ABSTRACT

KNEPPER II, PETER ALEXANDER. Industrial Change and Community Well-being in New Latino Destinations. (Under the direction of Dr. Martha Crowley.)

Industrial restructuring in meat-packing and food-processing industries has promoted the formation new rural destinations by increasing job opportunities that have attracted Latino immigrants. Research has demonstrated positive economic impacts of Latino immigration and demonstrated that long-term residents’ early fears concerning a rise in social disorganization and crime were unfounded. Little is known, however, about other aspects of community well-being pertaining to social capital development and the civil society. This paper expands on this literature by integrating research on impacts of demographic and industrial change on rural communities and then using data from the U.S. Census and other sources to compare changes from 1990 to 2010 in economic, religious, political, and social life for rural counties that experienced the Latino influx and those that did not. My findings reveal a general improvement of community well-being and show signs of increased vitality of the local economy and civic engagement over time in new Latino destinations.
Industrial Change and Community Well-being in New Latino Destinations

by
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DEDICATION

I dedicate this project to my family. I appreciate everything you have ever done for me. I would especially like to thank my grandmother who pushed me to pursue a life in academics. I would also like to thank my mentor from Drexel University, Professor Tony Glascock. I honestly doubt that I would be in my current situation without his help and guidance. And, of course, I would like to thank my fiancée, Kellyn, for her constant support and believing in me.
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INTRODUCTION

Over the past several decades, Latino immigrants have bypassed or dispersed from the American Southwest and settled in new rural destinations across the United States (Kandel and Cromartie 2004; Durand, Massey, and Capoferro 2005; Jensen 2006; Crowley and Lichter 2009). Industrial restructuring, especially in food-processing and meat-packing, has contributed significantly to these demographic changes – having relocated to rural areas to escape unions and take advantage of tax incentives, while also dramatically increasing the scale of production and desking the work (Gouveia, Carranza, and Cogua 2005; Grey and Woodrick 2005; Kandel and Parrado 2005; Broadway and Stull 2006). Resulting labor shortages in these small towns attracted economically marginalized immigrants willing to work in harsh conditions, changing the demographic landscape of rural America (Kandel and Parrado 2005).

For over a decade, sociologists have investigated impacts on rural receiving communities. Some scholars have emphasized how long-term residents fear the immigrant newcomers because of deep-seated distrust of outsiders, discriminatory attitudes, and a concern for community well-being (Kandel and Cromartie 2004; Chavez 2005; Gouveia et al. 2005; Marrow 2011; Carr, Lichter, and Kefalas 2012). Quantitative research has tended to investigate economic impacts, including implications for employment, wages, poverty, inequality, local institutions and public coffers (Kandel and Parrado 2005; Crowley and Lichter 2009; Parrado and Kandel 2010; Kandel, Henderson, Koball, and Capps 2011; Hyde, Pais, and Wallace 2015; Turner 2014; Crowley, Lichter and Turner 2015). Although demographic studies have investigated implications for segregation (Parisi, Lichter, and
Taquino 2011) and rates of crime (Crowley and Lichter 2009), important questions pertaining to the community life and civil society, including economic, religious, political, and social dimensions, have been left unanswered.

This study brings together classic and more contemporary scholarship on rural industrial structure, inequality and demographic change to investigate whether and how newcomers have impacted economic, religious, political, and social life in America’s new rural immigrant destinations. I begin with background information on the formation of new rural immigrant destinations. I then review the literature on community impacts of recent demographic change and industrial restructuring in rural areas. Drawing from prior research stemming from the Goldschmidt (1978) hypothesis, civic engagement and findings from prior research on population growth in America’s new rural immigrant destinations, I derive hypotheses for community trajectories, including economic, religious, political and social (language-related) aspects of community well-being. Finally, I use data from the Census of Population, the American Community Survey, the County Business Patterns, the Association of Statisticians of American Religious Bodies, and David Leip’s Atlas of U.S. Presidential Elections to investigate county-level trajectories, during the 1990s and 2000s for three types of nonmetropolitan counties: established rural immigrant destinations, new rural destinations and comparable rural counties that have not received large numbers of immigrant newcomers. Difference-in-difference regression models reveal that, compared to counties that did not experience surging numbers of Latinos, new Latino destinations had more rapid increases in small businesses, employment in establishments that strengthen community relationships, and participation in elections, during one or both decades under investigation. The proportion of residents who speak English well was somewhat lower in new destination
counties at all time points but increased more rapidly during both decades, suggesting that newcomers are rapidly closing the gap. I conclude with broader implications of this work and suggest possible directions for future research.

