



rural policy research institute

## Demographic and Economic Profile

# Alabama

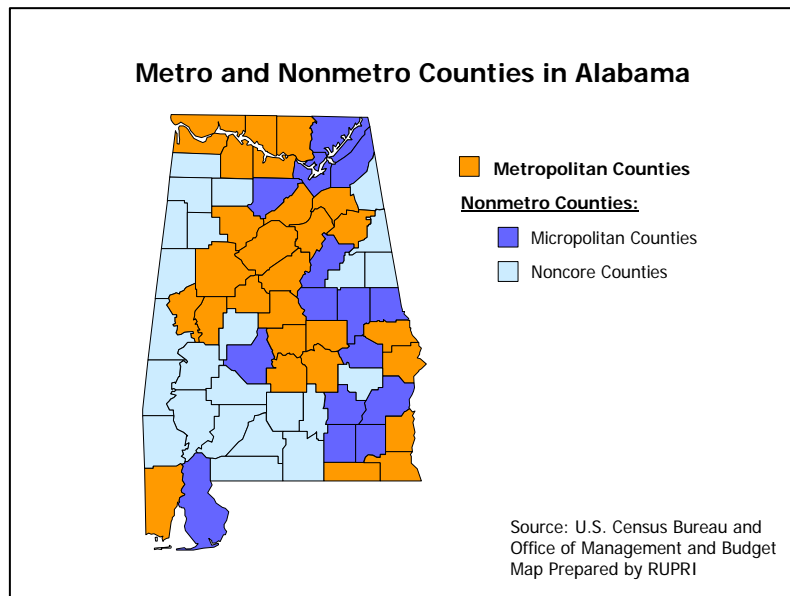
Updated January 2007



### Metro and Nonmetro Counties in Alabama

Based on the most recent listing of metropolitan and micropolitan statistical areas by the Office of Management and Budget (December 2005), 28 counties in Alabama are part of metropolitan statistical areas, and 15 counties are part of micropolitan areas.

Micropolitan areas, a new nonmetropolitan classification, include an urban area with a population of 10,000 to 49,999 and surrounding counties that are linked through commuting ties. The remaining 24 counties in Alabama are considered noncore counties. Using these classifications and the population estimates for 2005, 70.9 percent of Alabama's residents live in metropolitan counties, 18.4 percent live in micropolitan counties, and the remaining 10.8 percent live in noncore counties.



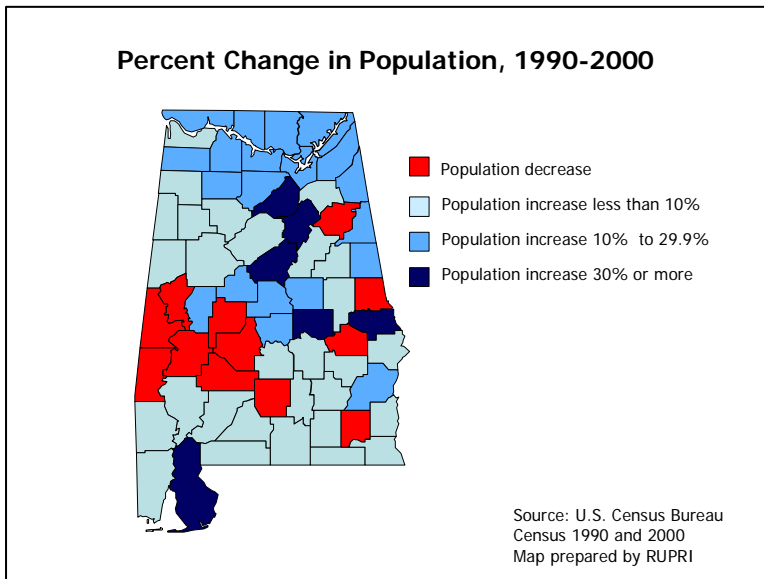
## Population

Alabama's population in July, 2005 was 4,557,808, up 2.5 percent from the 2000 Census in April. During the 1990s, the population in Alabama grew by 10.1 percent. Nationally, population increased 13.1 percent during the 1990s, and 5.3 percent from April, 2000 to July, 2005. Within Alabama, population gain in metropolitan areas outpaced

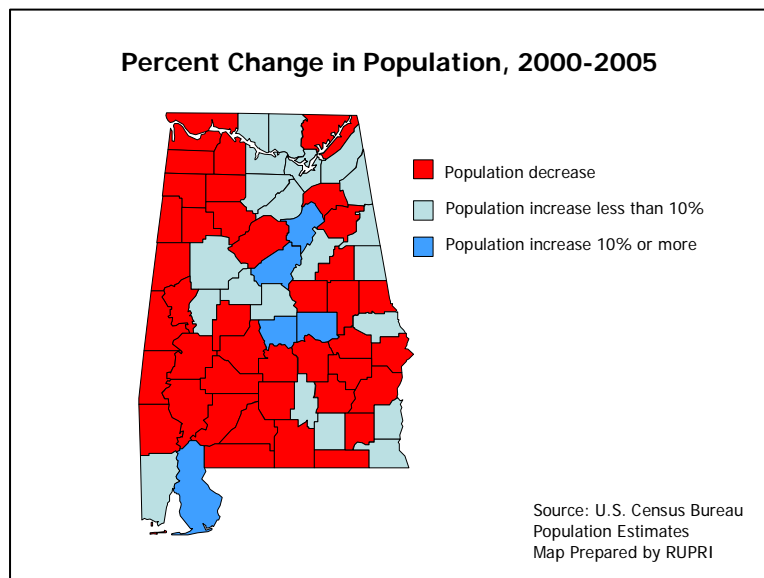
nonmetropolitan areas as a whole, but a look within nonmetro areas shows that the micropolitan areas experienced significant growth during the 1990s. From 2000 to 2005, noncore counties in Alabama were the only category to lose population.

Percent Change in Population		
Area:	<u>1990-2000</u>	<u>2000-2005</u>
<b>U.S.</b>	<b>13.1%</b>	<b>5.3%</b>
<b>Alabama</b>	<b>10.1%</b>	<b>2.5%</b>
Metropolitan	10.2%	3.1%
Nonmetropolitan	9.7%	1.1%
Micropolitan	13.3%	3.1%
Noncore	4.4%	-2.1%

