Economic Research Service Regional Typologies

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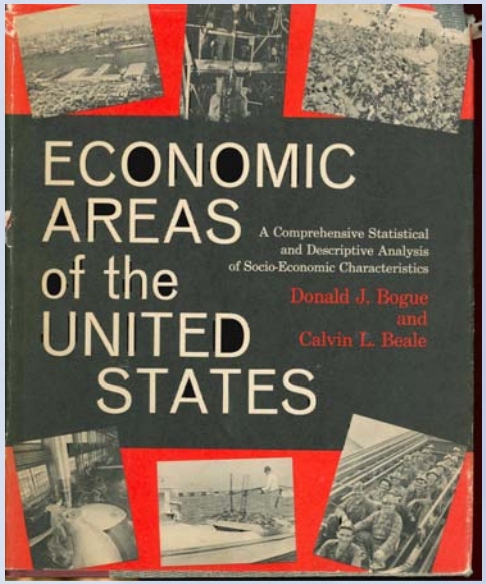
Economic Research Service, USDA
Association of Public Data Users Annual Meeting
September 24, 2008

Economic Areas of the United States (1961)



Purpose: "…sharpen and expand our knowledge of regional problems, interregional differences, and internal variations within regions." p. iii

ERS typologies

Population size and accessibility
- Rural-urban continuum codes
- Urban influence codes
- Rural-urban commuting areas

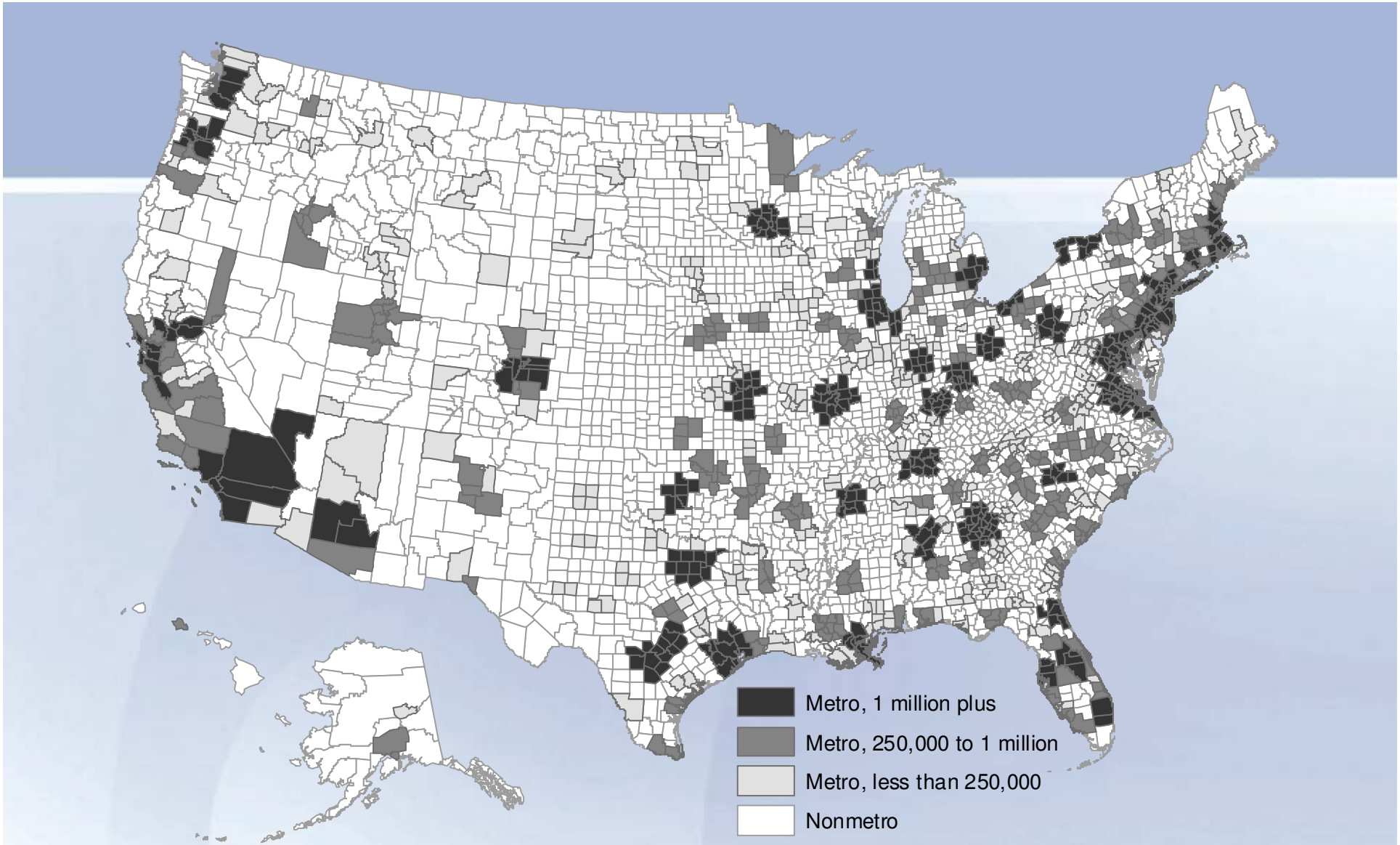
Economic dependence
- Farming
- Mining
- Manufacturing
- Federal/State government
- Services
- Nonspecialized

(Other) policy-relevant theme
- Housing stress
- Low education
- Low employment
- Persistent poverty
- Population loss
- Recreation
- Retirement destinations

ERS
ECONOMIC RESEARCH SERVICE
United States Department of Agriculture

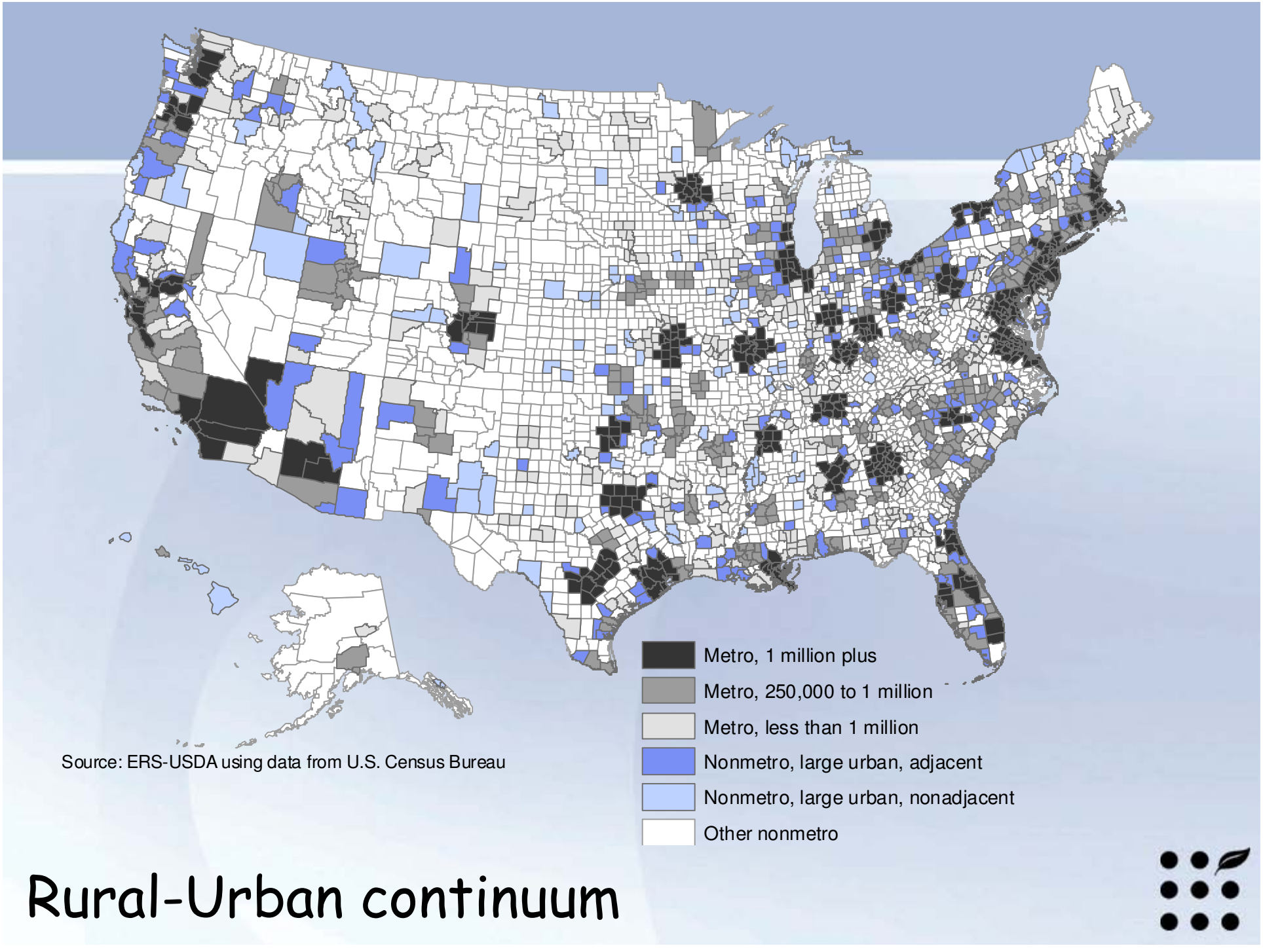
ERS typologies are used to:

- **Explain trends affecting rural areas**
  - Population, labor, education, income
  - Industry restructuring
- **Identify geographic areas of concern**
  - Remoteness, low-density
  - Persistent poverty, population loss
  - Economic dependence (farming, manufacturing)
- **Serve needs of other agencies**
  - Rural Development Mission Area, USDA
  - Office of Rural Health Policy, HHS



