

providing the same services to concentrations of people in urban places. The future also holds a demand for more intergovernmental cooperation among counties and between counties and their central cities to provide airports, sewage, and refuse disposal.

Rural people have been demanding and providing urban type services for themselves. Rural governments have remained relatively constant in their structure while additional services have been added. Reapportionment is resulting in a power shift that is increasing the withdrawal of urban resources from rural areas, and probably will continue to do so.

PUBLIC SERVICES IN RURAL AREAS

PUBLIC SERVICES in rural areas often are inferior to those provided in urban areas. This is especially true of services financed from local revenue. Among the most common areas of inadequacy are education and health.

In 1968, the National Education Association reported that in the 38 States which identified their need for teachers, all reported a shortage in rural areas. Because of these conditions, many rural areas have been forced to employ teachers with below-average or substandard qualifications.

Inadequate salaries are probably the major reason why rural areas have not been able to recruit qualified teachers. Some rural districts have paid their teachers only about a third as much as some metropolitan districts. In part, this results from lack of revenue due to a sparse population and the lower incomes of rural residents.

Other evidence of inadequate educational services is the fact that rural

students have scored lower on standard tests than their urban counterparts. One recent report showed that when achievement tests on verbal ability, reading comprehension, and mathematics were given to students in 1965, nonmetropolitan youth scored considerably below the metropolitan youth.

Nonmetropolitan white 12th graders in the United States average about one grade level below metropolitan white 12th graders in the Northeast. Nonmetropolitan Negro students scored about one and one-half grade levels below the metropolitan Negro 12th grader in the Northeast.

It appears that fewer rural students than urban students are finishing high school. In 1965, 12 percent of the 16 and 17 year old children in nonmetropolitan areas had not completed school and were not enrolled. In comparison, 8 percent of the 16 and 17 year olds in metropolitan areas were in this category.

Rural health services generally are inferior to urban health services in several important respects. The first and most important is that there are fewer physicians and dentists per capita in rural areas. Also, there are fewer specialists.

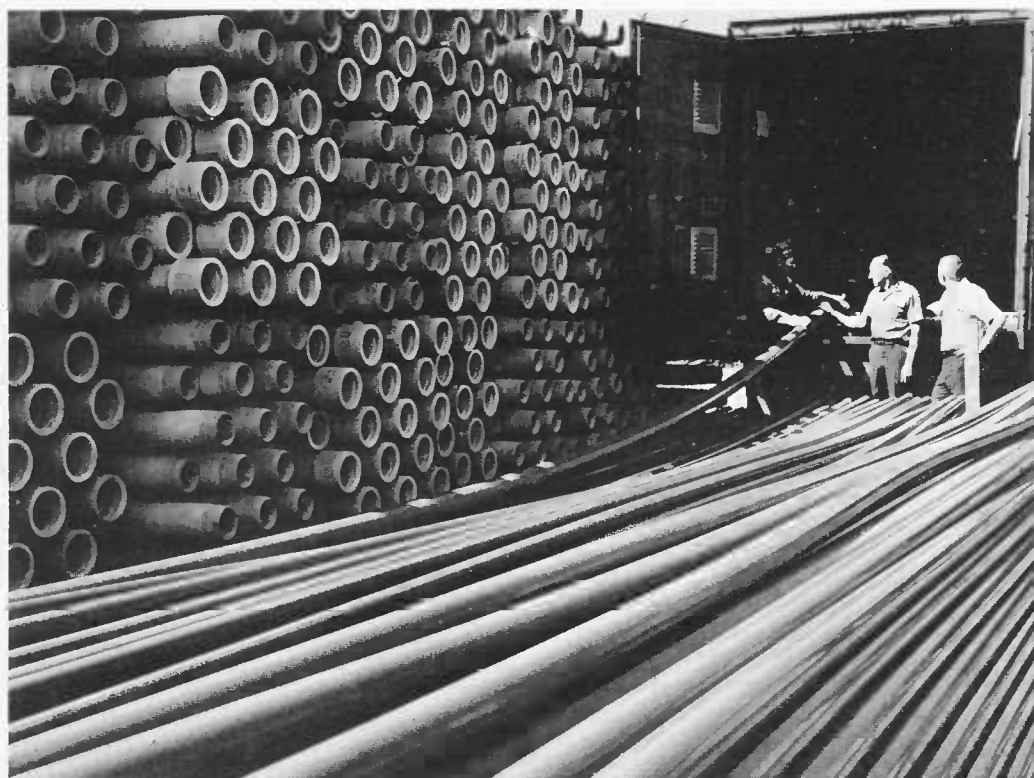
Rural areas commonly have fewer hospital beds per capita than urban areas. When hospitals do exist in rural areas they often are very small and have limited equipment. And a smaller proportion of the rural population has hospital and medical insurance than is the case with the urban population.

