Demographic changes during the next decade or so are well-accepted with major growth in residents 65 years and older and declines in traditional working age populations. These trends are international and the U.S. may be in a better position than many other countries. Less clear is the impact these population shifts will have on local governments, especially nonmetro areas which can also expect population declines according to projections.

So, some areas may face increases in demand for health-related and other elderly-friendly services while, at the same time, experience possible shrinkages in tax bases as elderly spend less and live in smaller houses. Local public officials and community leaders need to seriously examine potential demographic shifts, and more importantly, actions that can be taken now to both accommodate and benefit from expected demographic trends.

How Will Demographic Trends Affect Rural Illinois?

The impacts of population growth in the 1950s (Baby Boom Generation) are well understood and the current situation is clearly an extension of these trends. In the future, the dependency ratio of elderly and children to working age populations will increase and require more support from the working age population. This could mean higher taxes and fees paid by a smaller number of residents. There are also growing concerns about numbers of health-care workers needed to accommodate larger numbers of elderly in the future. Communities that are age-friendly and where residents can live independently will be at an advantage.

The concentrations of elderly residents in Illinois align with expectations from national trends. By 2029, residents 65 years and older could represent 25% or more of the population in as many as 23 rural Illinois counties — a substantial increase from only five counties in 2019. By and large, counties with high proportions of elderly are in southeastern, western, and northwestern Illinois, all of which are very rural. Many have experienced population losses in the past and these declines are projected to continue. Further declines will likely affect tax bases and revenue sources to support local services that may increase as the population ages.
Another factor to consider, though, is that many young adults, especially those who pursued higher education, have left rural areas for better employment opportunities. In an increasingly information-based economy, rural areas may encounter even more difficulties competing with these centers for high-paying jobs. In the future, aging family members may tend to relocate to these larger centers for family contacts, access to health care, and other reasons.\textsuperscript{vi}

On a more positive note, economic growth and relative prosperity since WW-II left many Baby Boom Generation members financially secure. Life expectancy has increased translating into more years spent in retirement. These two trends can open new opportunities for areas to appeal to this growing population cohort with considerable flexibility in where they choose to live. Likewise, the current Covid-19 crisis may change living preferences.\textsuperscript{vii}

Also important in discussions of population aging is the impact on an aging workforce. (Figure 2) For instance, between 2000 and 2019, increases in manufacturing employment in rural Illinois counties involved workers 55 years and older. The increase of 2,309 employees in the 55 to 64-year cohort was 50.9\% and the increase of 731 in workers 65 years and older increased 101.4\%, as relatively...
few people of retirement age held manufacturing jobs in 2000. The long-term effects of these trends are that some rural areas may have even more difficulties attracting workers.

A comparable analysis of total employment changes by age group from 2000 to 2019 shows similar results (See Appendix) with the increases in employment during the period under study all in the age 55 and older age category, and decreasing employment for all workers under age 55. These trends will likely cause employers, who can, to introduce automation to maintain production levels. A possibly even more serious question, however, is what will happen in five to ten years as older workers finally leave the workforce altogether. More immediately, the COVID-19 Virus situation raises an issue of whether many older residents who have been temporarily displaced with financial benefits will return to their previous positions.

Somewhat similarly, young adults who, while laid off, will pursue temporary employment via the gig economy (e.g., online delivery and ridesharing services), sell their services on the Internet, or learn new skills to change careers when the economy recovers. These alternatives are likely to increase in the future, especially as internet capacity in rural areas increases. It is too early to speculate how the current economic setback will affect these approaches but rural areas with access to natural recreation and a high quality of life could benefit from these trends.

Figure 2. Manufacturing Employment by Age Group, Q3 2000-2019, Illinois Rural Counties*

<table>
<thead>
<tr>
<th>Ages</th>
<th>Change in Jobs</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages 65+</td>
<td>731</td>
<td>101.4%</td>
</tr>
<tr>
<td>Ages 55-64</td>
<td>2,309</td>
<td>50.9%</td>
</tr>
<tr>
<td>Ages 45-54</td>
<td>-1,895</td>
<td>-19.7%</td>
</tr>
<tr>
<td>Ages 35-44</td>
<td>-6,031</td>
<td>-45.5%</td>
</tr>
<tr>
<td>Ages 25-34</td>
<td>-4,505</td>
<td>-40.7%</td>
</tr>
<tr>
<td>Ages 22-24</td>
<td>-1,306</td>
<td>-44.8%</td>
</tr>
<tr>
<td>Ages 19-21</td>
<td>-1,470</td>
<td>-56.5%</td>
</tr>
<tr>
<td>Ages 14-18</td>
<td>-441</td>
<td>-52.0%</td>
</tr>
</tbody>
</table>

*3rd quarter 2019 was the latest available at time of writing. Data includes all counties not located in a metropolitan or micropolitan statistical area as defined by the Office of Management and Budget.

