

Homegrown Responses to Economic Uncertainty in Rural America

By Jonathan Q. Morgan, William Lambe and Allan Freyer

In Brief...

The Situation:

Rural communities have been hard hit by the recession, but those that have approached economic development by looking inward to community strengths and existing resources are often faring better than those that attempt to lure companies to relocate by promising low wages and tax incentives. The latter can no longer compete in a global economy.

Three strategies for homegrown reinvention include place-based development, economic gardening, and creativity and talent cultivation.

- **Place-based development** incorporates strategies that capitalize on the distinctive and special characteristics of a particular place, such as its natural resources, cultural heritage, or other amenities.
- **Economic gardening** relies on “growing your own” by cultivating local entrepreneurs and small firms and creating an environment that supports their growth.
- **Creativity and talent cultivation** involves fostering an environment that supports individuals and firms who use art or design in their products and services.

Policy Implications:

Build local capacity by more fully using higher education institutions; increasing access to technical assistance; spreading innovations and best practices via a centralized clearinghouse; and better defining and measuring creative assets in rural areas.

Provide better incentives and support for regional and cross-jurisdictional collaboration, including fostering regional partnerships, cross-jurisdictional agreements, and other collaborations to build capacity. In addition, regions and localities can create a comprehensive entrepreneurship development system to deliver financial and technical assistance, entrepreneurship education, networking opportunities, and business incubation.

The current economic and fiscal difficulties gripping the nation only exacerbate the effects of the industrial restructuring taking place in many rural communities in the United States. Local rural economies based primarily on farming, commodity goods manufacturing, and cheap labor struggled to stay afloat prior to the downturn. Owing to globalization and industrial offshoring, economic uncertainty has been the norm in rural communities for years. As a result, many have been forced to adjust and change course long before the present slowdown. Some rural communities have managed to find the silver lining in the dark clouds of plant closings, major layoffs, lagging employment, deteriorating tax bases, and population loss. These communities have responded to the economic turbulence by looking inward and taking stock of their local assets and strengths. They have come to realize that the pathway to economic renewal starts and ends right at home.

This issue of *Rural Realities* highlights the potential of three homegrown approaches to rural economic revitalization: place-based development, economic gardening, and creativity and talent cultivation. We show the interconnectedness and possible synergies among the three approaches with examples from 45 case studies from *Small Towns, Big Ideas*.¹ First, however, we set the context on the nature and extent of economic uncertainty in rural America.

Economic Uncertainty in Rural America

Although the national economy has clearly suffered during the downturn, rural areas have been particularly hard hit. Many rural areas were already suffering from serious, long-term economic weakness, which has magnified the effects of the recession.

Perhaps the two greatest structural economic challenges facing rural communities—and increasing



Small Towns, Big Ideas is the result of an intensive, year-long effort to identify and document the stories of small towns that are surviving, and in some cases thriving, as hubs of civic and economic activity. This publication and its accompanying website include stories about planning and implementing economic development strategies in 45 small towns with populations of fewer than 10,000 residents. Half the towns featured are from North Carolina, and half are from other states. This collection of case studies is a response to the demand from small town civic leaders for real stories, from real places that are confronting real challenges similar to those facing small communities everywhere. The narratives are intended to provide concrete ideas, inspiration, and hope to civic leaders working in small communities and to policymakers dealing with rural development issues. The lessons section draws a series of conclusions from across all the case studies about economic development in small communities. Case studies are available in a searchable database at www.cednc.unc.edu/stbi.

their vulnerability to recession—are the long-term shift away from agriculture and the collapse of manufacturing industries. Increased automation, foreign competition, and the integration of agriculture into larger-scaled farming enterprises has resulted in the loss of more family-owned middle-sized farms and declines in the number of farm-related workers. Although declining, farm employment still accounts

