



# LRO SNAPSHOT

A brief from the Legislative Research Office

April 2024

## Do You Ruralize?? A Myriad of Definitions for Rural and Urban

By Dillon Cornett, Research Analyst

No topic may be more oft discussed in the Nebraska Legislature than how different, or similar, are the perspectives of residents in rural and urban areas of the state. Nearly every bill debated in the Unicameral can be viewed from a rural or urban lens or with an eye toward the different effects that a policy may have on disparate areas and populations in the state. The current Snapshot is intended to provide members of the Legislature with geographical context for rural and urban policy matters.

The terms “rural” and “urban” are often used colloquially to describe one’s self, an area, and even a pattern of behavior (e.g., the rural/urban way of life). Over time, organizations have formed such as the [Rural Policy Research Institute](#) and the [Urban Institute](#) that analyze, and advocate for, specific issues related to these areas. Multiple definitions exist for the words rural and urban, and many researchers - like those at the [Economic Innovation Group](#) (a bipartisan public policy organization) and the [University of Nebraska](#) - have created novel methodology to define what constitutes rural and urban. However, for purposes of Federal government statistical classification and the appropriation of certain funds, many agencies specifically define where rural areas end and “urbanity” (urban life) begins.

By any standard definition, “rural” is used to describe land, housing, and populations that are relating to, or characteristic of, the countryside (rather than “the town”). In order to define the concept of rural for administrative purposes, agencies and policymakers must first answer the question, “What is urban?” In other words, an initial definition for what is not the countryside must be created.

The U.S. Office of Management and Budget (OMB), Census Bureau (Census), and the departments of Agriculture (USDA) and Health and Human

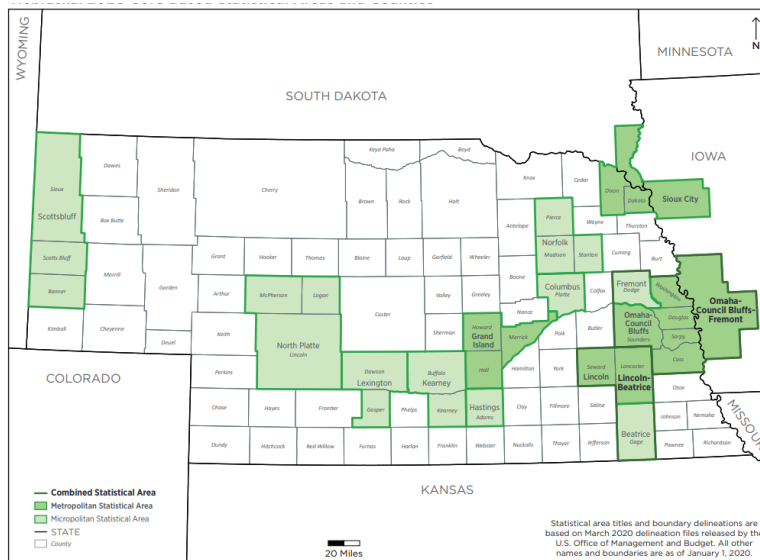
Services (HHS) all employ different definitions of urban - and by extension, rural - areas and populations.

### OMB Definition

OMB classifies counties as metropolitan (metro), micropolitan (micro), or neither based on [published standards](#) using Census data. OMB then creates statistical areas, such as the metro statistical area (MSA), that are economically and demographically similar, and adjacent to, a high-population core such as the Omaha-Council Bluffs MSA. The created areas are not analogous to a true urban-rural divide as many counties, by this definition, contain both rural and urban populations. The intention of OMB is to create nationally consistent geographical delineations for Federal statistics. OMB warns that these areas may not be appropriate for nonstatistical purposes, such as when calculating a program funding formula, and it is the duty of the agency that may utilize these classification areas to verify whether their use is suitable.

By the OMB definition, any MSA must contain an urban core with a population of 50,000 or more. Additionally, OMB classifies micro statistical areas as geographies that contain at least one urban cluster of 10,000-49,999 people. Counties outside metro and micro statistical areas are then categorized as rural. As of [March 2020](#), there were 384 metro statistical areas and 543 micro statistical areas in the United States.