On a more positive note, many elderly now work past traditional retirement age—either due to financial need or their health permits it. So their share of the workforce is on the increase in some areas which can help rural areas maintain a stable workforce. (Figure 2) Flexible schedules and more elder-suitable working environments can help extend longevity for several years but there is an age limit beyond which people are still productive and can work safely in specific occupations.

What qualities do elderly seek in a place to live?

Attracting older residents is an important strategy in many rural areas. While living in large cities or suburbs appeals to large numbers of young adults and Millennials, a 2018 Gallup Poll identified a decided preference (31%) by older persons (50 years and older) for living in rural areas. Rural areas ranked highest among any other living option including big city, small city, suburb of big city, suburb of small city, or town. The preference for rural areas by older residents, was down slightly from 2001 but the relative preference for rural living remained highest.

The Gallup survey also compared where respondents currently live versus where they preferred to live. The highest ranking for desired location among all respondents was rural areas (27%) even though only 15% of those interviewed currently live there. Equally interesting is that fewer respondents preferred to live in big cities or small cities than currently do. However, slightly fewer (12%) reported preferring a small town than currently live there (16%). A preference for a suburb of a small city (10%) was also slightly above those currently living there (7%). The effects of the Covid-19 experiences remain to be seen.

Equally important is that preference for a rural living environment is consistent across education levels although was highest (33%) among respondents with high school or less and 23% among college graduates. It decreased with higher levels of education most likely because of fewer specialized and higher paying jobs but these were not listed on the questionnaire. Nevertheless, the survey findings led the author, Newport, to conclude:

*In short, if Americans could sort themselves geographically according to their desires, the nation would see an out-migration from big cities and, to some extent, from small cities and towns, and a substantial movement into rural areas.*

The responses clearly offer opportunities for rural areas to attract older residents and pre-retirees with lesser, but nonetheless substantial, interest by younger generations who more often prefer suburban metro locations. These two groups will experience growth in the next decade and longer.

The Metlife Mature Institute identified six common elements that make a community attractive to older residents. They include: affordable and accessible housing; safe neighborhoods; healthcare including preventative programs; supportive services; goods, services, and amenities such as retail within walking distances; social integration; and access to transportation including walkable neighborhoods. Also important to many seniors is to live in an intergenerational environment.

Especially important is that many of these characteristics are also important to other age groups. Safe neighborhoods, walkable environments, access to recreation and entertainment, affordable housing, and educational opportunities are desired by many residents, regardless of age which makes local investments in these facilities attractive. Since rural areas already have many of these traits, they can be potential attractions for residents aging-in-place as well as those seeking a place to retire or younger households seeking a place to raise a family.
How Elderly Spend Their Funds

Spending by older residents will have important impacts on future prosperity, if not viability, of some rural areas. Growth in internet sales diverted spending away from local bricks and mortar stores and this trend will continue. At the same time, growth in businesses such as Amazon provides opportunities for small manufacturers in rural areas to sell nationally and help stabilize the rural economic base. Etsy, and similar marketing groups, also provide outlets for small businesses with custom or unique offerings to reach distant markets. These specialized outlets can cater to interests of pre-retirees or active seniors interested in creative activities.

Key to high quality of rural life and attractiveness to older populations, is affordable access to high quality internet services whether for entertainment, socialization, employment related activities, or access to basic services such as telemedicine or tele-health. Fortunately, Illinois recognized the importance of internet access and is investing $420 million in working with local governments to upgrade services. These investments during the next several years will make rural Illinois much more attractive for residents of all age groups.

