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Assessing the Economic Competitiveness of the Danville, Virginia Region

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Executive Summary

Given its locational advantages and natural attributes, the Danville Region has the opportunity to become a highly attractive place to live and do business. However, many challenges must be overcome if the community is to become highly competitive in the 21st century knowledge-based economy. Specifically, the Danville Region must (a) shed its image as an old-line manufacturing center, (b) embrace a more balanced approach to economy development by assigning equal weight to industrial recruitment and home-grown entrepreneurial ventures, (c) develop sustainable strategies for both financing and solving the region's pressing social ills, and (d) resolve its human capital problem.

To address these issues, local officials should (1) re-brand the Danville Region as a sustainable community; (2) develop an image marketing campaign to promote the Danville Region in the economic development marketplace; (3) promote traditional business venturing as one of the keys to future economic growth and development; (4) create a civic entrepreneurial culture to solve the region's most pressing social problems; (5) re-engineer K-20 education to include more training and experiential learning in entrepreneurship; and (6) devise strategies to resolve the Danville Region's human capital problem.

Introduction, Critical Background, and Purpose

Research indicates that communities that have proven to be attractive places to live and do business in the 21st century knowledge-based economy possess a distinct set of characteristics. Highly attractive and competitive communities:

- Actively and aggressively pursue strategic alliances with other communities, domestically and especially internationally, with an eye toward developing not only cultural ties but also profit-centered activities that generate revenue and create jobs for the local citizenry.
- Create a regulatory environment that promotes and supports the generation of new community wealth via civic entrepreneurial ventures and innovations that are designed specifically to sustain and enhance the health, viability, and vitality of the community.

- Recognize the need for, and are committed to continuous investment in, a world-class physical infrastructure that connects them to the regional, national, and international economy.
- Invest heavily in their educational system (K–12, community colleges, and four-year institutions) to ensure the availability of education and training programs for their citizens so that they can compete for new economy jobs, thereby enhancing the community’s attractiveness to businesses.
- Instill in their citizens, especially their youth, the attitudes, values, and beliefs about education and work that are key to upward mobility in the knowledge-based economy of the 21st century.
- Strive to reduce, to the maximum extent possible, geographical, racial and/or ethnic, and class disparities by investing substantial resources in an array of community-building institutions (e.g., the YMCA, the YWCA, and the Boys and Girls Club) that seek to mend the social fabric and provide bridges to education and economic mainstream for their members, especially those who are socially and economically disadvantaged.

Under-girding these characteristics, as Table 1 shows, are six types of community capital assets — polity, physical, financial, human, cultural, and social — which interact, as specified in Figure 1, to create a healthy, highly competitive community.¹ It is important to note that the absence of any one of these six types of capital can

¹ For a detailed discussion of the theoretical underpinnings of our model of community competitiveness, see James H. Johnson, Jr., 2002a, “Enhancing the Competitiveness of North Carolina Communities,” *Popular Government*, Winter, pp. 6-18; James H. Johnson, Jr., 2002b, U.S. Immigration Reform, Homeland Security, and Global Economic Competitiveness in the Aftermath of the September 11, 2001 Terrorist Attacks,” *North Carolina Journal of International Law and Commercial Regulation*, Vol. 27, pp. 419-464.

seriously limit the ability of a community to compete in the 21st century marketplace. But, as Figure 1 shows, it is the polity capital (i.e., the local government), which creates the conditions or climate enabling the other five types of capital to drive competitiveness. In highly competitive communities, government decision-making is agile and flexible, not static or bureaucratic. Assuming the business-equivalent role of managing partner, the local government is prepared — almost on an ad hoc basis — to foster or facilitate networks and linkages among key community stakeholders to build or develop the requisite physical, financial, human, cultural, and social capital to facilitate community economic health and competitiveness.²

