (ages 18-24). Working-age adults (ages 25-54) and their children were about as likely to move into as out of rural areas. Only people of retirement age were more likely to move into than out of rural areas, and even in this case the flow was small, much less than it had been in the 1970's.

Migration during the late 1980's had little effect on the overall numbers of children and working age people in the rural population, but the people moving into rural areas were quite different from those moving out. Urban opportunities during this period were largely for the highly educated. For others, earnings fell sharply. While high school dropouts tended to move into rural areas during this period, college-educated people moved out—at a net rate of nearly 2 percent each year according to CPS data. This brain drain increased the rural-urban education gap.

Consistent with these migration differences by education, children and working-age adults who had below-poverty-level incomes in the previous year were much more likely to have moved into rural areas than out. At the same time, there was a net movement of children and adults with above-poverty-level incomes out of rural areas. Although we do not know the income levels of people after they migrated, rural poverty rates quite likely were raised substantially in the 1980's through migration.

Change in the nonmetro population ages 25-64 from net migration by education completed

Slightly more college educated moved into than left nonmetro areas since 1992



Source: Calculated by ERS using data from the March Current Population Surveys, 1988-94.

Nonmetro population change due to migration to and from metro areas

Migration patterns shift in 1990's

Population characteristic	1990-94 To metro areas	1990-94 From metro areas	1990-94 Net change	1987-89, net change
	Average annual percent			
Total	3.09	3.20	0.11	-0.23
Age:				
Children (under 18)	2.81	3.22	0.41	-0.06
School-work transition (18-24)	8.06	5.80	-2.26	-2.77
Working age (25-54)	3.39	3.60	0.21	-0.08
Retirement (55 and over)	0.93	1.50	0.58	0.38
Education completed (ages 25-54):				
No high school diploma	2.43	3.44	1.01	0.63
High school diploma	3.21	3.28	0.06	0.13
College degree	5.14	5.12	-0.02	-1.83
Poverty:				
Above poverty level—				
Children (under 18)	2.53	2.83	0.30	-0.53
Working age (25-54)	3.25	3.43	0.18	-0.25
Retirement (55 and over)	0.93	1.50	0.57	0.41
Total[1]	2.87	2.98	0.11	-0.33
Below poverty level—				
Children (under 18)	3.76	4.52	0.75	1.58
Working age (25-54)	4.35	4.76	0.41	1.13
Retirement (55 and over)	0.90	1.49	0.59	0.25
Total[1]	4.18	4.33	0.15	0.29

[1]Includes ages 18-24.

Source: Calculated by ERS using data from the March Current Population Surveys, 1988-89 and 1991-94.

Rural Migration Trends Improved During the Early 1990's

The migration patterns of the 1990-94 period do not suggest a reversal of the migration patterns of the 1980's, but the rural brain drain has been much reduced. While the outflow of people in the school-work transition period remains substantial, working-age people and children are now moving into rural areas and the net inmigration of the retirement-age population has increased slightly.

Within the working-age group, a heavy outflow of college graduates is now matched by inmigrants. Although high school dropouts are continuing to shift to rural areas, the numbers are not large. Nevertheless, education statistics continue to reflect the rural education disadvantage that developed in the 1980's. In 1994, as in 1991, the proportion of the population aged 25-54 with a college degree was 28 percent in urban areas but only 16 percent in rural areas.

CPS migration data also show that rural areas are now gaining people above as well as below poverty. Among children and working-age people, however, the net inmigration rates of the poor still somewhat exceed the rates of those not in poverty.

These statistics reflect urban economic slowdowns as much as, if not more than, rural economic recovery. Urban opportunities for the better educated have lessened, particularly in California where defense industry layoffs have adversely affected managers and professionals as well as production workers, but also in major urban centers in other States, where companies have been trimming their management staffs and the finance and real estate sectors have been downsizing.

Rural West Gaining College-Educated Migrants

Although net migration rates for rural areas as a whole are small, the proportions of people moving into and out of rural America are large, particularly for the more highly educated (over 5 percent a year) and in the school-work transition ages, 18-24 (6 to 8 percent a year). Regional statistics indicate that people moving into rural areas are not necessarily moving into the same areas that other people are leaving. Only in the rural North and West is inmigration from other regions exceeding outmigration. The rural West has a small population and the migration statistics are somewhat unreliable, but it appears to be the only region to have experienced a complete migration turn-around between the 1980's and 1990's. The 1987-89 working-age migration in the rural West was negative, except for high school dropouts and poor people. In the 1990's, in contrast, college graduates and higher income people have been moving in. This appears to reflect both declining urban opportunities in California and, anecdotal evidence suggests, a decentralization of some high-tech firms into higher amenity rural areas—in Colorado and Washington, for instance.

At the other extreme, the rural Central region is still losing some population through migration to cities (and to a lesser extent other rural areas). Although the outmigration of college graduates has slowed, the region is now tending to gain people with low education and poverty incomes. In the South and the North, migration patterns were clearly different in the early 1990's from what they were in the 1980's, but the patterns do not suggest as complete a turnaround as in the rural West.

In sum, the evidence for an overall rural economic revival is weaker in the CPS rural-urban migration data than the migration data used by Beale and Johnson above. Nonetheless, it is clear from looking at migration patterns by age, education, and poverty level that migration has not been depleting rural areas of their younger, better educated workers to the extent that it did in the late 1980's. *[David A. McGranahan, 202-219-0533, and Kathleen Kassel, 202-501-7981]*

Nonmetro average annual net migration by region

Nonmetro West has largest change in migration patterns since late 1980's

Population characteristic	Average annual, 1990-94				Average annual, 1987-89			
	North	Central	South	West	North	Central	South	West
	Percent							
Total	0.38	-0.30	-0.03	0.63	-0.17	-1.00	0.17	-0.36
Working age	0.46	-0.30	0.06	0.79	-0.18	-0.54	0.36	-0.57
By education completed:								
No high school diploma	0.99	1.59	1.14	-0.23	0.30	0.00	0.51	2.79
High school diploma	0.49	-0.49	-0.24	0.83	0.20	-0.18	0.34	-0.21
College degree	0.10	-0.80	-0.44	1.21	-2.03	-2.62	0.17	-4.35
By poverty status:								
Not poor	0.46	-0.62	0.10	0.94	-0.42	-0.60	0.34	-1.23
Poor	0.59	2.24	-0.22	-0.17	2.35	-0.11	0.41	4.07

Note: Net migration with respect to both metro areas and nonmetro areas in other regions. See appendix for definition of regions, p. 45.
Source: Calculated by ERS using data from the March Current Population Surveys, 1988-89 and 1991-94.

Rural Employment Growth Quickened in 1994, as Unemployment Continued to Fall

From 1990 to 1994, rural employment grew at an annual rate of 1.6 percent, twice the rate of rural employment growth in the 1980's. Rural employment grew fastest in the West and in retirement-destination counties. Rural unemployment fell between 1993 and 1994, returning to approximately its 1990 level. Unemployment remained well above 1990 levels in the rural West, and in mining-dependent and retirement-destination counties, however.

Rural employment grew 2.8 percent from 1993 to 1994—the fastest annual rate of rural employment growth since 1977-78, according to county-level estimates from the Bureau of Labor Statistics (BLS). Rural employment growth outpaced urban growth for the fourth consecutive year, although the difference was small. Rural employment gains between 1993 and 1994 were strongest in farming-dependent (3.8 percent) and retirement-destination (3.7 percent) counties. Employment in manufacturing- and service-dependent, as well as persistent poverty, counties grew at close to the national rural average, ranging from 2.6 to 3.2 percent. Employment in mining-dependent counties grew most slowly at 2.1 percent.

The year also saw a decline in unemployment in rural areas, from 7.4 percent in 1993 to 6.6 percent in 1994—nearly equal to its 1990 level. Urban unemployment also declined in 1994, but remained more than half a point above its 1990 level. Unemployment declined in all rural county types between 1993 and 1994. However, some types lagged the national economic recovery—unemployment in mining-dependent counties at 8.5 percent, retirement-destination counties at 7.2 percent, and persistent poverty counties at 8.2 percent remained well above the rural national average in 1994.

Rural Employment Growth Outpaces Urban Growth in 1990's

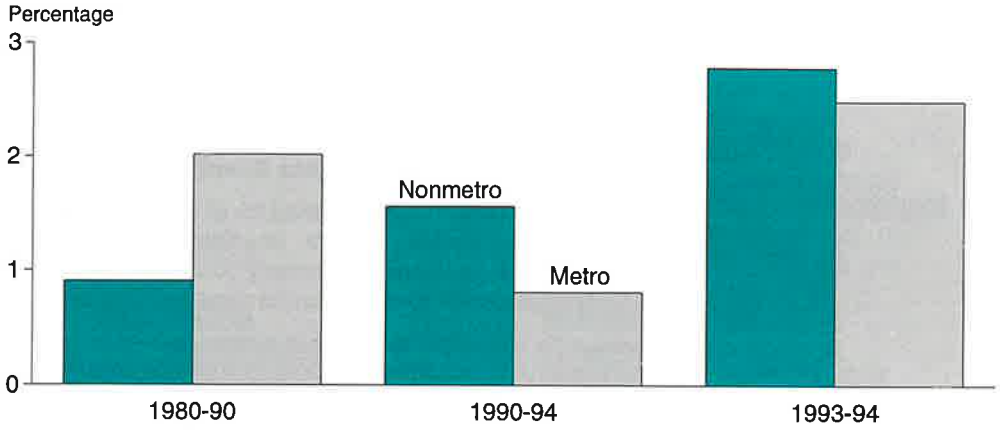
The annual employment growth rate for rural areas, 1.6 percent, was twice the 0.8-percent growth rate for urban areas between 1990 and 1994. This difference represents a sharp contrast with the 1980's, when average annual urban employment growth for the decade as a whole was more than double the rural rate. This change reflects both a moderate increase in rural employment growth (up from 0.9 percent annually during the 1980's) and a sharp decrease in the urban growth rate (down from 2.0 percent annually during the 1980's).

Rural Unemployment Rate Falls to Its 1990 Level

Unemployment in rural areas declined from 7.4 percent in 1993 to 6.6 percent in 1994, falling nearly to its 1990 level. The urban unemployment rate also declined, but did not return to its 1990 rate, narrowing the rural-urban gap in unemployment. As noted in the Fall 1994 issue of *Rural Conditions and Trends* (Vol. 5, No. 2, pp. 8-11), the BLS Local Area Unemployment Statistics used here have consistently shown higher rural than urban unemployment rates in recent years. The Current Population Survey (CPS) indicated that the rural rate fell below the urban rate in 1992 and remained there in 1993. This suggests that rural unemployment rates reported by BLS may be too high and may underestimate the extent of recent improvements in rural economic conditions.

Average annual employment growth

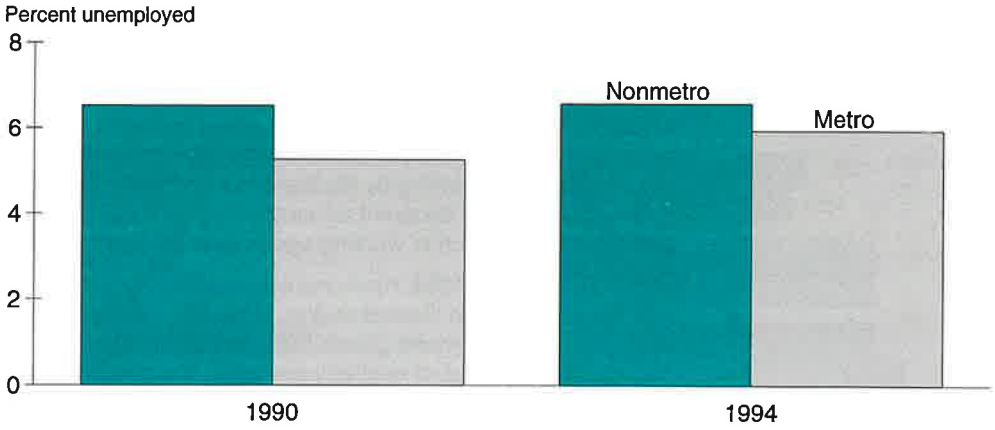
After lagging during the 1980's, nonmetro employment growth outpaced metro growth in the early 1990's



Source: Calculated by ERS using data from the Bureau of Labor Statistics.

Unemployment rate

The nonmetro unemployment rate in 1994 was almost the same as in 1990, while the metro unemployment rate was over half a percentage point higher in 1994 than in 1990



Source: Calculated by ERS using data from the Bureau of Labor Statistics.

Rural Employment Grew in Most County Types

Job gains occurred across all types of rural areas during the early 1990's, with retirement-destination and service-dependent counties growing the fastest, at 2.5 percent and 2.1 percent annual rates, respectively. Annual employment growth in retirement-destination counties was down from 3.1 percent in the 1980's, but still above the growth rates for other county types. Average 1990-94 annual growth rates for farming- and manufacturing-dependent and persistent poverty counties were close to the average rural growth rate, while mining-dependent counties lagged with only 0.4-percent annual growth.

Changes in Unemployment Across County Types

Unemployment rates in 1994 declined for all major county types, and rates for several types returned to about the level of 1990. Unemployment rates in manufacturing-dependent, services-dependent, and persistent poverty counties all fell to their 1990 levels, although unemployment in persistent poverty counties remained well above the rates for most county types.

However, the unemployment rates in mining-dependent and retirement-destination counties increased a full point between 1990 and 1994, and unemployment in farming-dependent counties increased by almost half a point. Rising unemployment in mining- and farming-dependent counties reflects increased productivity and reduced labor demand in both industries, as well as depressed markets and low prices in mining. Unemployment rates rose in retirement-destination counties despite their relatively rapid employment growth between 1990 and 1994. There were large population increases in these areas, particularly in the West (where this rise in unemployment was concentrated), and inmigration of labor force participants to these areas may have outpaced the growth of employment.

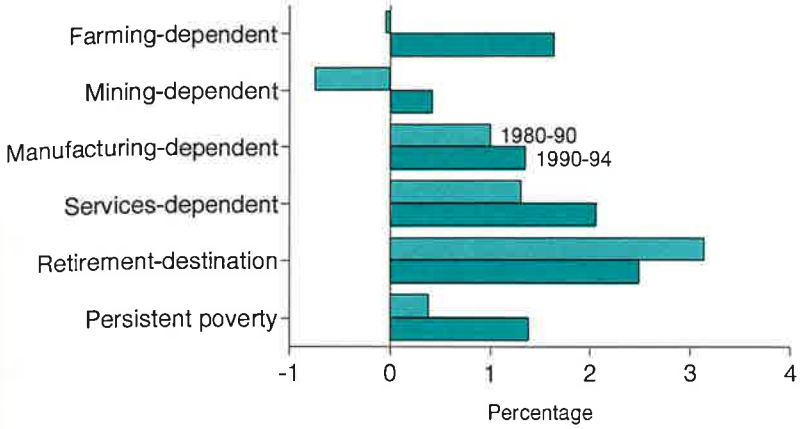
Employment Picture Is Mixed in Regions

Employment grew in all rural regions between 1990 and 1994. The West showed the most rapid growth. The 1990-94 growth rate in the rural West, at 2.7 percent annually, was more than a percentage point above the national rural growth rate, while employment growth in the other three rural regions was less than 1.5 percent annually. Employment in the urban West grew by only 0.8 percent annually, less than one-third the rate in the rural West. The divergence between urban and rural employment growth rates nationally during this period can be explained almost entirely by rapid growth in the rural West and slow growth in the urban North. These findings are consistent with the report by Beale and Johnson in this *RCaT* issue of vigorous growth in western service and recreation centers such as Aspen and Taos. It is also consistent with the finding by McGranahan and Kassel that the rural West has been the primary beneficiary of the apparent turnaround in rural-urban migration trends and has been experiencing net inmigration of working-age people during the 1990's.