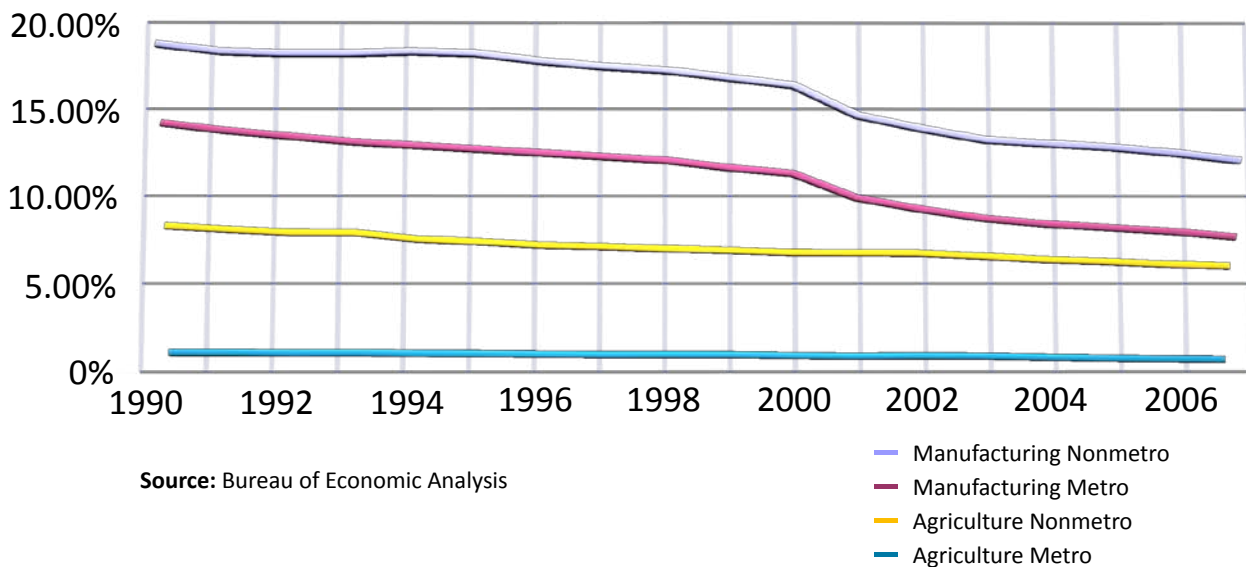
for nearly 6 percent of total employment in rural (nonmetro areas) compared to less than 1 percent in metropolitan areas (Figure 1). Although farm incomes have occasionally risen in recent years, brief periods of income increases cannot mask the overall downward trend in U.S. agriculture employment and its economic importance to the rural economy. Similarly, traditional manufacturing industries such as furniture, textiles, and apparel have suffered enormous competitive pressures in the global economy, forcing some plants to close, many to locate overseas to find lower cost production, and others to upgrade the technology of their production operations. As shown in Figure 1, manufacturing continues to represent a larger share of rural employment than in metropolitan areas. The challenge for rural areas is making the transition from low-skilled manufacturing that is vulnerable to offshoring to higher-skilled, technology-intensive manufacturing.

Upgraded or advanced manufacturing, however, requires an educated and trained workforce. Unfortu-

nately, rural areas often lack workers with the proper training. On average, rural areas have fewer residents of prime working age as their populations age and they lose younger workers to higher-wage urban areas. In rural “noncore” counties, the median age in 2007 was 40.1 years and 16.3 percent of the population was age 65 or over. In metropolitan counties, the average age was 36.1 and 11.9 percent was age 65-plus (Figure 2).² Moreover, those workers who remain tend to have less formal education than their urban counterparts, as shown in Figure 3. Given the strong connection between education and income levels, it is not surprising that the per capita income for rural areas continues to lag behind urban areas (Figure 4). Indeed, the income gap is even widening.

Caught between declining traditional employment sources, lower incomes, and limited formal education, rural residents faced a much thinner margin going into the current recession, and as a result, have felt the effects of the economic downturn more deeply

Figure 1: Agriculture & Manufacturing as a Share of Total Total Employment, 1990-2007

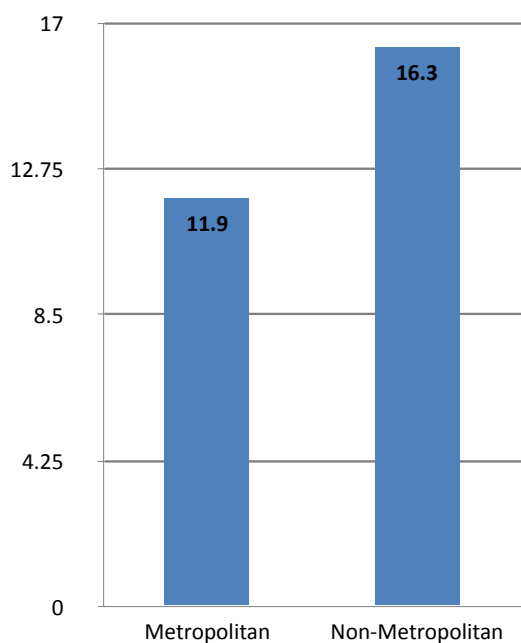


than urban residents. During the 12 months prior to January 2009, rural counties lost 3.4 percent in total employment, as traditional employers succumbed to economic pressures.³ This compares with a 2.8 percent decline in urban counties during the same period. A boom in farm incomes in early 2008 helped delay the recession for several months in many rural counties and masked its full impact in others.³ In farming-reliant rural counties, the recession did not fully begin until October 2008. However, since then, these counties have experienced a precipitous 2.5 percent drop in employment. In those rural counties that rely on manufacturing, the recession was immediately felt—an almost 5 percent drop in employment between January 2008 and January 2009.³ That the rate of employment loss in rural areas is higher than in urban areas suggests that the structural challenges facing rural areas are making the recession relatively more painful.

What's a Rural Community to Do?

