

Rewriting the Rural Narrative

Moving IN, OUT, and OVER

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UNIVERSITY OF MINNESOTA
EXTENSION

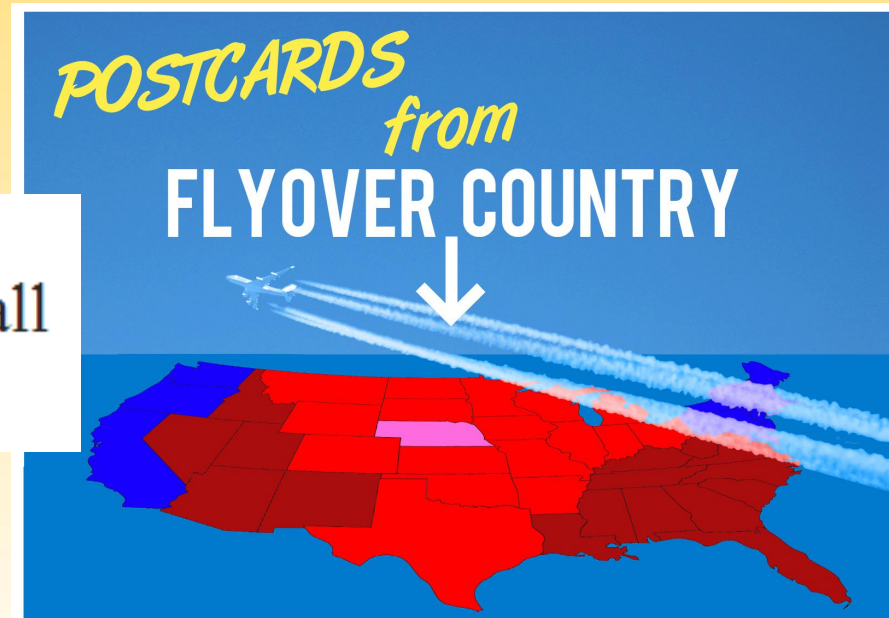
Driven to DiscoverSM

Heartland is Changing, not Dying

The Heartland Narrative

THU SEP 20, 2012 AT 09:04 PM PDT

The slow, agonizing death of the small
US town



1900-1950

- Mechanization of agriculture
- Roads and transportation
- Educational achievement and population loss
- Church closings



1950+

- Main street restructuring & regional centers
- School consolidations
- Hospitals closings



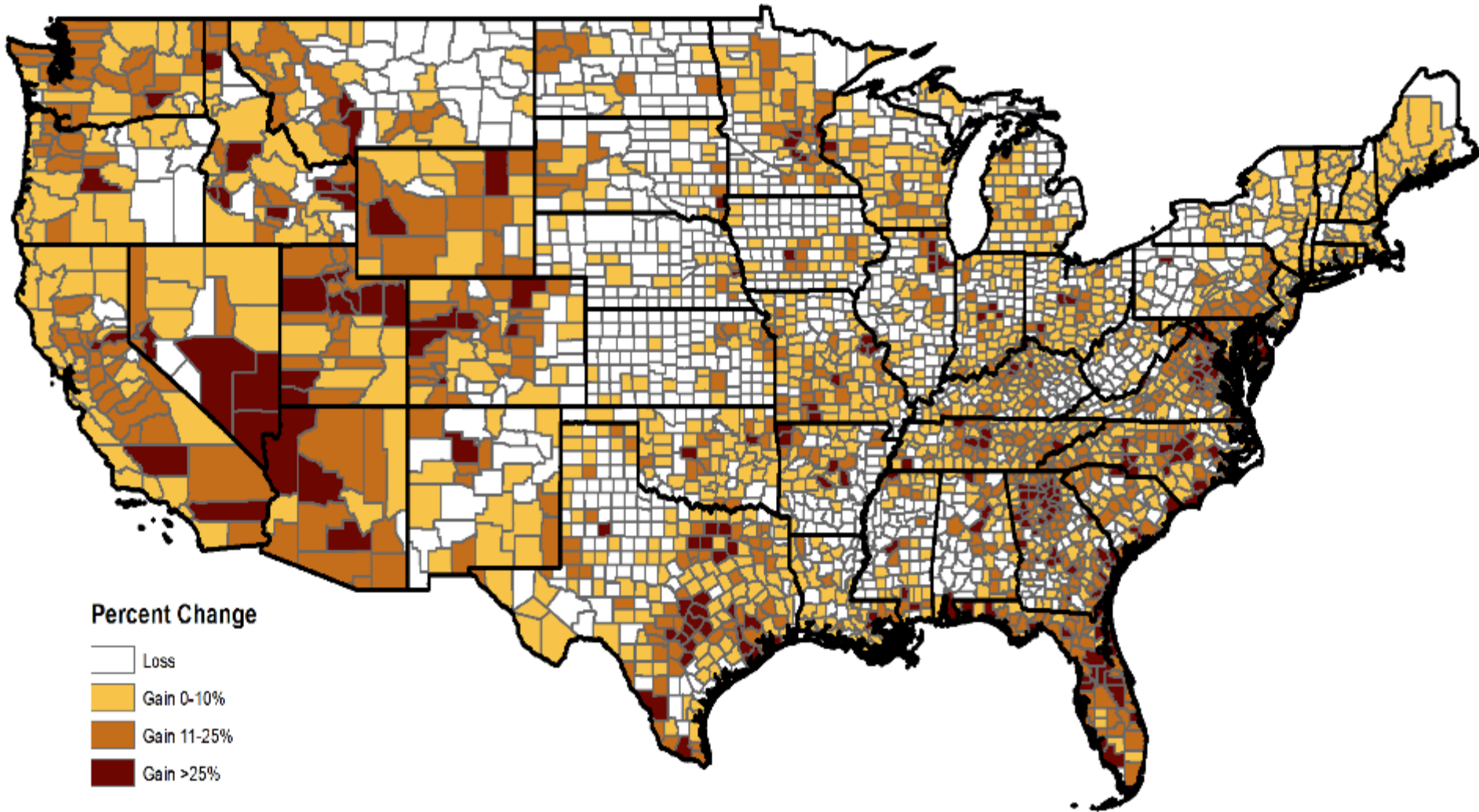
The narrative

- There's a brain drain
 - We live in the middle of nowhere
 - We are a sleepy town
 - Everyone knows one another
 - Nobody lock their doors
-
- What we had
 - What we don't have
 - What we wish we had
 - What we could have had...



Total Population Infatuation

2000-2010



Beyond Total Population

Comparison Historical Population from 1960 to 2010

Community	1960	1970	1980	1990	2000	2010	% Change
UMVRDC Region	69,063	61,806	59,822	50,845	50,011	45,190	-34.57%
<i>Households</i>	19,428	19,367	22,026	20,088	19,846	20,039	3.14%
Big Stone County	8,954	7,941	7,716	6,285	5,820	5,269	-41.15%
Chippewa County	16,320	15,109	14,941	13,228	13,088	12,441	-23.77%
Lac qui Parle County	13,330	11,164	10,592	8,924	8,067	7,259	-45.54%
Swift County	14,936	13,177	12,920	10,724	11,956	9,783	-34.50%
Yellow Medicine County	15,523	14,415	13,653	11,684	11,080	10,438	-32.76%

Source: US Census Bureau

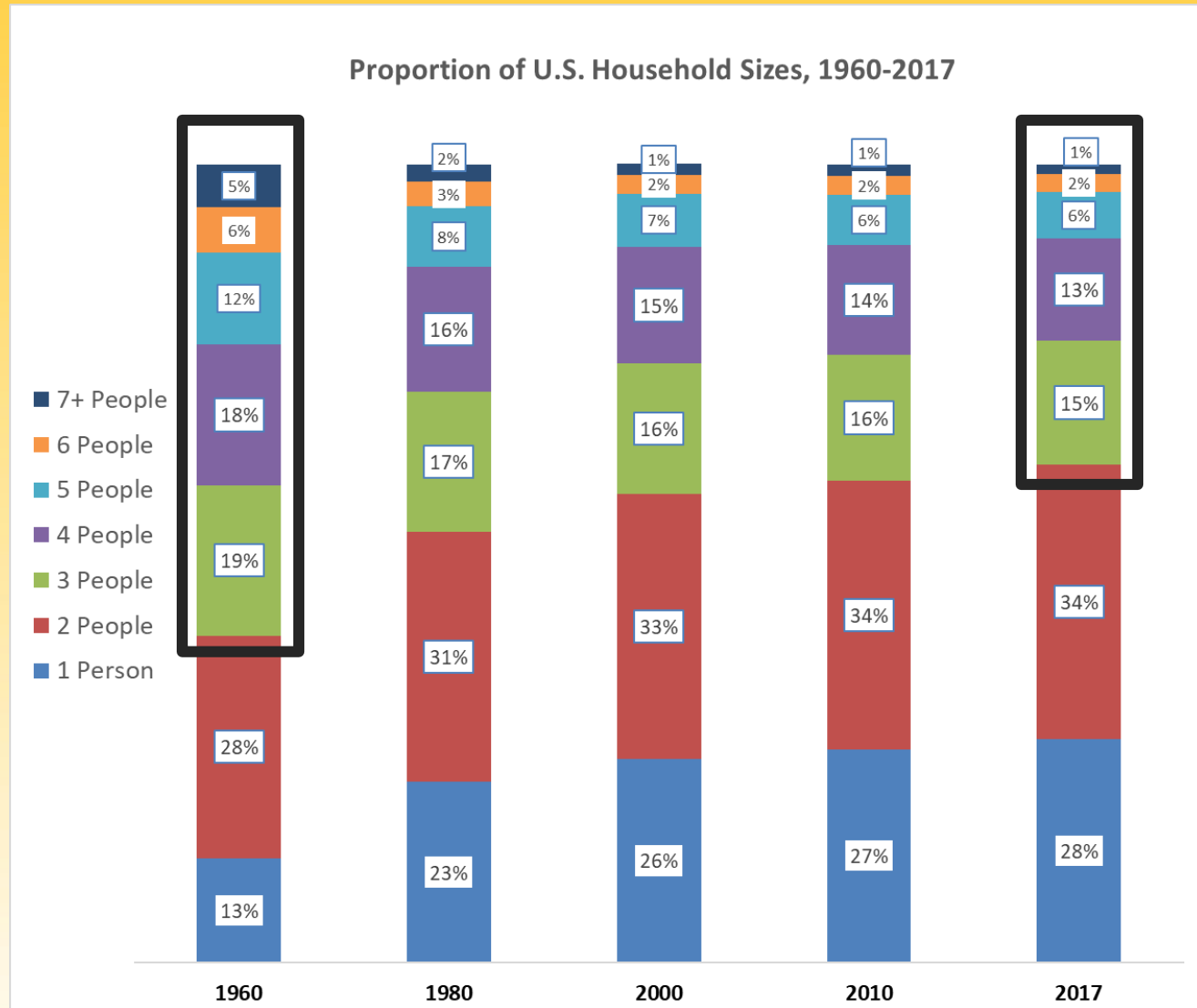


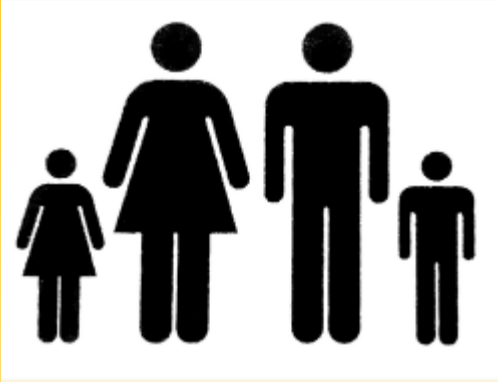
Total Population Infatuation

HH with 3+ people

1960: 60%

2017: 37%





Avg HH Size:
 1940: 3.6
 2018: 2.6 (-29%)



