

**Revitalizing Rural North Carolina Economies:
The Importance of Dobedobedo, Tipping Points and Band-aids
Leslie Boney, Fleishman Fellow
October 28, 2004**

Should I stay or should I go?
-- The Clash

The State of the Rural State -- NC

Rural communities in North Carolina face a host of challenges as they try to navigate their way through the early part of the 21st century.

- They are losing jobs to bigger cities that work smarter and foreign markets that work cheaper. Replacement jobs increasingly either take them further from home or pay them less.¹
- They are losing farm income² as tobacco ebbs³ and the bottom continues to deepen in the global commodity market.⁴
- They are losing wealth as they are forced to sell farms,⁵ as they see foreclosures skyrocket and bankruptcies climb.
- They are losing investment, as federal funding increasingly shifts to urban areas.
- They are losing leadership as they commute farther to work or lose discretionary time.⁶

Perhaps most importantly, many communities are losing the belief that they have any ability to change the equation in their own back yard. The loud bark of the global market and the roar of larger cities are drowning out the purrs of hope.

Many are answering the question of whether they should stay or go with their feet – they're going. Some areas are losing population. Most are growing more slowly than urban areas⁷ and getting older faster: as retirees move in,⁸ young people and families are moving out. One county manager in western North Carolina put it this way: "Our biggest export is each year's graduating class."

The challenge for those who choose to stay and fight is not an easy one to overcome, particularly given the historic disadvantages rural communities have faced. Population growth rates have lagged urban growth rates for the past two decades.⁹ Rural poverty rates are close to 40% higher in metro areas than in non-metros¹⁰; unemployment rates are more than 20% higher.¹¹ Between 2001 and 2004, 79 North Carolina counties lost jobs – most of them were rural.¹²

"If we allow current trends to continue," says Chuck Hassebrook, executive director of the Center for Rural Affairs, "Many communities will become dying repositories for the poor and aged."¹³

Responding to the Challenge: Current Approaches

Faced with these challenges, people across rural North Carolina are trying to determine what to do next -- how to get a foothold in re-establishing a healthy economy, or whether to try.

Two responses¹⁴ are traditionally offered to reversing these trends.

- “Buffalo hunters” argue that the best solution is to replace the old factories with new ones. Fill the box, fix the economy.
- “Comprehensive community planners” argue that you can’t fix the economy until you fix the way communities behave. Fix the civics, fix the economy.

The “buffalo hunting” solution has served communities well for a number of years. Throughout the 20th century, economic developers left town armed with incentives and promises of cheap land, cheap labor and low taxes. Often they returned with a slain company, whose jobs would “feed” the town for decades. The companies “did the math” and determined it was cheaper to do business in southern communities.

But as the economy went global, companies did the math again. That meant closing down plants in the southern United States -- and relocating operations in foreign countries that offered even cheaper land, labor and taxes.

The “buffalo hunter” approach has been questioned for at least two decades, but the model remains the primary approach to “development” in the United States. Their careers rise and fall on their ability to get “the big one” – incentives-based contracts compensate them for their success. The reason they continue to exist is simple and seductive: The “easiest” solution to replacing a company that laid off 400 people in your small town is to find another company that can move into the vacant plant and hire 400 people.

Unfortunately, the competition to attract the remaining companies who make such a move has become more and more intense. An estimated 15,000 economic development organizations now compete for the 1,500 major plant expansions or relocations that occur in the United States each year.¹⁵ The competition has led to an “incentive war,” as communities attempt to make the best financial offer they can to footloose companies.

Squeezed between foreign countries who can offer dramatically lower wages to rural communities' existing companies and urban communities who can offer significantly higher cash and in-kind incentives to relocating companies, rural communities are rarely winning. Add in the fact that only a small percentage of those companies looking to expand in the U.S. are looking for large numbers of low-skilled workers, and it is hard to see how rural communities can compete if the model is the “buffalo hunt.”

More recently buffalo hunters have revised their tactics slightly. The new prey is not buffaloes, they say, but bison, or hartebeests. The buffalo may be endangered, but it’s

simply a matter of finding a promising new species in the new economy. The beast may be slightly smaller, they argue, but it's still out there if the right recruiter is clever enough.

If buffalo hunters may seem to come from Mars, those who are “comprehensive community planners” often seem to come from Venus. They encourage rural communities to learn how to get along by committing to a long-term planning process that takes a comprehensive approach to development. If communities are to right themselves, they must commit to working on “across the board” solutions. You can’t fix economics, it is argued, without first addressing educational attainment. You can’t change education without addressing family challenges. You can’t address family challenges without addressing wealth disparities. You can’t address wealth disparities without committing to a multi-generational effort. You can’t start a multi-generational effort until you raise up a new, inclusive generation of leaders. And you can’t really begin to do any of this until you commit to finding the money and the will – a lot of it.

It’s hard to disagree with the argument. It is hard to deny that communities need to meet a host of challenges, and that, just as decline has taken a long time, so will recovery.

But if the challenge of the “buffalo hunting” approach is that only a few towns can eat an endangered species, the challenge with the “comprehensive community planning” approach is that you can’t eat a strategic plan – even a really good one -- either.

The two approaches have in common three things:

- *They require large amounts of money in order to be successful.* The economic crisis in communities means they have less available than ever. And while rural communities have always been dependent on what South Carolina philanthropist Darla Moore refers to as “the kindness of strangers,” there is less outside money available to them than ever, as federal and state governments attempt to downsize¹⁶ and invest more in urban areas,¹⁷ private foundation endowments operate with a fraction of the assets of government and face a shaky stock market, and corporate giving becomes more cautious. And money is what is lacking in rural communities right now.
- *They require long waiting periods.* If a rural economic “hunter” is average, he or she will bag a 200-job buffalo every ten years. If community planners’ work is truly comprehensive, it might take years for their planning efforts to “create” jobs or wealth. And there aren’t many people in the world who love to take their limited discretionary time to plan.
- *They assume a community is willing to trust – and wait.* In communities where time is scarce, money is scarcer, and jobs and hope are drying up, this is a lot to ask.

While hunters seek to hunt and planners seek to plan, people who live in their communities are acting. People are filing for bankruptcy or getting foreclosed upon, losing businesses, farms and homes.¹⁸ Many are moving out, selling out and moving to find a new job in the city, or staying and working two jobs at half pay to match the one job they have lost. Spouses are going back to work or increasing their hours. As Fritz Schumacher noted in his 1974 book Small is Beautiful: “An unemployed man is a desperate man and is practically forced into migration.”¹⁹ That hasn't changed.

