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## Veterans Are Positioned To Contribute Economically to Rural Communities

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# Veterans Are Positioned To Contribute Economically to Rural Communities

by Tracey Farrigan



Veterans are a rapidly aging and increasingly diverse group disproportionately represented by rural Americans. Nearly 19 million veterans lived in the United States in 2015; about 3.4 million of them were located in rural areas. Examining data from the U.S. Census Bureau can reveal information about who they are, where they live, the type of work they do, and how they fare economically. This information can help policymakers and others to better align veteran and community needs.

## Veterans Are a Diverse Group With Diverse Needs

The U.S. Census Bureau classifies veterans based on *when* they last served in the military, not *where*—regardless of whether they were on active duty prior to that date. The majority of veterans who served since September 2001 are Post-Draft Era or All-Volunteer Force (AVF) veterans, as are a small share who served before that date. The AVF began in 1973, so most AVF veterans are working age (18 to 64 years old), while most Draft Era veterans are 65 years or older. In 2015, about 45 percent of rural veterans were working age; the rest were elder veterans.

Differences in military structure, enlistment policy, and national demographic trends between working-age and elder veterans make each group distinctively unique. For instance, elder veterans are predominantly male (98 percent in 2015) and white non-Hispanic (92 percent). By comparison, working-age veterans are more diverse, with a larger and growing female (12 percent) and racial/ethnic minority (17 percent) presence.

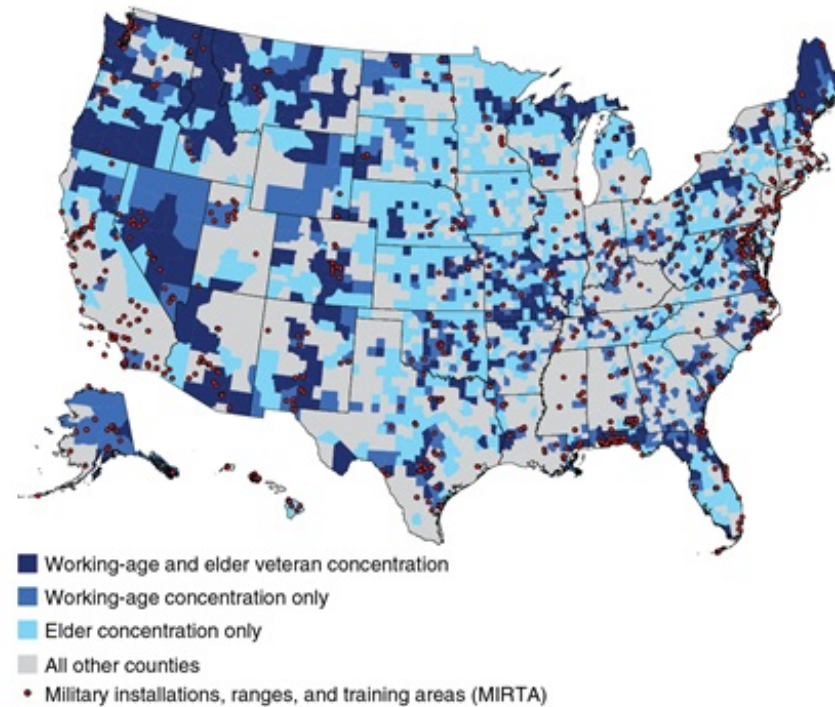
## Where Veterans Live Reflects Who They Are

Veterans are overrepresented in rural America. Nearly 18 percent of veterans live in rural (nonmetro) counties, compared to 15 percent of the U.S. adult civilian population. About 10 percent of all rural civilian adults are veterans, but in some rural counties that figure can reach as high as 25 percent. The U.S. counties with the highest share of veterans tend to have significantly larger shares or concentrations of elder veterans relative to the Nation as a whole. Those counties are characteristically different than the ones with working-age veteran concentrations as discussed below using [ERS Rural Classifications](#), which measure rurality in detail and assess the economic and social diversity of rural America.

Working-age and elder veterans are concentrated in counties with different characteristics. Areas with concentrations of working-age veterans are predominantly large urban counties (28 percent of all U.S. counties). By comparison, areas with concentrations of elder veterans are more likely to be completely rural counties not adjacent to metro areas (24 percent). Areas that contain concentrations of both groups are mostly rural counties adjacent to metro areas (19 percent). Many of these counties contain or

neighbor military installations, reserve bases, or training areas.

