

4-1-2013

Extension-Led Economic Development Model—A Recipe for Success

Nancy Bowen-Ellzey

Ohio State University Extension, bowen-ellzey.1@osu.edu

Greg Davis

Ohio State University Extension, davis.1081@osu.edu

Eric Romich

Ohio State University, romich.2@osu.edu

Mike Lloyd

Ohio State University, Lloyd.2@osu.edu



This work is licensed under a [Creative Commons Attribution-Noncommercial-Share Alike 4.0 License](https://creativecommons.org/licenses/by-nc-sa/4.0/).

Recommended Citation

Bowen-Ellzey, N., Davis, G., Romich, E., & Lloyd, M. (2013). Extension-Led Economic Development Model—A Recipe for Success. *The Journal of Extension*, 51(2), Article 23. <https://tigerprints.clemson.edu/joe/vol51/iss2/23>

This Feature Article is brought to you for free and open access by the Conferences at TigerPrints. It has been accepted for inclusion in The Journal of Extension by an authorized editor of TigerPrints. For more information, please contact kokeefe@clemson.edu.

Extension-Led Economic Development Model—A Recipe for Success

Abstract

Staffing, funding, and sustaining collaborative economic development organizations that provide the full range of programming require resources and cooperation. Extension-led economic development organizations, because they are tied to university resources grounded in research and education and without local jurisdictional bias, can build public trust and cooperative partnerships that help to broaden funding support for economic development programming.

Nancy Bowen-Ellzey
Field Specialist,
Community Economics
Lima, Ohio
Bowen-ellzey.1@osu.edu

Greg Davis
Assistant Director CD
Columbus, Ohio
Davis.1081@osu.edu

Eric Romich
Field Specialist,
Energy
Marion, Ohio
Romich.2@osu.edu

Mike Lloyd
Extension Educator
Caldwell, Ohio
Lloyd.2@osu.edu

Ohio State University
Extension

Introduction

With the slowdown in commerce and job loss throughout the U.S. beginning in 2001, economic development has become a high priority for many local, state, federal, and university leaders. In a 2003 presentation, then-president Karen Holbrook of The Ohio State University emphasized that promotion of economic development was an original mission of land-grant universities (Holbrook, 2003). According to Hartsock (2007), universities are uniquely positioned to help communities develop local development strategies based on their qualitative assets—their human, natural, physical, and locational assets that make each community unique. Today, research conducted at universities and other centers of excellence is more important than ever to local economic development efforts (Kapfer & Taylor, 2007).

Two decades prior to Holbrook's assertion, universities began to recognize the roles they could play in community economic development (Jacobs & Klein, 2010). With that realization, an increasing number of higher education institutions have collaborated with local and regional partners in pursuit of community economic development endeavors. Such partnerships have involved technology transfer, neighborhood revitalization, business retention and expansion, entrepreneurship, real estate development and workforce development.

The drastic economic downturn of 2008-2009 has given urgency to discussions within Extension

circles about how the land-grant university outreach arm might become more involved in economic development education. Extension, with offices in or near most counties, provides an access point to the research and educational resources of land-grant universities. As an unbiased resource independent of geo-political boundaries, Extension is ideally suited give leadership to sustainable economic development organizations. Collaborative agreements between local governmental entities and Extension can enable communities to partner with land-grant universities and provide access to university resources needed to carry out the day-to-day duties of a local or regional economic development organization.

This article describes how Extension-led economic development organizations are uniquely positioned to help communities increase local participation in economic development efforts and foster collaborative partnerships that can, in turn, broaden funding support for programming and strengthen long-term economic viability. Furthermore, similar to Barnes and Haynes (2006), we contend that Extension-led economic development organizations, as an unbiased tie to university resources, can build public trust in the economic development process.

Extension-Led Economic Development Partnerships in Ohio

Economic development partnerships involving the land-grant university, Extension, and rural communities in pursuit of community economic development are not new in Ohio. Extension-led economic development programs began in the mid-1980s, and, by the late 1990s, there were nearly a dozen such partnerships. The number of partnerships has fluctuated over the years, in part, due to availability of funding and community interest, or perhaps, lack of promotion of the Extension-led model as an option for communities.