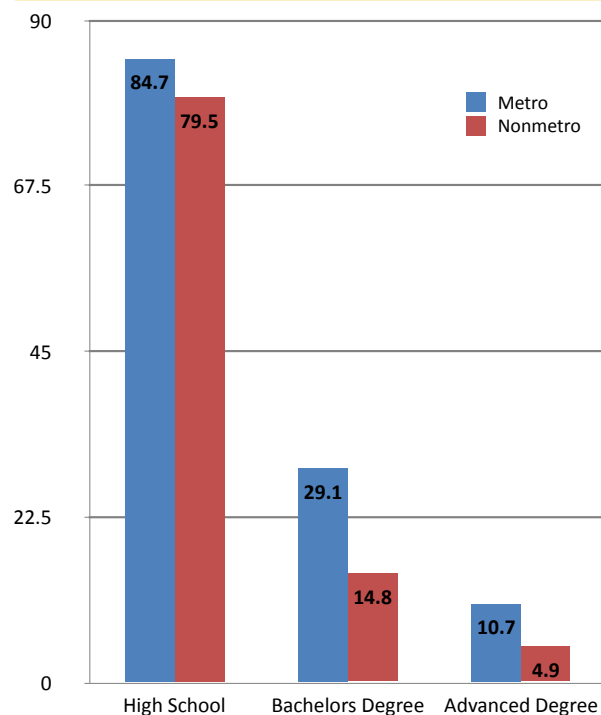
The typical rural reaction to the economic conditions has been to move quickly to replace lost jobs by offering tax and financial incentives to entice branch plants of major corporations to locate in rural areas. The logic behind this approach is that companies will choose locations where operating costs are lower and profits can be maximized. Given that wage levels and business costs have tended to be lower in rural areas, they have been competitive in attracting certain types of manufacturing industries—that is until increased global competition from even lower-cost locations abroad changed the game. Although industrial recruitment has created substantial employment and a growing tax base in certain places, its recent track record in rural communities has been dubious. The number of large industrial projects in a given year has steadily declined, making business recruitment an increasingly competitive and costly

Figure 2: Percent of the Total Population Who Are 65 Years and Over



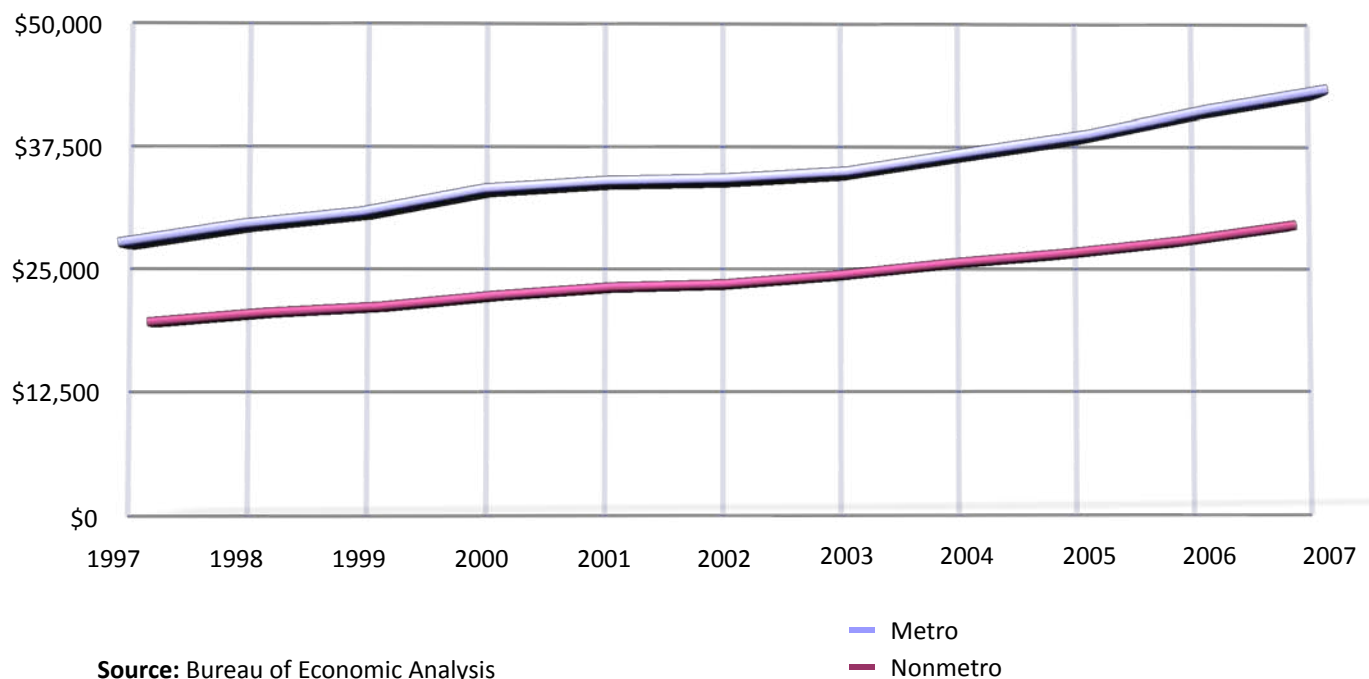
Source: U.S. Census Bureau, 2005-2007 American Community Survey

Figure 3. Educational Attainment



Source: U.S. Census Bureau, 2005-2007 American Community Survey

Figure 4: Per Capita Income, 1997-2007



undertaking. For many rural places, the odds of landing a big manufacturing facility are less favorable than ever. If not industrial recruitment, what then is a rural community to do to expand its local economy and return to prosperity?

