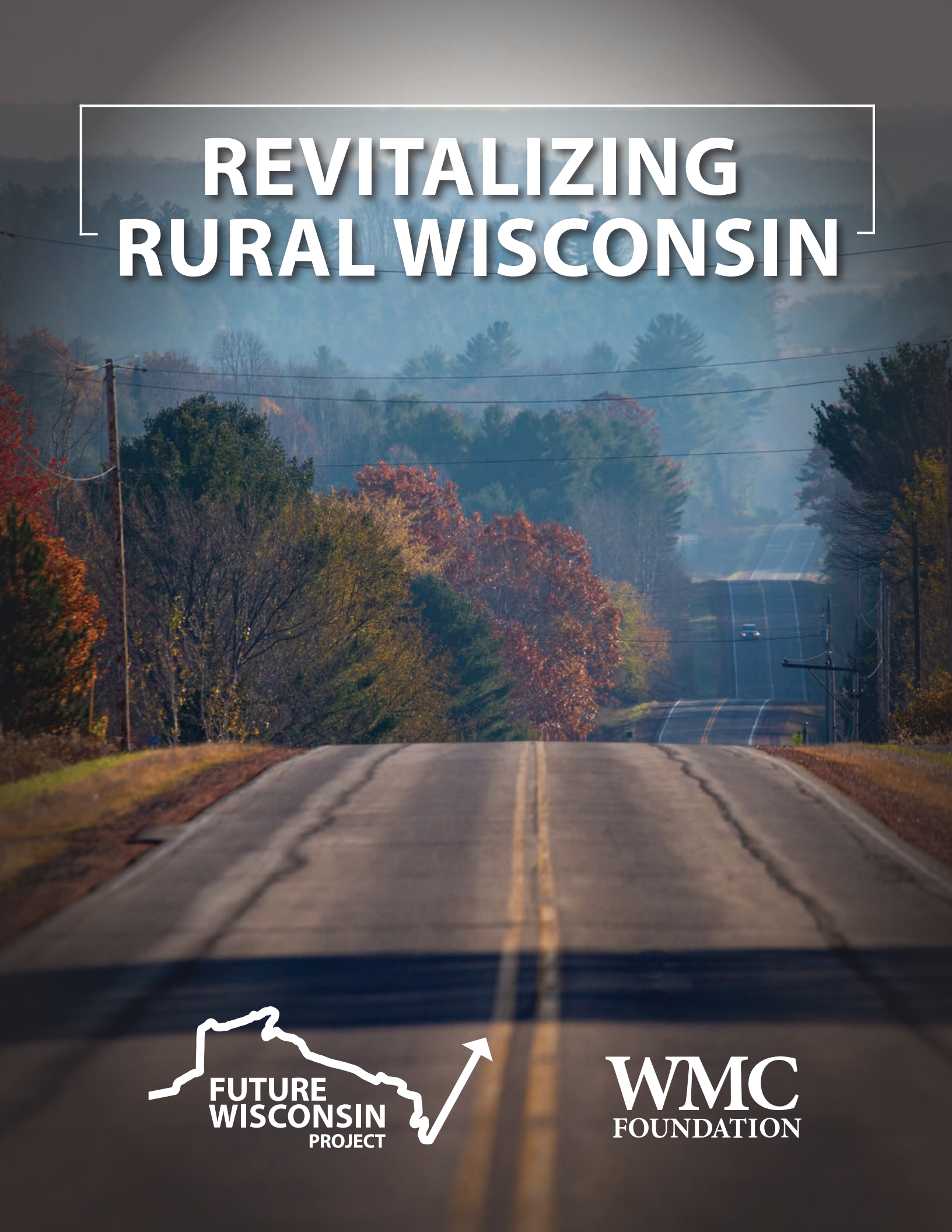
REVITALIZING RURAL WISCONSIN



FUTURE WISCONSIN PROJECT

WMC FOUNDATION

REVITALIZING RURAL WISCONSIN

A STRATEGIC PLAN TO EXPAND RURAL OPPORTUNITY

EXECUTIVE SUMMARY

As population, jobs, and business growth have increasingly concentrated in a small number of major metropolitan areas, rural America and rural Wisconsin face significant challenges to their economic health and well-being. Many factors influence business decisions about where to invest or where people decide to live and work. All are important. Businesses value places with a good business climate, low taxes, modern infrastructure, proximity to their supply chain and their customers, and the availability of skilled labor. People look for plentiful jobs, safety, good schools, affordable health care and a variety of housing options. States and communities are in competition, and everything matters.

Some newer trends are beginning to benefit rural America. A slowdown in globalization and the shortening of supply chains is generating reshoring opportunities. Increased automation is making U.S.-based manufacturing more competitive; and more online financial, entertainment and retail technologies are improving small-town attractiveness. In the coming years, post-COVID-19, even more reshoring opportunities, enhanced technological connectivity, remote work opportunities and evolving consumer preferences could further increase rural competitiveness. Ideas, even old ones, viewed through a 2020 lens and championed by Wisconsin's private sector leaders can make a difference.

COVID-19 Related Impacts on the Rural Wisconsin Economy

While the COVID-19 pandemic and business shutdowns have had severe negative impacts on the U.S. economy, some emerging and accelerating trends could benefit rural America and rural Wisconsin.

