

RMJ

Rural Minnesota Journal

Taking the Helm:
How rural Minnesota's next
generation sees the future

2011



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Acknowledgements

The Center for Rural Policy & Development gratefully acknowledges our friends who have made this issue of RMJ possible.



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The Glass Half-Full: A New View of Rural Minnesota

Benjamin Winchester, Tobias Spanier and Art Nash

Describing rural Minnesota can be a challenge. The structural changes we have witnessed in agriculture and manufacturing have certainly forced residents and decision makers to rethink our future. On top of this, literature is rife with descriptions of the loss of our children, the aging population, and outmigration. We believe this deficit view of our rural communities cannot continue to dominate our thinking about the future of our small towns.

The topic of “brain drain” — the loss of young adults following their high school graduation — leads to much hand wringing. This is nowhere more apparent than in the book, *Hollowing Out the Middle*, by Patrick Carr and Maria Kefalas.¹ In it, high school graduates are classified into four groups: “Achievers,” “Stayers,” “Seekers,” and “Returners.” While we will not go into detail regarding these classifications, it is a valuable tool for school administrators and school boards to better understand these dynamics, as there has been little research to document the varying motivations of this age cohort.

It is implied in the book, however, that small towns that do not provide opportunities for these young people to stay in the community may be putting themselves at risk. As the book has become read more widely, media outlets in particular have reported a connection between the brain drain and the apparent demise of our small towns. There is no research base that supports this conclusion, however. Moreover, there is little acknowledgment that the ultimate educational success of rural youth points to a significant asset in rural areas. Rural

educators are succeeding in creating college-ready high school graduates.

The loss of young adults is just one facet in the complex picture of migration within the life cycle of our population, however.² People migrate at all ages, and while some rural researchers choose to focus on one specific age demographic, the intention of this article is to put the traditional brain-drain concept in context with other migration patterns we find across our great state of Minnesota.³

There is a generally held belief that people want to live in metropolitan areas. However, there is evidence that small towns and rural areas are a residential preference for large parts of the urban population. Research completed by the Pew Research Center shows that 51% of Americans would prefer to live in a small town or rural area.⁴ Additionally, research by the Economic Research Service illustrates, in fact, the Baby Boom generation's preference for residing in a variety of places, both urban and rural.⁵

These preferences translate into population growth. Commonly referred to as "the rural rebound,"^{6,7} rural populations overall grew in the 1970s and again in the 1990s. Nationally, between 1990 and 1999, over 2.2 million Americans moved from metropolitan counties to non-metropolitan counties. The new 2010 Census has just been released, and soon we will be able to update this statistic with the most recent data.

The focus on migration rather than overall population change allows a picture to emerge of the complex relationship between age and residential preferences.⁸ By isolating the dynamics of age-related out-migration and in-migration, we can gain a better understanding of how our small towns play a valuable role in the life-cycle decisions people make across our state. The highly mobile nature of our population, together with the changes in population and demographics of rural areas, are enough to warrant further investigation.

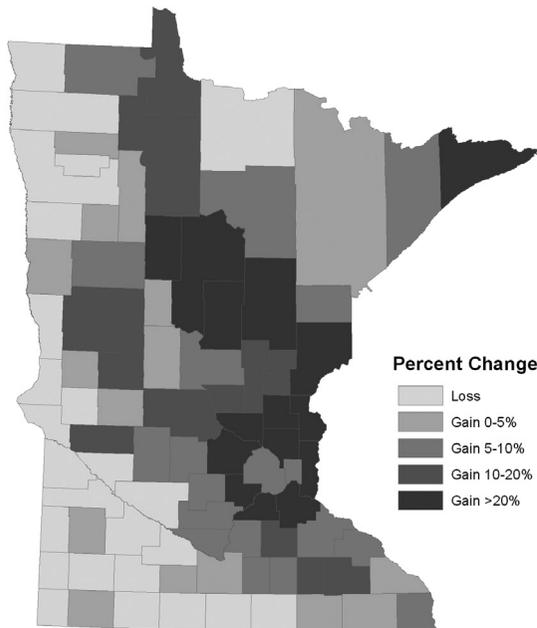
Understanding population change

Government entities in the United States use total population counts as a measure when determining funding, assistance, and the redrawing of political boundaries. A census

of the population is a constitutional requirement of the U.S. government and is done every ten years. The information gathered by the U.S. Census is often used by local units of government to analyze the trends in population changes and plan accordingly. Frequently, the conventional analysis is done by comparing county population from one decade to the next. It seldom expands to a more detailed understanding of population change in the county. This change in county population, though, has implications for funding and, more importantly, the morale of a county.

The map in Figure 1 relies on data from the 1990-2000 population change data set, as do the data found throughout the remainder of the report. The counties losing population are all in the lightest shade of gray. As the map shows, the southwest and western border counties experienced the greatest loss. Growth occurred in a concentric ring surrounding the core of Hennepin and Ramsey counties, as well as along a corridor connecting the Twin Cities to St.

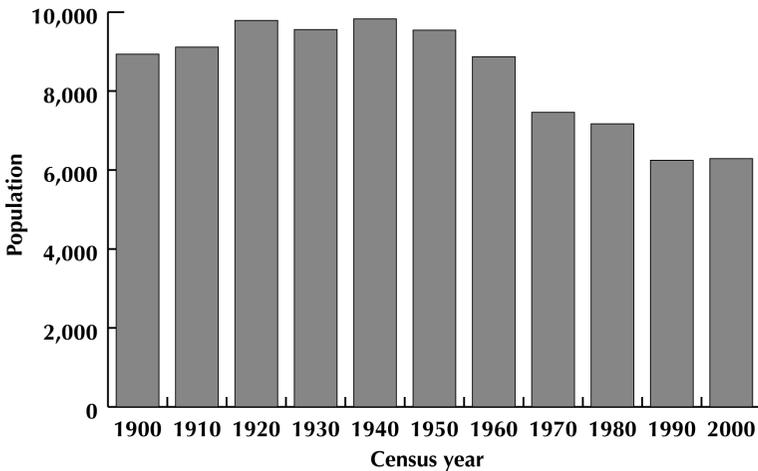
Figure 1: Percent population change, 1990-2000.



Cloud and Rochester. The heavily recreational counties also experienced tremendous growth in and around both Brainerd and Bemidji. Retirement and recreational counties accounted for the bulk of population growth in Minnesota between 1990 and 1999.⁹

Grant County, located in west central Minnesota, will be used throughout this article as a way of drawing a more interesting and complex portrait of the changes taking place. This county saw a generally steady and flat total population between 1990 and 2000, which may lead to the perception that nobody has moved to or from the county over the past decade.

