

Recommitting to Rural America: The Expanding Crisis of Rural Poverty and its Effects

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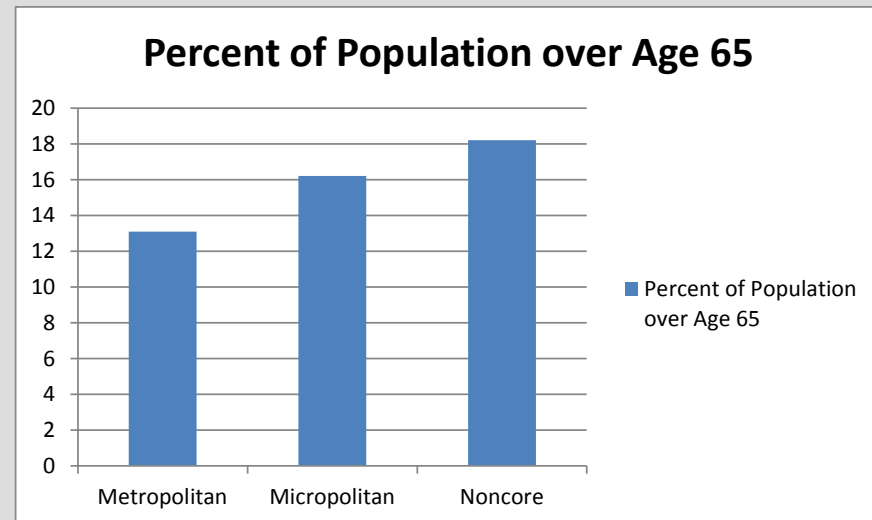
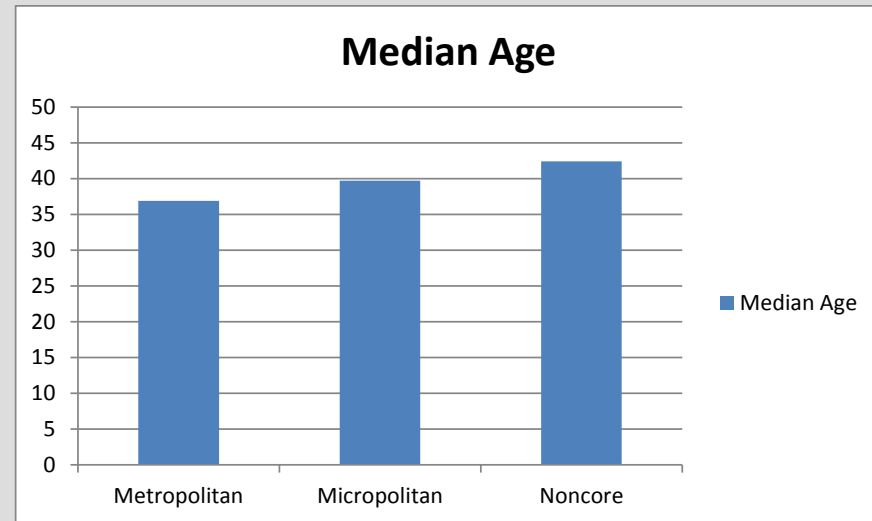


Framing Today's Dialogue

- I. The Current Rural Context
- II. Rural Poverty Overview / Considerations
- III. Rural Economic and Structural Challenges
- IV. Reframing the Rural/Urban Dialectic
- V. “Next Gen” Societal Dynamics

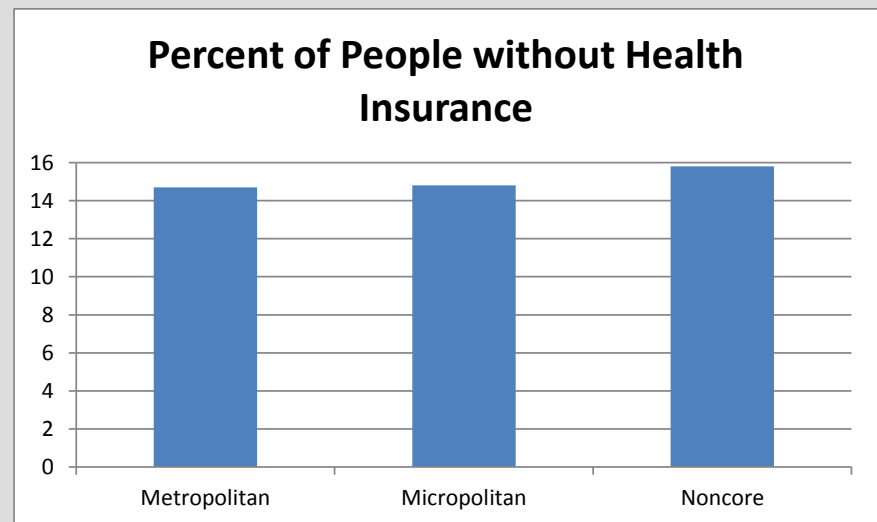
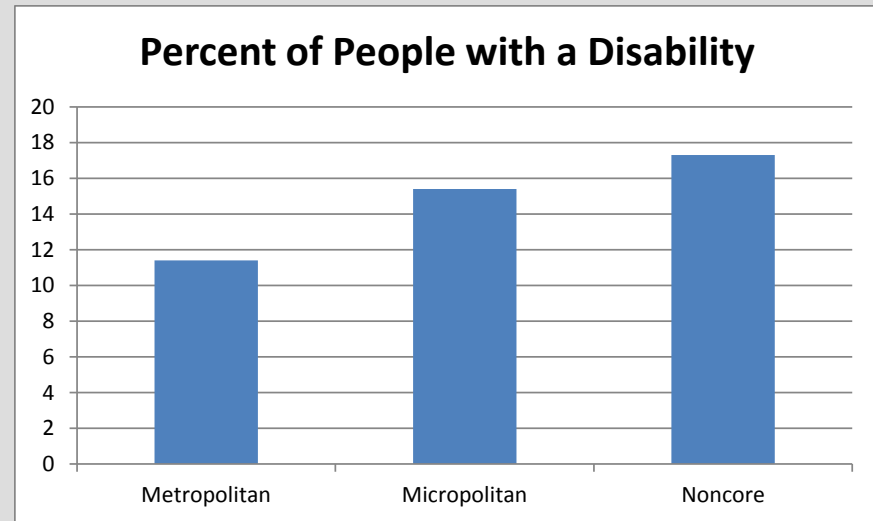
Rural Americans are Older

- ▶ The median age in noncore counties is over 40.
- ▶ In noncore counties, 18% of the population is over 65, compared to 13% in metropolitan counties.

