The Myth of Rural America

An antique vision of remote towns and family farms widens the rift between federal policies and the people they’re meant to serve. P. 2224
Rural Sophistic

BY CLEA BENSON

For the past few months, Cabinet secretaries and other top Obama administration officials have been traveling the country to reassure residents of the least-populous regions that the federal government is attuned to their concerns.

These visitors from Washington have descended on small towns to deliver speeches proclaiming that government programs can pave the way to a vibrant rural future. The Department of Agriculture has been blogging and Tweeting about the events through a Web site, ruraltour.gov, that features iconic photos of agrarian America complete with rolling fields, cattle and huge, golden bales of hay.

As an emissary of this tour, Vice President Joseph R. Biden Jr. took the stage in early July at a high school in the tiny northwestern Pennsylvania borough of Wattsburg, population 355. Biden extolled the billions of dollars authorized by the economic stimulus law enacted in February to build infrastructure for broadband Internet service in rural areas. And he tried to explain how this investment would make a difference in the lives of his audience.

"With this high-speed connectivity, your farmers out here will be able to go online immediately and find out the price to sell your product when it is 20 cents higher as opposed to going through a broker," Biden said. "It's a big deal."

But, in fact, the ability to track crop prices in real time may not have been a huge selling point to that particular crowd — or to most rural Americans.

During the last census count in 2000, only six people in Wattsburg reported earning a living from agriculture. In the surrounding county, farms employ less than 1 percent of the locals, who are far more likely to be working for service providers, factories or government.

Moreover, Wattsburg may be sparsely populated and surrounded by farm fields, but it shares its county with the city of Erie, just 13 miles away and with a population just above 102,000. The tiny borough, like much of the rural United States, is actually part of a metropolitan area.

The idealized vision of rural America as a series of small, remote towns and family farms — and as the true repository of the nation's values — has persisted since the days of Thomas Jefferson, who called farming "the employment of our first parents in Eden, the happiest we can follow, and the most important to our country."

But while the myth may have been closer to reality in Jefferson's day, rural America now is a far different place than the agrar-
Rural America is less agricultural, less remote, more diverse and harder to define, but Rockwellian preconceptions still dominate policy decisions.

The problems facing rural America don't all involve farming. Manufacturing employs a larger share of rural workers, and those jobs are going away, as in this closed weaving plant in North Carolina.

Complex Picture: The problems facing rural America don't all involve farming. Manufacturing employs a larger share of rural workers, and those jobs are going away, as in this closed weaving plant in North Carolina.

The misperceptions abound in Washington, rural experts say, leading to a frequent disconnect between government policies and the populations they are intended to serve. Many of the federal resources targeted to benefit rural areas come in the form of crop subsidies and other agricultural sup-

orts, which are increasingly less relevant to rural residents. Meanwhile, federal dollars for programs ranging from broadband to transportation infrastructure often don't go to the locales that need them most or to the areas for which they were intended.

Money intended to stimulate the development of new enterprises often is reserved for areas that have concentrations of unemployed workers. That sort of selection process often cuts off rural communities that need redevelopment but don't have very high jobless rates, because so many of the people who couldn't find work have moved away. And small communities often don't have enough staff on their local government patrols to manage applications for federal dollars that are parcelled out according to different standards by different agencies.

"What we need in rural communities is a rethinking of where the money goes," said Richard W. Rathge, a demographer on the faculty of North Dakota State University and director of the North Dakota State Data Center. "Oftentimes the money is earmarked for agriculture, and we have very few farmers anymore."

Lawmakers writing a five-year reauthorization of farm programs in 2008 recognized this development to an extent and expanded those development programs that are aimed at helping local economies diversify. They also required the Agriculture Department to devise a better way to define rural areas.

Critics of existing policy who want the flow of resources recalibrated saw this as a step in the right direction. But those critics also say Congress hasn't gone far enough and that evidence of how federal money is misdirected can easily be found in the programs financed by this year's stimulus package.

"You have a divorce of Washington-driven formulas and definitions from both the rural and the urban realities," said Mark Muro, director of policy for the Metropolitan Policy Program at the Brookings Institution, which advocates that federal allocations should reflect the growing economic
Farm Reliance Shrinking

In the middle of the 20th century much of the country depended on farming for its livelihood — meaning that, for non-metropolitan counties, either 15 percent or more of the income was derived from agriculture or 15 percent or more of the workers were employed in that industry. By the turn of the 21st century, however, the number of non-metropolitan counties that relied on farming had shrunk to almost none east of the Mississippi River, and most of the rest were in the Great Plains.

