Latino Colonization in Rural California: The Emergence of Economic Patchwork

Elaine M. Allensworth*
Refugio I. Rochin**

Abstract

In USA, communities with higher concentrations of Latinos tend to have greater poverty, lower median incomes, and smaller proportions of residents with high school or college degrees. Most studies have focused on immigration from Mexico and other parts of Latin America as the cause of these correlations. However, these studies have neglected the concurrent changes that are occurring with the non-Latino white population. Therefore, this paper examines both the growth and loss of non-Hispanic white population and the growth of Latino population, to better understand the relationship between ethnicity and community economic well-being. We find that it is not increasing Latino population, but Non-Latino white population growth and loss that accounts for the increasing inequality among rural places. This suggests that policies to limit white emigration, rather than programs focusing on Latino immigration, would better address the increasing socio-economic inequalities between rural places.

Resumen

En Estados Unidos, las comunidades con altas concentraciones de hispanos tienden a ser más pobres, a tener un ingreso medio menor y menores proporciones de residentes con educación media y superior. La mayoría de los estudios se han concentrado en ver a la inmigración de México y otras partes de Latinoamérica como la causa de estas correlaciones. Sin embargo, estos estudios no han tomado en cuenta los cambios concurrentes que suceden con la población blanca no hispana. Así pues, para comprender mejor la relación entre etnicidad y bienestar económico de la comunidad, este trabajo examina tanto el crecimiento y la pérdida de población blanca no hispana, como el crecimiento de la población hispana. Hemos encontrado que no es el crecimiento de la población hispana, sino el crecimiento y pérdida de la población blanca no hispana, la que causa la creciente desigualdad en áreas rurales. Esto sugiere que las políticas para limitar la emigración de blancos, en vez de los programas enfocados a la inmigración hispana, abordarían mejor las crecientes desigualdades socioeconómicas que existen entre las áreas rurales.

*Investigador del Julian Zamora Research Institute de la Universidad Estatal de Michigan. E-mail: elaine.allensworth@ssc.msu.edu.
**Investigador del Julian Zamora Research Institute de la Universidad Estatal de Michigan. E-mail: rochin@pi-lot.msu.edu.

145

In 1950, rural communities in California were largely populated by non-Hispanic white persons. But beginning in 1970, and especially during the 1980s and 1990s, the white/Latino proportions changed dramatically, so that some places became almost completely composed of Latino residents. While Latinos have lived as numerical minorities within "barrios" of rural California communities for many decades, they are now becoming the numerical majorities in many locations (Rochin and Lopez, 1995).

Comparison of economic indicators of rural places by their ethnic composition reveals disturbing conditions in communities with higher proportions of Latino residents. Both the 1980 and 1990 census showed that communities with higher percentages of Latino residents were significantly more disadvantaged than communities with lower percentages of Latino residents in terms of educational attainment, unemployment, self-employment, and poverty (Allensworth and Rochin, 1995; Castillo, 1991; Rochin and Lopez, 1995; SCR 43 Task Force, 1989). In 1990, for example, the average per capita income among all rural places in California was $12,461. But in places that were over 50 percent Latino, the mean per capita income was only $7,011. The mean poverty rate of rural places was 15 percent, but in Latino communities the mean poverty rate was 28 percent. The mean percentages of adults with high school and college degrees across all rural places were 69 percent and 13 percent, respectively. Across places that were over 50 percent Latino these means were only 37 percent, and four percent, respectively.

Furthermore, the relationships between ethnicity and these socio-economic indicators were stronger in 1990 than in 1980 (Rochin and Lopez, 1995). In 1980 a one percent increase in Latino population was associated with .173 percent more people in poverty, while in 1990 the percentage of people in poverty increased by .285 for each percentage of the population that was Latino. In 1980, a one percent increase in Latino population was associated with an average of .51 percent fewer adults with a high school degree, and .08 percent fewer adults with some college education. By 1990, these coefficients had increased to .64 and .15, respectively (Rochin and Lopez, 1995).

