The Condition of the Diverse Regions of Rural America at the Start of the Decade of the 1990s.

This paper constructs a profile of the condition of the diverse areas of rural America at the Beginning of the 1990s. The widely used designation of metropolitan or nonmetropolitan areas based on the metropolitan statistical area (MSA) does not describe the diverse nature of rural America. One alternative typology differentiates nonmetro counties by degree of urbanization or proximity to metro areas. Another typology categorizes nonmetro counties based on seven primary economic activities. Six major trends impacting rural America and rural education are: (1) transformations in the world economy including increased world production of food that has exceeded demand, a decline in the amount of raw materials needed for production, and lower production costs abroad; (2) restructuring of the national economy with a shift from a goods-producing to a service-producing economy; (3) changes in population patterns with a much lower growth rate for nonmetro areas than metro areas; (4) changes in the federal role resulting in reduced funding levels; (5) added fiscal pressures on local governments; and (6) shifts in political power of local governments to metropolitan areas. Hypothesized effects of these trends are rated for the seven categories of nonmetro areas based on primary economic activity. The projected condition is good for areas where specialized government and destination retirement are the primary economic activity. The categories of farming-dependent, manufacturing-dependent, and mining-dependent are relatively poor, and areas of persistent poverty are relatively stressful. This paper contains numerous figures and tables. (KS)

E. Robert Stephens, Professor
Department of Education Policy, Planning, and Administration
College of Education, University of Maryland, College Park

Symposium:
Fiscal Policies for Rural Schools

Chair:
Mary F. Hughes, Ph.D.
Appalachia Educational Laboratory

Annual Conference
American Education Finance Association
Williamsburg, Virginia
March 15, 1991

This is a summary of a forthcoming publication. It may not be quoted or reproduced without permission of the author.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY E. Robert Stephens TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."
INTRODUCTION

The end of one decade and the beginning of another usually witnesses the issuance of a large number of either attempts to synthesize the major trends of the past ten year period or efforts undertaken to predict, project, or offer conjectures about what the next ten years is likely to hold. No aspect of the nation's economic, social, or political life seems to escape assessments of these types. And it is well that this is so for reflection on past events and those likely to emerge in the future is indispensable to the formulation of good public policy that will guide the nation in the years ahead.

The start of the new decade of the 1990s seems to be an especially appropriate time to take stock of the condition of the vast and extremely diverse part of the nation popularly labeled rural, or nonmetropolitan America (both terms will be used interchangeably here). This is so for a number of reasons. On the one hand, the preceding decade was not an especially kind period for many nonmetropolitan regions, as numerous reports have documented (Revitalizing Rural America, 1986; Deavers, 1987; Rural Economic Development in the 1980s: Preparing for the Future, 1987; Stephens, 1988). Secondly, though the problems of rural America are huge in both an absolute sense and in relative terms, the nation's attention appears to continue to be riveted on the equally significant social issues being played out in alarming sequence in many of the country's large urban centers. The war on drugs and on crime, thought to be largely big-city phenomena, for example, clearly capture the evening news headlines far more often than does poverty in Appalachia, or the decline of the family farm in agricultural
regions of the Midwest. Moreover, rural America, though besieged with many long-term issues, remains an important and vital sector in the fabric of the nation, if for no other reason than that approximately one-fifth of the nation's population still reside in nonmetropolitan areas, or that a significant percentage of the nation's economic activity continues to be centered in these regions.

Thus the condition of the many parts of rural America that together still represent a significant component of the life of this nation should be of vital interest to us all. For those national, state, and local groups and individuals having stewardship for designing and implementing education policies and programs that are meaningful and fair, knowledge of the condition of the conglomerate called rural America, though always important, takes on special significance today.

**Objective of Paper**

The principal objective being pursued in this statement is to construct a profile of the condition of the many faces of rural America at the beginning of this last decade of the millennium, with particular emphasis given to economic, social, and political features that are judged to be of utmost significance for understanding the pressures and challenges confronting the public elementary-secondary education enterprise that serves these regions. This objective is consistent with the intent that both this paper and the one that follows on the "Condition of Rural Education" together serve as background for the remaining four papers of the symposium that are to focus on a number of critical dimensions of the theme of the symposium, "Fiscal Policies for Rural Schools." The hope is that both background papers will provide a
meaningful context that will inform consideration of the most promising strategies that should be followed for the development of policies for funding rural education in the decade of the 1990s that are both equitable and adequate.

