

Payments Vary by Region and Type of County

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In an earlier article, “Federal Funds in Nonmetro Elderly Counties,” we showed how Federal funding varies geographically for different program functions, such as agriculture, community resources, human resources, and income security. In this article, we examine variations for different types of Federal payments and variations by region.

The eight main funding types (or objects) identified by the Bureau of the Census in their Consolidated Federal Funds Reports—our source of data for this analysis—are grants, direct loans, guaranteed loans, direct payments to individuals for retirement purposes, other direct payments to individuals, direct payments not to individuals, Federal salaries and wages, and Federal procurement. We excluded several insurance programs and programs that exclusively benefit the U.S. territories from our analysis. We also excluded data from programs that we deemed inaccurate at the county level. However, we covered about 90 percent of total Federal funding.

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Nonmetro Areas Receive Less Funding Than Metro Areas

Rural (nonmetro) areas received a total of \$5,481, per capita, in Federal receipts in fiscal year 2000 (table 1). This was about \$261 less than in urban (metro) areas, representing a 4.5-percent gap. Most of the gap is explained by significantly lower Federal procurement contracts and salaries in nonmetro than metro areas.

Nonmetro areas received significantly more funding, per capita, from retirement and disability payments, and also benefited disproportionately from other direct payments (especially farm payments) and grants.

Nonmetro areas benefited more than metro areas from direct loans, but received significantly less than metro areas from guaranteed loans (includes home mortgage insurance).

Funding Varies by Type of Nonmetro Area . . .

Nonmetro funding was higher in totally rural areas than in other rural areas, and highest in farming-dependent areas (\$6,845). This reflects the unusually high level of farm payments in recent years, plus relatively high levels of grants and direct loans. Persistent-poverty areas (\$6,050) and government-

dependent areas (\$6,414) also received higher than average funding. The former benefited particularly from direct payments (other than retirement) and from grants and direct loans, while the latter benefited particularly from grants, procurement, and Federal salaries. As might be expected, transfer-dependent counties benefited disproportionately from direct payments to individuals, including both retirement and other direct payments to individuals.

Nonmetro Federal funding was lowest, per capita, in manufacturing-dependent areas (\$4,813), and in commuting areas (\$4,712). In both cases, they received less than average funding for all types of Federal payments.

. . . And by Region

Nonmetro Federal funding levels were highest in the South (\$5,625 per capita) and lowest in the Northeast (\$5,256). Nonmetro areas received less than metro areas in the South and Northeast, but more in the Midwest and West (table 2).

Table 1

Per capita Federal funds by type of payment and type of nonmetro county, fiscal year 2000

County type	All Federal funds	Grants	Direct loans	Guaranteed loans	Retirement/disability payments	Other direct payments for individuals	Direct payments not for individuals	Procurement contracts	Salaries and wages
<i>Dollars per person</i>									
United States	5,691	857	36	408	1,955	964	100	732	639
Metro	5,742	835	14	450	1,890	967	50	833	703
Nonmetro	5,481	943	123	240	2,214	950	298	330	383
By degree of urbanization:									
Urbanized	5,450	853	57	251	2,158	915	117	496	603
Less urbanized	5,384	949	136	232	2,226	969	322	262	288
Totally rural	6,030	1,156	238	249	2,304	951	665	216	252
By economic county type:									
Farming-dependent	6,845	1,020	530	387	2,098	955	1,339	204	311
Mining-dependent	5,635	1,123	56	144	2,445	1,036	145	389	298
Manufacturing-dependent	4,813	855	71	208	2,152	933	141	239	212
Government-dependent	6,414	1,189	55	235	2,098	853	106	667	1,211
Services-dependent	5,498	835	79	241	2,332	975	280	445	313
Nonspecialized	5,251	932	132	250	2,251	988	274	186	238
By policy county type:									
Retirement-destination	5,176	663	71	233	2,612	946	44	197	411
Federal lands	5,311	934	42	289	2,167	773	62	501	543
Commuting	4,712	814	89	249	2,068	851	182	291	169
Persistent poverty	6,050	1,518	127	181	2,175	1,086	428	244	292
Transfer-dependent	6,328	1,514	104	170	2,568	1,197	210	268	297

Note: Individual figures may not sum to total because of rounding.

Source: Calculated by ERS using Federal funds data from the Bureau of the Census.

Most rural (and urban) Federal funds come from transfer payment programs, such as retirement, disability, and welfare payment programs. This explains why transfer-dependent counties receive high levels of Federal funds. This also explains why the nonmetro South,

which has the largest concentration of low-income residents, received more in total Federal funds, per capita, than did other regions.

However, the South was outpaced by other regions in nonmetro receipts from some types of assistance. Nonmetro areas in the

West ranked first in funding from guaranteed loans and from Federal salaries and procurement. The nonmetro Midwest ranked first in direct payments not for individuals, reflecting relatively high levels of farm payments. ^{RA}

For more information . . .

For more details on definitions, data, and methods used, see the Federal Funds Briefing Room on the ERS web site, www.ers.usda.gov/briefing/federal-funds. This web site also provides maps for different program functions, access to individual county-level data, plus research focusing on selected rural regions (such as Appalachia, the Black Belt, and the Great Plains).

Table 2

Federal funds per capita by type of payment and region, fiscal year 2000

County type	All Federal funds	Grants	Direct loans	Guaranteed loans	Other direct Retirement/disability payments	Direct payments for individuals	payments not for individuals	Procurement contracts	Salaries and wages
<i>Dollars per person</i>									
United States	5,691	857	36	408	1,955	964	100	732	639
Metro	5,742	835	14	450	1,890	967	50	833	703
Nonmetro	5,481	943	123	240	2,214	950	298	330	383
South	6,260	806	36	447	2,073	948	103	982	865
Metro	6,469	731	15	525	1,997	915	55	1,192	1,039
Nonmetro	5,625	1,031	100	211	2,300	1,045	247	349	342
Northeast	5,674	1,099	11	315	2,032	1,196	45	528	448
Metro	5,721	1,115	9	329	2,006	1,220	46	548	448
Nonmetro	5,256	965	29	193	2,253	984	28	355	449
Midwest	5,029	761	71	324	1,922	921	182	411	437
Metro	4,938	761	19	346	1,840	931	65	496	480
Nonmetro	5,286	764	216	260	2,153	892	513	172	316
West	5,475	831	20	510	1,736	836	57	838	647
Metro	5,457	799	12	543	1,683	847	34	882	657
Nonmetro	5,587	1,025	72	311	2,062	768	200	563	586

Note: Individual figures may not sum to total because of rounding.

Source: Calculated by ERS using Federal funds data from the Bureau of the Census.

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