

## **Why Definitions Matter: *Rural Definitions and State Poverty Rankings***

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### **Introduction**

Data from the U.S. Census Bureau's American Community Survey (October 2009) show the poverty rates in each state, with data averaged over three years, 2006 through 2008. The American Community Survey (ACS) allows users to do "geographic comparisons" with the data, to compare data in rural and urban places, and in metropolitan and nonmetropolitan places.

The purpose of this brief is to illustrate the importance of understanding the various definitions of rural, by showing the differences in state poverty rates when the two definitions of rural are employed. Examining additional definitions of rural, though there are many, is beyond the scope of this brief.

### **Definitions of Rural**

There is no universally accepted definition of rural. Officially within the U.S. Census Bureau, rural is defined as territory and population outside of urbanized areas and urban clusters. These urban areas are defined as densely settled blocks and block groups that meet overall population density thresholds. Urban areas approximate, but do not directly align, with the jurisdictional boundaries of cities and towns.

Metropolitan and nonmetropolitan areas are defined by the Office of Management and Budget and are based on county geographies. Metropolitan areas have a core county or counties that contain an urban area with a population of 50,000 or more, and surrounding counties with high commuting flows are included as metropolitan outlying counties. Nonmetropolitan areas are divided into two categories: micropolitan and noncore areas. Micropolitan areas have a core county or counties that contain an urban area with a population of 10,000 to 49,999, and surrounding counties with high commuting flows are included as micropolitan outlying counties. Noncore counties are those not classified as metropolitan or micropolitan.

#### *How the Census Bureau Defines Urban:*

Urbanized Area and Urban Cluster boundaries encompass densely settled territory, which consists of:

- core census block groups or blocks that have a population density of at least 1,000 people per square mile and
- surrounding census blocks that have an overall density of at least 500 people per square mile

*U.S. Census Bureau website:*

[http://www.census.gov/geo/www/ua/ua\\_2k.html](http://www.census.gov/geo/www/ua/ua_2k.html)

## Poverty Rates by Geography

Nationally, the overall poverty rate is 13.2 percent. The urban poverty rate is 13.8 percent compared to a rural rate of 11 percent, and the metropolitan rate is 12.6 percent, compared to a micropolitan rate of 15.6 percent and a noncore rate of 16.8 percent. One factor that drives down the metropolitan poverty rate is the relatively low poverty rate in suburbs surrounding large cities, which are included in the metropolitan areas, and in which incomes tend to be higher. Even accounting for the margin of error, poverty rates are highest in the principal cities of micropolitan areas. These are urban areas with populations between 10,000 and 49,999. It is important to note, however, that several of these principal cities with high poverty rates are college towns.

Poverty Rates by Geographic Area, 2006-2008		
Geographic Area	Poverty Rate	Margin of Error
<b>Total U.S.</b>	<b>13.2</b>	<b>+/-0.1</b>
Urban	13.8	+/-0.1
Rural	11.0	+/-0.1
Metropolitan	12.6	+/-0.1
<i>inside principal cities</i>	17.4	+/-0.1
<i>outside principal cities</i>	9.6	+/-0.1
Micropolitan	15.6	+/-0.1
<i>inside principal cities</i>	20.1	+/-0.3
<i>outside principal cities</i>	13.5	+/-0.1
Noncore	16.8	+/-0.2

*source: American Community Survey*

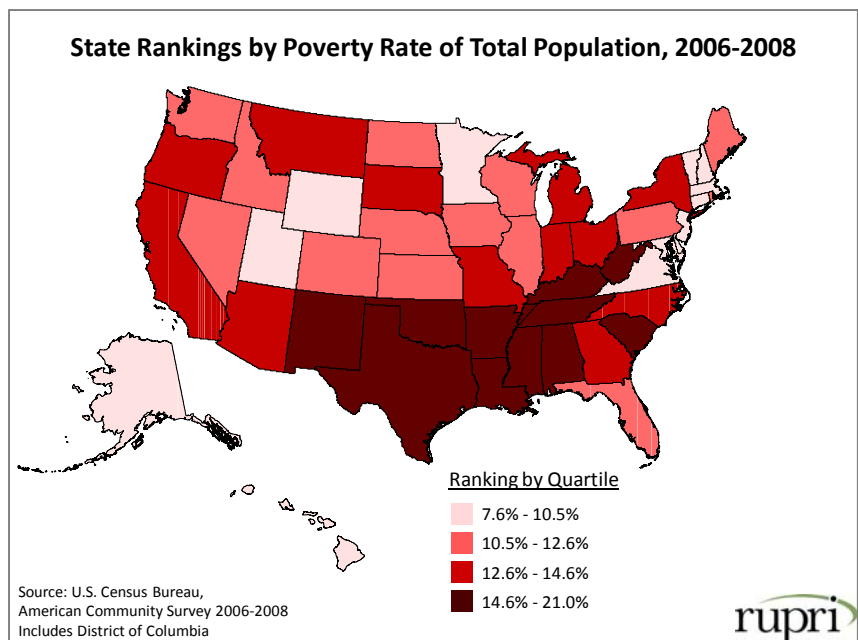
The nonmetropolitan poverty rate exceeded the metropolitan poverty rate in 44 of 48 states (2 states have no nonmetropolitan territory). However, in only 6 of 50 states did the rural poverty rate exceed the urban poverty rate.

