



center for rural policy and development

Seeking Solutions for Greater Minnesota's Future



2012 Rural Minnesota Journal Overview

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Welcome to the Rural Minnesota Journal 2012

Who lives in rural Minnesota? When the editorial committee settled on this theme, the answer seemed obvious. But as soon as the discussion even began to scratch the surface, the reality became more and more complicated. The truth of the matter, the committee decided, is that wherever you happen to be, rural Minnesota is a moving target. It's a region—made up of many regions—in transition.

So the focus this year is on transition. Who lives in rural Minnesota? At first glance, rural Minnesota's population still looks a lot like it did ten, twenty years ago. But of course, the population is older than it was ten years ago—on average. And it depends on where you are. In some counties, the average age is getting older. In some cities it's getting younger. The population is less white than ten years ago. Again, it depends on where you are—most rural communities have at least a small minority population, while in some towns more than half the school population is made up of minority children.

The way local government is funded is changing, to the point where no service can be considered "off the table." And the economy itself has changed to the point where rural schools

The Center for Rural Policy and Development, based in St. Peter, Minn., is a private, not-for-profit policy research organization dedicated to benefiting Minnesota by providing its policy makers with an unbiased evaluation of issues from a rural perspective.

must figure out how to prepare children for careers that don't even exist yet, while at the same time community leaders are working out how to stimulate those jobs.

So maybe the theme isn't so much "Who lives in Minnesota" as "Who's going to live in Minnesota." Because the question is: Are Minnesota's decision makers ready to create policy today for a population that could look very different tomorrow?

In this edition of RMJ, we take a look at a set of issues that arise from this question. From volunteerism to community leadership to welcoming new residents, this year's authors are addressing some important themes.

To introduce this edition, we've asked a member of the RMJ editorial committee, Bob Franklin, to write a piece on why everyone in Minnesota should care about what happens in rural Minnesota. There's the economy, yes, but there are a lot of other reasons why Minnesota needs to function as one state.

The ever-reliable Ben Winchester slices and dices the 2010 Census data to take a look at not just who is living in Minnesota right now, but how the population has changed over the last twenty years and what trends are emerging going into the future.

Volunteers are the lifeblood of every rural community—they get things done. Yet those who depend on volunteers know this is another area that is in great flux. Mary Quirk, executive director of the Minnesota Association of Volunteer Administrators, discusses the changes happening as the volunteer workforce transitions from the Greatest Generation through the Baby Boomers to Generation X and beyond. What makes each group tick, and what motivates them to give of their time?

The aging of the Baby Boom generation may be the biggest demographic shift Minnesota has ever seen. As they hit their senior years, they also have tastes in living choices that are quite different from those of their parents. LaRhae Knatterud of the Minnesota Department of Human Services asks whether Minnesota communities will be prepared to accommodate their needs and wants.

Quality of leadership is also a growing question for communities whose populations are shrinking, as well as for those that are growing. Two articles discuss examples of two different leadership programs. The Blandin Foundation's longstanding leadership program relies on not just building leadership skills in the individuals, but also showing these individuals how to build the networks and relationships needed as communities face new challenges. A problem in many rural communities is just finding people willing to fill leadership roles. In west central Minnesota, University of Minnesota Extension researchers found that there are many willing folks. They just need to be invited.

Who lives in our rural communities is changing, and so too are the ways these communities support themselves. Susan Stehling and Wendy Wehr of the Minnesota Council on Foundations discuss how, as tax dollars shrink, the philanthropic community is asked to play a bigger role.

The heart of Greater Minnesota is its workforce, and like everything else, the workforce here is changing. But so, too, are the jobs themselves. Kyle Uphoff of the Minnesota Department of Employment and Economic Development looks at two important factors: the trend in skills that will be needed for tomorrow's jobs and the supply of workers who are ready.

