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# A survey of local governments' economic development strategies in declining rural American areas

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Thesis

**A SURVEY OF LOCAL GOVERNMENTS' ECONOMIC DEVELOPMENT  
STRATEGIES IN DECLINING RURAL AMERICAN AREAS**

by

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*“As I went walking that ribbon of highway / I saw above me that endless skyway / I saw  
below me that golden valley / This land was made for you and me.” – Woody Guthrie,  
This Land is Your Land*

## **DEDICATION**

I would like to dedicate this work to Katie Colfer and Karina Shepard, to Kerry, John,  
and Peter Cutrumbes, and Tom Heerema.

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I am deeply grateful for the guidance of Katherine Levine Einstein, who assisted with all stages of this thesis and provided much-needed wisdom and feedback.

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**ABSTRACT**

The economic decline of many rural American towns in recent decades has garnered much attention and research. Most of this research, however, has taken a prescriptive approach to policy and has focused mainly on making recommendations for how to “fix” rural America. No research has systematically looked at what declining rural American areas are already doing to support their local economies and attempt to reverse economic decline. This study explores 55 towns and counties, 50 through their planning documents and five through a combination of planning documents and in-depth informational interviews, to determine how local governments are responding to economic decline. This analysis reveals that there is a very wide variety in both types of response and the level of response. While some areas are doing very little to address economic decline, other areas are implementing innovative and intensive approaches to build more robust and diversified economies. Overall, the implication of this research is that both scholars and policymakers should be careful to understand local contexts before making prescriptive policy approaches.



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## INTRODUCTION

Rural America – specifically, the perceived economic and demographic decline of rural American areas –has captured the public’s attention in recent years. Since the 2016 presidential election that resulted in Donald Trump’s rise to power, academic and public interest in rural areas has spiked. Using an online application that aggregates web searches on Google, we can see that searches for “rural America” reached its highest popularity to date in November 2016 (immediately following the election) and has stayed consistently higher than average since then<sup>1</sup>. The *New York Times* alone has published 301 articles with the phrase “rural America” since November 2016 through February 2020, about one every four days on average, with headlines ranging from feel-good “What Rural America Has to Teach Us” to doomsday “America’s Small Town Crisis”<sup>2</sup>. Academics have written a plethora of new scholarship on rural decline, including *The Left Behind: Decline and Rage in Rural America* by Robert Wuthnow<sup>3</sup> and Kathy Cramer’s *The Politics of Resentment: Rural Consciousness in Wisconsin and the Rise of Scott Walker*<sup>4</sup>. Clearly, the economic decline of rural American areas has become a highly popular political process of interest. Yet, the plethora of work on the causes and political angst produced by this phenomenon has failed to tell the whole story.

<sup>1</sup> Data source: Google Trends (googletrends.com), search term “Rural America”, time period 2004-January 2020.

<sup>2</sup> Data source: New York Times search function (nyt.com), search term “Rural America”, time period November 2016-January 2020.

<sup>3</sup> Wuthnow, Robert. *The Left Behind : Decline and Rage in Rural America*. Princeton, NJ: Princeton University Press, 2018.

<sup>4</sup> Cramer, Katherine J. *The Politics of Resentment : Rural Consciousness in Wisconsin and the Rise of Scott Walker*. Chicago Studies in American Politics. Chicago ; London: University of Chicago Press, 2016.

For all the work done documenting rural America's economic decline, almost no work has focused on what rural areas are doing to combat it. Specifically, there has been no descriptive academic research that has examined resistance to economic decline or documented strategies that municipalities may be utilizing to "fight fate". This research, therefore, seeks to fill this gap by providing an in-depth survey of what rural local governments are actually doing to stem the flow of jobs and people from their towns, cities, or counties, by examining their planning documents and conducting interviews with local officials.

This research is important for two reasons: one, as discussed below, most of the literature focused on combatting rural decline is highly prescriptive in approach. It is difficult to understand how scholars and policymakers alike aim to ameliorate rural poverty without understanding what roles local governments are taking on or initiatives they are already attempting. This macro-level approach to policymaking consistently misses the mark on providing informative insight to rural governance if it does not take into account existing measures or trends in local policymaking. As the old axiom goes, we must measure before we can evaluate.

Secondly, outside advocates prescribing policy to rural areas in normative ways underlies the perception that rural areas are unable or unwilling to "help themselves". When academics, often educated and practicing in large metropolitan areas, write policy recommendations without explicitly seeking out knowledge about what these towns or cities are already pursuing, the research is one-dimensional at best and condescending at worst. While rural policy can be well rounded and offer good-faith analysis without such

background, it cannot offer much more than generalist recommendations that may or may not make sense with many areas' goals and practices. This research, examining current local governments' goals and plans for economic revitalization, will provide more of the essential background necessary to making more thoughtful, nuanced economic policy for both rural governments and outside academics alike.

Currently, there is abundant research hypothesizing the most efficient and easiest ways to reverse the economic decline in rural America. For example, John Crabtree, in his work "A Different Path for Rural America", studies three ways in which the government could regulate the economy in such a way as to promote economic growth in traditionally rural sectors<sup>5</sup>. His main hypotheses consist of microloaning to entrepreneurial farmers, decentivizing – through subsidy restructuring – large farms from using their economic clout to buy up smaller farms and push up land prices and breaking up the ability of the meatpacking industry to vertically integrate. With a more equitable agricultural financing policy that is antagonistic to monopolies, Crabtree contends that the United States "could support the entrepreneurial spirit of people living in low-density areas"<sup>5</sup>.

Crabtree's analysis of policy recommendations is unique in that it allows for a large role in government regulation of larger corporations and banks. Rather than providing tax breaks or in-cash grants to farmers, he focuses on larger, structural issues that are preventing many rural American farms from flourishing. However, his approach

<sup>5</sup> Crabtree, John. "A Different Path for Rural America." *American Journal of Economics and Sociology* 75, no. 3 (2016): 605-22.

lacks many empirical or experimental tests to evaluate whether these approaches would actually be effective and is more akin to an econometric analysis wish list.

László Kulcsár and Benjamin Bolender also investigate the effect that specific changes injected into rural America would have on the local economy, but in a more empirical context<sup>6</sup>. Kulcsár and Bolender's study examines the role of biofuel plants in the Midwest to learn whether or not the presence of a biofuel plant has an impact on local unemployment, slowing aging population trends, and migration trends in the area. Their spatial regression models illustrate a resounding vote of no confidence. "Despite initial expectations", they write, "ethanol plants have no association with the demographic trajectories of rural counties"<sup>6</sup>. Their explanation of the results is that the biofuel industry is largely automated, meaning that there is not a surge in job creation for areas that a biofuel plant is built in, and that biofuel plants are likely to seat themselves in areas that already have relatively robust economies. As such, biofuel plants are likely to be put in rural areas already performing well, having lower unemployment rates, more college degrees, and a higher "existing industrial capacity"<sup>6</sup>.

This idea that more "qualified" rural areas for business will receive more new businesses than other is reiterated often in the literature on rural economic revitalization, and many scholars are focused on how to qualify rural areas. Joseph Coates, rather than prescribing policy recommendations or testing a specific scenario, hypothesizes about the types of rural communities that will survive the loss of their agriculture and

<sup>6</sup> Kulcsár, László, and J. Bolender. "If You Build It, Will They Come? Biofuel Plants and Demographic Trends in the Midwest." *Population and Environment* 32, no. 4 (2011): 318-31.

manufacturing bases in the coming decades. In an almost Social-Darwinism paragraph, he argues that "... in aggregate most rural communities must die. A paramount state issue, therefore, is to orchestrate the inevitable demise of substantial numbers of communities currently occupied by citizen voters"<sup>7</sup>. Coates' argument, though harsh, is not entirely doom and gloom; he also characterizes seven types of rural communities that are likely to make it, at least for a few decades. Among these he lists communities that have natural amenities and "dramatic, exciting topographies" to entice tourists, retirement communities, and college towns and the surrounding areas<sup>7</sup>. However, many of these types of rural communities will only survive by urbanizing – Coates sees little to no future in farming communities, and only limited, short-lived viability in communities based on exporting natural resources, such as mining or petroleum. Notable in Coates analysis is a lack of contextualized knowledge about rural places – instead, the work is centered on macro-data and sweeping claims.

