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U.S. Department of Agriculture  
Agricultural Outlook Forum 2004  
February 19 & 20, 2004

## Rural Labor Markets Assessment and Prospects

Robert Gibbs

rural  
labor  
markets  
assessment and prospects

Robert Gibbs

Economic Research Service -- USDA



- assessment...
  - of employment (job availability)
  - of earnings (job quality)
- prospects...
  - for industrial structure
  - for human capital growth
  - for more vulnerable workers

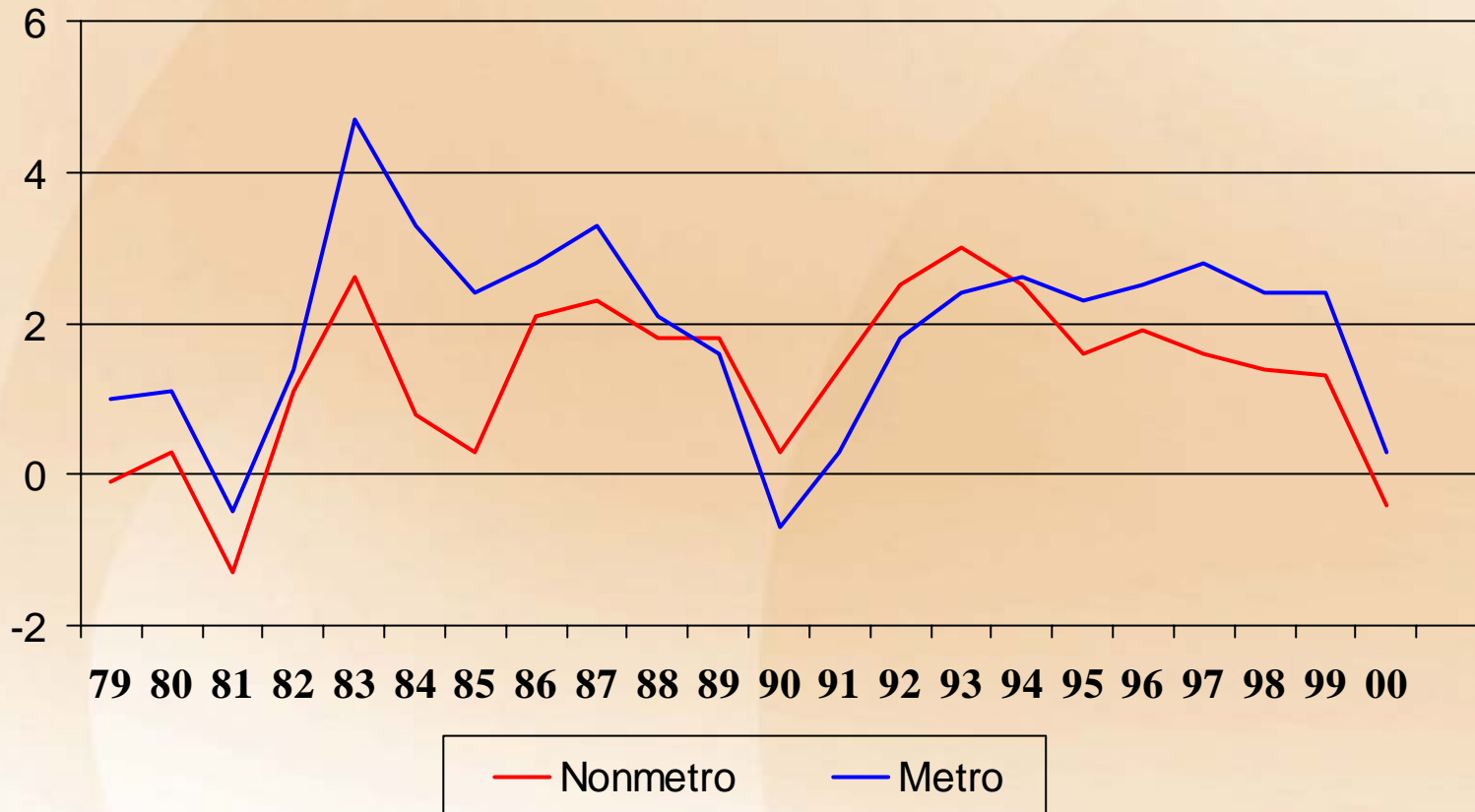


employment trends in the 90s: a  
decade of steady improvement

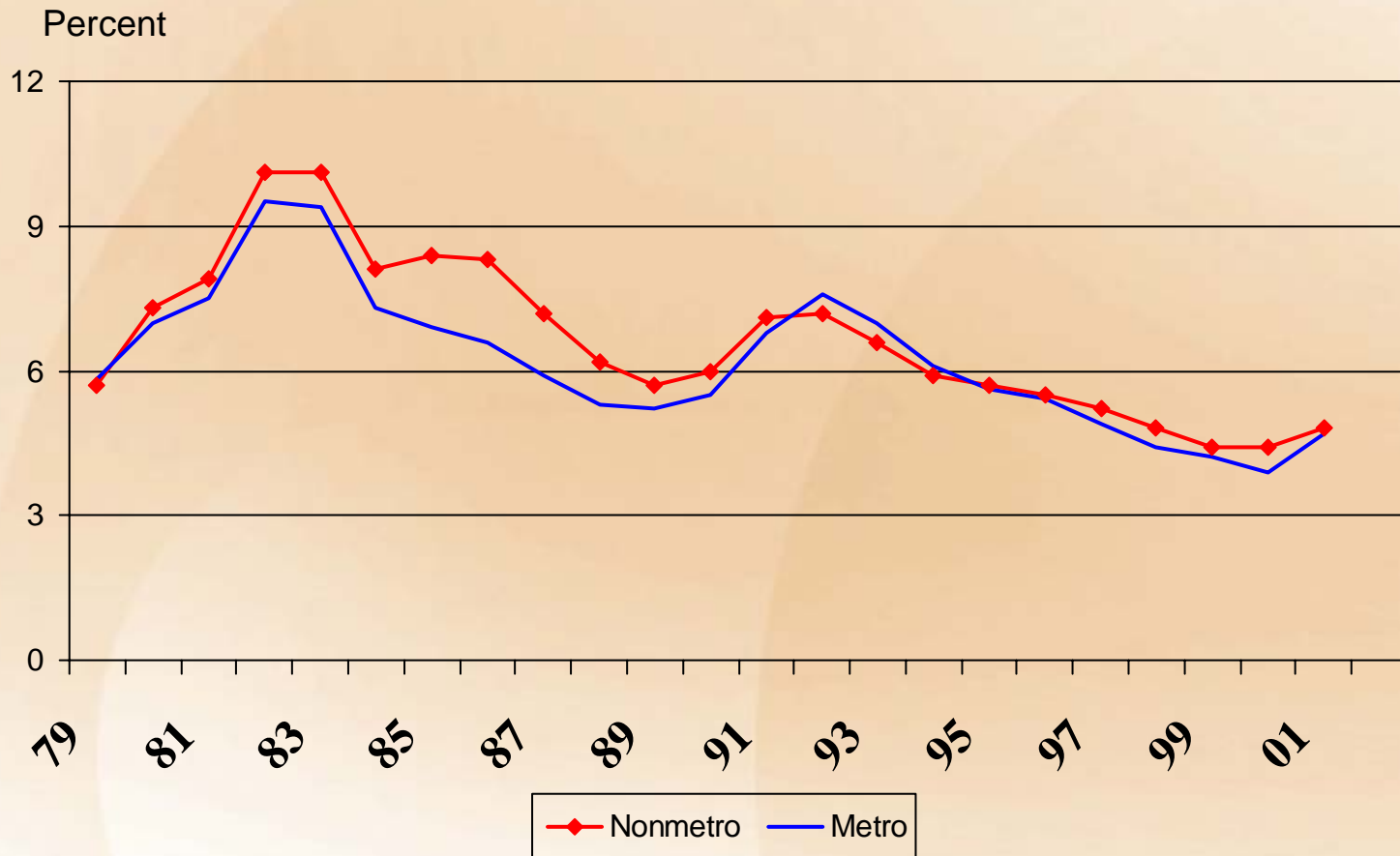


# Change in jobs by metro status, 1979-2001

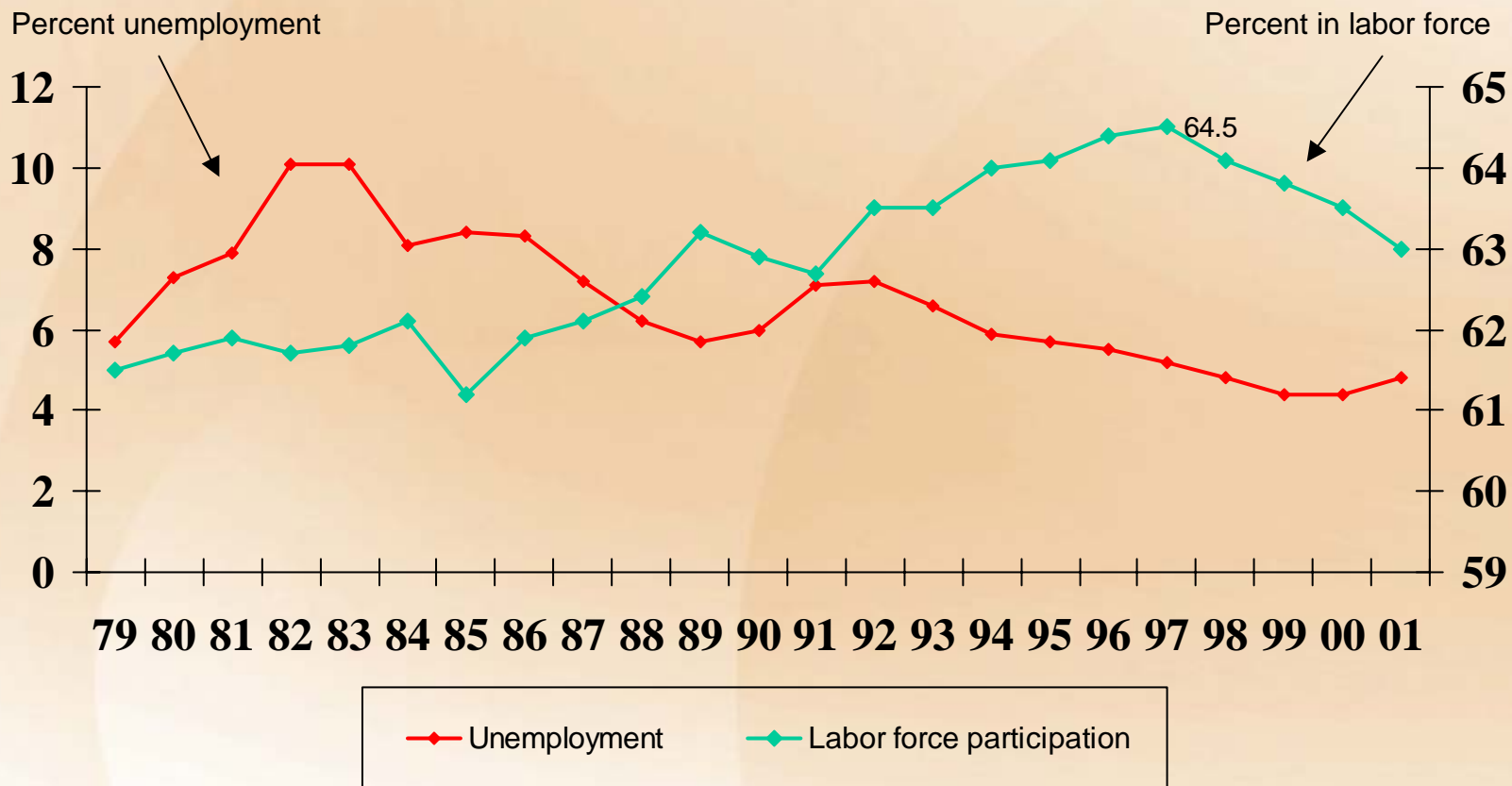
