



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

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

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

Help ensure our sustainability.

Give to AgEcon Search

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

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

Douglas E. Bowers
Executive Editor

Rural Conditions and Trends is published three times a year by USDA's Economic Research Service (ERS). For subscription information, call ERS-NASS at 1-800-999-6779.

For this issue:
Peggy Cook
Issue Editor
Alma Young
Graphic Assistance

Rural Conditions and Trends welcomes letters to the editor as well as ideas for articles. Address editorial correspondence and inquiries to Editor, *Rural Conditions and Trends*, Room 324, 1301 New York Avenue, NW, Washington, DC 20005-4788 (telephone 202-219-0484).

Lindsay Mann
Managing Editor

The Secretary of Agriculture has determined that publication of this periodical is necessary in the transaction of public business required by law of the Department.

Sharon Lee
Editorial Aide

Contents of this journal may be reprinted without permission, but the editors would appreciate acknowledgment of such use and an advance copy of the material to be reprinted. Use of commercial and trade names does not imply approval or constitute endorsement by USDA.

Cover photo:
John Cromartie, USDA/ERS
Ashe County, NC

The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, and marital or familial status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact the USDA Office of Communications at 202-720-2791.

To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC, 20250, or call 1-800-245-6340 (voice) or 202-720-1127 (TDD). USDA is an equal employment opportunity employer.

Rural Conditions and Trends is printed on recycled paper using soy-based ink.

Rural Conditions and Trends

Vol.7, No. 3

- 4 Overview**
Rural Areas Show Signs of Revitalization
- 8 Population**
Nonmetro Population Rebound Continues and Broadens
- 13 Migration**
Higher Immigration, Lower Outmigration Contribute to Nonmetro Population Growth
- 18 Employment and Unemployment**
Rural Employment Gains Continue, But Pace Slows
- 22 Nonfarm Earnings**
Rural Nonfarm Earnings Edge Up
- 25 Income**
Growth in Per Capita Income Is Widespread in Rural America
- 32 Transfer Payments**
Rapid Growth in Medical Transfer Payments Is Driving Force for Growth in Transfers
- 37 Poverty**
Rural Poverty Rate Stabilizes
- 40 Farm Household Income**
Farm Operator Household Income Compares Favorably With All U.S. Households, But Varies by Geography and Size of Farm
- 45 Farm Labor**
Weekly Earnings for Hired Farmworkers Decrease, and Education Levels Show Little Improvement
- 50 Appendix: Data Sources and Definitions**
- 56 Appendix Tables**

Rural Areas Show Signs of Revitalization

According to post-1990 indicators, favorable changes in population, employment, and income signal widespread improvement in economic performance across rural areas, although the rural-urban gaps in income and earnings remain large.

This issue of *Rural Conditions and Trends (RCaT)* provides the annual review of current conditions in the Nation's rural areas that reflect the socioeconomic well-being of rural communities and the people who live there. It also examines the nature and direction of rural trends in the 1990's and their prospects for continuation during the remainder of the decade. *Rural Conditions and Trends* last reported on socioeconomic conditions and trends in rural America in its Spring 1995 issue based on indicators for circa 1990-93 (Vol. 6, No. 1). The analysis presented in that issue cautiously pointed to a possible revitalization of rural areas following a decade of widespread economic stress and population decline. Based on the most recent indicators available, this issue shows that rural areas are experiencing widespread population growth and improved economic performance during the first half of the 1990's, providing further credence to the argument that rural America as a whole is undergoing an economic and population revival (table 1). Yet, even in the face of a possible rural revival, the levels of income and earnings from nonfarm jobs in rural areas continue to lag those in urban areas.

Most of the articles in this issue update analysis reported in the Spring 1995 issue, although depending on data availability, some base their analyses on different data sources. For example, the articles dealing with the nonfarm earnings and personal income primarily use county estimates from the Bureau of Economic Analysis rather than data from the Current Population Surveys on workers' earnings or household incomes. Depending on data availability, time periods for the analyses may vary slightly. This issue also includes an article that uses county migration data from the Internal Revenue Service to analyze the dynamics of intercounty immigration and outmigration patterns. Two articles report on the socioeconomic status of segments of the agricultural population. The main themes that emerge from this issue's articles are highlighted below.

Rural Population Growth in the 1990's Rivals That of the 1970's

The lead article reports that during 1990-95, the population living in rural and small towns increased by 1 percent per year—or a net gain of 2.6 million people—with about half (1.3 million people) resulting from net immigration. The excess of births over deaths accounts for 40 percent of the increase while international net migration accounts for the remainder. Rural population growth during the 1990's compares favorably with that of the 1970's rural turnaround when rural population growth surpassed urban growth.

Many more nonmetro counties are experiencing population growth in the 1990's than in the 1980's (fig. 1). Over 75 percent of nonmetro counties had population growth, up from 44 percent in the previous decade (see the Spring 1995 issue of *RCaT*, Vol. 6, No.1, p. 6.) One-third of nonmetro counties are growing faster than the national average. Furthermore, the rebound in rural population growth is widespread, extending across all regions in the country. Nearly 90 percent of nonmetro counties in the West had increases in population that accounted for one-third of all nonmetro growth. Even the Central region (primarily the Great Plains and Corn Belt), where the rural population declined 4 percent during the 1980's, experienced rural population growth in the 1990's, including some from the inmovement of people.

According to the article on migration patterns, changes in the balance between immigration and outmigration help explain the revival of nonmetro population growth in the 1990's when more people overall moved into nonmetro areas than moved out. However, the balance of immigration and outmigration varies from one rural place to another causing some rural areas to grow rapidly, some to grow modestly, and others to decline. For example, nonmetro counties with rapid population growth during the 1990's had both high rates of immigration and outmigration. Despite similar rates of immigration, other nonmetro counties experienced either modest population growth or population decline during the 1990's

Table 1

Indicators of nonmetro economic performance

Most population and economic indicators point to improved socioeconomic conditions during the 1990's despite wide rural-urban gaps in income and earnings

Item		Item	
	Percent		Percent
Annual population change:		Annual employment change:	
1990-95	0.95	1990-95	1.6
1980-90	.26	1980-90	.9
Immigration rate:		Average unemployment rate:	
1993-94	6.6	1990-95	7.1
1988-89	6.2	1980-90	8.8
Outmigration rate:		Annual change in earnings per nonfarm job:	
1993-94	6.0	1990-94	.6
1988-89	6.2	1980-90	-.6
Net migration rate:		Annual change in per capita income:	
1993-94	.6	1990-94	1.3
1988-89	0	1980-90	1.4
Poverty rate:		Annual change in per capita transfers:	
1994	16.4	1990-94	4.3
1989	15.7	1980-90	2.6
1979	13.6		
	1994 dollars		1994 dollars
Per capita income:		Rural-urban gap in per capita income:	
1994	16,964	1994	-5,918
1990	16,117	1990	-6,262
1980	13,954	1980	-4,971
Earnings per nonfarm job:		Rural-urban gap in earnings per nonfarm job:	
1994	21,826	1994	-8,093
1990	21,294	1990	-7,586
1980	22,639	1980	-5,465
Per capita transfers:		Rural-urban gap in per capita transfers:	
1994	3,560	1994	57
1990	3,007	1990	54
1980	2,330	1980	-103

Source: Other articles and appendix tables in this issue.

because of differing rates of outmigration (fig. 2). In 1993-94, all economic types of non-metro counties had a net influx of population because their rates of immigration exceeded their rates of outmigration.

Improved Economic Performance Is Widespread Across Rural Areas

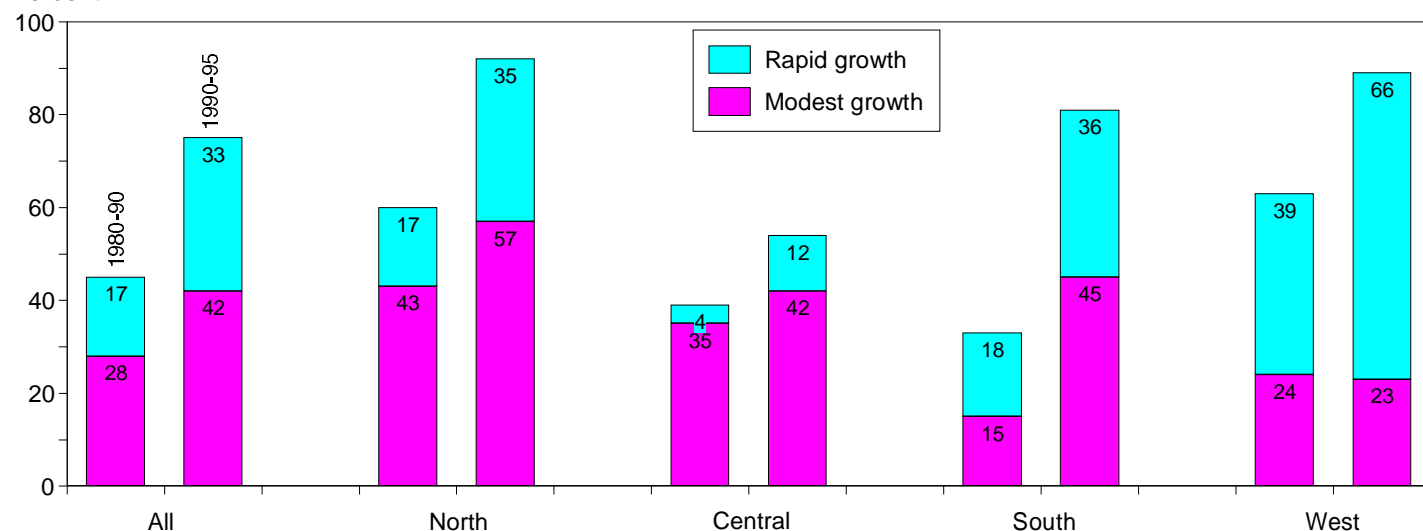
All of the articles reporting indicators of economic performance indicate that the rural economy as a whole is performing considerably better in the first half of the 1990's than in the 1980's. Average annual employment growth is up (1.6 percent per year versus 0.9

Figure 1

Share of nonmetro counties with increasing population by region, 1980-90 and 1990-95

Many more nonmetro counties experienced population growth during the nineties than the eighties

Percent



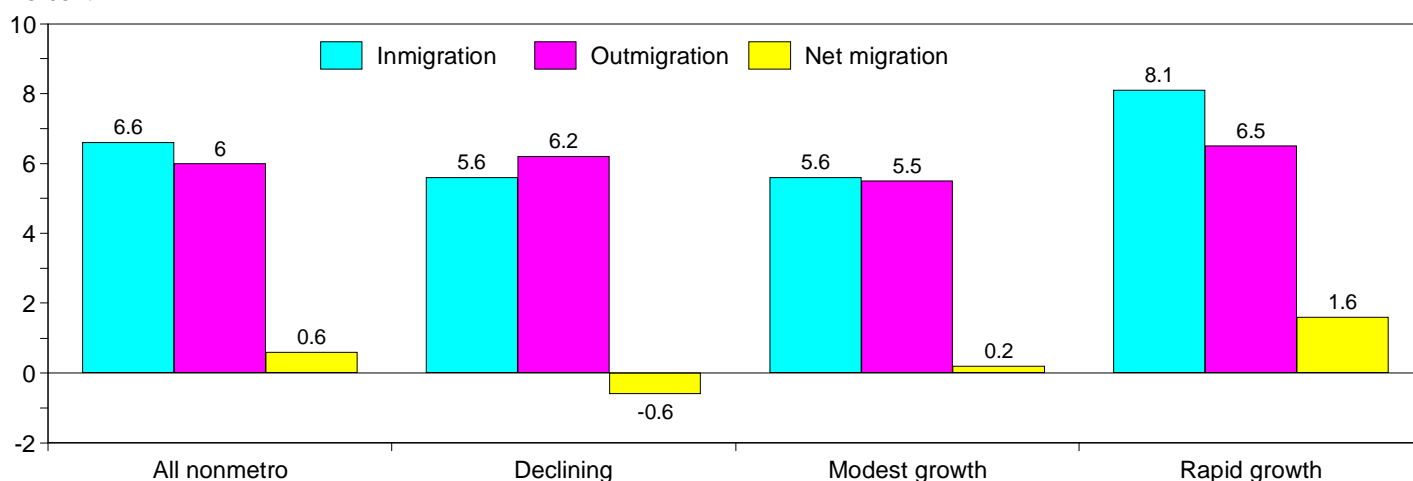
Note: See appendix for definition of rapid and modest growth.
Source: Calculated by ERS using data from Bureau of Census.

Figure 2

Migration to and from nonmetro counties by county population growth types

During 1993-94, the interplay of immigration and outmigration shaped different patterns of net migration

Percent



Note: See appendix for definitions of rapid and modest growth.
Source: Calculated by ERS using data from the Internal Revenue Service.

percent), while annual average unemployment is down (7.1 percent versus 8.8 percent). In 1995 alone, the average nonmetro unemployment rate fell half a percentage point, reaching 6.2 percent—the lowest point since 1979. After a decade of decline, rural real earnings per nonfarm job appear to be on the rise, even growing at a faster pace than urban earnings per job. Real per capita income grew at a modest overall pace during the 1990's, albeit at a slower pace than during the 1980's, reflecting the effect of a decline in rural per capita income during the 1990-91 recession. During 1991-94, rural per capita income actually rose about 2.0 percent per year—faster than in the 1980's and approaching the income growth of the 1970's. Based on all indicators, the effects of improved economic performance are also widely benefiting rural counties in all regions and county types, though the benefits are stronger in some areas than in others.

. . .But Not Across All Rural Residents

All groups of rural residents are not participating equally in the benefits of improved economic performance. Despite a slight decline during 1993-94, the percentage of rural people with poverty-level income in 1994 remains higher than in 1979 and 1989. And income gains from improved economic performance are distributed unequally across rural households. In 1994, average household income grew fastest among the two-fifths of rural households with either the highest or lowest incomes, but grew more slowly among middle income households.

The socioeconomic status of farm operator households compares favorably with that of other U.S. households in both nonmetro and metro areas. In 1994, the average income of all farm operator households was about the same as that of other households, and average incomes of commercial farm operator households surpassed that of other households. Conversely, the socioeconomic status of hired farmworkers is deteriorating. Not only do hired farmworkers earn significantly less than most other workers, but real weekly earnings for full-time farmworkers fell 7 percent during the 1990's as a result of declining demand and continuing immigration of illegal aliens into the country to do farmwork.

. . .And Rural-Urban Gap In Income and Earnings Remains Wide

Even in the face of rural revival, rural areas continue to lag urban areas in important ways. During the 1990's, the rural-urban gap in real per capita annual income remained approximately \$6,000 or greater while rural nonfarm jobs in 1994 paid \$8,093 per job less than urban jobs. Even with the rural revitalization of the 1990's to date, the rural-urban gap in real earnings per nonfarm job is wider now than it was in either 1990 or 1980. Rural economies also rely more heavily on transfer payments as a source of income than urban economies. In 1994, per capita transfer payments made up 21 percent of rural personal income compared to 15 percent of urban personal income.

National macroeconomic and demographic changes will affect the extent to which the rural population and economic gains reported in this issue continue into the second half of 1990's and beyond. However, the ability of State and local communities to deal with the challenges of building and sustaining strong rural economies is vitally important as well. [Peggy J. Cook, 202-219-0095, pross@econ.ag.gov]

Nonmetro Population Rebound Continues and Broadens

As the decade of the 1990's has progressed, the nonmetro population has received a substantial net influx of people, leading to sharp reduction in the number of counties with population decline. Growth has been especially rapid in recreation, retirement, and metro-adjacent communities, but has also affected the more traditional manufacturing, farming, mining, and mixed economy areas that are not close to metro places. The pattern is increasingly similar to the nonmetro growth that prevailed in the 1970's.

The broad revival of population growth in rural and small town areas that became apparent after 1990 continued in the year ending July 1, 1995. In this most recent 1-year period with available data, the estimated rate of nonmetro population increase (1.0 percent) was slightly above that in metro areas (0.9 percent), similar to the pattern of the 1970's.

For the first half of the 1990's as a whole, the nonmetro population rose by 5.1 percent, (2.6 million people), or nearly twice the growth of the entire 1980-90 decade (table 1). Metro growth was 5.8 percent. Nonmetro residents are currently 20.4 percent of the total U.S. population. While 3.8 million people moved from abroad into metro areas, a net of 1.3 million others moved from metro to nonmetro areas.

All Types of Counties and Regions of the Country Affected

The rebound in rural and small town growth since 1990 has been very pervasive. It is not confined to certain types of counties or to a few areas. Although there were still 562 nonmetro counties that had some degree of population decline from 1990-95, their rate of loss was not as rapid as in the 1980's. All broad economic classes of counties (farming, manufacturing, mining, government, services, and nonspecialized) had higher population growth, as did other types such as retirement or recreation areas, commuting counties, and those with persistently high poverty levels. Remarkably, all of these county types experienced some of their growth through net inmovement of people.

At the national level, 1.3 million more people moved from metro America into rural and small town areas than moved in the opposite direction in 1990-95—a pattern of domestic net population flow contrary to that of any other time in the 20th century except for the 1970's and possibly the first half of the 1930's. In metro areas, the domestic outflow was much more than compensated for by the net inmovement of 3.8 million people from other countries. Nonmetro areas received only 4 percent of the net influx of people from abroad. Immigration, plus a sizable excess of births over deaths, allowed the metro population to increase at a modestly faster rate than the nonmetro population in 1990-95, despite the net outflow of people to rural and small town locations.

The sources of growth in nonmetro counties were 50 percent from domestic immigration, 40 percent from the excess of births over deaths, and 10 percent from immigration from outside the United States, including the return of American citizens from abroad. By contrast, metro growth stemmed 75 percent from excess of births and 25 percent from all

Table 1

Population change by county growth types, 1980-95

Nonmetro people have been three times as likely to live in rapid-growth counties since 1990 as in declining ones

Type	Counties by 1990-95 growth	Population			Change		Change	
		1995	1990	1980	1990-95	1980-90	1995-95	1980-90
	Number	Thousands					Percent	
Total	3,105	262,755	248,718	226,542	14,037	22,176	5.6	9.8
Nonmetro	2,292	53,489	50,903	49,577	2,586	1,325	5.1	2.7
Declining	562	6,929	7,118	7,712	-188	-595	-2.6	-7.7
Modest growth	965	25,794	25,103	25,163	691	-59	2.8	-2
Rapid growth	765	20,765	18,682	16,702	2,084	1,979	11.2	11.9
Metro	813	209,266	197,816	176,965	11,451	20,851	5.8	11.8

Notes: 1993 metro definition. Modest growth is below the national average of 5.6 percent during 1990-95; rapid growth is above it. Number of counties reflects the aggregation of Virginia independent cities with their counties of origin.

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

migration, with over 30 percent of growth from international exchange offset by domestic outmigration to nonmetro places. Thus, nonmetro and metro America continue to differ widely in their components of population change, but in a manner different from the past when so much farm-to-city movement took place.

A Majority of Growth Is Going into Rapid-Growth Areas

A third of the nonmetro counties grew at a rate higher than the Nation as a whole (5.6 percent) from 1990-95, and such counties had three-fourths of all nonmetro growth. These counties are most prevalent in a broad swath of mountains and interstitial plateaus and valleys extending from the northwest Rockies to the Mexican border. Other smaller but more densely settled areas of above-average population growth are found in the Ozarks, the lake country of the Upper Midwest, in Florida, the Blue Ridge Mountains, and on the outskirts of thriving metro areas.

The most rapidly growing county type consisted of counties with amenities that attract retired people sufficiently to be classed as retirement destinations (13.8-percent increase). Although these counties had just 10 percent of the nonmetro population in 1990, they attracted 46 percent of the net migration into nonmetro areas. It is important to note, though, that most of the growth in retirement counties consists of young and middle-aged people, attracted to the same amenities that appeal to retirees.

The broad middle range of nonmetro counties that experienced growth at a slower pace (less than 5.6 percent), contains nearly half of the nonmetro population. The economies of these counties typically depend on manufacturing or government jobs, or are unspecialized, with employment in various industries, such as a mix of manufacturing, services, and commercial farming. In the 1980's, these counties had seen a slight overall loss of population.

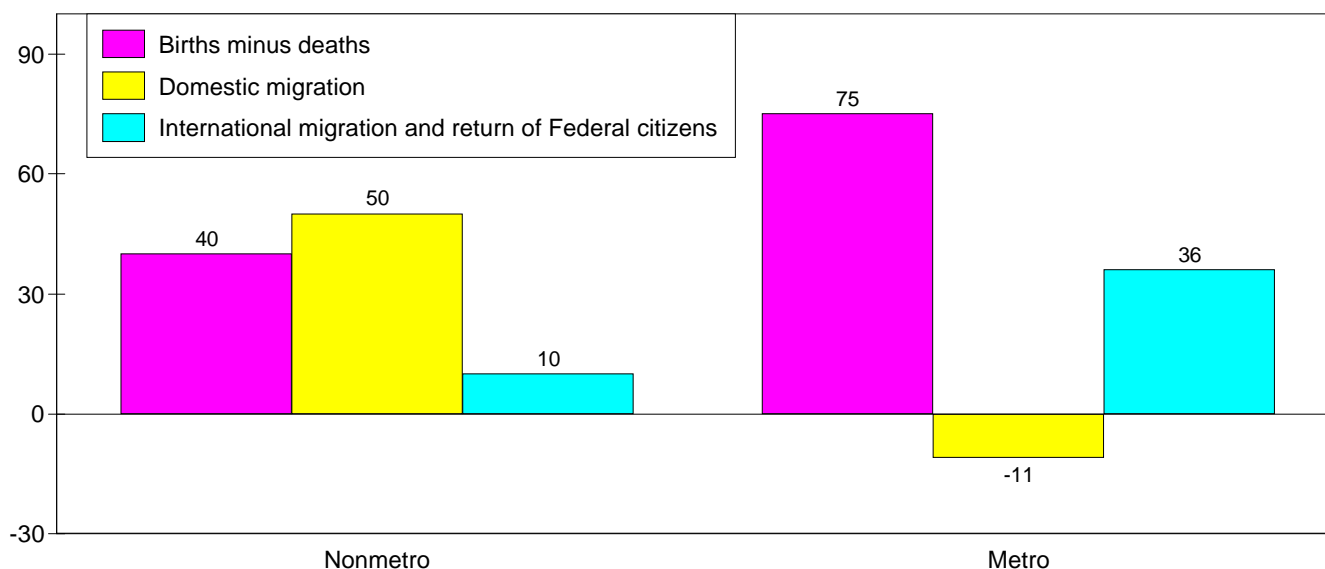
Despite the general broad rebound of rural population growth, about 25 percent of the nonmetro counties had population decline. In most cases, the loss was a continuation of past trends, but with relatively modest rates of recent loss compared with the past. The declining counties averaged only half the size of growing counties (less than 13,000 residents vs. 25,000), and during 1990-95 less than a seventh of the nonmetro population lived in areas where the population was decreasing. These areas are located disproportionately in the Great Plains and Corn Belt, plus the Mississippi Delta and scattered mining districts. Half of them are experiencing more deaths than births.

Figure 1

Sources of population growth, 1990-95

Nonmetro population increase has depended primarily on migration, while most metro growth has come from the surplus of births over deaths

Percent



Source: Bureau of the Census.

Despite Growth, “Natural Decrease” of Population Has Become More Common

One of the more notable features of nonmetro population change since 1990 is the large number of counties estimated to have had more deaths than births, despite the national rebound in nonmetro growth. The existence of “natural decrease” of population is not new in rural areas that have seen many young people of childbearing age move away or that have had retired people move in. It has been observed in some areas since the 1960's, but it has become more common. By 1990-95, a fourth of nonmetro counties had this condition. Usually it stems from a shortage of young families rather than an influx of retirees.

In counties having outmigration, natural decrease has been typically only a minor element in overall population loss. But, with rural outmigration having widely moderated or even ended in so many places since 1990, there are about 100 current or former farming-dependent counties in which natural decrease is now the principal source of remaining decline or more than offsets a modest trend of net immigration. Where inmovement of working-age people occurs, such growth will act to correct the distortion of rural age composition over time by buttressing the childbearing population. But communities do not drift into an excess of deaths over births overnight, and it will take a period of sustained inmovement to end it.

Regional Data Continue to Highlight the West

Among major regions, nonmetro population growth continued to be much faster in the West than elsewhere, with an 11.8-percent rise from 1990 to 1995. With this high pace of growth, the West acquired a third of all nonmetro increase despite having just 14 percent of the Nation's nonmetro residents in 1990. A majority of this growth has gone into the thinly settled Mountain States.

The Central region, which consists primarily of the Great Plains and Corn Belt, had the slowest growth, 2.0 percent. In the past, an increase this low over 5 years would have implied some net outmovement. But the margin of births over deaths is now so low in most Central States that the 2.0-percent increase was reached only with some net immigration. The North

Table 2

Regional population change, 1980-95

All regions have had net migration of people into nonmetro areas since 1990

Region	Population			Change		Net migration		Net migration rate	
	1995	1990	1980	1990-95	1980-90	1990-95	1980-90	1990-95	1980-90
	Thousands			Percent		Thousands		Percent	
United States:									
Metro	209,266	197,816	176,965	5.8	11.8	2,875	6,576	1.5	3.7
Nonmetro	53,489	50,903	49,577	5.1	2.7	1,554	-1,371	3.1	-2.8
North:									
Metro	76,451	74,959	72,744	2.0	3.0	-925	-1,803	-1.2	-2.5
Nonmetro	12,955	12,484	12,098	3.8	3.2	241	-183	1.9	-1.5
Central:									
Metro	22,758	21,744	20,711	4.7	5.0	73	-717	.3	-3.5
Nonmetro	10,698	10,492	10,926	2.0	-4.0	108	-856	1.0	-7.8
South:									
Metro	60,613	55,628	46,855	9.0	18.7	2,590	4,531	4.7	9.7
Nonmetro	21,685	20,627	20,037	5.1	2.9	645	-421	3.1	-2.1
West:									
Metro	49,444	45,485	36,655	8.7	24.1	1,137	4,564	2.5	12.5
Nonmetro	8,152	7,299	6,516	11.7	12.0	560	90	7.7	1.4

Note: See appendix for definitions of regions, p. 53.

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

Higher Immigration, Lower Outmigration Contribute to Nonmetro Population Growth

The ability of nonmetro areas both to retain current residents and to attract newcomers increased during the late 1980's and early 1990's. Higher immigration contributed more to population growth in central and southern areas while lower outmigration was more important in high-amenity sections of the Rocky Mountains and Colorado Plateau.

From 1988-89 to 1993-94, annual nonmetro immigration rose 7.1 percent (from 2.55 million to 2.73 million people) while outmigration decreased 2.3 percent (from 2.54 million to 2.48 million people). Higher immigration and lower outmigration fueled the recent revival of nonmetro population growth, with higher immigration contributing more overall. The joint effect of more newcomers arriving and fewer residents leaving created a 17-fold increase in nonmetro population growth attributed to net migration, from 15,000 people in 1988-89 to 254,000 people in 1993-94. The latter amounts to a 0.6-percent annual growth rate from net migration, double the average annual rate of loss during the 1980's and close to the large migration gains of the 1970's.

Net Migration Rates Are Tip of Total Migration Iceberg

The previous article uses Census Bureau estimates of population change and its components—net migration and natural increase—to analyze trends during 1990-95 compared with the 1980's. Results show that domestic net migration played a major role in nonmetro areas, accounting for half of total population growth during the first half of the 1990's. But net migration is just a fraction of the total rearrangement of population taking place from migration in nonmetro areas. This article uses data from the Internal Revenue Service to examine in- and outmigration flows separately, comparing 1993-94 patterns with similar data from 1988-89. (See "About the Estimates," below, for a description of the data.) It is not surprising that results corroborate the previous article's findings of a broad population revival fueled by increasing net migration, because the Census Bureau uses the Internal Revenue Service's data in its population estimates.

Nonmetro net migration for the Nation as a whole measures the net gain or loss due to population exchange with metro areas but does not indicate the size of the component in- and outmigration flows. Neither does it measure the large number of moves from one nonmetro county to another. These two migration flows—to and from metro areas and within nonmetro territory—sustain an ongoing redistribution of population, causing some areas to grow rapidly while others decline. During 1988-89, at a time when net migration was close to zero, nonmetro in- and outmigration rates both exceeded 6 percent. The latest annual net migration rate of 0.6 percent results from an immigration rate of 6.6 percent offset by 6 percent outmigration.

About the Estimates

The Internal Revenue Service compiles annual, county-level migration data by matching current-year tax returns with those from the previous year and comparing addresses. If a county of residence is different in the previous year, members of that family are considered migrants. If the county is the same or no matching return is found, they are considered nonmigrants. The number of exemptions claimed on the return serves as a proxy for the number of migrants in that family. Most people file their returns during early to mid-April, so the data here refer to flows from April of 1 year to April the next. In this article, migration changes are described using two sets of flows, 1988-89 and 1993-94.

