

Occasional Policy Brief Series

DOES RURAL GREAT PLAINS DEPOPULATION REFLECT FAILED PUBLIC POLICY?

Kenneth M. Johnson and Richard W. Rathge

Overview

- Between 1950 and 2000, the Great Plains region grew by 4.3 million people, yet 67% of its counties, mostly farm-dependent, lost population.
- Farm counties lost more than a half million people (27%) since 1950.
- Nearly two-thirds of all Great Plains residents now live in 41 metropolitan counties; only 12% live in 278 farm counties.
- During every decade over the past half century, young adults, ages 20 to 34, left farm counties in rates that exceeded 40%.
- Farm counties lost one-third of their entry labor pool (ages 20 to 34) between 1980 and 2000 while the remaining nonmetropolitan counties lost 23% or 169,000 workers.
- Success in the rural Great Plains requires a new policy framework.

About the Data

- The data presented in this Policy Brief are from Kenneth M. Johnson and Richard W. Rathge “Agricultural Dependence and Changing Population in the Rural Great Plains” in *Population Change and Rural Society*. Edited by William A. Kandel and David L. Brown. 2006. Springer.
- Series sponsored by Western Region Multi-State Project, W1001, *Population Change in Rural Communities*.

Does Rural Great Plains Depopulation Reflect Failed Public Policy?

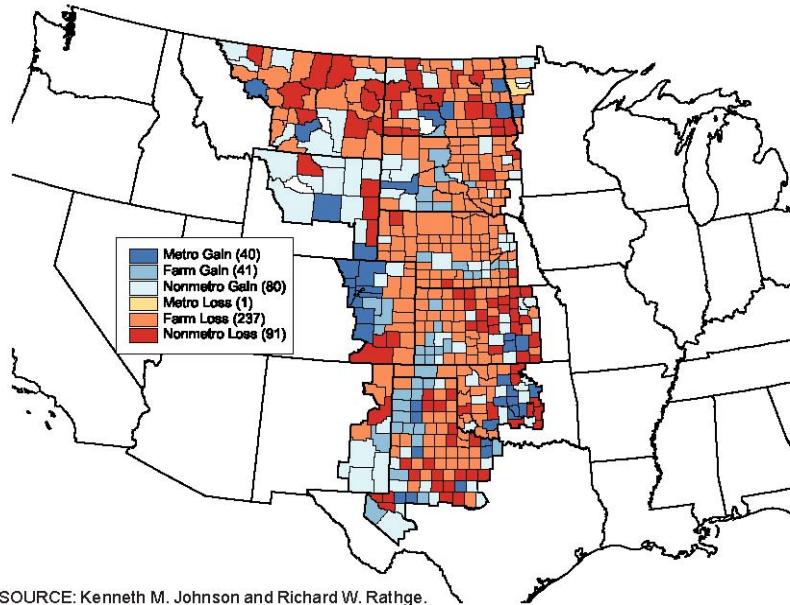
The dramatic and continuing population decline of the rural Great Plains suggests a new approach to rural policy is needed. This is reinforced by the substantial and widespread nature of rural population loss that pervades the region. A critical question that is often asked is, “Why should we invest in the rural Great Plains?” According to Karl Stabler¹, President of the Northwest Area Foundation, investment in the rural Great Plains is simply good public policy. Such an investment maintains and protects the environment, provides a reliable source of high-quality food and fiber, equalizes population distributions to prevent urban overcrowding, and upholds the social contract made to those who helped settle this territory for the betterment of the larger society.

What is the Rural Great Plains?

The Great Plains encompasses much of the nation’s midsection running from parts of Montana and Minnesota in the north to parts of New Mexico and Texas in the south (see Figure 1). It is unique because it is rural and has long depended on agriculture. Only 41 of the region’s 490 counties are metropolitan and more than half of its counties are farm-dependent (i.e., farming contributed at least 20 percent of the county’s total labor and proprietor income between 1987 and 1989).

What makes population change in the Great Plains challenging is its complexity. Over the past half century, the region has grown by 4.3 million people. Yet, 67 percent of the counties in the region lost population, the vast majority of which were farm-dependent counties. In fact, during the past 50 years the farm-dependent counties in the region lost more than 27 percent of their population base or more than a half million people.

