

V(A). Planned Program (Summary)

Program # 9

1. Name of the Planned Program

Community Economics

Reporting on this Program

V(B). Program Knowledge Area(s)

1. Program Knowledge Areas and Percentage

KA Code	Knowledge Area	%1862 Extension	%1890 Extension	%1862 Research	%1890 Research
602	Business Management, Finance, and Taxation	50%		50%	
608	Community Resource Planning and Development	50%		50%	
	Total	100%		100%	

V(C). Planned Program (Inputs)

1. Actual amount of FTE/SYs expended this Program

Year: 2012	Extension		Research	
	1862	1890	1862	1890
Plan	16.8	0.0	9.4	0.0
Actual Paid Professional	14.9	0.0	4.4	0.0
Actual Volunteer	0.5	0.0	0.0	0.0

2. Actual dollars expended in this Program (includes Carryover Funds from previous years)

Extension		Research	
Smith-Lever 3b & 3c	1890 Extension	Hatch	Evans-Allen
415134	0	33438	0
1862 Matching	1890 Matching	1862 Matching	1890 Matching
1640396	0	392859	0
1862 All Other	1890 All Other	1862 All Other	1890 All Other
664152	0	228449	0

V(D). Planned Program (Activity)

1. Brief description of the Activity

MAES supported research has focused on the impact of public policies, and the impact of change on rural, suburban and urban communities and businesses. Research also studies community and business challenges and opportunities related to demographic changes. Other community-related research is also reported under other program areas, for example, under Housing.

- In 2012, MAES supported research continued to study the volatility of state revenues and the implications of changes in revenue volatility for the size of state budget reserves. The project included preparing a detailed data base containing information on key components of Minnesota's revenue system, and preparing volatility estimates for the entire state tax system. Reports from earlier versions of the volatility study and research on longer-term (ten and thirty year time horizons) revenue forecasts are providing the Governor and state legislative leaders with a better understanding of the forces affecting Minnesota's financial situation. The same analyses are also being used by the major bond rating agencies to establish standards in their analysis of quality of credits issued by Minnesota and other states. This information has heightened policy maker awareness of the state's long run structural financial problems.

- An analysis of the JOBZ program (Job Opportunity Building Zones, Minnesota's tax-free zone program), researchers found that businesses who signed deals reported creating 3,382 jobs and investing \$569 million. The amount of jobs reportedly created is very small relative to Minnesota's total nonfarm, private employment and the program showed scant impact on county-level economic growth.

Extension programming in communities is achieved through the efforts of Extension Educators and campus staff, researchers at the Department of Applied Economics and staff of the University of Minnesota Tourism Center. The team also collaborates with the EDA Center at the University of Minnesota Crookston to develop and deliver applied research that responds to regional concerns. Extension educators deliver workshops in communities, conduct and deliver applied research at the community level, connect communities to university researchers and deliver skills trainings in the areas of customer service and internet education. Research is disseminated through a variety of web, publication and community-based education vehicles.

As reported here, 56 applied research reports were delivered to Minnesota communities this year. These reports included:

- assessments of the market potential of local foods;
- an analysis of the experiences of minority-owned businesses in a town with a large percentage of immigrants;
- results of business retention and expansion studies that describe the community climate for business;
- several dozen retail trade analysis reports that examine retail strengths and weaknesses;
- Market Area Profiles for retailers who want to better understand their customers;
- visitor profiles; and,
- numerous Economic Impact Analyses, examining the economic impact of (for instance) museums in Minnesota, the veterinary medicine industry, and telecommunications companies.

Educational workshops focused mostly on technology adoption in rural business communities. These were funded by the American Recovery and Rehabilitation Act, with Extension as one grantee within a larger Minnesota initiative led by the Blandin Foundation called the Minnesota Intelligent Rural Communities program (MIRC). At the end of that grant, the community economics team had reached 2,475 rural businesses, exceeding its goal of 2,000. Through these efforts, they delivered more than 11,000 hours of digital training. As noted in this report, businesses and communities reported numerous ways that they increased their knowledge of technology options, their adoption of technology, and their social capital among groups working together to strengthen local economies.

2. Brief description of the target audience

Primary audiences for community economics programs include chambers of commerce, the tourism industry, economic development officers, local governments, and nonprofits that can, in turn, support local economic development efforts. An important target audience of MAES research is state policy makers, particularly those responsible for shaping the state's tax system.

