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Cornhusker Economics

Community Size and Resident Satisfaction: Is There a Sweet Spot?

Market Report	Year Ago	4 Wks Ago	11-10-17
Livestock and Products,			
Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	103.10	*	*
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.	137.86	180.66	179.94
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	128.01	170.20	166.31
Choice Boxed Beef, 600-750 lb. Carcass.	185.47	197.50	212.59
Western Corn Belt Base Hog Price Carcass, Negotiated	40.83	59.57	58.91
Pork Carcass Cutout, 185 lb. Carcass 51-52% Lean.	73.82	73.45	80.40
Slaughter Lambs, woolled and shorn, 135-165 lb. National.	142.05	150.49	136.55
National Carcass Lamb Cutout FOB.	352.40	389.35	393.31
Crops,			
Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu.	2.66	3.15	3.26
Corn, No. 2, Yellow Columbus , bu.	2.94	3.07	3.09
Soybeans, No. 1, Yellow Columbus , bu.	8.91	9.01	8.73
Grain Sorghum, No.2, Yellow Dorchester, cwt.	4.50	5.46	5.49
Oats, No. 2, Heavy Minneapolis, Mn, bu.	2.85	2.92	3.06
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	145.00	*	156.25
Alfalfa, Large Rounds, Good Platte Valley, ton.	67.50	83.75	80.00
Grass Hay, Large Rounds, Good Nebraska, ton.	65.00	82.50	82.50
Dried Distillers Grains, 10% Moisture Nebraska Average.	107.50	117.50	135.00
Wet Distillers Grains, 65-70% Moisture Nebraska Average.	41.75	44.00	42.00
* No Market			

Members of the rural development industry have long debated the existence of a “Best” community size in which to invest resources successfully. Some places, it is argued, are simply too small to attract the businesses and population required for sustained development. Population trends of the last 50 years seem to support this notion, since every rural regions and communities have consistently lost population while larger places have grown by serving as regional trade centers.

By most development standards, those larger trade centers are doing quite well, adding jobs and housing to support a growing (even if slowly) labor force. They are also expanding consumer options in retail, entertainment and personal services while also making improvements in education and health care through the addition of both new structures and new technology. According to the Nebraska Rural Poll, resident satisfaction with such community amenities is indeed significantly higher in larger communities.

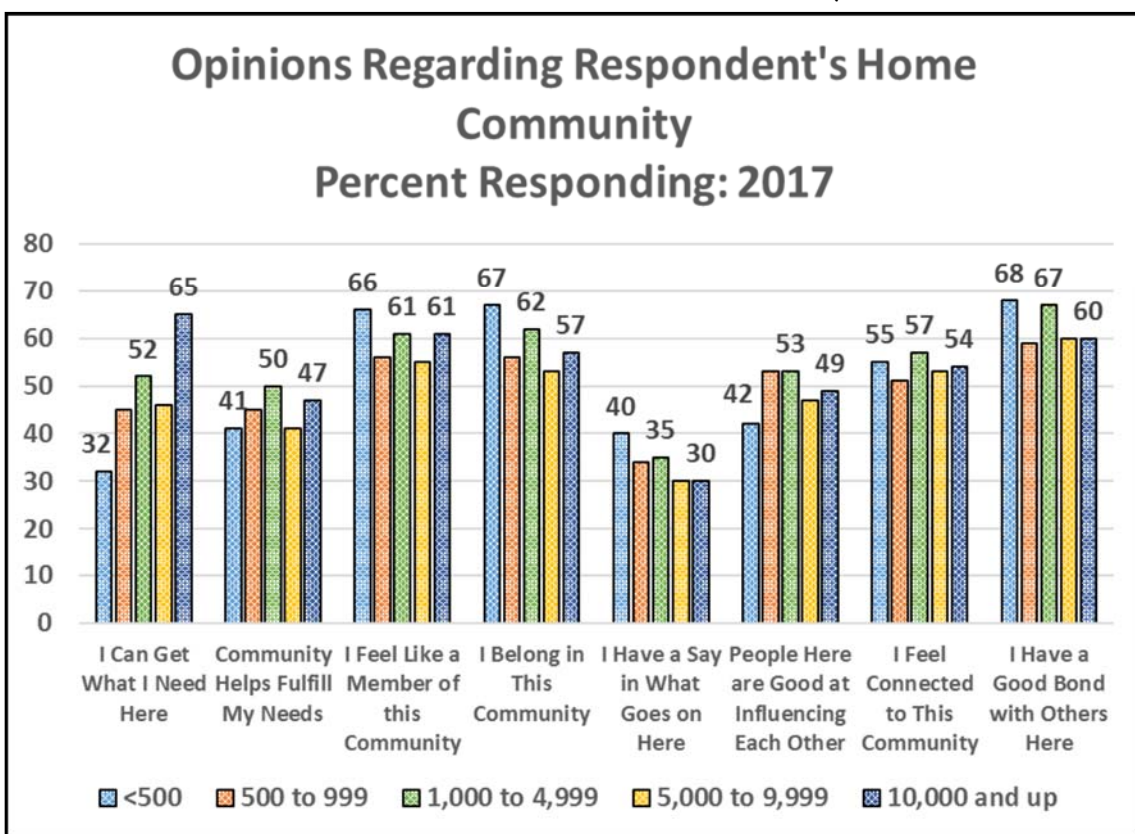
On the other hand, when responding to that same Rural Poll, residents of smaller communities report higher levels of satisfaction with the less commercial aspects of community life, such as their relationship with neighbors, personal safety, their natural environment and their free time. They are also more likely to rate their home community as friendly, trusting and supportive.

