# 11

# Nonmetro Labor Markets in the Era of Welfare Reform

Robert Gibbs

he national dialogue surrounding the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWO-RA) has increased awareness of the role that local labor markets can play in moving people out of poverty. Welfare reform can only be successful in its long-term goals when local labor markets generate a sufficient number of good jobs. The implications of this heightened awareness are particularly important in nonmetro America, where the share of workers in the lowwage, low-skill labor market is well above the national average, and where past efforts to reduce poverty often confronted deep-rooted social and economic obstacles.

Recent nonmetro economic trends suggest that solutions will not be easy. Despite a decade of steady economic expansion, nonmetro labor market outcomes-job growth, earnings, and wage progression among them-typically fall below the national average. Nonmetro and metro earnings, in particular, show no signs of convergence. On average, it remains slightly harder to get a job, and

Robert Gibbs is a regional economist in the Food and Rural Economy Division, Economic Research Service. Despite the economic prosperity of the last decade, nonmetro job growth, earnings, and wage progression seem destined to remain a step behind labor market outcomes in metro areas, often hindering efforts under welfare reform to move recipients into successful employment. The challenge is sometimes more difficult than an overall assessment of nonmetro areas would suggest. First, the demographic subgroups most in need of public assistance tend to have less education and lower earnings, and to experience higher unemployment, than average. Second, welfare recipients tend to be concentrated in nonmetro areas marked by chronic economic distress, which both contributes to, and reinforces, the need for public assistance.

harder to get a higher-wage job, in a nonmetro community. For instance, only 28 percent of nonmetro wage and salary workers earn more than the national weekly average, compared to 40 percent of metro workers.

The challenge of welfare reform is compounded in two ways. First, the populations most likely to need public assistance fare worse in nonmetro labor markets than does the average worker. Second, labor market conditions in nonmetro areas as a whole fail to convey the localized economic distress experienced in subregions scattered across nonmetro America. High rates of unemployment and a large share of low wages continue to challenge many nonmetro counties even in this time of general prosperity. Their geographic isolation and historically underdeveloped capital and human resources make them distinct from pockets of metro distress and call for similarly distinctive approaches to ensuring the economic success of working families.

### Nonmetro Areas Prospered in the 1990s, But Remain a Step Behind Metro Areas

The steady expansion of the U.S. economy in the 1990s created highly favorable conditions for moving recipients of Temporary Assistance for Needy Families (TANF) into the labor force. Nonmetro employment grew steadily each year since the end of the 1990-91 recession, outpacing metro growth for the first few years, and showing an impressive 2.8 percent gain between 1993 and 1994 (fig. 1).

Although nonmetro employment growth slowed after 1995, it remained robust enough at the end of 2000 to maintain downward pressure on unemployment.

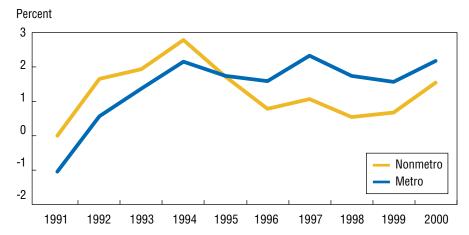
Nonmetro unemployment rates have closely tracked the national decline since 1992, and in 2000 dipped to their lowest level in 30 years, at 4.4 percent (fig. 2). The historical disparity with metro unemployment rates persisted, but by a half point. Nonmetro job seekers overall have therefore found



Figure 1

Annual employment change, 1991-2000

Nonmetro employment growth slowed after 1995



Note: The value for each year represents the change from the previous year. Source: Local Area Unemployment Statistics, Bureau of Labor Statistics.

work more easily in the past few years than in preceding decades. Moreover, the metro-nonmetro gap in job availability is small compared with previous decades.

But if jobs are relatively easy to find in nonmetro areas, higherwage jobs are less so. Average weekly earnings for wage and salary nonmetro workers (those who live in nonmetro areas) were 20 percent lower than earnings for metro workers in 1999. The disparity has proven relatively impervious to economic or demographic change, remaining within a narrow range for several decades despite improvement in other indicators of well-being.

