

Reflections

Economic Development in Southwest Virginia

Wayne D. Purcell

Alumni Distinguished Professor

Coordinator, Rural Economic Analysis Program

Department of Agricultural and Applied Economics

Virginia Tech

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Rural Virginia Prosperity Commission

- Final report at *www.rvpc.vt.edu*
- Recommendations and their status
- Commission's perspective
- The Changing Story of Rural Virginia Story in Pictures, Part 2, March 2003
- Quick review
- Suggestions on the focus for your economy

Recommendations

- Create a rural center.
- Increase state support for the Virginia Capital Access Program.
- Enhance and facilitate adult education programs and workforce training.
- Create a tiered economic development program to focus on rural issues.
- Facilitate access to broadband and high speed internet in rural areas.
- Create a Secretary of Agriculture or a Secretary of Agriculture and Forestry.

The Costs of Isolation

- Transportation
- Water and waste infrastructure
- Communication
- Agglomeration economies
- Capital
- Local culture and lifestyles

Agglomeration Economies

A number of businesses in roughly the same types of activities attract the service businesses needed for support and capture some synergism.

Access to Capital

Growing existing small businesses may be the most productive strategy. The Virginia Capital Access Program prompts bankers to make the “almost bankable” loans they are now rejecting on lack of collateral grounds.

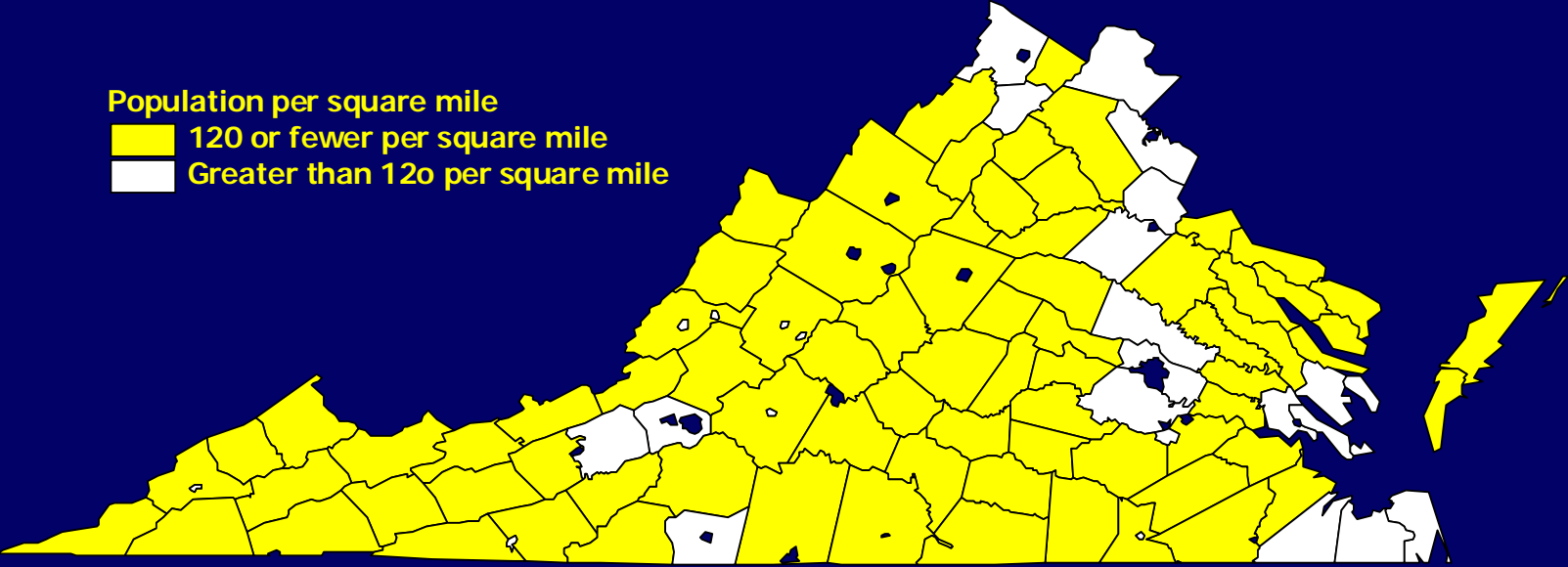
Keeping Young People

A job is often not enough. Local amenities and access to good restaurants, athletics, arts, bike paths etc. for young adults will often be the sufficient condition.