Both findings are intuitively reasonable. It is difficult for residents of rural places to report satisfaction with amenities that simply do not exist locally. At the same time, many if not most social interactions that occur in the smallest communities involve known others, friends and family. Such interactions are generally more satisfying than are the interactions with strangers that tend to dominate urban environments.

So the question here is this: If satisfaction with market-based amenities tends to increase along with the size of a community while satisfaction with non-market characteristics declines, is there an optimum community size for which satisfaction is relatively high for both? For evidence, we will turn to the most recent Nebraska Rural Poll, a mailed sample survey of non-metropolitan Nebraska households, that is now entering its 23rd year.

In 2017 a series of Poll questions addressed the attachment of respondents to the community in which they lived. Partial results from that series are depicted in Figure 1. The bars in this graph represent the percent of Rural Poll respondents who agreed with each of eight statements. Responses are then divided into five groups based on the size of the respondent's home community (or nearest community if they live in the open country). Labels are provided for communities of 5 different population sizes: Less than 500, 500 to 999, 1,000 to 4,999, 5,000 to 9,999 and more than 10,000.

Figure 1.



Source: Nebraska Rural Poll 2017 (n = approximately 1,500)

Responses to these questions seem to reflect the same pattern observed when asking questions regarding satisfaction with specific amenities. In communities with more than 10,000 residents, 65-percent of Rural Poll respondents indicate that they “Can get what they need.” By comparison, in communities of 500 or fewer residents, only 32-percent of respondents agree with that statement, reflecting the limitations of small rural markets.

The pattern is more or less reversed when the statement is “I belong in this community.” Residents of the Poll’s smallest communities are more likely to agree with that statement (67%) than are the residents of the Poll’s largest communities (57%). In general, the Rural Poll’s sample structure is such that differences of 5 percent or more can be treated as being statistically significant.

