Economic Diversity and Prosperity: Lessons for Rural Counties

Erik R. Pages
EntreWorks Consulting
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Today’s Talk

- Rural Economic Development: Background & Context
- Appalachian Regional Commission Research Project: Background
- Case Study Counties
- Lessons Learned
Context: Traditional Challenges for Rural Economic Development

- Distance to Markets
- Lack of Scale
- Lack of Resources
- Limited Capacity
- And, Lack of Economic Diversity
Context: New Challenges for Rural Economic Development?

- More complex operating environment
  - Globalized Economies
  - Embrace of Regionalism
  - Need for cross-discipline partnerships
  - Network Operating Structures
  - Demand for faster results

- While traditional funding sources are drying up
ARC Research Project Background

- ARC sought to better understand trends
  - Poorest ARC regions were least diverse
    - Heavy reliance on extraction (e.g. coal)
- More Prosperous Counties had more diverse economies in place
- Many growing counties had also become more diverse over time
Industrial diversity, 2012

County employment diversity, 2012
- High (1 ≤ Z < 2)
- Low (-1 > Z > -2)
- Above average (0 < Z < 1)
- Very low (Z ≤ -2)
- Below average (0 > Z > -1)

Notes: 1. Entropy calculated at 6-digit NAICS aggregation 2. Classifications based on standard deviations (Z) from mean
Our Case Studies

- Tioga County, NY
- Lycoming County, PA
- Garrett County, MD
- Upshur County, WV
- Knott County, KY
- Washington County, VA
- Rutherford County, NC
- Pickens County, SC
- Lauderdale County, AL
- Oktibbeha County, MS
Case Studies: Key Research Questions

- How do communities prioritize the concept of diversity in their economic development efforts?
- How do they develop and implement strategies that address economic diversity efforts?
- Who are the key actors involved in these efforts?
- To what extent do these efforts address industrial, skills or income diversity?
- What are the key lessons learned from their efforts?
Diversity-inspired strategies may involve:

- Creating new specializations or clusters
- Investing in sites, buildings and infrastructure
- Focusing on activities seen as outside ‘traditional’ ED activities
- Workforce development and broadening local skill base
- Improving connectivity (Road, Rail, Broadband, etc.)
- Accessing growth centers (e.g., large, nearby metro areas)
- Leveraging anchor institutions (e.g., universities)
- Or simply... Whatever Works
Lauderdale County, AL
Oktibbeha County, MS
Lessons Learned

- Economic Diversity: Goal or Strategy?
- There is No One Best Way
  - Diverse strategies can increase diversity
- Move Beyond Employer Base Focus
  - Also focus on skills, wealth & ownership
- Regional Context Matters
- Reach Across Silos
- Do Your Research
- Leadership Matters
Questions?

Erik Pages  
EntreWorks Consulting  
epages@entreworks.net  
703-237-2506  
www.entreworks.net  
BLOG: www.entreworks.net/blog  
Newsletter Sign-Up:  
http://www.entreworks.net/Newsletter.php