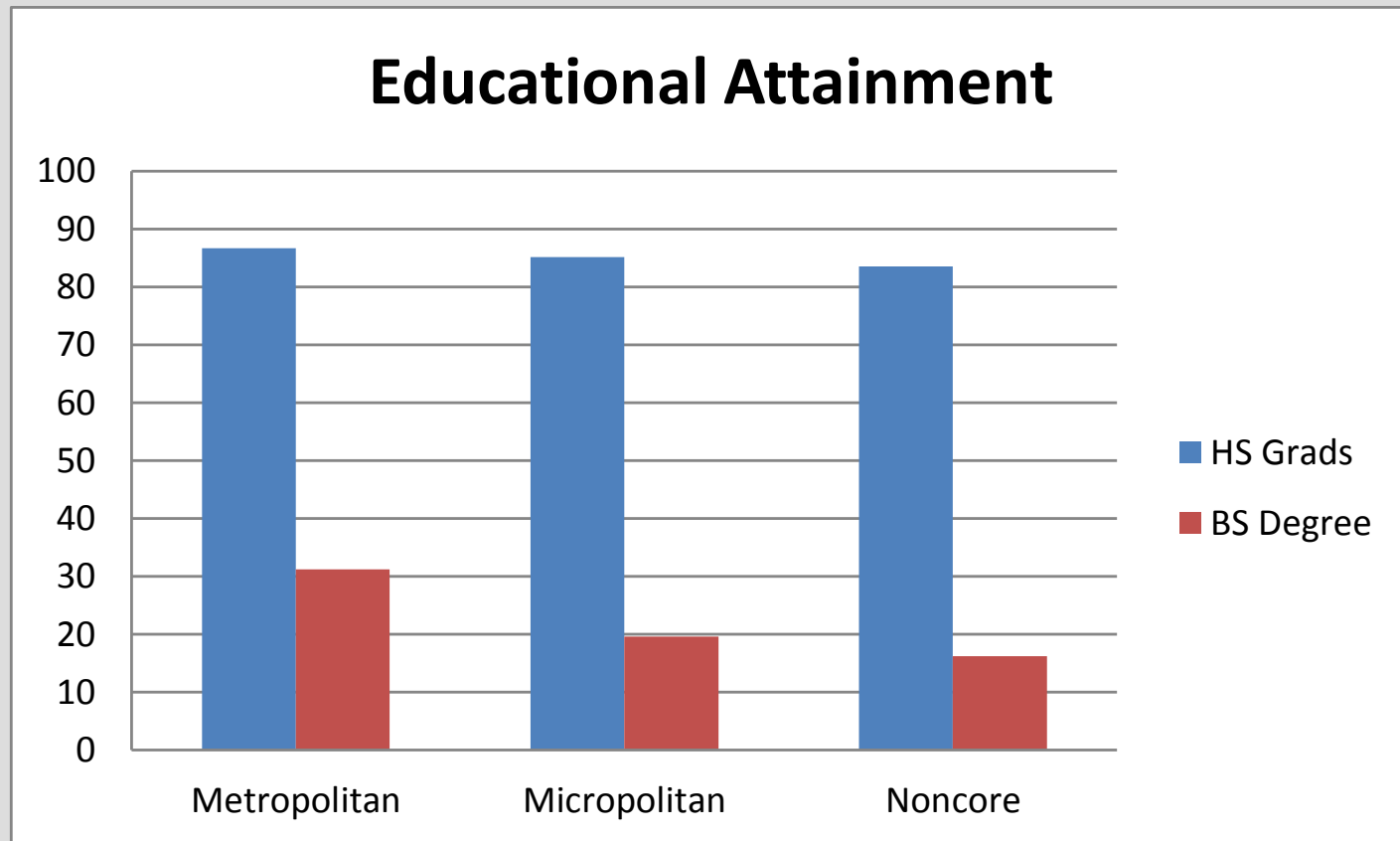


Rural Americans Face Health Care Challenges

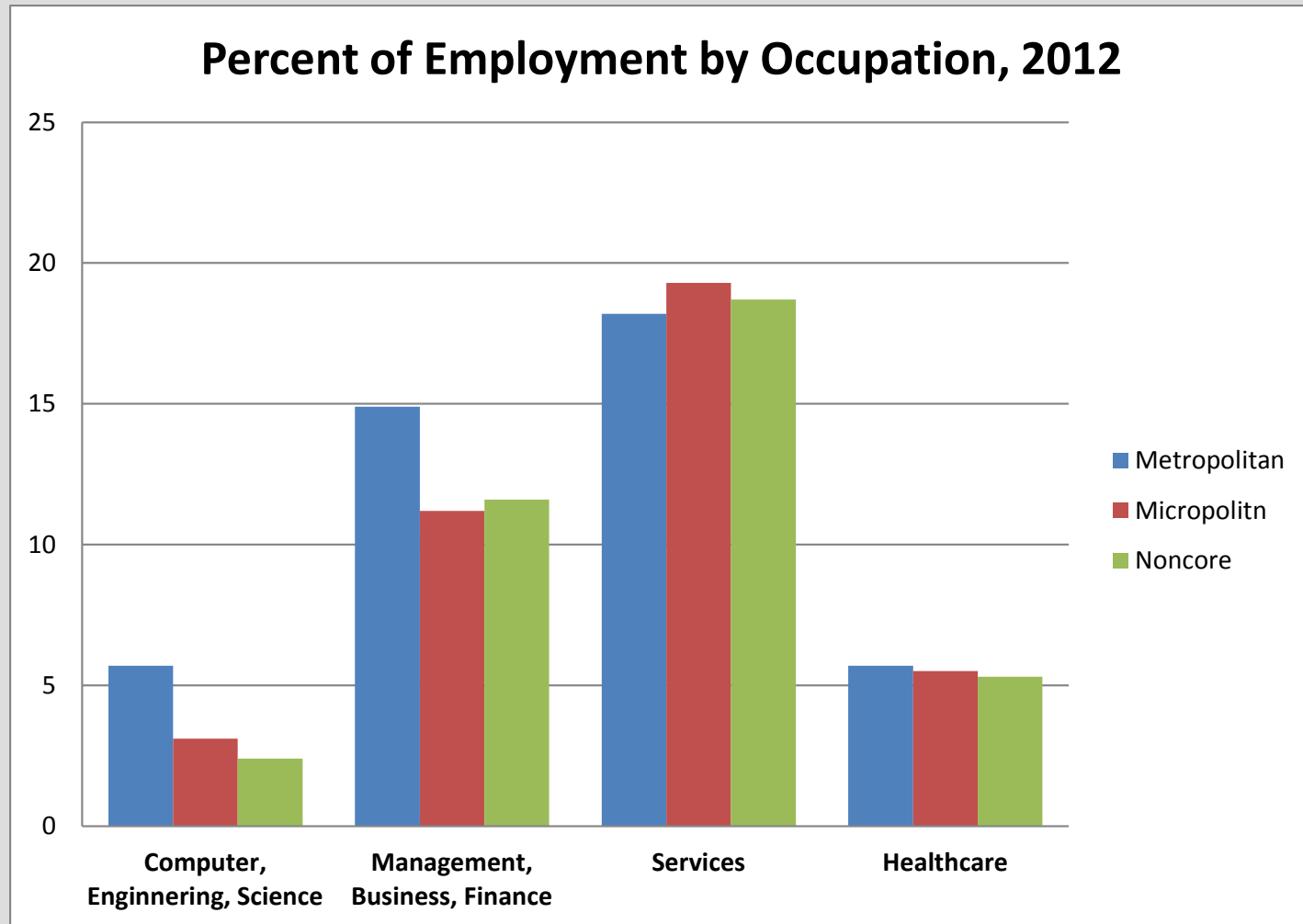
- ▶ In noncore counties, nearly 18% of the population has a disability, compared to only 11% of the metro population.
- ▶ A higher percentage of the noncore population lacks health insurance.



Rural Americans are Less Educated

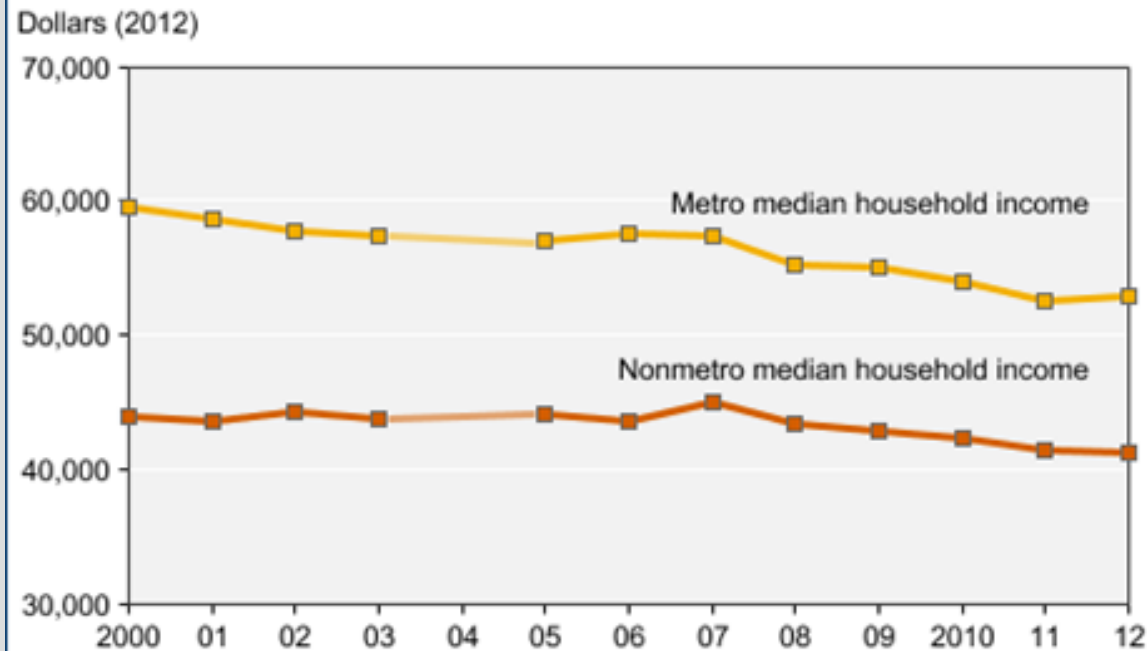


Therefore, Rural Workers Are Far Less Likely to Work in Technical and Management Occupations



