

# COMMUNITY AND ECONOMIC DEVELOPMENT IN RURAL ILLINOIS: THE NEED FOR LOCAL, STATE, AND FEDERAL ACTION AND POLICY CHANGE



WESTERN  
ILLINOIS  
UNIVERSITY

**Rural Partners / Partnership for Rural America  
Mt. Sterling, Illinois. August 19, 2019**

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*Small Towns + Big Places*

# “We make our own history but not under conditions of our own choosing.” – Karl Marx

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## **PURPOSE:**

- **Premise:**
  - Rural communities face a constellation of challenges coming at them from multiple scales.
  - Rural communities have some local ability to counteract these forces, but this is often not enough.
    - There are forces beyond their control that require change at the state and federal level.
    - Macroscale forces spurred rural development in North America (e.g. immigration and Ag mechanization).
  - We may need macroscale policy changes to help rural places.
- **Explore the Argument:** In order for rural revitalization to occur, we need concerted and coordinated action and policy change at multiple scales:
  - Local
  - State
  - Federal

## **OUTLINE:**

- I. **Introduction to the IIRA.**
- II. **The Negative Narrative of Rural Community and Economic Development (CED) in Illinois.**
  - Rural Illinois demographics.
- III. **Local Responses to Global Change.**
  - IIRA community engagement success.
  - Is partial success enough?
- IV. **The Need for Rural Action and Policy Change across Scales.**
  - I suggest that maybe we need:
    - Local (Action)
    - State (Policy and Action)
    - Federal (Policy)
  - Without coordinated action and policy change, maybe we should be content to “shrink smart.”
- V. **Conclusions / Discussions / Questions.**
  - Feedback from you?

# I. Introduction to the IIRA

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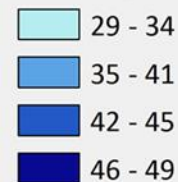
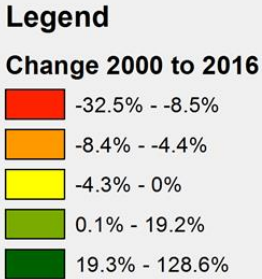
- Founded in 1989 at Western Illinois University.
  - Norm Walzer, Founding Director.
  - 30<sup>th</sup> Anniversary Year.
- Governor's Executive Order describes the IIRA as the, "State's academic clearinghouse for rural development data and initiatives."
  - Established alongside Rural Partners and the Governor's Rural Affairs Council (GRAC).
    - GRAC is chaired by the Lt. Governor.
    - GRAC is comprised of almost two dozen nonprofit organizations, universities, and state & federal government agencies.
- Rural Partners, the GRAC, and the IIRA collaborate on a range of outreach, research, educational, and policy development initiatives to improve the quality of life in rural Illinois.

## II. Countering Negative Rural Development Narratives

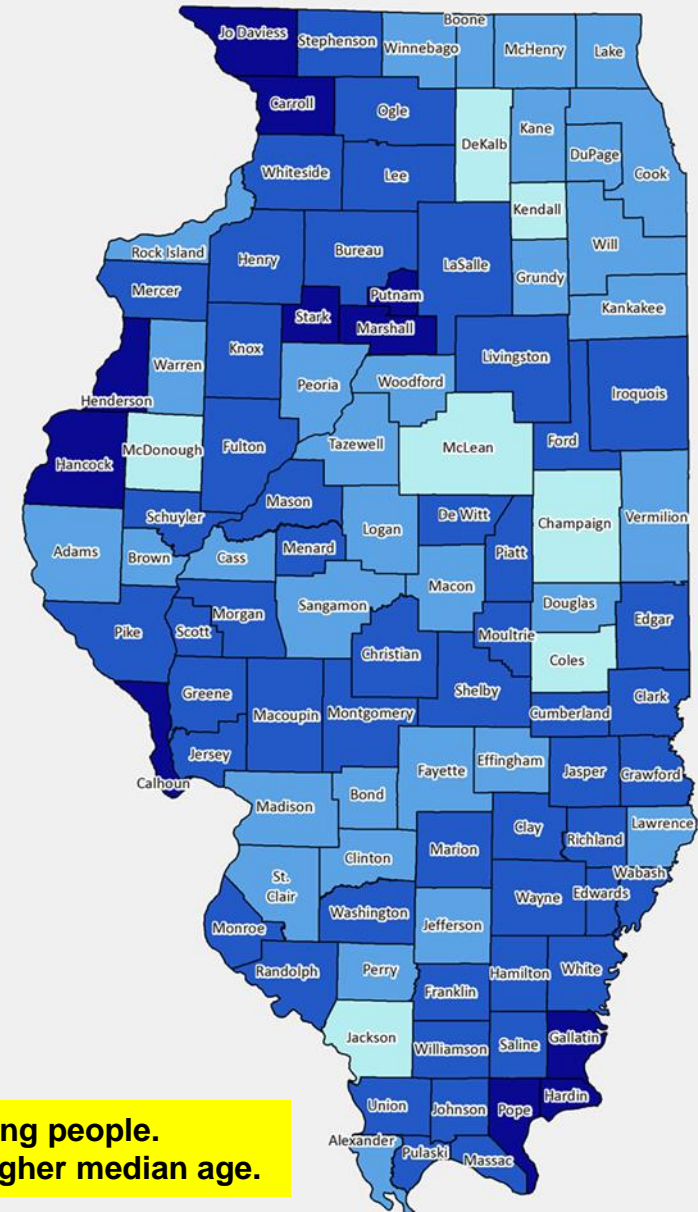
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- **It is easy to be *pessimistic* when we focus on rural Community Economic Development (CED) needs.**
  - ▣ Rural depopulation and youth outmigration.
  - ▣ Loss of anchor institutions (e.g. grocery stores, schools).
  - ▣ Digital divide is real (i.e. both broadband and cell phone coverage).
  - ▣ Education gap (e.g. funding and student performance).
  - ▣ Quality of life issues (e.g. recreation, health care).
  - ▣ **“Psychology of Decline”** (<https://www.strongtowns.org/journal/2018/6/12/the-psychology-of-decline>).
- **Can we help rural places identify their assets? YES.**
  - ▣ **ABCD or Asset-Based Community Development.**
  - ▣ **Goal:** Help rural places design and implement CED strategies.
  - ▣ **Strategy:** Build on community assets rather than on community needs.
    - Help communities identify their own assets: Push back against naysayers.
    - IIRA MAPPING program represents one strategy to implement ABCD.
    - CED is a process not an objective or endpoint.

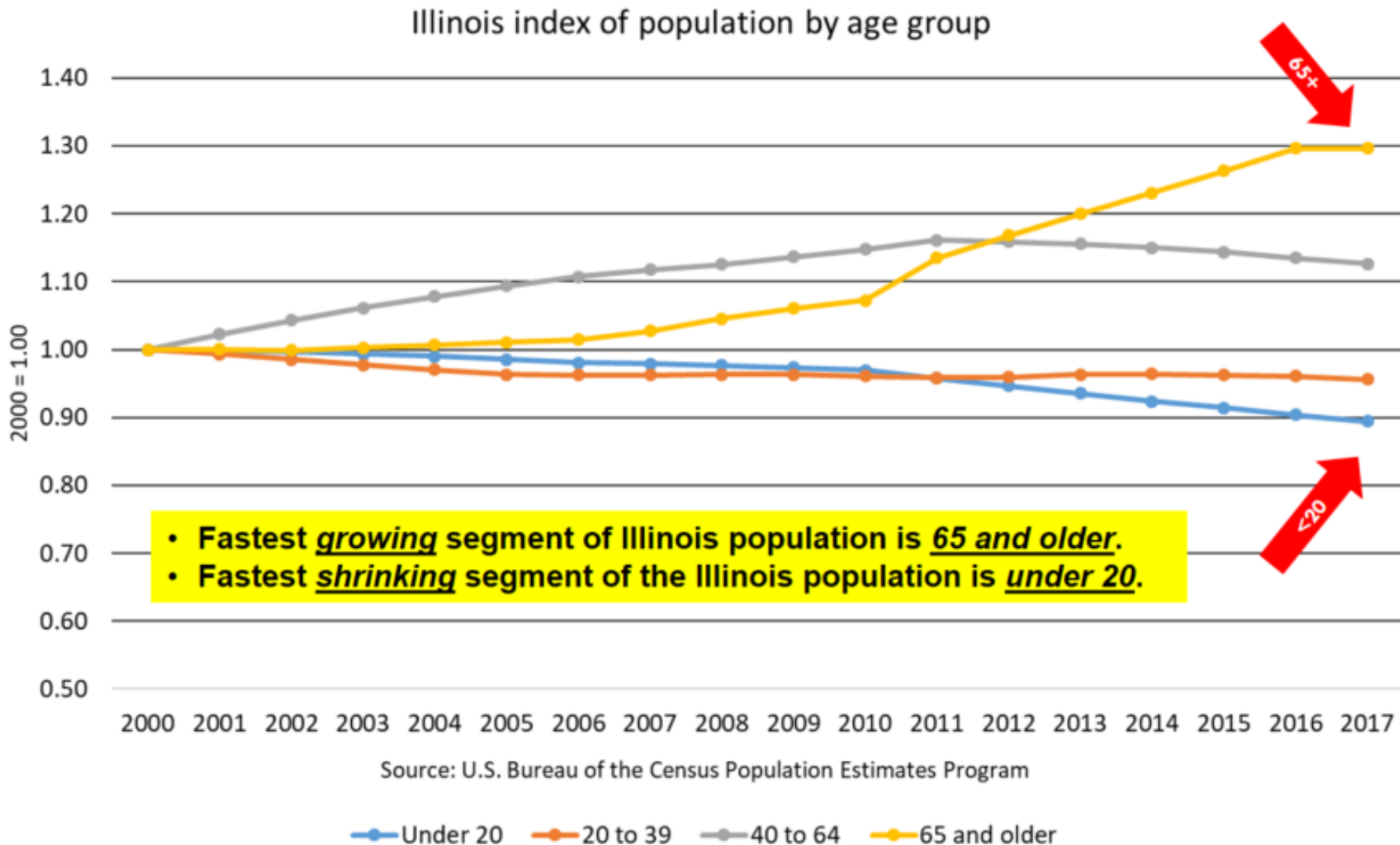
## II. The Basis of the Negative Narrative Surrounding Rural CED



- Rural regions are losing people.
- Rural regions have higher median age.

