Hometown Competitiveness©: A Come Back-Give Back Approach to Rural Development

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Abstract

For the past few years, a collaborative of nonprofit organizations in Nebraska has been evolving a model for community intervention and self-help. The program, called Hometown Competitiveness, has emerged as a new model for interdisciplinary rural development. Combining outside technical assistance with local capacity building, the program features four distinct strategies for entrepreneurship identification and support, leadership training, youth engagement and the creation of local charitable assets. The HTC collaborative is one of 6 programs nationally that received awards from the W.K. Kellogg Foundation's Entrepreneurship System Development Initiative.

The upcoming paper will offer descriptions of the assessment and engagement tools that have been developed by the HTC team as well as a look at how the collaborative developed and has changed over time. More information is available at: www.htcnebraska.org

Introduction

For the past several years, a collaborative of nonprofit organizations based in Nebraska has evolved a model for community intervention and self-help. The program, called Hometown Competitiveness (HTC), has emerged as a new and successful model for interdisciplinary rural development.

Combining outside technical assistance with local capacity building, the program features four distinct themes or *Pillars*. These themes include: building a skilled and increasingly inclusive leadership group with capacity to improve and sustain the community; retaining and attracting youth and young families that are involved in all types of community activities; acting immediately to capture a portion of the local wealth that will transfer between generations; and, ultimately, using that transferred wealth to energize and support local entrepreneurs. This program is one of six selected by the W.K. Kellogg Foundation for financial support as part of that foundation's Entrepreneurship Development System initiative.

Each Pillar includes a systematic assessment and community engagement strategy, which will be described throughout the paper. Assessment forms and tools are, however, propriety in nature and, while described, are not included in this presentation.

In the four years since HTC was introduced, many refinements have been developed. Considerable success at the community level continues to be documented, and a series of national HTC academies is drawing attention from many other states.

A Brief History

The three organizations that founded the HTC approach have a history of collaboration in community and economic development. Staffs were well acquainted and mutually respected, and admired the work of the others. As community-based projects and activities developed over time, closer connections also developed among these organizations. The HTC model emerged from the strengths and content bases of these organizations.

The Center for Rural Entrepreneurship, a virtual organization with staff in several states and co-directors in Nebraska, Missouri and North Carolina, enjoyed a strong national reputation for both policy and community investigation of entrepreneurial activities. More about the Center can be found at www.ruraleship.org.

The Heartland Center for Leadership Development, founded in `986 and therefore the oldest of the organizations involved in the development of HTC, also serves small towns and rural areas nationally. The Heartland Center is well known for highly practical leadership training and applied research on successful rural communities. The Heartland Center's web site is www.heartlandcenter.info.

Lastly, the Nebraska Community Foundation (NCF) offers affiliated fund status to nearly 150 communities in Nebraska. Seen as a leader in the trend toward community foundations, NCF has already distributed over $35 million to community

betterment projects and has enjoyed remarkable success in creating endowments for this purpose. More about NCF can be found at www.nebcommfound.org.

Values. Worth. Action

An additional partner organization, the Center for Rural Affairs (CFRA), also participates in the collaborative in order to provide a policy dimension to the HTC work in Nebraska and nationally. CFRA has been very active in the Kellogg-funded aspects of HTC, in particular making the REAP microenterprise program available to all HTC communities in Nebraska, as well as furthering legislative interest in HTC. A web site with more information can be found at: www.cfra.org.

Certainly the continuing need for active leaders in small towns was part of the development of HTC. This long-standing need and the well-documented out-migration of young adults and young families were both major elements that fueled the collaboration from the standpoint of the Heartland Center. The Nebraska Department of Natural Resources offers an overview of county population adjustments, which demonstrates the widespread nature of these changes. In addition, new and exciting information about the transfer of wealth from an older generation and the importance of the next ten years added the strong interest and focus of the Nebraska Community Foundation. Finally, interest in rural entrepreneurial activity provided a long-needed focus to the work of all three organizations.

HTC materials inter-relate these Pillars in the following manner: leadership development provides the volunteers to do the work, and along with youth engagement puts an emphasis on the future; identifying and supporting entrepreneurs gives a strong and much-needed focus to economic development efforts; and creating charitable assets provides the funds to sustain the community efforts over time.

HTC Community Structures

A dominant and necessary ingredient of the HTC model is a very high level of community engagement demonstrated by the commitment of financial resources, volunteer time, and local government endorsement. For example, a steering committee is required to provide local credibility and to recruit enough volunteers to staff task forces that target each of the four Pillars.

The readiness of the community to begin the HTC process has been the focus of a great deal of experimentation, assessment and refinement among the core partners. Phase One is characterized by a series of activities, to include information sharing and education, the identification of local champions, and the formal approval of local government, which have all been readiness factors for the selection of communities for HTC. Another readiness factor, typically, is a staff person or volunteer who can dedicate between 10 and 15 percent of her or his time to help with logistics, meetings, and process support activities.

Readiness factors also culminate in the financial commitment necessary to take part in HTC. While some Foundation funds are used to match local commitments, the community must be willing to invest both time and money in order to support long-term engagement in HTC.

