

A GROWING MINNESOTA

Our Changing Rural Economy



FACTS FOR THE FUTURE

What do Minnesotans do for a living? What employment opportunities are there in various areas? What effect will future farming trends have on rural areas? What can you do to improve the future of your community?

Although Minnesota's history spans at least three centuries, the actual transition from wilderness to thriving economy has been crowded into little more than 100 years. Today, over three million people are involved in the varied activities of our modern industrial state, while only a short century ago fewer than 6,000 people were faced with the task of wrestling this land from a vast wilderness.

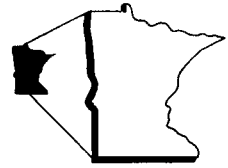
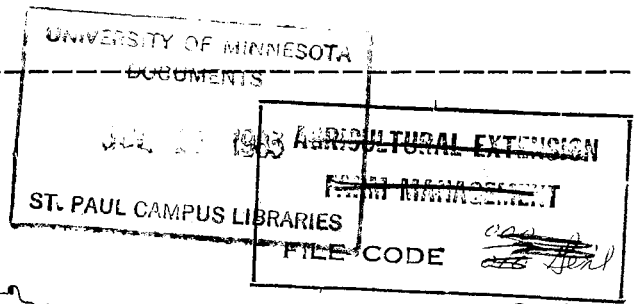
Because so much has happened in so little time, it is little wonder that the people of rural Minnesota often ask, "well, what next?" In answer, it appears certain that the changes of the next 20, 50, or 100 years will be even more spectacular and occur at an even faster rate.

Facing such a challenge, some tend to take a fatalistic attitude of "whatever will be, will be." To keep us from becoming resigned to this, we should recognize that individuals and communities as well as states can create or alter the course of change, as well as merely make adjustments to it.

Therefore, as an informed and concerned public we should seek answers to three questions regarding our future course and direction. These questions are:

- (1) Where are we?; (2) Where do we want to go?; and
- (3) How do we get there?

Where are we? In this discussion we are primarily concerned with this question. We will try to answer it by first briefly reviewing the history of Minnesota's economy. We shall then describe Minnesota's economy today focusing particularly on the nature and extent of economic and social problems in various areas of the state. Finally, we'll challenge you to examine where your community and area is today in relation to the changing economy of the state.



Minnesota's Economy Through the Years

The story of how the wilderness became a modern, industrialized state logically begins at the close of the Civil War. The frontier was rapidly settled and developed. This tremendous surge in growth had an important impact upon the life and conditions of the area and the era.

THE ERA OF RAPID EXPANSION

Several interacting factors helped this rapid settlement. Included were the availability of vast areas to be settled, the building of a statewide network of railways, and the continuous inflow of people. Our population climbed from 250,000 in 1865 to 1,300,000 by 1890.

A second important factor was the development of modern industry with its problems and implications. From the modest beginnings of the pioneer age evolved a vast business expansion. A flour industry rapidly developed. Lumbering came into its golden age. Manufacturing interests were widened. Iron deposits were found. Labor was organized. The Twin Cities rapidly became the center for a wide-stretching metropolitan area.

With this rapid expansion of agriculture and other industries came the need for towns. The sites for many towns were arbitrarily selected by railroad officials for the water and fuel requirements of the steam engine. Some communities were built near certain natural resources—lumber, mining, and, of course, water power. Other communities were formed to more adequately meet the social and economic needs of people forced to settle away from the main transportation arteries.

THE 20TH CENTURY DAWNS

The years since 1900 have ushered in even greater changes which have had a marked effect upon our economy. It is important to recognize that while the

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economy continued to expand, the nature and extent of the impact of this change varied tremendously by industry and by area. It proved to be extremely kind to some individuals and to some communities and harsh to others.

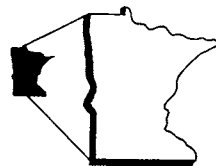
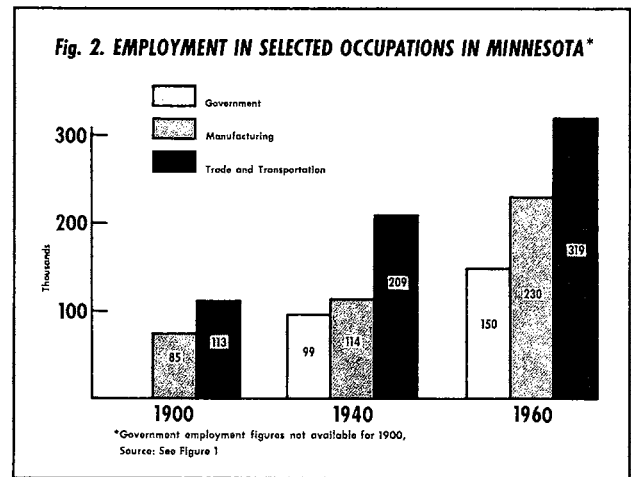
The overwhelming change that has occurred in Minnesota since 1900 has been the shift from a predominantly agriculturally oriented economy to the present highly complex, balanced, and diverse economy. The changes that have occurred since 1900 in what Minnesotans do for a living and where they live emphasize the impact of this change.