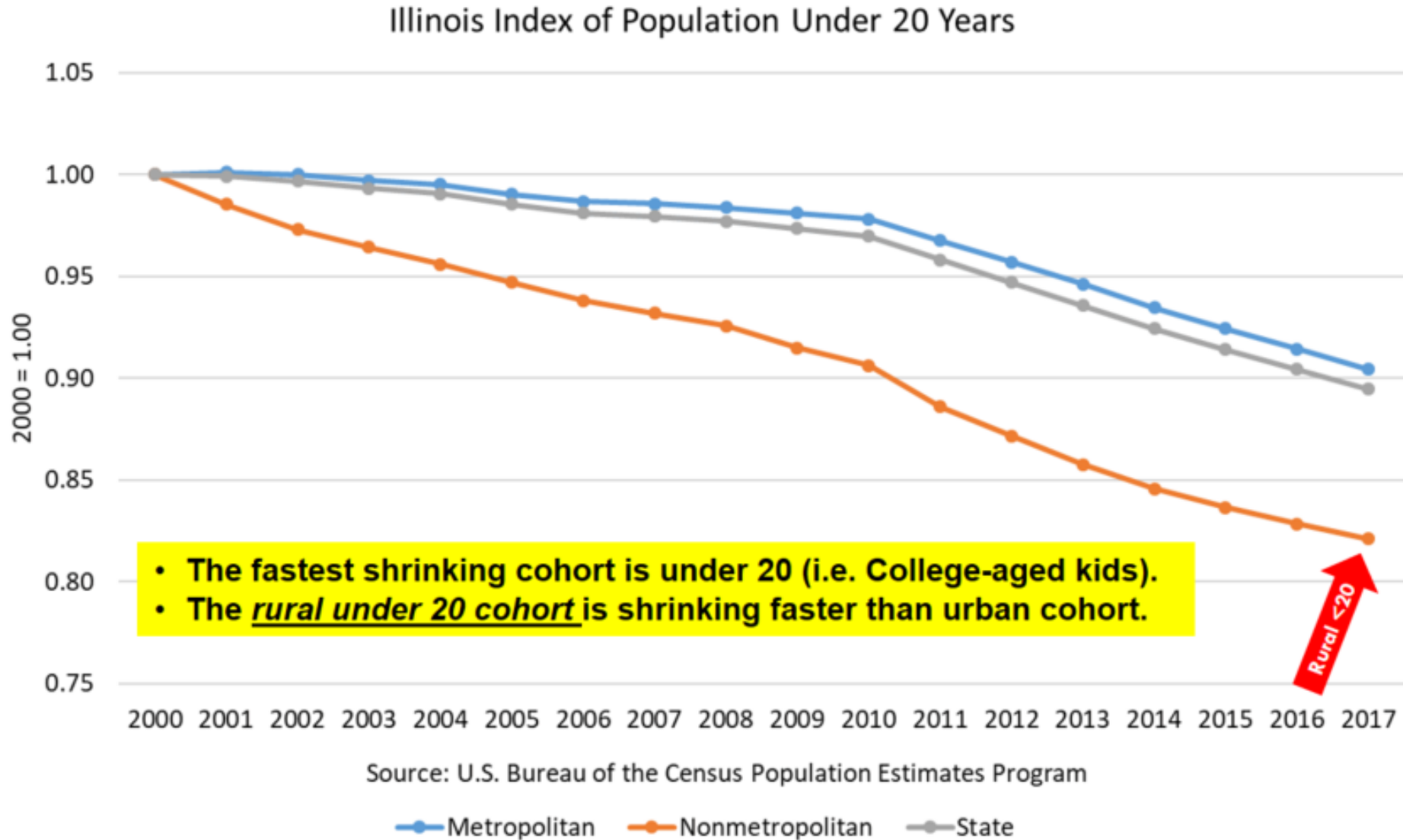


## II. The Basis of the Negative Narrative Surrounding Rural CED



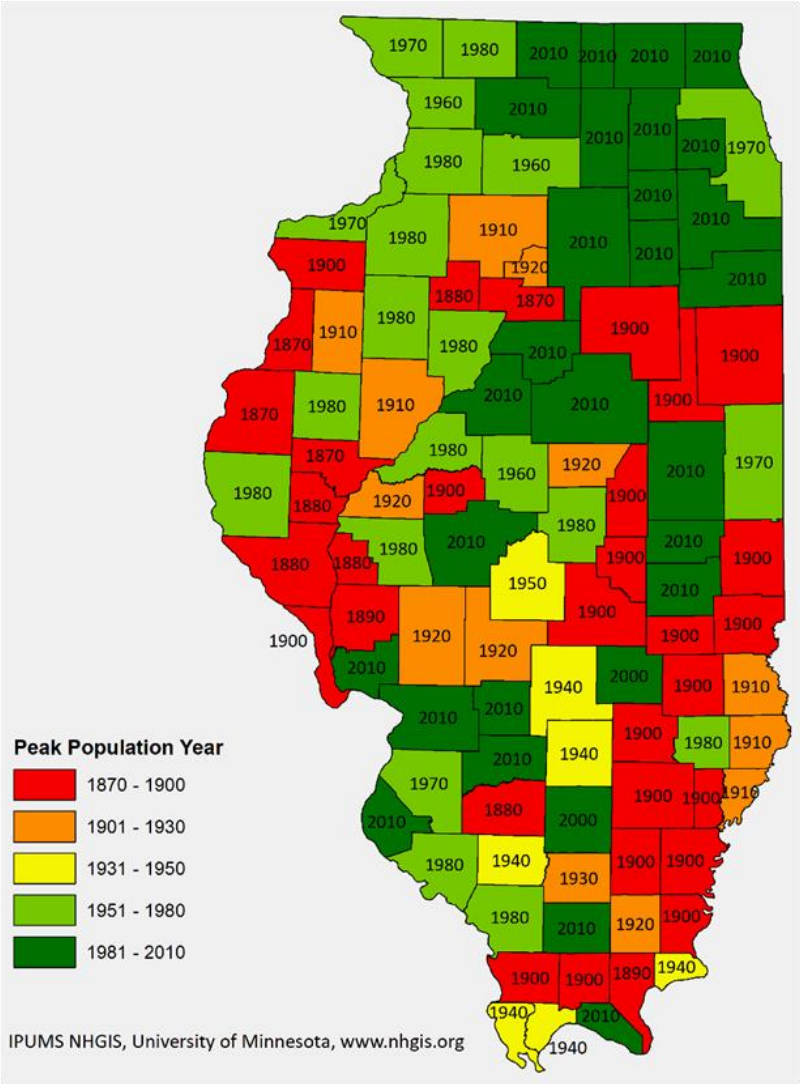


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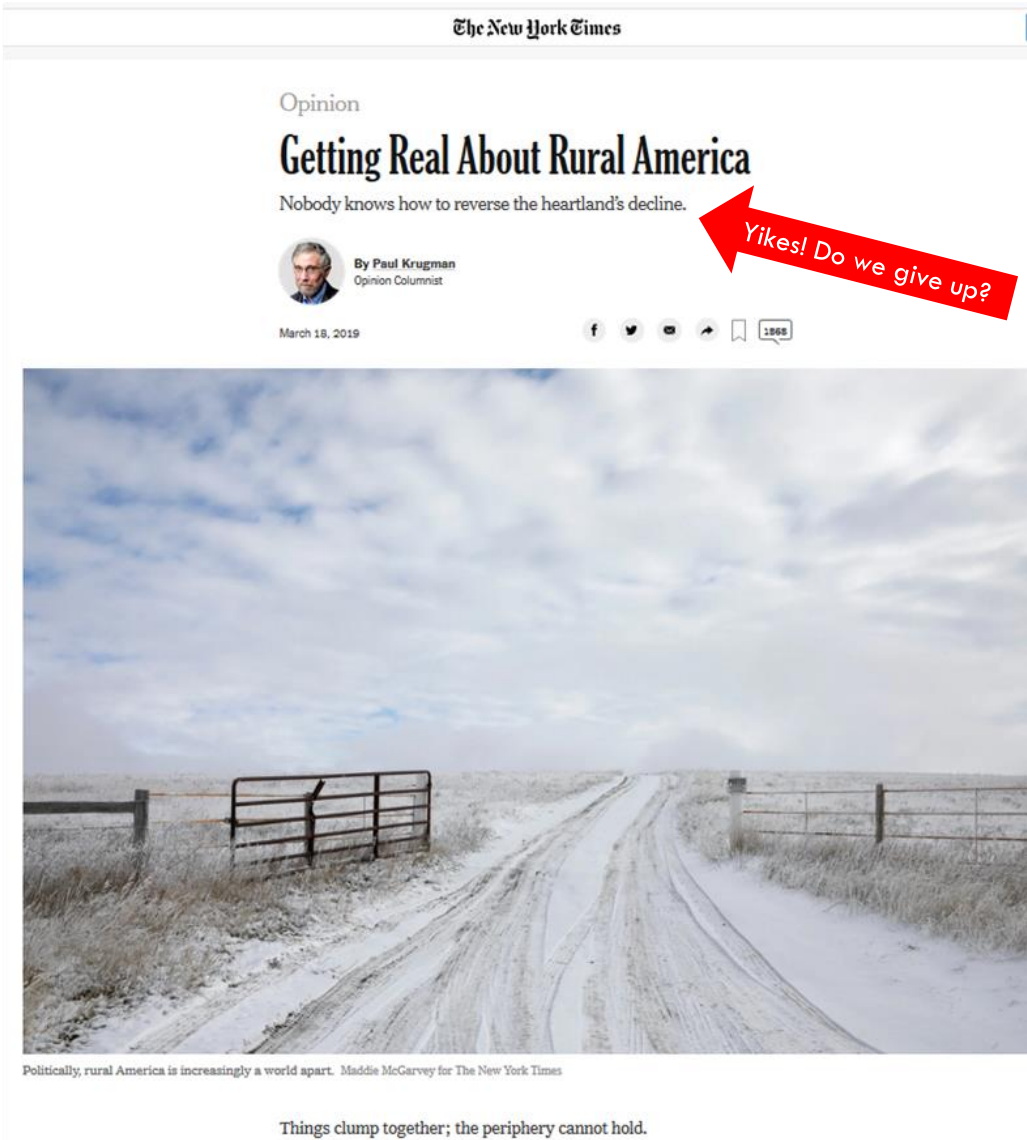


## II. The Challenge of Rural CED

### Year of Peak Population by County



New York Times Editorial







Joshua Lott/Reuters

## PERSPECTIVE

## Most of America's Rural Areas Are Doomed to Decline

Since the Great Recession, most