IRS migration data cover an estimated 85-87 percent of the migrating population, offering a window into detailed, annual population dynamics not available elsewhere. Coverage varies geographically and is demographically selective—those likely to be left out include college and military migrants, labor force entrants, and the long-term unemployed. Common adjustments to the data to partially correct for geographic variation of missing individuals have not been applied here; adjustments may create more problems than they solve because the demographic groups left out most likely have very different geographic migration patterns than the population as a whole.

High-Growth Areas Exhibit High In- and Outmigration

The one-third of nonmetro counties with rapid rates of population growth during 1990-95 had the highest rates of immigration during 1993-94, as expected. They also had the highest rates of outmigration, 6.5 percent compared with 6.2 percent for declining counties. Modest-growth counties had the lowest outmigration rates. This frequently observed pattern between in- and outmigration arises because rapidly expanding labor markets generate a good deal of employment turnover. Increasing employment opportunity encourages immigration but also encourages upward mobility, including the search for better jobs outside the area. In addition, migrants tend to be more prone than others to migrate again; thus areas of high immigration have a more "footloose" population. Higher migration turnover contributes to economic and social problems often associated with rapid population growth, such as difficulties projecting school enrollments and higher crime rates.

Differing patterns of outmigration rather than immigration distinguish declining and modestly growing counties from one another. While they had equal immigration rates in 1993-94, outmigration rates were 13 percent higher for declining than for modestly growing counties. Similar differences held for 1988-89. Throughout this period, lack of opportunities for current residents rather than the inability to attract new residents spelled the difference between population growth and decline.

Patterns of In- and Outmigration Vary Geographically

Despite a higher net migration rate for adjacent nonmetro areas during the 1990's, annual migration trends portray a broadening of population growth, increasingly encompassing areas at greater distances from metro centers. Nonmetro adjacent areas increased in net migration over the 6-year period, but not as dramatically as nonadjacent areas. After losing population to net migration in the late 1980's and early 1990's, nonadjacent counties grew by 96,000 during 1993-94, capturing over one-third of total nonmetro net migration and equalling the net migration rate of adjacent areas. Immigration rates, which jumped from 5.9 to 6.5 percent, explained most of the renewed growth in nonadjacent areas. In contrast, immigration rates for adjacent counties increased only slightly from 6.4 to 6.6 percent.

The North experienced a slight drop in net migration rates from 1988-89 to 1993-94 because immigration decreased more than outmigration. In all other regions, net migration increased over the 6-year period, but the relative contribution of in- and outmigration varied. The Central region switched from negative to positive net migration, mostly from increasing immigration. Immigration also contributed much more to the seven-fold jump in net migration in the South. With an immigration rate close to 9 percent, the nonmetro West grew at twice the rate of the next fastest growing region (1.4 percent net migration).

Table 1

Population change from migration, 1993-94, by 1990-95 county population growth types

Rapid-growth counties experienced highest in- and outmigration rates

Population growth type	Migrants			Population change		
	In	Out	Net	In	Out	Net
	Thousands			Percent		
All nonmetro	2,733	2,479	254	6.6	6.0	0.6
Declining	316	348	-32	5.6	6.2	-.6
Moderately growing	1,145	1,107	38	5.6	5.5	.2
Rapidly growing	1,272	1,024	248	8.1	6.5	1.6

Note: See appendix, p. 52, for definition of 1990-95 county population growth types.

Source: Calculated by ERS using data from the Internal Revenue Service.

compared with 0.7 percent in the South). With so much attention paid to stories of California urbanites flooding the countryside, it is surprising that population retention was a key to the phenomenal growth spurt in the nonmetro West. Between 1988-89 and 1993-94, immigration to the nonmetro West increased by just 2 percent, while outmigration dropped by over 11 percent. As cutbacks in mining and other natural-resource-based industries have played themselves out and opportunities in recreation and tourism have grown dramatically, fewer nonmetro residents in the West are finding it necessary to leave to secure a job.

One outstanding trend since 1990 is the divergence in migration between the metro and nonmetro West. During 1988-89, both had positive net migration, with 80 percent of the growth going to metro areas. By 1993-94, the metro West was losing population to the rest of the country (though it continued to grow through high immigration from other countries and natural increase); this was happening at the same time that the nonmetro West was experiencing net immigration rates twice as high as any other part of the country, metro or nonmetro. The nonmetro West added 85,000 people through net migration during 1993-94—more than the entire West added 6 years earlier—but metro areas lost 139,000. As a result, the West as a whole lost population due to migration exchanges with other regions of the country, perhaps for the first time in history.

All economic county types experienced higher immigration, lower or equal outmigration, and higher net migration in 1993-94 than in 1988-89. Both farming and mining counties switched to net immigration during this interval. Interestingly, immigration contributed much more than retention to the switch among farming counties, perhaps signalling a growing attraction to these counties for reasons other than farming. Mining counties showed the largest jump in net migration, from -1.2 percent in 1988-89 to 0.1 percent in 1993-94, with higher in- and lower outmigration contributing equally.

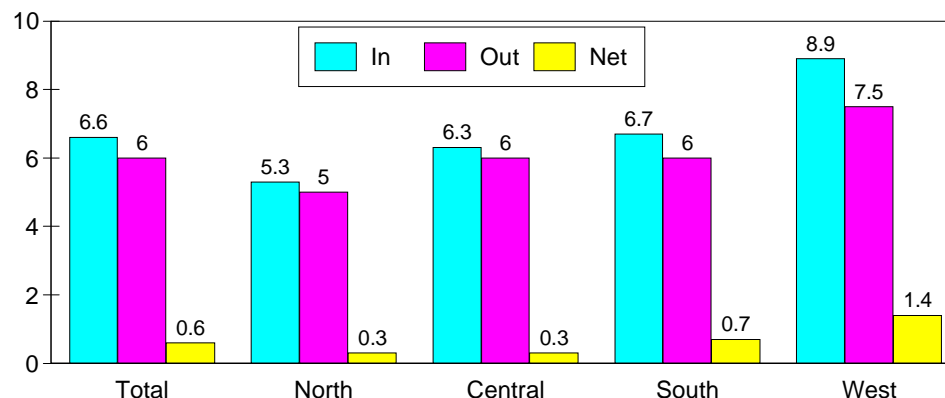
Along with retirement-destination counties, Federal lands counties now have the highest immigration rates among county types; both have immigration rates exceeding 9 percent. Federal lands counties have the highest outmigration rates as well, reflecting high turnover and instability commonly associated with fast-growing, recreation- and tourism-based economies. Nonetheless, outmigration was 9 percent lower in 1993-94 than it was 6 years before, tripling annual net migration into these amenity-rich, environmentally sensitive areas.

Figure 1

Regional nonmetro population change from migration, 1993-94

The West grew twice as fast through net migration as the next-highest region

Percent



Note: See appendix, p. 53, for definition of regions.

Source: Calculated by ERS using data from the Internal Revenue Service.

Migration a Two-Step Process

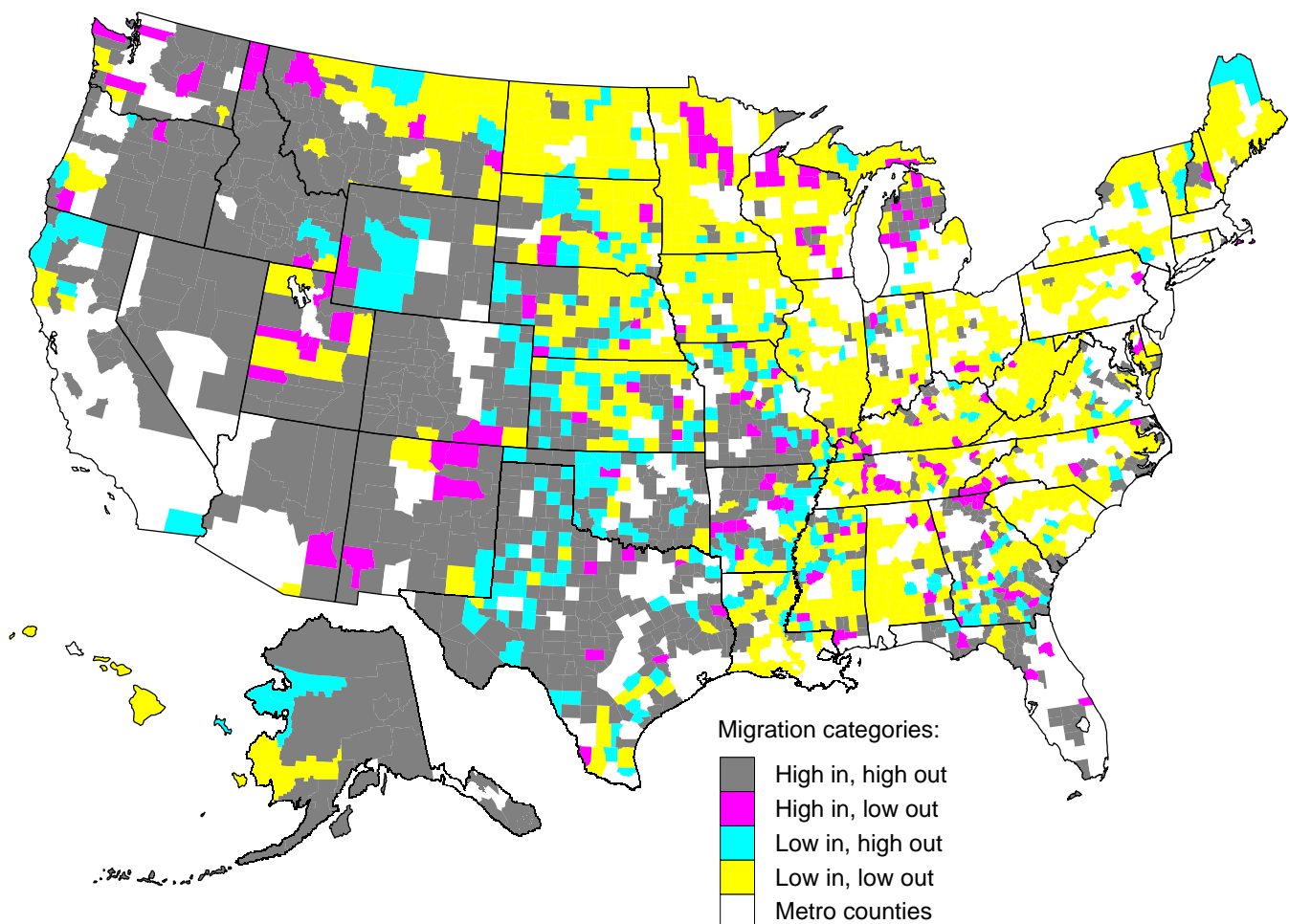
It is useful to view outmigration and immigration as separate decisionmaking processes. The former is associated with the decision of whether or not to move, while the latter is linked to the choice of a destination, once the decision to move has been made. During 1988-89, 50 percent of outmigration came from the 46 percent of nonmetro counties with the highest outmigration rates. Immigration was more concentrated, with 50 percent going to 37 percent of counties with the highest immigration rates. The concentration of outmigration remained unchanged after 6 years, but immigration became more diffused, though it was still more concentrated than outmigration. Apparently, the list of place-specific factors that attract immigrants to nonmetro areas is becoming more diverse.

Of the 944 nonmetro counties with high immigration (above 6.4 percent in 1993-94), 763 of them also had high outmigration (above 6.0 percent). Such counties dominate the Rocky Mountains and Colorado Plateau in the West, areas that also have the highest concentrations of Federal lands. They are also found in the southern Great Plains, in a broad arc stretching from the Ozarks to the Texas hill country, in the northern sections of lower Michigan, and in southern Georgia and the panhandle of Florida.

Figure 2

Nonmetro migration, 1993-94

Western, high-amenity counties are experiencing high migration turnover



Note: A 6.4-percent immigration rate divides counties into high and low "in" categories, with 50 percent of immigrants in each category; a 6-percent outmigration rate does the same for "out" counties.

Source: Calculated by ERS using data from the Internal Revenue Service.

Rapidly growing areas of high immigration and low outmigration, few in number, are commonly found on the fringes of metro areas and in high amenity areas such as the southern Appalachians and the lake country of the Upper Midwest. More common are slower growing or declining areas of low immigration and high outmigration, which are interspersed with areas of high turnover along the western fringes of the Great Plains, from the Nebraska panhandle through western Texas. A small number of such areas are also scattered through the midwestern Corn Belt and agricultural areas of the South.

Whither Nonmetro Migration?

Higher rates of job growth in nonmetro areas appear to have ended in 1995 and less favorable job-related migration patterns may occur as metro areas continue their recovery from the recession of the early 1990's. However, job-related migration adjustments may be outweighed by longer term trends, including the desire to escape urban environments, decreasing locational constraints on the producer service industry, relatively favorable real estate opportunities in nonmetro areas, and the steady increase in early retirement, recreation, and tourism. These trends are more likely to strengthen in the coming years, increasing the supply of nonmetro newcomers, especially to high-amenity areas, and allowing current residents to stay. *[John Cromartie, 202-219-0192, jbc@econ.ag.gov]*

and the South had population growth rates in rural and small town areas that were below the rate of the total U. S. population, but were well above their growth in the 1980's.

The only subregional exceptions to the overall pattern of more rapid nonmetro gain in the 1990's than in the 1980's were California, Hawaii, and the Florida Peninsula, where growth levels had fallen but were still high by national standards, and New England, where both metro and nonmetro growth was very modest, in keeping with the economic slowdown there.

1970's Redux

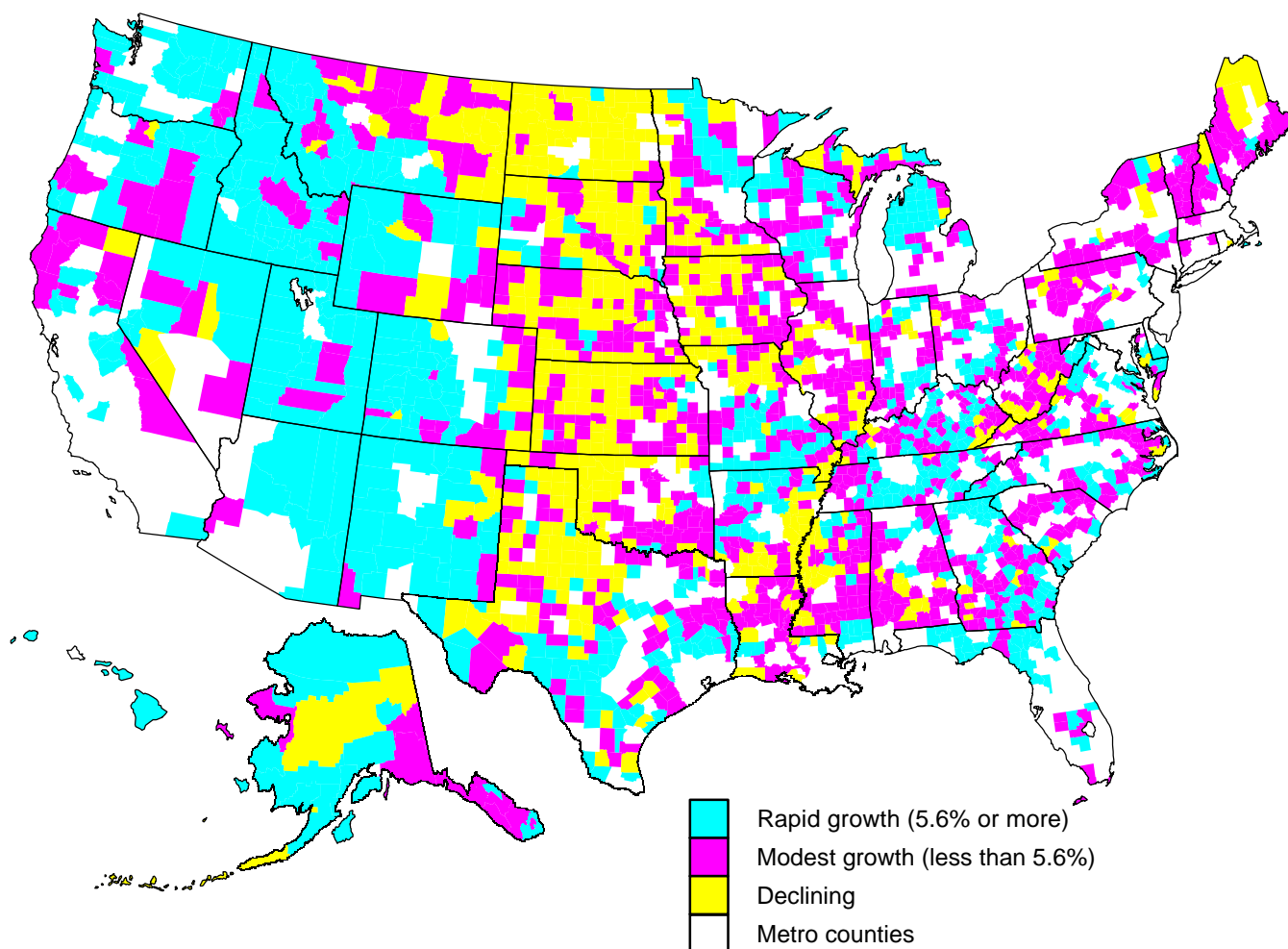
By 1994, the nonmetro population trend was becoming increasingly similar to that of the "rural turnaround" years of the 1970's, and the data for 1995 add to this analogy. It is obvious from the location of new growth that amenity-based considerations are important driving forces, as is continued metro sprawl. But nonmetro counties have also had superior rates of job growth, especially during 1991-93, when metro areas were in or just recovering from the predominantly metro recession of the early 1990's. Employment data show that this job growth advantage ended by mid-1995.

From other sources including the article that follows, we know that the shift to nonmetro net immigration from 1990-94 came as much from reduced outflow of people to the metro

Figure 2

Nonmetro population change, 1990-95

A third of all nonmetro counties grew faster than the Nation as a whole, but a fourth declined



Note: National average growth for this period was 5.6 percent.

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

Rural Employment Gains Continue, But Pace Slows

Nonmetro employment growth in 1994-95 continued to outpace the growth rates of the 1980's, although the rate of growth was somewhat slower than in the previous year. Meanwhile, nonmetro unemployment in 1995 fell to its lowest rate in over 15 years.

Employment in nonmetro areas grew 1.7 percent between 1994 and 1995, as moderate and steady economic expansion continued for the fourth consecutive year, according to data from the Bureau of Labor Statistics. Although this rate represents a sharp deceleration from the 2.7-percent growth of the previous year, it remains faster than the average annual nonmetro rate of the 1980's. To some extent, the lower growth rate of 1995 reflects a national economic "cooling off" from the more rapid growth of 1993-94. The slowdown was widespread across major regions, as well as across economic and policy county types, indicating that macroeconomic factors may have played a key role (see appendix, pp. 54-55, for definition of county types).

The nonmetro unemployment rate, meanwhile, fell by half a percentage point to an average of 6.2 percent in 1995, the lowest rate since 1979, as more people took jobs than entered the labor force. The difference was drawn from the ranks of the unemployed. Like employment change, overall nonmetro unemployment trends held true across regions and county types.

Metro Growth Rate Matches Nonmetro Rate

The nonmetro growth rate fell slightly below the metro rate of 1.8 percent for the first time since 1990. The impact of the 1990-91 recession was felt more strongly in metro areas, and the initial metro recovery proceeded more slowly. This was in marked contrast with the experience of the early and mid-1980's, when metro employment growth outpaced nonmetro growth for 8 years in a row.

Slow overall metro employment growth during the early 1990's reflects mainly the more severe recessionary dip and sluggish recovery in core counties of larger metro areas with more than 1 million population. Growth in other metro counties matched nonmetro county growth during this period. In contrast, employment in the metro core counties grew at about the same rate as other metro counties throughout the 1980's, and consistently exceeded nonmetro growth rates.

Growth Accelerates after 1990 in Three of Four Regions

Nonmetro employment growth in three of four U.S. regions accelerated significantly between the 1980's and the 1990's. The most dramatic change occurred in the Central region, where a decade of near-zero employment growth from 1980 to 1990 was followed by annual employment growth of 1.4 percent from 1990 to 1995. However, the fastest nonmetro annual growth rate in both periods was observed in the West; this rate rose from 1.6 percent in the 1980's to 2.5 percent in the 1990's. In the South, annual nonmetro employment growth accelerated from 0.9 percent in 1980-90 to 1.4 percent in 1990-95. Only the North showed no change after 1990, experiencing 1.4-percent annual nonmetro employment growth in both the 1980's and so far in the 1990's.

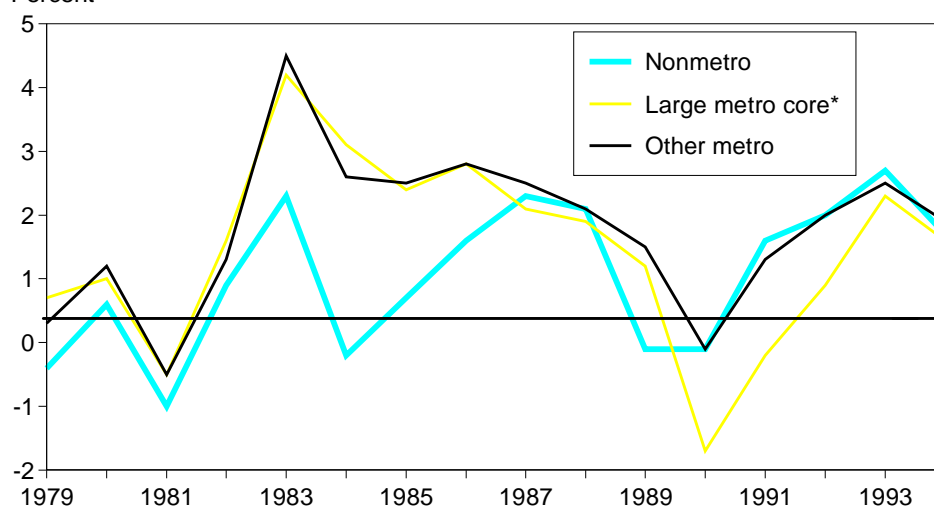
The three regions that experienced an acceleration of nonmetro employment growth after 1990 also experienced some deceleration between 1993-94 and 1994-95. Sharp deceleration was registered in the nonmetro South (down from 2.8 to 1.2 percent) and the nonmetro West (from 4.3 to 2.4). The nonmetro Central region's employment growth rate also slowed, but less dramatically, while the nonmetro North actually registered somewhat more rapid growth in 1994-95. Nationally, the 1994-95 slowdown represents a return to the overall trends of the post-recession 1990's, following more rapid growth from 1993 to 1994. Also, the recent recovery of metro economies, particularly in California, Texas, and the Great Lakes region, reduces the likelihood that poor economic conditions will push workers and employers into nonmetro areas.

Figure 1

Annual employment change by residence, 1980-95

Central counties in large metro areas lagged other counties during the early 1990's

Percent



*"Large metro core" counties include counties with a rural-urban continuum code of 0.

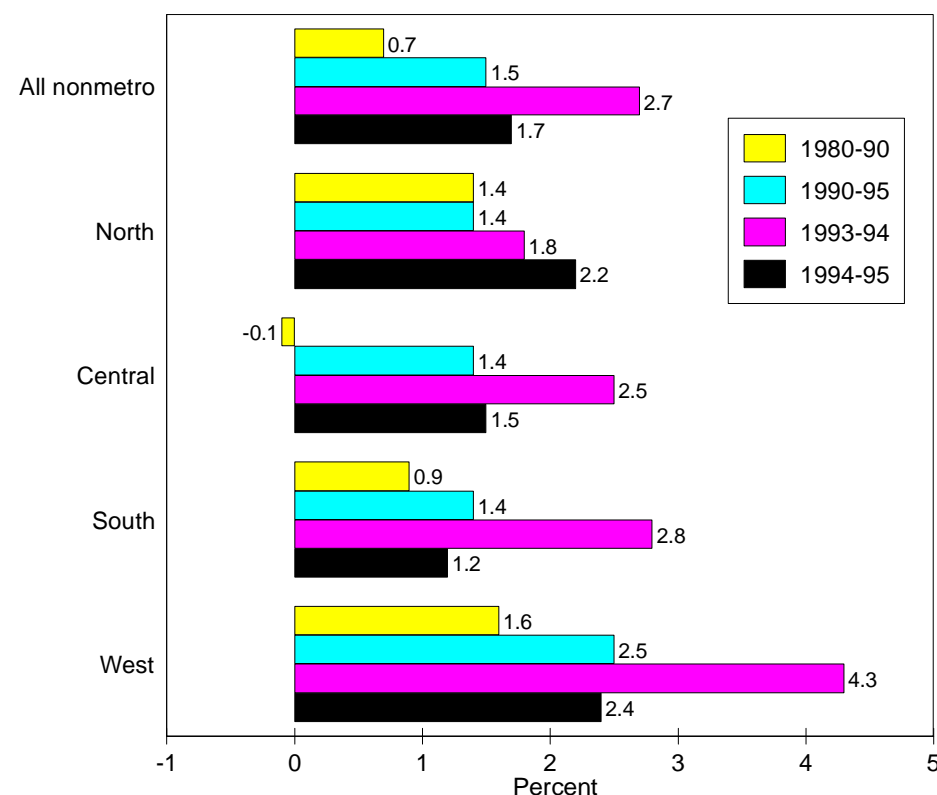
"Other metro" counties include counties coded 1-3. (See appendix.)

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

Figure 2

Nonmetro annual employment change by region, 1980-95

All regions except the North experienced slower nonmetro growth in 1994-95 than in the previous year



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

Farming- and Mining-Dependent Counties Grew More Rapidly in 1990's

Employment growth accelerated across all county economic types after 1990. The most marked changes were in farming-dependent counties, which grew 1.4 percent annually from 1990 to 1995 after near-zero growth during the 1980's, and in mining-dependent counties, where the modest 0.5-percent 1990-95 annual growth rate was a sharp improvement in the 0.7-percent average annual decline in employment during the 1980's. Annual growth rates increased by nearly a full point in service-dependent and nonspecialized counties as well. The service-dependent counties, with 2.1-percent annual growth, experienced the fastest 1990-95 average employment growth of any county economic type. A more modest increase was seen in the annual growth rate for manufacturing-dependent counties (from 1.0 to 1.4 percent), while the increase for government-dependent counties was a slight 0.1 percent (from 1.6 to 1.7 percent).

The slowdown in nonmetro employment growth in 1995 was also seen across all county economic types. The drop was especially notable in farming-dependent counties, where the growth rate fell from 2.9 to 1.1 percent from 1993-94 to 1994-95. In most years, farming-dependent counties are among the slowest growing economic types; even with the recent decline, their employment trend remains much more favorable than it had been during the 1980's.

The much slower growth seen in service-dependent counties in 1994-95 compared with the previous year also left them well above the 1980-90 trend. The slowdown in these counties, however, is somewhat more disturbing since service counties have led the nonmetro recovery.

Employment growth in manufacturing-dependent counties shifted downward by a full percentage point from the 1993-94 rate, while growth in government-dependent counties slowed least.

Nonmetro Unemployment Dips to 15-Year Low

The average unemployment rate in nonmetro areas stood at 6.2 percent in 1995, down from 6.7 percent in 1994. This is the lowest annual nonmetro unemployment rate in more than 15 years, and more than 2 percentage points below the average nonmetro unemployment rate of 8.8 percent over the whole of the 1980's, according to the Local Area Unemployment Statistics (LAUS) from the Bureau of Labor Statistics.

Since the 1990-91 recession, nonmetro unemployment rates have tracked less than a percentage point above the metro rate. The trend continued in 1995, with the metro unemployment rate at 5.4 percent, 0.8 percentage point lower than the nonmetro rate. The relatively narrow metro-nonmetro gap of the last few years is a welcome change from the 1980's, when the gap averaged nearly 2 percentage points.

Earlier in the decade, data from the Current Population Survey showed nonmetro unemployment rates actually falling below those of metro areas after 1991. Because of sampling changes and metro/nonmetro recoding to reflect the 1990 Census, accurate nonmetro labor force estimates from the CPS were unavailable for 1994 and 1995. If the past relationship between LAUS and CPS estimates still holds, we expect to find the nonmetro unemployment rate equal to or less than the metro rate according to CPS estimates to be released in 1997.

Regional differences in unemployment persist, with 1995 nonmetro unemployment rates ranging from less than 5 percent in the Central region to 7.4 percent in the West. Nonmetro unemployment rates have fallen sharply since the 1980's in all four regions, with declines ranging from just over 2 points in the West to nearly 3 points in the North. However, the Western rate remains above its 1990 low of 6.9 percent. Areas with high employment growth, such as the West, often experience a high proportion of job searching, which raises the unemployment rate. The greater number of available jobs brings in workers who are new to the area, but also induces many current workers to seek better employment. [Lorin Kusmin, 202-219-0550, lkusmin@econ.ag.gov, and Robert Gibbs, 202-501-7975, rgibbs@econ.ag.gov]

Rural Nonfarm Earnings Edge Up

During 1994, rural real earnings per nonfarm job increased faster than urban earnings. Rural earnings levels, however, continued to lag behind those for urban areas across all regions and industrial sectors.

