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F E A T U R E

Rural Hispanics Employment and Residential Trends

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Hispanics are the largest and fastest growing minority group in the U.S. Until now, their presence has been mostly an urban phenomenon, as roughly 90 percent of all Hispanics reside in metropolitan (metro) areas. For the first time, however, the nonmetro Hispanic population is increasing in number throughout many rural regions of the Nation. This new demographic pattern is the result of changes in immigration laws and stricter border crossing enforcement during the 1990s, which induced many Hispanic immigrants to extend their stays in the U.S.

Hispanic population growth and settlement have had visible economic and social effects on rural areas and small towns and have garnered considerable media and public policy attention. Many rural communities have sought ways to integrate their newest residents. What does the presence of a growing population of low-income minority residents mean for the social, economic, and political future of rural America?

Rapid Growth and Geographic Expansion

During the 1990s, nonmetro Hispanic population growth more than doubled from the previous decade and far outpaced that of all other nonmetro residents. Hispanics made up less than 5 percent of nonmetro residents in 1990, but they accounted for over 25 percent of all nonmetro population growth from 1990 to 2000. Despite their concentration in the Southwest, half of all nonmetro Hispanics now live outside the Southwest. Moreover, rural Hispanics in the Midwest, Southeast, and Northwest, though small in number, are growing far more rapidly than all other racial and ethnic groups.

During the 1990s, Hispanic settlement became more dispersed throughout nonmetro America. Over 90 percent (2,155 counties) of all nonmetro counties experienced some Hispanic population growth, in sharp contrast to the 710 nonmetro counties (31 percent) that experienced non-Hispanic population decline during the decade. This moderate but widespread growth ameliorated some of the chronic population decline resulting from natural decrease (more deaths than births) and outmigration from rural counties throughout the Midwest and Great Plains. In fact, Hispanic population growth in the 1990s prevented net population loss in over 100 nonmetro counties.



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A second and simultaneous pattern of Hispanic population growth and settlement in the 1990s was one of concentration in a relatively few predominantly Hispanic nonmetro counties. Counties with high Hispanic population growth often have manufacturing plants that employ large numbers of low-skilled workers. Such industries tend to be less prominent in other nonmetro counties or in counties with established Hispanic populations. In addition, sociodemographic characteristics of residents of these high-growth counties vary greatly, and thus influence personal earnings and residential settlement. Hispanics in these counties are more likely to have arrived recently in the United States and to be less educated, less proficient in English, and undocumented—characteristics that inhibit economic and social integration—than their non-Hispanic neighbors or Hispanics elsewhere.

During the 1990s, nonmetro and metro Hispanic populations grew far more rapidly than non-Hispanic populations

| County type | Counties | Hispanic | | Non-Hispanic | |
|--------------------------|---------------|-------------------|---------------------------------|--------------------|---------------------------------|
| | | Population, 2000 | Change in population, 1990-2000 | Population, 2000 | Change in population, 1990-2000 |
| | <i>Number</i> | <i>Number</i> | <i>Percent</i> | <i>Number</i> | <i>Percent</i> |
| Nonmetro counties | 2,289 | 3,175,953 | 67 | 52,983,373 | 8 |
| High-growth Hispanic | 149 | 526,942 | 345 | 7,254,164 | 15 |
| Established Hispanic | 230 | 1,602,630 | 32 | 2,931,071 | 9 |
| All other | 1,913 | 1,046,381 | 84 | 42,798,138 | 7 |
| Metro counties | 813 | 32,129,864 | 57 | 193,132,712 | 9 |