The Plan of the Paper

The objective of the paper will be pursued in this way:

- First, a review is provided of several useful typologies of nonmetro regions in order to establish the great diversity existing in these areas,
- Next, the economic, social, and political characteristics that will be concentrated on in the profile of the condition of the many faces of rural America will be identified,
- Then, the discussion of the condition of rural America at the beginning of this last decade of this millennium will be provided. The discussion will make particular use of one of the previously established typologies of nonmetro regions in order to make important distinctions in the observations offered about the relative condition of different sectors of rural America.

Some Early Cautions

Several early cautions should be noted. The first relates to the scope of the paper. One of the expectations of a status report such as that attempted here is that potential implications of the profile presented would also be offered. This was not done here, either for those that bear on the theme of the symposium -- fiscal policies for rural schools -- or for other policy considerations, of which there are
many. It should be clear that the status of rural America outlined here
has tremendous significance for those in the policy and school
improvement communities charged with the responsibility for shaping
public policies and programs designed to aid rural schools, as well of
course for those who daily toil to offer quality schooling in the
nation's rural districts. Nonetheless, no effort is made in this phase
of the development of the profile to draw out potential implications.

Moreover, it should be noted that a number of the economic, social,
and political features highlighted in the profile as present at this
time are no doubt cyclical in nature and may or may not be of major
significance in the near future. Others, however, probably reflect a
continuation of long-term patterns. No attempt is made here to
distinguish those characteristics that are potentially cyclical from
those that represent the continuation of a clear historical trend. This
position is viewed to be consistent with the overriding objective of
this version of the paper, that is, to attempt to establish a snapshot
of the condition of rural America at the beginning of the decade of the
1990s.

Additionally, a number of the economic, social, and political
features highlighted in the profile are not necessarily peculiar to
nonmetropolitan regions of the nation only, but affect metropolitan
areas as well. Though this in many instances is true, nonmetropolitan
regions nonetheless appear to be affected in different ways by the same
phenomenon impacting metropolitan areas. And it is important that these
distinctions be noted.
Finally, this draft is being written in mid-January, 1991 in order that it be disseminated to the other members of the panel in advance of the conference that is scheduled for mid-March, 1991. Thus, the draft is being written at the time when the full effects of at least two major events that are ultimately likely to affect rural America well into the decade are just unfolding: the eruption of hostilities in the Persian Gulf, and the beginning of what appears to be a major recession. Moreover, another major potential event, the release of the final 1990 Census Bureau population counts, is not scheduled until the end of January, 1991 at the earliest. However, some preliminary data on the 1990 Census are available at this time and are included in the profile.

THE MANY FACES OF RURAL AMERICA

One of the major premises of this paper is that rural America is extremely diverse and that it is crucial that this diversity be better understood if we are to formulate meaningful fiscal and other public policies for rural education. There can be little doubt that great diversity is in fact present. Not all of rural America, for example, experienced the deep recession affecting agriculture for much of the 1980s. Moreover, during the past recent history, some rural regions of the nation have enjoyed substantial economic stability, or in some cases, even growth, in stark contrast to the economic decline in regions dependent on energy extraction. Still other rural regions have wrestled with long-standing, persistent poverty, while others have not.

But what is the nature of the differences in nonmetropolitan regions? And, how best can one more clearly identify and order data
that will assist in establishing what these are and thus account for the complexities of the external environment under which rural regions, and the schools that serve them, function? One of the widely accepted minimal central considerations in taxonomic efforts is of course to help understand these and other phenomena.

Fortunately, work underway for several years at the Economic Research Service of the U.S. Department of Agriculture (ERS/USDA) on two typologies is judged to be especially useful for establishing important distinguishing features of rural America. Both efforts will be reviewed below. The first is based on the size of population of nonmetropolitan counties and their orientation to large urban centers. The second differentiates nonmetropolitan counties based on their primary economic activity. As established earlier, the discussion of the condition of rural America at the start of the decade of the 1990s attempted in this paper will make extensive use of these typologies, especially the second of the two.

First, the Popular View of Rural America

The most familiar view of nonmetropolitan America would appear to be based on the widely used metropolitan statistical area (MSAs) designation developed by the U.S. Office of Management and Budget (OMB). OMB currently defines an MSA (or the equivalent New England county metropolitan area, NECMA) as consisting of:

...a single county area or a group of contiguous counties that includes at least one "central city" of 50,000 inhabitants or in some instances contiguous twin cities that together meet this population minimum (Department of Commerce, 1983, p. xviii).
In its latest report on the number of governmental subdivisions, the U.S. Census Bureau established that in 1987, 735 or 24.2 percent of the nation's 3,042 counties were inside an MSA (Department of Commerce, 1987). All 735 are classified as metropolitan. The remaining 2,307 counties in the nation are designated nonmetropolitan areas. The location of metropolitan and nonmetropolitan counties is provided in Figure 1. The number of metropolitan counties increased by 64 over the five year period of 1982 to 1987, as shown in Table 1.

