

Theme Overview: Rural Development Implications One Year after COVID-19

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JEL Classifications: I15, O13, O18, Q1

Keywords: Agriculture, Investment needs, Recovery, Rural-urban differences

The COVID-19 pandemic has had far-reaching impacts on most sectors of the U.S. economy, and these impacts have been uneven across rural and urban areas. On the one hand, rural areas were already lagging behind urban areas in many sectors before the pandemic (Ajilore and Willingham, 2019; U.S. Department of Agriculture, 2018), including in terms of educational attainment, access to health care and broadband, and general economic progress (e.g., Dobis et al. 2020; Goetz, Partridge, and Stephens, 2018). On the other hand, lower rural population density and greater reliance on personal as opposed to public transportation likely reduced the rural populations' exposure to the virus (Goetz et al., 2020).

This special theme issue was commissioned by the Council on Food, Agriculture and Resource Economics (C-FARE) to examine how COVID-19 affected rural areas and prepared in collaboration with the Northeast Regional Center for Rural Development on behalf of the Regional Rural Development Centers (RRDCs). Mueller et al. (2021) find an urban bias for COVID-19 research and available data that overlooks 47 million people. The eight papers in this collection examine multiple impacts of the pandemic as well as the effects of selected federal policies designed to mitigate adverse impacts. The papers consider employment and job loss trends across rural and urban areas associated with the pandemic, the impacts on agriculture—including differences between crop and livestock farmers, and impacts on other specific sectors of the economy, including tourism, childcare, banking, and healthcare facilities. A final paper focuses on the critical role of broadband in providing educational and healthcare services during the pandemic. Most of the papers highlight economic development challenges faced by rural communities that were made clearer or exacerbated by the COVID-19 pandemic. To bounce back to pre-pandemic levels, public policy interventions will be needed beyond short-term emergency levels.

Articles in this Theme:

- **Lost and Found? Job Loss and Recovery in Rural America during COVID-19**
Seung Jin Cho, Jun Yeong Lee, and John V. Winters
- **Impact of the Paycheck Protection Program on U.S. Producers**
Anil K. Giri, Dipak Subedi, E. Wesley F. Peterson, and Tia M. McDonald
- **Rural Counties That Rely on Dairy and Animal Agriculture Saw Higher Unemployment Rates due to COVID-19**
Andrew W. Stevens and Daniel W. Bromley
- ***title of paper***
Brown, Basak-Smith, Bradley, Stearns, Morzillo, and Park
- **After COVID-19, Will Child Care Survive in Rural Areas?**
Elizabeth E. Davis, Hasan Tosun, and Mallory Warner-Richter
- ***title of paper***
Cho and Rupasingha
- **COVID-19, the Accelerated Adoption of Digital Technologies, and the Changing Landscape of Branch Banking**
Wade H. Litt
- **COVID-19 and Rural Broadband: A Call to Action or More of the Same?**
Brian E. Whitacre

Cho, Lee and Winters compare trends in employment rates in rural and urban areas in 2020, finding that rural areas experienced overall smaller declines compared to urban areas, with their higher population densities, even as rural COVID-19 monthly infection rates started to exceed those in urban areas after August 2020. The authors report that, within rural areas, those with higher

infection rates also experienced higher short-term employment losses. In particular, counties with above-median rates of infection saw an average employment loss of 3.6% compared to a loss of 2.1% in counties experiencing rates of infection below the median. The authors also suggest that lower vaccination rates because of greater skepticism in rural areas will reduce the speed with which employment is able to rebound.

The second and third papers in this issue examine differences in how the pandemic impacted livestock and crop farming. Giri, Peterson, and McDonald examine how the level of payments to farmers made under the Paycheck Protection Program (PPP) compared with actual farm expenditures on hired labor nationally. They find differences in the average cost of job retention for livestock versus crop farmers as well as notable differences across states. They also suggest that the PPP's impact was reduced in rural areas because of lower relative participation. Stevens and Bromley report that counties in Michigan, Wisconsin, and Minnesota with more livestock-intensive production were more adversely impacted than those in which crop farming was important because of the differences in labor intensity of production.

Brown, Basak-Smith, Bradley, Stearns, Morzillo and Park discuss the tremendous surge in interest in rural trail use associated with the COVID-19 pandemic. Documented immediate and longer-term increases in outdoor space use pose both challenges and opportunities for trail and environmental management, public health, economic asset development, equity, and access. The possibility that more rural people are engaging in physical activity on trails may be a positive sign for public health in rural communities affected by COVID-19. That said, while the number of users has increased, the distance traveled per user decreased. The paper raises so many yet-to-be-answered questions. Continued trail and use monitoring will be necessary to identify how resource allocation should best be managed and where additional resources will ensure continued recreational use as well as environmental preservation.

