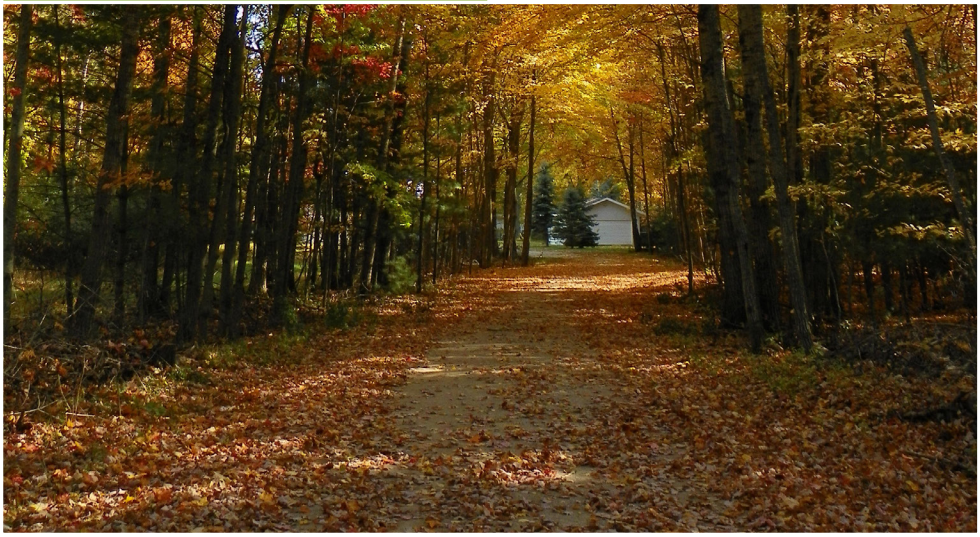
Lake County

Community Needs and Opportunities: A Conversation Opener



What is it like living today in **Lake 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 Lake County get ahead, stay ahead and leave behind a stronger community for their children.

October 2016

LCCF
LAKE COUNTY COMMUNITY FOUNDATION
An affiliate of Fremont Area Community Foundation

Lake County Community Foundation (LCCF) seeks to enhance the quality of life for Lake County residents through the development of permanent endowment funds. These funds allow the Community Foundation to address community needs through grant awards in human services, education, environment, arts and culture, and other charitable needs in Lake County. Lake County Community Foundation is a geographic affiliate of Fremont Area Community Foundation. Fremont Area Community Foundation manages LCCF's assets while a local advisory board reviews grant proposals and recommends funding. For more information about either community foundation, visit facommunityfoundation.org or call 231.924.5350.

Center for Rural Entrepreneurship
energizing entrepreneurial communities

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

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, 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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	Section Topic	In this section....
1	What resources can Lake County tap to support community betterment?	This special analysis by the Center for Rural Entrepreneurship was commissioned by the Fremont Area Community Foundation for Lake County and the entire region.
2	What do we think about Lake County?	This section features the responses to a 20-question public survey of residents in Lake County. The survey was open for anyone to answer from May 5th through June 3rd, 2016.
3	Who is living in Lake 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.
4	How are Lake County's people doing?	
5	How is Lake County's economy doing?	
6	How is Lake County, the place, doing?	

Using this Booklet as a Conversation Guide

Please use this booklet with local organizations, groups, family or neighbors to start a discussion about how Lake County is doing today, and what we might want to address together to make the County an even better place tomorrow – to live, work and raise a family.

There are reflection questions at the end of each section – and some Overall Priority Questions on the back cover. We encourage you to work with local groups or neighbors to answer the reflection questions individually, and then share your answers with each other before you answer the Overall Priority Questions.

The Lake County Community Foundation wants to better target its grantmaking and action on priorities set by the community. So the Community Foundation is eager to hear from any group or individual who has used this guide. We would especially like to hear:

- When you used it – and with what group and how many people.
- Your group's answers to the Overall Priority Questions.
- Any other ideas you have about the top priorities people in our area should take on together that will build a better future for Lake County.

Please send the Lake County Community Foundation your ideas – contact details are on the back cover.

About the Data

This report is intended to start a conversation about community opportunities and needs. As a result, 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.

If you want someone to help organize or facilitate a group conversation or discussion, help is available! Please contact Maria Gonzalez at 231.924.5350 or at mgonzalez@facommunityfoundation.org.

1 What resources can Lake 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 Lake 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.

Lake County's Transfer of Wealth

$113,000,000

will transfer between generations in the next 10 years

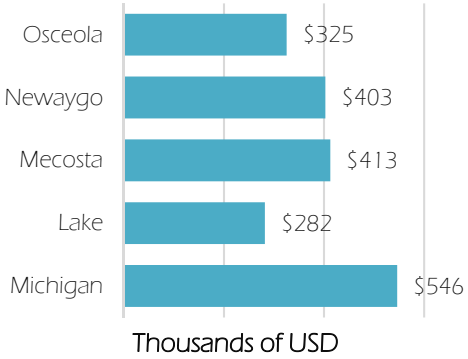
$5,600,000

is 5%, which, if captured to support community betterment, could generate $280,000 annually

$2,800,000

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

a. Average household net worth



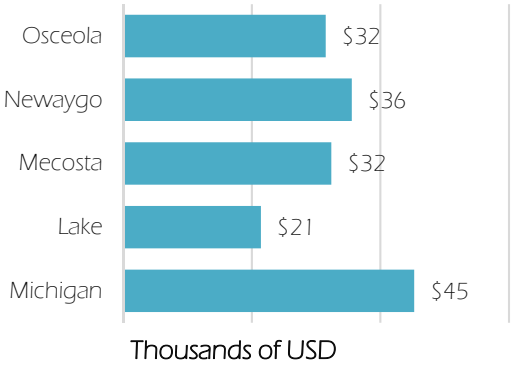
Why it matters: Many communities and community residents see themselves as poor and believe they don't have the financial means to make their place better. Understanding that every community—even your community—has wealth, can shift attitudes from "the glass is half empty" to "the glass is half full"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

How the county stacks up: Lake County has significantly lower average household current net worth when compared to Michigan and other counties in this region. Nevertheless, in 2015, 6.3% of permanent resident households are classified as high net worth, with estates averaging greater than $2 million.

