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POVERTY IN RURAL AMERICA

by

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Ten years now have passed since the United States last incurred a slowdown in economic activity sufficient to cause a decline in total annual national output. Since the recession of 1958, economic expansion has pushed total U.S. output and per capita personal income to successively higher record levels each year.

My purpose today is not to tout the success of economic progress in the United States. It is quite the opposite. I would like to direct your attention to the problem of poverty in America -- one of the glaring failures of our economic, social, and political institutions. And I particularly want to focus on the problems of the rural poor. But a brief look at the growing prosperity of the nation is instructive -- if for no other reason than to dramatize the plight of those who are not participating in it.

The growth record of the U.S. economy over the past 10 years is impressive. By the first quarter of this year, gross national product had reached an annual rate more than 50 percent higher, in real terms, than the 1958 level; per capita personal income after taxes is now one-third higher, after taking into account changes in price levels, than 10 years ago; and the nation's economy currently is providing 20 percent more jobs than in 1958. We indeed are an affluent society deeply caught up in the process of becoming even more affluent.

Along with our growing prosperity as a nation, however, has come an increased awareness that not all of society has shared equally in the benefits of economic progress.

* An earlier draft of this paper was presented at the Rural Banking School, sponsored by the Minnesota, North Dakota, and South Dakota Bankers Associations, on the campus of the University of Minnesota -- Morris, Morris, Minnesota, on July 25, 1968.

Some groups, some communities, and some geographic regions of the country have borne a disproportionately large share of the costs of economic growth. And a shamefully large number of Americans have been left in the backwash of the national prosperity that we, as a people, so earnestly pursue. For those whom society has relegated to the misery and deprivation of poverty, I can think of no better descriptive phrase than that used by the President's National Advisory Commission on Rural Poverty as the title of its report -- they are, most surely, "the people left behind."

My concern, today, is the problem of rural poverty -- the nature and extent of rural poverty, its causes, and what can and should be done about it. What can be done to replace the despair of the poor with hope and, more importantly, to match that hope with genuine opportunity for a better life? These obviously are difficult questions. They also, I suggest, are questions that must be answered -- and acted upon -- soon.

What is Poverty?

Before examining the extent of rural poverty and what might be done to eliminate it, I would like to comment briefly on the meaning of poverty. My experience in discussing this subject with residents of rural Minnesota suggests that the reaction of many people is, first, to dispute any evidence that may be offered regarding the number of rural residents who are poor and, second, to argue that even if a lot of rural families have low money incomes they still are able to enjoy a reasonably comfortable life.

What is poverty? In the first instance, as Professor Moynihan has put it, "poverty is not having enough money." And we conventionally measure poverty in terms of low personal income. A few years ago, as a first approximation, the poor were defined as members of families that had total family money incomes of less than \$3,000 per year and individuals living alone who had money incomes of less than \$1,500 per year. This method of measuring poverty obviously neglected some factors -- for instance, family size -- that need to be taken into account.

In refining our measurement of poverty, criteria have been developed which do take into account such factors as family size, composition, and place of residence. Thus, the current poverty line for persons not living on farms is an annual money income of \$1,635 for a person living alone, \$2,115 for a family of two members, \$3,335 for a family of four, etc. The poverty line for farm families of the same size is somewhat lower because it is assumed that comparable levels of living can be obtained by farm families with a lower cash income.¹ This, incidentally, is an assumption that I question.

Poverty does have an absolute character in the sense that poverty means an inability to provide for the basic necessities of life -- food, shelter, clothing, medical services, etc. But poverty also is a relative concept. For those poor who do manage, somehow, to eke out an existence, poverty still persists in the form of having to do without the material things that so many of the not-poor take for granted. Thus, though many of today's poor may be better off financially than the poor of half a century ago, they are not better off in terms of the greater abundance that most Americans enjoy today. And our modern communications system, especially television, makes this fact all too apparent to the poor.

The relative character of poverty may be more damaging to the poor than a mere inability to obtain enough of life's necessities. For it is having to do without when others have so much -- and having no prospect for anything better -- that leads to the pervasive feeling of pessimism and hopelessness that inflicts the nation's poor. To be poor, when everyone else is poor, is one thing. To be poor -- and without hope -- when others are affluent and confident of becoming more affluent -- is quite a different matter.

¹ For a more complete description of poverty criteria see Mollie Orshansky, "The Shape of Poverty in 1966," Social Security Bulletin, March 1968, p. 4.

