CHAPTER 20

POLICY IMPLICATIONS OF RURAL DEMOGRAPHIC CHANGE

LESLIE A. WHITENER

Rural regions and communities have changed dramatically over the last decade, affected by increased in-migration, changing age and ethnic composition, and related social and economic restructuring. Such trends encompass all components of demographic change and directly affect employment opportunities, human capital development, land use, and social and economic well-being in rural America. All Americans’ well-being depends upon many things: availability of good-paying jobs; access to critical services, such as education and health care; technology; transportation and communication infrastructure; strong communities; and a healthy natural environment. But the challenges for achieving these goals differ considerably in rural and urban areas (Brown & Swanson, 2003; Center for the Study of Rural America, 2000; Christenson & Flora, 1991; Dillman & Hobbs, 1982; Economic Research Service, 1988, 1995; Southern Rural Development Center, 2003). The research presented in this volume focuses on population change and the diverse needs of rural areas in an effort to further social science research on population and society interdependencies and to provide federal, state, and local policymakers with sound empirical analysis to develop strategies that enhance social and economic opportunities of rural Americans.

This chapter summarizes some of the public policy implications of key findings presented in this volume as well as in other recent studies on rural communities. Population change and diversity of need underscore many of the economic, political, and geographic changes occurring in rural America. Declines in agricultural jobs, particularly in the Midwest, have forced many families to leave rural communities to seek new sources of income. Remaining small farmers now rely more on off-farm work than farm work for the largest share of their support. Declining populations and small-scale, low-density settlement patterns have made it more costly for some rural communities and businesses to provide critical services and infrastructure. And changes in the use of natural resources, such as the conversion of farmland to urban activities or the economic development of recreation and high-amenity areas, affect the people who earn a living from these resources,
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This volume emphasizes four major demographic trends with important implications for the future of rural policy. First, population growth rebounded through most of the 1990s, reversing the widespread population losses of the 1980s. Net migration from metropolitan areas and an increasing flow of immigrants accounted for two-thirds of this nonmetropolitan population increase (Johnson & Cromartie in this volume). Since the mid-1990s, however, nonmetropolitan population growth has slowed, and the number of counties losing population rose from around 600 during the 1990s to over 1,000 since 2000. Population loss affects all regions, but is particularly widespread in farming areas of the Great Plains and western Corn Belt that contend with declining agricultural employment, lack of replacement employment in other industries, and distance from metropolitan areas (Cromartie, 2005; Johnson & Rathge in this volume; McGranahan & Beale, 2002). Maintaining the population base, improving off-farm job opportunities, and providing public services continue to challenge many of these traditional farming areas. In contrast, the fastest growing rural counties are often located in the Rocky Mountain West, the southern Appalachians, and the upper Great Lakes, areas rich in natural and recreational amenities and close to metropolitan areas. Tourism, recreation, second-home development, and retirement migration underlie rapid growth in many parts of the Upper Midwest and New England as well (Stedman et al., in this volume).

Second, growing numbers of Hispanics are settling in rural America, accounting for over 25 percent of nonmetropolitan population growth during the 1990s. With a younger population and higher fertility, Hispanics are now the fastest growing racial/ethnic group in rural America. And almost half of all rural Hispanics live outside of the traditional Southwestern settlement states (Kandel & Cromartie 2004). In many places, new Hispanic settlement patterns are contributing to the revitalization of small towns; in others, the influx of residents is straining housing supplies and other community resources. The younger age, lower education and larger family size of Hispanic households suggest increased demands for social services geared toward a younger population, including prenatal care, child care, schooling, health care, and affordable housing (Kandel & Parrado in this volume).

Third, nonmetropolitan America is aging more rapidly and is notably older than metropolitan America in all regions of the country (Kirschner et al. in this volume). The older population grew rapidly in many rural places in the 1990s, due largely to retirement opportunities. The Economic Research Service (ERS) has identified 27 nonmetropolitan retirement destination counties (13.5 percent of all nonmetropolitan counties) where the population age 60 and older grew by 15 percent or more in the 1990s through net in-migration (Figure 20.1). In contrast, only 36 nonmetropolitan counties qualified as retirement areas from 1950–1960, when data were first available (Beale 2005). Retirement areas are widely scattered across rural America. Warm winter areas have their appeal, but so too, do many counties in the cold winter climate of the Upper Great Lakes, the uplands of the Ozarks, and the southern Blue Ridge Mountains, especially around reservoirs. Other major destinations are the Texas Hill Country, both the Atlantic and Pacific coasts, and many parts of the inland Mountain West from Montana to New Mexico.

