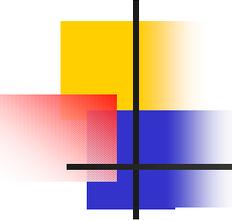


Building Vibrant Economies and Communities in Rural America

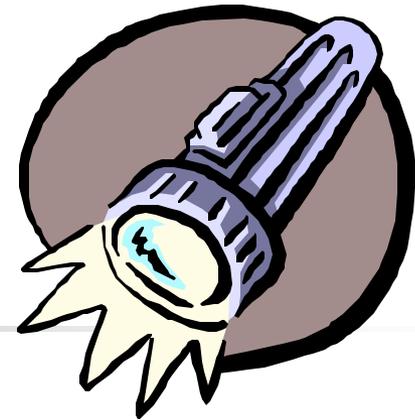
Lionel J. "Bo" Beaulieu
Southern Rural Development Center
Mississippi State University

Presentation made at the 2002 Agricultural Outlook Forum,
February 21-22, Washington, DC

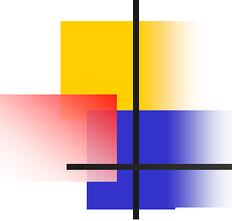




Introduction



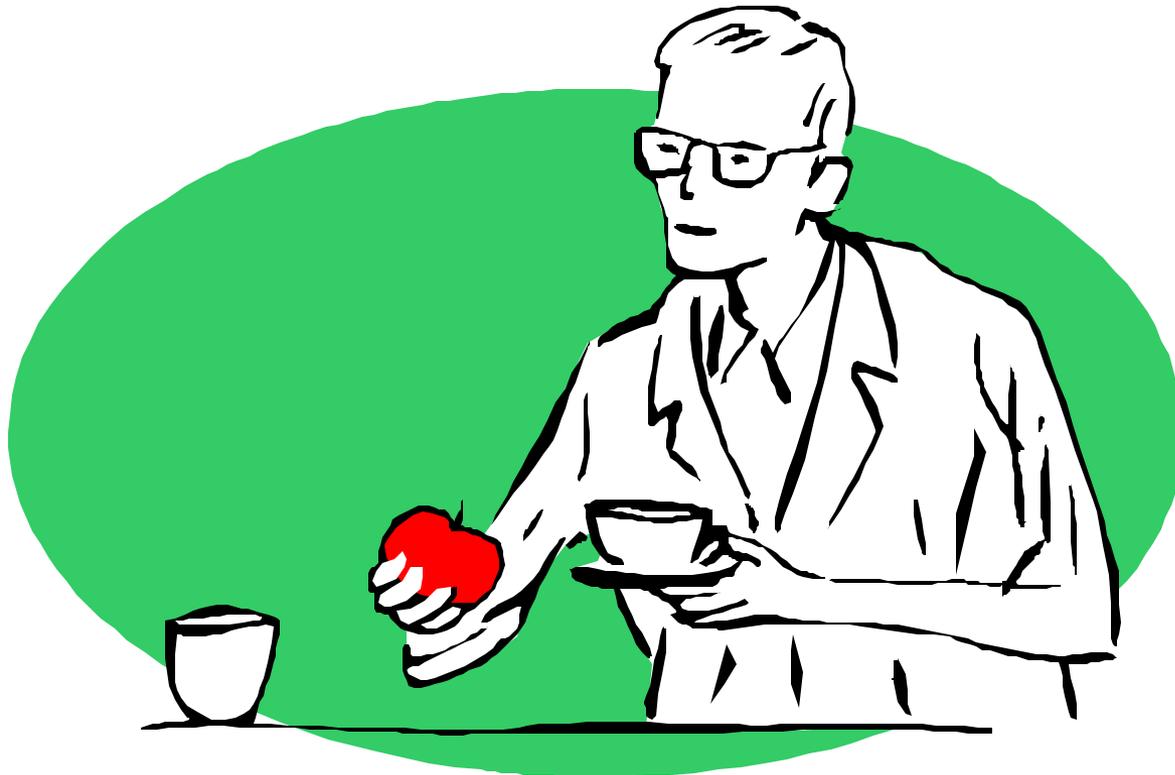
- The 1990s appeared to be good to rural America
- Over 3.8 millions jobs created
- But the economic health of rural America is fragile
- MS has lost nearly 22,000 jobs in 18 months; 31% of these over the October to December 2001 period



A vibrant Rural America will depend depend on . . .

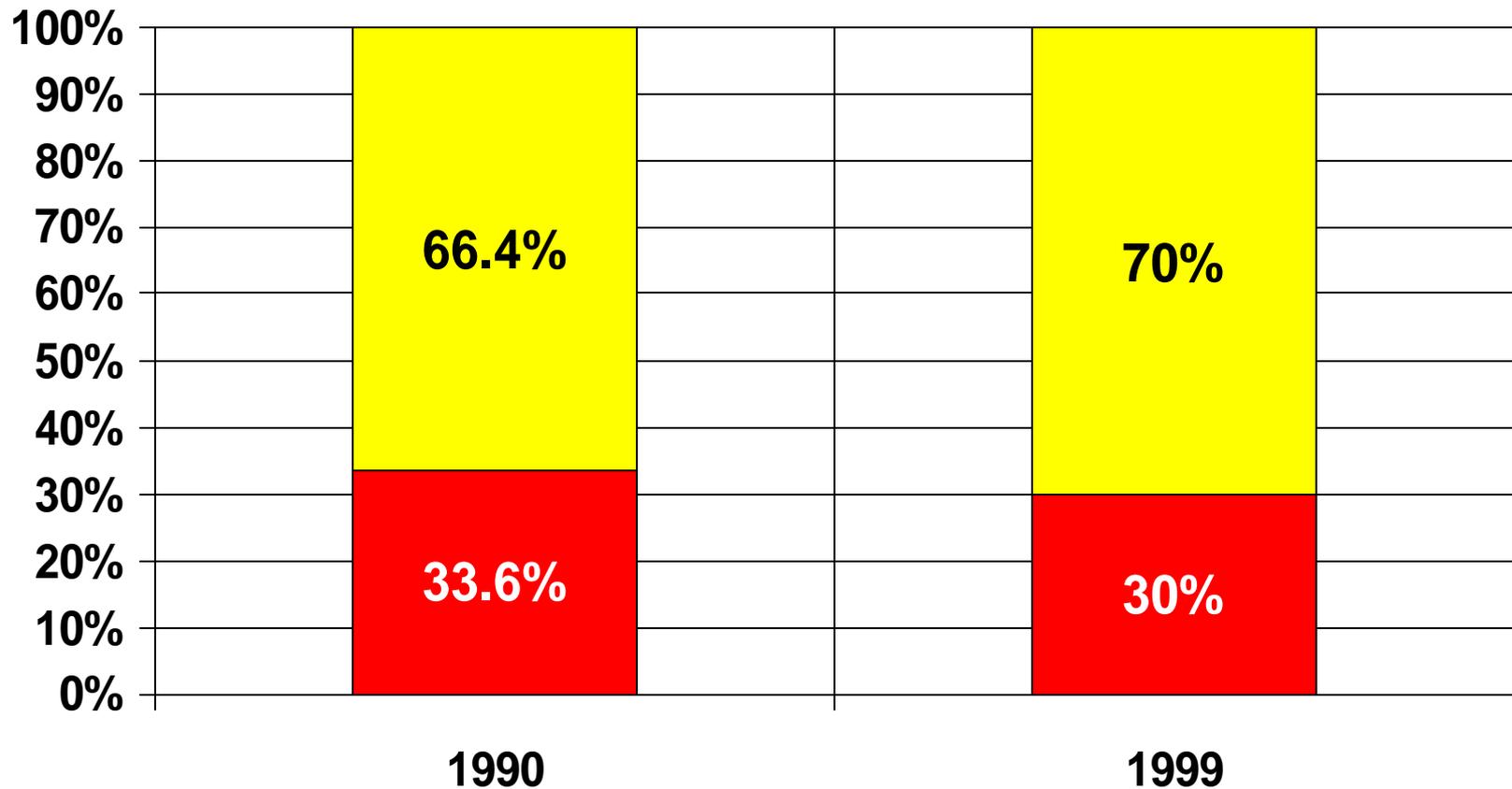
- Quality human capital resources
- An entrepreneurial spirit that supports internal economic development
- A rural area with excellent digital infrastructure
- Broad-based civic engagement

