

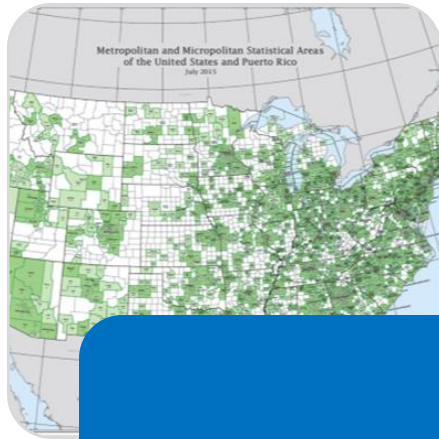
# Defining and Serving Rural Communities



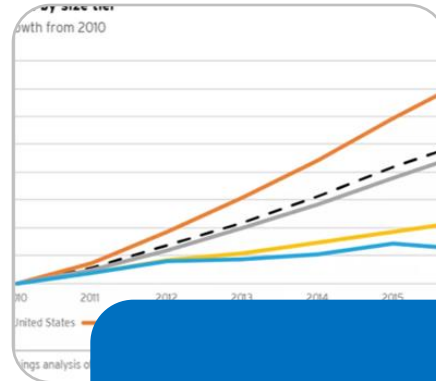


# Road Map

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Defining  
Rural



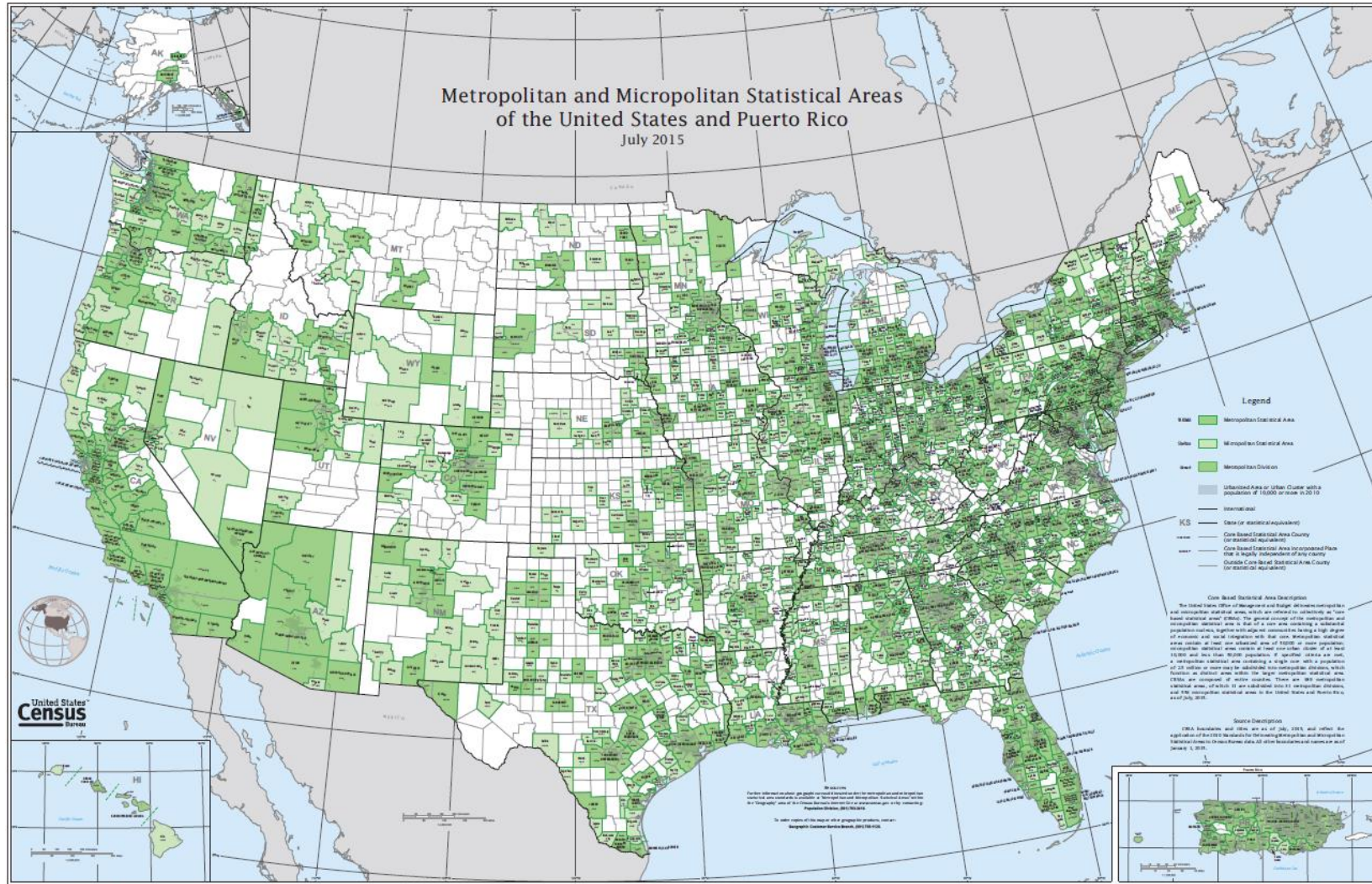
Rural  
Performance



Rural  
Opportunity

# Defining Rural

## OMB Statistical Areas Designation by Population Size



Definition based on what Rural *lacks*:

population, limited institutional capacity, geographic isolation, limited access to services (e.g. health care, education).