Figure 2: Total population, Grant County, Minnesota, 1900 – 2000.



However, the story of Minnesota’s rural population change is more interesting and nuanced, especially when we consider that in Minnesota, people move with great frequency. Surely someone moved away from, or moved into, Grant County. Between 1995 and 1999, 43% of all Minnesotans moved to a new residence.¹⁰ We know, however, that the movement of people varies by age, and therefore, we need to fully explore the movement of people by age in greater detail.

This article will also provide a view of population dynamics through an urban-rural lens. The rural-urban continuum code developed by the Economic Research

Service at the U.S. Department of Agriculture allows us to separate counties into metropolitan and rural groups by using population statistics and proximity to metropolitan areas. Additionally, the Economic Research Service also classifies certain non-metropolitan counties as recreational.

Migration profiles

Researchers generally use two data sources to analyze migration. The first is the long-form data from the decennial Census, which asks respondents to identify where they lived five years ago, along with a plethora of in-depth data about income, housing conditions, and employment. The long form has been a popular method and has proven to be quite useful. However, the last data we have for this is the 2000 Census – and by last, we mean *last*. No longer is the long form used in the decennial Census. The American Community Survey has replaced the long form. Unfortunately, the estimates generated with the methods used for the ACS have significantly high margins of error for small geographies, such as rural counties.

Table 1: Counties by Rural, Metropolitan, and Recreational codes, 2003.

Code	Counties
Metropolitan (20)	Anoka, Benton, Carlton, Carver, Chisago, Clay, Dakota, Dodge, Hennepin, Houston, Isanti, Olmsted, Polk, Ramsey, Scott, Sherburne, Stearns, Wabasha, Washington, Wright
Rural Recreation (14)	Aitkin, Becker, Cass, Crow Wing, Douglas, Hubbard, Koochiching, Lake, Lake of the Woods, Mahnommen, Mille Lacs, Otter Tail, Pine, St. Louis ¹¹
Rural Non-Recreation (53)	Beltrami, Big Stone, Blue Earth, Brown, Chippewa, Clearwater, Cook, Cottonwood, Faribault, Fillmore, Freeborn, Goodhue, Grant, Itasca, Jackson, Kanabec, Kandiyohi, Kittson, Lac qui Parle, Le Sueur, Lincoln, Lyon, McLeod, Marshall, Martin, Meeker, Morrison, Mower, Murray, Nicollet, Nobles, Norman, Pennington, Pipestone, Pope, Red Lake, Redwood, Renville, Rice, Rock, Roseau, Sibley, Steele, Stevens, Swift, Todd, Traverse, Wadena, Waseca, Watonwan, Wilkin, Winona, Yellow Medicine

The second source is IRS tax returns. This information reports the number of people in a specific county that resided there the year before, moved away since the last year, or moved in. This information can provide year-to-year insights regarding the movement of people within a county. One caution here is that these data are only collected for people who actually file tax returns. Young adults and low-income households that do not file tax forms in any given year are not reported. Additionally, we are unable to break down the data by the age of the individual or household.

So, what can we use to analyze age-specific migration? Generally, when a scientist examines population change from one decade to the next, or one year to the next, the following formula is used:

$$Pop(2000) = Pop(1990) - Out-migrants + In-migrants - Deaths + Births$$

When we try digging deeper into the data, however, we cannot obtain reliable estimates for the migration patterns within specific age cohorts. We need a tool to help us simply and effectively understand population changes within age cohorts.

Simple cohort analysis

Generating this type of analysis is straightforward. First, we identify the number of people for each age cohort in 1990. From that baseline we expect this same number of people to reside in the county in 2000 – in the age cohort that is 10 years older. For example, if there are 100 people in the 30- to 34-year-old age range in 1990, we would expect 100 people in the 40- to 44-year-old age range in 2000, as they have aged 10 years. This allows a “back-of-the-envelope” type of analysis that any resident can conduct using a single data source.

This technique doesn’t follow each person to see if the same people are in the cohort. Not all of the people who live in a county reside there ten years later, of course. It simply shows the total numbers in each cohort. Using this simple cohort technique, we can examine each five-year age cohort. The size

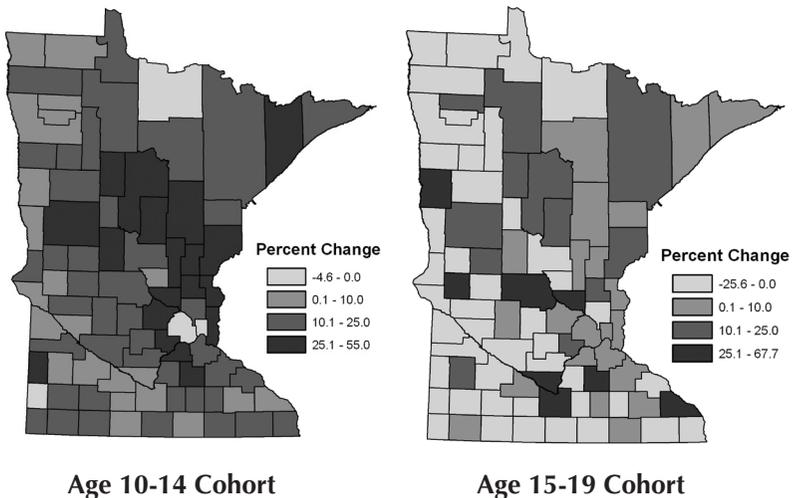
of the *observed* population in an age cohort in 1990 becomes our *expected* 2000 population for the age cohort plus ten years. The difference between these two is calculated to obtain a net gain or loss within each age cohort. (One caution is worth noting here: since this simple model does not incorporate death rates, those age cohorts above the age of 60 should not be analyzed.)

Statewide findings

This section will use the simple cohort method to examine the percentage change in age cohorts between 1990 and 2000. The maps below show the geographic variation across the state. Those counties experiencing loss in a specific age cohort are shaded in the lightest color, while the three darker shades of gray display growth at the 0-10%, 10-25%, and >25% levels.

Across the board we find growth in the age 10-14 cohort, with the exception of Hennepin, Koochiching, Pipestone, and Ramsey counties (Figure 3). This is an interesting finding right away since the general belief is that in rural counties family size is decreasing and fertility rates are declining. We will find out more about this later. As we move up to the age 15-19 cohort, there is still growth between 1990 and 2000, but it is

Figure 3: Percent change in 10-14 and 15-19 age cohorts, 1990-2000, using the simple cohort method.



