

The recession's impact was reflected in the U.S. poverty rate, which increased to 14.3 percent in 2009, the highest rate since 1994. Between 2008 and 2009, the poverty rate in nonmetro areas grew by 1.5 percentage points, from 15.1 to 16.6 percent, and by 1 percentage point in metro areas. Poverty rate increases were greater for children and for female-headed families than for the overall nonmetro population.

Unemployment for rural residents varied considerably by education level. In 2010, the unemployment rate in nonmetro counties ranged from more than 14 percent for adults with less than a high school diploma to less than 4 percent for adults with a bachelor's degree or higher. The metro-nonmetro high school completion gap has narrowed; the share of adults over the age of 25 with at least a high school diploma or the equivalent was just 3.5 percentage points higher in metro areas than in nonmetro areas between 2005 and 2009. The gap between nonmetro and metro college completion rates, however, is wider than for high school completion and has grown since 1990.

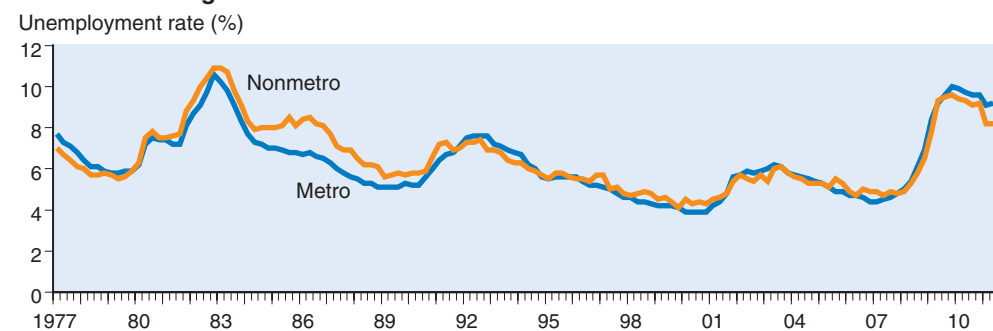
The last decade saw a 4.5-percent increase in the nonmetro population, less than half the metro rate. Outmigration from metro counties into nonmetro areas contributed substantially to nonmetro growth, but metro areas grew faster because they received a disproportionate share of immigrants and had higher rates of natural increase (births minus deaths). Population growth rates for all racial and ethnic groups were markedly lower during 2000-10 than in the previous decade. Within nonmetro areas, populations declined in the most rural and isolated counties while rising moderately in more urban counties. The non-Hispanic White population accounted for 80 percent of nonmetro residents compared with 61 percent of metro residents in 2010.

Unemployment Rate and Employment Growth Trends Paint Different Pictures of Economic Recovery

The nonmetro unemployment rate, which had risen for 10 consecutive quarters since mid-2007, fell slowly in 2010 and more rapidly in first-quarter 2011, but leveled off in the second quarter at 8.2 percent. Metro unemployment has also trended downward over the past year to 9.2 percent.

Despite the recent reduction in the unemployment rate, the percentage of American adults who were employed has not risen in recent quarters, standing at 58.5 percent nationally, 55.4 percent in nonmetro areas, and 59.0 percent in metro areas in the second quarter of 2011. At the peak of the 1991-2001 economic expansion, by contrast, employment rates stood at 61.1 percent in nonmetro counties and 65.3 percent in metro areas. (Nonmetro employment rates are generally lower because of the larger number of retirees in rural areas.) The combination of falling unemployment and unchanging employment-to-population ratios indicates that relatively fewer nonworking individuals are actively seeking employment (i.e., the rate of labor force participation is falling).

Nonmetro and metro unemployment rates fell in 2010 and early 2011 before stabilizing



Notes: Quarterly data. Seasonally adjusted data. Some counties were reclassified as metro/nonmetro during 1984-85, 1994-95, and 2004-05, creating a negligible effect on overall trends.

Source: USDA, Economic Research Service calculations based on Current Population Survey data.

