

Rural Rebound Redux

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I was born in a small Missouri town, and my “wonder years” were during the ’60s. Our main street had two shoe stores, two jewelry stores, two *men’s* clothing stores, two “dime stores” and three hardware stores. Finding birthday and Christmas gifts was quite easy if you had a bicycle and some allowance to spend. The only complaint I ever heard about our main street was the lack of parking places.

My father was a community banker, served on city council and attended Rotary Club diligently, as did most of the other grown men I knew. If they missed too many meetings in a row, they had to take home a goat—a real live goat. Mr. Anderson across the street suffered that humiliation more than once. For the neighborhood kids, it was such a treat to have a goat to feed or pester. “Why can’t you miss more meetings, Dad?” I remember asking.

Many of my friends’ parents worked in the local shoe factory. In a town of fewer than 5,000, it employed around 1,500 at its peak. They worked hard, made a good living and mostly owned their own homes, and their progeny were my schoolmates. The biggest house in my town wasn’t very large, now that I’ve viewed it with more seasoned eyes. My dad was bank president, and we had a one-bathroom house. “Class” was something we attended, not something we were born into.

That seemingly idyllic childhood at a high point in the life of a small town led me into banking. I wanted to be like my father. People called him at home at night to talk about borrowing money, and he obliged to engage. I wanted that kind of respect, so off to college I went to learn all about finance, and how to be a banker. My conclusion #1: Small towns are wonderful, and everyone can thrive.

After a training program, one of my first jobs in the early 1980s was at a regional bank—in a larger community—in the correspondent department. I drove around to our approximately 90 banks that we helped with multiple services. After traveling the Ozarks’ hills and “hollers,” I knew where the best cafés were and which Dairy Freeze/Twist/Queen/King had the best soft-serve ice cream. I observed then that the best-run and most successful



Small town Alton, Mo., deep in the rugged Ozark Mountains of Oregon County, is supported by the Alton Community Foundation. This regional affiliate of the Community Foundation of the Ozarks brings a host of charitable resources to the rural county. Photo by Aaron Scott, courtesy of the Community Foundation of the Ozarks.

banks I called on were in more-vibrant communities. I was never sure which caused what, but there was a definite linkage. Conclusion #2: Banks are only as successful as their communities, and vice versa.

Later in my career, I moved from commercial lending into community development. As a correspondent banker, I attended bank conventions for years. When I attended my first community development convention, I knew this was where I was meant to be. Attendees didn't shake hands; they *hugged*. We didn't talk about risk or asset liability management; we talked about how to make our world better. Communities needed capital to develop or redevelop. We had capital.

The regional bank I worked for was purchased by a very large, nationwide bank, as the consolidation wave crested in the 1990s. I began running our rural community development program for the national initiatives team in our then-22-state footprint. We invested in Appalachia, in tribal lands and in

small places from ocean to ocean. As part of my work, I was able to tour the Mississippi River Delta to explore the community development opportunities in that very underserved region of our country.

In a small Mississippi town, I met with two bank presidents—who were white—and the head of a local credit union—who was Black. All three had grown up in this small community and knew one another well. The two presidents talked about the “good old days” of the 1960s in their town, with their main street filled with commerce and activity, and the population growing. They contrasted it to “now,” when storefronts were closed, and people were moving away. “Those weren’t the good old days for me and my friends,” the credit union president reminded us. Conclusion #3: The “good old days” of my childhood didn’t allow for participation for everyone.

And finally, through friends’ seeing me in a different light than I did, I serendipitously ended up at a community foundation that covers 58 counties in southern Missouri, most of them rural. I’m back traveling the same hills and hollers I did three decades ago, and much has changed, just as my own hometown has since I left. The garment and shoe factories are long gone, main streets are struggling. There is not a hardware store, shoe store or men’s clothing store left on my hometown main street. Many of the community banks are now branches of larger banks, and others have closed. The largest employers in many of our small Missouri towns are the school systems. Many of our Ozark communities have been losing population for a few decades now.

This is not isolated to my region though. Rural America has faced challenges for a half-century. The “rural rebound” of the 1990s has largely faded in the majority of rural counties. Many books have been authored in the last several years, from “Hillbilly Elegy,” to “The Left Behind” to “The Forgotten Americans,” discussing the issue. Rural America certainly received new attention after the 2016 presidential election, and “Make America Great Again” resonated with many residents in our smaller communities. One author wrote about how rural areas are the defender of “traditional values,” and how America has changed “without our permission.”