of the nation's rural counties have struggled to recover lost jobs and retain their people.

MAY 7, 2019

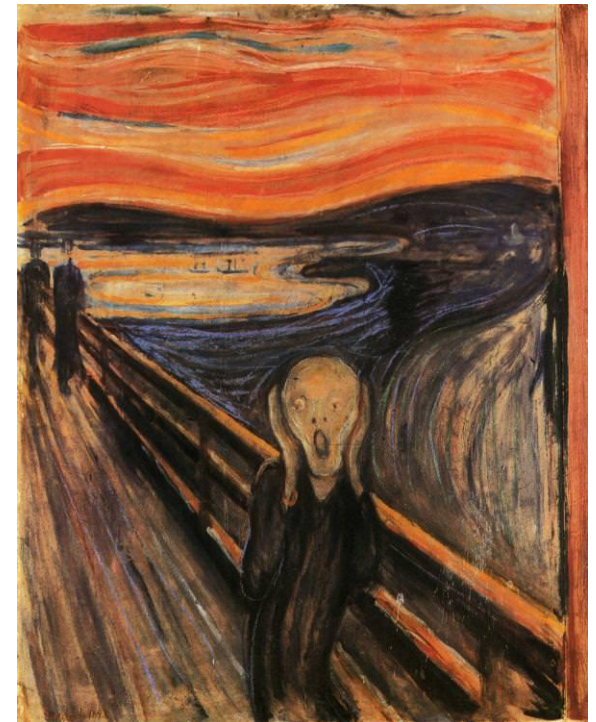
### US growth after the Great Recession

Between 2008 and 2017, the lion's share of population growth and non-farm job growth occurred in metropolitan areas, primarily in the south and west.

#### County type



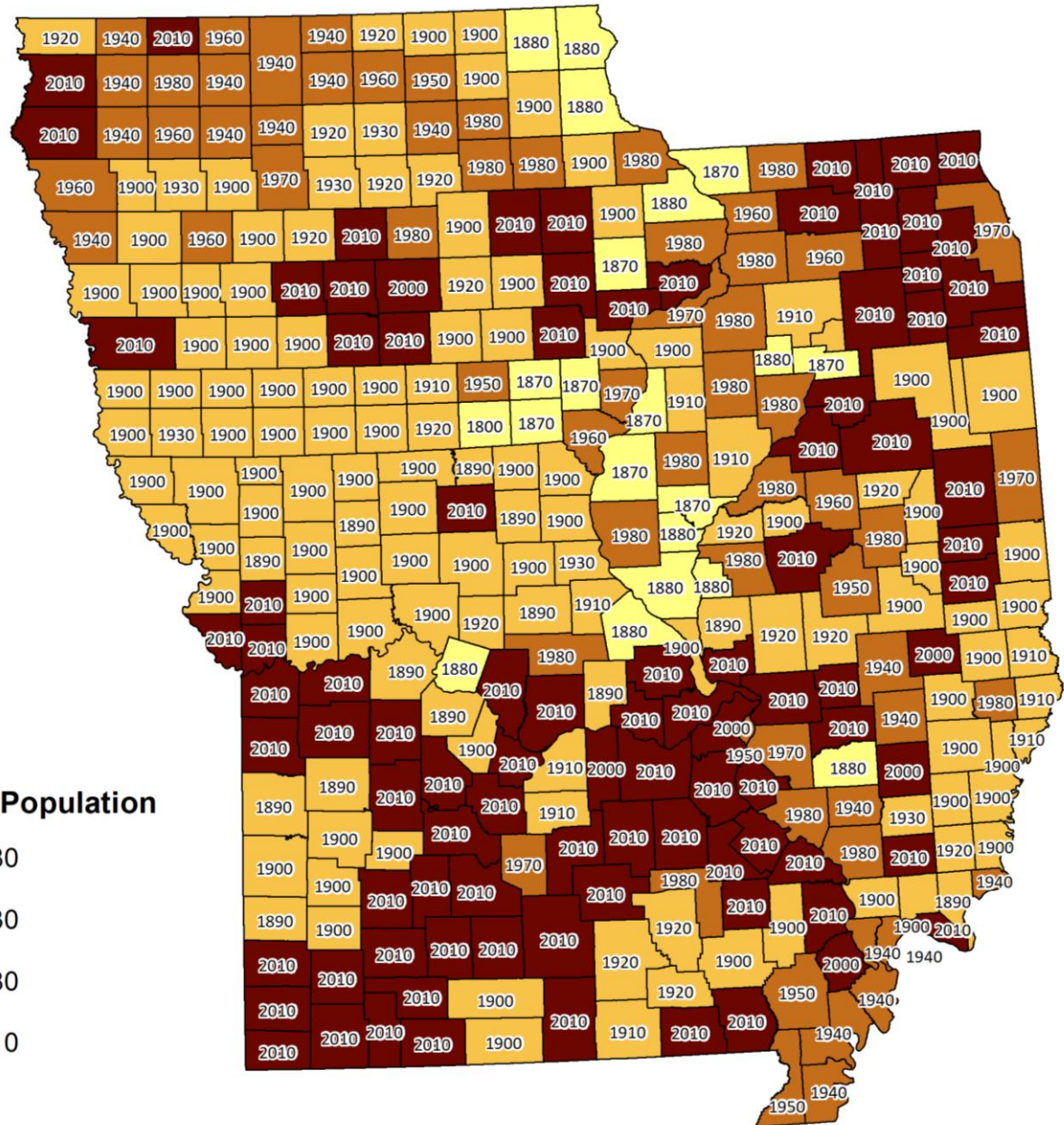
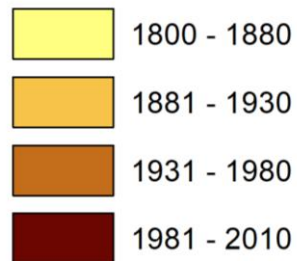
We are all  
“Doomed to  
Decline” ...