Between 1990 and 1994, rural unemployment rates remained stable in the South and North and decreased in the Central region. However, unemployment rates rose in the rural West despite rapid employment growth. The recent employment growth in the rural West has been concentrated in areas of relatively low initial unemployment and has been primarily associated with inmigration rather than declines in local unemployment. At the same time, other parts of the West have suffered persistent economic distress, resulting in slow growth and high unemployment in these areas. The 1990-94 increase in unemployment in the rural West was confined to the Pacific States, where defense cutbacks and problems in the logging and lumber industries have been substantial, while employment grew throughout the West and grew most rapidly in the Mountain States. *[Lorin Kusmin, 202-219-0550]*

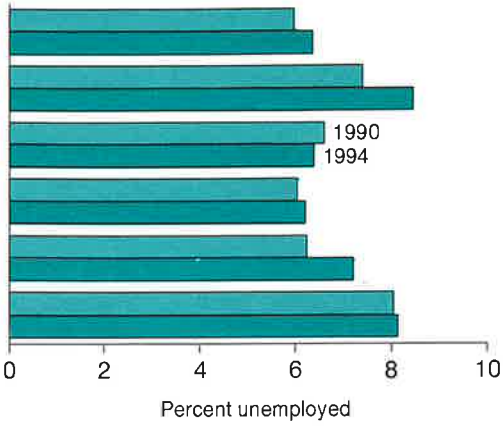
Average annual nonmetro employment growth by county type

Services-dependent and retirement-destination counties had the most rapid employment growth in both the 1980's and early 1990's



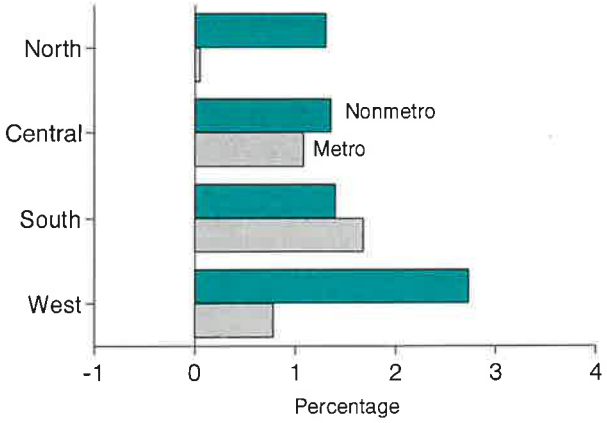
Nonmetro unemployment rate by county type

Unemployment rose in mining-dependent and retirement-destination counties between 1990 and 1994



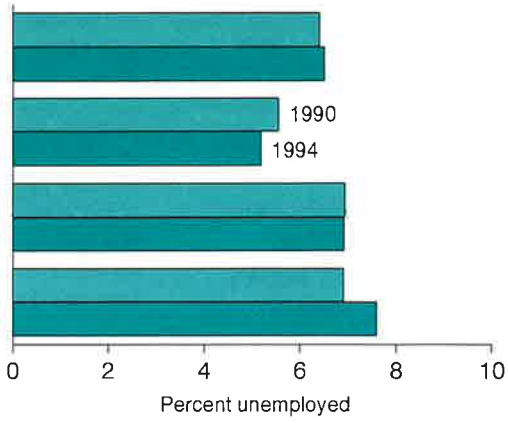
Average annual employment growth by region, 1990-94

Employment growth was brisk in the nonmetro West, while slow in the metro North and metro West



Nonmetro unemployment rate by region

Unemployment rose in the West but fell in the Central region between 1990 and 1994



Note: See appendix for definition of regions, p. 45.

Source: All graphs on this page calculated by ERS using data from the Bureau of Labor Statistics.

Rural Earnings Holding Steady in the Early 1990's

Average weekly earnings for rural wage and salary workers were $380 in 1993, significantly lower than the $488 figure for urban workers. After adjusting for inflation, average rural pay was unchanged between 1990 and 1993, while average urban pay fell slightly. Stable rural pay during the early 1990's contrasts with the experience of the 1980's, when rural earnings growth lagged both urban earnings growth and the rate of inflation. Despite this encouraging change, in 1993 the weekly earnings of 30 percent of rural full-time workers were too low to bring a family of four above the poverty level, even if they worked all 52 weeks during the year.

In 1993, average weekly earnings for rural wage and salary workers were $380, before taxes and other deductions. This figure was unchanged from 1990 earnings (in 1993 dollars). The recent stability in average rural pay is a welcome contrast to the steep decline in inflation-adjusted earnings during the previous decade. Rural weekly earnings fell by 12.6 percent between 1979 and 1990, from $435 to $380 (1993 dollars).

Average weekly earnings for urban workers were $488 in 1993, $108 above the rural figure. The pay gap between rural and urban workers was down slightly from $112 in 1990, because urban earnings fell a little between 1990 and 1993 while rural earnings were unchanged. Although the earnings gap associated with rural residence remained a substantial 28 percent, the slight closing of the rural earnings gap between 1990 and 1993 represented a second welcome departure from the experience of the 1980's. Between 1979 and 1990, the rural pay gap grew from $65 to $112 (1993 dollars).

The rural gap in weekly earnings is almost entirely due to the lower hourly pay received by rural workers and not to a shorter work week. In 1993, rural workers averaged 38.2 hours per week at their jobs, nearly identical to the 38.5-hour average urban work week. By contrast, the $9.60 average rural hourly wage was $2.63 below the $12.23 average urban wage. Similarly, the rural pay gap rose during the 1980's because rural hourly wages fell more precipitously than urban wages, not because the rural work week fell relative to the urban work week.

Many Rural Workers Hold Low-Pay Jobs

There is considerable concern that low-pay jobs have proliferated, as jobs paying well enough to support a middle class living standard have become more scarce. A natural criterion for identifying low-pay jobs is whether workers' weekly earnings are so low that year-round employment (52 weeks) is insufficient to bring a family of four above the poverty line. By this criterion, 42.9 percent of rural workers held low-pay jobs in 1993, substantially higher than the corresponding urban share of 32.3 percent. The share of rural workers in low-pay jobs was essentially constant between 1990 and 1993, but rose by 9 percentage points between 1979 and 1990. Even among full-time workers, 30 percent of rural and 20 percent of urban workers held low-pay jobs in 1993.

Female, young and old, low-educated, and minority workers were particularly likely to hold low-pay jobs (app. table 4). Some of these workers were members of families that had additional earners or other sources of income, and their low pay may not have indicated economic hardship. Teenagers, for example, often live with their parents and voluntarily seek part-time work. It is potentially worrisome that 38.3 percent of rural workers receiving such low pay in 1993 were prime-age adults (ages 25-59) who worked full-time. This share grew substantially between 1979 and 1990, but was unchanged between 1990 and 1993.

Average weekly hours worked, hourly wages, and weekly earnings, 1993

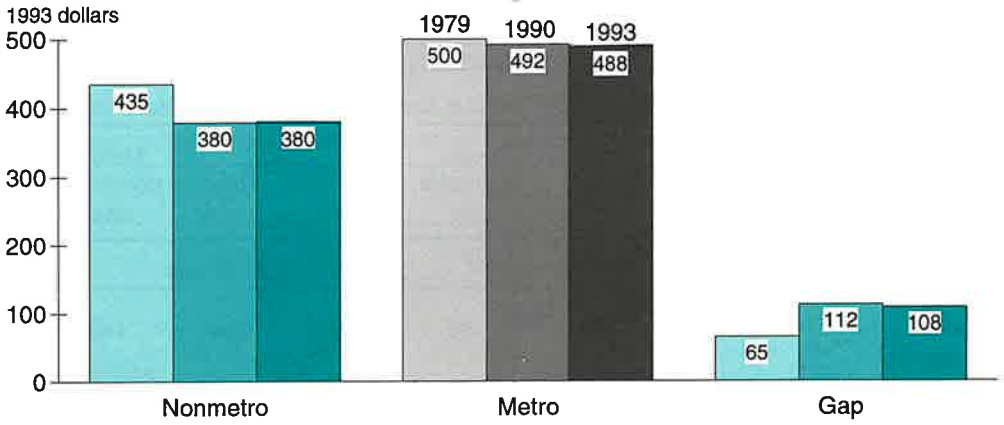
The metro-nonmetro pay gap can not be blamed on a shorter work week

Item	Weekly hours	Hourly wage	Weekly earnings
	Hours	1993 dollars	
United States	38.4	11.69	466
Metro	38.5	12.23	488
Nonmetro	38.2	9.60	380
Metro-nonmetro gap	.3	2.63	108

Note: Usual hours and earnings of wage and salary workers on their main job.
Source: Calculated by ERS using data from the 1993 Current Population Survey earnings files.

Average weekly earnings and metro-nonmetro earnings gap

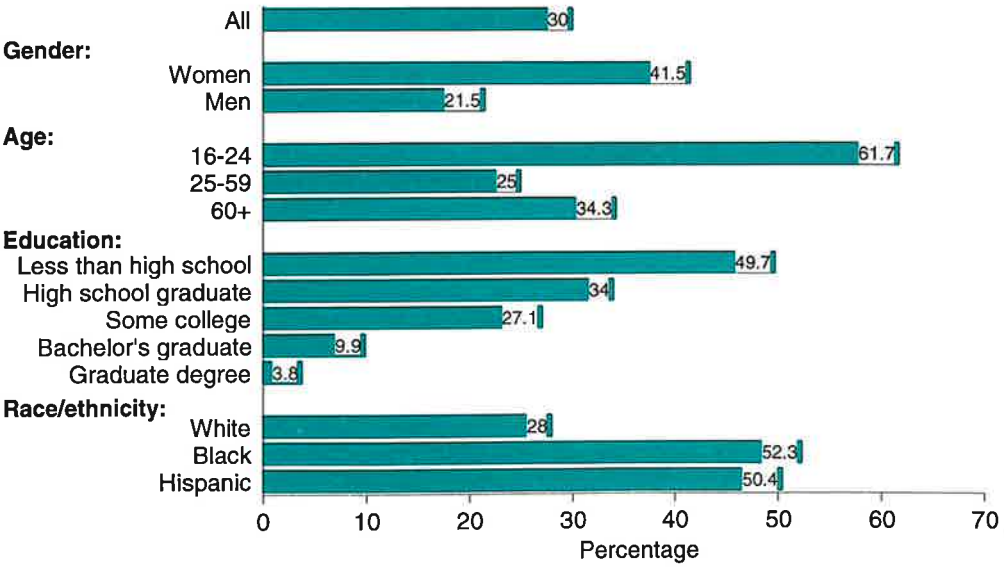
Nonmetro wages stabilized between 1990 and 1993



Source: Calculated by ERS using data from the 1979, 1990, and 1993 Current Population Survey earnings files.

Share of full-time nonmetro workers holding low-pay jobs, 1993

Female, young, low-education, and minority workers are most at risk



Note: Low pay is defined as weekly earnings such that year-round employment (52 weeks) would not raise a family of four above the poverty level.
Source: Calculated by ERS using data from the 1993 Current Population Survey earnings file.

Rural Pay Gap Down Slightly for Most Education Groups and Regions

During the 1980's rural pay particularly lagged urban pay for college-educated workers. Many rural areas also experienced a strong outflow of well-educated youths that was probably due, at least in part, to limited employment opportunities for highly skilled workers. Between 1990 and 1993, the rural pay gap fell modestly for college-educated workers, providing some indication that labor market pressures for a rural brain drain may have eased.

In 1993, the rural pay gap was highest in the Central region ($118 per week) and lowest in the South ($87). Between 1990 and 1993, rural earnings improved relative to urban in the West, Central, and South, but deteriorated slightly in the North. As with the recent decline in the rural pay gap overall, declines in the rural gap for regions and education groups were more the product of declining urban wages than of rising rural wages. It remains to be seen whether continued economic expansion since 1993 has finally begun to fatten rural pay checks. *[Paul Swaim, 202-219-0553]*

The metro-nonmetro gap in average weekly earnings by education and region

The metro-nonmetro pay gap narrowed after 1990 for most groups

Item	1979			1990			1993		
	Metro	Non-metro	Metro-nonmetro gap	Metro	Non-metro	Metro-nonmetro gap	Metro	Non-metro	Metro-nonmetro gap
	1993 dollars								
All workers	500	435	65	492	380	112	488	380	108
Education:									
Less than high school	372	337	35	293	255	38	269	252	17
High school	465	430	35	409	357	52	405	350	55
Some college	503	450	53	480	394	86	450	381	69
Bachelor's degree	662	573	90	676	533	143	670	546	124
Graduate degree	782	691	91	846	681	165	871	710	161
Region:									
North	495	449	46	507	403	104	504	398	106
Central	522	424	98	489	362	127	479	361	118
South	472	403	69	455	365	90	454	367	87
West	531	489	42	514	405	109	511	410	101

Note: See appendix for definition of regions, p. 45.
Source: Calculated by ERS using data from the Current Population Survey earnings files for 1979, 1990, and 1993.

Trend Toward Rising Inequality Among Rural Workers Appears to Have Eased

The variation of weekly earnings among rural workers, like average earnings, was basically stable between 1990 and 1993. Rural earnings inequality, as measured by percentile comparisons, even eased a bit. The 10th percentile wage, which is the wage such that 10 percent of all workers earn less than that amount and 90 percent earn more, can serve as a benchmark for low earnings, while the 50th percentile wage can represent typical earnings and the 90th percentile high earnings. An increase in the 90th percentile wage relative to the 50th, or increases of the 90th or 50th percentile wages relative to the 10th, indicate increased earnings inequality.

Among rural workers, the ratio of the 90th percentile weekly earnings level ($700) to the 10th percentile level ($106) was 6.61 in 1993, down slightly from 6.74 in 1990. By contrast, this measure of earnings inequality increased quite strongly from 6.15 to 6.74, between 1979 and 1990, when pay fell most rapidly for low-wage workers. Earnings inequality grew even more strongly among urban workers between 1979 and 1990. Urban inequality also continued to increase during 1990-93, when earnings rose for workers at the 90th percentile of the urban earnings distribution, but fell for less well paid workers. In that period, the rural pay gap declined modestly for workers at or below the 75th percentile, but continued to increase for the most highly paid (90th percentile) workers.

