

RURAL EUTOPIA: CAN WE LEARN FROM PERSISTENTLY
PROSPEROUS PLACES?

BY

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THESIS

Submitted in partial fulfillment of the requirements
for the degree of Master of Science in Agricultural and Consumer Economics
in the Graduate College of the
University of Illinois at Urbana-Champaign, 2008

Urbana, Illinois

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ACKNOWLEDGEMENT

An excerpt from Cynthia Duncan's *Worlds Apart* was one of the most memorable texts I was assigned during my undergraduate degree. Duncan's compelling words made the challenges facing domestic rural America so vivid that I refocused my interests from international economic development to domestic rural development. Returning to Duncan's full text this past year and approaching prosperous rural communities in the spirit of her work has been a rewarding and challenging experience.

I would like to thank my adviser and chair Professor Andrew Isserman for guiding me through my first research project and for supporting me to explore my interest in case study methodologies to enrich my understanding of rural America. Professor Isserman has shown an unending depth of patience and persistence in encouraging me to continue to improve this manuscript. His attention to detail and request that I be "stinging real" as I wrote have improved the quality of my work and changed the way I think about writing and research. All remaining errors are mine alone.

I am very grateful to the residents of Gardner and Stockville who willingly gave of their time to discuss their towns and lives with me. Their openness and pride renewed my own confidence in rural America and the possibilities communities can achieve by working together. Using my notes, historical books, and newspaper clippings, I have tried to capture their views accurately that are presented as quotes in the pages to come.

I would also like to thank Professors Edward Feser and Robert Thompson for serving on my committee and for being supportive of an unconventional agricultural economics thesis topic. My family and friends also deserve a special thanks for their inputs and support, especially Sang Lee for accompanying me on an initial trip to my case study counties and for providing reactions and observations from her non-rural perspective. I would also like to thank Stephanie Koeser who provided an initial round of editing and engaging conversations from her rural perspective.

My interest in this research topic has also come from the influence of my grandma, Shirley Marie Rahe, who taught me the importance of where I came from before I could recognize it and with whom I discovered my passion for working to prevent rural distress.

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CHAPTER 1: INTRODUCTION

Rural development research has focused on two outcomes: preventing rural distress and generating rural growth. The persistent poverty literature has made important contributions to our understanding of how economies and communities interact by recognizing the influence of non-economic factors including social capital. These research findings can be expanded and applied to prosperous rural communities who have sustained positive development to further our understanding of rural places. Failing to use other indicators besides growth to identify positive rural development limits research. I use the prosperity framework (Isserman, 2005) to identify persistently prosperous rural places. In a case study I explore how two rural communities improve their local education, healthcare, economic, and social resources.

To frame an approach to my research, I shall draw from findings in the persistent rural poverty literature. Theories of perpetual rural distress emphasize the absence of social capital, strong community organizations, and a middle class. If persistent rural poverty and persistent rural prosperity are two opposite outcomes, forces whose absence is assumed to be responsible for distress could be functioning better than normal in prosperous communities and contributing to their success.

In the mid-1950s Congress first began to address rural poverty with economic development legislation. The effort was led by Senator Paul H. Douglas from Illinois who saw high levels of poverty among the coal mining families in his state (Bradshaw, 1992, p. 26). Addressing rising American poverty and inequality would become an important priority for President Kennedy after visiting Appalachia (Bradshaw, 1992, p. 30). Rural development researchers have continued to focus on understanding the causes of poverty. Cultural arguments blame the poor for laziness and having a bad work ethic, while structural arguments blame the economy for being unable to provide unskilled workers opportunities out of poverty (Duncan, 1996). Within this context, Duncan's case studies in the Mississippi Delta, Appalachia, and the Northeast focused on the roles that governmental and social institutions had on the lives of the poor. Her understandings of rural poverty pointed out the simplicity of the debate and drew attention to the needs of more poverty research. Duncan found the structure of a community can either perpetuate

or offer a ladder out of poverty. A strong middle class can choose to emphasize social relations in a community and offer the poor more opportunities (Duncan, 1996). The role of the labor market structure and the “social organization of production” can help people grow and take on new responsibilities or can hold people back (Duncan, 1988 and 1999). Mencken et al. (2006) found that aside from market forces, measures of civic engagement positively impact economic growth in Appalachia.

Economic development inequalities often stem from historical biases which caused structural differences to develop in economies. Regional economist William Nicholls (1960) urged colleagues to account for the non-economic factors of racial segregation and unequal public education policies when addressing economic development in the Southern States. Variables accounting for American Indian and Black populations in rural counties produced statistically significant negative correlations in the 2000 county prosperity analysis serving as a “forceful reminder that the U.S. has not overcome the legacies of its original racial policies” (Isserman, et al., 2007). Speaking broadly about policies to alleviate rural poverty, Blank (2005) found that understanding the roles of local characteristics of the natural environment, economic structure, public and community institutions, social norms, and demographics are important. In a survey article on the state of the poverty literature a future research agenda for poverty includes understanding the effects of social policy through experimental and quasi-experimental research and additional theory on the role and relations of social policy, social processes, institutions, and policy interventions (Weber et al., 2005).

Within a rural dialogue that has developed a research focus on poverty, not all of rural America is struggling. In the midst of demographic and economic change, rural America finds itself at growth extremes. As the young and educated leave, some rural towns are aging into disappearance (Johnson, 2006). Meanwhile, other rural areas are quickly being consumed by urban America as cities sprawl over fertile farmland. A separate focus in rural research has developed to understand how to promote rural growth. Rural America has become engaged in conversations of growth that apply the processes of business attraction and population growth in urban areas to rural areas.

Included in the literature is a focus on the creative class (McGranahan and Wojan, 2007) and substituting urban amenities for recreational amenities as a way to draw population (McGranahan and Sullivan, 2005).

Areas targeted for growth are often amenity rich and adjacent to existing metropolitan areas. What about rural places that do not have commonly sought after sources of wealth including high amenities, are not near urban centers, and do not have the skilled labor or infrastructure to enjoy the benefits of industrial clusters, value chains, and telecommuting? Much of the growth literature does not address these counties' potential or offer applicable policies. In this way the growth mentality is a limiting perspective for counties that are unprepared to participate. Urban strategies cannot be blindly transplanted to rural areas. Special efforts must be made to match strategies with need and local capacity. Without such efforts, rural areas could be made worse off (Schaeffer and Loveridge, 2000).

The attention spent on growth and the ability of some places to attract many new residents has led to another direction in the research, as rural sociologists and others ask about the affect growth is having on rural communities. Set mainly in the American West but also in the fringes of American cities, rural and urban values are clashing over water rights, federal land usage, agricultural production practices, and environmental impacts. Among high growth rural communities a sense of place is being lost (Wulfhorst et al., 2006). Growth, although a typical goal, can cause community upheaval, and becomes a complex and confusing benchmark to use in gauging a rural county's success.

The current focus on both rural distress and urban emulation suggests an opportunity for other development frameworks in policy discussions and development options for rural communities. I use the prosperity framework (Isserman, 2005; Isserman, Feser, and Warren, 2007) to find examples of rural places that are providing a consistently higher average quality of life than most other rural counties. A four part indicator defines as prosperous a county that has lower high school drop-out rates, unemployment rates, poverty rates, and rates distressed housing (complete plumbing, complete kitchen, less than 1.01 persons per room, spending less than 30 percent of income on rent, mortgage, and housing costs) than national averages (Isserman, 2005).

Persistently prosperous rural counties meet the above criteria in 1980, 1990 and 2000 (with the exception of substituting 30 percent with 35 percent for the amount of income spent on rent, mortgage, and housing costs because of data availability). Two of these indicators, poverty and unemployment rates, are frequently used in distinguishing distressed communities (Isserman, 2005; Partridge, et al., 2008). This definition diverges from many common measures of prosperity which focus on a county's growth rates of population, incomes, and jobs.

A focus on persistent prosperity recognizes that economic growth without an accompanied improvement in the quality of life in a place is, by itself, not evidence of positive development. Furthermore, it posits that communities may be able to be prosperous if their overall average quality of life is high even when incomes and indicators of growth are not. This is not to say that quality of life can exist in absence of a healthy economy and employment. A community needs to have a strong economic base, but it may not need to be in high growth, high tech innovative sectors. These policies prematurely pursued will be unsuccessful in places ill prepared to leverage local resources in an economic transition. The measure of prosperity places an emphasis on economic viability. A prosperous community must be able to provide employment opportunities for residents in occupations which offer an income sufficient to keep families out of poverty and able to afford safe housing. Yet, the path to achieve these goals can be a rural focused plan that does not need to rely on a goal of becoming urban or urban-like. Instead, by considering the opposite response of what is observed in communities under perpetual distress; the presence of institutions and social capital can lead to positive outcomes.

Although small size is often seen as an obstacle to rural growth, this characteristic can be an important asset when building community cohesion. The industrial structure literature explains the benefits of small industries working together with embedded relationships which allow firms to share factors of production and trade information (Harrison, 1992). In times of changing economic conditions, small embedded firms will share demand and collectively adopt strategies of savings to survive through hard times. Firms will adopt these unusual habits because of the deep trust relationships and business

interdependency. A socio-cultural identity can aid in the development of these close relations (Schmitz and Musyck, 1994). Working together is not uncommon in communities, but residents within rural communities may engage in the activity more. Within a rural community there may be fewer economic alternatives, and residents might have more to lose by not working together. Farming operations may be more innovative if they are larger in scale or are a part of a cooperative, which allows them to achieve a sufficient size to diversify the risks of technological innovation.

Rural communities can band together and through a combination of organizations and relationships built on trust keep the community together during periods of hardship. When a strong community commitment is present, it can be displayed as an interest to make community investments. This interest can lead to strong community organizations, support for local businesses, decisions to remain or return to communities, and a desire to fund and build public sector resources. When coupled with sufficient economic means, rural areas can reduce economic spending leakage, make more capital investments, and provide more public goods and services.

Low population density remains a challenge to community cohesion as do historical community rivalry. However a variety of factors could lead to community cohesion. For example, a common history based on heritage, ancestry, religion, culture, or historical success from cooperation could promote cohesion. I believe that the strength of community cohesions has been an important part in building and sustaining a high quality of life for residents in prosperous communities. In a case study I shall explore how community assets are built and maintained. I shall also seek to understand how the community has responded to past threats to its current stability and how it is acting and planning for an uncertain future. I shall expect to find a range of actions based on individual, familial, and community decision making. I shall not be comparing these different decisions directly to those made in a non prosperous community. However, I hope that by exploring these decisions and actions from the viewpoints of many different community members, I can understand how two prosperous communities have operated in the past. My hypothesis is that a careful documentation of their processes can serve as useful information to other communities. I believe that my case study shows research

can learn from persistently prosperous places and additional case studies would be a productive research strategy.

Relating persistent prosperity to policy, the four indicators are community outcomes that local areas can have control over in the development of their futures in the face of rural changes (Isserman et al., 2007). Understanding persistent prosperity and not only persistent poverty is important as rural America faces continual challenges in the face of growth and change, challenges that are as diverse as the country itself. The strategies used by prosperous communities to weather hard times and volatility and to succeed in preserving a high quality of life can hold valuable lessons for other communities. There is a need to have a better understanding of both success and failure in rural America. As stereotypes and theories of rural strengths and weaknesses abound, real questions of community change, stability, and techniques used by places that have weathered, survived, or avoided change remain important but unanswered (Rickman, 2007). More must be done to connect scholarly rural research to policy makers (Feser, 2007).

CHAPTER 2: USING RESEARCH METHODS TO UNRAVEL PROBLEMS AND SOLUTIONS IN RURAL AMERICA

2.1 Rural definitions

As the home to small town America and most of the nation's farmers, the rural portion of the U.S. is known as a place apart, a hard to define and difficult to measure place, and often simply the remainder of what is not urban America (Isserman, 2001). What is rural? County data are often the most available information for rural populations and defining rural America in research is challenging. Different classifications have partitioned rural counties into many different categories based on population size, proximity to urban places, percentage of urban residents, density, urban integration, dominant economic activity, density, size of urban area and rural character (Morrill et al., 1999; Waldorf, 2006; Isserman, 2005). Typologies often establish thresholds for inclusion as rural or urban, while there have also been attempts to create continuous measures (Waldorf, 2006). Definitions released by the Office of Management and Budget (OMB) in the federal government are most frequently used. The OMB classifies counties by their urban population and degree of urban integration. Starting in 1950, the OMB developed a metropolitan and non-metropolitan bifurcated definition which was equated as urban and rural. In 2003, the definition of non-metropolitan was replaced with micropolitan and non-core. Micropolitan counties have a core urban area with a total population of 10,000 to 49,000. For more information on changing federal definitions see Isserman (2005). Metropolitan and non-metropolitan definitions are still commonly equated as urban and rural. This distinction is problematic because it only identifies urban integration and not the separation between urban and rural (Isserman, 2005). Counties which do not have an urban area of 10,000 or more may still be classified as metropolitan if they have 25 percent or more of their residents commuting to an urban area to work (Federal Register, 82233). These "official" definitions are hardly ideal, as over one million farmers, the majority of the rural population and the Grand Canyon are part of metropolitan America (Isserman, 2005). Year also affects definitions because the OMB periodically updates its county classifications as commuting and urban populations change. Research which examines rural counties over time and uses only the most recent

classification of non-metropolitan may produce biased results with exaggerated rural loss and decline. Over time the growing portions of rural America become redefined as metropolitan (Isserman, 2001 and 2007).

2.2 Data availability

Non-core counties are a good unit of analysis for my research on rural communities because I am interested in separating urban influences from counties with rural characteristics. Non-core counties have the least amount of commuting to urban counties and have no towns with a population of 10,000 or more. By concentrating on separating rural from urban, my research fails to account for three-quarters of the total rural population but it identifies the most rural places (Isserman, 2005). Local outcomes in non-core counties are more likely to be related to local efforts rather than urban influence (Isserman, 2007 and 2005).

I shall use the 2003 OMB definitions of non-core counties to identify persistently prosperous counties that have remained rural with minimal urban influence. My interest is in understanding development at a community scale. The census releases decennial numbers by place which can approximate rural town communities but not the widely scattered farms and homesteads in an area that might still consider themselves a community. Another complication with using place data are that other federal data sources do not release data at this scale. Counties are not ideal substitutes for communities particularly in the Western states where county sizes are larger. Less data are available for rural counties and what is available is often based on lower sampling rates and is prone to error, however it is usually the best data available. Any data release must choose a definition of rural.

In counties with small populations, applying a small percentage to the total population could produce a threshold of a fraction of number. A rural county might easily exceed the threshold and have only a few events. In an extreme case, if a county only had 100 high school students aged 16-19 and if 10 of them dropped out of school the county would receive a zero for this prosperity indicator because the national rate in 2000 was 9.8 percent. For the prosperity measures, the small numbers problem is a bigger issue for two housing variables (percent lacking complete plumbing and lacking complete

kitchens). The new housing variable forms an average of four averages each year and compares this average to the national average. Waldorf and Chen (forthcoming) addressed this small number problem when studying rural healthcare access by adding up the data for several years. This aggregation is impossible with decennial data released every 10 years. The census's new tool of using the American Community Survey is using multiple-year sampling to provide more current data previously only available from the census. The program has yet to collect enough data to make releases for every county in the nation. The small numbers problem is also an argument in favor of creating an index approach that will account for the degree to which counties meet or fail to meet an average. I considered creating an index out of the four persistent prosperity measures. I am interested in evaluating multiple factors over time and a simpler yes or no threshold combined with a qualitative measure of change within each of the four indicators is a better way to initially compare county experiences.

2.3 Rural diversity and the need for mixed methods approaches

Beyond the difficulties in defining rural, the economic and demographic diversity among non-core rural counties offers another challenge to classifying and examining rural change. Low unemployment counties can encompass service, manufacturing, and agriculture dependent economies. It is likely counties with different economic bases have undergone different processes to maintain low unemployment and other outcomes. A multivariate spatial regression method explained the variation in 2000 county prosperity outcomes using additional data on economic structure, geographic region, demographics, and social capital (Isserman, et al., 2007).

Combining research methods is an effective way to understand rural problems. Persistent prosperity scores are calculated for all counties in the nation to obtain a big picture of the patterns among county averages. Although research often treats a county as a community, using qualitative methods, data can be collected and analyzed on a finer geographic scale. Qualitative methods allow a county outcome to be translated to a community outcome and can help unravel complex social and economic interactions to understand what drives community outcomes. Case study research is used when the study interest- the outcomes of persistently prosperous rural communities- is

indistinguishable from the demographic, economic and social structure, leadership, policies, and implementation abilities formed in the context of a community (Yin, 2003). Context is important and accurately capturing and presenting this type of data requires careful formulation of a research design, implementation, and data analysis. Case study research is an appropriate method for all stages of research, initial exploration, describing phenomena in full detail, hypothesis testing, and evaluation (Yin, 2003).

The role of theory is not to be overlooked in case study research. In my research I am using the theories from the persistent poverty literature to see if the occurrence of persistent prosperity can be viewed as an opposite outcome of persistent poverty and distress. If so, social capital and social institutions have played a role in the prosperous development of these communities. Their outcomes are also likely to be attributed to historical decisions, natural resources, and economic fortunes (Duncan, 1999). A case study approach shall be used to understand the current and historical context of social capital and community cohesion in two neighboring prosperous counties. Interviews shall be able to yield a thick description of processes and events. A case study can isolate and explore aspects of community processes through descriptive stories, which may stimulate new research ideas and questions or test hypotheses directly by searching for patterns among several cases. There is a need to use both quantitative and qualitative methods to uncover new insights about economic and community development in rural America.

2.4 Selection of case

Stories of rural communities speak of distress and poverty, rapid growth and urbanization, neglect, and outmigration. Using a set of four measures, not unlike the measures used to identify distressed impoverished communities, I wanted to find communities that had continued to achieve above average outcomes through the change and upheaval rural America has experienced since 1980. Are rural communities still able to provide a quality of life and livelihood that allows people to live and work in a rural community, without exposing residents to poverty, rapidly growing suburban fringes, or desolation from outmigration? Are there rural communities that people live in and move to that are staying rural? What could I and others learn from these

communities through data analysis and community interviews? What struggles and successes these people might tell?

In this way I was looking for exemplary counties using the indicator of persistent prosperity. Exceeding the national average for four criteria in three time periods is a stringent test that produced 21 non-core counties from a total of 1,340. Within this group, I chose two adjacent counties; one county has exceeded the national average by some of the highest percentages in all three time periods. Using the 2000 census population numbers I chose the largest community within the county as the representative place to study.

2.5 Exploratory descriptive case studies

Both of the communities chosen are persistently prosperous and are exemplary cases. My research design was not to compare and contrast their experiences because both counties have reached similar outcomes, but to use their stories together to look for commonalities between the two communities to understand what factors were attributing to their outcomes. These exemplary cases alone did not inform me of a direct causality between factors of the local context and outcomes. Without studying places that had not achieved the same outcomes I do not know if the significant factors I found were really not present in a non-persistently prosperous county. Extensive multi-case research can provide a level of rich detail that can be used to build models and test theories. However, proper explanatory cases need a longer research horizon (Duncan, 1999). Case studies that do hypothesis testing to reveal causality require multiple cases in order to establish patterns across many different contexts. It is a dangerous process to design policy around a few examples of singular cases (Feser, 1998).

Instead this research conducts an exploratory descriptive case study. This research does not begin at the most fundamental level of exploration because it is informed by a 2000 analysis which uncovered explanatory variables (Isserman, et al., 2007) and by the data from interviews in distressed counties with persistent poverty (Duncan, 1999). The descriptive case study puts the researcher in a different role with the end result of a full narrative that describes the details of rural prosperity in the context of one community (Yin, 2003). Using the research outcomes of Duncan (1999) and

Isserman et al. (2007) I identified characteristics attributed to county prosperity in 2000, but missing in distressed communities. Interview questions drew from the findings of previous research.

2.6 Data collection

Following rural sociologist Cynthia Duncan's methods, I started with an initial list of questions in a semi structured interview format that would leave room for people to tell the story they way they understood it. The counties are in a part of the country I had no previous exposure to, but they lie within the same Corn Belt that I grew up in. Embarking on my first field work research, I brought my experiences of a small Midwestern community, living and working on a farm, showing cattle, participating in FFA and 4-H, and attending a small high school. These experiences created a sense of familiarity and trust with my participants. Most participants would ask questions about my background first and then proceed with their own stories.

I collected community interviews from August 4 to August 14, 2008. I interviewed a total of 35 people from six broad categories within the two communities: eight farmers or people employed in a farm-related business or organization; six business owners or business managers; six town officials or economic developers; six residents actively involved with social organizations as their primary occupation; five educators affiliated with high schools and colleges; and four members of the clergy. Participants within each category often spoke about aspects outside their primary role in the community. In small communities residents often have multiple roles. I met a woman who used to be on city council, was the former assistant hospital administrator, a member of the private economic development corporation and had a masters degree in ministry; a female agricultural loan officer who was also a farmwife and member of the 4-H county board of supervisors; and a man who was a retired town administrator, volunteered at a local faith based community organization, and was president of a boosters club. In addition, every participant is a resident of the community and some views were simply given from a general perspective of someone living in a community. I have identified comments from people depending on which perspective they were offering at the time.

In my interviews, I focused on farm and non-farm jobs, education, healthcare and other social services, community organizations, and community perceptions. Participants were asked to respond based on their own experiences, opinions, and observations. I asked participants to both describe elements of their communities and also what they thought had led to certain outcomes. The interview process began with a few central questions based on the person's position within the community. I asked additional questions for clarification or detail when needed. Social organizations, community relationships, religion, and identity were interwoven throughout conversations as people told me about why local school districts had such low drop-out rates, how the community built a brand new hospital, how employers treated their employees, why farmers were optimistic about their futures, what made people volunteer, and what residents thought of their futures. At the end of each interview I asked each participant how they might transfer the lessons and wisdom of their community somewhere else.

All participants read and signed a research consent form in compliance with the protocol of the University of Illinois Institutional Review Board (IRB), which must approve all research methods for human subjects. As a part of the IRB application I chose to retain anonymity of my subjects and community identities. This choice might have helped me obtain more honest information from some of my participants, but it complicates the data analysis and reporting process. I have given pseudonyms of Stockville and Gardner to the towns and have named the region Beneficence to identify commonalities between both counties. The region's colleges have also been renamed. Most interviews were an hour and fifteen minutes to an hour and a half. The shortest interview was 50 minutes and the longest was two and a half hours. Participants were informed of their ability to skip questions and to end the interview process at any time. Participants were also encouraged to ask questions about the nature of the research.

