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Investing in Rural Prosperity: A Framework for Advancing Shared Economic Prosperity

Presentation at 2024 Wisconsin Agricultural Outlook Forum

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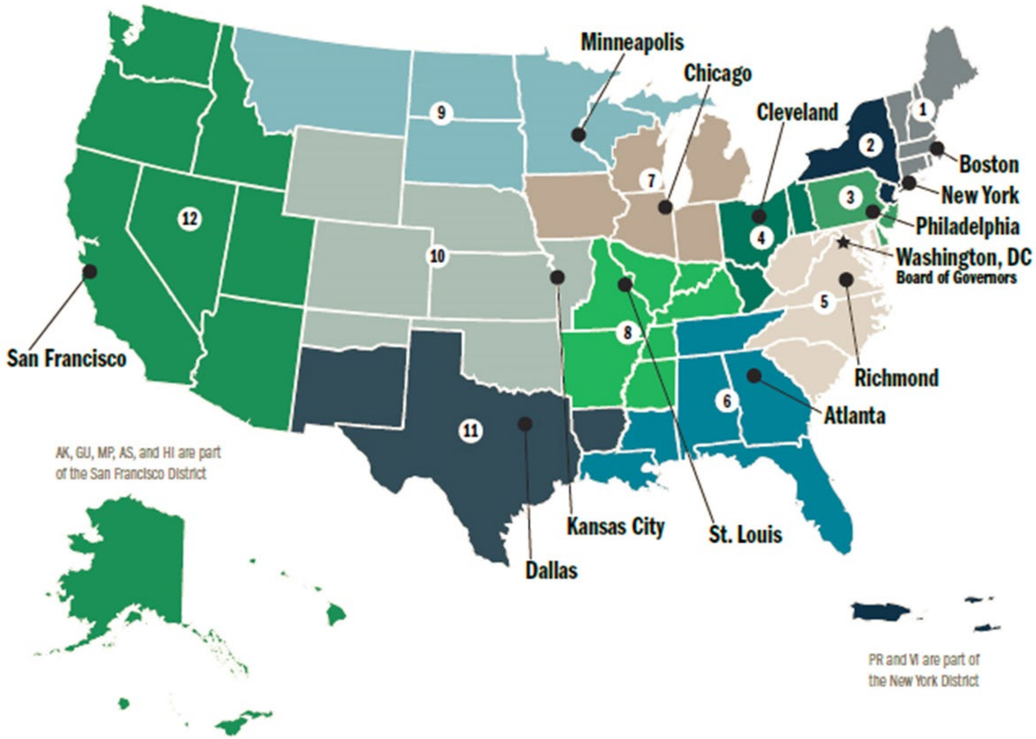
About the Federal Reserve

- The Federal Reserve is the central bank of the United States. It is responsible for monetary policy, supervision and regulation of banks, and payment systems.
- Its community development function aims to promote economic resilience and mobility for low- and moderate-income and underserved individuals and communities.
  - Sharing Ideas
  - Research
  - Training & Convening



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Why Rural Matters to the Fed

- Rural places are critical to the economy
- While subject to significant regional variation, the populations of many rural communities are getting smaller, older and more diverse.
- Rural communities are more likely to be successful in fostering broad-based economic prosperity if they take an asset-based, equitable approach to their development activities.

Rural America: A Treasure of Assets

Picture taken of Breyon Price of Surry County, Virginia, taken from FedCommunities post, Rural America: A Treasure of Assets.

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The "TRIC" to Fostering Shared Economic Prosperity in Rural America

- The "TRIC" approach to rural development includes tailoring the approach to the community, designing it to be resilient and being inclusive and collaborative.
- Success is more likely if rural communities build from the inside on the things that make their community special, with an intentional focus on ensuring their efforts reflect and consider the needs and opportunities of all segments of the community.

