

# Hillsdale County

Community Needs and Opportunities:  
A Conversation Opener

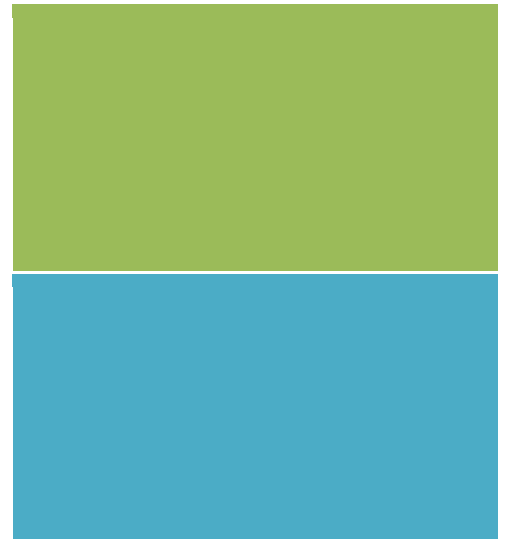


# What is it like living today in **Hillsdale County** – and what **opportunities** and **challenges** face us as we forge a future together? What **resources** can we tap to move our community ahead?

This is a conversation worth having. The facts, figures and perspective offered in this report are meant to help open that conversation.

Armed with insights about your community, you can begin a community process that includes setting bold goals and harnessing all your resources to help the residents of Hillsdale County get ahead, stay ahead and leave behind a stronger community for their children.

September 2017



The **Hillsdale County Community Foundation** was established in 1991 “For good. For ever.” As a community grant-making foundation, it provides seed money to organizations and institutions that have identified problems and have designed constructive action programs aimed at solutions. A majority of the Foundation’s grant making is focused on the areas of youth, leadership, philanthropy and volunteerism. It is governed by a board of 15 adult leaders and one youth member who represent the community within the county.



The **Center for Rural Entrepreneurship** helps community leaders build a prosperous future by supporting and empowering business, social and civic entrepreneurs. With its roots and hearts in rural America, the Center helps communities of all sizes and interests by bringing together research, community engagement and strategy development. The Center’s Solution Area Teams empower communities to discover their own answers to the challenges and opportunities they face.



The **Aspen Institute Community Strategies Group** helps rural, urban and suburban communities act together to create more vibrant regions that advance and sustain prosperity and wellbeing for local people, places and firms, always including those on the economic margins. Aspen CSG connects community and economic development leaders across the nation and equips them with good ideas, tools and strategies to improve results and prospects for their regions.

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2	What do we think about Hillsdale County?	This section features the responses to a 20-question public survey of residents in Hillsdale County. The survey was open for anyone to answer from May 16 <sup>th</sup> to June 25 <sup>th</sup> , 2017.
3	Who is living in Hillsdale County?	Each of these four sections profiles recent data on five factors related to the topic of the section. It explains why each measure is important, and highlights a key point or two. The underlying facts and figures all come from publicly available sources, like the US Census, the State of Michigan and other agencies that conduct research across the country.
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## About the Data

This report is intended to start a conversation about community opportunities and needs. The data included provides a general overview of the county's people, the place and the economy using simple graphs and estimates.

Every indicator is listed with its date and data source. If a particular indicator interests you, we recommend accessing the original data source. The source will provide additional information including margins of error and more nuanced discussion on how to interpret the estimates. This is particularly helpful for smaller communities where estimates can be less accurate.

## Using this Booklet as a Conversation Guide

Hillsdale County Community Foundation is eager to hear from local organizations, groups, families and neighbors about the community's opportunities and needs. If you want someone to help organize or facilitate a group conversation or discussion, help is available! Please contact Sharon Bisher at (517) 439-5101.



# What philanthropic resources can Hillsdale County tap to support community betterment?

Finding the resources to support community development is a pressing challenge. But, every community has financial assets that, when developed and managed properly, can create a lasting community impact. How big is that opportunity?

## Resources for Development

Successful communities regularly reinvest in themselves. In Hillsdale County, community philanthropy represents one of the most underdeveloped resources for furthering community betterment projects and programs. One important way of assessing a community’s capacity to give is a region’s Transfer of Wealth (TOW). TOW measures how much wealth will pass from the estate of one generation to the next.

Current and former residents who care deeply about their hometown are likely interested in using or leaving some of what they have to support community betterment now and in the future. Giving from one’s accumulated wealth or estate creates a permanent legacy that supports the hometown forever. Understanding the tremendous size of the community’s TOW is the first step in capturing its potential for community development.

## Hillsdale County’s Transfer of Wealth

# \$505,700,000

will transfer between generations in the next 10 years

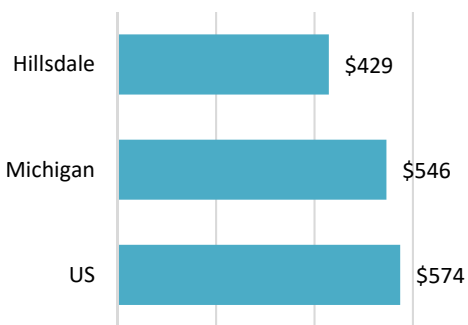
# \$25,300,000

is 5%, which, if captured to support community betterment, could generate \$1.26 million annually

# \$12,600,000

is what the community could generate over a decade if it captures and endows just that 5%. Imagine what that could do for your community!

## a. Average household net worth



Thousands of USD

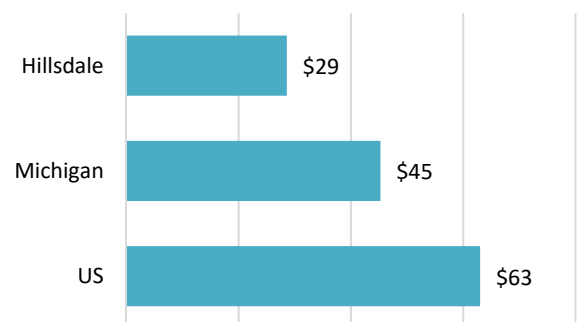
**Why it matters:** Many communities and community residents see themselves as poor and believe they don’t have the financial means to make their place better. Understanding that every community—even your community—has wealth, can shift attitudes from “the glass is half empty” to “the glass is half full” and motivate action.

**How the county stacks up:** Hillsdale County has lower average household current net worth when compared to Michigan and the United States. Nevertheless, 12% of permanent resident households are classified as high net worth, with estates averaging greater than \$2 million.