A large number of reports issued by federal departments and independent agencies make use of OMB's basic metropolitan (urban)-nonmetropolitan (rural) county designation for establishing economic and social characteristics of the nation. Though useful, and perhaps even necessary in some statistical reporting, the widespread use of this classification system has also tended to mask the huge observable differences in the vast nonmetropolitan regions.

The popular view of dividing the country into metro and nonmetro areas has little utility today. Deavers' (1987) position on the continued indiscriminate use of the urban-rural dichotomy is now increasingly shared by many:

For years, the urban-rural dichotomy was a typology that had enormous power, delineating the key dimensions and content of rural policy. Describing a place as rural was a shorthand way of saying many things.... Over time, however, changing rural conditions have made the rural-urban dichotomy significantly less useful. The process of economic development and accompanying social change, made possible in part by major improvements in technology--especially in transportation and communications--has tended to reduce many of the once important differences between rural and urban areas (p. 84).

It is important to note, however, though Deavers argues that the traditional urban-rural dichotomy has little utility, he by no means is
FIGURE 1

METROPOLITAN AND NONMETROPOLITAN COUNTIES

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Counties</td>
<td>3,041</td>
<td>3,042</td>
</tr>
<tr>
<td>Number Inside MSAs</td>
<td>670</td>
<td>735</td>
</tr>
<tr>
<td>Number Outside MSAs</td>
<td>2,371</td>
<td>2,307</td>
</tr>
<tr>
<td>Percent in MSAs</td>
<td>22.0</td>
<td>24.2</td>
</tr>
</tbody>
</table>

advocating that the two regions are now homogeneous. Indeed, much of his work and those of his colleagues at the ERS/USDA cited below has been directed at more clearly establishing the observable differences existing all across the vast rural landscape of this nation.

**Population Size and Urban Orientation**

The first typology developed by ERS/USDA reviewed below divides the conventional Bureau of the Census metro and nonmetro county classification into ten categories that does two principal things:

- differentiates metro counties by size of population (by establishing four categories)
- differentiates nonmetro counties by degree of urbanization or proximity to metro areas (by establishing six categories)

The ten-part rural-urban continuum codes for classifying metro and nonmetro counties was initially developed in 1975 (using 1970 census data) and revised in 1983 and again in 1988. The latest revision is the result of the work of Butler (1990). It groups all counties based on the 1980 census. The 3,097 counties in the nation includes 714 metro counties and 2,383 nonmetro counties.

The value of this typology rests with the delineation of which of the 2,383 nonmetro counties are adjacent to a metro area. The six nonmetro county groups are classified by Butler according to the aggregate size of their urban population. Nonmetro counties that are adjacent to a metro area are those that satisfy two criteria: (1) are physically adjacent to one of more MSAs, and (2) have at least 2 percent of the employed labor force in the nonmetro county commute to central
As shown in Table 2, the three categories of nonmetro counties that are adjacent to one or more metro areas (codes 4, 6, and 8) represent approximately 39 percent of the total of 2,383 nonmetro counties. The location of both nonmetro adjacent and nonmetro not adjacent counties is provided in Figure 2.

**Primary Economic Activity of Nonmetro Counties**

The second typology developed by ERS/USDA to better understand the diversity of rural America concentrates on the primary economic activity of the approximately 2,400 nonmetro counties. The typology, initially published in 1985, was revised in 1990. The authors of the original effort (Bender, Green, Hady, Kuehn, Nelson, Perkinson, and Ross, 1983), that makes use of characteristics of nonmetro counties in 1979, assert that "in the aggregate, nonmetropolitan (nonmetro) areas have become much more similar to metropolitan (metro) areas, yet far more diverse among themselves" (p. 1). They make the further important assertion that "...the diversity among nonmetro areas has been enhanced, not reduced, by the sustained period of economic and social changes in rural America since World War II" (p. 1).

