

GAPS IN OUR UNDERSTANDING OF RURAL COMMUNITIES¹

by

Cynthia M. Duncan
Rural Economic Policy Program
Aspen Institute

My task is to discuss the ramifications of what Jim Bonnen, Bob Greenstein, and Bob Hoppe have said about the adequacy of our base of knowledge on what is happening in rural America. I will try to lay out the directions for future contributions to the knowledge base about rural areas, drawing from their combined remarks.

All three presentations point out significant gaps in our "knowledge base" about the economic circumstances of rural people. They show that, in general, what we know about rural poverty, rural work, and rural income is too gross, too aggregated on every level, to permit the kind of in-depth study of different rural areas and people that can inform good policy. To cope with changing conditions in rural areas, we need far better information about the working and non-working poor, about chronically poor areas and areas that only recently are feeling the economic stress from restructuring of the national economy.

These speakers have demonstrated the need for information and careful, thoughtful analysis on four different levels.

First, as Jim Bonnen has stressed, we need to formulate a better designation of rural areas that is consistent across different data sources. We must come up with a way of conceptualizing and analyzing that distinguishes rural areas close to metropolitan areas -- areas within the embrace of the metropolitan economy -- from remote rural areas.

Second, as all three presentations have indicated, we need more timely, regular information about how work and income are distributed, not only in the two different kinds of rural areas (those that are remote and those that are linked to urban centers), but also in relation to central city areas and suburbs.

Third, we cannot make sound policy proposals and design programs to build economic opportunities without investing more resources in longitudinal data and studies. Jim Bonnen's report mentioned the Survey of Income and Program Participation (SIPP), an exciting

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new longitudinal data set developed at the Census Bureau which has been constructed in such a way that it is useless for rural analyses. Bob Hoppe describes findings about persistent poverty that relies on confidential analysis of the SIPP as well as studies using the Panel Study for Income Dynamics (PSID). Others with whom we work at the Aspen Institute are using the National Longitudinal Study (NLS). Longitudinal data is crucial for building our understanding of how poverty and marginal work in rural areas persist and change over time.

Finally, from these presentations and through our work at the Aspen Institute, I draw the conclusion that we need qualitative studies and program experiments that put the flesh on the numbers and get at the important and often elusive questions about rural communities: How do they tick? Who is in charge? Why do people stay and why do some come back? How much does the community - and one's place in it - affects one's future and one's ability to escape poverty or dependency?

Let me briefly describe why think we must expand our knowledge base in these four areas.

Better Designation of Rural Areas for Statistical Purposes

All of us who work in rural areas know that rural economies are extremely diverse. We may even have succeeded, after years of efforts, in convincing the American public that rural America is not synonymous with agricultural America. However, now we must go beyond stressing the diversity in rural areas and come up with some more useful and meaningful generalizations.

We know that rural areas that are linked to urban areas--whether we mean those outside Des Moines, Iowa, those near Portland, Maine, or those surrounding Atlanta, Georgia--have things in common with one another. And, as Jim Bonnen has said, these adjacent areas differ greatly from those remote areas that are far from any metropolitan economy. Remote rural areas in northern Minnesota, eastern Oregon, southern New Mexico, the Appalachian, Ozark or Berkshire mountains, are usually dependent on their natural resources for economic sustenance. Timber, mining, fishing, farming, or often recreation and increasingly retirement industries form the basis for whatever employment is available outside the public sector.

The problems facing the first group are those that come from having the economic pulse outside the community. People are commuting to work and shop, the area feels the pressures that accompany "gentrification", as people move further out from the suburbs or choose a semi-rural setting for their retirement. These areas need to manage growth, to come up with ways to make it a boon for their area without relinquishing the heart of their community as the social fabric shifts with newcomers or with more outmigration of residents during the work day. They need to work to ensure that growth and development have relatively equitable impacts, that

housing and other basic living costs do not soar out of reach of the area's long-term residents. Much of what they must do to preserve and enhance their communities involves strengthening the public sector and "public goods", thus ensuring broad distribution of resources and opportunities, and to the extent that this goes "against the grain" in a rural community - at least in a formalized sense- it will be a substantial change in approach.

In today's economy, the second group, the remote rural communities, have begun to lose the economic advantage and potential for growth that they had in natural resources. Natural resource industries themselves are introducing significant productivity gains, meaning they can stay competitive only by reducing the number of jobs associated with a given industry, and economic growth is unlikely in these industries on a national scale. People who have made their lives in remote rural areas, raising their children and working hard to contribute to their community, once again see little likelihood that their children will find work. Outmigration from rural areas has resumed, and young, educated people are the first to leave.

