

***Social Capital and Leadership:  
Keys to Successful Rural Economic and Community Development***  
**For the Federal Reserve Bank of Boston**  
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## **I. Introduction**

Across America rural communities are seeking creative and innovative approaches to economic and community development that redress conditions that limit opportunities for their residents. Rural constraints include over-stretched resources, lower levels of educational attainment and wealth, and the outmigration of youth. While these circumstances have challenged rural America for a century, too many rural communities now are also facing the effects of automation and globalization on their labor markets; the closing of hospitals and loss of locally owned businesses; and an opioid addiction crisis.

Despite these challenges, many rural communities have been able to find ways to prosper and grow by focusing on advantages they have over large population centers, e.g., smaller and more personal scale, lower costs of living, proximity to the land for food and recreation, and communitarian culture. These advantages led to the return migration of large numbers of city dwellers during the 1970s, and are why many rural communities today have been able to flourish despite changing and challenging economic and societal conditions.

Challenges facing rural policy makers and communities include discovering and implementing new strategies for growing their economies, stabilizing populations, and enhancing quality of life. While some of the factors causing the decline lie outside of the control of rural communities, many places have been able to overcome their isolation and diseconomies of scale and designed creative and innovative approaches to economic and community development. This paper examines the relationship of high levels of social capital, strong and effective leadership, and flexible geographic boundaries to rural economic and community development.

This paper addresses the following questions:

- What are the various forms of cooperation and collaboration, i.e., social capital, and how do they influence rural communities and economies?
- What are the sources of rural leadership, and how does leadership impact rural communities and economies?
- What are the geographic boundaries of leadership and social capital, and how are the boundaries determined?
- What levers and approaches to economic and community development have proven successful, and what were the conditions associated with success?

These questions will be addressed by explaining the importance, forms, sources, and impacts of collaboration and leadership. The former is discussed as a form of social capital, a term more commonly found in the literature, particularly when assessing scale and impact. The geography of social capital and leadership and the conditions that affect geography also are considered.

Finally, the results of the analysis of social capital and leadership will be a set of key findings and a series of potential levers for change.

The information used for this analysis includes: (a) existing academic research on the topics; (b) case studies and the news media; (c) internet searches on the key topics; (d) the selection of 24 rural communities to examine in moderate depth (Appendix A), information about 12 other communities reviewed in lesser depth; and other places scanned for particularly relevant information; (e) this writer's past research on rural development, which includes case studies of more than five dozen rural communities; and (f) 17 phone interviews with experts and practitioners in rural development.

The two dozen communities that were used as examples of leadership and social capital were selected to represent a range of types of economies, problems faced, geographies covered, and regions of the country. They also were selected based on population (two-thirds under 10,000) and located outside of easy commuting distance of an MSA. The information about each was classified according to place, special defining characteristics, geographic boundaries, sources or forms of leadership, strategies pursued, forms of collaboration, resources, examples of outcomes of strategies, and challenges still faced.<sup>1</sup>

## **II. Social Capital: Collaboration and Cooperation**

Collaboration and cooperation are historic strengths of rural economies and communities. The willingness of neighbors to help one another has been one of the strongest attributes of rural culture. Beginning in the 1860s, the Grange movement, American Farm Bureau, National Farmers Union, and thousands of rural coops added to the associational infrastructure of rural communities.

The importance of collaboration to communities and economies has been acknowledged in academic circles as imbedded in a form of capital comparable to human, built, financial, or cultural capital termed "social capital" (Jane Jacobs, 1962). One widely cited researcher has been able to demonstrate "that communities with higher stocks of social capital are better able to deal with economic and social problems than those with lower stocks" (Putnam, 1993) and another (Fukayama, 1995) related social virtues to prosperity and thus viewed social capital as a public policy.

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<sup>1</sup> Citations pertaining to places mentioned in the report are referenced in Appendix A.

An exhaustive international analysis found that “high trust, learning capacity, and networking competence are now widely perceived to be associated with relative economic and social success” (Cooke and Morgan, 1998) and that success in economic development depends on high levels of social interaction and communication rather than competition. “Research has confirmed that social capital is a resource that can be used to facilitate community action” (Besser, 2013).

Social capital is now widely accepted as a community and regional asset that can help address economic and community challenges and take advantage of opportunities. Some argue that social resources and connections are more important even than personal resources, such as wealth or education (Lin, 2001), in part because “...people can...be smarter when thinking in groups. For example, movements pool imagination” (David Brooks, NYT, 2016).

### **A. Explaining Social Capital**

Social capital is a comprehensive term that covers a broad range of organizations and forms of personal connections. Generally accepted definitions include “the ability of people to work together for common purpose in groups and organizations” (Fukuyama, 1995) and “networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit” (Putnam 1995).

Organizations that facilitate social capital are quite common in rural communities, often drawing on their agricultural heritage. In addition to chambers of commerce; rotary clubs; religious, fraternal, and cultural organizations; and business associations; most rural communities still have a grange hall, 4-H club, FFA and FFA alumni groups, and often electrical and farm coops.

Despite the extensive use of web-based social media, the kinds of relationships that lead to trust and exchange of tacit knowledge still are heavily dependent on personal connections. Deep personal connections still most often develop within geographies where people are able and most likely to visit one another, attend planned events, or meet informally.

Participation in business, educational, and cultural associations tends to be high in rural areas. Business organizations that support downtown renovation, improvement, and development; address space needs; and recruit new businesses tend to include much of the business community. Organizations with a religious and cultural focus reach youth and families and often take on community social and equity issues. Smaller, on average, school districts and schools encourage greater involvement.

### **B. Forms of social capital**

Much of the existing literature, research, and measures regarding social capital view it as they do human and physical capital and find that it plays a comparable, though different, role in economic development. Social capital can be used to pursue specific goals that can benefit the larger community or region by, for example, facilitating and reducing costs of business

transactions, coalescing support for change, and/or achieving economies of scale. It “promotes trust and cooperation among agents, which in turn increases socially efficient collective action” (Rupasingha, Goetz, & Freshwater, 2006).

To better understand the structure and value of social capital, the term has been disaggregated into sources and forms of relationships that are differentiated as (1) bonding, (2) bridging, and (3) linking.

Bonding social capital links people who are similar in some important way. Bridging social capital is more inclusive, forming ties among people who may be dissimilar. Linking social capital, represents relationships among people at different levels of authority, responsibility, or power and may be what is needed to implement change. Social capital in ethnically diverse communities, for example, may start with bridging social capital, which may lead to bonding social capital among participants who reach high levels of comfort, and finally may connect to government entities and other levels of influence to achieve their goals.

Social capital has both cognitive and structural dimensions. The former represents attitudes towards others while the latter concerns interactions with others. Cognitive social capital forms an environment that enables collaboration and cooperation, but structural social capital is the engine that identifies needed changes and implements strategies.

## **1. Bonding Social capital**

Bonding social capital is the tightest and most individualistic form of social capital. It generally develops organically among people who are alike in some important way, e.g., family, friends, shared interests, or religion. Bonding social capital is sometimes referred to as *Gemeinschaft*, defined as a community where people know why others behave as they do.

Bonding social capital may build over time through membership in professional, business, or agricultural, social, religious, or fraternal/sister organizations or private clubs that attract members with similar backgrounds or interests. It generally does not require leadership to form but may produce leaders. Bonds are formed and trust is built and strengthened informally through day-to-day social interactions, community social gatherings, and sporting, political, or cultural events.

Bonding of like-minded individuals tends to be a more closed and exclusive form of social capital. While levels of trust can be quite high, they also may lead to the exclusion of people from different cultural, racial, or religious backgrounds.

Although bonding social capital was evident in some of the places investigated—especially the smallest and most homogeneous communities—it rarely was found to be a catalyst for new activities aimed at economic or community development that benefit those most in need. The presence of a small hierarchical power structure that controls local policies and planning is a too frequent limitation of tight, stable communities and can discourage innovation and change

that challenges its position. It often takes outsiders to drive economic and social change in tight communities.

Bonding social capital was found to be most evident in communities that had stable, quite homogeneous populations such as Cumberland, Kentucky; Fairhope, Alabama; Big Stone Gap, Virginia; and Brown County, Minnesota. In Coös County, New Hampshire 89 percent of residents surveyed said people in their community trust and get along with one another and 82% said that if their community was faced with a local problem, people would work together to address the issue (Dillon & Young, 2011). But all still depended more heavily on social capital that represented relationships across organizations and communities for economic development.

Bonding social capital also was evident in places where economies depend on personal transactions and shared knowledge. These structural and often entrepreneurial forms of bonding social capital (J. Flora, Sharp, & C. Flora, 1997) depend on building trust and assumptions of reciprocity in business settings. In those places developing or strengthening creative industries, such as in Sheridan, Wyoming; Salt Spring Island, British Columbia; and Paducah, Kentucky, creatives had already organized into guilds, and or craft councils, and shared galleries and workspaces.

Regions working to develop business networks achieved the most success when businesses bonded and were open to sharing resources, information, and ideas. Fort Walton, Florida; Windsor, Vermont; Nelsonville, Ohio; Elbow Lake, Minnesota; San Luis Valley, Colorado; and Hancock, Michigan each depended on bonding social capital to achieve its goals of collaborative economies. In Tupelo, bonding social capital among furniture companies was driven by close relationships developed through churches and schools.

## **2. Bridging social capital**

Bridging social capital represents relationships where interactions are less frequent and often weaker than bonding social capital but, where developed, can engender trust and cooperation (Granovetter, 1973). This form of social capital develops through relationships that form and are maintained, for example, at professional, trade, or business association events; trade shows; business or professional meetings and conferences; and interventions that are aimed at strengthening connections across communities or cultures.

Among those communities examined, bridging social capital was the most common and most effective form of collaboration. In most cases, it was driven by strong leadership within the region. Bridging social capital is the most effective way of achieving more inclusive changes and outcomes because it creates forms of communication and cooperation that can overcome cultural, racial, or social barriers. Pelican Rapids, Minnesota and Warrenton, North Carolina, and Tupelo, Mississippi each found ways to bridge racial differences by relying on a non-profit to demonstrate the benefits of collaboration to the economy and community.

Bridging social capital also forms the basis for collaboration among businesses. Companies are often characterized by competition when, in fact, cooperation may better serve their interests. The goal of the flexible business networks promoted by state and federal agencies in the 1990s was to help small businesses compete through various forms of cooperation, e.g., shared resources, markets, production capabilities, and knowledge. One survey of business networks found that learning from others was their most important reason for forming the network and most important outcome (Rosenfeld, 2007). Rural business-based social capital has been demonstrated to promote economic growth (Habersetzer, et al 2019).

An example is the high-tech economy of Fairfield, Iowa, which was sparked by an organization of entrepreneurs. Bridging social capital also was how workers commonly found employment. Employees in Tupelo's furniture cluster, for example, frequently learned about or were recommended for new or higher level positions through word of mouth.

The creative industries, in particular, depend on bridging capital, in part because they are dominated by under-resourced microenterprises and self-employed creatives. Open studio tours, shared gallery spaces and markets, farmers markets, co-sponsored fairs and festivals, makerspaces and co-work spaces are all forms of structural social capital. Sheridan, Wyoming; Salt Spring, British Columbia; and Paducah, Kentucky each depended on an organizational infrastructure for collaboration.

### **3. Linking social capital**

Linking social capital, though generally treated as a distinctive form of social capital, is actually a special form of bridging social capital. It connects people vertically—across organizations, levels of authority, institutions, and employers—rather than horizontally. Linking social capital was added to social capital theory by the World Bank in order to better describe relationships that exist across power structures (Woolcock, 2001).

Originally this category was added to the definition of social capital for developing countries where social differences were extreme. However, it also applies to rural communities where the interests of employees and employers, citizens and public officials, parents and educational institutions must be balanced, and trust must be established to successfully plan for and provide resources for community development plans that benefit all segments of the community. Unlike in earlier decades, when local officials could allocate funds to recruit and subsidize a major employer, linking social capital is increasingly vital to communities' concerns about the use of tax funds, environmental and community impacts, and employment opportunities. Vermont, which passed Act 250 in 1970, was among the first states to require that economic development take into account community and environmental impacts.

Linking social capital is enabled by (a) regional non-profits that operate as intermediaries between community members and, for example, government agencies or employers; (b) public agencies that interact with their constituents at meetings and hearings or through community organizations or business associations; (c) community or regional task forces or alliances

formed to address broad-based problems or develop regional plans; and (d) education institutions. The last were found to be important partners in linking social capital, both as sources of knowledge and also due to their impact on community values and the current and potential economy.

Examples of linking social capital include Tupelo, where the CREATE Foundation and Community Development Foundation (CDF) gained the trust of all segments of a once racially divided community and brokered inclusive community and economic development. The CDF recently boosted employment by recruiting a Toyota plant to the region along with expanding its cultural economy.

Another example is Rockland, Maine, where banks became catalysts for economic development by investing in rebuilding the downtown. Simultaneously, the town government developed Rockland's cultural capital, leading to its designation as a National Historic Preservation Trust Main Street. Residents participated in the decision-making process primarily through town meetings, and the city's Main Street organization facilitated connections among stakeholders.

#### **4. Social capital, innovation, and learning**

Among the limitations to innovation and growth in rural areas are diseconomies of scale, isolation from other cultures, and distance from market opportunities (Kansas Opportunity Innovation Network, 2011). "Most economic geography literature suggests that the low business density and dispersed business population undermines rural businesses' ability to access and benefit from knowledge transfer (tacit or otherwise), or the knowledge spillovers and external economies that prevail in cities" (Mahroum, et al, 2007).

Digitalized information can create awareness of new possibilities, but personal connections are necessary to understand the context, develop business relationships, and adapt an idea from one place to another. As a noted economics professor explained to an audience representing the South's governors and legislators, "local know-how is passed on by doing things and seeing how other people do things through informal chit-chat." Workplace knowledge is rooted in places where "people are linked by the bonds of shared history or values...and where codes of behavior, lifestyles, employment patterns and expectations are inextricably implicated in productive activity" (Brusco, 1995).

