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Introduction

Thrive Rural is an ambitious effort to create a shared framework and understanding about what it will take for communities and Native nations across the rural United States to be healthy places where everyone belongs, lives with dignity, and thrives. This field scan is a contribution to Thrive Rural, specifically to provide an understanding of the current state of rural economic development practice in the United States, and to address the question: What must happen for economic development to foster a more prosperous, healthier, equitable and environmentally sustainable rural America?

We begin with an overview of the main economic theories and policy frameworks that guide and influence the practice of economic development, particularly in a rural context. This leads to a presentation of the results of qualitative research on economic development practice and how it is evolving, based on a series of interviews with over 40 experts representing a range of perspectives on economic development. We conclude with a commentary on how economic development can foster a more prosperous, healthier, equitable and environmentally sustainable rural America.

What Guides and Influences the Practice of Economic Development? An Overview of Theories and Frameworks

The International Economic Development Council (IEDC) is the professional organization that represents most economic developers in the United States. IEDC sees the role of economic developers as promoting economic well-being and quality of life in their communities through the creation, retention and expansion of jobs that facilitate growth, enhance wealth, and provide a stable tax base. Successful

economic development, IEDC asserts, creates high-quality jobs, develops vibrant communities, and improves the quality of life in the regions economic developers serve.¹

Economic development through this lens is essentially a set of programs and policies. But as IEDC's president, Jeffrey Finkle noted, "The economic developer has been facing a quandary whereby the old methods may not be working, but new schemes have yet to be cohesively established...we are finding ourselves with a huge gap between economic development theory and practice...We have anxiously awaited the advent of a theoretic framework outlining economic development practice and remedies on how to solve practical issues of this century."²

It is not the case that economic development lacks a theoretical base; in fact, there are many theories and paradigms drawn from different schools of economic thought, and increasingly from other disciplines. But no single theory explains the economic development process adequately or helps the economic developer understand every development situation or solve every development problem. However, several theories taken together can offer useful insights for practice.³

Theories of Economic Development

Understanding the distinctions between economic growth and economic development is a good starting point for a discussion of the relevant theories. At its most basic, growth can be defined as simple, quantitative increase, while development is qualitative and involves structural change. Over the long term, growth provides the resources needed for development; development generates new technical, organizational, behavioral or legal structures that facilitate growth.⁴ Put more directly, growth means more jobs, more buildings, and more equipment. Development means a change in the capacity to act and innovate; it also means a reduced vulnerability to external forces, to changes in technology, and to patterns and mixes

of ownership, occupations, products, industries and institutions.⁵ Both growth and development can have positive and negative impacts in terms of resource allocation and regional disparities.

Theories associated with economic growth and the near-term expansion of local economies include economic base theory, neoclassical growth theory, and inter-regional trade theory. Theories that address development as a long-term process include growth pole theory, entrepreneurship, agglomeration and innovation theories. To describe each of these in detail is beyond the scope of this paper, but Tables 1A and 1B provide summaries of the contributions that each has made to economic development practice.

The main points to note from these summaries are:

- The descriptions convey neither the complexity of many of the theories nor the critiques and debates to be found in the academic literature. Their purpose is to show how definitions of economic development vary with each theoretical perspective and to provide some indication of how the theories have been absorbed into economic development practice.
- Trade theories and neoclassical growth theory assume that market forces and price mechanisms will govern the pace and distribution of economic activity, with government intervention limited to short-term fiscal and monetary measures. At the local level, this translates into proscribing state and local governments' role in economic development to streamlining and reducing regulations that constrain economic activities, and to providing basic infrastructure and services that indirectly support economic development.
- Attracting basic, export-oriented businesses with their potential multiplier benefits to the economy remains the key argument for generous tax incentives, infrastructure investments, and marketing campaigns. Multipliers are in common use to estimate the economic impact of major economic development projects. Their direct, indirect and induced impacts are presented as how much a dollar of public investment will yield in private investment, jobs, business activity, and tax revenues to justify sports stadia, industrial parks, retail and entertainment developments, and the like.

- The three development theories represent a significant shift towards spatial and firm connections and relationships, recasting economic development in more sophisticated roles as information-providers, facilitators, targeted investors, and members of entrepreneurial and innovation ecosystems. They also elevate the notion of regional economies and the importance of relationships between urban centers and their hinterlands, and set the stage for what has become known as “place-based economics.”

One of the more important concepts that undergirds these development theories and sets the stage for considering the rural dimensions of economic development is agglomeration. Agglomeration describes the forces that bring firms, workers, economic activities, and institutions to locate close to one another. The costs and benefits of agglomeration are variously described as externalities, spillovers and interdependencies, and they generally affirm the primacy of large metropolitan regions as drivers of economic progress.

Agglomeration economies have a long history. *Central place theories*, first proposed in the early 19th century and elaborated in the 1930s, describe urban hierarchies across regions where the largest city attracts people and businesses seeking high-value goods and services from a wide geographic area. Within that area are nested small cities, and then beneath them smaller towns, each with its own economic sphere providing more localized goods and services.⁶ The establishment of *industrial districts*, in which the spatial concentration of firms and related activities fall within a specialized economic niche, were first observed in the late 19th century.⁷ More recently, the comparative advantage of *industrial clusters* based on Michael Porter's “diamond model” of competitiveness has become “an attractive and accessible framework for economic development professionals and policymakers seeking to cultivate or strengthen regional competitive advantages.”⁸ This model attaches importance to factor conditions (the availability and costs of materials, labor, knowledge, and resources), to demand conditions (the nature, composition, and size of the customer base), to related and supporting industries (the potential for localized supply chains), and to firm- and regional-level structure (competition and collaboration between companies that stimulates innovation).

Table 1A: Influential Growth Theories, Economic Development Definitions, and Contributions to Economic Development Practice⁹

GROWTH THEORY	DEFINITION OF ECONOMIC DEVELOPMENT	CONTRIBUTION TO ECONOMIC DEVELOPMENT PRACTICE
<p>Economic Base Theory</p> <p>Extensions include staple theory (concerned with historic evolution of the local economic structure), sector theory (focuses on internal economic relationships), and dynamic economic base theory (changes in economic structure over time).</p>	Increasing the level of local economic growth as measured by levels of output, income, or employment.	One of the most widely used theories which underpins recruitment and place-marketing approaches. It asserts that the external demand for a region's products is the primary driver of regional prosperity. It uses a distinction between basic (exporting) and non-basic (service, local) economic activities and the linkages between them, known as the multiplier effect. This is used for projecting or assessing the economic impacts of large projects.
<p>Trade Theory</p>	Increasing economic growth that leads to greater consumer welfare – the benefits of individual consumption of goods and services.	This focuses attention on tradable goods and services and the extent to which a region has a comparative advantage. It promotes opposition to trade barriers and efforts to weaken regional specialization. It supports local infrastructure development, improvements in government efficiency (less regulation), and other actions to increase local productivity and low costs.
<p>Neoclassical Growth Theory</p>	Increasing economic growth as measured by output or income per capita.	Promotes the free market and the efficient allocation of resources, with freer international trade, competitive markets, and minimal governmental intervention except for local infrastructure development, improved government efficiency, and lower business costs. This provides the basis for opposition to government engagement in economic development.

