



Rural Veterans at a Glance

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Nearly 4 million veterans reside in rural (nonmetropolitan) America. They are a rapidly aging and increasingly diverse group of men and women who still comprise over 10 percent of rural adults despite consistently declining numbers. Today, as in years past, a disproportionate share of men and women serving in the military grew up in rural counties and most return home after completing tours of duty. Thus, rural Americans are disproportionately represented in the veteran population, comprising 19 percent of all U.S. veterans compared with 16 percent of the general population.

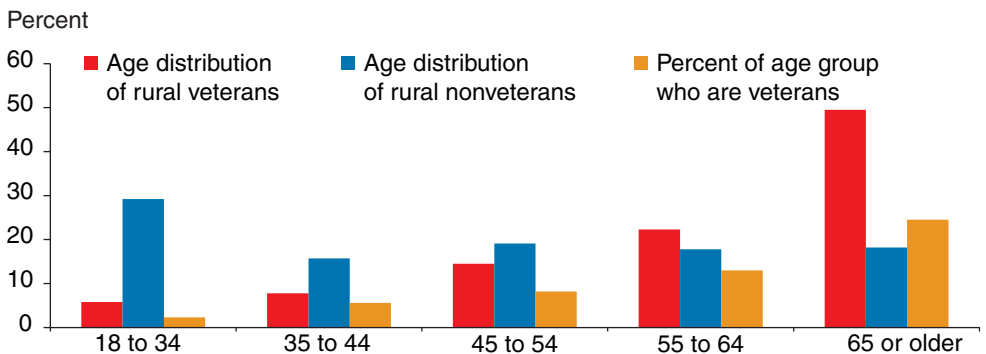
Many veterans return home with serious health-related challenges, both physical and psychological. Over 20 percent of rural, working-age veterans report disability status compared with 11 percent of nonveterans. Improving access to high-quality medical care in rural areas is an ongoing Federal policy concern that draws special attention from the Department of Veterans Affairs, including the 2007 establishment of its Office of Rural Health (U.S. Department of Veterans Affairs, 2012). This brief focuses on the changing demographic and socioeconomic profile of rural veterans, especially on features of the veteran population that distinguish them from nonveterans. Findings show the potentially positive economic impact of veterans, both young and old, who choose to live in rural communities. As younger veterans replace older ones, the demographic profile of this group of Americans is changing in ways that affect how rural programs and policies can best be tailored to meet their needs.

Rural Veterans Are Much Older, on Average, Than Nonveterans

Close to 20 percent of American men served in the military during World War II, compared to less than 1 percent today. While the participation rates of women differ because of their lower numbers, it is not surprising that nearly half of rural veterans were age 65 or older in 2011, compared with 18 percent of rural nonveterans. For many years, a form of “natural decrease” has taken place among both rural and urban veterans as the number of veterans dying far exceeds the number of people transitioning out of the military into veteran status. Outmigration of rural veterans and the periodic reclassification of rural populations to urban status also contribute to reducing the rural veteran population.

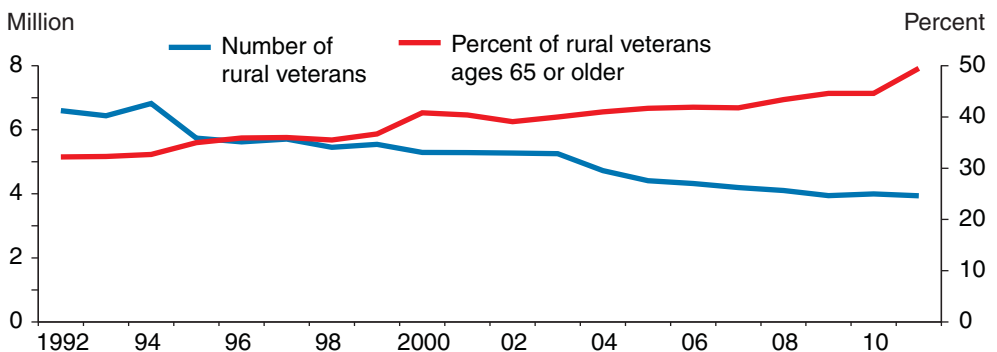
- Veterans comprise nearly 11 percent of the U.S. rural population (defined here as residents of nonmetropolitan counties—see box, “Definitions”). However, veteran shares differ dramatically by age, ranging from less than 3 percent of 18- to 34-year-olds up to 25 percent of those age 65 and older.
- The number of veterans living in rural areas declined from 6.6 million in 1992 to 3.9 million in 2011. The drawdown in the active military population since 1990, from 3 million to roughly 1.4 million, and natural decrease due to the aging of the population means this trend will continue for many years. National population projections imply that there may be as many as one-third fewer rural veterans by 2030 (DVA, 2013).