Davis, Tosum, and Warner-Richter discuss the childcare implications of COVID-19. Childcare provision as a critical infrastructure support to full employment in rural areas was already a topic of policy discussion before the pandemic (e.g., Schmidt, Goetz, and Tian, 2021). Facility closures impacted not only families of essential workers who had few other options but also families who had to home-school older children in addition to caring for younger children. In some cases, this caused a triple threat of needing to work, provide schooling for older children, and care for younger, preschool-aged family members. Prepandemic, 60% of rural households resided in "childcare deserts." With the possibility of

now-closed facilities unable to remain solvent, there are clear implications for rural employment post-pandemic.

Cho and Rupasingha discuss the USDA's Community Facilities Programs (CF) funding to health facilities in rural communities and investigate the impact of the program on COVID-19 death rates in CF health-funded counties over 2016–2020. Pre-pandemic, of 116 U.S. counties without a medical clinic or hospital, 83% were located in nonmetro counties; 77% of counties without an intensive care unit were also in nonmetro counties. Clearly, the pandemic brought these statistics to the forefront, with negative impacts including higher death rates from COVID-19 in rural relative to urban areas. However, regardless of rurality, CF health-funded counties had statistically significantly lower COVID-19 case and death rates. As with other studies focused on policy impacts on rural populations, the authors conclude that attention must remain on policy solutions to health disparities in a post-pandemic society.

Litt highlights the increasing decline of bank branches during COVID-19, which began long before the pandemic. As with employment, health, and education, the pandemic has increased digitization of the banking industry, which accelerated due to the 2009 Dodd–Frank Act. The author concludes that the number of bank branch closures will continue to increase in coming years. We can expect rural communities to continue to be adversely impacted by bank closures precipitated by the COVID-19 pandemic since bank closures, even in crowded markets, are shown to decrease local credit supply as lender-specific relationships are hard to replace and alternative financial service providers like check cashing outlets, payday lenders, and other relatively high-priced services fill the financial void.

Whitacre presents a general picture of broadband progress in rural America prior to the COVID-19 pandemic, summarizes broadband-related legislation passed as part of the response, and highlights rural experiences with schooling and healthcare during the transition to a more online-dominant environment. It is not news that rural areas lag behind their urban counterparts in the availability and adoption of broadband, gaps commonly referred to as the rural–urban version of the "digital divide." The COVID-19 pandemic has both highlighted an on-going problem and provided crisis interventions: Providers have lowered cost and increased access, albeit not necessarily "in home." This had implications for increasing access to both school and (tele-) health care: Very few homes with school-age children reported having their Internet service paid for by an outside source, and rural residents remained less likely to use telehealth. Post-pandemic, the work of both increasing access to in terms of building infrastructure and decreasing disparities in broadband use by rural residents will be necessary.

Overall, the eight papers in this issue suggest more severe impacts of the COVID-19 pandemic on rural compared to urban communities. Lack of infrastructure—including financial institutions and health care facilities, limited employment opportunities, and limited childcare access and affordability—all coexisted with a lack of broadband infrastructure even before the pandemic. The pandemic amplified the effects of this deficit, not only in education and medicine but also in terms of e-commerce. In the short term, public policy interventions on an emergency basis helped prevent the collapse of rural communities and their economies. However, a continued focus on longer-term policy solutions and public investments will be necessary. The fact that many rural communities may be uniquely vulnerable to the pandemic's physical and economic impacts implies that recovery plans will look very different from those designed for urban areas (Mueller et al., 2021). The

papers in this issue provide some evidence of rural America's needs.

Current policy proposals by the Biden–Harris administration designed to “build back better” offer the prospect of redressing past rural investment neglect as well as the opportunity to take advantage of a renewed interest in rural America brought about by the pandemic.¹ Broadband access for 100% of Americans is clearly outlined, as is an increase in the number of community health centers. President Biden's discretionary fund specifically points to rural economic development, including for farmers and ranchers, and environmental protection in addition to broadband initiatives (U.S. Department of Agriculture, 2021). Attention to agriculture as a component of rural revitalization is critical. But it also includes opportunities to rebuild communities with newly increased population caused by pandemic-induced urban to rural migration.

For More Information

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¹ See <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>.

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Acknowledgments: We would like to thank the Council on Food, Agriculture, and Resource Economics (C-FARE) and the Choices editors and team for the opportunity to guest edit this special issue.

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