Usual weekly earnings at select percentiles

The rise in pay inequality among nonmetro workers appears to have stopped after 1990

	Metro			Nonmetro		
Item	1979	1990	1993	1979	1990	1993
	1993 dollars					
Percentiles:						
10th	149	137	131	130	105	106
25th	279	247	240	239	199	200
50th	438	414	400	378	328	320
75th	651	659	643	577	497	500
90th	896	928	950	797	708	700
Ratios:						
90:10	6.00	6.79	7.28	6.15	6.74	6.61
90:50	2.05	2.24	2.38	2.11	2.16	2.19
50:10	2.93	3.03	3.07	2.92	3.12	3.02

Note: Percentiles are points in the distribution of workers from the lowest to highest paid. For example, 10 percent of workers earn less than the 10th percentile wage and 90 percent of workers earn more, while 90 percent of workers earn less than the 90th percentile wage and only 10 percent earn more.

Source: Calculated by ERS using data from the Current Population Survey earnings files for 1979, 1990, and 1993.

Fewer Rural than Urban Workers Receive Employment Fringe Benefits

Rural workers are less likely to obtain health insurance or participate in a retirement plan through their job than urban workers, primarily because fewer rural workers are employed full-time by large firms. The proportion of rural workers receiving either type of fringe benefit has not changed since 1990.

The fringe benefits provided by employers for their workers are the most important source of health insurance for persons under age 65 and a major means of saving for retirement. Data from the March Current Population Surveys (CPS) indicate that rural workers are less likely than urban workers to obtain health insurance or participate in a retirement plan through their job, largely due to urban-rural differences in employer and worker characteristics. The proportion of rural workers receiving either type of fringe benefit did not change between 1990 and 1993. CPS estimates do not distinguish between fringe benefits provided by employers and unions, but other information indicates that most workers received benefits through employers.

Full-time Employees of Large Employers Had Best Access

Large employers are more likely to offer fringe benefits than small employers, in part because the financial situation of large employers is more stable and economies of scale tend to reduce the cost of benefits per worker. Employers are also more likely to offer fringe benefits to full-time workers than part-time or temporary workers. In this analysis, civilian workers aged 18-64 years were classified into four employment categories by firm size (based on the longest job during the year) and annual work experience. Firm size was determined by the size of their own business in the case of the self-employed and by the size of government units in the case of public employees. In 1993, fewer rural than urban workers (41 versus 47 percent) were year-round full-time employees of large firms with good access to fringe benefits. In contrast, more rural than urban workers (37 versus 30 percent) were employed by small firms and consequently had poor access to benefits. The differences in employment reflect the smaller scale of business operations in rural than urban communities.

Fewer Rural Workers Received Health Insurance Coverage

Most employers who offer health insurance to their workers also provide coverage for the family dependents of workers. Some workers are consequently covered through another family member's job rather than their own job. In 1993, fewer rural than urban workers (50 versus 55 percent) received health insurance through their own job. However, similar proportions (15 versus 14 percent) were covered through another family member's job. The proportion of rural workers covered through their own job did not change between 1990 and 1993, but the proportion covered through another family member's job declined. As a result, the proportion of rural workers with job-related coverage fell from 68 to 65 percent. The urban-rural gap in coverage was unchanged during the period because the proportion of urban workers with job-related coverage also fell from 72 to 69 percent.

Workers in employment categories providing good access to fringe benefits were far more likely to receive health insurance through their job than other workers. In 1993, the proportion covered through their own job varied from 79 percent of full-time employees of large firms to about 15 percent of part-time and part-year employees of small firms. Large-firm workers were equally likely to be covered in urban and rural areas. However, small-firm workers were less likely to be covered in rural areas. The difference in coverage was due in part to the higher level of self-employment among rural than urban small-firm workers (34 versus 30 percent). Most of the self-employed had no permanent employees and were ineligible to buy employer group coverage, although some bought coverage at higher individual rates outside the workplace. Despite the lower level of coverage among rural than urban small-firm workers, nearly three-fourths of the overall difference in coverage between urban and rural workers was due to the disproportionate concentration of rural workers in employment categories providing poor access to fringe benefits.

The proportion of large-firm workers covered through their own job changed little during 1990-93, but coverage rose among small-firm workers, particularly in rural areas. The rise may have been related to the growing popularity of health insurance purchasing cooperatives, which provide coverage at lower cost by pooling many small employers together to negotiate group discounts from health insurers.

Workers aged 18-64 by employer size and annual work experience

Fewer nonmetro workers were employed full-time by large firms

Employment category	Nonmetro		Metro	
	1990	1993	1990	1993
	Thousands			
Number of workers	26,207	26,297	97,871	100,739
	Percent			
Large firms:[1]				
Year-round, full-time	40.3*	41.3*	48.5	47.3
Part-time, part-year	24.5*	22.1	23.4	22.8
Small firms:[2]				
Year-round, full-time	19.3*	19.9*	15.5	16.9
Part-time, part-year	15.9*	16.8*	12.6	13.1

[1]With 25 or more workers.
[2]With 1-24 workers.
* Difference between metro and nonmetro estimates is significant, $p<0.05$.
Source: Calculated by ERS from March 1991 and 1994 Current Population Surveys.

Job-related health insurance coverage of workers aged 18-64

Fewer nonmetro workers received coverage through their own job

Employment category	Covered through own job				Covered through family member's job			
	Nonmetro		Metro		Nonmetro		Metro	
	1990	1993	1990	1993	1990	1993	1990	1993
	Percent of workers							
All workers	49.4*	50.3*	56.1	55.0	18.3*	15.0	16.1	14.4
Large firms:[1]								
Year-round, full-time	80.8	79.4	81.6	79.5	8.4*	6.6	7.3	6.4
Part-time, part-year	35.7	35.2	35.0	34.9	25.6	22.0	26.2	22.8
Small firms:[2]								
Year-round, full-time	33.4*	38.1*	41.6	43.9	19.1	15.1	17.1	15.5
Part-time, part-year	10.6*	13.3*	14.9	15.9	31.2	26.3	30.4	27.1

[1]With 25 or more workers.
[2]With 1-24 workers.
* Difference between metro and nonmetro estimates is significant, $p<0.05$.
Source: Calculated by ERS using data from March 1991 and 1994 Current Population Surveys.

Workers in employment categories providing poor access to fringe benefits were more likely to be covered through another family member's job than other workers. About 27 percent of part-time and part-year employees of small firms received coverage through another family member's job in 1993, in contrast to only 6 percent of full-time employees of large firms. There was no difference between urban and rural areas in the proportion of workers who obtained coverage as family dependents.

Fewer Rural than Urban Workers Participate in Retirement Plans

Only about 40 percent of all workers participated in a pension plan or other retirement plan operated by their employer or union in 1993. Plan participation was slightly lower among rural workers (38 percent) than urban workers (41 percent). There was no significant change in participation between 1990 and 1993 in urban or rural areas, despite growing public concern about the need to supplement Social Security payments to maintain an adequate income during old age. The CPS does not distinguish different types of retirement plans or indicate whether employers made contributions on behalf of their employees.

The level of retirement plan participation was much higher among workers in employment categories providing good access to fringe benefits than among other workers. In 1993, plan participation varied from 65 percent of full-time employees of large firms to 7 percent of part-time and part-year employees of small firms. There was little difference in participation between urban and rural workers within the same employment category. Most of the overall difference in participation between urban and rural workers was consequently due to the disproportionate concentration of rural workers in employment categories providing poor access to fringe benefits.

Health Insurance and Retirement Plan Coverage Varied By Region

The proportion of workers with fringe benefits varied by region as well as urban-rural residence. In 1993, the proportion receiving health insurance through their own job was highest in the urban North and Central regions and lowest in the rural Central and Western regions. The low level of coverage in the rural Central region was due to two factors. The small-firm sector was relatively larger than elsewhere, employing 43 percent of rural Central workers in contrast to 33-40 percent of rural workers in other regions. Rural small-firm workers were also more likely to be self-employed in the Central region (39 percent) than in other regions (32-34 percent), further reducing access to coverage. The regional differences in employment reflected the greater prevalence of family farms in the rural Midwest than other parts of the country. Approximately 7 percent of all rural workers in the Central region were self-employed in primary production (including agriculture, forestry, and fisheries), in contrast to only 2-3 percent of rural workers elsewhere.

Job-related retirement coverage of workers aged 18-64

Fewer nonmetro workers participated in retirement plans

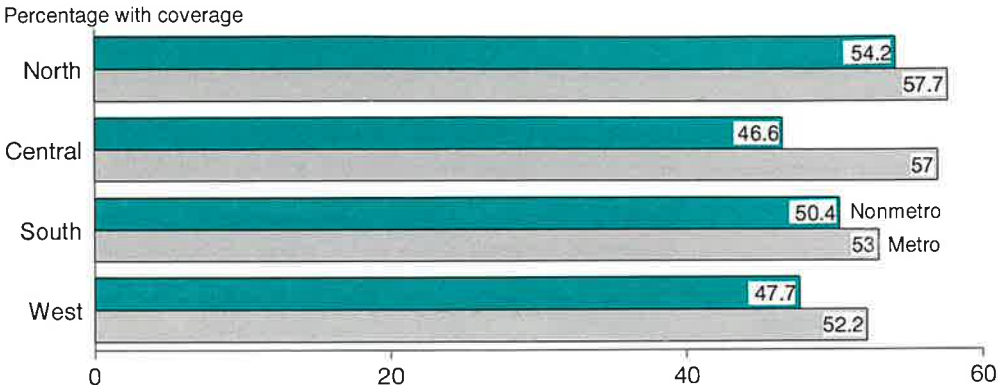
	Nonmetro		Metro	
Employment category	1990	1993	1990	1993
	Percent of workers who participated in a retirement plan			
All workers	37.6*	37.7*	42.1	41.5
Large firms:[1]				
Year-round, full-time	67.2	65.2	66.6	65.1
Part-time, part-year	28.6	25.1	26.5	25.2
Small firms:[2]				
Year-round, full-time	14.1*	20.7*	17.8	24.0
Part-time, part-year	5.2	6.6	6.5	7.6

[1]With 25 or more employees.
[2]With 1-24 employees.
* Difference between metro and nonmetro estimates is significant, $p<.05$.
Source: Calculated by ERS using data from the March 1991 and 1994 Current Population Surveys.

The proportion of workers participating in a retirement plan was highest in the urban North and Central regions and lowest in the rural South and Central regions. The different economic patterns in the rural Midwest were therefore associated with low worker participation in retirement plans as well as poorer access to health insurance through employment. *[Paul D. Frenzen, 202-501-7925]*

Workers ages 18-64 receiving health insurance through own job, 1993

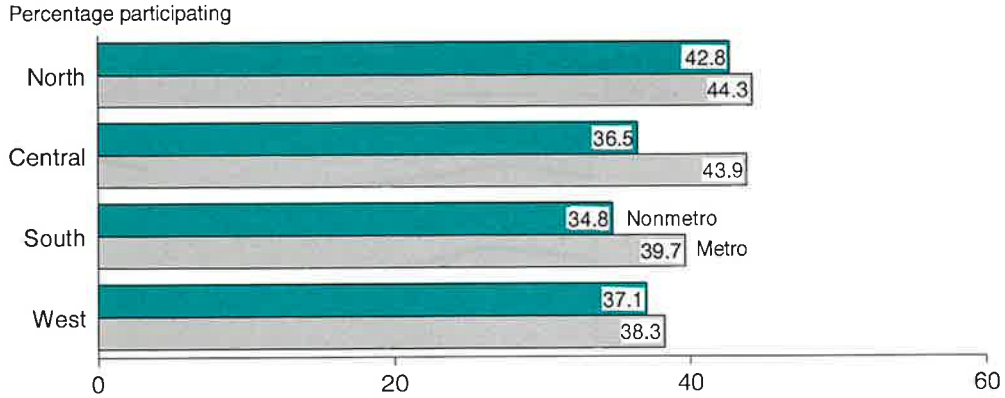
Nonmetro workers in the Central region had the lowest coverage rate



Note: See appendix for definition of regions, p. 45.
Source: Calculated by ERS using data from the March 1994 Current Population Survey.

Workers ages 18-64 participating in retirement plan through own job, 1993

Participation was lowest among nonmetro workers in the Central and South regions



Note: See appendix for definition of regions, p. 45.
Source: Calculated by ERS using data from the March 1994 Current Population Survey.

Nonmetro Income Declining

Inflation-adjusted income of the average nonmetro household declined from 1989 to 1993. Rural median household income is lowest in the South, and rural minorities continue to have very low incomes.

Inflation-adjusted median household income declined 3.2 percent in nonmetro America during 1989-93, falling from $26,088 to $25,256 (1993 dollars). This decline continued the trend of generally stagnant-to-declining real incomes experienced by rural households since the late 1970's. In metro areas, real median household income declined even more abruptly, falling 8.5 percent during 1989-93 to $33,212. As a result, the gap between nonmetro and metro incomes closed somewhat, although the median income of nonmetro households was still 24 percent less than that of metro households.

Income Lowest for Nonmetro Minorities

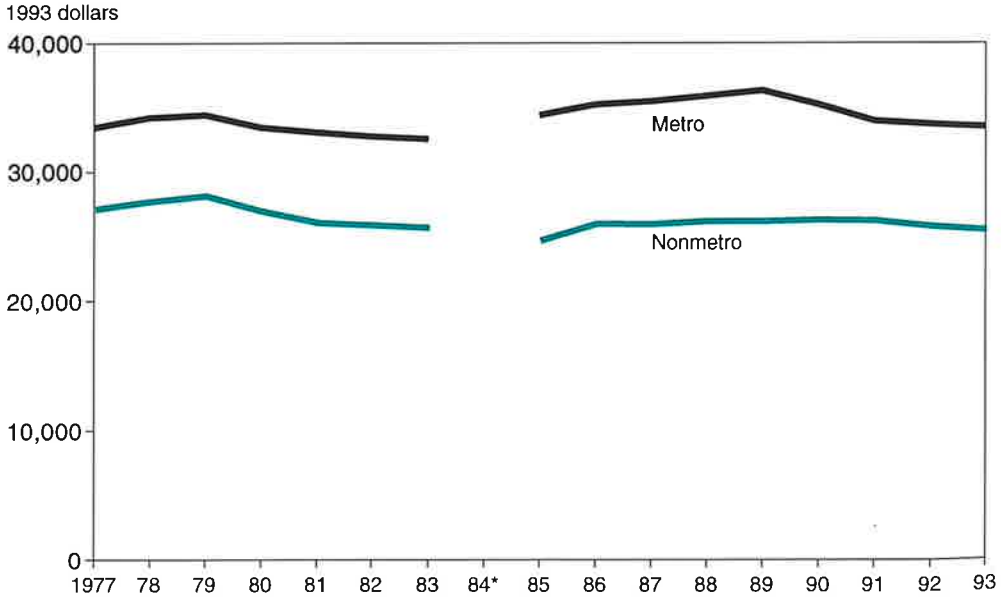
In 1993, the median income of nonmetro Black households was only $14,183—just over half that of nonmetro non-Hispanic Whites and almost a third lower than that of metro Blacks. The economic disadvantage associated with Hispanic ethnicity, as measured by median household income, was roughly half the disadvantage experienced by Blacks. However, the median size of nonmetro Hispanic households was three persons, while the median size of both Black and non-Hispanic White households was two. Thus, the actual economic disadvantage experienced by Hispanics is likely somewhat greater than that indicated by comparison of median household incomes which do not adjust for household size. During 1989-93, the real median household income of nonmetro non-Hispanic Whites declined 5.4 percent while the nonmetro minorities' incomes remained about constant.