Table 1B: Influential Development Theories: Economic Development Definitions, and Contributions to Economic Development Practice¹⁰

DEVELOPMENT THEORY	DEFINITION OF ECONOMIC DEVELOPMENT	CONTRIBUTION TO ECONOMIC DEVELOPMENT PRACTICE
<p>Spatial Concentration and Diffusion Theories</p> <p>Variants include central places, growth poles, growth centers/unbalanced growth, cumulative causation theories, core-periphery model</p>	Reducing regional disparities by diffusing industrial growth to struggling regions by concentrating infrastructure and business investments in selected locations that possess growth potential.	Focuses on strategies to tackle regional disparities, and introduction of concepts such as spread (positive) and backwash (negative) effects from prospering regions to struggling regions, and growth centers into which investments are channeled to mid-sized cities, large enough to attract capital yet dispersed enough to be accessible to more remote areas.
<p>Entrepreneurship Theories</p>	Creating more resilient and diverse local economies through conditions favorable to entrepreneurs	Recognizes entrepreneurship as a basic category of economic development and as the driver of innovation in local economies. Part of broader efforts to stimulate new, small businesses to achieve greater diversity and stability with financing, technical assistance, infrastructure and networking.
<p>Regional Innovation Theories</p>	Creating the conditions that foster innovation, product differentiation, and competitiveness.	Highly influential theories encouraging focus on reducing factors that limit innovation, strengthening interfirm networks and institutions, modernizing manufacturing, and supporting cluster-based development.

The implications of these theories for economic development practice in a rural context are sobering. Attention focuses on the inevitability and benefits of agglomeration and on the concentration of wealth and economic activity in a limited number of metropolitan economies. Rural regions rarely feature except in core-periphery models which emphasize the dependency of rural hinterlands on core urban areas for jobs and income. One consequence is the adoption of models and approaches often ill-suited to the realities of rural regions, such as recruitment strategies and industrial parks.

Newer Frameworks for Economic Development

More recently, several new frameworks have been advanced either as elaborations or combinations of established growth and development theories – or as incorporations of ideas from disciplines beyond economics. They include collections of good practices that have been translated into principles to guide economic development. The frameworks are responses to increasing societal concerns over globalization; technological change; sustainability and climate change; livability; and inequities in wealth, income, and opportunity associated with race, gender, class and geography. Some of these frameworks offer more encouragement and tools for economic development in rural communities.

Technology-Based Economic Development is an assemblage of theories and approaches intended to address ways in which regional economies can respond to globalization and technological advances. Its roots are in endogenous growth theory, which, among other things, says that a region's rate of technological progress is determined by the production of knowledge and by investments in human capital.¹¹ It recognizes the contribution of concepts such as clusters and agglomeration economies, mentioned earlier; and path dependence and lock-in, in which the future of a regional economy is determined by the historic path taken to date, with future options constrained by previous investment decisions and institutional arrangements and by regional institutional capacity. The latter refers to the importance of regional innovation systems; the collaboration between higher education, business and government to promote technology development

and transfer; and investments in K-12 education, community colleges, and universities to upgrade the skills of the regional workforce. The importance of an environment conducive to attracting and retaining skilled and innovative entrepreneurs and workers is at the heart of creative class concept, popularized by Richard Florida.¹² This supports the value of investments in workforce development and in place-based quality of life improvements.

Entrepreneurship Theories and Strategies have long been the focus of management and psychology literature but outside the scope of economic theories. However, since the 1990s, interest has been growing in entrepreneurship and entrepreneurs as vectors of innovation, as agents for place-based economic development, as a way of strengthening economic and community resilience in the face of external economic disruptions, and as contributors to the intellectual, individual and social capital of communities.¹³ Entrepreneurship has been posited as an important rural economic development strategy,¹⁴ and has been the focus of pioneering work in building entrepreneurial ecosystems¹⁵ – that is, the combination of entrepreneurs, policies, practices, institutions and culture that support entrepreneurial growth. Providing access to capital, technical assistance, training, networking and workspace are common program tools economic developers use as collaborators in these ecosystems.

Economic Gardening is about building a nurturing environment for local entrepreneurs, especially second-stage, emerging growth companies that export innovation.¹⁶ In its generic form, it is an approach to business retention that focuses on businesses with growth potential, providing them with market research tools and intelligence on competitors, markets and trends. It was developed in the 1980s as a reaction against industrial recruitment in favor of “grow your own” approaches and is now a national program with training and certification.

WealthWorks is a framework and a toolbox for a wealth creation approach to economic development.¹⁷ It aspires to be a transformational way of connecting marginalized people and places to the larger economy. Its focus is on local ownership, control and influence over *community assets* and linking these assets to market opportunities through the strengthening or building of value chains.

These community assets are not just financial, important as those are, but intellectual, individual, social, and political capital – the ideas, skills, relationships and connections that are at the heart of community vitality – as well as the unique assets of a place – its natural, built and cultural assets. WealthWorks encourages communities to measure all eight forms of capital and monitor how they change over time. As far as is possible, WealthWorks also seeks to ensure that any development actions taken to improve any of these assets do not result in the depletion of other assets. The approach highlights the importance of ownership and control over these assets. Its value chains include the normal set of business activities required to link producers and growers to markets – research and development, production, procurement, logistics, operations, customer service, sales, and marketing – but constructed in ways that emphasize market demand, fill gaps with local enterprise, support and not undermine the community’s assets, and intentionally engage and benefit economically marginalized people and places.

WealthWorks comes out of the same origins as “community wealth building,” another related emerging approach. According to the Democracy Collaborative, community wealth building is “an approach rooted in place-based economics with democratic participation and ownership, and mobilizing the largely untapped power of the local public sector and other anchor institutions.”¹⁸ The primary difference between the two is that WealthWorks was tailored for rural areas and community wealth building for metropolitan areas with a special emphasis on community and cooperative ownership.

Smart Growth is a framework of ten principles intended to encourage development that serves the economy, community, public health and the environment.¹⁹ Many of these principles appear at first sight to be directed to urban and suburban neighborhoods, such as mixed land uses, compact building design, walkable neighborhoods, and transportation choices. However, they do have relevance to rural main streets both in terms of placemaking and in promoting more open and collaborative development decision-making. The preservation of open space, farmland, natural beauty, and critical environmental areas is one of the principles. Notably, it is one of the few areas of economic development given concerted attention

by the U.S. Environmental Protection Agency, whose mission is to protect human health and the environment.

One report on the application of smart growth in rural communities²⁰ presents a focused framework around three goals:

- Creating an economic climate that enhances the viability of working lands and conserves natural lands.
- Taking care of assets and investments such as downtowns, Main Streets, existing infrastructure, and places that the community values.
- Building vibrant, enduring neighborhoods and communities that people, especially young people, do not want to leave.