A region in transition? The city of Pelican Rapids in west central Minnesota is a microcosm of the change the state is going through as a whole. Joan Ellison, one person who watched it all happen, tells how the city rose to the challenge and embraced change.

So as you read these articles, please think not just about how different things are now from what they used to be, but how different things are going to be from what they are now and how we will go about preparing for that future.

— Marnie Werner
Editor

Why Everyone Should Care

Bob Franklin

We are all Minnesotans, and we neglect to embrace “one Minnesota” at our peril.

In this article, Bob Franklin makes a case for why we should all care about the rest of the state outside of the Twin Cities, for reasons that are personal, recreational, economic, environmental, educational, historical, cultural, for public policy, and as an alternative lifestyle.

From its impact on the economy through its natural resources and agriculture to high graduation rates to heritage and the many small towns serving as labs for racial diversity, rural Minnesota serves a role crucial to the state’s health as a whole. While the demographic trends may unavoidable, rural Minnesota should not be shuffled off to one side and ignored.

Robert Franklin, a Philadelphia native, is a retired journalist, community volunteer, and member of RMJ’s editorial committee. As a reporter and editor, Bob worked for the Minneapolis Tribune and Star Tribune for nearly 40 years and for the Associated Press before that. He was city editor, state editor, and a reporter, mostly covering philanthropy and Minnesota outside the metro area.

Who Lives in Minnesota?

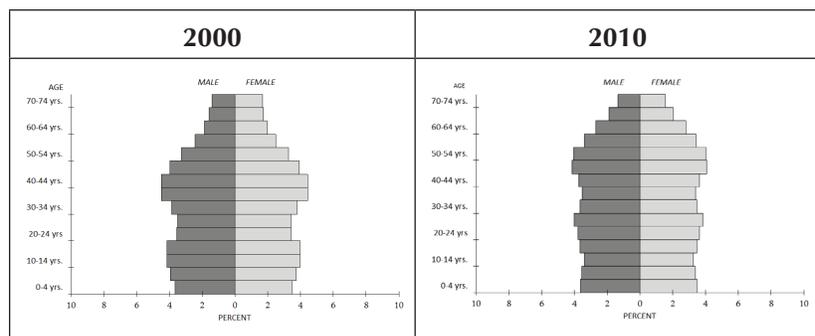
The 2010 Census Shows Us How Our State is Changing

Benjamin Winchester, University of Minnesota Extension, Morris Center for Community Vitality

The reams of data produced by the 2010 Census reveal just who is living in rural Minnesota and the trends that will be shaping our state into the future.

The U of M’s Ben Winchester gives a concise summary of the 2010 Census and examines population shifts across the state, with a focus on rural areas.

During the 2000s, the state continued to shift racially, ethnically, and geographically. While recreational areas grew, the southwestern portions of the state again experienced overall population loss. At the same time, trends among generations became more complex. Baby Boomers have begun retiring, middle-age newcomers are moving to rural places, and the population has become more diverse. In the meantime, 60% of counties experienced losses in the percentage of households with children 18 and under, impacting schools.



Population pyramids for Minnesota, 2000 and 2010. The population is stabilizing and growing older.

Ben Winchester is a research fellow for the University of Minnesota Extension,

Center for Community Vitality, where he concentrates his research efforts on two topics vital to rural Minnesota: documenting “newcomers” to identify the social and economic opportunities of migration; and analyzing rural community leadership.

To read the full articles and author bios, visit www.ruralmn.org.

Rural Volunteers: A Vital Force on Fertile Ground

Mary Quirk, Katie Bull, Elizabeth Ellis & Heather Thormodson
Minnesota Association for Volunteer Administration

How is the transition from the Greatest Generation to the Baby Boomers to Generation X affecting volunteering in Greater Minnesota? Some new research shows us.

Critical community services such as fire fighting, youth activities, and emergency food are much more likely to be done mostly or entirely by volunteers in a rural area than in an urban area. In most cases, the smaller the community, the larger the portion of essential services delivered through volunteers. The shifts in Minnesota demographics are affecting the core of who is available to volunteer and what volunteers want to do.

