

The image features a stylized illustration of four human figures in silhouette, holding hands and standing on the top edge of a globe. The globe is rendered with horizontal lines, suggesting latitude and longitude. The background is a light, hazy gradient. The figures are positioned in a line from left to right, with the fourth figure appearing to be leaning forward as if reaching out or supporting the globe.

**COMMUNITY ECONOMIC DEVELOPMENT  
AT ITS FINEST: A CASE STUDY OF THE  
COMMUNITY PROGRESS INITIATIVE**

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# COMMUNITY ECONOMIC DEVELOPMENT AT ITS FINEST: A CASE STUDY OF THE COMMUNITY PROGRESS INITIATIVE

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***Abstract:*** Recent discussions regarding the practice of community economic development suggest that there are economic, social, and political considerations that must be taken into account when developing a strategy to alter economic circumstances within a community. Drawing on data collected over a seven month period, this paper presents a comprehensive case study of the Community Progress Initiative, a joint partnership between the Heart of Wisconsin Business and Economic Alliance and the Community Foundation of South Wood County. The Community Progress Initiative serves as an exemplar of contemporary community economic development practices in that it has been a proactive, holistic approach to community change that focuses on citizen engagement, developing local assets, capturing opportunities, and achieving economic resilience.

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# **COMMUNITY ECONOMIC DEVELOPMENT AT ITS FINEST: A CASE STUDY OF THE COMMUNITY PROGRESS INITIATIVE**

## **Introduction**

Although there exists no commonly accepted definition of economic development, there is a general consensus that what's needed to promote business development and job growth in communities across the United States is much more than the industrial recruitment strategies that have dominated the field for decades. As Klein (2007) notes, while new plant openings with stable, high paying jobs can serve as a real boost to the local economy and elevate citizen morale; what's needed today is a shift in focus from what Atkinson, Court, and Ward refer to as "hunting and gathering" (business relocation strategies) to a more asset-based approach they call "gardening," which promotes growth from within by identifying and developing often overlooked economic and noneconomic resources (1999, 38). This realization has led to a growing interest in what is currently being referred to as Community Economic Development (CED); the blending of community development processes with economic development strategies.

Historically, approaches to economic development have been largely paternalistic in nature as government was expected to provide what was needed for job creation, income growth, and business development. Thus, the focus was primarily on physical infrastructure, gap financing, marketing, and tax incentives in the hopes of attracting outside investment and industry into the community. Traditional economic development policies failed to recognize the importance of community participation and community development in achieving long-term sustainable economic results. Today, there is growing recognition that community development practices focused on what Flora & Flora (1993) call entrepreneurial social infrastructure (ESI) or

Crowe (2006) refers to as the community's social infrastructure, offers what's needed to empower individuals and groups by providing them with needed skills and resources to effect change in their communities. The bottom line – involving citizens in improving the overall good of a community will ultimately promote economic development (Anderson, et.al., 2006).

Shaffer, Deller, and Marcouiller offer a conceptualization of community economic development that effectively blends historical approaches and contemporary practices,

...community economic development occurs when people in a community analyze the economic conditions in that community, decide what can and should be done to improve the economic conditions in that community, and then move to achieve agreed-upon economic goals and objectives. Community economic development is not a rationale for maintaining the status quo but is a comprehensive concept for changing the economic situation within the community (2007, 61).

Moreover, the authors assert that there are both economic and noneconomic factors that must be considered in the implementation of community economic development. Thus, they conclude, an interdisciplinary view of the community that considers not only what an economic perspective offers, but also takes into account political and sociological insights provides a holistic approach to development. This suggests that future community economic development efforts are likely to be successful when citizens take the lead in identifying and solving economic problems, building community capacity, and coordinating the political, social, and economic factors that influence implementation (Simon, 2001).

The Community Progress Initiative, a joint partnership between the Heart of Wisconsin Business and Economic Alliance and the Community Foundation of South Wood County, is an exemplar of contemporary community economic development practices. Launched in a small rural community because “something had to be done” to address the 39% reduction in employment due to the sale of a privately-owned paper company and a declining cranberry

market, the Community Progress Initiative empowered a diverse citizenry to shape and develop the policies and structures essential to altering the economic and social conditions in the Greater South Wood County region.

To present a complete understanding of the ways in which the people in this region embarked upon a comprehensive community economic development initiative, this paper is organized in the following manner. First, current thinking regarding the theoretical underpinnings and the progression of community economic development as a distinct paradigm is presented. This information is essential as it provides a thorough understanding of how approaches to economic development have evolved since their founding purposes, which were solely focused on industrial recruitment and increasing job counts (Klein, 2007; Shaffer, Deller, & Marcouiller, 2006; Simon, 2001). Then background information about the South Wood County region is presented to provide a much needed context for the understanding the enormity of the change processes that took place as a result of the Community Progress Initiative. Next, the specific programmatic aspects of the Community Progress Initiative are discussed in terms of an overall strategy that reflects recent trends discussed in the literature and details the intersection of the economic and noneconomic factors deemed essential to the practice of community economic development. The paper concludes with implications for practice and directions for future research.