It's Not Your Daddy's Rural Economy



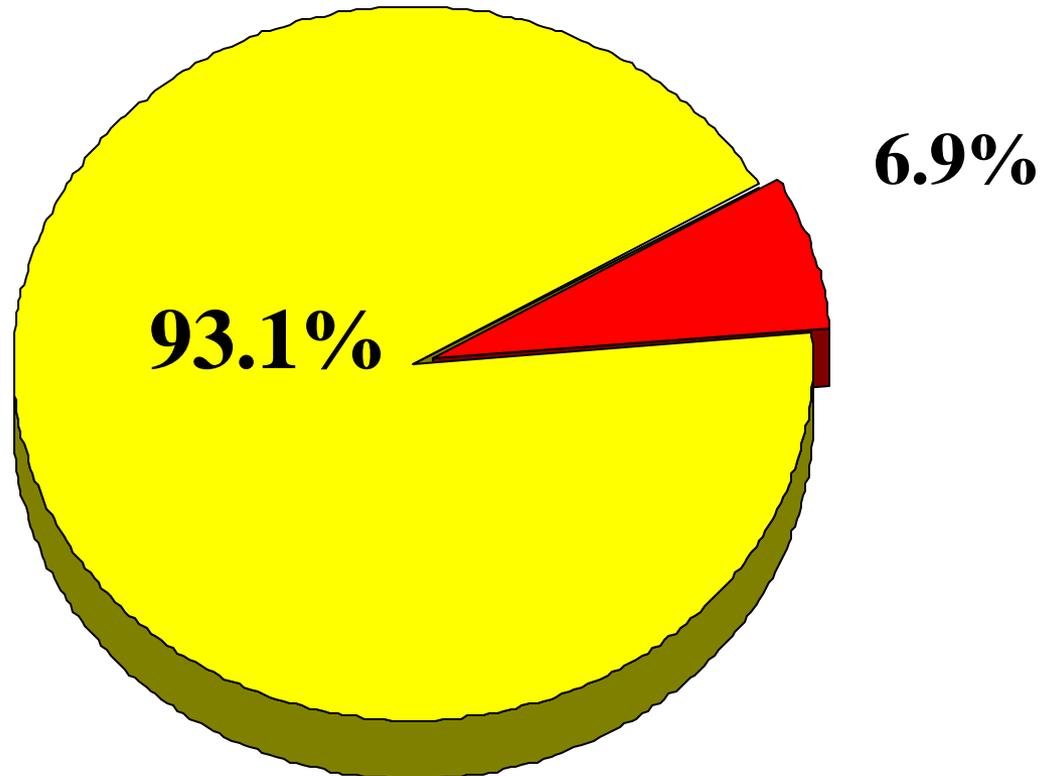
Employment Growth in the Nonmetro U.S., 1990-1999

■ Goods Producing ■ Services Producing



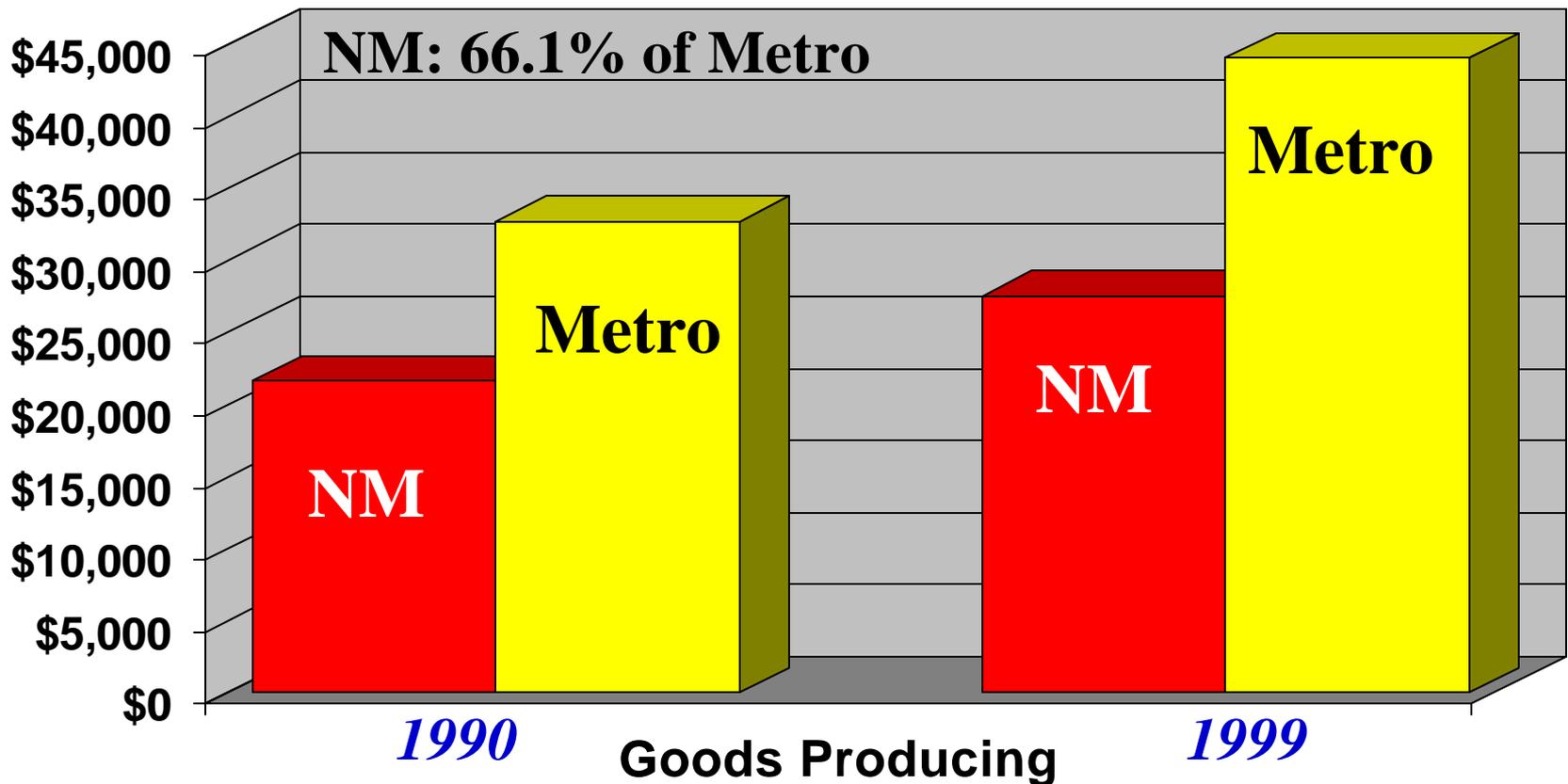
Percent of Jobs Generated by Each Sector in the Nonmetro U.S., 1990-99