There are currently three rural communities working in partnership with The Ohio State University and Ohio State University Extension to sustain community economic development efforts, with one more added in 2012 that is not included in the study reported here. Because each community is unique, the specific details of the partnerships are also unique. Nevertheless, the three share four basic characteristics, described later in this article.

Noble County

Noble County is the third smallest county in Ohio, with a population of 14,645. In such a small county, county commissioners and business groups are challenged to provide the financial support needed to run a traditional economic development organization. OSU Extension had provided staff to run county-based economic development programs since the mid-80s. Thus, Noble County chose to use this new Extension-led model, and, in 1990, the first full time educator to also function as the county's economic development officer was hired.

Using Extension to provide this service has come with challenges in aligning the traditional economic development model with an Extension-led approach. Because this program was one of the first Extension-led programs in Ohio, the partnership was tasked with determining how the functions of a traditional economic development office work within the traditional Extension model. Over time, the program has developed mechanisms for accountability, funding, and administration to align with

university expectations and processes.

In working together to resolve early challenges, Extension, county commissioners, chambers of commerce, and other stakeholders found ways to compromise and collaborate to achieve the desired economic development goals. The result has been a 20+-year relationship that has brought a mixture of educational opportunities and traditional economic development activities at a fraction of the cost of a traditional economic development program. The longevity of the program demonstrates sustainability of the Extension-led model in this rural county.

Van Wert County

The partnership began in 1997 with a formal agreement to provide for coordinated community economic development services among the City and County of Van Wert and OSU Extension. Van Wert is a rural county (pop. 28,500) in northwestern Ohio that sought out the Extension-led model to increase access to university resources and provide services at a lower overall cost and with increased accountability and community involvement. Similar to Noble County, services have included a mix of educational programs and traditional economic development services, including operation of two revolving loan funds, application and management of annual and competitive grants, downtown revitalization, tourism, retention and expansion, business attraction, and industrial park development.

The Van Wert Extension-led partnership involves funding from Van Wert County in the form of an annual lump sum amount. The city of Van Wert contributes 75% of revenue collected from a 6% hotel/motel tax. The remaining costs are covered by Extension funds. Operating income comes from fees for services; including loan fund administration fees, grants, and private and public contributions; fundraisers; and lease payments through rental of a small business incubator facility.

The Van Wert Extension-led model is based on a theme of working together. An advisory group that oversees the program has grown from seven members to a broad-based group of 55 participants in 2011. The group strives to include a diverse cross-section of individuals and groups who are stakeholders in the future economic development of the area.

Wyandot County

In 2006, an OSU extension agricultural Educator led a Business Retention and Expansion survey in Wyandot County Ohio. This BR&E effort identified a strong desire from local businesses for a unified economic development effort in the community. To accomplish this goal, a group of community leaders began meeting to discuss the framework and long-term goals for what might be achievable. After engaging public input, the group decided OSU Extension should provide leadership to this new economic development organization. Local officials felt the Extension-led model provided a number of benefits, including a cost effective structure, promotion of countywide collaboration, credibility, and additional resources from OSU main campus.

In 2008, the Wyandot County Office of Economic Development (WCOED) Inc. was established as a 501(c)6 non-profit organization. The organization was structured as a private/public partnership with support from local stakeholders, including the county commissioners, local municipalities, the local

hospital, and private sector businesses.

The Wyandot partnership involves an annual financial commitment from the WCOED with remaining costs covered by Extension. As a result of this funding commitment, OSU Extension provides a mix of educational programs and traditional economic development services.

In the time since this partnership was established, support for the Extension-led model has grown. Local support was illustrated in a program evaluation survey conducted in 2011. Support is due in large part to the addition of a full-time educator and economic development director position dedicated to bringing new resources, both educational and economic, to this rural county of 22,596 people.

Four Characteristics of the Extension-Led Partnership Model

The Extension-led economic development partnerships described above share four basic characteristics. One, the Extension Educator is also viewed as an economic development professional. Two, economic development is considered a collaborative effort. Three, funding for economic development efforts comes from a variety of sources, leveraged by the university's investment. Four, as an arm of the university, the accountability and oversight of local efforts are regular and consistent. These four characteristics are the foundational building blocks for an Extension-Led economic development model.

