Hispanic Population Growth and Rural Income Inequality

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Introduction

Since the 1970s the U.S. has experienced a resurgence of income inequality which actually accelerated in recent decades. Between 1980 and 1990 the Gini Coefficient, a standard measure of income inequality, increased for family incomes from .365 to .396, an 8 percent increase. By 2000 the Gini ratio had reached .438, a 10 percent increase relative to 1990 (U.S. Census Bureau 2006). This trend of growing income inequality represents a reversal of the consistent decline in income inequality experienced during the first four decades of the 20th century and the stable levels of low income inequality registered between the 1940s and 1960s.

The recent trend of growing inequality has coincided with an extraordinary increase of the Hispanic population of the United States. Increasing over 50 percent between 1990 and 2000, Hispanics have become the largest minority group by surpassing non-Hispanic Blacks in population size in 2003. Much of this growth has resulted from immigration. Close to 8 million Latin American migrants entered the United States during the last decade, doubling the number of foreign born Hispanics. As a result, close to one third of the growth in the civilian labor force population between 1990 and 2000 can be attributed to Hispanics.

Several studies have highlighted the importance of population growth including immigration for understanding income inequality. In general, results show that rapid population growth tends to increase income inequality. The mechanisms, however, are diverse and depend on the characteristics of the growing population. Nielsen (1994) has argued that population growth is a proxy for social heterogeneity and generalized dualism resulting from the uneven distribution of industrial technology and culture and thus, increases inequality. Others have suggested that population growth could increase inequality because it might increase the supply of unskilled or low-educated workers altering the composition of the labor force. More directly

connected to discussions about immigration, classical economic perspectives have argued that a rapid increase in the supply of foreign workers decreases wages of low-skilled workers and thus contributes to growing inequality.

Accordingly, our study examines the relationship between rapid Hispanic growth and income inequality in rural America. We focus on the rural United States for two main reasons. Results from the 2000 Census have shown rapidly growing Hispanic populations in rural counties and especially in regions not accustomed to receiving Hispanics, such as the Southeast and Midwest. In addition, since Kuznets' studies on income inequality, scholars have recognized that the forces fueling income inequality might be different in rural and urban areas.

This analysis has two main objectives. The first is to assess whether rapid Hispanic growth contributed to income inequality in rural areas and to distinguish its impact across different types of counties. The second one is to investigate the mechanisms connecting rapid Hispanic growth and growing income inequality. Our analytical strategy distinguishes between different types of rural counties according to their Hispanic representation, Hispanic population growth, and total population growth or decline. The dependent variable in our analysis is the change in inequality in family income as measured by the Gini coefficient. After describing different shifts in income inequality across county-types we model this change according to changes in demographic, human capital, and industrial characteristics. Results are consistent with perspectives that stress the role of heterogeneity or industrial change for understanding the connection between population - particularly minority growth - and inequality. Rather than changes in educational composition though, we find that the main mechanism linking Hispanic growth and income inequality in the United States is industrial composition.

The salience of Hispanic population growth for rural county inequality

By the end of the 1990s, Hispanic population growth rates in nonmetropolitan counties[1] had exceeded those of metro counties, accounting for over 25 percent of all nonmetropolitan population growth, while representing just 5.5 percent of its stock by 2000 (Kandel and Cromartie 2004). Such growth was not geographically isolated. In nonmetro counties, Hispanic population growth exceeded non-Hispanic population growth for every state except Hawaii. Despite this dispersion, rural Hispanics have concentrated geographically, with a third of the population residing in 109 or less than 5 percent of all 2,289 nonmetropolitan counties defined in 1993. Moreover, they are more likely than non-Hispanic Whites to reside in larger towns within nonmetropolitan counties (Kandel and Cromartie 2004).

