# Demographic and Economic Trends in Rural America

**John Pender—Rural Economy Branch Chief***
**USDA Economic Research Service**

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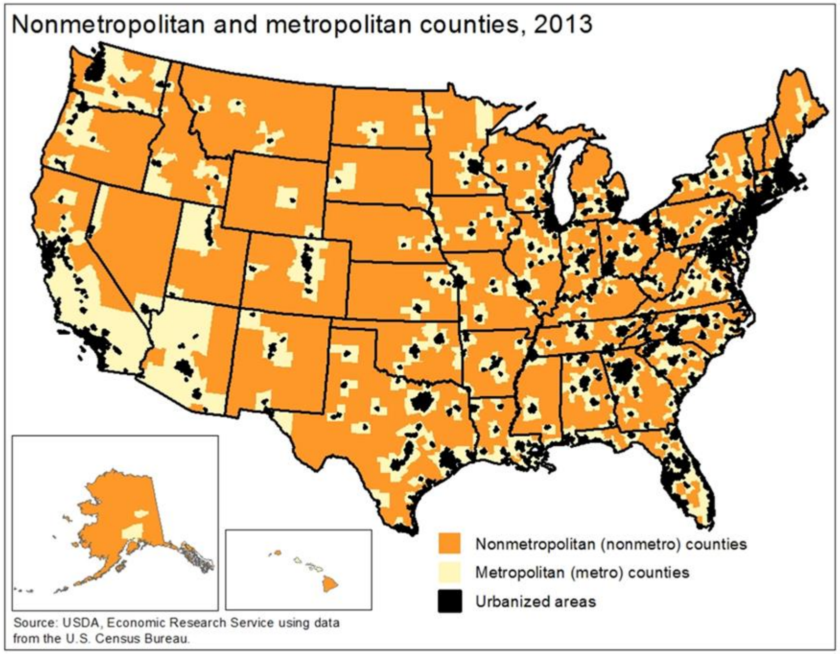
*The views expressed are those of the presenter and should not be attributed to the Economic Research Service or USDA

# Outline

- Demographic Characteristics  and Trends in Rural Areas
- Housing Affordability Trends and Patterns
- Rural and Urban Labor Market Trends
- Educational Attainment in Rural And Urban Areas
- Rural Trends by County Economic Type

# What makes rural America unique demographically

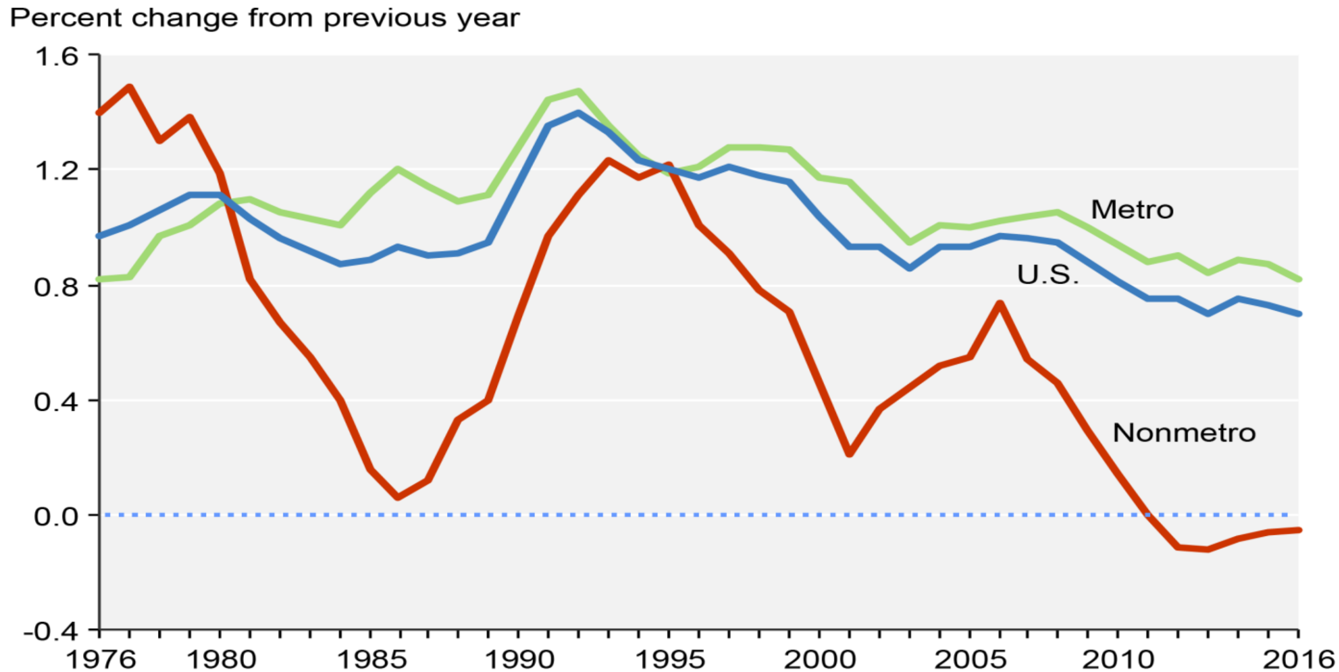
- *Lower population and population density*
- *Slower population growth*
- *Older population age structure, caused by two very different trends*
- *Higher poverty rates, especially for children*
- *Lower racial-ethnic diversity, but regionally concentrated*