The ties embedded in bridging social capital—particularly to people living and working in places under dissimilar circumstances and policies—offer exposure to different and often novel business and social models and opportunities. Student exchanges, sister city relationships, study tours, national and international trade shows, and professional meetings all are means for learning from other places and building relationships. Proponents of regional innovation systems have discovered that successes tend to be "imbedded in a social/institutional infrastructure that fosters co-operation, trust and reciprocity, and facilitates the flow of strategic information, alliances, sharing of resources, skills, and that exploit efficiently collective external economies (Landabaso & Rosenfeld 2009).

Some of the most innovative rural development efforts have been inspired through relationships with people in less populated regions of foreign countries facing similar challenges. Exposure to new and different approaches to economic development challenges or social problems have changed the course of rural economies. The collaborative strategy called “flexible business networks” (Rosenfeld, 2001) mentioned previously was observed by American study tours traveling to Italy’s Emilia Romagna region to understand its successes in industrial modernization.

The concept was subsequently transferred, using a strategy learned in Denmark, to rural areas across the country. ACEnet’s efforts in Appalachian Ohio, for example, were influenced by Italian flexible business networks after the director attended an international conference on the topic in Lisbon in 1993 (*Proceedings: Cooperation and Competitiveness*, 1993). TeCMEN’s success in the panhandle of Florida was triggered by an international meeting on networks held on the campus with speakers from Italy, Denmark, OECD, and the EU. Wilkesboro, North Carolina’s and Walla Walla, Washington cluster approaches were modeled on what was learned from the success of European industrial districts. The Northern Economic Initiative’s Corp. in Michigan’s Upper Peninsula established a long-term partnership with Kuopio School of Design in Finland to introduce design and networks into its flagging wood industry.

### **C. Measuring the scale and impacts of social capital**

As a result of the growing interest among economists globally in social capital as a policy tool, a wide array of proxy measures has been developed, tested, and linked to economic and social outcomes. These measures are invariably based on aggregating various forms of collaboration, cooperation, and/or association. Proxies most frequently used to estimate levels of social capital include (a) formal social structures expressed as the density and intensity of engagement in civic, business, non-profit organizations, and religious organizations; (b) levels of informal socialization at meeting spaces including cafes, pubs, cultural events, and marketplaces; and (c) individuals’ perceptions of norms of trust, reciprocity, tolerance, and civic engagement (Claridge, 2018).

Such measures have led to a national index of social capital that finds that states with the highest rankings are dominated by the nation’s most rural states. Among the top dozen states with the highest social indices are Utah, New Hampshire, Vermont, Maine, Nebraska, Iowa, South and North Dakota, and Wyoming (Joint Economic Committee, 2018).

Survey-based measures draw on a variety of sources such as the National Opinion Research Center’s General Social Survey, County Business Patterns, American Community Survey, Social Capital Community Benchmark Survey of 2006 (no current sponsorship), and the American Time Use Survey (Hudson & Chapman, 2002). Robert Putnam’s Social Capital Index Instrument uses proxies based on membership in various civic and social organizations, religion, and political activity. Other measures have been developed using proprietary survey tools.

Levels of trust and trustworthiness, key ingredients of social capital, have proven particularly difficult to measure. The World Bank relates social capital, defined by trust based on survey questions, to wealth at the national level (Hamilton, Helliwell, & Woolcock, 2016). But experiments to develop survey-based measures that rely on questions about trusting strangers were found to be only weakly correlated with wealth (Glaeser, et al, 2000).

Much of the research on measures of social capital has been carried out in regions large enough to have reliable and publicly available survey data. Studies of social capital that did target smaller geographic units found that associational densities and social capital indices rose with the homogeneity of the population. An analysis based on 57 communities found multiple dimensions of social capital present [bridging social capital in 96 percent, linking social capital in 95 percent of the communities “as a key feature in successful community and economic development efforts” (Fey, Bregendahl, & Flora, 2006). Another found that places that were racially heterogenous, culturally diversified, and unequal limited opportunities to participate in social capital-producing activities and thus on social capital formation. (Rupasingha, Goetz, & Freshwater, 2006).

A study of towns experiencing shock from loss of employment or a disaster, between 1994 and 2003, found that towns with higher levels of social capital experienced less decline in quality of life than those with lower levels of social capital (Besser, 2013)

**Table 1: Key Forms of Social Capital**

Example	Bonding	Bridging	Linking	Discussion
Pelican Rapids, MN		X		Bridging across cultures
Fairfield, IA	X	X		Bonding within culture, bridging outside of culture
Big Stone Gap, VA		X	X	Tourism across communities, linking agency support
Potsdam, NY			X	Linking communities to institute and university
Fort Walton Beach, FL	X	X		Bonding among firms, bridging with support system
Sheridan, WY		X		Bridging among cultural organizations
Nelsonville, OH		X		Businesses collaborate through a non-profit
Ravalli County, MT	X			Businesses develop niche through common interests
Salt Spring Island		X		Bridging across associations
Elbow Lake, MN	X	X		Businesses bond, bridge to markets/services
Hardwick, VT	X			Community based organization of food producers
Tupelo, MS		X		New multi-racial local government entity
Windsor, VT		X		Bridging across businesses, linking with dev.agencies
Cumberland, KY		X	X	Bridging across hierarchies, linking for resources
Coös County, NH	X	X		Bonding within, bridging across towns
Rockland, ME		X	X	Among businesses, linking to town agencies
Wilkesboro, NC		X		Cluster development with non-profit and college
Walla Walla, WA		X	X	Bridging across cluster, linking to college and cities
Eureka Springs, AR		X	X	Bridging across organizations, linking to mayor/city

Millinocket, ME	X	X		Community-driven non-profit formed
Warrenton, NC		X		Across racial lines and to markets
Paducah, KY		X	x	City agencies working with community
Letterfrack, Ireland	X		X	Community bonding, college-community link
Brown County, MN		X		Collaboration across communities

Source: Based on authors analysis of the 24 case studies described in Appendix A, each of which includes citations.

#### D. Takeaways

- Bonding social capital enables rural development, but rarely initiates it.
- Bridging social capital is an effective driver of economic development
- Inclusivity across cultures and economic strata in a community is a factor in successful community development.
- Bridging social capital does not overcome stratification in a community but does provide opportunities to better understand one another.
- Social capital requires an associational infrastructure—an organizational framework, networking opportunities, places for people to informally meet, co-working facilities.
- In some places, high levels of social capital drive successful development, in others, they are an outcome of a development strategy.
- Measures of social capital are common, but since there are no accepted standards measures are based primarily on subjective information.

### III. Leadership

Leadership is an important element in successful economic development, whether individual, organizational or institutional. One study claims that “the quest for effective leadership in rural areas is arguably the greatest challenge facing rural communities” (Avant, Rich-Rice, & Copeland, 2013). The Center for Rural Affairs asserts that “leaders are the lifeblood of small towns and rural communities” (Starkweather, 2008) and that the success or failure of community development efforts often rests with the skills of local leaders.

In the early 20<sup>th</sup> century Future Farmers of America, FFA alumni organizations, 4-H, and various agrarian associations generated a continuing stream of young dedicated rural community leaders. But as the balance of wealth generation in rural regions shifted away from agriculture, the source of leadership changed. It now comes from a wide range of social, political, and business organizations, local institutions, non-profits, and often from citizens.

Many studies suggest that effective leadership is vital to the stabilization and growth of rural areas (Ricketts, 2005; Avant, Rich-Rice, & Copeland, 2013). But leadership is also viewed as one of the greatest challenges facing rural communities (Avant, Rich-Rice, & Copeland, 2013). As a result, leadership development is a common strategy used to trigger and sustain rural development.

## A. Sources of Leadership and Leadership Development

Although many millions of dollars have been invested in leadership development by foundations and government agencies, these efforts have not yet resulted in a dependable or replicable methodology for producing strong leaders. Effective leadership typically emerges in response to particular challenges or opportunities, and is often based on an individual's personality, energy, commitment—and vision.

Common sources of leadership discovered in a scan of the literature (Table 1) include (a) local or regional public sector officials and agencies; (b) the community at large; (b) non-profits and community-based organizations; (c) local businesses or business organizations; and (d) educational institutions (community colleges, agricultural extension, and higher education). The most successful leadership was found among those who do not lead from a dominant position but rely on increasing civic engagement and on promoting associative behaviors.

The most common source of leadership rests with those who have already been elected to or employed in positions that require leadership. In some places, mayors, county officials, and economic developers have served as leaders—at least in the initial stages—of rural community and economic development. But in others, particularly in small communities, it was hands-on participatory leadership from community-based organizations. In Huron County, Ontario, county officials led the efforts to integrate immigrants into the community and economy. In Sheridan Wyoming, it was the Mayor that was the catalyst and who provided continuing support. But in Ontario, cultural organizations and in Sheridan, the downtown business association took over and implemented the ideas.

Leaders often rise to the occasion from a variety of sources depending on the nature of the opportunities and/or problems. Civic leaders from the community (38% of examples) addressed the needs of disenfranchised populations or tackled health or environment crises that might not have been in the interests of regional business interests. Community leadership may be in partnership and/or supported by non-profit intermediaries, community institutions, and/or public schools. In Pelican Rapids, Minnesota, a local library, church, and cultural collaborative combined to lead the efforts to integrate different segments of the community, based on common multi-cultural interests in music and soccer, the promotion of literacy, and subsequently the identification of multi-cultural local leaders.

Economic crises sparked leadership from the public sector in 44% of the 24 sites reviewed (Table 2), and from business leaders in 33%. In Fairfield, Iowa, the leadership initially came from entrepreneurs who formed the Fairfield Entrepreneurs Association. Many were transcendental meditators drawn to Fairfield by the Maharishi School of Business. Working with the Mayor, the town built an information technology cluster and a complementary cultural and recreational infrastructure to retain its talented entrepreneurs.

Non-profits played a leadership role in 29% of the locations examined. In Nelsonville, in Appalachian Ohio, leadership came from June Holley, the innovative founder of the non-profit ACEnet that is dedicated to reshaping the region's food sector through cooperation and shared

resources enabling producers to move their production up the value chain. ACEnet encouraged local leadership and innovation to develop from among the businesses within the sector.

Educational institutions led or co-led regional development efforts in 44% of the communities. Since taking on economic development industrial modernization responsibilities in the mid-1980s, many colleges have moved from support to leadership roles. Okaloosa-Walton Community College’s Dean of Technical Education led the revitalization of the Florida panhandle’s technology sectors by encouraging cooperation among firms, and sharing leadership with local business leaders. Galway-Mayo Institute of Technology’s President and The Director of Connemara West Community Association shared the leadership that revitalized the village of Letterfrack and Ireland’s furniture industry.

The more expansive the geography of leadership, the less likely the leader was a resident of the community or intimately connected to local constituents. Rural development practitioners increasingly look to economies of scale and connectivity to compensate for limited access to capital and resources within their communities. This suggests leadership that is more expansive, spanning, for example, multiple municipalities, a county, or multi-county regions.

**Table 2: Sources of Leadership**

Example	Business	Non-Profit	Public	Community	Education
Pelican Rapids, MN		West MN Cultural Collaborative	Local Library	Lutheran Social Services	
Fairfield, IA	Entrepreneurs Association		Mayor		Maharishi Bus. School
Big Stone Gap, VA					VA Tech Coop Extension
Potsdam, NY					Merwi Institute SUNY
Fort Walton Beach, FL	TeCMEN				Okaloosa-Walton Comm College
Sheridan, WY	Downtown Bus. Assoc.		Mayor		No. Wyoming Comm College
Nelsonville, OH		ACEnet	ARC		
Ravalli County, MT	Log home cluster		Economic Develop		
Salt Spring Island, BC			Elected officials	Community groups	
Elbow Lake, MN	Tri-State Mfgers Assoc.				Alexandria Tech College
Hardwick, VT		Center for Agric Economy		Ag-related businesses	
Tupelo, MS		Comm. Develop. Foundation		Newspaper Editor	
Windsor, VT	Businesses		County Econ Dev.		
Cumberland, KY					SE KY Comm. Tech. College

Coös County, NH				Community Networks	U of NH Carsey Institute
Rockland, ME	Banks		City Manager		
Wilkesboro, NC	Martin Marietta		3 county governments		Wilkes Community College
Walla Walla, WA	Wine cluster				Walla Walla Comm. College
Eureka Springs, AR			Mayor	Downtown Business Assoc	
Millinocket, ME		Our Katahdin			
Warrenton, NC		Working Landscape			UNC City & Reg, Planning
Paducah, KY			Econ Develop Agency	Artists	
Letterfrack, Ireland		Connemara West			Galway Reg. Tech College
Brown County, MN			Coop Extension	Arts orgs	

Source: Based on authors analysis of the 24 case studies described in Appendix A, each of which includes citations.

**Table 3: Classifying Sources of Leadership**

Catalyst	Number	Percentage of Cases
Community	8	33%
Private sector	9	38%
Public sector	12	50%
Non-profit	7	29%
Colleges or universities	12	50%

Note: Percentages add to more than 100% because some places have multiple sources.

## B. Characteristics of leadership

Effective leadership requires the ability to communicate, inspire, delegate, organize, and empower. But no particular personality type or background has proven to be most effective. Leaders may be innovators or visionaries, or they may be problem solvers. Others are able to recognize and assess innovations and possibilities suggested by others and know how to turn them into actions and achieve results. All leaders need interpersonal skills, the ability to inspire and motivate others, and the tenacity to overcome obstacles and pursue and attain the goals of the people and places they represent.

The most successful examples discovered are shared or collaborative forms of leadership. In no instance did an individual on his/her own have a major impact on a rural economy or community. They all required some form of collaboration, usually involving local development

agencies, education and training institutions, businesses, and/or non-profits. An innovation or an idea that leads to a development strategy may come from an individual who has the confidence of residents or constituents, but the plan and resources for successfully turning an idea into a reality most often depends on collaboration among others in leadership positions.

Two caveats when examining rural leadership are that the literature on leadership does not focus particularly on rural communities or regions and hard data on relationships between leadership characteristics and, in addition, that measured outcomes in rural areas are particularly scarce.

### **C. Leadership Development**

For many decades, foundations and government agencies have been investing heavily in adult leadership development for struggling rural communities. Their principal aims have included promoting social integration, giving underserved populations a voice in shaping the future of their community, and rebuilding and sustaining rural economies.

