



Strategies

for Sustainable Small Town and Rural Development

It is necessary for citizens and their leaders to be actively engaged in shaping the destiny of their communities. Often, simple, yet powerful actions are all that are necessary to start the momentum in a community toward a new and more promising future. Consumers Energy asked leading experts from around the country the strategies they recommend for individual communities.

“We want our future to be our choice and not something that happens to us.”

– A small-town resident

Consumers Energy



Jack Schultz, author, CEO of Agracel Inc. and founder of the Boomtown Institute

Q. *What trends do you see as important for communities, their citizens and leaders to recognize that will improve the chances for these towns to succeed in shaping their future?*

Our research and experience at the Boomtown Institute over the last several years suggests a number of trends we believe will help shape the future of small towns. We look at what we call Agurbs®. These are the small communities with an agricultural heritage that are prospering despite tendencies for some small and rural communities to be struggling. Those communities that are succeeding seem to be recognizing and adapting to one or more of the following trends.

Millennials – This generation, those generally born between 1980 and 2000, dwarfs the GenXers in size. These young people are going to be the most entrepreneurial in the history of the United States. I’m finding incredible examples of what these young people are already doing. Communities need to be retaining and recruiting the Millennials.

Entrepreneurs – You can’t have enough of them, and a community needs to encourage and perhaps nurture them to keep their numbers growing. Smaller communities offer some exceptional advantages for entrepreneurs, and the citizens and leaders of these communities need to embrace and capitalize on this trend.

Sense of Place – Communities are better at recognizing the unique attributes that set them apart from other towns. It started in the revitalization of downtowns and has spread to arts and recreational assets. Towns are now touting trails, agri-tourism, recreational land, bird watching and other nontraditional assets as what makes their community special and attractive.

Localization Talent

Enviropreneurs – Green is increasingly growing in importance, and many entrepreneurs are working on the front edge of this trend. Alternative energy such as wind, solar, ethanol and biodiesel are changing communities and creating some very unique new opportunities. The smartest communities will be making compelling cases to potential investors that they are ready and committed to making green energy work.

Art Meccas – Smaller communities can offer artists the opportunity to own their own studio/home, something not affordable in larger cities. Communities focused on becoming magnets for artists and working to develop artisan cultures are creating a niche that will not only attract more artisans, but tourists and residents.

Non-PMS Entrepreneurs and Leaders – The traditional “Pale, Male and Stale” entrepreneurs and leaders are being supplanted by females, minorities, immigrants and others. This trend will explode with the Millennial generation, the most entrepreneurial and tolerant generation in the history of the United States. Communities need to appreciate and use the full potential of every citizen.

Taste of Place – People are beginning to value a place through its products, mostly food related. It started with wine but is spreading to cheese, honey, maple syrup, olive oil and other products.

Homesourcing – With broadband availability in rural areas, work, not just workers, are mobile. Increasingly, companies are setting up call centers and outsourcing work to rural areas, even households.

Skill and Labor Shortage – Quickly developing into a major impediment in many rural towns, some communities are starting to tap into their “brain banks” of former residents to supplement their talent. Local alumni will become a sought-after resource with many communities working to entice them to move back and benefit the community with their skills.

Angel Investor Networks – These regionally based initiatives have grown from about 20 to over 250 in the last 10 years, emphasizing investment in local enterprises. Iowa and Wisconsin provide incentives for their creation with investment tax credits. Hopefully more states will follow.

Localization – Incidents involving contaminated foods and, to some degree, additives are causing people to re-evaluate their food sources. Food security from local production is going to be increasingly prized.

Specialized Niche Products – We’re seeing farmers finding unique products to grow and market, lavender in Sequim, Wash., pistachios in Wilcox, Ariz., and olive oil in Rutherford, Calif., as examples. There’s a much bigger future in these specialized crops than trying to be the low-cost commodity producer. Local food production also is driving this trend, as is the growing interest in all things organic.

Ethnic Trends – When we moved home 25 years ago, we couldn't find a flour tortilla. Now there are numerous varieties and brands to choose from at our local grocery store. Changing demographics will significantly increase the demand for ethnic foods as they are introduced into our more diverse culture.

New Urbanization – Downtowns are hot! Boomers and young professionals don't want to drive for everything. The old walkable neighborhood is back. Communities need a vibrant area, where a person can live and work, with amenities, social outlets and culture. The downtowns will continue their comeback from the run-down, abandoned regions they have been in the past few decades.

Recreational Land – Land that is suited to sport and relaxation is becoming more valuable than rich agricultural land in many areas. The first baby boomers have now turned 60, and they are looking for spaces to spend their golden years.

Regionalism – Progressive communities are realizing that artificial borders set by surveyors in the 19th century are not how people are running businesses or deciding on where to live. A regional focus on job creation and retention will continue to be pivotal as communities learn to leave behind their silo mentalities. Visionary leaders are embracing the concept of regionalism to enhance the opportunities for their citizens.

Clusters – As globalization becomes stronger, the advantages of agglomeration economies (i.e., clusters) become more profound. Clusters equal synergies, synergy equals increased efficiencies, and efficiency equals competitiveness.

Transfer of Wealth – Intergenerational wealth transfer in the next few decades is unprecedented and represents a tremendous opportunity to create and grow endowments for a community's future. Capturing merely 2 percent to 5 percent of the generation-to-generation estates to invest in a community's future will enable significant and strategic transformations.

Internet – This medium is finally having the impact that was predicted of it in the late 1990s. Communities with high-speed connectivity will be able to grow their community and businesses by providing new markets. A recent study showed that 750,000 Americans are making their livings on eBay, an industry that barely existed a decade ago.

Education



Premiumization – It started with coffee but has been embraced in many other products like honey, chocolate, vodka, cheese, breweries and others. What does your region have that can be converted to a distinguishable premium product?

Education – The jobs of the 21st century are increasingly going to go to the well educated. Towns that have world-class primary and secondary schools are going to be the winners. Entrepreneurial educa-

tion is going to increasingly be pushed down to kindergarten. Community colleges will be the key to the constant retraining of the work force due to the rapid changes taking place in our economy.

Promises – It started in Kalamazoo with the promise to pay the college education for anyone who attends its grade and high schools. Newton, Iowa, and El Dorado, Ark., have followed suit. Several others are looking to follow. This will be a huge driver of where the GenXers and Millennials are going to decide to raise their families. Employers will follow.

Water, Water, Water – You can't have enough of it. Boomers are going to want to live on it, Millennials are going to want to play in it and the West is starting to fight over it. Having this resource will be increasingly important in making a community and region attractive.

Retirement as Strategy – Several communities are actively recruiting young retirees and for good reason. They have the multiplier effect of manufacturing jobs with nowhere near the demands for infrastructure and services. These young retirees aren't going to be passive, they are going to be starting new businesses, volunteering and transforming the communities that are able to attract them.

Birds Beating Birdies – The fastest growing spectator sport in the United States is bird watching. Geo-caching, biking, hiking and extreme water sports also are growing in importance. Golf is still important, but a community's future recreational attractiveness may lie in currently unappreciated assets and resources.

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Additional Resources:

- *Boomtown USA: 7½ Keys to Big Success in Small Towns* by Jack Schultz
- Boomtown Institute, www.boomtowninstitute.com

Resources

