Pathways to Community Prosperity Amid Changing Agricultural and Rural Landscapes

Don Macke
Director of Entrepreneurial Communities
and
Deborah Markley
Co-Founder and Managing Director
Center for Rural Entrepreneurship

INTRODUCTION

Agricultural prosperity and rural community viability have always been interconnected. A profitable agricultural sector provides the economic stimulus and tax base needed for rural agri-businesses and local governments to prosper. Communities, in return, provide access to a range of community services farm families need to maintain a desired quality of life (e.g., education, health care, recreation, faith communities). Such a symbiotic relationship, however, means that changes in the organization, productivity and profitability of agriculture that reduce this local economic stimulus can create a vicious cycle of decline in rural communities that negatively affects the farm and ranch families in these rural places.

This paper suggests that such a negative cycle can be broken through intentional efforts to reinforce or create the key factors that contribute to rural community viability and prosperity. The next section describes the connection between a changing agricultural sector and changing rural communities. The remaining two sections share some of the factors that contribute to viable, prosperous rural communities and offer two stories of hope from the field. Much of the experience shared in this paper is drawn from the authors' combined over six decades of rural community and economic development work and, more specifically, from their field-based experience helping communities and regions practice entrepreneur-focused economic development.

CHANGING AGRICULTURE, CHANGING RURAL COMMUNITIES

Change is the one constant in rural America. Rural landscapes are buffeted by changes within the agricultural sector, by changes in the rural communities that serve as the foundation for

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this sector and by global and policy changes that are largely outside the control of actors in both the sector and the communities.

Global and Policy Changes

Unlike some economic sectors, agriculture is affected to a great extent by global environmental changes, urbanization and a more volatile policy environment.

Climate Change. "Over the last 150 years, U.S. agriculture has exhibited a remarkable capacity to adapt to a wide diversity of growing conditions amid dynamic social and economic changes. These adaptations were made during a period of relative climatic stability and abundant technical, financial and natural resources."[1] Climatic stability and abundant resources will not characterize the environment facing the agricultural sector over the next several decades. Instead, there is ample evidence that climate change and associated extreme weather events such as the historic drought west of the Mississippi River are fundamentally changing U.S. agriculture and will drive significant adaptation within the sector.[2] These changes may require significant shifts in cultivation practices, e.g., moving from irrigated to dry land farming, and the geographic focus of agricultural systems, e.g., local and regional food systems. Both types of changes may have important impacts on rural communities.

Urbanization. The nation's urban areas continue to grow at a rate greater than that for the country as a whole, 12.1 percent vs. 9.7 percent (2000 – 2010), according to the 2010 Census. Urbanization affects the agricultural sector's access to a primary input, land. While the rate of agricultural land conversion for development purposes has slowed in recent years, the sector has seen significant loss of prime agricultural land to urban development over the past several decades.[3] Increasingly, urbanization puts pressure on another critical input, water. Increasing demands by urban areas combined with the impacts of climate change are creating new imperatives for the sector to become more efficient at the way in which water is used.[4] Finally, urbanization is fundamentally changing the political power of rural regions, particularly at the

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[1] U.S. Department of Agriculture. *Climate Change and Agriculture in the United States*: *Effects and Adaptation*. Technical Bulletin 1935, February 2013. <http://www.usda.gov/oce/climate_change/effects.htm>

[2] Climate Central. "Ongoing Coverage of Historic Drought in the U.S." February 13, 2014. <http://www.climatecentral.org/news/ongoing-coverage-of-historic-drought-in-us>

[3] U.S. Department of Agriculture. *Summary Report: 2010 National Resources Inventory*. Natural Resources Conservation Service and Center for Survey Statistics and Methodology, Iowa State University, September 2013. <http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1167354.pdf>

[4] Glenn Schaible and Marcel Aillery. *Water Conservation in Irrigated Agriculture: Trends and Challenges in the Face of Emerging Demands*. USDA Economic Research Service. Economic Information Bulletin No. EIB-99. September 2012. <http://ers.usda.gov/publications/eib-economic-information-bulletin/eib99.aspx#.U4oQbiioq-0>

federal level. Taken together, these changes serve to reduce the voice that rural communities have in national economic and policy debates.

Federal Farm Policy. The passage of the Farm Bill in 2014, after more than two years of debate and uncertainty for the sector, represents another source of change. The bill moves away from direct payments to farmers in favor of crop insurance and provides increased support for organic producers. It also reinforces the connection between the fates of the sector and rural communities as the Farm Bill continues to be the primary federal policy vehicle for rural development in the U.S. In more recent years, the food security programs that account for almost 80 percent of the Farm Bill's budget allocation have been the target of budget cuts and created additional uncertainty for those individuals and communities dependent upon agriculture.

Structural Changes in Agriculture

The U.S. Department of Agriculture's (USDA) Census of Agriculture has documented the structural changes in the agricultural sector over the past several decades. Mechanization, consolidation and industrialization coupled with changing consumer preferences have combined to change the sector in fundamental ways. The number of farms continues to decline and fewer farms are responsible for the bulk of food produced and sold in the country. Fewer farm families depend solely on agriculture for their income and employment in agriculture has declined significantly.[5] According to the most recent Census:[6]

- Just four percent of farms, those with more than $1 million in sales, accounted for two-thirds of the total value of farm products sold.
- Three-quarters of all farms had sales of less than $50,000.
- Most farms (87 percent) are still operated by families or individuals, and the average age of the principal operator is now 58.3 years old.
- More farmers are taking advantage of local and organic markets and sustainable practices: direct to consumer sales rose eight percent from 2007 to 2012; organic sales almost doubled during the same period; almost 20% of total acres are farmed using conservation practices.

[5] *Strengthening the Rural Economy: The Current State of Rural America*. Office of the White House. Council of Economic Advisors. April 2010. <http://www.whitehouse.gov/administration/eop/cea/factsheets-reports/strengthening-the-rural-economy/the-current-state-of-rural-america>
[6] U.S. Department of Agriculture. *Full Report: 2012 U.S. Census of Agriculture*. May 29, 2014. <http://www.agcensus.usda.gov/Publications/2012/>

- There is more diversity in the sector with increases in the number of minority farmers in all categories, with Hispanic-operated farms increasing by 21 percent.
- About equal numbers of farmers identify their primary occupation as agriculture vs. some other occupation, an indication of the dependency farm families have on vibrant rural economies and the non-farm employment opportunities they offer.
- While agricultural sales were at record levels in 2012, so were production expenses.