My interviewees were often people in community and business leadership positions. Each town has more men in leadership roles than women. The stories of prosperity in chapter four and the conclusion drawn in chapter five could contain a bias of male-oriented views; only 10 of 35 participants were women. I did not interview anyone from minority groups, and no one that I knew to be living in poverty, although

each community has residents from both groups. One-third of the interviewees came from suggestions from the town's respective mayors' offices and county Extension directors. Participants were also asked to suggest other residents to interview under a snowball sampling approach.

Historical events, processes, and decisions have important impacts on later economic growth and progress. Internet searches, local knowledge, and any available local archives were used to reconstruct the history of the community to look for important events that have helped shape the present. To maintain anonymity, much of this history is not included in my data.

2.7 Analysis of data

Triangulation guides the collection of qualitative data (Duncan, 1999; Yin, 2003; Stake; 1995). If you continue to obtain new information from participants, you should continue to interview (Duncan, 1999). The triangulation of information from multiple sources, including interviews, observations, and documentation, is the most desired way of finding patterns and analyzing case study data: "The most robust fact may be considered to have been established if three (or more) sources all coincide." (Yin, 2003). Stated with less specificity, researchers can be fairly certain they have collected a majority of opinions when they can link the information from one interview to the information obtained from several other interviews. This type of triangulation is possible when the same question is posed to multiple participants from different positions within the county (Yin, 2003).

The data collected from interviews are used to create vignettes of the people living in prosperous communities. I compared interview notes across all 35 interviews to find common themes as well as disagreements. The resulting narrative in chapter four aims to provide a fuller description of establishing and maintaining prosperity in a community. The insights collected about community attitudes, leadership, and relationships capture important dimensions of community development processes and complement data from federal sources. In chapter five, I discuss important themes identified with data triangulation using the existing research and theories on persistent poverty and distressed communities.

The researcher is a key component of the methodology of qualitative research and experience can play an important role. Researchers have the privilege to discern importance among the information they receive, but also the obligation to draw conclusions that will be meaningful to colleagues and clients (Stake, 1995). This was my first experience doing qualitative research. There are additional questions I wished I would have asked, people I could still interview, and questions I would rephrase if I were to replicate this study elsewhere.

2.8 Limitations of research

The danger in completing case study analysis is failing to capture a phenomenon accurately. With unlimited resources, I would have chosen to complete a pilot study first in a nearby community (Yin, 2003). A pilot would allow me to build interview skills and illuminate any of the current project's downfalls. In addition, the time constraints on this project have perhaps constrained the richness of detail and the trust that I built with the community. A few people refused to participate in my research, and after I had met with my four contact individuals (the mayor, executive director of the chamber commerce, and county Extension directors) each of them was more willing to help me after having the chance to be interviewed.

Two common critiques of case studies are that they fail to produce results that can be generalized over a larger sample and that case studies often try to explain an event only by examining singular highly successful examples. A single case study cannot generalize the path to economic success for rural communities across the nation, and this research shall not try to attempt that. Not studying failing places with the same characteristics as prosperous examples provide a one-sided view of an event at best. Cognizant of this concern, these cases were designed to incorporate the lessons from other field research in rural communities. Although I studied Duncan's work to form my own questions and methodology, it is impossible to replicate conditions under which data are collected in a case study. My research has a limited scope that prevents it from complementing her work to produce multiple narratives of prosperity. It seeks instead to start a conversation within the rural literature about high outcome counties. I choose to learn from the counties with the highest outcomes and to study only the view of

prosperous counties with the intention that this research is only an initial step at understanding prosperity. Future research should focus on different cases to place my results in a more complete and useful context.

2.9 Goal

Despite these two claims, when properly executed, case study work is important as the economic development and regional science fields recognize the need to understand the context of a place as a prerequisite for understanding observed outcomes. The context of regional economic development is a complex topic, and using quantitative and qualitative data simultaneously can provide new understandings of the dynamics of the system (Barkley, 2006). My thesis goal was to apply qualitative case study methodologies to rural economic and community development to explore the use of qualitative methods in practice and find what could be learned with a limited visit to a prosperous community.

CHAPTER 3: CONSTRUCTING A MEASURE OF PERSISTENT PROSPERITY

3.1 The federal designation of persistent poverty and rural distress

The Appalachia Regional Commission (ARC) developed the Distressed Counties Program in order to identify the “more economically disadvantaged counties” among the region and to target extra development funding to these counties (Partridge et al., 2008). The distressed measure was first implemented in 1983, and has changed over time. Wide disagreement exists over what indicators accurately capture distress (Partridge et al., 2008). The ARC uses three-year average unemployment rates, poverty rates, and per capita market income to classify counties as distressed. The Economic Development Administration, the United States Department of Agriculture, and the U.S. Department of Housing and Urban Development also use different measures to identify distress and distribute funding. In 1997, the ARC added an attainment category for counties that meet or exceed the national average on all three measures. In 2007 the measures were turned into a national index, comparing county averages to the national average and creating an index from the differences. Distressed counties were the worst 10 percent of all counties, while attainment counties were the best 10 percent (Partridge et al., 2008). Persistently distressed counties fail the ARC’s measures from 1970 to 2000.

While reviewing distress research, Partridge et al. (2008) found poverty, labor market conditions, educational attainment, and population loss to be key indicators. Another survey of distress measures, Glasmeier, Wood, and Fuellhart (2004), identified the most common three indicators as unemployment, poverty and income; population loss, outmigration, housing conditions, and education were also used.

Isserman (2005) found per capita incomes decrease monotonically as counties become more rural: “In short, any indicator that depends on income will find more hardship and less prosperity in rural areas, maybe incorrectly so given our inability to control for spatially varying costs of living.” By analyzing the incidence of several distress measures across OMB definitions and rural-urban character county definitions, Isserman created a prosperity index using 2000 census data by replacing the problematic per capita income measure in the ARC index with the 16 to 19 years old high school dropout rate and a composite measure of housing conditions (Isserman, 2005).

3.2 Quantitative work to build on prior prosperity research

Isserman et al. (2007) conducted a stepwise algorithm to select variables that have the highest explanatory power against the index of county prosperity scores. In 2000, prosperity appears to be connected to a strong private economy. Social institutions and social capital also held statistically significant explanatory power. Prosperous counties also had higher income equality than non prosperous counties (Isserman et al., 2007). This thesis extends the use of the prosperity index by replicating the measure for 1980 and 1990 with minor adjustments (see Table 1).

In each year, counties are compared to the national average of that year, calculated not as an average of all county observations but from the national data. The target for prosperity is then a moving and changing goal for communities reflecting changes in national conditions. Many more counties achieved above average outcomes in 2000 compared to the number of prosperous counties in 1980 and 1990, reflecting an expansionary period in macroeconomic conditions. The completion of the American Community Survey which will make more regular releases of these census variables will improve the prosperity measure by increasing the frequency at which these conditions can be monitored and will allow research to measure more precisely how long it takes communities to recover from downturns. Currently it is not possible to see at which year between 1989 and 1999 many counties improved their poverty rates. Future more frequent data releases, acknowledging the accompanied sampling error margins, will help answer this question.

What does a measure of persistent prosperity tell us about how a county has changed over time? Using the U.S. as a benchmark, some places may lose their prosperity status not for graduating a smaller percentage of high school students than the previous decade but for failing to continue to exceed national standards. The prosperity measure is alive over time, and does not automatically penalize counties for adjusting downwards as national changes affect local conditions. How does the measure of persistent prosperity inform economic and community development? The four components of prosperity are people oriented and account for teenagers, households, and people. The measures are focused on economic outcomes and they suggest local

interventions. This research is aimed at identifying and understanding sustainable rural communities that provide a stable quality of life for residents. By identifying counties that have exceeded the national averages over time, the prosperity tool allows further exploration of the decisions and events that have shaped the economies and communities within prosperous counties.

This research makes prosperity calculations for all counties but does so with an interest in rural economic development and devotes further inquiry to non-core counties in the continental 48 states. The processes that lead to and contribute to prosperity might be different under a micropolitan or metropolitan context. The use of these four variables does not suggest any inherent rural bias as poverty, unemployment, graduation rates, and housing conditions are concerns of all people. However, people in urban areas may be more likely to view their homes as an investment and spend higher percentages of their income on housing making it less likely that they will meet the housing criteria (Isserman, 2005).

3.3 A national perspective of prosperity

The U.S. added almost 56 million people from 1980 to 2000. Over these two decades of growth, quality of life indicators have fluctuated and improvement on these measures is far from guaranteed. The country's clearest achievement can be found in high school drop-out rates, the only measure of the four to consistently fall. The standard deviation among county high school dropout rates has also declined since 1980. In 1959 when the national poverty rate was first measured, 22.4 percent of the U.S. population fell below the national poverty line. The national poverty rate had fallen 10 percentage points to 12.4 percent by 1980, sixteen years after President Johnson launched the War on Poverty. For unemployment and poverty 1990 captured a year of worsening conditions and high standard deviations. The national poverty rate rose to 13.1 percent and the standard deviation, capturing variation between counties and the mean, rose to 11.7 percentage points. In 2000, after a decade that ended with several years of growth and expansion, the nation was able to recover on both of these rates. Standard deviations also fell; poverty again stood at the 1980 level of 12.4 percent and unemployment fell but remained higher than in 1980 at 5.7 percent (see Table 2).

The housing measure is a composite variable with four parts (percent of households that lack complete plumbing, lack complete kitchens, spend more than 35 percent of their income on housing, and are overcrowded with more than 1.01 persons per room). Among the housing indicators the census collects, these four indicators were combined into a single variable to count how many housing units had zero to four of these undesirable conditions. This grouped variable was an important addition that identified for the first time distressed housing that suffered from multiple conditions. Over the history of the census, homes that did not have complete plumbing or kitchens, heat, and hot water were important considerations that affected a larger percentage of the nation's housing stock. Today we might think of these variables as distinguishing only substandard homes or temporary housing units not intended for year round habitation. More contemporary housing issues deal with rental and mortgage rates as a percent of income, overcrowding, and access to home ownership. While the earlier 2000 analysis used this grouped four part indicator it was unavailable in 1980 and 1990 (Isserman et al., 2007). To measure persistent prosperity all four variables were collected individually and the incidences on the four conditions were evenly weighted and averaged to a single percentage.

3.4 How high is too high? Resolving a 24% versus a 35% housing cost threshold

The nation has reduced the number of houses lacking complete kitchens and plumbing. In 2000 fewer than 2 percent of all housing nationwide suffered from either condition. The rate of overcrowded housing has risen in the past 21 years, and in 2000 stood at 5.7 percent nationally. The percentage of households spending 35 percent or more of their income on housing improved from 1980 to 1990, but worsened over the next decade. More than one in five of the nation's households spent 35 percent or more of their income on housing in 2000 (see Table 2). The selected threshold of 35 percent or more is larger than the more commonly chosen benchmark of 30 percent of income used by the Department of Housing and Urban Development. The 30 percent or more threshold was used for the 2000 analysis by Isserman, Feser, and Warren, but the 1980 census categories do not offer the same data categories. In 1980 the census set break points of less than 20 percent, 20 to 24 percent, 25 to 34 percent, or 35 percent or more.

Using the 1980 break points to examine percentage of income spent on housing in all three time periods revealed spending 35 percent or more best captured high housing costs. A majority of counties were indifferent to the threshold chosen and high percentages of people spend less than both 25 percent and 35 percent of their income on housing. Other counties were indifferent because the percent of households spending too much of their income on housing was higher than both thresholds. The decision on which measure to take then depends on how many counties fall in the middle, spending more than 25 percent but less than 35 percent. More counties have a small percentage of their population in this middle range, these counties, labeled “small middle” seem to have a bimodal housing cost distribution (see Table 3). High percentages of people spend less than 25 percent, but too many people still spend 35 percent or more. One-third of the nation’s counties had small middles in 1990, this number fell to less than 1 in 10 by 2000.

From an equity standpoint, with more counties facing bimodal distributions, the 35 percent is a better threshold. A 25 percent classification would have allowed more counties to qualify but would ignore the people spending high percentages of their income on housing. This higher threshold gives prosperity to the big middle counties where a large percentage of the population spends between 25 and 34 percent of their income on housing.

3.5 A 0-12 index and a qualitative classification describe the dynamics of prosperity

After assembling these four measures in 1980, 1990, and 2000, county averages were compared to the respective national average, and counties were assigned a 1 for meeting or surpassing the national average and a 0 for failing. Counties scoring a 12 are classified as persistent prosperity counties; they met or exceeded all measures in all time periods. High prosperity counties score a 9 to 11, low prosperity counties score a 3 to 1, and counties scoring a 0 failed to meet or surpass any national measure.

There are few counties with low prosperity and high prosperity. Only 2.9 percent of counties in the continental U.S. fail every indicator in all years, and 4.6 percent meet every indicator in all years. Prosperity is more often held by metropolitan counties. Only 21 non-core counties score a 12, earning persistent prosperity, while 54 fail each indicator scoring a 0 (see Table 4). Metro counties that fail every measure include the

New York City counties of New York, Bronx, and Kings, the communities along the border of Mexico including Cameron and Hidalgo counties in Texas and Yuma, Arizona, and counties in the Southeast including Tunica and Marshall, Mississippi (see Figure 1). Persistently prosperous metropolitan counties include the suburban rings of Chicago, Milwaukee, and Denver, the Minneapolis- St Paul area, and a string of counties on the Eastern Seaboard (see Figure 2).

Prosperity scores count only the number of indicators on which the county has surpassed the national average. Counties with a 10 could fail the same measure twice, two measures in the same year, or different measures in different years. A typology summarizes the eight different paths a county could compare to the national average within a single indicator over time. If a county's poverty rate is below the national average in all three years, it has prospered within the poverty measure and is assigned "prosper". If the county has had a higher poverty rate than the nation in all three years it has consistently failed the measure and is assigned the classification "poverty". Six categories between these two extremes explain how each county has changed over time. "Gain 1990" indicates a county did not meet the national average in 1980 but attained it in 1990 and held it through 2000. Table 5 explains all eight categories for the four dimensions of persistent prosperity.

Counties were more likely to be consistent across time within the four indicators (see Figure 3). Larger percentages of counties continuously exceed or fail when compared to the national average. Poverty is the most difficult measure to attain with only 12.8 percent of the counties in the continental U.S. consistently beating the national average. In addition, 1,470 counties, the most of any measure and 47.3 percent of counties, are consistently below the average. Housing conditions were the easiest measure to attain and provide a near opposite image of poverty: 48.0 percent of counties met all conditions all years, and only 10.7 percent consistently failed. One third of the continental U.S. counties had below average unemployment rates in all three time periods, and 35.3 percent of all counties had below average high school drop-out rates. Counties were almost equally as likely to consistently fail these two indicators: 27.5 had high drop-out rates and 22.4 had high unemployment. Economic growth from the late

1990s leading up until 2000 helped nearly 1 in 10 counties that had failed an indicator in 1980 and 1990 exceed the national average in 2000. Far fewer counties that had attained prosperity in an indicator for both 1980 and 1990 lost their prosperity in 2000.

While most counties either consistently fail or meet each indicator, individual counties have many different patterns across all four indicators. A poverty story emerges from the many different combinations. Poverty proved to be only condition keeping 8.8 percent of counties from persistent prosperity.

3.6 Regional perspectives of prosperity

Looking within the national average using the BEA region definitions, there are regional patterns to growth and development. What do prosperity trends reveal about the counties within these regions? Nationwide, New England, the Mideast, and the Plains states have a skewed distribution with higher percentages of counties obtaining prosperity scores of nine and above. This group of prosperity leaders peak at a score of 10 (see Figure 4). The Great Lakes and Rocky Mountain regions are also positively skewed towards higher prosperity scores. These regions trail the first group of leaders and peak between scores of seven and nine. The final three groups are positioned more heavily at the lower end of the prosperity scale. The Southwest shows a distribution closest to normal but still has high percentage of counties falling below a score of six. The Far West and the Southeast fare the worst on the scale. The Far West peaks at six, and the Southeast has the highest percent of counties obtaining a score of three. Southeast counties commonly only meet three of a possible twelve prosperity criteria.

Considering only non-core counties changes some trends (see Figure 5). The Plains, a primarily non-core region, is the prosperity leader and contains 18 of the 21 persistently prosperous non-core counties. The Rocky Mountain region follows closely behind, this region has only one persistently prosperous county, but the highest percent of non-core counties in the region scored a nine. Prosperity is led by metro and micro counties in the Mideast and New England regions and most non-core counties score in the middle of the scale. The Far West, Great Lakes, and Southwest approximate normal distributions. The Great Lakes is closest to being more heavily centered on high prosperity outcomes. In the Southeast, which lagged the nation as a whole, rural counties

are still more often found with the lowest prosperity scores. One in five noncore counties in this region exceeded only two of the chosen prosperity national averages over the past 21 years.

Regionally, other trends become apparent when considering both urban and rural counties. Compared to the nation, New England and the Mideast were more likely to have consistently low poverty rates. Consistently low unemployment rates predominated in the Rocky Mountains, Plains, and New England regions; the rest of the country more often had consistently high unemployment rates. Poor graduation rates distinguish the Southeast and Southwest counties from the rest of the country that is more likely to have consistently low rates. Among the housing variables, New England homes were more likely to fail to meet national averages in 1990. The Far West was more likely to fail housing measures in both 1980 and 2000 while the rest of the country most often had consistently above average measures.

Considering only non-core counties in these same regions, the Southeast and Southwest again consistently fail education, the Plains and Rocky Mountain States have consistently low unemployment, and all regions suffer from persistent poverty except for the Great Lakes counties which were more often to only have high poverty rates in 1990. The Southeast region had no non-core counties that had consistently above average poverty rates.

3.7 Rural America within the national averages

By using a combination of OMB metropolitan and non-metropolitan classifications and Isserman's typology of rural, mixed rural, mixed urban, and urban counties (Isserman, 2005) the story of rural America can be separated from the national averages and the experience of all counties. The 2003 OMB non-core county classifications are used to identify persistently prosperous counties that have remained non-core. Non-core county averages should show lower attainment than metropolitan and micropolitan counties (Isserman, 2005). By comparing all counties with a rural character, metropolitan and micropolitan rural counties are expected to benefit from urban interaction and have higher attainment than non-core counties. Poverty is likely to provide the largest obstacle to prosperity, just as it is the most common indicator that

classifies a county as distressed (Partridge et al., 2008). Based on national averages, counties that fail the housing measure most likely spend too much of their incomes on housing, or are overcrowded. High school completion rates have continued to converge and decrease over time nationally. How have these rates changed among regions and along urban and rural divides? The unemployment rate has increased but it maintains a lower standard deviation than education and poverty so there should be less dramatic differences among regions and between urban and rural areas.

Many rural counties meet other conditions only to fail poverty. Are persistently prosperous counties mostly similar to their rural neighbors but have attained lower poverty rates? Is the story of persistent prosperity more about poverty than anything else? The largest percentage point difference between all non-core counties and prosperous non-core counties is in the 1990 poverty rate. The average of all noncore counties' poverty rates was 26.5 percent while persistently prosperous counties maintained a 10.8 percent, and the national average that year was 13.1 percent (see Table 6). Persistently prosperous non-core counties also have much lower high school drop-out rates, beating all other non-core counties by at least 5 percentage points in every decade. Distressed housing and unemployment rates range from 3.2 to 2.1 percentage points lower than all noncore counties.

One out of seven of the nation's counties were prosperous in 1980. An urban integration helped metro counties regardless of their character attain higher prosperity. The largest percent of mixed urban metro counties, 38.5 percent were prosperous in 1980. An urban integration helped 13.8 percent of rural character counties attain prosperity compared to 9.6 percent of rural nonmetro counties. Rural nonmetro and metro counties had similar attainment rates across indicators except for poverty, where non-metro counties were one-half as likely to beat the national average (see Table 7).

Poverty attainment fell across all counties in 1990, nationally only 16 percent, less than half the percent in 1980 had low poverty rates. Poverty rate attainment affected nonmetro counties the hardest. Fewer total counties were prosperous as housing and unemployment attainment also fell. Education attainment improved across the country, nonmetro rural counties improved 10 percentage points, and 55 percent of all counties

had low drop-out rates. An urban integration hurt rural metro counties; their attainment fell to 38 percent in 1990 (see Table 8).

Nearly 3 times as many counties were prosperous in 2000 from 1990 (see Table 9). Rural character counties improved their educational attainment over all degrees of urban integration, but rural metro counties had lower unemployment rates than rural micro or rural non-core. High prosperity was driven 45 percent poverty attainment and 81 percent housing conditions attainment nationwide (see Table 10).

3.8 Identifying persistently prosperous rural counties

Persistent prosperity was found in 144 counties and county equivalents. Twenty-one of the 144 counties are non-core and are found in eight states including Iowa (7), Kansas (4), Nebraska (4), North Dakota (2), Minnesota, Wisconsin, and Oklahoma. Two counties, Sioux, IA and Waupaca, WI, are mixed rural non-core counties while the remaining 19 are rural non-core. Regionally, 18 are in the BEA Plains region; Major county, Oklahoma is in the Southwest; Waupaca county, Wisconsin is in the Great Lakes; and Sublette county, Wyoming is in the Rocky Mountain region.

3.9 Population change

How have counties with different prosperity scores changed over time? No monotonic relationship exists between population growth, measured as an index from 1969 to 2005 using yearly data released at the county scale by the REIS division of the BEA, and prosperity scores. When all counties are considered, high prosperity counties with a 10 or higher score have added more total jobs than low prosperity counties scoring 2 or less although there is not a clear pattern across the 0 to 12 scale. The two fastest growing groups of counties were those with a score of six followed by a score of three. Among non-core counties, there is a strong effect of counties losing population in the Plains, these counties are heavily weighted into higher prosperity scores and obscure a picture of population growth. By separating the non-core counties in the Plains from the non-core counties in other region, higher prosperity Plains counties are losing population, while counties with lower scores gain. In the non-Plains category, growth rates are similar across all scores, growth varies 20 percentage points and the slowest growth counties score an 11 while the fastest growth counties are the three persistently

prosperous non-core counties in the Great Lakes, Southeast, and Rocky Mountains (see Figure 6).

