

*From the Homestead Act to Heartland
Visas. Rural Population Policies
in the United States over Time
and across Scale*



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***From the Homestead Act to Heartland Visas.
Rural Population Policies in the United States over Time and across Scale***

Highlights:

1. Various policy approaches have offered freehold land as an incentive to attract people to rural areas, from the Homestead Act of the mid-19th century to new initiatives at the local level that give away residential land to potential immigrants.
2. Policy makers have long sought to address the disadvantages of rural areas by extending more modern, urban infrastructure to underserved rural communities.
3. The last 30 years have seen a shift in anti-depopulation policy-making from federal to state and local levels.
4. The latest measures are committed to unrestricted free markets as a means of attracting investment in underdeveloped regions.
5. Although not a policy initiative, the COVID-19 pandemic may trigger a renewed Rural Renaissance that could have lasting effects on the pace and patterns of rural population change across the United States.

Abstract: This paper traces the history of United States policy initiatives intended to attract people to rural regions from the late 1700s through the present. These policies can be loosely grouped into four different historical epochs each with different foci. The earliest epoch established the federal government's authority to divide and sell the vast rural lands of the American West and used relatively open immigration policies to attract would be settlers. The mid-19th century ushered in the second epoch when the government used free land as an incentive to attract population primarily to the Great Plains. Following the Great Depression, federal policy shifted to a third epoch in which investments were directed to address severe rural disadvantage, and the fourth epoch is marked by a more neoliberal approach in which individual communities identify their own needs and design appropriate policy measures. In this fourth epoch, federal government serves primarily as a source of funds rather than hold any real responsibility to administer comprehensive policy programs. The paper concludes by describing several state and local initiatives which ironically turn back once more to using free land and immigration policy to draw would be settlers to the countryside.

Keywords: Colonization, immigration, bottom-up, rural spaces, historical approach.

***De la Homestead Act a las Heartland Visas.
Políticas de poblamiento rural en los Estados Unidos a lo largo del tiempo y a distintas escalas***

Ideas clave:

1. Diversos planteamientos políticos han ofrecido tierras en propiedad como incentivo para atraer población al medio rural, desde la Homestead Act de mediados del siglo XIX hasta las nuevas iniciativas a nivel local que regalan tierras residenciales a los posibles inmigrantes.

2. Los responsables políticos llevan mucho tiempo tratando de solucionar las desventajas de las zonas rurales extendiendo infraestructuras más modernas y urbanas a las comunidades rurales desatendidas.
3. En los últimos 30 años se experimenta un traspaso en la elaboración de políticas contra la despoblación desde la escala federal a la estatal y local.
4. Las últimas medidas apuestan por el libre mercado sin restricciones como medio para atraer inversiones en regiones con escaso desarrollo.
5. Aunque no es una iniciativa política, la pandemia del COVID-19 puede desencadenar un renovado Renacimiento Rural que podría tener efectos duraderos en el ritmo y los patrones de cambio de la población rural en todo Estados Unidos.

Resumen: En este trabajo recorremos la historia de las iniciativas políticas de Estados Unidos destinadas a atraer a la población a las regiones rurales desde finales del siglo XVIII hasta la actualidad. Estas políticas pueden agruparse de forma general en cuatro épocas históricas diferentes, cada una de ellas con distintos enfoques. La primera época estableció la autoridad del gobierno federal para dividir y vender las vastas tierras rurales del oeste americano y utilizó políticas de inmigración relativamente abiertas para atraer a los colonos. A mediados del siglo XIX se inició la segunda época, en la que el gobierno utilizó las tierras gratuitas como incentivo para atraer población, principalmente a las Grandes Llanuras. Tras la Gran Depresión, la política federal pasó a una tercera época en la que las inversiones se dirigieron a solucionar las graves desventajas rurales, y la cuarta época está marcada por un enfoque más neoliberal en el que las comunidades individuales identifican sus propias necesidades y diseñan las medidas políticas adecuadas. En esta cuarta época, el gobierno federal sirve principalmente como fuente de fondos, en lugar de tener una responsabilidad real en la administración de programas políticos integrales. El documento concluye describiendo varias iniciativas estatales y locales que, irónicamente, vuelven a recurrir a la política de tierras libres e inmigración para atraer a los colonos al campo.

Palabras clave: Colonización, inmigración, abajo-arriba, espacios rurales, enfoque histórico.

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1. *Introduction*

Rural icons are common throughout American folklore, from the image of the cowboy to the yeoman farmer, yet these icons evoking strength, vitality, independence, and power stand in stark contrast to the contemporary realities of rural demographic change in the United States. Like many countries across the globe, the process and pace of urbanization in the United States has contributed to decades of lagging population growth in rural regions with many areas suffering persistent population loss. Since the Great Depression, the United States' urban population has increased by nearly 200 million residents while the rural population has grown by a mere eight million, and the majority of rural growth since 1930 occurred during the single decade Rural Renaissance of the 1970s. In 1930, the US population was evenly split between urban and rural areas, but today, fewer than 20 % of the US population resides in a rural location.