Source: ERS-USDA using data from U.S. Census Bureau

Rural-Urban continuum



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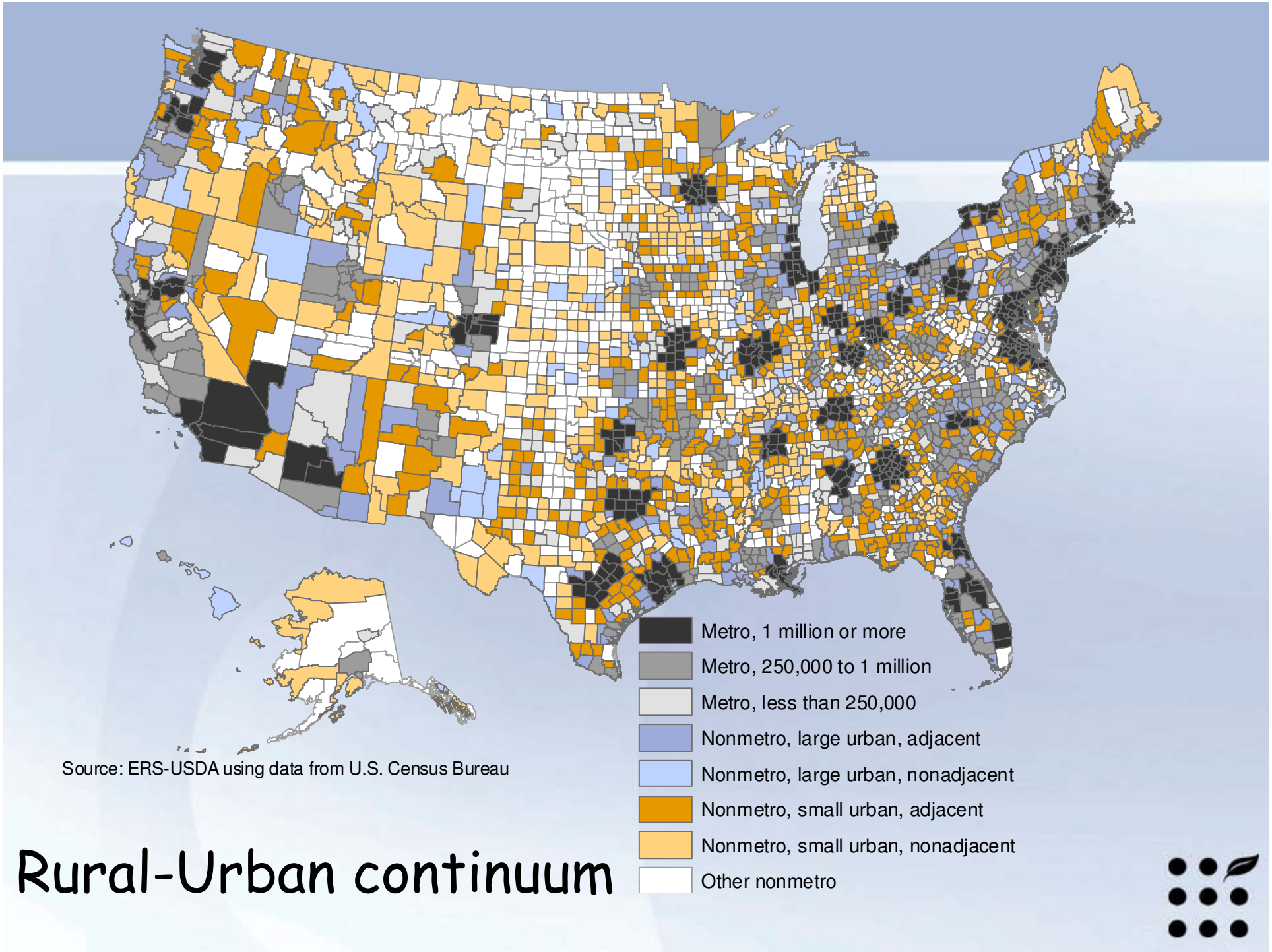

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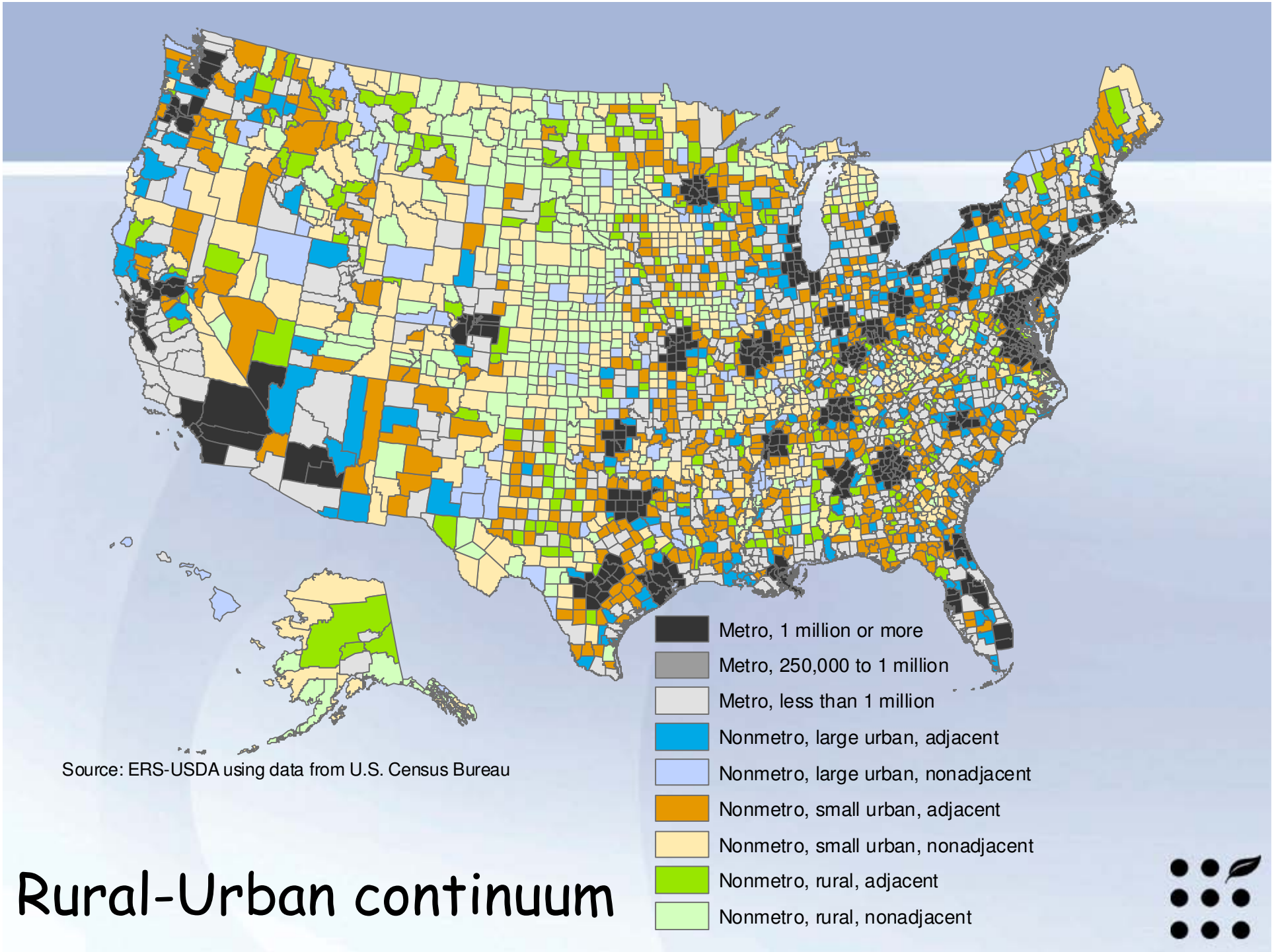
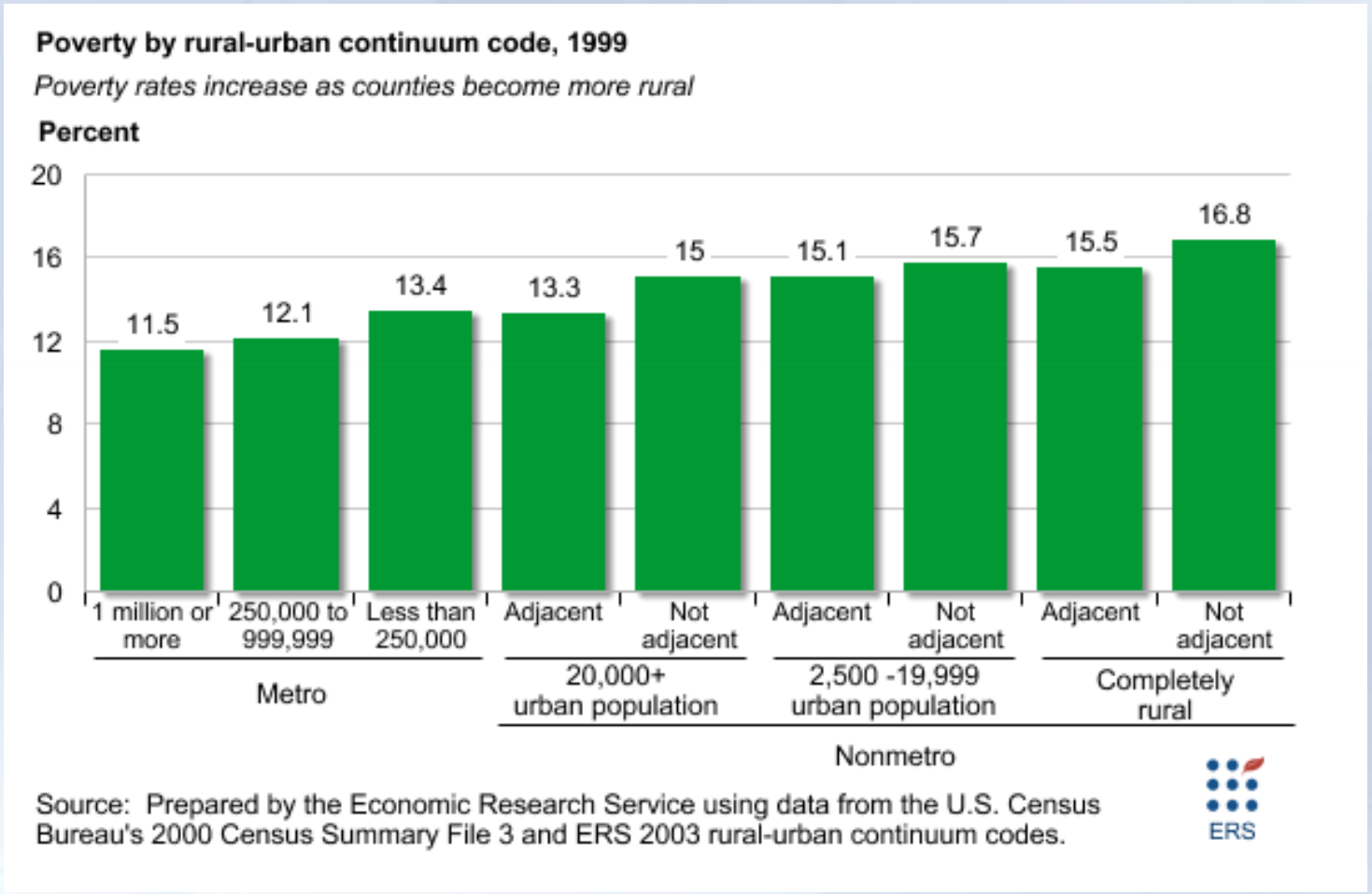
Rural-Urban continuum



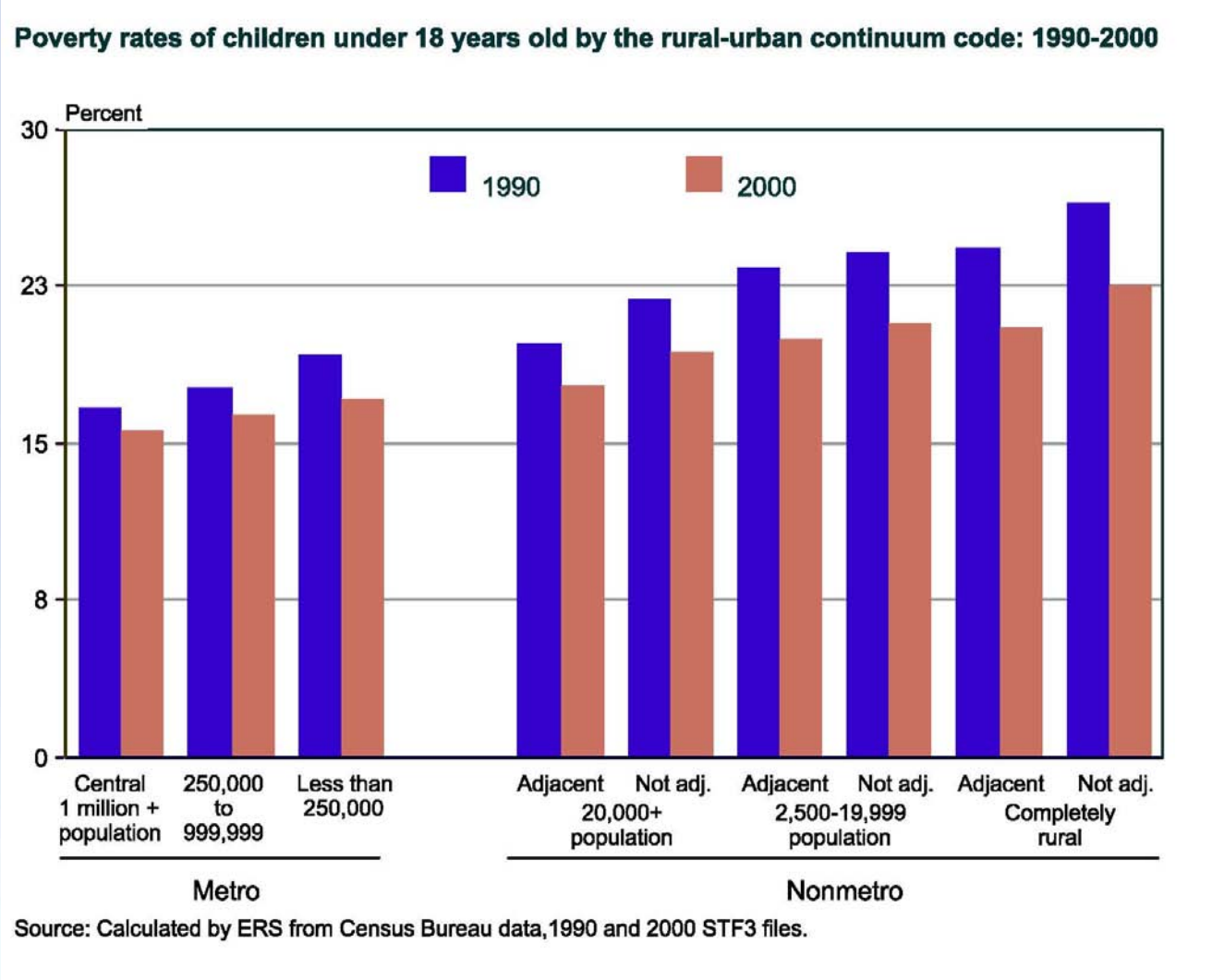
Source: ERS-USDA using data from U.S. Census Bureau

