Mr. Chairman, Ranking Member Norton,

I would like to make three key points in my remarks today:

First, failure to address the unique rural context in these decisions will result in failure to optimize the economic opportunities for our nation which exist there.

Secondly, acknowledging this context and paying specific and detailed attention to it, will, by necessity, alter the design and delivery of this program in rural America.

Finally, if this is done, we can craft the 21st Century Rural Regional Innovation System outlined in my testimony, one that is sensitive to place, culture and circumstance, operates in an asset-based regional framework, and is centered around new rural governance and entrepreneurship.

A word about this “Rural Context”:

Each year, the federal government spends 2 to 5 times more, per capita, on urban than rural community development. In the most recent data year, that amounted to a $14 Billion rural community capacity disadvantage.

Of the $30 Billion distributed annually by our nation’s foundations, only $100 Million is committed to rural development. A recent study of the 124 Fortune 500 corporations found that of the $12 Billion in corporate grantmaking in 2000, only 7/10 of 1% went to rural groups.
These stark realities cannot be ignored. Before we go further in this very serious policy discussion, this immense structural resource disadvantage for rural people and places must be addressed.

Likewise, we cannot divorce community and economic development in rural communities and regions. The playing field has simply become too inequitable, and the federal government itself exacerbates this disadvantage every year.

As Assistant Secretary Sampson stated, “Sound investments in community development efforts lay the groundwork for successful economic development efforts.”

Small business is the backbone of our economy, and this is particularly true in rural America. Rural job creation, new business formation and private sector investment are laudable and appropriate goals. Scaling this rural opportunity will require the development of a vibrant entrepreneurship support system, which will not occur unless attention and resources are given to the community capacity and intermediary organization support functions outlined in my testimony.

I also agree with Assistant Secretary Sampson that “…each community is different and will need to take a different road to tackle its individual community and economic development challenges.”
This is also particularly true in rural America. Congressional commitment to this premise will result in a program design which ensures both local flexibility and locally-based organizational capacity, to support the development and implementation of regionally appropriate strategic growth plans.

Mr. Chairman, while many additional comments could be offered, these are the most critical rural policy issues in this current discussion. We live in a society in love with quick fixes. Rarely do we commit to anything for the long haul, yet that is exactly what will be required to bring about positive change in much of rural America. Where these investments are evident, a miraculous rural renaissance is occurring. I urge that we sustain and nurture these efforts, and recognize that unique approaches are essential in our most challenged and underserved regions and communities.

Thank you for this opportunity, Mr. Chairman, and for your interest in the rural dimension of these decisions.