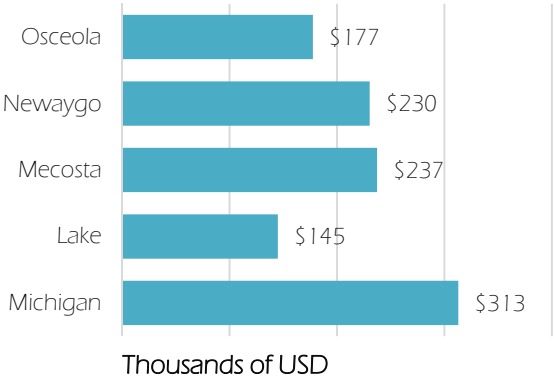
b. 10-year TOW Opportunity (per household)

Why it matters: 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. Communities with specific endowment-building goals tend to do better in achieving or exceeding them.

How the county stacks up: Over the coming decade (2015-2025), $113 million in household wealth will transfer from one generation to the next in Lake County. This equals $21,000 per household on average. Though Lake County has the lowest level of 10-Year TOW opportunity in this region, this amount still represents a very significant philanthropic opportunity.



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 Lake County over the next two generations (2015-2065) is a remarkable $764 million, which equals $145,000 per household. Investing in community philanthropy today can position the county to grow significant community endowments over the coming years.

Trends and Data of Note

- The transfer of wealth estimates for Lake County are conservative – because they reflect only 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 Lake County include:
    - **Regular Seasonal Residents.** Every year, Lake 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 Lake 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.

Discussion Questions

1.1 What one or two things most **surprised** you in this data about the Transfer of Wealth?

1.2 What one trend, fact or idea in this data and discussion gives you the most **hope** for the county?

1.3 What one trend, fact or idea in this data and discussion causes you the most **concern** – for any reason?

2 What do we think about Lake 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 5th to June 3rd, 2016 the Lake County Community Foundation, Mecosta County Community Foundation, Osceola County Community Foundation and Fremont Area Community Foundation fielded a survey in their four home counties. The survey responses both identify regional trends and highlight opportunities and challenges in each specific county.

Demographics of **Lake County** Responses

- 25 surveys were collected from county residents; 60% were from women and 40% were from men.
- 24% of respondents have lived in the area less than 10 years; 28% have lived in the area 30 years or more.
- 10% of respondents consider themselves part-time residents; 90% live in the area full-time.
- 72% of respondents were 35 or older (32% of the county's population is younger than 35).

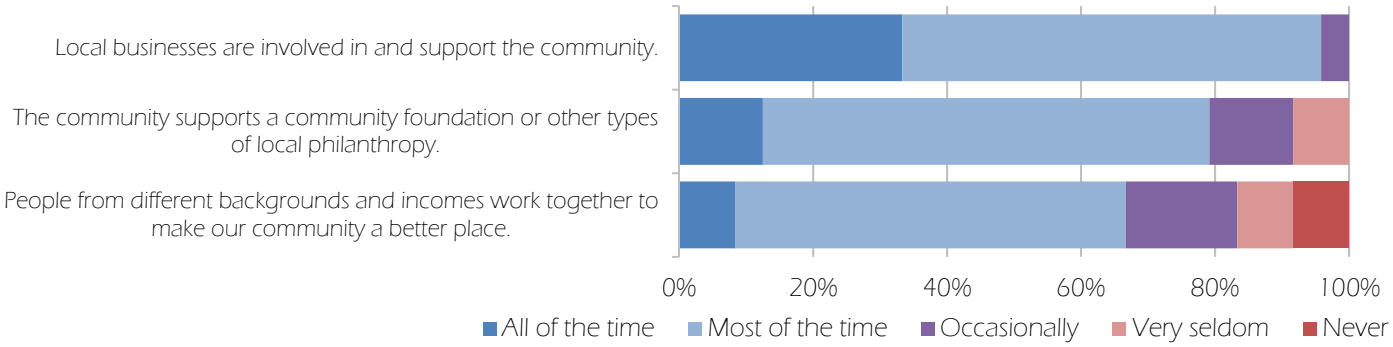
Demographics of **All** Survey Responses

- 1,030 surveys were collected throughout the area; 75% were from women and 25% were from men.
- 28% of respondents have lived in the area less than 10 years; 30% have lived in the region 30 years or more.
- 7% of respondents consider themselves part-time residents; 93% live in the area full-time.
- 74% of respondents were 35 or older (45% of the region's population is younger than 35).

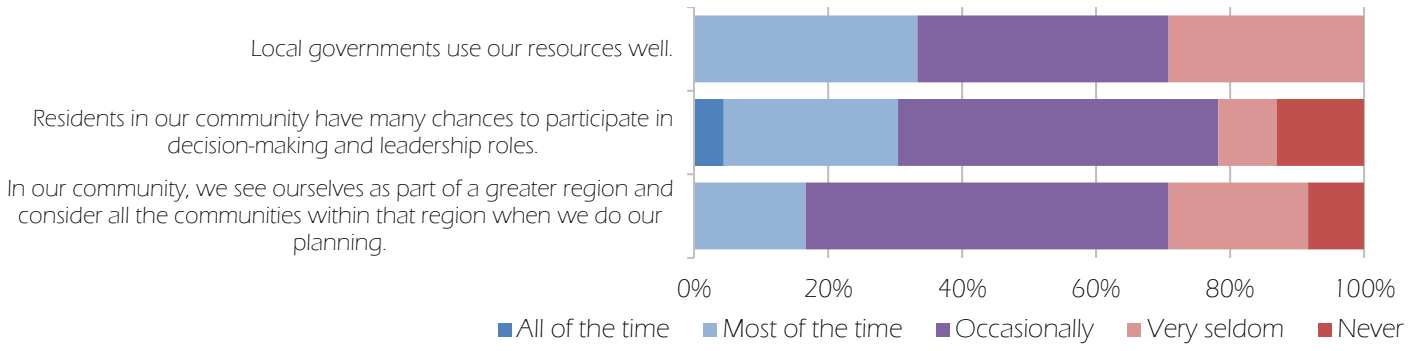
a. Ranking community strengths and weaknesses

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.