Source: US Census Bureau



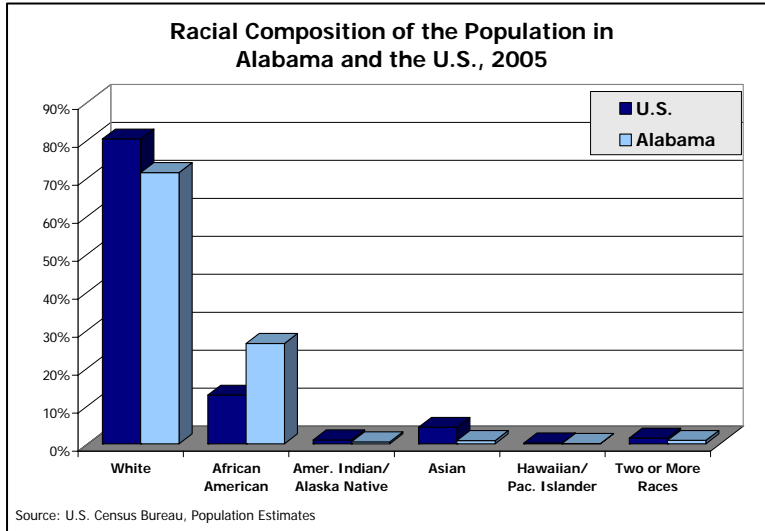
From 1990 to 2000, only 12 counties in Alabama lost population, 2 metro and 10 nonmetro counties. Six counties experienced population gains of over 30 percent, 5 metro and 1 nonmetro county. The fastest growth was in Shelby County in the Birmingham-Hoover Metropolitan Area, with a population increase of 44.2 percent during the 1990s.



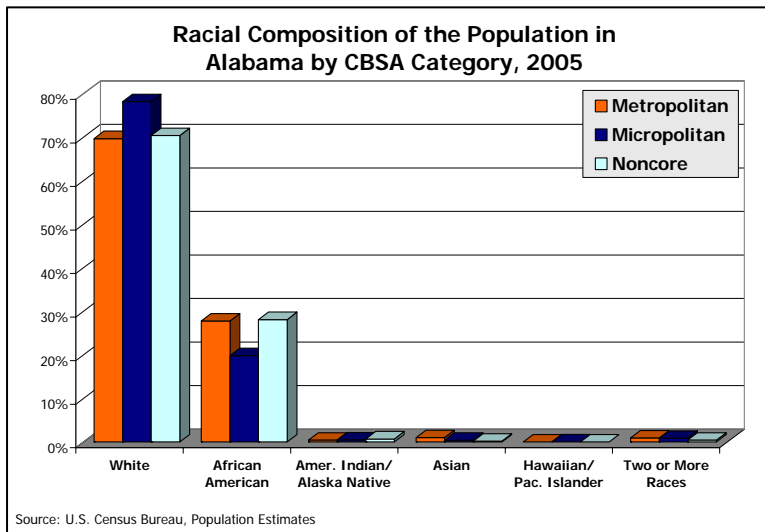
Between the 2000 Census and the July 2005 estimate, Alabama's population grew by 2.5 percent and 41 counties lost population. The majority of the counties that lost population (29 of the 41) were nonmetro counties. The fastest growth was again in Shelby County, with an increase of 19.7 percent during this time period.

## Race and Ethnicity

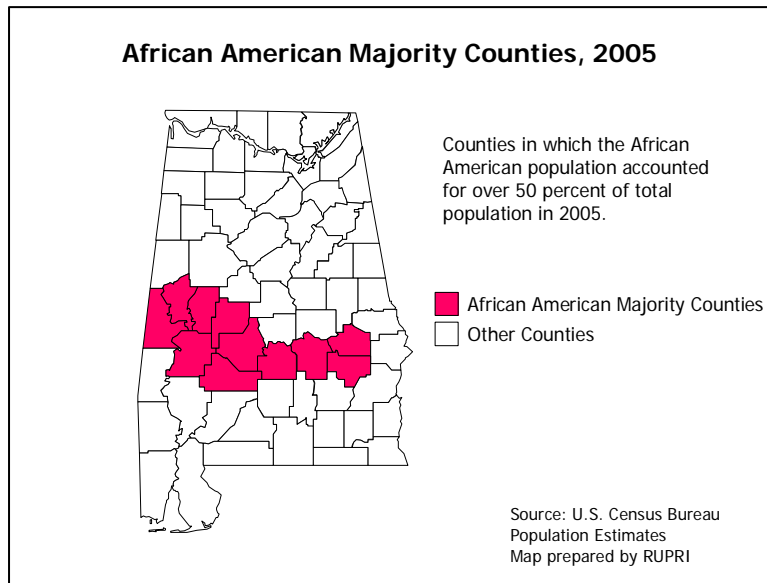
The population of Alabama is 71.4 percent white and 26.4 percent African American (2005 population estimates data). Nationally, the population is 80.2 percent white and 12.8 percent African American. People of Hispanic origin account for 2.3 percent Alabama's population, compared to 14.4 percent of the total U.S. population.



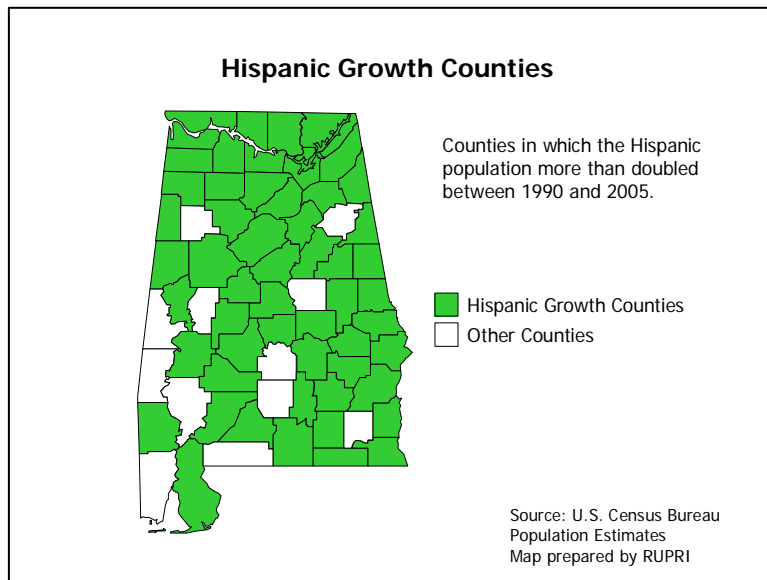
Within Alabama, the racial distribution of the population is similar in the metropolitan and noncore areas, and differs somewhat in the micropolitan areas. The metro and noncore white populations are around 70 percent, and the micropolitan white population is 78 percent. The African American population is about 28 percent in the metropolitan and noncore areas, and 20 percent in the micropolitan areas.



The African American population accounts for a significant portion of total population in many Alabama counties. The eleven counties in Alabama that have an African American majority population are shown in the map below.