### **Perspectives on Community Economic Development**

As with economic development, the concept of community economic development lacks a universally accepted common definition, yet there is a general consensus that it “connotes more than the concrete goals of creating jobs and generating income” (Korsching & Allen, 2004, 386) and has progressed in ways that explicitly promote a focused effort on development of the

community. To that end, many have argued that economic development policies have evolved in stages or waves (see Shaffer, Deller, & Marcouiller, 2007). Moreover as Simon (2001) points out, contemporary approaches to community economic development embody three salient features – relational density, specific geographic focus, and face-to-face encounters while building community in four distinctive ways – providing benefits to residents, facilitating linkages or synergies with local activities or institutions, producing minimal negative externalities, and reinforcing stable community structure. These aspects of community economic development are elaborated on in this section as a way to understand the interaction of social, political, and economic forces influencing the opportunities and prospects available to local residents.

### **The Progression of the Field**

As stated earlier, economic development policies have evolved over time from initial approaches primarily focused on industrial recruitment and increasing job counts, to a more contemporary view that promotes local asset development and a collective participatory approach to altering the overall economic circumstances in a particular community (Klein, 2007; Shaffer, Deller, & Marcouiller, 2006; Simon, 2001). Crowe (2006) discusses this transformation by contrasting industrial recruitment policies (encouraging business and industry outside the area to relocate to a particular community) with self-development strategies (promoting entrepreneurial initiatives while encouraging and growing local business).

Industrial recruitment, also referred to as the buffalo hunt, smokestack chasing, and hunting and gathering took hold during the Great Depression with Balance Agriculture and Industry policies that, among other things, offered manufacturing firms tax incentives, low-priced land, and training funds in the hopes that these firms would set up shop and offer stable jobs to

local residents (Shaffer, et. al., 2006). Although this approach might result in generating a large number of high paying jobs in a short period of time, Crowe (2006) elaborates on some of the disadvantages to policies aimed at promoting external investment in a community, particularly in rural communities. Specifically she argues that recruited firms tend to offer low wages, have short-lived success, and impose unintended costs such as decreased funding for schools, higher property costs, and damage to the natural environment. These drawbacks influenced the next era of targeted economic development policies which were focused on retaining and expanding existing business and promoting entrepreneurial growth (Eisinger, 1995).

Mathie and Cunningham argue that the second phase of economic development policies promotes an individual capacity-building perspective that views “community economic development as a by-product of the economic success of individuals” (2003, 481). Although the policies advanced during this phase have evolved beyond a focus solely on what those external to the community can bring in, they fail to engage the broader community in economic development strategies. Specifically Mathie and Cunningham (2003) assert that even though policies focused on increasing investment funds for local firms, incubator development, and technical assistance (Shaffer, et. al., 2006), may stimulate innovation, promote entrepreneurship, create new jobs, and increase income; the beneficiaries of these efforts tend to be a ‘targeted few’ rather than the broader community. Thus, these policies do not really support “community” economic development strategies.

Contemporary approaches to economic development tend to promote a “group capacity-building perspective” (Mathie & Cunningham, 2006, 481) focused on “collaboration and partnership within and across communities” (Shaffer, et. al., 2006, 61). It is in this third stage or wave that economic development can be viewed in a much broader context that blends the

political and social aspects of community development with economic growth. The emphasis is not really on advancing a policy agenda, but rather on facilitating collective action aimed at empowering local citizen groups with what's needed to drive the economic development process. Turner (1999) specifically argues that sustained community development requires economic capital or financial investment, social capital defined as organized community voice, and political capital which goes beyond voice and promotes the empowerment of citizens to make independent and entrepreneurial decisions regarding development. Simon (2001) provides a useful way to contextualize a group capacity-building perspective by examining the three salient functional characteristics of community economic development practice.

According to Simon (2001), there are three logics of action underlying all community economic development efforts. First, there must be relational density and synergy. This means that economic development activity engages local citizens and empowers them to take charge of economic processes in their community, which in turn produces a kind of synergy where the multidimensional characteristics of local residents become salient as people participate not only as neighbors but also as consumers, property owners, employees, policy makers, etc. Second, community economic development practice must have a specific geographic focus; a space with a distinct way of life, culture, and traditions. Those engaged in the change processes must have a common sense of place. And finally, community economic development efforts increase the number of face-to-face encounters local residents have with one another thereby multiplying the number of interactions between and among citizens in ways that facilitate information and resource flows, and bridge cultural and social divides.

Simon (2001) continues to argue that these three functional characteristics of community economic development activity differentiate it from other types of local economic development

in four important ways. Community economic development must first, provide benefits to residents at the time a project is undertaken. These benefits can be in the form of jobs, housing, or public goods but they must be accessible to local residents. Another criterion of community economic development is that it produces local linkages (e.g., purchasing local goods, training residents for local jobs) and builds synergy within a community (e.g., investing in multi-use public spaces). A third feature of community economic development is that it must consider unintended consequences (e.g., pollution, traffic, or undesirable jobs) associated with development or growth. The fourth characteristic of good community economic development practice is that it promotes community control and local ownership in a way that encourages diversification and avoids parochialism. For Simon, economic development activity that results in gentrification, creates new jobs for people outside the local community, produces negative externalities such as pollution, or results in an over-dependency on a single employer is not community economic development.

