1   Introduction

In April 1964, when President Lyndon Johnson visited the rural home of Tom Fletcher in Inez, Kentucky, Appalachia was a region in despair. A report issued by the President's Appalachian Regional Commission (PARC) found that one-third of the region's families lived below the poverty line and per capita income was 35% lower than the national average.

In 1964, per capita earnings in Appalachian Kentucky, at $841, were 44% of the national average of $1,901. Just 32% of

Figure 1-1:   President Lyndon B. Johnson declared a "War on Poverty" from the porch of this rural Kentucky home. (AP Photo)

the region's adults held a high school diploma and almost 12% lacked even a fifth grade education, with only one in twenty adults holding college degrees. More than a fourth of the region's homes needed major repairs, three-fourths of farm homes lacked complete plumbing, and 7.5% were considered unsafe for habitation.[1]

Today, almost 50 years later, Appalachia is a region transformed. While income levels remain below the national average, they have improved significantly. In 2009, Appalachian income and wages were 20% below the national average. Living conditions and educational attainment have also seen significant improvements. By 2010, 82.3% of Appalachians over age 25 held a high school diploma, a figure on par with the national average of 84.6%, and one of five Appalachian adults over 25 have college degrees. Housing values have increased steadily since the 1960s, while the age of housing stock has decreased during the same period. This trend, particularly strong in the South, is an indicator of the region's improving housing stock. Likewise, almost 100% of the region's homes now boast adequate plumbing.[2]

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[1] *President's Appalachian Regional Commission, Appalachia: A Report by the President's Appalachian Regional Commission (Washington: GPO, 1964), 1-3, 8-9, 13.*

[2] *Appalachian Regional Commission, "Appalachian Region Income Report, 2009, "http://www.arc.gov/images/appregion/AppalachianIncomeReport2009(2007Data).pdf ; Kevin J. Pollard and Linda A. Jacobsen, "The Appalachian Region in 2010: A Census Data Overview," http://www.arc.gov/assets/research_reports/AppalachianRegion2010CensusReport1.pdf, 30 ; Dan A. Black, et. al., "Standards of Living in Appalachia, 1960 to 2000," 5, 9-11.*

Yet, in spite of all this progress, hardship and economic distress remain the defining characteristics of many communities in the region. While many parts of Appalachia have shown significant improvements in income, public, health and quality of life, others still languish. As of 2011, 96 counties in Appalachia are still classified as distressed by the ARC. Defying intervention and investment, these areas lag far behind neighboring areas and the nation in many important areas.

This lack of progress raises several important questions:

- Why do some counties move forward while other, often similar counties lag behind?
- What factors contribute to local growth in improving areas and what barriers deter growth in persistently distressed communities?
- What role does the ARC and other investments make in the transition of counties from economic distress?
- Have innovations have taken place at the local level that have helped promote economic growth?
- How do regional development strategies affect communities at the local level?
- How should we gauge this progress? Do existing evaluation methods accurately depict conditions "on the ground?"

This study, commissioned by the Appalachian Regional Commission, attempts to answer these questions. From the outset, the ARC established several goals for this research:

- To identify the influence of metropolitan areas on the growth and development of adjacent and nonadjacent rural counties.
- To examine the influence of urbanized areas of rural Appalachian counties on the growth and development of surrounding counties.
- To assess spatial linkages, transportation corridors, and regional multipliers of industrial clusters with the economies of surrounding rural areas.
- To evaluate the contribution of knowledge-based, human, cultural or natural assets; social, political, and institutional factors; and quality of life factors to economic growth and development in rural areas.
- To study the contribution of transportation, broadband, water and wastewater, natural resources, and other infrastructure development to economic growth and development in rural areas.

1.1 Research Approach

Research staff from the University of Tennessee approached this project using an unusual mixed methodology. Unlike prior studies, which relied heavily on quantitative methods, this study also makes use of extensive qualitative tools and approaches. Project researchers surveyed community members, conducted site visits, and conducted interviews and focus groups with stakeholders to learn more about local efforts, policies, and perceptions. As a result, this report adds a local voice to the discussion of development efforts and results in a broad assessment of economic conditions at the community level.

This economic research report is unique when compared to other recent Appalachian Regional Commission research reports in three significant ways.