Characteristic One—Extension Educator viewed as Economic Developer

The Extension educator is viewed as the economic developer by local residents and officials in the three counties in which the authors are based. These individuals play a central role, as a neutral party, in helping to form and facilitate a local committee, board, or advisory group to discuss economic development issues and establish goals and objectives. According to Conglose (2000), these individuals collaborate in partnership with the community to serve as:

- A catalyst to motivate the public and private sectors to work together in achieving the area's economy development vision, mission, goals, and objectives.
- An information source and broker of services that facilitate competitive business investment and job creation.
- A strategist and planner engaging the community in the identification of future priorities and action plans to achieve them.
- An advocate for the region in developing a balanced approach to development that is mindful of community values, character, and the environment.

In the case of the three counties studied, the Extension professional leads educational programming, including business retention and expansion, business attraction, and entrepreneurship. In addition, Extension professionals leverage resources and expertise to create or expand a multitude of other

community economic development programs including tourism, renewable energy development, downtown revitalization, and other rural development strategies as determined by local need.

Characteristic Two—Collaborative Approach

A collaborative economic development approach fosters outreach and education of local residents, creates momentum, and gives the community a competitive edge. Working together collaboratively demonstrates a cooperative and investment-friendly environment. Thus, the Extension professional fosters the development of partnerships with individuals and entities within the university and government, businesses, and community development organizations on the local level to create a local oversight advisory group, board, or committee. An example of such a mechanism is a community-based steering committee. According to Banach, Zunz, and LaPointe (2006), community-based steering committees have many potential benefits, such as:

1. Engaging a broad spectrum of citizen experiences and perspectives,
2. Ensuring a program's relevance to the community,
3. Developing indigenous leadership,
4. Creating widespread public awareness of the program, and
5. Allowing diverse input about evaluation and accountability.

Collaborative advisory groups include a cross-section of representatives from organizations, sectors, or geographic areas that play a role in local and regional economic development. Extension program developers, interested in building community initiatives, often look to some form of citizen association composed of residents who know the local culture and feel a stewardship towards their area's resources (Carlton-LaNey, Edwards, & Reid, 1999).

Extension-led economic development models employ the use of advisory groups to deal with specific issues or projects as needed. In the case of the three counties studied, such committees have been created to advance more specific economic development initiatives such as: business retention and expansion, entrepreneurship, regional partnerships, public relations and communications, business recruitment, sectorized specialization or clusters, and comprehensive economic development strategies. Such practices lend a degree of accountability to the community. They can also serve to improve communications and build public trust.

Characteristic Three—Diversified Funding

The unbiased structure associated with Extension-led economic development organizations can promote sustainability by building relationships, fostering program evaluation, and leveraging financial resources. Limited resources in rural areas are a critical barrier to economic development and sustainability of programming. The Extension-led model, because the university is a public entity, lends itself to leveraging a diversity of funding sources.

The variety of funding is a key characteristic of the authors' experiences as well. County-level economic development efforts are funded via publicly supported levies, bed taxes, and donations; fees for services; memberships; grants; and cost sharing with other community development organizations. A revolving loan fund also captures administrative fees to support the delivery of small business development programming.

Characteristic Four—Evaluation and Accountability

University oversight, coupled with a local advisory group, provides checks and balances for programmatic and operational accountability. The university requires an annual evaluation of Extension professionals involving self-reporting of annual activities and programmatic impacts in addition to interviewing community level stakeholders. In addition, Extension professionals submit monthly impact reports to OSU Administration.

Extension professionals also answer directly to the community and region in which they serve. Monthly reporting and periodic presentations are made to local governmental entities, civic organizations, and the public. With regular reporting on the local, regional, and state level, Extension professionals are held accountable while having the opportunity to evaluate whether the work they are doing is meeting community goals and expectations. Special efforts must be made for community leaders and Extension agents [Extension professionals] to keep a community focused on long-term as well as short-term community development goals (Sandman & Kroshus, 1991).

