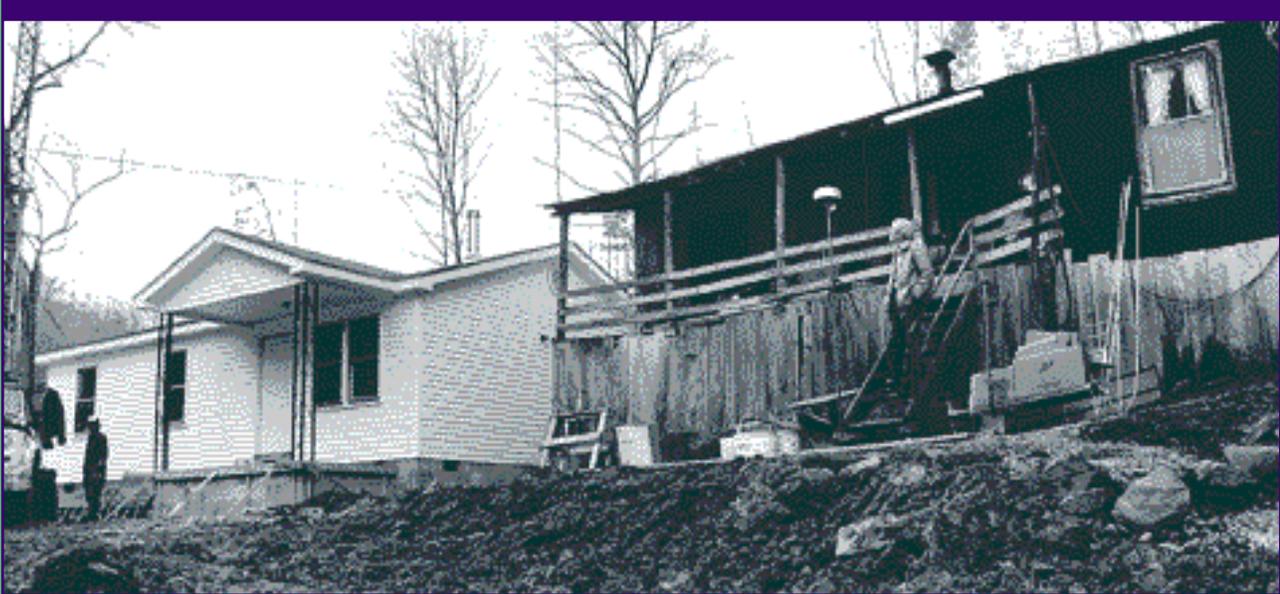
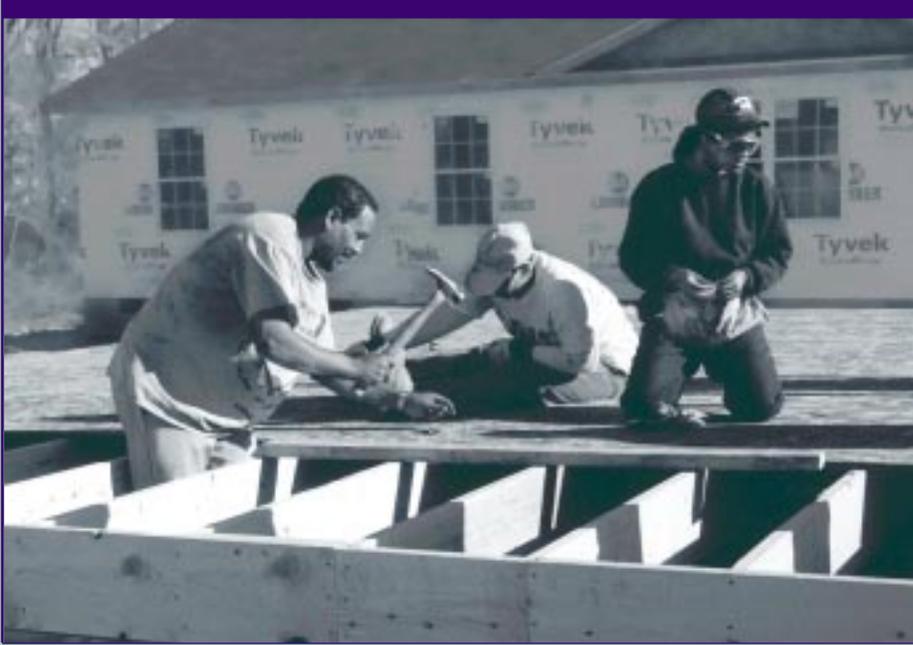


NATIONAL ANALYSIS



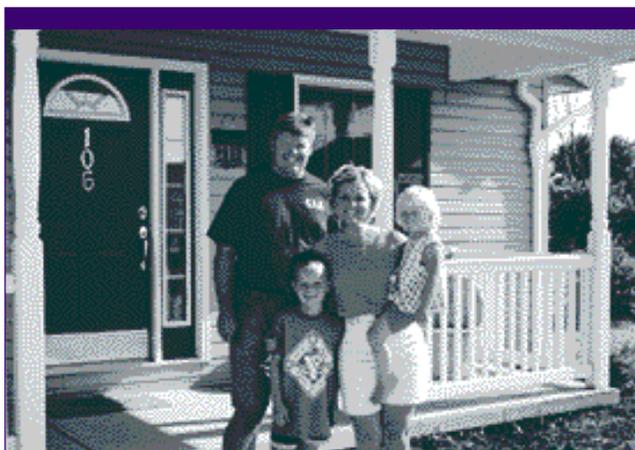


■ THE FACE OF RURAL AMERICA IN THE 21ST CENTURY

General Population Characteristics

For much of our nation's history, most Americans lived in rural places. In 1800, the nation's second census showed that more than nine of ten Americans were rural residents, with only about 6 percent of the population living in cities.* By 1900 the rural population had fallen to about two-thirds of the total, and by 1920 it had dropped to 50 percent.¹ Even in 1940, 43.5 percent of the population was still rural; today, however, rural residents make up only one-fifth of the nation's population. With this shift in population distribution, the face and demographics of rural America have changed as well.