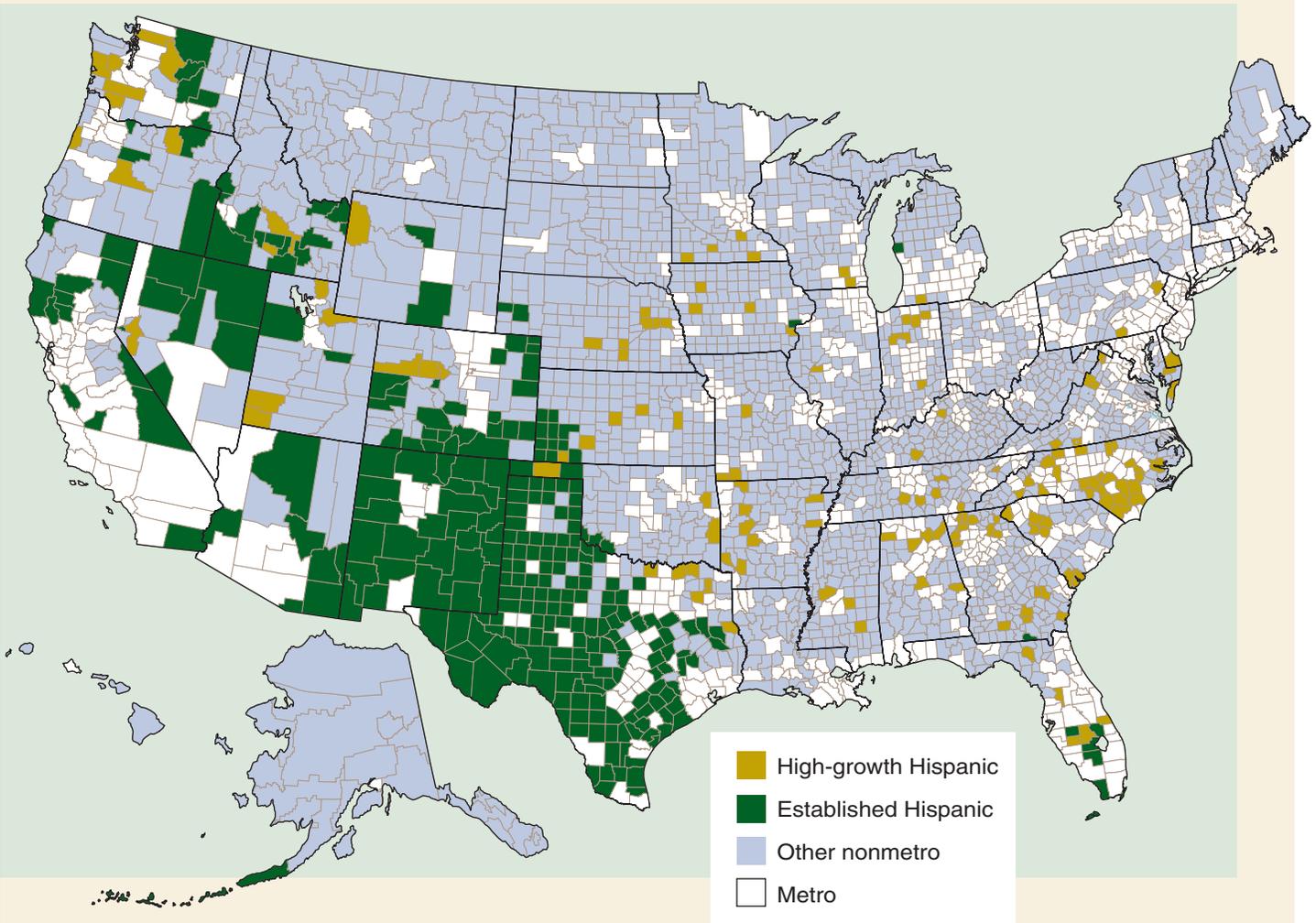
Source: Calculated by ERS using data from the U.S. Census Bureau.

County definitions

Nonmetro—Counties not defined as metro:
High-growth Hispanic—Hispanic population growth of 150 percent or higher + Hispanic population of 1,000 or more in 2000
Established Hispanic—Hispanic population of 10 percent or higher in 1990.
All other—All other nonmetro counties.

Metro—Counties with a city of 50,000 or more and contiguous counties with high commuting to the core county.

As of 2000, established Hispanic counties remained concentrated in the Southwest, while counties with rapid Hispanic population growth were scattered throughout the Nation



Source: Calculated by ERS using data from the U.S. Census Bureau.

