

**THE RELATIONSHIP OF ELDERLY CONCENTRATIONS,
TRANSFER PAYMENTS, AND LOCAL ECONOMIC BASE
IN NONMETROPOLITAN ILLINOIS**

An Abstract of a Thesis

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ABSTRACT

This research evaluates community-level elderly concentrations in nonmetropolitan Illinois by identifying their geographic distribution, socio-economic characteristics, and relationship to local economic base. Previous related research has documented county-level elderly concentrations in the southern fifth of the state. This study expands on past research by using the 5-digit zip code as a unit of analysis to construct a typology of three kinds of elderly concentrations.

Elderly migration rates were calculated to identify 192 zip codes with elderly concentrations in nonmetropolitan Illinois. The zip codes reveal distinct spatial bias and generally cluster in the west-central and southeastern regions of the state, but some concentrations are scattered throughout the northern and southern extremes of the state. In addition, a substantial number are located in nonmetro counties adjacent to an SMSA.

Three types of elderly concentrations were identified: Destination/Low, Destination/High, and Aging-in-Place. Distinctly different demographic processes produced each concentration type. Destination/Low zip codes resulted from high immigration of the elderly in communities where they formed a proportionate share of the total population. Destination/High zip codes resulted from high immigration of the elderly in communities where they formed a disproportionately large share of the total population. Aging-in-Place zip codes were identified as zip codes with a disproportionately large share of elderly but little or no elderly immigration.

Each of the three zip code types are characterized by distinctly different geographic distributions, demographic characteristics, and economic conditions. In general, the population of Destination/Low zip codes was increasing, had a more balanced age composition, higher socio-economic status, more specialized economic base, and relatively low reliance on transfer payment income. Destination/High and Aging-in-Place zip codes appeared similar in many ways, but fundamentally different than Destination/Low zip

codes. The population of Destination/High and Aging-in-Place zip codes was stable or growing slightly, significantly older, with a lower socio economic status, more diversified economic base, and greater reliance on transfer payment income. Destination/High zip code areas experienced high rates of elderly immigration because of greater access to medical facilities, but Aging-in-Place zip codes experienced little or no elderly immigration.

Retirement-related transfer payments made a significant contribution to the economic base of each zip code type. It was found that the absolute amount of transfer payment income entering the local economic base was a function of the number of elderly in a community, but the relative magnitude of these dollars was determined by a combination of factors. The diversity of economic base and population composition related to each zip code type had a direct influence on the proportion of community income attributable to transfer payment income. Transfer payment income made the greatest contribution to Destination/High zip codes and the least contribution to Destination/Low areas. Retirement-related transfer payments made a higher than average contribution to the economic base of Aging-in-Place zip codes.

Based on the analysis of geographic distribution, socio-economic characteristics, and concomitant economic base structure, the differences between elderly concentration types are significant enough to justify unique profiles and policy considerations.