3. How was eXtension used?

eXtension was not used in this program

V(E). Planned Program (Outputs)

1. Standard output measures

2012	Direct Contacts Adults	Indirect Contacts Adults	Direct Contacts Youth	Indirect Contacts Youth
Actual	6245	31200	0	0

2. Number of Patent Applications Submitted (Standard Research Output)

Patent Applications Submitted

Year: 2012
 Actual: 0

Patents listed

3. Publications (Standard General Output Measure)

Number of Peer Reviewed Publications

2012	Extension	Research	Total
Actual	8	4	12

V(F). State Defined Outputs

Output Target

Output #1

Output Measure

- Educational workshops will be provided (face-to-face and on-line). (Target expressed as numbers of workshops.)

Year	Actual
2012	235

Output #2

Output Measure

- Community-based applied research will be conducted regarding retail trade, business retention and expansion and tourism development. (Target expressed as numbers of reports studied or delivered during the year.)

Year	Actual
2012	56

V(G). State Defined Outcomes

V. State Defined Outcomes Table of Content

O. No.	OUTCOME NAME
1	Participants in Community Economics programs will increase their knowledge of relevant community economic development topics. (Target expressed as the percentage of participants reporting increased knowledge.)
2	Participants in applied research (e.g., Business Retention and Expansion, Retail Analysis Development, Economic Impact Analysis, Tourism Development) will apply the new research-based knowledge to business and/or community improvements that affect the local economy. (Target expressed as a percentage of participants in applied research programs initiated in prior three years who report that they applied new research-based knowledge.)
3	Communities engaged in applied research programs (e.g., Business Retention and Expansion, Retail Analysis and Development, Economic Impact Analysis, Tourism Development) will strengthen their social and/or political capital, enabling them to better implement economic development plans. (Target expressed as a percentage of community stakeholders in studied communities who observe that groups have stronger ties and/or more political strength.)

Outcome #1

1. Outcome Measures

Participants in Community Economics programs will increase their knowledge of relevant community economic development topics. (Target expressed as the percentage of participants reporting increased knowledge.)

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Knowledge Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	96

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

The Internet provides economic opportunity to Greater Minnesota. It can bring new visitors, residents, workers and entrepreneurs to town. It can give new life to community involvement, and can deliver new markets to existing businesses. It can put communities on online maps and create new connections in and among communities.

What has been done

The Minnesota Intelligent Rural Communities (MIRC) Initiative was a statewide initiative of 16 partnering organizations that use many means to stimulate adoption of Internet technology in Greater Minnesota. In the final report, Extension was called the "programmatic backbone of MIRC."

Results

Knowledge outcome data were collected from over 100 technology adoption workshops offered as part of the Minnesota Intelligent Rural Communities Initiative. A total of 1,338 participants completed evaluations. The pre-post examination of all session learning objectives showed that 96 percent of these participants reported learning gains.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
608	Community Resource Planning and Development

Outcome #2

1. Outcome Measures

Participants in applied research (e.g., Business Retention and Expansion, Retail Analysis Development, Economic Impact Analysis, Tourism Development) will apply the new research-based knowledge to business and/or community improvements that affect the local economy. (Target expressed as a percentage of participants in applied research programs initiated in prior three years who report that they applied new research-based knowledge.)

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Condition Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	91

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Citizens must act -- and act together -- to choose and create an economic future for their community. Education and applied research can inform those local decisions, and motivate citizens and leaders to act with new certainty to modernize and promote their local economy.

What has been done

Educational workshops at Extension in 2012 focused on Internet adoption, retail trade opportunities, economic impact assessments, and market analysis for economic opportunities.

Results

An action steps survey was conducted with participants in educational workshop offerings. Each participant was asked in end-of-workshop surveys about action steps they anticipated making as a result of the program. Participants were sent a personalized e-mail message to collect progress in achieving these steps. Almost 91 percent responded they had followed through at least to a slight extent. Regarding technology adoption, for instance, action steps resulted in citizen-driven placement of rural places on GPS systems, new sources to provide local Internet training, efforts to increase tourism to communities, new community portals, initiatives to improve business web sites, and social media connections between "towns" and "gowns" to promote local buying among students.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation

608 Community Resource Planning and Development

Outcome #3

1. Outcome Measures

Communities engaged in applied research programs (e.g., Business Retention and Expansion, Retail Analysis and Development, Economic Impact Analysis, Tourism Development) will strengthen their social and/or political capital, enabling them to better implement economic development plans. (Target expressed as a percentage of community stakeholders in studied communities who observe that groups have stronger ties and/or more political strength.)