Statements rated as always or mostly true by the highest percent of residents:



Statements rated as occasionally, very seldom or never true by the highest percent of residents:



b. Open-ended reflections

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

The weather & environment (56%)
Respondents listed the weather, the lakes & parks and the small town environment as quality benefits of the community.

People/community character (48%)
Respondents said that the people within the community and the character of the community were among its best assets.

Size (28%)
Respondents said that the "small size" or "small-town living/atmosphere" was one of the best things about their community.

Safety (12%)
Respondents said that they feel safe. Many said children were safe because others would watch out for them.

Arts & culture, quiet/peaceful (8%)
Respondents said that the arts and cultural opportunities were a benefit of the community as well as the quiet and peaceful atmosphere.

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.

Jobs/economy (20%)
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.

Poverty (16%)
Respondents said that the high rate of poverty was a major concern and challenge in their community.

Cliques/unwelcoming (16%)
Respondents noted that community residents seemed "cliquey" and "unwelcoming" to those who did not grow up in the community.

Inconvenient location (8%)
Respondents said that the community's location & distance to necessities was a significant challenge.

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

Different jobs, better economy (20%)
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.

More amenities (16%)
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.

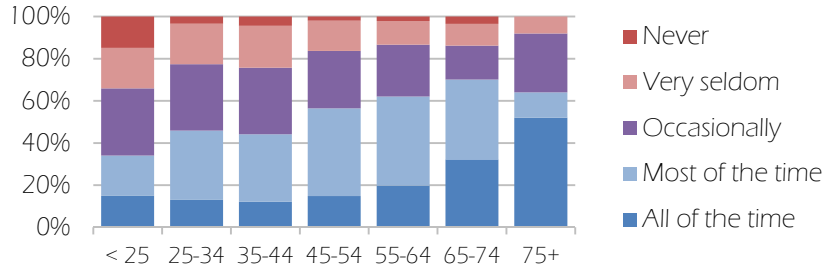
Infrastructure (12%)
Respondents wanted to develop the necessary infrastructure to better utilize abandoned buildings and maintain roads.

Activities for youth & families (8%)
Respondents wanted the community to provide for family-friendly activities and opportunities to engage youth.

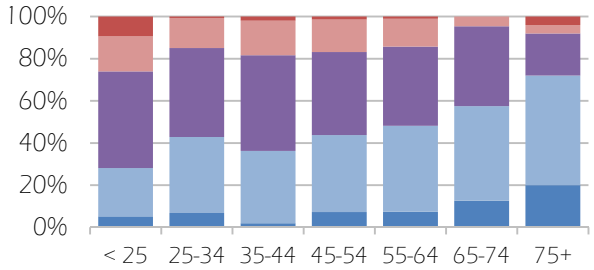
Poverty (8%)
Respondents noted that poverty needed to be addressed by the community.

c. Regional demographic trends of note

Our community offers a good amount of arts, entertainment and recreation for our residents.*



As we work on community issues, we welcome questions, new and different perspectives, and alternative approaches to doing things.*



*These graphs aggregate responses from several counties in the region.

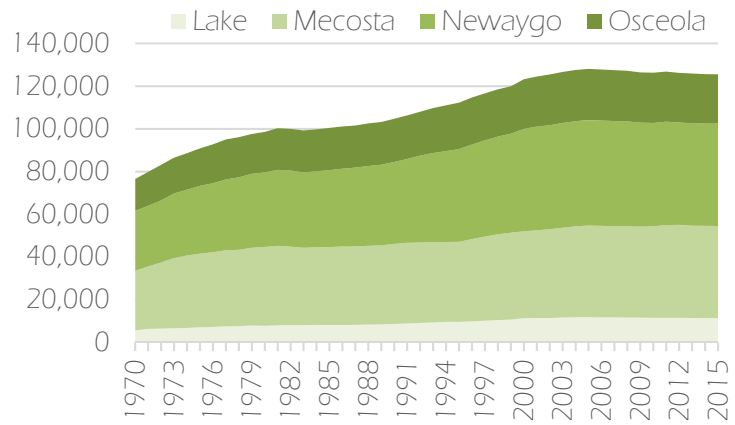
Discussion Questions

1. What one or two things most **surprised** you in this data about the area?
2. What one trend, fact or idea in this data and discussion gives you the most **hope** for the area?
3. What one trend, fact or idea in this data and discussion causes you the most **concern**?
4. Which fact in this data would you most like to **change** – and why?

3 Who is living in Lake 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 into the early 2000s. Since then, population growth has levelled off and begun to decline slightly. Over the past 15 years, deaths have exceeded births in the county. Pursuit of development strategies that can stabilize the county's population is warranted.