The Total Number Unemployed and the Duration of Unemployment Remain High

- An estimated 1.9 million people were unemployed in nonmetro areas (12.0 million in metro areas) in second-quarter 2011. In long periods of weak labor market conditions such as this, however, many unemployed workers become discouraged and stop seeking work because they believe none is available. A broader measure of unemployment includes discouraged unemployed workers, as well as people working part-time but willing to work a full-time job if one were available. This measure yields an unemployment rate of 15.1 percent in nonmetro areas (3.5 million people) and 16.2 percent in metro areas (21.4 million people) in the second quarter of 2011.

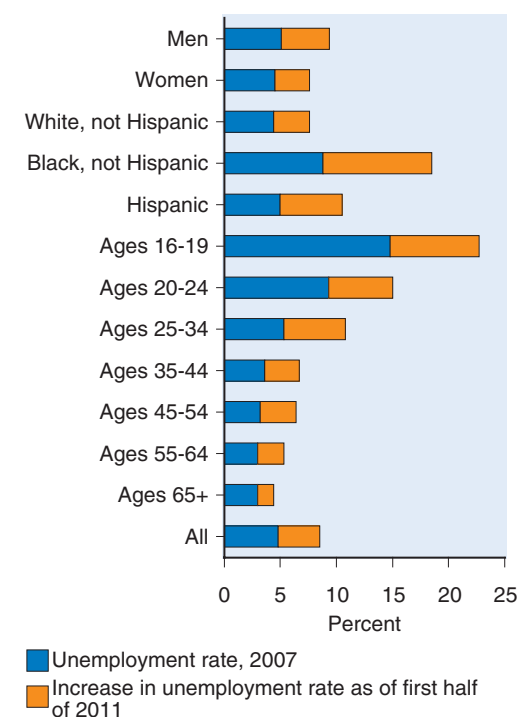
- In the second quarter of 2011, the share of the unemployed who had been looking for work for more than a year stood at 23.3 percent in nonmetro areas and 25.2 percent in metro counties. These are the highest rates of long-term unemployment recorded since the Current Population Survey (CPS) began reporting this statistic in 1969.

- The recession widened existing demographic differences in nonmetro unemployment rates. Between 2007 and the first half of 2011, unemployment among nonmetro men grew by a larger margin than did women's due to rapid job losses in male-dominated industries, such as construction and manufacturing, and better employment conditions in fields such as health care and educational services, where women are well represented. Unemployment among nonmetro Blacks grew by 9.7 percentage points, compared to 5.5 percentage points for Hispanics and 3.2 percentage points for non-Hispanic Whites. Unemployment among 16- to 19-year-olds increased by 7.9 percentage points, to 22.6 percent in nonmetro counties.

- The annual rate of job growth between the second quarters of 2010 and 2011 was 0.39 percent; this growth offset only a small fraction of the 5-percentage-point decline in U.S. employment between late 2007 and late 2009 and was not enough to keep up with adult population growth. Roughly 40 percent of U.S. counties experienced job losses over the last year, another 7 percent had positive growth but at less than the national average, and the remaining half had annual employment growth of more than 0.39 percent. Nonmetro areas grew at an average rate of 0.30 percent between the second quarters of 2010 and 2011 while metro areas grew at 0.40 percent.

- In general, regional differences in job growth loomed larger than metro/nonmetro differences within regions. The fastest growth occurred in the East North Central (the Great Lakes) and the East South Central (Mississippi, Alabama, Tennessee, and Kentucky) regions.

Nonmetro unemployment rates have increased rapidly for all types of workers since the recession began



Source: USDA, Economic Research Service calculations based on Current Population Survey data.

Recession Fuels a Greater Increase in Nonmetro Poverty Than Metro Poverty

In conjunction with a nationwide recession, the U.S. poverty rate increased from 13.2 percent in 2008 to 14.3 percent in 2009. Overall, an estimated 43.6 million people were poor in 2009 compared with 39.8 million in 2008. This rate is the highest national poverty rate since 1994 and the greatest number of people in poverty since 1959, when the official poverty count began.