If people seeking to help communities don't offer a long-term vision or approach that makes sense to real people, they risk losing communities. But if they don't offer real, tangible short-term solutions, they risk becoming irrelevant.²⁰

A New Approach to Community Revitalization – Sinatra was right

In many ways the different approaches to community redevelopment can be summarized by a t-shirt I have in my closet. It quotes three philosophers and contrasts their belief systems this way:

<i>To be is to do.</i>	-- Aristotle
<i>To do is to be.</i>	-- Jean Paul Sartre
<i>Dobedobedo.</i>	-- Frank Sinatra

The hunters value “doing” above all. Turning the community around, they argue, is a matter of finding a mystical new breed of buffalo, somehow, somewhere, and bringing it back to the community to fill the empty factory.

Comprehensive community planners value “being” first and foremost. Before we can find jobs, they argue, we have to learn to get along. If we can learn how to behave differently toward one another, then we can begin to take on the myriad challenges we face.

For the past two years, I've been working with 21 communities in North and South Carolina to develop a third way, one that acknowledges the centrality of jobs and wealth and the critical importance of relationships in developing new ideas and new energy.

The “dobedobedo” approach incorporates elements of both approaches. It suggests that we “do” first – launch pilot projects with clearly-defined success measures that create real results in the areas of work and wealth. Through the doing, members of communities will gain an increased sense of their ability to make a change and will gain a broader understanding of other assets in their community – they will learn more about how to “be.” This will increase their reservoir of talent and ideas, and equip them to do more.

The underlying assumption of this approach is that for too many people, the “payoff” for investing time and resources in their community is too hard to see at the beginning of the process – they have more immediate challenges on their minds.

“Dobedobedo” is a “people first” approach, one that believes that economic redevelopment which sounds good on paper but doesn't address real people's needs in the long and short term is not very useful at all.²¹

People have to see results to believe them.

Dobedobedo applied

That rural communities are at a crossroads is undeniable.²² Dependent on the decisions that they make over the next decade, they may face terminal decline or begin recovery. The question that they ask themselves, then, about any approach to development is how likely it is to lead to success in the short and long-term.

“Dobedobedo” can be a successful approach if communities commit to four key elements:

1. The right team

In his book Good to Great, Jim Collins tracks the history of companies that experienced incredible growth in the United States, and concludes that one of the essential elements in their early success is “getting the right people on the bus.” As he describes it, “who” is on their team is more important than exactly “what” they do. And the ideal team, he argues, is not “a genius with a thousand helpers,” but rather an empowered group of people who know their roles and take responsibility for carrying them out.²³

The same is true for people in communities seeking to get started in community renewal. The best idea can flounder without the correct people to implement it. On the other hand, a team with a few key people can ignite a bonfire of enthusiasm and make real progress.

What sort of people must a successful team have on it to be successful?

- *People with connections to those who are struggling* – This is not a substitute for real conversation with real people who are struggling, but as a starting point communities need to involve those with close connections to those who are struggling: members might come from community development corporations, governmental agencies or churches. As Fritz Schumacher noted in Small is Beautiful:
“If [people] are left out [of consideration in planning], if they are pushed around by self-styled experts and high-handed planners, then nothing can ever yield real fruit.”²⁴
- *People with connections to institutions with capacity to organize* – The number of institutions rural communities have to call on is limited, but not irrelevant. A survey conducted by MDC in 2001 determined that among North Carolina’s 67 non-metro counties, 44 had between 2 and 8 nonprofit organizations focused on community development in some way.²⁵ In addition, all North Carolina counties have numerous churches, some presence of the Cooperative Extension Service, volunteer fire departments, and most have community colleges and health care institutions. While the capacity of these organizations varies greatly, representatives from one or more of them should be available to assist in the work of community revitalization, and the organization should be motivated to provide support for the effort.
- *People with connections to jobs* – The focus community renewal efforts should be primarily economic, and talking about jobs doesn’t help people find them. Well-meaning community people can’t “create” them – it takes a business or a

governmental organization to do that. Employers should be included from the beginning.

- *People with "connections" between all these groups* – In his book, The Tipping Point, Malcolm Gladwell describes a group of people with a special characteristic of being able to move comfortably among many different groups of people, appropriately, “connectors.”²⁶ Connectors don’t necessarily have to have deep knowledge of economic development, though it helps. What they have is a passion and an ability to move among all levels of people in their community – those looking for jobs; those who have jobs; those who provide support. Find a connector and you have found a rock on which to build a team.

2. *The right focus*

The success of the team hinges on the early success of the team, and its ability to focus on relevant projects that makes sense to the people in the community where they live.

Projects selected by a community should focus on two key elements in the short-term: *work* and *wealth* for those who are struggling to make their way in the economy.

People in rural communities are struggling, facing unemployment rates 22% higher poverty rates 39% higher than in urban communities.²⁷ But the challenge isn’t just unemployment; it’s underemployment: the new jobs coming in to rural areas don’t pay as well as the old jobs. Studies by the North Carolina Employment Security Commission show that when laid-off manufacturing employees go back to work, they make barely half as much in their new job as they did in the old one.²⁸ Retraining may sound good in theory, but it doesn’t pay the bills. Marvin Riddle, a recently laid-off worker from Nebo, North Carolina put it this way:

*“There’s been times [since his layoff] when we’ve had to rob Peter to pay Paul...I’ve got to find a job. [And] there aren’t a lot of jobs available around here that pay \$12 to \$15 an hour.”*²⁹

Strategies that create good new jobs help families stay in homes, decrease the likelihood that family members will have to work two jobs, and increase economic activity in communities that have watched spending slide as incomes drop.

Wealth-building efforts address the same issue. The fastest growing demographic groups in North Carolina are Latinos and African-Americans Between 1995 and 2015, for example, it is estimated that the number of whites in the key age group of 20 to 44 years old will decline by 150,000. By contrast, there will be 54,000 more blacks in that age group and 14,000 more Latino’s.³⁰ Those changes are already making themselves felt. In terms of overall population growth between 2000 and 2002, North Carolina’s population grew by 271,000, with non-whites accounting for 60% of our net growth.³¹ The workforce of our present and future is quite different from the workforce of our past, and requires new approaches if we are to effectively revitalize our communities.³²

But while we will be depending on these groups to make our economies function, they lack the resources to contribute effectively. Latino's and African-Americans now make two-thirds of what whites do, but the real gap is in wealth. On average:

- White households' median net worth is \$88,651;
- Latino households' median net worth is \$7932 -- one-eleventh that of whites;
- African-American households' median net worth is \$5998 – one fifteenth that of whites.

And the gap is not narrowing; it's widening. While median net worth of white households was up 17% between 1996 and 2002, Latino households only gained 14%, and African-American households net worth actually went down by 16%. Twenty-six percent of Latino's households had either no assets or net debt; one third of African American households fit that criteria.³³

Initiatives that take on early work in these two areas have a good chance of being useful and relevant in struggling communities.

