

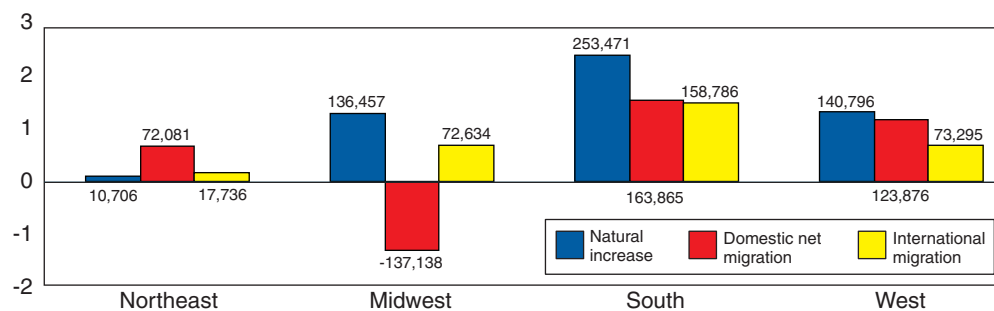
## International Migration Contributes to Recent Population Growth in Nonmetro Areas

Between 2000 and 2005, nonmetro America added 1.1 million residents to its population, a 2.2-percent increase, yielding a 2005 population of 49.9 million. This growth rate is about a third lower than the growth rate of the previous 5 years and much lower than the metro rate for the same period (6.0 percent).

- Half of all nonmetro counties declined in population from 2000 to 2005. However, declining counties are usually sparsely settled and, as a result, contain only 34 percent of the nonmetro population. These counties are prevalent in farming-dependent areas of the Great Plains and western Corn Belt, but also in areas dependent on industrial work.
- Nonmetro population growth since 2000 has been evenly divided between natural increase—an excess of births over deaths (541,000)—and net immigration (545,000). Three-fifths of the immigration (322,000) is accounted for by immigrants from abroad. The rest (223,000) originated from metro areas, as more people have moved to rural and small-town places than away from them.
- Between 2000 and 2005, population growth in the Midwest resulted entirely from international migration, because population growth from natural increase (births minus deaths) was completely offset by domestic outmigration of mostly young adults. In addition, international migration contributed between 18 and 28 percent of total nonmetro population growth for the West, South, and Northeast.
- Indiana, Oklahoma, Alabama, and New Mexico had the largest percentage gains in nonmetro population from international migration between 2000 and 2005.
- The largest nonmetro population increases between 2000 and 2005 occurred in North Carolina, Florida, Georgia, and Texas. The fastest growth rates were in Delaware, Nevada, Florida, and Hawaii.

### Components of nonmetro population change by Census region, 2000-05

Number of residents (100,000)



Source: Calculated by ERS using Census Bureau 2005 population estimates.

- The largest nonmetro population losses between 2000 and 2005 occurred in Kansas, Iowa, Illinois, and North Dakota.
- Population increases in the 1990s produced so many new metro areas and new suburban commuting counties attached to existing metro areas that more than half of the 2,051 current nonmetro counties now adjoin a metro area. Metro adjacency is highly associated with growth—89 percent of the total 2000-05 nonmetro population increase occurred in counties adjacent to metro areas.

### Nonmetro population change, 2000-05

Largest growth		Fastest growth rate (Percent)		Largest loss	
North Carolina	111,308	Delaware	12.7	Kansas	-28,392
Florida	110,471	Nevada	11.9	Iowa	-21,697
Georgia	84,336	Florida	10.9	Illinois	-18,673
Texas	77,724	Hawaii	10.3	North Dakota	-17,866

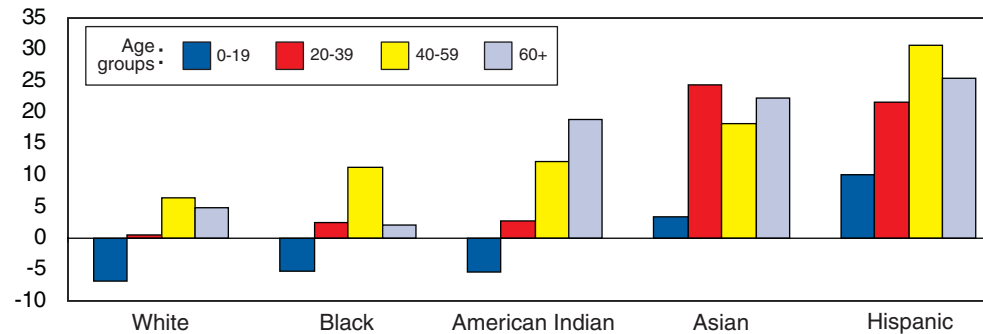
Source: Calculated by ERS using Census Bureau 2005 population estimates.