Minnesota's employed labor force has nearly doubled since 1900. (See figures 1 and 2.) During this period the number employed in agriculture increased to a peak of about 380,000 in 1940, and has since declined to about the levels of 1900. Nonagricultural employment has increased by about two and one half times. The number in manufacturing is nearly equal to farming and in the trade-transportation complex, exceeds agriculture. The expanded size and increased complexity of our society has also increased greatly the number employed by government.

This shift of emphasis from agricultural to nonagricultural occupations has also affected where our people live. (See figure 3.)

While Minnesota's total population has nearly doubled since 1900, rural population has increased only 16 percent. In fact, it dropped from 1940 to 1960 and is now about equal to 1920. Urban population has increased to nearly 250 percent of 1900. Since 1940 Minnesota's population is located predominantly in urban centers, centers with populations of over 2,500 persons. This completely reverses the population-location picture of the early 1900's and earlier.

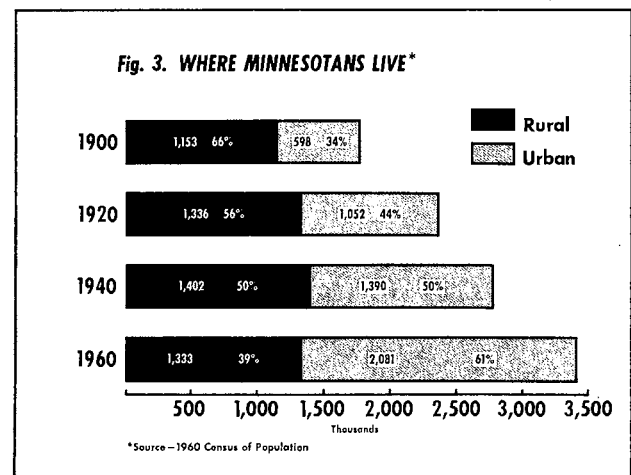
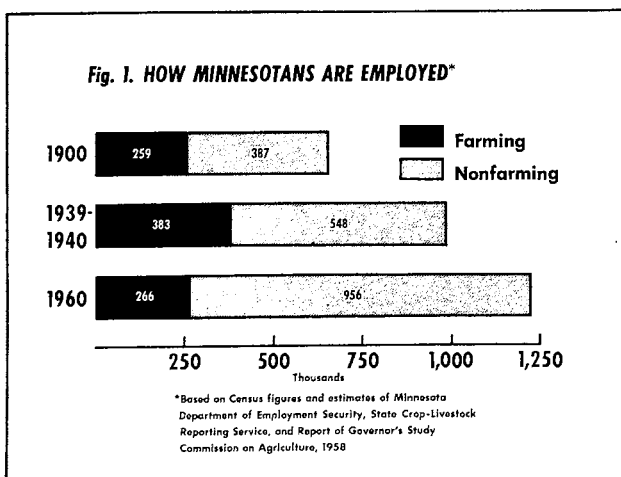
These marked changes in employment and place of residence have made it possible for Minnesotans to better meet the changing needs of an expanding national population with a continually rising standard of living.

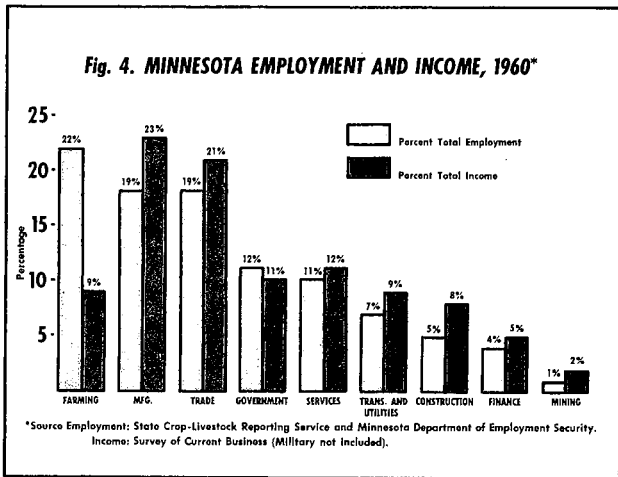


Minnesota's Economy Today

The marked shift from a rural to urban economy for Minnesota has brought considerable balance and stability to Minnesota's economic stature. Figure 4 shows the percentage of employment and income by different groups.