## II. Year of Peak Population by County

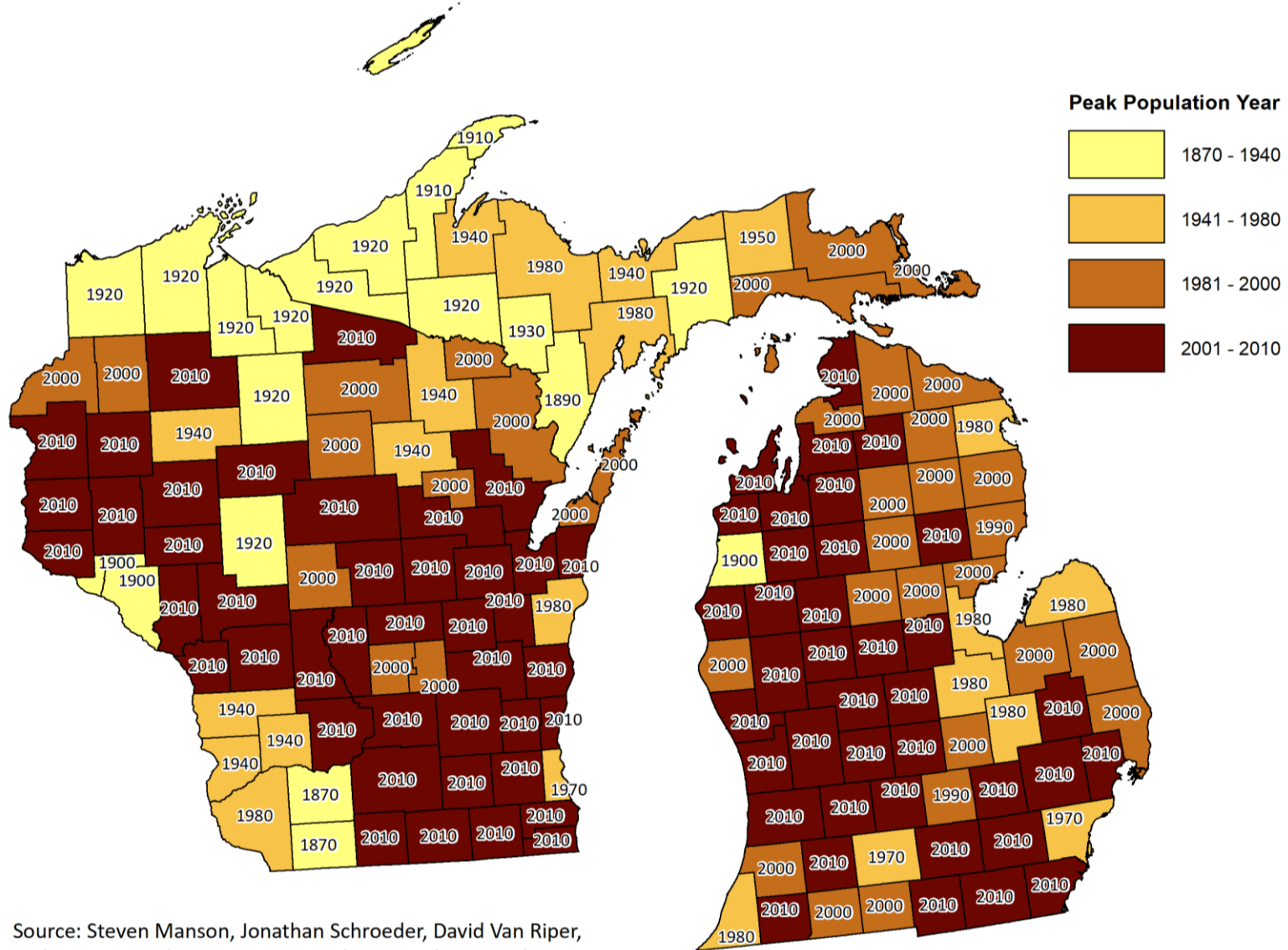
- Ag dependent counties peaked early.
  - ▣ 33 of 102 IL counties peaked over a century ago.
  - ▣ 44 of 99 IA counties peaked over a century ago.
  - ▣ 46 of 115 MO counties peaked over a century ago.
- More recent peaks occur with diversified economy and presence of anchor institution such as a college or university.
- Location along a major transportation corridor helps stabilize populations.

### Decade of Peak Population





## II. Year of Peak Population by County

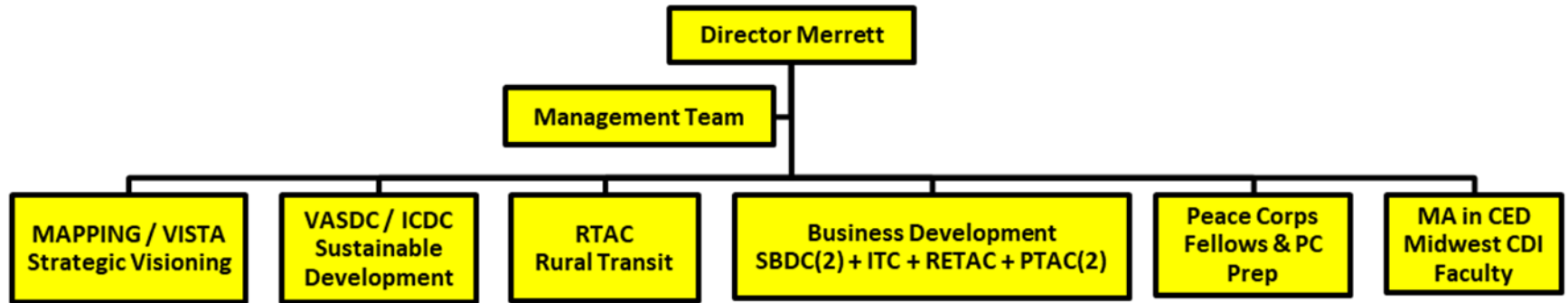


Source: Steven Manson, Jonathan Schroeder, David Van Riper, and Steven Ruggles. IPUMS National Historical Geographic Information System: Version 13.0 [Database]. Minneapolis: University of Minnesota. 2018.  
<http://doi.org/10.18128/D050.V13.0>

# III. How can we help communities thrive? ABCD.

## We take communities through a planning process.

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### (1) Strategic Visioning

- Where are we now?
- Where do we want to be?
- How do we get there?

#### Goal:

*Prioritize CED objectives through a grassroots consensus-based process.*

### (2) Technical Assistance

- Business Plans
- Business Retention & Expansion (BR&E)
- Co-ops and Community Foundations
- Data Collection / Analysis
- Economic Impact Analysis
- Feasibility Studies
- Fiscal Impact Analysis
- GIS Mapping
- Labor Market Analysis
- Marketing Surveys
- Renewable Energy
- Retail Trade Analysis
- Sustainable Development

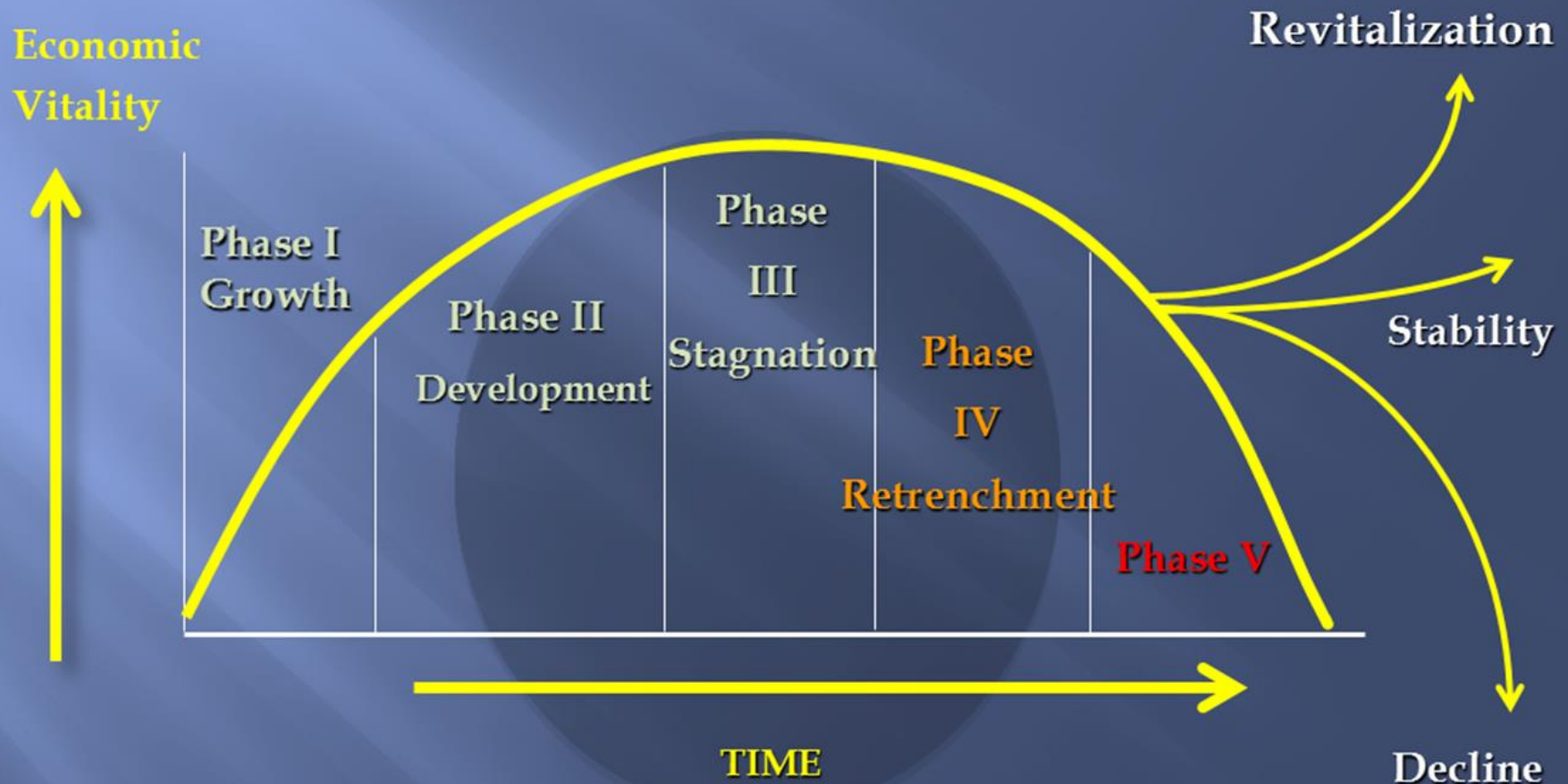
### (3) Implementation

- Peace Corps Fellows
- IIRA Follow-up
- Midwest CDI
- AmeriCorps VISTA
- Volunteer Training
- Statewide Conference
- Regional Workshops
- Online materials

