

# **Rewriting the Rural Narrative: the “Brain Gain” of Rural America**

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“The kids are all leaving”  
“Outmigration is a problem”  
“There is a *Brain Drain*”  
“Rural areas are dying”

## ***Deficit Approach***



# 1900-1950

- Mechanization of agriculture
- Roads and transportation
- Population loss
- Church closings

# 1950-1990

- Main street restructuring
- School consolidations
- Hospitals closings



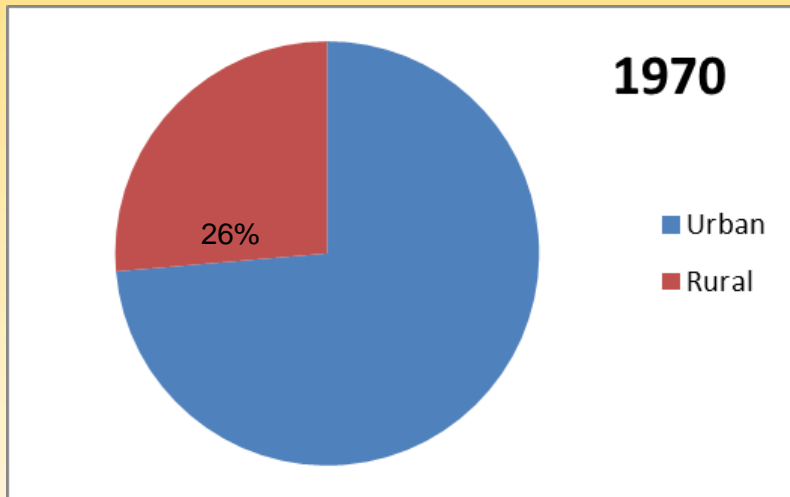
# Rural is Changing, not Dying

- Yes, things are changing
- These changes impact rural and urban areas alike
- More apparent in rural places
- Research base does NOT support notion that if XXXX closes, the town dies
  - In Minnesota only 3 towns have dissolved in past 50 years

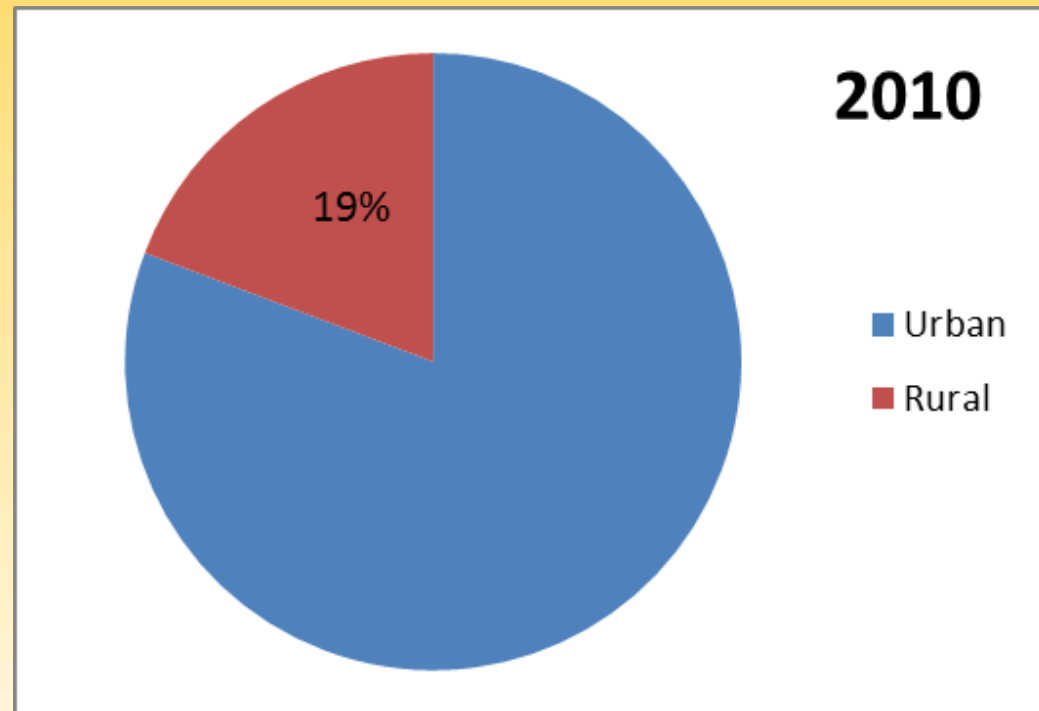


# Rural Rebound

- Since 1970, rural population increased by 11%
  - Relative percentage living rural decreased



203,211,926  
(53.6m rural)



308,745,538  
(59.5m rural)

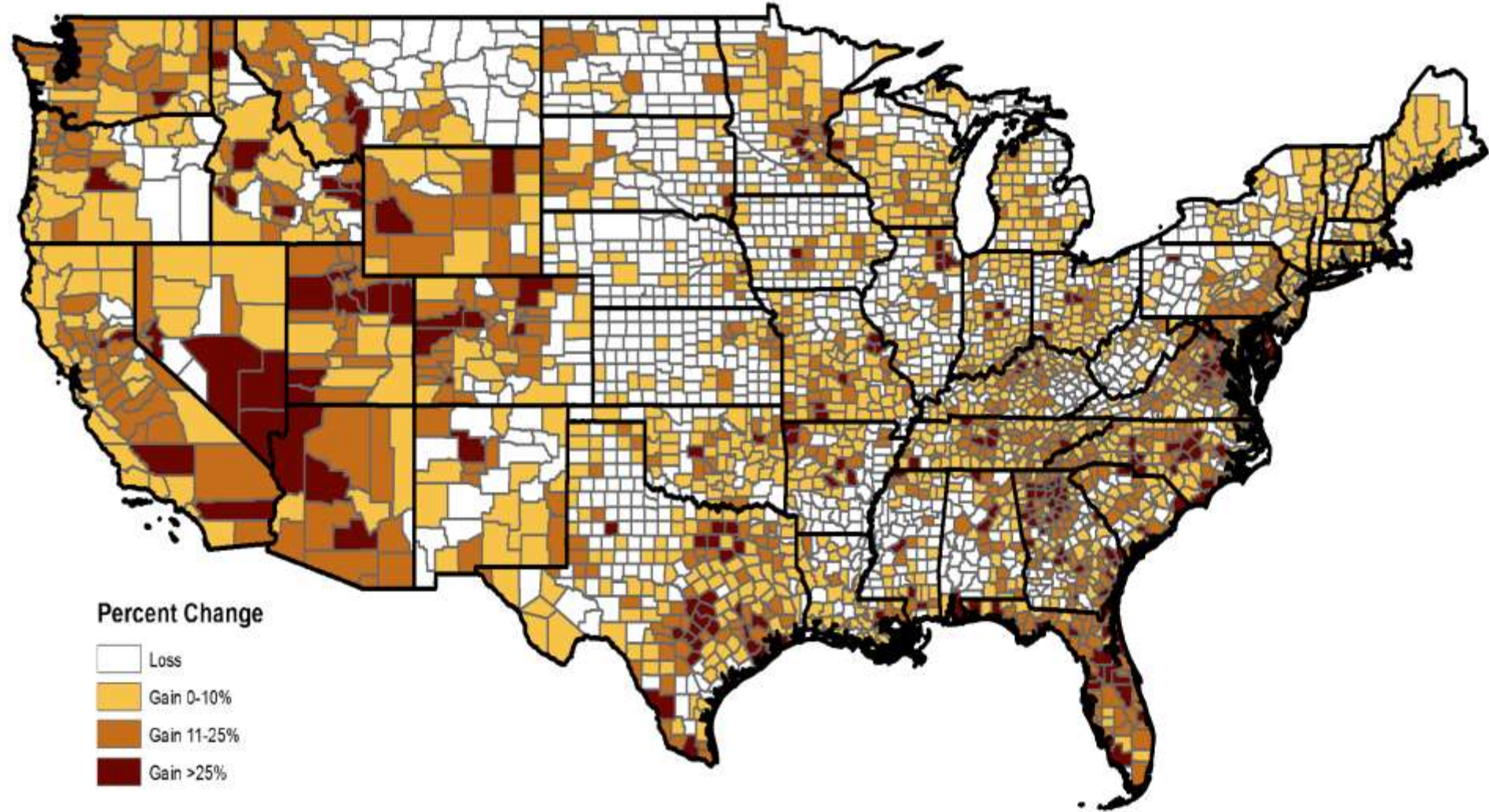


# Rural Rebound

- Since 1970, rural population increased by 11%
  - Relative percentage living rural decreased
- Nationally, 1990 and 1999, 2.2 million more Americans moved from the city to the country, than the reverse.
- Population loss figures many times include formerly rural places not designated as urban