As the 21st century begins, rural Americans are increasingly diverse racially and ethnically, with particularly noticeable growth in the Hispanic population, much of it due to immigration. Rural residents are aging, and both single-parent and single-person households are increasingly common. Rural educational levels — and thus the acquisition of some skills needed for employment in the 21st century economy — still lag behind those of metropolitan areas. While national nonmetro population trends generally mirror those of the U.S. population as a whole, nonmetro Americans reflect some specifically rural characteristics, such as a slower population growth rate overall and a relatively older and more homogenous population.



Population Growth and Distribution

Nationwide the U.S. population grew at a historic pace between 1990 and 2000. The 2000 Census counted 281.4 million persons in the United States, an increase of 32.7 million persons or 13.2 percent over the decade. Roughly 55.4 million people, or 20 percent of the population, reside in nonmetropolitan areas. Since 1990, the population in nonmetro America has grown 10 percent while the population in metro areas has grown by 14 percent.

Rural population growth has been most profound in the western United States, particularly in the interior West area, which has seen nonmetro population growth at more than twice the national nonmetro average (Figure 1.1).** The states of Colorado, Arizona, Utah, and Nevada each experienced nonmetro population increases of 30 percent or more between 1990 and 2000. Much of the growth in these areas is attributable to “amenity migration,” as an increasingly diverse array of people seek to escape urban locales for areas with natural amenities and recreational activities. As a result, much of the growth is pocketed in certain high amenity locations such as the Colorado ski areas. With higher incomes and a greater degree of diversity, these newcomers and their lifestyles often contrast, and even conflict, with those of long-time western residents who are more likely to be involved in more traditional agricultural and natural resource-based economies.²

* Generally in this report the terms “rural” and “nonmetro” are used interchangeably and refer to places outside metropolitan areas. See “What Is Rural,” page 11, or Appendix A for more information. However, the metropolitan classification was not devised until the mid-20th century and is not applicable for these statistics from 1800 through 1940.

** For a list of states within each Census-defined region, please consult Appendix A.

In stark contrast, the Plains states east of the Rocky Mountains experienced minimal population growth during the decade and in some cases population loss. Over the 1990s, nonmetro population in the Plains states grew just 2.8 percent. Iowa, Illinois, Kansas, and Nebraska each saw nonmetro population growth of less than 2 percent. North Dakota actually lost nonmetro population (as did West Virginia and Rhode Island). The depopulation in the Plains continues a trend that has been evolving over the past few decades, based on the continued decline in small family farms, the area's relative lack of amenities, and its inability to attract industry.

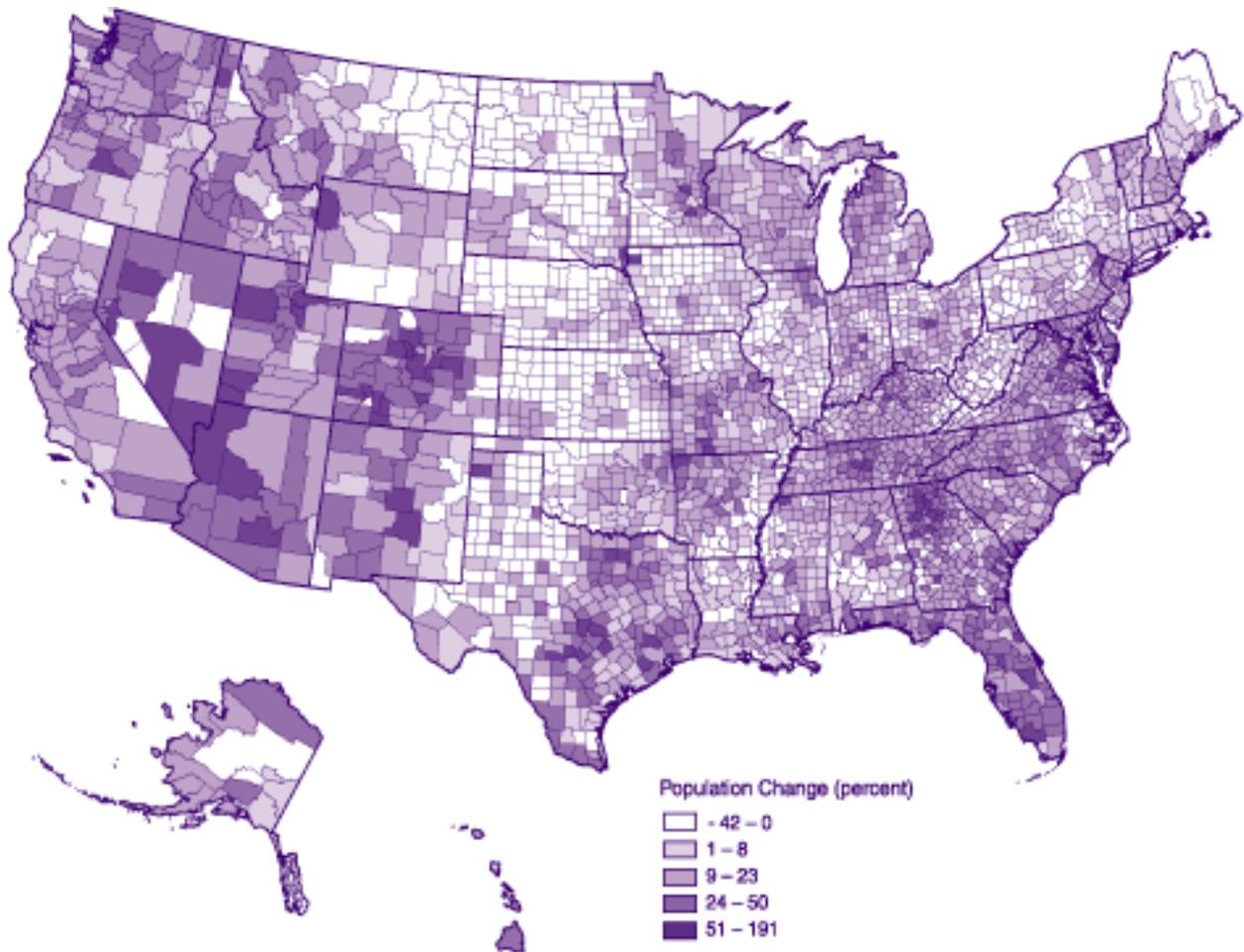
While experiencing generally low population growth during the 1990s, the Midwest still has the highest proportion of rural residents of any region in the country, with nonmetro residents comprising 26 percent of the