Economists have noted the generally moderate upswing in earnings during the 1990s expansion. Statistics drawn from the Current Population Survey indicate a 10-percent gain in average weekly earnings between 1990 and 1999, after adjusting for inflation, for both nonmetro and metro workers. While parity in metro-nonmetro earnings growth is good news, it also reinforces the inability of non-

metro workers to catch up with metro workers. A portion of the gap is probably explained by lower costs of living in nonmetro areas. A recent study, however, found that cost-of-living differences should account for no more than half of the nominal earnings gap (Nord).

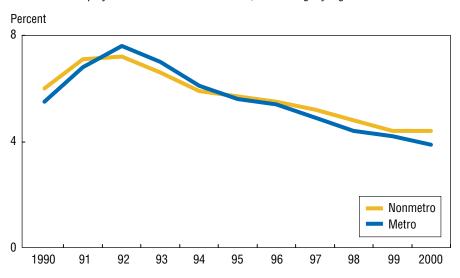
From the standpoint of welfare recipients, the pay associated with jobs at the lower end of the earnings distribution, rather than average earnings, is the key measure of an economy's ability to generate sustainable employment. The distribution of jobs in nonmetro labor markets is weighted toward lowwage employment-defined as work that, if performed full-time full-year, would yield earnings below the weighted average poverty level for a family of four (\$16,655 in 1999)

In 1979, 24 percent of the nonmetro workforce held low-wage jobs (fig. 3), and the proportion climbed to nearly one-third by the mid-1980s, largely reflecting wage declines among less-educated workers. Only in the last few years has low-wage employment fallen back to a level similar to its position in the late1970s. Low-wage work in metro labor markets experienced a similar rise and fall over time, but always at a lower share of total

Figure 2

Annual unemployment rates, 1990-2000

Nonmetro unemployment rates track national rates, but are slightly higher



Source: Current Population Survey.



Figure 3

Share of workers age 25 and older earning low wages, 1979-2000

The rate of nonmetro low-wage employment is consistently higher than metro

Percent

40

20

10

Nonmetro
Metro

1979 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 00

Note: Data for 1984, 1985, 1994, and 1995 are unavailable. Source: Current Population Survey, 1979-2000.

employment than in nonmetro areas-the metro rate stood at just under 18 percent in 2000.

### Nonmetro Labor Disadvantages Rooted in Jobs Requiring Less Education

The differences in nonmetro and metro labor market outcomes are rooted in inherent differences in population density and economic base. Relatively sparse settlement was an essential feature of economies dependent on resource extraction, especially farming and mining. Although employment in these industries often entailed mastering a complex set of skills, it rarely required much formal education. The resulting gap in metro and nonmetro education levels has narrowed in recent decades, but remains a key difference in metrononmetro labor force characteristics.

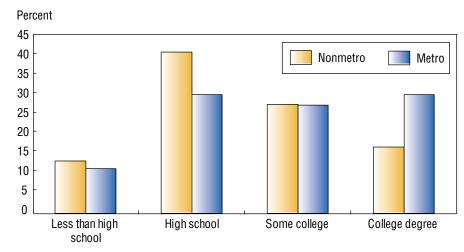
Extractive industries haven't provided the majority of nonmetro jobs for many decades now. Yet they bequeathed pools of workers with limited education to the man-

ufacturing and service industries that followed. The manufacturing firms that became the mainstay of many local nonmetro economies in the 20th century were, in fact, often attracted, especially in the South, by this very abundance of cheap and plentiful labor.

In the mid-1970s, manufacturing employed about one-fifth of both the nonmetro and metro labor forces. In contrast to the precipitous decline in metro manufacturing employment since the recessions of the early 1980s, nonmetro manufacturing has declined gradually. As a result, 16 percent of the nonmetro labor force remained in manufacturing by 1998, versus just 11 percent in metro areas. Nonetheless, the service sector has increasingly dominated nonmetro employment. Services are now the source of slightly over half of nonmetro jobs (and two-thirds of metro jobs).

