

Indiana

Rural Development

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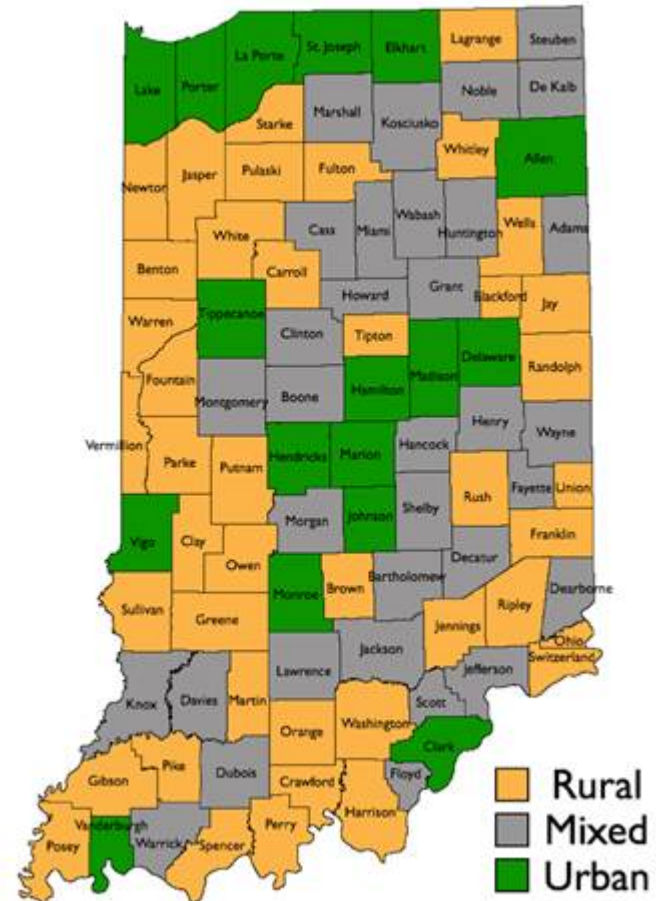
AGENDA

- 1:00 Rural Indiana from a County Perspective – Janet
- 1:15 Rural Indiana from a Regional Perspective – Bo
- 1:30 Three State Policy Options – Janet
- 1:40 Discussion in Small Groups - All
- 2:00 Small Group Report Back – Janet and Bo
- 2:20 Total Group Discussion – All
- 2:40 Purdue Programs – Bo
- 2:50 Adjourn

What Is Rural Indiana?

Rural County Criteria

- ✓ County population less than 40,000
 - ✓ Density less than 100 people/sq. mi.
 - ✓ Population of largest city less than 10,000
- Number of counties – 42
 - Total population & percent of state's population – 891,906 (14%)
 - Area (sq. mi.) & percent of total state's land mass – 15,963 (44%)



Rural Issues Series

Completed Papers

- ✓ *Defining Rural Indiana*
- ✓ *Population Trends in Rural Indiana*
- ✓ *Role of Community Banks in Rural Indiana*
- ✓ *Aging of Rural Indiana's Population*
- ✓ *Poverty in Rural Indiana*
- ✓ *Unemployment Trends in Rural Indiana*
- ✓ *Food Insecurity in Rural Indiana*
- ✓ *Indiana's Local Bridges*
- ✓ *Educational Attainment and the Rural Indiana Economy*
- ✓ *School Referenda in Indiana: A Rural Perspective*

In the Pipeline

- *Rural airports*
- *Teen Pregnancies in Rural Indiana*
- *Methamphetamine Use in Rural Indiana*
- *Broadband Access*
- *Rural Food Councils*
- *Building the Community's Capacity to Address Complex Issues*

Population Growth/Decline

- Urban counties grew 5 times faster than rural counties during last decade
- 24 rural counties gained population due to more births than deaths and international migration
- 18 of 42 rural counties lost population due to net domestic migration
- Implications for economic growth, retention of businesses, schools, political power