*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

**Population change by metro/nonmetro status, 1976-2016**



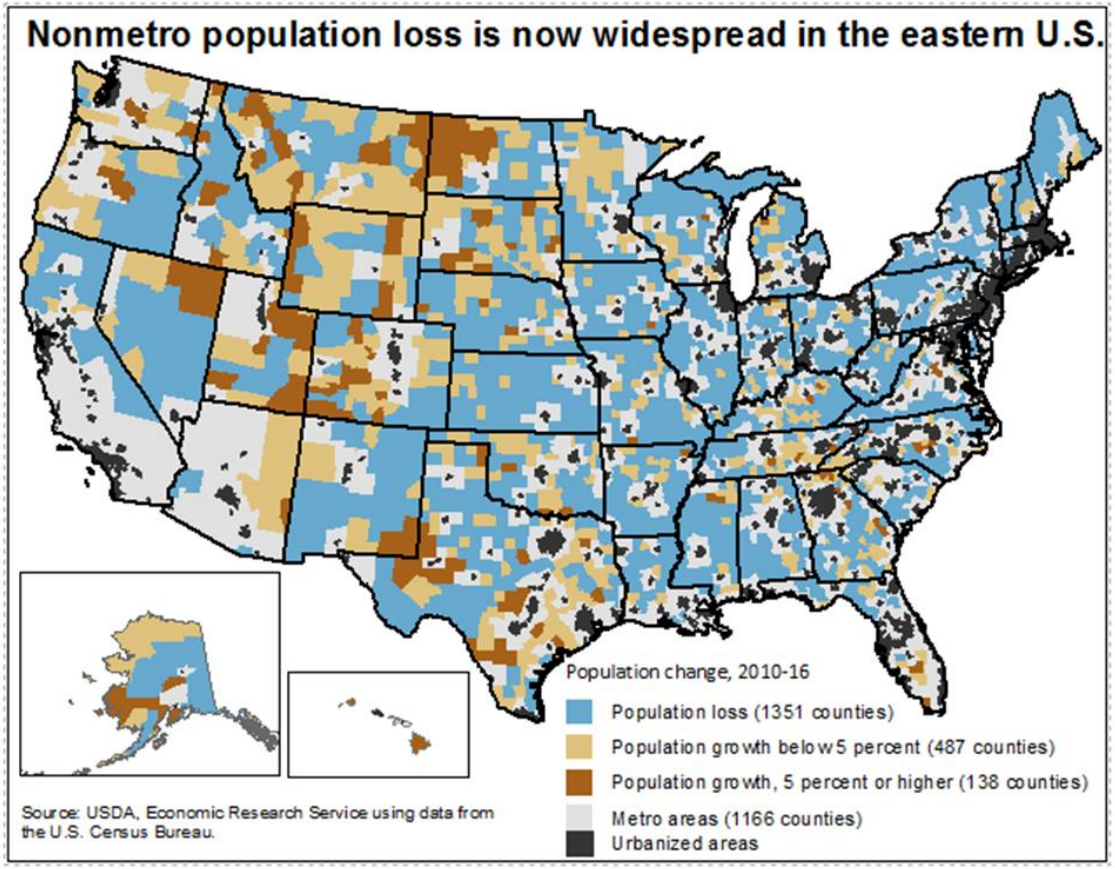

Note: Metro status changed for some counties in 1980, 1990, 2000, and 2010.
Source: USDA, Economic Research Service using data from U.S. Census Bureau.

