ECONOMIC DEVELOPMENT FOR EVERYONE
Creating Jobs, Growing Businesses, and Building Resilience in Low-Income Communities

Mark M. Miller
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How do we create employment, grow businesses, and build greater economic resilience in our low-income communities? How do we create economic development for everyone, everywhere — including rural towns, inner-city neighborhoods, aging suburbs, and regions such as Appalachia, American Indian reservations, the Mexican border, and the Mississippi Delta — and not just in elite communities?

Economic Development for Everyone collects, organizes, and reviews much of the current research available on creating economic development in low-income communities. Part I offers an overview of the harsh realities facing low-income communities in the US today; their many economic and social challenges; debates on whether to try reviving local economies vs. relocating residents; and current trends in economic development that emphasize high-tech industry and high levels of human capital. Part II organizes the sprawling literature of applied economic development research into a practical framework of five dynamic dimensions: empower your residents: begin with basic education; enhance your community: build on existing assets; encourage your entrepreneurs; diversify your economy; and sustain your development.

This book, assembled and presented in a unified framework, will be invaluable for students and new researchers of economic development in low-income communities, offering new perspectives for established researchers, professional economic developers and planners, and public officials. Development practitioners and community leaders will also find new ideas and opportunities, along with a broad view on how the many complex parts of economic development interconnect.

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To my family, my friends, and everyone else who is working to make their community a better, happier, more educated place for all
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INTRODUCTION

How do we create employment, grow businesses, and build greater economic resilience in our nation’s low-income communities? Our low-income communities include rural towns; inner-city neighborhoods; aging suburbs surrounding most major cities today; and broad lagging regions such as American Indian reservations, the Mississippi Delta, Appalachia, and much of the border with Mexico.

Clearly, these places represent a vast diversity in terms of geographic, cultural, and social characteristics. However, they also face many similar challenges with regard to economic development (ED). Many of these communities have lost their traditional manufacturing industries and now struggle to maintain any stable economic base. Meanwhile, the loss of local retail establishments accelerates economic leakage — that is, money escaping from the community — and leaves residents without adequate access to grocery stores and other retail services. Low-income communities are highly dependent on the vicissitudes of federal and state funding for education, public sector jobs, food, housing, and other necessities of civic life. These low-income communities typically suffer from high rates of unemployment, low rates of educational attainment, large numbers of residents with criminal records, inadequate public services, and deteriorating physical infrastructure. Many of these communities have suffered from natural or man-made disasters combined with high levels of poverty, crime, drug abuse, and other social ills.

Many common misconceptions and overgeneralizations are also applied to low-income communities in the US. The populations of low-income communities are often dismissed as unemployed, dependent on public assistance, “takers” in common political discourse; in fact, the numbers of “working poor” are large and are growing larger. Although their populations are typically characterized as minority and otherwise marginalized populations, many low-income communities are predominantly White. Once a problem considered isolated in inner cities and remote rural communities, the fastest-growing low-income populations are now found in the suburbs.
These sorts of struggling communities were once a central focus of regional planning and ED – in theory, at least, and to some extent in practice and in public investment. Today, these communities find themselves, to a large extent, outside the mainstream of modern ED thought, strategy, and action. Like most fields of study, ED has progressed through a series of “waves,” “phases,” “paradigms,” or otherwise dominant and defining models. However, the ED models of yesterday offer little guidance in the environment of today’s struggling low-income communities. There is slim hope today of funding the sorts of massive, comprehensive federal programs that once targeted the lagging communities and larger regions of the US: the Tennessee Valley Authority, the Appalachian Regional Commission, the War on Poverty. To the contrary, much of the attention and best intentions from the federal government have turned away from saving low-income communities and instead have shifted toward programs intended to move people to locations where there may be available jobs: dispersing disadvantaged populations out of low-income, inner city neighborhoods, for example.

On the more private-sector-oriented side of ED, we continue “chasing smoke-stacks,” or trying to attract new factories to our communities, usually with large public incentives. The remaining big prizes in this costly competition, however, such as automotive manufacturing plants, typically locate in the “greenfield” fringes of cities that are already advantaged in many ways. Our enthusiasm for enterprise zones in the 1980s and 1990s faded as we realized that these programs would not provide a low-cost cure-all for troubled regions. More recent strategies for ED – so-called “third wave” strategies that have emerged since the 1980s – emphasize highly skilled or highly educated populations, advanced technologies, ready access to research and development facilities, concentrations of innovative and creative individuals, and entrepreneurial capital: all assets that are characteristically lacking in our low-income communities.