Over the last 30 years, a combination of declining natural increase and reduced domestic migration has slowed rural population growth even further, with aggregate population decline over the period 2010-2017. While the aggregate picture is one of rural population decline, there is great geographic heterogeneity across the vast expanse of the United States. High amenity rural counties in the western United States and southern Appalachia continue to enjoy relatively rapid population growth as do many of the rural exurban counties surrounding large urban centers. In contrast,

vast swaths of rural counties across the Great Plains and in the Northeast suffer from persistent population loss. Most recently, since 2016, population change across the rural United States has rebounded from aggregate decline, and today population rural growth is effectively zero, yet regional heterogeneity persists (Cromartie, 2020).

Rural population stagnation has not gone unnoticed by policy makers at all scales of government. In fact, using policy to encourage rural settlement has a long history in the United States dating back to the 1790s. This paper traces the history of policy approaches aimed to encourage rural population growth from the early days of independence from England to the present. The analysis highlights four distinct policy epochs with different foci and strategies aimed to enable rural settlement, reduce rural disadvantage, and facilitate new investment to create opportunities in rural communities. For much of the US history, these policies addressing rural population change have been administered at the federal level, yet more recently, the scale has shifted toward more state and local level initiatives aimed to attract new rural residents. The text that follows is divided into five sections; the first four describe the different policy epochs administered at the federal level, and the fifth section presents more recent state and local initiatives aimed to encourage rural settlement.

2. Epoch 1: Populating a Young Nation (1790s – 1860s)

When the United States claimed independence from England in the late 18th Century, the young nation's claim to this vast territory was somewhat tenuous. The United States had just fought a war for independence from England, and other colonial powers such as Spain and France maintained interests in North America. Political leaders of the time, George Washington, Thomas Jefferson, and James Madison recognized the importance of settling this vast and young nation in order to stake a stronger claim and exert control over this territory, yet the population resident in the US at the time of the first census in 1790 was not sufficiently large to extend the frontier westward into the Ohio River Valley and beyond.

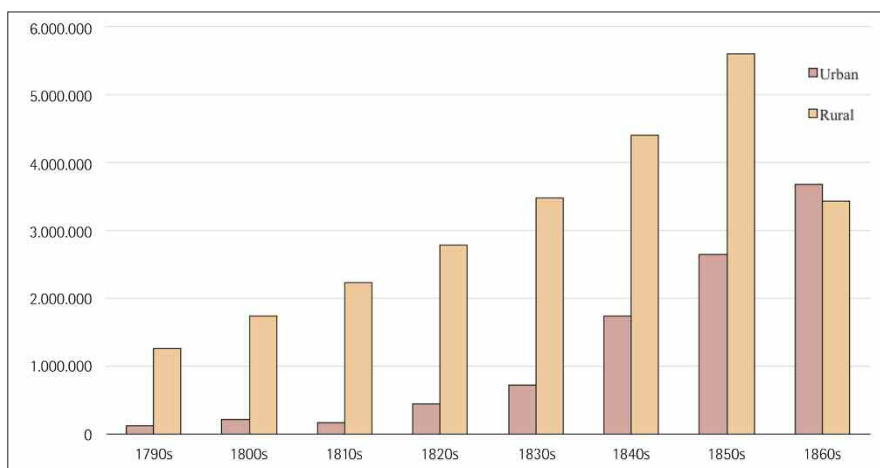
Given the importance of populating the rural territory to the West, these leaders turned to immigration policy to stimulate population growth and push westward settlement (Muller, 1993). Under Washington, Congress passed the

Naturalization Act of 1790 granting citizenship to any free white person deemed to be 'of good character' and who had been resident in the United States for at least two years. While immigration was somewhat slow to take off in the initial decades, this policy imposed few restrictions on immigration to encourage continued population growth, and by the 1830s, immigration into the US began to increase in volume.

Immigration policy alone, however, was insufficient in promoting westward expansion and rural settlement. The Naturalization Act had to be paired with a mechanism for land distribution which came with the Federal Lands Act of 1796. The Lands Act provided mechanisms for the efficient subdivision and distribution of unsettled rural lands to the west of the original thirteen colonies. In reality, lands to the west were not unsettled. Indigenous Native Americans had occupied North America long before the first Europeans arrived, but the European colonizers and early Americans simply ignored any native claims to these lands. Under the Federal Lands Act, the Federal government was granted the responsibility for the 'orderly survey and sale' of lands in the Ohio River Valley, and subsequent revisions to the Act were necessary as the United States expanded westward with the Louisiana Purchase (1803) and the Mexican American War in the mid-1840s. The influence of the Act remains present today, as it established the system for dividing and subdividing territory into a systematic grid of one-square mile (1.61 km) 'sections' consisting of 640 acres (256 hectares), and each section is further subdivided into quarter sections of 160 acres (about 65 hectares). Today, it is commonplace to hear farmers referring to plots of land in multiples of 40 acres (about 16 hectares) and as quarter sections.

Under the open immigration policy and the systematic mechanism for surveying and distributing western lands, rural populations in the United States grew quite rapidly. Between 1790 and 1860, the entire United States population grew by 27.5 million, and rural population growth accounted for 78 % of the total growth, or 21.5 million people (Figure 1).

Figure 1.
Population Change by Decade during the 'Populating a Young Nation Epoch'



Source: US Census of Population and Housing, 1960, Chapter 3, Table 3 "Urban and Rural Population of the United States 1790-1960". Retrieved from: <https://www.census.gov/prod/www/decennial.html> (09/10/2020).

