

**The Crossroads Institute: An Entrepreneurial and Educational Initiative
Finding New Rural Development Bootstraps**

George McDowell

The really difficult part of local rural development is not setting forth what to do, but rallying local folks to work on known tasks and do them in ways that are successful. This “intangible” part of rural development at the local level causes some to speak of rural communities having to “pull themselves up by their own bootstraps.”

A part of Southwest Virginia, specifically Smyth, Grayson, Carroll, and Wythe counties, the towns of Hillsville, Independence, and Wytheville, and the City of Galax, has

been hit hard by the impacts of the global economy. The area has experienced the loss of 2,500 jobs in manufacturing and agriculture in just the past five years. Unemployment in this area is frequently among the highest in Virginia, with Smyth County reporting an unemployment rate of 11.4 percent, nearly three times the 4.3 percent state average for the same period (VEC Jan. 2003). Thirty-five percent of the existing workforce is underemployed (working less than full time) according to leaders from the area (Crossroads Institute document, 2003).

Where did the jobs go? Sri Lanka, Vietnam, China, Mexico, and Pakistan among many other places in the world.

What were those jobs? Apparel and textile manufacturing, furniture making, electronics, and many other kinds of low or minimum skilled work, including more recently the operation of call centers.

In the face of this truly depressing economic circumstance, a group of community leaders led by local educators in the

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service area of Wytheville Community College, got together to do something about their local economy and to develop some new economic development bootstraps. As they discussed what to do, they unknowingly used Pulver's five categories of things that a community can do to improve employment and income. Pulver (1979) listed the following five possibilities:

1. attract new basic employers to the community;
2. encourage the formation of new businesses locally;
3. work with existing businesses to improve their efficiency and profitability;
4. assist local enterprises to identify and capture existing markets within the locale; and
5. reacquire dollars taxed away by broader units of government.

To Pulver's five things a community can do, I would add two more:

1. increase the earning power of residents by enhancing their productivity; and
2. improve the performance and efficiency of local government in its production and delivery of services.

While economic development is not usually considered the domain of educators, and certainly not of K-12 educators, the Carroll County School Board and Superintendent of Schools had already become involved in economic development in 1998. In 1999, a position was created to develop educational resources and enhance educational programs and opportunities in Carroll County. Arrangements were made to have that person associated with Virginia Tech Cooperative Extension so that the individual would have a connection to the talents and resources at Virginia Tech and Virginia State University, Virginia's land grant universities.

Most of the projects that the Community Development Extension Agent (the only one in the state) has worked on were within Carroll County. However, one project is more regional in scope. The regional project is a collaboration with the leadership of Wytheville Community College, local governments, and other educational and economic development organizations on a rather unique approach to local economic development: the Crossroads Institute: A Rural Entrepreneurial and Educational Initiative (Crossroads Institute). The formal partners of the Crossroads are listed in the box.

Crossroads Institute Partners	
Wytheville Community College	Mt Rogers Planning District
Wytheville Community College's Educational Foundation	Virginia Tech Cooperative Extension Service
Carroll County	Carroll County Public Schools
City of Galax	Galax Public Schools
Grayson County	Grayson County Public Schools
Smyth County	Smyth Enterprise Center
Wythe County	Southwest Regional Enterprise Center
Town of Hillsville	Manufacturing Technology Center
Town of Independence	Lowe's Companies, Inc
Town of Wytheville	

To date the leaders of the effort have put together over \$6 million of grant and loan monies to finance the effort. Instead of addressing one or two of the “things a community can do to generate jobs and income” listed above, the Crossroads Institute and its three centers will simultaneously address most of them.

The especially important contribution the educators have made to this set of economic development bootstraps comes from their realization that great synergy results from having the educational/training activities associated with the business development activities. They placed the Southwest Regional Enterprise Center and its business development activities (incubators, small business development center, and idea lab) at the apex of the Crossroads Institute schematic. But the educational activities of the Center for Lifelong Learning and the Center for Technical and Entrepreneurial Studies are the foundation of the organization (Figure 1). The Center for Lifelong Learning focuses primarily on adults and their needs for a GED, skills assessment and training, and continuing education. The Center for Technical and Entrepreneurial Studies provides high school students and others seeking to enter the job market with specific skill training in areas such as Geographic Information Systems (GIS), Computer Aided Drafting (CAD), electronics, business services, and e-commerce.