Year-to-Year Percent Change



# Unemployment rates by metro status, 1979-2001

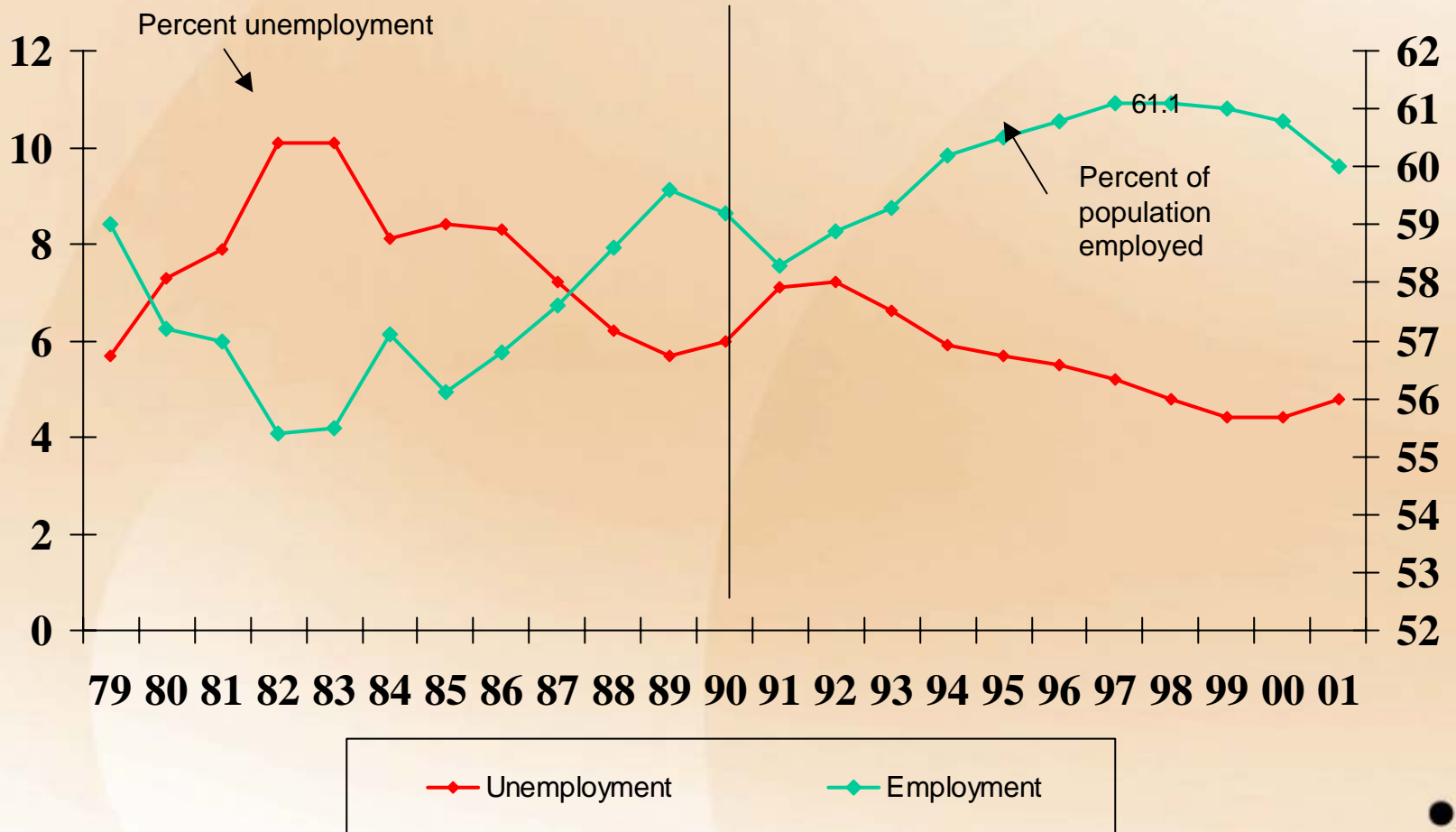


# Nonmetro unemployment and labor force participation rates, 1979-2001

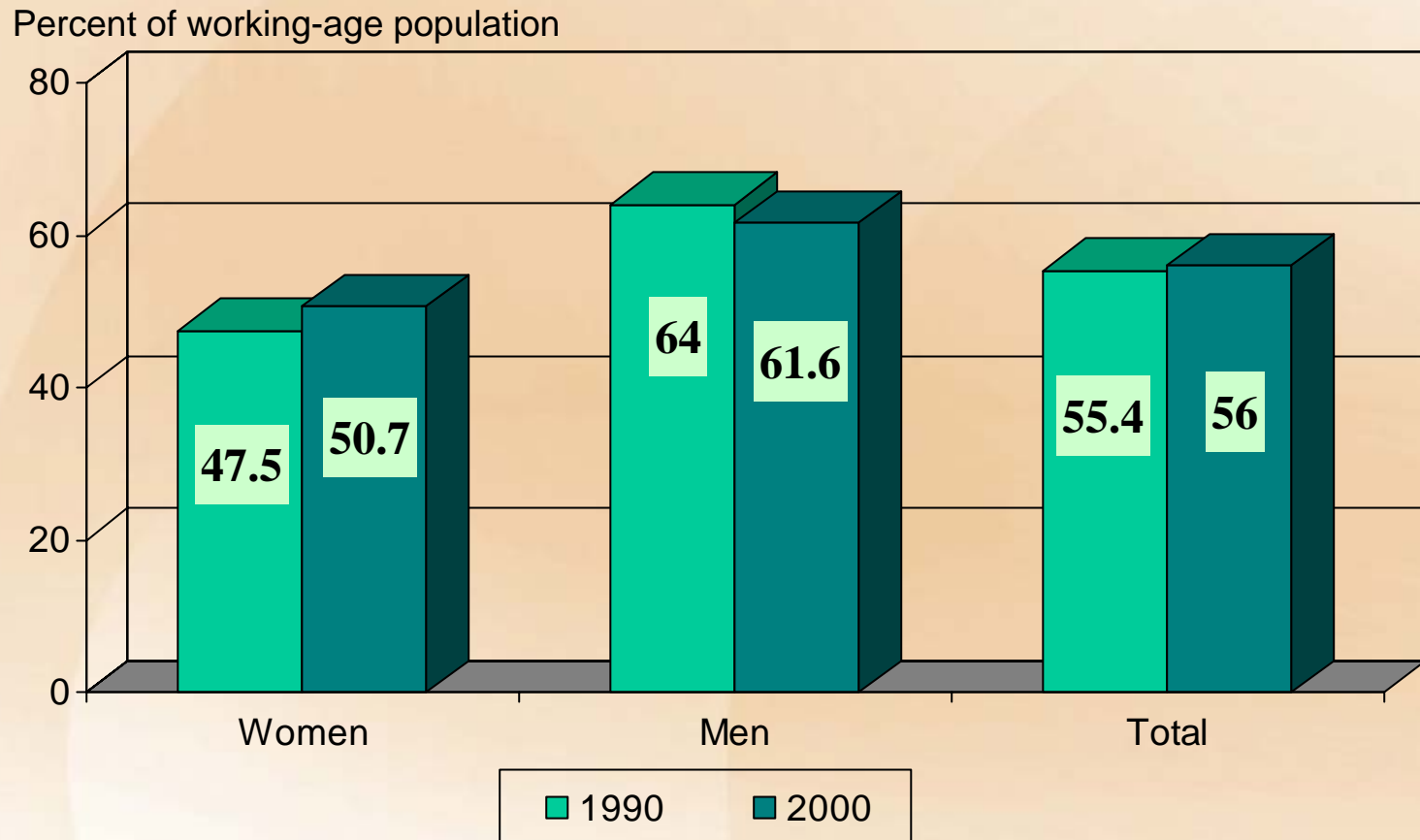




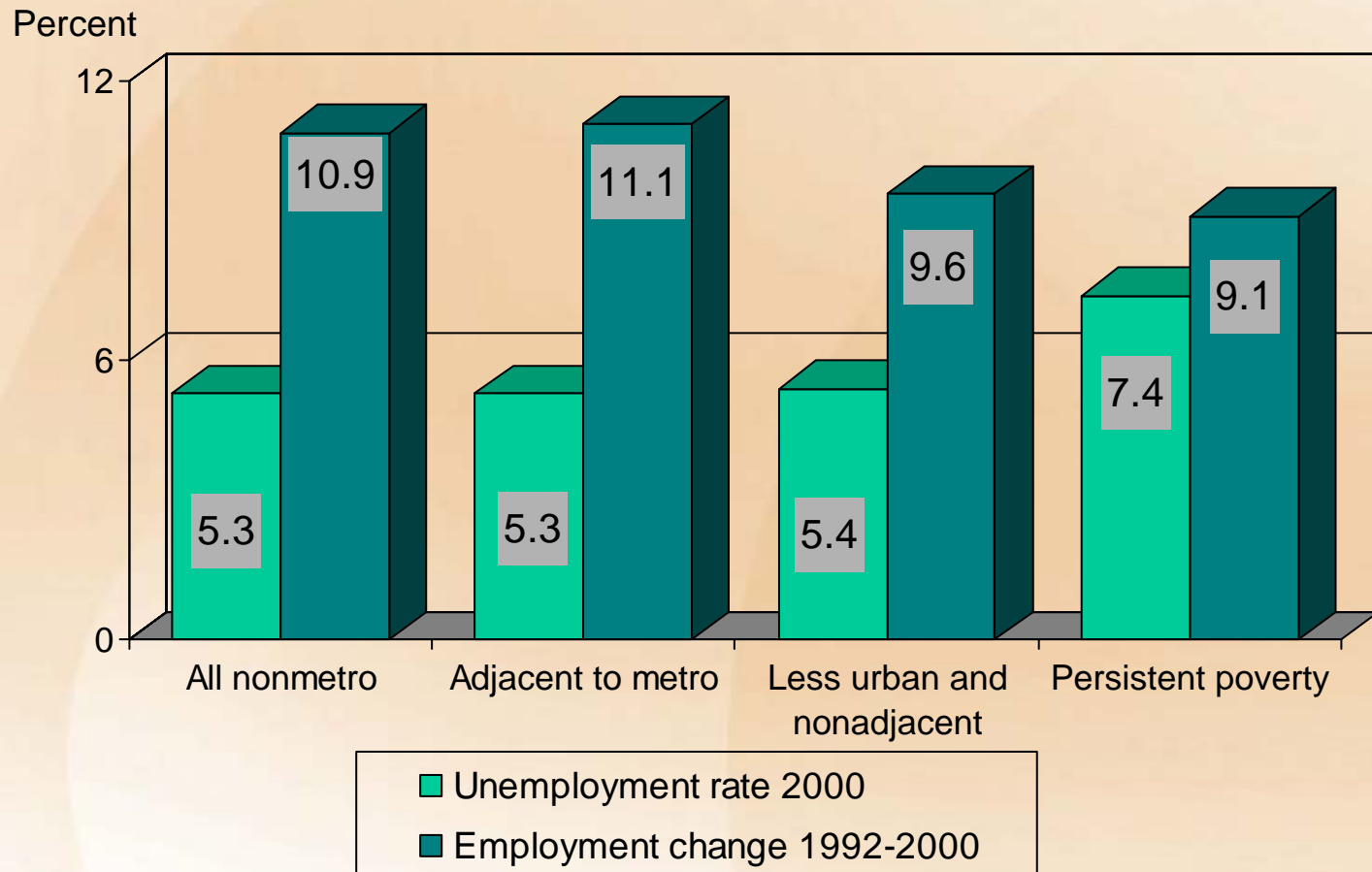
# Nonmetro unemployment and employment rates, 1979-2001