So, Rural Americans Earn Less

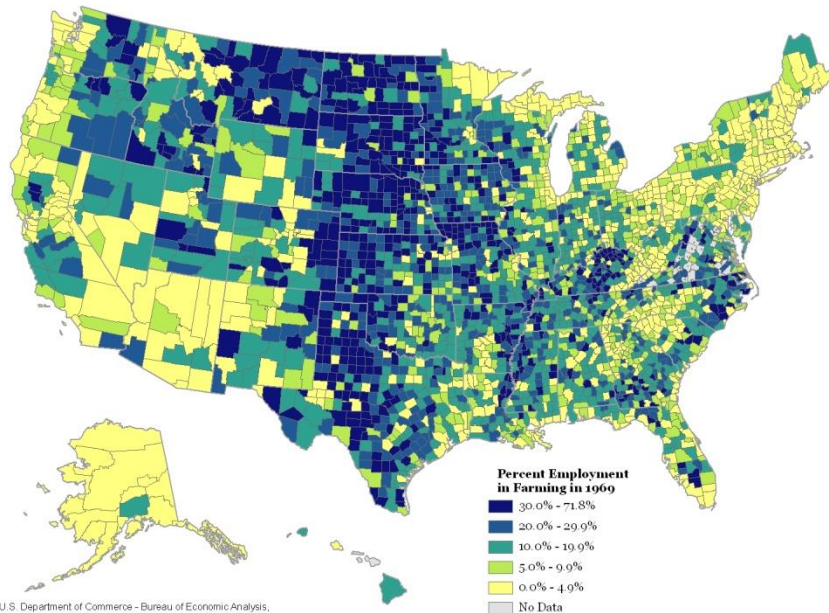
Real median household income by residence, 2000-12 (in 2012 dollars)



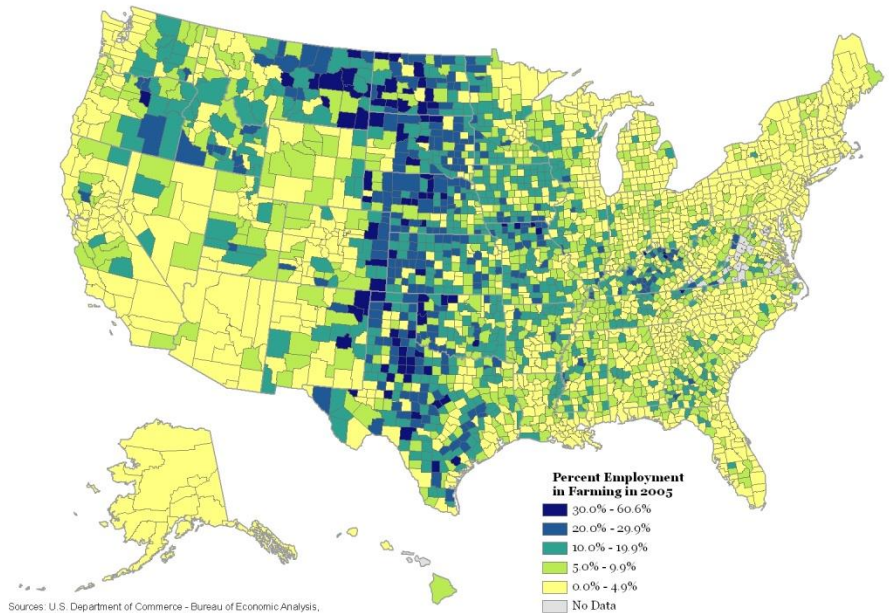
Notes: The definition of metropolitan areas changed during the course of 2004 and metro/nonmetro estimates for 2004 are not available. Post-2004 estimates reflect the 2003 Office of Management and Budget metro/nonmetro definitions.
Source: USDA, Economic Research Service using data from U.S. Census Bureau's P-60 reports and updates. Inflation-adjusted using CPI-U.

Farming's Importance to Rural Employment is Declining

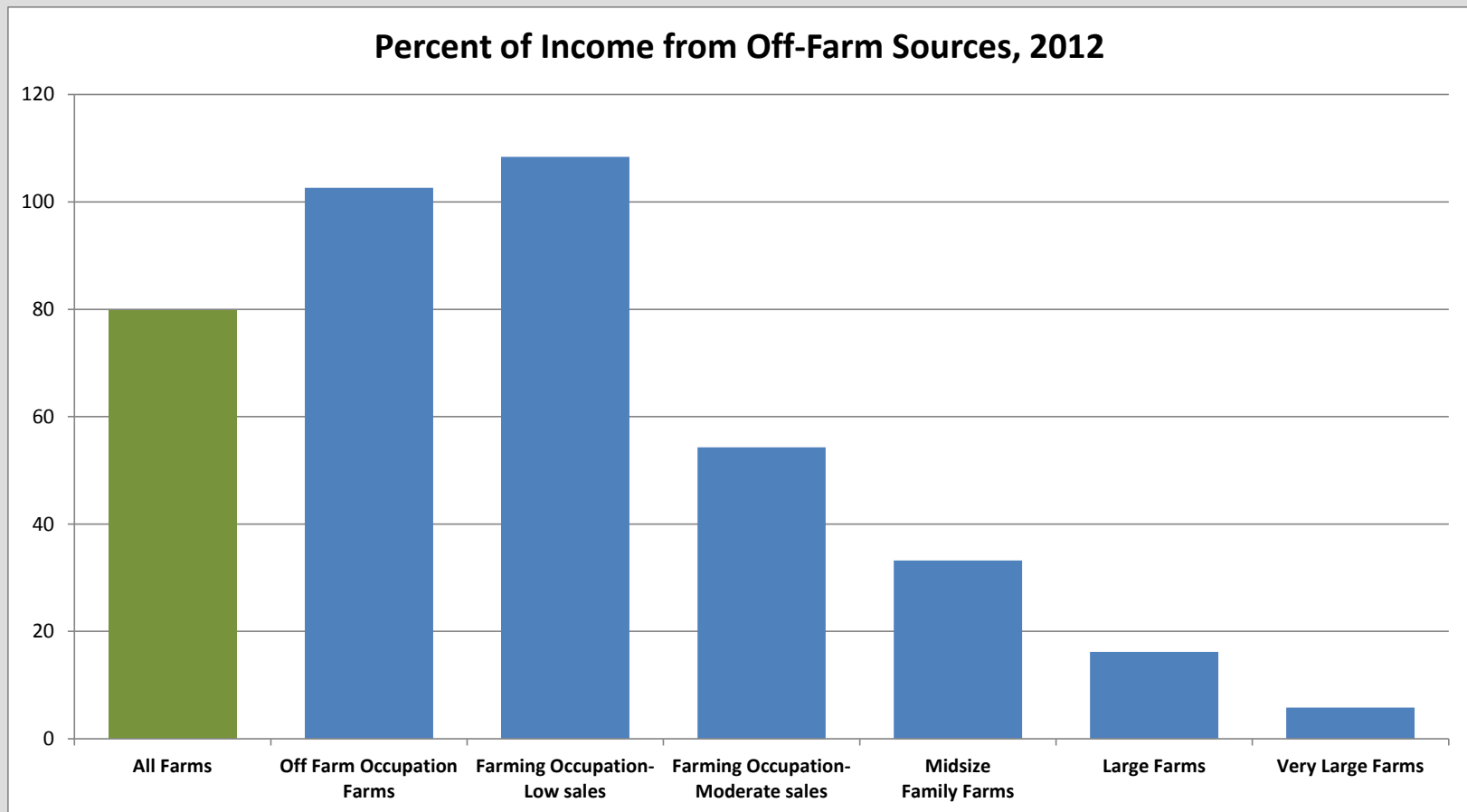
Percent of County Employment in Farming, 1969