#### Goal:

*Improve the quality of life for the residents of rural Illinois and beyond.*

# Community Life Cycle Model

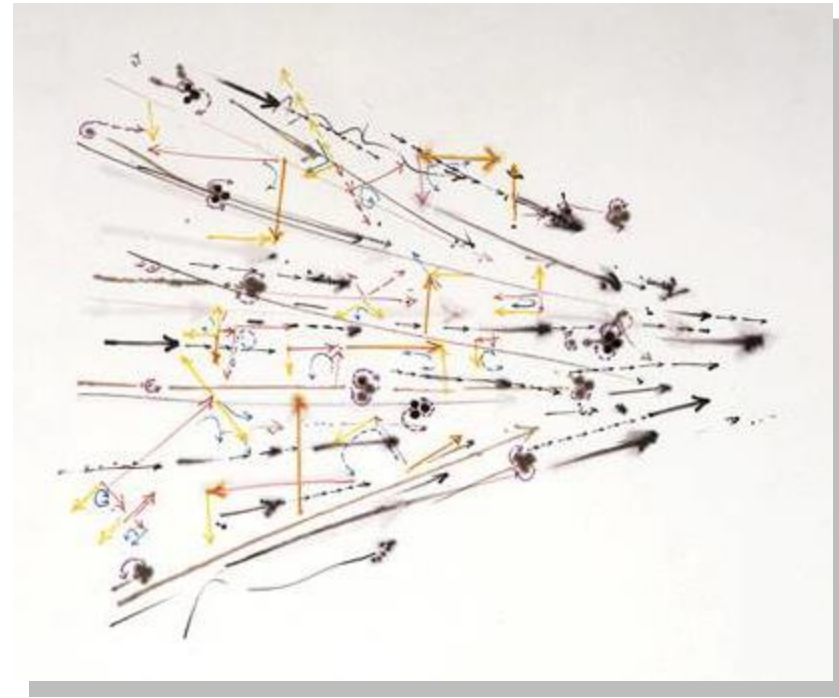


Many rural communities have experienced decades of population and quality of life decline.



### III. What does strategic visioning do?

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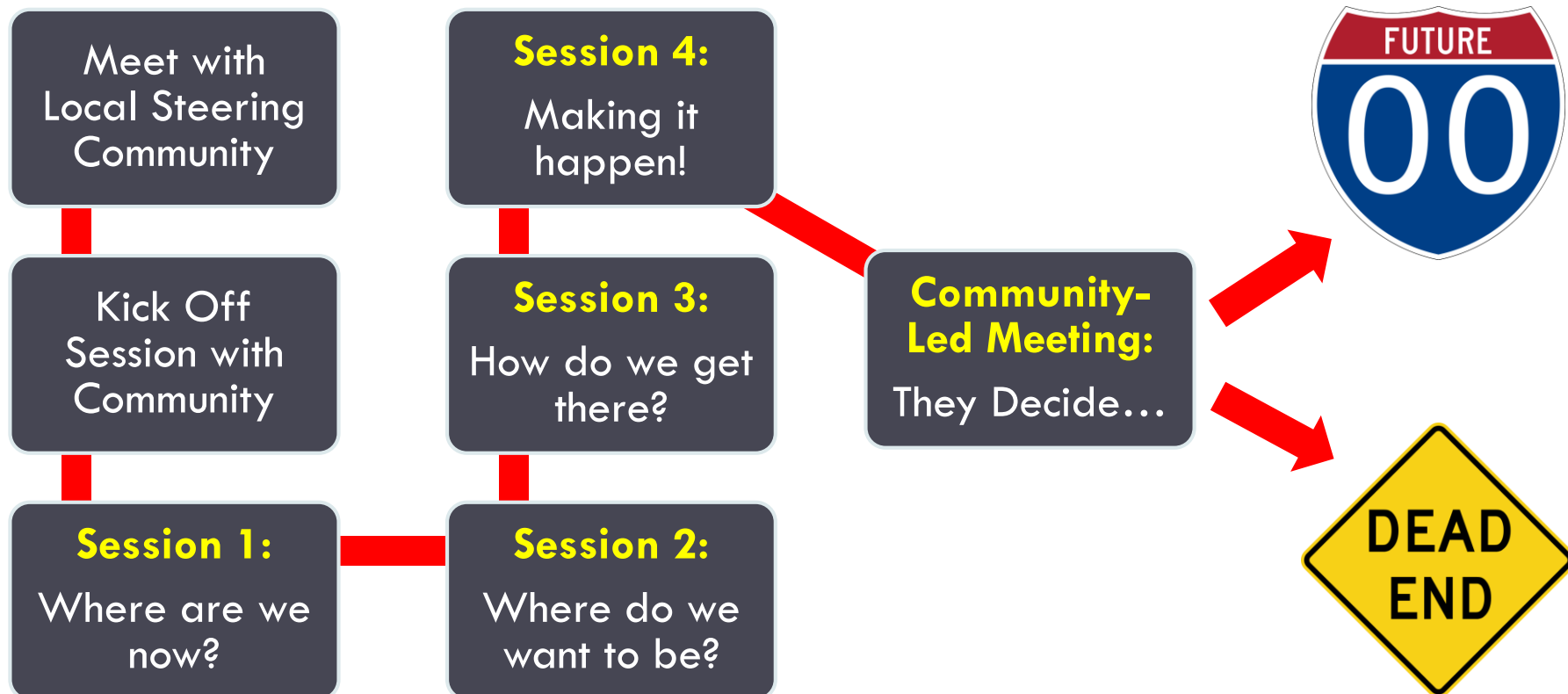
How do you go from a community filled with conflicting visions and agendas.....

...To a community with a shared vision that has been generated through consensus?

### III. Strategic visioning process helps answer questions...

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- How can we encourage **social innovation** in places that have done things the same way for decades?
- How can we help communities tackle **complicated challenges** such as improving their quality of life?
- How do we help communities generate new ideas and alternative CED futures?
- How can we help communities identify a starting point for making community improvements?
- How can we help residents of a community reach a consensus about their collective future?



TOP STORY

# Mattoon in Motion project makes great strides

ED DOWD Executive Director Mattoon Chamber of Commerce Sep 14, 2018 0

Source: [https://jg-tc.com/business/local/mattoon-in-motion-project-makes-great-strides/article\\_3313a2da-8acc-5048-8308-74395612333e.html](https://jg-tc.com/business/local/mattoon-in-motion-project-makes-great-strides/article_3313a2da-8acc-5048-8308-74395612333e.html)

TRY 1 MONTH FOR 99¢



Dowd



The Mattoon in Motion project, developed through a collaboration with the MAPPING program at Western Illinois University and the Illinois Institute of Rural Affairs, has been ongoing for over a year and continues to make great strides toward its mission as follows: "Mattoon is in motion with a well-trained and skilled workforce fueling a thriving local economy. Youth are provided opportunities of self-discovery and are encouraged to get involved in the community. Residents and visitors enjoy an affordable, high-quality of life with world-class healthcare and educational systems; a variety of cultural attractions, parks and recreation opportunities; and an array of housing options to meet the needs of a diverse population"

One big win of the program is securing a Peace Corps Fellow for community development through AmeriCorps Illinois and the Illinois Institute of Rural Affairs. Carlos Ortega is living and working in Mattoon as an intern for community development for the next 11 months. He officially started September 1st of this year. The Peace Corp Fellow Program places individuals in the community based on a successful application and recruitment process. Mattoon was in competition with several other communities to utilize the services of the Peace Corp Fellow. Based on the quality of the application submitted, letters of community support and a very pleasant personal tour of Mattoon, we were chosen as the location by Carlos and The Illinois Institute of Rural Affairs.



Peace Corps Fellow helping with Mattoon community development

MATTOON -- The community's new Peace Corps Fellow intern, Carlos Ortega, is helping with eff...

## CHICAGO SUN★TIMES

The Hardest-Working Paper in America

Our Pledge To You

NEWS

02/17/2019, 02:26pm

## Google reveal: Downstate group wins \$250K

By Maudlyne Ihejirika

Source: <https://chicago.suntimes.com/news/google-reveal-downstate-group-wins-250k-tech-giant-expanding-workforce-here/>

Chicago wasn't the winner of the \$250,000 up for grabs in Google's "Shark Tank" for economic development ideas, but the city won in another way: the tech giant is expanding its footprint and workforce capacity here.

Google on Friday held its big reveal for [Impact Challenge Illinois](#), announcing which finalist won the bonus in its first statewide competition to bolster nonprofits offering bold economic stimulus ideas for disadvantaged communities.

It was [Mattoon in Motion](#), a Southeastern Illinois community development organization that plans to launch a Cross-County Innovation Center with the grant, a collaborative workspace where entrepreneurs can receive resources, training, mentoring and coaching.

The competition, Google's version of TV's "Shark Tank," was judged by a dream team panel that included former Illinois Gov. Jim Edgar, former Chicago Bear Matt Forte and Tina Tchen, former chief of staff to former first lady Michelle Obama; as well as Joyce Foundation President Ellen Alberding, Chicago Community Trust's Chief Operation Officer Andrea Saenz and Illinois State University President Larry Dietz.