The transition to service industries coincided with some convergence in nonmetro and metro educational attainment. In 1999, the share of adults age 25 and older without a high school diploma, for example, was only a few percentage points higher in nonmetro than in metro areas (fig. 4). College graduates, however, remain highly concentrated in cities, a reflection, in part, of nonmetro-metro differ-

Figure 4 **Educational attainment of adults age 25 and older, 1999** *Nonmetro adults are less likely to have a college degree* 



Source: 1999 Current Population Survey.



ences in skill and education requirements of jobs within industries. The continuing gap in nonmetro and metro education levels, therefore, is not likely to be easily closed by industrial change. Rather, as new types of economic activity replace old ones, firms continue to base their location decisions largely on the existing stock of human resources, thereby reinforcing both low nonmetro education levels and a low-wage job market.

## Nonmetro Expansion Is Broad-Based, But Large Differences Among Workers Remain

Unlike the economic expansion of the 1980s, the dividends of the current expansion have been more widely shared by workers across the range of education and earnings. Unemployment rates have fallen to 30-year lows for nearly all major demographic groups, whether defined by age, sex, race, or education. Weekly earnings for racial minorities, for women, and for less-educated workers-the groups most likely to encompass those affected by PRWORA-have risen as fast as, or faster than, the average for all workers.

Even so, labor market disparities within the nonmetro workforce have, for the most part, continued rather than abated over the past decade. Hence, job availability and wage offers faced by nonmetro welfare recipients cannot be evaluated solely on the basis of average nonmetro conditions. Consider, for example, how unemployment, earnings, and career progression differ from the average for groups most likely to need public assistance.

### Unemployment

Because unemployment rates in nonmetro labor markets are only marginally higher than in metro areas, some conclude that nonmetro welfare recipients will have about the same difficulty finding a job as metro recipients, and perhaps have less difficulty than those in central cities where welfare use is concentrated. In the context of welfare reform, this measure of nonmetro job availability is misleading, because the likelihood of being unemployed varies according to a person's demographic characteristics, such as race and educational attainment (table 1).

Unemployment rates are higher for the less educated and for racial and ethnic minorities, but only slightly higher for non-Hispanic women. Unemployment rates for nonmetro Black men and women with at most a high school diploma are at or near 10 percent, more

Table 1
Nonmetro unemployment rates by selected characteristics, 1999<sup>1</sup>
Unemployment rates for minority women are at least twice the overall nonmetro rate

Group	All	High school graduate or less
	Percent	
All	3.9	5.0
White	3.2	4.1
Black	8.6	9.7
Hispanic	5.9	6.4
Women	4.1	5.5
White	3.4	4.6
Black	9.0	10.0
Hispanic	7.3	8.0

<sup>1</sup>Age 20 and over.

Source: Current Population Survey.

than twice the rate of similarly educated Whites. Aggregate unemployment rates, therefore, may not reflect the difficulty many job seekers on (or leaving) welfare are facing, since they are disproportionately non-White and less educated than average.

### **Earnings**

Within the past decade, earnings for nonmetro and metro wage and salary workers without a high school diploma nearly converged in nominal dollars, and probably have converged in purchasing power. This suggests that many nonmetro welfare recipients without a diploma should expect to earn as much as metro recipients. Again, this conclusion is only partly right, since average weekly earnings for nonmetro women, especially minority women, fall below both the overall nonmetro average and the metro averages for women and minorities, with the exception of metro Hispanic women (table 2).

More important, less educated women can expect to earn less than the four-person poverty threshold (\$16,655 in 1999). Nonmetro women without high school diplomas can expect to earn \$257 per week on average, or \$13,364 annually, 22 percent below the four-person poverty threshold. Nonmetro Black women earn \$241 per week, 26 percent below the threshold. Even this measure overstates likely earnings over time because many women moving from welfare to employment work parttime and usually do not hold a job 52 weeks out of the year.