3. Epoch 2: Enticing Settlement and Advancing Rural Livelihoods (1860s – 1930s)

As the territorial extent of the US continued its westward expansion through the 19th century, further rural settlement faced additional challenges. Under the Federal Lands Act, land was seen primarily as a source of revenue for the Federal Government, and the government sold the subdivided sections of land in plots of typically 40, 80, and 160 acres (about 16, 32 and 65 hectares) for \$1.25 (€ 1.11) per acre. Thus, the capital required to make an initial land purchase was substantial for the early settlers (Potter and Schamel, 1997). There was also no shortage of land in the eastern US, so there was little motivation for potential settlers to make the often risky and lengthy westward move. Finally, the new settlers into the Great Plains and beyond were confronted with completely foreign environments, and their conventional farming techniques from the

eastern United States were ill-suited for these new ecological conditions. Washington, DC responded to these challenges with two pieces of legislation, both passed in 1862, and these acts greatly influenced rural settlement for the rest of the 19th century.

Lincoln's signing of the Homestead Act of 1862 marked a significant shift in the Federal Government's view of land. No longer were lands seen primarily as a source of revenue to fill the treasury. Rather, with the Homestead Act, land became an incentive aimed to entice rural settlers. Under the Act, any householder over the age of twenty-one could claim up to 160 acres (65 hectares) of land from the Federal Government, free of charge. The claimant had to promise to farm the land and make additional improvements including building a dwelling structure. After five years, claimants received the deed to the land for a small clerical fee. Over 4 million claims were filed under the Homestead Act drawing settlers to rural regions from Montana to Kansas, yet only 1.6 million homesteaders ultimately received deeds to their lands (Potter and Schamel, 1997). There is no doubt that the Homestead Act played a pivotal role in shaping the settlement of rural lands across the western United States. On the anniversary of its passage, President Kennedy addressed Congress to recognize the importance of historic piece of legislation proclaiming,

"One hundred and fifty years ago the vacant lands of the West were opened to private use. One hundred years ago the Congress passed the Homestead Act, probably the single greatest stimulus to national development ever enacted. Under the impetus of that Act and other laws, more than 1.1 billion acres of the original public main have been transferred to private and non-federal public ownership" (Kennedy, 1962).

New rural settlers to these western lands, however, faced significant challenges and sacrifices. For one, colleges and universities were concentrated along the east coast, so migrants leaving the east for the prospects of free land made available by the Homestead Act were forgoing ready access to higher education in established universities like Harvard, Princeton, and Yale. More critically, western settlers encountered climates and ecosystems wildly different from the ones they were accustomed to.

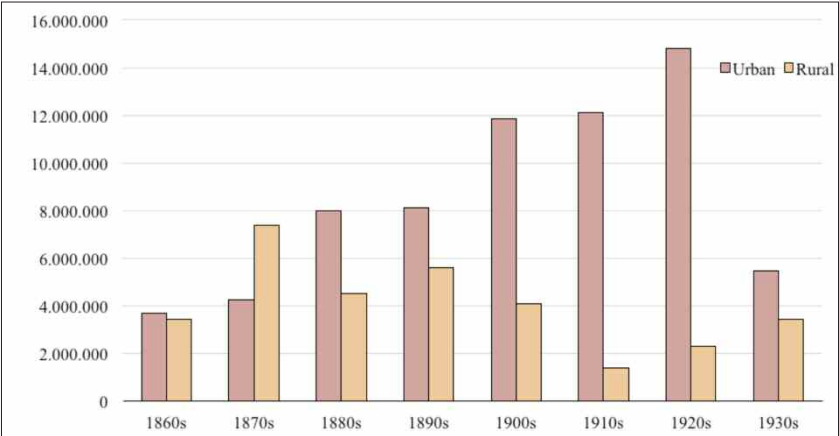
Homesteaders found themselves trying to apply farming techniques from the continental humid climate of New England in their more arid and temperate new homes in the prairies of Kansas, Nebraska, and Montana.

There had been lengthy debate in the federal government during the early 19th century about how to democratize access to higher education so that university education was not simply the domain of the east coast elites. In the Morrill Act of 1862, Justin Morrill, a senator from Vermont, proposed a system of land-grant colleges and universities supported by revenues generated from grants of federal land to individual states. These state-run universities would serve the dual role of providing access to classical and scientific studies for residents dispersed across the entire United States along with

specific learning related to agriculture (Sorber, 2018). The geographically dispersed universities could then tailor their agricultural studies programs to the unique conditions found within their respective states better preparing farmers for their new environments. Once more, the Morrill Act represents the shifting view of federal lands as a way to enable rural settlement rather than simply as a source of revenue for the federal treasury. These universities reduced the disadvantage of moving to the unsettled lands in the west by providing access to higher education and enhanced the livelihoods of the new rural settlers by providing them with agricultural training specific to the local environment. Today there are land grant colleges in every state, and the system has been expanded twice: first in 1890 to support Historically Black Colleges and Universities (HBCUs) and in 1994 to include Tribal Colleges and Universities (TCUs).