The assumption of most research on conditions in rural California has been that places with larger proportions of Latinos have lower socio-economic well-being because of increasing Latino farmworker population (e.g., Palerm, 1991; Rochin and Lopez, 1995; Taylor, 1995). However, the ethnic composition of these communities is determined not only by the size of their Latino population, but also by the size of their non-Latino white population.[1] Obviously, Latino concentration would increase over the decade with decline in non-Latino population, even if there was no growth in Latinos. It is possible that the correlations between Latino population concentration and community economic well-being are a result of declining non-Latino white population rather than increasing Latino population, or a combination of the two processes. While Latino population grew between 1980 and 1990 in virtually all rural places in California, non-Latino population growth varied greatly, declining in most places, but growing dramatically in others (Allensworth and Rochin, 1996). Analysis of patterns of Latino and non-Latino population growth among rural California places shows three general patterns: 1) places that lost non-Latino population while gaining

---

1 Over 95% of the population of these rural communities are either "white, non-Latino" or "Latino."

Latino population (about 50% of places);

2) places that gained both Latino and non-Latino population, but experienced disproportionately more Latino population growth (about 25% of places); and 3) places that experienced proportional increases in both Latino and non-Latino population (22% of places).

Therefore, we pose the following questions:

1) Is the relationship between community well-being and ethnic composition associated only with increasing Latino population, or is it related to changes in both Latino and non-Latino population?

2) How do economic conditions differ in places that lost non-Latino population, compared to places that gained non-Latinos? And

3) Which best explains the relationship between ethnicity and community economic well-being: loss of non-Latino population, or disproportionate growth 01 Latino population?

Theoretical Explanations for the Relationship Between Ethnicity and Community Well-Being

Immigration-Blame Perspective: Agricultural Restructuring, Farmworker Exploitation, and Wage Competition

While rural Latino communities show high poverty and unemployment rates, most are located within one of the most profitable agricultural regions of the country. Crop industries within the top three California farm counties generate over seven billion dollars in annual agricultural revenues, but these same counties contain some of the poorest communities in California (Kriss-man, 1995). Dependency theory explains that development or economic advantage of one area or group is achieved at the expense of another. From this perspective, the success of California's food industry can be viewed as developing from the exploitation of farm laborers.

Goldschmidt in 1947 documented the social consequences of industrialized agriculture, suggesting that large farms with hired labor promote community inequality and lower community well being. He found that the socioeconomic relations in one small town (Arvin) had become more like those characteristic of a highly differentiated urban economy than an agricultural town, due to its dependence on large farms with hired labor. His comparison town (Dinuba) was supported by smaller, family-operated farms. Arvin farms were bigger and farm revenue was six times more, but Dinuba had twice the local commerce, 20% higher median incomes, over twice as much self-employment, more advanced community infrastructure, more and better schools, more democratic local institutions, and more civic organizations (Goldschmidt, 1978).

Goldschmidt suggested that farm labor become professionalized, like manufacturing labor was. However, just as manufacturing work is becoming increasingly informalized through contract work, so agricultural labor in California is becoming even less formal through the use of farm labor contractors (Krissman, 1995; Martin, 1995).[2] Agriculture in California has long relied on a mobile, flexible labor force, a labor model which is increasingly embraced by all economic sectors (Galarza, 1977). These past several decades have seen a shift from core sector employment

2   Growers use labor contractors to undermine laws pertaining to documentation, wages, benefits, and un employment insurance (Krissman, 1995; Martin, 1995).

to more secondary sector employment, and formal sector work to more informal sector work. The restructuring of agricultural labor can, therefore, be viewed as part of a general trend observed in industrial restructuring, in which production is becoming increasingly decentralized, contracted out to peripheral firms. There is evidence that rural communities are especially vulnerable to trends in restructuring because of their lack of economic power, lower educational levels, and less diversity in employment (Davidson, 1990; Flora et al., 1992).

From this perspective, Latino population growth is seen to lower community economic health through wage competition and encouragement of further restructuring, both in agriculture and industry. According to the subordination thesis, increasing minority population can accentuate competition for particular jobs, so that minority workers are more easily exploited as a source of cheap labor (Tienda and Lii, 1987). Such a perspective is consistent with a neoclassical economic view of labor supply and demand, that a constantly increasing supply of low-wage labor lowers wages for both new and established migrants. As a result, immigration has been blamed for the low earnings and unstable employment of California's farm workers (e.g., Krissman, 1995; Martin, 1995; Rochin and Lopez, 1995). Recent economic research has shown that immigration *can* have negative effects on local communities, slightly increasing underemployment, poverty, and public assistance use, although raising mean incomes (Taylor, 1995). In other words, the employment opportunities and earnings of low-skill workers are slightly reduced with increased immigration, although the prospects for economic growth of the community as a whole (especially those who can take advantage of cheap and abundant labor) are increased.