■ Goods Producing ■ Services Producing

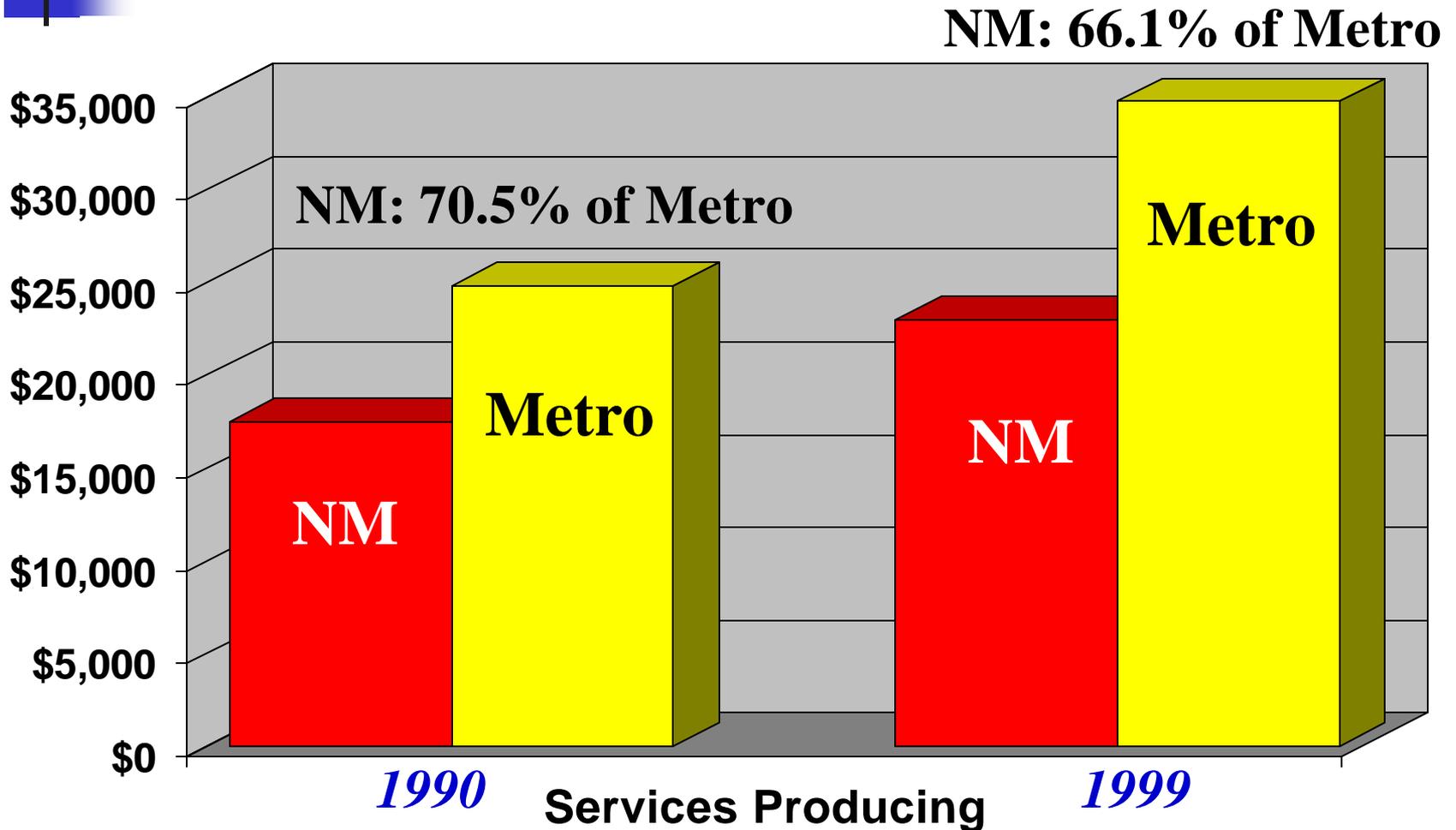


Average Earnings Per Job in the Goods Producing Sector

NM: 62.5% of Metro



Average Earnings Per Job in the Services Producing Sector



Why the Increasing Gap in Average Earnings?

NM Industry Sector	No. Employed 1990	No. Employed 1999	1999 Ave. Earnings
Manufacturing	4,154,588	4,253,311	\$34,021
Retail Trade	3,947,257	4,819,448	\$15,111
Services	5,055,260	6,825,806	\$20,778

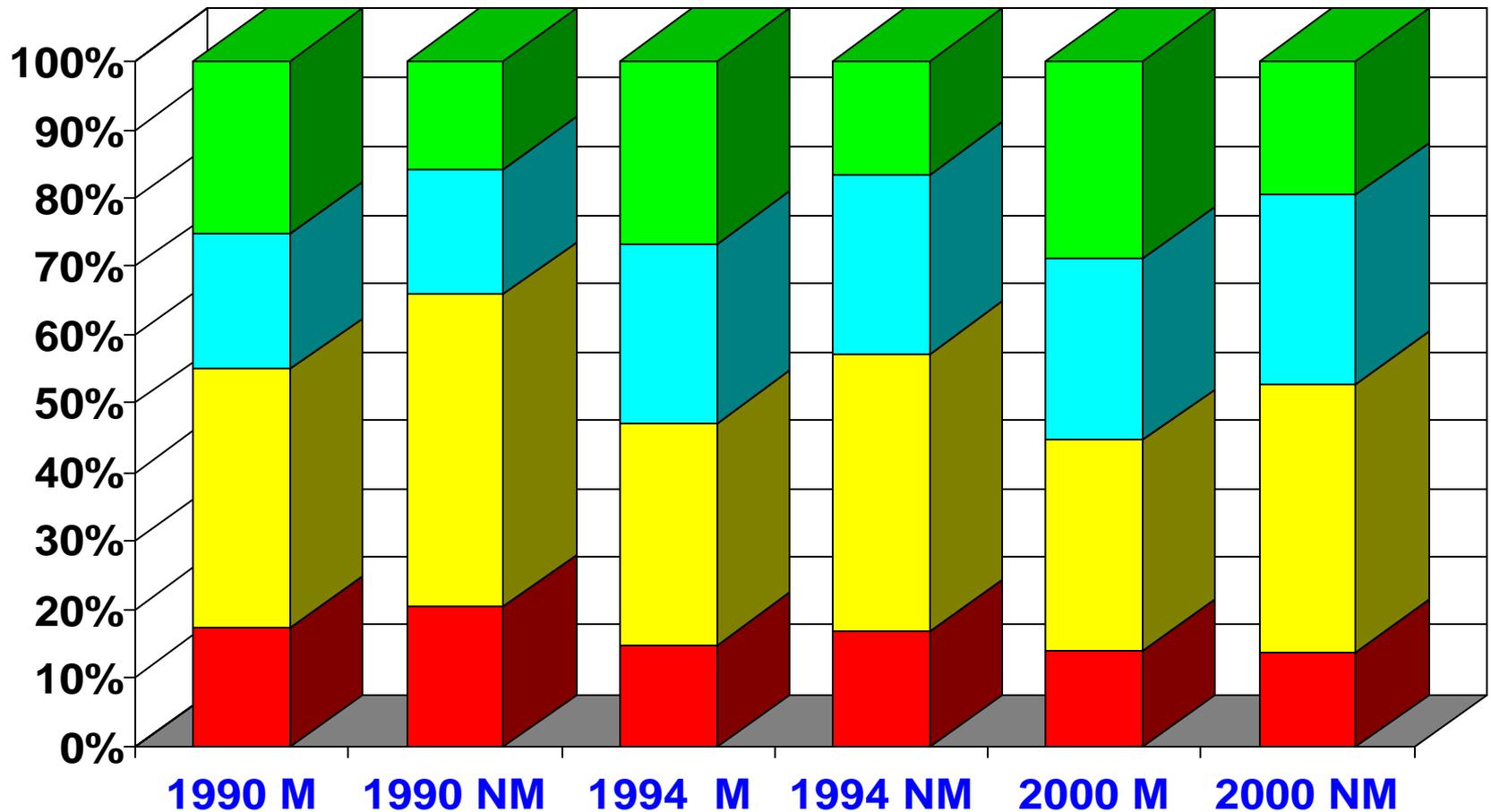
69% of employment growth in the nonmetro U.S. between 1990-99 was linked to the *Retail Trade* and *Services* sectors