1. First, rather than focus strictly on regional or subregional strategies, this report focuses primarily on *local* development strategies and policies. Unlike past reports, which might have examined the entire Appalachian region or looked at multi-county regional strategies, this report addresses issues at a county, local, and even grass roots level by studying the unique experiences of ten rural counties from the five subregions of Appalachia. From within each subregion, a performing county is matched and compared with a non-performing county.

2. The second difference lies in the way these ten communities were selected. Past studies often cherry-picked case studies to highlight successful projects or to demonstrate particular approaches. The counties in this project, however, were selected based strictly on their location, local characteristics, and their level of economic performance. Then, once selected, each county's particular circumstances and strategies were identified, and unique local approaches and policies were analyzed and presented as case studies. As such, these counties and their practices may be more representative of typical Appalachian communities and their experiences may be more common, especially at the subregional scale.

3. Finally, this report is different in the research approach taken in its development. Unlike other recent economic development studies, this report includes a significant qualitative research element. While other reports have relied heavily on econometric modeling or other statistical methodologies, this study includes comprehensive qualitative surveys, site visits with face to face discussions, and overall participation by a wide range of local stakeholders. As a result, this study captures information that does not always show up in the numbers and attempts to reflect the real, human effects of development issues.

Although significant barriers still exist, Appalachian communities are making great strides in creating jobs and opportunities for their residents. In many cases, these efforts are entirely local and are unrelated to larger development strategies. As a result, many local innovations and success stories often go unrecognized or unreported when combined into larger, more regional analysis. Using a unique mix of quantitative and qualitative research, the authors hope this report will help illustrate these community based endeavors and help integrate this work into broader development programs.

1.2   County Cohort Introduction

Appalachian Subregions are five contiguous regions of relatively similar characteristics (topography, demographics, and economics) within Appalachia. This classification was developed in the early history of the ARC to provide a basis for subregional analysis. The ARC revised the classification in 2009 by dividing the entire region into smaller parts for greater analytical detail. This classification is used only for research purposes and not to allocate ARC funds or other external use.

Using the methodology detailed in Chapter 3, this project selected and examined two counties from each subregion, one distressed and one non-distressed, and compared them against each other. Appalachia is a diverse, encompassing region; therefore cohorts within the same subregion share similar topographic and demographic challenges and opportunities that enable a regionally relevant policy analysis.
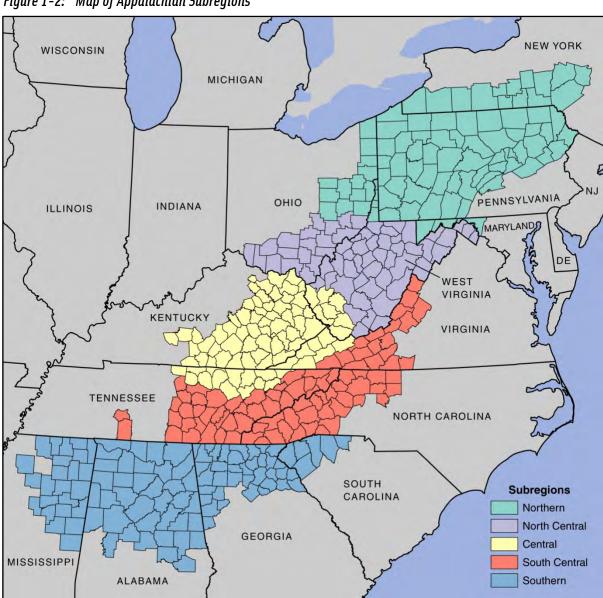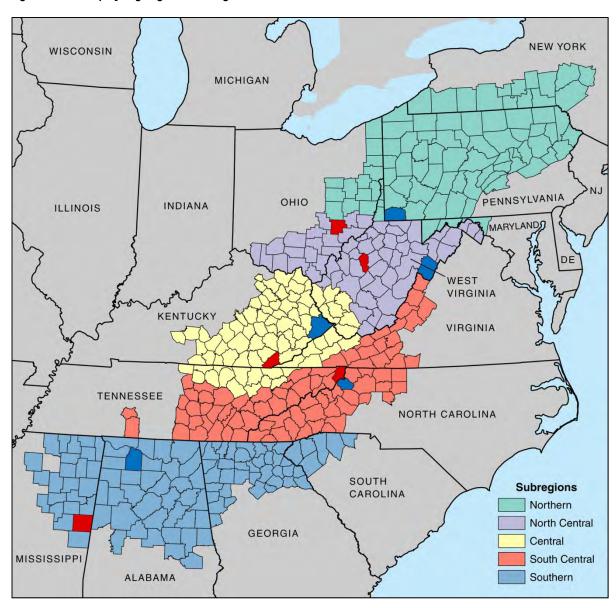
Figure 1-2:   Map of Appalachian Subregions

