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*The Demographics of  
Ruralplexes*

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Minnesota Dept. of Administration



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# The Demographics of Ruralplexes

R. Thomas Gillaspay

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Minnesota saw great change over the past century. The metropolitan area grew, and with that growth came national and international competition, farm productivity increased beyond imagining and rural areas experienced a profound change in their character and role in the state's economy. With that change came an equally profound change in the demography of rural Minnesota.

In 1900, nearly two-thirds of Minnesota's population lived in rural areas (66%) and three-fourths of the rural population lived on a farm (74%). By 2000, after rapid growth in urban areas and little growth in rural areas, only 29 percent of the state population lived in rural Minnesota and only 10 percent of the rural population lives on a farm. The farm population has declined from 49 percent of the state population in 1900 to 3 percent in 2000. Rural Minnesota has changed.

Increased productivity and a national economy that is less dependent on extractive industries such as agriculture, mining and timber have resulted in declines in overall rural population in many areas of the nation, especially in the prairie, Mississippi river valley and Appalachia. In Minnesota, this effect is largely experienced in the Great Plains area of southern and western Minnesota. Northern Minnesota has also seen dramatic changes in iron mining and timber.

The cumulative impact of these economic changes is to reduce the demand for labor in many rural areas of the state. Over the past century, many people, especially young adults, have seen greater opportunities in the metropolitan areas. As a result, metropolitan areas have grown and prospered as well educated and hard-working young adults have left their rural birthplace and fueled the growth of a high quality and internationally competitive work force.

The rural birthplace, meanwhile, has generally grown substantially older, because the out-migration to the metropolitan area is concentrated among young adults and the future children

those young adults will have. Many rural counties of Minnesota, the Dakotas, Iowa and other states in the middle of the nation have seen long-term declines in population of 80 or more years. In many of these counties, 20 percent or more of the population is age 65 and older and in the average year, more people die than are born. In 2004, 16 of Minnesota's 87 counties had more than 20 percent of their population over age 65. In two counties, the proportion exceeded 25 percent, the highest being Traverse County in western Minnesota at 27.2 percent. By contrast, most of the metropolitan counties of the state have less than 10 percent of their population over age 65.

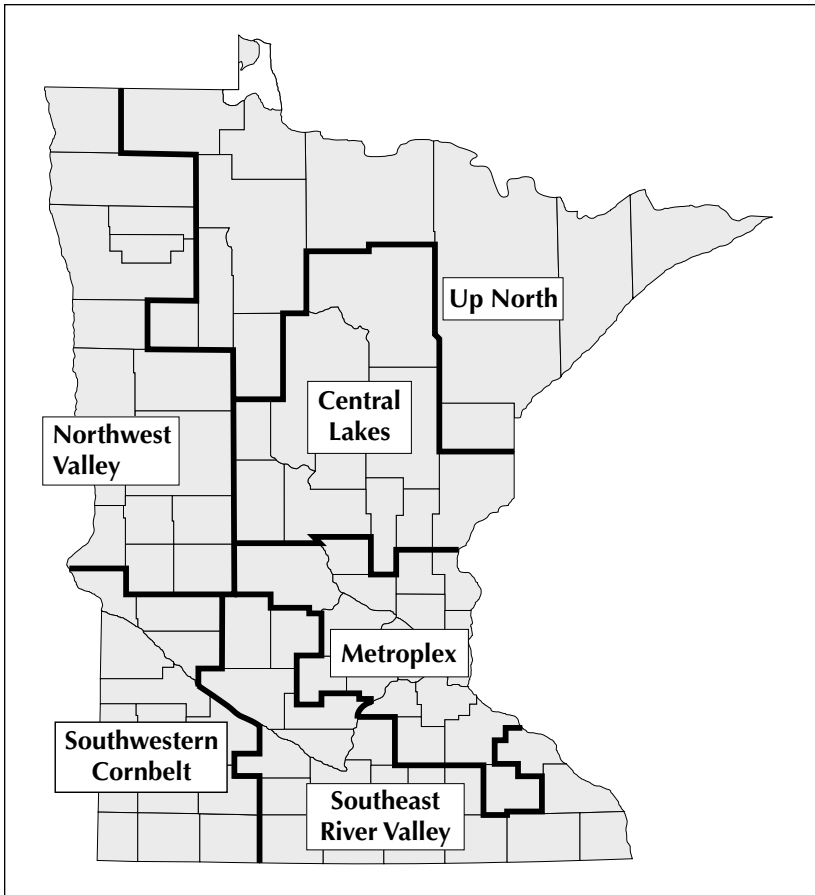
The experience of many rural areas is dramatically different from their past and from the current experience of most metropolitan areas. Rural Minnesota is now largely much older and more sparsely settled than in the past, while the metropolitan areas experience rapid growth, especially of younger people moving in. The difference between rural Minnesota and metropolitan Minnesota is large and growing. But even here, large differences exist among rural areas. Each area has unique characteristics and experiences.

