

The 2012 Texas Rural Survey: Economic Development Strategies and Efforts



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The Rural Reality

Rural areas are home to many of the industrial, agricultural, cultural, and natural resources that make Texas a great state. Rural areas are also home to one of our greatest resources – *people*.

Data from the United States Census Bureau suggest that nearly 3.8 million people live in rural areas throughout the Lone Star State.¹ In other words, the population of rural Texas is greater than or roughly equal to the resident populations of 24 other individual states.

In Texas, rural people and communities face certain challenges that differ from their urban and suburban counterparts. It is important to keep in mind, however, that Texas is not alone in this respect. Research indicates that the social and economic fabric of rural areas throughout the United States has been progressively weakened by a number of regional, national, and global changes over the past few decades. Transformations in economic, demographic, social, and spatial organization have had profound effects on rural areas all across this country.²

As in most other states, rural areas in Texas have been, and continue to be, impacted by these structural-level occurrences. An examination of county-level data shows that between 2000 and 2010, 39% of the nonmetropolitan counties in Texas experienced a reduction in their resident populations. Further, nonmetropolitan counties within Texas maintain, on average, lower per capita incomes, higher poverty rates, greater levels of aged-

dependency ratios with fewer workers to support those over age 65, and lower labor force participation rates than do urban areas.

U.S. Census Bureau data affirm that Texas residents living in nonmetropolitan counties are *older, less educated, and poorer* than their metropolitan counterparts. In addition, the quantity and quality of many amenities and public services are frequently inadequate to meet the needs of rural Texans. In rural Texas, pressing needs exist for job creation, increased incomes, economic growth, modernization, improved service delivery, and business recruitment, retention and expansion activities.

The Texas Rural Survey

Between July 2012 and October 2012, a random sample of 4,111 individuals living in 22 rural places in Texas were contacted and asked to participate in the Texas Rural Survey. This report explains the methodology and summarizes the findings of that study.

Methodology

Study Site Selection

The first step of this research required the selection of case study sites. According to the Texas State Data Center, there were a total of 1,752 places in the state of Texas in 2010. This total includes both incorporated places (concentrations of populations having legally defined boundaries) and census designated places (concentrations of population that are locally identifiable by name but not legally incorporated).

Of those 1,752 places, 1,511 (86%) had a population of 10,000 or fewer in 2010. Upon examination of the 1,511 places with populations under 10,000, we noticed what

¹ U.S. Census Bureau, 2010 Census.

² Brown, David L. and Kai A. Schafft. 2011. *Rural People and Communities in the 21st Century: Resilience and Transformation*. Cambridge, UK: Polity Press.

appeared to be “natural breaks” in the sizes of population. About one-third of the 1,511 places had populations of 499 or fewer. Another one-third had populations between 500 and 1,999 residents. The remaining one-third had populations between 2,000 and 10,000. As of the 2010 Census, these 1,511 places represented roughly 11% of the total population of Texas, or approximately 2.7 million people. To use the previous analogy, the number of Texans living in these 1,511 places was greater than or roughly equal to the resident populations of about 16 other states.

In accordance with the research design of the project, one place within each of the three population categories (499 or fewer, 500-1,999, and 2,000-10,000) was selected as a study site within each of the seven Texas Department of Agriculture’s Rural Economic Development Regions (see Appendix A). Due to the large percentage of places with populations of 499 or fewer in the West Region, an additional place in the population category was selected as a study site. Hence, the total number of places included as study sites was 22. The 22 randomly selected places chosen to serve as study sites are shown in Appendix A.

Data Collection

A standard self-administered mail survey following the methodological procedures espoused by the tailored design method (TDM), which incorporates repeated mailings to sampled individuals, was used to gather the data.³ The TDM uses a multiple-contact approach to increase response rates from the sample population.

In July of 2012, an informational letter was first mailed to a stratified random sample of 4,124 households across the 22 study sites. The informational letter, which was printed in

English on one side and Spanish on the other side, informed residents that their household was randomly selected for participation in an upcoming study on rural Texas. Included with the letter was a pre-paid addressed postcard. Residents were instructed to return the postcard if they preferred to receive a copy of the questionnaire printed in Spanish. Instructions on the postcard were printed in both English and Spanish. Thirteen households requested that the survey questionnaire not be sent. Those 13 addresses were not replaced. Hence, the final sample size was 4,111.

