

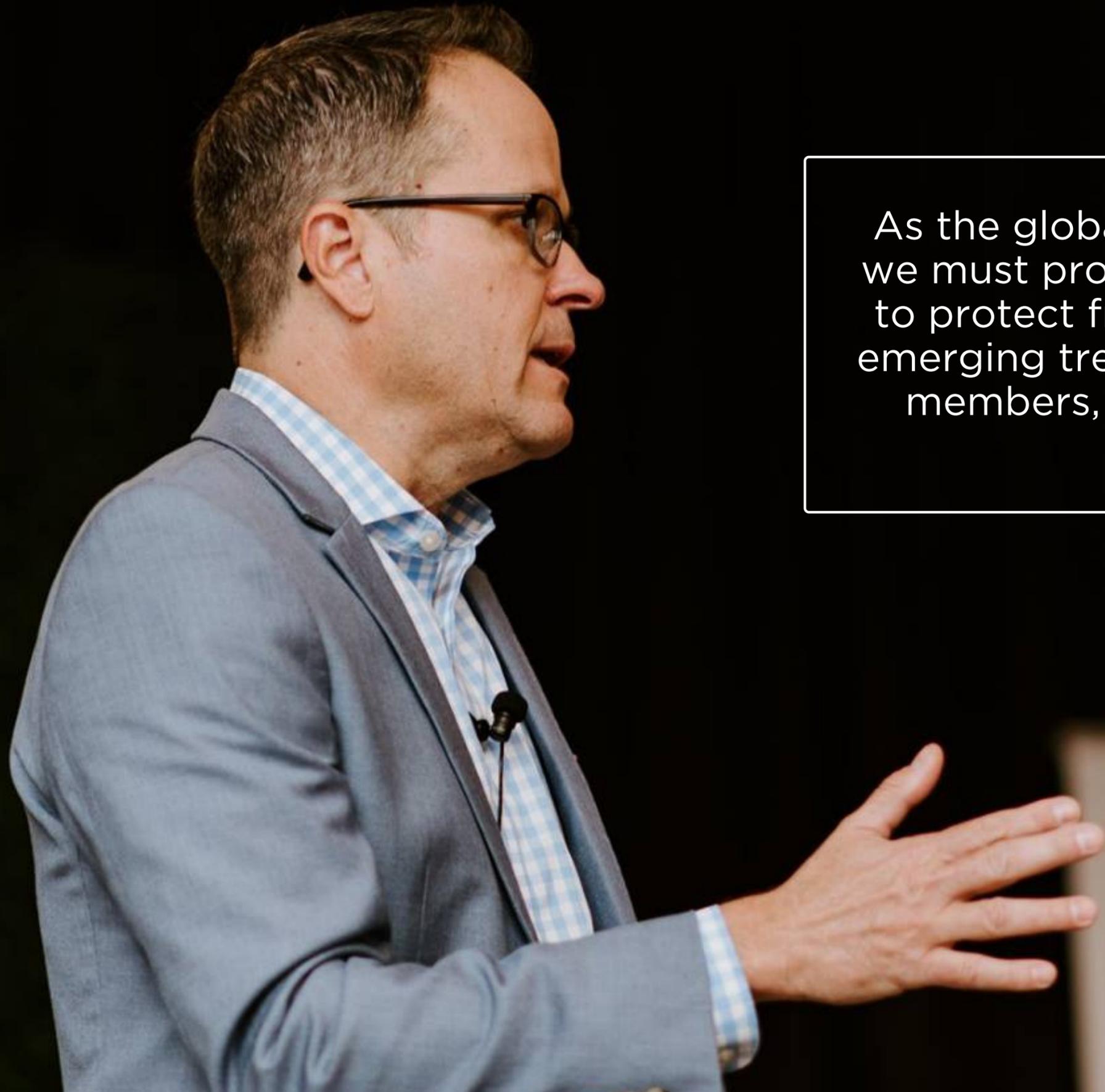


2019

# RECOMMENDATIONS FOR A RURAL RENAISSANCE



The Georgia Chamber of Commerce  
Center for Rural Prosperity



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As the global economy rapidly evolves, we must provide coordinated leadership to protect free enterprise, capitalize on emerging trends, and mitigate risk to our members, our communities, and our governments.

# RURAL RENAISSANCE

The Georgia Chamber's Tifton office, the Center for Rural Prosperity, is a clearinghouse for rural Georgia data and best practices to support our Rural Georgia partners.

