During 2010-2013 reached an historic high of 1,269 (61 percent of all nonmetro counties). Taken together, these counties declined in population by 397,000, while the 707 nonmetro counties that gained population added 314,000 people. Population decline or a marked slowing of population growth was seen across a wide range of county types, including recreation, manufacturing, housing, and farming dependent.

At the same time, spurred by an energy boom, some rural areas have turned around decades of population decline. Regions such as eastern Texas and parts of rural Pennsylvania have gained population from energy-related job growth, but the demographic impact has been more apparent in sparsely settled regions such as western North Dakota and eastern Montana. Many communities in these areas face housing shortages, overburdened public services, traffic congestion, and other new challenges associated with rapid growth.

**Despite Gains, Rural Places Still Lag Urban Places in Bachelor's Degrees**

<table>
<thead>
<tr>
<th>County rank in percent of working-age population with college degree</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below top quarter</td>
<td>25.3</td>
<td>32.0</td>
</tr>
<tr>
<td>Top quarter</td>
<td>3.7</td>
<td>0.6</td>
</tr>
</tbody>
</table>

**Income**

Urban-rural earnings differ by degree. College graduates and advanced degree holders make more earnings, and the higher earnings available to them in urban areas. In contrast, differences in rural and urban earnings levels are much smaller for those with only a high school diploma or with less than a high school degree. However, despite the lower earnings generally available in rural areas, some individuals and families do migrate from urban to rural areas at all levels of educational attainment, as quality-of-life factors, lower housing costs, personal ties, or other specific opportunities motivate them to move or move back to rural America.

**Oil and Gas Extraction Counties See Growth in Employment**

Recent advances in technology have allowed the oil and gas industry to extract energy resources from areas where this was previously not practical. These new energy resources provide benefits to the national economy and have led to striking increases in economic activity in and near extraction areas. However, their extraction has raised concerns about groundwater contamination, air pollution, and fracking-induced earthquakes. The long-term sustainability of economic growth driven by oil and gas extraction is uncertain, and the strain caused by extraction-related activity on local infrastructure, local housing availability, and living costs is evident, especially in rural areas. Between 2011 and 2011, oil and gas extraction was substantial relative to the local economy in 537 U.S. counties, including 444 rural counties. Oil/gas extraction at least doubled in 114 of these rural counties, mostly near major North American shale plays in Arkansas, Louisiana, North Dakota, Pennsylvania, and Texas. Some, such as Van Buren and White Counties in Arkansas and Bradford and Tioga Counties in Pennsylvania, began the 2000s with little or no oil/gas extraction activity and saw production grow by a hundredfold or more by 2011.

**Revenue from Urban to Rural Areas**

While the U.S. economy is now in its sixth year of recovery from the Great Recession of 2007-09, its performance remains weak in some respects, and this is especially true in rural America. While urban employment now exceeds pre-recession levels, rural employment remains well below its 2007 peak. The rural unemployment rate has declined in line with national trends, but these declines are due more to a decline in the labor force participation rate, with some rural areas experiencing an increase in the number of people in the labor force. This recent data shows evidence of a slight decline in poverty at the national level, but provide conflicting estimates of changes in rural poverty rates. Meanwhile, total rural population has declined slightly for several years, as slowing natural population growth fails to offset migration away from rural areas; this is the first time rural population declined since data became available in 1950 that could detect such a trend. At the same time, long-term trends continue to concentrate the most highly educated members of the working-age population in urban areas where the personal economic returns to higher education are greater.

**Oil and Gas Production**

For more on ERS county types, such as farm-dependent and recreation counties, see <http://www.ers.usda.gov/topics/rural-population/rural-classifications/what-is-rural.aspx>

For more on rural America can be found on the ERS website at <http://www.ers.usda.gov/topics/rural-population/urban-rural-continuum-rural-classifications/>
Declining Unemployment but Little Employment Growth in Rural Areas

Employment and Labor Force Growth Lag in Rural Counties

Over the last several years, urban areas of the United States have seen moderate employment growth. By the second quarter of 2014, urban employment was slightly above the level it held at the onset of the Great Recession in late 2007. Urban employment rose by 5.0 percent between the second quarters of 2010 and 2014. However, over the same 4½-year period, employment grew by just 1.1 percent in rural America, and it remained more than 3 percent below pre-recession levels as of mid-2014, despite a slight uptick recently. Employment losses persisted in many rural areas, including much of the South, Appalachia, Northwest, and Mountain West.

