

## Net migration drives some increases in rural population

Rural America increased its population between July 2016 and July 2017 after 6 consecutive years of population loss, according to the latest census estimates released in March 2018. The small overall increase (adding just 33,000 people in 2016-17) continues an upturn in rural population since 2011-12. Here, we focus on population change between 2012-13, when the trends began to reverse, and 2016-17. During this time, the number of rural counties losing population dropped from 1,286 to 1,055. Improved labor market conditions across much of rural America, along with higher incomes and recovering real estate markets, account for rural areas as a whole losing fewer residents and attracting more newcomers.

All the recent upturn in rural population comes from higher rates of net migration (immigrants minus outmigrants) versus natural change (births minus deaths). Net migration increased from -0.25 percent in 2011-12 to essentially 0 in 2016-17, whereas population growth from natural change dropped from 0.12 to 0.08 percent. This continues a long-term downward trajectory in natural change due to lower fertility rates, an aging population, and more recently, increasing mortality rates for some age groups. With natural change projected to continue falling, future population growth in rural America will increasingly depend on net immigration.

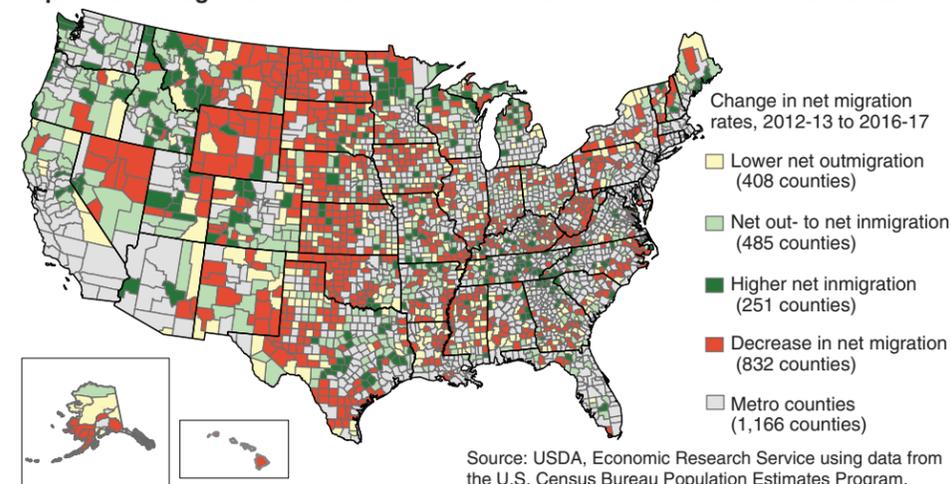
With net migration and natural change rates so closely balanced, overall population change for rural America has been quite small. Total population has remained close to 46.1 million since 2013. Annual population losses averaged -0.1 percent between 2012-13 and 2015-16, and population gain during 2016-17 was just 0.08 percent. However, national population trends mask great local variation. Net migration tends to favor more densely settled rural areas with attractive scenic qualities, or those near large cities. Fewer migrants are attracted to sparsely settled, less scenic, remote locations, which compounds economic development challenges in those areas.

Over 1,100 rural counties (58 percent) showed positive changes in net migration between 2012-13 and 2016-17:

- (1) 408 rural counties showed lower net outmigration during 2016-17 compared with 2012-13; they appear in all parts of the country, including more economically challenged areas in the northern Appalachians and southern Coastal Plains;
- (2) 485 rural counties switched from net out- to net immigration; most of these counties are in high-amenity regions such as Florida, the Upper Great Lakes, and the Pacific Northwest;
- (3) 251 rural counties showed higher net immigration in 2016-17 compared with 2012-13; these counties, too, were mostly in areas (including the southern Appalachians, the Ozarks, and the Hill Country of central Texas) with endowments attractive to newcomers or return migrants.

