

RuralAmerica

USDA/ERS • Volume 16, Issue 4 • Winter 2002

This issue of *Rural America* features two articles on rural transportation, which has seen significant change in the past quarter century. Eileen S. Stommes and Dennis M. Brown survey rural transportation over the last 25 years and discuss the implications of recent changes for rural policy. Deregulation has brought greater competition—especially for trucking—but rural rail and bus service has shrunk and air service has suffered in some rural areas. Major improvements in infrastructure will be necessary for rural roads, bridges, inland waterways, and airports. Devolution of some Federal regulatory functions to States has made community involvement in transportation planning more important.

Next, Dennis M. Brown takes a closer look at inland waterways. Traversing the vast Mississippi River system as well as several shorter ones, barges are the low-cost carriers of over half the corn and soybeans exported, as well as large shares of wheat, sorghum, other grains, fuel, and fertilizers. Waterways also play a significant developmental role in many communities. Much of the lock and dam infrastructure is now aging and may require a considerable investment to upgrade.

Popular perceptions of agriculture and its importance to the economy will certainly have an influence on the pending farm bill. Cheryl J. Wachenheim and Richard Rathge surveyed residents in the most agricultural part of the country, the North Central region, and found a high regard for farming and its importance overall. However, respondents living in towns or unfamiliar with livestock operations were most likely to be concerned with farming's impact on the environment. Respondents from counties losing population were the most likely to believe that agriculture played an important role in the local economy.

The recent slowing of the U.S. economy has renewed concerns over the impacts of losing a major employer in a rural community. F. Larry Leistriz and Kenneth A. Root studied five communities in Minnesota and North Dakota that experienced such a loss between 1994 and 1998. The communities that coped best had strong local leadership, had a regional or local economic development agency, and had received advance warning of the impending closure. Communities with several important employers or with many commuting workers were better able to recover.

Dean Jolliffe opens our Rural Updates section with a discussion of changing rural poverty rates. Between 1996 and 1999 the rural poverty rate declined from 15.9 to 14.2 percent, the lowest since 1979. Declines occurred in all regions and for all age groups. Although urban poverty dropped even faster—widening the rural-urban poverty gap—rural poverty became less severe as a higher proportion of the poor attained incomes within 75-99 percent of the poverty line.

Food-insecure households are those not able to depend on the availability of enough food for an active and healthy life. Mark Nord's update of food security data for 2000 shows that 11.5 percent of nonmetro households (versus 10.2 percent of metro) fell into this category, almost unchanged from 1998. Food insecurity was especially high in Black and Hispanic households, in single-parent families, and among children. Poverty-related hunger affected 3.4 percent of nonmetro households.

Nonfarm jobs increased just 1.5 percent in nonmetro areas during 1998-99, as reported by Linda M. Ghelfi, a rate below the 2.4 percent for metro areas and also less than the nonmetro growth rates earlier in the 1990s. Real earnings per nonfarm job also increased by 1.3 percent during 1998-99. Nonmetro workers now earn just 68.7 percent of metro earnings, the lowest ratio in more than 30 years.

Peggy J. Cook provides new data on transfer payments, which are mainly social security, medicare, and Medicaid funds. Rural areas received more transfer payments per capita than urban areas throughout the 1990s, and they accounted for a substantially greater portion of personal income. The growth rate for transfer payments fell in the late 1990s because of stronger earnings growth.

Douglas E. Bowers