

Commuting and the Economic Functions of Small Towns and Places

Fully three out of four nonmetro counties have average out-commuting rates from their towns and places of more than 35 percent. Commuting is one way to take advantage of housing and job options in nearby communities; hence, commuting rates are higher in parts of the country where places are closer together, mainly east of the Mississippi. Commuting rates are higher from smaller towns and places. Commuting implies that creating job opportunities for a community's residents may not require bringing jobs into that community. Conversely, bringing jobs into a community will not necessarily mean jobs for residents. Separation of work and residence could result in need for social services, housing, and water and sewer facilities that do not decline when jobs do. This separation may also separate sources of tax revenues from the needs.

Commuting from a residence in one jurisdiction to a job in another is such a commonplace facet of American life that it arouses little notice. Three important trends in the 1970's contributed to commuting: a boom in workers fed by the baby boom and the movement of women into the labor force, a growing shift to the suburbs for job locations, and increased use of the automobile. In the 1980's, the boom in workers diminished, but the dispersal of job locations continued as did the emphasis on the private automobile (Pisarski, 1996).

Commuting is not limited to metro areas. A small town or place, whether an incorporated town or a densely settled unincorporated area, can serve as either a residence or a place of work. This means that bringing jobs into a community may result in either residents or nonresidents seeking and getting the jobs. Economic development is often couched in terms of adding jobs to a community, rather than in terms of finding access to jobs in nearby communities. The residential and employment pattern of the town or place has important implications for community and economic development.

This paper uses "out-commuting" across jurisdictional lines to examine the extent to which residents of nonmetro towns and places work elsewhere (see box for definitions). It also discusses implications for local governments and development policy of the separation of residences in small towns and places from work elsewhere.

Nonmetro Commuting Goes Predominantly to Nonmetro Destinations

Commuting has become an integral part of nonmetro life, most of it to other nonmetro destinations. The ratio of jobs to workers gives an indication of commuting for specific areas. (The measure is not precise because some workers have more than one job.) In 1990, the index for nonmetro areas was 92, compared with 83 for the suburbs and 136 for central cities (at 100, the number of jobs equal the number of workers). For all metro areas, it was 102. These numbers imply that about 90 percent of nonmetro commutes were to nonmetro destinations. Nearly 90 percent of nonmetro commutes were in private vehicles, with over 70 percent consisting of people driving alone. Over 30 percent of nonmetro commutes from households which did not own vehicles consisted of persons driving alone, presumably in vehicles belonging to relatives or friends (Pisarski, 1996).

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The importance of commuting to rural areas can be seen in the commuting patterns among cities, towns, and places of different sizes (Fuguitt). A study based on the 1980 census shows how community size affects commuting patterns. As table 1 illustrates, more workers commuted out of places of less than 2,500 population than into them, although commuting into even these small places was noticeable. The middle category represented considerable exchange with other size categories, while places of over 10,000 population had a fairly large balance of in-commuting. These results include only commuting between size categories, excluding commuting within them. Even with this limitation, the results show that separation of work and residence was common in non-metro small towns nearly two decades ago.

Jobs and Housing Costs Contribute to the High Levels of Commuting

The motives behind commuting become clearer when commuting is examined at the State and local levels. In a study of inter-county flows in North Carolina, Renkow, Hoover, and Yoder focus on the reasons people commute between counties. The study represents 3,730 inter-county flows of commuters, accounting for commuting by workers in each of 12 industries. It models the proportion of workers commuting as the result of simultaneous selection of a job from possibilities of different wages at different locations and of a residence from possibilities of different costs at different locations. The worker/consumer's decision is constrained by the cost of commuting between job and residence, represented by distance. With the proportion of recent migrants included, the researchers found that commuting into metro counties from other metro and nonmetro counties in North Carolina produced the expected relationships of more commuting to higher wage, higher housing-cost areas, with an inverse relationship to distance. Nonmetro to metro flows are only 10 percent of commuting flows originating in nonmetro areas, but the study confirms the importance of wages, housing costs, and distance as determinants of commuting flows.