Rural real earnings per nonfarm job rose by 1.2 percent from \$21,569 per nonfarm job to \$21,826 in 1994 (fig. 1).¹ Urban real earnings per nonfarm job increased at a slower pace (0.4 percent), rising from \$29,807 in 1993 to \$29,919 in 1994. This is the third consecutive year that rural earnings have increased, and the second consecutive year that rural earnings growth has outpaced urban. All industry sectors of the rural economy experienced real growth in 1994, and growth in all rural sectors matched or surpassed that of urban sectors. This contrasts markedly with rural earnings per job performance during the 1980's, when increasing demand for high skilled workers and a job mix dominated by declining industries hurt rural areas, and earnings per job fell at an annualized average rate of -0.6 percent. Although rural real earnings per job are growing after a decade of decline, a wide rural-urban earnings gap persists, presenting a mixed picture of the rural economy.

Rural-Urban Gap Remains Wide

Despite recent growth in rural real earnings per job, the rural-urban earnings gap increased steadily in the 1980's and early 1990's. In 1980, rural earnings per job were 80.6 percent of urban—a gap of \$5,465 (in 1994 dollars). By 1990, rural earnings had fallen to 73.7 percent of urban earnings—a gap of \$7,586. The largest rural-urban gap occurred in 1992, following the 1990-91 recession, when rural earnings were \$8,316 lower, or just 72.1 percent of urban. By 1994, the rural-urban gap had dropped only slightly to \$8,093, or 73.0 percent.

The rural-urban gap in earnings per job holds across all industry sectors (app. table 7). During the 1980's, the rural-urban earnings gap widened sharply in the services, trades,

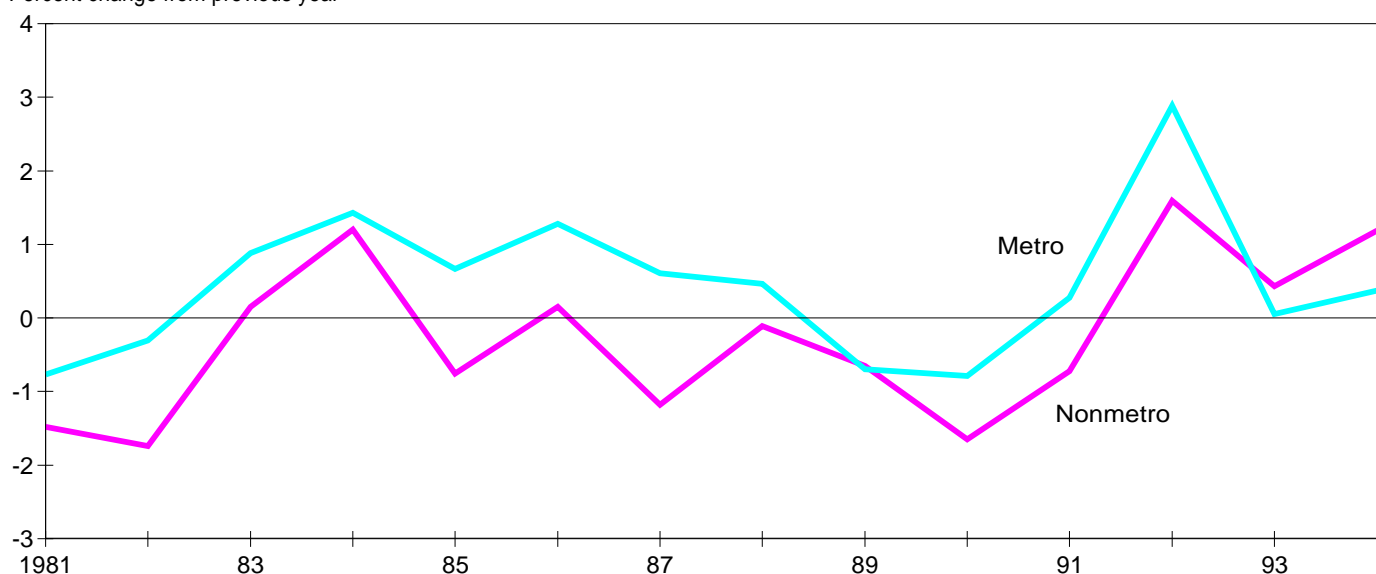
¹The 1994 data reflect revisions of the 3 prior years and thus may not exactly match previously reported numbers. All years' earnings are converted to 1994 dollars using the implicit price deflator for personal consumption expenditures.

Figure 1

Annual change in real earnings per job, 1980-94¹

Nonmetro earnings per job outpaced metro in 1994

Percent change from previous year



¹ Real earnings in 1994 dollars.

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

and construction sectors. Resource-based industries (agriculture services, mining) and government experienced less rural-urban divergence. In 1994, the earnings gap was largest in the finance, insurance, and real estate sector, where rural earnings per job were about half of urban earnings (\$30,048 vs. \$15,674). Rural earnings were 64.8 percent of urban in the services sector, 66.8 percent in wholesale trade, and 69.9 percent in manufacturing.

Despite Recent Rise in all Regions, Earnings per Job Remain Below 1980 Levels

Since 1991, rural earnings per job have increased in all regions (fig. 2). Even with these gains, 1994 rural earnings per job were lower than 1980 levels in the Western, Central, and Southern regions. During the 1980's, rural earnings per job fell in all regions, including the North. Particularly hard hit was the rural West, where 1990 earnings per job were only 86.2 percent of those in 1980, and the Central region, where 1990 earnings were 90.4 percent of those in 1980. Declines were more muted in the rural North and South, where 1990 earnings were 98.3 and 95.1 percent, respectively, of 1980 levels. Variation in two key sectors, manufacturing and services, helps explain these regional differences. Real earnings per job increased in both sectors in the rural North and South, but fell in the rural Central and Western regions. The rural West was hit particularly hard by a decline in manufacturing earnings per job; the rural Central region suffered a steep decline in earnings in the services sector.

Since 1991, rural earnings per job have increased in all regions' industries except the agricultural services, forestry and fishing sector. Earnings per job in manufacturing increased notably in the rural North, Central, and South. Rural earnings per job also rebounded in the services and government sectors, helping rural areas in all regions to improve during this period.

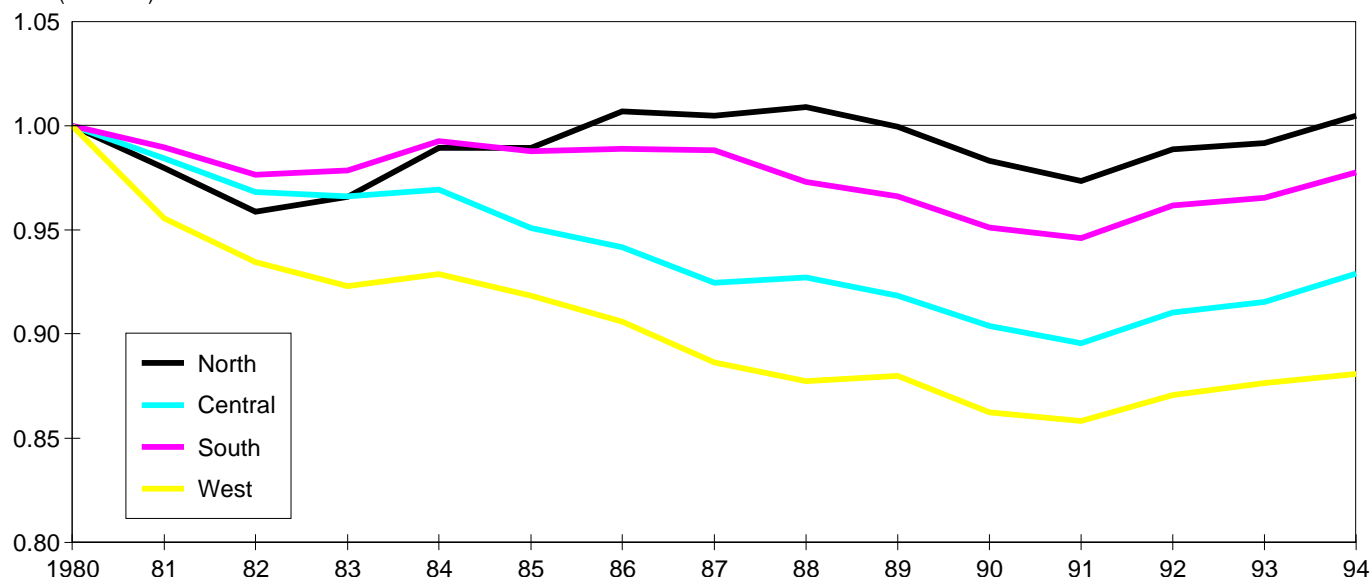
Although the rural West experienced the slowest growth in real earnings per job during 1990-94, the relative level of earnings remains high compared with the other regions. In 1994, rural areas in the North had the highest earnings per job (\$23,195), followed by the West (\$22,759), the South (\$21,382), and the Central region (\$20,334).

Figure 2

Nonmetro real earnings by region, 1980-94¹

Earnings declines were most pronounced in the rural West and Central regions during the 1980's

Index (1980 = 1)



¹ Real earnings in 1994 dollars.

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

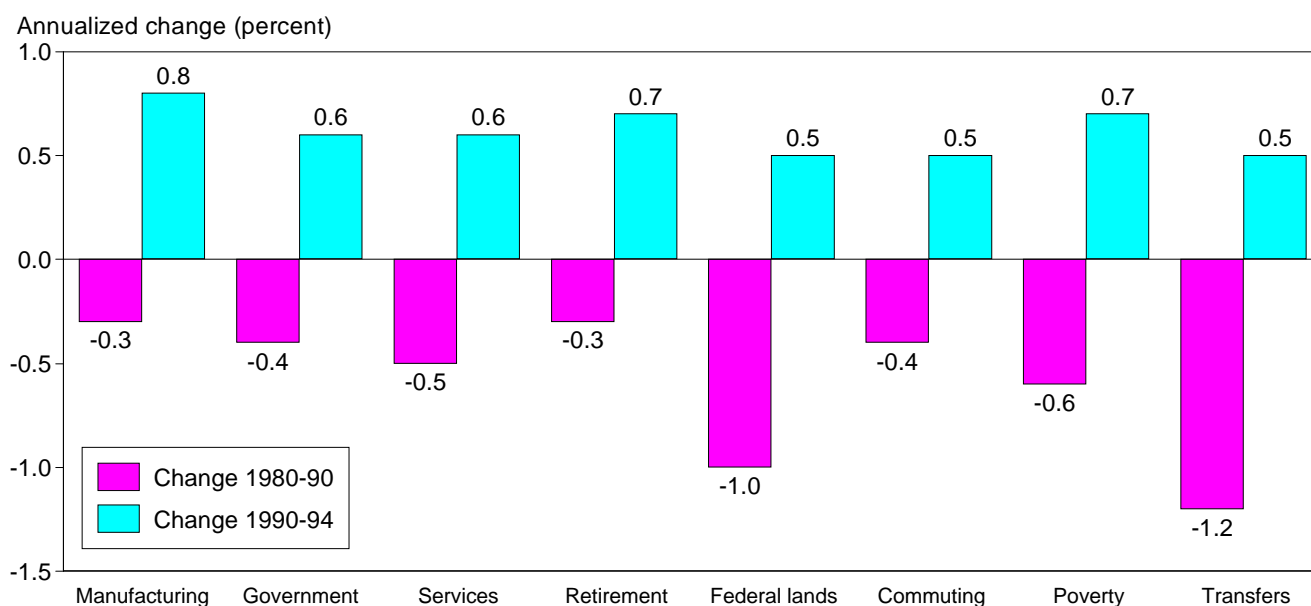
Earnings Rise in All County Types

All county types experienced declines in real earnings per job during the 1980's, and all (except mining counties) have had real earnings growth since 1990 (fig. 3). Manufacturing, retirement-destination, and persistent-poverty counties have had especially robust growth rates in 1990-94; real earnings per job growth in services and government counties matched the rural average for this period. While recent growth rates have been similar for most types, the rates of decline in the 1980's differed sharply. Federal lands and transfer-dependent counties experienced especially large declines in 1980-90. The disproportionate number of Federal lands counties in the rural West also helps explain that region's unusually large earnings per job loss in this period. Losses in manufacturing and retirement-destination counties, however, were much more modest. It is not totally clear why these divergent patterns of growth have been replaced by more uniform patterns of real earnings per job growth across county types. Converging earnings growth, however, is consistent with the widespread increase in rural employment during the 1990's and a tightening labor market. Furthermore, preliminary evidence suggests that many rural areas, regardless of their economic base, may be buoyed by the declining attraction of metro areas for well-educated workers, and by the diffusion of new production technologies that require a higher-skilled labor force. [Kathleen Kassel, 202-501-7981, kkassel@econ.ag.gov, and Robert M. Gibbs, 202-501-7975, rgibbs@econ.ag.gov]

Figure 3

Change in nonmetro real earnings per job by county type, 1980-90 and 1990-94

Varying losses in the 1980's were replaced with generally consistent gains in earnings per job in the 1990's



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

Growth in Per Capita Income Is Widespread in Rural America

Rural America experienced a modest increase in per capita income during the 1980's and early 1990's. The growth was quite widespread, extending to all regions and affecting counties with various economic bases. Per capita income has grown slightly faster in rural than in urban areas, but rural per capita income is still far below that of urban residents.

Rural per capita income was \$16,964 in 1994. Adjusted for inflation, it declined 0.7 percent during the 1990-91 economic recession, then increased 2.2 percent, 0.9 percent, and 2.8 percent in the following 3 years. Hence, the average annual increase during 1990-94 was 1.2 percent, compared with 1.4 percent in the preceding decade.

At the beginning of the decade, rural per capita income was 28.0 percent below urban per capita income. Since 1990, rural income has grown more rapidly than urban income, decreasing the rural-urban income gap to 25.9 percent in 1994. (Urban per capita income in 1994 was \$22,882.) This is a reversal of the trend of the 1980's, when the rural-urban gap widened. The gap in 1994 is about the same as it was in 1980 (fig. 1).

The Share of Rural Personal Income from Dividends, Interest, and Rent Has Declined

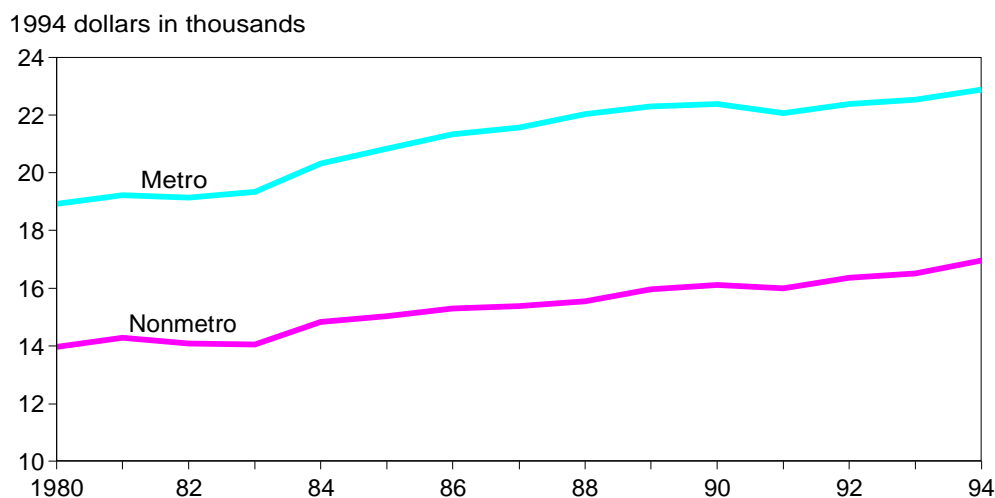
Personal income consists of earnings (wages, earnings from self-employment, and income from proprietorship), income from capital holdings (dividends, interest, and rent), and government transfers to individuals and nonprofit institutions (Social Security, Medicare, Medicaid, welfare, and others). In rural areas, 62.6 percent of 1994 personal income came from earnings, 15.5 percent from dividends, interest and rent, and the remaining 21.9 percent from government transfer payments (see next article about transfers to individuals). The share of income from transfers is somewhat higher and that from earnings somewhat lower than in urban areas, primarily because of the higher proportions of elderly and poor living in rural areas. The share of rural income from earnings has remained about constant since 1990 following a decline of about 5 percentage points during the 1980s. Since 1990, the share from dividends, interest and rent has declined 2.5 percentage points while that from government transfers has increased about the same amount (fig. 2).

The growth in rural per capita income during the 1990's resulted from a 1.4-percent increase in per capita earnings and a 4.2-percent increase in per capita government transfers, partially offset by a 2.5-percent decline in per capita income from dividends, interest, and rent. The growth in earnings per capita primarily reflects a higher employ-

Figure 1

Trends in per capita income by residence

Nonmetro per capita income growth has closely paralleled that in metro areas, but remains 26 percent below metro per capita income in 1994



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

ment rate, since earnings per job increased much more slowly (0.6 percent) during the period (see preceding articles in this issue on nonfarm earnings and employment/unemployment).

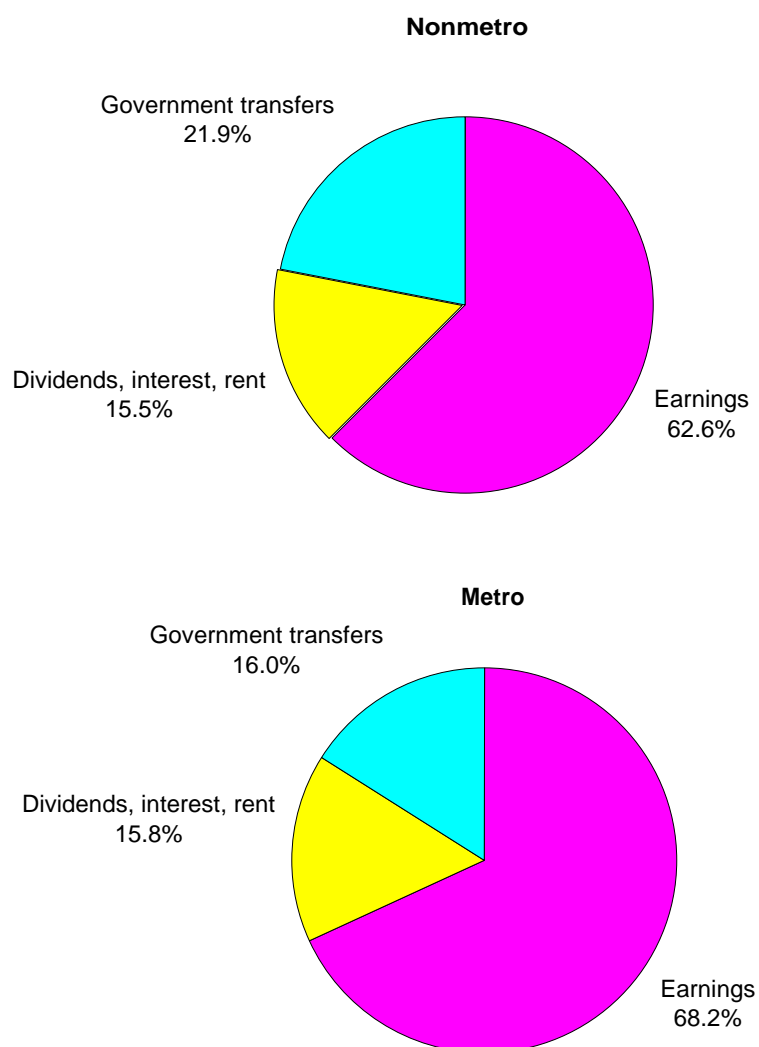
Rural Per Capita Income Is Lowest in the South but Has Grown Most Rapidly in That Region

Rural per capita income varies only moderately among regions. (See page 53 for definitions of regions used in this issue.) In 1994, rural per capita income was highest in the North at \$18,028 and lowest in the South (\$15,905), but the low value was only 12 percent under the high value (fig. 3). During both the 1980's and the early 1990's, rural per capita income grew more rapidly in the South than in any other region, reducing the rural South's economic disadvantage substantially (fig. 4).

Figure 2

Sources of personal income by residence, 1994

The share of personal income from earnings is somewhat smaller in nonmetro than in metro areas, primarily because of the larger proportion of retired persons in nonmetro areas



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

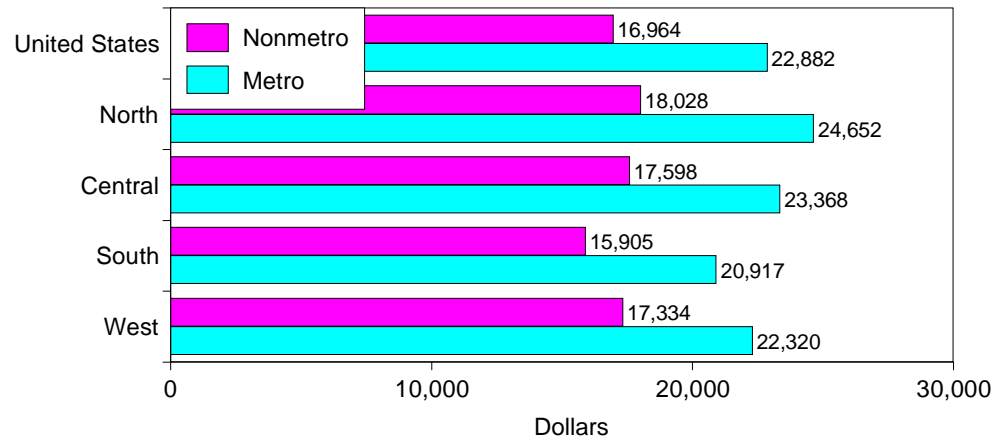
Income Growth Was Fastest in the Lowest- and Highest-Income Households

At first glance, the increase in rural per capita income during the early 1990's seems inconsistent with the nearly stagnant trend of median household income for the same period (described in the Spring 1995 issue of *Rural Conditions and Trends*, Vol. 5, No. 1, p. 26). Rural median household income — the income received by the household at the

Figure 3

Per capita income by region and residence, 1994

Nonmetro per capita income is highest in the North and West and lowest in the South, but it varies only moderately among regions



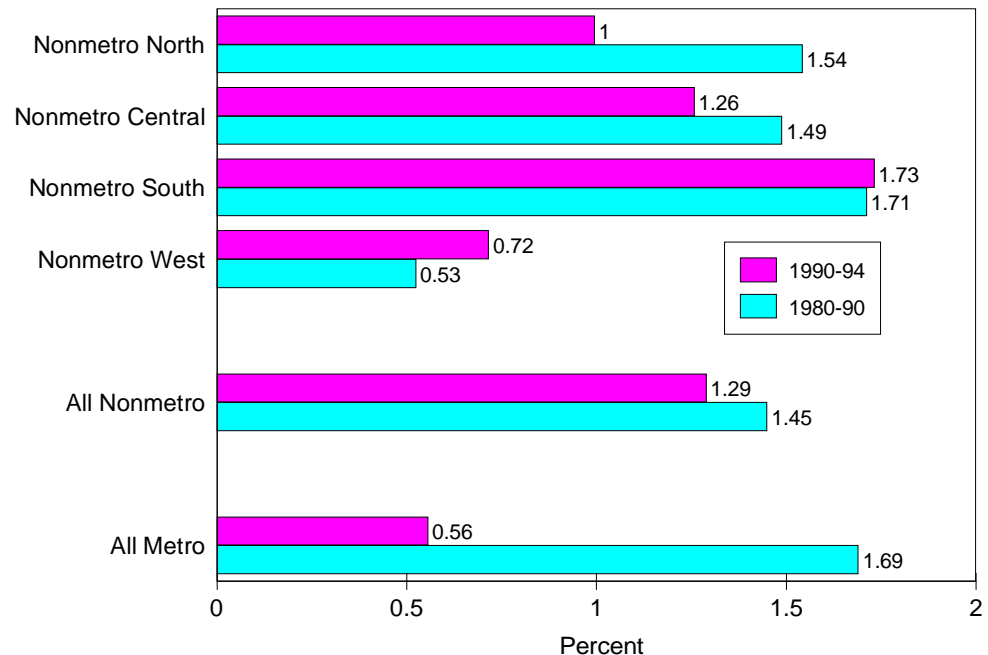
Note: See appendix for definition of regions, p. 53.

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

Figure 4

Average annual growth in per capita income by region

In the early 1990's, nonmetro per capita income grew at about the same rate as in the 1980's, and at more than twice the metro rate; per capita income grew fastest in the South during both periods



Note: See appendix for definition of regions, p. 53.

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

50th percentile of the income distribution — grew only 3.3 percent during 1985-94¹ (see box for comparison of the different statistics). During the same period, rural per capita income grew 12.9 percent. The distribution of the additional income across households accounts for most of this seeming anomaly. Income growth rates were highest in low-income and high-income households, whereas in middle-income households — where the median household is located — income grew much more slowly (fig. 5). Absolute growth was highest in the one-fifth of rural households with the highest incomes; per capita income (adjusted for inflation) in those households was \$1,305 higher in 1994 than in 1985. Proportionally, per capita income growth was highest in the one-fifth of rural households with lowest incomes. Although per capita income in this quintile grew by only \$595, it represented a growth rate of over 19 percent. A small decrease in the average number of persons per household also contributed slightly to the disparity in the growth rates of per capita income and median household income.

Income Levels Highest in Services-Dependent Counties

Among the county economic types, per capita income in 1994 was highest in counties heavily dependent on services and trade, exceeding the all-nonmetro per capita income by more than \$1,300 (app. table 9; see pp. 54-55 for definitions of county types). Incomes in manufacturing and farming counties were right at the all-nonmetro value, while mining and government-dependent counties had per capita incomes about \$1,000 lower.

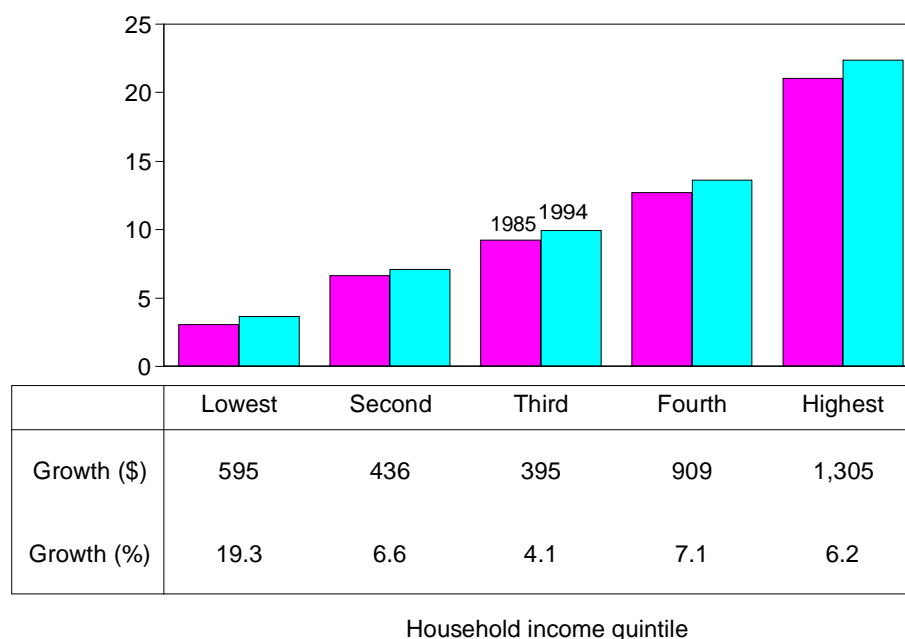
¹The period 1985-94 was used for this comparison for reasons of Current Population Survey data availability and comparability. Metro definitions were updated in 1985, so comparisons to earlier years by metro-nonmetro status would be biased.

Figure 5

Rural income distribution among households, 1985 and 1994

Income growth was concentrated in the lowest and highest income households

Per capita income
(1994 dollars in thousands)



Source: Calculated by ERS using data from the March 1986 and 1995 Current Population Surveys.

Among the county policy types, income was highest in retirement and Federal lands counties and, not surprisingly, lowest in persistent-poverty counties as well as counties that depend heavily on government transfers. (Many of the counties in the latter two types overlap.) Per capita income was about \$2,700 below that for all nonmetro in both of these categories.

Comparing per capita income among county types categorized by their population growth trends in the first half of the decade yields an unexpected result. Per capita income was highest in the counties that lost population (\$17,151) and lowest in the rapid-growth counties (\$16,769). This results partly from regional differences in per capita income. Most of the declining counties are in the Central region where per capita income is above average, and nearly half of the rapidly growing counties are in the South, which has the lowest average income of any region. Also, some of the movement of population into nonmetro areas may be for noneconomic reasons (as suggested in the migration article, p. 13).

Growth in Rural Per Capita Income Occurred in All County Types in the Early 1990's

Nonmetro income growth in the early 1990's was widespread, affecting counties of all economic types and all policy types (app. table 10). Among the economic types, manufacturing counties experienced the highest income growth (1.43 percent per year). Coming after a decade of solid growth in the 1980's (1.57 percent per year), this evi-

Different Statistics Tell Different Stories about Income

Several different statistics are commonly used to summarize the income of the residents of an area or the members of a subgroup. Each statistic tells a different story, and has advantages and limitations.