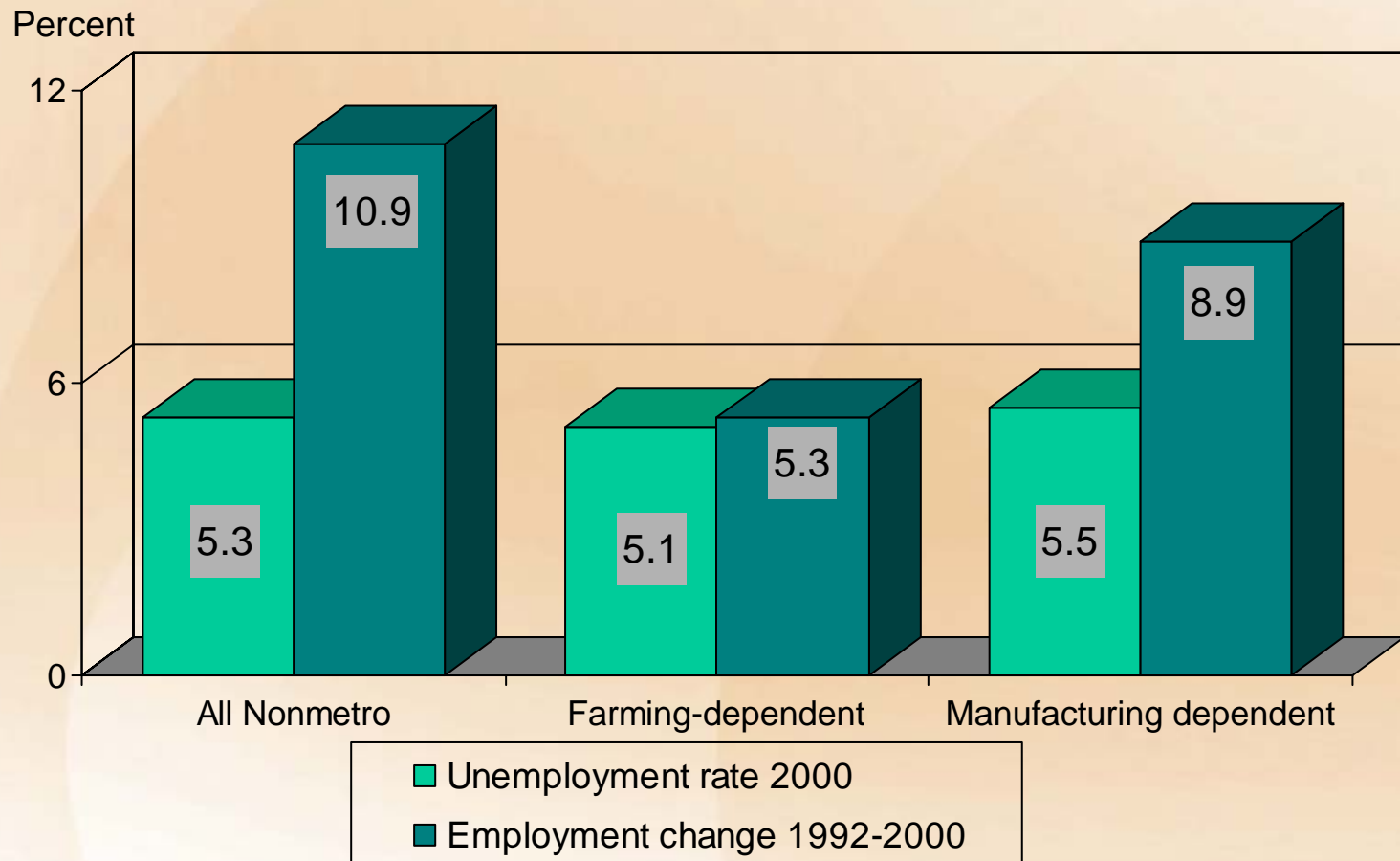
# Nonmetro employment rates 1990 and 2000



# Unemployment rates and employment change



# Unemployment rates and employment change

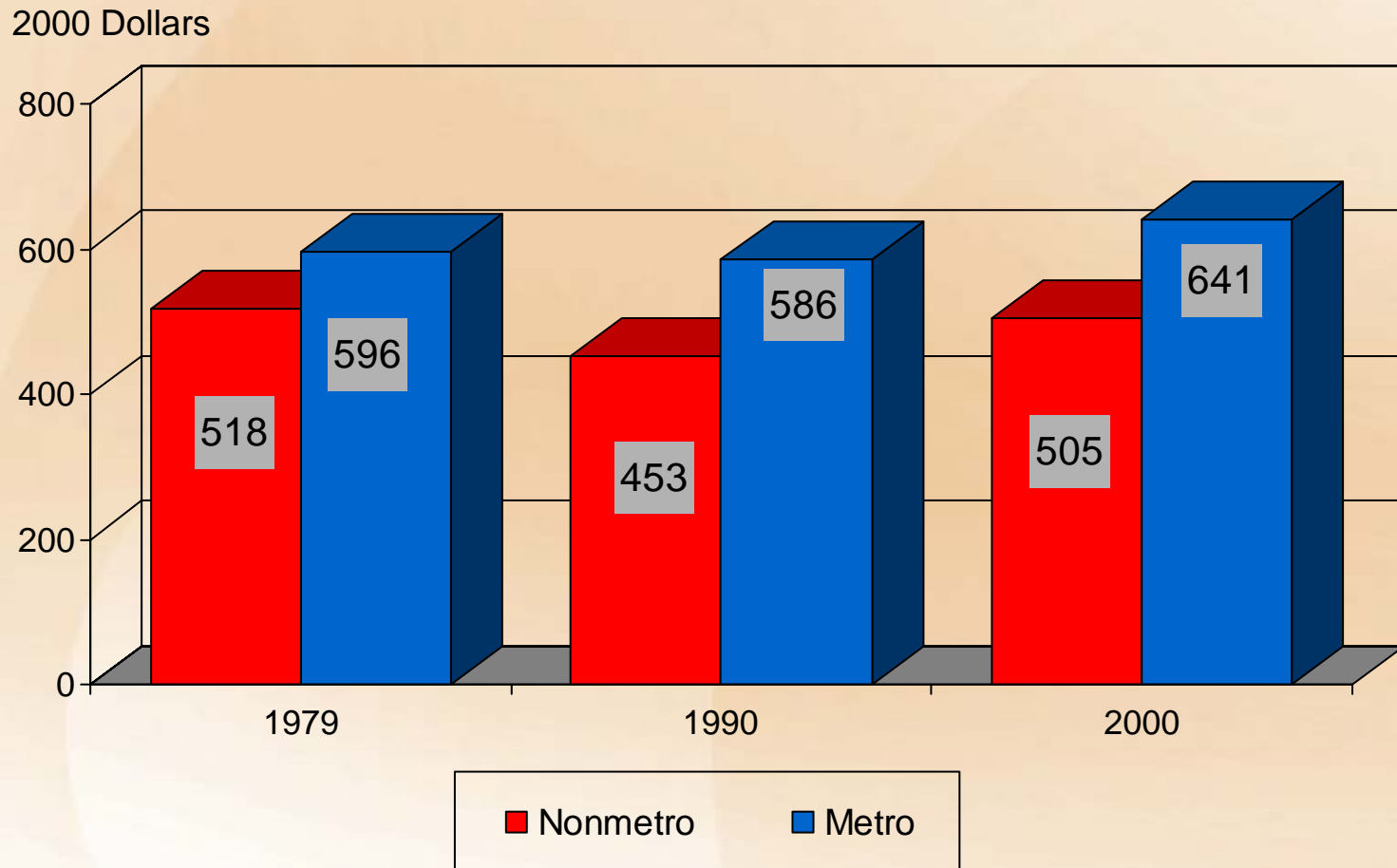


earnings rose...