# Defining Rural

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## USDA Economic Research Service County Typologies (Shared Characteristics)

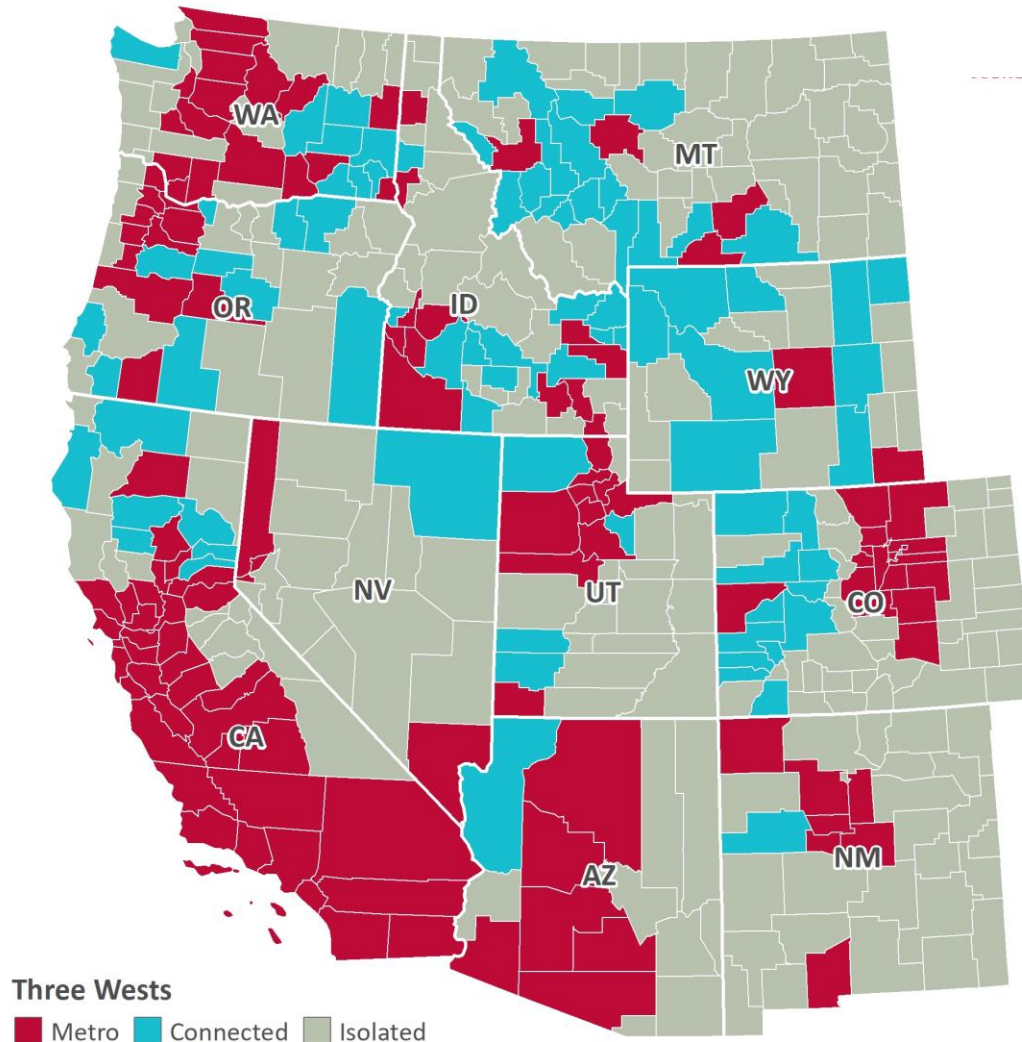


**Definition based on what Rural *is*:**

county typologies focused on agriculture, energy, recreation, demographics that define shared characteristics of rural places.

# Defining Rural

## “Three Wests” Classification Based on Economic Opportunity



**METRO** Higher wages  
Less volatility  
More high-wage services  
Fastest-growing  
Younger, More educated

**CONNECTED** (via airports)  
Over time, perform like METRO

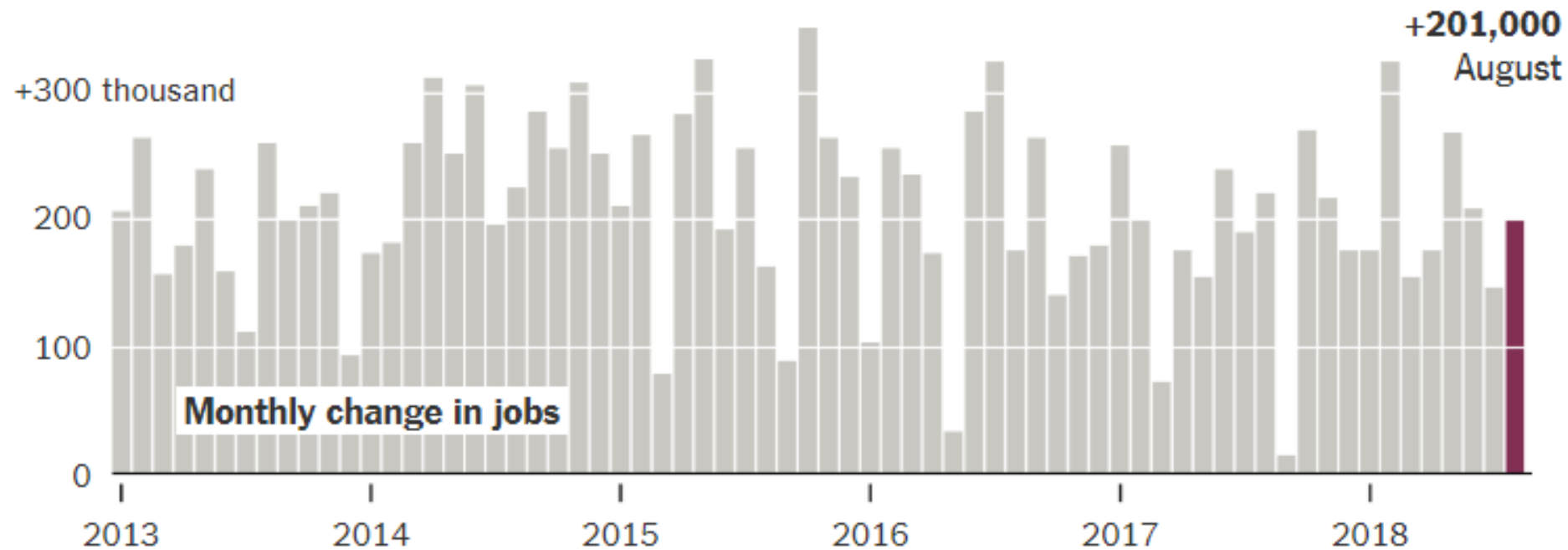
**RURAL & ISOLATED (3% Pop, 50% Area)**

Lowest wages  
Most volatility  
Few high-wage services  
Slowest-growing  
Older & aging  
Less well-educated



