

■ 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. Growth in the number of rural goods producing jobs was stronger during the 1970's than during the 1980's or early 1990's. Much of the growth during the 1970's 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, job growth in these industries has been sluggish. In nonmetro areas during the 1980's, jobs in farming declined by 386,000 (1.8 percent annually) and jobs in mining declined by 119,000 (2.4 percent annually), while manufacturing increased slightly by 15,000 jobs. Nonmetro areas also lost goods-producing jobs during the 1990-91 recession, but have gained jobs in more recent years. For the early 1990's as a whole, the number of nonmetro goods-producing jobs increased

by 230,000, with manufacturing, construction, and agricultural services/forestry/fishing jobs increasing while farming and mining jobs continued to decline.

Service-Producing Industries

Nonmetro service-producing industries grew steadily during 1969-94, creating almost 6.2 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, the number of rural services-producing jobs grew faster during the 1970's (3 percent annually) than during the 1980's (2 percent annually). But during the early 1990's nonmetro services producing jobs nearly regained their rapid growth rate of the 1970's, adding about 1.7 million jobs during 1989-94 (2.8 percent).

Total Employment

Nonmetro areas gained jobs at a rate comparable to that of metro areas during the 1970's, but fell far behind metro growth during the 1980's. 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 (0.9 percent annually) than in metro areas (2.1 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 jobs grew at a 1.8 percent annual rate during 1989-94; in metro areas, jobs grew at only a 1.0 percent annual rate. Most of the non-metro growth was in services producing industries, 1.7 million out of 2.2 million total new jobs. Goods producing industries contributed 230,000 new nonmetro jobs while nearly 1.2 million goods-producing jobs were lost by metro areas.

Table 4-2.

Nonmetro and metro job growth in selected industries, 1969-94

<i>Industry</i>	<i>1969</i>	<i>1979</i>			<i>Change</i>
			<i>1989</i>	<i>1994</i>	<i>1989-94</i>
			<i>Thousands</i>		<i>Percent</i>
Nonmetro total	17,738	21,713	23,849	26,054	9.2
Goods-producing	7,467	8,553	8,227	8,457	2.8
Manufacturing	3,599	4,229	4,244	4,411	3.9
Services-producing	7,107	9,521	11,605	13,299	14.6
Services	2,673	3,567	4,812	5,775	20.0
Government	3,163	3,639	4,018	4,299	7.0
Metro total	73,140	91,250	112,565	118,337	5.1
Goods-producing	22,698	24,610	24,614	23,462	-4.7
Manufacturing	16,944	17,264	15,786	14,614	-7.4
Services-producing	37,523	51,743	71,211	77,548	8.9
Services	13,757	20,153	31,452	36,464	15.9
Government	12,919	14,897	16,740	17,326	3.5

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

Table 4-3.

Nonmetro job growth by industry, 1969-94

<i>Industry</i>	<i>1969</i>	<i>1979</i>	<i>1989</i>	<i>1994</i>	<i>Change</i>
					<i>1989-94</i>
	<i>Thousands</i>				<i>Percent</i>
Nonmetro	17,738	21,713	23,849	26,054	9.2
Goods-producing	7,467	8,553	8,227	8,457	2.8
Farming	2,542	2,355	1,968	1,834	-6.8
ASFF*	165	241	363	470	29.3
Mining	360	549	430	376	-12.5
Construction	801	1,179	1,221	1,366	11.9
Manufacturing	3,599	4,229	4,244	4,411	3.9
Services-producing	7,107	9,521	11,605	13,299	14.6
TCPU**	729	909	987	1,094	10.9
Wholesale trade	426	757	787	843	7.0
Retail trade	2,545	3,235	3,916	4,439	13.4
FIRE***	734	1,053	1,103	1,148	4.1
Services	2,673	3,567	4,812	5,775	20.0
Government	3,163	3,639	4,018	4,299	7.0

*Agricultural services, forestry, and fishing

**Transportation, communication, and public utilities

***Finance, insurance, and real estate

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