Figure 1.
Population Change by County Type within the Great Plains:
1950 to 2000

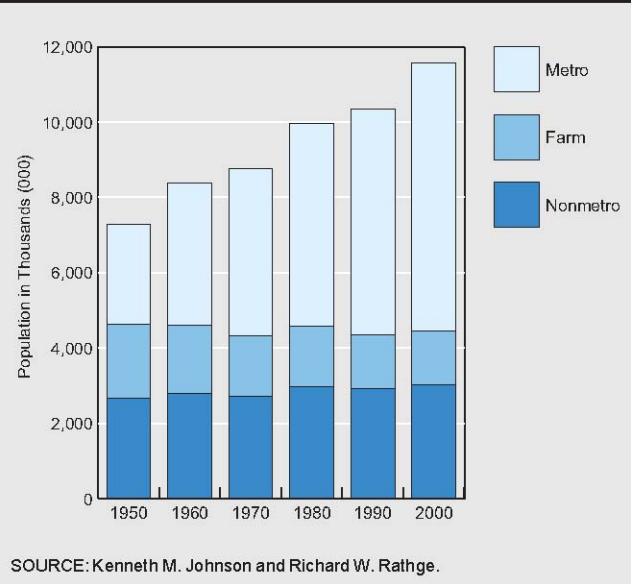


This depopulation of the rural countryside has dramatically transformed the region’s landscape. Many of the rural towns and villages that once dotted the region have vanished or dwindled to skeletons of once vibrant trade centers. The age-selective nature of the rural population loss compounds the problem as young adults and families vanish leaving behind an aging population. In short, the future of the rural Great Plains may be bleak without some form of intervention.

Population Consolidation

The difficult situation in the Great Plains results from its dramatic population consolidation over the past 50 years. In 1950, the population of the region was almost evenly divided among its metropolitan counties (36 percent), farm-dependent counties (27 percent) and other nonmetropolitan counties (37 percent) as shown in Figure 2. However, significant changes that occurred in agriculture since 1950 profoundly altered the region’s residential distribution. Technological advances that allowed farmers to operate greater tracts of land displaced growing numbers of farmers and their families, and pushed them to the cities within the region or elsewhere for alternative employment. The shrinking rural market produced by this outmigration hurt downtown businesses in the region’s rural communities causing many to close, thereby creating a downward cycle of population loss. In contrast, metropolitan centers thrived as employment magnets. By the year 2000 nearly two of three residents in the region lived in its 41 metropolitan counties while only 12 percent lived in its 278 farm-dependent counties.

Figure 2.
Distribution of Population by County Type
within the Great Plains



Migration and Natural Change

Population change within the region results from the complex interaction of migration, births, deaths, and shifting age structure. As noted in Figure 3, a

significant force behind population shifts in the region has been migration. The region's metropolitan areas had a net gain of more than a million people between 1970 and 2000 as a result of migration. In contrast, the remaining portion of the region saw net outmigration of residents every decade except during the 1970s.

counties of the region significantly reduced their birth rates. In fact, more than half of these counties recorded more deaths than births between 1990 and 2000.