Kids graduate

Population: -2

Households: NC



Spouse passes

Population: -1

Households: NC



2000-2010 Population and Housing Units Change

County	Pop Change	Housing Change
Allen, KS	-7%	-3%
Cloud	-7	-4
Decatur	-15	0
Graham	-12	-4
Lincoln	-9	1
Logan	-10	1
Mitchell	-8	-1
Stanton	-7	-2

Population loss is demographic destiny!
(and will continue to be so)



Transfer of Wealth in Rural America

Understanding the Potential
Realizing the Opportunity
Creating Wealth for the Future

Toolkit created by: **Center for Rural
Entrepreneurship**
energizing entrepreneurial communities

In partnership with: **CMF** Council of
Michigan
Foundations

Shift indicators of success from
population to houses.

- Housing stocks are
- 1) a measure of community wealth,
 - 2) home to individual wealth, and
 - 3) persistent over time.



Heartland 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



*Prepare for one of the largest
demographic changes to rural
America since 1930*



Share your thoughts on the topic of housing

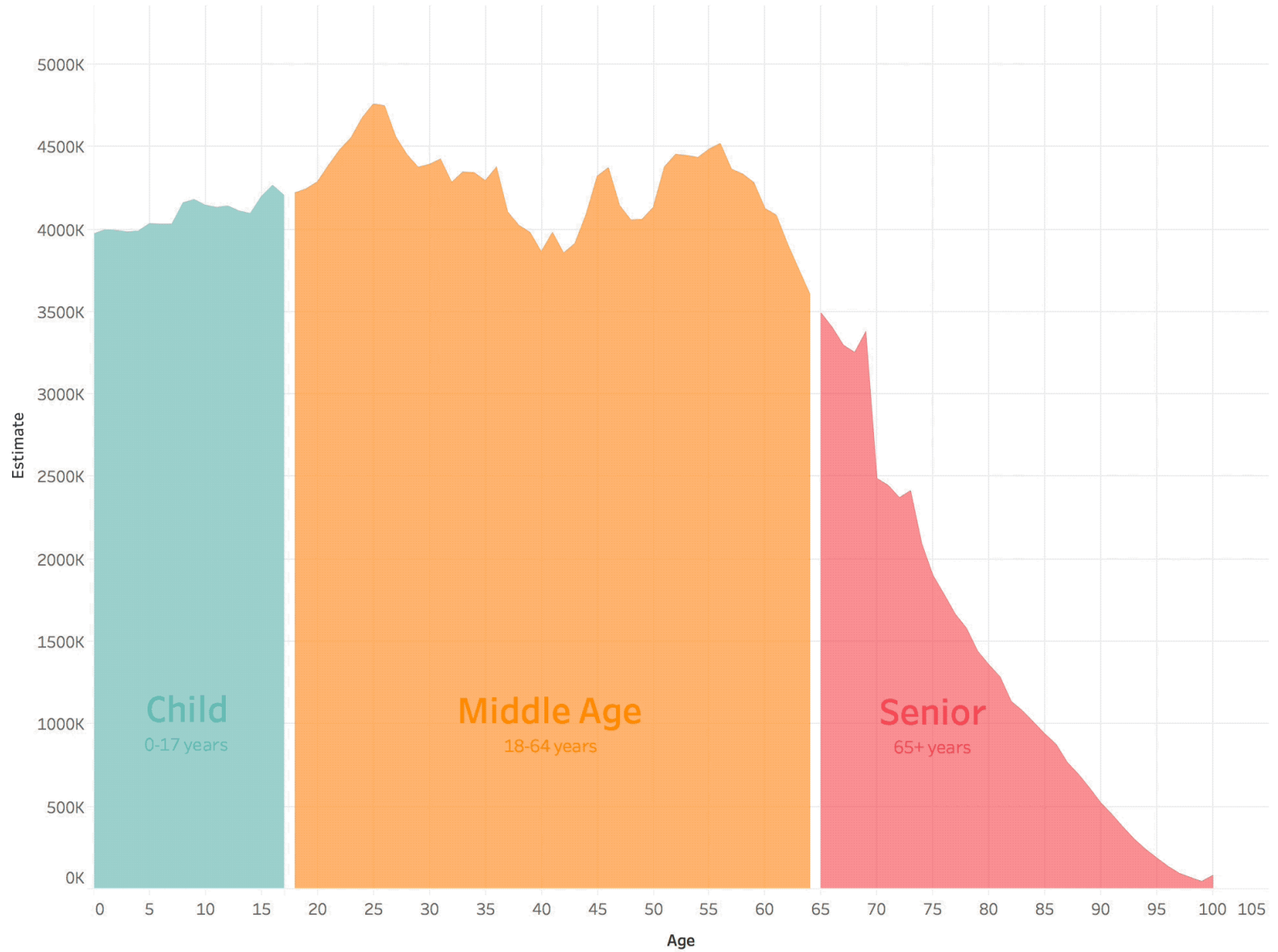
*How many of you have had a personal
experience with an older family member
changing homes?*

What do we have control over?

Who should care?



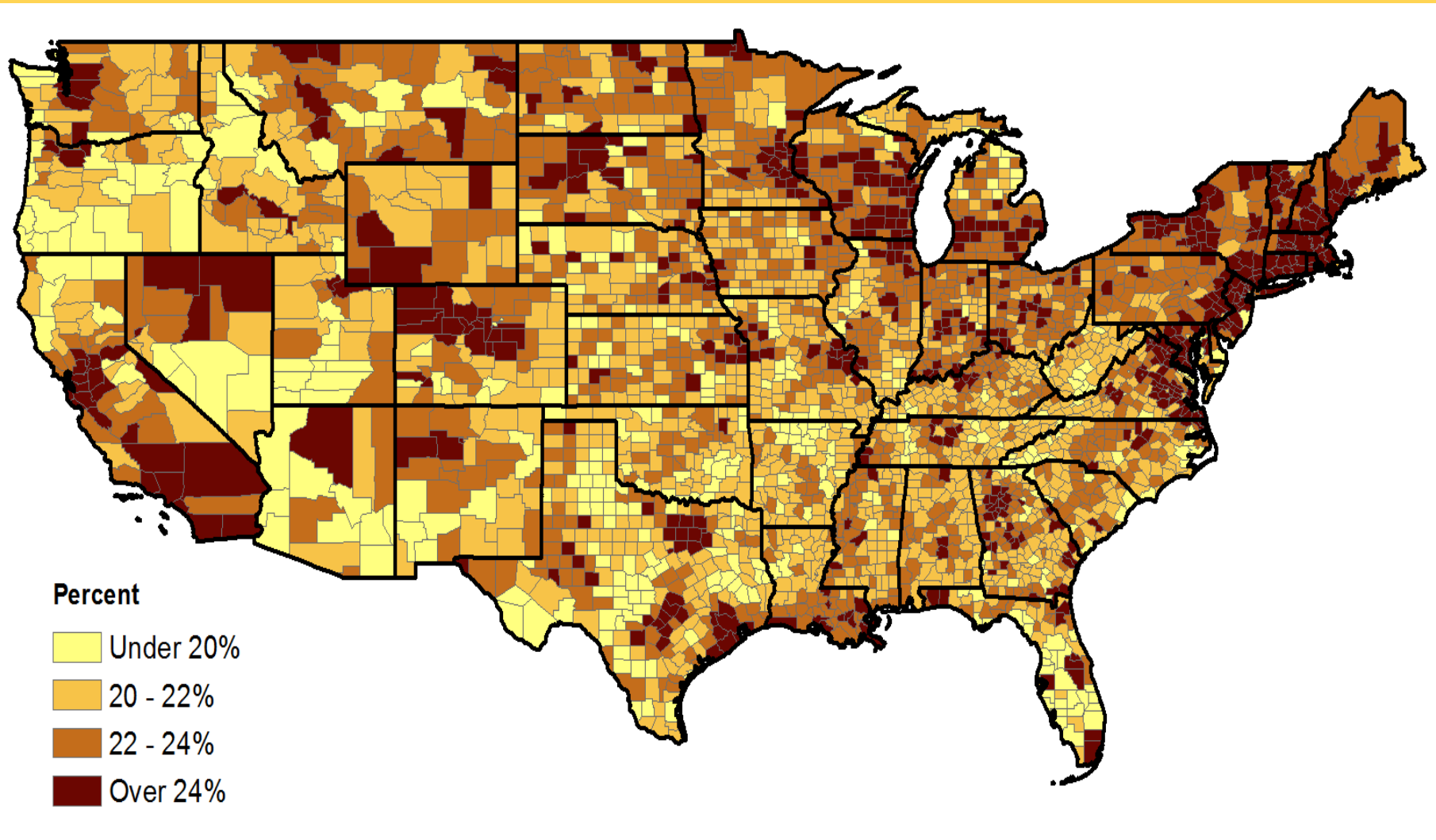
Population Distribution by Age Group in 2016