3. The right size

The history of the idea of “small victories” is a long one. The Chinese philosopher Lao-Tse noted that “A journey of a thousand miles begins with one small step.”³⁴ Hebrew scripture shows it took God leading the Hebrew people through a series of victories in small battles to convince them they could ever win the “promised land.” Ralph Waldo Emerson wrote that “the voyage of the best ship is a zigzag line of a hundred tacks.” That means that getting to the long-term destination takes a long time. But it also means that you don't have to travel a huge distance with your first effort.

The principle has been applied to a host of challenges across the world, from confidence-building efforts for parents raising children born prematurely in the United States to peace-building efforts in Northern Ireland to awareness building efforts for HIV-AIDS across the world.

Community redevelopment is no different. What is important is to start with something that you can be successful at. While this may sound obvious, an impressive number of communities I have worked with want to start with incredibly difficult challenges – ranging from “bringing our income up to the state average” to “finding a new tenant to occupy our textile mill” to “turning our education system upside down.” It's not that these challenges are impossible; what's important is that they are not possible as a first step.

Small victories should be selected by people committed to community renewal based on the other criteria discussed in this section – determined by a team that looks like the community; relevant to the community's particular challenges; and having the potential to address several important issues by doing one thing – but it is essential that the projects be the right size and length.

In our experience, we've learned that it is easiest for a group to start working:

- *In a particular geographic area or with a particular demographic group* – this makes it easier to organize meetings, to gain understanding of community challenges and assets, to set goals, and to increase the chances of spreading the word about the group is doing (see similar argument, p. 9);
- *On a focused project under clearly defined measures of success* – the more focused the project is geographically or demographically, the easier it is to define success. Such a definition is essential: clear criteria enable everyone to “be on the same page” and share the same focus in completing them.
- *With a particular start and finish time* – the first victory should take long enough to enable volunteers to get to know each other and those they are working with, but should take no more than six months. Groups beginning to work together and the communities that are watching them work shouldn’t be expected to buy in to a process that takes any longer than that before experiencing their “first victory.”

4. *The right potential*

A successful first project should solve a specific challenge related to work or wealth. If it does, it brings with it new energy and good will in the community. The best projects do something more. They have the potential to begin “tipping” a community.

As explained by Malcolm Gladwell in his book The Tipping Point, a “tipping” theory holds that in solving any systemic challenge, not all interventions are equal. Sometimes by “tinkering on the margins” of one part of the challenge, we can set in motion a series of changes that will result in a chain reaction of positive or negative changes. Like a flywheel, Gladwell argues, trends are hard to get started, but at some mysterious point, some take hold, and “tip.” He finds evidence of this phenomenon across a variety of disciplines, ranging from disease prevention and diffusion to smoking cessation programs to creating a hit television show to developing a hot fashion. In each case, he argues that “small, close knit groups have the power to magnify the potential of a message or idea.”³⁵

The approach is not intuitive. As Gladwell notes:

“We have, of course, an instinctive disdain for this kind of solution because there is something in all of us that feels that true answers to problems have to be comprehensive, that there is virtue in the dogged and indiscriminate application of effort, that slow and steady should win the race. The problem, of course, is that the indiscriminate application of effort is something that is not always possible.”³⁶

Applying the theory of the tipping point to community renewal is challenging, but worthwhile. Importantly, it suggests that two of the chief barriers teams face in doing their work – lack of time and lack of money – may not be as important as we traditionally believe them to be. Traditionally we worry that we will not have time or money to “fix” all challenges we face. Tipping point theory suggests they don’t need to. Some activities bring disproportionately positive results.

The tipping point suggests productive approaches for both the projects selected by the team and the development of the team itself.

In developing the project itself, teams should look for ways to (1) find a project that will "tip" in the community, leading to outcomes beyond the reach of the original program design, and (2) find a way to "tip" their team, using the work on the project to create a community movement that will involve a much broader range of the community than the original group.

(1) *A project with the potential to tip its results* -- a project that works in its own right and spreads beyond project limits -- will have several characteristics:

- It will be responsive to a particular challenge a community faces – a need no one can deny. Off the shelf solutions are useful as starting points, but must be tailored to particular unique community contexts.
- It will focus initially on one geographical area or one particular group of people. A project's ability to "tip" depends heavily on word of mouth.
- It will be simple to understand. Tipping a project depends on making it "sticky," – easy to explain, with an irrefutable logic that people at all economic levels can understand and appreciate.
- Early on, it will be endorsed by "connectors" and other skilled communicators in the community who can translate it to the larger community, "to alter it in such a way that extraneous details are dropped and others are exaggerated so that the message itself comes to acquire a deeper meaning."³⁷ Teams should look for ideas that will be of interest to a wide range of the community

(2) *A project with potential to tip the team* – one that energizes the team while bringing in new enthusiastic participants – can lead to impressive results.

Traditionally team efforts focusing on community renewal have been built in two ways: top down and bottom up.

- Proponents of a "top down" approach argue that economic development has always been done this way – a few people in town decide what must be done and have the resources to do it. This approach has the most opportunity to bring "jobs" in the short term, but traditionally has been developed as a "trickle down" approach. Jobs may be created, but they don't necessarily benefit those that are struggling most in the community.
- Proponents of a "bottom up" approach work from a base of those who are struggling, and work to create opportunities that target their needs. This approach takes longer, as struggling people learn to access power and try to rally resources to support their efforts to create jobs and wealth.

There is some history to suggest that both work on some level. But it is harder for either sort of project to "tip" because their membership is more likely to be limited to one segment of the community, and lacks an ability to connect their idea to others.

involves people from one third of the community to one that involves two thirds of the community – those wealthy individuals and poorer individuals who are willing and interested.

Ten Starter Projects For Small Towns

“Do you believe in infant baptism?”

“Believe in it? Hell, I’ve seen it done.”

- Sam Ervin, former U.S. Senator from North Carolina

The potential value of a “tipping point,” or “dobedobedo” strategy is more than theory. We’ve seen it done, and there are lessons small communities can learn from this early implementation work.

What does it look like in practice? I’d like to share ten examples of projects I believe could be successfully implemented by groups of citizens across a variety of small communities. The ideas are organized into two broad categories. Those that promote work and those that promote wealth.

I have three words of caution in offering these ideas. The first is that there is considerable truth to the observation that “if you’ve seen one rural community, you’ve seen one rural community.” Context matters – a lot. Ideas that work are not like toner cartridges. Community members (or consultants) can’t simply reach in, rip the non-functioning one out, replace it with a new model and walk away.⁴¹ But people in communities are busy, and it is often hard to find the initial idea. Those offered below represent ones that can work – and are working already – ideas that help real people in real communities now, have the potential to build team capacity and to “tip,” helping move a community in an important new direction.