along with education levels

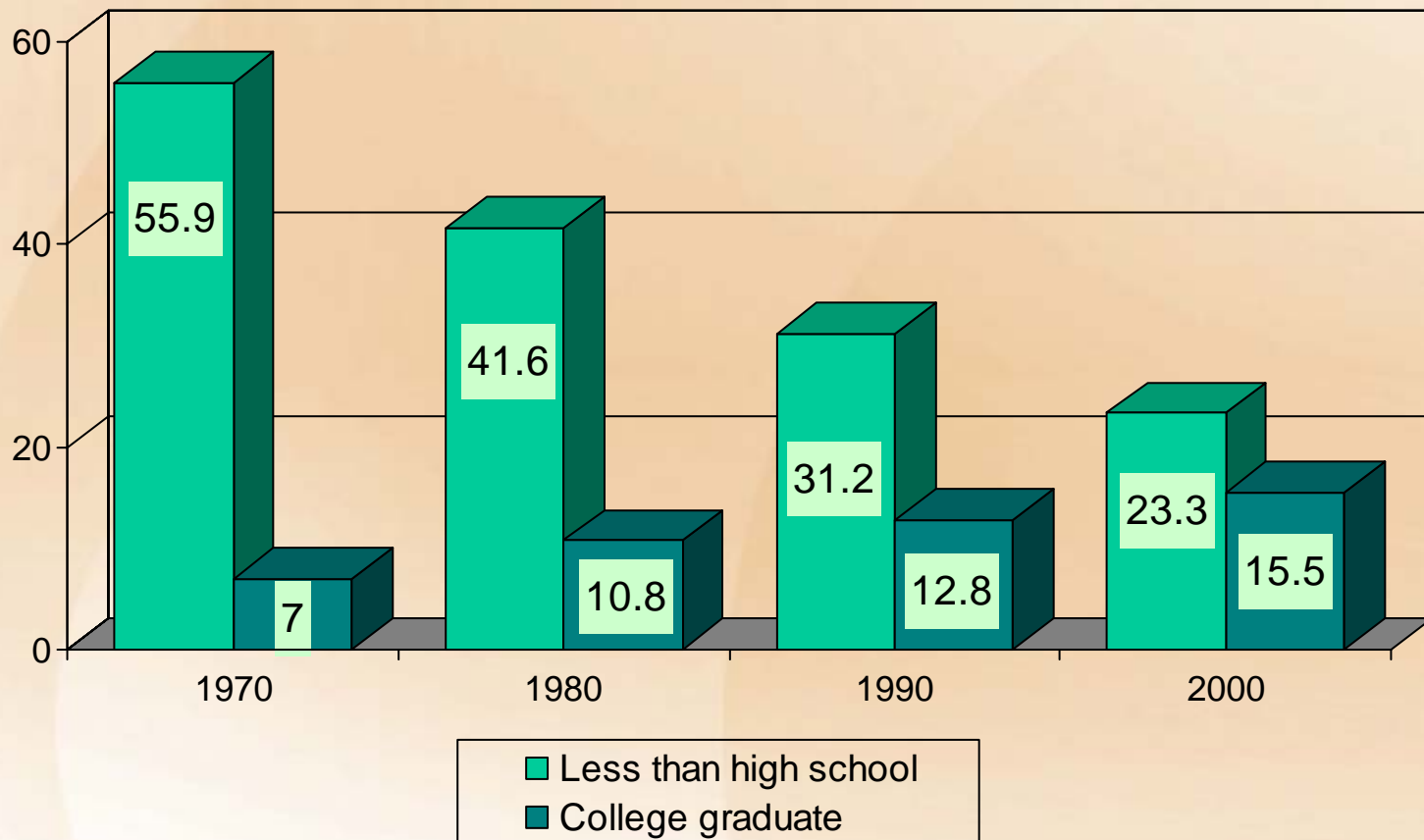


# Average weekly earnings by metro status, 1979, 1990, and 2000

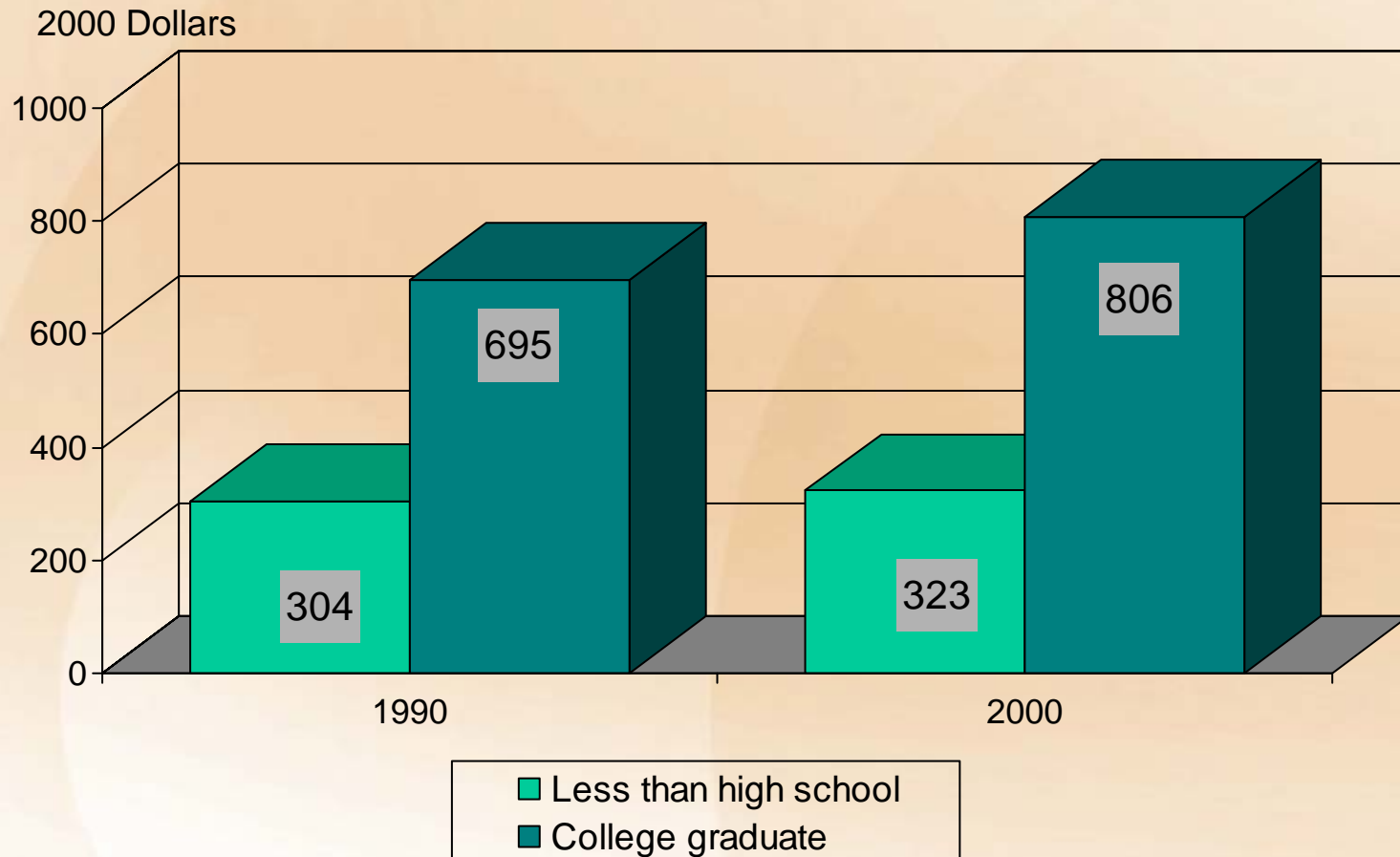


# Nonmetro educational attainment 1970-2000

Percent of adults 25 and over

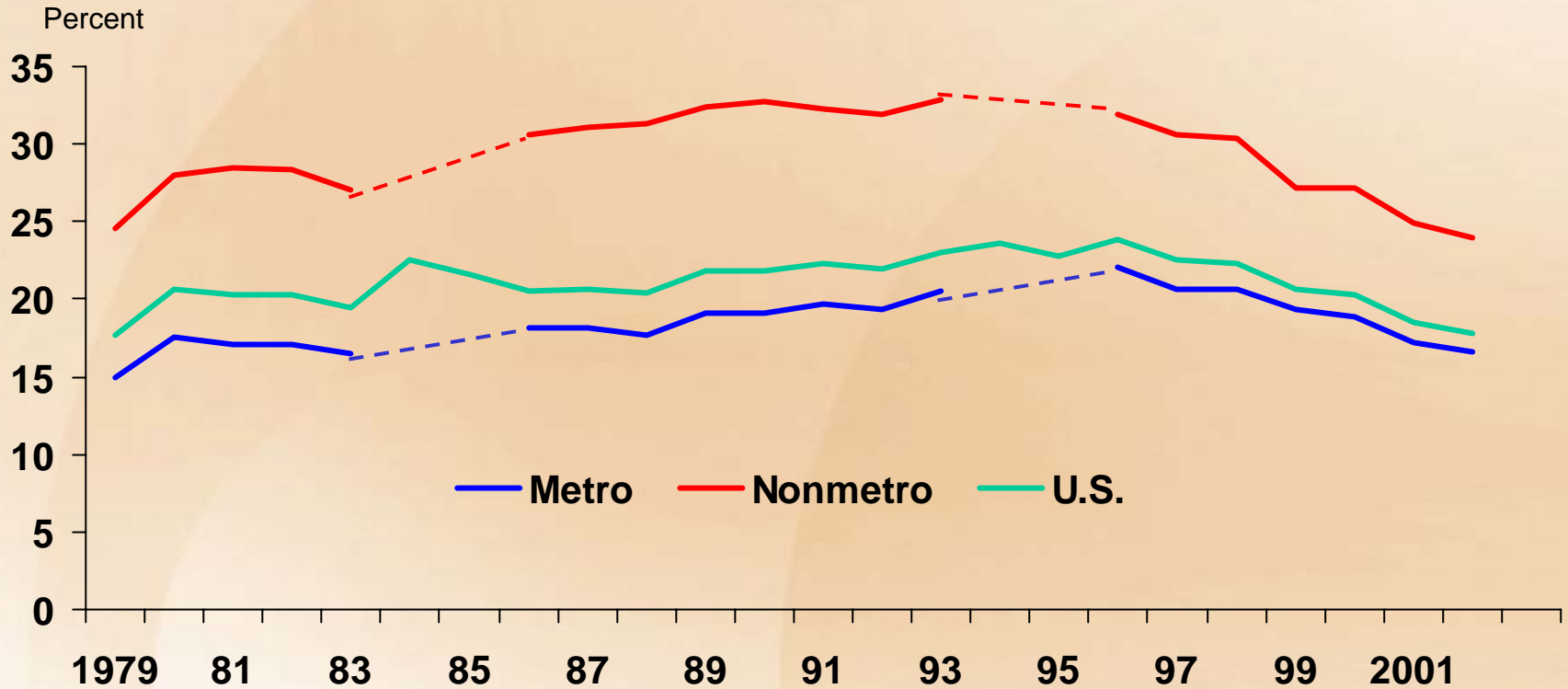


# Nonmetro average weekly earnings by educational attainment, 1990 and 2000





# Share of experienced wage and salary workers earning low wages, 1979-2002



# Summary

- Workers in rural America prospered in the 1990s: Job growth moderate but steady. Unemployment rates fell.
- Labor force participation fell slightly--source seems to be lower employment rates among prime-age males.
- Low unemployment and moderate job growth was geographically widespread. Historically distressed counties experienced positive growth and lower unemployment, although improvement was below the nonmetro average.



