

What are best bets for future of local economy?

Sara Clifford - December 28, 2016

Brown County's greatest potential for economic growth is as a bedroom community, according to economists with the Center for Business and Economic Research at Ball State University.

But local leaders had a different viewpoint; they perceived recreation as the area with the biggest potential, and to them, housing ranked No. 3.

Fifty-six town and county elected and appointed officials were invited to participate in the Community Readiness Initiative, a survey and data analysis process. Thirty-four of them completed it.

The Community Readiness Initiative is a tool of the Office of Community and Rural Affairs. OCRA is a key source of federal and state grants for Indiana communities.

The point of community leaders taking the CRI is to help them understand their readiness for change — to show them what they actually know versus what they think they know, and compare their perceptions to state and federal data taken at the local level, said David Terrell, director of the Rural Policy Research Institute and co-director of the Indiana Communities Institute at Ball State.

He presented the findings to Brown County CRI participants Dec. 12.

According to the state and federal data the Ball State researchers studied, retail is the least promising sector among the five studied. Nos. 2, 3 and 4 are recreation, wholesale and production, in that order, the data said.

Brown County leaders had retail ranked No. 2, housing at No. 3, and production and wholesale at 4 and 5.

Overall, the local leaders' agreement on what the greatest opportunities were was pretty consistent, even though those perceptions didn't line up exactly with the data, the report said.

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What does this mean?

What's meant by the greatest opportunities are the economic drivers, Terrell said.

While Brown County — and especially Nashville — have a lot of retail businesses, those individual businesses don't employ large numbers of people, Terrell said.

"It doesn't really drive your economy. It's the wrong kind of retail," he said.

One of the reasons why housing appears to be the greatest potential economic driver according to federal and state data is because of Brown County's proximity to three major employment communities: Bloomington, Columbus and Johnson/Marion counties, he said.

"In residential, you have just phenomenal potential," he said.

Being a bedroom community — where people live and play when they're not working — is not a bad thing, he said.

Indiana residents pay their income taxes to the county in which they live, and property taxes in the county in which they own property. As communities rely more and more on income taxes to fund government services — Brown County included — it makes sense to want to capture more population, he said.

However, the survey and the data don't necessarily show the whole story for any community, Terrell said. There are likely other factors that community leaders want to consider before they go making any plans that could affect their economic future, he said.

"It's a conversation starter," Terrell said. "We intended this to be a conversation starter for the community."

"We've done work in communities where we'd start with them on strategic plans and discover people were literally all over the page, and we would spend all our time spinning our wheels, getting everyone to the same page," Terrell said.

The CRI results are meant to be taken not as a definite direction but as a measure of where the community is right now, in terms of agreement and knowledge of its own strengths, weaknesses and opportunities, he said.

The survey and analysis were offered for free to Nashville and Brown County because they did not receive a Stellar Communities designation from OCRA in 2014, said Brown County commissioner Diana Biddle. Becoming a Stellar Community would have given Nashville and Brown County easier access to grants for large projects through a network of state funding agencies.

The Stellar process — in which residents protested the projects presented as possibilities for grant funding and the method of making that list — showed that the community and its leaders were not necessarily on the same page.

Opportunities

The data Terrell referred to was taken from many public sources, such as the Census, American Community Survey, Department of Education, Department of Labor and several others, he said. They paint a picture of a Brown County that's shrinking in population despite trends that should work in its favor.

The county's poverty rate is lower than the state's and has been since at least 2010. Median household income has been trending up since 2012 and has also consistently been higher than state average.

Brown County public school students have been scoring well above the state average at the 10th grade checkpoint in algebra, and at or above the state average in English. On standardized tests, students are moving closer to the target of high-growth, high-achievement in both subjects.

Brown County adults are on par in education level with the rest of the state. More residents here have graduate or professional degrees than the state average.

Brown County's housing inventory is generally newer than the housing available across the state, the data said.

Yet, since about 2005, with the exception of a couple of spikes, the county's population has been trending down, about 1 percent lower each year.

Among people who live here, commuting patterns stayed pretty much the same between 2004 and 2014, except for a drop in people who commute north to Marion County. Terrell's theory is that people who used to drive north might now be working from home, or may have retired from Marion County jobs in those 10 years.

Less than 500 people commute into Brown County for work, the data said. In that 10-year span, "out-of-state" has replaced Marion County in the top five areas where workers are coming from.

Biddle believes most of the into-county commuters work in Brown County Schools.

Data show that the majority of Brown County residents work in educational services, healthcare and social services — more than 1,600 either in the county or commuting out of the county.

