People often associate rural Oregon communities with poverty and low education levels. But these socioeconomic factors vary greatly, depending on how rural is defined. In a recent Rural Studies Working Paper, researchers examined three nationwide systems for defining rural and urban areas. They evaluated each system based on how well it separated densely settled urban areas from more remote, sparsely settled rural areas. They found that the choice of classification system has far-reaching research and policy implications. In addition to affecting how much land and population are classified as rural, the definition affects the demographic and economic profile of rural places, in turn influencing how barriers and opportunities are perceived in those areas.

**The Traditional System**

Attempts to classify populations as either rural or urban date to the 19th century, when the Census Bureau introduced a two-category classification, which is the basis of the definition used today. Places with 2,500 people or more are defined as urban, and all other places are defined as rural. The current Census Bureau definition also requires a certain population density in order for a place to qualify as urban.

Because this system has been used for more than a century, data can be compared over long periods of time. A disadvantage of this system is its use of Census block group data (generally containing between 300 and 3,000 people), which are collected only every 10 years during the decennial census. Figure 1 shows Oregon divided into rural and urban areas based on this system.

**A County-Based System**

In the mid-20th century, a county-based classification system was developed to account for the integration of urban and rural areas. The Rural-Urban Commuting Area (RUCA) system is based on census tracts and commuting patterns. Tracts consist of 1,500 to 8,000 people with similar socioeconomic characteristics. The RUCA system uses commuting data to classify tracts based on their level of integration with other tracts. Census tracts with high proportions of employees working in the local area are core tracts. Tracts that send significant shares of commuters to the core are commuting tracts. Core tracts located in areas with a population of at least 50,000, along with their associated commuting tracts, are considered “urban,” and all others are considered “rural.” In other words, rural areas are those census tracts that do not have significant commuting ties to areas with 50,000 or more people.

An advantage of this system is its subcounty detail. For example, in large metropolitan counties, sparsely settled rural areas that are not economically tied to the urbanized core are defined as rural. The disadvantage is that tract-based data are available only in the decennial census. Figure 3 shows Oregon divided into rural and urban areas based on this classification system.

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1. With the full availability of the American Community Survey scheduled for 2011, this disadvantage will no longer apply.

2. In 2000, the federal government subdivided nonmetropolitan counties into “micropolitan” counties (those with an urbanized area of 10,000 to 49,999) and “noncore” counties (all other nonmetropolitan counties).
Comparing the Systems

The three systems paint different pictures of rural areas (see table). Under the RUCA and metro/nonmetro systems, the average income of rural households is about $10,000 less than that of urban households. Using the Census Bureau classification, however, the average rural income is a little higher than the average urban income.

The systems also differ in the percentage of people classified as poor. The Census Bureau classifies 9.7 percent of the rural population as poor, while RUCA and the metro/nonmetro system classify 13.3 percent and 13.8 percent as poor, respectively.

All systems find higher levels of college completion among urban populations. Under the RUCA and metro/nonmetro systems, 16.1 percent and 15.5 percent of the rural population hold bachelor’s degrees, respectively, while the Census Bureau shows 19.9 percent of the rural population with a bachelor’s degree. The urban–rural educational gap is smallest under the Census system.

The system used to define rural clearly affects the geographic and demographic profile of these areas. The choice of definition matters for both research and policy makers because it affects perceptions of rural areas and the appropriateness of policy options.

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