## Nonmetro Population Growth Varies by Age and Ethnicity

The aging of the population and the imminent retirement of the baby boom generation will affect health care, housing, and transportation in rural areas. The 40-59-year-old age group showed the highest rate of nonmetro increase (7.8 percent) relative to other age groups. In contrast, the nonmetro population under age 20 declined by 5.3 percent, due both to a declining birth rate and high outmigration of young families with children.

### Nonmetro population change by race/ethnicity and age, 2000-05

Percent



Source: Calculated by ERS using data from the U.S. Census Bureau.

- Nonmetro population growth was higher among Hispanics than non-Hispanic Whites, both in number (497,000 compared with 454,000) and rate (19 percent compared with 1 percent). Asians shared a similarly rapid rate of growth but on a smaller population base, so the total increase (60,000) was smaller than for either non-Hispanic Whites or Hispanics.
- The nonmetro population under age 20 declined for non-Hispanic Whites, Blacks, and American Indians, but grew for Asians and Hispanics between 2000 and 2005. This pattern reflects recent immigration of young Asian and Hispanic families as well as the higher fertility of Hispanics. Further, it indicates a high level of future growth momentum for both groups.
- Among nonmetro Hispanics, the highest rates of population growth occurred in the over-40 age group—a surprising finding as immigration and labor recruitment tend to target young workers. Because young Hispanics have been moving into nonmetro areas in large numbers since 1980, aging-in-place has occurred for the Hispanic population, with an increased share of Hispanics in the older age groups. However, these high rates of growth also reflect a relatively small population base.

## Nonmetro Residents Assess Their Health Less Favorably Than Metro Residents

Compared with metro residents, nonmetro residents report poorer health and more physical limitations. The range of health care providers and services in nonmetro communities is narrower than in metro areas, and nonmetro residents may experience greater financial and geographic barriers to access.

- In 2003, nearly 12 percent of nonmetro residents rated their health as fair or poor, compared with 9 percent of metro residents. Nonmetro residents are also more likely to report having an activity limitation for both personal care and home management tasks (16 percent) than metro residents (11 percent). The nonmetro population is slightly older than the metro population: this may contribute to their poorer health status.
- The nonmetro population is less likely to have health insurance coverage than the metro population: in 2003, 19 percent of nonmetro residents had no health insurance, compared with 16 percent of metro residents.

## Recent Employment Picture Is Positive for Nonmetro Areas

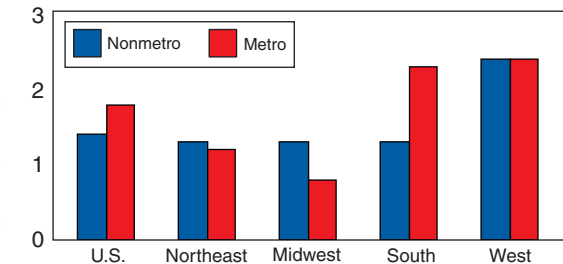
Nonmetro employment increased by 329,000, or 1.4 percent, from 2004 to 2005, and metro employment increased by 2.12 million, or 1.8 percent. However, the employment growth picture varied widely among counties: 34 percent of nonmetro counties lost employment between 2004 and 2005, and 46 percent were still below their 2000 employment levels in 2005. Employment growth rates were highest in the West and the metro South.