If it is immigration that is making communities poor, then there should be strong correlations between growth in Latino population and communities' socio-economic indicators. Therefore,

HI: Those places that experienced the most growth in Latino population from 1980 to 1990 showed the largest growth in poverty rates and the smallest growth in median income and education levels over the same period.

Ethnic Conflict— White Exodus

In rural California, Anglo reactions to increased Mexican immigration have historically brought about two trends, both with negative implications: economic and divisions based on ethnicity, and white flight. Several case studies show evidence that established white residents often do not recognize immigrants as part of their community, and do not recognize their needs in community development efforts (e.g., Palerm, 1991; Runsten, Kissam, and Intili, 1995)[3]. Ethnic and class divisions between local elites and immigrants have resulted in fractured communities, within which the elite has tried to develop the local economy not through residents' demands for

---

3   The towns of Fillmore and McFarland are two examples of this process. While the Latino populations of both communities have grown, strict boundaries exist between the Latino and white sides of town, and community development moneys have been spent predominantly on the white side of town (Palerm, 1991). Parlier, another farm worker town, is almost entirely Latino, and has been politically controlled by local Chicanos for 20 years. Economic power, however, is held by Anglo and Japanese growers, so that Chicano leadership in government led to increased community services, but not to economic growth, better wages, or better working conditions for Latino farm workers (Rusten, Kissam, and Intili, 1995).

social equity, but through real estate speculation, and their own self interest (Krissman, 1995).

Furthermore, there is reason to believe that white migration from many of the rural places where Latinos are settling is due, at least in part, to anti-immigrant, anti-Latino, or anti-farmworker feelings. Three of four rural Latino communities profiled by Palerm (1991) indicate increased ethnic conflict between whites and Latinos as the Latino population increased in size. In one community, the white population seemed to leave as the Latino population moved in. Two others divided into distinct ethnic neighborhoods, with most of the community resources invested in the white side of town, and conflict erupting based on ethnicity. Furthermore, the hypothesis that increasing minority representation in a place encourages outmigration of majority group members is not new. "White flight" from urban areas has been consistently blamed on whites' fear of integration with Blacks, and their fear that property values will decline with greater numbers of minority residents (Fox, 1985; James, 1990).

In both central city and rural areas, outmigration of middle-class residents has been seen to cripple local communities (Luloff, 1990; James, 1990; Flora *et al.,* 1992). White residents tend to be more affluent and better educated than Mexican-origin residents (Bean *et al.,* 1994; Taylor, 1995), so communities that experience outmigration of whites lose financial capital for potential community investment, and human capital for future growth. Furthermore, any economic gains brought by immigration (loosening of human resource constraints, farm and firm profitability) would not accrue to a community if the farm and business owners profiting from immigrant labor resided in a different place than their workers. While Latino population grew in almost all communities in California between 1980 and 1990, non-Latino population declined in over half of those places.

112: Those places that experienced the most growth, and the least decline, in non-Latino population from 1980 to 1990, showed the smallest growth in poverty rates and the largest growth in median income and education levels over the same period.

Data and Methods

Data for this paper are taken from the 1980 and 1990 United States Census of Population and Housing (STF3 files) for the state of California, at the level of "places." "Places" include all incorporated places and census designated places. Census designated places are densely settled concentrations of population that are identifiable by name, but are not legally incorporated (Bureau of the Census, 1993). Because Latinos are concentrated in specific communities within the state, the well-being of non-Latino communities is less relevant to the Latino population. Therefore, a sample of 126 communities was selected to highlight the situation of most rural Latinos for this study. The 126 communities in the sample were selected because they each have an agricultural basis of employment, exhibit rural characteristics and histories, and were at least 15 percent Latino in 1980. Data on all variables are not available for all cases, so the sample size for each statistic is listed within each table.

Comparison of the relationships between Latino/Non-Latino population growth and the socio-economic well-being of places is achieved through 1) correlations of Latino/non-Latino population growth with 1990 levels of socio-economic indicators, and with changes in these indicators from 1980 to 1990; and 2) multiple

regression direct-entry equations predicting 1990 levels of socio-economic indicators, and changes in these indicators from 1980 to 1990, with growth in both Latino and non-Latino population. While correlations and regression equations discern the relationships between population growth and changing economic well-being, they do not discern the situation of communities based on actual patterns of population growth. Therefore, comparisons are also made based on these patterns. Rural Latino communities can be classified into three types, based on growth or loss in Latino and non-Latino population from 1980 to 1990:

1) those that lost non-Latino population while gaining Latino population; 2) those that gained both Latino and non-Latino population but experienced much larger gains in Latino population, and 3) those that experienced fairly equal gains in both ethnic populations (Allensworth and Rochin 1996). These three types of communities are compared in terms of mean change in economic indicators through ONEWAY ANOVA and post-hoc Sheffé tests.