Table 1

Aggregate rate of commuting in and out of nonmetro towns and places to other size categories, 1980

Medium-sized places exchange large proportions of workers with larger and smaller places

| Size of community | Commuting out Commuting in | |
|-------------------------|-------------------------------|----|
| | Percent | |
| Less than 2,500 (small) | 44 | 18 |
| 2,500-10,000 (medium) | 41 | 62 |
| Over 10,000 (large) | 25 | 63 |

Source: Fuguitt. Base is resident population of workers.

Nonmetro Residents East of the Mississippi and in Small Towns Commute Most

We use the census-defined place (see box for definition) to examine the proportion of workers commuting out of one place to other jurisdictions, and thus using the small town as a bedroom community. As table 2 indicates, around half of the nonmetro population lives in places, the remainder live in open country. Average out-commuting rates from the 1990 census were calculated for all places within counties and in particular size categories within regions of the country (see table 2 for distribution of the nonmetro population by region and size of places). Previous studies (Pisarski and Fuguitt) were based on nationwide averages by metro and nonmetro areas or by size categories of places. In contrast, we average places

Census-Defined Places Are Statistical Equivalents of Incorporated Municipalities

As defined in the 1990 decennial census, places include incorporated places and census-designated places (CDP's). Incorporated places are legally defined incorporated municipalities (cities, towns, villages, and boroughs); census-designated places are the statistical counterparts of incorporated places, used to define densely settled concentrations of population that are identifiable by name, but are not legally incorporated places. In all, we have data for 23,434 places in the Nation, representing 182.5 million people.

The metro/nonmetro status of a place is determined by the county in which it is located. In some instances, a place extends across county boundaries. In these cases, the multi-county parts of the place were consolidated into the county with the place's largest share of population. We then assigned each place a metro or nonmetro status based on the rural-urban continuum code of its county. By this method, we define 12,667 nonmetro places, representing 25.6 million people.

Several caveats concerning the data on places should be noted. The data shown for nonmetro places are for all incorporated places and for CDP's (unincorporated places) of 1,000 persons or more. The Census Bureau has not had the resources to extend its identification of places to those with fewer than 1,000 that lack incorporation, with the exception of Alaska and Hawaii.

Also, States are not uniform in their incorporation of small places as municipalities. For example, some States in the Midwest and the western South have anywhere from 300 to 600 incorporated small towns of fewer than 1,000 residents. At the other extreme, it has not been the custom to incorporate such small places in New England (with the exception of Vermont)—where township-sized "towns" are the basic unit of local government—nor in the three Western States of Arizona, California, and Nevada. Thus, for places of fewer than 1,000 people, the data for both the United States as a whole and for the four regions exclude most places in New England and the three other States mentioned.

Table 2

Percent of the nonmetro population living in census-defined places, by region and place population, 1990*About half the nonmetro population lives in places; the rest live in the open country*

| Region | Living in places | Place population | | | | |
|----------------|------------------|------------------|-------------|-------------|-------------|-------------|
| | | Under 1,000 | 1,000-2,499 | 2,500-4,999 | 5,000-9,999 | Over 10,000 |
| Total nonmetro | 50.3 | 5.6 | 8.5 | 7.9 | 9.5 | 18.7 |
| Northeast | 41.9 | 2.6 | 9.4 | 7.1 | 9.9 | 13.0 |
| Midwest | 55.9 | 9.0 | 9.6 | 7.4 | 9.4 | 20.5 |
| South | 43.9 | 4.0 | 7.2 | 7.7 | 8.9 | 16.1 |
| West | 63.4 | 5.5 | 9.1 | 10.5 | 11.3 | 27.0 |

Source: Calculated by ERS using data from the Bureau of the Census.

within counties and by size categories of places within the four census regions. These numbers show the spatial variation in out-commuting from places across the country.

