

**Hispanic Population Growth and Labor Force Reception  
in New Rural Destinations of the United States**

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## **Introduction**

Data from Census 2000 reveal large increases in the nonmetro Hispanic population in new immigrant destinations throughout the country (Suro and Singer 2002; Kandel and Cromartie 2004; Arreola 2004). This dispersion of rural Hispanics beyond traditional settlement States in the Southwest portends a significant social and economic transformation of “rural and small town America.” It raises questions about linkages between Hispanic population growth and rural economic structural change (Kandel and Parrado 2004), as well as patterns of economic and social incorporation of the Hispanic population into communities that are often unprepared to address the needs of their newest residents (Kandel and Parrado forthcoming). Current and foreseeable demographic trends require that the economic contexts of rural Hispanic population growth, and its attendant public policy consequences, be analyzed (Saenz and Torres 2003).

Like the national economy, rural economies in the United States are increasingly characterized by a shift from goods production to service provision, by declining relative demand for low-skill labor, and by rising real earnings and worker education levels (Gibbs and Parker 2000; Gibbs et al 2004; Gibbs et al forthcoming; Vias and Nelson, forthcoming). We approach our proposed study by assuming these developments also describe the labor market experiences and prospects of Hispanic workers in new settlement areas. Previous research shows that higher proportions of Hispanics in new nonmetro destinations than in the Southwest are employed in nondurable and durable goods manufacturing, two sectors offering significantly higher wages than agricultural work (Kandel and Parrado 2003). Yet the share of rural Hispanics engaged in low-skill work rose during the 1990s, compared with falling shares for all other major racial/ethnic groups. It remains unclear, then, whether Hispanics in new destinations find themselves merely repeating previous patterns of low-skill work under conditions of industrial and occupational segregation, or whether these areas offer Hispanics more long-term opportunity for wage and career progression.

Because rural Hispanic population growth outside of the nonmetropolitan Southwest is a recent phenomenon, relatively little is known about the economic context of reception for Latinos in new rural destinations. Macroeconomic studies have examined labor market characteristics of rural areas generally, and a growing qualitative literature has illuminated processing of immigrant incorporation in a variety of economic sectors in new rural destinations (Broadway 1994; Engstrom 2001; Gouveia and Stull 1995; Griffith 1995; Hernández-León and Zúñiga 2000). However, few studies have integrated macro and micro levels of analysis, particularly during this period of rural population growth and geographic dispersion. We propose to conduct such an analysis by addressing the following two research questions.

## **Research Questions**

1. In what ways does the economic context of reception in new Hispanic nonmetro destinations in the Midwest and the Southeast differ from that of established Hispanic nonmetro settlement areas in the Southwest? Specifically, as of 2000 for these three nonmetro county types, are there significant differences in industrial composition, occupational distribution, employment growth, and earnings levels?

2. How have these conditions changed since 1990?
3. Can changes in these contexts help explain individual level outcomes for Hispanics in 2000? Specifically, how are the macroeconomic variables in Question 1 associated with the likelihood of employment and logged annual earnings?

The answers to these questions can help inform several broader debates. One is the degree to which Latinos in new rural destinations are taking jobs that are becoming “immigrant” occupations, and/or whether they are taking undesirable and geographically remote jobs shunned by an increasingly educated and mobile native-born population. A second is the degree to which Latinos in these new destinations are better or worse off because of the economic characteristics of their employment, as well as characteristics of their new communities.

## **Methods**

To answer our research questions, we will use detailed individual and county-level data, permit comparisons over time, and differentiate between established and new areas of destination for Latinos and foreign-born persons. Our analysis will rely on data from the restricted microdata earnings files of the Current Population Survey (CPS) for years 1990-1993 and 2001-2003. We expect to gain access to this restricted data from the Center for Economic Studies (CES) at the U.S. Census Bureau by the end of calendar year 2004. We emphasize these years because they represent similar high unemployment phases of two adjacent business cycles.

CPS Earnings File data have the advantage, when combined across years, of providing large numbers of cases of nonmetro Hispanics for comparisons across critical determinants of socioeconomic status. They also contain information on earnings and hours worked, two variables that we will use in our first analysis. Moreover, the CES data have the unique characteristic of containing county identifiers which allows us to incorporate Census and other publicly available macro-level data on county characteristics as contextual variables into a micro-level analysis. If these CES data are not available by early 2005, we will modify the scope of our analysis to use the unrestricted CPS March Supplement.

Aggregations of CPS data for years in the early 1990s and 2000s permit analyses of change during a period when Hispanic settlement in new rural destinations transformed from an modest trend in a handful of Midwestern counties to a broad trend affecting the Southeast, Midwest, Northern Great Plains and Northwest. We will compare new and traditional rural destinations using a county typology based on Hispanic population composition in 1990 and growth between 1990 and 2000. This classification effectively distinguishes between nonmetropolitan counties with established Hispanic populations in the Southwest, nonmetro counties with sizable Hispanic population growth during the 1990s, other nonmetro counties, and metro counties.

Our county typology uses the following definitions of Established Hispanic and Rapid Growth Hispanic settlement counties:

### 1. Established Hispanic Counties

1990 Hispanic composition  $\geq$  3% of the total county population

## 2. Rapid Hispanic Growth Counties

1990 Hispanic composition < 3% of the total county population *and*  
1990-2000 percent change in Hispanic composition ≥ 1%

In our analysis, we further distinguish Rapid Hispanic Growth counties located in the Midwest and those located in the Southeast. We make this distinction to acknowledge substantial differences in labor markets, population change, social welfare policies, and geographic and historic characteristics that have influenced the timing, extent, and influence of Hispanic population settlement in the two regions.

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