In sum, community economic development is a specific kind of economic development that explicitly recognizes the social and political aspects of community life that influence an economic situation in a particular geographic region. It engages people in face-to-face discussions regarding local control and community development. It is grassroots, empowering, synergistic, and inclusive. It is forward thinking and asset-based yet considerate of local resources and the natural environment. It provides direct, tangible benefits to the community in economic and noneconomic ways. As Lejter notes, community economic development is “indigenous, and community residents take the lead in articulating goals, policies, and operations...CED can be defined as action by people locally to create economic opportunities

and enhance social conditions in their communities on a sustainable and inclusive basis” (2007, 16).

### **Background Information, Data Collection and Research Methodology**

This paper uses background information and data collected as part of a larger project examining the role of community foundations in leading community change.<sup>1</sup> This section provides overview information about the economic situation in the region and summarizes the strategy employed to collect data from multiple sources over a seven month period.

### **Regional Economic Background**

The Greater South Wood County area is located in central Wisconsin and home to just over 40,000 residents. The region is approximately 200 square miles and includes the seven rural communities of Nekoosa, Pittsville, Port Edwards, Rome, Rudolph, Vesper, and Wisconsin Rapids as well as their surrounding townships, villages, etc. This part of the state has long been known for its two major industries: papermaking and cranberry farming. Yet, in 2000 the region suffered a devastating loss of employment due to the sale of Consolidated Papers, a privately held, Fortune 500 paper company and a depressed cranberry market. Between the years 2000-2004, over 4,600 jobs had been lost in a community with total employment of approximately 12,000 people (a 39% reduction in employment)<sup>2</sup>.

Not only had the economy in this community been devastated, personal attitudes and beliefs about the future had also suffered. It was during this time of economic devastation and personal despair that the Community Progress Initiative was conceived. Two visionary community leaders, one at the helm of the region’s chamber/economic development organization

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<sup>1</sup> Millesen, J.L., Strmiska, K. & Ahrendt M. (2007). Economic devastation, renewal, and growth: Community Foundations as agents of change. A full copy of this report can be downloaded at the following link:

<http://www.cfswc.org/page16427.cfm>

<sup>2</sup> As of July 2005

and the other the CEO of the local community foundation together with their boards of directors decided what was needed was a way to put the area's economic future into the hands of the people living and working in the area. The Community Progress Initiative, a joint partnership between the Heart of Wisconsin Business and Economic Alliance and the Community Foundation of South Wood County, was established to promote responsible, collaborative, and visionary citizenship that would ultimately transform community culture and invigorate economic development.

### **Data Collection**

A multi-method data collection strategy was used to learn more about how the community economic development processes launched as part of the Community Progress Initiative unfolded in central Wisconsin. Archival and interview data were collected over a period of seven months. Archival data included historical documents such as news articles, editorials, and press releases documenting the work of the Community Progress Initiative. Additionally, all minutes or summary reports from meetings held with community leaders (i.e., industry cluster meetings); reports, newsletters, and promotional materials were also reviewed.

Personal interviews were conducted with 37 community members including the CEOs and board members of Community Foundation and the Heart of Wisconsin, government officials, cluster leaders, business owners, and young people involved in the Community Progress Initiative. In addition to a list of 20 potential informants provided by the CEO of the Community Foundation (from which 17 people were interviewed), each person interviewed was also asked to nominate potential interview candidates. This process produced 20 additional names, 12 of whom agreed to be interviewed. And finally, eight of the fifteen individuals

servicing on the board of directors for the Heart of Wisconsin Business and Economic Alliance participated in an interview, answering questions specifically to inform this work.

### **The Community Progress Initiative<sup>3</sup>**

The Community Progress Initiative was launched as “a bold three-year program in South Wood County and the Town of Rome to create vibrant communities with prosperous local economies.” Work done through the CPI has been innovative, inclusive, collaborative, and supportive; involving local citizens in building on existing resources to achieve three broad outcomes – business development, community leadership, and capital and funding – through a number of specific programs and projects. These three outcomes correspond nicely to contemporary views of community economic development in that the intended results reflect a holistic view of development that considers both the economic and noneconomic factors that influence development. Moreover, the specific strategies employed are consistent with what Halebsky, Gruidl, and Green (1999) refer to as new wave, supply-side development tools which have been shown to produce both economic and social benefits in rural communities.

#### **Economic Programmatic Elements of the CPI**

The Community Progress Initiative was to create a business-friendly culture that encouraged the expansion of existing businesses, provided technical support to new start-up businesses, and linked owners to investment capital. CPI organizers knew from the start that if local entrepreneurs were to invest in themselves, their ideas, and their businesses, they would need well integrated support and services to make this new economy work. A number of innovative programs were established to promote economic development in the region including

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<sup>3</sup> Specific information about the Community Progress Initiative can be found at [www.progressinitiative.com](http://www.progressinitiative.com)

the establishment of seven industry clusters<sup>4</sup> and four technical assistance programs as well as a number of different programs that were designed to nurture entrepreneurial activity.

Schaffer, et. al., (2006) argue that contemporary community economic development makes a distinction between economic development and economic growth. According to the authors, *growth strategies* simply involve doing more of what has historically been done with the hopes that these activities will result in more of what's desired. Conversely, *development strategies* imply focused, permanent "structural change" within a community that reflects the originality, innovation, and diversity of the local citizens and the global marketplace. Reflective of these ideas, community economic development places control of the local economy in the hands of the residents rather than with government or the market (Roseland, 2000) and results in development of the community rather than development in the community (Korsching & Allen, 2004). The economic programmatic elements of the CPI accomplished this objective and the results of these efforts are detailed below.