Although migration to retirement destination counties is primarily motivated by the presence of amenities, the opportunity for family reunification has become increasingly important (Glasgow & Brown in this volume). But in some rural places, particularly the agricultural areas of the Great Plains and Corn Belt the growth of the older population slowed and in some places stopped altogether. In the 1990s, the older population declined in a third of all nonmetropolitan counties (Kirschner et al., in this volume). This pattern reflects the small size of the cohort now reaching age 65, a group that was depleted in many rural areas by low birth rates in the 1930s, an exodus to cities in the 1940s, and an exit from farming in the 1950s (Beale, 2003). These dual patterns of growth and decline suggest the need for different strategies. Areas with rapidly increasing older populations must be prepared to provide essential services, resources, and programs for the elderly. Areas with declining elderly populations must consider economies of scale when ensuring that necessary services are available and accessible.

As rural America has changed, so have the rural policy questions, solutions, and choices. In 1950, 4 out of every 10 rural people lived on a farm, and almost a third of the nation's rural workforce was engaged directly in production agriculture. Because agriculture dominated the social and economic well-being of most of the rural population, public policy related to agriculture was a dominant force shaping rural life both on the farm and in rural communities. But rural America is different today than 50 years ago, and current commodity-based farm policies do not fully address the complexities of rural economies and populations. Today, less than 10 percent of rural people live on a farm and only 14 percent of the rural workforce is employed in agriculture. The major policy questions that frequently appear in much of the literature on rural economic sustainability and development today address how rural communities can build successfully on their economic base and other assets to retain and attract population and employment, as well as when, where, and under what circumstances rural development strategies are most successful. Demographic change, economic restructuring, changing land use patterns, and a diversity of rural needs are major factors affecting rural policy in the 21st century.

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Fourth, although not dealt with specifically in this volume, changing rural educational attainment suggests a brighter economic future for rural areas that retain their more educated workers. The educational attainment of rural Americans is higher than ever before, continuing a long upward trend (Gibbs, 2003). In 2000, nearly one in six rural adults had a four-year college degree, about twice the share of a generation ago, and the labor market rewards to a college degree have greatly increased in the past 20 years. Rural college graduates now make more than twice as much as rural high school dropouts and have far lower unemployment rates. College graduates still earn much more in cities, making it harder for rural counties to build and retain their human capital base. At the same time, the substantial growth in the college-educated population is not evenly distributed across rural areas, and low education levels still challenge many rural communities. Low-education counties, those with 25 percent or more of residents age 25 to 64 who had not completed high school, are concentrated in the South and Southwest (Figure 20.2). Strategies for raising educational levels and the quality of that education are essential to improving the economies of many rural of these communities (Beaulieu & Gibbs, 2005).

Industrial restructuring presents new opportunities and challenges in more global economy. Farming no longer dominates most rural economies. Instead, four out of five rural counties are characterized by nonfarm activities, including manufacturing, services, mining, and government operations. This diversity means that global, macroeconomic, and financial events affect rural areas differently than in the past, resulting in new labor market conditions (Vias & Nelson in this volume). For example, trade liberalization is favorable to areas in the Northwest that manufacture aircraft (a U.S. export), but less so to communities in the rural South that produce apparel or footwear that are in direct competition with lower cost foreign producers. Economic conditions vary widely based on each area's industry dependence. Those dependent on mining, manufacturing, and agriculture have shown slower employment growth over the last decade than areas dependent on services or federal and state government (Figure 20.3).
Despite the relatively small number of people employed in agriculture, farming is an important income-producing sector in many rural areas, particularly in the Great Plains (Johnson & Rathge in this volume). ERS defines farming-dependent counties as those having either 15 percent or more of average annual earnings derived from farming during 1998–2000 or 15 percent or more of employed residents working in farm occupations in 2000 (Figure 20.4). These counties comprised 20 percent of all nonmetro counties and accounted for 10 percent of farm operators and 21 percent of total farm cash receipts in 2000. Employment and income growth in these areas is slow compared with other nonmetro counties. The challenge for farming-dependent rural counties, however, is not a weak agricultural economy. Rather, the nonfarm sectors in these counties have not been equally prosperous because economic development is often limited by remoteness from major urban markets and low population densities (McGranahan & Ghelfi, 2004).