Average weekly earnings by education and demographic group, 1999

Nonmetro women without a high school diploma typically earn less than the four-person poverty threshold

Group	All	High school graduate	Less than high school	Less than high school as a percent of poverty threshold
		1999 dollars	S	Percent
Nonmetro:				
All	513	459	364	1.11
White	532	472	384	1.17
Black	390	374	295	0.90
Hispanic	405	417	338	1.03
Women	407	345	257	0.78
White	418	351	262	0.80
Black	338	303	241	0.74
Hispanic	327	320	254	0.78
Matur				
Metro: All	645	507	364	1.11
White	696	532	411	1.11
Black	519	441	330	1.01
Hispanic	467	448	333	1.02
mopanio	107		000	1.02
Women	521	403	279	0.85
White	547	412	301	0.92
Black	473	383	278	0.85
Hispanic	398	370	256	0.78

Note: "White" and "Black" categories exclude Hispanics.

Source: Current Population Survey.

### Career Progression

One of the aims of PRWORA was to promote financial independence among welfare recipients through work. The need for auxiliary supports became clearer as PRWORA was implemented by States and localities in 1997. Implicit in the provision of public assistance for child care, transportation, and employment counseling, for example, is the assumption that recipients who go to work will gain skills in entry-level jobs and eventually leverage these acquired skills for better pay in other positions or with other employers. Yet, how likely is it that nonmetro workers with limited education can move into better-paying jobs?

To answer this question, it should first be noted that the fourperson poverty threshold, which translates into slightly more than \$8 an hour on a full-time basis in 1999, is not necessarily adequate for full financial independence even in low-cost areas. Social scientists have devised a number of alternative sustainability thresholds, sometimes based on Federal poverty levels, but often on price and budget surveys that are used to estimate directly the income required to maintain a basic standard of living in specific labor market areas.

Recent studies that employ the latter method place sustainable wages in the \$9-\$20 per hour range depending on family size, with the

exception of very large cities (Zimmerman and Garkovich, Bernstein et al.). Kusmin and Gibbs determined that about 20 percent of all nonmetro workers without college experience earned at least \$12 per hour in 1996, a figure that falls within the sustainable wage threshold in the nonmetro literature. However, only 14 percent of the jobs held by similarly situated women paid as well.

These numbers may not indicate the wage prospects of those required to work under PRWORA, many of whom will be entering the labor force with minimal formal work experience. An alternative approach calculates the share of low-skill jobs-those requiring limited formal education and most likely to be held by new entrants-in occupations that typically pay at least \$12 an hour (table 3). Nearly two-thirds of all nonmetro jobs were in low-skill occupations in 1996, compared with 56 percent of metro jobs. The share of employment requiring limited skills among predominantly women-held occupations is lower, particularly in nonmetro areas. Only a small share of these low-skill jobs pay well. For low-skill nonmetro occupations held predominantly by women, the share of jobs that pay well is just 2 percent, suggesting that wage progression and sustainable earnings will be difficult to achieve for most welfare recipients entering the labor force.

# Nonmetro Areas With Large Welfare Caseloads Often Marked by High Unemployment

A second shortcoming of focusing on the overall performance of labor markets in nonmetro America is that it is easy to overlook the enormous range of economic activity and human resources within



nonmetro areas. Descriptions of the typically disadvantaged nonmetro area often do not apply to the many counties experiencing spillover growth from nearby metro areas, or to counties where population and economic growth exploded in the 1990s due to the lure of natural amenities. These nonmetro areas have their own sets of problems, but large caseloads of welfare recipients seeking employment is rarely one of them.

Local concentrations of recipients are often found in areas with chronic economic distress, a logical association since poor economic conditions can contribute to the need for public assistance. Many local areas characterized by chronic distress show improvement during periods of national economic growth, as they have in the current expansion, but the core pockets of distress are remarkably persistent over time. Not all measures of economic distress, however, are

geographically tied to public assistance use.

Unemployment rates, which vary widely across counties, are closely associated with local need for public assistance. In 1999, 325 U.S. counties, nearly all of them nonmetro, had unemployment rates over twice the national average of 4 percent. In fact, one-fourth of all nonmetro counties had unemployment rates above 6.5 percent. These high-unemployment nonmetro counties are marked by little or no urbanization, remoteness from metro areas, very low education levels, and a large share of minority residents. Because many of the same characteristics are associated with persistent poverty and consistently high use of welfare programs, many counties where the need for jobs is greatest owing to welfare reform are also counties with low job availability (fig. 5).