In August of 2012, the survey questionnaire was mailed to the sampled households. To obtain a representative sample of individuals within households, a response from the adult who most recently celebrated his/her birthday was requested in the cover letter. The survey questionnaire, organized as a self-completion booklet, contained 46 questions and required approximately 50 minutes to complete. After the initial survey mailing and two follow-up mailings during September and October of 2012, a total of 712 completed questionnaires were returned.

Economic Development Strategies and Efforts

To ascertain rural residents’ views on economic development strategies and efforts, their responses to specific survey items were examined. These items included: (1) respondents’ awareness of their community leaders’ efforts to pursue selected economic development strategies; (2) respondents’ impressions of the objective or perceived results on their community when or if their community leaders pursued the selected economic development strategies; and, (3) respondents’ perceptions of state support of economic development in rural Texas.

³ Dillman, Don A., Jolene D. Smyth, and Leah Melani Christian. 2009. *Internet, Mail, and Mixed-Mode Surveys: The Tailored Design Method*. Hoboken, NJ: John Wiley & Sons, Inc.

Assessing Respondents’ Awareness of Their Community Leaders’ Efforts to Pursue Selected Economic Development Strategies

Respondents were asked to report whether or not they had any knowledge of the leaders in their communities pursuing the following 13 selected economic development strategies: (1) provided tax incentives to companies to locate in your community; (2) promoted development of wind energy; (3) promoted development of bioenergy resources; (4) provided loans to small business and entrepreneurs in your community; (5) provided training or technical assistance to small businesses and entrepreneurs in your community; (6) developed and/or promoted a youth entrepreneurship program in your local school(s); (7) promoted tourism in your community; (8) developed and/or promoted a continuing education program in your community; (9) developed and/or promoted industrial parks in your community; (10)

developed and/or promoted distance learning opportunities in your community; (11) improved access to high-speed internet in your community; (12) developed and/or promoted retail shopping centers in your community; and (13) provided land or other incentives to bring new residents to the community. Response categories included “yes,” “no,” and “don’t know.”

As shown in Table 1, 43.8% of the overall sample was aware that their community leaders have promoted tourism in the community as an economic development strategy. Of the 13 possible economic development strategies, the one strategy that respondents were most aware of their community leaders NOT pursuing was the development and/or promotion of retail shopping centers (56.9%).

Table 1. Knowledge of Community Leaders Pursuing Selected Economic Development Strategies (Overall Sample)

Economic Development Strategies	% Yes	% No	% Don’t Know
Promoted tourism in your community	43.8	27.8	28.4
Improved access to high-speed internet in your community	34.1	33.9	32.0
Developed and/or promoted a continuing education program in your community	33.1	34.3	32.6
Provided tax incentives to companies to locate in your community	23.6	27.2	49.2
Developed and/or promoted distance learning opportunities in your community	23.3	33.7	43.0
Promoted development of wind energy	22.8	40.5	36.7
Developed and/or promoted industrial parks in your community	20.6	45.6	33.8
Provided loans to small businesses and entrepreneurs in your community	19.5	31.3	49.2
Developed and/or promoted retail shopping centers in your community	17.1	56.9	26.0
Developed and/or promoted a youth entrepreneurship program in your local school(s)	16.7	35.7	47.6
Provided land or other incentives to bring new residents to the community	15.5	47.5	37.0
Provided training or technical assistance to small businesses and entrepreneurs in your community	13.2	35.3	51.5
Promoted development of bioenergy resources	5.1	43.6	51.3

Tables 2, 3, and 4 show the findings with the respondents sorted into the three aforementioned size-of-place population categories. As shown in Tables 2, 3, and 4, the economic development strategy most respondents were aware of their community leaders pursuing in each size-of-place population category was the promotion of tourism (24.8% of respondents in places with populations “fewer than 499” reported “yes”; 47.8% of respondents in places with populations between “500 and 1,999” reported “yes”; and, 46.9% of respondents in places with populations of “2,000 to 10,000” reported “yes”).