Age-Specific Migration

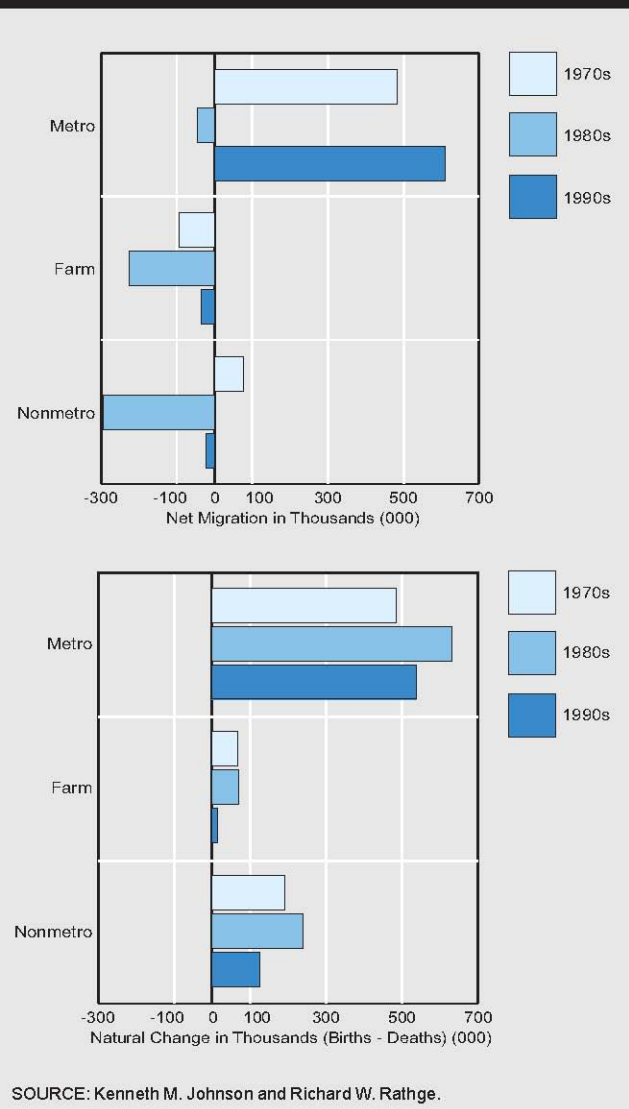
The age-specific migration patterns that occurred in the Great Plains during the past half-century are compelling. These trends are illustrated in Figure 4 and show the level of net migration by 5-year age groups for each decade. The three graphs isolate age-specific migration for metropolitan, farm-dependent, and remaining nonmetropolitan counties. The rate of net migration is measured per 100 persons within a specific age group. If the line is above zero, then net immigration occurred while lines below zero represent net outmigration.

Metropolitan counties had net immigration for almost all age groups for three of the five decades since 1950. Major exceptions were the decades of the 1960s and 1980s. The greatest level of net immigration was among the young adult population and reached as high as 40 percent during the 1950s. This graph highlights the attraction of people to the large cities within the region, especially those in their early career stages with young children.

In sharp contrast, the farm-dependent counties experienced net outmigration of residents from almost every age group across all decades for the past half century. Losses are greatest among the 20 to 24 age group. For every decade over the past half century, young adults left the farm-dependent counties at rates exceeding 40 percent. A slight resurgence among those in their mid 30s occurred in farm-dependent counties during the 1980s and 1990s, but it was not sustained.

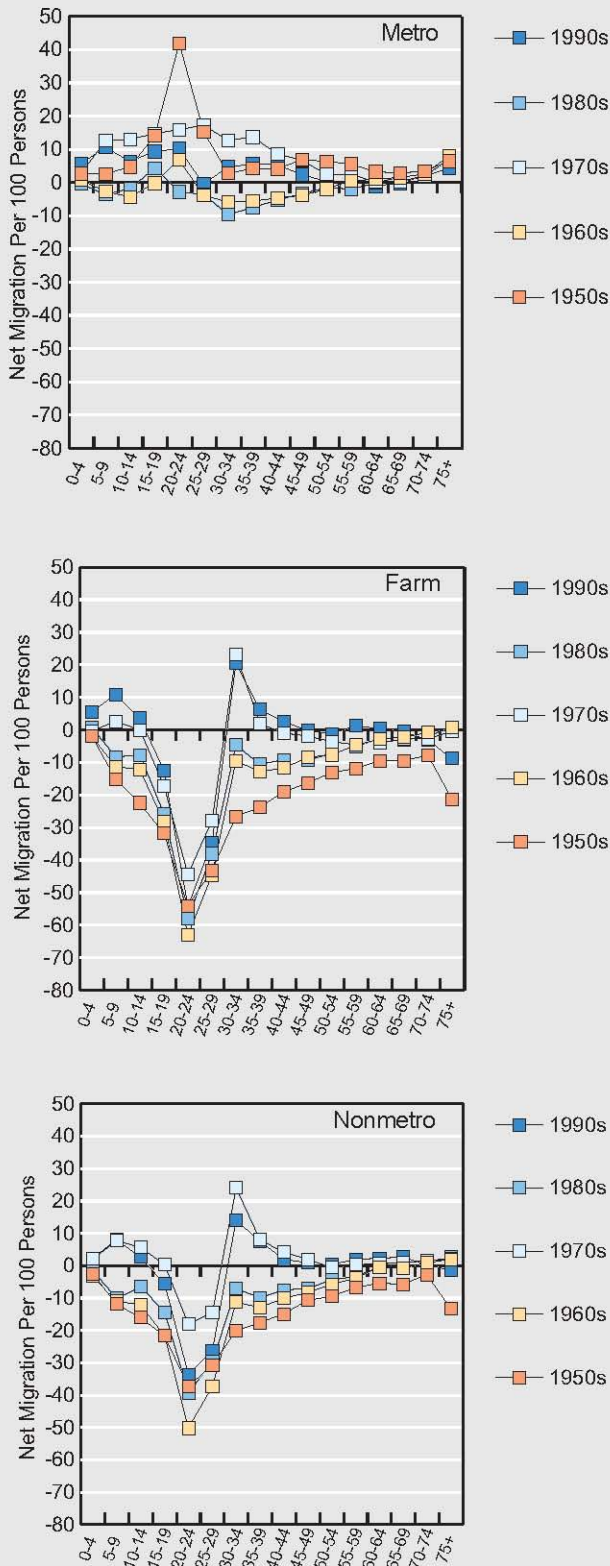
A similar pattern of outmigration was found among the remaining nonmetropolitan counties in the region, however, the magnitude of loss was less severe. Thus, while 20 to 24 year olds were still the most likely age group to leave nonmetropolitan counties that were not farm-dependent, the rate of outmigration was more moderate relative to farm-dependent counties ranging from 20 to 50 percent over the five-decade period. The rebound during the decades of the 1970s and 1990s of those in their 30s and 40s was also slightly stronger.