The Extension-led economic development model can serve as the basis on which internal and external value, benefit, and worth can be realized. For example, such efforts can strengthen relationships with key community stakeholders, build a larger network of state and federal partners, and link community research partners and opportunities. The model can also build capacity of community partners to understand economic development strategies, identify roles to be played in developing the community's economy, and identify future priorities and action plans to achieve them.

Evaluating the Extension-Led Economic Development Model

In Ohio, the land-grant university, Extension, and rural communities have partnered for years to improve rural community economic conditions. The Extension-led economic development model is an organizational vehicle designed to improve economic conditions through increased participation in community economic development and by fostering broad-based collaborative partnerships. As a result, communities perceive value-added Extension services to strengthen economic viability and community capacity through the application of knowledge and researched based educational efforts. To assess the degree to which the Extension-led economic development model has contributed to these desired outcomes and ultimately shape the Extension-led economic development models of the future, the three Extension-led economic development programs described in this article were evaluated.

Methods

Evaluating program impact is important (Diem, 2003; Roucan-Kane, 2008). In an effort to better understand the community partners' perceptions of the Extension-led economic development partnerships and better understand the impact of the programs conducted, a short Web-based evaluation was conducted in January 2011. Extension professionals in the three partnering counties (Noble, Van Wert, and Wyandot) provided the potential survey respondents' contact information to a campus-based project coordinator, who led the data collection and analysis component of the evaluation project.

In identifying potential respondents, the Extension professionals reviewed recent lists of individuals who had regularly participated in local Extension-led community economic development programming. Contact information for 99 potential respondents was provided: 19 from Noble, 56 from Van Wert, and 24 from Wyandot.

Potential respondents were invited via e-mail to respond to the Web-based survey, which was included as an html attachment. Two weeks later, a follow up reminder (including the Web-based survey attachment) was sent to all potential respondents. Three potential respondents required additional help in order to open and complete the questionnaire. A total of 42 program participants responded to the survey invitation, for a response rate of 42%.

Participants were asked to respond to fixed choice questions designed to assess change in their own knowledge and awareness as well as the abilities, behavior, and decision-making of local stakeholders and decision makers. Fixed choice questions also asked participants to indicate the extent to which they believed the partnership to be beneficial and effective to the community. Participants were also afforded opportunities to provide narrative input related to what elements of the partnership they found most valuable and in what ways the partnership could be more effective in open-ended survey questions.

Findings & Discussion

Survey respondents indicated how their participation in the local community economic development program efforts over the past year helped them understand economic development strategies, the role they could play in developing their community's economy, and how the various components of their community were interrelated. Over half of the survey respondents indicated "Very Much" in response to these questions. Nearly 55% of respondents indicated "Very Much" in response to the question, "How beneficial is the partnership to you?" Forty-three percent indicated "Somewhat" (Table 1).

Table 1.
Participating in Community Economic Development Efforts

| |
|---|
| <p>As a result of my participation in local community economic development program efforts over the past year:</p> |
| <p>My understanding of economic development</p> |

| strategies has increased. | | |
|--|----|-------------|
| 52.4% | 22 | Very Much |
| 45.2% | 19 | Somewhat |
| 2.4% | 1 | Very Little |
| 0.0% | 0 | Not at All |
| I better understand my role in the development of my community's economy. | | |
| 52.4% | 22 | Very Much |
| 42.9% | 18 | Somewhat |
| 2.4% | 1 | Very Little |
| 2.4% | 1 | Not at All |
| I am more aware of how the various components of my community are interrelated. | | |
| 59.5% | 25 | Very Much |
| 38.1% | 16 | Somewhat |
| 0.0% | 0 | Very Little |
| 2.4% | 1 | Not at All |

When asked to respond to questions designed to assess the extent to which respondents believed the partnership to be beneficial and effective to the community, response was very positive. Ninety-eight percent of respondents indicated "Strongly Agree or Agree" to the statement "Local stakeholders are more engaged in collaborative efforts as a result of our local community economic development program efforts." All respondents indicated "Strongly Agree or Agree" to the statement "Decision makers are better able to develop informed economic development strategies and Capacity of community stakeholders to make effective decisions is improved as a result of our local community economic development program efforts" (Table 2).