Unemployment Rates Fall With Declining Labor Force Participation

The most recent data on poverty show a slight decline nationally and in urban areas. Based on the two national surveys reporting poverty statistics, data from the Current Population Survey (CPS) show poverty falling by 0.5 percentage point nationally and 0.3 percentage point in urban areas between 2012 and 2013, while the American Community Survey (ACS) finds a drop of 0.1 percentage point both nationally and in urban areas.

However, these two reports diverge for rural areas, with the CPS finding a drop in the rural poverty rate between 2012 and 2013 while the ACS finds rural poverty unchanged. Although CPS poverty estimates are the basis of the official national-level U.S. poverty rate, the Census Bureau’s recent recommendation that the ACS be used for estimating poverty for sub-national geographic areas due to its larger sample size and smaller sampling errors—together with the lack of supporting evidence for a noticeable recent improvement in rural economic conditions—suggests that the ACS results, showing no change in the poverty rate, may more accurately reflect the trend in rural poverty between 2012 and 2013.

Median incomes have fallen in both rural and urban areas since 2007

While declines in employment and population have affected a majority of rural counties, there are exceptions. Recent years have seen rapid growth in oil and gas extraction in a number of areas, as technological developments now permit new extraction activities, and these areas have seen modest population growth and substantial job growth. Counties experiencing such energy-resource-driven growth still account for a small share of rural counties, but their numbers are significant in some areas, particularly in the Nation’s midsection.

Natural Increase and Net Migration

About half of the decline in U.S. adult labor force participation since 2010 reflects the aging of America, with an increasing proportion of the adult population falling into age groups where most are retired; this holds for both rural and urban areas. According to a recent analysis by the Council of Economic Advisors, about one-third of the national decline in labor force participation among working-age adults was attributable to normal cyclical factors; the other two-thirds was attributed to other factors, including the unique severity of the Great Recession.

The number of people living in nonmetro counties stood at 46.2 million in 2013—from about 15 percent of U.S. residents. Nonmetro areas lost population between July 2012 and July 2013, continuing a 3-year trend. However, the estimated loss of about 28,000 is less than the previous year, when nonmetro population loss was about 47,500 people.

Population change includes two major components: natural change (births minus deaths) and net migration (in-migrants minus out-migrants). From 2010 to 2013, the increase in nonmetro population from natural change has not matched the decrease in population from net migration. While there have been 193,000 more births than deaths, 276,000 more people have moved out of rural America than have moved in.

Nonmetro population change, 2010-13

Note: Shaded area indicates dates of recession.
Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

Nonmetro population change and components of change, 1976-2013


While net outmigration from nonmetro areas was more severe during the 1980s than during 2010-13, overall population change remained positive during the 1980s because natural increase contributed roughly 0.5 percent annual growth, compared with 0.2 percent today. Falling birth rates and an aging nonmetro popula-
tion have steadily dampened the contribution of natural change to nonmetro population growth.

Population loss by county’s place on the rural-urban continuum, 2004-07 and 2010-13

Note: Categories are based on 2013 urban definitions. Urban (metro) central counties contain urbanized areas of 50,000 or more. Urban (metro) outlying counties are tied to central counties through high commuting levels. Rural (nonmetro) adjacent counties are both physically adjacent to a metro area and have 2 percent or more commuters to or from metro areas. Rural (nonmetro) nonadjacent counties are tied to central counties through high commuting levels. Nonmetro adjacent counties are divided into those with and without towns of 2,500 or more people.
Source: USDA, Economic Research Service using data from the U.S. Census Bureau.

Slowing Natural Increase and Continued Net Outmigration Leads to Net Population Loss in Rural United States

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