One of members of the Smart Growth Network is the National Trust for Historic Preservation. One of the Trust’s programs, the *National Main Street Center*, coordinates a national network of organizations, rural and urban, pursuing preservation-based economic development. Its approach focuses on transformation strategies organized around economic vitality, design, promotion and organization. The economic vitality component centers on “capital, incentives, and other economic and financial tools to assist new and existing businesses, catalyze property development, and create a supportive environment for entrepreneurs and innovators that drive local economies.”²¹

Comprehensive Community Economic Development

is an approach that combines considerations of space, resources, markets, society, rules and decision-making. In it, community economic development is defined as “sustained progressive change to attain individual and group interests through expanding, intensifying, and adjusting the use of resources, identifying new or expanding markets, altering the rules of economic activities to facilitate adjustment to changing conditions or altering the distribution of rewards, and improving insight into the choices available.”²² The approach uses theory and analytics to support the notion that community economic development is bottom-up, integrative, strategically driven, collaborative, interactive, multi-dimensional, reflective and asset-based. Proponents describe community economic development as interdisciplinary, offering different perspectives to practice, whether economic growth, natural resource

management, human services, infrastructure, public administration or community activism.

New Regionalism is not a theory but a process of regional development, based on extensive research, and a set of policies aimed at increasing economic and environmental viability.²³ As currently formulated, it focuses on development processes in Canadian rural regions in response to the growing regional disparities that are not adequately addressed by current regional economic theories. It encompasses five themes of:

- Multi-level collaborative governance, across sectors and jurisdictions.
- Place-based development, including assets and capacities, competitive advantage, and local control.
- Integrated development approaches across economic, political, social, cultural, natural, environment and health realms.
- Rural-urban interdependence in terms of trade and exchanges, institutions, environment and identity.
- Innovation and knowledge flows between firms, educational institutions, and government.

Rural Development Hubs, recently identified in research by the Aspen Institute Community Strategies Group (CSG), weave many of these strands together. That research explored the role and accumulated experience of more than 40 intermediary organizations that are doing development differently in rural America. What makes these intermediaries stand out is that they take on the role of the main player in their multi-jurisdiction regions advancing an asset-based, wealth-building approach to rural community and economic development. They focus on the critical ingredients of a rural region that either advance or impede prosperity, seeking to integrate social, economic and environmental goals so that people and places can thrive. Though they can take many organizational forms – community development financial institutions, community or place-rooted foundations, community development corporations, economic development districts, community colleges and other regional and rural organizations – Aspen CSG calls these intermediaries, where they exist and adopt that focus, Rural Development Hubs.²⁴

A New Synthesis: Rural Well-Being

The Organization for Economic Cooperation and Development (OECD) is an international organization that works with governments, policymakers and others in 37 developed countries (including the United States) to establish evidence-based international standards and find solutions to a range of social, economic and environmental challenges.²⁵ In 2006, the OECD published a highly influential report on rural development²⁶ that signaled a shift away from a singular focus on agriculture and farm subsidies to the idea of rural competitiveness based on local assets, multi-sectoral approaches, investments rather than subsidies, and multi-stakeholder collaboration. Recently, the OECD released its updated policy framework for rural development.²⁷

This is an important and timely synthesis of theoretical perspectives and the realities, threats and opportunities brought about by globalization, new technologies, demographic shifts and climate change, as well as the shocks of the Great Recession and the pandemic. The framework's focus on rural well-being that embraces economic, social and environmental dimensions – and its advocacy for an integrated rural development approach across public and private sectors, civil society, and all policy areas – is consistent with the Thrive Rural perspective on rural development.

The OECD framework defines *economic well-being* as:

“...the material living conditions that determine people’s consumption possibilities and their command over resources. This includes the ability of individuals to be able to consistently meet basic needs, such as food, housing, healthcare, transportation, education as well as the ability to make choices that contribute to security, satisfaction and personal fulfilment. Income and wealth enable individuals to meet their basic needs and thus help achieve overall economic well-being.”

According to this approach, rural places are constrained from enjoying the productivity-boosting benefits that flow from agglomeration economies more present in urban areas – particularly greater competition, deeper labor markets, the faster spread of ideas, and a more diverse intellectual and entrepreneurial environment. Consequently, rural economies must consider two strategies.

The first is to enhance connections with urban areas to access, albeit from a distance, some of the advantages associated with agglomeration. Better links with metropolitan areas can lead to higher rates of productivity and population growth as rural economies take advantage of proximity to markets, innovation spillovers, and movements of workers and ideas.

The second strategy is to increase added value from tradeable activities. These offer the opportunity for rural areas to overcome small market size through exporting high-value natural resource-based products and services from agriculture, manufacturing and extractive industries. The more rural economies are able to participate in national and global value chains, especially at the front end with research and development, and at the back end with marketing and sales, the greater the economic benefits that will flow back.

What distinguishes rural economies is their close connection to the land and to natural resources. These are the key assets upon which to boost economic development. The proper management of natural resource endowments, using local know-how and adapting technologies, can yield benefits for rural people and businesses. Forestry, mining, oil, gas, electricity and other energy production, fishing, and agriculture are almost exclusively rural industries, and are all subject to extractive and disruptive practices. But, with care, they can create natural capital that both raises incomes and helps rural communities invest in other productive assets that will sustain wealth over generations and mitigate the impacts of global economic shocks and boom and bust cycles. Better resource management can also lead to innovations in, for instance, food production and processing with traceable and territorially differentiated food and beverages, or in ecotourism or the creative industries.

Boosting productivity in rural economies also requires a special focus on small- and medium-sized businesses and entrepreneurship. Most large firms in rural economies, observes the OECD report, are focused on first-stage processing of a natural resource, making it essential that there are smaller businesses that can add value and create greater diversification. The report recommends four ways such a focus can lead to enhanced productivity and competitiveness.

- *Smart specialization strategies* that include measures to improve skills, market intelligence and innovation, often as part of economic diversification efforts. Examples include entrepreneurship and innovation ecosystems and networks, technology platforms, rural-urban linkages, skills enhancements, and arts-based creativity.
- *Export strategies* that help small- and medium-sized enterprises expand by improving networks and connections with urban, national and international markets.
- *Value retention in rural communities* through policies and regulations that support and favor local rural economies and protect them from asset-stripping by external corporations, and that provide incentives to encourage collaboration among public, private and nonprofit sectors to create stronger, more resilient local economies.
- *Upgrading rural education and workforce systems* to ensure that local skills and competencies are in line with the current and future needs of rural firms.

Taken together, these define a clear vision of and approach to rural economic development: one focused on economic well-being through enhanced productivity and rural competitiveness. But as the OECD framework makes clear, productivity improvements alone do not *guarantee* increases in income and quality of life across all sections of the population. Indeed, over the past two decades, such improvements have been largely concentrated in urban regions, leaving rural places lagging. Thus, rural well-being requires attention not only to the economic dimension as described but also to the social dimension, specifically adaptation to aging and declining populations, and the environmental dimension of supporting rural economies in the shift to a low-carbon economy. This takes us back to the OECD's notion of integrated rural development across policy areas and sectors as the way forward to achieve rural well-being.