Have we then abandoned all hope, leaving our low-income communities to wither away, their residents faced with no choice but to move or resign themselves to an ever-bleaker economic future? I do not believe that is so. To the contrary, this book documents a wide and exciting range of ideas and practical experiments in ED for low-income communities. At the same time, however, these many and disparate ideas fail to add up to an overall clear and coherent model. At this point in the twenty-first century, there is no dominant paradigm – no clear road forward – for creating ED in struggling low-income communities. Instead, community leaders face an often bewildering number of paths headed in various and sometimes even contradictory directions.

There are three purposes for this book. The first purpose is to collect, document, explain, and review, systematically in a single source, much of the published research on creating ED in low-income communities. As such, this is a book that I hope can provide a solid foundation for the research work of students (especially my own), beginning research professors, and other scholars in the years ahead.

The second purpose of this book is to help organize the sprawling literature of ED for low-income communities into a useful overall framework. I hope that a
more orderly framework can help motivate more scholarly research, as well as help encourage comprehensive thought and theory-building on how our most challenged communities can create ED. As I tell my students, the first step in any scientific endeavor is classification, be it the classification of species in biology, or the types of economic activities in geography. As such, this book proposes a classification scheme, illustrated in Figure I.1, for the many possible strategies for ED in low-income communities, which provides the structure for the chapters of Part II of this book.

The third purpose of this book is to address directly those who are trying to take action on behalf of these struggling communities: ED practitioners, public officials, and other community leaders. This book seeks to provide local leaders with the broadest possible range of ideas and opportunities for serving the needs of their own communities – as well as a “big picture” perspective on how all the different concepts presented here potentially interconnect and reinforce one another.

Notes on style and method

My intention with this book is to present the material in a style that is accessible to students, working ED professionals, public officials, and others with a practical interest in ED. At the same time, I aspire to write a book that is built on a solid foundation of scholarly research, which speaks meaningfully to my academic colleagues.

The scholarly foundation of this book is a review of the best research available on this broad subject: in particular, published research from peer-reviewed journals. The intention is to survey and organize what we really know – or, at least, what we think we really know – on this broad topic. This review of the literature should

![Diagram](image-url)

**FIGURE I.1** Five dynamic dimensions of ED empowerment for all communities
also help graduate students and advanced undergraduate researchers recognize the leading researchers in fields of interest to them, along with some of the most common research methods employed in these fields of study.

The research methodology for this book is a bounded (that is, limited) literature review guided by the standards for a systematic review (Jesson, Matheson, and Lacey 2011). The core of the review consists of a complete survey of the four research journals that I have found to be most clearly focused on applied regional ED in the US: Economic Development Quarterly, Journal of the American Planning Association, Community Development: Journal of the Community Development Society (formerly Journal of the Community Development Society), and Review of Planning Literature. The survey extends back to 1995. I have included many key, earlier articles from these and other journals. However, the overall economic and policy environment has changed enough since 1995 that many of the earlier publications are no longer as relevant to today’s challenges.

Articles in those four core journals led to a “snowball” sample of other, related literature included in this book: mainly articles from other peer-reviewed research journals, as well as books from academic publishers. I also cite several articles from the highly applied, short-lived journal Applied Research in Economic Development. There are many other valuable sources of information and ideas about ED: books for popular audiences, newspapers, websites, case studies, professional journals, the experiential knowledge of practitioners, and so on. This book pays respect to those sources to help illustrate sometimes-dry ED concepts. In general, though, in this book I try to hew closely to concepts that have been verified or debated by professional, scholarly researchers.

This book is inevitably influenced and biased by my own research and applied experience working in low-income communities in the US and abroad. In the US, I have worked mainly in the Southeast and Southwest, especially in my adopted home state of Mississippi. In the Developing World, I have lived, visited, taught in, and conducted ED research throughout Latin America and the Caribbean, especially in Mexico, Guatemala, Cuba, Jamaica, and Belize. I also had the opportunity to conduct research in the arctic Nunavut Territory of Canada.

While this book seeks to be comprehensive in its review of the research literature and topics related to ED in low-income communities, that goal is impossible to achieve in reality. Inevitably, I will have overlooked topics or issues that have a significant impact on ED equity or effectiveness. I will have overlooked or unintendedly omitted important articles, books, and other sources of information. Nearly every one of the many topics mentioned in this book is addressed in greater detail by more authoritative researchers specific to those topics. I purposefully omit or lightly glide over large fields of scholarship that are crucial to ED – including much from political science, public policy, sociology, economics, communications, and even my own home discipline of geography – in the interest of keeping the book as sharply focused as possible on the practical application of ED for low-income communities. And, of course, the book will be obsolete the moment I submit the manuscript for publication, as researchers will continue their work unabated.
Please contact me with any suggestions of relevant or related publications that I have overlooked or otherwise omitted – including your own work – as well as research publications that appear after this book is completed. Routledge has generously agreed to supplement the book with an online topical bibliography, which I plan to expand and update after the book’s publication. I hope I will have the opportunity to incorporate all those sources into an eventual second edition of this book. Please contact me via email at m.m.miller@usm.edu, or via traditional mail at:

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The focus of this book

The focus of this book is a fairly specific territory within the vast literature related to “development.” Above all, the focus of this book is highly applied and oriented toward ED practice, rather than more basic research or theory-building. As the subtitle of the book states, the concern is how we can go about “creating jobs, growing businesses, and building resilience in low-income communities.” The book will not compete with the rich, growing, and more theoretically oriented literature on, for example, the reproduction of spatial inequality in metropolises, growing income inequalities, or theories of human capital. Instead, this book keeps its focus closer to ground level: how we might create a few more jobs in low-income communities, raise incomes for some local residents, bounce back more readily from adversity, and enable people to make more productive contributions to their home communities.

Without question, the typical low-income community has a great many and diverse needs to make progress possible, including housing, healthcare, security, leadership, political transparency, and so on: concerns which are often addressed in the broader context of “community development.” The implicit assumption underlying ED and this book, however, is that the economic factor is one of the most fundamental driving forces (if not the most fundamental driving force) behind a community’s progress. More businesses and better jobs in a community – especially if distributed with some reasonable degree of equity – will not solve all its problems, but some extra income and tax revenue can help a community address a great many immediate and long-term challenges.

The geographic scale of this book emphasizes ED strategies at the regional, local, and even the neighborhood level, rather than large-scale anti-poverty programs at the federal (and, to some extent, state) levels. Exceptions addressed in the book include the local impacts on low-income communities of some federally funded programs, such as Housing and Urban Development’s (HUD) Moving to Opportunity initiative. One practical purpose for this relatively small-scale focus is to emphasize ED programs that are reasonably within the control of local
communities themselves – and so offer some potential for citizens and their representatives to take action on their own behalf.

This book is concerned almost entirely with low-income communities in the US, rather than low-income communities in the Developing World or within other countries in the Developed World. I do draw, however, from some of the research available from elsewhere in the world that may be relevant to the US situation. In turn, I hope that lessons from this book can be considered usefully – if cautiously – in communities beyond US borders.

Organization

This book is organized into two parts. Part I – the context for ED and low-income communities – consists of the first three chapters and is intended to provide a foundation for the more action-oriented Part II. The three chapters of Part I are posed as questions, admittedly bluntly worded, about the status of low-income communities in society, policy, and ED practices today:

- **Chapter 1:** *Who cares? What are the realities facing low-income populations and communities in the US today?* The central thesis, or argument, of Chapter 1 is that all low-income communities are unique, as are the various ethnic, minority, and other populations that constitute those communities. However, most low-income communities share enough in common – in terms of the challenges they face and potential opportunities – that they usefully can share theories, research, and ideas regarding ED. Among the questions addressed in Chapter 1 are: What do we most appropriately call these communities? How do we define them? What are they like? How are the communities and their people similar to one another, and what are their differences? Where are they located?

- **Chapter 2:** *Why bother? Who cares about the future of low-income communities?* In a free-market society, why should we care at all about the economic future of particular low-income communities? Wouldn’t it be more efficient to allow – even encourage – people to move to the places where economies are thriving and jobs are growing? Public policies today often focus on providing low-income people with greater access to jobs outside their home community, or even on relocating them entirely to other communities. This chapter argues that places – geographic communities – do still matter and still hold deep emotional value to the people who live there. Further, those residents may not be fully free to leave for a variety of reasons.

- **Chapter 3:** *What’s the use? What can mainstream economic development do for low-income communities?* Chapter 3 outlines the long history of mainstream ED thought, research, and practice that has evolved and advanced over time. That mainstream has a substantial if imperfect record of attention to the needs of low-income communities. The general focus of ED today, however, has turned toward the more prosperous urban centers, creative and well-educated
populations, industrial clusters, and technology-driven development: of limited use, at best, for addressing ED in low-income communities today.

Part II of this book focuses on potential answers to the problems, or challenges, outlined in Part I. To the extent possible, the chapters of Part II emphasize actions that low-income communities and their advocates can take in order to move themselves forward. Each chapter attempts to survey a particular set of topics in as well-organized a manner as possible, including their complexities and scholarly debates. Those complexities and debates can be invaluable for a young researcher joining in the scholarship of this field, and identifying where they might be able to make their own contribution. Scholarly debates can last for decades, as we dig deeper into the layers of complexity, consider a problem from a different perspective or theory, measure variables in a different way, or consider longer-term impacts. I also find that thoughtful planners, ED professionals, and policymakers can be just as interested in some of these academic debates. Since they spend most of their time deep in the trees of professional practice and politics, they often enjoy an occasional view across the forest.

