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# Getting State Rural Policy Right: Definitions, Growth, and Program Eligibility 

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We often use the term rural very loosely when discussing public policy. Rarely do we describe explicitly the kinds of places we have in mind for particular programs and craft precise eligibility requirements that deliver the programs to those places without expensive leakages to other, unintended beneficiaries. Yet, whether state policies directed toward rural people and places are appropriate and effective depends on how places are selected for inclusion or exclusion. Furthermore, how we understand rural conditions and the policy context depends on the definitions we use. Floating about are definitions of rural so varied that anywhere from $58 \%$ of the U.S. population to a mere $2 \%$ is in rural areas, and both these extremes are based on federal statistical categories.

I draw your attention to three facts and three policy recommendations:
(1) Fact: A very common way of defining rural ignores the majority of rural people.
Recommendation: Pay attention to defining rural so that state policies and programs reach the people and places you intend them to serve.
(2) Fact: Most rural people live in growing counties, although hundreds of rural counties are declining in population.
Recommendation: Recognize the great diversity of rural policy contexts and that growth, not decline, is the most common policy context for rural people.
(3) Fact: Program eligibility rules vary greatly. Recommendation: Craft program eligibility rules that recognize the goals of specific programs, the
unique geographic landscape of the state, and its evolving blend of cities, towns, and countryside.

## Pay Attention to Rural Definitions

Among the various federal government ways of categorizing the nation's space only one distinguishes city, town, and country in a way that matches popular notions of urban and rural or what we recognize as settlements and countryside from the air. The U.S. Bureau of the Census separates all the territory of the United States into urban and rural areas. The complex process involves several steps and criteria (Isserman 2005). A key determinant is whether a census block group has more than 500 people per square mile. If a combination of contiguous block groups meet the criteria and together have a population greater than 2,500 , they are an urban area. The nation's 3,616 urban areas occupy less than $3 \%$ of the nation's territory. The most populous are centered on New York, Los Angeles, Chicago, and Philadelphia, with 18, 12, 8, and 5 million people, respectively, whereas 2,239 other urban areas have 10,000 or fewer people (Table 1).

Rural areas are defined officially as what is leftover, the $97 \%$ of the nation's territory not in urban areas. The rural areas house 59 million people, or $21 \%$ of the population. Although popular usage includes a rich range of places, such as center city, suburban, and exurban, they are not defined officially and where they are within the urban-rural dichotomy has not been determined in rigorous, systematic fashion. Most suburban and many exurban census block groups probably are included within urban areas, but no authoritative attempt has determined how well the Census system matches popular concepts or professional

[^0]Table 1. U.S. population distribution by urban area size group and rural, 2000

| Bureau of the Census, <br> Urban-Rural Category | Population | Square <br> Miles | Density | No. of Ur- <br> ban Areas | $\%$ of <br> Pop. | \% of Area |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: |
| Rural | $58,700,918$ | $3,443,567$ | 17 |  | -- | $20.9 \%$ |
| Urban | $222,720,988$ | 92,711 | 2,402 | 3,616 | $79.1 \%$ | $27.4 \%$ |
| $\quad$ million | $116,880,478$ | 33,757 | 3,462 | 37 | $41.5 \%$ | $1.0 \%$ |
| 500,001 to $1,000,000$ | $23,374,417$ | 10,355 | 2,257 | 34 | $8.3 \%$ | $0.3 \%$ |
| 250,001 to 500,000 | $18,164,583$ | 9,206 | 1,973 | 55 | $6.5 \%$ | $0.3 \%$ |
| 100,001 to 250,000 | $20,569,464$ | 11,067 | 1,859 | 132 | $7.3 \%$ | $0.3 \%$ |
| 50,001 to 100,000 | $13,650,824$ | 7,797 | 1,751 | 197 | $4.9 \%$ | $0.2 \%$ |
| 25,001 to 50,000 | $8,540,187$ | 5,419 | 1,576 | 245 | $3.0 \%$ | $0.2 \%$ |
| 10,001 to 25,000 | $10,382,934$ | 7,033 | 1,476 | 677 | $3.7 \%$ | $0.2 \%$ |
| 2,501 to 10,000 | $11,158,101$ | 8,078 | 1,381 | 2,239 | $4.0 \%$ | $0.2 \%$ |
| Nation | $281,421,906$ | $3,536,278$ | 80 |  |  |  |

design notions of city, urban, suburban, exurban, rural place, and countryside. The Office of Management and Budget (2000, p. 82229) states the Census Bureau is "investigating the feasibility of developing a census tract level classification to identify settlement and land use categories along an urban rural continuum," but over six years later none exists. The current Census system that distinguishes only between urban and rural is the one federal source that identifies rural areas.