Particularly striking have been the growth rates of Hispanics outside rural areas of the Southwest, where the majority of rural Hispanics have resided since the turn of the century, and into the Midwest and South regions. Between 1990 and 2000, the Hispanic population in the nonmetropolitan Midwest and South grew 13 and 19 percent, respectively. At the same time the percentage of Hispanics in the nonmetro Southwest declined from 66 to 53 percent (Kandel and Cromartie 2004). Media reports tend to emphasize dramatic examples of Hispanic influx in places such as Dalton, Georgia, Storm Lake, Iowa, and Siler City, North Carolina, and a growing body of mostly ethnographic research documents the mixed reception Hispanics typically receive

[1] "Nonmetropolitan" areas follow the Office of Management and Budget (OMB) definition based upon population and commuting patterns. A metropolitan area consists of one or more core counties with an urbanized area of 50,000 or more inhabitants, together with surrounding counties with metropolitan characteristics such as commuting patterns and population density and growth. Nonmetropolitan areas consist of all other counties and contain only open country, small towns, or small cities. Hence, counties can be grouped according to whether they are metropolitan or nonmetropolitan. The term "nonmetropolitan" is distinct from "rural," which despite its frequent general usage also refers to a Census Bureau definition for places with fewer than 2,500 inhabitants. In this paper, however, we use the term "rural" in its general context.

in relatively small communities with little experience or few public services to assist foreign-born newcomers (Goździak and Martin 2005; Griffith 1995; Zúñiga and Hernández-León 2005).

[Table 1 about here: Hispanic and non-Hispanic population change]

The rapid influx of Hispanics, the vast majority of whom are foreign born, to new rural areas of destination can have important effect on income inequality. However, studies of the forces fueling rural county inequality are relatively rare despite the fact that nonmetro counties encompass roughly 80 percent of all U.S. territory and 20 percent of its population. Given the recent contentious policy climate regarding immigration, and a growing literature on widening national inequality and limits to economic mobility, this study provides the context within which to examine the issue of a growing ethnic underclass in rural and small town America.

Theoretical considerations

Our analysis builds on classical elaborations of the connection between development and income inequality dating back to Kuznets' work and later expanded by Nielsen and colleagues that stress the role of population shifts between a modern and traditional sector of the economy for understanding the evolution of income inequality over time. We connect this literature with expectations derived from segmented labor market theory to expand the dual sector perspective and better understand the role of particular industries in accounting for the impact of Hispanic population growth on rural counties inequality.

In his classical formulation of the inverted U-shaped relationship between development and inequality, Kuznets (1955) placed considerable emphasis on the role of population shifts between a traditional and modern sector for understanding trends in inequality. According to this perspective the economy of a society is viewed as divided between a modern sector with high

productivity and wages and a traditional agricultural sector with low productivity and low wages. Labor force shifts between the two sectors in the development process explain the evolution of income inequality over time. The low levels of inequality prevalent among agricultural societies increase as the working population begins to shift to the higher paying modern sector during early stages of development, then level off at intermediate levels, and then decrease again at advanced levels.[2] Following this framework, we would expect that for countries at advanced levels of development, such as the United States, growing representation of the population in the traditional sector of the economy would increase income inequality.

While useful, the two-sector representation of the process of development is somewhat limited. Dual and segmented labor market perspectives on minority and immigrant patterns of labor force participation provide a more elaborate representation of cross-sectoral inequalities that pays particular attention to the industries that concentrate minority workers. According to this perspective, most effectively articulated by Piore (1979), labor markets of developed societies have become increasingly segmented into "primary" and "secondary" sectors whereby stable, well-paying jobs with defined occupational mobility structures coexist with unstable, poorly-paid, "dead-end" employment. Segmented market theory posits that the character of jobs in the secondary sector and their role in the structure of developed societies lies at the heart of migration flows from less to more developed countries and income inequality between minority and dominant groups.

[2] More elaborate formulations of the connection indicate that the overall impact of population shifts between the agricultural and modern sector of the economy on income inequality is the product of two effects that result from income differences across and within sectors. On the one hand, there is a positive effect of population shifts across sectors that results from income differences, referring to a sector dualism. On the other hand, there is a negative effect that results from reductions in the proportion of the population in the more egalitarian agricultural sector of the economy. We do not distinguish between these two effects.

Lower returns to human capital, employment instability, seasonality, occupational immobility, and overall poor job quality of the secondary sector implies that industries needing to expand their labor forces would predominantly attract minority workers, especially immigrants. Given the social context of employment, non-minority skilled workers refuse to accept low-status jobs without monetary compensation that exceeds what is feasible given limited skill requirements for these jobs and extensive local and international competition faced by companies. Jobs are also embedded within occupational hierarchies that require earnings differentials for different occupational grades. Firms that raise wages for lower skilled employees must often do the same for all other employees to maintain an acceptable hierarchy, a practice most firms would resist. Accordingly, grasping the sectoral changes in employment connecting Hispanic population growth and income inequality in rural areas requires an understanding of shifts in labor demand that goes beyond the modern-traditional dichotomy and pays closer attention to the range of industries attracting low-skilled foreign-born workers.