Who is to Blame?

Although I am not sure that it matters all that much, there seems to be a great deal of concern about who is to blame for the perpetuation of poverty in a nation as rich as this one. The instinct of some is to place the blame squarely on the shoulders of the poor themselves. "Obviously," it is argued, "the real cause of poverty in the United States today is the simple fact that some people are just too lazy, indifferent, and irresponsible to do any better."

I personally am too optimistic about the nature of man to believe that this notion about poverty is anything other than utter nonsense. Certainly there are those who are lazy, irresponsible, and all the rest (not all of whom, I suspect, are poor). But I cannot believe that one out of every four rural Americans is poor because he is lazy, or that the poor remain poor simply because they like their life as it is. They do not like it, and they do want something better. And many are trying desperately to improve their lives. Perhaps the best evidence of this fact is the massive movement of rural people to the nation's cities in search of greater opportunities.

If one is intent upon placing the blame for poverty upon someone, I am afraid we all must share in that guilt. Jim Bonnen recently summed it up this way:

How do you explain poverty in an affluent society? Let me say it straight out. That more than 30 million Americans are poor is not massive evidence of personal failure or fault. Rather, it is evidence of a failure in society, a fault of our social system, for which you and I are as much, if not more, responsible than are the poor.

I agree. Furthermore, the poor not only have been the innocent victims of the vast changes that have taken place in our society but also, in too many instances,

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James T. Bonnen, "Progress and Poverty: The People Left Behind," paper prepared for presentation at the Minneapolis Farm Forum in Minneapolis, Minnesota, on March 6, 1968.

have been penalized directly by some of our public policies and programs undertaken for the sake of economic progress. Unfortunately, economic gains for some frequently are accompanied by economic distress for others.

The Dimensions of Poverty

There is a tendency in the United States to regard poverty as solely an urban problem. Approximately 34 million Americans were classified as poor in 1965 (table 1). Forty percent of the poor -- almost 14 million persons -- were rural residents. Most of the rural poor, 10 of the 14 million, are not farm residents. The number of poor persons on U.S. farms has fallen sharply in recent years as low-income farm families have left farming in search of better opportunities in other occupations and in other locations. Thus, while the percentage of farm residents classified as poor remains high, the problem of rural poverty is chiefly a rural-nonfarm problem.

Around 20 million poor live in urban places that have 2,500 inhabitants or more. Half of the urban poor live in the central cities of the nation's metropolitan areas. Therefore, in terms of residence, the largest numbers of poor persons are found in the central cities and in the rural-nonfarm population. Furthermore, despite the attention given to urban poverty, almost two-thirds of the nation's poor live in the open country or in villages and cities that have fewer than 50,000 inhabitants.

The incidence of poverty is significantly higher among rural people than among urban residents. Twenty-five percent of the rural population was poor in 1965, compared with only 15 percent of the total urban population. Even in the nation's central cities only about 17 percent of the population was poor.

Some information about the characteristics of poor families is shown in table 2. These data include both rural and urban families and provide a useful summary of some of the major dimensions of poverty in the United States. There are two ways in which to view this cross-section of poor families. One way is to look at particular segments of the population that have a high incidence of

Table 1. Persons in Poverty, by Rural and Urban Residence, March 1965

Population group	Poor Persons (a)		Percentage of population that is poor
	Number (millions)	Percentage distribution	
Total: United States	33.7	100.0	17.7
Total: Rural (b)	13.8	40.9	25.0
Rural - farm	3.9	11.6	29.3
Rural - nonfarm	9.9	29.4	23.6
Total: Urban (c)	19.9	59.1	14.8
Small cities (d)	6.4	19.0	23.6
Metropolitan areas	13.5	40.1	12.6
Central cities	10.2	30.3	17.4
Outside central cities	3.3	9.8	6.7

(a) Based on income in 1964. See source concerning method of estimation.

(b) Includes persons living on farms, in the open country, and in places with a population of less than 2,500.

(c) Includes persons living in places with a population of 2,500 or more.

(d) Includes persons living in places with a population of at least 2,500 but less than 50,000.

Note: Details may not add to totals because of rounding.

Source: The People Left Behind, a Report by the President's National Advisory Commission on Rural Poverty (Washington: U.S. Government Printing Office, September 1967), p. 3.