Almost 30 percent of nonmetro counties depend on manufacturing for their economic base, defined by ERS as having 25 percent or more of average annual labor and proprietors’ earnings derived from manufacturing during 1998–2000 (Wojan, 2005) (Figure 20.5). Manufacturers originally located in rural areas of the South to take advantage of lower labor and land costs. Although some manufacturers competed on the basis of low-cost production by shifting their production overseas, others began to take advantage of new technologies to compete on the basis of product quality. This shift resulted in a need for more highly skilled labor, and manufacturers began to move to rural areas with better schools and fewer high school dropouts. Areas with low high school completion rates, located predominantly in the South, now face greater difficulties in attracting and retaining manufacturing employers. Manufacturing counties of the rural Great Plains and Midwest offer a more educated labor force and these areas have been most attractive to employers in recent years. But the loss of 2.6 million manufacturing jobs nationwide since 2000 suggests that manufacturing counties as a whole may be especially hard pressed to find alternative sources of economic growth (Hamrick, 2004).

**CHANGING LAND USE PATTERNS**

Changing rural population distribution calls for a new look at land use. The conversion of farmland to urban uses as well as the consequences of urban expansion into rural areas raises public concern on many fronts (Cromartie in this volume). How can competing interests be resolved to allow the most efficient use of rural lands while protecting rural amenities, local food supplies, water and air quality, natural resource-related jobs, and quality of life? Changes in land use ar
Figure 20.5. Nonmetro Manufacturing-Dependent Counties, 1998–2000

Manufacturing dependent counties—annual average of 25 percent or more of total county earnings derived from manufacturing during 1998–2000.


The end result of many forces that drive choices made by homeowners, farmers, businesses, and governments. The ultimate drivers are population growth, household formation, and economic development. Economic growth increases income and wealth, and housing and lifestyle preferences, enabled by new communications technologies and infrastructure development, spur new housing development and new land-use patterns. Metropolitan areas expand into the countryside, and more isolated large-lot housing development occurs, generally beyond the urban fringe.

A benefit is that growth in rural areas has allowed many people, including those who cannot afford city real estate, to buy single-family homes because land costs are cheaper on the urban fringe than in the core. While most people prefer the residence situation in which they are living, those who would rather live elsewhere are more likely (by a 2 to 1 margin) to prefer a less densely populated setting (Brown et al., 1997). Potential benefits from lower-density development at the city’s fringe include access to employment, access to open-space amenities, lower crime rates, lower housing costs, better air quality, more flexible transportation by automobile, and preferred separation of residences from commercial and industrial activities (Gordon & Richardson, 1997; Peiser, 1989).

But development can impose costs as well—direct costs on the communities experiencing it and indirect costs in terms of the rural lands lost to it. Communities may fail to anticipate the results of development because they have not planned and zoned to provide an institutional framework within which development can proceed (Brown & Glasgow, 1991). Research shows that less dense, unplanned development requires higher private and public capital and operating costs than more compact, denser planned development (Axelrad, 1998; Burchell et al., 1998).

At the same time, public concern continues over the preservation of farming and conservation of rural land to protect against the worst effects of development (Pfeffer et al. in this volume). Research suggests that urban growth and development is not a likely threat to national food and fiber production or traditional uses of rural land (Jackson-Smith et al. in this volume). Agriculture has shown it can adapt to development, and farms in metro areas are an increasingly important segment of U.S. agriculture, making up 33 percent of all farms, 16 percent of cropland, and producing a third of the value of U.S. agricultural output (Heimlich & Anderson, 2001). Farmers trying to adapt to rising land values and increased contact with new residents may have to change their operations to emphasize higher-value products, more intensive production, and more urban marketing orientation.

CHRONIC DISADVANTAGE, EMERGING OPPORTUNITIES

Also, demographic change points to the continued importance of recognizing the diversity of rural needs. The opportunities and challenges facing rural America are as diverse as rural America itself. Farming communities in the Great Plains (von Reichert in this volume) face different problems with different solutions than do poor, generally less educated areas of the South (Billings & Manion, Lee & Singelmann this volume) or high-amenity counties in the Intermountain West (Krahnich et al. in this volume). There is no single recipe for rural prosperity. Rural diversity means that some areas have shared in the economic progress of the nation while others have not. One of the valuable lessons social scientists learned from the study of rural welfare reform is that the poorest and most rural areas were often the hardest to serve (Weber et al., 2002).