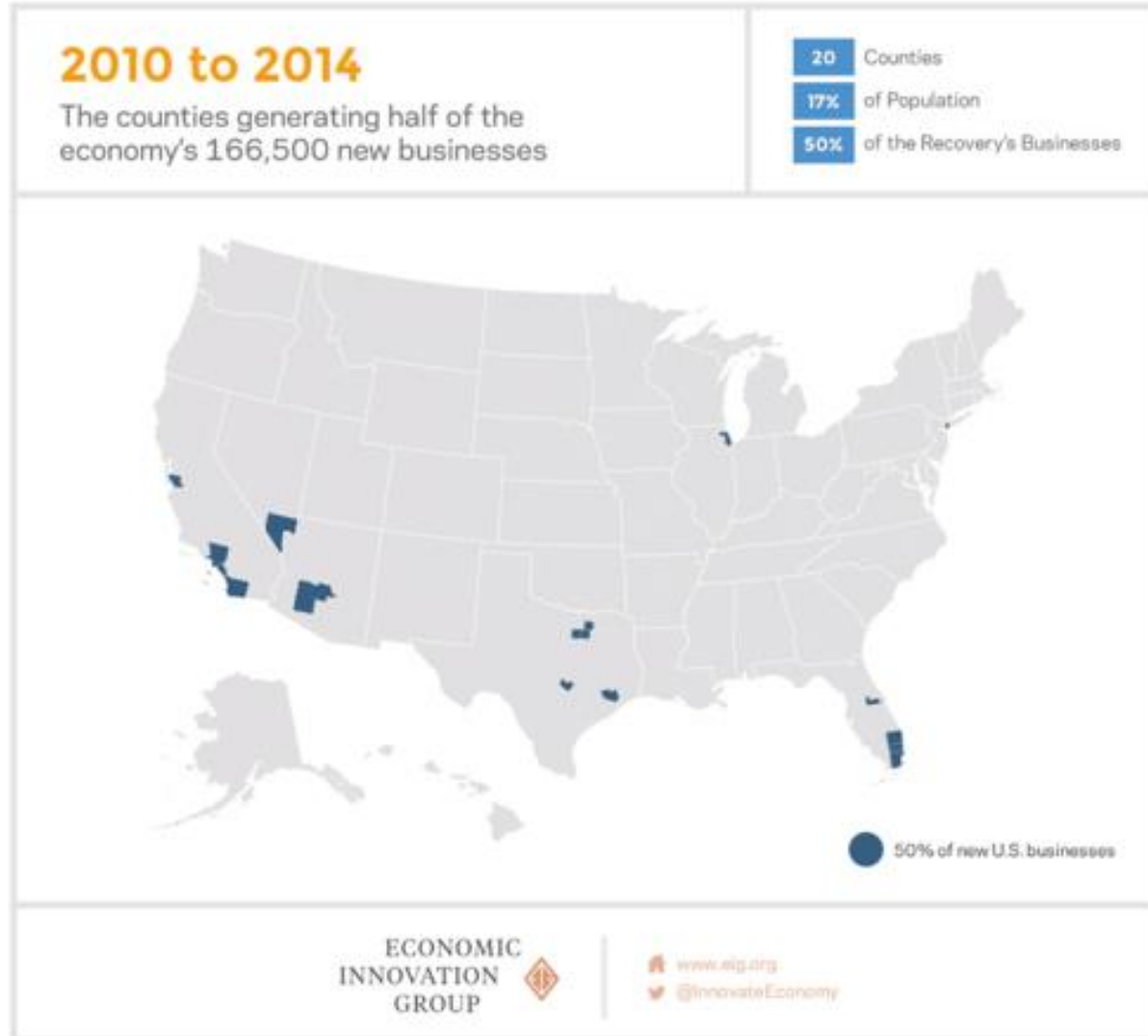
# Rural Performance

## U.S. Economy is Growing



Source: Bureau of Labor Statistics

# Growth is Uneven and Unequal

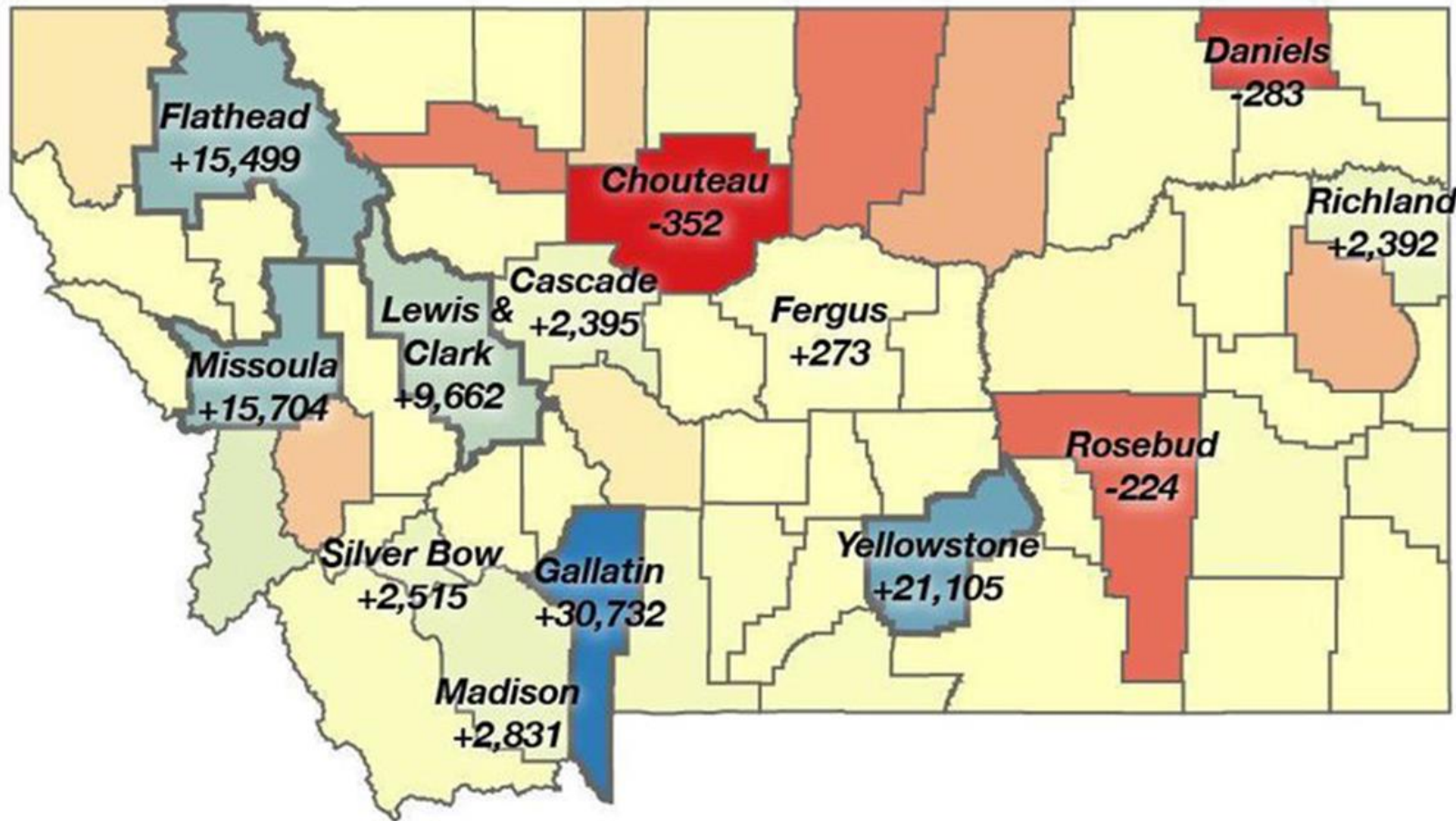


20 cities are responsible for 50% of all new business formations since the Great Recession