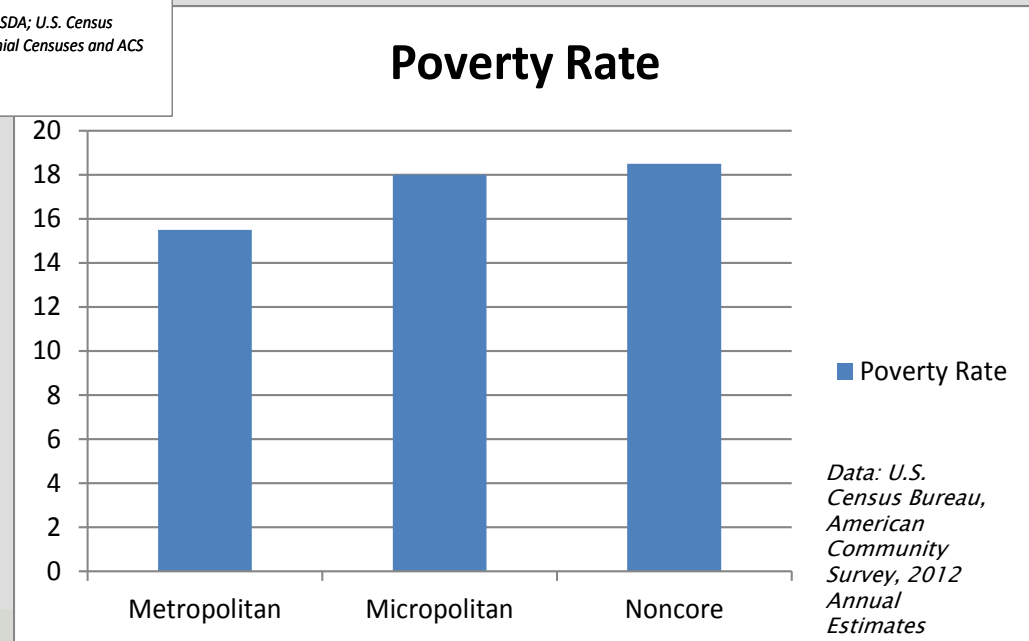
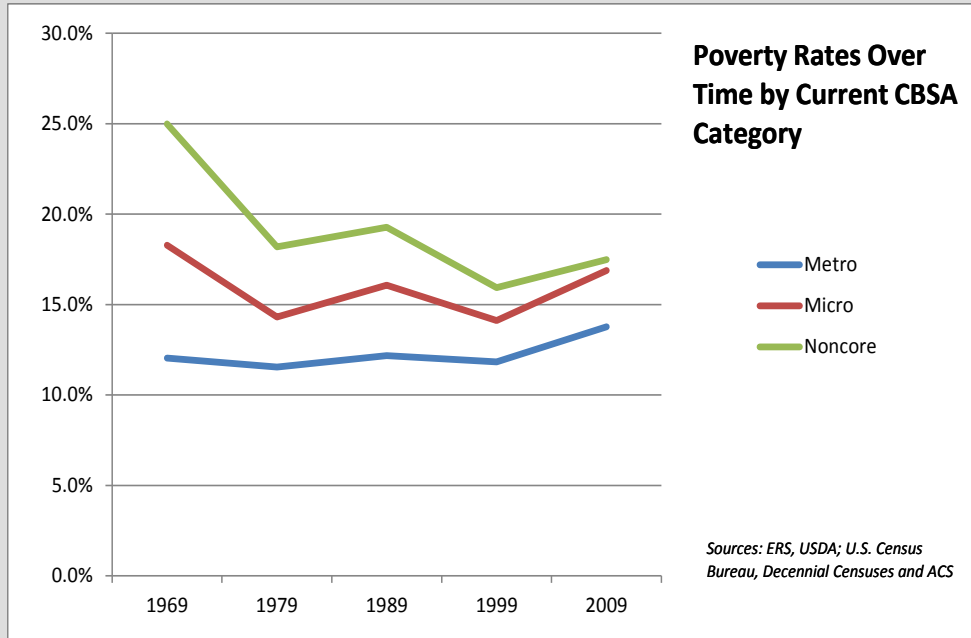
Percent of County Employment in Farming, 2005



But the Broader Rural Economy Is Now Very Important to Farm Household Income

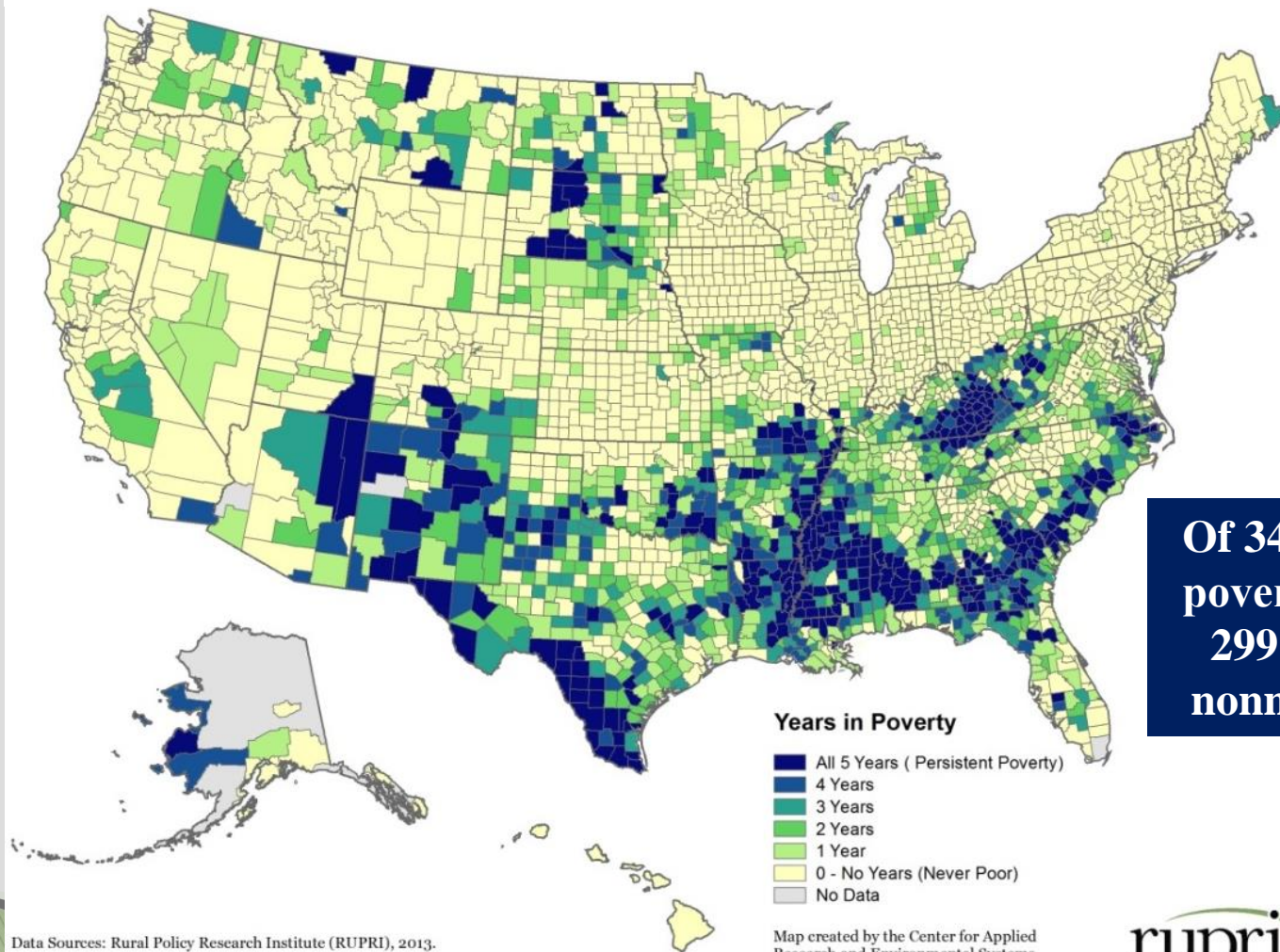


Rural Americans Are Poorer



Rural Poverty is Persistent

Number of Years County Measures as High Poverty, 1969-2009



Of 347 “persistent poverty” counties, 299 or 86% are nonmetropolitan.

Data Sources: Rural Policy Research Institute (RUPRI), 2013.