More People are Moving to More Rural Places

A lack of affordability was already causing the populations of America's largest cities – New York, Los Angeles and Chicago – to decline over the past decade. Recent reporting suggests COVID-19 related relocations have amplified this trend. People's need or desire to work from home part-time or full-time, and home buyers' interest in more spacious homes with bigger yards, is directing more attention to rural locations. In a new survey by economic development marketing firm DCI, 27 percent of adults considering relocation were most interested in a rural location, compared to 35 percent preferring a suburban setting and 25 percent a large urban area.[1] The same study indicated that affordability was a major factor for decisions about where to live. Remote work may be the factor that changes everything.

Business Location Decision Factors are Shifting

Businesses may be similarly impacted by COVID-19 related concerns in their location decisions. A summer 2020 survey of site selectors indicated that 31 percent of respondents were likely or very likely to consider rural locations, compared with just 10 percent considering a large urban area.[2] Affordability and safety are likely driving factors.

Supply Chains are Changing

Most companies now plan some changes in their supply chain and procurement strategies, including expanding their base of suppliers and sources. Most analysts anticipate supply chains will become more diverse and less fragile, with an emphasis on sourcing and production that is closer to the end user. This could mean that suppliers will be more dispersed across low-cost Asian countries other than China, in other large emerging markets like Brazil, and near major consumer markets in North America. The United States and Wisconsin could benefit from these supply chain adjustments.

Reshoring and Foreign Direct Investment for Manufacturing will Expand

According to an April 2020 survey, most North America-based manufacturing and industrial companies intend to bring some sourcing and production back to North America. Areas of the United States with low business costs will be attractive. In the U.S., 55 percent of site selection professionals expect a resumption of economic development project activity by the fourth quarter of 2020, and 45 percent sometime in 2021.[3] For reshoring projects, and new direct investment by foreign companies, advanced manufacturing will be a leading sector. Any significant production increase in the U.S. is likely to benefit rural Wisconsin and its strong manufacturing base.

Tourism and Recreation

The near-shutdown of tourism, entertainment and recreation during the pandemic will have long-lasting impacts on tourism-dependent communities. However, even though a return to pre-COVID levels of travel and tourism may be slow in coming, regional attractions usually reached by car could bounce back sooner. Americans are expressing preferences for car-based trips, outdoor recreation and travel to nearby destinations. Rural Wisconsin could benefit from greater interest in short-distance travel by residents of Chicago, Minneapolis and other large cities nearby.

Through research for this report, WMC Foundation identified five challenges to expanding geographic opportunity across the state.

1) Limited Rural Workforce Availability
2) Rural Gaps in Broadband
3) Stress on Rural Legacy Industries
4) Lack of New Rural Housing
5) Affordability of Rural Healthcare

WMC Foundation researched best practices for addressing these five challenges and anticipated new opportunities being created by the COVID-19 pandemic and the possible new normal. Bringing more economic opportunity to rural Wisconsin will require a business-driven approach led by private-sector leaders and strong private-sector champions.

WHAT IS "RURAL?"

According to U.S. government definitions, rural America is defined by what it is not – that is, not urban. The key determinant is population density, people per square mile. The Census Bureau uses the term rural for all places with fewer than 2,500 people at a certain density. By this definition, 97 percent of Wisconsin's land area is rural, and this area contains 30 percent of the state's population.

The U.S. Office of Management and Budget calls all areas containing a city with at least 50,000 people 'metropolitan', and places with a central city of 10,000 to 49,000 people 'micropolitan.' Counties that are not part of a Metropolitan Statistical Area (MSA) are considered rural. Wisconsin's land area is 49 percent rural (with 13 percent of the state's population) using this definition. Although rural areas can have widely varying characteristics, the primary common factor is low population density.

This report looks at economic, demographic and business conditions in rural areas, small cities and towns within Wisconsin. It does not attempt to create a new definition of rural, but generally is meant to include all of the state outside those cities with populations of 50,000 or more.

INTRODUCTION

Not long ago, America witnessed the rise of the internet, smart phone usage and other advances in telecommunications as the dawn of a new, untethered era in which people could choose to live anywhere they desired. A common prediction was that this would aid small cities, towns and rural areas to attract more educated, talented workers and new residents. Instead, the growth of businesses, jobs and educated workers became increasingly concentrated in a small number of major metropolitan areas. The trend accelerated after the end of the Great Recession. Meanwhile, as the publication *Small Town Economic Development* reported, "the hollowing out of rural America is obvious and unrelenting."[4]

These trends are unmistakable across the United States, and in Wisconsin outside of Milwaukee, Madison and a handful of medium-sized cities. However, with effort, COVID-19 impacts on society are creating an opportunity for more rural economic success. Small city and rural Wisconsin still have impressive manufacturing strength, important agriculture and food production capacity, and outstanding outdoor recreation assets. Natural beauty, safety and a strong sense of community can attract prime-age workers and families who value those quality of life factors, affordability, safety and a good work-life balance.

An increasing number of regions and states are acting to spur population and economic growth in rural areas and small towns. This report summarizes five major issues affecting rural America and Wisconsin and lays out action steps that can help in Wisconsin.

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FUTURE WISCONSIN PROJECT

SECTION I: THE CHALLENGE

Five Critical Issues Affecting Rural America and Rural Wisconsin

There are many factors influencing business decisions about where to invest or where people decide to live and work. All are important. Businesses value places with a good business climate, low taxes, available buildings and sites, modern infrastructure, proximity to their supply chain and their customers, and the availability of skilled labor. People look for jobs, safety, housing options and affordable healthcare. States and communities are in competition, and everything matters. This section summarizes five key, interrelated challenges affecting rural areas and small towns across the United States and in Wisconsin. Certain conditions, such as a tight labor market, are felt throughout America including most metropolitan areas. Other factors – particularly stagnant or declining population as well as inadequate internet service and cell phone coverage – impact many rural areas more severely.