Non-metro farming-dependent counties, 1950

role of metropolitan regions that encompass both urban and rural areas.
Instead of defining by size and location which communities qualify for federal grants and then awarding the money to separate local governments, a better approach would encourage localities to collaborate on initiatives that would benefit broader, interdependent regions, Muro said.
Federal agencies should also develop better methods of measuring the impact of the money they give out, he said: “We advocate fewer stipulations, more flexibility, and greater performance assessment.”

THE REAL RURAL ECONOMY

While the popular image of rural America may be little changed from iconic Norman Rockwell paintings on the covers of the Saturday Evening Post 60 years ago, the economic and demographic reality is vastly different.

In the middle of the last century, when the baby boom was getting started in the aftermath of World War II, there were still 23 million people — about 40 percent of all rural Americans — residing on farms, and a third of all rural workers were employed in agriculture. Today, farms are home to only 3 million people — about 1 percent of the national population and 5 percent of the rural population. Farming employs less than 6 percent of non-metropolitan workers.

Among the households that still live on farms, at least 80 percent of the income comes from activities other than farming.

“Rural America is not just agriculture,” said Kenneth M. Johnson, an expert on rural demographics at the Carsey Institute at the University of New Hampshire. “Sometimes when I talk to people in Washington, I get the idea that’s the way they look at the world.”

Rural historians say 20th-century federal policies that encouraged mechanization and consolidation helped speed the demise of the family farm. Meanwhile, rural America, with cheap land and an available labor force, came to provide a home to more and more of the nation’s new factories. “Many people don’t appreciate the fact that manufacturing employs a larger proportion of the rural labor force than the urban labor force,” Johnson said.

Today, though, both farming and manufacturing employment are in decline, and after a recent resurgence so are jobs in extractive industries such as mining. Rural Americans are increasingly likely to be employed by companies that provide services or by governments at all levels. This is true even in the areas of the country where farming remains a strong economic force. In North Dakota, for instance, agriculture accounted for just 8 percent of the state’s economy in 2004, down from 18 percent in 1979.

The federal government pays billions of dollars a year to bolster farm incomes, subsidize prices, compensate farmers for weather-related losses and encourage conservation. Over the past decade and a half, these subsides have averaged roughly $15 billion a year, although the total is somewhat less today than it was earlier this decade.

But Agriculture Department researchers have found that these subsidies haven’t reversed population declines in farm counties. The counties that benefited most from federal crop payments in the 1990s all lost residents.

“We’ve passed the tipping point with respect to the importance of community vs. agriculture,” Rathge
said, "If you look at the incomes of farm households, they need to subsidize the farm with off-farm employment. We're still thinking too much on the agriculture side and not as much on the community development side."

Investments in broadband and other infrastructure can help diversify local economies and spur entrepreneurship, said Brian Dabson, a professor at the University of Missouri and president of the Rural Policy Research Institute. "Entrepreneurship is something that is exciting a lot of people," he said. "We don't have to wait for someone to bring investment to us. We can create our own jobs in our own communities."

The trick, however, is figuring out how to disperse those investments among the vastly different segments of the rural United States so that each area gets the types of assistance best suited to its particular needs.

**Different Rural Americas**

Compounding the illusion that rural America relies for its livelihood primarily on the fruits of the land and on natural resources, the geographic stereotype of rural areas as a scattered collection of dying small towns is likewise inaccurate — or at least lacking in nuance.

Because rural population trends are far more complex than are commonly understood, and because divergent population patterns have created disparate needs in the parts of the country outside the metropolitan areas, the government's approach to meeting the needs of the heartland is often seen as missing the mark.

"Rural areas do vary greatly from one area of the country to the other, so federal programs must be flexible enough to serve all diverse communities," said North Carolina Democrat Mike McIntyre, chairman of the House Agriculture Subcommittee on Rural Development.

And a chief misconception is that all of rural America is experiencing an inexorable population drain.

Overall, rural counties lost people from the 1930s until the 1970s, largely because young workers were migrating to cities. But beginning about 40 years ago, non-metro areas once again began counting a net gain in population. The number of rural Americans since then has been oscillating, with some localities registering increases and others marking declines.