Unlike some other states, economic activity in Minnesota does not depend upon a single industry or line of economic activity. Minnesota employment is diverse, with large groups in trade and manufacturing as well as in agriculture. This diversity gives greater relative stability to the general level of employment than might otherwise be the case. As a consequence, Minnesota may experience neither the extreme levels of "boom" in economic activity nor deep depressions





that more specialized economies may undergo. However, this stability, coupled with the relatively greater importance of agriculture (with its normally lower incomes), has left Minnesota with per capita incomes slightly below the average for the United States.

MAJOR ECONOMIC AREAS OF MINNESOTA

This balance and stability does not apply to all areas of the state, however. Actually, the state exhibits a high degree of economic specialization when it is viewed geographically. To illustrate, we can single out three broad economic areas or complexes (see figure 5). Manufacturing, trade, and financial services are highly concentrated in the Twin City-southeast Minnesota complex, with agriculture adding considerably to the relative balance of the economy of this area. The northeast focuses its economic activity on iron ore, timber, and tourism with some manufacturing and a limited amount of agriculture. The remaining areas are primarily rural with agriculture predominating.

Let us now make a brief study of the economy of each of these areas, centering our attention on the nature and extent of the various problems that appear to exist in each.

THE TWIN CITY - SOUTHEAST COMPLEX

The Twin City-southeast Minnesota complex (economic areas B, 6, and 7), tends to dominate the whole economic structure of the state, especially in the non-farm sector. (See figure 6.) For example, the Twin Cities area (area B) contains 42 percent of the state's population and provides 60 percent of the manufacturing jobs (table 1). The population of this area has expanded much faster than for the state as a whole, suggesting that many people have moved to this city area.

Table 1. Important characteristics of economy of Twin City-southeast Minnesota complex

	Population*	Number of farms†		Production workers in manufacturing‡	
	1960	Percent change since 1940	1959	Change since 1940	Change since 1939
State total	3,413,864	+22	145,662	-51,689	149,563 +69,810
Metropolitan (B)	1,429,598	+52	4,745	-4,351	89,591 +40,314
Percent of state	42	...	3	...	60 58
Economic area 6	483,054	+24	28,502	-5,868	19,366 +11,018
Economic area 7	274,177	+14	20,227	-3,199	12,146 +5,174
Total (B, 6, 7)	2,186,829	+39	53,474	-13,418	121,103 +56,506
Percent of state	64	...	37	26	81 81

*U.S. Census of Population 1960.

†U.S. Census of Agriculture.

‡Census of Manufacturers.

When economic areas 6 and 7 are added to form the Twin City-southeast Minnesota complex, we find that 64 percent of the state's people live within this area. In terms of basic industry, this area encompasses 37 percent of the farms of the state and provides 81 per-

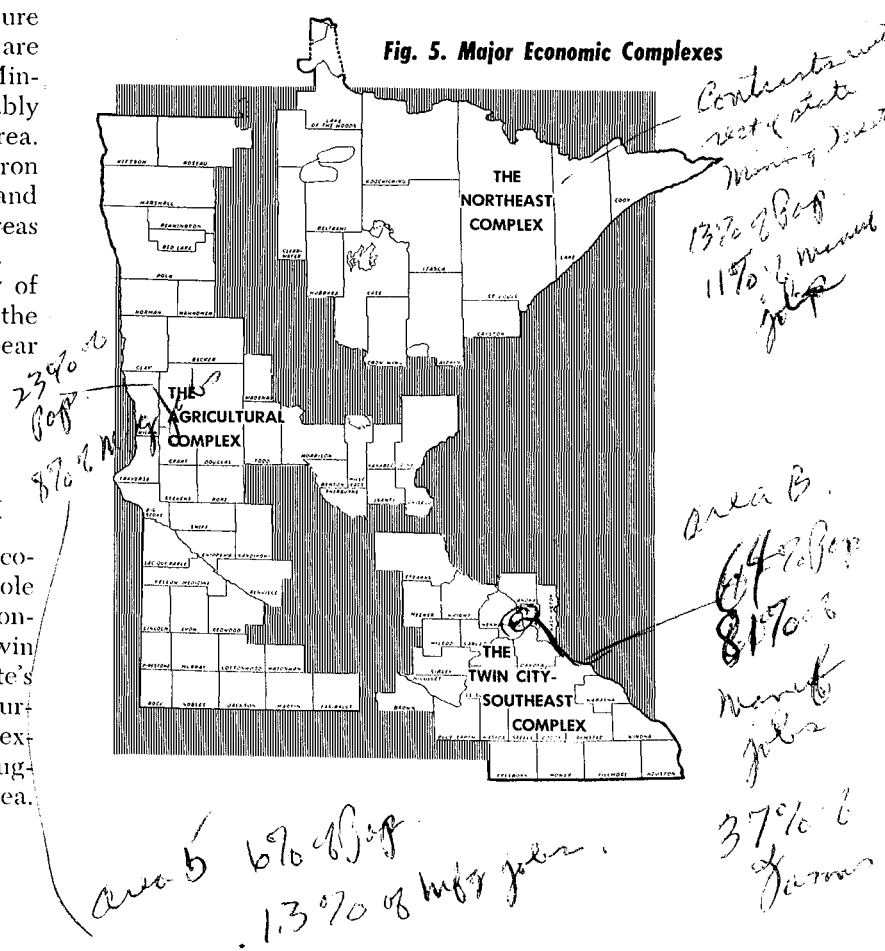
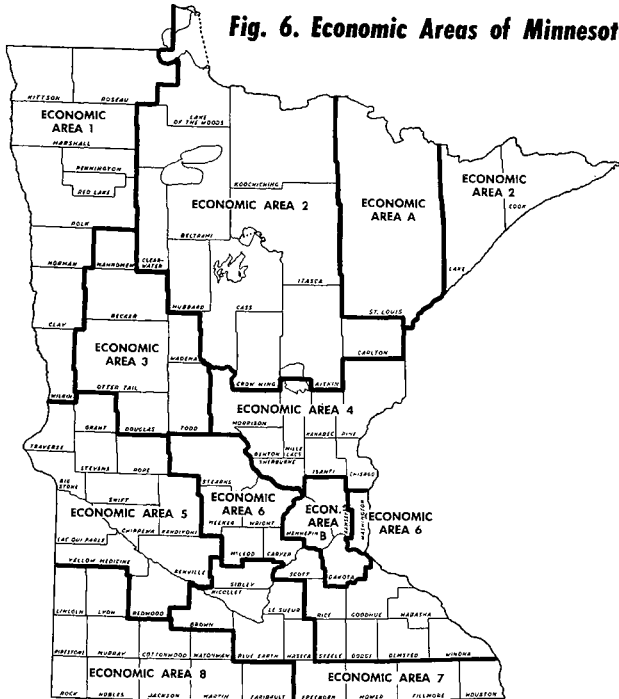