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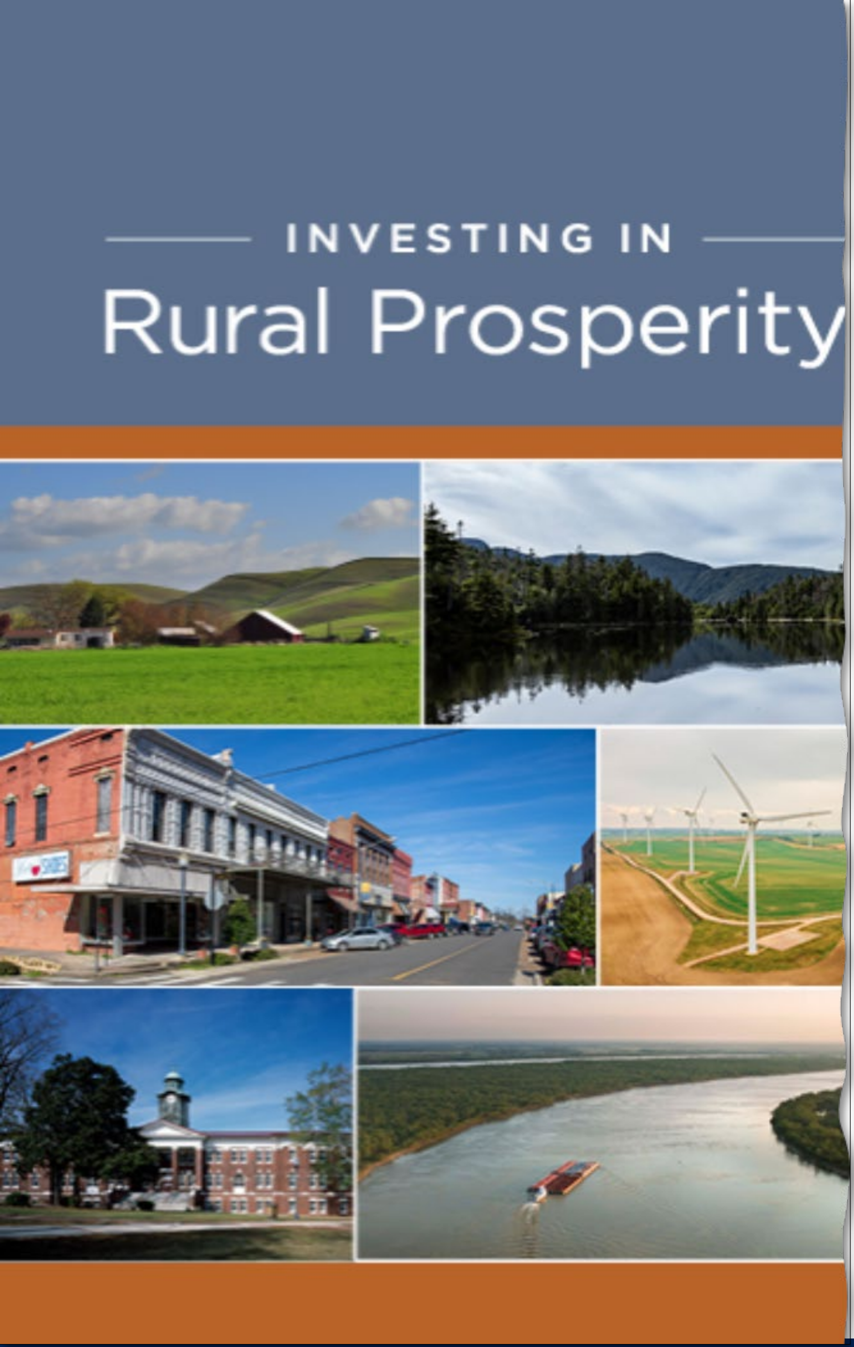

5 Key Takeaways

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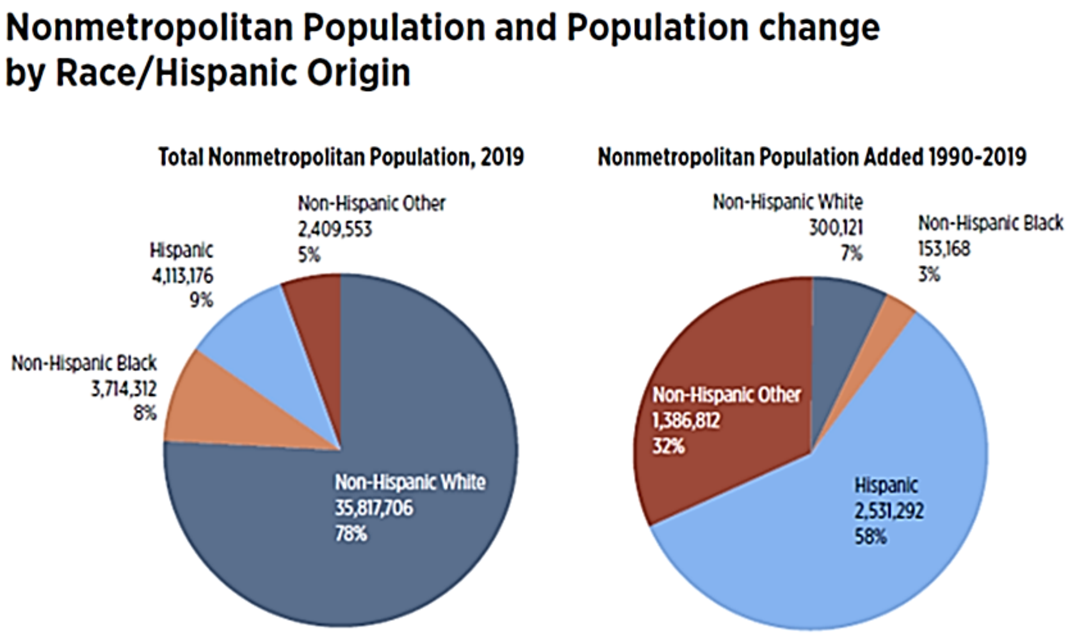
1. Nearly all recent rural population growth has come from people of color