We care about, and need information about, these remote places not because of some cultural nostalgia, but because we care about these Americans, their future and their children's future. Outmigration is disruptive for people and communities at both ends of the spectrum, and migration can be a burdensome shifting of economic and social problems from depressed rural areas to depressed central city areas.

This distinction between remote rural areas and areas that are within what I call the "metropolitan embrace" is related to the distinction that the USDA's Economic Research Service makes between places where local leaders and others need to manage decline or lack of growth and those that can be hubs of future growth. ERS researchers argue that the former are places where human resource policies are most relevant, while places with growth potential could benefit from development work.

Better statistical boundaries and definitions would recognize these differences within rural areas, and policy makers and local leaders could better assess their opportunities and needs.

Measures and Studies of the Distribution of Income and the Distribution of Work

As you know, right now we are hearing the rumblings of a national debate about whether things are getting better or worse (and for whom) in America. There are similar questions about trends in opportunity and conditions in rural versus urban areas, as well as among different kinds of rural areas.

Statistics about rural areas, like statistics about central cities, say as much about who or what is not there as they do about who or what is there. Many poor rural areas lack a middle-income base, people who earn a middle-range income, people who have stable jobs they can count on. Jobs are scarce and upward mobility is sharply constrained by that lack of job opportunity. This lack of a middle class base in rural areas creates a social fabric that reinforces the status quo.

When jobs are scarce, and new jobs rarely develop, those who control jobs are powerful - and those who depend on them are vulnerable. Speaking out about community issues or taking a role which has traditionally not been taken or has traditionally been within someone else's domain, means challenging the status quo on the school board or in the County Administrator's office. Such challenges can mean you lose your job - or your relatives lose theirs. This concentrated, rigid control over work shapes mobility and the social structure of the community. It influences the aspirations of young children and young adults, no matter what their social status. People see that it is best to expect what your father and mother expected, and not much more. You can imagine how important this social and political system is to future development in remote rural areas. This fundamental question about distribution of work and income demonstrate why Goldschmidt's old study, As You Sow, raised so many critical issues that still must be addressed when we try to understand rural areas and their economic futures and how they vary.

Much of the nostalgia, the "conservationist" sentiment, toward rural communities is based on a vision of rural communities that resemble classic midwest farm communities where farm families owned their farm and worked it, where farmers read farm almanacs and newspapers and participated in town affairs, where day laborers were the exception, or as many historians have pointed out, were folded into the family. But much of rural America, especially the chronically poor areas to which Bob Hoppe referred and which are the true focal point of rural development efforts, are not like the classic Midwest farm community in our books. Poor rural areas tend to have a very skewed, unequal distribution of work and of income - and consequently of power. And it is the disadvantaged that Bob Greenstein talks about who bear the ill consequences of this social inequality. Both the strength and the weakness of rural communities is the way so much depends on generations of reputation for bank loans, for jobs, for access to coal reserves, for contracts to provide the school with milk, even for attention from the teachers in school. If his or her "Daddy never did any good", then little is expected or offered.

We need to have ways to measure and monitor distributional factors, both so we understand better what goes on in a particular area and for targeting program assistance. People go to great lengths to patch together a livelihood in rural areas. They do odd jobs - painting, plumbing, fixing things. They take on several jobs at once, selling Avon in the evenings, teaching during the day. Coal

miners we interviewed in Appalachian Kentucky went from earning \$14/hour to gratefully accepting janitorial jobs that paid \$3.50/hour. People in rural Kentucky say "you can't buy a job", that scarce jobs go to family members in the private sector, political supporters in the public sector.

Even during the coal boom you had highly unequal distribution - not just of income - but work: One fourth of coal field families had no worker, and over 36 percent of coal-field youth were out of the work force but not in school or the military, while employed coal miners were making over \$30,000 a year. This inequality of income and of opportunity, and this volatility and marginality of work, affects the social fabric in profound ways, ways that I think have many parallels to community institutions and opportunities in the central cities. Without work, without the hope of mobility and improvement, isolated from middle class role models and images of successful civic participation, young people have no way of growing up with broad expectations for themselves and their communities. Development in these communities is very tough, and very threatening to those who do control the few resources that exist.

Longitudinal Studies

Development efforts are undertaken to combat chronic poverty in areas that have historically been depressed. But as Bob Hoppe's report shows, we have many unanswered questions about the permanent, persistently poor in rural areas, and how they differ from those who are poor temporarily.