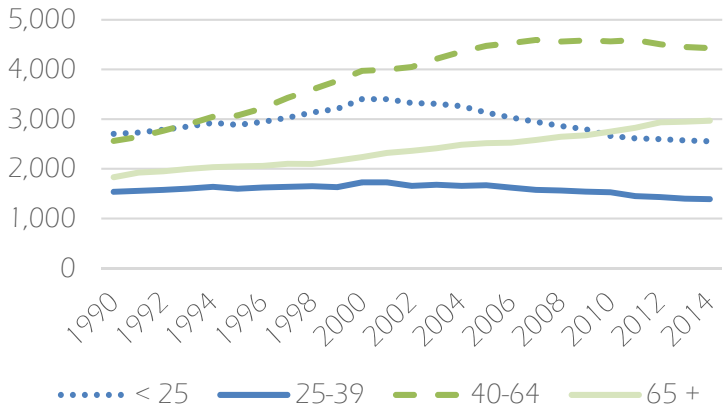
Source: U.S. Census Bureau, Population Estimates Program, 2016

b. Age composition

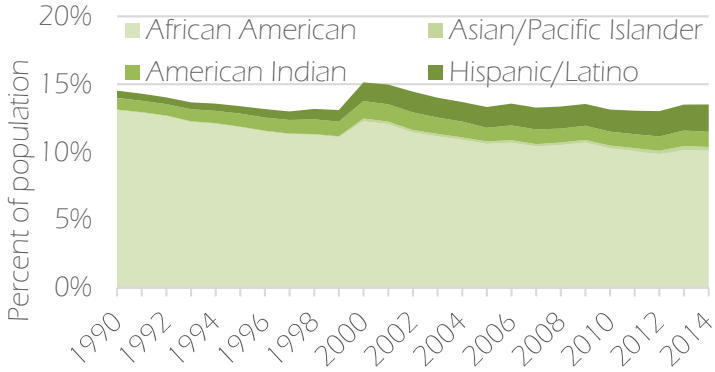
Why it matters: A population with balanced age groups is an indicator of community health and vitality. Do families think this is a good place to have children? As young people grow up, do they find the education, amenities and employment to build a life? And as they age, do they have the support and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

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



c. Racial and ethnic diversity

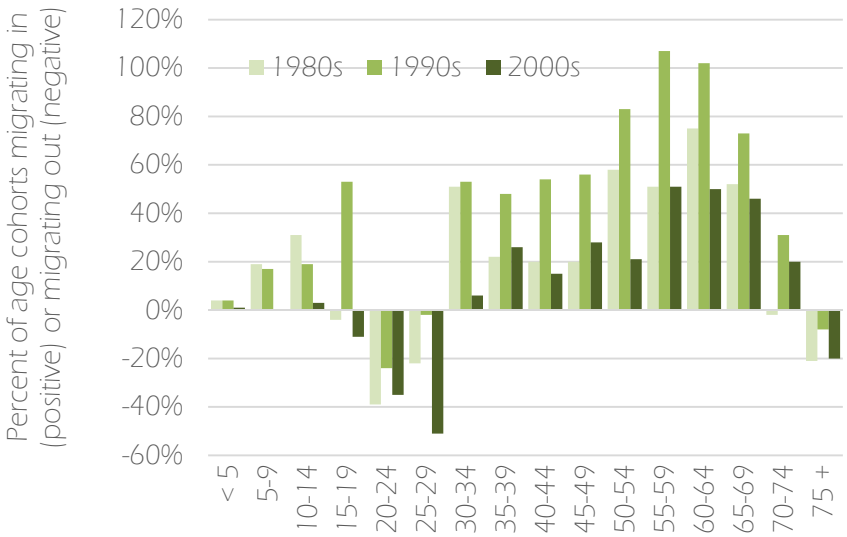


Why it matters: One dynamic demographic trend shaping our country's future is that our communities are becoming more diverse. New neighbors are more likely to be Hispanic/Latino or African American.

How the county stacks up: Lake County's racial and ethnic diversity has declined slightly since 1990, though the number of residents who are not White (non-Hispanic) still hovers near 15%. The data shows the most consistent growth in the Hispanic/Latino population over that time period.

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

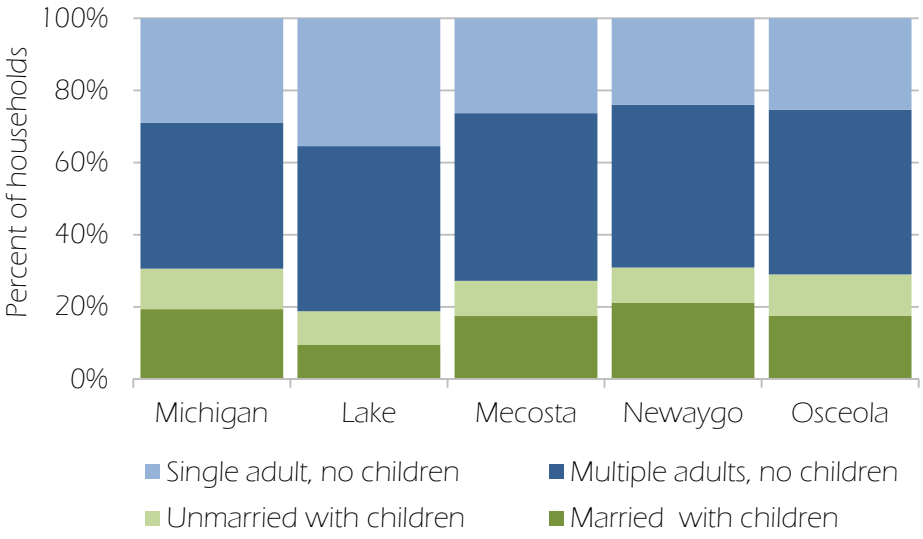
Source: Center for Demography and Ecology, University of Wisconsin-Madison, 2013

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: Lake County has the fewest households with children in the region – just under 20% of households have one or more children.