## Poverty Rate by State

The ACS data analyzed for this brief is the 2006-2008 averages released in October in 2009. Over this time period the poverty rate for the U.S. was 13.2 percent.

Across states, the poverty rate ranged from 7.6 percent in New Hampshire to 21 percent in Mississippi.

The lowest poverty rates among total populations were in the northeast, Virginia, Minnesota, Utah, Wyoming,

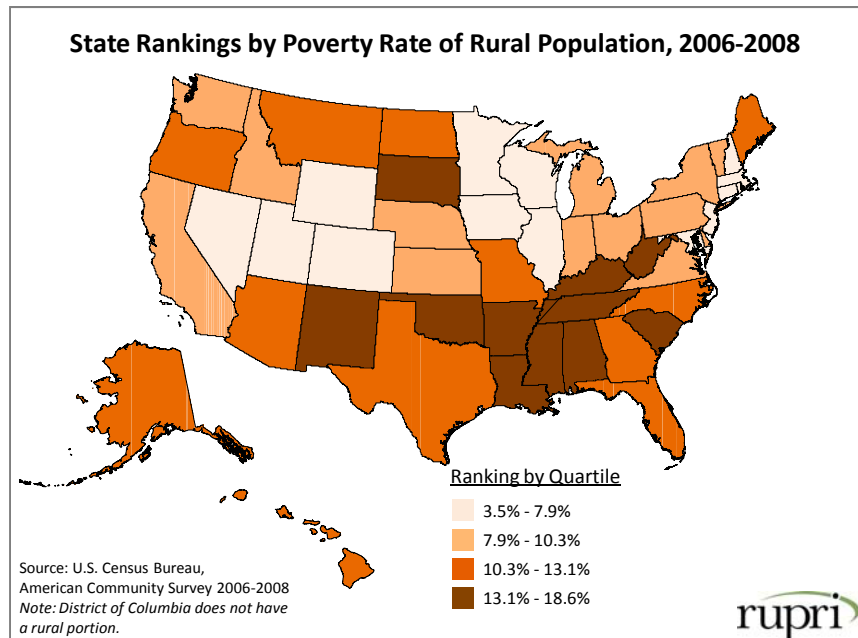


Alaska, and Hawaii. The highest poverty rates were among southern states, stretching from Appalachia southwest to Texas and New Mexico.

### Rural and Nonmetropolitan Poverty Rates

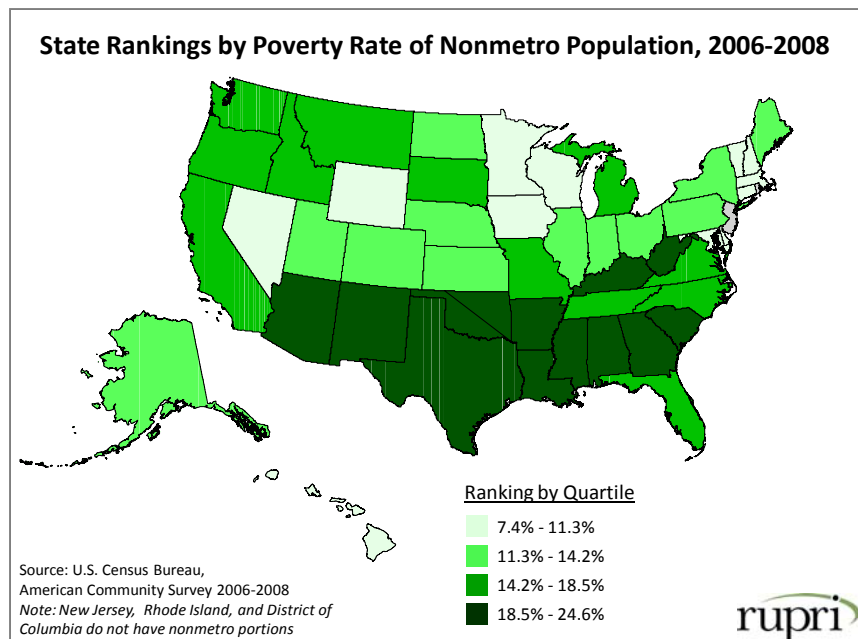
In rural areas, that is, all geographies outside of urban areas regardless of county metropolitan status, the U.S. rural poverty rate was 11.0 percent. Among states the rural poverty rate ranged from 3.5 percent in Connecticut to 18.6 percent in New Mexico.