Coates also prescribe improvements to the telecommunications infrastructure of rural America in order to connect residents with more professional jobs, another common refrain for alleviating economic decline in rural America. Clara Hendrickson, Mark Muro, and William Galston of the Brookings Institute echo the same ideas. In order to reverse downward trends, policymakers must focus on reducing the gaps in broadband internet access and help train rural individuals in digital skills, making them more

<sup>7</sup> Coates, Joseph F. "Rural America: A Future of Decline and Decay Unless ...." *Technological Forecasting & Social Change* 113 (2016): 39-40.

marketable to tech<sup>8</sup>. While this proposal may hold wide appeal among scholars drawn to telecommuting or digital readiness as an answer to rural economic decline, there is evidence that this approach may not be fruitful as local attitudes towards information technologies differ among demographics<sup>9</sup>. Still, it is a common proposal among those who study rural economies. And, to Hendrickson, Muro, and Galston's credit, they acknowledge that this may not be the only answer; in the literary equivalent of throwing their hands in the air, they write that their proposals are only "a first sketch of what might work", and that their main hope is to inspire creativity in addressing future challenges.

Among the myriad of prescriptive approaches to economic revitalization is a focus on increasing migration flows to struggling areas as a way of introducing new capital and new residents. Daniel Lichter's examination of "Immigration and the New Racial Diversity in Rural America" acknowledges how minority populations, most notably Hispanic, have moved to rural areas in astonishing numbers, prompting one of the "more important but least anticipated population shift in recent demographic history"<sup>10</sup>. Furthermore, this growth is not spatially dispersed, but concentrated: in the Midwest, for example, just 8% of counties experienced 50% of the Hispanic population growth from 1990 to 2010. And this shift, scholars have argued, can only mean good

<sup>8</sup> Hendrickson, Clara, Muro, Mark, and Galston, William A. "Countering the Geography of Discontent: Strategies for Left-Behind Places". *Brookings Institute*. November 2018. Web.

<sup>9</sup> LaRose, Robert, Kurt DeMaagd, Han Ei Chew, Hsin-yi Sandy Tsai, Charles Steinfield, Steven S. Wildman, and Johannes M. Bauer. "Broadband adoption| measuring sustainable broadband adoption: an innovative approach to understanding broadband adoption and use." *International Journal of Communication* 6 (2012): 25.

<sup>10</sup> Lichter, Daniel T. "Immigration and the New Racial Diversity in Rural America\*." *Rural Sociology* 77, no. 1 (2012): 3-35.



things for rural economies. Patrick Carr, Daniel Lichter, and Maria Kefalas all argue that in-migration has slowed “incipient population decline” and stimulated rural economies<sup>11</sup>. Immigrants’ birth rates, which are usually higher than the local population, help keep schools running, and they exhibit how certain communities that have effectively integrated – not assimilated, but integrated – immigrants have experienced immense success, with decreased hostility and decreased out-migration of immigrants<sup>11</sup>. In other words, immigration can bolster the local economy and population, but its most effective when assimilation is a two-way street: immigrants come, and societies actively receive them. As such, their policy recommendations are for rural towns to overcome hostilities towards “outsider” populations and instead expand ESL services and created collaborative organizations to smooth the transition, as their case studied town did<sup>11</sup>.

Still others argue that the politics that will save rural America must focus on local schools and professional development within the education system. Andrew Crookston and Gregory Hooks both examine the role that community colleges can play in rural areas, and find that in most time periods, the presence of these institutions foster robust economic growth, partly pertaining to the more qualified workforce and the “spillover effect” of institutions which creates supplementary businesses – for example, restaurants, dry-cleaning services, or libraries<sup>12</sup>. However, what this analysis lacks is the

<sup>11</sup> Carr, Patrick J, Daniel T Lichter, Maria J Kefalas, John Macdonald, and Robert J Sampson. "Can Immigration Save Small-Town America? Hispanic Boomtowns and the Uneasy Path to Renewal." *The ANNALS of the American Academy of Political and Social Science* 641, no. 1 (2012): 38-57.

<sup>12</sup> Crookston, Andrew, and Gregory Hooks. "Community Colleges, Budget Cuts, and Jobs: The Impact of Community Colleges on Employment Growth in Rural U.S. Counties, 1976-2004." *Sociology of Education* 85, no. 4 (2012): 350-72.

understanding that for areas that conform to the census designated definition of rural, sustaining educational institutions of this size, or attracting them in the first place, is nearly impossible.

While very few would argue that having more universities in less-accessible areas is a bad strategy for development, the barrier to entry is high; most rural places do not have the capital or the necessary academic resources to launch new, reputable community colleges. To respond to this reality, some argue that the approach must be more collaborative, and on a more micro-level. Horabat L. Harmon and Kai Shafft, scholars of education policy, posit that rural schools must take a more active role in community development in order to create spaces where students want to stay – to “foster a sense of place” such that residents who grew up there will be more inclined to stay or return<sup>13</sup>. Their research has very clear recommendations for school officials to implement, including addressing what “collaborative process will the district or school leader use in identifying community development needs that mutually accomplish goals of the school and community”<sup>13</sup>. While the article does not provide concrete examples, one could imagine a town where schools and the community writ large are largely intertwined – through volunteer programs, local sporting events, or community events hosted at the schools. In this way, Harmon and Shafft argue that schools can independently invest themselves in their communities, even if their communities do not have the resources to invest themselves.

<sup>13</sup> Harmon, Hobarat L, and Kai Schafft. "Rural School Leadership for Collaborative Community Development." *Rural Educator* 30, no. 3 (2009): 4-9.

Many of these prescriptive approaches (save Harmon and Shafft) have several similarities. They view rural decline as a problem that is solved from the outside in: the introduction of new governmental policies, new businesses from elsewhere, or new citizens of a place entirely. And while the educational approach necessarily focuses on the institutions existing a priori to rural decline, they still argue for an outside consultant or other source to guide or train rural communities on how to best reverse the decline. The answer for rural decline does not fall within rural communities, but rather must be imposed onto them from an outside source. While Crabtree makes tangential references to the “entrepreneurial spirit” of Americans he does not envision a way for which rural farming to survive without external intervention. This is not to argue that many of the prescriptions are not well thought out, implausible, or ineffective (many appear to be valid hypotheses, though this study is not a feasibility or efficacy study) but that they focus on what others can do to change the rules of the game by which rural American towns are playing. But many of these approaches fail to ask: what rules are these towns changing already? What approaches, innovative or conventional, are already being taken at the local level?

Most of the research delving into the realities of rural American economic policy is written in journalism format. The majority of these stories have been written by Citylab, a Bloomberg sub-publication focusing on urbanism, and The New York Times. While other publications exist, they consist mainly of op-eds with little outside sources, and are thus excluded from this section. Citylab reporter Jean Hardy, in his piece “How Rural America is Saving Itself”, examines several ideas that rural communities are

implementing to staunch the outflow of residents – including how tech industries are making their way into some rural communities<sup>14</sup>. For example, a “business accelerator” in rural Michigan, over 200 miles away from the nearest urban area, has produced over 700 jobs in the region by training and aiding aspiring tech startups. Similarly, Hardy reports on coworking office spaces – similar to WeWork in large cities – that make remote employment more feasible and provide affordable renting to budding small businesses. Most noteworthy, however, is Hardy’s proposition that rural America is not defunct or backwards, but rather an asset to the tech economy:

“Instead of portraying aging and stagnant populations as a problem that needs to be fixed, what happens when we think of them as opportunities to learn about sustainability and the future? ...Rural values related to neighborliness and tight-knit communities can be looked to by technology designers to create more open and welcoming online spaces. Remote and spread-out populations can teach us a lesson about how to incentivize user-generated content on platforms like Yelp and Wikipedia.”

In this way, Hardy argues, we can view rural communities as a way to bring depth and multidimensionality to the tech industry, rather than attempting to build a miniature Silicon Valley into every rural county.

Similarly, Richard Florida of CityLab examines the creative economy in rural areas and finds that several counties promote the creative class in such a way as to

<sup>14</sup> Hardy, Jean. “How Rural America is Saving Itself”. *CityLab*. 20 December 2018. Web.

contribute to place-making<sup>15</sup>. This was especially true for areas that have amenities like natural beauty, or a nearby university, but that does not negate the vastly positive effects of a thriving creative class. Rural organizations were 12% more likely to report that people traveled “beyond a reasonable amount” to visit. As well as this, wages increased much faster in these regions than in places without a solidified creative class. Even more impressive is that many rural creative areas can draw in creators from urban areas, reversing the common trend of rural out-migration: “typical of the rural creative class, such professionals often are willing to exchange higher wages from an urban employer for more outdoor recreational opportunities and for a greater quality of life overall”<sup>16</sup>.

Finally, New York Times reporter Joshua Bernstein investigates how many American dairy farmers have read the writing on the wall and changed direction<sup>17</sup>. Faced with rising costs and decreasing demand, dairy farmers across the nation have searched market trends for what may be more profitable, and many have found a solution: craft beer. This trend, amplified by dairy farmers and breweries previous linkages and a turn away from mass-produced beer consumption, is not only noteworthy, but exemplary of how rural American businesses are capable of shifting direction and adapting to a modern marketplace. Bernstein reviews dairy-farms-turned-breweries across the country and

<sup>15</sup> Florida, Richard. “The Rise of the Rural Creative Class”. *CityLab*. 1 May 2018. Web.