The Appalachian Regional Commission, U.S. Department of Agriculture via cooperative extension services, the Ford Foundation, W. K. Kellogg Foundation, and dozens of other foundations have supported programs through grants to non-profits such as the [Rural Development Leadership Network](#) or [Cultivate Rural Leaders](#), both aimed at developing leadership and identifying future leaders to play a role in planning for their community's future. Almost every state offers some form of rural leadership development. The Center for Rural Pennsylvania, the North Carolina Rural Center, and University of Kentucky Extension Service are but a few examples.

Between 2003 and 2016, the Ford Institute Leadership Program was promoted as a method for achieving community vitality. Through a series of training classes for groups including high school students and seniors, it engaged more than 6,000 rural community builders from 88 rural hubs throughout rural Oregon and Siskiyou County, California. This became the foundation for the Ford Institute's Community Building Approach, which was introduced in 2015. A principal aim of the efforts in both Coös County, New Hampshire and Brown County, Minnesota to build social capital was to identify and prepare future leaders in each of the towns in their respective counties.

### **D. Measuring impacts of leadership**

While there is an abundance of literature on, and suggested methodologies for, developing leaders and on the personalities of leaders, there is little documented evidence of impact or outcomes other than case studies and personal opinions. Quantitative analyses of rural economic development that use leadership as an independent variable are rare, largely because there is no agreement on how to classify and quantify leadership. A recent journal article on leadership opened with "Leadership is a quality that is hard to define, but as a Supreme Court justice said of obscenity, you know it when you see it" (*Economist*, Mar 28, 2019)

An “extensive review of literature [on rural leadership development] in Cambridge Scientific Abstracts yielded only 15 relevant research articles over a decade of publication” (Kaufman and Rudd, 2006), and most of the evidence they did find were outcomes such as safety and health and gender equity. The problem, the researchers found, was vague and competing definitions for leadership development and lack of business or economic focus. Another began by noting “a paucity of research on leadership models for rural communities although they do recognize the literature that suggests that leadership...[is] related to the overall success of rural communities” (Avant, Rich-Rice, & Copeland, 2013).

Yet some researchers discovered the value of leadership in broader studies of rural development. An analysis of community capital in 57 communities found that “by far, the most common form of expertise contributed by organizations...was leadership (96 percent of communities had organizations that take on a leadership role)” (Fey, Bregengahl, & Flora, 2006).

Most of the foundation-supported leadership development programs have attempted to assess their impacts. But because most of the assessments were conducted soon after the interventions ended, they were only able to identify process, not leadership, outcomes. Kellogg found, for example, that “Investing in grassroots leadership development leads to increased community well-being and encourages long-term problem-solving, and that “grassroots leadership works best when the decision to invest in developing grassroots leaders is a deliberate strategy, i.e., intentional, proactive, and consistent” (Kellogg Foundation, 2003).

A dissertation submitted to the University of Florida (Ricketts, 2005) analyzed leadership in two rural Florida communities and was able to find increased openness to change but not any changes in the economy of or society.

One study of leadership in successful rural communities in one southeastern state found that effective leadership enhanced community relationships and social capital and increased the likelihood of community actions, but the study failed to identify any economic outcomes (Ricketts, 2009).

#### **D. Takeaways**

- Leadership most often comes from those already acknowledged to be leaders.
- Leadership most often emerges in response to a shock (e.g., plant closing, natural disaster), long-term decline, or opportunity.
- Leadership development is a common rural strategy, which has the dual effect of identifying and developing leaders but also of building social capital.
- Leadership development programs are an effective way to increase diversity among a region’s leaders.
- The most common sources of leadership development are non-profits, cooperative extension, and community colleges.

- It is virtually impossible to quantify the impacts of leadership on economic and community development independent of the myriad factors that play a part; the impacts are most often described by stories.

#### **IV. Geographic Boundaries of Leadership and Social Capital**

The geographies of the 24 places examined plus the 12 additional places scanned (see Appendix A and B) were almost evenly divided (Table 4, 5) among community (22%), group of communities (22%), county (25%), and larger region (31%). Even where efforts were aimed at a particular community, however, there was generally substantial overflow. Political boundaries determine municipal taxes, investments, and expenditures but have little bearing on where people actually shop, eat, relax, learn, or earn a living. The most effective rural economic development projects take into account the spillover of social and economic activity across any political boundaries.

The geography of rural development depends in part on the strategies pursued. For example, efforts to rebuild a town's Main Street, boost local entrepreneurship, or reform local education are generally locally driven. Windsor, Vermont's innovative "Artisan's Park" was a town initiative, although supported by economic development agencies responsible for a much larger area. Rockland, Maine; Rio Dell, California; and New York Mills, Minnesota all focused on rebuilding within a town, in all cases hoping that would re-boot their towns' economies.

Some efforts that initially focused on a town, depended on spillover into surrounding towns for their success. Branson, Missouri; Marfa, Texas; Letterfrack, Ireland; and Douglas, Georgia all needed the services and amenities provided by surrounding towns, and therefore shared some of the economic benefits.

Development that is based on cultural or recreational sectors may require communities, or even counties, to work together combining their strengths and resources to establish their brand and generate the revenue needed to prosper. Sheridan, Wyoming; Marfa, Texas; Branson, Missouri; and Big Stone Gap, Virginia are but a few examples.

Political boundaries also have little bearing on labor markets, supply chains, or the distance that companies are willing to travel to develop personal, trust-based relationships. True business clusters cannot be defined simply by the boundaries for which economic data are collected. The Tri-State Manufacturers Association in Elbow Lake, Minnesota began as an industrial development strategy with a handful of firms who knew one another but by expanding their scope they discovered dozens of other like-minded businesses facing similar challenges, all within a distance that members were willing to drive to attend regular meetings. That geography ultimately crossed Minnesota's western border into nearby area in North and South Dakota.

In Fort Walton, Florida the businesses in Okaloosa and Walton counties represent the service area of the community college that founded TeCMEN. Its membership, however, quickly spilled over along the Panhandle’s coast and into the Pensacola area, home to a large number of similar defense industry companies. The Northern Economic Initiative Corporation’s plans to introduce Finnish-style design to rescue its endangered wood-based economy spanned the entire Upper Peninsula of Michigan, which encompassed 15 small counties. Once the Center for an Agricultural Economy was established in Hardwick, Vermont and the city attracted national attention, the food cluster began seeking more distant connections to expand its capabilities and its markets. The original food-based cluster retained its tight local networks within the community but reached out to farms across the state and facilitated national ties through, for example, farm-to-institution food chains.

Coös County, New Hampshire, a rural county bounded on three sides by two other states and Canada, undertook a project led by a foundation and non-profit to assist in adjusting from a declining mill town and lumber-based economy to a service and information-based economy. The key to the effort was strengthening social capital and promoting collaboration across the dispersed small towns in the county—which were served by 3 hospitals, 5 chambers of commerce, 10 economic development organizations, 6 newspapers, 7 high schools, and 13 elementary schools.

Other plans and projects that involved working with and engaging communities in an entire county or multiple counties include:

- Huron County, Ontario’s efforts to integrate immigrant populations in nine towns;
- Brown County, Minnesota’s extension service-led plan to encourage all four regions of the county to collaborate;
- Millinocket, Maine’s non-profit-led redevelopment plans for the surrounding towns in Penobscot County and the Mt. Katahdin area;
- [SET](#) (Stronger Economies Together), a national program supported by the Southern Rural Development Center, assists groups of rural counties to collaboratively assess their assets and then design and implement plans based on identified strengths.

**Table 4: Geographies of Rural Development**

Place	Town	Towns	County	Multi-County	
Pelican Rapids, MN		X			Town and surrounding towns
Fairfield, IA			X		Based on locations of businesses, trails
Big Stone Gap, VA				X	Recreational tourism Appalachian trails
Potsdam, NY				X	Reach of university institute
Fort Walton Beach, FL				X	Based on locations of businesses
Sheridan, WY			X		Social capital across county
Nelsonville, OH				X	Rural Ohio Appalachia region
Ravalli County, MT				X	Reach home builders in surrounding counties

Salt Spring Island, Canada				X	Island-based
Elbow Lake, MN				X	Based on locations of businesses
Hardwick, VT				X	Based on locations of farms, food businesses
Tupelo, MS				X	Community Foundation area
Windsor, VT	X				Focused on industrial park in town
Cumberland, KY		X			Covered towns in college servjce area
Coös County, NH			X		County effort
Rockland, ME	X				Targets city
Wilkesboro, NC			X		Presence of community college
Walla Walla, WA				X	Based on locations of businesses, student base
Eureka Springs, AR	X				Town-based development
Millinocket, ME			X		Towns and surrounding towns
Warrenton, NC			X		Non-profit led county effort
Paducah, KY	X				Principal activity in city
Letterfrack, Ireland		X			Village and surrounding areas in Connemara
Brown County, MN			X		County focused extension efforts
Marquette, MI				X	Counties across Upper peninsula
Fairhope, AL	X				Focused on history of town
Livingston, MT		X			City but literary cluster overlaps other towns
New York Mills, MN	X				Town focus
Etowah, TN, VA	X				Renovating downtown
San Luis Valley, CO		X			Towns and villages in Valley
Douglas, GA		X			Town led entrepreneurial development
Rio Dell, CA	X				Mayor led downtown development
Marfa, TX		X			Town development but with outlying areas
Branson, MO		X			Town but surrounding area to handle overflow
Turner County, SD			X		County focus
Webster Springs, WV			X		Led by county organizations
Total	8	8	9	11	Town and outlying communities

Source: Based on authors analysis of the 24 case studies plus 12 additional communities listed in the Appendicies.

**Table 5: Geography of efforts**

Region	Number of Cases	Proportion
Town	8	22%
Group of towns	8	22%
County	9	25%
Larger region	11	31%

## V. General Findings

By the second half of the century, a surge of rural industrialization based on low costs, financial incentives, available land, and a supportive business climate (Summers, et al, 1976) resulted in a shift in leadership away from agriculture-related organizations to regional development agencies, chambers of commerce, power companies, large employers, and training institutions.

Most of the rural regions that benefited from a strong business climate, natural resources, and labor-intensive manufacturing now are struggling to respond to the loss of employment and population. At the same time, rural communities are having to adapt to increasing immigration and to the changing roles and status of women, minorities, and LGBTQ populations. All of this is forcing rural communities to find new ways to generate wealth and attract and retain residents, particularly young and more educated populations.

The review of research and experiences of rural communities reveals the following insights.

- **Leadership ↔ Collaboration**  
Both effective rural leadership and high levels of social capital are vital and interdependent conditions for successful preparation for and response to economic and social change. Strong leadership encourages and depends on collaboration, and efforts to build social capital both rely on and produce strong leaders.
- **The Vision Thing**  
The success of both leadership and collaboration depends on someone or some organization with a vision of “what can be,” combined with the leadership and cooperation necessary to turn that vision into “what is.”
- **The Strength of Weak Ties**  
Bridging social capital is frequently the catalyst for rural development and engine for innovation. Extending connections and relationships beyond existing social boundaries to others with different backgrounds and experiences spurs both learning and innovation.
- **Changing Targets for Economic Growth**  
With diminishing opportunities to attract new employers, rural communities are looking within, to their educational institutions to develop talented, creative individuals who remain or leave but return, as entrepreneurs and employees and to new emerging sectors. Many rural places, for example, now are looking beyond commodity agriculture to creative food-based sectors aimed at high value-added niche markets.
- **Placemaking Attracts Talent**  
Many thriving rural communities have succeeded by creating environments that attract and retain a talented work force. Talent tends to favor leisure and learning activities over job security, amenities over costs of living, and collaboration and networking over individualism. Small rural communities have to strive harder to compete on this new playing field. To attract young talent, Fairfield, Iowa now has a bike club, a Fairfield film

festival, four dozen musicians and eight dozen artists, 25 downtown art galleries, 1<sup>st</sup> Friday art walks, and more restaurants per capita than San Francisco.

- **Entrepreneurship Catalyzes Growth**

Each of the sites reviewed has looked to small, entrepreneurial businesses for its job growth. Entrepreneurship is encouraged and supported by community colleges, non-profits, and local development agencies and through incubators, makerspaces, and coop worksites. An entrepreneurial social infrastructure supports networking that spurs business development throughout all segments of the community and sectors of the economy.

- **Rural has Many Faces**

Diversity is much greater among rural communities than among large cities. Small towns are more likely to have personalities, while cities have attributes. Marfa, Texas, Cumberland, Kentucky, Elbow Lake, Minnesota, and Lancaster, New Hampshire are acutely different from one another.

## **VI. Catalysts and Levers for change**

Academic, journalistic, and digital sources that were reviewed and people who were interviewed, supplemented by three dozen communities examined in varying depth, lead to a set of generalizations about catalysts and strategies that generate wealth and potential impacts on rural economies and communities.

### **1. Responding to shock, either to economy or community.**

It takes creative leadership and cooperation to overcome the challenges of a crisis, such as the loss of a major industry or employer or a natural disaster. Rural towns with high levels of social capital have been found to respond quickly and vigorously to shocks (Besser, 2013). Concerned and enterprising leading citizens and businesses often quickly rise to the occasion, assuming leadership positions, and attracting assistance from government agencies, non-profits and foundations. Big Stone Gap, Virginia responded to the loss of mining and textiles and Rockland, Maine to the loss of its fish processing. In addition to job loss, both had to respond to varying degrees of environmental degradation. Millinocket, Maine responded to the closing of its largest employer, Rochester, Vermont, to the aftermath of Storm Irene, and Cumberland, Kentucky, to drug problems exacerbated by the loss of coal mining employment.

### **2. Partnering with educational institutions**

Quite often, leadership originated in the local community or technical college. This was not surprising since in the 1980s these colleges began to add regional economic and community development to their education and workforce development missions (Rosenfeld, 2001; Rosenfeld & Sheaff, 2003). Community colleges either directly led or partnered in the development efforts in Fort Walton Beach, Florida where they networked the businesses; Walla Walla, Washington where they sparked growth in the wine sector and connected it to tourism; and in Letterfrack, Ireland (Rosenfeld, 2000), where the college revived Ireland's weak furniture industry and rebuilt the local economy. In Cumberland, Kentucky the college created new forms of social and creative capital aimed at reducing drug dependency and giving hope and pride to low-income drug-affected citizens. In other places, university-based institutes and cooperative extension agencies led or supported development efforts.