## **Describing Rural Minnesota**

The units of analysis for describing change in Minnesota have historically been either the county or the economic region. Rural Minnesota is experiencing dramatic and profound change. However, the boundaries of counties, a common unit of analysis to describe this change, have altered little in the past hundred years. Regional clusters of counties described as economic regions were created in the early 1970s have also changed little while the world they attempt to describe has changed greatly. These static boundaries miss the fact that great change has taken place and that social, environmental, and economic linkages are being forged between communities over ever-larger spatial areas.

An alternative way of thinking about rural communities is as spatially separated neighborhoods, with the network of related spatially separated neighborhoods contained within a ruralplex. The concept is similar to that of the metroplex, a collection of linked metropolitan areas. An essential difference between the two concepts is the lower population density of the ruralplex.

The ruralplex contains a number of communities, both incorporated and unincorporated, with similar characteristics that also happen to be spatially separated. Shared characteristics might include soil type, geology, climate, settlement patterns, and other similar characteristics. The ruralplex is not a fixed boundary, but evolves over time.



For the sake of analysis, we have divided Minnesota into five ruralplex areas and one metroplex. However, we should remember that these divisions are limited by existing boundaries and data availability. The concept of the ruralplex is fundamentally one of change and evolution, not of fixed boundaries.

We would do well to remember four fundamentals of the ruralplex.

1. Outside forces, economics and demographics cause them to evolve at different rates.
2. Ruralplex differ and one size does not fit all.
3. But the ruralplex share more similarities with each other than with the metroplex.

4. The large forces of global competition, demographic change, and technology are always changing the ruralplex.

### Population Change In The Ruralplex

Population growth rates are sharply different among the five ruralplex areas of Minnesota. Strong growth continues in the Central Lakes, rivaling growth rates in the Twin Cities Metroplex, due largely to migration around lakeshore properties. Little population growth in the Southwest Corn Belt is projected, while recent past has seen substantial declines, especially during the disastrous 1980s. Growth in the other three ruralplex is projected to increase slightly, but still remain at modest levels.