The OECD well-being framework knits together ideas from several of the newer approaches described above. It stresses the importance of multiple, diverse actors coordinating vertically (across different levels of government) and horizontally (among the same levels of government) to effectively carry out rural development with well-being at its core.

Perspectives from the Field: The Evolution of Economic Development

Understanding the practice of economic development in the United States, both generally and specifically in the rural context, is essential for considering policy or programmatic changes that will propel communities and Native nations across the rural United States to be healthy places where everyone belongs, lives with dignity, and thrives. To ground our understanding, we conducted a series of interviews with over 40 experts. Interviewees were selected by assembling lists from several members of the *Thrive Rural* leadership team based on their knowledge of the stakeholders active and influential in driving change on rural economic development. The lists were then curated to represent a broad array of experience and perspectives, including national membership organizations, university and independent research institutions, regional and local consulting and technical assistance organizations, and regional and statewide agencies. They also included topical diversity such as health, Native American rights, housing and community development, finance, and environmental sustainability.

While these interviews revealed general agreement that economic development in the United States is evolving, there was a range of opinions as to how fast, how far, and how effectively. This is reflected in the variety of definitions of economic development offered, some of which are based on past realities, some on what it perhaps should be, and others on practical experiences in specific places. Some definitions are narrowly focused, others are broad and comprehensive; some refer to the why of economic development, others to the what or the how. They also are influenced to differing degrees by the range of theories and ideas upon which economic development is founded and by the shifting forces that are shaping societal views about what is important.

So, what is economic development? What is its purpose? Two main groups of definitions emerged from our interviews:

- Those that rely on concepts drawn primarily from economics, with aspirations to grow or enhance the local or regional economy in terms of jobs, employment, standards of living, income, wealth, prosperity, competitiveness and productivity.
- Those that are focused on the distributional aspects of the economy and the intersection with

other parts of community life. Here, concepts of well-being, opportunity, widespread or widely-shared benefits, equity, quality of life, and community resilience are highlighted.

For many, these two groups are combined – for example, “...grow the economy in terms of jobs, income, and productivity, *and* ensure that benefits are widely and equitably shared.”

Our interviews highlighted that the public’s perception of “economic development” as solely “business recruitment” stubbornly persists – that is, the use of tax and other financial incentives for individual businesses often coupled with customized services such as job training and manufacturing extension services, and investments in infrastructure and land development. Recruitment strategies, often referred to as “smokestack chasing” or “buffalo hunting,” are viewed as “conventional” or “old school” economic development that contrast unfavorably with more enlightened approaches that are more attuned to the needs of regional and local economy. There are different guesstimates – ranging from 50 to 80 percent of economic development activities and expenditures – as to how prevalent recruitment strategies remain, but most suggest that this is steadily decreasing and being replaced by other approaches.

Recent research by Timothy Bartik²⁸ provides a reality check. He calculates that resources devoted to recruitment efforts amount to over \$50 billion per year by state and local governments, with a further \$10 billion in federal spending and tax expenditures. The lion’s share is devoted to state and business tax and cash incentives at \$47 billion. Bartik notes that this figure is about the same as the amount raised through corporate income taxes, or about three percent of state and local own-source tax revenue. Of particular concern is that firms with fewer than 100 employees receive less than 10 percent of these incentives, even though they provide over one-third of private sector jobs. Moreover, most of the incentives go to the very largest firms.

Other research shows that, in the past five years, 80 percent of all counties in the United States have failed to attract a single business, suggesting that recruitment expenditures are concentrated in just 20 percent of counties, most likely in the major metropolitan areas.

The current state of economic development was described by one of the interviewees as becoming more sophisticated in terms of tools, focus and accountability, and more fragmented in the forms it takes. This is to be expected, given the variation in financial and technical capacities from metropolitan agencies and large regional development organizations to small towns and rural regions. Another reason is the growing recognition that recruitment strategies are no longer working in most parts of the country, despite the tendency for voters to favor efforts to lure businesses to their communities and to reward governors and legislators accordingly.

There are several realignments underway that both expand the reach of economic development efforts and recognize its inter-relationships with other facets of community and regional well-being.

- *Workforce development* – the attraction, retention and upskilling of the workforce is a primary consideration for employers everywhere. Although there has been a history of separating the functions of economic development and workforce development via separate agencies, funding streams and geographic focus, there are examples of closer integration as businesses, health services, and public agencies wrestle with skill shortages and mismatches of skills that hinder economic development.
- *Community development* – for some, economic development is a means to achieving community development goals; for others community development – embracing affordable housing, transportation, infrastructure, education, health care and community-building – is a pre-condition for economic development.
- *Resilience* – the ability of communities to withstand natural disasters and economic shocks, to recover, and to become stronger and more resilient, initially was only the concern of emergency management agencies. However, recognition that business continuity and adaptability and economic resilience are key determinants of community resilience has expanded the role of economic development.

Business retention and support for entrepreneurship are part of the mix of economic development strategies in many parts of the country, with or without recruitment efforts. Paying attention to the needs of

existing businesses, particularly smaller ones, is now recognized as critical to anchoring local economies through recessions, including the current pandemic. Economic growth may be achievable, particularly in marginalized communities, only through creating entrepreneurial ecosystems and programs.

Ways to measure the impact of economic development is also evolving. There is a shift from simple tallies of job creation to the adoption of more complex indicators, relating to quality of life, community vitality, the triple-bottom-line, and assets/community-wealth dashboards.

What is driving this evolution? Part of the answer is that times are changing. As noted by the OECD and by many of those interviewed, the impacts of globalization, new technologies, demographic shifts, and recessions are changing the dynamics and distribution of economic development, and the old approaches, especially recruitment, are largely irrelevant to most communities. Another intriguing answer, provided by many of the interviewees, is the dramatic generational shift that is underway with new intakes of younger, more diverse (in terms of gender, race and background) economic development leadership and staff, who appear to be open to more innovative and comprehensive approaches.

Perspectives from the Field: What is Different about Rural Economic Development?

The interviews provided both a clear-eyed assessment of the distinct challenges for economic development in a rural context and a set of requirements for effective rural economic development. In summary, the challenges are:

- Rural economies are less diversified, more vulnerable to external forces, such as federal policies, global market shifts, and the effects of climate change, and operate on limited fiscal resources. They have a narrower range of economic options and opportunities.
- Rural economies and communities vary in their assets and their prospects. A “sorting” is underway, determined by their ability to find competitive niches, develop a clear vision, and foster strong and inclusive leadership. The implication is that not every community will find a path forward.

- Rural communities are hampered both by unequal power relations with their larger urban neighbors in terms of access to resources and technical capacity, and by government legal authorities and fiscal structures that proscribe the range of actions that can be taken at the local level. The prohibition of local government efforts in some states to support, invest in, or operate broadband services in their communities is an often-cited example.