Source: American Community Survey 5-year estimates, 2014



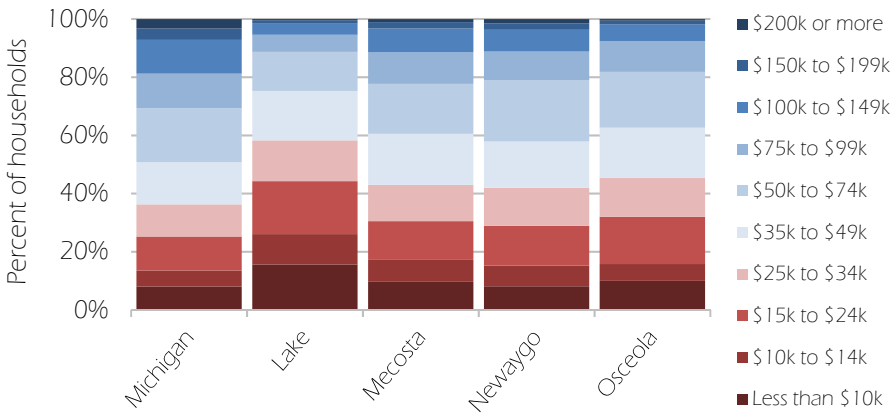
Discussion Questions

1. What one or two things most **surprised** you in this data about who is living in the county?
2. What one trend in this data gives you the most **hope** for the county?
3. What one trend in this data causes you the most **concern** – for any reason?
4. Which fact in this data would you most like to **change** – and why?

4 How are Lake County's people doing?

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

a. Household income distribution



Why it matters: Household income provides a general indicator of well-being of its members. It correlates with health, educational outcomes and happiness.

How the county stacks up: About 58% of households in Lake County earn less than $35,000 which is 150% of poverty for a household of 4. That is 1.6 times higher than the Michigan percentage and is higher than other counties in the region.

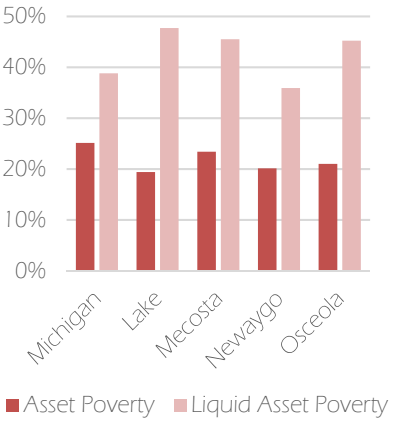
Source: American Community Survey 5-year estimates, 2014

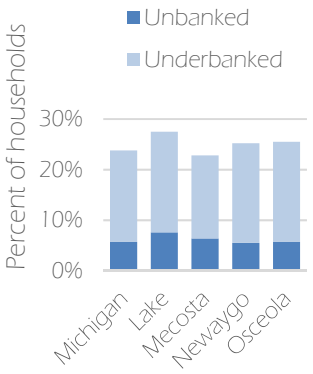
b. Households and assets

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.

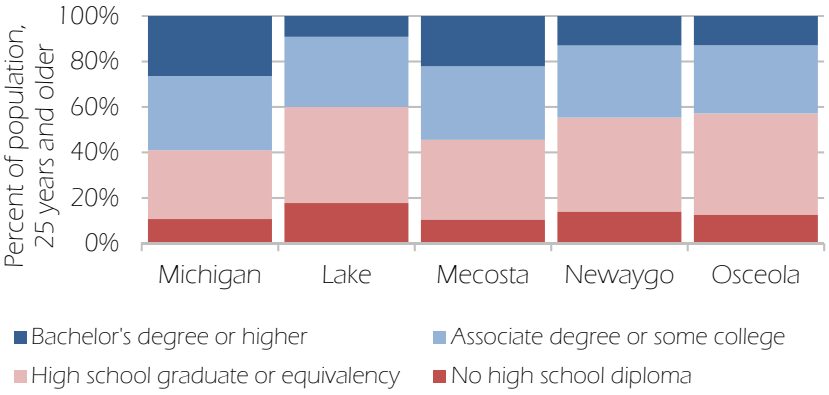
How the county stacks up: About one-in-five households in Lake County are asset-poor, 48% are liquid-asset-poor, 8% don't have bank accounts, and 20% use non-traditional financial tools.

Source: CFED, Assets and Opportunity Local Data Center, 2016





c. Educational attainment

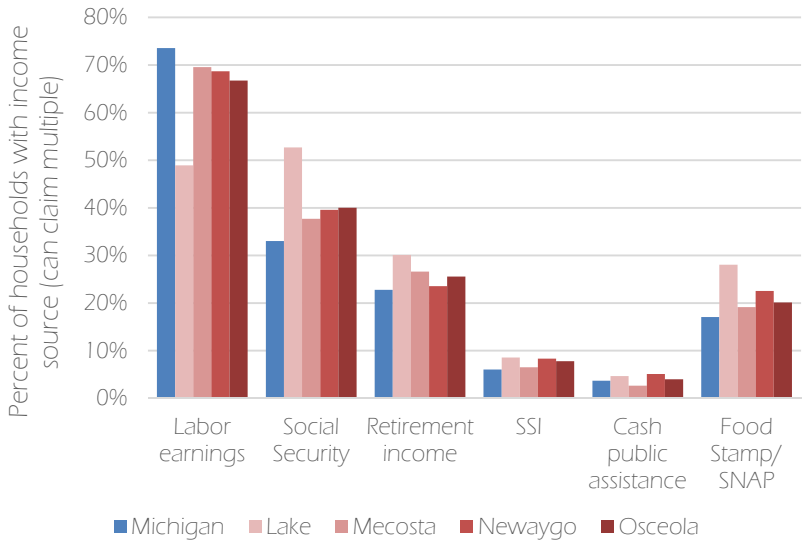


Why it matters: A leading factor shaping any economy is educational attainment. Higher education levels within a community typically result in higher incomes, more wealth formation and even healthier residents.

How the county stacks up: About 60% of residents over 25 only have no college coursework or degree. One-in-ten residents have a bachelor's degree or higher.

Source: American Community Survey 5-year estimates, 2014

d. 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 and compared to neighboring counties, a higher proportion of households in Lake County rely on Social Security, retirement and food stamps for income. Earnings from labor are included in the income of fewer than half of households in the county.