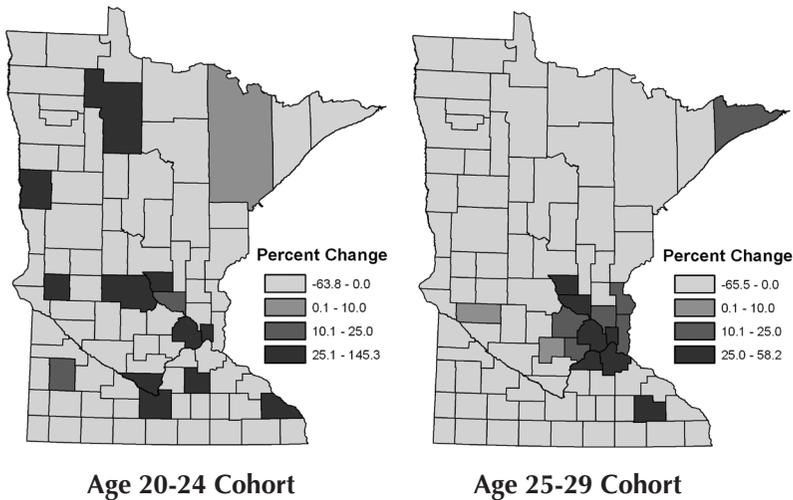


Figure 4: Percent change in 20-24 and 25-29 age cohorts, 1990-2000.

geographically sporadic. Those counties home to colleges do see growth, including Blue Earth, Clay, Stearns, Stevens, and Winona counties.

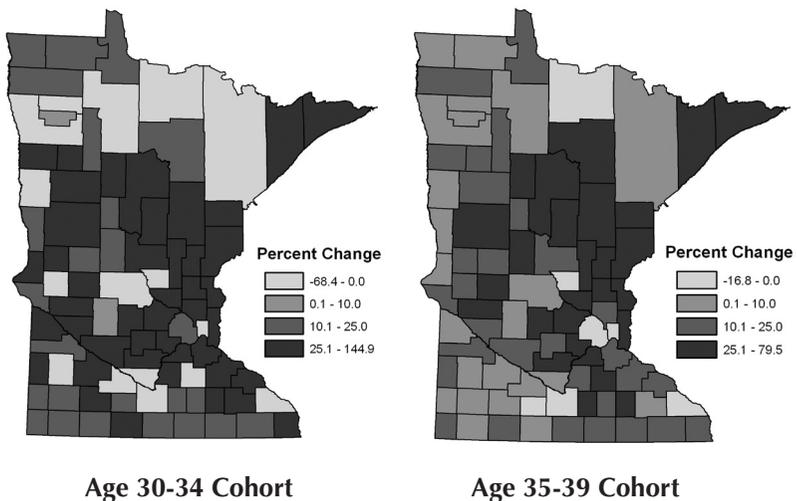
The “brain drain”¹² is a phrase often used to describe the pattern of young adults leaving rural areas to move to metropolitan areas in search of new opportunities such as schooling, jobs, and overall life experience. In Figure 4 we can see that movement: in the age cohort 20-24 there has been a loss in nearly all Minnesota counties. This out-migration appears to be a rule rather than the exception. Lac Qui Parle County saw the most dramatic loss. The county’s 20- to 24-year-old cohort in 2000 was 63.8% smaller than would be expected based on the size of the 10- to 14-year-old group in 1990. This is the brain drain phenomenon. For many good reasons this trend is alarming. Besides Lac qui Parle County, other counties seeing the biggest losses in this age cohort were Traverse (59.5%), Marshall (57.3%), Big Stone (57.1%), and Murray (56.8%). In fact, 62 of the 87 counties (71%) lost 25% or more of youth in this age cohort. The only growth in this cohort can be found in Hennepin and Ramsey counties, along with the college counties mentioned earlier.

Moving up to the 25-29 age cohort the counties experiencing growth are even more geographically concentrated, mostly in the Twin Cities metro area, along with Olmsted (Rochester) and Swift (Appleton prison). So while some individual places may develop strategies to keep kids in the county, the trend is against them.

Figure 5, though, shows a reversal: nearly every rural county in Minnesota experienced a growth in the 30-34 and 35-39 age cohorts, and a majority of them experienced gains of greater than 25%. In other words, a percentage of people who were 20-29 in 1990 were shifting back to rural counties by 2000. Many of the non-metro counties experiencing loss are college towns, presumably because they are losing people following graduation. This is true in Clay, Stearns, Stevens, Blue Earth, and Winona. Those anomalies aside, the positive migration has occurred even in the southwestern portion of the state where, overall, total population has declined. We now see that even in the midst of total population decline, there is growth.

The only counties that witnessed losses in the 35-39 age cohort are Benton, Blue Earth, Hennepin, Koochiching, Ramsey, Watonwan, and Winona. It is interesting that while people appear to move away from metropolitan areas in these

Figure 5: Percent change in 30-34 and 35-39 age cohorts, 1990-2000.



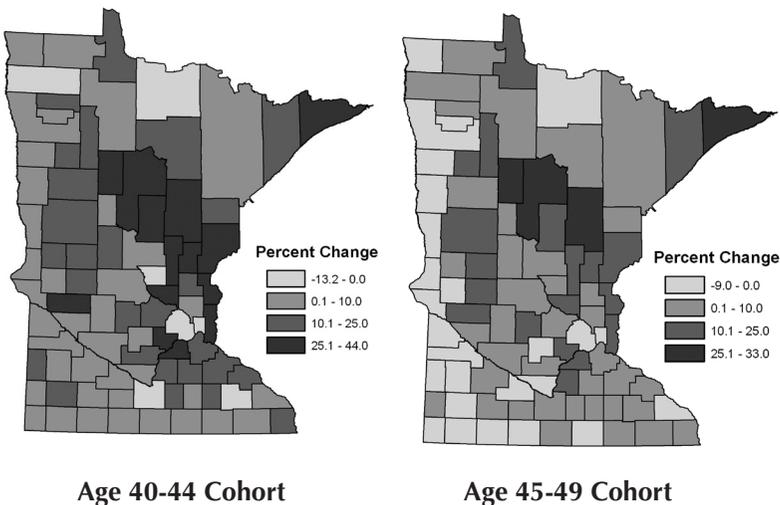
age categories, there is little research documenting this “brain drain” and the implications this may have for the vitality of those areas.

When we see growth in these age cohorts, it begins to make sense that we also see a rise in the 10-14 age cohort. People moving out to rural Minnesota are bringing their kids along. So while it can be easy for the reality of the “brain drain” to dominate how we think about population changes in rural areas, it must be tempered with an overall view of total migratory patterns. Outside of the brain drain age cohorts, we also see some positive news in age cohorts that are larger than expected.