# Rural Performance

## Changing Economic Geography



Since 2000

**75%**

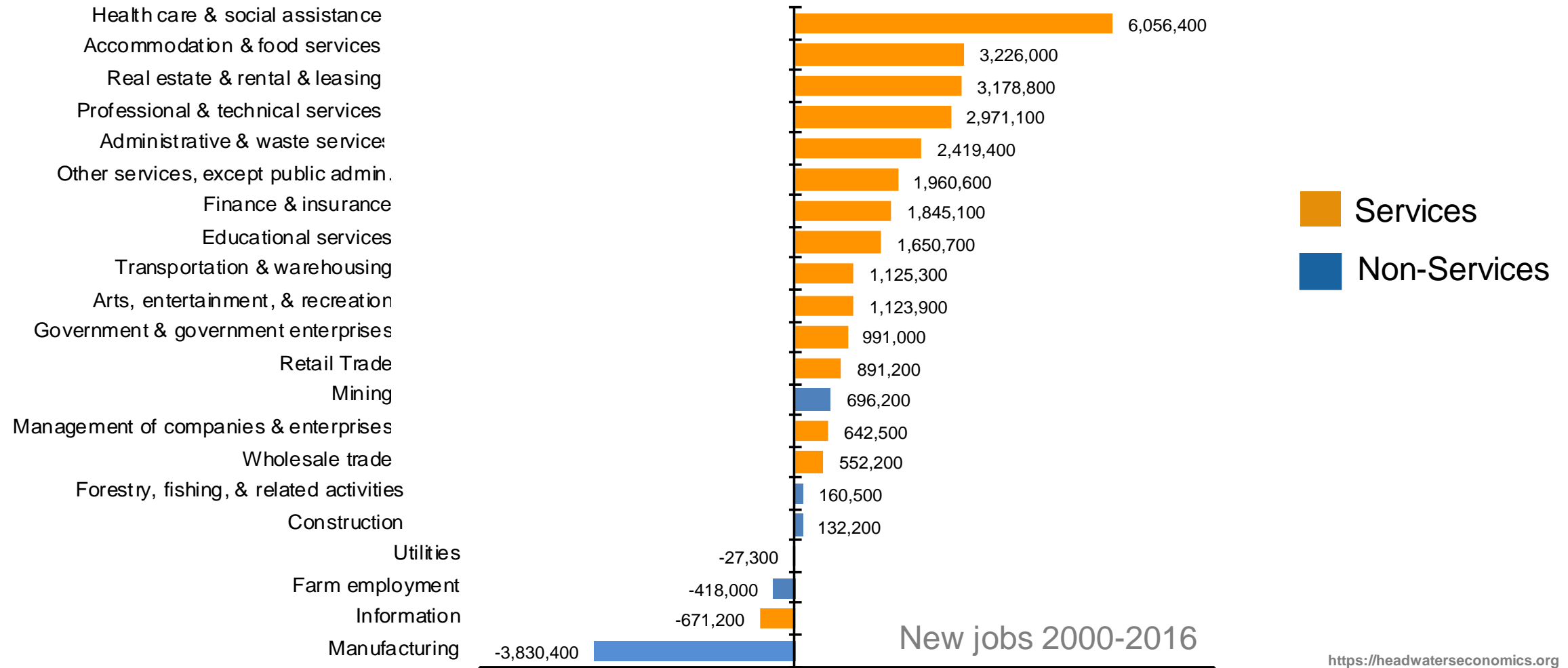
of new jobs created in

**5** Montana counties



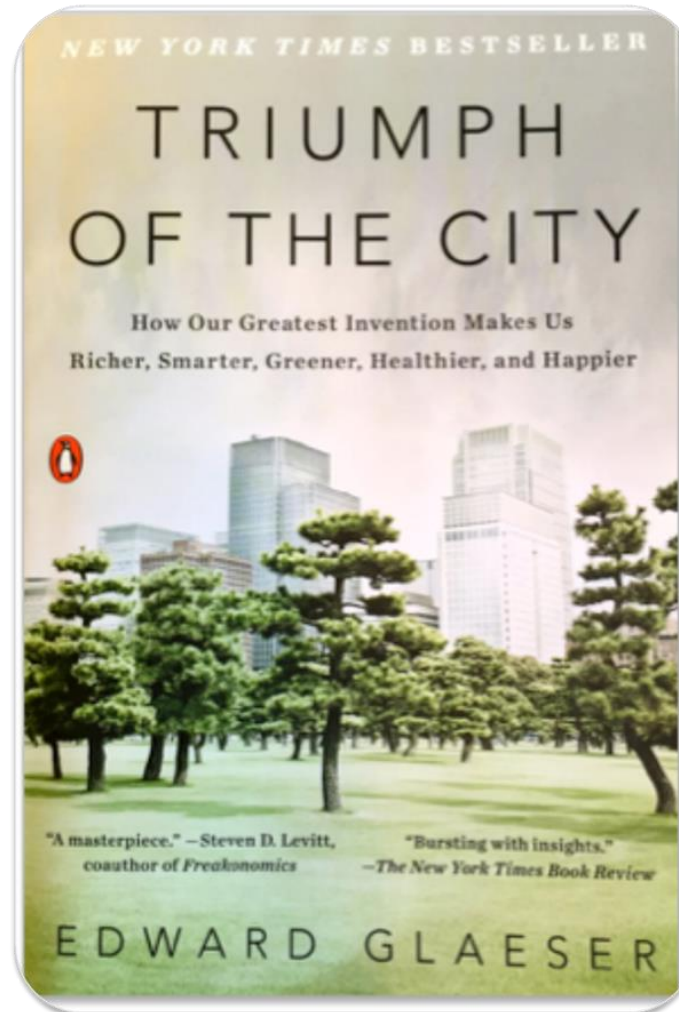
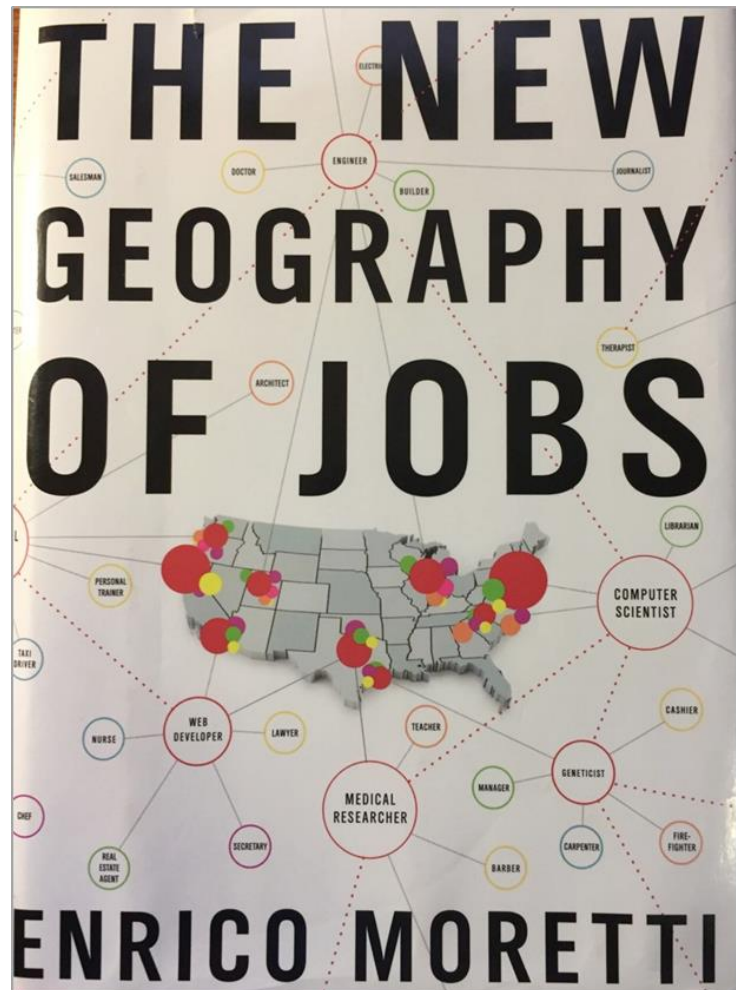
# Rural Performance

## 95% of New Jobs in U.S. in SERVICES