*Industry Clusters.* Just over 20 years ago, Michael Porter (1995) first introduced the idea of industry clusters as a way to recruit and retain targeted businesses. Porter's argument is that industry clusters offer communities a way to capitalize on their unique competitive advantages because clusters "represent critical masses of skill, information, relationships, and infrastructure in a given field" (1995, 57). According to Porter, clusters promote innovation, creativity, expertise, and connections which ultimately lead to the formation of new capabilities, new companies, and new industries particularly when regional networks among various clusters are developed. As Shaffer and colleagues (2007) note, clusters draw citizens and communities into

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<sup>4</sup> An eighth cluster focused on Arts & Heritage was formed in October 2006 after a group of residents participated in a study tour to North Carolina. The group toured small communities that use art, heritage, and innovative technologies to revitalize communities that have suffered loss or reductions in textile manufacturing, furniture manufacturing, and tobacco farming.

partnerships and collective efforts that defy geographical, traditional, or professionally entrenched boundaries.

David Beurle from Innovative Leadership Australia, an Australian-based company that specializes in innovative approaches to local and regional community economic development worked with community leadership to not only develop the CPI's overall design, but also invested significant time planning, launching, and mapping the industry cluster concept for the CPI. Beurle's approach was based on Jim Haguewood's award winning initiative in Clallum County, Washington. As previously noted, seven industry clusters coordinated by the Heart of Wisconsin (Cranberry/Agriculture, Downtown Revitalization, New *e*-conomies, Paper and Forestry Products, Small Business Development, Tourism, and Workforce Training and Education) were established to strengthen their respective industries by both identifying unrealized opportunities as well as working collectively to tackle obstacles that might impede growth and future development.

Given that the formation and implementation of a cluster strategy is expected tighten industry linkages and strengthen social networks so that "gaps and disconnects" are minimized, one particularly notable outcome directly attributable to the work of industry clusters has been the impressive growth of Quality Plus Printing, a local printing company whose owner inspired by what he had seen in another community rebuilding after similar economic decline, expanded his business to fill a market niche. Although the investment in new equipment has not paid off in ways that were expected, the owner has been able to add jobs and realize a 305 increase in sales. He attributes much of his success to his involvement in the clusters, which have provided him with new opportunities to network, build relationships and see more opportunity in ways that were not previously available or not realized. As he explained, "Opportunity has knocked

because of it [involvement with the clusters]. It has helped my credibility and my visibility. For example, I just had the opportunity to bid on a \$2M job, one of the largest ever...even if I don't get this job, at some point one of these jobs will pan out and it will make the investment worth it."

Another example, although initiated prior to the cluster formation, involves the collaboration between ONYX Waste Services and Ocean Spray. After several years searching for an industry that could use the methane gas produced from their landfill, ONYX learned that Ocean Spray, a company right in their own backyard, would be willing to consider using the compressed gas as a way to reduce energy costs. ONYX worked with the local Ocean Spray plant not only to figure out how to make the gas usable and pipe it over one mile to the facility, but also to install all necessary equipment at the plant. As a result, Ocean Spray has uninterrupted power to fuel operations and a local community asset is put to good use. Also worth noting is that in November 2006, Ocean Spray announced its plan to build a 100,000 square-foot, \$50 million facility in Wisconsin Rapids' West Industrial Park. The facility is expected to create more than 100 jobs in the community.

Technical Assistance. Korsching & Allen (2004) note that because entrepreneurs often have strong roots in the community, they tend to be highly motivated and committed to developing and expanding their businesses in ways that build on and make the best use of local resources. The authors further note that because entrepreneurs frequently lack the knowledge, skills, or abilities to operate a business, what's needed for a successful community economic development plan is not only the business development training but also assistance in developing community capacity particularly in terms of small business support networks. The CPI offered

local entrepreneurs both the skills training they needed and a solid infrastructure of support so that great ideas were transformed into successful enterprises.

Four technical assistance programs were formed in direct response to a survey conducted by the Small Business Cluster in which respondents indicated a need for specialized training and capacity building in areas such as marketing, budgeting, customer service, technology, and leadership. Although open to everyone, the first two technical assistance programs (*Business 2 Business Club* and the *Small Business School*) tend to be geared toward building the administrative and organizational capacity of “newer” business owners. The *Business 2 Business Club* has held 13 luncheon meetings providing over 200 small business owners or entrepreneurs looking to improve operations with expert advice from invited speakers or tailored assistance from mentoring teams. The *Small Business School*, a television series produced and narrated by Hattie Bryant of PBS, provides training and development opportunities to fit even the busiest schedule. Through a series of on-line streaming initiatives, over 52 episodes of public access programming, and a variety of printed resource materials, 18 businesses have reported improved business operations.

The final two technical assistance programs are focused on building organizational capacity in ways that support business development. The *Business Seminar Series* provides training sessions targeted to existing business owners and their employees covering topics such as marketing, Web sales, financial management, taxation, and building a strong IT infrastructure. And finally, *Entrepreneurial Technical Support* provides one-on-one coaching assistance from a business development specialist to those wishing to expand or grow their businesses. The goal of these programs is to provide tailored assistance or mentoring services to local entrepreneurs who might need “that extra push to take their ideas or their businesses to the next level.”

