



Health care's role in rural economic development: Addressing health workforce needs

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Introduction

Ensuring an adequate health care workforce for rural communities has been a long-standing policy challenge. Changes in the health care landscape - including policy-related factors, population migration, and demographic shifts - continue to impact access to quality health care, particularly in rural areas. The COVID-19 pandemic has caused the health care industry to re-evaluate longstanding issues with a focus on reimagining rural health, the workforce, and the rural economy.

Nonmetro areas experienced the first decade-long population loss in history between 2010 and 2020 due to fewer births, more deaths, and more people leaving these communities than entering them.ⁱ While rural poverty rates have remained stable over the last several years, more than 15 percent of people are living in poverty in rural America.ⁱⁱ The proportion of working-age adults with at least a four-year college degree was 14 percent higher in urban areas (35 percent) than in rural areas (21 percent).ⁱⁱⁱ

In rural communities, there is a higher level of awareness that health care and the community's overall vitality are innately linked. A strong community supports quality health and social services by attracting and retaining well-trained and locally committed health care professionals. A robust health care system can support economic and community development initiatives. Health care, along with social services and education, is one of the top three employers in rural communities, according to the U.S. Census Bureau.^{iv} Because the health care sector is a significant economic contributor and a sought-out amenity for businesses and individuals looking to move into a community, the input and investment of health care partners are important to local development efforts.^v

Rural health care systems and leaders can play a role in community and economic development efforts through engagement in local organizations, schools, and events. Partnerships between health care leaders, other institutions, and individuals in rural communities are essential to fostering economic development. According to a 2021 case study from the American Hospital Association, rural facilities can play a crucial role in bringing together stakeholders in education, behavioral health, housing, food, transportation, and government.^{vi}

Analysis

Providing quality health care in a rural community goes beyond health care services; it also positively impacts the economic health of a community. Rural health care systems are often one of the largest employers in their community.^{vii} They offer some of the best-paying jobs available in rural areas, bringing professionals in to live and invest in the community. Further, a physician in a community translates into actual revenue and real jobs.^{viii} A 2016 report from the National Center for Rural Health Works estimates that a rural primary care physician can generate more



than \$1.4 million in wages and salaries and contribute 26.3 jobs to a local community with a hospital.^{ix}

Some specific examples of how local health care services can impact the economy include:

- A 2017 USDA study, which found that inpatient health care facilities were responsible for 1.25 million jobs, or 8.5 percent of wage and salary employment, in rural communities at their peak in 2011.^x
- When a local health care facility offers an essential service such as dialysis, people stay in the community for care instead of traveling to urban centers and investing there.
- Rural health care revenues come back to the community and create jobs if there are local health care providers offering services in the community.
- For every job in a critical access hospital, another 0.34 jobs are created in other local businesses and industries.^{xi} A critical access hospital will generate an average of \$1.8 million in taxable retail sales in the rural community.^{xii}

Unemployment in rural areas

Rural unemployment was experiencing nearly a decade of uninterrupted decline; however, the impact of the pandemic in 2020 resulted in unemployment rates not experienced since the Great Depression, reaching 13.6 percent in rural areas and 14.6 percent in urban areas.^{xiii} In some rural communities, unemployment rates remain high, and businesses are slow to move in. Job growth in rural areas also remains slower than that of urban areas, which can be attributed to declining jobs in manufacturing and resource-based industries such as agriculture, logging, or mining.

Lack of broadband access

In almost every state, more than 90 percent of the rural population has access to high-speed internet, but urban areas are twice as likely as rural areas to have access to copper and cable modem wireline technologies.^{xiv} Nearly 30 percent of rural Americans do not have access to broadband at home^{xv}, hindering their ability to know what jobs are available and severely limiting their ability to apply for jobs that provide remote working opportunities.

Investing in the rural workforce: Keeping local talent local

Outmigration, also known as the “brain drain,” contributes to rural communities' economic and workforce challenges. Outmigration can lead to lower tax bases, impacting infrastructure and public schools, and can hurt health care access by exacerbating health workforce shortages and reducing the population seeking care and sustaining health systems. Talented young people leave their rural communities and move to more urban areas to find career opportunities not available close to home. Additionally, the brain drain is compounding, as other young people are less likely to move to an area without people their age.

Population characteristics and demographics are essential for workforce development programs to increase human capital. Investments in the rural workforce can lead to improvements in the economic stability of communities. Educating and training the rural health care workforce is an essential strategy to increase access to health care to address social determinants of health in rural communities. This may include implementing telehealth and providing pathway programs



for students from rural communities into higher education, health professions training programs, rural rotations, and interprofessional training opportunities.

In rural communities once dominated by a single industry, workers may lack opportunities to gain new skills that would allow them to compete in other industries. Rural populations and workers may benefit from workforce training related to growing sectors, such as technology, construction, health care, and financial services. To address changing workforce needs in rural areas, some rural communities focus on improving employment equity for populations with barriers to workforce participation, such as formerly incarcerated individuals or older people. Other communities focus on creating opportunities for youth to enter the workforce and secure high-paying jobs through pipeline and pathway programs, internships, vocational training, or apprenticeships. Programs that invest in strengthening and building the local workforce's skills can keep people in their community.