Chicago winners included North Lawndale Employment Network (NLEN), creating transitional jobs for formerly incarcerated; After School Matters, providing wrap-around services for disconnected Chicago youth; True Star Foundation, teaching digital skills and entrepreneurship to youth; Cara Chicago, providing job training and placement to low-income families; Future Founders Foundation, nurturing young adult entrepreneurs; and Manufacturing Renaissance, preparing underserved youth for manufacturing jobs.

Three other Downstate winners were the Girl Scouts of Southern Illinois, offering a S.T.E.M. program for girls in rural counties; [Illinois Institute for Rural Affairs, creating community-owned grocery stores in small towns](#); and the YWCA of McLean County, providing job training for formerly incarcerated women.



Vote now to help Illinois Institute for Rural Affairs,  
Western Illinois University win \$250,000

[g.co/illinoischallenge](https://g.co/illinoischallenge)



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## Forgottonia Brewing Opens in Macomb with Help of SBDC

June 14, 2019

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MACOMB, IL -- Forgottonia Brewing, the first craft brewery in Macomb, has launched its business with a series of soft openings during the past week, officially opening Wednesday, June 12.

The 2018 Downtown Macomb Retail Competition winners developed their winning pitch with help from the Illinois Small Business Development Center (IL SBDC) at Western Illinois University (WIU). Forgottonia Brewing won the grand prize, offering incentives totaling over \$28,000.

"The SBDC, and the competition, really kicked off our publicity and gave us validity," said Sean West, Forgottonia's brewer. "We've had a huge following waiting for us to open ever since."

## WIU PTAC Center Director Wins State Small Business Award

May 28, 2019

[Share](#) | [f](#) [t](#) [e](#) [p](#)

MACOMB, IL – Theresa Ebeler, director of the Central Illinois Procurement Technical Assistance Center (PTAC), a unit of the Illinois Institute for Rural Affairs (IIRA) at Western Illinois University, was recently presented with the Roger Luman Program Excellence Award during the Illinois Entrepreneurship and Small Business Growth Association (IESBGA) state conference.

The award recognizes outstanding, innovative and best practices in the programs and services. It is named in honor of Roger Luman, the managing director of the Turner Center for Entrepreneurship in the Foster College of Business Administration at Bradley University and is meant to embody his dedication to supporting small businesses.

"We are honored to be the first PTAC in Illinois history to receive this esteemed award," said Ebeler. "The HUBZone outreach event exemplifies how the University and the Illinois Small Business Network maximizes its resources for educational and economic development across the state."



[\[Download Print-Quality Image\]](#)



Pictured, from left, are Melissa Duff Brown, president of IESBGA and director of the SBDC at the Joseph School of Business in Chicago; JoAnn DiMaggio May, the director of the SBDC at SIU Edwardsville and Theresa Ebeler, director of the Central Illinois Procurement Technical Assistance Center (PTAC), a unit of the Illinois Institute for Rural Affairs (IIRA) at Western Illinois University.



30TH ANNUAL

# Rural Community Economic Development Conference

*Making Rural an Exciting Place to Live*



**MARCH 6 AND 7, 2019**

President Abraham Lincoln Hotel  
Springfield, Illinois

Register  
3 from your  
organization or  
community, and  
a 4th attends  
**FREE!**

Presented by

**Illinois Institute for Rural Affairs**

Western Illinois University

In conjunction with

**Governor's Rural Affairs Council**

Chaired by Lt. Governor Juliana Stratton

and

**Rural Partners®**

### Wednesday, March 6, 2019

8:00-9:00 AM **Registration**

9:00-10:30 AM **Making Rural Illinois an Even Better Place to Live**

Moderator: Christopher Merrett, Director, IIRA

→ "Opportunities for Rural Illinois- How GRAC can Help"  
Hon. Juliana Stratton, Lt. Governor, State of Illinois (*Invited*)

"Cooperatives in Rural Areas: Main Street Employees Act"  
John Torres, National Cooperative Business Association

"Re-imagining Rural Healthcare for the 21st Century"  
Rachel Shultz, Winona Health Systems

10:30-10:45 AM **Break**

10:45-Noon **Rural Illinois--Strategies to Adjust to the Future**

→ Moderator: Norman Walzer,  
Director Emeritus, IIRA

"Pollinating Prosperity on a Tight Budget"  
Michael H. Shuman, Telesis Corporation

→ "Rural Partners Update"  
Molly Hammond, Rural Partners

12:00-1:00 PM **Lunch and Networking**

12:30-1:00 PM **Annual Meeting of Rural Partners®**

1:00-1:45 PM **II. Creative Successful Community Revitalization Strategies**

"Emerging Local Investment Tools for Economic Development"  
Michael Shuman, Telesis Corporation

"Cooperatives as a Development Tool: Successful Examples"  
John Torres, National Cooperative Business Association

"Rural Healthcare: The Connected Community Where Relationships and Technology Meet"  
Rachel Shultz, Winona Health

"Broadband Under the Community Reinvestment Act"  
Jason Keller, Federal Reserve Bank of Chicago

"The Young and the Old--Changing Demographics and Strategies for Rural Communities"  
Randy Stoecker, University of Wisconsin

"AmeriCorps VISTA: Building Capacity to Alleviate Poverty"  
Giselle Hamm, Illinois Institute for Rural Affairs  
Sara Stapleton, Corporation for National & Community Service

2:45-3:00 PM **Networking Break**

3:00-3:45 PM **III. Innovative Practices in Communities**

"Communities of Excellence 2026"  
Becky Cleveland, Brookfield Area Growth Partnership

"A Unique Community Cafe Model: Filling the Rural Food Gap"  
Carolyn Brown, The Kitchen Table

"Project Rebound, Inc.: A Housing Initiative: Investing in Galesburg's Future"  
Carrie McKillup, University of Illinois Extension ←

"Managing Solar Energy Options: Milan, IL"  
Mark Hunt, City of Milan

"It's All About 'Place!': Proven Strategies"  
Mary Rielly and Harmon Gmazil,  
Michigan State University Extension

"Lost River Market and Deli, Paoli, IN"  
Debbie Turner, Lost River Coop

5:15-7:00 PM **Networking Hour and Book Signing**

### Thursday, March 7, 2019

8:30-10:00 AM **IV. Workshops on Where We Have Been: Agenda for the Future**

10:30-12:00 PM **Break**

"Resource Roundup"  
Robin Hanna, IIRA  
Panel of State/Federal Agencies ←

"Framework for Creating a Smart Growth Economic Development Strategy"  
Melissa Kramer, U.S. Environmental Protection Agency

"Innovative Uses of TIF and Business Districts for Commercial & Neighborhood Redevelopment"  
Steve Kline, Economic Development Group  
Bruce Barry, Larry Budd, City of Taylorville, IL  
Kent Kowal, City of Farmington, IL

"Community Revitalization: Connecting Communities to Planning Resources, Development Outcomes, and LIHTC"  
Amy Bashita and Emily Mueller,  
Illinois Housing Development Authority ←

"Rural Fresh Markets: Filling the Need When Grocery Stores Close"  
Sean Park, Illinois Institute for Rural Affairs

12:00 Noon **IIRA Conference Adjourns**





## COMMUNITY OUTCOMES FOR STRASBURG, IL

- 10 years elapsed, 2007 to 2017.
- ***CED is hard work. Maybe Sisyphean?***
- Not every CED design project works.
- Heavily reliant on volunteers.
- Need widespread community buy-in.
- Strasburg emphasis on local assets:
  - TIF district to raise funds.
  - 24-hour gym is former school gym.
  - Launched a community fund.
- How has the local population tracked with local CED success?
  - **1950 = 436.**
  - 1960 = 467 (+7.1%).
  - 1970 = 456 (-2.4%).
  - 1980 = 488 (+7.0%).
  - 1990 = 473 (-3.1%).
  - 2000 = 603 (+27.5%).
  - 2010 = 467 (-22.6%).
  - **2016 = 445 (-4.7%)[estimated].**
- **Maybe local CED efforts are not enough.**

## ACCOMPLISHMENTS 2007 TO 2017

Project	Project Progress
Housing survey	Surveyed homes in preparation for the development of a subdivision
TIF District	Established a Tax Increment Financing district.
Recruited a convenience store	Leveraged TIF district to attract a convenience store/gas station
Gym	TIF district helped a 24 hour gym start up
Develop trademark	Adopted the garden gnome featured on website, banners, new logo, and special gnome themed merchandise
Develop online marketing	Launched a new village website and started the Strasburg IL Facebook page
Flower sale	Host a flower sale every spring as an annual fundraiser and beautification initiative
Hog Roast and Gnome Fest	Hosted a fall hog roast fundraiser to, among other things, fund improvements to the community building
Renovate the community center	Refurbished the exterior of the community center
Volunteer recognition	Started an annual end of the year event to recognize volunteers
Santa Brigade	Developed an annual event to create painted santas to place around town as well as a vendor fair
Seasoned Citizens	Launched the Seasoned Citizens monthly activities for senior citizens
Calendars	Sold Strasburg 2013 calendars as a fundraiser
Community Fund	Launched a community fund with an area foundation and developed giving guidelines. Started accepting proposals in 2014
York Acres Subdivision	Subdivision established and lots sold. Multiple houses now exist there
Gnome News	Established a monthly newsletter for the community
Letter campaign	Completed a letter writing campaign to solicit funds for the community fund.
Welcome program	New residents to town receive a welcome packet
Hometown Award	2013 recipient of a Governor's hometown award for their renovations of the community building
Christmas Lights Competition	Held "Light up Strasburg" Christmas lights contest.
Downtown beautification	SCAN planted and maintained flowers around town and at the park

# IV. State and Federal Policy Changes

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- **Many issues affecting rural CED are driven by forces beyond the local: state, federal, and global.**
  - ▣ Rural depopulation and youth outmigration.
  - ▣ Loss of anchor institutions (e.g. grocery stores, schools).
  - ▣ Digital divide is real (i.e. both broadband and cell phone coverage).
  - ▣ Education gap (e.g. funding and student performance).
  - ▣ Workforce development and labor shortages.
- **What policy changes at the state and federal level might help?**
  - ▣ Can we actually address those conditions affecting our lives and communities that Marx said we can't choose?
  - ▣ Single most important issue might be to address **demographics**:
    - Depopulation
    - Youth outmigration
    - Workforce Development
  - ▣ Where will the next generation of farmers, business owners, and community leaders come from if we don't address these demographic issues?

