Role of Natural Amenity Resources in Retiree Location Choice Behavior: Potential Concern for Economic Growth and Ecological Disturbance in Rural America

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Abstract: Most local governments have traditional strategies for economic development such as raising the tax rate, attracting industries, and promoting heavy-duty manufacturers that can have detrimental impacts on environment and quality of life. Even in the rural areas, many of the farming and mining dependent counties experienced a decline in business in recent decades. Recently, retirees have been identified as an economic force that can have significant multiplier effects on local economies. Those include restructuring the local economy, generating higher tax revenue, increasing expenditure and money flow, creating more jobs, donating and providing voluntary supports, and often paying for other public goods that raise the quality of life in the area. This paper examines the relationship between the nature-based outdoor resources (land, water and environment based) amenities and retirees’ choice of their resident counties. Specifically, this paper estimates a two-stage probit model using national level data of retirees and nature-based amenity resources and then calculates the probability of each county being a retiree destination in relation to several natural amenity resources. We found that the land use diversity and scenic landscape resources are the major amenities in which retirees place great deal of value. Moreover, the proportion of public forest for outdoor recreation in the county is one of the strong factors that attract retirees to some counties. The results also reveal that lower housing cost counties in the southern and western US, with more sunny hours and warmer temperatures and abundant public forest, scenic range, or pasturelands are factors that predict the county’s probability of being developed as a retiree economy. Similarly, transportation access, miles of scenic rivers, and bigger lake amenities have positive effects on attracting retirees. Conversely, high population density, intensive agriculture, and steep topography were negatively related to retirees’ choice of location. This can be explained by the negative externality they induce by competing for open space, scenic quality, and transportation easiness. The findings from this study have several policy implications to local government officials, regional planners, and policy makers to adopt appropriate policy and design comprehensive plan to attract retirees. This will eventually be helpful to foster rural economic development of natural amenity rich counties, where other resources are issues of concern. On the other hand, the tremendous pressure on the outdoor resources with increasing retiree is likely to alter the natural landscape significantly which can have irreversible impact on environment. In addition, the findings will also be useful to conservation planners and resource managers to manage future demand for outdoor recreation and its environmental impacts in counties where retiree’s concentration is likely.

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