States vary greatly in their urban-rural distribution. Fewer than $10 \%$ of the populations of California, New Jersey, Nevada, Hawaii, Massachusetts, and Rhode Island lives in rural areas, but, in descending order, Vermont, Maine, West Virginia, and Mississippi are $51 \%$ to $62 \%$ rural. Texas and North Carolina have more than 3 million rural residents each, and nine states have between 1.9 and 2.8 million rural residents: in descending order, Pennsylvania, Ohio, Michigan, New York, Georgia, Tennessee, Alabama, Virginia, and California. Figure 1 shows the rural areas' percentage of each state's population, and the location of its urban areas. A great variety of urban-rural geographies is evident.

The Office of Management and Budget (OMB) uses the urban-rural system of the Census Bureau as a key component in defining metropolitan, micropolitan, and non-core based areas. Metropolitan and micropolitan areas consist of an urban core and outlying integrated areas. If a county houses all or part of an urban area with 50,000 people or more, it is a core county of a metropolitan area. If it has all or part of an urban area with 10,000 to 49,999 people, it is the core county of a micropolitan area. Adjacent counties are
added to the metropolitan and micropolitan areas on the basis of commuting, the sole indicator of social and economic integration with the core counties. If $25 \%$ or more of an adjacent county's employed residents work in the core counties, that adjacent county is also part of the metropolitan or micropolitan area. Likewise, if the core counties provide $25 \%$ or more of the labor force employed in an adjacent county, the adjacent county is included. Since the 1950 census, this system, with periodic reviews and modifications of its criteria, has combined urban and rural areas into economically integrated regions using counties as the building blocks.

An unfortunate, common practice of the federal government, nongovernmental organizations, and scholars is to use "non-metropolitan" and "rural" interchangeably and equate "urban" with "metropoli$\tan$ " (e.g., USDA 2005; National Association of Counties 2006; Housing Assistance Council 2005; Johnson 2006; Porter et al. 2004). This practice ignores the fundamental distinction between OMB's system for linking together economically integrated urban and rural areas into metropolitan and micropolitan areas and the Census' system for separating the nation into urban and rural areas.

Here is the problem in numerical terms. The majority of rural people, as defined by the Census Bureau, live in metropolitan areas. Making nonmetropolitan synonymous with rural omits more than half the nation's rural population. A state program that uses non-metropolitan as the eligibility requirement disqualifies large shares of the rural population, ranging from $13 \%$ in Hawaii and Wyoming to $77 \%$ in


Figure 1. Rural population as percentage of state population (urban areas shown in black), 2000

Maryland, $78 \%$ in California, and 98 to $100 \%$ of the rural populations of Massachusetts, New Jersey, and Rhode Island.

OMB (2000, p. 82228) warns against this practice: "Metropolitan Statistical Area and Micropolitan Statistical Area definitions should not be used to develop and implement Federal, state, and local nonstatistical programs and policies without full consideration of the effects of using these definitions for such purposes. ... The Metropolitan and Micropolitan Statistical Area Standards do not equate to an urban-rural classification; all counties included in Metropolitan and Micropolitan Statistical Areas and many other counties contain both urban and rural territory and populations." As an example, OMB (2000, p. 82229) points out: "programs that seek to strengthen rural economies by focusing solely on counties located outside Metropolitan Statistical Areas could ignore a predominantly rural county that is included in a Metropolitan Statistical Area because a high percentage of
the county's residents commute to urban centers for work. Although the inclusion of such a county in a Metropolitan Statistical Area indicates the existence of economic ties, as measured by commuting, with the central counties of that Metropolitan Statistical Area, it may also indicate a need to provide programs that would strengthen the county's rural economy so that workers are not compelled to leave the county in search of jobs."

