Rewriting the Rural Narrative: the “Brain Gain” of Rural America

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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 about 72% about a hundred years ago. Believe stories, both of the people who left their small percentage of Americans who still nation. There are stories, too, of people who re-lived, 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.
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)

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Rural Rebound

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

• Nationally, 1990 and 1999, 2.2 million more Americans moved from the city to the country, than the reverse.

• Population loss figures many times include formerly rural places not designated as urban
Population Change 2000-2010
Defining “Winners” and “Losers”
Does decline mean decline?

We have generally examined total population change from year to year (or decade to decade).
Mobility

Households Moving Between 1995 and 1999:

- 44% Iowa
- 46% Minnesota
- North Dakota
- Wisconsin
- 47% Nebraska
- 48% South Dakota
- 49% United States
U.S. Census Data

Dig Deeper
Simplified Cohort Analysis

This is not the usual model:

population
+ births – deaths
+ in-migration (estimate)
– out-migration (estimate)
Group the population by age

If we have 20 children 10-14 in 1990, we expect 20 young adults aged 20-24 in 2000.
The First Glimpse

EDA Region 4, Minnesota
2000-2010, Percent Cohort Change

-12.2%  55-59
-10.0%  50-54
-11.6%  45-49
-15.6%  40-44
-16.5%  35-39

30-34  9.1%
25-29  38.7%
20-24  12.1%
15-19  -4.1%
10-14  -5.3%

Hennepin
2000-2010, Percent Cohort Change

Rural Prairie County
Rural Recreational County
Core Metropolitan County
Cohort Age 30-34, Percent Change 1990-2000

Percent Change
- Loss
- Gain 0-10%
- Gain 11-25%
- Gain 11-25%
- Gain >25%

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Corroborating Evidence?
School Collaborative in West Central Minnesota
Total School Enrollment in Collaborative Region
School Grade Cohort

Grade 1 → Grade 2 → Grade 3 → Grade 4

If you have 100 students enter First Grade in 1997-98, we expect 100 students to enter Second Grade in 1998-99. What do we observe?

Source: U.S. Census Bureau, Minnesota Department of Education
Rural Brain Gain Trend

- The growth is primarily in the 30 to 49 age group – this in-migration into rural communities can be just about equal to that of the out-migration of youth – the “Brain Drain”.
- These people are bringing children aged 10-17.
- There is an interchange between core urban, suburban, and rural places.
- This interchange (loss and gain) is necessary for influx of new ideas to cultivate social capital.
Newcomers: Why?

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

- 36% lived there previously
- 68% (MN) 40% (NE) attain bachelors degree
- 67% (MN) 48% (NE) household incomes over $50k
- 51% (MN) 43% (NE) have children in household
- They are generally leaving their career
- Underemployed in current situation
- Yet, Quality of Life is the trump card
Newcomers: Future?

• 77%(MN) 60% (NE) say they will be living there 5 years from now.
• The % is lower for younger people.
• Those who rate community as friendly and trusting have higher %
• Expectation of staying related to job opportunities and security, feeling of belonging, suitable housing, opportunities to join local organizations, and others.
The movement of people is consistent and large, it’s not all about outmigration.

Those moving to rural areas are in their prime earning years.

Isn’t this a net BRAIN GAIN?

High levels of entrepreneurship and small business ownership.
• This has been happening since 1970s
• This movement has occurred without a concerted effort to recruit or attract them.
Economic Impact of Newcomers

- The surveyed newcomers reported $6.6 million in household income in 2009 and 2010. This equates to an average household income of $66,000.
- New, expanded, or relocated businesses owned by the newcomers reported spending $108,000 in the region.
- The total economic impact of the surveyed newcomers’ business and household spending is $9.1 million, including 174 jobs and $7.2 million in labor income (including wages, salaries, and benefits).
- The survey was not random, and therefore the results cannot be generalized beyond the study region, the average newcomer household contributed $92,000 in economic activity to the region in 2009 and 2010.

The analysis is based on 99 newcomer households that represent 150 working-age adults and 14 newcomer-owned businesses.
Where We Live and Where We’d Like to Live
by community type

- 25% Suburb
- 30% Rural area
- 23% Small town
- 21% City

Source: "For Nearly Half of America, Grass is Greener Somewhere Else", Pew Research Center

Lake of the Woods

www.GrowUpNorth.com
Cohort Lifecycle

Avg. American moves 11.7 times in lifetime  
(6 times at age 30)
In Climbing Income Ladder, Location Matters

A study finds the odds of rising to another income level are notably low in certain cities, like Atlanta and Charlotte, and much higher in New York and Boston.

The chance a child raised in the bottom fifth rose to the top fifth

- 35%
- 20%
- 15%
- 10%
- 4%

The top fifth is equal to family income of more than $70,000 for the child by age 30, or more than $100,000 by age 45.

In areas like Atlanta, upward mobility appears to be substantially lower than in any other rich country.
Recruitment and Retention Strategies

• No sound research here, in the process of DISCOVERY
  – Mileage reimbursements
  – Profiles of newcomers in newspaper
  – Community supper (best $150 ever spent)
  – Nonprofit creation assistance
  – Marketing Hometown America
Rewrite the Narrative

• National societal preferences to live in small towns and rural places
• Not everyone is leaving small towns
• A new urbanity is found in formerly rural places (Mankato, Willmar)
• The trend continued in the 2000s, albeit slowed
  – Fuel prices high, mortgage crisis
  – Vacant housing down
Recruitment vs Retention

• Recruitment involves **people**
  – Regional, individualistic
  – People attraction strategies
  – Middle of everywhere
  – Small numbers mean big things

• Retention involves **places**
  – Social and economic integration, place-making activities
  – Rural survival skills

• Traditional marketing techniques struggle with this distinction
“On the Map” Strategies

• The region – newcomers look at 3-5 towns
• Housing is economic development
• Newcomers want to establish a personal connection to the region
• Engage with real estate agents to track motivations and interests of newcomers
Employment Strategies

• Less about EMPLOYERS and more about EMPLOYMENT
• Build upon existing connections to metro businesses that are allowing skilled employees to telecommute
• Identify and build upon the auxiliary skills
• Integrate business transition planning
Midwest

- **Independence, Iowa** (housing incentives)
- Iowa New Movers Study
  - [http://www.cvcia.org/content/projects/8.migration.and.population/index.html](http://www.cvcia.org/content/projects/8.migration.and.population/index.html)
- South Dakota Rural Enterprise [http://www.sdrei.org/bringbak.htm](http://www.sdrei.org/bringbak.htm)
- Rural By Choice (Kansas) [http://www.ruralbychoice.com/](http://www.ruralbychoice.com/)
Brain Gain Landing Page
http://z.umn.edu/braingain/

Symposium Proceedings
http://z.umn.edu/ruralmigration/

Rural Issues and Trends webinars
http://z.umn.edu/ruralwebinar