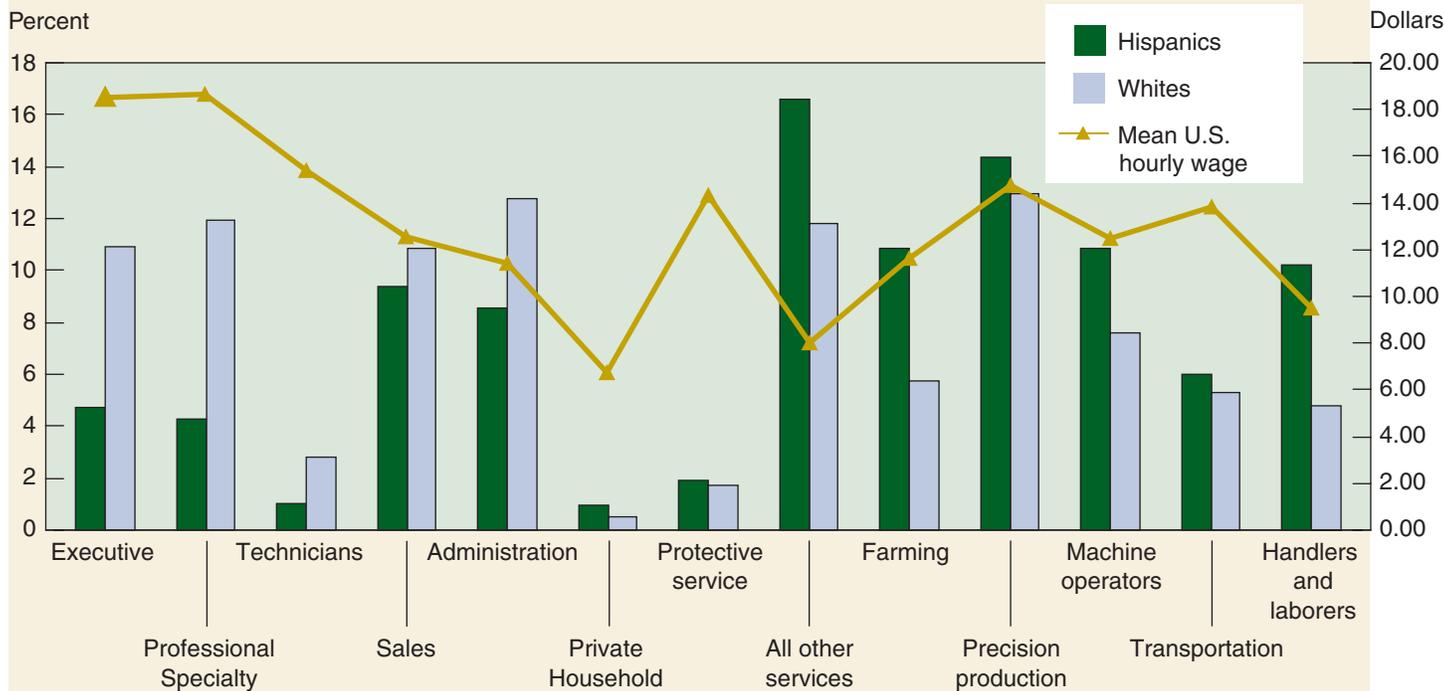
More Rural Hispanics in Low-Wage Jobs

Although Hispanic employment in high-growth nonmetro counties is still concentrated in agricultural work, recent data show occupational diversity and mobility. Hispanics in many nonmetro counties are often employed in large numbers in specific rural industries, such as textile manufacturing jobs in Georgia and poultry processing jobs throughout the Southeast. Nonmetro Hispanics make up the majority of farmworkers, but the share

of nonmetro Hispanics employed in agricultural industries fell from 17 percent in 1990 to about 11 percent in 2000. In contrast, the share of nonmetro Hispanics in sales, services, and manufacturing occupations increased over the decade. By 2000, 17 percent of nonmetro Hispanics were employed in general service jobs, 14 percent in precision production jobs, 11 percent as machine operators, 11 percent as farmworkers, and 10 percent as handlers, equipment cleaners, helpers, and laborers.