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

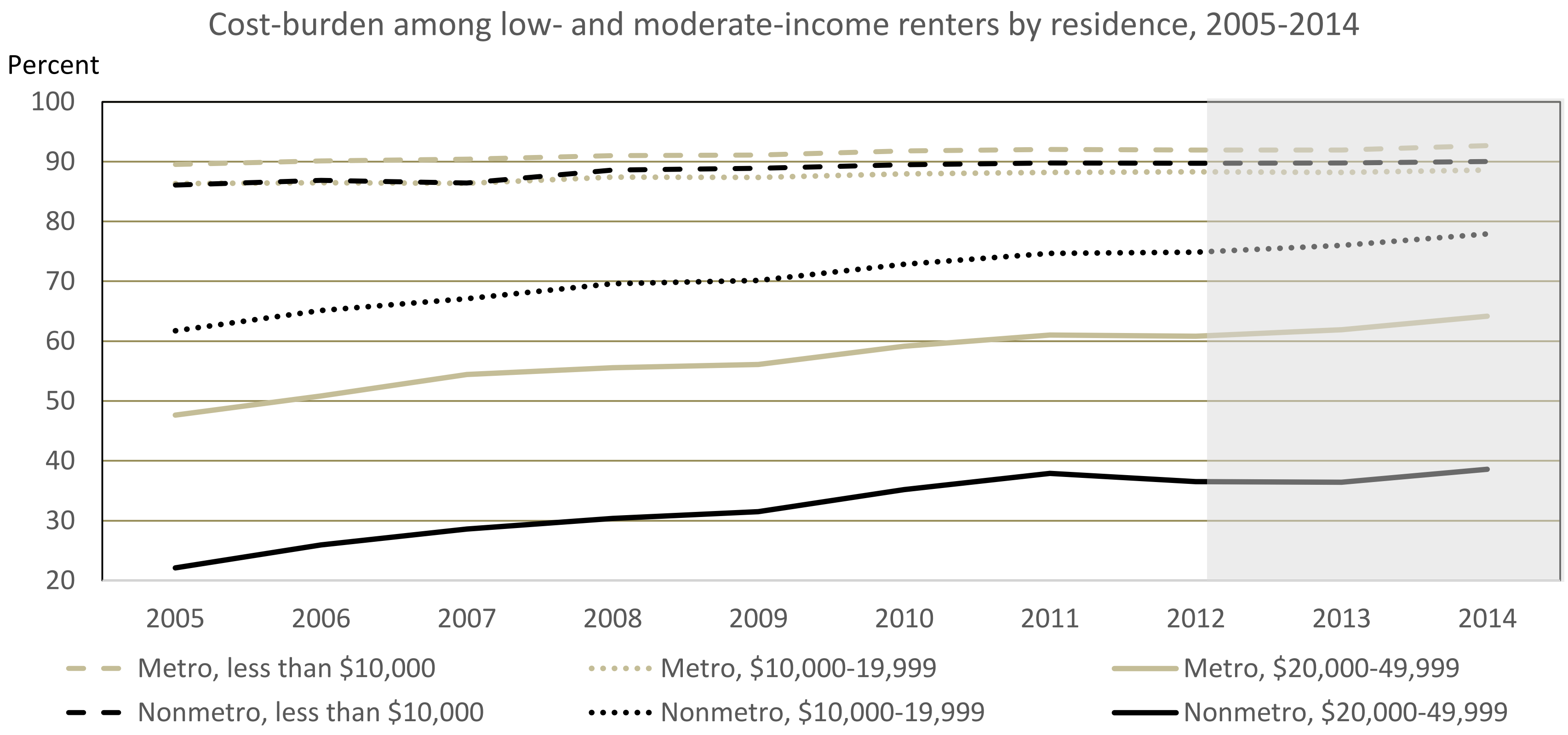
- ***Rural counties adjacent to urban areas, in the path of suburbanization, stopped growing for the first time in decades.***
- ***Rapid population growth in rural retirement and recreation destinations diminished substantially.***
- ***Over 100 manufacturing-dependent counties began losing population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

# Rural population loss is widespread, especially  in the eastern U.S.

- 1351 rural counties lost population between 2010 and 2016, while 615 rural counties had population growth
- Rural population growth occurred mainly in areas affected by the shale oil and gas boom and recreation areas



# The percentage of households that are housing cost-burdened has grown since 2005 for both low and moderate-income households in rural areas and moderate-income households in urban areas

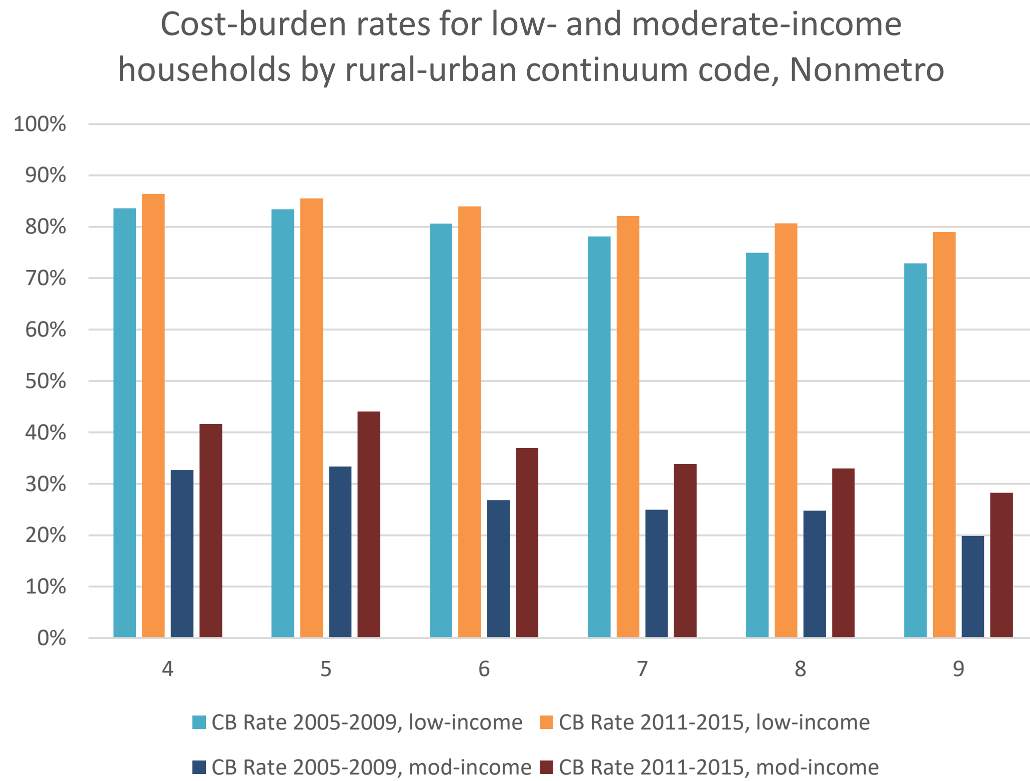



Note: Cost-burdened households spend more than 30 percent of gross income on gross rent.
Metro-nonmetro classification used in the ACS changed after 2012 (highlighted in gray)
Source: USDA-ERS using data from U.S. Census Bureau, ACS 1-year data, 2005-2014.