The typology initially developed by Bender and his colleagues includes the 48 contiguous states. It makes use of seven groups of nonmetro counties and a set of counties that are unclassified. The seven classified groups, a brief definition of their primary economic
### TABLE 2

REGIONAL DISTRIBUTION OF METRO AND NONMETRO COUNTIES

<table>
<thead>
<tr>
<th>Code</th>
<th>Number</th>
<th>U.S.</th>
<th>Northeast</th>
<th>Midwest</th>
<th>South</th>
<th>West</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metro</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>714</td>
<td>117</td>
<td>195</td>
<td>326</td>
<td>76</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>173</td>
<td>15</td>
<td>13</td>
<td>61</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>289</td>
<td>62</td>
<td>55</td>
<td>152</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>198</td>
<td>11</td>
<td>62</td>
<td>99</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Nonmetro</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>2,383</td>
<td>100</td>
<td>860</td>
<td>1,061</td>
<td>362</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>137</td>
<td>25</td>
<td>42</td>
<td>49</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>151</td>
<td>6</td>
<td>44</td>
<td>62</td>
<td>39</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>552</td>
<td>31</td>
<td>197</td>
<td>288</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>757</td>
<td>24</td>
<td>262</td>
<td>335</td>
<td>136</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>229</td>
<td>9</td>
<td>56</td>
<td>137</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3,097</td>
<td>217</td>
<td>1,055</td>
<td>1,387</td>
<td>438</td>
<td></td>
</tr>
</tbody>
</table>

**Rural-Urban Continuum Code**

<table>
<thead>
<tr>
<th>Code</th>
<th>Metro counties:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Central counties of metro areas of 1 million population or more</td>
</tr>
<tr>
<td>1</td>
<td>Fringe counties of metro areas of 1 million population or more</td>
</tr>
<tr>
<td>2</td>
<td>Counties in metro areas of 250,000 to 1 million population</td>
</tr>
<tr>
<td>3</td>
<td>Counties in metro areas of fewer than 250,000 population</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nonmetro counties:</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
<tr>
<td>8</td>
</tr>
<tr>
<td>9</td>
</tr>
</tbody>
</table>

FIGURE 2
NONMETRO ADJACENT COUNTIES

activity, and the number of nonmetro counties in each category are established in Table 3 (see Appendix A for outline maps of each of the categories).

The seven categories include all but 370 of the nonmetro counties in the 48 contiguous states using the 1974 OMB designations. The unclassified nonmetro counties totalled 370. As stressed in the report, the seven groups are not mutually exclusive, but the authors' position is that the overlaps are not considered serious. Over one-half of the counties (57.3 percent) belong exclusively to one of the seven categories. Less than one-fourth (22 percent) are in two categories. Only 6 percent are in three or more (p. 2).

Based on their work, the authors offered this overall conclusion concerning the aggregate changes in nonmetro areas of the nation in the mid-1980s:

...appear to make nonmetro conditions similar to those in metro places, and the industrial changes in rural America are often characterized as a process of diversification toward a metro norm. However, this characterization is somewhat misleading. Another conclusion is more nearly correct for individual rural areas; that is, nonmetro areas are becoming more diverse as each of them continues to specialize in different activities (p. 2).

This second typology, that is based on primary economic activity, is not without criticism (Luloff, 1987; Pickard, 1988). Nonetheless, in an earlier piece (Stephens, 1988), I asserted that the typology:

...represents substantial progress in our thinking about rural America and is a valuable tool in helping to achieve several needed breakthroughs in the formulation of public policy for rural education. On the one hand, it should help to further establish the dysfunctionism of the traditional urban-rural dichotomy. Moreover, it should also help dismiss, forever, it is hoped, the myth that rural is synonymous with agricultural or with any other single extraction industry (p. 26).
# Table 3

**The Bender, et al. Typology of Nonmetro Counties**

**Based on Primary Economic Activity**

<table>
<thead>
<tr>
<th>Category</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Farming-dependent</td>
<td>Farming contributed a weighted annual average of 20 percent or more to total labor and population income over the five years from 1975 to 1979.</td>
</tr>
<tr>
<td>2. Manufacturing-dependent</td>
<td>Manufacturing contributed 30 percent or more of total labor and proprietor income in 1979.</td>
</tr>
<tr>
<td>3. Mining-dependent</td>
<td>Mining contributed 20 percent or more to total labor and proprietor income in 1979.</td>
</tr>
<tr>
<td>4. Specialized government</td>
<td>Government activities contributed 25 percent or more to total labor and proprietor income in 1979.</td>
</tr>
<tr>
<td>5. Persistent poverty</td>
<td>Per capita income in the county was the lowest quintile in each of the years 1950, 1959, 1969.</td>
</tr>
<tr>
<td>6. Federal lands</td>
<td>Federal land was 33 percent or more of the land area in a county in 1977.</td>
</tr>
<tr>
<td>7. Destination retirement</td>
<td>For the 1970-80 period, net immigration rates of people aged 60 and over were 15 percent or more of the expected 1980 population aged 60 and over.</td>
</tr>
</tbody>
</table>