The statistic per capita income is the sum of all personal income received by the people in an area or category divided by the number of people in that area or category. In this article, the per capita incomes that are presented for regions and for rural and urban areas are based on county income and population data provided by the Bureau of Economic Analysis (BEA). Each year the BEA estimates total personal income in each county, using information from employers, banks, government programs, and other sources. The population estimate, provided by the Bureau of the Census, is based on the decennial count of population and is updated for births, deaths, and for migration estimates based on a wide range of data sources. An advantage of the per capita income statistic is that it can be calculated for small areas, such as counties, on an annual basis. Its chief limitation is that it is almost always strongly influenced by a small proportion of households with very large incomes. Likewise, change in per capita income is strongly influenced by changes in the income of the small proportion of high-income households and may or may not reflect changes experienced by most of the people in the area or category.

The statistic median household income provides a more accurate picture of the income of a typical household in an area or category. It is the income of the middle household (at the 50th percentile) when the households are ranked by income. The median is affected little, if any, by changes in income of the very wealthy or very poor. The chief limitation of this statistic is that it is difficult and expensive to measure, requiring a large random sample of the households in each area or category. For this reason, annual income data adequate to calculate median household income are available only at the national level (in the March Supplement of the Current Population Survey). At the county level, it can be estimated reliably only once a decade, based on decennial census information.

In this article, we use both of these statistics to provide as complete a picture as possible of income and recent income trends in rural America. We report change in median household income at the national level as a measure of income growth of typical rural families. We report per capita incomes of county types to describe the income and recent trends in counties that share important economic, social, and locational characteristics. And we present the range and average of per capita incomes of individual counties within types to depict the extent of variation of county incomes within each type.

dences the robust character of the economies of the manufacturing counties, notwithstanding the challenges of globalization and restructuring. During 1990-94, per capita income grew slowest in farming counties (0.89 percent per year). However, these counties had experienced high income growth in the 1980's (2.03 percent per year).

Income grew rapidly in the poorest rural counties. Persistent-poverty counties experienced per capita income growth of over 2 percent per year during 1990-94. This followed a decade of growth at 1.61 percent per year, somewhat above the nonmetro average, so these counties are slowly closing the income gap separating them from other rural counties.

Per Capita Income Varies Greatly Among Counties Within Farming and Service Categories

The per capita income for each county type (reported above) was calculated for the combined population of the category. Examining the per capita incomes of the individual counties in each category provides additional perspective on how widely per capita income varies among counties within each type.

Consistent with the results based on the aggregate per capita income, the average county per capita income was highest in services counties (\$17,941) and in farming counties (\$17,716) (app. table 11). However, within both of those types, per capita income varied widely among counties. Among the 556 farming counties, per capita income ranged from less than \$9,000 to over \$38,000 (fig. 6). Per capita incomes for about two-thirds of the farming counties were between \$14,176 and \$21,265; the remaining one-third of farming counties had incomes either below or above these amounts. The range of income in manufacturing counties was much narrower, attesting to the stability and consistency of rural manufacturing economies.

Of all the county types, those experiencing rapid population growth had the greatest range of per capita income, extending from less than \$7,000 to nearly \$42,000. This suggests that the cause and character of population growth in these counties is diverse.

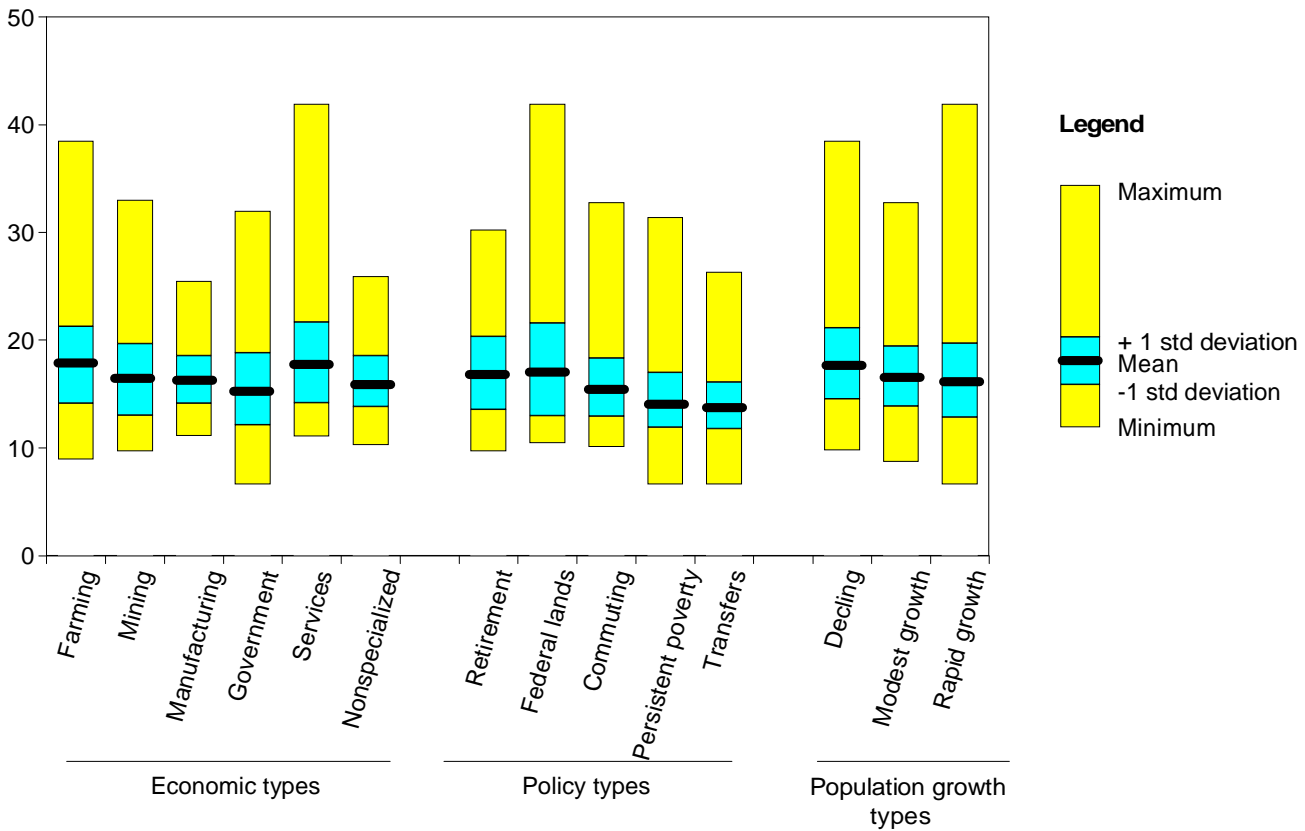
[Jack Angle 202-501-7866, jangle@econ.ag.gov, and Mark Nord 202-219-0554, marknord@econ.ag.gov]

Figure 6

Means and ranges of county per capita income by nonmetro county types, 1994

Per capita income is highest in farming and services counties, but varies greatly among counties within those types.

Thousands of dollars



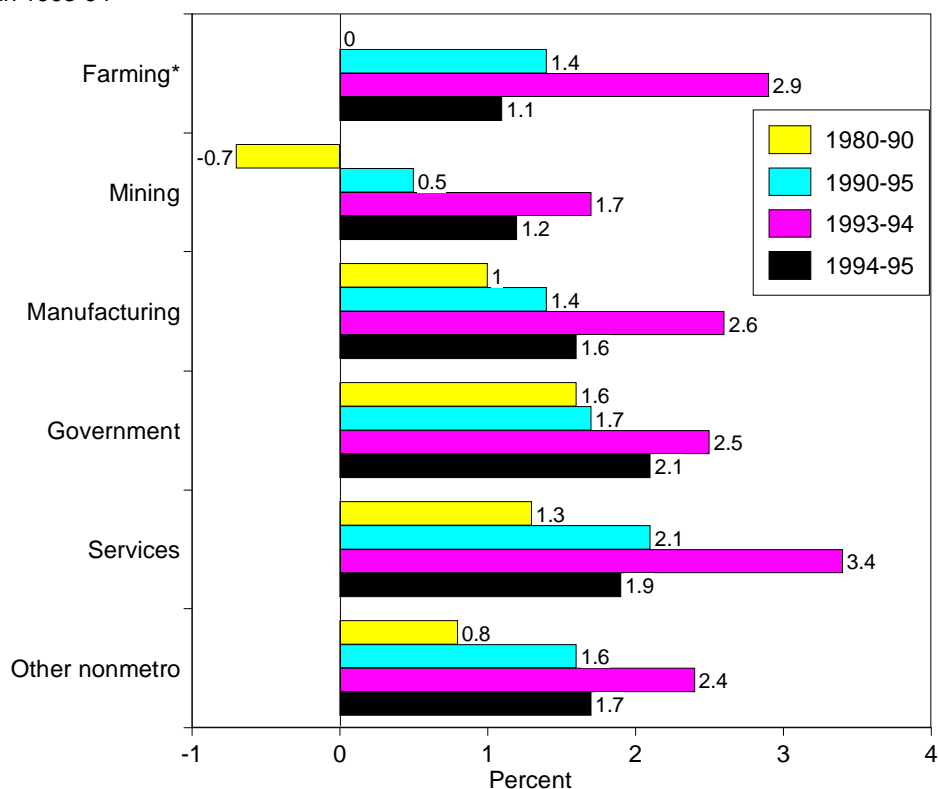
Note: On average, about two thirds of the counties in a category have per capita income within one standard deviation of the mean. For specific values, see appendix table 11.

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

Figure 3

Annual employment change by county economic type, 1980-95

Growth has been faster for all county types in the 1990s, especially in 1993-94



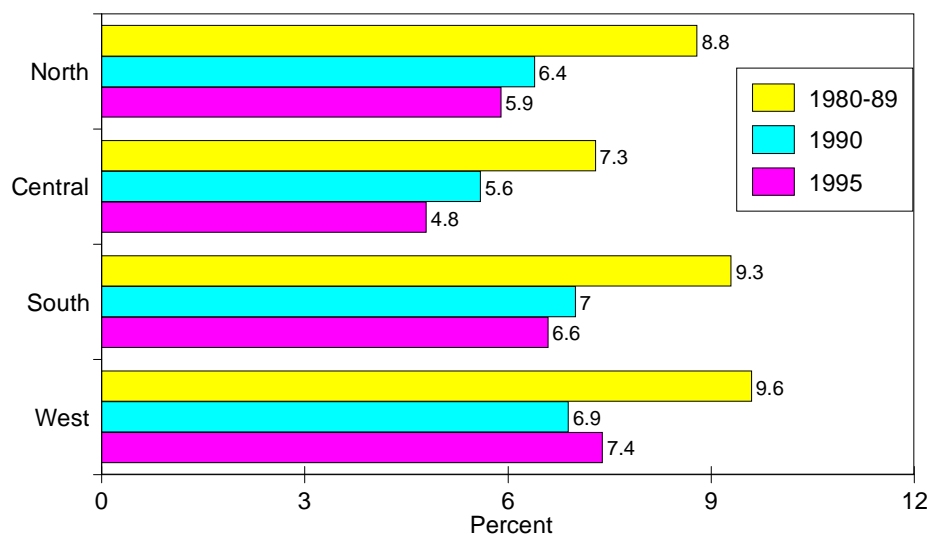
* 1980-90 figure for farming was -0 percent.

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

Figure 4

Nonmetro annual unemployment rates by region, 1980-95

Unemployment rates stand at a 15-year low in all regions except West



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

areas as it did from a stepped-up inflow of newcomers. Whether rural outmovement will swell again if metro America resumes a superior rate of job opportunity remains to be seen. But for the moment, rural and small town growth is widespread and was on a par with metro growth by 1995. *[Calvin Beale, 202-219-0482, cbeale@econ.ag.gov]*

Rapid Growth in Medical Transfer Payments Is Driving Force for Growth in Transfers

During 1990-94, per capita transfer payments grew over 4 percent annually in both rural and urban America, nearly twice as fast as during the 1980's. A rapid rise in per capita spending for medical payments accounted for a majority of both rural and urban growth. Rural economies rely more heavily than urban economies on transfer income as a major source of personal income. In 1994, per capita transfers made up 21 percent of rural personal income, up from 18 percent in 1989.

Each year, Federal, State and local governments spend billions of public dollars in support of the Nation's social welfare. Large-scale public spending for social programs traces back to the Social Security Act of 1935 that established Social Security, the largest income maintenance program in the Nation, along with several other programs that eventually evolved into Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and unemployment insurance (UI). Drawn from public revenues and trust funds, these expenditures include benefits paid to individuals, organizations, and businesses along with capital outlays, and administrative and service costs of the public programs.

A substantial part of public spending for social welfare goes as income transfers to individuals who are recipients of cash benefits distributed through various government programs. Of the \$915 billion in cash benefits transferred to individuals in 1994, over \$188 billion went to persons living in rural areas, amounting to \$3,560 per capita — up from \$3,512 in 1993 (1994 constant dollars). Per capita transfer payments to urban residents grew from \$3,464 in 1993 to \$3,503 in 1994 (app. table 12).

The overwhelming share of rural transfer dollars went to large numbers of retirees as retirement/disability payments including Social Security and government pensions (52 percent) and to suppliers of medical care as Medicare and Medicaid payments (33 percent) (fig. 1). About 9 percent of transfer dollars (totally \$17 billion) was cash income benefits paid to qualifying families and persons through welfare programs (AFDC, SSI, food stamps and other income maintenance programs). Unemployment insurance, veterans' benefits, and employment, education, and training programs accounted for the remaining 6 percent (see appendix, pp. 53-54, for definitions).

Share of Rural Personal Income From Transfers Grows

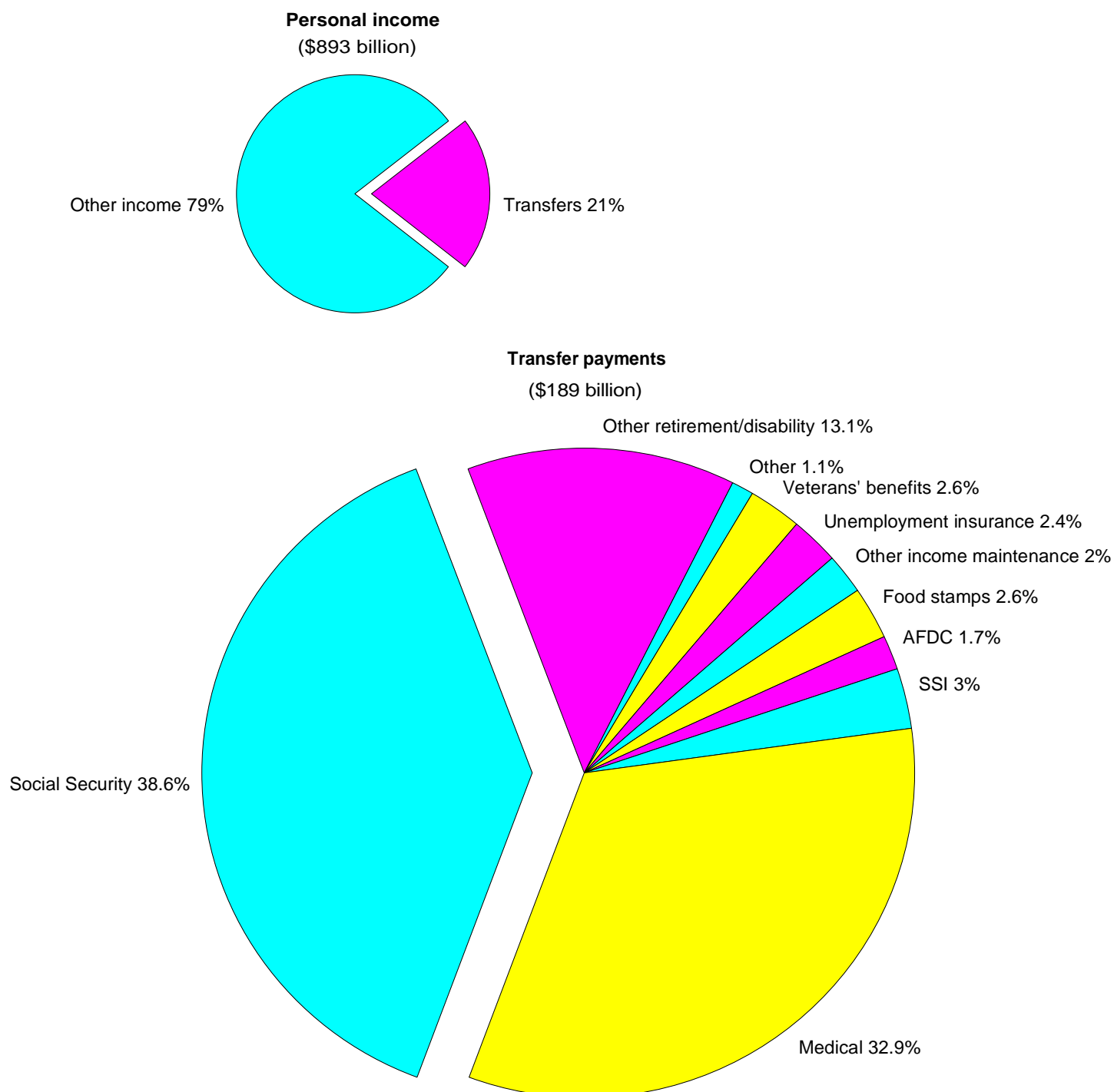
Not only are rural per capita transfers higher than urban per capita transfers, but they account for a larger and growing share of rural personal income. Transfers made up one-fifth of rural personal income in 1994, compared to 15.1 percent in 1979 and 18.0 percent in 1989. The share of urban per capita personal income from transfer payments also grew, increasing from 12.1 percent in 1979 to 15.3 percent in 1994. Clearly, rural areas rely more heavily on transfer income than urban areas.

Transfers Grow Faster in Rural Than Urban Areas

Continuing a trend spanning several decades, per capita government transfer payments to individuals grew faster than inflation in both rural and urban areas during 1980-94. In the early 1980's, rural and urban per capita transfers were growing at about the same pace. After 1981, rural per capita transfers began to grow faster than those in urban areas with the rural-urban gap widening the most during the 1990's (fig. 2).

One of the main forces driving real growth trends in rural transfer payments is growth in medical payments (Medicare, Medicaid, and CHAMPUS payments for military dependents). Accounting for a third of rural per capita transfer dollars, per capita medical transfer payments in 1994 were 271 percent of their 1980 base. Per capita retirement and disability payments (such as Social Security and pensions) grew only slightly faster than inflation. Growth in per capita unemployment insurance fluctuated over the period, growing rapidly during recessionary years and slowing or declining during years of economic recovery. Growth in income maintenance programs (SSI, AFDC, food stamps, and other programs for low-income persons not receiving AFDC) increased slightly to modestly until 1991 when it quickened during the 1990-91 recession, then slowed and leveled off between 1993-94 (fig. 3).

Figure 1

Nonmetro transfer payments as share of personal income and by individual sources, 1994*Over one-fifth of rural personal income came from transfers in 1994*

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

Annual Rate of Transfer Growth Slows in 1994

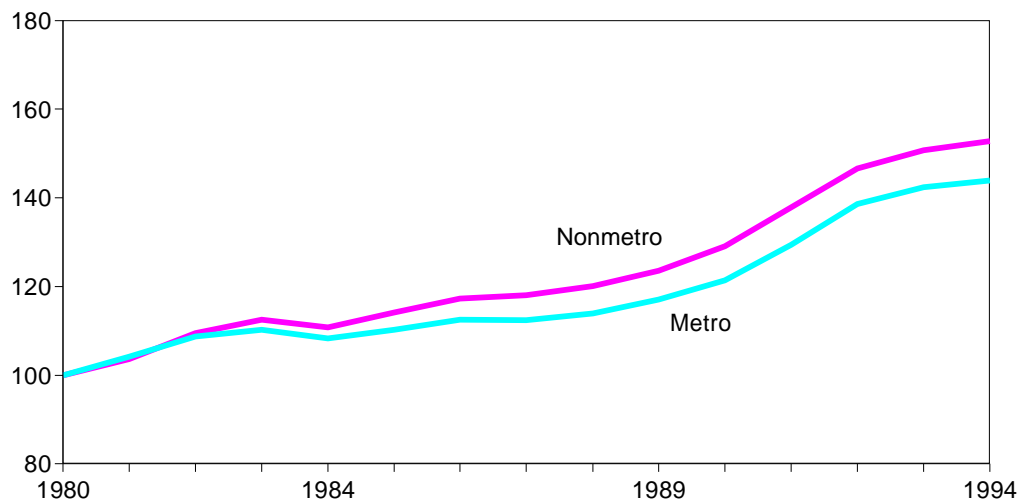
As reported in the Spring 1995 *Rural Conditions and Trends*, annual rates of change in transfer payments generally follow changes in the economy, growing during recessionary periods and falling during periods of economic recovery. Transfer payments grew at an average annual rate of about 4 percent in both rural and urban areas between 1990-94, about twice as fast as they did during the 1980's. During 1990-92—spanning the year of the last recession when rural earnings declined and the first year of economic recovery when rural earnings grew by 2.81 percent—rural per capita transfers grew more than 6 percent. During the 2 years of the 1992-94 economic recovery when the earnings growth

Figure 2

Trends in real transfer payments per capita by residence

Although transfers grew in both rural and urban areas, rural transfers grew faster after 1981

Index, 1980=100



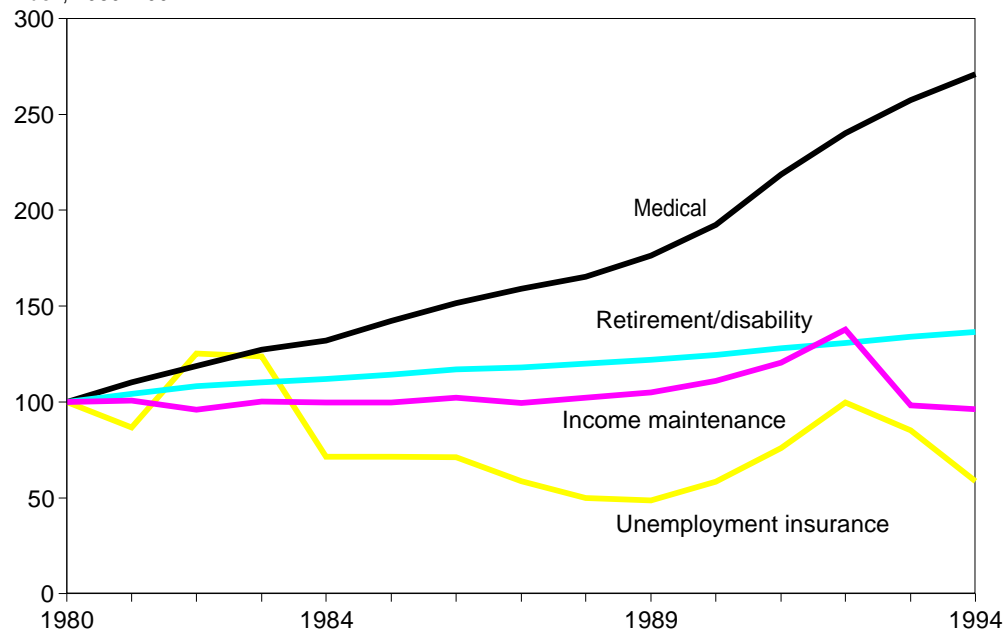
Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Figure 3

Trends in nonmetro real transfer payments per capita by program

Medical transfers in rural areas grew rapidly from 1980 to 1994

Index, 1980=100



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

Rapid Growth in Medical Transfer Payments Is Driving Force for Growth in Transfers

During 1990-94, per capita transfer payments grew over 4 percent annually in both rural and urban America, nearly twice as fast as during the 1980's. A rapid rise in per capita spending for medical payments accounted for a majority of both rural and urban growth. Rural economies rely more heavily than urban economies on transfer income as a major source of personal income. In 1994, per capita transfers made up 21 percent of rural personal income, up from 18 percent in 1989.

Each year, Federal, State and local governments spend billions of public dollars in support of the Nation's social welfare. Large-scale public spending for social programs traces back to the Social Security Act of 1935 that established Social Security, the largest income maintenance program in the Nation, along with several other programs that eventually evolved into Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), and unemployment insurance (UI). Drawn from public revenues and trust funds, these expenditures include benefits paid to individuals, organizations, and businesses along with capital outlays, and administrative and service costs of the public programs.

A substantial part of public spending for social welfare goes as income transfers to individuals who are recipients of cash benefits distributed through various government programs. Of the \$915 billion in cash benefits transferred to individuals in 1994, over \$188 billion went to persons living in rural areas, amounting to \$3,560 per capita — up from \$3,512 in 1993 (1994 constant dollars). Per capita transfer payments to urban residents grew from \$3,464 in 1993 to \$3,503 in 1994 (app. table 12).

The overwhelming share of rural transfer dollars went to large numbers of retirees as retirement/disability payments including Social Security and government pensions (52 percent) and to suppliers of medical care as Medicare and Medicaid payments (33 percent) (fig. 1). About 9 percent of transfer dollars (totally \$17 billion) was cash income benefits paid to qualifying families and persons through welfare programs (AFDC, SSI, food stamps and other income maintenance programs). Unemployment insurance, veterans' benefits, and employment, education, and training programs accounted for the remaining 6 percent (see appendix, pp. 53-54, for definitions).

Share of Rural Personal Income From Transfers Grows

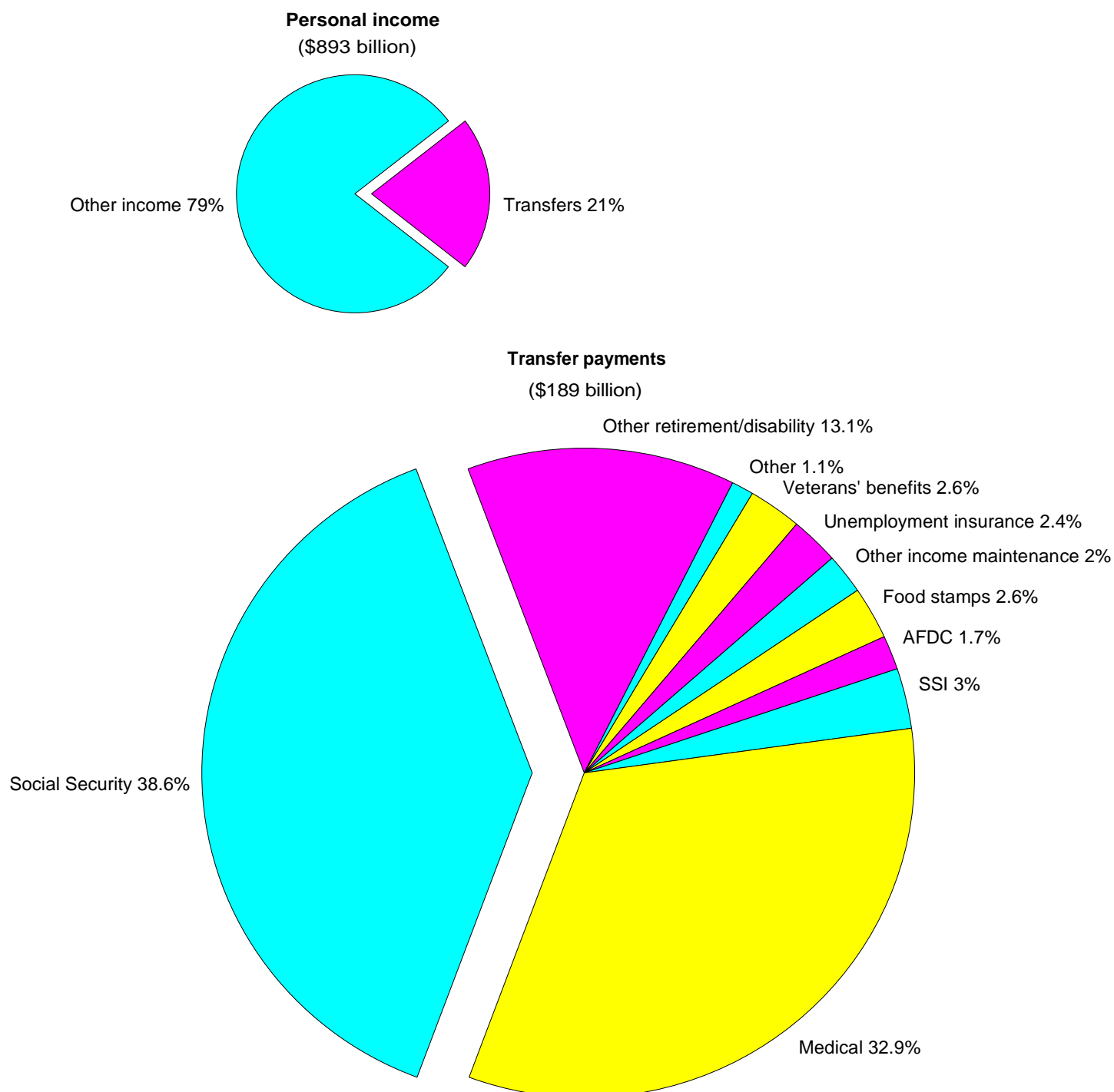
Not only are rural per capita transfers higher than urban per capita transfers, but they account for a larger and growing share of rural personal income. Transfers made up one-fifth of rural personal income in 1994, compared to 15.1 percent in 1979 and 18.0 percent in 1989. The share of urban per capita personal income from transfer payments also grew, increasing from 12.1 percent in 1979 to 15.3 percent in 1994. Clearly, rural areas rely more heavily on transfer income than urban areas.