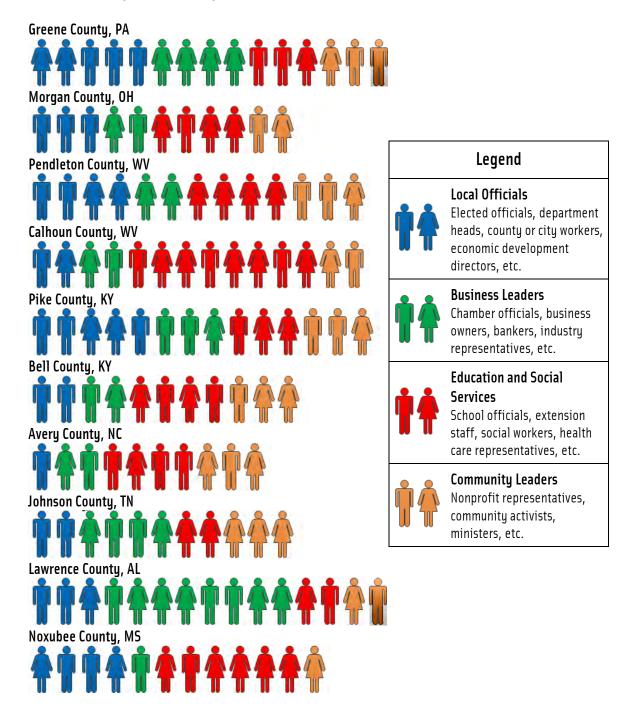*Figure 1–3:   The Five County Cohorts for Subregional Analysis*

Distressed County	ARC Subregion	Non-Distressed County
Morgan County, Ohio	Northern	Greene County, Pennsylvania
Calhoun County, West Virginia	North Central	Pendleton County, West Virginia
Bell County, Kentucky	Central	Pike County, Kentucky
Johnson County, Tennessee	South Central	Avery County, North Carolina
Noxubee County, Mississippi	Southern	Lawrence County, Alabama

Figure 1–4:   Map of Highlighted County Cohorts

1.3 Public Input

Discussions with community stakeholders played a significant role in this research. To encourage open discourse among participants at each community meeting, participants were assured that any comments used in project reports would not be attributed to any single person. However, it is important to provide readers of this report an understanding of the types of local stakeholders who participated in each county's conversations. The figure below represents the number, gender, and types of community stakeholders who attended meetings in each county.

Greene County, PA

Morgan County, OH

Pendleton County, WV

Calhoun County, WV

Pike County, KY

Bell County, KY

Avery County, NC

Johnson County, TN

Lawrence County, AL

Noxubee County, MS

Legend

Local Officials
Elected officials, department heads, county or city workers, economic development directors, etc.

Business Leaders
Chamber officials, business owners, bankers, industry representatives, etc.

Education and Social Services
School officials, extension staff, social workers, health care representatives, etc.

Community Leaders
Nonprofit representatives, community activists, ministers, etc.

In order to begin to understand local conditions and the reasons behind local decisions and policies, one must have conversations with those involved – the people who live and work in the area – and those with historical knowledge of local culture. Hearing such comments from individuals during these community discussions, and afterward including many of those comments in this report, is important for helping to describe or illustrate local experiences from a community member's point of view. By doing this, this report attempts to offer a look behind the statistics and the econometric data that typically characterizes a rural locality from a federal perspective.

In addition, this research was able to reach out to a broader audience than typical on-site research, which often consists only of interviews or discussions with a small number of key officials. By interviewing only the "usual suspects," such as the county or city mayor, the economic development director or county commissioners, researchers can often be presented a skewed picture of the way conditions may be in reality. In attempt to get a broader sense of local conditions and different perspectives on various community issues, this research included discussions with representatives across various private and public sectors – the business community, education and healthcare leaders, community volunteers and elected leaders, entrepreneurs and retirees, to name a few examples. Select comments are included throughout this report to provide frank opinions of local issues.