Note: Alaska and Hawaii not shown to scale

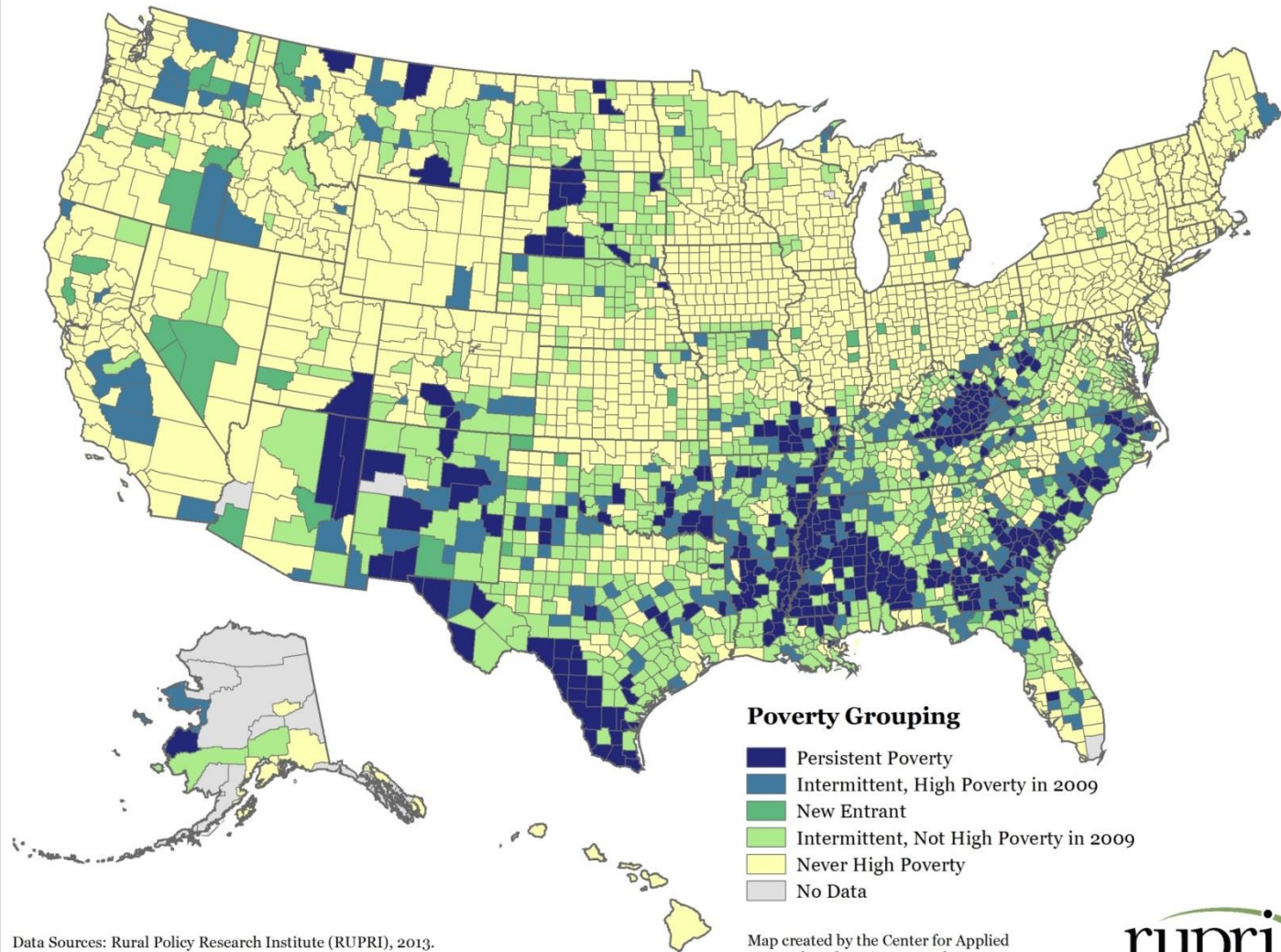
Map created by the Center for Applied Research and Environmental Systems, June 2013.

A County Poverty Typology

Examining County Poverty Trends, 1969-2009

- ▶ Persistent Poverty (high poverty in all 5 decades)
- ▶ Intermittent, High Poverty in 2009
- ▶ New Entrants (only high poverty in 2009)
- ▶ Intermittent, Not High Poverty in 2009
- ▶ Never High Poverty

County Poverty Grouping



Data Sources: Rural Policy Research Institute (RUPRI), 2013.

Note: Alaska and Hawaii not shown to scale

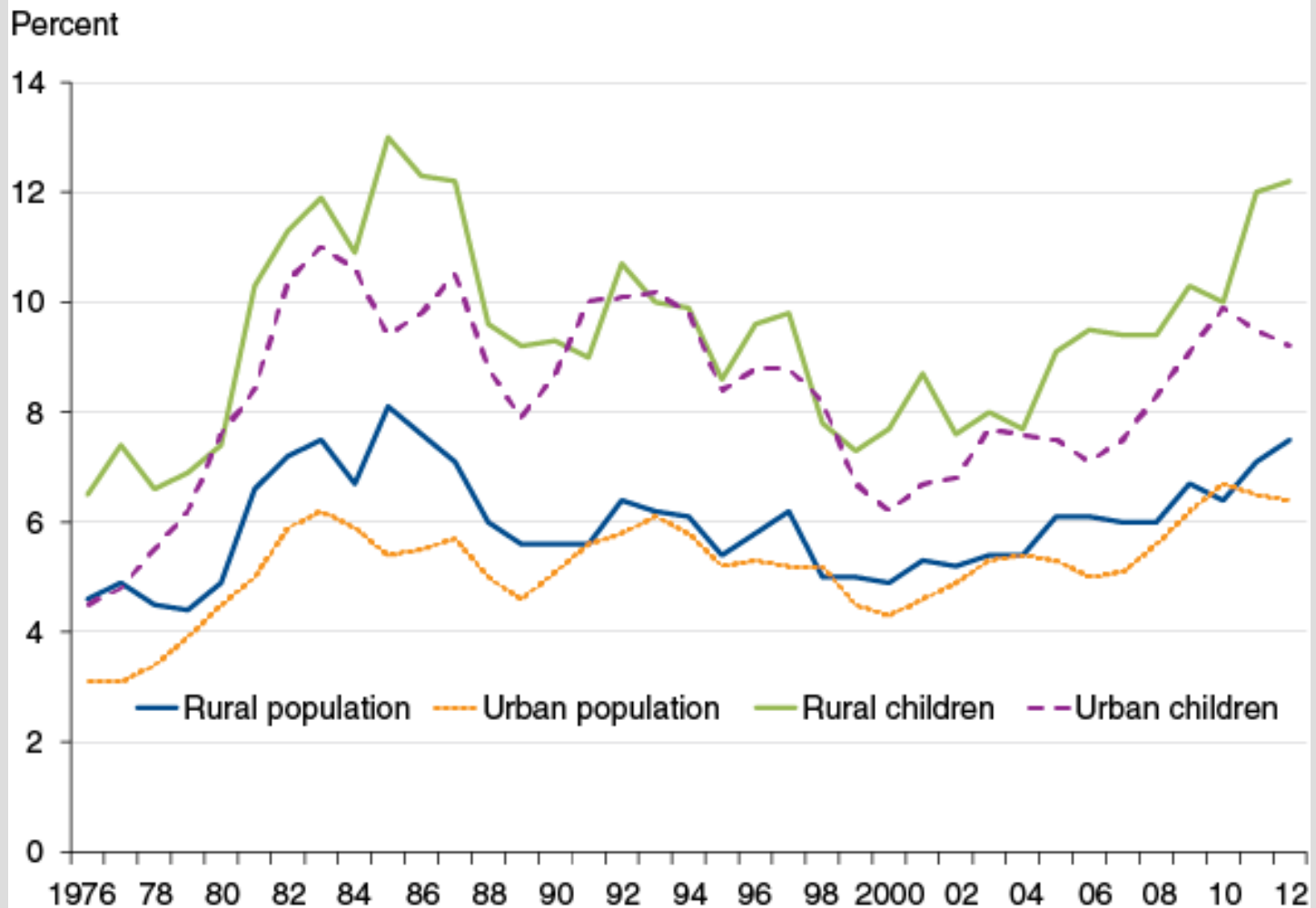
Map created by the Center for Applied
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Deep Poverty

- ▶ Defined as those with incomes less than 50 percent of the federal poverty level
- ▶ Deep poverty rates are highest among rural children
- ▶ The gap in deep poverty rates between urban and rural children has widened in the most recent year

Deep poverty rates are highest for rural children



Note: Rural and urban are defined by metropolitan area definitions.

Source: USDA, Economic Research Service using Current Population Survey Data.

RUPRI's Work with the Kresge Foundation

- ▶ The Kresge Foundation approached RUPRI to help them broaden their understanding of rural poverty and human services needs.
- ▶ RUPRI completed *The Geography of Need* in response to this request from the Foundation.