# Summary

- The rise in rural earnings during the 1990s was a departure from slow wage growth in 1980s.
- Nonmetro earnings continue to lag metro earnings, but nearly equivalent among high school dropouts.
- Metro-nonmetro gap likely to continue due to urban concentration of highly-specialized professional and technical jobs, and administrative and managerial positions within large organizations.

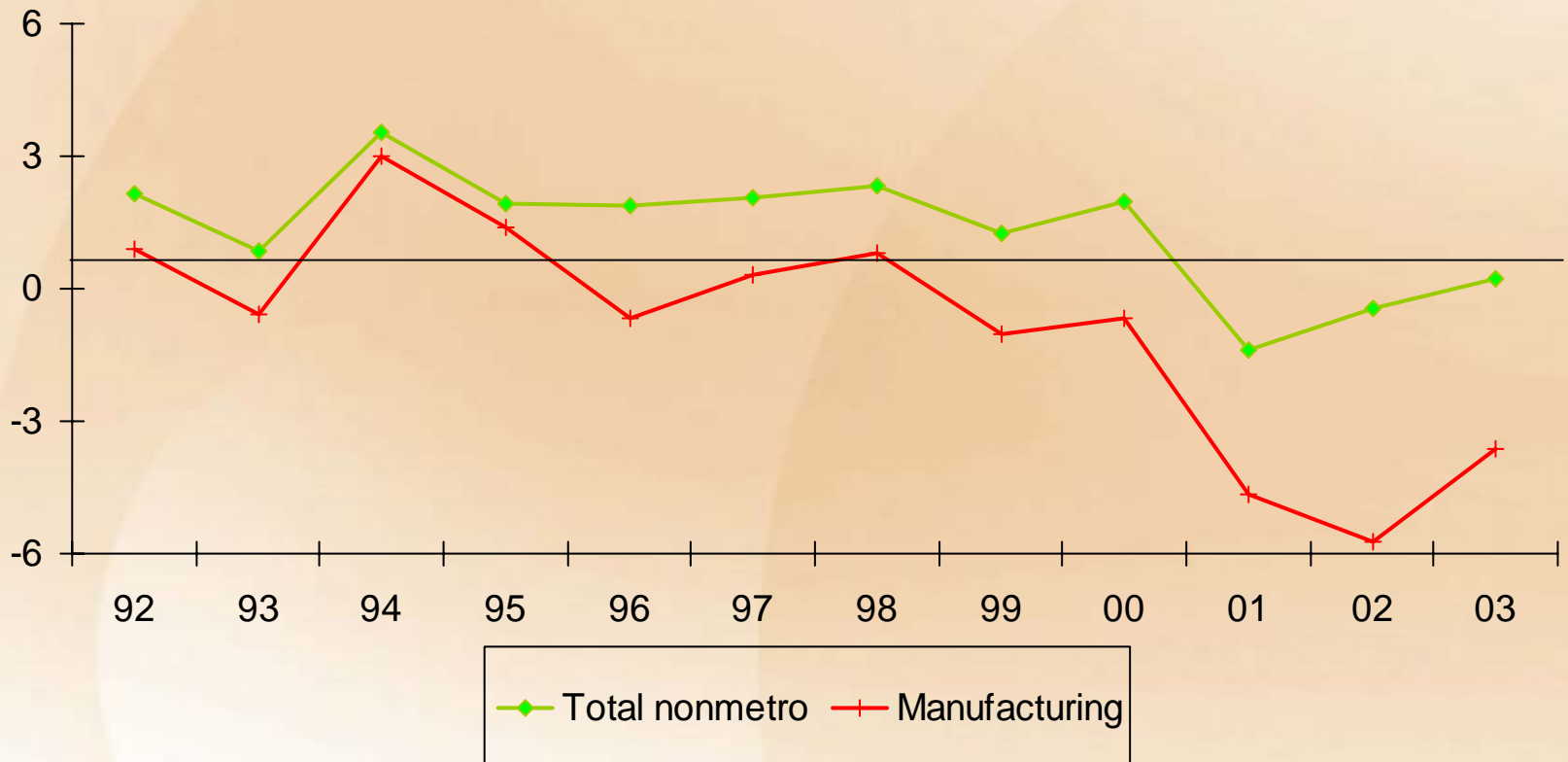


# What's next for rural labor markets?

- Shift from agriculture expected to continue at a steady pace
- Shift from manufacturing likely to be higher in this decade than in the 1990s due to the employment declines since 2000.



# Nonmetro change in total and manufacturing employment 1991-2003

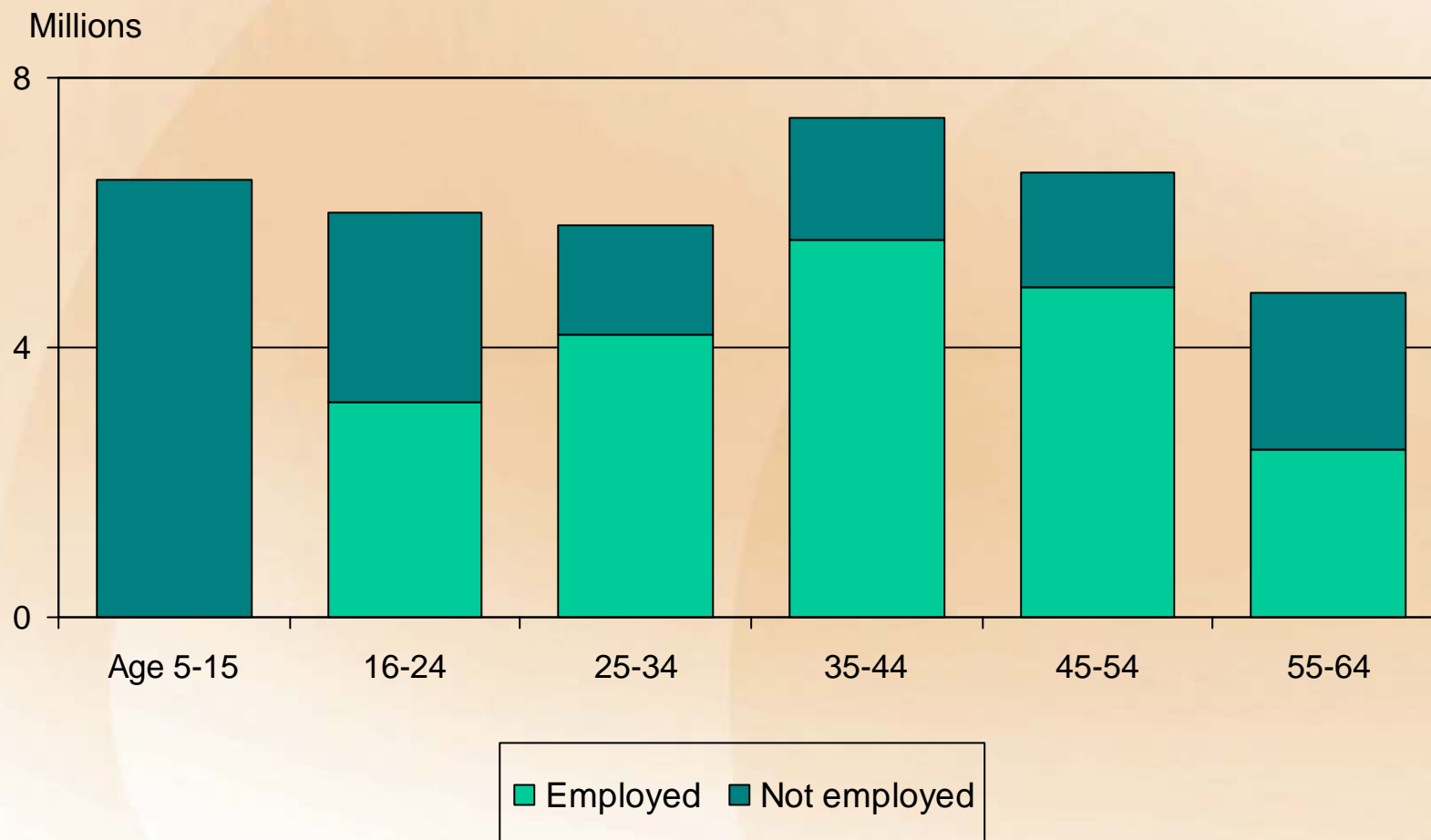


# What's next for rural labor markets?

- Quickening wave of “baby boom” retirement near the end of this decade may slow employment growth.