On the other hand, scholarly debates can also be frustrating, to say the least, for policymakers, planners, politicians, and professional economic developers. “Give me a one-armed economist” will be a common theme throughout the book. To address those frustrations, every chapter in Part II will end with a short, editorial section titled “Takeaway for ED action.” Those “takeaway” sections will attempt to summarize conclusions and especially actions that low-income communities and their representatives can take with reasonable confidence based on the research available to date.

The chapters of Part II are titled with action-oriented, or dynamic, strategies in mind:

- Chapter 4: Empower your residents: begin with basic education
- Chapter 5: Enhance your community: build on your existing assets
- Chapter 6: Encourage your entrepreneurs
- Chapter 7: Diversify your economy
- Chapter 8: Sustain your development

The overall term “ED empowerment” (Figure I.1) is intended to emphasize the importance of local resources and resilience in the face of diminishing resources and attention from federal and state sources. At the same time, the book is not intended to be naïve: locally based approaches are not easy, and there have been decades of failed big ideas that were supposed to cure all the problems of low-income communities. Instead, the multifaceted strategies outlined in Part II emphasize how many different opportunities exist that can potentially make a difference – and on how many fronts communities must address their efforts to make that difference serious, strong, and sustainable. Although all of these interconnected strategies must in some way be addressed simultaneously, we can also recognize priorities among
them. “Empower your residents,” especially through basic education, is intentionally located top and center in Figure I.1: the strategy that should be the top priority for all communities, without which no real, sustainable, equitable ED is possible.

**Emergent themes in ED for low-income communities**

The following are some of the most important themes that emerge throughout the research reviewed in this book:

- **A wealth of exciting research work continues today on the development of low-income communities, along with lively debates on the most appropriate ED policies for those communities.** Debate is a sign of vitality in a scholarly field, not a sign of weakness. Many progressive public officials and ED practitioners are also eager to experiment with new ideas and innovative approaches.

- **There is no such thing as a panacea – a “cure all” – for ED in low-income communities, despite our persistent hopes over the decades, and especially not one that comes on the cheap.** The closest thing to a panacea that we have is education: widely and equitably available for all citizens, from the earliest years of age. High-quality, universally available education is certainly not cheap, and it can take decades or even generations to bear the full fruits of economic and community development. As the Chinese proverb goes, though: “The best time to plant a tree was 20 years ago. The second best time is now.”

- **In the meantime, there are many realistic investments that are within the grasp of low-income communities, which can pay dividends in the near term.** One of the most consistent findings across the research reviewed in this book is the importance of building rich working networks: within your immediate community, across the greater city or region, and with organizations and agencies at the state and national levels. Those networks should include public-private-nonprofit partnerships. Time, trust, and honest dealings are the main investments necessary to turn those networks into productive social capital assets.

- **There are a few “big ideas” in ED at any given time, which tend to dominate our attention along with many other interesting, alternative “small ideas.”** Don’t ignore or overlook either. Currently, Michael Porter’s influential work offers valuable perspectives on the importance of human capital, regional networks, and competitiveness. Richard Florida’s popular theory of “creative communities” highlights the value of our creative individuals and the need to enhance local quality of life factors that can help retain them. Also, though, consider ideas that might distinguish your community from everyone else: the potential offered by local immigrants, for example, or “dark tourism.”

- **Prioritize education.** Sustainable economic development starts with education, and education must begin with quality, affordable preschool and childcare. Priority goes next to providing quality education at the elementary and high school levels, and finally “second chance” job training programs for adults. Respect, support, and encourage your community’s teachers.
Identify your community’s strongest assets for ED. Capitalize on those assets to establish a distinctive identity for your community, both to inspire local residents and attract the attention of potential outside investors. Your community’s existing assets offer the most efficient path to creating ED.

Cultivate your local entrepreneurs. Prioritize existing businesses over industrial recruitment. Nurture the diverse entrepreneurial potentials of local minority groups. Build on your existing base of local industry, but also build on your existing assets to diversify your economic base.

None of the conventional tools of ED – enterprise zones, tax increment financing, microlending programs – are likely to work well in isolation. Instead, those programs must contribute to a larger ED strategy for your community in association with sound, transparent local governance and an overall nurturing entrepreneurial environment.

Sustainability can be a force for creating ED. For too long, low-income communities worked against their environmental interests, tolerating pollution, unsightly development, abandoned buildings, and social inequities in the name of ED. Sustainable development is the new paradigm for ED: work with the natural environment and on behalf of social justice in order to create stronger and more sustainable forms of ED.

ED for low-income communities offers exciting opportunities for new research and practical innovation. Virtually every topic in this book merits more attention and research. Interesting new programs and policies require careful evaluation. Unforeseen new economic, social, and other challenges, along with new and unexpected business opportunities, will transform the ED landscape. New researchers will find a wealth of established scholars cited in this book to provide inspiration and perhaps opportunities for mentoring.

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