2. Associated Institution Types

- 1862 Extension

3a. Outcome Type:

Change in Condition Outcome Measure

3b. Quantitative Outcome

Year	Actual
2012	100

3c. Qualitative Outcome or Impact Statement

Issue (Who cares and Why)

Communities that are rich in social capital are known to confront poverty, resolve disputes and take advantage of new opportunities more easily (Woolcock & Narayan). Bridging networks in communities are strong when residents with different social backgrounds trust each other and when people from different perspectives come together to solve problems. When such bridges are built, communities can act together to strengthen local economies.

What has been done

During 2012, considerable Community Economics staffing resources went into the Minnesota Intelligent Rural Communities initiative. The final report from the MIRC initiative highlighted specific ways that the eighteen participating communities strengthened ties in their community as they acted together to create community projects.

Results

Eighteen of the eighteen communities that were part of the MIRC initiative reported on projects that were the result of efforts from more than one organization and from more than one sector of the community. MIRC initiatives created and mobilized action among local chambers, high school students, small businesses, county and city government, higher education, telecommunications companies, tourism industry representatives, economic development commissions, social clubs, and community members with an interest in technology. Research on community development notes that strong relationships among sectors, groups and individuals strengthen all community outcomes.

4. Associated Knowledge Areas

KA Code	Knowledge Area
602	Business Management, Finance, and Taxation
608	Community Resource Planning and Development

V(H). Planned Program (External Factors)

External factors which affected outcomes

- Appropriations changes
- Competing Public priorities
- Competing Programmatic Challenges

Brief Explanation

Major outcomes and activities for the community economics team were largely focused on the Minnesota Intelligent Rural Communities initiative in 2012. The team worked to fulfill grant obligations as requested by the partnering organizations and lead grant organization. Extension was "the programmatic backbone" of the MIRC initiative. These efforts supplanted some other community efforts. However, the number of applied research reports available to Minnesota communities remained very strong as an output in 2012.

V(I). Planned Program (Evaluation Studies)

Evaluation Results

Extension conducted pre and post-assessments for workshops and initiatives to monitor whether community-based initiatives improved their knowledge and acted together to make change as a result of community economics workshop and research offerings.

In 2012, Extension also collaborated with a statewide evaluation of the Minnesota Intelligent Rural Communities initiative conducted by the EDA Center at the U of M Crookston. For this evaluation, baseline data was collected in each of the communities so that the project could monitor its impact on technology adoption. Benchmarks included measures of community policies and advocacy efforts, technology in the local schools, educational attainment measures of the local workforce and broadband accessibility as well as affordability.

The primary goal of the MIRC project was to make a meaningful impact in the growth of new broadband subscriptions and adoption rates. Eleven MIRC communities were collectively lagging behind the rest of rural Minnesota in the adoption of broadband (61.7 percent vs. 64 percent). Age, poverty rates and limited access to broadband were among the causes for this disparity. However, over the course of the project, that gap narrowed somewhat. Overall, growth in broadband subscriptions throughout rural Minnesota grew at a pace of 10.31 percent during the MIRC project. MIRC communities increased their growth at a faster rate. Their collective growth rate was close to 15 percent faster than the rest of rural Minnesota.

Key Items of Evaluation

Extension was a programmatic backbone for a statewide initiative designed to increase technology adoption in Minnesota. The collaborative effects of this initiative were investigated by the EDA Center of the University of Minnesota Crookston. Eleven communities targeted in the project were collectively lagging behind the rest of rural Minnesota in the adoption of broadband (61.7 percent vs. 64 percent). Age, poverty rates and limited access to broadband were among the causes for this disparity. However, over the course of the project, that gap narrowed somewhat. Growth in broadband subscriptions throughout rural Minnesota grew at a pace of 10.31 percent during the MIRC project. MIRC communities increased their growth at a faster rate. Their collective growth rate was close to 15 percent faster than the rest of rural Minnesota.