<sup>16</sup> Wojan, Timothy R., Bonnie Nichols, and Mark A. Runco. "Design, Innovation, and Rural Creative Places: Are the Arts the Cherry on Top, or the Secret Sauce?" *PLoS ONE* 13, no. 2 (2018)

<sup>17</sup> Bernstein, Joshua. “Dairy Farms Find a Lifeline: Beer”. *The New York Times*. 11 June 2018. Web.

finds similar sentiments: the market for dairy is falling, and local family farms or entrepreneurs are taking it upon themselves to find alternatives.

While journalists have produced interesting and informative profiles of economic initiatives in rural America, almost no academic literature has thoughtfully examined the current economic policy in declining rural areas, opting instead for prescriptive approaches that have used one or two case studies as a basis for larger economic claims. In-depth case studies are helpful for illustrating complicated realities but tell us little about larger trends or patterns. As such, this study seeks to provide a more comprehensive survey of economic policy in rural American towns utilizing both case studies and a more large-n-observational analysis, discussed below.

## METHODOLOGY

The methodology for this study was two-fold: the first section was an analysis of 50 American rural towns and their current economic strategies or goals<sup>18</sup>. The second was five case studies of four towns and one county, examining how these towns and county in particular have responded to the loss of income and population in the past seventeen years.

The 50 towns selected for the more rudimentary analysis were selected using three criteria: classified as rural by the census, declining population of more than 5% between 2000 and 2017, and declining average income between 2000 and 2017. These criteria yielded 3007 possible towns, of which 50 were randomly selected. If no information was available or no contact information for the town could be obtained, then another town was randomly selected in its place. If a town had less than 75 people (thus, making a 5% loss of population about one family and not significant enough to warrant study), another town was randomly selected in its place. If more than two towns (i.e., three or more) in the whole dataset of 3007 towns were all in the same county, and one of the towns was in the random selection, and the town was not in the Northeast, then

<sup>18</sup> For brevity's sake, the local governments analyzed will be referred to only as towns, although there is a collection of very small cities surveyed and four counties. The only meaningful distinction between towns and cities is the structure of government: cities have mayors, for example, and towns are more likely to have town meeting, wherein the public can propose and vote on measures. Because this study is not concerned with how the structure of local government impacts economic development initiatives (although future studies could certainly find meaningful analysis in that domain), this distinction is unimportant. The explanation for the use of county-level information in select cases is discussed in the following paragraph. As such, all units of local government analyzed will be referred to as town governments or local governments, rather than the repetitive phrase "town, city, and county governments".

county-level information was used<sup>19</sup>. This may lead to some skew in the results, as towns with no information or very low populations were not included. For example, a town that may be doing so poorly economically that it has no internet access at all, accounting for its lack of information, will not be included in the analysis.

The information collected about the towns outside of the case studies consisted of examining town or county strategies where applicable or looking at recent resolution or town council minutes. These were generally available on town or county websites, or through public information requests. In some cases, towns did not have websites but had social media pages that were informative. If a town's social media page had ample information about economic development (i.e., transcripts from town council meetings, photos of resolutions adopted by the town) then it was analyzed as a town website would be. If it appeared inactive or insufficient, then another town was selected in its place. Reading these documents carefully and finding concrete actions and goals constituted the bulk of the research for this portion of the study. The full list of town websites, strategic plans or planning documents, or social media pages where the information for this portion of the study was collected from can be found in the Appendix at the end of this document.

<sup>19</sup>The restriction on the Northeast was put in place because in the Southern, Midwestern, and Western parts of the United States, county level government is far more prevalent than in the Northeast specifically. New England county governments, for example, are far less active in economic development than Western county-level governments and in many cases don't exist at all ("County Government", Secretary of the Commonwealth of Massachusetts, [ma.gov](http://ma.gov), 2019, Web).



The case studies selected for this study were: Plumas County, California, Green Mountain Falls, Colorado, Millinocket, Maine, Newport, Maine, and Wilmington, Vermont. For the selection of the case studies, the census definition of rural was relaxed to enable a wide enough range of towns to be studied. No town had more than 4300 people (Millinocket) and the smallest town for case-study analysis was Green Mountain Falls with 692 people. The population of Plumas County was 18,742 in 2017. The interviewees consisted of two town managers, one economic development consultant contracted by the town of Wilmington, and a planning director. The interviews were conducted in person with the exception of Millinocket, which was conducted remotely, and lasted between one hour and 90 minutes. From these interviews, demographic data and economic histories of the towns and county were obtained, as well as information regarding new economic initiatives or goals for coming years. As it is difficult with interviews to get complete pictures of economic profiles, supplemental documents (county or town grand strategies or annual reports, recent resolutions passed by councils) were also collected and analyzed, often offered by the interviewees. The names of the interviewees are all publicly available, so names have not been altered for anonymity.

Three out of five case studies are located in New England, and two from the state of Maine. This means that the case studies are not representative of all geographical areas – the south, for example, is completely excluded. However, the case studies serve not to act as a statistical representation of all national local governments in the United States, but rather to add complexity and depth to the analysis of local economic strategy. By analyzing four towns and one county in depth, the study brings deeper insight and

personalization of rural areas and their economic initiatives to the table. Still, it is important to note that the external validity of the case study portion of this study is relatively low.

From the 50 town/county analysis this study hopes to be able to identify trends or patterns of economic development strategies in declining rural areas. The results of this analysis are discussed in the next section. The case studies serve to provide a more qualitative approach and allow for a more personal, in-depth analysis of economic development in rural areas. These are discussed in the Case Study section immediately following the 50 town/county analysis. Utilizing both of these methods of analysis lends itself especially well to crafting a more cohesive picture of rural economic development strategy in declining rural areas in the United States, a policy area that has largely been ignored in academic literature.

## FIFTY TOWN ECONOMIC ANALYSIS

The 50 town and county analysis pulled interesting, but not unexpected results.

What was most surprising was variety in response to economic decline across towns.

Observing the collection of town/county websites, master plans, community newsletters, or study-qualified social media posts, illustrates that the vast majority of all 50 towns or counties – 46 out of 50 – fall into four categories: Commercial Development, Improving Quality of Life for Current Residents, Promoting Tourism, or No Economic Initiatives.

The results of the analysis are displayed in the tables below. Towns that were randomly selected but qualified for county-level observation have the county listed in parentheses after the town and state name. Information about where this information was accessed from is available in the appendix.

Table 1. Fifty Towns and Counties' Economic Development Strategies

Commercial Development	Improving Quality of Life for Current Residents	Promoting Tourism	No Evidence of Economic Initiative	Other
Chatham VA Clarks LA (Caldwell Parish) Jackson NE Lowrys SC (Chester County) Hotchkiss CO North SC Newton GA Riverside WY Washburn WI Odessa NY Hannaford ND Natalia TX	Marietta NC (Robeson County) North Cortland AL Hebron WI (Jefferson County) Jackson NE Orleans IN Lowrys SC (Chester County) Marshallville OH Delphos KS	Seabright Village NJ Ashton ID Tucker MS West Mineral KS Greenville ME Elloree SC Whitefield NH Troy MT Tracy TN Hotchkiss CO	Plainville IN Maitland MO Udall KS Wharton OH Estral Beach MI Mansfield IL Mullinville KS Lewisville ID Crystal Lake IA Birchwood Village MN Hubbard NE Hammond IL Allentown GA Parma MO Lovelock NV	Mount Carbon PA Mitchelville AR Point Hope AK Walker MN Odessa NY Vernon CA

	Eurekah UT Hannaford ND Theresa WI Hotchkiss CO		Pickens MS	
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The towns in the “Other” column are distinguished by unique attributes that were not common enough to warrant their own distinction. These towns are:

- 1) Mount Carbon, Pennsylvania is a failing borough of Pennsylvania that currently has lost its entire town government through resignations, creating a situation in which residents are paying taxes to a government that no longer exists. It is likely to be absorbed into a neighboring town in the coming months or years.
- 2) Mitchelville, Arkansas, has lost most of its government due to an inability to pay staff and an inability to retain volunteers. As such, only absolutely vital town personnel are kept on, and activities of the government are extremely limited.
- 3) Walker, Minnesota was the only town in the entire analysis to explicitly mention raising taxes as part of its plan. The town has initiated a sales tax in a hope to raise revenue for public works projects. While other towns may have instituted new taxes, no others credited this measure as an asset toward achieving their goals.
- 4) Vernon, California is a city of 112 residents that is explicitly and almost exclusively industrial. The city government’s goals are only to maintain the industrial centers and provide few services to the residents. Vernon is unique in that its daytime population is vastly higher than their evening population, given that it’s entirely industrial and thus filled with employees during the day and only 112 residents at night.