Rural regions across the United States continued to enjoy positive population growth under the Homestead and Morrill Acts. Immediately following the passage of these two acts, population growth in rural areas surged as the 1870s brought more than 7 million new residents to rural areas, and in each decade from the 1860s through the Great Depression, the rural population maintained positive growth. In total, over this eighty-year period, rural population in the US grew by over 32 million (Figure 2).

Figure 2.
Population Change by Decade during the 'Enticing Settlement and Advancing Rural Livelihoods Epoch'



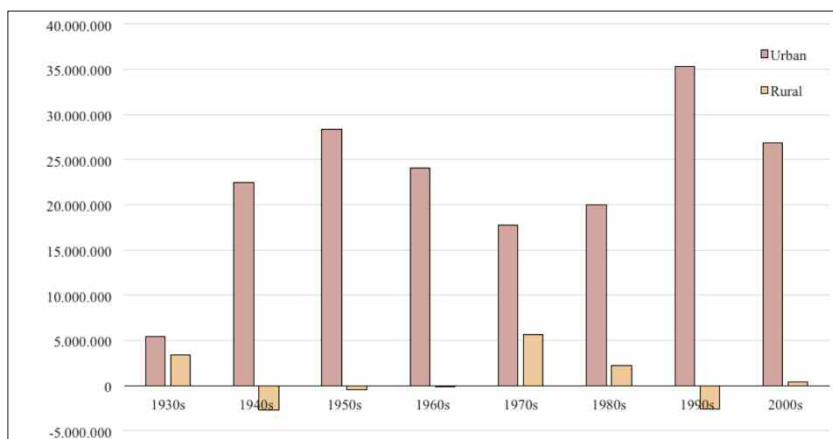
Source: US Census of Population and Housing, 1960, Chapter 3, Table 3 "Urban and Rural Population of the United States 1790-1960". Retrieved from: <https://www.census.gov/prod/www/decennial.html> (09/10/2020).

4. Epoch 3. Reducing Rural Disadvantage (1930s – present)

The Great Depression brought to light many of the woefully disadvantaged regions in the rural US. Extreme poverty, particularly in Appalachia and across the South, drew Washington's attention during the Depression and sparked renewed interest in rural policy. Beginning in the 1930s and continuing through the present day, policy makers recognized the need to address rural regions' underdevelopment to retain existing and attract new rural residents. In some sense, many policy initiatives launched since the 1930s have tried to make rural regions less rural by bringing more modern urban services and technologies to the countryside.

The Rural Electrification Act (REA) of 1936 was a central element of Roosevelt's New Deal. Like its predecessor, the Tennessee Valley Authority, the REA aimed to bring electricity to underserved rural regions, and the REA is noteworthy in the context of rural depopulation for two primary reasons. On the one hand, the REA was tremendously successful in modernizing rural utilities. Through the REA, the federal government made funding available to locally and regionally organized cooperatives who then worked with local utilities to extend the electrical grid to rural households and farmsteads. In the first two years after its inception, the REA had funded over 350 cooperatives in 45 states delivering electricity to 1.5 million previously disconnected farms (Schurr *et al.*, 1990). Before its passage, one in ten rural families had access to electricity, yet by 1955, just 20 years after the REA went into effect, more than 90 % of rural families were connected to the electrical grid. In Texas alone, the REA brought electricity to 349,000 rural Texans through the installation of 139,000 miles (223,700 km) of new electric transmission lines (Johnson, 1955). On the other hand, however, it appears that rural depopulation accelerated following the REA. Bringing electricity to more rural farmers further accelerated the pace of mechanization of agriculture underway long before the REA. Mechanization and electricity increased the efficiency of farm labor allowing considerably fewer farm workers to carry out the tasks once completed by many (Lee *et al.*, 1973). Since the 1930s, rural population in the US has grown by only 5.6 million residents, and virtually of this growth can be accounted for by the single decade Rural Renaissance of the 1970s (Beale, 1982) (Figure 3).

Figure 3.
Population Change by Decade during the 'Reducing Rural Disadvantage Epoch'



Source: US Census of Population and Housing, 1960, Chapter 3, Table 3 "Urban and Rural Population of the United States 1790-1960". Retrieved from: <https://www.census.gov/prod/www/decennial.html> (09/10/2020).

There are several more recent examples of policy aimed to reduce rural disadvantage similar to those launched during the New Deal. In so doing, these recent policy initiatives hope to both retain and attract rural residents. Under Eisenhower following World War II, the US began construction on the massive interstate highway system – a coordinated transportation network consisting of over 46,000 miles (about 74,000 km) of modern highways linking cities to one another as well as to their surrounding countryside. Most recently, since the 1990s presidential administrations have advocated for a variety of programs to extend broadband connectivity to underserved rural regions. For example, the Clinton Administration issued a "National Call to Action" to bring digital opportunities to every American family (A National Call to Action to Close the Digital Divide, 2000). Most recently, the Trump Administration has launched ReConnect (Broadband ReConnect Program, 2019), a loan and grant program to support broadband projects estimated to benefit up to 430,000 rural residents.