The prevalence of rural Hispanics in low-wage jobs is linked to their educational levels. During the 1990s, wage growth was highest for college-educated workers and lowest for the least educated. Rural Hispanics were the only rural ethnic group whose average level of educational attainment did not change in the 1990s largely due to historically high rates of immigration during the period and, thus, a larger share of Hispanics with low educational levels. By 2000, the share of rural Hispanics without a high school degree

Nonmetro Hispanics were more likely to be concentrated in lower skilled and lower paid occupations than nonmetro Whites, 2000



Source: Calculated by ERS using data from the U.S. Census Bureau.

The nonmetro Hispanic population is increasing throughout many rural regions of the Nation.



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remained at 49 percent, compared with 17 percent for non-Hispanic Whites and 36 percent for Blacks.

Despite greater participation in service and manufacturing jobs, rural Hispanic earnings grew only slightly in the 1990s. Annual earnings of rural Hispanics increased during the 1990s slightly more rapidly than the earnings of higher paid Whites. In 2000, average annual earnings were \$23,900 for rural non-Hispanic Whites and \$18,400 for rural Hispanics. Hourly wages increased for both Hispanics and Whites, but because wages increased at roughly the same rate, large differences remained between the two groups.

Lower earnings for some rural Hispanics translate into poverty rates comparable with those of rural Blacks—and significantly higher than those of rural non-Hispanic Whites. Although poverty rates for Hispanics and Blacks declined

sharply during the 1990s, one-fourth of rural Hispanics remained below the poverty line in 2000. In new nonmetro destinations, Hispanics are more likely to reside in isolated low-income areas. The integration of Hispanics into the rural economy presents challenges as well as opportunities to revitalize rural communities that have been losing population.

Hispanic Population Growth Influences Rural Employers' Demand for Labor

The influx of a less educated and less skilled minority group into rural communities raises questions about how the integration of this group affects wages and employment. By examining the forces at work of both labor supply and demand, ERS researchers found that changes in the magnitude and skill level of labor demanded by employers—caused by both broad

economic trends and Hispanic migration into rural areas—had varying effects on wages in rural areas during the 1990s.

Due to a growing economy and industrial restructuring in the 1990s, employers in rural America generally demanded more skilled workers (with a high school education) than unskilled workers (who have not completed high school). This increased demand substantially increased the wages of skilled workers, especially for males. In a small subset of rural industries—services and manufacturing—however, changes in labor demand increased the wages of unskilled workers and, to a lesser extent, professional workers (college-educated), relative to the wages of skilled workers.

The effects of rural Hispanic population growth on wages were largely driven by employers' responses to the new entrants into the labor force and the subsequent altering of production to match available skills. ERS results suggest that, overall, some rural service and manufacturing industries hired unskilled Hispanic



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During the 1990s, Hispanic settlement became more dispersed throughout nonmetro America.

labor as substitutes for skilled labor, but that the effect on wages was dwarfed by the larger increase in total demand for skilled labor in most rural industries. Although the availability of large numbers of rural Hispanic workers changed the nature of jobs demanded in the 1990s, a greater demand for skilled workers in the rural workforce increased their wages.

Residential Integration

Recent ERS research examined the extent of residential integration (the degree to which two population groups are evenly distributed throughout a given area) between nonmetro Hispanics and non-Hispanic Whites. To examine patterns of residential settlement and separation between Hispanics and non-Hispanics, ERS created a typology of county types based on Hispanic population growth and composition between 1990 and 2000. Three nonmetro county types were identified: (1) *high-growth Hispanic counties*, encompassing many new rural Hispanic destinations, (2) *established Hispanic counties*, and (3) *other nonmetro counties*. These county types were compared with each other as well as with metro counties. ERS then analyzed residential separation between Hispanics and non-Hispanic Whites at three geographic levels: county level, place level, and neighborhood level (census tracts).