Despite increasing net migration generally, many rural counties (42 percent) underwent a decrease in net migration between 2012-13 and 2016-17. These counties are in low-density, remote areas in the Nation's Heartland, in Appalachia from eastern Kentucky to Maine, and in high-poverty areas in the Southeast and border areas of the Southwest. Some of these areas—including parts of North Dakota, Montana, New Mexico, Texas, and Pennsylvania—have suffered job losses related to oil and gas production. Other regions, most notably eastern Kentucky and West Virginia, have been hard hit by the opioid epidemic and its effect on natural change.<sup>2</sup>

### Improved net migration rates are most common in recreation/retirement destinations



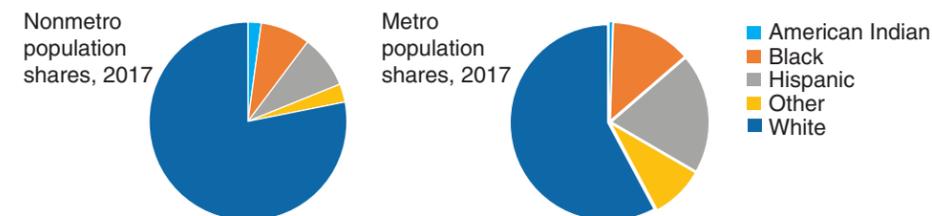
<sup>2</sup> These 832 rural counties with declines in net migration between 2012-13 and 2016-17 are shown as one group on the map but followed three distinct scenarios: (1) 396 counties switched from positive to negative net migration; (2) 310 showed net immigration during both periods but at reduced rates in 2016-17; and (3) 126 showed net outmigration during both periods but at higher rates of loss in 2016-17.

## Population trends vary by race/ethnicity

Rural America is less racially and ethnically diverse than urban areas. Whites make up nearly 80 percent of the rural population, compared with 58 percent of the urban population. Hispanics are the fastest growing segment of the rural population but make up just 9 percent of the rural population, compared with 20 percent in urban areas. Blacks constitute 8 percent of the rural population, while American Indians are the only minority group with a higher rural than urban share (2 percent versus 0.5 percent). Relatively few Asians and Pacific Islanders (included in the "Other" category) are rural residents, with these groups accounting for only 1 and 0.1 percent of the rural population, respectively. The rest of the "Other" category (accounting for 1.8 percent of the rural population) are residents reporting multiple races.

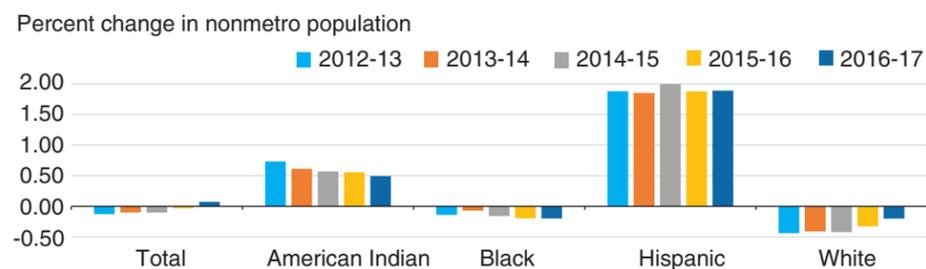
The slow rate of overall population change in rural areas since 2012-13 masks significant differences not only from place to place but among race/ethnicity groups. Population losses among Whites and Blacks are balanced by population gains among Native Americans and Hispanics. Whites are the only group showing a significant change in population trends between 2012-13 and 2016-17—their rate of population loss fell from -0.44 to -0.20 percent. Components of change are not reported by race/ethnicity, but this increase is likely due entirely to changes in net migration, with fewer Whites moving out and more moving into rural areas in 2016-17 compared with 2012-13. The rural Black population continued to lose population in 2016-17 as well, but at a *higher* rate of loss than earlier (-0.20 versus -0.14 percent in 2012-13). American Indians increased their rural population throughout the period but at diminishing rates, while the Hispanic rate of growth remained near 2 percent per year throughout the period. Rural America continues to diversify racially and ethnically but at a slower rate in 2016-17 than in 2012-13.

### Racial/ethnic minorities make up 22 percent of the nonmetro population compared with 42 percent in metro areas



Note: Statistics for Whites, Blacks, and American Indians include only non-Hispanic residents. Residents included in the Hispanic category may be of any race. Groups with relatively few nonmetro residents (Asians, Pacific Islanders, and those reporting multiple races) are combined into a single category (Other). Source: USDA, Economic Research Service using data from U.S. Census Bureau, Population Estimates Program.