Rural-Urban continuum

Poverty rates increase with rurality

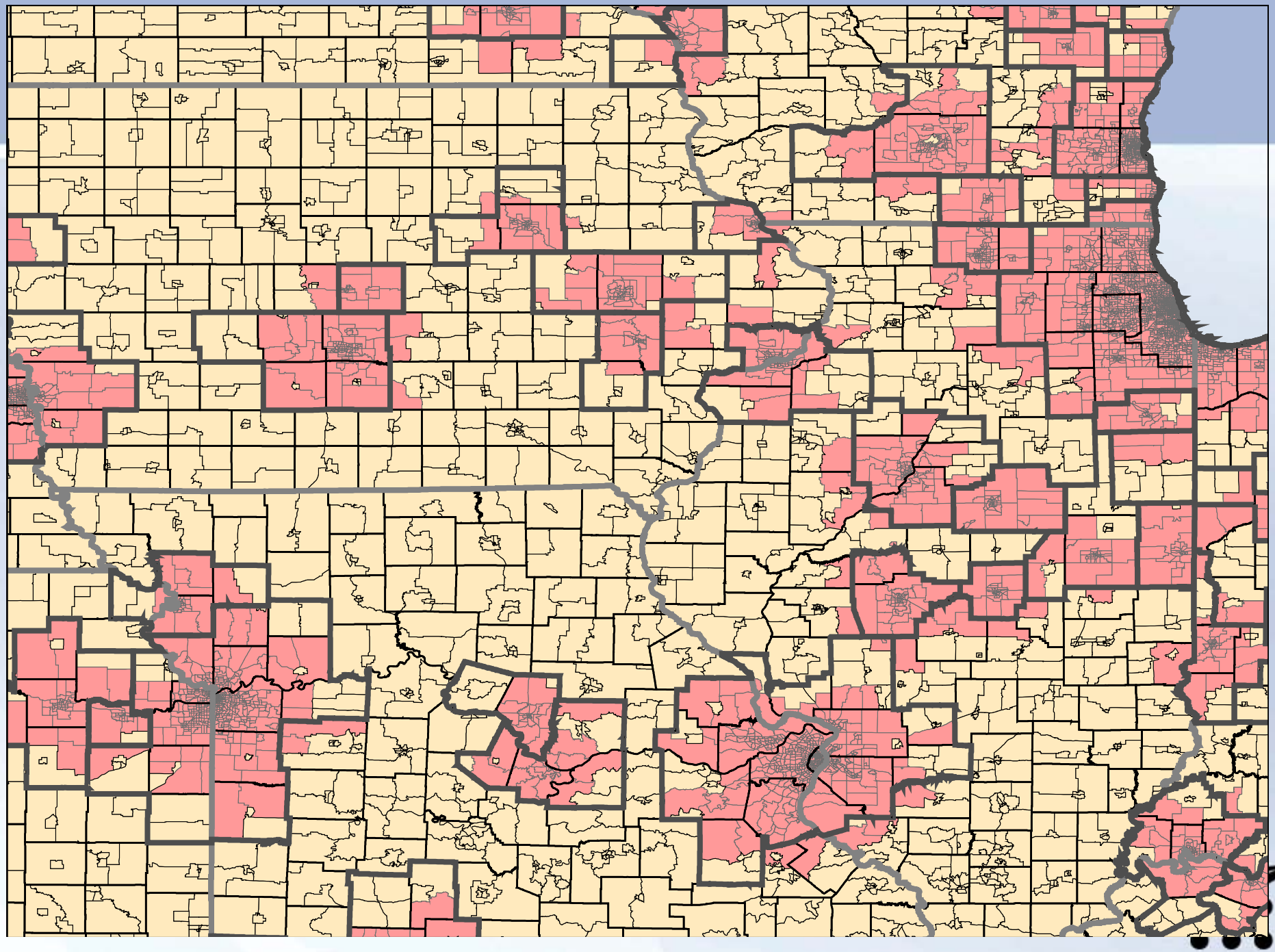


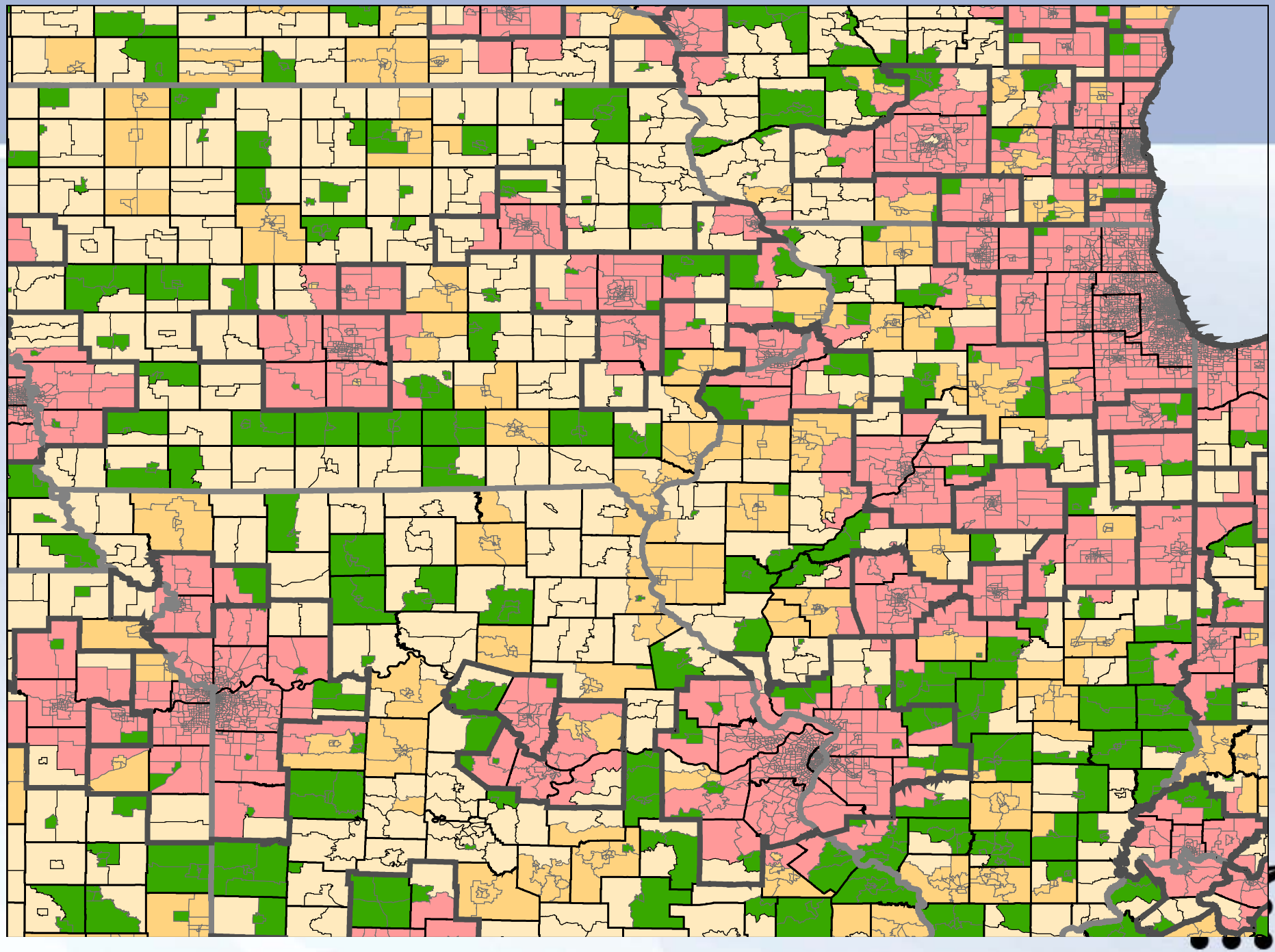
Poverty rates increase with rurality

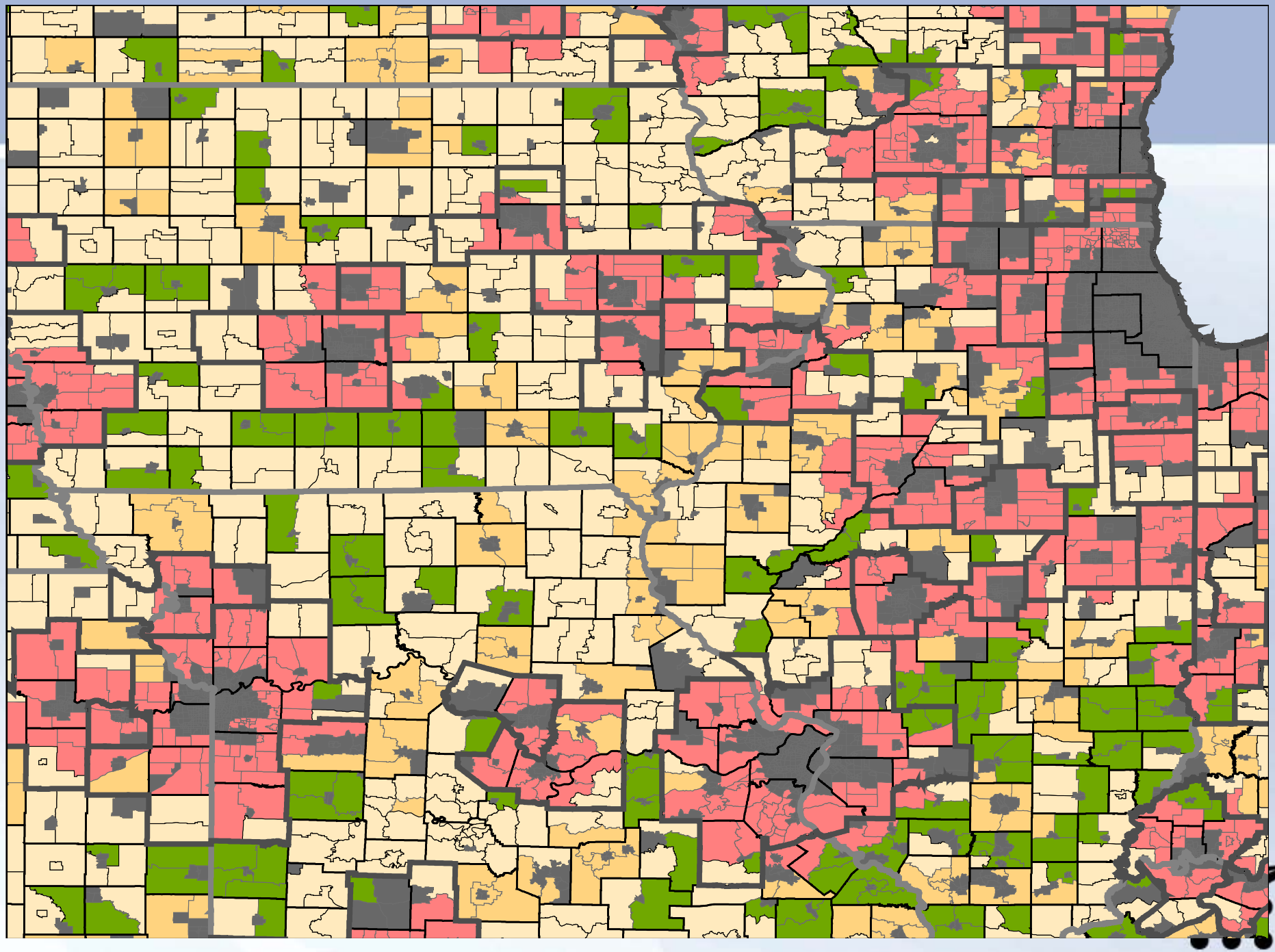


Rural-Urban Commuting Areas

- Detailed classification using census tracts instead of counties
- 10 primary codes, based on direction of largest commuting flow
- 33 secondary codes to depict overlapping nature of urban-rural hierarchy and provide choices for the user
- Defines metropolitan, micropolitan, and small town areas, including cores and outlying areas