There were many recommended approaches or requirements for effective rural development. These four capture their scope:

- Rural economic development must be asset-based, community-centered and entrepreneurial. There must be an emphasis, particularly in more remote regions, on quality of life through scale-appropriate investments in health, education and housing.
- Regional collaboration is central to effective rural development, taking a whole-community approach across functions, geography and sectors, and recognizing that rural communities are parts of regional economies and labor markets.
- Rural economies are often closely tied to natural resources, and effective stewardship holds the greatest promise for the future. Extractive policies and external ownership and control have impoverished rural communities, so a new model that rewards stewardship and promotes local control must be found.
- Connectivity is key for rural prosperity, through universal and affordable broadband, through strengthening bridging capital to access regional and national expertise and networks, and through regional collaboration and pursuit of interdependence strategies with urban centers.

Perspectives from the Field: Through the Lens of Equity

Often, geographic equity is the primary lens used to view the way resources are allocated (or not) to rural regions. Contrary to conventional wisdom, racial diversity has been and is a growing feature of rural America. The intersection of geography, class, economic status, education and gender with race make the equity context complicated and challenging, but nonetheless essential.

What it means to apply an equity lens to economic development is still a work-in-progress. However, phrases such as “widespread and widely shared opportunity” as an economic development goal open the door to intentional efforts to address equity issues. The pursuit of diversity, equity and inclusion is gaining in importance, not least because it matters to businesses, their employees, their shareholders, and their customers. It also makes no sense to leave entrepreneurial populations, especially women, youth and immigrants, on the sidelines. Culturally appropriate programming to support Black, Indigenous and other minority businesses, and to engage with “invisible” Hispanic populations, in economic and community life is essential to economic success in many rural places.

The pandemic has exposed several fault lines in most rural economies. The impact on small businesses has been severe and the fear of seeing many of these close for good has spurred state and local governments to provide financial and other supports. These interventions became more critical when the initial emergency federal aid channeled through traditional banks often failed to reach rural businesses – a signal, if one is needed, of the systemic inequities facing rural economies and their diverse communities.

The benefits of and challenges to increasing Black business ownership have come to the fore both because of the pandemic and of the calls for racial justice and equity. Black business ownership creates wealth faster than wage employment, and Black business owners are wealthier than their peers and tend to hire from the community, thus creating local jobs. However, three major persistent barriers face Black entrepreneurs – the wealth gap (low median net worth compared with white households), the credit gap (lack of access to capital and vulnerability to predatory lending), and the trust gap (the continuing experience of discrimination and low expectations).²⁹ These barriers have been reinforced by long-standing discriminatory practices against Black small-business farmers, recognized in class action lawsuits³⁰ against the U.S. Department of Agriculture. Black farmers were denied access to farm loans and other farm benefits over decades, thus preventing household and community wealth accumulation in poorer rural communities.

Additionally, basic infrastructure is critical to economic growth potential. Many low-income rural

areas, tribal communities and communities of color still lack access to safe drinking water and sanitation. A recent report by Dig Deep and US Water Alliance showed that more than 2 million Americans do not have complete indoor plumbing. Further, Native American households are 19 times more likely – and Black and Latinx households are twice as likely – as white households to lack these basic necessities. The report points out that these disparities often cluster in certain areas and are in part due to historic discriminatory infrastructure investment decisions or geographic remoteness leading to cost constraints.³¹

Perhaps the most-mentioned source of inequity is the lack of high-speed, reliable and affordable broadband services in most of rural America. This has been an issue for many years, not least because of the constraints it places on economic activity. But the pandemic has shone a harsh light on how essential broadband is for remote learning, health care, governance, commerce and social connection; and it has underscored the racial and ethnic dimensions of this geographic inequity. The future of rural economies and communities is in no small way dependent on policies and investments to deploy and adopt broadband; the continuing shift to a reliance on the internet is unlikely to reverse when the pandemic is over. Decision-makers eager to find solutions to drivers of inequity need to be cautious about turning to broadband as a technological panacea, however. For some health care, education and human services, there is no replacement for physical interaction.

Perspectives from the Field: The Native American Experience

All the challenges and considerations that face rural communities generally apply to Indian Country – but often with greater intensity. An understanding of the evolving policy context over the past 60 years is essential for considering the opportunities for economic development going forward.³² The introduction of the Great Society programs and the War on Poverty in the 1960s marked a shift in federal policy from seeking to terminate tribal governments and relocate Native people away from reservations toward making tribal communities the focus of poverty alleviation programs. The Community Action Program initiated in 1964 began to engage tribes in community empowerment and led to the creation of federal and federally funded jobs on reservations.

The Indian Self-Determination and Educational Assistance Act of 1975 transferred management responsibility for a broad array of community development and health programs from federal agencies to the tribes, further increasing local employment on the reservations. More recently, tribes have been leveraging their comparative advantage in support of economic development and increasing tribal government revenues. For some reservations, this has meant real increases in median household income through mining and gaming, along with associated tourism activities, such as golf courses and hotels. But regaining the control of land and natural resources over which tribal communities have sovereign rights remains a central issue. There are multiple forms of land tenure, including communal, allotted lands, in trust, and land with fee. Some tribes have significant reserves of coal, natural gas and uranium, but they are controlled by federal agencies and private corporations.

Overall, however, the public sector remains the economic engine for Indian country, with lagging income and employment impeding efforts to rise out of poverty. Miriam Jorgensen of the Native Nations Institute argues that there is a need for a strong and thriving private sector made up of Native enterprises and tribal-owned enterprises to make the economies more resilient and productive: “Given Native nations’ various preferences, traditions, geographies, and belief systems, reservation-based private sector development might result in a richer mix of social enterprises, culturally connected businesses, sustainable practices, and relationship-based trade arrangements than is present in the mainstream.” She asserts that entrepreneurship and business development outside the tribal public sector have the potential to create distinctive quality of life benefits for Native communities.³³

Private, entrepreneurial economic activities, according to Indian law expert Robert J. Miller, far from being antithetical to Indian or Native culture, are part of Indian cultures, histories, and institutions: “Indian nations and communities developed and possessed cultural and government institutions that promoted and supported private economic activities over many centuries ... we are calling for Indian nations and people to revive their historical and traditional values, behaviors, structures, and mechanisms to engage in economic activities and to restore their institutions

and local regimes that promoted and supported individual and family economic activities.”³⁴

Recent research comparing reservation and nearby economies³⁵ provides arguments for diversifying tribal economies beyond the government sector and the hospitality industry, and it offers the outline for a diversification strategy that:

- Embraces a strong role for privately-owned businesses without forgoing the option to use tribally-owned entities to fill critical gaps.
- Maintains a fair, efficient and trusted system for resolving business disputes – commercial law codes, access to trusted courts, etc.
- Minimizes direct political or tribal government intervention in the affairs of privately owned businesses and tribal enterprises.
- Ensures reservation land can be readily acquired or leased for business purposes.
- Arranges the funding and administrative capacity to provide the physical and digital infrastructure that businesses need to compete.
- Builds a skilled workforce through education from pre-school to higher and vocational levels.