Concomitantly, as revealed in the overall sample, of the 13 possible economic strategies, the one strategy that respondents were most aware of their community leaders NOT pursuing was the development and/or promotion of retail shopping centers (51.9% of respondents in places with populations “fewer than 499” reported “no”; 66.3% of respondents in places with populations between “500 and 1,999” reported “no”; and, 51.7% of respondents in places with populations of “2,000 to 10,000” reported “no”).

Table 2. Knowledge of Community Leaders Pursuing Selected Economic Development Strategies (Fewer than 499)

Economic Development Strategies	% Yes	% No	% Don't Know
Promoted tourism in your community	24.8	32.4	42.8
Improved access to high-speed internet in your community	23.6	34.0	42.4
Developed and/or promoted a youth entrepreneurship program in your local school(s)	18.1	31.4	50.5
Developed and/or promoted a continuing education program in your community	17.0	35.8	47.2
Provided tax incentives to companies to locate in your community	13.2	31.1	55.7
Developed and/or promoted industrial parks in your community	13.2	39.6	47.2
Provided land or other incentives to bring new residents to the community	12.3	43.4	44.3
Developed and/or promoted distance learning opportunities in your community	11.4	36.2	52.4
Developed and/or promoted retail shopping centers in your community	9.4	51.9	38.7
Promoted development of wind energy	8.5	41.5	50.0
Provided loans to small businesses and entrepreneurs in your community	5.7	33.0	61.3
Promoted development of bioenergy resources	3.8	35.2	61.0
Provided training or technical assistance to small businesses and entrepreneurs in your community	3.8	34.9	61.3

Table 3. Knowledge of Community Leaders Pursuing Selected Economic Development Strategies (500 to 1,999)

Economic Development Strategies	% Yes	% No	% Don't Know
Promoted tourism in your community	47.8	28.6	23.6
Promoted development of wind energy	33.5	39.2	27.3
Improved access to high-speed internet in your community	30.3	43.9	25.8
Developed and/or promoted a continuing education program in your community	24.7	47.7	27.6
Provided loans to small businesses and entrepreneurs in your community	18.9	40.3	40.8
Developed and/or promoted distance learning opportunities in your community	18.5	44.4	37.1
Provided tax incentives to companies to locate in your community	18.4	37.3	44.3
Developed and/or promoted a youth entrepreneurship program in your local school(s)	16.7	42.9	40.4
Developed and/or promoted industrial parks in your community	14.0	55.6	30.4
Developed and/or promoted retail shopping centers in your community	12.3	66.3	21.4
Provided land or other incentives to bring new residents to the community	10.7	58.2	31.1
Promoted development of bioenergy resources	6.1	48.8	45.1
Provided training or technical assistance to small businesses and entrepreneurs in your community	6.1	48.4	45.5

Table 4. Knowledge of Community Leaders Pursuing Selected Economic Development Strategies (2,000 to 10,000)

Economic Development Strategies	% Yes	% No	% Don't Know
Promoted tourism in your community	46.9	25.8	27.3
Developed and/or promoted a continuing education program in your community	44.5	23.7	31.8
Improved access to high-speed internet in your community	40.6	26.0	33.4
Provided tax incentives to companies to locate in your community	30.7	18.2	51.1
Developed and/or promoted distance learning opportunities in your community	30.7	24.7	44.6
Developed and/or promoted industrial parks in your community	28.0	40.1	31.9
Provided loans to small businesses and entrepreneurs in your community	24.5	23.9	51.6
Developed and/or promoted retail shopping centers in your community	23.1	51.7	25.2
Provided training or technical assistance to small businesses and entrepreneurs in your community	21.8	25.5	52.7
Provided land or other incentives to bring new residents to the community	19.9	40.8	39.3
Promoted development of wind energy	19.4	41.4	39.2
Developed and/or promoted a youth entrepreneurship program in your local school(s)	16.3	31.7	52.0
Promoted development of bioenergy resources	4.7	42.6	52.7