The second caution is similar. I deeply believe that there is a “silver bullet solution” that will enable communities to regain their vitality over the long term, but that it is not the sort of solution many are looking for. The bullet is this: Over time, and on an ongoing basis, people in communities must learn how to work together to address their challenges. As Alex Jacobs, executive director of Mango, notes: “This idea of ‘teach a man to fish and he eats for the rest of his life’ is absolute rubbish. Other people somewhere else might catch all the fish or he may lose his taste for it – any number of things might happen. What we need to do is help people learn how to figure out together what they want to do.”⁴² These projects are not ends in themselves; they are simply pathways that communities can follow to get started in an ongoing effort to find the next part of the solution.⁴³

The final caution is that the ultimate value of the projects is not in their initial impact (though in each case that impact has been clear), but in their catalytic capacity, in their ability to propel communities toward more significant work. To make a difference, initial project must serve a clear immediate need and build toward something more.

Work:

1. Get to know who you've got

Example: Randolph County North Carolina

The argument:

Efforts to recruit or develop companies within your community will fail if they are not based on a close understanding of the skills and abilities of those in your community. And developing the will to invest in helping people develop new skills is difficult if you don't know what skills they currently have. You need a baseline to undertake any significant work in this area.⁴⁴

The application:

Randolph County's Economic Development Commission developed a simple "Labor Data Study" – a survey of workers to determine their skills and of employers they were seeking to help grow to determine what skills they needed in their employees. The mismatch that the survey uncovered was shared publicly and discussed.

How it helps in the short term:

The information sent a message to employees of the critical importance of developing new skills, to employers of some of the challenges they face in finding strong local talent, and to community organizations of the importance of playing a more proactive role. The community immediately established an on-the-job training program to assist employers in getting the skilled workers they needed and to help employees hold on to jobs.

Tipping the project:

The response in each community will be different, but in Randolph, it has been dramatic. As a result of the sharing of information, the community has spurred response within organizations (what can the public school system do on its own to address these challenges?) and between organizations (how can we work together to close gaps?).

Tipping the team:

The project has brought new people around the table as a variety of organizations (including private employers, public agencies, elected officials, educators and faith-based organizations) have determined the role that they can play in addressing a problem it is in their mutual interest to help resolve.

Next steps:

Depending on the local context and the details of the findings, a workforce survey can spur new targeted training efforts, revised recruiting or entrepreneurial development goals, or rich discussion about what the community wants to grow and become over time. A small team of people in Ashe, Alleghany and Wilkes counties in North Carolina worked with a consultant hired through the U.S. Economic Development Administration to do a similar analysis of workforce needs and worker skills. The study has resulted in a commitment to developing a new "advanced materials" cluster of companies.

2. *Take what you've got and make it work –
Example: Sector development program,⁴⁵ Lower Orangeburg/Upper
Dorchester counties, SC*

The argument:

Every community has some sectors that are succeeding, employers that provide jobs to large numbers of people. In some cases those are the school systems or local government. In mountain or coastal areas, the fields may be construction or tourism. In much of the rest of the state, there are large numbers of employees in school systems or local government. In virtually every community, health care is the fastest-growing segment.⁴⁶ Small teams can organize a response to the employment gaps, looking for available jobs that are in demand and require a minimum of training.

The application:

In Lower Orangeburg and Upper Dorchester counties in South Carolina, a small group has established close relationships with health care providers, workforce providers and local technical colleges to establish training courses for Certified Nurse Assistants.

How it helps in the short term:

The program provides unemployed people with short-term training that qualifies them for jobs for which they are hired immediately upon graduation.⁴⁷ It helps local employers by enabling them to get well-trained local employees rather than having to recruit out of county.

Tipping the project:

The reputation established by the team through the CNA program enabled the team to kick off a similar program with impressive results. When the team announced it was starting a pre-employment manufacturing training program this summer, 437 people showed up to take the course.

Tipping the team:

The success of this effort has brought new people to the table, broadening the team's ability to carry out work building activities. The team is currently applying to manage a YouthBuild construction job development program and is launching an entrepreneurship initiative. Two of the program graduates have joined the team to provide them with useful ideas about program design.

Next steps:

CNA jobs are a dramatic step up from unemployment and offer stable employment prospects, but absent further training, they will not lead to well-paying employment. The logical next step is to work with top CNA's to pursue EMT, LPN and RN jobs or to use connections developed with workforce investment and training organizations to address other community needs.

3. *Hold on to what you've got*

Example: Existing industry outreach, Sumter County, South Carolina

The argument:

It is a truism that the easiest businesses to “recruit” and strengthen are those already within your community. Curiously, very few resources are devoted to existing businesses. It is not difficult to create intentional, proactive business retention efforts, and more communities should be doing it.

The application:

In Sumter South Carolina, economic developers and technical college managers make on-site visits to all major businesses regularly to listen and determine how to respond to business needs and ask those businesses to fill out regular short surveys.

How it helps in the short term:

During the meetings, businesses identify specific challenges and are able to get help in addressing them in real time. Rather than having to “work it out” on their own, businesses are able to hear ideas from others.

Tipping the project:

The project hinges on trust. Over time, as business owners come to trust the “outsiders,” they have been more likely to talk about real challenges they face. The effort, and the resulting word of mouth, has paid off in Sumter: it has been chosen as the 20th best place in the nation for companies to do business.⁴⁸

Tipping the team:

Positive word of mouth has helped more companies in Wilson and Sumter trust the confidential assistance they get in both places, and has encouraged others to proactively seek out those seeking to provide the help. The success of Sumter’s initial visitation effort has brought new partners, as 19 private organizations have pooled money to create the Sumter Economic Development Growth Endowment, a private fund designed to help boost the funding available through local public retraining agencies.

Next steps:

The next steps could include assistance in reducing red tape, helping employers find closer links in their supply chain, or assisting them in recruitment or employee support efforts. Sumter invests most of its resources in training and retraining efforts.

4. Grow your own

Example: Growing entrepreneurs, Ashe, Alleghany and Wilkes counties, North Carolina

The argument:

As it becomes harder and harder to find and recruit large outside companies to work in rural areas, communities have to find new and creative ways to grow their own – building stronger small businesses and finding ways to encourage new businesses to get started.⁴⁹ Latino's and African-Americans are more likely to start small businesses than whites.⁵⁰

The application:

A small team in Ashe, Alleghany and Wilkes counties, North Carolina invested a limited amount of money at Wilkes Community College to boost the number of classes it could offer in REAL (Rural Entrepreneurship and Learning), a training program designed to encourage entrepreneurs. Twenty-four people completed the program; a number of others consulted with the instructor.

How it helps in the short term:

All graduates emerge from REAL training with a developed business plan, a key element in starting their businesses. Forty people have started businesses after contact with the instructor, creating 47 jobs.

Tipping the project:

The team is conducting a second REAL class, has begun an assistance effort for existing small business efforts, and has launched a website⁵¹ to help small arts and crafts makers market their goods to larger markets.⁵² Space for incubating fledgling businesses is available for reduced rates at the Blue Ridge Development Center.

Tipping the team:

The social capital built by the team through its early work on entrepreneurship has helped it bring new allies to the table on a wide range of regional issues.