² To play this role effectively, the local government in a highly competitive community typically establishes a knowledge management system and data warehouse, which enables it to monitor trends and developments internal and external to the community in real time. For a detailed discussion of the importance of having such a system in place, see Don A. Holbrook, 1995, “Economic Development Facing up to the 21st Century,” IEDN’s Economic Development Intelligence Reports, available at http://iedn.com/information/intelligence/articles/edirfacing21st_cent10595.html,accessed March 28,2003; and IEDN, 1996, “Site Selection Trends in the Electronic Era & Global Economy.” IEDN’s Economic Intelligence Reports, January, available at <http://iedn.com/information/intelligence/articles/janedire.html>, accessed March 27, 2003; IEDN, 2000, “Rural Economic Development Issues for the 21st Century,” IEDN’s Economic Development Reports, January, available at <http://www.iedn.com/information/intelligence/articles/FEBEDIRE>, accessed March 28, 2003. Holbrook (1995) and IEDN (1996, 2000).

Table 1

Types of Community Capital Assets

- **Polity Capital:** commitments from local government organizations to continuously strive to enhance the health and socioeconomic well being of local residents and advance the competitiveness of the local community in the global marketplace.
- **Physical Capital:** the network of highways, railways, airports, telecommunications (telephone, Internet, etc.) and water and sewer systems that form the infrastructure of the community.
- **Financial Capital:** traditional and non-traditional sources of revenue that support the provision of services and promote future economic growth and community development.
- **Human Capital:** individuals with the requisite education, training, and “soft” skills to compete for jobs in the highly integrated world economy.
- **Cultural Capital:** residents with the appropriate values, attitudes, and beliefs about their current life chances and their future opportunities in the local community.
- **Social Capital:** resources – personal and institutional – through which individuals maintain their social identity and receive emotional support, material aid and services, information, and new social contacts.

Source: Johnson (2002a).

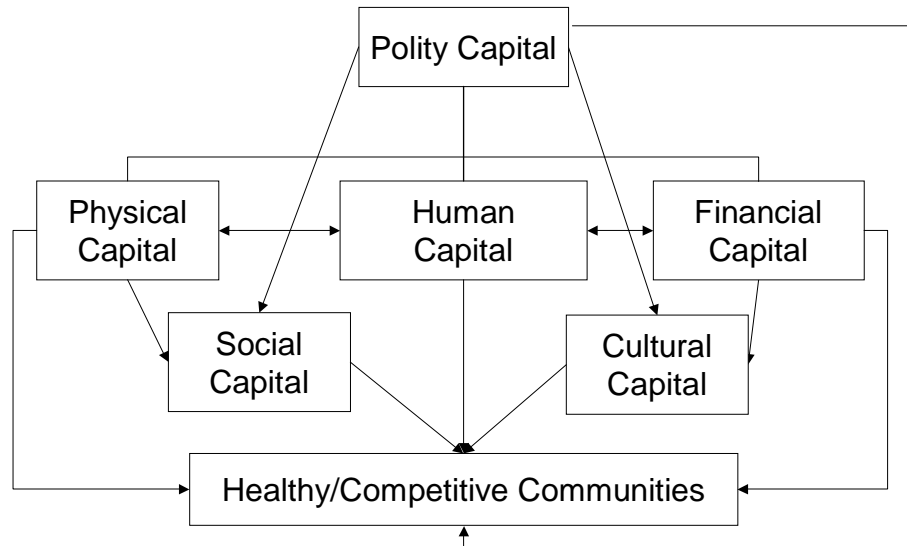
Depending on the nature of the issue, these networks may be industry- or sector-specific, ethnic-based, or regional in composition.³ In some instances, they may involve business leaders who are staunch competitors in the local marketplace. In highly competitive communities, leaders of competing businesses often work together to solve local problems because they recognize that their “coopetition” or “competitive

³ Joel Kotkin, 1998. “Cities Need Leaders ... and Businessmen Are Indispensable,” *The American Enterprise*, September/October, Vol. 9, pp. 24–26+.

collaboration” will ultimately benefit their respective companies.⁴ In other words, it is a form of enlightened self-interest.