**BACKGROUND**

Significant demographic changes have transpired in new places in the United States due to a dramatic shift in Latino migration patterns over the last couple of decades. During the 1980s and 1990s, the number of Latino individuals in rural spaces has doubled from 1.5 to 3.2 million, meaning that this segment of the population represented the highest growth in nonmetropolitan U.S. counties (Kandel and Cromartie 2004). Likewise, between the years of 1990 and 2000, the proportion of Latinos living in the traditional destinations of the American Southwest has dropped while the percentage of Latinos in new destinations in the Southeast and Midwest has increased considerably (Crowley and Lichter 2009). Furthermore, increased fertility rates and continued in-migration in nonmetropolitan high-growth Latino areas added to the expansion of the 1990s (Johnson and Lichter 2008).

These shifts reflect macroeconomic and political change that propelled Latinos out of Mexico and enabled many immigrants to settle outside traditional urban enclaves of the Southwestern United States. Passage of the 1986 Immigration Reform and Control Act (IRCA) granted amnesty (and geographic mobility) to three million immigrants (Durand, Massey, and Capoferro 2005), which coincided with declining fortunes of workers in Mexico, owing to establishment of global liberalized markets in Mexico under the auspices of the International Monetary Fund in the 1980s, economic recession following the Mexican
government’s disastrous devaluation of the peso in 1994, and expansion of maquiladora production following implementation of the North American Free Trade Agreement that same year (Canales 2003; Durand, Massey and Charvet 2000; Fourcade-Gourinchas and Babb 2002). These push factors have also created new immigrant-sending areas, especially rural places that historically were not mobile, since the traditional farming lifestyle has become much harder to achieve (Riosmena and Massey 2012).

Industrial restructuring, particularly in meat processing, attracts newly mobile Latino immigrants to what would ultimately become America’s new rural immigrant destinations (Gouveia et al. 2005; Grey and Woodrick 2005; Kandel and Parrado 2005; Broadway and Stull 2006). Concentration of production into a smaller number of large facilities, and firms’ movement of those facilities away from unionized urban areas into lower-cost rural locales created a large number of new jobs in rural communities scattered across the Midwest and Southeast (Broadway and Stull 2006). However, deskilling, routinization, and rapidly declining wages repel native-born workers, generating labor vacuums that drew large numbers of Latinos into these small towns, many of which had no recent history of immigration (Kandel and Parrado 2005).

DEMOGRAPHIC/INDUSTRIAL CHANGE, LOCAL INEQUALITY AND COMMUNITY WELL-BEING

In the early stages of community transformation, native-born residents often feared that influxes of Latinos with little education, limited English language skills, and high fertility rates would increase poverty, drain local coffers, place strain on educational and health care facilities, generate social disorder and crime and erode their quality of life
These fears were rooted in the demographic attributes of Latino newcomers, particularly their economic vulnerability, and the types of jobs they would take once they arrived. Many have little education and/or limited English-language ability, and the industries that employ the newcomers offered low wages, limited benefits and/or unstable employment (Donato et al. 2005; Griffith 2005; Kandel and Parrado 2005; Broadway and Stull 2006; Parra and Pfeffer 2006). As a consequence, Latinos in new rural destinations have just as much difficulty securing full-time and consistent work between the years of 2000 and 2007 compared to their counterparts in traditional settlements, urban areas, and other nonmetropolitan locales, and that they struggle to reach the U.S. median income level (Kandel et al. 2011).

A strong commitment to full-time work keeps newcomers out of poverty and off public assistance rolls, however, and the presence of newcomers have helped to revitalize local economies in some places (Crowley and Lichter 2009; Kandel and Cromartie 2004; Gouveia et al. 2005; Grey and Woodrick 2005; Griffith 2008; Johnson and Lichter 2008; Pfeffer and Parra 2009; Carr et al. 2012). Nevertheless, some native-born residents believe that presence of Latino newcomers damages economic circumstances of particular subgroups, particularly African Americans. In Dalton, Georgia, for example, tension developed between lower-class blacks and Latino newcomers over perceived competition for jobs and resources (Hernandez-Leon and Zuniga 2005).

Quantitative research has demonstrated that aggregate economic well-being of African Americans was unaffected by residence in new Latino destinations in both the 1990s and 2000s; in fact, poverty rose more rapidly for Latinos than for African Americans from
2000 to 2010 (Crowley, Lichter and Turner 2015). Yet, studies have also documented increases in inequality in new destination locales. Some argue that these changes are attributable to the industrial shifts that attracted Latinos to these places, rather than the presence of Latinos themselves. Parrado and Kandel (2010), for example, observe similar increases in inequality among counties with high rates of growth, regardless of new Latino destination status. Others point to a more polarized occupational structure that inflates incomes of those at the upper end of the wage distribution (who profit from others’ precarious employment) and compresses the earnings of deskill laborers, *in combination with* supply-side effects if a growing number of low-skill immigrants are in these locations (Hyde et al. 2015).