- 5) Odessa, New York is also categorized in the Commercial Development column for their efforts to revitalize their main street corridor. What is unique about Odessa, however, is its alliance with a nearby town Burdett in a “two village approach” that is meant to foster collaboration and save money on construction and planning costs. This strategy could help with the agglomeration effect of businesses – namely, that because businesses tend to go where businesses already are, creating two vibrant downtown districts may have a positive feedback effect.
- 6) Point Hope, Alaska is overseen by a native village corporation and not a traditional local government. The corporation has been dealing with a plethora of economic downturns from faulty construction investments, and the goal of the next few years is to climb out of debt and restore public trust in the corporation.

All other towns in the analysis fall into the previously mentioned four categories.

Commercial development refers to a concerted effort to attract industrial interests or small businesses. Frequently, this was paired with the phrase “Main St. revitalization” in the actual planning document, referring to the idea that local governments want most business development to be in the centralized, usually walkable town center. Riverside, Wyoming, for example, emphasized the desire to “become proactive about seeking desirable commercial, mixed-use and residential development” while also promoting job growth and attracting “younger residents” with children. Hannaford, North Dakota also placed emphasis on developing the downtown corridor, with a new economic development council focused on building, attracting local businesses, and “improving the quality of life” for Hannaford residents. Hotchkiss, Colorado’s community “master” plan

stressed the need to connect already-existing businesses with already-existing resources as a way to promote economic vitality in the downtown area, as well as attract new and interesting businesses. 12 out of 50, or 24% of local governments analyzed had explicit commercial develop goals in their planning documents.

Other towns focused significantly less on economic development in the traditional sense and were more concerned with improving the quality of life for residents already living in the area. While almost all towns' and cities' planning documents made references to public works like improving the sewage system or ambulance response (as would be expected in the plans of any local government), towns and cities whose planning documents placed the most stress on this aspect of planning – or towns where this was the only goal mentioned – were included in this category. Robeson County in North Carolina's general plan revealed a high demand on transportation resources and a desire to improve car, bus, and sidewalk infrastructure. Robeson County is also unique in that their entire community development plan was tinged with public health, illustrating an interest at the county level in improving residential health outcomes. Similarly, Delphos, Kansas's social media exhibits a high level of concern for the quality of life in the small city, with several posts detailing the extensive renovations of public buildings, like the town hall and auditorium. These improvements have less to do with public health and more to do with a sense of place and town pride but are nonetheless effective in improving services for current residents. Lastly, the village of Marshalville in Ohio has recently developed the Marshalville Community Improvement Corporation. While the corporation's website has very little information, the mission statement is that the CIC

was “designed to improve the community in various ways”, including managing real estate on behalf of the town. This development strategy, while not explicitly improving say, the drinking water or the snow removal processes, can help residents by eliminating some of the bureaucracy that hinders interactions with the local government. While there are many approaches to improving the quality of life in a given place, these towns are categorized as such because of the high priority they are placing on improving the health of their residents, access to town services, and the prestige of their town.

Unsurprisingly, the towns that focused on tourism as their most viable economic initiative were towns that were home to, or near, dramatic or beautiful landmarks. Whitefield, NH, for example, is in the heart of the New Hampshire White Mountains. While the town itself is in economic decline, the general region has a booming skiing industry in winter and plentiful hiking and camping in the summer. Hotchkiss, CO, is in the North Fork Valley of Colorado, which is host to a plethora of outdoor activities year-round and surrounded by incredible mountain and lake views. Troy, MT is about four hours from Yellowstone National Park, but is nestled between three expansive and stunning national forests. This accessibility to dramatic landscapes was nearly ubiquitous in all of the towns focused on tourism. Of the few towns that did not house dramatic landscapes, efforts were made to capitalize on one or two unique features. For example, Tucker, MS is home to a vibrant Native American population, and Native American history is part of their strategy for attracting tourism. Tracy, TN is home to many parks and natural activities, but is mostly focused on its rich coal mining and railroad history to attract visitors.

Perhaps surprisingly, there was a large number of towns that showed no evidence of economic initiatives to combat economic decline. These towns (17 out of 50, or 34%) had operating town websites, in many cases displaying their history and town councilors, but had little to no information regarding their planning processes. Many of these towns, such as Hammond, IL and Allentown, GA, function mainly as a conduit through which residents can access utility services and nothing more. In one particular instance, a town's website said that the council was aware that the town was struggling financially, but that there was still a lot to stay for. This town – Maitland, MO – showed no plans or signs of initiative to combat their economic decline but did showcase local businesses on their website.

Lack of evidence does not necessarily mean these towns are doing nothing or have no plans for economic development. It only means that these records are not publicly available to those outside of the town's administration. One could conceivably imagine a town pursuing a private economic strategy, though it seems unlikely that a town would want to give the impression that they are not attempting to rectify their acknowledged decline. Overall, the results of this analysis show that the plurality of municipalities are not publicly pursuing economic development strategies (34%), followed by 24% of towns encouraging commercial development, and the same percentage attempting to improve services for current residents. 10 out of 50, or 20%, of municipalities were pursuing tourism as their most viable revenue source. Six of these 50 towns had completely disparate strategies or peculiarities that made them unable to be classified into a typology. These results indicate that the response to economic decline in



rural municipalities is varied and cannot be synthesized into one or two generalizations. Accordingly, prescriptive policy to rural America should take into account these differences in responses of local governments. The next session details the five case studies of this project to provide deep contextualized data on local government's response to economic change.

## **CASE STUDIES**

### **Plumas County, California**

Plumas County is located in the Northeastern portion of California state, bordering Nevada and boasting three national forests: Plumas, Tahoe, and Lassen National Forest. The area has stunning geography including thick evergreen forests, large rivers, and impressive mountains. Because of these natural amenities, the area's main industries have traditionally been timber mills, agriculture, and tourism.

Plumas County had 18,742 people as of 2017, down from its peak of just over 21,000 in 2005. Timber is the traditional industry in the county, and while there hasn't been a major or dramatic decline in production in recent years in Plumas County specifically, the industry has shown signs of slowing. An interview with the county's planning director, Tracy, revealed that the recent forest fires in California, including 2018's incredibly destructive fire in Butte County, CA, have led to bigger questions about water use and sustainable timber practices in the coming era of climate change that the county hopes to address.

Similarly, climate concerns are also affecting the region's ability to maintain their current level of agricultural production. The county's general plan dictates that climate change has "the potential to affect amount and timing of precipitation, length of season, and optimum growing temperatures" and that "water availability for Plumas County farmers and ranchers could be at odds with downstream demands for environmental flows". Ranching, the region's primary agricultural endeavor, requires an exorbitant amount of water – because of this, climate changes are all the more pressing. The

county's plan goes beyond the state of California's requirement for planning by including a comprehensive section on stated goals and actions steps towards improving their agricultural sectors. These steps include preserving agricultural land from being converted into non-agricultural uses, promoting diversity among agricultural endeavors, and using best practices to maintain the region's watershed. In this way, it is clear that the county is present and active in its obligations to the industry.

Tourism is also a huge part of the local economy in Plumas County, with a plethora of second homeowners and short-term rentals that bring in significant tax revenue. The county is focusing on agro-tourism as traditional agricultural profits decline, through which people can have "authentic rural experiences" in Plumas County. Agro-tourism can involve anything from selling ice cream and letting visitors pet livestock, to opening a brewery on farmland, to having farm-to-table meals onsite. Agro-tourism has gained ground in several areas across the country, as exhibited in Joshua Bernstein's New York Times piece examining breweries in New York State, and shows promise. In this way, Tracy hoped that the county will be able to diversity agricultural land use for economic gain.

Following that logic, the county also hopes to ease certain zoning restrictions to open up a whole new tourism industry: wedding venues. While previously, landowners were highly restricted from hosting events of a certain size or of a commercial nature on their property, the county has realized that weddings in the scenic mountains and forests of Plumas County could prove to be an additional boon to the economy. As such, the county passed a resolution easing the restriction on allowing weddings on land currently

classified as agricultural on January 14<sup>th</sup>, 2020. This resolution had wide support from members of the community, including owners of ranches to bakers and new residents. By passing this change to the zoning code, the county illustrated a commitment to fostering an environment of innovation in the agricultural and tourism industries.