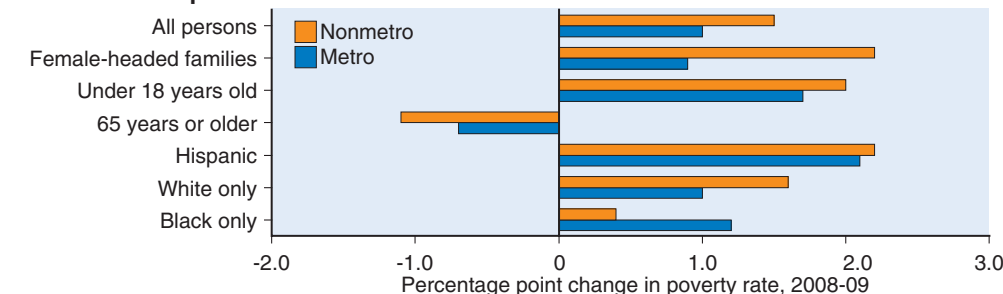
- The nonmetro poverty rate grew by 1.5 percentage points, from 15.1 percent in 2008 to 16.6 percent in 2009, representing an increase from 7.3 million to 7.9 million people in poverty. In comparison, 13.9 percent of metro residents, or nearly 35.7 million people, had incomes below the poverty level in 2009, which was an increase of 1 percentage point, or 3.1 million people, from 2008.

- The difference between nonmetro and metro poverty rates was particularly high for female-headed families, for whom poverty is more prevalent than it is for any other type of family structure. In 2009, 38.1 percent of nonmetro female-headed families lived in poverty, or nearly 10 percentage points greater than the corresponding rate in metro areas (28.4 percent). Further, poverty among nonmetro female-headed families rose 2.2 percentage points between 2008 and 2009, compared with an 0.9-percentage-point increase among comparable metro families.

- The poverty rate for nonmetro children under age 18 also rose, increasing by 2 percentage points to 23.5 percent in 2009. The change in metro areas was slightly lower, as was the overall rate, with an increase of 1.7 percentage points to 20.2 percent in 2009.

- Nonmetro Hispanics experienced one of the largest poverty rate increases seen of any racial/ethnic population; with a 2.2-percentage-point increase between 2008 and 2009, the Hispanic poverty rate stood at 27.8 percent. Poverty also increased substantially among the nonmetro White population, up 1.6 percentage points from 12.8 percent in 2008 to 14.4 percent in 2009. Poverty also rose for metro Hispanic and White populations, but to a lesser degree than their nonmetro counterparts.

The poverty rate increased more for most nonmetro populations than for their metro counterparts between 2008 and 2009



Source: USDA, Economic Research Service calculations based on data from the Current Population Survey, March 2009 and 2010 Supplements.

Nonmetro Areas Close in on Metro Areas in High School Completion Rates

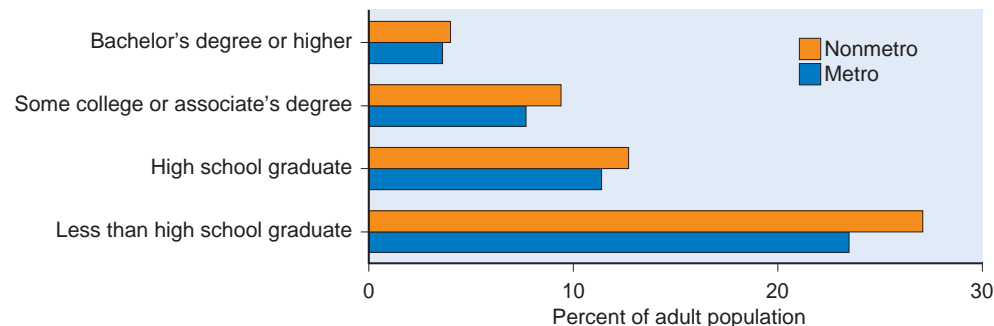
Nonmetro areas are closing the high school completion gap with metro areas, but the college completion gap is growing. Educational attainment is a key determinant of long-term economic strength for individuals and communities. Recent employment and poverty data show that nonmetro residents who completed high school or attended college fared substantially better than those who did not complete high school or attend college.

- Between 2005 and 2009, the share of adults over the age of 25 with at least a high school diploma or equivalent was 81.7 percent in nonmetro areas and 85.2 percent

in metro areas. At the same time, nonmetro areas still lagged metro areas in the share of adults with college or professional degrees—a 12.6-percentage-point gap that increased from 9.5 percentage points in 1990.