Reading those books, or even my words, one could get a very pessimistic view of rural America. Yet, every day I have the privilege of working with caring, passionate people who see only promise and potential in their communities. Far from giving up, they are spending countless hours on efforts to

build up. It is hard work, requiring patience, persistence and assistance, but I see an unfailing hope in their future. As I work across the southern tier of our state, through our 52 community foundation affiliates, I see small and large wins nearly every week. If the past is the prologue, I would suggest the following actions, both local and national, to help our smaller communities reach their potential:

- *Let go of the past.* If I've heard it once, I've heard it ten times over: "If only our mayor/school board/city council/garment factory owner would have ..." Anecdotes can become an anchor to a community. Our small towns will never look or be like they were in the 1950s or 1960s for various reasons. However, they can become vibrant again, suited for the 21st century, if they focus on the future instead of the past.

Monett, Mo., is a good example of a town that embraced the future. Fifty years ago, the town's dominant industry was shoe manufacturing. The town leaders saw the need to diversify and started recruiting other businesses. Those shoe factories have long since closed, but today the town is home to a large banking software firm, a playground equipment manufacturer, and several other large employers. The town's biggest challenge today is recruiting enough workers to fill the jobs.

- *Keep local schools strong.* In smaller communities, the local school system is often the lifeblood of the community. It is typically the largest employer and serves as the community hub and sense of pride. A decade ago, we launched the Rural Schools Partnership (RSP) to help communities strengthen their schools. We have focused on three areas: First, we have created local school foundations to provide private funds to augment the public funds, because there are always additional needs beyond what the local tax base can provide.

Second, we have furnished place-based grants to support local districts to seek innovative solutions to their needs. We provided grants to help renovate and start a student-run coffeehouse in St. James and a student-run, communitywide recycling program in Purdy.

Third, we have helped attract and retain good teachers. Through our Ozarks Teacher Corps, we have provided scholarships totaling more than \$800,000 to students who have agreed to teach in rural areas as part of



Members of the early cohorts of the Ozarks Teacher Corps, pictured at an annual convening in Thomasville, Mo. Many have since gone on to become school administrators and community leaders beyond their initial three-year commitments to teach in a rural district in exchange for a two-year scholarship. Photo courtesy of the Community Foundation of the Ozarks.

their requirements for financial support. We have placed over 60 students in rural schools from that effort, and have a 90% retention rate so far. Through our RSP, we now have more than 550 separate funds totaling over \$30 million benefiting rural school districts. Education is the currency for success today.

- *Create pathways for educational attainment, and build return ramps.* Overall, educational attainment in rural America has fallen behind that of urban America. Many of our communities are successfully focusing on that gap through local scholarship funds and have provided a pathway to college and opportunity. However, we have often failed to remind departing students that there are opportunities in their own hometowns, and we have not done enough to encourage them to return. We need to build better pathways back.

One of our affiliate communities, Salem, started an intern program for students to work in local businesses to learn about opportunities in their neighborhoods. Community leaders keep connected when the students go to college, offering them frequent pep talks, and even sending them

treats during finals week. They also remind the students that they will be welcomed and are needed back in their hometown. Each high school graduate in Brookfield and Marceline receives a mailbox with the student's name on the side, and a DVD including pictures and testimony from previous graduates who have come back to their hometowns to grow careers and families. They are reminders of where they come from, and where they will always be welcomed back. Who knows, maybe one of those students will come back to his or her community to start a new business that will provide hundreds of jobs, or even be the one to find a cure for cancer.

- “*Grow your own.*” In my correspondent banking days, I fielded several loan requests to build “spec” buildings to attract manufacturers to the small communities. That seemed to be the economic development model du jour: “Build it and they will come.” Maybe some did, but I wonder today how many of those buildings either sit empty or serve simply as storage. I read an article years later that “call centers” proved to be the next shiny object, and many communities provided tax incentives to bring those centers to their towns, only to have them pull up stakes and move again when those incentives expired. More recently, the term “economic gardening” has reflected a more sustainable way of building economic opportunity for rural areas. Rather than entice outside companies who have no attachment to a town, communities are learning to invest in their own businesses. If you can assist smaller businesses through job training and financial and technical assistance, you can create an entrepreneurial society that calls your community “home.”

Our foundation launched a rural economic development initiative several years ago, and the “Start Here” offshoot of that has proven effective. For example, in Cleveland, Mo., with a population of fewer than 1,000 people, Iveth Jalinsky started Green Resources Consulting 12 years ago to use a renewable resource—bamboo imported from China—to create more environmentally sensitive products. As the pandemic struck, she pivoted to use bamboo to create face masks that are being sold in a regional grocery store chain, as well as online. She has mentioned how proud she is that her company is improving the local rural economy while saving lives throughout the world.



The Growth in the Rural Ozarks (GRO) grant-funded initiative focuses on rural economic development in communities that do not have full-time chambers of commerce for that role. The original GRO communities—Marshfield, Salem and Sarcoxie, Mo.—gathered as a cohort to exchange ideas. Photo by Aaron Scott, courtesy of the Community Foundation of the Ozarks.