In addition to industrial changes, a central factor expected to affect inequality is the distribution of education. In general, increasing representation of workers at the low end of the education distribution increases income dispersion and consequently inequality. Understanding the connection between educational heterogeneity and inequality is of particular importance for rural counties that experiencing rapid Hispanic population growth. The below-average educational attainment of the Hispanic population might contribute to growing income inequality. The extent to which educational or industrial composition explains inequality changes in rural counties will shed light to the discussion about the factors mediating the impact of Hispanic growth on rural counties. Human capital theory would yield expectations that most of this impact is mediated by changes in the educational composition of the labor force. Segmented

labor market perspectives would tend to highlight the role of industries attracting Hispanics and their position in the secondary labor market that does not reward educational credentials to the same extent as the primary sector.

Model Specification

Data for this analysis come from the 1990 and 2000 Decennial Census SF3 files. Rather than cross-sectional variation in inequality levels, our study focuses on the factors affecting change between 1990 and 2000. Accordingly, the dependent variable in our analysis is the arithmetic difference between the 1990 and 2000 Gini Concentration Ratios[3] computed for family income:

$$Change\ in\ Inequality\ between\ 2000\_1990_r = (Gini\_2000_r - Gini\_1990_r)$$

where *r* indicates individual rural counties. Given that the Gini Coefficient has an upward bound of 1, and that counties with higher values cannot experience as much absolute value changes in their coefficients from one decade to the next, we include in our model the 1990 value of the Gini Coefficient.

To capture the role of Hispanic population growth on inequality we construct a rural county typology that distinguishes distinct population trajectories between 1990 and 2000. Our main expectation is that cross-county comparisons will help us identify what is unique about new Hispanic destination areas and its impact on income inequality. The typology combines three factors: the Hispanic proportion of 1990 county population, its change during the 1990s, and total county population change during the 1990s. Together, these factors produce a typology that

[3] The Gini Concentration Ratio or Gini Coefficient is a widely-used summary indicator of income inequality used by scholars as well as government agencies such as the U.S. Census Bureau. The coefficient takes on values between 0 and 1, where 0 signifies perfect equality and 1 represents complete inequality. See Shryock and Siegel 1976, p. 99 for computational methodology.

allows us to compare counties with rapid Hispanic population growth in new regions of the country with counties that have always had a sizeable Hispanic population, counties whose populations have grown without significant Hispanic influence, and counties that are demographically stagnant. More formally our typology is specified as follows:

Table 1: Criteria for nonmetro county typology

County Type	Hispanic composition, 1990	Percent change, Hispanic composition, 1990-2000	Percent change, Total population, 1990-2000
Substantial Hispanic Representation	**≥ 3%**		
Rapid Hispanic Growth	**< 3%**	**≥ 1%**	
Rapid Growth Non-Hispanic	**< 3%**	**≤ 1%**	**≥ 2%**
Slow Growth & Declining Non-Hispanic	**< 3%**	**≤ 1%**	**≤ 2%**

After reviewing the distributions for the demographic variables, this typology captures our underlying assumption of differential population composition. To avoid confounding our analysis with misleading mean and median values, we exclude from our analysis 308 counties whose total populations in 2000 numbered less than 5,000 persons to remove counties for which minor absolute changes in Hispanic population translate into unusually high proportions and growth rates. This leaves us with 2001 nonmetropolitan counties out of the 2309 defined as nonmetro as of 2000.

Although our typology reduces the great variation of nonmetro counties to a handful of mutually exclusive types, a map of this schema (not shown) confirms that it reflects counties with distinct demographic trajectories of the Hispanic population that we would expect from our understanding of recent population geography. Established Hispanic counties predominate in traditional rural Hispanic settlement areas of the Southwest. Rapid Hispanic Growth counties tend to be concentrated in the Midwest and Southeast, where industrial transformation in beef processing during the 1980s and poultry processing in the 1990s generated significant new

Hispanic population growth (Kandel and Parrado 2004; 2005). They also appear north of the group of Established Hispanic counties. Slow Growth and Loss counties extend into the Central Plains and Texas but are concentrated in the Northern Great Plains which have lost population continuously since the 1950s (Johnson and Rathge 2006). In our model below, we include an indicator variable for the first three county types, with Slow Growth and Declining Non-Hispanic counties as the reference category.

