



## **Beyond cities:**

How Airbnb supports  
rural America's revitalization



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# Overview

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Airbnb was founded in San Francisco in the midst of the Great Recession as a way for people to turn their greatest expense, their home, into a more fully used asset—a way to cover the household expenses, pay the rent or mortgage, and even avoid eviction or foreclosure. Hosts also use their Airbnb income to support their own travel or entrepreneurship.

Even as rural areas of the US struggle with record-low mobility and other lingering effects of the recession, their technological future seems more fraught than positive as jobs in sectors such as manufacturing, energy and mining—and eventually, trucking—gradually get automated, while funding for startups and entrepreneurship increasingly flows to cities.<sup>1</sup>

Airbnb, in contrast, is a technology platform that empowers people rather than displacing them. Airbnb hosts keep 97 percent of the listing price, and up to 50 percent of US guest spending occurs in the neighborhoods where they stay. At a time when interest in travel and tourism is growing, passing 10 percent of global GDP in 2017, we believe home sharing can help rural communities benefit directly from the tourism boom, rather than keeping the growing profits in the hands of corporate hotel chains that have been disinclined to build in many of these areas, anyway.<sup>2</sup>

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<sup>1</sup> CityLab, February 2, 2017, and Kauffman Foundation, “State of Entrepreneurship 2017.”

<sup>2</sup> World Travel and Tourism Council, [Travel and Tourism Economic Impact 2017](#).

# Our growth in rural areas

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While our work with cities typically receives the most attention, in recent years, our growth in rural areas actually has outpaced our growth in urban areas. **Since 2012, active Airbnb hosts have increased in US urban areas by 1,300 percent; active Airbnb hosts have increased in US rural areas by 1,800 percent.**<sup>3</sup> In the past year alone, rural host income approached half a billion dollars.

## \$494 million

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Earned by Airbnb rural hosts in the US in the past year<sup>4</sup>

**In the US, the typical rural Airbnb host earns as much as the typical urban host: the median annual earnings for a rural host in the past year were \$6,776, while urban hosts earned a median of \$6,674.** All Airbnb US hosts keep 97 percent of the listing price, but these dollars can stretch farther in rural areas. According to the American Community Survey, “compared with households in urban areas, rural households had lower median household income (\$52,386 compared with \$54,296).”<sup>5</sup> In every state, the typical rural host income earned through Airbnb represents a sizable percentage of typical overall rural household income, ranging from five percent to as high as 20 percent. While many rural parts of the country still lack Airbnb listings, guest demand has risen steadily since 2012 and points to our having much more room to grow.

## 3.3 million

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Of Airbnb guest arrivals in the US were at rural listings<sup>6</sup>

## 138%

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Year-over-year growth in Airbnb guest arrivals at US rural listings

<sup>3</sup> 2012 is the year Airbnb began categorizing listings as “rural” and “urban,” using [2010 Census definitions](#) of the terms. See Methodology for details.

<sup>4</sup> All Airbnb data cited in this report, unless otherwise stated, dates to February 1, 2016 to February 1, 2017.

<sup>5</sup> Data based on the 2011-2015 ACS using [2010 Census definitions](#) of “rural” and “urban.”

<sup>6</sup> As of the year ending February 1, 2017.

# Creating opportunity

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Airbnb brings the economics of tourism to communities that haven't benefited from it in the past, with the majority of the host income having the potential to be invested in these atypical destinations. Many rural communities have had little investment by the traditional hospitality industry. **As the table below shows, in 43 states, Airbnb's share of supply in rural areas (active listings) is greater than hotels' share of supply (rooms).**

18.4%

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Of active Airbnb listings nationally are in rural areas

12.5%

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Of hotel rooms nationally are in rural areas

And in communities that depend on outdoor sports and recreation, Airbnb expands the economic pie by offering additional accommodations. In our new partnership with the National Park Foundation, the nonprofit partner to the US National Park Service, Airbnb will work with the Foundation to make it easier for guests to find places to stay around 10 parks across the United States.

