

America's Urban-Rural Divide: Myths and Realities





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January 2019

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Introduction

The notion of a deep and enduring divide between thriving, affluent, progressive urban areas and declining, impoverished, conservative rural areas has become a central trope—if not *the* central trope—in American culture today. In May 2017, the *Wall Street Journal* proclaimed, “Rural America Is the New Inner City”.¹ Ever since Donald Trump was elected president, the narrative of urban revitalization and rural decline has only gained steam.

But, in reality, this narrative fails to capture the full complexity of economic life in America. In fact, parts of rural America are thriving, even as other parts decline; just as parts of urban America continue to lose population and face economic decline as other parts comeback.

This report takes a close look at the myths and realities of America’s urban-rural divide. To do so, it uses the rural-urban continuum developed by the U.S. Department of Agriculture, which sorts America’s more than 3,000 counties into nine different types of places, from highly urbanized counties in large metropolitan areas to small, isolated rural counties.² Our analysis covers six key areas: population growth, jobs, wages, talent measured as college grads and as the knowledge-based creative class, and economic mobility. For most of these indicators, our analysis covers the decade and a half period from 2001 to 2016, which spans the Great Recession and subsequent recovery.

1. The Rural-Urban Continuum

Exhibit 1 charts the geographic distribution of America's counties on the rural-urban continuum. Darker colors indicate more urban counties. While the United States is highly urbanized along its two coasts, urban and rural areas are interspersed across much of the nation, and even on the coasts.

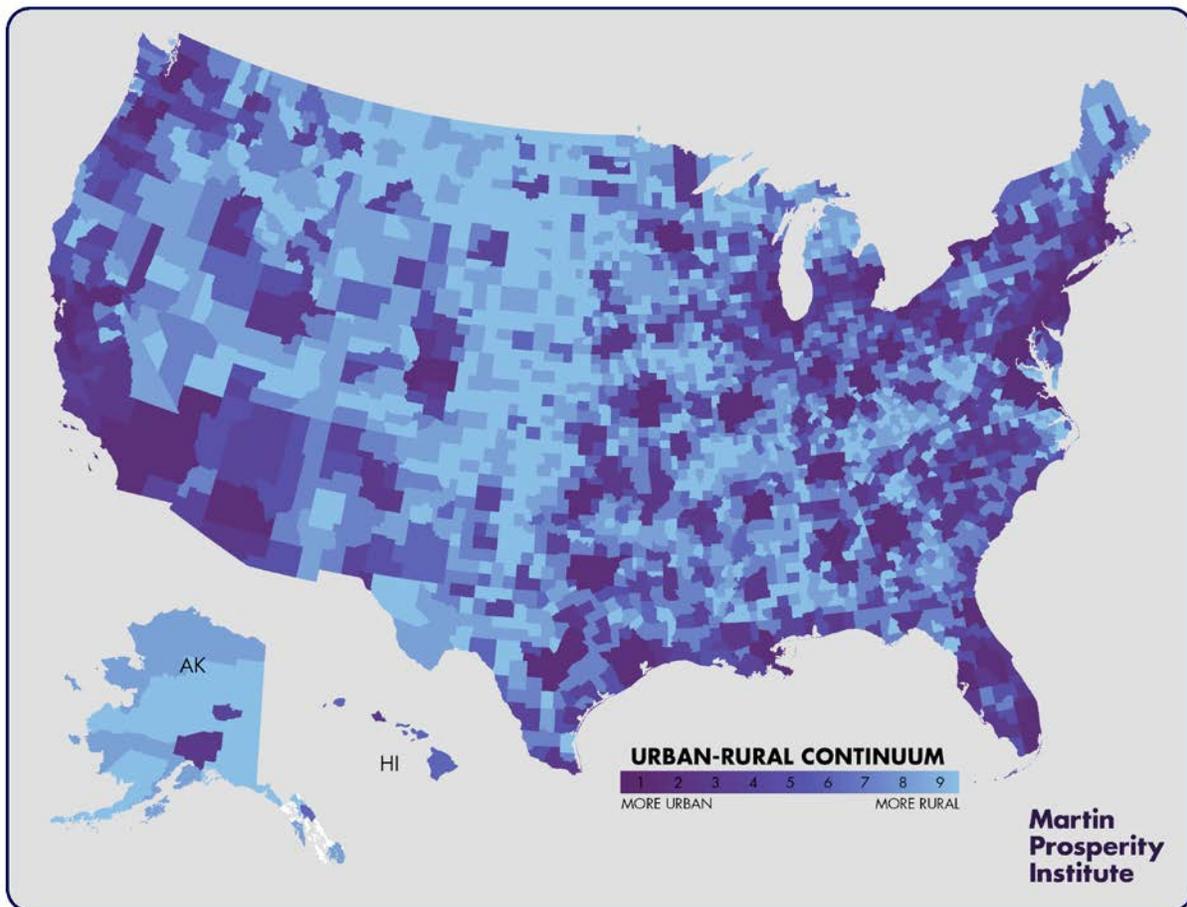


Exhibit 1: The Distribution of Urban and Rural Counties across the United States

Source: United States Department of Agriculture, Economic Research Service, [Rural-Urban Continuum Codes](https://www.ers.usda.gov/data-products/rural-urban-continuum-codes.aspx), 2004, <https://www.ers.usda.gov/data-products/rural-urban-continuum-codes.aspx>.

The rural-urban continuum breaks down into three types of urban counties and six types of rural counties as Exhibit 2 shows. Among urban counties, the first group are those that are part of large metros of more than 1 million people, such as Los Angeles County, Miami-Dade County, and New York

County (Manhattan). The second type are those that are part of medium-size metros of between 250,000 and 1 million people, like Fairfield County, Connecticut, and Saratoga County, New York. And the third group are those that are in small metros, with populations of fewer than 250,000 people—for example, Barnstable County, Massachusetts (which is essentially Cape Cod) or Jackson County, Oregon, where Medford is located.

Among rural counties, there are two broad types which are comprised of three additional categories based on size. The first type is more connected rural counties, located adjacent to metro areas. The second is more isolated rural counties, located apart from metro areas. Within each of these types, rural counties are classified as large (more than 20,000 people, such as Litchfield, Connecticut), medium-size (2,500 to 19,999, for example, Hillsdale County, Michigan), and small (fewer than 2,500 people, like Elk County, Kansas).

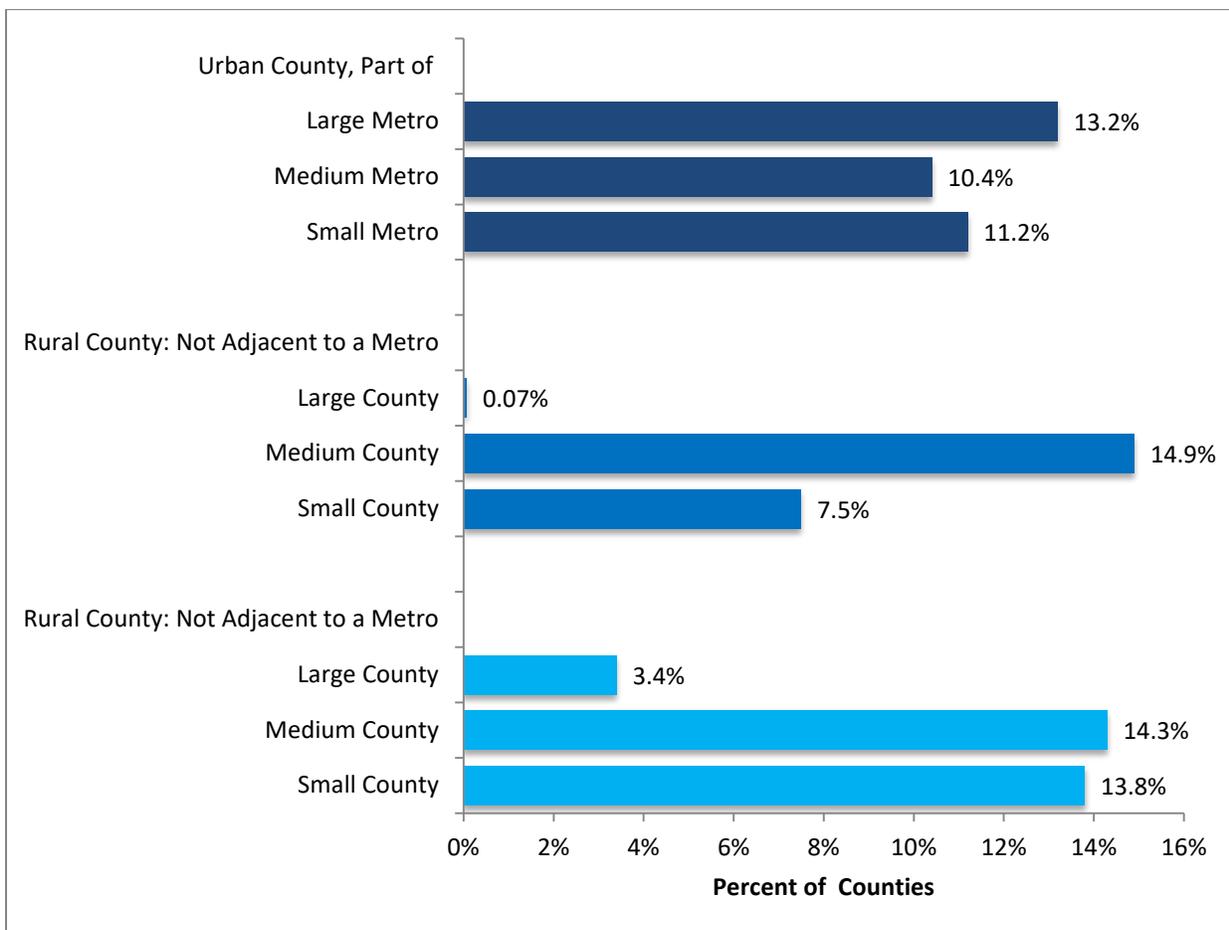


Exhibit 2: Distribution of Counties by Urban and Rural Type

Source: United States Department of Agriculture, Economic Research Service, [Atlas of Rural and Small-Town America](https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america), 2016, <https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america>.