Transfers Grow Faster in Rural Than Urban Areas

Continuing a trend spanning several decades, per capita government transfer payments to individuals grew faster than inflation in both rural and urban areas during 1980-94. In the early 1980's, rural and urban per capita transfers were growing at about the same pace. After 1981, rural per capita transfers began to grow faster than those in urban areas with the rural-urban gap widening the most during the 1990's (fig. 2).

One of the main forces driving real growth trends in rural transfer payments is growth in medical payments (Medicare, Medicaid, and CHAMPUS payments for military dependents). Accounting for a third of rural per capita transfer dollars, per capita medical transfer payments in 1994 were 271 percent of their 1980 base. Per capita retirement and disability payments (such as Social Security and pensions) grew only slightly faster than inflation. Growth in per capita unemployment insurance fluctuated over the period, growing rapidly during recessionary years and slowing or declining during years of economic recovery. Growth in income maintenance programs (SSI, AFDC, food stamps, and other programs for low-income persons not receiving AFDC) increased slightly to modestly until 1991 when it quickened during the 1990-91 recession, then slowed and leveled off between 1993-94 (fig. 3).

Figure 1

Nonmetro transfer payments as share of personal income and by individual sources, 1994*Over one-fifth of rural personal income came from transfers in 1994*

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

Annual Rate of Transfer Growth Slows in 1994

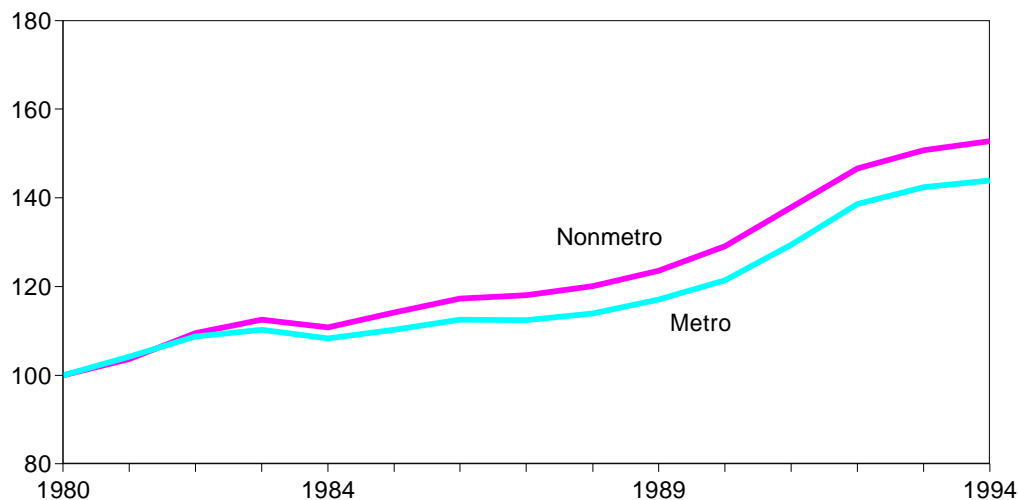
As reported in the Spring 1995 *Rural Conditions and Trends*, annual rates of change in transfer payments generally follow changes in the economy, growing during recessionary periods and falling during periods of economic recovery. Transfer payments grew at an average annual rate of about 4 percent in both rural and urban areas between 1990-94, about twice as fast as they did during the 1980's. During 1990-92—spanning the year of the last recession when rural earnings declined and the first year of economic recovery when rural earnings grew by 2.81 percent—rural per capita transfers grew more than 6 percent. During the 2 years of the 1992-94 economic recovery when the earnings growth

Figure 2

Trends in real transfer payments per capita by residence

Although transfers grew in both rural and urban areas, rural transfers grew faster after 1981

Index, 1980=100



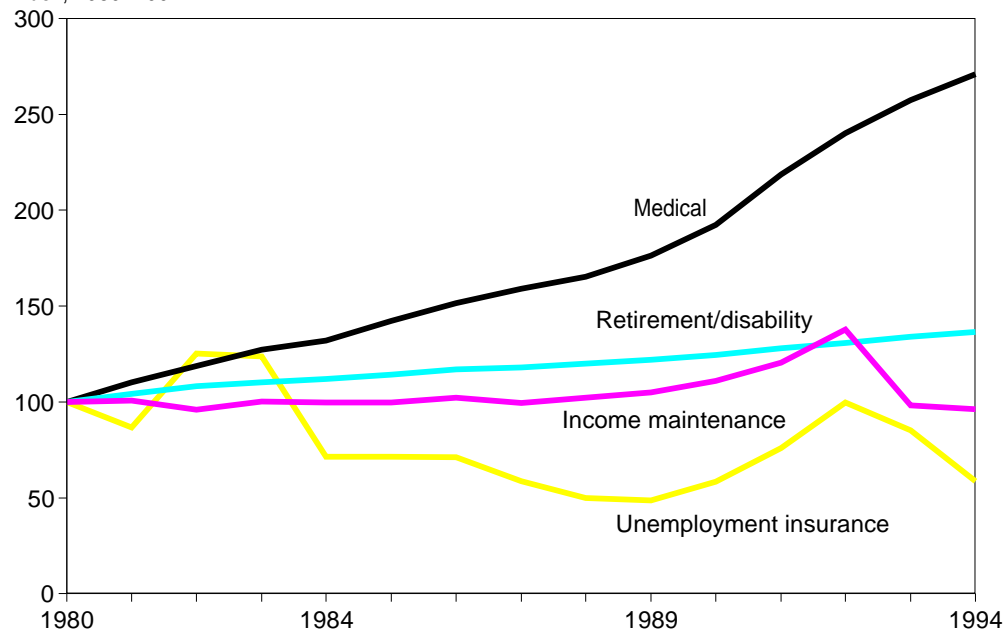
Source: Calculated by ERS using data from the Bureau of Economic Analysis.

Figure 3

Trends in nonmetro real transfer payments per capita by program

Medical transfers in rural areas grew rapidly from 1980 to 1994

Index, 1980=100



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

increased markedly, growth in transfers decelerated to 2.8 percent in 1992-93 and 1.4 percent in 1993-94 (fig. 4).

Rural growth rates in nearly all program categories either slowed or declined in 1993-94 to the lowest point of the decade (app. table 12). Medical outlays grew, on average, 9 percent a year during 1990-94, with most of the growth occurring in the early 1990's. Responding to employment growth (see p. 18), growth in food stamps and unemployment insurance benefits declined by 3.4 percent and 31.2 percent, respectively. The annual rate of growth in all income maintenance programs dropped dramatically from 13.8 percent in 1991-92 to -0.46 in 1993-94. For the second time during the 1990's, per capita AFDC benefits declined. If the recent national decrease in AFDC recipients reaches rural areas, per capita AFDC benefits may show a continuing decline when the 1995 data become available.

Rural Reliance on Transfers Varies for Different County Types and Geographically

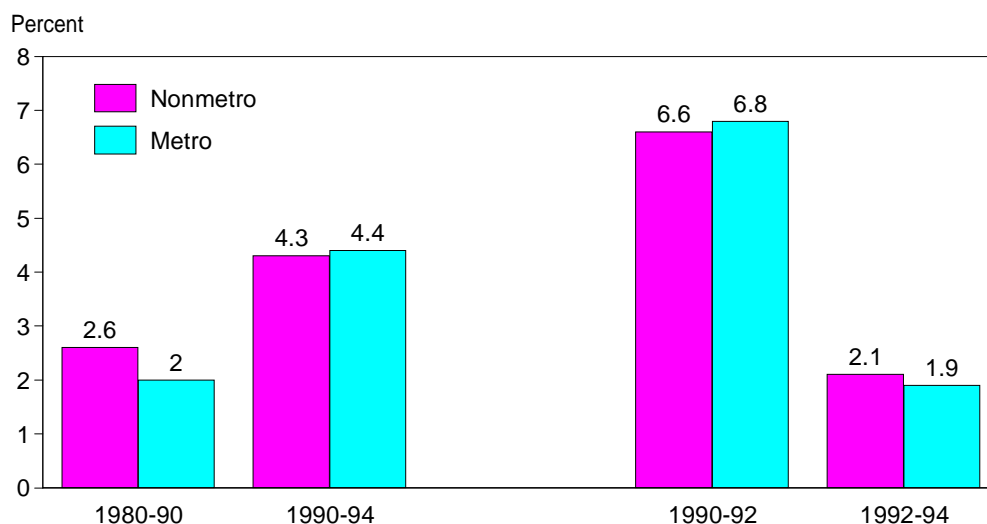
The level of per capita transfers varies among different county types (app. table 13). Counties with somewhat higher per capita transfer payments include those with a high concentration of Black population where transfer payments made up 24 percent of total county per capita personal income and came disproportionately from maintenance programs. In retirement destination counties, per capita transfers were \$3,794 and, as one might expect, came disproportionately from programs benefiting people age 65 years or older such as Social Security, government pensions, and Medicare. Likewise, counties with declining populations also depended more heavily on transfer payments with a larger relative share from medical programs. With poverty rates in excess of 20 percent for several decades, persistent-poverty counties relied on transfer payments for more than 26 percent of overall personal income with disproportionate shares of transfers coming from medical and income maintenance benefits via programs aimed at the poor.

The results of classifying nonmetro counties into three groups according to the share of personal income derived from transfer payments further confirm the linkage between the concentration of either elderly retirees or disadvantaged populations and economic reliance on transfer income. High-transfer counties—the top 25 percent of nonmetro counties—relied on transfers for 27 percent or more of county personal income. These counties tended to be concentrated in the Appalachian areas of West Virginia, Kentucky, the Black Belt counties of the Deep South including the Mississippi River Delta, parts of

Figure 4

Average annual change in real transfers per capita by residence

Transfer growth quickened in both rural and urban areas during the early 1990's



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

Texas with high Hispanic populations, Western counties with large Native American populations, and retirement areas in the Ozark region, upper New England, Florida, and California's northern coastal counties (fig. 5).

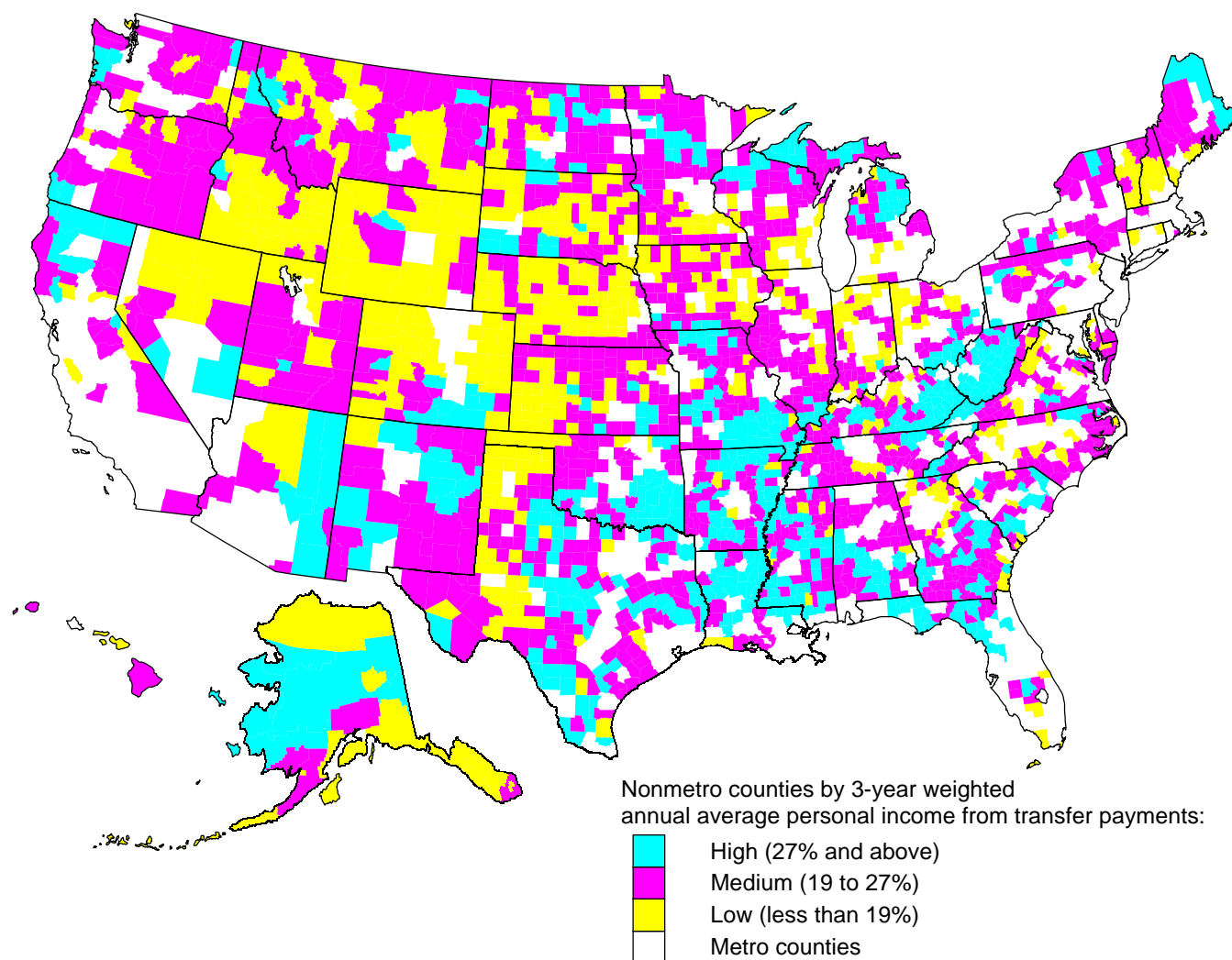
Several county types had a disproportionate share of counties that were also high-transfer counties. For example, over 60 percent of persistent-poverty counties, more than 30 percent of counties in the South and in retirement-destination counties, and over 40 percent of Black counties and Native American counties depended heavily on personal income from transfer payments. Many of the types also overlap with each other.

[Elizabeth M. Dagata, 202-219-0536, edagata@econ.ag.gov, and Peggy J. Cook, 202-219-0095, pross@econ.ag.gov]

Figure 5

Nonmetro counties by economic reliance on government transfer payments, 1992-94

High-transfer counties include many persistent-poverty and minority counties



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

increased markedly, growth in transfers decelerated to 2.8 percent in 1992-93 and 1.4 percent in 1993-94 (fig. 4).

Rural growth rates in nearly all program categories either slowed or declined in 1993-94 to the lowest point of the decade (app. table 12). Medical outlays grew, on average, 9 percent a year during 1990-94, with most of the growth occurring in the early 1990's. Responding to employment growth (see p. 18), growth in food stamps and unemployment insurance benefits declined by 3.4 percent and 31.2 percent, respectively. The annual rate of growth in all income maintenance programs dropped dramatically from 13.8 percent in 1991-92 to -0.46 in 1993-94. For the second time during the 1990's, per capita AFDC benefits declined. If the recent national decrease in AFDC recipients reaches rural areas, per capita AFDC benefits may show a continuing decline when the 1995 data become available.

Rural Reliance on Transfers Varies for Different County Types and Geographically

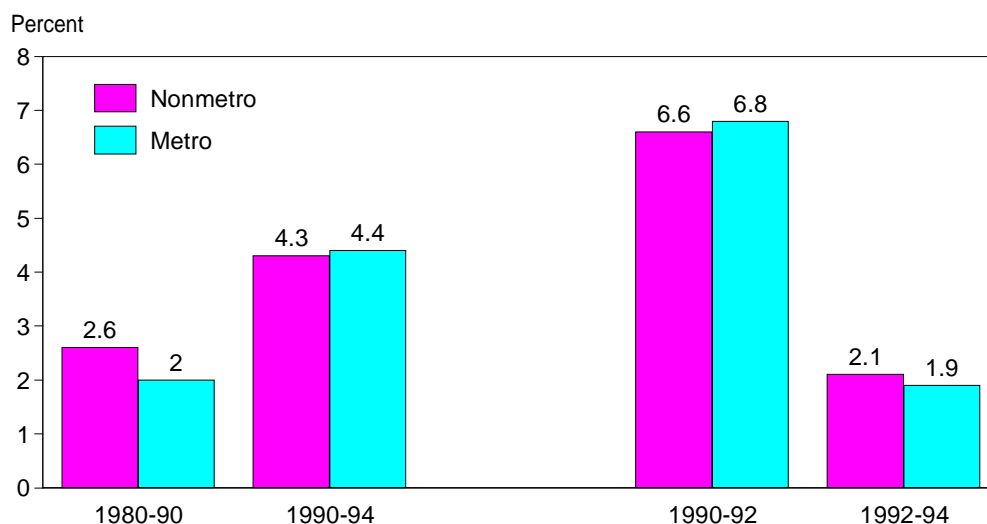
The level of per capita transfers varies among different county types (app. table 13). Counties with somewhat higher per capita transfer payments include those with a high concentration of Black population where transfer payments made up 24 percent of total county per capita personal income and came disproportionately from maintenance programs. In retirement destination counties, per capita transfers were \$3,794 and, as one might expect, came disproportionately from programs benefiting people age 65 years or older such as Social Security, government pensions, and Medicare. Likewise, counties with declining populations also depended more heavily on transfer payments with a larger relative share from medical programs. With poverty rates in excess of 20 percent for several decades, persistent-poverty counties relied on transfer payments for more than 26 percent of overall personal income with disproportionate shares of transfers coming from medical and income maintenance benefits via programs aimed at the poor.

The results of classifying nonmetro counties into three groups according to the share of personal income derived from transfer payments further confirm the linkage between the concentration of either elderly retirees or disadvantaged populations and economic reliance on transfer income. High-transfer counties—the top 25 percent of nonmetro counties—relied on transfers for 27 percent or more of county personal income. These counties tended to be concentrated in the Appalachian areas of West Virginia, Kentucky, the Black Belt counties of the Deep South including the Mississippi River Delta, parts of

Figure 4

Average annual change in real transfers per capita by residence

Transfer growth quickened in both rural and urban areas during the early 1990's



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

Rural Poverty Rate Stabilizes

The rural poverty rate stabilized or declined during 1993-94 after increasing during the early 1990's. The poverty rate is still highest in the South, and rural minorities, women, and children are especially disadvantaged economically.

The poverty rate in rural America stood at 16.4 percent in 1994. This was lower than the corresponding rate in 1993 by 0.9 percentage point. Although the decrease is not statistically significant, it suggests that the upward trend of rural poverty since 1989 has slowed or reversed (fig. 1). The urban poverty rate also decreased, declining 0.6 percentage point to 14.0 percent. The poverty gap of 2.4 percentage points between rural and urban areas has remained about constant since 1991. The observed decline in rural poverty resulted primarily from increasing employment in rural America (see p.18) and, to a lesser extent, from improved earnings per job (see p. 22).

Rural Minorities Are Especially Disadvantaged Economically

The poverty rate among rural Blacks in 1994 was 36.4 percent (fig. 2), almost three times that of rural non-Hispanic Whites (13.0 percent) and well above that of urban Blacks (29.5 percent). The economic disadvantage of rural Hispanics also was substantial, evidenced by a poverty rate of 39.8 percent. Despite the higher incidence of poverty among minorities, two-thirds of the rural poor were non-Hispanic Whites.

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

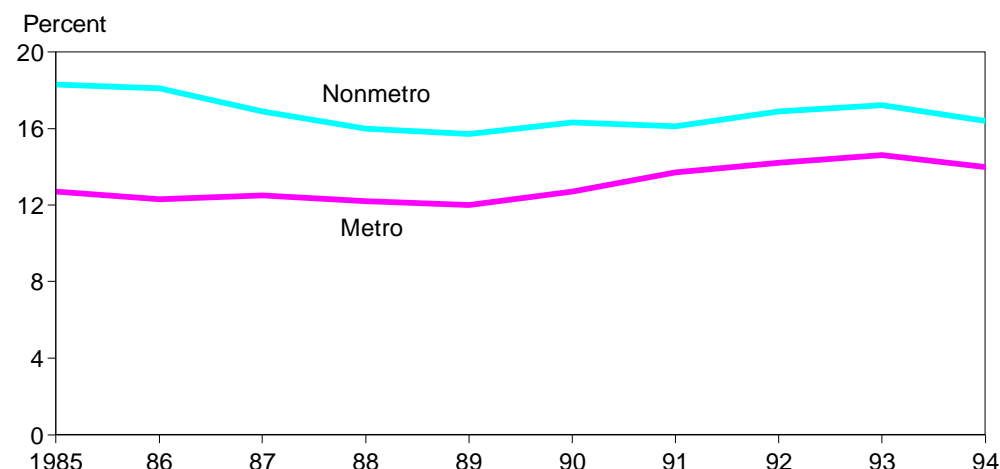
In 1994, 3.6 million rural children under the age of 18 lived in families with incomes below the poverty level. The poverty rate for rural children was 23.0 percent. For rural Black children, who face the combined economic disadvantages of rurality, minority status, and childhood, the poverty rate was 48.2 percent. The majority of rural poor children (59.1 percent) lived in single-parent families, most (53.2 percent) in female-headed families.

The poverty rate among the rural elderly (age 65 and above) was 14.2 percent. This was very near the poverty rate for rural working-age persons (14.0 percent), and substantially higher than that of the urban elderly (10.8 percent). Well over half of the rural elderly poor (55.7 percent) were women living alone.

Figure 1

Poverty rate by residence, 1985-94

The poverty rate in nonmetro counties declined in 1994 after a generally increasing trend during the early 1990's



Source: Calculated by ERS using data from the Bureau of the Census' P-60 series (1985-93) and March 1995 Current Population Survey.

Higher Poverty in Families Headed by Women

Rural women heading families or living alone experience particularly serious economic disadvantages. Although a large majority of the total rural population (70.6 percent) lived in two-parent families, half of the rural poor lived in families headed by women with no husband present or were women living alone. In 1994, the poverty rate for people living in rural female-headed families was 45.0 percent, and that for rural women living alone was 33.0 percent. By comparison, the poverty rate in rural two-parent families was 8.7 percent while that for rural men living alone was 21.4 percent.

Employment Status of the Rural Poor

More than 60 percent of the rural poor were in families with at least one working member or, if living alone, were employed at least part of the year (app. table 14). That proportion increased to nearly 70 percent when families with no working-age adults (under age 65) were excluded. Moreover, almost one-quarter of the rural poor (24.8 percent) were either in families with one or more full-time-full-year workers or were full-time-full-year workers living alone. The poverty rate among families with full-time-full-year workers and full-time-full-year workers living alone was substantially higher in rural (6.3 percent) than in urban areas (4.1 percent), reflecting the higher proportion of low-wage jobs in rural areas.

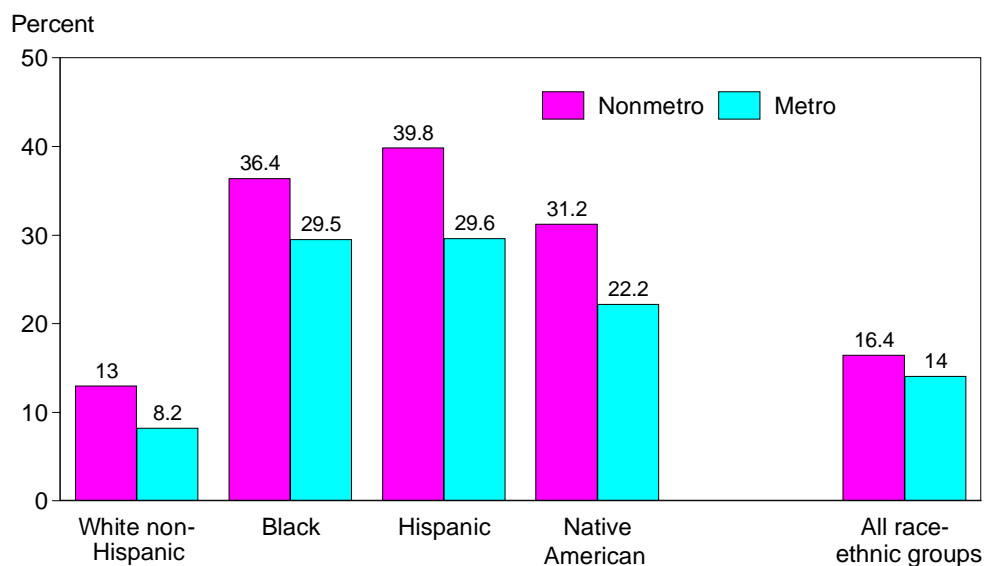
Rural Poverty Highest in the South

Almost half of the rural poor (49.4 percent) lived in the South (see p. 53 for definition of regions). The poverty rate of 19.6 percent in the rural South (fig. 3) was substantially higher than that in the rest of rural America (14.2 percent), and only in the South was the rural poverty rate dramatically higher than the corresponding urban poverty rate (15.1). Rural poverty rates were 16.5 percent in the West, 13.5 percent in the Central region, and 13.2 percent in the North (app. table 14). [Mark Nord, 202-219-0554, marknord@econ.ag.gov]

Figure 2

Poverty rates by race-ethnicity and residence, 1994

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



Source: Calculated by ERS using data from the March 1995 Current Population Survey.

Change in the Current Population Survey Sample Reduces Precision of the 1994 Poverty Estimates, But the Effects Are Not Serious

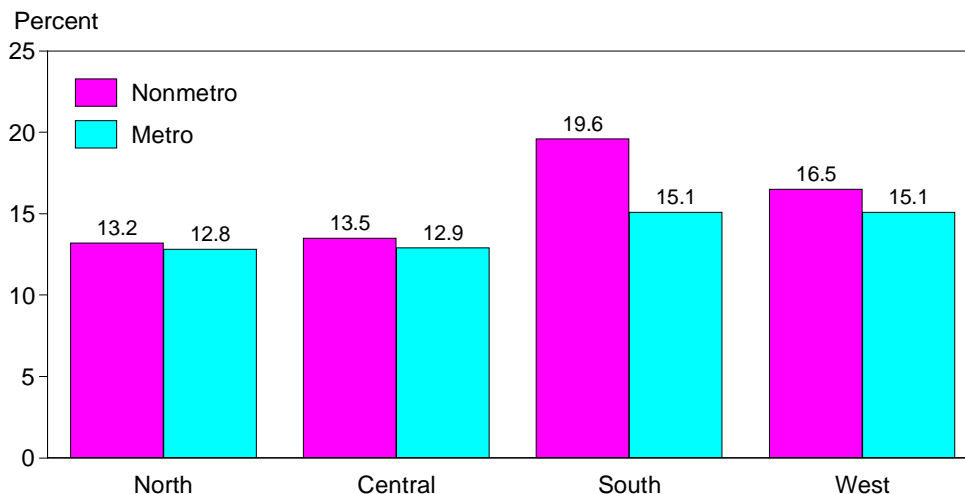
Poverty statistics for 1994 are based on the Current Population Survey (CPS) March 1995 Annual Demographic File (see appendix for description of data sources). The 1995 CPS file has two peculiarities that affect nonmetro poverty estimates. First, the CPS public-use file—our data source—continues to identify households as metro or nonmetro based on the old (1983) metro status of their place of residence. (The 1996 March CPS file will reflect the new 1993 metro definitions.) However, metro and nonmetro poverty rates published by the Census Bureau for 1994 are based on the new metro definition and differ somewhat from those presented here.

Second, nonmetro statistics based on the 1995 CPS file may have a somewhat larger margin of error than in other years because the mid-decade changeover to a new sample frame of households was only half completed in March 1995. Each decade, the Census Bureau constructs a new sample frame (list of households from which the sample is drawn) based on the population information from the decennial census. Households from the new sample frame are phased in over a period of 16 months, and the March 1995 sample was a mixture of households selected from the old and new sample frames in about equal proportions. To determine the extent to which poverty rate estimates were likely to be affected by this characteristic of the sample, we compared poverty rates of households from the old and new sample frames. For overall metro and nonmetro poverty rates and for the regions and population groups reported here, the differences between the old and new samples were very near the average differences that would be expected between two samples drawn from the same sample frame (about one standard deviation). This indicates that the change in sample frames did not seriously affect the reliability of these poverty estimates. To assess whether the change in the poverty rate from the previous year was statistically significant, the 1993 estimate was compared with the 1994 estimate based on households from the old sample frame only.

Figure 3

Poverty rates by region and residence, 1994

The South has the highest rate of rural poverty and the largest nonmetro-metro poverty gap



Note: See p. 53 for definition of regions.

Source: Calculated by ERS using data from the March 1995 Current Population Survey.

