



## **HOMETOWN COMPETITIVENESS**

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

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May 18, 2005

### **Kellogg Foundation Chooses Nebraska Initiative for National Grant**

Lincoln—HomeTown Competitiveness, a Nebraska initiative currently working in seven counties and communities in Nebraska, has been chosen as one of six recipients of grants provided through the W. K. Kellogg Foundation's 75<sup>th</sup> Anniversary Entrepreneurship Development Systems for Rural America.

The \$2 million award, over three years, was approved by the Kellogg Foundation Board of Directors meeting at Battle Creek, MI last month. More than 180 applications were received for the grants to develop six national models in rural entrepreneurship.

HomeTown Competitiveness (HTC) provides a framework for rural communities to help them identify reachable goals and strategies focused on the four pillars of reversing rural decline, including building leadership and community capacity, engaging young people, fostering local philanthropy and supporting entrepreneurship.

The core partners in the Kellogg-funded initiative will be the Nebraska Community Foundation, The Heartland Center for Leadership Development, the RUPRI Center for Rural Entrepreneurship and the Center for Rural Affairs.

Other collaborative partners are colleges and programs at the University of Nebraska; the Nebraska Microenterprise Partnership Fund; Northeast Community College at Norfolk; Northern Great Plains, Inc. of Fargo, ND; the Nebraska Lied Main Street Program and the Rural Enterprise Assistance Project; and Consolidated Telephone Company and Great Plains Communications, Inc., who serve the rural HTC communities.

#### **Pilot project in Valley County**

HTC began as a pilot project in Valley County and Ord in 2002. Other sites for HTC are Stuart and Atkinson; Mullen; Chase and Perkins Counties; Knox County; David City; and O'Neill. The grant will allow the initiative to expand to as many as 15 sites in Nebraska, including Ho-Chunk Community Development Corporation on the Winnebago Indian reservation and other tribal entities.

HTC received the 2004 Innovative Program Award from the Community Development Society, whose members come from 32 countries and the United States. HTC has also been featured in a number of recent news stories, including USA Today and an editorial

in the Omaha World-Herald. The USA Today article on rural development efforts in the United States headlined the Nebraska initiative: “Hometown competitiveness drives new rural development strategy.”

The USA Today article reported, “In three years, Valley County, Neb., (population 4,647) has graduated 70 from a leadership class; set up an endowment with \$1.2 million willed by a local couple; and hired a business development coordinator. Ord, the county seat, has made seven small-business loans from a 1-cent sales-tax fund.”

”A wealthy alum living in Arizona flies in to teach a class on growing entrepreneurs. A graduate came home from Lincoln to start an irrigation-well firm. Another plans a local dental practice.”

One of the strengths of the HTC initiative has been the financial commitment made by the participating communities, according to Bob Stowell, an Ord attorney and a member of the Nebraska Community Foundation Board of Directors. The Kellogg grant will give communities access to more comprehensive resources from core and collaborating partners, but still require local community match and substantial volunteer commitment.

#### **Four pillars of HTC illustrated in Nebraska Communities**

Jan Krotter-Chvala, a leader in the Atkinson-Stuart HTC effort, said her communities learned from the successes at Valley County and Ord. “Our communities need help with the basics in community development and sustainability, so that we can learn to do this for ourselves. We need to become self-sustaining and self-sufficient. That’s our goal -- to learn how to make our communities sustainable.”

#### **Mullen HTC entrepreneurship**

Local leaders in Mullen, population 554, located in the Nebraska Sandhills, are using the HomeTown Competitiveness framework to help local entrepreneurs get established and grow their business. Over the past 18 months, two young mechanics have moved to the community and opened a successful new business. Several additional businesses have also opened including a vineyard, coffee shop and a fine linen laundry service.

The Sandhills Resource, Conservation and Development District moved into a new building in 2004, and created two additional new jobs in town. Nebraskaland Bank also saw the promise of the Mullen area and constructed a brand new bank downtown, creating several additional jobs. Macke’s grocery store has been renovated and local youth conducted a consumer preference study to assist businesses in meeting customer needs for goods and services.

During the past year, six new businesses and 12 new jobs have been created in Mullen, which just two years ago had “for sale” signs in eight businesses downtown. Several businesses are still available for an enterprising person who would like to live in a progressive small town with a “can do” attitude. There are 25 new jobs currently available as a new golf course is being constructed and there will be 53 permanent and

seasonal jobs when the course is opened, according to Brian Thompson, general manager of Consolidated Telephone Companies, which serves the Mullen area.