Nonmetro Incomes Highest in the North, Lowest in the South

The North enjoyed the highest nonmetro income with a median 12.1 percent above the national nonmetro median. The nonmetro South had the lowest median income, 9.8 percent below the national nonmetro median and 25.4 percent below the median in the metro South. Analysis of household income by age of householder confirmed that these differences cannot be accounted for by differences in the proportion of elderly among regions or between metro and nonmetro areas. *[Mark Nord, 202-219-0554]*

Median real household income

Median nonmetro household income has stagnated or declined in most years since 1977



*The Census Bureau changed from a 1970- to a 1980-Census-based designation of metro and nonmetro areas in 1984. Metro and nonmetro household income estimates were not published that year, and pre-1984 income estimates are not directly comparable to post-1984 estimates.
Source: U.S. Bureau of the Census, Consumer Income, P-60 series, 1977-93.

Median household income by race and ethnicity

Nonmetro minorities experience substantial economic disadvantage

Race/ethnicity	Household income, 1993		Nonmetro-metro gap[1]	Real change, 1989-93	
	Nonmetro	Metro		Nonmetro	Metro
	Dollars			Percent	
United States	25,256	33,212	24.0	-3.2*	-8.5*
Non-Hispanic White	26,463	37,330	29.1	-5.4*	-6.2*
Black	14,183	20,601	31.2	0.3	-9.6*
Hispanic	20,246	23,231	12.8	0.5	-10.8*

[1]Percent by which nonmetro income is lower than metro.
*Statistically significant, p<0.01.
Source: Calculated by ERS using data from the March 1990 and 1994 Current Population Surveys.

Median household income by region

Nonmetro income was highest in the North region, lowest in the South

Region[1]	Household income, 1993		Nonmetro-metro gap[2]	Real change, 1989-93	
	Nonmetro	Metro		Nonmetro	Metro
	Dollars			Percent	
United States	25,256	33,212	24.0	-3.2*	-8.5*
North	28,306	34,382	17.7	-4.0	-10.6*
Central	25,437	33,725	24.6	-5.4	-8.0*
South	22,769	30,539	25.4	-1.5	-6.1*
West	27,791	35,062	20.7	-0.1	-7.0*

[1]See appendix for definitions of regions, p. 45.
[2]Percent by which nonmetro income is lower than metro.
*Statistically significant, p<0.01.
Source: Calculated by ERS using data from the March 1990 and 1994 Current Population Surveys.

Rural Poverty Rate Increases

Rural poverty increased from 1989 to 1993. The poverty rate is still highest in the South, although increases were greater in the other three regions. Rural minorities continue to face especially severe economic disadvantage.

The poverty rate in nonmetro America stood at 17.3 percent in 1993, a statistically significant increase of 1.5 percentage points since 1989. During the same period, the metro poverty rate increased even more sharply, rising 2.6 percentage points to 14.6 percent. Thus, although the poverty rate is still higher in nonmetro than in metro areas, the gap has closed somewhat.

Rural Minorities Are Especially Disadvantaged Economically

The poverty rate among nonmetro Blacks in 1993 was 40.6 percent, almost three times that of nonmetro non-Hispanic Whites (14.1 percent) and well above that of metro Blacks (31.7 percent). The economic disadvantage of nonmetro Hispanics was also substantial, evidenced by a poverty rate of 33.1 percent. Despite the higher incidence of poverty among minorities, 70.7 percent of the rural poor were non-Hispanic Whites. In the early 1990's, poverty increased 2.0 percentage points among non-Hispanic Whites, while the changes observed among Blacks and Hispanics (+0.7 and -1.3 percentage points, respectively) were not statistically significant.

Almost One-Quarter of the Children in Rural America Live in Poverty

In 1993, almost 3.7 million rural children under the age of 18 lived in families with incomes below the poverty level. The poverty rate among rural children was 24.3 percent, up sharply from 22.0 percent in 1989. Half of the rural poor children lived in families headed by women, and the poverty rate among children in such families was 55.7 percent. Among nonmetro Black children, who face the combined economic vulnerabilities of rurality, race, and childhood, the poverty rate was 53.5 percent.

More Nonmetro Persons Living Alone and in Female-Headed Families

Since at least 1969, the proportion of the nonmetro population living in husband-wife families has slowly decreased, while the proportion living alone and in single-parent families (almost all headed by women) has increased. This trend continued in the early 1990's (app. table 5). From 1989 to 1993, the share of the nonmetro population in husband-wife families decreased 2 percentage points to 71.4 percent, the share in families headed by women increased by 1.2 percentage points to 13.1 percent, and the share living alone increased 0.9 percentage point to 12.9 percent. Since the poverty rate is lowest in husband-wife families, this shift tended to increase the nonmetro poverty rate somewhat, accounting for about a third of the total change in the poverty rate. The larger share of the change in the poverty rate, however, was due to increases in the poverty rates of all family types.

Employment Status of the Rural Poor

More than 60 percent of the nonmetro poor were in families with at least one working member or, if living alone, were employed at least part of the year. Moreover, 22 percent were in families with one or more full-time-full-year workers or were full-time-full-year workers living alone (app. table 6). The poverty rate among families with full-time-full-year workers and full-time-full-year workers living alone was substantially higher in nonmetro (5.9 percent) than in metro areas (3.9 percent), reflecting the higher proportion of low-wage jobs in rural areas.

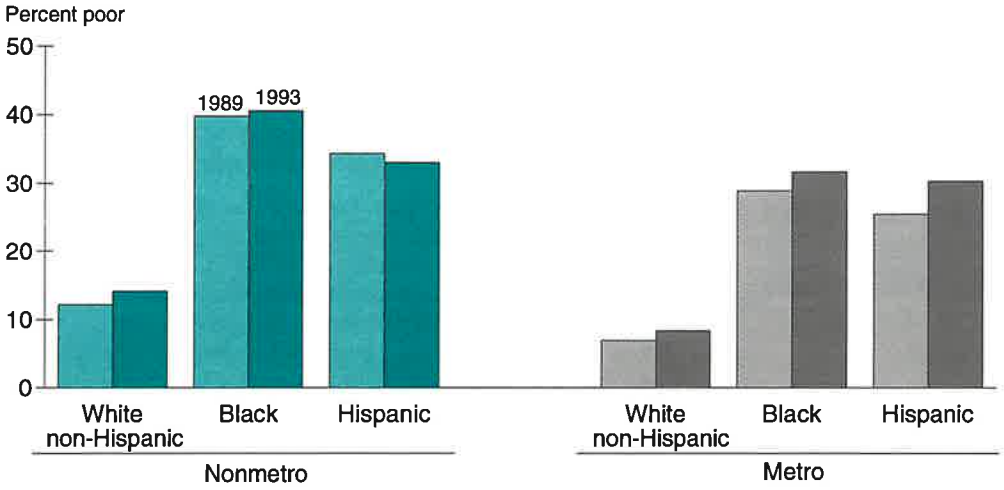
About two-thirds of the increase in nonmetro poverty in the early 1990's resulted from increasing poverty among families and unrelated individuals without a full-time-full-year worker. The remaining third of the increase resulted from a decline in the proportion of full-time-full-year workers and a corresponding increase in the more poverty-vulnerable categories. Among families and unrelated individuals with only part-time or part-year workers (17.5 percent of the nonmetro population), the poverty rate increased from 35.6 percent in 1989 to 37.9 percent in 1993. The majority of these workers (62.5 percent) wanted to work more but were unable to find additional employment. In families and unrelated individuals with no member employed (19 percent of the population, of which 11 percent had no member of working age), the poverty rate increased from 30.8 percent in 1989 to 35.5 percent in 1993. Among families with at least one full-time-full-year worker and unrelated individuals fully employed, on the other hand, the poverty rate remained about constant at 5.9 percent.

Rural Poverty Still Highest in the South, But Increasing Elsewhere

Almost half of the nonmetro poor (47.6 percent) lived in the South. The poverty rate in the nonmetro South, at just over 20 percent, was substantially higher than that in the rest of rural America. Nonmetro poverty rates were 16.9 percent in the West, 16.0 percent in the Central region, and 13.7 percent in the North. The last rate was slightly below the U.S. metro average. Rural poverty in the early 1990's increased primarily in regions other than the South. The increases in the other three regions, all statistically significant, ranged from 2.0 percentage points in the West to 2.6 percentage points in the Central region. The increase in the South was less than 0.5 percentage point and was not statistically significant. *[Mark Nord, 202-219-0554]*

Poverty rate for persons by race and ethnicity

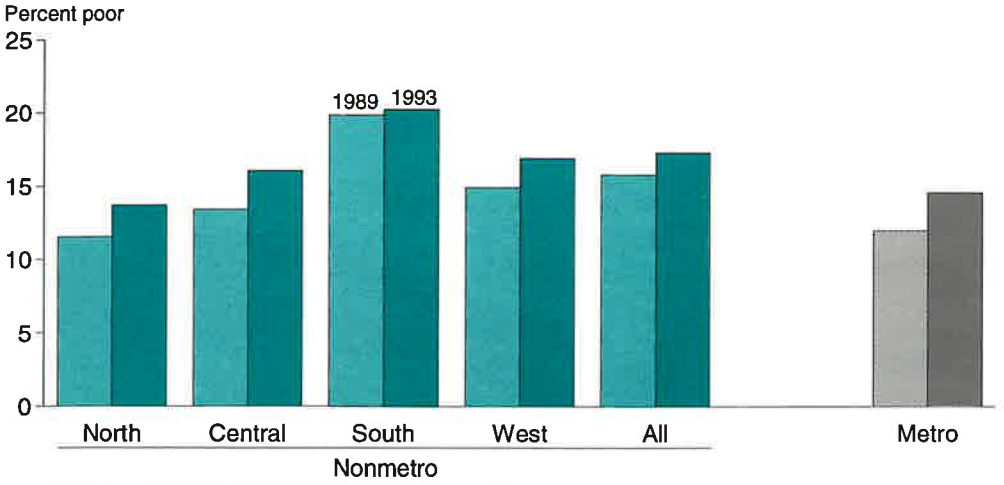
Nonmetro minorities experience the highest poverty rates; nonmetro poverty higher than metro in each racial-ethnic category



Source: Calculated by ERS using data from the March 1990 and 1994 Current Population Surveys.

Poverty rate for persons by region

Nonmetro poverty rates increased between 1989 and 1993 except in the South; the increase was less in nonmetro than in metro areas



Note: See appendix for definition of regions, p. 45.
Source: Calculated by ERS using data from the March 1990 and 1994 Current Population Surveys.

Rural Dependence on Government Transfer Payments Increases

Government transfers to individuals, largely Social Security, medicare, and medicaid, increased to 20.8 percent of nonmetro income in 1992, up from 18 percent in 1989. Food stamps and unemployment insurance bolster income during recessions and decrease as the economy recovers. But, they had not started to recede by 1992, the first year of recovery after the 1990-91 recession.

Government transfers to individuals in nonmetro areas grew from $2,747 per capita (in 1992 dollars) in 1989 to $3,254 per capita in 1992. Transfers to metro residents also grew, from $2,713 to $3,201. Transfers are not received by all individuals in nonmetro or metro areas, so per capita amounts do not represent what each person receives. Per capita amounts show the level of dependence of the local economy on transfers.

Although per capita transfers were about the same in nonmetro and metro areas in both 1989 and 1992, transfer payments accounted for a much larger share of nonmetro income. In 1992, government transfers accounted for 20.8 percent of nonmetro income compared with 15.1 percent of metro income. One out of every five dollars of nonmetro income coming from government transfers indicates that those transfers play an important role in supporting the rural economy.

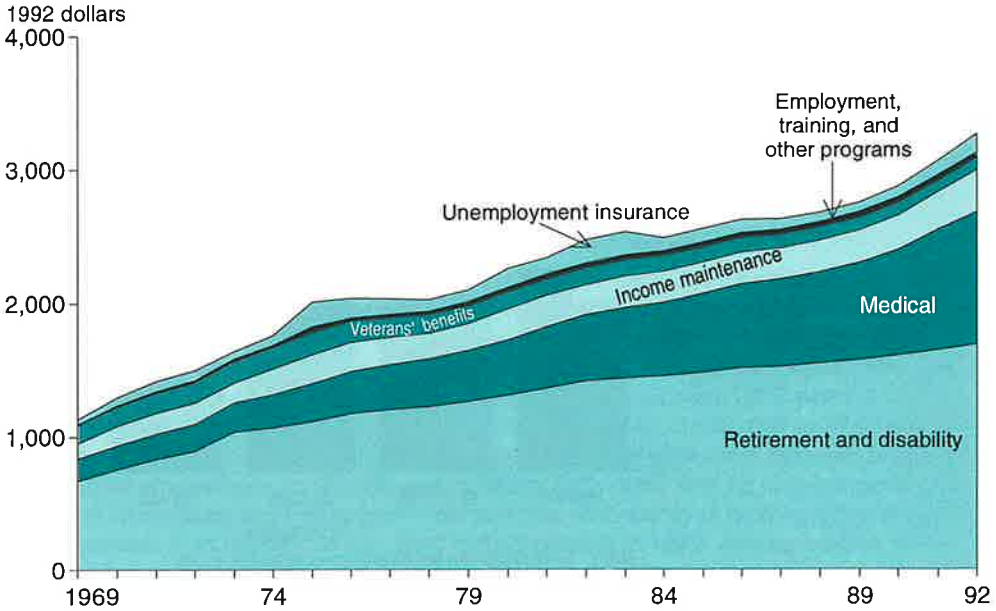
Eighty Percent of Transfers Are from Retirement, Disability, and Medical Programs

Transfers come from various sources that pay widely varying amounts per capita. Retirement and disability programs contributed just over half of nonmetro and metro transfers in 1992. These payments go predominantly to retired persons, most of whom are 65 or older. The remainder supports the disabled and their dependents and survivors of deceased workers.

Medical programs (medicare, medicaid, and the CHAMPUS program for dependents of military personnel) were the next largest source of transfer income, accounting for just over 30 percent of nonmetro and metro transfers. Combined, retirement and disability and medical programs accounted for about 82 percent of government transfers. The remaining transfers to nonmetro areas came from income maintenance programs (9.6 percent), unemployment insurance (4.2), veterans' benefits (2.8), and employment, training, and other programs (1.2). See appendix table 7 for metro transfers by program.