# Nonmetro population and employment by age 2000



# What's next for rural labor markets?

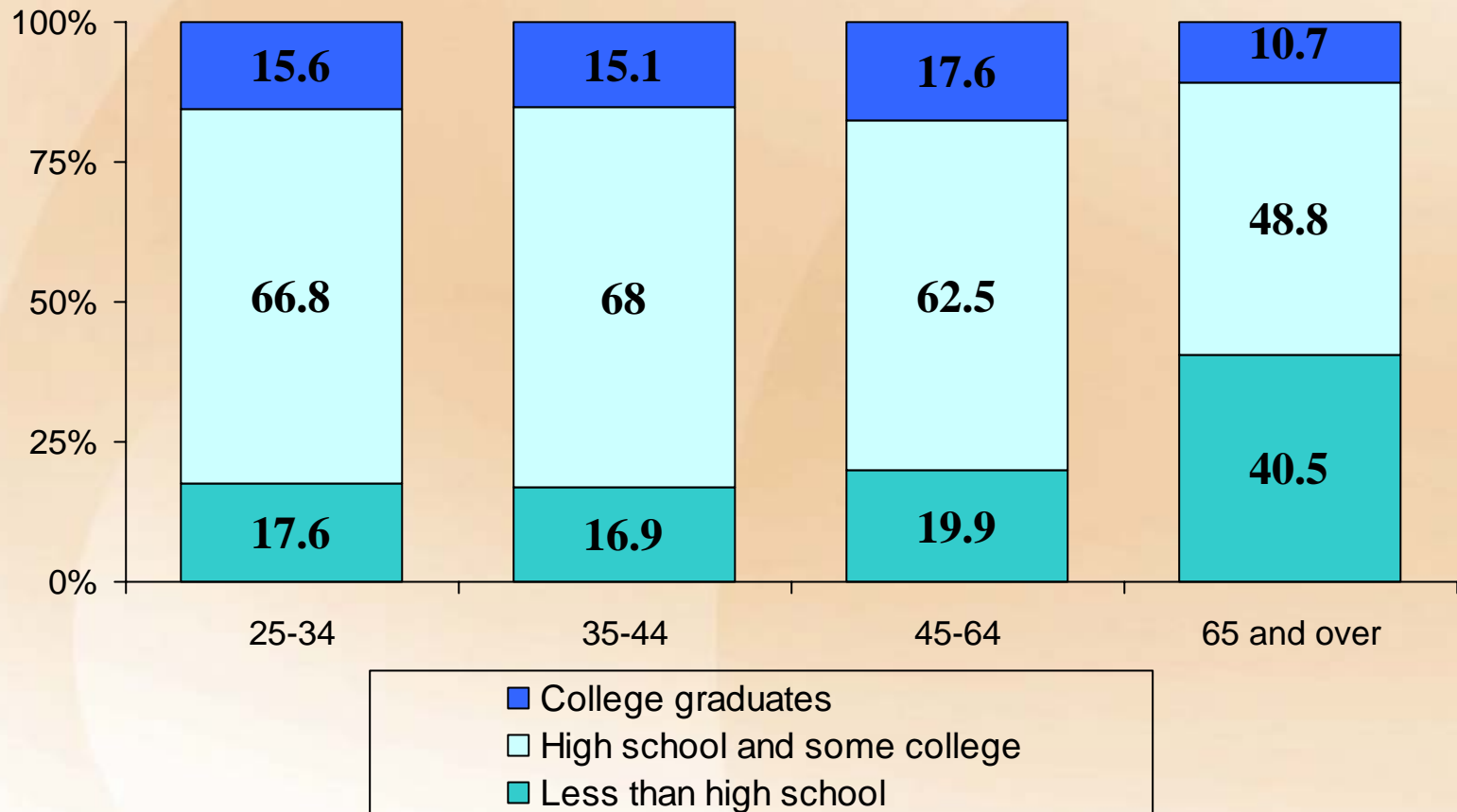
- Increase in educational attainment of prime working age adults likely to slow