Taken together, this is a particularly potent value proposition for America's rural areas, which face some lingering, post-recession challenges as well as emerging economic challenges including, but not limited to:

## **Record-low mobility preventing movement to areas of greater opportunity.**

Recently released 2016 US Census data shows Americans' lack of mobility nationwide has only worsened since the recession and is at a record low, with people "locked" in their homes and unable to move from where jobs aren't to where jobs are.<sup>7</sup> The US Department of Agriculture found in late 2016 that employment in "nonmetro"—i.e., rural—areas has recovered from the Great Recession much more slowly than employment in urban areas.<sup>8</sup>

## **Disappearing pathways to entrepreneurship.**

The Kauffman Foundation's latest study of American entrepreneurship calls it "an increasingly urban phenomenon." According to the study, "In 1977, more than two out of every 10 US startups were in rural areas. Today, this number is just over one in every ten. A major reason for

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<sup>7</sup> CityLab, February 2, 2017.

<sup>8</sup> US Department of Agriculture Economic Research Service, November 17, 2016.

this is that the US population is less rural and more urban, but the circumstances are even more pronounced when you look at new firms: the percent of startups in rural communities has dropped from 20 percent in the 1980s to 12.2 percent today.”<sup>9</sup>

### **The looming challenge of automation.**

America’s rural communities are being challenged by the automation of jobs in farming, energy, mining and eventually, transport. “In 1980, the [coal] industry employed about 242,000 people. By 2015, that figure had plunged 60 percent, to fewer than 100,000... Helped by automation, worker productivity more than tripled over the same period.”<sup>10</sup> One of the most common jobs in America, trucking employs as many as 1.7 million professional drivers<sup>11</sup>—and indirectly helps employ untold numbers of people in rural areas across the country where local economies depend upon supporting truckers.

As a people-to-people platform, Airbnb uses technology to empower our hosts, not replace them. We’re proud that 62 percent of our hosts across the US say home sharing has helped them afford to stay in their homes. We’re also proud that some of our hosts use their Airbnb income to launch new businesses: recently released research shows that 50,000 women hosts around the world have used their Airbnb income to support their own entrepreneurship,<sup>12</sup> while the National Immigration Forum found that home sharing in the US provides immigrants with resources they may otherwise lack in order to start a business.<sup>13</sup> The Kauffman Foundation study credits Airbnb and other sharing-economy companies for making entrepreneurial opportunities “more widely accessible.”

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<sup>9</sup> Kauffman Foundation, “[State of Entrepreneurship 2017](#)”

<sup>10</sup> New York Times, “[Coal Mining Jobs Trump Would Bring Back No Longer Exist](#),” March 29, 2017

<sup>11</sup> MIT Technology Review, “[10 Breakthrough Technologies 2017](#)”

<sup>12</sup> [Women Hosts and Airbnb: Building a Global Community](#), March 2017

<sup>13</sup> National Immigration Forum, [Immigrants sharing homes: opening doors to opportunity](#), December 2016

# Helping seniors and women

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At a time when travel and tourism account for 10 percent of the global economy and one in 10 jobs, Airbnb helps our community leverage growing interest in travel to ease income inequality, including for demographics that may face fewer traditional opportunities to earn.

48

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Average age of Airbnb US rural host

42

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Average age of Airbnb US urban host

**In 13 states, as detailed below, the average age of our rural hosts is over 50.**

In New York, Ohio and Nebraska, the average age of our rural hosts exceeds the average age of our urban hosts by more than 10 years. Senior hosts overall, and particularly senior women, are the fastest-growing host demographic on the Airbnb platform.

**While the majority of all Airbnb US hosts are women, women account for a higher percentage of hosts in rural areas than in urban areas, by 62 percent to 56 percent.**

In eight states, two-thirds or more of rural hosts are women: Wyoming (69 percent); Alaska and Maine (67 percent); and Ohio, Missouri, Maryland, Washington and Montana (66 percent).

The next section provides a topline view of the impacts of home sharing in rural areas of individual states, followed by further state-by-state details in the report's appendix.