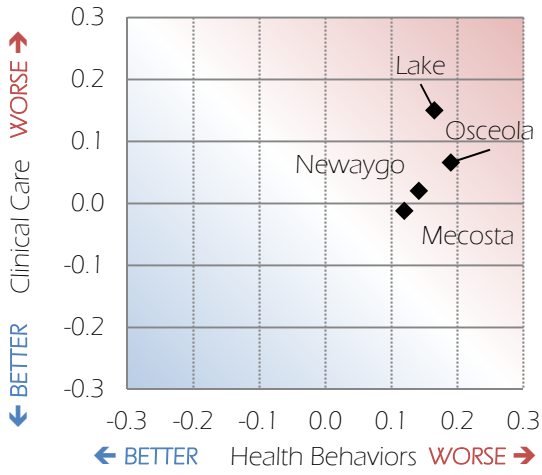
Source: American Community Survey 5-year estimates, 2014

e. 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 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, Lake County ranks 82nd for health factors. Most concerning are the county's teen birth rate, adult smoking rate, high rate of uninsured residents, limited access to health providers and access to healthy foods.

Source: Robert Wood Johnson Foundation, County Health Rankings and Roadmaps, 2016



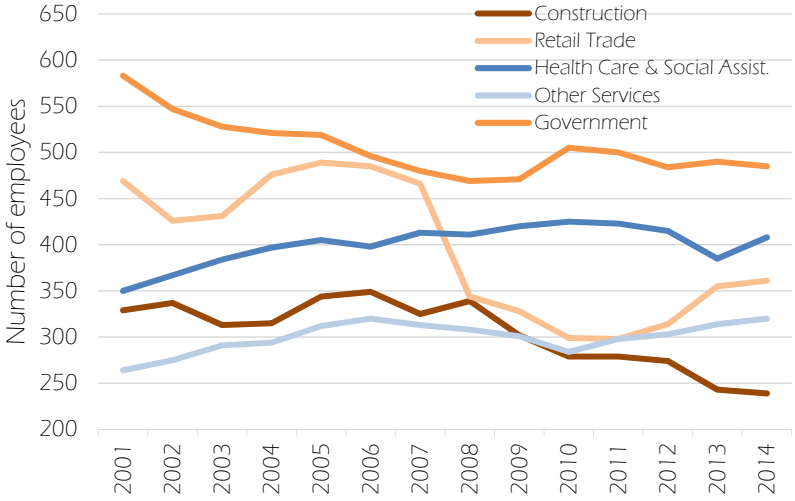
Discussion Questions

1. What one or two things most **surprised** you in this data about how people are doing in the county?
2. What one trend in this data gives you the most **hope** for the county?
3. What one trend in this data causes you the most **concern** – for any reason?
4. Which fact in this data would you most like to **change** – and why?

5 How is Lake 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 the income people spend – 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: Government is the largest employer within the county followed by health care and social services, retail trade, other services and construction. Government has been losing jobs over the 2001 through 2014 period. Health care is growing, and after major losses in the mid-2010s, retail trade is seeing growth once again.

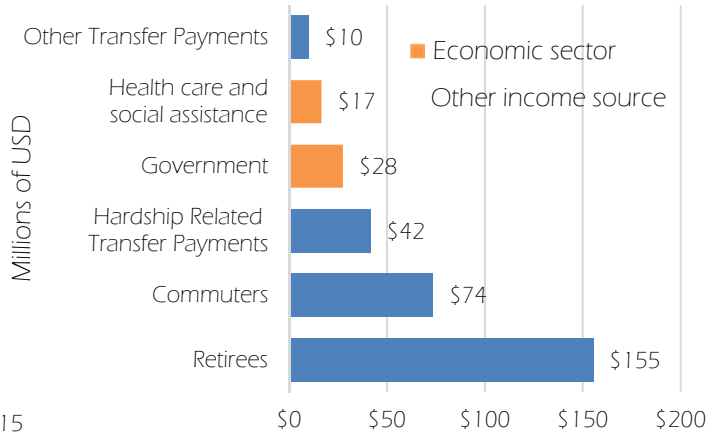
Source: Headwaters Economics, Economic Profile System, 2014

b. Income by source

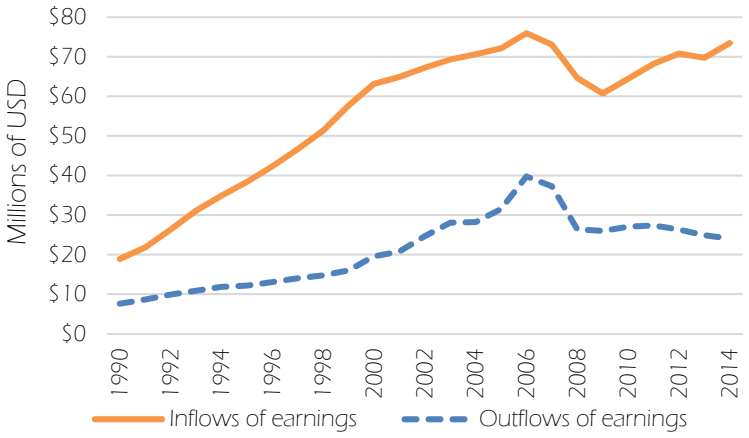
Why it matters: Another way to understand a region's economy is by looking at which sectors produce the most income. Depending on local wages, sectors with relatively few employees can be responsible for a large portion of economic activity.

How the county stacks up: Based on household earnings, the most important economic driver in the county are retirees, followed by commuters (those who live in the county but work outside of the county), Hardship Related Transfer Payments (Medicaid, public assistance, unemployment, etc.) and government.