# Rural Performance

## New Jobs Clustered in Cities



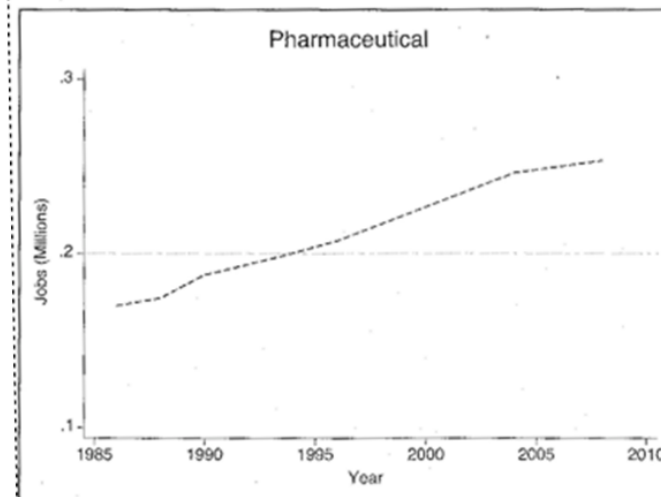
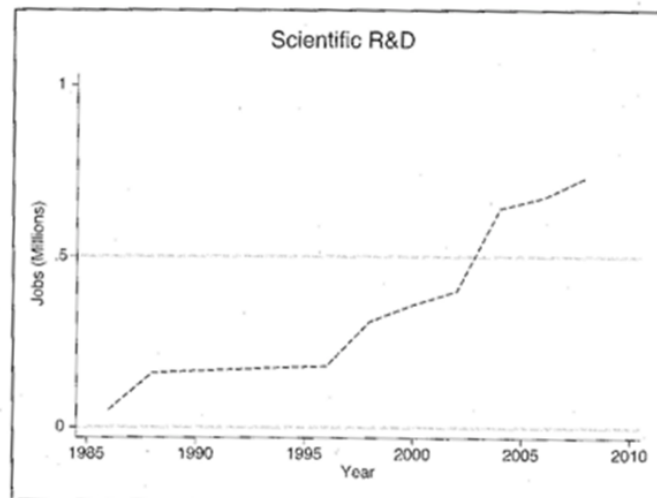
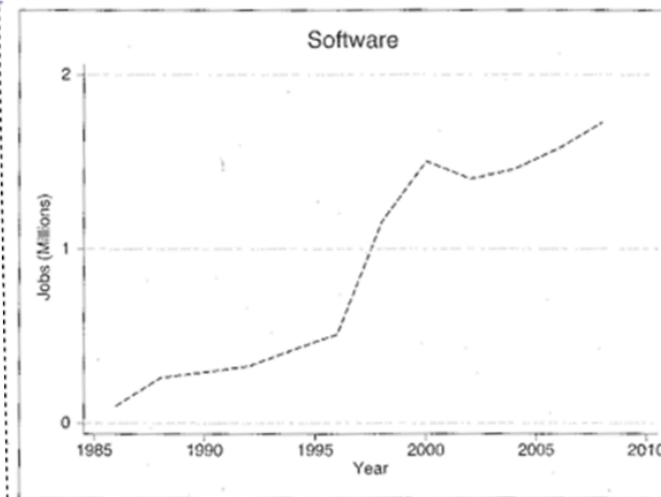
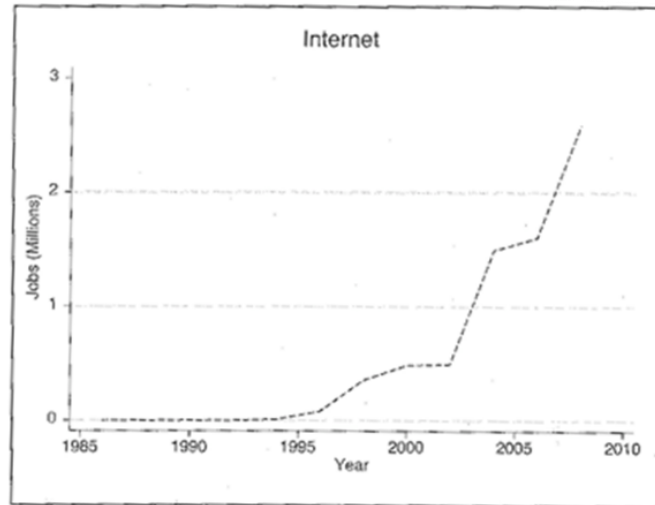
“In the twentieth century, competition was about accumulating physical capital.