Next steps:

A focus on entrepreneurship helps communities gain a deep knowledge of its people and their interest. In the case of the Northwest Alliance, the team has seen the interconnectedness of a broad range of issues, ranging from wealth creation to job retraining to leadership training to industrial cluster development.

5. Get to know -- and love -- your neighbor

Example: Regional partnerships, Clay County, North Carolina and Towns County, Georgia

The argument:

One of the biggest challenges rural communities face in the global economy is “getting to scale” – finding ways to create a big enough workforce for communities to draw on, finding land. Many states (including North Carolina) have passed legislation permitting revenue sharing across county lines, in an effort to encourage communities to form regional economic development alliances. As one scholar notes, “thinking regionally will not be an option in the future, it will be a matter of survival.”⁵³ Chris Roberson, the Greene County Economic Developer, is a bit more blunt. He says, “It’s the wave of the future: small counties either align themselves or die.”

The application:

Clay County, North Carolina and Towns County, Georgia decided to share an 80 acre industrial park site, working together to attract clients.

How it helps in the short term:

Both counties contribute different parts of the infrastructure necessary for the project, dependent on their strengths. By sharing the burden, they are able to afford to make the park successful.

Tipping the project

The counties say the biggest difficulty they had in making the project a success was in convincing the state legislatures to allow them to cooperate across state lines. Once those burdens were out of the way they haven’t had difficulty attracting clients.

Tipping the team:

The team was brought together by the Blue Ridge Electric Membership Cooperative, which works across state lines, but has grown since as members from both counties have seen the success of the project.

Next steps:

The range of regional alliances is limitless. For some communities, “regionalism” may mean bringing together town and county governments to discuss improving cooperation. Across North Carolina, seven regional economic development alliances do joint marketing for economic development. And Alabama and Mississippi are cooperating on a giant joint industrial park across state lines driven by state governments.

Wealth:

6. Find out how much you've got

Example: Philanthropy analysis, Point Coupee, Louisiana

The argument:

Rural communities often believe they have few assets to draw on internally, and that the only solution to their challenges is convincing outside funders to invest. While outside funding is important, the Southern Rural Development Initiative (SRDI) is proving that philanthropy can be built in rural places using existing assets, using a tool called the Philanthropy Index. For a minimal investment, small community teams can discover a treasure trove of data that helps them understand the wealth that individuals in their community have, and begin a process of investing in their community.

The application:

Pointe Coupee hired SRDI to conduct research on its community into its potential philanthropic and community resources, including how many families had a certain amount of income, what the communities' business and charitable resources were, etc. Among other things, for example, they discovered that 266 households had income of more than \$150,000. A community group reviewed the information and used it information to help them start a series of community development efforts.

How it helps in the short term:

With knowledge of the availability of funding, teams are able to work more intelligently and optimistically as they pursue community development efforts.

Tipping the project:

In Pointe Coupee, after the initial presentation, an individual donor shared the information with other high-wealth individuals. They responded by launching the Pointe Coupee Enrichment Fund. The fund helped begin a series of efforts, ranging from school reform to community development to arts and historic preservation. SRDI has used its success in Pointe Coupee to help people in 23 other rural communities implement the Index, including several in rural North Carolina; another 60 communities have expressed interest. Its website averages 6,000 hits per month.

Tipping the team:

The information enabled Pointe Coupee to form a strong, bi-racial team that includes people "of all walks of life and of every creed and color."⁵⁴

Next steps:

For any team, the Philanthropy Index is only the first step in a larger community development process. SRDI sees the Index as a gateway to community organizing and planning that over time will create critical mass for communities to believe that they can improve the health of their economies.

7. Follow the money

Example: Community cash flow survey, Miner, South Dakota

The argument:

Communities typically have little data about where citizens spend money. A community cash flow survey captures this information, which can be used to determine where community wealth is being lost, identify business opportunities for local entrepreneurs, or identify areas where the local economy needs to be strengthened.⁵⁵

The application:

Students from Howard High School in Miner, South Dakota launched a survey to determine how and where people spent money and what kept them from buying local. Due to the enthusiasm and diligence of the students, the survey generated an impressive 40% response rate.

How it helps in the short term:

Entrepreneurs are able to identify missing elements of the local market and to consider ways in which new or expanded businesses might fill them.

Tipping the project:

Once the survey was complete, results were shared widely. Community groups decided to develop a “buy local” campaign to convince local residents to spend more in their community. The survey and associated community activity resulted in a 41% increase in local spending in the year after the survey.

Tipping the team:

As they conducted the survey, high school students developed a sense of ownership in their community. As they shared it with clubs, organizations and citizens across town, others were motivated to look for ways to join the effort to strengthen the local economy. The success of this small project inspired the team to form an ongoing community development team, which has been selected to be part of the Northwest Area Foundation’s 10-year Community Ventures Partnership.⁵⁶

Next steps:

In Miner, the team has moved from this focus to build a revolving loan fund to provide startup businesses with capital that will help them get started. While the initial focus of Miner’s efforts resulted in a “buy local” campaign, the information could also be used by communities to spur regional development efforts.

8. Help folks get more of what they deserve

Example: Assistance in securing income tax credit, Marion County, South Carolina

The argument:

Each year in North Carolina it's estimated that more than 100,000 people eligible for the Earned Income Tax Credit don't file for it, giving up about \$100 million.⁵⁷ Others go to high-cost tax preparers, paying high fees for tax preparation and high interest rates for "refund anticipation loans." Volunteers with short-term training can provide simple income tax preparation for free, encouraging more people to file and increasing the amount of funding that returns to the community.

The application:

In Marion County, South Carolina a small team recruited volunteers from the NAACP and AARP to volunteer at three locations during tax season. 114 families received free income tax preparation service in 2004.

How it helps in the short term:

The families received credits totaling \$170,000, helping them pay down debt and begin savings programs. Much of that money was also spent in the community.

Tipping the project:

The success of this year's project leads Marion County organizers to think they can double the number of families they can work with next year and the total amount they receive in credit.⁵⁸

Tipping the team:

The project provided a much needed shot in the arm to a team struggling to find how to start community renewal efforts. The relationships between volunteers and families seeking help with tax preparation helped volunteers get to know struggling families in a personal way. And the volunteers provided by the NAACP and the AARP represent a resource that could be drawn on for other community activities.

Next steps:

The group hopes to add a financial literacy component next year, encouraging families to invest a portion of their credits in savings accounts they can use to begin saving for home ownership or purchase of businesses. The team is also considering mounting a more significant effort to encourage recipients of tobacco buyout funds to invest in a community foundation, part of the proceeds of which could be used for community development work.

