Rewriting the Rural Narrative

Speak softly and carry statistics

Benjamin Winchester
Senior Research Fellow
Minnesota Extension

University of Minnesota Extension
Driven to Discover
What is our future?

People keep leaving rural America. According to U.S. Census figures from 2010, just 16% of the country’s population lives in rural areas, down from 20% in 2000, and down dramatically from 72% about a hundred years ago. Behind stories, both of the people who left their small percentage of Americans who still do. There are stories, too, of people who stayed, drawn back to the small towns they left for myriad reasons. We want to know those reasons, and the story of rural life that they tell.

Rural Minnesota is in trouble. Young people are fleeing the farms and forests of the Gopher State, and the residents left there are aging. And they’re dying. While populations decline outstate, the Twin Cities area, especially the suburbs, booms.

We became kind of the poster child for the war on poverty, and any time somebody wanted to do a story about poor people, we were the first stop.

Sociologists Patrick Carr and Maria Kefalas spent two years in a small town in Iowa trying to find out why so many young people are leaving rural America. What they found was that many small towns are playing a role in their own demise, by pushing the best and brightest to leave and under-investing in those who stay.

Rural Populations Continue to Shrink

Is Rural America Struggling? provides an excellent summary of the economic and population issues facing rural America. Key quote:

... rural America’s job growth is stagnant and the population is in decline. In fact, it’s the first time such a population decline has been recorded in the nation’s rural counties.
The slow, agonizing death of the small US town

When death comes to a small town, the school is usually the last thing to go. A place can lose its bank, its tavern, its grocery store, its shoe shop. But when the school closes, you might as well put a fork in it.
Deficit Approach
Fixing things that can’t or shouldn’t be fixed
No More Anecdata!

anecdata (noun). information which is presented as if it is based on serious research but is in fact based on what someone thinks is true
1900-1950

- Mechanization of agriculture
- Roads and transportation
- Educational achievement and population loss
- Church closings (Delafield)
1950+

- Main street restructuring
- School consolidations
  - MN 432 districts in 1990 to 337 in 2010
- Hospitals closings
The rural idyll

“Agriculture is no longer the mainstay of the rural economy.”
Rural is Changing, not Dying

• Yes, things are changing
• Small towns are microcosms of globalization
  – Many of these changes impact rural and urban areas alike (not distinctly rural)
  – Yet more apparent in rural places
• Survived massive restructuring of social and economic life
• Research base does NOT support notion that if XXXX closes, the town dies
  – In Minnesota only 3 towns have dissolved in past 50 years
Rural Rebound

- Since 1970, rural population increased by 11%
  - Relative percentage living rural decreased

1970:
- 26%
- 203,211,926 (53.6m rural)

2010:
- 19%
- 308,745,538 (59.5m rural)
Rural Data

Population figures reduced by formerly rural places now designated as urban (since 1974)

- Minnesota  352,224  rural residents now classified urban
- Montana    120,261
- Nebraska   170,855
- South Dakota 207,790
- Texas      1,339,142

Urban areas have grown WIDER, not TALLER

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Mobility

Households Moving Between 1995 and 1999:

44% Iowa
46% Minnesota
North Dakota
Wisconsin
47% Nebraska
48% South Dakota
49% United States
If nobody even moved in or out...

2000

20-24

Age

30-34

2010
But in reality people do move...

Age 20-24

Moving out - 4

Moving in + 6

2000

Age 30-34

2010
Rural Prairie County
Rural Recreational County
Core Metropolitan County
Percent Cohort Change, 2000-2010

- 10-14: 26.7%
- 15-19: 1.6%
- 20-24: -8.8%
- 25-29: -31.1%
- 30-34: 38.6%
- 35-39: 31.3%
- 40-44: 19.7%
- 45-49: 15.0%
- 50-54: 7.5%
- 55-59: 9.2%
Buffalo Commons Research

Dr. Randy Cantrell and Cheryl Burkhart-Kriesel
University of Nebraska
Newcomers: Why?

- Simpler pace of life
- Safety and Security
- Low Housing Cost
Newcomers: Who?

- 36% lived there previously
- 68% attain bachelors degree
- 67% household incomes over $50k
- 51% have children in household

- May be leaving their career or underemployed
- Yet, Quality of Life is the trump card
Avg. American moves 11.7 times in lifetime
(6 times at age 30)
Choosing Rural

• Brain Gain: migration to rural age 30-49
  – Also 50-64 but not as widespread
  – Brain drain is the rule, not the exception
  – Happening since the 1970s

• Newcomers look at 3-5 communities
  – Topical reasoning (local foods regions)
  – Assets vary by demographic

• Employee recruitment must get past “warm body” syndrome
Baby Boomers and the Rural Housing Supply

Prepare for one of the largest demographic changes to rural America since 1930
Workforce Housing Shortage

Workers in regional centers > population
  • However, many people need to hedge their family economic bets by living between multiple job opportunities
  • Some just don’t want to live in the larger cities where they work

Population increases don’t predict home building, income does
  • In many small towns, new homes are appraised at values lower than they cost to build
Percent Owner-Occupied Homes Owned by Boomers

- 47.0% Cook
- 46.8% Lake o’ Woods
- 44.9% Washington
- 43.9% Anoka
- 43.7% Carver

- 33.1% Blue Earth
- 34.5% Stevens
- 35.5% Benton
- 35.6% Clay
- 35.8% Lyon
Percent Owner-Occupied Homes Owned by Age 65+

- 40.2% Aitkin
- 38.8% Traverse
- 36.0% Big Stone
- 34.7% Lincoln
- 34.6% Faribault

- 17.2% Dakota
- 16.2% Wright
- 13.8% Sherburne
- 13.6% Carver
- 12.8% Scott
Percent All Homes that are Seasonal/Recreational