In 2017, the Georgia Chamber Center for Rural Prosperity identified more than eighty recommendations to help address a vast array of challenges faced by rural Georgia communities and businesses. A number of these recommendations were adopted by the Georgia General Assembly in 2018; thanks to the work of the House Rural Development Council. Some of the key adopted 18 recommendations include:

- SB 395 - Georgia Joint Defense Commission [i]
- HB 769 - Establishment of Micro-Hospitals [ii]
- SB 402 - Achieving Connectivity Everywhere (ACE) Act [iii]
- HB 375 - Short Line Infrastructure Investment [iv]

The measures will increase the capacity for favorable growth and job retention. While these are indeed bold steps in the right direction, there is more work to be done.

To further our renaissance, there must be a fundamental acknowledgement that the needs and challenges of communities in rural Georgia are distinct from their urban and hub community counterparts. As such, it is recommended that a unique set of economic development tools be brought to bear in rural parts of the state. These recommendations are broadly classified as either economic development incentives, quality of life, and talent/workforce development.

Throughout 2018, the Center for Rural Prosperity continued its research into alternative opportunities to drive investments to Georgia's rural counties. Extensive conversations with rural leaders have shown that these communities work tirelessly to attract economic development projects but face persistent obstacles to achieving prosperity.

These challenges are not unique to Georgia's rural communities.

According to the Economic Innovation Group [v]:

Population and prosperity are intertwined.	Rural zip codes are becoming less stable. This is problematic because businesses thrive on stability and predictability.
Prosperous zip codes added more business establishments during the recovery years than the bottom 80 percent of zip codes combined.	Education attainment is one of the clearest fault lines separating U.S. communities today.

## Fundamental considerations:

- Rural Georgia has different needs than its more urban counterparts.
- Community development and placemaking initiatives, focus heavily on quality of life factors, and must be accomplished before most economic activity can occur.
- As Millennials will soon make up 75% of the global workforce [vi], rural communities must be adamant about developing strategies to attract and retain their youth populace.
- Job counts have a different impact in rural communities. 50 jobs in rural communities are just as impactful as 500 job announcements in urban communities.
- Making rural Georgia more competitive also requires providing additional funding for communities with an existing manufacturing base for the development of speculative shovel-ready industrial parks, modern manufacturing facilities, and modern infrastructure.

# ECONOMIC DRIVERS

## Largest Rural Markets



### AGRICULTURE

**\$75 Billion Economic Output [vii]**  
Georgia's economy is grounded in Agriculture & Forestry, but these industries are often overlooked in larger strategic economic planning.



### ADVANCED MANUFACTURING

**\$61.1 Billion Economic Output [viii]**  
Certain economic engines and industry sub-sectors find greater success in rural markets like Advanced Manufacturing, Agricultural Technology, Wholesale Trade and Logistics. Growing these existing industries is a viable and sustainable long-term solution.



### SMALL BUSINESS

**75% of all Georgia businesses have fewer than 10 employees [ix]**  
Organic economic growth is the most promising and difficult strategy for rural areas and requires not just developing more small business start-ups and entrepreneurial activity, but a commitment to long term sustainability, diversity and success of those job engines.

new  
**GEORGIA**  
economy



## PILLARS OF THE NEW GEORGIA ECONOMY



Big Data  
& Security



Talent &  
Leadership



Entrepreneurship  
& Innovation



Global  
Commerce &  
Competition



Research &  
Development



Physical  
Infrastructure  
& Assets

# ECONOMIC DRIVERS

## Observations & Recommendations

- Re-brand and restructure Georgia's existing tier-based incentive system:
  - Potentially structure into three categories, metro, hub, and rural.
  - Adopting a system that allows for 3 to 5-year stabilization of the tier system would be more effective for rural communities instead of annual fluctuations.
  - Average Manufacturing Wage [x] should be added to ranking metrics.
  - Economic developers agreed that the job creation based on monetization benefit for withholding is working and should be expanded.
- Withholding tax provision should be added to the Investment Tax Credit [xi] program for Tier 1 communities.
- A study committee should review the effectiveness of monetization of certain tax credits targeted to rural projects. Monetizing tax credits for target industries should also be considered.
- Lowering capital investment and job creation number thresholds such that rural Georgia projects can qualify for more EIP, EDGE, and REBA funds [xii].
- There should be a focus on supply chain incentives, including synergy/cluster credits to businesses that locate in close proximity. This would also incentivize product market collaborations.
- OneGeorgia, EDGE funds, and related programs should allow communities grant funds for the speculative purchase of industrial property and the installation of infrastructure:
  - Capacity building resources are deemed as a critical need by rural economic developers.
  - Include all aspects of infrastructure: water, sewer, broadband, natural gas, transportation.
  - Create a program to offset cost of certifying Georgia Ready for Accelerated Development (GRAD) [xiii] sites in rural communities.