The graphical formatting of the quotes from public comment used in the report is shown below. As mentioned above, the individual sources of these comments made during the local meetings and interviews are not noted, as confidentiality was essential in assuring free discourse among participants.

At one of the first community meetings, for example, after hearing the purpose of our being there and meeting with various community members, a local resident made a simple request:

> *"Don't sugarcoat the results."*

The authors have tried to honor this request in the text of this document. We learned through these discussions that, despite progress throughout Appalachia, harsh realities exist in parts of the region. Local and regional failed policies are as important to note as those that succeed. For the most part, however, this report is a story of success and perseverance and the communities involved should prove inspirational to other Appalachian residents, as well as their counterparts throughout rural America.

1.4   Word Clouds

As described in the introduction, this report consists of the analysis and presentation of both quantitative and qualitative data. Included are traditional demographic figures, county and regional economic statistics, income levels, and other quantitative data that will be shown in traditional forms, such as in tables and charts. Furthermore, also included in this report is a tremendous amount of qualitative data taken from county survey returns and from discussions with local stakeholders during site visits and group meetings.

To graphically represent such qualitative data, comments recorded from participants during the site visits and meetings are included in the report in the quoting format described in the previous section. For the surveying process that precluded the visits to each county, several survey questions asked for one-word or short-phrase responses to describe the local culture and conditions. Such brief, open-ended questions enabled survey participants to succinctly express local conditions from a unique local perspective, all of which provided powerful feedback for the research. In this report, word clouds will graphically present such qualitative survey data.

A word cloud, sometimes referred to as a tag cloud or a weighted list, is a visual representation for textual data. In each word cloud, the larger the word appears the more often that word was given as a response; the smallest words typically represent words or phrases that only appeared as a response once or twice. This graphic format is useful in perceiving the most prominent terms in a compiled list, and also for locating a term to determine its relative prominence overall among survey responses.

The word clouds are featured primarily in the county profiles chapter, Chapter 4, with word clouds representing responses to the same survey questions for each of the ten counties. The word clouds, when examined in the context of individual county profiles, provide a helpful abstract of responses to particular questions and offers insight into local characteristics and issues.

Further, when these words are combined from all ten counties in the study, an interesting and telling graphic emerges of how Appalachian residents regard their communities. The aggregated results somewhat reflect long standing characteristics and rural stereotypes, but they also provide a unique perspective into Appalachian life.

So to provide introductory examples of how word clouds will be used in this report, three word clouds follow that illustrate the aggregate responses of all ten study counties to three different survey questions. As such, these word clouds provide a composite of how Appalachian residents perceive themselves and their communities, and could be the first time such a graphic has been generated for Appalachia.

Figure 1-5:   Word cloud of the question, "What are three words that describe your county?"

This survey question intended to gauge general attitudes about the county, and open-ended in the sense that participants were free to describe any aspect of their county they chose, whether in physical, social, or economic terms. Clearly, the most dominant words are "beautiful," "rural," "friendly," and "poor." Other words hold both positive and negative connotations, while other words contradict each other, such as "clean" and "polluted," or "progressive" and "backward." As a point of reference, this survey question generated 677 total words; the word "beautiful" was given as a response 65 times, almost 10% of all words.

Figure 1-6:   Word cloud of the question, "What is your county best known for?"

This question was included in the survey to gauge a county's asset based development preparedness and marketing efforts. While some people responded with natural resources or primary economic drivers, others responded with specific regular or annual events or socio-economic characteristics. Of the 285 words that were returned, the most was the word "coal," with 37 responses.

Figure 1-7:   Word cloud of the question, "What are three problems in your county that need solved?"

Of the 743 words that were generated from this survey question, themes surrounding unemployment and substance abuse issues dominate the problems that need solved in Appalachian communities. Other leading issues include the need for modern infrastructure like broadband and mobile communications, housing and education, as well as socio-economic indicators like domestic abuse, child abuse, teen pregnancy and related problems that suggest a lack of youth activities and employment opportunities.