Table 2.
Fostering Collaborative Partnerships

| | | |
|---|----|----------------|
| Because of our local community economic development program efforts: | | |
| Local stakeholders are more engaged in collaborative efforts. | | |
| 45.2% | 19 | Strongly Agree |

| | | |
|---|----|-------------------|
| 52.4% | 22 | Agree |
| 2.4% | 1 | Disagree |
| 0.0% | 0 | Strongly Disagree |
| Decision makers are better able to develop informed economic development strategies. | | |
| 45.2% | 19 | Strongly Agree |
| 54.8% | 23 | Agree |
| 0.0% | 0 | Disagree |
| 0.0% | 0 | Strongly Disagree |
| Capacity of community stakeholders to make effective decisions is improved. | | |
| 45.2% | 19 | Strongly Agree |
| 54.8% | 23 | Agree |
| 0.0% | 0 | Disagree |
| 0.0% | 0 | Strongly Disagree |

The majority (55%) of respondents indicated the partnership with Extension was of great benefit to them. An overwhelming majority of respondents (74%) also felt the partnership was of great benefit to the community (Table 3).

Table 3.
Value of the Extension-Led Economic Development Model

| | | |
|---|----|------------|
| How beneficial is the partnership to you? | | |
| 54.8% | 23 | Very Much |
| 42.9% | 18 | Somewhat |
| 2.4% | 1 | Not at All |
| How beneficial is the partnership to the community in general? | | |
| 73.8% | 31 | Very Much |
| 26.2% | 11 | Somewhat |
| 0% | 0 | Not at all |

When asked to share what they found most beneficial about the Extension-led economic development model, respondents' sentiments could be summarized as follows: What is most beneficial is the full-time extension professional within our community who shares expertise, provides education and transparent information, and brings university credibility and is connected to a larger network of state and federal partners that provides us needed perspective at a reasonable financial cost.

A banker commented "the partnership is very valuable because it is a transparent source of information, which is rare." Most of the respondents wrote statements that recognized the value of collaboration in strengthening the community and in leveraging resources. One comment that summarized this: "When you have a partnership you see forward progress and cooperation that is lacking when you have disagreements and conflict."

Similarly, when asked to share the ways in which the partnership could be more effective, respondents indicated that continued and increased financial support to our local development offices and more involvement from and access to campus-based individuals and university services might be helpful. Respondents also indicated that better promotion of what the university can offer to local efforts and freeing the Extension professional from university tasks, affiliations, and responsibilities that take time away from local efforts could also help.

When provided one last opportunity to share honest feedback, respondents overall were quite complimentary of the arrangement. Comments included remarks such as, "What we have done recently is more promising than what I've experienced in decades. Extension is critical to our future." Another was, "The arrangement with Extension helps give our community vitality and strength. It is crucial to our future economic development."

Respondent feedback suggests that the Extension-led community economic development program has played a role in developing the capacity of program participants to better understand their community and its economy. Such a program can also foster an increased level of engagement among the diversity of interests in a community and enable community leaders and decisionmakers to engage in better-informed decisionmaking processes. For example, in one community, capacity development and program participant behavior change was evident as specific opportunities and threats were identified and communicated to the Extension-led community economic development office. Through the engagement efforts, participants better understood the assistance available for businesses and identified opportunities within their personal business networks that would have otherwise been overlooked. In one case this led to a training grant to assist a business through the hiring and growth process.

The Extension-led programs have played a part in strengthening broad-based community participation in community and economic development efforts. For example, local leaders were able to revitalize a long-dormant development organization. Another community effort was able to expand its formal advisory board membership from seven to 55 participating members. In addition, newfound community collaboration was fostered as cities, villages, townships, and the county partnered in the development process of a countywide comprehensive economic development strategic plan.

Conclusions & Recommendations

The Extension-led economic development model is inclusionary, seeking broad-based community participation while building collaboration among organizations and institutions within and outside the community. This approach builds public trust and capacity for increased knowledge and improved decision making by area leaders. Much of the social science literature on trust and governance supports building trust in local community organizations as a viable strategy for improving economic development of organizations and regions (Barnes & Haynes, 2006).