In the 40-44 age cohort (Figure 6) we again see widespread rural growth. Only seven of the 87 counties experienced a loss and they were primarily metropolitan counties, with the exception of Koochiching in the far north. However, once we venture into the 45-49 age cohort, it is not nearly as widespread. The southwest portion of the state, along with the western border counties, appeared to have difficulty retaining members of this age cohort.

As the age of the cohorts increases, the concentration of those counties that have experienced gains shrinks (Figure 7).

Figure 6: Percent change in 40-44 and 45-49 age cohorts, 1990-2000.



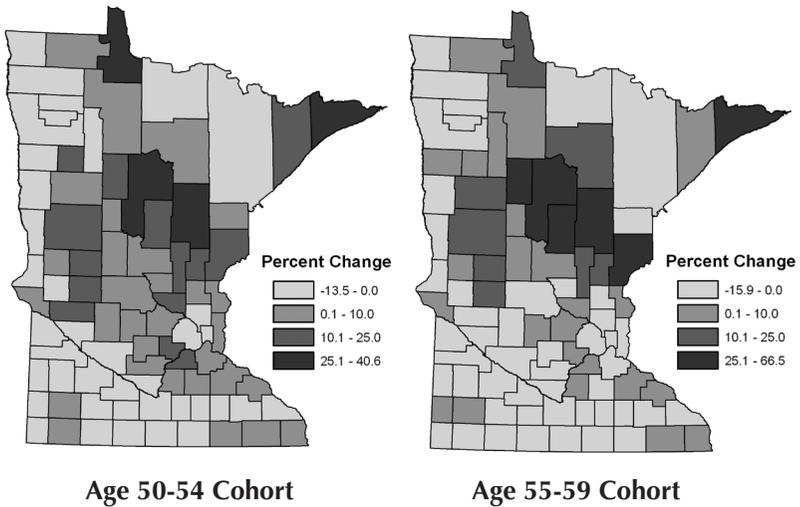


Figure 7: Percent change in 50-54 and 55-59 age cohorts, 1990-2000.

Geographically, this growth is found in the central part of the state, especially in the Hubbard, Cass, Crow Wing, and Aitkin region. There are few counties in the southern third of the state that are able to hold onto residents in these age cohorts. This becomes an area of concern as residents don't “stick around” as they approach retirement.

It is helpful to examine the statistical variations within each of the age cohorts for the entire state, as we see in Table 2 (next page). On average, Minnesota counties lose people in the 20 to 29 age cohort: it is not an exception to lose young people after they graduate from high school, it is the rule. The minimum percent change column shows that some counties have lost as much as 60 percent of people in the 20- to 34-year-old age cohorts. At the same time, the maximum percent change column shows that other counties have experienced significant gains.

To better understand migration profiles, let's look at the counties grouped by classification. Table 3 (next page) indicates the percentage of counties in each classification group experiencing growth by age cohort.

The 20-24 and 25-29 age cohort gains were concentrated in core metropolitan counties, most specifically Hennepin and

Table 2: Percent change statistics by age cohort for Minnesota, 1990-2000.

Age Range	Mean %	Minimum %	Maximum %
10 to 14	17.1	-4.6	55.0
15 to 19	4.7	-25.6	67.7
20 to 24	-23.1	-63.8	145.3
25 to 29	-18.4	-65.5	58.2
30 to 34	25.4	-68.4	144.9
35 to 39	20.2	-16.8	79.5
40 to 44	11.4	-13.2	44.0
45 to 49	5.6	-9.0	33.0
50 to 54	3.8	-13.5	40.6
55 to 59	2.9	-15.9	66.5

Table 3: Percentage of counties increasing cohorts size, 1990-2000.

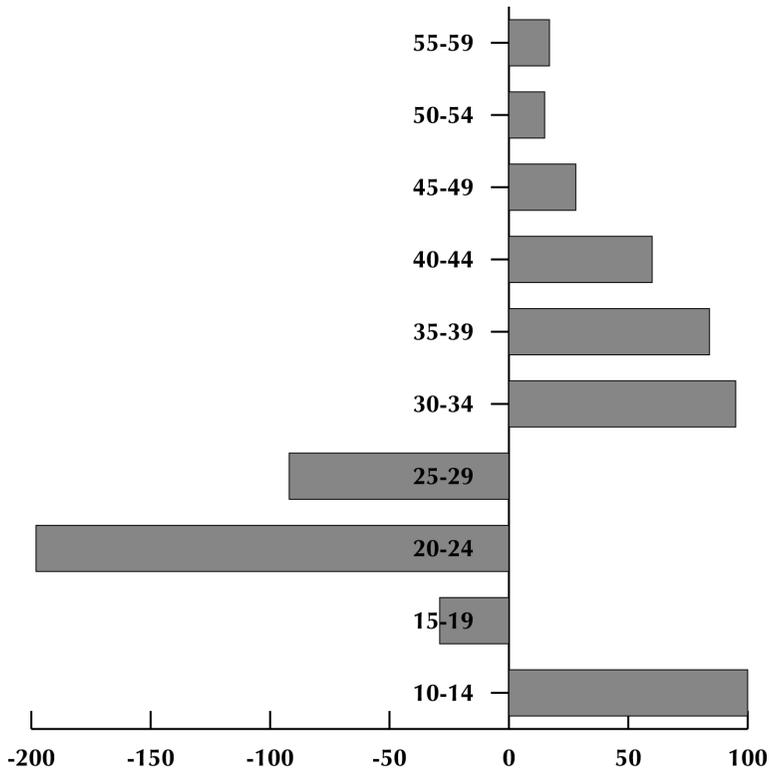
	Metro	Rural Recre- ational	Rural Non- recreational
10-14	90%	93%	98%
15-19	70%	71%	34%
20-24	30%	7%	13%
25-29	60%	0%	6%
30-34	75%	86%	83%
35-39	85%	93%	94%
40-44	80%	93%	96%
45-49	80%	93%	60%
50-54	65%	86%	43%
55-59	35%	86%	36%

Ramsey. These two counties, however, experienced growth in only the younger age cohorts and then began losing residents at a regular rate. At the same time, rural counties experienced growth in nearly all age cohorts except for those ages 20-24 and 25-29. This apparent interchange between rural and urban counties is especially interesting.

The county level

What does the migration profile show for an individual county? As we look more closely at the data, we discover *both* decline and growth within various age categories. To examine these changes more closely, we'll examine Grant County (Figure 8), which we saw earlier had experienced flat total population change between 1990 and 2000.