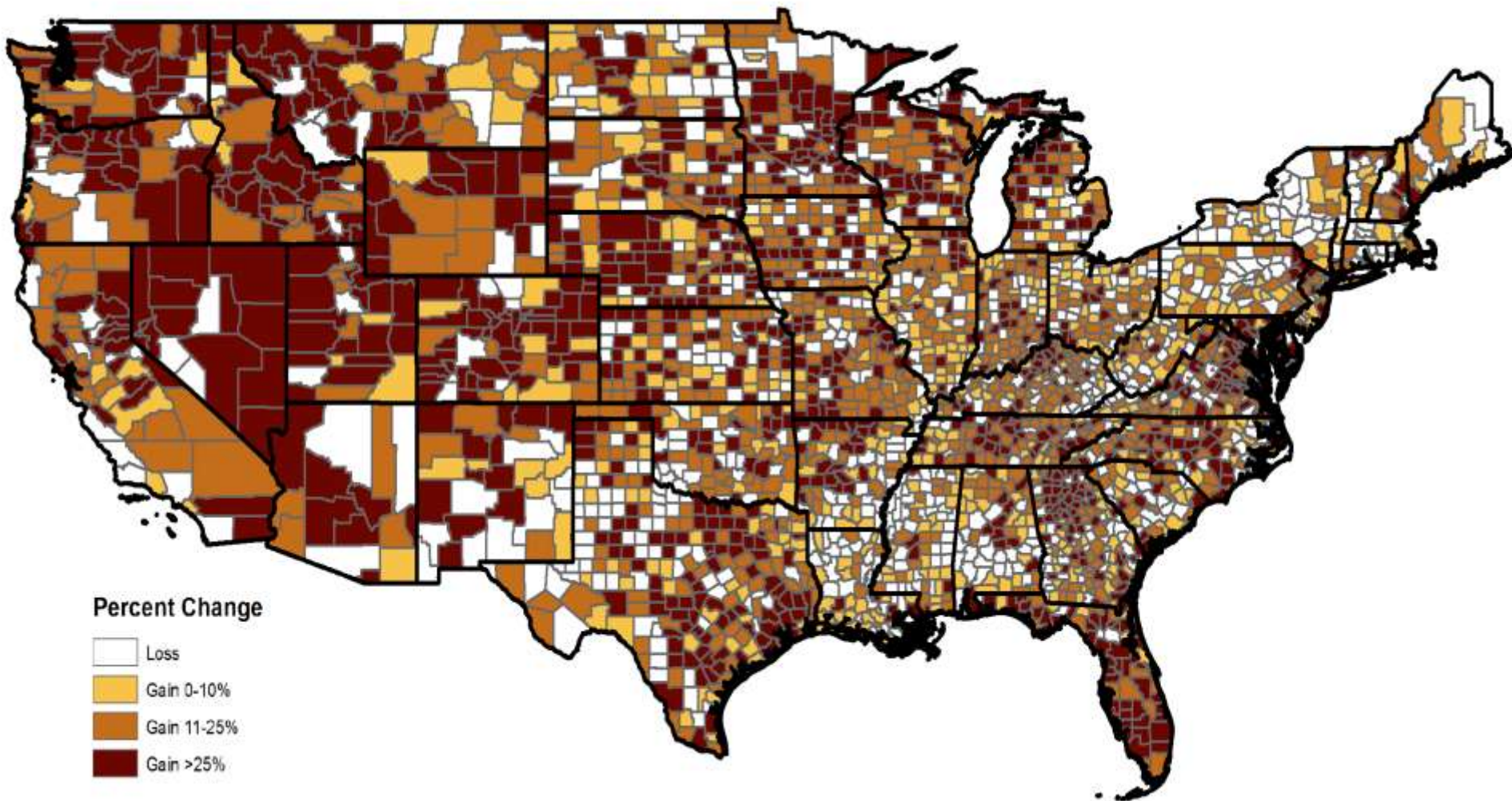


# Population Change 2000-2010



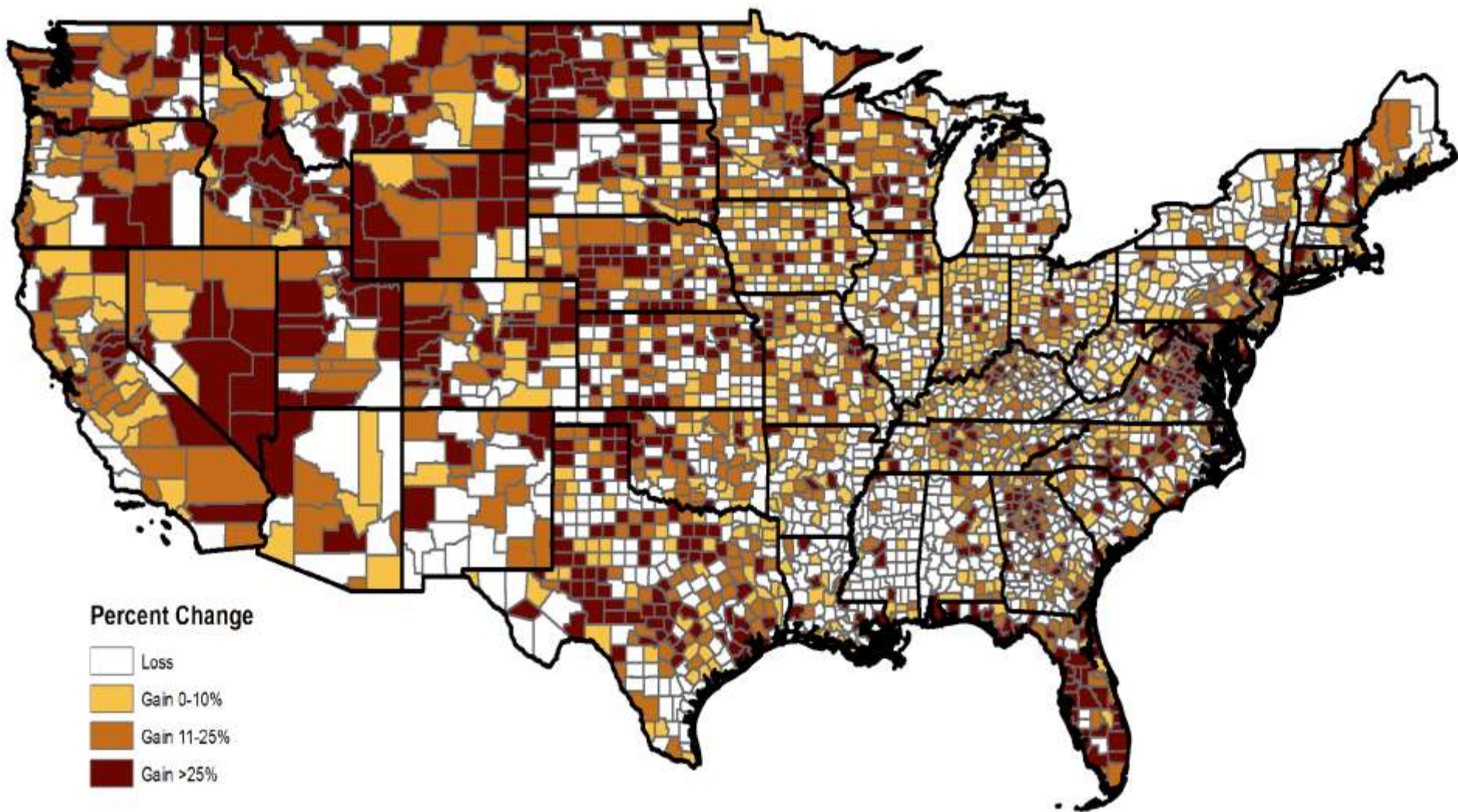


# Cohort Age 30-34, Percent Change 1990-2000





# Cohort Age 30-34, Percent Change 2000-2010



# Leadership Context

- How many people do we need to run our town? (demand)
- How many leaders are available? (supply)
- We have numerous leadership programs currently training leaders, but are we keeping up with the demand?



# de Tocqueville

- 1831
- *Democracy in America*
- In towns he was amazed at how associations rise up to meet a challenge and then dissipate



# Supply & Demand for Leaders

Population per Leadership Role =  $\frac{\text{\# of residents of leadership age}}{\text{Public Organizations}}$

- Leadership Age: Age 18+
- Public Organizations – Gov't and Nonprofit
- **Population per Organization Role** – divide by 3
  - (IRS requires a minimum of 3 people)
- Example 300 people, 10 groups = 1 in 30 residents must lead.
  - In total, organizations must involve 1 in 10 people to lead.



# Population Per Organizational Role

*Definition: Number of people each organization has available to them to locate a positional leader.*

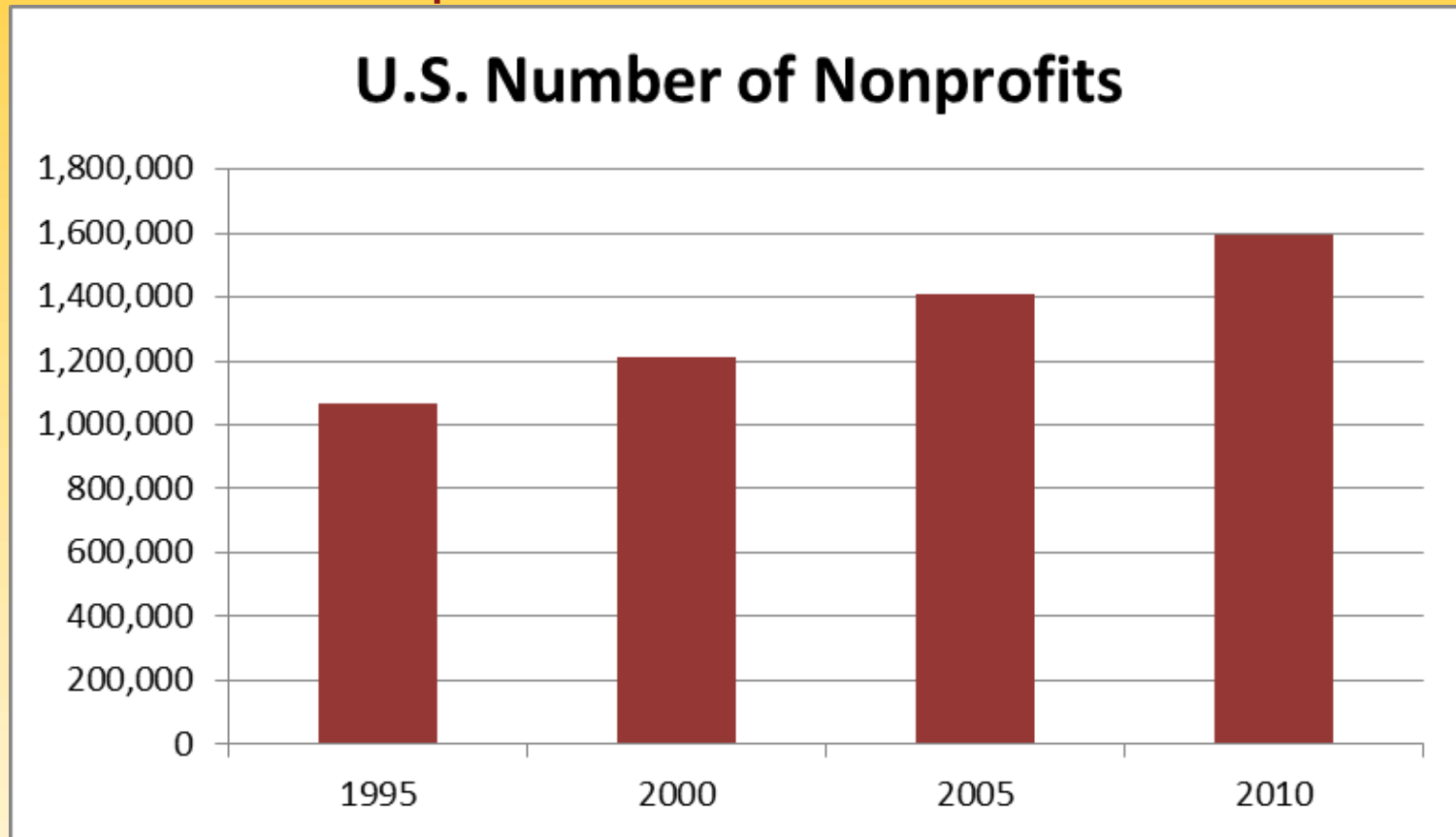
- Yes, people serve on multiple boards.
- Assumption of 3 per board is conservative.
- Age 18+ includes many age groups that are less active.





# Social Life is Not Dying

## Nonprofit Growth: 1995-2010

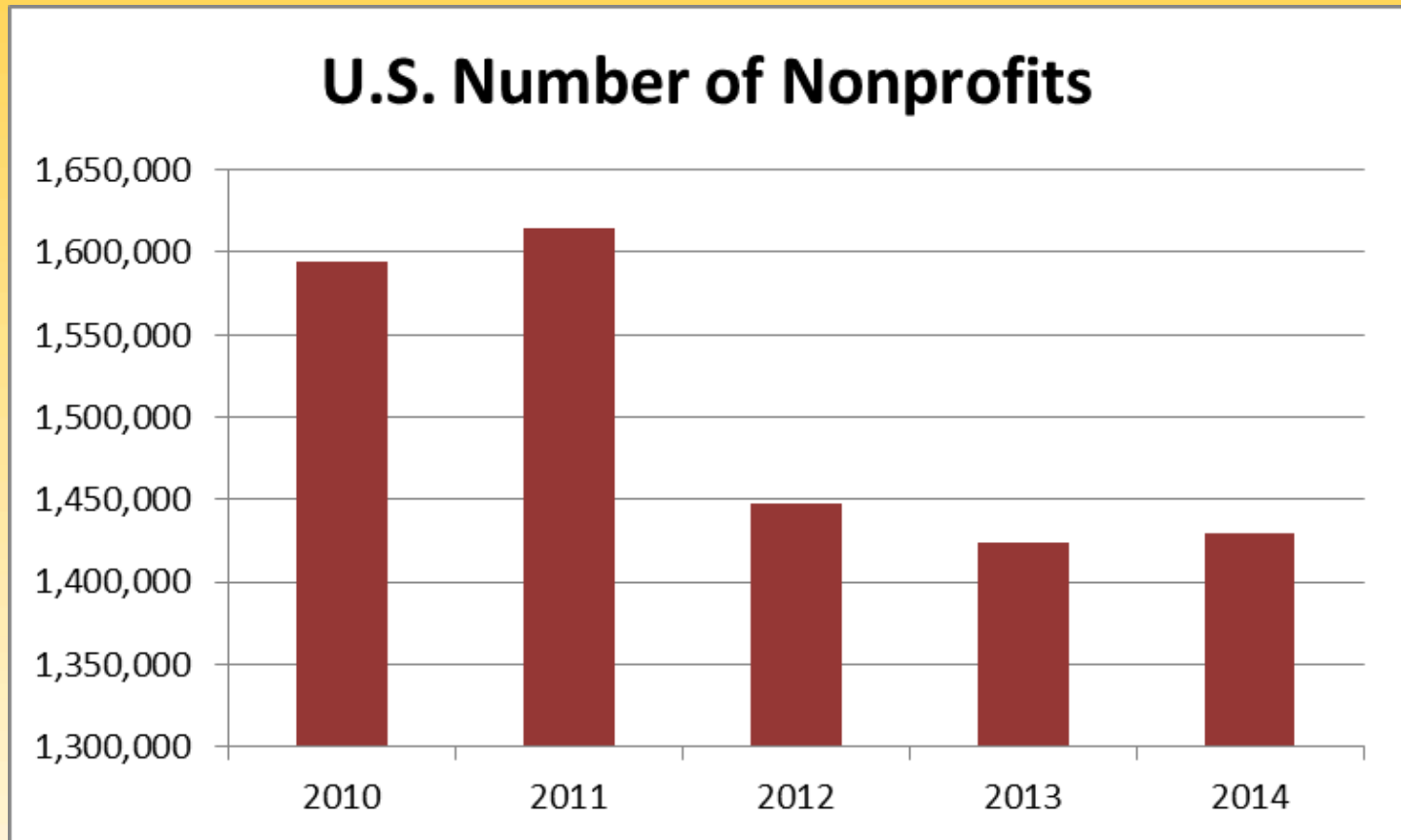


1995-2000	13.6%
2000-2005	16.3%
2005-2010	13.1%

*National Center for Charitable Statistics, U.S. Census Bureau*



# Nonprofit Change: 2010-2014



The “cleanse”