Lack of these medical services and other reasons have led to the rural family visiting the doctor about three-fourths as often as the urban family, and the dentist only a third as often. The fact that the chronic disability



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rate is twice as high among rural residents indicates the need for medical services in rural areas is far from being met.

Adequate public water and sewage systems are considered a prerequisite for maintaining community health. In 1968, about 33,000 communities in the United States lacked a public water system, and 43,000 lacked an adequate sewage system. Almost all of these communities were in rural America.

Of course, each region of the country does not need the same services, in the same amounts. An area with a large population of older people with

Above, some of nearly 60 miles of pipe for Umpqua Basin Water System in Oregon, financed with Farmers Home Administration loan. System serves about 800 rural families. Left, rural resident pumps water from cistern before new water system was completed.

low incomes, for example, needs more public health services than does an area in which most of the people are young, healthy, and working.

A lack of elbowroom produces another kind of need for services. Children shooting BB guns on a farm a mile down the road are not a serious problem for the typical rural resident; children shooting a BB gun in the lot next door are a problem for the typical small town resident. The town needs regulatory services.

A more subtle cause for differences in service levels is the differences in people's desire to meet their problems through public action. Decisions on tax levels and the size of the budget for various services are really decisions on the allocation of our incomes among the various goods and services that are available to us—both public and private.

In a democratic society, these decisions are made collectively by the citizens of each governmental unit, and the citizens of neighboring communities may reach a different set of decisions.

Nearly three-fourths of the money to finance local government services comes from two sources, State and Federal aid and the property tax. While separate statistics are not available for rural areas, it seems likely that these two sources account for an even larger part of the revenues of rural local governments. These governments typically have fewer alternatives available for obtaining revenue through other types of taxation and service charges than larger communities.

State and Federal aid to local governments has been one of the rapidly growing areas in public finances. This aid almost tripled from the 1957 level of \$7.7 billion to \$20.4 billion in 1967. During the same period, Federal aid paid directly to local governments rose from \$0.3 billion to \$1.9 billion—an increase of more than six times. Furthermore, the typical pattern of Federal aid programs is to channel the money through the States. Statistics

are not available to estimate the amount of the increase in State aid which was actually financed by increases in Federal aid to the States.

As our population becomes more mobile, and as we become more urbanized, the quality of the services which our neighbors in other parts of the State get from their governments become more important to us. Congress and the State legislatures have recognized this concern by providing assistance to local governments so that they are able to provide minimum levels of services to all citizens.

The property tax is the mainstay of local revenues, and it has proved an effective one. Property tax collections by local governments doubled from 1957 to 1967, to reach a total of \$25 billion in 1967.

This tax has a number of advantages for local governments. The revenue it will produce can easily be predicted; property taxes fluctuate much less with business conditions than do sales taxes and similar sources of funds. Property, or at least real estate, is difficult to hide, so evasion problems are not serious. And, compared with an income tax, the property tax is easy for small local units to administer.

Nevertheless, the property tax has a number of problems which must be resolved if it is to meet the increasing needs for local revenue.

One of the most important problems is how to improve the quality of administration. Most of the property is assessed locally by a poorly-paid elected official. He is required to assess a multitude of properties in a short time period. Inequitable assessments often are the results.

When property tax rates rise, these inequities become much more serious, and public confidence in the property tax is undermined.

Sources of State revenues are more varied. A large element, however, is the aid the States receive from the Federal Government. This amounted to some \$14.9 billion in 1967, four times its level in 1957. It is mostly for specific categories of functions.

In fiscal 1968, 30 percent of all Federal grants were for public assistance programs (to the aged, disabled, dependent children, etc.). Another 24 percent were for highway construction, 15 percent for education, and 5 percent for health services and facilities.

For a variety of reasons, States usually can administer income and sales taxes more easily than local governments can. Hence, many people now feel that a promising supplement to the local property tax can be found in the "piggy back" sales or income tax.

Under this arrangement, the local unit levies a tax as a supplement to the State sales or income tax, and the State collects the tax at the same time it collects its own tax. The local portion is then sent back to the local government.