### **3. Involving innovative non-profit intermediaries**

Non-profits often have the independence and experiences and connections outside of the community to introduce new ideas. Innovative strategies, for example, were introduced into rural communities by ACEnet in Appalachian Ohio; Working Landscapes in Warrenton, North Carolina; and Western Minnesota Cultural Collaborative in Pelican Rapids, Minnesota. In other places, a non-profit formed from within as a bi-partisan community organization responsible for producing and implementing a plan. Our Katahdin in Penobscot County, Maine; the Community Development Foundation in Tupelo, Mississippi; and Connemara West in Letterfrack, Ireland each became a catalyst for the region's socio-economic revival. Salt Spring Island in British Columbia is home to 250 non-for-profit organizations that provide the basis for much of the island's social capital.

#### **4. Building an associational infrastructure**

Building social capital requires places, times, and reasons for people to meet beyond casual social relationships that can be exclusive and marginalize some. An associational infrastructure that includes activities, organizations, and places to gather and socialize is vital to successful development. In Pelican Falls, the public library served that purpose; in Fairfield, Iowa, the town's social environment included clubs, pubs, frequent cultural events, and festivals. The Mayor of Eureka Springs invited everyone in the town to weekly open-air movies where she mingled with residents, distributed snacks, and sometimes served meals. In the bi-racial town of Warrenton, North Carolina cooperative extension service organized meetings of residents, and Working Landscapes opened a cafe where they served meals, hosted artists groups and poetry readings, and used the kitchen to launch new businesses. Two Colorado non-profits in the San Luis Valley, Arts del Valle, both started by Hispanic women, and the San Luis Artists' Cooperative were instrumental in the revival of a folk art-based economy.

#### **5. Focusing on small-scale and entrepreneurial business development, particularly in food, recreation, and cultural sectors.**

With many large employers relocating overseas or automating, rural development agencies are turning their attention to small-scale, talent-driven, or niche-based business and entrepreneurial strategies. Evidence has shown that the smaller the community, the greater the survival rate of small businesses. (Deller & Conroy, 2016). Fairfield, Iowa's rebirth began with high-tech entrepreneurs attracted by a local business school. In most regions, however, technology-based development supplemented rather than drove economic and community development. Creative microenterprises and freelancers provided much of the new economic growth in Sheridan, Wyoming; Salt Spring, British Columbia; Eureka Springs, Arkansas; Paducah, Kentucky; Rockland, Maine; Hardwick, Vermont; Livingston, Montana; Marfa, Texas; and Fairhope, Alabama. In some places business development was enhanced by the leadership and social capital that shaped collaborative workspaces such as the kitchen incubator in Athens, Ohio and shared use kitchen in Warrenton, North Carolina, and that is being planned for Hardwick, Vermont and Millinocket, Maine.

#### **6. Combining leadership with social capital**

The vast majority of rural communities that have overcome problems and/or found innovative ways to develop their communities and economies have combined aspects of leadership and collaboration. Strong leadership builds social capital and efforts to develop social capital breeds new leaders. Communities that began by developing social capital, often in conjunction with leadership development, have been able to come to agreement on strategies for economic development. Coös County, New Hampshire; Brown County, Minnesota; and Big Stone Gap, Virginia each brought together people from different communities or cultures by building connections. These efforts led to also identifying prospects for making the required changes from an industrial to a service-based economy.

## **7. Differentiating and branding communities and/or regions**

Many successful rural economies have found ways to create a brand that puts them on the map and, not incidentally, creates business opportunities. In the past, a rural brand was often a roadside attraction aimed at travelers, e.g., Paul Bunyon in Bemidji, Minnesota; Foamhenge in Virginia; or the 65-foot tall Christ in the Ozarks in Eureka Springs, Arkansas. Today, brands are aimed at creating a niche that can generate and sustain wealth. Brand are generally attached to a specific sector or sub-sector of the economy or to the reputation of an institution or geographic characteristic. Livingston, Montana is known for its writers, Hardwick, Vermont for artisanal cheese and food production, Walla Walla for wine production, Branson, Missouri for country music, and Marfa, Texas for David Judd and art. Brands can be embellished by national or international recognition, such as Paducah, Kentucky's as a UNESCO World Creative City or Rockland, Maine in the National Historic Preservation Trust's Main Street Program.

## **8. Converting cultural and/or recreational capital and into economic growth.**

As rural manufacturing winds down, more and more rural communities are turning to creative and tourism-based industries (Rood, 2019). Although incomes may be slightly lower and more uncertain, communities are finding ways to turn these sectors in wealth generators. Windsor, Vermont's innovative Artisan's Park, including a sculpture garden, combines scale craftsmanship with tourism. Rockland, Maine shifted from seafood to culture and tourism, driven by 20 art galleries and an annual lobster festival. Eureka Springs, Arkansas attracted creative 1970s dropouts to become an art hub. Placemaking, a term for developing the cultural assets of a community or neighborhood, epitomized by New York Mills, Minnesota, is an increasingly popular community development strategy among funders. Examples include Eureka Springs and Rio Dell, California. Big Stone Gap, Virginia draws on the Appalachian and Crooked Road Music Trails to develop its tourism-based economy. A collateral benefit for these strategies is that they attract educated and talented young people who are able to telecommute or look for places to start new businesses.

## **9. Engaging the private sector**

The private sector often proves to be a very effective impetus for economic and community recovery and development. In 9 of the 24 locations scanned, businesses were the drivers of change. In Windsor, local businesses banded together to retrofit the popular industrial park model to a Vermont-style Artisans park. In Iowa, the Fairfield Entrepreneurs Association transformed an agricultural town into a hip, technology-driven local economy. In Elbow Lake, Minnesota businesses sought help from other businesses in modernizing their production and marketing capabilities and reviving their communities. Farmers and dairies in the Hardwick area of Vermont created the momentum that led to the Center for an Agricultural Economy and national exposure. In each place, the private sector partnered with the public sector, educational institutions, and community-based organizations to implement and support their innovations. Private sector-led initiatives influenced community development through their support of education and workforce development and their impact on improvements and amenities to support their employment needs for talent.

## **10. Looking outward to stimulate innovation and expand markets**

Since economies and labor markets are already porous, the more open the boundaries, the greater the range of opportunities for rural citizens, businesses, and officials to learn from places tackling similar issues in different ways. TeCMEN in Florida; ACEnet in Ohio; Marquette in Michigan; and Elbow Lake, Minnesota each developed a strategy that was based on what they learned from counterparts in other parts of the world. Cumberland, Kentucky was advantaged by its membership in the national Rural Community College Initiative and in CraftNet, an international alliance of community colleges. Tupelo, Mississippi has itself become a source of innovation and inspiration, hosting visitors from all over the world who hope to understand how they changed their community.

## **11. Turning natural amenities into economic outcomes**

Rural areas draw on ecotourism, recreational tourism, cultural tourism, and gastro tourism to attract people to visit, spend money, and invest. Research has shown that landscape, climate, and other natural amenities are associated with rural socioeconomic well-being, despite the low salaries associated with the tourism sector (Fleming, McGranahan, & Goetz, 2009). Remote Coös County in northern New Hampshire, with a population of 32,000, hosts about a million visitor trips each year, supporting 142 companies and 2,300 jobs in the leisure and hospitality sector (LeVert, 2017). The effects of the lakes on Branson, Missouri and Pelican Falls, Minnesota; of Mt. Katahdin on Millinocket, Maine; of the Ozarks on Eureka Springs, Arkansas; of the gulf on Salt Spring Island; and of the Appalachians on Cumberland, Kentucky and Nelsonville, Ohio each led to increased eco- and recreational tourism.

## **12. Taking advantage of community philanthropy**

In rural communities with limited resources, the support of a foundation or federal agency willing to help them get started can be just the catalyst and inspiration they need. In Webster Springs, West Virginia, a community foundation partnered with the Beckley Foundation assumed a leadership role to catalyze change, employing an AmeriCorp volunteer to run the program. In Coös County, New Hampshire, the Neil and Louise Tillotson Charitable Fund sponsored the networking events for community leaders that led to more geographically integrated social capital and identified new leaders. Northwest Area Foundation and West Central Initiative Fund investments were catalysts for the success of Tri-State Manufacturers Association in Elbow Lake, Minnesota, and the Appalachian Regional Commission's support, along with multiple foundations, was vital to the early success of ACEnet in Ohio.

## **VII. Methodology**

### **A. Selecting sample sites**

Sites examined were selected based on rural development research, studies conducted by author, suggestions from experts in the field, and literature searches. They were chosen to provide regional, sectoral, and cultural diversity; varying types of economies; and different size communities/regions. Among the 36 places cited, 24 were communities, counties, or regions of fewer than 10,000, 4 had populations of 10-20,000, and 8 over 20,000.

### **B. Phone calls/meetings**

1. Stephan Goetz NE Rural Development Center, Penn State U.
2. Cynthia Mil Duncan, University of New Hampshire
3. Bo Beaulieu, Purdue Center for Regional Development
4. Joe Short, Northern Forest Center, New Hampshire
5. Roger Buell, Southeast KY Community College, Cumberland, Kentucky
6. Nichola Lowe, UNC City & Regional Planning
7. Rachel Welborn, Southern Rural Development Center, Mississippi State U.
8. Betsy Biemann, Coastal Enterprises, Maine,
9. Kirsten Scobie, Tillotson Fund, Hampshire
10. Stacey McCullough, U. of Arkansas Cooperative Extension Service
11. Tom Luttrell, City Manager, Rockland, Maine
12. David Freshwater, U. of Kentucky
13. Cornelia Flora, Iowa State University
14. Tim Wojan, Economic Research Service, Washington, DC
15. Carolyn Fryberger, U of North Carolina
16. Kenneth Pigg, U. of Missouri
17. Brian Dabson, University of North Carolina/Consultant

### **C. Site information data summarized:**

1. Place
2. Time period
3. Initial defining characteristics
4. Effort
5. Geographic boundaries
6. Catalyst
7. Source of leadership
8. Strategies
9. Forms of collaboration
10. Resources
11. Outcomes
12. Challenges
13. Sources

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## APPENDIX A

### Examples of Successful Rural Economic and Community Development

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#### 1. Immigrant entrepreneurs

**Place:** Pelican Rapids, MN; Population 2,374, culturally diverse (46% non-white) immigrant community in Otter Tail County, part of the lake region of western Minnesota.

**When:** 2005 to present.

**Initial Defining Characteristics:** High immigrant population, e.g., Vietnamese, Bosnian, Somali) compared to rural mid-west (25%). Eighteen languages are spoken in the elementary school. Median income less than 2/3 of the state average. The region promotes tourism, boasts of the largest pelican in world in Pelican Rapids—over 15 feet tall. A turkey processing plant offers low skill jobs.

**Effort:** To integrate immigrants into community, nurture their entrepreneurship, and increase their job opportunities.

**Geographic boundaries:** Focus on community but assisted by regional organizations.

**Catalyst:** Grass roots effort started with public meetings held at library to address needs of growing immigrant population.

**Leadership:** West Central Minnesota Cultural Collaborative and Pelican Rapids Public Library.

**Strategies:** Used community development to spur economic development. Focused on integrating schools and building events to integrate their cultures, particularly around music. The schools created a buddy system that pairs immigrant students with American students, and the library now teaches English as a second language and offers bi-lingual story times and is starting a literacy drive. Soon after the schools began educating about the different cultures, the community formed a multi-cultural soccer league that became a source of community pride.

**Collaboration:** Lutheran Social Services, Pelican Rapids Library, West Central Minnesota Cultural Collaborative, and local schools.

**Resources:** West Central Minnesota Cultural Collaborative was a non-profit operating from grants, but it closed in 2014. Public school and library programs continue. Business development is supported by the Pelican Rapids Economic Development Authority, which was established in 1995.

**Outcomes:** The community built a new multi-cultural center and library as economic downtown anchors. It resulted in the growth in immigrant-run businesses, especially downtown retail establishments. A local cast produced a show, “Otter Tales: The Musical,” to celebrate the town’s sesquicentennial year.

**Challenges:** Efforts more successful on social integration and economic growth, closing of the West Central Minnesota Cultural Collaborative,

**Primary Source:** *Small Towns, Big Ideas*, 2008

## 2. Entrepreneurial energy and sustainability

**Place:** Fairfield, IA; population, 9,464, in Jefferson County, in Iowa farm country

**When:** 1989 – present.

**Initial Defining Characteristics:** In 1971, Maharishi University of Management purchased the bankrupt Parsons College. The new school quickly became a magnet for large numbers of business-oriented transcendental meditator students and faculty in a town that previously had depended largely on agriculture and manufacturing for its economy. The initial tensions between the college community and non-meditating local community (“roos” for gurus and townies”) initially caused problems that had to be overcome. Trust was built over time, however, and in 2001, one of the newer resident “meditators” was elected Mayor.

**Effort:** To develop an entrepreneurial economy based on information technologies and sustainability and rebuild the town’s infrastructure around the cultural and recreational amenities needed to attract and retain young entrepreneurs.

**Geographic boundaries:** Town and outlying areas in Jefferson County.

**Catalyst:** Fairfield Entrepreneurs Association (FEA) formed in 1989 and the presence of Maharishi University of Management, which attracted business students from all over the world.

**Leadership:** This was truly a grass roots collaborative effort with no recognized individual leader. The FEA has no paid staff and \$100,000 budget and produces the *Fairfield Business Review*. It formed “economic gardening hot spots” around the town for people to meet, share, learn, and support one another.

**Strategies:** To stimulate an entrepreneurial economy and support a creative and green community/lifestyle that, combined with low costs of rural living, would meet the needs of and retain young talent. Fairfield now has 25 downtown art galleries, 8 vegetarian restaurants, a bike club, an annual film festival, and regular concerts. In 2009, the city produced a Fairfield Go Green Strategic Plan for 2020 to achieve energy independence and make sustainability an integral part of community life.

**Collaboration:** Fairfield Chamber of Commerce, Small Business Development Center, and the Iowa State Center for Community Vitality.

