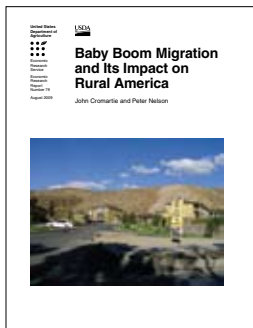


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Baby Boom Migration and Its Impact on Rural America

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The size and direction of migration patterns vary considerably by age group, and baby boomers (those born between 1946 and 1964) have entered a stage in which their migration patterns will increase the population of rural and small-town settings. Many older boomers are ending child-rearing duties, changing housing preferences, and pondering early retirement options. Quality-of-life considerations are beginning to replace employment-related factors in decisions about when to move and where to live. Within clearly marked ranges, this report projects the level of net migration change for baby boomers through 2020 and measures its impact on the retirement-aged population in nonmetro areas.

What Is the Issue?

Population change as a result of net migration is unevenly distributed across the landscape. Rural jurisdictions face different demands for local goods and services and different opportunities for economic expansion, depending on population trends. Anticipating the types of areas that will receive large numbers of baby boomers in the near future could help communities plan for rising demands for housing, transportation, health care, and retail infrastructure.

Economic and social impacts from migration connect to broader age-related issues subject to debate at Federal and State levels. Places that emerge as migration destinations for Americans approaching or entering retirement today will be increasingly influenced by Federal policy decisions regarding Social Security adjustment, pension guarantees, workforce issues, and health care provision, among others.

What Did the Study Find?

Baby boomers are a heterogeneous group. Younger boomers are still in the middle of child rearing and career building, while older boomers are more likely to be “empty nesters.” In this decade and the next, this cohort will pass through stages when moves to nonmetro counties increase, especially to areas with scenic and urban amenities, high second-home concentrations, and lower housing costs. Analysis of county net migration rates shows that employment considerations become much less important as migrants approach retirement. The influence of employment change on migration for 60-64 year olds is one-fourth as strong as that on 30-34 year olds.

Baby boomers have already demonstrated more of an affinity for moving to rural and small-town destinations than older or younger cohorts. They led a short-lived rural “rebound” in the early

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1990s despite being at an age when career-oriented motivations strongly influence migration decisions. They are now poised to significantly increase the population of 55-75 year olds in rural and small-town America through 2020, with major social and economic implications for their chosen destinations.

Through this decade and the next, baby boomer migration will likely contribute to a deconcentration of population growth near metro areas. Assuming a midrange projection, net migration to core metro counties will switch from a population gain of 979,000 during the 1990s to a population loss of 643,000 during the 2010s. Fringe metro counties had the highest rates of baby boomer migration in the 1990s, but these rates are projected to drop considerably during the 2010s. Migration gains in nonmetro counties adjacent to metro areas will remain relatively stable over the first two decades of this century, while more remote counties will see the most dramatic increases. After gaining only 277,000 boomer migrants during the 1990s, these nonadjacent counties will gain nearly 362,000 and 383,000 new boomer residents during the 2000s and 2010s, respectively.

Regardless of all but the most dire future economic and housing market conditions, baby boom migration will increase the overall size of rural America's retirement-age population. Assuming a midrange projection scenario and including the effects of migration, the rural and small-town population of 55-75 year olds will increase two-thirds, from 8.6 million to 14.2 million between 2000 and 2020. The rate of growth for this age group in nonmetro areas has likely tripled to 31 percent during the current decade, compared with that of the 1990s, and will remain close to 30 percent in the next decade. Without net migration, the rate of growth for this age group would be cut nearly in half to just 18 percent in this decade and 15 percent during 2010-20.

How Was the Study Conducted?

ERS analyzed age-specific net migration rates during the 1990s (the most recent data) to determine how net migration shifts geographically with age. Migration tends to persistently favor counties with specific attributes—employment opportunities, scenic amenities, reasonable real estate prices, proximity to large cities, among others. Age patterns of those migrating fluctuate within relatively narrow confines from one decade to the next, especially for older age groups. Thus, population projections for the baby boom cohort were constructed for different types of metro and nonmetro areas by asking: What will happen to future population trends if age-specific net migration patterns remain close to those measured in the 1990s?

The study used a regression model to measure the combined influence of employment trends, housing market characteristics, scenic and urban amenities, and other factors on age-specific net migration rates for different types of counties during the 1990s. Separate models by 5-year age groups capture the changes in migration patterns as people move through different life-cycle stages. Using migration rates derived from the models, the study projected the size and distribution of retirement-aged populations up through 2020. A range of projections provides upper and lower bounds for the likely size of baby boomer migration and its geographic variation.