Human Capital Resources in Nonmetro America



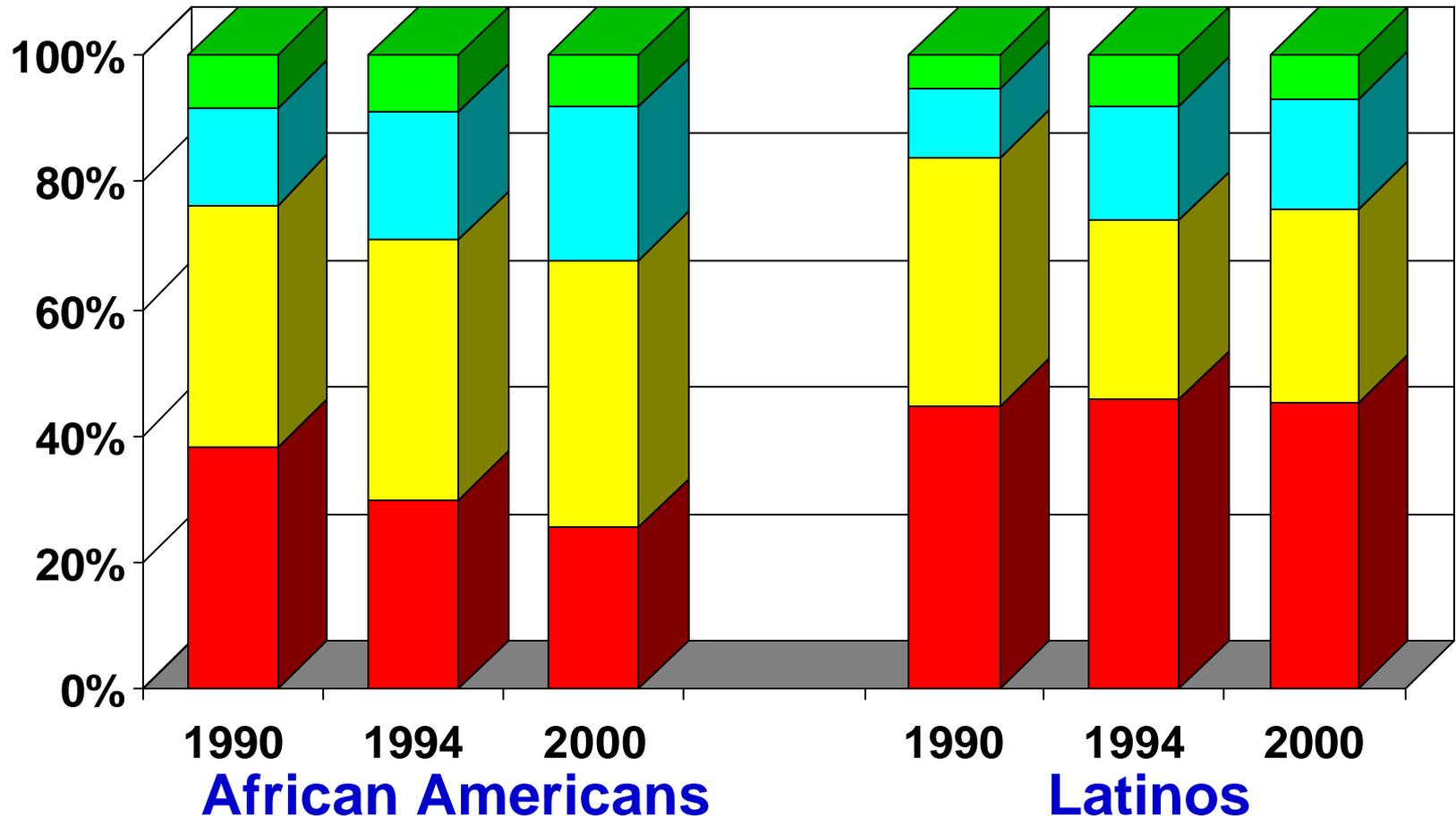
Educational Attainment, 1990-2000

■ LT H.S. ■ High School ■ Some College ■ Bachelor's +

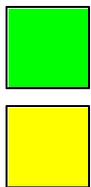
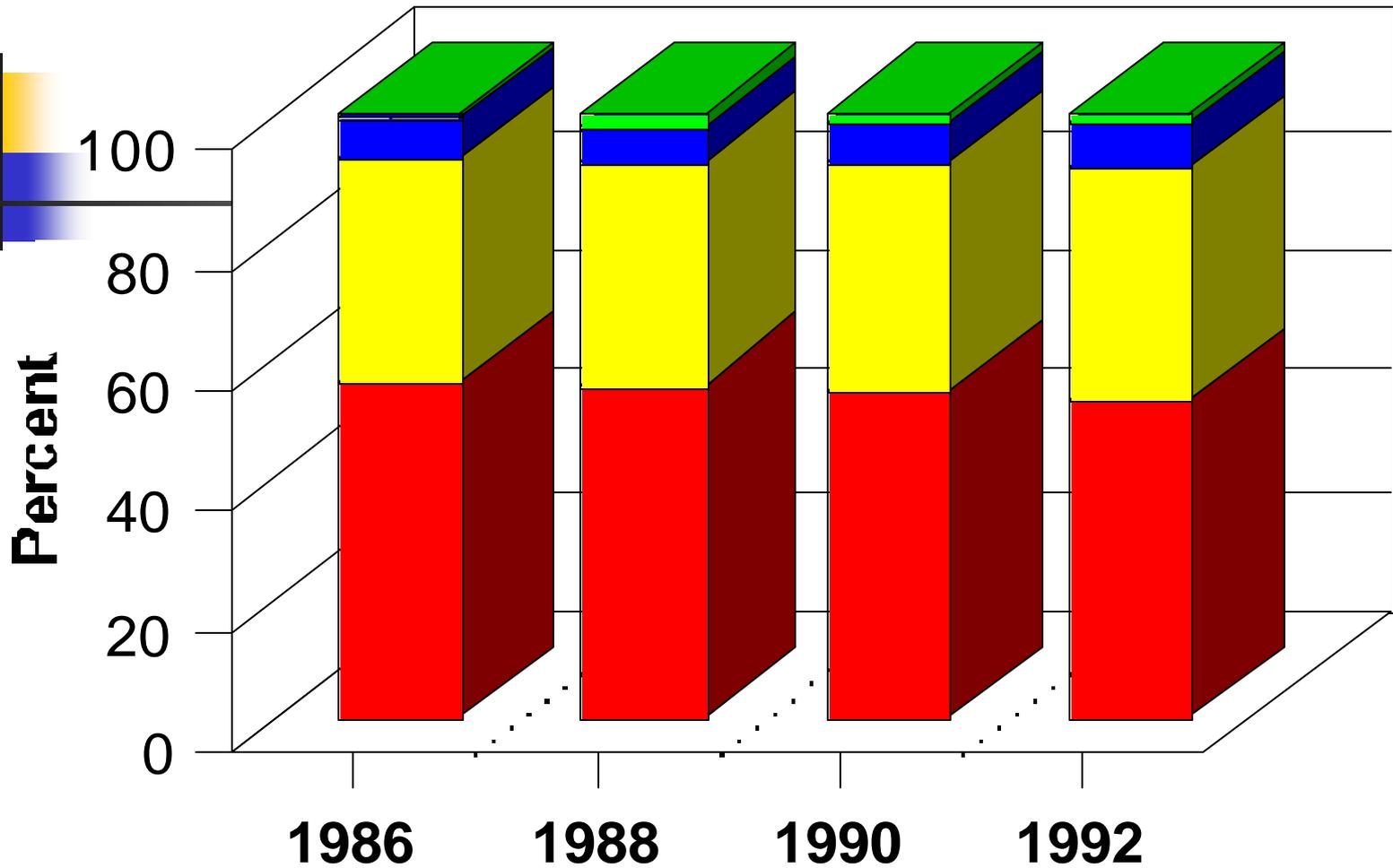