## b. 10-year TOW Opportunity (per household)

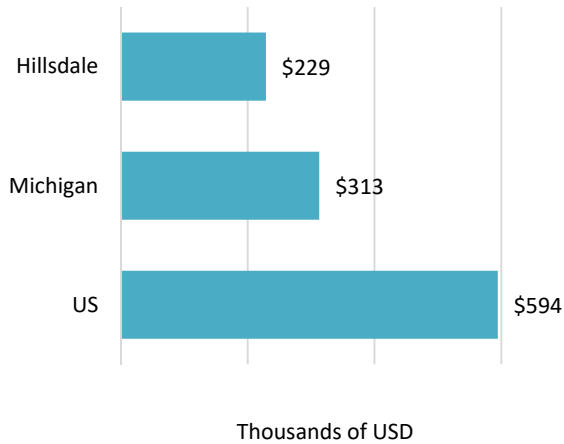
**Why it matters:** Communities with specific endowment-building goals tend to do better in achieving or exceeding them. Therefore, understanding how much wealth is likely to transfer in the short term is important to communities. This allows communities to set specific goals to work toward for how much they want to try to secure in an endowment for the community.

**How the county stacks up:** Over the coming decade (2015-2025), \$506 million in household wealth will transfer from one generation to the next in Hillsdale County. This equals \$29,000 per household on average. This amount represents a significant philanthropic opportunity.



Thousands of USD

## c. 50-year TOW Opportunity (per household)



**Why it matters:** Understanding how much wealth will transfer over a longer term is also important. It can motivate communities to take a more proactive approach to economic development. This allows communities to envision where they want to be in the long term and to start building a pool of funding to achieve their vision.

**How the county stacks up:** The estimated transfer of wealth opportunity for Hillsdale County over the next two generations (2015-2065) is a remarkable \$4.05 billion, which equals \$229,000 per household. Investing in community philanthropy today can position the county to grow significant community endowments over the coming years.

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## Trends and Data of Note

- The transfer of wealth estimates for Hillsdale County are conservative – because they only reflect measures of permanent resident household wealth, which do not include corporate or former resident wealth.
- Other likely donors that would contribute to community endowments in Hillsdale County include:
  - Regular Seasonal Residents. Every year, Hillsdale County’s population grows significantly as seasonal visitors come to the County to enjoy its lakes, rivers and forests. Many of these visitors are “regulars” with deep ties to their seasonal homes. There is donor potential among these regular seasonal residents.
  - Former Residents. For years, many of Hillsdale County’s young people have been graduating and moving outside of the County. Many of these first-generation former residents have become successful in work and life and represent a significant potential donor group who continue to care about their hometown.
  - Land Wealth. Cash may be tight but significant wealth is held in the County’s land. Land-wealth-based charitable giving is a major opportunity for this community.
  - Closely-Held Family Businesses. Additional wealth can be found in closely-held family businesses. These locally-owned, rooted businesses are run by residents who care about the community and have the capacity to give back.
  - Thrifty Retirees. Every community has people who work hard, spend less than they make, invest well and, over time, create modest estates. The County’s Thrifty Retirees have both motivation and capacity to give back to the community they love.



# What do we think about Hillsdale County?

Everybody has thoughts and opinions about their community. Taken together, local opinions can offer a “reality check” on what is working and what is not.

From May 16th to June 25th, 2017 the Hillsdale County Community Foundation fielded a survey to identify regional trends and highlight opportunities and challenges.

## Demographics of Responses

- 166 surveys were collected from county residents; 72% were from women and 28% were from men.
- 39% of respondents lived in the area less than 10 years; 22% lived in the area 30 years or more.
- 9% of respondents were 71 or older; 13% were 30 or younger; 27% were 51 to 60 years old.
- 100% of respondents spoke English at home; 38% lived in Hillsdale; 10% lived in Jonesville.
- 99% of respondents were full time residents.

## a. Open-ended reflections

### Based on your experience, what are the one or two very best things about living in your community?

#### People/community character (38%)

Respondents said that the people within the community and the character of the community were among its best assets.

#### Size (25%)

Respondents said that the "small size" or "small-town living/atmosphere" was one of the best things about their community.

#### Convenience/access to amenities (15%)

Respondents said that their town has - or has easy access to - a variety of amenities, such as shopping/dining, medical services, entertainment and higher education institutions. Many said they liked living in a small town with convenient access to amenities in larger cities.

#### Quiet/peaceful (15%)

Respondents said that the area was quiet, peaceful or that they appreciated the slow pace of life.

#### Safety (12%)

Respondents said that they feel safe. Many said children were safe because others would watch out for them.

### What are the one or two most challenging things about living in your community?

#### Lack of amenities (20%)

Respondents cited a lack of amenities, such as shopping, dining, and medical facilities, as one of the most challenging things in their community. Many cited having to travel to find what they need.

#### Public transportation (14%)

Respondents said that the community's location and distance to necessities was a significant challenge and called the lack of public transportation a serious challenge for county residents.

#### Road condition (12%)

Respondents called the roads “terrible” and said they need repairing.

#### Jobs/economy (11%)

Respondents cited a lack of jobs or "the economy" as the most challenging thing about their community. Many said that there are not enough "well-paying" or "professional" jobs available.

#### Crime/drugs (6%)

Respondents said that crime or drugs were one of the most challenging things about their community.

### If you could wave a magic wand to change just one thing in your community, what would it be?

#### Improve infrastructure (17%)

Respondents wanted to develop the necessary infrastructure to better utilize abandoned buildings and maintain roads.

#### Reduce crime/drugs (10%)

Respondents were concerned about drug use. They called for closing of “drug houses” and creation of more free, healthy activities for residents.