*National Center for Charitable Statistics, U.S. Census Bureau*



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# Social Life is Not Dying

Nonprofit Growth: 2000-2010

- **U.S.** gained 10% in population and 32% in the number of nonprofits.
- The most rural counties experienced a loss of 1% in population, yet the number of nonprofits increased 15%.

*National Center for Charitable Statistics, U.S. Census Bureau*



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# Social Organizations

- Reflect the social interests at any given time
- Today is not 25 (or 50, or 100) years ago!
- The people today seem unable to “connect” with the existing social infrastructure



# Changing Types of Involvement - The Social Organization (historical)

- Place-based
- Broadly focused
- Word of mouth
- Agricultural base of interests



Green & Haines. 2007. *Asset Building and Community Development*



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# Changing Types of Involvement - The Social Organization (present)

- Cover wide geographic area
- Narrowly focused goals/  
self-interest
- Diverse social interests
- Technological – social media



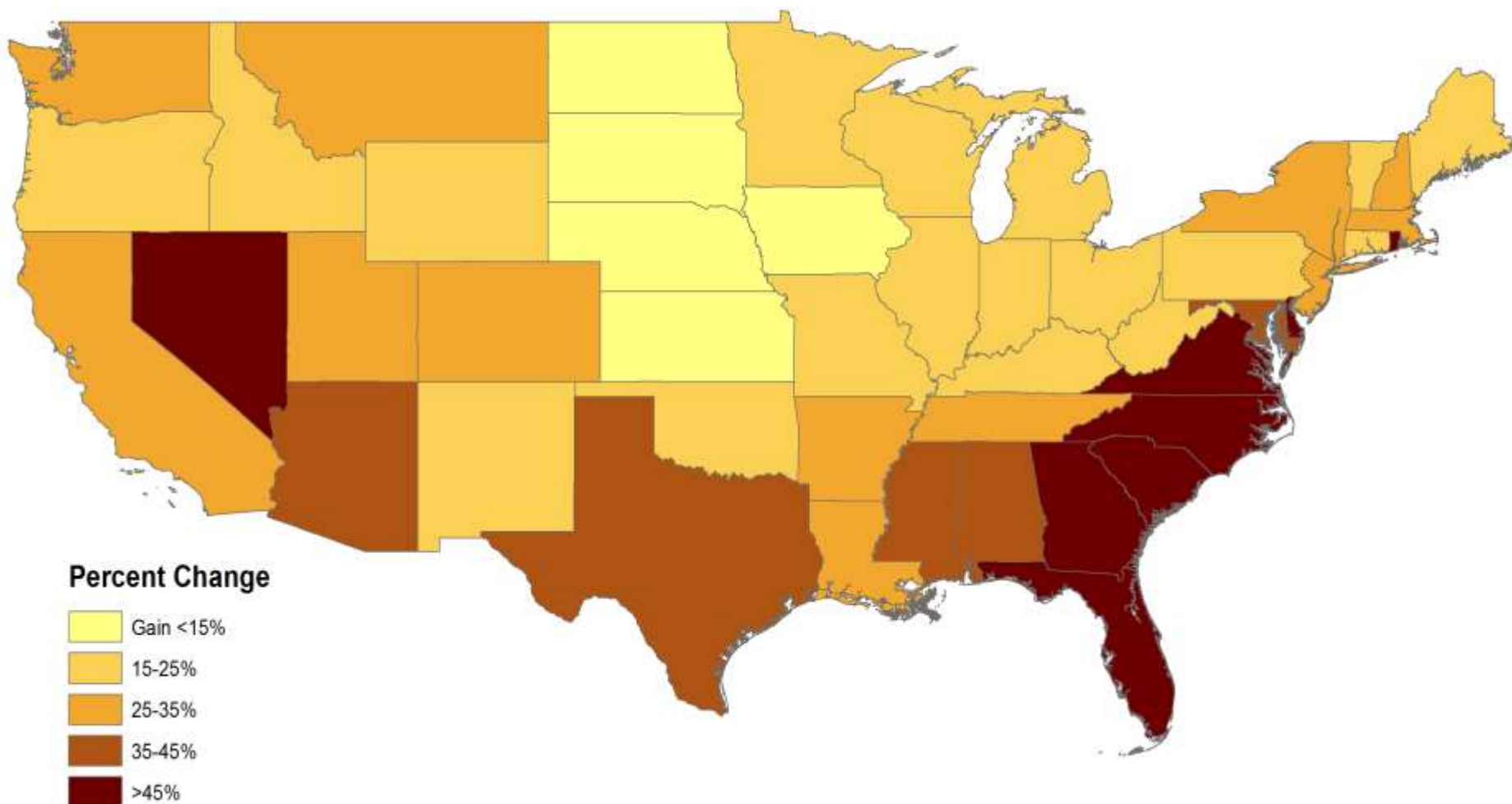
*The people today are challenged in “connecting”  
with the existing social infrastructure.*

Green & Haines. 2007. *Asset Building and Community Development*

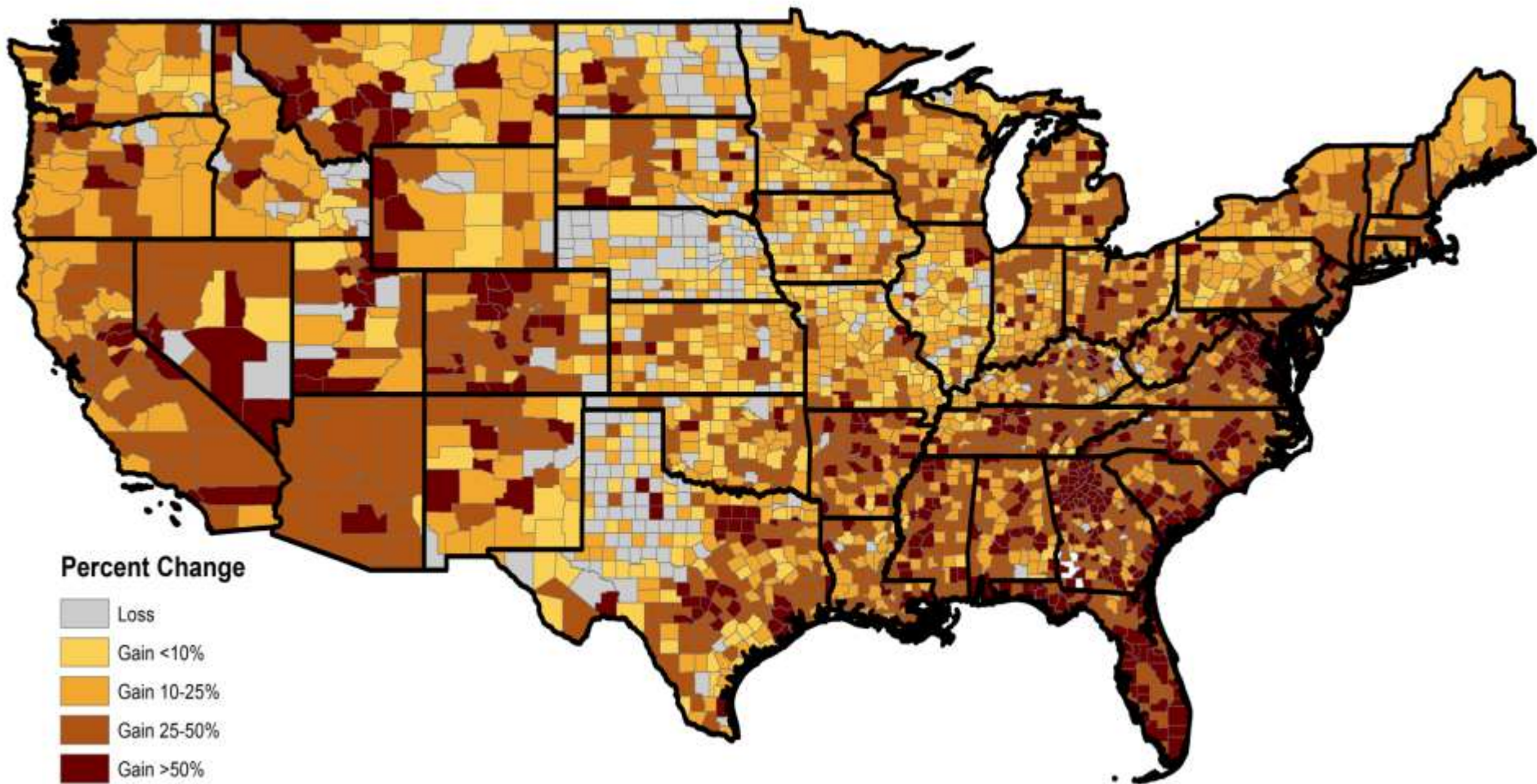


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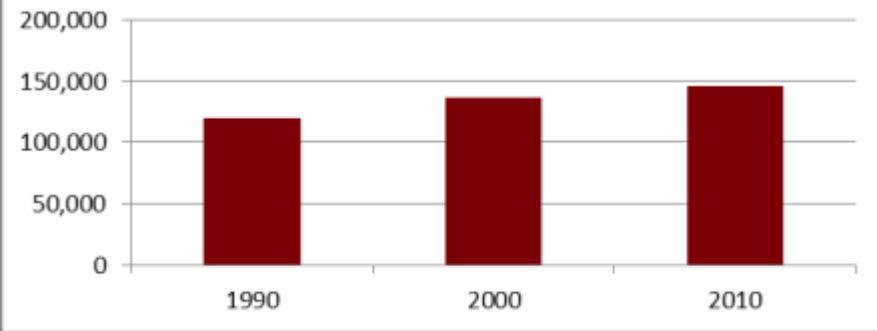
# Nonprofit Change: 2000-2010