Table 2. Selected Characteristics of Families in Poverty, 1966

Characteristic	Poor Families (a)		Percentage of families that are poor
	Number (thousands)	Percentage distribution	
All families	6,086	100.0	12.4
Color of head:			
White	4,375	71.9	9.9
Nonwhite	1,711	28.1	34.9
Residence:			
Nonfarm	5,598	92.0	12.1
Farm	488	8.0	18.1
Sex of head:			
Male head	4,276	70.3	9.8
Female head	1,810	29.7	35.0
Number of children:			
No children	2,205	36.2	10.8
With children	3,881	63.8	13.6
1 child	845	13.9	9.3
2 children	870	14.3	10.2
3 children	693	11.4	12.8
4 children	544	8.9	18.6
5 children	387	6.4	27.7
6 children or more	542	8.9	42.1
Age of head:			
Under 25 years	510	8.4	16.9
25 to 34 years	1,139	18.7	11.9
35 to 44 years	1,180	19.4	10.6
45 to 54 years	919	15.1	8.7
55 to 64 years	800	13.1	10.4
65 years and over	1,538	25.3	22.2

Table 2. Continued

Characteristic	Poor families		Percentage of families that are poor
	Number (thousands)	Percentage distribution	
Employment status of head:			
Not in labor force (b)	2,817	46.3	30.8
Employed	3,021	49.6	7.8
Unemployed	248	4.1	27.4
Occupation of employed head:			
Professional and technical	129	2.1	2.4
Farmers and farm managers	315	5.2	19.8
Managers, officials, and proprietors	233	3.8	4.0
Clerical and sales workers	225	3.7	4.4
Craftsmen and foremen	353	5.8	4.4
Operatives	648	10.6	8.4
Laborers, except mine	533	8.8	23.2
Service workers	585	9.6	19.4
Work experience of head:			
Head worked in 1966	3,597	59.1	8.7
Worked full year	1,943	31.9	5.8
Worked part year	1,654	27.2	21.2
Head did not work in 1966	2,417	39.7	35.1
Because of illness	719	11.8	40.9
Other reasons	1,698	27.9	33.1

(a) Based on income in 1966. See source for definitions and method of estimation.

(b) Includes persons in the armed forces.

Note: Details may not add to totals because of rounding.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 54, "The Extent of Poverty in the United States: 1959 to 1966," May 31, 1968.

poverty; the second way is to look at the predominant characteristics of the poor.

The situation with respect to the incidence of poverty among rural and urban families can be summarized in the following way:

1. Poverty is associated with racial discrimination. The incidence of poverty is three and a half times higher among nonwhite families than among white families.
2. Families headed by a female are much more likely to be poor than families headed by a male.
3. The incidence of poverty tends to increase with family size.
4. The incidence of poverty is highest among families headed by persons under age 25 and age 65 and over.
5. The incidence of poverty is roughly four times higher among families whose head is unemployed or not in the labor force than among families whose head is employed.
6. Among families with an employed head, the incidence of poverty is highest among those families headed by a farmer, laborer, or service worker.

When several factors associated with a high incidence of poverty are compounded, the likelihood of poverty jumps sharply. For example, almost 9 out of every 10 families headed by a nonwhite female with 4 children or more falls below the poverty level. And, I should remind you, this is after taking into account public assistance and welfare payments.

If one looks only at specific groups in our population that have a high incidence of poverty, it is possible to form a distorted view of poverty in America. We already have seen that the majority of the poor do not live in metropolitan areas as many people seem to believe. There are some other common misconceptions about poverty that also need to be corrected.

First, despite the fact that the incidence of poverty is highest among nonwhite segments of our population -- including the Negro, the Spanish American, the American Indian, and other groups -- more than two-thirds of all U.S. poor are white. Second, although the incidence of poverty increases with family size, nearly two-thirds of all poor families have no more than two children. Finally,

fully half of all poor families are headed by men or women who have jobs. This really would seem to be a rather remarkable figure when one considers that almost one-half of all poor families are headed either by a female, or by a male age 65 or over.

This last point needs to be emphasized. Too many people hold the notion that poverty results from an unwillingness to work. This is not true. In the case of poor families headed by a male who was 25 to 64 years old, 94 percent worked either all or part of the year during 1966 or did not work because of illness. Moreover, over half of the male family heads in this age range worked the full year -- and still earned too little to move above the poverty level.