**Unclassified**

Hady and Ross (1990) coauthored the report that describes the most recent effort by ERS/USDA to update the typology. At the present time, their work, which made use of the same criteria used in the initial exercise, analyzed changes in selected categories of nonmetro counties for the period 1979 through 1986. Emphasis in the update was given to the four economic base types (farming-dependent, manufacturing-dependent, mining-dependent, and specialized government). Further, Hady and Ross retained the 1985 data for the three remaining categories of persistent poverty, retirement, and federal lands, largely because current information for the latter two of these classes in particular was unavailable. Additionally, the revision makes use of the 1970 definition of nonmetro status used in the 1985 version, thus making possible the ability to hold constant the number of nonmetro counties at 2,443 over the two time periods, 1979 and 1986 (p. 3).

A comparison of the changes in the number of nonmetro counties in each of the four economic base types and the unclassified counties is presented in Table 4. Three of the four experienced declines. The number of unclassified counties was reported to have increased, thus rekindling a continuing concern at ERS/USDA about the utility of some aspects of the criteria used to classify primary economic activity. Similarly, the number of counties classified in more than one group in 1986 was higher than those falling in two or more groups in 1979 (45 percent and 40 percent, respectively) (Hady and Ross, p. 4).

These issues notwithstanding, extensive use is made here of the seven nonmetro county distinctions for organizing the discussion of the condition of rural America provided in this paper. The typology is
<table>
<thead>
<tr>
<th>Type</th>
<th>Number of Counties</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Farming-dependent</td>
<td>716</td>
<td>-200</td>
</tr>
<tr>
<td>2. Manufacturing-dependent</td>
<td>621</td>
<td>-44</td>
</tr>
<tr>
<td>3. Mining-dependent</td>
<td>155</td>
<td>-31</td>
</tr>
<tr>
<td>4. Specialized government</td>
<td>233</td>
<td>+125</td>
</tr>
<tr>
<td>5. Persistent poverty</td>
<td>242</td>
<td></td>
</tr>
<tr>
<td>6. Federal lands</td>
<td>247</td>
<td></td>
</tr>
<tr>
<td>7. Destination retirement</td>
<td>515</td>
<td></td>
</tr>
<tr>
<td>Unclassified</td>
<td>398</td>
<td>+164</td>
</tr>
<tr>
<td>Total</td>
<td>2,443</td>
<td>2,443</td>
</tr>
</tbody>
</table>

judged to be one of the most useful ways presently available to establish the complexities that confront those who seek to better understand the changes in the vast and diverse regions of the nation commonly labelled rural America.

SOCIOECONOMIC AND POLITICAL CHARACTERISTICS STRESSED IN THE PROFILE OF THE CONDITION OF RURAL AMERICA

It seems abundantly clear that a large number of national and international forces are presently impacting rural America. Indeed, it is the simultaneous convergence of these forces that makes this period of time not only unique in recent history, but importantly, so threatening to the present and future prospects of nonmetro regions and the schools that are located in these places. Little has occurred in the past three years that causes me (Stephens, 1987) to waver from the position taken at that time in another exercise that attempted to profile the changing context of education in rural areas:

Great changes are occurring in the vast and extremely diverse nonmetropolitan regions of this country as a result of economic and social shifts taking place in the nation, and to an increasing degree, the international scene as well.... Indeed, I know of no comparable period in history where the simultaneous convergence of economic and social changes have so threatened the prospects of maintaining a viable rural school enterprise in this nation than that which we face today (Stephens, p. 179).

To be stressed in this profile on the condition of rural America at the start of the decade of the 1990s that follows are six major trends that have been arbitrarily classified into two major categories. The first three are viewed to be primarily socioeconomic in nature:

- the transformations occurring in the world economy
- the restructuring of the national economy
- changes in the population patterns of the nation

The remaining three are viewed to be primarily political trends:
- changes in the federal role in the federal system
- changes in the fiscal capacity of local governments
- the shifts in the political power of local governments

I chose to arbitrarily limit the number of trends to be focused on here to these six. Though relatively few in number, the six nonetheless are viewed to be of great significance and would probably be included in most exercises of this type. Moreover, as will be established in the discussion that follows, many of the six include multiple dimensions, that is, related sub-trends.

It is clear that there are a number of associations between the trends cited in each category, as well as among those within each of the two groups. All three of the socioeconomic trends, for example, are both affected by and themselves affect the political trends cited. However, as indicated earlier, associations of these types are not established here.

