

# Rural Resilience:

## Surviving and Thriving in a Changed Economy



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I love rural Alabama. Until I graduated from high school and left for Auburn University in 1975, I lived in the same little house in the rural community of Creswell, which is about two miles from Childersburg on the Shelby County side of the Coosa River. I claim Harpersville as my hometown, because that's where the mail came from. Our address was Route One, Harpersville. I don't think we had a Route Two. Looking from my front yard, I saw acres of Mr. R.J. Green's cotton field. A barbed-wire fence usually kept the cows from wandering into our backyard. For me and my brother, our best friends were our three cousins who lived next door. My granddaddy and grandmother lived two houses down. I can't imagine a better place to grow up.



### Origins of the Rural Crisis

Many of the places like where I am from – our small towns and rural communities – face an ongoing crisis. As many rural communities were struggling with long-standing problems of low-quality education and high poverty, they were overwhelmed by the newer forces of globalization and technological change. These changes in the national and regional economies hit our rural areas like a Spring tornado. Farms and factories that once sustained rural communities and economies are gone forever.

Once the hallmark of rural enterprise, the small “family farm” is rapidly disappearing. In 1950, Alabama was home to 220,000 farms. In 2017, there were fewer than 44,000.<sup>1</sup> After college, I spent a couple of years working for the health department in Shelby County where I inspected and collected milk samples from 12 small dairy farms. Today, none of those dairies are in operation. The family farms that once dotted the Alabama countryside have given way to a few large, integrated corporate enterprises. In fact, the typical small farmer now derives a majority of his income away from the farm. The slow death of family farming has had devastating effects on Alabama's rural communities. With the loss of farm income, rural communities witnessed the exodus of grain dealers, gins, restaurants, insurance companies, feed stores, chemical companies, banks, and other businesses that comprised the backbone of their local economies. Gone also were tax revenues that funded rural schools, hospitals, highways, libraries and all the other facets of life critical to a healthy community.

Instead of cotton, corn or soybeans, many rural communities now count high school graduates as their primary export. Rural Alabama has watched many of its brightest young people leave for good, returning only for holidays and family reunions. Left behind are many place-bound people lacking the education and skills sought by employers – high school dropouts, single mothers and older adults.

Many rural economies survived for a time as textile mills and other low-wage, low-skill, non-durable manufacturing plants provided jobs for residents. Workers with a high school education or less could find jobs that allowed them to make a decent living. But the U.S. manufacturing economy that sustained rural economies has seen rapid employment decline due to lower labor costs in other countries and exponential technological change as machines have replaced human labor. The textile and apparel sectors that many rural Alabama communities depended on were among those hit hardest by these changes.

In its sobering 2002 report, “Shadows in the Sunbelt Revisited,” the think tank MDC wrote: “National recovery won’t bring jobs back to the rural South. Production has moved to other countries with lower wages, or plants have substituted technologically advanced machines for people. Tens of thousands of jobs are not coming back.”<sup>22</sup> The report notes a litany of challenges for rural communities,

populations below 25,000 lost population, including Lowndes (-25 percent), Macon (-22 percent), and Perry (-21 percent). At the same time, almost every metro county experienced strong growth, including Baldwin (51 percent), Shelby (49 percent) and Madison (44 percent).<sup>4</sup> As rural communities lose population, they also lose their tax base, workforce and community leadership. Compared to metro areas, rural counties have older populations, higher unemployment, lower median family incomes, a lower percentage of high school graduates and lower average ACT scores. Rural schools and hospitals face an immediate crisis in attracting qualified teachers and healthcare providers. As evidenced in the table to the left, there are still “two Alabamas,” and the gap between them continues to widen.