# The percentage of rural households that are housing cost-burdened has grown since 2005 for low and moderate-income households across the urban-rural spectrum; but is higher in rural counties with larger urban centers

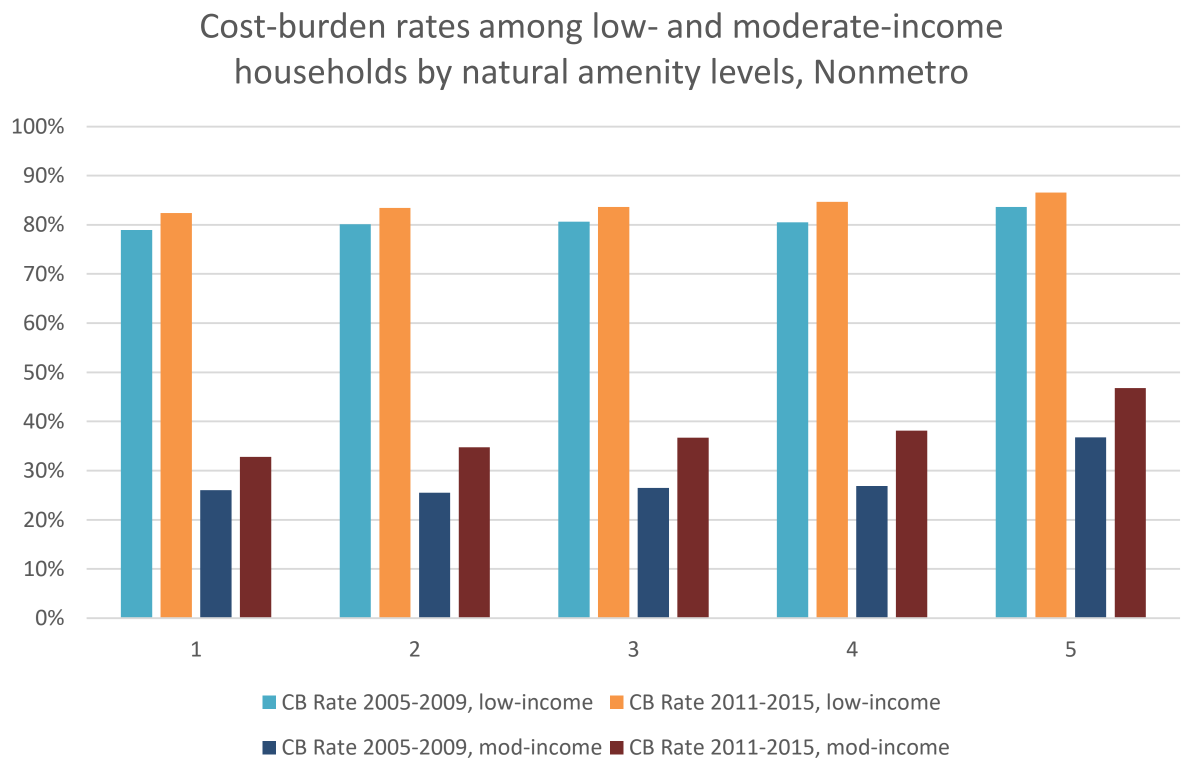
Rural-Urban Continuum Codes for nonmetro counties:

| | |
|---|---|
| 4 | Urban population of 20,000 or more, adjacent to a metro area |
| 5 | Urban population of 20,000 or more, not adjacent to a metro area |
| 6 | Urban population of 2,500 to 19,999, adjacent to a metro area |
| 7 | Urban population of 2,500 to 19,999, not adjacent to a metro area |
| 8 | Completely rural or less than 2,500 urban population, adjacent to a metro area |
| 9 | Completely rural or less than 2,500 urban population, not adjacent to a metro area |




Source: USDA, Economic Research Service using data from the American Community Survey

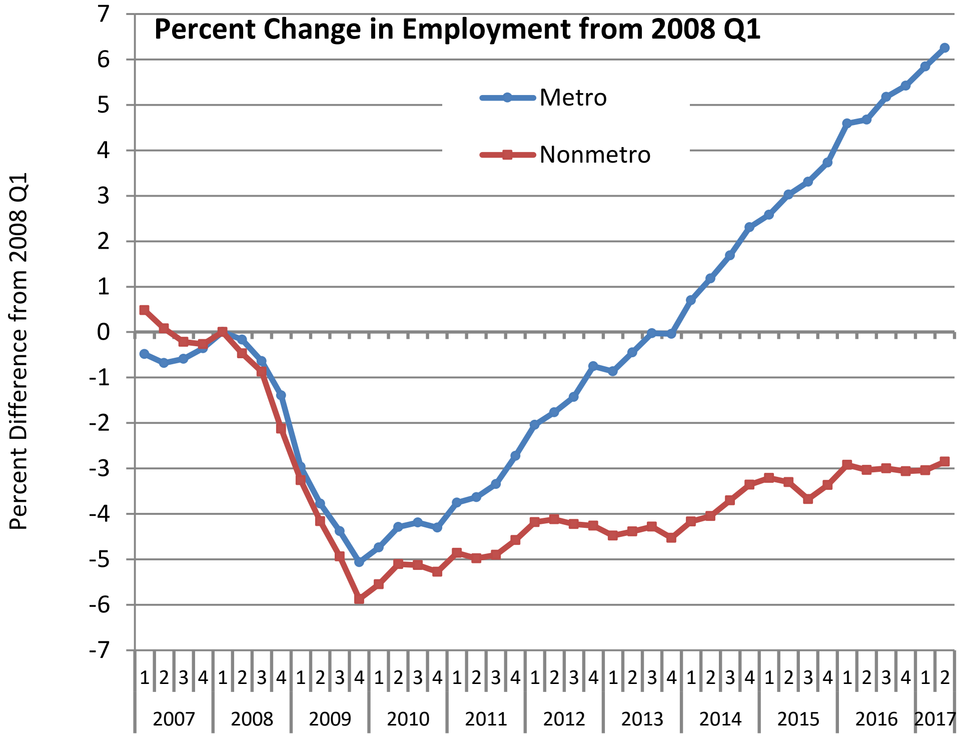
# The percentage of low and moderate-income rural households that are housing cost-burdened is higher in rural places with more natural amenities; but has grown since 2005 across all rural areas