In many rural counties, deaths outnumber births, leading to a population decline. But the main driver of population trends is migration: Remote areas that relied heavily on industry or farming have tended to contract in recent decades, while those on the outskirts of urban areas and those that have been developed to attract retirees or tourists and other recreational visitors have been growing.

"The fact of the matter is that there are many different rural Americas," Dabson said. "The discussions about commodities and price supports are primarily about heartland America. Other parts, whether they're in the central valley of California or the high-alpine parts of the Rocky Mountains, or the Mississippi Delta, these are all different faces of rural America with different histories, different challenges and different possibilities for the future. A single one-size-fits-all rural policy focused purely on commodity agriculture doesn't get us where we need to be."

Counties that have declining popu-
Rural? Depends on Whom You Ask

COCONINO COUNTY, Ariz., contains a big portion of the Grand Canyon and parts of five Indian reservations within its 18,661 square miles, making it the second-largest land area of any county in the Lower 48, and bigger than nine states. But Coconino is considered a metropolitan area under the rubric used by some agencies of the U.S. government because it is home to the 58,000 people of Flagstaff, the county seat.

Defining rural America is more art than science, as the Coconino example shows. Federal agencies have so many different ways of carving up the nation that they variously count somewhere between 17 percent and 49 percent of Americans as rural residents.

Most of these definitions are based on long-standing determinations by the Census Bureau, the Office of Management and Budget, and the Department of Agriculture. Each method of counting has its flaws, and experts say this makes it difficult for government officials to decide how to structure policies and programs to ensure they’re reaching the right populations.

“We could probably create better building blocks so policy makers could have a better idea of what areas they wanted to include or not include,” said Andrew M. Isserman, a professor of agricultural and consumer economics at the University of Illinois.

Congress apparently agreed. So last year, in the most recent authorization law for farm-assistance programs, the Agriculture Department was charged with coming up with a better way to identify rural America. Here’s how the government does it today:

**CENSUS BUREAU**

The basic data for defining a rural area come from the Census Bureau, which measures population density in block groups, the smallest geographic unit that the bureau tracks. The bureau charts urban areas by counting block groups with more than 500 people per square mile. Any set of contiguous block groups where the population is at least that dense and that is home to at least 2,500 residents total is considered urban. Anything else is considered rural.

Some statisticians say it might be time for an update to that 2,500 threshold, since it’s 100 years old. “With all the urbanization that’s taken place, you’d think maybe that threshold should be raised,” said John Cronartie, a Agriculture Department demographer. “But there’s no real methodology to say where that cutoff should be.”

**OMB**

The Office of Management and Budget takes the Census Bureau’s determination about rural and urban populations and overlays county borders and commuting patterns onto the map to define metropolitan and non-metropolitan areas. Rather than

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**Population Overlaps**

Most urban Americans live in metropolitan areas, but only half the rural population lives in non-metropolitan areas.

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SOURCE: Agriculture Department Economic Research Service

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Image: Wiring America: Stringing fiber-optic cable for Internet access in Vermont and elsewhere is designed to benefit rural residents.

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Drawings a line

In this day and age, perhaps the biggest problem in applying national rural policy is deciding what is truly rural, especially because sprawling development has blurred the lines between cities and outlying areas.

There is no consensus among federal agencies as to the best definition. For the past hundred years, the Census Bureau has classified areas as rural if they had a total population of less than 2,500.

Using that definition as a building block, the White House Office of Management and Budget seeks to clarify the economic relationships among communities, and it divides the nation into metropolitan and non-metropolitan areas. In OMB’s lexicon, a metro area consists of an urban core of at least 50,000 people and surrounding coun-
serving as a measurement of population density, however, the OMB definition is intended as a gauge of economic interdependence, where the basic underlying unit is the county.

Counties that contain an urban area of at least 50,000 people are considered to be the core of a metropolitan area. And those counties with urban populations of between 10,000 and 49,999 are defined as "micropolitan." Adjacent counties where at least 25 percent of the population commutes into micropolitan or micropolitan areas for work are considered to be part of the same metropolitan or micropolitan area.

Of the nation's 3,141 counties (or equivalent jurisdictions), 1,786 fall into one of those two categories. And since counties are the basic building blocks of this system, rural areas that share counties with urban centers can be effectively overlooked.