Poverty results from many factors -- lack of a male breadwinner in the family, illness or age that prohibits regular employment, etc. But for a large share of the poor, poverty occurs chiefly because of a lack of adequate paying, year-round jobs and because the poor frequently lack the education and training necessary to earn a decent income in our modern economy. These factors -- not lack of initiative or indolence -- are among the root causes of poverty in the United States.

The National Advisory Commission on Rural Poverty

A lot of attention has been given in the last few years to the problems of the urban poor and those who reside in the ghettos of our large cities. Perhaps partly because they are too scattered to muster enough people for a newsworthy riot, the rural poor have attracted neither the publicity nor the public concern that have riveted our attention on urban poverty. The recent report of the President's National Advisory Commission on Rural Poverty has helped to rectify this situation and to correct the widely-held but mistaken belief that poverty is predominantly a problem of our large central cities. Anyone seriously interested in learning about rural poverty ought to begin by reading the report of the

commission.³

The National Advisory Commission on Rural Poverty was established by executive order of the President in the fall of 1966. The commission consisted of 25 members and was chaired by Governor Edward T. Breathitt of Kentucky. The membership of the commission included no representation from either the Congress or the administrative agencies of the federal government and, except for Governor Breathitt, no professional politicians.⁴

The commission was given one year in which to complete its work. During that period of time, it was to (1) conduct a comprehensive study of conditions affecting rural America, (2) evaluate current programs and policies as they relate to the welfare of rural people, and (3) develop recommendations for action to improve the opportunities afforded rural residents of the nation. In carrying out its work, the commission employed the services of a small, full-time professional staff and, in addition, contracted with a number of people outside the staff for special studies and background papers on specific aspects of rural poverty. The commission also conducted hearings in Washington, D.C., Tucson, Arizona, and Memphis, Tennessee, in January and February of 1967 at which it listened to more than 100 witnesses, including the poor. The report of the commission, which presents a nontechnical summary of its findings and a rationale for the commission's 158 recommendations was completed in the early fall and released by President Johnson in December of 1967.

One of the remarkable features of the commission's report was the almost

³ The People Left Behind, A Report by the President's National Advisory Commission on Rural Poverty, (Washington: U.S. Government Printing Office, September 1967). For a brief summary see W. Keith Bryant, "Rural Poverty -- A Summary of the Report of the National Advisory Commission on Rural Poverty," Minnesota Farm Business Notes, No. 503, February 1968.

⁴ I understand that one member of the commission did join a federal regulatory agency during the life of the commission.

unanimous approval of the recommendations by the commission members. The report itself was unanimously approved.⁵ There were only 13 expressions of reservation about parts of the report by members of the commission. Most of the reservations were of minor consequence, and they dealt specifically with only 10 of the commission's 158 recommendations. Nineteen of the 25 members expressed no reservation whatsoever regarding either the language or recommendations contained in the report.

Findings and Recommendations of the Commission

One might ask, of course, "Have we not been doing anything to solve the problem of poverty? Don't we have government programs that help the poor?" The answer is, yes, we have done some things. But the still large number of poverty-stricken Americans is, in itself, prima-facie evidence that we have not done enough. By and large, our policies and programs to blunt the adverse affects of social, economic, and technical change in our society have been a case of "too little, too late."

Persuasive reasons exist for acting now to eliminate rural poverty. On the basis of its findings, the National Advisory Commission on Rural Poverty argued the need for quick and substantial action in this fashion:

1. Simple justice demands that we take action now. It is imperative that the United States provide rural poor people with the same opportunities to share in the fruits of our social and economic progress that all other citizens enjoy.
2. We must act now because the rural poor, in their desire for the same goods and services enjoyed by most urban people, continue to pile up in the central cities of America.

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One member -- David W. Brooks, Executive Vice President and General Manager of the Cotton Producers Association -- did express the reservation that "... some parts of the report cover matters which have little, if any, connection with the problems of rural poverty and, therefore, should have been eliminated." Although I do not know what parts of the report Mr. Brooks was referring to, I personally found little in the report that I would regard as irrelevant to the problem of rural poverty.

