

University of Montana

## ScholarWorks at University of Montana

---

Employment

Rural Institute for Inclusive Communities

---

9-2004

### Rural Community Economic Development Project Update

University of Montana Rural Institute  
scholarworks-reports@mso.umt.edu

Follow this and additional works at: [https://scholarworks.umt.edu/ruralinst\\_employment](https://scholarworks.umt.edu/ruralinst_employment)



Part of the [Labor Economics Commons](#)

Let us know how access to this document benefits you.

---

#### Recommended Citation

Rural Institute, University of Montana, "Rural Community Economic Development Project Update" (2004).  
*Employment*. 2.  
[https://scholarworks.umt.edu/ruralinst\\_employment/2](https://scholarworks.umt.edu/ruralinst_employment/2)

This Research Progress Report is brought to you for free and open access by the Rural Institute for Inclusive Communities at ScholarWorks at University of Montana. It has been accepted for inclusion in Employment by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact [scholarworks@mso.umt.edu](mailto:scholarworks@mso.umt.edu).

Sept. 2004

# Research Progress Report

## Rural Community Economic Development Project Update

The University of Montana Rural Institute

**RTC**  
**RURAL**  
Research and Training Center on  
Disability in Rural Communities

Vocational Rehabilitation (VR) counselors who serve rural areas report that limited employment opportunities for people with disabilities are a significant challenge.

Many rural communities have marginal or fragile economies, but lack the resources to conduct economic development projects that could lead to business and employment growth. In Progress Report #13, we described an innovative program that helps VR agencies and people with disabilities take a leadership role in small-town economic development efforts.

To date, RTC: Rural's Community Economic Development Project has been implemented in two rural locations. The Project builds on the capacities of state/federal Vocational Rehabilitation agencies and people with disabilities to identify business development opportunities in small rural communities. Operationally, the Project has two phases: (1) comprehensive economic community assessment; and (2) implementation.

## PROCESS

### Phase 1: Community Assessment

During Phase 1, a Vocational Rehabilitation provider (or Sponsoring Agency) takes an active role in rural economic development activities. The Sponsoring Agency: (1) recruits one or more Co-Sponsors; (2) organizes a Community Advisory Council that promotes the Project to the local community; (3) recruits two individuals with disabilities to serve as project Team Leaders; (4) assists the Team Leaders in recruiting other community members (with or without disabilities) to form a Study Team; (5) serves as liaison between Study Team members, community leaders, the Community Advisory Council, and RTC: Rural; and (6) provides office and meeting space, mailing, and telephone assistance for Project activities.

RTC:Rural  
52 Corbin Hall  
The University of Montana  
Missoula, MT 59812  
Toll Free: 888.268.2743  
Fax: 406.243.2349  
TTY: 406.243.4200  
[rtc\\_rural@ruralinstitute.umt.edu](mailto:rtc_rural@ruralinstitute.umt.edu)  
[rtc.ruralinstitute.umt.edu](http://rtc.ruralinstitute.umt.edu)  
Alternative formats available

The Study Team is the primary working unit of the community assessment process. Using the “Guidebook for Citizen Involvement to Create and Expand Businesses in Rural Communities”, Study Team members: (1) identify the geographic study area; (2) collect background information about the local economy, including its strengths and weaknesses; (3) meet with local community leaders to identify barriers and facilitators to business development; (4) interview local businesses to explore potential business creation or expansion opportunities; (5) integrate business creation and expansion ideas with the strengths and weaknesses identified in the study area; (6) develop a list of “most viable,” “potential,” or “challenging” business opportunities; and (7) develop a final report and present their recommendations at a public meeting to local community members.

Throughout the process, the Community Advisory Panel provides knowledge, experience, and credibility to the project. The Community Advisory Panel’s makeup represents the community and may consist of elected officials, agency representatives from economic development offices, members of service clubs, or other interested citizens. During the Project’s first phase, the Community Advisory Panel (1) publicly validates the Project’s value through short community presentations, media statements, or conversations with community leaders, and (2) provides feedback on the assessment’s conclusions and recommendations.

In Phase 1, RTC: Rural provides substantial technical assistance. This includes training for Team Leaders and Study Team members about the community economic development process, participation in public meetings, weekly telephone consultations, and assistance in developing recommendations and preparing the final report. RTC: Rural also pays a modest stipend to Team Leaders and reimburses for project related costs.

## **Phase 2: Using Recommendations to Facilitate Change**

Both the Community Advisory Panel and the Sponsoring Agency take more active roles in the second phase of the Project. Specifically, they are challenged to put Project recommendations into practice. This process unfolds differently in each community, depending on its unique characteristics, history, distinct strengths and opportunities, and Phase 1 findings. In Phase 2, RTC: Rural continues to provide technical assistance and support, but specific community economic development activities are driven by local stakeholders.

So how did community economic development unfold in our two study sites?

## **Outcomes**

### **Study 1: Rural Eastern Utah**

The Rural Community Economic Development project was implemented in rural eastern Utah in 1999. Two project leaders with disabilities were recruited through the regional VR office. In turn, they recruited an additional four volunteers to form the Study Team. After gathering background information about the local economy, study team members interviewed 59 business owners to identify business creation and expansion opportunities. A committee comprising the Study Team, RTC: Rural, and Community Advisory Panel members analyzed these interviews and recommended 12 “most viable” and 15 “potential” business development ideas.