Fig. 6. Economic Areas of Minnesota



cent of the production worker employment opportunities in manufacturing. In this connection, let's make two observations: First, in all areas of this complex, the increased job opportunities in manufacturing far exceeded the reduced number of farms between 1940 and 1960. This would suggest that the general pull of industry for the use of possible underemployed or underpaid farm laborers has been quite strong in the area during this period.

Table 2. Important characteristics of the economy of northeast Minnesota

	Population		Number of farms		Production workers in manufacturing	
	1960	Percent change since 1940	1959	Change since 1940	1958	Change since 1939
State total	3,413,864	+22	145,662	-51,689	149,563	+69,810
St. Louis County (area A)	231,588	+12	2,153	- 5,779	7,657	+ 3,077
Percent of state	7	.....	1	11	5	4
Economic area 2	208,778	+ 1	10,131	-12,032	8,082	+ 2,581
Total A and 2	440,366	+ 6	12,284	-17,811	15,739	+ 5,658
Percent of state	13	.....	8	-35	11	8

Source: See table 1.

Second, even in the face of this "pull," the actual reduction in numbers of farms in this area (20 percent) was less than for the state as a whole (26 percent). This means that the area has a relatively strong agriculture. Further evidence of this is the fact that with 37 percent of the farms the area provided 40 percent of the total value of all farm products sold in 1959.

Thus, we see that this Twin City-southeast Minnesota complex area does represent a rapidly growing, highly diverse economy, based upon a strong agriculture and a strong industrial sector. It is also an area that tends to more than adequately meet its population's needs for goods and services.

With 64 percent of the state's population, this area transacted 67 percent of the state's retail trade and 83 percent of its wholesale trade and provided 79 percent of its selected services in 1958.

THE NORTHEAST COMPLEX

The economy of the northeast area (economic areas A and 2) contrasts sharply with the rest of the state. The reason for this is that it focuses upon several unique endeavors such as iron ore, timber, and tourism. These are combined with some highly localized manufacturing and a widespread, yet limited agriculture.

Looking first to population characteristics, 13 percent of the state's people live in the area. This total is about equally divided between St. Louis County (primarily Duluth) and the rest of the area (table 2). The area has grown slowly in population compared to the average for the state. Many people are moving out of the area or to other parts of the area. The latter aggravates the problem even more for some (six counties lost population since 1940) and lessens the impact on others.

This tendency toward out-migration strongly suggests that employment opportunities were too limited to meet the needs of an expanding population. The problem of inadequate employment opportunities has been aggravated by the sharp drop in the number of farms in the area—more than 50 percent decline since 1940. The increased competition within the nation's agriculture has put considerable economic pressure upon the area's agriculture. Further adjustments are needed. In 1959, the area still had 8 percent of the state's farms but produced only 3 percent of the state's sales of farm products.