The 21 persistently prosperous non-core counties had a total population of 287,164 in 2000. According to the census between 1995 and 2000 45,000 residents moved into these counties while 51,000 residents moved out. Persistently prosperous places gained population for migration in all age categories except for 15 to 29 year olds and 75 to 85 years and older. These counties lost 2 percent of their total population from positive net out-migration. Non-core counties as a whole also lost people from outmigration of young adults and the elderly but slightly higher number of people moving in gave them near zero net migration.

3.10 Employment change

Similar to population change, when all counties are considered, high prosperity counties have added more total jobs than low prosperity counties although there is not a clear pattern across the 0 to 12 scale. Total employment in prosperous metropolitan and micropolitan counties has grown nearly two and a half times as fast as non-core counties from 1969 to 2005. Over the same time period total employment in these urban counties has grown ten times as fast as low prosperity urban counties. Non-core counties have still added jobs but at a slower rate. Unlike population, there are smaller differences between the growth rates of Plains and non-Plains total employment in non-core rural counties.

Comparing the indices of employment growth to population growth, the three persistently prosperous non-core counties not in the Plains are adding fewer surpluses of jobs to population than the prosperous plains counties. While prosperous plains counties were losing total population, they have continued to add jobs and have on average added four jobs for every lost resident. Plains counties that have high prosperity, scores 11 and 10, have also lost residents but have been unable to add jobs as fast as counties scoring a 12. For every two residents lost, on average less than one-half of one job were added in these counties using total full and part time employment from the REIS (see Figure 7).

3.11 Limitations of the prosperity measure

The 0 or 1 characteristic of this measure compares absolute outcomes and does not account for relative differences from the U.S. rate, can distort representations of counties that are just above or just below the national rate on a single indicator. Two counties may be similar places but could be assigned different classifications. This problem is somewhat mitigated by the four parts of this measure; a county has four opportunities to be compared to the national average to obtain a zero to four score.

The prosperity measure does not contain all of the characteristics people might attribute to prosperity. Rather than assembling an increasing long list of outcomes a community is interested in, it chooses four. Health, if data were available for rural counties, would improve the index by capturing another important dimension of prosperity. Likewise, besides only considering unemployment and poverty, the types of employment communities offer to residents affect who stays and who returns. In reactions to earlier presentations of this research, some audience members have insisted that income needs to be a part of prosperity (Rahe, 2008). Income is a flawed measure, in rural communities it can fail to capture informal agreements that might include trading labor and services or other sources of unreported income. Beneficence's farm families survived period of hardship by working together and utilizing these systems of support. Income also fails to capture differences in the cost of living in places (Isserman, 2005). Further the prosperity measure does not ignore income; it is indirectly captured with the poverty variable. Poverty like income is a failed measure that does not account for different costs of living; the poverty variable is more likely to produce overestimates in rural areas (Weber et al., 2005). More work should be done with community and economic development indicators to understand how measures are affected by change in other measures.

3.12 Conclusion

In the context of rural research conversations, the possibility of rural stability and prosperity should not be forgotten. Here prosperity is deliberately not aligned with wealth, incomes, or growth as discussions about these dimensions of development already exists. This research identifies a less common experience of counties' ability to

maintain high outcomes over time. Additional research shall strengthen the links between persistent prosperity and rural distress. Persistently prosperous communities offer the chance to test research hypotheses about community processes, class structure, and social capital, hypotheses driven by observations about what is missing in distressed counties. Are these same factors alive and functioning healthily in prosperous places? What contributed to their establishment, and how have they been maintained? Have they been built and improved upon in counties that are in transition?

Prosperity also adds to conversations about what drives growth, how to promote growth, and how to identify local strategies of economic development. County poverty rates, measures of educational attainment, and unemployment are often already employed in growth models. Papers have often concluded that education is an important variable in economic growth. The prosperity framework places secondary education at the center of the conversation and invites local officials to place a stronger emphasis on improving their education districts.

CHAPTER 4: THE STORY OF TWO PERSISTENTLY PROSPEROUS PLACES

Part of understanding the idea of prosperity is to examine how four indicators of low unemployment, low poverty rates, low high school drop-outs, and low rates of distressed housing in the data can translate into communities perceptions and lives in a place. Do these communities feel prosperous? Do they have ideas about what causes this prosperity? An ethnic heritage, hard work, and religion are the trifecta values many people espouse in rural communities. Calvinistic self deprivation and discipline for the benefit of others is seen as the wisdom of elders that gets used less and less in each successive generation. Within these reassuring common self beliefs that rural people often hold I wanted to know how people lived these beliefs, what else was contributing to their actions, and how the actions of individuals had contributed to a community's prosperity. Using the method of triangulation, I have created a narrative of common themes from five major areas of the two communities: agriculture and the agribusiness industry, manufacturing enterprises and private sector entrepreneurship, healthcare, secondary and post secondary education, and social organizations. Within each section, research findings are italicized to subdivide the topics. Chapter five explores challenges the community still faces and places these findings in the context of Duncan's (2001) results from distressed communities.

As a reminder, Gardner and Stockville are two communities in neighboring prosperous counties. The term Beneficence refers to the region that encompasses both communities. Clarksdale, a neighboring community within the same county as Gardner, is also mentioned but was not a focus of the case study.

4.1 Agriculture and agribusinesses

4.1.1 Agricultural roots and adaptations into industrial and professional occupations

Stockville and Gardner are neighboring towns, 20 minutes away on a newly built four lane highway in a Cornbelt state. Stockville had a population of 9,000 in the 2000 census, Gardner is smaller at 6,000, and each is a county seat. Stockville is the dominant town in its county, and the nearest city of over 50,000 is a 45 minute interstate drive. Gardner was the largest town in its county in 2000, but its local rival Clarksdale is now

larger. Gardner and Clarksdale are separated by a 20 minute drive on county roads, and Gardner is an hour's drive from the nearest city over 50,000.

In the 1970s the state Extension office held a series of meetings titled *Crisis in the Cornbelt* warning communities not to be solely reliant on farming. The message clearly remembered by a retired town manager was to prepare to change from agriculture to industry as farms grew and employed fewer people. Gardner responded by selling shares to start a private economic development group. "People knew that their initial investment was really more of a donation," one shareholder said. The town and the private development group worked closely together, and the partnership helped propel development as the private group was able to buy and sell land quickly.

In the late 1960s this partnership helped the leaders of the town buy a 160 acre family farm adjacent to the south of the existing municipal boundaries. The decision provoked outrage and disapproval in the farming community. The town was accused of destroying the opportunity for another family to begin farming. The town manager at the time said, "It was a hard decision to make, but the city council felt it was the right decision." By the 1970s an airport was built on the farm and the land was divided into five-acre tracts that were sold to industries. The campaign to find residents for the newly created industrial park attracted local entrepreneurs from within the community and surrounding communities. All of the initial businesses remain today. "We sent out recruitment teams to visit with companies who were looking to expand or might be willing to relocate. One of the companies was started in Stockville, but when the company asked the town for expansion sites, the town offered them space next to a pork processing plant. This business wasn't connected to livestock, and they were upset. You can't treat businesses like that, so they came to our new industrial park and airport instead. Our foresight and preparation paid off; when the 1980s hit there were more available jobs here," the former town administrator said.

People noted that farm families were hurt in this part of the county, like any other, but the farm wives and farm husbands who did come into town looking for a job had several options in growing industries. The success of local businesses has continued, and the town's extremely low rate of unemployment and the constraints it places on business

growth are a common concern. Gardner has continued to transition away from agriculture and towards businesses and professionals. Townspeople, not farmers, fill the local coffee shops each morning. The continued shift has been intentional, although the mayor acknowledged that farmers could not be forgotten, because as he noted, “When the farmers are doing well, we feel it on Main Street.”

Stockville, which grew more rapidly than Gardner is a town still tied to agriculture. The town’s largest industry, a food manufacturer, relies on local farming inputs. The town’s grain elevators serve as a meeting point for farmers, and the town has the county’s agricultural offices and family owned restaurants and coffee shops that local farmers patronize. The town also attributes its development to location- a location that has three highways and rail access- all assets the town focuses when trying to attract distribution warehouses and companies. The town’s downtown has no vacant buildings and a variety of locally owned businesses and services. The downtown competes for customers with a strip of retail and service development along a highway corridor.

4.1.2 Land scarcity and soil stewardship influence farmer’s production decisions

In a region rich in corn, soybeans, cattle, and hogs, the staples of Cornbelt farming, farmers in the county acknowledge that they are doing well. The most commonly mentioned factors are land stewardship and livestock. “It is not our soils, but the way we manage our soils. This region was much closer to the Dust Bowl and experienced dust siltation from the West much more than many other grain farming communities,” a farmer said when describing the factors that led to his success. Ethnic Christian values also attributed to land stewardship. Historical accounts recorded the surprise of other pioneers at the attention ethnic land owners gave to their fields. “It wasn’t long before their superior farming and gardening began to be noticed and talked about, and many slovenly farmers were induced to make more out of their rich lands through the example” (Van Der Zee, 1912, p. 330). Immigrants from land-scarce European countries had a different approach to farming. These newcomers worked the land intensively with greater care while the more established descendents of pioneering immigrants who were now called “Americans” practiced less careful and less intensive farming on substantially more acres (Harnack, 1985, p. 21).

A proliferation of grass terraces, contour farming, and wide buffer strips on this gently sloped land are evidence of local land stewardship. Now these practices are subsidized by state funding through the Environmental Quality Incentive Program (EQIP). The state Department of Natural Resources has administered EQIP funds since the passage of the 2002 Farm Bill (Nickerson, 2007). The Cornbelt state holding the Beneficence region has been one of the top ten most funded states in the last fiscal year of the program. Within the state, Beneficence counties have enrolled some of the highest amount of acres by county and received an average of \$119 per acre to make environmental improvements. The region's success can also be attributed to the state's strength in agricultural programming and funding.

"People here have a strong desire to hand down land to children. This area has many third and fourth generation farm families," one woman said. Long-term land tenancy also provides incentives for local farmers to make land stewardship investments and has created land scarcity problems for beginning farmers. A young farmer said, "My ability to trade labor for the use of capital, machinery, and land from my dad and neighbors is the only way I can make a go. Most young farmers are still optimistic in this region about their ability to farm."

"Without a current family member who is a landowner, it is almost impossible to get started," a farmer said. "Land ownership is important to people. There are more absentee land owners than large single ownership tracts. A father who owns 160 acres and has four children gives each 40 acres. These children, even if they don't farm will chose to hold onto these little parcels. There are so many small acreage parcels in the county. People are renting, and there is an intense competition for land," an older farmer said. "You don't find outside investments in the land. The ethnic majority will out pay any bidders," he added.

4.1.3 Concentrated livestock operations, an accepted way to profit

Land scarcity is one reason livestock are so important in the county. Concentrated feeding operations help make agriculture more productive and easier to enter. "Young people here can get started in agriculture with only a few acres of land by building a livestock confinement building," a farmer said. "Adding confinement

buildings are sometimes the only way to expand your business and provide enough income for family members. Getting land is too hard.” “People have always tended cattle and hogs, long before they came to Gardner,” another farmer stressed referencing animal husbandry as a part of the ethnic heritage. “Livestock are also an incredible advantage for a community; livestock operations will turn a dollar seven times. There is a belief that it is better to walk your grain off the farm. Do you know what they call that? Capturing the value-added,” the farmer’s cooperative manager said. Many farmers said that livestock have been welcomed in the county, and concentrated feeding operations have proliferated. Most are neatly tucked into the county’s gentle slopes. “I was just beginning in 1968, and I built a hog confinement. I love those hogs. It is easier to add hogs than cattle. It’s easier to take care of them. Livestock have made things good, that is until the 1998 hog prices. Hog cholera got rid of many small hog producers here,” a livestock producer said. Even as national livestock markets are facing contraction and low prices, producers in this area are investing in expanding capacity and updating technology.

Public sentiment often harshly criticizes livestock confinements for their smell, environmental pollution, and alleged unethical treatment of animals. Local farmers dispute these criticisms with an equally strong conviction. “Poorly managed livestock facilities can cause pollution. Up north a lake resort area banned livestock. People don’t understand that animals won’t produce for you unless you take care of them,” a hog farmer said.

Farmers in the area are sensitive to changing EPA regulations. Extension on-site visits and programming make it a priority to keep people informed. “People complain that livestock and farming ruin watersheds, but up here we have one the cleanest watersheds in the state. City people forget about the run-off from over-fertilizing yards and golf courses. We live by a different standard. Producers understand they make a living off the land, and they conserve it,” a farmer said.

Manure is no longer a negative externality for livestock producers, but an income generating revenue stream. Livestock owners used to pay to have excess manure hauled off their farm. Now there is a competitive market between grain producers and animal

producers. Grain farmers contract the rights to buy manure from feedlots. Old contracts have been broken as grain producers increase bids for a cheaper fertilizer than oil based synthetics. Concentrated livestock in the region have attracted an alternative energy company to build a methane digester in the region.

4.1.4 Uncommon beliefs of innovation in production agriculture

Beyond farm incentives and family ties, local farmers are described as innovative and harder working. Interviewing farmers, agribusiness owners, and farm support agencies, I asked general questions about their current and past operations, and then I posed the question of innovativeness directly. Local farmers use cooperation, concentrated production, larger farms, and an attitude toward conservative investment-making as strategies to remain competitive. One farmer shrugged off the suggestion of innovativeness and said he was just trying to make a profit doing what he loved. However, his explanation points to a culture of collaboration and experimentation as agriculture has become more competitive. “This part of the state has strong farmers; farming is a hell of a good lifestyle around here. People are competitive, but they are willing to work with you, and that’s key. When I was just starting out people would help by sharing their knowledge. You have to have an open mind and be willing to change, you can’t be struck in a rut,” he said. “I work with my two brothers. We each specialize in different things but combine labor and machinery. New technology is always coming out, and we try a little of it at a time. There are not nearly as many small farmers like there used to be and few traditional farms. Labor and working hard is no longer enough, you have to make the right business decisions at the right time. The kids that come back to work on the farm, 95 percent of them come back with an education,” he said. His daughter has just entered the state’s land grant university to study agriculture.

A small farm family saw the strong growth and concentration mentalities of others as a different approach to agriculture than their own. “Growth wasn’t something our family had ever had the capital or desire to pursue,” the wife said. The family farms part of the wife’s father’s land and raises pigs in an open pen instead of a confinement building. “The best thing about farming has been being able to provide a stable and happy childhood for our four children. We sent all of them to private grade schools and

high schools and now college. Farming has allowed me to stay home and work with my husband,” she explained. “We are small, but it has been a good life - not always easy, but good,” her husband added. College agricultural scholarships were important sources of funding for the four children. “There is nothing our daughter loves better than coming back to this farm with her husband and her children. Every time she comes she doesn’t want to leave again. This farm holds happy memories for all of us,” the wife explained. Her daughter and husband had left previously that afternoon to return to a metropolitan area eight hours away. Although one daughter held strong attachments to the farm, her professional career could not be met by a company in neighboring Gardner or Stockville. The couple thinks that their son might have an interest in taking over the farm, but there would not be enough money to support two families.

A diversified farmer with grain, cattle, and hogs explained his ability to expand came from complimentary beliefs of being conservative and making investments. He has formed a limited partnership with some of his neighbors. Together they are erecting new hoop style cattle confinement buildings. The new building is cheaper to construct and allows the farmer to provide more ventilation while still protecting the cattle from inclement weather. “This barn is new technology, but we did our research first. This one seems the best.” Still, they are staging their investment. The first barn has been built on his property with the partnership’s money. If all goes well, the group will erect more barns on others land. The partnership was not formed on familial ties, although they are neighbors; the men belong to two different generations. They have established the partnership out of a common interest to invest and expand beef operations. The farmer compared his expansion decisions to one of the local dairy families. “That family had two choices, get bigger or get out. They hired outside labor for the first time this year,” he said.

4.1.5 Conservative investments helped region avoid collapse in the 1980s

The 1980s brought substantial hardship to many American farmers who had just entered or expanded. Farmers had paid exorbitant prices for land that was worth a fraction of the loaned amount after a collapse of farm commodity prices. Left without collateral for operating expenses and crop revenue that barely covered operating

expenses, many farmers were forced to sell out amid tightening lending practices. Local residents remember the hardships in the 1980s, but said few people foreclosed. “I was just married, and I had \$600 to my name. All the decisions I made were a matter of survival. Around here, few people sold out. The banks were careful. Not many farmers were leveraged that far,” a soft spoken farmer said. “The gloom and doom of the times were not widespread sentiments,” an agricultural loan officer said. The region’s conservative natures were pointed out as a reason for saving most farms during hardship. “People were able to dig in and ride out the low. People here have a history of saving until you can purchase something outright and that mentality continues. People are less willing to substantially rely on credit,” the banker said. As an example, she spoke about a church in the community that needed to expand in the 1970s and waited to break ground until all of the money for the construction was saved. The woman described the lending practices of the agricultural bank as being conservative and in tune with the deep Republican sentiments in the county. The austerity of the former generations of early pioneers who lived simple lives is said to continue to be a strong sentiment in the area. The banker added, “This mentality could save the country now.”

Another man explained the mentality towards borrowing and money. “Our county is not afraid to borrow money, which is good, because sometimes you can’t let a lack of money hold you back.” However he clarified, “People are wise about borrowing. Always borrow money to buy something that grows into money, not a new pick-up truck.” “The 1980s aided the shrewd; people who had saved were able to buy out others who had made bad decisions,” an agribusinesses manager said.

4.1.6 Extension is an important channel of information in the farming community

Production agriculture on a small family farm scale is not often cited as an innovative industry. Changes occur on a much slower farm-by-farm basis than changes in the science of growing crops or agribusinesses. Farmers, who have a large share of their assets tied up in long term capital investments including land and buildings, cannot always afford to make risky decisions regarding their annual production income. Innovative agriculture does not mean organics for the region. I asked several farmers about their decision not to grow organics. “You only have one chance to grow the corn

right,” a farmer said. A woman farmer said, “Organics bring back bad memories of my childhood, doing all the labor by hand because we couldn’t afford machinery. I am too old, but if my son got interested in organics, I think he could do it.” Another farmer said, “There is too much livestock up here. A few people try free range cattle, but the market is still small. Our livestock need traditional corn.”

Channels of farm information are vital. People exchange knowledge about soil types and compatibility with hybrids, pesticide applications, and nutritional diets for livestock. Risk aversion leads people to rely on tried and true techniques, and a farmer who does not have the capital to experiment will wait to gather enough evidence second hand. “Farmers here like to be on the front edge of the curve, but behind the bleeding edge of the curve,” the manager of the local farmer’s co-op explained. Farm journals, magazines, local Extension, and now the internet are all important channels which allow farmers to trade information. Extension agents are important sources of information in the region. Stockville has a history of long-serving county Extension agents, who have worked with specialists to provide exceptional services. The region’s relative distance from the state’s public universities increases the need for county Extension. A crop and field specialist has developed trust with local farmers. He supplements his outreach with television programs to explain important changes and spread information. “The past commitments between Extension and farmers have given the Extension a strong ability to influence producers to exceed expectations,” a current county Extension director said.

An excitement and energy for agriculture is felt through 4-H clubs and county fairs. Stockville supports a strong system of 4-H clubs and parental involvement gives the town “one of the best county fairs in the area,” the Extension director said. “Our Extension office has no trouble hiring staff with college degrees, commitment, and energy, and that helps too,” the director said. One of the county’s programs is the annual Crop Clinic that has been running for the past 65 years. Local banks and agribusinesses fund speakers from the state university to address an average of 60 producers annually. Stockville has also launched a local Annie’s Project program, using a curriculum developed by a farmer’s wife in Illinois. Aimed at women, the program has six parts to

discuss the financial aspects of family farming. In the first year, 24 women signed up for 16 spots, eager to hear “what sets a productive farm family apart.”

Farmers also have access to test plots and field research through seed corn companies and Christ College, a private religious school in Clarksdale. The college offers agricultural degrees and operates a sustainable agricultural research farm. The college’s ethnic and religious ties, which place an importance on agriculture, explain why a private college is engaged in activities usually found in state universities. “The college knows farming is important, and they are trying to make a difference,” a local farmer said, who regularly attends seminars and demonstrations.

4.1.7 The secret of local agriculture? A healthy and well established value-chain

Beneficence’s farmers benefit from a collaborative nature, local channels of information, and conservative financial practices. Their ability to increase livestock production and make investments in new technology is likely to continue because the area has maintained a more complete value-chain. Grain inputs, plentiful water, livestock, slaughtering houses, and value added food manufacturing create a reinforcing system to foster local growth. Farmers are capturing more value in this process with the help of an aggressive farmer’s co-op. The manager of the local co-op said, “Other parts of the state are looking at what we are doing here and they ask me to come and speak, asking, ‘Can you make this happen here?’ I tell them about our success, but the bottom line is, it would cost them too much to do it, and it is too late. They made their choice to be anti-livestock. I am bullish about the future of agriculture, the co-op, and producers. We grow the best protein in the country here. It makes sense logistically because we have so many processing plants, including plants for cheese and milk. I say, if you can dream it, you can do it in agriculture here. The future of our business is all about management, you have to think outside the box, take care of your customers and stakeholders, and make good decisions. You can’t be foolish. Poor decision making is what causes co-ops to fail; smart co-ops will continue to get bigger.” Nationally, livestock markets have been weak, but in an area with farms and processing capacities for lamb, beef, hogs, chickens, eggs, milk, and cheese one producer captures a general spirit

of agricultural optimism when he said, “Markets may be down, but they will come back up. Now is the time to expand herds.”

4.2 Manufacturing enterprises and entrepreneurship

4.2.1 Local entrepreneurs’ growth has contributed social capital and not just jobs to communities

In each community, local entrepreneurs have started and maintained family-owned company for three generations. The companies attribute strong work ethics, austere conservative spending, and good customer relationships for pulling their companies through the Depression. Leadership is attributed to transforming Stockville’s company from a one-man operation into the largest family owned national producer that also sells products overseas in its industry. Gardner’s company has expanded from a single garage to a 13-state, regional producer. The companies have contributed new innovations in products and processes in their respective industries and have grown to be important community employers. In the last five years, each company has built a new headquarter building and has expanded local plant capacity.