The Economic Research Service (2004) has developed a new set of county typologies that help to better understand the broad patterns of economic and social diversity in the nation. The 2004 County Typology identifies seven overlapping categories of policy-relevant themes that are of critical importance for developing public policies and programs at the beginning of the 21st century. These policy types identify both chronic disadvantage and emerging opportunities for rural places. They include population loss, persistent poverty, housing stress, low education, low
employment, retirement destination, and recreation counties. Two policy types—persistent poverty and recreation—are discussed here as examples of areas with chronic disadvantage and emerging opportunities.

ERS defines 340 persistently poor nonmetro counties that have had poverty rates of 20 percent or higher over the last 30 years as measured by the 1970, 1980, 1990, and 2000 decennial censuses (Jolliffe, 2004). These counties contain almost one-fourth of the rural poor. They are heavily concentrated in the South, especially in Appalachia, the Ozarks, the Mississippi Delta, the Rio Grande Valley, and the Native American reservations of the Southwest and Northern Plains. These areas are characterized by the disproportionate number of economically at-risk people and the generally weak local economies. Population and employment growth are slower in these areas, and unemployment and underemployment are higher. Poverty in nonmetro America is spatially clustered and largely, though not exclusively, mirrors the geographic clustering of rural minorities in the South, West, and on Native American reservations (Beale, 2004; Jackson Smith et al. in this volume).

At the same time, some rural areas are characterized by emerging opportunities. Natural amenities are an economic development trump card for many rural areas. Rural areas with beautiful scenery, lakes, mountains, forests, and resorts increasingly attract permanent residents, and recreation has been one of the fastest growing rural industries (Kramich et al., in this volume). ERS identifies 344 nonmetro recreation counties using a combination of factors, including share of employment or share of earnings in recreation-related industries in 1999, share of seasonal or occasional-use housing units in 2000, and per capita receipts from motels and hotels in 1997 (Johnson & Beale, 2002). Recreation counties are most numerous in the Mountain West and Upper Great Lakes Areas. Research suggests that tourism and recreational development exert positive affects on rural well-being by contributing to local employment growth, higher income and wage levels, and improved social conditions, such as reduced poverty and improved health (Reeder & Brown, in press).

RURAL POLICY CHOICES FOR THE FUTURE

The goals of economic/community development programs and policies in rural areas vary widely, as do the resources and the opportunities and challenges communities face. Some areas will focus on strategies to stimulate economic and community growth to help address problems associated with population and employment decline. Other areas will seek to improve wages and living standards by changing the job market or by enhancing infrastructure and public services. Low-density settlement patterns often make it more costly for communities and businesses to provide critical public services. In contrast, other rural areas, particularly those rich in natural amenities, face growing pains borne out of economic transformation and rapid population increases. Community leaders in these areas are struggling to provide new roads, schools, and other community services a may actually want to stem growth in order to limit rural sprawl.

One point is clear—commodity-based farm policies as currently structured do not fully address the complexity of issues facing rural economies and populations. For example, the high level of farm payments in the late 1990s helps little to eliminate the long-term outmigration from farming areas. Research shows that counties highly dependent on farm payments had some of the highest rates of population loss, even during periods when most other rural areas were gaining population (McGruanahan & Sullivan, 2005).

Rural policy for the future will need to encompass a broader array of issues and, these different rural issues will require different mixes of solutions. Strategies to generate new employment and income opportunities, develop local human resources, and build and expand critical infrastructure hold the most promise for enhancing the economic opportunities and well-being of rural America.

New Economic Engines

Prosperity for many rural communities will depend on innovative income-generating strategies that attract people and jobs. Jobs are declining and income erosion in rural areas that depend on natural resource-based industries, such as farming and mining. Many rural areas have successfully built on their assets and taken on new roles—providing labor for diverse industries, land for urban and suburban expansion, sites for prisons, and natural settings for recreation, retirement, and enjoyment. Enhancing rural communities as places to live, retire, and vacation may improve not only the quality of life for existing residents but also the possibility of attracting new businesses and residents. These rapidly growing areas can help sustain their successes by ensuring that the changing demand for essential services and infrastructure is adequately met.