Changes in Rural Communities

Of the 2,151 counties classified as rural in the U.S., only 403 are defined as farming dependent. For these counties, structural changes in agriculture have profound impacts. Rural counties, as a whole, have seen rates of population increase slowly since 2000. From 2000 to 2010, rural counties gained 2.2 million residents, a 4.5 percent increase but less than half the population gained during the 1990s. For farming dependent counties, however, population grew just .3 percent, and only 29 percent of these counties gained any population at all.[7] The reversal in fortune for these counties comes from net out-migration that is barely negated by natural increases (births – deaths).

The implications of chronic de-population for farm-dependent communities extend far beyond these population numbers. Young people are often among the out-migrants from these rural places. This loss has been referred to as the "brain drain;"[8] it might be better characterized as the loss of the "risk takers," those most capable of taking risks and seizing opportunities. This loss of entrepreneurial talent and capacity may have important impacts on a community's ability to identify and implement new approaches to economic development beyond agriculture.

The loss of young people from rural communities also opens the spigot for wealth earned in rural places to drain out. Over the next 20-50 years, there will be a significant transfer of wealth across the generations in the U.S.[9] Upon the deaths of the current generation of rural residents, their estates will pass to young people raised in rural counties who have relocated to metropolitan and micropolitan areas. Without intentional efforts to retain some of this wealth in the rural places that helped create it, a significant wealth transfer from rural to urban areas

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[7] Kenneth M. Johnson, *Rural Demographic Change in the New Century*. Carsey Institute, University of New Hampshire. Issue Brief No. 44, Winter 2012. <http://www.carseyinstitute.unh.edu/publications/IB-Johnson-Rural-Demographic-Trends.pdf>

[8] Patrick J. Carr and Maria J. Kefalas. *Hollowing out the Middle: The Rural Brain Drain and What it Means for America*. Boston: Beacon Press, 2009.

[9] Don Macke, Deborah Markley, Ahmet Binerer. *Transfer of Wealth in Rural America*. Lincoln, NE: Center for Rural Entrepreneurship. 2011.

will occur. Stemming both the loss of young people and the loss of rural wealth must be policy priorities for rural America.

The changes described above—in the global and policy environments, in the agricultural sector and in rural communities—are intertwined. Challenges to agriculture from climate change, structural transformation within the sector and from policy changes at the federal level become challenges for rural communities. Rural farm-dependent communities have seen their competitiveness, diversity, and capacity for resilience and prosperity decline. With fewer people, the demand for community services declines with the subsequent loss of schools, health care facilities and local businesses, e.g., the pharmacy, feed store and grocery. Without this critical infrastructure, it is harder to attract young people and newcomers to struggling rural hometowns. The result is an older, more homogeneous population with more limited leadership, fiscal and community capacity for change.

> [I]n remote rural agricultural areas, the population slowdown has been profound. In hundreds of these counties, more people are now dying than being born and young adults continue to leave, as they have for decades. Here rural policy must ameliorate the adverse impacts of a diminishing population on the provision of critical services and support programs as well as provide access to the resources (internet, capital, and expertise) needed to expand the local infrastructure and enhance future development opportunities.[10]

While policy changes are important, the responses of rural community leaders are even more significant. The next section draws on data from the Tri-State region of Colorado, Kansas and Nebraska to show challenges and opportunities related to rural community viability and prosperity. The final section demonstrates how the response of two communities to these conditions has created a more hopeful future.

RURAL COMMUNITY VIABILITY AND PROSPERITY – TRI-STATE REGION'S STORY

Rural community and economic development is place-based development. Communities achieve prosperity by capitalizing on their assets: their people's talents and entrepreneurial spirit combined with their natural resources and built infrastructure. To understand what this means for more isolated rural, farm-dependent communities, it is useful to consider the Tri-State region of Colorado, Kansas and Nebraska. Eight counties form the intersection of these

[10] Kenneth M. Johnson, p. 8.

three states: Phillips and Yuma Counties in Colorado; Cheyenne and Rawlins (county seat, Atwood) Counties in Kansas; and Chase (county seat, Imperial), Dundy, Hayes and Hitchcock Counties in Nebraska. A profile of this region presents a picture of a region struggling to achieve prosperity.

Demographics

According to the 2010 Census, the total population in this eight-county region is 30,000. From 1970 to the most recent Census, population in the region declined by 13 percent.[11] The region has experienced persistent and significant depopulation, losing almost half its population over the lifetime of an elderly farmer. The region lacks diversity; the population is primarily white (92 percent) but there is now a sizeable Hispanic population (13 percent). Like many rural places, the Tri-State region is older; the median age in the region is 44 years, with whites tending to be older (46 years) and Hispanics younger (24 years). About one-quarter of its population is over the age of 65 and another one-quarter under the age of 18, with the rest in the 18 to 65 age group.

ESRI tapestry data provide additional insight into the typology and homogeneity of the region.[12] Most of the region's households (84 percent) fall into two tapestry groups: Prairie Living (37) and Heartland Communities (50). Both these segments are characterized by married couples rooted in their communities. They tend to be older and almost all are white. Small, family-owned, mid-western farms dominate the Prairie Living segment while the Heartland Communities households are associated with small towns in the Midwest and South.

Economic Drivers

The two basic economic drivers in the Tri-State region are agriculture (farming and ranching) and retirees. Both these sectors draw income into the region from outside. In 2012, an above average year for farm income, farming and ranching contributed $487 million to the region's personal income while retirees contributed $452 million.[13] Government, including public schools, accounted for $154 million in personal income while retail trade contributed $44 million and agricultural support services contributed $27 million.

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[11] Headwaters Economics. *A Profile of Socioeconomic Measures, Tri-State Region*. May 7, 2014.

[12] ESRI. *Tapestry Segmentation Profile for the Tri-State Region*. May 7, 2014. ESRI Tapestry Segmentation uses a range of secondary data to classify neighborhoods into 65 distinct market segments, grouping those with similar lifestyle and demographic characteristics (www.esri.com).

