

Introduction

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Improvement of economic and social conditions in the poorer small towns and open country areas of the country is a central concern of the U.S. Department of Agriculture. The Department spent over \$7 billion specifically for rural development in 1995. Despite general budget cutbacks, spending is expected to increase this year and again in 1997, in programs ranging from telecommunications infrastructure to small business loans to water and sewer projects to Enterprise Communities. Programs run by other Federal departments also have large rural components. Most States now have “rural development councils” to coordinate the myriad State and Federal programs targeted for rural development. Programs to enhance rural economic opportunities and social conditions need to take into account the situations of rural minorities, who make up about 15 percent of the rural population but over 30 percent of the rural poor. In two-thirds of the rural counties that the Economic Research Service has found to have persistent high poverty, the high incidence reflects conditions of a minority population (see p. 26).¹

This report describes the situations of rural² minorities—Blacks, Hispanics, Native Americans, and Asians—as of the 1990 census. Because of their relatively small numbers, particularly the Native Americans and Asians, the decennial census of population is the only information source that provides enough information to assess rural minority conditions. Earlier studies suggest little or no minority progress in the 1980’s, at least for rural Blacks, after two decades of progress (Lyson, 1991; Jensen, 1994; USDA, 1993). This is the first

¹ Attention to minorities is a legal as well as logical requirement. According to the Rural Development Policy Act of 1980, the Department of Agriculture’s rural development strategy, “shall take into account the need to: (A) improve the economic well-being of all rural residents and alleviate the problems of low income, elderly, minority, and otherwise disadvantaged rural residents; ...”

² Rural people in this report are those who live in counties outside the boundaries of metropolitan areas, as defined by the Office of Management and Budget. Thus, rural counties include small cities (under 50,000 pop.), small towns, and open country. See appendix for a complete definition.

comprehensive study of rural minorities to draw on the rich individual-level data of the Public Use Micro Sample (PUMS) files from the 1990 population census. This report will constitute the most complete information available on rural minorities for well after 2000, when the results of the next census become available.

The direction of change in a given indicator is as essential to socioeconomic assessment as the magnitude of the indicator at a given time. Comparisons of 1990 and 1980 conditions are used throughout this report. While the timing of the population census dictated the comparison period, business cycle effects are not a factor since, in both 1980 and 1990, the U.S. economy was feeling the first hints of recession after a prolonged period of economic expansion. Some 1980-90 trends—pervasive rural outmigration, for instance—have clearly reversed (Johnson and Beale, 1995), but the major economic trends, which include declining earnings and rising poverty, particularly for the low-skilled, have not. Available data for Blacks and Hispanics show little change in either household income or poverty (USDA, 1995). The general conclusions about minority situations are sufficiently clear and distinctive that they will apply throughout the 1990’s.

Overall Conclusions

The analyses in this report suggest two broad conclusions. First, aside from low levels of education, rural Blacks, Hispanics, and Native Americans each have largely unique sets of socioeconomic disadvantages—disadvantages that may, moreover, differ between men and women. For instance, over half of rural Black children lived in single-parent families in 1990—twice the proportion found for rural Hispanic children. Also, while men in these three minority groups have less work than the rural average for men, Black women spend above-average time at work.

The second conclusion is that by almost any measure, rural minority groups were substantially worse off in

1990 than they were in 1980 and, moreover, the disadvantages particular to each group tended to be more pronounced at the end of the decade. Among Hispanics, for example, the proportion who are recent immigrants without English language skills increased. Joblessness among working-age Native American men, already higher than for any other minority in 1980, also showed the greatest increase over the decade. And, while the proportion of children in female-headed families increased for all groups, the increase was particularly acute among Blacks.

Highlights of Findings

This report covers many measures of minority conditions and trends, including education, occupation, age and family structure, earnings, and poverty. The first four chapters assess employment and earnings, poverty, and family structure. These analyses cover Blacks, Hispanics, and, where data permit, Native Americans. The second section focuses on rural Blacks, the largest rural minority group. Since almost all rural Blacks live in the South, two of three chapters in this section deal with issues specific to the South. The last three sections cover other minorities, with a chapter each devoted to Hispanics, Native Americans, and Asian and Pacific Islanders. Appendix tables use PUMS files from the 1980 and 1990 Censuses to show demographic and economic characteristics for each minority group and, for comparison purposes, non-Hispanic Whites and the total United States.

Source of Problems That Lead to Lower Economic Status for Rural Minorities

Results showed considerable diversity among minority groups in the characteristics associated with poor economic outcomes. However, some characteristics common to all minority groups help to explain their lower economic status and slow progress over the decade.

Increases in unemployment affected all groups but Asians, and offset increases in full-time, full-year work among those who worked at all in the previous year. Education did make a difference. Unemployment rates were higher in 1990 than 1980 for all rural Blacks, but particularly for those with lower levels of education. Butler found that among young (age 25-34) rural workers, both Black and White, median earnings declined over the decade only for those without a college degree. McGranahan and Kassel showed that the earnings disadvantage of low education increased over the decade for rural Blacks, Hispanics, and Native Americans. Among rural

Southern men, Gibbs found that while Black college graduates lost ground in occupational status to White college graduates over the decade, it was at this level of education that Black and White occupational status was closest.