Poor Rural Americans Face Many Challenges

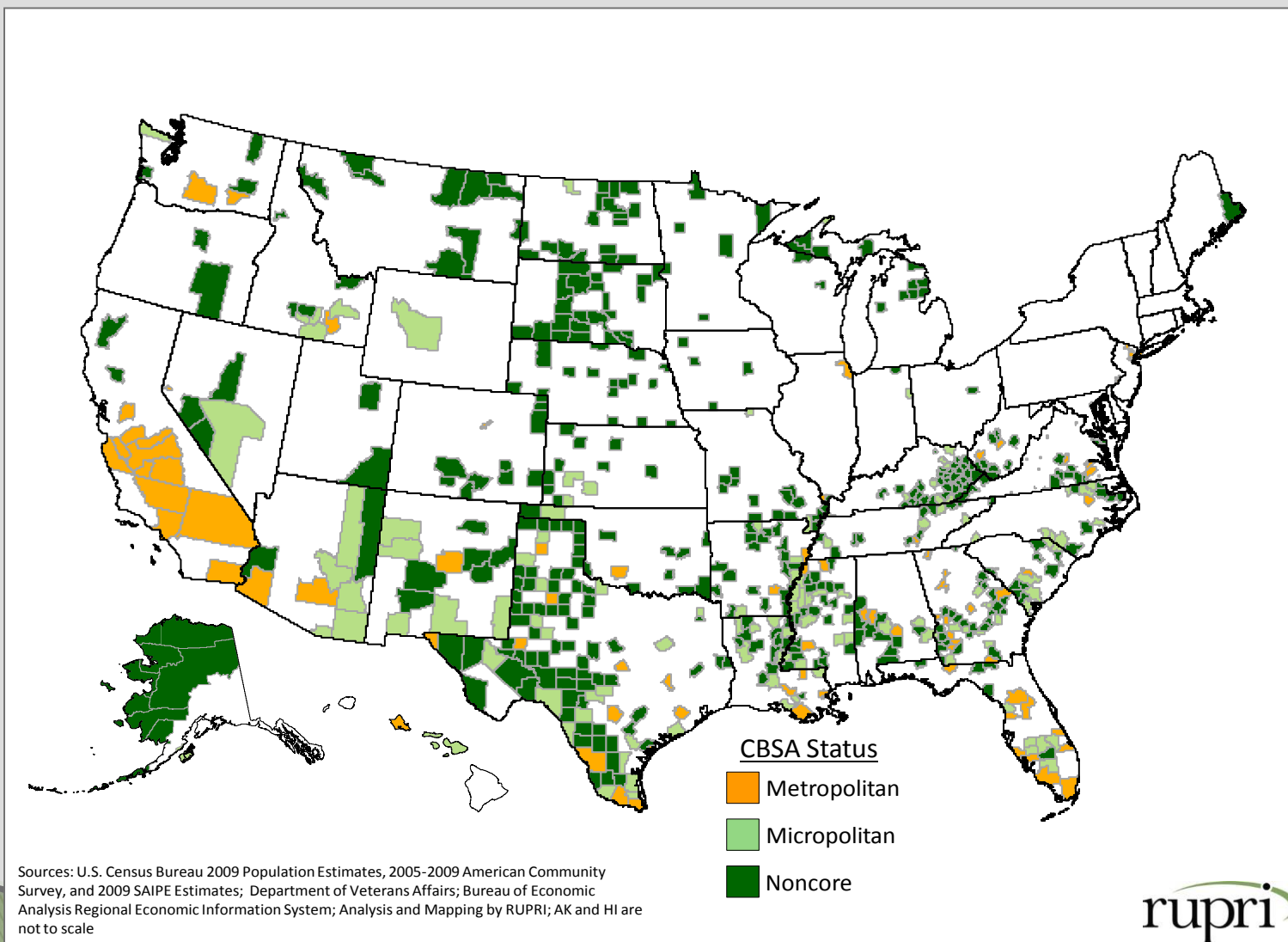
The Geography of Need

- ▶ An examination of human services needs across the country (8 demographic and 4 economic needs indicators)
- ▶ Nearly one-third of noncore counties experience three or more risk factors, compared to only 9% of metro counties
- ▶ 10% of noncore counties experience five or more risk factors, compared to only 2% of metro counties.

Demographic and Economic Indicators

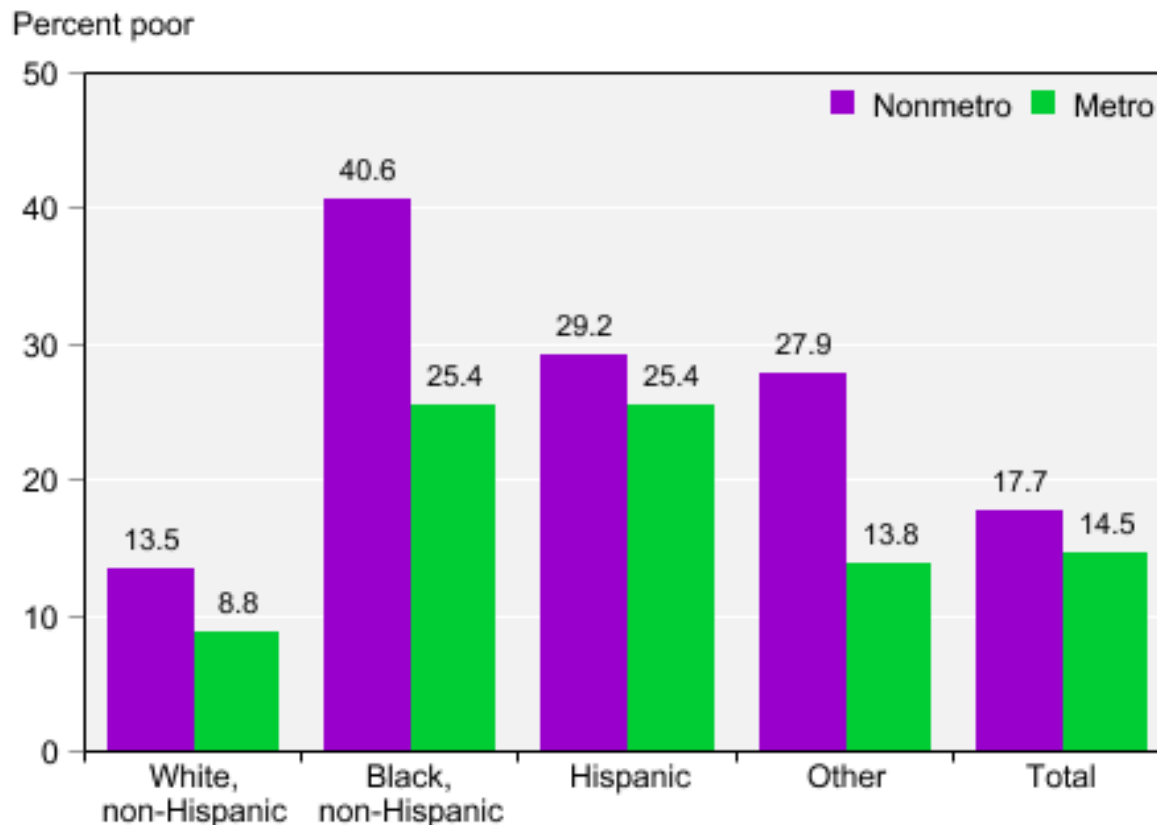
- Percent of population age 65 and over
- Percent of population that are racial or ethnic minorities
- Percent of the population living in subfamilies
- Ratio of the working age population to the non working age population
- High fertility areas
- Veterans as a percent of total population
- Areas with low educational attainment
- Percent of population that is foreign born
- Percent of population in poverty
- Percent of households without a vehicle
- Percent of households receiving SNAP benefits
- Percent of county income from transfer payments

Counties with Three or More Risk Factors (Combined Index), by CBSA Status



Racial and ethnic minorities have higher rates of poverty in both metropolitan and nonmetropolitan areas.

Poverty rates by race/ethnicity and metro/nonmetro residence, 2012



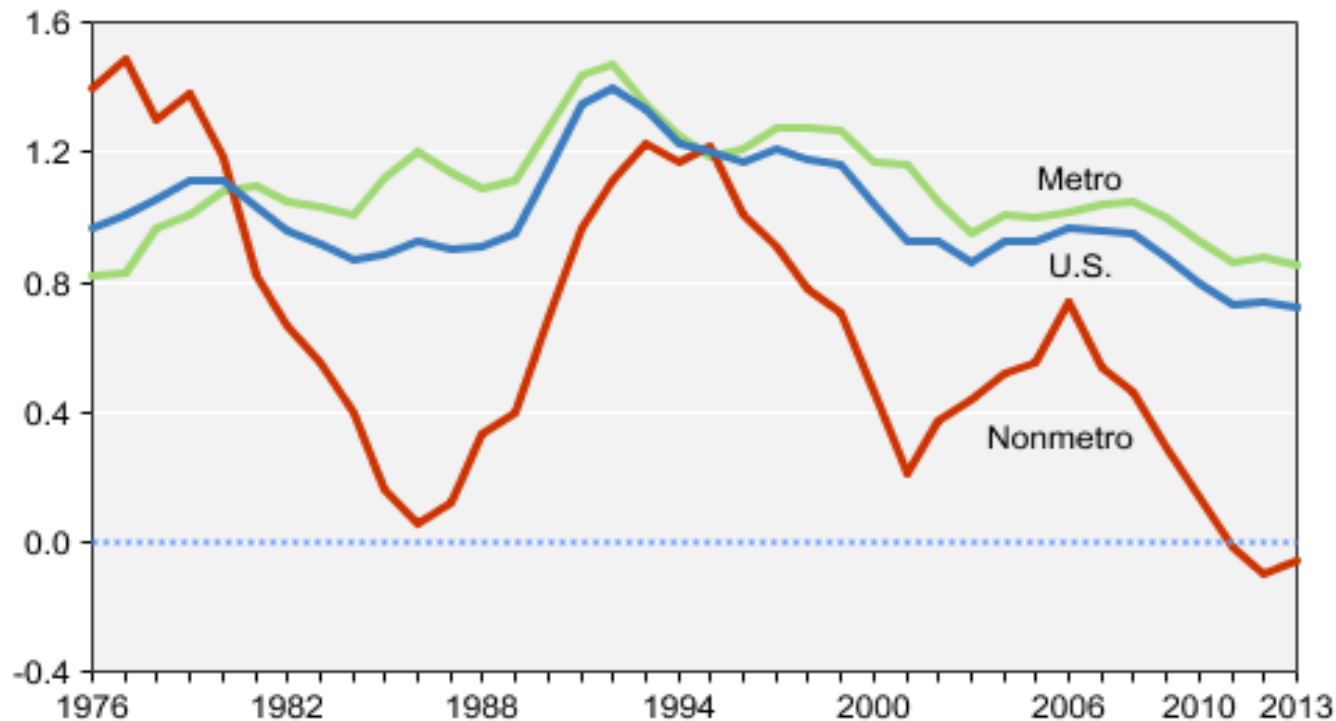
Source: USDA, Economic Research Service using data from U.S. Census Bureau, 2013 Annual Social and Economic Supplements.

