

Defining Rural America

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In Search of Rural: How Varying Definitions Shape Housing Research

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#RuralResearchSymposium



Roadmap

- Introduction, data, and methods
- Defining rural areas
- Mapping rural areas
- Key findings
 - Size of the rural housing market
 - Race/ethnicity
 - Demographics
 - Rural housing stock
- Future work and conclusions



Introduction

- Researching housing challenges and characteristics in rural areas is often complicated by the lack of “good data”
- Researchers often define rural based on practical considerations like data availability and geography
- We hope to show: the choice of rural definition matters significantly and requires careful consideration



Data and Methods

- Replicate common definitions of rural at the county, zip code, census tract, and urban area/cluster geographies
- Use 2019 American Community Survey 5-Year Estimates to show how population, housing unit, and household counts, as well as other common housing, demographic, and economic characteristics vary depending on the rural definition used
 - What do these different definitions of rural tell us about the size of the rural housing market?
 - What do they tell us about the scope and extent of rural housing, demographic, and economic challenges and realities?



Common Ways to Define Rural

- “Not urban”
- Population
- Housing and population density
- Accessibility to cities and economic interdependence
- Commuting times and adjacency
- Perceptions
- Typologies of rural



Four Categories

- Residual
- Character
- Perceptual
- Policy



Rural Definitions

- **Residual**

- Office of Management and Budget (OMB)
- Census Urban and Rural Classification (Census)

- **Character**

- Housing Assistance Council (HAC)