#### More amenities (8%)

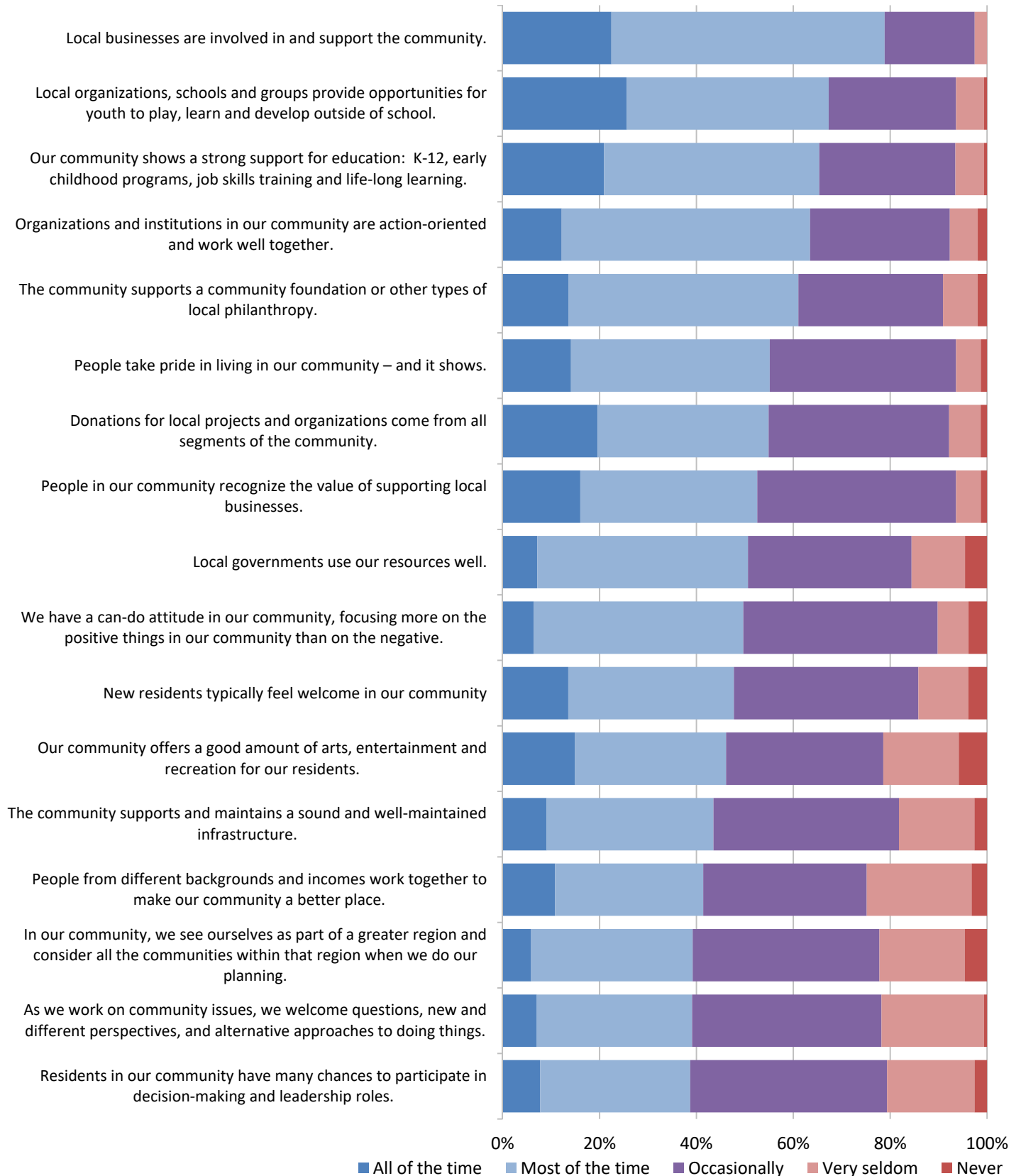
Respondents wanted to bring more restaurants, shopping destinations, and entertainment venues to the community. Some mentioned specific chains that they hoped would open in the community while others were more general and expressed a desire for a vibrant business district with activities for families.

#### Different jobs, better economy (7%)

Respondents wanted to bring more jobs and a greater variety of jobs into the community to better the economy and raise the earnings of residents.

## b. Ranking community strengths and weaknesses

All survey takers were presented with the same 17 positive statements about their community and were asked if the statements were always, mostly, occasionally, very seldom, or never true. Here are the 17 statements ranked by how off respondents rated a statement as always or mostly true:

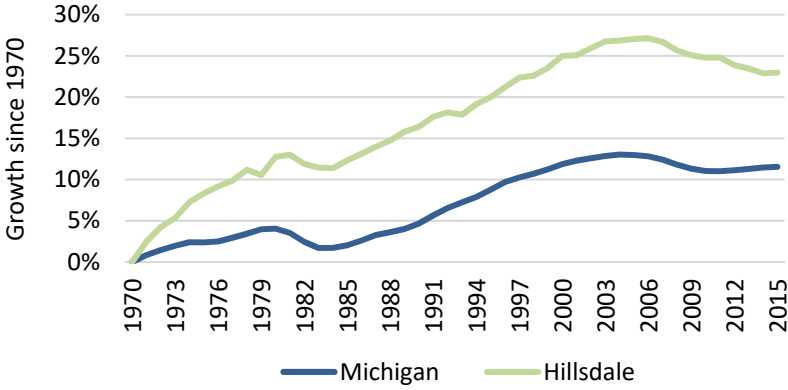


# 3

## Who is living in Hillsdale County?

Any examination or conversation about a community starts with a few key facts about who is living here now – and how that is different from the past and might soon change.

### a. Population



**Why it matters:** Changes in a region’s population can signal economic activity, expansion or contraction of sectors or institutions, and migration trends. Population shifts can also bring to light potential opportunities and challenges – like growth, decline, need for housing, schools and the like.

**How the county stacks up:** There was strong population growth from the late 80s to early 2000s. Since then, population growth has levelled off and begun to decline slightly.

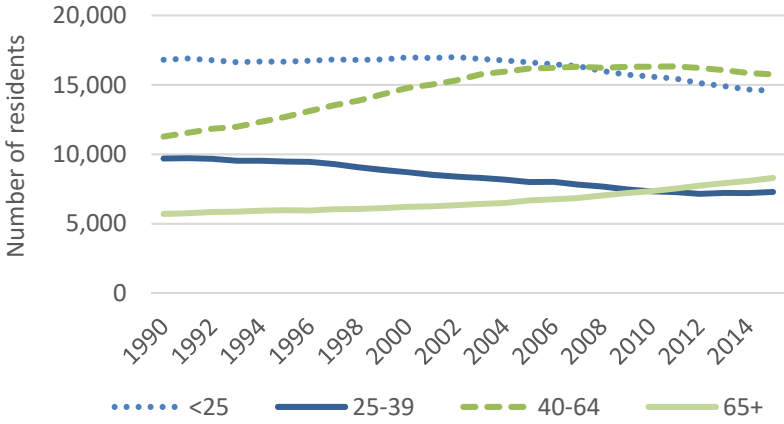
Source: U.S. Census Bureau, Population Estimates Program, 2016

**Why it matters:** A population with balanced age groups is an indicator of community health and vitality. Do families think this is a good place to have children? As young people grow up, do they find the education, amenities and employment to build a life? And as they age, do they have the support and community culture they need and want to stay here?