This committee also developed a short list of recommended actions to begin moving towards the implementation phase of the project.

### **South Eastern Utah Small Business Investment Fund**

One recommendation from Phase 1 was to develop a program to support local business expansion and creation opportunities. The South Eastern Utah Small Business Investment Fund (SEUSBIF) was the realization of this goal. At the conclusion of the community assessment

phase, the Community Advisory Panel was expanded to include representatives from the Dept of Workforce Services and Small Business Development Center, and business development stakeholders from other counties in the region. This new coalition wrote a grant proposal and secured a \$865,000 Temporary Assistance to Needy Families (TANF) grant to support low-income entrepreneurs. The TANF award was the impetus for developing a formal structure to implement regional economic development strategies.

The expanded Community Advisory Panel morphed into the SEUSBIF governing board or coalition, with additional representation from two community colleges, private businesses, and the Department of National Resources and Conservation. This coalition was responsible for disbursing business start-up funds from TANF to eligible clients. Clients of any coalition agency could apply for SEUSBIF funds if they met TANF eligibility criteria (income less than 200% of the poverty level, with at least one dependent child living at home). To receive SEUSBIF funding, each individual had to complete the NxLevel business class, develop a business plan, and successfully compete for funding from the Grants Committee (a SEUSBIF sub-committee). While 211 individuals participated in the NxLevel business class, far fewer went on to submit a formal business plan to the SEUSBIF Grants Committee and half of those were awarded SEUSBIF funding.

Between the years 2000 and 2003:

- SEUSBIF funds were used to develop 79 small businesses that created 192 jobs.
- SEUSBIF investments totaling \$694,020 were used to leverage an additional \$1,923,634 in personal investments and loans.
- Eleven small businesses were joint ventures between SEUSBIF and Vocational Rehabilitation.

Currently, 66 businesses are still in operation and 47 plan to expand next year. The 66 businesses still in operation reported a total of \$3,216,662 in

sales over the last seven months.

The grants awarded to eligible TANF recipients depleted available funds over SEUSBIF's four years of operation. Avenues to expand SEUSBIF into a sustainable program, however, are under way. A proposal has been submitted to build a venture capital operation in which the coalition would be silent partners in businesses until they could be bought out. The original structure of SEUSBIF is changing but the community connections that allowed the program to succeed continue to grow.

## **Study 2: Northern Vermont**

The Vermont project began in fall of 2003 and the community assessment phase was completed in February, 2004. The VR agency recruited several individuals with disabilities to serve as Team Leaders and Study Team members. Four very committed members conducted a total of 56 business interviews. Unlike Utah, Vermont's Study Team took a substantial role in analyzing community leader and business interview responses, and presented their findings to the Community Advisory Panel. The final report suggested 18 "most viable" and 22 "potential" business creation and expansion opportunities and included 6 recommendations for action.

The movement from recommendations to community action has begun. The list of committed stakeholders continues to grow in response to a public meeting attended by a state senator.

An extension agent from the University of Vermont is directing a \$10,000 grant to study how Utah's SEUSBIF program might be implemented in rural Vermont. This grant will involve a site visit to rural Utah, a tour of created businesses, and an informational meeting with representatives of the SEUSBIF coalition. Community action is beginning to build, and given the short span since the Project assessment phase, Vermont is on par with the success experienced in Utah.

## Discussion

The Rural Community Economic Development Project promotes local community leadership roles for people with disabilities and the agencies that serve them. While the economic assessment led by people with disabilities may not be immediately relevant to specific development activities, the process results in several positive outcomes. For example, people with disabilities become recognized players in the economic development process and an integral part of the solution. By participating in the process, they also have the opportunity to shape community goals. As a result of the Utah and Vermont Projects, two Team Leaders have secured full-time employment through the community connections they made during the assessment process.

From the VR agency perspective, developing broad-based linkages with businesses, business developers, and other agencies provides opportunities for identifying the community's unmet needs, strengths, overlaps, and gaps in services. By cooperating, everyone can get a piece of the pie rather than competing for scarce resources. When human service agencies participate in such a cooperative setting, the business community identifies them as active contributors to the local economy rather than passive "charity seekers." As evidenced in rural Utah and Vermont, human service agencies can become an important part of community development and become active participants at the community and economic development table.

### **For additional information please contact:**

Research and Training Center on Disability in Rural Communities; The University of Montana Rural Institute; 52 Corbin Hall, Missoula, MT 59812-7056; 888-268-2743 or 406-5467;

406-243-4200 (TTY); 406-243-2349 (Fax)

[rural@ruralinstitute.umt.edu](mailto:rural@ruralinstitute.umt.edu)

<http://rtc.ruralinstitute.umt.edu>

© 2004 RTC:Rural. Our research is supported by grant # H133B030501 from the National Institute on Disability and Rehabilitation Research, U.S. Dept. of Education. The opinions expressed those of the author and are not necessarily those of the funding