- USDA Rural-Urban Commuting Area (RUCA)
- USDA Rural-Urban Continuum Codes (RUCC)

- **Perceptual**

- HUD Urban Perceptions Small Area Index (HUD)
- Trulia Perception-Based Indicator (Trulia)

- **Policy**

- USDA Eligibility (USDA)
- FHFA Duty to Serve (FHFA)



Rural Definitions

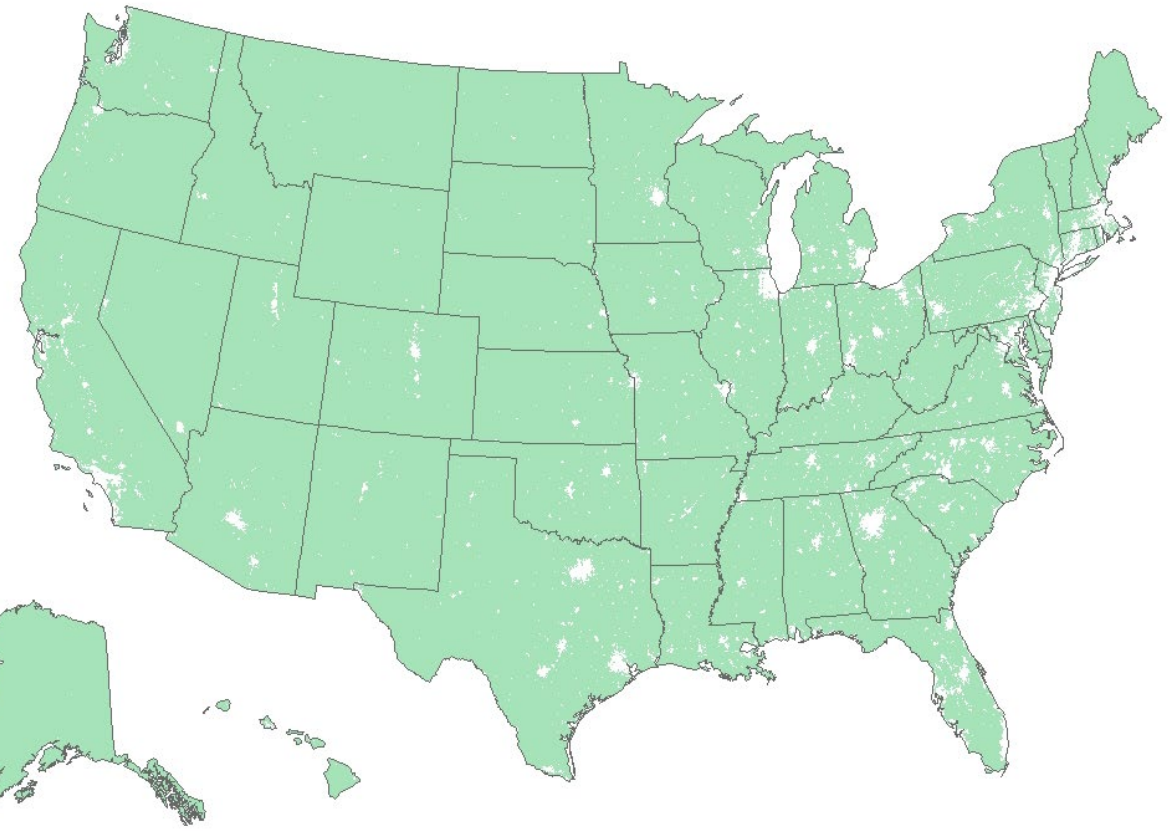
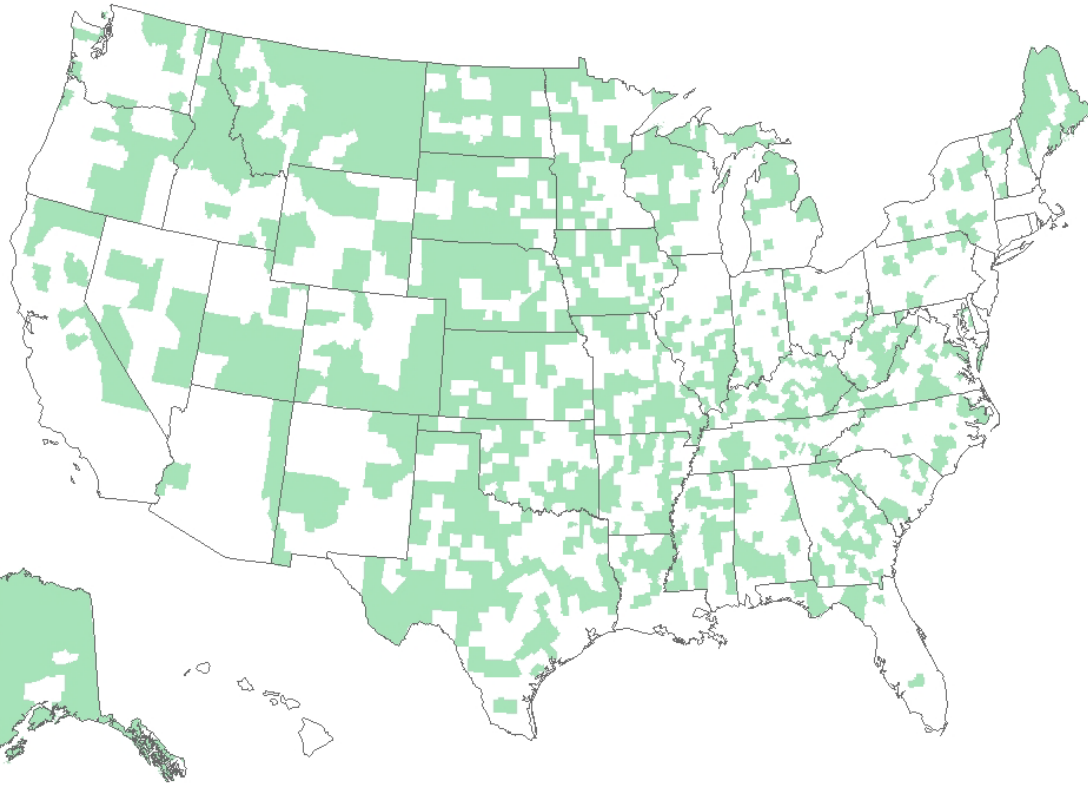
Definition	Year	Updates	Geo.	Defining Rural
OMB	2018	Periodic	County	Define MSAs that have at least one urbanized area of 50,000 people or more and adjacent territory with a high degree of integration. Everything else is categorized as non-metropolitan, a common proxy for rural.
Census	2010	Decennial	UA/UC	Define UAs and UCs by population density and adjacency. Everything else is categorized as rural.
HAC	2019	One-time	Tract	Under 16 housing units per square mile; small-town tracts also have a commuting component
RUCA	2010	Decennial	Tract	Primary commuting flows to a tract outside an UA or UC
RUCC	2013	Decennial	County	In non-metro counties, an urban population with under 2,500 people
HUD	2017	One-time	Tract	AHS (2017) asked respondents to define their neighborhood as urban, suburban, or rural; neighborhood characteristics associated with these perceptions were then used to predict the likelihood any given tract would be seen as rural
Trulia	2015	One-time	Zip	Trulia asked respondents to define their neighborhood as urban, suburban, or rural; neighborhood characteristics associated with these perceptions were then used to predict the likelihood of any given tract would be seen as rural
FHFA	2021	Annual	Tract	All tracts outside MSAs; tracts within MSAs that are outside a UA and have under 64 housing units per square mile
USDA	2021	Annual	Tract	Determined by population, MSA status, mortgage credit availability, and previous rural designation