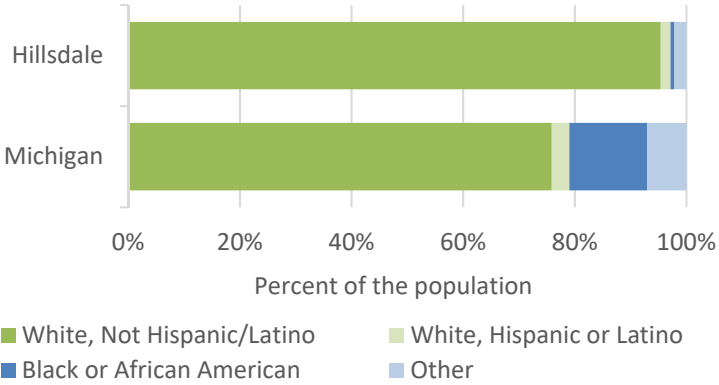
**How the county stacks up:** Younger age cohorts are now in decline in the county. The 40-64 year old age cohort has now plateaued and is beginning to decline. Only the 65 plus age cohort is growing. As a result, the county is now aging.

Source: U.S. Census Bureau, Population Estimates Program, 2016

### b. Age composition



### c. Racial and ethnic diversity



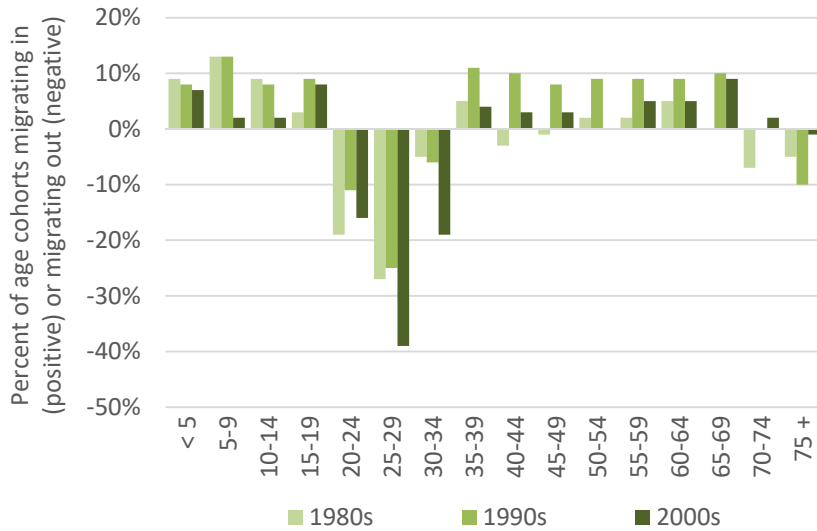
**Why it matters:** One dynamic demographic trend shaping much of our country’s future is that our communities are becoming more diverse. New neighbors are more likely to be foreign-born, Hispanic/Latino, or African American.

**How the county stacks up:** Hillsdale County remains a predominantly monoracial region with just 2,130 (5%) residents claiming to be Hispanic/Latino, African American, or of another race/ethnicity. That is an increase from 2000 when the same group made up 3% of residents.

Source: American Community Survey 5-year estimates, 2015 (\*Hispanic/Latino, for this graph, means residents who identify racially as White but ethnically as Hispanic/Latino.)



## d. Net migration



**Why it matters:** Residents moving out of a region subtracted from new residents moving in define its net migration. Big changes in net migration for any age group can signal significant shifts in a region's future.

**How the county stacks up:** There is a clear pattern of growing outmigration upon graduation from high school and post-secondary education followed by a rebound in young adults forming families and careers. There is also a loss of elders (75+). For comparison, in the 2000s, statewide net migration was negative for almost all age groups – so the county is doing better than Michigan as a whole.

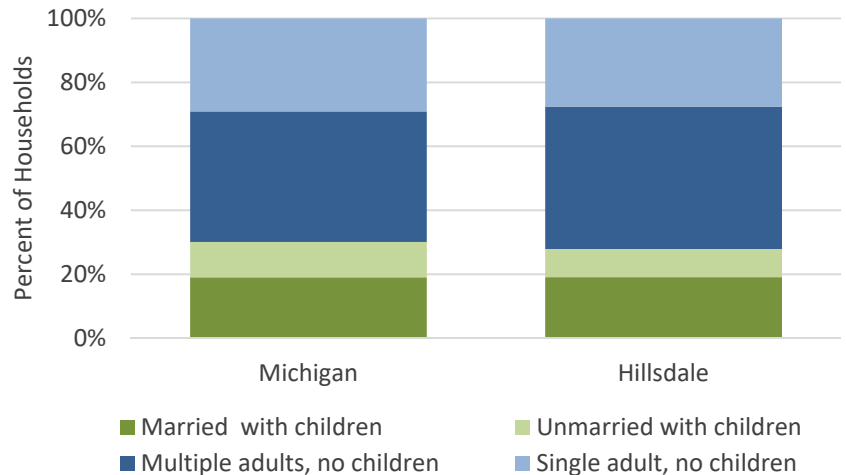
Source: Center for Demography and Ecology, University of Wisconsin-Madison, 2013

## e. Household structure

**Why it matters:** The wide range of household types that exist today reflects emerging trends in American society. For example, across the nation, there are fewer married couples with children and more single-adult households. Different household types may call for different services and may signal future trends or changes in the community.

**How the county stacks up:** Hillsdale County mirrors much of Michigan – just under 30% of households have one or more children. A large portion of households, just over 40%, have multiple adults and no children.

Source: American Community Survey 5-year estimates, 2015

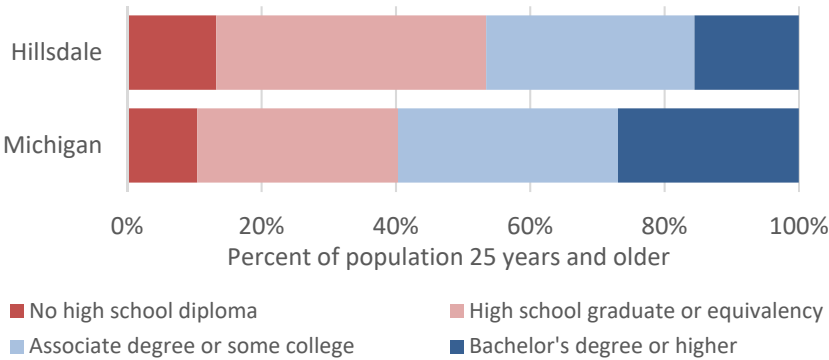


# 4

## How are Hillsdale County's people doing?

Once you understand who lives in a region, you must consider how those people are doing—looking at assets, education, health, and crime.

### a. Educational attainment



**Why it matters:** A leading factor shaping any economy is educational attainment. Higher education levels within a community typically result in higher incomes, more wealth formation and even healthier residents.

**How the county stacks up:** More than half of county residents over 25 have no college coursework or degree. Only 16% of residents have a bachelor's degree or higher.