Rural Economic and Structural Challenges

Rural Population is Declining Overall...

Population change by metro/nonmetro status, 1976-2013

Percent change from previous year

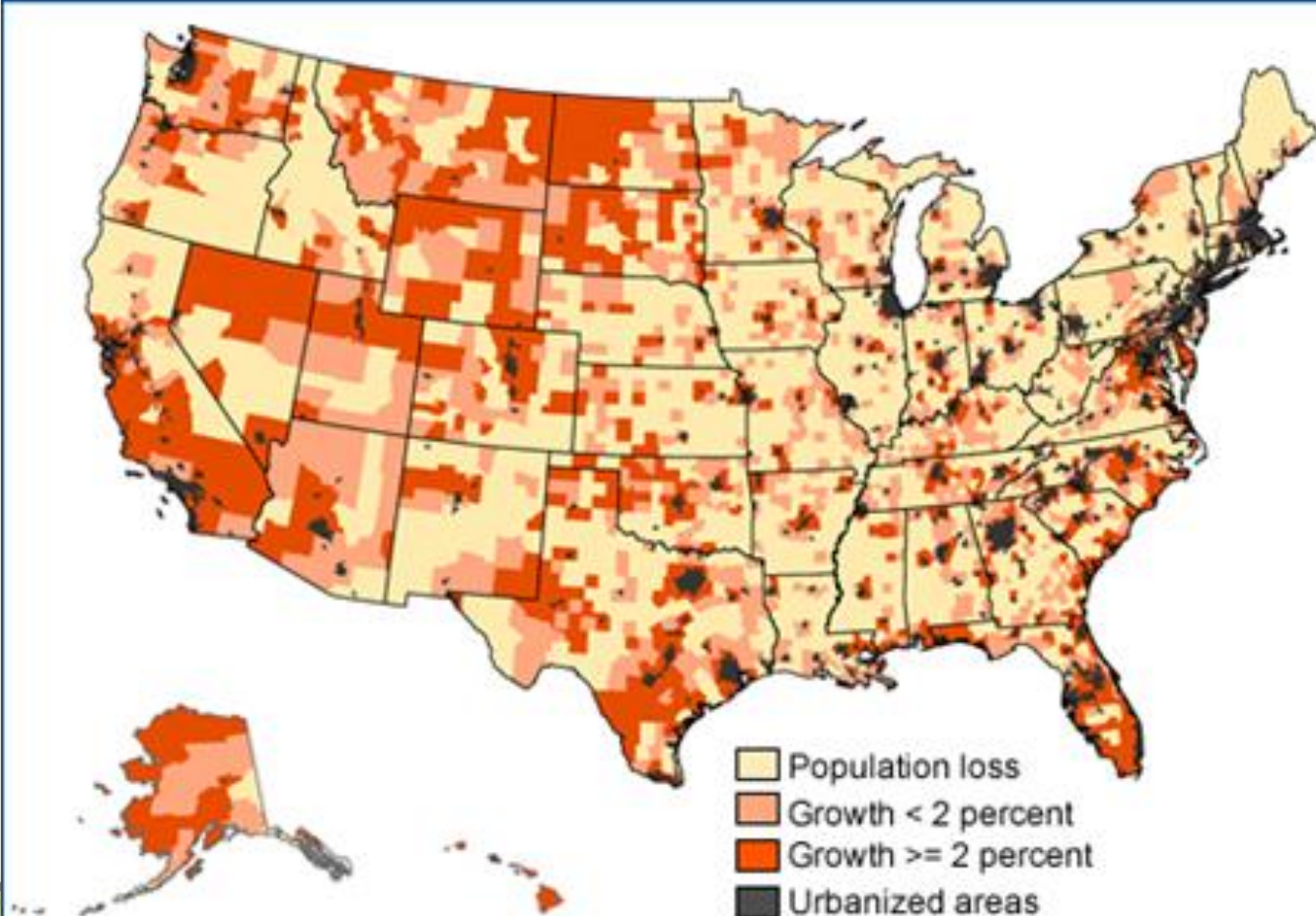


Note: Metro status changed for some counties in 1980, 1990, 2000, and 2010. Rates are imputed for 1989-1990, 1999-2000, and 2009-10.

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

...But Not Everywhere

Population change, 2010-13

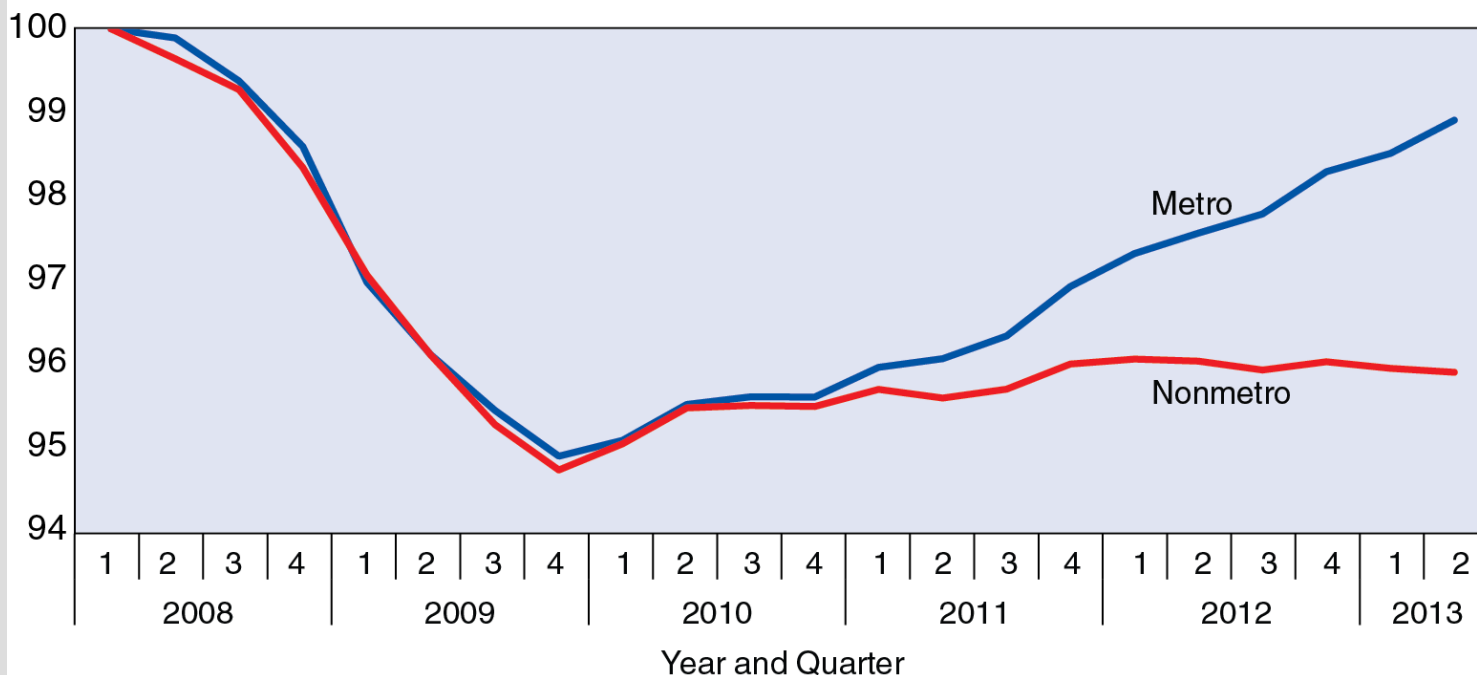


Source: USDA, Economic Research Service using data from U.S. Census Bureau.