Source: B. Waldorf, J. Ayres, and M. McKendree. (2013). *Population Trends in Rural Indiana*. (EC-767-W). <http://www.extension.purdue.edu/extmedia/EC/EC-766-W.pdf>

Aging of Rural Population

- Increasing number of people 65+ due to longer life expectancy
- Higher proportion of older generation due to absolute numbers and youth leaving
- Impact of Baby Boom generation
- All rural counties have a “replacement percentage” below 100 (urban counties above 100)
- Implications for labor force, health care needs, agriculture, business succession, holders of wealth (land)

Source: B. Waldorf and M. McKendree. (2013). *The Aging of Rural Indiana's Population*. (EC-767-W).
<http://www.extension.purdue.edu/extmedia/EC/EC-767-W.pdf>

Educational Attainment, Earnings & Unemployment

- While educational levels are rising, Indiana's share of highly educated adults is lagging behind the national level and the gap is increasing over past 40 years
- Rural Indiana is lagging even further behind, more so than mixed rural and urban counties
- All 42 counties are considered "educationally deprived" (small percentage of college-degree holders and larger percentage of residents without a high school degree than the U.S. as a whole).
- Implications for labor force, attracting new businesses

Source: K. Camp and B. Waldorf. (2014). *Educational Attainment and the Rural Indiana Economy*. (EC-776-W).
<http://www.extension.purdue.edu/extmedia/EC/EC-776-W.pdf>

Poverty

- Indiana has followed the national trend of rising poverty
- Poverty rate increased from 9.5 % in 2000 to 15.3 % in 2010
- Poverty rates in rural counties rose from 1/12 residents (2000) to 1/8 residents (2010)
- Poverty in urban counties increased more than in rural counties
- Children make up more than 1/3 of the people living in poverty
- Implications – access to social services; support from civic organizations and churches; effects on schools, labor force and economic opportunities

Source: D. Carriere and B. Waldorf. (2013). *Poverty in Rural Indiana*. (EC-771-W).
<http://www.extension.purdue.edu/extmedia/EC/EC-771-W.pdf>

Food Insecurity

- Food insecurity is slightly higher in urban counties (15%) than in rural counties (13%)
- Food banks are located in cities and serve rural counties
- Food distribution is dependent upon volunteer organizations and their ability to organize, provide volunteers (aging out), and transportation
- Access to food pantries by recipients is challenging in rural areas

Source: D. Carriere and J. Ayres (2013). *Food Insecurity in Rural Indiana*. (EC-773-W).
<http://www.extension.purdue.edu/extmedia/EC/EC-773-W.pdf>

Rural Banks

- 18-24 yr. old bank online
- Cost of brick/mortar facility is becoming prohibitive
- Small businesses, some family farms, & low/moderate income people want full service; they want loan officers to take other factors into account rather than credit scoring models used by larger banks; also want legal/financial advice
- In 2001, 36 of 42 rural counties had at least one locally owned community bank in county; in 2011, declined to 23

Source: F. Barnard and E. Yeager. (2013). *The Role of Community Banks in Rural Indiana*. (EC-768-W).
<http://www.extension.purdue.edu/extmedia/EC/EC-768-W.pdf>

Rural Bridges

- Rural counties tend to have fewer bridges
- Higher percentage is deficient
- Average Sufficiency rating is lower
- Maintaining rural bridges is challenging because of funding (Cumulative Bridge Fund)

Source: Y. Tian, J. Haddock and S. Hubbard. (2014). *Focus on the Infrastructure: Indiana's Local Bridges*. (EC-775-W).
<http://www.extension.purdue.edu/extmedia/EC/EC-775-W.pdf>

Using the Rural Issues Series

- Each county is unique and important information can be masked when data are aggregated.
- Papers can be used by community leaders to create awareness about important issues, connect individuals and organizations, identify actions, and mobilize resources to make a difference.