Entrepreneurial Support. As mentioned, the CPI also advanced a number of programs geared toward nurturing entrepreneurial creativity including *Entrepreneurial Boot Camp*, *Central Wisconsin Business Angels Network*, and the *Entrepreneurial Equity Loan Fund*. Boot Camp provides basic training on how to create a business plan and operate a business for entrepreneurs with great ideas. To date, 148 people have participated in 11 Camps resulting in 42 successful business plans, 24 new small businesses, and 11 business expansions. As one person said, “Boot Camp provided me with a wealth of information from many speakers who shared their expertise and success stories...our teams and speakers had great suggestions to find a better way to reach potential customers.”

The *Central Wisconsin Business Angels Network* provides equity financing for new business development or business expansion to export products or services outside the region. Providing financial assistance to help firms grow in this way can have an affect on the local economy in important ways. Increased sales means there is more money to spend locally and when inputs (raw materials, services, and labor) are purchased locally, the overall affect on economic activity can be quite positive (Halebsky, Gruidl, & Green, 1999). Similarly, the *Entrepreneur Equity Loan Fund* (a result of a \$248,000 federal appropriation received through Representative Dave Obey’s office) provides affordable financing for entrepreneurs with successful business plans to implement local start-ups. Money lent from the fund is repaid to the fund so that there is a continual source of funding for the future. Rather than using government dollars to recruit business into the community, the goal here is to leverage resources in ways that will increase the flow of dollars into the community either by providing local merchants with what’s needed to increase sales outside the community or develop local inputs that can be used to produce a good or service.

One of the most notable features of the Community Progress Initiative as an exemplary form of community economic development is that the economic programmatic elements embrace a new-wave or self-development philosophy in that they have been viewed as a means to an end (a vibrant thriving community) rather than an ends themselves. As described, there has been considerable input from community members and local entrepreneurs about the kinds of capacity building and business development assistance needed, a clear focus on developing existing assets (promoting growth from within), and an innovative outlay of government dollars. It was clear that government had to do something different than provide incentives for business attraction; it needed to advance a bottom-up rather than top-down approach by investing the individual and collective capacity of residents so that economic, social, and political goals could be achieved. Gibbons (2007) refers to approach as “economic gardening” which requires government to adopt a fundamental shift away from business attraction strategies to focus on working with local businesses and community members to support entrepreneurial growth in ways that create new wealth and develop good jobs.

### **Noneconomic Programmatic Elements of the CPI**

Reflective of the social, cultural, and political aspects of community economic development, the Community Progress Initiative was to promote inclusion, encourage involvement among local residents, and nurture community leadership, relationships, networks, and knowledge in ways that would build a strong and positive local community. Broad citizen engagement, democratic participation, and shared decision making were central to every programmatic aspect of the CPI. The CPI promoted what Roseland refers to as “planning *with* stakeholders rather than *for* stakeholders (2000, 107).

Citizen Engagement. The *Progress Rallies* serve as shining examples of efforts to build coalitions of citizens who wanted to be involved in the decisions that affect their lives. Armed with \$45,000 in start-up funds from the Wisconsin Department of Commerce, private donations through the Barker Mead Fund at the Community Foundation, and a number of in-kind contributions from local businesses and organizations, the CPI was officially launched on April 22, 2004 when over 300 community members gathered at the Centralia Center<sup>5</sup> to participate in a conversation about how citizens could be “actively involved in moving their communities forward, creating their own future, and empower emerging leaders with the passion and knowledge to effect change.” Similar rallies took place at the local level in the seven communities of Nekoosa, Pittsville, Port Edwards, Rome, Rudolph, Vesper, and Wisconsin Rapids engaging over 500 residents in discussions about the future of their communities. As one resident explained, “It’s an absolutely wonderful opportunity to talk about our ideas for the community. This is a unique opportunity. In all the communities we have lived, we have never had town officials ask their residents for input in this way.”

The *Progress Rallies* together with *Make it Happen Visioning Sessions* and seed money in the form of *Progress Funds* from two philanthropic families<sup>6</sup> engaged and empowered citizens to “create the kind of communities they want to live in.” These sessions helped citizens to not only think about and eventually reach consensus about what they wanted for their community, but also to explicitly recognize and promote the local assets of their communities and the broader region. What’s interesting is that because all seven community vision statements were created by local residents, no two are identical with each reflecting what is unique about

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<sup>5</sup> The Community Foundation played an important role (marshalling philanthropic support, convening focus groups, and mobilizing local residents) in the conversion of a vacated big-box retail store into a senior center known today as the Centralia Center.

<sup>6</sup> The Barker Mead Fund provided \$20,000 in match money (matched in all seven communities) and an initial gift of \$5,000 for immediate grantmaking to each of seven endowed *Progress Funds* held at the Community Foundation.

that specific area. Moreover, the set of activities designed to increase awareness and build community pride are distinctive to each community.

Usnick, Shove, and Gissy (1997) argue that building community coalitions capable of creating a vision for their community is an essential aspect of community and economic development. The visioning sessions provided a venue for citizens to engage in a consensus-based decision-making process whereby all who participated felt heard and decisions were informed with the best information available. As a result, tremendous implementation buy-in was generated because those expected to benefit from the work were involved in shaping the process.