Evident in the OMB warning and system is the acceptance of the Census Bureau's distinction between urban and rural. Whether the premises built into the Census system for separating urban from the rest of the nation are acceptable, whether a density of 500 people per square mile is a meaningful way to distinguish urban and rural census blocks, whether suburban and exurban ought to be carved out as well, and whether a state should develop its own system for designating places on the urban-rural continuum are all reasonable, important questions. Yet, for now the
only official federal definition of rural is that of the Census Bureau.

## Recognize Growth, not Decline, as the Dominant Rural Policy Context

The language of decline and disadvantage dominates rural policy debates, which often focus on entitlements and interest groups and getting a fair share for rural areas. Likewise, in the popular press and the scholarly literature, typical foci are rural poverty, rural distress, rural population loss, rural competitive disadvantage, and urban encroachment on rural land and rural values. The attention paid to agricultural subsidies reinforces the belief in rural decline, helplessness, and inability to compete in a global economy without special assistance and subsidies.

The actual situation is very different. Far more rural people live amidst local growth than face local decline. The numbers are stunning. In 2000, 6 million
rural residents lived in counties that would decline $2 \%$ or more by 2005 , but six times as many, 36 million, lived in counties that would grow $2 \%$ or more. The remaining 17 million lived in stable counties whose population did not change more than $2 \%$.

This pattern is widespread among the states. In 44 states more rural residents lived in growing counties than declining ones. The six exceptions are North Dakota, South Dakota, Kansas, Nebraska, Iowa, and West Virginia. At the other extreme, in 15 states rural residents in growing counties outnumber those in declining ones by at least 10:1. Washington, for example, has a million rural residents in growing counties but only 2,400 rural residents in declining counties. In Wisconsin it is 1.1 million versus 41,000 . Table 2 shows the numbers for each region of the country. Even in the Plains, the rural residents of growing counties outnumber those in declining counties almost 2:1.

Table 2. Rural population in declining, stable, and growing counties by region, 2000-2005

| BEA Region | In Declining | In Stable | In Growing | Grow-Decline | G-D Ratio |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  |  |  |
| Southeast | $2,202,324$ | $5,768,984$ | $13,522,165$ | $11,319,841$ | 6.1 |
| Great Lakes | $1,071,823$ | $3,994,356$ | $5,010,448$ | $3,938,625$ | 4.7 |
| Southwest | 531,332 | $1,297,458$ | $4,076,375$ | $3,545,043$ | 7.7 |
| Far West | 147,126 | 359,439 | $3,646,424$ | $3,499,298$ | 24.8 |
| Mideast | 615,016 | $2,686,146$ | $3,264,230$ | $2,649,214$ | 5.3 |
| New England | 40,710 | 613,223 | $2,048,494$ | $2,007,784$ | 50.3 |
| Plains | $1,554,457$ | $1,871,392$ | $2,791,638$ | $1,237,181$ | 1.8 |
| Rocky Mountain | 267,944 | 316,439 | $1,365,654$ | $1,097,710$ | 5.1 |
|  |  |  |  |  |  |

Why then do we tend to focus on rural decline? Part of the answer is that we have misled ourselves because of the way we analyze growth of metropolitan and nonmetropolitan counties. We pick among three ways of running the numbers: comparing then and now, looking backward, and looking forward. Comparing the non-metropolitan populations of 1970 and 2000 (or then and now) reveals a $23 \%$ decline while the metropolitan population increased $66 \%$. Those numbers are correct-fewer people now live in nonmetropolitan counties-but any inference that the non-metropolitan counties declined is wrong. Over 600 formerly non-metropolitan counties have become metropolitan counties. Thus, comparing the 1970 and 2000 non-metropolitan counties means comparing

2,659 counties to 2,049 . What looks like a $23 \%$ population loss is merely the result of reclassifying counties, largely because of their growth.

Looking backward is perhaps the most common perspective we take. Using the current OMB designations reveals that today's non-metropolitan counties grew $25 \%$ over the three decades since 1970 while today's metropolitan counties grew $42 \%$. The obvious inference, with the common substitution of urban for metropolitan and rural for non-metropolitan, is that rural areas lag behind urban areas.