Employment opportunities in manufacturing have been expanding in the area. Note the increase of over 5,658 productions workers (table 2). This increase was not as rapid as the decline in number of farms nor was it distributed equally over the area. For example, business establishments in St. Louis and Carlton Counties employ 68 percent of the people engaged in manufacturing in the area. Seventy-eight percent of the increase in job opportunities for the area also occurred

POPULATION AND EMPLOYMENT CHARACTERISTICS - SOUTHEAST MINNESOTA 1940-1960

James L. App Kenneth H. Thomas B. G. Crewdson, Ass't. Wayne C. Wiseman, Ass't.
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	ALL FARMS			COMMERCIAL FARMS			PT.-TIME FARMERS	EMPLOYEES IN MANUFACTURING		
	1940	1959	Actual Change 1940-59	1954	1959	Actual Change 1954-59	1959	Wage Earners 1939	Production Workers 1958	Actual Change 1939-58
Blue Earth	3,046	2,503	-543	2,679	2,273	-406	270	536	1,748	+1,212
Brown	2,073	1,914	-159	1,982	1,811	-171	125	713	1,290	+577
Dodge	1,796	1,568	-228	1,697	1,412	-285	284	67	83	+16
Faribault	2,525	2,211	-314	2,265	2,003	-262	163	452	707	+255
Fillmore	3,169	2,653	-516	2,535	2,386	-149	365	139	216	+77
Freeborn	3,069	2,662	-407	2,823	2,415	-408	422	1,249	2,443	+1,194
Goodhue	3,037	2,475	-562	2,437	2,169	-268	403	1,362	1,809	+447
Houston	1,845	1,480	-365	1,495	1,304	-191	180	37	252	+215
LeSueur	2,125	1,794	-331	1,788	1,582	-206	263	780	750	-30
Martin	2,557	2,244	-313	2,463	2,147	-316	172	664	1,013	+349
Mower	2,574	2,293	-281	2,289	2,091	-198	411	3,116	4,057	+941
Nicollet	1,496	1,395	-101	1,423	1,360	-63	133	109	249	+140
Olmsted	2,453	2,038	-415	2,004	1,680	-324	385	385	2,118	+1,773
Rice	2,388	2,020	-368	1,992	1,724	-268	354	760	1,248	+488
Steele	1,970	1,715	-255	1,690	1,602	-88	223	381	1,432	+1,051
Wabasha	1,696	1,408	-288	1,513	1,298	-215	163	255	593	+338
Waseca	1,703	1,513	-190	1,510	1,401	-109	176	138	946	+808
Watonwan	1,468	1,345	-123	1,372	1,256	-116	97	114	657	+543
Winona	<u>2,089</u>	<u>1,628</u>	<u>-461</u>	1,618	1,455	<u>-163</u>	<u>244</u>	1,266	2,873	<u>+1,607</u>
	43,079	36,859	-6,220			-4,206	4,833			+12,001

AGRICULTURAL EXTENSION SERVICE
UNIVERSITY OF MINNESOTA -- U. S. DEPARTMENT OF AGRICULTURE
INSTITUTE OF AGRICULTURE ST. PAUL 1, MINNESOTA

TOTAL NON-FARM WORKERS*			TOTAL POPULATION			PERCENT RURAL	PERCENT OF TOTAL POP. IN EACH AGE GROUP - 1960			
1940	1960	Actual Change 1940-60	1940	1960	Percent Change 1940-60	1960	14 and Under	20-34	50 and Over	
Blue Earth	7,538	13,054	+5,516	36,203	44,385	+22.6	46.4	30	19	24
Brown	4,735	7,065	+2,330	25,554	27,676	+8.3	37.5	33	16	27
Dodge	1,466	3,069	+1,603	12,931	13,259	+2.5	100.0	34	15	26
Faribault	3,425	5,091	+1,666	23,941	23,685	-1.1	70.0	33	15	27
Fillmore	3,466	4,979	+1,513	25,830	23,768	-8.0	88.9	32	14	29
Freeborn	6,260	10,153	+3,893	31,780	37,891	+19.2	54.8	34	17	24
Goodhue	6,237	8,950	+2,713	31,564	33,035	+4.7	68.1	31	14	30
Houston	1,950	3,544	+1,594	14,735	16,588	+12.6	68.7	35	15	27
LeSueur	2,998	4,568	+1,570	19,227	19,906	+3.5	78.8	32	15	29
Martin	4,209	6,701	+2,492	24,656	26,986	+9.4	63.9	33	16	26
Mower	9,006	13,892	+4,886	36,113	48,498	+34.3	42.5	36	16	22
Nicollet	3,076	5,711	+2,635	18,282	23,196	+26.9	37.9	30	18	27
Olmsted	12,390	23,198	+10,808	42,658	65,532	+53.6	37.9	33	21	22
Rice	5,907	10,757	+4,850	32,160	38,988	+21.2	34.3	29	18	20
Steele	3,809	7,322	+3,513	19,749	25,029	+26.7	46.4	33	17	24
Wabasha	2,533	4,101	+1,568	17,653	17,007	-3.6	64.8	33	14	29
Waseca	2,125	3,979	+1,854	15,186	16,041	+5.6	63.2	33	15	27
Watsonwan	2,134	3,426	+1,292	13,902	14,460	+4.0	71.1	33	15	27
Winona	8,682	12,599	+3,917	37,795	40,937	+8.3	39.2	30	17	27
	91,946	152,159	+60,213	479,909	556,867	+16.0	53.2			