- 1990 and 2000 codes available on ERS web site
- A zip code approximation is also available



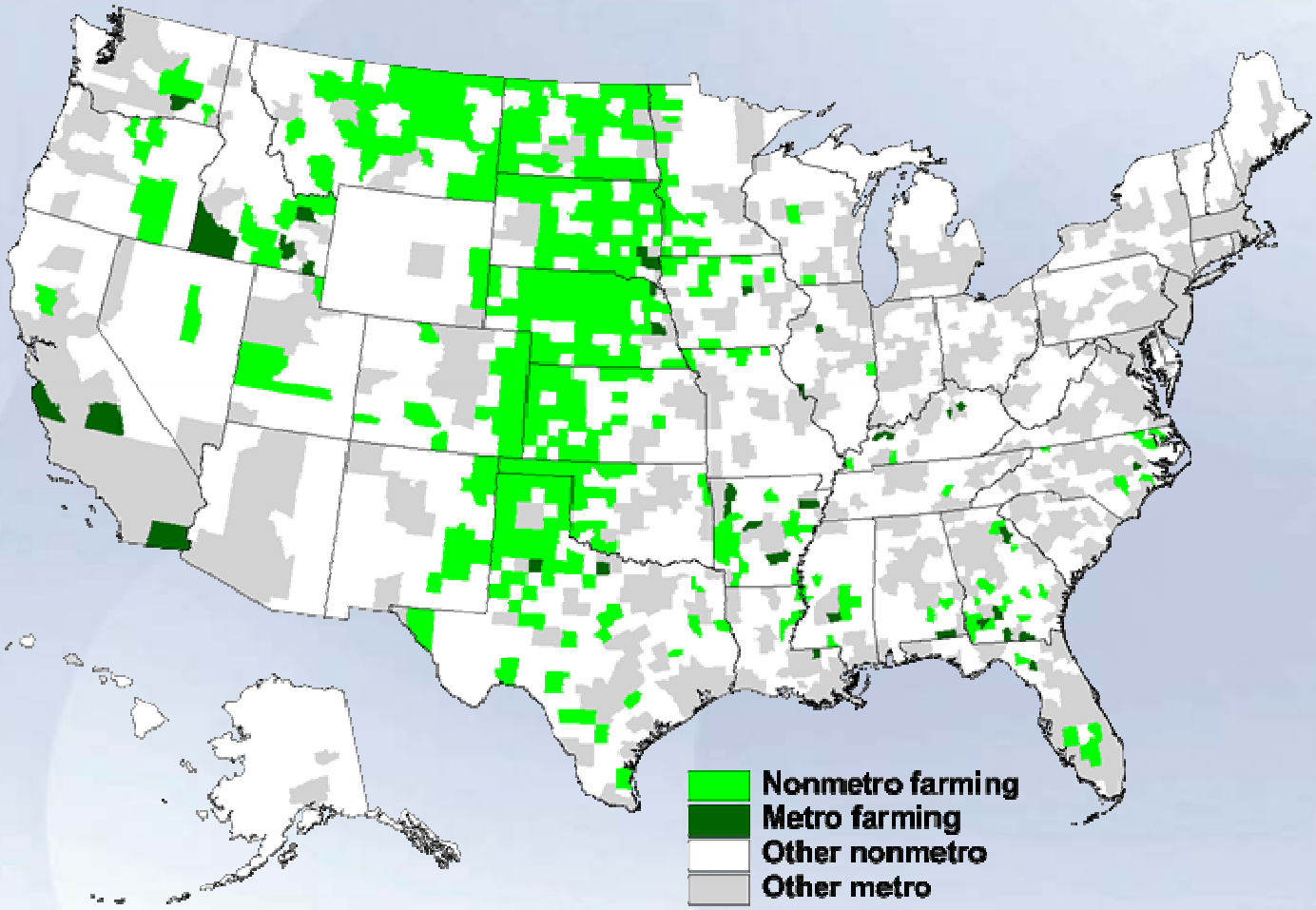




ERS County Typology Codes

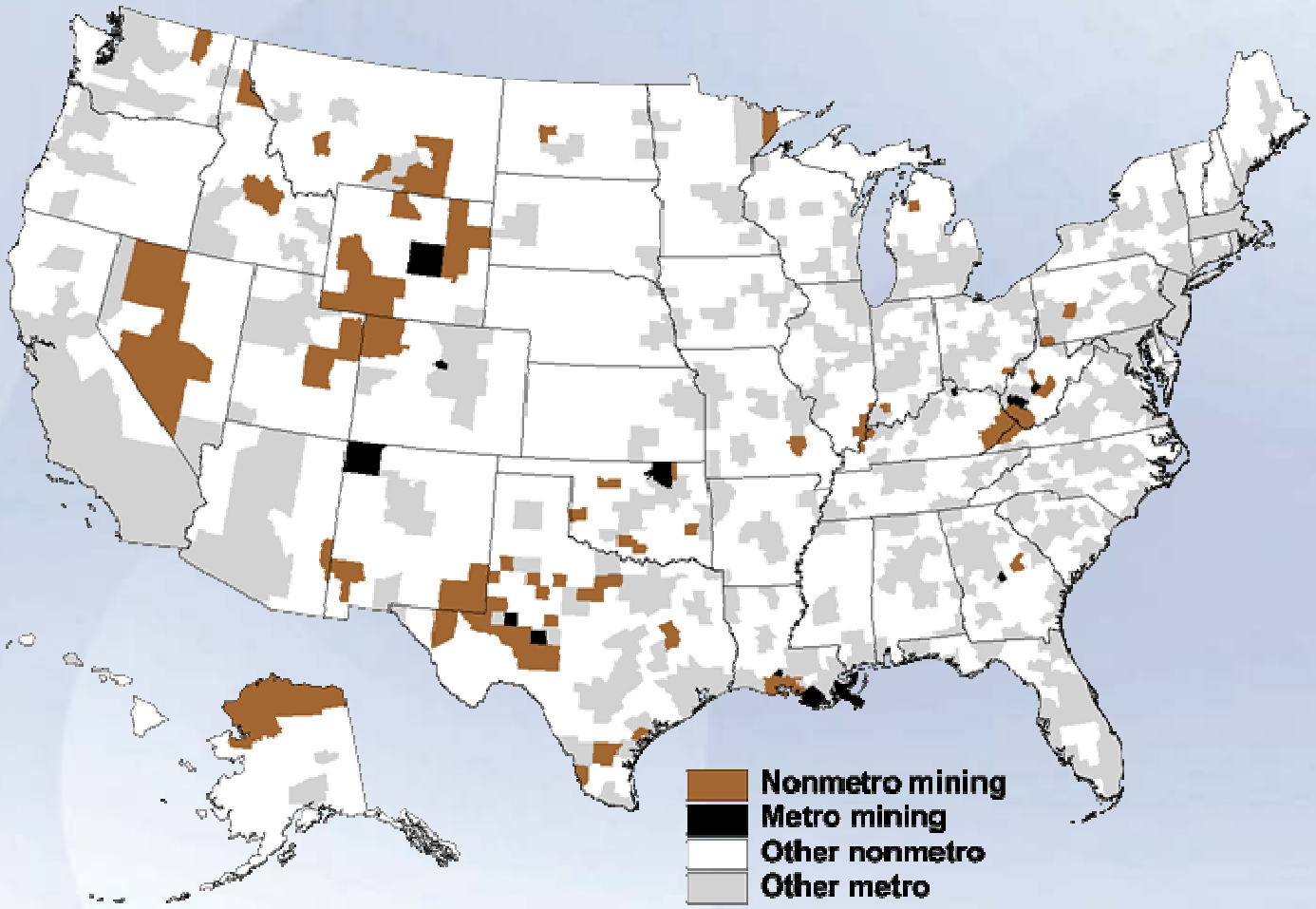
- First developed in 1979 to document and explain economic and social diversity in rural and small town America.
- Message to USDA: “Rural America is not just farming”
- Now includes 6 economic specializations and 8 policy-relevant themes
- Now includes metro counties
- BEA data, unsuppressed county-level earnings data by place of work, 1998-2000; decennial Census data, 1970-2000; County Business Patterns, 1999