Source: Bureau of Economic Analysis, Regional Economic Accounts, 2015



c. Inflow and outflow of earnings

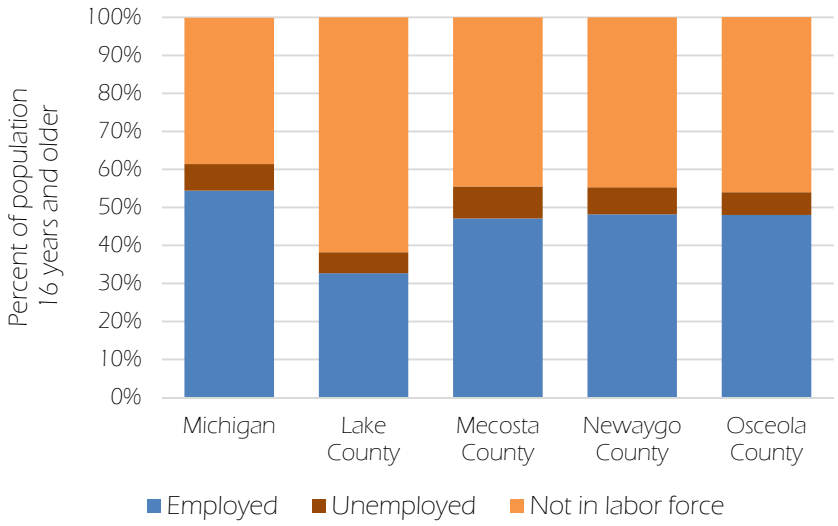


Why it matters: Many Americans commute to work, entertainment and shopping. People who work in Lake County but live in another county tend to spend more of their paycheck in the county where they live, creating an "outflow of earnings" – and vice versa.

How the county stacks up: Commuters are important to the county, with inflow earnings (those living in the county but working out of the county) rising in recent years. Outflow earnings (living outside of the county but working in the county) are lower and in slight decline.

Source: Headwaters Economics, Economic Profile System, 2016

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: Lake County has the lowest labor force participation rate when compared to other counties in the region and to Michigan. The vast majority of residents not in the labor force include those who are retired and disabled, reflecting the aging character of this community.

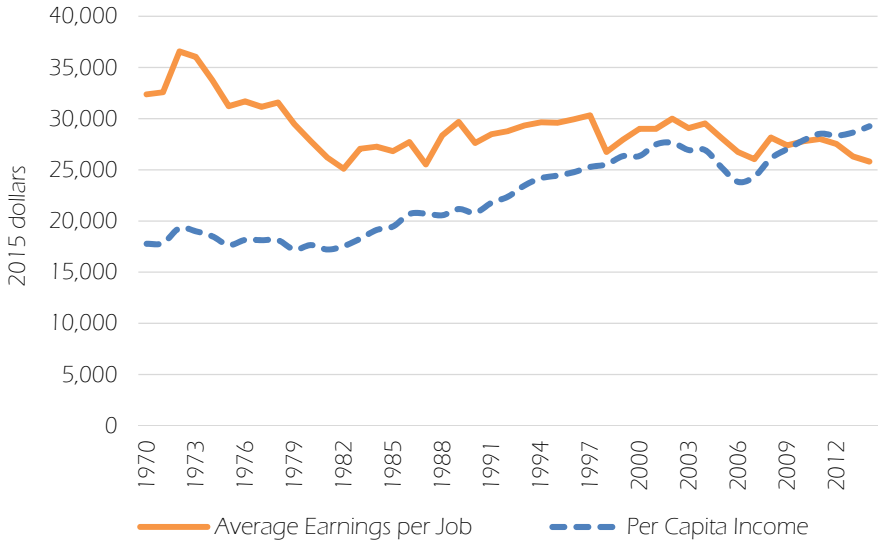
Source: American Community Survey 5-year estimates, 2012

e. Average earnings and income

Why it matters: Average earnings per job is a measure of the average compensation per job and 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) declined in the 1970s and has been stagnant since.

Source: Headwaters Economics, Economic Profile System, 2016



Discussion Questions

1. What one or two things most **surprised** you in this data about how the county's economy is doing?

2. What one trend in this data gives you the most **hope** for the county?

3. What one trend in this data causes you the most **concern** – for any reason?

4. Which fact in this data would you most like to **change** – and why?

6 How is Lake 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. Environmental quality

	Air	Water	Land	Built
Lake	13th	11th	7th	57th
Mecosta	46th	59th	36th	36th
Newaygo	37th	4th	21st	4th
Osceola	23rd	47th	16th	39th

Rankings out of MI's 83 counties – #1 is best; #83 is worst

Why it matters: The Environmental Quality Index (assessed from 2000-2005) provides counties a way to gauge their long-term environmental wellbeing and to understand its influence on the quality of life for residents. Here we include four domains from the index: air (air quality data and measures of toxins), water (contaminant incidents, drought, tap water quality), land (pesticides, brownfields), and built (housing quality, recreational opportunities, road distance).

How the county stacks up: Measures of Lake County's air, water and land quality are strong. Measures of the built environment are below average.

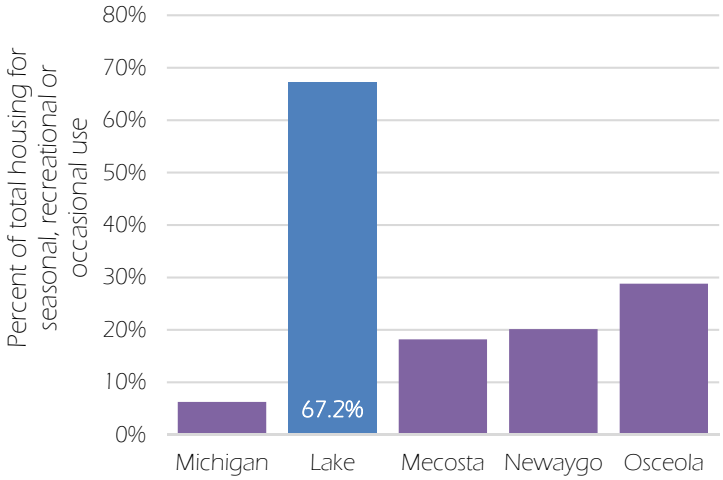
Source: Environmental Protection Agency, Environmental Quality Index, 2013

b. Seasonal homes

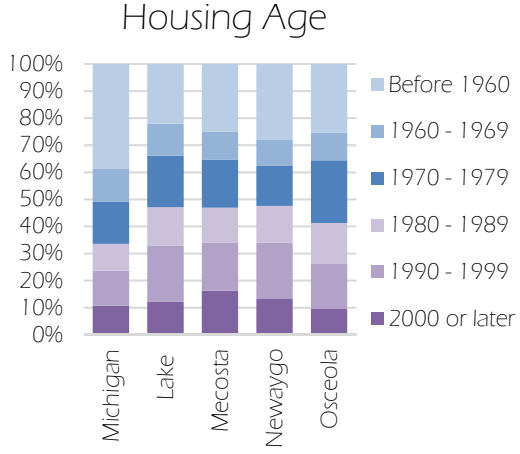
Why it matters: This region of Michigan is home to a wonderful mix of natural resources including rivers, lakes and forests. For years, it has been a desirable seasonal home location for people from outside the region. During certain seasons, large number of visitors take up residence in seasonal homes,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