population. The rural population proportion is high in the South as well, with one-quarter of southerners living in nonmetro areas. The South also has the greatest number of rural residents as 44 percent of nonmetro persons in the U.S. live in the 16 southern states. Nonmetro residents comprise only 10 and 13 percent, respectively, of the population in the Northeast and the West.

Twelve states have more residents in nonmetro counties than in metro areas.* These are led by Vermont, which has 72 percent of its residents in nonmetro areas. Similarly, over two-thirds of the populations in Wyoming and Montana are nonmetropolitan. Texas has the greatest number of rural residents with over 3.1 million nonmetro people. North Carolina, Georgia, Ohio, and Kentucky also have significant rural populations as each of these states has more than 2 million nonmetro residents.

FIGURE 1.1

Population Change by County, 1990-2000



Source: HAC Tabulations of the 1990 and 2000 Census of Population and Housing, Summary File 1.

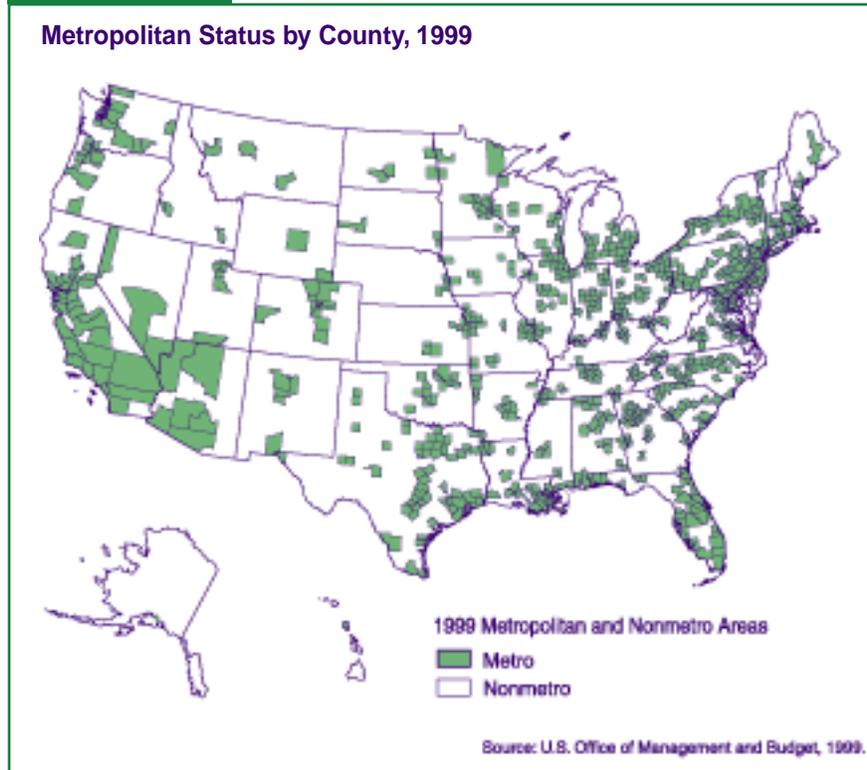
* There are no nonmetro areas in New Jersey and the District of Columbia. Delaware and Rhode Island have only one nonmetro county each.

What Is Rural?

Establishing a definition of rural poses many challenges. In general, rural areas share the common characteristics of comparatively few people living in large geographic areas, and limited access to large cities and market areas for work or everyday-living activities. Rurality exists on a continuum, however, and varies based on proximity to a central place, community size, population density, total population, and social and economic factors.³ Over the years, public agencies and researchers have used combinations of these factors to define rural and to designate geographic areas as rural.

FIGURE 1.2

Metropolitan Status by County, 1999



In this report, unless otherwise noted, the terms “nonmetro” and “rural” are used interchangeably and refer to places defined by the Office of Management and Budget (OMB) as nonmetropolitan in 1999. Nonmetropolitan areas are those counties that lie outside metropolitan areas (Figure 1.2). Each metropolitan area (MA) consists of one or more counties and contains a central city of at least 50,000 residents and a total MA population of at least 100,000 (75,000 in New England). It is important to note that this is not the same definition of rural used by the Census Bureau.

While nonmetropolitan areas generally consist of rural population and territory, the OMB definition of nonmetro and Census’s definition of rural do not overlap exactly. Slightly more than 40 percent of the nonmetro population live in urban places. Likewise approximately 11 percent of metro residents live in Census-defined rural places.

For more information on the definitions of rural and nonmetropolitan, please consult Appendix A.