Source: USDA, Economic Research Service using data from the American Community Survey

# Rural employment has recovered since the Great Recession, but not fully

- By the second quarter (Q2) of 2017, rural employment reached 97% of the level in the first quarter of 2008
- Rural employment has grown while population has declined; resulting in a rising share of the population employed since the recession
- The rural unemployment rate has declined in parallel to the urban rate, to 4.7% in Q2 of 2017
- The decline in the unemployment rate has partly been due to declining labor force participation, which is lower in rural areas in part due to an older population and greater prevalence of disabilities

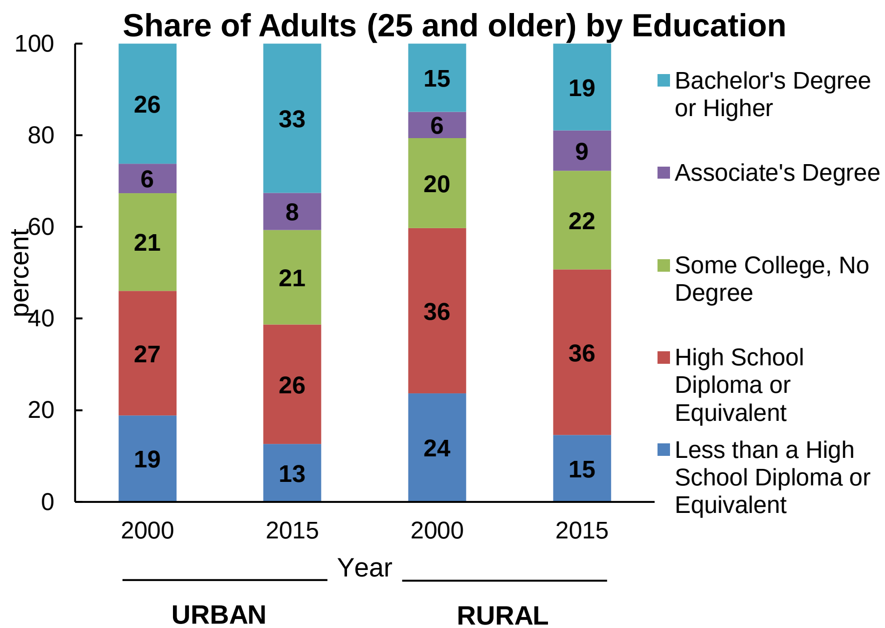



Notes: Data are seasonally adjusted by ERS, and are corrected for changes in LAUS methodology implemented in 1st quarter of 2010. National employment levels are benchmarked to the CPS research series, to smooth the population adjustments that affect the January data in each year..

Source: USDA-ERS analysis of data from DOL-BLS, Local Area Unemployment Statistics program. Data for 2017 are preliminary.

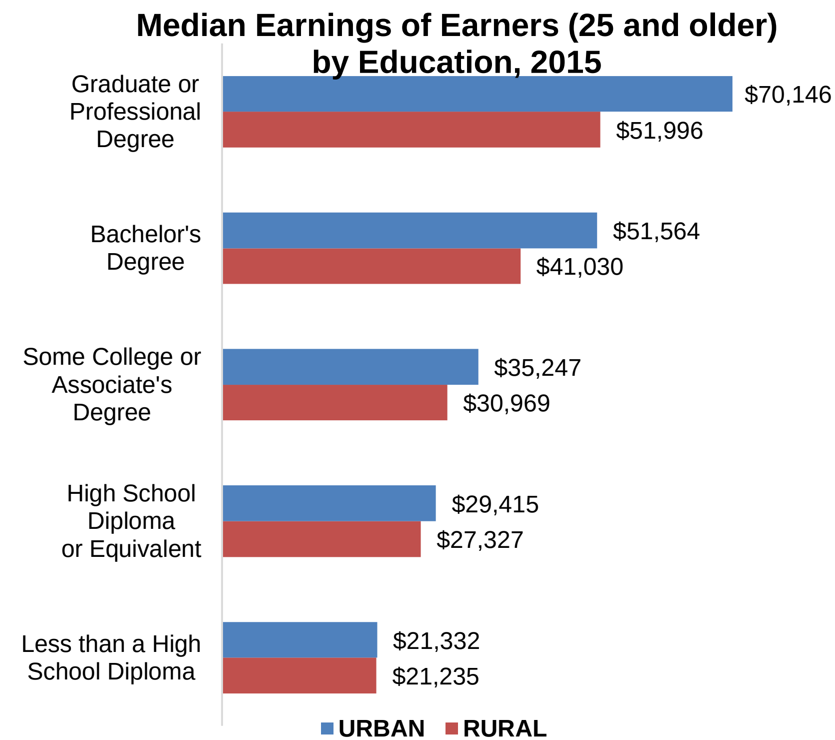
# Adults in rural areas are less likely to have completed college than those in urban areas, but educational attainment is increasing in rural as well as urban areas