[13] Headwaters Economics. *A Profile of Non-Labor Income, Tri-State Region*. May 7, 2014.

With its heavy dependence on agriculture, the region might seek opportunities to diversity and bring additional money into the region. One frequently used strategy focuses on identifying and reducing retail leakage: the amount of retail dollars spent outside the region by local residents. Based on analysis of Dun and Bradstreet data by ESRI, retail demand in the region in 2012 was $288 million while retail supply was only $180 million.[14] This gap of $108 million represents the retail spending that might be captured within the region given investments in retail development and business creation. An analysis of this gap by particular industry sectors would provide additional insights into the potential for retail capture as an economic diversification strategy for the region.

Regional Wealth Status

Ultimately, the goal of economic development is to create wealth for households in a region. Analysis of wealth (i.e., current net worth) in the Tri-State region shows a region with important disparities.[15] While average net worth in 2012 was $327,588, median net worth was $56,517. About one-third of households in the region have very limited net worth (less than $15,000). Another 22 percent have relatively low wealth (between $15,000 and $100,000). Many of these very limited wealth households are young, but 30 percent are headed by someone age 55 and older. Given the importance of retirees to the region's economy, the weak wealth status of these older households is a troubling situation.

The region does have a sizeable middle class, with 34 percent of households holding between $100,000 and $500,000 in current net worth. Ten percent of the region's households have significant wealth, greater than $500,000 in current net worth. These wealthier households are most likely to be farmers, ranchers and business owners within the region.[16] Outmigration coupled with the aging of the population in the region suggests that the intergenerational transfer of wealth and the subsequent flow of wealth outside the region are critically important.

Future Prospects

The Tri-State region's demographics, economic drivers and wealth status create challenges for future prosperity. Continued population loss will further erode the vitality of communities throughout the region. Very small communities face an uphill battle in providing even basic services, lacking the scale needed to maintain local education, health care, recreational and other amenities that might attract people and reverse decades of decline. The bright spot of a

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[14] ESRI. *Retail MarketPlace Profile, Tri-State Region*. May 8, 2014.

[15] ESRI. *Net Worth Profile, Tri-State Region*. May 7, 2014.

[16] Macke, Markley and Binerer, pp. 18-19.

younger and growing Hispanic population is conditional upon creating economic opportunities for those families in new sectors to help diversify the economy. It will also take a willingness on the part of long-term, mostly white residents of the region to welcome such diversity. Without such a welcoming attitude, the social fabric of the region may become even narrower over time.

The importance of agriculture to the region's future is undeniable. The sector is the most important basic driver of the economy and regional fortunes rise and fall with those of the sector. The challenges and potential changes created by the external and policy levers described earlier in this paper will have a profound impact on the region in the future. With fewer and larger farms, and fewer people, the ability of locally-owned businesses to continue to survive and thrive is in question. The need to diversify the region beyond agriculture is important but challenging. Retirees represent one opportunity. Retail sales capture is another potential strategy that is dependent on a growing local business community. Unleashing the region's entrepreneurial potential to explore new sectors and develop innovations within existing sectors is an imperative.

If most of the wealth generated through the agricultural base of this region leaves over the next two to three decades, the region's capacity to invest in its future will be negatively affected. Capturing some of this wealth transfer for community betterment and to support economic development can be a pathway to prosperity. Without intentional effort now, before the transfer occurs, the loss of wealth along with the loss of its population may create hurdles too large to overcome.

CREATING REGIONAL PROSPERITY – TWO STORIES OF HOPE

Drawing on field-based research in rural regions, including those like the Tri-State region, the Center for Rural Entrepreneurship has identified key factors that contribute to the viability and, ultimately, prosperity of rural regions. These factors hold in farm-dependent regions as well as those driven by other economic sectors. Viability factors include:

- Local health care
- Local education, both K-12 and some type of post-secondary opportunity
- Available workforce to support business growth
- Local leaders and civic capacity
- Locally available retail and services
- Social networks, including peer networks

The absence of any of these viability factors creates an obstacle for the region. For example, without local health care, it becomes difficult for elders to age in place, contributing to further depopulation. Loss of an elementary school contributes to the loss of young families and limited opportunities to build skills beyond high school contribute to the outmigration of recent high school graduates. Growing local businesses will remain in the region only as long as they can fill critical vacancies that contribute to their continued growth. The absence of visionary leaders in the public and private sectors makes it difficult for regions to respond proactively to change. The lack of amenities, including shopping, recreation and other services, makes it more difficult to retain and attract people in a region. Lack of peer support and open social networks makes it harder for newcomers to find their place in the community and to become part of the leadership base.

These viability factors create a floor for a community or region; they represent the necessary but not always sufficient requirements for achieving a better future. Prosperity factors provide the additional elements that combine to create regional prosperity:

- Economic opportunities that offer the possibility for a job and a career or the encouragement and support to start a business
- Stable or slowly growing population that brings new energy, skills, experiences and aspirations to the community
- Sense of hope and an achievable vision for community betterment
- Commitment to create a community where "my children and grandchildren would want to live"

These prosperity factors begin by recognizing that communities can fare only as well as their economies. Opportunities may be derived from a variety of sectors including innovations within the agricultural sector, e.g., regional food systems, bio-energy and agri-tourism, or from re-shoring of U.S. manufacturing to rural regions.[17] Economic drivers may also be found in the entrepreneurial energy associated with growing local companies. In spite of the negative impact of the Great Recession on job creation by start-up firms, entrepreneurs remain responsible for significant job creation.[18] A key to attracting and keeping a new generation of

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[17] "Coming Home – Reshoring Manufacturing." *The Economist*. January 19, 2013. <http://www.economist.com/news/special-report/21569570-growing-number-american-companies-are-moving-their-manufacturing-back-united>

[18] John Haltiwanger, Ron Jarmin and Javier Miranda. *Historically Large Decline in Job Creation from Startup and Existing Firms in the 2008–2009 Recession.* The Kauffman Foundation. Business Dynamics Statistics Briefing. March 2011. <http://www.kauffman.org/~/media/kauffman_org/research%20reports%20and%20covers/2011/03/bds_report_32211.pdf>

young people is also tied to the availability of jobs and careers. Partnerships between economic developers, workforce boards and post-secondary educational institutions are important to identifying career pathways for newcomers as well as for students moving from high school into the workforce within the region.