About the Data

Most of the information in this report derives from HAC tabulations of various public use microdata data sets. Much of the data come from the *2000 Census of Population and Housing*. Census 2000 was conducted by the U.S. Department of Commerce’s Bureau of the Census, which collected information on 281.4 million people and 115.9 million housing units across the United States between March and August of 2000. Most of the Census 2000 information utilized in this report derives from one of two data sets. The first is Summary File 1, commonly referred to as the “short form,” on which a limited number of questions were asked about every person and every housing unit in the United States. Secondly, Summary File 3 or “long form” data provide more detailed information on population and housing characteristics. These data came from a sample of persons and housing units (generally one in six).

Additional information in the report derives from HAC tabulations of other secondary data sources such as the U.S. Department of Housing and Urban Development and the Census Bureau’s *2001 American Housing Survey*, the Bureau of Labor Statistics and the Census Bureau’s *2002 Unemployment Report*, the Census Bureau’s *2000 Current Population Survey*, year 2000 data collected under the Home Mortgage Disclosure Act, various information from the U.S. Department of Agriculture (USDA) Economic Research Service and others. For more information on data sources in this report please consult Appendix A.

Race and Ethnicity

The 2000 Census reveals the most racially and ethnically diverse nation in our history.* Nonmetro areas, however, tend to be more homogenous than the nation as a whole (Figure 1.3). Nationwide, approximately 69 percent of the population are white and not of Hispanic origin.** In nonmetro areas, 82 percent of the population is white and non-Hispanic. Smaller minority populations in rural America are in part a factor of 20th century demographic trends such as the migration of African Americans from the rural South to large cities and the tendency of immigrants to settle in urban areas.⁴

African Americans comprise about 9 percent of the nonmetro population compared to 12 percent of the national population. Nationwide, Hispanics now outnumber African Americans, but in rural areas African Americans are still the largest minority group. Nine out of 10 nonmetro African Americans live in the South. Outside the South, the rural African-American population grew by 26 percent between 1990 and 2000, a much higher rate than in the South.

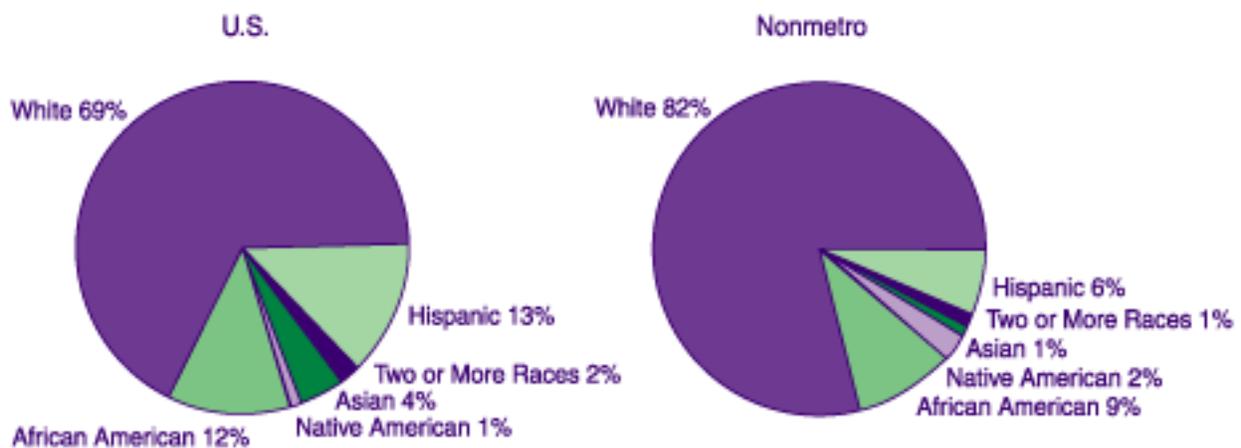
Hispanics make up 5.6 percent of the nonmetro population, a seemingly small proportion, but one of the more significant trends in rural America over the last decade is the explosive growth in the Hispanic

population. Between 1990 and 2000 the number of nonmetro Hispanics rose by 1.3 million, a 70 percent increase. In fact, one-quarter of all nonmetro population growth in the last decade is attributable to Hispanics. This rural Hispanic population growth was most profound in the Southeast and upper Midwest (Figure 1.4). Excluding Texas, the southern region experienced a nonmetro Hispanic population increase of over 200 percent during the 1990s. Nonmetro Hispanic population growth was particularly high in the deep South where states like North and South Carolina, Georgia, Alabama, and Tennessee all experienced growth over 350 percent. Still, more than half of all nonmetro Hispanics are concentrated in the five states of Texas, Florida, California, New Mexico, and Arizona. In fact, approximately one-quarter of all rural Hispanics live in Texas alone.

Native Americans, which include American Indians and Alaska Natives, and Native Hawaiian and Pacific Islanders, comprise approximately 2 percent of the nonmetro population, and 39 percent of all Native Americans live in nonmetro areas. Nationwide, nearly one-third of Native Americans live on Census-designated American Indian, Alaska Native, and Hawaiian Home (AIANHH) lands.*** Asians comprise less than 1 percent of nonmetro persons, and are most heavily

FIGURE 1.3

Race and Ethnicity **



Source: HAC Tabulations of 2000 Census of Population and Housing, Summary File 1.

* Because of the questioning of race concerning two or more races, the Census 2000 data on race are not directly comparable with data from the 1990 Census or earlier censuses. Caution must be used when interpreting changes in the racial composition of the U.S. population over time.

**In the national analysis section of this report Hispanic persons are counted as an ethnic group and not included in the racial groups. Ethnic origin is viewed here as the heritage, nationality, lineage, or country of

birth of a person or person's parents or ancestors before arrival in the U.S. Hispanics can be of any race. Hispanics as a group have significance in comparison to major racial and ethnic groups. Unless otherwise noted, racial/ethnic categories are exclusive.