*Total labor force minus agriculture

Source: Minnesota Census of Population - 1940 and 1960, U. S. Census of Agriculture - 1940, 1954, and 1959.
U. S. Census of Manufacturing, 1959.

in these two counties. Koochiching County accounts for another 12 percent of the manufacturing job opportunities of the area.

Thus 80 percent of the manufacturing job opportunities of the area are concentrated in three counties, and about 83 percent of the new employment opportunities in the past 20 years have occurred in these same counties. These trends have serious meaning for communities not located near these points of concentration.

About 12 to 15,000 persons are employed in mining in this area. In the past the Mesabi range alone has supplied over half of the ore produced in the U.S. However, important technical and economic problems cloud the future of this industry in the area.

The other major industry of the area, the tourist business, produces an annual income about equal to the value of farm products in the area. The long-run future of the tourist industry looks promising with the growing recreational needs of our society. In its present state, this industry is not developed in this area and has serious limitations for expansion. It lacks modern accommodations, adequate promotion, available capital for improvement, and facilities and activities to lengthen the present season of operation.

THE AGRICULTURAL COMPLEX

The remaining five economic areas (areas 1, 3, 4, 5, and 8) make up the primarily rural, agriculturally oriented segments of the Minnesota economy. Twenty-three percent of the state's population resides in these areas. With the exception of one area (area 8) the population has declined slightly, while the state's overall population has increased by about one-fourth (table 3). Thus, a sizable out-migration has occurred in these areas.

Table 3. Important characteristics of the agricultural complex

	Population		Number of farms		Production workers in manufacturing	
	1960	Percent change since 1940	1959	Change since 1940	1958	Change since 1939
State	3,413,864	+22	145,662	-51,689	149,563	+69,810
Economic area 1	150,222	- 2	13,824	- 5,043	1,606	+ 898
Economic area 3	135,891	- 8	14,253	- 5,121	1,858	+ 1,070
Economic area 4	124,309	- 2	12,393	- 5,335	2,462	+ 1,442
Economic area 5	183,566	- 4	20,208	- 2,936	2,262	+ 1,569
Economic area 8	192,681	+ 2	19,326	- 2,025	4,533	+ 2,667
Total	786,669	- 3	79,904	-20,460	12,721	+ 7,646
Percent of state	23	.....	55	40	8	11.

Source: See table 1.

Table 4. Selected characteristics of agriculture in five major economic areas

Economic area	Type of farm ^a					Percent of commercial farms with sales below \$10,000 ^a	Percent labor utilization all farms [†]
	Crop	Dairy	Live-stock	General	Other		
	percent of total						
State	20	30	19	12	19	68	58
1	43	15	9	2	31	68	52
3	6	49	14	7	24	85	55
4	4	53	11	3	29	88	54
5	39	11	24	16	10	66	63
8	29	7	44	16	7	52	71

^aU. S. Census of Agriculture, 1959.

[†]Upper Midwest Economic Study.

Agriculturally, these five economic areas contain 55 percent of the state's farms and produced 57 percent of the state's agricultural sales in 1959. While the number of farms has declined, the rate is slower, on the average, than the rest of the state (21 percent as contrasted to 26 percent for the state).

This rate of decline and the nature and productivity of the remaining agriculture vary considerably by economic areas within this grouping.

Employment opportunities in manufacturing in the area are limited. Only 8 percent of the state's production workers in manufacturing are employed here. Expansion in manufacturing job opportunities has been small, lagging considerably behind the declining agricultural employment opportunities that have accompanied the reduction in numbers of farms.

Considerable variation exists in the predominant type of farming in this five-area complex of rural Minnesota. Also the extent of the existing income and labor utilization problems varies greatly. For example, area 1, the Red River Valley, is predominantly a field-cropping type of farming area (table 4). Here the rate of labor utilization (percent of total farm labor available that was used during the period), is less than the average of the state. Its income problem is equal to that for the state. That is, in 1959 68 percent of the farms had a value of farm products sold below \$10,000.

In economic areas 3 and 4, dairy farming predominates. These two areas face a very critical low income problem, plus a relatively low rate of labor use for an intensive type of farming (dairy).

Economic areas 5 and 8 concentrate on field crops and livestock other than dairy and poultry. Area 8 has the highest level of labor use, and a correspondingly smaller number of farms with farm sales below \$10,000. Area 5 does not fare as well but still is better than the average for the state in these two factors.