### OMB Definition: Core Based Statistical Areas

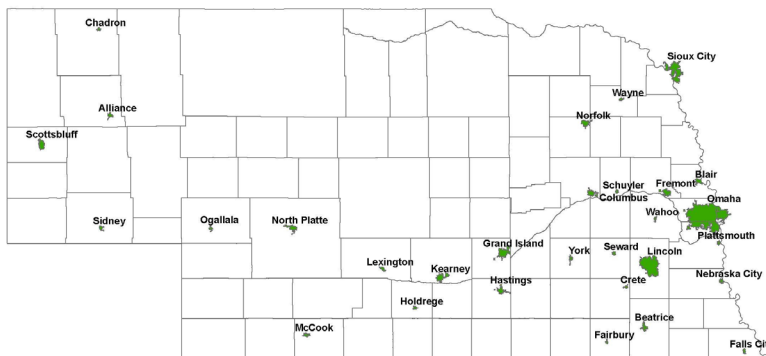


In Nebraska, four MSAs with urban cores exist: Grand Island, Lincoln, Omaha, and Sioux City (Iowa). OMB classifies nine micro statistical areas in the state with urban clusters in Beatrice, Columbus, Fremont, Hastings, Kearney, Lexington, Norfolk, North Platte, and Scottsbluff. Metro and micro statistical areas that can demonstrate economic or social linkages are further grouped into Combined Statistical Areas.



The statistical information about economically interconnected areas generated by the OMB definition help elected officials and businesses to review income per capita, spending patterns, housing trends, and unemployment rates in order to make policy changes or for a company's site selection process. For example, labor market data categorized by MSA is analyzed and disseminated by researchers at the [Bureau of Labor Statistics](#).

## Census Definition: Urban Areas



USDA bases these codes on the same standards that OMB uses to develop county-level urban areas.

Employing the use of census tracts, rather than counties, in RUCA codes helps to provide more precise data and a more accurate pattern of rural and urban areas. Primary RUCA codes focus on three types of clusters of census tracts or "cores"

(metro, micro, and small town). Of the 10 primary codes, the most rural areas are identified as tracts where the primary commuting flow is local or it flows to another rural tract.

## Census Definition

After each decennial census, urban areas are redefined and classified by whether a densely settled core of [census blocks](#) meet a minimum amount of housing unit or population density requirements. To first classify land and populations as urban, Census searches for areas with at least 425 housing units per square mile (the initial urban core) and for adjacent suburbs and commercial areas. After redefining the concept post-2020 census, territory classified as urban must include at least 2,000 housing units or have a population of at least 5,000 people – an increase from the 2,500-person standard in use since 1910.

All population, housing, and territory not included within any urban area is considered rural. As a result of the 2020 changes, 4.2 million individuals in 1,140 communities across the U.S. formerly considered urban, are now classified as rural populations.

In Nebraska, the Census classified 43 places as urban in 2010, but under the new definition, only 30 places in the state now qualify as urban. Some have argued that the new definition will create larger and more dense rural areas and will shift the demographics of these areas, but Census staff have argued that the new definition brings the Census more in line with other Federal programs. The Census delineates these areas for statistical purposes and the tabulated data provide a baseline for comparison and analysis of rural and urban territory.

## USDA Definition

The U.S. Department of Agriculture's Economic Research Service categorizes territory using [Rural-Urban Commuting Area](#) (RUCA) codes, which classify the urbanization of areas on a [10-point continuum](#). In addition to population density, RUCA codes classify [census tracts](#) by analyzing daily commuting patterns. These codes delineate geography from metro cores to rural areas based on the size and direction of their largest commuting flows.

By this definition, 95 of 532 census tracts (17.8 percent) in Nebraska are classified as completely rural. RUCA codes that are based on the 2020 decennial census are estimated to be released no earlier than the fall of 2024. No ZIP Code areas in Nebraska have been classified as "Small town low commuting: primary flow 10% to 30% to a small urban cluster" (code 9).

## HHS Definition

The [Health Resources and Services Administration](#) (HRSA), a U.S. Health and Human Services agency, must also define rural areas for the administration of Rural Health Grants. The HRSA has argued that the OMB definition undercounts rural populations, while the Census overcounts the number of people living in rural areas.

The Census definition does not necessarily follow city or county boundary lines and does classify many suburban areas as rural. Conversely, the OMB definition includes apparently rural areas that are located in metro counties, such as the Grand Canyon in Arizona.

The HRSA attempted to develop a solution to these challenges by utilizing the USDA's rural-urban commuting area codes in their own classification standards. The resulting HRSA definition of rural includes all non-metro counties, all metro census tracts that have a primary commuting flow away from a metro, and large metro census tracts with a relatively low population density (35 people or less per square mile). HRSA, beginning with FY2022 Rural Health Grants, now considers all outlying metro counties without an urban area to be rural.

## Conclusion

Even if you're not [rurigenous](#) by definition, or not a [ruralist](#), or if you don't believe in [ruralism](#) or haven't [ruralized](#) in some time, the countryside isn't far away in Nebraska, especially if you live in a [rurban](#) area.