- Both nonmetro and metro unemployment rates fell in 2005 and were at their lowest rates since the 2001 recession. The nonmetro unemployment rate was 5.4 percent in 2005, slightly higher than the metro average of 5.0 percent.
- The nonmetro employment-to-population ratio for the working-age population (age 25-54), a measure of an economy's ability to create jobs, lagged behind metro areas in 2005. In metro areas, 79.4 percent of the working-age population was employed compared with 78.7 percent of the working-age population in nonmetro areas.
- The official unemployment rate may understate the full extent of employment difficulties, because it excludes workers who want a job and are available, but are not currently looking for work (marginally attached), as well as those who work part-time but want full-time work. The 2005 nonmetro adjusted unemployment rate, which includes marginally attached workers and half of those who work part-time but want to work full-time, was 9.6 percent compared with 8.8 percent in metro areas.

- Nonmetro unemployment rates were highest among nonmetro minorities and teenagers, a pattern similar to that in metro areas. For nonmetro Blacks, the 2005 unemployment rate was 12.1 percent, and for nonmetro Hispanics, the rate was 6.1 percent. The unemployment rate for nonmetro teens age 16-19 was 16.9 percent.

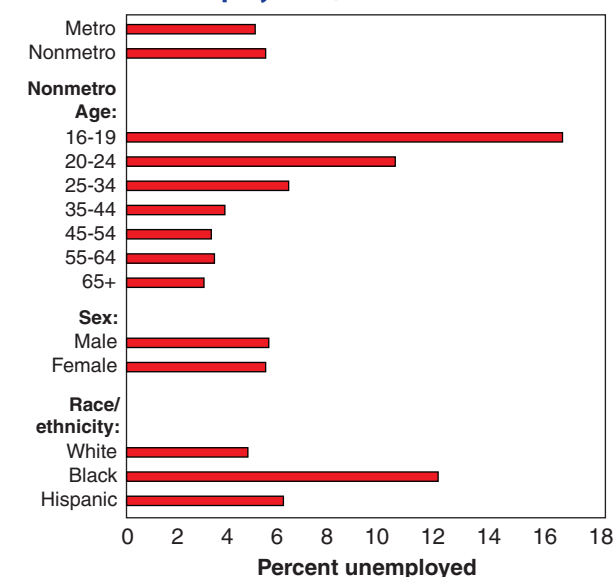
### Employment growth in the United States by Census region, 2004-05

Percent



Source: Calculated by ERS using Local Area Unemployment Statistics data from the Bureau of Labor Statistics.

### Nonmetro unemployment, 2005

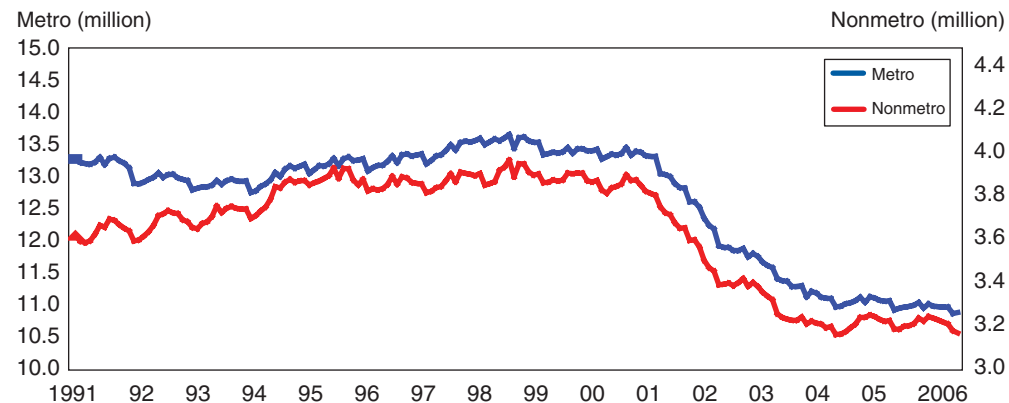


Source: Bureau of Labor Statistics, Current Population Survey.

## Recent Stability in Manufacturing Employment

The nonmetro economy continues to lag behind the metro economy, in part because the nonmetro economy is more dependent on manufacturing. After a decline in manufacturing employment of more than 15 percent between 2000 and 2003 in both nonmetro and metro areas, the first half of 2006 marked the third year of relatively stable employment. Since 2005, slight increases in durable manufacturing have been offset by slight declines in nondurable manufacturing. The current trend suggests a return to the longstanding pattern of limited job growth in manufacturing amid robust growth in the rest of the economy. Given this historical pattern, it is unlikely that nonmetro manufacturing employment will return to pre-2000 levels.