Residual

OMB

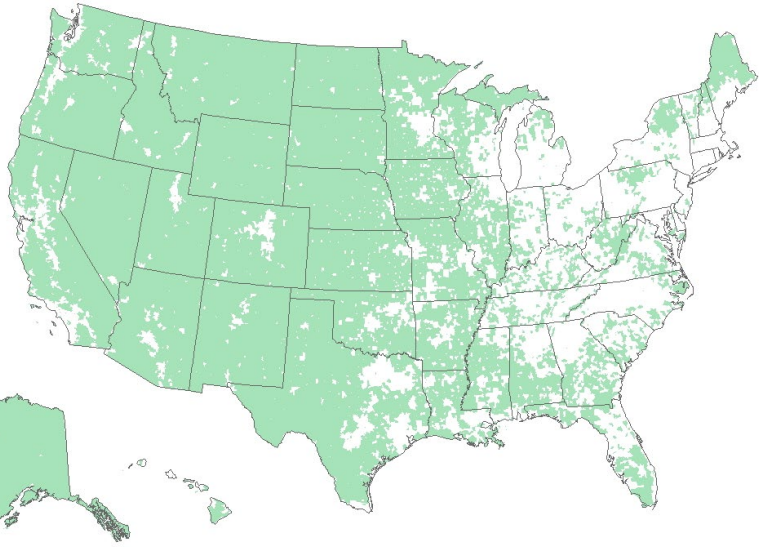
Census



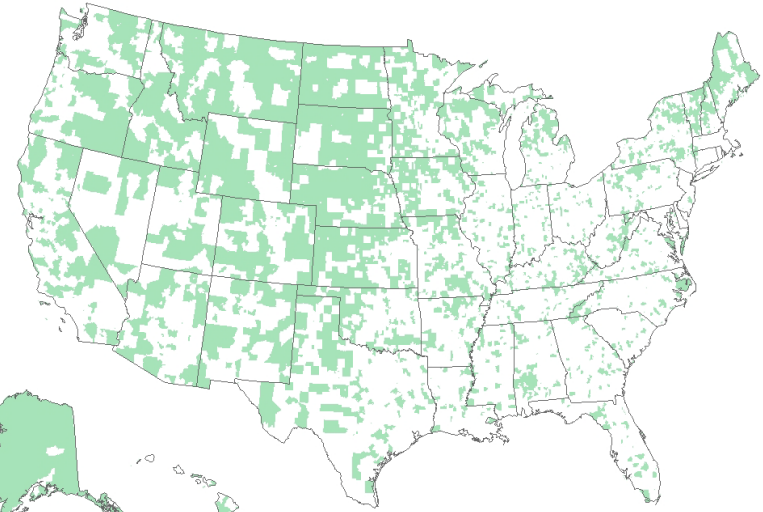


Character