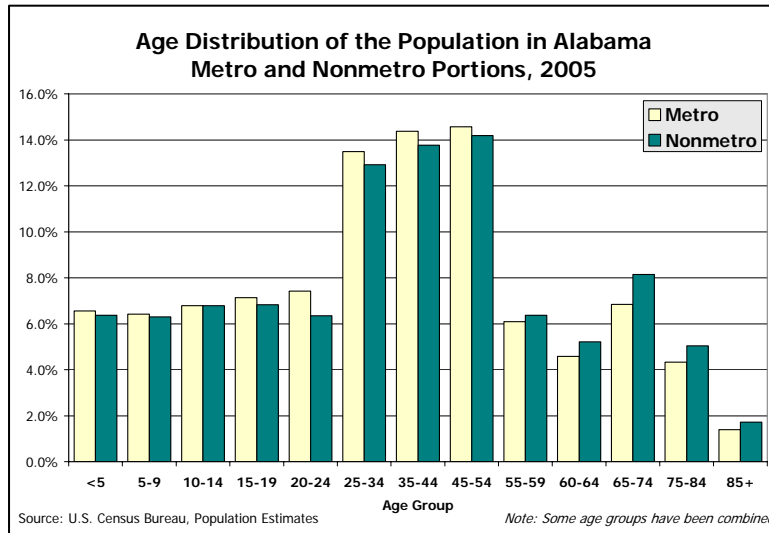


People of Hispanic origin make up 2.3 percent of Alabama’s population, compared to 14.4 percent of the total U.S. population (2005 Census Bureau population estimates). Many areas have experienced significant population growth in the Hispanic population over the past decade and a half. The map below shows the counties in Alabama in which the Hispanic population more than doubled between 1990 and 2005. However, in only one county did the Hispanic population account for over 10 percent of total population in 2005 (Franklin County).

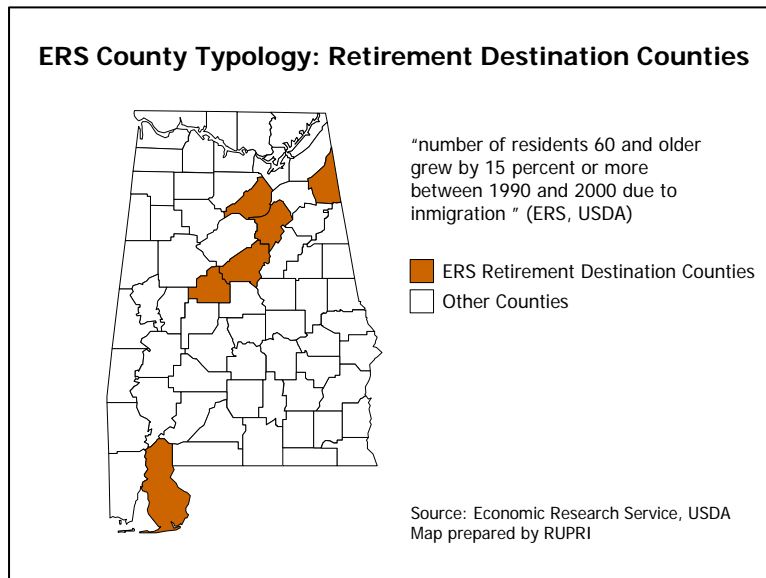


## Age

The age distribution of the metro and nonmetro populations in Alabama is shown in chart below. The percent of the population in older age groups is higher in the nonmetro areas of Alabama.

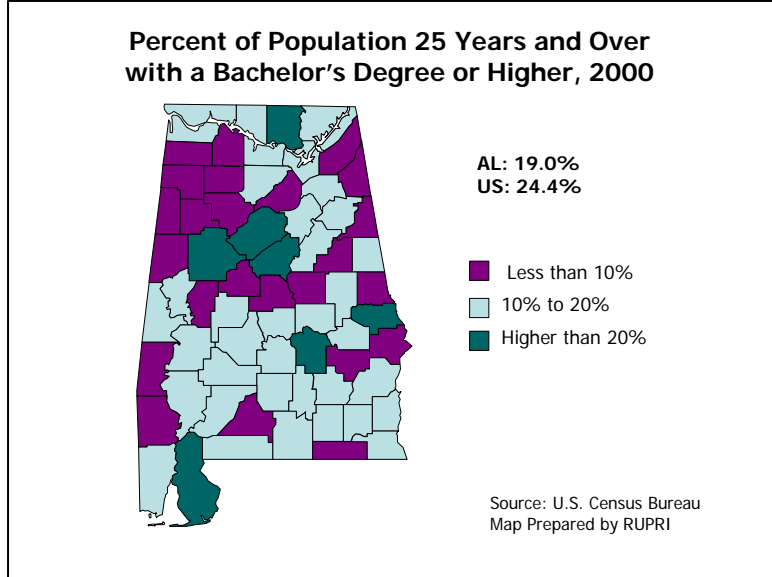


Some areas are destination areas for the retirement aged population. The Economic Research Service, USDA, classifies counties as retirement destination if the “number of residents 60 and older grew by 15 percent or more between 1990 and 2000 due to immigration.” Six counties are classified as retirement destination counties in Alabama, several of them in the Birmingham area.

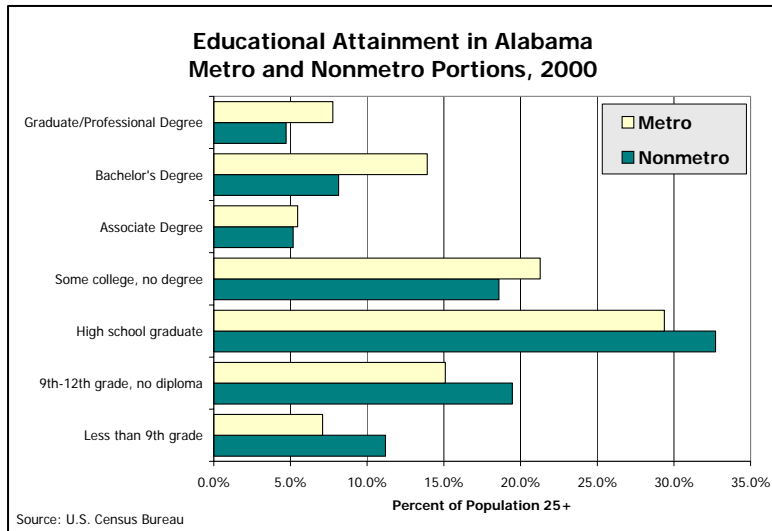


## Educational Attainment

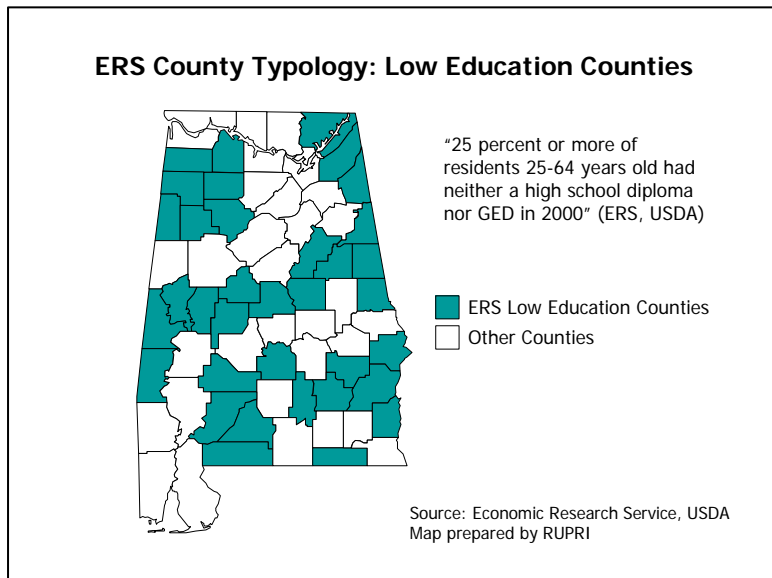
The percent of the population age 25 and over that has earned a Bachelor's degree or higher, is 24.4 percent in the U.S. and 19.0 percent in Alabama. In only seven Alabama counties did over 20 percent of the population earn a Bachelor's degree or higher (6 metro and 1 micropolitan).