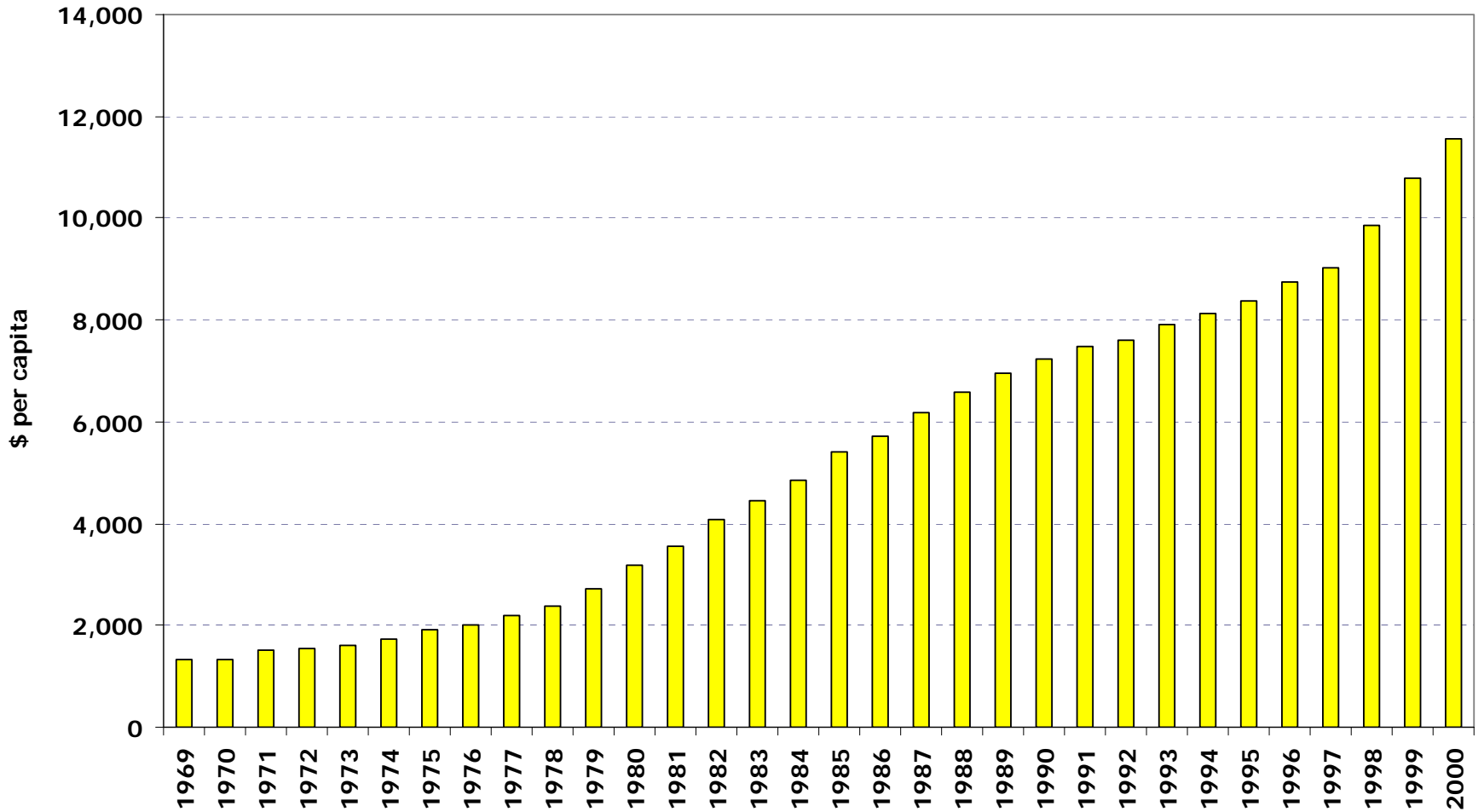
Rural is 120 or fewer people per square mile

