

# Natural Amenities Drive Rural Population Change

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## Introduction

Natural resources have long been a major factor in rural population change. But where natural resources once attracted people seeking fertile land, minerals, and timber, they now attract people in search of a pleasant environment for recreation and residence. Extractive industries, long the major economic force in rural areas, have tended to lose economic importance or undergo technological transformation so that they now support ever smaller populations. At the same time, growth in recreation, retirement, and, more recently, information-based industries has induced many to move to areas high in natural amenities.

Galston and Baehler (1995) note that “the kinds of natural characteristics regarded as ‘amenity values’ by retirees, vacationers, and certain businesses have emerged as the chief new source of rural comparative advantage” (p. 15), but evidence of the importance of natural amenities has been largely indirect, based on analyses of recreation industry location and the growth of retirement-destination counties (see, for example, Beale, 1997; Johnson and Beale, 1999). Climate measures have been used in migration literature (Clark and others, 1996), but with mixed results, a result in part of ill-conceived measurement and a reliance on States as units of analysis (Cushing, 1987). This report develops an index of natural amenities and ties that index to

changes in nonmetro population over the past 25 years.<sup>1</sup>

For purposes of this study, an amenity is an attribute that enhances a location as a place of residence. It may be quite distinct from an attribute attractive to tourists. While some tourism involves travel to places attractive for residence, tourism also involves travel to places that are seasonally attractive or somehow unique—caves, canyons, historic sites, theme parks, and, especially in more recent years, casinos. These unique places may or may not be attractive as places to live.

Natural amenities pertain to the physical rather than social or economic environment and are meant to exclude much of what is man-made, such as historical buildings or casinos. In this study, the measures include climate, topography, and water area. Physical beauty arising from combinations of topography, water, flora, and fauna is a natural amenity beyond the scope of this study. We can measure the basic ingredients, not how these ingredients have been shaped by nature and man.

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<sup>1</sup>The measures have been available internally in ERS and used in analyses of population change (McGranahan, 1993), economic growth (Kusmin et al., 1996), and migration (Cromartie and Nord, 1996). The relationships between the measures of natural amenities and rural population change have not been explored nor has the rationale for scale construction been presented. The index presented here is slightly different, a result of more extensive analysis.