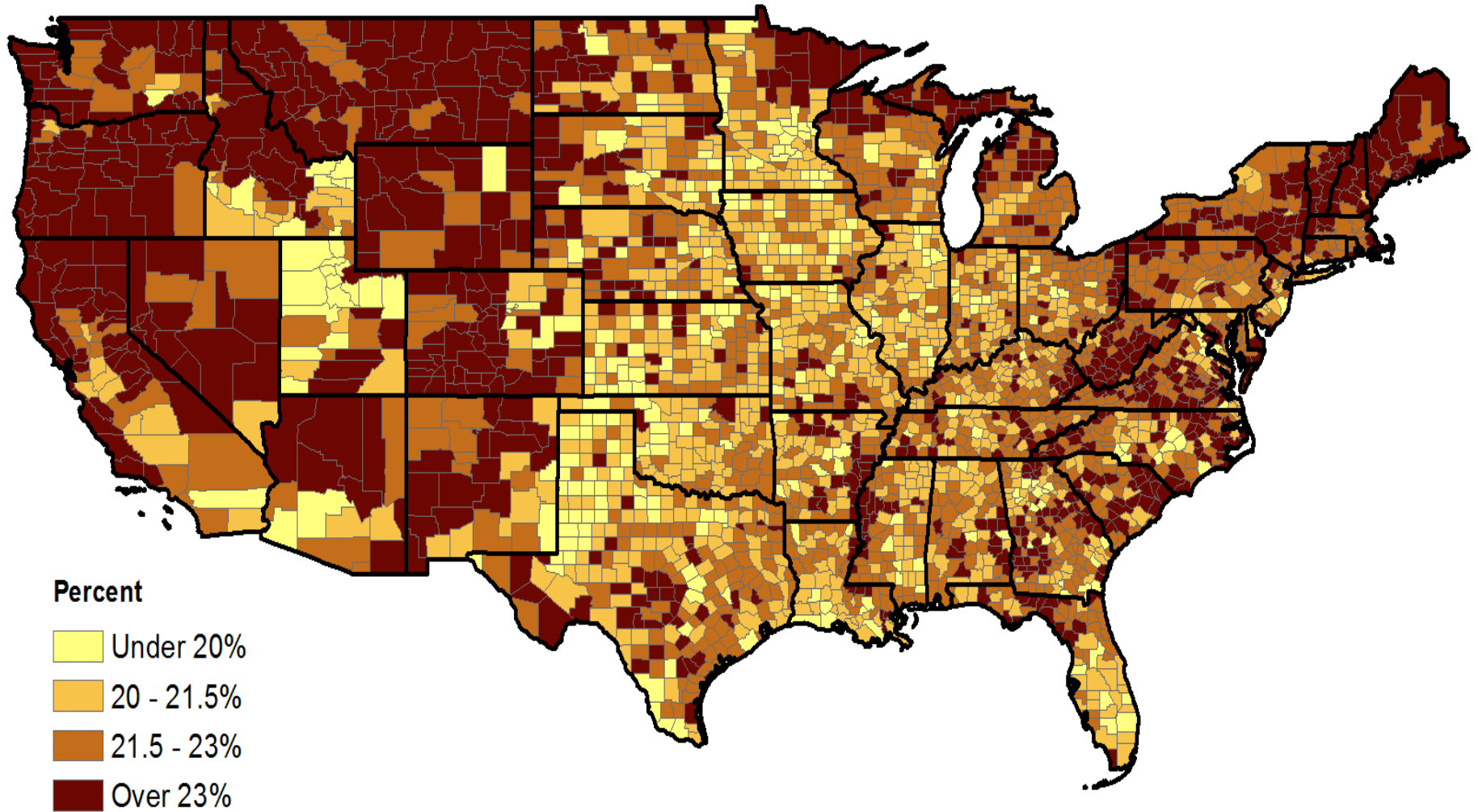
What's Coming?



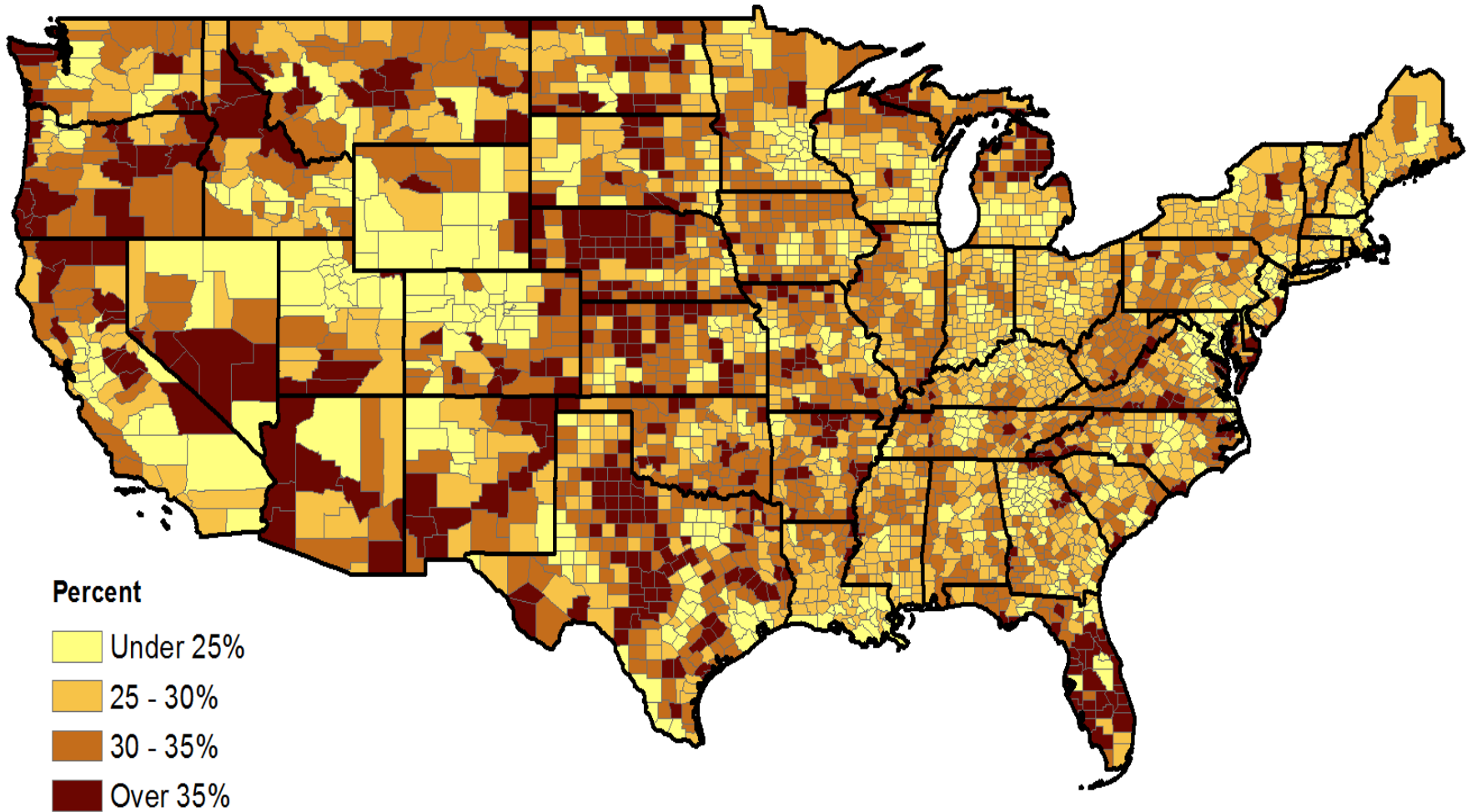
Percent Owner-Occupied Homes Owned by Trailing Boomers



Percent Owner-Occupied Homes Owned by Leading Boomers



Percent Owner-Occupied Homes Owned by Age 75+



% of Owner-Occupied Homes, by Age of Homeowner United States, 2010

	Trailing	Leading	Age 75+	Total Boomer+
1 (urban)	24%	21%	24%	70%
2	23%	22%	27%	72%
3	22%	22%	29%	73%
4	22%	23%	29%	74%
5	22%	23%	28%	73%
6	22%	22%	31%	75%
7	22%	23%	31%	75%
8	21%	23%	32%	77%
9 (rural)	21%	23%	33%	77%
Total	23%	22%	26%	71%



Workforce housing shortage?

There's plenty of workforce housing, It's currently occupied by our seniors.