**Resources:** FEA has attracted \$280 M in business investment.

**Outcomes:** Now the center of a successful and growing rural IT cluster and is home to Fairfield Entrepreneurs Hall of Fame. It is frequently highlighted as national success story for rural entrepreneurial development. The community produced a Go-Green Plan for sustainability and Fairfield Strategic Plan. Local businesses offer incentives to buy hybrid cars. The town had created 2,000 new jobs as of 2010.

**Challenges:** Managing its growth, improving cooperation among community organizations, and sustainability.

**Primary Source:** *IECD Economic Journal*, 2010

### **3. Entrepreneurship and ecotourism in the Cumberland Mountains**

**Place:** Big Stone Gap, VA, population 4,800, located in Wise County, in Appalachia's Cumberland Mountains.

**When:** 1998-2007.

**Initial Defining Characteristics:** Poor and isolated mountain town in Appalachia, 94% white. Its economy historically was based on coal and textile industries.

**Effort:** To nurture entrepreneurship and ecotourism, at the time the fastest growing industry in SW Virginia.

**Geographic boundaries:** Focus on the community but drawing on the resources of SW Virginia's Cumberland Mountains—and particularly on Wise county—to attract tourists. Big Stone Gap is 58 miles from closest interstate.

**Catalyst:** The loss of traditional coal and textile jobs leaving many unemployed, and geographic isolation.

**Leadership:** VA Tech Cooperative Extension took the lead in coming up with a strategy based largely on the area's natural attractions and its place on the Virginia Crooked Road heritage music trail

**Strategies:** Cooperative Extension began by offering community workshops to demonstrate how residents could start their own businesses

**Collaboration:** Cooperative Extension, Heart of Appalachia Tourism Authority, and Mountain Empire Community College and its Small Business Development Center

**Resources:** Southwest Virginia Community Development Finance and Appalachian Regional Commission.

**Outcomes:** Entrepreneurial strategies are long term and require close support networks. It is now included along the Coal Canyon Trail of the Spearhead Trail for ATVs, currently SW Virginia's biggest tourist attraction.

**Primary Source:** *Small Towns, Big Ideas*, 2008, Updated in UNC Kenan Institute Web site

#### **4. Multi-faceted approach to rural development**

**Place:** Potsdam, NY, Population 17,029

**When:** 1990 to present

**Initial Defining Characteristics:**

**Effort:** A multi-county regional approach to meeting rural community and economic needs

**Geographic boundaries:** Serves six counties in NY's North Country: Clinton, Essex, Franklin, Jefferson, Lewis, and St. Lawrence.

**Catalyst:** The former president of State University of New York at Potsdam, William Merwin, created the Merwin Rural services Institute to encourage rural leadership and build relationships.

**Leadership:** Director of Merwin Rural Services Institute, an independent entity located at State University of New York.

**Strategies:** Coordinates community efforts through an umbrella organization at the university and its regional campuses that brings together local stakeholders, creates advisory groups of community leaders and address a side range of issues such as health care, social services, and economic development. The Institute complements rather than competes with existing organizations, providing research and helping with grant writing. It publishes an Economic Development Newsletter and annual Socio-Economic Profile of New York's North Country.

**Collaboration:** County governments, North Country Coalition of Social Services Commissions, and Health Care Advisory Group.

**Resources:** University supported.

**Outcomes:** Scores of new graduate registered nurses are working at local hospitals, expanded leadership training, support for local businesses, and stronger connections between communities and higher education.

**Challenges:** Retaining high levels of interest and support at the university-based institute

**Primary Source:** *Cultivating Successful Rural Economies*, 2001

#### **5. The collective value of networking**

**Place:** Fort Walton Beach, FL; population 21,895

**When:** 1994 to present.

**Initial Defining Characteristics:** Fort Walton in a small, politically conservative city in Okaloosa County, which is in Florida's panhandle. The town is 19% minority. Its economy had been mainly fishing and seasonal beach resort (known as the "Redneck Riviera"), but with the help of the community college, it has been working to develop a high-tech industry cluster to serve the naval bases at nearby Pensacola, which is known as the "cradle of naval aviation."

**Effort:** To convince independent technology companies to collaborate and network in order to innovate, reach new markets, and local boost the economy.

**Geographic boundaries:** Okaloosa and Walton counties, but also including member businesses located in outlying communities.

**Catalyst:** A \$100,000 grant from the Alfred P. Sloan Foundation via RTS to the community college. The grant was to apply forms of collaboration successful in northern Italy via a network brokering model developed for Denmark. The grant was matched by state funds. The idea was introduced and supported by a conference organized in 1995 for the business, education, and development communities by RTS and the college. RTS brought speakers representing government, unions, and artisan organizations in northern Italy, and policy experts from Denmark and OECD to Fort Walton Beach.

**Leadership:** Dr. David Goetsch, Dean from Okaloosa-Walton Community College, the local economic development council, and a core group of high-tech companies seeking to expand their products and markets.

**Strategies:** To organize business leaders, aggregate their training and research needs, and broker networks among members based on potential business deals.

**Collaboration:** Okaloosa-Walton Community College and the economic development partnership. The primary purpose of [TeCMEN](#) has been to foster cooperation/collaboration among businesses and service providers.

**Resources:** Initially, grant to Okaloosa-Walton Community College from Sloan Foundation via RTS, Inc. matched by Florida legislature. Ultimately, TeCMEN became a dues-based organization that applied for grants for specific projects

**Outcomes:** Formation of TeCMEN, Technology Coast Manufacturing and Engineering Network. There was little community involvement except through the college; it was primarily an economic, not community development effort.

**Challenges:** Involves technology-based businesses and although employment opportunities have increased, their focus is primarily on profits and the military, not the community. Closest connection to the community is through the community college.

**Primary Source:** *Compendium of Clusters in Less Populated Areas*, 2009; personal visits

## **6. Using western art and culture to generate new economy opportunities.**

**Place:** Sheridan, WY; population 17,860

**When:** 2008 to present

**Initial Defining Characteristics:** A relatively isolated western small city with a committed folk art/creative base but it had been losing much of the western character that attracted people due to the modernization of its Main Street. Large employers had been leaving or downsizing while its neighboring county to the east was prospering from a booming coal shale extraction industry, but with low skill employment needs and without a creative base.

**Effort:** To strengthen and promote the western art and culture of Sheridan County and Johnson County to its south. The aim was to increase jobs and wealth and attract sustainable businesses to replace declining employment in traditional manufacturing and natural resources.

**Geographic boundaries:** Sheridan (30,210) and Johnson (8,476) counties.

**Catalyst:** The Mayor of Sheridan was committed to rebuilding the downtown, beginning by contracting with western style sculpture artists to lease sculptures and place in front of buildings along Main Street. Sculptures could then be purchased by merchants, the city, or by visitors (which would then be replaced). A study of the creative economy of Sheridan and Johnson Counties completed in 2009 moved the needle and obtained the coordinated support of the Chamber, downtown business association and community college.

**Leadership:** The Mayor's vision and initial idea for the Main street sculptures was instrumental and the Northern Wyoming Community College District and Sheridan Chamber of Commerce took the next steps to develop a creative economy plan that included supporting local creatives.

**Strategies:** Expand career paths in creative fields at the community college and opportunities and support business development.

**Collaboration:** Sheridan Artists Guild, various local arts organizations, Downtown Sheridan Association, Buffalo Chamber of Commerce, and the Wyoming State Arts Council all bought into the plan and vision.

**Resources:** Wyoming Business Council, U.S. Economic Development Administration, Sheridan Chamber of Commerce, and Forward Sheridan each supported the study and implementation.

**Outcomes:** Redeveloped downtown to remove artificial fronts to buildings to reveal historic architecture, established downtown art walks, created weekly downtown Farmer’s Market that integrated film arts and crafts, and music. Population and employment growth at about the national level but much higher than rural growth nationally.

**Challenges:** Difficult access with closest convenient air hub 2+ hours away in Billings, MT, integrating the Crowe Nation into the plans, loss of manufacturing jobs, and competition from other Wyoming small cities.

**Primary Source:** *Tradition, Expression, and Recognition: Creative Opportunities in the New West, 2008*; multiple site visits.

## **7. Appalachian Center for Economic Networks (ACEnet)**

**Place:** Located in Nelsonville, Ohio, population 5,292, but serves eight rural counties in southeastern/Appalachian Ohio.

**When:** 1985 to present.

**Effort:** It began as a community development effort that focused on creating jobs for low-income people in worker-owned enterprises along with a community-wide economic revitalization that targeted food production. The mission later expanded to encompass wood products, women business ownership, and support for entrepreneurs.

**Geographic boundaries:** Initially it covered an eight-county ARC region but its success led it an expansion that encompassed all 32 Appalachian counties of eastern Ohio.

**Catalyst:** A non-profit dedicated to promoting collaboration among small businesses and proving start-up space and services

**Leadership:** June Holley, founder of ACEnet

**Strategies:** Initially interested in worker ownership based on European models, ACEnet successfully starting 10 worker cooperatives. June Holley became interested in the northern Italian concept of flexible business networks and collective services, traveled to Europe (with a grant from this writer) to learn about networks first hand. On returning, ACEnet applied those lessons to build production and marketing networks in rural counties beginning with specialty food sectors. The effort included a Cooperative Business Center and a Kitchen Incubator, both targeting low-income populations. Its success led to expanded efforts including a Wood Products Manufacturing Center, a Microenterprise Program Trainer, Entrepreneurship courses, an annual Women in Business Conference.

**Collaboration:** The underlying goal of ACEnet is to promote collaboration among businesses, suppliers, and services. At the organizational level, ACEnet is a member of the ARC-supported Central Appalachian Network, which includes nine community-based economic development entities in central Appalachia targeting sustainable development, three located in same part of Appalachia. This alliance merges the strengths of various non-profits working in the larger region. ACEnet also partners with local technical schools and Hocking Community College. A lesson learned in an Aspen evaluation was that “pursuing relationships, joining associations and developing a wide range of partnerships with others [other non-profits and service providers] in the sector is key to cost-effectively mobilizing resources for clients.”

**Resources:** Grants from the Appalachian Regional Commission, Farmers Home Administration, Ohio Department of Development, Athens County Community Development Block Grant

program, Ford, Kellogg, and other foundations, local donors, and loans from the Campaign for Human Development and religious funders.

**Outcomes:** A nationally renowned and expanded program in operation for more than 30 years through a succession of capable directors. Hocking Community College hosts the Foothills School of American Art, offers a strong culinary program and entrepreneurial education. Major part of ACEnet's success has been helping conventional specialty food businesses learn how to move upscale by differentiating their products through artistic design and giving them meaning through stories. An Aspen Institute evaluation in 2000 found \$2.6 M in increase sales during 1997 and 98, 54 new businesses started, 146 jobs created. The original director, June Holley, currently consults on network development.

**Challenges:** Finding continuity after June Holley retired to start her own networking business, which it did. Still limited to specific industry clusters—primarily food related—and microenterprises.

**Primary Source:** *Making the Connection: Appalachian Center for Economic Networks*, 2000

## 8. Log Home Alley in western Montana

**Place:** Ravalli County (population 42,563) in the Bitterroot Valley in western Montana and Hamilton (population 4,278) is its largest town.

**Year:** A major expansion to full-size log home building occurred in the 1980s.

**Initial Defining Characteristics:** Early beginnings date back to when the depression era Civilian Conservation Corp wound down in 1938 and workers wanting to remain in the area needed private sector employment. Many looked to the value-added wood industry.

**Effort:** To develop a log home-based economy that would support the population of the valley.

**Geographic boundaries:** The industry is primarily located in Ravalli County, population 41,130

**Catalyst:** With close proximity to logging operations, one company, National Log Construction, established a milled log home company in 1946. That led to a large number of spinoffs from National Log and attracted other entrepreneurs to start log home companies—37 new firms between 1988-98.

**Leadership:** The leadership came from the industry itself, which recognized its collective interests.

**Strategies:** The region's economic success is driven by innovation within the industry. A major breakthrough occurred in 1972 when Alpine Log Homes reinvented the industry by devising and documenting (new industry standards) a way to assemble, disassemble, ship, and reassemble log homes on site. That innovation greatly increased employment opportunities in the valley.

**Collaboration:** Collaboration and networking are common. As one owner told me, "everybody knows everybody in the industry...we used to think we were all enemies...now the best thinks about our organizations are in learning what someone else is doing and what may be beneficial to you."

**Resources:** The industry draws on Montana Manufacturing Extension, the School of Business at the University of Montana, and the Montana School of Log Building in Three Forks.

**Outcomes:** The collective goal is to become the leading cluster in the US. constructing log homes, which it has accomplished. The cluster includes not just builders but sawmills, suppliers, specialized transportation companies, design, marketing, and engineering firms, etc. The economy also has expanded to include entrepreneurs producing functional and artistic products from wood and services in the industry. In recent years, the county has promoted its recreational

advantages and attracted some high-tech businesses and a couple of microbreweries (Lynch, 2019). The population and average incomes are growing, slower than the U.S average but higher than rural average.

**Challenges:** Highly dependent on a single industry with slow reductions in accessible timber, and still too much low-skilled employment. No pathways into the industry at community or technical colleges, even as increased need for technical skills to use new equipment. Bitterroot College in Hamilton offers mainly cosmetology degrees but nothing that matches the needs of industry.

**Primary Source:** *Prefabricated Log Homes and Complementary Products in Western Montana*, OECD, 2004, site visits.

## 9. Arts and alternative lifestyle

**Place:** Salt Spring Island, British Columbia, is a 70 square mile island with a population of 13,000. The largest town is Ganges, population 6,000. The island depends heavily on agriculture, arts, and tourism for its economy.

**When:** 2015 to present

**Effort:** Further develop its creative economy and attract tourists to overcome the problems of an aging population caused by outmigration of youth; lower than average (for Canada) incomes; high reliance on tourist season and thus on part-time and seasonal employment; and a lack of large stable employers.

**Geographic boundaries:** One of Canadian Gulf Islands, Salt Spring is situated between Vancouver and Vancouver Island and accessible by only ferry or float plane.

