Retirement: A Growing Part of Rural Economies

When you think of a rural area with a high proportion of retired people, you often picture an area that economic progress has left behind, an area where the elderly have remained after the young left for greater opportunity. When most people retire, they tend to live in the same area where they had been working.

But retirement is also a strong and expanding source of rural growth. While only a small proportion of the elderly move when they retire, many who do move seek out rural communities with favorable climates and good scenery. These older people bring to rural areas an important ingredient of economic growth—spending power that creates demand for a myriad of retail goods and locally produced goods and services.

Many retirees have decided that they can get the mix of goods, services, and amenities they want for the least cost in rural communities. Increasingly they have been “voting with their feet” for rural America. Economic developments of recent years have increased the income of retirees, making it easier than in the past for them to migrate to rural areas. Their incomes have been augmented by increasingly generous pension benefits and capital gains from the sale of their houses, which appreciated greatly in the 1960's and 1970's.

Retirement areas have become an important part of rural and small town America. Calvin Beale, a rural demographer in USDA’s Economic Research Service, defines a retirement county as one in which the population 60 years or older grows by 15 percent or more from immigration over the course of a decade. He identified 515 of these counties in 1980, more than a fifth of all nonmetro counties. These counties were home to 26 percent of the nonmetro population 65 years of age and over in 1980. Total population in these counties increased by 33.5 percent between 1970 and 1980, compared with 14.6 percent for all nonmetro counties. Population growth in these counties since 1980 has slowed by about a third, but is still well above the average for all counties. These counties will likely continue to have above-average growth as the median age of the U.S. population rises.

Retirement counties are located throughout the Nation, but are concentrated in the following areas: a band from southern Texas northeast through the Ozarks; in Florida and Hawaii; in the upper Great Lakes States, especially northern Michigan, northern Minnesota, and northern Wisconsin; along a narrow band of the Appalachian Mountains and Atlantic Coastal Plain from northern Georgia through Delaware. They also are in parts of Arizona, New Mexico, northern California, western Oregon, and around Puget Sound.

Most of the new retirement counties have the following characteristics:

- Mild climate (with some exceptions), scenery, lakes, or other natural amenities.
- Above-average proportion of income from transfer payments.
- A large service sector.

Few retirement counties have cities larger than 20,000; over a third are totally rural; another 53 percent have small towns ranging from 2,500 up to...

![Chart showing retirement counties are less urban than other nonmetro counties.

But they are more likely to be adjacent to a metro area.](chart.jpg)
20,000. Less than half of them are adjacent to a metro area. Their population density is the same as for all nonmetro areas—42 persons per square mile. About a fifth of their population receive social security payments. In these respects, they do not differ markedly from other nonmetro counties.

Unlike the economically stagnant nonmetro counties of the Great Plains, characterized by people who retire where they have always lived, retirement counties often attract young people as well. About half of the working age population in retirement counties are employed, only slightly less than in other types of nonmetro counties. About a third of the workers’ earnings are from businesses in service industries, many of which cater to the needs of the elderly. A large number of these businesses are small owner-operated businesses.

While retirement counties currently are growing rapidly, a slowdown in the growth of transfer payments or in capital gains from the appreciation of houses could dampen their economic growth. In addition, as the elderly in the retirement counties continue to age, the proportion of the “very old” in the population of these areas will increase. In the future, adequately providing for the needs of these very old people may pose difficult problems for State and local governments.


INDUSTRIAL INCENTIVES: Public Promotion of Private Enterprise

THE STATES AND DISTRESSED COMMUNITIES: The Final Report

Both of these publications address a current concern of State and local government officials: how to make the most of scarce economic development resources. With reduced Federal aid and stringent fiscal constraints for State and local governments, inefficient approaches to economic development are no longer affordable.

The Louisiana Small Business Equity Corporation deposits funds in private financial institutions to encourage them to make equity investments in companies licensed to make subsidized loans and investments in targeted small businesses. According to the book on industrial incentives, this is an innovative and cost-effective way of using public funds to promote industrial development. Other industrial incentives covered in this book include enterprise development grants, debt instruments, tax-exempt financing, equity and near-equity, tax incentives, and multi-State taxation.

The book's guidelines on how State governments can measure and improve the efficiency of economic development incentives should be required reading for State policymakers involved with economic development.


policy. City and county officials would also gain by following these guidelines when considering the costs and benefits of alternative local incentive policies. For example, the authors emphasize that the most common form of incentive—tax concessions—is not cost efficient and should be avoided.

Although public finance experts in industrial incentives might find little new ground covered in this book, lucid explanations of incentive techniques with up-to-date examples of actual programs make this book a valuable resource for policymakers and researchers who seek a better understanding of this confusing area of public finance.

