1. Background

Rural retirement migration is not a new phenomenon, as elderly in-migration to nonmetropolitan America has been going on for decades (Johnson and Cromartie, 2006). However, its importance has significantly increased as the Baby Boom generation heads toward retirement. For rural America, many areas have faced long term processes of aging in place. This process occurs unevenly in space and has brought a profound change to small towns, especially in the rural Midwest (Rathge and Highman, 1996). Aging in place tends to result in the concentration of elderly population with less resources, poor health status and greater proportional poverty, and, therefore, this process poses significant development challenges for rural communities (Adamchak et al, 1998). Retirement migration, in contrast, tends to be selective for those with resources, thus contributing to economic growth in the destination communities (Haas and Serow, 1993). Being a retirement migration destination is a significant boost for the local economy and can help turn declining rural communities to popular, growing places (Serow 2003; Glasgow and Brown, 2006). Because of this, retirement migration streams are becoming ever more important for development planning in rural communities.

Past research has demonstrated that population growth in rural America is connected to natural amenities (McGranahan, 1999). Natural amenities are significant drivers behind population growth both via regular recreation trends (though in some cases only seasonally) and retirement in-migration (Johnson and Beale, 2002). Both recreation industries and retirement in-migration tend to spur employment growth, which is a fundamental factor in retaining rural population or reversing a previously declining population trend. Retirement migration was also shown to correspond with general population growth due to an induced in-migration of people in younger age categories (Reeder and Glasgow, 1990).

Becoming a retirement migration destination can, for the above reasons, be a turning point for many rural places. Thus, many communities actively focus on attracting retirees. Traditional retirement migration communities are in high amenity regions, creating the conceptual and empirical base for the argument above. However, by the early 21st century, nonmetropolitan retirement destinations are widely scattered, and many can be found in regions without significant natural amenities. This leads us to the question, what other factors affect the development of retirement migration streams?

In this study we focus on local economic structure as a possible component in the emergence of retirement migration streams. While it is known that, due to the selectivity of retirement migration, retirees create demand for services and create jobs, relatively little is known about if the existing economic structure of a place makes a difference in attracting retirees. In particular, we are interested in two factors: 1) the presence of small business or family business versus large business and 2) the relative concentration of businesses or employment in particular economic sectors. We seek to answer: Does a higher prevalence of small businesses lead to a greater amount of retirement in-migration; how does a high concentration of employment in a particular industrial sector influence the net in-migration of older people; and how does the general growth or decline pattern across industries affect net migration rates at older ages?

2. Data and methods

This study will take a mixed methods approach. Both quantitative analysis of secondary data and qualitative community case studies will be conducted. Quantitative data come from a variety of sources. United States Census of the Population (1970-2000) and the Kansas County Historical Database (1970-2000) provided many of the demographic and socioeconomic variables. Age and sex specific net migration rates come from data estimated and compiled by Voss et al (2005). Data on employment and wages were taken from the Kansas County Historical Database, the US Census of the Population, County Business Patterns data (1988-2004) from the US Census Bureau, and Regional Economic Information System data (1969-2004) from the Bureau of Economic Analysis.

We will use multiple regression techniques to determine the extent of relationships across a national dataset of all counties. The estimated net migration rates of various age and sex groups will serve as dependent variables. This has an advantage over the usual USDA Economic Research Service retirement migration destination classification scheme. Instead of measuring retirement migration as a binary variable with a certain population growth threshold, we intend to look at actual age-specific migration patterns. Though these rates are estimates derived from births, deaths, and expected populations, they will allow us to begin to understand motivations for retirement migration within different age groups.

Independent variables will include many factors common to other studies on retirement migration such as population and population change, age distributions, the McGranahan natural amenities scale, metropolitan vs. non-metropolitan status, adjacency to metropolitan areas, education levels, poverty, income, and others. In addition, our work seeks to expand on these by adding measures of economic activity in the area. Average numbers of employees per establishment will be used to indicate whether an area contains more large or small businesses. The percent of employment and establishments by sector will allow us to look for the effects of concentration in particular industries of interest. We are particularly interested in the pull effects of health services and nursing homes. We will also estimate time series slopes for the rates of growth in different industries. These change measures will allow us to show the effects of a county gaining or losing concentration in particular sectors.

These quantitative models will be supplemented with community case study data. As part of a continuing project, we will investigate the perceptions of small community leaders on the relationship between retirement migration and economic development. The primary focus of this qualitative work will be Nemaha County, KS stemming from a larger project on aging in Kansas (Kulcsár and Bolender, 2006). Nemaha is the only retirement migration destination county in Kansas by the ERS classification standard, although it has little of what one would imagine when thinking of that name. There are few, if any, natural amenities and nothing apparently out of the ordinary. However, the county has been able to maintain both population and economic development. Though not growing, they are at least holding still, which can be seen as an accomplishment when compared to most rural Kansas places. Preliminary research shows that the locals have credited this growth and aging combination both to the presence of a relatively large nursing home and the extensiveness of family businesses in the area.

3. Expected findings and significance

We expect to find that a predominance of small businesses over large, other things being equal, should lead to a greater net in-migration rate of older persons. We believe that, if given the choice, many retirement migrants would choose to live in a "small town" setting where personal relationships can be more easily created with others. Particular types of economic sector specialization, however, may negate or amplify this effect. For example, specialization in agriculture is likely to not appeal to many retirees whereas a large number of small firms in retail and services may create a strong pull effect. A secondary question of interest is how business growth or decline patterns affect attractiveness to retirement migrants. For instance, places that are growing may be advantaged by additional proportional growth in service sector employment.

It is possible that a smaller average business size or a particular specialization in services may make a place more attractive than many other rural areas for retirement migration. It should also be possible, at least fairly abstractly, to investigate the particular pull effects of health services, nursing homes, and home health care establishments. Though county data on employment in these sectors is severely limited due to non-disclosure issues, the ratio of establishments to total population may allow us to investigate the relationship between these sectors and retirement migration indirectly.

We also use Nemaha County, KS, as an example of how a county can become a retirement destination without the usual amenities associated with the title. It is likely that they represent a very different path to retirement migration attraction and economic development than many other rural places. It is unlikely that natural amenities are central to their development trajectory. Focus on family business, specialization in nursing and health facilities, or some other factor must be contributing to their relative success.

The significance of the study lies in the fact that an increasing number of rural communities are trying to attract retirees. Retiree attraction however is different from other kinds of development policy measures, and not every rural community is prepared for this. Claiming friendly, small town environment and good public safety might not be enough for the Baby Boomers who planning retirement. This is especially true because this cohort is used to competition and informed decision making. Other town characteristics, such as the local economic structure, might play a significant, but understudied, role in retirement location selection. This study can help by identifying business structures that contribute to attracting retirees, thus helping communities to make more informed developmental planning decisions.

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