

Is Community and Economic Development Possible in Communities with Less Than 10,000 People

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A universal measurement tool for communities and foundations to use while assessing the best use of resources in a community and economic development process is the goal of a research project currently underway at the North Central Regional Center for Rural Development.

The primary purpose of this research is to answer the following question: Is community and economic development possible in rural communities with populations less than 10,000 people? With support from the Claude Worthington Benedum Foundation in Pittsburgh, Pennsylvania, we set out to answer this question by measuring the impact community and economic development has on changing community assets.

This research approach was framed by the measurement of six kinds of community assets that can be invested to generate more assets. We refer to these as the six community capitals: financial/built capital, political capital, social capital, human capital, cultural capital and natural capital (see Figure 1).

With this frame, we began a case review, researching several rural communities throughout the United States, Australia, Canada and New Zealand that improved their community and economic development efforts by investing in the six community capitals. We included 57 communities in our review: 20 from the United States, 14 from Canada, 20 from Australia, and three from New Zealand. In selecting communities for our research, they had to meet the following criteria: current or past engagement in community and economic development efforts that made use of outside funding.

We documented our findings by writing a narrative of each community's CED effort. In each narrative we noted the level of each capital, and how each capital level evolved throughout the CED process.

We recorded the interventions used to initiate change and who was involved in the community and economic development effort—from city government to community groups to individual residents.

Once the narratives were completed, we translated our research into comparable, quantifiable data, which is presently being analyzed. This analysis will help lead us closer to a universal measurement tool for communities and foundations to use while assessing the best use of resources in a community and economic development process. This tool will greatly benefit communities in the North Central region, in terms of measuring their community capacity and improving CED efforts through the use of outside funding.

Case Review in Howard, South Dakota

During the research process, we found many cases in the North Central region where community and economic development efforts proved successful. One of these communities is Howard, South Dakota, population 1,071.



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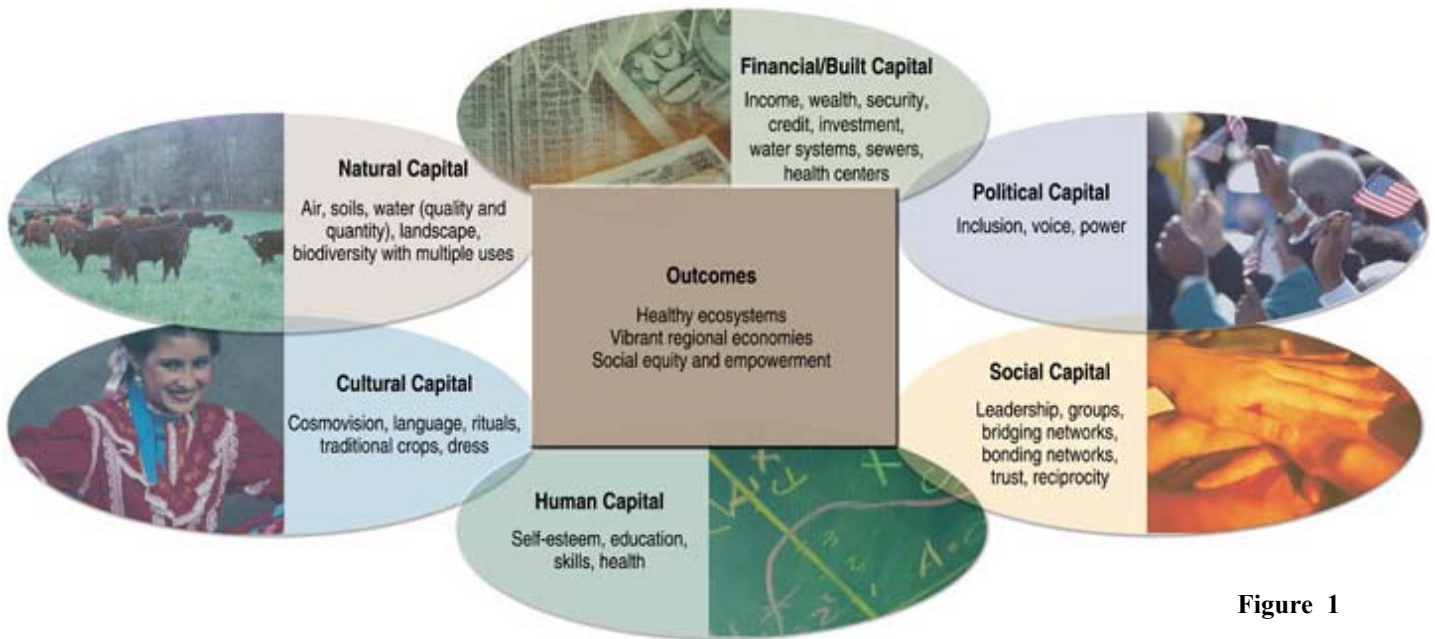


Figure 1

In 1995, Howard was struggling to survive, and there was serious discussion about taking the county seat out of Howard and moving it to a town 20 miles away. A unique group of motivated community leaders decided to take action. Howard high school students in the Future Business Leaders of America, with help from their business teacher, conducted a cash-flow survey that ultimately showed residents how their money was exiting the community when they chose to shop in larger communities outside of town.

The students also held Community Visioning Meetings where community members discussed positive and negative attributes of the community; 158 people came to the first meeting, and 12 small groups were formed from this large group. These groups were comprised of diverse members of the community, from clergy to business people, to high school students, to low- and high-income residents. Groups met in homes, and students analyzed the feedback that was generated at each meeting.

Case Review in Howard, South Dakota

The Miner County Task Force evolved out of these meetings, which is now called the Miner County Community Revitalization committee. Improving community and economic development that best improves the residents' quality of life is the main goal of the MCCR committee.

Howard has been approached by two outside

entities, which has provided them with funding for their community revitalization projects. The Annenberg Rural Challenge was the first group that approached the high school, which gave them the funding to set up a place-based curriculum and conduct a community project (\$150,000 over four years). This resulted in the cash-flow survey. Through this survey, the residents recognized the need to buy locally, and in 1996, there was a \$30,000 increase in revenue in the town.

The success of the first project led to a partnership agreement signed in 2001 between the town of Howard and the Northwest Area Foundation; the town will receive \$5.8 million over the next 10 years to implement a community plan and vision developed by the community.

Ultimately, social capital has been greatly enhanced in Howard.

Youth and older people are working together for change, and the Miner County Community Revitalization committee holds open meetings where high school students are regularly in attendance. By including young people in the decision-making process, they are able to feel a sense of ownership in their town, which helps sustain its future.



Our hope is that through this research we will form a measurement tool that can help more rural communities, like Howard, see their potential, make improvements based on their assets, recognize how to best attain and use outside funding, and improve their community and economic development for the long term. Additionally, we hope this measurement tool will help funders make good decisions about the allocation of funds that will ultimately benefit rural communities in the North Central region and nationwide.

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