Although counties with a high share of low-wage employment have some of the same characteristics as high-unemployment counties-remoteness and low population-they do not significantly overlap counties with high welfare use. The USDA's Economic Research Service defined such a set of lowwage counties based on the percentage of employment in industries with average earnings below the four-person poverty threshold in 1995. Low-wage counties and high AFDC-use counties are most likely to overlap in the lower Mississippi Delta and in scattered areas with large minority populations in Georgia, Texas, New Mexico, and South Dakota (fig. 6). Low-wage counties with the lowest rates of welfare use are located in the Great Plains, where low-wage workers are less likely to be the family's sole wage earner and where outmigration is a more common alternative to economic deprivation than in other regions (Gibbs and Cromartie).

Table 3
Share of employment in low-skill, limited-training, and "good" jobs among workers without college experience by metro status, 1996

Few nonmetro jobs held mostly by women without college pay more than \$12 per hour

Group	Low-skill jobs as share of all jobs	Limited- training jobs as share of all jobs	Good jobs as share of all low- skill jobs	Good jobs as share of all limited- training jobs	
	Percent				
Nonmetro:	65.5	36.6	23.2	13.4	
Predominantly women	58.5	42.0	2.0	2.0	
Metro:					
All Predominantly	55.8	33.0	23.2	11.9	
women	54.2	40.2	3.5	2.9	

Notes: "Good" jobs are those in occupations with average earnings above \$12/hour for workers with no college. "Low-skill" jobs are those requiring on-the-job training only to become proficient. "Limited-training" jobs are those requiring no more than 90 days of on-the-job training to become proficient.

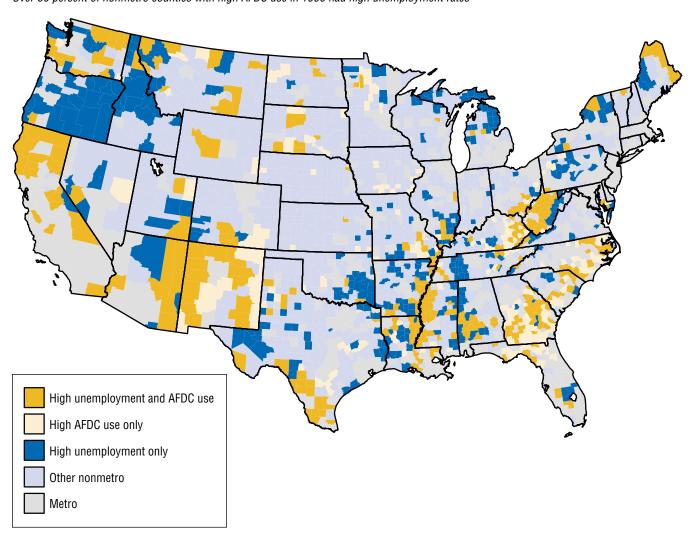
Source: Bureau of Labor Statistics.

### Nonmetro Areas Often Place Workers in "Double Jeopardy"

Nonmetro labor markets can enable or impede the goals of welfare reform through the interaction of various economic, demographic, and locational characteristics. Nonmetro areas as a whole have a slight disadvantage in job availability, but a significant disadvantage in well-paying jobs. However, nonmetro employment and earnings prospects are generally lower for the demographic groups most likely to be making the welfare-to-work transition. In addition, the nonmetro labor markets facing the greatest challenges place job seekers in "double jeopardy"-that is, a relatively large pool of such workers combined with a distressed



Figure 5 **High unemployment rates and AFDC use, 1996**Over 60 percent of nonmetro counties with high AFDC use in 1996 had high unemployment rates



Note: "High" refers to the top 25 percent of counties ranked by unemployment rate and estimated share of families receiving AFDC in 1996. Source: Calculated by ERS using data from the Bureau of Labor Statistics and the U.S. Department of Commerce.

local economy, marked especially by high unemployment rates.