Figure 8: Difference between observed and expected population, Grant County, 1990-2000.

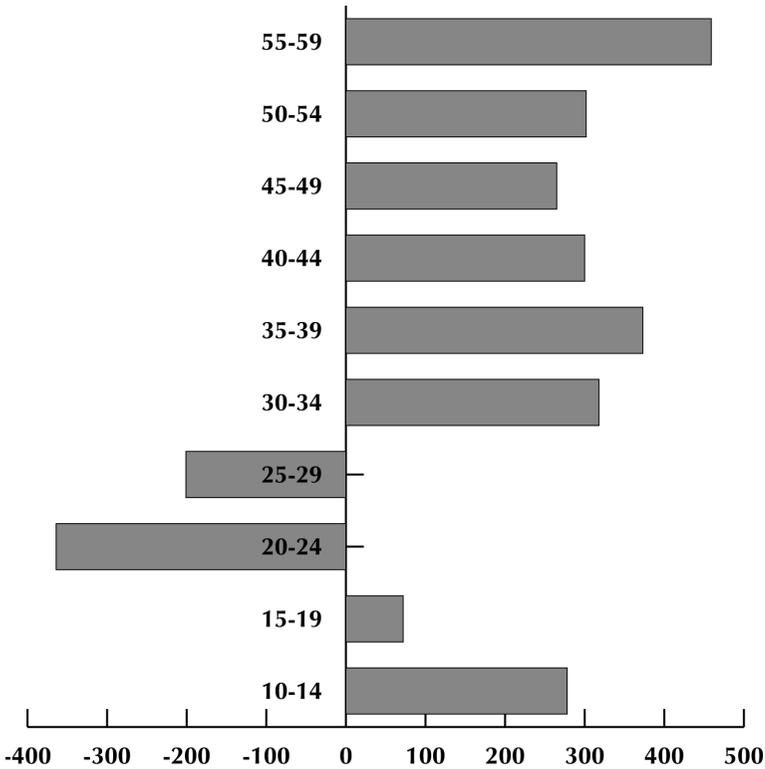


Source: U.S. Census Bureau

The loss of nearly 198 young adults in the 20-24 age cohort represents a decline of 43% in that group. The 25-29 age cohort experienced a loss of 92 people (27%). These numbers are significant and should not be understated. The net gain of 95 people age 30-34 into Grant County represents an increase of 33% in that age cohort. The gain of 84 people age 35-39 makes up 19% of that age cohort, and the gain of 100 people age 10-14 makes up 20% of that age cohort. This demonstrates the significance of this in-migration. The total county population would be much lower had newcomers not arrived in the county.

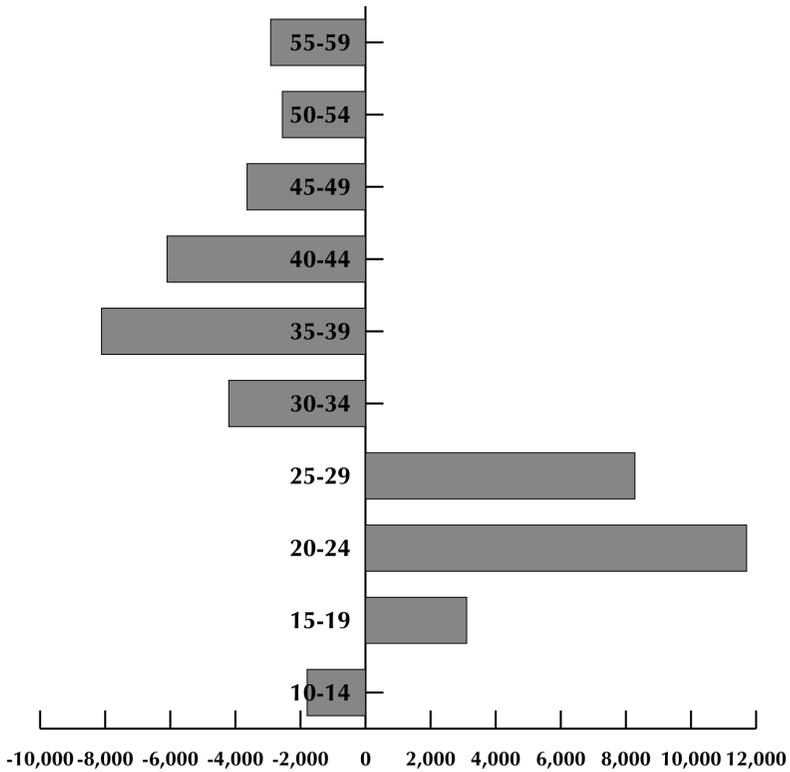
Aitkin County is a rural recreational county located in the north central part of Minnesota (Figure 9). While there is decline in the brain-drain age cohorts (20-29 years old), there

Figure 9: Difference between observed and expected population, Aitkin County, 1990-2000.



Source: U.S. Census Bureau

Figure 10: Difference between observed and expected population, Ramsey County, 1990-2000.



Source: U.S. Census Bureau

are significant gains in all the other groups. The county is highly attractive to not just those in mid-life, but also those who are approaching, and enjoying, their retirement years.

It appears there is an inverse relationship between rural and core metropolitan Minnesota. Ramsey County, in the heart of the Twin Cities metropolitan area, sees significant gains in the rural brain-drain age cohorts. At the same time, there is movement out of these counties after the age of 30.

Newcomers bring children

We have witnessed a relationship between growth in the 30- to 49-year-old cohort and in the 10- to 14-year-old cohort. This implies that many of the newcomers are bringing along children who are in fourth through eighth grade. If this is true,

we should also see gains through school enrollment data. Do we see a corresponding increase in school enrollments?

School enrollment data can be a useful proxy to show population growth. While we have to wait 10 years in between decennial U.S. Census data, we can obtain school enrollment trends every year. In 2007, Ben Winchester completed an unpublished analysis of class cohorts using data obtained from the Minnesota Department of Education for a collaborative of 19 school districts¹³ in west central Minnesota. School superintendents typically use class sizes of the previous year to estimate class sizes of the upcoming year. To analyze this data we examine individual class cohorts in much the same way we analyzed Census data earlier, using a simplified cohort technique. For example, if 100 children began first

Table 4: Class size by year in collaborative region, West Central Minnesota.