A recent survey conducted by the Minnesota Association for Volunteer Administration found that one of the most common concerns among rural organizations using volunteers is the fear that there is no one to replace older volunteers. In parts of the state, the population is aging and there are literally fewer young people to help out. A significant factor: the Boomer generation has very different expectations and interests in volunteering compared to their parents' generation. And the rise in gas prices is likely the largest threat to the current level of rural volunteerism.

The stakes are high: for rural Minnesota, a lack of volunteers means a significant decrease in services offered.

Mary Quirk is the Executive Director for the Minnesota Association for Volunteer Administration.

Katie Bull is the Membership, Communications, and Services Manager for the Minnesota Association for Volunteer Administration.

Elizabeth Ellis has successfully developed and managed volunteer programs in both the private and nonprofit sector, including the Girl Scouts, Minnesota Department of Corrections, Face to Face Health and Counseling Services, and the YWCA of St. Paul.

Heather Thormodson works at West Central Minnesota Communities Action Inc., where she serves as the RSVP Director.

Where Will Baby Boomers Live in Their Later Years?

LaRhae Knatterud, Minnesota Department of Human Services

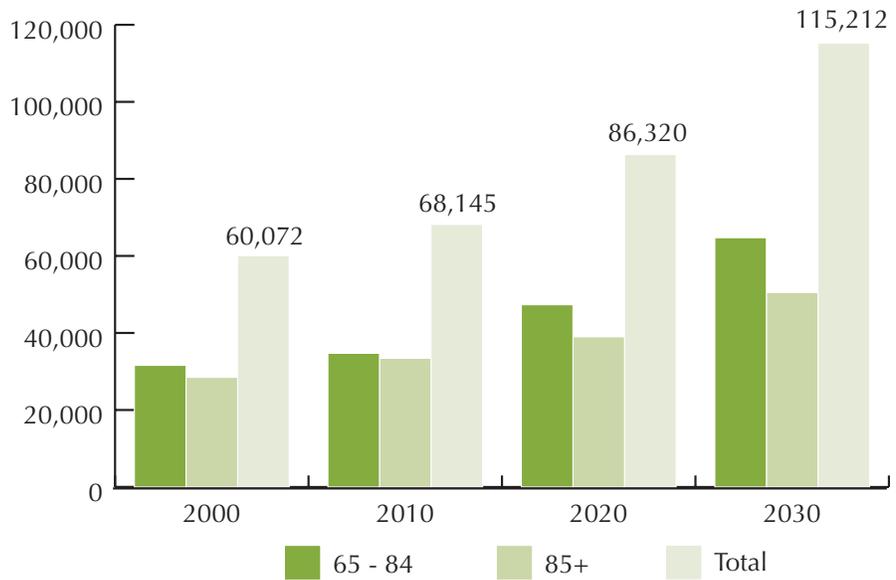
Aging Baby Boomers represent the greatest demographic shift Minnesota and the United States have ever seen. They also have tastes in living choices that are quite different from their parents. Will Minnesota communities be prepared for their retirement?

By 2030, Minnesota will have an estimated 1.3 million individuals age 65 and over, nearly double the number compared to 2010. The Boomers will not only be a much larger group of seniors, they will have different sensibilities about what they want their aging to look like and what aging-related products and services they prefer.

In this article, the author describes the demographics of aging in rural Minnesota, how the long-term care needs of the current elderly population in rural areas are being met, and the future housing and service preferences of Boomers who live in the rural areas of the state. Conclusions drawn from the available data present possible future scenarios.

Data collected from a state survey of Baby Boomers in 2010 reveals a wealth of valuable information to be used in planning for the influx of Minnesotans who will be requiring home and health care services over the next two to four decades. Over 40% of rural Boomers want to have

Greater Minnesota population 65–84 and 85+ in need of long-term care, 2000–2030.
Source: CBO, April 2004.



family and agencies provide assistance so they can age in place. Overall, rural Boomers are most unsure about how they will access long-term care support and how they will pay for it. More than a third of rural Boomers said they do not know how they will pay for long-term care costs.