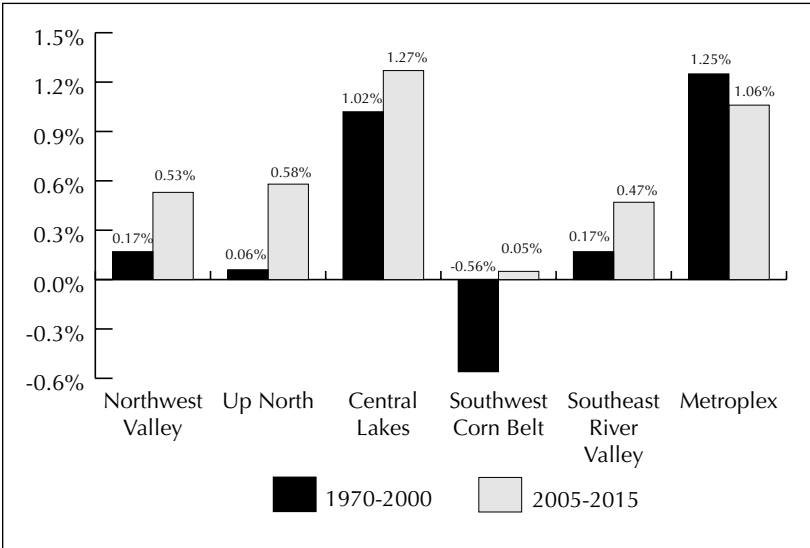
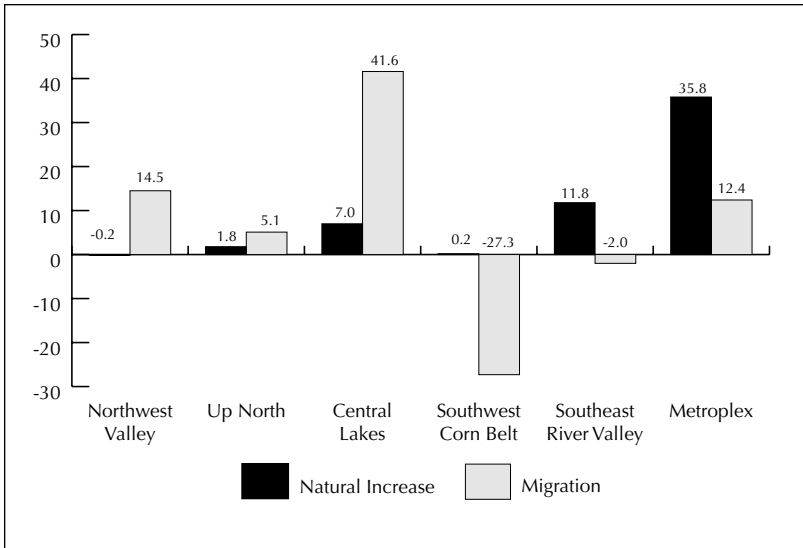


Figure 1: Population change 1970-2000 and 2005-2015, average annual rate.

Long-run out-migration of young adults from many ruralplex has led to an older population with relatively few people of childbearing age. The impact of this is relatively slow to negative natural increase, the difference between births and deaths.

Migration and the characteristics of migrants also contribute to population change. The Southwest Corn Belt and the Southeast River Valley are experiencing net out-migration. At the same time, the Central Lakes is experiencing a strong net in-migration, especially of mature adults seeking the amenities of the lakes area.



*Figure 2: More ruralplexes see little natural increase; rate per 1,000 population in 2000.*

The Northwest Valley and Up North are experiencing modest levels of net in-migration, coupled with little change from natural increase. The Metroplex, by contrast, is experiencing strong growth both from natural increase and from migration.

### **Population Change And The Labor Force**

A critical element of future economic change and prosperity lies in the labor force, both in quantity and quality. Demographic change, especially in the next ten years, is critical to the economic vitality of the ruralplex. Economic growth is the result of growth in the labor force plus growth in per-worker productivity.

Growth of the labor force is projected to slow dramatically in the next two decades as the labor force ages and large numbers of workers approach retirement, followed by fewer new, young entrants to the work force. Aging and slowing of the growth of the labor force is a national issue and will be felt in virtually every corner of the nation, including Minnesota.

This overall slowing of labor force growth is exacerbated in the ruralplex by the relatively older populations with fewer young adults. While the number of young adults will increase slightly in the Metroplex during the next ten years, the number of young adults will fall sharply in each of the ruralplex areas of the state.