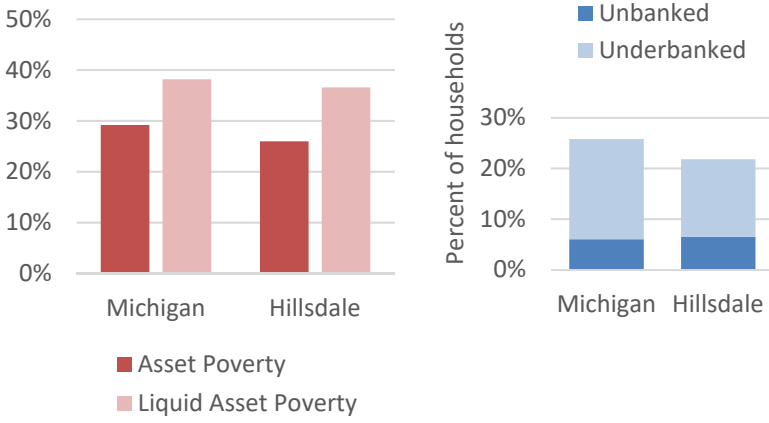
Source: American Community Survey 5-year estimates, 2015

**Why it matters:** New poverty measures assess whether households have sufficient resources to subsist at the poverty level for three months without income. Asset poverty is calculated using net worth, while liquid poverty is calculated using liquid assets like cash and stocks. Unbanked households don't have bank accounts, and underbanked households use non-traditional financial tools like payday loans.

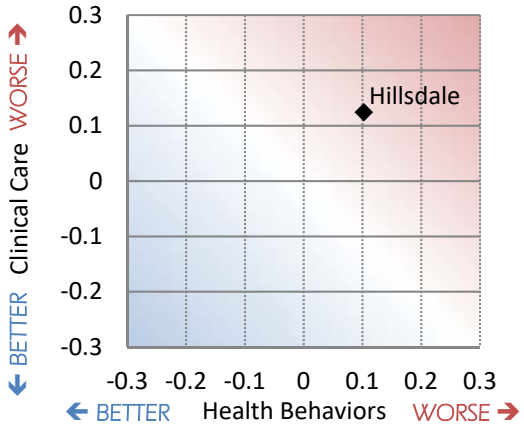
**How the county stacks up:** About one-in-four households in Hillsdale County are asset-poor, 37% are liquid-asset-poor, 7% don't have bank accounts, and 15% use non-traditional financial tools.

Source: CFED, Assets and Opportunity Local Data Center, 2017

### b. Households and assets



### c. Health factors

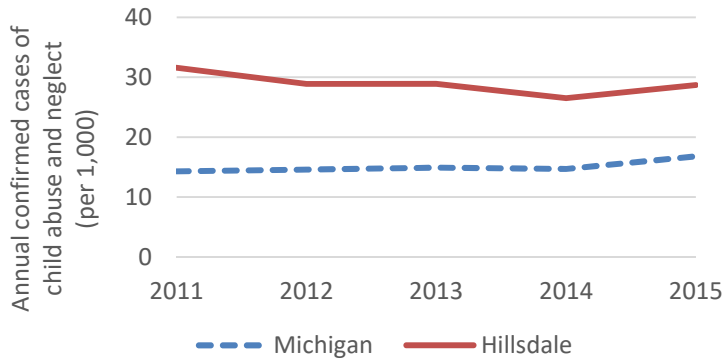


**Why it matters:** Indicators like health status, happiness and attitude shed light on people's current and future well-being. County Health Rankings and Roadmaps assigns counties a standardized health behavior score (the Michigan average score on both axes is 0) taking into account factors such as obesity, smoking and sexually-transmitted infection rates. It also assigns a clinical care score including factors such as the ratio of residents to doctors and dentists, and rate of preventative care screenings.

**How the county stacks up:** Of Michigan's 83 ranked counties, Hillsdale County ranks 49<sup>th</sup> for health factors. Most concerning are the county's lack of access to parks or recreational facilities and limited access to doctors, dentists and mental health providers.

Source: Robert Wood Johnson Foundation, County Health Rankings and Roadmaps, 2017

## d. Abuse and neglect of children



**Why it matters:** Abuse and neglect of children includes physical, sexual and emotional abuse as well as abandonment, medical neglect, and neglectful supervision. High rates of abuse are correlated with historical abuse, mental health challenges, substance abuse, economic stress, social isolation, and violent surroundings.

**How the county stacks up:** From 2011 to 2015, Hillsdale County had 1,539 confirmed victims of abuse and neglect. Hillsdale's rate is almost twice that of the State.

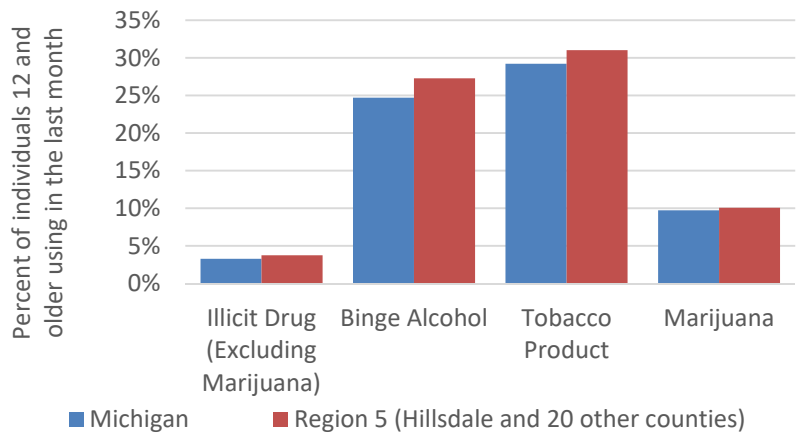
Source: Michigan Department of Health and Human Services, 2011-2015

## e. Substance use

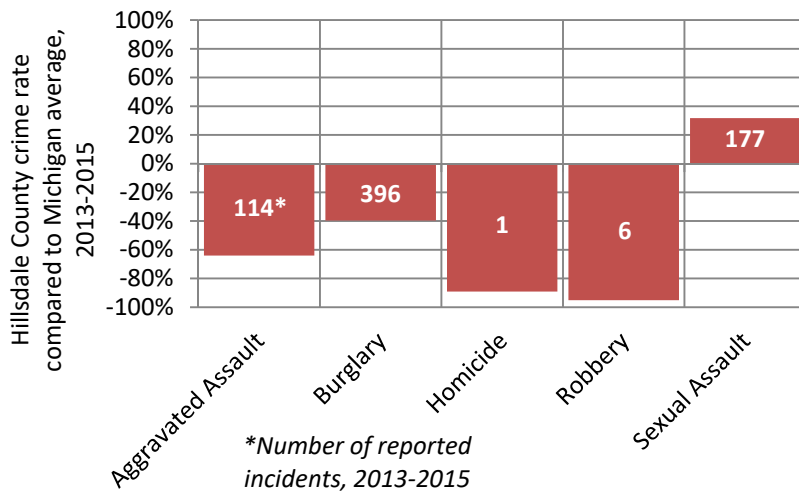
**Why it matters:** Use of drugs and alcohol is associated "with a range of destructive social conditions" as well as critical health impacts (U.S. ODPHP). Tobacco use is the leading cause of preventable illness and death in the United States (U.S. HHS).