- Consider allowing stacking incentives in lesser developed census tracts.
- According to the USDA Economic Research Service there is a significant disparity between corporate and foundation investment in rural issues as compared to urban areas. The private and non-profit sector in Georgia should be incentivized to invest in rural Georgia.
- Small business is the cornerstone of rural Georgia. Because of the availability of information, products, and data on the internet, organic economic growth is the most promising yet most difficult strategy for rural areas.
  - Policy makers should continually promote the idea of free enterprise by examining rules, regulations and tax policy changes that could help grow and modernize the creative, agriculture and artisan sectors.
  - Georgia must develop innovative solutions to increase capital investment in rural small business, focusing specifically on their online presence.
- Certain economic engines and industry sub-sectors find greater success in rural markets like Advanced Manufacturing, Agricultural Technology, Wholesale Trade and Logistics. Growing these existing industries is a viable and sustainable long-term solution.
  - While large manufacturers are attracted to major talent hubs, small manufacturers and second tier suppliers thrive in rural settings. To target these types of companies the General Assembly should allocate additional funding to the Georgia Department of Economic Development to fund a new Micro-Enterprise Team focused on 5 to 30 employee relocation projects best suited for rural communities.



# LEADERSHIP

## Issue Statement

Leaders should not be limited by boundaries. The idea of regionalism is in positive correlation with the idea of rural prosperity. Sadly, most rural communities continue to work in silos. There needs to be continued support and incentives attached to communities who regionally work on joint projects. There are many definitions for regionalism, therefore a community should organically define what that means for them and their partners.



**Partnerships** are integral to the success of rural Georgia. Communities have a chance to shape their own future, but it only works if all partners are rowing in the same direction. Communities who focus on partnering on solutions have a chance to change their outlook.

With an ever-growing economy, it is important that rural Georgia remains relevant in competing globally. With a smaller toolbox of resources, it is vital to collaborate with other communities to approach topics **regionally**.



# LEADERSHIP

The passing of several multi-county, customized regional T-SPLSTS is a regionalism best practice. Over 64% of respondents stated that regional infrastructure approaches would be the best fit for their community.