Variables

Latino population concentration is measured by the percentage of the population that reports themselves as Spanish-origin. The growth in Latino concentration from 1980 to 1990 is measured as the increase in the percentage of the population that categorizes themselves as Spanish-origin. For example, if 50 percent of the residents of a community reported themselves as Hispanic in 1980, and 75 percent reported themselves Hispanic in 1990, the value of this variable for this community would be 25.

Latino and non-Latino population growth are measured as the percentage increase in each population from 1980 to 1990.[4] For example, if the number of Latino

TABLE 1. *Correlations of Community Well-Being Indicators with Latino and Non-Latino Population Growth.*

	n	Economic Indicators	Latino Population Growth	Non-Latino Population Growth
1	58	1980-90 Growth in Poverty	-.04	-.38**
2	89	1980-90 Growth in Median Household Income	.21*	.60***
3	86	1980-90 Growth in High School Graduates	.16	.64***
4	86	1980-90 Growth in College Graduates	.10	.56***
5	123	1990 Percent of the Community in Poverty	-.16	-.33***
6	89	1990 Median Household Income	.16	.50***
7	123	1990% High School Graduates (Adults)	.22*	.43***
8	123	1990 % College Graduates (Adults)	.15	.42***

*<.05, **<.01, ***<.001

---

4   Non-Latino population growth is used in place of non-Latino white population loss to minimize confusion, as Latino population change is discussed in terms of growth instead of loss.

residents of a community increased from 1000 to 1500 between 1980 and 1990, that community had a 50% growth in Latino population. Because some communities lost Latino or non-Latino white population over this decade, the population growth variables have some negative values. For example, a community that experienced a drop in non-Latino population, from 1000 non-Latino residents in 1980 to 500 non-Latino residents in 1990 had a -50% population growth. The terms "non-Latino" and "Latino" are used rather than "white" or "Mexican-origin" so that the label corresponds to the definition used to create the population variables. However, over 95 percent of the non-Latino population is "white" and over 95 percent of the Latino population is of Mexican origin.

Socio-economic indicators used as dependent variables are: the percentage of the population in poverty, the percentage of adults over age 25 with a high school degree, the percentage of adults over age 25 with a college degree, the median household income, and the change from 1980 to 1990 in each of these indicators. For example, if 10 percent of the residents in a community were in poverty in 1980, and 20 percent were in poverty in 1990, the value for the variable representing the percentage change in poverty would be 10. Change in median income is measured in dollars.

Results

Question 1: Is the relationship between community well-being and ethnic composition associated only with increasing Latino population, or is it related to changes in both Latino and non-Latino population?

Table 1 displays correlations of Latino and non-Latino population growth from 1980 to 1990 with changes in community well-being variables, and with 1990 levels. The first row of Table 1 shows that there is no significant correlation between growth in Latino population and growth in poverty between 1980 and 1990. However, there is a significant negative relationship between growth in non-Latino population and growth in poverty (r = -.38). There is also no significant relationship between Latino population growth and growth in the percentage of either high school or college graduates in the community. There are strong relationships, however, between growth in non-Latino population and rising education levels in places from 1980 to 1990. Correlations between non-Latino population growth and growth in the percentage of adults with high school and college degrees are r = .64 and r = .56, respectively. There is a significant correlation between Latino population growth and median household income growth (r = .21). However, it is in the opposite direction of that expected by Hypothesis 1. Furthermore, the correlation between non-Latino population growth and median household income growth is much stronger (r = .64).

Rows 5 through 8 show that current (1990) levels of socio-economic indicators are also strongly correlated with non-Latino population growth, but are mostly uncorrelated to Latino population growth. Communities that saw the largest gains in non-Latino population from 1980 to 1990 currently have significantly smaller poverty rates (r = -.33), higher median household incomes (r = .50), and higher percentages of adults with high school and college degrees (r = .43 and r = .42, respectively). Places that experienced the largest gains in Latino population have significantly higher percentages of adults with high school degrees (r = .22), but this correlation is only marginally significant.