Farm Operator Household Income Compares Favorably With All U.S. Households, But Varies by Geography and Size of Farm

On average, farm operator household income was about the same as the average for all U.S. households in 1994. The average farm operator household received its income from various sources, but only 10 percent was from the farm. Commercial farm households, however, received half of their income from farming. Sources of income also varied geographically, reflecting differences in the concentration of commercial farms.

The average income of farm operator households compares favorably with that of other U.S. households. According to recent estimates from the U.S. Department of Agriculture's Farm Costs and Returns Survey (see appendix, pp. 50-51), farm operator households averaged \$42,500 in income from all sources in 1994. Average farm household income was 98 percent of the average for all U.S. households.

Sources of Income Vary With Farm Size

In 1994, 90 percent of operator household income came from off-farm sources, mostly from wages, salaries, and nonfarm businesses (fig. 1). Sources of income, however, vary with the characteristics of the operator and the farm (app. table 15). For example, dependence on off-farm income generally decreases with increasing farm size, as measured by sales of agricultural products.

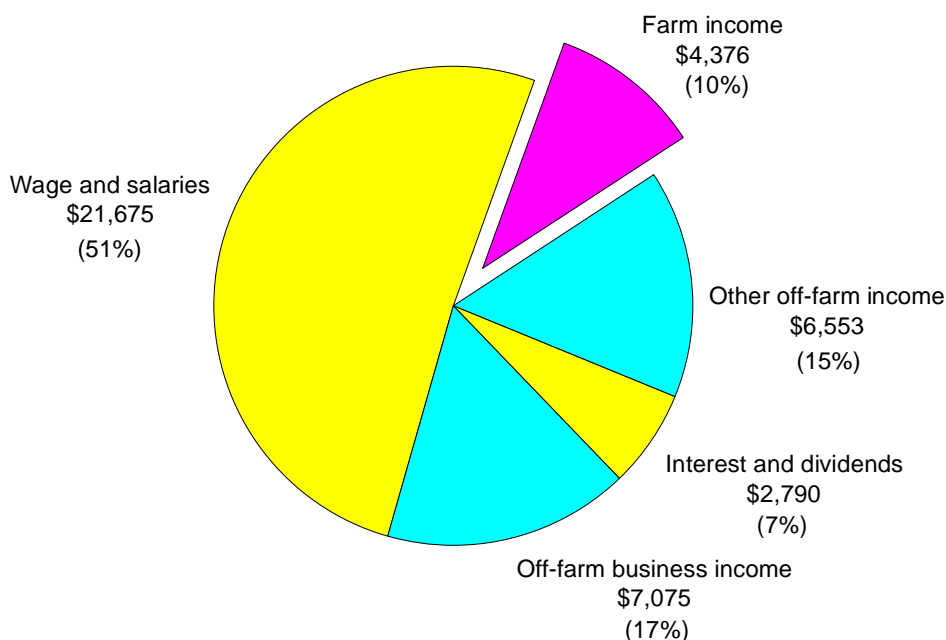
Most operators of noncommercial farms (sales less than \$50,000) reported a major occupation other than farming in 1994 or considered themselves retired. On average, households of these operators lost money farming in 1994, and depended on off-farm sources for virtually all their living expenses.

In contrast, households with commercial farms (sales of \$50,000 or more) depended on off-farm income for only half of their income. Combining farm and off-farm income was an effective strategy for these households. Operator households running commercial farms

Figure 1

Sources of income for the average farm operator household, 1994

Because so many farm households depend of off-farm jobs and income, farm income accounts for only 10 percent of total household income



Source: Calculated by ERS using data from the 1994 Costs and Returns Survey.

averaged substantially higher total income (\$54,100) in 1994 than households running noncommercial farms (\$38,200).

The percentage of income from off-farm sources did not vary much by location for households with commercial or noncommercial farms. For households with commercial farms, the percentage ranged from 48 to 56 percent (table 1). For households with noncommercial farms, the percentage ranged from 102 to 116 percent. (When farm income is negative and off-farm income is positive, off-farm income is more than 100 percent of total income.)

Operator Household Income Varies Geographically

The level and sources of operator household income varied geographically, and differences in the concentration of commercial farms help explain the variation in dependence on off-farm income. Operator households in areas with the highest concentrations of commercial farms generally were the least dependent on off-farm income.

Operator Household Income Is Highest in the West . . .

Average operator household income reached \$57,000 in the West, substantially higher than in the other regions (fig. 2). Western operator households running commercial farms had a particularly high average income (\$82,800) compared with the average for all operator households or all households with a commercial farm. In part, the high household income of commercial farmers in the West reflects their specialization in high-value specialty crops—vegetables, fruits, tree nuts, and greenhouse/nursery products. About 27 percent of households with commercial farms in the West specialized in these crops, compared with only 8 percent nationally.

Table 1

Geographic variation in the sources of operator household income, by size of farm, 1994

Share of income from off-farm sources varies little by location for households with commercial or noncommercial farms

Geography	Off-farm income as share of total for households with ¹ —			Operator households with commercial farms
	Commercial farms ²	Noncommercial farms	Any farm	
	<i>Percent</i>			
U.S. total	52	109	90	27
Region:				
North	53	111	93	28
Great Plains/Corn Belt	53	105	83	39
South	55	109	95	16
West	48	116	86	30
Metro status:				
Metro	49	111	93	22
Nonmetro	54	108	87	29
Adjacent	54	111	91	25
Nonadjacent	55	105	84	34
Economic specialization: ³				
Farming-dependent	51	102	75	48
Other nonmetro	56	109	91	24

¹Income from off-farm sources can be more than 100 percent of total household income, if farm income is negative.

²Commercial farms have sales of \$50,000 or more.

³Nonmetro counties only.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey.

The South had the largest number of farm operator households (nearly 750,000), but only 16 percent of these households ran commercial farms. Average operator household income in the South was about equal to the U.S. average. Only operator households in the West had higher average income.

The average for all operator households in the South, however, masked high income earned by the small percentage of households operating commercial farms. Average total household income for households with commercial farms was \$67,200, substantially higher than the corresponding estimates for similar households in the North or the Great Plains/Corn Belt. Southern households running commercial farms had substantially larger farm and off-farm income than the corresponding households in the two other regions.

The Great Plains/Corn Belt had the highest concentration of operator households with commercial farms (39 percent) (table 1). The region's operator households also depended less on off-farm income than those in the North and South. The difference in dependence on off-farm income between the Great Plains/Corn Belt and the West, however, was not statistically significant. (For data for major farming regions, see app. table 15).

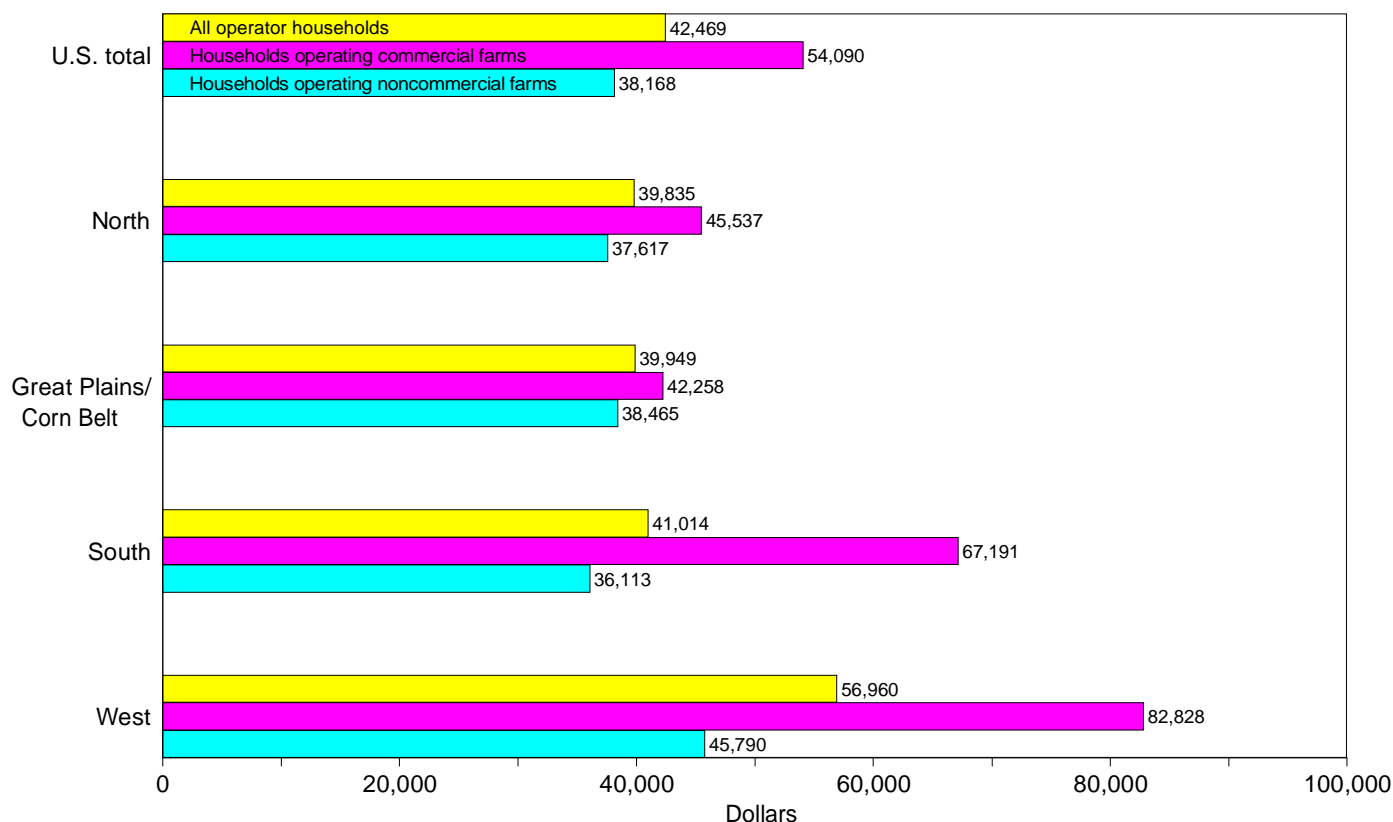
... And Metro Areas

Metro operator households averaged substantially higher total income (\$52,100) than their nonmetro counterparts (\$37,900) (fig. 3). The larger metro income was largely due to a \$15,400 difference in average off-farm income. Average farm income was at similar levels in both areas, less than \$5,000. For metro farm operators, the greater off-farm employment opportunities available locally are an important advantage.

Figure 2

Average operator household income by region and size of farm, 1994

Income of households with commercial farms is highest in the South and West



Note: Commercial farms have sales of \$50,000 or more.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey.

Although only about one-fifth of metro operator households ran commercial farms, farming contributed substantially to their income. In metro areas, commercial farm households averaged \$65,800 in total income, \$16,000 more than in nonmetro areas. Farm income accounted for about \$11,000 of the difference.

Farm specialization explains part of the difference in farm-related income between metro and nonmetro households operating commercial farms. About 22 percent of metro households with commercial farms specialized in high-value specialty crops, compared with 3 percent of their nonmetro counterparts. Nearly three-fourths of the households operating commercial farms specializing in these crops were located in metro areas.

Operators of farms in nonmetro areas are more likely to run commercial farms than operators in metro areas (table 1). As a result, dependence on off-farm income was less in nonmetro areas (87 percent) than in metro areas (93 percent). Similarly, households in nonadjacent areas were more likely to run commercial farms than households in adjacent areas and depended less on off-farm income than households in adjacent areas.

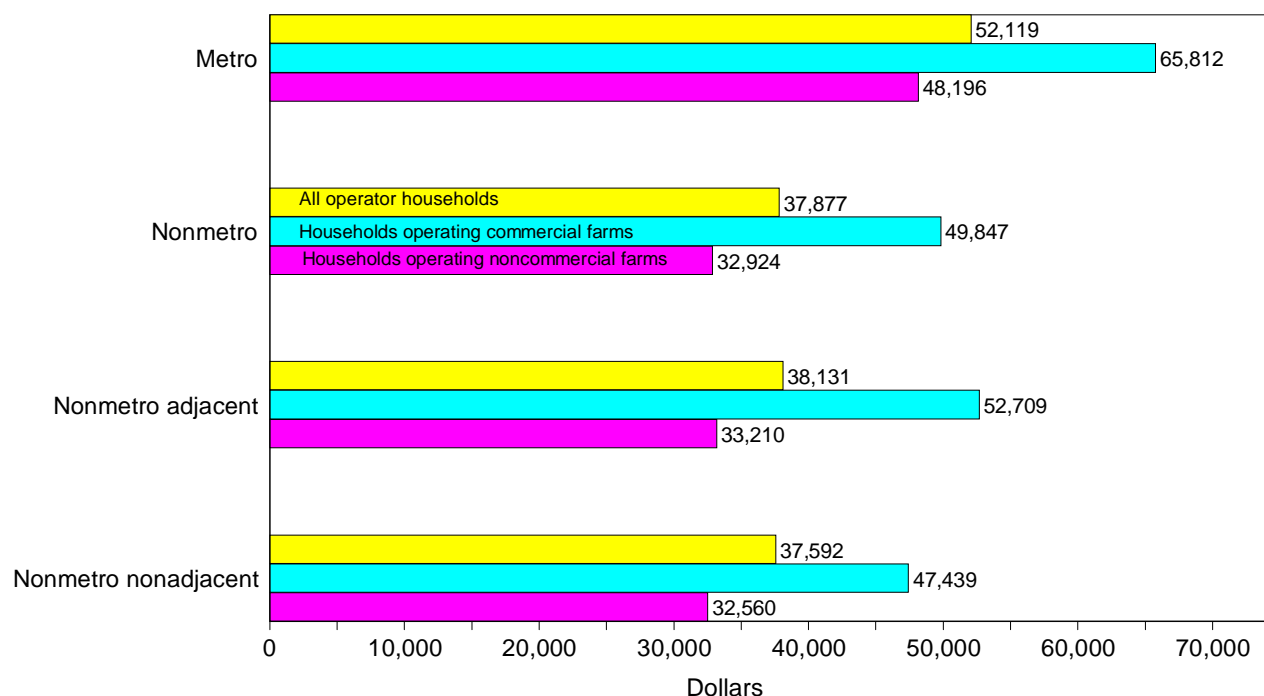
Farming-Dependent Counties Rely Less on Off-farm Income

By definition, farming-dependent counties have a large local farm sector relative to other types of business. Not surprisingly, farming-dependent counties also had a higher portion of households with commercial farms and a lower share of household income from off-farm sources than other nonmetro counties (table 1). Half the households with commercial farms in farming-dependent counties specialized in cash grain, compared with only one-third in other nonmetro counties.

Figure 3

Average operator household income by metro status and size of farm, 1994

Metro farm operator households receive more income than their nonmetro counterparts



Note: Commercial farms have sales of \$50,000 or more.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey.

Total operator household income for all operators was of similar magnitude in farming-dependent and other nonmetro counties (fig. 4). But, income of households running commercial farms was substantially lower in farming-dependent counties (\$39,400) than in other nonmetro counties (\$55,700). This resulted largely from differences in off-farm income. Off-farm income accounted for about two-thirds of the \$16,300 difference between the two areas in total income for households with commercial farms.

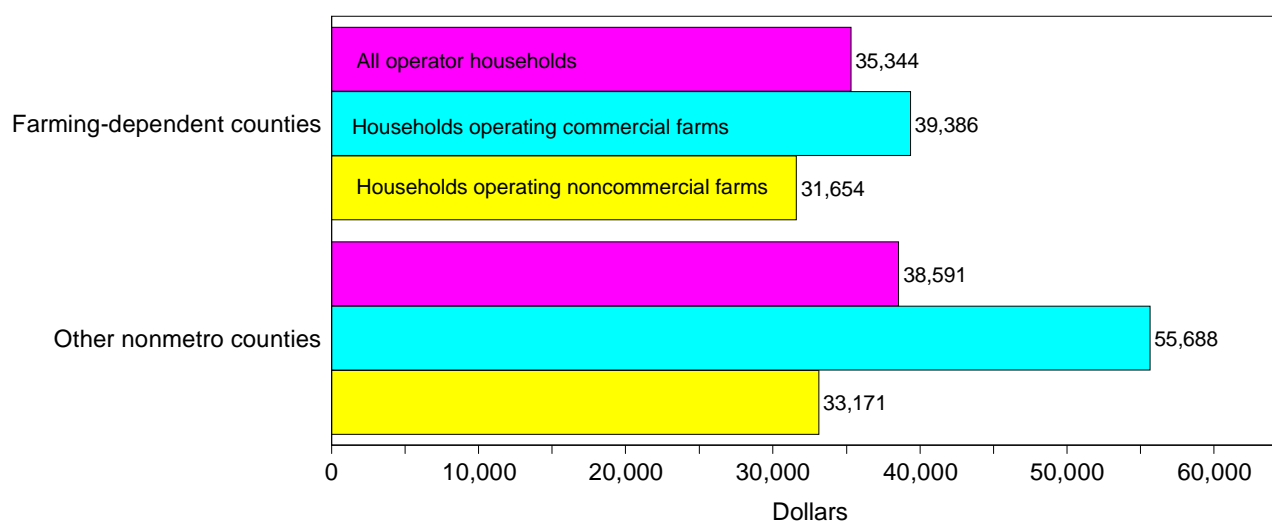
Off-farm Income Is Important Regardless of Farm Size or Location

Farm operator households depend heavily on off-farm sources of income. Although households with commercial farms do rely less on off-farm sources, even they receive about half of their income from off-farm sources. Regardless of where they live, the local off-farm economy is important to farm households with either commercial or noncommercial farms. Off-farm income can help buffer farm operator households from bad economic conditions that occur in the farm sector from time to time. On the other hand, a household's farm income may prove crucial if the local economy deteriorates. [Robert A. Hoppe, 202-501-8308, rhoppe@econ.ag.gov, and Judith Z. Kalbacher]

Figure 4

Average operator household income by nonmetro county specialization and size of farm, 1994

Households operating commercial farms outside farming-dependent counties have high income



Note: Commercial farms have sales of \$50,000 or more.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey.

Farm Operator Household Income Compares Favorably With All U.S. Households, But Varies by Geography and Size of Farm

On average, farm operator household income was about the same as the average for all U.S. households in 1994. The average farm operator household received its income from various sources, but only 10 percent was from the farm. Commercial farm households, however, received half of their income from farming. Sources of income also varied geographically, reflecting differences in the concentration of commercial farms.

The average income of farm operator households compares favorably with that of other U.S. households. According to recent estimates from the U.S. Department of Agriculture's Farm Costs and Returns Survey (see appendix, pp. 50-51), farm operator households averaged \$42,500 in income from all sources in 1994. Average farm household income was 98 percent of the average for all U.S. households.

Sources of Income Vary With Farm Size

In 1994, 90 percent of operator household income came from off-farm sources, mostly from wages, salaries, and nonfarm businesses (fig. 1). Sources of income, however, vary with the characteristics of the operator and the farm (app. table 15). For example, dependence on off-farm income generally decreases with increasing farm size, as measured by sales of agricultural products.

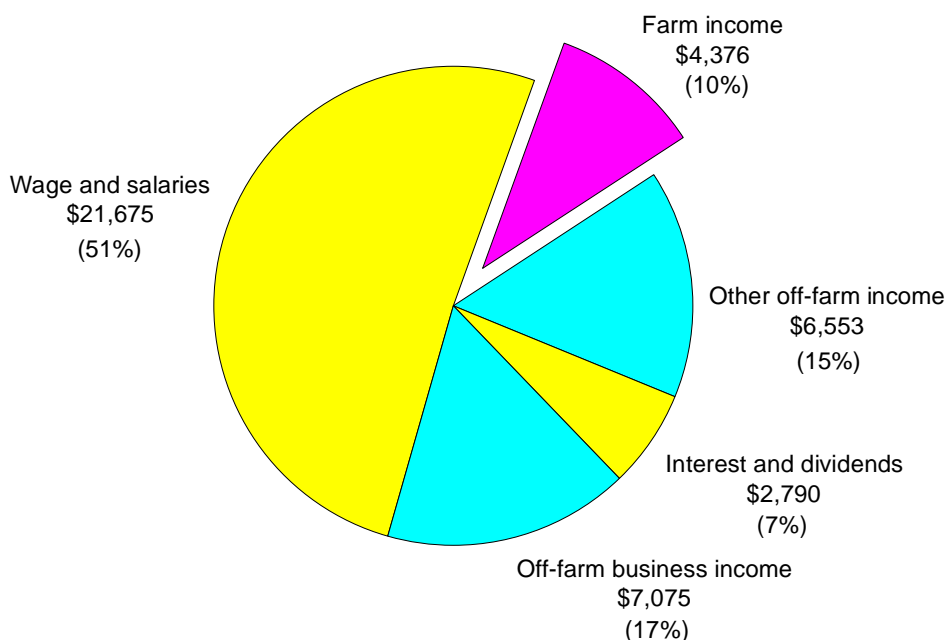
Most operators of noncommercial farms (sales less than \$50,000) reported a major occupation other than farming in 1994 or considered themselves retired. On average, households of these operators lost money farming in 1994, and depended on off-farm sources for virtually all their living expenses.

In contrast, households with commercial farms (sales of \$50,000 or more) depended on off-farm income for only half of their income. Combining farm and off-farm income was an effective strategy for these households. Operator households running commercial farms

Figure 1

Sources of income for the average farm operator household, 1994

Because so many farm households depend of off-farm jobs and income, farm income accounts for only 10 percent of total household income



Source: Calculated by ERS using data from the 1994 Costs and Returns Survey.

averaged substantially higher total income (\$54,100) in 1994 than households running noncommercial farms (\$38,200).

The percentage of income from off-farm sources did not vary much by location for households with commercial or noncommercial farms. For households with commercial farms, the percentage ranged from 48 to 56 percent (table 1). For households with noncommercial farms, the percentage ranged from 102 to 116 percent. (When farm income is negative and off-farm income is positive, off-farm income is more than 100 percent of total income.)

Operator Household Income Varies Geographically

The level and sources of operator household income varied geographically, and differences in the concentration of commercial farms help explain the variation in dependence on off-farm income. Operator households in areas with the highest concentrations of commercial farms generally were the least dependent on off-farm income.

Operator Household Income Is Highest in the West . . .

Average operator household income reached \$57,000 in the West, substantially higher than in the other regions (fig. 2). Western operator households running commercial farms had a particularly high average income (\$82,800) compared with the average for all operator households or all households with a commercial farm. In part, the high household income of commercial farmers in the West reflects their specialization in high-value specialty crops—vegetables, fruits, tree nuts, and greenhouse/nursery products. About 27 percent of households with commercial farms in the West specialized in these crops, compared with only 8 percent nationally.

Table 1

Geographic variation in the sources of operator household income, by size of farm, 1994

Share of income from off-farm sources varies little by location for households with commercial or noncommercial farms

Geography	Off-farm income as share of total for households with ¹ —			Operator households with commercial farms
	Commercial farms ²	Noncommercial farms	Any farm	
	<i>Percent</i>			
U.S. total	52	109	90	27
Region:				
North	53	111	93	28
Great Plains/Corn Belt	53	105	83	39
South	55	109	95	16
West	48	116	86	30
Metro status:				
Metro	49	111	93	22
Nonmetro	54	108	87	29
Adjacent	54	111	91	25
Nonadjacent	55	105	84	34
Economic specialization: ³				
Farming-dependent	51	102	75	48
Other nonmetro	56	109	91	24

¹Income from off-farm sources can be more than 100 percent of total household income, if farm income is negative.

²Commercial farms have sales of \$50,000 or more.

³Nonmetro counties only.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey.

The South had the largest number of farm operator households (nearly 750,000), but only 16 percent of these households ran commercial farms. Average operator household income in the South was about equal to the U.S. average. Only operator households in the West had higher average income.

The average for all operator households in the South, however, masked high income earned by the small percentage of households operating commercial farms. Average total household income for households with commercial farms was \$67,200, substantially higher than the corresponding estimates for similar households in the North or the Great Plains/Corn Belt. Southern households running commercial farms had substantially larger farm and off-farm income than the corresponding households in the two other regions.

The Great Plains/Corn Belt had the highest concentration of operator households with commercial farms (39 percent) (table 1). The region's operator households also depended less on off-farm income than those in the North and South. The difference in dependence on off-farm income between the Great Plains/Corn Belt and the West, however, was not statistically significant. (For data for major farming regions, see app. table 15).

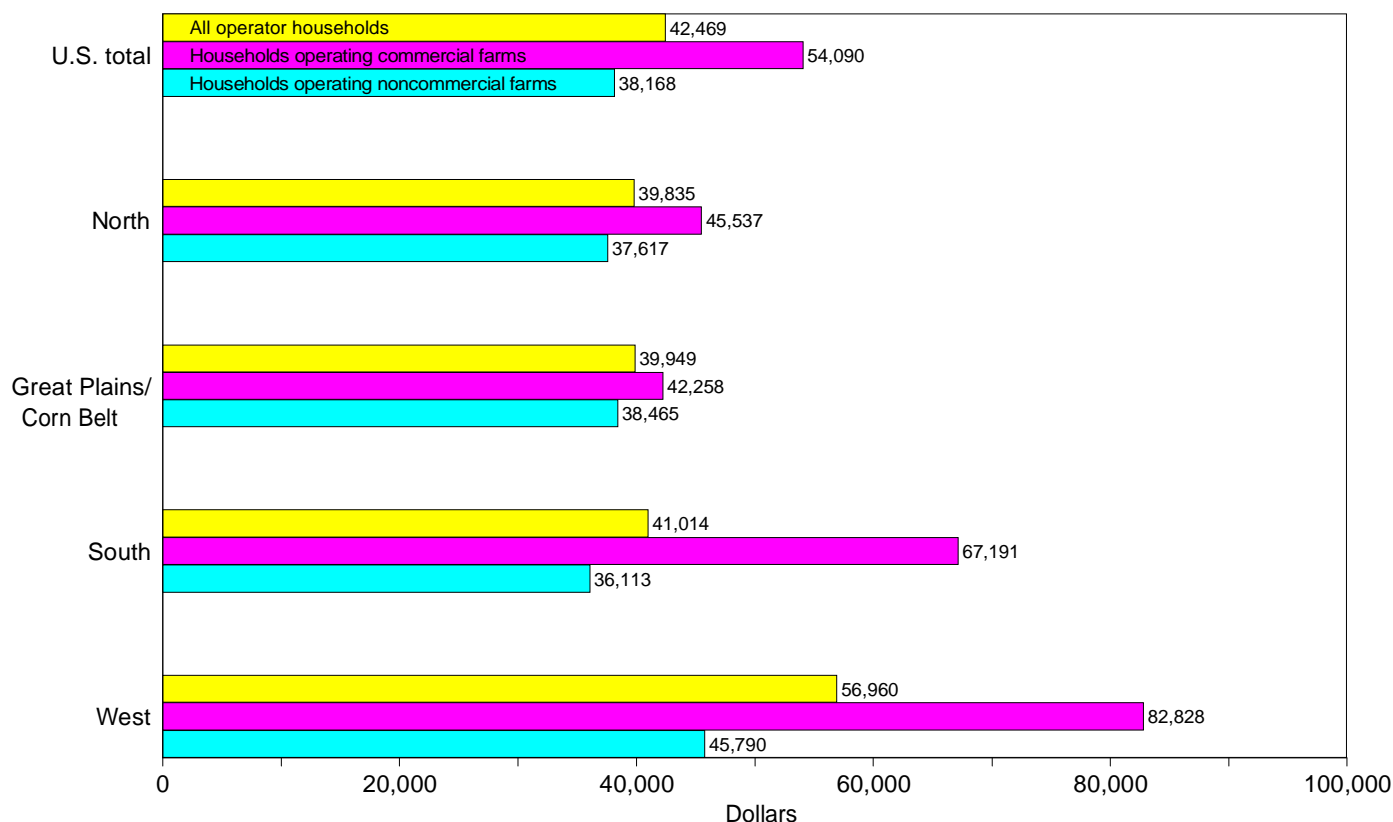
... And Metro Areas

Metro operator households averaged substantially higher total income (\$52,100) than their nonmetro counterparts (\$37,900) (fig. 3). The larger metro income was largely due to a \$15,400 difference in average off-farm income. Average farm income was at similar levels in both areas, less than \$5,000. For metro farm operators, the greater off-farm employment opportunities available locally are an important advantage.

Figure 2

Average operator household income by region and size of farm, 1994

Income of households with commercial farms is highest in the South and West



Note: Commercial farms have sales of \$50,000 or more.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey.

Although only about one-fifth of metro operator households ran commercial farms, farming contributed substantially to their income. In metro areas, commercial farm households averaged \$65,800 in total income, \$16,000 more than in nonmetro areas. Farm income accounted for about \$11,000 of the difference.

Farm specialization explains part of the difference in farm-related income between metro and nonmetro households operating commercial farms. About 22 percent of metro households with commercial farms specialized in high-value specialty crops, compared with 3 percent of their nonmetro counterparts. Nearly three-fourths of the households operating commercial farms specializing in these crops were located in metro areas.