1. Population Growth

Let's begin with population and population growth. Urban counties account for the lion's share of America's population: more than 270 million people lived in urban counties in 2016, almost 85 percent of the nation's population, five times more than the 50 million or so who live in rural counties. That said, urban counties make up slightly more than a third of America's counties, whereas almost two-thirds of counties are rural.

Urban counties are not only home to more people, they have also experienced more population growth (Exhibits 3 and 4). Between 2010 and 2016, all types of urban counties saw their populations rise, whereas most types of rural counties saw theirs decline.

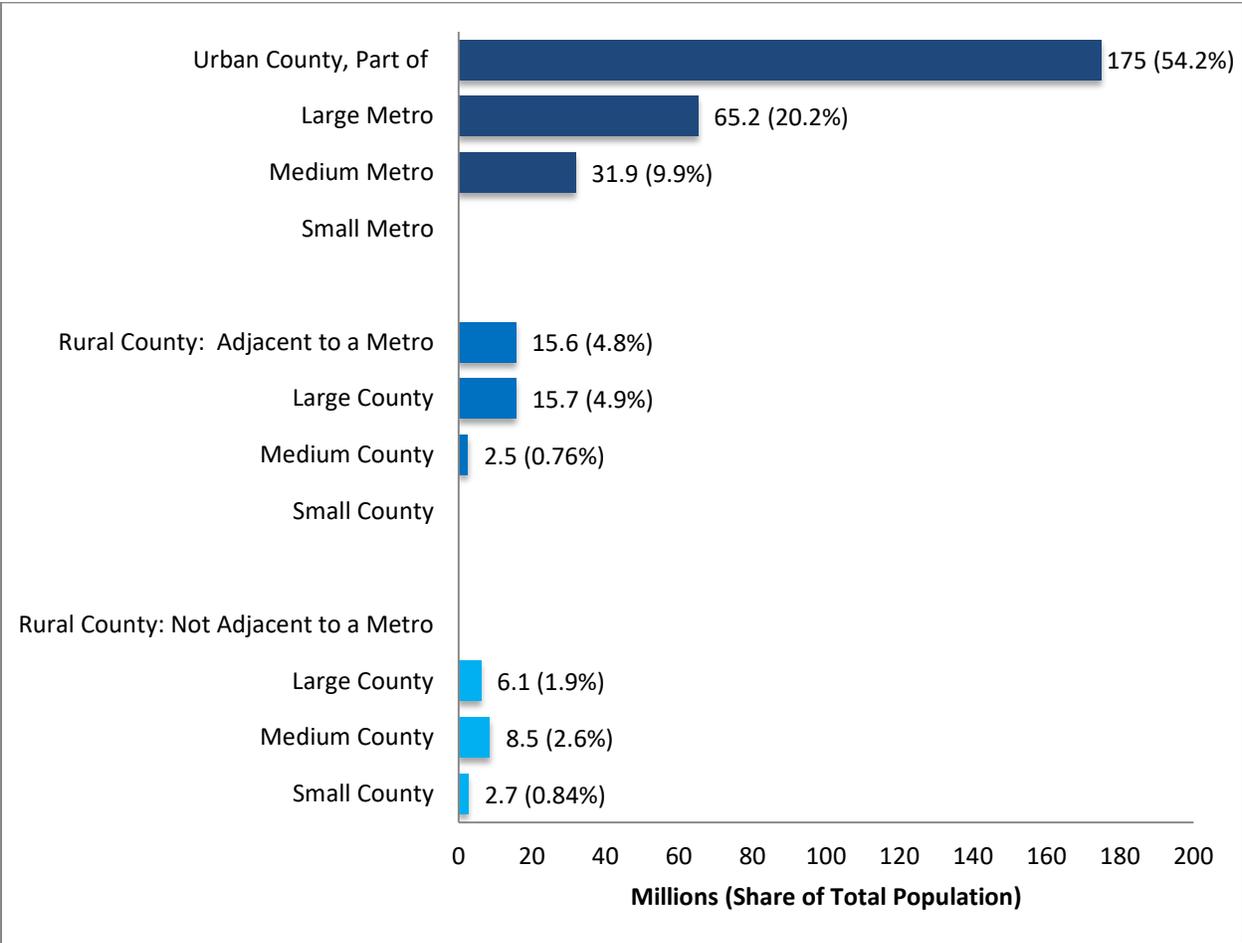


Exhibit 3: Population by Urban and Rural Type, 2016

Source: United States Department of Agriculture, Economic Research Service, [Atlas of Rural and Small-Town America](https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america), 2016, <https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america>.

But that doesn't mean all rural counties have lost population. Exhibit 5 shows the number of each county type in the top ten percent of counties for population change. Although the counties in the top ten percent for population growth are mostly urban, 89 rural counties also ranked in this top ten percent segment. Nearly 45 percent of rural counties (909 of 2052) grew at a rate that exceeded the median national rate of growth. More than 150 rural counties (8 percent of all rural counties) had population growth of 5 percent or better, and 44 rural counties had growth in excess of ten percent, representing a quarter of all the counties across the country that had population growth of ten percent or higher.

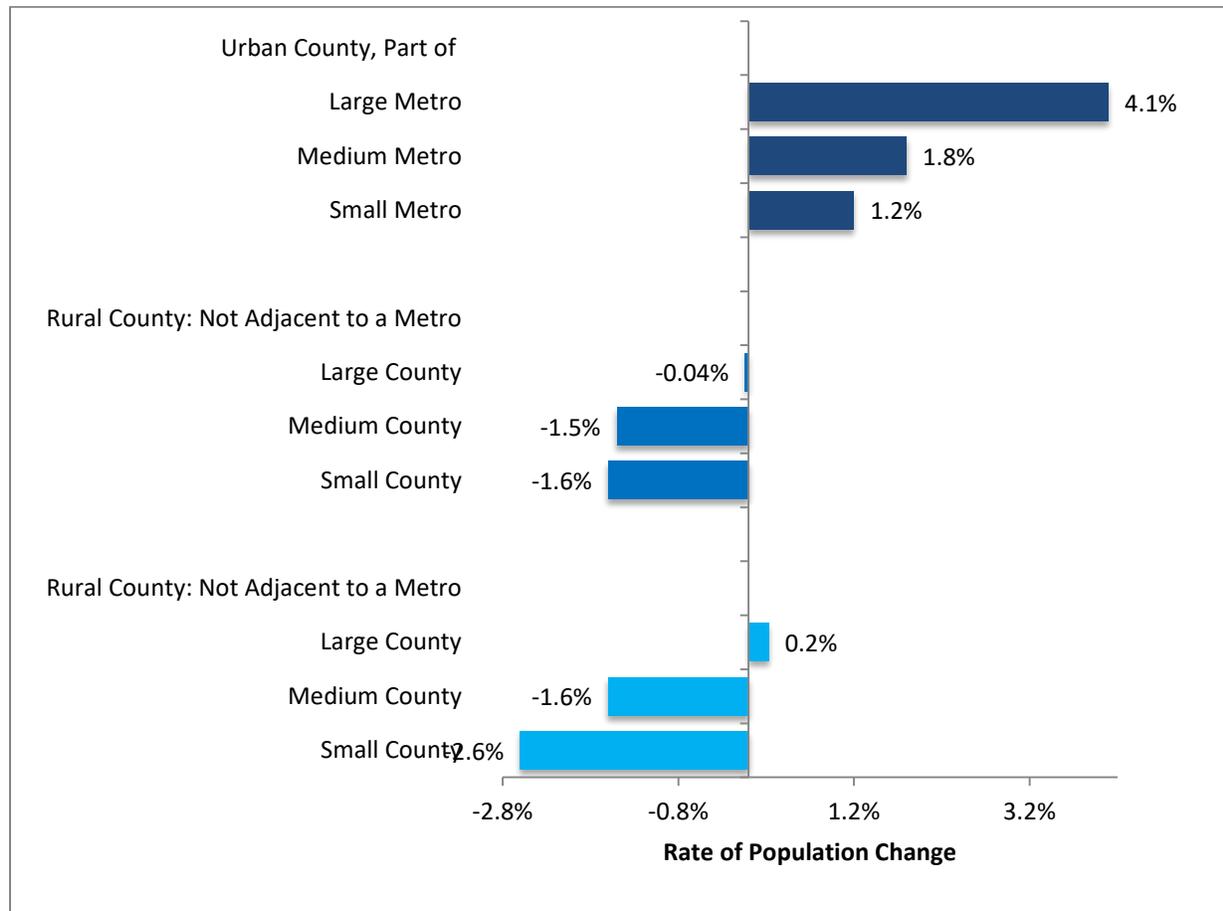


Exhibit 4: Population Change by Urban and Rural Type, 2010 to 2016

Source: United States Department of Agriculture, Economic Research Service, [Atlas of Rural and Small-Town America](https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america), 2016, <https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america>.

Indeed, seven of the 10 counties that saw the largest increases in population were rural. Four of them are in North Dakota: McKenzie (97.3 percent), Williams (52.0 percent), Mountrail (32.7 percent), and Stark counties (28.1 percent). Then there's Loving, Texas (36.1 percent), Sumter, Florida (31.5 percent), and Wasatch, Utah (29.2 percent).

Population growth, however, is only one metric by which to judge economic success. Adding people does not necessarily equate to adding jobs, and it certainly does not by itself add up to higher wages or better jobs. So, next we look at jobs and job growth across urban and rural America.