Assessing Respondents' Impressions of the Objective or Perceived Results on Their Community When or If Their Community Leaders Pursued the Selected Economic Development Strategies

Regardless of their level of knowledge about the leadership in their communities pursuing the selected economic development strategies, respondents were asked to indicate the effect they believe has resulted or would result from their community leaders pursuing the same 13 economic development strategies. To simplify presentation of the results, the five answer categories ranging from a "very negative effect" to a "very positive effect" were combined to form three groupings – "negative effect" (coded as -1), "neither negative nor positive effect" (coded as 0), and "positive effect" (coded as 1).

As reported above, the promotion of tourism was the economic development strategy that most respondents were aware of their leaders pursuing. That finding was manifested in the overall sample (Table 1) and in each size-of-place population category (Tables 2, 3, and 4). However, as indicated in Table 5, when asked about the effect that the promotion of tourism has had or will have as an economic development strategy, tourism promotion was tied for 5th place in the overall sample as a strategy that has had or will have a positive effect. The promotion of tourism strategy tied with the strategy of providing loans to small businesses and entrepreneurs in the community (both had an overall mean score of 0.43). Overall, the top four strategies perceived to have a positive effect were: (1) improving access to high-speed internet in the community (overall mean score = 0.58); (2) developing and/or improving a continuing education program in the community (overall mean score = 0.52); (3) developing and/or promoting a youth entrepreneurship program in local schools (overall mean score = 0.51); and, (4) developing and/or promoting distance learning opportunities in the community (overall mean score = 0.44). Overall, the strategy perceived to

have the least positive effect – should the community leaders choose to pursue it – was the development of bioenergy resources (overall mean score = 0.20).

An examination of the results by size-of-place of population category revealed two noteworthy findings. First, in the six cases where a statistical significant difference among places existed, respondents in the smallest places (those living in places with populations of 499 or fewer) were least likely to perceive that those particular economic development strategies would have a positive effect on their communities. Second, promotion of tourism as an economic development strategy ranked 10th out of the 13 possible strategies in places with populations of 499 or fewer (mean score = 0.20). This indicates that while the residents in places with populations of 499 or fewer are aware that their community leaders have pursued tourism promotion as an economic development strategy, these same residents do not necessarily believe that this particular strategy has had or will have the most positive effect on their communities.

Table 5. Effects on Community when/if Community Leaders Pursued Selected Economic Development Strategies

Economic Development Strategies	Overall Sample		Population Size						Sig.
			Fewer than 499		500 to 1,999		2,000 to 10,000		
	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	
Improving access to high-speed internet in your community	1	0.58	1	0.57	1	0.57	1 ^T	0.60	
Developing and/or promoting a continuing education program in your community	2	0.52	4	0.36	3 ^T	0.48	1 ^T	0.60	**
Developing and/or promoting a youth entrepreneurship program in your local school(s)	3	0.51	2	0.45	2	0.52	4	0.52	
Developing and/or promoting distance learning opportunities in your community	4	0.44	3	0.37	9	0.37	3	0.53	**
Providing loans to small businesses and entrepreneurs in your community	5 ^T	0.43	5	0.29	5	0.41	5	0.49	*
Promoting tourism in your community	5 ^T	0.43	10	0.20	3 ^T	0.48	6	0.47	**
Providing training or technical assistance to small businesses and entrepreneurs in your community	7	0.41	6	0.28	6	0.40	7	0.46	
Developing and/or promoting retail shopping centers in your community	8	0.40	8	0.24	7 ^T	0.39	8	0.45	*
Providing tax incentives to companies to locate in your community	9	0.34	13	0.07	7 ^T	0.39	9	0.38	***
Promoting development of wind energy	10	0.32	7	0.25	10	0.36	10	0.31	
Providing land or other incentives to bring new residents to the community	11	0.27	11	0.16	11	0.29	11	0.30	
Developing and/or promoting industrial parks in your community	12	0.23	12	0.12	12	0.26	12	0.24	
Promoting development of bioenergy resources	13	0.20	9	0.21	13	0.21	13	0.20	

* $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$.

