SOCIAL, ECONOMIC, AND HOUSING CONDITIONS IN RURAL AMERICA
RURAL PEOPLE AND PLACES: THE DEMOGRAPHICS OF RURAL AND SMALL TOWN AMERICA

The people of rural America make up roughly one-fifth of the U.S. population, but are located across 97 percent of the nation’s landmass. While rural America remains more racially and ethnically homogenous than the rest of the nation, rapid growth in the Hispanic population continues. With the continuing out-migration of working age residents, rural communities contain larger shares of older residents. These demographic drivers are important bellwethers of housing markets and demand. An older, more mobile, and diverse population will require housing options and solutions currently not available in many rural communities across the nation.

RURAL POPULATION AND POPULATION GROWTH

For most of its history the United States has been a predominately rural country. The first U.S. census in 1790 revealed that 95 percent of the newly formed country’s population resided in rural areas. Throughout the first century of post-colonial America, the populace remained vastly rural. But in the late 19th century, settlement patterns started to shift radically. The industrial revolution created a more urban-oriented economy. The United States became a predominately urban nation sometime in the 1920s. Since then, the trend towards urbanization has continued unabated.

The 2010 Census counted a population of approximately 308 million people in the United States. Roughly 65 million, or 21 percent, reside in rural or small town America. Almost half (48 percent) live in suburban or exurban communities, while 92 million, comprising 31 percent of the population, live in large cities.

Between 2000 and 2010, the U.S. population grew by roughly 27 million people – a 9.7 percent increase. The nation’s population growth over the past decade was lower than during the 1990-2000 period, when the national population grew by 13 percent. The recent economic downturn, reduced immigration, and other demographic factors are largely responsible for moderated population growth nationally.

NEARLY 65 MILLION PEOPLE LIVE IN RURAL AMERICA, BUT THE PROPORTION OF PEOPLE LIVING IN RURAL PLACES CONTINUES A LONG DECLINE

Rural* Population, 1790-2010

*Time series data include differing definitions of rural and urban

Source: HAC Tabulations of Historic Census Bureau Data
In rural and small town communities, the population grew by 3.5 million, or 5.6 percent, between 2000 and 2010, a rate below the national level. Growth was most pronounced in suburban and exurban communities where the population increased by approximately 18 percent over the past decade. Overall, suburban and exurban areas accounted for 83 percent of total U.S. population growth between 2000 and 2010. Many urban areas in the United States lost population; as a whole, the nation’s urban population grew by just 1 percent. These patterns reinforce a trend towards suburbanization that has continued for the past several decades.

Rural and small town population growth between 2000 and 2010 was greatest in the Western and Southern United States, where economies, resources, and amenities are more robust. States such as Arizona, Utah, Hawaii, and Florida all experienced rural and small town population growth at 20 percent or more. In contrast, Midwestern states like North Dakota, Iowa, Illinois, Nebraska, and Kansas all lost population in rural and small town areas. These population trends in the rural Midwest, as well as portions of Central Appalachia, the South, and Northeastern “rust belt” communities, continue a pattern that has evolved over the past few decades. The decline in agricultural employment, lack of amenities, and an inability to attract industry all contribute to population loss in several distinct areas of rural America.

In the rural Midwest, where population loss is most profound, many communities face a variety of challenges stemming primarily from the region’s dependence on farming as the main source of employment and the absence of other industries. Productivity increases in the farm economy, along with structural changes in agriculture, have decreased the need for agricultural labor.

Population loss has significant effects on an area’s housing stock. As populations decline, homes become vacant and fall into disrepair. Absentee homeownership becomes commonplace, and older residents are unable to maintain their homes. House values also decline, making mortgages and home rehabilitation loans more difficult to obtain. Meeting housing needs in this context is made all the more difficult by low population densities spread...
SOME REGIONS HAVE LOST POPULATION FOR DECADES

Population Loss 1980-2010

Source: HAC Tabulations of Census Bureau Data
The question of “what is rural?” is often confusing but is very important to anyone who works in rural areas or with rural populations of the United States. Generally, rural communities and territory have relatively few people living across a large geographic area. But rurality varies extensively based on proximity to a central place, community size, population density, total population, and various social and economic factors.

A number of government agencies and researchers use different metrics to define “rural.” Ironically, policymakers and practitioners often view the concept of “rural” through an urban-centric lens. Many commonly used definitions contextualize “rural” within the framework of omission, in which urban and metropolitan areas are the focal point and all other territory is classified as “rural” by default. This type of analysis relegates rural areas and populations to the background and treats them as secondary.

