

## ■ Federal Funding for Rural Area Development

Federal funds going to rural areas and small towns grew about as rapidly in the early 1980's as did Federal funding in metropolitan areas. In 1990, Federal funds reaching nonmetro counties averaged \$3,270 per person, up 60 percent from 1980. Funding to metro counties averaged \$3,823 per person, up 61 percent from 1980. After adjusting for inflation, these values were nearly unchanged between 1980 and 1990.

Federal funding includes payments, loans, and other transfers of money to support Federal, State, and local programs in agriculture, forest management, housing, transportation, education, health, public assistance, Social Security, veterans' benefits, defense, energy, and so on. It also includes interest on the national debt, but this has been excluded for analytic purposes. Figures on the metro-nonmetro distribution of funds are based on the share of Federal funds that can be reliably traced to county levels, and that can be compared from 1980 to 1990.

Nonmetro counties received a much larger share of their funds for income security programs, especially retirement and disability programs. About 41 percent of nonmetro funds were for such programs, compared with 30 percent of metro funds.

Nonmetro areas received much less defense funding than metro areas, but funding of nondefense programs in nonmetro and metro areas was similar in 1990. Excluding loans, nondefense funding going to nonmetro areas was \$2,665 per person, compared with \$2,630 per person in metro areas.

Table 4-9.

## Federal funds per capita, FY 1990

<i>Object class of funds</i>	<i>All counties</i>	<i>Metro counties</i>	<i>Nonmetro counties</i>
All Federal funds, including loans	3,696	3,823	3,270
Salaries and wages	580	646	357
Defense	276	307	170
Nondefense	304	339	187
Procurement contracts	648	757	281
Defense	477	571	159
Nondefense	171	185	122
Direct payments to individuals	1,775	1,738	1,899
For retirement	1,206	1,163	1,349
Other than retirement	569	574	550
Other direct payments	30	8	103
Grants	358	359	354
Loans	306	315	276
Direct loans	35	16	96
Guaranteed loans	271	298	180
All expenditures, excluding loans	3,391	3,508	2,994