Stockville officials have used the success of its flagship industry to create an identity for the community that is carried out through public signs and celebrations. In the past decade the company has continued to expand and currently provides 13.4 percent of the county’s total private jobs. Recent expansion and restructuring has created tension between the company and the community. While in the process of building a new headquarters, the company demanded subsidized infrastructure and other incentives from the local government. The town, still encumbered with debts from other projects, tried to negotiate with the company. The city council only voted to provide the incentives after the company threatened to relocate the headquarters. More recently, the company sold off a division to another competitor. Business remains in town under the new owners, but has fired employees ranging from plant workers to engineers, a local woman said. Residents constantly interact with the company, which operates a museum and visitor center and whose trucks continuously roll through residential neighborhoods on municipal streets between plants, have been angered by the plant’s politics. Although the plant has a history of being a strong community partner, the firings and restructuring

during a period of economic contraction have destroyed trust and led some to say “we could make it without them”. On the other hand, the local economic developer views the sale of the division as a benefit to the community because it has brought another company into town.

The county director of economic development also stressed the benefit of the family-owned company, “We are lucky to have them. They are a high paying company, and they help boost the county’s minimum wage to be one of the top ten highest in the state. We are even luckier that they are a family owned business. It gives them more strength. They have been a catalyst for other businesses to start. Now these complementary businesses are growing and are diversifying the companies that they supply to.” One of those spin-offs was started by a local entrepreneurial couple in 2000. These entrepreneurs have propelled their company’s growth by making larger contracts with the national family-owned business. Over time, they have been able to diversify their business and now the start-up has contracts with several companies and employees 150 people in a \$12 million factory. The town’s economic director agreed, “Having the national company makes it easier in my job to focus on attracting companies that pay well. Other companies that come to town need to offer higher wages to retain workers. I don’t think our town has put all of our eggs in one basket with the company. They are an anchor, but we are expanding into other areas. The company is an extremely community focused business. The founders lived in Stockville and stayed in Stockville. The company is now in its third generation of senior leadership, and the family keeps homes in town. They have helped renovate downtown businesses, and they built a faith based living center that provides social services for the community. Their employees are actively involved in our Chamber and our private development group.”

Gardner’s main employer is a smaller regional company with production plants and stores in other cities. It hires fewer workers within the community than the Stockville company but still contributes to the town’s culture. “My grandfather was a relational person. He had a strong spiritual faith and convictions. Having good working and personal relationships with people was a part of his spiritual fabric. When everything in your life is well connected, it is easy to live out. He has passed down this belief within

the company. Non-family leadership is also important. It is good to have new people coming in. The community buys into this philosophy. It is what we want and we are also held accountable by the community, meeting their expectations,” the third generation and current CEO of the family owned business in Gardner said, explaining that the business’s culture had begun with the company’s founder.

Although the company has established branch locations in several other cities, it has retained its main offices and research development labs in the founder’s hometown. “There is a challenge to recruit professionals and specialists here. It is easier in Kansas City and Omaha, but we trade that for the advantages of knowing your neighbor, accountability, and a peaceful safe place. Rural towns can be chafing to the young. Independence is important for people, but community standards become important as you have children. You gain a new appreciation,” he said. “We have made financial investments here, and we remain invested from a relational standpoint,” he said. Speaking about the future of the company in the community, “The economy is going to continue to shift through globalization. We worry about energy costs and freight. Our inputs have to be brought in, and our final product needs to be sent out. I don’t know if the local economy will stay competitive. We also worry about the larger region’s declining population densities. This region has industry and business opportunities beyond corn and soybeans. Innovation and creativity will keep those opportunities going,” he said.

4.2.2 Loyal employees and engaged managers foster close working relationships

The two cities have a self-described, strong work ethic that they base on their different ethnic heritages. “When we talk with industries, they are looking for the basics in employees. They want loyalty, the ability to show up on time, and dedication. This community used to have a strong sense of pride, which is changing and eroding a little. People are all looking for more for less. The local hospital says they have to hire one and one-half to two doctors to do the work a single doctor did 10 years ago,” the Stockville economic developer said.

Business owners and managers in Gardner said the quality of the local workforce kept their businesses in town and expanding. “People here have a commitment to

working that exceeds a 'just a job' mentality. In general our workers lack the 'what is in it for me' attitude," one manager explained. "People want to make the product right, effective, and efficiently. Everyone on our production floor has a high school diploma, and some have college degrees, making them a much more highly educated workforce than I have experienced in other jobs," he continued. The quality of the workforce mandates additional management considerations the manager shared, "Our company promotes an attitude of engaging and involving our workers in the business. Every two weeks, our entire production team has a meeting. Management briefs the team on current pressures, issues, requirements, and opportunities for the company. We try to maintain channels of communication because it encourages people to take an ownership in their work." A business philosophy echoed in many establishments is to educate and train the workforce along the way. The manager tells employees, "I hope you will choose to stay with our company for a long time, but either way my goal is that you leave as a better, more highly skilled employee than when you start with our company. Five years ago, no one here knew how to work in our technically skilled industry. It is easier to grow people locally. Attracting employees from the East or West coast is too hard. We stay connected to those markets through the internet, but we find people locally to train to competency. Other businesses in town are generally the same way. One of the town's local businesses just sold to a national conglomerate. The new owners have completely changed the work environment, and people over there don't like it. We have been attracting some of their workers to join us instead. People don't want to feel like just another worker; they want to be engaged."

"I am sure you have heard about our community values and our strong commitment to religion and family. Those values are also in our company practices, and they define the kind of company we want to be. We strive to act with integrity and as stewards, to be family friendly, and conduct business with high personal morals and ethics," he said, pointing to the company's mission statement. Many companies choose to be family oriented, allowing workers to adjust their schedule for school events. "Businesses here have a 'this is our town' mentality. Many of the owners are also on the city council, they grew up here, left, and have now returned." The manager listed off the

eight businesses and their managers in the industrial park, all of them, except for the owner of the recently sold company were men who had been raised in the community or had attended the community's private college.

4.2.3 Transparent leadership is valued within the communities

Business leaders lauded town officials for adopting a transparent approach to governance and leadership. Residents of both communities pointed to the examples of nearby small towns and said leadership could overcome other development obstacles. "They had everything, a great location, two highways, and a railroad. Once they were much bigger than here, but they just sat on it. They lacked our innovativeness and leadership," a resident said describing a neighboring community. Comparing the town leadership to a larger sized regional city where he grew up, one man said, "My old town struggles to get something done, and they are no longer the retail hub they used to be. Here leadership is transparent, visionary, and honest." "This community expects innovative and aggressive leadership. The early leaders were pioneers from across the Atlantic who guided people into the heart of the prairie to start farming and make a living. That's leadership," one resident said. The current leadership in Gardner is mainly men in their late 40s and early 50s, many of whom grew up in the town. Some went away for college, but a core group of four to five all went to the local college. Gardner's mayor owns a local business on Main Street and is raising a young family.

Stockville recently elected a new mayor, who is working with the town's economic developer to bring change to the community. The economic developer's ancestors were some of the first land owners in the town and his father has been a guiding force in the community. "Small communities have to make the effort to spread leadership. It's a continual effort to build involvement," the economic developer of Stockville said. "Our town is struggling with that right now because people get too possessive. Recently, a group of high school students approached the city council with money they had raised and asked to build a skate park in one of the municipal parks. The city council should have praised those kids and done what they could to assist them in seeing their goals. Instead, they took the money and constructed some shabby concrete ramps. They didn't even try to work with those kids," he continued. "When a town

controls too much, it stifles growing leaders. People with organized agendas have been pushed away by the town. There needs to be some painful personnel changes. It's the difference between micro-managing people and empowering them. You can't distance people who want to be leaders," he said.

4.2.4 Locally owned utilities have provided revenue for reinvestment

Business leaders, residents, and town officials said the community's decision to own the local utilities was an important step in Gardner's development. The ownership has allowed the town to control service quality, as well as capturing the profit margins to reinvest into other town projects. In the 1940s, the town bought out the electrical utility and proved to be successful managers. The town also pursued the natural gas franchise, which under state law municipalities are provided the right to own and operate. The referendum passed by 80 percent. "Owning the natural gas was a very worthwhile investment to make. We couldn't afford to buy it now," a town official said. As the town grows and annexes land, it will be challenged to continue to expand the municipally owned boundaries currently controlled by other rural water and rural electricity co-ops. The most recent acquisition has been to take control of local internet and cable telecommunications after residents were dissatisfied with the service level and cost offered by a national conglomerate. "They just were not paying for upgrades," the mayor said. This venture, unlike the other utilities, is a joint investment with a private partner. The locally owned telecommunications has expanded its internet services, and local penetration has jumped from 50 percent under the old company to 75 percent of homes and businesses in three years.

Stockville also owns a local utility. The town's water was sold in 1983, but repurchased in 1988. "We have extended our infrastructure and paid for large improvements to increase water capacity and water lines. This has set the bar high; we have banked heavily on growth here. The town needs more revenue generating sources to pay off bonds, but it is too late to jump into managing and owning other utilities," a town official said.

4.2.5 Economic developers stress quality over quantity in economic development

Gardner's economic developer has a comprehensive view of economic development. His current projects include a partnership with the chamber of commerce to focus on retail development, raising funds for the new daycare center, and retaining and attracting businesses to the industrial park. "Daycare, is becoming a top priority in families where both parents are working. We had facilities that were operating on a parental level of expertise. Now we have gotten the school district and the hospital involved. It's a real asset we can advertise," the town administrator said. A recent achievement among more traditional economic development activities was to persuade a restaurant franchiser that was founded regionally but has expanded into several states to build its headquarters in town. "We are trying to promote good clean industry. We want to grow on what we have," the mayor said. In another successful project, the town partnered with the public school district to construct a community wellness center attached to the school's expanding gymnasium. The wellness center offers stationary machines and free weights and is open to students and by a membership fee to community members and local college students.

Economic developers in Stockville say their primary focus is on "wealth creation and not just jobs." The town has taken an aggressive role in economic development by buying the local college when it was failing and then striving to reuse the buildings. The town has just developed an additional industrial park, and the town is negotiating how to best utilize an interstate bypass that calms traffic within the town but diverts potential consumers. Stockville is stretched with the old bond issues from the college and is also not reaping higher tax dollars from recent industrial development. The primarily agricultural county has five-year average land assessments, and the new greenfield development of the industrial park required significant up-front investments but a payback period slowed by lower agricultural land values. The town continues to grow but sits in a more financially precarious place than some prefer.

Both cities have also placed an emphasis on developing recreational amenities. Recent recreational investments in outdoor and indoor water facilities and hiking and biking trails are aimed at improving the quality of life of existing residents and attracting

new residents. “Spending on the trails help make our town a better place to live,” one town official said.

4.3 Healthcare

Although, most rural areas struggle to provide adequate healthcare, both communities have a local hospital. Gardner constructed a \$30 million replacement hospital completed in 2006. This successful project, unusual for a rural community, reflects the leadership, coalitions, widespread support, and a progressive persistent commitment that seem to have been integral to other community projects and developments. Residents attribute the hospital’s development to the hard work and dedication of the hospital administrator, who saw a need and worked to fulfill it. His leadership represents how good governance can guide community commitment and investment and lead to a self reinforcing cycle of positive community development.

4.3.1 Healthcare professionals are attracted by business growth and local college

In the mid 1980s, Gardner’s healthcare facilities were typical of most small places. There were few doctors and no specialists, and the municipal hospital and individual clinicians worked independently. The town had a core group of three to four doctors who had grown up in the community or married into families in the community who were working in a clinic. The small hospital had a limited full time staff and decided to acquire the clinic to integrate the town’s healthcare resources into an “all for one” model. As the doctors did well, the hospital benefited, and the same was true of the reverse relationship. This new type of model provided better service, and the facility attracted high quality staff. In the early to mid 1990s the hospital’s collegial recruiting gained momentum. Recruitment benefited from the growth of other professionals in the town. The college was expanding, as were the higher paying jobs offered by local businesses. The arriving professionals were in their early 30s. Many were returning to work and raise their families after growing up in the community but attending college and starting their careers elsewhere. The hospital administrator, who was a part of this professional return, said, “Now many of these same people are in their 50s, and this is the group of people who run the town.” The presence and growth of the college was

important for attracting young professionals; “The college adds depth in the community by providing amenities and a pool of talented people,” he said.

As the hospital and the town grew, residents still relied on hospitals in larger cities for specialists and same day surgery. The mission of the hospital is to “Provide everything local that is medically safe and economically feasible.” In doing so, the hospital started to outgrow its downtown location. In 2000, the hospital leadership brought in consultants for a focus group to address the problem of space. “There was no burning platform to do something different,” the administrator said. “Local residents didn’t understand the underlying growth pressures. To them, the hospital was still providing high quality services. Also, the hospital had undergone a \$4 million renovation in 1992 and many thought our facilities should still be adequate,” he said. The hospital leaders were anticipating a series of upcoming challenges from the constraints of rising labor costs, a shortage of qualified people, and an increase in the cost of medical equipment. These pressures, combined with increased competition from local and regional hospitals, were making it hard for the hospital to pursue its mission in the current building.

4.3.2 Persistent commitment to service build’s community consensus from one man’s goal

The hospital administrator began a commission of 20 leading citizens. They met every other week for two months. The purpose of the commission was to teach Health Care 101 to help people understand the healthcare system. After people understood the storm clouds on the horizon and need for improvements, the question became how to finance a new hospital. The administrator took this question to surrounding hospital boards in a series of separate meetings. “The only request to the other hospitals was that they ask hard questions about our proposal and the ideas for expansion,” the hospital administrator said. A second agenda was to determine if there was any support for a regional partnership. The hospital held a county wide healthcare summit that 200 people attended. A series of focus groups followed, outlining key healthcare priorities and trying to establish ways to combine and increase services between facilities.

The local community was now energized at the idea to build a new hospital and understood that it would require a huge level of commitment. After there were no offers for a partnership with other towns, the community began to ask if it could do this project on its own. Building the new hospital was a seven-year process from the idea to the ribbon cutting ceremony. The idea that started largely with one man took four years to gain momentum within the community, one year of design, and two years of construction. Funding the \$30 million building took a \$4 million bond issue passed by over 87 percent of the voters, \$5 million raised through philanthropy, and the remaining \$20 million secured as a loan from the USDA. The hospital worked to build a coalition of local banks that each took on \$600,000 to \$5 million of the debt. Banks have pledged to give part of the debt back to the hospital as a philanthropic gift.

The new facility aims to be a place people want to go when they are not sick. The architectural design has won national awards, and the director has been a guest speaker at a national healthcare conference to relay the story of how the hospital was built and what services it offers. The hospital does not use overhead paging, uses natural light, and promotes healing with design elements. There are fewer inpatient rooms as most recovery is now being done at home, but the available rooms have flat panel TVs with DVD players, pull out sleeper sofas, and computers with the internet for patients and their guests. “In a small town, high touch wins out over high tech,” the local healthcare administrator said emphasizing that while the hospital will never have the funding to buy every new piece of equipment, the care they offer can still be competitive by being more personal. A café was opened that bakes fresh cookies and coffee every morning, and on Saturdays provides a full breakfast with a made-to-order grill that attracts a large community crowd.

The hospital administrator is keen to emphasize the struggles of the project: “There were several points of almost failure. The key to success is to recalibrate toward the end goal to provide high quality healthcare services to the public by being as open and transparent as possible. This community is conservative and they expect high quality services but they need to be provided in a frugal way.”

4.3.3 Developing partnerships bring local benefits and trust in leaders

Identified by many others in the community as a role model for leadership, the administrator has turned down more lucrative opportunities and stayed at the hospital. Mentioning the often notorious sub-culture of hospitals, the administrator works to emphasize a culture of integrity by example. He said a key success of this project was having many open channels of communication with the community and staff during the process. Monthly CEO luncheons were held which brought the staff out to the construction trailer for pizza and questions and a tour of the construction site. The administrator made appearances at the Mayor's Luncheons, Lion's Club, and other organizations to answer questions and keep people informed. Later, programs were aired on the municipally owned cable channel, in which the administrator would go through a question and answer format. "I knew I had to be up front about tough questions," he said.

This project also emphasizes the community's goal of involving many different local partnerships. Additional efforts were made during the construction phase to involve local resources and labor. The project was broken into several bid packages to allow multiple local contractors to have the opportunity to be involved. The town and the hospital also used the construction project as a chance to "deliberately give back to the community". The town donated land to the local college to be used for the construction of training facilities for the nursing program. Part of the hospital financing included money to build a new daycare facility adjacent to the hospital; the previous daycare was in a small building with few windows. The administrator described the new brick and stone building only months away from dedication as "an important community asset that will further help us recruit people to town".

Pursuing the importance of the community to the success of the project, I asked the administrator if his job would have been easier if the 30 million dollars could have come from a single big donor. Although tempted by the idea of not being bound by debt, the administrator pondered the long term impact of not needing to work for community buy-in. "Community involvement can paralyze or stimulate projects," he said. "Having the community committed to the project had been a great stimulus for keeping the project accountable to the public, and for building community investment into the new hospital,"

he said. Part of the hospital's strategic plan was to involve community leadership intentionally, while also building a level of trust with the community. "Not all decisions can be made by consensus," the administrator said. The town's satisfaction with previous' decisions made by the hospital led the city council to grant full governing authority to the hospitals' elected board of trustees. "Having people's trust has allowed me to make decisions quickly when I need to," he said.

The administrator believes the future of communities depend on planning, "A community has to always be thinking ahead. An important question is, does a community recognize future challenges?" he asked. Speaking as an example, he stressed the importance of leadership and communication in building a community. "It takes the strength of a communicator to spread the vision and build consensus. Building consensus requires knowing your community, and it is about slowly moving people forward," he said.

4.4 Secondary and post secondary education

4.4.1 Extracurriculars bring public and private and parents and students together

Both communities support strong private and public school systems. Administrators from both systems say the two institutions have positive relationships. "People have a great choice between two excellent school districts," the superintendent of Stockville's public school said. Gardner's two high school sports teams share practice and playing fields with the local private college. Private students in both communities go to the public school for additional class offerings. A strong belief in the strength of education was a widely expressed sentiment. School administrators in both communities spoke about widespread parental involvement. Parents have made an impact on the extracurricular activities in both communities. Stockville's music boosters club has raised money to buy equipment and uniforms. "Their involvement has really increased the quality of our orchestra, vocal, and band programs," the superintendent said. Parents of vocational education students also recently started a new boosters club. Gardner's public and private schools are known regionally for the strength of their independent marching bands. At the public school, 160 of 430 high school students are in the marching band, and the band performs in a bowl game every four years. The educator

said the band starts practices two to three weeks before school and provides a way to build connections among the students. He encourages new students to join the band, “It offers students a chance to work hard and puts them in the role of caring for one another,” the mayor said, “Our band parents are one of the strongest groups in town.”

4.4.2 Valuing education raises student’s hopes but also parental expectations

“In general high school students have a sense of hope that high school is not the end,” a high school educator who came as an outsider to the community six years ago said. “Not all students share that, and one of my primary goals as an educator is to help students understand their potential and set goals for themselves.” He relies on the work of a Carol Dweck, a psychologist at Stanford University who writes about the “Effort Effect”. “Her work promotes fostering a growth mentality that emphasizes effort not natural ability as the key in achieving success. The difference in mental outlook is critical in this community. Not keeping up is not generally accepted. Community pride is a strength, but you need to keep it in perspective. Some people here feel that success is based on religious affiliation and family name alone,” the educator said. He makes copies of Dweck’s articles and distributes them to the school’s other teachers.

Speaking more generally about high school students, he noted the increased demands placed on students. “Parents value excellence, but when a student is involved in multiple sports, extracurricular activities, and taking classes, it challenges students to choose where to place their emphasis. The community generally has no acceptance of complacency,” he said. “It carries its rewards and challenges. The problem is when the burden to keep up builds resentment between students, students and parents, and the education system,” he said. Regionally, the community has both a positive and negative perception. “This community is not as judgmental as people can project,” the educator said.

An administrator from a Catholic school in Stockville also stressed the importance of education and the expectations of parents and students. “Our parents expect a lot from this school, and it has forced us to be clear about our goals and continue to improve. We strive to develop children into well rounded leaders, to promote high academic achievement, to build strong sports teams, and to be service driven. Over time

we have also placed an emphasis on providing a culturally rich community. Children are taught to be color blind, and we offer bilingual language services for Hispanic children,” the administrator said. “All of this is accompanied by our faith based mission. Our Catholic school teaches an education based on the values of accountability, responsibility, and giving back. Our students collect money for mission trips to Honduras and Tanzania. Every Advent we prepare 250 gift bags for our town’s shut-ins regardless of their church affiliation,” she said. In the past seven years only two students have not pursued some sort of post secondary education, a testament to the school’s ability to meet expectations. “Our students have gone on to have enormous successes and many of our teachers are former students. The class of 2008 all had an ACT test score of 20 or above,” the school administrator said.

The administrator of the Catholic school, who grew up in the county, had formerly worked as a rural director for a national health organization and had a strong view about rural communities. “You can do more if you work together. It is about working as a family, service, and ministry. Parents here are giving of their time. Rural communities can succeed by striving to work together. Our Catholic school was established early in the history of this community. The founder worked with business leaders and created partnerships to fund the school. He was a citizen benefactor, and he had a strong commitment to do what was right. You have to desire to overcome challenges, and you need strong principles and strong belief systems. People here are passionate and work together; they know that success takes quality and a lifelong investment. You can’t find these values in other communities. I had the choice in my old position to advance and take a job in Chicago, but I like this community’s identity so I came back.”

4.4.3 Beloved by their communities, private colleges bring students and debt services

Institutions of higher education can bring advantages for economic development. From 1955 to 1997, the Beneficence region had three four-year institutions of higher education. Their stories are examples of the challenges and impacts colleges can have on their communities. The oldest institution, now an accredited four year college, began as a learning academy in 1882 focused on the classics. From 1927 to 1959 the “Classical

Academy” operated as a two year junior college in Gardner. The graduating class of 1961 was the first four year degree, and the college gained accreditation in 1964. Originally the school had only a few hundred students and was not academically strong. From an early focus on preparing Christian teachers, the college now offers 41 majors. Steady growth in the 1990s has plateaued to an annual enrollment of 1,300.

“Christ College” was opened in 1955 and offers associates, bachelors, and recently masters degrees. This institution located in Clarksdale is also affiliated with a sect of the local ethnic religion and espouses conservative values. The private college distinguishes itself with its ties to agriculture. The school, acting like a state land grant college, offers degree programs, student clubs, and an agricultural stewardship center with a research farm. Christ and Classical are frequent competitors. Christ, whose founding religion insists on a Christian education for members, enjoys a more loyal following and receives support more heavily drawn on religious lines.