<b>The Alabama Divide</b>	Metro Counties (over 100K population)	Rural Counties (under 25K population)
Population growth, 2000-2017	+20.1%	-9.9%
Adults age 25 and older with less than HS diploma	13.2%	21.7%
Adults age 25 and older with a college degree or more	28.1%	13.0%
Median Household Income	\$48,748	\$32,291
Percent below poverty level	16%	24.7%

*Source: U.S. Census, Community Survey 2012-2016*

including “isolation by distance, lagging infrastructure, sparse resources that cannot adequately support education and other public services, racial and ethnic divisions, and weak economic competitiveness.”<sup>23</sup>

**Two Alabamas**

In 2000, Governor Don Siegelman’s Commerce Commission, charged with developing an economic development plan for Alabama, stated in its final report: “Clearly, there are two Alabamas, one urban and one rural. The first is enjoying relative success ... The second, for the most part, is making little or no progress, and continues to keep Alabama from being recognized as a serious competitor.”

In the 18 years since that report was released, we have witnessed the persistent depopulation of rural Alabama. While Alabama counties with populations over 100,000 have grown by an average of 20 percent since 2000, counties of less than 25,000 saw their population decrease by an average of 10 percent. During this period, 22 of the 26 counties with

**Responding to the Rural Crisis**

While the problems of rural areas are obvious, practical solutions are not. How can rural communities attract good jobs without an educated workforce? How can they educate a workforce when schools lack adequate funding? How can communities improve schools without the tax base that economic development would provide?

What is Alabama’s current strategy to address this multifaceted rural crisis? There is no apparent strategy. There is no state agency dedicated exclusively to rural interests and no comprehensive approach to identifying and addressing the critical issues facing rural Alabama, which includes over two-thirds of our counties.

Addressing this unprecedented rural crisis will require leadership, commitment and coordination – all of which are currently lacking. While every other Southern state has at least one state-level entity that deals solely with rural concerns and constituencies, Alabama does not.

Absent the creation of a state-level agency for planning and support of rural development, the State should increase



support for programs like Alabama Communities of Excellence (ACE) and Main Street Alabama. ACE – a non-profit organization with representation from state agencies, universities, the private sector and non-profits – provides community development guidance and assistance in the areas of leadership development and strategic planning to cities with populations between 2,000 and 18,000. Municipalities apply on a competitive basis and are selected for the program based on their capacity for, and commitment to, meeting ACE standards. ACE is currently the state’s best model of cooperative effort to address issues of rural community and economic development.

Without strong support and direction from the state government, rural communities know that they are mostly on their own when it comes to developing their local economy. In many struggling rural communities, leaders pin their hopes for economic prosperity on the recruitment of a large manufacturing plant to “save” their town. They are sure that their big break is just around the corner, if only they can come up with the right financial incentives and recruitment strategy.

Recruiting industry, however, is extremely competitive, and many rural communities are at a severe disadvantage compared to their metro area competitors. Today’s economy is characterized by free trade, corporations seeking inexpensive labor in other countries and smarter machines replacing humans. We now live in a world where high-quality industries are less interested in cheap labor and low taxes and more interested in a highly educated labor force, modern infrastructure and public amenities that contribute to a high quality of life. In *Area Development* magazine’s 2017 *Executive Survey*, three of the top four site selection factors cited by corporate executives were: 1) highway accessibility, 3) availability of skilled labor and 4) quality of life. As noted in the MDC “Shadows in the Sunbelt Revisited” report, “Enticing companies from afar to relocate with the bait of cheap land, low taxes, and a surplus of hardworking but undereducated workers – that old recipe no longer works.”<sup>5</sup>

To survive, rural communities need diverse economic development strategies that go beyond just business recruitment. However, other key determinants of a strong local economy generally receive much less attention and support – business retention and expansion, small business and entrepreneurial development as well as tourism and retiree attraction, for example.

More significantly, local leaders pay too little attention to building the essential community infrastructure. Stated another way, many small towns overemphasize marketing and sales (industrial recruiting) without adequate attention to product development (improving the quality of the community). However, our experience teaches that prosperous local economies are built upon the foundation of strong communities. And strong communities are

committed to bolstering the: 1) *civic infrastructure*, 2) *human infrastructure* and 3) *physical infrastructure* (including broadband communication technologies).