*Philanthropic Support.* The importance of private philanthropic support cannot be underemphasized. Private money offered local residents an immediate opportunity to invest in development efforts that they believed would stimulate the kinds of changes they wanted to see. Grants from the *Progress Funds* have been used to repair historic sites, establish a Veteran's Memorial, create welcome packets for new residents, build websites, create promotional materials (brochures, banners, and/or videos) for each community, and to underwrite the costs associated with a number of social events designed to bring area residents together ranging from community picnics, craft fairs, and street dances to a Masquerade Ball. One person offered this comment about the value of the *Progress Funds*.

I think [the *Progress Funds*] added a lot of value in a number of ways. One, as you look at creating the self reliant culture, it plays a role in sending a message. People learn that philanthropy and decision making [related to how those funds are allocated] on a local level gives the community a much greater sense of self-reliance...It also has made a difference in regards to different people taking on leadership positions in the communities. It has given them a reason to rally together to raise the funds and again recognized that they have some self-reliant ability to raise money...but even more so, that they have the control in utilizing those funds in a way that they feel is

most appropriate for the priorities that they have established in their community.

It is important to note that these community-based successes became contagious, inspiring citizens to take on bigger and more controversial issues. Local citizens saw real value in regional collaboration, intergovernmental cooperation, and linkages between and among cluster members. For example, young people explained how they were able to raise money from local municipalities, service groups, and residents to continue the July 4<sup>th</sup> fireworks display after the region's largest municipality had eliminated \$22,000 in funding. Another informant also told a story of intergovernmental cooperation explaining how village boards and town boards close in geographical proximity "for the first time ever in history" came together to talk about common interests and shared needs. Reflecting on the "adversarial relationship" that had characterized these three communities, this person was optimistic about the future.

I remember 18 years ago the city did this and by God and it can't be ignored. Now we don't want to dwell on it, but we need to acknowledge that it is there because we're not going to be able to get anything done regionally until we truly have some collaboration and we're starting to come along in that...to toot our own horn, I think we have come a long way in building bridges between our three communities.

*Leadership Training.* Much of the success regarding networking, collaboratives, and partnerships can be attributed to a true commitment on the part of local citizens to work and converse with people in new and different ways. Leadership training and learning from others have been essential in this regard. It is important to note that leadership in CED processes extend beyond the formal aspects and psychological/individual personality approaches as discussed in business schools or political science to include "networks linking leaders to each other, to the community and beyond; [these aspects of leadership are] equally, if not more, important for the continuance of community development" (Koster & Randall, 2005, 46).

Leadership in the context of community economic development is not about how one individual motivates others to accomplish some specified end. Rather leadership in community economic development is deliberately shared; engaging many residents within and across communities to participate in the decision-making processes that will shape their lives (Flora & Flora, 1991).

There are at least four different leadership training opportunities available to residents in the region. At the most fundamental level is *Foundations for Community Leadership* sponsored by the Heart of Wisconsin. This program focused on encouraging civic engagement at all levels within individual communities by building a shared vision and reinforcing a sense of local ownership. Also coordinated by the Heart of Wisconsin is the *Community Leadership Program* which is a nine-month program of classes that have provided 65 individuals with an opportunity to develop their community leadership and communication skills. *Community Leadership Program* participants have been involved in a number of community service projects designed to motivate civic engagement. These projects included things such as an outdoor movie night in the park, a snow sculpture spectacular, a campaign to highlight “52 Reasons to Love Where You Live,” and a Community Care Day where over 15 local service providers offered complementary services such as medical screenings, haircuts, budget counseling, and child fingerprinting to those in need.

*Teen Leadership* is a program that engages high school sophomores in developing important leadership skills in a hands-on learning environment that includes interactive sessions, shadowing, and a community project. As one person explained, “...this program provides the confidence and skills needed to better prepare participants to voice their opinions, concerns, and thoughts and make decisions that have a direct and lasting impact today and into the future.” Programs that engage teens are particularly important in rural communities as many young

people do not want to stay in the area after graduation because there are too few employment opportunities (Wrigley & Lewis, 2002). Not surprisingly these sentiments were echoed in central Wisconsin. One person explained that prior to the launch of the CPI, only three out of fifty-six high school students surveyed indicated they were planning to stay in the community; and these were the farmers, “tied to their land.”

And finally, the *Advanced Leadership Institute*, administered by the Community Foundation and made possible through a grant from the Ford Foundation, provides participants with the adaptive skills training necessary to lead change and the tools required for constructively managing conflict. A diverse group of participants are nominated by community based organizations, government entities, service groups, and other organizations meet regularly to receive training and information regarding strategies for managing change, addressing complex situations or negotiations, and understand what it means to actively listen while pursuing common goals. As one person explained, “I believe this is one of the most powerful programs in the Community Progress Initiative as it teaches people to relate to each other in new and different ways – it fosters respect, civility, equity, and inclusion.”