**How the county stacks up:** Substance use data is available only at the region level. Hillsdale along with 20 other counties make up "Region 5". Compared to the state, Region 5 has higher illicit drug use, binge alcohol use and tobacco use.

Source: National Survey on Drug Use and Health, Substance Abuse and Mental Health Services Administration, 2012-2014



## f. Crime rates



**Why it matters:** Crime can be a serious challenge for both urban and rural communities. Crime can be correlated with economic distress, fewer years of education, gender and age composition, and historic crime rates.

**How the area stacks up:** From 2013-2015, Hillsdale County, on average, had fewer violent crimes per-capita. However, incidents of reported sexual assault were 32% more common in Hillsdale than the state as a whole.

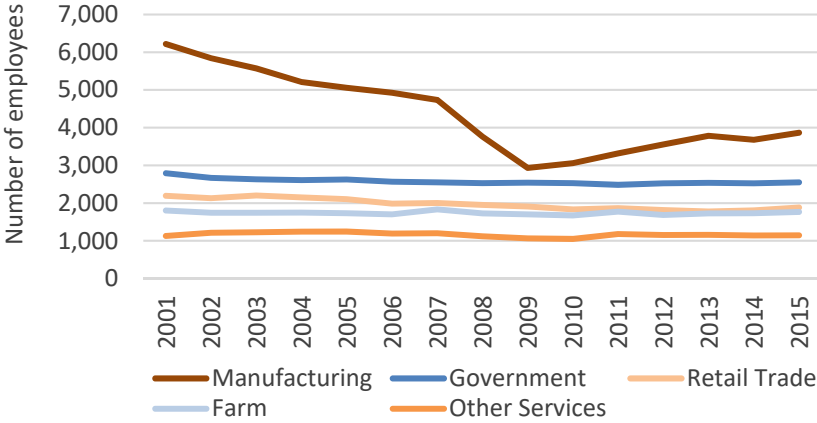
Source: Michigan Incident Crime Reporting, Michigan State Police, 2013-2015

# 5

## How is Hillsdale County's economy doing?

The factors that drive or drain a local economy – specific industry sectors, the labor force participation of residents, the sources of family income – all affect the future.

### a. Largest employment sectors



**Why it matters:** Every economy has a unique set of industry sectors. Understanding which sectors drive a local economy is essential to understanding how the region will perform economically in the future.

**How the county stacks up:** Manufacturing is the largest employer within the county followed by government and retail trade. Manufacturing lost jobs until 2009 when the sector started to grow. Employment in other sectors has remained steady.

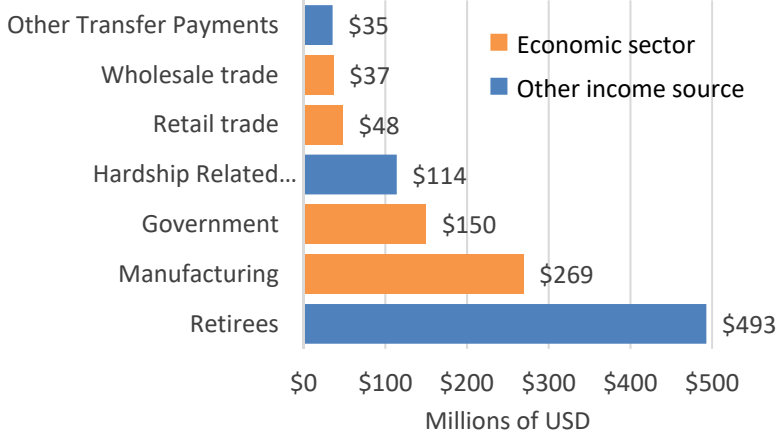
Source: Headwaters Economics, Economic Profile System, 2017

**Why it matters:** Another way to understand a region's economy is by looking at which sectors produce the most income. Depending on local wages, sectors with relatively few employees can be responsible for a large portion of economic activity.

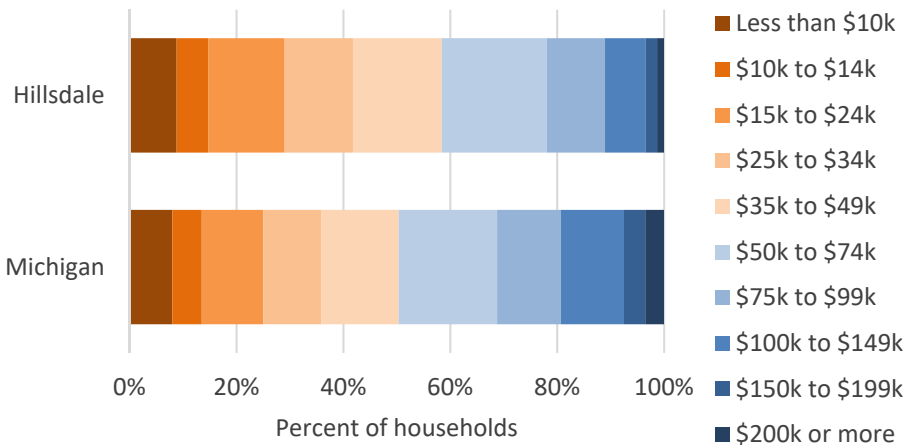
**How the county stacks up:** Based on household earnings, the most important economic driver in the county are retirees, followed by manufacturing, government, and hardship related transfer payments (Medicaid, public assistance, unemployment, etc.).

Source: Bureau of Economic Analysis, Regional Economic Accounts, 2016

### b. Income by source



### c. Household income distribution

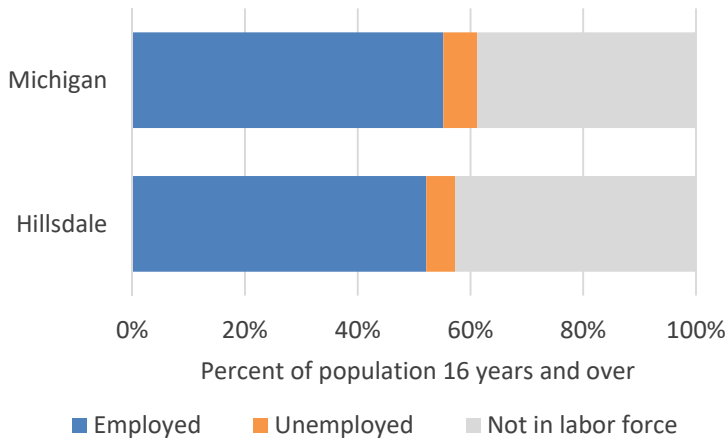


**Why it matters:** Income provides a general indicator of economic well-being of families. It correlates with health, educational outcomes and happiness.