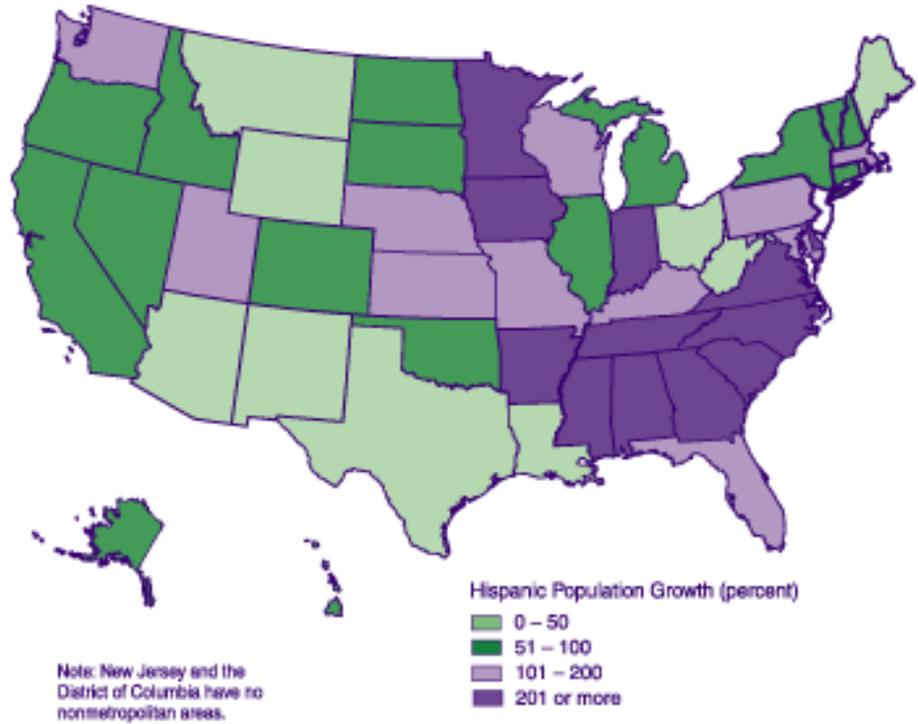
***For a more detailed explanation of American Indian, Alaska Native, Hawaiian Home (AIANHH) lands please consult Appendix A. For a list of AIANHH lands please see Table 15 in Appendix B.

concentrated on the West Coast. The percentages of nonmetro Native Americans and Asians would be slightly higher if respondents who listed multiple races were included.

In 2000 for the first time the Census tallied persons of two or more races, allowing respondents to choose from 126 possible racial combinations on the Census questionnaire. In nonmetro areas, approximately 1.5 percent of the population indicate that they are of two or more races, compared to 2.4 percent nationwide.* Most persons of two or more races indicate that they are white with some other racial group. Multi-racial residents in rural areas tend to be younger than the total nonmetro population and to live in the West.⁵

FIGURE 1.4

Nonmetro Hispanic Population Growth by State, 1990-2000



Source: HACS Tabulations of 1990 and 2000 Census of Population and Housing, Summary File 1.

Explosión: Hispanic Growth in Rural America

Along with the Latino population growth of the 1990s a new awareness of Hispanic culture has also emerged, highlighting the social, economic, and political impact this population has on the United States.” Hispanics in America do not easily fit a single description. They originate in 22 different countries and, while most Hispanics consider themselves white, many come from other races.⁶ Over 90 percent of the U.S. Hispanic population lives in metropolitan areas, but Hispanic growth over the last decade was proportionally greater in nonmetro areas.

In many rural areas with Hispanic population growth, pockets of Latino communities — and thus Latino culture — are emerging where there once were none. In some cases, significant populations of Hispanic residents have settled into small towns nationwide to work in agricultural processing or manufacturing. Much of this transplantation is fueled by “word of mouth” contacts with friends and relatives in their home communities. Such settlement patterns are a modern day iteration of earlier immigration patterns. In the late 1800s and early 1900s new immigrants in the United States, primarily from Europe, settled close to one another for support

and familiarity in an alien culture.⁷ While much is the same for today’s immigrants, a major difference is the latitude from which they arrive.

Hispanics are reshaping the demographics of rural America in many ways. With a median age of just 23, nonmetro Hispanics are much younger than the rural population as a whole. Hispanics also tend to live in larger households and to have higher levels of poverty and lower levels of education than the overall rural population. Many of these social issues directly impact housing for rural Hispanics. Rural Latinos are more likely to be renters, and they experience inadequate housing nearly twice as often as all nonmetro households. Low incomes also exacerbate affordability problems, and household crowding is a particular concern. Despite these problems rural Latinos continue to be upwardly mobile and to move into middle class America. These trends can be expected to continue, as it is estimated that Hispanics nationwide contribute \$300 billion a year to the U.S. economy.⁸

For more information on Hispanics in rural America please visit the National Council of La Raza’s website at www.nclr.org.

* Unlike other racial/ethnic data in this section, these figures for persons of two or more races include Hispanics.

**The terms Hispanic and Latino are used interchangeably in this report.

Nearly one-quarter of nonmetro people who report being of two or more races are also Hispanic. About 6 percent of nonmetro Hispanics classify themselves as being of two or more races compared to 1 percent of non-Hispanics.

Age

The next three decades will witness one of the most dramatic demographic shifts in the history of our nation, as the elderly population is expected to more than double in the next 30 years.* The signs of America's aging society are especially evident in rural areas. While the median age in the entire United States is 35, in nonmetro areas it is 37.** A significant factor in the nation's aging demographic is the baby boom generation, those persons born between 1946 and 1965. Baby boomers make up the largest age segment: 29 percent of the nonmetro population is between 35 and 54 (Figure 1.5). In the next few decades rural baby boomers will start to move into the ranks of seniors, and this dramatic shift is likely to have profound ramifications for rural people and rural communities. Nearly every aspect of rural society, including housing, will be impacted.