“Brethren” like Classical also had an early start, forming in 1887. The college’s financial troubles and its eventual demise in 1997 have been attributed to an institutional identity crisis. Also started by a minority religious affiliation in Stockville, the college had a unique identity and was one of a few schools nationally supported by a particular church and its followers. Unlike neighboring Classical and Christ colleges, the faith based identity of Brethren merged with a mainstream religion in the late 1960s. Brethren’s religious affiliation was now shared with many more colleges. The college’s church funding declined, and student enrollment began to falter. In 1990, the school took a radical risk and became an American branch of an international school. The partnership promised hundreds of Asian students, a unique identity, and a new funding source. It terminated all church affiliations. The hundreds of promised students never materialized; the foreign students that did come did not adjust well in their new environment. Five years later, the college was sold to an organization in California. Local residents, desperate not to lose the college, persuaded the town to buy the institution a year later in a bond that passed with over 80 percent approval. Faced with mounting debt and falling enrollment, the town operated the college for one year and was forced to close the institution. “The town was in shock for awhile, and people had to

mourn,” a resident said. Now a decade after the college has closed, the town is still working to pay off the bond issue that bought the college. Some of the buildings have found new life as community assets providing space for a YMCA, indoor pool, conference center, social services, and apartments. Other buildings have been torn down; three remain for sale. Recently a branch of a local community college has begun to offer classes in one of the buildings. The community has established a memorial park that pays tribute to the college’s many different identities, and the county museum houses a still active college alumni group.

Talking about the town’s recovery from the loss of the college, the town administrator said, “Brethren provided high paid professional jobs, but as it was in decline our local entrepreneurial company was aggressively expanding.” “Many of the professors stayed in town and took other jobs, but losing the students has been really hard. A challenge for our local industries is to continue to innovate in science. The college used to help prepare people for those kinds of jobs. Now our employees and industries have to look elsewhere,” he said.

4.4.4 Facing recruitment challenges, local colleges won’t abandon faith and values

Although Classical and Christ are still strong institutions that receive community fundraising support, an administrator at Classical outlined many challenges small private faith based colleges face. “Over time most schools have drifted from an intentionality of faith and learning. Our college has not. The school still hires Christian faculty who teach from a Christian perspective, and every staff member must be involved in a local church. Maintaining these philosophies allow the college to stay distinct. Having faculty and staff engaged in a local congregation fosters good relationships between the town and gown,” he said acknowledging a common point of tension in communities that host colleges.

“The community identifies with the college’s goals and supports our mission. In return, we provide cultural enrichment through strong and well supported athletics and a robust fine arts program which includes art shows, theater programs, and music,” he said. The community also engages with the college to hear guest lecturers and to attend chapel programs. Beyond these tangible benefits, town officials say the professional class of

people the college employs and the students it attracts positively add to the town's discussions and ideas.

Despite strengthening its academic programs and maintaining a unique Christian identity, Classical spends an increasing amount of resources on recruitment to maintain enrollment. "The key to recruitment is not finding students of the same denomination but looking for 'fit'," an administrator and former head of recruitment said. "We advertise a package of seven distinctions that define the college. You have to be upfront and honest about what the college environment is like. I am confident that there are still enough students out there looking for the values and benefits we offer, but they are getting harder to find. Most students prefer to go to a college close to home. We pull a majority of our students from an immediate eight state area, but this is becoming harder and harder as these states have fewer students looking for schools. Now our recruiters attend more college fairs, and we are focusing on attracting students from more heavily populated cities and states from farther distances," he said.

4.5 Social organizations, social norms, and community values

When describing employer-employee relationships, local government goals, and educational expectations, residents emphasized the role of community values and pride. In the following sections community pride, values, and their origins are explored more explicitly. During interviews, participants would often attribute something to "community values" without being specific as to what those values were, how they directly influenced behavior, or why people continued to hold these values. Directed questions about these ambiguities revealed wide consensus on what values the community holds, but different views about how values should change or how they were developed.

4.5.1 Community cohesion aids insiders but can be a barrier to entry for others

"People here take care of one another," a pastor said. "A fundraiser for a family or individual in need has raised 20,000 dollars to 30,000 dollars in a single night," he continued. In the past, community support was divided by church lines with congregations only supporting their own members. An individual's church is still important, but fundraisers now draw broad community support. A man who used to

volunteer with the local American Red Cross on the disaster and fire watch said the Red Cross would reach a family within a day after the disaster to offer aid, but often neighbors, family, and a church had already provided shelter and food. “There was little need for the Red Cross here,” the former volunteer said. Others call the town, “One big neighborhood watch area.”

People readily admit that both towns can be hard to move into. In a rural town it is easy to pick out unusual behavior and the presence of new people. Women in Stockville have started a newcomers club to help people get established in the community, find services, and join social organizations. “There is a perception that the ties here are so strong, and it can be alienating for new people. We plan luncheons and social events to introduce new people to our community. Local doctors and nurses came to our most recent meeting so people could put faces to names,” an organizer said. The next social will talk to new parents about the town’s educational opportunities at the public and private schools.

4.5.2 Histories as ethnic colonies have become a tenuous base for community pride

Gardner has relied on its ethnic pride, history, and culture to guide development but has also recognized the potential blindness of tight inclusion. A century old history book recounts: The town was founded in 1860 by five men who were charged with the purpose of building a new community to hold an overflow of farmers and townspeople from an older settlement that had become land constrained. The settlers wanted to be able to farm on enough land to support their children and grandchildren. The men collected money from those interested in relocating and set out across the unbroken prairie in search of a sizeable piece of fertile land. Established American pioneers heard the immigrants were coming with money to spend, and the Americans bought a large tract of farmground in the path of the settlers, expecting to sell it a higher premium. The immigrant town builders were not persuaded and continued to travel until they found a large open stretch of unclaimed government land. The men worked with survey crews to subdivide the 38 section area, laying out a town square, streets, residential lots and farms. This unique town history created a community that was almost exclusively from a single

ethnicity. Neighboring small settlements were home to other newly established pioneers and longer residing “Americans”.

After several hardships in the first years of sod busting and precarious existence on the unforgiving plains, the settlers became more established. Although the community almost failed twice, the settlement’s growth was aided by a railroad extension that brought supplies and exported the region’s agricultural commodities more efficiently. By the 1930s the townspeople had acclimated so well to their American home, people were worried they were beginning to forget where they came from, so the town established a festival to remember its European heritage and ethnic pride.

A community member described the late 1940s as a time when “our ethnic roots went deeper and deeper but there was no growth”. The only churches in the town were two branches of a reformed church. They shared similarities but enough differences that people were divided by their spiritual identification. Slow growth motivated the town to work towards industrial diversification in the 1950s and 1960s. As businesses grew and attracted more “outsiders”, new church denominations appeared as well. Men who grew up in the 1970s and left the community to return in the 1990s remarked about how much the town’s demographic composition had changed in 20 years. Others who stayed said the community began to realize the need to bring in more “outsiders” or non-ethnic people into the community. In the late 1950s the local private college helped this effort by expanding into an accredited four year institution that began drawing students from a larger region.

By the 1980s a heritage boosters club was started out of a feeling that some of the culture and ethnic pride was being forgotten as more outsiders moved into the town. The club provided funding to improve the annual ethnic festival. It also purchased two historical properties, the home of one of the town’s influential early residents and the town’s only remaining original wooden store on Main Street. The club also opened a heritage museum, collecting early artifacts from the community’s founding. The museum now overflows into another building. The club’s president welcomes all people, and stressed that it is not only for ethnic residents. Some of their additional activities involve clothing research to promote authentic costumes at the festival and building

research to promote voluntary adoption of historically accurate storefront designs that borrows architectural elements from Europe. Each year the group also hosts a group of visitors from the native country.

The community has mixed opinions about what present day characteristics to attribute to their ethnic history. When asked to describe the qualities of their town, some people would ask, “Well you know we are ethnic, right?” and to them this claim to an ethnic heritage says almost everything one needed to know about the community. When asked to explain what being ethnic meant to them and to the community, there were strong answers as expressed above, but others hesitated to try to identify something so distinct that it could be attributed to a single group of people. Others in the community, both old and young, scoffed at the suggestion that their unique ethnic heritage made them different and better off. Instead they referred to “the culture of our history, not ancestry but personal pride”.

There is a widespread sensitivity to the role of ethnic heritage and ethnic pride. Residents feel safe attributing successes of the past to the ethnicity, because the town was dominated by a single group. Today as the town has attracted people with different histories, who are still commonly referred to as “outsiders”, people feel more comfortable with statements that attribute the values of the settling ethnicity as values which all humans aspire to and praise the town for being able to uphold those values whatever the population base. Five years ago, a float in the annual parade proclaimed a catchy phrase that to be ethnic implied you were better than everyone else, and, while the float has not reappeared since, the same phrase is sold on t-shirts in a local store aimed at tourists more than local residents. The head of a prominent ethnic family in the community said, “Strong ethnic culture can’t be the root of everything. Over time, some of the old stuff that was no good has been sloughed, but some of the good stuff has also slipped.”

The role of a shared single ancestry claimed by 71 percent of the population in the most recent census, remains prominent in the community. Although, the strict ethnic percentage of the town is in decline, the community has to some degree separated an ethnic identity from pride and participation in ethnic traditions and culture. An ethnic tradition and ethnic hospitality are used as branding by the town’s developers, town

officials, businesses, and schools. Two annual festivals serve as a unifying element to wrap the celebration of a cultural heritage, family values, and a community event together. Widespread community buy-in into celebrating and acknowledging a cultural town heritage is built in the primary and secondary schools. Children work for a month learning dances and games at all age levels to perform at the festival. The school mascot and slogan center on an ethnic figure, and the band and flag corps uniforms reflect elements of traditional ethnic dress.

In regional development the ability to establish a unique identity and brand as a town is viewed as a positive way to differentiate from competitors. Having a brand helps a community market a cohesive set of amenities, characteristics, and central message to attract businesses and residents. This community has been cultivating its brand for over 100 years. The town's welcome signs proclaim an "ethnic hospitality". A current focus of the development strategy is to turn the strength of a cultural heritage as expressed cohesively in the annual festival into a 365 day mentality. The town has voluntary ethnic storefront design standards, and the heritage boosters provide funding to cover half of the costs of building an ethnic storefront. Common architectural elements have spread from Main Street to newer developments and chain stores. The town maintains ethnic public art and ethnic signage, recently investing in a community park revitalization project in time for the visitors of the yearly festival to enjoy. However, the idea to use an ethnic heritage as a development strategy was scoffed at by one resident who compared the plan of promoting ethnic pride as trying to create a "small Disneyland for tourists".

4.5.3 Common religious adherence, one more facet of resident's lives that reinforces goals and values

Members of both communities say religion has influenced their conservativeness, family values, and attitudes towards community involvement. The two communities have different religious backgrounds. Stockville residents talk about faith as a personal belief and are less vocal about the role of churches and religion in their community. Protestant and Catholic churches split membership into three major denominations and other minor denominations.

“It is hard to separate what is done by the churches and what is done by the community at large,” a Gardner pastor comments. “Here religion and the community are the same because so many people attend church regularly.” In 2000, 96.5 percent of the county population was adherents to a religion and 51 percent of all adherents had average church attendance and were counted as active members (Jones et al., 2000).

Religion was important for the first settlers of both counties. The first churches were brought over from the settlers’ native countries. Gardner’s settlers came from the same country but brought two separate branches of a reformed church. These same two churches thrive today and have proliferated additional congregations. Gardner supports 14 churches, and seven of these reach beyond the original reformed traditions into other mainstream denominations. The presence of mainstream denominations has been recent and has coincided with efforts to expand the population and growth beginning in the mid 1960s. The growth of new churches proceeds slowly in a population that still heavily favors the original two churches. For example, one mainstream church has had a seven-year presence in the community and still has a congregation of fewer than 30 followers. There is an assumption that everyone in the community attends church, and pastors agreed that if you are not a believer in the town, starting a life and becoming a part of the community will be much harder.

The church congregations provide an extended family to their respective parishioners, and an individual’s church identification places them in context within the community. The town has so many different church bodies because when members of a congregation became divided over an issue, the church separated, and the more conservative or more liberal faction formed its own church. Some community members believe all of the factions can be a little ridiculous and that the important aspect is a central belief in God, but they accept what has been a common practice in the community. However, others hold their basic tenets of belief so strongly that they do not wish to compromise those beliefs with change.

People are aware of the labels that different church membership can imply, and the community’s pastors are beginning to work together. The pastor of the small mainstream congregation was invited to host the sermon at the town’s annual festival, a

job that was once strictly reserved for the preachers of the historic ethnic faiths. During a drought season last year, the preachers started hosting ministerial prayer sessions to pray for rain and deliverance. Leaders of different faiths join together for prayer at a host church that rotated on a monthly basis. The tradition has been continued, although the community is no longer facing drought.

Overall, the religious beliefs of the community have been evolving. As late as the 1950s and 1960s girls were not allowed to wear shorts on Sundays, children were not allowed to play in backyards, and Sunday was regarded strictly as a day of worship, reflection and family. Today all of the businesses on Main Street and others owned by community members are still closed on Sundays. The common practice of a strong Sunday lunch crowd does not happen in this community: families eat at home or with extended family members. Some parishioners attend multiple church services on Sunday. There is criticism for those who use Sunday as a day of relaxation or entertainment. One man justified taking his boat out after church on Sundays by saying, "I believe it is okay to do something recreational outdoors because nature is God's creation and to enjoy its beauty is still being faithful."

A Wal-Mart in the county even respected the strong sentiment that people should not be called into work on Sundays by keeping limited hours of one to five on Sundays as recently as 2004. A brand new 24-hour Super Wal-Mart just opened, and the store hours sign still says closed on Sundays, although this is no longer the case. Today people are expected not to mow their lawns on Sundays as it disturbs the reflection time of others in the community. A newcomer who had lived in the community for five years said he doesn't understand the practice but adheres to it out of respect after his neighbors expressed their disapproval. Church leaders also lament changing attitudes towards the Christian holiday Good Friday; which once almost all employees had the day off or worked only a partial day. The church leaders organize a yearly afternoon prayer service that features multiple pastors giving brief sermons and leading prayers in succession. The group is considering moving the service to the evening because the number of attendees has been dropping as more people are working on Good Friday.

The conservative nature of the original core of churches is strongly reflected in the community's cultural and political values. The community does not support a bar, although local restaurants serve alcohol. There is no liquor store but an aisle in the grocery store. The town did not acquire a movie theatre until after 2000. The now popular attraction became part of a selling point for the college when it tried to attract new students who asked, "What is there to do in this town?" Answering that question for young people has been a challenge, but by building an 18-hole municipal golf course and a water park, both open on Sundays, the town is trying to meet the population's needs. Many people who left after high school in the 1960s and 1970s described the town as stifling and too strict. Now these same people have returned to work and to raise their families in a place that they describe as "safe and still emphasizes family values".

Stockville also has deep religious roots, but, as one woman described the role of faith, "You can't attribute our accomplishments to faith alone. That is a huge disservice to faith-based communities that are in decline. I think people do volunteer here a little more than in other places, and while I served on the city council, more people who were volunteering were from community churches. I have a saying that I think describes the achievements of this community, 'Luck is what happens when opportunity meets preparedness.' I think our community is prepared." Another man said, "Thinking globally, but acting locally needs to be in the hearts of enough people. It never requires everybody, but it is about identifying with a humanitarian-based vision, and it goes to a deeper spiritual level. It is the spiritual aspect of people that is important; churches are the superficial aspect. These beliefs are not denomination specific; it is about strong deep values. Warping can happen through religion sometimes, so this has to be bigger." Shifting in his chair he concluded, "When it happens with enough people, there is energy... It is like magic."

4.5.4 More than just fun, Gardner's festival promotes pride, values, and civic engagement

A yearly festival that started as a way to remember a culture that some townspeople felt they were losing in the 1930s has continued to grow and support an ethnic identity and bring pride to its rural community. Participation in the festival draws

between 75 percent and 80 percent of Gardner's residents and an estimated 150,000 visitors during the four-day event. The festival focuses on family activities and over time has strived to be more authentic. During the Royal Court competition, high school girls used to wear formal evening gowns and boys would wear suits. Now the court wears authentic, province specific, handmade garments. For three days the festival operates on the same schedule so that visitors on Thursday see the same parades, games, and activities as visitors on Saturday. Museums and other specific venues are opened and staffed by volunteers who make authentic deserts, give tours, and display hand crafts. A recent addition has been a Friday night high school student competition that challenges teams physically and mentally in the town's streets. The festival ends Sunday with a community church service and prayer.

The mayor described the benefits of the festival as going far beyond tourism, "The festival provides the community an opportunity to be decision makers," he said. Town administration and city hall have minor involvements, but a separate steering committee works on the festival planning and preparation year-round. Newcomers are encouraged to join the festival as active participants or as part of the steering committee. A new member to the steering committee described the process as highly organized and professional. He enjoyed the camaraderie of working towards a goal. Individuals would report on their progress and ask for suggestions. "New members are paired with experienced ones, and everyone knows what to do and when it needs to be done," he said.

Being non-ethnic appears, on its own, not to be a barrier to support as the town ethnically diversifies. "The easiest way to become a part of the community is to join a church and volunteer for the festival," both new and long term residents say. As a long-time festival participant noted, "Some of the non-ethnic volunteers are our hardest workers, and they continue to buy into the family values that the festival promotes." Newcomers explain that the festival and the town's spirit add something special to the community that was missing in their previous communities. Several newer residents commented on how they didn't expect to buy into to the festival, but are now actively involved.

Outsiders readily buy or handsew authentic costumes and participate, as do all of the children in the community's public and private school districts. The town also views it as a way to differentiate itself. "We don't want to be just another growing community," the mayor said. Some attitudes have changed over the years. A row of flower beds on a central street in the town were once maintained with pride by the residents who lived in the homes. Now the seasonal plantings are maintained by the town.

The festival operates on a year-to-year budget. Ticket sales to a community drama show, reserved bleacher seating, and a carnival generate enough money to fund the next year's show. The festival also has a "Friends of the Festival" tax deductible contribution that provides supplemental money used to make capital investments in the festival. Over the history of the festival the parade floats, market area, and other attractions have continued to improve. One thing that has not changed is a commitment to family entertainment. The carnival is prohibited from bringing games of chance and only offers rides. Although the town maintains they do little for the festival, others say their donation of services for police, closing streets, moving bleachers, and trash pick-up is essential for the festival's budget.

4.5.5 Creating a county museum reveals Stockville's strong volunteerism and pride

A community spirit of volunteerism was mentioned often in both communities. While Gardner's festival is an example of community involvement, Stockville also has a unique community asset as a result of the town's volunteers. When the high school outgrew its downtown four-story building with a basement and attached gymnasium, the town wasn't sure what to do with the massive brick building. The building's unique use and large size were a challenge to buyers, and the town consider tearing the structure down. One lifelong resident stepped in and offered to buy the building for a dollar and renovate it into a county historical museum. This woman's vision and the work of many volunteers and donations have converted the building into a tribute to the county. Classrooms are now exhibits that remember agriculture's progression towards mechanization, and local residents have built scale models of the county's early livestock barns. Hallways preserve a hair salon, radio station, and other local businesses from the

1940s and 1950s. As a tribute to current and past churches, one room is decorated with a floor to ceiling mural, pipe organ, and wooden benches taken from old churches. The ambiance is completed with low lighting and the playing of prerecorded hymns.

Veterans of wars are remembered, and the building houses Brethren's college alumni society and the county genealogical society. A group of volunteers continues to renovate additional rooms as funding allows, and the restored gymnasium is used for community events and high school reunions. In the fall of 2007, the gymnasium hosted three Democratic contenders for the Presidential nomination, Hillary Clinton, Barack Obama, and John Edwards. The museum's newsletter reported that Mr. Obama had drawn the largest crowd, 445 people.

The museum's small operating budget has increased from \$20,000 to \$80,000 in the past 10 years, to cover rising heating and cooling costs. The museum continues to find creative ways to improve programming through grant writing and fundraisers and also is supported by memorials and estate endowments. The town of Stockville had donated \$7,500 to the museum and has performed snow removal and mowing each year since it opened, but it has proposed funding cuts and stopped providing services due to budget cuts.

4.6 Beneficence's lessons in summary

Beneficence has had low unemployment because the region anticipated the restructuring of agriculture and began developing manufacturing jobs before the 1980s. Local entrepreneurial companies have helped the communities add private sector jobs while reinforcing community values of pride in ownership, employee loyalty, and local philanthropy. Residents also know they have low high school dropout rates because they emphasize education. Families back a commitment to education by supporting local private colleges and strong public and private schools. Parental expectations drive teachers and students to continue to improve, and parents have invested in schools to build the quality of extracurricular activities. The region has established excellent access to local healthcare by anticipating challenges and working to meet them. One man in Gardner advocated for four years to build a new hospital he knew the community needed. A relationship of trust between local government and taxpayers was reinforced during the

hospital's planning and development. The transparent leadership of the hospital sought partnerships during the project's construction to use local labor and to provide facilities for daycare services and nursing education.

The community displays strong social capital, seen in the amount of local organization that occurs among different groups. Partnerships are common within these communities. Businessmen, school teachers, government officials, and religious and social organizers work together identifying and acting on shared community goals. The accomplishment of community goals strengthens social capital among the networks of individuals who were involved. Social capital is maintained by individuals choosing to make personal sacrifices to continue historical social values. Newcomers are invited to engage in the community's values by finding leadership roles through volunteering. Multiple points of reinforcement to the community's identity, also a part of its social capital, have led residents to develop their own tailored responses to social crises.

CHAPTER 5: CONCLUSIONS

In the early 1980s researchers were beginning to document the severity and effects of rural poverty, but many of the early studies were mostly anecdotal (Duncan, 1992). Although not the first case study on rural poverty, Cynthia Duncan's *World's Apart* made a key contribution by emphasizing more than economic variables drive poverty outcomes (Weber et al., 2005). Research on distress and persistent poverty continues to grow, but rural distress is not the only story of rural outcomes. By focusing on positive economic outcomes beyond growth, our understanding of communities and their economies can be improved by studying places that have sustained low poverty and unemployment rates.

I have used Duncan's work on how social relationships and institutions affect community poverty as a frame for studying persistently prosperous communities. In the first section of this chapter I shall make comparisons between Beneficence and Duncan's three case study areas.

In the second section, I shall describe the challenges facing the future development of Stockville and Gardner. Finally I shall discuss theoretical and methodological considerations and future research.