## State leaders in key categories

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After categorizing all of our US listings as “urban” or “rural” dating from 2012 through today, we found that the rural share of our active listings has climbed steadily, from 11 percent in 2012 to 18 percent as of February 2017. With all hosts keeping 97 percent of the listing price, and up to 50 percent of US guest spending occurring in the neighborhoods where they stay, the majority of the resulting economic activity has the potential to be invested in these atypical travel destinations.

### **These states have seen the highest year-over-year growth in Airbnb guest arrivals to rural areas.**

Every state has seen at least 60-percent year-over-year growth in guest arrivals; rural regions in 41 states have seen at least 100-percent year-over-year growth, and 9 have seen at least 200-percent growth. While regions known for their resort areas and national parks, such as the Mountain West, Northeast and West Virginia, have the highest percentages of hosts in rural areas, the Midwest and South are seeing the fastest growth.

States	Year-over-year growth in guest arrivals to rural regions
Oklahoma	355%
Alabama	270%
Arkansas	267%
Missouri	265%
Minnesota	227%
Georgia	226%
Kentucky	225%
Illinois	207%
Ohio	201%
Tennessee	194%
Wyoming	190%
Alaska	186%
Iowa	185%
Texas	181%
Utah	177%



**In some states, Airbnb host communities have seen more significant growth in rural than urban areas.**

These 10 states, most of which are east of the Mississippi River, have seen the greatest shifts since 2012.

State	% of active rural listings, 2012	% of active rural listings, 2017	%-point difference, 2012 to 2017
Michigan	23%	41%	18
West Virginia	57%	75%	18
Wisconsin	29%	43%	14
North Carolina	24%	38%	14
Utah	32%	43%	11
Mississippi	16%	26%	10
Indiana	5%	14%	9
Georgia	10%	19%	9
New York	4%	13%	9
Arkansas	32%	40%	8

**Here are the top 10 states by highest Airbnb rural host income.**

While the typical rural Airbnb host in the US earns as much as the typical urban host, in most of these 10 states where rural host income is highest, it is significantly greater than urban host income.

State	Rural	Urban
California	\$11,900	\$8,700
<i>Hawaii</i>	<i>\$10,400</i>	<i>\$14,700</i>
Delaware	\$9,100	\$8,800
Oregon	\$9,100	\$8,400
Nevada	\$9,000	\$7,400
Colorado	\$7,900	\$7,100
<i>Rhode Island</i>	<i>\$7,300</i>	<i>\$7,500</i>
<i>Washington</i>	<i>\$7,200</i>	<i>\$8,200</i>
New York	\$7,200	\$6,000
Utah	\$6,900	\$6,100

**In seven states, Airbnb rural hosts earned more than urban hosts in the past year.**

All seven states have more rural than urban listings. Several of the top rural areas also are located around winter resorts, including in Vermont, New Hampshire and Wyoming, where Airbnb expands the economic pie by offering additional accommodation options beyond the permanent hotel supply.

State	Rural	Urban	Rural minus urban
Vermont	\$18.1 million	\$3.9 million	\$14.2 million
New Hampshire	\$7.8 million	\$3.4 million	\$4.4 million
Montana	\$6.4 million	\$4.3 million	\$2.1 million
West Virginia	\$2.5 million	\$800,000	\$1.7 million
Maine	\$13.7 million	\$12.5 million	\$1.2 million
Wyoming	\$2.5 million	\$1.6 million	\$900,000
South Dakota	\$1 million	\$800,000	\$200,000

**These states show the highest Airbnb rural host income as a percentage of rural household income.**

In every state, the rural host income earned from Airbnb represents a sizable percentage of overall rural household income, ranging from 5% to as high as 20%, with the percentage being notably high in Southern and Western states. Many rural parts of the country still lack Airbnb listings, but guest demand is rising steadily and we have much more room to grow.

State	Typical host income as a % of typical household income
California	20%
Hawaii	20%
Oregon	17%
Nevada	15%
West Virginia	15%
Delaware	15%
Tennessee	14%
Alabama	14%
North Carolina	13%
Arizona	12%
Colorado	12%
New Mexico	12%
New York	12%
Washington	12%

**In the following 9 states, typical rural hosts earn at least \$1,000 more than typical urban hosts.**

Note that the differences may be driven by strong vacation-rental markets (e.g., rural California hosts) or the fact that a state is mostly rural (e.g., West Virginia).