Spending by older residents in local stores will be a major factor in the prosperity of these businesses but more retirements by owners due to age will threaten closures. Many have long histories of serving the area including grocery stores, restaurants, gathering places, and other activities that make communities more desirable places to live. For small rural communities to remain viable, these stores, or others providing essential services, must be retained or operated in other economically viable ways. Some elderly have become comfortable with online grocery shopping and home delivery during the current pandemic. These purchasing patterns may persist when daily life returns to normal.

On average, people of retirement age in the Midwest spend less than young adults who are often targeted in economic development strategies. (Figure 3) The elderly spent significantly more on health care, and less in most other categories, such as restaurants, apparel, and travel in 2017-2018. However, those over age 65 spent more (both in total and as a percentage) on entertainment. On average, 25-34 year-olds spent $2,683 on entertainment, compared to $3,080 by an average consumer of retirement age. Young adults spent more on admissions and hobbies, but older adults spend more on audio/visual equipment and services. Differences in entertainment spending may reflect television viewing preferences if young adults less often subscribe to traditional cable or satellite packages substituting individual streaming services with fewer options at a lower price.

Community leaders face some challenges in finding ways to attract older residents including those nearing retirement age. The current housing stock may not be well suited for older residents and the physical infrastructure may require updating along with social and health services. Fortunately, remote delivery of services will increase but may require local adjustments that will take time and changes. While time-consuming and expensive in some cases, these activities nevertheless must happen for rural communities to retain aging populations and attract others.
Figure 3. Consumer Expenditures by Age, Midwest, 2017-2018

<table>
<thead>
<tr>
<th>Item</th>
<th>Average Spending</th>
<th>% of Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ages 25-34</td>
<td>Ages 65+</td>
</tr>
<tr>
<td>Average annual expenditures</td>
<td>$52,817</td>
<td>$47,580</td>
</tr>
<tr>
<td>Shelter (owned or rented, incl. mortgage)</td>
<td>10,140</td>
<td>8,431</td>
</tr>
<tr>
<td>Food at home</td>
<td>3,579</td>
<td>3,646</td>
</tr>
<tr>
<td>Food away from home</td>
<td>3,063</td>
<td>2,316</td>
</tr>
<tr>
<td>Apparel and services</td>
<td>1,947</td>
<td>1,122</td>
</tr>
<tr>
<td>Vehicle purchases (net outlay)</td>
<td>4,058</td>
<td>2,207</td>
</tr>
<tr>
<td>Gasoline, other fuels, and motor oil</td>
<td>2,040</td>
<td>1,342</td>
</tr>
<tr>
<td>Healthcare</td>
<td>3,363</td>
<td>6,856</td>
</tr>
<tr>
<td>Entertainment</td>
<td>2,683</td>
<td>3,080</td>
</tr>
<tr>
<td>Fees and admissions</td>
<td>599</td>
<td>517</td>
</tr>
<tr>
<td>Audio/visual eqpt. &amp; services</td>
<td>821</td>
<td>978</td>
</tr>
<tr>
<td>Pets</td>
<td>581</td>
<td>493</td>
</tr>
<tr>
<td>Toys &amp; Hobbies</td>
<td>210</td>
<td>85</td>
</tr>
<tr>
<td>Other entertainment supplies &amp; services</td>
<td>472</td>
<td>1,006</td>
</tr>
<tr>
<td>Education</td>
<td>921</td>
<td>236</td>
</tr>
<tr>
<td>Personal Insurance/Pensions (exc. health)</td>
<td>6,871</td>
<td>2,998</td>
</tr>
<tr>
<td>All other items, not shown</td>
<td>14,152</td>
<td>15,346</td>
</tr>
</tbody>
</table>


The local impacts of attracting older residents can be significant. A statewide analysis in Georgia shows that an estimated in-migration of 15,805 retirees into the state created an additional 8,574 jobs. The jobs were mainly in labor-intensive service industries, rather than in goods-producing industries which often pay more. Regardless, the experiences in Georgia, suggest that on average one local job was added per 1.8 retirees who moved in. The potential effects on state and local revenues from the in-migration compared with additional expenditures for services are important. Like Illinois, Georgia does not tax retirement incomes, but even in that situation, the analysis indicated that the additional retirees did not impose a net burden, when revenues and costs are considered. This comparison must be explored in more depth using figures for Illinois before a definitive conclusion can be reached about either statewide or nonmetro potential impacts.