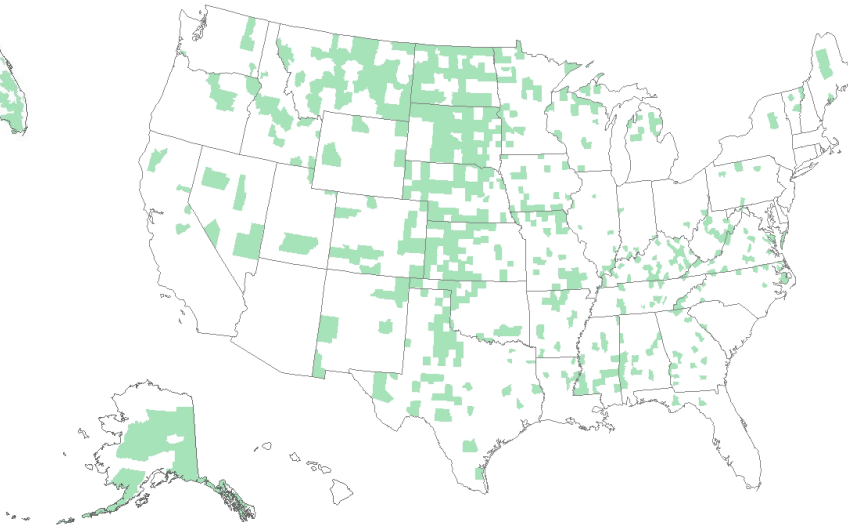
HAC



RUCA



RUCC

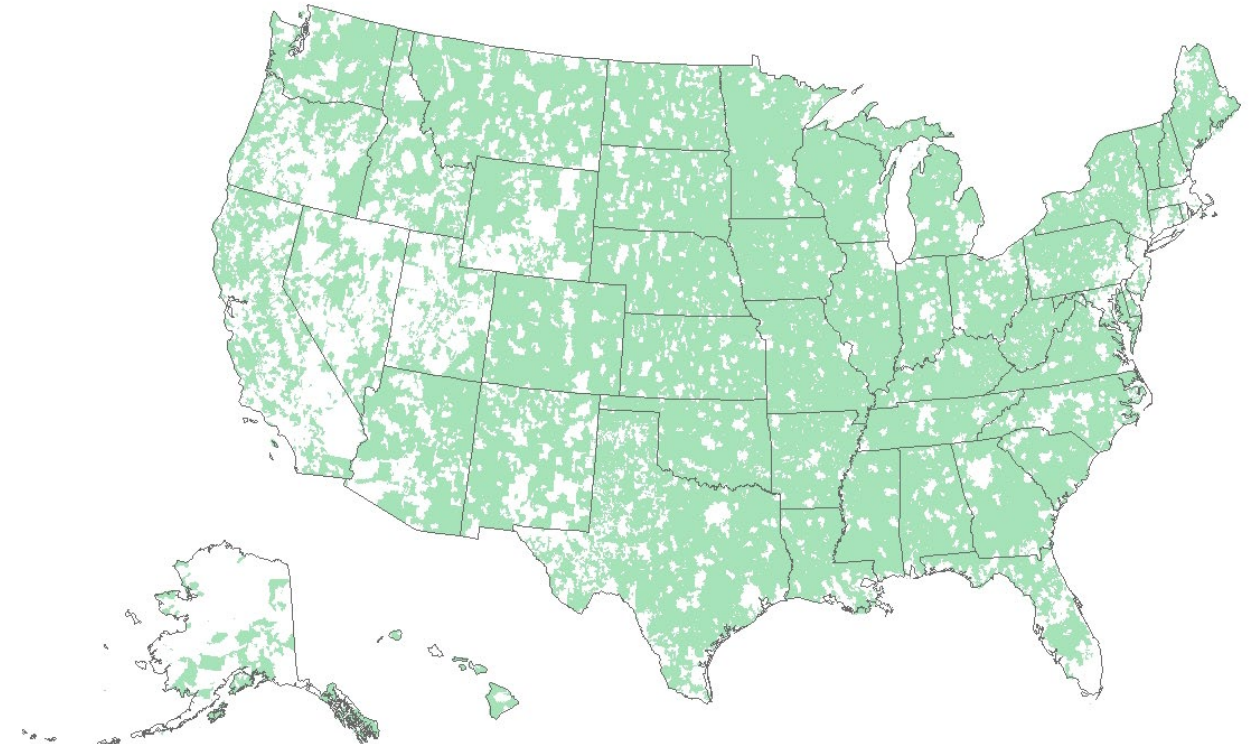
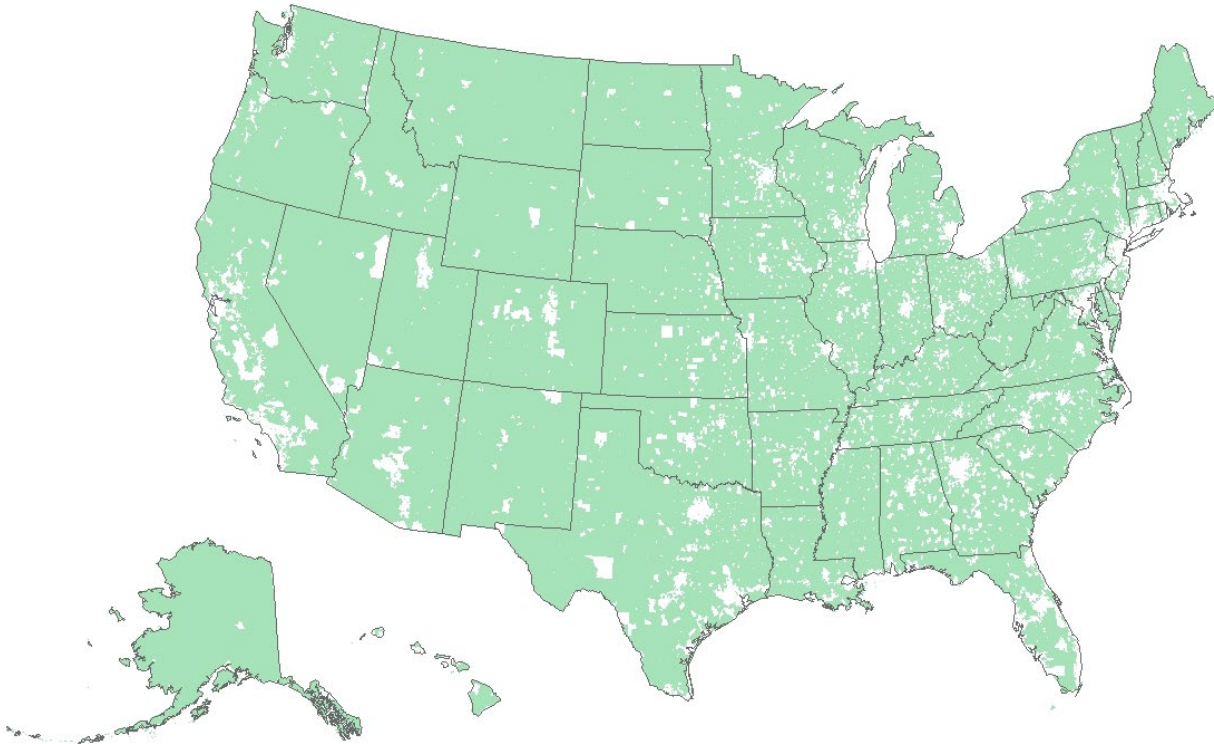