The Advisory Commission on Intergovernmental Relations (ACIR) reports findings from its monitoring of State aid programs from 1979-83 in The States and Distressed Communities. The number of States targeting economic development aid to distressed communities increased substantially in that period. The increase was largest for enterprise zone programs and financial aid for industrial and commercial development programs. Other State economic development programs targeted to distressed places or people included small business and minority business programs, customized job training, industrial revenue bonds (targeted), and industrial or commercial site development.

ACIR's focus on targeted programs and its analysis of indicators of distress used to distribute State aid should be helpful to State policymakers interested in how to get scarce economic development assistance to the most distressed communities. This ACIR report also covers housing and community development programs.

ACIR also examines some State programs that help local governments to finance the basic public services needed to support economic development. In this category are policies that alleviate local government fiscal responsibilities, either by taking over functional responsibilities or by turning back State revenues to the localities, and policies that give more tax and spending discretion to local governments.

IMPROVING IMPACT ASSESSMENT

Impact assessment is no longer concerned solely with air and water quality, as both these books make clear. Impact assessments now embrace socioeconomic and aesthetic considerations as well.

The editors of Improving Impact Assessment contend that the modifications and refinements introduced in impact assessments over the last decade go beyond mere technical fine tuning of the process and have in fact transformed it into something broader and more useful.

Their excellent, reflective introduction comes to grips with real problems in environmental impact assessment (EIA) and poses the central question: Are scientists, planners, and other EIA preparers engaged in distinctly separate activities from decisionmakers? This question triggered the Research and Decision Center project and symposium at which the papers compiled in this book were presented.

The text explicitly states both its thesis and objectives up front and then follows closely the organization of symposium papers on which it was based:

- Broadening the scientific scope of environmental impact assessment
- Using environmental impact assessment techniques
- Keying environmental impact assessment to decisionmaking
- Analysis and case study, which serves as an umbrella for the separate papers and editors' analytical summaries (some of which are very well written and a real strength of the book)
- Recent changes and conclusions.

The text seems well organized and well thought out. After a slow start (much detail about the procedures used in arriving at a model EIA process), the text moves surprisingly fast.

A gem of wisdom is summarized on page 426 as the authors propose their interpretation of the environmental impact statement (EIS) experience over the past 10 years, "an interpretation that views the cumulative modifications and refinements in the process as potentially system transforming rather than mere increments of technical fine tuning."

This book is well worth reading for those who write EIS's, other socioeconomic analysts, and especially for those who have not seen the strides made during the past 10 years in broadening economic impact statements to be more complete assessments of the impact of projects on the environment and society.

In Socioeconomic Impact Management, Halstead and his coauthors attempt to rise above case studies of "impact mitigation" to provide "a single source that provides an integrated analysis of impact management principles and practices for large-scale projects." Their book succeeds admirably in design but is not always easy reading.

For example, the book begins by describing early attempts at impact management. This gives the book a slow and arduous beginning for the novice trying to learn quickly what socioeconomic impact management is (finally defined on pp. 11-12). At this same point, the focus of the book is explicitly defined as "the management of the socioeconomic impacts of resource development in rural areas." A very specialized topic indeed.

Chapter 2, "Theoretical Perspectives for Impact Management," is unusual in a book on this topic because of the uniqueness of individual impact management situations. And while few books on this subject go beyond documentation of case studies, this one is aimed directly at providing very basic theoretical perspectives; for example, functional, ecological, and systems theories, conflict theories, and so on.

The book does get to application of socioeconomic impact management theory, but not quickly. This leaves the reader feeling that its readability could be improved by "speeding it up," but that thoroughness and generality is also one of the book's strengths. The 34 pages of references alone may justify the book's purchase price.

THE ELDERLY IN RURAL SOCIETY

The book's editors express two main objectives: (1) to show how aging affects rural residents and (2) to show how rural residence affects the aged. These aims are achieved, though not without some shortcomings.

The editors included a wide range of topics on the rural elderly; their demographic characteristics; work, retirement, and income characteristics; physical health, mental health, and housing characteristics; kinship relations, non-kin community relations and participation; and senior citizen service delivery and policy. All the chapters compare rural and urban older people; rural and urban environments; and rural and urban social services, programs, and policies. Several of the chapters integrate discussion of data on objective conditions and subjective data on attitudes of older people toward their situation.

Reviewed by Nina L. Glasgow,
Economic Research Service,
U.S. Department of Agriculture

The introductory chapter presents a useful discussion of Federal policies pertaining to the older rural population. The chapter on the demographic aspects of aging in a rural society (Clifford et al.) is an excellent overview of the situation and recent trends affecting the composition of the elderly population in rural areas.