Farming-dependent counties, 1998-2000



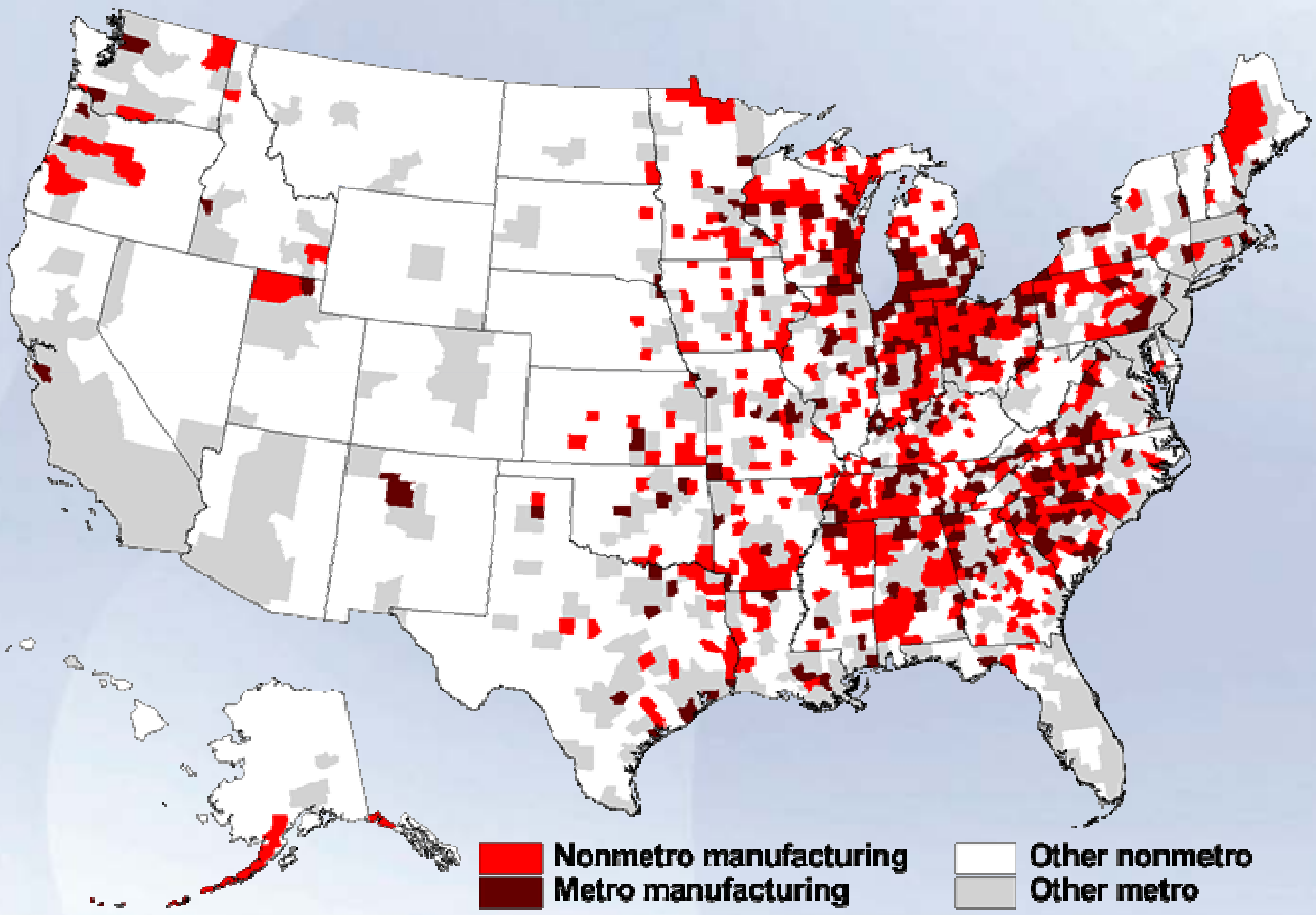
Farming-dependent counties--either an annual average of 15 percent or more of total county earnings derived from farming during 1998-2000 or 15 percent or more of employed residents worked in farm occupations in 2000.
Source: Economic Research Service, USDA.

Mining-dependent counties, 1998-2000



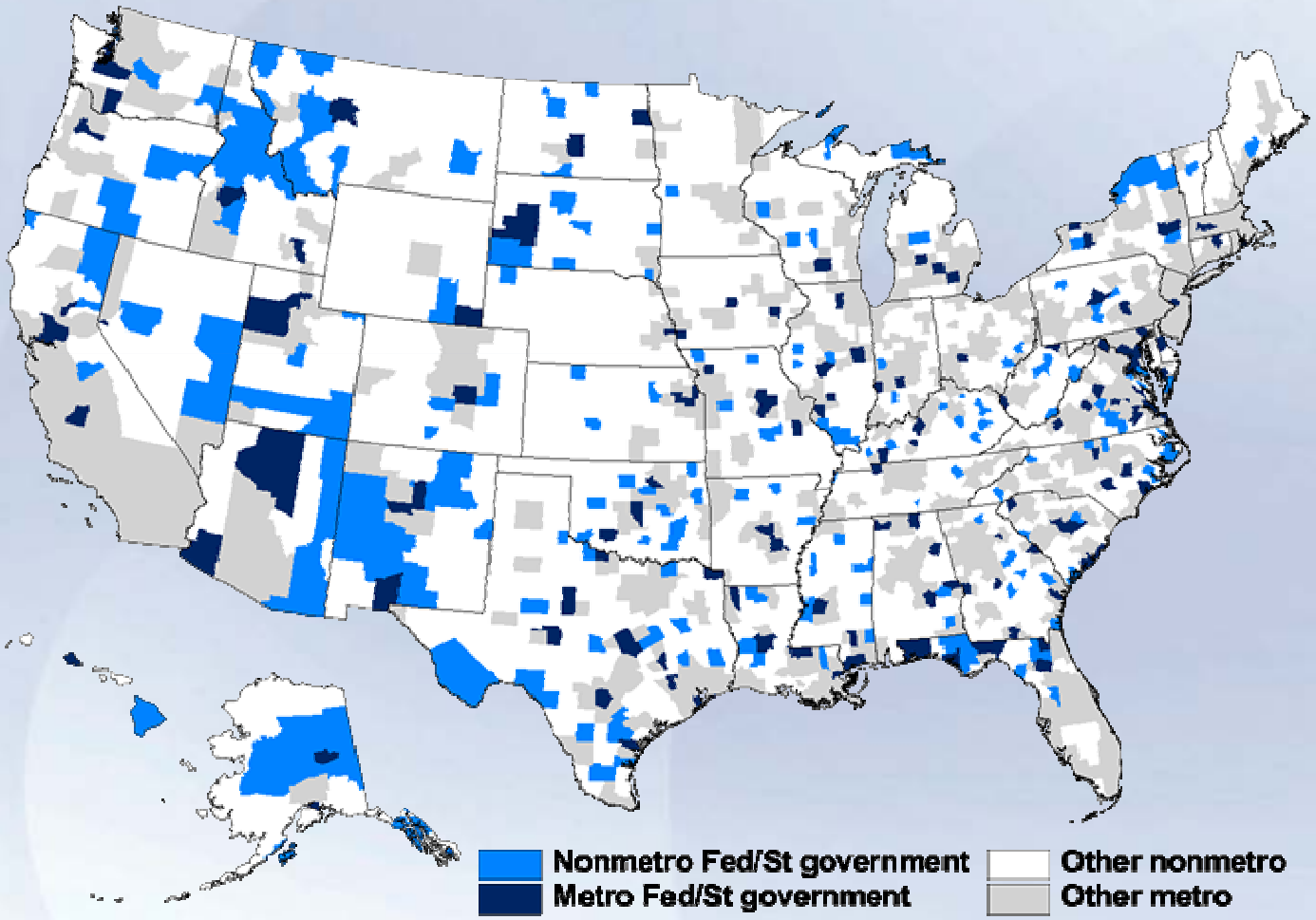
Mining-dependent counties--an annual average of 15 percent or more of total county earnings derived from mining during 1998-2000.
Source: Economic Research Service, USDA.

Manufacturing-dependent counties, 1998-2000



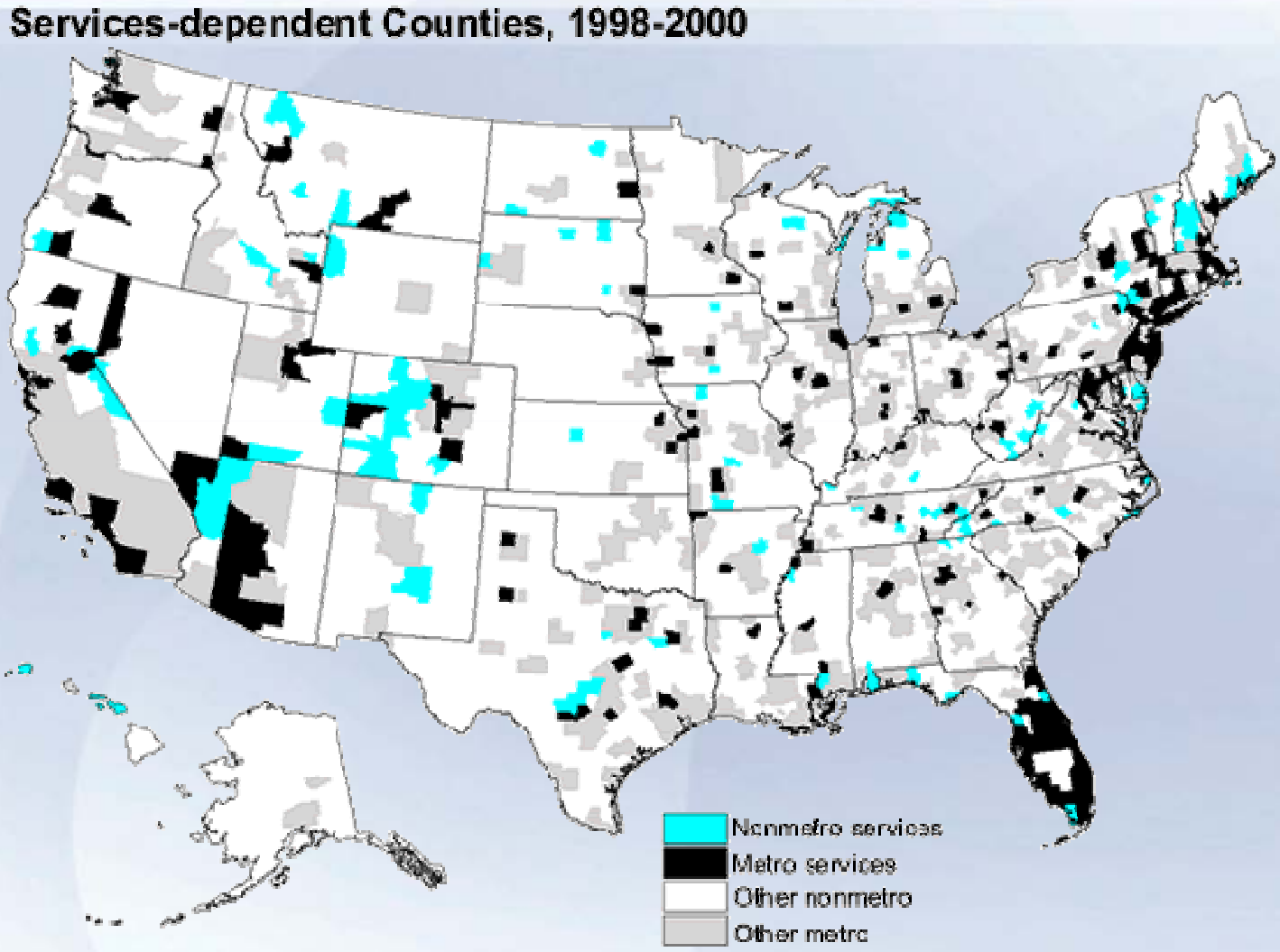
Manufacturing-dependent counties--an annual average of 25 percent or more of total county earnings derived from manufacturing during 1998-2000.
Source: Economic Research Service, USDA.

Federal/State government-dependent counties, 1998-2000



Federal/State government-dependent counties--an annual average of 15 percent or more of total county earnings derived from Federal and State government during 1998-2000.
Source: Economic Research Service, USDA.