Figure 3. Components of Population Change by County Type within the Great Plains



Natural increase (more births than deaths) has had a more profound role in population change within the region than migration. Between 1970 and 2000, the metropolitan areas of the region gained more than 1.6 million residents because births exceeded deaths. Nonmetropolitan areas of the region also gained population because their natural increase offset losses due to outmigration, with the exception of the farm-dependent counties. Over time, the selective outmigration of young adults from the farm-dependent

Figure 4.
Age-Specific Migration by County Type
within the Great Plains



SOURCE: Kenneth M. Johnson and Richard W. Rathge.

Consequences for the Labor Pool

One latent and serious consequence of population redistribution in the region is the dramatic change in the labor pool. Age-selective migration is systematically draining the entry labor pool (i.e., ages 20 to 34) from the nonmetropolitan counties within the region and its long-term accumulative effects are sobering. For example, the entry labor pool in farm-dependent counties dropped by 34 percent between 1980 and 2000, a loss of nearly 109,000 workers. Losses in the other nonmetropolitan counties of the region were nearly 23 percent or about 169,000 workers (Figure 5).

During the same 20-year period, the metropolitan entry labor pool managed a slight upswing, even though this was a transition period from the bulge of the baby boom to the much smaller baby bust cohort (i.e., those born after 1964). The size of the entry labor pool in the Great Plains dropped by slightly more than 10 percent across the last two decades.

The rural economic crisis facing the Great Plains is further highlighted by shifts in the much larger segment of the labor pool, those in their prime working years (i.e., ages 35 to 54). Farm-dependent counties, which represent 57 percent of all counties in the region, grew their prime labor pool by nearly 23 percent or 72,059 potential workers over the past two decades. Much of this growth stems from the bulge of baby boomers aging into this age cohort. In contrast, the 41 metropolitan counties in the region, which represent less than 10 percent of all counties but 62 percent of the region's population base in 2000, grew their prime labor pool by 88 percent or nearly 1 million over the same time period. The other nonmetropolitan counties expanded their prime labor pool by 45 percent.

The trend in the labor pool of workers nearing retirement (i.e., ages 55 to 64) looks very similar to that of the entry labor pool. The pre-retirement labor pool declined by 19 percent within the farm-dependent counties over the past two decades, while the drop for other nonmetropolitan counties was less than 3 percent. Metropolitan counties, on the other hand, grew their pre-retirement labor pool by 28 percent during that period.

Policy Implications

These dramatic trends show the population restructuring that has occurred in the rural Great Plains. Indeed, the future viability of many Great Plains counties is not encouraging. A public commitment is needed to break the downward spiral of population loss. This can be accomplished through very aggressive economic development policies that diversify rural economies and enhance employment potential.