Rising income inequality, combined with growing race-ethnic segregation in new destination locales (Parisi, Lichter, and Taquino 2011) suggest that the changes unfolding in new destinations may be tearing at the fabric of rural communities. As economically marginal locales, rural communities are more sensitive to the effects of industrial changes; likewise, cultural change rooted in the resulting demographic shifts may be felt more keenly in new Latino destinations, many of which lack a recent history of immigration (Crowley and Ebert 2014). Many long-term residents perceive a changed sense of place and community life and feel thrust into a new, unwelcome reality whereby a social fabric woven of long-term and close-knit ties has been frayed by a changed social landscape (Chavez 2005; Erwin 2003).

Although the fears that residents initially articulated (e.g., strain on local coffers and rising crime) have not materialized (Crowley and Lichter 2009), the antecedents and byproducts of new destination formation, such as changing industrial structure (particularly
the large scale of manufacturing operations that attracted Latino newcomers), rising inequality engendered by these changes and growing residential segregation, suggest the need to dig deeper – investigating outcomes that are less material in nature and that speak more to the experience of engaging in community life. For guidance in identifying particular outcomes of interest, we look to theoretical arguments regarding how industrial change in the farm sector reshaped rural communities in the mid- to late-twentieth century, and theoretical elaborations that extended this logic to understand impacts on community engagement, social cohesion and participation in the civil society. 

It was Walter Goldschmidt (1978), who first called attention to how the decades-long shift from small-scale farming to large-scale agribusiness eroded the economic foundations of community life in rural locales. The Goldschmidt Hypothesis, as it became known, is detailed in a book titled *As You Sow*, in which Goldschmidt investigates community well-being in small California towns: Arvin, in which farming has become concentrated, and Dinuba, wherein multiple families own and operate farms. Goldschmidt argues that Dinuba maintained a vibrant economic environment because spending by family farmers made it possible for small local businesses to thrive. Conversely, in Arvin, the hoarding of capital by corporate farms negatively impacts the local economy and community, in part by starving small local businesses that could otherwise have depended on the business of farmers running smaller scale operations. Moreover, the shift toward larger farms engenders widespread exploitation, as workers become subject to the harsh wage-labor system of these corporate entities. Evisceration of the middle class and class polarization cause community engagement to suffer, as fewer residents engage in social organizations or are involved with
politics. This further weakens community resilience by deflating social services and foundations for local institutions such as public schools.

Studies testing Goldschmidt’s notions have documented economic impacts of large scale farming (rising poverty, inequality, unemployment), and deterioration in the social fabric of local communities, including decreased activity and diversity in the retail sector, reduced civic participation (including religious involvement), less democratic decision-making and social disruption including deterioration of neighborly relations (see Lobao and Stofferahn 2008 for a review). Others have expanded Goldschmidt’s focus beyond farming specifically, attending to deleterious economic and social impacts across a wider array of industrial sectors. Linda Lobao (1990) makes the case that the same mechanisms that have increased industrial scale in farming promote concentration in other sectors as well, paving the way for emergence of core, peripheral and state industrial sectors that impact local communities in ways parallel to those that Goldschmidt described in the farming sector. Individuals have ties connecting them to particular places, but firms can roam more freely, and are often attracted to rural areas due to relatively cheap land and labor. As a consequence, rural populations have become increasingly reliant on large-scale production and vulnerable to their negative effects (Lobao 1990).

A complementary perspective, emphasized in more recent work conducted by Charles Tolbert, Thomas Lyson and colleagues departs from this tradition by reducing emphasis on farming and by shifting emphasis from materialist concerns associated with reliance on (exploitation of) wage labor by large-scale producers, toward the significance of an economically independent class of proprietors for community leadership, engagement and civic participation. Drawing on theoretical arguments made by C. Wright Mills and Melville
Ulmer, who described an independent middle class engaged in voluntary management of civic enterprises as central to a “civic spirit” conducive to community well-being, Tolbert and Lyson (1996) documented that small manufacturing establishments are associated with better nonmetropolitan socioeconomic well-being, including higher median incomes, lower poverty and lower inequality. Lyson, Torres and Welsh (2001) expand on these ideas and integrate them with Goldschmidt’s arguments, finding that that civic engagement (measured with a combination of employment, religious affiliation and voting) by an independent middle class mediates the relationship between large-scale farming and socioeconomic well-being in counties dependent on agriculture.

Tolbert, Lyson and Irwin (1998) elaborate theoretically on small-scale firms making the case that they are linked together by community conditions and are as embedded in -- and tied to -- the locality as are the local populations. These connections give small business owners stakes in community functioning that encourages them to provide support, membership and leadership in local institutions and to remain in the area during economic downturns. Additionally, many of their establishments such as barbershops, grocery stores, coffee shops, bars and restaurants, serve a dual function by also acting as “third places”, (i.e., informal gathering places apart from home and work) where community members meet and socialize. They demonstrate a relationship between small firms, small farms, “third places,” and socioeconomic outcomes including income inequality and unemployment.
COMMUNITY WELL-BEING IN NEW LATINO DESTINATIONS