These taxes can be arranged so that the local unit can set its own tax rate (collecting, for example, some percentage of the tax that's due the State), thus preserving the opportunity for local citizens to decide how much of their incomes they want to devote to local governmental services.

A second source of new funds for local services is increased State and Federal aid. As we noted above, this aid has increased rapidly in recent years. There appears to be no reason to expect that this rapid growth will diminish.

What some observers consider the greatly superior revenue raising ability of the Federal Government, coupled with large and growing needs for services at the State and local level, has led to another proposal to help finance local services—Federal revenue sharing.

Under this proposal, the Federal Government would earmark some portion of its income tax revenues to be returned, each year, to the States. The revenues would be apportioned among the States according to a relatively simple formula, and the grants would have few strings attached to them.

Many of these proposals, however, do call for specific requirements that the States, in turn, pass at least a certain fraction of the money on to cities, school districts, and other local units of government. Except for minimum requirements like these, the States would be free to use the revenue whatever way they felt would do the most good.

To sum up, the property tax continues to be the primary source of revenue for financing local government services in rural areas. But other sources are being investigated, to provide an equitable and adequate basis for financing improvements in these services. Whether one of the alternatives we have described, or some alternative not yet devised, will largely replace the property tax is a question only the future can answer.

If the future is to hold promise for rural America, however, it is clear that efforts must be intensified to provide adequate services to rural Americans. We can see that considerable strides have been made in public services in recent decades, but it is less clear that these strides have kept pace with the rapid strides in technology and the increasing complexity of our society.

Schools, by and large, are much better than they were 50 years ago in rural areas—but the amount that a rural child must learn in school to function effectively in our modern economy also has increased greatly.

Medical technology has learned how to cure many diseases that formerly were almost invariably fatal—but we have not developed adequate means of delivering this technology to rural residents.

Our highway programs have succeeded in paving thousands of miles of dirt roads—but many of these roads are inadequate for modern cars and high traffic densities.

Solving these problems will take cooperative efforts by many people. Social and physical scientists must develop alternative approaches that can be used to provide improved services. Public policy makers must

develop the public programs that are needed. And, most important, both rural and urban citizens must think, discuss, decide what they want, and communicate those decisions to their elected representatives at all levels of government.

munities that can afford to do so have built larger schools to serve pupils from a wider area.

Experts have concluded that a high school can't adequately prepare its students for modern living and working unless it graduates a class of at least 100. Science and language laboratories and many other needs can only be provided if they can be used by a large number of students and so reduce the cost per student for modern education.

Communities that join together to provide these better schools can pay higher teacher salaries, since each teacher can usually instruct more students. And the teachers can specialize so that students are taught chemistry by a science major and not the English teacher filling in. Teachers also have more training and promotion opportunities. So there's a good chance a large school can maintain its standards of excellence.

Rural areas have a widespread need for joining together to provide better services to all their citizens. The need for school consolidation is one of the most general and most obvious. In some areas, it is one of the most difficult needs to meet. New ways of working together must be forged by individual districts and counties that have very little technical support and very limited budgets.

In some sparsely populated areas, school consolidation is not feasible. New techniques are needed to provide adequate services to citizens who must live there.

Jim Smith didn't have the advantage of a first-class education. And he's paying the penalty. Jim grew up in rural Michigan. It could have been rural Anywhere.

In 1912, the number of Michigan school districts reached its peak of 7,362. By 1943, there were still 6,239 separate school districts.

During 1944, the Michigan Public

TOGETHERNESS FOR COUNTIES

AMERICANS can walk on the moon. Galloping technology is changing the lives of all Americans back on earth, too.

Multi-county areas help us make these changes.

They symbolize the way we harness technology to benefit all citizens. That way is cooperative planning. Neighboring local governments and communities plan together. They cooperate on projects and programs to cut costs and provide services they could not provide alone. State and Federal agencies help with money and with technicians.

"Thanks to school consolidation, my boys will have a much better chance in life than I ever had. And they need a much better education. Everything is technical now."

Jim Smith was making a strong pitch for multi-county planning and related multi-county program development to spell out the priority needs of local citizens and respond to those needs as rapidly and cheaply as possible. The one-teacher school still meets a basic need for education in sparsely populated areas. As recently as 1966, there were still over 73,000 of them.

Most of us know some outstanding people who started their education in very small schools. Still, many com-

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