## Metro and nonmetro manufacturing employment, 1991 to June 2006



Source: Calculated by ERS using Current Employment Statistics data from the Bureau of Labor Statistics.

- Since 2005, industries providing inputs to home construction generally performed well, as did fabricated metal and machinery industries. Employment in computer, electrical, and transportation equipment was stable.
- The only nondurable industries posting employment gains in the past year were chemicals, petroleum, and coal products. In nondurable industries, the long-term decline in textiles and apparel continued, without any noticeable acceleration due to the expiration of the last remaining import quotas on January 1, 2005. Despite a greater overall concentration of nondurable industries in nonmetro areas, nonmetro America did not experience declines in manufacturing employment.
- A decline since 2004 in food processing employment, traditionally one of the more stable industries, merits further analysis, because, paradoxically, product shipment and exports remained strong.

## Higher Energy Prices Increase Rural Transportation Costs

Transportation costs rose sharply in 2005, with the retail prices of all grades of gasoline increasing more than 18 percent from December 2004 to December 2005. Rising transportation costs may disproportionately affect rural areas because, compared with urban residents, rural people depend more on personal vehicles and tend to travel longer distances.

- In 2001, the most recent year that data were available from the U.S. Department of Energy, rural households with vehicles used nearly 40 percent more gasoline and drove nearly a third more vehicle miles than urban households with vehicles.
- Rural residential vehicles are less fuel efficient than urban vehicles—averaging 19.5 miles per gallon compared with 20.5 (in 2001).

Transportation costs for commodities have also been affected by higher energy prices.

- The rising cost of diesel fuel particularly affects the domestic grains markets, where trucking is the dominant shipping mode.
- Grains destined for export markets are primarily shipped by rail or barge; these shipments are less affected by high energy prices because of the greater fuel efficiency of trains and water transportation.

## Demand Is High for Nonmetro Internet Services

Internet access and use have increased since the 1990s for all regions of the country, though nonmetro areas continue to lag metro areas in both. In 2003, 51 percent of all nonmetro U.S. households included at least one adult who used the Internet, whether at work, school, home, or the library, compared with 62 percent for metro households.

Nonmetro areas lag in high-speed Internet use. In 2003, 40 percent of individuals using the Internet and residing in metro areas used high-speed Internet service at home, compared with 21 percent of nonmetro Internet users.

- Both metro and nonmetro households offered three main reasons for not having high-speed Internet access: not needed or not interested, too expensive, or not available in the area.
- Nonmetro households without high-speed Internet access were nearly three times as likely as their metro counterparts to lack access because it was not available in their area.

## Reasons why households did not have high-speed internet access by metro status, 2003

	Total	Metro Percent	Nonmetro
Do not need it, not interested	44.1	44.9	41.1
Too expensive	38.8	40.1	33.7
Not available in area	9.9	7.4	20.0
Can use it somewhere else	1.2	1.3	0.7
No computer or computer inadequate	1.0	1.0	0.8
Privacy and security	0.4	0.4	0.3
Other reasons	4.7	5.0	3.4
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Calculated by ERS using Current Population Survey data from the Census Bureau.

## More Research on Rural America at ERS . . .

USDA's Economic Research Service (ERS) analyzes ongoing changes in rural areas and assesses Federal, State, and local strategies to enhance economic opportunity and quality of life for rural Americans. The following recent publications feature research on rural America:

*Rural Transportation at a Glance*, by Dennis M. Brown, AIB-795, USDA, Economic Research Service, January 2005. <http://www.ers.usda.gov/publications/AIB795/>.

*Rural Children at a Glance*, by Carolyn C. Rogers, EIB-1, USDA, Economic Research Service, May 2005. <http://www.ers.usda.gov/publications/eib1/>.

*Rural Hispanics at a Glance*, by William Kandel, EIB-8, USDA, Economic Research Service, December 2005. <http://www.ers.usda.gov/publications/eib8/>.

*Low-Skill Employment and the Changing Economy of Rural America*, by Robert Gibbs, Lorin Kusmin, and John Cromartie, ERR-10, USDA, Economic Research Service, October 2005. <http://www.ers.usda.gov/publications/err10/>.