Source: Lichter, D., & Johnson, K. (2021). A Demographic Lifeline to Rural America: Latino Population Growth in New Destinations, 1990-2019. In A. Dumont, & D.P. Davis (Eds.), Investing in Rural Prosperity (pp. 67 – 80). Federal Reserve Bank of St. Louis & Board of Governors of the Federal Reserve System.

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2. Local rural capacity requires community-based organizations

Six Ways to Build Inclusive Local Capacity

- Build local organizational capacity
- Foster robust local engagement and leadership
- Advance community planning
- Leverage partnerships and collaboration
- Promote wealth-building, financial capability and homeownership
- Strengthen community and individual resiliency

Source: Kackar, S., & Fitter Harris, S. (2021). Building Local Capacity in Rural People, Places and Systems. In A. Dumont, & D.P. Davis (Eds.), Investing in Rural Prosperity (pp. 461 – 474). Federal Reserve Bank of St. Louis & Board of Governors of the Federal Reserve System.

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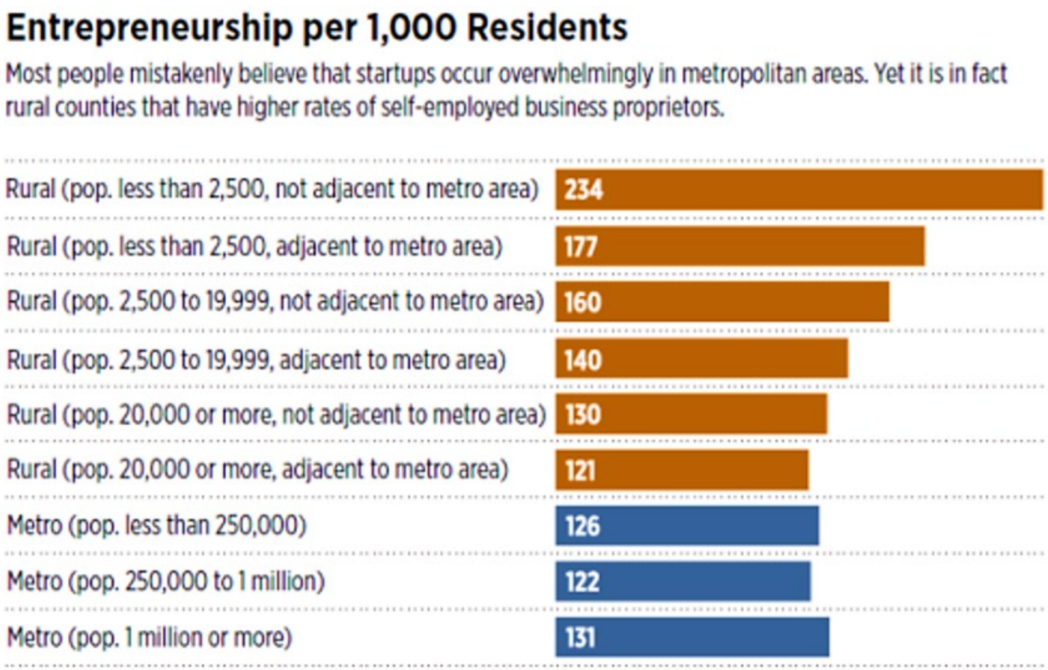
3. Rural counties have higher rates of self-employed business proprietors than metro areas



SOURCE: PBS NewsHour analysis of Bureau of Economic Analysis data

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4. A significant factor in the difference between recovery and resilience is the leadership in place to support a community's transformation from its past to its future

- Having professional staff is a critical need. Only 26% of remote rural counties and 35% of adjacent rural counties have an economic development professional on staff, compared with more than half of metro counties.
- Key to success in fostering mutually beneficial collaborations is initially established and maintained through convening. By way of convening leaders consistently, information is shared, relationships are developed, and trust can be established in a low-stakes environment.
- Other impactful partners include community foundations, community action agencies, and local health units.