Perceptual

HUD

Trulia

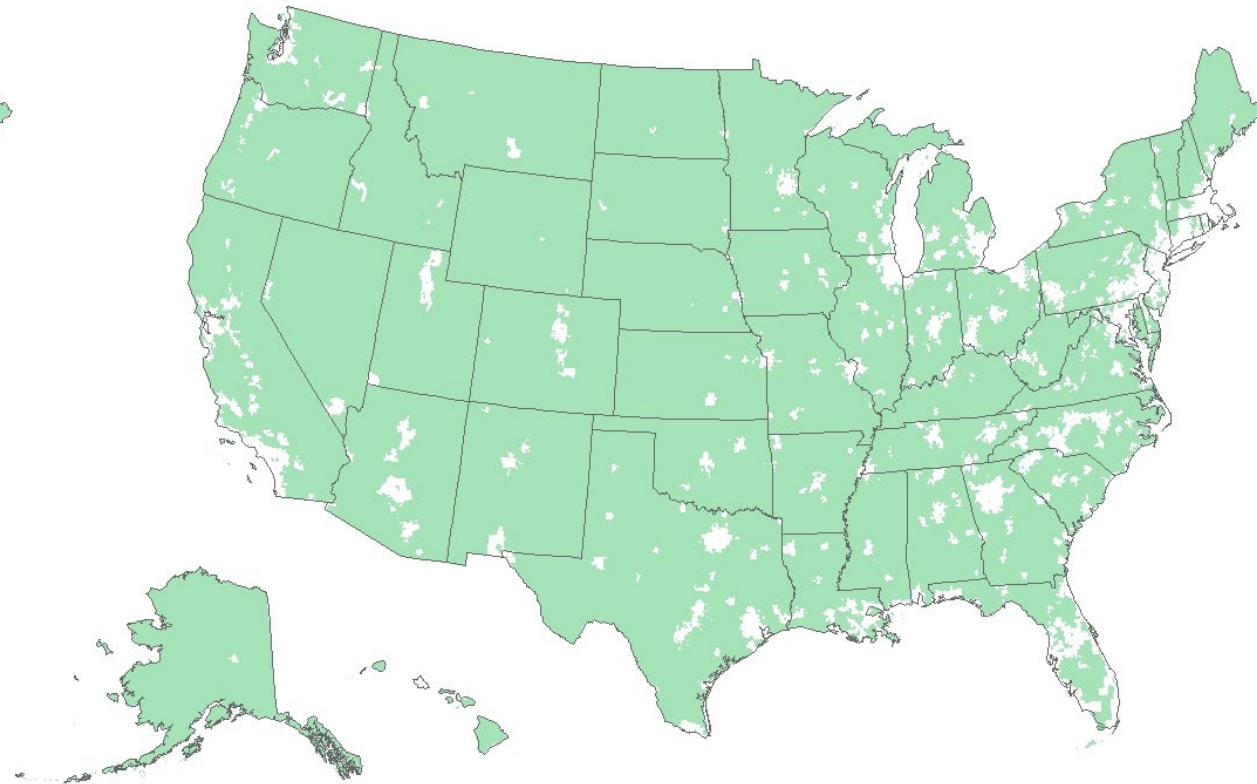
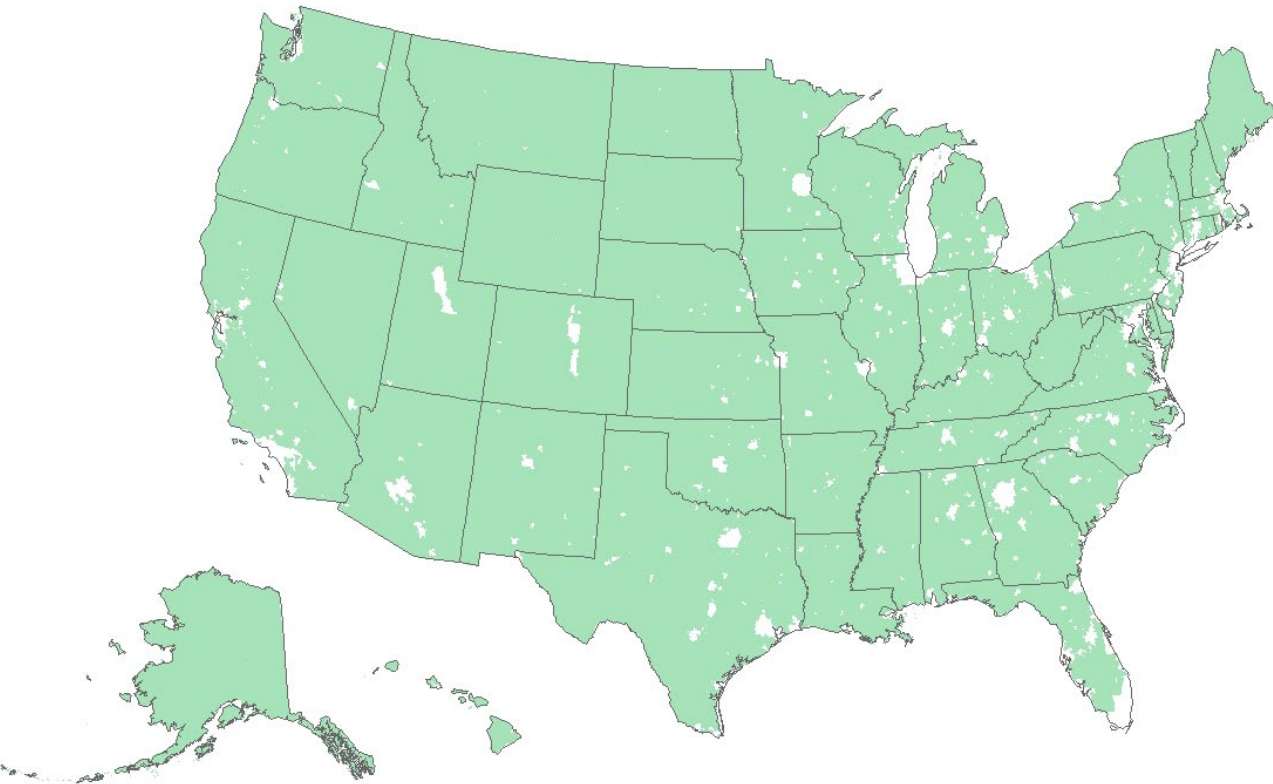




Policy

USDA Eligibility

FHFA





Key Findings

- Choice of rural definition matters greatly for the size of the rural housing market
- For the most part, rural challenges are directionally similar regardless of definition used
 - But even then, magnitudes can still vary considerably
- In other cases, choice of definition matters directionally for rural challenges and realities