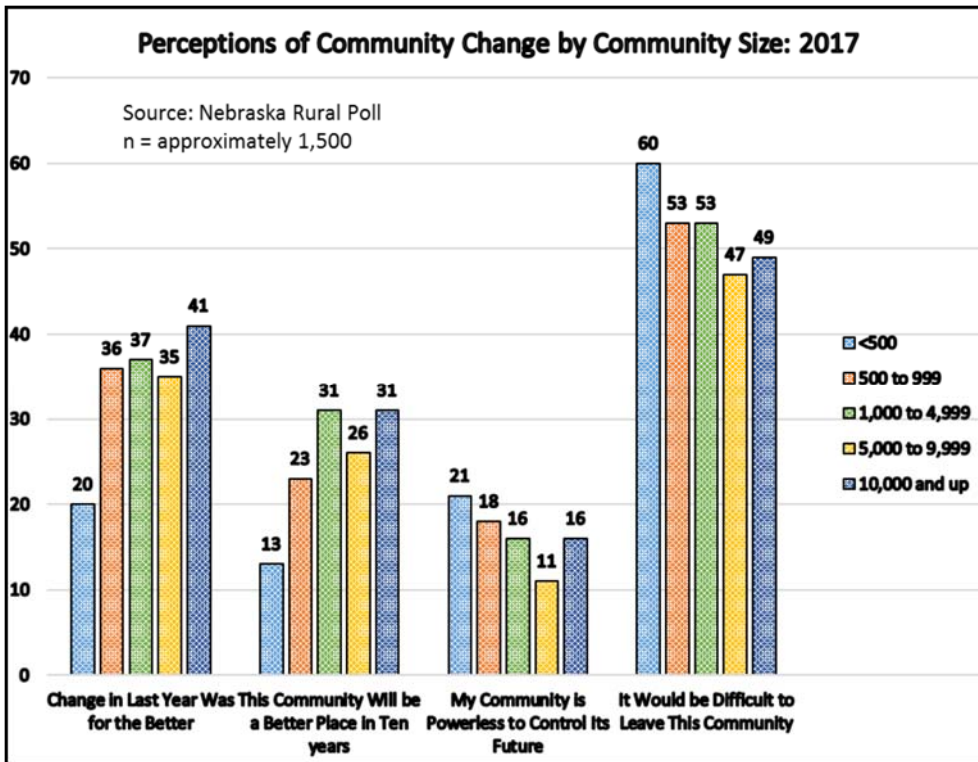
Communities with populations of 1,000 to 4,999 stand out in this graph for their consistency when compared to places of differing size. They are rated more highly than the smallest places with regard to the provision of amenities, and higher than larger places with regard to social attachment. Those differences persist when respondents are asked to comment on their optimism regarding the future of their community, the community’s ability to make positive changes and their attachment to their current residence (Figure 2).

As depicted in Figure 2, the residents of communities with populations between 1,000 and 4,999 are more likely than the residents of smaller communities to believe that recent changes

have been positive and that change will continue to be positive over the next decade. When compared to smaller places, they are also less likely to believe that their community is powerless to shape its own future and only slightly less likely to see moving away as being personally problematic. If an individual’s overall level of “Satisfaction” with a community is dependent upon a balance between amenities and relationships, then the classic small town may be an optimal setting.

Certainly there is not a massive difference in opinion related to community size to be found in most of these numbers. The reality is that most people like it where they are and are willing to live with whatever limitations they might find in that environment. But there does seem to be at least the possibility that, all things considered, communities of 1,000 to 4,999 offer some advantages with regard to resident satisfaction.

Figure 2.



the resources to pursue even a great idea are likely to be quite limited in that same rural place.

By contrast, a larger community such as a micropolitan center is likely to have considerable resources to invest in community improvements, and not just financial resources. Larger places have paid staff to plan and to act upon those plans. Access to those decision-makers is, however, likely to be limited by bureaucracy and social distance. The urban resident with a concern or great idea may not know where decision-making influence rests and the great majority of residents would be uncomfortable approaching city officials without first observing appropriate protocols.

If the classic rural community has an advantage in supporting a population that is generally satisfied with their situation,

Why might that be true? With over 20 years of observations through the Rural Poll, we do have enough information to offer a theoretical explanation (and thus a testable hypothesis) for why this might be: Satisfaction among community residents depends upon a balance between access to decision-making and resources with which to act.

Consider this. In a very small community, where most daily interactions are with known others, an individual will likely be able to comfortably approach a decision-maker such as the mayor or institutional official directly and informally with a concern or idea. Access in such a setting is easy. But,

access seems to be a likely key. As places grow, resources increase. But since first-person social connections are less common in larger populations, an average resident's access to those resources and influence over how they are used tends to diminish. If there is a *Sweet Spot* in the relationship between community size and resident satisfaction, it will be found in a location where residents have access to both decisions and resources. Mid-size rural communities are well placed to accomplish that.