Population per square mile

- 120 or fewer per square mile
- Greater than 120 per square mile



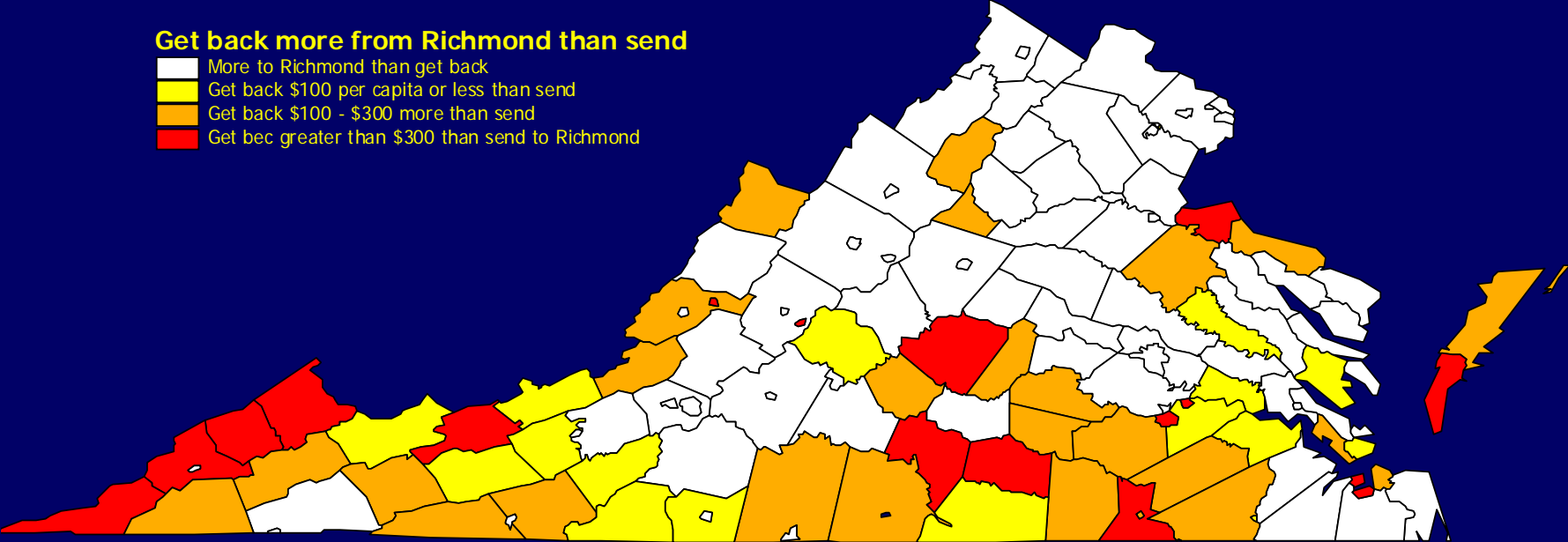
Urban minus rural income, 1969 - 2000



Get more back from Richmond than send

Get back more from Richmond than send

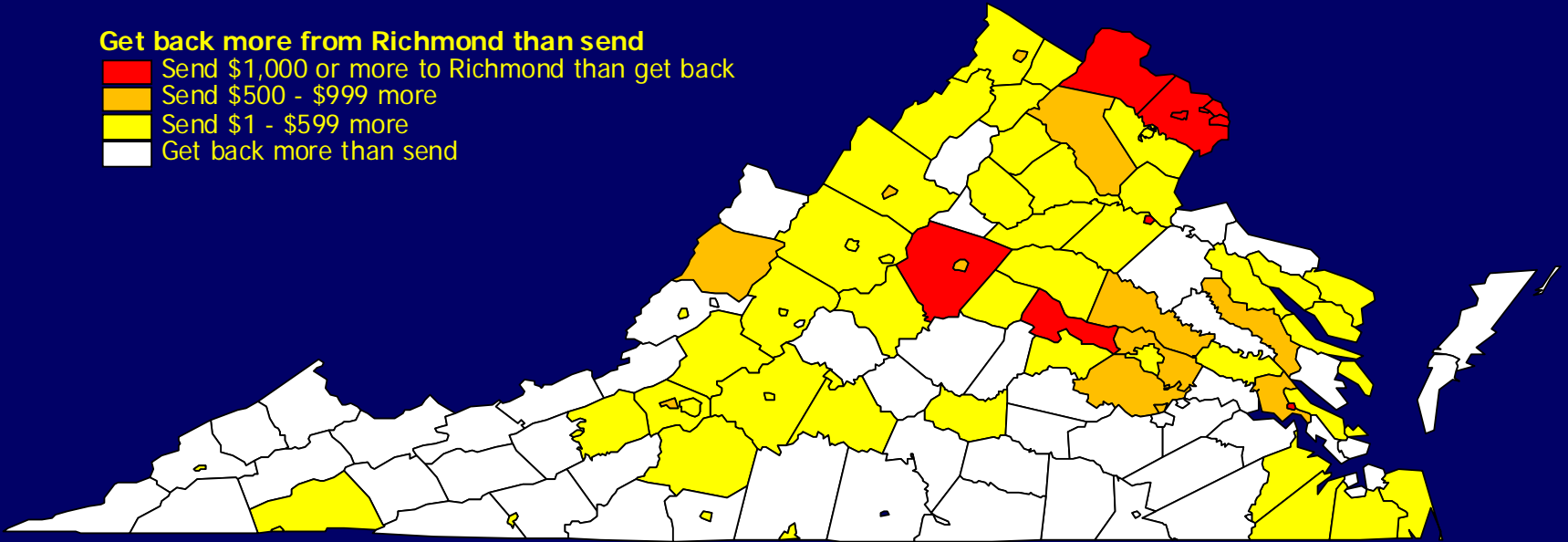
- More to Richmond than get back
- Get back \$100 per capita or less than send
- Get back \$100 - \$300 more than send
- Get bec greater than \$300 than send to Richmond