TABLE 2. *Regression Equations Predicting Community Economic Indicators with Growth in Latino and Non-Latino Population.*

Dependent Variables	n	Predictor Variables	Coefficient	Standardized Coefficient	Intercept	Adjusted R^2
1980-90 Poverty		Latino Population Growth	.016	.236		
	58	Non-Latino Population Growth	-.026***	-.507***	4.26***	.16
Growth Rate 1980-90 Household		Latino Population Growth	-11.3	-.153		
	89	Non-Latino Population Growth	36.8***	.683***	12 541***	.36
Income Growth 1980-90 Growth in		Latino Population Growth	-.019*	-.252*		
	86	Non-Latino Population Growth	.042***	.775***	4.94***	.44
H.S. Graduates 1980-90 Growth in		Latino Population Growth	-.012**	-.281**		
College Graduates	86	Non-Latino Population Growth	.022***	.707***	1.00***	.35
1990% of Population		Latino Population Growth	.003	.002		
	123	Non-Latino Population Growth	-.030***	-.344***	21.8***	.10
in Poverty 1990 Household		Latino Population Growth	-16.2	-.155		
	90	Non-Latino Population Growth	44.9***	.585***	26 920***	.25
Median Income 1990 % High		Latino Population Growth	-.002	-.011		
	123	Non-Latino Population Growth	.064***	.435***	48.9***	.17
School Graduates 1990 % College		Latino Population Growth	-.007	-.101		
	123	Non-Latino Population Growth	.024***	.470***	7.36***	.17
Graduates						

Two important conclusions can be made from this table. First, those communities that are experiencing the most growth in population, both Latino and non-Latino, are doing the best in terms of economic health. Second, increase in Latino population does not account for the declining economic conditions in rural California communities. Places that have experienced the most growth in Latino population have seen relatively *more* growth in median household incomes, while not experiencing any decline in education rates or any increase in poverty

rates. While the places where Latinos are more concentrated are those that are doing more poorly, it is not increasing Latino population that is making them poor. Instead, these correlations suggest that it is relative differences in non-Latino population growth and loss that explain the relationships between community ethnicity and economic well-being.

It is possible, however, that, controlling for changes in non-Latino population, Latino population growth does bring worsening economic conditions to communities. Therefore, Table 2 displays the results of multiple regression equations predicting socio-economic conditions with growth in both Latino and non-Latino population. The first four rows (the shaded area) display equations predicting the change in socio-economic indicators from 1980 to 1990, while the final four rows display predictions of the 1990 levels of these indicators. Coefficients represent the change (in percents or dollars) associated with a one percent increase in either Latino or Non-Latino population growth from 1980 to 1990, controlling for the other predictor. Standardized coefficients represent the change in standard deviations of the dependent variable, with an increase in the predictor variable (Latino or non-Latino population growth) of one standard deviation. Standardized coefficients are used to compare the relative importance of each population growth variable in predicting the socio-economic variable. The intercept represents the value the dependent variable would have if there were no growth in either predictor. The R2 is the variance explained by the model.

Rows one and two show that, controlling for non-Latino population growth, there is no significant relationship between growth in Latino population and growth in either poverty or median household income between 1980 and 1990. Non-Latino population growth, however, strongly predicts both growth in poverty and growth in income, controlling for Latino population growth. Controlling for Latino population growth, a one percent increase in non-Latino population is associated with a growth in poverty that is .026 percent smaller than average, and an increase in median household income that is $36.80 larger than average. While this may seem small, remember that this is only the incremental change associated with a one percent growth of non-Latino population. A 100 percent increase in non-Latino population is associated with an average of 2.6 percent less people in poverty, and an increase in median income of $3,680.

Latino population growth does significantly predict changes in education rates, controlling for non-Latino population growth. Places that experienced more growth in Latino population experienced relatively smaller growth in the percentages of their adults with high school and college degrees. Each percentage increase in Latino population is associated with a growth in high school completion rates that is .019 percent smaller than average, and a growth in college graduation rates that is .012 percent smaller than average, controlling for growth in non-Latino population. However, non-Latino population growth is much more strongly predictive of growth in the percentages of adults with high school and college education than is Latino population growth. Comparison of the standardized coefficients shows that the effect of non-Latino population growth is three times stronger than that of Latino population growth in predicting growth in the percentages of high school graduates, and two and a half times stronger for predicting growth in the percentages of college graduates.

