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Cheryl A. Burkhart-Kriesel

University of Nebraska-Lincoln

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CORNHUSKER ECONOMICS

Baby Boomers: Will They Be Moving to Rural Nebraska?

Market Report	Yr Ago	4 Wks Ago	12/4/09
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.....	\$85.27	\$85.42	\$81.07
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	101.74	104.65	107.76
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	93.63	95.97	95.44
Choice Boxed Beef, 600-750 lb. Carcass.	148.18	141.49	139.48
Western Corn Belt Base Hog Price Carcass, Negotiated.	54.19	53.65	59.81
Feeder Pigs, National Direct 50 lbs, FOB.	52.28	*	*
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean.	60.41	59.08	62.76
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct.	95.50	93.87	93.50
National Carcass Lamb Cutout, FOB.	263.79	239.39	242.98
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Imperial, bu.	4.18	3.97	4.39
Corn, No. 2, Yellow Omaha, bu.	2.98	3.44	3.42
Soybeans, No. 1, Yellow Omaha, bu.	7.76	9.23	10.17
Grain Sorghum, No. 2, Yellow Dorchester, cwt.	3.55	5.66	5.77
Oats, No. 2, Heavy Minneapolis, MN, bu.	1.97	2.49	2.52
<u>Feed</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	202.50	*	*
Alfalfa, Large Rounds, Good Platte Valley, ton.	77.50	82.50	82.50
Grass Hay, Large Rounds, Premium Nebraska, ton.	75.00	*	*
Dried Distillers Grains, 10% Moisture, Nebraska Average.	130.00	119.00	120.00
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	42.00	42.00	42.50
*No Market			

Baby boomers are doing it again... breaking all the molds and playing havoc with trends. This time it is with migration.

Baby boomers, those born between 1946 and 1964, are entering a stage of life when it is predicted that a significant number of them will be moving to rural areas; especially those areas with scenic amenities and low housing costs.

According to a recent United States Department of Agriculture Economic Research Service report, they have already shown their interest in rural areas as a place to live. In the early 1990s this group, compared to younger and older aged cohorts, led a brief rural migration “rebound” even at a time in their lives when career decisions should have pulled them toward a more urban destination.

Why is this so significant? Today’s boomers, all 83 million of them, ranging in age from 45 to 63, are about one-fourth of the total United States population. In 1990, this same age group numbered only 42 million. Where this age group decides to physically reside will undoubtedly have major social and economic implications for this country.

Migration Patterns - The Big Picture

Most migration happens when people are in their twenties - they go off to college, make career decisions, enter the military or simply move away from home to see the world. Often urban destinations are desired because they offer diverse cultural, social and professional opportunities. As people become older, careers are developed and family obligations often make it more difficult to move. When retirement time comes, things change again. People are not moving like they did when they were younger, but for those that do, they are more likely to move to rural areas,

especially early in the retirement process, according to the USDA Economic Research Service.

Why Rural Areas?

There are a several reasons why rural areas are appealing to baby boomers. Many “empty nesters” are looking for quality of life considerations such as leisure and recreational opportunities, lower housing costs and a generally slower pace of life.

Moving to a rural location can be a gradual process. Often people develop strong ties to specific places where they have vacationed or visited family and friends. The importance of these experiences and relationships has been demonstrated by research conducted at the University of Nebraska (Burkhart-Kriesel, et. al., 2007). Sometimes a second home is purchased. The Internet has allowed them to find even the most isolated rural location with ease. Recreation and tourist destinations can easily become permanent residential locations for this group.

Many people also have an affinity for locations with scenic amenities. Research shows that “Baby boomers are increasingly drawn to areas with the right combination of scenic amenities (varied topography, relatively large lake or coastal areas, warm and sunny winters and temperate summers), recreational or cultural opportunities...” (Cromartie, J. and Nelson, P., 2009, pg. 18).

There can also be another, somewhat more subtle reason why rural areas are so appealing to baby boomers - they still have emotional ties to them. Often *their parents* had connections to farms, ranches or rural areas and they remember these ties, even as they were being raised in urban or suburban environments. These hometown ties were credited with having “enormous influence on the baby boomers’ subsequent migration decisions” (Cromartie, J. and Nelson, P., 2009, pg. 18).

How Will this Impact Nebraska Communities?

From a national viewpoint, Nebraska does have several notable quality of life advantages, such as a slower pace of life, lower cost housing, and leisure and recreational opportunities that probably makes the state appealing to baby boomers. As a state, Nebraska may not have mountains and coastal waterfronts for those seeking such high amenity areas, but it does have an abundance of lakes, recreational areas of all types and a huge variety of homegrown cultural entertainment opportunities. (For those interested in seeing how Nebraska ranks in natural amenities compared to other states, go to:

<http://www.ers.usda.gov/publications/aer781/aer781.pdf>

There is debate at the federal, state and local level as to whether this kind of migration actually benefits a rural area, because there are specific benefits and costs. On the benefit side, these new residents will likely have a positive impact on local income and employment. They often bring significant new money into a county’s economy, generate new demand for a variety of services, and boost job levels. On the cost side, they may also increase the need for community infrastructure, health care and other services that may not be available.

Regardless of the benefits and costs, it is important to realize that this group’s prosperity is directly linked to Social Security adjustments, pension guarantees and health care provisions.

A better understanding of the factors that influence this potential new migration trend and possible consequences will hopefully help communities develop more effective new resident development strategies.

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Cheryl Burkhart-Kriesel, (308) 632-1234
Extension Community Development Specialist
University of Nebraska–Lincoln
cburkhar@unlnotes.unl.edu