Five issues facing rural Wisconsin:

1. **Limited Rural Workforce Availability:** issues around population loss, a shrinking labor pool, career training, and young talent leaving rural and small-town Wisconsin.
2. **Broadband Internet:** high-quality, high-speed service is seen as an absolute necessity for businesses, students and nearly all residents, but in rural Wisconsin competitive coverage remains a challenge.
3. **Legacy industries** are under stress, including manufacturing, agriculture, mining and forestry.
4. **Housing** availability, lack of choice and product variety, and lack of new construction.
5. **Affordable healthcare** services and attracting staff to small-town facilities.

ISSUE 1: Limited Rural Workforce Availability

For American businesses hoping for growth in the labor force and customer base, demographic trends are not encouraging. Last year's U.S. population growth rate (about one-half of one percent) was the slowest in 100 years, since during World War I.[5] Many experts are predicting that the COVID-19 pandemic could further reduce population growth. For rural parts of the country this trend is even more pronounced. Non-metropolitan counties in America have lost population since 2010, the "first-ever period of nonmetro population decline."[6] During this same period, metropolitan counties had a seven percent gain in population.[7]

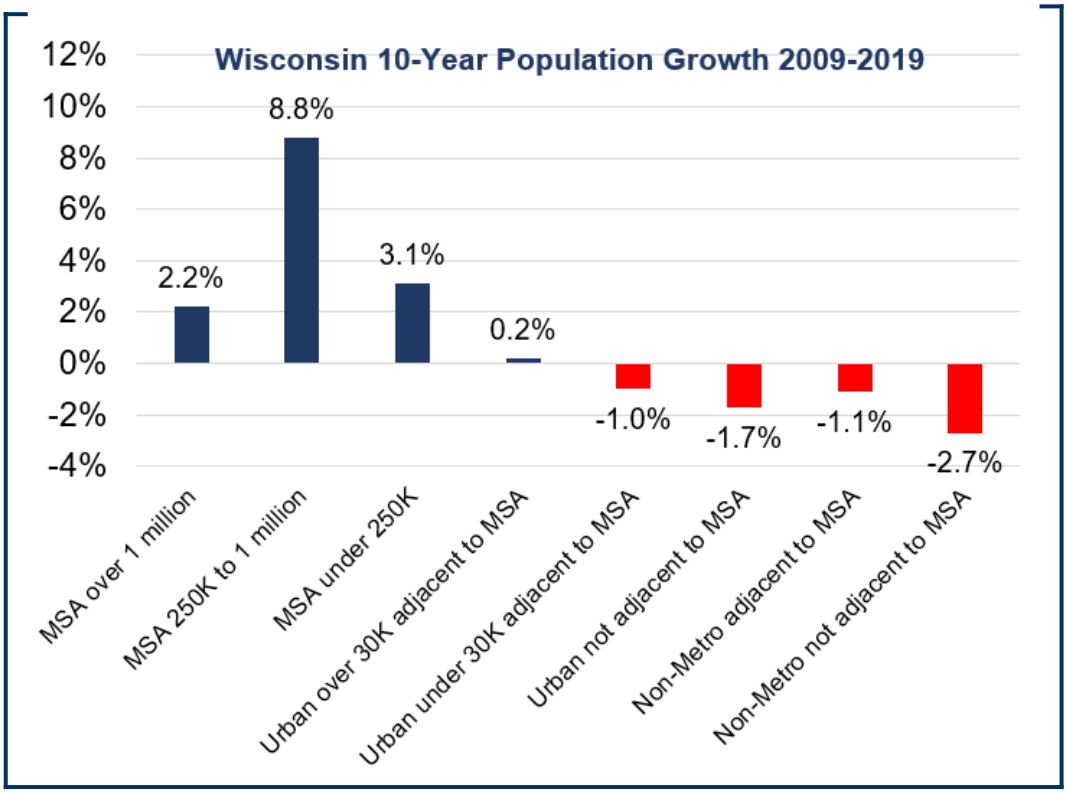
Population growth in Wisconsin has lagged national growth for the past 50 years. Between 2000 and 2017, Wisconsin's population grew, but at half the national rate (eight percent versus 16 percent).[8] Over the past decade the gap between Wisconsin growth rates and the national rate has widened.

Within Wisconsin, population growth varies greatly. Research by the University of Wisconsin-Extension uses nine categories for counties from the largest urban to the smallest rural county.[9] Using these definitions, and the latest population estimates, the stark population growth differences between urban and rural counties over the past decade can be seen on the charts below. The two charts clearly show the population and workforce challenge expressed by Wisconsin employers outside of the largest metro areas.

The fact that people are living longer masks an even greater challenge for employers: labor force growth. Current U.S. labor force growth is the slowest in eight decades, as shown by the chart to the right. For Wisconsin, labor force grew by about 20 percent between 1989 and 2009, but between 2009 and 2019 the state has not experienced any growth.

Source: "From Population Growth to Firm Demographics." H. Hopenhayn, J. Neira, and R. Singhania. April 18, 2019.

Almost all the projected future population growth in America is expected to come from minorities, but rural America is less racially and ethnically diverse. Nationally, rural population is 80 percent white, while that number is 58 percent in urban areas. Hispanics comprise 20 percent of the urban population but only nine percent in rural areas.[10] Wisconsin's diversity has been increasing. The state's white population was nearly 94 percent of the total in 1980, and 82 percent in 2015. It is projected to drop to 69 percent by 2050.[11]



Nationally, immigrants have played a critical role as labor force demands have increased. Census Bureau estimates show that international migration to the U.S. was as high as 1,000,000 in 2016 but dropped to 595,000 in 2019.