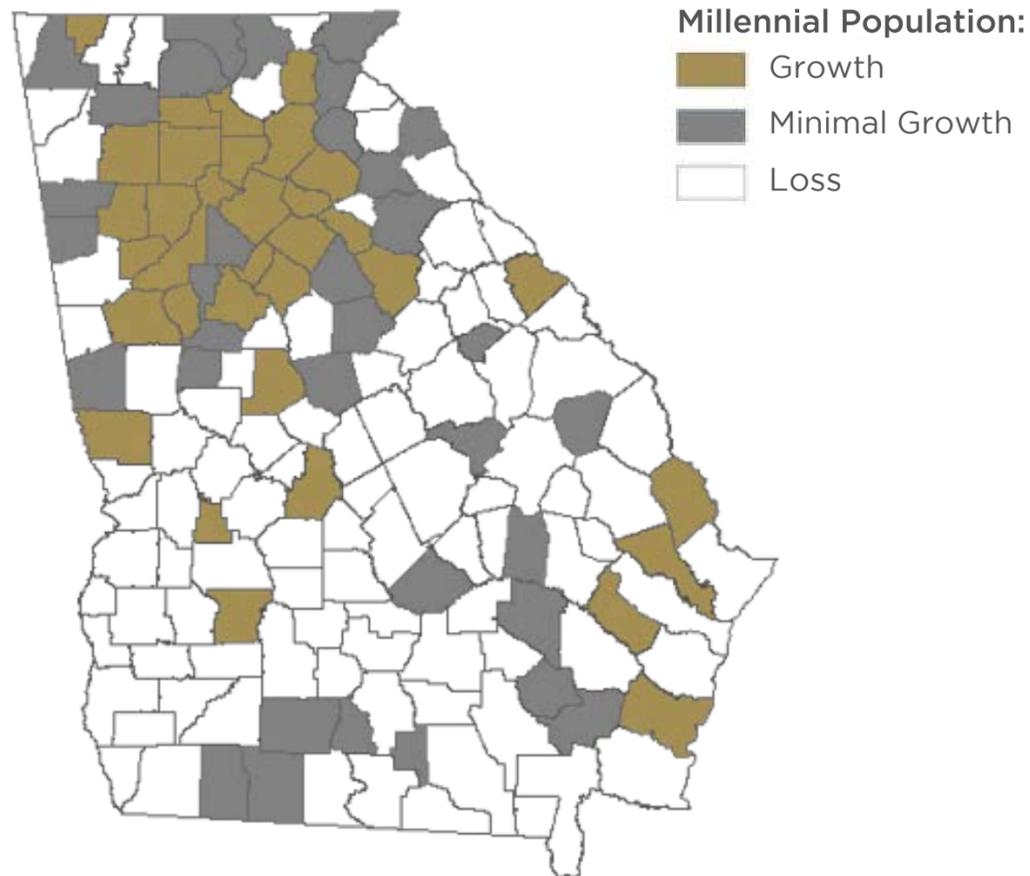
## Observations & Recommendations

- Economic, leadership, and community development organizations should develop a coordinated curriculum for training of elected officials and development professionals (GMA, ACCG, GEDA, DCA, UGA, GA Tech, etc.) to promote regionalism, talent development and to better address emerging strategies.
- Local economic development agencies must focus on regional cooperation and develop strong, long term online digital strategies for internal and external communications.
- Identify ways to incentivize and reward regionalism, shared services, revenue and cost sharing, product development, marketing, and project management on a per project basis.
- Allow communities to organically define regional working partnerships and scope of collaborative effort.
- Reward successful outcomes through grant matching funds.
- Georgia should not attempt to force collaboration or adopt a narrow definition of regionalism.
- Provide incentives to regional development authorities to acquire vacant industrial parks.
- Provide incentives to joint development authorities who market industrial parks collectively.
- Regional approaches should be applied in addressing large systemic social issues: healthcare, education, or workforce challenges.

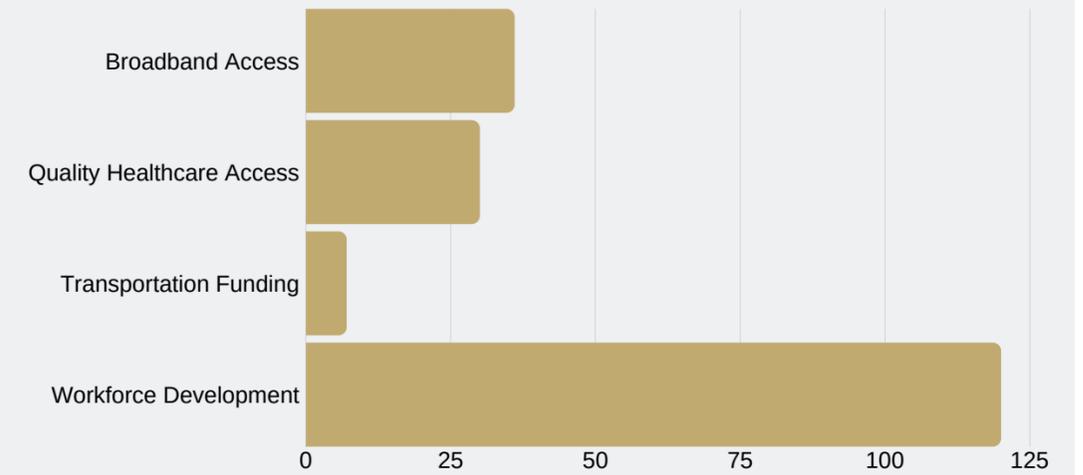
# TALENT

## Issue Statement

A talented workforce is a prerequisite for prosperity and economic mobility. It is essential the workforce possesses the necessary skill-sets for the jobs in the community and the jobs of the future. By 2030, the Georgia Chamber of Commerce has projected 1.4 million job openings. Of those job openings, 1 million will be due to the retiring baby boomers. The other 400,000 jobs will be new jobs added to the market. Likewise, our current and future workforce in rural communities is not prepared to take on the jobs vacated by the baby boomers. Even more alarming are other considerations- Georgia ranks 44th in graduation rate [xiv] and 33rd in K-12 Education [xv].



Thinking specifically about rural communities, which of these policy area is the most critical for state leaders to address in 2019?