Concentrations of working-age veterans were more likely in large urban counties, while of elder veterans in completely rural counties



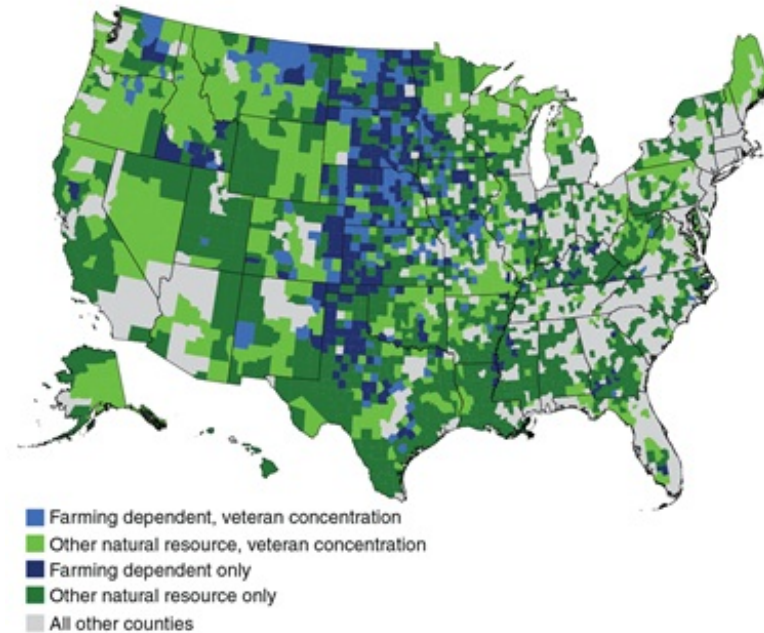
Note: Veteran concentration based on population location quotients  $\geq 1.25$ , which indicates that a group of veterans are uniquely concentrated in a county relative to the Nation. Working-age = 18 to 64 years old and Elder = 65 years or older. Source: USDA, ERS using U.S. Census Bureau American Community Survey, 2011-2015, DoD MIRTA location data, 2015, and 2013 OMB nonmetro/metro county designations.

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The regional concentration of rural veterans varies with a county's economic dependence, as classified by the [ERS County Typology Codes](#). In 2015, there were 444 farming-dependent counties (88 percent rural), and 71 percent of them had concentrations of veterans. By comparison, there were 1,714 other natural resource counties (78 percent rural) and nearly 58 percent of them had concentrations of veterans. Other natural resource counties had high employment relative to the Nation in agriculture and fishing, forestry, hunting, and mining—but do not meet the ERS definition of farm dependent. (See U.S. Bureau of Labor Statistics for the definition of [natural resource industry](#).)

However, the concentrations within these counties also varied with the type of veteran. Of farming dependent counties, about 4 percent had concentrations of working-age veterans, 56 percent had concentrations of elder veterans, and 11 percent had concentrations of both types. Of the natural resource counties, on the other hand, about 10 percent had working age, 30 percent had elder, and 18 percent had concentrations of both veteran types.

Between 2011 and 2015, 71 percent of farming dependent counties and 58 percent of other natural resources counties had concentrations of veterans



Note: Veteran concentration based on population and employment location quotients  $\geq 1.25$ , which indicates that veterans or employment are uniquely concentrated in a county relative to the Nation. Farm dependent counties are based on ERS County Typology Codes. Other natural resource counties had relatively high employment in agriculture and fishing, forestry, hunting, and mining, but do not meet the ERS definition of farm dependent. See U.S. Bureau of Labor Statistics for the definition of natural resource industry: [www.bls.gov/iag/tgs/iag\\_index\\_naics.htm](http://www.bls.gov/iag/tgs/iag_index_naics.htm). Source: USDA, Economic Research Service using the U.S. Census Bureau's American Community Survey, 2011-2015, and the 2013 Office of Management and Budget's nonmetro/metro county designations.

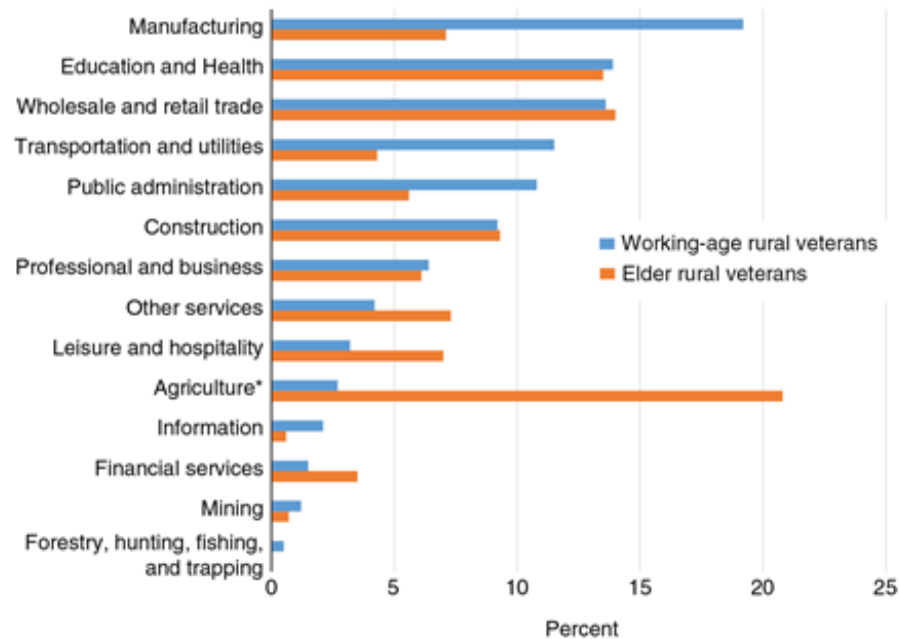
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## Elder Veterans Relied More on Agriculture for Employment, While Working-Age Veterans Relied More on Manufacturing