The graying of rural Wisconsin is another demographic challenge. Across America, rural counties account for nearly 85 percent of the "older-age counties," those with more than 25 percent of their population age 65 or older.[12] In Wisconsin, the median age within metro Census tracts is 37.2, while in rural Census tracts the median age is 44.4.[13] In addition to limiting the available labor force, an older population often requires more support services, including medical care and transportation.

Perhaps due in part to the aging of the U.S. population, the rate of Americans moving in a given year has fallen by nearly half since 1947. The decline has been particularly sharp since the 1980s. For areas such as Wisconsin that are generally healthy economically and are dealing with very low unemployment, this trend can make it more difficult to attract workers from other parts of the United States. The USDA Economic Research Service notes that many rural counties did enjoy positive net migration over a recent four-year period. Improving rates of net migration are most common in those counties seen as retirement or recreation destinations.[14]

One additional component of the labor force challenge is the capacity and quality of education and training. Wisconsin's technical colleges are a major asset. They are generally seen as responsive to the education and training needs of businesses and as helping to build critical trade skills among the population. But accelerating business changes are creating the need for the state's technical colleges to adapt course offerings faster and to offer more shorter-term programs.

Both increased focus on career and technical education (CTE), and increased interaction between K-12 schools and the business community can lead to greater awareness of career options in Wisconsin (especially in the skilled trades) by students, parents and teachers. More work exposure and training opportunities for young people are crucial and will be discussed in the strategies section.

TALENT ATTRACTION & RETENTION

Across the United States, the ability for companies to find enough workers, individuals with the right technical skills and soft skills, and to retain talented people has become increasingly crucial in their location decision-making. It is typically the 1st or 2nd most important location factor in site selection surveys. The situation is the same in Wisconsin. Wisconsin is challenged to attract educated workers from elsewhere in America.

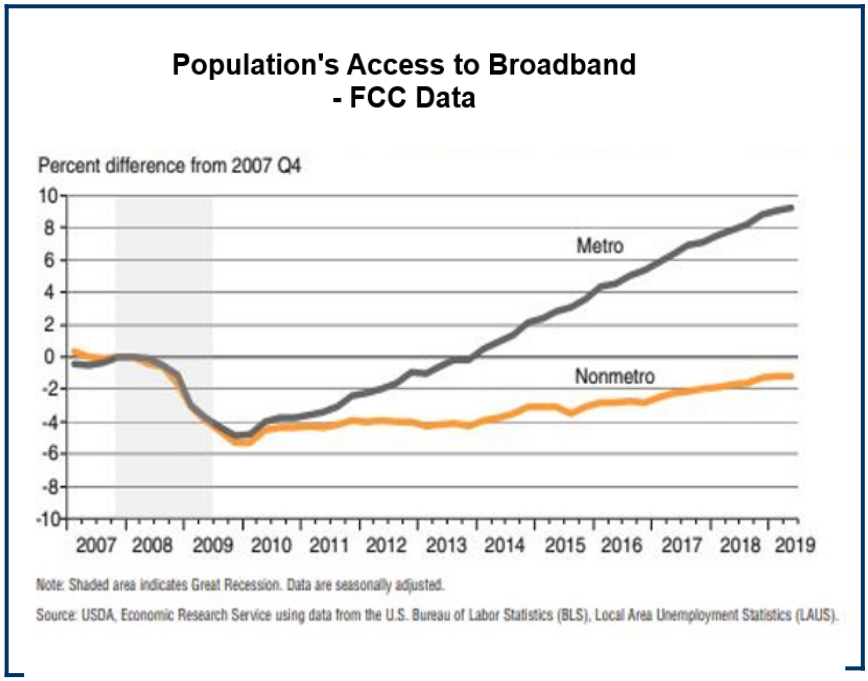
Much of the discussion around talent attraction and retention centers on quality of life: what are rural Wisconsin's best attributes, and how to target rural Wisconsin's message to the right people at the right time in their lives.

ISSUE 2: Rural Gaps in Broadband

High-quality, high-speed internet service is critical to rural businesses large and small, farmers, at-home and remote workers, students and retirees. Young people are not attracted to places without strong connectivity. The pandemic, and the rise in remote work, has increased the requirement for good broadband service for a community to be a viable location to work or live.

The Federal Communications Commission (FCC) defines broadband as "high-speed Internet access that is always on and faster than traditional dial-up," specifically setting a minimum of 25 megabits per second for downloads in order to be "high-speed."[15]

By this definition and using FCC data, an October 2019 report by the Congressional Research Service indicates that there is nearly a 25 percentage point gap between urban and rural areas of America in terms of the population's access to "fixed terrestrial broadband" meeting the minimum speed threshold.[16]



Across the nation, 24 percent of rural residents said that high-speed internet access is a "major problem" in their community, compared with 13 percent of urban residents surveyed.[17] A 2019 study found that "substantial segments of rural America still lack the infrastructure needed for high-speed internet, and what access these areas do have tends to be slower…."[18]

Common challenges to broadband expansion in rural America include:

- ✓ The lower density in rural areas that makes it harder for private providers to recoup their costs – The Rural Broadband Association's CEO estimates that larger telecom firms serve about 130 customers per square mile, while her member companies serve about 7 customers per square mile;[19]
- ✓ Lower connection rates in rural areas, which can be related to affordability.

All new options for delivery such as whitespace technologies and 5G may create new opportunities for better rural service.

