

5-12-2010

# Attracting and Retaining Workers in Rural Communities

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Vogt, Rebecca J.; Burkhart-Kriesel, Cheryl; Cantrell, Randolph L.; and Narjes, Charlotte, "Attracting and Retaining Workers in Rural Communities" (2010). *Cornhusker Economics*. 444.

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# CORNHUSKER ECONOMICS

## Attracting and Retaining Workers in Rural Communities

Market Report	Yr Ago	4 Wks Ago	5/7/10
<b><u>Livestock and Products,</u></b>			
<b><u>Weekly Average</u></b>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight. . . . .	\$83.91	\$100.57	\$99.71
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb. . . . .	114.40	131.36	127.13
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb. . . . .	98.67	116.34	120.22
Choice Boxed Beef, 600-750 lb. Carcass. . . . .	146.10	164.80	170.71
Western Corn Belt Base Hog Price Carcass, Negotiated. . . . .	57.75	73.92	85.36
Feeder Pigs, National Direct 50 lbs, FOB. . . . .	59.56	67.50	*
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean. . . . .	57.10	77.52	90.00
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct. . . . .	94.00	*	*
National Carcass Lamb Cutout, FOB. . . . .	245.81	287.68	301.85
<b><u>Crops,</u></b>			
<b><u>Daily Spot Prices</u></b>			
Wheat, No. 1, H.W. Imperial, bu. . . . .	5.53	3.73	3.96
Corn, No. 2, Yellow Omaha, bu. . . . .	4.06	3.35	3.58
Soybeans, No. 1, Yellow Omaha, bu. . . . .	11.03	9.43	9.51
Grain Sorghum, No. 2, Yellow Dorchester, cwt. . . . .	6.14	5.29	5.64
Oats, No. 2, Heavy Minneapolis, MN, bu. . . . .	2.31	2.15	2.04
<b><u>Feed</u></b>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton. . . . .	190.00	135.00	135.00
Alfalfa, Large Rounds, Good Platte Valley, ton. . . . .	77.50	87.50	92.50
Grass Hay, Large Rounds, Premium Nebraska, ton. . . . .	85.00	*	*
Dried Distillers Grains, 10% Moisture, Nebraska Average. . . . .	141.00	95.00	115.00
Wet Distillers Grains, 65-70% Moisture, Nebraska Average. . . . .	49.75	33.50	36.00
<b>*No Market</b>			

Many rural communities focus their development efforts on job creation. In the non-metropolitan portions of the Northern Great Plains, job creation efforts in the first half of this decade were quite successful. According to the Bureau of Economic Analysis (BEA, 2005), 167 of the 223 non-metropolitan counties in Nebraska, North Dakota and South Dakota saw an actual aggregate increase in total jobs (full and part-time) of 28,734, between the years 2001 and 2005.

This increase in available jobs, however, was not matched with similar growth in the regional labor force. According to the Bureau of the Census (2005), those same 223 Northern Great Plains counties saw an increase in their potential labor force (persons age 16 to 65 years) of only 6,237 between 2001 and 2005. A total of 97 counties saw growth in the population age 16 to 65 years, while 126 counties saw that population decline.

The growth in jobs has, to some extent, been absorbed by hiring unemployed or underemployed workers in the region. However, that labor pool is likely to be limited in the long-run. Unemployment rates in the Northern Great Plains are among the lowest in the nation, while labor force participation rates are among the highest (see Table 1 on next page).

Thus, many non-metropolitan areas were facing workforce shortages, as new jobs were created at a faster rate than potential labor force growth. This problem highlights the importance of recruiting and retaining workers in rural communities, especially in the Northern Great Plains. This has led to the creation of an integrated research and extension project.

This project, “Marketing Rural Communities to Attract and Retain Workers,” was developed through collaborative effort between the University of Nebraska, North Dakota State University and South Dakota State University. Its



**Table 1. Labor Force Characteristics for the Northern Great Plains**

State	Ranking Among 50 States				
	Unemployment Rate: 2007	Labor Force Participation Rate: 2007	Labor Force Participation Rate 65 and Older: 2007	Labor Force Participation Rate Age 16 to 19: 2004	Multiple Job Holders: 2007
Nebraska	48 (tie)	3	3	2	2
North Dakota	43	2	6	10	5
South Dakota	48 (tie)	1	1	1	1

Source: Bureau of Labor Statistics - Compiled from the Current Population Survey

purpose is to apply innovative marketing concepts and methods commonly used in business to the problem of attracting new residents to rural communities and regions. The end goal is to devise high impact workforce recruitment strategies in rural areas characterized by emerging workforce shortages. The project is funded by the U.S. Department of Agriculture.

This project involves many steps, including: 1) conducting labor vacancy surveys among employers in the selected communities in the Northern Great Plains to determine the true nature, extent and economic impact of workforce shortages, and to identify current workforce requirements and recruitment strategies, 2) conducting household surveys of new residents to determine the characteristics of new residents to the Northern Great Plains and what attracted them to the region, and 3) conducting consumer focus groups in order to develop, implement and evaluate a ‘best practice’ format for marketing communications, with an emphasis on unique community assets and community Web pages.