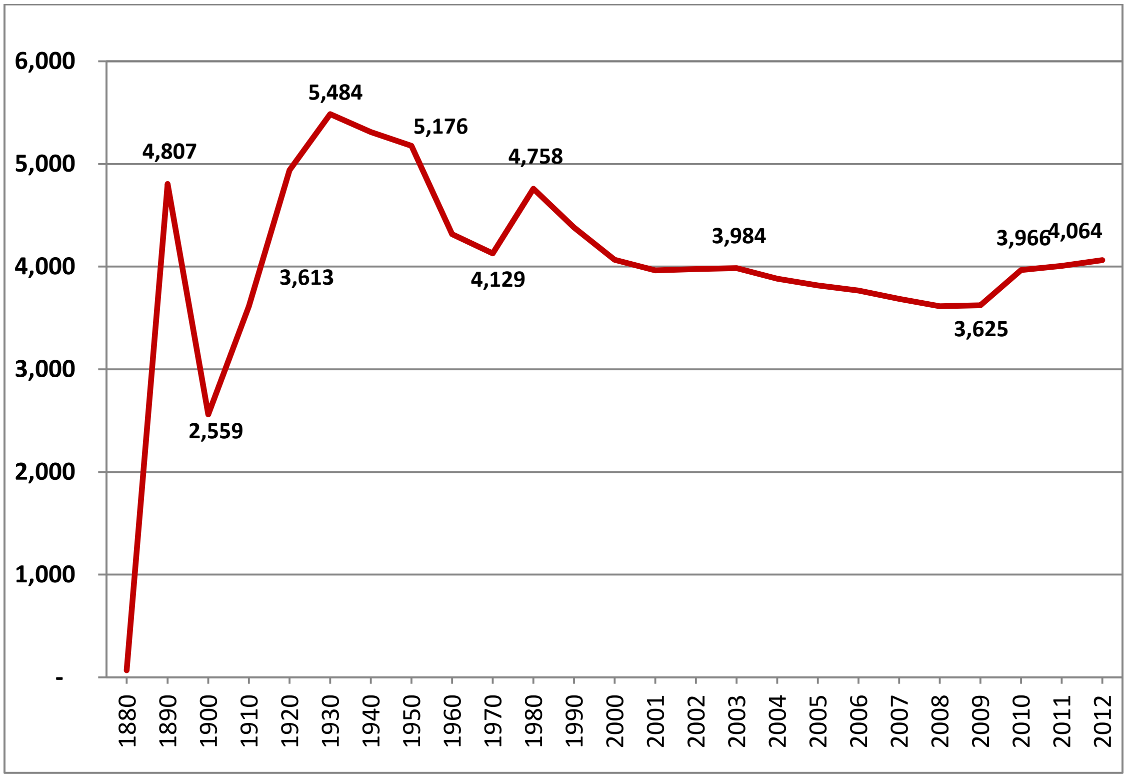
These economic opportunities are potential drivers of population growth. They serve as attractants to young families, both with and without ties to the region. With welcome and support, these new residents can help reverse the cycle of decline described earlier in this paper and replace it with a reinforcing cycle of optimism and prosperity. The sense of hope and vision for the future that comes with opportunity is a necessary ingredient to move a community from a place with prospects to a place that is realizing prosperity. The two stories of hope shared next provide evidence of what is possible in restoring the viability and prosperity of rural places.

Imperial, Nebraska (Chase County)

Like many small communities in the High Plains, Chase County's population peaked in 1930 at almost 5,500 and declined to a low of about 3,600 in 2008-2009 (Figure 1). This decline was linked to structural changes in production agriculture, the primary driver of the county's economy. However, beginning in 2009, the trend line began to change. From 2009 to 2012, Chase County nearly regained the population lost from 2000 to 2008 (Figure 2). This turnaround makes the county somewhat unique among farm-dependent rural counties in the Great Plains.[19]

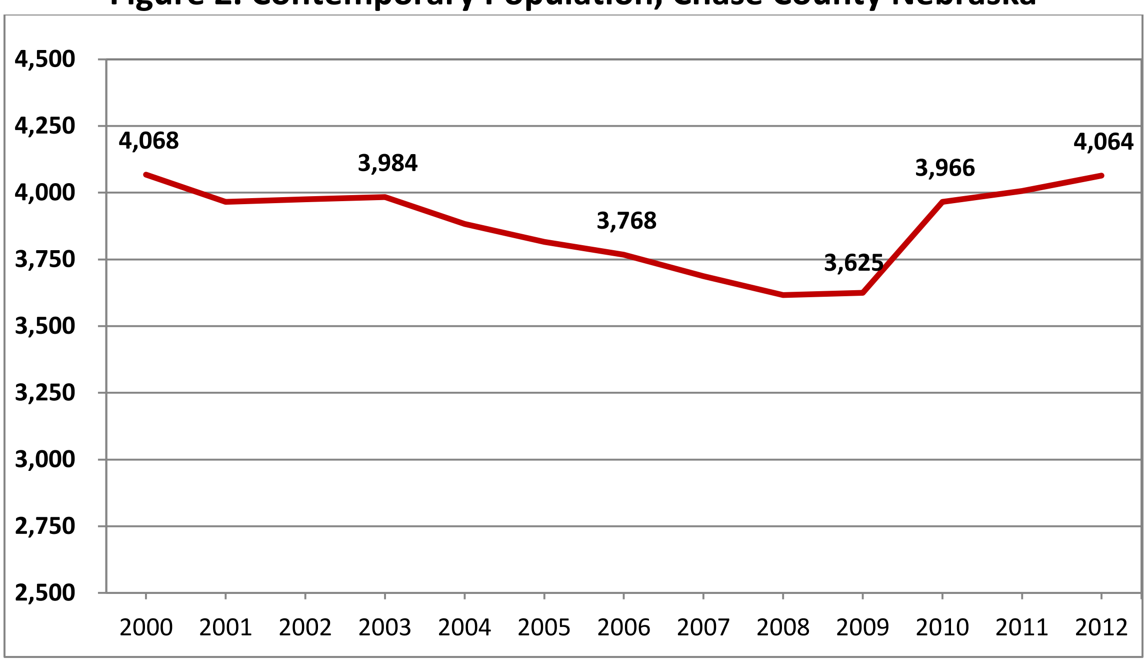
[19] Leah Dahlkoetter, Don Macke, and Ahmet Binerer. *Imperial and Chase County Nebraska – A Development Success Story*. Lincoln, NE: Center for Rural Entrepreneurship. Fall 2013. <https://energizingentrepreneursorg.presencehost.net/file_download/f1bf460f-6270-4fe3-8913-09d7045d896c>