3. We must act because our antipoverty programs have bypassed the rural poor.
4. We must act now because our rural communities do not share the benefits of much of our nation's economic growth and technical change, and conditions in these communities are destined to become much worse unless basic changes are made.
5. We must act now because our rural communities are unable to prepare people to participate in the modern economy, and they will become increasingly less able to do so unless there are concerted and extensive changes.
6. We must act now because our public programs in rural America are woefully out of date. Many of them, especially your farm programs and vocational agriculture programs, are relics from an earlier era.⁶

To wage an effective attack against rural poverty, the commission recommended a set of actions designed to provide greater economic opportunity for the rural poor, enhance their personal skills and abilities, improve health and housing conditions, and modernize our public assistance and welfare programs. Keith Bryant, a colleague of mine who served on the staff of the commission, recently summarized some of the commission's key recommendations in the following manner:

1. Guaranteed Employment. The spirit of the Employment Act of 1946 should be fulfilled; i.e., government should provide employment for all those willing and able to work who are not provided employment by private enterprise.
2. Manpower. The Employment Service and Unemployment Compensation systems should be separated so that the Employment Service can concentrate on serving the employer and the person looking for work. A computerized nationwide service for matching workers and jobs should be established as an integral part of the U.S. Employment Service. Existing manpower development, training, and retraining programs should be organized as a single comprehensive job training program. A relocation program with training and relocation assistance should be established for disadvantaged workers who cannot find work where they live but for whom employment opportunities exist elsewhere.

⁶ The People Left Behind, Chapter 2.

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3. Education. Every child age 3 should be afforded the opportunity to participate in a good preschool program. Every elementary school system should have continuing access to specialists in the early education of socially and economically disadvantaged children. An educational extension service should be created linking national and regional education laboratories and the universities with every school system. Federal funds should be appropriated to make rural teachers' salaries competitive with the salaries in good urban schools.
4. Health and Family Planning. Professional and subprofessional rural health manpower should be expanded, and community health centers should be established to focus on the needs of rural people. Family planning programs should be expanded so that the rural poor may have equal access to the facilities, services, and information they need to plan the number and spacing of the children they desire.
5. Public Assistance Programs. City and state residence requirements as eligibility criteria for public assistance payments should be abolished. The federal government should provide funds to the states sufficient to cover payments required to meet nationally set minimum needs standards. Public assistance recipients should be permitted to earn a specified amount without a reduction in benefits and thereafter benefits should be reduced by less than a dollar for every additional dollar earned. This setup would provide work incentives that present programs do not.
6. Housing. Funds for rent supplements should be greatly increased to provide rental housing for the rural poor. Countywide housing authorities should be established to administer programs of public housing in rural areas.
7. Area Development. Multicounty districts that cut across urban-rural lines should be created to plan and coordinate programs of area development cooperatively. Federal grants, loans, and industry subsidies should be made to finance public facilities and services and to induce industrial development.
8. Agriculture. Public programs to enlarge small farm operations and to retire submarginal land from commercial production should be undertaken.
9. Government. Involvement and participation of the poor in the planning and operation of poverty programs should be encouraged.

This summary captures some of the most crucial recommendations made by the commission. I hope that all of you will read the commission's report so that you can study its recommendations in more detail and examine the evidence offered to support the need for the actions that are recommended.

There are, in my judgment, three major areas that ought to receive top priority in attacking rural poverty. The first is the need to increase the availability of jobs for the rural poor. The commission recommends guaranteed employment with government serving as employer of last resort. This may be disagreeable to some of you, though I suspect it may be less disagreeable than the alternative of creating a nationwide system of guaranteed incomes. Privately-provided jobs may be preferred; but, until these jobs can be created, we may be forced to consider and act on other possibilities.

The second area of priority is the need to improve the quantity and quality of education and training available to rural people. We especially must do something to equalize the educational opportunities available to children and adults in different parts of the country and in different school districts. Thus far, the efforts of the federal government to upgrade the educational opportunities of children from poor families apparently have increased rather than diminished the disparity between our wealthiest and poorest states in per pupil expenditures for local schools.⁸ This result is, to say the least, difficult to justify.

Finally, we must begin to rebuild completely the public assistance and welfare programs of the nation. Our present programs frequently degrade those whom we presumably intend to help, and they fail completely in reaching the majority of the nation's poor. The Council of Economic Advisors has estimated that less than half of the poor are eligible for any kind of public assistance and

⁸ John M. Zimmer, "Expenditures for Public Elementary and Secondary Education in Counties Classified by the Relative Poverty Status of Their Rural Populations," Journal of Farm Economics, Vol. 49, No. 5 (December 1967), pp. 1204-1208.

that only 22 percent actually receive any help from these programs.⁹

The Economic Transformation of Rural America

More and better jobs are badly needed to help reduce poverty in rural America. However, if one grasps the idea that these additional jobs should be in rural areas, the past record of employment growth offers faint hope to either the rural poor or anyone else concerned with increasing rural employment opportunities. We still are in the midst of a massive economic transformation that has reduced employment opportunities in many parts of rural America and caused many of the rural poor to seek job opportunities in the nation's cities. There is an obvious linkage between rural and urban poverty. Many of the urban poor are former rural residents who have tried, and failed, to get out of poverty by getting out of a rural setting in which their personal economic opportunities were severely restricted. Some have gotten out of poverty by moving from rural to urban areas, but too many have simply traded rural poverty for urban poverty.