Regionalism:

**Is it a Better Option for
Rural Indiana Communities & Counties?**





U.S. Secretary of Agriculture Tom Vilsack

“I have reached the conclusion that we must overhaul our approach to economic development in rural America. The framework of the new effort recognizes that the rural economy of tomorrow will be a regional economy. No one community will prosper in isolation.”



Something Else to Ponder

The literature on job creation has frequently found that most jobs are created from existing employers, yet many local economic development organizations continue to emphasize new industry recruitment.

Daniel Davis

May 2011

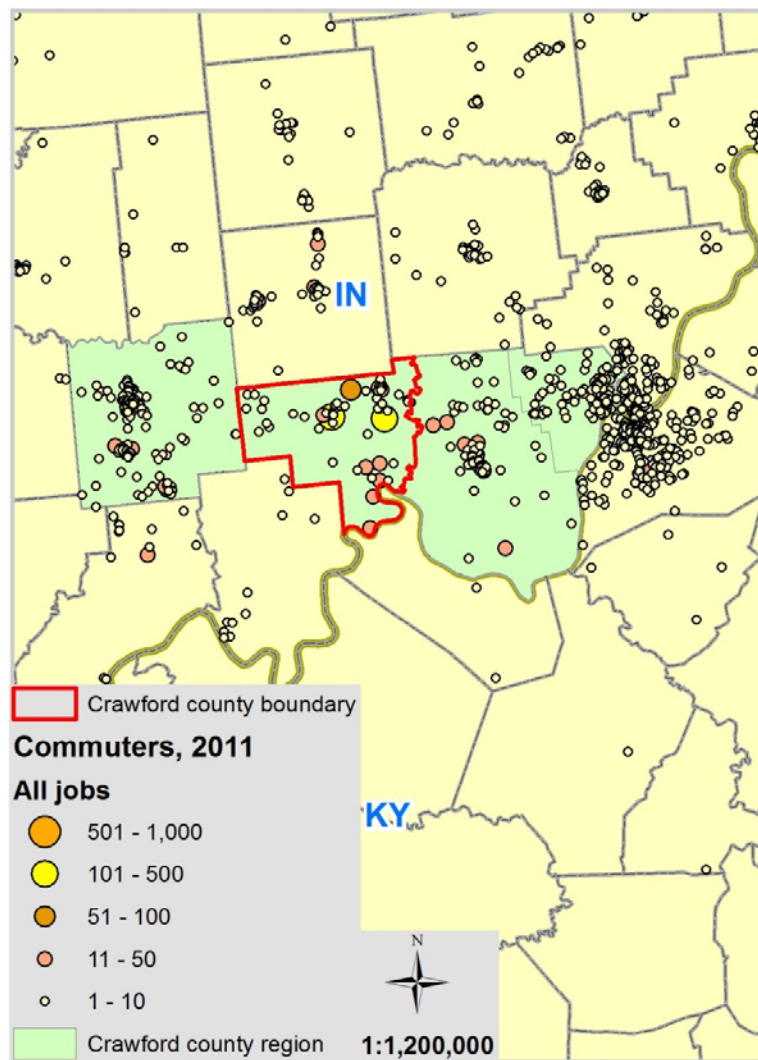


Crawford County: A Case in Point

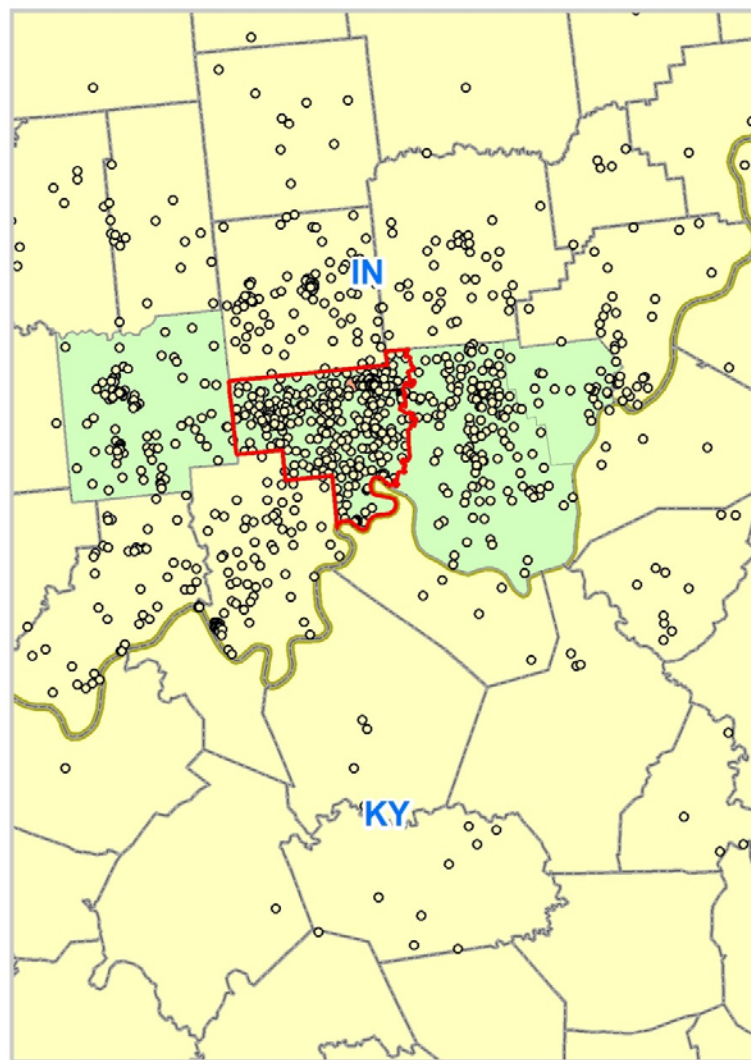


Crawford County Commuting Patterns, 2011

Crawford as Home



Crawford as Workplace



Note: Maps created by PCRD by using, OTM, LEHD, U.S. Census Bureau data

Commute & Labor Shed Areas in Crawford County