Nonmetro Educational Attainment, by Race and Ethnicity 1990-2000

■ LT H.S. ■ High School ■ Some College ■ Bachelor's +

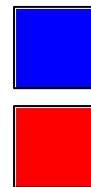


Less Than a High School Education



Primary-Upper

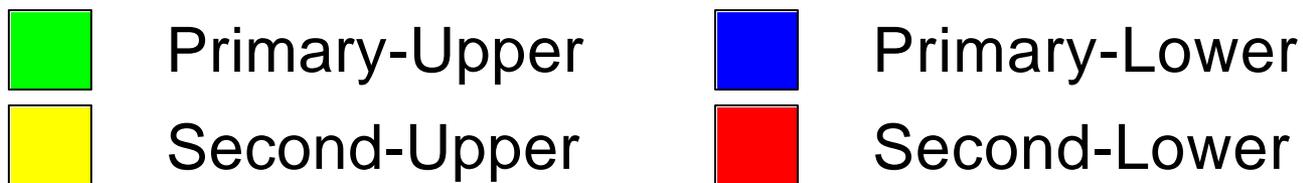
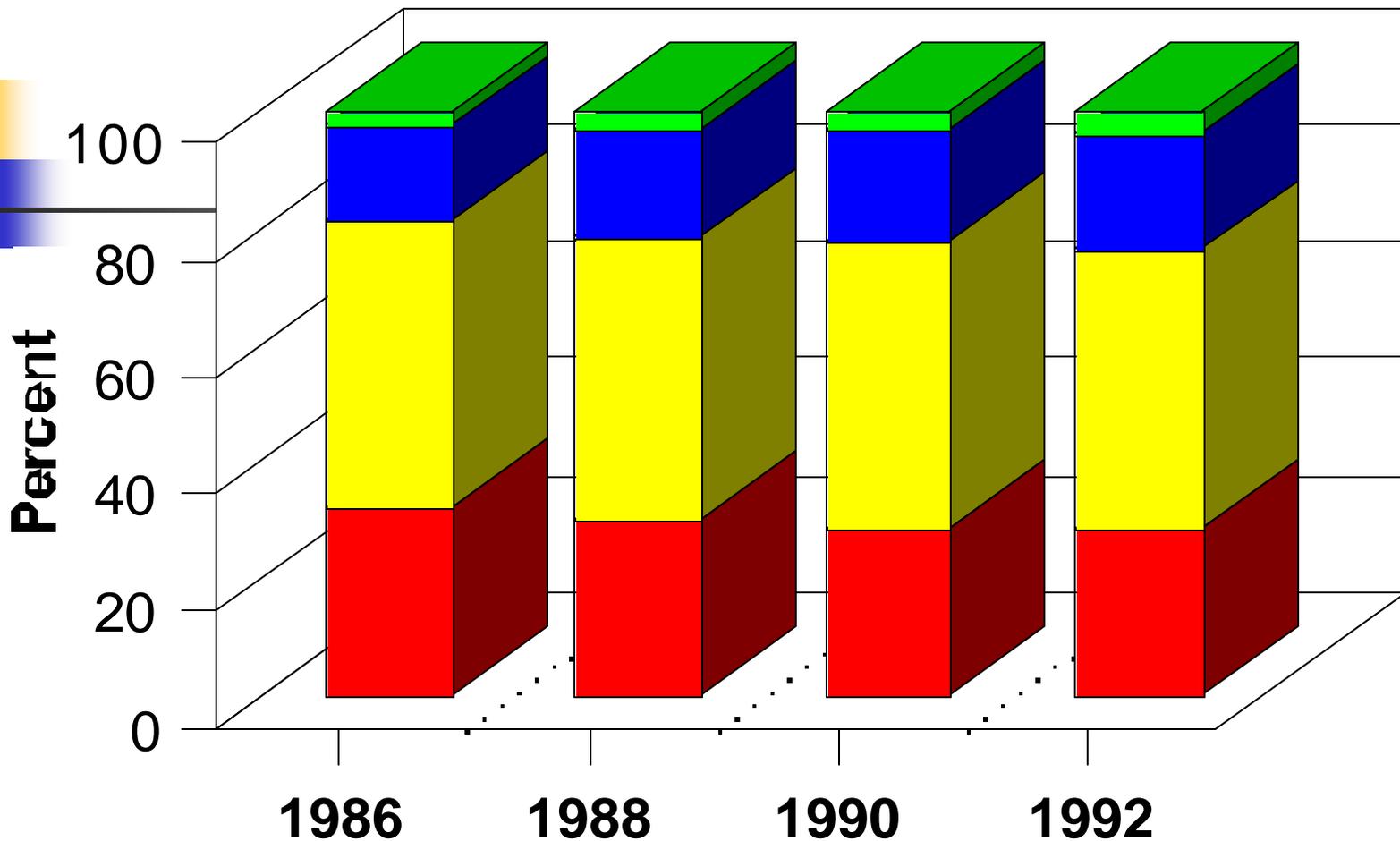
Second-Upper



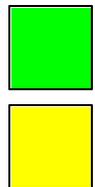
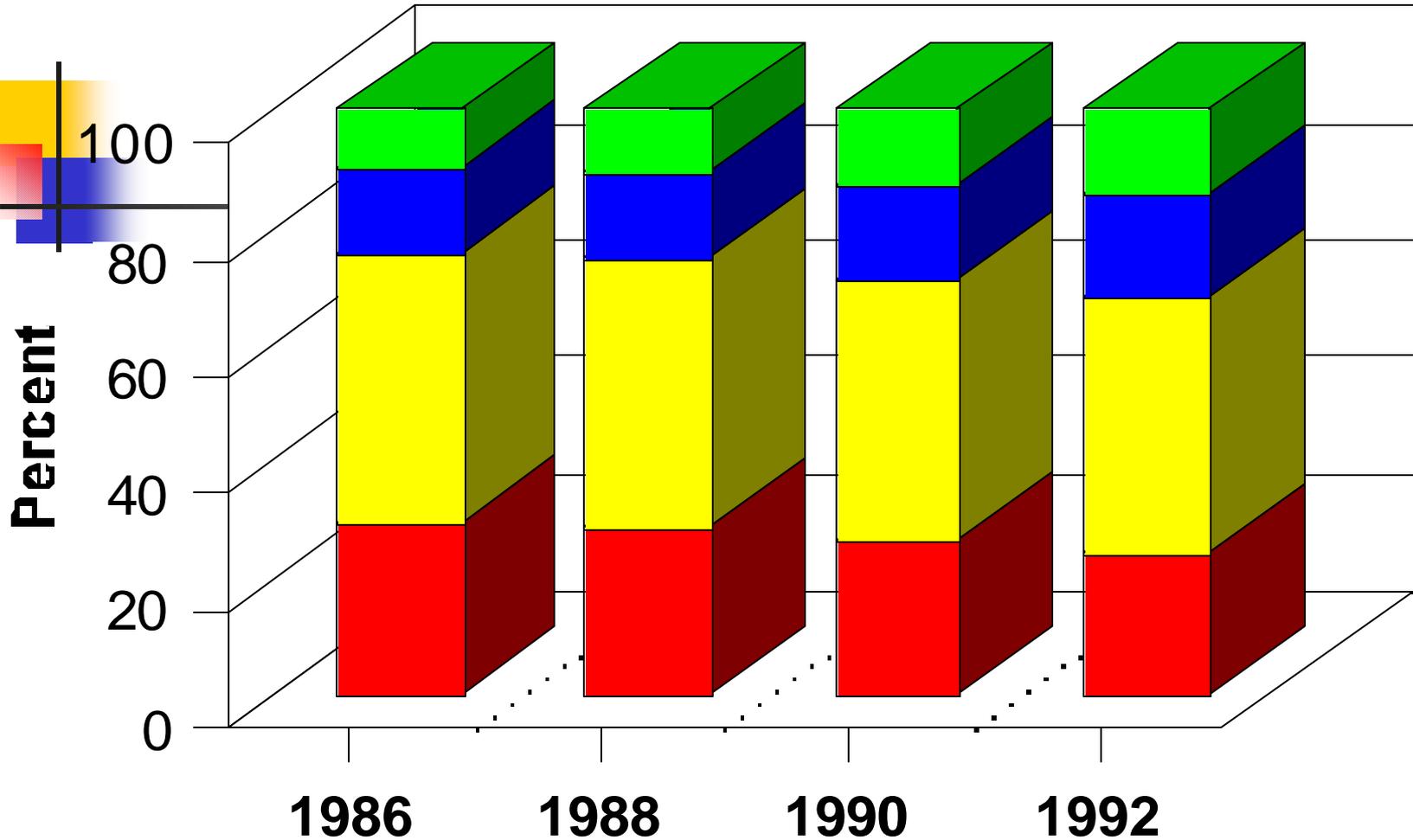
Primary-Lower