Nonmetro real transfer payments per capita by source

Medical payments have increased faster than inflation, pushing up transfer payments; fast growth of unemployment insurance payments during recessions is also evident

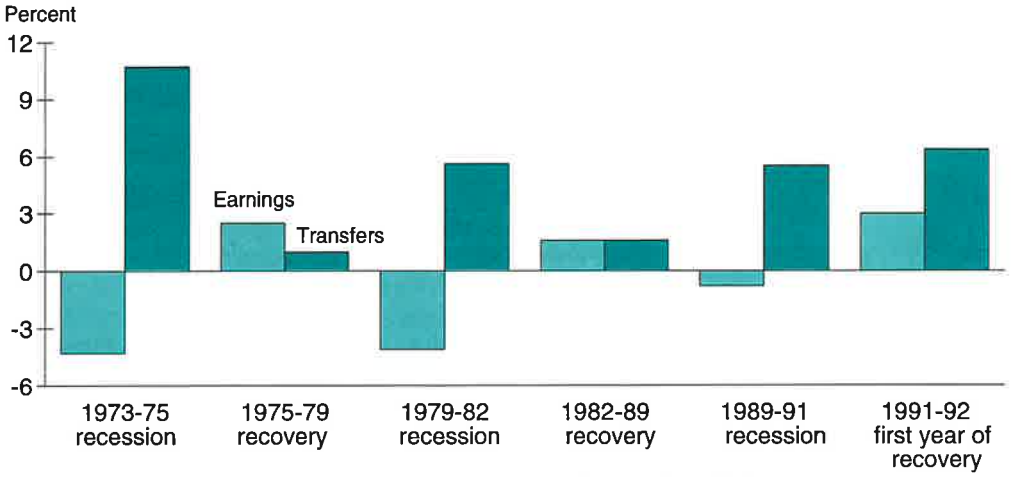


Source: Calculated by ERS using data from the Bureau of Economic Analysis.

The retirement and disability programs account for such a large share of transfer payments because of their large numbers of recipients and high average monthly benefits compared with other programs. For example, the Social Security program had over 40 million recipients nationwide in December 1992 with average monthly payments of $579. Among the income maintenance programs, Supplemental Security Income had 5.6 million recipients with average monthly payments of $358 and the Aid to Families with Dependent Children program had about 14 million recipients with average monthly payments of $134. Unemployment insurance claims were paid to 9.2 million recipients in 1992 with average weekly payments of $174 (approximately equating to a $700 average monthly payment).

Average annual change in nonmetro real earnings and transfers per capita

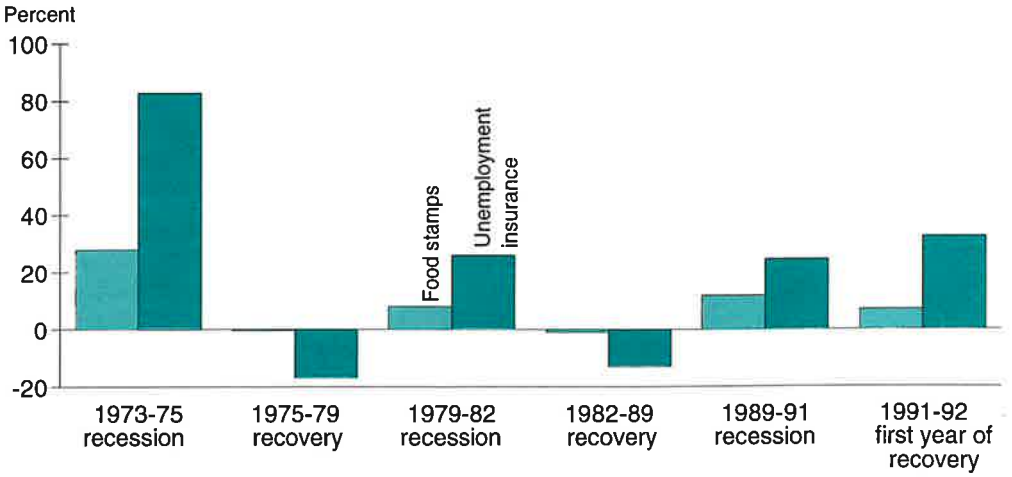
Government transfers have a countercyclical effect, growing during recessions while earnings fall



Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Average annual change in nonmetro real food stamp and unemployment insurance payments per capita

Food stamps and unemployment insurance are the most countercyclical transfers, growing very rapidly during recessions and falling as the economy recovers



Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Food Stamps and Unemployment Insurance Continued to Increase in 1992

Transfer payments buffer the effects of recession on local economies because they bring State and Federal dollars into local areas. Many transfer programs' benefits are indexed to inflation, so their payments keep up with inflation even when recessions dampen earnings growth. Also, programs like unemployment insurance and food stamps, which have eligibility requirements tied to economic conditions (loss of a job or low income) rather than personal characteristics (being retired or disabled or having dependent children), deliver benefits to increasing numbers of recipients during recessions.

During the last recession, 1989-91, per capita food stamp and unemployment insurance benefits increased at annual rates of 12 and 25 percent in nonmetro areas. Benefits from those programs had also increased rapidly during the 1973-75 and 1979-82 recessions. During the years of recovery and growth following the two earlier recessionary periods, per capita food stamp and unemployment insurance benefits in nonmetro areas fell as the number of unemployed workers declined and more households earned enough income to leave the food stamp rolls. The continued increase in both food stamp and unemployment insurance payments during 1992 was consistent with the slow employment growth and the high unemployment rate during that first year of recovery (as shown in the Spring 1993 issue of *Rural Conditions and Trends*, Vol. 4, No. 1, pp. 6-9). When transfers data for 1993 become available later this year, they are very likely to indicate that food stamp and unemployment insurance benefits in nonmetro areas have moderated as employment growth picked up.

Transfers Are an Important Source of Income in All Regions

Nonmetro trends in transfer payment levels and share of personal income in all four regions are quite similar to the national nonmetro trend (app. table 8). Per capita transfers were slightly lower in the nonmetro West than in the other three regions, and the nonmetro South depends on transfers for a slightly larger share of personal income than the other nonmetro regions do. Per capita income in the nonmetro South is at least $1,500 lower than per capita income in any of the other nonmetro regions, so the same amount of transfers per capita as in the North and Central regions accounts for a larger share of the nonmetro South's per capita income.

The countercyclical nature of transfers, especially food stamps and unemployment insurance, was also evident in all nonmetro regions. In nonmetro areas in all regions, transfer payments per capita grew quickly during recession years while earnings per capita fell. The 1973-75 and 1979-82 recessions hit nonmetro earnings much harder than the 1989-91 recession, especially in the Central region. One hopeful sign for nonmetro areas in the Central region is their nearly 5-percent growth in earnings per capita during 1992. If earnings have continued to increase more quickly in the nonmetro Central, food stamps and unemployment insurance per capita will probably subside more quickly there than in the other nonmetro regions.

Retirement-Destination and Persistent Poverty Counties

Retirement-destination counties had per capita transfers of $3,722 in 1992, nearly $500 more than per capita transfers in nonmetro areas nationwide (app. table 8). Also, a higher share of transfers to individuals in retirement-destination counties comes from retirement and disability programs, 58 percent compared with 52 percent of all nonmetro transfers. As the group name indicates, these counties attracted more older migrants than other nonmetro counties during the 1980's, and many of those migrants bring retirement program benefits with them.

Persistent poverty counties also had higher per capita transfers than all nonmetro counties did, but only by $192 ($3,446 compared with $3,254). Higher shares of transfer payments to individuals in persistent poverty counties came from medical (32.8 percent) and income maintenance (15.6 percent) programs (compared with 30.4 and 9.6 percent in all nonmetro counties). Still, retirement and disability programs comprise about half (49.3 percent) of the transfers in persistent poverty counties, as they do in all nonmetro counties.

While the retirement-destination counties have higher per capita transfers than persistent poverty counties, they do not depend on transfers for as high a share of income as the persistent poverty counties do. Transfers accounted for 21 percent of income in the retirement-destination counties and for 26 percent of income in the persistent poverty counties. As one would

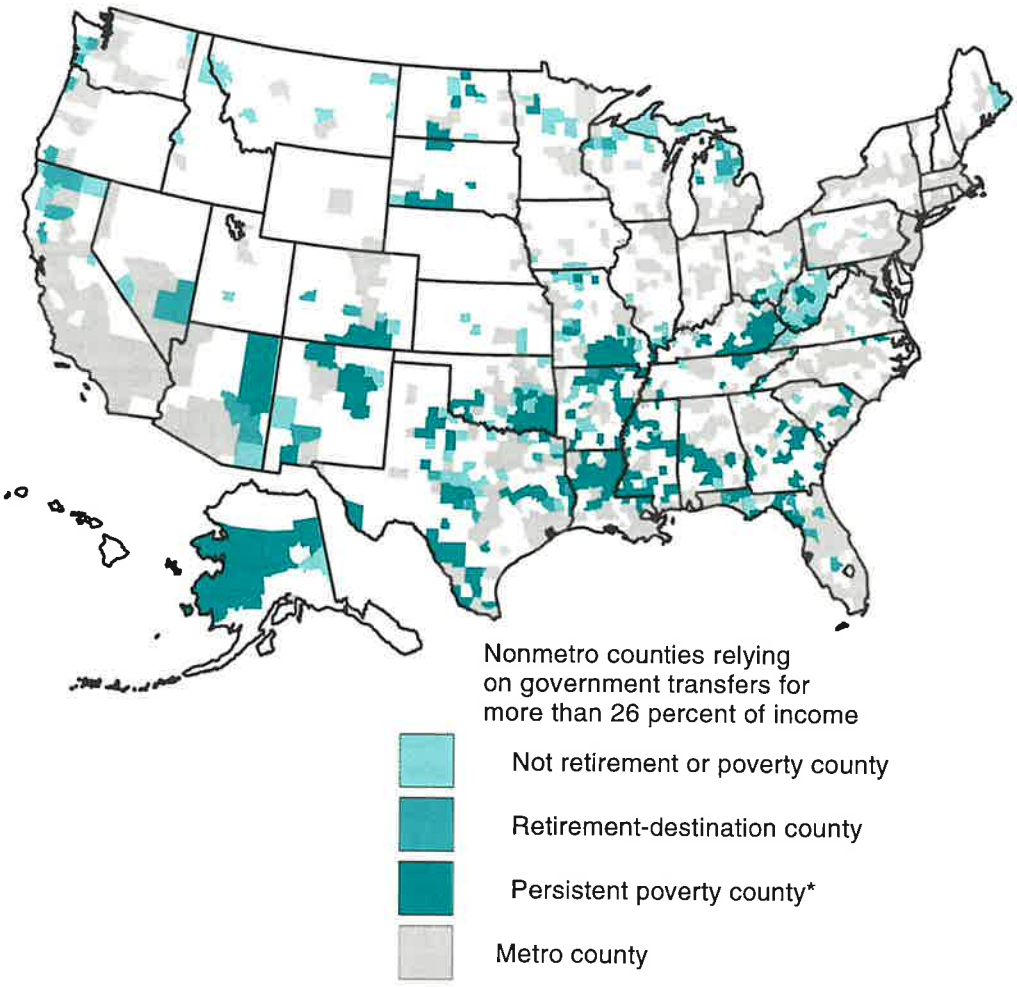
expect in a group of counties that has had a fifth or more of its residents living below the poverty line for 30 years, per capita income is low in persistent poverty counties. Transfer payments account for more of the persistent poverty counties' per capita income because their per capita income is so low.

Many Counties Greatly Depend on Government Transfer Payments

There are 532 nonmetro counties that depended upon transfers for more than 26 percent of personal income in 1992. With the group of persistently poor counties averaging 26 percent of income from transfers, it is not surprising that the majority of highly dependent counties are in the persistently poor group. A few more of the highly dependent counties are retirement-destination counties. The high-dependency counties that are neither persistent poverty nor retirement-destination counties are clustered near those types. Most States have at least one nonmetro county in the high-dependency category. *[Linda M. Ghelfi, 202-219-0484]*

Nonmetro counties with high dependency on government transfer payments by county type, 1992

Persistent poverty accounts for the majority of nonmetro counties that are highly dependent on transfer payments



*18 of these counties are classified as both persistent poverty and retirement-destination counties.

Source: Calculated by ERS using data from the Bureau of Economic Analysis and revised ERS county typology codes.

Farm Operator Household Income Compares Favorably with All U.S. Households

Average farm operator household income approached the same level as the average for all U.S. households in the early 1990's. However, the typical farm operator household receives its income from various sources, and most is not from the farm. On average, off-farm wages and salaries account for almost half the total for farm operator households.

The average income of farm operator households compares favorably with that of other U.S. households. According to the most recent estimates from the U.S. Department of Agriculture's Farm Costs and Returns Survey (see Data Sources and Definitions), farm operator households averaged $40,223 in income from their farming operations and off-farm sources in 1993. Average farm operator household income was 97 percent of the national average of $41,428.

In this article, we use averages instead of medians so that we can examine income components. However, any single number such as an average or median masks the diversity that exists among individual households in levels and sources of income. For example, 18.8 percent of farm operator households reported a household income of less than $10,000 in 1993, as did 14.3 percent of all U.S. households. At the other extreme, about 25 percent of farm operator households reported household income of $50,000 or more. Approximately 29 percent of all U.S. households had incomes in that range. The range of incomes across farm households can be partially explained by looking at the variety of sources of income and characteristics of the farms and their operators. The information presented in this article represents the households of senior operators of farms organized as individual operations, partnerships, and family corporations.

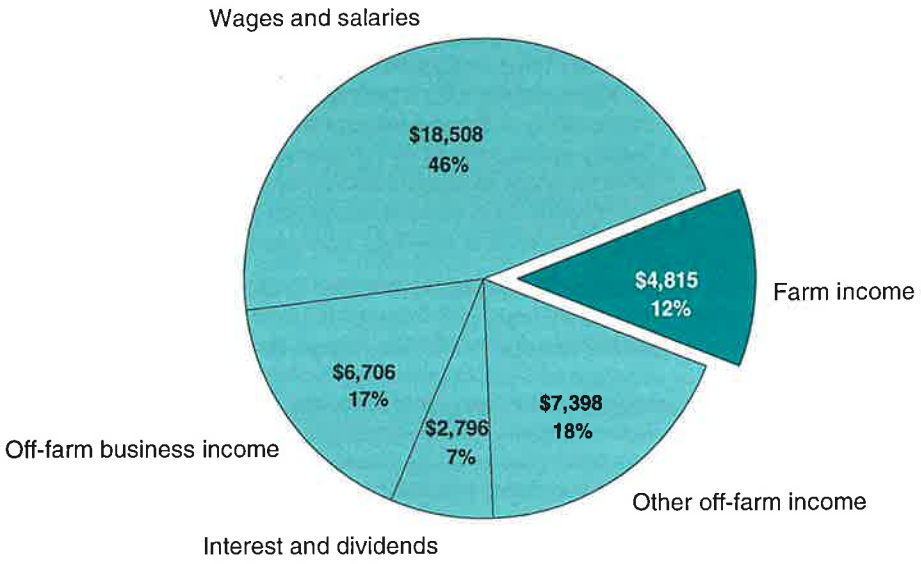
Farm Operator Households Combine Income from Different Sources

The total income of farm operator households includes income from both farm and nonfarm sources. Consistent with the Census Bureau's definition of self-employment income, we define farm income to the household as net cash farm income less depreciation (adjusted for the share received by the senior operator household in the case of multiple-household farms). We also include the income that all farm household members receive from all other sources; using only the farm-related income would understate the farm household's income for comparison with other households. Most farm households receive some off-farm income, including off-farm wages and salaries, the net income of any off-farm businesses, interest and dividends, and any other off-farm cash income received by household members. In 1993, 88 percent of average household income came from off-farm sources. Farm operator households averaged $4,815 from farming, while off-farm income averaged $35,408. The low average from farming is heavily influenced by the 1.5 million households associated with farms with sales under $50,000.