Rural America Slow to Recover

No net employment growth in nonmetro counties in 2012 and first half of 2013

Employment index (2008 Q1 = 100)

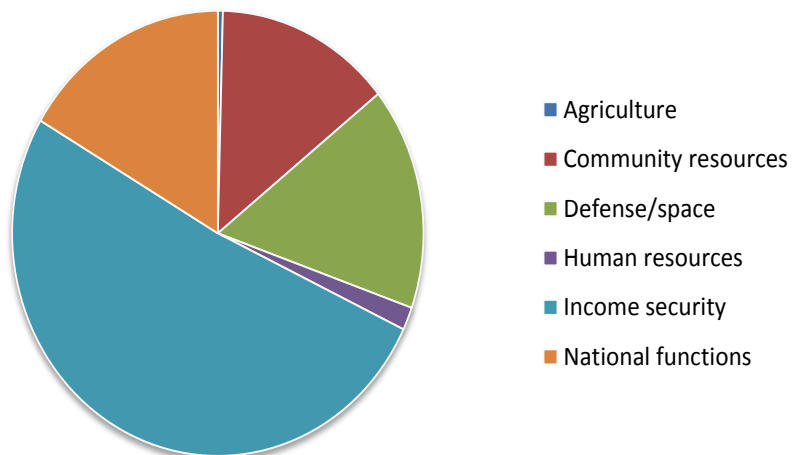


Notes: Local Area Unemployment Statistics (LAUS) estimates cover both wage and salary workers and the self-employed. Metro and nonmetro counties are as identified by the Office of Management and Budget in 2013. New population controls were introduced into the LAUS data following the April 2010 Census, leading to an increase in estimated employment in the second quarter of 2010. The data shown have been corrected to compensate for this change, but caution should be used in comparing levels before and after this date.

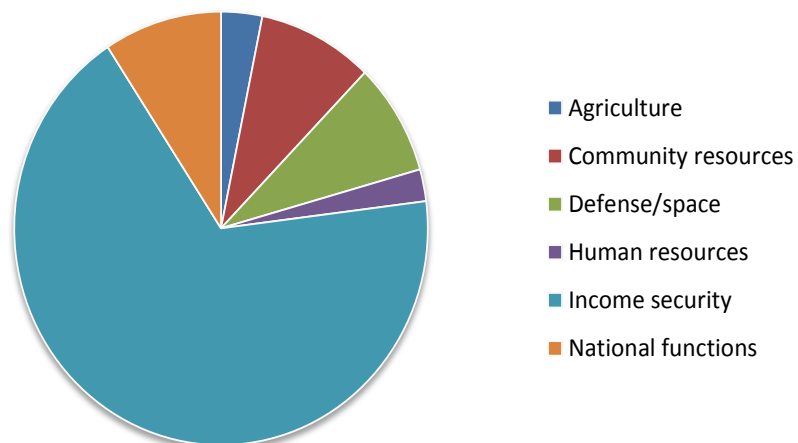
Source: USDA-ERS analysis of Bureau of Labor Statistics-LAUS data, seasonally adjusted by ERS.

Structural Differences in Federal Funds

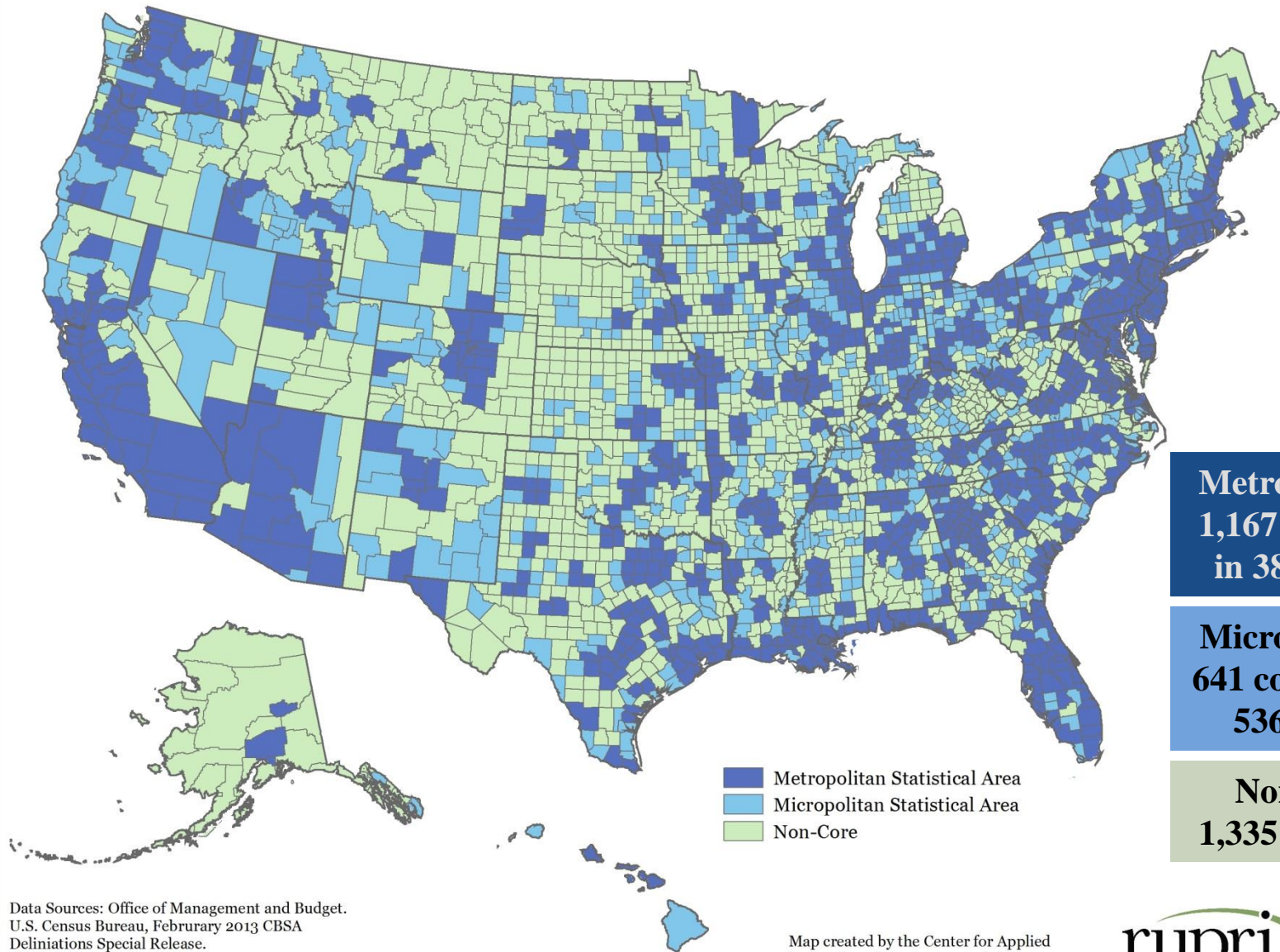
Metro, FY2010



Nonmetro, FY2010



Core Based Statistical Areas



Metropolitan:
1,167 counties
in 381 areas

Micropolitan:
641 counties in
536 areas

Noncore:
1,335 counties

Data Sources: Office of Management and Budget.
U.S. Census Bureau, February 2013 CBSA
Delininations Special Release.

Note: Alaska and Hawaii not shown to scale

Map created by the Center for Applied
Research and Environmental Systems,
August 2013.

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Dynamics that will Affect all Rural Regions

- ▶ The continuing rural economic lag in exiting this recession, and reductions in federal investments
 - State and local public budget crisis
 - The necessity of new governance approaches, to create wiser public investment strategies
- ▶ Entrepreneurial agriculture innovation
- ▶ Health, high education, and broadband technology linkages

- ▶ The continuing move from rural-urban dissonance to rural-urban interdependence
 - Renewable energy systems
 - Community and regional food systems
 - “Sense of Place” cultural, ecosystem, and amenity tourism
 - Climate change mitigation and adaptation / natural resources
- ▶ The extent to which rural areas address social inclusion and social equity considerations in their innovation approaches
- ▶ The attention paid to human and social capital development (education, workforce training, poverty and hunger alleviation approaches).



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