# Nonprofit Change: 2000-2010



## Population

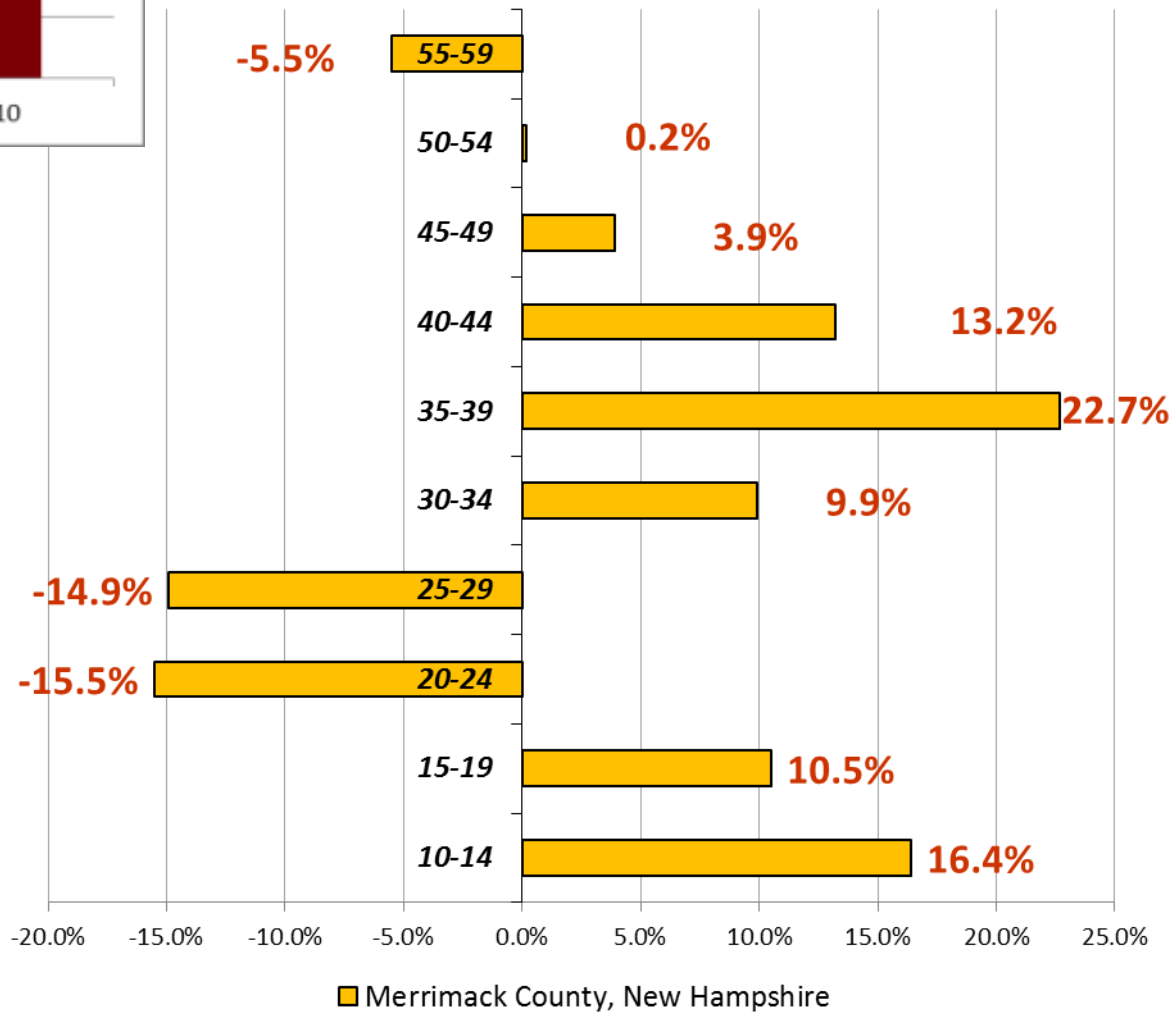


Sharon Cowen

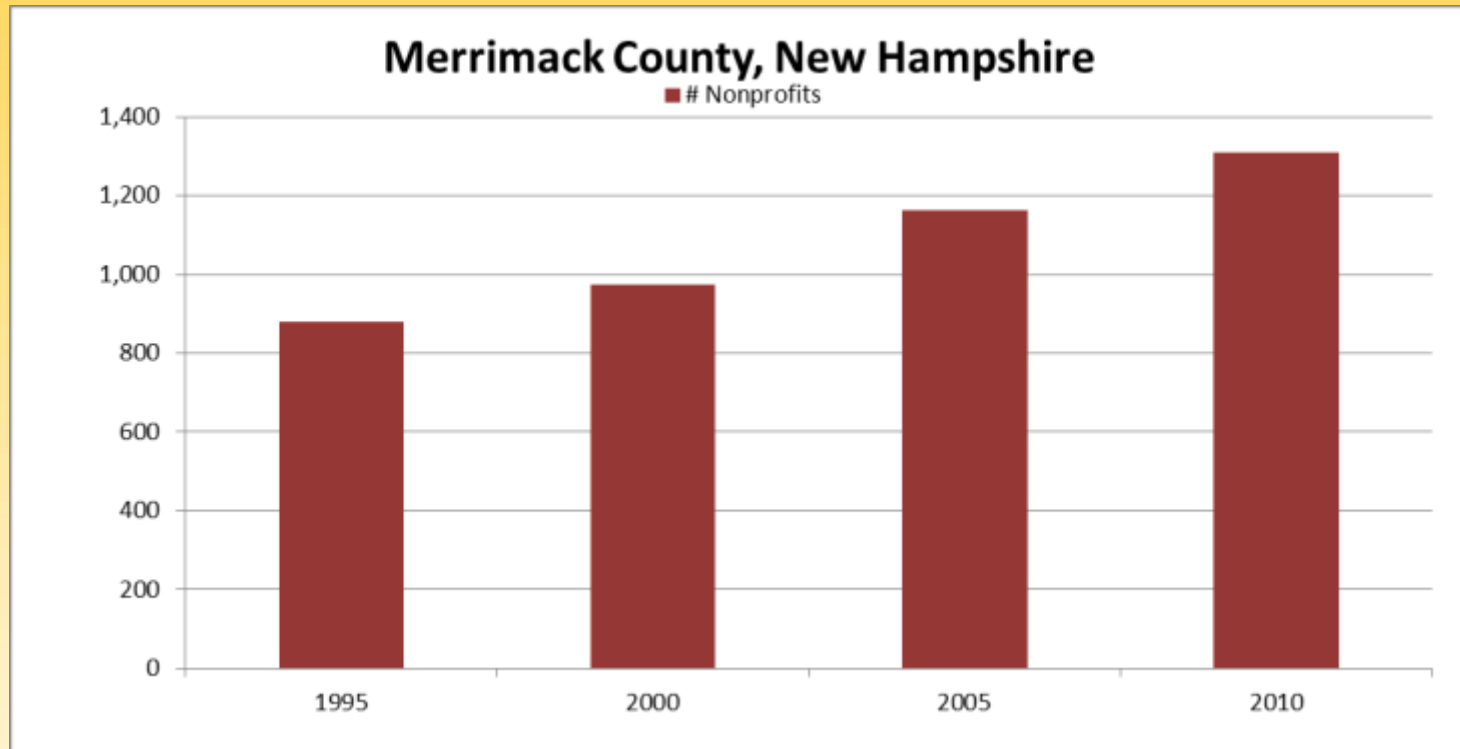
Population: 146,445  
Micropolitan

FIPS:33013

## Percent Cohort Change, 2000-2010



# Organizational Characteristics



2000-2010

% Population Change: 8%

% Nonprofit Change: 34%

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Organizational Characteristics

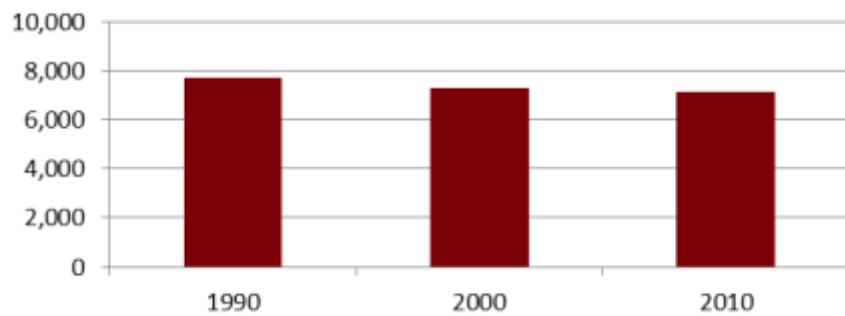
	<b><i>Merrimack County, New Hampshire</i></b>			
	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
<b><i>Number of Nonprofits</i></b>	879	974	1163	1309
<b><i>Number Filing 990</i></b>	437	480	617	879
<b><i>Revenue (of Filers)</i></b>	\$589,767,447	\$967,918,608	\$1,532,662,894	\$1,707,215,129
<b><i>Assets (of Filers)</i></b>	\$1,789,943,440	\$3,912,844,060	\$6,115,226,746	\$4,431,030,790
<b><i>Governmental Units</i></b>	62	62	62	62
<b><i>Total Organizations</i></b>	941	1,036	1,225	1,371
<b><i>Population, Total</i></b>	n/a	136,225	n/a	146,445
<b><i>Population Age 18+</i></b>	n/a	102,285	n/a	114,499
<b><i>Groups per 1,000 people</i></b>	n/a	7.6	n/a	9.4
<b><i>Revenue per Organization</i></b>	\$670,953	\$993,756	\$1,317,853	\$1,304,213
<b><i>Revenue per Person</i></b>	n/a	\$9.72	n/a	\$11.39
<b><i>Population per Organizational Role</i></b>	n/a	33	n/a	28

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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## Population