Faced with continuing losses of farm jobs, some rural communities, particularly in the Midwest, have sought to offset shrinking employment by adding value to farm products. Focusing on the role of farms as a source of raw materials for food and fiber products, these communities seek to add value to agricultural commodities by luring food processing plants to rural areas, developing new consumer or industrial uses for agricultural products, or bypassing conventional wholesale retail systems to sell food products directly to consumers. These strategies may prove successful for some communities, but research suggests that value-added strategies in general are not especially promising as an engine for rural job growth. Food retail and marketing are the largest and fastest growing value-added sectors but these businesses usually choose to locate in urban areas for their more efficient access to consumers, non-agricultural suppliers, and distribution networks. Food manufacturing and other value-added activities account for a relatively small share of rural employment, and the amount of job growth from these value-added strategies has little impact on the general rural labor market (Gale, 2000).
Many rural communities are looking at other innovative ways of attracting and retaining high-paying industries and employment. The traditional way of attracting firms to a region by offering tax reductions and other subsidies may no longer be sufficient. New approaches, such as providing training and technical assistance by local educational institutions to clusters of similar types of firms, may be more successful than tax-based incentives because they help firms to adopt innovative production techniques (Rosenfeld, 2001). Training and business assistance programs can help new entrepreneurs in some rural areas enhance their business acumen and improve business communications skills (Drabenstott et al., 2000). Networks of small business can help build a more effective business infrastructure by coordinating marketing services, warehousing, business resources, and computer technology (Novack, 2001).

Capitalizing on new uses of the nation's natural resource base may be essential for ensuring the economic well-being of rural America. This resource base, which is primarily located in rural areas, can provide such uses as water filtration, carbon sequestration, and nontraditional energy sources, including methane utilization. Some rural areas may be well suited for the development of renewable energy as well as the production of more traditional fossil-fuel energy. Natural amenities, though, will be the most important advantage for some rural areas. Rural counties with varied topography, relatively large lakes or coastal areas, warm and sunny winters, and temperate summers have tended to reap large benefits from tourism and recreation, one of the fastest growing rural industries (Reeder & Brown, in press). Recent research finds that tourism and recreational development in rural areas lead to increased local employment, income, and wage levels, and improvements in social conditions such as poverty reduction, increased education, and improved health (Reeder & Brown, in press). These strategies have drawbacks, however, particularly in the form of higher housing costs in many of these nonmetro recreation counties. Native American groups have been particularly successful in capitalizing on the gaming industry as an innovative economic development strategy (Rudzitis in this volume). Revenue from tribal gambling rose from $121,000 in 1988 to $13 billion by 2002, although most of this success occurred in areas near urban and metro centers.

However, many of these approaches to capitalize on the natural resource base result in the conversion of farmland to alternative uses and raise issues of public concern on many fronts. Controlling and planning for area growth have historically been the domains of state and local governments. For example, some states have adopted "smart growth" strategies that actively direct transportation, infrastructure, and other resources to channel growth into appropriate areas. Others have turned to policies such as "adequate public facilities" ordinances, impact fees, zoning changes to allow mixed-use development, and partnerships with neighboring communities to develop compatible growth management plans. The federal government has no constitutional mandate to take action on urban growth and development issues, but it may be able to assist with building capacity to plan and control growth, providing financial incentives for channeling growth in desirable directions, coordinating local, regional, and state efforts, and providing trusted research-based information on growth dynamics (Heimlich & Anderson, 2001).

**Human Resource Development**

The wage gap between urban and rural workers reflects a rural workforce with less education and training than urban workers. In 2003, average weekly earnings for nonmetro workers ($555) were about 79 percent of the metro average ($699). In 2000, only 16 percent of rural adults age 25 and older had completed college, compared with 27 percent of urban adults. Moreover, the rural-urban gap in college completion has widened since 1990 (Gibbs, 2003). Today, employers are increasingly attracted to rural areas offering concentrations of well-educated and skilled workers. A labor force with low educational levels poses challenges for many rural counties seeking economic development. Rural areas with poor funded public schools, few universities and community colleges, and very low educational attainment may find it hard to compete in the new economy. Recent studies document the direct link between improved labor force quality and economic development outcomes and find that increases in the number of adults with some college education resulted in higher per capita income and employment growth rates, although less so in nonmetro than metro counties (Barbey et al., 2005). Efforts to reduce high school drop out rates, increase high school graduation rates, enhance student preparation for college, and increase college attendance are all critical to improving local labor quality (Beaulieu & Gibbs, 2005).

Rural human capital can also be improved by strengthening the quality of classroom instruction (Beaulieu & Gibbs, 2005). Technical assistance could ensure that best-practice models of distance learning are available to remote schools where the benefits from such technologies are greatest. Instructional quality could be improved by promoting teacher recruitment and retention efforts in remote and poor rural areas. Efforts to facilitate school-to-work transitions of youth are particularly important in isolated and distressed rural communities (Green, 2005). The benefits of these strategies will be greatest in rural communities, where existing workforce development programs (especially the Workforce Investment Act) face special challenges due to high rates of high school dropout or limited demand for youth labor.