PROSPECTS FOR THE FUTURE

What does the future hold for our rural areas? In answering this, it is well to note that with the excep-

tion of northeastern Minnesota, farming is still the dominant occupation in rural Minnesota. Thus, future trends in farming will influence markedly the future of many areas and communities of our state.

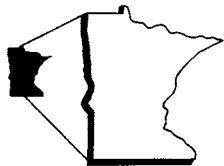
Though farmers have made many adjustments in the past, it is evident that many more are still needed. Our farmers continue to produce more than the market demands. The result is that incomes of farmers continue well below those of nonfarm people. Technology has been out-stripping population growth so that today farm output per year is 6 to 8 percent larger than demand. Most forecasts suggest that this imbalance between supply and demand will plague the industry for years to come unless adjustments are made.

Most people feel that future adjustments should be encouraged along lines that are naturally developing. For example, relatively more capital is now needed than land and labor in farm production. As a result, there is need for an overall reduction in labor in agriculture to achieve a well balanced farm industry. Some estimates suggest that only half of our present agricultural labor force may be needed in the future.

Thus, the U. S. economy and particularly our rural communities will face a major problem in finding employment for labor no longer needed on farms. High rural birth rates will provide additional pressure.

The extreme mobility of our people will provide an additional source of concern as regards the future of our rural areas and especially of our rural communities. As in the past, rural people (particularly youth) will tend to move to the place of better opportunity. This will mean movement from farm to town and from one community, area, or even state to another.

And even those who don't move will continue to shift their purchases of goods and services for their families to other centers. Where once they limited their buying trip to a 5-mile radius, families today and in the future may drive as much as 50 miles for goods, services, recreation, etc. This increased mobility will in turn increase the competition between rural and urban areas, as well as among communities within the rural sector.



You, Your Community, And the Challenge

Past, present, and future changes combined with the increased mobility of people represent a distinct challenge to the relatively immobile community. Today, many communities face the challenge of deciding whether their future is bright or dim; whether they are still growing or are slowly dying.

How about your community? Is it still growing or is it slowly dying? We shall now outline some of the factors you should consider in trying to determine the economic health of your community; the potentials that exist for improvement; and the broad alternatives

that should be considered in deciding on a future course for your community.

Excellent format for Analysis of Com.

WHERE IS OUR COMMUNITY?

Where are we now

To determine the economic health of your community requires an analysis of the present situation, or **where are we now?** The following questions will help guide you in analyzing and discussing your present situation:

- What is the present level of per capita income in our community? In our county? In our area? ←
- How do our income levels compare with other communities and areas? ←
- What has been the trend in per capita incomes? Has it been improving? Is it improving as rapidly as other areas?
- How is the income distributed among members of the community?
- Does existing employment provide good incomes?

(Series PC (1)-25C, "General Social and Economic Characteristics of the 1960 Census of Population," will be released shortly. It will provide a measure of per capita income for counties and towns of 2,500 or more persons.)

Further analysis and discussion of trends in population, agriculture, and industry in your community and area will help you to better understand the forces that have brought about your community's present state of economic health.

- In what occupations are our people employed? ←
- Are all ages represented in our community, or do we have more of the old and very young?
- What has been happening to the numbers in the different age groups in our community and area?
- What has been happening to the number and sizes of farms in our area? ←
- How many farm units have gross incomes below \$10,000? Below \$5,000? ←
- How many people could move off the farm without cutting agricultural production? ←
- What has been happening to the numbers and size of the agricultural industries such as farm supply and marketing firms?
- What is the trend in employment opportunities in nonagriculturally orientated industries in our community and area?

Discussion

*Which of these
do you want to take
future course
in comm. there*

ADJUST TO A DECLINING ECONOMY

- Have there been enough opportunities in our area to offset reduced opportunities in agriculture?
- Are the products produced by the firms in our community and area in strong demand? What is the future of these firms?
- What is the trend in employment of the trade and service activities of our community and area?
- What is the unemployment situation in our community and area?

Having answered the above questions you should now have a fairly good indication as to whether your community is growing, dying, or standing still.

What About Future Growth?

But before you make any tentative decisions regarding a desired future course for your community you should first determine if all the alternative courses are open to you. Particularly, does your community exhibit a potential for future economic growth? Answers to the following questions should help you in sizing up the growth potential for your community.

- What will be the size and quality of our labor force in the next 5 years?
- Can the agriculture in our community or area be profitably expanded or improved?
- Can farm units be intensified and thus provide improved incomes without considerable farm consolidation?
- Does our area provide the conditions desirable for bringing in new industry? What about the attitude of the community, the raw materials, location, and the desirability of our labor supply?
- Is our community attractive to industry and will it remain attractive?
- Does our community have schools and training programs that will help our labor force compete effectively in industry, whether this employment is local or elsewhere?

