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

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“The kids are all leaving”
“Outmigration is a problem”
“There is a Brain Drain”
“Rural areas are dying”

*Deficit Approach*
Dark Times Ahead?
1900-1950

- Mechanization of agriculture
- Roads and transportation
- Population loss
- Church closings

1950-1990

- Main street restructuring
- School consolidations
- Hospitals closings
Rural is Changing, not Dying

• Yes, things are changing
• These changes impact rural and urban areas alike
• More apparent in rural places
• 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

- 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

1990-2000

2000-2010

Percent Change
- Lose
- Gain <10%
- Gain 10-25%
- Gain >25%

Percent Change
- Loss
- Gain <10%
- Gain 10-25%
- Gain >25%
Does decline mean decline?

We have generally examined total population change from year to year (or decade to decade).
Between 1995 and 1999, 43% of Minnesota residents moved. (counties: low=25%, high 49%)
U.S. Census Data

Dig Deeper
Simplified Cohort Analysis

This is not the usual model:
population
+ births – deaths
+ in-migration (estimate)
– out-migration (estimate)
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
1990-2000, Number of People
Difference between the Observed (Actual) and Expected
1990-2000, Number of People
Difference between the Observed (Actual) and Expected

-20000 -10000 0 10000 20000 30000 40000
10-14
15-19
20-24
25-29
30-34
35-39
40-44
45-49
50-54
55-59
60-64
65-69

Hennepin

0 200,000 400,000 600,000 800,000 1,000,000 1,200,000
1990-2000, Number of People
Difference between the Observed (Actual) and Expected
Age 20-24

1990-2000

2000-2010

Percent Change
-63.8 - 0.0
0.1 - 10.0
10.1 - 25.0
25.1 - 145.3

Percent Change
-64 - 0
0.1 - 10
10.1 - 25
25.1 - 205.1
Losing young people age 20-24 is the rule, not the exception!
Metropolitan effect

Legend

- Micropolitan
- Metropolitan
Age 55-59

1990-2000

2000-2010
Cohort Age 30-34, Percent Change 2000-2010

Percent Change
- Loss
- Gain 0-10%
- Gain 11-25%
- Gain 11-25%
- Gain >25%
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 $79,000 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.
Corroborating Evidence?
School Collaborative in West Central Minnesota
Total School Enrollment in Collaborative Region

![Chart showing total school enrollment from 1988-89 to 2006-07, with data points for each year from 1988-89 to 2006-07.]
School Grade Cohort

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
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>PK</td>
<td>137</td>
<td>141</td>
<td>169</td>
<td>2.9%</td>
<td>19.9%</td>
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<tr>
<td>KG</td>
<td>1,043</td>
<td>958</td>
<td>980</td>
<td>-8.1%</td>
<td>2.3%</td>
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<tr>
<td>01</td>
<td>1,087</td>
<td>962</td>
<td>924</td>
<td>-11.5%</td>
<td>-4.0%</td>
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<tr>
<td>02</td>
<td>1,168</td>
<td>1,070</td>
<td>937</td>
<td>-8.4%</td>
<td>-12.4%</td>
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<tr>
<td>03</td>
<td>1,170</td>
<td>1,072</td>
<td>989</td>
<td>-8.4%</td>
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<tr>
<td>04</td>
<td>1,207</td>
<td>1,109</td>
<td>1,006</td>
<td>-8.1%</td>
<td>-9.3%</td>
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<tr>
<td>05</td>
<td>1,241</td>
<td>1,230</td>
<td>1,123</td>
<td>-0.9%</td>
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<tr>
<td>06</td>
<td>1,319</td>
<td>1,215</td>
<td>1,121</td>
<td>-7.9%</td>
<td>-7.7%</td>
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<td>07</td>
<td>1,475</td>
<td>1,330</td>
<td>1,215</td>
<td>-9.8%</td>
<td>-8.6%</td>
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<tr>
<td>08</td>
<td>1,477</td>
<td>1,335</td>
<td>1,335</td>
<td>-9.6%</td>
<td>0.0%</td>
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<tr>
<td>09</td>
<td>1,555</td>
<td>1,407</td>
<td>1,309</td>
<td>-9.5%</td>
<td>-7.0%</td>
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<tr>
<td>10</td>
<td>1,654</td>
<td>1,503</td>
<td>1,338</td>
<td>-9.1%</td>
<td>-11.0%</td>
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<tr>
<td>11</td>
<td>1,509</td>
<td>1,453</td>
<td>1,344</td>
<td>-3.7%</td>
<td>-7.5%</td>
</tr>
<tr>
<td>12</td>
<td>1,504</td>
<td>1,496</td>
<td>1,355</td>
<td>-0.5%</td>
<td>-9.4%</td>
</tr>
<tr>
<td>K-12 Sum</td>
<td>17,409</td>
<td>16,140</td>
<td>14,976</td>
<td>-7.3%</td>
<td>-7.2%</td>
</tr>
</tbody>
</table>

Source: Minnesota Department of Education
Cohort Size by Year of Entry

Cohort Growth between grade 2 and 6

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
<th>Percentage</th>
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<tr>
<td>1988</td>
<td>107</td>
<td>7.5%</td>
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<tr>
<td>1991</td>
<td>58</td>
<td>7.1%</td>
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<tr>
<td>1994</td>
<td>20</td>
<td>1.7%</td>
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<tr>
<td>1997</td>
<td>34</td>
<td>3.1%</td>
</tr>
<tr>
<td>2000</td>
<td>45</td>
<td>4.6%</td>
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The Newcomer 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.
Buffalo Commons Research
Dr. Randy Cantrell
University of Nebraska

Website: cari.unl.edu/buffalo
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 trend, continued

• 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?
• This movement has occurred without a concerted effort to recruit or attract them.
• High levels of entrepreneurship and small business ownership.
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.
Core Research Questions

- Who are we losing and who are we gaining?
- What are the “sticky” challenges?
- Attraction: Requires local leadership (housing, schools, government, nonprofit)
- Retention: How do we invest in newcomers?
  - Socially – communities with high % newcomers
  - Economic – What is the economic impact of newcomers? What is the ROI?
Economic reasons appear to bring people to a **region**. Social factors bring people to a specific **town**.
Overall, people’s rating of their community is not influenced in any significant way by whether they spend their whole life in their community or moved their from somewhere else.

..community ratings _are_ linked to whether someone plans to stay in a community or move....
Where We Live and Where We’d Like to Live
by community type

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

Source: "For Nearly Half of America, Grass is Greener Somewhere Else", Pew Research Center
Cohort Lifecycle
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
“On the Map” Strategies

• Provide avenues for potential residents to learn more about the region (electronic and otherwise)
• Housing is economic development
• Provide a resource that allows potential newcomers to establish a personal connection to the region
• Engage with real estate agents to track motivations and interests of newcomers
Employment Strategies

• Build upon existing connections to metro businesses that are allowing skilled employees to telecommute from rural MN

• Identify and build upon the auxiliary skills

• Integrate business succession planning
Midwest

• Iowa New Movers Study
  – http://www.cvcia.org/content/projects/8.migration.and.population/index.html

• Nebraska Info Tech Commission

• Norfolk Area Recruiters
  – http://www.norfolkarea.org/

• South Dakota Rural Enterprise
  – http://www.sdrei.org/bringbak.htm

• Wayne Works
  – http://www.wayneworks.org/
http://www.extension.umn.edu/community/brain-gain/

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