The project involves six target areas of various sizes, and with a variety of infrastructure and labor shed characteristics located in the three participating states. Specific site decisions were made by identifying communities that had recently seen job growth outpace growth in the potential labor force. The selected communities include:

**Sidney, Nebraska:** Sidney, with 6,282 residents, is home to *Cabela’s*, a nationally prominent and highly successful retail sporting goods enterprise currently employing 1,300 workers in their home facility, with plans for expansion that will require an additional 700 workers over the next four years.

**Wayne, Nebraska:** Wayne is a small trade center of 5,583 residents, located in close proximity to both a metropolitan and a micropolitan center. Wayne is home to a State College campus and has a significant manufacturing base.

**Underwood, North Dakota:** Underwood is a community of 812 residents at the northern edge of the

Bismarck labor shed. Characterized by rapid growth in mining and energy generation, it expects significant workforce turnover in the near future.

**Stanley, North Dakota:** Stanley is a county seat community of 1,279 residents, which is experiencing an employment boom related to oil production.

**Hot Springs/Edgemont, South Dakota:** Located on the edge of the rapidly growing Black Hills region, Edgemont and Hot Springs are neighboring communities with 5,000 residents and significant railroad and mining employment.

**Groton, South Dakota:** Groton is a community of 1,356 residents with a diversified economy, located in a largely agricultural area with close proximity to a metropolitan area.

The workforce needs of these communities vary from those associated with a dominant enterprise, to those associated with a mix of small employers, to those associated with recent expansions of extractive industries. They also vary markedly in terms of the environmental, social and cultural amenities that they offer and in their efforts to create and broadcast a community or regional brand identity.

At this point in time, both the household new resident surveys and labor vacancy surveys have been completed in each community. Currently, data from the new resident surveys and the labor vacancy surveys are being synthesized to inform the marketing phase of the project. The marketing phase is where innovative marketing concepts and methods commonly used in business are applied to issues of attracting and retaining new workers to rural communities. Key workforce issues in each community will be identified based on the results of the two surveys.

The results from the household survey highlight the unique characteristics of each community. When looking at the characteristics of the new residents to each of the six communities, many differences emerge. The average age of new residents across all six communities ranged from 43 to 54. The highest average age occurs among new residents to

Hot Springs/Edgemont. Over one-half of the new residents to both Groton and Wayne are under the age of 40. Groton had the highest proportion of new residents with children, at 44 percent.

Over one-half of the new residents to Underwood, Hot Springs/Edgemont and Sidney had moved from a metropolitan county. However, most new residents to Stanley, Groton and Wayne moved from other non-metropolitan counties.

The factors that led the new residents to move to their new community also differed across the communities. Cost of living issues were influential in new residents' decision to move to Underwood. Most new residents to Underwood rated the following reasons as important in their decision to move: lower cost of housing (58%), lower taxes (58%), lower cost of living (58%), to spend more quality time with family (58%), and to find a less congested place to live (53%). Many new residents to Stanley rated the following reasons as important in their decision to move: spend more quality time with family (50%), be closer to relatives (44%) and to find a simpler pace of life (44%). Family related reasons were important in new residents' decision to move to Groton: be closer to relatives (49%), better environment for raising children (49%), find better quality local schools (46%), and spend more quality time with family (43%).

New residents to Hot Springs/Edgemont moved there because of environmental reasons: to live in a desirable natural environment (65%), find a simpler pace of life (59%), find a less congested place to live (52%) and to find more outdoor recreational activities (51%). Many new residents to Wayne rated the following reasons as important in their decision to move: be closer to relatives (39%), obtain a higher paying job (37%), and spend more quality time with family (36%). Employment considerations were important for new residents to Sidney: obtain higher paying job (57%), obtain job more in line with my skills (52%), and spend more quality time with family (50%).

As the project continues, focus groups will be conducted among new residents to help develop marketing materials for the six communities. At the completion of the four-year project, the surveys will be replicated and Web page use changes will be analyzed in order to evaluate the impact of improved recruitment and retention efforts.

The data obtained from the research activities of this project will significantly enhance our understanding of the relationship between the demographic and attitudinal characteristics of movers, the locations to which they move and the specific efforts of communities and regions to attract new residents and improve their workforce. Analysis of these relationships will allow the research team to formulate strategies that will optimize the success and value of residential recruitment as a development tool.

With effective marketing communication strategies clearly defined, communities wishing to engage in active residential recruitment will be able to accurately portray the lifestyle amenities that they offer, and reach those potential new residents for whom those amenities are important, making it easier for individual households to determine the desirability of moving to a specific area. Immigrants who come to rural communities with better informed expectations will experience fewer disappointments with the amenities that they find, and be less likely to consider moving again. Employers will experience greater success in both workforce recruitment and retention when prospective new employees are well informed about the communities in which their new jobs are located.

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