Strategies for Sustainable Small Towns
Six Challenges of Small Communities
Six Challenges

1. **Declining industrial base**... we rely too much on businesses in their mature and declining phases
Stage 1: Birth
Innovation/product creation
Potential for growth

Stage 2: Growth
Product’s market acceptance
Robust enterprise growth

Stage 3: Maturity
Product standardization
Price competition

Stage 4: Decline
Product decline
Severe price and product competition

“Sweet spot” for our businesses – they represent the best potential for growth and diversification

Often “branch plants” with no investments being made in new products or technology

Source: George Erickcek, W.E. Upjohn Institute for Employment Research
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Stage 3: Maturity
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Stage 4: Decline
Product decline
Severe price and product competition

Our Challenge – create more Stage 1 & 2 firms and move elements of Stage 3 & 4 firms back to “Birth” and “Growth” with new products and new markets.

Source: George Erickcek, W.E. Upjohn Institute for Employment Research
Six Challenges

1. **Declining industrial base**... we rely too much on businesses in their mature and declining phases

2. **Higher unemployment**... in both good and bad economic times

3. **A more aged population**... smaller communities struggle to retain and attract young adults
Tracking a key age group: 5-14 yrs. in 1980 aging to 25-34 yrs. in 2000

Nationally, a 14% gain
Statewide, a 11% loss

- Loss of > -35% (Average of -39%)
- Loss of -35% to -25%
- Loss of -25% to -15%
- -15% to -5% (Range of State Average)
- -5% to +5%
- > +5% Increase (Average of 14%)
Six Challenges

4. **Agriculture is too commodity oriented**... value adding is occurring elsewhere

5. **Downtowns are struggling**... local shops must compete with “big-box” stores and e-commerce alternatives

6. **Declines in Social Capital and Civic Engagement** ... we, as a society, are joining less, giving less, voting less, socializing less and trusting less
Decline in Social Capital

Since 1970 there has been a significant decline in...

- Involvement in civic associations
- Participation in public affairs
- Memberships in churches, social clubs and unions
- Time spent with family, friends and neighbors
- Charitable giving

-25 to -50%
12 Promising Trends and Opportunities for Smaller Communities
12 Trends and Opportunities

1. **“Business Virtuality”** – the physical location of enterprises is increasingly irrelevant... businesses can flourish anywhere including smaller communities.

2. **Broadband and e-Commerce** – cheaper and more ubiquitous broadband offers rural areas greater economic opportunities:
   - Ebay becomes a virtual incubator
   - Opportunities for “brick and click” retail
12 Trends and Opportunities

3. Age of the Entrepreneur – there is a greater respect for the individual creativity that entrepreneurs contribute

4. Localization and Premiumization – there is more appreciation for “localness”
   – A movement away from the mass-produced and uniform to the unique and artisan
   – Local foods - security and health issues
   – Greater appreciation for a “local” quality of life
12 Trends and Opportunities

5. **Business Succession** – as baby boomers retire, we have opportunities to:
   - Retain and **re-invent** our existing businesses
   - Provide opportunities for young adults to stay in or come back to their communities

6. **New Agriculture and Natural Resource Opportunities** – trends for “Green”, organic and renewables present opportunities in food, energy and bio-products
12 Trends and Opportunities

7. **Recreational Tourism** – Rural areas are well positioned to fulfill the desires of those who increasingly want to “learn and experience” (and spend) more in their leisure time.

8. **Retiree Opportunities** – serving a retiring and affluent population can reap rewards:
   - Retaining or attracting a retiree has the same economic multiplier as a manufacturing job without many of the related costs.
9. **Greater Levels of Civic Engagement** – despite the declines in the last 30+ years, small towns and rural areas retain more of this important interaction than larger cities. Small towns have a sense of belonging.

10. **Small Town Preference** - When given equal opportunity, there is, for many, a preference for small town living.
12 Trends and Opportunities

11. Citizen Activism – Citizens and local groups are more inclined to be actively involved in their small town’s community and economic development efforts

- Residents can offer valuable expertise and contacts and they know their local professional staffs lack resources
- Networks in smaller communities are more compact and people better understand the impact they can make
12. A Glass \( \frac{3}{4} \) Full – Communities focusing on assets (what they have) rather than fretting about needs (what they lack) are better positioned to make things happen.

- We really need a grant to ... 
- If we could only attract a ... 
- But, we don’t have ... 
  - 2nd homeowners at the lake 
  - New computers at the library 
  - Our annual harvest festival 
  - Young Professionals Club 
  - The new micro-loan fund 
  - Two ethnic restaurants 
  - Our SCORE chapter 
  - Empty storefronts 
  - and much more ...
12 Trends and Opportunities

**Needs** – are finite, hard to satisfy and require professionals.

**Assets** – are virtually infinite. Citizens will be able to instinctively discover and connect them for new opportunities.

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  - and much more ...
Trends Do Favor Small Towns!

• Smaller communities are well positioned for these new demographic and economic trends. The playing field can be leveled and small communities can be sustained, but we need to look at some new strategies.
Promising Strategies
For Small Town and Rural Development
Promising Strategies

1. HomeTown Competiveness
2. Enterprise Facilitation
3. Economic Gardening
4. Asset-Based Community Development
5. “Better Together”
6. AgriCultural Tourism
7. Energizing Entrepreneurs
8. Appreciative Inquiry
9. Alumni Engagement
10. Prospectus-based Economic Development
Characteristics of These Promising Small Town Strategies

• Grass Roots… Bottom Up vs. Top Down
• Economic “Gardening” vs. “Hunting”
• Creating Livelihoods vs. Attracting Jobs
• A focus on Assets and Capabilities vs. Needs and Deficiencies… taking the W and T out of S.W.O.T
• Degrees of “Doability”, strategies that let every community and group succeed, regardless of size, and allow opportunities for individual citizens to participate