Figure 1

A BUSINESS-ORIENTED CONCEPTUAL MODEL FOR ENHANCING COMMUNITY COMPETITIVENESS



Sources: Compiled by authors based on Johnson (2002a).

In the remainder of this report, we apply this model in a case study assessment of the current competitive position of the Danville Region—the City of Danville, Pittsylvania County, Virginia, and Caswell County, North Carolina. We begin by describing the methodology employed to operationalize the model. Next, we provide a demographic and socioeconomic profile of the Danville Region and then present the results of the competitive assessment.

⁴ John K. Conlon, and Mellisa Givagnoli, 1998, *The Power of Two*. San Francisco: Jossey-Bass, Inc.

METHODOLOGY

To operationalize the model, we conducted a community-level SWOT analysis, which identifies the internal (Strengths and Weaknesses) and external (Opportunities and Threats) forces that shape an area's overall health, economic well-being, and attractiveness as a place to live and do business.^{5,6} As Table 2 shows, such an analysis strives to answer specific questions about the community's strengths, weaknesses, opportunities, and threats.

⁵ IEDN, 2000, "Rural Economic Development Issues for the 21st Century," IEDN's Economic Development Intelligence Reports, available at <http://www.iedn.com/information/intelligence/articles/FEBEDIR>, accessed March 28, 2003.

⁶ Holbrook, Don A., 1995, "Economic Development Facing Up to the 21st Century," IEDN's Economic Development Intelligence Reports, available at http://iedn.com/information/intelligence/articles/edirfacing21st_cent10595.html, accessed March 28, 2003.

Table 2

Questions Posed in a Community-Level SWOT Analysis

Strengths
<ul style="list-style-type: none"> • What does the community do well?
<ul style="list-style-type: none"> • Does the community have a clear strategic vision?
<ul style="list-style-type: none"> • Does the community have an entrepreneurial orientation?
<ul style="list-style-type: none"> • Does the community culture produce a healthy environment in which to live and do business?
Weaknesses
<ul style="list-style-type: none"> • What could be improved in the community?
<ul style="list-style-type: none"> • What does the community do poorly?
<ul style="list-style-type: none"> • Is the community able to finance needed infrastructure?
<ul style="list-style-type: none"> • Does the community have poor debt or cash flow?
Opportunities
<ul style="list-style-type: none"> • What favorable circumstances is the community facing?
<ul style="list-style-type: none"> • What are the interesting trends?
<ul style="list-style-type: none"> • Is the community positioned to take on those trends?
<ul style="list-style-type: none"> • Is the community advanced in technology?
Threats
<ul style="list-style-type: none"> • What obstacles does the community face?
<ul style="list-style-type: none"> • What are the community's competitors doing?
<ul style="list-style-type: none"> • Are the demographic and economic conditions changing?
<ul style="list-style-type: none"> • Is technology threatening the community's competitiveness?
<ul style="list-style-type: none"> • What policies are state and federal lawmakers backing?
<ul style="list-style-type: none"> • Do the policies affect the community and, if so, how?

Source: Compiled by authors.

To answer these questions for the Danville Region, our case study community, we engaged in the same type of *community competitiveness intelligence gathering* that a corporate relocation consultant pursues to develop a short list of ideal sites for a client's business relocation or

expansion.⁷ That is, we conducted an exhaustive search of publicly-available information using the electronic search engines and research indexes identified in Table 3.

We used Danville, Pittsylvania County, Caswell County and the names of specific towns within the two counties (e.g., Chatham, Hurt, Yanceyville, Milton, Gretna) as place identifiers and combined this information with an array of search terms culled from prior research on community competitiveness.

The search, which included mainly newspaper and popular articles, technical reports, government documents, and statistical information, spanned a seventeen-year period, 1991 to 2008. The community-level SWOT results discussed below are based on our content analysis of these search results.

Table 3

Gateways and Databases Used in the Research

GATEWAYS	DATABASES
AltaVista.com	All Business Websites
Google.com	General Search Engine
ABI Inform/ProQuest	Periodicals and Newspapers
ProQuest	All Articles
Lexis/Nexis	Academic Universe Statistical Universe Government Periodical Universe

Source: Compiled by authors.