Coding: -1= Negative Effect (very/somewhat); 0 = Neither; 1 = Positive Effect (very/somewhat).

T = tied rank.

Assessing Perceptions of State Support of Selected Economic Development Options in Rural Texas

Respondents were asked what priority they believed the State of Texas should give to each of 10 activities to improve rural economies. Response categories included: “high priority,” “medium priority,” “low priority,” “not a priority,” and “don’t know.” As shown in Table 6, over half of the overall sample answered “high priority” to: (1) promoting Texas oil and natural gas development (67.5%); (2) promoting Texas agricultural products (66.9%); (3) promoting the development of small businesses (58.9%); and (4) promoting the development of telecommunications networks (50.0%). Only 3 in 10 respondents rated “promoting the development of retail shopping centers” (30.6%) and “promoting the development of industrial parks” (30.2%) as high priorities.

In the Fall of 2011, researchers in the Center for Rural Studies at Sam Houston State University surveyed a random sample of 664 community/economic development professionals and city/county officials in Texas to gather information on their perceptions of the people, places, and communities in rural

Texas, as well as their views on economic development efforts therein.⁴ Those community/economic development professionals and city/county officials were asked to respond to the same items regarding perceptions of state support for economic development efforts in rural Texas. The results of that study are shown in Table 7.

As illustrated in Table 7, over 50% of the leaders ranked each of eight potential economic development efforts as high priorities. These included: (1) promoting tourism (72.8%); (2) promoting the development of small businesses (72.7%); (3) promoting the development of telecommunication networks (72.2%); (4) promoting Texas agricultural products (68.7%); (5) promoting the expansion of existing industries (68.3%); (6) promoting the location of manufacturing firms (63.0%); (7) promoting Texas oil and natural gas development (62.6%); and, (8) promoting Texas timber and wood by-products (53.1%). As with the general population, the leaders ranked “promoting the development of industrial parks” and “promoting the development of retail shopping centers” as lesser priorities (46.6% and 27.5%, respectively).

Table 6. Economic Development Options for Rural Texas (Residents)

Economic Development Options	Overall Sample	
	Rank	% HP
Promote Texas oil and natural gas development	1	67.5
Promote Texas agricultural products	2	66.9
Promote the development of small businesses	3	58.9
Promote the development of telecommunication networks	4	50.0
Promote tourism	5	44.3
Promote the location of manufacturing firms	6 ^T	42.0
Promote the expansion of existing industries	6 ^T	42.0
Promote Texas timber and wood by-products	8	37.8
Promote the development of retail shopping centers	9	30.6
Promote the development of industrial parks	10	30.2

Note: % HP refers to percentage of respondents who answered “High Priority” for that particular item.
T= tied rank.

⁴ Theodori, Gene L., Cheryl L. Hudec, and Colter Ellis. 2012. “Perceptions of Current and Future Economic Development Efforts in Rural Texas.” *Texas Town & City* 99(8):6-7, 42-43.

Table 7. Economic Development Options for Rural Texas (Leaders)

Economic Development Options	Overall Sample	
	Rank	% HP
Promote tourism	1	72.8
Promote the development of small businesses	2	72.7
Promote the development of telecommunication networks	3	72.2
Promote Texas agricultural products	4	68.7
Promote the expansion of existing industries	5	68.3
Promote the location of manufacturing firms	6	63.0
Promote Texas oil and natural gas development	7	62.6
Promote Texas timber and wood by-products	8	53.1
Promote the development of industrial parks	9	46.6
Promote the development of retail shopping centers	10	27.5