### **O’Neill/Holt County HTC youth survey**

In O’Neill, 25 young adults have been working with HTC to find out what local youth are planning to do after high school and how their community can help more of them stay or return to the area. Working with fellow HTC leaders in Stuart and Atkinson, and schools throughout the county, a youth survey was conducted in April.

The results document what the young adults already knew, but they may surprise anyone who thinks the future of rural communities in Nebraska is not full of promise. In O’Neill, of the 289 Junior and Senior High School students surveyed, more than 98 percent plan to attend college, but over 55 percent want to return to North Central Nebraska. Among O’Neill public high schools students, 63 percent say they want to own their own business.

The results from the smaller communities in Holt County were even greater in several categories. In Stuart, population 650, 66 percent of high school students want to return to the area. In Atkinson, population 1,380, an equal number of students wish to come back. The primary reasons given for wanting to return are family ties and quality of life.

“It is increasingly possible for young adults to live and work wherever they wish, because of the availability of information technology throughout Nebraska. Because distance is shrinking, you can live and work wherever you wish.” said Maxine Moul, President Emeritus of the Nebraska Community Foundation.

O’Neill leaders are now beginning their work with young people who have expressed interest in returning to connect them with entrepreneurial and career opportunities. They are also using the survey results to begin the dialog among local leaders and young people about offering more recreational and leadership opportunities with youth. Similar HTC work is underway with youth in Stuart and Atkinson.

### **Holt County and Knox County HTC youth rallies**

On April 29, a countywide youth rally was hosted by O’Neill HTC with Congressman Tom Osborne as the keynote speaker. The Congressman visited with the young people about the promise rural Nebraska holds for their future. The youth also listened to a panel of young adults share why Holt County is the best place to live and work. The students then talked in small groups about their community and how it could become a more attractive option for young people who wish to stay or return.

A youth rally titled, “Thinking Outside the Box!” was held earlier the same day in Knox County by their HTC Youth Task Force. Young people interested in staying or returning to the region visited with area entrepreneurs, resource providers, and Congressman Osborne’s Chief of Staff, Bruce Rieker, about how they can create their own career through entrepreneurship. Adults participating in the event noted that they were impressed by the students who want to return and own their own business.

## Stuart and Atkinson team up

Stuart and Atkinson are two neighboring communities that are teaming up to employ HTC to build a stronger region. A key element in their HTC game plan is leadership development. Together they have created the *Home Town Leadership Institute*. With a full class and this year's program coming to an end, this leadership building strategy shows the following results:

- ✚ 60% of the participants indicated they plan to increase their volunteer activities as a result of the Institute.
- ✚ 57% of the participants shared that they were now interested in seeking public office in the future.
- ✚ 83% of the participants indicated that their charitable giving would increase substantially because of the Institute.
- ✚ 76% of the participants felt they had increased their knowledge of entrepreneurship opportunity.
- ✚ 81% felt that the Institute has increased their confidence about their community's ability to attract new residents.

Entrepreneurial development works in rural Nebraska, according to Chuck Hassebrook, Executive Director of the Center for Rural Affairs. Locally owned small businesses are creating most of the new rural jobs. Non-farm self-employment alone accounts for two-thirds of new jobs in Nebraska's most rural counties, according to Center for Rural Affairs analysis. Nationwide, two-thirds of job creation and business growth comes from entrepreneurial ventures, according to the National Commission on Entrepreneurship.

"Small entrepreneurship is especially important as companies that formerly looked to rural areas are now moving off shore for lower wage labor. Entrepreneurial development keeps local people in control of their community's future. It keeps profits at home and enables local people to build assets and earn middle class incomes," Hassebrook said.

## Kellogg grants to provide national models

Cynthia Milligan, Dean of the College of Business Administration at the University of Nebraska-Lincoln, is a member of the Kellogg Foundation board and will become chair of the board in December. Milligan said, "The objective of this initial investment by the Kellogg Foundation is to demonstrate the promise of entrepreneurial development in revitalizing Rural America and to stimulate additional investments by local philanthropists and state, local and federal governments."

The Kellogg EDS grants will allow recipients to promote entrepreneurial activity in their region, produce entrepreneurial models for other communities, leverage significant investment, and stimulate national and state interest in rural entrepreneurship policies and strategies.

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