EIG's 2025 Distressed Communities Index
Methodology

The Distressed Communities Index (DCI) is designed to provide a single, holistic, and comparative measure of economic well-being across communities throughout the United States. It combines **seven** complementary economic indicators into a single summary statistic that conveys each community's standing relative to its peers. The 2025 edition of the DCI is built from the U.S. Census Bureau's American Community Survey (ACS) 5-Year Estimates covering the years 2019-2023 and the Census Bureau's Business Patterns datasets for the same years.

Each community's distress score is based on the following indicators:

1. **No High School Diploma**
   Share of adults (25+) without a high school diploma or equivalent.
   Signals limited educational attainment and constrained economic opportunity.
2. **Housing Vacancy Rate**
   Share of habitable housing that is unoccupied (excluding seasonal/recreational use).
   Acts as a proxy for neighborhood demand and stability.
3. **Adults Not Working**
   Share of prime-age adults (25–54) not currently employed.
   Captures both unemployment and labor force detachment.
4. **Poverty Rate**
   Share of the population living below the federal poverty line.
   Directly measures material deprivation.
5. **Median Income Ratio**
   Local median household income as a percentage of the area median (metro or state, based on availability).
   Earnings for the typical household controlling for regional cost differences.
6. **Employment Change**
   Percent change in the number of jobs over the past five years.
   Signals local labor market dynamism.
7. **Business Establishment Change**
   Percent change in the number of business establishments over the past five years.
   Indicates the growth or decline of the local business ecosystem.

Each community receives a **distress score from 0 to 100**, based on its average percentile rank across the seven equally-weighted indicators. A lower score signifies higher economic well-being; a higher score indicates deeper distress. Communities are then grouped into quintiles based on their distress score:

1. **Prosperous** (0 - 20th percentile)
2. **Comfortable** (21st - 40th percentile)
3. **Mid-tier** (41st - 60th percentile)
4. **At Risk** (61st - 80th percentile)
5. **Distressed** (81st - 100th percentile)

Coverage

The DCI excludes geographies where university students make up more than half of the population, and places with fewer than 500 residents not living in dormitories, group quarters, the armed forces, or other similar arrangements. In the 2025 DCI, the poverty rate excludes university student populations, an adjustment not done with prior vintages. The zip code level data captures 99% of the United States population with 26,032 zip codes, and the county level data captures 99% of the population with 3,136 counties.

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Data suppression

In instances where employment or establishment estimates from Business Patterns are suppressed, the DCI defaults to the next-highest level geography to produce a growth estimate that could enter into the index.

Geography

The DCI is computed at the **zip code**, **county**, **congressional district (118th)**, **state level,** and **city-level** for select variables. The zip code and county datasets are available for public download.

The **zip code**-level data should be considered an approximation. Official zip codes represent postal routes defined by the U.S. Postal Service (USPS), not the U.S. Census Bureau, and their boundaries can and do change. The U.S. Census Bureau builds proprietary, geographically consistent approximations of zip codes called Zip Code Tabulation Areas (ZCTAs) from census blocks once after each Decennial Census. The DCI joins data tabulated by both zip code and ZCTA based on matching codes, not necessarily coterminous boundaries. Two of the underlying variables (those from Business Patterns) are defined by zip code, and five (those from the American Community Survey) are defined by ZCTA. As such, it is important to interpret zip code-level findings in the DCI as general trends for an approximate area. In addition, Business Patterns data are subject to suppressions and other methodological precautions to avoid disclosure of individual employers as well as errors that the Census Bureau does not go back to correct. Zip code boundary changes, suppressions, and errors may affect estimates of the change in establishments and employment over time.

The zip-code level data is used to create **city-level** estimates. Zip code values were aggregated up to the city level using ZCTA-to-place relationship files provided by the Census Bureau. City boundaries come from the Census Bureau's TIGRIS places files. In instances where zip code boundaries cut across city lines, zip code proportions were attributed to cities according to the share of the associated ZCTA's population falling within the boundaries of the city.

Population-weighted crosswalks were also used to estimate the share of a **city's**, **county's**, **state's**, and **congressional district's** share of population residing in prosperous and distressed zip codes.

Geographic Typologies

County Typologies

Counties are classified as being *large urban, mid-sized urban, small urban, suburban, small-town,* or *rural* based on adapted definitions from the National Center for Education Statistics (NCES) Locale Classifications. A detailed description of the county typologies can be found here.

Zip Code Typologies

Zip codes are classified as being located in an *urban, midsized,* or *rural* area based on the following criteria.

- **Urban**
  If more than 50% of the zip code is within a Census defined Urban Area with population above 50,000, and if the zip code's population density is at least 3,000 residents per square mile, the zip code is classified as urban. There are 3,488 urban zip codes in the DCI data.
- **Midsized**
  If the zip code's population density is between 500 and 3,000 residents per square mile, the zip code is classified as midsized. This includes suburban and exurban zip codes that are within an Urban Area, as well as those in small towns. There are 4,835 midsized zip codes in the DCI data.
- **Rural**
  If less than 50% of the zip code is within a Census defined Urban Area with population above 50,000, and

if the zip code's population density is less than 500 residents per square mile, the zip code is classified as rural. There are 17,709 rural zip codes in the DCI data.

Pricing:

Scores only (free of charge)

To obtain zip code and county-level distress scores for the 2016-2020 period and geographic identifying information only, users can obtain a license to download an Excel file free of charge.

Full dataset ($2000) (business users)

To obtain the full 2016-2020 DCI dataset including geographic information, values for the variables underlying the index, distress scores, and demographic information for zip codes and counties, users can obtain a license to download an Excel workbook for $500.

*Full dataset ($500) (For academic, non-profit, or governmental users:)**

To obtain the full 2016-2020 DCI dataset including geographic information, values for the variables underlying the index, distress scores, and demographic information for zip codes and counties, users can obtain a license to download an Excel workbook for $500.

*Please note, EGI requires a .org, .edu, .gov, or equivalent email address for academic, non-profit, and government users.

Contact Us

Do you have questions about the data? Please reach out to us at research@eig.org.