The most useful statistical perspective is rarely adopted. Its starting point is the OMB categories from 1971. Looking forward, the non-metropolitan counties of that time would grow faster than the metropolitan
counties, $44 \%$ versus $36 \%$ between 1970 and 2000. The non-metropolitan counties of 1970 that would be reclassified as metropolitan grew fastest of all, $73 \%$. Those that stayed non-metropolitan grew $25 \%$. Looking forward, alone among the three perspectives, paints a picture of dynamic non-metropolitan growth. The glimpses of lag and decline from the other perspectives form an incorrect policy guide. Growth dominates, not lag or decline.

Yet, non-metropolitan numbers are suspect as an indicator of rural growth because they ignore the already stated fact that half the nation's rural people live in metropolitan areas. We do not have readily available, consistent data over time for urban and rural areas to make possible calculations like those just presented for non-metropolitan areas (Isserman 2005).

Another scheme for assigning counties brings us closer to understanding rural growth. It recognizes that most counties combine urban and rural populations and designates as rural a county whose population is $90 \%$ in rural areas or that has no urban area of 10,000 or more, as well as having fewer than 500 people per square mile (Isserman 2005). Looking forward, the rural counties of 1970 grew $43 \%$ in population, compared to $19 \%$ and $28 \%$ for the two most urban county categories (Table 3). The fastest growth, $63 \%$, occurred in mixed rural counties, a category that includes counties with more than 10,000 urban residents but fewer than 320 people per square mile. Rural counties that stayed rural between 1970 and 2000 grew $24 \%$, while those that added so much urban population that they no longer qualified as rural and changed categories grew $91 \%$.

Table 3. Rural and urban population change, three county-based perspectives, 1970-2000

|  | Comparing Then and Now <br> 1970 and 2000 designations | Looking Backward <br> 2000 designations | Looking Forward <br> 1970 designations |
| :--- | :---: | :---: | :---: |
| Non-metropolitan | $-23 \%$ | $25 \%$ | $44 \%$ |
| Metropolitan | $66 \%$ | $42 \%$ | $36 \%$ |
| Rural | $-7 \%$ | $24 \%$ | $43 \%$ |
| Mixed Rural | $31 \%$ | $52 \%$ | $63 \%$ |
| Mixed Urban | $29 \%$ | $58 \%$ | $28 \%$ |
| Urban | $65 \%$ | $27 \%$ | $19 \%$ |

Looking forward is the correct perspective for rural policy. Policy is concerned with the future, with how conditions will evolve. The great majority of the rural population is and will be coping with the opportunities and problems caused by growth. That is how it has been for decades or more, that is how it will continue, and that is what rural policy should recognize.

This argument that rural policy should pay attention to future growth is not an argument for ignoring rural decline and distress. There are several hundred growing rural counties, several hundred stable rural counties, and several hundred declining rural counties (Table 4). Two-thirds of the rural counties within metropolitan areas grew at least $2 \%$, as did about onethird of the rural counties not linked to an urban core. Each context brings with it important policy issues.

Good state policy recognizes the full range of rural contexts in the state as well as the state's urban-rural
geography. Only then can programs be designed that deliver services to the places where they are needed and to the people they are intended to serve.

## Craft Program Eligibility Rules Carefully

The two federal statistical systems, urban/rural and metropolitan/micropolitan/non-core based, can be combined in many ways to specify program eligibility. The urban area size groups shown in Table 1 and the categories in Table 4 hint at the many possibilities, and they are augmented by the rural-urban continuum and urban influence codes of the U.S. Department of Agriculture, which assign metropolitan and non-metropolitan counties to subcategories, such as non-metropolitan county with urban population of 2,500 to 19,999 and adjacent to a metropolitan area.