⁷ IEDN, 1996, "Site Selection Trends in the Electronic Era & Global Economy," IEDN's Economic Development Intelligence Reports, January, available at <http://www.iedn.com/information/intelligence/articles/janedir.html>, accessed March 27, 2003.

The Study Area

The Danville Region has three distinct geographic entities: the City of Danville and Pittsylvania County in Virginia and Caswell County in North Carolina. Danville was established in 1793 and has a long commercial history especially in tobacco and textiles. Located on the Dan River, the City of Danville borders Caswell County, North Carolina on the south and Pittsylvania County in all other directions. At just under 983 square miles, Pittsylvania County is the largest county in Virginia. Chatham, the county seat, is located near the county center. Caswell County, North Carolina remains largely rural with a long history of tobacco farming—bright-leaf curing was “discovered” in Caswell County—linking the county strongly with Danville’s tobacco markets. Many of Caswell County’s residents were employed in Danville’s textile mills, connecting the county with Danville even more closely.⁸

Historically, then, the economic vitality of the Danville Region was tied primarily to tobacco and textiles—industries that became highly vulnerable to global competition during the 1980s and remain so to this day.⁹ Unable to compete with manufacturing firms in emerging market

⁸ In *Piedmont Magazine*’s Spring 2008 issue, Doona Pointer, Director of the Caswell County Senior Center, discussed the county’s link with Danville. “Not only have many of our citizens used the Danville Regional Medical Center over the years, but many were employed at Dan River (Textiles). Our people go back and forth for shopping, business, and employment—we don’t really think about ‘border’.” The Danville Regional Foundation had awarded the Senior Center a \$2 million grant.

⁹ Census statistics reveal that 38 percent of all jobs in the region were heavily concentrated in transformative activities (i.e., mainly manufacturing) in 2000. The

countries, a number of major employers have been forced to either relocate offshore or go out of business. Over the past quarter century, plant closings and capital flight have dealt a major blow to the region's economic viability, posing significant problems for the dislocated workers and their families as well as adversely affecting the local tax base.

BLS (Bureau of Labor Statistics) estimates of employment and unemployment in the Danville Metropolitan Statistical Area (MSA) over the past decade illustrate the economic challenges the region has faced (see Figures 2 and 3).¹⁰ The economic dominance of tobacco and textiles served the Danville Region well for over a century. But both industries began declining in the 1990s, with precipitous declines in the past ten years.

percentage of jobs in this industry category was slightly higher in the city of Danville (41.4 percent) and Pittsylvania County (41.5 percent) and slightly lower in the Caswell County (31.6 percent) than in the region as a whole (38 percent). A much lower percentage of all jobs in the state of Virginia (20 percent) were concentrated in transformative activities. Thus, the state was less vulnerable to the vagaries of globalization than the Danville region. At the other end of the industrial spectrum, only 10 percent of the jobs in the Danville regional economy were concentrated in producer services--finance, insurance, information services, and other business services. A slightly higher percentage of jobs in the city of Danville (10.7 percent) were concentrated in this industry category. But nearly a quarter of all jobs in the Virginia economy were concentrated in producer services in 2000.⁹ By having a higher concentration of jobs in producer services, the Commonwealth of Virginia was far more globally competitive than the Danville region. In between these two sectors—transformative activities and producer services—the distribution of jobs in the Danville regional economy was not significantly different from the distribution of jobs in the statewide economy. That is, jobs were similarly dispersed in distributive services, personal services, and social services (See Appendix Table A1).

¹⁰ The Danville MSA is comprised of Danville and Pittsylvania County.

Figure 2 shows the trend in employment—the number of jobs--measured monthly from January, 1998 through early 2008. Employment peaked in early 1999 at around 54,000 jobs. Since



Figure 2: Trends in Employment, Danville MSA, 1998-2008.
Source: BLS.