WHERE DO WE WANT TO GO?

Once you have determined the general direction your community appears to be headed and have surveyed its potential for economic growth, you will next want to establish some broad goals and objectives for a desired future course for your community. To do this you will want to study carefully the three major directions your community could follow. The next two pages give the actions required, the benefits, and the costs for the three alternatives. You may wish to check the alternatives you are willing to support.

*What are the objectives
goals for community*

Actions Required

1. Accept present economic trends in agriculture, industry, and the community which have caused incomes to stabilize and/or decline for the remaining population.
2. Encourage agriculturally allied industries and firms to consolidate their efforts to reduce the costs of operation and pass on benefits of consolidated operations to farmers.
3. Actively encourage young people and the unemployed to leave to reduce the economic costs of training, welfare, and unemployment.
4. Reduce public services, where possible, as economic activity slackens and the labor force moves away.
5. Where possible, combine efforts with other communities to reduce cost of providing health, recreation, roads, power, and hospital and educational services.

Benefits

1. Would not require the same type of social and economic adjustments needed and generally associated with economic growth.
2. Could reduce costs of local government for community public education and services if the trend would bring consolidation with other communities.

Costs

1. Although the total taxes needed for community institutions and public services may be reduced, they may not decrease fast enough to reduce individual taxes for those remaining.
2. The economic loss of educating young people through high school in the public school system generally costs about \$20,000 per student. As these people leave the community, there is an even greater loss—that of future productivity that could help the area grow.
3. A community composed primarily of the very young and the old tends to cause strained social relationships. Community services may suffer as a result of indifferent attitudes between social-economic groups.
4. Agriculture and the related agricultural industries may have difficulty attracting well trained and competent managers into the area.
5. With a decline in population and incomes, the service and trade businesses in the community will have difficulty remaining profitable and thus meeting the economic needs of the people.

Maintain the Present Economy

Action Required

1. Measure the community's educational program on past performance rather than national standards.
2. Accept present and existing economic trends and attempt to maintain the present per capita income levels. For example, if desirable, encourage industrial development to maintain present employment levels, income levels, and income distribution.
3. Maintain present public facilities for health, recreation, roads, water, power, and hospital services.
4. Provide needed educational assistance and credit to agriculture so it can maintain its present status.
5. Encourage many of the young and unemployed to seek training and employment elsewhere.

Benefits

1. Although the cost of public services may rise, the general level of services would remain the same with only a slight rise in taxes.
2. Maintaining the present economy would not require the same social and economic adjustments needed with more rapid growth.
3. Consolidation with neighboring communities for necessary public services would be forestalled.
4. The economic and social institutions and the trade and services businesses located in the area and community would serve a stable population with slightly rising incomes.

Costs

1. The economic and social loss of educating the youth who migrate to other areas.
2. Conflicting views as to what constitutes the "status quo," for population, services, and income could result in severe social relationships among the people.
3. Competition from other progressive areas and communities may make it difficult to attract the industry or industries desired to maintain income levels.
4. Maintaining profitable farm operations may be difficult if the community can not attract competent managers to enter and remain in agriculture because of inadequate community facilities, agricultural credit, and continuous education programs.

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Speed Up Economic Progress

Actions Required

1. Use the taxing authority in the community to attract, service, help build, and expand any industry that will bring in additional well paying jobs and will help train the labor force.
2. Use the taxing and bonding authority to improve public services such as water, power, roads, schools, sanitation, hospitals, and recreational facilities.
3. Train unskilled workers at public expense to develop the potential labor force.
4. Provide credit and management training for efficient commercial farms to encourage enlargement, mechanization, and more profitable operations.
5. Provide funds and leadership to upgrade your community's educational program.

Benefits

1. Higher incomes and employment will generally help increase the quality and quantity of the community public and private services.
2. The growing community can generally attract more desirable industries that give permanent employment and pay higher wages.
3. The community can capitalize on the productivity of the youth after paying for its education.
4. Professional and highly skilled individuals tend to migrate to growing communities, thus furnishing leadership in developing the community.
5. Industry will tend to absorb the underemployed in agriculture in the area. The resultant community, with its expanded economic base and facilities, will attract more competent managers to agriculture.
6. Progressive communities can provide more opportunities for a well rounded life with increased cultural, recreational, and educational facilities.
7. Growing communities generally have a higher proportion of the population with earning capacity and generally can support its growing needs.

Costs

1. Increased public and private services, such as housing, education, and sanitation, will force the general level of local taxes upward.
2. Responsibilities for future planning in zoning, education, roads, and health facilities require greater coordination and effort.
3. Sociological problems associated with integrating those persons moving into the area.

After discussing and analyzing the broad alternative courses of action, you should be in a position to establish your goals and objectives for your community. You will then want to study intensively the various action programs that must be undertaken if you are to achieve your desired objective.

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