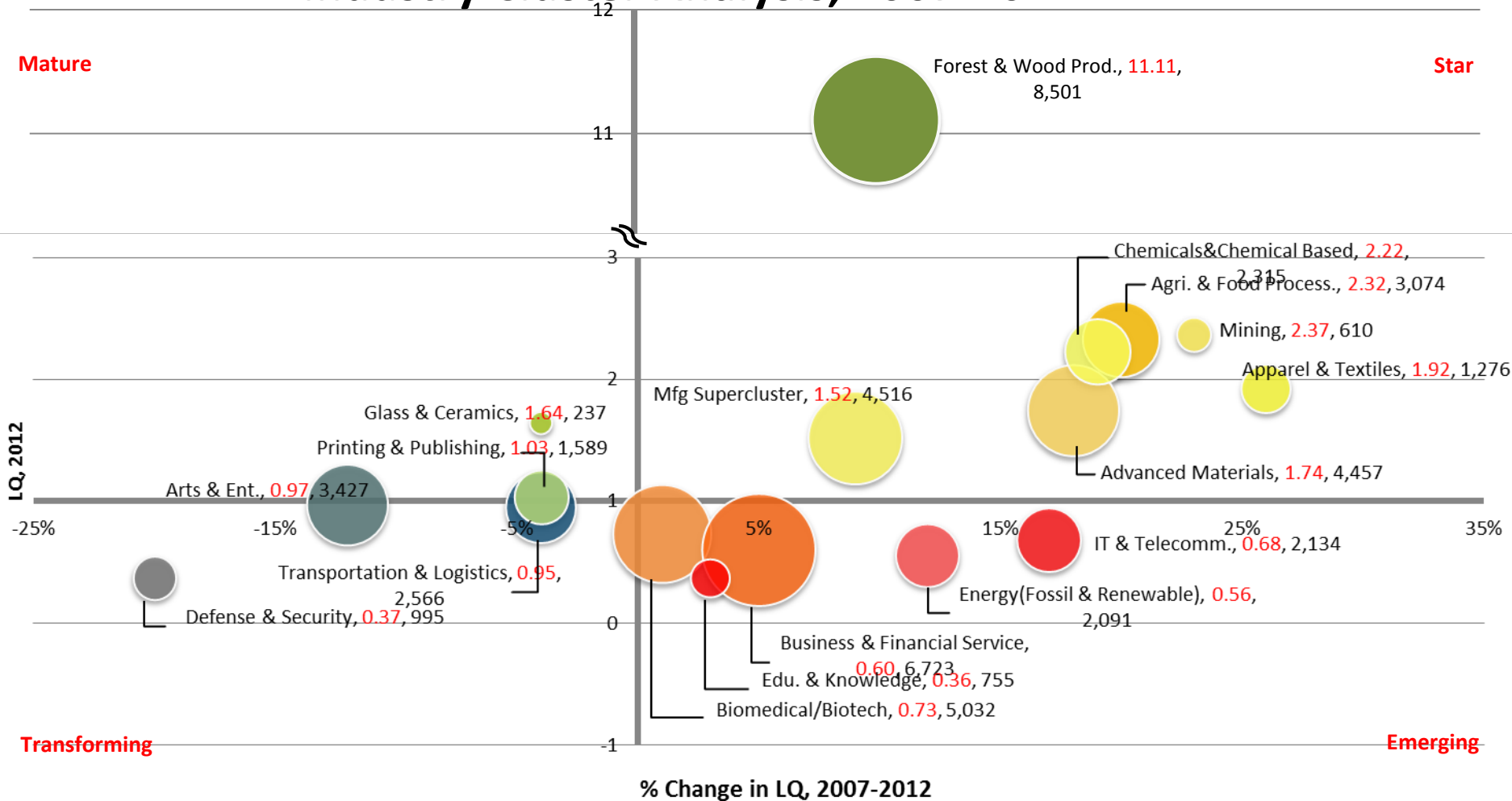
	Number	Percent
Employed in Crawford County	1,802	100
• Employed in county but living outside	936	51.9
• Employed and living in county	866	48.1
Living in county	4,125	100
• Living in county but employed outside	3,259	79
• Living and employed in county	866	21

Highlights:

- Based on strong commuting and labor shed ties, Crawford County is linked to Dubois, Harrison and Floyd Counties, IN
- Industry cluster analysis is performed for the 4-county region