Georgia aggressively targets retirees in local development planning. This strategy is based on research suggesting that the state is attractive to specific age groups and specific states, partly because of climate and other conditions. They found that the same characteristics that attract tourists can also attract people approaching retirement age and possibly looking to change locations. The target market includes people between 55 and 64 years of age on the grounds that older people have already decided on a retirement location. They also incorporate financial and institutional arrangements in marketing efforts. Between 2007 and 2011, Illinois residents were among the larger groups transferring to Georgia, according the American Community Survey estimates. (Golden Rules, p. 55) While each state has unique attractions, the marketing approaches used in Georgia are worth consideration by rural areas in Illinois.
Resources to Help Start an Age-Friendly Livable Process

The American Association of Retired People (AARP) offers a program in which participating communities can use an organized effort to review local conditions and make them more conducive for residents to age in place. The program helps community groups determine whether local conditions are age-friendly and how they can be improved to meet the needs of older age groups. The program is not designed strictly for elderly groups; rather, it helps community leaders evaluate current conditions. Next, they can design a community-wide action plan to make the area more livable and attractive to both current residents and potential in-migrants.

Currently, relatively few (8), mostly larger Illinois municipalities, have attained the Age Friendly Livable Designation. The Metropolitan Mayors Caucus is leading a collaborative initiative to encourage involvement by member communities and is reaching out to other groups. Operating at the regional level offers distinct advantages because many relocation decisions are based on regional opportunities for a high quality of life with access to services. Participating communities can share costs and can market the region more effectively as a place to live, especially when including outdoor recreational facilities and other amenities available in rural areas.

The AARP organized approach involves a serious self-assessment of local conditions and, in some instances, may require additional investment in physical capital, infrastructure, and social programs. However, these actions can be well-worth the investment given projected demographic shifts discussed earlier. The intent is to help communities organize and designing an initiative(s) that will make them more attractive to many age groups seeking to age-in-place. The effort is not exclusive to elderly; rather it is forward thinking by planning for many years in the future. Many communities in Illinois, not only rural, can benefit from the demographic changes with programs such as offered by AARP or those used in other states described next.

Approaches Used in Other States

New York was the first state to join AARP’s age-friendly network in 2017. In 2018, the Governor issued an executive order directing all state agencies to adopt and incorporate age-and health-friendly principles in their programs, policies, spending, and reporting practices. New York continued to develop programs and policies supporting age-friendly communities with a grant program created in 2019. The program is based on collaboration between public and private institutions with funds provided at the county level in three ways:

- **Option 1:** Available to counties working towards age-friendly/livable communities and smart growth principles in their county planning and procurement.
- **Option 2:** Available to counties working to become certified under the AARP/WHO model.
- **Option 3:** Available to counties pursuing both options 1 and 2.

The program is administered through New York’s 10 Regional Economic Development Councils, (REDC) with one county in each region receiving a grant. In addition, an age-friendly center for excellence will be established in each region. An additional grant option related to the centers of excellence is available to two eligible counties to provide mentorship programs to grantees working on Options 1-3 through a center. The private partners in this effort will also develop centers of excellence in the REDC regions to help communities institute age-friendly, healthy and smart growth principles.
Like New York, Colorado has aggressively pursued policies that encourage age-friendly initiatives. While Colorado also is an AARP designated age-friendly state, innovative policies have been started mostly at the regional level. One example is the Denver Regional Council of Governments Boomer Bond. This program has two components: a self-assessment tool and a resource directory. The self-assessment tool enables a community to evaluate its ability to house all ages comfortably and provides guidance for developing a plan to become more age-friendly, but that is not the sole intended outcome. Early evidences of success include changes in local zoning ordinances, new housing developments, and improvements to community communication and information dissemination. The other Boomer Bond component is an on-line resource directory. The directory is searchable by topic with resources drawn from a wide range of sources including international examples. A unique feature is the ability of users to rate each resource.

A second example of a region-based program in Colorado is a private sector-based effort in the southern part of the state. The Colorado Better Business Bureau of Southern Colorado and Innovations in Aging Collaborative have created an age-friendly business certification. Businesses earning the certification promote age-friendly business practices and complete a review of their physical environment, staff and personnel, marketing, and customer experience. As of April 30th, 2020, 75 businesses have been certified.

