

Rural America COUNTS: CALL TO ACTION

“Any sustainable support for nonmetro development ... must make urban dwellers better off.” - Schmid and Purello (1995)¹

A Call to Action: Improving the vitality and stability of rural communities in the United States continues to be an important public policy objective and is especially relevant in a rapidly changing global environment. With growing concerns over rising income inequality and rural depopulation, a healthy and vibrant rural America has a major role to play in supporting the United States as a global economic leader. Yet to be a strong and sound partner of urban America, rural communities require public and private support to build physical and human capacity. A necessary condition is legislative authority and appropriations for organizations and research and outreach programs that assist decision makers in investing in rural community development.

Introduction: The intricate interplay between urban and rural areas requires strategic investments to ensure the well-being of both. While rural places often look to urban areas for specialized services and concentrated markets, urban areas depend on rural communities for food, energy resources, and natural amenities. This rural-urban interdependency necessitates investments that ensure the health and well-being of both areas. This document highlights vital ways in which rural areas contribute to national well-being, emphasizing the importance of investing in shaping and sustaining them as livable places.

While the rural population comprises only about 14% of the U.S. total, they are responsible for stewardship of over 70% of the nation’s land area. From this large land area comes much of the agricultural, forestry, and energy production that not only fuels the U.S. economy, but also has a major impact on the global economy. As a result, urban residents depend heavily on rural economies and resources. The capacity and ability to produce many types of goods and services in rural areas and transport them efficiently to urban areas keep costs of living low for the entire nation. In addition, a growing rural recreational sector provides a welcome and inviting relief to urban populations, and the option to move back into rural communities is increasingly important for many aging baby boomers as well as millennials seeking to raise their families in rural areas.²

Rural Contributions: The importance of rural areas for national economic security is evident from the percent of the nation’s total employment found in rural areas in industries that are critical to the country’s economic well-being as a whole.

► **Agriculture and Food:** Nearly three-quarters (73.7%) of all U.S. farm land is found in rural areas, according to 2007 Census data. More than half (56.7%) of all farm proprietors are found in non-metro areas, unsurprisingly, as are two-thirds (65.5%) of grain farm operations, which are

¹ Schmid, A.A. and J.T. Purello (1995, reprinted from Choices 1991) “The Economics of Population Settlement: Costs of Alternative Growth Patterns,” NCRCRD, Ames, Iowa.

² See, among others, C. von Reichert, J.B. Cromartie and R.O. Arthun (2011) “Returning Home and Making a Living: Employment Strategies of Returning Migrants to Rural U.S. Communities,” Journal of Rural and Community Development, and J.B. Cromartie and P. Nelson (2009) “Baby Boom Migration and Its Impact on Rural America,” Economic Research Report No. (ERR-79) 36 pp, August.

essential to U.S. agriculture overall. Once food is produced it has to be processed, stored and transported. Much of this activity occurs in rural areas as well. For instance, beet sugar, creamery butter, frozen fruit, juice and vegetable manufacturing employment are heavily concentrated in or dependent on rural areas (each above 50%). More than 50% of Ethyl Alcohol, with medical and recreational uses, manufacturing is found in rural areas.

► **Water:** Most of the nation's water area (72%) in 2000 was located in rural areas. Water is essential both for human and animal consumption as well as for irrigation and recreation. Taking care of water quality at the source, rather than treating water further downstream, is generally more cost effective.³ The health of forests in the watershed also heavily influences water quality. Rural Americans are the stewards of many of these natural resources.

► **Raw Materials:** Mining of raw materials that keep the American economy operating is common in rural areas (silver, gold, kaolin and ball clay, industrial sand and more) with over 50% of the related employment opportunities located in rural places. In addition, physical petroleum and natural gas deposits are overwhelmingly located in rural areas, even though the employment associated with these activities is often found in cities.

► **Manufacturing Economy:** A significant portion of manufacturing activity remains largely rural-based. Most prominent is Household Laundry Equipment Manufacturing employment (88.5%), followed by Reconstituted Wood Product (72.9%), Lawn and Garden Tractor and Home Lawn and Garden Equipment Manufacturing (69.1%), and Softwood Veneer and Plywood Manufacturing employment (62.8%). These manufacturers may not survive outside rural areas because of thin profit margins, and the need for inexpensive access to raw materials. Rural manufacturing of Motor Homes is at 58.7%, Manufactured Homes at 43% and Travel Trailer and Camper Manufacturing employment is 31.7%.

► **Recreation Economy:** Hunting and trapping, skiing facilities, and all other travel accommodation employment are likewise heavily rural dependent (50%+); Recreational and Vacation Camps (except camping) are at 40.3%, B&B Inns are at 35.1%, and Recreational Goods Rental at 32.0%. Each of these provides spaces for both rural and urban residents to relax and unwind from the stresses of everyday life.

► **Energy Economy:** Geothermal electric power generation leads with 55.3% rural employment concentration, followed by hydroelectric, natural gas liquid extraction, support activities for oil and gas operations, biomass electric power generation, and other electric power, each above 33%. Given that Americans on average spend 7.3% of their income on utilities, fuel and public services related to their housing, preserving the energy economy that is firmly seated in rural places is vital.