Miller adds to this list by arguing for efforts to improve financial literacy and foster entrepreneurship through education, training, technical assistance, and microlending.³⁶ He calls attention to the ground-breaking efforts of the Lakota Funds and the Four Bands Community Fund in South Dakota, and ONABEN in Oregon, as well as the growing network of Native CDFIs across the country.

Perspectives from the Field: Economic Development and Health

Hospitals and clinics are vital community anchor institutions. From 2010-2020, 138 rural hospitals (about seven percent of the total) closed or reduced services, with another 453 vulnerable to closure -- mostly in states in the Southeast and lower Great Plains that have not expanded Medicaid. Setting aside the significant health implications for rural residents, these closures have an economic impact in terms of employment, revenue flows, and business supply chains equivalent to \$2.30 of additional economic

activity for every dollar spent by a hospital.³⁷ For many rural counties, health services are the largest employer and economic generator, so they should be a primary business-retention target for economic developers.

In addition, even the loss of part of a hospital or health service can have severe consequences for rural economies. For instance, the loss of an emergency room will drive seniors away; the loss of an OB-GYN will deter young families, contributing to the downward spiral of affected rural communities. Another factor that affects small businesses directly is the fact that workers' compensation rates are related to the distance from an emergency room, so a closure could be another reason a business moves away or decides not to expand.

However, the loss of hospitals is not just about economies of scale and market forces. It is also about business decisions determined remotely by an outside owner with a lack of local community engagement, ignoring or under-appreciating the significance of hospitals and clinics as economic anchor institutions. This is a clear and pressing argument for more integrated approaches between economic development and health care.

If there is a silver lining to the pandemic, it is the evidence of innovation in integrated rural healthcare, based on telehealth, distributed care networks, and flexible funding streams, especially for services that are conducive to telemedicine. But these are dependent upon the availability of reliable, high-speed broadband for providers, patients and families; robust workforce programs; and supportive regional, public-private-nonprofit governance.

Perspectives from the Field: Economic Development and Environment

As we consider global megatrends that are top-of-mind in 2021, many acknowledge ecological sustainability, and especially climate change, as a major threat to rural well-being.³⁸ However, climate change remains a politically charged subject, partly because appropriate responses will demand major changes in the way natural resources are managed. Transitioning from fossil fuels will mean economic disruption to regions that are dependent upon coal, oil and gas, complicated by the strong cultural and

community associations with mining and drilling. The way forward is through developing alternative renewable energy sources and through economic diversification strategies. Also, considering how and where communities grow and develop can mitigate or exacerbate climate impacts. Smart growth strategies can be applied in rural settings to reduce contributions to greenhouse gases as well.

Despite the resistance to engage in meaningful responses to climate change and environmental issues generally (often characterized as jobs vs. environment, or short-term economic certainty vs. long-term economic disruption), the growing incidence of wildfires, water shortages, high temperatures, sea-level rise, and storms is forcing change. Resilience, initially rooted in emergency management and environmental mitigation, is now a mainstream concept, with innovations advancing in carbon sequestration, renewable energy and recyclable materials, community-owned forests, and green infrastructure and development. Additionally, the pandemic has given impetus to finding new ways to expand economic opportunity, such as through the support of local and regional food systems, sustainable and organic farming, new agricultural technologies, food waste reduction strategies, and renewable energy.

State Approaches to Rural Economic Development

State governments and their agencies are central players in economic development and particularly in rural economic development. A recent report prepared for the State Economic Development Executives Network provides the results from a survey on state approaches to developing rural economies. An overarching principle is:

“Addressing the challenges facing rural communities requires a comprehensive strategy that takes stock of the existing assets and needs in rural America. The work of states on economic and workforce development, infrastructure, education, and place-making must tailor approaches to meet the unique challenges facing rural communities.”³⁹

Sixty percent of state economic development offices report having specific rural economic development plans, while others incorporate rural development

efforts into statewide plans. The top ten most pressing issues cited are broadband deficiency, workforce skills gaps, poor infrastructure, the “brain drain,” lack of community investment, population decline, over-reliance on one or a few industries, poor housing stock, lack of entrepreneurship, and lack of community leadership and training.

The survey highlighted four emerging trends in state rural development strategies:

- *Leveraging community assets.* Some places are thriving through leveraging existing assets, such as their scenic amenities and natural resources, or their proximity to oil and gas reserves, while others are capitalizing on their links to metropolitan areas.
- *Exploring collaboration and innovation for diversification.* These strategies are wide-ranging and include partnering with their universities and research institutions, engaging with community colleges for workforce development, supporting entrepreneurial awareness, accessing early-stage risk capital, finding ways to support the growth of manufacturing and logistics/supply chains, and looking for opportunities to grow technology and improve the quality of place.
- *Integrating with community development.* Some states are shifting to more organic community development strategies, with a focus on collaborative community development and community building. This may entail building a good quality of life in the community with systematic input from the residents.
- *Targeting niche markets.* This features a more refined industry focus, with deliberate building of networks and contacts, and planning for supportive state and community ecosystems, together with more inclusive strategies for supporting entrepreneurship and embracing the gig economy.

Finally, the metrics for success are evolving along with the shifts in rural economic development strategies. The State Network report identified three groups of metrics that are being used or developed, which suggest an increasingly sophisticated approach to rural economic development.

- *Employment and growth metrics* – job growth, new jobs, workforce participation and growth, wage growth, per capita income growth, median family income levels, unemployment rate.
- *Business climate and economic condition metrics* – change in economic output, tax base increases, change in the number of employers, the number of expanding employers, the number of active

entrepreneurs, growth of specific industries, availability of infrastructure, including broadband, number of skilled workers in key occupations.

- *Community improvement metrics* – population growth and stability, school population increasing, graduation rates, poverty decline, vibrant downtown, home sales strength, level of economic distress improvement.

AUTHORS' COMMENTARY

Five Emerging Themes in the Economic Development Field

So, what will it take for economic development practices to contribute to building a healthy, equitable and environmentally sustainable rural America? This scan has shown that the answers to seemingly simple questions – *What is economic development? How is it changing?* – are far from straightforward, and as diverse and complex as rural America itself. The longstanding association between economic development practice and recruitment strategies remains strong, but as more communities recognize the limitations of recruitment and, indeed, its irrelevance to the current realities of rural economies, alternative approaches are both being considered and adopted.

The first task is to clarify what is meant by “economic development,” and how this differs or intersects with “community development,” and how this plays out in a rural context.

Our conclusion is broadly in line with the new OECD rural policy framework in that *economic development* is concerned with creating the conditions for *economic well-being*. Economic well-being encompasses two complementary goals:

- *The generation of income and wealth* for individuals, households, and communities that allows them to meet their essential needs for food, housing, healthcare, education and transportation, and to make choices that contribute to their individual and community security and satisfaction.
- *The equitable distribution of benefits from that income and wealth* so that economic well-being is widely-shared, irrespective of geography, race and ethnicity, or gender, and leads to broad-based opportunity and resilience.

