



# **HOME TOWN COMPETITIVENESS®**

A Come-Back/Give-Back Approach to Rural Community Building

Combining decades of experience in rural development, the Heartland Center for leadership Development, the RUPRI Center for Rural Entrepreneurship and the Nebraska Community Foundation are using their complementary strengths to address the challenges facing rural communities throughout the United States and Canada. Recognizing the dearth of local resources available, these organizations are focusing on four strategies that promise hope for sustainable community development and solutions for the critical issues that many small towns face.

HomeTown Competitiveness (HTC) encourages communities to take immediate action in these four areas, known as the HTC Pillars:

**MOBILIZE LOCAL LEADERS**

**CAPTURE WEALTH TRANSFER**

**ENERGIZE ENTREPRENEURS**

**ATTRACT AND ENGAGE YOUNG PEOPLE**

Together, these strategies create a synergy that can significantly impact the future of rural areas experiencing out-migration and economic decline. HTC calls for rural communities to invest in local human resources and to build and retain local wealth.

HTC is drawing significant attention in Nebraska and nationally because rural leaders and practitioners recognize that even the most distressed community has, to some degree, each of the necessary elements to launch an HTC approach. What differentiates HTC from many other development efforts is that it focuses primarily on internal resources and assets. The goal is to assess where a community is, here and now, and to build on the current capacity of each of the four elements.

Growing from the pilot site in Valley County, HTC has expanded to 16 Nebraska sites and now elements of HTC are being employed in a dozen states across the country. In 2003, the Corporation for Enterprise Development cited HTC as a promising new initiative combining entrepreneurship with other key strategies. In 2004, HTC won the International Community Development Society's innovative program of the year award. In 2005, the W.K. Kellogg Foundation selected HTC as one of six grantees nationally to receive a \$2 million grant to develop unique approaches to entrepreneurship.

Results in Valley County, Nebraska (population 4,647), where HTC started, are promising. Population is growing, for the first time in 70 years and both retail sales and per capita income are expanding faster than statewide rates. Since 2003, 73 new businesses have started, 10 have expanded and 21 have transitioned to new owners. All this has created 332 new jobs and resulted in \$90 million in new investment. Finally, the goal of capturing 5% of the estimated 10-year transfer of wealth has been exceeded.

# THE FOUR PILLARS

## MOBILIZING LOCAL LEADERS

For small towns to compete in the 21<sup>st</sup> century they must tap into everyone's potential knowledge, talent and aspirations. The Heartland Center for Leadership Development rejects the outdated notion of relying on the "usual suspects" to get things done. Rural communities must be intentional about recruiting, nurturing and increasing the number of women, minorities and young people into decision-making roles. They need continuing leadership training programs, because today's leadership must constantly reinvent itself to reflect the challenges of the changing global environment.

## CAPTURING WEALTH TRANSFER

The Nebraska Community Foundation has completed wealth transfer analysis for each of Nebraska's 93 counties. Rural residents do not always recognize local wealth because so much of it is held through land ownership. Most people are first shocked, and then highly motivated, once they understand the enormous amount of wealth that will likely transfer to heirs that have migrated out of the area. In rural Nebraska alone, more than \$94 billion is at stake over the next few decades, and comparable numbers are reported nationwide. Both the power and the will to use these assets will no longer be tied to the community unless planned gifts are cultivated now. Using this data, HTC sets a reasonable target of converting at least 5% of the local wealth transfer into charitable assets endowed in community foundations to fund future community and economic development.

## ENERGIZING ENTREPRENEURSHIP

Far too many rural communities continue to invest resources in economic development for job creation and business development that exports, rather than builds, local wealth. The Center for Rural Entrepreneurship and its partners encourage communities to become actively involved in nurturing local enterprise in three specific areas: 1) saving Main Street and other key businesses through planned ownership succession, 2) creating new wealth and good jobs by helping entrepreneurial companies that have the potential to break through to a broader product line and/or a larger market, and 3) using local charitable assets to support entrepreneurship development.

## ATTRACTING AND ENGAGING YOUNG PEOPLE

It is not just the call of the city that impels them; it is also a lack of opportunity and encouragement to "come back" that drives young people away from their hometowns. HTC has developed a formula that small towns can use in their efforts to halt this trend. Using existing data on population change, the formula provides small towns with realistic goals for youth attraction. In very small towns, attraction of just one additional high school alumnus per year, who returns with a young family, can stabilize the population. HTC teaches people how to target youths for attraction, create career opportunities through business transfer and entrepreneurial support, and nurture a sense of ownership and vested interest in the community's future.

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