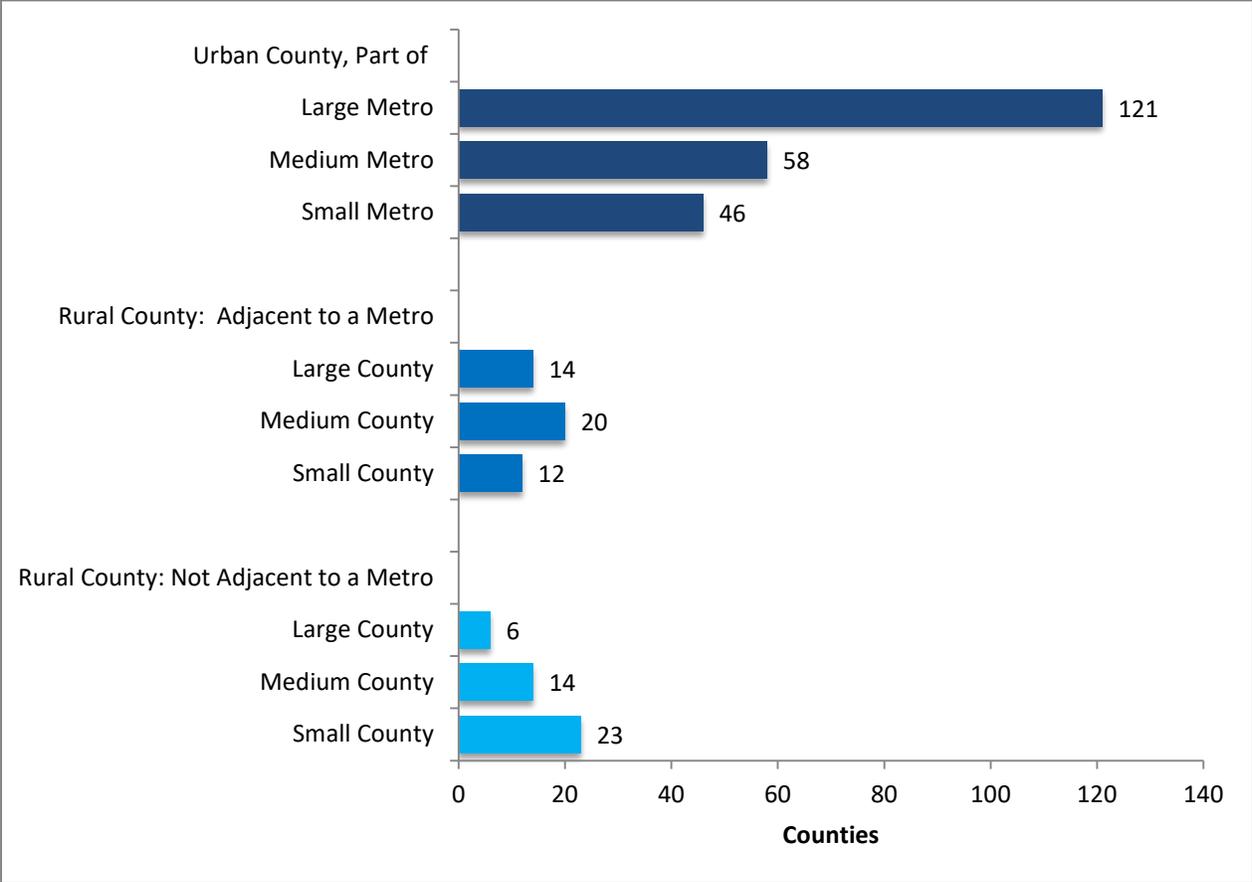


Exhibit 5: Top Ten Percent of Counties in Population Growth by Urban and Rural Type, 2010 to 2016

Source: United States Department of Agriculture, Economic Research Service, [Atlas of Rural and Small-Town America](https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america), 2016, <https://www.ers.usda.gov/data-products/atlas-of-rural-and-small-town-america>.

2. Jobs and Employment Growth

Jobs are a key indicator of economic growth. There's no question that urban areas have had faster rates of job growth than their rural counterparts over the past decade and a half. But, certain rural places have actually seen rates of job growth similar to counties in medium-size and smaller metros. A close look at the data shows that there are jobs' winners and losers across each and every type of rural and urban county in America.

Urban America has clearly captured the lion's share of job growth, accounting for a whopping 97 percent of total job growth between 2001 and 2016, with urban counties in large metros making up more than two-thirds of the gain. In contrast, rural counties accounted for less than 3 percent of job growth across this period. This indicates the outsized role of urban counties in driving the American economy.

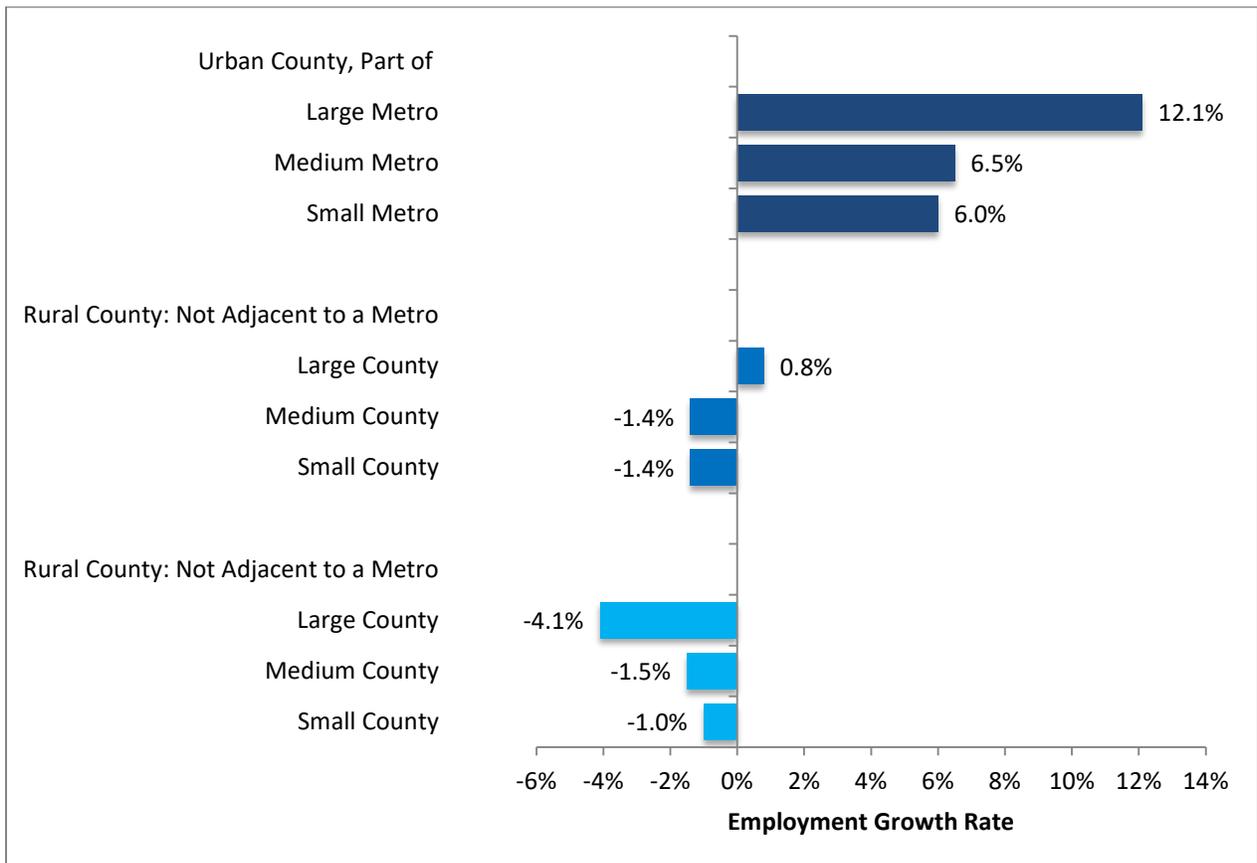


Exhibit 6: Job Growth by Urban and Rural Type, 2001 to 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

Not just that, the rate of job growth in urban counties far exceeds that of rural counties. Across the nation, the median job growth rate for all counties over the past decade and a half was 2.1 percent (Exhibit 6). Large urban counties saw a 12 percent rate of job growth, and both small and medium-size urban counties saw a 6 percent rate of growth. Most types of rural counties experienced negative job growth, with only large rural counties posting a positive rate. The rate of job growth in large rural counties outside of metro areas was slightly better than 4 percent, not too far off the rate of job growth for small and medium-size urban counties.

Exhibit 7 shows the share of each county type that experienced job growth between 2001 and 2016. Across the nation, more than half of all counties saw job growth between 2001 and 2016. In urban counties, the share of counties with job growth was considerably higher: nearly 80 percent of those in large metros experienced job growth; nearly 70 percent in medium-size metros, and roughly 63 percent in small metros saw job growth. Large rural counties that are not adjacent to a metro are comparable to medium and small urban ones, with nearly 65 percent seeing growth over this period.