We account for factors affecting variation in change in inequality across county types using three sets of variables measuring demographic and socioeconomic characteristics, education heterogeneity, and industrial composition. In order to control for the ceiling effect embedded within the Gini coefficient fact that inequality will increase at a slower pace in counties that are already highly unequal we include a measure of the Gini coefficient in 1990 as predictor. We expect that level of inequality will have a negative effect on inequality change.

Given our focus on change, the other predictors though, are included as differences between 1990 and 2000.[4] Similarly to our dependent variables they are computed as the level in 2000 minus the level in 1990. The first set of predictors includes demographic and socioeconomic controls that have been previously found in the literature to explain cross-sectional inequality. We include a demographic indicator of the elderly population, the change in the proportion of the total population age 65 and over. This is particularly salient for nonmetropolitan counties which experienced higher rates of population aging and have higher median ages than for metro counties (Kirschner et al 2006). To control for economic climate apart from industrial composition, we include variables for the arithmetic change between 1990 and 2000 for the civilian noninstitutional unemployment rate, the proportion of female headed households with children under age 18 and median family income.

The second set of predictors account for changes in the distribution human capital endowments. Given the relatively low levels of education among the Hispanic population relative to other groups we expect the rapid influx of Hispanics to directly increase the educational heterogeneity of rural counties and contribute to growing inequality. Following Nielsen, we measure educational heterogeneity using Theil's formula for entropy. This measure can be regarded as a general measure of dividedness, that is, the extent to which the population is divided among educational groups with higher values corresponding to wider dividedness. Formally, educational heterogeneity for 1990 and 2000 is computed as follows:

$$H=\Sigma_{i=1}\ \rho_i \ln(1/\rho_i)$$

where n=3 corresponds to three education categories, and $\rho_1, \rho_2,$ and ρ_3 are the proportions of adults ages 25 and older with less than high school education, high school diplomas, and four year college degrees, respectively. The difference between the 2000 and 1990 values is our independent predictor.

Finally, to account for change in industrial composition in nonmetro counties, we include the difference between the 1990 and 2000 proportions of the employed population working in mutually exclusive and encompassing industrial sectors. We distinguish between two types of industries, those with either declining or growing representation in rural counties. Industries with declining representation include: agriculture, mining, non-durable goods manufacturing, durable goods manufacturing, and wholesale and retail trade. Industries with growing representation include: construction, meat processing, transportation, communication, low-skilled services, high-skilled services, finance, insurance and real estate (FIRE), and public sector employment.

[4] Similar results from our model are obtained by using percent change between 1990 and 2000.

We expect the combination of growth and decline to be central factors accounting for differential change in inequality across county types.

Descriptive results

[Figure 1 about here]

Before turning to the multivariate analysis, Figure 1 plots the change in Gini coefficient between 1990 and 2000 across county types. Following national trends, average inequality increased slightly across all types of rural counties. However, the growth was somewhat higher among rapid growth Hispanic counties (type 2) which also show higher income dispersion than the other county types.

[Table 2 about here]

The growth in inequality correlates with changes in the educational and industrial composition of the counties. Table 2 reports descriptive statistics for the main predictors in our analysis, namely educational heterogeneity and industrial change. In conjunction with general trends towards higher levels of educational attainment, differentiation in educational credentials decreases across all counties. However, this reduction was a lot more pronounced in low growth counties (-0.028) than for any other county type and the difference is statistical significance. To the extent that educational differentiation contributes to inequality, the slower reduction in heterogeneity experienced by all county types relative to low growth counties might explain their different trends in inequality.

Industrial change is more diverse and complex. Change in industrial composition contributes differently to inequality and it is in the balance between growth and decline that inequality is produced. In general, studies have shown that growth at the low and high end of the skill intensity of particular industries increases heterogeneity and results in higher inequality.

More specifically, we can expect growth in agriculture and high end industries to contribute to inequality, while growth in middle skill industries such as manufacturing reducing inequality.

Table 2 shows that the representation of some industries, namely agriculture, mining, non-durable goods manufacturing, durable goods manufacturing and wholesale and retail trade, has been declining overall in rural counties. However, the change differed across counties. When compared to low growth counties, high growth Hispanic counties show a significantly slower decline in agriculture but a faster decline in mining, and manufacturing. High growth non-Hispanic counties experienced similar trends with manufacturing declining more rapidly than in low growth counties. This suggests that though the ethnic composition of the in-migration flow in these counties is different, the industrial changes accompanying population growth are similar.