Moreover, it is also true that one should weight differently several of the trends in each of the two broad categories. The procedure used to establish the condition of various sectors of rural America that is presented in the next section is intended to provide an overall assessment of the current status of classes of nonmetro regions that reflects a composite view. This approach does require one to subjectively weight the relative importance of each of the trends.
Socioeconomic Trends

A brief discussion of the three major socioeconomic trends highlighted follows.

Transformations in the World Economy. To note that most of the American economy is increasingly intertwined with the world economy is to state the obvious. Especially significant are a number of trends that are having uneven effects on different sectors of this society:

- what Peter Drucker (1986) refers to as an uncoupling of the primary goods economy from the industrial economy caused in part by increased world production of food that has exceeded demand, and by the decline in the amount of raw materials needed for production
- what Drucker refers to as another uncoupling in the industrialized nations of production from employment due to the rapid movement from labor-intensive industries to knowledge-intensive industries, a theme expressed by many other observers
- the increasing lack of competitiveness of United States industries that rely heavily on exports, especially in the economic activities of agriculture and energy production, that are at a disadvantage in world trade because of a strengthened dollar for much of recent years, and increased international energy supplies
- labor-intensive manufacturing in this nation has been similarly handicapped because of lower foreign production costs.

Restructuring of the National Economy. In addition to changes in the world economy, the continuation of a clear restructuring of the
American economy is also evident at the beginning of this decade. Especially noteworthy is the virtual uninterrupted of:

- the long-term shift from a goods-producing to a service-producing economy
- the concentration of the rapidly growing service-producing industries in metropolitan areas (Henry, Drabenstott, and Gibson, 1986, p. 37).

As a result of these two related changes, discrepancies continue to be evident in various sectors of society with regard to:

- the unevenness of unemployment rates, with nonmetro areas well ahead of metro areas, as shown in Figure 3
- and, as it generally follows, the unevenness of personal income and poverty rates, with most nonmetro regions also lagging behind metro areas on these two indicators of economic well-being.

Changes in Population Patterns. Preliminary U.S. Census Bureau counts indicate that the nation's population grew 8.5 percent from 1980 to 1990. However, the population of metropolitan counties grew at a rate of 17.4 million, or 10.1 percent, compared to a much lower growth rate of 3.3 percent, or 1.8 million, for nonmetropolitan counties nationally (Beale, 1991). The discrepancy in the growth rates of metro and nonmetro counties for the decade of the 1980s, though representing a reversal of the pattern of the 1970s, are consistent with long-term population patterns for the nation.

Beale (1991) further reports that:
FIGURE 3
UNEMPLOYMENT, 1973-1990 CURRENT POPULATION SURVEY

Approximately one-half of all nonmetro counties experienced population declines in the 1980s, and that these declines are most pronounced in "the farm and ranch counties of the Corn Belt, the Great Plains, and the Mississippi Delta; the Appalachian coal fields; and mining areas of the West" (p. 1).

Some nonmetro areas, however, are experiencing growth, especially: the Florida Peninsula; the Northern Pacific Coast, Alaska, and Hawaii; and, the nonmetro fringes of the Northeastern Metropolitan Belt (many of these retirement and recreation areas) (pp. 1-2).

The population patterns of nonmetro counties also varies when viewed from the perspective of primary economic activity, the typology being used extensively in this exercise. The results of Beale's analysis for five of the seven categories is shown in Table 5.

Demographic changes in the population are also a significant trend. Especially noteworthy are the following patterns reported on by Brown and Deavers (1987), whose recent work synthesizes some of the latest available demographic data for the nation:

- the continuing aging of the population (an estimated median age of 32 years in 1987, a decade older than in 1880)
- a decline in the infant and youth population to less than 30 percent from 44 percent in 1880
- Americans 65 years or older represent over 10 percent of the population in 1987.
TABLE 5

1990 PRELIMINARY POPULATION COUNTS, WITH PERCENT CHANGE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(000)</td>
<td>(000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>245,711</td>
<td>226,542</td>
<td>8.5</td>
<td>11.4</td>
</tr>
<tr>
<td>Metro</td>
<td>189,553</td>
<td>172,117</td>
<td>10.1</td>
<td>10.5</td>
</tr>
<tr>
<td>Nonmetro</td>
<td>56,218</td>
<td>54,425</td>
<td>3.3</td>
<td>14.4</td>
</tr>
</tbody>
</table>