Although prior research highlights outcomes useful for understanding implications of Latino influxes for community well-being, hypothesis development is not so straightforward. On one hand, some of the concerns addressed above do apply. Most new destinations have experienced industrial change that has increased local levels of inequality, and produced a large pool of workers that work for low wages and struggle to attain a middle-class income even with full-time employment (Hyde et al. 2015; Kandel et al. 2011; Crowley, Lichter, and Turner 2015). As a consequence, populations have grown, but without a proportionate increase in the relative presence of an independent middle class that promotes community engagement and participation. Furthermore, segregation (Parisi, Lichter, and Taquino 2011), and in some instances, active disassociation from Latino newcomers and exclusion from community affairs (Chavez 2005) may undermine community participation and interchange. Language barriers further exacerbate this divide since the newcomers typically lack English proficiency (Kandel and Cromartie 2004).

On the other hand, the development of new Latino destinations does not follow the same economic narrative as communities discussed in the Goldschmidt literature. New establishments that have brought about industrial change have relocated from elsewhere (see Kandel and Parrado 2005), and thus, do not reflect concentration of businesses within the locality. This leaves open the possibility that small businesses to coexist alongside large ones (i.e., they have not been devoured by large-scale competitors); further, the presence of a large number of newcomers may help to bolster their economic success (Kandel and Cromartie 2004; Grey and Woodrick 2005; Jensen 2006). Moreover, immigrants who are particularly
entrepreneurial may open their own businesses, some of which would function as “third places” that enhance potential for social interchange (Grey and Woodrick 2005; Griffith 2005; Griffith 2008). In sum, a Latino influx may counteract some of the negative consequences of industrial change and rising inequality. Demographic changes that are at the root of many native residents’ fears may be strengthening communities, in part by promoting independent proprietorship and social interchange. I look at four aspects of community well-being and civic engagement highlighted in the literatures above: small businesses and third places, voluntary (religious) association membership, political participation, and unique to the influx of non-native English speakers, potential for social interchange via examination of English-language ability.

Small Businesses and Third Places

Increases in local inequality stemming from the industrial restructuring in new Latino destinations suggests a hollowing out of the middle class with negative implications for economically driven entities that contribute to the civil society. Quantitative investigations indicate that a Latino spending often has positive implications for local economies (Kasarda and Johnson 2006; Capps et al. 2007), and many business owners describe significant increases in foot traffic following the arrival of Latino newcomers, although quantitative research has not investigated this outcome in particular (Rocha and Easterbrook 2006; Swarns 2006). Latino newcomers also open their own businesses, contributing to local increases in self-employment detected in some places (Carr et al. 2012; Gouveia et al. 2005). This is particularly common among those with more education, legal status, and
entrepreneurship experience (Griffith 2008). Latino-owned operations have become a mainstay in the downtown shopping areas of many of these immigrant destinations (Gouveia et al. 2005), and new bakeries, restaurants, clothing stores, auto repair shops, and the like can benefit the community as a whole (Grey and Woodrick 2005). These establishments not only serve as “third places;” they also facilitate social connections within the broader community, particularly with respect to immigrant newcomers. As Griffith (2005) explains, Mexican grocery stores, for example, serve as centers for immigrants to collect knowledge about the community and provide information pertinent to their unique lifestyle. These businesses sell phone cards, perform wire transfers, and have bus schedules for trips to and from Mexico, which all offer communal support for these specific needs. In addition, the bulletin boards at these establishments contain flyers for ESL classes, job opportunities, and childcare. Thereby, offering assistance in ways to achieve a better and more comfortable way of life.

Small businesses and employment in third places enhance community well-being and new Latino destinations should experience faster increases in both relative to comparison counties.

Religious Affiliation

Church membership helps to embed people in communities, limits outmigration and fosters social interchange, thus enhancing quality of life in rural communities (Irwin, Tolbert and Lyson 1999). Membership in such voluntary associations can also help foster ties that cross social divides such as those based on race/ethnicity and newcomer status (Putnam
As such, they perform pivotal roles in fostering civic engagement (Tolbert et al. 1998).

In new rural destinations, churches have played an important role assisting newcomers with a multitude of services including ESL classes and translation assistance, education of human rights, providing food provisions, assisting with the legalization process, finding jobs, and encouraging other members of the community to learn Spanish as a way to promote solidarity (Donato et al. 2005). In addition, churches serve as a gathering place for immigrants to socialize outside of the workplace and their individual neighborhoods (Griffith 2008). Moreover, co-ethnic churches can provide Latino immigrants with increased human and social capital and helps with the process of integrating these newcomers into the larger community (Lopez-Sanders 2012).

Despite such evidence presented in case studies, it is not clear whether these practices are widespread, or whether newcomers maintain their association with churches once they become successfully established in new destinations, or whether the embrace of newcomers alienates some segments of the membership base. Church membership may increase, decrease or be unaffected by new Latino destination status.