In many states, cooperative extension programs are essential to workforce development in rural communities. Models promoting skill building can use extension programs as a bridge between the community and local businesses. Extension programs can serve as a valuable workforce intermediary, connecting people with job training, educational opportunities, and local employers. Extension programs are uniquely positioned to connect residents, often from every county in a state, with training on new technology and systems to improve employment outcomes.^{xvi}

Leveraging health care services in economic and community development efforts

Health care services are essential to community and economic development in terms of employment and labor income generated and attracting and retaining business and industry. As remote work and web-based employment become more popular and necessary during public health emergencies like the COVID-19 pandemic, access to health care is essential for workers to continue living in or relocating to rural areas.

Additionally, retirees are more likely to move to or stay in rural communities with quality health care facilities, and data has demonstrated that retirees can substantially impact the local economy. For example, a 2018 Economic Development Journal article shows that bringing retirees into a community grows and diversifies the local economy, with 55 jobs generated for every 100 new retirees in rural Georgia.^{xvii}

Health care partners and leadership should be involved in community and economic development to ensure that the health care services needed for attracting and retaining businesses, industries, and retirees are provided locally. Rural health care systems can also play a role in the community by working with high schools and community colleges to develop the emerging workforce.

The vitality of rural community and health workforce recruitment and retention



Every community has assets and challenges that impact efforts to recruit and retain medical staff. Recruitment and retention efforts must also consider location and the specific needs of the populations the health care organizations serve. Rural health care facilities and community leaders can collaborate to overcome challenges in recruiting and retaining medical staff. They can analyze the community's advantages and challenges, leverage assets, and address problem areas. An improved understanding of the factors that make a community unique can help leaders decide where to focus recruitment strategies and investments and how to structure the interview process and retention plans.

The Community Apgar Program, developed through a collaboration between Boise State University and the Family Medicine Residency of Idaho, analyzed the relative importance of critical factors for recruitment, along with the expected advantages and challenges that rural communities face in this process.^{xviii} The elements used by this program fall into the categories of geographic, economic, scope of practice, medical support, and facility and community support. Specific factors include schools, housing availability, climate, loan repayment, emergency care, mental health, nursing workforce, specialty care, electronic medical records, and other elements that characterize the community's capability to recruit and retain physicians.

Strategies for optimizing the use of health professionals in rural areas include:^{xix}

- Using interprofessional teams to provide coordinated and efficient care for patients and extend the reach of each provider.
- Ensuring that all professionals are practicing to the full extent of their training and allowed scope of practice.
- Removing state and federal barriers to professional practice where appropriate.
- Changing policy to allow expansions to existing scopes of practice, if evidence shows health care workers can provide comparable or better care.
- Removing barriers to the use of telehealth to provide access to remote health care providers.

As the United States struggles with health care provider shortages, an uneven distribution of workers means shortages are often more profound in rural areas. This maldistribution is a persistent problem affecting the nation's health care system and rural communities.

Policy recommendations

- We recommend that Congress:
 - creates recurring funding that targets rural workforce development.
 - develops and supports policies that promote flexibility of the rural workforce to align with industry and rural community needs in creative and innovative ways.
 - creates and supports policies related to health care innovation, collaboration, and regionalism.
 - creates and supports policies that improve equity, foster diversity, and encourage a rural workforce that is representative of the population it serves.

Recommended actions



- NRHA will seek a legislative champion to introduce legislation for recurring funding that targets rural workforce development.
- NRHA will utilize information and knowledge from the membership and constituent base to inform legislators of innovative policy recommendations related to industry and rural community workforce needs.
- NRHA will seek legislative champions to create, introduce, and support policies that improve equity, foster diversity, and encourage a rural workforce that is representative of the population it serves.

Conclusion

In rural communities, health care and community vitality are innately linked. A robust rural community supports and sustains quality health and social services by attracting and retaining well-trained and committed health care professionals. Neighborhoods with solid economies may be more likely to financially support their health care system and invest in infrastructure that the health care system can leverage. High-quality health care systems can recruit and retain the necessary workforce and support economic and community development initiatives. Strong rural economies and health care systems can improve rural America's health and economic vitality.

Rural communities are not monoliths; each has unique economic strengths and challenges, facing factors that can help or hinder workforce and economic development. With unprecedented years of population loss in rural areas across the country, creative, innovative, and collaborative policy solutions are necessary to maintain rural community vitality, ensure access to health services, and reinvigorate rural America as a safe, healthy, and desirable place to live, work, raise a family, and retire.

ⁱ Rural America lost population over the past decade for the first time in history. UNH. <https://carsey.unh.edu/publication-rural-america-lost-population-over-past-decade-for-first-time-in-history>. Published February 22, 2022. Accessed October 1, 2022.

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^v Area Development. [Quality of Life Factors into Business Location Decision - Area Development](#). Accessed December 1, 2022.

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