The chart to the right compares the educational attainment of Alabama's metro and nonmetro populations. The percent of the population with high educational attainment (college degree or higher) is greater in metro areas, while the percent of population with lower educational attainment (high school degree or lower) is greater in nonmetro areas.

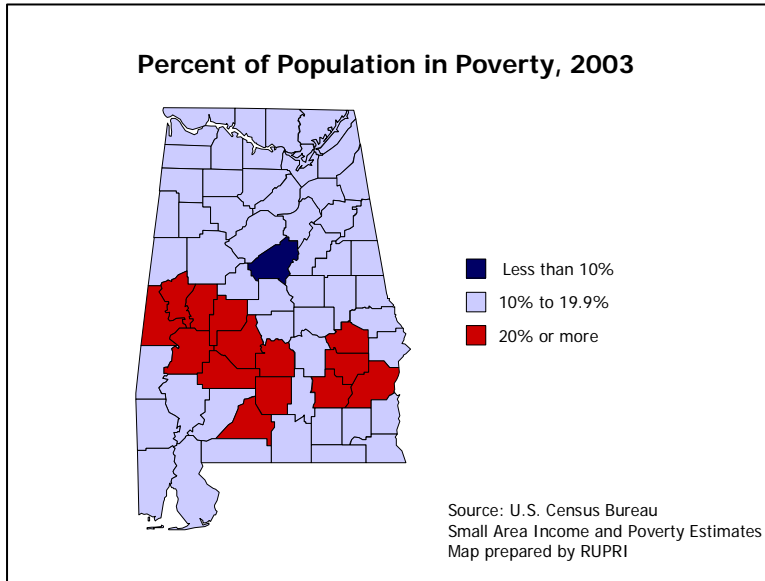


The Economic Research Service, USDA, classifies counties as low education counties, if "25 percent or more of residents 25-64 years old had neither a high school diploma nor GED in 2000." In Alabama 35 counties are classified by ERS as low education counties, the majority of them (25) are nonmetro.

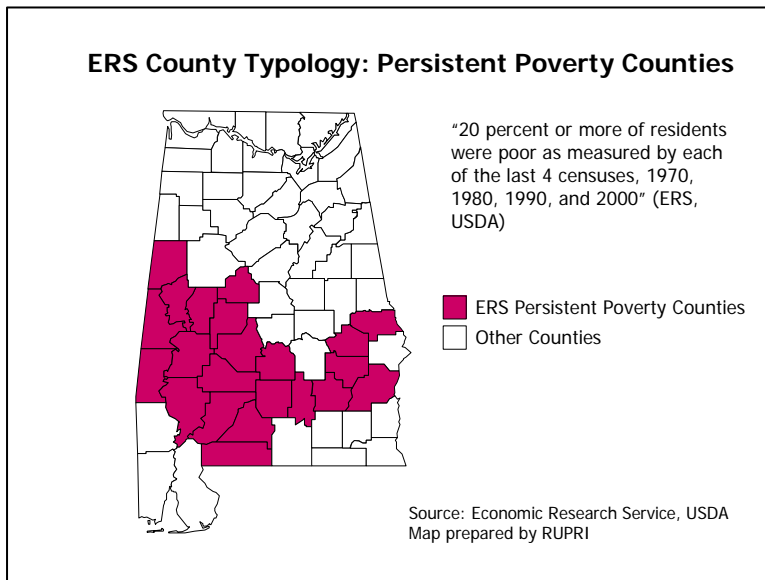


## Poverty

In 2003 the poverty rate was 12.5 percent in the U.S., and 15.3 percent in Alabama (Census Bureau estimates). The poverty rate in Alabama counties ranged from 6.8 percent in Shelby County to 28.7 percent in Perry County. Fourteen counties in Alabama had poverty rates of 20 percent or higher.

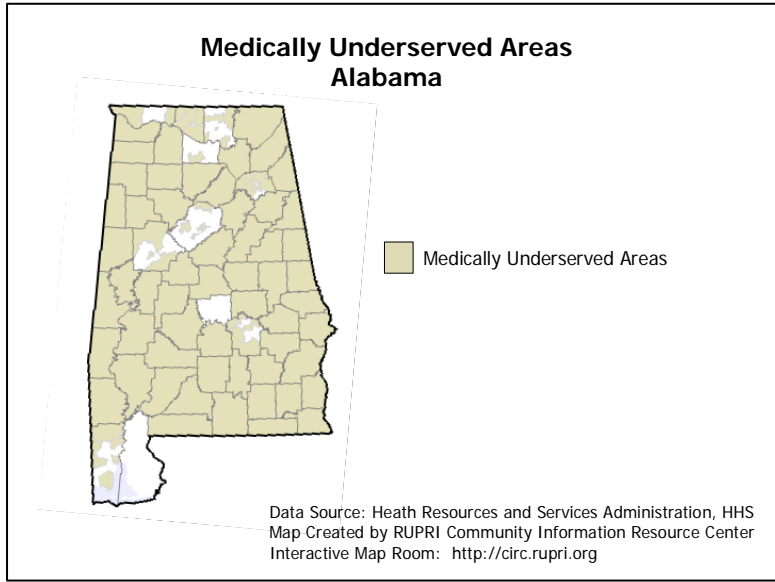


The Economic Research Service, USDA, classifies counties as persistent poverty counties if they have had poverty rates of 20 percent or higher in each decennial census from 1970 through 2000. 22 counties in Alabama are classified as persistent poverty counties, the majority of which (17) are nonmetro.