**Political Participation**

In some communities, surging Latino numbers have transformed local politics as Democrats and Republicans attempt to recruit young and middle-class Latinos to expand their ranks (Hernandez-Leon and Zuniga 2005). This suggests that the increased presence of Latino immigrants may result in greater political participation. However, many of these
newcomers lack documentation and legal status (Pfeffer and Parra 2009; Marrow 2011), which acts as a barrier to become politically engaged.

Rapid economic and social change has mobilized long-term residents to press for change in new Latino destinations. I expect voter participation to rise more quickly (or fall more slowly) in these places, but there is no clear expectation regarding impacts on support for candidates from the major political parties. Local populations display significant variation in their regard for Latino in-migrants. Middle- and upper-class individuals with higher levels of education tend to embrace the newcomers, but working class individuals express anti-immigrant views (Vogt et al. 2006). This pattern can be partly explained by the perceived competition for those in low-skill occupations and other minority groups, and that more elite individuals (employers and small business owners) profit off of their labor (Hernandez-Leon and Zuniga 2005; Kasarda and Johnson 2006; Crowley and Lichter 2009). Thus, it is conceivable that those with more education and higher incomes are otherwise more sympathetic toward - or supportive of - newcomers and would increase participation in ways that increase support for Democratic candidates, who in recent years have been perceived as more “immigrant-friendly.” Working-class individuals and others who perceive immigrants as a threat could conceivably lean toward Republican candidates, who tend to support more exclusionary policies, or could increase participation in ways that help to turn out a larger proportion of votes cast for Republican candidates. Alternatively, there may be no significant impact on support for either party.
Lack of English-language skill is a significant barrier to newcomers’ participation in the community and to social interchange among community residents. In addition, instances of social conflict arise due to the language barrier between the newcomers and the native U.S. citizens. An early quantitative study on this topic found that only half of Spanish-speaking individuals between the ages of 18-64 in new immigrant destinations are proficient in English, and the ramifications of this gap are severe, given the need for social services that many immigrants require (Kandel and Cromartie 2004). Another study found that natives sometimes view Latino newcomers’ lack of English proficiency as a choice that conveys disinterest in becoming part of their community (Fennelly 2008). The companies that employ immigrants do not assist in learning English or integrating them into the broader community, as they regard newcomers as a source of cheap labor rather than a potential resource for community cohesion and well-being (Donato et al. 2005; Kandel and Parrado 2005; Parra and Pfeffer 2006). Some describe the status of Latino immigrants in rural America as akin to those residing in urban ghettos, due to their excluded status, concentrated poverty, stigmatization, and their marginal position within the labor market (Burton, Lichter, Baker, and Eason 2013). In this view, gains in English-language ability would not be especially rapid.

Conversely, native whites in some rural destinations welcome newcomers and seek to aid the immigrant integration in the local community. A study examining rural communities in New York demonstrates that about 75% of the immigrants with families present expressed feelings of acceptance by the rest of the town (Parra and Pfeffer 2006). Moreover, some
natives respect the newcomers based on their family values, good work ethic, and religiosity (Griffith 2008) and have sought to welcome newcomers with celebrations of Mexican culture, including food, music and dancing (Shutika 2008) - thus embracing rather than isolating Latino newcomers. In more receptive locales, newcomers may gradually become more socially, culturally, and linguistically integrated over time, but we expect gains to be more rapid among children, due to mandatory school attendance, than among adults, given both the greater difficulty of learning a new language at later ages and the ability to function with little knowledge of English in the low-wage jobs that many working-age Latinos occupy.

DATA AND ANALYTIC STRATEGY

I analyze changes in the aforementioned economic, religious, political, and social dimensions of community life in America’s new immigrant destinations. I begin by dividing rural counties into three county types. Following Kandel and Cromartie (2004), I classify counties as new Latino destinations, established Latino destinations, and other nonmetropolitan counties. New Latino destinations are those that have experienced an increase of at least 150 percent and 1,000 persons in total population of Latino individuals during the 1990s. Established Latino destinations are those that report a Latino population of at least 10 percent in 1990. Counties that do not fit either of these criteria are classified as other nonmetropolitan counties (Kandel and Cromartie 2004). Some counties have been redefined during the time period of my analysis, 1990-2010. Following Crowley and Lichter (2009), I exclude these counties as well as those outside the continental United States.
Analyses are based on data for 2,236 nonmetropolitan counties, including 151 (6.8%) new Latino destinations, 230 (10.3%) established Latino destinations, and 1,855 (83%) other nonmetropolitan counties.

Economic impacts investigated here are derived from County Business Patterns for 1990, 2000, and 2010, and include the percent of county establishments that are small (with 20 or fewer employees) and the percent of working people who are employed in “third places”. Third places are local businesses that serve as an informal gathering place for the community, which fosters a greater sense of civic engagement (Tolbert et al. 1998), and in this project, they are reported as a whole and separately for eating places, drinking places, beauty shops, grocery stores, and pharmacies (see Winters 2012).

