THE RURAL BIG PICTURE: THE NATIONAL PERSPECTIVE

PRESENTER

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The Small Size and Remoteness of Rural Areas Leads to Uneven Economic Growth and Big Population Shifts

Figure 1: Employment Growth

![Map showing employment growth](image1)

Source: BEA

Figure 2: Population Growth

![Map showing population growth](image2)

Percent population change, 1990-2000
- Yellow: Decline to no change (-37-0%)
- Gray: Low increase (1-9%)
- Light blue: Middle increase (10-19%)
- Dark blue: High increase (20-191%)

Source: US Census Bureau
Small, remote rural areas lag in terms of economic growth

Figure 3: U.S. Employment Growth by Size

Average annual growth in 1990s

Source: BLS

Figure 4: U.S. Employment Growth by Location

Source: U.S. Census Bureau, Bureau of Economic Analysis
Rural Adjacent are rural counties next to metro counties as identified with USDA’s Beale Code
Rural becomes less dependent on agriculture.

Figure 5: Farm Dependent Counties- 1950

Source: USDA

Figure 6: Farm Dependent Counties- 1990

Source: USDA
Rural factories close their doors in the face of globalization

![Figure 7: Metro and Rural Plant Closures](image)

Percent of mass layoffs due to factory closures

Source: Bureau of Labor Statistics
2002 data through the third quarter

In sum:

- New engines are needed to boost economic growth and stabilize rural communities
- New opportunities are emerging, but
- The move away from commodities and beyond low-cost land and labor
New opportunities for rural America will be built on…

- Technology that diminishes distance, creates new value and launches new products

  - Examples of new opportunities from technology emerge from product agriculture
    - Ethanol
    - Bio-plastics
    - Corn stover products
    - “Farmaceuticals”

  - Other opportunities
    - E-commerce
    - Advanced manufacturing
    - Farmer to grocer foods
    - Scenic/heritage amenities

- Opportunities developed by entrepreneurs

  - Start-up businesses can survive in rural places
  - But, rural places find it difficult to build high-growth firms

  Rural entrepreneurs face the following challenges:

  - Access to venture or equity capital
    - Rural: 19.2% of establishments
    - Rural: only 1.6% of venture capital investments

  - Access to technology
    - Rural Internet use at work: 55%
    - Urban and central city Internet use at work: 64%

  - Lower skill levels of rural entrepreneurs
    - Rural: 1/3 of entrepreneurs with college degree
    - Urban: 1/2 of entrepreneurs with college degree

Does the New Frontier Require New Rural Policies?

- Policies focused on:

  - Place
  - Partnership
  - Regional Competitiveness

How Can You Help Rural Communities Foster Opportunities in the New Frontier?