- The share of adults with bachelor's degrees or higher is lower in rural areas, though the share has been increasing in both rural and urban areas
- The share of adults with an associate's degree is slightly higher and growing more in rural areas




Source: USDA, Economic Research Service using data from the U.S. Census Bureau

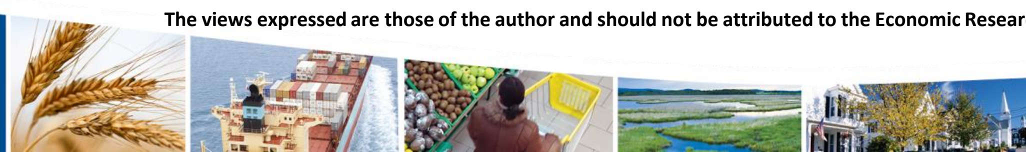
- The gap between urban and rural wages and salaries is greater for more educated workers
- This likely contributes to rural "brain drain"



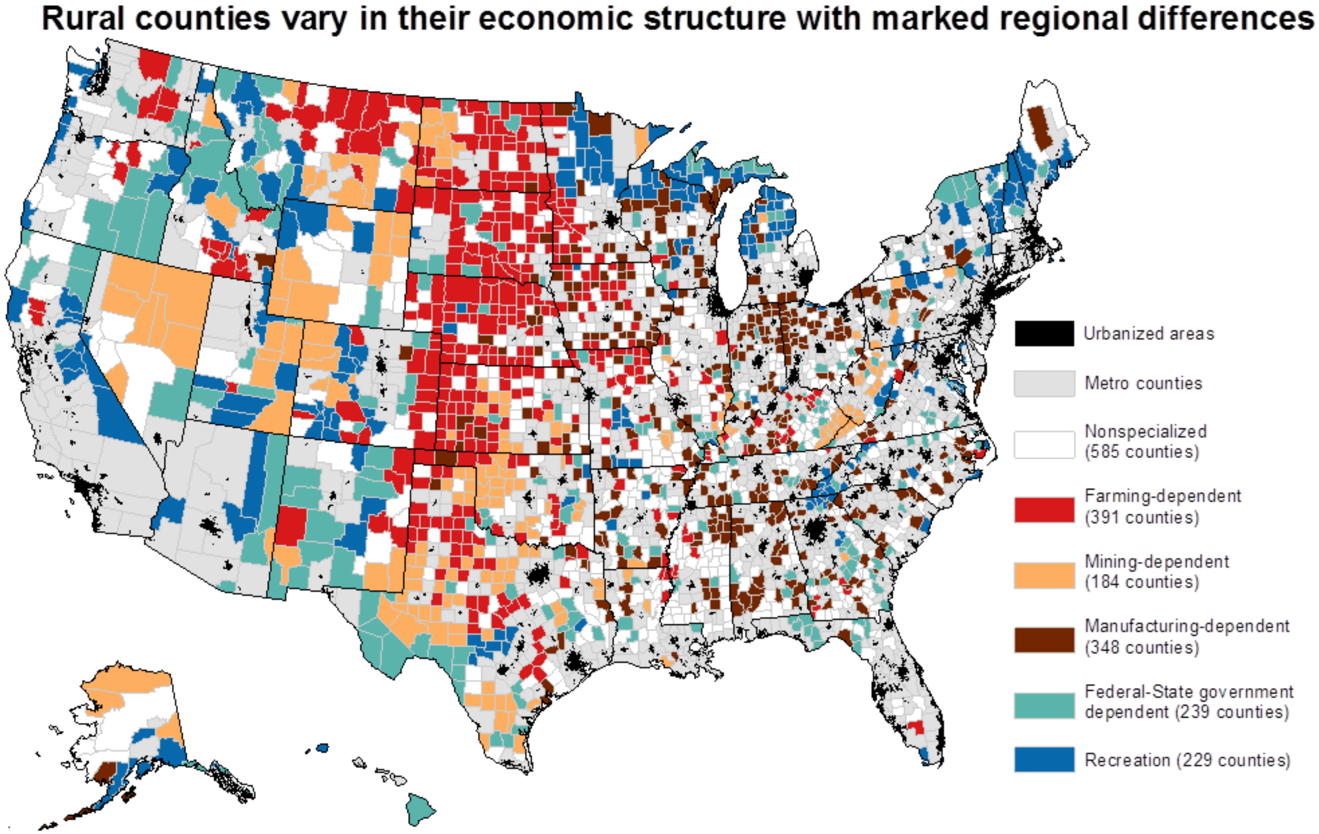

Source: USDA, Economic Research Service using data from the U.S. Census Bureau







# Industry dependence is important in explaining county-level economic trends

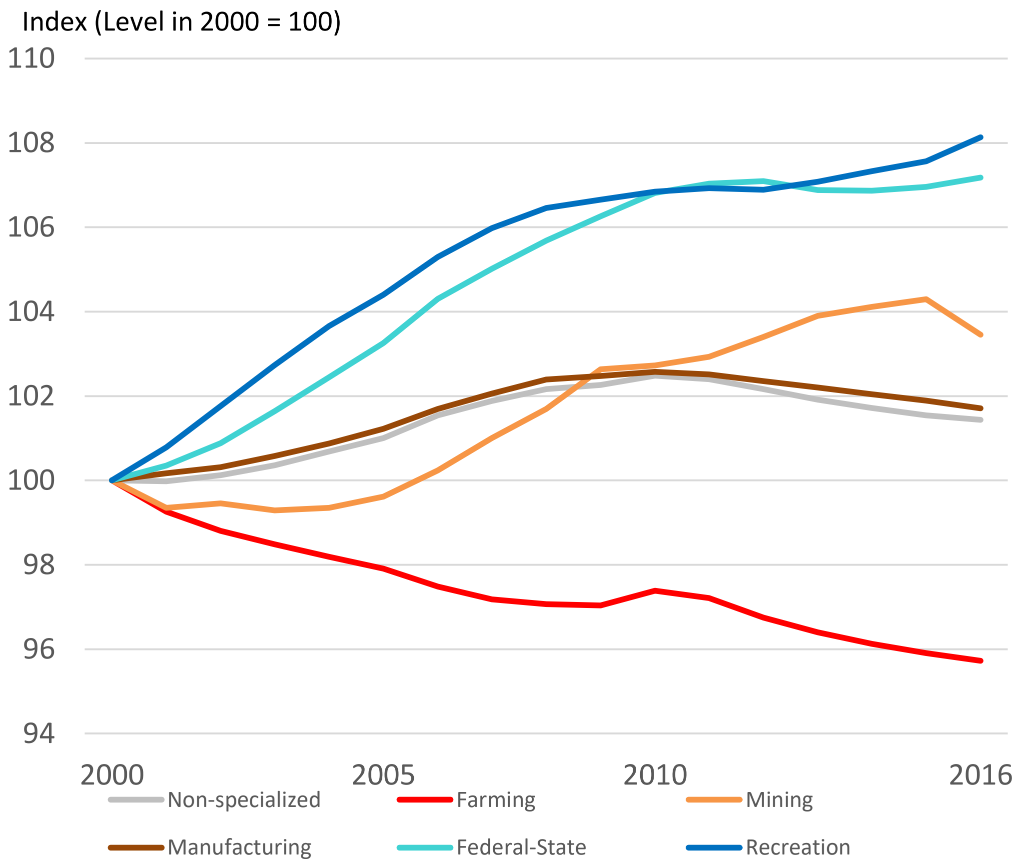



Source: USDA, Economic Research Service using data from the Bureau of Economic Analysis

