

# COMMUNITY DEVELOPMENT IN RURAL AMERICA: Collaborative, Regional, and Comprehensive

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*AGree*

**M**ore than 59 million people live in rural America, and nearly 9 million, or 18 percent, are living in poverty. This compares with 12 percent poor in the suburbs and 20 percent in central cities. One-fourth of all rural children are growing up poor, and in some chronically poor areas, child poverty is nearly 50 percent. While this is an improvement from the 1960s, many parts of rural America still have lagging or seasonal economies where families piece together a livelihood, making wreaths in one season, picking blueberries in another, or fishing in another.

Rural poverty has been high for decades, but not all rural areas face the same challenges or opportunities. Some, like Appalachia, the Mississippi Delta, and Native American reservations, remain chronically poor. In contrast, the rural Midwest, vibrant for many years, is suffering from loss of jobs and depopulation

brought on by technological and other changes in the economy. Many of these same changes, however, such as the focus on the environment and the spread of broadband, have created opportunities in other parts of rural America, especially in locales rich in natural resources, such as parts of the Northeast, Pacific Northwest, and Michigan's Upper Peninsula. And many conservation groups are now cooperating with rural community development finance groups to invest in working landscapes, forests, and sustainable fisheries.

In the 1960s, in some chronically distressed areas like Appalachia and the Delta, 50–75 percent of the population lived in poverty. Conditions in these areas were appalling, with substandard housing, one-room school houses with underprepared teachers, and limited access to health care for the poor. Families struggled to put food on the table.<sup>1</sup> Rural poverty still goes hand in hand with low educational attainment. In chronic poverty areas, one-fourth or more of working aged adults have not completed high school. Fully one-half of rural Americans live in these high-poverty areas.

In recent years traditional rural economic sectors, from mining to manufacturing to forestry and agriculture, have become increasingly capital-intensive. This means fewer jobs overall, fewer low-skilled jobs that provide employment to those who dropped out of school, and greater demand for skilled and specialized workers. The result is a skills mismatch in many rural communities, and the traditional education and training institutions often have not adapted to employers' new needs.

In preparing this short piece, I talked with a number of rural development practitioners to get their perspective on the challenges and opportunities their organizations encounter. What

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<sup>1</sup> Cynthia M. Duncan, *Worlds Apart: Why Poverty Persists in Rural America* (New Haven, CT: Yale University Press, 1999).

follows is my distillation of their experience and reflections.<sup>2</sup> Like their urban counterparts, community development groups in rural America are lending to and investing in businesses, housing, and community institutions, providing technical assistance and working to build capacity in distressed or struggling communities. However, the challenges they face, and the strategies they employ, differ from those in urban areas. Rural community development practitioners are working in communities that are geographically isolated, with long distances between relatively sparsely populated communities. Human capital is much more limited, and often the same key leaders play multiple roles. Financial capital and supporting institutions are also much more scarce. For these reasons, rural developers are less likely to be operating in a specialized niche and concentrating solely on financial transactions. They are more likely to approach development comprehensively, and they increasingly are working on a regional scale.

## CHALLENGES

The physical characteristics of a rural landscape create challenges for rural community developers. Communities are isolated and lack the population density and infrastructure that can support economic development. Distances between communities are great, and everyone relies on cars for transportation. These physical and geographical characteristics have institutional consequences as well. Fewer basic institutions make up the ecology of development investment, and rural development practitioners often must play multiple roles to make up for the lack of supporting organizations.

These physical factors have “people” implications. Far and away the biggest challenge rural development practitioners face

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<sup>2</sup> Ron Phillips, working in northern New England with Coastal Enterprises, Inc.; Keith Bisson, also with Coastal Enterprises, Inc.; Dennis West, with Northern Initiative in Michigan’s Upper Peninsula; John Berdes, working in the Pacific Northwest with Craft3, formerly Enterprise Cascadia; Nancy Straw with West Central Initiative in Minnesota; Bill Bynum, working in the rural South and Mississippi Delta at the Enterprise Corporation; Justin Maxson, with the Mountain Association for Community Economic Development in Appalachia; Dee Davis, president of the Center for Rural Strategies; and Sandra Rosenblith, founder of Rural LISAC.

is the need for greater human capital—for more leaders, more entrepreneurs, more skilled workers, and even more economic development professionals to work in their own organizations. Because leaders in rural communities play multiple roles, the loss of one “spark plug” can devastate a small community. The crunch for people also means that organizational capacity is often thin. There are fewer banks and fewer specialized lenders in those banks. Equally important, there are few, if any, corporate partners. Moreover, community development practitioners often must help local leaders move from the old, more stable economy they once relied on to new, more dynamic and less predictable economies of the future.

Indeed, many development practitioners find that long-term residents’ nostalgia for the “good times” in rural America can be another barrier to moving forward. People long for the economy and the vibrancy that “used to be,” when the retail sector was strong and stores stayed open on Thursday nights, when every community had a local school, and sons followed their fathers into the mine or woods, onto the farm, or onto the fishing boats. The fiscal systems, local institutions, and public infrastructure were forged for those old economies, with different needs and different distribution of responsibility. Habits change slowly, and governance systems are rigid. These challenges are exacerbated by the current fiscal crisis, as towns and cities and states cut back on public investment.

