Where Do Rural Nebraskans Plan to Retire?

David J. Peters  
*University of Nebraska-Lincoln, dpeters2@unl.edu*

Randolph L. Cantrell  
*Nebraska Rural Initiative, University of Nebraska-Lincoln, rcantrell1@unl.edu*

Miguel A. Carranza  
*University of Nebraska-Lincoln, mcarranza1@unl.edu*

Bruce B. Johnson  
*University of Nebraska-Lincoln, bjohnson2@unl.edu*

Rebecca J. Vogt  
*Center for Applied Rural Innovation, University of Nebraska-Lincoln, rvogt2@unl.edu*

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Introduction

One major demographic shift currently underway across rural Nebraska is the aging of the population. Much of this change is being driven by the post-World War II “baby boom”, many who will retire in the next several years. An aging population presents many opportunities and obstacles that will need to be addressed in the near future. In fact, many communities seek to recruit retirees from other areas to move into their communities. Retirees bring money and health insurance into the community from outside sources (from pensions, investments, Social Security, and Medicare) that can be spent locally, which presents business opportunities for those wishing to provide goods and services to the retired population. Retirees are also a potential source of skilled labor and volunteers that can help in economic and community development. However, there are also many obstacles, the major one being the loss of a community’s retirees to out-migration to other areas. Retirees who leave their community take with them oftentimes sizable incomes and health insurance which can negatively affect the local economy. The 2007 Nebraska Rural Poll asked thirteen questions related to retirement issues. This research brief will attempt to answer two main questions: Where do rural Nebraskans plan to retire? What reasons are important to rural Nebraskans in deciding where to retire?

For more information contact David Peters, (402) 472-2336 or dpeters2@unl.edu
**Retirement Location**

Rural Nebraskans were asked whether they plan on moving when they retire, and if so where they plan to move. For those currently in their 20s, the overwhelming majority (65%) are unsure about where they will live in retirement. Smaller numbers say they have no plans to move (20%) or that they plan to leave Nebraska (13%) in retirement. Those in their 30s and 40s are also unsure of their plans (about 55%) or do not plan to move (about 35%); and only a small number (about 10%) say they plan to leave Nebraska. Plans become more definitive as people move into the 50s and early 60s, with 45 percent saying they will not move, 40 percent saying they are still unsure, and only a small number planning to leave the state (7%) or move to other areas in rural Nebraska (4%). People at the traditional retirement age of 65 and older plan to stay where they are now (62%), with only a small number still unsure (20%) or planning to move out of the state (9%). Older Nebraskans prefer to move to urban and rural areas of the state than younger people.

Surprisingly, there are few differences in retirement location preferences across incomes. Generally speaking, most rural Nebraskans across all incomes are unsure about their plans (about 50%). About one-third also say they do not plan to move from their current location, with middle income Nebraskans (about 40%) being more likely to stay than those with lower or higher incomes (about 30%). Very few plan to leave Nebraska altogether, with lower and higher income people (about 12%) being slightly more likely to leave the state than middle income people (about 8%). Interestingly, both higher income and lower income people are slightly more apt to move to urban and rural areas of Nebraska compared to middle income people.

For rural Nebraskans employed in most occupational groups (such as laborers, services, professional and technical), about one-half are unsure about their plans in retirement, one-third do not plan to

**The Nebraska Rural Poll**

The Nebraska Rural Poll is an annual survey of rural Nebraskans that was started in 1996 to give local and state leaders a better understanding of the issues, challenges and concerns of Nebraska’s rural citizens. The Rural Poll focuses on such issues as community, government policy, well-being and work. Core questions are included every year; over time these core questions will provide insight about trends and changes occurring in rural Nebraska. In addition, each year rural citizens and government officials form an advisory committee that identifies key issues or topics to include in the survey.
move, and one-tenth plan to leave Nebraska. However, farmers and ranchers overwhelmingly say they do not intend to move (58%) or that they are unsure of their plans (36%). Almost no farmers and ranchers plan to leave the state. Only people employed in service and professional occupations express a desire to move to urban areas of Nebraska in retirement (about 3%).

![Plans to Move in Retirement by Occupation](image)

### Reasons for Retirement Location

In addition to asking about their plans to move in retirement, rural Nebraskans were also asked to rate the importance of several factors that affect their decision on where to retire. Being closer to family is an important factor for all rural Nebraskans regardless of where they plan to move, with over 80 percent saying it is important or very important. Proximity to health care facilities is also important to a majority of rural residents (over 70%), and is an especially important factor in decisions to move to urban and rural areas of Nebraska (85%). Finding a lower cost of living is important for a majority of those leaving Nebraska and those undecided (70%), and to a smaller extent is important for those moving to rural Nebraska or staying where they currently are (60%). The availability of outdoor and fitness activities is a reason cited by those planning to leave the state (75%), those not sure of their plans (65%), and those moving to rural Nebraska (60%).

Nearness to cultural and entertainment activities is important to those planning to move to urban areas of Nebraska (70%) and out of the state (60%); and is also a factor for those undecided (55%). Nearly three-quarters of those planning to leave Nebraska cite a more favorable climate as a reason for moving, as do nearly 60% of those unsure where to retire. Access to employment and volunteer activities is important for those moving to rural areas of Nebraska in retirement (60%), and is also a factor for those undecided (55%). Lastly, being close to senior related services is a factor driving decisions to locate in urban and rural areas of Nebraska (60%).