Nonmetro county type

<table>
<thead>
<tr>
<th>County Type</th>
<th>1990</th>
<th>1980</th>
<th>1980-90</th>
<th>1970-80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>3,722</td>
<td>3,917</td>
<td>-5.0</td>
<td>19.7</td>
</tr>
<tr>
<td>Agriculture</td>
<td>7,728</td>
<td>7,638</td>
<td>-1.4</td>
<td>6.8</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>21,823</td>
<td>21,467</td>
<td>1.7</td>
<td>12.0</td>
</tr>
<tr>
<td>Government</td>
<td>7,826</td>
<td>7,192</td>
<td>8.8</td>
<td>17.8</td>
</tr>
<tr>
<td>Retirement</td>
<td>13,466</td>
<td>11,634</td>
<td>15.8</td>
<td>32.7</td>
</tr>
</tbody>
</table>

• The working age population of metro regions in 1987 grew more rapidly than in nonmetro areas because of the more dramatic baby boom in these areas and in part because metro areas continue to gain young labor force age immigrants from nonmetro regions (pp. 1-9).

Political Trends

Significant political trends are also occurring as we enter this decade. These both affect and are affected by the socioeconomic developments outlined previously. A brief discussion of three political developments viewed to be of great importance follows.

Changes in the Federal Role. The shifts in the federal role in the federal system of government that were initiated during the 1980s have caused a fundamental realignment in federal-state-local relations. The following two developments are especially noteworthy:

• the decline in the use of Federal Revenue Sharing and an increase in the use of block grant programs to the states, but at reduced funding levels due to the perceived need for reductions in an exploding federal debt
• the lessening of a federal presence in many service areas, probably most pronounced in the movement to deregulate the transportation, finance, and communication fields.

Shifts in the Fiscal Capacity of Local Governments. The apparent philosophical retrenchment of the federal government that characterized much of the 1980s seems to be unwavering as the nation enters this last decade of the millennium. One of the costs of the shift in the role of the federal government has been added fiscal pressures on local
governments (and, of course, on state governments as well!). These changes seem evident:

- There would seem to be a continuation in the traditional unevenness of the fiscal capacity of local governments. Rural local governments have historically lagged behind metro area local governments in their efforts to provide basic public services generally associated with quality of life considerations (Rainey and Rainey, 1978; Reeder, 1987).

- To the extent that an effective minimally acceptable local infrastructure is an important determinant of the economic competitiveness of a local community, rural local governments would appear to be at a decided disadvantage. As Reed, Duben, Porterfield, and Reed (1989) caution, this disadvantage is likely to hold for some time because few state governments, also under stress due to the economic downturn in the late 1980s, are in a position to provide financial relief for local governments, rural or otherwise.

Shifts in Political Power of Local Governments. Population trends over the past several decades have caused significant changes in the political power of local governments. The following changes seem especially important:

- There would seem to be a continuation of the concentration of political power in suburban regions of metropolitan areas, at the expense of both urban core cities, and nonmetropolitan regions.
As a result, metropolitan areas are likely to wield increasing power in state government when state legislatures complete their reapportionment exercises prior to the 1992 elections.

Though the emphasis here is on the local level, it is of course also true that a number of states, principally those who experienced heavy population losses due to out-migration from rural areas (in either an absolute sense or in relative terms), are to lose a Congressional seat and thus see a lessening of their political power in the United States House of Representatives.

THE PROFILE OF THE PERCEIVED CONDITION OF THE MANY FACES OF RURAL AMERICA

The profile of the perceived condition of the diverse nonmetropolitan regions of the nation developed for this draft of the paper are presented below. First, however, the procedures used for this part of the exercise are identified.

Procedures Used

Two steps were taken to establish the perceived condition of different nonmetropolitan regions. The first entailed hypothesizing the effects of the six socioeconomic and political trends outlined in the preceding section on various regions of rural America. Use is made here of the seven categories of nonmetro counties (all except the unclassified) established in the ERS/USDA typology that gives prominence to the primary economic activity of a nonmetro county. Only selective use is made of the second ERS/USDA typology that classifies nonmetro regions according to their adjacency to metro areas and their size of...
population. A five-part scale is used to establish the hypothesized effects:

- = minor negative effect
-- = major negative effect
+ = minor positive effect
++ = major positive effect
blank = effects are unclear

Completion of this initial assessment sets the stage for the consideration of the snapshot view of the relative status of nonmetropolitan areas at the present time. In this second and final step, a five-point status scale is used to establish the perceived condition of the seven categories of nonmetro counties. The status assigned each category represents a composite view of its condition. As established earlier, the composite assessment reflects (a largely subjective) weighting of the relative importance of the trends. The five-point scale used is as follows:

- prosperous . . . the majority of the most significant trends are currently having a hypothesized positive effect
good . . . . . several of the most significant trends are currently having a hypothesized positive effect
stable . . . . the majority of the most significant trends are currently having little or no appreciable effects
poor . . . . . several of the most significant trends are currently having a hypothesized negative effect
stressful . . . the majority of the most significant trends are presently having a negative effect