Other industries increased their representation over time, namely construction, meat processing, wholesale and retail trade, communication, low skill services, high skill services, FIRE, and public sector employment. When compared across county types, however, results show that construction increased significantly more in high growth Hispanic and non-Hispanic counties than in low growth counties. To the extent that employment in the construction industry translates into lower paying jobs, this change may contribute to growing income inequality. Employment in the meat processing industry grew significantly more in high growth Hispanic counties than low growth counties, reflecting one of the central forces attracting Hispanics to new rural destinations (Kandel and Parrado 2005). Public sector employment grew more in counties with significant Hispanic representation and both types of high growth counties than in low growth counties.

Overall, we expect this complex articulation of change in educational heterogeneity and industry composition to account for differences in change in inequality across county types.

Multivariate results

[Table 3 about here]

The next analysis links these transformations and changes in county inequality in a multivariate context. Table 3 reports results from OLS models predicting change between county-level Gini coefficients for 2000 and 1990 according to demographic and socioeconomic characteristics, educational heterogeneity, and industrial composition. Model 1 shows that relative to low growth counties, inequality increased more rapidly in all the other types of counties once differences in demographic and socioeconomic characteristics are taken into account. As expected, change in inequality is negatively correlated with the previous (1990) level of inequality in a county. Other characteristics, such as the change in the proportion of the population age 65 plus and female headed households, contributed to growing inequality over time. Consistent with findings from other studies, improvements in income, as measured by the change in median family income, reduce growth in inequality.

Model 2 includes a control for the change in educational heterogeneity between 1990 and 2000. Results show considerable reductions in the size of county type coefficients across models. For high growth Hispanic, significant Hispanic representation, and high growth non-Hispanic counties, regressions coefficients declined 37, 50, and 33 percent, respectively. Thus, the slower reduction in educational heterogeneity experienced by these counties relative to low growth counties described in Table 2, explains a considerable portion of the trend in inequality. However, only the coefficient for counties with significant Hispanic representation drops in statistical significance, suggesting that other factors are also at play.

Model 3 adds measures of industrial change. The changes in coefficients for county types show a 60 and a 100 percent reduction in size across Models 2 and 3. Moreover, the effects become insignificant. Thus, the combination of educational heterogeneity and industrial change appear to explain the different trajectories in inequality across counties.

Estimates for individual industry coefficients highlight the complex balance of forces fueling inequality in these counties. Relative to growth in the reference industry category of non-durable goods manufacturing, all other industries tend to increase inequality. Thus, the general tendency of decline in the representation of non-durable goods manufacturing in rural counties which was pronounced in high growth Hispanic and non-Hispanic counties documented in Table 2 is a central mechanism fueling growing inequality and cross-county differences.

Another industry playing a central role in affecting inequality is agriculture. As expected, growth in the representation of agriculture in a county increases inequality levels. Descriptive results have shown that the representation of agriculture in high growth Hispanic counties declined at a significantly lower rate than among low growth counties. Accordingly, the relatively more important role of agriculture in high growth Hispanic counties is a central force accounting for their higher increase in inequality.

An industry that is growing and also playing a central role in growing inequality is construction. Higher changes in the representation of the construction industry in the county labor force positively correlate with higher changes in inequality. Again, when combined with the description presented above, the significantly higher growth of employment in construction in high growth Hispanic and non-Hispanic counties, relative to low growth counties is a central mechanism accounting for the worsening of inequality in these counties.

Other growing industries fueling inequality are services, FIRE, and public sector employment. Descriptive results showed relatively minor differences in the changes affecting these industries across county types. So, even though they account for the growing inequality over time, their contribution to explaining cross-county inequality is more limited.

Discussion

The rapid growth of the Hispanic population in rural counties, especially in new areas of Hispanic destination, has raised concerns about their contribution to growing inequality. Using a county typology that distinguishes counties based on their demographic evolution and Hispanic representation, we compare trends in inequality across counties with significant Hispanic representation, rapidly growing Hispanic populations, rapidly growing populations without Hispanic growth, and low growing or declining populations. Our theoretical model builds on expectations derived from perspectives that stress the role of growing heterogeneity and industrial change in explaining inequality.