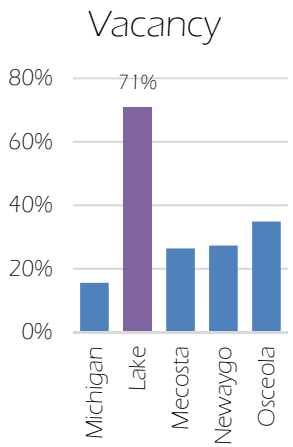
How the county stacks up: Over 67% of Lake County's housing units are classified as seasonal housing. During the warmer months, the county's population dramatically expands as visitors take temporary residence in the county. As visitors fill these seasonal homes, economic activity in the county increases.

Source: American Community Survey 5-year estimates, 2014



c. Housing age and vacancy



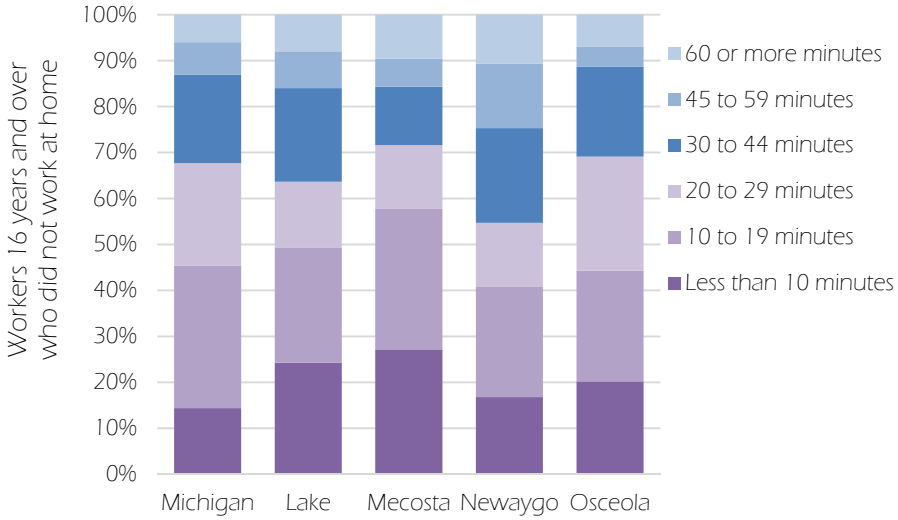


Why it matters: Housing age and vacancy are rough measures of housing quality and housing costs – older homes require more upkeep, and vacant homes can deteriorate and reduce housing value. Alternatively, very low vacancy rates can be a sign of housing shortages and an affordability crisis.

How the county stacks up: Lake County has somewhat younger housing stock when compared to Michigan but is similar to other counties in the region. The high vacancy rate is primarily due to the large number of seasonal housing units.

Source: American Community Survey 5-year estimates, 2014

d. Commuting to work



Why it matters: Many Americans commute to work, entertainment and shopping. Commuting might mean more access to jobs. It can also be a sign that economic activity is occurring elsewhere, taking dollars and resources to a neighboring community.

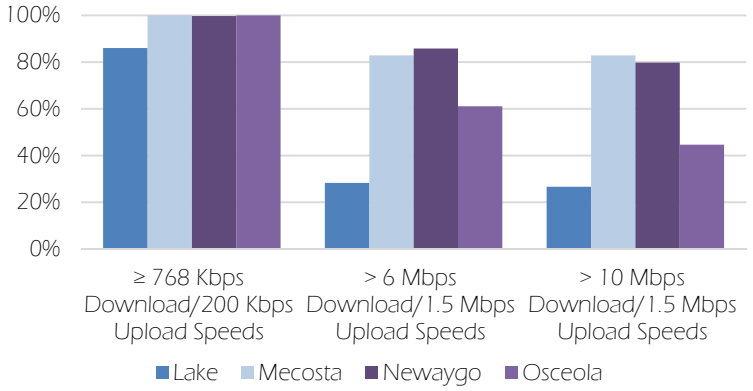
How the county stacks up: Commuting times in Lake County are longer when compared to Michigan averages but are comparable to other counties within the region. Nearly one-third of working commuters travel 30 or more minutes to work.

e. Broadband access

Why it matters: Broadband access is increasing across the United States, but many rural areas are being 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, more than 70% of Lake County households lack access to download speeds greater than 10 Mbps and upload speeds greater than 1.5 Mbps.

Source: Connect Michigan (telecommunications industry), 2016



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Overall Priority Questions: Looking Forward

This Assessment is offered as a conversation opener – a tool that can help open a discussion about what is good and what is challenging today in the area, and what we want to work on to make a better future for our people, economy and place.

You may review this by yourself, or work with a local group or set of neighbors to answer the questions at the end of each of the six sections in the Assessment. Having done that, we recommend one final reflection.

Thinking across all six sections of this Assessment, and taking into account all your insights when you reviewed them, answer these final two Overall Priority questions:

1. What does this data – and your reflections – suggest should be the area's top two or three priorities for action over the next five years?
2. For each priority you listed, what other information or deeper data do you think would be very useful or critical to know before exploring and choosing a good strategy to address that priority?

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