One strategy Terrell said Brown County leaders could try is to pinpoint who those into-county commuters are and determine why they don't live here.

Members of the Brown County Redevelopment Commission and Nashville Redevelopment Commission have been talking along the same lines. They're making plans to get a housing study done to determine needs, wants, a target price point and places where more housing might be put.

One hurdle the county commission has identified is that the owners of several large tracts of land aren't interested in opening them up to development, commission President Dave Redding reported in the fall.

Another growth opportunity is in telecommuting — people who work from home, Terrell said.

Brown County leaders are also aware of that one, and have been working to attract more investment by internet providers to extend service to more of the community.

As Americans get richer, data show spending unchanged in durable goods (like appliances and cars) and declining in nondurable goods (like food and clothing). Where spending is rising is in services — everything that is not a goods-producing activity, like healthcare, schooling, newspapers, amusements, recreation, etc.

That's the industry in which most Brown County residents work, and that's where Brown County could find other economic opportunities, said Terrell and Michael J. Hicks, director of the Center for Business and Economic Research at Ball State.

"The implication for Brown County is that the future holds employment growth opportunities, mostly outside manufacturing," Hicks said.

Engaging the community

More and more workers aren't tied to living any certain place because of where their jobs are, Terrell said. Data from the American Housing Survey show that since about 1989, an increasing number of people, when asked, "Why did you move here and select your home?" answered that it was because of schools and public services, not so much because of their jobs.

"People might move to Indiana because of the job, but they might move to Nashville because they want to live in Nashville," Terrell said. "That's important."

To keep them, a community needs to have "primacy of place" — intangibles like arts and culture, community collaboration, educational excellence, community well-being, effective governance and readiness for change — essentially, a culture for growth.

Brown County would do well to take a hard look at the processes and ordinances that might be holding it back, Terrell said.

For instance, "are there impediments to people working at home that need to be addressed?" Terrell said.

"Does the planning and zoning fit where you think it needs to be, or does it inhibit what you think has to happen? And those are tough conversations to have.

"It goes back to change, and how do you maintain the integrity of what you have and still accommodate the change that needs to happen?"

Terrell said he's worked in communities that desperately needed a specific change to survive or grow — such as fixing or expanding sewer systems — yet, the people didn't want it.

People in decision-making positions often overlook the question of whether or not their community is ready for change when they decide to make a move, he said.

That point was not lost on the leaders in the room. Biddle said they have to start talking about something at least three years before they want to get it done so the people come to see it as their idea. Others in the room said it was more like eight years.

"You can take all this stuff I'm giving you today, and you don't have to charging out the door," Terrell said. "You let it percolate. You have to have community conversations.

"You can get a group agreeing to go forward and charging ahead, but if you're too far ahead, someone in the community is going to pull you back," he said.

As a good example of how change is led, he mentioned Huntingburg — a community that received a Stellar designation in 2014 instead of Nashville. Officials there have a communications plan for every project they do and make sure they have everyone on the same page, Terrell said.

"I'm not saying elected officials shouldn't make decisions that need to be made. You don't need permission from 100 percent of the community.

"But it has to be communicated, and it has to all be thought through. You want to hear what the public has to say and it's an opportunity to educate the public on the need. In a lot of communities in the past, that hasn't happened," Terrell said.

He recommended Brown County apply for the Hometown Collaboration Initiative, the next structured step after the Community Readiness Initiative which leaders just completed.

The Hometown Collaboration Initiative is intended to "engage a diverse mix of local people who are willing to explore new ways to strengthen their community" under the theme of leadership, economy or placemaking; and then undertake a "capstone project" in one of those areas.

When communities apply for grants, more points will be awarded to those that have completed such programs, Biddle said.

Terrell said the HCI process could get more residents involved and invested in their community's future.

"I've been coming to this community for years, and you have phenomenal potential," he said.

"I see a lot of pieces coming together. You're churning. You're getting close."

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Local leaders ranked the following categories in terms of economic potential to Brown County, and economic researchers from Ball State studied publicly available data to determine where they believe the real opportunities lie. Here's how both groups ranked each sector:

LOCALS

- 1. Recreation
- 2. Retail
- 3. Housing
- 4. Production
- 5. Wholesale

DATA

- 1. Housing
- 2. Recreation
- 3. Wholesale
- 4. Production
- 5. Retail

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Sara Clifford

Sara Clifford has been raising a family in Brown County since 2005 and leading the Brown County Democrat since late 2009. In addition to editor, she is the beat reporter for town government and writes columns, features and general news stories.

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