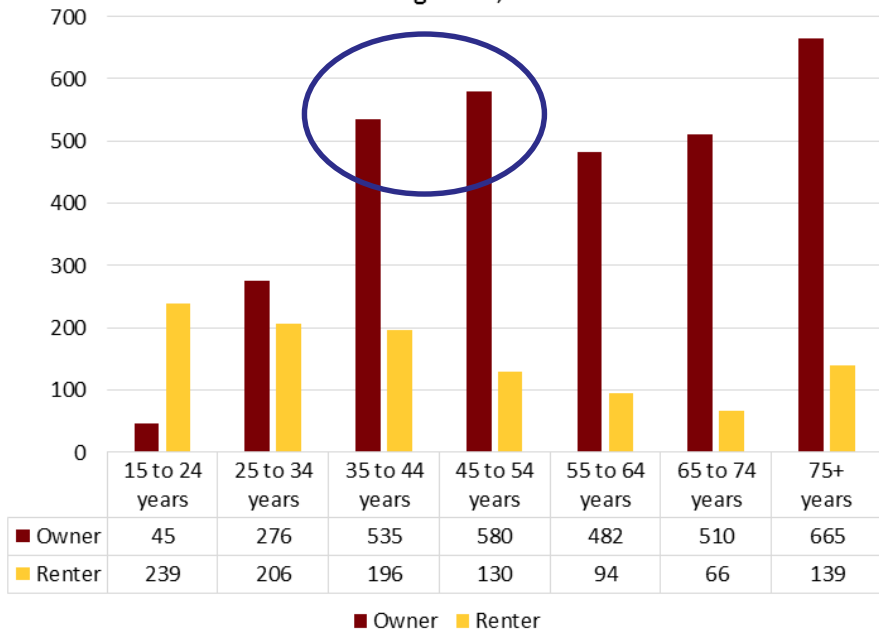


County Housing Profile



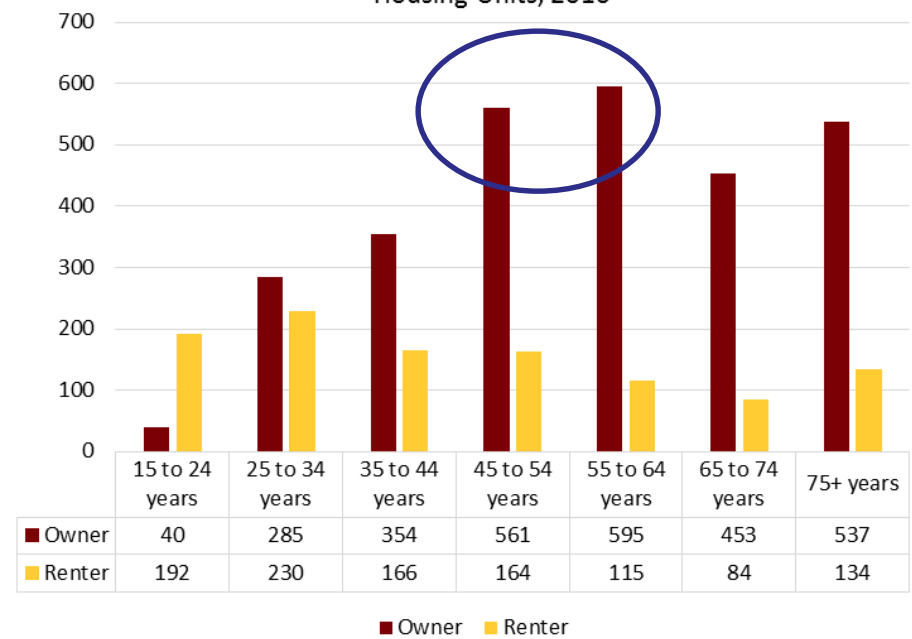
Cloud County, Kansas

Housing Units, 2000

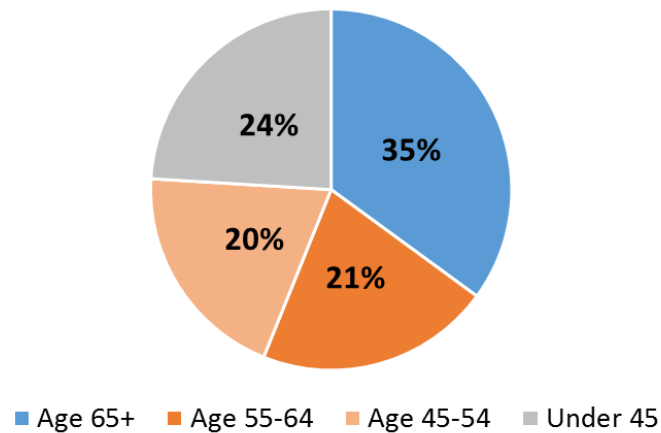


Cloud County, Kansas

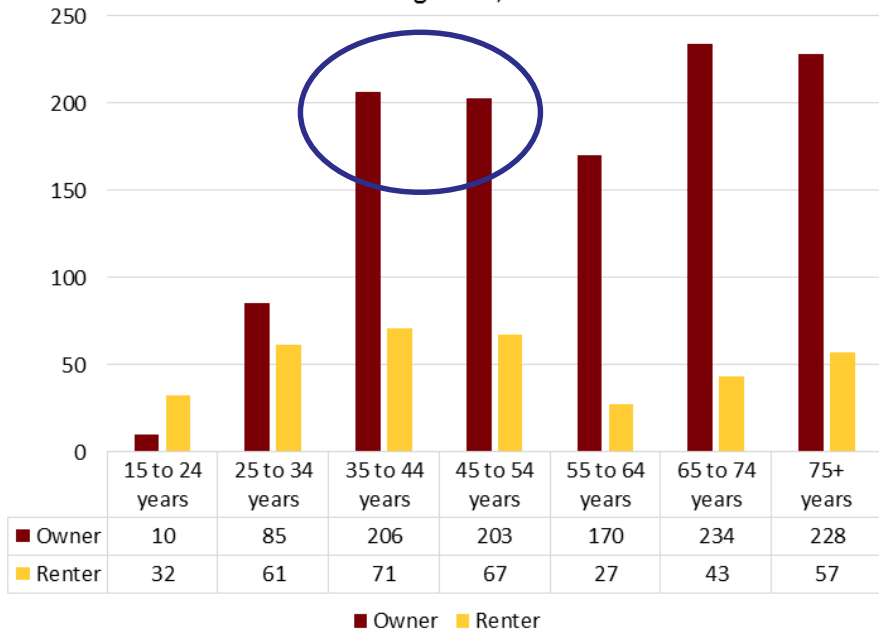
Housing Units, 2010



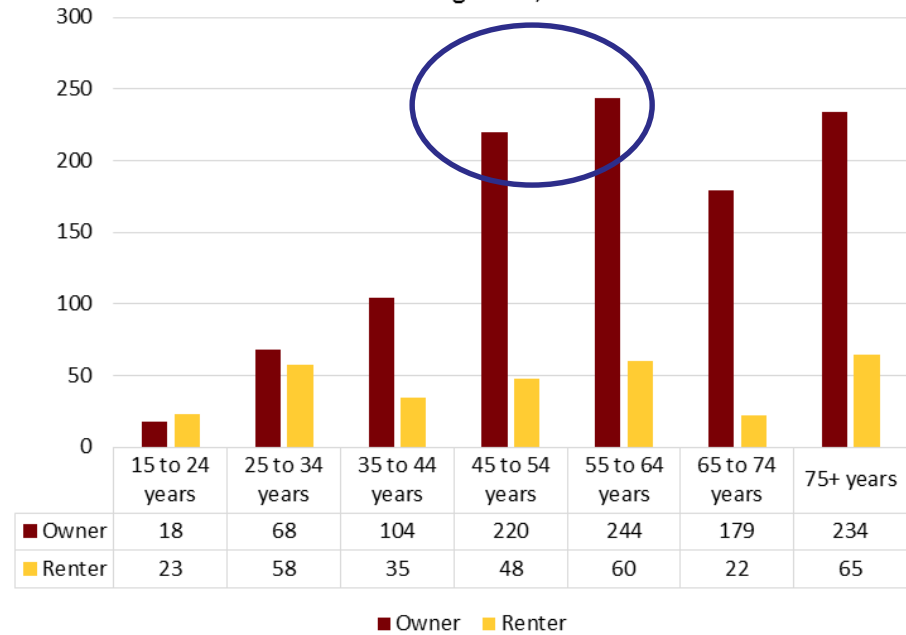
Percent of Owner-Occupied Homes by Age, 2010



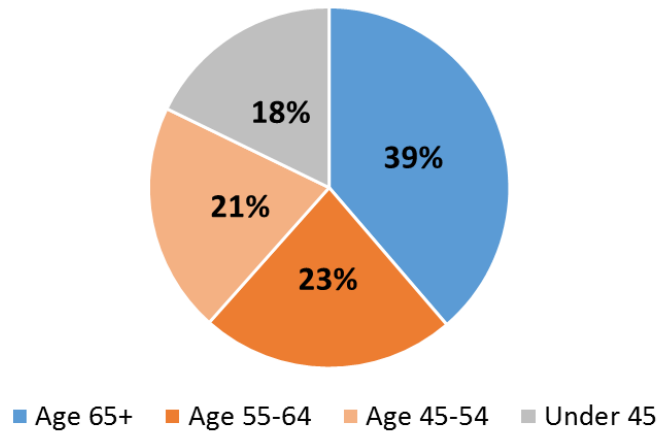
Decatur County, Kansas
Housing Units, 2000



Decatur County, Kansas
Housing Units, 2010



Percent of Owner-Occupied Homes by Age, 2010



Decatur County, Kansas

	<u>2000</u>	<u>2010</u>	<u>% Change</u>
Total housing units	1,821	1,818	0%
Occupied housing units	1,494	1,378	-8%
Owner-Occupied	1,136	1,067	-6%
Renter-Occupied	358	311	-13%
Vacant housing units	327	440	35%
For rent	77	59	-23%
For sale only	50	43	-14%
Rented or sold, not occupied	39	18	-54%
For recreational or occasional	59	85	44%
For migratory workers	0	7	
Other vacant	102	228	124%

	Population
<i>Decatur County</i>	-15%



What's Coming?

DISASTER or OPPORTUNITY?



OK Boomer, Who's Going to Buy Your 21 Million Homes?

Baby boomers are getting ready to sell one quarter of America's homes over the next two decades. The problem is many of these properties are in places where younger people no longer want to live.

By [Laura Kusisto](#) / [Cassidy Araiza](#) for *The Wall Street Journal*

Aging America heading for disaster

By [Kyle Smith](#)

February 8, 2014 | 9:48pm



Will Housing Take Another Hit As Boomers Sell?

June 21, 2011 · 12:34 PM ET

Shutterstock

The Great Senior Sell-Off Could Cause the Next Housing Crisis

EMILY BADGER · MAR 5, 2013

Helpful Framing

- We have framed this discussion in using three ideas
 - Moving In (Brain Gain to communities)
 - Moving Out (Retirees and seniors moving out)
 - Moving Over (Family home to other housing option)



MOVING IN

THE RURAL BRAIN GAIN





Mobility

Households Moving Between 1995 and 1999:

44% Iowa

46% Kansas

Minnesota

North Dakota

47% Nebraska

48% South Dakota

49% United States



Choosing Rural

- ***Brain Gain***: migration to rural age 30-49
 - Also 50-64 but not as widespread
 - Brain drain is the rule, not the exception
 - Happening since the 1970s
- Newcomers look at 3-5 communities
 - Topical reasoning (local foods regions)
 - Assets vary by demographic



Newcomers: Why?

Simpler pace of life



Safety and Security



Low Housing Cost



Brain Gain Landing Page

<http://z.umn.edu/braingain/>





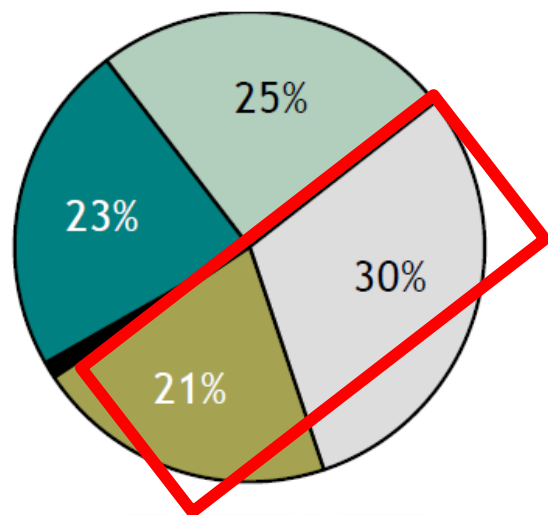
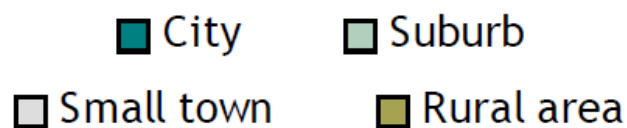
Newcomers: Who?