The lowest rates were again in the Northeast, and in Midwest and Western states. The highest rates again were in southern states, along with South Dakota.



As mentioned above, nonmetropolitan areas consist of both micropolitan and noncore counties. Nationally, the nonmetropolitan poverty rate for the 2006-2008 data was 16.1 percent. Across states, nonmetropolitan poverty ranged from 7.4 percent in Connecticut to 24.6 percent in Mississippi.

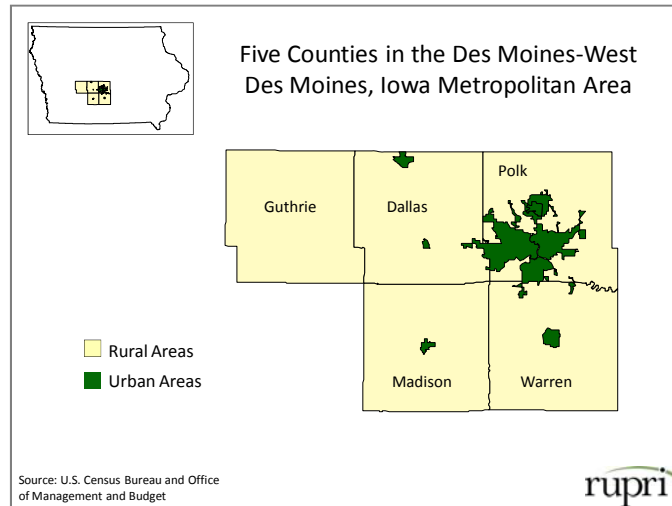
Again the geography of the lowest rates is similar to previous maps, and the states with the highest nonmetro rates are concentrated across the Southern U.S.



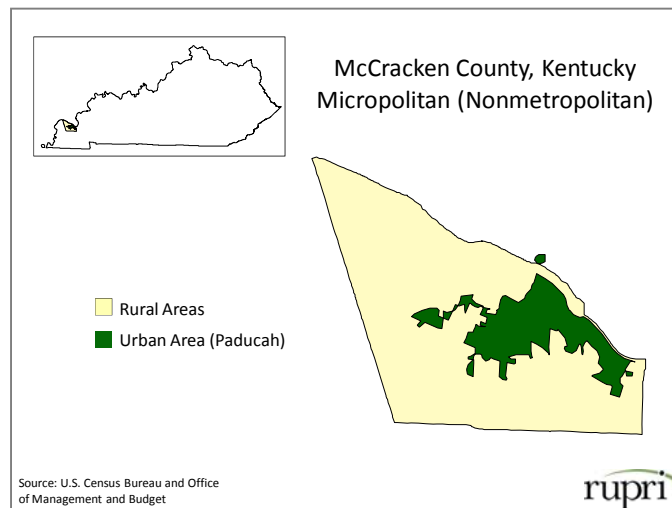
## Rural versus Nonmetropolitan Poverty Rates: Why the Difference?

It is important to realize that, although often used interchangeably, “nonmetropolitan” and “rural” are not the same thing. Metropolitan areas contain significant rural population and territory, and nonmetropolitan areas contain urban places, sometimes quite substantial. In fact, the rural population across the nation is split about equally between metropolitan and nonmetropolitan counties.

Examining a few places, for example, will illustrate these differences. The Des Moines, Iowa metropolitan area includes five counties, based upon the population of the urbanized area of Des Moines and the commuting patterns from surrounding counties. The metropolitan area is comprised of both rural and urban territory, as illustrated in the map to the right. Guthrie County, within this area, is a completely rural county, but still included in the metropolitan poverty rate.



McCracken County, Kentucky is a micropolitan (nonmetropolitan) county, which contains the urban cluster of Paducah, population just under 50,000. So the McCracken County population is included in the “nonmetropolitan” poverty data, but the data for Paducah is included in the “urban” poverty rate, with the balance of the county included in the “rural” poverty rate.



## Conclusions and Implications

The data presented illustrate the importance of clearly understanding the definition of rural selected for analysis. When analyzing poverty rates, the differences between “nonmetropolitan” and “rural” areas are quite pronounced. The frequent assertion that poverty rates are higher in rural areas is true when utilizing a nonmetropolitan definition, but not when utilizing the official Census Bureau geography.

While the most precise definition of rural and urban areas is the Census Bureau’s designations of urban areas, these small geographies are difficult to use for policy targeting. The boundaries of these urban areas do not perfectly align with the boundaries of cities and towns, although though there is significant overlap.

Clearly, data for counties masks differences within. This is evident in the large gap between principal city and non-principal city poverty rates in metropolitan and micropolitan areas. While the college-population contributes, in part, to the high poverty rates in many micropolitan principal cities, the high poverty rate in that geographic grouping is still alarming, as these function as regional hubs for broad expanses of rural areas.