Source: OTM, LEHD, U.S. Census Bureau

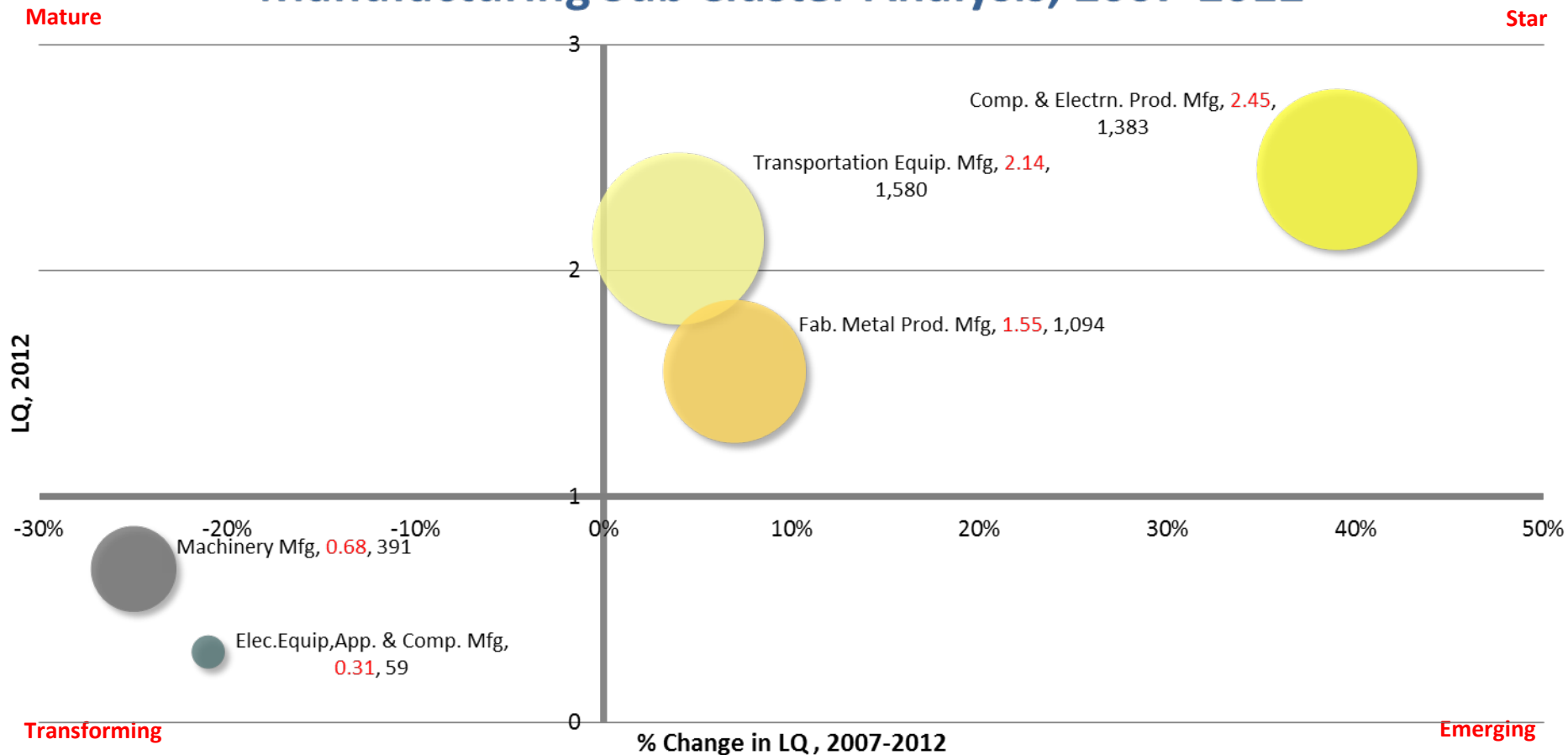
Industry Cluster Analysis, 2007-2012



Note: Label includes cluster name, LQ 2012 and Employment 2012

Data Source: EMSI 2013.2, industry cluster definitions by PCRD

Manufacturing Sub Cluster Analysis, 2007-2012



Note: Label includes cluster name, LQ 2012 and Employment 2012

Data Source: EMSI 2013.2, industry cluster definitions by PCRD

Regional Strengths/Opportunities

Top
Tier

Stronger

Strong

Emerging

- Forestry & Wood Products

- Mining
- Agribusiness & Food Process.
- Chemicals & Chemical-based
- Transportation equipment
- Computer and electronic products