- 36% lived there previously
 - 68% attain bachelors degree
 - 67% household incomes over \$50k
 - 51% have children in household
-
- May be leaving their career or underemployed
 - Yet, Quality of Life is the trump card



Where We Live and Where We'd Like to Live

by community type



PewResearchCenter

20% live rural/small town

51% would PREFER to

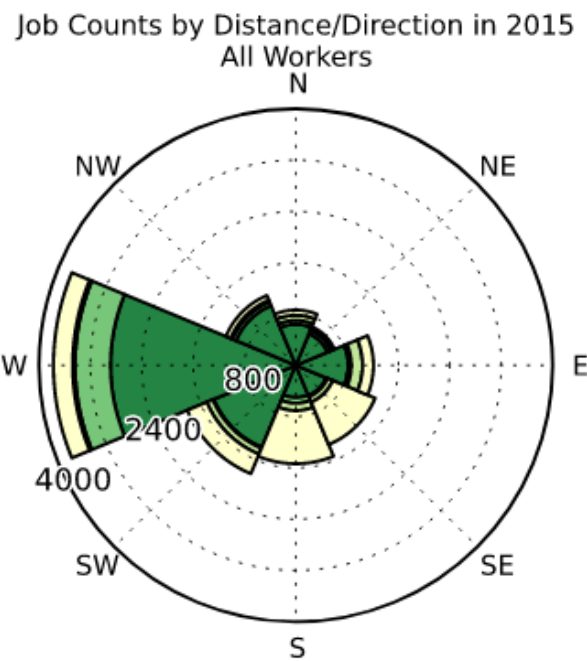
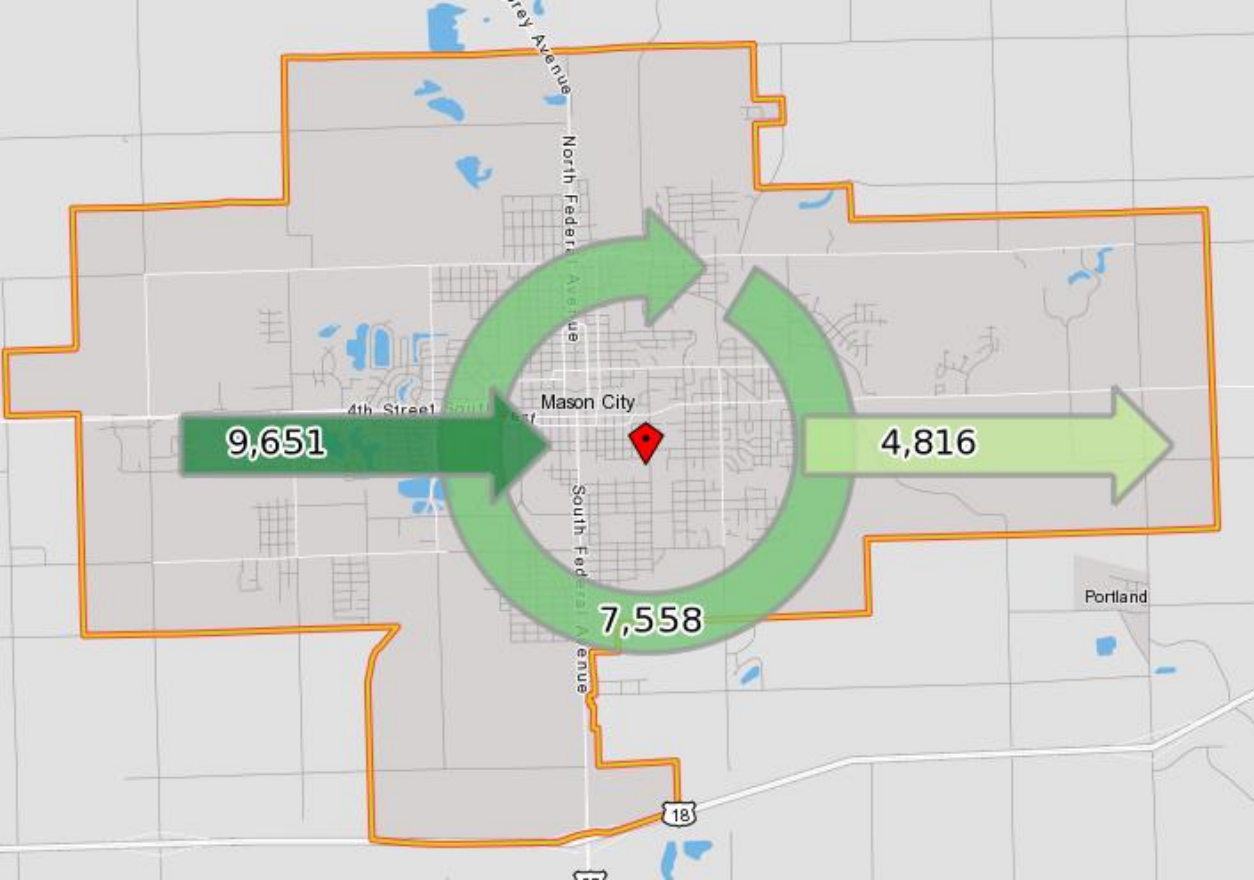
MOVING IN : Demand for rural and small town living!

Regional Rural Economy

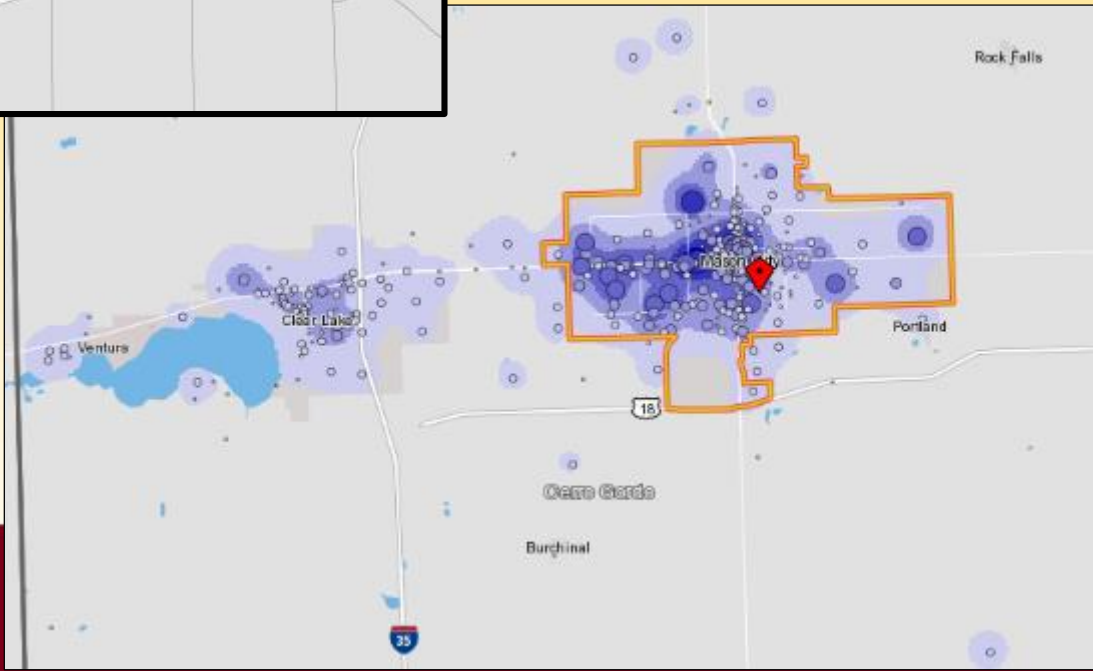
- **Shift to Regional Centers**

"Not very many [housing] options for the people who are working here"

Does it matter? We can be a home without a job in the modern world.



Mason City, Iowa
<https://onthemap.ces.census.gov/>



The New Economic Narrative

- Remote workers
- Regional, and People-focused (self-employment, 1099)
- Self-employment, multiple-job holding
- Tight labor market



We don't live in an economy, we
live in a community

Employee Recruitment:
**Help people envision their LIFE
here, not just their JOB.**



Will Home-Ownership Continue?

Homeownership rate by age of householder in 2030 (and percentage point change, 2010-30)

Aged 15 to 24: 13.4% (-2.7)

Aged 25 to 34: 37.8% (-4.2)

Aged 35 to 44: 55.2% (-7.1)

Aged 45 to 54: 64.6% (-6.9)

Aged 55 to 64: 69.6% (-7.7)

Aged 65 to 74: 73.9% (-6.3)

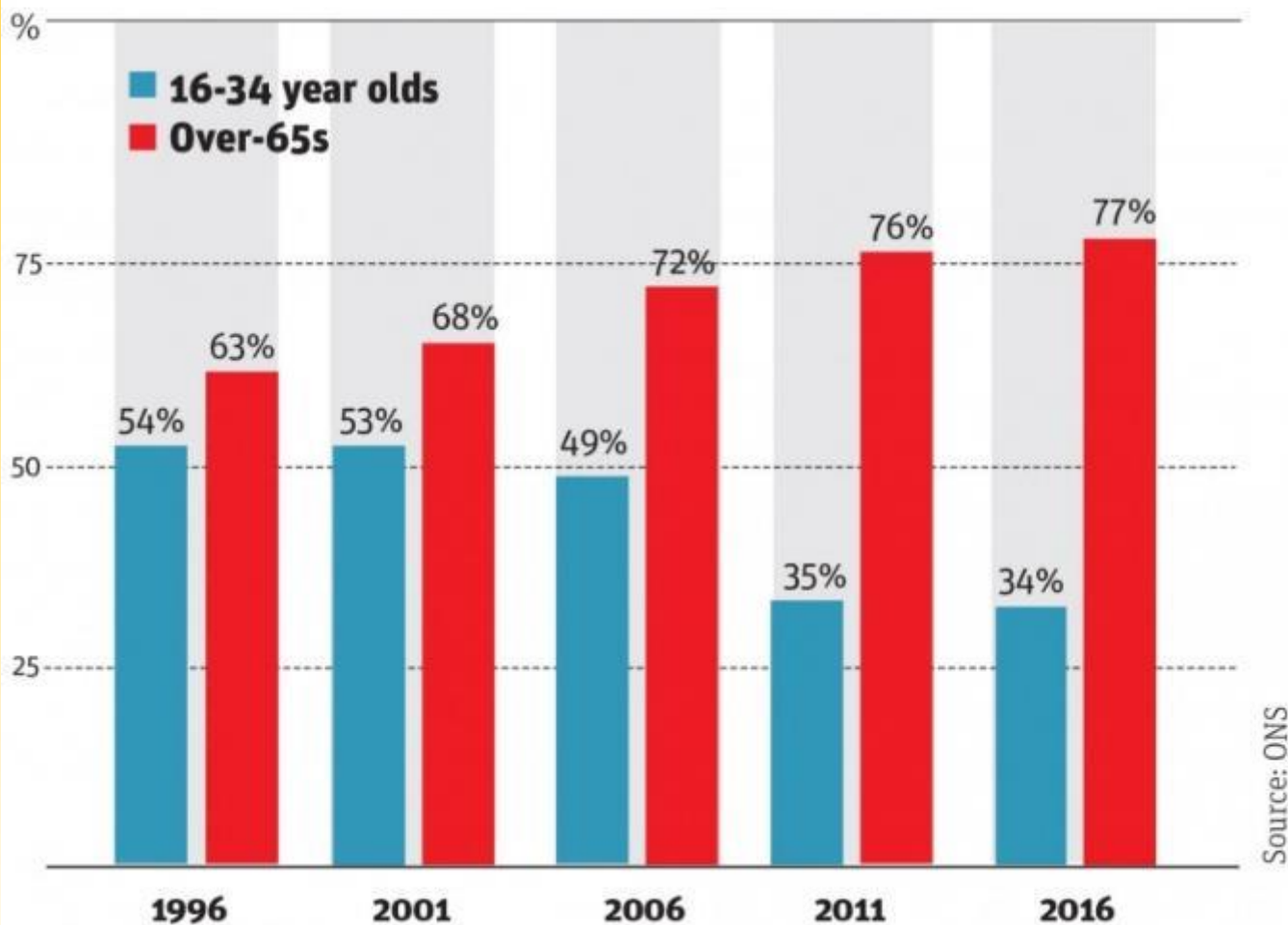
Aged 75 to 84: 74.4% (-3.5)