## Data Resources

This report draws upon the work of ERS researchers. Data used in this analysis come from a variety of sources, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Census Bureau, the Centers for Disease Control and Prevention, and USDA. The most recent data are provided, ranging from 2003 to 2006.

Metropolitan (metro) and nonmetropolitan (nonmetro) areas are defined by the Office of Management and Budget (OMB). Estimates from the Current Population Survey and the National Health Interview Survey identify metro and nonmetro areas according to OMB's 1993 designation. Under the 1993 classification, metro areas include central counties with one or more cities of at least 50,000 residents or with an urbanized area of 50,000 or more and total area population of at least 100,000. Nonmetro counties are outside metro area boundaries and have no cities with 50,000 residents or more. Data from the 2000 Census in this report are based on OMB's 2003 definition of metro and nonmetro areas, which defines metro areas as all urbanized areas regardless of total area population. Outlying counties are also classified as metro if they are economically tied to central counties, as measured by the share of workers commuting on a daily basis to the central counties.

## ERS Web site and contact person

Information on rural America can be found at the ERS website at [www.ers.usda.gov/Emphases/Rural](http://www.ers.usda.gov/Emphases/Rural). For more information, contact [Lorin D. Kusmin](mailto:Lkusmin@ers.usda.gov) at [Lkusmin@ers.usda.gov](mailto:Lkusmin@ers.usda.gov) or 202-694-5429.



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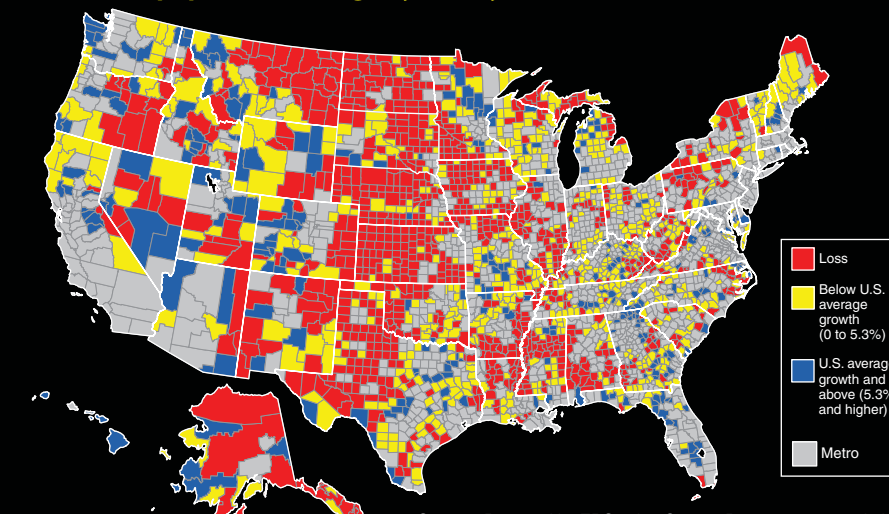


From 2000 to 2005, the nonmetro population in the United States grew by 2.2 percent. International migration supplied nearly a third of the growth in nonmetro areas, and accounted for all nonmetro population growth in the Midwest. Growth was concentrated in nonmetro counties adjacent to metro areas. (Data on nonmetro areas are used in this report to describe rural and small-town America. The definitions of metro and nonmetro areas are discussed in the section on data sources at the end of this report.)

The nonmetro population is aging, like the U.S. population as a whole, with implications for health care, housing, and transportation. Between 2000 and 2005, the nonmetro population 40-59 years old grew by 8 percent, while the nonmetro population under 20 years of age declined by 5 percent.

Following a short recession between March and November 2001, and a subsequent period of economic growth without employment growth, the United States has undergone a broad-based economic expansion since 2003, with employment growth occurring in sectors representing more than 80 percent of total U.S. employment. As a result, U.S. employment grew between 2004 and 2005, particularly in the West and the metro South, and unemployment rates were the lowest since the 2001 recession. However, 46 percent of nonmetro counties were still below their 2000 employment levels in 2005. After a decline of more than 15 percent between 2000 and 2003 in both metro and nonmetro areas, manufacturing employment in early 2006 remained relatively stable for the third year in a row.

## Nonmetro population change by county, 2000-05



Source: Prepared by ERS using Census Bureau 2005 population estimates.