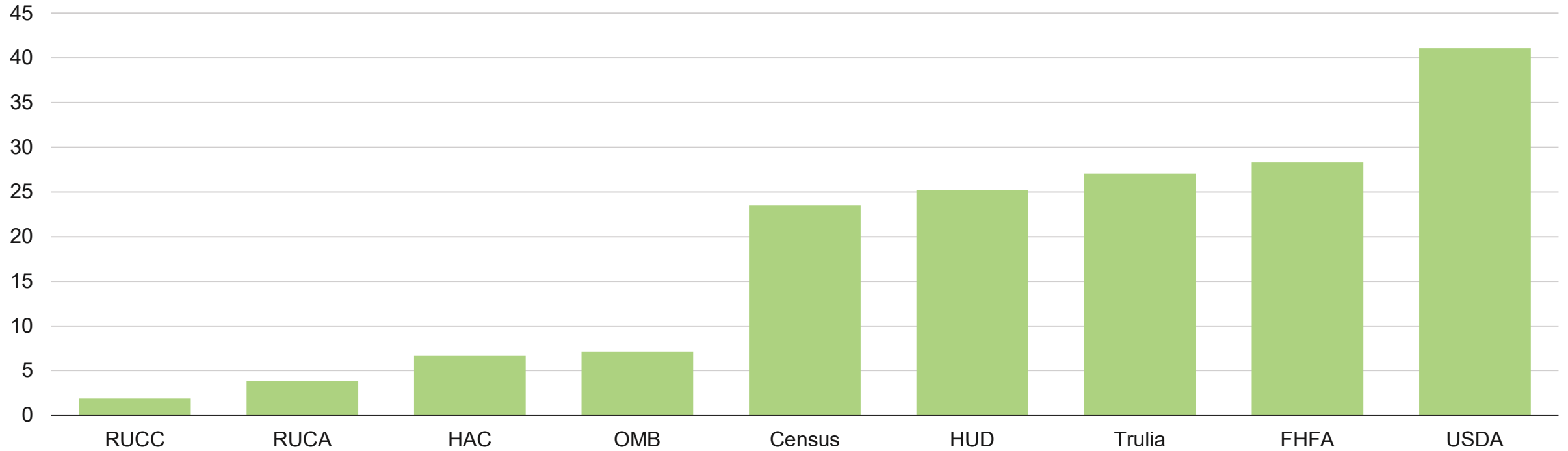
Size of the Rural Housing Market

	Residual		Character			Perceptual		Policy		US Overall	Summary		
	OMB	Census	HAC	RUCA	RUCC	HUD	Trulia	FHFA	USDA		Min	Max	Avg
Millions													
Land Area (Sq. miles)	1.8	3.4	2.8	1.7	0.9	3.2	2.3	3.3	3.4		0.9	3.4	2.5
Housing Units	9.6	29.2	8.8	5.5	2.7	31.0	33.3	35.1	49.3	137.4	2.7	49.3	22.7
Households	7.2	23.5	6.7	3.8	1.9	25.2	27.1	28.3	41.1	120.8	1.9	41.1	18.3
Total Population	18.2	62.2	18.3	9.7	4.7	67.0	71.5	74.2	109.5	324.7	4.7	109.5	48.4
Per Sq. Mile													
Population Density	10	18	7	6	5	21	31	22	32	92	5	32	17
Housing Unit Density	5	9	3	3	3	10	14	11	14	39	3	14	8



Household Counts Vary Considerably by Definition

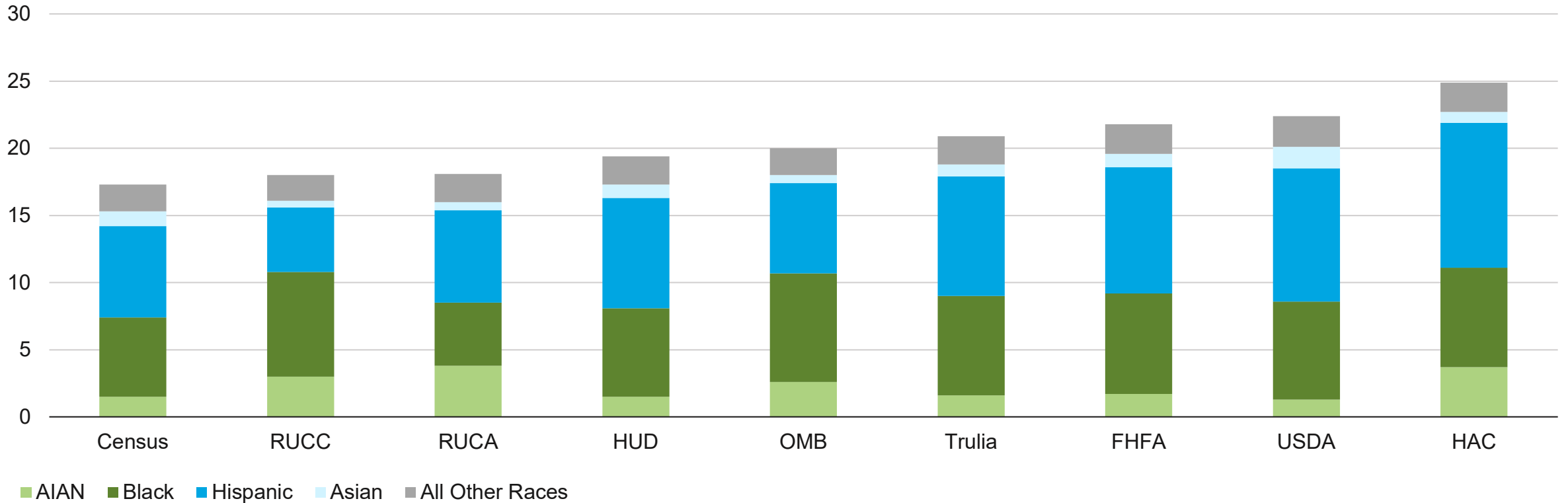
Households (Millions)





The Share of the Population Who Are People of Color Varies Considerably...

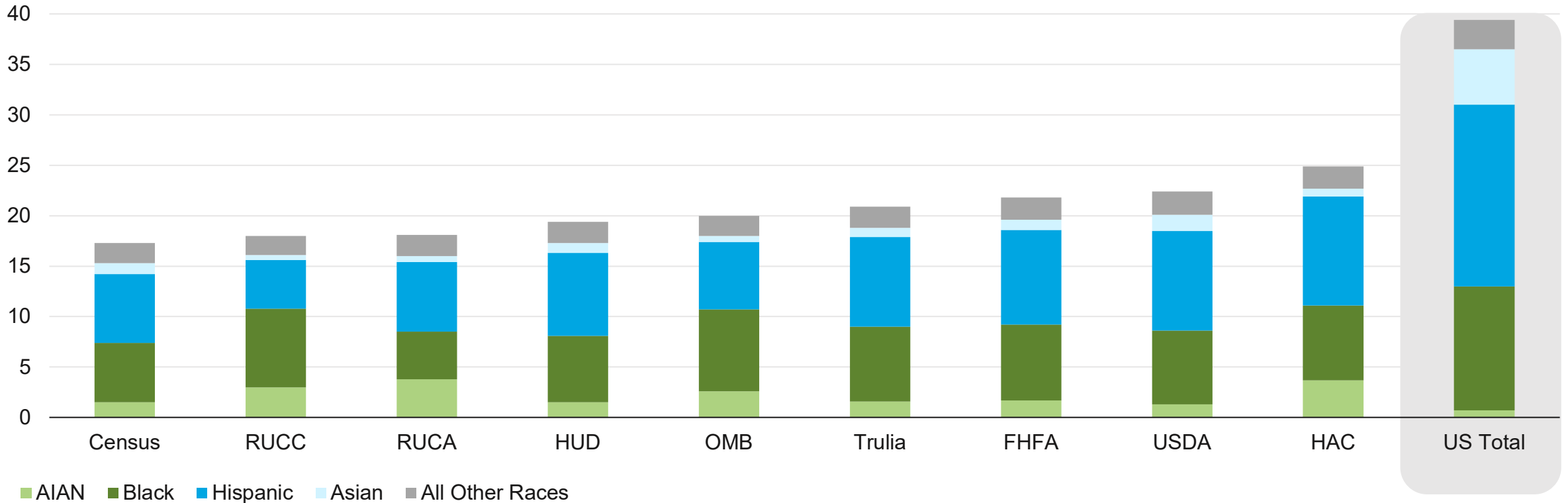
Share People of Color (Percent)