- Workers with higher levels of educational attainment fared much better in the labor market. During 2010, the unemployment rate in nonmetro counties was 14.3 percent for adults with less than a high school diploma, 8.8 percent for adults with a high school diploma or equivalent, 6.9 percent for adults with some college or an associate's degree, and 3.7 percent for adults with a bachelor's degree or higher. Educational attainment not only decreases the likelihood of unemployment, but it also increases overall economic well-being. Between 2005 and 2009, poverty rates were significantly lower for nonmetro residents with higher levels of educational attainment.

Poverty rates, by educational attainment, 2005-09



Source: Census Bureau, 2005-09 American Community Survey.

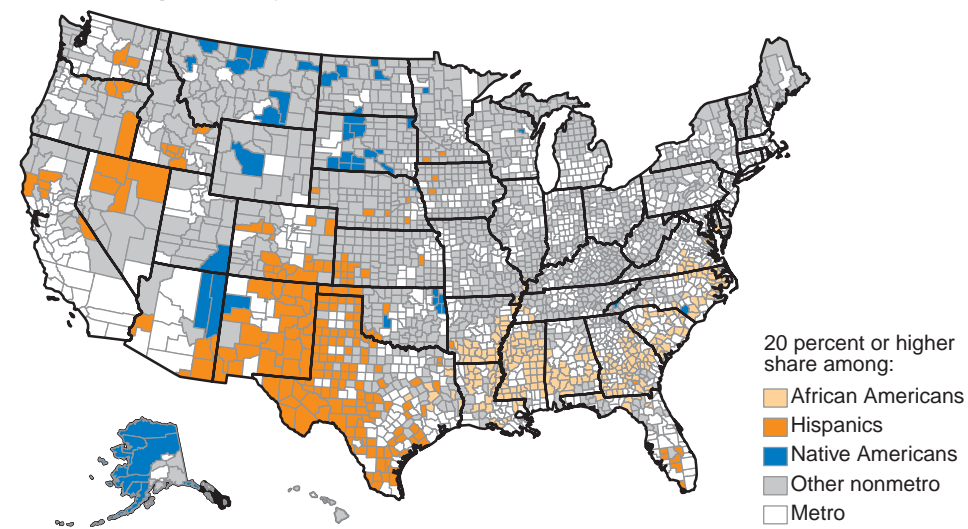
Nonmetro Areas Lag in Population Growth Despite Net Migration From Metro Areas

According to the latest decennial census results, just over 51 million people lived in nonmetro counties in April 2010. These new data provide opportunities to assess the changing demographic profile of rural and small-town America during the 2000s, including patterns of overall population change and geographic shifts among racial and ethnic minorities. The last decade saw a 4.5-percent increase in the nonmetro population, less than half the metro rate of 10.8 percent. Outmigration from metro counties into nonmetro areas contributed substantially to nonmetro growth, but metro areas grew faster because they received a disproportionate share of immigrants and had higher rates of natural increase. Population growth rates for all racial and ethnic groups were markedly lower during 2000-10 than in the previous decade.

- Between 2000 and 2010, the nonmetro population grew by 2.2 million people compared with an additional 5.3 million people during the “rural rebound” of the 1990s. The slowdown coincided with the post-2006 housing mortgage crisis and subsequent recession that occurred in all regions of the country and among all racial and ethnic groups. The overall share of the U.S. population living in nonmetro areas dropped from 18 to 16.5 percent during 2000-10.
- Within nonmetro areas, a marked shift of population occurred during 2000-10, away from very rural, isolated settings toward more densely settled and more metro-accessible counties. In the 433 nonmetro counties that were not adjacent to any metro area and that did not include any urban area of 2,500 or more people, population declined by 1.3 percent. In contrast, nonmetro counties containing cities of 20,000 or more people (whether adjacent or not) grew by 6.9 percent.
- The non-Hispanic White population grew by only 1.2 percent during the 2000s, but their share of the nonmetro population (79.6 percent) remained considerably higher than their share in metro areas (60.6 percent) in 2010. African-Americans made up

8.3 percent of the nonmetro population (compared with 13 percent in metro areas) and the Hispanic nonmetro share was 7.5 percent compared with a metro share of 18 percent. Native Americans, Asians, and Pacific Islanders, together with those self-identifying as “other” or belonging to multiple racial groups, made up the remaining 5 percent of the nonmetro population in 2010.