Although metropolitan areas can be simultaneously regarded as rural, both government officials and academic experts sometimes confuse their view of rural America to any area that is non-metropolitan. But that leaves out low-density places - such as Coconino County - that happen to share county boundaries with an urban core. That sort of overlap accounts for as much as half the total rural population, Isserman says.

**Agriculture Department**

The Agriculture Department further refines the OMB designations by breaking metropolitan and non-metropolitan counties into one of nine "rural-urban continuum codes" based on the size of a metropolitan population, and - for non-metropolitan counties - proximity to a metropolitan county. Federal agencies sometimes use this coding system to determine cutoffs for programs. For example, the Social Security Act offers higher Medicare reimbursement rates to hospitals in just those counties with the largest metropolitan cores, essentially designating the rest of the country as rural.

**Other Agencies**

All of these are only blunt instruments to aid lawmakers and government officials who want to target federal programs to benefit particular populations, Isserman said. And, at times, issues such as population density and economic interdependence aren't paramount concern to those who are deciding which areas and population groups should be eligible for assistance. "Even if we get very specific statistical definitions, people will still have to pick among different statistics to suit political needs," he said. "Policy makers think in terms of service delivery and also in terms of getting the darn thing passed. Most congressional staffers would be interested in, 'What does this do for my district?'"

— Clea Benson

One prominent case in point has been the effort to hand out $2.5 billion in money designated in the stimulus law to provide high-speed Internet service in rural areas.

The broadband program is run by an arm of the Agriculture Department and billed as the reincarnation of the rural electrification program of the 1930s. But 70 years ago, the divide between urban and rural was much clearer, and so was the task of the Rural Electrification Administration. Only 10 percent of rural households had electricity, while 90 percent of city dwellers did.

In 2002, a wide-ranging law authorizing farm programs directed the Rural Utilities Service (RUS) — the modern-day descendent of the Rural Electrification Administration — to make and guarantee loans for Internet providers serving rural areas that would otherwise be devoid of high-speed connections.

But it wasn't easy for the agency to figure out who most deserved the help. First, there was no official map showing which areas had broadband and which didn't, and an Agriculture Department audit in 2005 found the agency had backed loans in areas that already had some broadband service. That audit also underscored concerns about what constitutes a rural area, noting that the RUS "had not maintained its focus on rural communities and had instead funded communities near large metropolitan cities."

Members of the House Agriculture Committee demanded new regulations to ensure that money was directed to truly rural areas in need. Nonetheless, in March, the Agriculture Department inspector general released an updated audit report expressing renewed concern that the stimulus law’s money for broadband service would also be funneled to metropolitan areas.

To counter this criticism, the RUS decreed that to qualify for the most extensive form of stimulus broadband aid — a grant of up to 100 percent of the cost of building the necessary electronic infrastructure, rather than a loan — communities must be at least 50 miles away from the nearest city of 20,000.
definition, Wattsburg — where Biden made his showcase announcement about the program — wouldn't qualify. Nor would much of rural America.

Lawmakers from both parties, several of them from farm states, complained to agency head Jonathan Adelstein during a recent House oversight hearing that their districts were rural but unable to qualify for grants. "The whole state of Ohio remains essentially ineligible for these funds," said Democratic Rep. Zack Space, whose vast and geographically diverse district is the largest in Ohio, encompassing all or parts of 16 counties. "My constituents in Appalachia would argue that they live in remote, rural areas," Space complained.

The RUS is now going back to the drawing board. The agency will seek public comment this month before producing yet another definition of remote rural areas for the next round of grants and loans, spokesman Bart Kendrick said.

**Metro vs. Rural**

Part of the reason for this confusion and gear-switching is that there's no consensus on what kind of rural communities should get federal development aid. According to Johnson of the Casey Institute, there's a bias against giving money to rural areas that are developing as vacation or retirement destinations, which tend to be home to wealthier residents or migrants from cities.

At the same time, he said, investing in such areas might prove critical to preserving rural America. "If a community develops as an amenity destination, that can reduce the out-migration from these areas, especially of young people," Johnson said. "You're contributing to the future of these communities, the intellectual capital of these communities, so there will be people who will serve as volunteer firefighters and teachers and do everything that has to be done."

There are, however, those who argue that remote areas suffering from population loss should just be left to wither.