**Catalyst:** The Salt Springs Arts Council played a role in creating the island's brand. In 2015 the Community Economic Development Commission (CEDC) formulated an action plan

**Leadership:** The Community Economic Development Commission, which has nine volunteer commissioners.

**Strategies:** in 2016, a strategic plan laid out a process for linking agriculture to other sectors, increasing off-season tourism, training for and increasing off-island marketing, grassroots improvements in the two largest towns, and increasing advocacy for economic development and off-island advocacy.

**Collaboration:** The Island is strong in social capital, with many robust volunteer organizations that provide community services. It is home to 250 not-for-profit organizations, one for every 40 residents, 70 of which are registered charities. In 2000, roundtable discussions of the Sustainable Salt Spring Island Coalition led to the establishment of a local currency in the fall of 2000. In July 2001, a Salt Spring Island Monetary Foundation was established and registered with the Province of British Columbia. Each bill had the image of a distinct figure from Salt Spring history. In 2014, the CEDC invited suggestions from 50 different island organizations with an interest in economic development.

**Resources:** The Community Economic Development Commission, part of the Capital Regional District, is expected to find the resources needed to implement strategies.

**Outcomes:** No data yet

**Challenges:** The island will require resources not yet in hand and depend on attracting young entrepreneurs who may find a stronger creative community and more opportunity in the neighborhoods of the city of Vancouver.

**Primary Source:** *Toward a More Resilient Salt Spring*, 2014

## 10. Tri-State Manufacturers Association

**Place:** Elbow Lake, MN, population 1,151, is a western Minnesota county claiming more than 1,000 lakes.

**When:** 1989 to present

**Initial Defining Characteristics:** Stable manufacturing base but isolated and with few growth prospects, and a declining population

**Effort:** Initiated by business leaders to find ways to learn from and work with their peers—previously viewed as competitors—for their mutual benefit and long-term sustainability.

**Geographic boundaries:** The plan focused on companies in about a 30-mile radius of Elbow Lake. This rural, primarily agricultural, relatively low-income part of Minnesota, and losing its young people. It soon expanded to a 75-mile radius that included portions of eastern North and South Dakota.

**Catalyst:** A small group of about 8-10 metals manufacturers who felt isolated from peers sought a forum for social interaction. They realized that together they might better address their common problems such as technology adoption, production, and technical workforce needs. At an early meeting of the group, a representative of the Norris Institute introduced them to the northern Italian concept of flexible manufacturing networks. A three-year grant from the Northwest Area Foundation provided the resources to identify other small manufacturers, formally organize, and form networks of businesses with common interests to achieve economies of scale.

**Leadership:** Clint Groves, President of COSMOS Enterprises in Elbow Lake was the visionary who initially brought the companies together, which eventually became the [Tri-State Manufacturers Association](#).

**Strategies:** To create an organization representing small manufacturers and to find ways to market, innovate, train, and distribute goods more effectively and efficiently through collaboration. An initial project that brought them together was the collective design of a rocking wheelchair that would allow chair bound people to also rock. Although it never was taken to market, the experience of designing and developing a prototype collaboratively was a binding force for the organization. Today its mission statement includes not only programs to enhance the success of members but also their communities.

**Collaboration:** The mission of the organization is increased collaboration among competing companies and increase wealth in the regional economy. Strong connections to Alexandria Technical College and secondary schools to find ways to retain youth and increase interest in careers in manufacturing.

**Resources:** A three-year grant from NWAFF jumpstarted the organization but TSMA also received grants from the Western Minnesota Initiatives, Minnesota Technology, Inc. and membership dues.

**Outcomes:** The organization founded a small grants program for members, joint booths at trade shows, cooperative rental space, cooperative bids on contracts, and the formation of “Women in New Development.” Membership has expanded to include the local schools and economic development organizations. The organization, though independent, is partnered with the Central Minnesota Manufacturers Associations and Arrowhead Manufacturers and Fabricators Association. An early evaluation found that most firms had increased sales compared to three years earlier but the most important outcome for them was learning and access to new ideas and information.

**Challenges:** Overdependence on manufacturing, weak connections between business and community organizations except through education, critical to both

**Primary Source:** “An Evaluation of Manufacturing Networks in Five Rural Areas,” 1993; *Compendium of Clusters in Less Populated Areas*, 2009, site visits

## 11. Building on sustainable agriculture

**Place:** Hardwick, VT, population 3,010.

**When:** 2007 to present.

**Initial Defining Characteristics:** Hardwick was a poor, depressed, blue collar hill town, home to 300 granite companies in 1920s. In 2007, its median income was 25% below the state average.

**Effort:** To rebuild the local economy based on organic, small scale, artisanal agriculture.

**Geographic boundaries:** The boundaries of the effort began with the township but quickly reached into adjacent townships and then the region and state.

**Catalyst:** A small number of farsighted farmers (e.g., Tom Stearns, Andrew Meyer, Todd Pinkham) had a vision for an artisanal, collaborative food economy that would become life changing for the community.

**Leadership:** From the ag sectors: High Mowing Organic Seeds, Heartbeet Lifesharing, Jasper Hill Farm, High Fields Center for Composting, and The [Center for an Agricultural Economy](#)

**Strategies:** Revitalize and brand a town based on sustainable agriculture and innovation.

**Collaboration:** Farmers and businessmen met informally monthly to share experiences concerning business planning and marketing or to pass on new ideas and information. They promote one another’s products at trade fairs and buy equipment at auctions that they know their colleagues need. For example, Vermont Soy stores and cleans beans at High Mowing, which lends its tractors to High Fields, a local compositing company. High Mowing’s byproducts—pumpkins and squash that have been smashed to extract seeds—are purchased by Pete’s Greens and turned into soup. Local businesses share capital and in the first couple of years lent each other about \$300,000 in short-term loans. The Center for an Agricultural Economy (CAE) views itself as a “living laboratory for a working, interdependent rural food system” that takes risks, initiates change, and forms partnerships so that stakeholders have a voice within the new food system.

**Resources:** The Northern Vermont, Development Association, Economic Development Administration, HUD Community Development Block Grant, USDA Rural Business Grant, Vermont Small Business Development Center, and Senate Appropriations grant.

**Outcomes:** The CAE bought a 15-acre property to start a center for agricultural education and host a year-round farmers’ market and a community garden, which started with one plot and now has 22, with a greenhouse and a paid gardening specialist, and supports the Hardwick Area Food Pantry. In 2012, the CAE opened a Vermont Food Venture Center as a food incubator. Pete’s Greens, for example, served 54,000 meals to more than 300 families in 2017, including seniors and children. The Center’s current plans include building a Hardwick Business Accelerator for food and wood products businesses. The town also is now nationally recognized as a successful food hub but also has become a cultural magnet. Residents raised \$260,000 to refurbish the opera house, turned a former meat locker into an art gallery, is creating biking trails and the Atkins Field Community Commons. Priorities in a Hardwick Community Action Plan in 2016 included improved mentorship and career building for local youth, expanded library space and programming, enhancing the downtown but preserving its history, and a new recreational center.

**Limitation:** Being over ambitious, spreading its resources too thin by attempting to assist a much larger geographic region.

**Primary Sources:** *The Town That Food Saved*, 2009; “Uniting Around Food to Save an Ailing Town,” 2008; site visits

## **12. Replacing racial barriers with community cohesion**

**Place:** Tupelo, MS, population, 38,114, in Lee County

**When:** Late 1940s to present.

**Initial Defining Characteristics:** High rates of illiteracy, low incomes, and owner-labor disputes in the post-war years. Although now in a small metro area, it was quite rural in the 1950s when the intervention began. Its subsequent rapid industrial and population growth since that time has been due largely to the success of its motion furniture industry and, quite recently, to the recruitment of a large Toyota production facility. The area, which includes the birthplace of Elvis Presley, is very family oriented, and quite politically conservative.

**Effort:** To bring together urban and rural communities to address common problems, including racial disparities.

**Geographic boundaries:** Counties in the Appalachian region of northeastern Mississippi.

**Catalyst:** In 1948, McLean dissolved the Rural Community Development Council and Tupelo Chamber of Commerce and replaced the two with the *Community Development Foundation*, which merged the rural interests with those of the town. McLean later endowed a nonprofit CREATE Foundation that would retain its independence and local focus. David Rumbarger is the current President of CDF and responsible for attracting the Toyota plant.

**Leadership:** The success of Tupelo stemmed from the vision of an individual, George McLean, editor/owner of local *Tupelo Journal* and Rural Community Development Councils. He convinced businesses that it was in their self-interest to help increase all incomes because it would increase local spending power. Economic leadership came from Futorian Furniture, whose employees eventually spun out over 200 competing companies producing or contributing to the production of motion furniture.

**Strategies:** Community development, recognizing the collective achievements of communities, not individuals. Among the earliest accomplishments of the CDF were to build child-care centers, invest in adult education and leadership training, and, soon after, to create a community college aimed at vocational preparation. Tupelo also is home to a small business development center.

**Collaboration:** The CDF from the start engaged with community organizations across the region, including the African-American Councils long before the South was integrated. This model based on collaboration became known internationally as “The Tupelo Model.” Very high levels of informal social capital as a result of the friendships that have developed as employees change jobs in the furniture industry and through churches and schools.

**Resources:** CREATE Foundation, Appalachian Regional Commission. CDF helps access Mississippi’s property tax exemptions, international trade zone advantages, Freeport warehousing inventory tax exemptions, and capital investment advancements. Itawamba Community College also worked closely with CDF and other community organizations to support the economic growth of the region.

**Outcomes:** Tupelo has become one the most frequently cited success stories in Mississippi and the Appalachian Region. In the early 1960S it was the first county in the state to address labor-business conflicts and racial inequities and the first to integrate its schools. Today Tupelo has

one of the most effective school systems in the U.S. and one of the most effective community colleges. By 2003, teams from more than 300 communities in 63 countries had come to Tupelo to learn about their success. It is also known as the most successful motion furniture cluster in the world. In 2011, due to the strength of the CDF, its work force, education, and growing cultural assets, it attracted the Toyota plant that now employs 1,500.

**Challenges:** High rates of growth outstripping labor markets. High turnover among furniture companies due to competition among companies for low income labor. Foreign competition resulting in outsourcing of elements of the manufacturing supply chains, e.g., more furniture legs and fabrics coming from Asia.

**Primary Source:** *Better Together, Tupelo: The Evolution of a Community*, 2003; site visits.

### **13. Artisan's Park: Research Triangle Park, Vermont Style**

**Place:** Windsor, VT, located in Windsor County, has a population of 3,398. It was chartered in 1761 and is the location of signing of the Constitution of Vermont Republic in 1777.

**When:** 2010 to present.

**Initial Defining Characteristics:** Loss of historic manufacturing base, low median incomes, absence of an economic engine to drive the economy, outmigration of youth.

**Effort:** To resurrect the economy of a town that had been Vermont's largest town in 1820 by creating an economic business hub through an innovative type of industrial park, one that integrates production, creativity, retail, and storytelling.

**Geographic boundaries:** The focus of development efforts have been the town but the impact is on the larger commuting area and the county.

**Catalyst:** The Springfield Regional Development Corporation, Two Rivers-Ottawaquechee Regional Commission, East Central Vermont Economic Development District, and microbrewery.

**Leadership:** The regional development office working with managers of the largest initial tenants, Simon Pearce Glass and Pottery, Harpoon Brewery, and Silo Distillery.

**Strategies:** Developing Historic Windsor using its industrial and political history and historical structures and building an "industrial" park for growing creative industries and as a source of employment, entrepreneurial, and tourism opportunities. The community is basing its development on the park as an anchor but relating it to the larger artisanal character of the town and economy. For example, the American Precision Museum that celebrates the ingenuity of mechanical arts nearby is another attraction based on local artisanal arts.

**Collaboration:** High levels of collaboration and co-branding among the businesses in the Park. Harpoon, SILO Crafted Spirits, Simon Pearce, Great River Outfitters, Sustainable Farmer, Vermont Farmstead Cheese, Blake Hill Preserves, Oh! Veggies, Path of Life Garden. Hold joint social and community events.

**Resources:** Simon Pearce bought the land to expand, support from the small business development center, grants for training from Vermont Department of Labor, support from the Vermont Specialty Food Association and Vermont Brewers Association.

**Outcomes:** Artisans Park has attracted new tenants since it opened, led to collaboration among tenants in marketing and promoting each other's products (e.g., Harpoon uses glasses made by Pearce Glass and pair beers with cheeses made by VT Farmstead Cheese) and it has become a major tourist attraction for the area.

**Challenges:** Young people still leaving and shortage of skilled labor forcing them to look outside of the region. Carefully assess potential tenants retain Vermont trademark and moderate expansion.

**Primary Sources:** *Artists, Artisans, and Entrepreneurs: Creative Economy of Vermont's East Central Vermont Region*, 2016; personal interview notes.

#### **14. A Better future for an Appalachian coal county**

**Place:** Cumberland, KY, population 2,237, is featured in numerous popular songs including "You'll Never Leave Harlan Alive," "Going Back to Harlan," and "Harlan County Line."

**When:** 1994 to present.

**Initial Defining Characteristics:** Declining coal industry, high unemployment, low levels of educational attainment, decades of labor-management strife, rising rates of drug addiction, and a declining population.

**Effort:** Southeast Kentucky Community College led the effort to reduce rates of drug addiction and poverty and replace declining coal industry by supporting enrollments among low-income residents and retraining the work force.

**Geographic boundaries:** Cumberland is located in the northeastern side of Harlan County, the most southeastern county in the state. The community college serves three counties but also reaches across the state line into Virginia and Tennessee.

**Catalyst:** The impetus was the rise in drug addiction but the catalyst for change was the community college. It was supported from the Kentucky Community and Technical College system, the Appalachian Regional Commission, and the Ford Foundation's Rural Community College Initiative but also by the community.

**Leadership:** Bruce Ayers, president of Southeast Kentucky Community and Technical College (SKCTC) and Robert Gipe, Director of the Godbey Cultural Center and Appalachian Teaching Project led the effort, along with SKCTC's Community & Business Development Office.