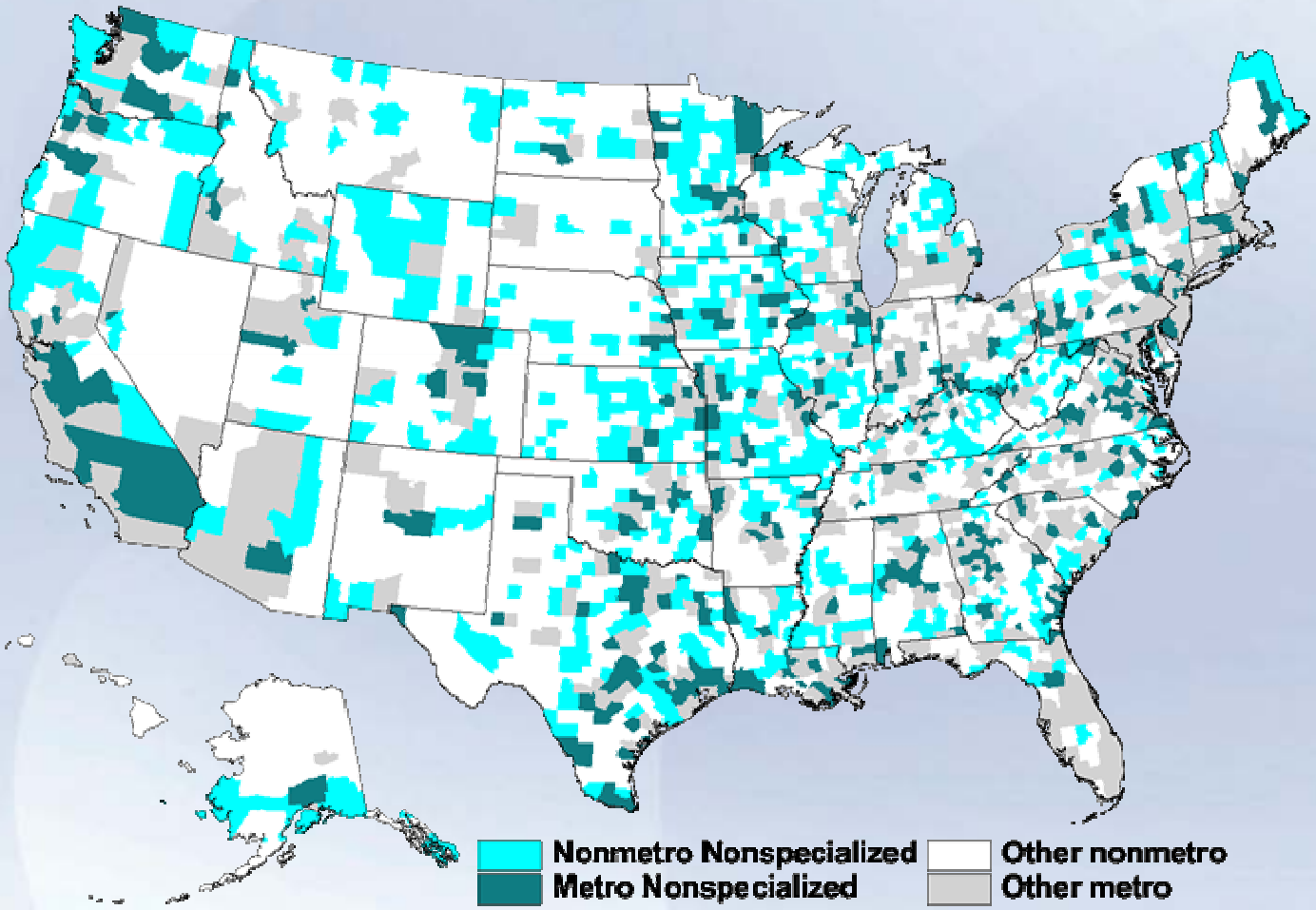
Services-dependent counties, 1998-2000



Services-dependent counties--an annual average of 45 percent or more of total county earnings derived from services (retail trade; finance and real estate; and services) during 1998-2000.

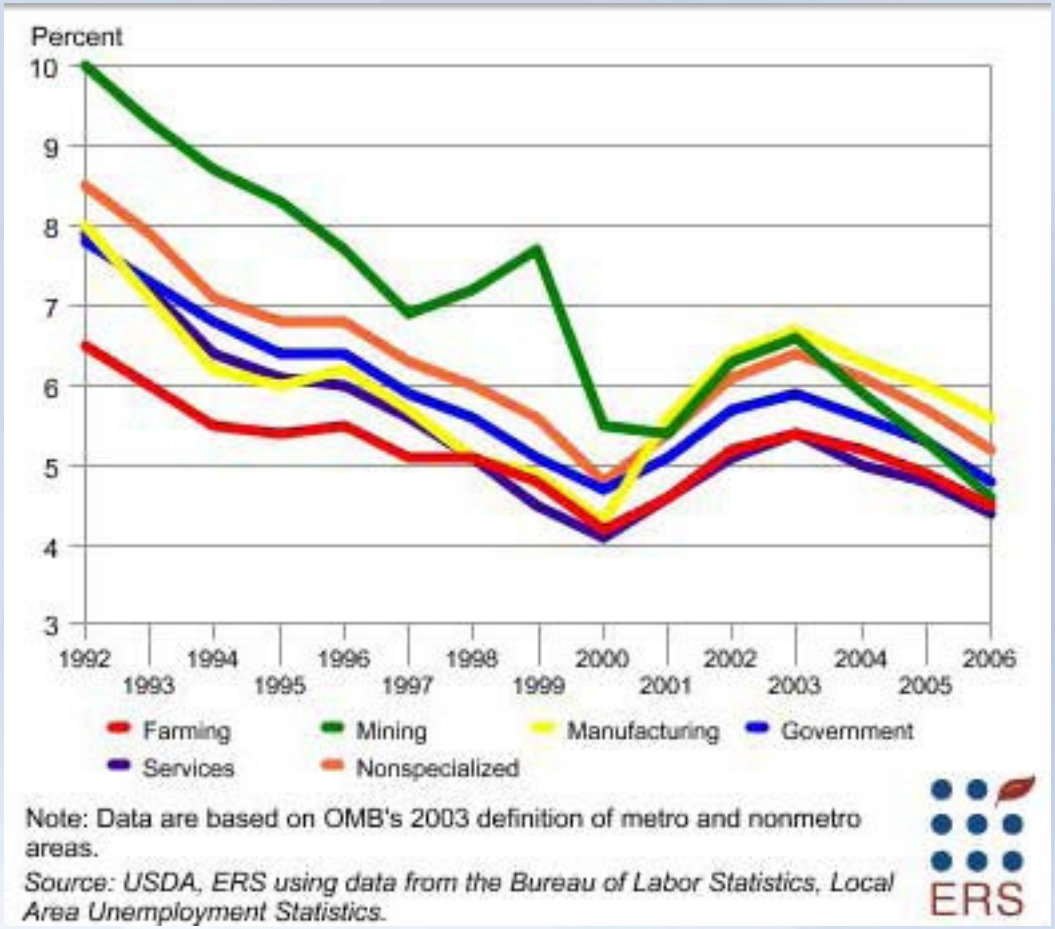
Source: Economic Research Service, USDA

Nonspecialized counties, 1998-2000

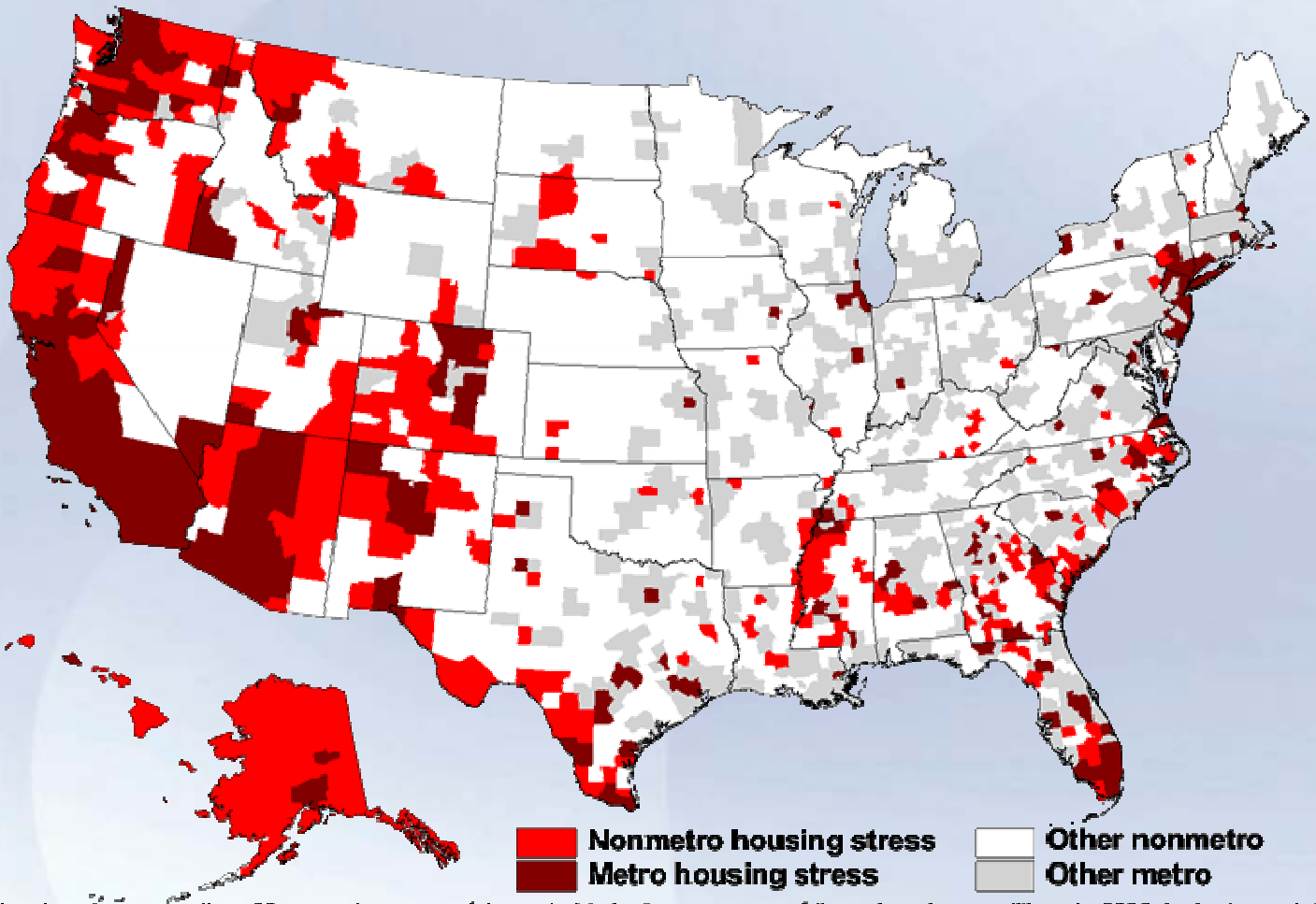


Nonspecialized counties--did not qualify for any of the farming, mining, manufacturing, Federal/State government, or services dependence categories during 1998-2000.
Source: Economic Research Service, USDA.