- 52.4% Cook
- 49.8% Aitkin
- 47.4% Cass
- 46.2% Lake o’ Woods
- 35.2% Hubbard
- 30.9% Lake
- 29.7% Crow Wing
- 28.8% Pine
- 27.1% Otter Tail
- 25.5% Itasca
- 24.3% Becker
### % of Owner-Occupied Homes, by Age of Homeowner

**Minnesota, 2010**

<table>
<thead>
<tr>
<th></th>
<th>% Age 45-54</th>
<th>% Age 55-64</th>
<th>% Age 65+</th>
<th>Total Boomer+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (urban)</td>
<td>25.8%</td>
<td>20.4%</td>
<td>19.4%</td>
<td>65.6%</td>
</tr>
<tr>
<td>2</td>
<td>23.0%</td>
<td>24.0%</td>
<td>26.2%</td>
<td>73.3%</td>
</tr>
<tr>
<td>3</td>
<td>23.6%</td>
<td>19.9%</td>
<td>22.8%</td>
<td>66.2%</td>
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<tr>
<td>4</td>
<td>22.9%</td>
<td>21.3%</td>
<td>27.3%</td>
<td>71.5%</td>
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<tr>
<td>5</td>
<td>23.3%</td>
<td>19.6%</td>
<td>24.4%</td>
<td>67.3%</td>
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<tr>
<td>6</td>
<td>22.7%</td>
<td>21.7%</td>
<td>28.8%</td>
<td>73.2%</td>
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<tr>
<td>7</td>
<td>22.4%</td>
<td>21.4%</td>
<td>29.6%</td>
<td>73.3%</td>
</tr>
<tr>
<td>8</td>
<td>21.8%</td>
<td>21.8%</td>
<td>32.2%</td>
<td>75.9%</td>
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<tr>
<td>9 (rural)</td>
<td>21.5%</td>
<td>22.6%</td>
<td>33.4%</td>
<td>77.5%</td>
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<tr>
<td>Total</td>
<td>24.6%</td>
<td>20.8%</td>
<td>22.5%</td>
<td>68.0%</td>
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<tr>
<td>Housing Status</td>
<td>2000</td>
<td>2010</td>
<td>% Change</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------</td>
<td>-------</td>
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<td></td>
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<tr>
<td>Total housing units</td>
<td>15,353</td>
<td>17,276</td>
<td>13%</td>
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<tr>
<td>Occupied housing units</td>
<td>9,939</td>
<td>11,373</td>
<td>14%</td>
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<tr>
<td>Owner-Occupied</td>
<td>8,318</td>
<td>9,205</td>
<td>11%</td>
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<tr>
<td>Renter-Occupied</td>
<td>1,621</td>
<td>2,168</td>
<td>34%</td>
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<tr>
<td>Vacant housing units</td>
<td>5,414</td>
<td>5,903</td>
<td>9%</td>
<td></td>
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<tr>
<td>For rent</td>
<td>76</td>
<td>109</td>
<td>43%</td>
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<tr>
<td>For sale only</td>
<td>149</td>
<td>278</td>
<td>87%</td>
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<tr>
<td>Rented or sold, not occupied</td>
<td>48</td>
<td>49</td>
<td>2%</td>
<td></td>
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<tr>
<td>For recreational or occasional</td>
<td>4,574</td>
<td>4,989</td>
<td>9%</td>
<td></td>
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<tr>
<td>For migratory workers</td>
<td>8</td>
<td>0</td>
<td>-100%</td>
<td></td>
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<tr>
<td>Other vacant</td>
<td>559</td>
<td>478</td>
<td>-14%</td>
<td></td>
</tr>
</tbody>
</table>
Vacant – Second Homeowners

Figure 2: Age of respondents (n=561)

Pesch and Bussiere. 2014. Profile of Second Homeowners in Central and West Central Minnesota
Home residence of second homeowners

Aitkin County

Douglas County
Nearly one-in-five Americans lives in a multigenerational household

% of population living in a household with two or more adult generations or one that includes grandparents and grandchildren

What Aspect to Tackle?

• Vacant property

• Property entering market through sales
  ✓ Low, medium, high value homes?

• Existing stock

• Build new stock
Planned Churning

Moving IN: Newcomers
Moving OVER: Retirees
Moving OUT: Retirees & elderly
Transfer Receipts

Retirement (Social Security only) and disability insurance benefits and Medicare/Medicaid benefits

Source: Regional Economic Information System, Bureau of Economic Analysis
Transfer Receipts

Delayed paychecks
• Income WAS earned and IS spent
• GDP may decline as this income is not the result of productive work.

Now 20-30% of ALL $ flowing into a rural county – will increase.

Does not include private retirement accounts such as 401(k) or IRAs.
Just 55-60% of all earned income comes from a job.
53% of income comes from jobs.
A Senior Service Economy

- Local economy is only going to become more integrated with boomer-related services
- We want to retain these transfer receipts
- Housing is the opportunity
The New Economic Narrative

• Brick and mortar is less indicative of local economic success
• People-focused (self-employment, 1099)
• Self-employment, multiple-job holding

• Warm-body Syndrome
  – Recruitment is more than just the job and work-related benefits, work-life balance
  – Especially in tight labor markets
Broadband and Technology

Internet fast-lane bypassing rural Minnesota?

• Rural assets online

• Downstream = CONSUMPTION

• Upstream = PRODUCTION

• No one “rural” broadband
The Rural Choice

The bottom line is people WANT to live and move here for what you are today and will be tomorrow, not what may have been!
The Rural Choice

These newcomers are:

• Creating groups, building their community
• Diversifying the economy
• Buying/starting businesses, working from home
• Living in a region (no longer a 1-stop-shop)
• More than warm bodies (employee recruitment)