However, educational differences cannot explain the size of the economic gap for minorities, nor the different experiences of minority men and women. Tootle found that although the greatest increase in education among rural minority groups was for Native Americans, they also showed the greatest decline in median household income. The younger Black workers in Butler's chapter had higher earnings than the older workers, but given the younger workers' higher education, the differential should have been greater. McGranahan and Kassel showed that while differences in education can explain some of the higher minority joblessness, joblessness is higher for minorities than for Whites with the same level of education. They found Black women to be the exception. At each education level, Black women are as likely to have worked in 1989 as non-Hispanic White women. Gibbs also found that among college-educated Blacks, men lost occupational status compared with White men, while Black women neared parity with White women.

Effland and Kassel found that level of English fluency was most important in determining the level of income for rural Hispanics, especially men. However, while rural Hispanics with English language proficiency have education levels close to rural Whites, their poverty is twice as high. And McGranahan and Kassel found that Black men have much lower earnings than expected on the basis of their level of education, time spent at work, and other measured characteristics. This gap was much larger than found for Black women or other minorities. Clearly, lack of education is not solely responsible for the low economic status of rural minorities.

Geographic concentration has often coincided with poor economic outcomes for rural minorities. In the rural South, Cromartie and Beale showed that Blacks have been moving into towns and out of open country areas over the last two decades, while Whites have been moving in the opposite direction. They have linked this small-scale concentration to the need for poorer people, in this case rural Blacks, to be in a population dense enough to support services such as public transportation and subsidized housing. With a lower tax base, the future well-being of the town's residents is less certain. Effland and Kassel described a long-term concentration process that occurs

especially among more recent Hispanic immigrants. Congregating in unincorporated rural settlements, they are the racial/ethnic majority. Brought together by a common language, background, and lack of land ownership, these *colonias* have little in the way of community resources, exacerbating the problems of poverty and limited educational opportunities.

Did Rural Minorities Make Progress During the 1980's?

The measures used in this report show that, with a few exceptions, rural minorities lost ground during the 1980's, as measured by changes in occupation, earnings, household income, and poverty. However, the type and direction of progress was quite different among the minority groups and, often, for men and women of the same minority group. With a few exceptions, each chapter found some areas of minority progress in the 1980's, but persistent gaps between the minority and White populations remained in 1990.

In his chapter on counties with persistent poverty, Beale found more than 500 rural counties where, in each decade between 1960 and 1990, a fifth or more of the population was poor. In two-thirds of these counties, the high poverty rate resulted from inadequate income among Black, Hispanic, or Native American residents. In the persistently poor counties where most of the poor were Black, the extremely high poverty in 1960 had been substantially reduced by 1990. On average, poverty in 1960 for persistently poor counties classified as Hispanic or American Indian was less severe than for those classified as Black, although the pace of progress over the three decades was slower.

The high rate of poverty among rural minorities was found by Swanson and Dacquel to be highest for children and rising quickly. Focusing on Black and Hispanic women with children, they found trends acting to lower overall child poverty—such as increases in the education of women, smaller family sizes, and small declines in the poverty of children in married-couple families—were offset largely by changes in family structure. Particularly among rural Blacks, growth in the already large proportion of children being raised in mother-only families and the sharp rise in poverty among these families was strong enough to elevate the overall child poverty rate.

McGranahan and Kassel found that joblessness increased in the 1980's for rural working-age men of all race/ethnicity groups, but was particularly high for Black and Native American men. Although

joblessness declined for working-age women, declines were smaller for minority women than for White women. The likelihood of working full-time, full-year declined for rural Native American and Hispanic men, but increased for Black men, in part because of the higher concentration in the rural South of manufacturing employment.

Gibbs found in the rural South that relative to White men, Black men made little progress moving into occupations that required higher skills and yielded greater earnings. Black women showed small gains in moving into these occupations relative to White women. For the working population under age 40, Black men and Black women both showed small gains, offering hope for future progress.

While the decline in rural men's earnings over the decade affected all race/ethnicity groups, McGranahan and Kassel found that the earnings of minority men at the end of the decade were considerably lower than the earnings of non-Hispanic White men. The level and change in earnings differed by minority group. Black men, who had the lowest earnings level at the beginning of the 1980's, had the smallest decline. For Hispanic and Native American men, the earnings decline was substantial.

Subsequent chapters consider sources of lower socioeconomic status for rural minority groups from a variety of perspectives. Some chapters address the causes of low minority economic and employment levels by examining human capital differences, and find apparent discrimination when human capital differences are held constant. Overall results address issues of rural progress as well as minority progress and how the two are intertwined for rural minorities. This report is the only volume available that covers each minority group's progress in the 1980's with respect to its unique history, location, and characteristics.

About the Data

The PUMS files, used in the majority of chapters, are a sample of individual records that allows considerable latitude in developing socioeconomic measures. In these chapters, we discuss only those findings that have tested significant at the 95-percent confidence level. Census data files summarized at the county level (Summary Tape Files 3 and 4), providing geographic detail but fewer variables by race and ethnicity, are used in three chapters. Some chapters include earlier decades for comparison. More detailed descriptions of the data sets can be found in the explanatory text of the report's appendix.

In growing rural areas, population size and density can increase sufficiently to cause a reclassification of the area from rural to urban. (Between 1980 and 1990, more than 100 nonmetro counties became metro and 17 metro counties became nonmetro.) In county-level data sets, counties that were rural in 1980 can be examined again in 1990 without reclassification affecting measures of 1980-90 change. The 1990 PUMS data file, however, has incorporated reclassification in such a way that residents of counties that were reclassified cannot be distinguished. Thus, in the chapters using PUMS data and in the appendix, the comparison is of residents living in a rural setting in 1980 with those living in a rural setting in 1990.

References

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