Data on religious outcomes, the percentage of religious adherents and Catholic adherents out of the total population for each county, come from the Association of Statisticians of American Religious Bodies for all three decades. Voting participation is determined by the percentage of Democratic and Republican votes as well as the percentage of casted votes out of the total population who is eligible to vote. These data have been collected from the U.S. Census Bureau’s USA Counties database for the 1992 and 2000 presidential elections and David Leip’s Atlas of U.S. Presidential Elections website for the 2012 presidential election. Data on social integration are gathered from the U.S. census of population for 1990 and 2000 and the 2006-2010 American Community Survey. Measures for this category include the percentage of the total population and the Spanish-speaking population who can speak English “well” or “very well” and are broken into two categories: children (5-17 years old) and adults (18-64 years old). I also measure the proportion of
households that are not linguistically isolated (linguistically isolated households are those in which no one over the age of 14 speaks English exclusively or very well).

The control variables in these models help account for characteristics of counties in 1990 that could have influenced change in these variables over time. These include racial composition, commuting patterns, retirement destination status, and county dependence on industries (e.g., farming, manufacturing, mining, government, or service sector). The racial composition variable, percentage African American, is gathered from the census of population. All other controls are coded as dummy variables within the USDA Economic Research Service 1989 classification of nonmetropolitan counties. Counties are represented as commuting if 40 percent or more of workers sixteen and older commuted a job outside of their home county in 1990. A county is labeled a retirement destination if the population aged sixty and over rose by 15 percent or more from 1980 to 1990. Lastly, ERS calculated five mutually exclusive dummy variables of dependence on farming, manufacturing, mining, government or service sector using weighted income approximations from the U.S. Bureau of Economic Analysis for 1987-1989 (Crowley and Lichter 2009).

I use difference-in-difference regression models to assess variations in the rate of change in high-Latino-growth counties versus other nonmetropolitan counties without rapid Latino growth. Thus, nonmetropolitan counties that are not considered new destinations are treated as counterfactuals as a way to assess the effects associated with high rates of growth in Latino population in rural communities. The observed difference for these comparisons, or the difference in differences, removes the effects of any other variables or factors not directly tested. One drawback to this approach is that causal mechanisms that influence the observed changes in economic conditions cannot be identified. Yet, it allows for compelling causal
reasoning about the effects that the Latino influx has had on rural communities. The difference-in-difference regression equation is as follows:

\[ I_i = \beta_0 + \beta_1 * (C_i) + \beta_2 * (Y_i) + \beta_3 * (C_i * Y_i) + \varepsilon_i \]

\( I_i \) represents the community outcomes, \( C_i \) denotes Latino destination type (either new destination or not), \( Y_i \) indicates the year of data collection, \( \beta_0 \) shows the y-intercept value, \( \beta_1 \), \( \beta_2 \), and \( \beta_3 \) are slope effects, and \( \varepsilon_i \) represents the error term. The t-test statistic connected to \( \beta_3 \), the coefficient indicating the interaction between rural county type and the year, shows whether the differences between the changes seen during the 1990s and 2000s are statistically significant. The regression models, including the control variables, display the significance of these interactions, and if the changes in new Latino destinations as compared to other rural counties are significantly different, statistically speaking (Crowley and Lichter 2009).

**FINDINGS**

Table 1 (in Appendix) shows the economic, religious, political, and social conditions in established Latino and new Latino destinations as well as other nonmetropolitan counties for the years 1990, 2000 and 2010, the percentage change during the 1990s and 2000s, and the results of the difference-in-difference (DID) regression tests of change. The major focus of this project is to examine the differences between new Latino destinations and other nonmetropolitan counties as described above. The results for established Latino destinations are included in the table but are not described in the following section.
The percentage of small businesses in high-Latino-growth counties helps explain the impacts on local economic health and community well-being. The results for this category show that new Latino destinations have the lowest percentage of small businesses for 1990, 2000, and 2010. On the other hand, the percentage change for the 2000s shows that these locations have experienced the highest increase of small businesses. The margin is quite small (0.7 for high-Latino-growth and 0.3 for other nonmetropolitan), however, and the DID coefficients are not significant.

The measure for employment in third places demonstrates a relatively rapid increase in economic well-being in new Latino destinations. A comparison of each time point reveals that new Latino destinations report the highest percentage of employees in third places. These counties also witness a statistically significant increase during the 1990s when compared to other rural counties that have not experienced the influx. The increase from 2000-2010, however, is slightly less than that of the other nonmetropolitan counties, and not statistically significant. The percentage of employees in the separate third place categories demonstrates similar patterns. In these cases, the percentages for each decade and the percentage change values are mostly similar for the two county types, but there are a few striking results that come from this analysis. First, employment in beauty shops increases twofold when compared to other nonmetropolitan counties during the 2000s. Second, counties that have not experienced an influx of Latino immigrants observe a large increase (38.4%) in employment in drinking places, or establishments serving alcoholic beverages, during the 2000s. This finding may reflect increases in rural counties that have experienced some significant social change (i.e., population growth related to fracking) and is suggestive of fewer social problems in new Latino destinations, where there was a decrease (-6.1%) for
the same decade. Third, new Latino destinations report a statistically significant increase in employment in eating places during the 1990s, and the percentage in 2010 remains higher than that of other nonmetropolitan counties, although the DID coefficient was not significant in the later decade.