### Improving nonmetro population trends since 2013 are mostly due to lower population loss among non-Hispanic Whites and stable growth among Hispanics

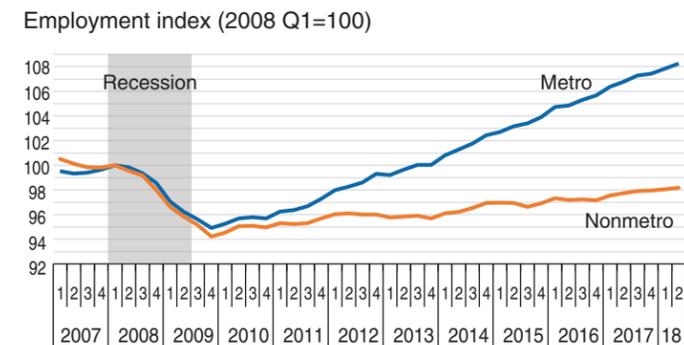


Note: Statistics for Whites, Blacks, and American Indians include only non-Hispanic residents. Residents included in the Hispanic category may be of any race. Groups with relatively few nonmetro residents (Asians, Pacific Islanders, and those reporting multiple races) are not included here. Source: USDA, Economic Research Service using data from U.S. Census Bureau, Population Estimates Program.

### Urban-rural gap in employment growth persists

Although urban (metro) and rural (nonmetro) *unemployment* rates have declined at a similar pace since their peak in 2010, and both are now below their pre-recession levels, growth in *employment* has been slower in rural areas. Urban employment has grown steadily at about 1.6 percent per year since the fourth quarter of 2009 and had risen 8.2 percent above its pre-recession level by the second quarter of 2018. Rural employment has grown at about 0.5 percent per year, with periods of stagnation (2012-13 and 2016). Estimated rural employment in the second quarter of 2018 was still 1.8 percent below its pre-recession level. Rural America includes 14 percent of the Nation's population but has accounted for only 4 percent of employment growth since 2013.

## Nonmetro employment up 2 percentage points since 2013, and is just over one-quarter the rate for metro areas



Why is employment growth slower in rural than in urban counties? Understanding the sources of and barriers to employment growth can help guide economic development strategies and Federal policy choices. In many rural areas and among some groups of people, immigration and overall population growth are the main drivers of employment growth: jobs follow people. In other places and for other groups, new jobs from expanding industries lead to more immigration: people follow jobs. Aging, outmigration, increased mortality, and reduced fertility all hinder employment growth by reducing the size of the potential labor force.

It is possible to divide employment growth into the portions corresponding to changes in population, changes in labor force participation rates, and changes in the unemployment rate. For the rural labor force ages 16 and older, the unemployment rate fell from 8.4 percent in 2013 to 5.5 percent in 2017, which would have corresponded to an increase in employment of roughly 622,000 if the size of the labor force had remained unchanged. Very little change in employment can be explained by rural population change, which was negligible. In metro areas, by contrast, population growth corresponded to nearly 6 million additional jobs, accounting for more than half of total employment growth.

The rural population has grown older as the baby boomer generation ages into retirement. As a result, the labor force participation rate has dropped considerably, corresponding to a reduction in rural employment of roughly 277,000 between 2013 and 2017 (holding the other factors constant). Thus, rural aging offset almost half of the employment growth that would have been predicted based on the falling unemployment rate. Metro areas also saw a decline in the labor force participation rate due to aging, but this offset less than 10 percent of the employment growth associated with both falling unemployment and rising population. To summarize, slow rural population growth and declining labor force participation due to an aging population combine to explain why the rural unemployment rate has been able to fall in line with urban trends, despite a much slower rate of employment growth.