In a more traditional sense of tourism, the county hopes to expand on its recreational tourism market. The county has partnerships with the National Forest Service, which owns much of the land in the county, and is thus responsible for much of the road maintenance. Plumas County hopes to push into the “shoulder seasons” of tourism – namely, months at the end of the warm months, such as April or November. While Tracy, the planning director, stressed that this can be difficult, given that the federal government owns so much of the land and that cooperation can be a time-consuming process, there are certain actions that the county can and would like to take. For example, encouraging some of the region’s many hotels to remain open later in the season would provide tourists with a place to stay outside of the short-term rental market and give them the opportunity to partake in the area’s bountiful winter recreational opportunities, like snow-mobiling and hiking. While, at the moment, the cold weather months’ recreational opportunities are mainly available to residents, the county hopes to work with local businesses and NFS partners to promote shoulder-season tourism and boost the economic output of the tourism industry.

One of the final initiatives of note in the region is the creation of a business survey to identify areas through which the county can assist economic development. This survey would be administered to local businesses in Plumas County, asking them what

their needs are and how they feel the county could help them grow. There are eight metrics to the survey, with questions surrounding the commercial market, capacity and materials supply, financial constraints, workforce development, and constraints on ownership and leadership. The survey implicitly recognizes the need for more skilled workers in the region and is a signal to businesses that the county government is willing to listen and be creative with solutions. While it has yet to be administered – and so the results are yet to be discovered – Tracy was optimistic that this approach would give the county the data it needs to make more informed decision around zoning, commercial development, and job training initiatives.

Overall, Plumas County’s government appears deeply involved in economic development and open to innovation in the region. From passing resolutions relaxing restrictive zoning codes, to attempts to modernize the agricultural industry and gain more business input, it is clear that the county is taking an active role to economic development in the region. While, of course, change is difficult in any community – and maintaining the quintessential rural lifestyle is important to the county and its residents – the recent initiatives proposed in the general plan, resolutions adopted by the county, and attitude of the planning officials illustrates that Plumas County is looking forward and working toward a more prosperous future.

### **Wilmington, Vermont**

Wilmington, Vermont has a population of 1,876 residents as of the 2010 census. The town is deeply integrated with Dover, Vermont, located adjacent to the community.

The town is situated in the Green Mountain National Forest, affording picturesque New England views. Unsurprisingly, tourism is the area's main economic driver, with two functioning ski resorts in town (Snow Mountain and Haystack Mountain), and Prospect Mountain a few towns over.

Most people in the area do not work and live in the same town. For example, economic consultant Gretchen estimates that about 66% of workers in Wilmington are in-commuters from other towns, and most residents travel out of town for work. Gretchen described that while this is not unusual for the area, many would like to see a higher rate of residents working in the community, though the town does not have a specific policy in place to achieve that.

Similarly to Plumas County, the rate of second homeownership in Wilmington has increased dramatically in the past several years. According to the town's most recent housing report, 63% of the houses in Wilmington are not their owners' primary residences. While other places have difficulty engaging second homeowners and encouraging a sense of community, Gretchen felt that was not true in Wilmington. After Wilmington experienced a devastating flood in 2011, destroying several homes and businesses in the downtown village district, many of the second homeowners came from their primary residences to help bale water out of the village or do other tasks to help the town get back on its feet. While this is likely because many residents needed to ensure their own properties weren't especially damaged and remedy them if they were, it is still notable that many second homeowners would volunteer their time and money towards the

town in which their vacation home is during the off-season, and this attests to the ability of the town of Wilmington to create a close-knit and active community.

While the rate of second homeownership is on the rise in Wilmington, it appears that tourism is taking a slight dip. It is difficult to know for certain how much tourism has decreased in the area, since hotels and ski resorts don't generally make that information public, but with the opening of several other ski resorts in southern Vermont, much of the town feels that tourism has slowed at least by a small margin. Though the resorts are attempting to push into the shoulder seasons more – they opened in October instead of November in 2019 – the necessary investments in snowmaking may be out of reach to sustain this. In recent years the relatively light snowfalls have led to some complications, and with climate change on the horizon, this snow shortage is likely only going to continue and become more exacerbated.

Much of the town's local initiatives have been focused on cleaning the town and renovating buildings damaged by the flood. These initiatives – such as façade renovations and repairing sidewalks to improve walkability and public appearance – are in large part funded by the local option tax in Vermont. The local option tax is a 1% sales tax that towns can opt into on items that are not food or necessities, of which 70% gets returned to the town to do any projects they deem important. The town has also used local option tax revenue to start a rotating loan program, offering loans at very low interest rates for growth-directed initiatives by local businesses. Gretchen considered these funds absolutely essential, and felt that without it, the downtown district would look and feel much bleaker. The ability to directly raise revenue on those buying in-town – especially

tourists – is a remarkably useful tool for the town of Wilmington to be able to fund its initiatives.

One of Wilmington's most difficult challenges is retaining its young family residents. The town's housing report illustrated a definite trend of out-migration in recent years. Anecdotally, many have cited that they don't particularly want to leave Wilmington but feel driven out by high taxes and a lack of affordability. Gretchen feels that the educational funding formula in Vermont significantly underfunds rural areas because these areas have a built-in higher cost per student on account of having far less students. Because of the higher cost per student, it is the towns' responsibilities to come up with the money for a decent school budget. This leads to higher property taxes, which are burdensome for some families and can lead to out-migration toward a more populous area (though there is no data on where families are moving to after they move out of Wilmington). While there is not a specific policy in place to help retain younger families in the town, many of the town's goals of general economic development can be seen as working toward that goal as well.

As well as maintaining the number of young families in town, Wilmington hopes to promote tourism and move into the shoulder seasons more, although it is unclear how this will be accomplished. More concretely, the town hopes to continue renovating new buildings and establishing new businesses that complement the rural feel of the town while bringing in new revenue. Gretchen, similarly to the planning director in Plumas County, mentioned a belief that some of the most successful small businesses have been experience based, rather than shopping based – for example, a business where one could



paint and sample local brews, or pet farm animals alongside purchasing ice cream. The town also hopes to consolidate and streamline the local government, including plans to migrate the fire and police department into the same building, and bring broadband access to Wilmington. While broadband access is still in the negotiation phases, there is clear intention on behalf of the town. Both of these would allow for higher quality of life in the town, and broadband access would allow for more tourists and easier business transactions.

It appears that Wilmington's local government is active and initiative in its policymaking. When I commented that the government seemed to have very ambitious policies – including many of the initiatives funded by the local option tax – Gretchen even mentioned that sometimes she questioned if they were doing too much. While impossible to quantify, it appears that the projects initiated by the local option tax have only been a stimulus to the economy, and at only 1%, it is unlikely a driver in the recent (perceived) dip in tourism. And though many of the public works projects appear to be resident-oriented, like new sidewalks and broadband access, there is a clear push towards making the town more amenable and charming to tourists. Overall, Wilmington's local government is a clear driver of change in the town and appears willing and able to implement ambitious policies to counteract demographic changes.

### **Millinocket, Maine**

Millinocket, population 4,292 as of 2017, is a town in central-north Maine located adjacent to Baxter State Park and Mt. Katahdin. The town was heavily reliant on the

paper industry, until the largest paper mill in town went out of business in 2008. Now, the town's main industry is tourism and recreation, owing to its prime location at the entrance to Baxter State Park and the end of the Appalachian trail. The local government places a high priority on downtown revitalization, especially after the closure of the paper mill, and is looking to supplement its tax base with grants and nonprofit cooperation in order to achieve its goals.

It is difficult to overstate the ramifications of the closure of the paper mill in Millinocket. The town manager, John, estimated that the town has lost over \$40 million dollars in taxation revenue from the closure of the mill, as well as dozens of families and hundreds of jobs. Because of this, the vacant-house rate in Millinocket is particularly high, and John disclosed that the town has sold or demolished over 100 houses for non-payment of taxes in the past six years. The town has managed to remain viable and provide essential services, but this has mostly been possible through higher property taxes to pay for town services, which can lead to cycles of vacancy.

Still, the town is not without hope. The natural amenities of the area – including four distinct seasons of recreation – allow for tourist attraction as a viable alternative for financial revenue in the area. Mt. Katahdin is the final peak of the Appalachian Trail, prompting visitors to spend a night or two and recharge in Millinocket. There are abundant lakes and mountains that are utilized for hiking, swimming, kayaking, fishing, and hunting. The winter brings snowmobiling and cross-country skiing. The outdoor recreational opportunities are nearly endless, and the town hopes to further capitalize on those opportunities in the coming years.