The challenges and opportunities vary by the nature of the local economy, demographic trends, and the natural amenities and resources in a rural community. Areas rich in natural amenities such as lakes and forests, mountains, and seashores are in many ways like urban areas with strong markets. They have been attracting second-home buyers and retirees, and sometimes young professionals with ties to the area, and communities are changing with these newcomers. These places, such as in the Northwest, Northeast, Upper Peninsula of Michigan, and Rocky Mountain West, have long relied on extracting or processing natural resources. Today their populations are growing, and

energetic young people and retirees are building on the potential for “heritage economies,” transforming old natural resource economies into new, more sustainable enterprises.

On the other hand, large areas of the agricultural heartland of the Midwest and Great Plains have seen protracted population decline, leaving a broad swath through the heart of the country witnessing population loss and an aging population. Yet, the community spirit and trust in these traditionally agricultural communities reflect the ideal of small-town America, where people know and look after one another, even as they struggle with a demographic crisis of deaths outnumbering births and young people leaving in droves.<sup>3</sup>

Finally, half the rural population lives in areas plagued by chronic poverty, places where adequate resources have never been invested in education or community infrastructure. Whole communities stand broken. Chronically poor rural areas, mostly in the South and on reservations, have much in common with inner-city neighborhoods: poor people are concentrated and community institutions are weak and lack resources, trust is low, patronage and bad politics are prevalent, drug problems are widespread, education lags and high school graduation rates are dismal, and unemployment and disability are high. Families struggle in these communities, and many of those who could leave did so long ago, leaving remaining residents with even fewer social, economic, and human resources with which to build stronger, resilient communities.

## **OPPORTUNITIES AND STRATEGIES**

The rural landscape and a reliance on natural resources present challenges, but according to the development practitioners with whom I spoke, they also offer significant opportunity for future development, and for more deliberate integration of rural

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3 Cynthia M. Duncan, “Demographic Trends and Challenges in Rural America,” Carsey Institute, Meridian IFAP Roundtable (December 8, 2010), available at <http://carseyinstitute.unh.edu/docs/Duncan-Meridian-Roundtable-12-2010.pdf>.

and urban economies. They see five primary opportunities for rural economies.

- First, there are opportunities to create and deliver energy, through wind farms, biomass plants, and other alternative fuels.
- Second, there are opportunities to provide “ecosystem services” such as carbon sequestration and watershed protection, in part through collaboration with environmental groups that increasingly see the value of working landscapes as a way to conserve and enhance the natural environment and habitat in rural America.
- Third, there are growing efforts to link ecotourism with cultural heritage in a higher wage tourism strategy.
- Fourth, the growing interest in local fresh food offers opportunities for a return to regional food systems that can bolster local regional economies, particularly when larger stores are buying local products.
- Finally, e-commerce and telework offer multiple business and development opportunities, from enabling laptop professionals to work from a rural home to provide services, creating new e-commerce businesses that can link to global markets, and even data centers.

However, to make any of these strategies work, logistics have to work. Access to fast and reliable broadband and to shipping are key, for example.

Rural developers are increasingly approaching development as a regional undertaking, promoting a whole region, linking urban and rural places in the region, and providing regional goods in regional markets. They are also looking for opportunities to collaborate with anchor institutions and advocates, environmental organizations, policy developers, and public sector state and regional development actors.

In every case, the biggest challenge to rural community development success is human capital: finding the people with the talents, skills, and energy needed to bring about comprehensive development in rural communities. Rural community developers provide regional leadership and collaborate with a wide range of players to achieve this comprehensive development. What they need from policymakers in their state capitals and Washington, DC, are committed resources and basic investment in education and infrastructure, including broadband. Because they take a comprehensive approach to development, they also need support from foundations to fund their innovations in leadership and capacity development, and their work on policy. Foundation investment is at an all-time low in rural communities, and rural developers struggle to maintain their comprehensive programs.

Development economist Albert Hirschman liked to point out that people in underdeveloped economies have three choices: exit, loyalty, or voice.<sup>4</sup> By exit he meant people who leave for opportunities elsewhere, in the case of rural migrants, often to cities. By loyalty he meant those who accept conditions as they are, upholding the status quo in a faltering or exploitative economy. By voice he meant those who stay and speak up and act for change. Rural community developers are part of those raising their voices and working for change. Doing so helps make change possible for others who also have chosen to make their communities more resilient.

Rural community development organizations provide critical leadership in communities that are hard pressed. They bring resources, financial and technical assistance, and they bring innovation that is rooted in local history and culture. They are “classic” economic developers, looking for collaboration, building institutional capacity, and taking a comprehensive approach that recognizes politics and long-standing relationships but that also pushes community leaders and entrepreneurs toward positive social change.

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4 Albert Hirschman, *Exit, Loyalty or Voice: Responses to Decline in Firms, Organizations and States* (Cambridge: Harvard University Press, 1972).

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