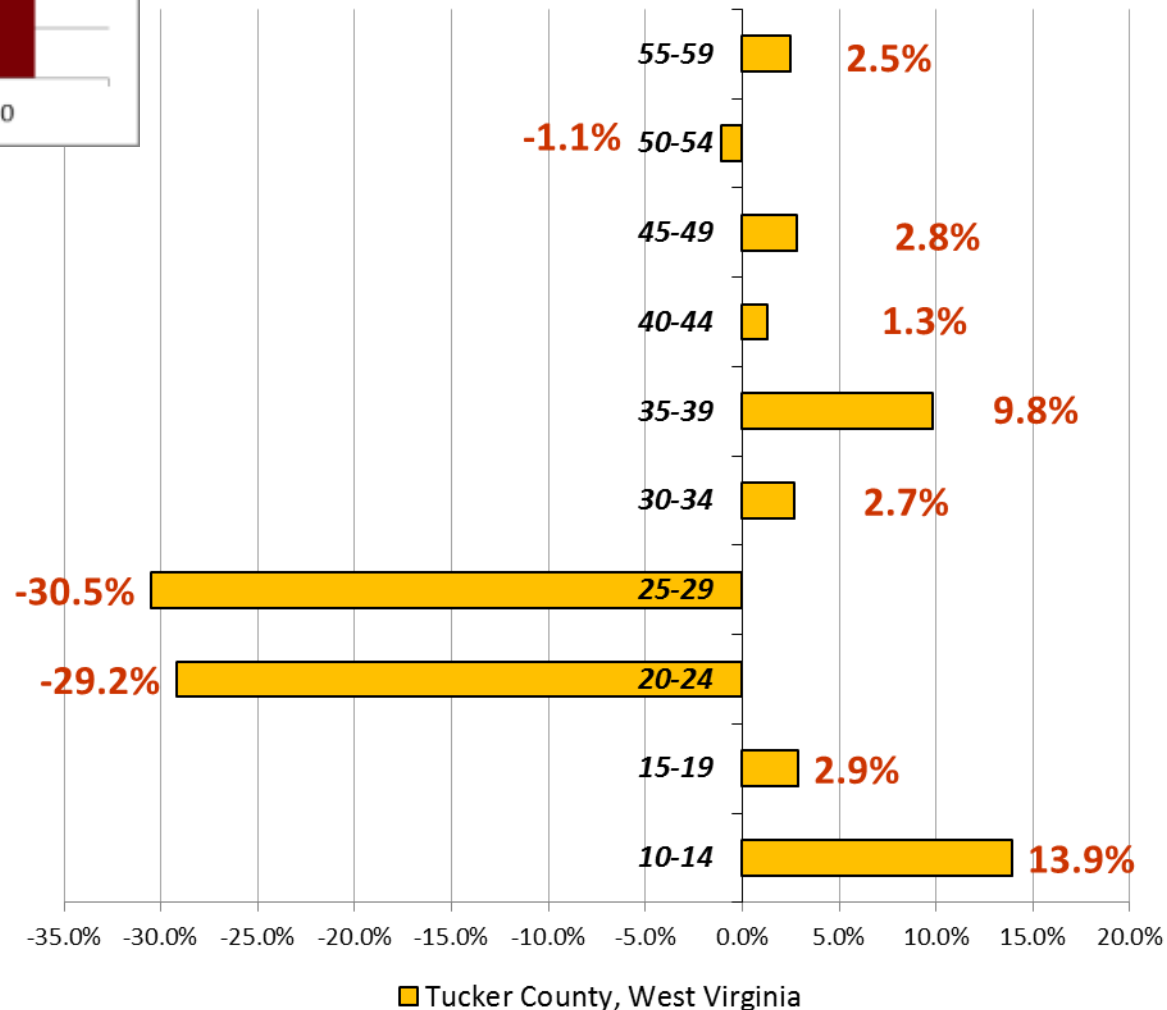


Emily Wilson-Hauger  
Anne Jones

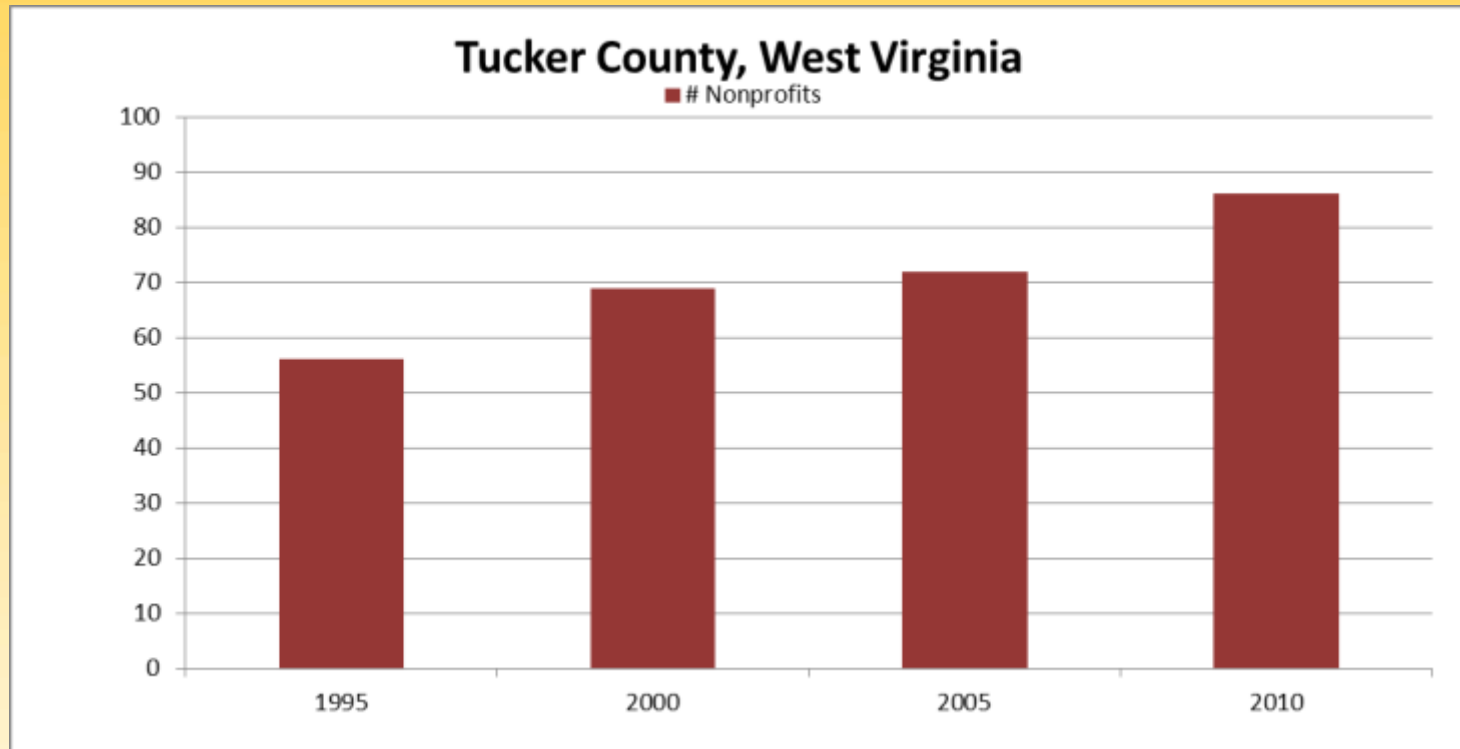
Population: 7,141

FIPS: 54093

## Percent Cohort Change, 2000-2010



# Organizational Characteristics



2000-2010

% Population Change: -2%

% Nonprofit Change: 25%

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Organizational characteristics

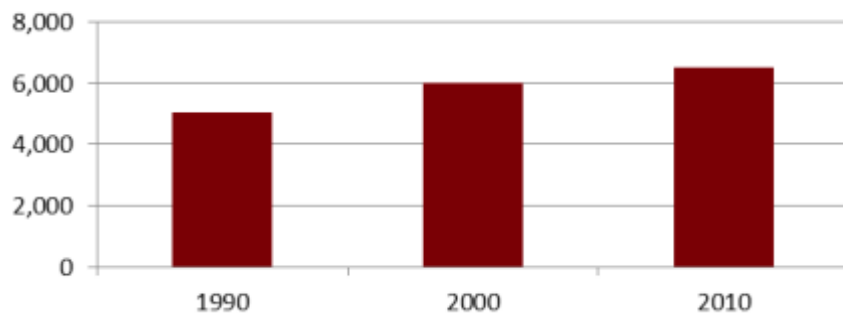
	<i><b>Tucker County, West Virginia</b></i>			
	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
<b><i>Number of Nonprofits</i></b>	56	69	72	86
<b><i>Number Filing 990</i></b>	17	22	26	53
<b><i>Revenue (of Filers)</i></b>	\$4,887,911	\$8,863,112	\$21,352,273	\$20,410,865
<b><i>Assets (of Filers)</i></b>	\$6,137,190	\$11,036,814	\$43,822,070	\$36,536,376
<b><i>Governmental Units</i></b>	10	10	10	10
<b><i>Total Organizations</i></b>	66	79	82	96
<b><i>Population, Total</i></b>	n/a	7,321	n/a	7,141
<b><i>Population Age 18+</i></b>	n/a	5,764	n/a	5,771
<b><i>Groups per 1,000 people</i></b>	n/a	10.8	n/a	13.4
<b><i>Revenue per Organization</i></b>	\$87,284	\$128,451	\$296,559	\$237,336
<b><i>Revenue per Person</i></b>	n/a	\$22.29	n/a	\$41.13
<b><i>Population per Organizational Role</i></b>	n/a	24	n/a	20

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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## Population