Even with large supplies of assisted living already available in rural areas, counties report large gaps in affordable assisted living to serve elderly on the Elderly Waiver program. The current elderly and leading-edge Boomers in rural Minnesota have lower incomes than those in the Metro area, and higher proportions have insufficient income to cover the cost of living in their county, especially if the cost of long-term care is included. If assisted living continues to grow as the preferred model of care developed and offered by service providers in the rural areas, there will be a growing gap between the cost of this model and the rural Boomer's ability to pay for it.

As communities continue to receive requests for development of more senior-only housing, such as assisted living, they should be cautious about the potential of overbuilding a model of care that the next generation of elderly may not prefer and may not be able to afford.

LaRhae Grindal Knatterud is Director of Aging Transformation for the Continuing Care Administration at the Minnesota Department of Human Services. She is staff leader for a federal/state effort, *Own Your Future*, a project encouraging and enabling Minnesotans to create a plan for their long-term care.

Rural Community Leadership: Three Cornerstones

Malissa J. Bahr & Valerie Shangreaux, Blandin Foundation

The role of community leaders and leadership is growing in importance in rural places. The Blandin Foundation's longstanding leadership program relies on not just building leadership skills but also building the networks and relationships needed as communities face new challenges.

Community leadership matters to the future health of rural Minnesota. The Blandin Community Leadership Program is organized around the goal of helping rural communities strengthen themselves. Helping community leaders increase their capacity for dealing with complex issues begins with core leadership skills. The program focuses on building powerful leadership practices of framing, building social capital, and mobilization as the means of helping participants achieve what they want their communities to become.

Today, rural leaders face significant challenges ranging from struggling economic conditions to changing demographics to quality-of-life issues, complex issues that can't be solved with previous strategies. They require leaders to look at and think about their community. To address these issues, community leaders need to be not only willing to take action but also to create broad social networks to successfully tackle the complex issues.

Intentional recruitment assesses individual and community readiness for developing leadership capacity and skills. BCLP intentionally recruits from one community or one group of communities within a small area. The program is designed as a cohort-based program that is taught in a retreat residential setting, leading to a sense of community. The power of this choice is that it provides individuals with the opportunity to build their network on site in both formal classroom settings and in the informal social settings over five days.

Malissa Bahr has been on staff with the Blandin Foundation's leadership programs since 1999 and is currently responsible for their development, design, and implementation.

Valerie Shangreaux has been the Director of the Blandin Community Leadership Programs for the Blandin Foundation since 2007.



Participants at a recent Blandin Community Leadership Program session.

The Power of Invitation: The West Central Leadership Academy

Joyce Hoelting, Peter Caldwell, and Mary Ann Hennen
University of Minnesota Extension, Center for Community Vitality

Many residents of rural Minnesota are looking around and asking who will fill leadership roles in their communities. University of Minnesota Extension researchers have found there are many willing folks. They just need to be asked.

The West Central Leadership Academy (WCLA) gathers clients and staff from seven human service organizations in the region. They are invited because they receive services in their community, but they leave with skills that make them of greater service to their communities.

Community and civic leadership is a growing concern in rural communities where the population is aging and shrinking. Extension researcher Ben Winchester has estimated that, conservatively, one in 34 people must serve in leadership positions in rural areas, compared to one in every 143 residents in major metropolitan counties.

In searching for more people to fill leadership positions, the WCLA partners discovered an untapped pool of candidates: low-income individuals. Leadership training opportunities for this group have shrunk considerably over the last 40 years. Since 2010, WCLA has given them an opportunity to grow their skills and networks and to become part of the fabric of leadership in this part of rural Minnesota.