State	Rural	Urban	Rural minus urban
California	\$11,900	\$8,700	\$3,200
West Virginia	\$6,400	\$4,100	\$2,300
Alabama	\$5,700	\$4,000	\$1,700
Nevada	\$9,000	\$7,400	\$1,600
Pennsylvania	\$5,800	\$4,400	\$1,400
Virginia	\$5,900	\$4,600	\$1,300
New York	\$7,200	\$6,000	\$1,200
Michigan	\$6,000	\$4,900	\$1,100
South Dakota	\$4,800	\$3,700	\$1,100

**In these 13 states, the average rural host age is over 50.**

In a few of them, the average rural host age is much higher than that of the average urban host, reflecting how these states' rural populations tend to be older and Airbnb provides a means of extra income for those who may face fewer traditional opportunities to earn.

State	Rural	Urban	Rural minus urban
Ohio	53	41	12
Nebraska	53	42	11
Massachusetts	53	44	9
Delaware	53	48	5
Connecticut	52	47	5
New Mexico	52	50	2
New York	51	37	14
Virginia	51	42	9
Arkansas	51	44	7
Maryland	51	43	8
Arizona	51	46	5
Vermont	51	48	3
Maine	51	49	2

**Here are the 10 states where Airbnb's rural supply most exceeds rural hotel-room supply.**

In 43 of 50 states, Airbnb's percentage of active listings that are located in rural areas is higher than the percentage of hotel rooms located in rural areas. (In the other seven states, the percentage of hotel rooms in rural areas exceeds the percentage of Airbnb listings by, at most, just four percentage points.)

<b>State</b>	<b>% active Airbnb listings in rural areas</b>	<b>% hotel rooms in rural areas</b>	<b>Airbnb minus hotel, in % points</b>
West Virginia	75%	33%	42
New Hampshire	72%	33%	39
Montana	64%	28%	36
Wyoming	66%	31%	35
Idaho	53%	19%	34
Maine	69%	39%	30
Vermont	86%	57%	29
Alabama	40%	15%	25
Michigan	41%	18%	23
North Carolina	38%	15%	23

# Growing our rural community

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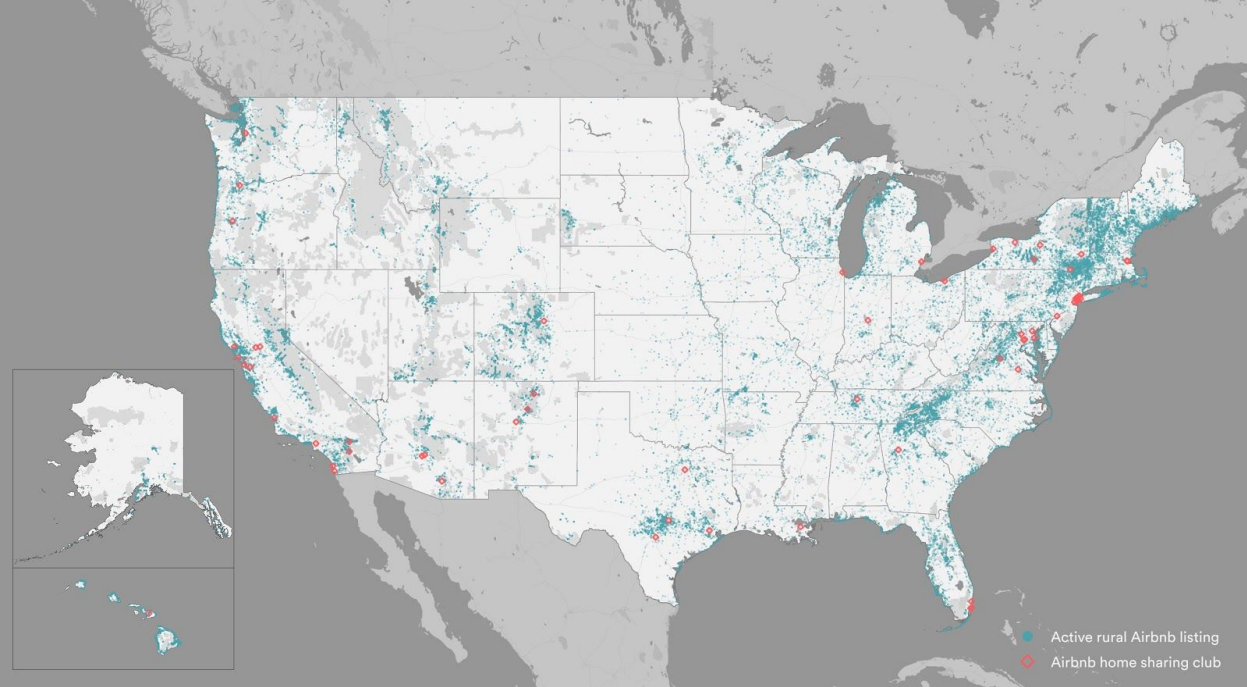
Our rural hosts and guests are an important part of the Airbnb community and we look forward to partnering with local policymakers and NGOs to further democratize travel, bringing the benefits of home sharing directly to more households across rural America—as we’re doing in rural areas of countries around the world from France to India to Korea.