According to the 1993 data, the 73.6 percent of households operating these fairly small, noncommercial farms on average experienced negative returns to farming and solely depended on income from off-farm sources (app. table 9). Nonfarm wage and salary jobs were the most important source of off-farm income. On the other hand, for households operating larger, commercial farms with sales of more than $50,000, farm income made an important positive contribution to total household income, accounting for half of the average commercial farm operator household's total income. The average income of $53,124 for commercial farm households in 1993 was significantly higher than the average of $35,597 for households associated with smaller farms and for U.S. households overall.

Sources of income for the average farm operator household, 1993

Because so many farm households depend on off-farm jobs and income, average farm income only accounts for 12 percent of total household income



Source: Calculated by ERS using data from the Farm Costs and Returns Survey.

Average income to farm operator households[1]

Average farm household income comes from various sources and most is not from the farm

Item	1990	1991	1992	1993
		Dollars per operator household		
Farm income to household[2]	5,742	5,810	7,180	4,815
Self-employment farm income	4,973	4,458	5,172	3,623
Other farm income to household	768	1,352	2,008	1,192
Plus: Total off-farm income	33,265	31,638	35,731	35,408
Income from wages, salaries, and non-farm businesses	24,778	23,551	27,022	25,215
Income from interest, dividends, transfer payments, etc.	8,487	8,086	8,709	10,194
Equals:				
Farm operator household income	39,007	37,447	42,911	40,223

[1]Data for 1990 are expanded to represent the farm operator households surveyed in USDA's Farm Costs and Returns Survey; data for 1991-93 are expanded to represent the total number of farms and ranches in the contiguous United States. Totals may not add due to rounding.
[2]Farm income to the household equals self-employment income plus amounts that operators pay themselves and family members to work on the farm, income from renting out acreage (1990-92), and net income from a farm business other than the one being surveyed. In 1993, income from renting out acreage is included in income from interest, dividends, transfer payments, etc.
Source: Calculated by ERS using data from the Farm Costs and Returns Survey.

Household Income and Dependence on Off-farm Income Vary by Operator Characteristics

As with all U.S. households, the average income of farm operator households varies with the age and education of the household head (app. table 9). Senior farm operators, are, on average, slightly older (54.2 years) than the average householder (48.2 years), reflecting the higher percentage of senior operators that are over the age of 65. Because farm operators do not generally have a required retirement age, older operators often choose to reduce their farming activities and farm on a part-time basis, thus delaying full retirement. This is reflected in the composition of these operators' household income, as 96 percent was from nonfarm sources. Twenty-seven percent of the operators associated with households in the 1993 survey were 65 years or older, compared with 21 percent of all U.S. householders, but the average incomes of both groups were comparable at $27,214 and $25,965. Farm operator households headed by younger operators also had incomes comparable to the U.S. average for that age group.

Average household income also tends to increase with the level of education attained by the household head. While only 15.2 percent of the senior farm operators surveyed reported obtaining a 4-year college degree, compared with 23.7 percent of all U.S. householders, their average household income was comparable to that of similarly educated U.S. householders. Households of farm operators who reported some college or a college education averaged incomes above the average level for households in the survey, while those with high school or less had below-average incomes. These differences related mostly to differences in average off-farm income, which increased consistently with increasing education.

Household Income and Dependence on Off-farm Income also Vary by Farm Characteristics

Approximately 45 percent of operators reported farm or ranch work as their major occupation in 1993 (app. table 9). Their average income was lower than the average for farm households overall, and their share of income from off-farm sources was lower. The comparatively low average household income for operators reporting farm or ranch work as their major occupation relates to comparatively low off-farm income rather than low farm income. Average income from farming for these households was $13,945, while operators reporting other or retired occupations lost income from farming. However, income from off-farm sources more than offset negative farm incomes for those two groups. Among the occupational categories, operators in the "other" category had the highest average household income, solely derived from off-farm sources.

Differences in dependence on off-farm income also occur by commodity specialization because different types of farms have differing labor and management requirements. Households associated with dairy farms, for example, were the least dependent on off-farm income; dairy farms are labor-intensive, limiting the hours that operators can devote to off-farm jobs. Almost half of farm operator households had beef, hog, or sheep farms, which are generally less labor intensive, and, on average, off-farm income accounted for virtually all of these households' income in 1993. While dependence on off-farm income varied among farm types (except for beef, hog, or sheep farms and other livestock farms), average total household income was generally consistent, with the exception of farms classified in the other crop category, which had significantly higher average total household income than beef, hog, or sheep farms.

While operator occupation and farm commodity specialization are related to the household's mix of farm and off-farm activities, farm size is also an important factor. Almost three-quarters of all operator households were associated with small, noncommercial farms with sales of less than $50,000. They had, on average, negative farm income, and off-farm income accounting for 108 percent of total income. Larger farms, on the other hand, depended on off-farm income for only half of their total household income. Dependence on off-farm income decreased with farm size, as measured by sales. Households associated with farms with sales of $500,000 and more had an average total household income of $153,328, and only 21 percent of that was from off-farm sources.

Over 91 percent of farm operator households surveyed were associated with farms legally organized as individual proprietorships, but households associated with farms that were partnerships (6.1 percent) or family corporations (2.6 percent) had significantly higher levels of

household income, reflecting differences in farm size. Households in all three groups had, on average, similar levels of off-farm income. But off-farm income represented only 54 percent of total household income for operator households associated with family corporations, and only 71 percent for operator households associated with partnerships, compared with 91 percent for households associated with individual proprietorships. *[Judith Z. Kalbacher, 202-219-0592, and Susan E. Bentley, 202-219-0931]*

About the estimates..

Estimates discussed in this article and presented in appendix table 9 are constructed from survey responses, and estimates based on an expanded sample differ from what would have occurred if a complete enumeration had been taken. However, a measure of sampling variability is available from survey results. The relative standard error (RSE) is the standard error of the estimate represented as a percentage of the estimate. We question the reliability of an estimate when the RSE exceeds 25 percent, and data users should use caution when interpreting items reported with RSE's of this magnitude or higher. The standard error of the estimate can also be utilized to evaluate the statistical differences between groups. Although t-statistics are not presented here, the discussion emphasizes the comparison between groups only when estimates were significantly different at the 95-percent level.

Hired Farmworkers Continue to Have Low Earnings and Educational Levels

The number of hired farmworkers continues to decline and neither weekly wages nor educational levels improved between 1990 and 1993. Workers' lack of formal education limits their access to higher paying, more stable nonfarm jobs.

Hired farmworkers are an important part of the agricultural work force. Typically they account for over a third of this work force (farm operators and unpaid workers account for the other two-thirds) and provide an important supply of labor when demand exceeds that which can be supplied by farm operators and their families. Hired farmworkers have fairly well maintained their share of the agricultural work force since 1990, but their farm employment opportunities continue to decline. Also, neither their weekly earnings nor educational levels have improved since 1990.

An annual average of 803,000 persons age 15 and over were employed per week as hired farmworkers in 1993, down 9 percent since 1990, according to data from the Current Population Survey (CPS) microdata earnings file. However, the CPS is based on a survey of households and may undercount workers who live in unconventional living quarters. Studies suggest that farmworkers, especially many Hispanics, may be more likely than other workers to live in nonstandard housing units. Hired farmworkers include persons who reported their principal activity during the week as farm managers, supervisors of farmworkers, nursery workers, and farmworkers engaged in planting, cultivating, and harvesting crops or attending to livestock.

Hired Farmworkers Complete Less Schooling than Other Workers

Hired farmworkers are more likely than other wage and salary workers to be young, male, Hispanic, and to have only limited education (app. table 10). Although some hired farmwork jobs such as farm manager may require higher levels of education, most are low skill and do not require formal education or previous work experience. Unlike many other occupations, lack of education does not hinder entry to farmwork. Over half (56 percent) of all hired farmworkers had not completed high school compared with only 14 percent of all wage and salary workers. In fact, 16 percent of hired farmworkers had completed less than 5 years of schooling, compared with only 1 percent of all other wage and salary workers.

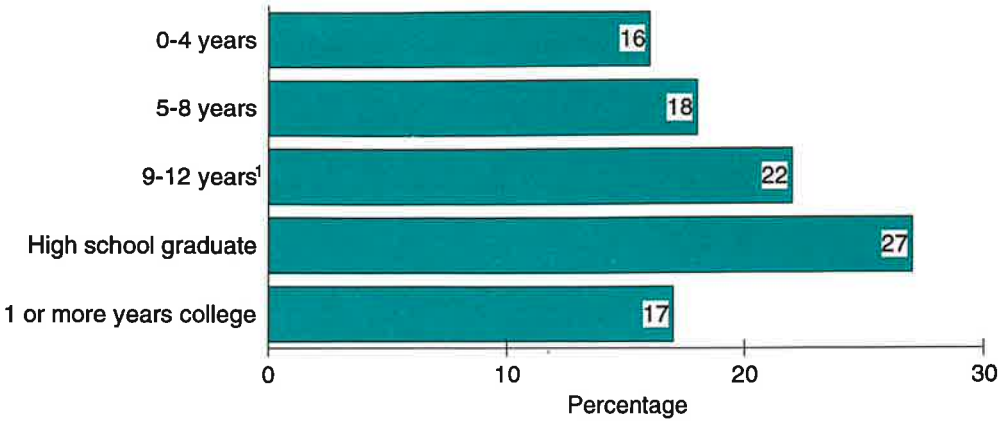
Hired Farmworker Earnings Continue to Be Lower

Hired farmworkers continue to earn significantly less than most other workers. Those working full time (35 or more hours per week) earned about 54 percent as much per week as all other full-time wage and salary workers in 1993. Hired farmworkers received median weekly earnings of $250 in 1993 compared with $460 for all other wage and salary workers. Hired farmworkers ranked near the bottom of major occupational groups, along with private household and other service (except protective) workers, and other agriculture, forestry, and fishing workers. The weekly earnings of hired farmworkers did not improve between 1990 and 1993 after adjusting for the effects of inflation.

Hired farmwork is more seasonal and less steady than that of most other wage and salary occupations, and the annual earnings of hired farmworkers are much lower. Many hired farmworkers seek nonfarm work to supplement their earnings. However, because they have low education levels and few skills, they are often unable to compete for higher wage nonfarm jobs.

Distribution of hired farmworkers by schooling completed, 1993

More than half of hired farmworkers have not graduated from high school

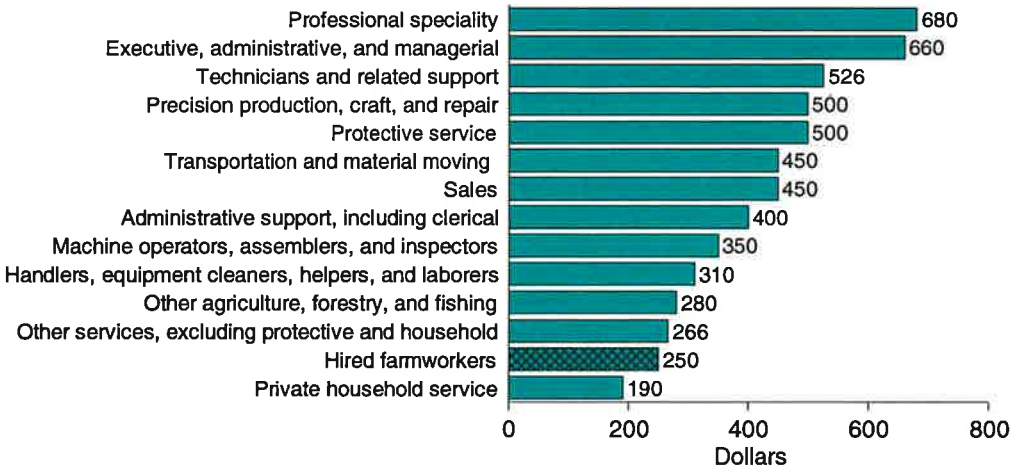


[1]But did not graduate.

Source: Calculated by ERS using data from the 1993 Current Population Survey earnings file.

Median weekly earnings of full-time wage and salary workers, 1993

Hired farmworkers rank near bottom of major occupational groups



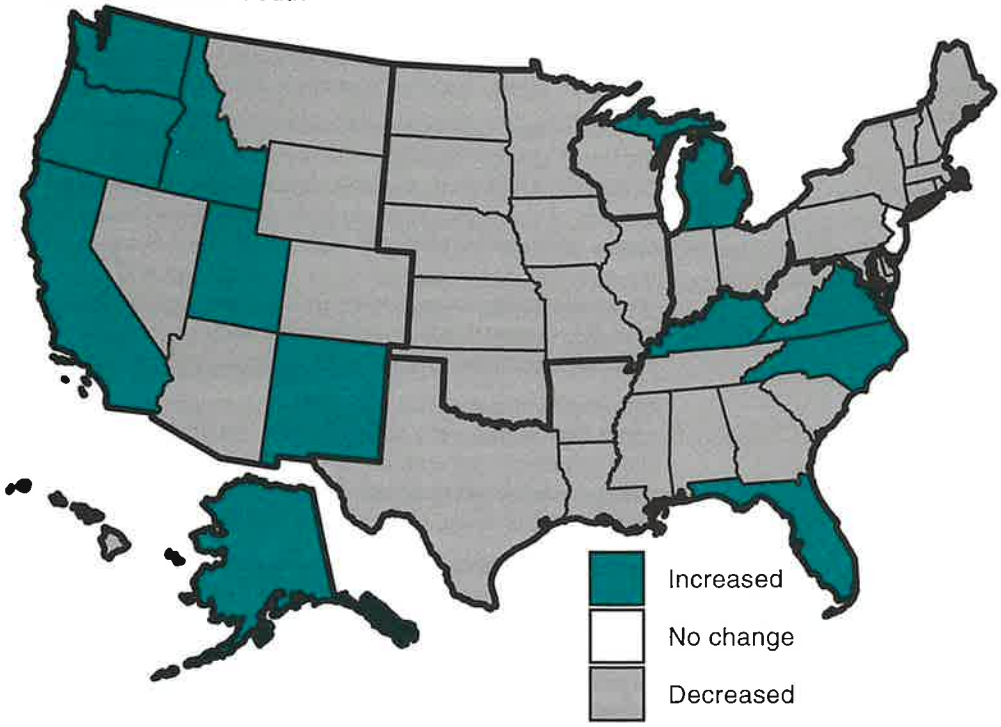
Source: Calculated by ERS using data from the 1993 Current Population Survey earnings file.