Nonmetro unemployment by county type

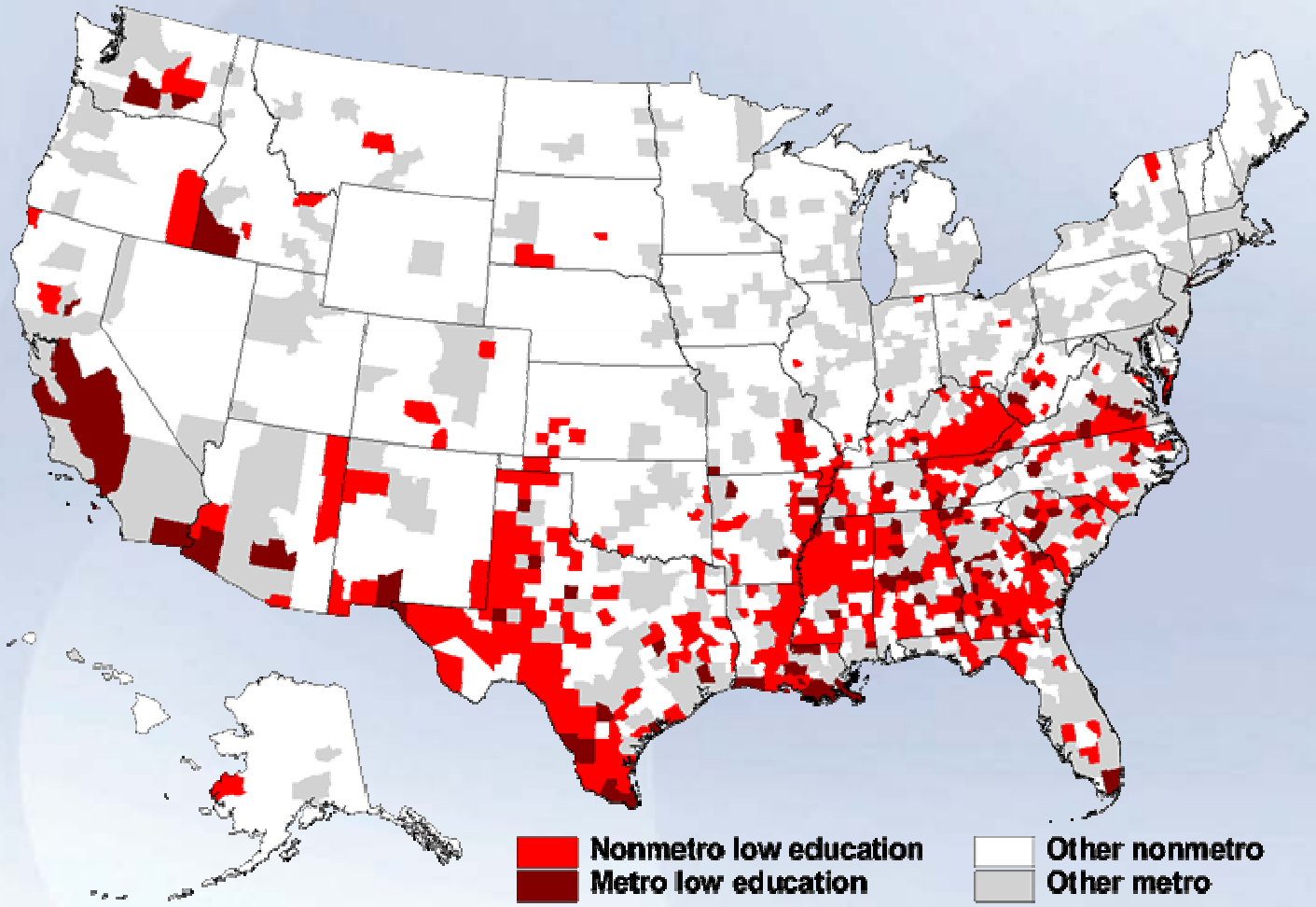


Housing stress counties, 2000



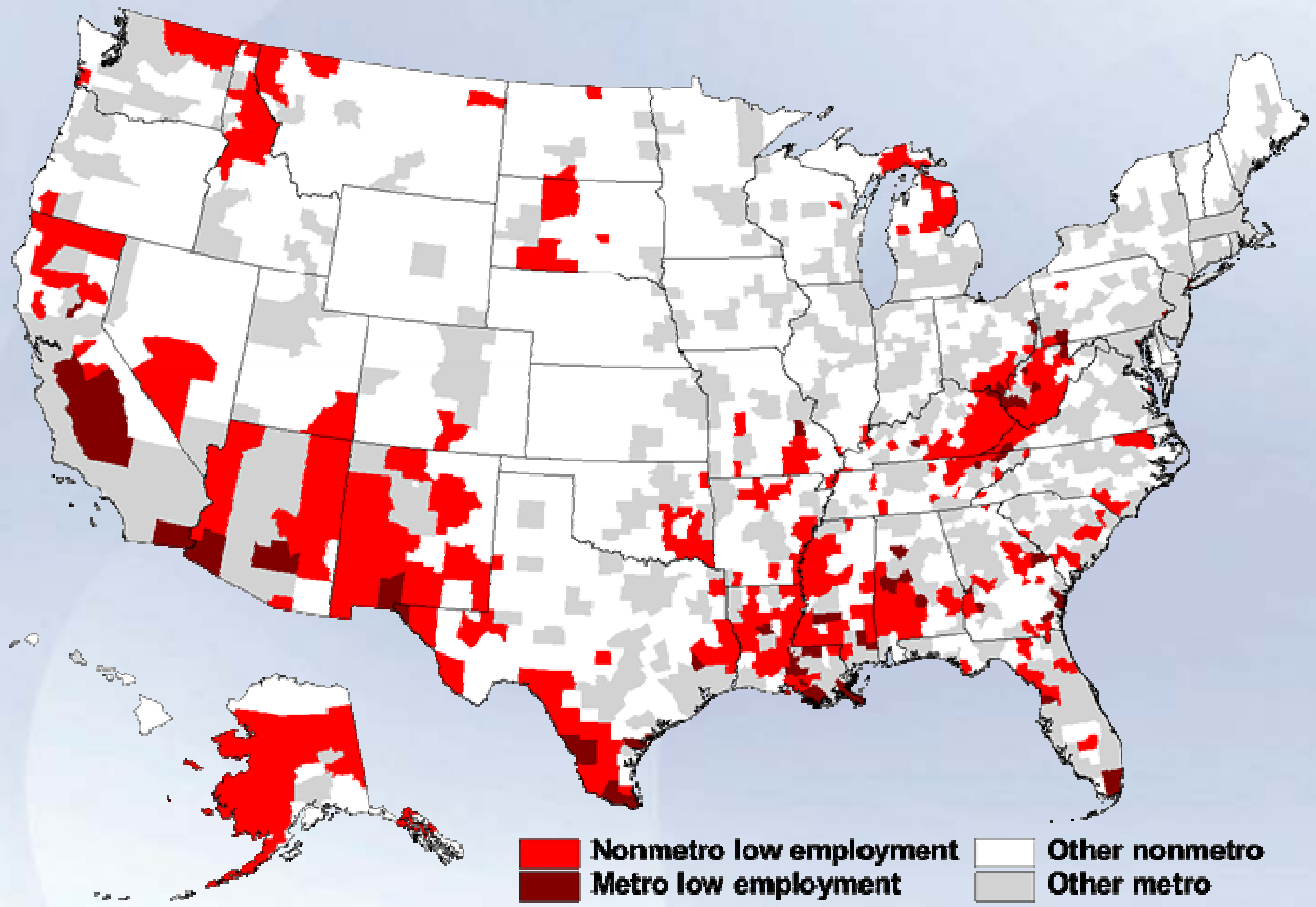
Housing stress counties--30 percent or more of households had one or more of these housing conditions in 2000: lacked complete plumbing, lacked complete kitchen, paid 30 percent or more of income for owner costs or rent, or had more than 1 person per room.
Source: Economic Research Service, USDA.

Low-education counties, 2000



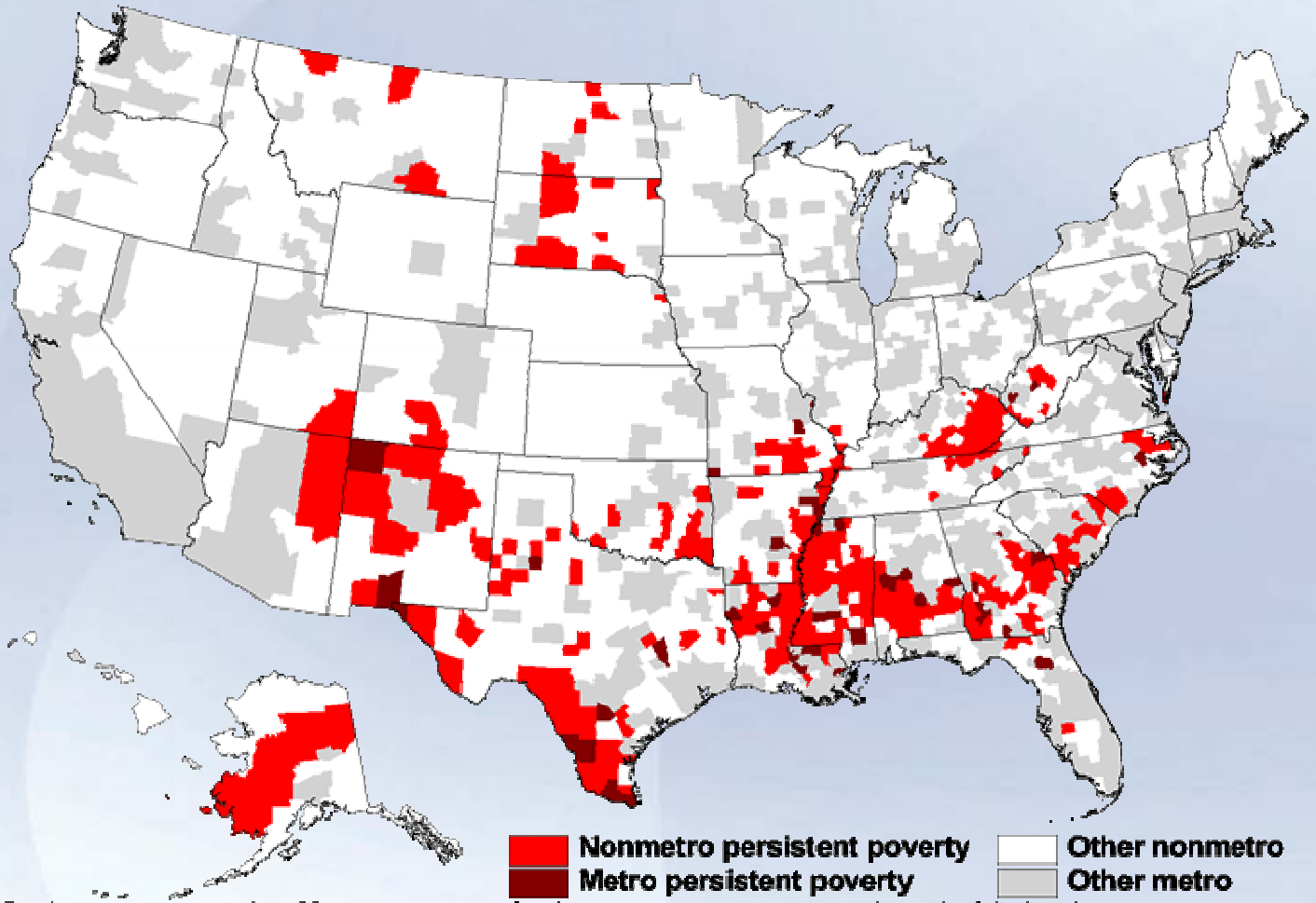
Low-education counties--25 percent or more of residents 25-64 years old had neither a high school diploma nor GED in 2000.
Source: Economic Research Service, USDA.