9. Get folks connected

Example: Banking the unbanked project, Arvest Bank, Arkansas

The argument:

Communities with large numbers of immigrants experience high employee turnover as immigrants with few ties to the community move from job to job. One way of strengthening the relationship immigrants have within their community is to encourage them to buy in by establishing a relationship with a bank.⁵⁹

The application:

In Rogers, Arkansas, Arvest Bank created a workplace-based loan program designed to help immigrants establish credit.⁶⁰

How it helps in the short term:

The program enabled immigrants to overcome credit problems by re-establishing credit through a program that was low-risk to the bank and encouraged them to put their cash into banks, reducing the risk of crime.

Tipping the project:

The key decision by the bank was to offer the program in the workplace in Spanish and English and start by offering them useful information on how to write checks, create credit and earn money on savings. Employers reported turnover rates declined from 200% a year to 15% a year, and noted increased enthusiasm of employees as the program took hold. The community reported smooth integration of immigrants into the life of the community.

Tipping the team:

While undertaken as a project of the private sector, the project has brought a greater sense of unity to the Rogers community, as new residents put down roots, employers and bankers get to know their new neighbors in a more personal way.

Next steps:

After the initial financial literacy and credit building programs, Arvest Bank reports it made nearly 600 home loans to participants, without a single default⁶¹ resulting in \$26 million in increased business for them as its market penetration rate among Latino's increased from 8% to 50%. North Carolina's Latino population has been increasing faster than that of any state,⁶² and this represents a significant opportunity for the state's banking community.

10. Speed up the timeline to gaining wealth

Example: Downpayment assistance program in Onslow County, North Carolina

The argument:

Accumulating funds for a downpayment on a home and resolving credit problems can be two huge barriers between families and home ownership. By providing families with counseling about financial management and a matched savings vehicle, small teams of people can help them accumulate the knowledge and savings they need to purchase a home.

The application:

In Onslow County, North Carolina a small team applied for and received funds from the North Carolina Division of Community Assistance to set up Individual Development Accounts (IDA's). They are using the funding and additional funds from The Duke Endowment to match family savings 2:1, enabling them to accumulate savings more quickly.

How it helps in the short term:

Families see a clear pathway to home or business ownership. They gain hope and make a commitment to their community by enrolling in the savings plan.

Tipping the project:

Skepticism among potential participants and finding qualified families are the initial challenges any IDA program faces. Word of mouth has been helpful in helping people believe this is not "too good to be true" and in spreading the word about the program. Seventeen are currently enrolled; and since the first two became homeowners, another 20 are seeking to join the program. From a funding standpoint, after the initial investment by the Division of Community Assistance, the team is optimistic about getting additional funding from the N.C. Department of Labor and the N.C. Division of Social Services.

Tipping the team:

The project has helped the team find a place for itself in the community, providing valuable work in the broad field of asset development. It's success with this and other projects is enabling it to become more ambitious

Next steps:

The team is pioneering a "self-sustaining IDA" program, using funds from the real estate commission on home sales to support the administrative function of the program director.

Concluding thoughts

Will our children be able to raise their children here?

-- Current ad campaign, League of Rural Voters

I am not an optimist because I am not sure that everything ends well. Nor am I a pessimist, because I am not sure everything ends badly. I am a realist who carries hope. Hope is the feeling that life and work have meaning. Without hope, we shall never meet our goals."

--Vaclav Havel, 1990

Rural communities are not without assets, or optimism. But the people who live in them are also realistic. If they are going to remain, they need to see evidence that there are things they can do to change their direction. The value of "tipping point" solutions is their capacity to make that realism hopeful. They can and should never be applied out of context; rather they should be in response to some community need.⁶³

But rural communities do need some help in figuring out where to get started, what works, and how to find broad ideas that they can mold into their particular fabric. In her book Common Purpose, Lisbeth Schorr quotes Edna St. Vincent Millay:

*Upon this gifted age, in its dark hour
Rains from the sky a meteoric shower
Of facts... they lie unquestioned, uncombined,
Wisdom enough to leech us of our ill
Is daily spun; but there exists no loom
To weave it into fabric...*

We don't lack facts. We don't lack wisdom. We lack the "loom."

Schorr notes her belief that "every community in America already offers living proof that individuals of talent are ready, willing and able to take on the formidable challenges of the years ahead."⁶⁴

My experience in the southern United States is the same. People of talent are ready, willing and able to take the first steps. And there are some first steps that make more sense than others. Armed with facts, wisdom and hope, they can begin reweaving the loom of community fabric into a garment that will be able to expand and contract to face the changes of time, beautiful and functional for years to come.

Appendix: The argument for Band-Aids

It's easy to describe this approach as a "Band-Aid" approach to economic development. I agree. And I believe that is just fine. A look at some facts about the Band-Aid may be of some help in explaining why.

In a market where technology and innovation are the most valued categories, the Band-Aid brand adhesive bandage has proven to be a remarkably resilient brand. Since the Band-Aid's invention in 1924, more than 1 billion have been sold, and several billion more generic versions of the product have hit the market. Sales worldwide of the original totaled \$31.7 million, a 13.6% increase over 2001.

Used properly, Band-Aids can help contain bleeding, prevent infection from spreading, and give the skin they cover time to heal. They have an important place in the broad field of medical care.

You don't expect a Band-Aid to prevent disease, forestall surgery or cure illness. But in our popular culture, the term "Band-Aid solution" has been vilified: an Internet search for the term finds that this is apparently the wrong way to redevelop struggling economies, reduce inflation, curtail abortion, boost state revenues or church membership. It is also, we learn, the wrong way to protect the elderly, reform education, or rebuild baseball franchises.

To criticize the Band-Aid because it can't solve these challenges is like getting mad at your car because it can't fly you to Milwaukee. That's not its intended use. But that doesn't mean there is no use for the Band-Aid.

In a high tech world where technology is often valued because it is expensive, people still buy Band-Aids because they address solve obvious problems quickly. They are cheap. They work. And people can see the results.

Malcolm Gladwell puts it this way in The Tipping Point: "The Band-Aid solution is actually the best kind of solution because it involves solving a problem with the minimum amount of effort and time and cost. There are times when we need a convenient shortcuts, a way to make a lot out of a little."⁶⁵

This is surely one of those times for the communities of rural North Carolina. Band-Aids are not the whole solution. But they are an important starting point.

