Rural America on ‘road to recovery’

By JACQUI FATKA

After several years of stagnation, the pace of employment growth in rural areas increased in 2014. Employment gains were significantly higher over the past year compared to previous years in the recovery period, although rural employment remains below pre-recession levels, according to the U.S. Department of Agriculture’s 2015 “Rural America at a Glance” report.

However, rural areas continue to experience population loss, higher poverty rates and lower educational attainment levels than urban areas.

Agriculture Secretary Tom Vilsack said the report “reflects a rural America on the road to recovery,” noting that some rural counties have actually seen population growth. In addition, the rural child poverty rate has declined by one percentage point.

Employment grew more than 1% in rural areas for the year ending in the second quarter of 2015 (Figure). This is a marked improvement from previous years of very slow growth or decline, the report notes.

“Nonetheless, rural employment in mid-2015 was still 3.2% below its pre-recession peak in 2007,” the report says. “In contrast, urban employment rose nearly 2% in the past year, continuing a trend of consistent growth since 2011, and is now well above its pre-recession peak.”

Among all rural residents, unemployment rates are much lower for those with more educational attainment, partly as a result of increasing demand for more highly skilled labor.

In 2010, the unemployment rate for rural adults ages 25 and older without a high school diploma peaked at 15%, compared with 4% for adults with a bachelor’s degree and 3% for those with a graduate degree. Since then, rural unemployment rates have declined across all educational attainment categories but remain much lower for those with higher educational attainment levels.

Population growth

The number of people living in rural counties stood at just more than 46 million in 2014 — comprising nearly 15% of U.S. residents. However, the population of rural America has declined by 116,000 people over the last four years, with losses of about 30,000 people in each of the last two years.

“While these declines are small, 2010-14 is the first period of overall population decline on record for rural America as a whole and stands in stark contrast with the urban population, which continues to grow by more than 2 million per year,” the report says.

Not all rural areas have experienced population loss in recent years. Some rural counties have seen population growth, with nearly 700 rural counties in growth mode adding more than 400,000 residents combined between 2010 and 2014. These counties are concentrated in scenic areas such as the Rocky Mountains or southern Appalachia or in energy-boom regions such as the northern Great Plains.

The 1,300 rural counties that have seen populations decline since 2010 are widespread in regions dependent on farming, manufacturing or resource extraction.

Since 2010, the increase in rural populations from natural change — 230,000 more births than deaths — has not matched the loss from net migration: 346,000 more people moved out of than moved into rural counties. Nearly 300 rural counties lost residents due to natural change during 2010-14.

Retiree attraction dominates in Florida, Arizona and other Sun Belt locations, while outmigration of young adults is more typical of farm-dependent counties in the Great Plains and Corn Belt.

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