The partners are confident that WCLA shows great promise for the west central region and that it offers valuable insights to other networks and organizations interested in growing the amount and quality of rural leadership.

"The most important thing we can do to move people out of poverty is to give them opportunity. Energy assistance is important; all assistance is important. But really escaping poverty is about taking control."

*Steve Nagle,
Executive Director,
West Central Minnesota
Communities' Action*

Joyce Hoelting is assistant director for the Extension Center for Community Vitality and co-editor of *Vital Connections*, the Center's newsletter for Minnesota communities.

Mary Ann Gwost Hennen is program leader for Leadership and Civic Engagement programs at the University of Minnesota Extension, supporting regional educators in leadership and civic engagement programs across the state.

Peter Caldwell currently works as a child protection social worker in New Zealand. In 2010-11, he was a graduate research assistant for the Extension Center for Community Vitality, evaluating Leadership and Civic Engagement programs.

Minnesota Philanthropy: Improving Quality of Life for All State Residents

Susan Stehling & Wendy C. Wehr
Minnesota Council on Foundations

As who lives in our rural communities changes, so too do the ways these communities support themselves. As tax dollars shrink, the philanthropy community is finding itself being asked to play a bigger role.

The Minnesota Council on Foundation's research, *Giving in Minnesota, 2011 Edition*, reports that individuals, foundations, and corporate giving programs in the state gave \$4.9 billion in charitable contributions in 2009 (the latest year for which complete data are available). The majority of charitable giving in Minnesota, \$3.6 billion, or 72% of all dollars given in 2009, comes from individual donors. Corporate, private, and community grantmakers contributed the rest, \$1.4 billion.

Community/public foundations are publicly supported foundations operated by and for the benefit of a specific community or population, area of interest, or geographic area. In 2009, community/public foundations accounted for 12% of statewide grant dollars, a total of \$164.4 million. While smaller than giving by private or corporate grantmakers, it is significant to rural Minnesota.

Between 2011 and 2030, Baby Boomers will reach retirement age and beyond. Transfer of wealth research indicates that more than \$47.9 billion will transfer from one generation to the next in these two decades, including \$23.5 billion in Greater Minnesota. In 2012, the Minnesota Council on Foundations launched an initiative to create Endow Minnesota, a tax credit to spark increased giving to community foundation endowments. Evolution of the Minnesota proposal has drawn heavily on a similar successful measure in Iowa, which has brought in \$95 million since 2003.

Susan Stehling is a communications associate at the Minnesota Council on Foundations, a regional association that works to expand and strengthen Minnesota's grantmakers.

Wendy C. Wehr is Vice President of Communications and Information Services at the Minnesota Council on Foundations.

Projected Minnesota Transfer of Wealth from 2011 to 2030 (in millions of dollars).

Region	Total
Twin Cities Metro Area	\$24,391
Southern	\$7,037
Central	\$5,766
Southwest	\$3,804
Northeast	\$3,351
West Central	\$2,026
Northwest	\$1,557
Grand Total	\$47,931

Source: Lubov, Andrea, Ph.D. (2011). Minnesota Generational Transfer of Wealth Study. Minnesota Initiative Foundations and Minnesota Council on Foundations. Minneapolis, MN.

Understanding Skills Shortages and Regional Economies

Kyle Uphoff, Minnesota Department of Employment and Economic Development

How are changing demographics affecting the economic heart of Greater Minnesota, its workforce?

The tilt toward a “knowledge-based” economy, increased use of technology, and expected retirements within the Baby Boom generation are some of the many factors cited for an increased need for skilled workers at all education levels beyond high school. In the meantime, various media reports suggest a post-recessionary economy of employers needing high-skill workers, while a pool of structurally unemployed persons exists who lack the skills necessary for re-employment. While the notion of true skills shortages is still somewhat controversial, such messages resonate in parts of Greater Minnesota, where a decades-long flight of young workers has diminished the viability of some small communities, and regional specializing creates a demand for skills that is hard to meet locally.

