Economic Research Service
Regional Typologies

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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**

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**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
Rural-Urban continuum

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

Source: ERS-USDA using data from U.S. Census Bureau
Poverty rates increase with rurality

Poverty by rural-urban continuum code, 1999
Poverty rates increase as counties become more rural

Percent

Nonmetro

Poverty rates increase with rurality

Poverty rates of children under 18 years old by the rural-urban continuum code: 1990-2000

Source: Calculated by ERS from Census Bureau data, 1990 and 2000 STF3 files.
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

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.
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—those with 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

Note: Data are based on OMB's 2003 definition of metro and nonmetro areas.
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.

Source: Economic Research Service, USDA.
Retirement destination counties, 2000

Retirement destination counties—number of residents 50 and older grew by 15 percent or more between 1990 and 2000 due to immigration.

Source: Economic Research Service, USDA.
Nonmetro recreation counties

See Methods for classification definition.
Source: Economic Research Service, USDA.

*Only counties classified as nonmetro in either 1990 or 2000 were analyzed.
These metro recreation counties were nonmetro in 1990.
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