An important starting point is to recognize that rural areas are not homogeneous and therefore an array of solutions should be considered. Unfortunately, the fundamental undercurrent to existing policy strategies assumes that rural is synonymous with agricultural and that one standardized solution is appropriate for all. Currently, the single largest governmental support of rural areas is agricultural subsidies. According to Charles Fluharty², Director of the Rural Policy Research Institute, farm subsidies totaled nearly \$23 billion between 1996 and 1998, with over half that amount going to only 7 percent of the farmers. As noted by Professor David Freshwater³, Director of Graduate Studies of Agricultural Economics at the University of Kentucky, we need to move beyond the notion that agriculture is the economic engine for rural America because it perpetuates current policy and serves as a major barrier to exploring alternatives that may be equally vital.

In addition, we need to improve both the level of federal funding for rural America relative to urban America and the type of funding. A report by the National Rural Network⁴ noted that rural areas received \$6.5 billion less in federal funds than their urban counterparts in 2001, as reported by the Consolidated Federal Funds Report. More importantly, 71 percent of federal funds received by rural areas in 2001 were in the form of transfer payments (e.g., Social Security, Medicare, Farm Commodity Program payments) compared to 48 percent for urban areas. This represents a 23 percent differential in funding available for community capacity and infrastructure building. In fact, in each year between 1994 and 2001, the federal government spent two to five times more money per capita on urban than rural community development. Rural areas also received one-third as much federal money for community resources than urban areas. Combining these figures, rural areas received \$16.5 billion less than urban areas.

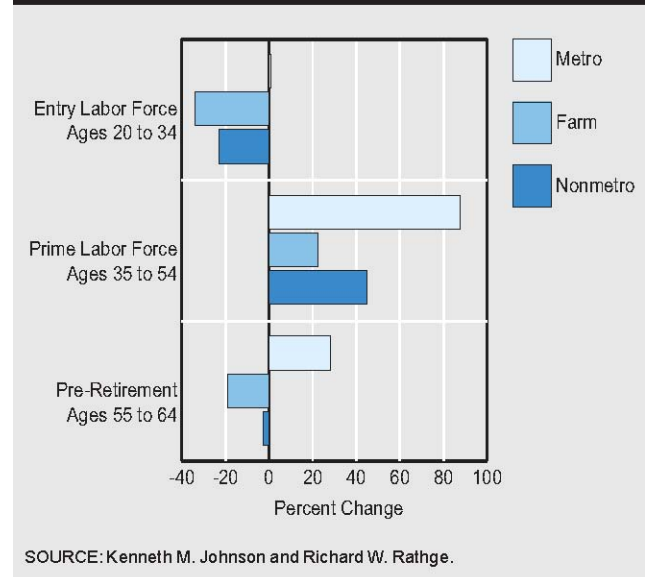
Success in the rural Great Plains requires a new rural policy framework. A paradigm embraced by the Organization for Economic Cooperation and Development⁵ suggests:

- Shifting attention from a sectoral to an integrated regional framework;
- Realignment of public funding from a subsidy/dependency orientation to one that supports regional competitive advantages; and
- Development of a new rural governance structure to accomplish these shifts.

At the state level, consensus among governors suggests policies or programs need to address:

- Networks that bring together entrepreneurs and businesses;
- Access to capital and venture capital networks;
- Access to a highly skilled workforce or to worker training programs;
- An environment that promotes entrepreneurial spirit; and
- Market research capabilities that promote business expansion into new markets and support entrepreneurial innovations.

Figure 5.
Percent Change of the Labor Pool by County Type
within the Great Plains: 1980 to 2000



Sources Cited

¹ Stauber, Karl N. (2001). Why invest in rural America—and how? A critical public policy question for the 21st Century. *Economic Review*, 86(2), 57-87.

² Fluharty, Charles W. (2003, October). Toward a community based rural policy for our nation. Paper presented at the Annie E. Casey Foundation's Forum on Children and Families, Omaha, NE.

³ Freshwater, David. (1997). Farm production policy versus rural life policy. *American Journal of Agricultural Economics*, 79(5), 1515-1525.

⁴ National Rural Network. (2005, March 15). Why rural matters: the rural impact of the administration's FY06 budget proposal. Presentation at the U.S. Capitol (room HC-9), <http://www.nationalruralnetwork.org>.

⁵ Fluharty, Charles W. (2005, March 17). Testimony before the Subcommittee on Economic Development, Public Buildings and Emergency Management, U.S. House of Representatives.

⁶ National Governor's Association, Center for Best Practices. (2003). Innovative state policy options to promote rural economic development. Issue Brief: Economic & Technology Policy Studies.