To aid with expanding tourism, the town has two main goals: downtown revitalization and access to broadband. Millinocket has recently applied for a Community Development Block Grant from the state of Maine to make improvements downtown, including storefront renovations and public works improvements. The biggest project, however, is renovating the site of the old paper mill. The site has been purchased by Our Katahdin, a local nonprofit that promotes economic development in the area, after a years-long battle with the IRS to bring down the price. The vision for the paper mill site is a “diversified industrial site focusing on the forest products, recreational, and digital economies”, according to John. This would generate a significant amount of tax revenue that could be invested into other public works projects and the continuation of downtown revitalization, as well as pay for town services that may have been neglected in the past decade after the closing of the mill.

Like many communities, Millinocket also faces definitive out-migration, especially of younger people. The hope is that many of those migrants would return home, or never leave in the first place, if there were a more viable economy. Broadband access, another goal of the town in promoting tourism and improving quality of life, would also be a stepping-stone that may allow younger people to stay. That is currently being pursued by the town in collaboration with neighboring towns East Millinocket and Medway.

One of the more unique economic initiatives in the town of Millinocket comes not from economic consultants or taxation curves, but from a seemingly random hobbyist in 2015. Gary Allen, a race organizer and longtime runner from the Acadia National Park

region, heard about the closing of the paper mill in Millinocket and haphazardly organized a marathon in the town. The marathon started in 2015 with about fifty participants, and – most notably – is completely free. There is no entry fee for the race, but one suggestion: participants should spend money in the town of Millinocket, whether that be on hotels, restaurants, or shopping. Quickly, the race became immensely popular. In 2016, Allen capped the number of participants at a thousand, and noted that one of the other marathons he organizes in Acadia National Park has never had that many entrants, despite being in the nation’s most popular national park<sup>20</sup>. John estimated that the marathon now brings in about \$200,000 of visitor revenue to the town every year, giving “a shot in the arm” to local businesses in December, a month where fall tourism has faded and winter tourism has yet to fully begin<sup>20</sup>.

The town of Millinocket, despite suffering a major economic blow with the closing of the paper mill, has a relatively active local government working to remedy the fallout and regain economic ground. Given such a low tax base, the local government is significantly restricted with what projects they can take on. While it appears that there is ample willpower to make the town economically viable again, it also appears that there will need to be significant nonprofit and state investment for that to become a reality. Still, the marathon is illustrative of the ability of the town to foster a vibrant tourism economy in creative ways, and the local government appears willing to initiate much of the effort needed to build and improve on the town’s goals.

<sup>20</sup> Miles, Kathryn. “A Winter Marathon in Millinocket? Say What Now?” Downeast Maine Magazine. December 2016. Web.

### **Green Mountain Falls, Colorado**

Green Mountain Falls is a small town with a population of 692, about an hour and a half south of Denver. The town's economic base, despite being adjacent to acres of forest land, is based primarily on property taxes. The second home ownership rate in Green Mountain Falls is very high, including several properties that have been in residents' families for several generations. Given the lack of industry in the town, economic growth is markedly slow, and a large retiree population makes it difficult for the town to attract business because workforce numbers are lower than other surrounding areas.

Town officials – the mayor, town manager, and head of the planning commission – all cited the low tax base as a large hindrance to keeping up with the cost of services. The price for labor and construction have risen dramatically, and the towns property tax rate has not kept up. Like many states, Colorado has a state law prohibiting municipalities from raising property taxes without voter approval (known as TABOR, or the Taxpayer Bill of Rights in Colorado) that has had a demonstrated effect on the ability of municipalities to provide essential services like education, road maintenance, and emergency response<sup>21</sup>. As tax revenue leads to gaps in services, residents feel disillusioned with their local government, and are further reluctant to approve hikes in property taxes, feeling that the local government is not competent enough to warrant

<sup>21</sup> Bradley, David and Karen Lyons. "A Formula for Decline: Lessons from Colorado for States Considering TABOR". Center on Budget and Policy Priorities. Washington, D.C.: 2005. Web.

further funding. The lack of tax revenue has also led to a shockingly high turnover in the town government because of low salaries – two of the interviewees estimated that the entire town staff had changed in the past year and a half. This lack of institutional knowledge may also contribute to a sense of distrust between town government and residents.

In recent years, short term rentals have become increasingly popular in Green Mountain Falls. For many years, the town had left the rentals unregulated, but have recently enacted regulatory fees on the rentals that have provided much needed revenue to Green Mountain Falls. This has proven especially helpful to bolster the town's wedding industry. There is a historic gazebo located on town land that is able to be rented for weddings – and though the fee for the actual rental is quite small, being on public land – the addition of short term rentals means that guests are more likely to stay in the town and spend money within the town. The issue, however, with the wedding industry in Green Mountain Falls is that there is no downtown for wedding goers to spend money in. The town has almost no industrial tax base and, furthermore, almost no businesses. This means that it is quite difficult to entice tourists to stay in Green Mountain Falls, given that they'd have to drive often significant distances to access restaurants or shops.

Still, it would be foolish to conclude that the town of Green Mountain Falls is doomed to economic failure. The town is actively working to annex thirty-two acres of land in the next couple of years. An oil executive that has close ties to the town has expressed interest in aiding the annexation, which could, in theory, be used for commercial development. This would be a huge stimulus for the town, which would then

be able to attract stores that could create a vibrant and welcoming downtown. However, it is unlikely that this change would come unencumbered. The residents of Green Mountain Falls are “typically outspoken”, according to those interviewed, and implementing change is often difficult from a bureaucratic standpoint. Without local support, it is unlikely that any commercial development will take place, and the town will have to continue to rely on property taxes as their main form of revenue.

An example of the difficulty of change in the area comes in the form of elder services. A nearby town, Manitou, has a public transportation system that could greatly benefit Green Mountain Falls. As residents age in place, it becomes harder for them to be mobile. A shuttle bus between the two towns could greatly reduce the difficulty of traveling between the two towns but would require a substantial investment in a bus depot, such that it is unfeasible without raising revenue. This idea – of raising property taxes to pay for the depot – was said to be dead on arrival by one of the interviewees. These types of challenges appear to be some of the most difficult to overcome for Green Mountain Falls as the population continues to age and residents are unable or unwilling to raise their own tax burdens.

Green Mountain Falls faces an uphill battle in terms of future viability. Though relatively close to major urban areas and town officials expressing a desire for the town to increase its industrial base, the town has been unable to obtain a sustainable industrial tax base that would enable more services and growth. There is the possibility of improvement, with the opportunity to annex a sizable portion of land and develop it into commercial uses, but otherwise, it appears unlikely that there will be substantial change

in the coming years. The town government expresses a willingness to be active and involved in economic policy making but has so far been unable to sell the necessity of tax revenue to the residents, who ultimately hold sway over whether or not they will pay more in property taxes.

### **Newport, Maine**

Newport, Maine is in the central region of Maine, about an hour north of the city of Bangor. The town is home to Sebasticook Lake, a large body of water, and about a third of its tax base comes from property taxes on the waterfront. Newport is also a traffic junction for several state highways and 95 North, a federal interstate, which makes it a prime “drive-through” location for areas like Baxter State Park and Acadia National Park. However, Newport itself is a town supported mainly by industry and small businesses, with very little tourism itself.

The town is home to a collection of small businesses and Vic Firth Company, which is one of the world’s largest producer of drumsticks. This company alone employs about 160 people, which makes it the town’s largest employer. However, the town manager, Jim, noted that the town does have a diverse tax base of businesses, hoping to avoid “putting all our eggs in one basket” and escape the fate of towns like Millinocket that were heavily reliant on only one large employer. As a symbol of how committed the company is to the town of Newport, Jim disclosed that the wood for the drumsticks actually comes from South Carolina, but that the company ships it to Newport because they want to stay in the town and because the workers in Newport already have the



necessary skills for assembly. Alongside Vic Firth, Newport has a plethora of small businesses and has been actively revitalizing Main St. for several years now. Although a nearby shopping supercenter recently closed (outside of the town's limits), many new businesses have appeared on Newport's Main St., such as a mom and pop shoe store and boutique clothing and gift shops. While some have, inevitably, gone out of business, several more are thriving, which the town manager attributes to interpersonal connectivity between the town, its citizens, and local businesses, as well as a culture of creativity.

This culture of creativity was emphasized several times over during the interview. While there is no data on the demographics of town meeting, the impression is such that a surprising number of young people are involved in the process and voice their concerns year after year, even bringing in their own proposals for what the town should do and work towards. Jim emphasized that overcoming the resistance to change and stopping the "I can't" attitudes have been essential to creating change in Newport, and that a can-do attitude is crucial to revitalization.