The potential out-migration of retired rural Nebraskans to other states is an important public policy and rural development issue. To gain a better understanding of why rural Nebraskans would consider leaving the state, we look at the factors affecting their decision to leave by current age and income. For those in their 20s who plan on leaving Nebraska in retirement, the top reasons given are a more favorable climate (89%), proximity to family (81%) and health care facilities (81%), proximity to outdoor and fitness activities (81%), and lower costs of living (70%).

Middle age people cite similar reasons for wanting to leave Nebraska in retirement. Those in their 30s who plan to leave cite proximity to outdoor and fitness activities (82%), family (80%), health care facilities

### Methodology

A self-administered questionnaire was mailed in February and March to approximately 6,400 randomly selected households. Responses were received from 2,680 Nebraskans living in the 84 non-metropolitan counties in the state - a response rate of 40 percent. Metropolitan counties not included in the sample were Cass, Dakota, Dixon, Douglas, Lancaster, Sarpy, Saunders, Seward and Washington. The margin of sampling error for this study is plus or minus two percent based on the total sample at the 95% confidence level. The margin of sampling error is higher for results based on subgroups of respondents. The 14-page questionnaire included questions pertaining to well-being, community, retirement issues, work, and immigration. For more detailed information about the survey methodology and the respondent profile, see Research Report 07-1 available online at [http://cari.unl.edu/ruralpoll/report07.shtml](http://cari.unl.edu/ruralpoll/report07.shtml).
Proximity to family and favorable climate are reasons for leaving given by those near or at the traditional retirement age. The top reasons for people in their 50s and early 60s are a lower cost of living (77%), proximity to family (77%) and health care facilities (73%), and a more favorable climate (72%). For those ages 65 and older, a more favorable climate (72%) and nearness to family (71%) are the primary reasons for leaving the state.

Lower income rural Nebraskans say cost of living and outdoor activities are their main reasons for leaving upon retirement. Those earning less than $20,000 cite lower costs of living (80%), proximity to outdoor and fitness activities (80%), more favorable climate (79%), and nearness to health care facilities (74%) and cultural/entertainment activities (66%) as reasons for leaving.

Climate and family are important migration factors for middle income rural Nebraskans. Those earning between $20,000 to $40,000 say being closer to family (85%), more favorable climate (80%), proximity to health care facilities (76%), and access to cultural/entertainment activities (73%) are important. People with incomes in the $40,000 range overwhelmingly cite a more favorable climate (90%) as a reason to leave, followed by proximity to family (73%), lower costs of living (71%), and nearness to health care (68%) and outdoor and fitness activities (68%).

Among higher income rural Nebraskans there are few similarities in reasons given for moving out of the state. Those with incomes in the $50,000s say being closer to family (83%) and cultural/entertainment activities (79%), a more favorable climate (75%), lower costs of living (75%), availability of health care (74%) and employment or volunteer opportunities (74%), and proximity to outdoor and fitness activities (70%) are important factors in deciding to leave the state. Reasons given by those earning $60,000 or more include nearness to outdoor and fitness opportunities (80%), being close to family (78%), lower costs of living (74%), proximity to health care (68%), and a more favorable climate (68%).

**Summary**

In summary, this research brief has provided some insight into two key retirement questions asked in Nebraska. First, where do rural Nebraskans plan to retire? Younger people in their 20s are unsure of their plans to move in retirement (65%). Those in their 30s and 40s are also unsure (about 55%), but are also more likely to stay where they currently live (about 35%) than younger people. Plans to move become more definite as people get older. Those in their 50s and early 60s either do not
plan to move (45%) or are still unsure (40%), while those 65 and older overwhelmingly plan to stay where they are (62%) rather than being unsure of their plans to move (20%). Only around 10 percent of rural Nebraskans plan to leave the state upon retirement, although younger people are slightly more likely to prefer leaving than older people. Although there are few differences across incomes, those with lower and higher incomes are more likely to leave Nebraska in retirement, while those with middle incomes are more likely to stay in their current location. Farmers and ranchers are also much more likely to stay where they are, and almost none plan to leave Nebraska.

Second, what reasons are important to rural Nebraskans in deciding where to retire? An overwhelming majority (over 80%) of rural Nebraskans say being closer to family is one of the most important factors in their decision to move in retirement, regardless of where they plan to live. Proximity to health care facilities is also important to a majority of rural residents (over 70%), and is an especially important factor in decisions to move to urban and rural areas of Nebraska (85%). Finding a lower cost of living is important for a majority of those leaving Nebraska and those undecided (70%), and to a smaller extent is important for those moving to rural Nebraska or staying where they currently are (60%).

Lastly, the availability of outdoor and fitness activities is an important factor cited by those planning to leave the state (75%), those who are unsure of their plans (65%), and those moving to rural Nebraska (60%).

This indicates that most rural Nebraskans do not plan to leave the state upon retirement, which is good news for rural communities. However, many also say they are not sure about their plans to move, especially younger rural Nebraskans, and many could choose to leave the state upon retirement. Therefore, it is imperative that state and local groups encourage retirees to stay in Nebraska by creating a retiree-friendly environment. Looking at rural Nebraskans who plan to leave the state in retirement, the main reasons given for leaving Nebraska are to be closer to outdoor and fitness activities, to find a more favorable climate, to be near family, and to find a lower cost of living. Although many of these are beyond the control of policy (such as climate and family), there are steps that state and local groups can take to increase the availability of outdoor and fitness activities and to lower the costs of living as a retiree in Nebraska. Such efforts should be done in a manner where people with different perspectives and interests work together to address this complex issue that affect both themselves and rural Nebraska.