Illinois Labor Market Structure	Total Number of Persons Employed 16 years and older				Percent of Persons Employed 16 years and older		
	Illinois	Illinois Metro	Illinois Nonmetro		Illinois	Illinois Metro	Illinois Nonmetro
Employed population 16 years and over	6,134,121	5,473,790	660,331		100%	100%	100%
Agriculture, forestry, fishing and hunting, and mining	65,146	32,346	32,800		1.1%	0.6%	5.0%
Construction	317,245	277,230	40,015		5.2%	5.1%	6.1%
Manufacturing	763,429	660,212	103,217		12.4%	12.1%	15.6%
Wholesale trade	187,477	169,258	18,219		3.1%	3.1%	2.8%
Retail trade	670,576	591,403	79,173		10.9%	10.8%	12.0%
Transportation and warehousing, and utilities	370,802	329,515	41,287		6.0%	6.0%	6.3%
Information	121,338	112,714	8,624		2.0%	2.1%	1.3%
Finance and insurance, and real estate and rental and leasing	448,924	417,470	31,454		7.3%	7.6%	4.8%
Professional, scientific, and management, and administrative and waste management services	709,106	673,410	35,696		11.6%	12.3%	5.4%
Educational services, and health care and social assistance	1,404,905	1,242,454	162,451		22.9%	22.7%	24.6%
Arts, entertainment, and recreation, and accommodation and food services	556,087	508,644	47,443		9.1%	9.3%	7.2%
Other services, except public administration	291,022	259,439	31,583		4.7%	4.7%	4.8%
Public administration	228,064	199,695	28,369		3.7%	3.6%	4.3%

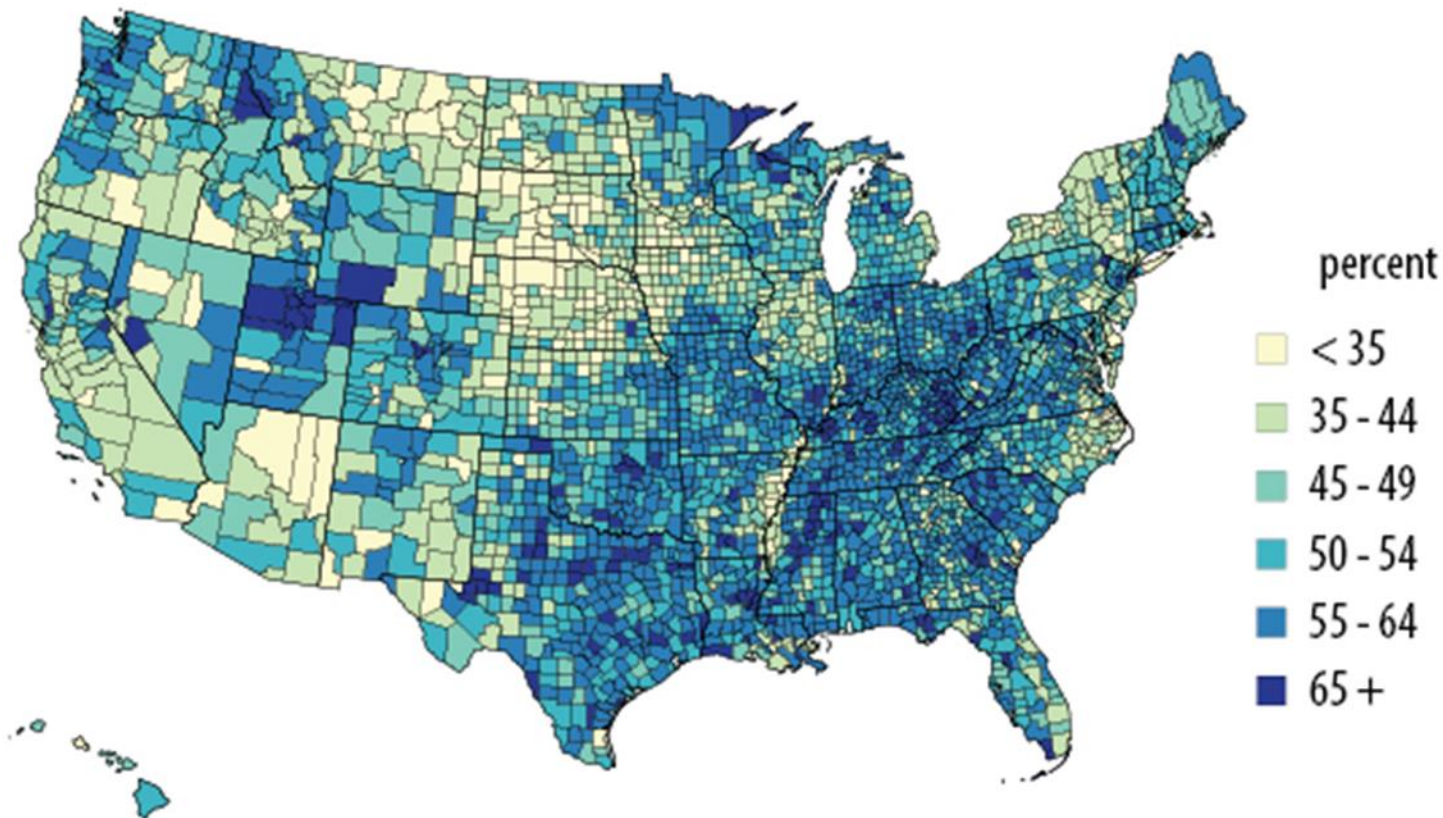


## Farms with Principal Operator whose Primary Occupation Is Not Farming, by County, 2012

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**Farmers and Rural Communities Need each Other. Farmers Need Off-farm Employment.**



# IV. State Policy: Higher Education

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- **Standard business development strategies include:**
  - ▣ State leaders go on trade missions to recruit factories and jobs.
  - ▣ Tax breaks and other incentives to keep or recruit **businesses**.
- **In Illinois, We need to treat students like we treat businesses.**
  - ▣ Universities from other states come to Illinois and recruit our students away.
  - ▣ We are losing our best and brightest to other states.
  - ▣ Illinois funding for higher education peaked in 2002.
  - ▣ State Higher Education Policy is failing downstate and rural Illinois.
- **We need to compete for students like we try to compete for business.**
  - ▣ Illinois college tuition should be less expensive than neighboring states.
  - ▣ Budget impasse devastated higher education in our state.
  - ▣ Illinois has driven hundreds of thousands of students to other states.
  - ▣ 16,461 students (net) left Illinois for college in 2016 alone.
  - ▣ 75% of New Trier college-bound HS Students left the state in 2016.
  - ▣ The way we treat higher education is driving depopulation especially downstate.
  - ▣ Lower tuition in Illinois would:
    - Help keep Illinois students at home and recruit students from other states.
    - Reduce student debt to help them buy homes and settle in the state.

# University Costs Prompt Entire Families to Leave Illinois

## Editorial: Illinois exodus: Flight of the expats The Carpenters

For former Naperville resident Bruce Carpenter and his wife, the decision to move out of Illinois rested on a number: \$52,000. That's roughly how much they saved in college tuition costs by turning down engineering school for their son at the University of Illinois and moving south.

They bought a larger, more expensive home in Atlanta, in a neighborhood with high-performing schools and property taxes half of Naperville's. Paying tuition for their son, now a freshman at the University of South Carolina, is significantly less than in-state tuition at the U. of I. would have been, due in part to scholarship money and grades that qualify him for the in-state rate even though his family's in Georgia.

Not only are Illinois university tuition prices high, a state budget impasse that lasted until July — and ended with a 32 percent income tax hike — tightened the screws on schools that rely heavily on state funding. Freshmen enrollment at Eastern, Western, Southern and Illinois State universities dropped substantially last year, a consequence of the Illinois exodus.

The New York Times

By Eduardo Porter

May 1, 2018

## Lessons From Rust-Belt Cities That Kept Their Sheen

Midwestern states like Illinois, Wisconsin and Missouri, which are starving many of their public universities of funds, the takeaway would be: Stop.



## Growing brain drain: University of Alabama's gain in drawing Illinois students is a loss for Illinois



Jessica Tobin, a freshman from Oak Lawn, is studying chemical engineering at the University of Alabama. Illinois is one of Alabama's biggest feeder states and is the top supplier outside the South. (Gary Crosby Jr. / Chicago Tribune)

SEARCH

Chicago Tribune

FRIDAY MAY 11, 2018

SPORTS BREAKING MOST POPULAR OPINION ENTERTAINMENT BUSINESS BEST REVIEWS

## Letter: Why I won't go to college in Illinois

APRIL 4, 2018, 2:29 PM

I couldn't agree more with your editorial "Illinois Exodus: Flight of the expats." As an 18-year-old who is about to embark on my endeavors as an adult, I too am fleeing Illinois for many of the same reasons as the families you interviewed.

