



# High loss of college-educated talent is a '50-year problem' for Muncie.

**John Lynch**  
Reporter

Indiana is one of many Midwestern states suffering from “brain drain,” an issue through which a region loses its college-educated community members to more financially and physically attractive communities. This loss in highly educated citizens reduces a community’s economic capacity, said Ball State economics professor Michael Hicks.

“In Indiana, there’s an abundance of jobs — there’s always an abundance of jobs,” Hicks said. “The problem is that there’s not a lot of places that people want to live.”

Almost 90 percent of people who move are in the top half of the education distribution, he said, which allows college graduates to seek greener pastures outside of their home state.

The loss of highly educated graduates creates a shortage of skilled, higher-paid workers, Hicks said, that cannot be offset by the remaining lower-income workers. That lack of higher taxable income and money being spent within the abandoned community contributes to a continuing downward economic spiral.

“The best place to be if you don’t have a high school diploma is [to be] around a college graduate, so as you lose college graduates, you also lose productivity in the non-college graduate sphere,” Hicks said. “People with college degrees have higher human capital, are more productive, earn more, experience faster wage growth — take them out of a

community at a higher rate, and you reduce the per capita income and productivity of those who remain behind.”

The City of Muncie’s brain drain problem manifests in its neighborhoods, where as many as 5,000 homes are unsuitable for habitation. Hicks said the community must destroy these blighted houses if the community is going to be attractive to higher-income earners, but Jonathan Spodek, Ball State professor of architecture and ecoREHAB founder, said there’s a more environmentally friendly way to go about the situation. Spodek said he was inspired to create ecoREHAB amid discussions of demolishing dilapidated or uninhabited housing in Muncie and building new houses with federal grant money. ecoREHAB rehabilitates about three houses per year.

Furthermore, Hicks said Muncie’s under-resourced school system makes the city problematic for graduates with families who are unwilling to move their children to schools that will fail them.

“Almost everything else is a waste of time,” Hicks said. “If you’re not improving your amenities, if you’re not making your local public services more effective, almost everything else is a fractional amount of that.”

For this reason, brain drain is a problem that cannot be eliminated in the short term. Hicks said Muncie is suffering the consequences of an unskilled economy.

“The fact is, it’s going to take 30-40 years for Muncie to get out of its hole,” he said. “Everybody who thinks we can get it fixed up this year is just fooling themselves, so the best thing to do is say, ‘I’m going to take a deep breath and try to work on Muncie 2050.’”

Despite the problem’s magnitude, there are still some people trying to alleviate the issue for the state at large.

MakeMyMove, an Indianapolis-based company, aims to fix the issue by recruiting Indiana graduates back to the state from which they graduated. Its CEO, Mike Rutz, said the company partners with Indiana universities to show graduates what the state has to offer.

Rutz said Indiana struggles more in retention than it does with producing graduates. He said two years ago, Indiana ranked fourth in per-capita production of college degrees but 38th overall in degrees held by citizens per capita.

“Our goal was not necessarily focused on stopping kids who are going to college from leaving the state — our goal was to try to bring people back to the state of Indiana, our theory being the individuals who would be most likely to come from out of state to live and work in Indiana would be people who have some affinity or some relationship with the state of Indiana,” Rutz said.

That process involved building a database of some 50 million people who could be considered candidates to move to the state. From there, MakeMyMove uses resources like its university partners to reach out to graduates and make the case for a homecoming.

Remote workers, who have seen a boom since the start of the COVID-19 pandemic, have been a particular help to the organization.

“If we recruit a remote worker who makes \$100,000 a year, they’re worth \$83,000 of new economic output in the first year that they live in Muncie, and that comes in the form of tax revenue,” Rutz said.

So far, the organization’s efforts have been successful, recruiting 30,000 graduates to the website’s roster of registered candidates. However, Rutz shared Hicks’ view that this is a long-term project.

“If you’re expecting to move thousands of

people, that’s not [going to happen],” Rutz said. “This is not a silver bullet that’s going to generate 1,000 new citizens in a couple of years because this is a long-term strategy.”

Rutz and MakeMyMove aren’t alone in their goal of addressing the brain drain problem. TechPoint, an Indianapolis-based nonprofit, seeks to retain and recruit Indiana talent to Indiana-based tech companies.

Merillat Flowers, vice president and chief of staff at TechPoint, said the organization views the relative lack of large tech companies in the state as an opportunity for an industry with a long way to grow.

“We really believe that the tech industry is at this really unique moment in time, and Indiana is right in the midst of an opportune moment to really thrive and set ourselves apart, especially from other midsize cities when it comes to our tech hub,” Flowers said. “Our true mission and goal is to create more prosperity and opportunity and equity for the people of Indiana, and we do that through the vehicle of creating the tech ecosystem and making sure that it’s thriving and growing.”

Flowers acknowledged Indiana’s communities are often overlooked due to their reputation for being unattractive but said working in talent recruitment requires honesty and a willingness on the behalf of candidates to work through those flaws.

“I found that with our program, it’s really most valuable when we’re really honest with students about what is thriving in a community and what still has opportunity, and frankly, how cool it is — especially in a place like Indiana — to join a community where you can make an impact, where there is improvement to be made,” she said. “There are the resources there to do it and a whole lot of people who are interested in rolling up [their] sleeves.”

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- MICHAEL HICKS,  
Ball State economics professor and director of the Center for Business and Economic Research



## brain drain /brān 'drān/

the departure of educated or professional people from one community, economic sector or field for another, usually for better pay or living conditions.

Source: Merriam-Webster