**How the county stacks up:** About 42% of households in Hillsdale County earn less than \$35,000. That's 150% of poverty for a household of 4. About 20% of Hillsdale's residents are below the poverty level.

Source: American Community Survey 5-year estimates, 2015

## d. Labor force participation



**Why it matters:** Aging communities and communities experiencing economic distress typically have lower labor force participation rates. Conversely, communities that are growing, younger and doing better economically have higher labor force participation rates and lower unemployment rates.

**How the county stacks up:** About 43% of Hillsdale County's population that is 16 or older is not in the labor force – they are either retired, disabled or have given up looking for work. That is slightly higher than the state average, likely attributable to the county's older population.

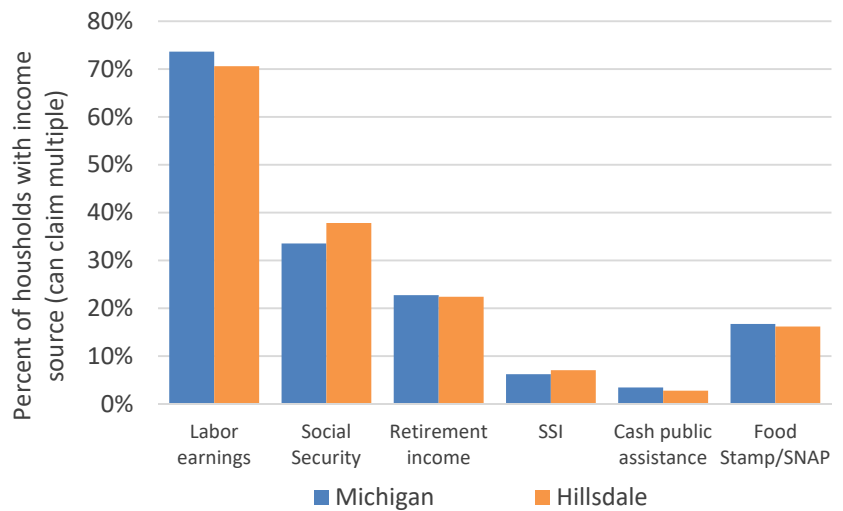
Source: American Community Survey 5-year estimates, 2015

## e. Labor and non-labor earnings

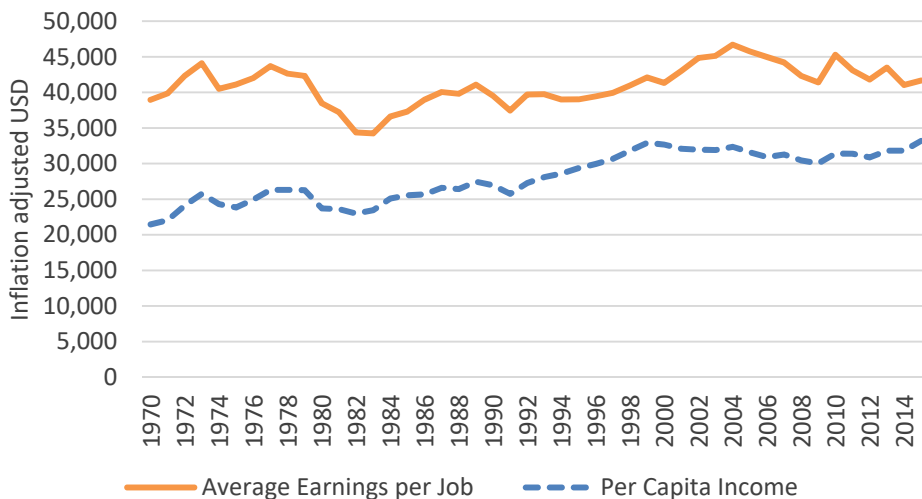
**Why it matters:** Labor earnings include income generated by working. Other forms of income represent retirement income from investments and transfer payments associated with Social Security, farm programs and those receiving help due to illness, insufficient wage income, or unemployment.

**How the county stacks up:** Compared to Michigan as a whole, a higher proportion of households in Hillsdale County rely on Social Security and SSI for income. Households with earnings from labor, food stamps and cash public assistance are lower than state averages.

Source: American Community Survey 5-year estimates, 2015



## f. Average earnings and income



**Why it matters:** Average earnings per job is an indicator of the quality of local employment. Per capita income is a measure of income per person (from all sources) and a measure of economic well-being.

**How the county stacks up:** Per capita income (total personal income divided by total population) has been rising (shown in inflation adjusted dollars). Average earning per job (also adjusted for inflation) has fluctuated within \$5,000 of its 1970 level.

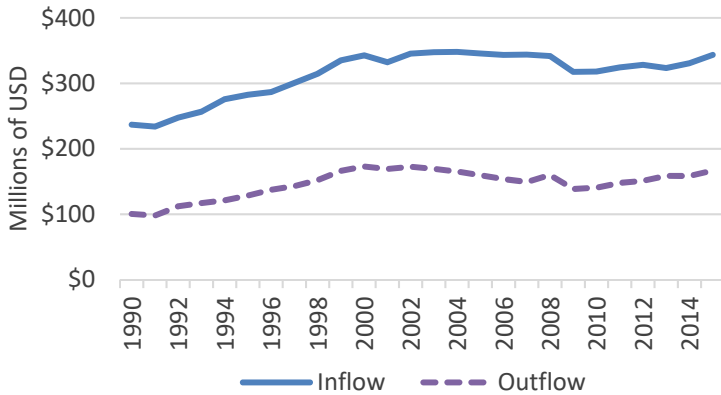
Source: Headwaters Economics, Economic Profile System, 2016



# How is Hillsdale County, the place, doing?

The natural resources, buildings and amenities in a place, as well as where people live and shop, make a difference in the community's quality of life.

## a. Inflow of earnings



**Why it matters:** Many Americans commute to work, entertainment and shopping. People who work in Hillsdale County but live in another county tend to spend more of their paycheck in the county where they live, creating an “outflow of earnings” – and vice versa.

**How the county stacks up:** Inflow earnings (live in the county and work outside of the county) grew rapidly in the 1990s and then stagnated. More recently, inflow earnings are growing. There is a less significant effect from outflow earnings (live outside of the county and work in the county).