Figure 1. Historical Population, Chase County Nebraska



Source: U. S. Census Bureau

Figure 2. Contemporary Population, Chase County Nebraska



Source: U.S. Census Bureau

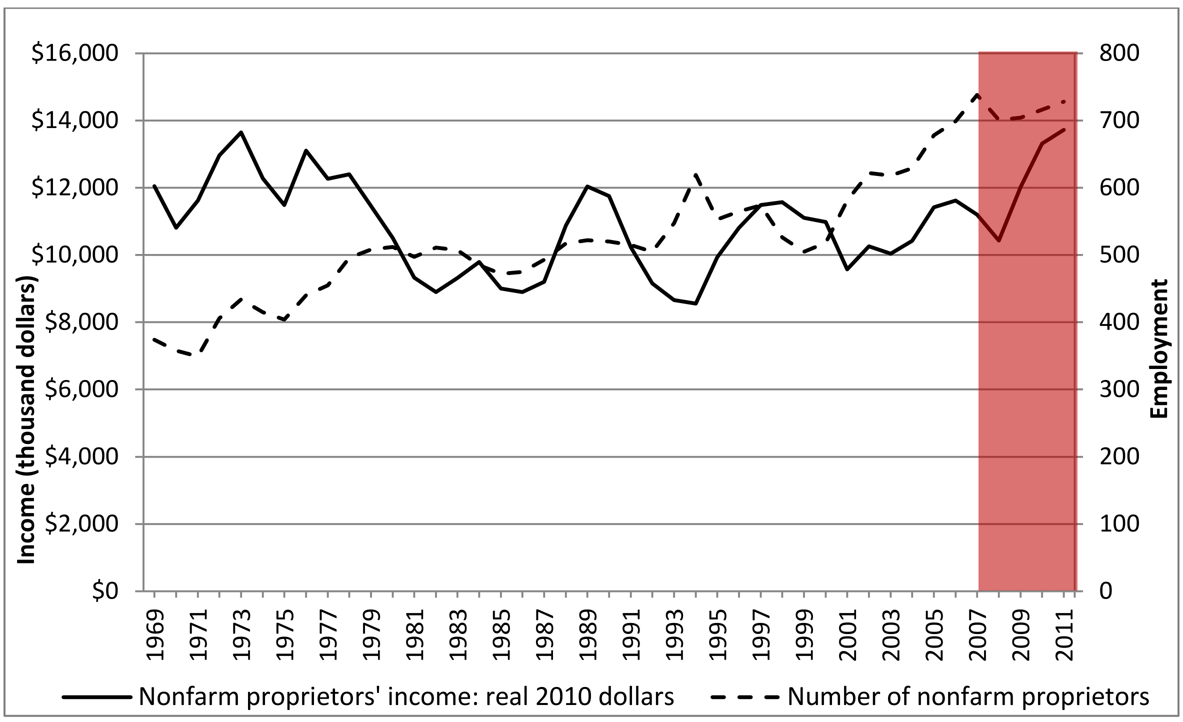
The story of this turnaround begins with the commitment by civic and private leaders in Imperial, the county seat and largest city (population 2,071 in 2010), to invest in both economic development and quality of life assets. Both viability and prosperity factors are clearly evident in their example. A renewed focus on economic development, specifically entrepreneur-focused economic development, was marked by the following:

- 2000 – Economic development director position created and funded.
- 2002 – Mid-Plains Community College created an extended campus in Imperial, providing access to classes and other services.
- 2003 – Two entrepreneurs, a returnee and a long-time resident, created Allo Communications, a telecommunications business that created job opportunities that attracted new and returning residents to the county.
- 2004 – First regional community and economic development effort launched with the Chase-Perkins County Partnership for HomeTown Competitiveness. The partnership secured state grant dollars to train volunteers, implement a leadership development class, host a Shop Local campaign and youth entrepreneurship day, and hold workshops for local businesses and entrepreneurs.
- 2006 – Local Option Municipal Economic Development Act passed to fund development efforts.
- 2007 – Imperial Community Foundation, created in 1999 as an affiliate of the Nebraska Community Foundation, raised $150,000, matching a challenge grant (16 months ahead of schedule).
- 2008 – Multi-county and community college effort to strengthen economic development capacity and recruit new residents launched. New Center for Enterprise created at the community college to provide services to entrepreneurs.
- 2009 – City purchases land for the location of new and expanding businesses and housing.
- 2010 – City participates in Entrepreneurship Coaching Training and hires a part-time business coach to work with local entrepreneurs. A system of support created to connect with state resources including Rural Enterprise Assistance Project (REAP), EDGE (NxLevel Education programming), and the Small Business Development Centers.

These investments in economic development were made parallel to a set of quality of life investments. From 2000 to 2012, the community, through committed public and private leadership, continued to operate, primarily with volunteers, the Imperial Theatre; passed a bond issue to purchase a new fire truck; completed a $1 million expansion and renovation of the Lied Imperial Public Library, funded solely by grants and local donations; invested in Youth Leaders in Longhorn Country; created a Career Academy program at Chase County High School featuring a 5th year associates' degree at the community college; collaborated on a $2 million sports and recreation project; completed a $2.1 million street renovation project; passed the half million dollar mark at the community foundation, with 96 percent of funds permanently endowed.

The impact of these economic development and quality of life investments appears in the data on nonfarm proprietorships in the county (Figure 3). The number of nonfarm proprietors, a proxy for entrepreneurs, has been increasing steadily since 2000, with a decline associated with the Great Recession. The dramatic increase in nonfarm proprietors' income from 2008 to 2011 is equally important. These data suggest that the county's efforts are helping entrepreneurs start and grow their businesses, resulting in income for entrepreneurs.