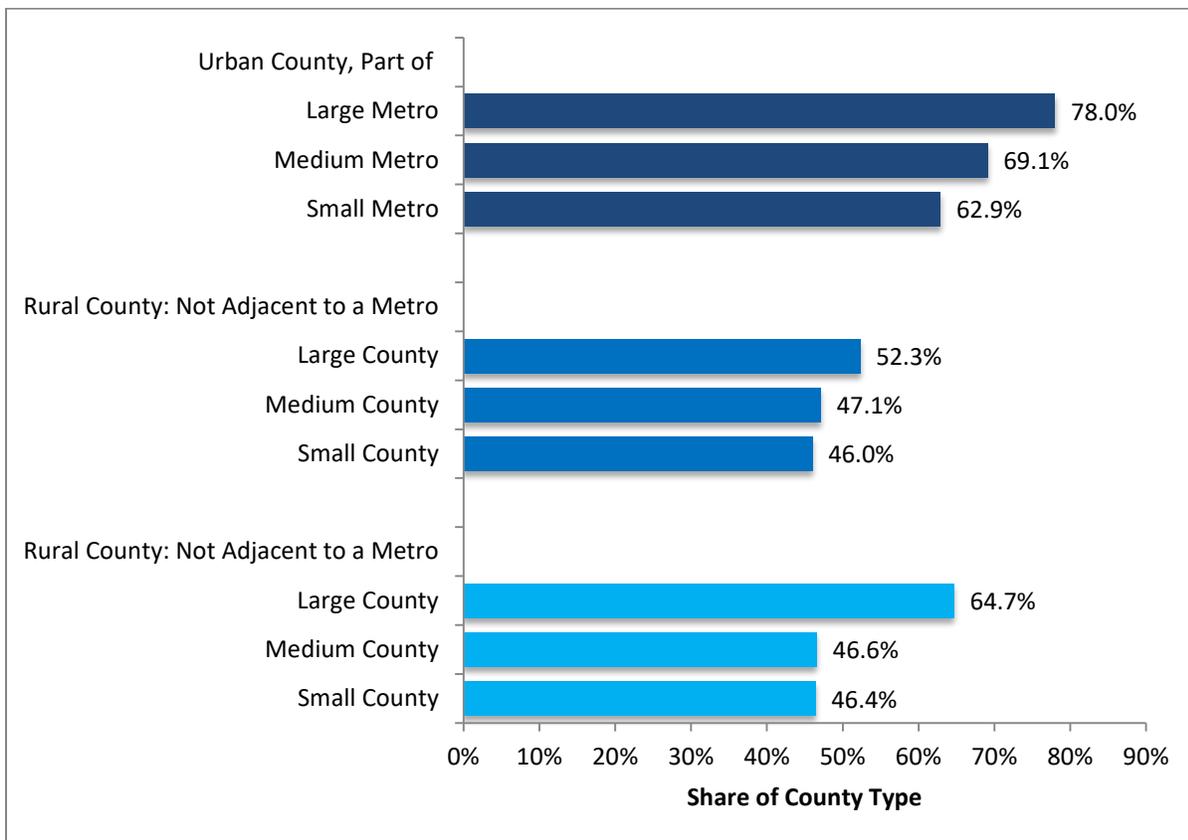


Exhibit 7: Share of Urban and Rural Type with Job Growth, 2001 to 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

But, looking at average or median rates can be deceiving. It can mask the distribution of places that are experiencing job growth or decline. Exhibit 8 shows the share of each type of county that ranks in the top ten percent for job growth.

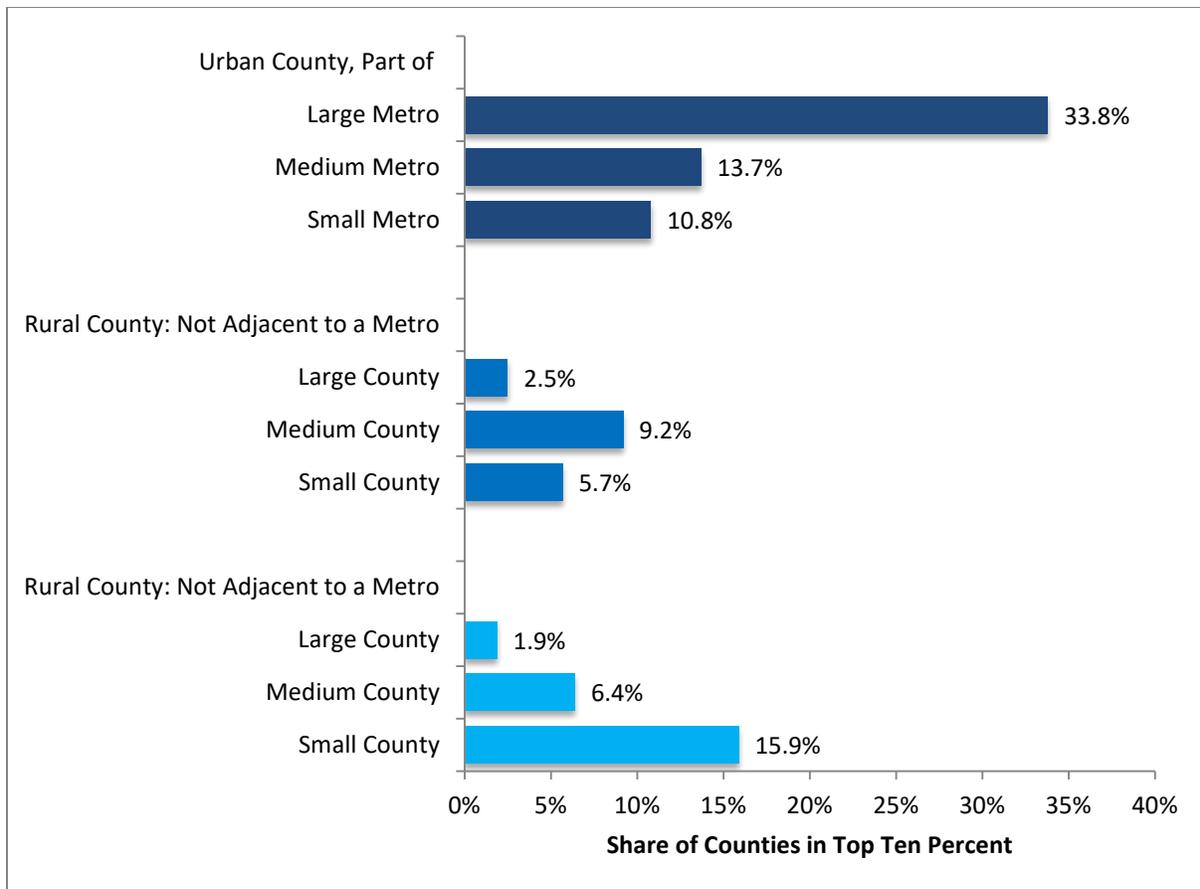


Exhibit 8: Share of Urban and Rural Type in the Top Ten Percent of Job Growth, 2001 and 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

Again, urban counties in large metros account for the largest share of counties in the top ten percent of job growth. But, interestingly enough, small rural counties that are not adjacent to metros have the second largest share. Indeed, every type of rural place has some share of job winners. One Nevada county is a prime example of how the economic boom is not exclusive to large urban counties. Storey County, about an hour outside of Reno, tops the list of all counties in terms of overall job change from 2001 to 2016. The medium-size urban metro saw a job growth of nearly 590 percent, potentially due to Tesla opening its massive lithium-ion Gigafactory in mid-2016.³ The following top nine counties are mostly in the Midwest or South, in places like the Dakotas, Iowa, and Louisiana. Love County, Oklahoma, is number six with 211 percent growth, perhaps attributable to the 2013 expansion of the Winstar World Casino, the county's largest private employer. Sumter County, Florida, ranks number 7 with 2ten percent growth, possibly due to one of Florida's largest retirement communities, The Villages, expanding in 2017.

Job loss reflects the same basic pattern as can be seen in Exhibits 9 and 10. Across the country, 44 percent of counties experienced job loss between 2001 and 2016. But just 22 percent of large urban counties did—half the national rate. Most types of rural counties exceeded the national rate, with job loss occurring in 50 percent or more of these counties. Here again, large rural counties that are not

adjacent to a major metro posted a much better rate—comparable to that of small and medium-size urban areas.

Fewer urban counties have experienced job loss compared to medium or small rural counties. But large rural counties, nearby a metro or not, have surprisingly low shares of the top ten percent, comparable to or less than urban counties, which have shares ranging from 3.5 to 7.6 percent.

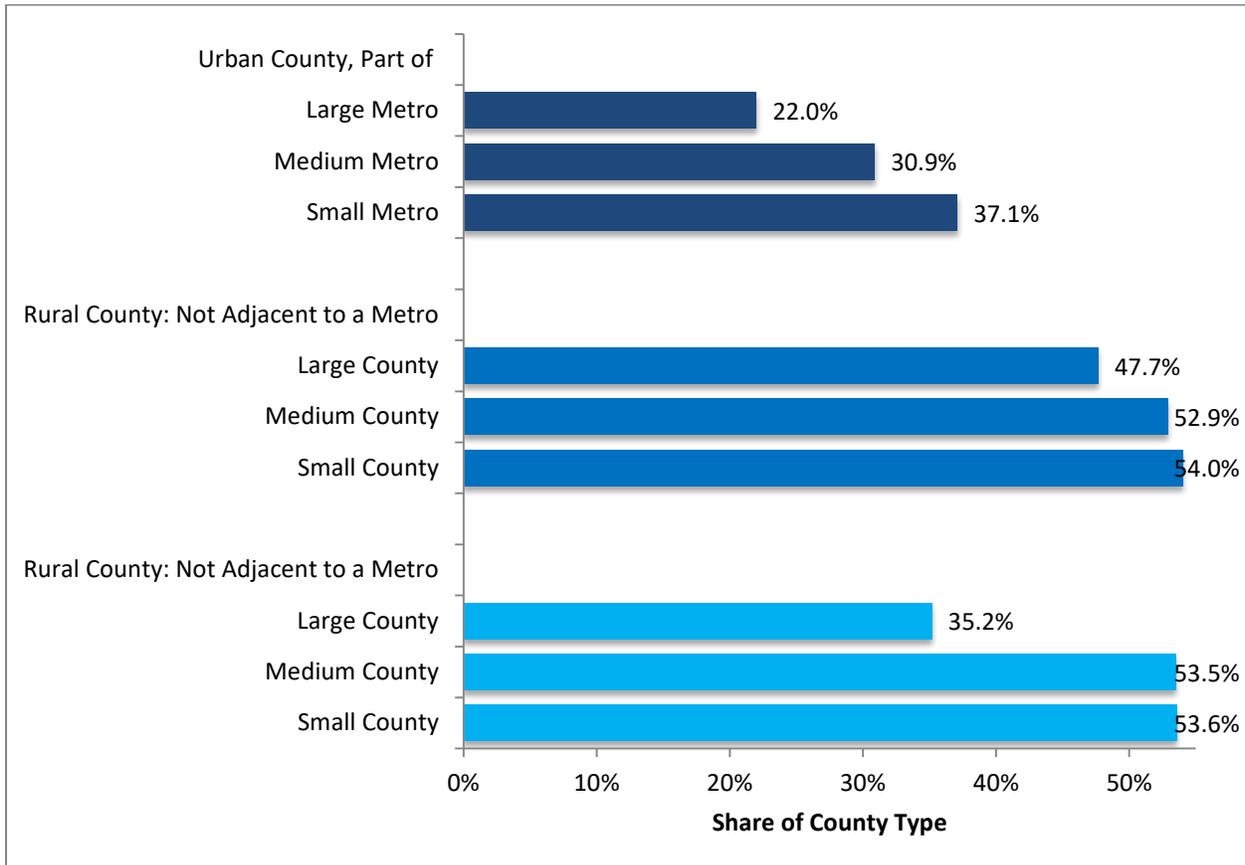


Exhibit 9: Share of Urban and Rural Type with Job Loss, 2001 to 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

Generally speaking then, larger urban counties have outperformed smaller rural ones when it comes to job growth. But, there are jobs’ winners and losers among all types of places across urban and rural America. Even more so than jobs and job growth, wages tell a very different story than the conventional narrative of urban growth and rural decline as we will see.