Aged 85-plus: 68.5% (2.3)

Source: Urban Institute, A Lower Homeownership Rate is the New Normal



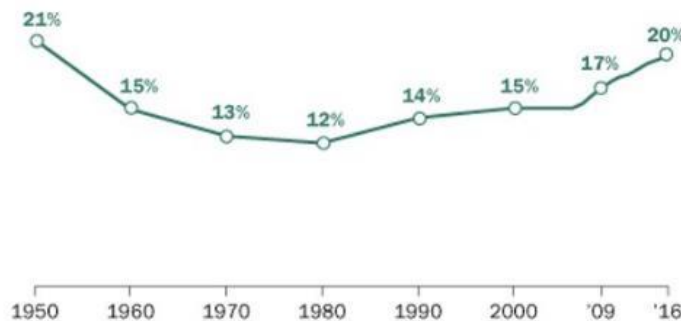
Home ownership among the young and old



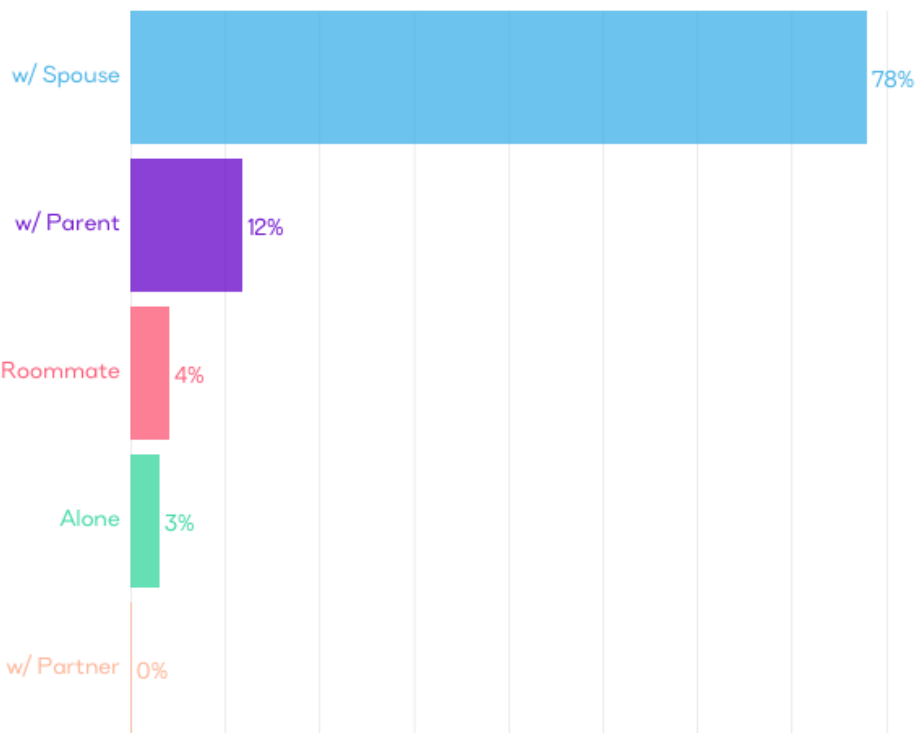
Return to multigenerational housing

One-in-five Americans live in a multigenerational household

% of population in multigenerational households



Who Do America's 26-Year-Olds Live With? 1968

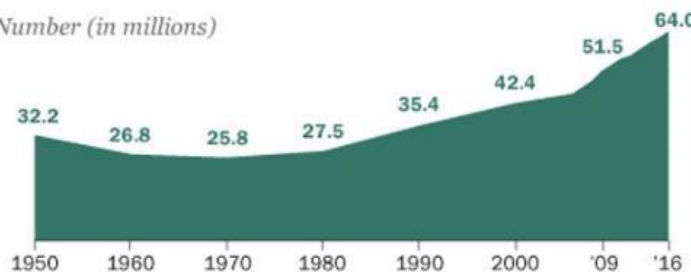


Percentage of 26-Year-Olds in the United States

Data Source: US Census Bureau, Current Population Survey

Apartment List

Number (in millions)



Note: Multigenerational households include at least two adult generations or grandparents and grandchildren younger than 25.
Source: Pew Research Center analysis of 1950-2000 decennial censuses and 2006-2016 American Community Survey (IPUMS).

PEW RESEARCH CENTER



RETIREES AND SENIORS MOVING OUT

PROVIDING SUPPLY



Drawn to New Places



If you have clinic services, you can keep your seniors as they progress through the continuum of care



Before the Continuum of **CARE**

there is a

Continuum of **LIFE**
(and it's not a straight line)



Expected Age of Retirement

	Expected	(Actual)
Under age 60:	9%	(39%)
Aged 60 to 64:	17%	(37%)
Aged 65 to 69:	37%	(19%)
Aged 70-plus:	38%	(4%)

Source: Employee Benefit Research Institute, [2017 Retirement Confidence Survey](#)



STAYING PUT

a.k.a.

Policy of Best Intentions

(this isn't really a policy)

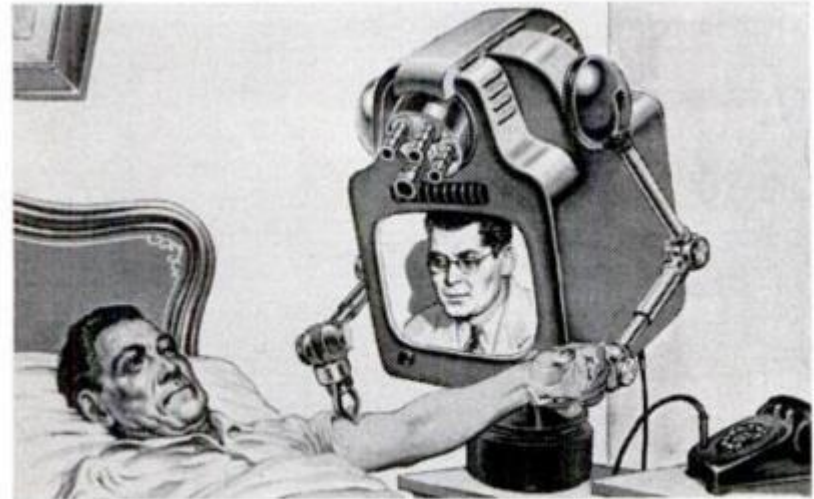


Intentions and Reasoning

- 90% of seniors intend to stay in their homes
- Yet only 43% of those 70+ found it “very easy” to live independently
- Reasoning: Stress of moving, fear of losing independence, anxiety over leaving community, emotional ties to home, fear of the unknown

Aging in “PLACE”

- Most times means just aging in HOME
 - Which is cheaper
 - Many incentives to do so
- Telemedicine can work for some



1954 *Teledoctoring replaces inefficient house calls.*



Aging in “HOME” long-term

- Can lower equity without maintenance or upgrades
- Can result in dilapidation

What is the public cost of inaction?