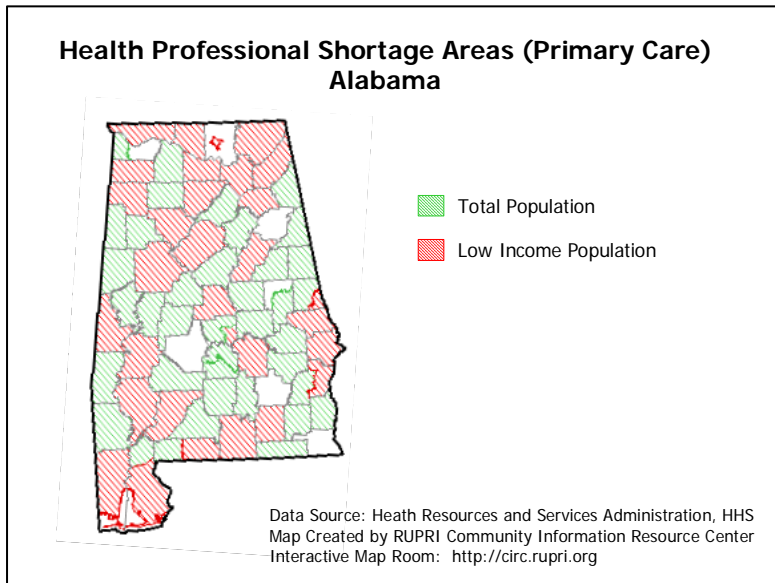


## Health Care Services

The designation of areas or populations as medically underserved is based on an index of four variables - the ratio of primary medical care physicians per 1,000 population, the infant mortality rate, the percent of the population with incomes below the poverty level, and the percent of the population age 65 or over (Health Resources and Services Administration, HHS). Within Alabama, many portions of the state are classified as medically underserved areas, illustrated in the map below.

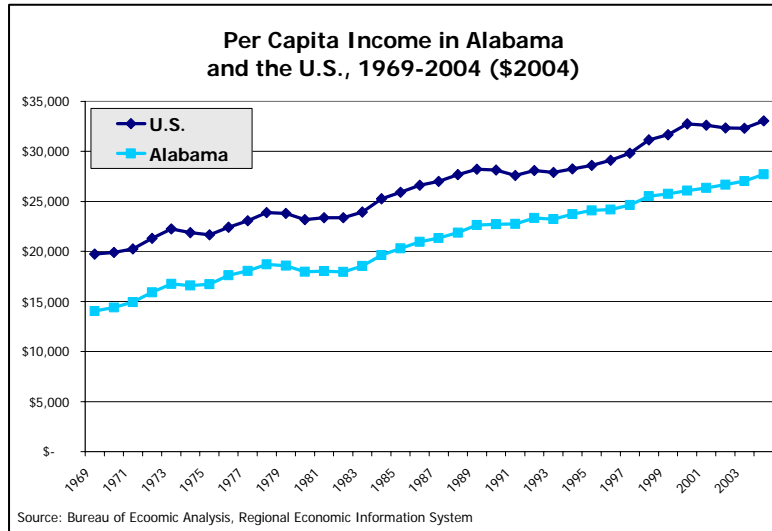


The designation of Health Professional Shortage Areas (HPSAs) are those areas that “have shortages of primary medical care, dental or mental health providers and may be urban or rural areas, population groups, or medical or other public facilities.” (Health Resources and Services Administration, HHS). Within Alabama, many portions of the state are designated as primary care HPSAs for the total and/or low income population, shown in the map below.

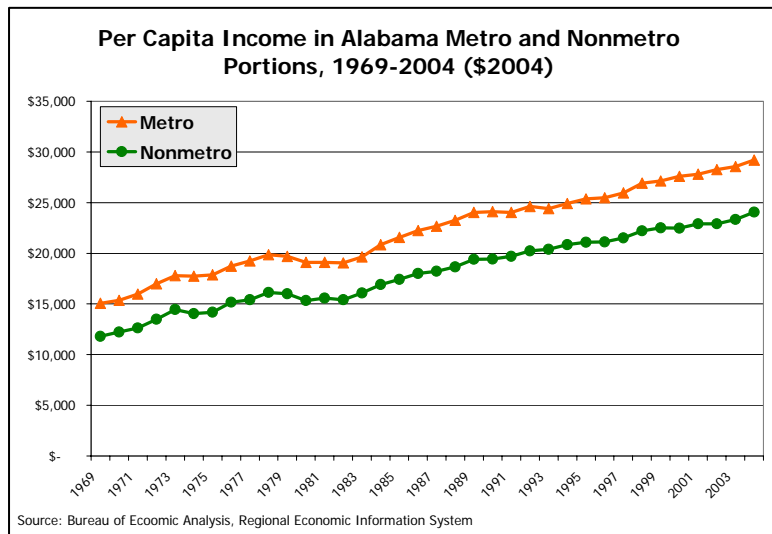


## Per Capita Income

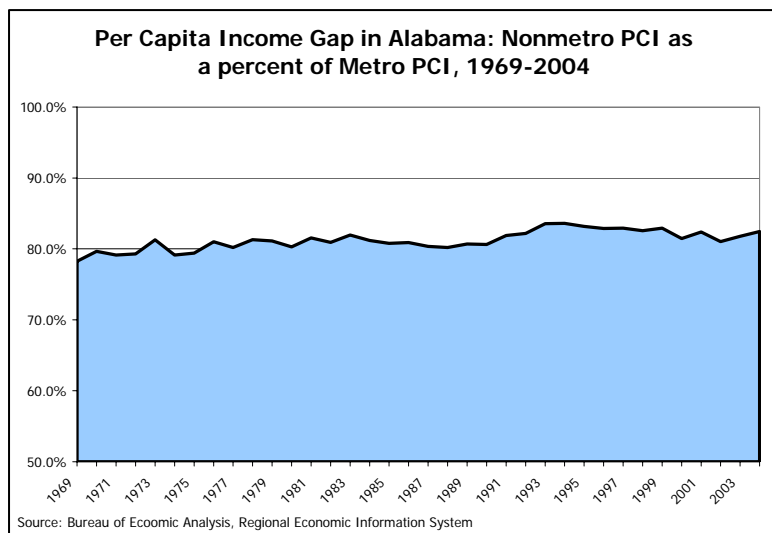
Alabama's per capita income trends have mirrored the nation, with Alabama's income lagging behind over the past several decades. In 2004, per capita income in Alabama was \$27,695, compared to \$33,050 for the U.S.



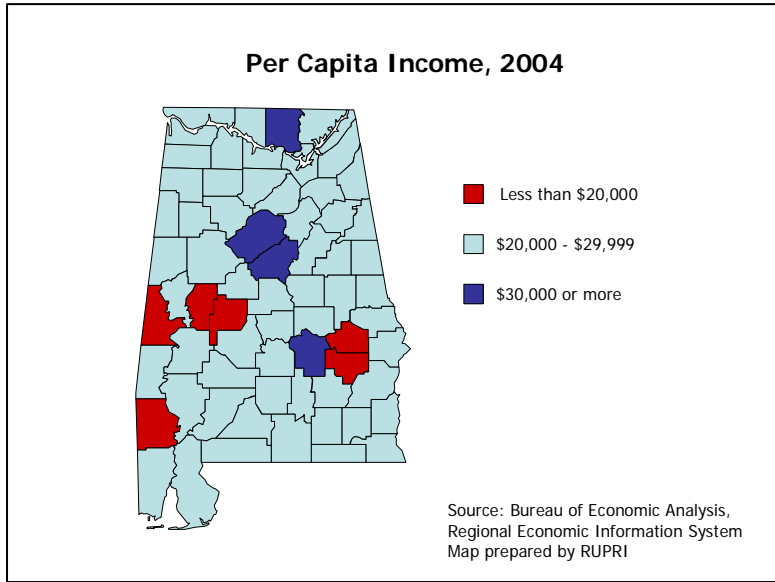
Nonmetro per capita income in Alabama has lagged behind metro. In 2003, metro per capita income was \$29,193, compared to \$24,066 in nonmetro areas.