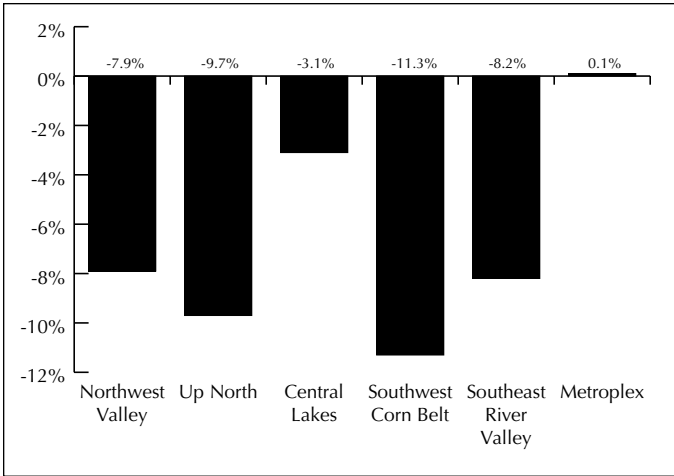


Figure 3: Projected change in future workforce, (population age 15-24), 2005-2015.

The net impact of these differences in aging is that most of the ruralplex areas will see slower labor force growth and growth substantially slower than in the Metroplex over the next ten years. The one exception to this trend is Central Lakes, which is projected to see labor force growth equivalent to the Metroplex.

The slowing in labor force growth will be especially noticeable

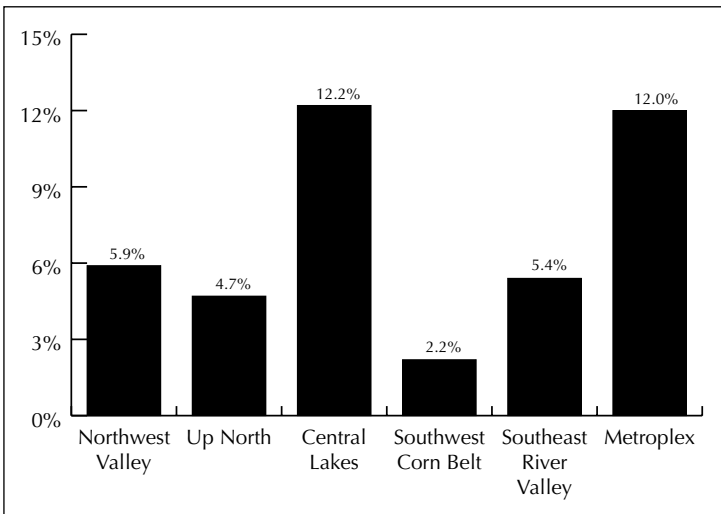
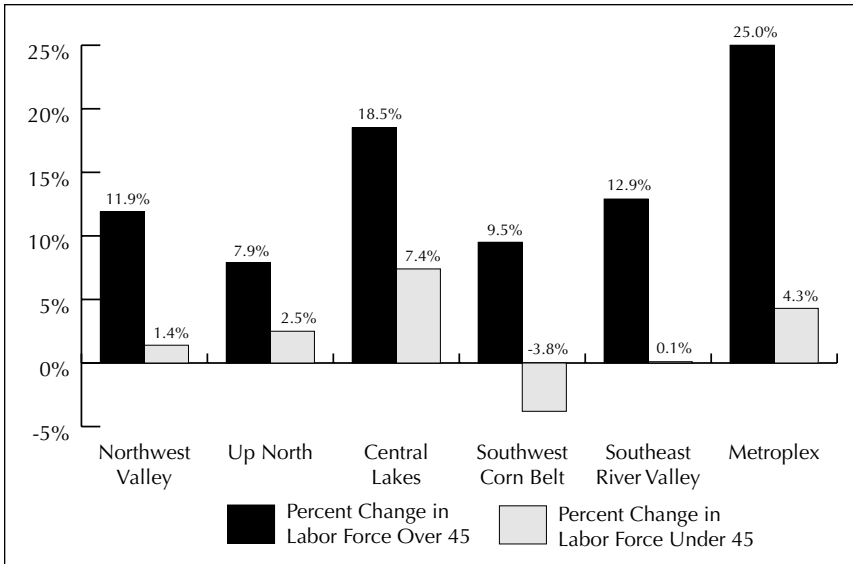


Figure 4: Percent change in labor force, 2005-2015.