Regional Data Show Changing Labor Patterns

Labor expenditures for hired and contract workers are often used as an indicator of farm labor use. According to data from the Census of Agriculture, total U.S. hired farm labor expenditures decreased by about 3 percent between 1987 and 1992, after adjusting for the effects of inflation. Although the total hired farm labor expenditures decreased for the United States, one State (New Jersey) had no change, while 12 States had increased labor expenditures ranging from 1 to 14 percent (Alaska, California, Florida, Idaho, Kentucky, Michigan, New Mexico, North Carolina, Oregon, Utah, Virginia, and Washington). Much of this increase in expenditures occurred in States with more labor-intensive agriculture, although Alaska, Utah, and New Mexico are not generally high users of farm labor. The remaining 37 States showed declines in labor use, as measured by labor expenditures. *[Jack L. Runyan, 202-219-0937]*

Change in farm labor expenditures, 1987-92

Much of the increase in expenditures occurred in major farm-labor-using States in the West and South



Source: Calculated by ERS using data from the 1987 and 1992 Censuses of Agriculture.

Data Sources

Population and migration data: Population and migration data in this issue are from two different data sources. Estimates of population change, net migration, and natural increase reported in the first article are from the Bureau of the Census county population estimates issued annually. These estimates are based on the 1990 Census with changes in subsequent years based on components of change in births, deaths, and migration. Migration estimates are derived as a residual by subtracting natural population increase from actual increase. Estimates include net gain from other countries as well as the institutional population.

Migration data reported in the second article are from the Current Population Survey. The monthly Current Population Survey (CPS), conducted by the Bureau of the Census for the U.S. Department of Labor, provides detailed information on the demographic and economic characteristics of the population and labor force in metro and nonmetro areas. CPS derives estimates based on a national sample of about 58,000 households that are representative of the U.S. civilian noninstitutional population 16 years of age and over. The March CPS contains supplemental questions asking respondents where they were living a year prior to the survey. Migration data from this source are derived by comparing past to current residence but do not include the institutional population, and the authors excluded migration from other countries.

Employment data: Data on nonmetro employment and unemployment reported in this issue come from Bureau of Labor Statistics county-level employment data files. These data are taken from unemployment insurance claims and State surveys of establishment payrolls which are then benchmarked to State totals from the CPS. The BLS data series provides monthly estimates of labor force, employment, and unemployment for individual counties.

Earnings and employment benefit data: Each month, the CPS collects labor force information based on respondents' activity during 1 week during the month. In addition, workers in about a quarter of the CPS households are asked questions on usual weekly hours worked and earnings. The CPS earnings microdata file used in this issue consists of all records from the monthly quarter-samples of CPS households that were subject to having these questions on hours worked and earnings asked during the year. The 1993 data file contained information on almost 500,000 persons. Hourly and weekly earnings data for nonmetro workers are from the earnings file. Information on health insurance and retirement fringe benefits for metro and nonmetro workers is from the March CPS.

Income, poverty, and transfer payment data: The household income and poverty data reported in this issue were calculated from the March CPS. Every year, the March CPS includes supplemental questions on sources and amounts of money income received during the previous calendar year and poverty status. Information on family size and income is used to estimate the number of families and individuals in poverty based on official guidelines issued by the Office of Management and Budget. Demographic data are available to examine the distribution of income and the characteristics of the poverty populations in metro and nonmetro areas.

Information on personal income and transfer payments derives from the Bureau of Economic Analysis (BEA) employment and income data. BEA estimates annual earnings, proprietors' income, transfer payments, and other personal income at the county level based primarily on administrative records. Annual estimates of transfer payments reported in this issue are based on administrative data from the Department of Health and Human Services, the Department of Veterans Affairs, the Department of Labor, the Office of Personnel Management, the Bureau of the Census, the USDA, and the IRS. Note that BEA's estimates of personal income include in-kind sources, such as medicare, medicaid, and food stamp benefits. The CPS collects data only on money income, so the two sources provide different income estimates. A shortcoming of the BEA data is the 2-year lag between when they are collected and when they are available for analysis.

Farm household income data: Farm household income data are from the Farm Costs and Returns Survey (FCRS). The FCRS is conducted annually by the Economic Research Service and the National Agricultural Statistics Service in all States except Alaska and Hawaii. For the 1993 calendar year, approximately 8,000 farms and ranches (defined as establishments from which $1,000 or more of agricultural products were sold or would normally be sold during the year) were contacted and their operators personally interviewed during February and March of 1994. The FCRS is a probability-based survey in which each respondent represents a number of farms of similar size and type. Thus, sample data can be expanded using appropriate weights to represent all farms in the contiguous United States.

Farm labor data: Information on the characteristics and earnings of hired farmworkers are from the CPS 1993 earnings microdata file discussed above. Data on hired and contract labor expenditures are from the 1987 and 1992 Censuses of Agriculture. The census of agriculture, conducted every 5 years by the Bureau of the Census, is the leading source of statistics about the Nation's agricultural production, including farm labor use. The Census is a mail survey of the Nation's farms. To reduce respondent burden, some questions, such as labor expenditures, were asked of a sample of farms.

Definitions

The data reported in this issue of *Rural Conditions and Trends* are for nonmetropolitan (nonmetro) and metropolitan (metro) areas, but we use the terms "rural" and "urban" interchangeably with "nonmetro" and "metro." However, in tables we use "nonmetro" and "metro," the original and more accurate terms used in the data sources.

Family: Family is defined as two or more people residing together who are related by birth, marriage, or adoption.

Farm: Any place from which $1,000 or more worth of agricultural products are sold or normally would be sold in a year.

Farm household income: Farm income to the household includes net cash farm income less depreciation, adjusted for the share received by the senior operator household in the case of multiple-household farms. It also includes the income that all farm household members received from all other sources. Farm operator household income is defined consistently with the definition of household income used by the Bureau of the Census in the Current Population Survey.

Farm operator households: Households consist of all members of the households of senior operators of farms organized as individual operations, partnerships, and family corporations. Household members include all persons dependent on the household for financial support, whether they live in the household or not. Students away at school, for example, are counted as household members if they are dependents.

Hired farmworkers: Persons aged 15 and older who did farmwork for cash wages or salary. Includes persons who manage farms for employers on a paid basis, supervisors of farmworkers, and general farm and nursery workers.

Household: Households consist of all persons living in a housing unit. A house, an apartment, or a single room is considered a housing unit if it is occupied as separate living quarters. To be classified as separate living quarters, the occupants of the housing unit must not live and eat with any other people in the structure.

Household income: The sum of the amounts of money received from wages and salaries; nonfarm self-employment income; farm self-employment income; Social Security or railroad retirement; Supplemental Security Income; cash public assistance or welfare payments; dividends, interest, or net rental income; veterans payments; unemployment or workers' compensation; private or government employee pensions; alimony or child support; and other periodic payments for all household members.

Inflation rate: The percentage change in a measure of the average price level. The two measures of the average price level used in this issue are the Consumer Price Index (earnings, household income, poverty, and farm labor articles) and the Implicit Personal Consumption Expenditures Deflator (transfer payments article).

Metro areas: Metropolitan Statistical Areas (MSA's), as defined by the Office of Management and Budget, include core counties containing a city of 50,000 or more people or have an urbanized area of 50,000 or more and a total area population of at least 100,000. Additional contiguous counties are included in the MSA if they are economically integrated with the core county or counties. For most data sources, these designations are based on population and commuting data from the 1990 Census of Population. The Current Population Survey data through 1993 categorizes counties as metro and nonmetro based on population and commuting data from the 1980 Census. Throughout this publication, "urban" and "metro" have been used interchangeably to refer to people and places within MSA's.

Nonmetro areas: Counties outside metro area boundaries. Throughout this publication, "rural" and "nonmetro" are used interchangeably to refer to people and places outside of MSA's.

Poverty: A person is in poverty if his or her family's money income is below the official poverty threshold appropriate for that size and type of family. Different thresholds exist for elderly and nonelderly unrelated individuals, for two-person families with and without elderly heads, and for different family sizes by number of children. For example, the poverty threshold for a family of four with two children was $14,654 in 1993. The thresholds are adjusted for inflation annually using the Consumer Price Index.

Region: This issue uses a new regional delineation to help understand 1990-94 changes in rural areas. The States in each region are as follows:

North—Connecticut, Delaware, District of Columbia, Indiana, Maine, Maryland, Michigan, Massachusetts, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and Wisconsin.

Central—Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, and South Dakota.

South—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Rural-urban continuum codes: Classification system developed by ERS to group counties by the size of their urban population and their adjacency to larger areas. [See Margaret A. Butler and Calvin L. Beale, *Rural-Urban Continuum Codes for Metro and Nonmetro Counties*, 1993, AGES 9425, U.S. Department of Agriculture, Economic Research Service, Sept. 1994.]

Metro counties—

Central counties of metro areas of 1 million population or more

Fringe counties of metro areas of 1 million population or more

Counties in metro areas of 250,000 to 1 million population

Counties in metro areas of fewer than 250,000 population

Nonmetro counties—

Urban population of 20,000 or more, adjacent to a metro area

Urban population of 20,000 or more, not adjacent to a metro area

Urban population of 2,500 to 19,999, adjacent to a metro area

Urban population of 2,500 to 19,999, not adjacent to a metro area

Completely rural or less than 2,500 urban population, adjacent to a metro area

Completely rural or less than 2,500 urban population, not adjacent to a metro area

Transfer payments: Cash or goods that people receive from government for which no work is currently performed. Receipt of transfer payments, however, may reflect work performed in the past. For example, elderly people receive Social Security now because they worked earlier in their lives and paid taxes to fund the program. In this issue, government transfers are grouped into six broad categories:

Retirement and disability programs—Social Security; railroad retirement; military retirement; Federal civilian, State, and local government employee retirement; workers' compensation; State temporary disability programs; and black lung.

Medical programs—Medicare, medicaid, and CHAMPUS (Civilian Health and Medical Plan of the Uniformed Services).

Income maintenance programs—Supplemental Security Income (SSI), Aid to Families with Dependent Children (AFDC), Food Stamps, general assistance, emergency assistance, refugee assistance, foster home care, earned income tax credits, and energy assistance.

Unemployment insurance—State unemployment compensation; unemployment compensation to Federal civilian employees, railroad employees, and veterans; trade adjustment allowances; and other smaller unemployment programs.

Veterans' programs—Various programs administered by the Department of Veterans' Affairs. Includes veterans' pensions, disability compensation, and other, smaller programs.

Education, training, and other programs—Federal education and training assistance includes federal fellowship payments (National Science Foundation fellowships and traineeships, subsistence payments to State maritime academy cadets, and other Federal fellowships), interest subsidy on higher education loans, basic educational opportunity grants, and Job Corps payments. Other programs include Bureau of Indian Affairs payments, education exchange payments, Alaska Permanent Fund dividend payments, compensation of survivors of public safety officers, compensation of victims of crime, Hurricane Hugo, and the Loma Prieta earthquake, compensation for Japanese internment, and other special government payments to individuals.

Note that payments from farm programs are received as part of farmers' gross income from current farming activities. They are not transfer payments.

Typology Codes: Classification system developed and periodically revised by ERS to group counties by economic and policy-relevant characteristics. The typology codes used in this issue are those described in Peggy J. Cook and Karen L. Mizer, *The Revised ERS County Typology: An Overview*, RDRR 89, U.S. Department of Agriculture, Economic Research Service, Dec. 1994.

Economic types (mutually exclusive, a county may fall into only one economic type):

Farming-dependent—Farming contributed a weighted annual average of 20 percent or more of total labor and proprietor income over the 3 years from 1987 to 1989.

Mining-dependent—Mining contributed a weighted annual average of 15 percent or more of total labor and proprietor income over the 3 years from 1987 to 1989.

Manufacturing-dependent—Manufacturing contributed a weighted annual average of 30 percent or more of total labor and proprietor income over the 3 years from 1987 to 1989.

Government-dependent—Federal, State, and local government activities contributed a weighted annual average of 25 percent or more of total labor and proprietor income over the 3 years from 1987 to 1989.

Services-dependent—Service activities (private and personal services, agricultural services, wholesale and retail trade, finance, insurance, real estate, transportation, and public utilities) contributed a weighted annual average of 50 percent or more of total labor and proprietor income over the 3 years from 1987 to 1989.

Nonspecialized—Counties not classified as a specialized economic type over the 3 years from 1987 to 1989.

Policy types (overlapping, a county may fall into any number of these types and one economic type):

Retirement-destination—The population aged 60 years and over in 1990 increased by 15 percent or more during 1980-90 through in-movement of people.

Federal lands—Federally owned lands made up 30 percent or more of a county's land area in the year 1987.

Commuting—Workers aged 16 years and over commuting to jobs outside their county of residence were 40 percent or more of all the county's workers in 1990.

Persistent poverty—Persons with poverty-level income in the preceding year were 20 percent or more of total population in each of 4 years: 1960, 1970, 1980, 1990.

Transfers-dependent—Income from transfer payments contributed a weighted annual average of 25 percent or more of total personal income over the 3 years from 1987 to 1989.

Unemployment rate: The number of unemployed people 16 years and older as a percentage of the civilian labor force 16 years and older.

Appendix table 1—Population change, net migration, and natural increase by county types, 1990 to 1994

County type	Counties	Population change	Share of counties with increasing population	Net migration	Share of counties with net inmigration	Natural change	Share of counties with natural increase
	Number	Percent					
Total nonmetro	2,304	3.9	74	2.2	63	1.7	76
Farming-dependent	556	2.3	47	1.0	44	1.3	56
Mining-dependent	146	2.1	63	0.1	47	2.0	79
Manufacturing-dependent	506	3.6	88	1.8	70	1.7	91
Government	242	4.3	87	1.3	73	3.0	82
Services	323	5.8	84	4.3	74	1.3	77
Nonspecialized	484	3.9	80	2.6	72	1.3	77
Retirement	190	10.7	99	9.4	97	1.4	69
Recreational	285	7.8	92	6.0	85	1.9	81
Persistent poverty	535	3.2	71	0.8	53	2.4	84

Notes: 1993 metro definition; 14 previously metro counties excluded from type analysis. Types are not mutually exclusive, except that farming, mining, manufacturing, government, services, and nonspecialized types are mutually exclusive of each other. Recreational counties defined by Johnson and Beale in *Rural Conditions and Trends*, Vol. 5 No. 1, Spring 1994. All other types defined in Cook and Mizer, 1994 (see appendix). Percent change is aggregate change for all cases in category.

Source: Calculated by Loyola University-Chicago from Bureau of the Census data.