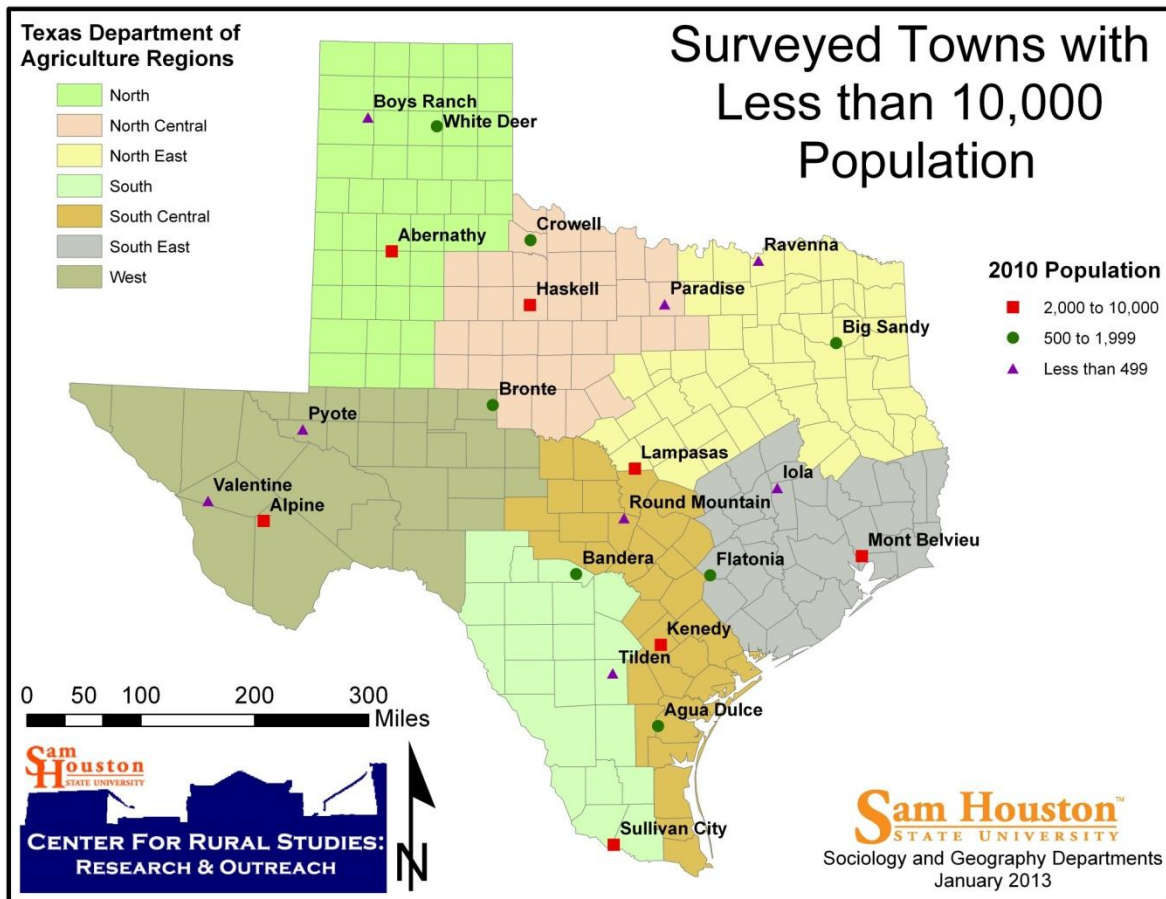
Note: % HP refers to percentage of respondents who answered "High Priority" for that particular item.

Concluding Comments

Taken together, these findings suggest that rural residents are aware that the leaders in their communities have pursued tourism as a local economic development strategy. Even though tourism development was viewed as having had or potentially having a positive effect on local economic development, rural residents believe that the pursuit of alternative economic development strategies – strategies such as improving access to high-speed internet in the community, developing and/or improving a continuing education program in the community, developing and/or promoting a youth entrepreneurship program in local schools, and developing and/or promoting distance learning opportunities in the community – might have even greater positive effects on their local communities.

Lastly, with respect to perceptions about state support of economic development efforts, these results reveal both differences and similarities between the general population and community and economic development professionals and/or city and county officials. Overall, the leaders believed that the promotion of tourism in rural Texas should be given the highest priority from the state when it comes to fostering economic development in rural areas. This finding differed substantially from the general population. However, as with the general population, the leaders rated "promoting the development of retail shopping centers" and "promoting the development of industrial parks" as lesser priorities.

Appendix A



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