- *“There’s gold in them hills!”* We are currently in the midst of the largest transfer of wealth in the history of mankind. In the coming decade, we will continue to see wealth from our most senior generation—the “greatest generation”—pass to its heirs. A report published in 2019 estimated that nearly \$9 trillion in wealth will pass to heirs in North America by the year 2030.¹

When we would talk to our rural affiliates about planned giving, we consistently heard: “But we have no wealth in our county.” In 2012, we collaborated with other community foundations in the state to hire a firm to do a county-by-county transfer of wealth study for Missouri. The results were eye-opening to most of our rural constituents. More often than not, rural wealth is not visible or ostentatious. A lot of the wealth in southern Missouri is in land. We launched a campaign under our “Leave a Legacy” banner about “the 5% solution.” We challenged donors to leave just 5% of their estates to their favorite charities; or better yet, to leave it to their local community foundations as unrestricted funds, which can then be used to address local needs now and in the future. In 2020 alone, we

received estate gifts worth more than \$10 million in our rural communities. When these estates are settled, the legacy funds will provide for transformational scholarships and grant-making in some very rural places.

- “*Put on your mask first.*” We’ve all heard and probably ignored the pre-flight instructions about exit rows, flotation devices and oxygen mask drop-downs. The one thing that always sticks with me is “Put your mask on first, so you can help others.” We need to do a better job of that in our smaller places. We are not building our internal capacities before chasing whatever dream we have for our towns. Most of our rural communities do not have planners, grant-writers or economic development professionals. Even if resources are available, we often do not have the tools to access them.

It is difficult for small rural communities to maintain the extent of capacity needed to plan strategically and holistically, and to then pursue the resources needed to turn those plans into reality. Therefore, we need to think differently—dare I bring up this word—regionally. If we can pool the limited resources we each have to create the civic and professional infrastructure we all need, we all win. Because our rural areas have lost so much over the past half-century, they are very protective of what is left. Consequently, that scarcity mentality might cause us to miss opportunities because we are keeping a firm grip on our resources. We need to develop an abundance mentality and learn that by sharing those resources with others, we might all achieve more prosperity.

- “*I’m from the federal government, and I’m here to help.*” Finally, I would suggest that we need to restructure our federal approach to rural places. Currently, the U.S. Department of Agriculture (USDA) has primary influence and directive for rural America. However, most of the USDA’s budget basically goes for food and nutrition and commodity crop support, which I would argue provide little in the way of true “rural development.” With so many of its resources tied to these programs, the USDA unsurprisingly does not focus primarily on community and economic development. Therefore, if we want to truly promote holistic rural community vitality, we need to rethink how we deliver public resources to our rural areas, perhaps by consolidating the federal government’s support for rural communities into a new department with a sole focus on promoting rural

community and economic development. A recent Brookings Institute study identified more than 400 programs open to rural communities for economic and community development, spanning 13 departments, 10 independent agencies and over 50 offices and subagencies. A total of 14 committees have jurisdiction over the authorizing legislation for rural-eligible development programs. The paper went on to make some compelling recommendations on how that reorganization might take place.²

As part of the effort to deliver public resources to rural areas, we need to make a more serious commitment to ensuring broadband coverage reaches every corner of the country. The recent pandemic demonstrated just how important it is to have access to high-speed internet, and how lacking it is in our more remote areas. Just like the Rural Electrification Act of 1936 brought the industrial boom to rural America, we need a similar effort to bring access in this information age.

As I write some final words, I do so having returned from a whirlwind trip (by car) to Washington, D.C., and back. The trip took me through southern Illinois, Indiana, Ohio and West Virginia. Even in a pandemic, the contrast was stark between the visible growth in our nation's capital and the conspicuous struggle along the rural highways. Both images, though, are still America, and both represent a land of opportunity. We will never realize that potential, however, until those who are at the center of the universe in our capital—working on public policy or the infrastructure influencing that policy—learn the problems, promise and potential of our rural areas. Only then can we meet the potential set forth by our founders, who knew only rural, and never could have conceived of the nation that we've become.

References

- Pipa, Anthony F.; and Geismar, Natalie. "Reimagining Rural Policy: Organizing Federal Assistance to Maximize Rural Prosperity." Brookings, Nov. 19, 2020. See [brookings.edu/research/reimagining-rural-policy-organizing-federal-assistance-to-maximize-rural-prosperity](https://www.brookings.edu/research/reimagining-rural-policy-organizing-federal-assistance-to-maximize-rural-prosperity).
- Wealth-X. "A Generational Shift: Family Wealth Transfer Report 2019." June 26, 2019. See wealthx.com/report/wealth-transfer-report-2019.

Endnotes

¹ See Wealth-X.

² See Pipa and Geismar.