... But in All Cases, Rural Areas are Less Diverse than the Country Overall

Share People of Color (Percent)





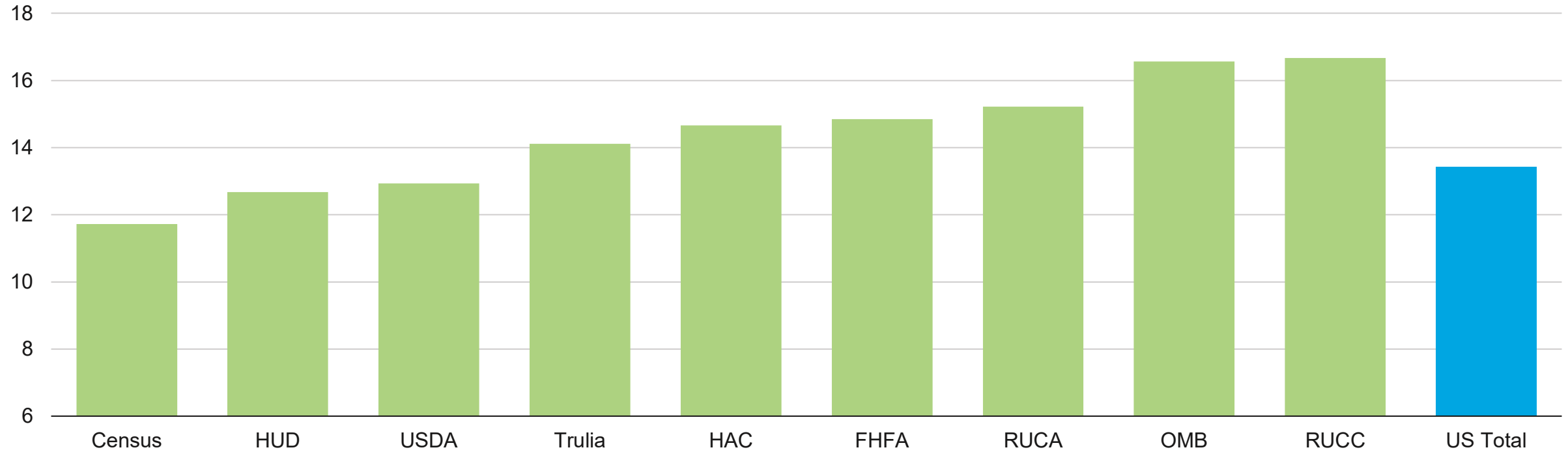
Rural Demographic Realities

	Residual		Character			Perceptual		Policy		US Overall	Summary		
	OMB	Census	HAC	RUCA	RUCC	HUD	Trulia	FHFA	USDA		Min	Max	Avg
Percent													
Age 65 and Older	20.4	18.9	18.7	21.3	21.9	18.6	18.4	18.5	17.9	15.6	17.9	21.9	19.4
Poverty Rate	16.6	11.7	14.7	15.2	16.7	12.7	14.1	14.8	12.9	13.4	11.7	16.7	14.4
Bachelor's Degree	17.8	23.5	18.2	19.4	17.9	22.1	20.9	20.8	24.4	32.1	17.8	24.4	20.6
Dollars													
Median Household Income	47,400		52,905	50,549	46,052	57,717	53,350	52,675	57,668	61,705	46,052	57,717	52,290



Depending on Rural Definition, Poverty Rates Can Be Either Below or Above the Overall US Rate

Poverty Rate (Percent)