- Advanced materials
- Fabricated metal products
- Apparel and textiles

- Biomedical/ Biotech

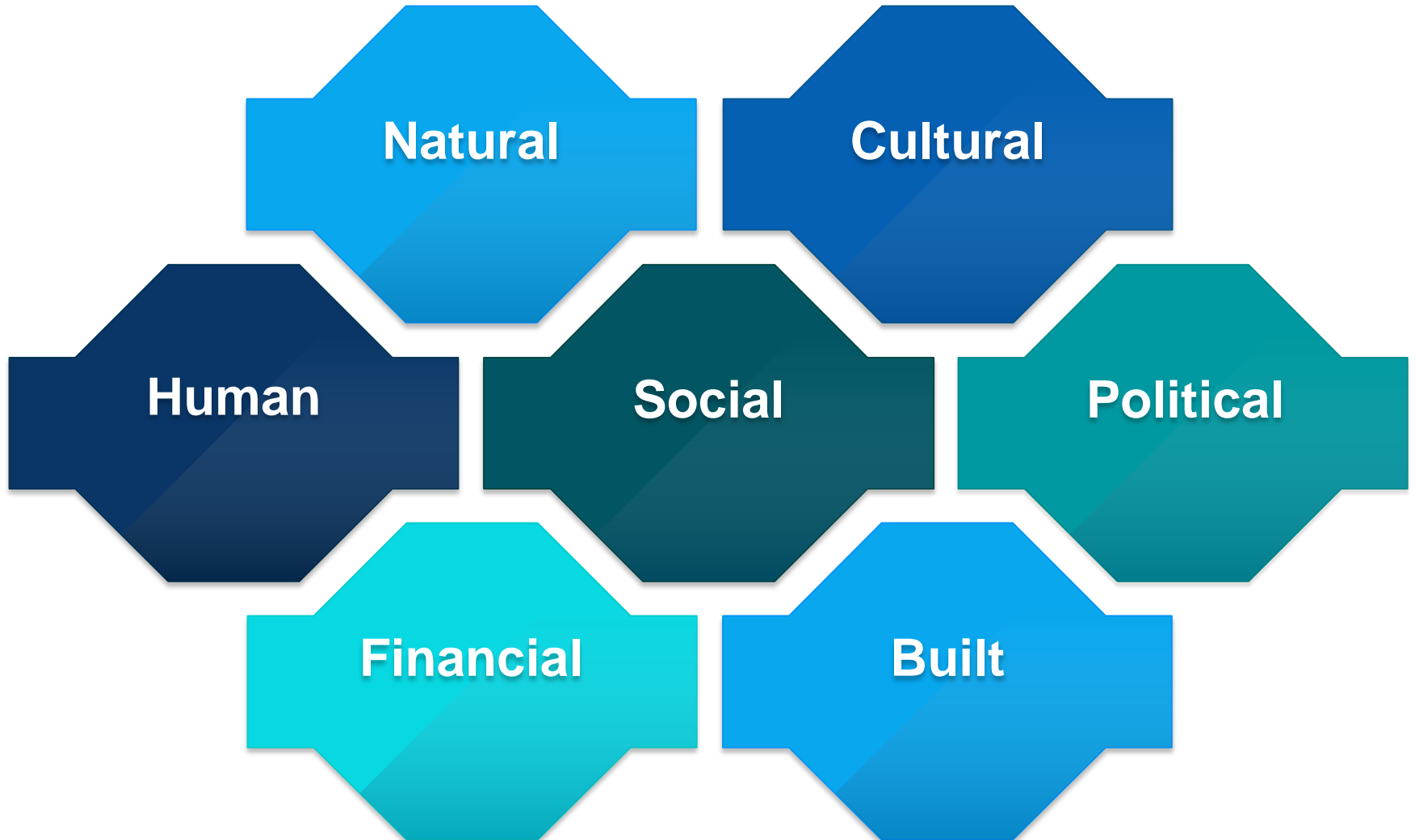
Forget Regionalism:

Let's Uncover & Build on Our Local Assets



The Seven Community Capitals

Comprehensive Approach for Discovering Your Local Assets



Source: Flora and Flora (2008);

Three Policy Options for Rural Indiana

- **Option 1 – DO NOTHING**

- What is likely to happen?
- What are the trade-offs?
- What are the consequences?

- **Option 2 – FOSTER REGIONALISM**

- What is likely to happen?
- What are the trade-offs?
- What are the consequences?

- **Option 3 – FOSTER DEVELOPMENT BASED ON A COMMUNITY'S ASSETS**

- What is likely to happen?
- What are the trade-offs?
- What are the consequences?