In 2015, elder rural veterans were more likely than working-age veterans to be attached to the agricultural industry through their current or most recent past employment. As a whole, elder veterans were also more likely to be self-employed farmers or ranchers; their younger cohorts were more likely to be wage and salary earners working in support services for crop and animal production. Overall, about 21 percent of elder rural veterans reported currently working (full- or part-time) or having last worked (if retired or unemployed) in the agriculture industry. By comparison, less than 3 percent of working-age veterans reported the same. Instead, working-age veterans relied more on the manufacturing industry for employment. About 19 percent of working-age veterans reported currently working or having last worked in manufacturing, compared to 7 percent of elder veterans.

**In 2015, working-age rural veterans were more likely to work or have last worked in manufacturing, while elder ones were more likely to work or have last worked in agriculture**



\*Agriculture includes animal and crop production and agriculture and forestry support services. The share of veterans by industry includes those currently working full- or part-time as well as those who last worked in that industry but are now retired, unemployed, or otherwise out of the labor force.

Source: USDA, Economic Research Service using data from the U.S. Census Bureau's Current Population Survey, 2016 March Supplement.

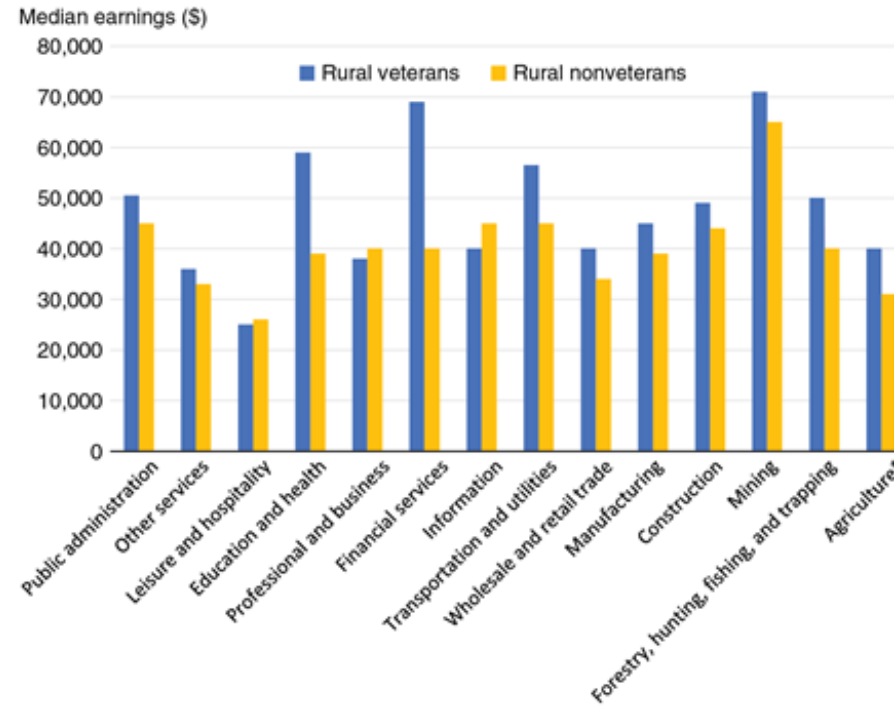
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## Veterans Fare Better Economically Than Nonveterans

Veterans have much to contribute 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. Veterans tend to have more education on average and can benefit their communities by contributing their leadership, technical, and entrepreneurial skills. These advantages are some of the reasons that veterans have lower poverty rates and higher earnings compared to nonveterans.

In 2015, rural veterans who were full-time wage and salary workers had median earnings of about \$50,000. That's \$11,000 more than the median earnings of their nonveteran counterparts. Earnings for veterans and nonveterans varied by industry, however. For example, compared to nonveterans in 2015, the median earnings of veterans was \$29,000 higher in financial services, \$4,500 higher in public administration, and \$1,000 lower in leisure and hospitality.

### Compared to nonveterans, rural veterans earned more in 2015



\*Agriculture includes animal and crop production and agriculture and forestry support services.  
Note: All earnings data are for wage and salary workers.  
Source: USDA, Economic Research Service using data from the U.S. Census Bureau's Current Population Survey, 2016 March Supplement.

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Differences in median earnings by industry between veterans and nonveterans track closely with educational attainment. However, even in industries where fewer veteran than nonveteran earners had a college degree in 2015, the median income for veterans was near or greater than that of nonveterans. This may be explained by a variety of factors, including differences in demographic composition and job skills. For example, veterans are older and predominantly male, and thus on average more likely to have higher earnings than the general population.

This article is drawn from...

[Rural Veterans at a Glance](#), by Tracey Farrigan and John Cromartie, USDA, Economic Research Service, November 2013



***Atlas of Rural and Small-Town America*** , by John Cromartie and Timothy Parker, USDA, Economic Research Service, August 2017

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***Rural Classifications*** , by John Cromartie and Timothy Parker, USDA, Economic Research Service, November 2016

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