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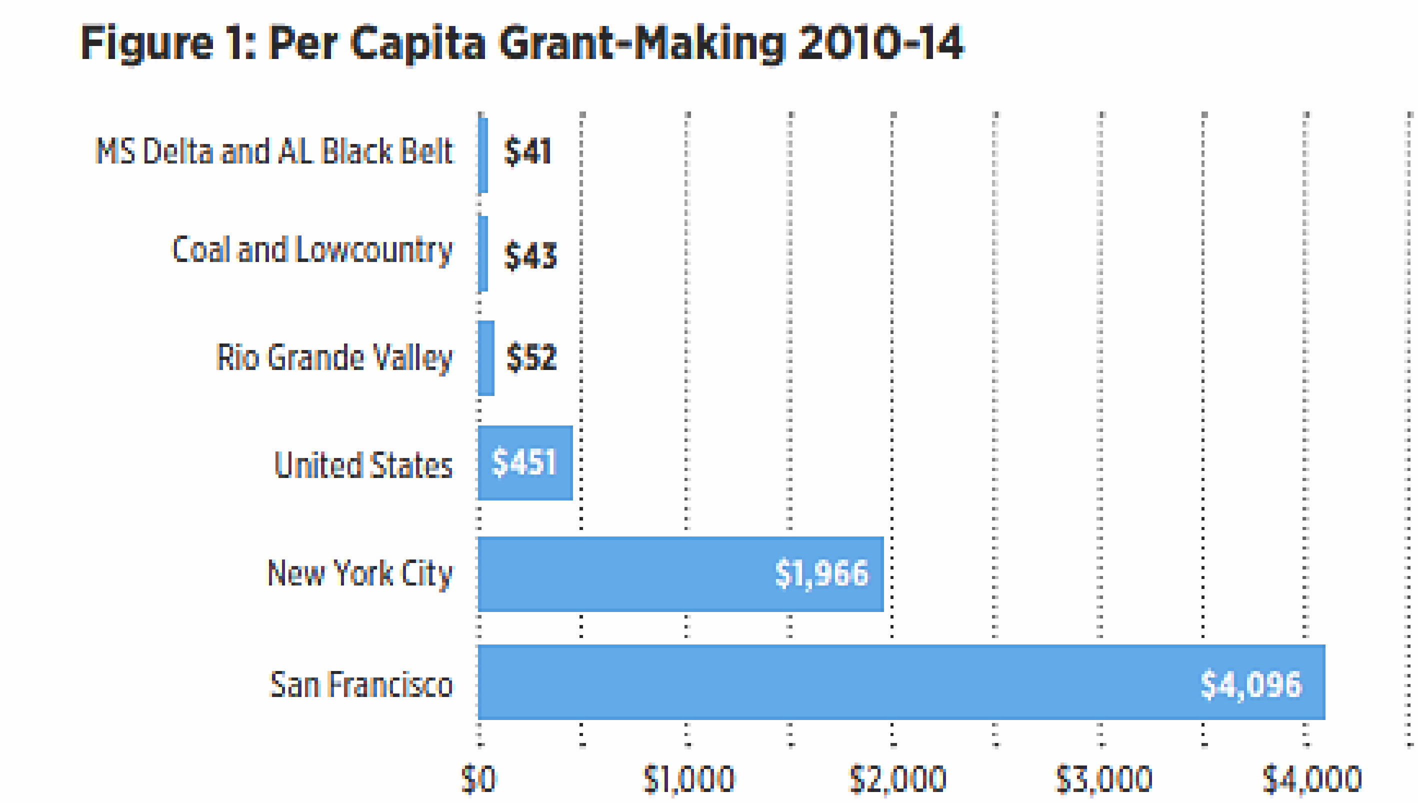
5. Rural communities need access to capital to thrive



SOURCES: Anarde, Suzanne; Bynum, Bill; Cornelius, Chrystel; King, Jim; Mitchell-Bennett, Nick; and Polonius, Ines. "Cultivating Capital: Partners for Rural Transformation." Investing in Rural Prosperity, Federal Reserve Bank of St. Louis and the Board of Governors of the Federal Reserve System, 2021, pp. 237-50.
National Committee for Responsive Philanthropy and Grantmakers for Southern Progress: "As the South Grows" series, 2016-17. NOTE: Analysis for Native communities was not available in this format.

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