Veterans make up 3 percent of rural young adults, 25 percent of rural retirees



Source: USDA, Economic Research Service, using data from the U.S. Census Bureau's Current Population Survey, March Supplement, 2012.

A rapidly aging rural veteran population decreased in size over the last 20 years¹



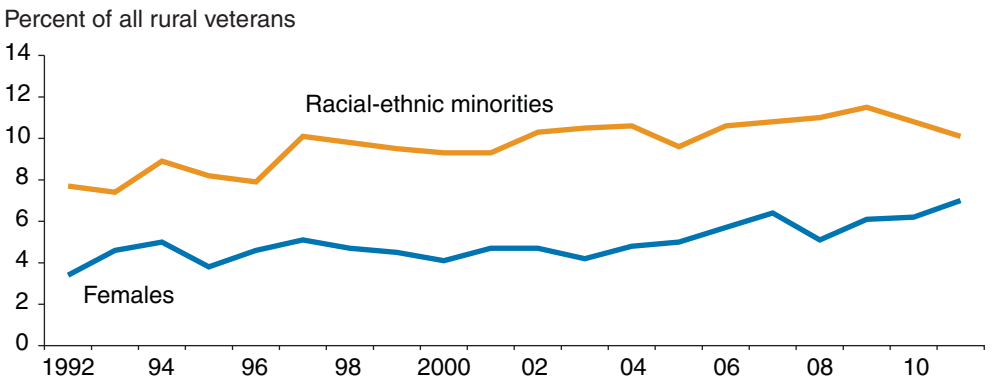
¹Rural (nonmetropolitan) definitions changed in the Current Population Survey in 1993 and 2003. Source: USDA, Economic Research Service, using data from the U.S. Census Bureau's Current Population Survey, March Supplements.

Women and Minorities Make Up an Increasing Share of Rural Veterans

The demographic profile of rural veterans is shifting as small cohorts of new veterans replace much larger, older cohorts. Since the change from a conscription-based military to an all-volunteer force in 1973, the presence of women in the military grew from less than 2 percent of active duty personnel to more than 14 percent. As a result, the share of veterans who are women is steadily increasing—in rural counties the share more than doubled between 1992 and 2011 from 3 to 7 percent. The racial-ethnic diversity of rural veterans has increased in a similar fashion over the same time period, from 6 to 10 percent. Nonetheless, rural minorities remain significantly under-represented compared with their share of the nonveteran rural population (20 percent).

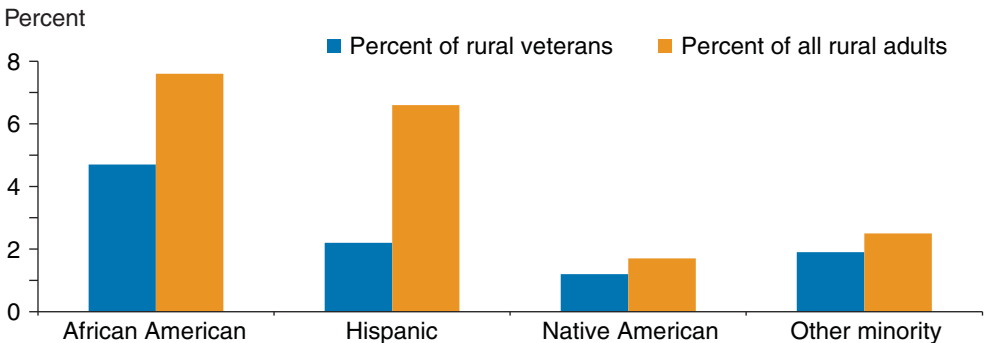
- Over 40 percent of rural female veterans served during Gulf Wars I and II, compared with less than 5 percent of rural male veterans. Thus, a growing female presence among rural veterans is likely to continue for several years.
- Largely because they are much younger than male veterans, on average, rural female veterans are less likely to be married, more likely to be members of racial-ethnic minorities, and more likely to possess college degrees.
- The military has shown increasing diversity in more recent service periods, leading to a more racially and ethnically diverse rural veteran population overall. Among rural veterans in 2011, racial/ethnic minorities made up 4 percent of WWII veterans, 5 percent of Korean War veterans, 8 percent of Vietnam-Era veterans, and 16 percent of Gulf War I and II veterans.

Younger veterans are more likely to be female and/or members of minority groups



Source: USDA, Economic Research Service, using data from the U.S. Census Bureau's Current Population Survey, March Supplements, various years.

Despite increasing diversity, rural minority groups remain under-represented in the military, especially Hispanics



Source: USDA, Economic Research Service, using data from the U.S. Census Bureau's Current Population Survey, March Supplement, 2011.