The Hypothesized Effects of the Major Trends

The hypothesized effects of the six major trends on types of nonmetro counties are presented in Table 6. As established in the table, it is hypothesized that:
### Table 6

**Hypothesized Effects of Major Selected Trends on Seven Categories of Nonmetro Counties**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Socioeconomic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. transformations in</td>
<td>-</td>
<td>--</td>
<td>--</td>
<td></td>
<td></td>
<td>+</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>the world economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. restructuring of</td>
<td>-</td>
<td>--</td>
<td>--</td>
<td>+</td>
<td>--</td>
<td>--</td>
<td>++</td>
<td></td>
</tr>
<tr>
<td>the national economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. changes in population patterns</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>+</td>
<td>--</td>
<td>--</td>
<td>++</td>
<td></td>
</tr>
<tr>
<td>Political</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. changes in the</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>--</td>
<td>--</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>federal role in the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>federal system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. changes in the</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>-</td>
<td>--</td>
<td>--</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>fiscal capacity of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>local governments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. shifts in the</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>+</td>
<td>--</td>
<td>-</td>
<td>+</td>
<td></td>
</tr>
<tr>
<td>political power of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>local governments</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Key: Hypothesized Effects  
- = minor negative  
++ = major negative  
++ = major positive  
blank = effects are unclear
The 516 farming-dependent nonmetro counties, that are heavily concentrated in the midwest, are negatively affected by all three of the socioeconomic trends as well as all the three political trends.

The six trends are viewed to be even more damaging for the 577 manufacturing-dependent nonmetro counties that are also heavily concentrated in the midwest and in the south, and the 124 nonmetro mining-dependent and 242 persistent poverty nonmetro counties, the latter also heavily clustered in the south.

The two categories presently benefitting somewhat from the six trends are the 358 specialized government nonmetro counties and the 515 destination retirement counties, particularly those that are adjacent to a metro area. Both categories are experiencing population gains that in turn will result in greater political clout in state legislative chambers.

Many of the nonmetro counties across all categories are viewed to be experiencing difficulty as a result of the fiscal stress in rural local governments.

Similarly, all categories of nonmetro counties share the common negative effect of changes in the federal role in the federal system.

The Perceived Condition of the Many Faces of Nonmetro America

The perceived condition of each of the seven categories of nonmetro counties is presented in Figure 4. As expected, the condition of the two categories of specialized government and destination retirement are
FIGURE 4

THE PERCEIVED RELATIVE CONDITION OF THE
SEVEN CATEGORIES OF NONMETRO COUNTIES

Relatively
Prosperous

Relatively
Good

Relatively
Stable

Relatively
Poor

Relatively
Stressful

Specialized
Government

Federal
Land

Farming-
Dependent

Manufacturing-
Dependent

Mining-
Dependent

Persistent
Poverty

Destination
Retirement
both judged to be relatively good. Also as expected, the categories of farming-dependent, manufacturing-dependent, and mining-dependent are judged to be relatively poor, with the latter viewed to be the worst off of the three. The one category judged here to be experiencing the most stressful conditions at the present time are the persistent poverty nonmetro counties, continuing a trend that perhaps now spans a number of decades.

CONCLUDING COMMENTS

Rural America is presently being buffeted by a number of socioeconomic and political trends. However, it would appear that many of the trends, that are both national as well as international in scope, are having different effects on the diverse regions of the nonmetropolitan areas of the nation. The implications of the differing effects of national and international forces presently at work in rural areas for the development of fiscal policies for rural schools are huge as well as complex. They promise to severely tax the creativity of public policy analysts and members of local, state, and federal policy communities for the foreseeable future.
REFERENCES


APPENDIX A

OUTLINE MAPS OF NONMETRO COUNTIES
FIGURE 1
NONMETRO FARMING-DEPENDENT COUNTIES, 1986

Metro counties

Farming counties

FIGURE 2
NONMETRO GOVERNMENT-DEPENDENT COUNTIES, 1986

FIGURE 3
NONMETRO MANUFACTURING-DEPENDENT COUNTIES, 1986

FIGURE 4
NONMETRO MINING-DEPENDENT COUNTIES, 1986

FIGURE 5
PERSISTENT POVERTY COUNTIES

Source:
FIGURE 6
FEDERAL LANDS COUNTIES

Source:
FIGURE 7
RETIREMENT COUNTIES

Source:
FIGURE 8
NONMETRO UNCLASSIFIED COUNTIES, 1986