Regardless of county type, Hispanics became more geographically integrated among non-Hispanic Whites throughout the Nation over the course of the past decade. Despite evidence of Whites moving out of some high-growth Hispanic counties, especially in the Midwest, the



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White population in these counties generally grew twice as much as in other nonmetro counties. The Hispanic population was least dispersed in other nonmetro counties (accounting for 84 percent of all nonmetro counties). These counties also experienced the greatest decline in residential separation, a trend portending significant ethnic and social change. Rural America, except for nonmetro counties in the Southwest, has been predominantly non-Hispanic White, without much consistent contact with foreign-born people from countries outside of Europe. With increased Hispanic dispersion in nonmetro areas, interaction between non-

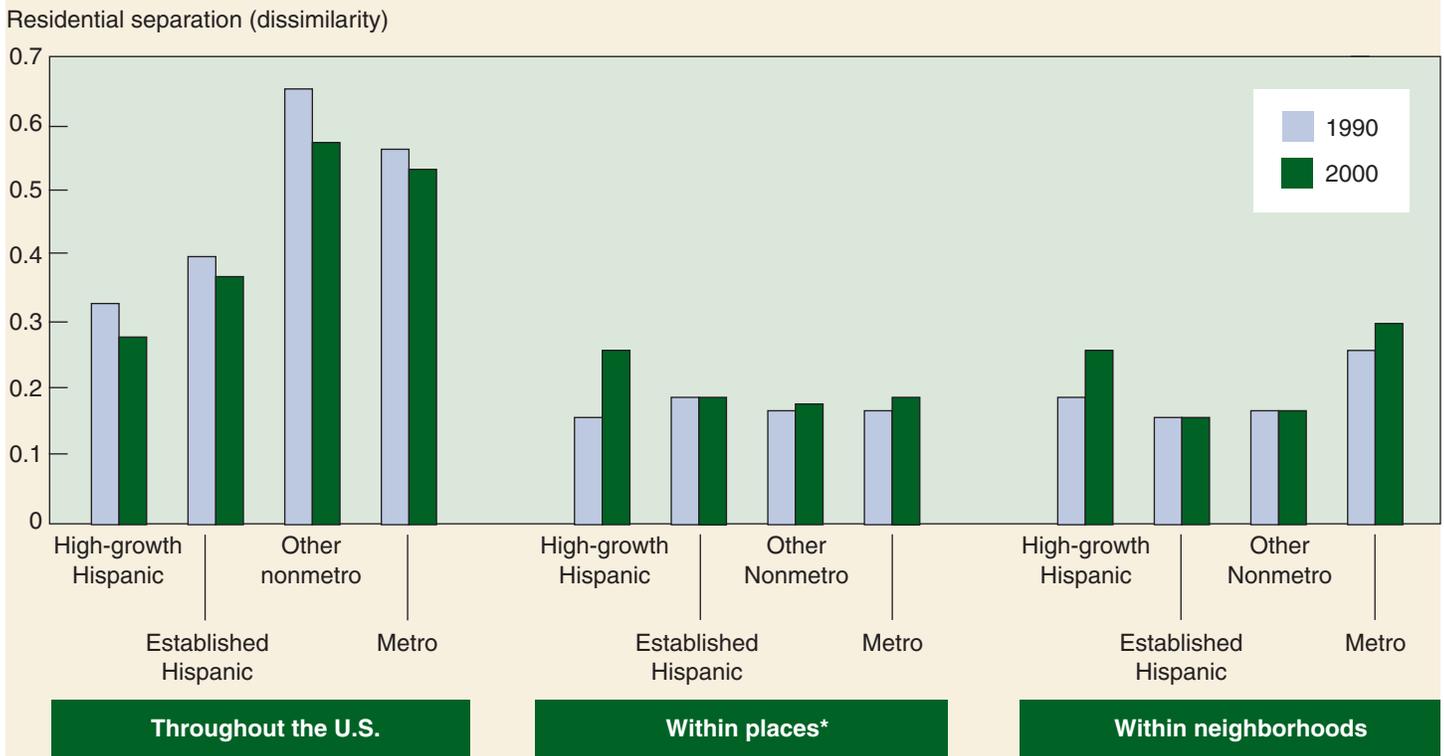
metro Whites and Hispanics is expected to continue, and rural areas could experience patterns of ethnic incorporation and diversity more typical of metro areas.