Currently, elderly persons make up 15 percent of the nonmetro population, compared to 12 percent of the population in metropolitan areas. Rural seniors are more

likely to be single women, live alone, and have low incomes than the nonmetro population as a whole. Through the 1990s, the rural elderly population grew more slowly than the total rural population. This slower growth is primarily a factor of higher mortality rates among older persons, combined with the fact that there

The Graying of Rural America

As the population over 65 increases, its housing needs will change as well.*** In general, rural seniors live in good quality housing and are very satisfied with their homes. An overwhelming majority of rural senior households (86 percent) own their homes, compared to 80 percent of seniors nationwide. Owning a home is an important factor affecting the housing and economic well-being of seniors. Housing is a significant source of wealth, equity, and in some cases income, for many older persons. Renters over the age of 65 generally face more challenges and greater needs associated with their housing than do elderly homeowners. Elderly renters age 65 and over have lower incomes and higher poverty rates than their owner counterparts.



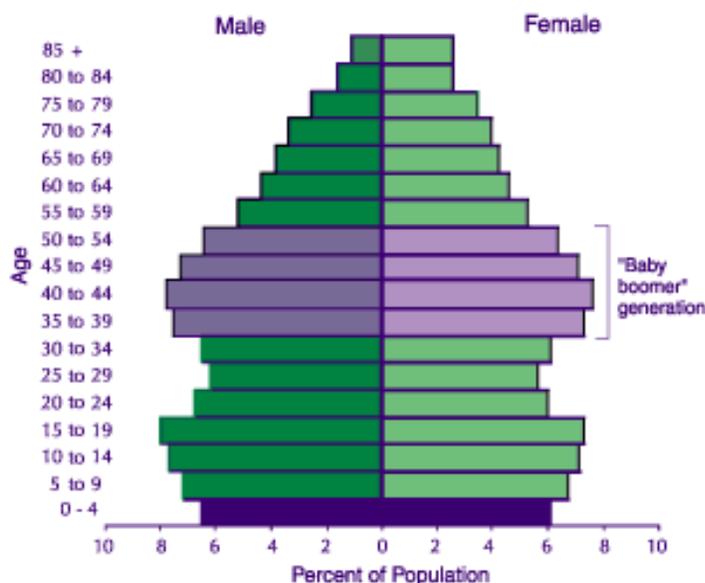
While most seniors wish to remain in their homes for as long as possible, a housing gap has been left unfilled in many rural communities. Sparsely settled rural areas often have limited public transportation and social service infrastructure, both of which are crucial for the well-being of older Americans. Furthermore, affordable rental housing and elderly housing innovations such as assisted living facilities are scarce in rural areas. As a result, rural elders must often choose between living in a home that is hard to maintain, or moving into a nursing home.⁹

These rural housing factors in conjunction with looming demographic shifts mean that many rural areas and communities will face significant challenges in housing their older citizens in the coming decades.

For more information on housing and older persons in rural America visit the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century website at www.seniorscommission.gov or the AARP website at www.aarp.org.

FIGURE 1.5

Nonmetro Population by Age and Sex



Source: HAC Tabulations of 2000 Census of Population and Housing, Summary File 1.

* For this report, the terms "elderly" and "seniors" generally refer to persons age 65 and older.

** The 2000 Census calculation of age is based on the age of the person in complete years as of April 1, 2000.

*** Housing statistics in this section are from HAC tabulations of 2001 American Housing Survey data.

have always been fewer people in this age cohort, since they were born during the Great Depression — a time with low birth rates.¹⁰

Another significant contrast between nonmetro and metro America is the smaller number of young adults in nonmetro areas. Nationwide 21 percent of the population is between the ages of 20 and 34. Yet in rural areas 19 percent of the population is made up of young adults. This difference is primarily attributable to the fact that younger persons in nonmetro areas are more likely to leave rural areas to seek employment.

The Changing Rural Family

The structure of rural households is changing. Overall, the traditional nuclear family structure is more prevalent in nonmetro areas than in the nation as a whole. The vast majority of rural households — 70 percent, which is slightly higher than the nationwide rate — are made up of families.* Nearly 80 percent of all nonmetro family households are headed by married couples, and 46 percent of rural family households include children under the age of 18. More than one in ten nonmetro households is headed by a woman with no husband present. Sixty percent of these single female householders have children below the age of 18.

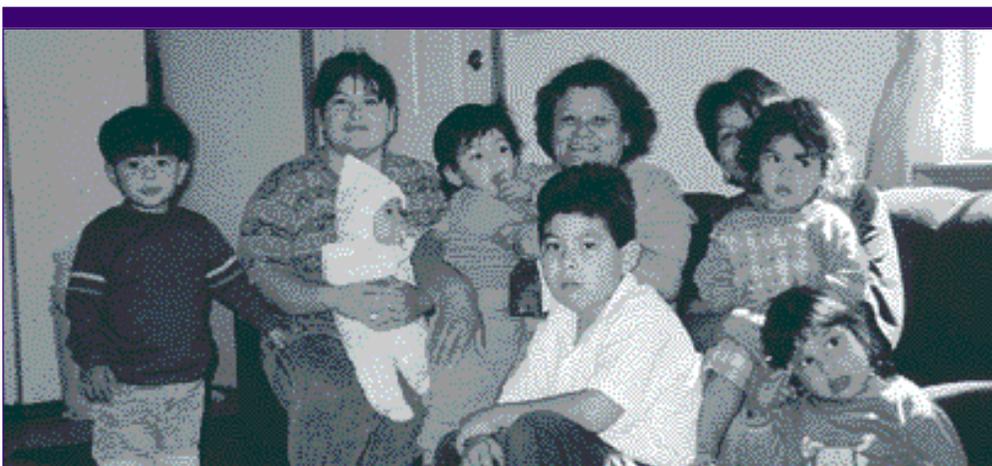
It is also becoming more common for grandparents to serve as primary care givers for their grandchildren.** Nationwide, in 42 percent of households that include a grandparent and a child under the age of 18, grandparents are responsible for the care of grandchildren.