### Nonmetro employment gains corresponding to falling unemployment were mostly offset by lower labor force participation

	Nonmetro	Metro
Change in employment, ages 16 and older, 2013-17	367,688	9,599,317
corresponding to change in population	22,495	5,934,622
corresponding to change in labor force participation	-277,226	-710,489
corresponding to change in the unemployment rate	622,419	4,375,184

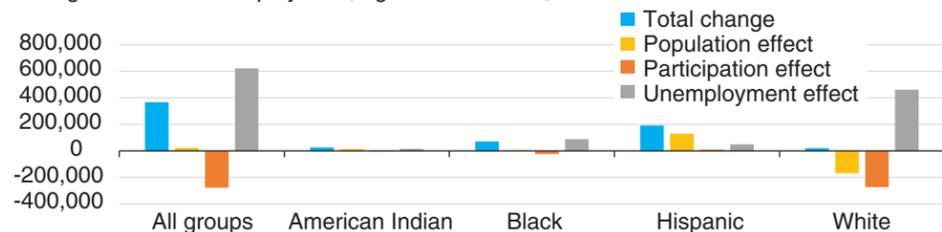
Source: USDA, Economic Research Service, using data from the U.S. Census Bureau, American Community Survey, 1-year data.

## Employment trends vary by race/ethnicity

Of the increase in rural employment (622,000) that corresponded to declining unemployment rates, 74 percent (461,000) was from declining unemployment among non-Hispanic Whites ages 16 years and older. However, these employment gains for Whites (corresponding to declining unemployment) were almost entirely offset by employment declines corresponding to population loss (-168,000, mostly due to outmigration from rural areas) and declines due to falling labor force participation rates (-272,000, mostly from retirement). For rural Blacks ages 16 and older, an overall increase in employment of 71,000 during 2013-17 corresponded almost exclusively to declines in the unemployment rate. Employment of rural Hispanics rose by 191,000 during 2013-17, and about two-thirds of that growth was associated with population gains. The small employment gain among American Indians (less than 30,000) was about equally divided between the effects of increasing population and of falling unemployment.

**Overall employment among nonmetro Whites was little changed between 2013 and 2017, while other race/ethnicity groups showed some employment gains**

Change in nonmetro employment, ages 16 and older, 2013-17



Note: Statistics reported for Blacks and American Indians include Hispanics, whereas those for Whites exclude Hispanics. Groups with relatively few rural residents (Asians, Pacific Islanders, and those reporting multiple races) are not reported here. Source: USDA, Economic Research Service using data from the U.S. Census Bureau, American Community Survey, 1-year data.

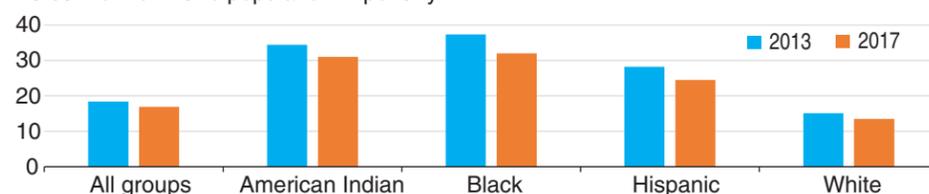
**Rural poverty rates are down from 2013 peak for all race/ethnicity groups**

The rural poverty rate was 16.4 percent in 2017, compared with 12.9 percent for urban areas. Rural poverty fell 2 percentage points from 2013, when it reached its 30-year peak of 18.4 percent. That translates to 925,000 fewer rural residents in poverty in just 4 years. Urban poverty rates declined at a higher rate between 2013 and 2017, causing an increase in the urban-rural poverty gap. Poverty rates declined for all race/ethnicity groups from 2013 to 2017 but remained highest among racial/ethnic minority groups.

The rural Black population showed the largest decline in poverty after 2013 (-5.3 percentage points), from 37.3 percent in 2013 to 32.0 percent in 2017. Despite this decrease, Blacks continue to have the highest poverty rate among all rural race/ethnicity groups. Blacks made up 8 percent of the rural population but 15 percent of the poor population in 2017. American Indians had the second highest poverty rate (31.0 percent) among all rural race/ethnicity groups in 2017, 3.4 percentage points lower than in 2013. Hispanics had the lowest poverty rate among rural minority groups (24.5 percent) in 2017, an improvement of 3.7 percentage points from 2013. Whites have historically had a much lower rural poverty rate (13.5 percent in 2017), and their rate fell 1.6 percentage points from 2013 to 2017. Despite the much lower poverty rate among Whites, the majority of the rural poor are White. They accounted for 80 percent of the general rural population and 65 percent of the rural population in poverty in 2017.