ISSUE 3: Stress on Rural Legacy Industries

From 2010 to 2018, urban area employment growth in the U.S. averaged 1.5 percent, versus an annual growth rate in rural areas of 0.4 percent.[20] Rural America has 14 percent of the nation's population but since 2013 has accounted for just 4 percent of the nation's employment growth.[21] Between 2000 and 2018, Wisconsin's urban counties gained 94,700 jobs while rural counties in the state lost 9,500 jobs.[22]

Rural legacy business sectors such as manufacturing, agriculture, mining and forestry are vital to Wisconsin's economy. Manufacturing employs close to 16 percent of the state's workers, compared with 8.5 percent nationally, and remains a critical industry sector in rural Wisconsin.[23] Nearly 12 percent of adult workers are in agriculture, compared with just 1.5 percent across America.[24] However, these sectors face major challenges that include workforce availability, every-changing technology and access to reliable supply chains, among others.

Wisconsin continues to be a leading state for agriculture, ranking eighth nationally in farm product sales in 2019. The state's agricultural product sales totaled $11.33 billion that year, with dairy products contributing $5.71 billion of the total.[25] Wisconsin is America's number two dairy producer. However, Wisconsin has experienced small declines in farm product sales, farm acreage and the number of farms between 2012 and 2019. New post-pandemic thinking about agricultural supply might benefit the sector.

Forestry products are another important legacy industry in rural Wisconsin, particularly in the northern part of the state. The forestry industry employs over 60,000 people across Wisconsin and has an estimated annual economic output of $24 billion.[26] However, the industry has reported declines in the number of businesses, employment and wages over the past decade.

States across the country are addressing some of the key issues for success in these legacy industries: from workforce availability and training, taxation and regulation, to use of technology and automation, creation of value-added products, and increased exports.

ISSUE 4: Lack of New Rural Housing

In many fast-growing metropolitan areas of America, the primary housing issue is affordability, driven by strong demand, the rising cost of land and increasing regulation. Rural Wisconsin faces a somewhat different set of housing problems related to the ability to attract new workers and residents. Housing industry experts suggest that younger workers and families are looking for housing options with modern design and new features. Without new construction, attracting new residents is more difficult.

Common housing issues in the state's small cities, towns and rural areas are:

- ✓ Little new construction, including a lack of speculative housing construction in many communities.
- ✓ Lack of variety in product types – especially newer apartments, townhomes, smaller single-family homes, higher-end houses and planned live-work-shop communities.
- ✓ Rising regulatory costs and zoning restrictions that deter investment.
- ✓ Older housing stock that does not have the modern amenities desired by younger buyers.

Entering a small market that has not seen new construction in many years is risky for builders, and they might find it difficult to obtain financial backing. Communities and businesses in rural areas have, by necessity, found imaginative ways to spur housing construction as well as assist young home buyers.

ISSUE 5: Affordability of Rural Healthcare

Affordable healthcare is mentioned most prominently among the services needed to support population growth, talent attraction, business retention and expansion. The issues facing healthcare in small cities and towns across America are many.

- ✓ The availability of affordable healthcare and mental health services.
- ✓ The ability of rural residents and small businesses to afford the rising costs of health insurance and medical care.
- ✓ The high cost of worker's compensation to businesses.
- ✓ The ability to attract and retain doctors, nurses and many other health professionals.
- ✓ The impact of opioids and other addictions.

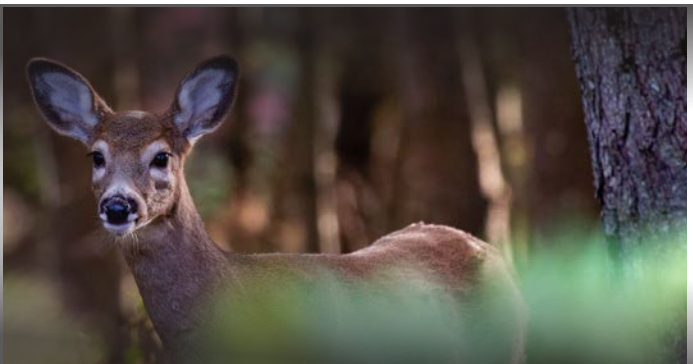
Healthcare costs in Wisconsin continually rank as some of the highest in the nation. A study by the RAND Corporation in 2020 found that Wisconsin has the 10th most expensive hospitals in the nation, consistent with other cost rankings. The high cost of healthcare negatively affects all of Wisconsin, urban and rural.

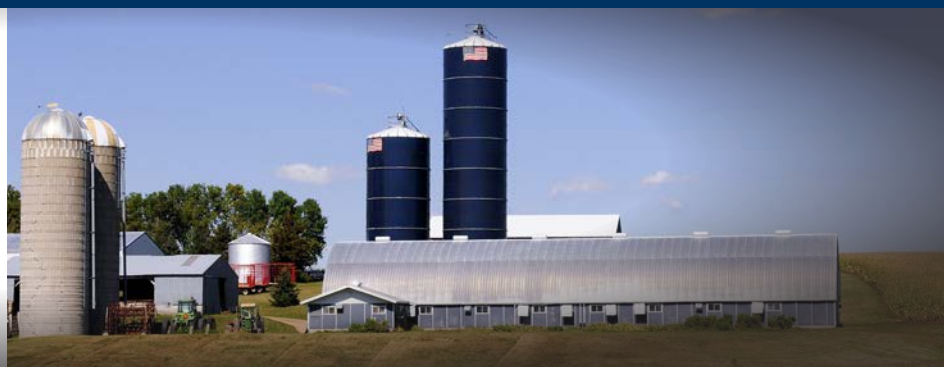
Specific to the cost of care for workplace injuries, worker's compensation healthcare costs consistently rank as near the most expensive in the country. That is a competitive disadvantage across the state, but has severe impacts on the key legacy industries that drive rural areas. Employers have worked tirelessly to reduce injuries to keep workers safe, but any safety dividends they should have realized has instead been spent on high medical bills. Those savings could otherwise have been invested in R&D, wages, benefits, talent attraction or worker training.