# Rural population growth has been fastest in recreation, government- and mining-dependent counties, and population continues to decline in farming-dependent counties

- Population grew for most types of rural counties prior to the Great Recession – except farming-dependent counties – with the fastest growth in recreation, Federal-State government-dependent, and mining-dependent counties
- Since the recession, population has declined in manufacturing-dependent and non-specialized counties, and continued declining in farming-dependent counties
- Population growth stabilized in recreation and government-dependent counties after the recession, but has recently begun to grow more rapidly in recreation counties
- Population in mining counties grew after the recession until recently

**Population change by rural county economic type**




Source: USDA, Economic Research Service using data from the Census Bureau

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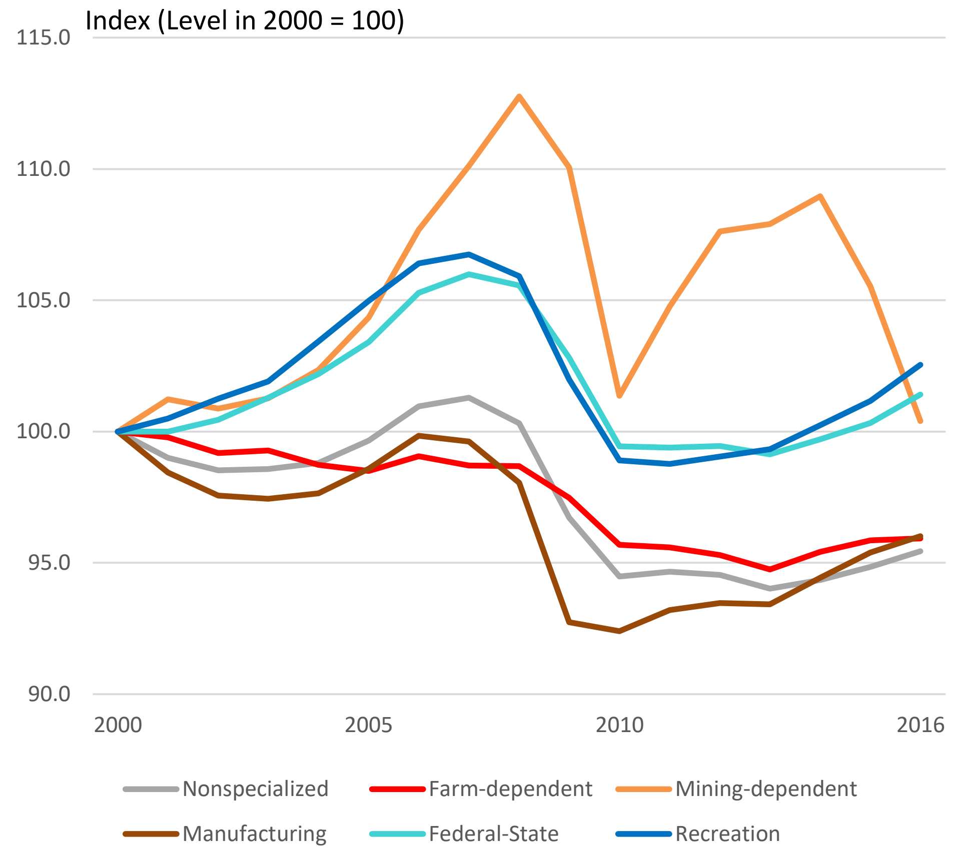
# Rural employment trends vary substantially across county economic types