### **Building Community Infrastructure: Physical, Human, Civic**

In 2006, Auburn University hosted the first *Alabama Rural Roundtable* where about 60 key rural stakeholders came together to share ideas about how to promote prosperity in rural Alabama. They identified three priorities for ensuring rural prosperity: 1) leadership and citizen participation, 2) education and workforce development and 3) communications technology (i.e., high-speed Internet). Interestingly, these rural leaders focused less on industrial recruitment strategies than on how to build up the community infrastructure that underpins the local economy. The infrastructure components that they identified represent the: 1) physical infrastructure, 2) human infrastructure and 3) civic infrastructure. In 2017, the Auburn University Government & Economic Development Institute conducted a second *Alabama Rural Roundtable*, where participants affirmed the three rural priorities from 2006, and added a fourth priority – addressing rural healthcare access.

#### **1. Physical Infrastructure**

All rural leaders understand the importance of the physical infrastructure. They know roads, water, gas, electricity and sewers are necessary to support economic growth. For many companies and industries, transportation of data, images, voices and sound is at least as important as the transportation of goods by highway, rail and air. Communities without access to high-speed Internet cannot compete in the knowledge economy. The weakness of the physical infrastructure is a huge challenge for Alabama rural economic development, especially the lack of high-speed internet and an inadequate transportation infrastructure.

#### **2. Human Infrastructure**

The number one issue in economic development today is workforce quality. In the 21<sup>st</sup> century knowledge economy, outstanding education – pre-K, K-12 and post-secondary – is essential for successful economic development. States and communities that fail to produce and attract educated and skilled workers are at a huge disadvantage in the competitive world of economic development, which is increasingly shifting from an emphasis on recruiting industry to recruiting talent. The highest priorities for rural economic development must include maintaining excellent schools and strengthening the local workforce training system, with active collaboration among business leaders and K-12 and community college stakeholders.

### 3. Civic Infrastructure

Successful communities all over the United States understand the importance of an expansive view of community leadership. The traditional notion of the community leader – often a mayor or other powerful “position-holder” – as chief community problem-solver has given way to a new, more dynamic model of the community leader as catalyst, connector and consensus-builder. Dr. David Mathews, President and CEO of the Kettering Foundation, in summarizing the findings of the Foundation’s research on community politics, writes:

“What stands out in the high-achieving community is not so much the characteristics of the leaders as their number ... The high-achieving community had ten times more people providing leadership than communities of comparable size ... And its leaders function not as gatekeepers but as door openers, bent on widening participation.”<sup>6</sup>

A community with a strong civic infrastructure has many diverse leaders. It mobilizes the knowledge, talents and perspectives of every segment of the community and builds strong connections and partnerships among community stakeholders. However, in my 30 years of working in Alabama communities, one of the most common deficiencies I find is disconnectedness. Most communities have many excellent people, programs and projects. All communities have at least some institutional assets – city government, churches, schools, civic clubs and Chambers of Commerce. But far too often, individuals and organizations work independently rather than in concert with one another. There is a critical need to connect fragmented community assets and initiatives and to engage key stakeholders and citizens in working together to address community concerns.

#### Rural Healthcare

Healthcare is a huge component of the Alabama economy, and impacts rural economic development (jobs, tax revenues, local spending) in many ways. Rural areas cannot be successful in recruiting businesses and industries without the incentive of adequate quality healthcare. However, Alabama’s rural hospitals and other healthcare facilities face crisis conditions due to inadequate funding and inequities in hospital/physician reimbursement policies at the federal and state levels. Attracting and keeping medical practitioners in rural areas is a huge challenge that must be addressed if rural residents are to have adequate healthcare access and coverage. Specifically, Alabama needs increased support for education programs that specialize in placing medical practitioners in rural communities. We also need incentives, such as paying off school loans in return for years of service, to recruit qualified healthcare professionals – doctors, dentists, physician’s assistants, nurse practitioners, pharmacists, etc.

– into rural areas. Telemedicine can also be an important tool for improving healthcare access in rural areas; however, many rural areas still lack adequate broadband coverage to effectively support it.