**Poverty rates dropped for all nonmetro race/ethnicity groups from 2013 to 2017**

Percent of nonmetro population in poverty



Note: Statistics reported for Blacks and American Indians include Hispanics, whereas those for Whites exclude Hispanics. Groups with relatively few rural residents (Asians, Pacific Islanders, and those reporting multiple races) are not reported here. Source: USDA, Economic Research Service using data from the U.S. Census, American Community Survey, 1-year data.

**Rural aging occurs in different places for very different reasons**

Population aging is a global phenomenon that is manifesting itself first in rural communities. Much of USDA housing assistance and support for community facilities serves the needs of older populations. Many rural areas lack sufficient capacity to address the growing challenges associated with aging. In the United States, 19 percent of the rural population is 65 years or older, compared with 15 percent in urban areas. Rural counties make up nearly 85 percent of the 1,104 “older-age counties”—those with more than 20 percent of their population age 65 or older.

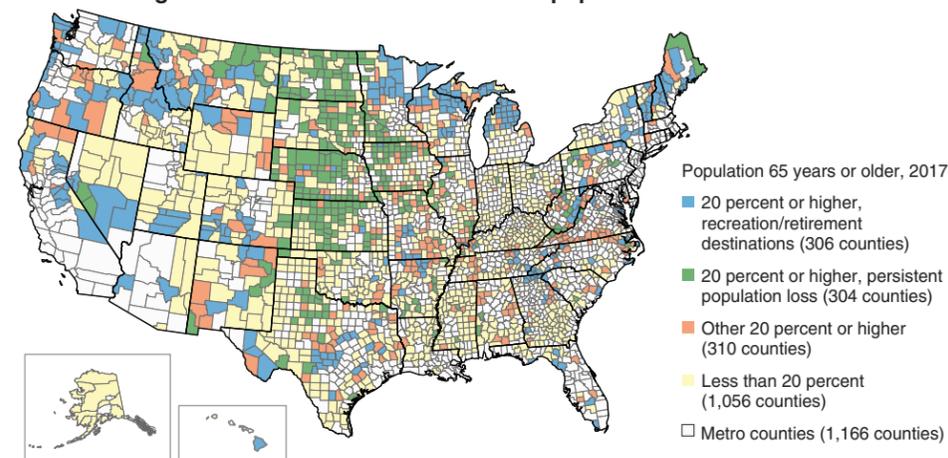
Different population trends lead to rural aging. Many rural counties grow older as a result of retiree attraction, usually to more scenic destinations. One-third of older-age counties—concentrated in the Upper Great Lakes, the Appalachians and Ozarks, Texas Hill country, and throughout the Rocky Mountain West—are classified as either retirement destinations or as having recreation-based economies. Most of these counties have seen an upturn in population growth caused by high-

er net immigration since 2012. Other counties grow older due to long-term outmigration, because outmigration consists overwhelmingly of young adults. The loss of young adults and, in effect, their future children leaves behind an older population. One-third of older-age counties are classified as persistent population-loss counties and are primarily located in the Northern Great Plains and Corn Belt. Many of these counties saw decreases in net migration since 2012-13.

Changes in age-specific mortality rates since 2000 may be contributing (on a much smaller scale) to rural aging, especially in areas impacted by the opioid epidemic. Rural mortality rates have increased for middle-aged adults since 2000 but continue to decrease for older residents. This emerging trend is accelerating rural aging, though the size of the effect is not yet known.

Retiree immigration and young-adult outmigration overlap in many places, but the map shows distinct regional patterns that also reflect differences in rural well-being and economic development prospects. Older-age recreation/retirement counties have larger populations, 17,600 people per county on average compared with 5,700 people in older-age persistent population-loss counties. Retirement/recreation counties are also located closer to large cities. On average, they are 58 minutes by car from the edge of urban areas (50,000 or more). Travel time by car is 28 percent longer (74 minutes) for older-age persistent population-loss counties.<sup>3</sup> These population and spatial differences affect socioeconomic conditions and come with policy implications for programs serving the needs of older populations. Transportation, healthcare, retail, and other needed services are generally harder to access and maintain in more sparsely settled, remote regions where persistent population-loss counties are concentrated.