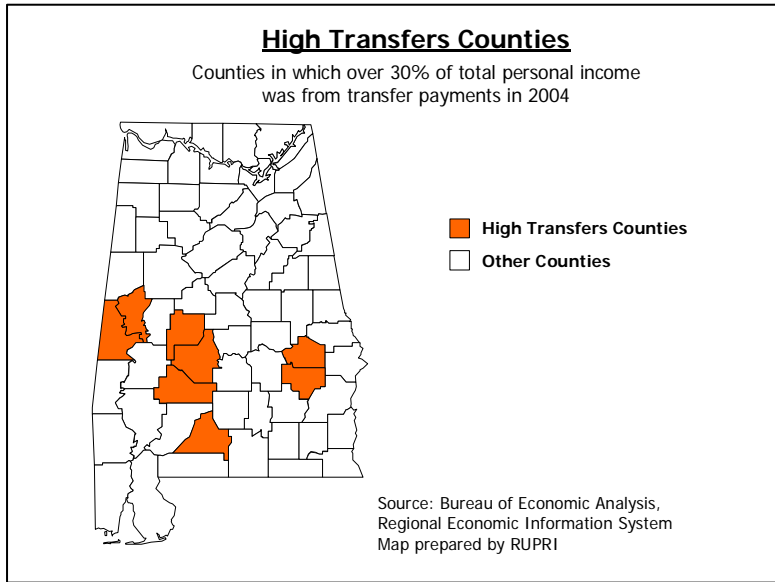
The per capita income gap between metro and nonmetro areas (measured with nonmetro per capita income as a percent of metro) has remained relatively steady over the past several decades. In 2004, nonmetro per capita income was 82.4 percent of metro per capita income.



Within Alabama, 2004 per capita income ranged from \$17,976 in Bullock County to \$36,041 in Jefferson County. Seven counties had per capita income less than \$20,000 in 2004, six of them nonmetro. Only four counties, all of them metro, had per capita income over \$30,000 in 2004.

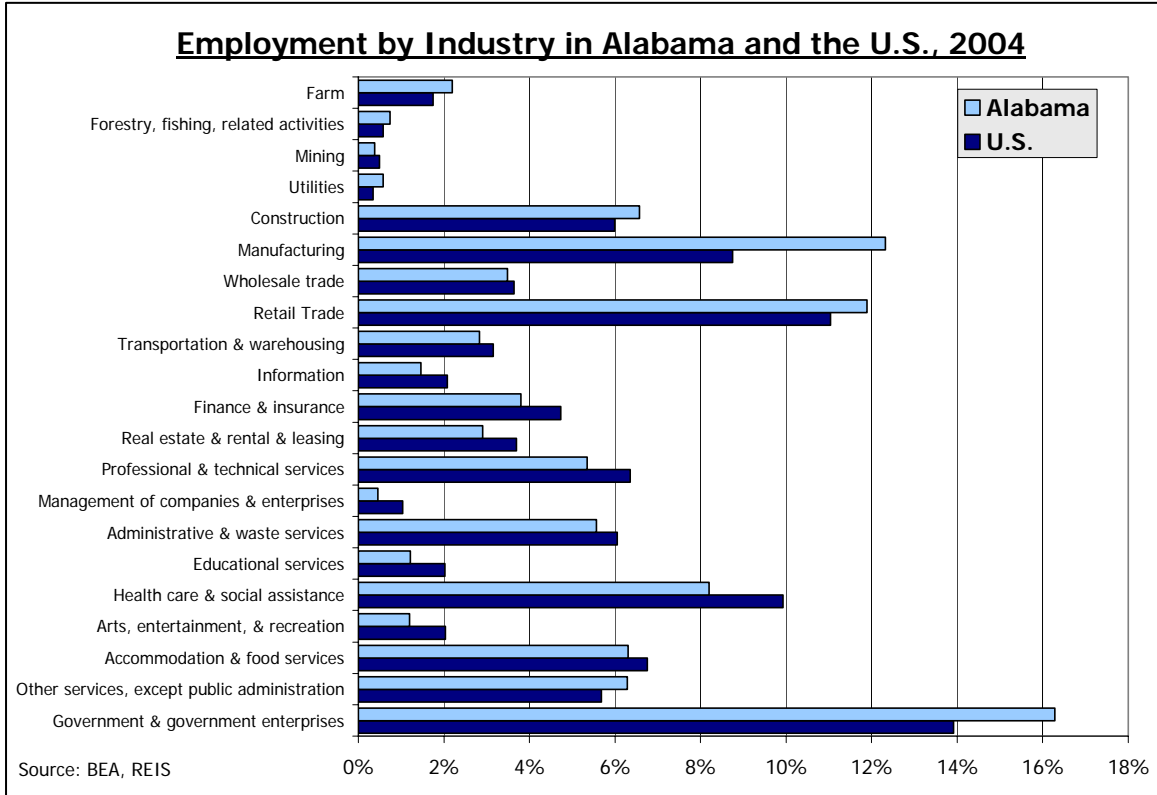


Within Alabama, there are several counties in which a large portion of total personal income is derived from transfer payments. Transfer payments include retirement and disability payments, social security benefits, public assistance, and medical benefits.

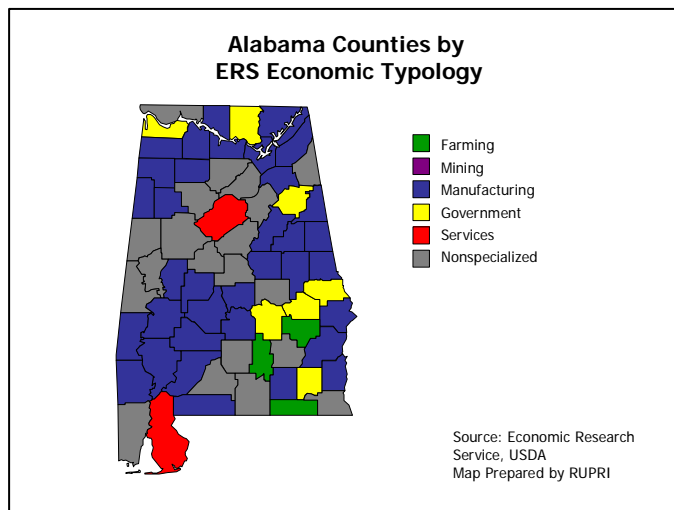


## Employment Structure

In both Alabama and the U.S., the largest share of employment is in the government sector (16.3% in AL and 14.2% in US). In Alabama, the next largest sector is manufacturing, accounting for 12.3 percent of employment.