In addition to physical health, mental health is also frequently named as an important issue in rural America and Wisconsin.

RURAL ISSUES SUMMARY

While there are many other issues impacting rural competitiveness, these five must be addressed. The 2019 national Survey of Rural Challenges (which is geared toward small business owners and small-town retail) captured the main issues well. The top rural community challenge was "losing young people," followed by the decline of downtowns. The next-highest ranking issues were housing concerns and the need to attract new residents. Among small business owners in particular, the primary concern was that they "can't find good trained employees."[27] For rural Wisconsin, healthcare affordability, the business climate's support for legacy industries and the availability of broadband complete the initial list.





SECTION II:
IDEAS AND ACTIONS FOR EXPANDED RURAL OPPORTUNITY

The trends summarized in Section I will sound familiar to many, so too are some of the opportunities for improvement. Some trends were already changing for the better prior to 2020. Increased automation was making U.S.-based manufacturing more competitive. More remote access to financial services, entertainment and retail technologies, were improving small-town attractiveness. Large international gateway city affordability was causing out-migration. In the coming years, post-COVID-19, enhanced technological connectivity and evolving consumer preferences should increase rural competitiveness even further.

Assuming a return to the new normal following the pandemic, new opportunities have already begun to emerge. **Remote work and reshoring are trends that could dramatically change rural prosperity.** Rural Wisconsin could enjoy those benefits but only with better workforce strategies, improved legal, regulatory and tax climate, and the required infrastructure.

Now is the time for a renewed commitment to expanding rural economic opportunity in Wisconsin championed by private leadership.

The remainder of this report reviews actions that can expand rural opportunities in Wisconsin, including best practice examples (from Wisconsin and across the U.S.) for each of the main challenges discussed in Section I. As an action agenda, these strategies form the foundation for a roadmap that will yield positive results.

STRATEGY #1: Prioritize Talent Attraction, Retention and Training

Employers consistently report that finding enough employees with the right skills is their greatest challenge. The COVID-19 impacts on remote work and living preferences creates a new opportunity for an aggressive effort to attract and retain more talent. Better workforce training continues to be a top priority.

Retention

The best talent and population strategy is to retain young people from small cities, towns and rural areas. Businesses are extending **career awareness** efforts from high schools into middle schools, and even earlier. They are getting more directly involved in high school classrooms to identify, target and "sponsor" young people with work experience and scholarships to technical or four-year college. By developing deeper roots early, some portion will see local opportunity and stay.

Attraction

The consensus is that people who move to Wisconsin will stay here. Attraction efforts should be focused on states in the upper Midwest, and especially those areas that are struggling economically. The best strategy is to market quality of life positives such as natural beauty, outdoor recreation, affordability, safety and being a good place to raise a family. Research by the **Visions Northwest** regional economic development group (Spooner, WI) indicates that young people in Wisconsin rate these community attributes highest: outdoor recreation, lower housing costs, safe neighborhoods, good schools and a short commute.[28]

A related effort is a **"bring them back"** strategy to target Wisconsin natives at the stage in life when they are most likely to return to small town Wisconsin. These are 30 to 35-year-olds, raising families in nearby metro areas such as Chicago and Minneapolis. One common way to reach this demographic is assistance with student loan debt.

Immigration needs be addressed at the national level and encouraged at the state and regional levels. Immigrant labor historically has been important for industries such as agriculture and manufacturing. Data supports the contention that immigrants are connected with strong economic performance in rural areas.

Training

Educational offerings oriented along career paths can spur individual, community and business success. Across America, regions and states are innovating in education, training programs and career awareness to address goals such as:

- ✓ Attracting young families to move to and stay in smaller cities and towns;
- ✓ Increasing awareness of in-region careers among students, parents, teachers and administrators;
- ✓ Increasing the workplace readiness of young people and adult workers;
- ✓ Improving customized training to help businesses succeed.

IDEAS THAT WORK

The **Simulated Workplace** program transforms Career and Technical Education (CTE) classrooms in West Virginia high schools into authentic workplace environments. The initiative, less than a decade old, has helped the state to lead the way in "transforming vocational education." In 2016, 37 percent of seniors in the state completed a CTE program, up from 18 percent in 2010.[29]

Arkansas has expanded its **College and Career Coach** program. The program supports students from the 7th to 12th grade, and incorporates new metrics such as work-based learning and credential attainment. Coaches help with career planning and arranging workplace experiences. Alabama has also developed a system of 93 **regional career coaches** serving 366 schools. Their duties include producing workforce demand reports for use in high school CTE programs, and providing employability skills training.

STRATEGY #2: Aggressively Expand Private Rural Broadband Using All Technologies

There appears is no single technology solution for extending broadband internet to all rural areas. A mix of buried fiber, cable, wireless, satellites, Whitespace and 5G technologies are likely needed to address the needs that have been accentuated by the COVID-19 pandemic.