Operators of farms in nonmetro areas are more likely to run commercial farms than operators in metro areas (table 1). As a result, dependence on off-farm income was less in nonmetro areas (87 percent) than in metro areas (93 percent). Similarly, households in nonadjacent areas were more likely to run commercial farms than households in adjacent areas and depended less on off-farm income than households in adjacent areas.

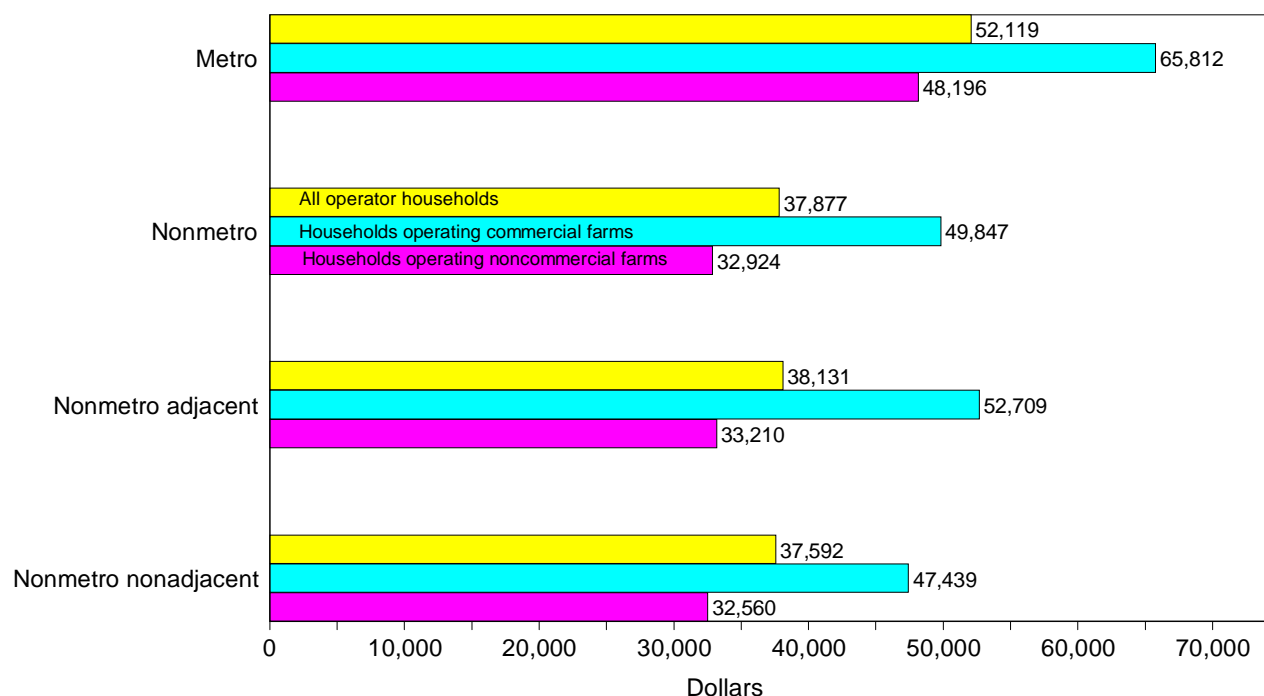
Farming-Dependent Counties Rely Less on Off-farm Income

By definition, farming-dependent counties have a large local farm sector relative to other types of business. Not surprisingly, farming-dependent counties also had a higher portion of households with commercial farms and a lower share of household income from off-farm sources than other nonmetro counties (table 1). Half the households with commercial farms in farming-dependent counties specialized in cash grain, compared with only one-third in other nonmetro counties.

Figure 3

Average operator household income by metro status and size of farm, 1994

Metro farm operator households receive more income than their nonmetro counterparts



Note: Commercial farms have sales of \$50,000 or more.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey.

Weekly Earnings for Hired Farmworkers Decrease, and Education Levels Show Little Improvement

Real median weekly earnings for full-time hired farmworkers decreased during the first half of the 1990's, while education levels for farmworkers as a group changed little. The large number of less-educated foreign nationals in the hired farm work force contributed to low education levels.

Hired farmworkers comprise a small share (less than 1 percent) of U.S. wage and salary workers but fill an important need for labor during critical production periods when labor demand exceeds that which can be supplied by farm operators and their families. Typically, hired farmworkers account for about a third of the farm work force with farm operators and unpaid workers accounting for the remaining two-thirds. Despite their importance to agriculture, hired farmworkers continue to be one of the most educationally and economically disadvantaged occupational groups in the United States. During the early 1990's, the median weekly earnings of full-time hired farmworkers actually declined after adjusting for the effects of inflation. The seasonal and sporadic nature of farmwork further limited their earnings and income. At the same time, farmworkers' generally low educational levels have shown little improvement during the last 5 years.

An annual average of 832,000 persons aged 15 and over did hired farmwork each week as their primary employment during 1995, according to data from the Current Population Survey (CPS) earnings microdata file. Hired farmworkers include persons who reported their primary employment during the week as farm managers (7 percent), supervisors of farmworkers (4 percent), nursery workers (3 percent), and farmworkers engaged in planting, cultivating, and harvesting crops or attending to livestock (86 percent). Some of these hired farmworkers work in jobs in agricultural services and other agriculture-related industries.

The number of hired farmworkers decreased 12 percent between 1990 and 1994. This pattern follows a long-term decline in hired farm employment resulting from decreases in the number of farms, increased mechanization, and other technological advances, such as higher yielding crops, improved chemicals, and irrigation equipment, that reduced labor requirements on U.S. farms. The number of farmworkers increased between 1994 and 1995, although the change was not significant.

Large Numbers of Foreign Nationals Contributed to Low Educational Levels of Hired Farmworkers

Hired farmworkers are more likely than all wage and salary workers to be male, younger, never married, and less educated (app. tables 16 and 17). They are also more likely than other workers to be foreign nationals who are citizens of other countries. About 37 percent of hired farmworkers were foreign born, non-U.S. citizens in 1995, compared with 8 percent of all wage and salary workers. Over 90 percent of these foreign nationals employed in farmwork identified themselves as Mexican or Chicano. In contrast, about 30 percent of all foreign nationals employed at wage and salary work in the United States identified themselves as Mexican or Chicano. The majority of these foreign national farmworkers were employed in crop production in the West. The number of foreign nationals doing hired farmwork reported here may include some workers who are in this country illegally. However, illegal workers generally tend to avoid official data collection because of their illegal status and are not likely to be included in these data.

The presence of large numbers of foreign nationals in the farm work force contributed substantially to the low educational levels of hired farmworkers as a group. Almost 90 percent of these noncitizen hired farmworkers had completed less than 12 years of education compared with 45 percent of hired farmworkers who were U.S. citizens. Regardless, both groups had considerably lower educational levels than all U.S. wage and salary workers, of which 13 percent had not completed 12 years of schooling. Unlike most occupations, lack of formal education does not hinder entry to farmwork, but limited schooling serves to limit farmworkers' access to higher paying, more stable nonfarm jobs.

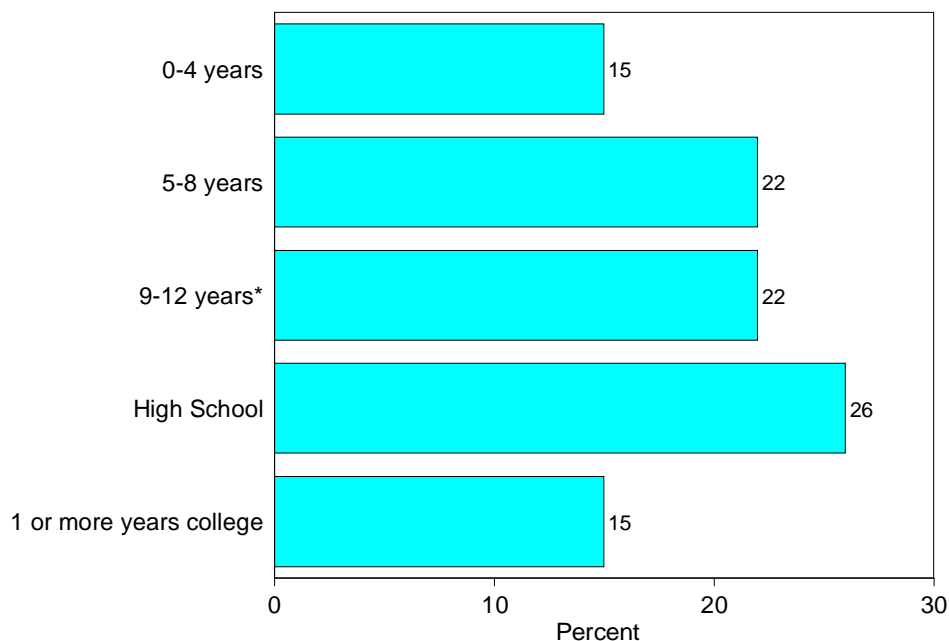
Hired Farmworker Earnings Remained Lower Than Those for Other Workers

Hired farmworkers earned significantly less than most other workers. Among full-time workers (working 35 or more hours per week), hired farmworkers received median weekly earnings of \$260, or 65 percent of the median \$440 earned by all U.S. wage and salary

Figure 1

Distribution of hired farmworkers by schooling completed, 1995

More than half of farmworkers have not graduated from high school



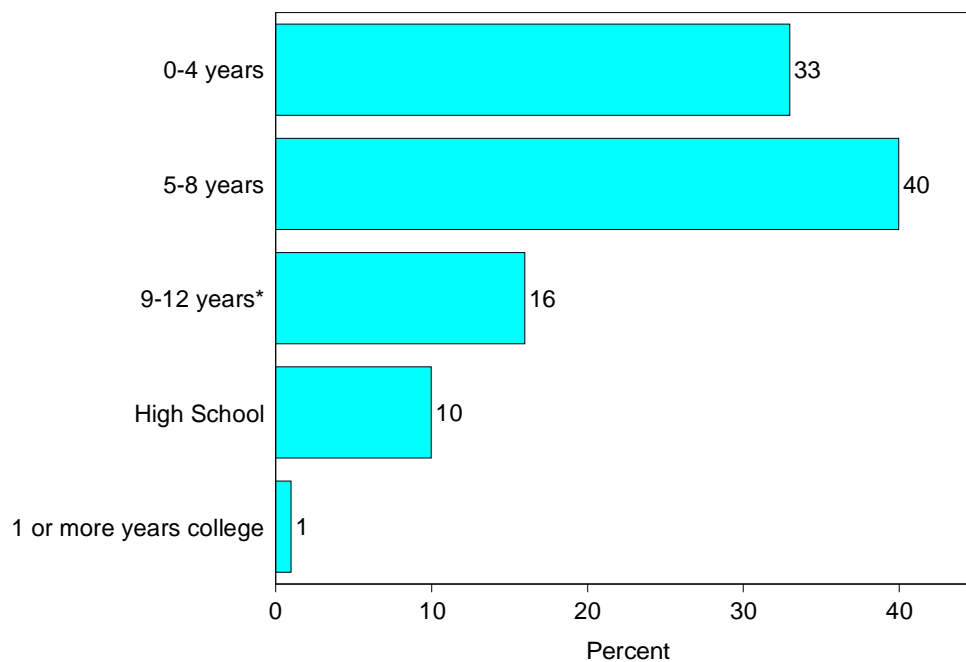
*But did not graduate

Source: Calculated by ERS using data from the 1995 Current Population Survey earnings file.

Figure 2

Distribution of noncitizen hired farmworkers by schooling completed, 1995

Almost three-fourths of non-citizen hired farmworkers have only an elementary education



*But did not graduate

Source: Calculated by ERS using data from the 1995 Current Population Survey earnings file.

workers. Median weekly earnings ranged from \$715 for full-time professional specialties to \$200 for private household workers, with only private household workers receiving lower weekly earnings than hired farmworkers. Also, weekly earnings for full-time farmworkers deteriorated between 1990 and 1995, falling by 7 percent after adjusting for the effects of inflation. Earnings for all U.S. wage and salary workers increased by 2 percent between 1990 and 1995.

The decline in farmworker earnings is consistent with the apparently declining demand, shown by the downward trend in the number of hired farmworkers employed. At the same time, continued immigration of illegal aliens into this country to do farmwork has insured a constant if not increasing supply of labor. Economic theory suggests that a decline in demand for labor combined with a constant supply of workers will depress wages as competition among workers for a limited number of jobs increases. Local labor shortages could drive wages up in some areas, but most farm labor experts agree that a more than adequate number of workers exists to meet current labor needs at the national level.

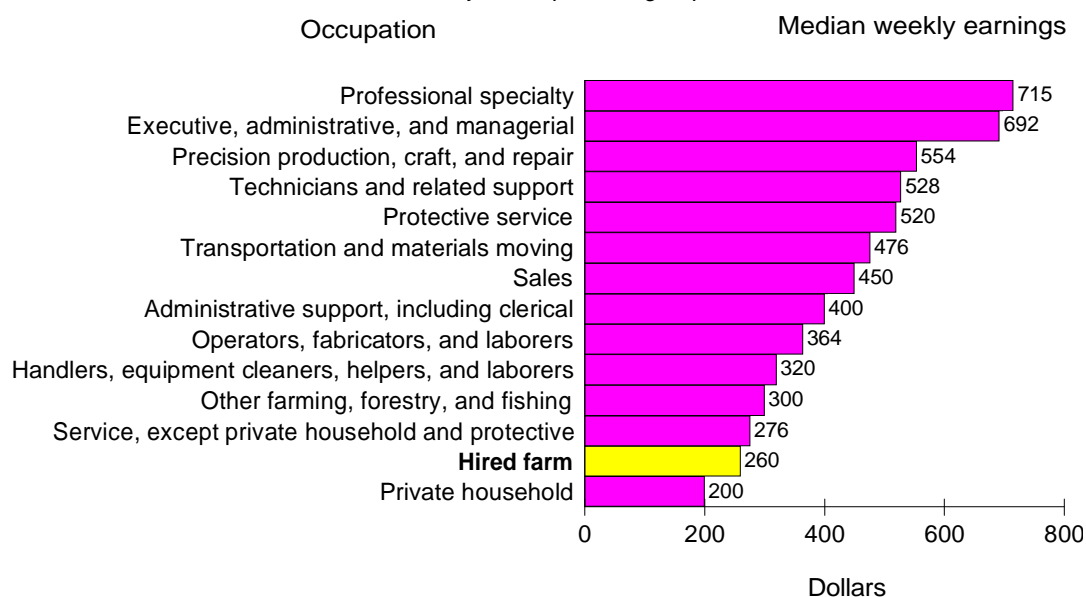
Because of the seasonal nature of agriculture, much hired farmwork is short-term and unsteady. In most areas of the country, labor use increases during the spring as planting and cultivating begin, peaks during the harvest season in late summer and early fall, and drops off sharply in the late fall and winter after the harvest is completed. Florida represents an exception to the usual pattern in that employment peaks in the winter when crops such as citrus fruits, sugarcane, and many vegetables are harvested. As a result, few hired farmworkers have year-round jobs. In 1995, the number of hired farmworkers employed in June was almost 1.5 times the number employed in December.

The seasonality of employment and low earnings make hired farmwork one of the lowest paying occupational groups in the United States. Many hired farmworkers seek nonfarm jobs to supplement their incomes. However, their low education levels and limited labor market skills often make competition for higher wage, nonfarm jobs more difficult.

Figure 3

Median weekly earnings of full-time wage and salary workers by occupation, 1995

Hired farmworkers rank near bottom of major occupational groups



Source: Calculated by ERS using data from the 1995 Current Population Survey earnings microdata file.

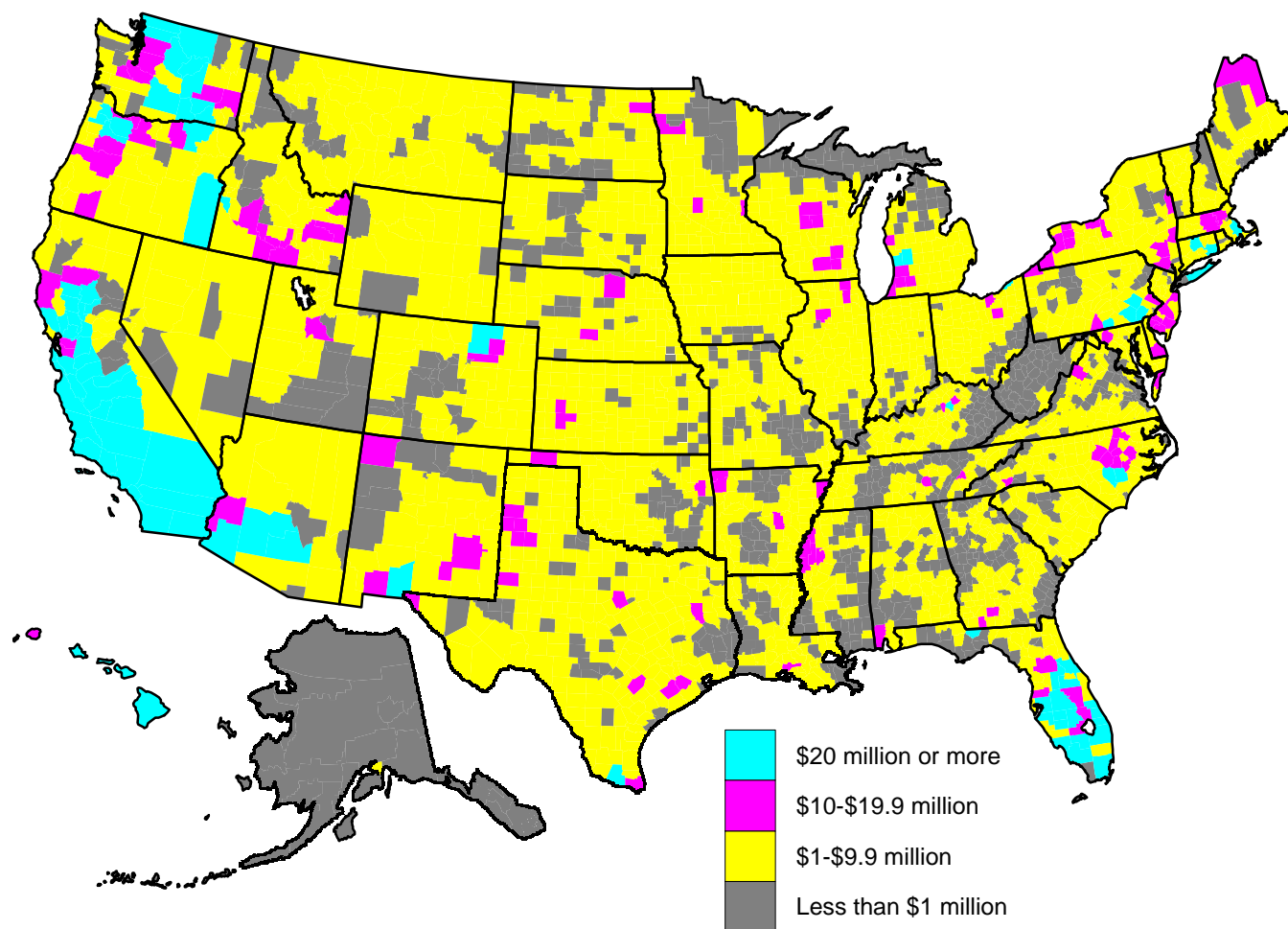
Regional Data Show Patterns of Labor Use

Labor expenditure data for hired and contract workers are often used as an indicator of farm labor use and illustrate the relative importance of farm labor across the country. According to data from the Census of Agriculture, farm operators spent over \$13 billion for hired and \$2.3 billion for contract labor in 1992, accounting for 12 percent of total U.S. farm production expenses. Hired labor expenses include gross salaries and wages as well as supplemental costs for benefits such as employers' Social Security contributions and unemployment compensation. Contract labor expenses include the labor costs for workers furnished on a contract basis by a contractor, crew leader, or cooperative.

Labor use varies significantly across farms by the type, size, and geographic location of the farm. The largest users of hired and contract labor were fruit and tree nut, vegetable, and horticultural specialty farms. These farms accounted for only 7 percent of farms but 40 percent of all labor expenses. Labor was also concentrated on larger farms with sales of \$500,000 or more where the labor needs exceed those provided by the farm family. Large farms accounted for less than 2 percent of U.S. farms but over 50 percent of all labor expenditures.

California had the greatest number of high-labor-expense counties of any State. Fresno County, California, led the country with hired and contract labor expenses of \$412 million in 1992, greater than labor expenses in each of 46 States. California accounted for 25 percent of total U.S. farm labor expenses, followed by Florida (7 percent) and Texas (6 percent). In California and Florida, the more-labor intensive fruit and tree nut, vegetable, and horticultural specialty farms were the chief farm types responsible for the high labor expenses. High labor expenses in Texas were due primarily to a large number of less labor-intensive beef, hog, and sheep farms. These three States combined with Washington, North Carolina, Wisconsin, Oregon, and Pennsylvania accounted for over half of all farm labor expenses in 1992. Farm labor issues would be particularly important in these areas where farm labor use is concentrated. However, farm labor use is widespread across the United States and most counties, both metro and nonmetro, had farm labor expenses of at least \$1 million in 1992. [Jack L. Runyan, 202-219-0937, jrunyan@econ.ag.gov, and Leslie A. Whitener, 202-219-0935, whitener@econ.ag.gov]

Figure 4

Hired and contract labor expenditures, 1992*California, Florida, and Texas counties account for 38 percent of all farm labor expenses*

Source: Calculated by ERS using data from the 1992 Census 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 increases. Estimates include net gain from other counties as well as the institutional population.

Migration data reported in the second article are from the Internal Revenue Service. The Internal Revenue Service compiles annual, county-level data by matching current year tax returns with those from the previous year and comparing addresses. If a county or residence is different in the previous year, members of that family are considered migrants. If the county is the same or no matching return is found, they are considered nonmigrants. The number of exemptions claimed on the return serves as a proxy for the number of migrants in that family. Most people file their returns during early to mid-April, so the data here refer to flows from April of 1 year to April the next. The article in this issue describes migration changes using two sets of flows, 1988-89 and 1993-94.

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 established 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.

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 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, proprietor's 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, and food stamp benefits. The CPS collects data only on money income, so the two sources provide different income estimates. A shortcoming of 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 Farms Costs and Returns Survey (FCRS). 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. 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 1994 calendar year, usable data were collected from more than 7,000 farms and ranches.

Estimates based on an expanded sample differ from what would have occurred if a complete enumeration had been taken. However, the relative standard error (RSE), a measure of sampling variability, is available from survey results. The RSE is the standard error of the estimate expressed as a percentage of the estimate. According to the guidelines for use of the FCRS, any estimate with an RSE greater than 25 percent must be

identified. Fortunately, none of the FCRS data reported in this issue have RSE's that high.

The standard error of the estimate can also be used to evaluate the statistical differences between groups. The article on operator household income emphasizes differences between groups only when estimates were significantly different at the 95-percent level.

Farm labor data: Information on the characteristics and earnings of hired farmworkers are from the CPS earnings microdata file. 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 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 1994 data file contained information on almost 500,000 persons. 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 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," 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: The total income of farm operator households includes income from both farm and off-farm sources. Farm income to the household includes net cash farm income less depreciation, adjusted for the share received by the primary operator household in the case of multiple-household farms. Farm household income also includes the income that all farm household members received from all other sources. The definition of farm operator household income is consistent with the definition of household income used by the Bureau of the Census in the Current Population Survey.

Farm operator households: The households of primary operators of farms organized as individual operators, partnerships, and family corporations. Farm operator households exclude households associated with farms organized as nonfamily corporations or cooperatives, as well as households where the operator is a hired manager. 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 farm work for cash wages or salary, including 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; Supplement 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 and the implicit Personal Consumption Expenditures Deflator (earnings, income, poverty, and transfer payments articles).

Major farming regions:

Northeast—Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont.

Lake States—Michigan, Minnesota, Wisconsin.

Corn Belt—Illinois, Indiana, Iowa, Missouri, Ohio.

Northern Plains—Kansas, Nebraska, North Dakota, South Dakota.

Appalachian—Kentucky, North Carolina, Tennessee, Virginia, West Virginia.

Southeast—Alabama, Florida, Georgia, South Carolina.

Delta—Arkansas, Louisiana, Mississippi.

Southern Plains—Oklahoma, Texas.

Mountain—Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming.

Pacific—California, Oregon, Washington.

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 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 non-metro 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.

Minority counties: Refers to three categories of minority counties—Black, Hispanic, and Native American—defined as having 20 percent or more of county population made up of the minority group according to 1990 census data.

Nonfarm earnings: The sum of wage and salary income, other labor income, such as privately administered pension and profit-sharing plans, and current production income of nonfarm sole proprietorships, partnerships, and tax-exempt cooperatives.

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.

Personal income: Personal income is the estimated total income (cash and goods) received by, or on behalf of, all residents of an area from all sources: salaries and wages, other labor income (such as employer contributions to private pension/profit-sharing plans, and private group health and life insurance plans), net income from the operation of a business (proprietors' income), dividends, interest, net rent, and transfers payments to individuals and nonprofit institutions by government and business less contributions to social insurance programs like Social Security, State and Federal retirement plans. The term total personal income emphasizes that earned income (wages, salary, proprietors income) has been combined with unearned income (dividends, interest and rent and transfer payments).

Population growth types: Modest growth is below the national average of 5.6 percent during 1990-95; rapid growth is above it.

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 \$15,029 in 1994. The thresholds are adjusted for inflation annually using the Consumer Price Index.

Region: Most articles in this issue use the modified regional delineation introduced in the Spring 1995 issue 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

Nonmetro adjacent counties—

Nonmetro counties physically adjacent to one or more metro areas and having at least 2 percent of the employment labor force in the county commuting to the central metro county

Transfer payments: Cash or goods that people and nonprofit institutions receive from government and some businesses (for example, liability payments) 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 to individuals 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 commodity programs are received as part of farmers' gross cash 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 proprietors' 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 proprietors' 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 proprietors' 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 proprietors' 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 inmovement 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. Note: The article dealing with transfer payments uses a different classification of transfer dependency whereby all nonmetro counties are ranked into quartiles according to the 3-year weighted average of personal income from transfer payments. Counties in the bottom quartile (low group) received less than 19 percent of personal income from transfer payments; those in the middle two quartiles (medium group) received from 19 to 27 percent of personal income from transfer payments; and those in the top quartile (high group) received 27 percent and over of personal income from transfer payments.

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

Appendix Tables

Appendix table 1—Population change, net migration, and natural increase by county types, 1990 to 1995

County type	Counties	Population change	Share of counties with increasing population	Net migration	Share of counties with net immigration	Natural change	Share of counties with natural increase
	Number	Percent					
Total nonmetro	2,292	5.1	75	3.1	67	2.0	74
Farming-dependent	556	3.2	49	1.6	46	1.6	53
Mining-dependent	146	2.7	65	.4	52	2.3	81
Manufacturing-dependent	506	4.5	89	2.6	76	2.0	90
Government-dependent	243	5.4	87	1.7	72	3.7	84
Services	323	7.3	85	5.6	76	1.7	73
Nonspecialized	484	5.2	81	3.7	75	1.5	74
Retirement	190	13.8	100	12.2	97	1.6	63
Recreational	282	9.8	93	7.4	89	2.3	79
Persistent poverty	535	4.3	75	1.6	60	2.8	83
Adjacent to large metro	184	7.0	92	4.7	86	2.3	85
Adjacent to small metro	805	5.3	84	3.3	75	1.9	83
Nonadjacent to metro	1,303	4.4	68	2.3	59	2.1	67
Metro	813	5.8	91	1.5	74	4.3	96

Notes: 1993 metro definition. County types are not mutually exclusive, except that farming, mining, manufacturing, government, services, and non-specialized 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. Adjacency defined by Urban Influence Code, Ghelfi and Parker. All other types defined in Cook and Mizer, 1994 (see appendix, p. 54). Percent change is aggregate change for all cases in category. Number of counties reflects the aggregation of Virginia independent cities with their counties of origin (see p. 8).

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

Appendix table 2—Regional population change from migration, 1988-89 and 1993-94

Region	1988-89			1993-94		
	In	Out	Net	In	Out	Net
Percent change						
United States:						
Metro	6.3	6.3	0	6.1	6.2	-0.1
Nonmetro	6.2	6.2	0	6.6	6.0	.6
North:						
Metro	4.8	5.3	-.5	4.8	5.2	-.5
Nonmetro	5.6	5.2	.4	5.3	5.0	.3
Central:						
Metro	5.7	6.0	-.2	5.8	6.0	-.2
Nonmetro	5.7	6.2	-.5	6.3	6.0	.3
South:						
Metro	8.0	7.4	.6	7.9	7.1	.8
Nonmetro	6.1	6.1	0	6.7	6.0	.7
West:						
Metro	7.1	6.9	.2	6.2	6.5	-.3
Nonmetro	8.7	8.4	.3	8.9	7.5	1.4

Notes: 1993 metro definition. Percent change is aggregate change for all cases in the category. See p. 53 for definition of region.

Source: Calculated by ERS using data from the Internal Revenue Service.