Nonmetro high-minority counties, 2010



Note: Five nonmetro counties have two high-minority groups and are classified here by the larger of the two.

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

Data Sources and Definitions

This report draws upon the work of researchers at USDA's Economic Research Service (ERS). Data used in this analysis come from a variety of Federal sources, including the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Census Bureau, and USDA. The most recent data are provided, ranging from 2009 to 2011.

For more on the 2003 definitions of metropolitan and nonmetropolitan areas and how they compare with the 1993 definitions, see <http://www.ers.usda.gov/briefing/rurality/newdefinitions/>.

For more on ERS county types, such as recreation and retirement destination counties, see <http://www.ers.usda.gov/Briefing/Rurality/Typology/>.

For the definition of adjacency to a metro area, see <http://www.ers.usda.gov/Briefing/Rurality/RuralUrbCon/>.

For more on the definition of poverty and the identification of poor individuals and households in the American Community Survey, see <http://www.census.gov/hhes/www/poverty/poverty-cal-in-ac.pdf/>.

For current and past poverty thresholds, see <http://www.census.gov/hhes/www/poverty/data/threshld/index.html/>.

For more on the standard and alternative measures of unemployment (U-3 and U-6), see <http://www.ers.usda.gov/Briefing/LaborAndEducation/employment.htm/>.

ERS Website and Contact Person

Information on rural America can be found on the **ERS website at <http://www.ers.usda.gov/emphases/rural/>**. For more information, contact **Lorin D. Kusmin** at lkusmin@ers.usda.gov or **(202) 694-5429**.

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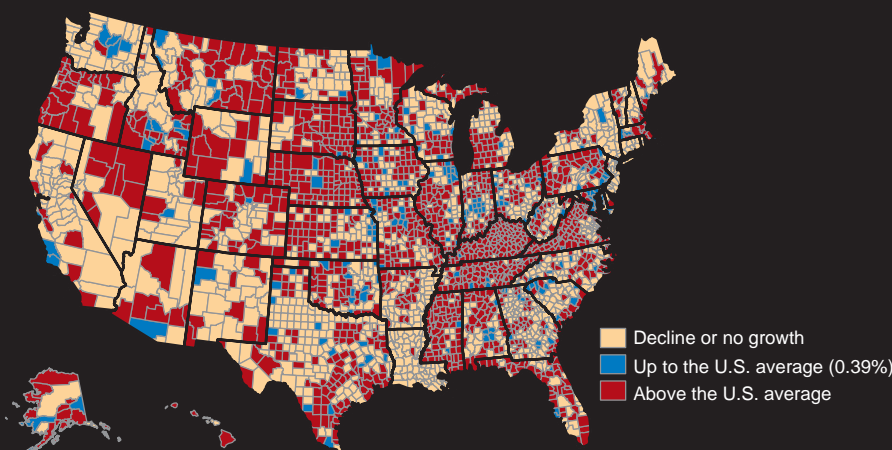
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Rural America At A Glance

2011 Edition

Measures of rural employment trends over the past year were mixed. Nonmetro unemployment fell slowly in 2010 and more rapidly in first-quarter 2011 before leveling off in the second quarter, similar to the national trend. The apparent improvement, however, largely reflects a decline in the labor force participation rate; the percentage of rural adults who were employed has not risen in recent quarters. Moreover, the average time spent looking for work continued to rise in both metro and nonmetro areas between 2009 and 2010. By second-quarter 2011, the share of unemployed people who had been looking for work for more than 1 year was the highest recorded. The recession took its heaviest toll in male-dominated industries, such as construction, widening the unemployment rate gap between men and women. The annual rate of job growth between second-quarter 2010 and second-quarter 2011 was less than half of a percent, with little difference between metro and nonmetro areas; this growth offset only a small fraction of the employment decline of the previous 2 years and was not enough to keep up with adult population growth.

Three in five counties saw some job growth between the second quarters of 2010 and 2011



Source: USDA, Economic Research Service calculations based on Bureau of Labor Statistics data.