*Figure 5: Percent change in labor force, 2005-2015.*

in the Southwest Corn Belt, where substantial declines in the high school to college age population will contribute to a ten-year growth of 2.2 percent in the labor force.

Not only will the labor force grow more slowly, it will also age. Growth in the workforce age 45 and older will exceed growth in the under-45 workforce in all areas of the state. In three ruralplex areas, growth in the under 45 workforce will be vanishingly small to declining, including the Northwest Valley, Southeast River Valley and the Southwest Corn Belt.

With an aging and more slowly growing workforce, increases in per worker productivity will become increasingly essential to economic growth. Many factors contribute to per worker productivity, including technology, organization and management, industry and occupation mix, education, and training. While some of these factors are difficult to measure, education attainment is readily available. And here, the ruralplex does not appear advantaged relative to the Metroplex. A smaller proportion of the population in the ruralplex has education beyond high school. Similarly, a smaller proportion has an advanced degree.

Demographic change in the ruralplex over the past Century has been profound and dramatic with slower growth or declining populations led by substantial out-migration of young adults to the Metroplex. Rural Minnesota is already much older than the

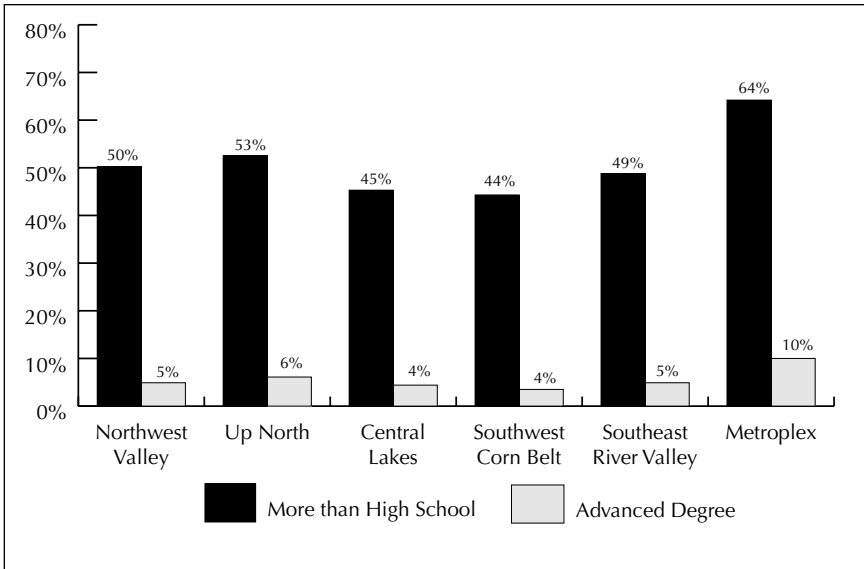


Figure 6: Percent of workers in 2000 with education past high school or advanced degrees.

metropolitan area.

The relatively greater age of the rural population will also increase as a result of the overall aging of the national population, strengthening any impact of the national aging process. While the effect on society of the aging process will be many and varied, one area of special concern is the age and size of the workforce. Economic growth of the future will depend to a large extent on the quantity and quality of the workforce.

In this regard, the ruralplex is especially challenged as populations are older, with fewer young adults to enter the workforce. Workforce growth will slow or even decline in much of rural Minnesota. Future economic growth will depend almost exclusively on increased per-worker productivity.

**TOM GILLASPY** has served as the Minnesota State Demographer since 1979. During that time, he has been involved with a wide-ranging set of issues, applying an understanding of demographic trends in such areas as the state's economy, health care for an aging population, education, higher education, welfare reform, rural population change, labor shortages, immigration, housing, government spending, and the aging state workforce.



Before moving to Minnesota, Tom held the position of demographer at the Andrus Gerontology Center, University of Southern California. He received his Ph.D. in economics from Pennsylvania State University, specializing in economic demography. He also holds a master's degree in agricultural economics. Born and raised in Texas, he received his undergraduate degree in economics from the University of Texas at Austin.