

RURAL POLICY NOTE

May, 2013

THE HOUSING ASSISTANCE COUNCIL

The Housing Assistance Council (HAC) is a national nonprofit organization that supports affordable housing efforts in rural areas of the United States. HAC provides technical housing services, seed money loans from a revolving fund, housing program and policy assistance, and research and information services. HAC is an equal opportunity lender.



OMB RECLASSIFICATION REDUCES OUTSIDE METROPOLITAN AREA POPULATION BY 1.5%

The Office of Management and Budget (OMB) recently released updated Metropolitan and Micropolitan Statistical Area designations (*OMB Bulletin - No. 13-01*) for 2013. The 2013 standards update the 2003 classifications for defining Metropolitan Areas. As a result of the updated designations, 1,976 counties are now located outside of Metropolitan Areas. Approximately 46.3 million people reside Outside of Metropolitan Areas comprising 15 percent of the U.S. population. While less than one-fifth of the nation's population is located outside of a Metropolitan Area, they reside across 73 percent of nation's landmass.

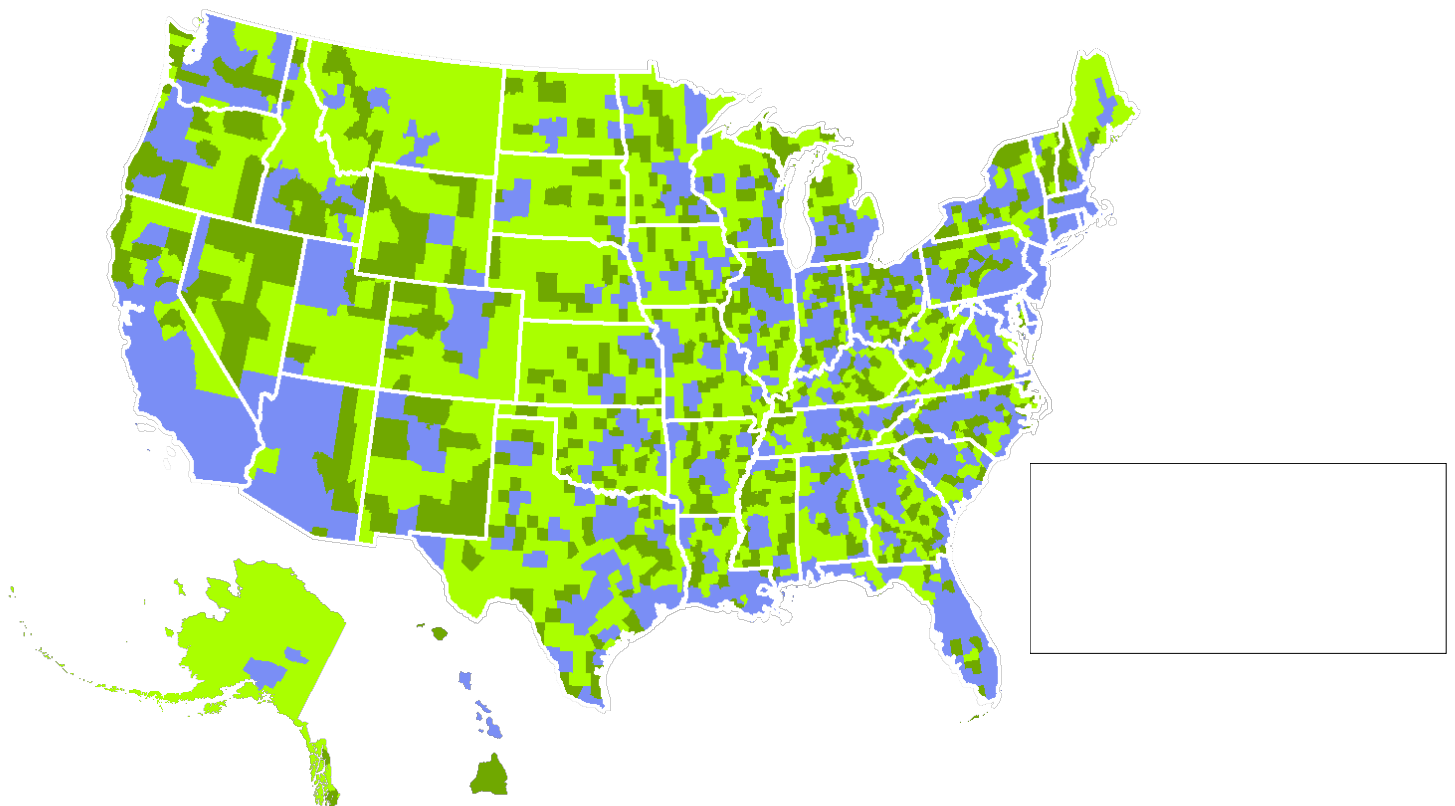
Under the new designations, 113 counties previously considered outside of Metropolitan Areas (based on 2003 criteria) have been reclassified as Metropolitan due to population growth or increased commuting. In contrast, 36 former Metropolitan counties were reclassified to Outside Metropolitan status. These classification changes result in a net decline of 4.8 million persons, or 1.5 percent, of outside Metropolitan Area population (from the 2003 classification). This trend continues a pattern of growth in Metropolitan Areas over the past half-century. In 1940, less than half of the U.S. population lived in a Metropolitan Area.ⁱ ⁱⁱ In 2013, 85 percent of Americans live in Metropolitan Areas designated by OMB.