Impact of Dilapidated



\$1,000



\$1,000



\$1,000



\$1,000



\$1,266



\$1,266



\$ 200



\$1,266

Levy remains the same

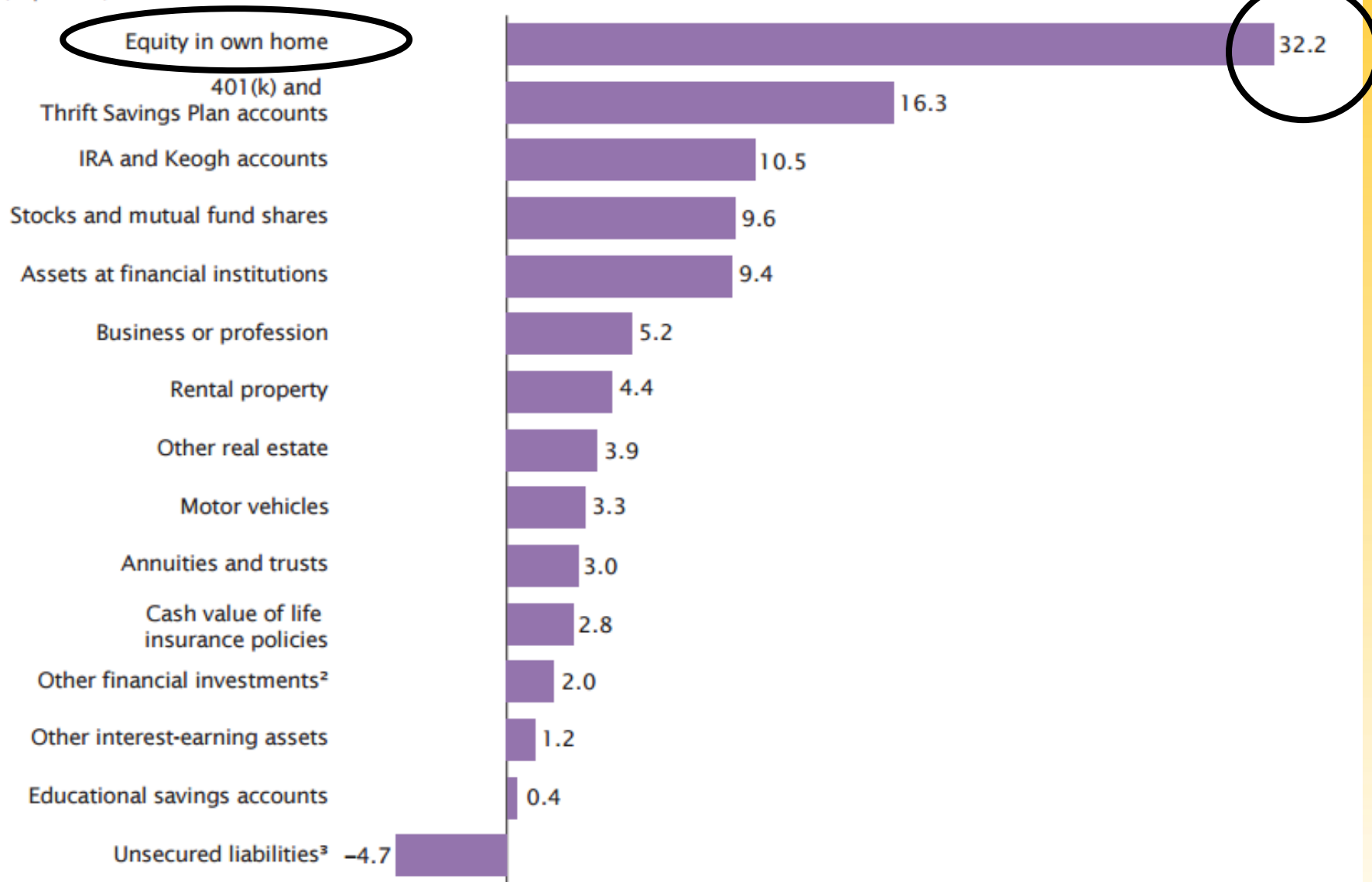


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Figure 1.

Composition of Net Worth, by Asset Type: 2013¹

(In percent)



¹ Excludes households in the top 1 percent of net worth.

² Includes mortgages held for sale of real estate, amount due from sale of business or property, and other financial assets.

³ Because net worth is assets minus liabilities, unsecured liabilities are subtracted from the distribution of net worth and are shown as negative.

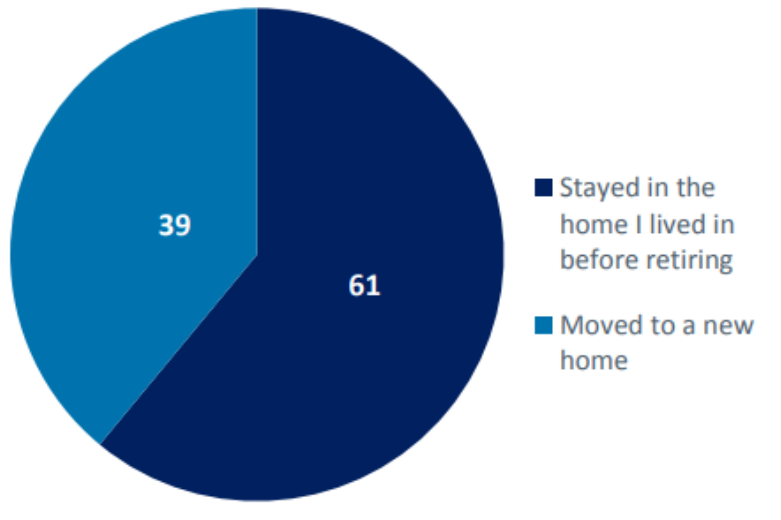
Source: U.S. Census Bureau, Survey of Income and Program Participation, 2014 Panel.

Home equity also persists
as a measure of growing
community wealth

Yet, equity is not always seen as
something to be tapped.

You can SHIFT equity
to a new asset.

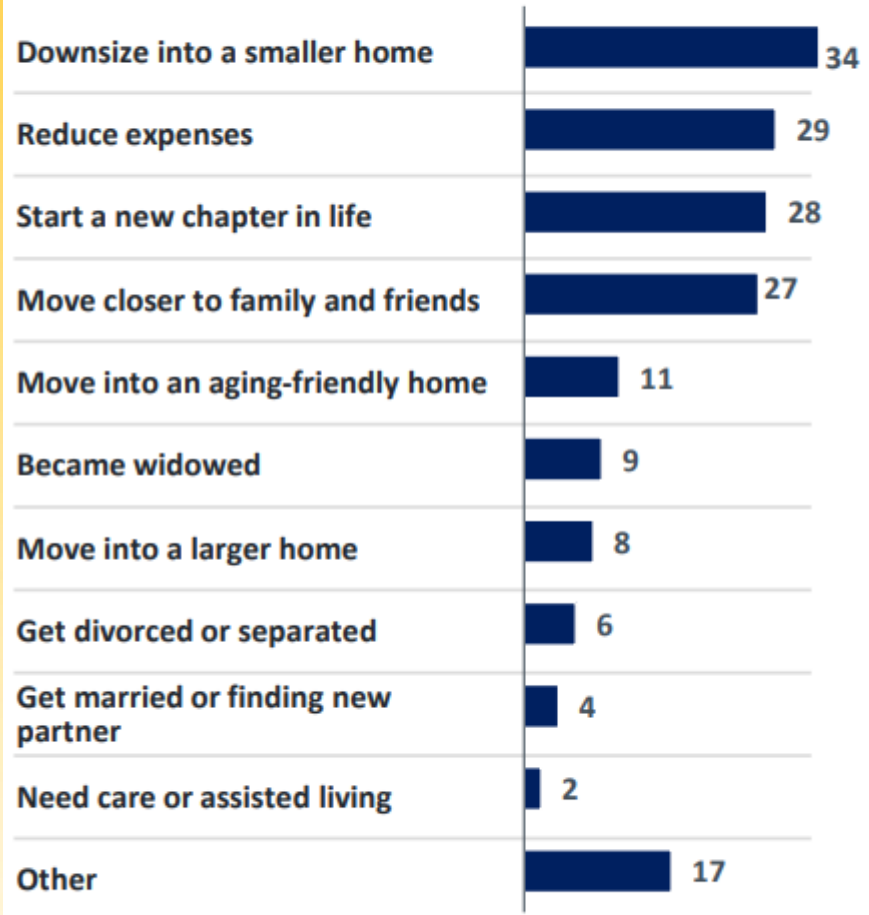
Retirement and Living Arrangements



Reasons for Moving (%)

All Retirees Who Moved

N=735



TRANSAMERICA CENTER
FOR RETIREMENT STUDIES



Moving Over



- When seniors move over this opens their house up for supply.
- Inhibiting factors: Stress of moving, fear of losing independence, anxiety over leaving community, emotional ties to home, fear of the unknown
- However, making “move over” decision during emergency mode only increases these stresses!



Example: Patio Homes



They have manageable, senior-friendly floor plans, and often provide landscaping services, minimizing upkeep for the residents.