**DIFFERING MEASURES OF “RURAL”**

**OMB Outside Metropolitan Areas**

Among the more widely used definitions to delineate rural areas, the federal Office of Management and Budget’s (OMB’s) Metropolitan Areas designation is based on county-level geography and is predominately a measure of population density and commuting. Approximately 17 percent of the U.S. population and 75 percent of the nation’s landmass are located outside OMB-designated metropolitan areas.

**Census-Defined Rural Areas**

Basing its measure largely on population density, the Census Bureau classifies all population and housing units outside “Urbanized Areas” and “Urban Clusters” as rural territory. Under the Census Bureau’s designation, roughly 19 percent of the population and 97 percent of the nation’s landmass are considered rural.

**USDA RD Eligible Areas**

The U.S. Department of Agriculture (USDA) utilizes a specific definition to establish “Eligible Areas” for rural housing programs administered by its Rural Development (RD) arm. USDA’s Eligible Areas designation is one of the most expansive classifications of rural territory, encompassing approximately 34 percent of the nation’s population.
WHAT IS “RURAL”? (continued)

A NEW WAY TO DEFINE “RURAL”: HAC’S RURAL AND SMALL TOWN DESIGNATION

Given recent changes in, and shortcomings of, more commonly used definitions to identify rural areas, HAC developed a sub-county designation of rural and small town areas that incorporates measures of housing density and commuting at the census tract level. This new definition includes three general classifications of:
1) rural and small town tracts;
2) suburban and exurban tracts;
3) urban tracts.

While there is no perfect definition of “rural,” HAC believes this housing density measure is a more precise indicator of rural character than many of the more traditional methods employed. This definition classifies areas at a sub-county census tract level, and identifies important development patterns of suburban and exurban communities, which most major rural/urban definitions omit. Unless otherwise noted, this report will utilize HAC’s rural and small town definition when presenting figures and data on residence and location. The terms “rural” and “rural and small town” are generally synonymous in this report, and both refer to HAC’s classification of rural and small town census tracts.

Not all sources of data utilized for this report are compatible with the primary definition of rural and small town areas. Data and information referring to alternate classifications (e.g. outside metropolitan areas, Census-defined rural areas, etc.) are limited, but will be noted. The terms “rural” and “outside metropolitan areas” are not used interchangeably in this report. For more information on HAC’s and other definitions of rural, please consult Appendix A. About the Data.

ABOUT THE DATA

The information presented in this report derives from HAC tabulations of various data sources. Most of the data comes from the U.S. Census Bureau’s 2010 Census of Population and Housing, and American Community Survey (ACS) Five Year Estimates. The U.S. Census counts every resident and housing unit in the United States every 10 years. The decennial Census includes basic questions about age, sex, race, Hispanic origin, household relationship, and owner/renter status. Additionally, the Census Bureau now conducts the American Community Survey (ACS), a nationwide survey designed to provide communities with detailed and timely demographic, social, economic, and housing data every year.

Additional information in the report derives from HAC tabulations of other publicly available data sources such as the Bureau of Labor Statistics Local Area Unemployment (LAUS) figures, FFIEC’s Home Mortgage Disclosure Act (HMDA) data, U.S. Census Bureau’s Small Area Income and Poverty Estimates (SAIPE), U.S. Department of Housing and Urban Development’s American Housing Survey (AHS), U.S. Department of Labor’s National Agricultural Workers Survey (NAWS), and various information from the U.S. Department of Agriculture’s Economic Research Service (ERS) and others. For more information on data sources in this report please consult Appendix A. About the Data.
out over large expanses of territory. The importance of finding alternative ways to serve the community development needs of depopulated areas is a challenge for communities and policymakers alike.

**RACE AND ETHNICITY**

Race is a central and often complex component of U.S. identity and history. Rural and small town areas historically have not been as racially or ethnically diverse as the nation overall. The 2010 Census reports that approximately 78 percent of the population in rural and small town communities is white and non-Hispanic, compared to 64 percent of the population in the nation as a whole. In the year 2000, African Americans were the largest minority group in rural and small town areas. As of 2010, however, Hispanics comprise 9.2 percent of the rural population, surpassing African Americans (8.2 percent) as the largest rural minority group. Less than 2 percent of the population in rural and small town areas identifies as Native American, but more than half of all Native Americans reside in rural or small town areas. Approximately 1.5 percent of rural and small town residents are of two or more races, consistent with the national level.