- Since 2000, rural employment has increased slightly in recreation, government-dependent, and mining-dependent counties, and declined in farming-dependent, manufacturing-dependent, and nonspecialized counties
- Employment grew in all county types except farming-dependent prior to the 2007-2009 recession, declined during and after the recession, and has since grown in all types except mining counties
- Manufacturing-dependent counties suffered the largest employment declines during the recession, but have recovered the most since the recession
- Employment has been most volatile in mining counties

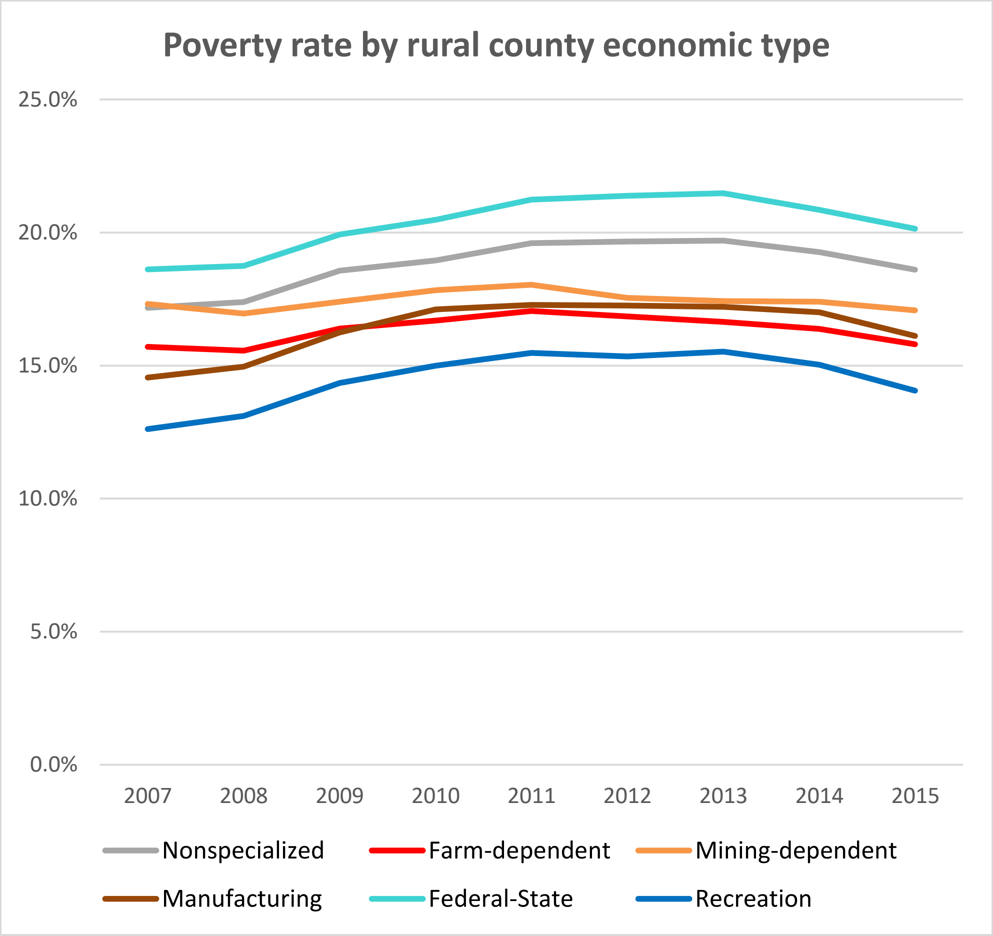
**Employment change by rural county economic type**




Source: USDA, Economic Research Service using data from the Bureau of Labor Statistics

# Rural median household incomes are highest and poverty rates are lowest in recreation counties

- Most county economic types had declining incomes and rising poverty during and after the Great Recession
- Farming- and mining-dependent counties were an exception to declining median incomes; rising farm incomes after the recession may have buffered income declines in farming-depending counties during/after the recession
- All county types have had some recovery of incomes and declining poverty rates in recent years
- Median household incomes are highest and poverty rates lowest in recreation counties, due in part to higher income from assets and transfer payments (such as Social Security payments) in these counties.




Source: USDA, Economic Research Service using data from the U.S. Census Bureau

# Questions?

Contact:

- John Pender – jpender@ers.usda.gov

ERS website: www.ers.usda.gov