The map (fig. 1) strikingly reveals how pervasive job commuting is for nonmetro workers. Fully three out of four nonmetro counties have average out-commuting rates from their towns and places of more than 35 percent. Most of the area east of the Mississippi reveals a predominance of counties whose towns and places are counties in the top two quartiles of commuting percentages. Conversely the central and Western counties more often fall in the bottom two quartiles, especially in the thinly settled agricultural Great Plains. However, these rates are not low, ranging up to nearly half of all workers. Commuting is one way to take advantage of housing and job options in nearby communities; hence, commuting rates are higher in parts of the country where places are closer together.

Some exceptions to these broad characterizations are found in Mississippi, Alabama, the Appalachian States, and the northernmost parts of New England. Workers in these places do not appear to be able to find opportunities to improve their wage/consumption options through commuting as readily as in the rest of the area east of the Mississippi. Parts of the West do contain counties with very high out-commuting rates from towns and places, suggesting greater opportunities in neighboring places.

Commuting can include exchanges of residential and working populations. An example is a nonmetro county seat in Michigan. The residents, mostly middle- and low-income, commute out to industrial and service employment. Business owners and professionals commute into the town from their residences outside town. To the extent that certain types of employment, such as high-skilled professional employment, are concentrated in places with fewer attractive residential options, those workers are more likely to commute to their jobs and choose from a wide range of residential options outside their place of work.

Examining out-commuting by region and size of nonmetro places provides further insight into the pattern of commuting (fig. 2). In the Northeast, residents of places of under 2,500 commonly work elsewhere: out-commuting rates are 76 percent for places under 1,000 and 73 percent for places between 1,000 and 2,500 population. Fuguitt's results on in-commuting in the size categories suggest that in-commuting rates would be small for places less than 2,500 population. In the Northeast, however, out-commuting rates are still 50 percent for places between 5,000 and 9,999 population.

In the South, as in the Northeast, the smallest size of place categories display large out-commuting rates: 77 for places under 1,000 and 65 percent for those between 1,000 and 2,500 population. In the Midwest and the West, the out-commuting rates from these small places are somewhat lower, reflecting the longer distance between places, although the rates are still quite high: 70 and 55 for the Midwest and 59 and 62 for the West.

Some important observations follow from these findings. Offering a satisfactory residential environment can be an important small town and rural economic attraction, analogous to offering manufacturing sites, retail sites, or favored retirement areas. Multi-community development strategies can consider specialization among towns and places. A middle ground between moving people to jobs through migration or jobs to people through economic development might be to make commuting accessible to more people (Fuguitt).