Successful rural communities understand they have local assets to leverage when addressing their economic challenges. In thinking about their assets, these communities usually look beyond the usual suspects to discover previously untapped, unique sources of jobs and economic activity. Rural places, in particular, have natural attributes and cultural traditions that can be translated into job and wealth creation, and they have people with skills who are well-suited for certain types of occupations and trades. The question for rural communities is how to be intentional about taking fuller advantage of these local assets.

The Promise of Homegrown Approaches

Rather than seeing themselves as helpless victims of globalization and economic transition, some rural communities have figured out how to bounce back from the brink of economic ruin and create a renewed prosperity. These communities look inward and make the most of what they have. By tapping into indigenous sources of jobs and investment, these rural communities are able to exert greater control over their economic future. As alternatives to industrial recruitment, “home-grown” approaches to economic development seek to leverage local assets rather than focusing primarily on attracting external investment. Growing from within provides the needed foundation of local assets on which to build.

There is some overlap among the three homegrown approaches that serve as the central focus of this article and the strategies that are used to implement them. For example, social capital, arts and cul-

ture, and infrastructure are concepts that undergird and cut across all three approaches to some extent. Quality of life is an important dimension that connects place-making strategies to creativity and talent cultivation. Economic gardening requires building an entrepreneurial culture and creating a support system for new enterprises, which are inextricably tied to a particular place. Both gardening and talent cultivation share an emphasis on people: entrepreneurs, workers, retirees, and community leaders. During a slow economy or when resources are scarce, it is important to understand the interdependencies between the approaches in order to “connect the dots” when implementing them in rural communities.

Approach 1: Place-Based Development.

As the name suggests, place-based development incorporates strategies that capitalize on the distinctive and special characteristics of a particular place. Such characteristics typically include natural and environmental attributes that support “amenity-led” development strategies such as tourism, recreation, and retiree attraction.⁴ Place-based development extends beyond natural or environmental amenities to a community’s cultural heritage, arts and crafts traditions, and specialized infrastructure. Many of the distinctive characteristics of a community are tied to its quality of life, which is increasingly thought to be an important predictor of growth.⁵ The consensus view is that quality-of-life factors should matter increasingly in the new economy, particularly for firms in knowledge-based industries. Quality-of-life amenities are central to place-making in rural areas as these areas try to build vibrant communities by drawing on their localized assets and unique sources of competitive advantage.

Many rural communities are endowed with precious natural resources that can be used for place-based

Tourism Retiree Attraction Quality of Life Recreation Cultural Heritage

development. Certain coastal and mountain communities, in particular, are succeeding in becoming top destinations for recreation, tourism, and wealthy retirees. Small towns such as Hayesville and Chimney Rock in western North Carolina rely almost exclusively on the tourism and second-home economies. These communities derive significant economic benefit from their beaches, lakes, mountains, and scenic beauty.

Although the new money in the community is needed, there are also drawbacks. The rapid influx of tourists and new residents can strain existing infrastructure and threaten the quality of the natural resources that are the most important asset for these communities. Agricultural communities are seeing farmland and open space converted to residential and other types of development in ways that some would consider undesirable.

These dilemmas have pushed conservation and sustainability issues to the forefront of rural development. As a result, many rural communities seek ways to pursue growth that will reinforce their natural assets and enhance quality of life. This is giving rise to environment-friendly “green” development practices such as smart growth, eco-tourism, property reuse, farmland preservation, eco-business parks, renewable energy production, and waste recycling. Dillsboro, North Carolina, turned an environmental challenge, in this case methane gas migrating from the community landfill, into an opportunity to create jobs and provide space for entrepreneurs. Specifically, the Jackson County Clean Energy Park (in Dillsboro) is using this methane gas to power the studios of local artisans. In perhaps the most extreme

example of this trend toward green development, Reynolds, Indiana, has branded itself “Bio-Town, USA” and is pursuing a development strategy based on the conversion of hog waste into marketable energy products.

A community can also differentiate itself by creating a specialized infrastructure that supports the community’s distinctive characteristics. This specialized infrastructure helps meet the needs of the entrepreneurs and key industry sectors or “clusters” that drive the local economy. The infrastructure might be transportation, water and sewer, or utilities, or even knowledge and technology infrastructures such as institutions of higher education and communications networks. In rural communities, the local community college is often the hub of the knowledge and innovation infrastructure. Tryon, North Carolina, for example, developed a cutting-edge fiber-optic network to connect schools, public-sector officials, and businesses to the Internet. On the other hand, Allendale, South Carolina, capitalized on a regional university to create a local leadership development program that, in turn, trained new economic development leaders for the entire region. These are two equally important approaches to building rural infrastructure.