5.1 Beneficence is an opposite case to distressed communities

Duncan's main arguments focus on four community characteristics: history and class, economic structure, culture, and governance. Each explains local economic and community development and identifies the role of social capital in influencing economic outcomes. Beneficence's experience is comparable to Gray Mountain, a New England mill town with strong social capital that suffered a large loss of jobs, but strong contrasts exist between Beneficence and Duncan's distressed communities in Appalachia and the Delta.

5.1.1 Class discrimination has not hindered Beneficence's development

History creates community norms and establishes social interactions in a place. Racism and capitalism unequally allocated resources creating a two-class society in Appalachia and the Delta (Duncan, 1999). In these communities, the owners of capital have considerable power over employees and impede employees' ability to become

educated and improve their situations (Duncan, 1999). In the Delta, long standing racism and social structure continue to deny people equal opportunities. Historical class and social separatism without the dimension of race also existed in Appalachia. People from “good” families have more opportunities and are better prepared to participate in local economies.

Beneficence was settled by white European immigrant farmers. Twenty years after the settling of Stockville, a rich well-to-do class arrived in the region to participate in land speculation and production agriculture. The newcomers from a single European nation invested in the built infrastructure of the community but also supported extravagant lifestyles by importing from abroad. Twenty years later, after an economic downturn in farming, most of this well-to-do class left, leaving the region’s original settlers who were primarily lower and middle income farmers. Local residents citing their ethnic history refer to both group’s influence, although few visible traces of an early upper class remain.

In Gardner, the community’s class structure was historically split into ethnic insiders and non-ethnic outsiders. In a primarily rural and slow growing area, this class distinction saw little pressure from in-migration. Gardner retained a distinct ethnic heritage until after World War II. Following the war, residents realized, along with additional jobs, they needed to attract more outsiders for growth. Within the predominantly ethnic population, the choice between two dominant religions has divided the community more than wealth. Community members say the town has a long history of its residents choosing to hide their wealth and make community investments rather than personal material purchases. A slow erosion of these values is leading to more awareness of class.

Neither town’s history records class or race struggles as in Appalachia and the Delta. Yet, members from both communities mention their towns are a hard place to move into because there are strong social networks and a certain set of expectations from all residents. A more contemporary class difference exists between the working professional class and the agricultural class. Gardner celebrates strong agricultural roots, but has made decisions to diversify its agricultural economy and now caters to

businesses. Combining professional service businesses, jobs in higher paying manufacturing, and the faculty of the local college, the community has largely separated itself from its rural surroundings. Farmers will frequent town for some services but socialize in other neighboring towns. Stockville officials, despite running a community larger than Gardner, continue to embrace production agriculture. The town hosts the county fairgrounds, and local restaurants draw a strong lunch crowd of truck drivers, farmers, and livestock producers. Stockville's county economic developer feels more separation from agricultural interests would be beneficial for the town. He has observed that county level decisions favor local farmers over townspeople. Within the manufacturing core of the two towns, Stockville's largest employer is still directly tied to agriculture while Gardner's is not, which likely continues to drive Stockville's stronger relationship with production agriculture.

5.1.2 Economic structure and restructuring led by local entrepreneurs while retaining agriculture

The structure of the economy defined as the mix of industries and job opportunities matters in persistently impoverished rural communities (Blank, 2005). Economic restructuring has transformed rural America. Manufacturing jobs have decreased beginning in the 1970s and 1980s, and a bifurcated service sector has grown that offers good jobs to the educated and skilled and low paying jobs for others (Duncan, 2001).

The economies of the Delta and Appalachia had a history of high employment in natural resource extraction jobs, and Gray Mountain's economy was based on mills. As jobs in these sectors declined, educational attainment was an important factor for an individual's success in new employment. Workers need access to skills, training, and education for communities to develop new jobs and higher paying jobs. Among Duncan's three communities, only Gray Mountain has had success at repositioning itself into new industries and retraining workers. Gray Mountain's class structure, dominated by middle income people, promoted and provided access to quality education in the community. Many of these social norms are set by history, and a place's civic culture is maintained through reputation, memory, and influential families.

The Beneficence region has built and retained a specialization in manufacturing and trade and warehousing industries. Local family-owned businesses are the largest employers in the two communities. Like the mill owners in Gray Mountain, the early entrepreneurs of the two family businesses have set a social norm for community involvement and a code of ethics for business relations. Through successive generations, the rest of the community has increasingly held the company to their own standards. The business owners are aware of the pressure of community expectations and the benefits produced by a strong relationship between managers and employees. In some ways, Beneficence has taken the business' commitments for granted and may no longer fully appreciate the cost at which each business maintains its company locally. Competitive pressure, efficiency, and profitability threaten the future of these close community relationships. Each company's choice to remain local and to uphold its civic culture has built physical, human, and social capital in the community.

Beneficence has also been able to maintain the viability of its production agricultural industry. Over time, fewer families farm, but the region is still the home to many century farms, a designation awarded to families who cultivate the same farm for 100 years. The culture of working together with family members and friends is still present in the community. This culture is changing because farms have increased in size and now hire outside labor to remain viable. With this change, Hispanic immigration has increased, and the communities must navigate the accompanied cultural differences.

5.1.3 Culture reinforced by many aspects in resident's lives

Sociologist Ann Swidler describes culture not as values but as a tool kit formed by experiences, symbols, stories, and world views (Duncan, 1999). Individuals use learned habits and responses to guide their own behavior. A tool kit is shaped by parents, relatives and experiences in a larger social world. Culture can also be described as "the systems of meaning and frames of reference through which people in social situations shape their institutional practices," and it influences social life, economic organizations, and governance (Healey, 1997). Culture is commonly misunderstood as individualized values of preferences, place-based culturally homogenous communities, ideologies, or attributes of a social group. Healey's description of culture captures the conflict residents

of Gardner feel when they describe the way they see the world. The community's culture was developed among the experience and examples of people from a homogenous ethnic group. Their cultural frames include a strong belief in religion and education, an expectation to excel, pride in the community, and a strong sense of volunteerism. These views are not exclusive to unique groups although they were formed in one. As outsiders move in, they strengthen parts of the culture and contribute to change by bringing their own frames of reference and experience.

Schools are expected to correct deficiencies in children's tool kits and provide another layer to how people understand the world (Duncan, 1999). The access to an equal education in Gray Mountain gave people a second chance in life. In the Delta and Appalachia, schools were one more social context where people enforced discrimination. Beneficence's tool kit is reinforced by parents, churches, schools, and the community at large. Schools are well supported by the communities, and parents have invested in the quality of extracurricular performing arts and athletics. Several prominent adults in the community serve as role models. They have gone to college and then returned to start companies and become civically engaged. Businesses maintain a standard of community engagement. As new businesses come to town, they are encouraged to follow the leadership of existing businesses in the way they treat their employees. At the local college, there is an expectation that faculty and staff will engage with the community by attending local churches.

In Appalachia and the Delta, people living in poverty were not expected to succeed and were often not given the chance to do so. People in Beneficence have high expectations and there is a feeling of almost entitlement to do things right. The expectation to succeed is sometimes a crushing burden. Residents might cheat, lie, or go into debt to avoid failure or the appearance of failure. The weight of expectations can motivate or alienate. Each community is aware of the negative externalities of high expectations. Community members have formed a set of religiously oriented social programs addressing addiction, divorce, unbalance, financial hardship, depression, and abuse. In Gray Mountain people were offered a second chance to succeed after previous failures. Beneficence recognizes the need to support people who are struggling, although

some may still view struggles as a direct fault of an individual who failed to work hard enough to prevent hardship. Stockville has started a non-religious social club to welcome newcomers and help them acclimate to the community. The availability of social institutions like these and others prevent the social isolation that divided Duncan's communities into the haves and have-nots. She saw the role of creating inclusive institutions falling to a missing middle class. In Beneficence both the upper and middle class support schools, recreation centers, neighborhood stores, and churches.

5.1.4 Religion

Churches are often assumed to be a social institution that aids the poor, but in Duncan's distressed communities local churches were one more institution that divided residents. Although some churches in Appalachia were trying to make a difference, they were becoming discouraged from their own missions by an overwhelming demand for services (Duncan, 1999). In Beneficence, a highly religious region, I expected to find churches to be important social institutions, helping to govern the communities by taking sides during conflict, offering sources of capital, and guiding local politics. Instead, none of the churches had large social programs beyond food kitchens and mission programs. People in Gardner did not attribute social achievements to churches, but to their own faith and values. The faith doctrine of the two dominant churches mandates separation of the church from state and business activities, and formal churches play a small role in the community. Although the community has private religious schools, these schools are not administered directly by the church. Residents have chosen to take their faith outside of their respective churches and use their common religious values of service and devotion to establish new institutions. These institutions are religiously oriented, but they are not affiliated with a specific church. Like in Gardner, faith is important and some of the same religious-based community organizations have local branches started by the faithful in Stockville. In general, people's attitudes toward faith were less vocal. People describe religion as contributing to a sense of local volunteerism, but do not widely attribute a role for faith in the development of the community.

What role has religion had on development outcomes? In Appalachia, a church identity separated the community; people were less likely to reach out to residents who

did not attend their congregation. A church identity could also help someone attain a better job (Duncan, 1999). Gardner has overcome much of its religious isolation. Churches now work together and newcomers have brought their own churches to the region and are being integrated into community-wide religious functions. The religious in Beneficence take the call to serve others outside the divisions of a particular religious identity and create non-denominational social organizations to provide services to the community. In Gardner, a strong sense of a religious identity is used not only in church on Sunday, but in business and in community volunteerism. Caring for family and neighbors and a strong support of education are the religious values that reinforce a larger personal identity. This identity has more similarities than differences across faiths in town, and a religious identity forms the culture of the area that influences residents' behaviors. The set of expectations embodied in the local culture include honoring the Sabbath as a day for devotion and shopping locally to support neighboring families. Religion provides one more facet within a resident's social world that reinforces these common beliefs and values. Shared values lead to more similarly held goals, which could result in positive or negative outcomes. Communities with similar goals may face fewer obstacles in governance and achieve more outcomes from their local governments. However, Gardner has already recognized the potential myopia and accompanied slowdown in growth that can develop with too much homogeneity and the absence of new ideas.

In Stockville, when people talk about what embodies the community, the shared past of struggles, triumphs, and an ethnic identity are mentioned more frequently than religion. The religious values of Stockville and Gardner, and in turn the larger social goals and values, are not that different, but the role religion plays in reinforcing those values is. People in Stockville have more diverse interests and goals, and they interpret the role of faith in many ways. Sensitivity to differences might lead people not to incorporate religion more openly into their lives. Or perhaps unlike residents of Gardner, who have argued and subdivided the two similar religious sects along ideological differences, people in Stockville have been driven by other pursuits. Despite being faithful, they have not been asked to examine and reexamine their personal faith and the

role religion plays in their lives. Stockville is a much less cohesive community than Gardner. A diversity of viewpoints and values can generate greater diversity in public debate and a more inclusive frame of future possibilities. However, less cohesion can also lead to less consensus, slower decision making processes, and possibly inaction in the absence of widely held common goals or when faced with irreconcilable differences in values.

5.1.5 Local governments have emphasized directed growth and found success through leadership

The people in Beneficence place a high priority on education and have created innovative institutions to work with people in poverty, and they also value economic growth. In a national comparison, they have been more successful reaching education, unemployment, and poverty goals than growth goals. Although the communities want to add jobs and attract younger residents, both communities placed qualifiers on their growth goals. “We have seen slow but steady growth; it has been a growth we can manage. Growth is about building on what you have and identifying businesses that have the potential to do well. We want to create the kinds of jobs our kids will come back for,” local leaders said. Can a focus on a more moderate directed growth, rather than counting jobs alone affect outcomes? What are the benefits and costs of pursuing a moderate growth? These questions remained after completing my interviews, but they are questions that may be answered using a larger sample of communities and case studies.

One of the main goals of local officials was to anticipate challenges while planning for opportunities in the future. This deliberate focus on the future and change contrasts with the mindsets of those in power in Appalachia and the Delta. In these two distressed regions, people with local authority vigorously work to protect the status quo and insulate themselves from threats to their own positions of power and authority. How goals are implemented also depends on the abilities of local governments and agencies. Rodrik (2007) emphasizes the importance of local governance capabilities as one of 10 design principles for industrial policy; agencies with the most demonstrated competence must carry out industrial policies in regional and national development. Rural

communities have few agencies to choose from to be involved in economic restructuring planning and implementation. Little to no oversight or inter agency collaboration makes the capabilities of local rural governments and economic development officials all the more critical to policy success. Rodrik does not give details as to how agencies might demonstrate competence or improve competency, but the government capabilities can be more critical in resource constrained communities. Residents in Beneficence thought their officials were making good decisions and cited their responsiveness and accountability to citizens and to businesses as part of the answer. Harder to quantify were the responses that, “local officials are good people who make decisions for the right reasons.” People in Beneficence recognized good leadership and also attributed the failures of surrounding towns to poor leadership that was less responsive, slow moving, and distracted by local politics. Stockville has noticed some of these same traits present in its own government. Transparency and proven success on past initiatives gives local officials and developers more freedom. Aware of the community’s goals and values, agencies are trusted to act in the best interest of the public.

5.2 Challenges the region faces: Can Beneficence remain prosperous?

5.2.1 Officials view the future with mixed attitudes and concern for slow growth and debt

The two communities have had stable population and job growth. Gardner’s gradual increase in population is a steady growth officials consider manageable, but they worry growth is too slow or will stop in the future. Recently faced with more uncertainty and change, Stockville is more cautious but still optimistic. “Our future opportunities are going to feed from being able to continue to provide a good quality of life for people, growing food and making renewable energy. I think people are getting the message that providing food and energy are important. We do a poor job at strategic planning; mostly we only make short term initiatives. We have been growing, but we react slowly. The town and the county need to start working together so we can move quickly enough to stay ahead of change,” the economic developer of Stockville said. The town and county economic developers have a good working relationship and are working to build a sense of collaboration.

There was a noticeable difference in general attitudes among town officials. Gardner seemed far more confident the community would grow and meet the needs of new and existing residents. Their spirit was one of self reliance among residents: “We have seen continued growth because we are the type of people willing to take care of ourselves and our own needs,” the retired town manager said.

Leaders in Stockville seem less certain about what the future or the next decennial census will reveal. The town’s debt burden is beginning to reduce the town’s ability to expand, and the county director of economic development wishes a stronger working relationship could be made with Stockville. “Stockville doesn’t have all the resources it needs and sometimes it needs more borrowing capacity. The county has a huge debt capacity. All counties do by law, but most use little if any of it. I don’t understand why cities don’t utilize the county’s resources. As a county we can offer more incentives to businesses,” he said. “Our county board of supervisors is dominated by farmers. They have mostly rural interests, and I think that hurts our town,” he said. “There needs to be more of a mentality in investing in oneself. Businesses that should be self-sustaining are asking for incentives and subsidies. There are hard choices ahead of finding enough resources to sustain and fuel future growth,” he concluded.

Reading archived newspaper articles and radio stories from Stockville, the caution and uncertainty are replaced with enthusiasm and assuredness. Despite their concerns, Stockville is slowly growing. Residents in each community have pride, and from their perspective their towns are special. I found no one who was considering moving away. There was a general feeling that the area has been sheltered from the macro concerns of an economic recession: housing values have continued to increase, businesses are growing, and new businesses are moving in. One resident mentioned she worried about the number of homes that were still for sale in Stockville: “Things might be slow in hitting us, but maybe it is coming.” She spoke about a recent stretch of youth vandalism that has plagued the community for many months. The perpetrators, high school aged kids, were recently caught and the small town’s crime had been ended. Persistently prosperous places are not perfect communities; they share common community concerns.

Each town is cognizant of the challenges in attracting new people. Gardner uses a direct mailing advertisement campaign that sends newsletters to former high school and college graduates ages 25 to 40. The newsletters discuss changes and opportunities in the community. Stockville officials also focus on the importance of retaining and attracting educated youth. The community has partnered with the nearby large town to host networking groups for young professionals. Both communities have attracted college educated adults to return, and as this generation starts raising families, each town is challenging itself to continue to get younger people involved.

5.2.2 Regional cooperation is a shared ideal rarely practiced

Without prompting, one man used the phrase that supports so much of the belief in regionalism, “A rising tide floats all ships”. The reality in rural regions however is that people often find plenty of reasons why they do not want to work together. High school sports rivalries are often enough. These communities were no different. Gardner and Clarksdale, two similarly sized communities fewer than 20 miles apart, operate on a competition model of success. Cooperation is not even facilitated by the two town’s shared ethnic heritage and religious history. When Clarksdale built a movie theatre, Gardner scrambled to also attract a movie theatre to town. Other projects have been harder to duplicate. Gardner has an 18-hole municipal golf course that has been in the community for a decade, and Clarksdale is still struggling to finance the expansion of what is currently a 9-hole course. Gardner hospital administrators talked to four separate communities about cooperating on regional healthcare and consolidating services to improve care. After long negotiations, it became apparent the communities could not agree, particularly on the location of the new hospital. Gardner completed the project alone. Three years later Clarksdale is attempting to finance a new hospital. The county Extension director who works with all of the communities lamented the amount of duplication and persistent failure to cooperate: “I only wonder what we could accomplish if we worked together.”

Others see the open competition as a driving force to continue to be progressive. Clarksdale does not promote its ethnic heritage with a festival, although the community shares the same religious and ethnic ancestry as Gardner. Instead, Clarksdale has focused

on growth. It does not have a quaint downtown Main Street but a highway corridor of extensive retail and services including more chain stores. A municipally funded enclosed mall was built by tearing down parts of Clarksdale's original, but ailing, downtown buildings in the 1990s. Gardner's residents and officials looked to Clarksdale's progress on retail development regretfully, "We have not been as progressive and as willing to invest in new things." Gardner's future was described by officials as, "A community is never holding still, you are either moving forward or you are falling behind."

Clarksdale and Gardner are currently engaged in conversations about another potential partnership, to use federal aviation funding to close airports in each community and build a new regional airport. "If we could get this project to work, it would a substantial boost," a Gardner official said. "To go above the desire to control everything, takes leaders who are willing to spend their own political and leadership capital. Now that is a hard position to fake," the town economic developer said speaking of the challenges of working with regional partners.

In the neighboring county, the director of Stockville's economic development has a proactive view of regionalism but knows changes won't come easily. He wants to work regionally to market several counties to prospective businesses. "It just makes sense not to work alone, and I believe economic developers can work together. The political foray just makes it more difficult. We should be helping companies find the best location. I think several counties could develop a regional industrial park. We could pool resources and share the profits. People should understand that their 'region', the places that affected them, go beyond their commuting shed. Everyone has a strong tax-base mentality that dominates their decision making. This is hard to get beyond. This region has thrived on the competition model in the past, but I don't know if there are enough resources to continue to drive this philosophy, not without federal and state assistance. Our regional hospitals are a good example of partnerships that could have made a real impact. Another example of a lost opportunity occurred with our law enforcement. The county built a brand new law enforcement center in town, but the planning process did not include discussions with the local law enforcement staff. Now the local police need

more space but the county building didn't create extra capacity," the Stockville county developer said emphasizing the challenges and rewards of cooperation.

5.2.3 Main Street faces many competitors and searches for successful niches

Gardner has struggled with retail development. It carefully guards the viability of its quaint downtown storefronts and has focused on trying to maintain smaller locally owned stores. In the past 10 years a few chain discount stores have opened along the highway corridor and provide price competition locally. Another threat to the downtown occurred when a summer fire destroyed two prominent downtown businesses. The loss of two flagship retail stores is seen as potentially tipping the downtown towards disaster if there is not an immediate intervention, and the mayor has called special meetings with the area's other businessmen and banks.

Stockville is also working to keep its downtown blocks vibrant. "Working with Main Street retailers is like working with farmers. They are independent and have a 'don't tell me what to do with my business' mentality," the town economic developer said. His own family once owned several sporting goods stores. Rural retail often develops at a regional scale, and consumers are willing to drive farther to obtain services in larger cities. New highway developments have placed big city retail within 45 minutes to an hour of interstate driving for the region. A local owner of a men's clothing store described the changing challenges he faces from 30 years in the business. He moved into Stockville and started his own business nearly 20 years ago. "This is a good community, and it offers better opportunities than most, but things have changed. It is just different now, but it is still okay," he said quietly as he sipped his morning coffee. "Thirty years ago there were a dozen men's clothing stores in the region, now there are three. Luckily, the size of this town can still sustain my business. It is challenging though, and you have to get creative. I try to stay focused on small store advantages of quality service, gift wrapping, and keeping track of size alterations. The rise of box stores, and an abundance of retail cause customer loyalty to wane. People still say, 'We love our towns', but they are pulled away by advertisements for larger stores. The workforce has changed, too. Thirty years ago, young men worked in stores and either stayed and bought the store or established a new one. I did an apprenticeship before I came here to open my own store.

Now there are tighter budgets, and I can only afford to hire part time employees and as an owner I have to work more hours. I told my sons not to stay but to go find other skills and jobs,” he said.

“Clothing demands have changed, too. As an independent store I have to work harder to find brand lines that people will want. As everything moves towards larger stores the future holds interesting challenges. I think it all boils down to employment opportunities for people. Maybe there will be a shake-out and some of the big box stores will make cutbacks, I don’t see the big guys going on forever. We [small retail] have to have faith in our ability to adapt to new challenges,” he said echoing comments made by managers of larger businesses.

5.2.4 Town provides affordable housing more successfully for the elderly

Along with the challenges of retail, Gardner recognizes the need for more diversity in the prices of available homes. Twenty years ago the town bought land and subdivided it into residential lots. The price of the lot was based on the price of the house the purchaser would build. The town is currently finishing its fourth addition to the original plan. The housing has a mix of one story and two story homes. A private developer bought, subdivided and built homes immediately adjacent to the town’s development. No fence, tree line, or other divider exists between the two developments. The town is mindful of not wanting to crowd private developers out of the market, but they are contemplating starting another development of affordable housing.

The town has been able to address the need for elderly housing more extensively. Gardner owns single story apartments that are managed through the hospital. Additional privately owned units are sold as condos with the stipulation that the unit be sold back to the local management agency for occupancy exclusively by elderly tenants.

Town leaders said, “Catering to all classes of people is important for a progressive, successful community.” The town’s low income apartments were deliberately integrated into existing residential areas, well landscaped, and named to sound more like subdivisions than low income. The former town manager said, “We worked hard to make these residences assets to the community.” Financed partially by the U.S. Department of Housing and Urban Development’s regional office, inspectors

come to the town for home inspections to ensure the funds were well spent. “The inspectors would always be impressed at how well maintained and nice our units are. Our residents come out when the inspectors came and welcome them into their homes,” he said.