Send more to Richmond than get back

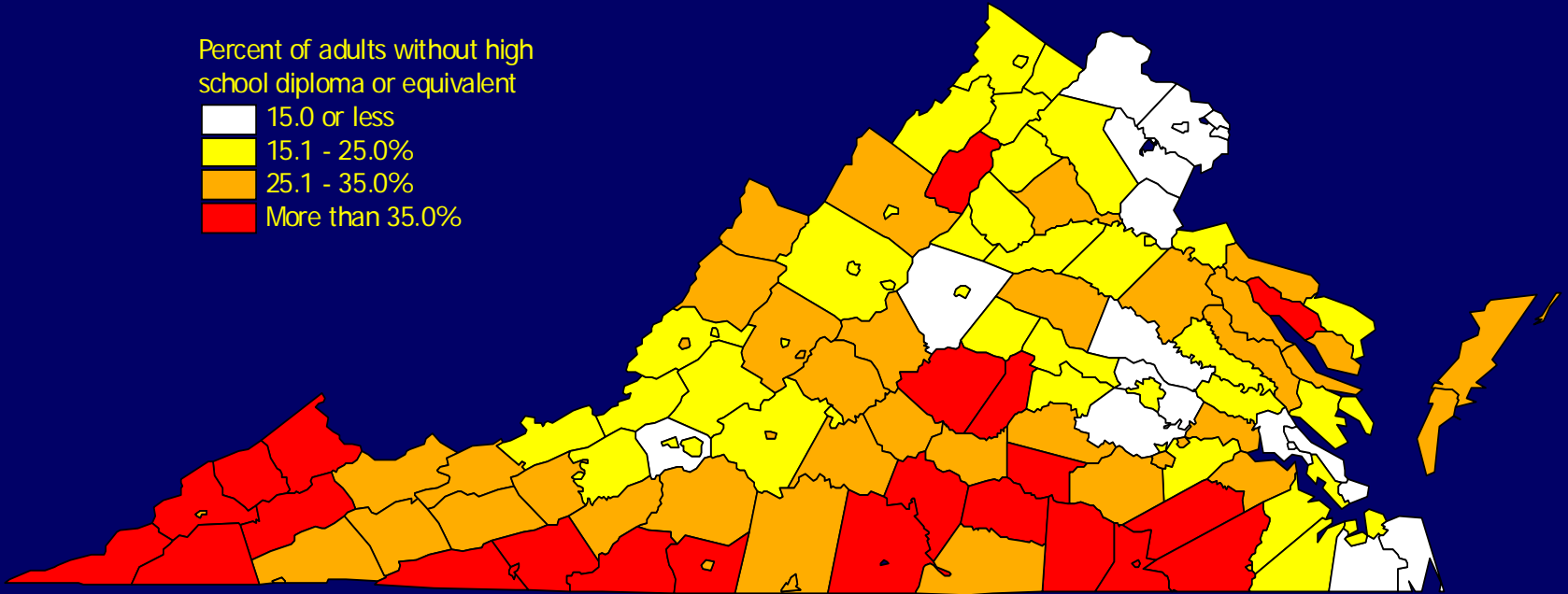
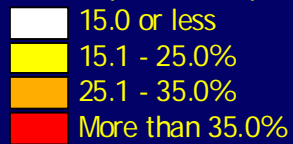
Get back more from Richmond than send

- Send \$1,000 or more to Richmond than get back
- Send \$500 - \$999 more
- Send \$1 - \$599 more
- Get back more than send