With a certain realization that other communities both nationally and internationally have overcome economic hardships; the CPI also provided a way for community members to learn more about how to implement best practices that have proven successful in other areas. Through eight different study tours (two to international destinations), and an invited speakers series called *New Ideas! Speakers Series* that has brought nine nationally known speakers to share research and stories that encouraged, motivated, and inspired existing and emerging community leaders to take charge of shaping the future; citizens in the region are no longer focusing on what they “do not have.” Instead, they have learned from others to promote the resources they do

have in a way that creates long-term sustainable development in the region. Today, the Greater South Wood county region can be described as a successful community that has embraced change and innovation, is using existing resources differently, has build the capacity of local residents and businesses, and is continually seeking out new ways of doing things.

The leadership programs together with the learning initiatives have offered community members the opportunity to benefit from the experiences and expertise of others. Providing information about what's happening outside the region and its applicability to the work being done in South Wood County has empowered participants to deploy their passion, motivation, and determination as well as their newly acquired or polished skills to create sustainable community economic development in the Greater South Wood County region. Moreover, the CPI embraces a number of principles of CED excellence as defined by Lejter (2007). The region's economic strategy is *sustainable*, not overly dependent on any one resource provider; there is broad *participation* among a diverse citizenry; information and data are *transparent* and available for training and evaluation; all residents are respected as stewards of local assets making the CPI *inclusive*; and the *field-tested practices* have produced successful outcomes and are replicable. In fact, not only has South Wood County become a destination for others seeking ideas about how to engage residents and make the most of local assets, but the chief executive of the Heart of Wisconsin is widely sought out as a speaker and consultant to other communities seeking to implement community economic development practices in their region.

### **Conclusions and Recommendations**

What makes this disparate bundle of programs and services in the Heart of Wisconsin an exemplar of community economic development practices? Part of the answer can be found in the recommendations offered by Shaffer and his colleagues (2007). Rather than providing

specific policy recommendations, a one-size-fits all list of activities, or a “laundry list of ideas” that could be broadly implemented, they apply state-of-the-art thinking based on theoretical underpinnings found in the literature that could be applied to the practice of community economic development. The result is a set of six strategies that can be implemented differently in various communities based on the economic, social, and political context of the locality.

Two closely related strategies they suggest are to use existing resources differently, which means that capital and labor are combined in ways that produce greater outputs, and to increase the flow of dollars into the community. There are a number of examples of how focused attention on these strategies is producing positive economic and social outcomes in the Greater South Wood County region including the expansion of local businesses to fill market niches; the promotion of unique aspects of the region through unprecedented collaboration between and among different organizations, institutions, and individuals; and the spending of government dollars to encourage self-development rather than to underwrite business attraction strategies. Examples include a local printer inspired by the creativity and innovation of business owners he met while on a study tour, who invested in a flexographic printing machine so that his shop could produce labels that had previously been purchased outside the community; and collaborative work being done by the Convention and Visitors Bureau and a number of industry clusters and Progress Teams to identify natural resources and historic landmarks that would attract people to the community. One result of this collaborative effort was the formal marketing of local restaurants and businesses, cultural and historical sites, and recreational attractions along a self-guided drive of the Cranberry Highway, 50 miles of century-old cranberry beds.

Government’s contribution to economic development has traditionally been to provide the incentives that attract outsiders into the community; community economic development

broadens the role of government focusing attention on building a community infrastructure that not only attracts new business but also encourages entrepreneurial innovation, while growing and retaining existing businesses. The CPI has been successful in attracting public funds to promote self-development efforts. As previously noted, the Wisconsin Department of Commerce provided \$45,000 in start-up money to launch the CPI, and a \$248,000 federal appropriation seeded the *Entrepreneurial Loan Fund*, which provides start-up funds to local entrepreneurs. These examples highlight the fact that governments do have some discretion about the kinds of assistance they can provide to stimulate economic development. Through the use these strategies and others described by Eisinger (1988) as “new-wave tools,” governments can accomplish at least two somewhat related goals – provide sustainable economic benefit to the community and improve the quality of life for community residents.

Shaffer and his colleagues also emphasize the importance of increasing the recirculation of dollars in the community. They further note that cluster development can be an important part of this strategy to the extent that cluster members network and build synergies. Through clusters, Progress Teams, and leadership training programs citizens have engaged in and promoted activities that encourage people and business to spend more locally (beautifying the downtown area), seek out different types of businesses (e.g., coffee shops and specialty stores), and persuade businesses to purchase local inputs.

Two other strategies, acting smarter and changing or reinterpreting the rules, require explicit attention to altering past practices that have thwarted development. Broad citizen involvement in decision-making processes breaks down entrenched power structures that have dominated past practice and produced social inequities. The CPI has provided a framework for promoting civil discourse, reasoned reflection, responsible citizen engagement, and informed

decision-making based on the best available information from a broad spectrum of sources. The economic forces effecting this and many other rural communities prompted a grass-roots response that no longer relies on top-down approaches to development, but rather emphasizes a bottom-up approach that empowers local residents to invest in self-development, build institutional capacity, expand local leadership, and create strong, stable networks of individuals and businesses that in the long run will promote a self-reliant community that is less vulnerable to external forces.

And finally, although the authors do not advocate an approach that passively waits for opportunity to knock, they do not discount the importance of “getting lucky.” A wonderful children’s book titled, *Serendipity*, points to the importance of recognizing and being appreciative of the unexpected, yet wonderful things that happen just because they do. The secret is not only to explicitly recognize and fully appreciate the immediate benefits of these unplanned twists of fate, but to harness the energy, excitement, passion and momentum these opportunities present so that the ripple affects are felt for generations to come.