Within counties, however, a reversal of the national trend of Hispanic integration is found in the degree to which Hispanics and non-Hispanic Whites live together within town and city boundaries. High-growth Hispanic counties, which exhibited the lowest average level of residential separation among all county types in 1990, had the highest average level in 2000. This trend implies that, on average, Hispanics living in these 149 counties were about two-thirds more likely to be

spatially isolated from non-Hispanic Whites across municipal boundaries in 2000 than in 1990. The increase in residential separation in these counties contrasts significantly with that of established Hispanic counties and other nonmetro counties, both of which remained stable.

Nonmetro Hispanics, like nonmetro Blacks, tended to live in larger towns and cities between 1970 and 1990, while non-Hispanic Whites concentrated outside of census-defined places. During the 1990s, this trend actually increased. Municipal boundaries often represent economic, social, and fiscal dividing lines between groups and may heavily influence avail-

In 2000, Hispanics were more dispersed throughout the U.S., but residential separation from non-Hispanic Whites still increased within places and neighborhoods



Note: Dissimilarity measures distributional evenness between two groups and is computed using a standard formula that takes into account the populations of the two comparison groups for both the large and smaller areas examined. The value ranges from zero to one, with higher values indicating greater residential separation.

*A place is either legally incorporated under the laws of its State, or a statistical equivalent that the Census Bureau treats as a census-designated place.

Source: Calculated by ERS using data from the U.S. Census Bureau.



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ability of social services, opportunity for economic development, property values, and local taxes. As suggested by the experience of nonmetro Blacks, who migrated to nonmetro towns and cities after World War II, nonmetro Hispanics may continue to gravitate to more densely settled locales to seek similar social, economic, and political resources within incorporated places. Yet the influx of Hispanics into densely settled areas sometimes occurs simultaneously with the exodus of non-Hispanic Whites from those same places.

Several reasons lie behind these residential patterns, one of which is economic. In high-growth Hispanic counties, non-Hispanic Whites have significantly higher average incomes than Hispanics, allowing them to purchase newer, larger houses and properties outside of towns and small cities that traditionally have been densely settled. Hispanics in high-growth Hispanic counties, with less time in the U.S. than other Hispanics and relatively lower earning power, are more likely to live with or

near relatives and friends in more crowded conditions until they can afford their own housing.

At the neighborhood level (census tract), residential separation between Hispanics and non-Hispanic Whites also increased during the 1990s, with dissimilarity indices comparable to those of urban neighborhoods. High-growth Hispanic counties exhibited the largest increases in residential separation, as well as the highest absolute levels, despite higher than average White population growth. For established and other nonmetro counties, average levels of residential separation remained unchanged during the decade.

Future Directions

Recent Hispanic residential settlement is a paradox. Hispanic population growth has helped to stem decades of population decline in some States. These communities increasingly have new demographic characteristics (young families with children) and economic vigor as well as social and cultural diversity. Yet,

many rural communities are unprepared for significant numbers of culturally different low-paid newcomers who seek inexpensive housing, require particular social services, and struggle to speak English. While Hispanics in new destinations often take low-paying jobs, their presence in the rural labor market may depress local wage rates in certain industries.

While socioeconomic status often improves for second- and third-generation Hispanics, rural communities face immediate needs to address the social, economic, and civic incorporation of recent Hispanic residents. Such integration is particularly important given that Hispanics have now become the Nation's largest and fastest growing minority group, with new arrivals increasingly populating nonmetro counties. Many local communities and States have designed programs to help new residents acquire information about public services and civic responsibilities. As U.S.-born Hispanic children continue to make up a significant and growing portion of future employees, taxpayers, and citizens, integration has become a crucial issue. **W**

This article is drawn from . . .

New Patterns of Hispanic Settlement in Rural America, by William Kandel and John Cromartie, RDRR-99, USDA/ERS, May 2004, available at: www.ers.usda.gov/publications/rdr99/

Impacts of Hispanic Population Growth on Rural Wages, by Constance Newman, AER-826, USDA/ERS, September 2003, available at: www.ers.usda.gov/publications/aer826/

See also the ERS Briefing Room on Race and Ethnicity in Rural America at: www.ers.usda.gov/briefing/raceandethnic/