The location and concentration of minorities in rural areas and small towns often differ from those in the nation as a whole. Many rural minorities are clustered geographically in regions closely tied to historic social and economic dynamics. For example, nearly nine out of ten rural and small town African Americans live in

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1 The primary racial classifications presented by the U.S. Census Bureau include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian Islander or Other Pacific Islander, Some Other Race, and Two or More Races. People who identify their origin as Hispanic, Latino, or Spanish may be any race. For the purposes of this report, persons identifying as Hispanic are classified as a distinct ethnic category alongside other racial groups. For more information about race and ethnicity in the Census, please consult Appendix A. About The Data.
the Southern region of the United States. Rural African Americans comprise an even larger portion of the population in the southern “Black Belt” communities of Alabama, Georgia, Mississippi, North Carolina, South Carolina, and Virginia, as well as the Lower Mississippi Delta states of Arkansas, Mississippi, and Louisiana. Large numbers of rural Native Americans reside on or near Native American reservations and trust lands in the Midwest plains, the Southwest, and Alaska. More than half of all rural and small town Hispanics are concentrated in the four states of Texas, California, New Mexico, and Arizona. In fact, nearly one-quarter of all rural and small town Hispanics live in Texas alone.

Despite advances made through the civil rights movement, labor struggles, and increased self-determination, the experiences and conditions of rural minorities are often overlooked given their relatively small populations. Moreover, it is often assumed that the conditions that led to these social upheavals have been addressed. The social and economic conditions of many rural minorities, however, continue to lag far behind those of their white counterparts and urban populations overall. This harsh fact is most apparent in the housing conditions in which many rural minorities continue to live. Housing characteristics for minorities in rural areas are often worse than those for rural whites or all households nationally. The geographic isolation and relative segregation of rural minorities living in majority-minority census tracts continue to be important components of poverty and substandard housing in many rural and small town communities.

Rural and small town population growth during the last decade varied widely across racial and ethnic groups. While white non-Hispanics comprise nearly 80 percent of the rural and small town population, they made up less than one-quarter of rural population gain between 2000 and 2010. One of the more significant demographic trends in the U.S. over the past several decades has been dramatic growth in the Hispanic population. In rural and small town areas the Hispanic population increased by 1.9 million, or 46 percent, between 2000 and 2010. In fact, more than half of all rural and small town population growth in the last decade is attributable to Hispanics.

### AGE AND AGING

The United States is on the cusp of an extensive and far-reaching demographic transformation as the senior population is expected to more than double in the next 40 years. A rapidly aging population will significantly impact nearly all aspects of the nation’s social, economic, and housing systems. With a median age of 40 years—three years higher than the national median—rural America is “older” than the nation as a whole. And while approximately 13 percent of the U.S. population is age 65 or older, 16 percent of rural and small town residents are over the age of 65. In fact, more than one-quarter of all seniors live in rural and small town areas.

The relatively older composition of the rural population is not solely a factor of natural popula-
tion change, but is also impacted by economic and demographic conditions of rural communities. For decades, many rural areas have witnessed an exodus of younger and working-age adults in search of more viable employment options. These migration patterns have resulted in an age imbalance where seniors make up a larger percentage of the rural population.

Undoubtedly, the most influential age segment in rural and small town communities continues to be the Baby Boom generation, consisting of persons born between 1946 and 1965. Currently there are more than 18 million rural baby boomers, comprising nearly 28 percent of the rural population. The first of the baby boomers turned 65 in 2010 and millions more will follow in the coming decade, reshaping rural society and communities.

The age cohort directly behind the baby boomers, often characterized as the “Baby Bust” generation, makes up approximately 18 percent of rural people, and is relatively smaller than other age groups. The “Echo-Boom” generation (persons age 15 to 29 in

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THE SILVER TSUNAMI: ARE WE PREPARED FOR A SENIOR POPULATION BOOM IN RURAL AMERICA?

The senior population will experience significant increases in the coming years, as the Baby Boom generation turns 65. The Census Bureau projects the senior population will grow from 13 percent of U.S. residents to 20 percent by 2050. The sheer size and numeric increase of the older population, however, may be more important. An added 30 million individuals will become seniors over the next 20 years. With increasing life expectancies, one of the more dramatic growth trends will likely be substantial growth of the oldest population (age 85 and over).