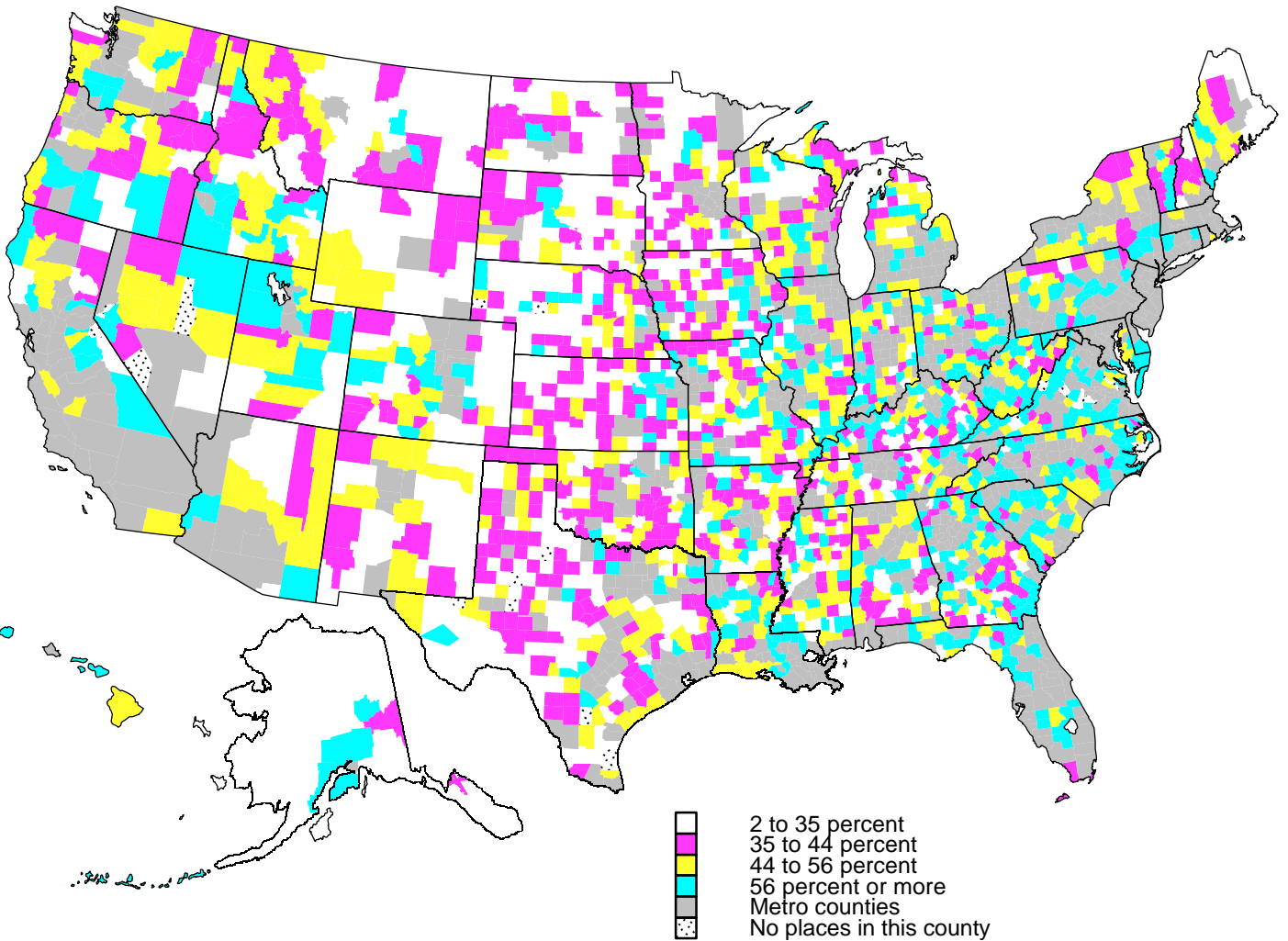
Residential Specialization Challenges Long-Term Residents and Local Governments

Commuting to obtain higher wages and/or lower housing costs can change the social and demographic composition of places. The meaning of out-commuting and residential specialization varies by the affluence of the population. In high-income places, residential specialization is primarily a matter of people choosing the most attractive of many options. However, some have suggested that low-income residents can represent a "filling-in" phenom-

Figure 1

Percent of workers commuting outside place of residence, nonmetro counties, 1990

Commuting out of rural towns and densely settled places is common across the country, but more usual east of the Mississippi



Source: Calculated by ERS using data from the Bureau of the Census.

enon as those with fewer financial resources occupy less expensive housing units left available by out-migration of the more affluent.

In New York State, lower income residents pushed out of high-cost larger places have concentrated in some rural villages.

...Today, as a result of recent decades of rural population loss, houses and store buildings in some rural villages have become vacant. Absentee landlords...have cut them up into apartments, which they now rent at rates that are considerably lower than rents in the larger towns or nearby cities.... Thus, some small villages have become de facto low-income housing sites (Fitchen, p. 123).

Even thriving communities may develop commuting strains as long-time residents expand their horizons and newcomers arrive. A thriving agriculturally oriented community in Washington State highlights the dynamics of the shift from business center for surrounding agriculture to residential settlement:

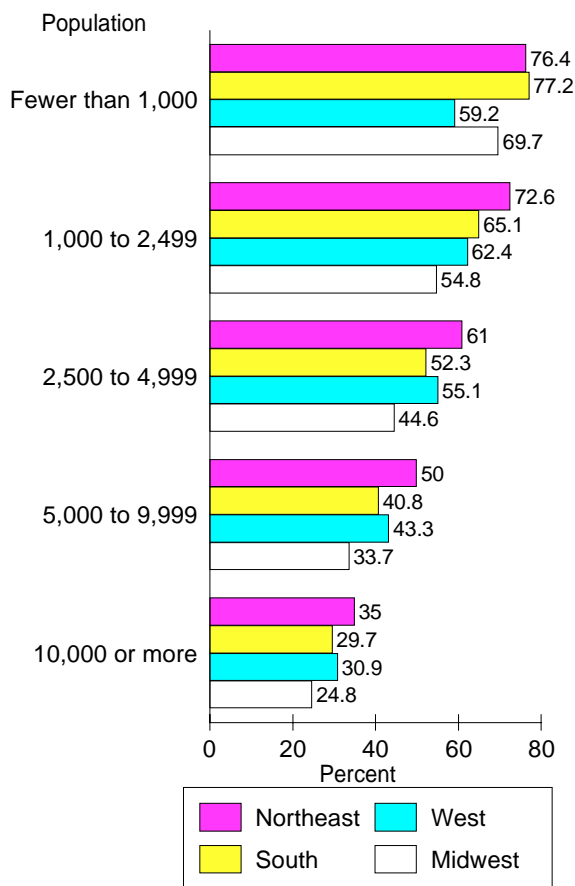
The stress between farmers and non-farmers has increased in some ways as the availability of transportation has allowed farmers to go outside of the community to spend their money. In addition, more people are working outside the community...

Increased out-of-community employment isn't the only change that has influenced the community of Bremer [a pseudonym]. As housing prices have fall-

Figure 2

Out-commuting rates by size of place and region, 1990

Commuting varies inversely with size of place



Source: Calculated by ERS using data from the Bureau of the Census.

en, the residents have felt that outsiders have moved in who have no regard for the good of the community (Allen and Dillman, p. 185).

In Illinois, both “down scale” and “gentrified” forms of bedroom communities have developed in what had previously been agricultural communities.

In communities such as Splitville [a pseudonym], where the newcomer influx is by families less well-off or less well-educated than old-timers (or perhaps perceived as of lower status), a “down scale” form emerges. There are potentially many other variants of post-agricultural communities. Where post-agricultural communities have become bedroom communities for well-off, well-educated commuters to adjacent metro centers, an “exurban,” “upscale,” or “gentrified” form emerges. Another variant has a changing population that is demographically stabilized due to

an in-migration of newcomers racially or ethnically distinct from old-timers (Salamon, p. 637).

It is not known how extensive this phenomenon of low-income residential enclaves in small towns and places is and whether there are regional differences in its extent. It seems likely that the phenomenon is more common in areas experiencing declining nonmetro populations. It also seems likely that low-income housing specialization was more common in the 1980’s, when many rural areas experienced low or negative population growth, than in the 1990’s, when there has been a turn-around in many, but not all, nonmetro areas. To the extent that places become low-income housing enclaves, they pose severe challenges with respect to the provision of social and economic services. This could influence planning for government programs in nonmetro areas, human service programs as well as physical infrastructure programs providing housing and community facilities. For example, towns that previously may have needed fewer services for younger people and less housing and water assistance because of declining populations may in fact need more if they become low-income residential “neighborhoods,” with younger residents and a stable population. Furthermore, the tax base of the employment center based outside the residential area may not be available to the residential town to supply needed services.

Nebraska illustrates this process. In developing priorities for assisting small communities with water and sewer needs to meet Federal and State environmental and safety mandates, the Governor’s Office examined around 100 communities to determine future needs for services. Although it was expected that some small communities would face reduced needs in the future, many communities were, in fact, low- and middle-income “neighborhoods” for distant employment centers and, as such, would have continuing needs for services. The consequential potential strain on State and local financial sources, even supplemented with Federal grants and loans, means that the State must develop strategies for providing adequate services at low cost to prevent future health and safety problems. These strategies include fiscal capacity analyses and research to examine alternative, less-costly technologies for water treatment, for example (Yost).

The separation of work and residence may require a concept of residential and economic areas that encompass several towns or places for any particular community or economic development effort. The concept of small towns as providers of residences, as well as other economic services, in a regional network of employment and housing options offers a useful perspective and the possibility of expanding approaches for community and economic development.

For Further Reading . . .

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