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HUMAN RESOURCES/RURAL POVERTY

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In the lead article of the recent Economic Research Service publication *Rural Economic Development in the 1980s*, David Brown and Kenneth Deavers paint a very clear, albeit sad picture of poverty in rural America.

> A disproportionate share of the Nation's poor have resided in rural areas throughout this century. The latest data available from the Census Bureau, the Current Population Survey, and other sources all indicate that this situation persists today. In 1985, the nonmetro poverty rate was 18.3 percent compared with a 12.7 percent metro rate. Even when in-kind transfers are included with other income, 13.2 percent of nonmetro people failed to have enough income to meet minimal basic needs—the official definition of poverty. In metro areas the comparable figure was 9.3 percent (1983 data). While poverty rates declined during the mid-1970s, both metro and nonmetro rates have risen since the 1979–82 recession and were substantially higher in 1985 than a decade before.

They go on to point out a number of differences between the metropolitan and nonmetropolitan poor.

- The nonmetro poor are more likely to be elderly, white and live in the South.

- More than two-thirds of the nonmetro poor families had at least one worker. Over one-fourth had at least two workers. In metro counties only 58 percent had even one worker.

- Since 1973 the poverty rate among older persons in nonmetro areas declined from 23 to 18 percent. The rate for youths rose from 17 to 24 percent. The same relative changes occurred in metro areas. In 1973, the poor were more apt to be older people. Now they are apt to be children.

- The oldest of the elderly (those 80 and over) are disproportionately located in nonmetro areas.

- The nonmetro elderly have only three-fourths of the income of those in metro areas.

- The poverty rate is 43 percent for female-maintained families compared with 13 percent for other family households. The child poverty rate has increased for all residence and family types since 1973.

- Fifty percent of the nonmetro poor live in the South. This is down from 60 percent in 1973.

The reduction and ultimate elimination of rural poverty represents a formidable challenge to any rural development policy.

Peggy Ross and Stuart Rosenfeld, writing in the same publication, outline the importance of the quality of human resources to the kind of economic development that offers hope of alleviating rural poverty:

> Assessing the value of the human resource base requires information about the existing inventory of skills, knowledge, and behaviors, the kinds of skill, knowledge, and behaviors required now and in the future, and the extent to which the two match. Requirements for human resources are subject to more dramatic change than are the capabilities of the local work force. Whereas skills and knowledge are acquired slowly and require sizeable investments of time and money, needs for different kinds of human resources can arise dramatically and change abruptly. New technologies, new business openings or closings, and business expansions may demand radically different skills, knowledge, and behaviors in a relatively short period of time, and the value of a rural community's human resources can drop sharply if the work force is not adaptable to the changing needs.

Education

The existence of a high-quality education is fundamental to human resource development. Ross and Rosenfeld indicate that education and training programs can provide not only a mechanism for building an adequate supply of skilled labor to meet current demands, but also the needed flexibility to be responsive to rapid changes in technology and economic climate. By 1990 three out of four jobs will require education beyond high school. Education also provides for the development of leadership, business and innovative skills needed by entrepreneurs. Quality schools, colleges and universities can also contribute positively to a business climate that stimulates economic growth.

Once again rural areas are lagging urban areas in some factors.

- In 1980, one in every five rural adults age 15 or older had completed less that eight years of schooling. The greatest disparity between metro and nonmetro areas is in the South.

- In 1982 high school seniors in rural communities (<10,000 inhabitants) scored lower in math achievement scores than all other schools except "high poverty central cities."

- Teachers in rural schools have less experience.

- Rural school curricula are less varied.

In contrast, however, rural youths are less apt to drop out of school—a 12.8 percent dropout rate compared to 18.9 percent for urban youth. Rural youth participate in more school activities and are more apt to be enrolled in vocational agriculture programs that reinforce science, leadership training, business skills and innovation. It is evident that larger schools are not the simple answer to the educational gap.

Human Health

Human health is another critical variable measuring the quality of human resources in rural America. In general, rural residents suffer the dual problems of poorer health and less professional health care. Rural America is not the idyllic land of fresh air and long life.

Stephen Wright and Dale Lick identify a few of the critical differences between metro and nonmetro areas in their article on "Health in Rural America: Problems and Recommendations" found in *New Dimensions in Rural Policy: Building Upon Our Heritage* published by the Joint Economic Committee of Congress.

- Rates of infant and maternal mortality are higher in rural areas.

- The crude death rate in nonmetro America is 13 percent higher in rural areas.

- Stroke deaths are 31 percent higher in rural areas.

- Arteriosclerosis deaths are 34 percent higher in rural areas.

- More than 50 percent of new tuberculosis cases are in nonmetro areas.

- Only homicide is significantly higher in urban counties.

- The 85-years-and-older group has a rural death rate 38 percent higher than the urban rate.

- The median age of metro America was 30.5 years versus 30.9 years for nonmetro regions in 1982.

- The physicians-to-population ratio in metro areas is more than double that of nonmetro areas.

- In metro areas there are more than five times the rate of hospital-based physicians.

In summary, nearly one in five rural Americans is living in poverty and the income gap between nonmetro and metro America is widening. The quality of human resources, in terms of levels of education and health, is a critical determinant of the economic development prospects of rural America. A well-educated and healthy workforce is necessary to stimulate business attraction, formation and expansion in high technology, manufacturing, business and health services, finance and insurance, the higher growth industries of the future. If the levels of education and health of rural areas are allowed to continue lagging those of urban areas, then economic growth in rural America is not likely to parallel that of urban America, to say nothing of closing the economic gap. Worse yet, those rural residents who attempt to flee the poverty of nonmetro areas will be ill-prepared to compete for worthwhile employment in metropolitan areas.

The fundamental question for policy educators is how to help the public identify what can be done to resolve this dilemma. Without attention, the problem will become more serious. Those with a serious interest in the human resource problems of rural America may find allies in impoverished central cities. The specifics (problems, causes, solutions) may be different but the need for attention the same. In either case, the challenge is tremendous.

Policy Issues and Options

While a number of questions relating to human resources and rural policy were raised in the workshop, the discussion focus was on education. Issues related to education include providing adequate funding for education which may involve conflicts between local, state and federal control. Identifying the training and education needs of the rural population must be a first step in assuring basic literacy skills necessary to enter the work force. Dealing with displaced workers due to industry restructuring may present special problems.

Options identified for increasing educational competence included adopting minimum standards for education performance and subsidizing teachers working in more remote rural areas in an attempt to achieve certain minimum standards. Developing exchange programs between schools for both students and teachers was suggested as an option for increasing educational opportunity. Another option would involve providing incentives for better performance, both for students and teachers. The possibility of using a voucher system to allow students to select schools they want to attend was

discussed, but has some obvious drawbacks in the more remote rural areas. Replacing administrators in schools that do not meet minimum requirements might be one option to be pursued. Perhaps federal support will be needed for the most disadvantaged rural regions. Finally, the possibility of using new technologies to deliver quality education in rural schools was discussed.

Another discussion issue that surfaced was whether there were adequate leadership development education efforts in rural communities. Land grant university extension and experiment station personnel need to be involved. They can help identify the critical policy questions related to the importance of education to rural areas. They can also provide some input on the cost of delivery of educational programs to more rural areas through new technologies such as satellite delivery.

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