Second-Lower

High School Degree



Certificate or Associate Degree



Primary-Upper

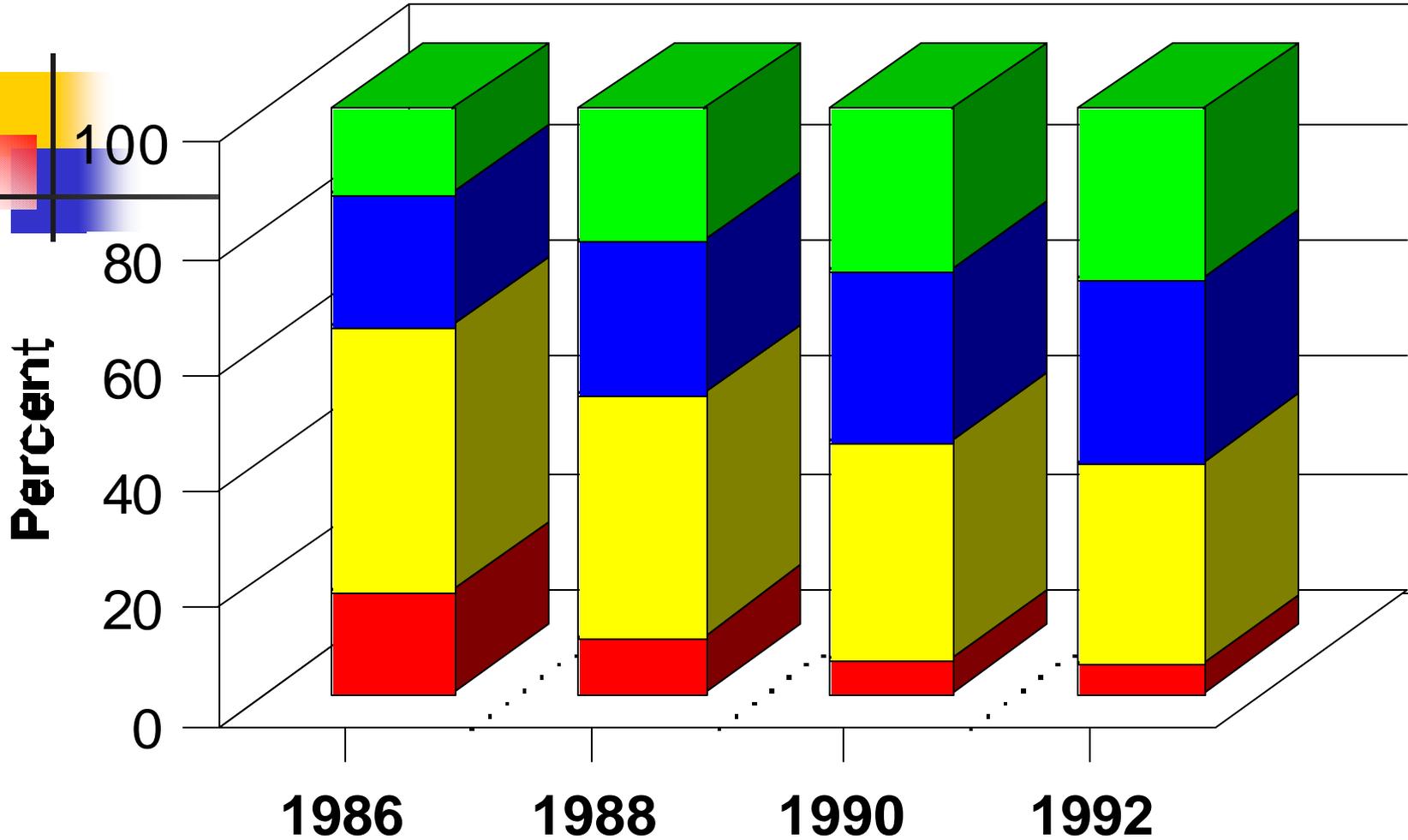
Second-Upper



Primary-Lower

Second-Lower

Bachelor's Degree or Higher



Primary-Upper



Primary-Lower



Second-Upper



Second-Lower

Strategies for Strengthening the Viability of Rural America

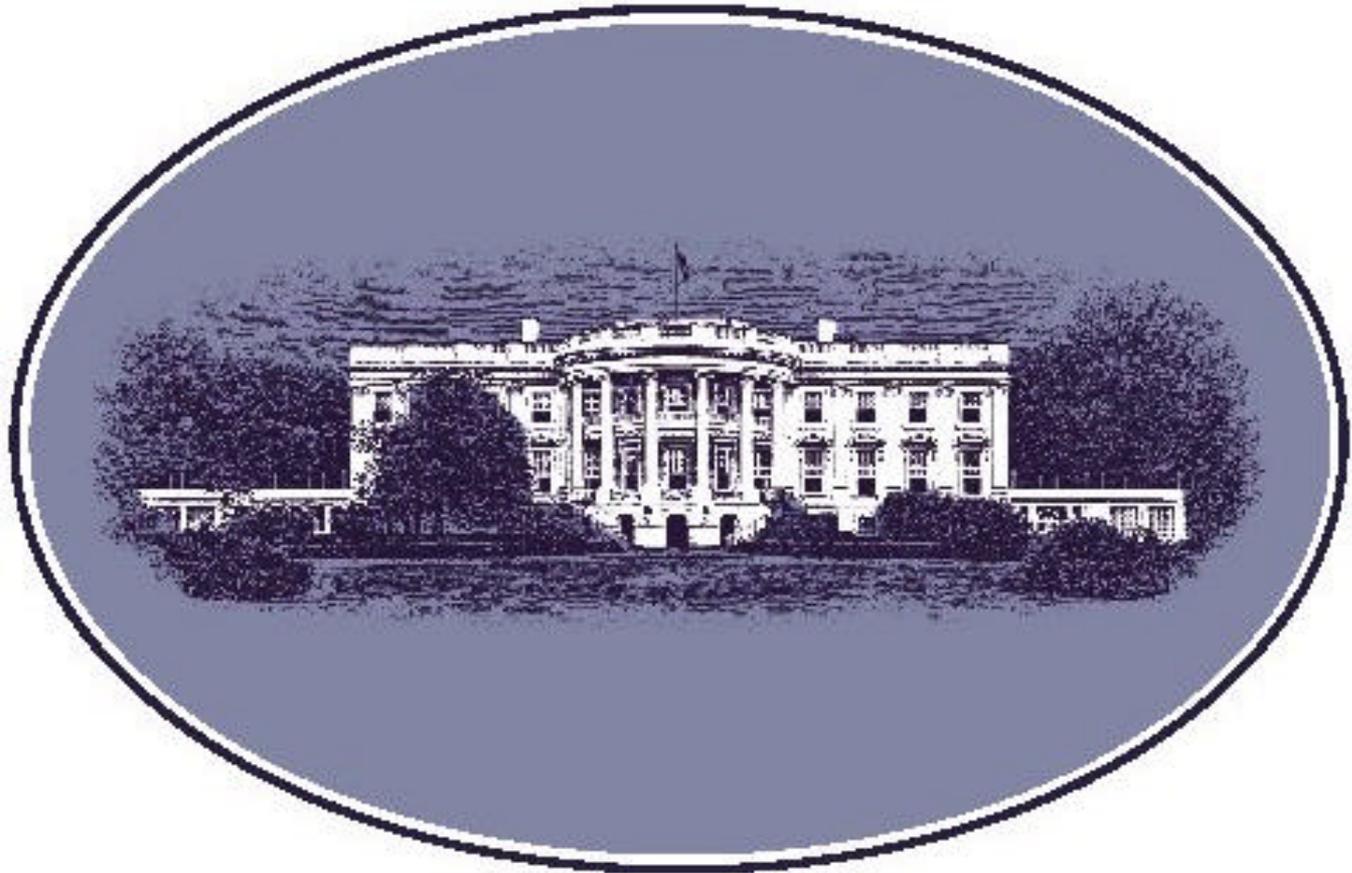


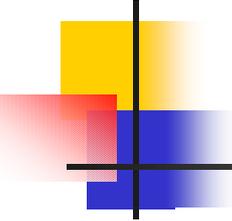
❖ Enhance the community's human capital resources

- Great strides have been over the past decade
- But additional enhancements are needed. The question is how?
- Traditional method has been to focus on improving the performance of schools
- These plans place too much burden on schools alone