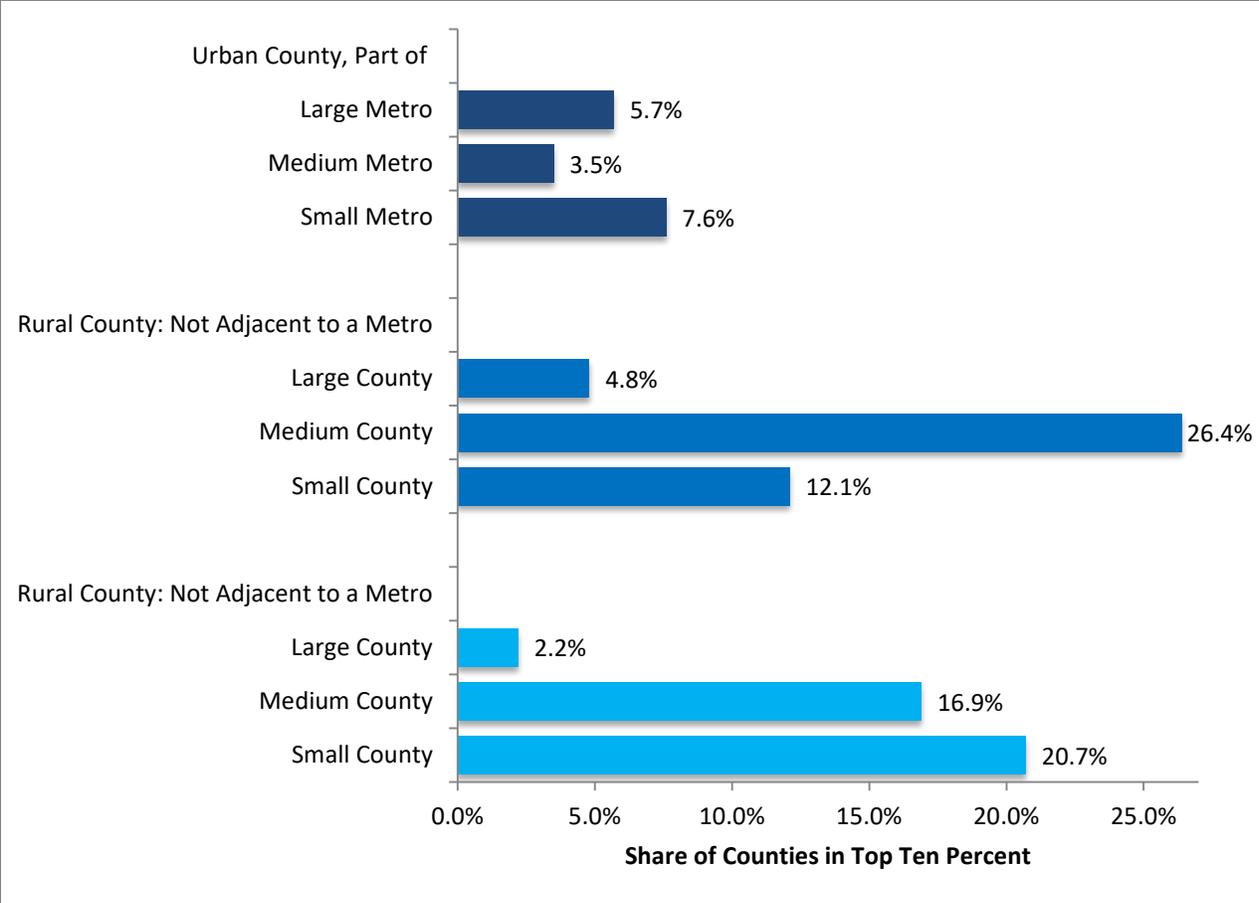


Exhibit 10: Share of Urban and Rural Type in the Top Ten Percent of, 2001 to 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

3. Wages and Salaries

Wages are a key indicator of the productivity and affluence of cities and regions. There is no doubt that wage levels, as well as their growth, have been widely uneven across American communities. But, even more so than with jobs, the pattern does not conform to the simple notion of urban success and rural decline.

As Exhibit 11 shows, wages and salaries are highest in urban areas. In 2016, counties in large and medium-sized metropolitan areas had median wages and salaries above \$40,000. This compared to roughly \$37,000 for the nation as a whole. Several large urban counties, like New York, Santa Clara, and San Mateo, had median wages and salaries of more than \$100,000. All types of urban counties had wages and salaries that were higher than the national median, while only one type of rural county did—large rural counties adjacent to a metro area.

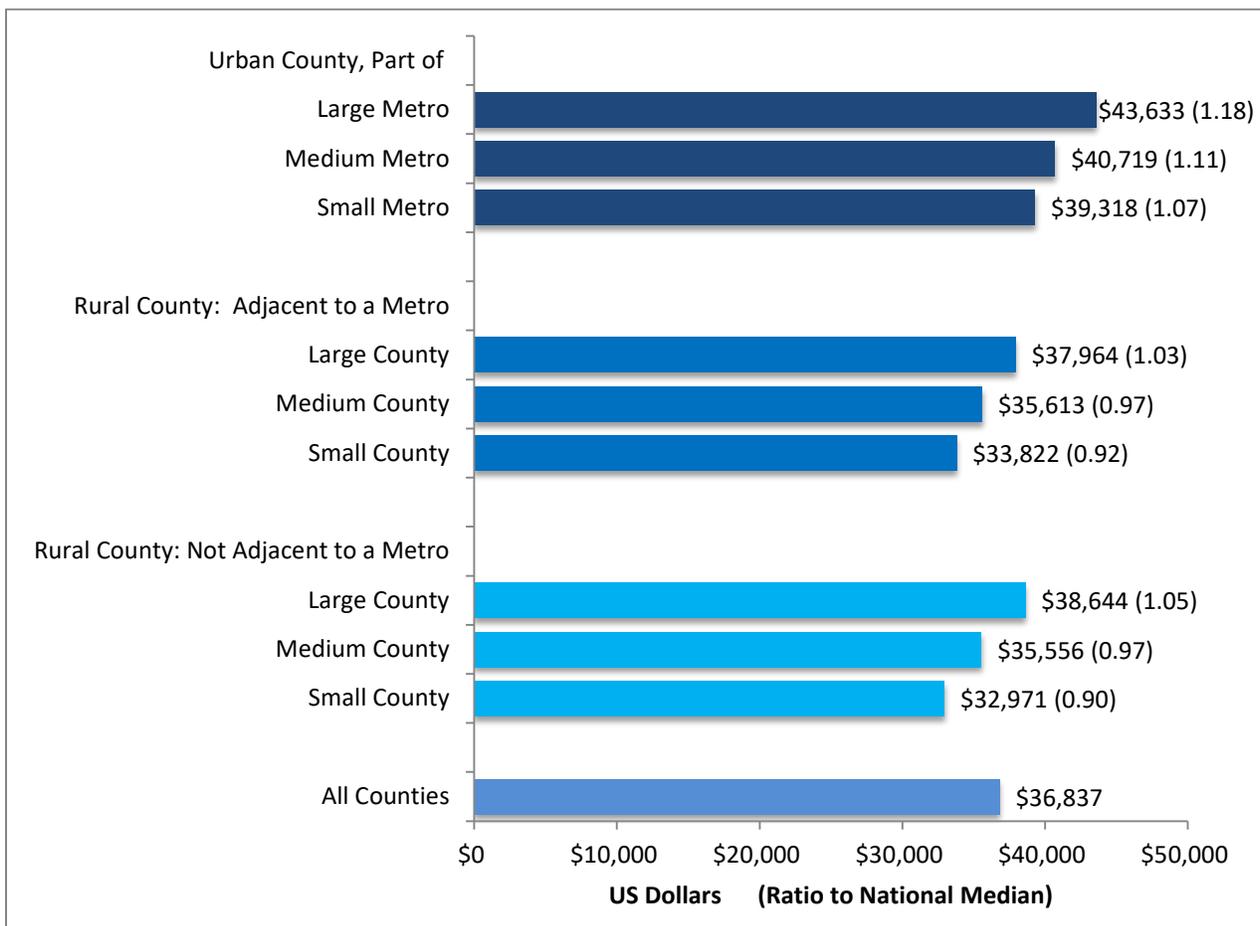


Exhibit 11: Wages and Salaries by County Type, 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

Interestingly enough, large rural counties—both those that are adjacent to metro areas and those that aren't—had wages and salaries that are comparable to counties in small metro areas. And some rural counties had median wages and salaries that were quite high. Butte County, Idaho, a small rural county adjacent to a metro, had a median salary of nearly \$90,000 (\$88,884), or more than twice the national average. This can be traced to high levels of employment in the government sector, particularly in the Idaho National Lab.⁴ North Slope Borough County, Alaska, a medium-sized rural county that is not adjacent to a metro area, had a median wage and salary of nearly \$100,000 (\$99,283), largely because of the oil and natural-gas development there.

There is considerable variation in wages and salaries across all types of places. While the most affluent large urban counties had wages and salaries of around \$100,000, the poorest of them had wages of \$20,000 or \$25,000, a difference of four or five times.