Results documented higher increases in inequality among rapid growth Hispanic counties relative to low growth counties. However, this growing inequality is explained mostly by educational and industrial changes that to a certain extent have affected all rural counties in the same way. When compared across counties, rapidly growing Hispanic counties in fact behave very similar to other rapidly growing non-Hispanic counties. Thus, rather than something unique to Hispanic groups, changes that these counties experienced are part of broader processes of educational and industrial change that are not different from those experienced in rural counties that are also rapidly growing but not because of Hispanic in-migration.

When compared to low-growth counties two factors common to rapid growth Hispanic and non-Hispanic counties are central for understanding their higher increase in inequality, the slower reduction in educational heterogeneity and their higher growth in the representation of the construction industry in the counties' labor markets. The main factor appearing to account for the difference between rapid growth Hispanic and non-Hispanic counties is the slower decline of agriculture among the former. The fact that the agricultural industry is still a central force attracting Hispanics to rural areas, including new areas of destination, is a main mechanism behind changes in county inequality.

Rapid Hispanic growth in new rural areas of destination is a relatively recent and unique phenomenon affecting non-metro counties. Contrary to somewhat alarmist predictions that rapid Hispanic growth will increase competition among low skill workers, reducing wages and increasing rural inequality, our results show that the changes in inequality affecting rapid Hispanic counties are not all that different from broader changes affecting other rapidly growing counties. Rather than focusing on the ethnic characteristics of the in-migrant population our study highlights the importance of focusing on the industrial forces attracting Hispanics to rural areas and their impact on growing inequality.

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Figure 1: Percent change in family income Gini Coefficient, 1990 – 2000.