This double jeopardy can be measured by comparing local labor market conditions across varying levels of welfare use (in this case, Aid to Families with Dependent Children). Data from 1996, the year PRWORA was legislated, are used in order to determine the net effects of welfare reform on the size of local caseloads. The patterns of high unemployment and low-wage

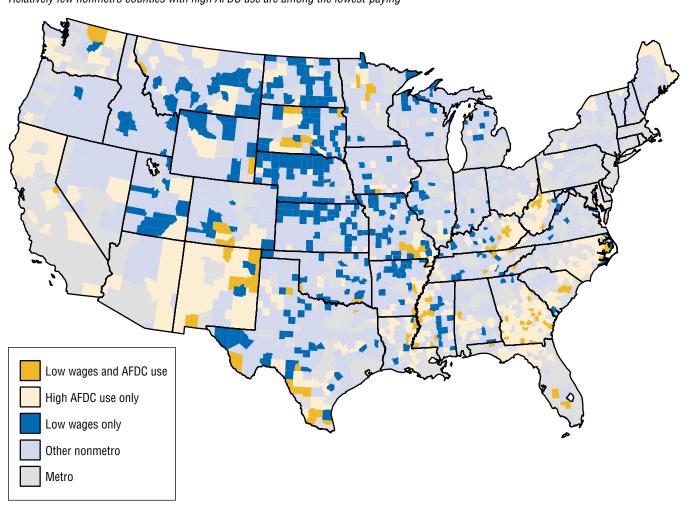
employment with AFDC use are also evident here (table 4). The first, or top, quartile of nonmetro counties defined by the share of families using AFDC (6.21 percent or more of families in a county) experienced the highest unemployment rates on average. They also have the largest share of "high unemployment" counties (62.4 percent)-9 times the share in the lowest AFDC-use quartile (6.9 percent). In addition the first quartile have a larger share of

less-educated adults than other counties.

However, high AFDC-use counties are no more likely to be low-wage counties than those in lower quartiles of AFDC use. From an economist's point of view, the weak association between wages and welfare use confounds expectations, since higher wages should both increase the opportunity costs of not working and the chances that a job pays a sustainable wage.



Figure 6 **Low-wage employment and high AFDC use, 1996** *Relatively few nonmetro counties with high AFDC use are among the lowest-paying* 



Note: "High" refers to the top 25 percent of counties ranked by unemployment rate and estimated share of families receiving AFDC in 1996. Source: Calculated by ERS using data from the Bureau of Labor Statistics and the U.S. Department of Commerce.

This apparent paradox emerges, however, because the share of jobs paying low wages, even in highwage counties, is typically much larger than the share of families using welfare. Since welfare recipients must often accept the least-skilled, lowest-paying jobs, highwage counties are unlikely to offer these families jobs with significantly higher pay than do low-wage counties.

# Nonmetro Labor Markets Still Face Welfare Reform Challenges

Nonmetro America as a whole in the 1990s saw employment and earnings gains in line with national trends. In fact, nonmetro labor markets may be better positioned for welfare reform than often assumed for a number of reasons. Metro and nonmetro industrial compositions are becoming more alike; aggregate nonmetro unemployment rates have remained at or slightly above metro rates; earnings

for nonmetro high school dropouts are as high as those for metro dropouts; and the share of goodpaying jobs among low-skill occupations is not substantially different in nonmetro and metro areas.

However, nonmetro labor markets also face welfare reform challenges. Many nonmetro counties still have high unemployment rates, and a high proportion of those entered the PRWORA era with large welfare caseloads. Furthermore, the nonmetro-metro earnings gap is a



conservative indicator of the challenge faced by nonmetro labor markets to provide sustainable earnings. The average earnings of nonmetro women and minorities fall well below the nonmetro average, and for those without a high school diploma, annual earnings from a full-time, full-year job are usually below the four-person poverty threshold. In addition, although the rates of higher-wage jobs (\$12 per hour or more) among low-skill occupations in nonmetro and metro areas are similar, both are extremely low for occupations held predominantly by women. Their limited opportunities to move up the job ladder without additional education is a critical stumbling block for welfare reform efforts.