# Nonmetro educational attainment by age 2000

Share of population in age group

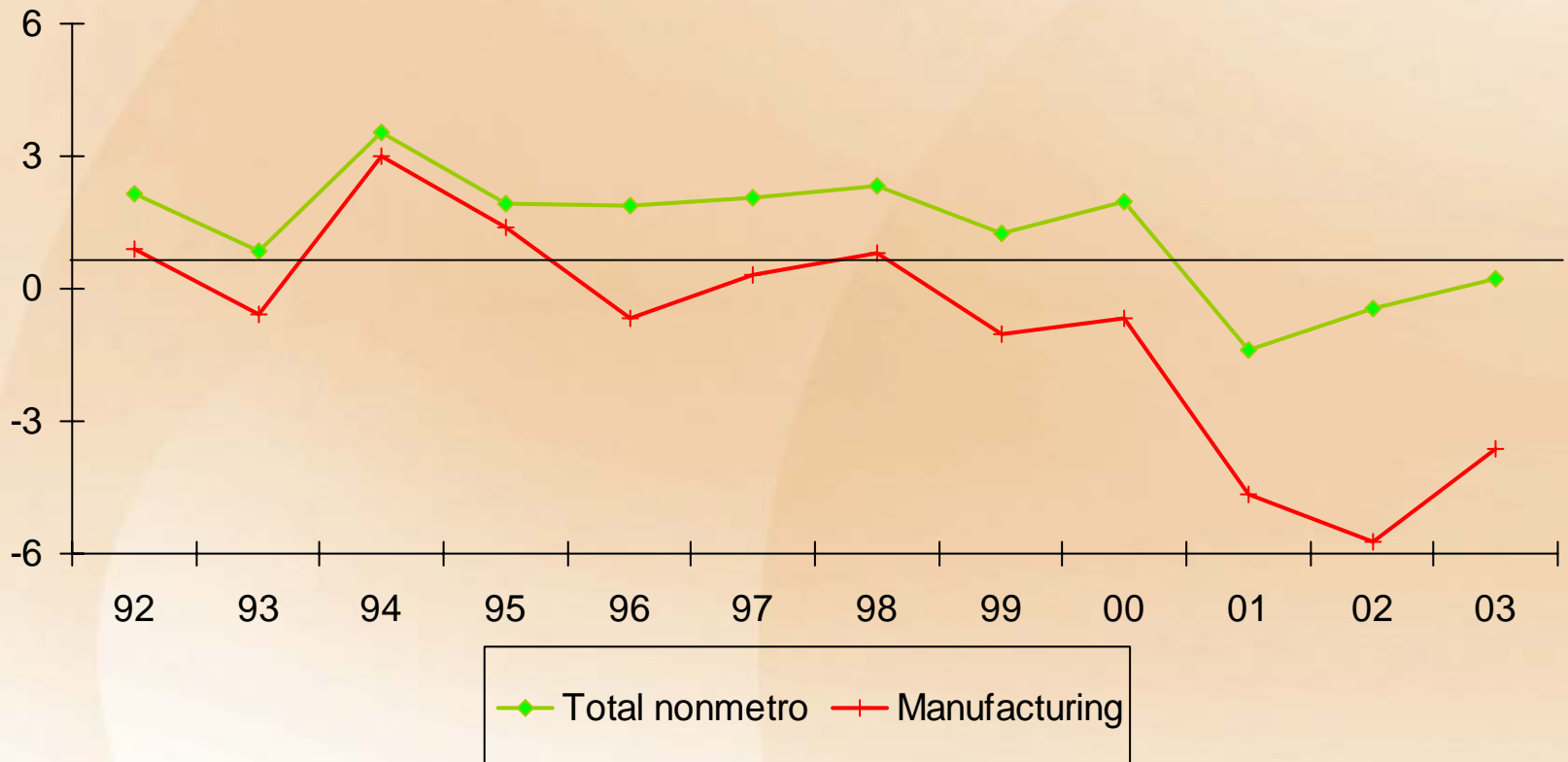


# What's next for rural labor markets?

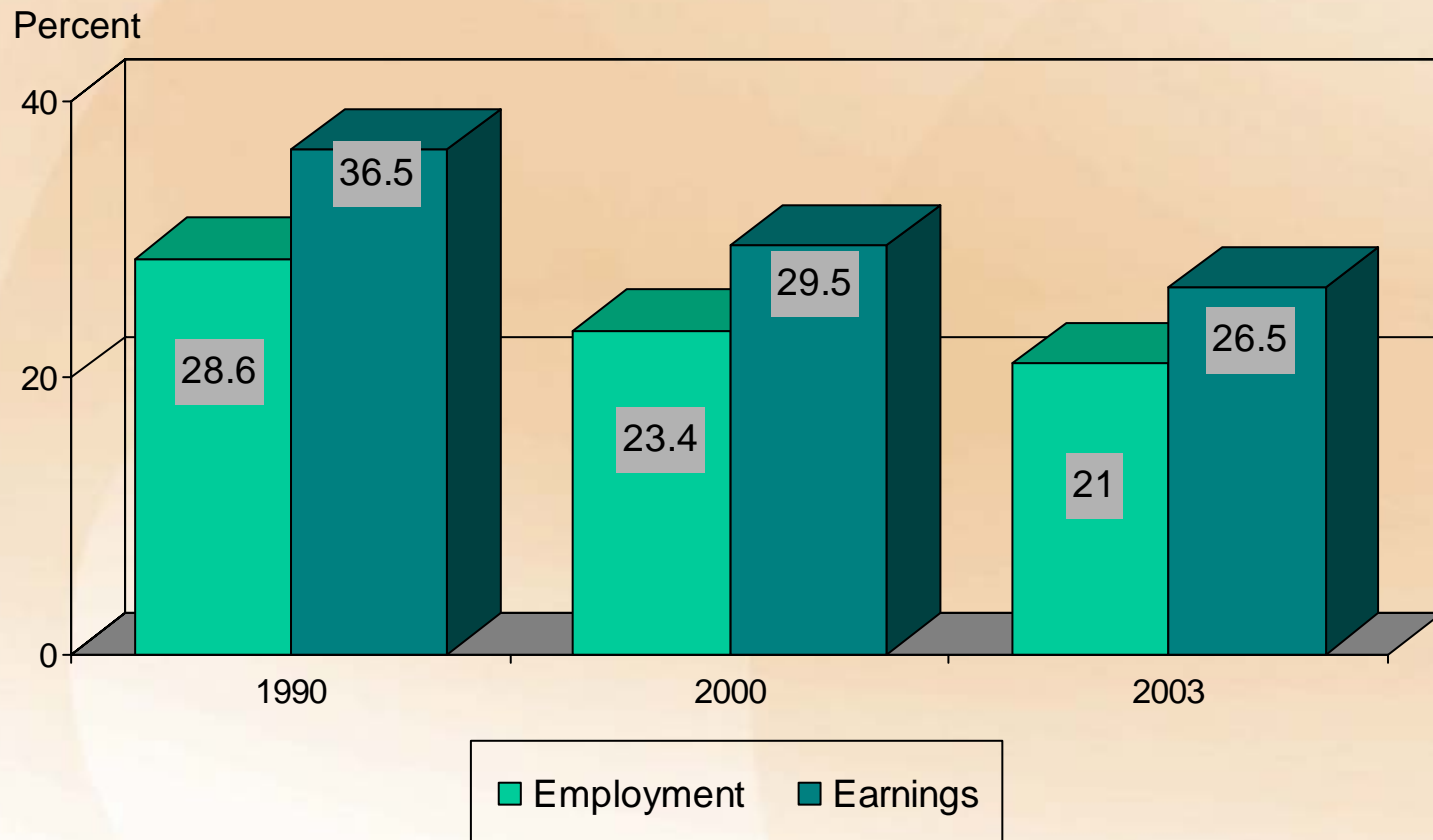
- Manufacturing decline has not demonstrated strong net effect on less-educated workers so far--but tight labor markets are key.



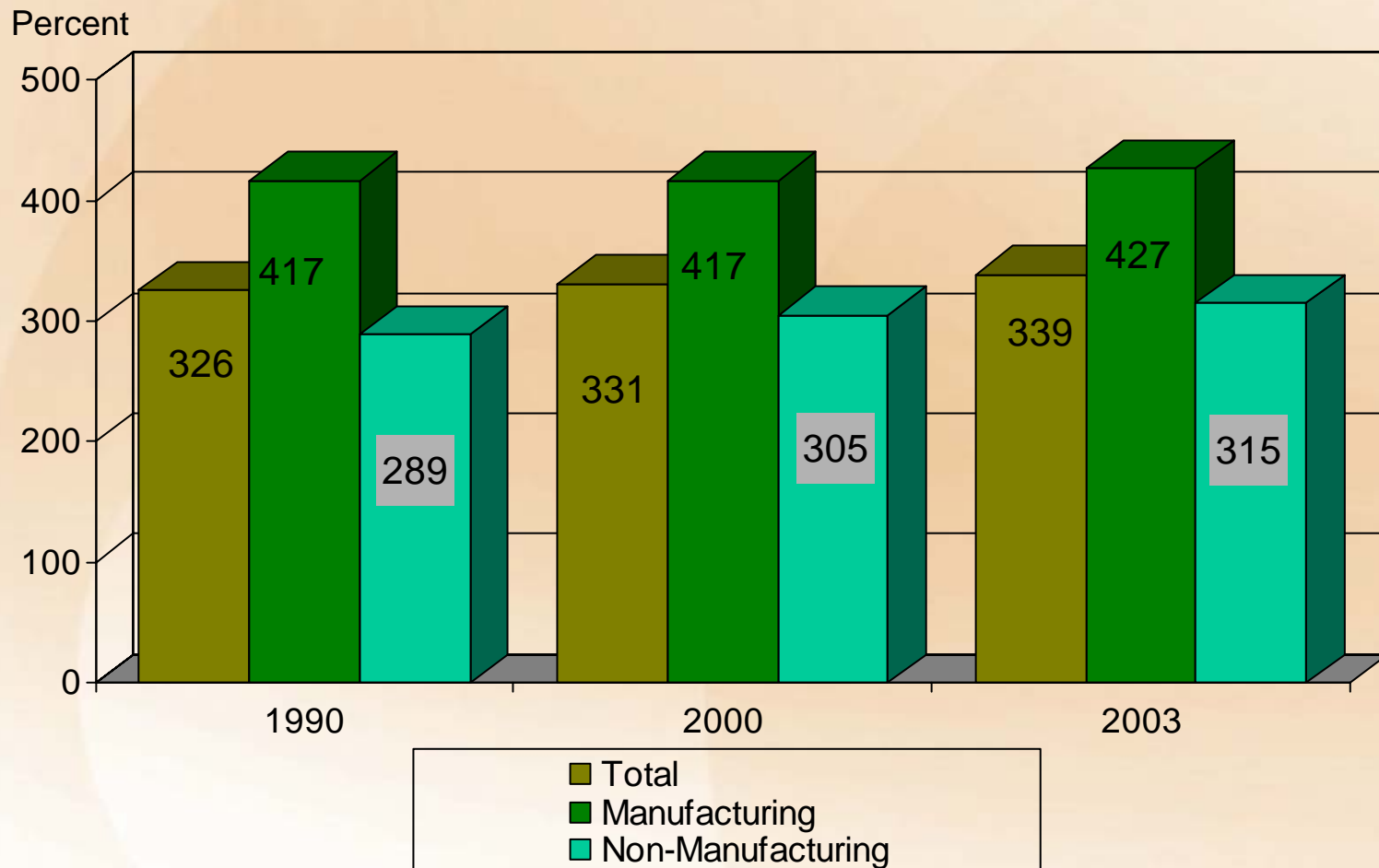
# Nonmetro change in total and manufacturing employment 1991-2003



# Manufacturing's employment and earnings share among nonmetro workers with less than a high school diploma



# Earnings by sector among nonmetro workers with less than a high school diploma



In Summary...



# Conclusions

- Traditional rural sectors are projected to continue gradual employment decline.
- Slower overall employment growth likely as “baby boomers” retire, compounding lagging sectoral growth.
- Educational attainment among rural workers will increase less briskly.
- Industrial restructuring has not had strong impact on less-educated workers due to overall wage growth--macro conditions are key in short run, education and training in long run.