As the field scan shows, economic development and community development are sometimes treated as entirely separate activities, or economic development is seen as the means to community development, or community development is regarded as the precursor to economic development.

Our view is that *community development*, again in line with the OECD policy framework, is concerned with creating the conditions for *social well-being*. Social well-being refers to two complementary goals focusing on the arrangements by which families, networks, associations, institutions and economies influence quality of life.⁴⁰

- *The provision of affordable and accessible services* such as healthcare, education, housing, transportation, and social and community services.
- *The weaving of the social and community fabric* that creates a sense of belonging and trust founded in positive relationships and networks through religious, cultural, recreational, and educational institutions, cultural and family connections, and strong and inclusive governance. In other words, the empowerment of *all* citizens to live happy, healthy and meaningful lives.

Economic development, however, as currently practiced, is often not explicitly linked to these goals as articulated. This, at least in part, is because it is a combination of both technical and political processes, and only loosely grounded in any coherent theory.

On the technical side, economic development comprises a set of programs and activities.⁴¹ The most prominent are financial incentives to businesses in the form of tax breaks, loans, and grants for capital projects such as land development, buildings, equipment and working capital. They can be targeted

primarily at larger companies relocating from elsewhere, or at businesses contemplating moving to another location, or at businesses of any size seeking to grow and employ more people. Other programs may include working with businesses to provide customized training and technical assistance, which increasingly encompass entrepreneurship support such as training, developing incubators, or facilitating networks. Economic developers may promote new projects such as industrial or commercial parks and enterprise zones, infrastructure improvements for water, wastewater or broadband, and downtown or Main Street revitalization. In better-resourced organizations, staff may conduct economic analyses to better understand the local economy and its strengths and opportunities, or to quantify the economic impacts of a new development or a factory closure.

Politically, economic development tends to be a high priority for governors, county commissioners and mayors, which often translates into enthusiasm for recruitment strategies, with their potential for high-profile returns in terms of jobs and taxes. Not only has this led to what can only be described as misdirection of resources, particularly in rural regions, but it also has led to a culture of secrecy and deal-making, where details of incentive packages given to companies are shielded from public view. There has been a welcome increase in transparency and accountability in recent years, but the impression of exclusion remains.

This field scan shows that economic development is evolving in many ways, due to changing realities facing local and regional economies, a growing interest in innovation and experimentation in local communities across the country, and an influx of new, younger and more diverse practitioners. Some clear themes are emerging:

- **Shift from Recruitment.** A growing recognition that recruitment strategies should no longer be the primary thrust of economic development, especially in rural regions, and that the main focus should be on retaining and supporting existing businesses and economic generators, and on creating the conditions for entrepreneurship. Even where recruitment does represent a viable strategy, there are moves towards a more targeted, strategic and accountable process.⁴²

- **Building on Assets.** Building on community and regional assets is now a widely held principle, using local strengths as the basis for marketing, development, and small business development. Assets-based development approaches, such as WealthWorks, have attracted some attention, both for the focus on strengthening multiple forms of assets – natural, built, social, political, intellectual, individual and cultural as well as financial – to ensure that a focus on one does not deplete any other; for the importance attached to value chains as the basis for profitable, market-driven and sustainable businesses; and for its intention that development must be designed at the front end to reduce economic and social inequity.
- **Integrated Strategies and Systems.** Integrating different development strategies, especially economic development with workforce development, community development, and community resilience, into more comprehensive approaches to rural and regional development is recognized as the route to greater effectiveness and impact. The pandemic has highlighted the need to include health systems and healthcare services as another vital piece of such integration. Integration also includes bringing together policies and funding streams from federal, state, local, private and philanthropic resources.
- **Regional Collaboration.** For over a century, there has been interest in pursuing economic development through regional strategies. The Tennessee Valley Authority and the Appalachian Regional Commission are two long-established government-led examples. However, practical responses both to the increasing complexity of the challenges faced by rural communities and economies, and the challenge of limited resources and technical capacity in local governments and nonprofits, have led to greater voluntary collaboration across jurisdictions, organizations, and sectors to share ideas, pool resources and plan strategies. In economic development, such collaboration encompasses multi-jurisdictional planning through comprehensive economic development strategies, public-private partnerships, linkages with universities for technology transfer and specialist expertise

and with community colleges for workforce development programs, and joint efforts with utility companies and others to pursue infrastructure and service improvements.

- **Equitable Development.** Equity is a growing dimension of economic development in two respects. First, in rural communities and regions, the intersectionality of race, geography, class and culture raises hard questions as to the quantity and quality of resources that flow in and out. Experience with the emergency aid funds during the pandemic showed that rural, Black, Latinx and Native businesses were initially shut out by the financial system, which required rural governments and philanthropy to step up to provide interim relief. This, of course, was just the most recent in a long line of systematic exclusions with which Indigenous, Black, and Latinx populations have been contending for generations, but which still have economic development consequences today. The second dimension relates to questions about who benefits from economic development and who loses. Who gets the jobs and at what pay? Where do the profits go? Who must deal with any environmental consequences?
- **Stewardship.** The management and use of natural resources, whether through farming, forestry, fishing, mining or recreation remain at the heart of rural life, even though many of these activities employ just a small proportion of the rural workforce. Issues of climate change, alternative sources of energy, and reductions in biodiversity are beginning to have an impact on rural economic development, even though they bring substantial political contentiousness. The challenges of wildfires, droughts and high temperatures, floods, hurricanes and tornadoes, and rising sea levels are leading to initiatives such as carbon sequestration, as well as measures to make communities and landscapes more resilient through better land use and development decisions. Smart growth is one framework weaving issues and actors together to explicitly address a range of development and conservation strategies. The need to transition from coal and other fossil fuels in favor of renewable

energy is creating economic and community disruption and opportunity that must be managed through economic diversification and workforce development efforts. Natural resource and land stewardship may prove to be the next economic development frontier, but the issue of ownership and control is the greatest barrier to equitable and sustainable rural development. The concentration of land ownership in the hands of large, outside, often foreign, corporations and the federal government takes away rural economies' most important asset.

What Will Drive Change?

While these emerging themes are encouraging, there is much to be done to ensure their widespread and consistent adoption, especially in ways that ensure benefit to rural people and places. Speeding up the process will require action on several fronts, many of which surfaced during our review. Here are five.