This trend is even stronger in nonmetro areas, where over half of grandparents living in such households are responsible for the care of their grandchildren.

It is not a new concept for grandparents to raise their grandchildren.¹¹ Families in the United States, particularly in some minority communities, have long depended upon extended families for child-rearing and economic sustainability.¹² This family scenario has become more prevalent in recent years, however. Reasons for grandparents taking on the care for their grandchildren range from parental substance abuse, child abuse, neglect, or abandonment to unemployment, divorce, AIDS, and death.¹³

While family households prevail in nonmetro areas, the number of rural nonfamily households increased at three times the rate of family household growth — to over 6.3 million households between 1990 and 2000. Among these nonfamily households, 84 percent are persons living alone, of which a large proportion are persons over the age of 65. The number of nonfamily households in rural America is likely to continue to grow in the coming decades both because people are marrying later than in the past and because the elderly population is growing.

A decline in household size accompanies these changing household demographics in rural areas. Historically, rural households have been larger than those in cities for a number of reasons. Higher marriage rates and the usefulness of children in farm families are two primary factors.¹⁴ However, social and economic



* A family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. A household includes all the people occupying a housing unit. People not living in households are classified as living in group quarters. In most cases, the householder is the person, or one of the people, in whose name the home is owned, being bought, or rented and who is listed as "Person 1" on the census questionnaire.

** A grandparent is considered a care giver when she or he has responsibility for the basic needs of the grandchild (beyond daily childcare responsibilities) for a significant period of time.

transformations have altered these patterns in rural America over the past few decades. In 1970 less than 16 percent of nonmetro households consisted of one person living alone. Today over one-quarter of nonmetro households consist of single persons, and the average household size in nonmetro areas is now smaller than in the nation as a whole.

A little over 1 million, or 5 percent of nonmetro households, report living in unmarried partner households. Over 87,000, or less than 1 percent of them, are in same-sex partner households. All but 22 of the 3,141 counties in the United States have at least one same-sex partner household.

Education

Education is undoubtedly one of the most significant catalysts for economic improvement and well-being in our society. Over the past decade, educational achievement has increased for persons throughout the nation and in rural areas as well. Today more Americans have high school diplomas and college degrees than ever before,

and the proportion of nonmetro residents without high school diplomas fell 7 percentage points during the 1990s.* Despite this progress, educational attainment levels in nonmetro areas still lag behind those of the nation as a whole. Approximately 23 percent of nonmetro residents over the age of 25 do not have high school diplomas, compared to 20 percent of the same population nationwide (Figure 1.6). Lower educational levels partially reflect an older population, and the increase in overall educational levels is boosted by death of the oldest residents, who are least likely to have high levels of educational achievement.

While nearly one-quarter of U.S. residents have a bachelors degree or higher, only 15 percent of nonmetro residents do. Education levels are even lower for rural minorities. More than one-third of nonmetro African Americans and over half of nonmetro Hispanics do not have a high school diploma.¹⁵

The rural-urban education gap is rooted in several factors specific to rural areas. First, there is a strong connection between educational achievement and family support.¹⁶ In general, rural families are less able to afford college, and parents are more likely to have lower educational attainment themselves.¹⁷ Rural communities also offer less incentive for educational achievement, as local rural economies generally have fewer jobs that require high education levels than cities. In fact, 80 percent of nonmetro residents live in counties where less than 15 percent of the adult population has bachelors degrees.¹⁸ Low education levels also impact rural communities' abilities to attract economic development. In our nation's new global economy, employers and corporations can be expected to continue to place a premium on a highly educated workforce.

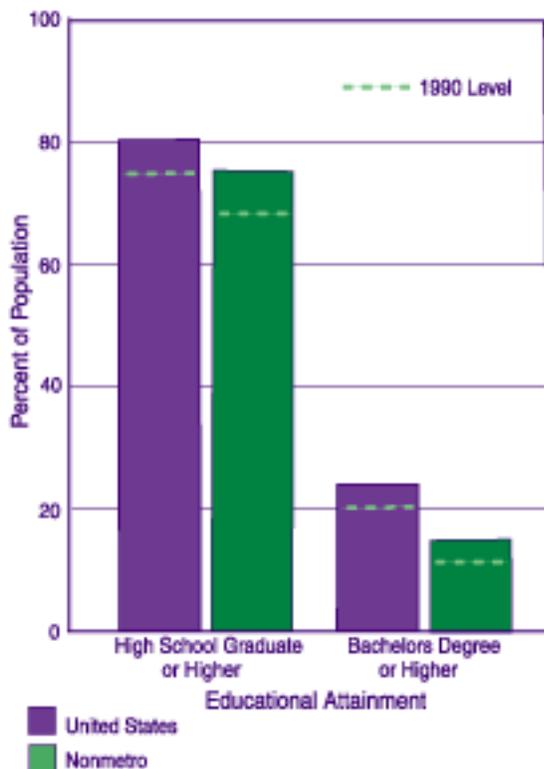
Migration, Mobility, and Immigration

Rural residents are less likely to move than their metro counterparts; nearly 59 percent of the nonmetro population over the age of five live in the same houses as they did in 1995. Nonmetro residents who moved between 1995 and 2000 were more likely than metro movers to relocate to different counties, but less likely to move to different states.

Approximately 1.7 million nonmetro residents, 3 percent of the nonmetro population, were born outside the United States (Figure 1.7). The nonmetro foreign-born population is greater in the southwestern United States, particularly in Texas where the nonmetro foreign-born population rate is more than double the

FIGURE 1.6

Educational Attainment, 1990-2000
By Residence



Source: HACS Tabulations of 1990 and 2000 Census of Population and Housing, Summary File 3.