The Metropolitan Area Conceptⁱⁱⁱ The federal Office of Management and Budget's (OMB's) Metropolitan Areas classification is based on county-level designations and is predominately a measure of population density and commuting. The general concept of a Metropolitan or Micropolitan statistical area is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core.^{iv} In this respect, Metropolitan areas differ from Census defined Urban and Rural areas which are solely classified on the basis of residential patterns and population density alone.

Metropolitan and micropolitan statistical areas (metro and micro areas) are geographic entities delineated by OMB for use by Federal statistical agencies in collecting, tabulating, and publishing Federal statistics. The term "Core Based Statistical Area" (CBSA) is a collective term for both metro and micro areas. A metro area contains a core urban area of 50,000 or more population, and a micro area contains an urban core of at least 10,000 (but less than 50,000) population. Each metro or micro area consists of one or more counties and includes the counties containing the core urban area, as well as any adjacent counties that have a high degree of social and economic integration (as measured by commuting to work) with the urban core. Areas not included in Metro or Micropolitan Statistical Areas are classified as Outside Core Based Statistical Areas (OCBSAs). For the purposes of practical and longitudinal assessment, Micropolitan Areas and OCBSAs are often combined under the rubric of "Outside Metropolitan Areas."

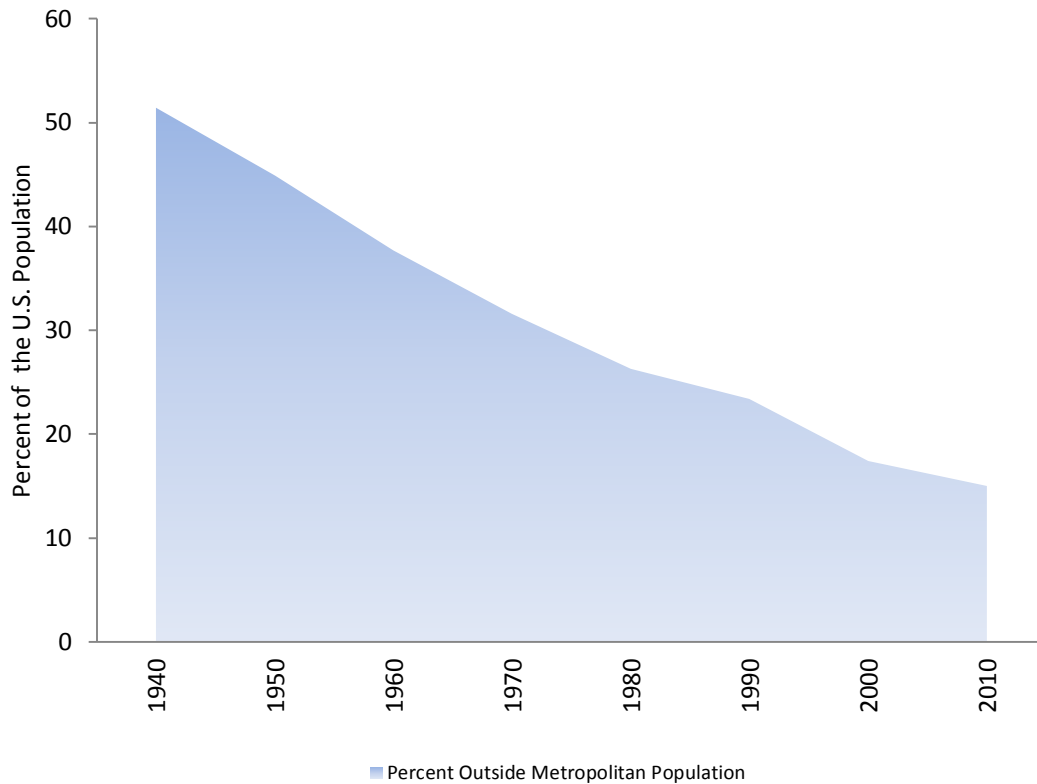
Does Outside Metropolitan Area mean "Rural"? OMB's Metropolitan Areas designation is among the more widely used definitions to delineate rural and urban territory and population. But OMB's Outside Metropolitan Area classification (sometimes referred to as "non-metropolitan") is arguably not as good a proxy for rural territory as it used to be when the concept was initially developed decades ago. For example, a majority of the Census-defined rural population now lives in Metropolitan areas. Political and economic geography is another important consideration when determining the rurality of an area. The county is a commonly used a unit of geography from which to classify rural territory and is employed by OMB in its Metropolitan Area standards. In many rural areas, the county is often identified in terms of political, social, and economic contexts. However, county-based designations are not the optimum criteria on which to base a rural definition. Large counties, particularly in the Western United States, may dilute or mask rural population given their geographic size and influence. Such incongruities illustrate the complexity of defining what is actually "rural." While there is no perfect definition of "rural," policy makers, practitioners, and data consumers should be aware of important factors and complexities of determining residence to better describe and assist rural people.