Appendix table 2—Average employment change for nonmetro county groups

Item	Annual change in employment			
	1990-91	1991-92	1992-93	1993-94
	Percent			
U.S.total	-0.9	0.7	1.5	2.5
Metro	-1.0	0.5	1.3	2.5
Nonmetro	-0.1	1.6	2.0	2.8
Region:				
North	-0.7	1.4	2.5	2.2
Central	0.5	1.4	1.3	2.2
South	-0.2	1.5	1.8	2.6
West	0.7	2.3	2.8	5.3
County type:				
Farming	0.1	1.0	1.7	3.8
Mining	-0.2	-0.8	0.6	2.1
Manufacturing	-0.7	1.6	1.9	2.6
Services	0.7	1.9	2.6	3.2
Retirement	1.1	2.6	2.7	3.7
Poverty	-0.3	1.5	1.6	2.8
Urban-rural continuum code:				
Adjacent—				
Urban	-0.3	1.1	1.5	2.7
Less urban	-0.2	1.7	2.2	2.7
Rural	0.2	1.7	2.1	2.9
Nonadjacent—				
Urban	0.7	1.9	1.9	3.0
Less urban	-0.2	1.6	2.2	2.9
Rural	-0.4	1.4	1.5	2.7

Note: Data for 1994 are preliminary. See p. 45 for definition of regions.

Source: Calculated by ERS using data from the Bureau of Labor Statistics.

Appendix table 3—Average unemployment rate for nonmetro county groups

Item	1990	1991	1992	1993	1994
			Percent		
U.S.total	5.5	6.7	7.4	6.8	6.1
Metro	5.3	6.5	7.2	6.7	5.9
Nonmetro	6.5	7.7	8.0	7.4	6.6
Region:					
North	6.4	8.0	8.3	7.3	6.5
Central	5.6	6.1	6.0	6.1	5.2
South	7.0	8.2	8.6	7.7	7.0
West	6.9	7.8	9.0	8.6	7.6
County type:					
Farming	6.0	6.7	7.4	7.0	6.4
Mining	7.4	9.1	10.3	9.7	8.5
Manufacturing	6.6	7.9	8.1	7.3	6.4
Services	6.1	7.1	7.7	7.0	6.2
Retirement	6.3	7.5	8.5	8.0	7.2
Poverty	8.1	9.2	9.6	8.9	8.2
Urban-rural continuum code:					
Adjacent—					
Urban	6.3	7.5	8.1	7.3	6.5
Less urban	6.6	7.9	8.2	7.6	6.7
Rural	6.5	7.7	8.2	7.4	6.6
Nonadjacent					
Urban	6.2	7.1	7.5	7.0	6.3
Less urban	6.8	7.8	8.0	7.4	6.6
Rural	6.5	7.7	7.9	7.3	6.6

Note: Data for 1994 are preliminary. See p. 45 for definition of regions.
Source: Calculated by ERS using data from Bureau of Labor Statistics.

Appendix table 4—Share of nonmetro workers holding low-pay jobs[1]

Item	All wage and salary workers			Full-time wage and salary workers		
	1979	1990	1993	1979	1990	1993
	Percent					
All workers	34.0	43.0	42.9	21.5	30.3	30.0
Sex:						
Women	54.2	58.5	56.7	38.5	43.7	41.5
Men	18.9	29.1	30.2	11.5	20.8	21.5
Age:						
16-24 years	56.0	76.2	77.7	38.9	60.8	61.7
25-59 years	24.1	33.9	33.5	16.0	25.2	25.0
60 years or older	50.5	60.1	61.6	25.6	34.5	34.3
Education:						
Less than high school	49.4	65.2	66.0	32.5	49.5	49.7
High school	32.4	43.3	44.1	22.7	33.1	34.0
Some college, no degree	30.1	40.2	41.9	16.2	25.2	27.1
Bachelor's degree	14.7	21.3	19.3	7.1	11.7	9.9
Graduate degree	10.1	11.9	9.1	3.7	5.4	3.8
Race/ethnicity[2]:						
White	32.5	41.6	41.4	19.9	28.3	28.0
Black	53.2	58.9	60.8	42.7	51.5	52.3
Hispanic	41.4	61.4	42.4	30.7	52.5	50.4
Weekly hours:						
Part-time[3]	91.7	93.6	93.0	NA	NA	NA
Full-time[4]	21.5	30.3	30.0	NA	NA	NA

NA = Not applicable.

[1]Weekly earnings such that year-round employment (52 weeks) is insufficient to bring a family of four above the poverty line.

[2]White denotes all races other than Black. Hispanics can be of any race.

[3]Fewer than 35 hours per week.

[4]Thirty five or more hours per week.

Source: Calculated by ERS using data from the Current Population Survey Earnings Files for 1979, 1990, and 1993.

Appendix table 5—Family structure and poverty in nonmetro America

Item	1969	1979	1989	1993
		Percent		
Share of nonmetro population:				
Total nonmetro	100.0	100.0	100.0	100.0
Husband-wife family	85.5	80.5	73.4	71.4
Male-headed family	[1]	[1]	2.7	2.6
Female-headed family	8.4	10.0	11.9	13.1
Male living alone	2.1	3.9	5.0	5.9
Female living alone	4.0	5.6	7.0	7.0
Nonmetro poverty rate:				
Total nonmetro	17.1	13.6	15.7	17.3
Husband-wife family	12.3	9.0	9.6	10.5
Male-headed family	[1]	[1]	17.1	18.0
Female-headed family	45.9	36.9	42.5	43.4
Male living alone	36.4	20.7	21.7	20.2
Female living alone	50.3	33.9	29.9	34.5
Share of nonmetro poor:				
Total nonmetro	100.0	100.0	100.0	100.0
Husband-wife family	61.4	52.9	44.8	43.4
Male-headed family	[1]	[1]	2.9	2.8
Female-headed family	22.4	27.2	32.1	33.0
Male living alone	4.5	6.0	6.9	6.8
Female living alone	11.7	14.0	13.4	14.1

[1]Single-male-headed families are included with husband-wife families in 1969 and 1979.
Source: Calculated by ERS using data from the March 1970, 1980, 1990, and 1994 Current Population Surveys.

Appendix table 6—Employment and poverty by residence

Employment status of family members and individuals living alone	Share of population		Poverty rate		Share of poor	
	1989	1993	1989	1993	1989	1993
			Percent			
Nonmetro:						
One or more full-time-full-year workers	64.4	63.1	6.1	5.9	25.1	21.7
Part-time or part-year workers only	17.0	17.5	35.6	37.9	38.4	38.5
No employed person	18.7	19.3	30.8	35.5	36.6	39.8
Working-age person(s) in family[1]	7.3	8.0	52.4	60.5	24.3	28.1
No working-age person in family[1]	11.4	11.3	16.9	17.8	12.2	11.7
Nonmetro total	100.0	100.0	15.7	17.3	100.0	100.0
Metro:						
One or more full-time-full-year workers	69.6	67.8	3.0	3.9	17.3	18.0
Part-time or part-year worker only	15.1	15.7	30.1	34.4	37.9	36.9
No employed person	15.3	16.6	35.1	39.7	44.8	45.1
Working-age person(s) in family[1]	7.0	8.2	62.5	67.1	36.6	37.9
No working-age person in family[1]	8.3	8.3	11.9	12.5	8.2	7.1
Metro total	100.0	100.0	12.0	14.6	100.0	100.0

[1]For individuals living alone, presence of working-age person refers to the individual's own age. Working age here means age 16-64.
Source: Calculated by ERS using data from the March 1990 and 1994 Current Population Surveys.

Appendix table 7—Per capita income and government transfer payments

	1992		Average annual change, 1989-92	
	Nonmetro	Metro	Nonmetro	Metro
	Dollars		Percent	
Per capita income	15,628	21,247	0.8	-0.1
Transfer payments	3,254	3,201	5.8	5.7
Retirement and disability programs	1,684	1,606	2.4	1.9
Medical programs	989	1,009	10.8	9.7
Income maintenance programs	313	318	8.9	8.1
Supplemental Security Income	95	86	9.3	8.3
Aid to Families with Dependent Children	64	98	3.3	3.4
Food stamps	94	80	10.5	14.9
Other income maintenance programs	60	53	12.6	8.5
Unemployment insurance	138	162	27.2	34.2
Veterans' benefits	91	68	-2.5	-2.6
Other transfer programs	40	38	-3.2	0.1
	Percentage of income			
Share of income from transfers	20.8	15.1	NA	NA
	Percentage of total transfer payments			
Distribution of transfers by source:				
Retirement and disability programs	51.7	50.2	NA	NA
Medical programs	30.4	31.5	NA	NA
Income maintenance programs	9.6	9.9	NA	NA
Supplemental Security Income	2.9	2.7	NA	NA
Aid to Families with Dependent Children	2.0	3.1	NA	NA
Food stamps	2.9	2.5	NA	NA
Other income maintenance programs	1.8	1.7	NA	NA
Unemployment insurance	4.2	5.0	NA	NA
Veterans' benefits	2.8	2.1	NA	NA
Other transfer programs	1.2	1.2	NA	NA

NA=Not applicable. Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Appendix table 8—Nonmetro per capita income and transfer payments by region and county type, 1992

Item	Per capita income	Per capita transfers	Transfers as a share of income	Share of transfers from—			
				Retirement and disability programs	Medical programs	Income maintenance programs	Other programs
	Dollars		Percent				
All nonmetro	15,628	3,254	20.8	51.7	30.4	9.6	8.3
By region:[1]							
North	16,579	3,277	19.8	52.0	31.5	7.8	8.7
Central	16,223	3,262	20.1	53.6	31.7	7.3	7.4
South	14,601	3,263	22.4	49.8	31.0	11.7	7.4
West	16,048	3,178	19.8	54.1	25.0	10.0	10.9
By county type:							
Retirement-destination	17,649	3,722	21.1	57.9	25.8	8.2	8.1
Persistent poverty	13,206	3,446	26.1	43.8	32.8	15.6	7.8

[1] See p. 45 for definition of regions.
Source: Calculated by ERS using data from the Bureau of Economic Analysis and revised ERS typology codes.

Appendix table 9—Farm operator households and household income, by selected characteristics, 1993

Item	Households		Average household income		Share from off-farm sources[1]	
	Number	RSE[2]	Dollars	RSE[2]	Percent	RSE[2]
All operator households	2,035,692	2.3	40,223	2.8	88	1.4
Household income class:						
Negative	151,674	7.0	-28,383	8.6	nc	nc
0-$9,999	232,031	6.8	5,754	3.4	159	4.4
$10,000-$24,999	533,525	5.1	17,804	1.2	105	2.1
$25,000-$49,999	617,632	4.3	36,225	0.8	89	1.4
$50,000 and more	500,829	4.6	105,781	3.5	73	2.4
Operator's age class:						
Less than 35 years	180,401	7.0	33,085	8.0	77	6.6
35-44 years	394,137	4.8	41,934	4.1	81	3.6
45-54 years	471,458	5.1	52,125	7.0	91	2.5
55-64 years	433,343	5.0	45,390	4.9	87	2.7
65 years or older	556,352	5.0	27,214	5.2	96	2.1
Operator's level of education:						
Less than high school	472,721	5.4	24,548	6.3	92	3.6
High school	840,573	3.6	36,819	3.1	86	2.0
Some college	412,779	5.9	47,833	7.5	86	2.9
College	309,618	5.1	63,250	6.2	90	3.1
Operator's major occupation:						
Farm or ranch work	919,044	2.4	36,117	3.4	61	3.3
Other	769,237	4.4	51,322	4.7	107	1.0
Retired	347,410	7.3	26,507	7.6	101	1.7
Type of farm:						
Cash grains	348,418	3.9	38,682	4.1	74	3.3
Other crops	486,896	5.5	46,420	6.1	85	3.0
Beef, hogs, or sheep	957,000	3.7	36,958	3.7	100	1.7
Dairy	138,466	4.9	40,191	6.7	37	8.0
Other livestock	104,911	11.6	46,397	24.7	107	5.1
Sales class of farm:						
Less than $50,000	1,498,460	3.1	35,597	3.3	108	1.0
$50,000 and more	537,232	2.1	53,124	5.2	51	5.2
$50,000-$249,999	427,586	2.7	41,372	7.5	65	4.7
$250,000-$499,999	68,278	5.3	66,008	6.3	39	9.3
$500,000 and more	41,368	5.7	153,328	10.3	21	13.1
Organization of farm:						
Individual	1,859,231	2.5	38,530	3.1	91	1.3
Partnership	124,399	6.9	54,094	7.7	71	5.4
Family corporation	52,062	9.3	67,546	13.3	54	13.4
Region:[3]						
North	410,249	5.1	36,460	4.0	88	2.4
Central	613,778	3.9	37,748	4.7	81	2.8
South	751,047	3.8	40,968	6.0	97	1.9
West	260,617	8.1	49,827	5.9	80	5.1

nc=not computed. [1]Income from off-farm sources can be more than 100 percent of total household income if farm income is negative. [2]The relative standard error (RSE) provides the means of evaluating the survey results. A smaller RSE indicates greater reliability of the estimate. [3]See p. 45 for definition of regions. Source: Farm Costs and Returns Survey, U.S. Department of Agriculture.

Appendix table 10—Demographic characteristics of hired farmworkers, 1990-93

Number and characteristics	Hired farmworkers			
	1990	1991	1992	1993
	Thousands			
Number of workers	886	884	848	803
	Percent			
Total	100	100	100	100
Gender:				
Male	82.9	82.4	83.8	84.7
Female	17.1	17.6	16.2	15.3
Racial/ethnic group:				
White	61.0	60.3	59.7	57.5
Hispanic	29.4	28.3	30.7	33.6
Black and other	9.6	11.4	9.6	8.9
Age (years):				
Less than 20	16.2	14.4	14.5	14.0
20-24	15.3	13.0	13.3	13.2
25-34	28.4	28.9	29.0	29.3
35-44	19.2	20.3	20.6	21.8
45-54	10.2	10.8	11.3	12.1
55 and over	10.7	12.6	11.3	9.6
Marital status:				
Married	53.3	53.4	53.5	51.8
Widowed, divorced, or separated	8.9	11.2	10.1	9.5
Never married	37.8	35.4	36.4	38.6
School completed (years):[1]				
0-4	11.1	11.5	14.1	16.4
5-8	21.6	21.2	16.0	17.4
9-11	22.8	22.6	27.0	21.8
12	31.4	31.0	26.9	27.0
13 and over	13.1	13.7	16.0	17.4
Weekly earnings:				
Less than $100	14.2	12.6	12.0	10.9
$100-$199	28.4	26.5	30.5	26.2
$200-$299	33.4	34.0	30.8	36.0
$300-$399	13.4	16.4	15.0	15.6
$400-$499	5.2	5.4	5.5	5.6
$500-$599	2.4	2.7	3.3	3.0
$600 and over	3.0	2.4	2.8	2.7

[1]Educational attainment levels, beginning January 1992, were revised to reflect degrees received rather than years of school completed.

Source: Calculated by ERS using data from the Current Population Survey microdata earnings files.