



## Explaining Rural Population Trends

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Rural North Carolina has experienced unprecedented demographic change over the past thirty years. Starting in the decade of the 1970s, more people have been moving into the state's 75 rural counties than have been leaving them. The pattern of in-migration into rural areas has continued up to the present – reversing a long-standing trend of rural out-migration that dated back to the War Between the States.

North Carolina is not unique in this regard: A similar pattern of rural population growth has been observed throughout most of the United States. This has caused much debate among demographers, economists, and other social scientists trying to explain to why more and more people are moving into rural areas. This issue of the NC State Economist takes a closer look at recent population trends in rural North Carolina.

### Migration Patterns in North Carolina

The 1960s marked the final decade in a long historical pattern of out-migration from rural North Carolina, both to urban centers within the state as well as to locations in other states (Figure 1). In sharp contrast, the 1970s witnessed significant net in-migration to rural areas, as well as a large influx of persons into the state as a whole. Net in-migration into North Carolina increased in the 1980s, but the great bulk of these new residents settled in urban growth centers such as the Research Triangle, the Triad and Charlotte. Net migra-

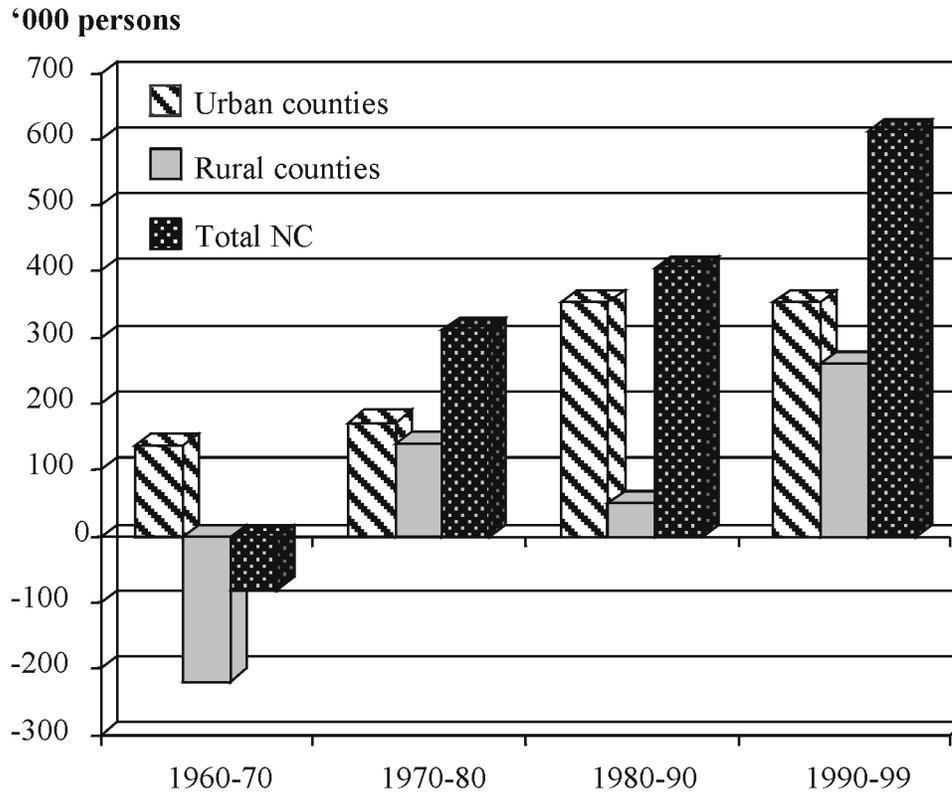
tion into rural areas, while still positive during the 1980s, was considerably smaller than in the previous decade. However, between 1990 and 1999 net migration into rural North Carolina exceeded 250,000 persons.

Migration into rural North Carolina has by no means been uniform. A closer look at the numbers reveals several interesting observations. First, the great bulk of new rural residents – nearly 85 percent in the most recent decade – settled in rural counties located immediately adjacent to urban counties. Second, older persons have made up a growing share of the stream of migrants into rural areas – in particular, mountain and coastal counties that are popular retirement destinations. Third, while the aggregate trend has been that of net in-migration, a number of rural counties have experienced net out-migration in one or more of the past three decades. Most of these counties are highly dependent on agriculture, and are primarily located in the eastern part of the state.

### Explaining the Trends

As noted earlier, the recent movement of people into rural North Carolina is reflective of a general trend underway throughout the country. Social scientists attempting to understand these national population trends have gravitated toward two competing explanations. Some argue that sweeping changes in the structure of the national economy – shifts in national comparative