2000, the trend has been downward with sharp declines and periodic though unfortunately short-term increases. The low point was in mid-2006 when just over 46,000 jobs existed. The outlook has improved slightly, but the most recent statistics show fewer than 48,000 jobs, a decline of over 11 percent since 1999.¹¹

¹¹ The BLS also estimates that the labor force has declined by over 5,000 from January, 1999 to January, 2008, a decline of 9 percent

Figure 3 shows BLS monthly estimates of the unemployment rate for the same period. After a low of around 2.5 percent in late 2001, the unemployment rate approached 10 percent two years later. In early 2008, the unemployment rate hovers around 7.5 percent. These



Figure 3: Trends in Unemployment, Danville MSA, 1998-2008.
Source: BLS.

monthly estimates vary in part because of short-term changes in the size of the labor force. The unemployment rate measures the percentage of workers in the labor force who do not have full-time employment. The labor force in the Danville MSA (not shown) declined sharply at times due to migration away from the region and growth in the number of discouraged workers—those no longer looking for jobs and therefore not in the labor force. As Figure 2 shows, there was a sharp decline in the labor force in 2000 which accounts in part for the low unemployment

rate. The decline in population in Danville (discussed below) and the decline in the labor force go hand-in-glove.

The steady downsizing and eventual closing of Dan River, Inc. were major factors in job loss and unemployment in the Danville Region. Dan River Inc., founded as Riverside Cotton Mills in 1882, was a major economic force in the region for most of its 126-year history. At its peak Dan River employed around 12,000 workers, but the workforce had dropped to around 3,500 by 2000. After filing for bankruptcy protection in March 2004, Dan River was acquired by GHLC Limited, an Indian-company, in January 2006. On April 18, 2008, GHLC Limited announced the liquidation of Dan River, ending its long and important history in the Danville Region.¹²

SWOT ANALYSIS

If the City of Danville, Pittsylvania County, and Caswell County are to compete more effectively in the global marketplace in the years ahead, local community stakeholders must understand and leverage the comparative advantages in these communities based on an analysis of

¹² Despite major job losses, the city of Danville has avoided the type of financial and infrastructural disasters that have plagued other small manufacturing, textile and tobacco cities in the United States. It has a manageable debt load and a steady stream of initiatives designed to increase jobs and the local tax base. Between 2006 and 2007, government net assets increased from \$292 million to \$321 million, while total expenses increased from \$207 million to \$213 million. Although the city still spent more than it earned in 2007, it did manage to curb spending; general fund expenditures for police, fire, maintenance, health services, city planning, parks and recreation, welfare, etc.) came in \$9.9 million under the proposed \$96 million dollar budget. Compared to the regulatory maximum, the overall debt burden is low and Danville's credit rating was recently upgraded to A3.

relative strengths, weaknesses, opportunities and threats. Below the most significant findings of our SWOT analysis for the City of Danville, Pittsylvania County, and Caswell County are presented. A summary of the SWOT findings are provided in Appendix Table A2.

Strengths

The Danville Region's pro-business climate is arguably its greatest asset. In response to the decline of tobacco and textiles, the region has taken a very aggressive stance in an effort to diversify the local economy and attract new businesses.¹³ Since March 2004, this approach has netted 26 new projects and 9 expansions, which reportedly will create 5,604 jobs and spark community investments totaling more than \$500 million.

Eleven of the 26 new projects were announced in 2006.¹⁴ Among them were companies such as: Com.40 Ltd., the Advanced Vehicle Research Center, Nestle, Swedwood North America, Arista Tubes, Unarco Industries, Inc., Piedmont Precision Machine Co., Inc., Telvista, Inc., EIT, Inc., and Yorktowne Cabinetry. Commenting on these announcements, Charles Hawkins, Chairman of the Virginia Tobacco Commission, noted that, "The City of Danville is rapidly making the transition from being the