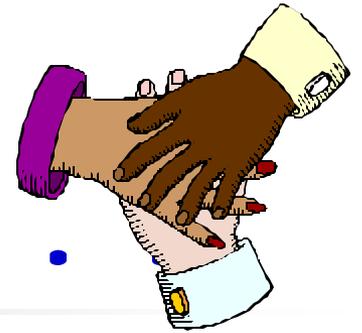


No Child Left Behind Act of 2001





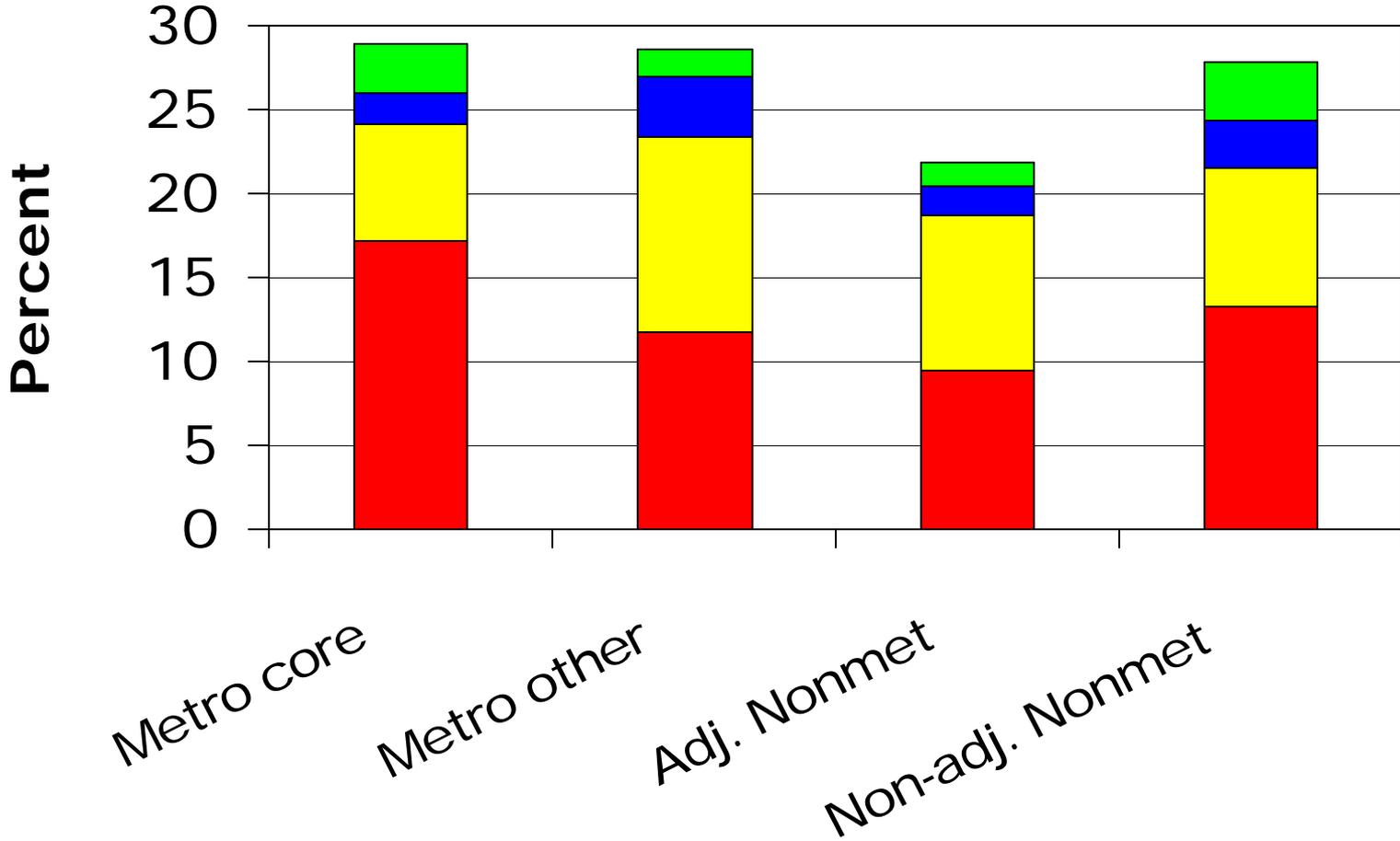
What we should do . . .



- Start with the very youth who live in rural America today
- Work to ensure that the homes and communities in which youth are embedded recognize the key roles they must play in helping shape the educational success of these young individuals

Factors Explaining Standardized Composite Test Scores of 8th Graders (n=8,756)

■ Background ■ Family ■ Communiy ■ School



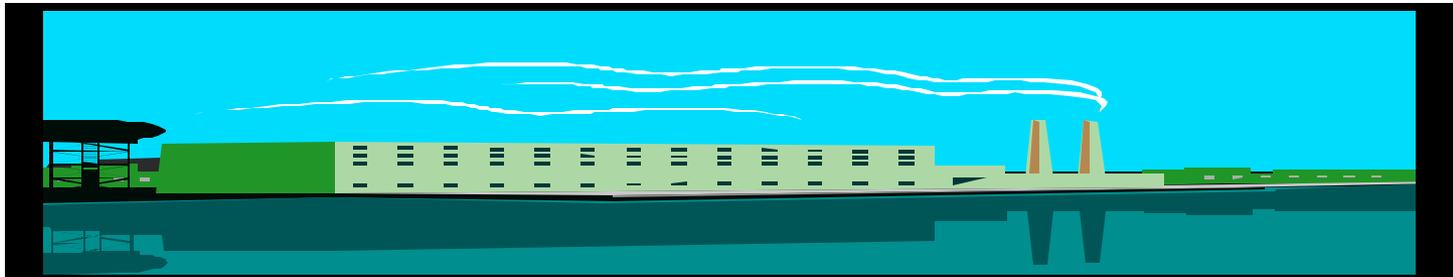
How to promote educational advancement of youth

- Help equip parents/guardians with knowledge and tools that promote the educational progress of their children
- Build positive teacher/student and teacher/parent relationships
- Build youth supportive communities
 - *Community Youth Scholarship Program*



❖ Create an entrepreneurial spirit in Rural America

- Capturing the “big” plant still a dominant strategy in rural areas
- As a result, approaches that build on local talents and resources are often overlooked



Some strategies . . .



- Address the needs of existing firms and help them expand and become stronger
- Uncover and invest in the talents existing in the community already – these are entrepreneurial opportunities
- Reduce imports by producing appropriate products locally
- Bottom line . . . Help create and strengthen internally grown small businesses

Businesses with payrolls . . .

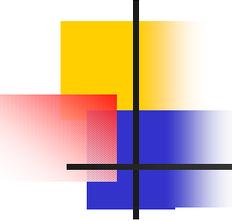


- Nearly 64 percent of all establishments in the U.S. employ less than 10 persons (as of 1998)

National Commission on Entrepreneurship Study

- Four key ingredients for spurring entrepreneurial activities:
 - Access to quality workers
 - A community that embraces and nurtures entrepreneurs
 - Local governments that enact supportive public policies
 - Local economic development officials who see it as a legitimate strategy for creating local jobs