Source: Rural Prosperity Summit, 2018

In 2030, **75%** of the Workforce will be Millennials [xvi]

**58%** of Today's Jobs Won't Exist in 5 Years [xvii]

**65%** of the Jobs of the Future Don't Exist Today [xvii]

# TALENT

## Observations & Recommendations

- Coordinate connecting students, teachers, and parents to a local community's employment opportunities in existing business and industry.
- Prioritize post-secondary advising to high schoolers so students are aware of the various opportunities to obtain degrees or certifications as well as the job prospects that accompany those credentials. This will allow students to gain a better understanding of their return on investment as they choose the most appropriate degree or certificate.
- Increase funding for College and Career Academies (CCA).
- Support continued funding for the Archway Partnership.
- Expanding skills training for manufacturing, agriculture, and entrepreneurialism should be a priority through increased funding and programming for rural school districts.
- School-wide literacy action plans should be developed and implemented throughout rural school districts.
- Location be added as a data point to GA AWARDS [xviii], the State's longitudinal data system, to realize the movement of our student populations.
- Better prepare talent for future skill-sets: cultural intelligence, personal branding, automation literacy and sensemaking, integrated STEAM and communication.
- Encouraging students to attend a rural university or technical college would greatly increase their potential for staying in that region. Georgia should study and develop more scholarships and incentives for training and retaining workforce in rural areas.

**87% of the Summit respondents stated that the lack of talented workforce is the biggest barrier holding them back from growth.**

Source: Rural Prosperity Summit, 2018



Concentra Solutions, Sumter County

# QUALITY OF LIFE

## Issue Statement

It is widely accepted that workforce is directly tied to job growth. Current Georgia Chamber of Commerce projections estimate that 74 counties will lose population or remain at a 0% growth rate by 2030. Smaller metro areas are seeing some growth, but rural areas are experiencing either minimal growth or population declines. Quality of life factors have been tagged as one of the largest considerations when establishing a residence to both the Millennial and Generation Z cohorts.



Downtown Valdosta, Lowndes County

## Observations & Recommendations

Regarding our future workforce, comprised of both the Millennials and Generation Z populace, placemaking and community development needs to be structured as follows:

- Local governments should conduct extensive ‘lean code’ rewrites to ensure that businesses and developers can thrive through emerging consumer demands.
- Georgia should study incentives and other programs to diversify housing mixes to allow the private sector to create affordable housing options for urban, suburban, and rural residents
- Each community in Georgia should develop a comprehensive talent recruitment and retention strategy component to tie into the Georgia Department of Community Affairs’ Local Comprehensive Planning. [xix]

The opioid epidemic continues to be a burden on the economy and the quality of life of rural Georgia.

- Georgia must build upon the work of Attorney General Chris Carr and legislators by focusing on the opioid epidemic, highlighting best practices on limiting access to the drug, addiction treatments, and re-entry programs.

**11th**

Georgia’s national ranking in prescription opioid overdoses

**29**

The number of Georgia counties with overdose rates higher than the United States average

**\$447M**

Annual health care costs associated with opioid misuse in Georgia

# GET ENGAGED

## JOIN THE GEORGIA CHAMBER AND ENGAGE THE RURAL PROSPERITY COUNCIL

There are thousands of suggestions and recommendations for leading a rural renaissance and the Georgia Chamber will continue to seek innovative solutions and best practices. We will also continue to convene public and private leaders to facilitate an ongoing dialogue while raising public awareness on these pressing issues.

We encourage you to visit the Rural Prosperity Center in Tifton, Georgia. To join the Chamber and engage our Rural Prosperity Council visit our website: [gachamber.com/rural-georgia-home](http://gachamber.com/rural-georgia-home).



Follow the Center for Rural Prosperity  
@RuralGeorgia

# THE GEORGIA CHAMBER RURAL PROSPERITY ACTION PLAN

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- Actively partner with elected officials and advocate for recommendations, strategies and policies to promote rural job creation
- Continue the work of the Rural Prosperity Council to specifically focus on:

Rural Incentives

Military Communities

Entrepreneurship  
& Innovation

Rural Talent Recruitment,  
Retention & Development  
Strategies

- Continue the Rural Prosperity Summit to focus attention on rural issues and to offer best practices, strategies and policy recommendations
- Continue to work with the House of Representatives Rural Development Council
- Facilitate diversity discussions and inclusion strategies throughout Georgia
- Seek national partners and other state partners to develop strategies for rural prosperity
- Continue the Georgia Quail Hunt that focuses on the promotion of Southwest Georgia
- Examine opportunities to promote rural Southeast Georgia
- Examine opportunities to promote rural North Georgia
- Actively partner with the Georgia Departments of Agriculture, Community Affairs and Economic Development
- Continue to support and promote regional leadership programs via GeorgiaLeads
- Continue to support and promote career and leadership training for all Georgia students
- Continue the Authentic Georgia campaign to promote Georgia made products as well as Georgia tourism destinations
- Assist Georgia rural communities and regions in passing transportation referendums
- Advocate at the Federal, State and local levels for telecommunications connectivity
- Actively partner with the Technical College System of Georgia and the University System of Georgia for policies, strategies and programming to promote rural talent development, recruitment and retention

# END NOTES

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