Heartland is Changing, not Dying

The Heartland Narrative

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
### Comparison Historical Population from 1960 to 2010

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

Source: US Census Bureau
Total Population Infatuation

HH with 3+ people

1960: 60%
2017: 37%

Kids graduate
Population: -2
Households: NC

Spouse passes
Population: -1
Households: NC

Avg HH Size:
1940: 3.6
2018: 2.6 (-29%)
### 2000-2010 Population and Housing Units Change

<table>
<thead>
<tr>
<th>County</th>
<th>Pop Change</th>
<th>Housing Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allen, KS</td>
<td>-7%</td>
<td>-3%</td>
</tr>
<tr>
<td>Cloud</td>
<td>-7</td>
<td>-4</td>
</tr>
<tr>
<td><strong>Decatur</strong></td>
<td><strong>-15</strong></td>
<td>0</td>
</tr>
<tr>
<td>Graham</td>
<td>-12</td>
<td>-4</td>
</tr>
<tr>
<td><strong>Lincoln</strong></td>
<td><strong>-9</strong></td>
<td>1</td>
</tr>
<tr>
<td>Logan</td>
<td>-10</td>
<td>1</td>
</tr>
<tr>
<td>Mitchell</td>
<td>-8</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Stanton</strong></td>
<td><strong>-7</strong></td>
<td>-2</td>
</tr>
</tbody>
</table>

Population loss is demographic destiny! (and will continue to be so)
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?
What’s Coming?
Percent Owner-Occupied Homes Owned by Trailing Boomers
Percent Owner-Occupied Homes Owned by Age 75+

Map showing the distribution of percent owner-occupied homes owned by age 75+ across the United States.

Legend:
- Under 25%
- 25 - 30%
- 30 - 35%
- Over 35%
## % of Owner-Occupied Homes, by Age of Homeowner

**United States, 2010**

<table>
<thead>
<tr>
<th></th>
<th>Trailing</th>
<th>Leading</th>
<th>Age 75+</th>
<th>Total Boomer+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (urban)</td>
<td>24%</td>
<td>21%</td>
<td>24%</td>
<td>70%</td>
</tr>
<tr>
<td>2</td>
<td>23%</td>
<td>22%</td>
<td>27%</td>
<td>72%</td>
</tr>
<tr>
<td>3</td>
<td>22%</td>
<td>22%</td>
<td>29%</td>
<td>73%</td>
</tr>
<tr>
<td>4</td>
<td>22%</td>
<td>23%</td>
<td>29%</td>
<td>74%</td>
</tr>
<tr>
<td>5</td>
<td>22%</td>
<td>23%</td>
<td>28%</td>
<td>73%</td>
</tr>
<tr>
<td>6</td>
<td>22%</td>
<td>22%</td>
<td>31%</td>
<td>75%</td>
</tr>
<tr>
<td>7</td>
<td>22%</td>
<td>23%</td>
<td>31%</td>
<td>75%</td>
</tr>
<tr>
<td>8</td>
<td>21%</td>
<td>23%</td>
<td>32%</td>
<td>77%</td>
</tr>
<tr>
<td>9 (rural)</td>
<td>21%</td>
<td>23%</td>
<td>33%</td>
<td>77%</td>
</tr>
<tr>
<td>Total</td>
<td>23%</td>
<td>22%</td>
<td>26%</td>
<td>71%</td>
</tr>
</tbody>
</table>
Workforce housing shortage?

There’s plenty of workforce housing, It’s currently occupied by our seniors.
County Housing Profile
<table>
<thead>
<tr>
<th>Housing Unit Type</th>
<th>2000</th>
<th>2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total housing units</td>
<td>1,821</td>
<td>1,818</td>
<td>0%</td>
</tr>
<tr>
<td>Occupied housing units</td>
<td>1,494</td>
<td>1,378</td>
<td>-8%</td>
</tr>
<tr>
<td>Owner-Occupied</td>
<td>1,136</td>
<td>1,067</td>
<td>-6%</td>
</tr>
<tr>
<td>Renter-Occupied</td>
<td>358</td>
<td>311</td>
<td>-13%</td>
</tr>
<tr>
<td>Vacant housing units</td>
<td>327</td>
<td>440</td>
<td>35%</td>
</tr>
<tr>
<td>For rent</td>
<td>77</td>
<td>59</td>
<td>-23%</td>
</tr>
<tr>
<td>For sale only</td>
<td>50</td>
<td>43</td>
<td>-14%</td>
</tr>
<tr>
<td>Rented or sold, not occupied</td>
<td>39</td>
<td>18</td>
<td>-54%</td>
</tr>
<tr>
<td>For recreational or occasional</td>
<td>59</td>
<td>85</td>
<td>44%</td>
</tr>
<tr>
<td>For migratory workers</td>
<td>0</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Other vacant</td>
<td>102</td>
<td>228</td>
<td>124%</td>
</tr>
</tbody>
</table>

**Decatur County, Kansas**

Population | -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

Will Housing Take Another Hit As Boomers Sell?