Bob Hoppe and Peggy Ross defined the persistent poor as those who were poor for three years during the period 1978 to 1982. But this was during the depth of the recession in many rural areas - some of these poor are surely black families trapped in the Mississippi Delta or families who have lived for decades in remote hollows in Appalachia-- people whose parents were poor, whose children may well be poor as adults. But a good portion may not have been poor in 1975. They may have been caught by the economic crisis affecting rural areas.

When Bob Reischauer at the Brookings Institution analyzed PSID to examine the size of the underclass, he defined the underclass as those who had persistently low incomes, limited education, and weak labor force attachment. Using this definition he thinks there may be a little over 3 million who are the "rural underclass", and when I extrapolated from Peggy Ross and Bob Hoppe's study I figure they may be talking about 4 million persistently poor. But in both cases, as the authors will readily admit, the definitions are problematic for understanding rural poverty. Persistently low incomes (in Reischauer's study 125 percent of poverty level for seven out of ten years), limited education (less than high school), and weak labor force attachment (those who participate less than three quarters time in the labor force) are factors that describe many rural people faced with scarce or volatile, low-wage jobs. They may or may not represent a group of people who are

stuck in a poverty cycle in the way that "underclass" or even "persistent poor" versus "temporary poor" suggests.

All of which is to say that we still need better longitudinal data that includes our two types of rural areas, and we need more in depth analyses using that data. Bob Hoppe's opportunity to examine the SIPP was an important first step, and recent analyses of the PSID that take account of rural/urban differences are moves in the right direction.

The University of Michigan's Survey Research Center is now adding geographic identifiers to each case in the PSID, and this offers unprecedented opportunity to identify differences by place and by economic and social conditions. It opens up new possibilities for understanding rural poverty over time. It means we can learn more about the effects of migration and how it is connected to upward mobility, and how persistent poverty and individuals' success in escaping poverty are related to economic and social factors in their families and their communities.

But these questions about the dynamics of poverty stimulate other, equally important, questions about the causes of poverty and the nature of living and growing up poor that can only be answered by qualitative studies.

Qualitative Studies

In the urban poverty area, many distinguished scholars and several foundations are urging more ethnographic work - more intense analysis on the ground to really understand poverty. The rural poor need this kind of study as well. We need studies that look at families' work history, their attachment to communities, migration patterns within families. We need studies that analyze the social fabric, the political institutions - that can begin to see ways to build on the strength of communities - and ways to open up opportunities for very poor kids - from the wrong side of the tracks - from whom little is expected and for whom little is done.

The Rural Economic Policy Program of the Aspen Institute was begun in 1985 as a collaborative effort of the Wye Institute and Ford Foundation to support more research on rural problems and opportunities that would be directly useful to policy makers and would raise public awareness about these problems and responses to them. Much of our work in the last year - and plans for the coming year - is in the area of demographic trends, labor markets, and poverty--issues of work, income distribution and migration.

In a good and just world Jim Bonnen's proposed changes in federal and state data production and management would be instituted, and then - like urban analysts - we would go on to examine longitudinal data and conduct qualitative studies in concert with quantitative studies. We would try out some experimental programs.

Our program works to support the latter in small ways, whether or not the world is good and just enough to take the advice of researchers and rural experts like Jim Bonnen, Bob Greenstein, and the ERS staff at USDA. We have worked with Greg Duncan and his colleagues at the University of Michigan, encouraging their work to analyze dependency and poverty over time, examining intergenerational poverty and the effects of community and family separately according to their proximity to cities, and separately examining these conditions and trends in the South where so much rural poverty is still concentrated.

Working with Ford Foundation staff, we have also encouraged several qualitative studies that now underway--for example a study of dependency and self-sufficiency among black adolescents in rural Mississippi, and another study of female headed households in the mid-south region of rural Mississippi, Tennessee, and Arkansas that incorporates some of the methodological innovations pioneered by William Wilson in Chicago.

Finally, we are helping the Rural Poverty and Resources Program of the Ford Foundation develop a rural poverty research competition that will stress longitudinal and qualitative studies.

Policy makers and leaders in rural areas need a better base of knowledge about rural conditions and how they vary and how they are changing. We have much to learn, and we have made some strides on which we can now capitalize. But it does take a commitment at the federal level to address the issues that Jim Bonnen, Bob Greenstein and Bob Hoppe have raised here today.

Thank you.