Another distinguishing aspect of the quality of place in a community is its stock of social capital. This form of capital facilitates collaboration and social networks that create economic value and opportunities for individuals, firms, industries and jurisdictions. Economic success stories from rural communities such as Fairfield, Louisiana; Ord, Nebraska; and Douglas, Georgia tend to be grounded in, and to a large measure dependent on, a long history of social cohesion within the communities.

Some communities are better at leveraging social capital for economic development than are others. Rural communities with high levels of social capital are more likely to view their local or regional economies as a system of interrelated parts composed of business clusters and the organizations that support them. These communities identify and build links among target industries and between firms and supporting organizations. When businesses are connected in meaningful ways to each other and to vital resources, they can exchange ideas and information that can boost innovation and add value within the cluster as a whole. Beyond promoting business clusters, rural communities with strong social capital are better able to collaborate and partner with other jurisdictions, when necessary, on infrastructure and other development-related projects.

Approach 2: Economic Gardening.

“Gardening” is the entrepreneurship-based approach to economic development that was pioneered by Littleton, Colorado, in 1989.⁶ Over time, economic gardening has become a way to describe a program of entrepreneurial activities that include information (business and market intelligence); infrastructure (physical, quality of life, intellectual); and social capital (connections and networking).⁷ The general theme of gardening is to “grow your own” by cultivating local entrepreneurs and small firms and creating an environment that supports their growth. To use a sports metaphor, gardening creates jobs one at a time through a series of base hits rather than a home-run recruitment of large factory.

Information
Entrepreneurship
Infrastructure Social Capital

Economic gardening recognizes the value of individuals as entrepreneurs and the contribution of locally owned enterprises to a community. According to a recent Federal Reserve paper, individual entrepreneurs establish the small firms that “create the majority of net new jobs and are critical innovators.”⁸ Although gardening typically assumes a certain amount of short- to medium-term risk, this approach to development is thought to be more sustainable because locally owned businesses tend to be better stewards of natural resources than corporations headquartered elsewhere.⁹ Moreover, not only do locally rooted businesses improve economic outcomes such as income, poverty, and unemployment, but they also add to the civic and social infrastructure of a community.¹⁰ Small, locally owned and operated businesses care about what happens in their home communities and some (e.g., barber shops, cafés, or taverns, for example) provide “venues for interaction” or so called “third places” outside home and work for convening and engaging.¹¹

Knowing that large firms were once small and that small firms can become big helps make the case for economic gardening. The idea is to create an environment conducive to business formation and to assist small firms so they can compete and grow.

Rural communities that pursue a gardening approach to development tend to have leaders who are comfortable with a degree of change and risk. In Fairfield, Iowa, the entire strategy of cultivating an entrepreneurial culture is based on the natural business cycle of success and failure. According to a local leader, “there was a lot of trial and error and failures to get to where we are today, but the failures of some companies have provided cheap space, office furniture and equipment for another round of start-ups. Failure has freed up talented people who

again ask what new concepts and companies can we start here in Fairfield.”

Entrepreneurial activity depends greatly on the local context, and economic gardening and place-based development often go hand in hand. The community’s approach to development in Big Stone Gap, Virginia, for example, encourages small businesses to capitalize on the area’s place-based resources, including the natural landscape (biking, hiking, other outdoor recreation) and its cultural assets (Trail of Lonesome Pine). Research on the link between entrepreneurial activity and local context suggests that certain local factors are associated with higher rates of self-employment in rural areas. These include greater access to credit, greater availability of temporary help, available child-care services, and technical or trade schools.¹² Other essential aspects that can spur entrepreneurship and business creation are local technical assistance, social networks, incubator space, and an entrepreneurial culture. Brevard, North Carolina, for example, provides mentorship, technical assistance, and networking opportunities to local entrepreneurs through a formalized network of retired business executives.

Approach 3: Cultivating Creativity and Talent.

Creativity and talent cultivation involves fostering an environment that is conducive to creative ideas (innovation), people, and enterprises; increasing the pool of knowledge workers; equipping people with higher-order skills; and preparing people for community leadership. Richard Florida’s influential work on the “creative class” underscores the importance of being an attractive location for the talented and highly educated segment of the workforce. This group seeks out recreational opportunities, entertainment, cultural experiences, and other community amenities.

Recreational Opportunities Entertainment Innovation Cultural Experiences

Applying the specific creative class concept to rural areas is less useful than thinking about creativity and talent more broadly as key assets for rural development. In rural areas, creativity and talent are not as easy to detect using traditional indicators such as patents and advanced degrees; rather they are observed in the individuals and firms who use art or design in their products and services.¹³ Understanding what constitutes the cluster of creative enterprises and people in a rural area is the first step in supporting creativity-based development.