Low-employment counties, 2000



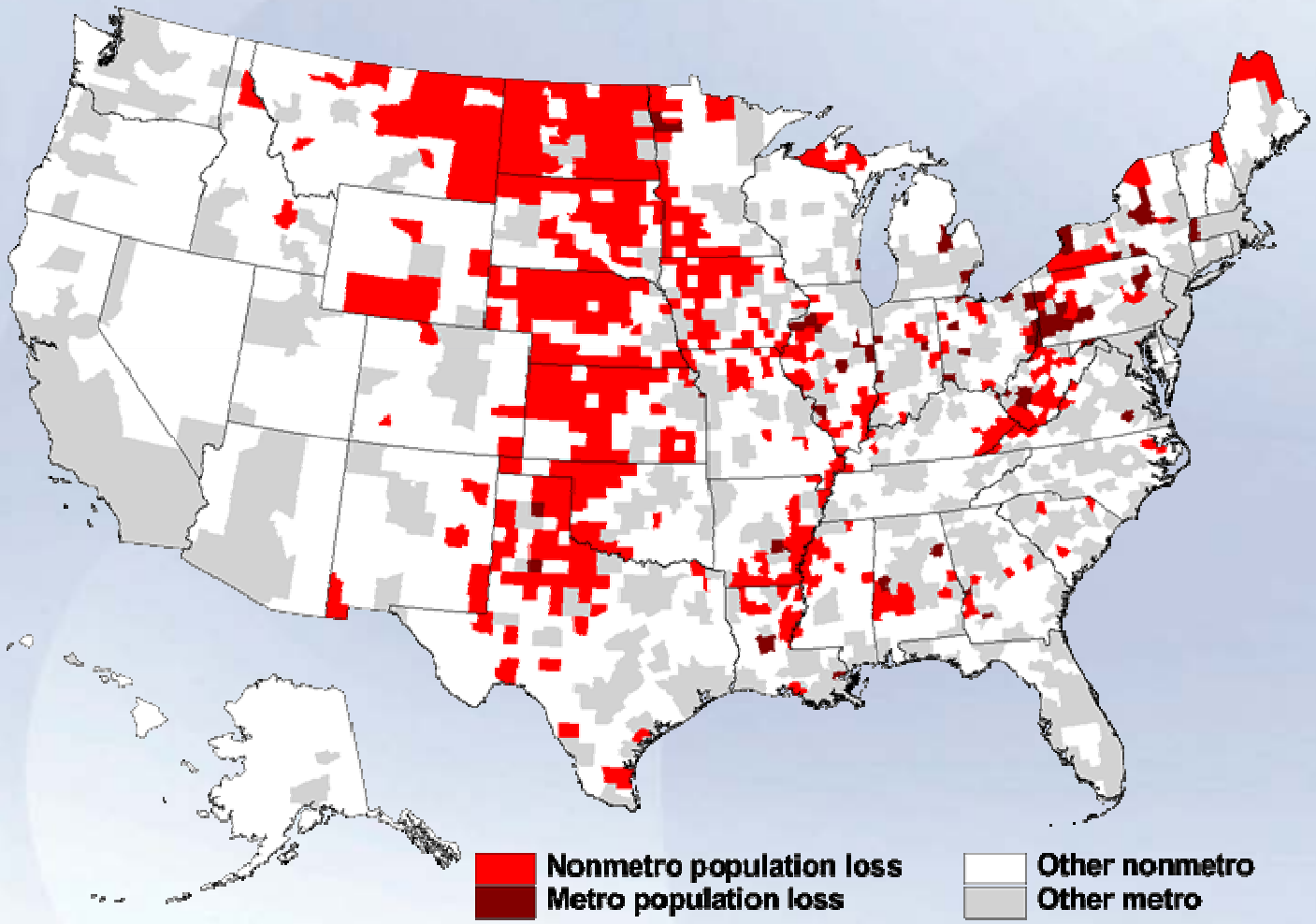
Low employment counties--less than 65 percent of residents 21-64 years old were employed in 2000.
Source: Economic Research Service, USDA

Persistent poverty counties, 1970-2000



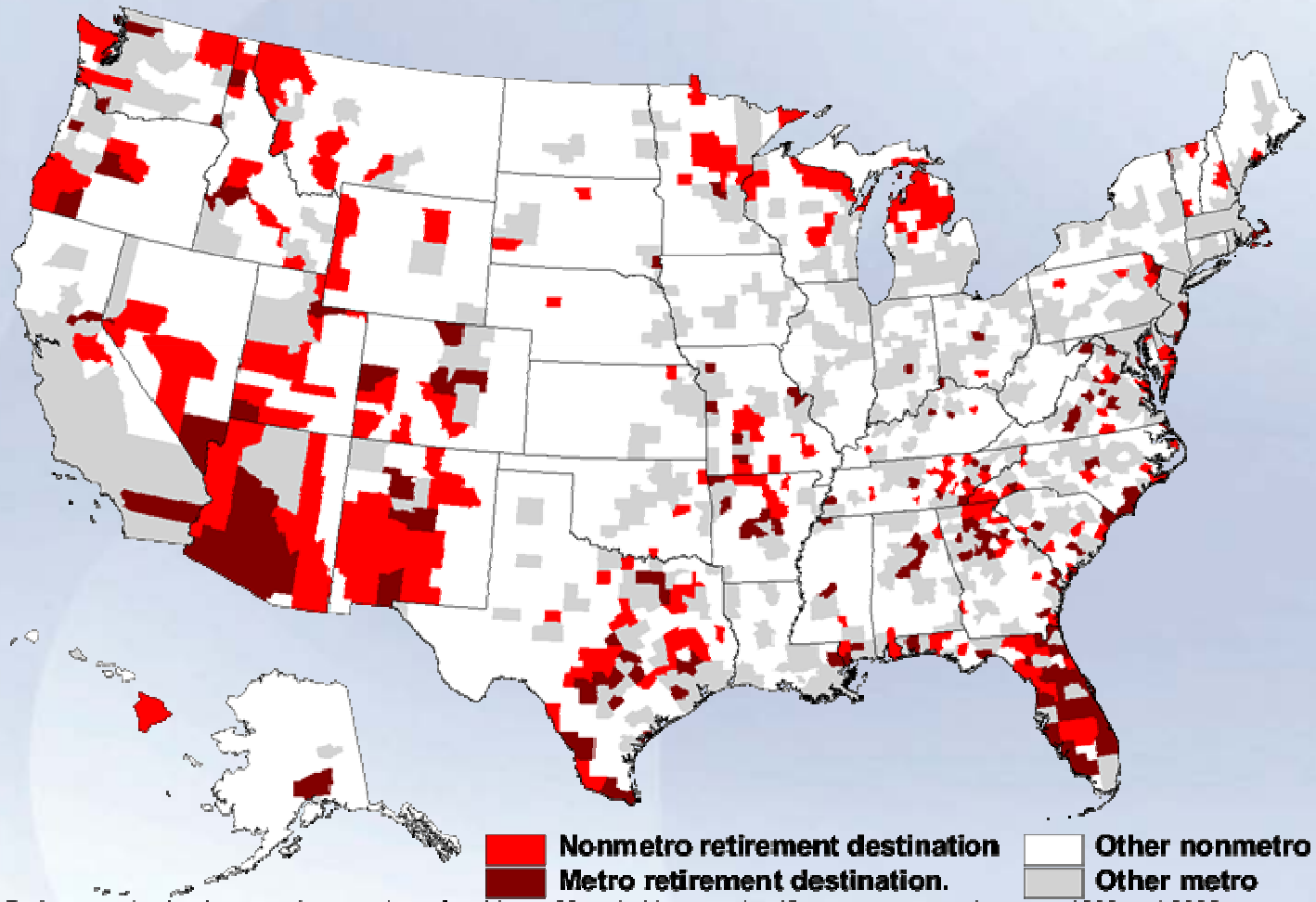
Persistent poverty counties--20 percent or more of residents were poor as measured by each of the last 4 censuses, 1970, 1980, 1990, and 2000.
Source: Economic Research Service, USDA.

Population loss counties, 1980-1990 and 1990-2000



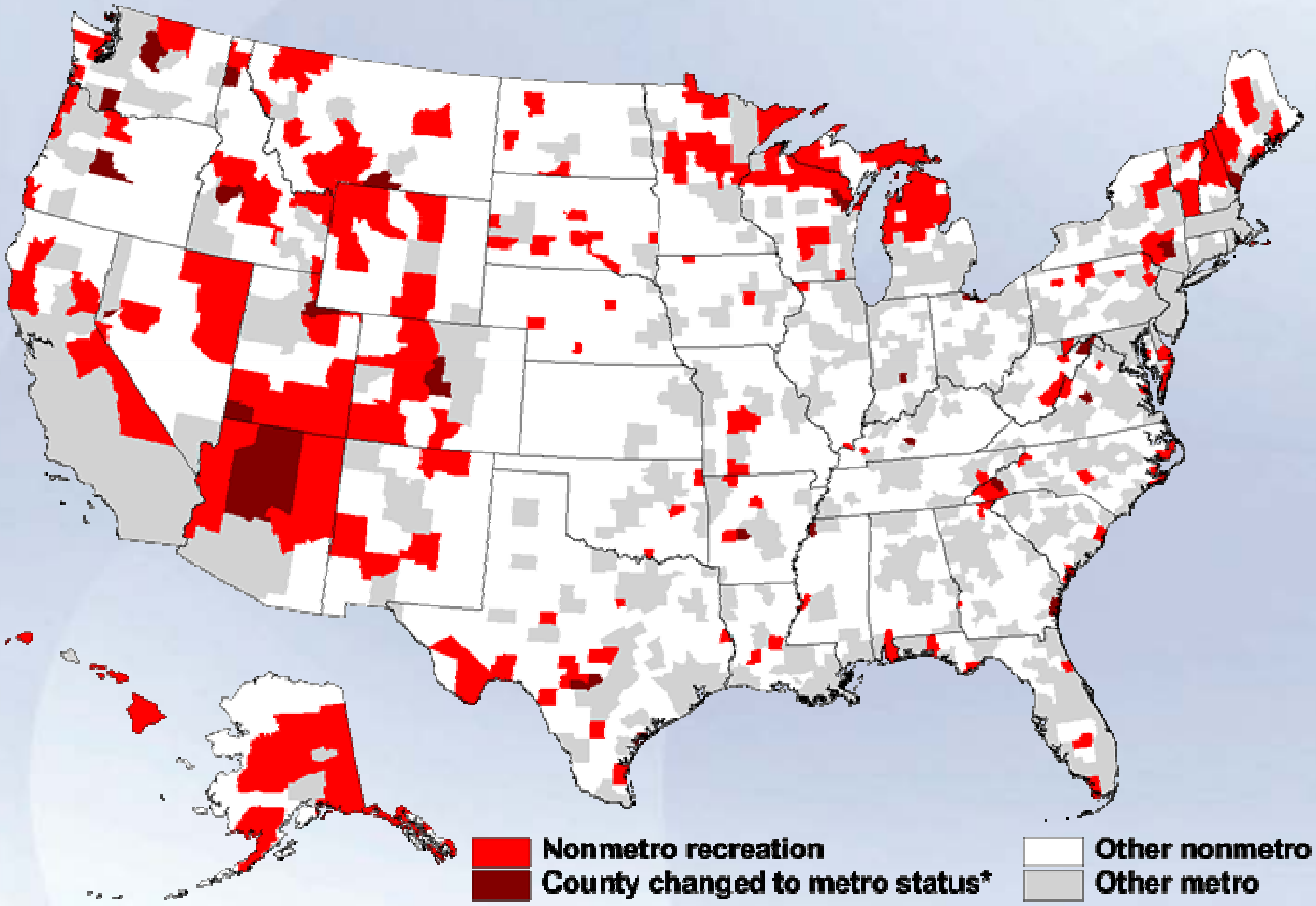
Population loss counties--number of residents declined both between 1980 and 1990 and between 1990 and 2000.
Source: Economic Research Service, USDA.

Retirement destination counties, 2000



Retirement destination counties--number of residents 60 and older grew by 15 percent or more between 1990 and 2000 due to inmigration.
Source: Economic Research Service, USDA.

Nonmetro recreation counties



Research findings

- Persistent poverty counties strongly associated with locations of race/ethnic populations
- Patterns on in- and outmigration contribute to increasing concentration of poverty
- Most rapid population and job growth in retirement destinations and recreation counties
- Unemployment and poverty not strongly associated with population loss; thus, population loss has come to be seen as a separate measure of distress (e.g., the proposed New Homestead Act)

Summary

- ERS regionalization schemes are useful research tools that can be applied to a variety of questions
- But they primarily reflect the rural development policy concerns of the Department of Agriculture
- They are meant to "…sharpen and expand knowledge of regional problems."
- USDA policy and programs benefit from understanding the diversity of the economic and social landscape