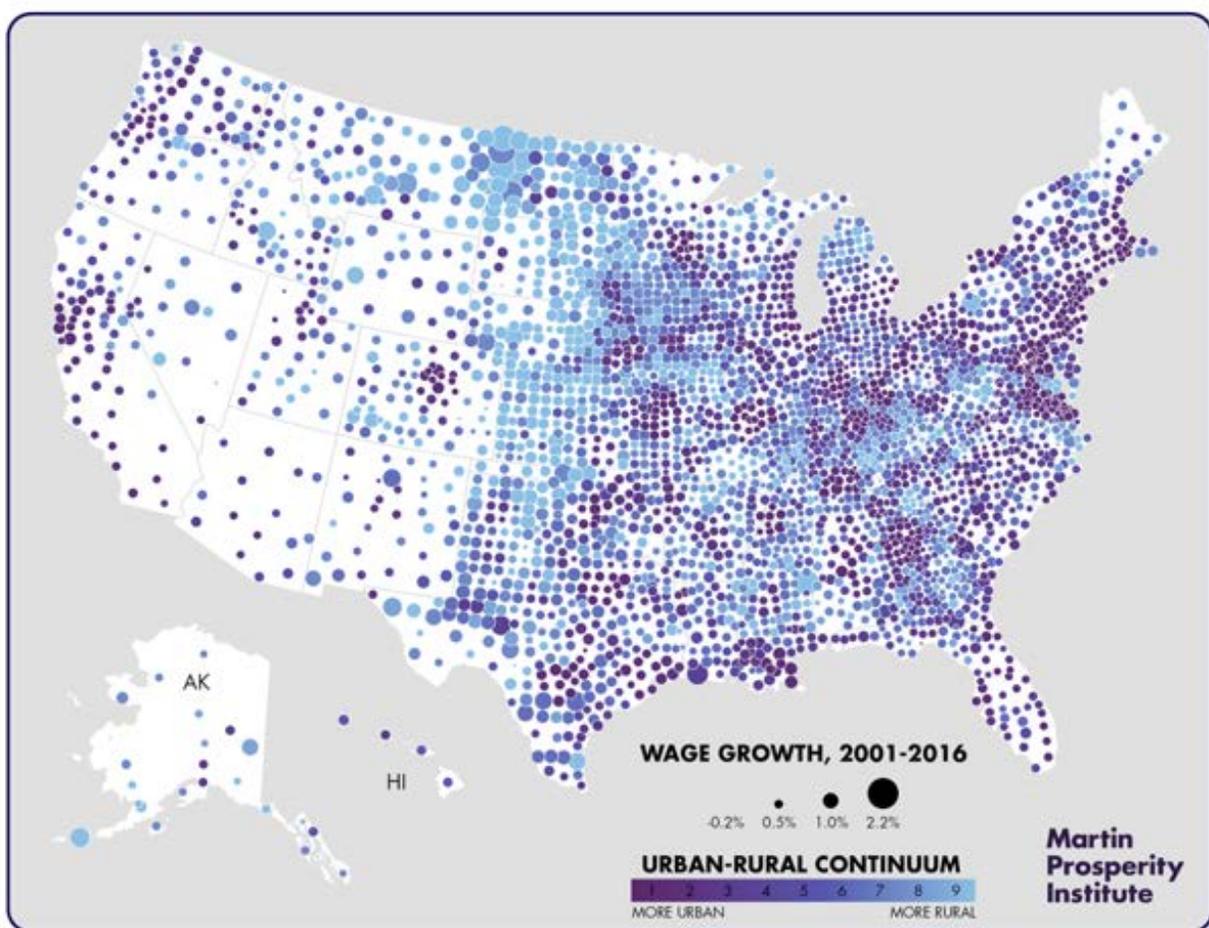


Exhibit 12 Wage and Salary Growth, 2001 to 2016

Source: Data provided by [EMSI](http://www.economicmodeling.com), 2017, www.economicmodeling.com.

Wage growth is another story entirely. Rural communities have seen significantly faster growth in wages and salaries than their urban counterparts. Exhibit 12, which is a map of wage and salary growth across American counties for the period 2001 to 2016, illustrates this unevenness. The size of the dots indicates the change in wages and salaries. Purple dots designate the most urban counties, while the lightest blue dots are the most rural ones.

As Exhibit 13 shows, between 2001 and 2016, wages grew by roughly 50 percent across all counties. Most types of rural counties saw wage growth above the national average, while all types of urban counties had below-average gains. In fact, the smallest and most isolated rural places—small rural counties that are not adjacent to a major metro area—posted the highest wage growth of all, nearly 60 percent.

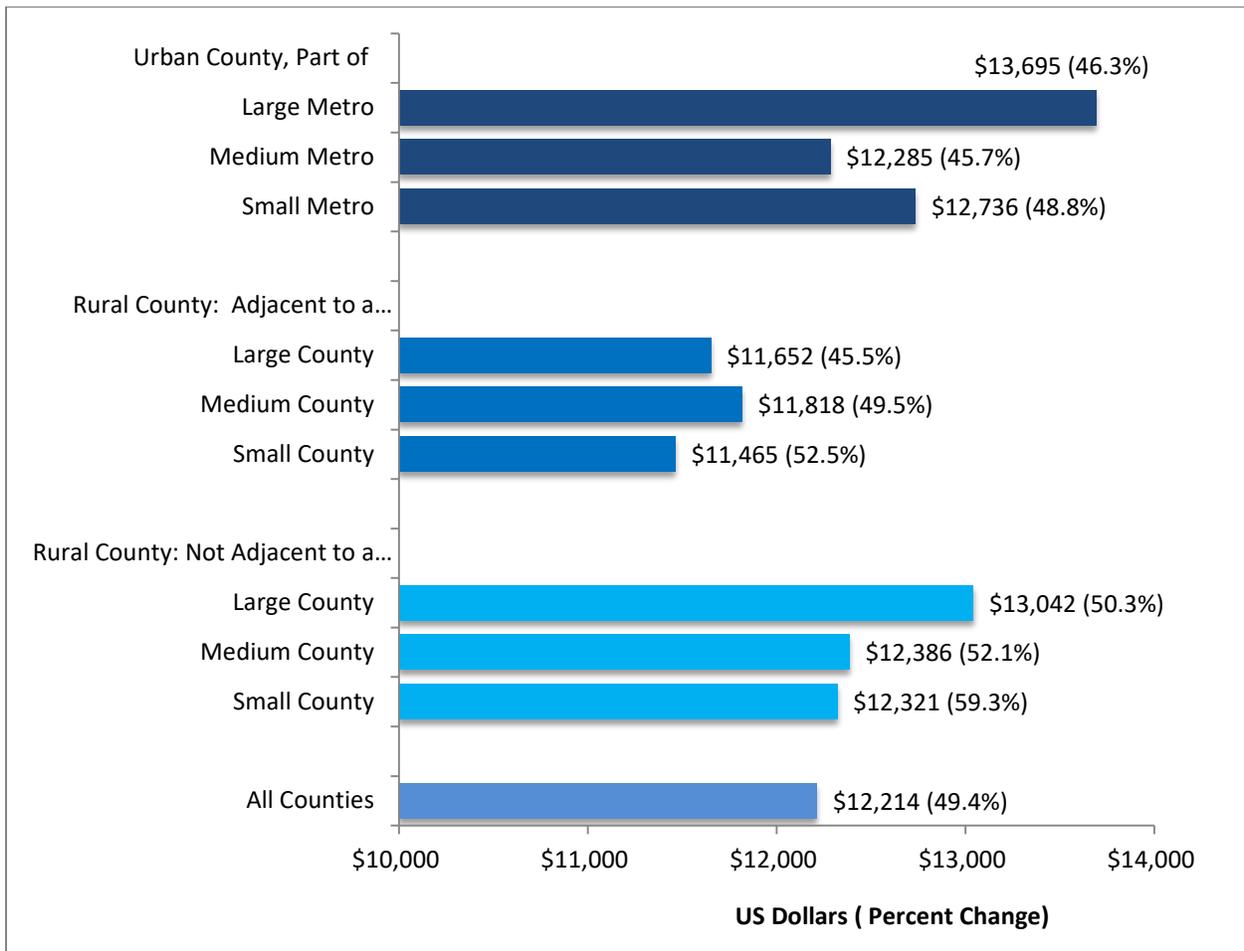


Exhibit 13: Change in Median Wages and Salaries, 2001 to 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

The performance of rural counties comes into sharper relief when we look at the top ten percent of U.S. counties on wage growth (Exhibit 14). Nearly 275 rural counties are in this top ten percent (including more than 100 small rural counties that are not adjacent to metro areas), compared to just 41 urban

counties. Likewise, more than a quarter of all small rural counties not adjacent to a metro area rank in the top ten percent of all counties on wage growth. So do 18 percent of small rural counties that are adjacent to a metro, and 11 percent of medium-size rural counties that are not adjacent to a metro. This compares to just 4 percent of urban counties in large metros, 2 percent of urban counties in medium-sized metros, and 5 percent of counties in small metros.

Top Ten Percent of Wage Growth			
	Number	Share of Top Ten Percent	Share of County Type
Urban County Part of			
Large Metro	16	5.1%	3.9%
Medium Metro	7	2.2%	2.2%
Small Metro	18	5.7%	5.1%
Rural County: Adjacent to a Metro			
Large Rural County	4	1.3%	1.8%
Medium Rural County	52	16.6%	8.6%
Small Rural County	42	13.4%	17.9%
Rural County: Not Adjacent to a Metro			
Large Rural County	8	2.5%	7.6%
Medium Rural County	49	15.6%	10.9%
Small Rural County	118	37.6%	27.3%

Exhibit 14: Top Ten Percent of Wage Growth Counties by Urban and Rural Type, 2001 to 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

The same basic pattern comes through when we look at the share of counties that are in the bottom ten percent on wage gains, as Exhibit 15 shows. Urban counties in large metros had the largest share (13 percent) in the bottom ten percent, followed by urban counties in small metros. Large rural counties that are not adjacent to a metro area had the smallest share of wage loss (under 4 percent).