Figure 3. Nonfarm Proprietors, Chase County Nebraska



Source: Bureau of Economic Analysis

Chase County and Imperial, Nebraska demonstrate how committed public and private sector leaders can begin to create a more prosperous future. They have invested to maintain and improve the community's quality of life while supporting the entrepreneurial energy of the private sector to create jobs for an expanding population. With an intentional focus on creating a different future, this community is fighting back against the cycle of decline that is all too familiar in farm-dependent rural communities.

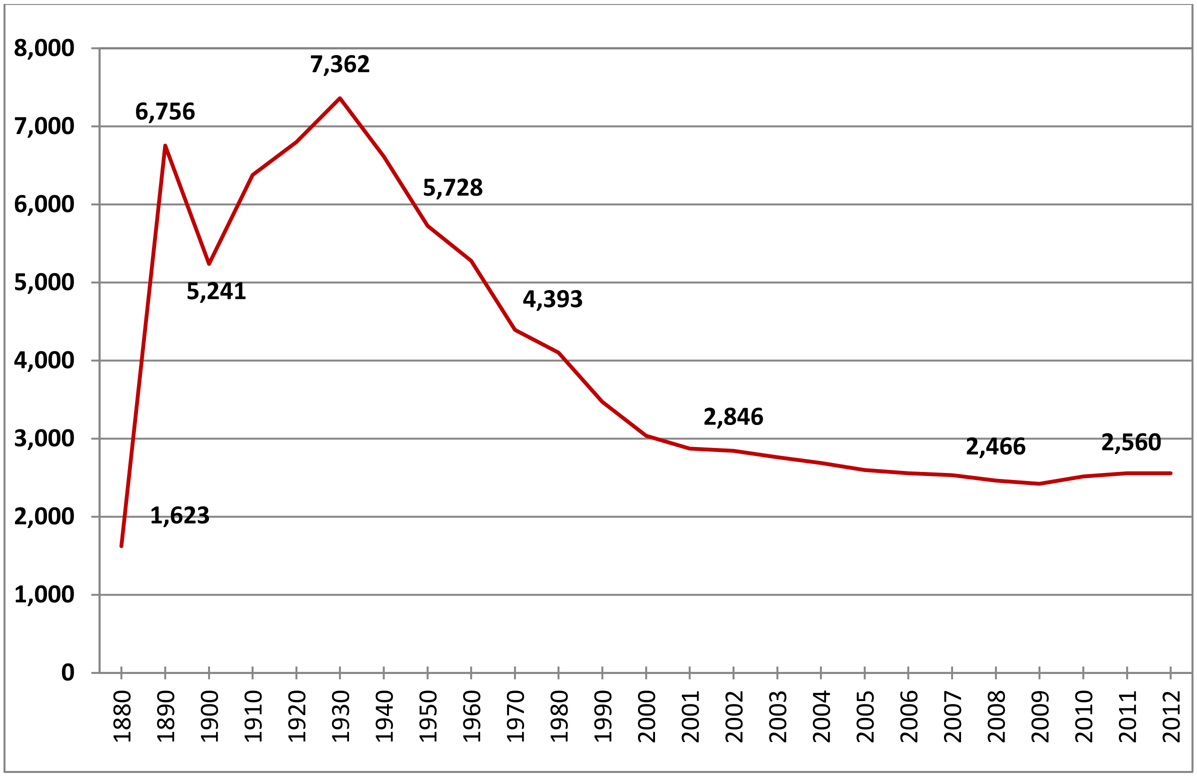
Atwood, Kansas (Rawlins County)

Rawlins County, along with its county seat of Atwood, is an entrepreneurial community. This description is the result of a journey by committed community leaders, over several decades, to realize a vision for a more prosperous future. Beginning in the early 1990s, the community began to plan for this future and to look to other communities for new ideas. This outreach resulted in the implementation of HomeTown Competitiveness, a framework for community renewal, developed in Nebraska.[20] Similar to Imperial, Atwood invested in new economic development leadership, hiring a returnee to become development director in 2005.

Particularly since 2005, the county has embraced the importance of local leadership, sound and well-funded development organizations, community philanthropy, and entrepreneur-focused economic development. County leaders recognized the important connection between creating local economic opportunities and the critical need for people attraction in order to reverse decades of population decline (Figure 4). They embraced the application of coaching to economic development, using both a community coach and an entrepreneur coach. The community coach works as the guide, mentor and sounding board for the entrepreneur coach, helping him maintain focus and momentum. The entrepreneur coach serves to connect entrepreneurs to the resources needed to both start and grow over time.

[20] HomeTown Competitiveness is an approach to community development that emphasizes building on local assets by investing in four pillars: leadership development, youth engagement, entrepreneurship and community-based philanthropy. The framework was jointly developed by the Nebraska Community Foundation, the Heartland Center for Leadership Development and the Center for Rural Entrepreneurship. To learn more, go to www.htccommunity.org