While they are as important as our urban hosts, we understand that our hosts in rural communities face different challenges. For example, housing stocks and living space may be less constrained than in cities, but tourism may not be as established an industry and there may be less infrastructure to support travelers. Rural residents also connect differently with their communities. All Airbnb hosts receive the same company-provided 24/7 support and protections regardless of their location, but as with our city hosts, we are dedicated to making sure our rural host programming is tailored to suit their individual communities’ needs and what makes them special.

Beyond the Airbnb platform, members of our host community in dozens of locations around the world have self-organized into Home Sharing Clubs that meet regularly to discuss hosting best practices, work with local businesses, volunteer in their neighborhoods, and advocate with local policymakers for fair short-term rental rules that allow for responsible home sharing. Of our 82 US Home Sharing Clubs that have launched to date, a number of them in states such as California, New Mexico, New York, Pennsylvania and Texas are based near rural areas (see map below).

As part of our recent commitment to support the establishment of 1,000 Home Sharing Clubs around the world by the end of 2018, we are investing in new online and remote organizing resources to reach more hosts in rural areas and help them connect with each other. Every Home Sharing Club receives our organizing toolkit and a dedicated, hosts-only webpage where Club members can discuss upcoming events, share content, ask for support, and give advice. We also provide branding for each Club and through mentoring, generally support their efforts to realize their vision of impact in their respective communities. But again, we are mindful of the need to tailor our engagement with each Club based on their specific goals.

**Location of Airbnb US rural listings and Home Sharing Clubs.**



# Conclusion

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We look forward to working with policymakers and NGOs to thoughtfully extend the economic and travel opportunities home sharing already is bringing to parts of the rural US. Whether by opening up parts of the country to travelers through accommodations that did not previously exist, or scaling accommodations in rural resort areas to help them welcome guests they otherwise might not have, Airbnb democratizes travel, enabling communities to benefit from the economics of tourism in ways they haven't benefited in the past. The people-to-people hospitality and community made available through the Airbnb platform can provide rural hosts with extra income to make ends meet or start new businesses, and can never be automated.

# Methodology

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This report, including the individual-state breakouts, uses internal Airbnb data covering the period of February 1, 2016 to February 1, 2017. We collected all listings actively available on the Airbnb platform during this period and their latitude and longitude coordinates. Using this information, we assigned each listing to the Census block in which it was situated for the 2010 US Census.

We then categorized each listing according to the Census designation of “Rural,” “Urbanized Area,” and “Urban Cluster.” The Census defines an “Urbanized Area” as a location with more than 50,000 residents and an “Urban Cluster” as a location with 2,500 to 50,000 residents.<sup>14</sup> For this report, all listings within “Urbanized Areas” and “Urban Clusters” were categorized as “urban” and the rest were categorized as “rural.”

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<sup>14</sup> <https://www.census.gov/geo/reference/urban-rural.html>