Moving Over: The Economic Case

Retaining Retirement Dollars and Transfer Receipts

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

Source: Regional Economic Information System, Bureau of Economic Analysis





Jobs

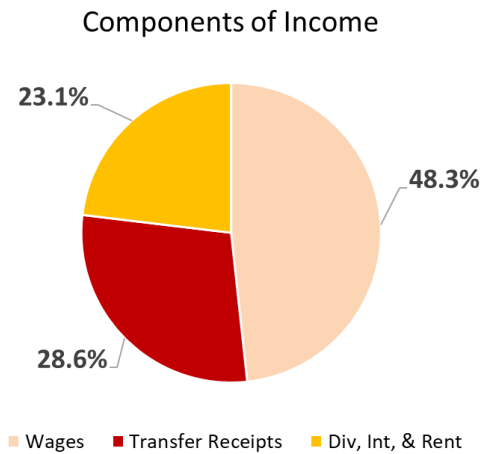
Transfers

**Dividends
Interest
Rent**

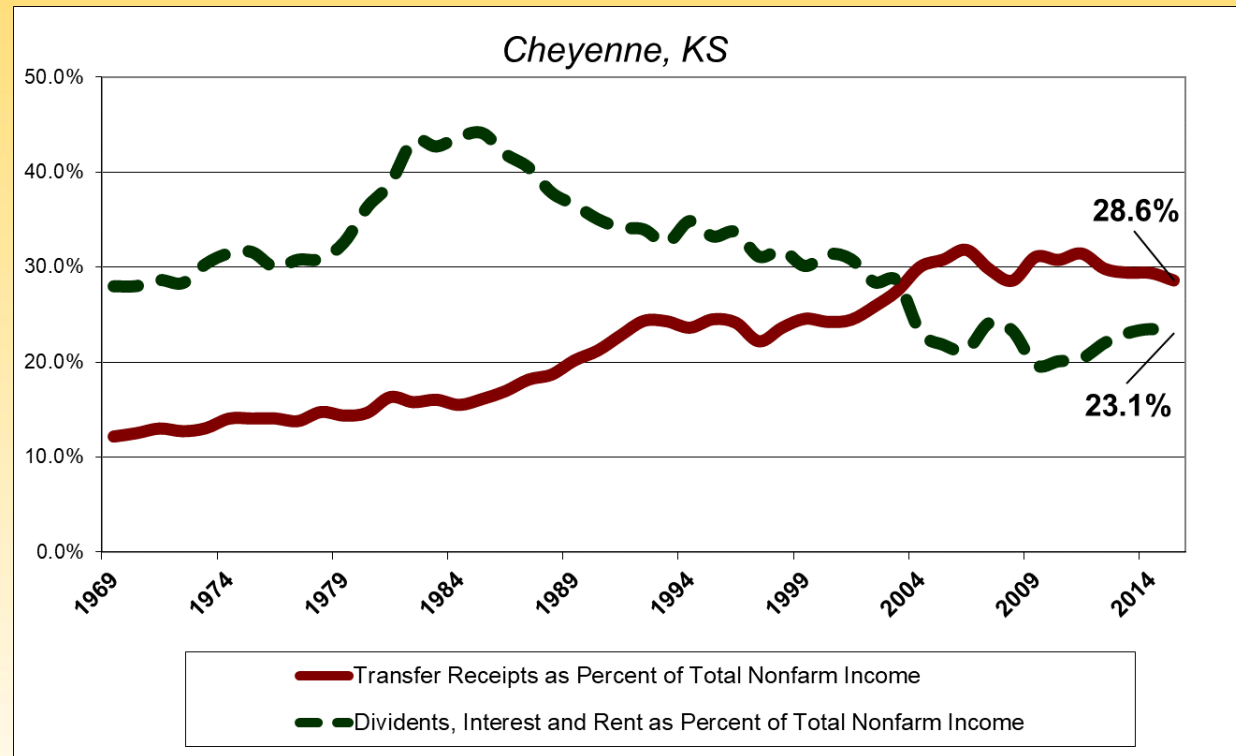
Not all earned income comes from a job



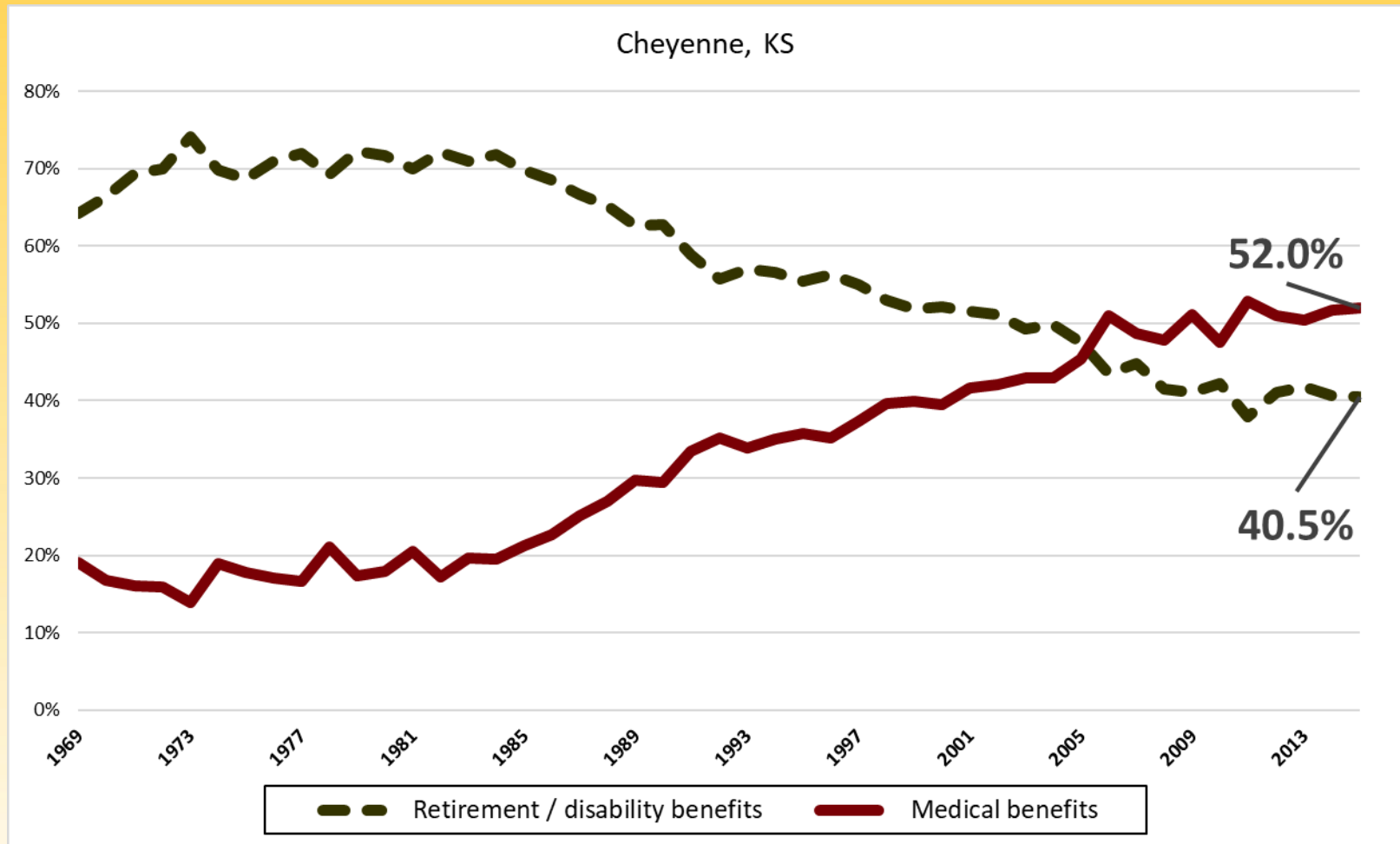
Components of Income, 1969-2015



Transfer Receipts are composed of Retirement (Social Security only) and disability insurance benefits and Medicare/Medicaid benefits

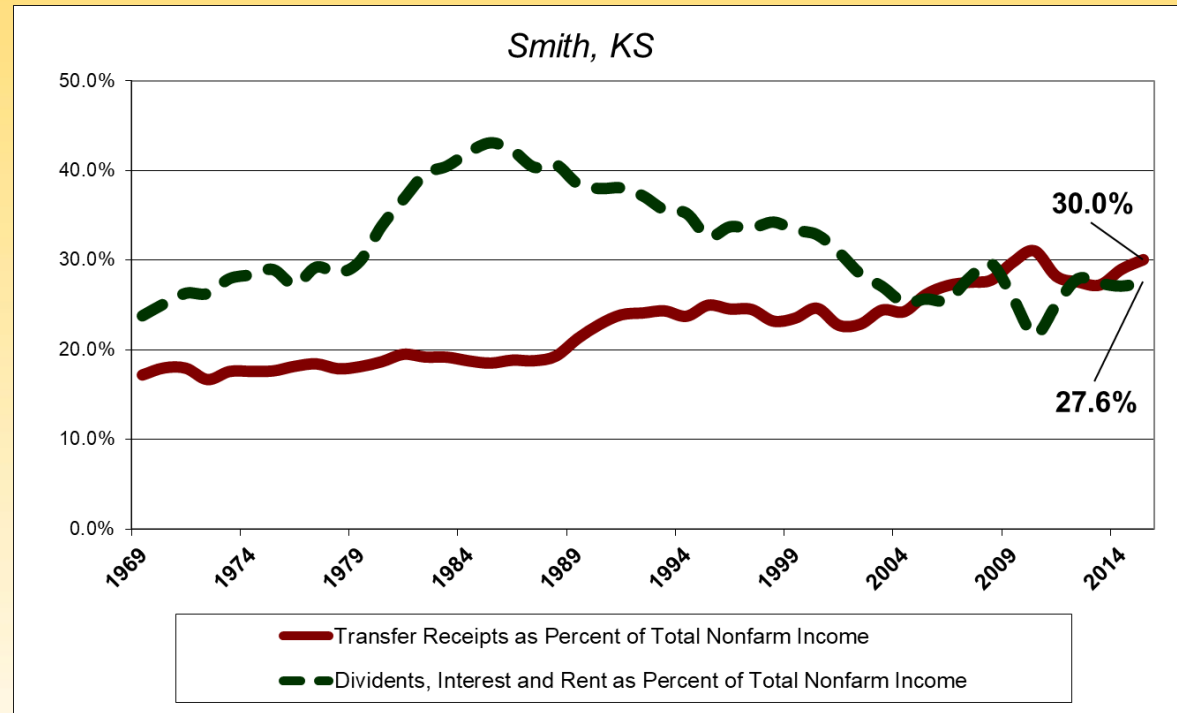
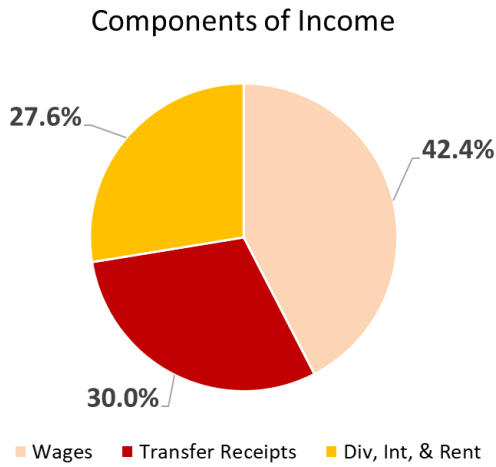


Components of Transfer Receipts, 1969-2015



Components of Income, 1969-2015

Transfer Receipts are composed of Retirement (Social Security only) and disability insurance benefits and Medicare/Medicaid benefits



County	% Transfers	% Income from Job
Cheyenne	29	48
Cloud	28	52
Decatur	27	46
Ellis	15	68
Ellsworth	23	58
Gove	14	72
Graham	24	58
Jewell	28	46
Lincoln	27	53
Logan	20	58
Mitchell	20	64
Norton	21	59
Osborne	25	52

County	% Transfers	% Income from Job
Ottawa	23	61
Phillips	20	61
Rawlins	24	52
Republic	26	55
Rooks	22	57
Russell	22	58
Saline	19	63
Sheridan	19	57
Sherman	27	53
Smith	30	42
Thomas	18	63
Trego	27	54
Wallace	24	51

Transfer Receipts are composed of Retirement (Social Security only) and disability insurance benefits and Medicare/Medicaid benefits



A Senior Service Economy

- Local economy is only going to become more integrated with boomer-related services
- We should want to retain these transfer receipts
- “Move over” housing is the opportunity
 - Current home may be only equity of the oldest people



Moving Over Limitations

Medicaid may inhibit choices to move due to home sales, those funds are counted against you.

It may make you ineligible for medical cost coverage.



Senior Housing opens up Workforce Housing

Workforce housing shortage?

We build supply in workforce housing by making the existing housing stock available.



SO, HOUSING IS A KEY

A house is not just a private asset, but also a COMMUNITY asset that persists over time



Point of Change

- Vacant or new property
- Property entering market
- Strategy to work with buyers, or sellers, or both?
 - Unnatural partners: Construction, lumber yards
- Talent Pipeline vital!



Challenge: The House

- Lack of data regarding condition inside of the house
- Lack of data regarding intentions by those living in the house
- Lack of data regarding needs of those that WANT to live in the house



Challenge: The People Here

- Engage seniors and their families
- Experience studies – for those forced into decisions, how did it go?
- Aging in Place: Intentions to stay in house, in town. Services for seniors.

Appeal to sense of continuity for families and the community



Challenge: The People Not Here Yet

- Expand the conversation about housing in your community
- Engage newcomers
- Build model of housing demand
- Rewrite your rural narrative

The future of your community is in the hands of people that are not yet here!



RURAL HOUSING WEALTH

Maybe one of the best things you can do for the future of your community is to ensure there is somewhere for people to live.



Questions

- What problems and related solutions are you hearing in communities related to rural housing?
- When thinking about rural housing issues, what data or information do you wish you had/knew?
- Who are natural partners in this work? How about unnatural partners? What is the role of employers?
- What actions can we take? Taking no action is an action too. What is the cost/benefit of these?





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