Today, rural seniors are more likely to be women, live alone, and have lower incomes than are seniors in the population as a whole. Some of these characteristics will remain unchanged, but the waves of residents moving into older age will change not only the numbers but also the composition of this group. It is important not to view seniors as a monolithic group, as they will live longer, become more diverse, and require a larger range of living options than the current generation. Characteristics unique to rural communities create specific challenges and concerns for an aging population that may not be as relevant in an urban or suburban setting. The sparsely settled and vast geographies of many rural areas make accessing needed services and amenities more difficult for seniors. Many rural seniors (12.5 percent) do not have access to a vehicle. Public transit options are rare or nonexistent in most rural areas, which makes access to necessities such as medical and other services challenging for many seniors.

Most seniors wish to remain and age in their homes as long as possible. Rural seniors largely live in high quality housing with only a small percentage of households experiencing substandard conditions or inadequacies. Rural elders are increasingly experiencing challenges with housing affordability, however, and many do not have the physical or financial resources to improve their housing conditions and maintain their quality of life.

These challenges point to an underlying gap in housing options and availabilities. In far too many rural communities, the only housing options for seniors are their own homes or nursing homes. With the scope and magnitude of the looming demographic shift of seniors, rural communities will need to develop a range of housing options such as rental housing, rehabilitation and repair programs, housing with services, and assisted living. These options not only enhance the lives of seniors but are fiscally prudent measures that are generally more cost effective than long-term care options. As is the case for actual geologic tsunamis, we now have the ability to better predict the size and impact of population changes. Whether we heed the warning is another matter.
RURAL FAMILIES AND HOUSEHOLDS

Rural family and household dynamics historically have differed from suburban or urban patterns. The agricultural and industrial economies of the past relied on abundant labor supplied by large traditional families. As the nation’s economy and demographics change, the composition of rural families and households continues to evolve as well. Today, rural and small town households are slightly less likely to have children under the age of 18 than the national average. Families still make up more than two-thirds of rural and small town households, although this level is down three percentage points from 2000 levels.

The rate of married households dipped below 50 percent nationally for the first time between 2000 and 2010. More than half (51 percent) of all rural households are headed by married couples. This is a reduction from 2000 levels when 56 percent of households were headed by married people. Most families with children present live in married-couple-headed households, although nearly one-quarter of children reside in female-headed households with no spouse present.

Among the more notable changes in rural family dynamics are the number and rate of persons living alone. In 1970, less than 16 percent of rural households consisted of one person living alone. In 2010, nearly 27 percent of rural and small town households were comprised of a single person. Social developments and patterns such as delayed and decreasing marriage rates combined with divorce and an aging population have pushed single households to an all-time high.

As is the case in the nation as a whole, the composition of rural households will likely continue to change in the future. An aging society, smaller household sizes, and increasing propensity to live outside a nuclear family arrangement are all important considerations when evaluating housing and social needs for 21st century rural households.

EDUCATION

In the past few decades educational attainment levels have increased significantly, both nationally and in rural communities. In 1970, less than half of rural adults had a high school diploma. In 2010, nearly 82 percent of rural and small town people over the age of 25 had at least a high school diploma. Even with these gains, educational attainment levels are lower in rural areas than across the nation as a whole.

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1 Census-defined rural area. This classification is utilized for general historic comparisons as the available data does not permit longitudinal comparison prior to 1990 using HAC’s current tract-based definition.
The disparity is particularly pronounced in higher education and post-graduate degrees. The proportion of rural adults with a bachelor’s degree is a full ten percentage points lower than the national rate, and only 6 percent of the rural population has a graduate or professional degree, compared to a national rate of 10 percent. This higher education gap between rural and non-rural communities has actually widened over the past few decades.13

Educational disparities are not an indication of the intelligence levels of rural and small town individuals, but rather reflect that high-skilled jobs are increasingly located in suburban and urban regions. Many educated residents of rural America are compelled to move to urban and suburban regions for increased job opportunities and professional growth. The rural education gap has significant impacts for areas that are consistently losing highly educated individuals to other regions, further inhibiting economic development, job creation, and population growth.

While educational attainment levels in rural America are undoubtedly impacted by larger economic forces, the value of an educated population cannot be overstated. In today’s modern global economy a highly educated populace is essential to success and viability. Rural communities’ abilities to attract and maintain economic development will be predicated on their abilities to maintain educated and skilled workers.

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**RURAL EDUCATION LEVELS CONTINUE TO IMPROVE, BUT STILL LAG BEHIND THE NATIONAL RATE**

Educational Attainment by Location, 2010

![Chart showing educational attainment levels in rural and urban areas compared to national averages.](chart)

Source: HAC Tabulations of 2006-2010 American Community Survey (ACS)