* Educational attainment levels are calculated for persons age 25 and over.

national nonmetro level. Approximately 45 percent of all foreign-born persons in nonmetro areas entered the U.S. between 1990 and March 2000, a higher proportion than the national level of 42 percent. Many of these recent immigrants came to the United States from Mexico and other Latin American countries. Much of this immigration was fueled by our nation's booming economy through most of the 1990s, which created an increasing demand for low-wage labor, particularly in agricultural, manufacturing, and service industries. It remains to be seen how the latest economic downturn will affect the foreign-born population, particularly recent immigrants, who are likely to be less established and more susceptible to an economic crisis than those who have been in the country longer.

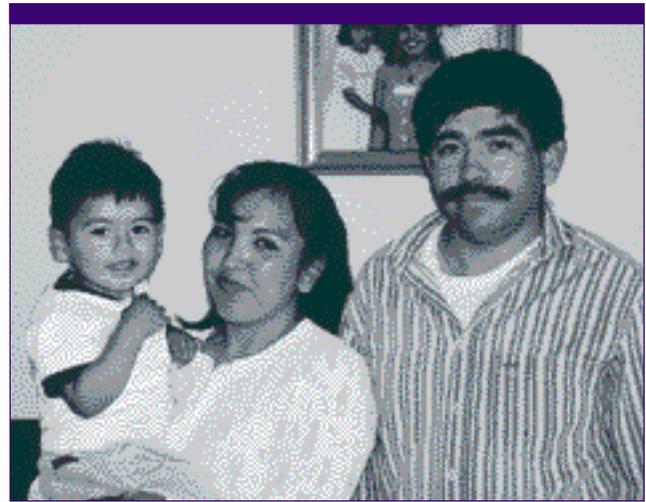
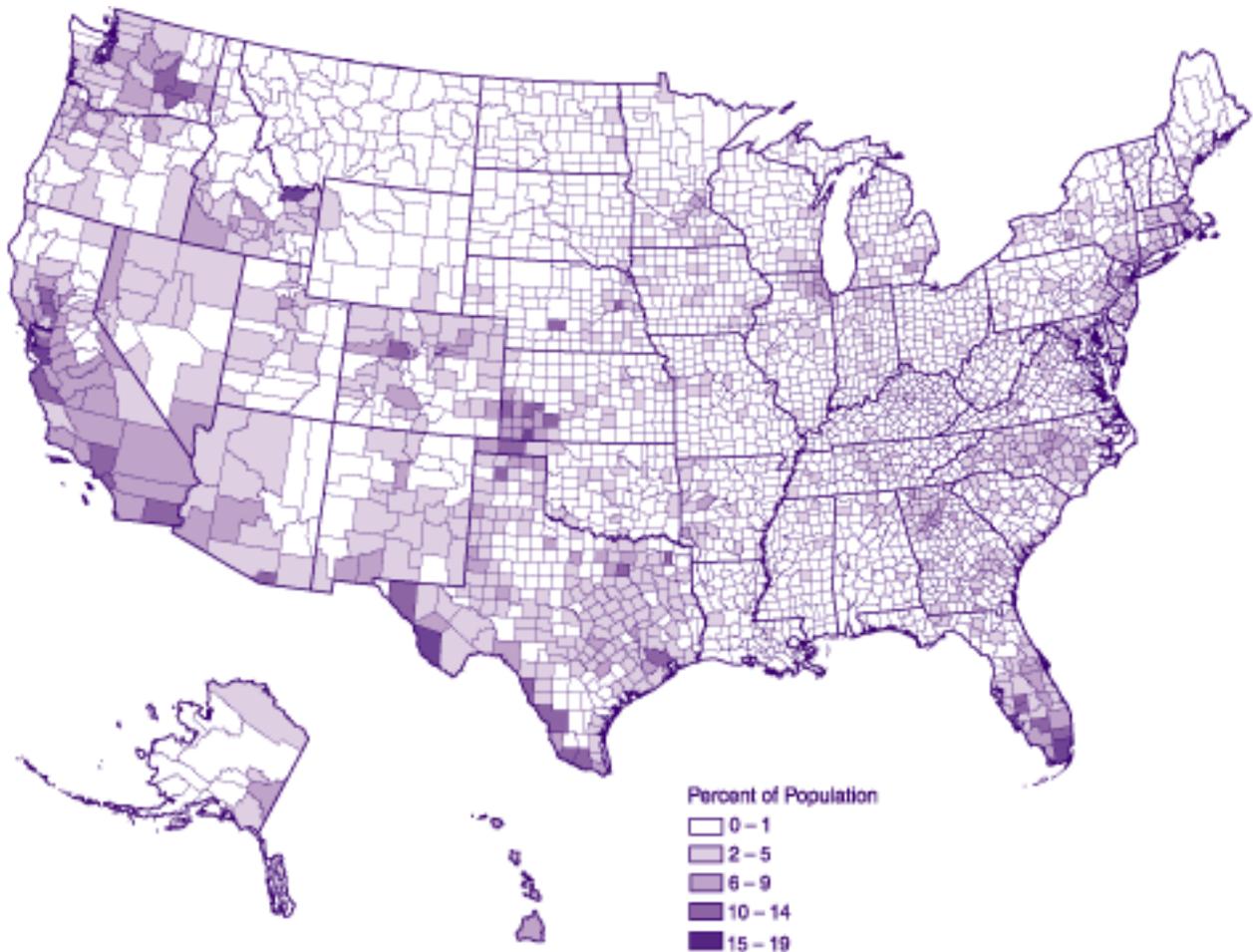


FIGURE 1.7

Immigration by County, 1990-2000

Distribution of Recent Immigrants to the U.S.



Sources: HIAI Tabulations of 2000 Census of Population and Housing, Demographic Profile 2.