The measures for religious impacts also demonstrate positive change in new Latino destinations. High-Latino-growth counties have the lowest percentage of church adherents for each decade, including 1990, before Latinos arrived in large numbers, and DID coefficients were not significant for either decade. In contrast, membership in Catholic churches rose dramatically in high-Latino-growth counties during the 1990s, especially when compared to other nonmetropolitan counties, although the DID coefficient was not significant. This upsurge then plateaus during the 2000s, when Latino representation did not change significantly.

Similarly, the figures for percentage of votes cast for president out of the population of eligible voters are lowest in new Latino destinations in the presidential elections of 1988, 2000, and 2012 as compared to other rural counties. Yet, the difference-in-difference regression model for the 2000s shows that high-Latino-growth counties experience a significantly higher increase. Nevertheless, the 2010 average rate of participation was 4.7 percentage points (58.1 – 53.4) below that of nonmetropolitan counties. The findings for the percentage of Democrat and Republican voters reveal significant change in both categories during the 1990s but not in the 2000s. High-Latino-growth counties have the highest level of Republican support in 1990 but tie for the lowest percentage (~62%) in 2010 with other nonmetropolitan counties. Conversely, these counties began with the lowest percentage of Democratic voters, but ended up with the largest proportion in 2010 (~36.5%).
Nevertheless, a majority of voters in both county types support Republican candidates at all time points, reflecting the general tendency of rural areas to be more conservative.

Measures for capacity for linguistic interchange paint an interesting picture in new Latino destinations. The percentage of population for both 5-17 and 18-64 year old age groups start out at relatively identical figures as compared to other nonmetropolitan counties in 1990, and then, not surprisingly, these rural communities experience a statistically significant decline in English proficiency during the 1990s. However, the decline is less steep for children, and the percentage change for the 2000s actually increases, albeit by a 0.01 margin. Furthermore, the percentage of Spanish-speaking individuals (both age groups) who are proficient in English plummet considerably during the 1990s, but then children aged 5-17 increase by 14% and adults, 18-64, practically plateau throughout the 2000s. In fact, the percentage of Spanish-speaking children who can speak English well or very well in 2010 is actually higher in new destinations compared to other nonmetropolitan counties, and the difference-in-difference regression model is statistically significant for this time period.

Overall, these results allude to a pattern of linguistic assimilation in new Latino destinations, especially among children. The percentage of Spanish-speaking households that are linguistically integrated (not isolated) decreased by 19% in the 1990s, which is significantly different than the change in other nonmetropolitan counties. Surprisingly, the percentage of foreign-language households actually increases (5.6% to 7.3%) during the 1990s in new Latino destinations, and this finding is statistically significant in comparison to other rural counties, where this figure remained unchanged.
CONCLUSION

Latino immigrants have expanded from the traditional settling places in the American Southwest and into new rural locations throughout the United States (Kandel and Cromartie 2004; Durand, Massey, and Capoferro 2005; Jensen 2006; Crowley and Lichter 2009). Sociologists have highlighted the various outcomes in these communities that have experienced major shifts in immigration flows. This study expands upon the literature by incorporating an emphasis on community well-being and the civil society rooted in tenets of the Goldschmidt Hypothesis. The basic foundation of this body of work rests on the premise that the transition from small-scale business operations to large-scale, consolidated industrial structures imposes harsh economic and social effects on communities (Goldschmidt 1978; Lobao 1990; Tolbert and Lyson 1996; Tolbert, Lyson, and Irwin 1998; Lyson, Torres, and Welsh 2001; Lobao and Stofferahn 2008).

Although industrial restructuring in new Latino destinations has increased local inequality in ways that are consistent with Goldschmidt’s logic, Latino influxes have benefitted local communities in many ways. These rural locations experience the largest percentage change of small businesses between 2000 and 2010, even though their figures are the smallest out of all three. Regardless, opening a small business involves a lengthy process that is even more difficult for immigrants (Pfeffer and Parra 2009), so this steady increase in local economic vitality may become more pronounced over time. For instance, Latino small-business owners have become local leaders for the entire immigrant group by helping new immigrant families to become established in the community through fictive kinship ties (Griffith 2008), and by extension, it is possible that these entrepreneurs may assist other
Latinos in opening their own businesses in the future. Moreover, the increased presence of third places in new Latino destinations represents a more rapid transformation of the economic well-being of these communities. This shift may be a result of more economic activity spurred by the influx of these newcomers (Kandel and Cromartie 2004; Grey and Woodrick 2005; Jensen 2006; Carr et al. 2012) but it also represents expansion of community foundations for social interchange and development of social capital.