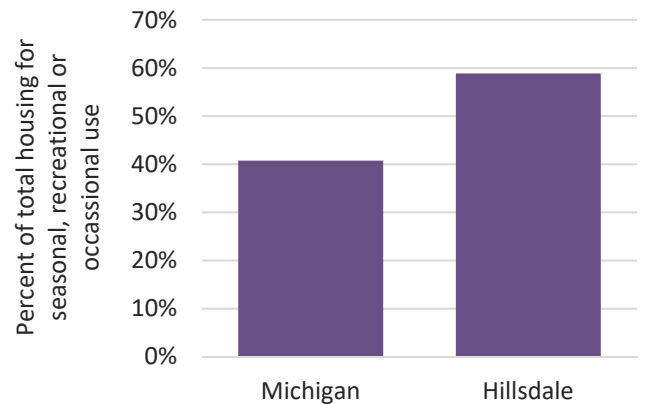
Source: Headwaters Economics, Economic Profile System, 2016

## b. Seasonal homes

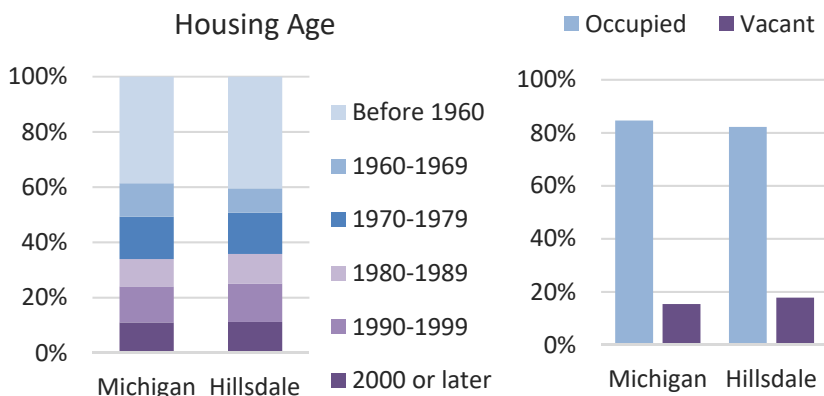
**Why it matters:** This region of Michigan is home to a wonderful mix of natural resources including rivers, lakes and forests. For years, it has been a desirable seasonal home location for people from outside the region. During certain seasons, large numbers of visitors take up residence in seasonal homes, greatly expanding the county's population base and economic activity.

**How the county stacks up:** Over 58% of Hillsdale County's housing units are classified as seasonal housing. During the warmer months, the county's population dramatically expands as visitors take temporary residence in the county. As visitors fill these seasonal homes, economic activity in the county increases.

Source: American Community Survey 5-year estimates, 2015



## c. Housing age and vacancy

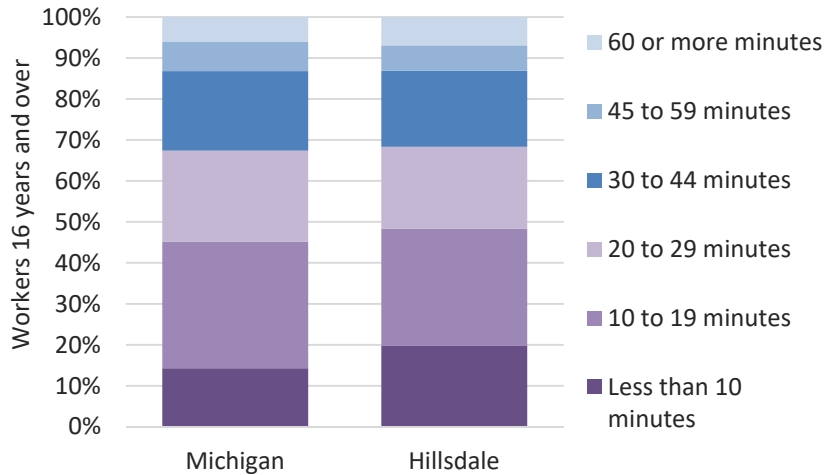


**Why it matters:** Housing age and vacancy are rough measures of housing quality and housing costs – older homes require more upkeep, and vacant homes can deteriorate and reduce housing value. Alternatively, very low vacancy rates can be a sign of housing shortages and an affordability crisis.

**How the county stacks up:** Hillsdale County's housing stock largely mirrors the state when it comes to age and occupancy. The slightly higher vacancy rate might be attributable to the large number of seasonal housing units.

Source: American Community Survey 5-year estimates, 2015

## d. Commuting to work



**Why it matters:** Many Americans commute to work. It can also be a sign that economic activity is occurring elsewhere, siphoning off entertainment and shopping spending to outside communities near where people work.

**How the county stacks up:** Almost one-in-five residents of Hillsdale County spend less than 10 minutes commuting to work. On the flip side, more than 30 percent spend 30 or more minutes getting to work.

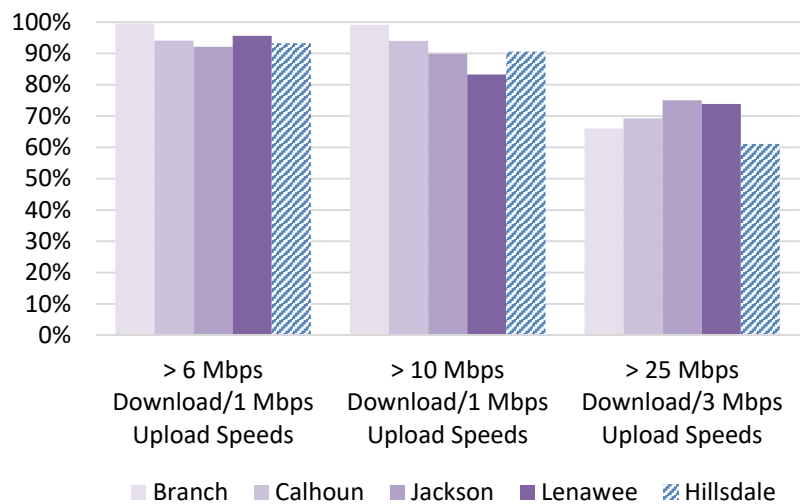
Source: American Community Survey 5-year estimates, 2015

**Why it matters:** Broadband access is increasing across the United States, but many rural areas are still left behind. According to the Council of Economic Advisors, broadband has many socio-economic benefits including improved labor market outcomes, increased growth, better health care and enhanced civic participation.

**How the county stacks up:** According to telecommunications industry data, about 40% of Hillsdale County households lack access to download speeds greater than 25 Mbps and upload speeds greater than 3 Mbps (a modern broadband connection).

Source: Connect Michigan (telecommunications industry), 2016

## e. Broadband access





**Hillsdale County**  

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**community foundation**<sup>SM</sup>  

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