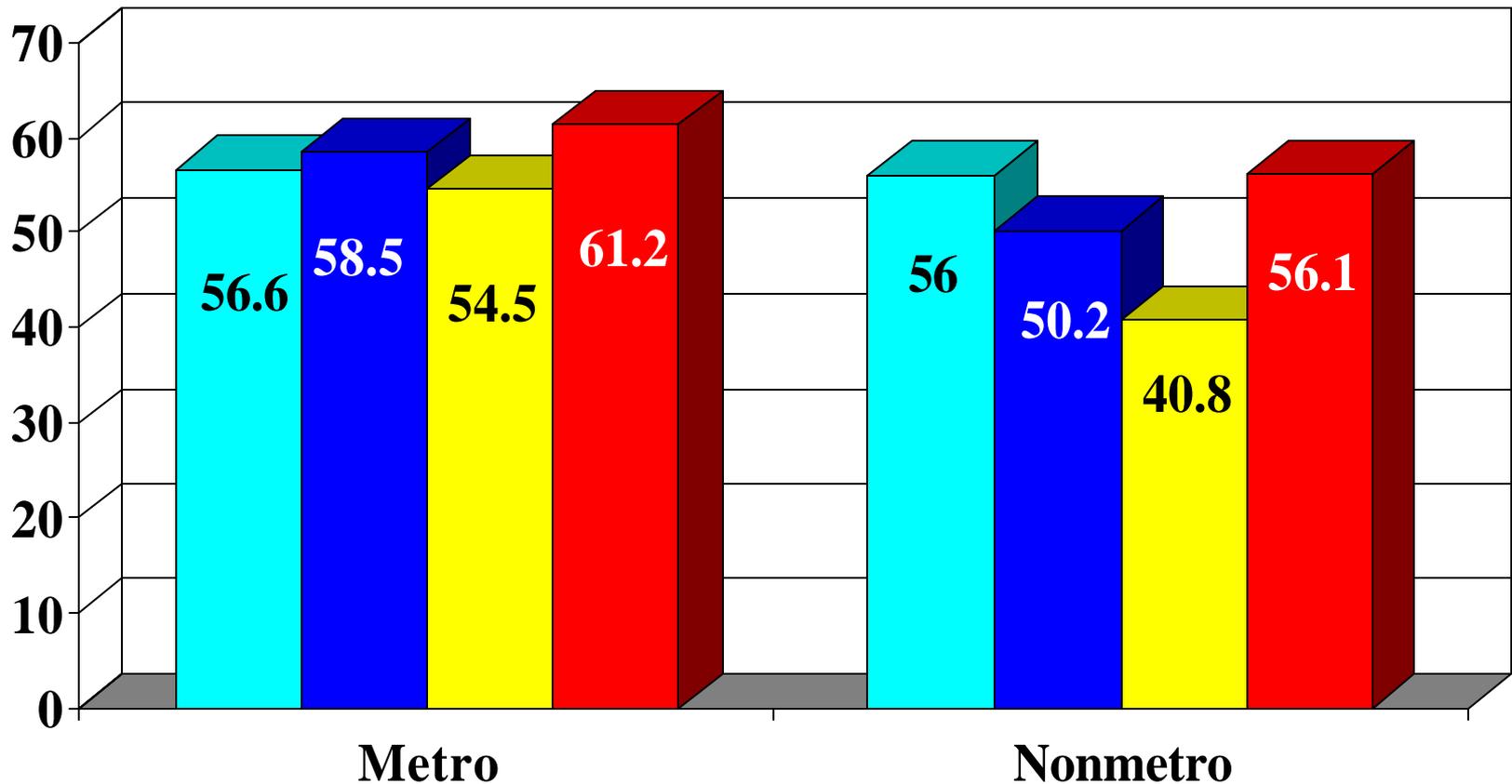


❖ Build the digital capacity of rural communities

- Recent U.S. Commerce is upbeat picture about advances in the adoption and use of computers and the Internet
- Digital inclusion is important given that a majority of current jobs now require some skill in the use of technology
- Major efforts are needed to help rural America become fully engaged in the global marketplace via the use of IT
- Special attention will be needed in certain regions of the U.S.

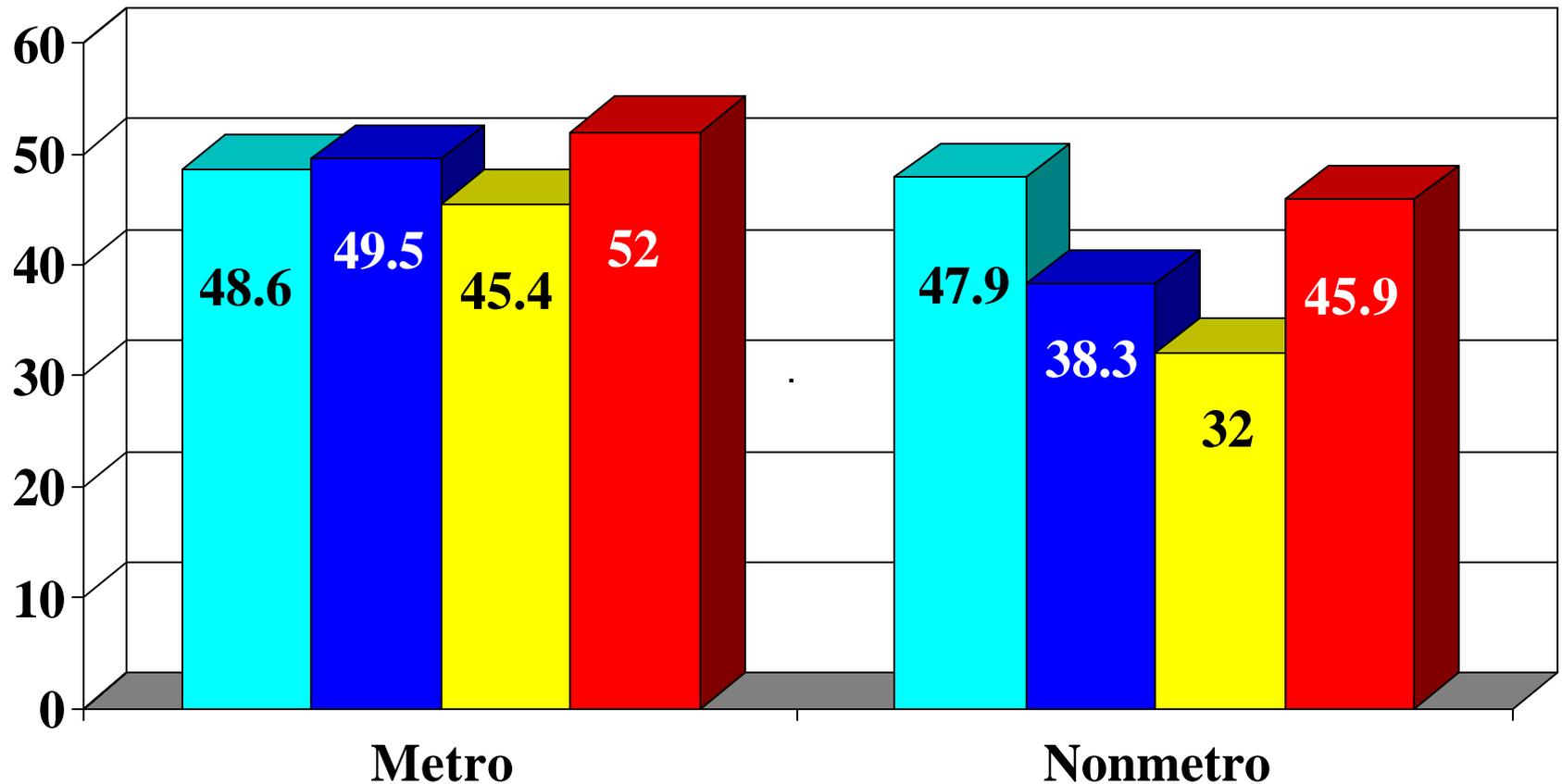
Computer Access in Metro and Nonmetro Homes, by U.S. Regions

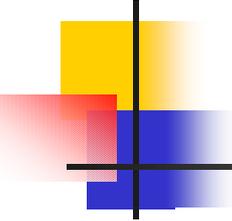
■ Northeast ■ Midwest ■ South ■ West



Internet Users in Metro and Nonmetro Areas, by U.S. Regions

■ Northeast ■ Midwest ■ South ■ West





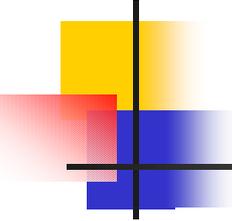
Expand civic engagement in rural communities

- Rural communities must commit themselves to rebuilding a corps of civically-minded citizens
- It will require:
 - All segments of the community be involved in guiding the future of the community
 - New and expanded leadership development opportunities be provided
 - Leadership responsibilities to be shared; this will help build trust
 - Support for the establishment of local-oriented small and entrepreneurial businesses

**Communities that subscribe
to these principles . . .**



**"will find themselves alive and vibrant,
positioned to address the challenges that await them."**



Concluding comments



- Have outlined some key components that can help place communities on the path to social and economic progress
- USDA can be a major source of education and assistance
- But, USDA and other federal entities involved in rural development must work together
- Stronger working relationships also essential between state and county-based Extension educators and rural community college faculty/staff