A common element of the Rural Electrification Act, Clinton's Call to Action, and Trump's ReConnect is that each policy initiative shifts the scale of implementation from the federal to local public and private entities. For example, the REA worked with

locally organized cooperatives to extend the electrical transmission network, so the federal government was not responsible for building the new lines. Rather, that responsibility devolved to the local scale. Similarly, the recent broadband initiatives have all been structured in ways that made federal government simply the source of financing (through both grants and loans) for the programs. The implementation happened at the local scale. The 2019 ReConnect annual funding report indicates that nearly 50 % of the \$744 million in federal allocation was distributed to for-profit private corporations (Broadband ReConnect Program, 2019) who were to use those resources to extend the broadband network to rural communities. This devolution of rural policy from the federal to state and local scales becomes common in the 1970s with a more pronounced neoliberal shift.

5. Epoch 4. If you build it, they will come – The neoliberal turn (1970s – present)

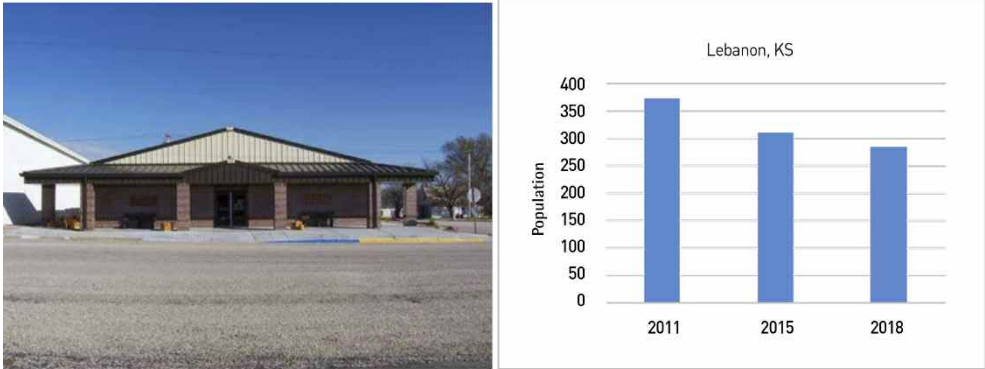
The 1970s ushered in the era of the Community Development Block Grants (CDBG), a policy framework largely responsible for rural development initiatives which remains in place today. Through the CDBG program, Congress appropriates resources on an annual basis. These resources are allocated through the Federal Department of Housing and Urban Development for development related projects in the country's large cities and urban areas. In addition, the CDBG appropriation distributes a proportion of these funds to individual states to support projects in their respective small towns and rural regions.

Nonmetropolitan counties and towns with fewer than 50,000 residents may then apply to their state governments for CDBG funding, and larger cities and metropolitan areas apply directly to the federal government. Recently, these funds directed toward small towns and rural regions have been renamed The Rural Innovation Fund, but the objectives and structure of the program remain the same.

Small towns and rural communities can apply to their respective state agencies for funds to support a wide array of projects that strengthen communities, stimulate investment and economic growth, and enhance the overall quality of life in the recipient communities. Projects funded by the CDBG program are diverse and can range from improving sewer system capacity to Main Street beautification programs.

A key element in block grant funding is that applicant communities must provide a portion of the resources (either in-cash or in-kind) for the proposed project, so the federal funds are not responsible for the entire cost of any given project. Rather, projects funded by CDBGs are seen as partnerships between the federal government and local actors (both public and private). For example, the small town of Lebanon, Kansas applied for and received \$ 392,000 (€ 346,698) in CDBG funds to be used to build a new community center (Lebanon Community Center - Project Profile, n.d.). The total cost of the project was estimated at \$ 523,000 (€ 462,559), required coordination between a nonprofit (The Community Center Foundation) and the city of Lebanon, and involved acquiring and demolishing five existing properties before building the new community center (figure 4). Similarly, the city of Abbotsford, Wisconsin received \$ 225,000 (€ 198,997) in CDBG funding to be used in a project to enhance the quality of life of local residents. With the CDBG funds, Abbotsford built an architecturally appealing new municipal center to house its town offices, a library and senior center. The new building, completed in 2008, is designed to evoke the town's historic ties to the railroad (Larson and Day, 2019) (Figure 5).

*Figure 4.
Community Center project with support from the Community Development Block Grant Program in Lebanon, Kansas*



Source: retrieved from: <https://uscenterfoundation.com/community-center/> (09/10/2020).

Figure 5.
New Municipal Center – Abbotsford, Wisconsin



Source: retrieved from: <http://mepassociates.com/projects/15/city-of-abbotsford> (09/10/2020).

While both of these projects were designed to improve the livability of these small towns and enhance quality of life in Lebanon and Abbotsford, their impacts on attracting or at least retaining population are more mixed (admittedly, it is impossible to determine causation in this simply descriptive analysis). Both projects were complete by 2010. Figure 4 shows that the small city of Lebanon has continued to experience population loss throughout the decade with the city's 2018 population 24 % smaller than it was in 2011. Abbotsford has seen more positive population growth adding nearly 300 new residents between 2011 and 2018, or a gain of 14.6 % in the years following the completion of the new community center.