**Most older-age counties are in scenic or chronic population-loss areas**



Source: USDA, Economic Research Service using data from the U.S. Census Bureau Population Estimates Program.

<sup>3</sup> For a description of how travel time to urban areas is calculated, visit the ERS “Frontier and Remote Area Codes” data product.

**Data sources**  
 Population Estimates Program, Census Bureau, U.S. Department of Commerce.  
 National Vital Statistics System, National Center for Health Statistics, Centers for Disease Control and Prevention.  
 Local Area Unemployment Statistics, Bureau of Labor Statistics, U.S. Department of Labor.  
 American Community Survey, Census Bureau, U.S. Department of Commerce.  
 Current Population Survey, Bureau of Labor Statistics, U.S. Department of Labor.

**Definitions and additional information**  
 For more on the 2013 definitions of metropolitan and nonmetropolitan areas as well as related concepts such as urbanized areas and central counties, visit the ERS “What Is Rural?” topic page.

**ERS Website and Contact Person**  
 Information on rural America can be found on the ERS website. For more information, contact **John Cromartie** at [jbc@ers.usda.gov](mailto:jbc@ers.usda.gov) or (202) 694-5421.

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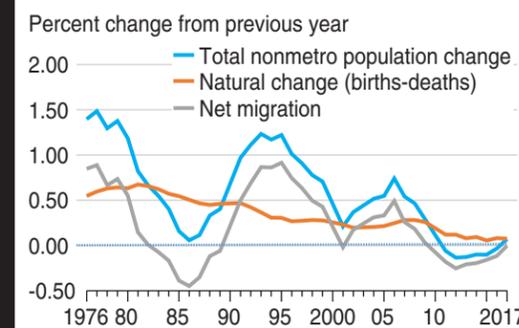
**Overview**

The decline in rural population, which began in 2010 and reached its lowest level in 2011-12 with a loss of nearly 62,000 residents, has since begun to reverse.<sup>1</sup> In 2016-17, rural counties added population for the first time this decade. The recent upturn in rural population comes from increasing rates of net migration as opposed to natural change (births minus deaths). Increased net migration has coincided with declining rural unemployment, rising incomes, and declining poverty since 2013. However, national population trends mask variation at the local level, where changing population directly impacts rural well-being and economic development prospects. Rural population trends between 2012-13 and 2016-17 also varied considerably by race/ethnicity.

Since peaking at 10.3 percent in 2010, the rural unemployment rate steadily declined to 4.4 percent in 2017; urban areas followed suit, with unemployment dropping from 9.9 to 4.1 percent. Declining unemployment rates and a small increase in population ages 16 and older corresponded to the addition of more than 650,000 jobs in rural counties between 2013 and 2017. At the same time, falling labor force participation (due primarily to an aging population among non-Hispanic Whites) corresponded to a decline in employment of nearly 280,000, leaving a net increase in jobs of roughly 370,000. After peaking in 2013, rural poverty rates decreased across all racial and ethnic groups, although they continue to be significantly higher among racial/ethnic groups other than non-Hispanic Whites.

The graying of rural areas continues as they attract retirees and lose new labor force entrants. The vast majority of “older-age counties”—with more than 20 percent of their population age 65 and older—are in rural areas. Rural counties become older by attracting retirees in search of scenic or lifestyle amenities or by losing young adults to outmigration. These demographic processes can lead to similar age profiles statistically, but are happening in different places and under different economic circumstances.

**Nonmetro population trend rising since 2011-12 despite declining rates of natural change**



Note: Nonmetro status changed for some counties in 1980, 1990, 2000, and 2010.

Source: USDA, Economic Research Service, using data from the U.S. Census Bureau Population Estimates Program.

<sup>1</sup> Rural areas are defined here using nonmetropolitan (nonmetro) counties. The terms “rural” and “nonmetro” are used interchangeably as are “urban” and “metro.” Statistics are calculated using the 2013 nonmetro definition. For more on these definitions, visit the ERS “What Is Rural?” topic page.