Percent of adult population over 25 without high school diploma or equivalent

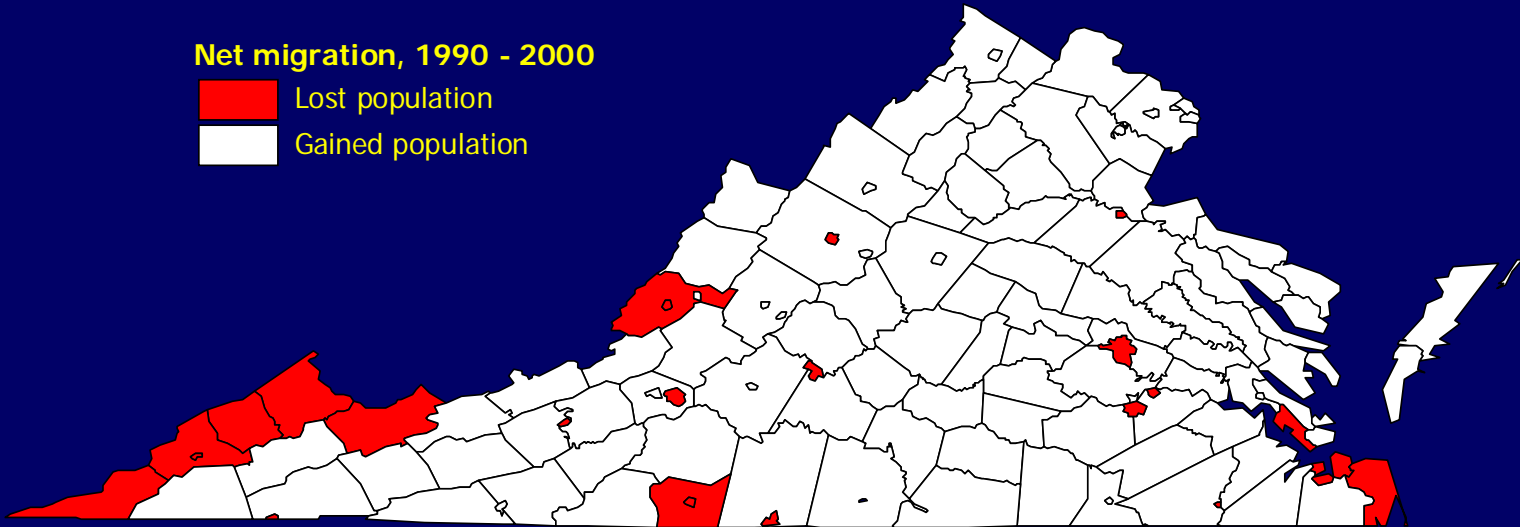
Percent of adults without high school diploma or equivalent



Net Migration, 1990 - 2000

Net migration, 1990 - 2000

- Lost population
- Gained population



Tiered Incentive Program

Tier 1:

1. 65% or less of median household income for Virginia
2. 140% or more of average state unemployment for last three consecutive years
3. 175% or more of the state average free or reduced price school lunches

Tier 2:

1. 65.1% to 75.0% of median household income for Virginia
2. 120.0% to 139.9% of average state unemployment for last three consecutive years
3. 150.0% to 174.9% of the state average free or reduced price school lunches

Tier 3:

1. 75.1% to 85.0% of median household income for Virginia
2. State average to 119.0% state average unemployment for last three consecutive years
3. State average to 149.9% of state average eligibility for free or reduced price school lunches

Tiers in Southwest

Tier 1

- Buchanan
- Dickenson
- Galax
- Grayson
- Lee
- Norton
- Russell
- Scott
- Tazewell
- Wise

Tier 2

- Bland
- Carroll
- Floyd
- Radford
- Smyth
- Washington
- Wythe

Tier 3

- Bristol
- Giles
- Montgomery
- Pulaski

Suggestions to County or Regional Efforts

- Look at like businesses to get some economies of numbers in your relocations and in growing your existing businesses.
- Attack any ways in which you are isolated starting with communication.
- Make the community attractive to young people. Just creating jobs in our rural communities is not always enough

Suggestions to County or Regional Efforts

- Use the Virginia Capital Access program as a revenue-positive (to the state) program that encourages banks to make loans they are now turning down and create new business activity by growing existing businesses.

Contacts

Wayne D. Purcell

Alumni Distinguished Professor

Coordinator, Rural Economic Analysis Program

Agriculture and Applied Economics Department

Virginia tech

(540) 231-7725

purcell@vt.edu

Karen Mundy

Specialist

REAP

Agriculture and Applied Economics Department

Virginia tech

(540) 231-9443

reap01@vt.edu