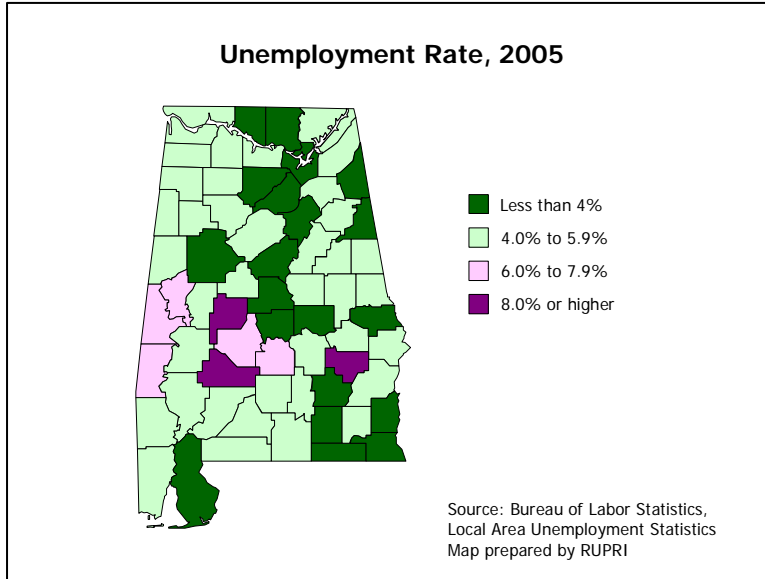


The Economic Research Service developed an economic typology that classifies counties into one of 5 industry categories of specialization, or as nonspecialized. The thresholds are based on the percent of labor and proprietors' earnings derived from the industry during 1998-2000, or in the case of farming, the percent of employed residents in farming occupations. The map to the right shows the classification of Alabama's counties by the ERS Economic Typology. The map illustrates the dependence on manufacturing in much of Alabama, particularly the nonmetropolitan areas.

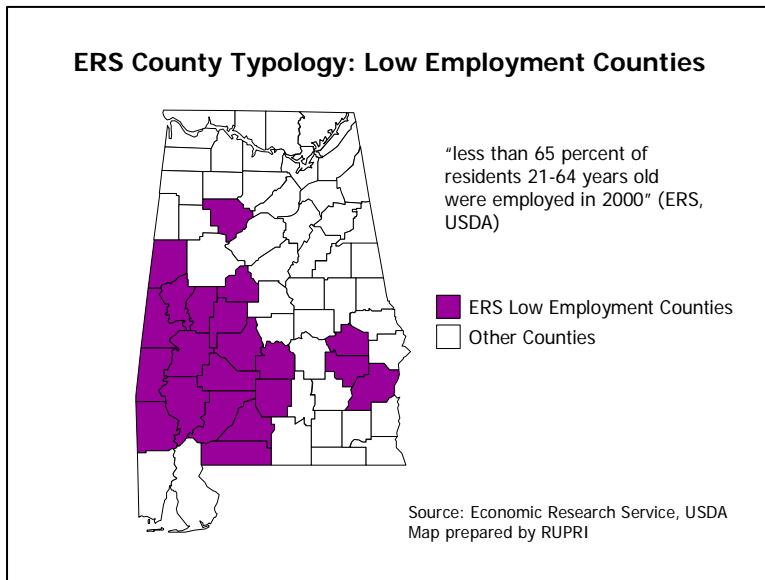


## Unemployment

The 2005 unemployment rate for Alabama was 4.0 percent, compared to 5.1 percent for the U.S. Within Alabama, the unemployment rate ranged from 2.6 percent in Shelby County to 8.7 percent in Bullock County.

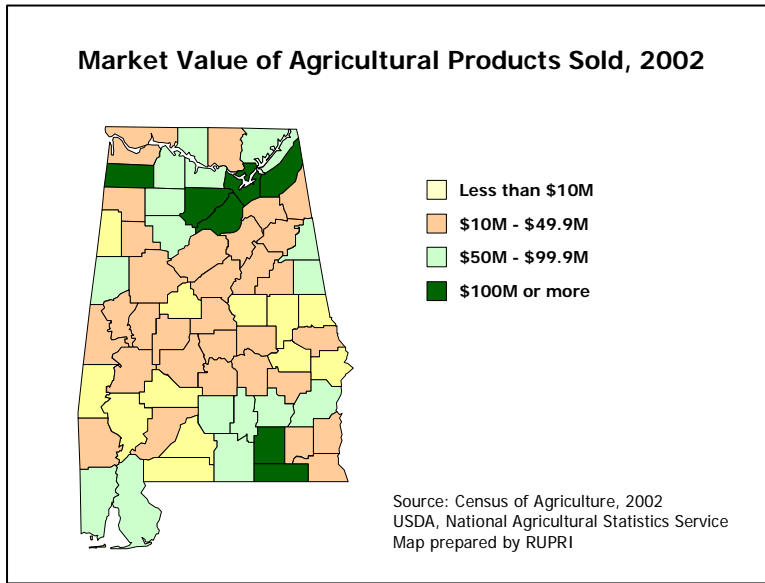


The Economic Research Service, USDA, classifies counties as low employment counties if “less than 65 percent of residents 21-64 years old were employed in 2000.” In Alabama, 21 counties are classified as low employment counties, the majority of them (16) are nonmetro counties.

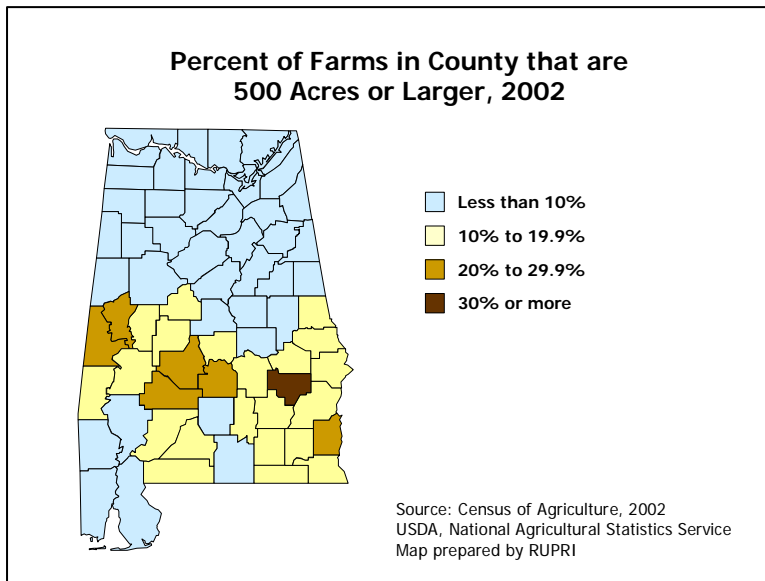


## Agriculture

Agriculture is an important industry in many parts of the state. Two counties are classified by the Economic Research Service as “farming dependent” (see map on page 10). The map below shows the value of agricultural products sold in 2002 for Alabama counties. In several counties, the value was over \$100 million, and in Dekalb and Cullman Counties, the value was over \$250 million.