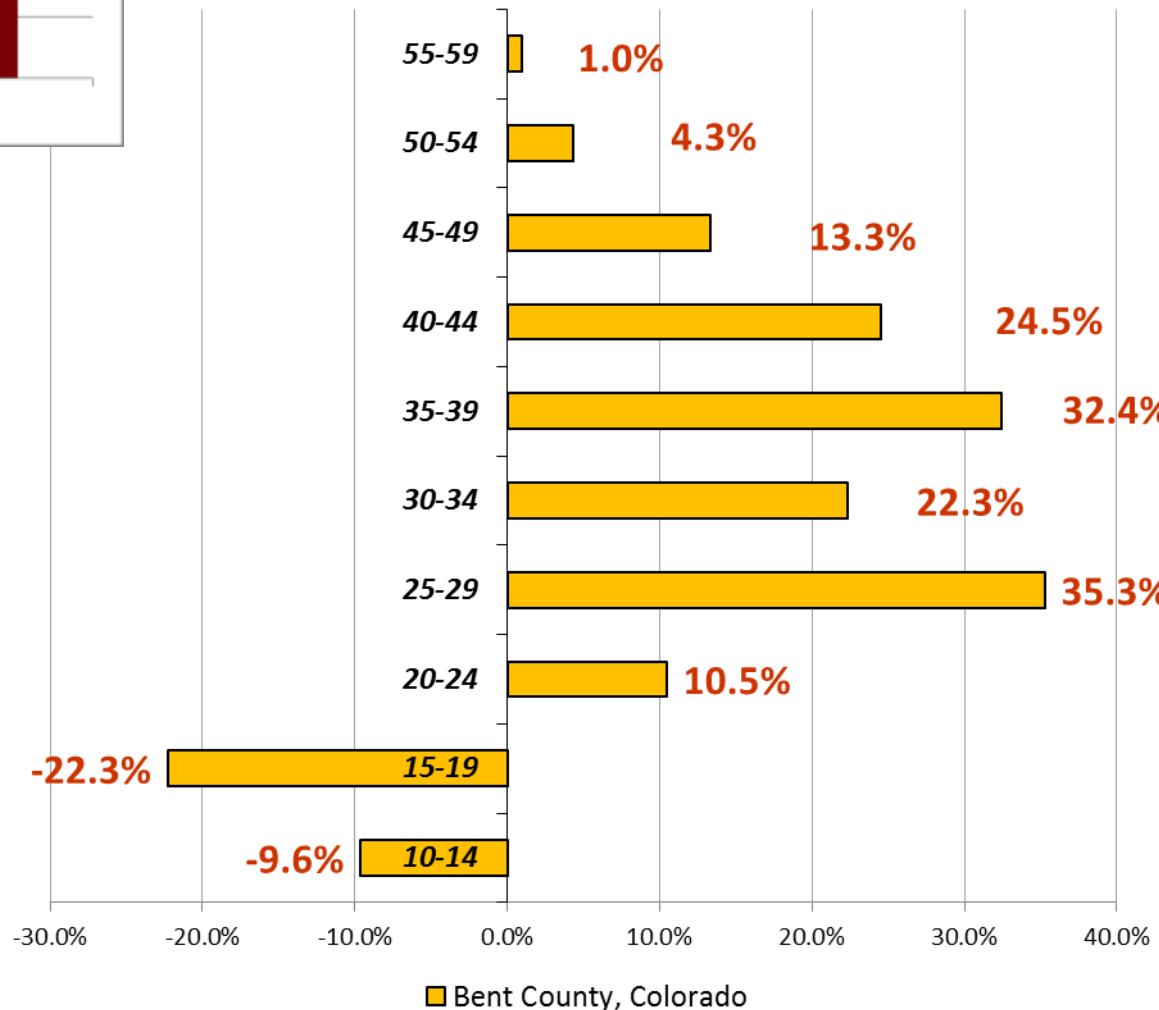


Kim MacDonnell

Population: 6,499

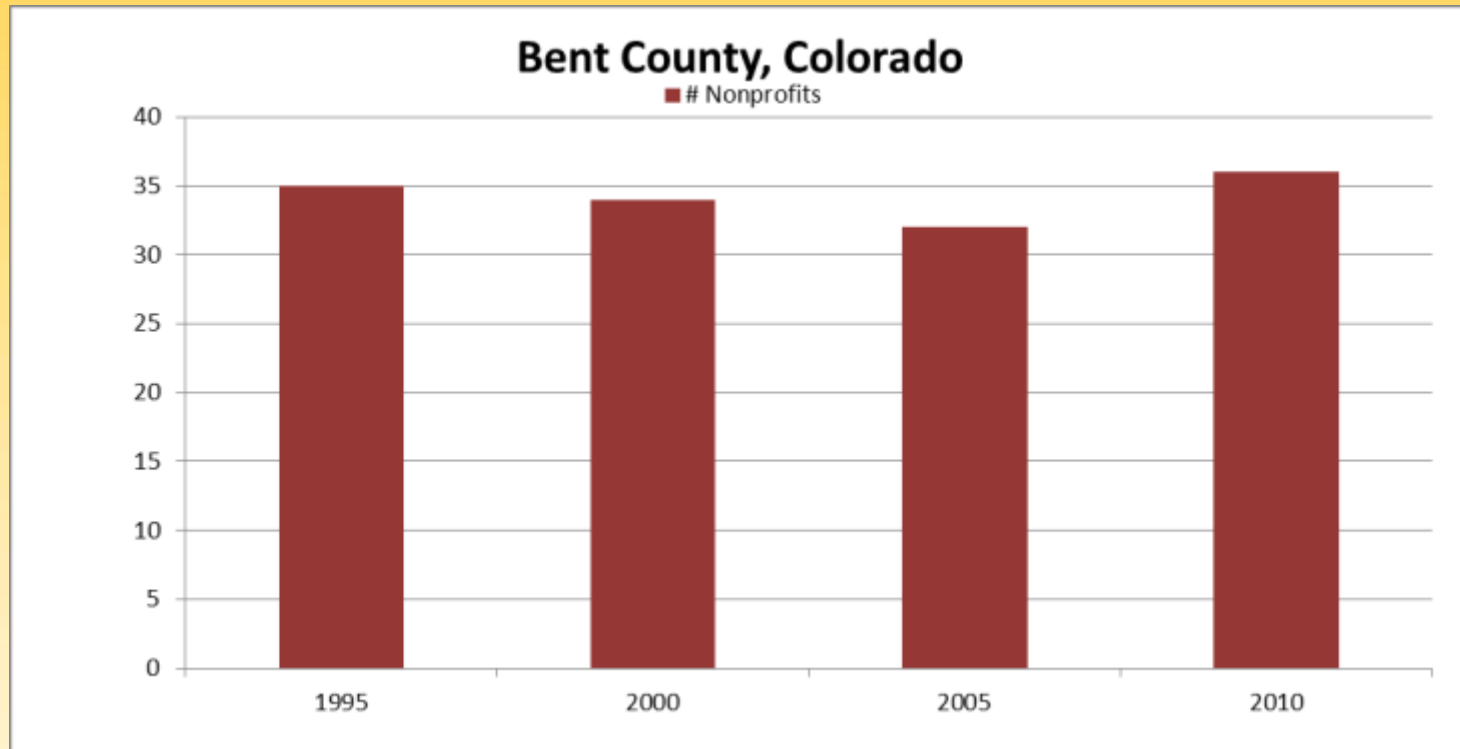
FIPS: 8011

## Percent Cohort Change, 2000-2010





# Organizational Characteristics



2000-2010

% Population Change: 8%

% Nonprofit Change: 6%

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Organizational characteristics

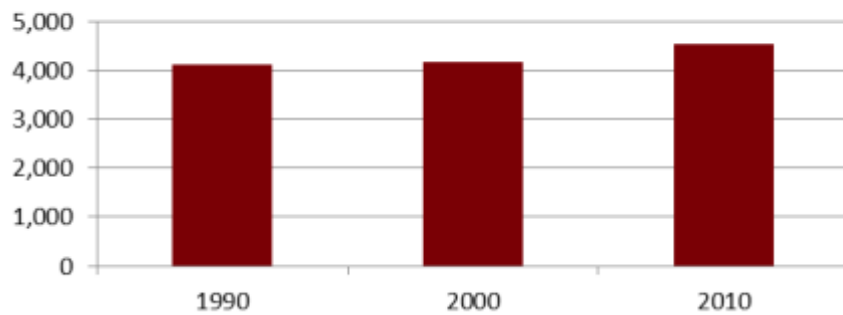
	<i><b>Bent County, Colorado</b></i>			
	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
<b>Number of Nonprofits</b>	35	34	32	36
<b>Number Filing 990</b>	10	10	10	23
<b>Revenue (of Filers)</b>	\$2,594,377	\$2,439,640	\$2,842,616	\$3,132,918
<b>Assets (of Filers)</b>	\$5,749,077	\$6,398,671	\$8,655,633	\$11,053,315
<b>Governmental Units</b>	15	15	15	15
<b>Total Organizations</b>	50	49	47	51
<b>Population, Total</b>	n/a	5,998	n/a	6,499
<b>Population Age 18+</b>	n/a	4,573	n/a	5,403
<b>Groups per 1,000 people</b>	n/a	8.2	n/a	7.8
<b>Revenue per Organization</b>	\$74,125	\$71,754	\$88,832	\$87,026
<b>Revenue per Person</b>	n/a	\$15.69	n/a	\$16.11
<b>Population per Organizational Role</b>	n/a	31	n/a	35

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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## Population

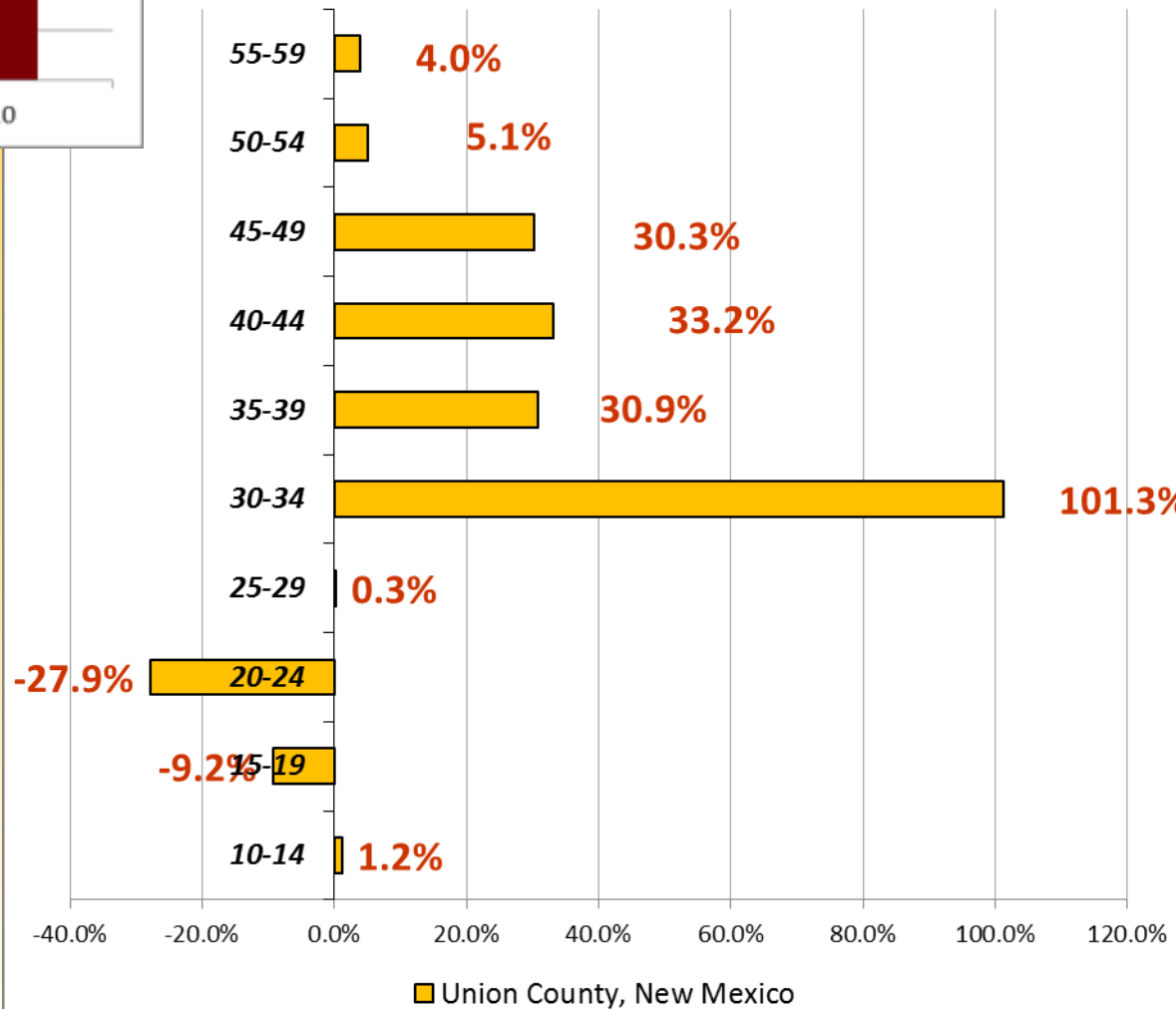


Aaron Walker

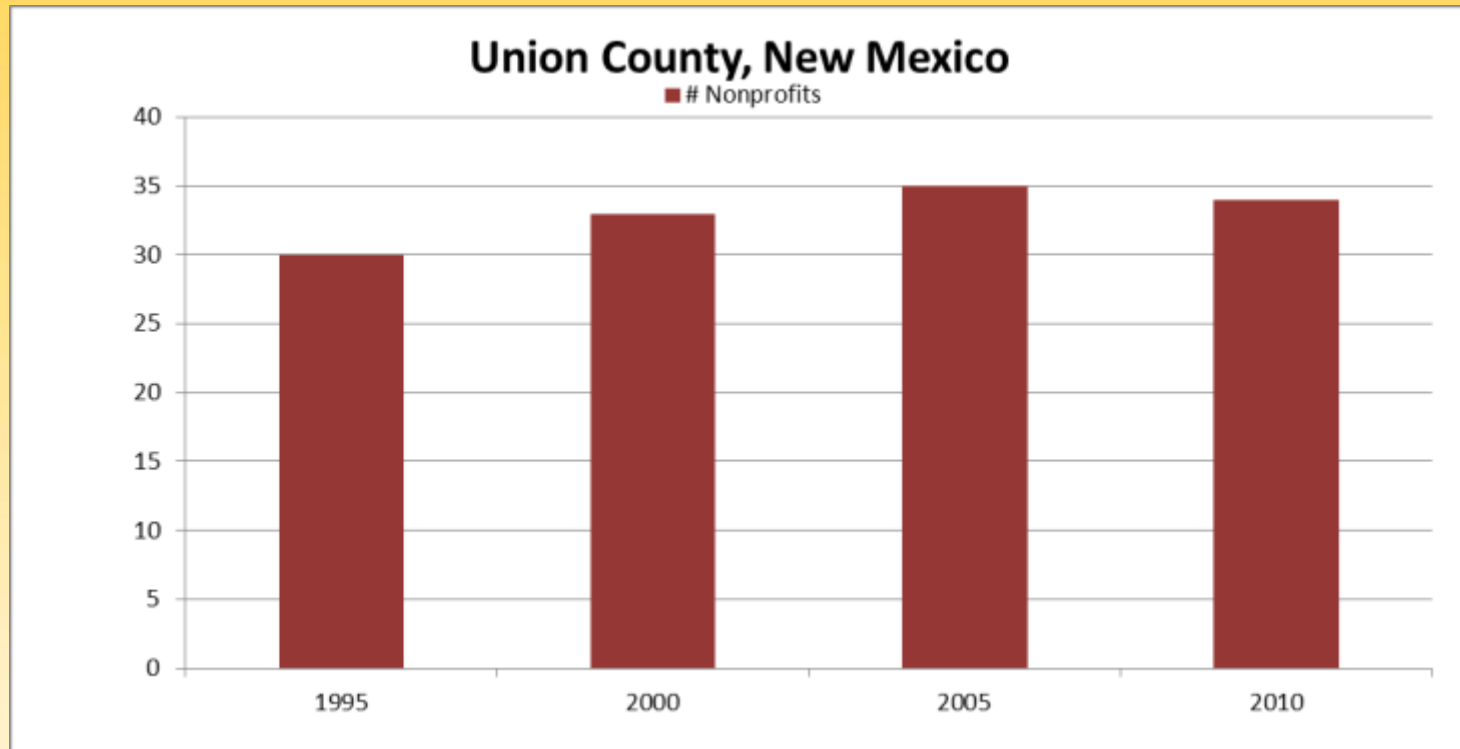
Population: 4,549

FIPS: 35059

## Percent Cohort Change, 2000-2010



# Organizational Characteristics



2000-2010

% Population Change: 9%

% Nonprofit Change: 3%

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Organizational characteristics