The creative economy in rural America typically centers on arts and culture, which can be used to cultivate artistic talent and as occupational targets for apprenticeship and training programs for crafts and design trades. The rural community of New York Mills, Minnesota, for example, hosts an artist-in-residency program to attract talented artists. The community provides artists with accommodations in exchange for a teaching or mentoring commitment for local residents. Colquitt, Georgia, created “Swamp Gravy,” a local theatrical production involving the varied talents and story-telling creativity of local residents. Helena, Arkansas, hosts the King Biscuit Blues Festival to draw visitors and rekindle enthusiasm for downtown Helena. These examples of local creative-economy approaches to development have resulted in new jobs, increased investment, and improved quality of life.

In addition to the typical approach to the creative economy, some rural communities develop talent by

improving the workforce and building the capacity of local leaders. Rugby, North Dakota, for example, created a low-cost computer training program that was available to local residents. The community partnered with an employer, which provided jobs to residents who completed the computer skills training course. Washington, North Carolina, is taking advantage of the existing marine trades cluster in the eastern part of the state by upgrading the skills of its workforce and fostering entrepreneurial development in the marine trades industry. Beyond workforce strategies, some rural communities focus on developing community leaders. Ord, Nebraska; Douglas, Georgia; and Allendale, South Carolina are all examples of rural communities that have, at one time or another, focused on leadership development as a key component of the community’s approach to development. Ord has a leadership development program that brings together multigenerational groups of local residents, ages 18 to 70, to participate in leadership development.

Policy Options for Supporting Homegrown Rural Development

Homegrown approaches to rural development operate at the intersection of people and place. These approaches accentuate the job- and wealth-creating potential of individuals as entrepreneurs and are rooted in the distinctive characteristics of a particular community or region. Creative talent, leadership, innovation, and social capital are the common threads among the rural communities that successfully deploy these approaches. Our experience studying rural development leads us to conclude that a majority of the responsibility for initiating homegrown approaches to rural development lies squarely in the hands of the local leadership. Leaders in municipal, county, and multijurisdictional institutions at the local level know their circumstances and are best equipped to make strategic decisions about development. Howev-

Innovative State/Local Strategies: Key Examples

Michigan SmartZones (www.themedc.org/Default.aspx): These smartzones are collaborations between universities, industry, research organizations, government, and other community institutions intended to stimulate the growth of technology-based businesses and jobs. In the SmartZone model, the “hub” is a high-tech development enclave governed by a Local Development Finance Authority (LDFA). Within a SmartZone, state legislation allows the LDFA to collect the increase in property taxes through tax increment financing (TIF) from all property within the boundaries of the zone. This revenue can in turn fund the cost of public facilities that help eligible businesses develop (primarily those that are technology related). Currently, 11 SmartZones are geographically dispersed across the state.

Pennsylvania Keystone Innovation Zones (www.newpa.com/index.aspx): The KIZ program is designed to create “knowledge neighborhoods” in which educational institutions, economic developers, businesses, investors and community leaders can connect with one another through an institutionalized network of support and resources. Each KIZ is a geographically designated zone, centered on an institution of higher education and designed to harness resources made available through partnerships. KIZs are self-identified and self-defined partnerships between universities, local governments, private businesses, economic development organizations, workforce development organizations, and banks. Boundaries of each KIZ are determined locally.

Montana Certified Regional Development Corporations Program (http://businessresources.mt.gov/BRD_CRDC.asp): The CRDC initiative encourages a regional approach to economic development by supporting regional capacity-building. CRDCs are responsible for helping local officials, communities and businesses “assess, plan, and facilitate action” within their regions. To obtain and maintain certification, CRDCs are required to have the support of all counties and a majority of the incorporated cities and towns in their region. CRDCs are eligible for annual capacity-building grants from the Department of Commerce.

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er, state and federal institutions also play an important role in encouraging homegrown development.

Build Local Capacity to Manage Economic Change. Capacity is a constant challenge in rural communities. It is also an essential component of coping with economic uncertainty. National and state policymakers can help promote the capacity of local communities without prescribing a particular approach to development. They can, for example, connect communities to valuable ideas, resources, and opportunities. The connections that matter most are those that spark local innovation, facilitate desired change, produce results, and help a jurisdiction ac-

complish what it cannot do alone. Examples of these connections include:

- **Deploying institutions of higher education more fully.** Faculty, students, and staff at colleges and universities are potential, and often underused, assets in rural development. In many cases, the local community college represents one of the primary resources that is capable of catalyzing economic development activities in rural communities. So too are the county-based Extension educators who are linked to their state’s land-grant university system. It is important for policymakers to recognize the value of these higher education assets that are embedded in these communities

Innovative State/Local Strategies: Key Examples

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West Virginia's Certified Development Community Program (www.wvdo.org/): The CDC program encourages regional coordination among and professional development within local development organizations. One of the primary components of the CDC program is the Local Economic Development (LED) grant program. Through LED, the state encourages multijurisdictional collaboration in economic development. A single county applicant for LED funds must provide a 100 percent match; multiple county applicants are only required to provide a 50 percent match. The availability of LED funds has encouraged counties to seek out the CDC designation.