**Strategies:** The college was founded as a community college in 1960, but when the system merged with the state's secondary technical schools in 2001, it became part of an independent technical and community college system. The college has played an increasingly prominent role in economic and community development for a depressed and underserved region. An early college project was the creation of a coal mine and museum exhibition and tour and Benham Schoolhouse Inn in Lynch (once population 10,000, now less than 1,000) visitors understand what mining was like at its peak. Another part of the strategy was to engage residents—especially drug-prone young people—to showcase the towns' culture and history in artistic and engaging ways that can instill pride in citizens. The process was intended to also encourage entrepreneurship and draw tourists. The college's Civil Rights History Project and archives are housed at the College's American Folklife Center, available to mountain people to help them better understand and preserve their history and culture. Another college-led project was to write and present a series of plays about the area's colorful and sometimes brutal history called "[Higher Ground](#)." A highlight was an invitation to perform the show at the Kennedy Center in Washington, DC and coverage in the New York Times.

**Collaboration:** The Appalachian Teaching Project managed by the community college engaged a broad array of local citizens who worked to revitalize the community history and culture in ways that enhance the business development and strengthen the community. All projects were collaborative, including creating mosaic art work around the towns that required firing over two thousand tiles made by participants to tell the local history. One mosaic, "If these hills could

talk,” was made by 50 citizens working together, and another that was located on Pine Mountain involved 118 people. Some of the collaboration occurred through community institutions such as the Eastern Kentucky Social Club, which holds reunions to celebrate family and history. The college’s membership and active participation in the national Rural Community College Initiative, a Ford Foundation-funded rural network; and in CraftNet, an international, and mostly rural, alliance of community college, allowed the college to make connections to and learn from places well outside of the county’s and nation’s borders.

**Resources:** Appalachian Regional Commission, Eastern KY Coal County Transformation Grant, Shaping Our Appalachian Region (SOAR), Ford and Kellogg Foundations.

**Outcomes:** The ARC’s Appalachian Teaching Project targets students in 15 participating schools to develop leadership skills, community building, asset development, and strategic planning.

Created the Pine Mountain Community Development Corporation in 1997 to make loans to businesses and gave out 13 business startup grants that required accepting technical assistance in early years; received a \$2.55 M grant to restore the Exhibition mine and create a 40 foot scenic observation tower. Established a Digital Career Now! Center at Godbey Center where vendors train students to support digital economy or start their own businesses and pay them \$12/hour as interns to provide support across the county.

**Challenges:** Loss of coal jobs; continued, though lessened, drug addiction; attracting employers to replace coal; and retaining population as young people choose to leave.

**Primary Sources:** Rural Community College Initiative reports; press coverage, personal interviews, visits.

## **15. Creating a regional organizational structure to rebrand the county**

**Place:** Coös County, NH, population 33,055. Its largest town is Berlin, population 10,000

**Year:** 2010 to present.

**Initial Defining Characteristics:** The least populated county in the state; dependence on lumber, pulp and paper industry since 1880s, all now in decline; home to three large paper mills, all closed in 2001; an aging population and low median income; and a proliferation of community development organizations and very decentralized services with ten town-based economic development organizations, six newspapers, and seven high schools.

**Effort:** To bring the many disparate economic, civic and social organizations together to develop a common plan for the region by organizing regional symposia that reached across the county.

**Geographic boundaries:** Coös, northern-most county in the state, bordered by Vermont, Maine, and Canada. Economic and social connections spill across those borders.

**Catalyst:** The Tillotson Fund of the New Hampshire Charitable Foundation, which sponsored the annual Coös Symposium to network community leaders. The first symposium was held in 2007.

**Leadership:** Broad-based symposium planning committee.

**Strategies:** To bring together community leaders to find ways to build relationships and address problems collectively and collaboratively.

**Collaboration:** The county has three primary towns that define sub-regions, but they have not collaborated nearly as much as they might have. Therefore, a primary goal was to build broad-based collaboration and networking at all levels across the communities.

**Resources:** New Hampshire Charitable Foundation and White Mountain Community College.

**Outcomes:** Increased information sharing among towns. Potential of new jobs from reopening of federal prison. Following three symposia, 93% of residents agreed that people are willing to help their neighbor, 88% said people trust and get along with one another, and 81% agreed people would work together on local problems.

**Challenges:** Perceived deteriorating education; job creation and economic development; finding ways to new industries that can offer better jobs than what people expect from tourism; lack of innovators/innovative ideas; and geographic isolation.

**Primary Source:** *Forging the Future, 2012*; “Stretching Ties,” 2011; interviews

## **16. Establishing a new identity**

**Place:** Rockland, Maine; population 7,600

**When:** Early 1990s

**Initial Defining Characteristics:** The city’s economy was initially dependent on lime and granite production and later on fishing and fish processing. Rockland had a reputation as a tough, working class town. The strong odors from the sardine and lobster processing served to discourage tourism.

**Effort:** To renovate and revitalize the downtown and develop off-season attractions making Rockland a cultural rather than industrial center, and to re-brand Rockland as the art and the lobster capital of the east.

**Geographic boundaries:** Rockland is on the mid-eastern coast of Maine, just north of St. George Peninsula and south of the more upscale town of Camden.

**Catalyst:** Early investments by MCNB and Camden National Bank went towards purchasing and renovating major downtown buildings. A opening of a new woman-owned “Second Read” book store and coffee shop in 1992, the Farnsworth Art Museum in 1998, the renovation of the Strand Theater in 1995, and designation as a National Historic Preservation Trust Main Street all contributed heavily to the town’s cultural image and attracted growing numbers of summer visitors. The recent move of the Center for Maine Contemporary Art from Rockport to a new facility in Rockland in 2016 was icing on the cake.

**Leadership:** Rockland City Council.

**Strategies:** To shift focus from being known as a fishing and manufacturing economy to becoming a cultural hub that attracts both artisans and tourists.

**Collaboration:** Rockland is part of the municipally led [Mid-Coast Economic Development District](#), which provides services including grant administration, and meets frequently to coordinate planning for the region and the Maine Coast Fishermen’s Association. Community participation is mainly via hearings that are held by the Planning Board before making any significant changes to the town’s character.

**Resources:** Community Development Block Grants, Maine Department of Transportation, Historic Building Tax Credits, and protective zoning.

**Outcomes:** 2009 Downtown Revitalization Plan won Northern New England Chapter of American Planning Association’s 2010 plan of the year.

**Challenges:** Reductions in fishing, lobster industry, seasonality of revenues and jobs caused by large summer resident and tourism population. Maintaining the town’s working class heritage with the employment shift from industrial to cultural sectors. Lack of concerted efforts to attract entrepreneurs and telecommuters.

**Primary Sources:** *Case Studies in Community Vitality and Downtown Revitalization: A Focus on Maine’s Employment and Service Hubs, 2011*; Phone interviews.

## **17. Advanced materials cluster**

**Place:** Wilkesboro, NC; population 3,491. Located in Wilkes County in the Blue Ridge mountains and within the Appalachian Regional Commission region.

**When:** 2004 to present

**Initial Defining Characteristics:** One of ARC's and North Carolina's most distressed counties.

**Effort:** Joined with regional neighbors in three adjoining counties to form a NC Advanced Materials Cluster, part of a North Carolina state-led effort to develop an industry cluster in a rural part of the state.

**Geographic boundaries:** Cluster spans Alleghany, Ashe, and Wilkes Counties, all in Appalachia.

**Catalyst:** Recruitment in 1995 of a 450-employee compressor plant to Sparta

**Leadership:** Collaborative leadership across the triple helix of government, industry and academia spurred an innovative approach to regional development. Dear Hauser from Wilks Community College Dean also Executive Director of NW North Carolina Advanced Materials Cluster.

**Strategies:** Develop the needed work force, including new 2-year and 4-year degree programs; increase collaboration among business and education; encourage business networking; establish an Advanced Materials Center; and attract new businesses to the area.

**Collaboration:** Three county governments, Martin Marietta, Wilkes Community College. Advisory Boards also included various town managers.

**Resources:** NC Rural Development Center grant of \$120,000, Duke Endowment of \$21,000, Golden Leaf Foundation \$1.2 m commitment, matching grants from three county governments, three county governments.

**Outcomes:** County officials entered into first inter-local agreement on economic development; created new certified composite technician training program, one of three in U.S.; upgraded physical infrastructure including water treatment. The cluster. However, did not meet the State's expectations. A single employer, Martin Marietta, was not enough to sustain a cluster, and the company's supply chain did not grow as anticipated.

**Challenges:** Partnerships involvement at high levels, did not really involve citizen organizations. Over-reaching plans with insufficient concentration of current or potential suppliers to operate as a cluster and or inadequate access to technologies to achieve its goals.

**Primary Source:** *To provide information in support of a Business/Industry Economic Development Program for the North Carolina Emerging Advanced Materials Industry, 2004; site visits and conducted workshops.*

## **18. Incubating a wine cluster**

**Place:** Walla Walla, WA, population 32,884, up 24% from 26,478 in 1990.

**Year:** 1990s to present

**Initial Defining Characteristics:** Small wine industry with only six wineries until mid-1990s. Further growth has been severely hampered by lack of labor force.

**Effort:** To develop the labor force skills and potential entrepreneurs to expand the region's wine industry and to develop the regional economy based on wine, food and arts.

**Geographic boundaries:** Walla Walla is near southern border of Washington but isolated, more than 3 hours from major city and airport.

**Catalyst:** [Center for Enology and Viticulture](#) at Walla Walla Community College (college established in 1967) that opened in 2003 as a partnership between the existing wine industry and the college. It was then one of only two such registered college-based wine centers in the U.S.

**Leadership:** Steve VanAusdle, former economic development director and recently retired President of Walla Walla Community College, was the force behind getting the center and its programs underway and connecting it to economic development.

**Strategies:** To expand the economy by developing entrepreneurs who would expand the wine cluster and attract many more tourists. Both were aimed at creating more jobs, in the cluster but also in tourism because wine tourists spend about 2.5 times average tourists.

**Collaboration:** The Center and curricula were planned in collaboration with industry. The Center also partners with the Blue Mountain Arts Alliance. The community college has a local governing board and works with various community organizations.

**Resources:** Washington State U. Cooperative Extension, Walla Walla Wine Alliance. The Center was 80% dependent on hundreds of private donations and competitive grants. The remainder came from the Washington State legislature, Walla Wall County, and Port of Walla Walla.

**Outcomes:** When VanAusdle became president of the college there were six wine producers, when the college opened the Center, there were 23 in the region. Today there are 140, many started by graduates of the college program, many of whom were from mid- and low-income family backgrounds. As the reputation of the Center spread it also attracted students from other parts of the U.S. and other countries. The Center helped develop stronger programs in the arts, culinary, and sustainable agriculture and to expand “farm to fork” efforts. The arts in particular have been influenced by the wine cluster, with a “Vineyard Van Gogh” artist and the Walla Walla Foundry giving artistic welding students a chance to become artists.

**Challenges:** Isolation and lack of convenient transportation. Competition as states look more to wineries for agricultural and tourism revenue.

**Primary Sources:** *Community Colleges, Clusters, and Competition: A Case from Washington Wine Country*, 2009; conversations with Steven VanAusdle, college president.

## 19. Bridging cultures

**Place:** Eureka Springs, AR, in the Ozarks’ Carroll County, Population 2,278

**When:** 2006 to present

**Initial Defining Characteristics:** Eureka Springs was known in the early decades of the 20<sup>th</sup> century for the curative value of its “healing springs,” but much of that appeal disappeared with the maturing of modern medicine. The economy was revived in the 1960s when racist conservative Gerald K. Smith built a 7-story Christ in the Ozarks statue, opened a biblical park, and produced a Passion Play, all aimed at attracting religious tourists. In the 1970s, creative and artistic hippies and urban dropouts began arriving, attracted by the early history of the springs and by the Ozarks. They brought very different perspectives and interests but not the base of wealth needed to maintain a growing economy. Median income was only 66% of the state average, which was already low compared to the U.S. Unemployment was above the state average, and many of the creative lacked health insurance.

**Effort:** To develop the town’s burgeoning creative assets in order to expand jobs and raise incomes without losing its unique character.

**Geographic boundaries:** Carroll County is in Northwest Arkansas, bordered by Missouri on the north. The town of Eureka Springs is about an hour from Bentonville, home of Walmart’s headquarters.

**Catalyst:** The Mayor of Eureka Springs formed a task force in 2006 to inventory the community’s assets, survey its customers, incorporate art into daily life and streets, strengthen ties with Elderhostel, provide more opportunities to involve youth, and develop regional partnerships. A recent 2004 study had recommended creating an arts and cultural district, which was already underway.

**Leadership:** The mayor, chamber, and economic development director led the effort, but it was a community effort that involved many creatives and non-profits.

**Strategies:** To further develop the creative industries—including the healing arts—and to attract visitors with alternative and holistic medical practitioners and creative food sectors. Medical marijuana was already legal in Arkansas.

**Collaboration:** Planning was done in collaboration with multiple creative organizations in the town such as the Eureka Springs School for the Arts, Main Stage Creative Community Center, Inspiration Point for the Arts, and the Communications Arts Institute and the organizers of events that attract visitors such as the Arts Eye View Festival; the Lucky 13 Starlight outdoor cinema shown on the side of a building adjacent to a vacated parking lot; Fall War Eagle Mill Arts & Crafts Fair; Eureka Springs Digital Film Festival; and Eureka Springs Food & Wine Festival.

**Resources:** Community Development Block Grants, WinRock International, Main Street Revitalization grants, and local business investments.

**Outcomes:** The community is closely involved in both planning and outcomes. About 38% of the county’s workforce, more than six times the state average, was employed in the arts in 2010. A New York Times article in 2007 described Eureka Springs as “some weird cross of Asheville, NC and Oak Bluffs, MA, all perched on the side of a hill that would make San Francisco proud and topped with a grand old hotel. In short, it’s fun.”

**Challenges:** To expand an already politically and religiously divided tourist base

**Primary Source:** “Eureka Springs Morphs Creative Strengths into Economic Assets,” 2008; Interviews

## **20. Responding to a plant closing in a company town**

**Place:** Millinocket, ME is a town of 4,506 located in Penobscot County in north central Maine.

**Year:** 2014 to present

**Initial Defining Characteristics:** The economy from 1900 until quite recently was dominated by the paper industry, and particularly by its first and largest employer, Great Northern Paper. The company and sector grew so quickly that it became known as “Magic City.” Located near the state’s largest mountain and largest lake, the area around the town also developed tourism and forestry sectors. In 2003, however, the bankruptcy of the mill eliminated the majority of the town’s jobs in paper, and by 2014 unemployment reached 20%.