Figure 4. Historical Population, Rawlins County Kansas



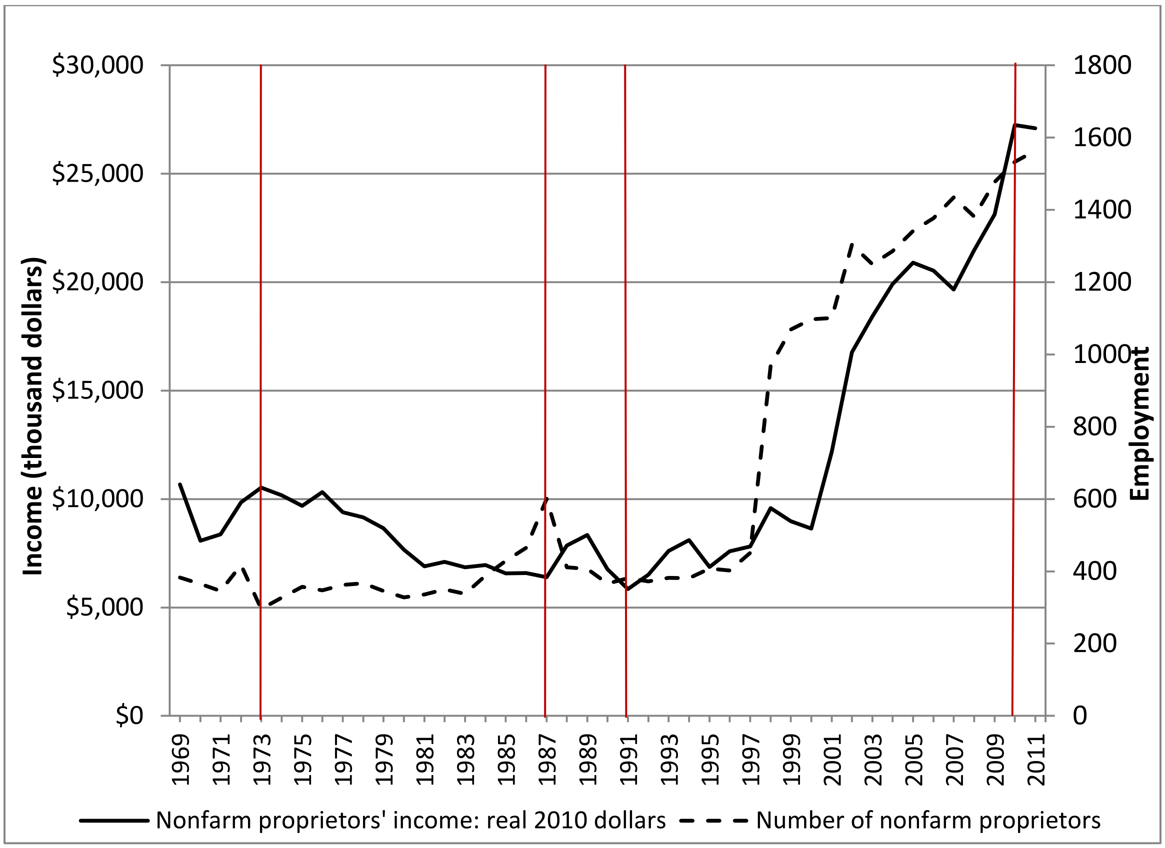
Source: U.S. Census Bureau

Coupled with this renewed focus on economic development was a series of investments for community betterment:

- 2003 – Atwood Beautification Committee formed and project initiated.
- 2008 – Garden Project beautification/life skills teaching project launched.
- 2009 – New dental clinic brought to county after three years of effort.
- 2010 – Construction of a new music room at the high school begins.
- 2010 – Movie theatre renovated; disc golf course built around Lake Atwood, spearheaded by FFA.
- 2011 – $1.3 million public swimming pool project completed.
- 2012 – Rawlins County Health Center $1.2 million expansion and renovation completed, including cardiac rehab and physical therapy

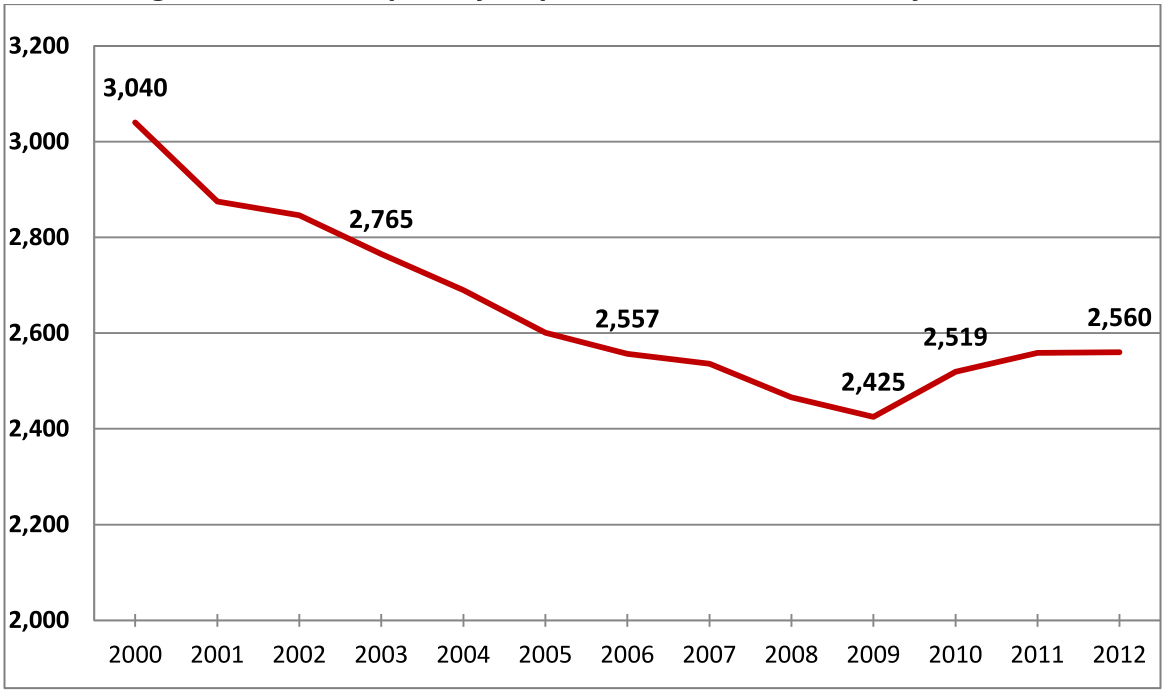
The impact of these investments appears in the economic rebound seen in the county. Considering growth in nonfarm proprietors as a proxy for entrepreneurial growth, Figure 5 shows a dramatic change beginning in 2001. Both the number and the income of nonfarm proprietors increased and, with the exception of the Great Recession period, continued to do so. Population in the county increased from 2009 to 2011 (Figure 6), an equally important positive omen for the community's future. This population turnaround is tied, to some extent, to the county's focus on youth engagement, attraction and entrepreneurship.