Newport's biggest perceived weakness, from an economic standpoint, is that the town is not wealthy enough or large enough to offer incentives to larger employers. Unlike southern Maine cities like Portland or Bangor, which can offer tax breaks or other incentives, Newport's strategy for attracting diverse businesses has focused on the personal side of negotiations. Town officials develop good working relationships with businesses looking to settle in Maine, and it is the value of these relationships that the town can capitalize on. This approach also helps to build institutional knowledge of the

local economy that fosters trust between businesses and local government alike. When businesses feel they can trust the local government, the logic goes, they are more likely to stay in Newport or put down new roots in the town.

This interpersonal approach is also perceived to cut out much of the “needless” bureaucracy that plagues other town’s construction processes. Jim recounted a story of a time that a business owner said they were looking at a site in a different area, but that it could take them upwards of six months to get a building permit. Jim told the owner that it was possible to get the same permit, in Newport, in a week or less. This streamlined approach, partly a byproduct of operating in a small town but also built off of close working relationships between town officials, is widely appealing to business owners – who feel that their time is taken seriously – and community members alike, who feel that the stewards of their tax dollars are doing their jobs.

One of the major goals of Newport is to develop its tourism industry. Although about a third of the tax base comes from lakefront property, there are currently no hotels or resorts on the lake. Given that Newport is a meeting point for so many state highways, the town would have to do very little in terms of making Mainers and out-of-staters aware of the town’s existence. Rather, the rebranding would have to focus mainly on remaking Newport into a “destination, not a drive through”. Long term tourism opportunities could involve kayak rentals, a city owned dock with gas, and awareness of the already-existing rail trail, which is currently public to all but mostly utilized by residents. While these are ideas, and not current policy plans, the specificity is

emblematic of how much local officials are considering ways to open up Newport to visitors.

The local government in Newport is active and initiative; they work to bring in new and creative industries to the area, with a focus on diversification and lessons learned from the closing of many lumber and paper mills across the state. The town manager's emphasis on fostering personal relationships with local businesses, as well as an openness to new ideas, allows for residents to feel heard and acknowledged while also promoting a culture of capability as opposed to stagnancy. While tourism is not currently a developed industry in Newport, there is promise in the coming years that the town will be able to tap into the underutilized Sebasticook Lake and open up new economic opportunities. In sum, although the town has had its share of economic difficulties, it appears that the local government has played a key role in Newport's recent growth and that this trend is likely to continue.

## **CONCLUSION AND DISCUSSION**

The main finding from this study is that rural local responses to economic decline are varied and that it is unlikely a one size fits all approach will be effective in addressing rural economic decline. While many towns can be classified as attempting to revitalize their economies through broad measures – such as commercial development or tourism – there is still considerable variation within categorizations, alongside the expected variation between categories. While Wilmington, VT, and Green Mountain Falls, CO, are both home to picturesque landscapes, they are not equally likely to engage in tourism. Part of this may be attributed to local cultures and attitudes; for example, Wilmington experiences a higher level of civic engagement from their second homeowners than Green Mountain Falls. This could affect the willingness of residents to pay for enhanced social services and subsidies for local business (of which Wilmington has many). Green Mountain Falls, in contrast, is having difficulty finding resources to complete projects that planners believe will bring in significant income and improve the standard of living. There are, of course, significant differences between the two areas; Wilmington is home to multiple ski resorts and has had a historically vibrant downtown with many small businesses; Green Mountain Falls is geographically small and has no commercial district. However, the incomparability of these two towns does not mean that comparison is unhelpful – rather, it illustrates the necessity of local and individualized approaches to economic development. What works in Wilmington may not work in Green Mountain Falls, and vice versa. The sharp contrasts between areas that we might expect to handle

situations similarly is evidence of complicated variations that necessitate individualized approaches.

Another illustration of the variation of local governments' responses can be seen in the comparison of Plumas County, CA, and Millinocket, ME. Both are not spending significant resources to shore up their historically important industries (timber and paper), but instead have been trying to find innovative approaches to their current situations. Plumas County appears to be focusing on the creation of new industries, such as wedding venues, while Millinocket is taking more traditional routes of expanding outdoor recreation. Again, there are multitudes of reasons for this variation; Plumas County has not had a devastating loss of a major employer, as Millinocket has, and Millinocket is relying on state and federal grants for funding, which may cause them to take more "conservative" stances on new industries. Again, however, this shouldn't deter us from finding meaningful comparisons, but rather showcase the need to consider individual areas' circumstances and assets when making recommendations for policy.

Newport, ME stands out among the cases as the only town focusing heavily on commercial development. In comparison to Green Mountain Falls, Newport has been able to galvanize a tax base, but unlike Wilmington (who has also been able to), they have not focused on tourism as the main source of income. This uniqueness in circumstances and approach is not uniqueness of Newport. Rather than the exception, this peculiarity represents the rule: while there can be broad similarities between towns, there must be individualized understandings of how these municipalities operate in order to draw any meaningful conclusions about policy.

This can also be seen in the data in the 50-town analysis. While most towns fall into a broad category, there is significant intra-category variation. While some towns' commercial development strategies focused on attracting major employers, others were focused on fostering smaller businesses. Towns that appear to have had no local government response may be doing so because they lack the tax base, residents are hostile to the idea, or local officials may lack the political will. This indicates that local governments do not have a script to follow in the event of economic decline. Rather, it appears that governments are more likely to respond in varied and individualized patterns.

The implications of this research are far reaching. For one, knowing that there is a wide variance in local government response to rural economic decline means that policy advisors and proposals should be made with deep knowledge of the local government's actions and perceptions about their economic decline. Broad policies like promoting broadband access or small business loans will not have the same effect in different places, even places that seem similar on paper. As well as this, seeing wide variations in government responses may mean that there is wide variation in the cause of economic decline. From the five case studies alone, the causes are highly variant – from the closure of a major employer, to the aging of a stagnant population, to natural disaster and local economic competition. One cannot reasonably expect towns that have different histories and different acute and chronic causes of economic distress to produce similar policy proposals for revitalization, or to respond to policy proposals made by others in the same way.

Future research in rural economic initiatives could focus on the “why” part of local government responses – why do some areas react in certain ways (like proposing aggressive new resolutions permitting weddings on private property) while others do nothing? While there has been preliminary discussion of such reasons in this section, the focus on this work is not to conjecture about local motivations for policy. Future research that focuses on this question, however, could be illuminating as to determining the viability of certain proposals to take root in certain communities.

Similarly, scholars should focus on the efficacy of these local governments’ responses. Perhaps more lenient zoning codes, or additional sales taxes, or local small business loans are most effective in certain areas. While this work identifies the strategies being utilized, it does not evaluate the efficacy of them. Future scholarship in economics would do well to focus on what has been working in these areas, rather than what could work. Economists and political scientists alike should take an observational rather than a predictive approach when studying rural economies in this way.

Overall, this study of local governments’ responses to rural economic decline has focused on identifying predominant strategies. It has illuminated that outside policy advisors must be more careful to take into account circumstantial and individual evidence when producing proposals and recommendations. This variation does not indicate that there is no place for outside policy recommendations – only that they must be constructed on a more micro level and must be presented with a fuller understanding of local economic conditions. Finally, this research does not evaluate, but measures local response. It leaves the door open to investigate questions such as “why this?” and “how

well does it work?” while shedding light on the myriad of ways that local governments are adapting to a new economic environment. This measurement is an essential aspect of the research process for political scientists and understanding variation in local governments’ responses lays the foundation for a more thorough examination of rural economies in the United States.



## APPENDIX

*Below is the alphabetical list of town and county web pages where information was accessed. Links to online versions of planning documents are included.*

1. Allentown, Georgia
  - i. Town Information: <https://cityofallentownga.org>
2. Ashton, Idaho
  - i. Visitors Guide: <https://ashtonidaho.com/visitors-guide>
3. Birchwood Village, Minnesota
  - i. Village Plan:  
[https://www.cityofbirchwood.com/index.asp?SEC=245980F2-A48A-4C7A-8DE3-64FB0A266920&Type=B\\_BASIC](https://www.cityofbirchwood.com/index.asp?SEC=245980F2-A48A-4C7A-8DE3-64FB0A266920&Type=B_BASIC)
4. Chatham, Virginia
  - i. Town Plan: [https://www.chatham-va.gov/files/20160708\\_Chatham\\_2016\\_Comprehensive\\_Plan.pdf](https://www.chatham-va.gov/files/20160708_Chatham_2016_Comprehensive_Plan.pdf)
5. Clarks, Louisiana (Caldwell Parish):
  - i. County Plan: <https://www.caldwellparishla.com/columbia-main-street-program>
6. Crystal Lake, Iowa
  - i. Town Information: <https://www.crystallakeia.com/our-history-1>
7. Delphos, Kansas
  - i. City Facebook Page: <https://www.facebook.com/cityofdelphosks/>
8. Elloree, South Carolina
  - i. Town Information: <https://www.elloreesc.com/town-info/events>
9. Estral Beach, Michigan
  - i. Town Plan:  
<http://www.estrалbeachvillage.org/assets/Master%20Plan%201%2012%202018.pdf>
10. Eureka, Utah
  - i. Town Plan:  
[https://www.eurekautah.org/documents/52/Ordinance\\_No.\\_10-15-2019\\_Master\\_Plans.pdf](https://www.eurekautah.org/documents/52/Ordinance_No._10-15-2019_Master_Plans.pdf)
11. Greenville, Maine
  - i. Town Recreation Information: <https://greenvilleme.com/recreation/>
12. Hammond, Illinois
  - i. Town information: <https://villageofhammond.us/staff>