¹³ Ylan Q. Mui, "Ikea Helps a Town Put it Together," Washington Post, May 31, 2008, p. A01, available at http://www.washingtonpost.com/wp-dyn/content/article/2008/05/30/AR2008053003244_pf.html

tobacco capital of the South to becoming the South's leading hub for advanced manufacturing.”¹⁵ Elaborating on the reason his company chose to locate in Danville, Bogman Kaczmarek, CEO and Owner of Com.40, said, the “City of Danville and state officials offered an impressive pro-business approach and strong financial support. This, combined with the region's available, educated labor force, made choosing Danville an easy decision.”¹⁶

A great deal of this success in attracting new businesses and helping existing local businesses grow is due to polity capital assets which strive to promote economic development and strengthen the area's human and social capital infrastructure. These assets include local government entities, economic development organizations, and Chambers of Commerce.

Local government officials and Danville City Council members have all been influential in transforming the area. Danville City Council members have planned industrial parks, built infrastructure, partnered with utility companies, and streamlined the permit process to make building in Danville faster and easier.¹⁷ The realized municipal cooperation gives businesses a confidence that city departments and planning boards can work together.

¹⁴ <http://www.danville-va.gov/news.asp?cid=10853>

¹⁵ <http://www.danville-va.gov/news.asp?cid=11086>

¹⁶ <http://www.danville-va.gov/news.asp?cid=11086>

In addition, local government web sites (www.pittgov.org, www.danville-va.gov and www.caswellcountync.gov) create a degree of local government transparency and offer basic community information and a posting of minutes from recent government meetings. These sites also feature links to their respective economic development organizations. In 2005 the City of Danville started a 24-hour Government channel, City-TV 20, which includes a local bulletin board listing area events taking place through the Parks and Recreation and Tourism Departments, employment opportunities with the City, and important information from the Danville Public Schools.

The Danville Office of Economic Development (www.discoverdanville.com) and the Pittsylvania County Economic Development (www.pittced.com) organizations are both strong polity capital assets. The Danville Office of Economic Development has taken a very proactive and aggressive approach in recruiting companies for the area. “We’re aggressive in the sense that we visit companies,” said Jeremy Stratton, Director of the Danville Office of Economic Development. He goes on to state that,

We went to Sweden when we were trying to get IKEA. While we were there, we went to Poland to visit Com.40. It turned out they decided to accept our offer partially because we visited them. It takes that kind of aggressive traveling and meeting with companies, rather than going to a trade show.¹⁸

¹⁷ [http://www.tradingmarkets.com/.site/news/Stock percent 20News/1155931/](http://www.tradingmarkets.com/.site/news/Stock%20percent%20News/1155931/)

¹⁸ [http://www.tradingmarkets.com/.site/news/Stock percent 20News/1155931/](http://www.tradingmarkets.com/.site/news/Stock%20percent%20News/1155931/)

Both of these economic development organizations feature comprehensive and easily navigable web sites that outline the area benefits to new business as well as available land tracts and buildings for development. The Danville Office of Economic Development site also features a “data center” where a customized report can be generated on a variety of topics including schools, utilities, learning institutions, infrastructure, quality of life activities, taxes, demographics, incentives and workforce.

The Danville Pittsylvania County Chamber of Commerce continues the trend of strong polity capital assets. Emblematic of its value, in March 2008, the United States Chamber of Commerce awarded the Danville Pittsylvania County Chamber of Commerce with 5-star Accreditation for its sound policies, effective organizational procedures and positive impact on the community. Only 41 of the 6,936 Chambers in the United States are accredited with 5-stars and only 4 percent are accredited at any level. This places the Danville Pittsylvania County Chamber of Commerce in the top one percent of Chambers across the country.¹⁹

In addition to their individual strengths, these organizations have realized the importance of strategic alliances and partnerships amongst themselves and have sought cooperation and collaboration rather than

¹⁹ <http://www.discoverdanville.com/news.asp?id=3941>

competition. Two examples of this are the Cyber Park, a collaborative development project between the City of Danville and Pittsylvania County wherein the two communities share in the tax revenue generated by businesses in this 330-acre industrial park; and Cane Creek Centre, a 900-acre park, which is jointly owned by the City of Danville and Pittsylvania County.