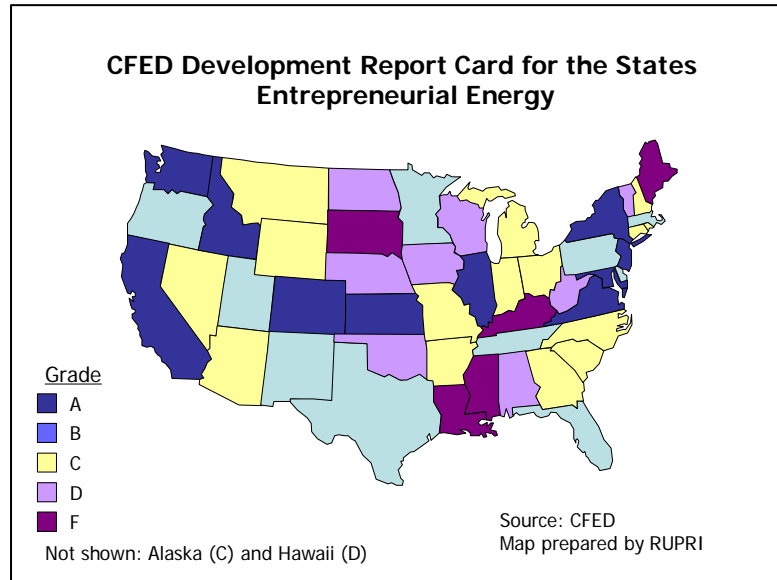


Average farm size in Alabama is 197 acres, and 8 percent of Alabama farms are greater than 500 acres in size. As shown in the map below, most counties contain a small percentage of very large farms. Only one county has over 30 percent of farms that are 500 acres or more.

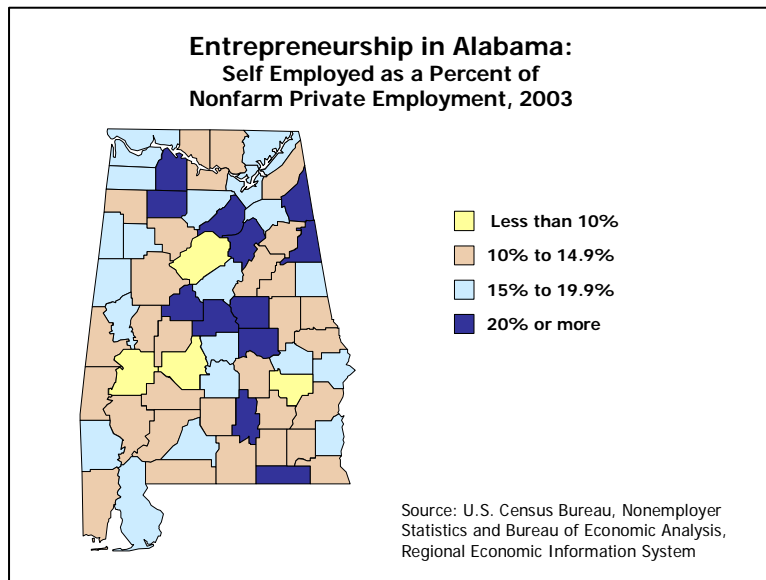


## Entrepreneurship

Entrepreneurship is an important component to economic development today. Unfortunately, data that allow us to measure entrepreneurial activity and trends is difficult to ascertain, particularly at the county level. The CFED *Development Report Card* rates each state on its entrepreneurial energy, “evaluating the extent to which new firms are generated and whether they are contributing to employment growth.” While this is a state-level ranking, it provides useful insight as to how a state is performing. Alabama received a grade of “D” on this indicator.



As mentioned, county level indicators are difficult to ascertain, but one good indicator of entrepreneurial activity is the proportion of workers that are self employed. The map below shows self employed workers as a portion of nonfarm private employment in the county.



## **Data Sources and References**

**Bureau of Economic Analysis, Regional Economic Information System**

<http://www.bea.gov/beat/regional/reis/>

**Bureau of Labor Statistics, Local Area Unemployment Statistics**

<http://www.bls.gov/lau/home.htm>

**CFED Development Report Card for the States**

<http://drc.cfed.org/>

**Economic Research Service, USDA, 2004 County Typology**

<http://www.ers.usda.gov/Briefing/Rurality/Typology/>

**Health Resources and Services Administration, Department of Health and Human Services, Designations of Health Professional Shortage Areas and Medically Underserved Areas and Populations**

<http://www.bhpr.hrsa.gov/shortage/>

**National Agricultural Statistics Service, USDA**

2002 Census of Agriculture

[http://www.nass.usda.gov/Census\\_of\\_Agriculture/index.asp](http://www.nass.usda.gov/Census_of_Agriculture/index.asp)

**Office of Management and Budget, Statistical Area Definitions and Guidance on Their Uses**

<http://www.whitehouse.gov/omb/bulletins/fy05/b05-02.html>

**RUPRI Community Information Resource Center Interactive Map Room**

<http://circ.rupri.org/>

**U.S. Census Bureau**

Census 2000

<http://www.census.gov/main/www/cen2000.html>

Population Estimates

<http://www.census.gov/popest/estimates.php>

Metropolitan and Micropolitan Area Classifications

<http://www.census.gov/population/www/estimates/metrodef.html>

Nonemployer Statistics

<http://www.census.gov/epcd/nonemployer/>

Small Area Income and Poverty Estimates

<http://www.census.gov/hhes/www/saibe/saibe.html>

**For Comments and Questions on this Report:**

Bobby Gierisch  
Director, RUPRI State Policy Programs  
(512) 452-2351  
[gierisch@sbcglobal.net](mailto:gierisch@sbcglobal.net)

Kathleen K. Miller  
RUPRI Program Director  
(573) 882-5098  
[miller@rupri.org](mailto:miller@rupri.org)

**Contact RUPRI**

Rural Policy Research Institute  
Truman School of Public Affairs  
University of Missouri-Columbia  
214 Middlebush Hall  
Columbia, MO 65211  
(573) 882-0316 Voice  
[573] 884-5310 FAX

<http://www.rupri.org>

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*Report Prepared by Kathleen K. Miller, RUPRI Program Director*