Several chapters, using data from census sources or findings adapted from original research by the author or by others, apply past research to the specific topics at hand. Because of the paucity of studies in which age and residence were key variables in research designs, however, the authors frequently are unable to make definitive or up-to-date statements or to cover fully the topics under discussion. This is the major weakness of the book, but partly reflects the existing limits of our knowledge. Other weaknesses are simply oversights. The discussion on the physical health status of older people, for example, would have benefited by including data available from the National Center for Health Statistics.

Rick Scheid's article on the mental health of the rural aged was particularly insightful in the discussion of gaps in the literature and what research is needed on the mental health status of rural older people. The book is instructive in pointing to the openness of the field of rural gerontology; much is yet to be done. Philip Taietz's epilogue presents his views on the directions that future research should take. Unfortunately he draws on little research other than his own to make recommendations, and one begins to wonder if he dismisses all other research on rural aging as insignificant.

The chapters on rural health and human service delivery systems and alternative strategies for the development of policy on the older rural population will be especially helpful to readers who wish to increase their knowledge and awareness of program and policy issues.

I highly recommend the book. It contains many useful ideas and much useful information, and is the only recent book-length treatment on the status and needs of older rural people.
What Are Businesses Looking for in a New Location?

Whatever it is, North and South Dakota have it, according to a new study by Alexander Grant & Co. In their sixth annual study of general manufacturing climates, the Dakota's, two of the most rural (average nonmetro population of 74 percent) States in the Nation, placed first and second nationally as having the most desirable business climates.

Of the States that finished in the top 10, only Florida (9 percent nonmetro population) and Utah (23 percent nonmetro population) had less than 30 percent nonmetro population. The other States were Nebraska (54 percent), Mississippi (71 percent), Arkansas (61 percent), North Carolina (45 percent), Georgia (37 percent), and Tennessee (35 percent).

What does it all mean? One application is ready at hand in 10th-ranked Tennessee: Spring Hill, Tenn. (1980 population of about 700), was the site selected by General Motors to be the home of its new Saturn manufacturing plant. In 1980, Nissan selected Smyrna, Tenn. (1980 population of about 6,000 and only about 30 miles away from Spring Hill), to be the home of its new manufacturing plant.

The Alexander Grant assessment is based on five broad categories: State and local government fiscal policies, State-regulated employment costs, labor costs, availability and productivity of labor force, and other manufacturing-related issues (like energy costs, environmental controls).

The Sixth Annual Manufacturing Climates Study gives an analysis of how each State and each region fared. Cost is $35 from Alexander Grant & Co., 1700 Prudential Plaza, Chicago, Ill. 60601. Telephone (312) 856-0001.

Analyzing the Economics of Your Community

A new manual will help community leaders assess what kinds of development might work best, what kind is needed most, and what kind their community might find most desirable.

Community Economic Analysis: A How To Manual by the North Central Regional Center for Rural Development describes how to go about collecting information, guides readers through different methods of economic analysis, and shows the uses that can be made of different analytic tools.

Copies are free, while supplies last, from the North Central Regional Center for Rural Development, 578 Heady Hall, Iowa State University, Ames, Iowa 50011. Telephone (515) 294-1183.

Replacing Deteriorating Bridges

A Boone County, Mo., survey of its 324 bridges and culverts turned up 103 needing replacement, 29 needing major repairs, and 115 needing minor repairs. The county further discovered that nearly half of its bridges were limited to 7-ton loads or less, a capacity insufficient even for school buses (they need 8-ton bridges). The problem? How to pay for the repairs and upgrades.

Within 5 years, the county was able to:

- Persuade voters to approve a $7.5-million bond fund to finance the repairs.
- Replace or repair 181 bridges and culverts.
- Close three bridges.
- Contract for the repair or replacement of the remainder.
- Repay $5 million to the bond fund.

Robert L. Hagerty, the director of Public Works for Boone County, described how they did it in the March 1985 issue of "Rural Development News," a publication of the North Central Regional Center for Rural Development, 578 Heady Hall, Iowa State University, Ames, Iowa 50011.

Jobs vs Conservation?

Mills are closing and unemployment is twice the national average in the redwood empire of northern California.

Timber companies blame environmental regulations and the expansion of Redwood National Park for the loss of jobs. Others point to short-sighted logging practices that eroded the forest topsoil and clogged the creeks.

"Mad River: Hard Times in Humboldt County" is an award-winning film based on the growing disruption in the California timber industry.

The film follows the efforts of the owner of a shut-down plywood mill to understand what's going on and to reopen his mill. In doing so, the film poses the question of whether we must choose between jobs and the environment. The film traces the relationships among resource management, capital mobility and industrial policy, environmental protection, and community economic development.

The 55-minute film rents for $75 ($65 videocassette) from California Newsreel, 630 Natoma St., San Francisco, Calif. 94103; telephone (415) 621-6196.