February 8, 2014 | 9:48pm

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
Households Moving Between 1995 and 1999:

- 44% Iowa
- 46% Kansas
- 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
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.

https://carsey.unh.edu/publication/rural-housing-challenges
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.
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

<table>
<thead>
<tr>
<th>Year</th>
<th>16-34 year olds</th>
<th>Over-65s</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>54%</td>
<td>75%</td>
</tr>
<tr>
<td>2001</td>
<td>53%</td>
<td>68%</td>
</tr>
<tr>
<td>2006</td>
<td>53%</td>
<td>68%</td>
</tr>
<tr>
<td>2011</td>
<td>49%</td>
<td>72%</td>
</tr>
<tr>
<td>2016</td>
<td>35%</td>
<td>76%</td>
</tr>
</tbody>
</table>

Source: ONS
Return to multigenerational housing

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

1968

- w/ Spouse: 78%
- w/ Parent: 12%
- w/ Roommate: 4%
- Alone: 3%
- w/ Partner: 0%

Percentage of 26-Year-Olds in the United States

Data Source: US Census Bureau, Current Population Survey
RETIREES AND SENIORS MOVING OUT

PROVIDING SUPPLY
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

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Expected</th>
<th>(Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under age 60:</td>
<td>9%</td>
<td>(39%)</td>
</tr>
<tr>
<td>Aged 60 to 64:</td>
<td>17%</td>
<td>(37%)</td>
</tr>
<tr>
<td>Aged 65 to 69:</td>
<td>37%</td>
<td>(19%)</td>
</tr>
<tr>
<td>Aged 70-plus:</td>
<td>38%</td>
<td>(4%)</td>
</tr>
</tbody>
</table>

Source: Employee Benefit Research Institute, [2017 Retirement Confidence Survey](https://www.EmployeeBenefitResearch.org)
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
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 Levy remains the same

Levy remains the same
Figure 1. Composition of Net Worth, by Asset Type: 2013¹

Equity in own home
401(k) and Thrift Savings Plan accounts
IRA and Keogh accounts
Stocks and mutual fund shares
Assets at financial institutions
Business or profession
Rental property
Other real estate
Motor vehicles
Annuities and trusts
Cash value of life insurance policies
Other financial investments²
Other interest-earning assets
Educational savings accounts
Unsecured liabilities³

(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.

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

- Downsize into a smaller home: 34%
- Reduce expenses: 29%
- Start a new chapter in life: 28%
- Move closer to family and friends: 27%
- Move into an aging-friendly home: 11%
- Became widowed: 9%
- Move into a larger home: 8%
- Get divorced or separated: 6%
- Get married or finding new partner: 4%
- Need care or assisted living: 2%
- Other: 17%

http://www.transamericacenter.org/retirement-research/retiree-survey
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
Not all earned income comes from a job
Transfer Receipts are composed of Retirement (Social Security only) and disability insurance benefits and Medicare/Medicaid benefits.
Components of Transfer Receipts, 1969-2015

Cheyenne, KS

- Retirement / disability benefits
- Medical benefits

- 52.0%
- 40.5%
Transfer Receipts are composed of Retirement (Social Security only) and disability insurance benefits and Medicare/Medicaid benefits.
<table>
<thead>
<tr>
<th>County</th>
<th>% Transfers</th>
<th>% Income from Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheyenne</td>
<td>29</td>
<td>48</td>
</tr>
<tr>
<td>Cloud</td>
<td>28</td>
<td>52</td>
</tr>
<tr>
<td>Decatur</td>
<td>27</td>
<td>46</td>
</tr>
<tr>
<td>Ellis</td>
<td>15</td>
<td>68</td>
</tr>
<tr>
<td>Ellsworth</td>
<td>23</td>
<td>58</td>
</tr>
<tr>
<td>Gove</td>
<td>14</td>
<td>72</td>
</tr>
<tr>
<td>Graham</td>
<td>24</td>
<td>58</td>
</tr>
<tr>
<td>Jewell</td>
<td>28</td>
<td>46</td>
</tr>
<tr>
<td>Lincoln</td>
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<td>53</td>
</tr>
<tr>
<td>Logan</td>
<td>20</td>
<td>58</td>
</tr>
<tr>
<td>Mitchell</td>
<td>20</td>
<td>64</td>
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<tr>
<td>Norton</td>
<td>21</td>
<td>59</td>
</tr>
<tr>
<td>Osborne</td>
<td>25</td>
<td>52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>County</th>
<th>% Transfers</th>
<th>% Income from Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ottawa</td>
<td>23</td>
<td>61</td>
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<tr>
<td>Phillips</td>
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<td>61</td>
</tr>
<tr>
<td>Rawlins</td>
<td>24</td>
<td>52</td>
</tr>
<tr>
<td>Republic</td>
<td>26</td>
<td>55</td>
</tr>
<tr>
<td>Rooks</td>
<td>22</td>
<td>57</td>
</tr>
<tr>
<td>Russell</td>
<td>22</td>
<td>58</td>
</tr>
<tr>
<td>Saline</td>
<td>19</td>
<td>63</td>
</tr>
<tr>
<td>Sheridan</td>
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<td>Sherman</td>
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</tr>
<tr>
<td>Smith</td>
<td>30</td>
<td>42</td>
</tr>
<tr>
<td>Thomas</td>
<td>18</td>
<td>63</td>
</tr>
<tr>
<td>Trego</td>
<td>27</td>
<td>54</td>
</tr>
<tr>
<td>Wallace</td>
<td>24</td>
<td>51</td>
</tr>
</tbody>
</table>

*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?
PLEASE RING THIS BELL

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