The rise of CDBG marks a clear shift toward a more neoliberal approach in rural development and population policies. While the REA relied on local cooperatives to actually construct the expanded electric grid, the federal government determined the merits of each application and defined the appropriate scope (electrification) of the program. Under the CDBG, power shifts from the federal to the state and local levels, as it is up to individual communities to identify their needs and interests and each respective state to assess the merits of community applications. One might reasonably accept the notion that local actors can best determine the needs of their respective communities, yet lack of coordination across communities and between states can result in a disjointed and incoherent set of rural development policy initiatives both within and between states. Furthermore, the reliance on local leaders to apply for CDBG funds assumes all communities are equally equipped to navigate the application process and prepare successful proposals. Regrettably, this assumption differentially privileges the already privileged communities, as privileged communities

are more likely to possess the human capital necessary to develop a successful CDBG project. Nonetheless, this neoliberal turn which began in the early 1970s has continued to gain traction and is shaping the most recent round of federal policy initiatives aimed to attract growth and investment in rural regions.

The clearest example of the neoliberal turn in rural development policy comes from the Trump Administration. The Tax Cuts and Jobs Act passed by Congress in 2017 created the Opportunity Zone (OZ) program to attract investment into struggling regions, both urban and rural. Under this program, census tracts meeting certain eligibility criteria (i.e. a poverty rate of at least 20 %, or median incomes of no more than 80 % of the state's median incomes) become eligible for OZ designation. State governors are then able to designate up to 25 % of their eligible tracts as Opportunity Zones, and each state is granted the autonomy to select which of the eligible tracts become designated OZs (The Impact of Opportunity Zones: An Initial Assessment, 2020).

Once designated, OZs use three tax-based levers to attract outside investment. First, investors can roll capital gains from investments held elsewhere into OZs and defer any tax on those gains until 2026. Second, if the investor holds their investments in the OZs at least five years, they can omit 10 % of the original capital gain, and they can omit 15 % of the gain if the investment is held at least seven years. Last, investments in an OZ held for ten or more years are exempt from all capital gains taxes. The underlying logic in all three levers is that by reducing current and future tax liabilities, the federal government can stimulate investment into struggling Opportunity Zones, a clear example of Harvey's Urban Process under Capitalism whereby the state uses fiscal and tax policies to direct flows of capital into infrastructure for production, consumption, and reproduction (Harvey, 1978).

Figure 6 provides a map identifying designated opportunity zones across the United States. By design, there are many more tracts eligible for OZ designation within any given state than actual OZs, and each individual state governor can use the OZ program to best suit their needs. The variability from state to state is clearly visible when comparing Nebraska to Colorado. Colorado has designated OZs throughout the state with a high concentration in the rural eastern portion. By contrast, in Nebraska, Colorado's neighbor to the northeast, there are virtually no OZs in the western half of the state despite many tracts in western Nebraska meeting the eligibility requirements. In this instance, we see a clear influence of the state political boundary. In New York State, OZs are distributed across the state, but the highest concentration of OZs is found in and around New York City. Thus, while some states (e.g. Colorado) have used the OZ program to try to attract investment to rural regions, other states like New York have designated more urban OZ tracts than rural.

Figure 6.
Designated Opportunity Zones across the United States

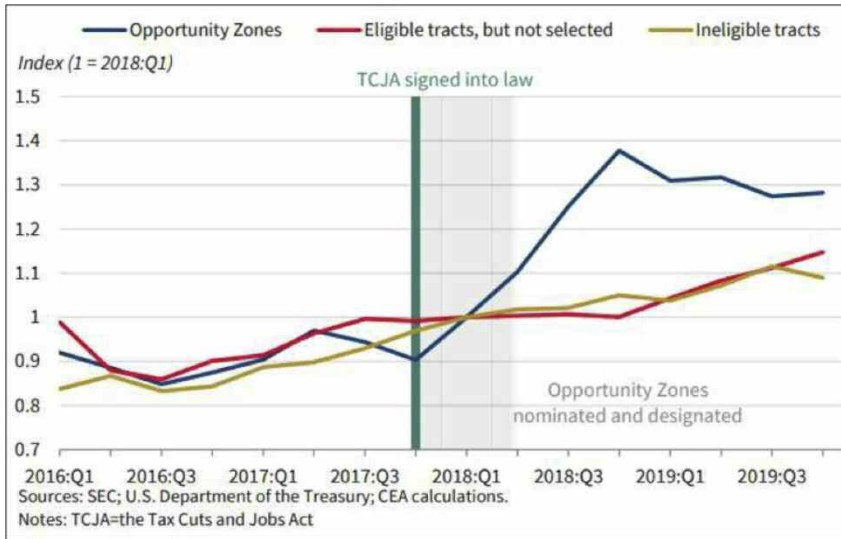


Source: The Impact of Opportunity Zones: An Initial Assessment, 2020.

It is too early to assess the degree to which the Opportunity Zone program has impacted rural population change. However, there does appear to be some evidence of increased investment into these specially designated tracts. Figure 7 is taken from the Council on Economic Affairs assessment report of the OZ program. After the Tax Cuts and Jobs Act was passed in 2017, states went through the process of identifying and designating eligible tracts which were finally approved by the Department of the Treasury in 2018. OZ tracts show a marked increase in private equity investment once the Tax Cuts and Jobs Act was signed. By 2019, investment into OZ tracts was up approximately 30 % over 2016, a considerably higher increase compared to other tracts, though since 2019 the investment gap between OZ tracts and other tracts has narrowed.

Figure 7.

Private Equity Investment for Opportunity Zones, 2016-2019



Source: The Impact of Opportunity Zones: An Initial Assessment, 2020.