- Minorities remain under-represented in the rural veteran population largely due to the low enlistment of Hispanic men and women relative to their increasing numbers in the overall rural population (up to almost 7 percent of rural residents). Rapid population growth in the 1980s and 1990s among rural Hispanics occurred largely in new destination communities outside the Southwest and was led by young-adult job seekers, mostly foreign-born. Such newcomers tended to be relatively mobile at first and less inclined to volunteer for the military, especially if they were undocumented residents. However, for quite some time, they have been aging into family-formation years, settling into permanent residence, and raising children who may be more inclined to consider military service.

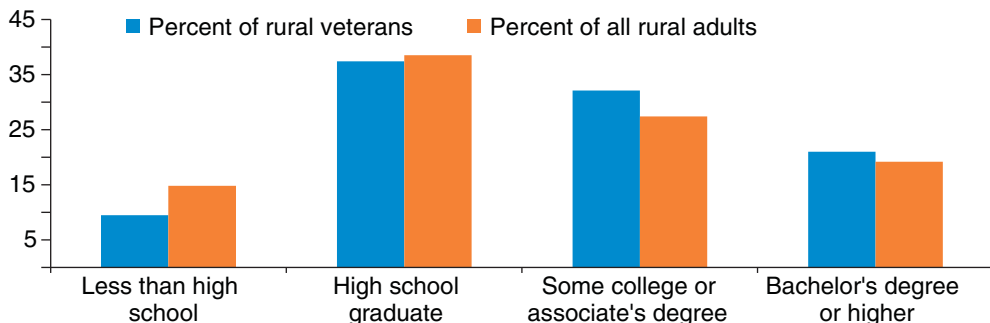
Veterans Are Positioned To Contribute Economically to Rural Communities

Veterans returning home from active duty, as well as those who move to rural communities as newcomers, add to the population base and increase the demand for goods and services. The position of so many new veterans in or near the family-formation stage of life bolsters their impact on future population. In addition, veterans receive more education, on average, and bring back myriad leadership, technical, and entrepreneurial skills. These advantages are reflected in higher income levels and positions in high-skill industries for veterans compared to nonveterans. A community’s supply of high-skill workers is a critical element to rural business location decisions (McGranahan, 1998). Veterans are well situated to take on leadership roles in rural communities, especially when they return to hometowns and take advantage of family and social connections (von Reichert et al., 2013).

- The current military recruitment standard requiring a high school diploma or equivalent (in most cases) explains the much lower high school dropout percentage among rural veterans—9 percent compared with 15 percent among nonveterans. Less than 2 percent of Gulf War I and II veterans living in rural counties lack a high school diploma. This important educational advantage is even more significant for younger veterans near the start of their careers.
- Over 53 percent of veterans living in rural counties in 2011 had obtained additional education after high school, including 21 percent who gained a bachelor’s degree or higher. Among Gulf War I and II veterans, college attendance rates exceeded 68 percent compared with 47 percent among rural nonveterans age 25 or older.
- Median personal income of rural veterans was \$29,000 in 2011, compared to \$19,800 for rural nonveterans. The same economic advantage is seen in rural poverty rates of 6 percent for veterans compared to 15 percent for nonveterans. As with education differences, the gaps were wider for younger rural residents. Among those age 18-34, 8 percent of rural veterans were poor compared with 22 percent of nonveterans.

Rural veterans more likely to graduate from high school and obtain college degrees

Percent of population age 25 and older



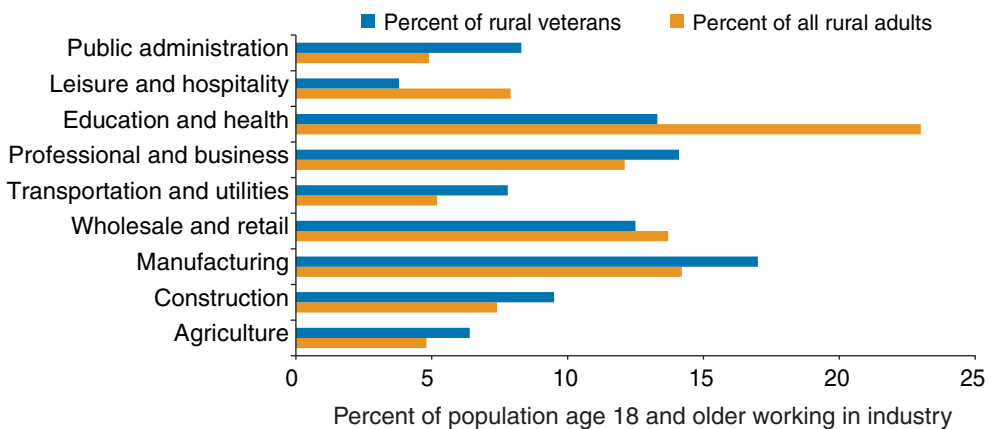
Source: USDA, Economic Research Service, using data from the U.S. Census Bureau’s Current Population Survey, March Supplement, 2011.

