

Economic Development in Rural Texas: Views from Residents and Leaders

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The need for economic development in rural Texas has led to the pursuit and implementation of various strategies designed to build, strengthen, and/or maintain local economies. As research and practice demonstrate, rural community leaders and their constituents do not always agree on the direction such development should take. This brief article reports selected findings on rural Texas residents' and community leaders' perceptions of economic development efforts and strategies from two recent studies conducted by researchers in the Center for Rural Studies at Sam Houston State University.

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. After an initial email invitation and two follow-up emails, a total of 186 completed surveys were returned. In the summer of 2012, a random sample of 4,111 residents living in 22 rural places in Texas was surveyed with a questionnaire that asked specific questions about a variety of social and economic topics including community and economic development, local services and amenities, access to medical and healthcare services, education, workforce development, agriculture, and disaster preparedness. After an initial survey mailing and two follow-up mailings, a total of 712 completed questionnaires were returned. For more detailed information on both studies, please contact Cheryl Hudec, associate director of the Center for Rural Studies, at clh003@shsu.edu.

Local Economic Development Strategies and Efforts: Rural Texas Residents

To determine rural Texas 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 different economic development strategies; (2) respondents' impressions of the objective or perceived results on their community when or if their community leaders pursued various economic development strategies; and (3) respondents' perceptions of state support for economic development in rural Texas.

Residents' Awareness of Community Leaders' Efforts to Pursue Economic Development Strategies

Rural Texas residents were asked to report whether or not they had any knowledge of the leaders in their communities pursuing 13 different economic development strategies. As shown in Table 1, 43.8 percent 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 percent).

TABLE 1. Knowledge of Community Leaders Pursuing Selected Economic Development Strategies

| 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 |

Residents' Impressions of the Objective or Perceived Results when or if Their Community Leaders Pursued the Economic Development Strategies

Regardless of their level of knowledge about the leadership in their communities pursuing various economic

(continued on page 42)

Small Cities' Corner

(continued from page 6)

development strategies, rural Texas residents 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 rural residents were aware of their leaders pursuing. However, as indicated in Table 2, when asked about the effect the promotion of tourism has had or will have as an economic development strategy, tourism promotion was tied for fifth place in terms of the strategy that has had/would 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). 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).

State Support of Economic Development Options: Rural Texas Residents and Leaders

Residents' Perceptions of State Support of Different Economic Development Options in Rural Texas

Rural Texas residents 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 3, more than half of the residents answered “high priority” to: (1) promoting Texas oil and natural gas development (67.5 percent); (2) promoting Texas agricultural products (66.9 percent); (3) promoting the development of small businesses (58.9 percent); and (4) promoting the development of telecommunications networks (50.0 percent). Only 3 in 10 respondents rated “promoting the development of retail shopping centers” (30.6 percent) and “promoting the development of industrial parks” (30.2 percent) as high priorities.

Leaders' Perceptions of State Support of Different Economic Development Options in Rural Texas

The community/economic development professionals and city/county officials surveyed in the fall of 2011 were asked to respond to the same items regarding perceptions of state support for economic development efforts in rural Texas. In that study, more than 50 percent of the leaders ranked each of eight potential economic development efforts as “high” priorities (see Table 3). These included: (1) promoting tourism (72.8 percent); (2) promoting the development of small businesses (72.7 percent); (3) promoting the development of telecommunication networks (72.2 percent); (4) promoting Texas agricultural products (68.7 percent); (5) promoting the expansion of existing industries (68.3 percent); (6) promoting the location of manufacturing firms (63.0 percent); (7) promoting Texas oil and natural gas development (62.6 percent); and (8) promoting Texas timber and wood by-products (53.1 percent). 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 percent and 27.5 percent, respectively).

TABLE 2. Perceived Effects on Community when/if Community Leaders Pursued Different Economic Development Strategies

| Economic Development Strategies | Rank | Mean ^a |
|--|----------------|-------------------|
| Improving access to high-speed Internet in your community | 1 | 0.58 |
| Developing and/or promoting a continuing education program in your community | 2 | 0.52 |
| Developing and/or promoting a youth entrepreneurship program in your local school(s) | 3 | 0.51 |
| Developing and/or promoting distance learning opportunities in your community | 4 | 0.44 |
| Providing loans to small businesses and entrepreneurs in your community | 5 ^T | 0.43 |
| Promoting tourism in your community | 5 ^T | 0.43 |
| Providing training or technical assistance to small businesses and entrepreneurs in your community | 7 | 0.41 |
| Developing and/or promoting retail shopping centers in your community | 8 | 0.40 |
| Providing tax incentives to companies to locate in your community | 9 | 0.34 |
| Promoting development of wind energy | 10 | 0.32 |
| Providing land or other incentives to bring new residents to the community | 11 | 0.27 |
| Developing and/or promoting industrial parks in your community | 12 | 0.23 |
| Promoting development of bioenergy resources | 13 | 0.20 |

^a Mean scores ranged from -1 to 1. The closer the mean score is to 1, the more positive effect the strategy was perceived to have on the community.

Table 3. Economic Development Options for Rural Texas (Residents vs. Leaders)

| Economic Development Options | Residents | | Leaders | |
|---|----------------|------|---------|------|
| | Rank | % HP | Rank | % HP |
| Promote Texas oil and natural gas development | 1 | 67.5 | 7 | 62.6 |
| Promote Texas agricultural products | 2 | 66.9 | 4 | 68.7 |
| Promote the development of small businesses | 3 | 58.9 | 2 | 72.7 |
| Promote the development of telecommunication networks | 4 | 50.0 | 3 | 72.2 |
| Promote tourism | 5 | 44.3 | 1 | 72.8 |
| Promote the location of manufacturing firms | 6 ^T | 42.0 | 6 | 63.0 |
| Promote the expansion of existing industries | 6 ^T | 42.0 | 5 | 68.3 |
| Promote Texas timber and wood by-products | 8 | 37.8 | 8 | 53.1 |
| Promote the development of retail shopping centers | 9 | 30.6 | 10 | 27.5 |
| Promote the development of industrial parks | 10 | 30.2 | 9 | 46.6 |

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

Concluding Comments

Taken together, these findings suggest that a discrepancy exists between rural residents and community leaders with respect to views on economic development strategies and efforts in rural Texas. As indicated by these data, 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. ★

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