



HOME TOWN COMPETITIVENESS

A Come-Back/Give Back Approach to Rural Community Building

Combining decades of experience in rural development, the Heartland Center for Leadership Development, the RUPRI Center for Rural Entrepreneurship, and the Nebraska Community Foundation are using their complementary strengths to address the challenges facing rural communities in Nebraska and the Great Plains. Recognizing the dearth of local resources available, these partner organizations are focusing on four strategies that are essential and workable in most rural communities, yet are usually underdeveloped.

Home Town Competitiveness (HTC) encourages communities to take immediate action in four strategic areas:

MOBILIZE LOCAL LEADERS
ENERGIZE ENTREPRENEURSHIP

CAPTURE WEALTH TRANSFER
ATTRACT YOUNG PEOPLE

Together, these strategies create a synergy that can significantly impact the future prospects of rural areas experiencing out-migration and economic decline. HTC calls for rural communities to invest in local human resources and to build and retain local wealth.

HTC is drawing significant attention in Nebraska and nationally because rural leaders and practitioners recognize that even the most distressed community has, to some degree, each of the necessary elements to launch an HTC approach. What differentiates HTC from many other development efforts is that it focuses primarily on internal resources and assets. The goal is to assess where a community is, here and now, and to build on the current capacity of each of the four elements.

Growing from the pilot site in Valley County, the project has expanded to four additional Nebraska sites. Fifty-three people from more than 20 states attended the first HTC National Academy in February 2004. And, in a report prepared for the W.K. Kellogg Foundation last year by the Corporation for Enterprise Development, HTC was cited as a promising new initiative combining entrepreneurship with other key strategies.



[HOME TOWN COMPETITIVENESS]



Early results in Valley County, Nebraska (population 4,647), which lost 10% of its population in the 1990s, have been promising. When Valley County first partnered with HTC, the county had a strategic plan with 26 diverse priorities, and it focused its attention on industrial attraction. Now it has prioritized business succession and growing local entrepreneurs as its two key strategies for economic transformation. With the help of the HTC team, it has identified a number of entrepreneurial enterprises, of which 10 to 15 have growth potential. In addition, succession planning for several Main Street businesses is bearing fruit. A leadership development program, now in its second year, is drawing both adults and high school youth. Finally, the goal of capturing 5% of the estimated 10-year transfer of wealth (\$6.3 million) has been exceeded.

The Four Essential Elements

1

MOBILIZING LOCAL LEADERS

For small towns to compete in the 21st century they must tap into everyone's potential knowledge, talent and aspirations. The Heartland Center for Leadership Development rejects the outdated notion of relying on "the usual suspects" to get things done. Rural communities must be intentional about recruiting and nurturing an increasing number of women, minorities and young people into decision-making roles. They need continuing leadership training programs, because today's leadership must constantly reinvent itself to reflect the challenges of a changing global environment.

2

CAPTURING WEALTH TRANSFER

The Nebraska Community Foundation has completed wealth transfer analysis for each of Nebraska's 93 counties. Rural residents do not always recognize local wealth because so much of it is held through land ownership. Most people are at first shocked, and then highly motivated, once they understand the enormous amount of local wealth that will likely transfer to heirs who have migrated out of the area. In rural Nebraska alone, more than \$94 billion is at stake over the next few decades. Both the power and the will to use these assets will no longer be tied to the community unless planned gifts are cultivated now. Using this data, HTC sets a reasonable target of converting at least 5% of the local wealth transfer into charitable assets endowed in community foundations to fund future community and economic development efforts.



[HOME TOWN COMPETITIVENESS]



3

ENERGIZING ENTREPRENEURSHIP

Far too many rural communities continue to invest resources in economic development for job creation and business development that exports, rather than builds, local wealth. The Center for Rural Entrepreneurship and its partners encourage communities to become actively involved in nurturing local enterprise in three specific areas: 1) saving Main Street and other key businesses through planned ownership succession, (2) creating new wealth and good jobs by helping entrepreneurial companies that have the potential to break-through to a broader product line and/or a larger market, and 3) using local charitable assets to support entrepreneurship development.

4

ATTRACTING YOUNG PEOPLE

It is not just the call of the city that impels them; it is also the lack of opportunity and encouragement to “come back” that drives young people away from their hometowns. HTC has developed a formula that small towns can use in their efforts to halt this trend. Using existing data on population change, the formula provides small towns with realistic goals for youth attraction. In some cases, the attraction of one additional high school student per year, who returns with a young family, can stabilize the population. HTC teaches people how to target youths for attraction, create career opportunities through business transfer and entrepreneurial support, and nurture a sense of ownership and vested interest in the community’s future leaders.

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