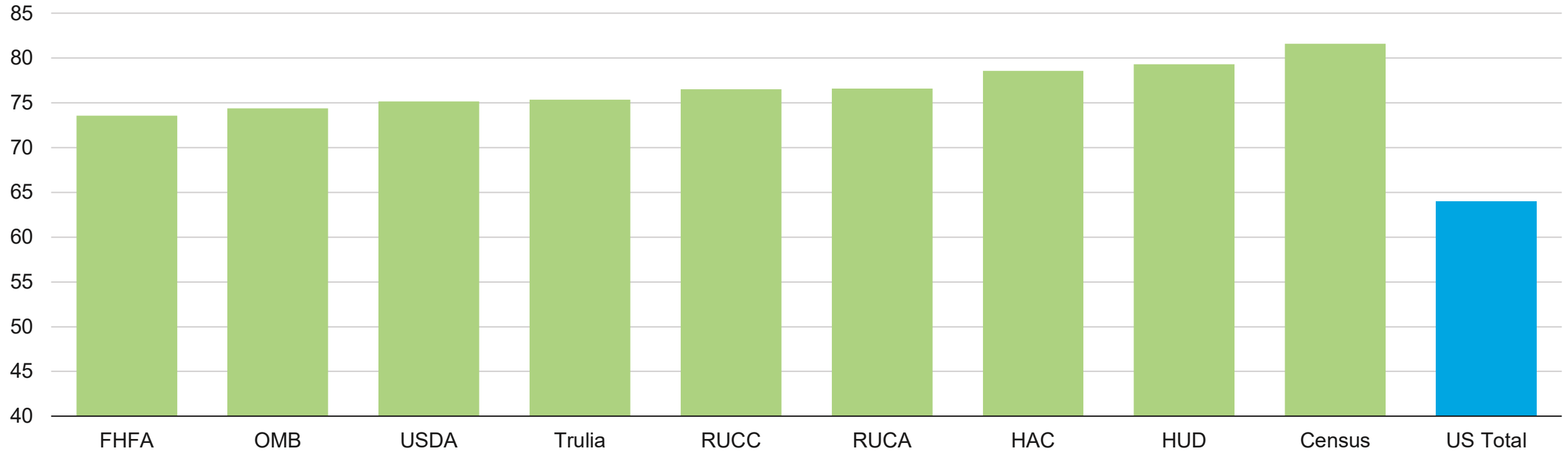
Rural Housing Stock

	Residual		Character			Perceptual		Policy		US Overall	Summary		
	OMB	Census	HAC	RUCA	RUCC	HUD	Trulia	FHFA	USDA		Min	Max	Avg
Percent													
Homeownership Rate	74.4	81.6	78.6	76.6	76.5	79.3	75.4	73.6	75.2	64.0	73.6	81.6	76.8
Share Single-Family Units	75.3	78.6	76.8	78.2	76.5	77.1	75.6	74.7	76.1	67.4	74.7	78.6	76.5
Share Mobile Homes Share Structures Built Before 1990	15.9	16.3	18.2	14.3	16.9	16.5	15.0	14.3	13.0	6.2	13.0	18.2	15.6
Share without Internet Access	68.5	58.3	64.2	68.9	67.6	60.0	63.0	65.0	60.5	66.6	58.3	68.9	64.0
	32.7	23.3	31.5	31.0	35.3	23.7	25.6	26.0	21.6	16.8	21.6	35.3	27.9
Dollars													
Median Home Value	113,400		127,000	124,000	106,700	156,600	143,100	142,000	162,400	201,200	106,700	162,400	134,400
Median Gross Rent	663		697	670	622	773	735	736	789	1,078	622	789	711



Homeownership Rates Vary Considerably with Rural Definition, but are All Above the National Rate

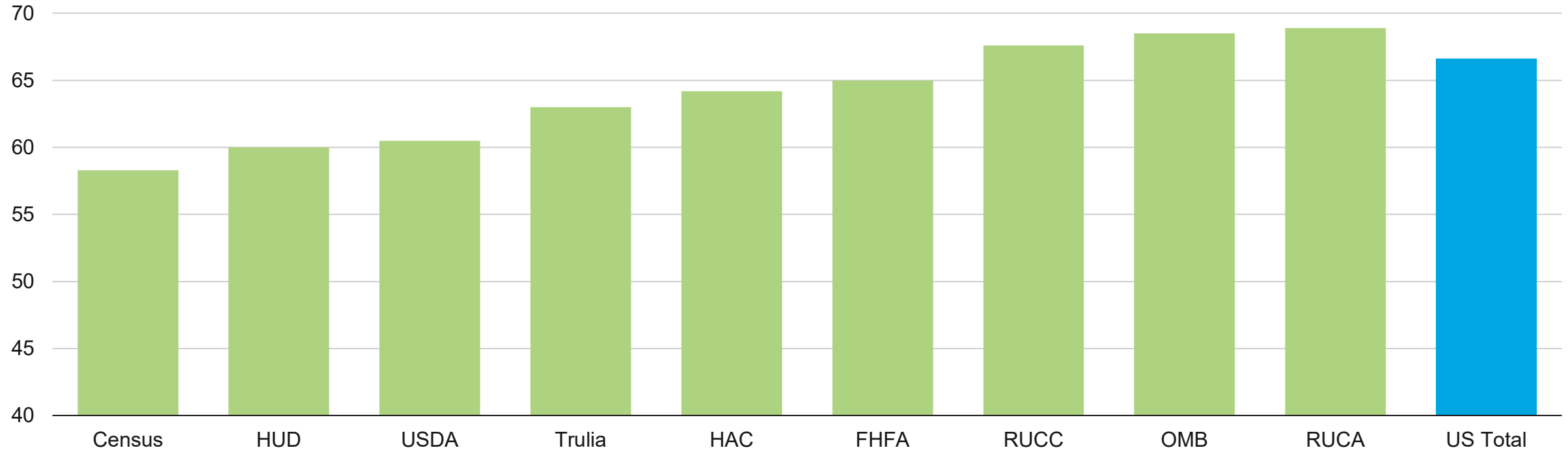
Homeownership Rate (Percent)





Extent of Older Housing Varies Considerably Depending on Rural Definition Chosen

Share of Housing Units Built Before 1990 (Percent)





Additional Research

- Areas of future inquiry
 - Housing costs/affordability
 - Racial equity
 - Commuting times
 - Measures of spatial isolation
- Regional and state differences
- Further explore commonalities and differences across measures
- Policy implications



Preliminary Conclusions

- No single definition of rural is “correct,” but choice matters significantly
- For the most part, key rural challenges are directionally similar regardless of definition used but even then magnitudes can vary greatly. However, this isn’t always the case either
- Perceptual definitions tend to be more broadly encompassing; use of narrower definitions might seem exclusionary as a result
- Defining rural has implications for how resources are distributed and our understanding of the severity of rural housing challenges



**Thank
You**