

Rural America more prosperous than expected

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For many people "rural" is synonymous with low incomes, limited economic opportunity, and poor schools. However, a recent study at the University of Illinois found that much of rural America is actually prosperous, particularly in the Midwest and Plains.

The study analyzed unemployment rates, poverty rates, high school dropout rates, and housing conditions to identify prospering communities. According to the study, one in five rural counties in the United States is prosperous. They do better than the nation on all these measures.

"Growth and <u>income</u> are the conventional measures of community success," said U of I economist and planner Andrew Isserman. "But, in



talking with farm groups, elected leaders, and rural development professionals from across the country, I realized how few were happy. Some worried about growing too much, and the others fretted about growing too little."

Isserman decided to focus on outcomes instead of growth. Do communities keep their kids in school? Are their unemployment and poverty rates low? Are housing conditions good and the folks healthy?

"When we started our research, people wondered whether we would find any prosperous rural communities at all using those criteria. But more than 300 of the nation's rural counties did better than the nation."

Why Some Rural Places Prosper and Others Do Not was coauthored by Isserman, Edward Feser, and Drake Warren and published in the *International Regional Science Review* in July 2009.

Counties in America's Heartland came out on top with half its rural counties prospering. USDA defines the Heartland as Illinois, Indiana, and Iowa and parts of six adjacent states.

In the Southeast and Southwest, fewer than one in twenty rural counties prosper.

Prosperous rural counties have more off-farm jobs, more educated populations, and less <u>income inequality</u> than other rural counties. Geographical factors like climate, <u>topography</u>, distances to cities and airports, and interstate highways are unimportant in distinguishing prosperous counties from others.

"Instead, the results supported what many rural people believe to be true—civically engaged religious groups and a common ancestry can really matter," Isserman said.



The prosperous rural counties in 2000 averaged 2 percent growth over the previous decade. The worst-off counties, which met no prosperity criteria, averaged five times the growth at 11 percent, and had much lower incomes. "This finding supports our view that growth and prosperity are different dimensions, and much can be learned from studying rural prosperity."

Having analyzed the data on 1,300 rural counties, the research team is studying communities up close to learn the story behind the statistical results. "We want to figure out how and why these places prosper in order to help other rural places do well, too."

Mallory Rahe, a member of the research team, recently completed a master's thesis on two prosperous rural counties. "Her findings are strikingly consistent with the statistical results. They suggest that local action can make a big difference," Isserman said. "She returned with impressive stories that link local churches, a shared ethnic identity, small colleges, locally owned manufacturing, innovative farmers, and extraordinary cooperation and civic engagement to job creation, education, and housing. Now we are working on a research design to help us determine more conclusively whether local action really can bring sustained rural prosperity."

The research team also wants to study the few prosperous rural counties with a minority concentration. According to the published study, only six rural counties are prosperous of the 260 where African Americans are 10 percent or more of the population, only one county out of 98 for American Indians, and only 17 of 181 for Hispanics.

Isserman said these numbers have important implications for broader policy. "The strong empirical findings for rural places with American Indian and African American populations are forceful reminders that the United States has not overcome the legacies of its original racial



policies," he said. "Rural development policy cannot ignore race. Conditions are worse in those rural communities than other factors predict. How some rural places succeeded against those odds might have important lessons for all rural places trying to prosper."

Source: University of Illinois at Urbana-Champaign (<u>news</u>: <u>web</u>)

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