Today it is about attracting the best human capital.”



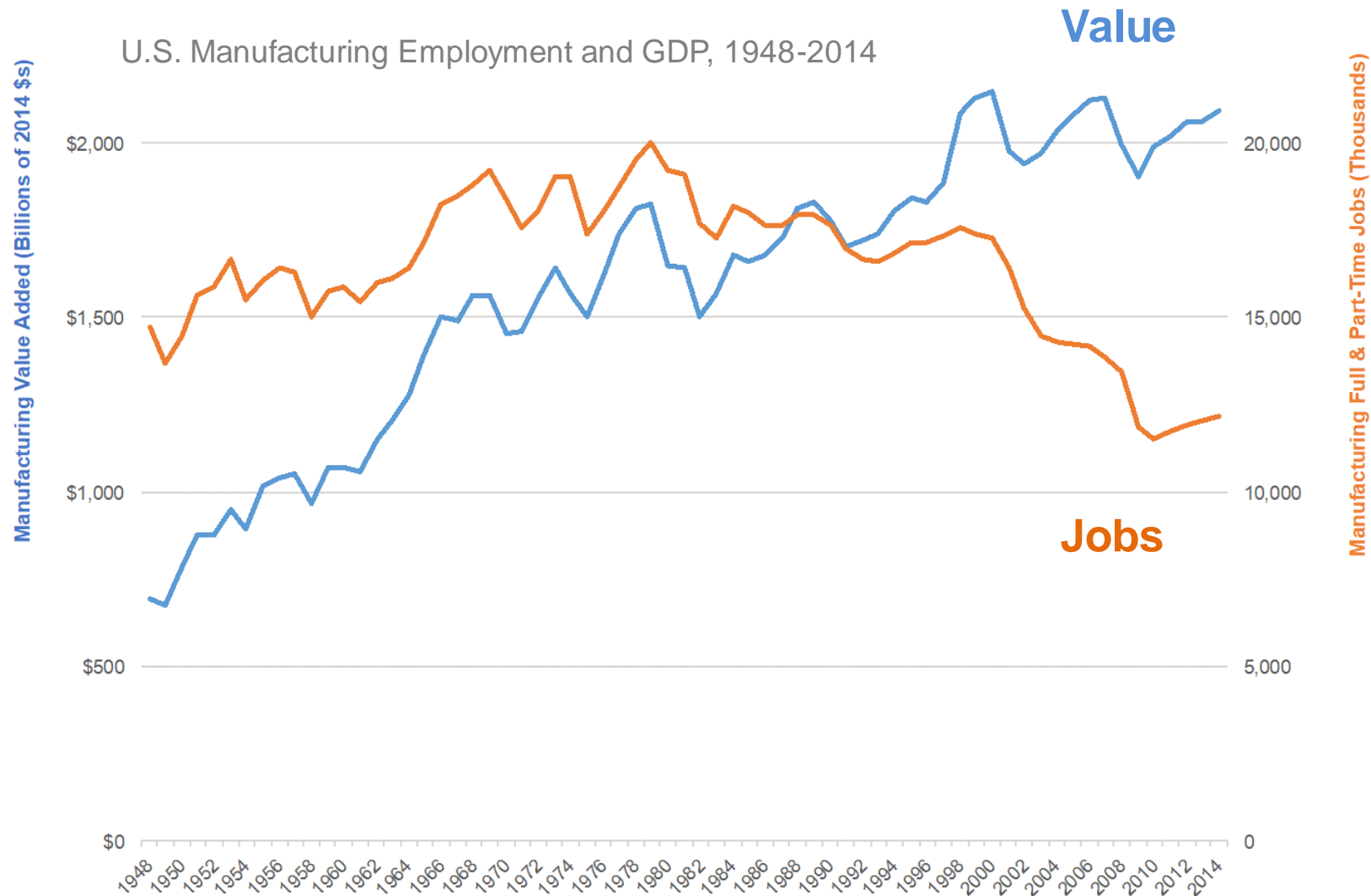
# Rural Performance

## Most Important New Jobs Are In “Innovation”



# Rural Performance

## Productivity Gains Shed Jobs in Traditional Sectors

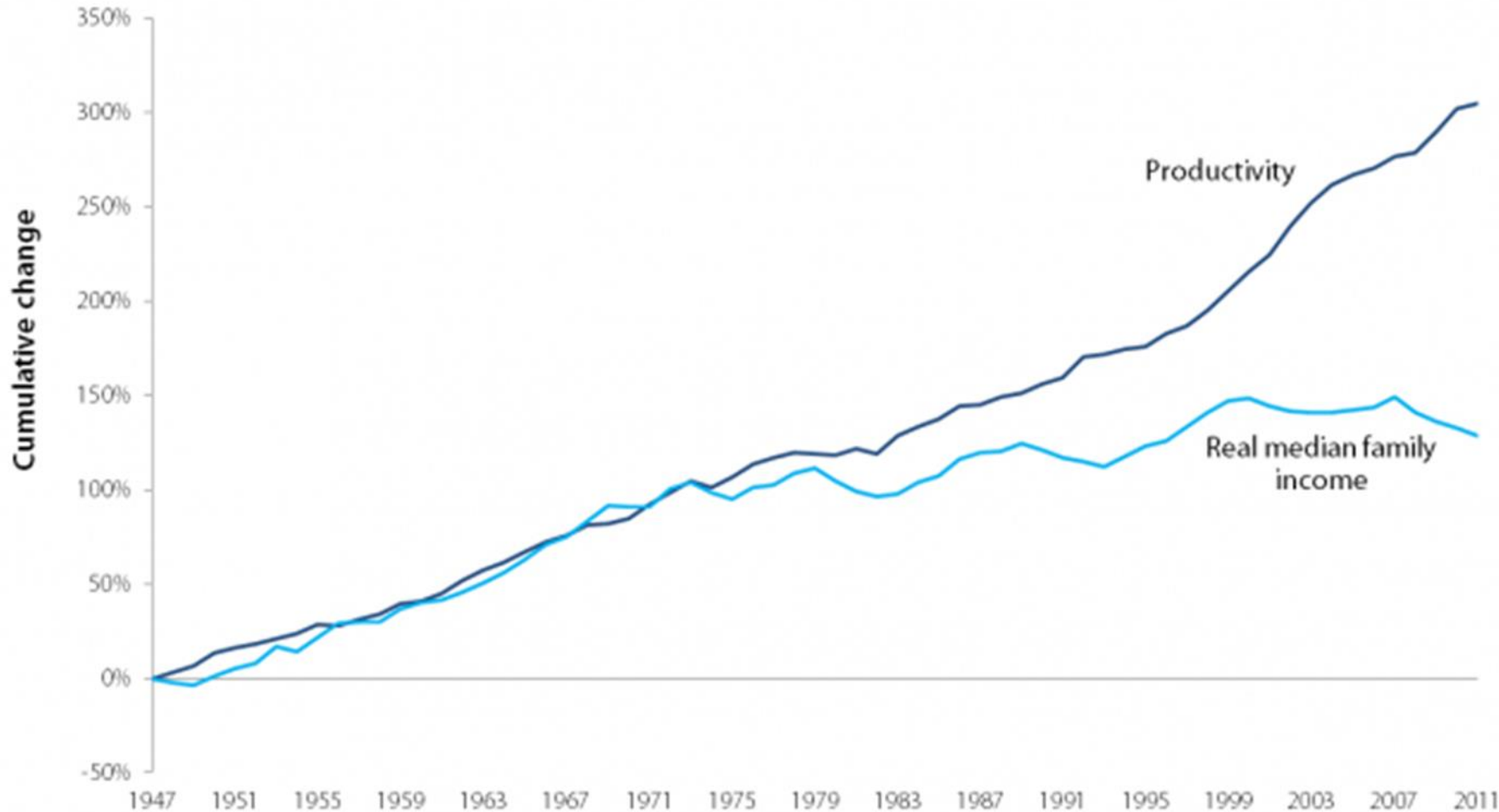


Low-value manufacturing (textiles, autos) sent offshore. High-value manufacturing remained in U.S. and automated.



# Rural Performance

## The “Great Decoupling”



Beginning around 1970, productivity gains no longer translate to higher wages & income

# Rural Performance

Resource Dependence  $\neq$  Future Performance