Top Ten Percent of Wage Loss			
	Number	Share of Top Ten Percent	Share of County Type
Urban County Part of			
Large Metro	55	17.5%	13.3%
Medium Metro	34	10.8%	10.5%
Small Metro	40	12.7%	11.4%
Rural County: Adjacent to a Metro			
Large Rural County	22	7.0%	10.1%
Medium Rural County	66	21.0%	10.9%
Small Rural County	24	7.6%	10.2%
Rural County: Not Adjacent to a Metro			
Large Rural County	4	1.3%	3.8%
Medium Rural County	31	9.9%	6.9%
Small Rural County	38	12.1%	8.8%

Exhibit 15: Bottom Ten Percent of Wage Growth Counties by Urban and Rural Type, 2001 to 2016

Source: Data provided by [EMSI](http://www.emsi.com), 2017, www.economicmodeling.com.

Wages and wage growth across America are uneven. While wages and salaries are higher in urban places, generally speaking, wage growth has been larger in rural America. Once again, the narrative of successful urban places and declining rural ones belies a larger reality of winners and losers across all types of places.

4. College Graduates

If there is one single factor that influences the social stability, economic success, and overall well-being of places, it's educational attainment. Places with more highly educated people have lower rates of crimes, lower rates of obesity and smoking, better overall health and well-being, and higher incomes and levels of economic development. For those very reasons, it is a key factor in our economic, political, and cultural divides. Education was a central axis of the 2016 election, with more highly educated places voting overwhelmingly for Hillary Clinton and less-educated places in favor of Donald Trump. We measure educational attainment using the conventional metric of the share of the adult population (25 years and older) who at least hold a bachelor's degree.

Across the United States, almost 68 million people, 31.3 percent of adults over age 25 are college graduates. College grads are overwhelmingly concentrated in urban areas. Almost 90 percent of college grads live in urban counties, with more than 60 percent of them in large metros with over one million people. Just a bit more than one in ten college grads reside in rural communities. But this is largely because urban areas simply have a larger population than rural areas. Still, studies show that differences in educational attainment account for roughly [one third](#) of the difference in economic growth between counties in metro and non-metro areas.⁵ Such a broad-brush painting of trends, however, tends to mask important differences in the geography of college grads across urban and rural communities.

The first thing that jumps out: There is not as much variation in the geography of college grads across urban and rural places as you might think. As Exhibit 16 shows, while college grads make up a higher percentage of the workforce in urban counties that are part of large and medium-size metros areas, college grads make up a greater share of the population in large rural counties that are not adjacent to a major metro than they do in urban counties that are a part of a small metro. The only places that truly lag on their share of college grads are small and medium-size rural counties that are adjacent to metro areas.

On average, college grads grew by 1.8 percent overall between 2010 and 2016. Urban counties in large metros had the highest rate of growth, 2.4 percent, followed by urban counties in medium-sized metros with 2.0 percent. But, small rural counties that are not adjacent to metro areas were next with a 1.8 percent growth rate, and most all other types of rural counties had a growth rate of 1.4 percent or better. Indeed, eight of the ten counties that saw the largest increases in their share of college grads were rural counties: Wade Hampton (22.7 percent) and Denali, Alaska (11.0 percent); Borden County, Texas (17.4 percent); Ouray County, Colorado (13.2 percent); Broadwater County, Montana (12.1 percent); Loup County, Nebraska (11.9 percent); Owsley County, Kentucky (11.6 percent); and Lake County, South Dakota (11.1 percent).

College Graduates			
	Share 2010	Share 2016	Change in Share
Urban County Part of			
Large Metro	25.3%	28.6%	2.4%
Medium Metro	21.8%	23.6%	2.0%
Small Metro	19.3%	20.9%	1.7%
Rural County: Adjacent to a Metro			
Large Rural County	17.1%	18.7%	1.6%
Medium Rural County	13.8%	15.1%	1.4%
Small Rural County	13.7%	15.1%	1.4%
Rural County: Not Adjacent to a Metro			
Large Rural County	19.9%	21.5%	1.7%
Medium Rural County	15.8%	17.0%	1.4%
Small Rural County	16.2%	18.3%	1.8%

Exhibit 16: Share of College Grads by Urban and Rural Type, 2010 to 2016

Source: Calculated from United States Census Bureau, [American Community Survey](#), 2010 and 2016 – 5 Year, www.census.gov/programs-surveys/acs.

Nearly 45 percent of rural counties (915 of 2053 counties) experienced growth in college grads at rates exceeding the national average of 1.8 percent, and eight percent (165 counties) saw growth in college grads of better than five percent. Of 18 counties that experienced more than ten percent growth in college grads, 13 were rural counties.

Exhibit 17 shows the share of each type of urban and rural county that rank in the top ten percent on the share of adults that hold a college degree. Urban counties in large metro areas account for the largest share of counties in the top ten percent of job growth, at 44 percent. But next in line are the smallest and most remote type of rural places - small rural counties that are not adjacent to a metro area at 18 percent, even larger than urban counties in medium-size metro areas at 15 percent.

There is more variation in distribution of college grads within the various types of rural and urban counties than between them. While college grads make up 55 percent of the workforce in most leading urban counties (there is one urban county, Falls Church, Virginia, where the share of college grads is a staggering 80 percent), less than ten percent of adults hold a college degree the lowest-performing

urban counties. By way of comparison, college grads make up a similar 55 percent in the leading rural counties and less than 5 percent or so in the lowest-performing rural counties.

Top Ten Percent of Counties for College Graduates			
	Number	Share of Top Ten Percent	Share of County Type
Urban County Part of			
Large Metro	138	43.9%	33.3%
Medium Metro	48	15.3%	14.8%
Small Metro	30	9.6%	8.6%
Rural County: Adjacent to a Metro			
Large Rural County	7	2.2%	3.2%
Medium Rural County	8	2.5%	1.3%
Small Rural County	11	3.5%	4.7%
Rural County: Not Adjacent to a Metro			
Large Rural County	5	1.6%	4.8%
Medium Rural County	11	3.5%	2.4%
Small Rural County	56	17.8%	12.9%

Exhibit 17: Top Ten Percent of Counties for College Grads by Urban and Rural Type, 2016

Source: Calculated from United States Census Bureau, [American Community Survey](https://www.census.gov/programs-surveys/acs), 2010 and 2016 – 5 Year, www.census.gov/programs-surveys/acs.

There are 98 rural counties across America that rank among the top ten percent on their share of college grads. These include places like Los Alamos, New Mexico, home to the Los Alamos Lab (with 64.6 percent, third highest of all US counties), and other less obvious ones like Pitkin County, Colorado (60.4% percent, America’s eighth highest), as well as San Miguel County and Ouray County, Colorado, both at around 55 percent. Every type of community across America, urban and rural, has some share of its counties that rank among the top ten percent on the share of college grads.

The pattern is similar when we consider the counties that rank in the bottom ten percent on their share of college grads, as Exhibit 18 shows. While urban counties have an overall smaller share, each type of county, whether urban or rural, has some share among the bottom ten percent.

Once again, the reality is far more complex and nuanced than the commonplace notion of talent-filled, highly-educated urban areas versus rural areas of unmitigated brain drain and outright economic despair. While it is true that large urban places have the largest numbers and greatest shares of college grads, there are many rural counties that punch far above their weight in their share of the college grads. These are mainly places that are [home](#) to knowledge institutions, like federal labs or universities,

or significant arts and cultural scenes, or stunning natural amenities.⁶ And here again, there are winners and losers among all types of places across the urban and rural spectrum.

Bottom Ten Percent of Counties for College Graduates			
	Number	Share of Bottom Ten Percent	Share of County Type
Urban County Part of			
Large Metro	18	5.7%	4.3%
Medium Metro	12	3.8%	3.7%
Small Metro	22	7.0%	6.3%
Rural County: Adjacent to a Metro			
Large Rural County	11	3.5%	5.0%
Medium Rural County	91	29.0%	15.0%
Small Rural County	52	16.6%	22.1%
Rural County: Not Adjacent to a Metro			
Large Rural County	2	0.6%	1.9%
Medium Rural County	50	15.9%	11.1%
Small Rural County	56	17.8%	12.9%

Exhibit 18: Bottom Ten Percent of Counties for College Grads by Urban and Rural Type, 2016

Source: Calculated from United States Census Bureau, [American Community Survey](https://www.census.gov/programs-surveys/acs), 2010 and 2016 – 5 Year, www.census.gov/programs-surveys/acs.

5. The Creative Class

Education is one way to measure talent. Another way is to measure the actual skills and occupations people are employed in. The Creative Class uses occupational data to identify more highly skilled, highly paid workers. This group includes occupations in science and technology; business and management; law; medicine; and arts, culture, media and entertainment. Across the United States [42 million workers](#) are members of the creative class, 30 percent of the workforce.⁷

The creative class is overwhelmingly concentrated in urban areas. Almost 90 percent of its members, 24 million workers, live in urban counties, with more than 60 percent of them in urban counties in large metros with over one million people. Just a bit more than one in ten members of creative class live in rural communities. But, these broad trends mask more nuanced patterns in the distribution of the creative class across urban and rural communities.

Creative Class			
	2010 Share	2016 Share	Percentage Point Change
Urban County Part of			
Large Metro	34.2%	35.9%	1.7%
Medium Metro	31.7%	32.9%	1.4%
Small Metro	29.6%	31.1%	1.4%
Rural County: Adjacent to a Metro			
Large Rural County	27.8%	29.1%	1.5%
Medium Rural County	26.5%	27.7%	1.1%
Small Rural County	28.0%	29.0%	0.9%
Rural County: Not Adjacent to a Metro			
Large Rural County	29.1%	30.2%	1.8%
Medium Rural County	28.4%	29.4%	0.7%
Small Rural County	31.4%	32.3%	0.6%
All Counties	29.1%	30.2%	1.3%

Exhibit 19: Creative Class Share of the Workforce by Urban and Rural Type, 2010 and 2016

Source: Calculated from United States Census Bureau, [American Community Survey](#), 2010 and 2016 – 5 Year, www.census.gov/programs-surveys/acs.

The most striking thing to jump out from the data is that there is not as much variation in the share of the creative class across urban and rural place as you might think (see Exhibit 19). The creative class makes up roughly 30 percent of the workforce across all counties. And, while the creative class makes

up a higher percentage of the workforce, 36 percent or so, in urban counties in large metros, aside from that, it makes up a similar share of the workforce in most other types of urban and rural places across America. Indeed, the creative class makes up almost the same share of the workforce in small rural counties that are not adjacent to metro areas than it does in urban counties in medium size metros. (Part of this may be due the fact that certain professions like doctors and teachers are over-represented in these places due their small size).