1. **Generational Shift.** New intakes of younger, more diverse economic development leadership and staff are showing themselves to be more open to innovative and more comprehensive approaches than their predecessors. State and local governments, public-private partnerships, community development organizations, and others must consider creative ways to attract young and diverse talent to rural economic development.
2. **Education and Training.** The content and methods for educating and training prospective and incumbent economic developers are critical to changing the way rural economic development is practiced. The curricula of some graduate courses in areas such as public policy and public affairs are beginning to introduce students to the themes outlined earlier, as is the International Economic Development Council (IEDC), as it works with and accredits practitioner economic development training courses across the country. But there is a long way to go.
3. **Promising Practices.** The scan has shown that the practice of economic development is already running ahead of strong theoretical foundations. That is both exciting, as practitioners explore creative ways of responding to current economic

and social realities, and troubling, as the evidence base for determining what works is not as well-developed as it should be. Nevertheless, membership organizations, such as the National Governors Association, the National Association of Counties, and the National Association of Development Organizations, as well as private and nonprofit organizations, such as the Center for Regional Economic Competitiveness, EntreWorks and e2 Entrepreneurial Systems (among many others), can be effective in sharing good practices through reports, websites, webinars and conferences.

- 4. Policy.** Coherent Federal policy on rural development and rural economic development could be a potent way of accelerating the emerging themes. A government-wide strategy akin to the OECD's rural policy framework; an expansion and redesign of the U.S. Economic Development Administration's Comprehensive Economic Development Strategy process to encourage and support regional strategies by incorporating other Federal programs from, for example, agriculture and rural development, public lands, environmental protection and conservation, disaster recovery, transportation, and energy; concerted investments in rural small business and entrepreneurship; and changes in program implementation requirements and success measures could drive a more holistic, equitable and sustainable movement in rural economic development.

- 5. Informed Narratives.** Although availability of robust and reliable data is essential to sound economic development policy and practice, it will not change policy and practice (nor the minds of rural elected representatives) unless it can be presented in compelling narratives. Benchmarking websites such as the County Health Rankings & Roadmaps (health and healthy community indicators), Prosperity Now Scorecard (household financial health and racial economic inequality), and Site Selection's Business Climate Rankings (workforce skills, infrastructure, regulations, taxes, etc.) enable regions and communities to compare their policies, practices and outcomes with peer areas that have similar (or different) characteristics, so that they can think about what to do differently to achieve their goals. Journalism initiatives, such as the Daily Yonder or the American Communities Project, can link the data to the everyday experiences of rural people.

Driving change toward equitable rural development is within reach. No single organization or agency has the capacity, know-how, or resources to make these changes happen all by itself. It will take everyone with a stake in rural prosperity and equity to step up, from the local community association and elected official to the regional intermediary or hub, to state and federal policymakers and agencies. This field scan identifies the emerging trends that point the way and the five drivers of change in rural economic development that show what needs to be done.

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Experts Interviewed

Ted Abernathy, Managing Partner, Economic Leadership LLC

Suzanne Anarde, CEO, Rural Community Assistance Corporation

Susan Anderson, Senior Director, Rural & Native American Team, Enterprise Community Partners

Timothy Bartik, Senior Economist, W.E. Upjohn Institute for Employment Research

Bo Beaulieu, Professor, Rural & Regional Development, Purdue University Center for Regional Development

Michael Burns, Executive Director, Community and College Partners Program (C2P2)

Caitlin Cain, Vice President, LISC and Rural LISC Director

Jo Anne Carr, Planning & Economic Development Director, Town of Jaffrey; NH and American Planning Association

Andrew Crosson, Director of Regional Initiatives, Rural Support Partners

Connie Evans, President & CEO, Association for Enterprise Opportunity

Debbie Franco, Senior Adviser, Water & Rural Affairs, California Governor's Office of Planning & Research

Swati Gosh, Senior Director of Research, International Economic Development Council

Jason Gray, Senior Fellow, Research & Policy, North Carolina Rural Center

Amy Hause, Director, Economic Vitality Services, Rural Development Initiatives

Sarah Kackar, Rural Initiatives Lead, NeighborWorks America

Marjorie Kelly, Executive Vice President, Democracy Collaborative

Heidi Khokhar, Executive Director, Rural Development Initiatives

Tracy Hadden Loh, Fellow, Bass Center for Transformative Placemaking, Brookings Institution

Cara James, President & CEO, Grantmakers in Health

Chris James, President & CEO, National Center for American Indian Enterprise Development

Karen Jones, Director, Regional Economic Development Center, Yavapai College, AZ

Kate Kingery, Deputy Director, Community Transformation, County Health Rankings & Road Maps, University of Wisconsin Population Health Institute

Patrice Kunesh, Pehin Haha Consulting and Major Gifts Officer, Native American Rights Fund

Kimber Lanning, CEO, Arizona First and Board Member, Common Future

Sara Lawrence, Program Director, Innovation-Led Economic Growth, RTI International

Don Macke, Vice President, e2 Entrepreneurial Ecosystems

Chuck Marohn, President & CEO, Strong Towns

Joe McKinney, Executive Director, National Association of Development Organizations

Stephen Michon, Senior Community Development Analyst, Federal Reserve Bank of Boston

Alejandra Montoya-Boyer, Associate Program Director, Resilient Economies & Communities, National Association of Counties

Alan Morgan, Chief Executive Officer, National Rural Health Association

Jack Morgan, Program Manager, Resilient Economies & Communities, National Association of Counties

Chad Nabity, Director, Hall County Regional Planning Commission, Grand Island NE; and former Chair, AICP, American Planning Association

Erik Pages, Founder, EntreWorks Consulting

Ines Polonius, CEO, Communities Unlimited

Kenneth Poole, CEO & President, Center for Regional Economic Competitiveness

Shanna Ratner, Principal, Yellow Wood Associates

Andrew Reamer, Research Professor, Institute for Public Policy, George Washington University

Mark Rembert, Head of Rural Innovation Network, Center on Rural Innovation

Michael Roberts, CEO, First Nations Development Institute

Sally Rood, Senior Policy Analyst, Economic Opportunity Division, National Governors Association

John Robert Smith, Chair, Transportation for America, and Senior Adviser, Smart Growth America

Arthur Scott, Associate Legislative Director, National Association of Counties

Matt Wagner, Vice President of Revitalization Programs, National Main Street Center

Mike Wilson, Senior Program Director, Northern Forest Center

Penny Wills, President, Rural Community College Alliance

Community 
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THRIVE RURAL

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Since 1985, the **Aspen Institute Community Strategies Group** has helped convene, equip and inspire local leaders as they build more prosperous regions and advance those living on the economic margins – with more than 75% of that work in rural America. Committed to increasing opportunity and equity and improving economic, social and health outcomes, CSG advances an asset-based and systems-building approach to community and economic development.

THRIVE RURAL – an effort of the **Aspen Institute Community Strategies Group** in partnership with the **University of Wisconsin Population Health Institute** with initial support from the Robert Wood Johnson Foundation – aims to create a shared framework and understanding about what it will take for communities and Native nations across the rural United States to be healthy places where everyone belongs, lives with dignity, and thrives. Thrive Rural intentionally brings into focus the convergence of racial, economic and geographic inequity in rural America. Thrive Rural elevates what works and what’s needed to bridge health with community and economic development, and connects the shared aims, reality and prospects of rural America with all of America.