Rows five through eight show that non-Latino growth alone significantly predicts 1990 levels of all socio-economic indica-

tors, when both Latino and non-Latino population growth are entered as predictors. Current socio-economic conditions of rural places in California cannot be attributed to past growth of Latino population. Instead, they should be attributed to growth and loss of non-Latino population. Hypothesis 1 is not supported with respect to growth in median household income and poverty rates. It is slightly supported with respect to changing education levels. Hypothesis 2 is strongly, and fully, supported. The relationship between the economic well-being and ethnic composition of places is best explained by growth and loss in non-Latino population, rather than growth of Latino population.

Questions 2 and 3: How do economic conditions differ in places that lost non-Latino population, compared to places that gained non-Latinos? Which best explains the relationship between ethnicity and community economic well-being: loss of non-Latino population, or disproportionate growth of Latino population?

TABLE 3. *Economic Indicators by Patterns of Growth in Latino and Non-Latino Population (1980 - 1990).*

		Group 1 Decrease in Non-Latinos Increase in Latinos (n=62)	Group 2 Small Increase in Non-Latinos Large increase in Latino (n=32)	Group 3 Similar Increase in Both Populations (n=28)	n
1	1980-90 *Change* percentage in Poverty•••	12.9%[2,3]	7.8%[1]	4.1%[1]	118
2	1980-90 *Change* in Median Household Income•••	$10,325[3]	$10,896[3]	$17,514[1,2]	89
3	1980-90 Change in High School Graduates•••	0.4%[2,3]	6.3%[1]	9.9%[1]	86
4	1980-90 Change in College Graduates•	-0.6%[2,3]	1.3%[1]	1.9$%[1]	86
5	1990 Percent of the Community in Poverty	26.6%[2,3]	18.4%[1,3]	13.8%[1,2]	118
6	1990 Median Household Income•••	$24,319[3]	$24,625[3]	$33,817[1,2]	89
7	1990 % High School Graduates (Adults)•••	39.4%[2,3]	60.4%[1]	65.1%[1]	118
8	1990 % College Graduates (among Adults)•••	5.5%[2,3]	9.9%[1]	10.8%[1]	86

•$p<.05$, ••$p<.01$, •••$p<.001$ — Asterisks indicate that at least two groups are significantly different, based on ONEWAY ANOVA tests.
Superscript numbers indicate which groups each figure is significantly different from ($p<.05$), determined through post-hoc 2-tail t-tests.

1990, as well as the 1990 levels, based on the community typology developed by Allensworth and Rochin (1996). This typology groups communities by the growth and loss in Latino and non-Latino population they experienced from 1980 to 1990. All but four of the places under study fall into one of three categories. The first group consists of places that lost non-Latino population between 1980 and 1990, but gained Latino population. The second group consists of places that gained both Latino and non-Latino population, but experienced much larger gains in Latino population. The third type of place experienced gains in both populations at relatively similar rates. By comparing changes in the socio-economic indicators among these types of communities, the correlations described above can be interpreted in terms of the actual changes that have occurred in rural places.

Row 1 of Table 3 shows that, on average, all three types of places experienced growth in the percentage of residents in poverty between 1980 and 1990. However, places that experienced declining non-Latino population (Group 1) experienced much larger increases in poverty rates than did places that gained non-Latino population (an increase of 12.9%, compared to gains in poverty of 7.8% and 4.1% in Groups 2 and 3, respectively). Similarly, while all three types of places experienced increases in the percentage of adults who had graduated from high school, these gains were, on average, much smaller in communities that lost non-Latinos (0.4%, compared to 6.3% and 9.9%, respectively). Furthermore, Group 1 places experienced a decline in the percentage of adults with college degrees between 1980 and 1990, while places with growing non-Latino population experienced an increase in this measure, regardless of their changing ethnicity. Therefore, loss of non-Latino population clearly is associated with worsening poverty rates and education levels more so than changing ethnicity.

Growth in median income, however, shows a different pattern than the other socio-economic indicators. Communities that experienced increasing "Latinization" between 1980 and 1990 showed much smaller increases in median income, regardless of whether they gained or lost non-Latinos, than did places that showed similar gains in both populations. Furthermore, this is not due to a higher median income level among Group 3 places in 1980. Subtracting the growth in median income (Row 4) from the 1990 median income levels (Row 8) shows that in 1980 the average median income was similar in all three types of communities. However, between 1980 and 1990 communities that experienced proportional increases in both Latino and non-Latino population saw much larger gains in income.