Minnesota Framework for Integrated Regional Strategies Program (FIRST) (www.deed.state.mn.us): This program is the state's response to a perceived demand for a framework and funding to integrate local and regional strategic plans for economic, workforce and educational development. Funded by the federal Workforce Investment Act, it awards \$50,000 to regional organizations demonstrating collaboration between private and public stakeholders in the region. The money can be used for staff support, consulting, meeting costs, and similar expenses. Investments help communities to merge existing plans into a regional vision and plan.

Georgia's Entrepreneur Friendly Initiative (www.georgia.org/): This initiative helps create entrepreneurial friendly conditions in rural communities by providing support and recognition to entrepreneurs and the networks that sustain them. It leads local leadership teams through a set of key guidelines that identify resources, entrepreneurs, and needs, and create momentum to begin building sustainable support programs. The guidelines also help leaders incorporate entrepreneurship into the community's overall economic development plan.

already by investing additional resources in their efforts, such as the launching of rural leadership development training, the expansion of citizen engagement in dialogue, deliberation and action on important local issues, and providing on-going technical assistance to local leaders and community-based organizations. In Michigan and Pennsylvania, for example, states have implemented policies to leverage the resources and expertise of universities for community and economic development. The key to success with these programs seems to be coordination and partnership between university and community stakeholders, working in tandem to deliver services that help to promote the capacity of rural communities.

- **Increasing access to technical assistance.** Rural communities can benefit from greater use of decision-making tools such as community visioning, strategic planning, implementation planning, and program evaluation. A regional approach to rural development planning, where several rural communities with common characteristics join together in a planning process, is an increasingly practical way to access high-quality technical assistance. Decision-making tools will help rural communities build consensus for their economic development approach, choose appropriate strategies, and monitor performance. The Montana Certified Regional Development Corporation program, for example, provides state resources to regional organizations to provide technical assistance to rural communities.

- **Spreading innovation through a centralized clearinghouse of case studies and examples of what works.** Research on best practices in homegrown development and program evaluation could be ramped up and consolidated in a centralized clearinghouse. Information on best practices in homegrown development is available at several high profile sites such as the SRDC National e-Commerce Extension Initiative and the Rural Policy and Research Institute (RUPRI). A national clearinghouse would consolidate case examples into a centralized location that rural leaders could easily access.¹⁴ Providing community leaders with solid evidence of what works and why could provide a boost to homegrown approaches. This type of information can spur new ideas and equip rural community leaders with a clearer sense of what is possible in economic revitalization.

- **Defining and measuring creative assets in rural areas.** There are numerous ways to define and measure creativity in workers, firm, and communities. However, the lack of a universal and consistent methodology for defining and measuring creativity makes it difficult to capture the concrete economic opportunities and benefits of art, design, and culture in rural communities. Existing industrial and occupational classifications are not calibrated to the creative economy and do not pick up on the creative aspects of many economic activities and jobs. The Urban Institute's Arts and Culture Indicators Project (ACIP) is a major effort to systematically measure arts and cultural assets. Federal and state agencies can help support the establishment of formal metrics for the creative economy that will enable communities and their partners to quantify the impacts that we have only been able to observe up to now.

Provide Incentives and Support for Collective Action in Rural Development. Homegrown approaches to rural development build on local assets such as community amenities and specialized infrastructure. The public investment required for these local assets can be significant and often exceeds the financial capacity of an individual jurisdiction. When municipalities and counties collaborate on such ventures they can enjoy economies of scale and cost savings and pursue projects that otherwise might not be feasible. Federal and state policies can help shore up and expand local assets in rural communities, particularly certain types of amenities and specialized infrastructure, in the following ways:

- **Enacting incentives for regional collaboration.** Statutes and legislation that authorize and encourage cities and counties to formally enter into interlocal agreements to jointly build and improve regional amenities and infrastructure will enable more rural projects to move forward. Further, state and federal grant programs could be designed to require multijurisdictional partnerships as a criterion for funding. For example, West Virginia's Certified Development Community program encourages regional collaboration among local development organizations through a grant program with lower fund matching requirements for multijurisdictional grant applicants. Minnesota has a program to integrate local and regional strategic plans for economic, workforce and educational development.

- **Supporting Local or Regional Entrepreneurship Support Systems.** The foundation for economic gardening in rural communities is a comprehensive entrepreneurship development system (EDS). An EDS builds on unique community assets and focuses on the needs of locally rooted entrepreneurs by engaging organizations across all sectors in delivering a comprehensive and integrated set

of services. These services include financial and technical assistance, entrepreneurship education, networking opportunities, and business incubation.¹⁵ The lasting influence of an EDS for rural development lies in its ability to create an entrepreneurial culture in places that have been dependent on low-wage industries. An EDS can help transform a mill town into an entrepreneur-friendly community that spawns successful enterprises, even in the aftermath of major plant closings. For example, Georgia operates a statewide initiative to assist localities in becoming more “entrepreneur friendly.”

