

■ Nonmetropolitan Industry and Job Growth

Goods-Producing Industries

Manufacturing, natural resource-based industries such as farming and mining, and other goods-producing industries have historically been the mainstay of the rural economy. Employment gains in rural goods-producing industries were strongest during 1969-79, faltering only during the 1974-75 economic downturn. Much of this growth was attributable to national manufacturing firms that opened branch plants in rural areas and also to booming construction activities. While goods-producing industries normally spring back during economic recovery, in more recent years, over periods of recession and recovery, employment growth has been sluggish. In non-metro areas during 1979-89, employment in farming declined by 387,000 jobs (1.6 percent annually) and in mining by 120,000 jobs (2.2 percent annually), while manufacturing increased slightly by 17,000 jobs. The loss of nonmetro goods-producing

employment accelerated during 1989-92, reflecting job weakness caused by the 1990-91 recession, with average annual declines of 1.6 percent in farming, 3.0 percent in mining, and 0.6 percent in manufacturing.

Service-Producing Industries

Nonmetro service-producing industries provided steady employment growth during 1969-92, creating almost 5.6 million new jobs in the period. Local consumer activities, business services, recreational services, and retailing accounted for most of the job growth in rural areas. Similar to the goods-producing industries, services grew fastest during 1969-79 and slowed in 1979-89. But nonmetro service industries recovered more quickly from the 1990-91 recession, adding over 1 million jobs during 1989-92.

Total Employment

Nonmetro areas gained employment at a rate comparable to that of metro areas during 1969-79 but lagged behind afterward. Nonmetro areas suffered more in the two recessions of the early 1980's, and benefited less from the 1982-89 recovery, than did metro areas. As a result, employment growth was considerably slower in nonmetro (1.0 percent annually) than in metro areas (2.3 percent annually) during 1979-89. More encouraging is the most recent performance of rural areas. In contrast to the 1980's trend, rural areas weathered the 1990-91 recession better than urban areas. In nonmetro areas, total employment grew 1.5 percent annually during 1989-92; in metro areas growth was only 0.5 percent annually. The strength of the nonmetro job growth was in service-producing industries, which increased 2.9 percent annually.

Table 4-2.

Nonmetro and metro employment growth in selected industries, 1969-92

<i>Industry</i>	<i>1969</i>	<i>1979</i>	<i>1989</i>	<i>1992</i>	<i>Change</i>
					<i>1989-92</i>
		<i>Thousands</i>			<i>Percent</i>
Nonmetro total	17,811	21,831	23,994	25,057	4.4
Goods-producing	7,486	8,580	8,253	8,094	-1.9
Manufacturing	3,608	4,241	4,258	4,182	-1.8
Services-producing	7,144	9,589	11,694	12,713	8.7
Services	2,687	3,593	4,852	5,534	14.1
Government	3,180	3,663	4,047	4,250	5.0
Metro Total	73,067	91,132	112,420	114,232	1.6
Goods-producing	22,681	24,583	24,587	22,677	-7.8
Manufacturing	16,936	17,253	15,772	14,498	-8.1
Services-producing	37,485	51,675	71,121	74,356	4.5
Services	5,155	20,126	31,143	34,701	11.4
Government	12,902	14,873	16,711	17,201	2.9

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 4-3.

Nonmetro employment growth by industry, 1969-92

<i>Industry</i>	<i>1969</i>	<i>1979</i>	<i>1989</i>	<i>1992</i>	<i>Change</i>
					<i>1989-92</i>
	<i>Thousands</i>				<i>Percent</i>
Nonmetro total	17,811	21,831	23,994	25,057	4.4
Goods-producing	7,486	8,580	8,253	8,094	-1.9
Farming	2,544	2,358	1,971	1,874	-4.9
Forestry, fishing, and agric. services	166	242	364	413	13.5
Mining	362	552	432	393	-9.0
Construction	806	1,187	1,228	1,232	0.3
Manufacturing	3,608	4,241	4,258	4,182	-1.8
Services-producing	7,144	9,589	11,694	12,713	8.7
TCU*	733	916	993	1,044	5.1
Wholesale trade	428	761	792	824	4.0
Retail Trade	2,558	3,257	3,945	4,191	6.2
FIRE**	738	1,062	1,112	1,120	0.7
Services	2,687	3,593	4,852	5,534	14.1
Government	3,180	3,663	4,047	4,250	5.0

*Transportation, communications and public utilities **Finance, insurance, and real estate.

Source: U.S. Department of Commerce, Bureau of Economic Analysis