OMB Metropolitan Area Designations, 2013



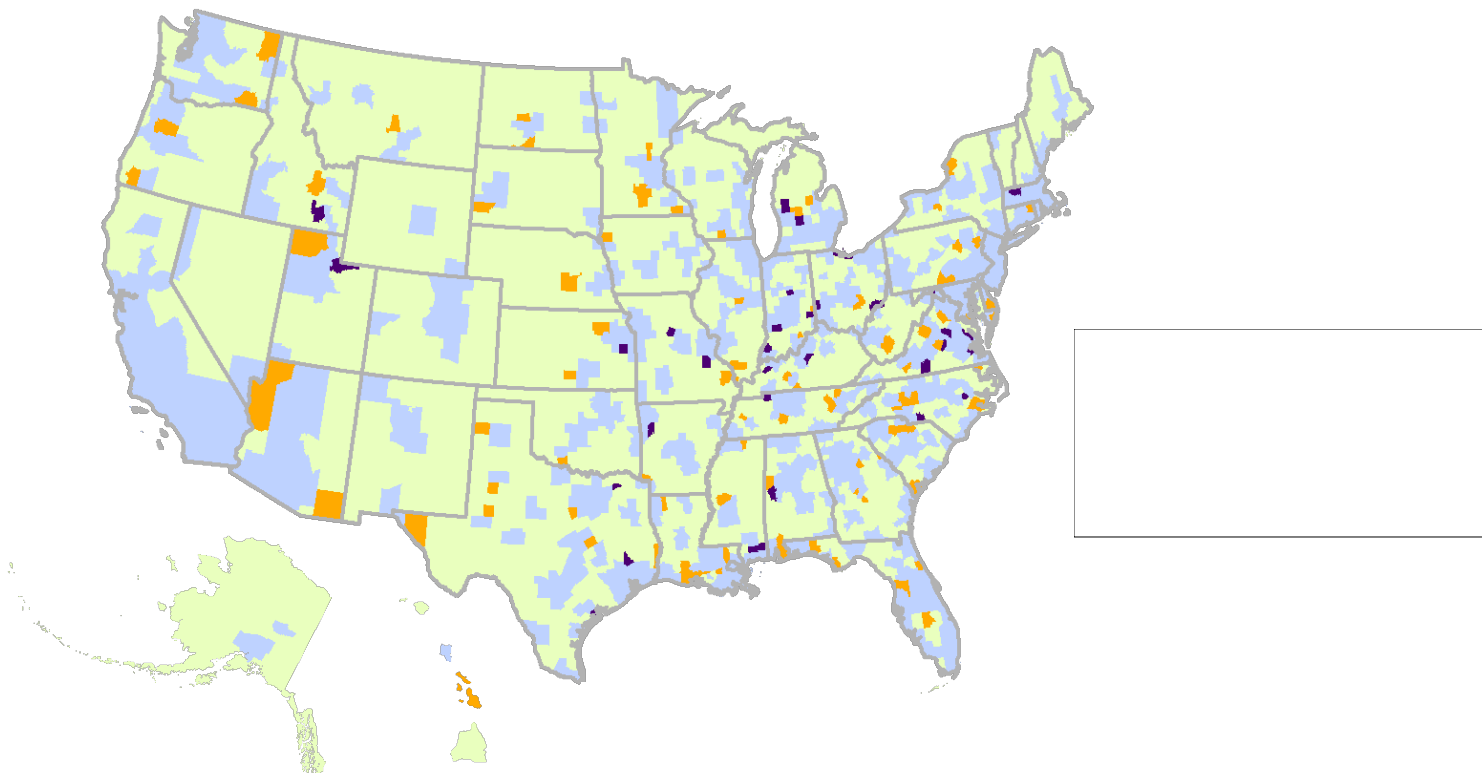
Source: HAC Tabulations of OMB Data

Outside Metropolitan Area*Population, 1940-2010



Source: *American Demographic History Chartbook: 1790 to 2000*. * Time series data include differing definitions of Metropolitan Area

OMB Metropolitan Area Change, 2003 - 2013



Source: HAC Tabulations of OMB Data

Contact Us

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FOR MORE INFORMATION ON OMB METROPOLITAN AREA CLASSIFICATIONS

Office of Management and Budget (OMB) Bulletins - February 2013 (OMB Bulletin No. 13-01) announcing metropolitan and micropolitan statistical areas as of February 2013, based on application of the 2010 OMB standards to 2010 Census and 2006-2010 American Community Survey data.

<http://www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b-13-01.pdf>

NOTES

ⁱ Campbell Gibson. *American Demographic History Chartbook: 1790 to 2010*. "Population by Metropolitan-Nonmetropolitan Residence for the United States:1790-2000." http://www.demographicchartbook.com/Chartbook/index.php?option=com_content&view=article&id=21&Itemid=23

ⁱⁱ Time series data include differing OMB Metropolitan Area Standards.

ⁱⁱⁱ Portions excerpted from the U.S. Census Bureau's *Metropolitan and Micropolitan Statistical Areas*. <http://www.census.gov/population/metro/data/>

^{iv} Federal Register Notice. Office of Management and Budget: *Standards for Defining Metropolitan and Micropolitan Statistical Areas*. December 27, 2000.