Other states are building on expected demographic trends to aggressively recruit older residents. Although not as comprehensive as the AARP program mentioned, some use initiatives and tools that could guide nonmetro counties in Illinois. Texas, for example, has a program where local agencies can work toward a Certified Retirement Community designation. This program includes steps in which local governments organize a group or board to take the lead in preparing a “community retiree desirability” self-assessment based on characteristics that retirees find attractive.

The efforts in Texas engage nonprofits, churches, and other groups that regularly serve older populations. A marketing plan is then prepared as part of a long-term plan to maintain the retiree-friendly status. Upon completing these steps, the community can apply for the Certified designation to use in future marketing efforts. The fact that this program is administered by the Texas Department of Agriculture makes it especially applicable for nonmetro areas such as in Illinois where agriculture is an important industry.

What Can We Learn?

So, what is the potential for rural areas and communities in Illinois to become more attractive to an aging population and what can we learn from best practices available? Several activities are worth considering in designing effective strategies to manage pending demographic trends.

Build Community-wide Support. The programs used in other states and offered by the AARP are broad-based and carefully evaluate current conditions in the community regarding attractiveness to various age groups, especially elderly or pre-retirement age groups. This holistic approach in evaluation and planning efforts includes multiple age groups, nonprofits, churches, private agencies, and elected officials, among others. Especially important is to engage a cross-section of age groups in the discussions so that policies and programs make the community a place where people want to age rather than appealing solely to retirees or elderly residents. As younger generations advance in age, they bring different priorities and preferences for where they want to live so
community services, aesthetics, and programs must change over time. Many community attractions that can be developed and appeal to multiple age groups anyway are cost-effective.

*Design an Organized Plan.* The action plan resulting from community-wide discussions must address not only current conditions and needed adjustments. It must also recognize how the community will change in the future with more older residents and the adjustments required to retain its age-friendly status. Activities may include physical infrastructure adjustments as well as housing accommodations, retail experiences, entertainment and other initiatives. However, a community action plan must be based on local strengths and be unique to the area. Replicating a strategy that has succeeded elsewhere does not always work.

*Implement Strategies over the Long-Term.* Perhaps most important is that the plan is implemented over a long enough period to significantly change the attractiveness of the community to diverse age groups. Also, the effectiveness of the strategies must be tracked with adjustments as needed to reach agreed-upon goals. Monitoring the progress will also identify future opportunities to build on past successes and lead to more engagement by residents. In other words, the activities are organic and change as conditions suggest or dictate.

*Effectively Market the Progress Made.* The recognition and stature of a community as a place where people want to stay as they age is critical to successful development. Outmigration will continue for many reasons and it is left to communities to design strategies that offset some of the factors causing the outmigration. Nonmetro Illinois communities cannot compete with states such as Georgia on climate or scenery so they must identify reasons for pre-retirees and other groups to want to retire and live in their areas.

Community attractiveness to target audiences can be tailored and must be marketed effectively based on local strengths. Enhancing credibility by gaining a recognition such as an AARP Age-Friendly designation is only a start but working with these and other programs can not only guide local efforts, they also promote successes and document achievements.
Endnotes

i Norman Walzer is Senior Research Scholar; Andy Blanke is Research Specialist; and Mim Evans is Research Specialist in the NIU-Center for Governmental Studies. They thank Brian Harger, Program Coordinator in Illinois Health Information Technology at NIU, for assisting in data collection and help with the graphics in this issue.


v These figures are estimated from Economic Modeling Specialists, Inc., based on the U.S. Census Bureau’s annual, county-level Population Estimates Program and a cohort survival model of projection for future years. The Illinois Department of Public Health ran population projections for 2025 in 2014, but they do not show the effects of outmigration that took place from 2015-2019. Budget cuts have prevented the IDPH or other state agencies from updating their projections.


viii “Economic Impact of an Aging Population in the Kansas City Region” Prepared for KC Communities for All Ages by the Mid-America Regional Council Research Services Department, Spring 2015.


x Ibid., no page number.


xii https://www2.illinois.gov/dceo/connectIllinois/Pages/default.aspx.


GO TEXAN Certified Retirement Community Program Guidelines. Texas Department of Agriculture. Retrieve at: www.RetireinTexas.org
Copies of past Policy Profiles can be found at:
https://cgs.niu.edu/Policy_Profiles/index.shtml

For more information contact:
Northern Illinois University Center for Governmental Studies

www.cgs.niu.edu

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