5.2.5 Hispanic in-migration brings cultural differences and challenges community

The livestock abundant region is home to dairies and slaughter houses, two industries that are attracting Hispanic workers and their families. County residents noticed the trend of migration approximately 15 years ago. Less than 5 percent of the county’s population claimed Hispanic ethnicity in 2000, but in Clarksdale, “Hispanic children comprise 20 percent of the local school district,” a county educator said. Hispanics have founded a Spanish speaking branch of the ethnic reform church in Clarksdale.

Gardner has had few Hispanic families move into town for several reasons: its industry is much more highly skilled, the town is not connected as strongly to agriculture as Clarksdale or Stockville, and affordable housing is limited. Three miles away from Gardner, an authentic Mexican restaurant has opened in a smaller town that offers cheaper housing.

A community founded by immigrants, Gardner has tried to take a tolerant approach to the newcomers. Integration into the community has been promoted by local churches. Outreach aims at “teaching them some of our values and culture to help the newcomers fit-in,” a resident said. A local knitting group based out of a church reaches out to Hispanic women and provide a chance to interact on a personal level. As one of the group’s non-Hispanic members pointed out, “Hispanics must become part of the community because they will continue to come.” From her perspective, the knitting group has good intentions and recognizes that providing direct connections across cultures is the only way most people’s minds will be changed.

Complaints about the new immigrants in Gardner settle on common themes: “They are stealing our jobs.” “They don’t pay taxes or social security.” “They won’t learn English.” There is also a pervasive attitude in this community of immigrants: “We made it on our own, everyone struggled, but we worked even harder and made it.” Hence,

many have little sympathy for publicly funded assistance to the newcomers. Issues of yard, car, and house maintenance take on great importance in this community: “They just don’t keep things as neat as they could,” a resident said, with genuine regret and a touch of astonishment. Other community members did not see the tension over in-migration as something they could fix. Instead, they pointed out the most pressing issue is the legality of immigration. Residents feel that until the nation has crafted a better immigration policy to address high numbers of undocumented workers, the problem is removed from local control. Others disagree and still search for local solutions. The county and a student at Classical College in Gardner have both started Hispanic advocacy groups, and the two groups are trying to combine their efforts and services.

In February of 2008, county employers brought their concerns about low unemployment and growing diversity in local labor forces to the county Extension board of supervisors. A focus group with an initial schedule of seven meetings was established. Its main intentions are to take an educating role to help dispel some of the myths people have about Hispanics and suggest ways to incorporate Hispanics into local workforces. “We feel 20 years behind on the issue, but we are trying. Plenty of anti-Hispanic sentiment still exists,” the county Extension director said.

5.2.6 “Fronts” to avoid public shame are downsides to high achieving communities

In a church youth group discussion about cheating, many high school students revealed “They would rather cheat on a paper, exam or homework assignment, even when they knew it was wrong, rather than bring home a bad grade to their parents,” a local pastor said. Parents have a history of being involved in the school system. Their involvement brings many positives to the district, but also more pressure. “There are unstated cultural expectations in this town,” a non-ethnic community member said, suggesting the social pressure originated from the town’s early origins. A long-time resident of Gardner said, “As people slowly moved in, they became accustomed to our way of life and values, and most people have continued to uphold them.”

Gardner’s neat appearance of painted houses, mowed yards, and flower beds are a part of a culture of cleanliness and order, but there is pressure to conform. “People who are facing economic problems will still choose to invest in their outward appearances

rather than risk public comment,” a resident said. The town’s annual festival is a yearly event to showcase the town’s beauty and order, and many people use it as a deadline for finishing remodeling or beautification projects.

In many ways Gardner is striving to uphold a status of a model society, and admitting problems can be hard when everyone is working towards a goal of order and prosperity. Although people here are deeply religious, many view the churches and their deeply connected congregations of family and personal networks as too public of a location to bring problems. Local pastors of multiple faiths lament on the challenges of finding those who are in need: “The ones who need it the most will try the hardest to be the last to show it.” “Finding people in need of God’s gospel, forgiveness, love, and help is the hardest part of my job.”

Others spoke of the power of shame that prevents people from seeking help when they need it. Feelings of shame take on a more significant meaning in a community that believes hard work and prayer are enough to overcome obstacles. The community has a self-driven expectation. People often said, “We built this community ourselves,” and equated quitting to not trying hard enough. In this situation the social stigma of admitting failure through divorce, not going to college, or losing a job takes on heightened significance. Not only are people letting down their family but also their community and God.

The town has some self-awareness of these problems, and people in the community have responded by creating social organizations for aid. A shelter for abused women and children has opened and offers apartments in the community’s old hospital building. People with troubled pasts started a mentoring service in the county that has spread to several states. The organization is self-funded and provides a full range of services, including financial assistance, but all participants are required to take on faith-based counseling. Although state-funded social service agencies are present in the community, the ones organized locally are distinct by emphasizing the importance of religion. A community resale shop provides gently used items for sale and uses all of the proceeds to buy Bibles for missionary services. Although faith-based, these organizations are not directly tied to a single church. They emphasize the importance of

religion and the belief that religion is a component of finding solutions to people's problems.

5.3 Research considerations and future questions

5.3.1 Towards a theory of rural prosperity

Beneficence has used three primary qualities to achieve persistent prosperity: willingness to invest in a community, financial ability to do so, and capacity to govern investments wisely. Agriculture, private businesses, healthcare, education, and social institutions offer examples of people with the means to invest choosing local investments. Both communities attribute the choice to invest locally to commonly held beliefs and values, but each community also recognizes that some of these values are changing. Choosing to invest in the local community requires sacrifices, including loyalty to local merchants even if their prices are higher, investing in labor from the local workforce instead of attracting high skilled labor from elsewhere, and finding satisfaction in local amenities. The community's investments and sacrifices create a self-reinforcing development. Economic developers and town officials contribute to development by having a holistic view and pursuing healthcare, recreation, and cultural amenities to attract new businesses, jobs, and residents.

The path of Beneficence's development can also be summarized by the Presidents Appalachian Regional Commission which identified four steps in a pattern of typical development for natural resource rich communities (1964). It concluded Appalachia had never accomplished the first step of deriving local wealth from the region's supply of rich natural resources. Beneficence has succeeded at all four steps.

First, natural resources were exploited to produce local wealth. The people in Beneficence have acquired the means to invest from their rich agricultural resources. The first settlers seeking farmland stopped when they reached open acres of gently rolling land covered in a sea of grasses. The people have used land stewardship and investments to increase land profitability ever since.

Second, wealth becomes invested in human and social capital, including housing, education, transportation, hospitals, and institutions. The ability to turn a profit on the soils allowed early settlers to develop religious and educational institutions. The earliest

established church still functions in each community. Both Gardner and Stockville started an academy for higher learning before 1900. Unlike Appalachia, the profits individual families earned from farming were retained locally. Even now there is fierce competition in land markets between local interests to retain ownership. An increase in the presence of outside contract hog feeding worries some. Producers have reduced their risk by contracting directly with hog slaughters, but they have also sacrificed some of their autonomy. The loss of local ownership does not go unnoticed, but in volatile livestock markets young and old producers are taking advantage of the security contracts offer. Similarly major businesses are locally owned by people who live within the communities. Profits are retained locally, and businesses have demonstrated a desire to make investments within the community acknowledging these investments strengthen their own companies.

Third, the investments in human and social capital create a foundation for “spiraling, self-generative development wholly independent of the natural resources that triggered the regional economy” (Appalachia, 1964). Over 100 years later, these communities are no longer solely dependent on agriculture and have diversified their economies into manufacturing and wholesale trade and transportation industries. However, the communities have still held onto agricultural jobs. Although far fewer people are involved, farmers in the region are still producing a profit from the area’s resources. The area’s agricultural resources now go beyond farm land to include a value chain of industries that are creating a competitive advantage for grain and livestock producers.

Fourth, progress is sustained by continuing to develop human and social resources. Today these communities are maintaining schools, improving healthcare, and adding recreational amenities. Gardner’s recognition that the community would benefit from better childcare service and choosing to build a new facility reflects a continuing desire to invest in the community for its betterment. The Appalachian Regional Commission expected people to continue to be attracted to a region for its natural resources. This argument is less clear when applied to a part of the country that receives low amenity scores. What does attract people to the region is the sense of community

brought over by the original settlers and strengthened by familial and national bonds. In Stockville this closeness was extended to newer different groups of residents more so than in Gardner. However, both communities have fostered investments not only to build human capital but also social capital. People volunteer, they help their neighbors, and they believe in the set of cultural values that have developed in each place.

These achievements in superior healthcare access and resources, quality schools, diversified economies, and competitive grain and livestock farms set the Beneficence region apart. This place is far different from the story of rural distress and disadvantage. Rural prosperity exists and tangible outcomes are present in communities that have sustained high outcomes. The important question becomes what is driving these outcomes? What leads people to make local investments? What role does social capital play in encouraging local investment and how do local investments also build social capital?

5.3.2 How can a community build a culture of local investment?

What has prompted people in Beneficence to make community investments? In the early history of the region, farm families would have much of their wealth tied up in the assets of their farming enterprise. Even now after the towns restructured their economies to be more industrially oriented, people continue to want to stay in place, make investments, and return after college to raise their families. The size and diversity of the local economies seem to provide the most important barrier to people's return after college and who the community can attract. The communities offer a range of occupations, but among relatively few industries. When a company is looking to fill management positions, it shall look to the sons and daughters of the community who may be living in town or away. Gardner actively recruits high school graduates who have left, urging them to return after college with their families. Farm families struggle to incorporate additional family members, but some have overcome land shortage problems by expanding into concentrated livestock production.

Several of the current business managers were called back home after a job opened in a company. People recognize that life in a rural secluded area with harsh winters can be a hard sell to people who did not grow up in such conditions. This belief

motivates an attitude of worker investments; companies see higher payoffs from training local people rather than trying to attract outsiders. Providing on-the-job training is constrained by the firm and the community's educational resources. Beneficence is working to maintain small town values of inclusiveness and safety while slowly offering more amenities. Classical College fills an important role in this regard by offering theatrical performances, guest speakers, and college athletics to the community.

Can you build a culture of local investment in other places? Although many people I interviewed recognized that the local culture of valuing religion, education, and family was not unique, almost everyone thought it would be too hard to create such closeness and pride for other communities. The people in Beneficence have built community pride by widely upholding community values. Each time a goal is accomplished, the community's pride and satisfaction increases. Pride and community cohesion are built by churches, businesses, social organizations, schools, and the town's primary festival. Community cohesion allows the community to pass referenda by large margins and keeps businesses and governments accountable to a larger base of the population. Within the community, leaders have sought to build citizen participation, leadership, and community capacity. All of these efforts have left the community more prepared to face future obstacles.

Beneficence has adjusted to economic change over time. Factories have increased as agricultural jobs have declined, and the community works to adopt new technologies. Social capital has a strong role in this transition, but perhaps a lack of past diversity left the communities poorly prepared to face diversity when it arrived. Hispanic families have been living in the region for 15 years, but the long homogenous communities are only beginning to directly address the presence of those cultural differences. Members in the communities have mixed feelings about the newcomers, and while they do not prevent them from taking jobs, they can do more to help them mesh into the existing social networks.

5.3.3 One reality of rural regionalism may be competition

Both communities are involved in regional economic development efforts, and each has goals of working with regional partners. Past efforts at regionalism have failed,

most recently when Gardner tried to build a new regional hospital, but instead completed the project independently. Each community has been successful following a self described coopatition model of development. The communities have achieved positive outcomes by directly competing with neighboring communities on some projects and cooperating on others. Most projects seem to occur out of strict competition between communities in the larger region. Gardner successfully enticed local businesses to relocate from Stockville into a new industrial park. At the same time Gardner's strategy for development chooses to avoid large retail stores in favor of local businesses. The current local retail mix is suffering from competition with the chain stores attracted to Stockville and Clarksdale. Officials and residents alike question the strategy of competition but without knowing what the communities could have achieved by working together. Thus far, each community has found the resources to make competitive investments, but local residents question the future feasibility of the strategy. Through competition, the communities have been driven to be forward thinking and to make choices mindful of how to best position themselves in the future. These choices raise valid questions when thinking about what contributes to successful regionalism: When can it work? What makes it work? When will it not? Beneficence's experience introduces what might be a best outcome of a competition model as a reality of rural regionalism: How can communities make the most of local competition? How can competition balance with other regional strategies in policy for mutual development goals? Both communities act independently, but think they should work collaboratively. Internally, the two communities aggressively promote partnerships and combine public and private resources and agendas to accomplish community goals.

5.3.4 Is rural branding always positive?

In economic development, places often fiercely compete to attract people and jobs. Some regions build success by creating a branded identity that creates a visual image of amenities to sell a community as a destination. A branding strategy can require large amounts of time and energy, and the image must resonate with people as a place they would like to move their company, raise a family, or retire. Each community has taken steps to brand itself beyond the immediate region. Going beyond a welcome sign

with a town slogan, Gardner has created a branding campaign out of its ethnic identity and shared heritage. The identity is sustained by an over 50-year-old festival, self identification among different generations of residents, marching bands, school mascots, and the town's built environment. This identity has remained unchanged since the community's founding in the late 1860s. Over time, the community continues to enhance the branding, while attracting more people without the ethnic identity that has been elevated to a brand. The people of Gardner may be able to attribute more of their economic outcomes to ethnicity than other communities because they have successfully commercialized their identity.

Stockville used to be known for a cultural heritage, then a social institution, and now a private corporation in a turn of events that have tested but not broken the community's resiliency and ability to rebrand itself. Today it is famous for the locally grown family company that rose to national significance. The town identifies itself as the home to this company and has developed a festival around this identity, but the identity is reinforced more among businesses and tourists than embraced by local residents. Although a large percentage of the community is employed by the company, additional economic development is providing a wider diversity of jobs.

The identity has created a tenuous relationship within the community. At a time of economic downturn, local residents express disapproval of the company's pandering for town development incentives and infrastructure grants. When the company started firing local workers, some residents were ready to further disavow the company. Before the rise of the company, the community defined itself as the home to the private college that had endured a long struggle and had itself reinvented its branding multiple times. Stockville's current brand draws modest summer tourism and has created a path for business diversification for economic developers, but it is not integrated into many different facets of community life and does not itself promote and embody strong community pride.

5.4 Reflections

There is always a need to interrelate research and to join scholarly conversations (Hopkins, 2001). Prosperity research adds an important dimension to the two dominant

conversations in rural development that center on sources of wealth for economic growth and persistent poverty. The framework of identifying counties by a set of indicators that focuses on local processes of education, housing, unemployment, and poverty, begins a dialogue for practitioners to address these concerns.

The prosperity lens, as a tool for understanding communities, is useful at pointing out differences among the development paths of rural communities. The measure identifies places traditionally thought of to be distressed including Appalachia and the Delta. Most of the persistently prosperous non-core counties emerge in the Plains region, an area characterized by declining populations. A spatial multivariate regression sought links between prosperity outcomes in 2000 and common economic development stories of growth (Isserman et al., 2007). The research found prosperous counties did not have many of the expected characteristics that empirical research has found to be important predictors of growth. Using averages to see how population and employment have changed across the 0 to 12 scale in chapter three did not reveal a simple story. Counties with higher persistent prosperity scores do not have uniformly higher growth rates. There seem to be large fluctuations among high prosperity places and the dynamics of how places attain and lose prosperity over time are still unclear. Separating the Plains region from other non-core counties reveals that, high prosperity Plains counties lose population while prosperous non-Plains counties have population growth. The persistently prosperous Plains counties have lost people but added jobs.

On its own, this story has many holes. My purpose for doing the case study was to try to fill some of these holes by gaining a closer perspective of communities that had held four measures of quality of life above the national average from 1980 to 2000. While studying economic and community development in a rural context I wanted to find a solution, but what I uncovered instead were similarities and differences from my own hometown. I was seeking answers to “How did you do achieve high outcomes?” and “Why are you able to stay so successful?”

At times I likely came close to exhausting my participant when I would ask the how and why questions in multiple forms. The answers I received in Gardner and Stockville echoed intrinsic things I have always known about a rural community. After

reflecting on my disappointment at not finding “secrets” from farmers not fazed by the recent downturns in livestock markets, I realized that I would have a much bigger problem if I did find a magic secret. The farmers in my case study read the same rural magazines and farm newspapers as the farmers in my hometown. They use similar Extension services and have a similar relationship of competition and cooperation with their fellow farmers. They are not doing one single thing right, but they have several incremental advantages.

By studying two of the eighteen persistently prosperous Plains counties a story of readjustment, in response to structural change, indicates education helps residents go to college, change jobs, and earn higher wages to avoid poverty and unemployment. Entrepreneurs capable of industrial innovation build local economies by adding jobs, increasing labor force skills, and attracting related industries. However, I have also seen what I believe to be an important component of prosperity, a commitment to build local resources through community wide efforts that use partnerships among the government, private business, and individuals. Understanding how education, values, social institutions, and governability interact within Beneficence has been the value to doing this case study. Gardner is mentioned more often in chapter four because the community had a more coherent story and identity. My approach to inquire about the five community attributes of agriculture, private business, healthcare, education, and social institutions stretched my two weeks of interviews. As an exploratory technique, I was able to learn a little about a lot of different things within the community. In future studies, to contrast prosperity to growth or to understand the dynamics of social capital, a narrower set of questions should be asked of more people.

The social interactions within a community can have important influences on economic outcomes. However, a theory of social capital is still being developed across multiple disciplines. Research must not only identify the links between characteristics and outcomes, but also find ways to measure these relationships. Alesina and La Ferrara (2005) summarize previous research on ethnic diversity’s direct effects on economic performance and find that diversity decreases voluntary contributions within small communities and can lead to lower public good provisions. The authors also

hypothesized that diversity increases economic productivity. They found compelling evidence to support this research in U.S. metropolitan areas, where ethnic diversity contributes additional ideas and new knowledge (Alesina and La Ferrara, 2005). However, their results for the effect on diversity on the productivity of smaller communities in Africa were unclear. More research to detail how processes work in a community are needed to develop a testable theory of social capital (Torsvik, 2000).

Taking a broad qualitative approach, I have been able to prove to myself that these communities are different than my own non-prosperous hometown. The findings of strong social capital embodied in active community churches, strong schools, festivals that draw over half of the town to volunteer, five story museums, and business managers that care not only about profits contrast well with my experience and examples from the opposite extreme offered by Duncan (2001). The question that has been the hardest to understand is “What effect does a strong religion, shared ethnicity, and community pride have on economic outcomes?” Social characteristics cannot be viewed in isolation. A strong economy provided people in Beneficence with the wealth to invest, and careful management made investments pay back dividends to the community.

The importance of locally owned businesses, the impact of entrepreneurial companies, that have chosen to grow in their original communities, the synergy of a local value chains, and the benefits of post secondary institutions have also been explored in development literature, but often outcomes are determined by many other characteristics of the local context. Calculating persistent prosperity over time and observing how communities move in and out of prosperity also reflects that communities are under constant change. Gardner still seems self assured about its future, while Stockville is uneasy about a future of budget constraints and change within the town’s major employer. Further research could examine the relationships between prosperity and growth in greater detail.

I found two communities that approach a rural eutopia by sustaining high outcomes from 1980 to 2000 while remaining non-core. These communities do not have high growth rates, and they were not identified by their incomes. Through a case study, I learned they both hold to community values and are proudly rural. Stockville, a deeply

agricultural community is approaching a total population of 10,000 and may soon no longer be classified as non-core even though the county maintains its deep agricultural roots. Gardner reminds this livestock producing researcher that rural no longer means agricultural. This small town is thriving based on its industries and has found its success by distancing itself from the profitable agricultural region that surrounds it. Persistent prosperity is attainable. Beneficence has achieved notable outcomes among its non-core peers, but its communities still have ongoing challenges. The goals for improving local education, unemployment, poverty, and housing can produce eutopian conditions and are another possible path to follow in economic and community development.

CHAPTER 6: TABLES AND FIGURES

Table 1: Tables from the US census used to create prosperity index

	1980	1990	2000
Poverty	Table 90	SF3 P117	SF3 P87
Drop-out rate	Table 47	SF3 P061	SF3 P38
Unemployment	Table 55	SF3 P070	SF3 P43
Lacking kitchens	Table 115*	SF3 H042	SF3 H50
Lacking plumbing	Table 142**/ Table 97	SF3 H064	SF3 H48
1.01 or more occupants per room	Table 142	SF3 H069	SF3 H20
Rent/mortgage/ home ownership costs more than 35% of income	Table 132 (renters) Table 139 (OO)	SF3 H050 (renters) H058 (OO)	SF3 H69 (renters) and SF3 H94

* Applies to all year-round housing units

**Universe: occupied housing units with complete plumbing facilities for exclusive use

Table 2: National rates and county standard deviations for the prosperity measures

	1980		1990		2000	
	rate (%)*	s.d.	rate (%)	s.d.	rate (%)	s.d.
Poverty Rate	12.4	7.3	13.1	11.7	12.4	6.55
High school drop out rate 16-19 year	13.4	7.3	11.2	5.51	9.8	5.24
Unemployment Rate	4	1.7	6.3	3.06	5.7	2.71
Percent of Housing with Conditions	7	2.4	6	2.11	7.4	1.83
Spending >35% of income on housing	19.4		17.5		21.9	
Occ National rate:lacking plumbing	2.1		0.8		0.6	
National rate: lacking kitchens	2.5		1.1		1.3	
National rate: 1.01 ppr or more	3.9		4.7		5.7	

Source: US Census 1980, 1990, 2000.

Notes: National rates are calculated for the entire US population in each time period. Standard deviations are a reflection of dispersion within county observations and are calculated only for the contiguous 48 states.

Table 3: Comparing county housing thresholds for income spent on housing

Classification	1980	1990	2000
Indifferent: meet 25% and 35%	71.1%	54.6%	80.5%
High Cost: fail 25% and 35%	19.1	13.6	12.2
Small Middle: meet 25% and fail 35%	5.4	31.8	5.4
Big Middle: fail 25% and meet <35%	4.4	0.1	2.0
Total	3136*	3136*	3,141

Source: US Census housing tables for owners and renters as listed in Table 1

*Missing counties include three counties in Alaska; Miami-Dade, FL; and Loving, TX.