Endnotes

1. See Will Lambe, *Small Towns, Big Ideas: Case Studies in Small Town Community Economic Development*. Chapel Hill, NC: UNC School of Government and North Carolina Rural Economic Development Center, 2008. Available at www.cednc.unc.edu/stbi.
2. As of 2003, nonmetro counties are now divided into one of two groups, micropolitan and noncore. Micropolitan counties have one or more urban clusters of 10,000 to 49,999 persons, as well as outlying counties with 25 percent or more of their employed population commuting to a central microcounty or from a microcounty to the outlying county. The “non-core” label is assigned to nonmetro counties that fail to meet the micropolitan definitions and thus, have no city, town or urban cluster of 10,000 residents or more. Note, for purposes of this article, urban and rural are being used interchangeably with metro and nonmetro, unless otherwise noted in the report.
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12. Stephan J. Goetz, "Self-Employment in Rural America: The New Economic Reality," *Rural Realities*, 2 (3) (2008).

13. Stuart Rosenfeld, "Crafting a New Rural Development Strategy," *Economic Development America* (summer 2004): 11-13.

14. See David Barkely et al., *e-Commerce as a Strategy for Improving Business Vitality: Lessons Learned from Rural Businesses*. Mississippi State, MS: Southern Rural Development Center, 2009. Available at http://srdc.msstate.edu/e-commerce/curricula/case_studies/.

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Will Lambe is the associate director of the Community & Economic Development Program at the University Of North Carolina School Of Government, where he specializes in rural economic development research and advising. His most recent publication, *Small Towns, Big Ideas: Case Studies in Small Town Economic Development*, was released in early-2009. He also directs the North Carolina Local Government Service Corps, a program to train and deploy Master of Public Administration graduates into the service of rural local governments. He holds a B.A. from the University of Colorado and a Master of Public Policy from Duke's Sanford Institute.

Allan Freyer has spent almost a decade in economic development practice. From 1999 to 2005, Allan served as a policy advisor to three Members of Congress. Since receiving his Masters in regional Planning from the University of North Carolina, Chapel Hill in 2007, Allan has run his own economic development consulting practice, providing clients with a range services from strategic planning to economic impact assessments to program development and evaluation. Allan received his BA from Duke University in 1999 and his MRP from UNC-Chapel Hill in 2007.

A Note from the Editor: Thank You!

I want to alert the readership of *Rural Realities* that my tenure as editor of this series is now coming to an end. When the Rural Sociological Society (RSS) began to conceive of this series some five years ago, it was unsure of whether this effort would prove successful. After completing my term as President of the RSS in 2004, I was offered the opportunity to be the inaugural editor of this series. With the help of a very talented and capable editorial board, we began to delineate key issues that we felt were important to the well-being of rural America. Among the important topics we addressed were the persistent nature of rural poverty, the problem of methamphetamines in rural areas, the rising cost of electricity, the importance of broadband to the future of rural America, the key role of agriculture in the urban/rural interface, the presence of food deserts across the rural landscape, developing effective rural community responses to natural disasters, and the rising importance of self-employment to the economy of rural America.

While it is difficult to document what impact our series may have had in informing and guiding federal or state policy and program activities, comments offered by a number of people in recent years have suggested that our reports have shaped their own work, informed undergraduate and

graduate students of the contemporary issues in rural America, and provided the information needed to support grant requests that were submitted to regional and federal agencies. Certainly, our hope is that *Rural Realities* has been a valuable resource to those who care about the long-term vitality of rural America.

The next issue of *Rural Realities* is one that I will edit in partnership with the new co-editors, Mark Brennan and Deborah Tootle. From that point on, Mark and Deborah will have full responsibility for the series. RSS is lucky to have two individuals of their caliber who will take the series to new heights during their editorship. I want to say “thank you” to my RSS colleagues for the honor of serving as the first editor of *Rural Realities*, for the countless individuals within and outside RSS who graciously served as reviewers for the articles submitted for possible inclusion in the series, and for the work of Jeremy Robbins and Barbara Ray who worked hand in hand with me in the design and technical editing of every issue. Jeremy has decided to “retire” from the series. However, I am pleased to announce that Barbara Ray of Hired Pen has agreed to continue her valuable role as technical editor for the series. Best wishes to the readership of *Rural Realities*.

Bo Beaulieu

About *Rural Realities*

Rural Realities is a quarterly publication of the **Rural Sociological Society (RSS)**. Its purpose is to: (1) Provide valuable insights on the current and emerging issues impacting people and places in rural America and beyond; and (2) Offer policy and program options that might prove effective in addressing important rural challenges and opportunities. Articles showcased in the series draw upon high quality social sciences-based studies conducted by researchers and practitioners located within universities/colleges, government, philanthropic, and nonprofit organizations.

The **Rural Sociological Society** is a professional social science association that promotes the generation, application and dissemination of sociological knowledge. The Society seeks to enhance the quality of rural life, communities and the environment through research, teaching, and outreach/extension education.