**Infrastructure and Public Services**

Telecommunications, electricity, water and waste disposal systems, and transportation infrastructures (such as highways and airports) are essential for community well being and economic development. But many rural communities are financially constrained in providing infrastructure because of a limited tax base
high costs associated with “dis-economies” of size, and difficulties adjusting to population growth or decline. Investments in needed infrastructure have increased in recent years, but high costs and deregulation pose considerable challenges.

Investment in rural infrastructure not only enhances the well-being of community residents, but also facilitates the expansion of existing businesses and the development of new ones. As an example, a recent study assessed the economic impacts of 87 water and sewer projects funded by the Economic Development Administration and found that these projects in general created or saved jobs, spurred private-sector investment, attracted government funds, and enlarged the property tax base (Bagi, 2002). But the average urban water/sewer facility, which costs only about one-third more than the average rural facility, generated two to three times the economic impacts of rural facilities. The rural-urban difference in economic benefit likely stems from the generally more abundant infrastructure of urban areas—easy access to highways, railroads, and airports, primary and secondary suppliers, input and output markets, community facilities and amenities, and skilled labor.

The federal government has helped rural communities finance public infrastructure, but many communities still lack infrastructure such as advanced telecommunications and air transportation services. Information and communication technology—abetted by financial and technical assistance—can help smaller communities enjoy the same benefits as larger cities, such as higher standards of health care and virtually unlimited educational opportunities. Federal financial assistance for deploying broadband access and/or the creation of incentives for state, private, and public partnerships to develop fiber optic or wireless capabilities are options for rural areas seeking to invest in a telecommunication infrastructure.

**SUMMARY**

In closing, the 1995 ERS report, *Understanding Rural America*, highlights a critical policy challenge for rural America.

Understanding rural America is no easy task. It is tempting to generalize and oversimplify, to characterize rural areas as they once were or as they are now in only some places. Understanding rural America requires understanding the ongoing changes and diversity that shape it. The economies of individual rural areas differ, as do the resources upon which they are built and the opportunities and challenges they face. Some have participated in the economic progress of the Nation, while others have not. Even among those who have benefited in the past, many are not well positioned to compete in today’s global economy (p 24).

Little empirical analysis is currently available on what strategies will be most effective in which areas under what circumstances, and there is no one formula for success. The findings reported in this volume discuss the determinants and consequences of demographic change, economic restructuring, changing land use patterns, and the diversity of needs. These four themes are important considerations for federal, state, and local policymakers charged with enhancing the economic opportunity and economic well being of rural Americans.

Many rural problems occur region-wide and some policies will need to address broader geographic implications. Agriculture, as a major source of income and employment, is concentrated in the northern Great Plains and western Corn Belt. Rural manufacturing is disproportionately located in the Midwest and Southeast. Mining and other extractive activities are conducted west of the Mississippi River and in Appalachia. All of these industries have experienced very slow growth or job loss in recent decades. Regional or multi-community cooperative efforts, such as the Delta Regional Authority and the Northern Great Plains Regi Authority, may offer rural areas a better chance of success in responding to indigenous economic declines or problems associated with persistent poverty, population loss, and educational disadvantage. Job generation and human resource development require close coordination to ensure that the skills possessed by workers will be appropriate for the new, largely service-based and information-dependent industrial economy and that the jobs will be available in the regional economy (Whitener, 2005).

Some rural community issues will be most effectively addressed at a local level. Devolution of federal programs, such as welfare reform, has allowed many local areas to better tailor assistance to local needs and improve program delivery. However, policy outcomes may be less successful in some areas, particularly the smaller, poorer rural communities that lack the capacity to provide good jobs, offer critical work supports, and effectively target hard-to-solve problems. The federal government may have to play a stronger supportive coordinating role in these areas.

In the future, policy analysts will do well to look to the areas that achieved prosperity to help develop successful prototypes for areas that may be less well prepared to meet the challenges of the future. The most successful policies will build on unique partnerships among a wide range of American institutions, including different levels of government, the business community, private advocacy groups, and local organizations. Solid analysis of the inter-dependence between population change and rural society will help policy makers at all levels to understand the changing contexts that affect policy choices for the future.

**REFERENCES**