**Effort:** In 2014, *Our Katahdin* formed as a community-driven economic development organization and it set out to find other uses for the mill site and new sources of economic growth. It describes itself as “a platform that connects people, ideas, and money to help move the Katahdin region forward.” This requires not just finding new tenants for mill space but also changing the town’s image, moving it upscale so it might attract technology and creative companies and recreational tourists.

**Geographic boundaries:** The region includes East and West Millinocket and Patton, all in vicinity of the Appalachian Mt. Katahdin, which is the state’s highest peak.

**Catalyst:** The closing of the paper mill in 200, the area’s largest employer led to 20% unemployment.

**Leadership:** The non-profit, Our Katahdin

**Strategies:** Our Katahdin purchased the mill site for \$1 hoping to eventually fill it with new businesses once it paid off its tax liabilities. Residents Dave and Nancy DeWitt began a crowdfunded renovation of a dilapidated downtown bandstand built by Great Northern a century earlier. Coastal Enterprises partnered with Our Katahdin to form Baxter Business Works, a volunteer-driven, leadership-building, economic development organization. It was kicked off with a 6-week business development program for eight local businesses.

**Collaboration:** Our Katahdin was started as a platform for community engagement and leadership development. Some 1,629 community members are listed as supporters. The crowdfunding to renovate the bandstand, the first project, also engaged many in the community.

**Resources:** \$5.3 M from EDA funded under the Bipartisan Budget Act of 2018, in which Congress appropriated to EDA \$600 million in additional Economic Adjustment Assistance Program funds for disaster relief and recovery. Eastern Maine Development Corporation is as part of an EDA rural economic development grant is supporting design of new co-working space

**Outcomes:** More businesses are opening downtown, there is a renewed optimism and town spirit. In September 2019 Millinocket was awarded one of 23 Rural Design community grants from the National Endowment for the Arts to “create a design principles guidebook that will inform downtown revitalization plans and be used by local businesses to help create a unified sense of place.”

**Challenges:** Filling the mill space and developing new small businesses through co-work and co-retail space and building relationships with Katahdin Regional Higher Education Center and Eastern Maine Community College.

**Primary Sources:** Newspaper articles, *Mainebiz*, *Portland Press Herald*, and *PDN Penobscot*

## 21. Replacing Recruitment

**Place:** Warrenton, NC, population, 862.

**Year:** 2009 to present

**Initial Defining Characteristics:** Warren County is one of the state’s poorest counties. It had high unemployment, a 60% minority population, and very little collaboration across races and ethnicities. Declining business recruitment successes, or even opportunities, led to changes in the county’s recruitment strategies. The county adopted a point system to favor companies that match the county’s values, that source locally, and that sell products and services in the county. But the county was unsuccessful in recruiting any companies using this rating system.

**Effort:** Businesses and local government began exploring ways to build on a local food economy but relying heavily on intermediaries. Working Landscapes (WL), which formed in 2010 and moved to Warren County in 2012, assumed the responsibility for connecting local food production with local consumption, aggregating food production for external markets, and encouraging new entrepreneurial food processing business ventures. One such project was called Growing Local/Buying Local.

**Geographic boundaries:** Warren County, with a population of just under 20,000. The county lies between Durham County to the south and Virginia to the north.

**Catalyst:** The non-profit Working Landscapes (WL) was started by a former economic development director and her husband.

**Leadership:** The vision and leadership originated in WL but was supported by coop extension and Warren County Government.

**Strategies:** Growing Local/Buying Local started to engage with community and build social relationships. Community Voice Methods were used as a participatory planning method to involve marginalized segments of the community.

**Collaboration:** WL began by using the “Community Voice Method” designed by a county resident to engage citizens in the planning process. Action teams emerged from the interview and focus groups to take responsibility for specific projects. WL worked with NC Coop Extension to get food into schools, with county government acquiring equipment, and small farmers meeting the required volume of produce.

**Resources:** The UNC Department of City & Regional Planning and Kenan Institute both helped plan and develop the programs.

**Outcomes:** WL opened a café that served local food and became a community gathering spot. It also hosted local artists groups, poetry readings, and a shared use kitchen for launching new businesses. WL opened a cold storage facility and started a chopped produce initiative that serves 20 schools in central and eastern NC. Between 2013 and 2016 the chopped produce initiative grew from 3,000 to over 60,000 lbs of produce transferred to schools. Most important, the project demonstrated cross-racial collaboration toward common goals.

**Challenges:** Using the food-based successes to create higher paying jobs and boost economic growth.

**Primary Source:** “Mission-Driven Intermediaries as Anchors of the Middle Ground in the American Food System: Evidence from Warrenton, NC,” 2018.

## 22. Attracting creatives

**Place:** Paducah, KY, population, 24,941

**Year:** 1980s to Present

**Initial Defining Characteristics:** This small, economically depressed Kentucky city was once an industrial rail and steamboat center. Its Victorian inner city and downtown had run down and its lower town residential neighborhood had deteriorated into decayed abandoned sites that became sites for drugs and prostitution.

**Effort:** The initial project was to designate an area as an historic district in hopes of stabilizing conditions. Paducah Main Street, Inc. was started in 1989 to address the decline of the downtown. In 1991, the National Quilt Museum opened. The city’s most notable effort, however, and what it became known for, was a program that awarded public incentives to attract artists to purchase and renovate homes in rundown neighborhoods. The plan that turned the city around was its “Artist Relocation Program. It led to a series of city-led efforts to attract, strengthen, and develop the city’s creative industries.

**Geographic boundaries:** The city is in western Kentucky’s McCracken County, halfway between Nashville and St. Louis.

**Catalyst:** In 1999 artist Mark Barone watched a drug deal underway and became angry enough to ask town hall to intervene to save the neighborhood.

**Leadership:** City Economic Development Agency.

**Strategies:** Barone’s plan to revive the city required getting rid of slumlords and increasing inspections. But Paducah’s planning director Tom Barnett had bigger plans—an Artist

Relocation Program. It included redistricting the lower town neighborhood so that artists could live, work, sell, and exhibit under one roof. They borrowed an idea developed in Rising Sun, Indiana that offered artists relocation incentives in Lower Town and advertised nation-wide to attract artists from higher cost cities. They later extended the incentives to a range of creative people, from designers to chefs.

**Collaboration:** The Paducah Renaissance Alliance has helped shape the town's future. It heard from citizens in interviews and focus groups to inform their plans. A Cultural District Steering Committee also is involved in planning the town's future with members representing key organizations including the Paducah Renaissance Alliance but also River Discovery Center, Paducah School of Art, Market House Theater, and others. The Paducah Arts Alliance is also a key part of the city's social infrastructure.

**Resources:** The city offered \$2,500 to relocating artists to help with rehab costs and did not tax construction or rehab. Paducah Bank offered no interest home loans to artists. The city provides 85% of the finding for the Paducah Renaissance Alliance.

**Outcomes:** BY 2006 70 artists had accepted incentives and moved to Paducah. The city was recognized as a UNESCO's 7<sup>th</sup> world Creative City in 2014. Received multiple awards including Governors Award for the Arts. In 2008, Western Kentucky Community & Technical College opened the Paducah School of Art and Design in renovated facilities in Lower Town. The school expanded in 2014 with facilities for ceramics, wood, metal fabrication and a foundry. Paducah's Orthopedic Institute won a health care architectural award. New theaters, a symphony orchestra, and artisanal eating establishments opened, and regular festivals were organized. An Americans for the Art study found that the nonprofit arts and culture represent a \$39.9 M industry in greater Paducah.

**Challenges:** Competition from an increasing number of imitator towns across the U.S. (and in Kentucky) vying for creative populations and businesses and tourists.

**Primary Sources:** "Paducah refines a way to restore a decaying community," 2006; "A UNESCO Creative City," 2014.

### **23. Designing a furniture industry, saving a village**

**Place:** Letterfrack, Ireland; population 528

**Year:** 1990 - present

**Initial Defining Characteristics:** Very poor rural community on the NW edge of Connemara, 45 miles from Galway. The village had 38% unemployment but was served by Connemara West, a strong socially active rural community development agency that was tightly linked to the people of the community. The area had low levels of education but in the 1980s was home to an industrial school/reform school for teaching woodworking and cabinetry skills to wayward youth. Support for the program ended in 1988, and the school was abandoned.

**Effort:** In an effort to save the community and Ireland's furniture industry, Connemara West formed a partnership with Galway Regional Technical College to turn the abandoned reformatory into a vocational school for furniture design and production to both boost the local economy, improve opportunities for youth, and make Ireland's very weak and virtually abandoned furniture industry competitive.

**Geographic boundaries:** Connemara and Mayo Counties served by the regional technical college but hoping to influence the furniture sector nationally.

**Catalyst:** A recent wood working/carpentry program aimed at disadvantaged youth, an abandoned Letterfrack industrial school, and an opportunity to educate youth to improve the competitive position of Ireland's furniture industry.

**Leadership:** The Director of Connemara West and Gay Corr, President of Galway-Mayo Institute of Technology (which replaced the regional technical college in 1998) both played key leadership roles.

**Strategies:** To create degree-bearing programs in furniture design, manufacture, and entrepreneurship to expand and upgrade Ireland's furniture sector by introducing high quality design into products. The program contracted with a design expert from the Danish Technological Institute who spent six months at the school helping to design the curricula and introduce Scandinavian design principles. Students applying to the program were required to have a portfolio of their artistic abilities at their interviews. In 1992, 380 students applied for 15 openings; 1997, over 400 applied for 97 openings. One in four were from Galway county, one in 14 from other countries. In 1995 the school added a baccalaureate program and in 2005, a master's program. The programs stressed entrepreneurship hoping that students would ultimately form their own businesses and perhaps choose to remain in the area.

**Collaboration:** Connemara West is a community-based organization run by and for the community with dozens of community members involved on its various project teams. It has a community radio station, a social center, farmer's coop, and it publishes books of poetry and stories written by citizens.

**Resources:** Funding came from the nation's education funds.

**Outcomes:** Scholl now has about 200 students, has led to major advances in furniture sector, the school has a new facility, an international reputation that attracts applicants from across Europe, a furniture design display center. It has added diversity and amenities to the community and helped make Letterfrack a recreational tourist destination. The college played a key role in Ireland's Year of Design in 2015.

**Challenges:** Distance from major transportation hubs with narrow roads, sometimes blocked by sheep. Another is keeping the most skilled graduates in the area or at least in Ireland.

**Primary Source:** Four site visits, interviews, case studies

## 24. Captivating social capital

**Place:** Brown County, Minnesota, population, 25,914

**Year:** 1998

**Initial Defining Characteristics:** Brown is an agricultural county located in southwestern Minnesota that was hit by a devastating tornado in 1998. Half the people live in the county seat of New Ulm. The rest streak across four other communities and farmland. Those dealing with the response found very high levels of mistrust across communities within the county with some farmers not allowing those rebuilding on their property.

**Effort:** A process to bring people together from each of the five main communities in the county to develop social capital so that residents could agree on how out how to best rebuild their county by working together.

**Geographic boundaries:** County in Minnesota.

**Catalyst:** A team from university extension organized a meeting of representatives from the five main communities in the county a year after the tornado struck.

**Leadership:** University of Minnesota's Extension Service provided the initial leadership, but community leaders emerged from the process to take over from the extension staff,

**Strategies:** The university team met informally with elected officials from the county, towns, schools, and townships to develop political awareness of the need to build trust and connections. It also organized panel discussions with civic and community leaders, organized social mixers across communities, held sessions to reflect on progress and share ideas.

**Collaboration:** The goal was to develop cooperation across communities to get the different parts of the county working toward common goals by getting them to work together — developing bridging social capital.

**Resources:** Extension services were offered at no cost to the county.

**Outcomes:** The team measured its outcomes with pre and post assessments and interviews. Surveys revealed deepened interest in civic life and feelings of empowerment. The economy has stabilized, still dominated by farming but with a solid stable manufacturing base.

**Challenges:** Need for more innovative leadership looking for ways to maintain its economic base and keep young people—average age is five years above state average.

**Primary Source:** *Journal of Leadership Education*, 2011

## APPENDIX B

### Additional Rural Sites: Highlights

Place	Pop.	
Marquette, MI	20,629	Non-profit connected region to Finnish design college to introduce design into wood industry, which led to local Suomi design college
Fairhope, AL	15,326	Established by populist reformers in the late 19 <sup>th</sup> century the FH Single Tax Corp, FH Brewing Co, galleries. Book store owner is mayor
Livingston, MT	7,044	Built tight community/economy around “literary town,” cluster of writers and poets, worked to attract tourists on way to Yellowstone
New York Mills, MN	1,224	Community-based effort to rebuild town as nationally recognized model with support for regional cultural center & artists’ residency
Etowah, TN, VA	3,463	Lost mfg industry, built industrial park for small businesses. Overhill Heritage Assoc helped rebuild, renovating the RR station, theater, DT
San Luis Valley, CO	6,186	Organized folk arts cluster, 2 theaters, festivals, galleries, CO Arts Council grants
Douglas, GA	2,703	Leadership of Mayor/Chamber Exec to develop and incubate entrepreneurs, mentor small businesses, connect them to resources
Rio Dell, CA	3,100	Mayor led “new urbanism” effort to re-build downtown of seedy mill town to attract telecommuters or people commuters to Eureka
Marfa, TX	1,772	Famous artist moved to remote town, attracted other artists. Led to Chinati Fdn, writers’ residency, town polices to rebuild around arts
Branson, MO	10,633	Branson Lakes Chamber, Main St. Assoc. led efforts to develop music industry, now has 53 theaters, ArtSpring, live music capital of U.S.
Turner County, SD	8,315	Enterprise Facilitation Project championed and facilitated new business startups and supported growth
Webster Springs, WV	688	Established Webster County Community Fund to support local development initiatives
Goderich, Ontario	7,628	County seat: Huron County plan to improve social capital to integrate Syrian immigrants into community, economic development
Rochester, VT	1,094	Recovery from storm Irene led by art gallery owner, inclusive town plan to protect historical assets & scenic beauty, protect environment