³ R. H. Platt, P. K. Barten and M. J. Pfeffer (2000). "A Full, Clean Glass? Managing New York City's Watersheds." Environment 42(5): 8-20.

⁴ <http://www.bls.gov/cex/csxann13.pdf>, table 7, p.15.

► **National Security:** In addition to economic security considerations is security related to military defense. A disproportionate share of veterans come from rural areas, and the share of disabled veterans is also higher in rural than urban areas.⁵ Rural areas also host the nation's long-range, land-based nuclear weapons as well as other defense-related installations.

Rural People & Economies: Shifts in population over the past few years or more paint a picture of both challenges as well as opportunities.

► **Economic base & population:** From 2010-2015, populations in rural counties whose economies were primarily based on recreation experienced small but notable population increases (.8%). However, for rural counties whose economy were largely based on farming, manufacturing, or other sources saw declines in population (-1.3%, -.5%, -4% respectively).⁶

► **Migration by age:** High rural out-migration among 20-30 year olds is partially offset by in-migration among older adults and young children. Median percent county population change due to net migration, 2000-2010, ages 20-24 was -28% in rural, -8% in urban. For ages 30-35, both urban (+14%) and rural (+8%) saw net migration growth, which may also explain, in part, a positive growth in percent of children ages 0-15.⁷

► **Family Farm Income:** For every dollar of income going to farm families, 83% is earned in off-farm employment, leaving 17% earned on farm.⁸

Rural Challenges: In spite of the many contributions from rural places, challenges exist that could threaten rural sustainability without targeted investments.

► **Persistent Poverty:** Over 85% of persistent poverty counties are rural. Persistent poverty means the county's population has exceeded the poverty threshold for three or more decades.⁹

► **Broadband Access:** For every one urban resident without broadband access, there are 10 rural residents lacking access.¹⁰

⁵ See T. Farrigan and J. Cromartie (2013) "Rural Veterans at a Glance," Economic Brief No. (EB-25) 6 pp, Nov. (avail. online) and M.J. Mattingly and M.I. Stransky (2009) "Rural America and the South Have the Highest Percent of Veterans with Service-Related Disabilities," Carsey Institute Factsheet no. 16, Fall. Available at: <http://scholars.unh.edu/cgi/viewcontent.cgi?article=1086&context=carsey>

⁶ USDA Economic Research Service using data from the U.S. Census Bureau. County types are described in the ERS County Typology Codes data product available at <http://www.ers.usda.gov/data-products/county-typology-codes.aspx>

⁷ USDA Economic Research Service, based on estimates from the University of Wisconsin-Madison available at <https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=62251>

⁸ Hoppe, Robert A.. Structure and Finances of U.S. Farms: Family Farm Report, 2014 Edition, EIB-132, U.S. Department of Agriculture, Economic Research Services, December 2014.

⁹ USDA Economic Research Service, Geography of Poverty, <https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being/geography-of-poverty/>

¹⁰ Federal Communications Commission 2016 Broadband Progress Report. https://apps.fcc.gov/edocs_public/attachmatch/FCC-16-6A1.pdf

► **Education:** As rural populations decline, so do enrollment numbers in their K-12 schools. Additionally, declining populations tend to mean reduced tax revenue support, which results in fewer specialized services or extracurricular activities. In some cases, these declines lead to school closings and consolidations, which increase distances children must travel to school, and result in increased transportation costs.¹¹

► **Healthcare:** Rural places experience more traumatic injuries per capita than their urban counterparts, yet typically have a longer distance to emergency services. Likewise, rural places have higher mortality rates from the top five causes of death, yet have fewer physicians, limited specialized medicine, lower access to mental health services, and are less likely to have health insurance.¹²

Future Directions: Taken together, evidence clearly points to a need to strengthen rural places in order to continue caring for the stewards of the nation's food, water, raw materials, natural recreation places, and key manufacturing sectors, while supporting our country's veterans. In order to accomplish this task, critical investments are needed:

- **Foster** collaborative place-based decision-making
- **Strengthen** economies based on local assets
- **Advance** opportunities for entrepreneurship
- **Support** a mentally and physically healthy workforce
- **Prepare** a workforce for high-tech, high-paying jobs relevant to the local needs
- **Provide** access to equitable infrastructure
- **Enhance** quality of life through recreational opportunities
- **Fortify** families and individuals to thrive throughout the life-cycle

¹¹ Center for Rural Policy and Development, 2009. <http://www.ruralmn.org/wp-content/uploads/2010/04/education09.pdf>.

¹² See Centers for Disease Control https://www.cdc.gov/mmwr/volumes/66/ss/ss6602a1.htm?s_cid=ss6602a1_w#F1_up and Garcia MC, Faul M, Massetti G, et al. Reducing Potentially Excess Deaths from the Five Leading Causes of Death in the Rural United States. *MMWR Surveill Summ* 2017;66(No. SS-2):1–7. DOI: <http://dx.doi.org/10.15585/mmwr.ss6602a1>.

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