The Opportunity Zone program marks an obvious neoliberal shift in rural development policy, as the program very clearly operates with the belief that the market 'knows best', and with fewer constraints, capital will flow towards the greatest opportunities. Rolling back taxes is a popular tool among neoliberals and free market advocates, but once the process of designating OZs is complete, the government (federal, state, or local), plays no role in shaping how the actual investment plays out within any particular opportunity zone. Under the CDBG program, while the responsibility for individual projects shifted to the local scale, at least communities had to identify their specific needs and apply for block grant funding. Under the OZ program, it is up to the private equity investor to identify opportunities that will generate the greatest return, at least within a 5-10 year window with no provision for input from the local community. In an eastern Colorado OZ, investment may take the form of new meat packing facilities reliant on low skill, low wage, and often immigrant labor while in a high amenity OZ in western Montana, it is possible that private equity is flowing into the housing market bidding up housing costs. Real estate does appear to be a popular target for opportunity zone investments, as the Assessment Report indicates more rapid appreciation of home values in OZ tracts.

The report touts this appreciation in residential real estate as evidence of success for the homeowners in OZ tracts. The Report estimates these homeowners now possess an additional \$11 billion in home equity created by such increasing home values (The Impact of Opportunity Zones: An Initial Assessment, 2020), yet it would be foolish to ignore how rising home values also spell increased property taxes for homeowners in these areas (47 % of the population in OZ tracts is estimated to own their own home), particularly those on limited incomes. Moreover, increasing property values contributes to rising rents for the majority (53 %) of residents in OZ tracts who do not own their own homes. Thus, while this program has certainly drawn investment into certain areas, the overall impact of that investment on the residents of OZ tracts is unknown or at best benign.

6. State, Local, and Private Initiatives

The current lack of a federally coordinated and comprehensive rural development/rural population policy in the United States has prompted state and local leaders to develop several of their own initiatives aimed at more directly attracting residents to their shrinking rural regions. While it is beyond the scope of this short paper to exhaustively review the myriad state and local programs, a few programs deserve mention, as these programs return to tactics used by the federal government in the 18th, 19th, and early 20th centuries to draw population into rural regions. In this light, rural population policy in the United States has come full circle as many of the state, local, and private initiatives proposed to draw new residents to rural regions use free land giveaways or immigration policy as mechanisms to stem population loss in the countryside, echoing the Federal Government's approaches under George Washington and Abraham Lincoln.

Nowhere has rural population loss been more sustained and severe than on the Great Plains in the central part of the United States. Across the Great Plains, 51 % of rural counties are classified as Population Loss counties by the US Department of Agriculture meaning these counties have lost population for at least two consecutive decades, some for many more. By comparison, across the Rocky Mountains and Pacific divisions only 14 % and 4 % of rural counties, respectively, are Population Loss counties. Given the deep and sustained population decline across the Plains, several local authorities have devised different types of population policies. Towns across North

Dakota, Iowa, Minnesota, and Kansas have turned to free land giveaways reminiscent of the land programs under the Homestead Act of the 19th century. Under these programs, prospective residents are given free *residential* parcels (some include a home) as a means to stimulate migration. Marquette, Kansas, a town of 537 residents launched its land giveaway program in 2003 making 80 home lots available for free to potential in- migrants. By 2007, 74 of the 80 lots had been claimed, and at one point all 80 lots were reserved (though plans fell through on six of these claims). Adding 74 new households to a town of only 537 residents certainly represents a large relative increase in population. Minneapolis, Kansas (population 2061), 50 miles (about 80 km) to the north of Marquette, provided 33 building lots in two phases to prospective residents beginning in 1999. By 2007, 27 of the lots had been claimed, a smaller number than in Marquette, but relatively successful nonetheless (Lu and Paull, 2007). Just as the Homestead Act of 1864 offered free plots of agricultural land to entice residents to move to and settle on the Great Plains, today small towns in the region like Marquette¹ and Minneapolis are resorting to similar tactics albeit with the offer of residential rather than agricultural land.

Beyond these land giveaways, several states offer additional incentives to entice individuals to move to rural regions. The New York State legislature is currently considering SB 1200, a proposal to offer loan forgiveness to doctors and nurses willing to move to and practice in underserved rural parts of the state, and both Montana and Idaho have similar loan forgiveness programs. Montana's program has been in place for over two decades. Similarly, Kansas offers loan forgiveness of up to \$15,000 (about €13,000) for any college graduate willing to relocate to designated rural communities (Hentze and Canada, 2019). In New England, the state of Vermont is specifically targeting teleworkers interested in moving to the sparsely populated state. In 2018, the Vermont state legislature allocated \$500,000 (about €440,000) over two years to provide grants to offset relocation costs of teleworkers moving into the state. The grant program was wildly popular as the entire allocation was claimed in the first year of the program. In total, 140 teleworkers received state funds bringing a total of 298 new residents into the state. Of those 298 new residents, 45 were school aged children, a rapidly declining segment of Vermont's population (Fornarola, 2020).

1• This author's own ancestors were originally Homesteaders near Marquette, Kansas in the mid to late 19th Century.

Clearly, these individual based incentive programs are seeking to enhance the human capital of rural regions long suffering from out-migration and the brain drain effect.