**County performance on various measures of growth and prosperity predicted by trajectory in 1990**

- Proximity to Metro / Industry Diversity
- Amenities / Quality of Life
- Education
- Community Vision / Adaptability



# Rural Opportunity

## Theory of Rural Development



**Agriculture, resource  
extraction & tourism**



**Transportation,  
infrastructure,  
community capacity**



**Diverse economy:**

Agriculture, resource  
industries, tourism, plus ...

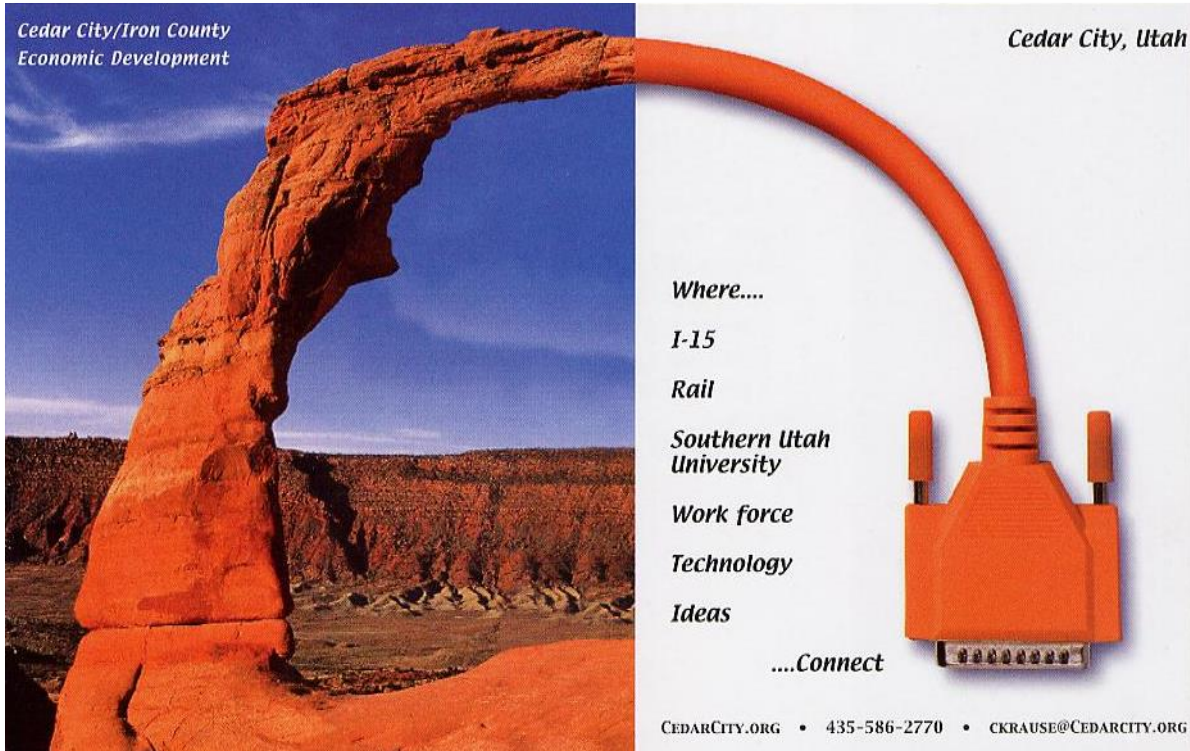
high-wage services,  
investment income,  
retirement, construction,  
health care, retail, etc.