The FCC's **Universal Service Fund** is a major source of funds for expanding telecommunications. In 2019, Wisconsin received more than $160 million through the Universal Service Fund's **Alternative Connect America Cost Model (A-CAM)**, which helps small carriers extend service. The A-CAM funding will help improve service in 20 counties over a 10-year period.[30] Early in 2020, the FCC unveiled its new **Rural Digital Opportunity Fund (RDOF)**, providing $20 billion for telecom companies to compete for service extension projects. The first RDOF auction was scheduled for October 2020.[31]

USDA Rural Development has been increasing broadband loan and grant programs. In the fall of 2019, a rural Wisconsin telecom provider received $8 million in loans for fiber upgrades in two small communities. The Wisconsin Broadband Office's goal is for all citizens to have internet access by 2025. **Grants from the Public Service Commission** to extend broadband infrastructure in underserved areas have increased in each two-year state budget in recent years, funding 132 grants in 66 of the 72 counties. The current state budget allocates $48 million to this grant program.

STRATEGY #3: Support Rural Legacy Industries

Legacy sectors such as agriculture, forestry and manufacturing remain important to rural Wisconsin's economy, but each faces major challenges. For instance, Wisconsin is among the strongest manufacturing states, but as a share of total employment, the sector has dropped from 28 percent of all Wisconsin jobs in 1970 to 17 percent in 2019. That does not bode well for rural communities that are highly dependent on just a few employers for a large portion of local employment.

Adopt Tax and Regulatory Policies That Support Businesses

Rural Wisconsin businesses are competing with similar businesses across the country and around the world. The tax and regulatory environment impacts business viability. Keeping tax burden low and regulations simple and predictable improves a company's ability to operate in rural communities. State and local policy makers must keep the impact on legacy industries in mind as they consider tax policies and new regulatory schemes.

Improve Manufacturing Workforce Training

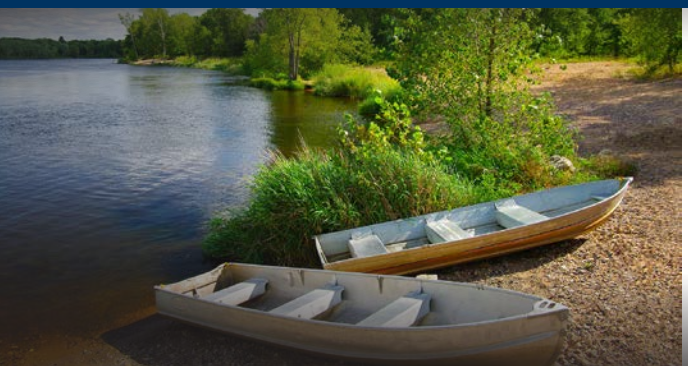
Finding enough manufacturing workers is a challenge for many rural companies. The state has recognized this need and has responded with workforce development programs such as the Fast Forward grant program and increased investments in apprenticeship. Those efforts must continue and be improved upon going forward to make sure employers are able to fill the jobs they have available, now and in the future.

IDEAS THAT WORK

The FAME (Federation for Advanced Manufacturing Education) program was started in Kentucky by Toyota in 2010. It has expanded with assistance from the National Association of Manufacturers and the Manufacturing Institute, and now operates in 13 states with 400 partner companies. FAME is a two-year training program leading to an Advanced Manufacturing Technician (AMT) degree. FAME operates in manufacturing-heavy Indiana and Ohio, but not in Wisconsin. The Manufacturing Institute plans to expand the program nationwide and worked with WMC Foundation in early 2020 to begin outreach with employers in Wisconsin.[32]

South Carolina launched the **ManufirstSC** program in 2018 to allow adults without manufacturing work experience to earn a basic skills certificate. The 62-hour ManufirstSC program had about 1,000 completions in its first year, and over 100 firms recognize the certificate. The curriculum was based on training initially developed for Volvo Car USA and addresses a need particularly for "rural residents who had limited access to manufacturing jobs."[33]

Conexus Indiana is a non-profit created in 2007 with business, government and foundation partners. Conexus' talent programs include **Catapult Indiana** to teach adults the basic work skills needed for manufacturing jobs. The 4-week, 160-hour work-and-learn program has had more than 3,000 completers, and is offered in small towns such as Greensburg (population 12,000).[34] Corporate backers of Conexus Indiana include Fifth Third Bank and Browning/Duke Realty, and it receives significant funding from the Lilly Endowment.



STRATEGY #4: Encourage New Housing in Small Towns

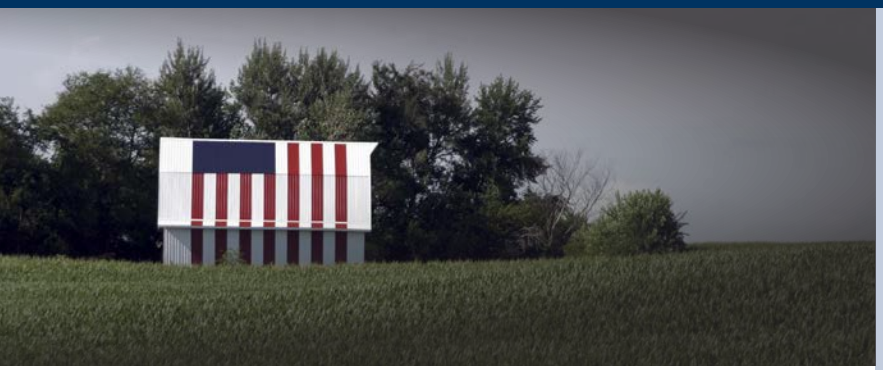
The lack of housing choices can be a real deterrent in individual and family location decisions. Small cities, towns and employers are looking for ways to spur anything new in the housing market: new apartments, new single-family homes and young buyers to purchase them.

