Demographic and Economic Trends in Rural America

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The views expressed are those of the authors and should not be attributed to the Economic Research Service or USDA.
Outline

- Demographic Characteristics and Trends in Rural Areas (John Cromartie)
- Rural and Urban Labor Market Trends Since 2007 (Tom Hertz)
- Educational Attainment in Rural And Urban Areas (Lorin Kusmin)
- Rural Trends by County Economic Type (Lorin Kusmin)
An opportunity to discuss what makes rural America unique demographically

- Slower population growth
- Older population age structure, caused by two very different trends
- Higher poverty rates, especially for children
- Lower racial-ethnic diversity, but regionally concentrated

In this presentation, ‘rural’ and ‘urban’ are synonymous with nonmetropolitan and metropolitan counties, respectively.
Population growth rates have been consistently lower in rural America and the gap widened considerably after the housing-market collapse and the Great Recession.

What happened to long-term drivers of rural population growth?

- **Rural counties adjacent to urban areas, in the path of suburbanization, stopped growing for the first time in decades.**
- **Rapid population growth in rural retirement and recreation destinations diminished substantially.**
- **Over 100 manufacturing-dependent counties began losing population since the recession.**
Rural counties make up 85 percent of all older-age counties

Two sides to rural aging:

1. Retiree attraction, usually to more scenic areas
2. Persistent population loss, because out-migration consists mostly of young adults

Rural elderly in persistent population loss counties are poorer than elderly in retirement destinations, even though overall poverty is higher in retirement destinations.
The vast majority of high-poverty counties are not only rural but are regionally concentrated. 

Rural regions of entrenched poverty divide along racial-ethnic lines:

- Predominantly white Appalachia
- African-Americans in the rural South
- Native Americans in the West and in Alaska
- Hispanics in the Southwest

Rural areas are less diverse overall, but it clearly depends on where you are looking.
Hispanic population growth is the only source of population growth in many rural communities.

- Over 1,300 rural counties lost population in recent years (shown in light yellow)
- Hispanic population growth kept another 200 counties from losing population (shown in blue)
- Most Hispanic population growth now comes from natural increase, not immigration or domestic migration
Both Urban and Rural Unemployment Rates Have Nearly Returned to Pre-Recession Levels

Source: USDA-ERS analysis of Local Area Unemployment Statistics data.
Note: Shaded area indicates recession.
But Rural Employment is Still Below Pre-Recession Level

Source: USDA-ERS analysis of Local Area Unemployment Statistics data.
Note: Shaded area indicates recession.
The Reason Unemployment is Falling Faster Than Employment is Rising is that Many Have Left the Labor Force

Source: USDA-ERS analysis of Local Area Unemployment Statistics data.
Note: Shaded area indicates recession.
The Share of the Adult Population that is Employed is Well Below Pre-Recession Levels

![Graph showing share of adults employed from 2007 to 2016]

Source: USDA-ERS analysis of Local Area Unemployment Statistics data.

Note: Shaded area indicates recession.
Educational attainment rates have risen in both rural and urban areas

Educational attainment for adults ages 25 and older

Source: USDA, Economic Research Service using data from the U.S. Census Bureau’s 2000 Census and 2014 American Community Survey

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Educational attainment is associated with higher earnings, but the returns to education are greater in urban areas.

Educational attainment reduces the risk of unemployment

*Rural Unemployment Rates by Educational Attainment, Adults Ages 25-64*

Rural counties vary in their economic structure with marked regional differences.

Source: USDA, Economic Research Service, based on Bureau of Economic Analysis local area data files.
Rural recreation county population grew in the early 2000s but leveled off after the Great Recession.

Source: Economic Research Service based on county population estimates from U.S. Census Bureau.

Note: Values for all years reflect classification of counties in 2015 ERS County Typology codes.
Rural median household incomes were highest in recreation counties

Source: Economic Research Service estimates based on Small Area Income and Poverty Estimates data sets. Note: medians shown are the population-weighted median value of county median household income for the indicated county type: that is, one-half of those who live in this type of county are in a county with a lower median household income, and one-half are in a county with a higher median household income. Note: in constant 2014 dollars, deflated by CPI.

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Questions?

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