New Latino destinations have also witnessed positive results in regards to religious membership. Even though church membership is lower in these locations for all time periods, it has the greatest increase of Catholic adherents during the 1990s, which can aid in promoting greater involvement in local organizations. Moreover, these Catholic churches may assist the Latino newcomers in becoming more integrated into the broader community through enhancing their human and social capital (Lopez-Sanders 2012) or accessing opportunities for employment and housing and completing the legalization process (Donato et al. 2005; Griffith 2008).

Similar patterns are evident in the political realm. Voter participation significantly increases during the 2000s as compared to rural counties that have not experienced the Latino influx. These results do not illustrate the reason(s) for increased political engagement, which may stem from native residents’ opposition to newcomers, or voting in favor of harsher immigration policies in response to the influx. Likewise, this analysis is unable to uncover whether the immigrants themselves are becoming active political participants. However, previous research shows that local politicians, both Republicans and Democrats, are acknowledging the potential significance of Latinos as a major swing vote and are trying to
gain the support of this population in these new destinations (Hernandez-Leon and Zuniga 2005). Such efforts to reach out may bolster greater voting participation among Latinos.

Lastly, measures of potential for linguistic interchange demonstrate conflicting patterns but ultimately paint a promising picture for the future of new Latino destinations. For instance, Spanish-speaking adults (aged 18-64) report a significant drop in English proficiency from roughly 80% in 1990 to 55.7% in 2000 in high-Latino-growth counties. This figure then plateaus during the 2000s, but it is still 20% lower than the percentage in the counties that have not experienced the influx (75.8%). Moreover, the percentage of households that are linguistically integrated fell considerably during the 1990s (88.5% to 72%). Unfortunately, figures for 2010 were unavailable due to measurement changes in the U.S. Census (see Appendix), but the results point to persistent linguistic barriers between the newcomers and long-time residents that reflect findings from previous studies (Kandel and Cromartie 2004; Fennelly 2008). Conversely, proficiency in English appears to be on the rise in these rural locations among Spanish-speaking children. This finding supports previous qualitative research on new Latino destinations, in that Mexican children are increasingly fluent in English and consider themselves a part of American culture (Grey and Woodrick 2005). Consequently, these second-generation immigrants may bridge the gap, gradually over time, between reticent natives and the influx of Latinos that are now residing in their hometowns.

This project provides a deeper understanding of the experiences and conditions found in new Latino destinations, but it also faces some limitations. Research on this scale cannot expose localized processes that shape the lives and conditions of individuals in these communities, but instead provides a broad analysis of patterns and characteristics to compare
to the numerous qualitative studies that shaped this literature early on. Moreover, the findings only offer insight into the two decades under investigation. Community well-being hinges upon many factors that are temporally contingent. Whether these communities will continue to see improvements, or even greater levels of cohesion and vitality, over time will depend on the state of the industries that attracted immigrants in the first place, as well as the question of native residents welcoming newcomers to their cultural, ideological, and identity-based conceptions of their community.

Altogether, new Latino destinations are experiencing greater economic health that promotes stronger communities, and these trends may become more visible in the ensuing decades once these immigrant newcomers become more integrated (except for those communities that actively marginalize them). Thus, the Latino influx appears to negate some of the symptoms that Goldschmidt (1978) has diagnosed as a result of the dominance of consolidated corporate entities in rural communities. The findings still add to the literature on new Latino destinations by illustrating the benefits of including the Goldschmidt Hypothesis in assessing the outcomes of these communities, and more importantly, the research has the potential to advocate for legislation that incorporates Latino immigrants instead of stigmatizing and marginalizing them.
REFERENCES


### Table 1

<table>
<thead>
<tr>
<th></th>
<th>Established Latino Counties</th>
<th>High-Latino-Growth Counties</th>
<th>Other Nonmetropolitan Counties</th>
<th>DID$^*$</th>
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<tr>
<td>Economic Impacts</td>
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<tr>
<td>Percent of Establishments</td>
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<td>Religious Impacts</td>
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<td>Percent of Population</td>
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<td>*Established Latino counties were at least 10% Latino in 1990. High-Latino-growth counties had Latino increases of at least 150% and 1000 persons.</td>
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<td><strong>Difference-in-difference computed significance of change in high-Latino-growth counties compared to change in other nonmetropolitan counties for models including all controls</strong>* (p &lt; .001) ** (p &lt; .01) * (p &lt; .05) † (p &lt; .1).</td>
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<td>‡Not significantly different from the same-year mean of counties with high levels of Latino growth (p &lt; .10)</td>
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<td>†Decade change (1990-2000; 2000-2010) was not significantly significant (p &lt; .10).</td>
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<td>*The tests do not include information on this variable for 2010 since the American Community Survey measures this variable by citizenship as opposed to language spoken.</td>
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