13. Hannaford, North Dakota
  - i. Tourism Information: <http://www.hannafordnd.com/tourism/>
14. Hebron, Wisconsin (Jefferson County)
  - i. County Plan: <https://www.jeffersoncountywi.gov/Reports/Plans/Strategic%20Plan.pdf>
15. Hotchkiss, Colorado
  - i. Town Plan: [http://www.townofhotchkiss.com/wp-content/uploads/2013/07/Hotchkiss\\_Master\\_Plan\\_revTW\\_6-3-121.pdf](http://www.townofhotchkiss.com/wp-content/uploads/2013/07/Hotchkiss_Master_Plan_revTW_6-3-121.pdf)
16. Hubbard, Nebraska
  - i. Town Information: <https://hubbardne.com/economic-development/>
17. Jackson, Nebraska
  - i. Town Plan: <https://jacksonnebraska.com/public-documents/>
18. Lewisville, Idaho
  - i. City Plan: <http://www.cityoflewisville.org/comprehensive-plan.php>
19. Lovelock, Nevada (Pershing County)
  - i. County Plan: [http://www.pershingcounty.net/document\\_center/Department/Planning%20and%20Building/Master\\_Plan\\_04.05.02\\_JE\\_Revision\\_Jan\\_2013\\_DO\\_NOT\\_DELETE.pdf](http://www.pershingcounty.net/document_center/Department/Planning%20and%20Building/Master_Plan_04.05.02_JE_Revision_Jan_2013_DO_NOT_DELETE.pdf)
20. Lowrys, South Carolina (Chester County)
  - i. County Plan: <http://www.choosechester.com/production/wp-content/uploads/2019/12/Chester-County-Strategic-Plan-Final-Draft-12.5.19.pdf>
21. Maitland, Missouri
  - i. Town Information: <https://www.maitlandmo.com/citygov.php>
22. Mansfield, Illinois
  - i. Town Information: <https://villageofmansfield.net>
23. Marietta, North Carolina (Robeson County)
  - i. County Plan: <http://publichealth.southernregionalahec.org/robeson/docs/3-10-2014%20DRAFT%20Robeson%20County%20Comp%20Plan.pdf>
24. Marshallville, Ohio
  - i. Town newsletter: <http://www.villageofmarshallville.org/newsletter/Marshallville%20Newsletter%20Winter%202018-19.pdf>
25. Mitchelville, Arkansas
  - i. Town Information: <https://encyclopediaofarkansas.net/entries/mitchellville-desha-county-6151/>

26. Mount Carbon, Pennsylvania
  - i. Town Information: <https://www.mcall.com/news/local/mc-nws-mount-carbon-20200116-f5lbmlqh5hsdek2r3blmp3z7y-story.html>
27. Mullinville, Kansas
  - i. Town Website/Resident Resources: <http://www.mullinvilleks.com/new-in-town.html>
28. Natalia, Texas
  - i. City Plan: <https://static1.squarespace.com/static/510d84a9e4b072208fa0916a/t/5c75afb08522964ddbfbbaee/1551216586852/2018+CDP++TxCDBG+7216074++City+of+Natalia+Complete+with+Maps+2-15-19+reduced.pdf>
29. Newton, Georgia
  - i. Town Plan: <https://www.co.newton.ga.us/401/Newton-County-Strategic-Plan-in-Action>
30. North, South Carolina
  - i. Town Comprehensive Plan: <https://townofnorth-test.sc.gov/sites/default/files/Documents/Ordinance/Comp%20Plan.pdf>
31. North Courtland, Alabama
  - i. Town Social Media: [https://www.facebook.com/pg/Town-of-North-Courtland-2082830238620601/posts/?ref=page\\_internal](https://www.facebook.com/pg/Town-of-North-Courtland-2082830238620601/posts/?ref=page_internal)
32. Odessa, New York
  - i. Co-village plan: <https://flxgateway.com/wp-content/uploads/2015/12/Villages-of-Burdett-Odessa-Commercial-District-Improvement-Strategy.pdf>
33. Orleans, Indiana
  - i. Town information: <http://town.orleans.in.us/news/>
34. Plainville, Indiana
  - i. Town Financial Report: [http://www.washtimesherald.com/archives/town-of-plainville-daviess-county-indiana/article\\_bad4ed6b-3fe4-5961-8ca9-fde71a8b5213.html](http://www.washtimesherald.com/archives/town-of-plainville-daviess-county-indiana/article_bad4ed6b-3fe4-5961-8ca9-fde71a8b5213.html)
35. Parma, Missouri
  - i. City Social Media: [https://www.facebook.com/pg/City-of-Parma-Missouri-353262098643218/posts/?ref=page\\_internal](https://www.facebook.com/pg/City-of-Parma-Missouri-353262098643218/posts/?ref=page_internal)
36. Pickens, Mississippi
  - i. Town Information: <https://mississippi.hometownlocator.com/search/content,st,ms,q,pickens.cfm?q=pickens>

37. Point Hope, Alaska
  - i. Village Corporation Newsletter: <http://www.tikigaq.com/wp-content/themes/tikigaq/images/Newsletter-Fall-2019.pdf>
38. Riverside, Wyoming
  - i. Town Plan: <http://www.riversidewyoming.com/Town%20Docs/Scans/Final%20MP%20-%20Riverside.pdf>
39. Seabright Village, New Jersey
  - i. Village Plan: <http://co.monmouth.nj.us/documents/24/MP%20-%20Chapter%209.pdf>
40. Theresa, Wisconsin
  - i. Annual Town Newsletter: <https://villageoftheresa.com/wp-content/uploads/2019/07/2019-Annual-Newsletter.pdf>
41. Tracy, Tennessee
  - i. Town Website/Tourism Information: <http://www.tracycitytn.com>
42. Troy, Montana
  - i. Tourism Information: <https://glaciermt.com/community/troy>
43. Tucker, Mississippi
  - i. Choctaw tribe information: <https://www.choctaw.org/culture/index.html>
44. Vernon, California
  - i. City Plan: [http://www.cityofvernon.org/images/community-services/Planning/Vernon\\_General\\_Plan.pdf](http://www.cityofvernon.org/images/community-services/Planning/Vernon_General_Plan.pdf)
45. Udall, Kansas
  - i. Town Information: <https://www.cityofudall.com/business>
46. Walker, Minnesota
  - i. Tax and Town Information: [https://walker.govoffice.com/index.asp?SEC=CD286028-F433-4776-840F-AA8116447DC9&Type=B\\_PR](https://walker.govoffice.com/index.asp?SEC=CD286028-F433-4776-840F-AA8116447DC9&Type=B_PR)
47. Washburn, Wisconsin
  - i. City Plan: [http://www.cityofwashburn.org/uploads/7/0/4/7/70473445/city\\_of\\_washburn\\_comp\\_plan.pdf](http://www.cityofwashburn.org/uploads/7/0/4/7/70473445/city_of_washburn_comp_plan.pdf)
48. West Mineral, Kansas
  - i. Town Information: <https://www.kshs.org/index.php?url=km/items/view/448114>
49. Wharton, Ohio
  - i. Town Information: <https://ohio.hometownlocator.com/oh/wyandot/wharton.cfm>

50. Whitefield, New Hampshire

- i. Town Economic Development Plan:  
<https://www.whitefieldnh.org/whitefield-economic-development-corporation-0>

The following is a list of interview participants for case studies:

Ferguson, Tracy. Interview by Abigail Cutrumbes. Informational interview. Quincy, CA, 6 January 2020.

Springer, Angela and Julia Simmons. Interview by Abigail Cutrumbes. Informational interview. Green Mountain Falls, CO, 9 January 2020.

Davis, John. Interview by Abigail Cutrumbes. Informational interview. Millinocket, ME, 12 January 2020.

Ricker, Jim. Interview by Abigail Cutrumbes. Informational interview. Newport, ME, 13 January 2020.

Havreluk, Gretchen. Interview by Abigail Cutrumbes. Informational interview. Wilmington, VT, 15 January 2020.

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## **CURRICULUM VITAE**