Endnotes:

- ¹ Source: N. C. Employment Security Commission survey of laid-off manufacturing workers, 2001.
- ² Between 1992 and 1997, 34 counties, most in eastern North Carolina, reported losses of more than 10.8% in farm income. Source: N.C. Smart Growth Alliance, July 2004, p. 2.
- ³ Tobacco sales have fallen from just over \$700 million in 1997 to just over \$300 million in 2003 – a 58% decline. Source: N.C. Rural Center Databank, accessed October 22, 2004.
- ⁴ The decline has a disproportionate impact on rural areas – 91% of the state’s \$8 billion in agricultural sales come from rural counties. Source: N. C. Rural Center Databank, accessed October 22, 2004.
- ⁵ Between 1980 and 2002, the number of farms in North Carolina dropped by 40%, to 54,000. The state now has just 18% of the farms it did in 1950. Source: N. C. Rural Center Databank, accessed October 22, 2004. According to the N. C. Smart Growth Alliance, between 1992 and 1997, North Carolina ranked fourth in the nation in loss of farmland. And the N.C. PIRG reports that over the past two decades, rural western NC counties lost 52% of their farmland. Source: “Healthy Rural Communities,” N. C. Smart Growth Alliance, July 2004, p. 2.
- ⁶ *Bowling Alone*, by Robert Putnam, p. 45. The Sagauro Institute estimates that every ten minutes of commuting time cuts all forms of civic engagement by 10%. Source: “A Civic Nation at Risk,” Sagauro Institute. Between 1995 and 2007, North Carolina’s population is expected to grow by 17%, while the number of vehicle miles is expected to increase by 43%, or two and a half times as fast. Source: N.C. Department of Environment and Natural Resources. Cited in “A Tale of Two Cities and a Farm in Between,” *Popular Government*, by Richard Whisnant, Fall 2000, p. 7. In *State of the South 1998*, MDC pointed to several factors contributing to the decline of social capital: “The automobile, which carried us away; TV and air-conditioning, which drove us inside; the two-earner family that wears us out; and now the computer that connects us to the next country but isolates us from next door.” One final note, in terms of social capital, by at least one measure, North Carolina as a whole does not fair very well either: according to Putnam in *Bowling Alone*, the state ranks 41st in “social capital” among the states.
- ⁷ During the 1990’s across the United States, 600 rural communities lost population. Since 2000, more than 1000 rural communities have lost population. Source: Thomas Rowley, Rural Policy Research Institute, October 22, 2004.
- ⁸ The problem is most apparent in the mountain and coastal counties in North Carolina. 23 of 24 mountain counties have median ages higher than the state average, and 29 of 40 coastal counties. Source: “Boomers and Their Backups,” by John Quinterno, News and Observer, August 3, 2004, p. 9A. Overall nationally, non-metro areas have a median age of 38 vs. 34 in metro areas. Source: “Federal Investment in Rural America Falls Behind,” W.K. Kellogg Foundation, p. 2.
- ⁹ MDC, *State of the South 2002*.
- ¹⁰ “The Changing Face of Poverty in North Carolina,” *Popular Government*, Spring/Summer 2003, by Jim Johnson, p. 21. Overall in the U.S., rural poverty rates are 28% higher than in metro areas. And according to the Southern Growth Policies Board, non-metro poverty rates in the South are 33% higher than non-metro poverty rates in the rest of the country. Source: SGPB presentation August 31, 2004.
- ¹¹ Source: N.C. Rural Economic Development Center, http://www.ncruralcenter.org/databank/trendpage_Employment.asp.
- ¹² Source: “N.C. Workers Still Short of Full Recovery,” News and Observer, October 17, 2004, p. 12A, N.C. Employment Security Commission. Nationally, the people in those counties most affected by trade-related layoffs are those with little education: according to the Progressive Policy Institute, on average 60% of Americans have high school diplomas; among those eligible for Trade Adjustment Assistance, only 23% have high school diplomas.
- ¹³ Quoted in “Federal Investment in Rural America Falls Behind,” W.K. Kellogg Foundation, p. 2.
- ¹⁴ In making this categorization, I am aware of the insightful comment made by Paul Vandenburg in a recent book review: “There are two types of people in this world: those who think there are two kinds of people in the world and those who know there aren’t.” (See <http://www.soas.ac.uk/SED/Issue1-2/bookrev2.html>.) Likewise, there are more responses to these challenges than the two offered – for example a wide range of ideas that propose “silver bullet” solutions, including “small business development,” “niche crops,” existing business retention,” etc. -- but most fall into some part of these two broad categories.
- ¹⁵ *Economic Development Quarterly*, Winter 2002, p. 5.
- ¹⁶ State government has grown larger (according to the Bureau of Labor Statistics, 106% in North Carolina between 1991 and 1992, though almost none since) in recent years to address federal governments smaller

role, but there is no evidence that those funds have been passed along to local government. Indeed during the same period, local government has had to grow by 90% in the state.

¹⁷ In 1994, federal per capita funding to non-metro areas was \$130 per person -- \$15 less than per capita funding for metropolitan communities. By 2001, the gap had widened to \$286 (\$521 for rural citizens vs. \$801 for those living in metro areas). Source: "Federal Investment in Rural America Falls Behind," W.K. Kellogg Foundation, pp. 5, 6. The amount invest in rural development specifically, as opposed to agricultural subsidies or other line items, is estimated to be about 2% of the rural total.

¹⁸ Since 2001, foreclosures in North Carolina are up 76.2%; bankruptcies are up 22.8%. Source: "N.C. Workers Still Short of Full Recovery," *News and Observer*, October 17, 2004, p. 13A.

¹⁹ *Small is Beautiful*, E. F. Schmacher, 1974, (p. 140).

²⁰ While it is often true, here the aphorism that "good is the enemy of great" – that we can become comfortable in mediocrity as long as it is not too mediocre – does not pertain. Where nothing is being done whatsoever, great can be the enemy of good. Why not start good and work toward great?

²¹ This is not a new notion: Paul Freire eloquently argued this point in his book, The Pedagogy of the Oppressed: "The point of departure must always be with men and women in the 'here and now,' which constitutes the situation within which they are submerged, from which they emerge, and in which they intervene....Only by starting from this situation...can they begin to move."²¹

²² Chuck Fluharty, director of the Rural Policy Research Institute, is the most eloquent proponent of this approach. See also *Boomtown*, by Jack Schultz for convincing versions of this argument.

²³ See *Good to Great*, by Jim Collins (pp. 41-64).

²⁴ *Small is Beautiful*, E. F. Schmacher, 1974 (p. 140). In an address to an international conference on "Transition to Sustainability," in 2000, 1998 Nobel Economic Prize winner Amartya Sen noted that success in development hinges on seeing "people as agents rather than just as patients."

²⁵ Source: MDC website: <http://www.mdcinc.org/tde>.

²⁶ The Rensselaerville Institute refers to a very similar sort of person by a useful name: "sparkplug." TRI's emphasis is more on passion than connections, but the importance of this sort of person cannot be underestimated.

²⁷ "The Changing Face of Poverty," op. cit.

²⁸ Manufacturing workers laid off in North Carolina in 2001 made an average of \$26,400 at the time of layoff. In their first jobs after the layoff, their average wage was \$14,100. Source: N.C. Employment Security Commission.

²⁹ "Expert: Smart Workers Retrain," Associated Press, August 1, 2004.

³⁰ Source: U.S. Census Projections. Since these projections were made, the growth of the Latino population has skyrocketed, suggesting that the actual growth rate of Latino's age 20-44 will be even faster than this.