Grade	1997-98	2000-01	2003-04
KG	1,043	958	980
01	1,087	962	924
02	1,168	1,070	937
03	1,170	1,072	989
04	1,207	1,109	1,006
05	1,241	1,230	1,123
06	1,319	1,215	1,121
07	1,475	1,330	1,215
08	1,477	1,335	1,335
09	1,555	1,407	1,309
10	1,654	1,503	1,338
11	1,509	1,453	1,344
12	1,504	1,496	1,355
Total	17,409	16,140	14,976

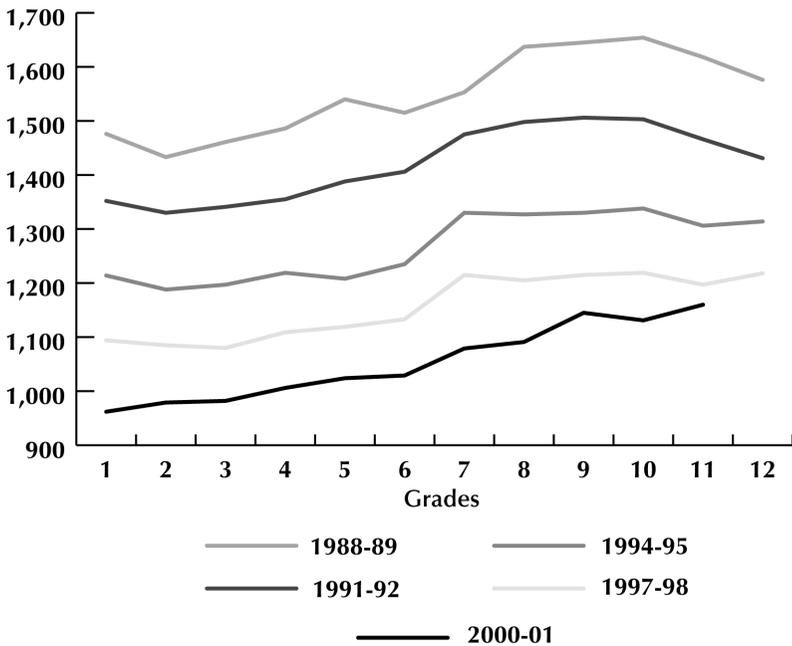
Source: Minnesota Department of Education

grade this year, we then expect those 100 children to be in second grade next year.

The first item of note is related to the conventional analysis of using total enrollment to describe the changes to our school enrollments. We see a dramatic decline in the total enrollment, from 17,409 to 14,976 (Table 4), due primarily to lower fertility rates of the resident population and smaller family sizes. However, in the midst of this overall decline there is also growth. The second-grade class in 1997-1998 (highlighted in gray) enrolled 1,168 students. Three years later, when this class cohort was in fifth grade, their size grew to 1,230. Three years after that, when they were in eighth grade, it grew again to 1,335. This class cohort gained 168 students (14%) during this time period. So, yes, there is growth here as well, and we see that the newcomer cohort has a positive effect on school enrollments.

There are two trends at work here. Visually, we see the

Figure 11: School cohort size by year of entry in collaborative region.



Source: Minnesota Department of Education

dramatic decreases in the *starting class sizes* in this region. What were once nearly 1,500 students beginning first grade in 1988 has declined to just over 950 in 2000. This is the product of people not having children with the same frequency as in the past. The second trend is the increase in the cohort size between third and sixth grade. This can be attributed to newcomers who are bringing their children to rural areas.

Who are these newcomers?

The University of Nebraska-Lincoln has recognized this trend and conducted research¹⁴ to explore the qualities of these newcomers to the western panhandle of Nebraska.¹⁵ This area of the state has witnessed significant overall population loss but does have growth of newcomers in the 30-44 year age cohort — similar to that in Minnesota. Their research indicates that newcomers moved to rural Nebraska because they wanted: 1) a simpler pace of life, 2) safety and security, and 3) low housing costs. Nebraska researchers summarized the opportunities this way:

*New residents bring many assets to the Panhandle region. On average, they are younger and better educated than current Panhandle residents. They also are more likely than current residents to have children in their household. Thus, they are contributing to stabilize, and in some cases increase, the population of the area. In addition, the majority of the newcomers are in their prime earning years, so they are increasing the labor force in the region. Many new residents possess professional occupation skills and business, management and financial operations skills. Many were also involved in their previous community, thus bringing volunteer and leadership experience to their new location. Some new residents have entrepreneurial backgrounds and have an interest in starting a business in their current community. It is important that communities and the region as a whole tap into these assets that newcomers are bringing.*¹⁶

Given this refreshed view of changing demographics, rural America needs to rethink its description of gains and losses.

If rural America is losing high school-educated youth (the brain drain) and replacing them with those that are college-educated, skilled, and experienced, isn't this a *rural brain gain*? There is a tremendous market opportunity here to capitalize on the skills and knowledge of these newcomers, and it should be of specific interest to decision makers and researchers in and around our rural areas.

The data above showed that a similar trend is occurring in rural Minnesota, and without any intervention by the rural development industry. If that's the case, what could happen if we were actually proactive in attracting newcomers?

In early 2010, the EDA Center in Crookston provided technical assistance to a coalition of economic and community development agencies to 1) better understand the decision-making tools used by newcomers, and 2) identify strategies that can be utilized by the agencies in the region to make the move to western Minnesota more effective and efficient. What motivates 30- to 45-year-old newcomers to relocate to less populated and rural communities in southwestern Minnesota? This question was posed to new residents of western Minnesota communities during seven focus groups held in the summer of 2010. What we learned was that time told the story. We heard stories reflecting a time during their own childhood, a time when memories were created about where they lived or visited.

The stories they shared with us were filled with memories of eating together at the kitchen table with family, friends and neighbors. They shared memories of hunting, fishing and playing outdoors in nature. There were memories and stories about the glory days of the high school championship games or when the large manufacturer closed its doors. They talked about how you knew everybody in your school and your mom let you play outside with your friends until dark. Then there were stories about how your family did fun things together, and it was free! How they cared for a sick aunt or provided a meal to an injured neighbor in times of need. They recounted feelings of great respect and admiration for their parents, how their parents were farmers or owned and operated a local business. Generally, their stories and childhood memories

were happy and filled with much hope and anticipation for the future.

Participant characteristics

Focus group participants provided information to the research team that allowed us to frame and place the narrative in context. Key findings from the information include:

- 51% moved to the area with children.
- 43% lived in or near their community before they returned to it.
- There were a number of factors that were important in the newcomer's decision to move.
 - Finding a less congested place to live (77%)
 - A better environment for raising children (75%)
 - Better quality local schools (69%)
 - A safer place to live (69%)
 - Lower cost of housing (66%)
 - A simpler pace of life (66%)
 - More outdoor recreational activities (63%)
 - To be closer to relatives (62%)
 - To live in a desirable natural environment (60%)
 - Lower cost of living (53%)

The sections that follow provide a reflective analysis of what the survey results indicated and what we heard during the focus groups.