"If it ever came to a debate in Congress, you would find very different positions in terms of whether the more-remote, less-well-off locations should be assisted," said David L. Brown, a professor of development sociology at Cornell University. "There are people who ascribe to an efficiency position who say that's not in the nation's best interest. You want to move resources to where they have the highest return. And there are people who have an equity position, who say we need to find a way to get resources to people who live in more-remote places."

This fight is playing out even now in a debate over highway assistance money in the stimulus law. The measure allocated $27.3 billion for surface transportation projects but left most of the actual distribution to the states. The U.S. Conference of Mayors soon complained that the largest metropolitan areas, with 63 percent of the country's population, had received only 48 percent of the road money and demanded a bigger share. And with Congress preparing to rewrite the five-year authorization bill for federal highway and mass transit programs, the mayors are now lobbying to claim more money under the basic formulas for such assistance.

Meanwhile, rural advocates counter that roads in less-populated areas are essential for both urban and rural residents.

"Those things make rural America more accessible to urban America, and it means it's easier for trucks to bring supplies to rural counties," Johnson said. "It makes it easier for urban people to come to rural America for vacations, and it means that rural manufacturers can get their products to market."

The big problem may be that government officials still see things in terms of urban and rural, when they are often the same thing. "This notion that by dealing with metros you're leaving out rural America is a falsehood," said Alan Berube, research director of the Brookings Metropolitan Policy Program.

The distribution of road money from the stimulus law hasn't followed the red pat-
terms of how people in vast metropolitan areas are linked, Berube said. The majority of Americans live in major metropolitan areas, he said, and most commute to other communities for work. He contends that the money hasn’t been used effectively “to promote that kind of interconnectivity in metro America.”

The Brookings program is advocating for federal agencies to rethink the way they distribute money so that it doesn’t flow through formula grants to specific communities with specific characteristics.

“I think we want to see the federal government use the power of the purse through existing programs and through new incentives to stimulate regional cooperation through programs that cut across city, suburban and rural lines,” Berube said.

That has been done successfully in some stimulus programs, he said, citing energy efficiency conservation block grants that the Department of Energy is distributing to regional consortia to reduce energy use and carbon emissions without regard to traditional municipal boundaries.

But such approaches tend to be limited to relatively new activities, while longstanding programs allocate money through traditional channels, said Muro, Berube’s colleague at Brookings. “Much of the stimulus essentially pours new revenue through the rigid old silos and pipes,” Muro said.

Over the long term, Brown said, rural policy will also need to place more emphasis on aspects of rural life in addition to agriculture. But that’s not to say agricultural aid should be supplanted by community development projects, he said.

“If you put agriculture in opposition to rural interests, rural is going to lose,” he said. “Agricultural interests are well-organized; they have well-funded lobbies, and they’re able to manipulate images of rurality and of farming that may or may not be consistent with the reality of the situation. The rural constituency is not only not organized, but it’s not organized because it’s so diverse.”

There are signs that this alternative way of viewing the duality of rural vs. urban or metro vs. non-metro is getting some attention. The Agriculture Department’s Rural Development Office is beginning to rethink its approach, as prescribed by the last reauthorization of farm programs. A report outlining how to better define rural areas is due to Congress in 2010.

The Agriculture Department intends to ensure that federal assistance “reaches the most remote corners of rural America, while promoting regional collaboration,” spokesman Timothy McNeely said in an e-mail. To accomplish that aim, he said, the department “is examining its funding formulas and the socioeconomic measures it uses to allocate money.”

According to Cromartie, the Agriculture Department demographer, the federal government may need to develop many definitions to accommodate many different purposes.

“Maybe there isn’t a one-size-fits-all definition,” he said. “If you want to, say, study economic trends, you might want to pick a definition based on labor market areas. If you want to study the effect of sprawl on farm prices and property prices, you might pick another based on density of population. There are economic definitions, land-use definitions, and administrative definitions, all of which might be useful.”

Still, Cromartie said, rural America remains such a complex place that even devising multiple definitions won’t be easy.

“Congress has a challenge in making sure the definition they choose works in whatever way they want it to work,” he said. “It’s never going to be perfect. It just never will.”

**FOR FURTHER READING:** Economic stimulus law (PL. 111-5); CQ Weekly, p. 352; 2008 farm bill (PL. 110-246); 2008 Almanac, p. 3-3; 2002 farm bill (PL.107-171); 2002 Almanac, p. 4-3; federal nutrition supports, 2008 CQ Weekly, p. 1238; farm policy, 2007 CQ Weekly, p. 114.