One of the principal factors affecting the rural employment situation is the declining manpower requirements of agriculture and other industries based upon natural resources that traditionally have been the mainstay of the rural economy. Where these reduced manpower needs have not been offset by increased employment in other industries, entire communities and regions have become economically depressed.

A major symptom of the lack of employment opportunities in rural regions is the high level of unemployment and underemployment that exists throughout rural America. There are no reliable estimates of unemployment in the rural labor force on an annual basis. However, in 1960 the unemployment rate was higher for nonfarm rural residents than for urban residents -- 6.1 percent for the

⁹ Economic Report of the President: 1967 (Washington: U.S. Government Printing Office, 1967), p. 141.

rural nonfarm labor force as compared with 5.1 percent for the urban labor force. Only 3.0 percent of the rural farm labor force was classified as unemployed, but the low reported rate of unemployment rate was due largely to the fact that many farm residents regard themselves as occupied in farming even when they might be willing to work at a nonfarm job if one were available.

Unemployment, among either rural or urban workers, constitutes an economic loss to society and works a personal hardship on those who want jobs but cannot find them. However, both the extent to which rural manpower is poorly utilized and the extent to which rural workers are economically disadvantaged are grossly understated by conventional measures of unemployment because many rural workers are, in an economic sense, underemployed. Underemployment exists when the normal occupation of a worker does not provide full-time, year-round employment or when a worker earns less in his job than other workers with similar skills and abilities earn in other occupations.

The extent of underemployment in the rural labor force in 1960 amounted to 2.5 million man-years for those in the labor force who were between the ages of 20 and 64.¹⁰ This was the equivalent of an unemployment rate of 15.6 percent that existed in addition to the reported unemployment rate of 6.1 percent.

Reflecting the sharp pressure for manpower adjustment in the farm industry, underemployment was found to be twice as severe, in relation to the size of the labor force, among farm residents than among rural nonfarm residents. There was an estimated 1.1 million man-years of underemployment among workers living on farms. This was equal to 26.5 percent of the farm labor force. The corresponding estimate for rural nonfarm residents was 12 percent.

A preponderant feature of U.S. economic growth has been the increased concentration of employment in and around the metropolitan areas of the nation.

¹⁰

Data are from Rural People in the American Economy, U.S. Department of Agriculture, Agricultural Economics Report No. 101 (Washington: U.S. Government Printing Office, October 1966), pp. 15-16.

The decline in employment, both relatively and absolutely, in many rural regions has worked an extreme hardship on many rural people, especially those who are poor and lacking in skills and training necessary to obtain a decent job in an economy that has increasingly less need for unskilled workers.

The squeeze being put upon the rural labor force is illustrated vividly by the relationship between changes in total employment and the size of urban centers (table 3). From 1950 to 1960, total employment in the metropolitan counties of the nation, those with cities of 50,000 or more, increased by 32.8 percent. For the nation as a whole, total employment increased by only 14.5 percent during this period. At the other extreme, counties in which the size of the largest city was below 5,000 suffered a 22.4 percent drop in total jobs during the decade. More than 1,600 counties were in this category. Furthermore, in an additional 552 counties that had at least one city with a population of from 5,000 to 9,999, there was only a slim 1 percent increase in total employment between 1950 and 1960.

There has been no apparent halt since 1960 in the concentration of jobs, and therefore people, in or near the nation's metropolitan areas. Neither has there been any abrupt change in the downward trend of manpower requirements in the natural resource industries found in rural areas. Nor is there likely to be. These circumstances have a direct bearing upon efforts to eliminate rural poverty, and they have important implications for those who believe that a further concentration of our population in already overcrowded metropolitan areas is bad economic and social policy.