IDEAS THAT WORK

Duluth Minnesota's aging housing stock was a deterrent to new growth. The city made zoning changes recently to allow narrower homes with smaller setbacks. It hopes that these changes, along with free land, might "create a model that works" for infill development. In April 2020, the initial round of free land awards was announced, with 10 different projects to create 30 new housing units. The average cost of the new units is estimated at $142,000.

Grant County in central Indiana is located between Indianapolis and Fort Wayne. Grant has adopted two programs to attract new residents. Since 2012, the **Grant For Grads** initiative has helped about 60 college graduates to buy or rent within the county. It provides home buyers up to $5,000 for down payment or closing costs, and renters a 20 percent rent reduction up to a total of $2,500. Grant County also offers the **Grant's Got Talent** relocation assistance program for people accepting a job within the county. It provides up to $7,500 in down payment assistance for college graduates taking a full-time job in one of three targeted fields and moving into the community.

In Reeseville, WI, Specialty Cheese Company helps employees **build the credit history** they need to get approved to purchase a home by giving them small loans they can repay.



STRATEGY #5:
Strengthen Affordable Rural Healthcare

For the past 30 years, researchers have been writing about the series of factors that have converged to challenge rural health services. Competition for medical professionals from better-financed urban providers and slow or negative patient growth have combined to create a challenge across much of rural America. Wisconsin has seen fewer rural facility closures than most states, but still faces rural healthcare challenges.

Containing Healthcare Costs

The overall cost of healthcare continues to rise at an unsustainable rate and is a top concern for business. Cost containment while maintaining quality is an absolute necessity. Especially for workplace injuries, the cost of which fall entirely to employers or their insurance carriers, Wisconsin does not provide the same cost containment measures that most other states allow. Ideas like a medical fee schedule and allowing employers some level of control over where workers receive care has allowed employers and insurance companies in most other states to keep costs down while providing high quality of care to their workers. Wisconsin does not allow such practical measures.

Attract and Retain Healthcare Professionals

Getting medical professionals – especially younger ones – to come to and stay in rural areas is a particular challenge. This includes doctors, physician assistants, nurse practitioners, nurses and other health care professionals. At the very least, it requires the same place-making needed to attract anyone. Places that cannot attract medical professionals will have a harder time appealing to other families, all of whom want quality healthcare nearby.

IDEAS THAT WORK

Greatly increasing **telehealth services** can be a cost-effective way to provide quality care. In Wisconsin, the Marshfield Clinic health system has seen tremendous expansion of telehealth appointments – from a total of 12,500 in 2019 to 60,000 during a 10-week period in 2020 alone. At the start of 2020, in-home telehealth care was not reimbursed by Medicare, but the CARES Act allowed provider reimbursements and an executive order by President Trump made this permanent.

Most states have at least one incentive program aimed at increasing the number of doctors and other medical staff in rural and other hard-to-serve areas. However, uneven funding means that many programs are inactive in any given year. The most common effort is to entice foreign physicians to make a three-year commitment in a rural area through a J-1 Visa waiver program. But numerous states have additional incentives: The University of Wisconsin's School of Medicine offers a rural track program, the **Wisconsin Academy for Rural Medicine (WARM)**. WARM accepts students from Wisconsin and four neighboring states, and 91 percent of WARM graduates practice within the state. Small scholarships and loan repayment programs are available.[35]

Oregon's Rural Practitioner Tax Credit Program offers personal income tax credits for doctors, nurses, optometrists and others – even volunteer EMS personnel are eligible. Oregon also **subsidizes medical malpractice insurance premiums** for doctors and nurse practitioners working in rural parts of the state.

Through the **West Virginia Rural Health Service Program**, third and fourth-year medical students at one of the state's medical schools can receive up to $25,000 in scholarship money in exchange for agreeing to practice in a rural part of the state for at least two years after completing residency.[36]

CONCLUSIONS

Wisconsin has numerous challenges when it comes to the rural portions of the state. The examples of initiatives and key opportunities in the five critical areas detailed in this report illustrate proven ways to address the daunting challenges faced by rural Wisconsin. The good thing is there is not a shortage of good ideas.

These ideas can help rebuild the workforce in small towns across the state, expand high-speed internet access, revitalize legacy industries like manufacturing and agriculture, expand housing availability and variety, and help ensure employers and employees have access to affordable healthcare options.

The biggest hurdle might be the lack of a concerted focus on rural economic development, and a long-term dedication to implementing needed changes. But that can also change. The Future Wisconsin Project was launched to bring all stakeholders to the table to solve long-term economic challenges.

With this report serving as a blueprint, policymakers and the business community can begin executing on proven strategies that have worked in other states to expand opportunity and prosperity in rural Wisconsin.

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A STRATEGIC PLAN TO EXPAND RURAL OPPORTUNITY

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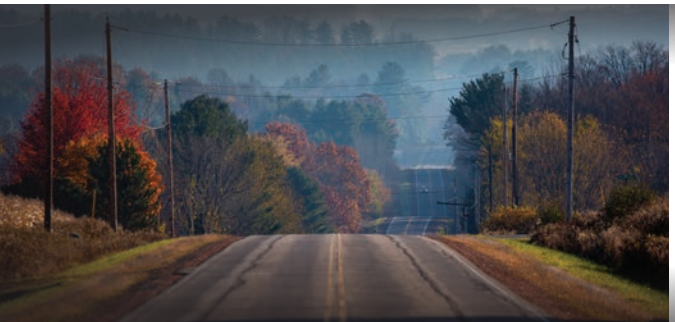
501 East Washington Avenue, Madison, WI 53703 | 608.258.3400 | www.wmc.org | WisconsinMC | WMC501 | @WisconsinMC