The second distinguishing characteristic of the CPI that makes it an exemplar of community economic development is the way in which economic and social development have been formally linked through the creation of a strong partnership between the Heart of Wisconsin and the Community Foundation; both bringing a different skill set to the table, yet both dedicated to and focused on the shared goals of providing new opportunities and improving the quality of life for local residents. The literature is rich with prescriptive advice about the importance of partnership and collaboration in community economic development. For example, Shaffer, et. al., argue

Successful CED, then, involves a partnership between nonprofit community groups, local government, and the private sector. CBOs must build

technical capacity to undertake development projects and attract investors as well as the community capacity to organize people and develop leadership to plan and implement successful strategies (2007, 69).

From the very start, the chief executives for the two lead organizations supporting the Community Progress Initiative recognized that together they could create the change that was needed in their community far more successfully if they worked in partnership than they could if each pursued an individual development strategy. Throughout the life of the CPI and even today, these two groups participated in each other's strategic planning processes, held joint board meetings, engaged in the same capacity building initiatives, shared financial and human resources, and jointly produced a number of promotional materials related to the work being done in communities throughout the region. This incredibly successful partnership has advanced the self-efficacy of citizens while helping them to simultaneously recognize their interconnectedness with the broader community and see value in local assets that might have otherwise been overlooked, unused, or rejected.

Like most research projects the findings from this work pose important questions for future work. As Crowe (2006) notes, the long-term negative effects of industrial recruitment have been documented, yet no similar studies examining the long-term effects of self-development strategies exists. Whether this dearth in the literature is attributable to the relative newness of this type of approach to economic development or the difficulty such a holistic approach poses for operationalization and measurement, future research should seek to examine claims regarding sustainability. As Koster and Randall (2005) emphasize, any framework for evaluating CED initiatives must include the economic, social, and political capacities of the community together with an assessment of the community's attitudes regarding the strategies implemented particularly because much of the success of CED is dependent upon how residents

in a community define and pursue development. Additionally, the measures of success must be broad enough to reflect the tangible and intangible accomplishments related to cultural change and community capacity.

Another potential area of research is to systematically examine participatory practices. Even though community economic development advocates democratic participation among a diverse citizenry, how widespread must civic engagement be for the process to be reflective of community consensus? How networked do communities really need to be to make a dent in repairing historically entrenched racial and class-based divides? What role do various community-based and faith-based (noticeably absent from the range of organizational participants in CPI activities) organizations play in building these types of bridges between citizens and within communities? While it is true that hundreds of local citizens have informed decision-making processes in central Wisconsin, still less than 5% of the region's residents are participating in programmatic aspects of the CPI. Even though the decisions made and the programs implemented have been benefiting the community, is it reasonable to conclude that decision-making is inclusive and democratic?

Two final, closely related areas of future research would be to 1) examine the long-term implementation challenges, policy responses, and unintended consequences of self-development and asset-based approaches to community economic development; and 2) to learn more about the degree to which who initiates the process affects the outcomes (both positive and negative). For example, as Green (2001) notes, while amenity-lead strategy can generate new economic activity that leads to additional jobs and income, it can also lead to the destruction of the very amenities being promoted, underemployment as a result of seasonal or low-wage work, and fiscal stress on local governments struggling to meet the increased demand for public goods and services (e.g.,

highways, sewage and water systems, police and fire protection). Are local citizens, community-based organizations, and local governments aware of these issues? And if so, what's being done to guard against these potential problems?

And finally, who initiates economic development efforts? The fundamental principles and underlying tenets of community economic development reflect what has been described in the literature as a progressive approach to economic development (Anderson, et. al., 2006) that incorporates economic, social, and political considerations. Moreover, these practices advance an ideology that community development practitioners have known all along (strong communities are essential for long-term sustainable economic development) and suggest that nongovernmental entities should be responsible for implementation. McCall (2003) argues that because sustainable change takes time, the onus for CED efforts should be placed with local entrepreneurs and community-based organizations. The literature seems to suggest that this is what's happening in the field, but is this always the case? The rationale is that government-led initiatives may deploy resources in ways that are expected to maximize job creation in the shortest amount of time (i.e., the promotion of business attraction strategies) and therefore self-development strategies deemed to be essential in asset-based community economic development should be undertaken by those outside political electoral cycles. Are there examples of long-term government-led processes that promote community economic development or are the majority of these initiatives being taken on by local nonprofits and community development corporations?

In spite of all that still could be done, the Community Progress Initiative is a model of institutional collaboration and community capacity building that has restored a sense of local control among citizens in the Greater South Wood County region. In the words of G. David

Miller, what's needed are more stories of "remarkable social and economic innovations" that have the capacity to transform the lives of people. These stories chronicle tales of "promise and creativity at a time when such stories are at a premium" (2007, 2). The Community Progress Initiative is truly a story of hardship, rejuvenation, hope, and rebirth. It's a story of strength, determination, and a collective belief in the common good. It's a story of contemporary community economic development that has explicitly recognized the social and political aspects of community life that have influenced the economic situation in the Greater South Wood County region and empowered community residents to express their preferences, devise strategies, and mobilize the resources needed to "create the kind of communities they want to live in."

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