Pull/push factors

Stories and memories motivated the vast majority of the 30- to 45-year-olds to return to less populated, rural communities in southwestern Minnesota. They were "pulled" back to their childhood community or a similar community in an effort to recreate these memories for their children and themselves. The current local home values provided them with an opportunity to have what they had as children. The small schools would give their children the opportunities to participate in sports and academics as they once did. The pull of their extended families provided an instinctive bond they

had come to appreciate and enjoy. They were pulled back by the opportunity to take over the family farm or start a new business as their parents once had done.

Newcomers were also “pushed” away from their previous communities for reasons such as traffic and long commute times, crime, and the high cost of housing. One focus group participant recounted of their previous community, “The congestion and traffic was about enough to drive you crazy.” Another participant added, “I guess it was just kind of an escalation that the city wore me down, so I was just kind of drawn to the country area, I guess because of the quiet, a different pace of life, too.”

Community expectations

Sometimes our memories can build up larger-than-life expectations that are difficult to fulfill, and it can leave us unsatisfied. We wanted to know if these new residents found that their expectations of their community were met. Generally, the new residents were pleased by what they found when they relocated. “There was nothing different when I moved back, but I’d say it was probably better than I expected when I moved back.” We heard stories of how now they would stand in awe of the wide open spaces they had come to really appreciate. We heard how they had come to understand the benefit and the importance of caring for their neighbors. They also shared that for some a move to a rural community has forced them to accept certain lifestyle changes, such as stores closing early, limited shopping, and traveling greater distances for household items. Some new residents expected to be more engaged in community life, and found that some communities hesitate to welcome newcomers.

Community involvement and social contributions

When looking at how newcomers applied their skills to civic or community participation, about a third of the newcomers (36%) stated they had held leadership roles in community organizations in their previous communities; now 60% held similar posts in their new communities. Likewise, only 9% had previously held public office, but now 23% held a

public office in their new communities. Even charitable giving increased. Whereas 62% gave in previous communities, now 81% engaged in charitable giving in their new host community. Finally, newcomers generally came in couples, with only a quarter being single. A number of couples had chosen to have one spouse stay home with kids, a shift from their previous household arrangement whereby both parents held full-time jobs.

New residents also recalled a number of kinds of networks that research now would describe as indicators of strong social capital. Social capital is the glue that holds a community together—the connections and relationships among people, both formal and informal. They include strong bonds among family and friends, bridges from group to group in a community, and linking networks with outside resources that can bring new opportunities to communities.^{17,18} Most new residents recalled their families having many close connections with family and friends. They also shared stories of community rallying to help a sick child or an injured farmer. The residents remembered how the community got things done together (bridging networks) and didn't wait for some outside agency or institution to tell them what to do (linking networks). Further research would need to be conducted to determine the depth and breadth of these networks and their utilization within their community. The new residents had families with strong social capital networks. During the focus groups, the new residents told us that there are lots of opportunities for community members to build their level of community involvement or social capital. "There is no lack of people wanting you to do things."

There appears to be one critical variable for greater community inclusion and to increase all the social capital networks, however: *children!* Those who had children had almost immediate acceptance and opportunities for bonding, bridging and linking networks. Those without children, or those whose children had left home, found themselves having to work harder to be invited to join networks. "My husband works in town, he can say hi to people with little kids, but you aren't in that inner circle until you have kids."

What we learned from new residents 30 to 45 years old about what motivated them to relocate to less populated and rural southwestern Minnesota communities should not surprise us. Their motivations were inspired by their past memories and dreams, which is familiar to us all. What is more interesting is the fact that those who choose to return or relocate generally had very positive childhood experiences and have created for themselves a life that reflects many of the memories of their own childhood. Those from the same community whose childhood experiences were not so positive may be less motivated to return. Also, what happens when the community undergoes major changes, either demographically or economically, that alter the image returning residents have so much wanted to recreate? Do these new residents resist that change, or will they ultimately change the features of their own lives to weave them together with the new community? In our focus groups, “time did tell,” while in the future only “time will tell.”

Newcomer economics

The 30- to 45-year-old new residents, in their quest for a better quality of life, bring education, economic skills and wealth with them into the small towns of west central Minnesota. From the survey, it is obvious that they were primarily concerned about their quality of life: they were looking for less congestion and safer places for their children, better quality schools, and better recreational activities among a more desirable natural environment. But what specific education and skill assets did newly introduced residents bring into the new hosting communities?

The basis for the rural economy has shifted significantly in the past 25 years, reducing the share of employment in natural resource and manufacturing areas, while gaining share in the service industries.¹⁹ How do the skills of these newcomers fit into the existing rural economy? In terms of imported post-secondary education levels, over two-thirds (68%) of the newcomers in the focus groups had a bachelor’s degree or higher, whereas the resident population in 2010 had an estimated rate of only 16.7%. It was found that almost half

of the newcomers had business/ financial/ management skills (45%), yet only half of those individuals use them in their new communities. And one third of the newcomers had office and administrative support skills, yet again, only about half noted using these skills in their new location. Thus, newcomers are not using these particular skills in their new communities, possibly because the higher-level service jobs that require them are not available there. This may just be the climate that begs for entrepreneurship from newcomers, who as a class of workers not only expect decent wages and benefits for themselves but also provide the same standard for any local workers they may hire in newly created businesses.

In comparing the marginal percentages between the skills possessed and the actual occupation which newcomers take up in their new communities, healthcare support workers

Table 5: *Self-reported skills of newcomers.*

	Skills possessed (n=53)	Current primary occupation (n=45)
Management, business and financial operations	24 (45%)	10 (22%)
Professional and related occupations	24 (45%)	11 (24%)
Healthcare support	6 (11%)	6 (13%)
Protective services	3 (6%)	--
Food preparation and serving	8 (15%)	1 (2%)
Building and grounds cleaning and maintenance	1 (2%)	1 (2%)
Personal care and services	5 (9%)	
Sales and related	10 (19%)	1 (2%)
Office and administrative support	18 (34%)	4 (9%)
Installation, maintenance and repair	3 (6%)	2 (4%)
Production	2 (4%)	
Agriculture	7 (13%)	1 (2%)
Other	15 (28%)	8 (18%)

had the tightest match (when looking at skills with at least a 10% presence rate). High demand for health care workers is good news for newcomer workers in this occupation as they can find immediate jobs. The table below examines the skills of the newcomers involved in the focus groups reported for themselves. (Respondents could choose more than one category, and thus totals can exceed 100%.)