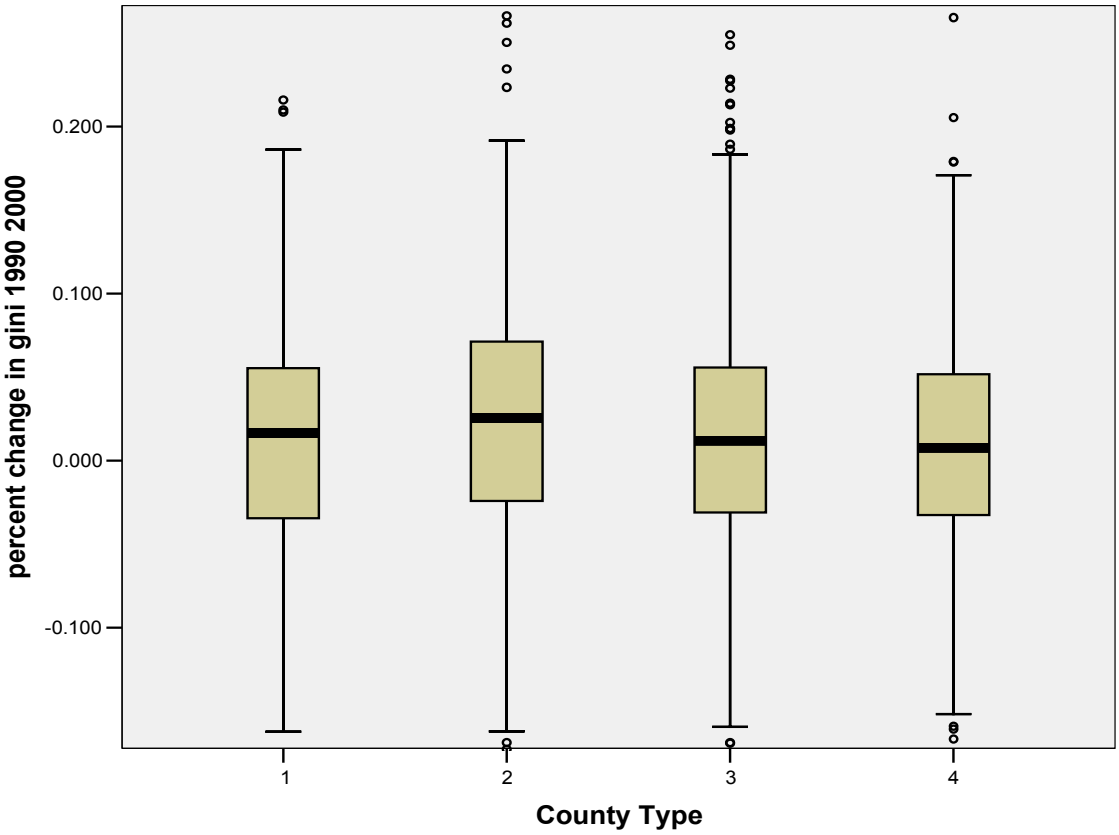

Table 2: Educational and Industrial Change across Rural County Types

	County Type					Rate of Decline/Growth		
	Difference (% in 2000 minus % in 1990)							
	Total Change	Signif Hispanic Rep	High Growth Hispanic	High Growth non-Hisp	Low Growth	Signif Hispanic Rep	High Growth Hispanic	High Growth non-Hisp
Educational Heterogeneity	-0.020	**-0.011**	**-0.016**	**-0.022**	-0.028	Slower Decline	Slower Decline	Slower Decline
Industrial change								
Industries with declining representation								
Agriculture	-0.026	-0.029	**-0.026**	-0.023	-0.030		Slower Decline	
Mining	-0.056	-0.043	**-0.064**	**-0.065**	-0.042		More Rapid Decline	More Rapid Decline
Non-Durable Goods Manuf.	-0.016	**-0.004**	**-0.023**	**-0.020**	-0.011	Slower Decline	More Rapid Decline	More Rapid Decline
Durable Goods Manuf.	-0.012	**-0.011**	**-0.016**	**-0.015**	-0.004	More Rapid Decline	More Rapid Decline	More Rapid Decline
Wholesale and Retail Trade	-0.049	-0.059	-0.047	-0.047	-0.047			
Industries with growing representation								
Construction	0.058	0.043	**0.071**	**0.070**	0.037		More Rapid Growth	More Rapid Growth
Meat Processing	0.002	0.002	**0.006**	0.001	0.000		More Rapid Growth	
Trade	0.002	0.002	0.002	0.002	0.002			
Communication	0.005	**0.002**	**0.004**	0.005	0.006	Slower Growth	Slower Growth	
Low-skill services	0.077	0.081	0.075	0.078	0.076			
High-skill services	0.006	0.004	0.008	0.006	0.006			
FIRE	0.002	0.001	**0.003**	**0.002**	0.001		More Rapid Growth	More Rapid Growth
Public sector	0.007	**0.010**	0.007	**0.005**	0.007	More Rapid Growth		More Rapid Growth

Coefficients in bold are statistically significant.

Table 3: OLS estimates of change in Gini coefficient between 1990-2000 in rural counties

	Model 1			Model 2			Model 3		
Intercept	0.441	**	(0.027)	0.431	**	(0.027)	0.424	**	(0.028)
County type (ref= Low Growth)									
High Growth Hispanic	0.008	**	(0.002)	0.005	**	(0.002)	0.002		(0.002)
Signif Hispanic Rep	0.006	**	(0.002)	0.003		(0.002)	0.003		(0.002)
High Growth non-Hisp	0.006	**	(0.002)	0.004	**	(0.002)	0.000		(0.002)
Previous inequality level									
Gini coefficient in 1990	-0.341	**	(0.016)	-0.385	**	(0.016)	-0.390	**	(0.016)
Change in demographic and socioeconomic characteristics									
% age 65 and over	0.117	**	(0.041)	0.098	**	(0.040)	0.033		(0.042)
% Female Headed Housholds	0.316	**	(0.039)	0.308	**	(0.038)	0.255	**	(0.038)
Unemployment	-0.001		(0.027)	0.013		(0.027)	0.012		(0.027)
Log of median family income	-0.034	**	(0.003)	-0.030	**	(0.003)	-0.029	**	(0.003)
Change in educational Heterogeneity				0.187	**	(0.018)	0.164	**	(0.018)
Industrial change (ref= Non-Durable Goods Manufacturing)									
Industries with declining representation									
Agriculture							0.195	**	(0.023)
Mining							0.052	*	(0.031)
Durable Goods Manuf.							0.057	**	(0.016)
Wholesale and Retail Trade							0.056	**	(0.024)
Industries with growing representation									
Construction							0.125	**	(0.025)
Meat Processing							-0.101		(0.119)
Trade							0.045		(0.049)
Communication							0.079		(0.055)
Low-skill services							0.080	**	(0.029)
High-skill services							0.118	**	(0.025)
FIRE							0.133	**	(0.056)
Public sector							0.115	**	(0.037)
Adjusted R-squared	0.227			0.266			0.308		
N	2000			2000			2000		