**Figure 1. Net migration into urban and rural counties of North Carolina, 1960-1999**



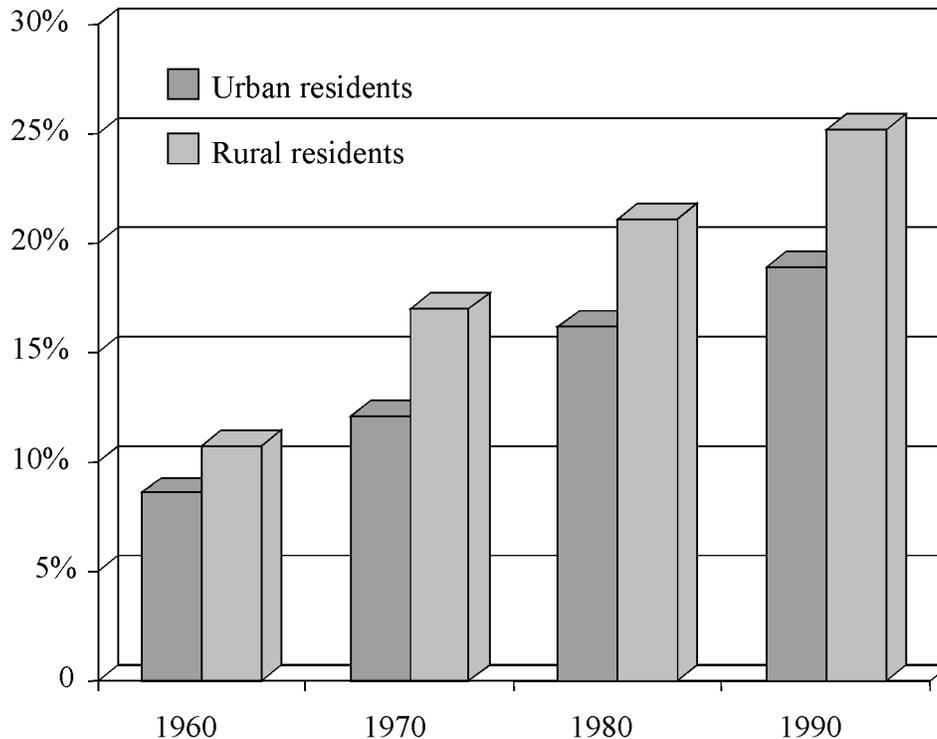
Source: U.S. Census Bureau

advantage from manufacturing to service industries, technological changes (particularly in information technologies), and intensifying international competition – have caused growing numbers of businesses and industries to locate in rural communities. By this argument, the large movement of people into rural areas has stemmed from people following employment opportunities.

Others focus on residential preferences, maintaining that the re-population of rural areas reflects Americans' growing desire for the relatively open spaces, lower cost of living, and scenic amenities that rural areas offer. The increased popularity of rural retirement destinations and the greater mobility of workers both support this point of view.

For North Carolina, the evidence points strongly toward this latter explanation. Clearly, the growing popularity of rural destinations for

older, retired persons is a matter of residential preferences. There is strong evidence, too, that the mobility of North Carolina's workforce has grown sharply over time. One important indication of this is the striking increase in cross-county commuting by North Carolinians (Figure 2). In 1990 – the most recent date for which these figures are available – over 20 percent of all workers in the state crossed county lines to go to work. Indeed, between 1960 and 1990 there was a nearly fivefold increase in the number individuals living in one county and working in another. Several factors underlie this greater workforce mobility, including growing numbers of dual income-earning households, expansion of the state's road network (particularly the interstate highway system), continuing increases in average fuel efficiency of automobiles, and the long-term decline in the real price of gasoline.

**Figure 2. North Carolinians crossing county lines to go to work, 1960-1990**

Source: U.S. Census Bureau

As has been noted, a huge fraction of the new migrants into the state's rural areas have settled in counties located next to urban centers. In 1990 over 18 percent of workers located in these *adjacent* counties traveled to urban counties to go to work. By way of comparison, the figure for 1960 was only 7 percent. A recent statistical analysis of commuting and migration data for North Carolina confirms a strong link between migration into these rural counties and commuting back into nearby urban counties (Renkow and Hoover). This work found that the major part of the population growth of rural counties is attributable to an expansion of the geographical area from which urban businesses drew their labor.

## Impacts on Rural Communities

An influx of new residents to rural counties has a number of impacts on the local economy, some positive and some negative. Population growth tends to stimulate certain sectors of the local economy – particularly, construction and retail establishments. This can be good news for communities with high unemployment rates if the newly created jobs are filled by local citizens. In addition, such positive employment shocks can pave the way for further economic development by encouraging the formation of still more new businesses – a sort of *pump priming* effect.

Population increases also usually put upward pressure on housing prices by boosting the demand for housing services. This can be good news for

property owners since it will raise the value of their property. However, it can be bad news for individuals who don't own their homes, since it put upward pressure on rents.

Aside from these effects within the private sector, population increases can have profound fiscal effects on local governments. A larger population means larger demands on publicly provided goods and services such as education, waste management services, and water and sewer infrastructure. Financing these new demands can be a severe challenge for rural county governments, especially in the increasingly common situation of a rural county becoming a *de facto bedroom community* for a nearby urban county.

These growing pains associated with rural population growth have fueled widespread interest in growth management and land use planning. Some rural counties have even begun taking a hard look at implementing countywide zoning. Because the demographic trends that have been discussed here seem likely to continue well into the foreseeable future, this kind of community self-examination will become even more important – and hopefully productive – in the years to come.

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## Reference

Renkow, Mitch and Dale M. Hoover. 2000. "Commuting, Migration, and Rural-Urban Population Dynamics." *Journal of Regional Science* 40(2): 261-287.

### N.C. State Economist

Published bi-monthly by the Department of Agriculture and Resource Economics and the Cooperative Extension Service. Address correspondence to:

The Editor, N.C. State Economist  
Box 8109, N.C. State University  
Raleigh, NC 27695-8109

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