# Rural Opportunity

## Improve in Access to Markets

*Cedar City/Iron County  
Economic Development*

*Cedar City, Utah*



*Where....*

*I-15*

*Rail*

*Southern Utah  
University*

*Work force*

*Technology*

*Ideas*

*....Connect*

CEDARCITY.ORG • 435-586-2770 • CKRAUSE@CEDARCITY.ORG



# Rural Opportunity

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Leverage recreational and natural amenities

**Great  
Careers**  
Right Here.  
Right Now.

**[www.ILoveitHere.com](http://www.ILoveitHere.com)**

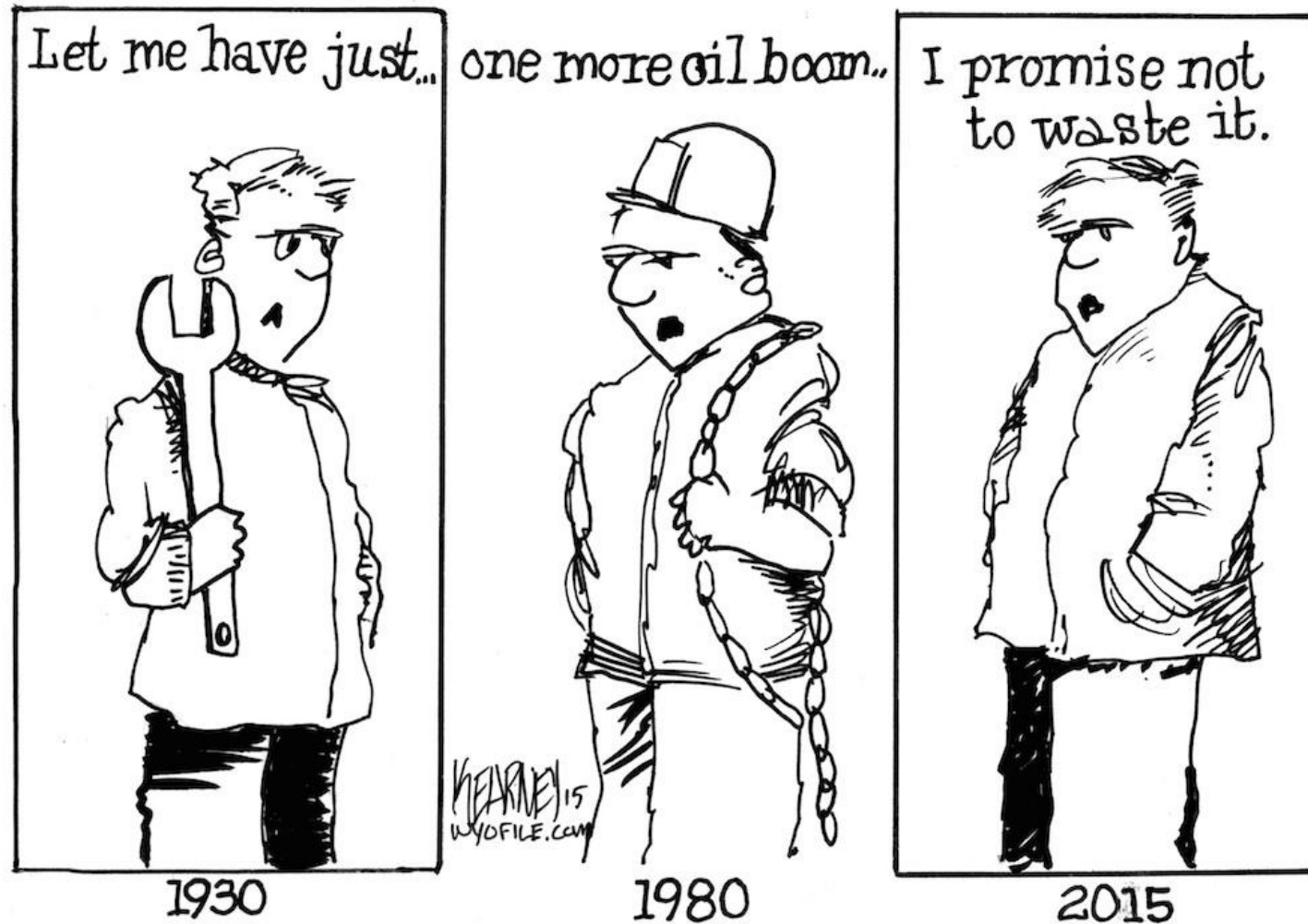
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# Rural Opportunity

Use resource endowments to reinvest in workforce and institutions



<https://headwaterseconomics.org>

Greg Kearney, Wyofile, 2016 <https://www.wyofile.com/please-just-one-oil-boom/>

# Rural Opportunity

## Senators eye funding fix for Secure Rural Schools

[Kellie Lunney](#), E&E News reporter

Published: Friday, September 7, 2018







## RANCH OWNERSHIP & COMMUNITY IN PETROLEUM COUNTY, MONTANA

578,479 private acres  
105 ranch properties



87 are "Winnett"-based

22 ABSENTEE  
OWNERS



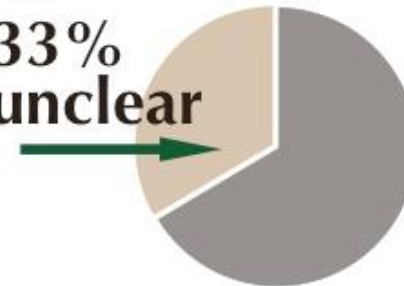
18% of the county's private ranch  
land is owned by individuals whom  
locals could not recognize in the  
grocery store



On average, each ranch property  
supports 1.4 families

Will the property be  
in agricultural use in  
15 years?

33%  
unclear



a report for the Winnett ACES  
2/18  
contact: [julia.haggerty@montana.edu](mailto:julia.haggerty@montana.edu)





Only a crisis - actual or perceived - produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes the politically inevitable.



An aerial photograph of a river valley. In the foreground, a river flows through a town with many houses and trees showing autumn colors. A bridge crosses the river. The background shows rolling hills and a vast, flat landscape under a cloudy sky.

# Thank You or Questions?



<https://headwaterseconomics.org>