There is more variation in the creative class within the various types of rural and urban counties than between them. While the creative class makes up more than half of the workforce in the leading urban counties, it makes up 20 percent or less of the workforce in the lowest-performing urban counties. By way of comparison, the creative class makes up as much as 55 percent in the leading small rural counties and just 15 or 20 percent in the lowest-performing rural counties.

Top Ten Percent of Counties for Creative Class Share			
Type of County	Number	Share of Top Ten Percent	Share of County Type
Urban County Part of			
Large Metro	138	43.9%	33.3%
Medium Metro	48	15.3%	14.8%
Small Metro	30	9.6%	8.6%
Rural County: Adjacent to a Metro			
Large Rural County	7	2.2%	3.2%
Medium Rural County	8	2.5%	1.3%
Small Rural County	11	3.5%	4.7%
Rural County Not Adjacent to a Metro			
Large Rural County	5	1.6%	4.8%
Medium Rural County	11	3.5%	2.4%
Small Rural County	56	17.8%	12.9%

Exhibit 20: Share of Counties in Top Ten Percent of the Creative Class by Urban and Rural Type, 2016

Source: Calculated from United States Census Bureau, [American Community Survey](https://www.census.gov/programs-surveys/acs), 2010 and 2016 – 5 Year, www.census.gov/programs-surveys/acs.

Exhibit 20 shows the share of each type of urban and rural county that rank in the top ten percent on the share of the creative class. Sure, urban counties in large metro areas account for the largest number and share of counties in the top ten percent of job growth. But, next in line are the smallest and most remote type of rural places - small urban counties that are not adjacent to a metro area, with a larger share even than urban counties in medium sized metro areas. Indeed, there are nearly 100 rural

counties across America that rank among the top ten percent of the creative class. These include obvious places like Los Alamos, New Mexico home to Los Alamos Lab (64.6 percent) and others like Sioux County, Nebraska (55.6 percent), Slope County, North Dakota (54.5 percent), Carter County, Missouri (53.3 percent), Lexington City, Virginia (52.2 percent), Judith Basin County, Missouri (45.8 percent), Juneau, Alaska (45 percent), and Lewis and Clark County, Montana (44.8 percent). Every type of community, urban and rural, across America has some share of its counties that rank among the top ten percent of all counties on the creative class.

Approximately 45 percent of rural counties (954 of 2053 counties) experienced growth in creative class at rates exceeding the national average of 1.3 percent, and 12 percent (230 counties) saw growth in creative class of better than five percent. Of 44 counties that saw greater than ten percent growth in creative class, 41 were rural counties.

Bottom Ten Percent of Counties for Creative Class			
	Number	Share of Bottom Ten Percent	Share of County Type
Urban County Part of			
Large Metro	22	7.0%	5.3%
Medium Metro	9	2.9%	2.8%
Small Metro	24	7.6%	6.9%
Rural County: Adjacent to a Metro			
Large Rural County	10	3.2%	4.6%
Medium Rural County	109	34.7%	17.9%
Small Rural County	44	14.0%	18.7%
Rural County Not Adjacent to a Metro			
Large Rural County	6	1.9%	5.7%
Medium Rural County	49	15.6%	10.9%
Small Rural County	41	13.1%	9.5%

Exhibit 21: Share of Counties in Bottom Ten Percent of the Creative Class by County Type, 2016

Source: Calculated from United States Census Bureau, [American Community Survey](https://www.census.gov/programs-surveys/acs), 2010 and 2016 – 5 Year, www.census.gov/programs-surveys/acs.

The pattern is similar when we look at the share of counties that rank in the bottom ten percent on their creative class share as Exhibit 21 shows. While urban counties have a smaller share of places in the bottom ten percent, each type of urban and rural place has some share of its counties that number among the bottom ten percent.

There is a good deal less variation in the growth of the creative class across urban and rural places than you might imagine. Across the nation, the creative class grew by 1.3 percent overall between 2010 and 2016. Which type of place saw the largest growth? Large rural counties that are not adjacent to metro areas, with a growth rate of 1.8 percent, better even than urban counties in large metro areas (1.7 percent). Large rural counties that are adjacent to large metros also saw creative class growth that exceeded the national average.

Once more, the actual pattern is more complex and varied than the conventional wisdom. While it is true that large urban places have the largest numbers and shares of the creative class, there are many rural places where the creative class is thriving. These places are those that are [home](#) to universities and colleges, have significant arts and cultural organizations and scenes, and benefit from abundant natural amenities. When it comes to talent and the creative class there are winners and losers among all types of places across the urban and rural spectrum.

6. Economic Mobility

When it comes to economic mobility, the image that comes to mind is one of savvy, ambitious young people from the cities and suburbs of large superstar metro areas like New York, Boston, and San Francisco getting ahead, while children from more isolated, rural areas fall further and further behind. But this narrative is not borne out by the data. Actually, according to several new studies, kids who grow up in rural areas have a better shot at upward mobility than their peers who live in larger, denser urban areas.

Research by Raj Chetty and his team has shown that the economic mobility of Americans is tied to the neighborhoods in which they live.⁸ One of the least appreciated and least talked about findings of that research is that low-income youth growing up in rural areas have a better chance at upward mobility than their urban counterparts. Or as the authors put it: “Opportunities for upward mobility are not necessarily better for children growing up in cities rather than in rural areas.”

Two recent studies from a team of researchers led by Bruce Weber of Oregon State University use Chetty’s data on economic mobility to zero in more closely on what accounts for the differences in upward mobility between urban and rural areas.⁹ Chetty’s team looked at metropolitan-level data in their earlier study; Weber and his team used that as a basis to then examine finer-grained county-level data. Their study explores the economic mobility of kids growing up in three types of counties: urban “metropolitan” counties; rural “non-metropolitan” non-core counties; and rural “micropolitan” counties—counties that have an urban cluster of between 10,000 and 50,000. There are roughly 1,200 urban counties in metropolitan areas—these make up almost 40 percent of all counties and contain about 85 percent of the total U.S. population. The roughly 650 rural counties in micropolitan areas contain a bit less than ten percent of the population. And there are about 1,300 more isolated non-core, non-metropolitan counties holding 6 percent of the population.

Their research reinforces the conclusion that the rural counties are better for upward mobility than urban counties. Using Chetty’s original measure of absolute upward mobility, Weber’s more granular examination finds a higher rate of upward mobility in rural counties (44.1) compared to urban counties (42.1)—a gap of 2.0. This is slightly less than Chetty’s earlier finding of higher mobility in rural commuting zones (45.8) compared to urban (41.7)—a gap of 4.1.

What matters is not just whether a county is urban or rural but how far it is from a large urban or metropolitan center. Yet, close proximity to an urban center does not increase economic mobility, Weber, et al. found. Instead, upward mobility declines with proximity to a major urban center. And, the further away a place is, the higher the economic mobility. In other words, upward mobility is a function of remoteness.

A number of other factors bear on the upward economic mobility of children from urban and rural areas. For one, living closer to work, reflected in short commutes (of less than 15 minutes), has a much bigger effect on upward mobility in rural than in urban counties. This may be because jobs and economic opportunities are more spread out in rural areas, and families living in them may benefit from living closer to those opportunities.

Even the smallest amount of income inequality leads to a large decrease in upward mobility for urban youth. For rural youth, that impact is twice as large, even though income inequality is greater in urban areas. And growing up in a home headed by a single mother has a more adverse effect on kids from rural counties than ones in urban counties. The disproportionate role these two factors have on upward mobility in rural communities may reflect the fact that these areas lack the social services and safety nets available in urban areas. Conversely, the high school dropout rate has much less of an effect on mobility in rural areas than on urban counterparts.

Based on their broader analysis, which controls for these various factors, Weber and company conclude that if factors like income inequality and high school dropout rates were the same in urban and rural counties, upward mobility would be even higher for rural places, pointing out that the higher upward mobility of rural places is likely due to their “more favorable conditions” on factors like family structure, inequality, commuting, and social capital.

More recent work from Chetty and company adds additional nuance by zeroing in on the effects of census tracts (an even smaller geographic unit than counties) on economic mobility, echoing the findings of sociologists like Robert Sampson of Harvard University and Patrick Sharkey of New York University, on the power of “neighborhood effects.”¹⁰

Chetty and his collaborators find that it is not just the metro or county a child grows up in, but the specific neighborhood that matters. The prospects for economic mobility can and do vary greatly from neighborhood to neighborhood, even within the same metro or county. As they put it: “The sharply divergent patterns of opportunity across the country suggest that the underlying drivers (as well as potential policy solutions) may also vary greatly from place to place.”

Furthermore, the differences in upward mobility between urban and rural neighborhoods tend to differ across various parts of the country. The differences between the Midwest and the South as examples of this pattern. In Iowa and the Dakotas, rural areas afford much greater prospects for upward mobility compared to urban centers. But in Georgia and the Carolinas, rural areas offer much less opportunity for economic mobility than urban centers. Low-income youth from the rural outskirts of Des Moines, Iowa, have better upward economic mobility than kids from the urban core. Raleigh, North Carolina is different. Children who grow up closer to the city center have better upward economic mobility than those from the rural outskirts.

The reality of economic mobility defies what we think of as our urban-rural divide. It may even offer an opportunity for each type of place to begin to learn from the other.

7. Conclusion

This study has looked at the myths and realities of America's urban rural divide across six key categories: population, jobs, wages, college grads, the creative class, and economic mobility. We find that within and across each of these categories the reality is more far more nuanced and complicated than the prevailing narrative of urban growth and rural decline. Across every dimension there are winners and losers all types of places across urban and rural America. Parts of rural America are thriving, even as other parts decline; just as parts of urban America continue to lose population and face economic decline as other parts make comeback. Our winner-take-all geography operates at every scale, and across every type of place.

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We thank Taylor Blake for maps

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January 2019