Harvesting Hometown Jobs

That's the title of a 36-page guide for getting hometown development started. The guide offers tips on cultivating jobs and recruiting business, and explains simple and effective strategies for fundraising.

The guide illustrates its principles with
examples of how towns have applied the ideas successfully.

The guide's six step-by-step chapters tell smalltown officials about strategies for economic development, how to organize their community, how to collect and assess community data, how to cultivate "backyard" development (start up new business and expand existing ones), how to recruit new manufacturing firms, and how to raise money to do all that.

Harvesting Hometown Jobs costs $3 from National Association of Towns and Townships, Dept. E., 1522 K St., N.W., suite 730, Washington, D.C. 20005. The publication was supported by a grant from the U.S. Economic Development Administration.

Rural Living Good for Your Health? Depends on Where You Live

We've suspected it all along, now we may have some proof. Eight of the 10 States with the longest life expectancy have high proportions of rural inhabitants. But most of those States are in the upper Midwest. Southern States fare more poorly.

In a study based on the 1980 census, the National Center for Health Statistics found that the 10 States with the highest life expectancy in the Nation had average nonmetro populations of 44 percent, nearly double the national average of 24 percent. The highest ranking States are Hawaii (22 percent nonmetro population), Minnesota (35 percent), Iowa (58 percent), Utah (23 percent), North Dakota (64 percent), Nebraska (54 percent), Wisconsin (33 percent), Kansas (50 percent), Colorado (20 percent), and Idaho (81 percent).

The 10 States with the lowest life expectancy also had an average nonmetro population of about 44 percent. Those States were mainly in the Southeast: Delaware, Kentucky, North Carolina, West Virginia, Nevada, Alabama, Alaska, Georgia, Mississippi, South Carolina, and Louisiana.

The study also found that whites generally outlive blacks (75.3 years vs 69.7 years) and women continue to outlive men (78.3 years vs 71.1 years).

Farm Stress

Poor prospects for farmers are leading to a number of medical problems, including alcohol abuse and despondence, according to American Medical News.

A mental health hotline reports that the number of calls from farmers have nearly doubled from the level of a few years ago.

To make ends meet, farmers may overwork themselves, making them "vulnerable to symptoms of heart disease, ulcer, anxiety disorders, and clinical depression."

Farm children are also suffering from emotional stress, say sociologists William and Judith Heffernan of the University of Missouri, who describe that as "one of the undiscussed social costs of the rural crisis."

Rural Resources in Print

NATaT's National Community Reporter ($36/year for 10 issues), Newsletter of pertinent information and announcements of useful material from local government units. Write to National Association of Towns and Townships, 1322 K St., N.W., Washington, D.C. 20005.

Planners Bookstore (free). Catalogue of titles covering topics like zoning, historic preservation, rural and small town planning, municipal services. Write to American Planning Assoc., 1313 East 60th St., Chicago, Ill. 60537. Two books of special note: Downtown Improvement Manual (1976, $26.95) and Rural and Small Town Planning (1980, $14.95).

Rural America: A Voice for Small Town and Rural People (semi-monthly; $10/year). Book reviews and notices of community development information as well as articles about rural life. Write to Rural America, 1900 M St., N.W., Washington, D.C. 20036.

Rural Library Service Newsletter (quarterly; free). Helps keep smalltown libraries up to date. Write to John Houlahan, Northwest Iowa Regional Library, 6th and Jackson Streets, Sioux City, Iowa 51105.

Design Resourcebook for Small Communities (1981, $10) and Historic Preservation Resourcebook for Small Communities (1983, $10). Both available from Small Towns Inst., P.O. Box 517, Ellensburg, Wash. 98926.

(Suggested by John Christenson, director, Traverse des Sioux Library System, Mankato, Minn., and Mayor of Good Thunder, Minn., pop. 560).

Rural Libraries

"Information in Rural America" is the title of a 1984 symposium of the American Society for Information Sciences.

Speakers were Ellinor Hashim, chairperson of the National Commission on Libraries and Information Science; Ron Brach, executive director of the New York State Legislative Commission on Rural Resources; Glenn Wilde, associate dean of continuing education at Utah State University; Juliet Miller, director of information systems at the National Center for Research in Vocational Education; Raymond D. Lett, executive assistant to USDA Secretary John Block; and Hollis Hall of USDA's Extension Service.


In a similar vein, the National Commission on Libraries and Information Science offers (free) a publication called The Role of Libraries and Information Technology Joint Congressional Hearing on the Changing Information Needs of Rural America.

Write to Jane Thomas, NCLIS, GSA Building, suite 3122, 7th and D Streets, S.W., Washington, D.C. 20024; telephone (202) 382-0840.