Thus, strategies that would help ensure the success of families at the lower end of the income distribution are linked to strategies that address the larger economic development needs of nonmetro America. Yet the historical course of nonmetro development has left many areas with a dwindling number of options. Nonmetro labor markets continue to be distinguished from metro markets by lower levels of human capital and a larger share of employment in lowwage industries. The small populations and low densities that typify nonmetro labor markets reinforce these characteristics and discourage prospective employers or expansions. Rapid spatial diffusion of new information and communications technologies can mitigate, but not negate, the need for a substantial onsite pool of skilled labor. Nor can it fully counter the lack of physical infrastructure and services in nonmetro areas and associated higher per-unit provision costs.

Low-education, high-poverty counties, in particular, have become less attractive to prospective employers. In the nonmetro South, for instance, manufacturers are

now eschewing traditional low-wage, low-skill areas in favor of places with a better educated-and presumably more trainable-work-force (McGranahan, 2000). Without substantial investments in human capital development, low-wage, low-skill workers in these counties face one or more scenarios: the lack of jobs will cause wages to fall further; job seekers will search elsewhere for better prospects, either through commuting or migration; or job seekers will retreat from the formal labor market altogether.

With a few significant exceptions, Federal industrial and employment policies assume the primacy of market forces in determining the location of economic activities. Although States more actively encourage the location of large plants within their borders, they play a minor role in aggregate employment changes over time. For the foreseeable future, many nonmetro areas-especially those outside easy commuting distance to metro centers and without abundant natural amenities-will continue to face the challenge of a rural economy no longer dependent on extraction, armed with a very limited number of viable economic strategies.

What do these gradual changes, particularly the transition from manufacturing to services, mean for disadvantaged workers? Often the benefits of change are small, or are countered by larger negative forces. The slow decline in manufacturing employment is closing the historical avenues that led to sustained earnings and stable employment for many of these workers. The poverty rate of full-time manufacturing workers without a high school diploma is one-third that of other less educated, full-time workers. Employment declines have

Table 4
Selected nonmetro county unemployment, low-wage, and education characteristics by AFDC use, 1996
High rates of AFDC use are linked to high unemployment and low education

	Sha	Share of families using AFDC in 1996			
Characteristic	First quartile	Second quartile	Third quartile	Fourth quartile	
		Percent			
Average unemployment rate Counties with high unemployment "Low-wage" counties	7.9 62.4 18.6	5.9 32.4 16.2	5.0 19.7 18.5	3.9 6.9 27.3	
Adults 25 and older without a high school diploma Adults 25 and older with less	39.8	33.6	29.8	26.7	
than 1 year of college	71.9	68.7	66.1	63.2	

Sources and notes: Unemployment rates are 1999 rates from the Local Area Unemployment Statistics, Bureau of Labor Statistics (BLS). "High" unemployment exceeds 6.5 percent in 1999, or the top quartile (25 percent) of counties. "Low-wage" counties are identified as the bottom quintile (20 percent) of nonmetro counties ranked by share of workers employed in industries paying average wages below the four-person poverty threshold, according to 1995 county earnings data from BLS. Education statistics are drawn from the 1990 Census of Population, U.S. Census Bureau.





Photo courtesy Economic Research Service, USDA.

accelerated since the mid-1990s, with few prospects for reversal despite the entry of a few, high-visibility manufacturers into labor market areas accessible to nonmetro workers.

The growth of service and retail trade, meanwhile, is often portrayed as leading to an inevitable decline in living standards among low-wage, low-skill workers. Service-sector earnings in nonmetro areas have fallen further behind manufacturing wages since the early 1980s, increasing the chance of a long-term deterioration in wages for workers who might formerly have become machine operators, but are now sales clerks or cashiers. Nevertheless, in some areas, service employment is the only alternative to unemployment. For two-earner households, particularly those with young children, service employment may provide the means for women (and some men) to contribute to the household's income while juggling the dual demands of home and workplace. Single-earner householdsthose most likely to be affected by welfare reform-are more likely to find themselves performing the same juggling act but facing greater economic hardship as a result of the transformation of local economies from manufacturing- to service-based.