Rows 6 and 7 show that 1990 levels of education have the same pattern among the types of places as do changes in education levels from 1980 to 1990. Places that lost non-Latino population have significantly lower levels of education than do places that gained non-Latino population. Poverty levels, however, are significantly different in all three groups — highest in places that lost non-Latinos in the 1980s, and lowest in places with proportional ethnic gains.

In summary, *loss of* non-Latino population, rather than growth of this population or growth of Latino population, best explains relative differences among rural places in the growth of their poverty and education levels from 1980 to 1990. *Growth* of non-Latino population, however, better explains which communities experienced the largest gains in median household income. Poverty rates, which are affected by both education and income

levels, are related to both growth and loss of non-Latino population. In other words, people with higher levels of education are leaving Type 1 places and settling in Type 2 and 3 places. Most likely Type 1 places are seen as deteriorating communities with little opportunity for skilled work. People with the highest incomes, however, are moving to type 3 places — places of more Anglo (less Latino) ethnicity. These Type 3 places might be booming because of greater employment opportunities. But they might also be perceived as higher status places, attracting people who can most afford to live there.

Discussion and Conclusions

Contrary to popular opinion, increasing Latino population is not the cause of the lower socio-economic conditions in communities with higher percentages of Latinos. Instead, it is non-Latino population growth and loss that best explains the relationship between community ethnicity and socio-economic well-being. Loss of non-Latino population means loss of better-educated, higher earning residents. Gains in non-Latino population mean gains in higher-earning residents. Latinos are more likely to be located in communities that are doing poorly, but it is not increasing Latino population that has made them poor.

We can not say, however, what the causal order is between changing ethnicity and economic well-being. It is possible that the changing ethnicity reflects changing economic conditions. That is, residents with more education and higher incomes (i.e., non-Latinos) moved disproportionately to places with better economic prospects. Poor economic conditions in Group 1 communities might have prompted non-Latinos (whites) to leave them, while good economic conditions in Group 3 communities, such as the installation of a new factory or prison, attracted people to these places. It is also possible that it is the changing ethnicity of the communities that has brought the changing economic conditions. Places that experienced growth of non-Latinos experienced better economic conditions because of this population growth, while places that lost non-Latinos experienced worsening economic conditions. If this is the case, Group 3 communities would be those that have been able to attract people with the highest incomes, while "keeping out" those with lower incomes, perhaps by building higher-priced housing while neglecting the growth and rehabilitation of lower-priced units. Given that economic conditions are regional (drawing workers from a broad area rather than a specific town), and that ethnic population growth patterns vary dramatically in neighboring communities, this second scenario seems the most likely. This is substantiated by qualitative interviews which suggest that it is an ethnic conflict, rather than employment, that is encouraging white outmigration from places with high proportions of Latinos (Allensworth and Rochin 1996). However, both scenarios may exist.

These findings have implications for studying the growth of Latino population in other areas of the country that have not traditionally had large concentrations of Latinos. Research is currently emerging on rural Midwest and Eastern places that are becoming increasingly Latino (e.g., Martin, Taylor and Fix 1996; Gouveia and Stull 1996). It is possible that similar dynamics are occurring in these places in terms of ethnic population growth patterns, and the economic conditions of places. However, if non-Latino population is not studied simultaneously with Latino population, these phenomena will be missed.

Several policy implications also arise from these findings, both for places in California, and for other rural areas that might want to avoid re-creating the spatial ethnic and economic divisions that have developed in rural California. Whether or not non-Latino white settlement patterns are a result of ethnic conflict or economic changes, efforts need to be made to: 1) slow down or stop the process of white flight from communities experiencing immigration, and 2) work to reduce the increasing inequality between Latino and Anglo towns. In places where ethnic transformation is beginning to occur, it seems possible that if established residents faced the problems of prejudice and poverty, and included the needs of newcomers as part of community planning, community deterioration and white flight might be minimized. For example, communities might work towards ensuring that quality low-cost housing is available, and that housing codes are maintained, as a means of preventing crowding and deterioration of neighborhoods. Efforts to receive grants for programs serving minority and immigrant children might be pursued to reduce the costs of increasing school enrollment. Efforts could also be made to increase understanding and trust between established residents and newcomers, and to incorporate newcomers into community clubs and activities, such as Spanish language classes for established residents, and Spanish language newspapers for newcomers. Most importantly, community members need to be assured of steady employment at livable wages. This is the most effective means of ensuring community viability.