A final policy approached aimed to stem rural population loss turns once more to immigration in much the same way George Washington used immigration policy to draw some of the original European settlers to the rural hinterlands of the United States in the 18th century. Recent demographic analysis highlights the important contribution contemporary immigration makes to overall rural demographic change. The Center for American Progress examined population change in over 2700 rural places and found that while the adult population declined by 12 % in these small towns, the foreign-born population increased by over 130 %. In the small share of rural places (32 %) currently enjoying population growth, immigration accounts for a dramatically large share of the growth. In 183 of the growing places, immigration is *entirely responsible* for the growth. In other words, were it not for immigration these places would also have experienced population decline (Mathema *et al.*, 2018).

Given the powerful ways in which immigration can boost population growth directly by adding newly arriving immigrants to rural populations and indirectly by increasing birth rates (Johnson and Lichter, 2008), some policy advocates have proposed using immigration policy targeting rural settlement.

Current immigration policy, however, serves to exacerbate uneven population growth and regional inequalities as immigrants (particularly highly skilled) tend to be drawn into rapidly growing urban regions like New York, Los Angeles, and Seattle. In fact, the 20 most populous counties in the United States contain 19 % of the US population but 37 % of the most skilled immigrants (Ozimek *et al.*, 2019). Given this unevenness, some immigration scholars and policy advocates have proposed a targeted visa program aimed at drawing highly skilled immigrants into struggling rural regions. Under this program proposed by the Economic Innovation Group, visa-holders and communities would both 'opt-in' to move to rural regions and receive these skilled newcomers respectively. Much like many of the individual level incentives developed by different states discussed above, this Heartland Visa program seeks to address declining stocks of human capital plaguing rural regions after decades of out-migration. Unlike the existing visa system, under the Heartland program, visa holders would not be tied to a particular employer or sponsor, but rather they would be tied to a place and available to work for any employer in the receiving community or start their own business (Ozimek *et al.*, 2019). Proponents of such a policy shift argue businesses and entrepreneurs may change their thinking about potential investment locations given the potential supply of skilled immigrant workers in areas previously suffering from depleted stocks of

human capital (Irwin, 2019). Obviously, a think-tank and advocacy organization like the Economic Innovation Group supported heavily by the technology sector cannot make immigration policy, but these groups can influence the ongoing immigration debates in Congress. Given the forthcoming change in the Executive Branch in January 2021, it is possible that immigration policy may pivot toward this more open approach with potential to impact rural regions in positive ways.

7. Conclusion and Looking Forward

This review of population policies targeting rural settlement in the United States highlights the long history and diverse forms such policies have had over the last 220 years. Despite this long history, there are several common themes that can characterize different policy initiatives. First, several policy approaches have used cheap or free land as an incentive to entice rural settlement ranging from the Homestead Act of the mid-1800s to the new local level initiatives giving away residential land to prospective in-migrants. These land-based incentives historically played a key role in settling the rural Great Plains, and it is the towns on the Great Plains who are most frequently turning to similar land giveaways today. Second, policy makers have long aimed to address rural disadvantages by extending more modern and urban infrastructure into underserved rural communities. Such programs emerged first in the 1930s focused on electrification and continue through today with emphasis on bridging the rural-urban digital divide. By reducing rural disadvantage and making rural areas less rural, policy makers hope to reduce some of the barriers rural in-migrants might face. Finally, the last 30 years has brought a neoliberal shift into rural policy circles, and this shift is marked by a devolution of policy making from the federal to the state and local scale with programs such as the rural Community Development Block Grants being driven by local leaders proposing projects and simply relying on federal dollars to fund them. Similarly, the most recent program with possible implications for rural communities, the Opportunity Zone Program, created by President Trump's Tax Cuts and Jobs Act very clearly reflects the neoliberal shift in policy approaches, as this program simply removes barriers to potential investment and believes (hopes) the unfettered free market will bring necessary and useful forms of new investment into underinvested regions.

It is unclear how the more recent neoliberal shift in rural policy approaches will impact rural population change going forward, though given that policy first took a neoliberal turn in the 1970s and rural population growth has been temporally volatile and geographically uneven over the last four decades, it is unlikely such hands-off approaches driven by local and individual interests and agendas will have any sort of sweeping effect on rural population change. While certainly not a policy initiative, the current COVID-19 pandemic, however, does present distinct implications for rural populations and population change in the United States. On the one hand, early in the pandemic, rural communities were spared as cases and deaths were most concentrated in major urban centers like New York City, Seattle, and Miami. More recently however, caseloads and death rates have risen sharply in rural regions, particularly in the northern Great Plains states of North and South Dakota. These factors will certainly elevate mortality rates and contribute to further population declines in the already struggling population loss counties in the region. On the other hand, the widespread shift to remote work combined with perceptions of increased risk of spread in densely settled urban regions and reduced access to traditional urban attractions like restaurants, shopping, and entertainment has sparked increased interest in urban to rural migration. Numerous accounts in the popular press have highlighted spikes in urban refugees fleeing the city for the countryside which is perceived to be safer and where residents can maintain an active albeit different lifestyle (Hughes, 2020; Porter, 2020). It is quite possible that the COVID-19 pandemic will spark a renewed Rural Renaissance that could have lasting effects of the pace and patterns of rural population change across the United States.

8. References

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