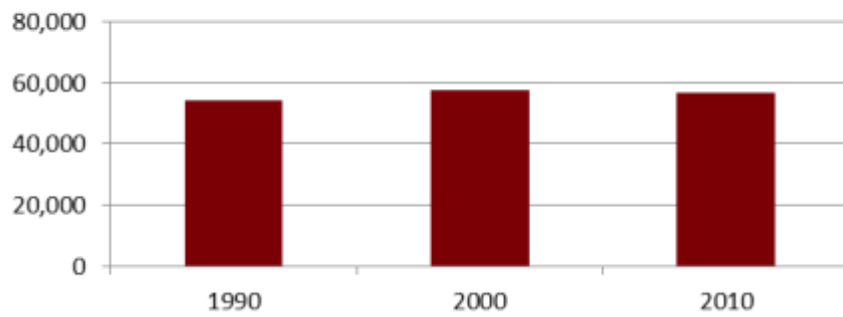
	<i>Union County, New Mexico</i>			
	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
<b><i>Number of Nonprofits</i></b>	30	33	35	34
<b><i>Number Filing 990</i></b>	3	8	10	18
<b><i>Revenue (of Filers)</i></b>	\$19,723,869	\$14,824,800	\$25,079,146	\$43,034,643
<b><i>Assets (of Filers)</i></b>	\$12,858,524	\$11,168,641	\$20,539,836	\$40,339,595
<b><i>Governmental Units</i></b>	9	9	9	9
<b><i>Total Organizations</i></b>	39	42	44	43
<b><i>Population, Total</i></b>	n/a	4,174	n/a	4,549
<b><i>Population Age 18+</i></b>	n/a	3,033	n/a	3,619
<b><i>Groups per 1,000 people</i></b>	n/a	10.1	n/a	9.5
<b><i>Revenue per Organization</i></b>	\$657,462	\$449,236	\$716,547	\$1,265,725
<b><i>Revenue per Person</i></b>	n/a	\$148.12	n/a	\$349.74
<b><i>Population per Organizational Role</i></b>	n/a	24	n/a	28

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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## Population