Figure 5. Nonfarm Proprietors, Rawlins County Kansas



Source: Bureau of Economic Analysis

Figure 6. Contemporary Population, Rawlins County Kansas

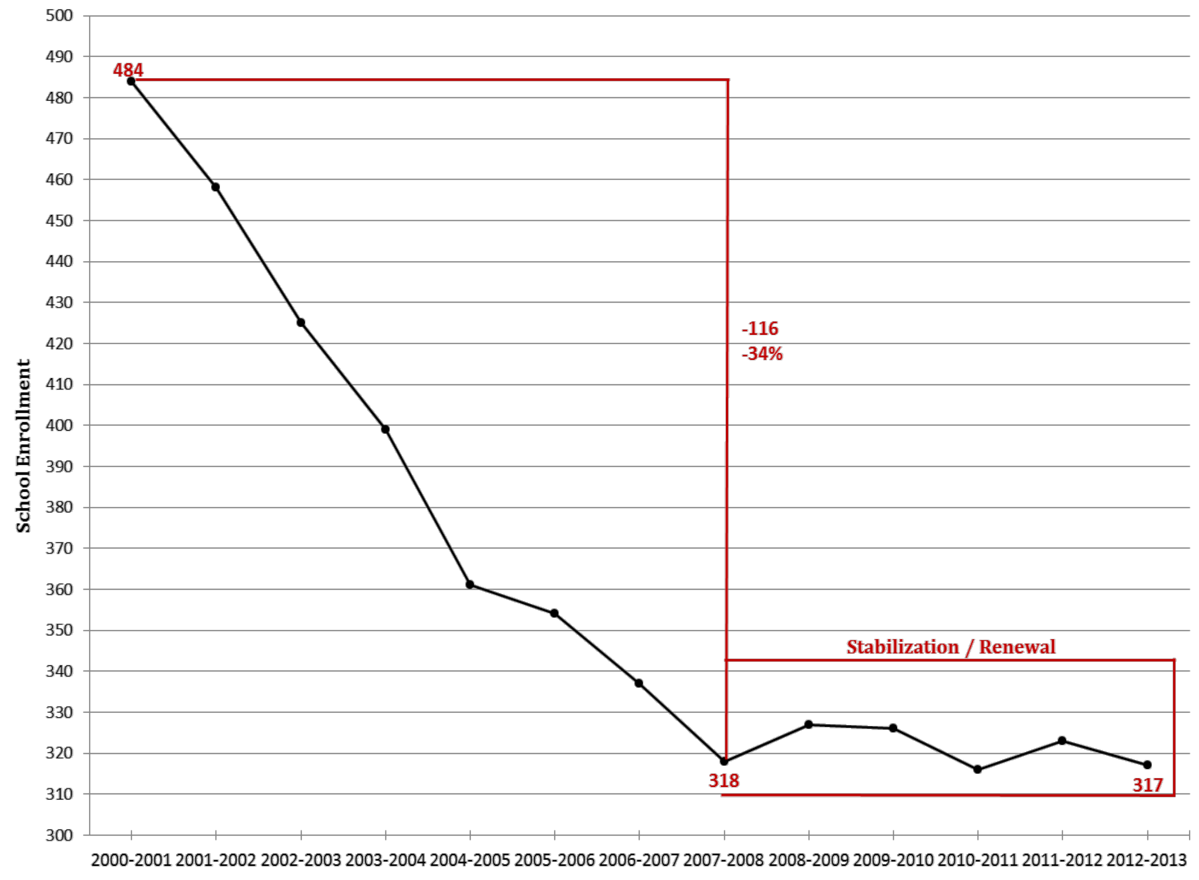


Source: U.S. Census Bureau

In 2008, a survey of county youth found that over half could picture themselves living in Rawlins County in the future.[21] This data point was surprising to the adults in the community and sparked a commitment to create the economic opportunities needed to allow these young people to choose Rawlins County in the future. It also brought a focus on engaging young people through a youth entrepreneurship fair, introducing entrepreneurship to youth leadership organizations such as FFA and making a more intentional effort to connect to high school alumni when job or business opportunities become available in the county. The result of these youth and young adult focused efforts has been stabilization and a slight increase in school enrollments which had declined precipitously since 2000 (Figure 7).

[21] Don Macke. *Atwood and Rawlins County Kansas – A Development Success Story*. Lincoln, NE: Center for Rural Entrepreneurship. Fall 2013. < https://energizingentrepreneursorg.presencehost.net/file_download/2df38a82-0627-44dc-a938-aa61eaaf9910>

Figure 7. Historical School Enrollment, Rawlins County Kansas



Source: Kansas Department of Education & Kansas USD 105, 2013

The county had a strong history of community philanthropy focused on specific community betterment projects. To provide more sustained funding for economic development in the future, the county is focused on creating stronger connections and synergy among philanthropic institutions. Community leaders have set a goal of capturing five percent of the expected wealth transfer in the county into community-based endowments to help secure the future. Together community, economic and philanthropic endeavors are helping Atwood and Rawlins County push back against the negative changes seen in farm-dependent communities across the U.S.

CONCLUSION

The future prospects of many rural communities have been and will continue to be tied closely to agriculture. Expected future changes in that primary sector will ripple through the rural places that support farm and ranch families. While the causes lie in global economic, environmental and policy changes, the response is dependent in no small way on the decisions and investments made by rural community leaders. With a commitment to create or strengthen the factors that contribute to a viable and prosperous community, rural leaders are beginning to witness a turning of the tide. The lessons learned from these promising places—long-term vision; local responsibility for action; effective diverse and multi-generational leadership; commitment to investment—suggest that viable rural communities are not things of the past but necessary partners with a changing agricultural sector.

Questions & More Information

Don Macke
don@e2mail.org
402-323-7336

www.energizingentrepreneurs.org

Center for Rural Entrepreneurship

The Center for Rural Entrepreneurship's mission is to help community leaders build a prosperous future by supporting and empowering business, social and civic entrepreneurs. With our roots and hearts in rural America, we help communities of all sizes and interests by bringing empowering research, community engagement and strategy development to you through our many Solution Areas. Our **Solution Area Teams** empower communities to discover their own answers to the challenges and opportunities they face:

- **Community Development Philanthropy:** Providing research and community engagement strategies that help communities build philanthropic capacity and create development resources now and in the future.
- **Youth Engagement:** Providing tools and a framework for communities to engage young people now and to bring them home in the future.
- **Measurement Research Policy:** Providing the tools to help communities define development goals, measure success and improve outcomes.
- **Entrepreneurial Communities:** Providing a roadmap for communities to design and deliver entrepreneur-focused economic development strategies that work.

To learn more about us, go to www.energizingentrepreneurs.org.

421 S. 9th Street, Suite 245
Lincoln, NE 68508
(402) 323-7336