Poverty and Rural Development

The rural poor obviously need more and better jobs, and many rural spokesmen have pressed for action to increase the availability of nonfarm employment in rural areas. Some action has been taken, and these efforts have helped. But it must be recognized that these efforts, in their present form, are unlikely to halt the concentration of industrial expansion in urban areas or provide a sufficient

Table 3. Changes in Total Civilian Employment from 1950 to 1960 in Counties Classified by Size of Largest City in 1960

Size of largest city in the county	Percentage change in employment
Below 5,000	-22.4
5,000 to 9,999	+ 1.0
10,000 to 24,999	+ 8.6
25,000 to 49,999	+16.4
50,000 or more	+32.8
Total: United States	+14.5

Source: John H. Southern, "Regional Growth and Development and Rural Areas," paper prepared for presentation at the 42nd Annual Agricultural Outlook Conference, Washington, D.C., November 17, 1964.

number of jobs for the rural poor.

Moreover, the problem of creating more jobs in rural areas is hampered by the attitudes of some of those rural leaders who argue the loudest about the need to revitalize the rural economy. The main difficulty appears to be one of deciding how to tackle the problem.

If one views the primary aim of economic development in rural areas as that of preventing further population loss in all rural places and stemming the downward trend in farm numbers, virtually any course of action designed to achieve these goals is doomed to failure. Any program that could achieve these results is apt to be both politically intolerable and economically unwise. Conversely, any development program that is politically acceptable and which, on balance, satisfies widely-held social and economic values will not succeed in boosting the manpower needs of the farm industry or in halting the outmigration from many rural areas.

If, however, one regards rural development as a process for improving the economic opportunities of rural people on a regional, state, and national basis, chances of success improve immensely. Depopulation of rural sections of the nation obviously creates social and economic distress for many rural areas and adds to the problems confronting many of our metropolitan areas. The answer to these problems, I would argue, lies not in futile efforts to prevent further reductions in farm numbers or to create new jobs in each rural village and small town, but rather in cooperative efforts to ease the burden of economic and social adjustment and to increase employment opportunities and improve the economic environment on a regional and statewide basis.

This suggests, for example, that rural people and their leaders should concentrate their energies on efforts to expand the number of jobs in places where the chances of success are greatest. The places where the probability of success in promoting increased employment is highest are, of course, the larger (but not necessarily the largest) cities in the region. We must exploit the linkages which

exist between rural and urban areas. Furthermore, we must recognize that more jobs alone will not be enough to eliminate rural poverty. A genuine concern with increasing the economic opportunities for rural people also implies a commitment to better preparation of rural youth for nonfarm jobs and, where necessary, job training and retraining and relocation for members of the rural labor force.

Summary and Conclusions

To conclude, I would like to outline briefly some of the things that I believe are especially relevant in attacking rural poverty and improving the welfare of rural people.

First, poverty is a serious rural problem, but it is not a farm problem. And rural poverty cannot be eliminated by conventional farm programs. At best, commercial farm policy is neutral with respect to poverty, and it probably has worsened the distribution of income among rural residents.

Second, for many low-income rural people -- such as the elderly, many of the families without a male head, and individuals who are physically unable to work -- income transfer programs are the only realistic way of increasing their opportunity to enjoy an improved level of living. Our present income maintenance programs need to be completely overhauled.

Third, for other low-income rural people, improvement in economic well-being can be achieved through a variety of efforts -- ranging from basic adult education and job training to subsidization of migration and relocation -- which can and are being pursued. These efforts need to be strengthened, and public programs of this kind need to be better understood and supported by rural people.

Fourth, education is a key element both in attacking rural poverty and in achieving the economic adjustments necessary for the betterment of rural communities. Despite this fact, rural areas tend to lag behind urban areas in both quantity and quality of education. This situation needs to be altered.

Fifth, it is, in my opinion, absolutely essential that rural residents recognize the crucial importance of state and federal government policies and programs

in their efforts to solve the economic and social problems of rural people and communities. To a large extent, the economic outlook for the rural poor, for persons now employed in rural areas, and for children growing up on farms and in small towns depends upon state and, especially, federal policies and programs related to employment and manpower, monetary and fiscal affairs, education and training, and health and welfare services.

Finally, I want to leave you with two observations concerning rural development and rural poverty. In my judgment, the number one requirement for a successful rural development program is that it not be restricted to rural areas or set apart from efforts to increase employment opportunities in urban areas. And the number one requirement for a successful attack on rural poverty is that we recognize that action to help the rural poor cannot be delayed while we attempt to restructure the rural economy or decentralize American industry.