³¹ "People and Jobs on the Move: Implications for Higher Education," speech by Dr. Jim Johnson, October 12, 2004.

³² It also requires a new commitment on the education front. While 14% of whites drop out of high school, 23% of African-Americans do, and 40% of Latino's. In a workforce that increasingly will depend on skills and education, this "achievement gap" becomes even more important.

³³ Source: Pew Hispanic Center (<http://www.pewhispanic.org>)

³⁴ Actually, he said "a thousand li." A "li" equals approximately 1/3 of a mile. But "a journey of 333 miles..." doesn't exactly trip off the tongue.

³⁵ *The Tipping Point*, by Malcolm Gladwell, (p. 174).

³⁶ *The Tipping Point*, by Malcolm Gladwell (p. 257).

³⁷ *The Tipping Point* (p. 200).

³⁸ Building off of this base, teams should intentionally work over time to expand the team, to include both "the movers and the shakers" and "the moved and the shaken."

³⁹ In his book *Ripples from the Zambezi*, entrepreneurship guru Ernesto Sirolli asserts that there are two kinds of people in the world: "tourists" and "lovers." Tourists are not yet committed to staying in any one place or working on one particular project. Lovers have found a place or a work that they are passionate about and committed to. It is essential to have a healthy supply of lovers on community teams.

⁴⁰ In *Bowling Alone*, Putnam makes this distinction between bonding and bridging social capital this way: "Bonding social capital constitutes a kind of sociological superglue, whereas bridging social capital provides a kind of sociological WE-40." (p. 21)

⁴¹ Here's how Robert Chambers puts it in his book *Whose Reality Counts? Putting the First Last*: "The realities of life are elusive: they are local, complex, diverse, dynamic and unpredictable (or lcddu for short. Central professionals are pervasively ignorant, out-of-touch and out-of-date about lcddu realities." (p. 32).

⁴² Fleishman Fellow group discussion, October 28, 2004. Mango is a U. K.-based management consulting firm for international non-governmental organizations.

⁴³ Just as Paul Freire notes that we are all "beings in the process of becoming," (*The Pedagogy of the Oppressed*, p. 77) so too we might consider communities.

⁴⁴ Another technique for determining community capacity that teams might consider early in their development is that offered by the Asset-Based Community Development approach, developed at Northwestern University. For more information about applying this on this approach, see http://www.stfx.ca/institutes/coady/text/about_publications_occasional_citizens.html.

⁴⁵ The project outlined is not a full sector development program, but represents an important first step. For a good discussion of sector development programs, go to <http://www.aspenwsi.org/publicationdetailsdb.asp?pid=25>.

⁴⁶ Between 2001 and 2004, the health care sector created 43,686 jobs, nearly double the 23,900 created in educational services and more than double the 21,753 jobs created by local governments. Source: "N.C. Workers Still Short of Full Recovery," *News and Observer*, October 17, 2004, p. 12A. In addition, 12 of the top 18 "fastest growing occupations" by percentage growth nationally are in health care. Seven of those 12 occupations require only limited or on-the-job training. Source: Bureau of Labor Statistics website: <http://www.bls.gov/emp/emptab3.htm>.

⁴⁷ To date, 23 out of 24 program graduates have been hired into CNA jobs; so far 7 have received promotions.

⁴⁸ Source: *Expansion Management Magazine*, January, 2002.

⁴⁹ Georgia Governor Sonny Perdue put it this way in a speech in February 2004: "I think the game [of recruiting big companies to rural communities] is about played out because of the high cost of it. [Communities can't wait for] the state to ride in on a white horse and deliver a company that will employ all the residents. Those days are gone and you know it as well as I...the best hope for broad economic recovery, especially for rural Georgia, is helping entrepreneurs and small businesses succeed."

⁵⁰ According to a study by the Kaufmann Foundation, Latino's are 22% more likely to start small businesses than whites; African-Americans are 62% more likely. Source: "The Entrepreneur Next Door," Kauffman, 2002.

⁵¹ Using websites to gain access to larger markets is a critical strategy for rural communities and companies in today's economy. A favorite example is the use made of its website by Carolina Morning Designs, a company manufacturing Buddhist meditation cushions in western North Carolina. There is no local market, but by developing an effective website, the company is able to reach a global market and its owners are able to live where they wish. See <http://www.zafu.net>.

⁵² See website: <http://newrivercrafts.org>. For another version of this idea, go to <http://www.madisonfarms.org>.

⁵³ Florida, Richard and Gary Gates, "Technology and Tolerance: Diversity and High Tech Growth." *Brookings Review*, Winter, 2002.

⁵⁴ Source: SRDI website: <http://www.srdi.org/transf/PhilanthropyIndexResonatesintheRegion.htm>

⁵⁵ MDC has created an online version of a community cash flow survey, available at <http://www.mdcinc.org/tde/ideas>.

⁵⁶ See Northwest Area Foundation website: http://www.nwaf.org/ventures/ventures_minercounty.htm. See also the Miner County Community Revitalization website at <http://www.mccr.net>

⁵⁷ In 2001, data provided by the Brookings Institute and analyzed by MDC suggests that there are 112,000 North Carolinians eligible for the credit who did not file, forgoing \$97 million or more in credits. This is a conservative estimate: the average credit received by North Carolinians filing for the credit in 2001 was \$1,735; this assumes people filing would receive credits one half that size. Source: Brookings Institute.

⁵⁸ The project has also tipped beyond the original communities in which it started. In 2003, a Duke Endowment-supported effort enabled nine communities to serve 263 families, helping them gain \$339,000 in credits. With a follow-on investment from the Annie E. Casey Foundation in 2004, EITC Carolinas expanded to 41 communities, which served 4676 families, bringing in \$1.3 million in EITC and \$4.9 million in total refunds.

⁵⁹ Nonwhite families are more than four times as likely (21.8%) to be "unbanked" as whites (5.1%). Mexicans and Latin Americans make up 90% of the unbanked immigrants. Among U.S. born citizens, blacks

make up 46% of those who are unbanked, and Latino's 34%. Source: National Conference of State Legislatures.

⁶⁰ The program basically made loans to Latino immigrants for \$1,000, which they then used to purchase certificates of deposit at the bank. They paid those loans back at \$86 a month over the next year. At the end of the period, they had established the credit they needed to take out home mortgages, and had \$1000 to put toward a down payment. Source: Federal Reserve Bank of St. Louis website.

⁶¹ Source: National Conference of State Legislatures.

⁶² The population of Latino's in North Carolina grew by 394% between 1990 and 2000. Source: MDC, State of the South 2002.

⁶³ As Alan Kaplan notes in "Development as a Living Process," "Development workers do not deliver development, but intervene in a development process that already exists." (p. 30).

⁶⁴ *Common Purpose*, by Lisbeth Schorr (p. xxvii).

⁶⁵ *The Tipping Point*, by Malcolm Gladwell (p. 257).