



### Key Takeaways

- Long-term rural economic development will require a comprehensive strategy that includes health care, education, broadband access, and attracting new residents. These strategies will also require collaboration and partnerships among different groups.
- The COVID-19 pandemic ignited a renewed demand for outdoor recreation. Many rural communities and employers see this as an opportunity for long-term economic and community development.
- Lack of broadband access, population decline, and labor force shortages create challenges for rural Pennsylvania. These challenges have been exacerbated by the pandemic.
- State and federal governments are making more resources available to rural communities, but many municipalities are still struggling to identify, access, and administer these economic development grants and funds.

The 2021 Rural Policy Summit is a virtual series that brings together a wide range of stakeholders, including policymakers, nonprofit leaders, academic researchers, industry professionals, and others interested in rural, to learn about and discuss major policy issues that will affect rural Pennsylvania over the next 5 to 10 years.

The five topic areas for the series are education, health care, local services, economic development, and agriculture.

This session, which was held December 8 and highlighted here, focused on the work that various organizations are doing with rural communities to help them remain economically and socially vibrant.

The series is being cohosted by the Pennsylvania Office of Rural Health, Pennsylvania Rural Development Council, Pennsylvania Department of Community and Economic Development, Pennsylvania Downtown Center, and Philadelphia Federal Reserve Bank's Community Development and Regional Outreach Department.

Scan QR code for the speakers list, presentation, and session recording.



### Background on the Rural Economy

In 2020, personal per capita income in urban areas was more than \$15,000 higher than in rural areas. Similar gaps exist in the number of employers, per capita Gross Domestic Product, and labor force participation rates.

Employment by industry is relatively consistent across the commonwealth. In both rural and urban Pennsylvania, the dominant industry is health care and social assistance, employing roughly one in five workers.

Over the past 10 years, rural areas have seen a significant increase in older workers and a decrease in the number of small businesses (defined as those with fewer than five employees).

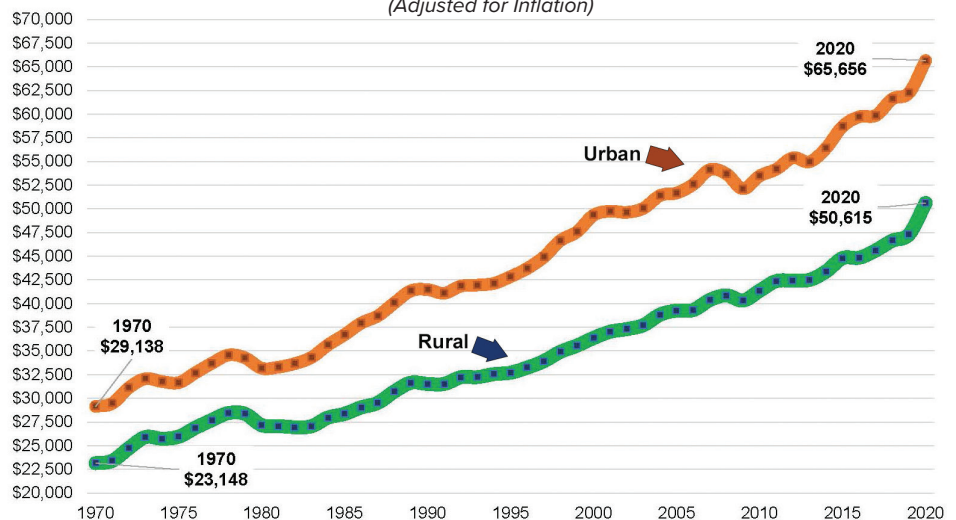
In 2019, travelers to rural Pennsylvania spent \$14.4 billion, making the travel industry a significant economic engine in many communities.

### Discussion Highlights

The COVID-19 pandemic had a mixed impact on rural businesses. After the initial shut-down, there was a significant increase in demand for outdoor recreational opportunities. According to Ta Enos, founder and CEO of the Pennsylvania Wilds Center for Entrepreneurship, the pandemic brought many first-time visitors to the 13 counties

### Per Capita Income in Rural and Urban Pennsylvania, 1970 to 2020

(Adjusted for Inflation)



Financial data adjusted for inflation using the CPI-U with 2020=100. Data source: U.S. Bureau of Economic Analysis.

that are part of the PA Wilds. She was optimistic that many of these visitors will return.

Rachel Hauser, director of Regulatory Affairs & Economic Development of Tri-County Rural Electric Cooperative, Inc., discussed how the cooperative's subsidiary, Tri-Co Connections, decided to move forward with the deployment of fiber broadband service in its northcentral Pennsylvania region when the pandemic started. She said demand for broadband was high in the region, and when the pandemic struck, demand increased significantly. This demand was driven by even more adults and students working and learning at home. Over the long-term, the build-out of high-speed broadband will provide more opportunities for current and future residents.

David Kahley, president and CEO of The Progress Fund, also noted that the pandemic brought more people to rural areas to explore outdoor recreational activities. He noted that many rural businesses were being overwhelmed with new business. The challenge going forward will be to continue this renewed appreciation of rural places.

The pandemic also amplified many of the familiar challenges faced by rural communities. According to Jen Giovannitti, president of the Claude Worthington Benedum Foundation, disparities in rural educational outcomes and access to health care, lack of broadband, and an ever-shrinking labor force have increased over the past two years.

The panelists also discussed a host of other challenges that included the following:

- Long-term population decline and the difficulty of finding new workers.
- Finding meaningful indicators that measure community prosperity that go beyond indicators used in traditional economic development programs.
- The decline in traditional pension programs and the impact this trend is having on families mean that older workers remain in the labor force for longer periods.
- The need to better streamline the prevailing wage system and make it less burdensome on local businesses that receive state and federal funds.
- The need to better identify areas that are underserved with broadband and to move beyond defining broadband as 25 Mbps upload and 3 Mbps download speeds.
- Telecommunications business models may not work in rural areas because of their low density, and community-based solutions may be needed.

Despite these and other challenges, Theresa Singleton, senior vice president and community affairs officer with the Federal Reserve Bank of Philadelphia, was optimistic about the future of rural Pennsylvania. She noted, however, that barriers to economic growth, which include racism, sexism, and geography, need to be eliminated. She also noted that flexibility and adaptability will be important to capture future economic opportunities. Finally, she reiterated the importance of regional partnerships and collaboration as described by the panelists.

**Thank you** to our speakers and panelists: Theresa Y. Singleton, Senior Vice President and Community Affairs Officer, Federal Reserve Bank of Philadelphia; Rick Vilello, Deputy Secretary for Community Affairs and Development, Pennsylvania Department of Community and Economic Development; Jen Giovannitti, President, Claude Worthington Benedum Foundation; Ta Enos, Founder and CEO, PA Wilds Center for Entrepreneurship; David Kahley, President and CEO, The Progress Fund; Rachel Hauser, Director of Regulatory Affairs & Economic Development, Tri-County Rural Electric Cooperative, Inc.; and Nathaniel Borek, Outreach and Administrative Associate, Federal Reserve Bank of Philadelphia.

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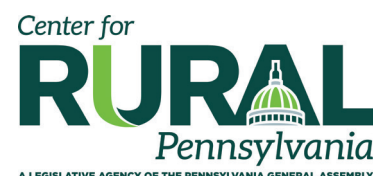
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