Non-Alaskan counties were added to later stages of the analysis

Table 4: Metro counties are more likely to be prosperous

Score*	Non-core	Metro	Micro
12	1.6%	8.9%	3.8%
11	5.7	9.9	7.2
10	9.0	10.5	7.5
9	10.4	10.1	6.3
8	8.0	9.0	11.3
7	8.1	10.0	8.5
6	10.0	10.0	9.9
5	9.3	9.0	9.9
4	9.1	6.5	9.6
3	9.3	5.3	11.1
2	9.0	5.0	6.1
1	6.3	4.3	5.6
0	4.0	1.5	3.2

*Score is the number of prosperity indicators achieved
1980, 1990 or 2000

Table 5: Possible dynamics of change, 1980 to 2000, for each component of prosperity

Observation	Definition
Prosper	Exceeded national rates in all three periods
Gain 1990	Failed in 1980, attained in 1990 and 2000
Low 1990	Attained in 1980 and 2000, failed in 1990
Loss 2000	Attained in 1980 and 1990, failed in 2000
Gain 2000	Failed in 1980 and 1990, attained in 2000
Loss 1990	Attained in 1980, failed in 1990 and 2000
Hi 1990	Failed in 1980 and 2000, attained in 1990
Condition	Failed in all three time periods

Table 6: Non-core prosperous counties do much better than all non-core

Prosperity Measures	Noncore PP* avg	All noncore avg	National rates	Diff btw PP - all noncore	Diff btw noncore pp and national
1980					
High School Dropouts	7.2%	15.1%	13.4%	-7.9%	-6.2%
Poverty Rate	8.8	17.2	12.4	-8.4	-3.6
Unemployment Rates	2.6	3.8	4.0	-1.2	-1.4
Housing Conditions	4.8	6.9	7.0	-2.1	-2.2
1990					
High School Dropouts	5.5	11.0	11.2	-5.5	-5.7
Poverty Rate	10.8	26.5	13.1	-15.7	-2.3
Unemployment Rates	3.7	6.9	6.3	-3.2	-2.6
Housing Conditions	3.9	6.3	6.0	-2.4	-2.1
2000					
High School Dropouts	4.3	9.4	9.8	-5.1	-5.5
Poverty Rate	8.1	16.1	12.4	-8.0	-4.3
Unemployment Rates	3.0	5.9	5.7	-2.9	-2.7
Housing Conditions	3.8	6.1	7.5	-2.3	-3.7

Source: US Census Data 1980, 1990, 2000

*PP identifies persistently prosperous counties (scoring a 12)

Table 7: Summary of county outcomes, 1980

			% of Counties Meeting Criterion					
Type	OMB	Count	Prosper	Prosper	Education	Housing	Unemp	Poverty
			%					
Mixed Urban	Metro	135	52	38.5%	76.3%	98.5%	59.3%	78.5%
Urban	Metro	104	37	35.6	53.8	94.2	63.5	66.3
Mixed Rural	Metro	395	76	19.2	52.4	91.9	50.4	66.1
Rural	Metro	94	13	13.8	41.5	58.5	54.3	52.1
Mixed Rural	NonMetro	659	90	13.7	46.4	80.0	49.9	43.2
Mixed Urban	NonMetro	17	2	11.8	47.1	94.1	76.5	29.4
Rural	NonMetro	1705	164	9.6	44.7	55.5	59.4	24.5
Total		3109	434	14.0	0.48	0.69	0.56	0.38

Table 8: Summary of county outcomes, 1990

			% of Counties Meeting Criterion					
Type	OMB	Count	Prosper	Prosper	Education	Housing	Unemp	Poverty
			%					
Mixed Urban	Metro	143	36	25.2%	76.9%	69.2%	72.7%	42.0%
Mixed Rural	Metro	417	85	20.4	62.8	69.8	57.6	29.7
Urban	Metro	117	18	15.4	53.8	40.2	59.8	32.5
Rural	Metro	76	10	13.2	38.2	76.3	71.1	34.2
Mixed Rural	NonMetro	626	38	6.1	54.2	57.3	43.3	9.4
Rural	NonMetro	1713	101	5.9	55.2	52.8	50.0	10.3
Mixed Urban	NonMetro	17	0	0.0	47.1	47.1	58.8	11.8
Total		3109	288	9.3	0.57	0.57	0.52	0.16

Table 9: Summary of county outcomes, 2000

			% of Counties Meeting Criterion					
Type	OMB	Count	Prosper	Prosper	Education	Housing	Unemp	Poverty
			%					
Urban	Metro	171	52	30.4%	57.9%	62.6%	65.5%	64.3%
Mixed Urban	Metro	146	69	47.3	67.1	88.4	73.3	78.8
Mixed Rural	Metro	464	150	32.3	58.0	81.9	64.2	59.7
Rural	Metro	304	114	37.5	56.9	84.5	73.7	58.2
Mixed Urban	Micro	4	2	50.0	75.0	100.0	50.0	50.0
Mixed Rural	Micro	549	132	24.0	53.0	80.0	48.5	41.7
Rural	Micro	131	35	26.7	58.8	81.7	56.5	35.9
Mixed Urban	Non-core	7	1	14.3	71.4	100.0	42.9	14.3
Rural	Non-core	1333	289	21.7	58.4	80.5	55.0	33.4
Total		3109	844	27.1	57.7	80.5	58.5	45.1

Table 10: Persistently prosperous counties and summary of all county outcomes, 1980-2000
 % of Counties Meeting Criterion

Type	OMB	Count	Persistently		Education	Housing	Unemp	Poverty
			Prosper	Prosper %				
Urban	Metro	171	23	13.5	48.0%	46.2%	49.1%	38.6%
Mixed Urban	Metro	146	25	17.1	52.7	67.8	46.6	41.8
Mixed Rural	Metro	464	35	7.5	37.9	59.5	32.1	21.8
Rural	Metro	304	14	4.6	27.3	39.1	35.2	17.4
Mixed Urban	Micro	4	0	0.0	25.0	100.0	25.0	25.0
Mixed Rural	Micro	549	22	4.0	35.5	55.9	22.2	10.2
Rural	Micro	131	4	3.1	32.8	40.5	29.8	7.6
Mixed Urban	Non-core	7	0	0.0	42.9	42.9	14.3	0.0
Rural	Non-core	1333	21	1.6	32.8	41.5	34.9	3.8
Total		3109	144	4.6	35.3	48.0	33.3	12.8

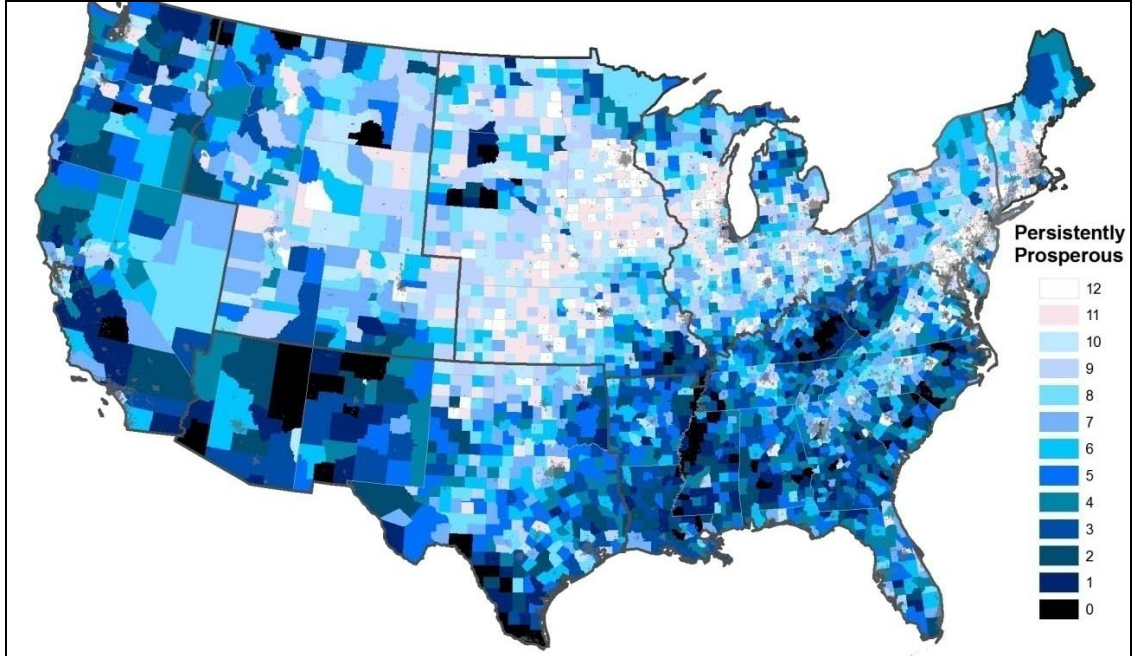


Figure 1: Prosperity scores over time reveal higher prosperity in the Plains, Great Lakes, and New England regions

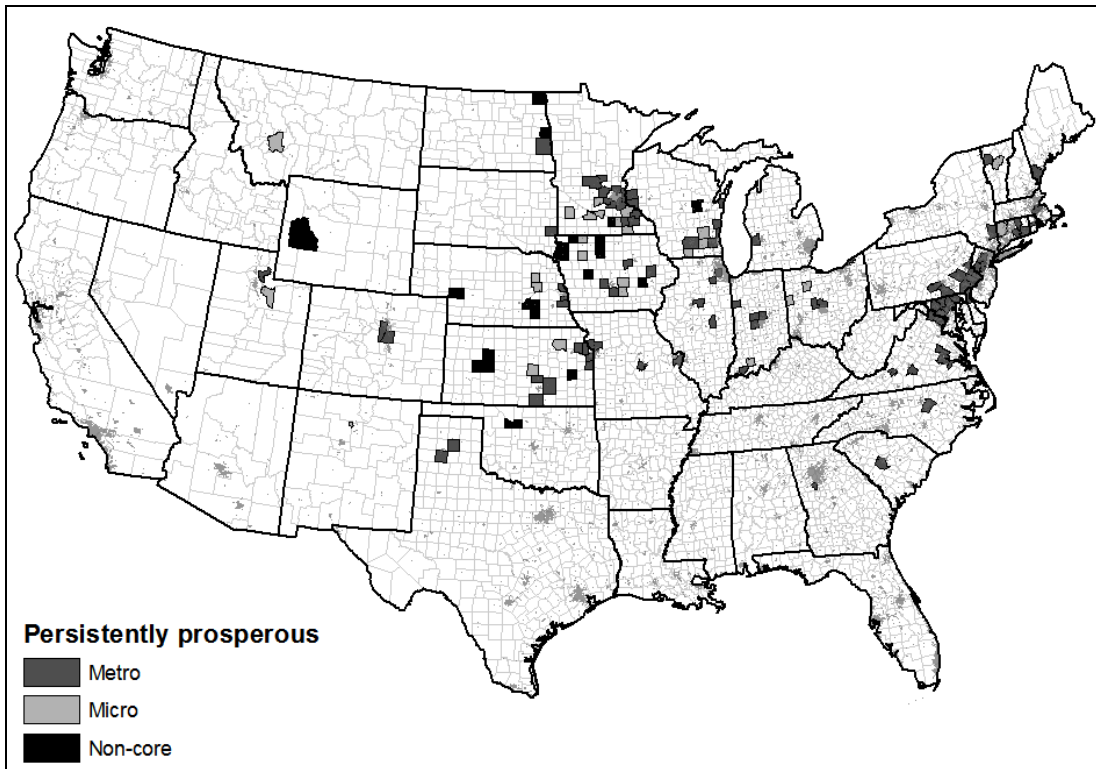


Figure 2: Persistently prosperous non-core counties appear in the Plains, and metro counties are scattered

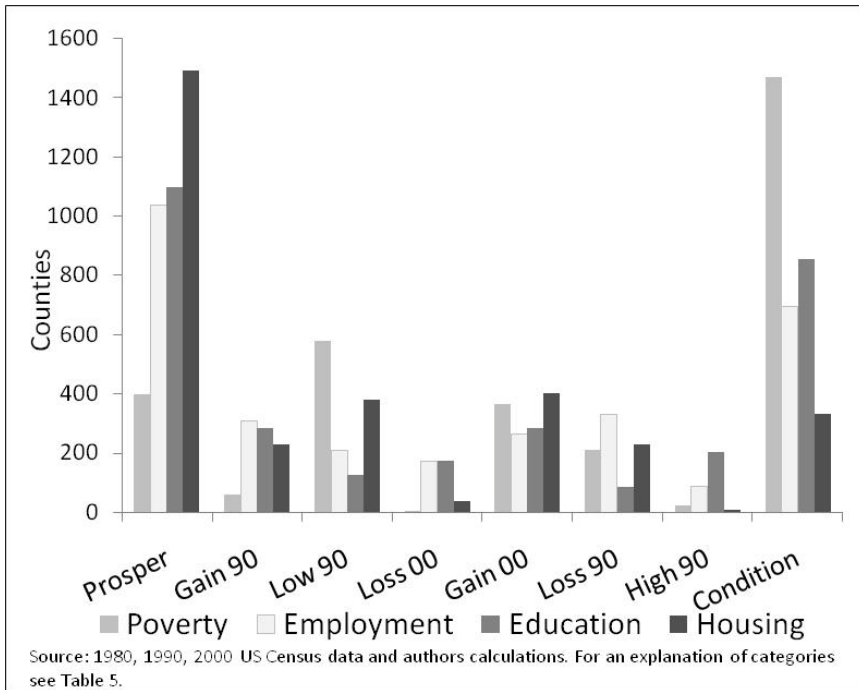


Figure 3: Counties exceed housing most frequently, struggle with poverty

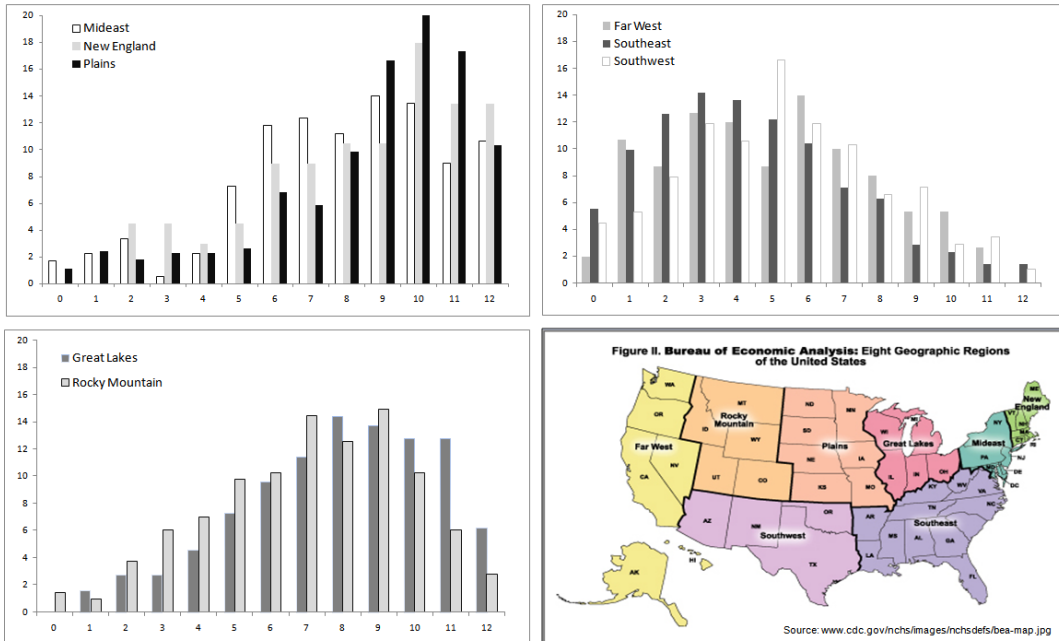


Figure 4: Prosperity scores for all counties by regions

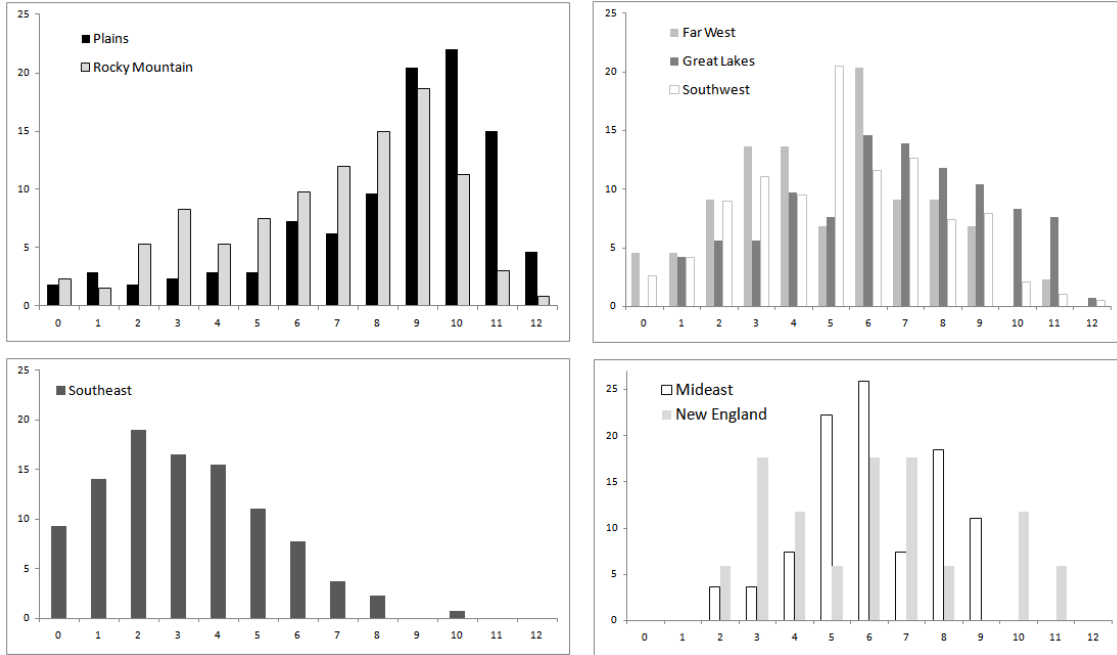


Figure 5: The Plains and Rocky Mountain regions are prosperity leaders among all non-core counties

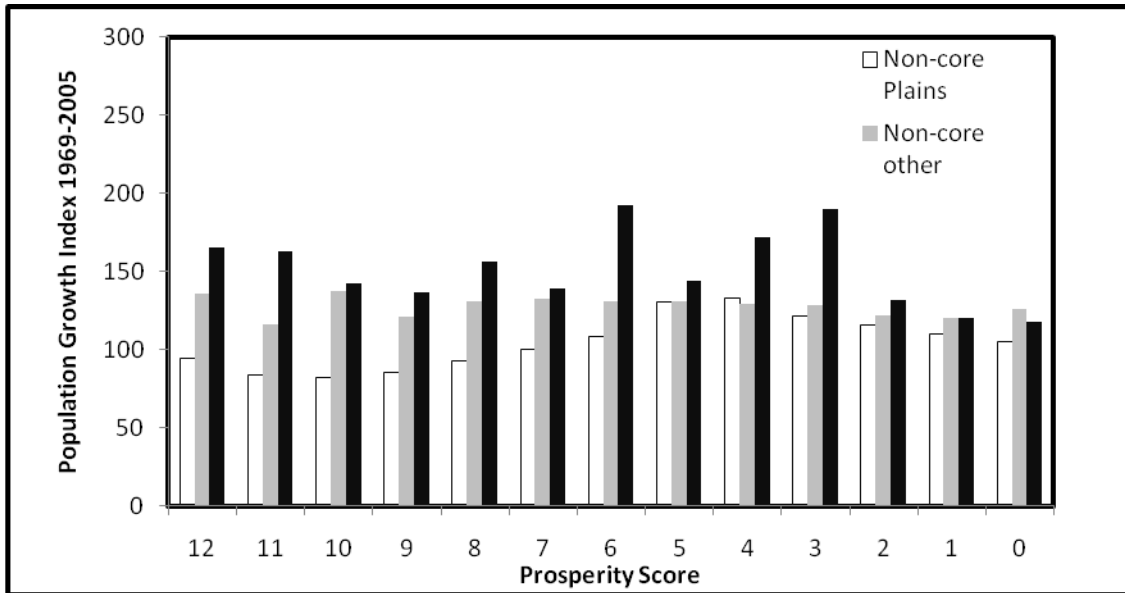


Figure 6: County population growth does not increase monotonically with higher prosperity scores

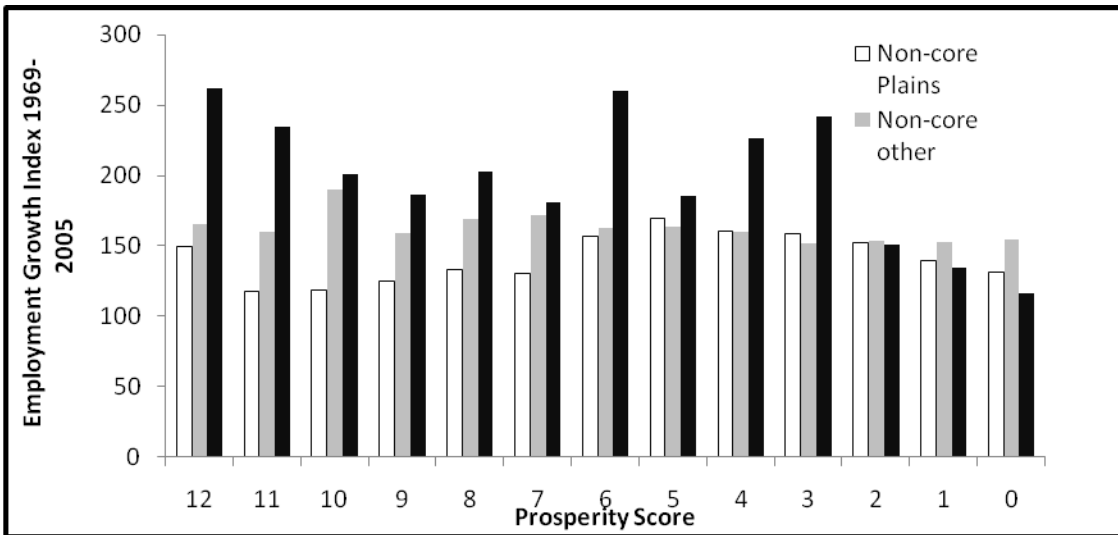


Figure 7: County employment has grown faster than population in persistently prosperous places

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