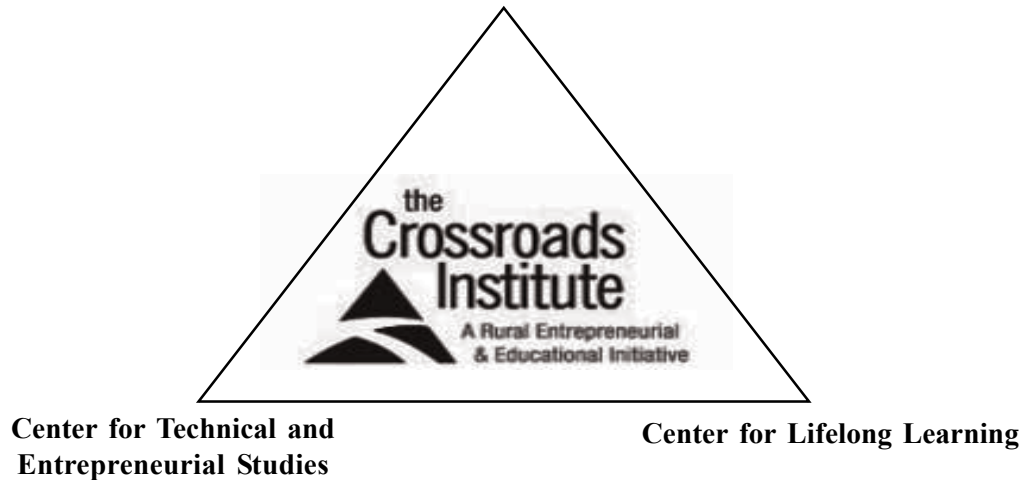
Learning for everyone is more effective when the learning is about real problems and ideas that will be put into action. Thus, young or old students at the Crossroads Institute will have an opportunity to learn computer skills to support a developing small business. Real businesses in the incubator, which are struggling to get started, can be used to teach business financial planning or information systems and networking or other skills needed by these businesses. Training students in a variety of business service skills from accounting to preparation of marketing presentations will be done for actual businesses and actual presentations. In addition, the training exercises and the students become a flexible business resource for entrepreneurs and small business operators whether the need is for GIS, business services, CAD, or something else. Finally, students can be paid for work they do for the emerging businesses, yet another incentive to learn and succeed.

The Crossroads Institute will serve the region from the former Lowe's Home Improvement Warehouse in the City of Galax. The scale of the structure and the modifications to accommodate the Crossroads Institute will facilitate the formal interactions between the programs of the three centers of the institute. However, the Crossroads Institute leadership believe that while the proximity of the centers will facilitate formal collaboration, the informal interactions between business people, students, staff, and visitors to the Crossroads Institute may be more important than the formal interactions. The Crossroads Institute leadership report that in business incubators interactions between users of the facilities around coffee pots and copy machines have frequently proven to generate some of the more useful business development ideas. Adding the educational/training staff and learners to the mix should increase those interactions by several orders of magnitude.

In most places in Virginia, and indeed throughout the United States, the dominant local and regional rural development strategy fall under Pulver's first category, attracting new business to the community. Within that category, seeking to attract large industrial plants is the major local economic development effort. Such is the stuff of tax incentives, vacant shell buildings, and industrial parks that are almost empty and grown to weeds in rural community after community. Strategies associated with Pulver's other categories include business incubators, business retention and expansion programs, and so on down to vocational education, work force development efforts, and e-government (web-based

Figure 1. Components of Crossroads Institute

Southwest Regional Enterprise Center



interaction with government) under the last category. Usually the respective economic development strategies are acted upon as discreet and separate activities without much connection to each other, even if they exist.

The truly creative part of the Crossroads Institute is the combined entrepreneurial and learning environment to facilitate the interaction and rallying of the human resources of the region on behalf of both job seekers and potential employers/entrepreneurs. In addition to all of the job seekers it will train, the Crossroads Institute will serve established businesses and new businesses to the community, whether these businesses come from somewhere else or are new entrepreneurial start-ups. Watching the development of the Crossroads Institute experiment to see if it really becomes a new set of bootstraps for economic development in that part of southwest Virginia will be exciting.

References

- The Crossroads Institute: A Rural Entrepreneurial and Educational Initiative. Unpublished slide presentation, January 2003.
- Pulver, Glen C. "A Theoretical Framework for the Analysis of Community Economic Development Options." Gene F. Summers and Arne Selvik, eds. *Nonmetropolitan Industrial Growth and Community Change*. pp. 105-118. Lexington, Mass: Lexington Books, 1979.
- Va. Employ. Comm. Local Area Unemployment Statistics, monthly data, counties and cities. Jan. 2003. Found at <http://www.vec.state.va.us/lbrmkt/lausc/labor.cfm>. Last accessed 13 May 2003.

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****Farm and Family Showcase** is in its third year. It will be held September 4 - 6, 2003, 10 - 5 each day. Admission/parking is \$5.00 per vehicle with no charge for buses or educational vehicles. Activities are available for the whole family--exhibits, demonstrations, seminars, play areas, rides. For more information visit the Farm and Family Showcase website at <http://www.farmandfamily.vt.edu>.

****Second Harvest and Farm and Family Showcase** are partnering to collect *nonperishable* food for the Southwest Virginia Second Harvest. Second Harvest provides food for 470 food pantries in Southwest Virginia. Collection sites will be available at both bus and main public parking sites. Please help stock the Southwest Virginia food pantries.

****Discussion continues** for a program in Southeast to assist peanut farmers adjust to the changes in the peanut program and in the global peanut market. REAP may jointly host a conference with other state agencies or farm groups. We will keep you informed in future issues of *Horizons*.

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