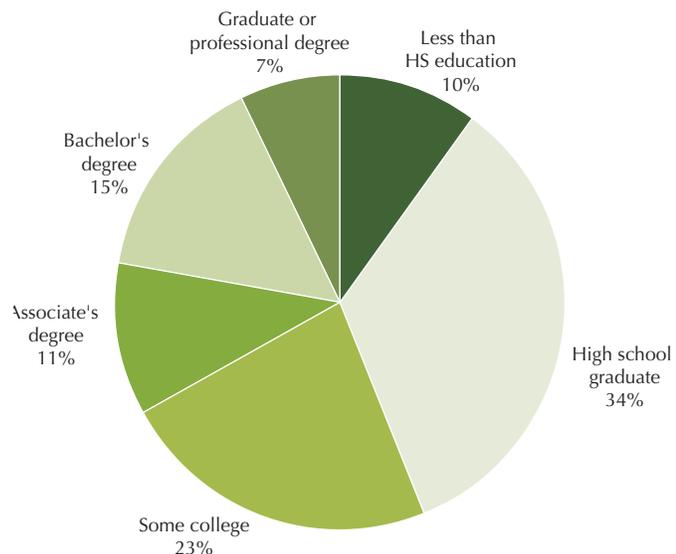
The Minnesota Department of Employment and Economic Development projects job growth of about 159,000 jobs in Greater Minnesota between 2010 and 2020. In that ten-year span, however, the workforce is expected to grow by only 98,500. The only population group that seems to be growing is the age 65+ cohort. Indeed, most of our future labor (about three quarters) is already working or is at least of working age. If employers require a more skilled workforce, the old model of training young workers may not be sufficient to meet demand.

As the labor market recovers, the potential for workforce shortages are likely to increase. There is a simple disconnect between jobs and “warm bodies,” the simplistic assumption that one person can fill any one job. Obviously, employer needs are more complex and vary with each industry. When comparing the number of graduates in various programs with occupations, Greater Minnesota typically over-produces graduates, but specific shortages could exist in areas such as IT, engineering, or nursing, where graduate numbers are comparatively small, demand is projected to be very large, or students migrate to metropolitan areas in larger numbers.

While the magnitude and nature of workforce shortages are being studied and debated, regional entities with a stake in workforce development will need to work together to solve present and future shortages.

Kyle Uphoff is the Regional Analysis and Outreach Manager at the Minnesota Department of Employment and Economic Development. He is responsible for the collection and dissemination of labor market expertise through DEED's four Regional Labor Market Analysts.

Educational attainment of persons age 25 and over in Greater Minnesota (non-Twin Cities).
Source: U.S. Census, American Community Survey.



The Reshaping of Pelican Rapids: How One Small Town Met the Challenge of Transformation

Joan Ellison, Pelican Rapids

A region in transition? The city of Pelican Rapids in west central Minnesota is a microcosm of the change the state is going through as a whole. One person who watched it all happen tells how the city rose to the challenge and embraced change.

Sometimes you can see problems coming from a long way away. Sometimes problems crash down on you, taking you completely unaware. The challenges posed by the cultural diversification of Pelican Rapids, a small rural community in west central Minnesota, did both.

In this article, Joan Ellison reviews the waves of immigrants that have arrived and made Pelican Rapids their home over the last 40 years. She writes from the perspective of one who was directly involved. The trials and triumphs the city experienced form the basis of an interesting look into how one small community worked to turn an upset into a triumph for themselves and their new neighbors. Other communities may find inspiration looking to Pelican Rapids, where the residents took the initiative and figured out solutions for themselves.

***Joan Jarvis Ellison** traded big-city life for the country and began a lifetime of adventures in animal husbandry, small-scale farming, and fiber artistry. She has spent most of her adult life working as a mother, shepherdess, and finally, freelance writer.*

2012 Rural Minnesota Journal

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