This financial requirement serves several purposes. Obviously, the contribution of funds does help sustain the effort for the nonprofit organizations that offer the HTC model to communities. Sustainability is always an issue, even with generous but time-limited support from Foundations. HTC must be partially self-supporting over the long term in order to truly have an impact on rural communities where it has been engaged. However, another aspect of the financial commitment requirement is related to the seriousness of the community, and the motivation and intent of volunteers who are ultimately responsible for the future of their town. This type of investment builds in commitment and accountability.

A Look at Each Pillar: Leadership Development

In the past twenty years, a great deal has been written about leadership styles and skills. Among the most important key skills are:

- the ability to accept people as they are,
- the capacity to approach relations and problems in terms of the present rather than the past,
- the ability to treat people close to you with the same courteous attention that you extent to strangers,
- the ability to trust others, even if the risk seems great,
- the ability to do without constant approval and recognition from others. (Bennis and Nanus)[1]

Of course, these characteristics can only be taught and then demonstrated through behavior—that is, what leaders actually do and say. Community leadership is similar to many other leadership roles in business and education. However, community leadership is more public, rarely compensated, subject to greater political pressure, and must satisfy a very broad and diverse constituency. Community leadership is most often about coping with change in one way or another, and more change always demands more leadership (Kotter)[2]. These concepts are also reflective of generally accepted community development practices and are often seen as foundational work for any community development effort (Pigg)[3].

Within the HTC framework, a community task force is created that is charged with carrying out several activities. If a leadership development program already exists, the task force is assisted in the evaluation and possible renewal of the program. If no leadership training program exists, then the task force can develop a formal or informal program to address that need. HTC provides

several types of assessment formats for task force use. In any case, the HTC staff encourages leadership training that includes team work on a project, and stresses diversity and inclusion as major components of task force activity and leadership training.

As with all of the HTC Pillars, youth engagement is often merged or blended into the leadership development element. Almost every leadership training program in HTC communities, for example, has a specific recruitment strategy to assure the presence of high school students as participants.

A Look at Each Pillar: Entrepreneurship

The HTC hypothesis is that weaker economic performance in rural areas is due, in large part, to a lack of entrepreneurial activity. The HTC model also proposes that the key to true rural revitalization rests with energizing those rural entrepreneurs and then creating a community that can support them through leadership, youth engagement, and the building of charitable assets. This approach is also in line with the views of the Federal Reserve Bank of Kansas City expressed by its Center for the Study of Rural America, which identified rural entrepreneurs as one of the keys to the development of rural areas.

The HTC approach is also framed by the belief that rural characteristics merge well with entrepreneurial outlooks. The attitudes and behaviors that support entrepreneurs are also the very same attitudes and behaviors that shape successful small towns and rural areas (Luther and Wall)[4].

HTC offers a way for communities to connect with entrepreneurial talent and create a pathway to great economic development success. Part of the strategy is definitely providing a focus. Rather than proposing that a small town should try to achieve dozens of economic development goals, HTC proposes a focus on local entrepreneurs who have the greatest potential to diversify the local economy.

A wide variety of tools have been created to support a community task force that targets the identification and support of local entrepreneurs. Some of the techniques often used are assessments of readiness, work sessions and materials on identifying local entrepreneurs, and procedures to help create the supports that are needed by those entrepreneurs. Many of these tools are explored in a recent publication, Energizing Entrepreneurs (Markely, *et al.*)[5]. Additionally, more about the impact of these tools and the focus on entrepreneurship can be found in recent journal articles by some of the HTC staff (Emery, *et al.*)[6].

Again, it should be mentioned that youth commitment is often part of this HTC Pillar. This key to involvement may include junior and senior high school classes and clubs organized around business start-up ideas, or community forums targeted at youth concerning business development and entrepreneurship topics. The assessment and youth projects are examples of the activities that this HTC task force might use in a community.

A Look at Each Pillar: Charitable Assets

With the dramatic transfer of wealth predicted for the next 10-15 years, the accumulation of charitable assets and the tradition of community charitable giving is a key component of HTC (Havens)[7]. The process of creating charitable assets relies on the strong affinity many people, both current and former residents, already have for their hometowns. The creation of a local endowment (or a fund affiliated with a larger institution like the Nebraska Community Foundation) flows from this affinity, which capitalizes on both the generous way people already give of their time and talent and the intergenerational transfer of wealth. HTC intervention on this Pillar transforms opportunity into action, and then sustain a higher level of community engagement and reinvestment.

By concentrating fundraising efforts on gifts of highly appreciated property and solid estate planning, results can be remarkable. The research of NCF into generational transfer of wealth suggests that tens of millions of dollars are transferred annually and are available for reinvestment. By educating local estate planners, lawyers, accountants, and even funeral directors about this opportunity, small percentages of this vast wealth transfer can be captured and reinvested into communities.

Expectancies—future gifts through bequests—become vital to long-term success. Once a bequest has been planned and then eventually received, the gift can become a permanent investment and create annual income every year. What is most significant about this strategy of creating local charitable assets, however, is the local control of the endowment and the strategic support that it can provide. Unlike a community that is dependent on outside resources, such as state agency programs that can change with every administration, a community with a producing endowment can take control of its future in a new way.