#### Strategic Planning

Regions and communities throughout rural Alabama need effective strategic planning. An era of rapid social, cultural and technological change requires that rural communities take a proactive approach to addressing current and future problems. High-achieving communities engage in a strategic planning process to identify what makes their place special and to decide how to cultivate and promote their unique assets – such as a river, a lake, a mountain or a unique history. Every rural community has unique assets. Some places have opportunities for tourism, some for retail, some for agriculture, some for entrepreneurship and some for industry. Each community must develop a creative plan that matches its assets with opportunities.

Every rural strategic plan should include innovative strategies for improving “quality of place.” Strong communities are characterized by excellent schools, quality healthcare, attractive downtowns and neighborhoods as well as good shopping and amenities. Of course, many small towns face huge challenges in achieving these goals – there is a tremendous gap between “where they are” and “where they need to be.” Strategic planning helps communities to identify and align all available resources to make measurable improvement toward these collective goals. There is no “magic bullet” or easy path to success. The key is a long-term commitment to continuous improvement. The strategic plan becomes a road map and a benchmark for community progress.

Of course, the creation of a strategic plan should not be the end of the process. If so, it would resemble many unsuccessful community planning efforts that result in a plan that looks good on paper but ends up collecting dust on a shelf. To prevent this, the community should create an entity – a Prosperity Alliance – that is responsible for ensuring that the major objectives in the plan are actually implemented. It should include representatives from government, business, education and faith-based institutions. It should meet regularly to monitor the community’s progress on the plan and make needed modifications to ensure that the plan remains relevant to community priorities and needs. This group can serve as an important community “crossroad” where key community stakeholders have the opportunity to think, work and act together to accomplish shared community objectives.

#### Regionalism

Leaders in our small towns and rural areas must also begin to think more regionally. Because rural municipalities

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are sparsely populated, they lack a critical mass of taxpayers, leadership, financial capacity, infrastructure and skilled labor. Therefore, if small towns are to survive, they must join forces and work together. Small towns must learn to see their neighboring community as a competitor only for the Friday night football game. And while some regions may be entirely rural, we need to also create new economic regions that link rural areas with a metro hub.

## Conclusion

Small towns, and larger jurisdictions for that matter, are best served by a holistic approach to economic development. Industrial development may be an appropriate strategy, especially if done in partnership with regional neighbors; however, it should not be the *only* strategy – entrepreneurship, existing business support, tourism, retail and retiree attraction should be part of the mix. To be successful, small towns need to cultivate strong and diverse community leadership that is inclusive, collaborative and aligned. They need innovative strategies to ensure first-class education and quality public services, a strong health care sector, state-of-the-industry workforce training and citizen involvement. They need to identify their unique assets, create and implement a strategic plan and establish partnerships with other jurisdictions. And they need to be proactive in creating community and regional crossroads – organizations or structures where leaders can connect on a regular basis to assess, plan and work together.

If small towns aggressively pursue these strategies, they have excellent potential for success. Many city-dwellers long for what people in small towns already have, and often take for granted – a slower pace of life, friendly people who know their neighbors, attractive open spaces and beautiful scenery, quaint shops, historic homes and buildings, parades, festivals and streets that are safe and free of traffic congestion. Many of our small towns still possess a sense of authenticity and charm that cannot be replicated in bigger cities.

These inherent quality-of-life advantages, enhanced by strong community infrastructure – physical, human and civic – make the place more attractive to both existing and potential residents and employers. Ironically, strategies emphasizing community development ultimately make small rural towns much more attractive in the competition for those large manufacturing plants they covet. ■

## Endnotes

1. United States Department of Agriculture, National Agriculture Statistics Service, *2017 Agricultural Overview for Alabama*.
2. MDC, Inc. *The State of the South 2002: Shadows in the Sunbelt Revisited*. Chapel Hill, N.C., September 2002, p. 15.
3. Ibid.
4. U.S. Census Bureau.
5. MDC, Inc., p. 33.

6. David Mathews. “The Little Republics of American Democracy, *Connections* 13(2) (March 2003): 2-6. The quotation is from page 6.

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