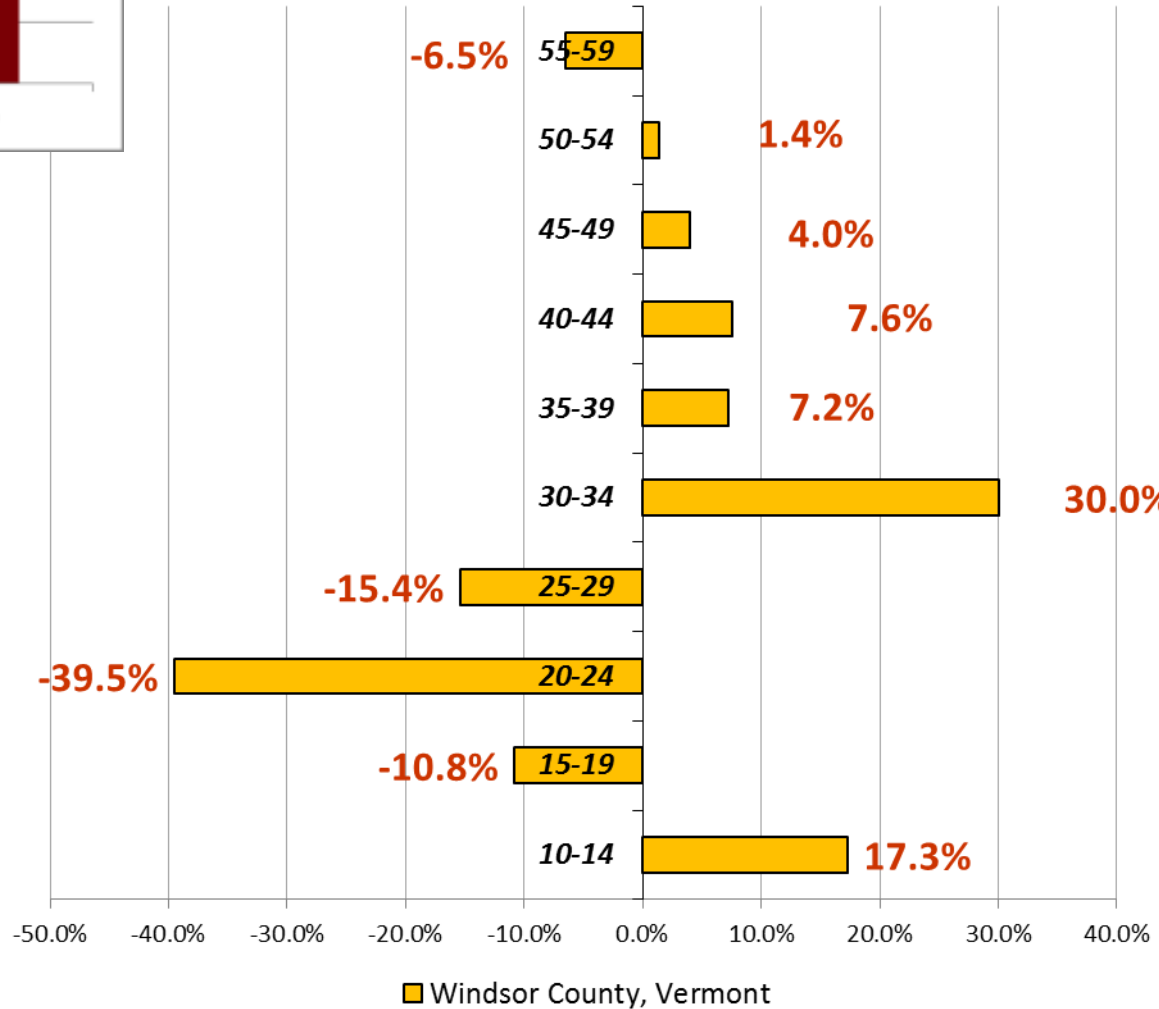


Loralee Morrow

Population: 56,670  
Micropolitan

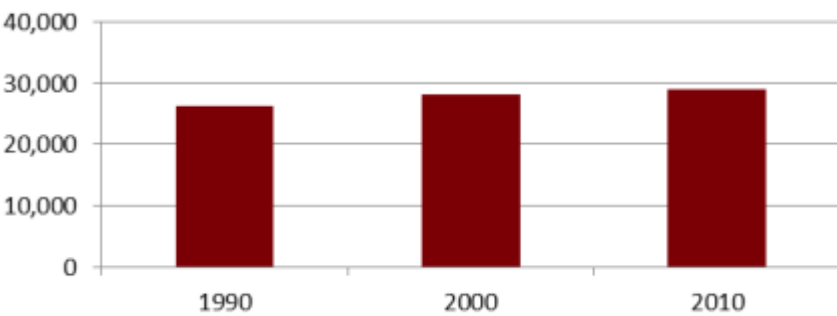
FIPS: 50027

## Percent Cohort Change, 2000-2010





## Population

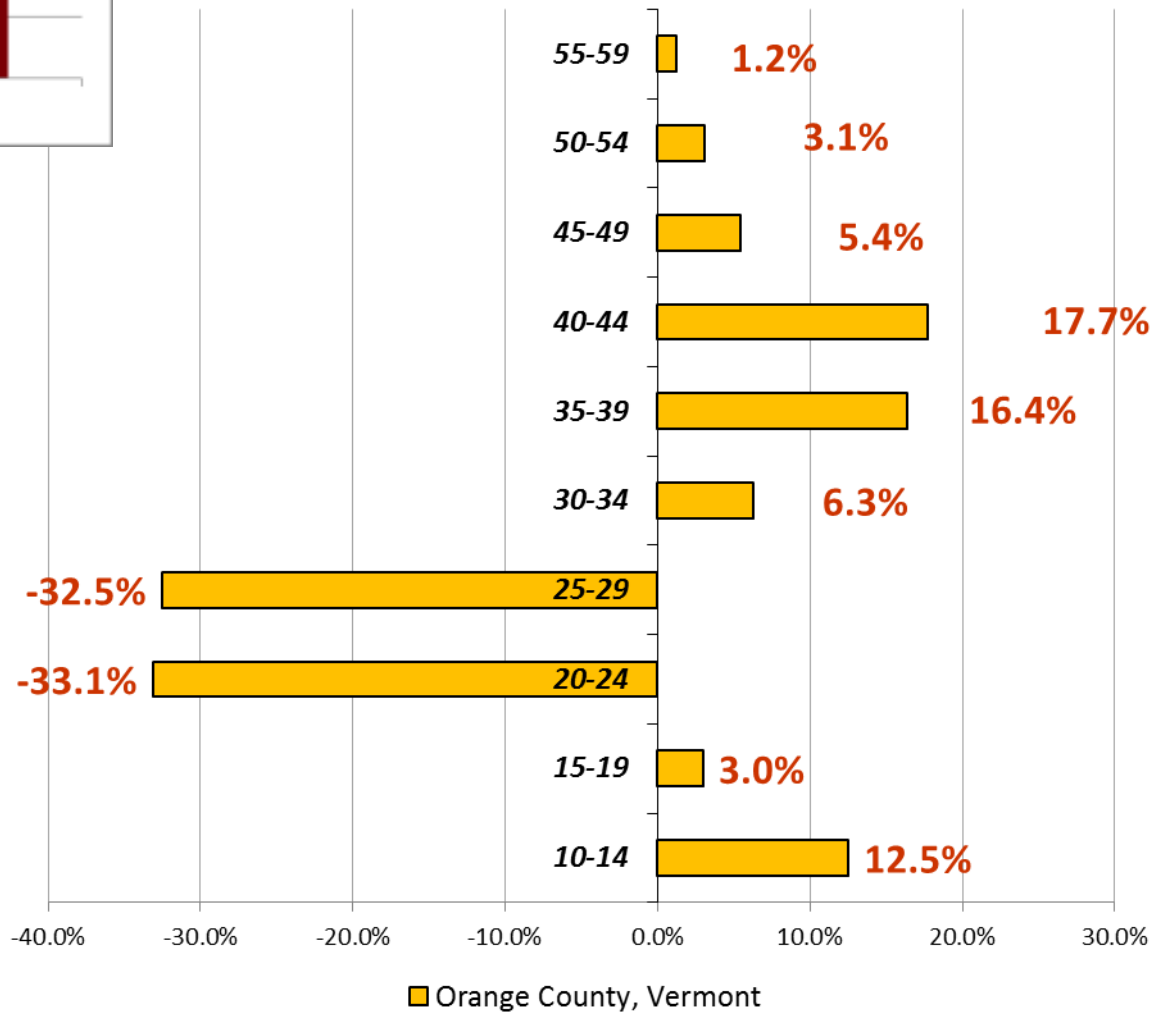


Loralee Morrow

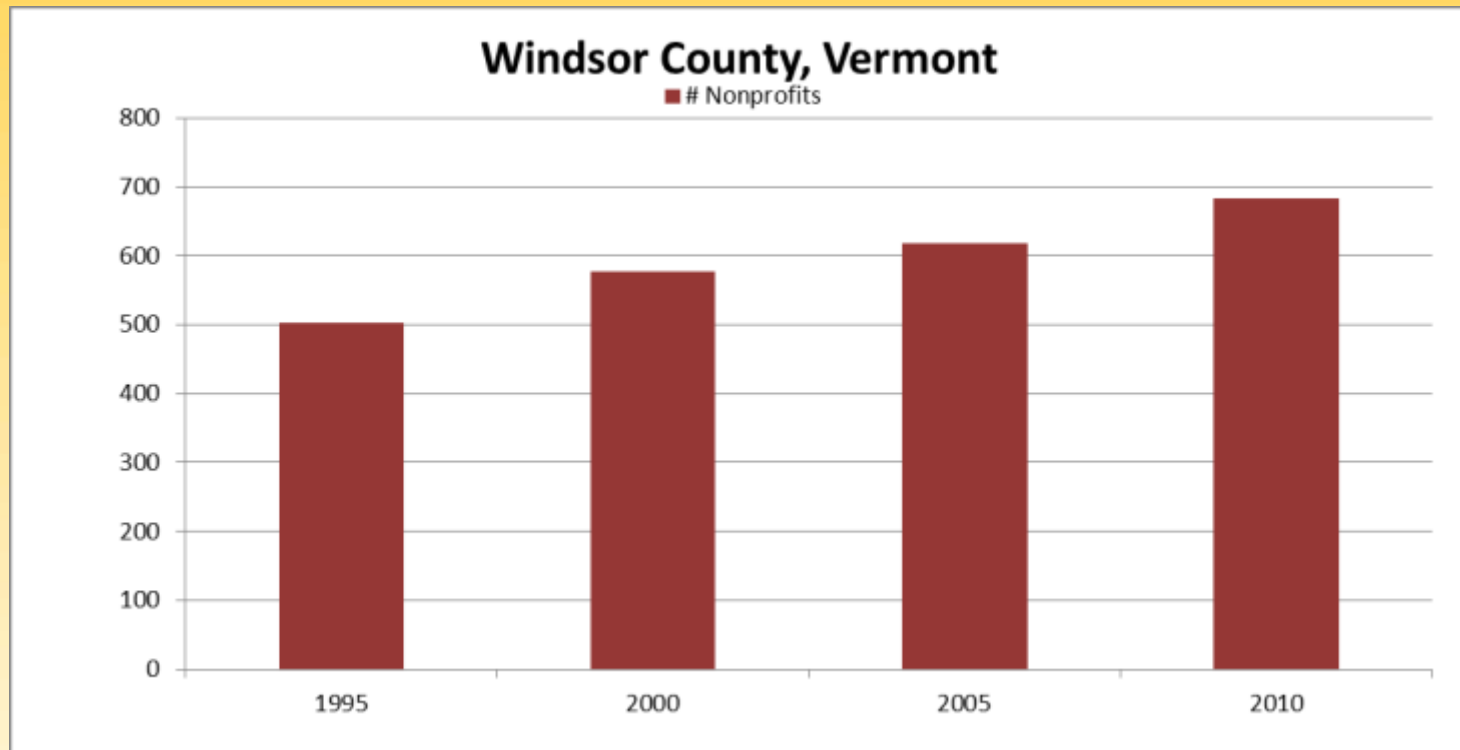
Population: 28,936  
Micropolitan

FIPS: 50017

## Percent Cohort Change, 2000-2010



# Organizational Characteristics



2000-2010

% Population Change: -1%

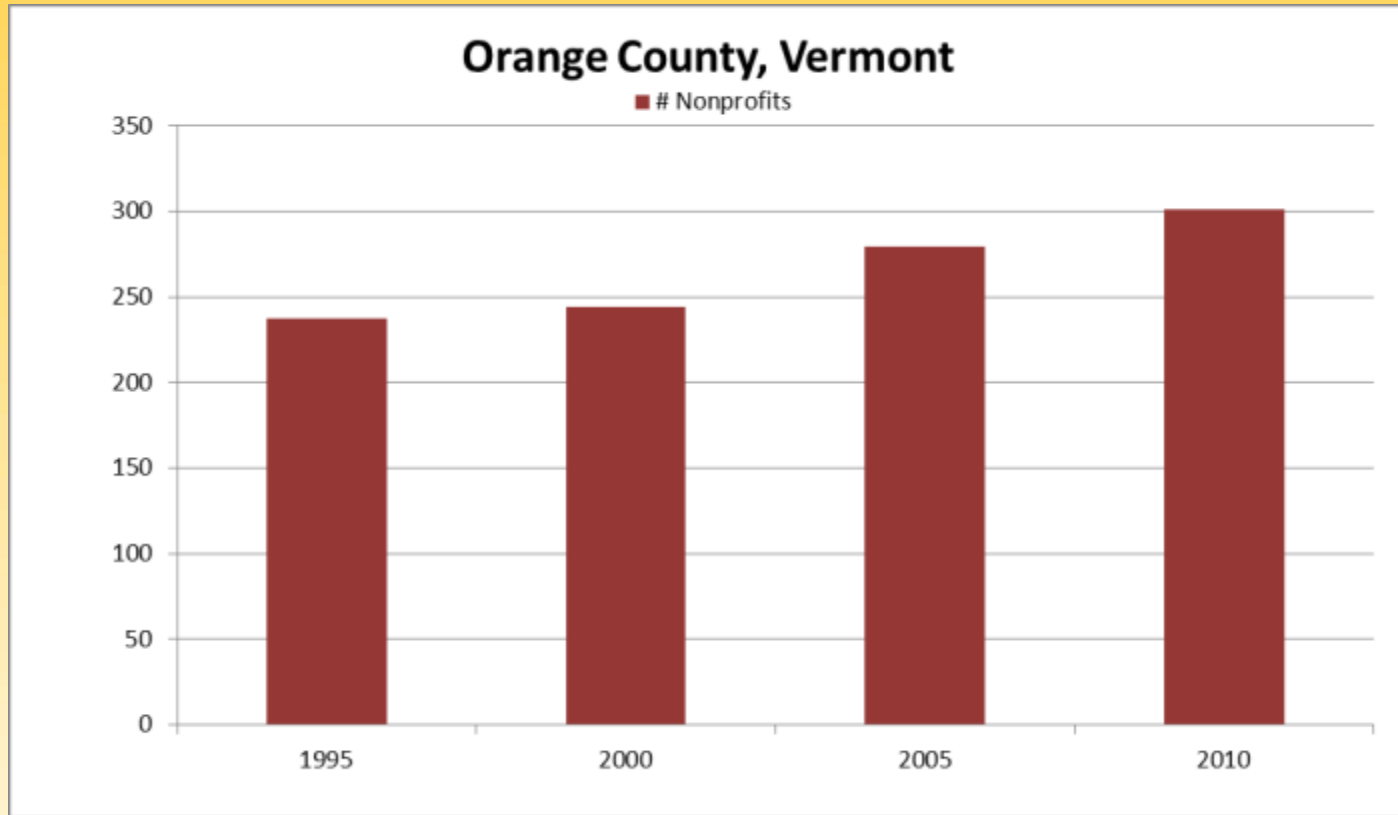
% Nonprofit Change: 19%

*Note: The "Number filing 990" generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Organizational Characteristics



2000-2010

% Population Change: 3%

% Nonprofit Change: 23%

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Organizational characteristics

	<i><b>Windsor County, Vermont</b></i>			
	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
<i><b>Number of Nonprofits</b></i>	502	577	618	684
<i><b>Number Filing 990</b></i>	204	233	281	404
<i><b>Revenue (of Filers)</b></i>	\$98,543,303	\$146,673,305	\$262,654,029	\$405,913,298
<i><b>Assets (of Filers)</b></i>	\$172,426,372	\$287,508,891	\$427,882,935	\$577,557,082
<i><b>Governmental Units</b></i>	66	66	66	66
<i><b>Total Organizations</b></i>	568	643	684	750
<i><b>Population, Total</b></i>	n/a	57,418	n/a	56,670
<i><b>Population Age 18+</b></i>	n/a	44,017	n/a	45,421
<i><b>Groups per 1,000 people</b></i>	n/a	11.2	n/a	13.2
<i><b>Revenue per Organization</b></i>	\$196,301	\$254,200	\$425,007	\$593,440
<i><b>Revenue per Person</b></i>	n/a	\$5.78	n/a	\$13.07
<i><b>Population per Organizational Role</b></i>	n/a	23	n/a	20

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Organizational characteristics

	<b>Orange County, Vermont</b>			
	<b>1995</b>	<b>2000</b>	<b>2005</b>	<b>2010</b>
<b>Number of Nonprofits</b>	237	244	279	301
<b>Number Filing 990</b>	85	81	93	176
<b>Revenue (of Filers)</b>	\$39,422,589	\$44,543,439	\$95,844,349	\$96,883,400
<b>Assets (of Filers)</b>	\$39,902,242	\$66,254,620	\$491,079,719	\$146,199,791
<b>Governmental Units</b>	43	43	43	43
<b>Total Organizations</b>	280	287	322	344
<b>Population, Total</b>	n/a	28,226	n/a	28,936
<b>Population Age 18+</b>	n/a	20,997	n/a	22,887
<b>Groups per 1,000 people</b>	n/a	10.2	n/a	11.9
<b>Revenue per Organization</b>	\$166,340	\$182,555	\$343,528	\$321,872
<b>Revenue per Person</b>	n/a	\$8.69	n/a	\$14.06
<b>Population per Organizational Role</b>	n/a	24	n/a	22

*Note: The “Number filing 990” generally indicates filing by organizations with gross receipts of \$50,000 or more.*



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# Rural Brain Gain Trend

- The growth is primarily in the 30 to 49 age group – this in-migration into rural communities can be just about equal to that of the out-migration of youth – the “Brain Drain”.
- These people are bringing children aged 10-17.
- There is an interchange between core urban, suburban, and rural places.
- This interchange (loss and gain) is necessary for influx of new ideas to cultivate social capital.





# Newcomers: Why?





# Newcomers: Who?

- 36% lived there previously
- 68%(MN) 40% (NE) attain bachelors degree
- 67% (MN) 48% (NE) household incomes over \$50k
- 51% (MN) 43% (NE) have children in household
- They are generally leaving their career
- Underemployed in current situation
- Yet, Quality of Life is the trump card



# The trend, continued

- The movement of people is consistent and large, it's not all about outmigration.
- Those moving to rural areas are in their prime earning years.
- Isn't this a net BRAIN GAIN?
- This movement has occurred without a concerted effort to recruit or attract them.
- High levels of entrepreneurship and small business ownership.



# Economic Impact of Newcomers

- The surveyed newcomers reported \$6.6 million in household income in 2009 and 2010. This equates to an average household income of \$66,000.
- New, expanded, or relocated businesses owned by the newcomers reported spending \$108,000 in the region.
- The total economic impact of the surveyed newcomers' business and household spending is \$9.1 million, including 174 jobs and \$7.2 million in labor income (including wages, salaries, and benefits).
- The survey was not random, and therefore the results cannot be generalized beyond the study region, the average newcomer household contributed \$92,000 in economic activity to the region in 2009 and 2010.



# Rewrite the Narrative

- National societal preferences to live in small towns and rural places
- Not everyone is leaving small towns
- A new urbanity is found in formerly rural places
- The trend continued in the 2000s, albeit slowed
  - Fuel prices high, mortgage crisis
  - Vacant (available) housing down



# Midwest

- Iowa New Movers Study
  - <http://www.cvcia.org/content/projects/8.migration.and.population/index.html>
- Dakota Roots
  - <http://dakotaroots.com/>
- Nebraska Rural Living
  - <http://www.nebraskaruralliving.com/>
- Norfolk Area Recruiters
  - <http://www.norfolkarea.org/>
- South Dakota Rural Enterprise
  - <http://www.sdrei.org/bringbak.htm>
- Wayne Works
  - <http://www.waynetworks.org/>
- South Dakota Seeds
  - <http://www.dakotaseeds.com/>





# Organization Data Sources

## National Center For Charitable Statistics

- Historical number of nonprofits by type
  - <http://nccsweb.urban.org/tablewiz/bmf.php>
- List of Nonprofit Names
  - <http://nccsweb.urban.org/PubApps/statePicker.php?prog=geoCounties&param=q>
- Nonprofits by Zip Code
  - <http://www.melissadata.com/lookups/np.asp>



# Symposium on Small Towns

- Midwest region June 4-5, 2014
- Proceedings available  
<http://z.umn.edu/ruralmigration/>
- Listserv