The HTC model targets these charitable assets toward the other three Pillars and invites the community to invest in leadership programs, youth engagement, and the support of entrepreneurs. HTC communities that have been working in the model for several years now fund staff positions for leadership programs, special entrepreneurship classes in the high school, and even micro-loan programs for entrepreneurs.

A Look at the Pillars: Youth Engagement

HTC provides support and materials for a youth task force to focus on several strategies to retain youth and attract young families. The identification of likely young entrepreneurs through classes, special clubs and events, and then organizing ongoing support for those individuals is one strategy. Some communities have explored generational business transfer by mapping Main Street businesses and beginning the conversation with owners who will turn over the business in the next 10 years, then following up with research and match-making processes, if possible. Additionally, peer networks and adult mentors have been used, as have innovative apprenticeship and internship efforts.

As mentioned previously, this Youth Engagement aspect of HTC is often blended or combined with the other Pillars. This under-25 age group is invited to participate in leadership programs, and takes part in school classes and clubs for entrepreneur development. In addition, this group often serves as part of assessment teams in community surveys and evaluations, and even business visitations. One HTC community created a Youth Foundation with an all-student board that decided on grant making for other youth projects.

Interaction of the Four HTC Pillars and Evaluation

Perhaps the most interesting aspect of the Hometown Competitiveness model is the inter-relatedness and interaction of the four themes or Pillars. Each community that has engaged in the model has varied the order and emphasis with which the task forces have dealt with leadership, youth engagement, entrepreneurships, and charitable assets. Each community is asked, however, to address all four in some way, and it has been a consistent feature that these four topics not only seem to be highly motivating, but also provide exciting spin-off projects for the entire community.

Almost every service club, organization, or association in a community can relate its mission statement or purpose to one of the four Pillars. HTC staff stress that not everyone has to be involved in everything, but find that over time the connections and networks in the community are activated in the HTC model.

Evaluation of the Nebraska HTC communities has been an important part of the development of the model. In 2002 and 2003, learning grants from the National Rural Funders Collaborative offered an opportunity to create an in-depth case study of one Nebraska community. Conducted by the staff of the North Central Regional Community Resource Center in Ames, Iowa, with Center Director Cornelia Flora as the principal investigator, the advances in the HTC community were evaluated in terms of the seven capitals identified by Flora in her prior publications. The results were very positive, with increases noted by the evaluators in capital in the built environment, cultural areas, natural resources, finances, political arena, social and human capital. These results were very encouraging, and some refinements to the model were suggested and implemented (Emery and Flora)[8].

As part of the national Entrepreneurship Development System funded by the W.K.Kellogg Foundation, an evaluation team from the University of Nebraska documents HTC community activities. That team notes that the record of task force success stories is mounting. Additional case study evaluations also will be conducted by the North Central Regional Center for Rural Development. Success stories and community- specific information can be found on the HTC web site: www.htcnebraska.org.

New and significant organizational partners have also emerged. HTC currently collaborates with the Nebraska 4-H program to develop and test a pilot entrepreneurship curriculum that will be used in HTC community schools in 2007 and 2008. Chadron State College has become a source

of technical assistance to HTC communities in the western part of the state, and hosts HTC academies to train community teams.

Conclusions

HTC is offering some significant lessons about interdisciplinary rural development. Firstly, the interaction of the HTC Pillars (leadership development, youth engagement, entrepreneurship, and charitable assets) offers an excellent focus for rural development interventions at the community level. The motivating aspects of these topics can be found community-wide and help to counteract apathy and lack of involvement. Secondly, the emphasis on community financial commitment is also significant. Rarely required for most federal or state supported programs, this type of financial investment builds in not only commitment and accountability, but offers a potential solution for programs with dwindling resources. Lastly, HTC offers an excellent example of organizations collaborating to deliver services while providing for the future of each organization as well. With HTC gaining national visibility, it seems likely to provide a revenue stream for the partner organizations.

End Notes: Vicki Luther, "Hometown Competitiveness©: a Come Back-Give Back Approach to Rural Development," *Online Journal of Rural Research & Policy* (2007.4).

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Vicki Luther, Co-Director of the Heartland Center for Leadership Development, has over 25 years experience in designing programs to increase citizen participation in government and to improve their skills as decision-makers in both the public and private sectors.

As Co-Director and a founder of the Heartland Center for Leadership Development with Milan Wall, she has developed training programs for community leaders and has participated in research projects on economic development and healthy communities.

The author of several articles on futuring, community planning and leadership training, she is also the co-author of several publications on rural community development. Luther received the 1992 National Community Development Society Achievement Award for her work in the area of community development.

A cum laude graduate of Marywood College, she received a master's degree in culture change from Central Washington University and a Ph.D. in Educational Leadership from Gonzaga University in Spokane. Prior to her work with the Heartland Center, she served on the faculty of Washington State University.

Dr. Luther recently participated in the Master Class for Leadership Educators at Harvard's Kennedy School of Government. As an equestrian enthusiast, when Vicki is away from her desk she is most likely on her way to the barn, to ride and care for her horse.