Table 4. The diversity of policy contexts, population change by county type, 2000-2005.

| County Type |  |  | Number of Counties |  |  |  | Total Population Change |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Character | OMB | All | Declining | Stable | Growing |  | Declining | Stable | Growing |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Rural | Non-core | 1355 | 559 | 413 | 383 | $-228,043$ | 5,298 | 462,984 |  |
| Rural | Micro | 131 | 38 | 43 | 50 | $-15,904$ | $-1,982$ | 61,430 |  |
| Rural | Metro | 304 | 17 | 77 | 210 | $-7,259$ | 5,294 | 430,939 |  |
| Mixed Rural | Micro | 555 | 95 | 213 | 247 | $-141,024$ | 11,220 | 928,566 |  |
| Mixed Rural | Metro | 467 | 20 | 102 | 345 | $-58,103$ | 10,911 | $5,588,980$ |  |
| Mixed Urban | Metro | 146 | 10 | 30 | 106 | $-43,737$ | 17,225 | $3,512,203$ |  |
| Urban | Metro | 172 | 20 | 55 | 97 | $-465,591$ | 106,562 | $4,760,996$ |  |

The choices among the federal statistical categories determine which urban and rural residents are eligible. Some programs use non-metropolitan areas as the eligibility criterion, defining non-metropolitan as micropolitan and non-core based counties. Doing so qualifies 20 million urban residents nationally and disqualifies 30 million rural residents. Another common practice uses urban areas with 50,000 or more residents as the eligibility cutoff, which leaves 30 million urban residents eligible as well as all rural residents (see Table 1). Using urban areas of 10,000 as the cutoff creates 11 million eligible urban residents. In an extreme case, the Social Security Act defined rural as anything outside an urban area of 1 million or more people. That rule designated 107 million urban area residents and all rural area residents, but its intent was not to serve medium sized cities and rural areas. Quite the contrary, it disqualified "rural" hospitals from the higher reimbursement rates to be paid in the largest urban areas.

There is no need to settle on a single definition of program eligibility for all state programs. Intent of the program matters. All rural areas are not in the same situation, and residents of small urban areas might be in the same situation as some rural residents. For example, assume the intent of a telemedicine infrastructure program is to enable state residents to take advantage of the specialized diagnostic capabilities of the state's city hospitals. Depending on the state, a reasonable eligibility rule might be non-metropolitan areas. Rural residents within metropolitan areas presumably can access hospitals in the urban core just as they do jobs there, so smaller hospitals and clinics outside metropolitan areas might have higher priority for
telemedicine equipment. Other programs might have different eligibility requirements because they serve different goals, places, and populations, provide different services, and face different political, budgetary, and geographic realities. For instance, a state program that provides funds for rural school transportation might qualify rural schools within metropolitan areas because the school service area is local. It might also qualify urban areas up to a particular size because they face similar problems bringing students to school from large catchments areas. A community development program might make eligible rural areas and all cities with up to 50,000 residents because larger cities already receive federal entitlement funds. Eligibility decisions have political and budgetary implications in terms of the numbers of legislative votes they can attract and what the program will cost, so eligibility can become a matter of negotiation. The choices are many: all rural areas, only those above a certain poverty level, urban areas below a certain population, noncore counties only, and so on.

One rule might not fit all states, even for the same program. The logic of restricting a rural telemedicine program to non-metropolitan counties because rural residents of metropolitan counties can go to the urban hospitals makes little sense for, say, Arizona. With 18,000 square miles, Coconino County is twice the size of the state of Maryland. It is metropolitan because of the Flagstaff urbanized area, whose 57,000 residents occupy 32 square miles of the vast county. Making the 42,000 rural residents of Coconino County ineligible for rural telemedicine because a city exists somewhere within the 18,000 square miles seems wrong. The one thousand residents of the small town of Fredonia, for
example, are 194 miles from Flagstaff. Paying careful attention to the state's urban-rural geography makes it less likely that intended beneficiaries will not be served as the results of sloppy eligibility rules.

State policy makers have the responsibility - and opportunity - to craft eligibility rules that make sense for the particular program and the unique urban-rural geography of the state. The Census and OMB categories together permit considerable flexibility in tailoring eligibility requirements to suit the program's realities and to reach the people and places the program is designed to serve. The danger is being oblivious to the different ways that rural can be defined and to the consequences of adopting a particular definition. Ignoring the need to define rural and program eligibility carefully can compromise a program's purpose by unintentionally disqualifying targeted people and places and undermine a program by increasing its costs by entitling people and places not intended to be its beneficiaries.

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