Rural Veterans Are More Likely To Work in High-Skill Industries

Transitioning into the workforce can be daunting for veterans regardless of where they live, but may be more difficult in rural areas with fewer jobs that match skill levels. Nonetheless, aside from higher rates of disabilities, employment challenges facing recent veterans, such as length of unemployment during initial job searches or underemployment, are similar to those faced by all new civilian labor force entrants, and the practical skills recent veterans have acquired are often superior to those of their nonveteran peers. As a result, the positive economic impacts veterans are likely making in rural counties, once they find work and start their careers, can clearly be seen in employment differences by industry. Rural veterans were much more likely than nonveterans to be employed in higher skilled, higher paying industries in 2011.

- Veterans are less likely to participate in the labor force than the rest of the rural population, but this is largely due to the much higher percentage of older, retired veterans. A higher disability rate among veterans contributes as well. Among rural working-age adults, veteran and nonveteran unemployment rates were both close to 8 percent in 2011.
- Similar to nonveteran job trends, veterans' unemployment reached its highest rate in the last 20 years (12 percent) during the 2009 recessionary peak.
- Employment levels for rural veterans were higher in manufacturing, transportation and utilities, professional and business services (including information and financial sectors), and public administration. Education and skill levels required for jobs in these industries are higher, on average, as are incomes compared with the average job in sectors such as wholesale and retail trade.
- Hospitals and schools are major employers in rural counties. Together with leisure and hospitality services (hotels, restaurants, etc.), they employed over 30 percent of nonveteran workers in 2011, many with low education and work experience. Only 17 percent of veterans worked in these service industries.
- Just over 6 percent of rural veterans worked in agriculture (including fishing, forestry, and hunting). This share is slightly higher than rural nonveterans (just under 5 percent), mostly because of age differences. Among Gulf War I and II veterans living in rural counties, only 2 percent worked in agriculture in 2011.

Rural veterans work in higher paying industries



Note: Agriculture includes fishing, forestry, and hunting; professional and business includes information and financial services. Not all industry categories are included.
 Source: USDA, Economic Research Service, using data from the U.S. Census Bureau's Current Population Survey, March Supplement, 2011.

Looking to the Future

Many veterans face challenges related to time away from work, family, and home, as well as physical and psychological trauma. In addition, veterans choosing to live in rural areas often face limited job opportunities in relation to urban areas and bear higher costs accessing services. Federal and State programs serving the special needs of rural veterans are likely to be affected by the changing demographic makeup of veterans. For instance, as young, more diverse men and women replace an older, retired veteran population, programs focused on the needs of young families and new members of the workforce may be in higher demand.

At the same time, veterans possess high education and skill levels and are well situated to contribute economically to often struggling rural communities. They are relatively advantaged for several reasons, including high military recruitment standards, military training, and leadership experience while deployed. Given the potential advantages they offer, rural community recruitment of recent veterans may be an attractive addition to popular development programs that have targeted retirees for many years. Any effort to recruit new veterans would likely have higher odds of success today than in coming years, given the persistent decline in new veteran populations in recent decades.

Data Sources

This report draws upon data from the Census Bureau’s Current Population Survey (CPS) March Supplements for 1993-2012, the CPS annual monthly surveys for 2011, and the American Community Survey (ACS) 5-year estimates for 2007-2011. Reference is also made to current statistics on military personnel and veteran population projections published by the Department of Defense and the U.S. Department of Veterans Affairs.

Definitions

Veterans—men and women who previously served on active duty in the U.S. Armed Forces and who were civilians at the time they were surveyed. Reservists and National Guard members who were never called up for active duty are not included. Veterans are grouped according to the most recent wartime period during which they served, or “other” if they served at other times:

- World War II, 1941-46
- Korean War, 1950-54
- Vietnam Era, 1964-75
- Gulf War I, 1990-2001
- Gulf War II, 2001-present

Rural—nonmetropolitan (nonmetro) counties as currently defined by the U.S. Office of Management and Budget, based on the 2010 decennial census. In this report, the terms “rural,” “rural counties” and “rural areas” are all used to refer to nonmetro. For more on these definitions, see www.ers.usda.gov/briefing/rurality/newdefinitions/.

ERS Website and Contact Person

Information on rural America can be found on the ERS website at www.ers.usda.gov/emphases/rural/. For more information, contact Tracey Farrigan at tfarrigan@ers.usda.gov or 202-694-5489.

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