The first is college tuition, cited by the Carpenter family. I am one of the only people I know who did not apply to University of Illinois or any Illinois school for that matter. The Illinois school system is broke and gives very little merit aid to in-state residents.

# Rural America's "brain drain": How student debt is emptying small towns

BY AIMEE PICCHI

JANUARY 21, 2019 / 8:30 AM / MONEYWATCH



## Rural America's student debt problem

Rural America is increasingly old, shrinking in population and falling behind when it comes to its share of educated residents. About 19 percent of rural residents held college degrees in 2016, compared with 33 percent of urban residents, a gap that's widened over the past few decades, the Agriculture Department said last year.

To be sure, the Federal Reserve said it couldn't determine whether the student loan debt is causing young college grads to move to cities. Nevertheless, the trend is notable: About half of rural residents who took out student loans remained in those areas six years later, compared with two-thirds of rural residents who didn't take out loans. And the grads with the most debt were the most likely to leave, they found.

There's a good reason why young workers with student loans would head for the big city. Cumulative job growth since 2009 -- after the recession ended -- surged almost 14 percent in cities with at least 1 million residents, compared with 2.7 percent for rural areas and small cities, according to Goldman Sachs.



# IV. State Policy: Community Foundations

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- Mechanism to capture wealth as estate is transferred.
  - ▣ Legacy – Seniors bequeath estate to survivors but leave a portion of their estate (0.5%, 1.0%, 5.0%, or more) to **local** community foundation.
  - ▣ State of Nebraska and Iowa are far ahead of Illinois.
  - ▣ Need Illinois State action to promote community foundations.
  - ▣ Illinois rural youth outmigration = rural wealth outmigration.
- How are community foundation funds used?
  - ▣ Health care (e.g. new MRI machine for hospital).
  - ▣ Education (e.g. K-12, broadband, higher education / ***promise programs***).
  - ▣ Business (e.g. RLF, façade upgrades, entrepreneurship).
  - ▣ Quality of life (e.g. playground, recreation center).
  - ▣ **Preserve downstate wealth** to spur downstate CED.
- Community Foundations serving downstate.
  - ▣ Community Foundation of the Quincy Area.
  - ▣ Community Foundation of Central Illinois.
  - ▣ Community Foundation for the Land of Lincoln.
  - ▣ Southeastern Illinois Community Foundation.

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## IV. State Policy: Promise Programs

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- Strategies created by local communities to send local students to college tuition-free.
  - ▣ Strategy to keep students local.
  - ▣ Improve local workforce.
  - ▣ Students attend community colleges and universities in region.
- Funding comes in many forms:
  - ▣ Community Foundations.
  - ▣ Wealthy benefactors.
  - ▣ Local tax revenues.
  - ▣ Galesburg, Quincy, Peoria, Rockford, Palatine, and Chicago have Promise Programs.
  - ▣ **State Action:** could help smallest communities use local sales taxes to support Promise Programs.



### The Town That Decided to Send All Its Kids to College

Residents of Baldwin, Michigan, pooled together their money to provide scholarships for everyone, and it changed the town profoundly.

ALANA SEMUELS | AUG 18, 2015 | BUSINESS

# IV. Federal Support for Rural Development

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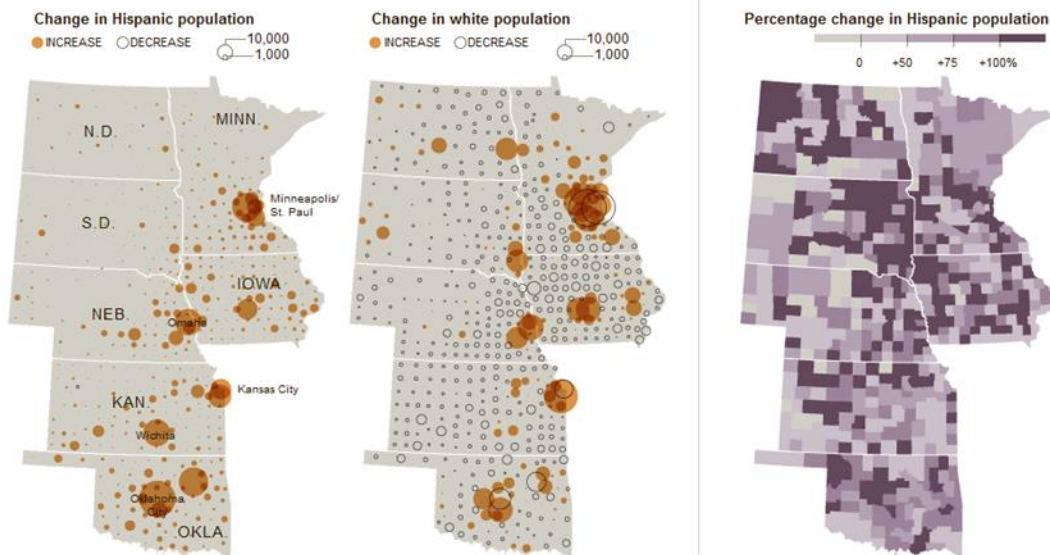
- Systemic reforms needed to help reverse downstate decline. Two suggestions include:
- ***Increase support for USDA Rural Development programs.***
  - Paradox of federal support for rural communities.
    - Investments in exports and efficiencies spur farm consolidation and rural depopulation.
    - Majority of farm households need off-farm employment – ***need diverse rural economy.***
    - USDA-RD investments support rural non-farm economy – community facilities, water, entrepreneurship.
  - Recent Farm Bills increase money for programs that promote export and efficiencies and cut support for USDA-RD and non-farm rural development.
    - This only ***accelerates*** rural depopulation.
- ***Immigration Reform***
  - Research based on 2010 US Census showed that many rural counties had stabilized or even slightly increased population due to influx of immigrants from Mexico and Central America.
  - Mayor from Ulysses, Kansas, acknowledged that rural depopulation is a huge problem. Hispanic influx has overall been a good thing for rural places.
  - He said that, “this immigration is happening and the communities that extend a hand are going to survive” (Sulzberger 2011).

**Sulzberger, A.G. 2011. Hispanics Reviving Faded Towns on the Plains. *The New York Times*. November 13, 2011. Available online: <https://www.nytimes.com/2011/11/14/us/as-small-towns-wither-on-plains-hispanics-come-to-the-rescue.html>.**

By A. G. SULZBERGER NOV. 13, 2011

## Changing Face of the Rural Plains

Growth in the population of Hispanics in the Great Plains — especially in rural areas, where even small growth can have an outside impact — is filling some of the void left by a declining white population. The Hispanic population in the seven Great Plains states shown below has increased 75 percent, while the overall population has increased just 7 percent. [Related Article »](#)



For generations, the story of the small rural town of the Great Plains, including the dusty tabletop landscape of western Kansas, has been one of exodus — of businesses closing, classrooms shrinking and, year after year, communities withering as fewer people arrive than leave and as fewer are born than are buried. That flight continues, but another demographic trend has breathed new life into the region.



A game of pick-up basketball at the school gym at Kepley Middle School in Ulysses, Kan., where the Hispanic population is increasing. Steve Hebert for The New York Times

Hispanics are arriving in numbers large enough to offset or even exceed the decline in the white population in many places. In the process, these new residents are reopening shuttered storefronts with Mexican groceries, filling the schools with children whose first language is Spanish and, for now at least, extending the lives of communities that seemed to be staggering toward the grave.

The study, from the nonpartisan Chicago Council on Global Affairs, concludes that immigration has been “a demographic lifeline” that has helped several Midwestern cities partially reverse decades of population loss among native-born residents.

“For the cities of the Midwest, restricting current immigration levels is the last thing they need: an unnecessary tourniquet applied to a precious supply of new regional residents and workers,” reads the report, written by demographer Rob Paral, a non-resident fellow at the council.

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## The Rust Belt Needs Legal Immigration

RONALD BROWNSTEIN SEP 18, 2017

A new study finds that the Midwest is heavily dependent on this “demographic lifeline.”

The Rust Belt states that tipped the 2016 presidential election to Donald Trump could be among the biggest losers from the proposed reductions in legal immigration that he has endorsed, according to a [new study](#) released Monday.



# V. Conclusions / Discussion / Questions

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- Rural Illinois and other parts of the Rural Midwest are losing population.
  - ▣ Rural places are shrinking faster than urban areas.
  - ▣ The loss of young people is the biggest problem (*at least IMHO*).
  - ▣ Current policies and recent actions have actually accelerated outmigration of young people from downstate and rural Illinois.
- Concern for rural and downstate Illinois should prompt us to implement plans and policies that address three things:
  - ▣ Retain downstate people through local action AND state policy change.
  - ▣ Recruit new people:
    - Immigration may replenish downstate places.
    - Is a more progressive immigration policy good rural development policy?
  - ▣ ... or “Shrink Smart” – a topic for another day...
- If we don’t make changes to address population decline, the inevitable downward demographics will augur a dismal rural and downstate economic destiny.
  - ▣ ***But it does not have to be... or does it?***
  - ▣ **Is rural youth outmigration the biggest threat to rural development?**
  - ▣ **If not, what is?**
  - ▣ **I am trying to “ground truth” my understanding and welcome your input.**