These individual-level skills aside, as we reflect on this information, it may be wise to take advantage of existing connections to urban businesses that allow skilled employees to telecommute from rural Minnesota (such as computer programmers, writers, editors, and others). In a report written for Minnesota's EDA Center, Ben Winchester notes that "these niche occupations provide an opportunity to build knowledge clusters in the prairie, serving both business needs and employee quality of life requirements."²⁰ Because newcomers have untapped skills, communities can try to drive future economic growth by leveraging their primary and auxiliary skills. Making accommodations to use the human capital (education, skills and training) of the newcomers with their diversified strengths may assist the overall economy of the region, and not merely the community they move to.

About 75% of couple respondents noted that they would like to have only one wage earner in the household (and the resulting savings in daycare costs): "We didn't have kids yet, but we knew that we wanted to be out here when we did have kids and eventually wanted to be a stay-at-home mom, and that wasn't going to happen in the Twin Cities. I knew we wouldn't be able to afford that."

A surprisingly high number of newcomers became self-employed or small businesses owners after their move to the new community. One particular respondent newcomer looked forward to self employment, but needed a secondary income.²¹

Newcomer: "That was my focus, that was my reason to come back, to have that self employment farming. But we did want supplementary income, so we looked around to see what businesses were for sale and stuff like that.

The flower shop happened to be for sale. That's the only

reason. It just happened to be for sale at the time. And we just looked at the numbers and it looked OK. And at the time my wife didn't really have anything to do, so she was able to really concentrate on the flower shop."

Facilitator: "But in your case it could have been the local hardware store that could have been for sale and you might have bought that?"

Newcomer: "Exactly."

Newcomers with high skills who are willing to seize opportunities offer great potential for local business succession planning efforts. Often, aging owners of established businesses don't put their small town businesses on the market, making it difficult for people to be aware of available businesses (or housing, for that matter) without first living in the community. In one small city of the upper Red River Valley, the city council took upon itself the task of brokering the sale of a fully endowed hardware store to a young newcomer couple when the lifelong owners retired. This bedroom community's council — within half-an-hour driving distance from two employment hubs with a housing shortage — also built a senior residential facility and assisted the transition of the elders' former houses to newcomers. Comprehensive strategies to bring newcomers to a community can be complex with many moving parts but effective if community leaders are willing to take on the challenge.

Economic impact of newcomers

The University of Minnesota Extension Center for Community Vitality completed a preliminary Economic Impact Analysis in 2010, and a full analysis is available now. Noting that residents who move to a smaller community may have wealth-creating skill sets, researchers asked what type of impact these newcomers have on the communities in the study area. An economic analysis using IMPLAN, a computer software Social Accounting Matrix model, estimated that newcomers introduced \$3,722,500 into the west central Minnesota study region. Note that this does not represent the net or overall gain, as out-migrators such as those in the "brain

drain” ages of 18-25 reflect a loss in household income when leaving the community. Still, these “brain drain” age cohorts are at their lowest earning potential in their young careers.

The survey found that almost half of the newcomers in the five-county area in the study reported a household income of \$75,000 or more, whereas only 9.9% of the resident households in these counties were above \$75,000 (2008 ESRI estimate). Obviously, this financial capital is a benefit to rural communities, and newcomers bring other fiscal impacts as well. Since income changes also affect the communities via tax collections, it is estimated these same households generated \$132,406 in state and local taxes, with \$55,000 in sales tax and \$37,000 in property tax paid by businesses. In the context of losing young adults age 18-25, it is probably a net gain as few of these young people contribute to the property tax base. For those newcomers bringing children, there is also the impact of increased school per-pupil funding. Moreover, spending generated from fresh businesses created by newcomers would not be included in this estimate. Thus the aggregate summation of this study should be viewed as conservative.

Just under 25% of respondents stated that they are operating farms or businesses, possibly emphasizing all the more the need for smart business succession planning as existing business owners explore retirement options. The entrepreneurial nature of these newcomers is becoming more apparent and is an opportunity for economic development agents in the region to engage in strategies that support entrepreneurs.

Further questioning would be useful to quantify the cause and effect of the labor factor. For instance, it may be useful to discern whether newcomers tend to bring jobs with them (or the potential for entrepreneurship) regardless of existing job opportunities in the area, or whether a majority arrive expecting jobs to be available in the new host community and/or region. While this study looked at 30- to 45-year-olds, it would be interesting to investigate whether there is typically a different “chicken or egg” labor force and employment outcome for those newcomers. The main point of this section of analysis is to show that there may be opportunity to help

build the rural economy around some of these imported skill sets, especially around those that are not currently being used.

Conclusion

There is rural population growth in the 30- to 45-year age cohort. In many rural counties, this in-migration is just about equal to the out-migration of the 18- to 25-year age cohort. This in-migration is composed of adults in their prime earning years. These findings remind us that the changes we witness across rural Minnesota are complex and reflect not just challenges, but significant opportunities. A profile is emerging in the dynamics between rural and urban areas.

- Age 18-25: Individuals leave their homes to attend higher education and begin their careers in urban places and selected college counties across the state.
- Age 30-44: A percentage of these individuals move out of core metro areas as they approach 30 years of age and when their children are in third grade and up. There is significant growth in rural communities because of this migration.
- Age 45-54: There is movement out of core metro areas and some rural counties in this age cohort. The reasons why some counties do not retain newcomers is not well known and further research is encouraged to examine the “stickiness factor.” The factors related to staying in these new communities include job opportunities and security, feelings of belonging, suitable housing, and opportunities to join local organizations. What can our communities do to build on this trend?

The 2010 Census data will be released about the time this article is published, and this trend will continue to be explored through publications and papers at www.extension.umn.edu. Using school enrollment figures as a proxy for this newcomer growth, we do know this trend continued in southwest Minnesota.²² In the coming years, the University of Minnesota Extension will continue to explore rural demographics and trends related to these newcomer populations. If you would like to find out more about this trend in your part of the state,

or wish to build on this opportunity for your community, please contact your local Extension Educator. Visit www.extension.umn.edu for more information.

Endnotes

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- 12 Internationally, the term "brain drain" is used to describe the loss of the top educated and skilled people in a country as they move from their home to another country. In the United States, and specifically in rural development literature, the definition is generally the loss of high-school graduates to metropolitan areas. The appropriateness of using this term as we do in the rural development field shall be the topic of another discussion.
- 13 Alexandria, Ashby, Brandon, Breckenridge, Browns Valley, Campbell-Tintah, Chokio-Alberta, Clinton-Graceville-Beardsley,

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