The rise of the service sector is a boon for women's labor force participation because many service-related jobs are more likely to be part-time or seasonal and allow women to integrate formal market activity into the demands of maintaining a household and rearing children. Yet this flexibility is a double-edged sword given that part-time employment is often involuntary and can include fewer nonwage benefits than full-time work. In nonmetro areas, women are relatively concentrated in retail trade, which has the lowest average pay of any major industry.

For these workers, policies that encourage job training and additional education are critical to reducing long-term supply-and-demand mismatches in low-wage labor markets. Because most of these workers are women or minorities, or both, it is equally important to ensure that their talents and skills are fully used, and that past occupational channeling that locked workers into low-wage jobs is avoided.

Low-skill jobs will continue to be a significant part of the economy in almost all local labor market areas, nonmetro and metro, for many years. For the workers who participate in these markets, a safety net of work supports, wage floors, and assistance during employment transitions-especially during inevitable economic downturns-will remain a key component of any set of policies aimed at improving the well-being of the disadvantaged and the marginalized in rural America. RA



# For Further Reading . . .

Jared Bernstein, Chauna Brocht, and Maggie Spade-Aguilar, *How Much is Enough? Basic Family Budgets for Working Families*, Economic Policy Institute, 1999.

Gary Burtless, "Can the Labor Market Absorb Three Million Welfare Recipients?" Focus, Vol. 19, No. 3, Summer-Fall 1998, pp. 1-6.

Robert Gibbs and John B. Cromartie, "Low-Wage Counties Face Locational Disadvantages," *Nonmetro Conditions and Trends*, Vol. 11, No. 2, 2000, pp. 18-26.

Kelleen Kaye and Demetra Smith Nightingale, *The Low Wage Labor Market: Challenges and Opportunities for Economic Self-Sufficiency*, Washington, DC: U.S. Department of Health and Human Services, December 1999.

Molly Sizer Killian and Lionel J. Beaulieu, "Current Status of Human Capital in the Nonmetro U.S." in Investing in People: *The Human Capital Needs of Nonmetro America*, edited by Lionel J. Beaulieu and David Mulkey, Boulder, CO: Westview Press, 1995, pp. 23-48.

Lorin D. Kusmin and Robert M. Gibbs, "Less-Educated Workers Face Limited Opportunities to Move Up to Good Jobs," *Nonmetro America*, Vol. 15, No. 2, 2000, pp. 24-31.

David A. McGranahan and Linda M. Ghelfi, "Current Trends in the Supply and Demand for Education in Nonmetro and Metro Areas," in *Nonmetro Education and Training in the New Economy: The Myth of the Nonmetro Skills Gap*, edited by Robert M. Gibbs, Paul L. Swaim, and Ruy Teixeira, Ames: Iowa State University Press, 1998, pp. 131-172.

David A. McGranahan, "The Geography of New Manufacturing Technology: Implications for the Nonmetropolitan South," *Southern Nonmetro Sociology*, Vol. 15, 2000, pp. 85-104.

David A. McGranahan, "New Economy Meets Old Economy Education Policy in the Nonmetro South," *Nonmetro America*, Vol. 15, No. 4, Feb. 2001, pp. 19-27.

Mark Nord, "Does It Cost Less to Live in Nonmetro Areas? Evidence from New Data on Food Security and Hunger," *Nonmetro Sociology*, Vol. 65, No. 1, 2000, pp. 104-125.

Glen C. Pulver, "Economic Forces Shaping the Future of Nonmetro America," in Investing in People: *The Human Capital Needs of Nonmetro America*, edited by Lionel J. Beaulieu and David Mulkey, Boulder, CO: Westview Press, 1995, pp. 49-64.

Julie Zimmerman and Lori Garkovich, *The Bottom Line: Welfare Reform, the Cost of Living, and Earnings in the Nonmetro South*, Welfare Reform Information Brief No. 2, Southern Nonmetro Development Center, March 1998.