University involvement in economic development on the local level is the basic framework in partnership with Extension. Extension provides county-based infrastructure and educator expertise to extend university resources on the county level. The difficulty of defining the appropriate roles in economic development for Extension, however, often hampers the development of effective and relevant educational programs (Weber, 1987). The Extension-led model described and evaluated in this article better defines this role of Extension as a key partner in local economic development organizations.

The model embodies four characteristics; 1) Extension educator as economic developer, 2) collaborative approach, 3) diversified funding, and 4) evaluation and accountability, all of which are unique to the Extension-led model in promoting longevity and sustainability in rural communities. A full-time Extension educator who also serves as the economic development director is central and essential to the working model because this person acts as the conduit in connecting university resources with local needs.

The pursuit of meaningful and productive partnerships is a core principle of Extension. As such, the Extension-led economic development model can be of great value to rural communities through increased participation in economic development and by fostering collaboration and leveraging financial and research-based university resources. The long-term outcome is expanded community capacity and sustainable economic development.

References

- Banach, M., Zunz, S., & LaPointe, N. (2006). Community collaboration: Effective partnerships with steering committees. *Journal of Extension* [On-line], 44(1) Article 1FEA3. Available at: <http://www.joe.org/joe/2006february/a3.php>
- Barnes, J., & Haynes, S. (2006). Building trust in local community organizations: Where do we start, and how can we make a difference? *Journal of Extension* [On-line], 44(4) Article 4TOT6. Available at: <http://www.joe.org/joe/2006august/tt6.php>
- Carlton-LaNey, I., Edwards, R. L., & Reid, N. (1999). Small towns and rural communities: From romantic notions to harsh realities. *Preserving and strengthening small towns and rural communities* (pp. 5-12). Washington, DC: NASW Press.
- Conglose, J. (2000). The Cooperative Extension Service's role in running a successful county economic development program. *Journal of Extension* [On-line], 38(3) Article 3FEA3. Available at: <http://www.joe.org/joe/2000june/a3.php>

- Diem, K. G. (2003). Program development in a political world—It's all about impact! *Journal of Extension* [On-line], 41(1) Article 1FEA6. Available at: <http://www.joe.org/joe/2003february/a6.php>
- Hartsock, L. (2007). *The role of universities in regional and local economic development* [PowerPoint slides]. Retrieved from: <http://www.cals.cornell.edu/cals/devsoc/outreach/cardi/calendar-events/upload/HartsockPresentation.pdf>
- Holbrook, K. A. (June, 2003). *University engagement in the knowledge economy*. [PowerPoint slides]. Symposium at The Ohio State University on the Knowledge Economy. Columbus, OH.
- Jacobs, L., & Klein, E. (2010). *The relevant university: Making community and economic engagement matter*. Retrieved from: http://www.utoledo.edu/strategicplan/pdfs/Relevant_University.pdf
- Kapfer, M., & Taylor, B. (2007). Building innovative communities. *Economic Development Journal*, 6(1). Retrieved from: http://www.iedconline.org/EDJournal/Winter_07/IEDC_EDJ_Kapfer.pdf
- Roucan-Kane, M. (2008). Key facts and key resources for program evaluation. *Journal of Extension* [On-line], 46(1) Article 1TOT2. Available at: <http://www.joe.org/joe/2008february/tt2.php>
- Sandman,, L. & Kroshus, J. (1991). Project future: Vision-based community development. *Journal of Extension* [On-line], 29(3) Article 3FUT1. Available at: <http://joe.org/joe/1991fall/fut1.php>
- Weber, B. A. (1987). Extension's roles in economic development. *Journal of Extension* [On-line], 25(1) Article 1FEA5. Available at: <http://www.joe.org/joe/1987spring/a5.php>
-

Copyright © by *Extension Journal, Inc.* ISSN 1077-5315. Articles appearing in the Journal become the property of the Journal. Single copies of articles may be reproduced in electronic or print form for use in educational or training activities. Inclusion of articles in other publications, electronic sources, or systematic large-scale distribution may be done only with prior electronic or written permission of the Journal Editorial Office, joe-ed@joe.org.

If you have difficulties viewing or printing this page, please contact [JOE Technical Support](#)