Appendix Tables

Appendix table 3—Population change from migration by county types, 1988-89 and 1993-94

County type	Counties	1988-89			1993-94		
		In	Out	Net	In	Out	Net
	Number	Percent change					
Total nonmetro	2,307	6.2	6.2	0	6.6	6.0	0.6
Farming-dependent	556	5.6	6.5	-.8	6.6	6.4	.1
Mining-dependent	147	5.2	6.4	-1.2	5.8	5.7	.1
Manufacturing-dependent	516	5.4	5.1	.3	5.6	5.1	.5
Retirement	191	9.0	7.1	1.9	9.1	6.6	2.5
Federal lands	270	8.7	8.2	.5	9.1	7.5	1.5
Adjacent to metro	1,001	6.4	6.2	.2	6.6	6.0	.6
Nonadjacent to metro	1,306	5.9	6.1	-.2	6.5	5.9	.6
Metro	836	6.3	6.3	0	6.1	6.2	-.1

Notes: 1993 metro definition. County types are not mutually exclusive, except farming, mining, and manufacturing types are mutually exclusive of each other. See appendix, p. 53, for definition of adjacency. See appendix, pp. 54-55 for definition of other county types.

Source: Calculated by ERS using data from the Internal Revenue Service.

Appendix table 4—Population change from migration and regional share of counties by county migration types, 1993-94

Item	Counties	Population change from migration			Regional share of counties				
		In	Out	Net	All nonmetro	North	Central	South	West
	Number	Percent							
Total nonmetro	2,307	6.6	6.0	0.6	100	100	100	100	100
Low in; low out	1,084	5.0	4.7	.3	47	71	55	46	13
Low in; high out	279	5.9	6.7	-.7	12	6	18	12	6
High in; low out	160	5.0	4.7	.3	7	9	4	8	7
High in; high out	784	9.6	8.3	1.3	34	14	23	34	73

Note: A 6.4-percent immigration rate divides counties into high and low “in” categories, with 50 percent of immigrants in each category; a 6-percent outmigration rate does the same for “out” categories. See p. 53 for definition of region.

Source: Calculated by ERS using data from the Internal Revenue Service.

Appendix Tables

Appendix table 5—Annual employment change by residence, region, and county type

Item	1980-90	1990-95	1990-91	1991-92	1992-93	1993-94	1994-95
Percent							
U.S. total	1.8	1.1	-0.9	0.7	1.5	2.4	1.8
Metro	2.0	1.0	-1.0	.5	1.3	2.4	1.8
Nonmetro	.9	1.6	-.1	1.6	2.0	2.7	1.7
Region:							
Metro—							
North	1.2	.1	-2.1	-.1	1.2	1.0	.8
Central	1.4	1.3	-.3	1.3	.4	2.7	2.4
South	2.7	1.9	.3	1.0	2.4	3.3	2.5
West	2.9	1.0	-1.3	.3	.9	3.2	2.1
Nonmetro—							
North	1.4	1.4	-.7	1.4	2.5	1.8	2.2
Central	-.1	1.4	.5	1.4	1.3	2.5	1.5
South	.9	1.4	-.2	1.5	1.8	2.8	1.2
West	1.6	2.5	.7	2.3	2.8	4.3	2.4
County type:							
Farming	0	1.4	.1	1.0	1.7	2.9	1.1
Mining	-.7	.5	-.2	-.8	.6	1.7	1.2
Manufacturing	1.0	1.4	-.7	1.6	1.9	2.6	1.6
Government	1.6	1.7	.2	2.0	1.7	2.5	2.1
Services	1.3	2.1	.7	1.9	2.6	3.4	1.9
Nonspecialized	.8	1.6	0	1.7	2.2	2.4	1.7
Retirement	3.1	2.4	1.1	2.6	2.7	3.6	2.2
Federal lands	1.8	2.5	.6	2.4	3.1	4.2	2.4
Commuting	1.5	1.7	-0	1.7	2.5	2.5	1.9
Poverty	.4	1.3	-.3	1.5	1.6	2.6	1.3
Transfers	.3	1.7	-.1	1.6	2.4	2.8	1.6
Urban-rural:							
Metro—							
Core	2.0	.6	-1.7	-.2	.9	2.3	1.6
Noncore	1.9	1.5	-.1	1.3	2.0	2.5	1.9
Nonmetro—							
Adjacent	1.2	1.5	-.2	1.5	1.9	2.6	1.7
Nonadjacent	.6	1.6	.1	1.7	2.0	2.8	1.6

Note: Data for 1995 are preliminary. See p. 53 for definition of region.

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

Appendix table 6—Average unemployment rate by residence, region, and county type

Item	1980-89	1990-95	1990	1991	1992	1993	1994	1995
Percent								
U.S. total	7.3	6.3	5.5	6.7	7.4	6.8	6.1	5.5
Metro	6.9	6.2	5.3	6.5	7.2	6.7	6.0	5.4
Nonmetro	8.8	7.1	6.5	7.7	8.0	7.4	6.7	6.2
Region:								
Metro—								
North	7.0	6.3	5.4	6.9	7.6	6.7	5.9	5.4
Central	6.9	5.2	5.1	5.8	5.8	5.8	4.7	4.1
South	6.7	5.8	5.3	6.2	6.8	6.1	5.6	5.0
West	6.9	6.8	5.2	6.6	7.9	7.8	7.2	6.4
Nonmetro—								
North	8.8	7.1	6.4	8.0	8.3	7.3	6.6	5.9
Central	7.3	5.6	5.6	6.1	6.0	6.1	5.3	4.8
South	9.3	7.5	7.0	8.2	8.6	7.7	7.0	6.6
West	9.6	7.9	6.9	7.8	9.0	8.6	7.8	7.4
County type:								
Farming	7.9	6.6	6.0	6.7	7.4	7.0	6.5	6.2
Mining	10.8	8.8	7.4	9.1	10.3	9.7	8.5	7.9
Manufacturing	9.1	7.0	6.6	7.9	8.1	7.3	6.4	6.0
Government	8.8	7.4	7.0	7.9	8.2	7.7	7.3	6.6
Services	8.1	6.6	6.1	7.1	7.7	7.0	6.3	5.8
Nonspecialized	8.8	7.0	6.6	7.6	7.9	7.3	6.6	6.1
Retirement	8.6	7.4	6.3	7.5	8.5	8.0	7.3	6.8
Federal lands	9.6	7.7	6.9	7.9	8.8	8.2	7.3	7.0
Commuting	9.0	6.9	6.5	7.8	8.1	7.1	6.3	5.9
Poverty	10.6	8.6	8.1	9.2	9.6	8.9	8.3	7.8
Transfers	12.3	9.8	9.0	10.6	10.8	10.1	9.4	8.7
Rural-urban:								
Metro—								
Core	6.5	6.2	5.1	6.4	7.4	6.9	6.1	5.4
Noncore	7.4	6.1	5.6	6.6	7.1	6.5	5.8	5.3
Nonmetro—								
Adjacent	8.8	7.1	6.5	7.7	8.2	7.5	6.7	6.2
Nonadjacent	8.7	7.0	6.6	7.6	7.9	7.3	6.6	6.1

Note: Data for 1995 are preliminary. See p. 53 for definition of region.

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

Appendix Tables

Appendix table 7—Earnings per nonfarm job by industry

Item	Earnings per job			Annualized average change		Nonmetro-metro ratio		
	1980	1990	1994	1980-90	1990-94	1980	1990	1994
	1994 dollars			Percent		Ratio		
U.S. total	27,139	27,621	28,523	0	0.8	NA	NA	NA
Metro	28,104	28,880	29,919	.3	.9	NA	NA	NA
Nonmetro	22,639	21,294	21,826	-.6	.6	80.6	73.7	73.0
Nonmetro:								
Industry—								
Agricultural services, forestry, fishing	14,238	14,538	14,392	.2	-.3	90.2	84.1	87.1
Mining	45,990	35,056	37,270	-2.7	1.5	84.1	101.7	89.1
Construction	28,734	23,655	22,907	-1.9	-.8	81.7	72.4	72.5
Manufacturing	28,617	28,096	29,510	-.2	1.2	75.3	70.5	69.9
Transportation, public utilities	34,769	31,726	31,955	-.9	.2	83.3	80.3	78.6
Wholesale trade	28,039	25,422	26,218	-1.0	.8	76.2	66.4	66.8
Retail trade	15,373	13,754	13,772	-1.1	0	88.6	82.5	82.5
Finance, insurance, real estate	13,081	14,112	15,674	.8	2.7	60.5	55.5	52.2
Services	17,698	17,216	18,167	-.3	1.4	73.3	63.6	64.8
Government	21,036	23,556	24,430	1.1	.9	79.7	77.5	77.0
Metro:								
Industry—								
Agricultural services, forestry, fishing	15,837	17,280	16,524	0.9	-1.1	NA	NA	NA
Mining	54,659	34,453	41,827	-4.5	5.0	NA	NA	NA
Construction	35,150	32,657	31,580	-.7	-.8	NA	NA	NA
Manufacturing	38,013	39,854	42,244	.5	1.5	NA	NA	NA
Transportation, public utilities	41,763	39,497	40,652	-.6	.7	NA	NA	NA
Wholesale trade	36,786	38,283	39,249	.4	.6	NA	NA	NA
Retail trade	17,350	16,664	16,696	-.4	0	NA	NA	NA
Finance, insurance, real estate	21,605	25,437	30,048	1.6	4.3	NA	NA	NA
Services	24,140	27,073	28,046	1.2	.9	NA	NA	NA
Government	26,389	30,393	31,746	1.4	1.1	NA	NA	NA

Note: Some numbers may be underestimates because of suppression.

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

Appendix table 8—Earnings per nonfarm job by county types

Item	Earnings per job			Change		Annualized average change	
	1980	1990	1994	1980-90	1990-94	1980-90	1990-94
	1994 dollars					Percent	
Nonmetro	22,639	21,294	21,826	-1,345	532	-0.6	0.6
Adjacency:							
Adjacent to metro	22,588	21,615	22,152	-974	538	-.4	.6
Nonadjacent	22,696	20,928	21,457	-1,768	529	-.8	.6
Region:							
North	23,087	22,697	23,195	-390	498	-.2	.5
Central	21,889	19,786	20,334	-2,103	547	-1.0	.7
South	21,873	20,801	21,382	-1,072	580	-.5	.7
West	25,101	22,285	22,759	-2,816	474	-1.2	.5
Economic types:							
Mining	30,230	24,501	24,244	-5,729	-257	-2.1	-.3
Manufacturing	23,014	22,350	23,036	-664	686	-.3	.8
Government	22,274	21,371	21,923	-903	552	-.4	.6
Services	22,196	21,024	21,574	-1,172	549	-.5	.6
Policy types:							
Retirement	21,003	20,459	21,064	-545	605	-.3	.7
Federal lands	24,325	21,938	22,421	-2,387	483	-1.0	.5
Commuting	20,997	20,141	20,554	-855	413	-.4	.5
Persistent poverty	21,166	19,882	20,418	-1,284	536	-.6	.7
Transfers	22,321	19,711	20,096	-2,610	385	-1.2	.5
Growth counties:							
Declining	23,077	20,719	21,058	-2,358	340	-1.1	.4
Modest growth	22,798	21,585	22,065	-1,213	480	-.5	.6
Rapid growth	22,196	21,119	21,783	-1,077	664	-.5	.8
Minority counties:							
Black	20,735	20,617	21,306	-118	689	-.1	.8
Hispanic	23,118	20,499	20,857	-2,618	357	-1.2	.4
Native American	26,149	22,513	22,876	-3,636	363	-1.5	.4

Note: Data for mining counties may be underestimated because of suppression for certain counties.

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

Appendix table 9—Per capita income by residence, region, and county types

Item	Nonmetro			Metro		
	1980	1990	1994	1980	1990	1994
1994 dollars						
United States	13,954	16,117	16,964	18,925	22,379	22,882
Regions:						
North	14,867	17,327	18,028	19,292	23,895	24,652
Central	14,435	16,739	17,598	19,578	22,480	23,368
South	12,528	14,848	15,905	17,098	20,118	20,917
West	15,986	16,846	17,334	20,195	22,630	22,320
Economic types:						
Farming	13,412	16,399	16,977	NA	NA	NA
Mining	14,957	15,085	15,833	NA	NA	NA
Manufacturing	13,732	16,044	16,979	NA	NA	NA
Government	13,140	15,110	15,941	NA	NA	NA
Services	14,992	17,407	18,281	NA	NA	NA
Policy types:						
Retirement	14,895	17,361	17,860	NA	NA	NA
Federal lands	15,165	16,779	17,470	NA	NA	NA
Commuting	13,130	15,427	16,149	NA	NA	NA
Poverty	11,213	13,156	14,276	NA	NA	NA
Transfers	11,772	13,198	14,176	NA	NA	NA
Population growth:						
High growth	13,932	16,041	16,769	NA	NA	NA
Slow growth	14,000	16,174	17,067	NA	NA	NA
Decline	13,854	16,115	17,151	NA	NA	NA

NA = Not applicable.

Notes: Per capita incomes are calculated based on aggregating income and population of counties in the region or category. See p. 53 for definition of region and pp. 54-55 for definition of county types.

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

Appendix table 10—Change in real per capita income by residence, region, and county types

Item	Nonmetro		Metro	
	1980-90	1990-94	1980-90	1990-94
Average annual percent change				
United States	1.45	1.29	1.69	0.56
Regions:				
North	1.54	1.00	2.16	.78
Central	1.49	1.26	1.39	.97
South	1.71	1.73	1.64	.98
West	.52	.72	1.14	-.34
Economic types:				
Farming	2.03	.87	NA	NA
Mining	.08	1.22	NA	NA
Manufacturing	1.57	1.43	NA	NA
Government	1.41	1.35	NA	NA
Services	1.50	1.23	NA	NA
Policy types:				
Retirement	1.54	.71	NA	NA
Federal lands	1.01	1.01	NA	NA
Commuting	1.62	1.15	NA	NA
Poverty	1.61	2.06	NA	NA
Transfers	1.15	1.80	NA	NA
Population growth categories:				
Rapid growth	1.42	1.10	NA	NA
Moderate growth	1.45	1.35	NA	NA
Declining	1.52	1.57	NA	NA

NA = Not applicable.

Note: Per capita incomes are calculated based on aggregating income and population of counties in the region or category. See p. 53 for definition of region and pp. 54-55 for definition of county types.

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

Appendix table 11—Mean, standard deviation, and range of nonmetro per capita income by county types

Item	Mean	Standard deviation	Minimum	Maximum
1994 dollars				
Economic types:				
Farming	17,716	3,549	8,934	38,489
Mining	16,338	3,294	9,707	33,000
Manufacturing	16,344	2,222	11,101	25,476
Government	15,497	3,322	6,583	31,950
Services	17,941	3,755	11,085	41,889
Nonspecialized	16,186	2,368	10,284	25,912
Policy types:				
Retirement	16,961	3,384	9,707	30,214
Federal lands	17,278	4,297	10,444	41,889
Commuting	15,648	2,697	10,079	32,759
Poverty	14,285	2,375	6,583	26,270
Transfers	13,948	2,158	6,583	26,270
Population growth types:				
Declining	17,838	3,293	9,767	38,489
Moderate growth	16,629	2,779	8,697	32,759
Rapid growth	16,291	3,439	6,583	41,889

Notes: The mean values are the unweighted county means of per capita income. See pp. 54-55 for definition of county types.

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

Appendix table 12—Per capita income and transfer payments, 1994, average annual changes, 1990-94

	1994		Average annual change				
	Income	Share of transfers	1990-94	1990-91	1991-92	1992-93	1993-94
	Dollars		Percent				
Nonmetro:							
Per capita income	16,982	NA	1.29	-.74	2.25	.90	2.75
Transfer payments	3,560	100.00	4.34	6.75	6.42	2.80	1.38
Retirement/disability programs	1,839	51.66	2.30	2.76	2.27	2.33	1.86
Social Security	1,374	38.58	2.13	2.70	2.57	1.89	1.37
Medical	1,172	32.92	9.00	13.83	9.79	7.20	5.19
Income maintenance programs	333	9.36	5.68	8.43	13.80	.93	-.46
Supplemental Security Income	105	2.96	7.68	7.17	17.82	4.60	1.11
Aid to Families with Dependent Children	62	1.74	.28	7.73	.44	-2.34	-4.69
Food stamps	93	2.60	3.70	13.78	6.98	-2.55	-3.44
Other income maintenance	73	2.05	12.43	2.40	38.17	3.89	5.28
Unemployment insurance	84	2.37	4.00	30.18	31.38	-14.42	-31.16
Veterans' benefits	93	2.61	-1.66	-3.48	-.93	.23	-2.46
Other transfer programs	38	1.06	-3.51	-6.16	2.11	-7.09	-2.88
Metro:							
Per capita income	22,898	NA	.56	-1.40	1.43	.64	1.58
Transfer payments	3,503	100.00	4.39	6.60	7.08	2.73	1.14
Retirement/disability programs	1,766	50.42	2.33	2.80	2.24	2.41	1.88
Social Security	1,154	32.95	1.98	2.74	1.98	1.96	1.24
Medical	1,187	33.88	8.43	11.91	10.28	6.75	4.77
Income maintenance programs	350	9.99	5.81	7.61	11.80	2.90	.94
Supplemental Security Income	98	2.81	7.20	5.68	14.02	7.09	2.02
Aid to Families with Dependent Children	101	2.88	1.08	5.10	1.42	-.45	-1.76
Food stamps	86	2.46	8.35	18.77	12.31	2.29	.02
Other income maintenance	64	1.83	9.82	.53	30.43	3.25	5.08
Unemployment insurance	93	2.65	6.66	34.34	42.67	-16.12	-34.23
Veterans' benefits	71	2.03	-1.43	-2.41	-2.07	.40	-1.63
Other transfer programs	36	1.03	-2.55	-5.67	5.91	-7.92	-2.53

NA= Not applicable.

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

Appendix Tables

Appendix table 13—Nonmetro per capita income and transfer payments by region and selected county types, 1994

Item	Per capita income	Per capita transfers	Transfers as a share of income	Share of transfers from—				Share of counties with high transfer payments, 1992-94
				Retirement/disability programs	Medical programs	Income maintenance programs	Other programs	
	Dollars			Percent				
All nonmetro	16,982	3,560	21.0	51.7	32.9	9.4	6.0	25.0
By region:								
North	18,029	3,519	19.8	52.8	33.9	7.6	5.7	17.0
Central	17,600	3,551	20.2	53.2	34.0	7.2	5.6	17.3
South	15,915	3,617	22.7	49.5	33.8	11.3	5.4	36.9
West	17,335	3,421	19.7	53.9	27.2	10.0	8.9	15.6
By population growth:								
Declining population	17,196	3,990	23.2	49.9	34.5	9.5	5.0	26.9
Modest population growth	17,089	3,604	21.1	50.9	33.9	9.4	5.8	24.2
High population growth	16,774	3,359	20.0	53.4	30.4	9.4	6.8	24.6
By minority concentration:								
Black	15,516	3,692	23.8	44.9	36.2	13.6	5.3	43.7
Hispanic	14,605	3,402	23.3	44.9	34.4	14.5	6.2	30.7
Native American	13,743	3,261	23.7	40.6	30.4	16.8	12.2	40.4
By other types:								
Retirement-destination	17,859	3,794	21.3	58.0	27.8	8.1	6.2	33.7
Persistent-poverty	14,266	3,779	26.5	43.2	35.9	14.9	6.0	60.9
High transfers, 1992-94	14,439	4,336	30.0	46.7	35.6	12.1	5.6	100.0

Note: See pp. 53-55 for definition of region and ERS county types.

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

Appendix table 14—Poverty rates by residence, region, and selected characteristics

Item	Poverty rate		Share of poor	
	Nonmetro	Metro	Nonmetro	Metro
	Percent			
Total	16.4	14.0	100.0	100.0
By region:				
North	13.2	12.8	21.0	32.8
Central	13.5	12.9	14.5	10.3
South	19.6	15.1	49.4	31.2
West	16.5	15.1	15.2	25.6
By race/ethnicity:				
White non-Hispanic	13.0	8.2	67.1	40.9
Black non-Hispanic	36.4	29.5	18.7	29.0
Hispanic	39.8	29.6	11.7	25.8
Native American	31.2	22.2	2.2	.7
By family type:				
Husband-wife headed families	8.7	7.0	37.4	32.8
Female-headed families	45.0	36.8	35.3	41.6
Women living alone	33.0	22.7	14.6	12.7
Men living alone	21.4	17.0	7.6	8.9
By age:				
Age 0-17	23.0	21.5	37.9	40.9
Age 18-64	13.9	11.4	50.0	50.3
Age 65+	14.2	10.8	12.1	8.8
By family employment:				
One or more full-time-full-year worker	6.3	4.1	24.8	20.0
Part-time or part-year worker(s) only	36.9	33.7	37.7	36.1
No family-member employed	58.8	66.9	27.3	36.5
No working-age person in family	15.2	12.3	10.3	7.5
By educational attainment:				
(Persons age 25 and above only)				
Less than high school graduation	25.8	26.2	46.2	42.7
High school diploma or GED	11.5	10.4	34.1	32.4
Some college or Associate degree	8.8	7.0	15.6	17.0
Bachelor's degree or more	3.7	3.2	4.2	7.9

Notes: See p. 53 for definition of region. Shares of poor by race-ethnicity and family type do not add to 100 percent because not all categories are included. Work status refers to employment during the entire year. For persons living alone, family employment refers to the person's own work status.

Source: Calculated by ERS using data from the Bureau of the Census March 1995 Current Population Survey

Appendix Tables

Appendix table 15—Farm operator household income, by selected characteristics, 1994

Item	Households		Mean household income		Share from off-farm sources ¹		Percent of U.S. average household income ²
	Number	RSE ³	Dollars	RSE ³	Percent	RSE ³	Percent
All farm households	1,996,793	2.5	42,469	3.3	90	1.4	98
Operator's age:							
Less than 35 years	185,673	9.0	31,429	8.9	81	5.6	73
35-44 years	395,130	5.9	43,970	5.1	83	3.8	102
45-54 years	487,392	5.4	55,512	5.8	90	2.5	129
55-64 years	434,126	5.6	44,622	8.6	94	3.3	103
65 years or older	494,473	5.2	30,668	6.9	95	2.2	71
Operator's education:							
Less than high school	386,957	6.0	24,144	5.5	92	3.0	56
High school	828,292	4.0	39,673	4.8	87	2.5	92
Some college	426,491	5.6	47,299	7.5	89	3.3	110
College	355,053	6.6	63,159	7.0	94	2.5	146
Operator's occupation:							
Farming	898,270	2.8	36,539	3.8	64	3.8	85
Other occupation	817,417	4.9	54,196	5.4	106	1.1	126
Retired	281,106	7.9	27,314	8.9	105	2.5	63
Type of farm:							
Cash grains	394,003	4.3	41,700	3.9	75	3.4	97
Other crops	472,075	5.4	53,523	6.7	79	3.4	124
Beef, hogs, or sheep	860,465	4.4	37,144	5.6	107	1.8	86
Dairy	137,897	6.0	33,968	7.4	50	8.8	79
Other livestock	132,354	11.9	48,807	15.6	110	5.3	113
Sales class of farm:							
Less than \$50,000	1,457,392	3.4	38,168	4.5	109	1.0	88
\$50,000 and more	539,401	2.7	54,090	4.1	52	4.1	125
\$50,000-\$99,999	208,746	6.4	39,531	7.5	80	4.0	92
\$100,000-\$249,999	217,335	3.4	41,935	7.2	62	5.7	97
\$250,000-\$499,999	70,141	5.7	72,518	7.3	31	9.8	168
\$500,000 and more	43,179	5.3	155,711	9.3	23	13.8	361
Farm organization:							
Individual	1,826,382	2.7	40,930	3.6	93	1.4	95
Partnership	110,494	7.7	53,371	9.6	68	6.1	124
Family corporation	59,918	10.5	69,255	13.0	62	12.2	161
Major farming region:							
Northeast	137,872	7.6	39,209	17.2	94	4.5	91
Lake States	212,467	6.9	35,060	7.5	85	4.5	81
Corn Belt	411,055	5.7	42,098	5.2	86	3.0	98
Northern Plains	182,261	7.5	41,173	12.1	79	5.5	95
Appalachian	291,826	7.5	39,631	8.5	96	2.3	92
Southeast	147,418	10.0	47,685	9.0	94	3.2	111
Delta	110,268	9.3	39,804	18.8	90	4.8	92
Southern Plains	251,604	7.7	38,943	10.2	100	4.5	90
Mountain	108,637	7.7	52,133	15.2	89	5.4	121
Pacific	143,385	11.2	60,617	13.0	85	7.9	141

¹Income from off-farm sources can be more than 100 percent of total household income if farm income is negative. ²Mean household income divided by U.S. mean household income (\$43,133). ³The relative standard error (RSE) provides the means of evaluating the survey results. A smaller RSE indicates greater reliability of the estimate.

Source: Calculated by ERS using data from the 1994 Farm Costs and Returns Survey (FCRS).

Appendix table 16—Demographic and earnings characteristics of hired farmworkers, 1990-95

Characteristics	Hired farmworkers					
	1990	1991	1992	1993	1994	1995
Thousands						
Number of workers	886	884	848	803	779	832
Percent						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Gender:						
Male	82.9	82.4	83.8	84.7	83.8	84.6
Female	17.1	17.6	16.2	15.3	16.2	15.4
Racial/ethnic group:						
White	61.0	60.3	59.7	57.5	50.5	52.8
Hispanic	29.4	28.3	30.7	33.6	41.9	41.8
Black and other	9.6	11.4	9.6	8.9	7.6	5.4
Age (years):						
16-24	31.5	25.0	24.7	27.2	26.8	28.7
25-44	47.6	51.6	52.6	51.1	49.7	45.1
45-59	14.4	15.1	16.3	16.2	17.5	18.5
60 and older	6.5	8.3	6.4	5.5	6.0	6.7
Marital status:						
Married	53.3	53.4	53.5	51.8	59.5	59.7
Widowed, divorced, or separated	8.9	11.2	10.1	9.5	8.9	7.6
Never married	37.8	35.4	36.4	38.6	31.6	32.7
Schooling completed: ¹						
0-4 years	11.1	11.5	14.1	16.4	13.5	14.5
5-8 years	21.6	21.2	16.0	17.4	22.5	22.1
9-11 years	22.8	22.6	27.0	21.8	22.2	22.0
12 years	31.4	31.0	26.9	27.0	26.0	26.4
13 years or more	13.1	13.7	16.0	17.4	15.8	15.0
Dollars						
Median weekly earnings: ²						
Part-time workers ³	93	105	98	105	118	100
Full-time workers ⁴	280	269	261	264	257	260
All workers	233	235	217	232	245	240

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

² Median earnings are in 1995 dollars.

³ Part-time workers usually work less than 35 hours per week.

⁴ Full-time workers usually work 35 or more hours per week.

Note: Data for 1994 and 1995 are not directly comparable with data for 1993 and earlier years.

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

Appendix Tables

Appendix table 17—Demographic and earnings characteristics of all wage and salary workers, 1990-95

Characteristics	All wage and salary workers					
	1990	1991	1992	1993	1994	1995
Thousands						
Number of workers	104,351	103,166	104,054	105,407	107,824	109,844
Percent						
Total	100.0	100.0	100.0	100.0	100.0	100.0
Gender:						
Male	52.7	52.5	52.2	52.1	52.4	52.4
Female	47.3	47.5	47.8	47.9	47.6	47.6
Racial/ethnic group:						
White	78.3	78.1	77.9	77.7	76.3	76.2
Hispanic	7.9	8.0	8.0	8.2	9.3	9.5
Black and other	13.8	13.9	14.1	14.1	14.4	14.3
Age (years):						
16-24	15.8	17.2	16.7	16.6	16.9	16.6
25-44	56.5	55.4	55.2	54.7	54.4	54.1
45-59	21.8	21.7	22.5	23.2	23.4	24.0
60 and older	5.9	5.7	5.6	5.5	5.3	5.3
Marital status:						
Married	58.2	58.5	58.3	58.2	58.1	58.2
Widowed, divorced, or separated	14.3	14.3	15.4	14.6	14.5	14.4
Never married	27.5	27.2	27.2	27.1	27.4	27.4
Schooling completed: ¹						
0-4 years	1.0	.9	.9	.8	.8	.8
5-8 years	4.0	3.7	3.0	2.8	2.8	2.7
9-11 years	10.8	10.2	10.1	9.8	9.5	9.5
12 years	39.4	39.2	35.0	34.4	33.3	32.7
13 years+	44.8	46.0	51.0	52.2	53.6	54.3
Dollars						
Median weekly earnings: ²						
Part-time workers ³	136	135	139	137	136	138
Full-time workers ⁴	471	478	478	480	475	480
All workers	420	414	413	422	411	400

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

² Median earnings are in 1995 dollars.

³ Part-time workers usually work less than 35 hours per week.

⁴ Full-time workers usually work 35 or more hours per week.

Note: Data for 1994 and 1995 are not directly comparable with data for 1993 and earlier years.

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