Citations

Allensworth, Elaine and Refugio I. Rochin. 1995. "Rural California Communities: Trends in Latino Population and Community Life." *JSRI CIFRAS Brief,* No.7, The Julian Samora Research Institute, Michigan State University. October 1995.

Bean, Frank D. Jorge Chapa, Ruth R. Berg, and Kathryn A. Sowards. 1994. "Educational and Sociodemographic Incorporation among Hispanic Immigrants to the United States." pp. 73 to 98 in Barry Edmonston and Jeffrey S. Passel (eds.) *Immigration and Ethnicity:*

The Integration of America's Newest Arrivals, Washington D.C.: The Urban Institute.

Castillo, Monica Dianne. 1991. *California's Rural Colonias: A Study of Disadvantaged Communities With High Concentrations of Latinos.* Master's Thesis, Agricultural Economics, the Universi"7 of California at Davis.

Davidson, Osha Gray. 1990. *Broken Heartland: The Rise of America's Rural Ghetto,* New York: Free Press.

Flora, Jan L., Gary P. Green, Edward A. Gale, Frederick E. Schmidt, and Cornelia Butler Flora. 1992. "Self-Development: A Viable Rural Development Option?" *Policy Studies Journal,* 20(2): 276-288.

Fox, Kenneth. 1985. *Metropolitan America: Urban Life and Urban Policy in the United States, 1940-1980,* Rutgers Press: New Brunswick, New Jersey.

Galarza, Ernesto. 1977. *Farm Workers and Agri-business in California, 1947-1960,* Notre Dame: University of Notre Dame Press.

Goldschmidt, Walter. 1978. *As You Saw: Three Studies in the Social Consequences of Agribusiness,* Montclair: Allanheld, Osmun, and Co.

Gouveia, Lourdes and Donald D. Stull. 1996. *Latino Immigrants, Meatpacking Work, and Rural Communities: A Nebraska Case Study.* Unpublished Manuscript.

James, Franklin. 1990. "City Need and Distress in the United States: 1970 to the Mid-1980s." Pp. 13-31 in Marshall Kaplan and Franklin James (eds.) *The Future of National Urban Policy,* Durham: Duke University.

Krissman, Fred. 1995. "Cycles of Poverty in Rural Californian Towns: comparing McFarland and Farmersville in the Southern San Joaquin Valley." Paper presented the conference "Immigration and the Changing Face of Rural California," Asilomar, June 12-14.

Luloff, A.E. 1990. "Small Town Demographics: Current Patterns of Community Change." Pp. 7-18 in A.E. Luloff and L.E. Swanson (eds.) *American Rural Communities,* Westview:

Boulder.

Martin, Philip L., J. Edward Taylor and Michael Fix. 1996. *Immigration and the Changing Faces of Rural America: Focus on the Midwestern States,* Occasional Paper #21, The Julian Samora Research Institute, Michigan State University, East Lansing, Michigan.

Martin, Philip. 1995. Integrating Immigrants in Rural California and Rural America. Paper presented at the conference "Immigration and the Changing Face of Rural California," Paper presented at Asilomar, CA, June 12-14.

Palerm, Juan Vicente. 1991. *Farm Labor Needs and Farm Workers in California 1970 to 1989.* California Agricultural Studies Report #91-2: University of California, Santa Barbara.

Rochin, Refugio I, and Elias S. López. 1995. "Immigration and Community Transformation in Rural California." Paper presented at the conference "Immigration and the Changing Face of Rural California," Asilomar, June 12-14.

Runsten, David, Ed Kissam, and JoAnn Intili. 1995. "Parlier: The Farmworker Service Economy." Paper presented at Asilomar, CA, June 12-14.

SCR 43 Task Force. 1989. *The Challenge: Latinos in a Changing California,* Report of the University of California SCR 43 Task Force, University of California, Riverside.

Taylor, J. Edward. 1995. "Immigration and the Changing Economies of Rural California." Paper presented at Asilomar, CA, June 12-14.

Tienda, Marta and Ding-Tzann Lii. 1987. "Minority Concentration and Earnings Inequality: Blacks, Hispanics and Asians Compared." *American Journal of Sociology 93(1):*

141-65.