Numerous proactive business assistance programs afford the community the ability to attract and retain businesses. Two of the programs, the Tobacco Settlement Fund and the Virginia Enterprise Zone program, are designed to help offset some of the up-front and long-term costs associated with doing business in the Danville Region.

Virginia designated its tobacco settlement money for economic development while North Carolina earmarked its money to fund programs in economically depressed areas. This has proven to be a significant competitive advantage for the Danville region as local officials are able to offer more financial incentives to companies debating whether to locate in North Carolina or Virginia.

The Danville area also encompasses two Enterprise Zone designations (Zone 1 and Zone 57). These zones combined consist of 3,575 acres of commercial, industrial, retail and office space. Businesses located within these zones have access to two grant-based incentives for job creation and real property. In addition, Enterprise Zone businesses benefit from other local incentives, including exemption from certain City

permit fees, a 50 percent Business and Professional License Fee rebate, and possible assistance from the Regional Center for Applied Technology.²⁰

These financial incentives are leveraged by the comprehensive Industrial Parks that have been developed in the Danville area which serve a wide array of businesses. Small businesses in the area also can receive assistance through the Dan River Business Incubator.

One additional polity capital asset that cannot be overlooked is the Danville Regional Foundation, which, among other initiatives, is actively working with local governments and businesses to help attract jobs, provide health care, and augment the incomes of the working poor in Danville, Pittsylvania County, and Caswell County.²¹

Complimenting the role of a pro-business climate, the work ethic of the Danville labor force is a driving force in business recruitment and retention. Commenting on the role of this latter factor, David Allen, Telvista Chief Operating Officer, said that, “Danville has a great pool of friendly, smart and dependable people who provide superior service to our clients.”²² William Gentry, Jr., President and Owner of Piedmont, similarly noted that, “I can only attribute our growth and success to our

²⁰ www.discoverdanville.com/page.asp?page_id-213

²¹ *Piedmont Magazine*, Spring 2008.

²² <http://www.danville-va.gov/news.asp?cid=5042>

dedicated employees at all levels. Their dedication, quality and pride in workmanship are evident in the products manufactured at our facility.”²³

Further evidence regarding the dedication of Danville area workers can be seen in the following account of worker input at the local Nestle plant:

Back in 1999 when Nestle’s first bar cookie dough production line had been in operation approximately 6 months the Thanksgiving Holiday arrived. Although production workers had been working weekends to meet initial product supply dates, Plant Manager Don Nodtvedt had not planned to ask the Danville associates to work on the holiday. So they asked him. Nodtvedt later told Refrigerated and Frozen Foods that the Associates had asked him if customers might not be able to find this new, very popular item for Christmas baking.

In response to the workers’ query, the plant manager is quoted as stating,

When I said, there was a strong possibility of that, they volunteered to work on Thanksgiving. As you might imagine we ended up serving them a big turkey dinner. I was very impressed by their commitment to see this product become successful.²⁴

To maintain and enhance the attractiveness of the Danville Region as a place to do business, local education institutions offer an array of degree, continuing education, and custom training programs to ensure the availability of a well-trained workforce.

²³ <http://www.danville-va.gov/news.asp?cid=5089>

²⁴ www.danville-va.gov/news.asp?cid=4057

- Averett University, a 4-year college serving over 2500 undergraduate and graduate students, offers more than 35 undergraduate majors and master's degrees in business and education.
- Both Danville Community College in Virginia and Piedmont Community College in North Carolina serve the region. Danville Community College, in particular, houses several local training programs that have proven valuable to local employers.
- The Institute for Advanced Learning and Research (IALR) focuses on bringing advanced technology and top-notch talent to the region. A partnership between local government, Averett University, Danville Community College, and Virginia Tech, IALR conducts cutting-edge research and offers educational opportunities in such fields as polymers, unmanned systems, high value horticulture and forestry, and motorsports engineering, with an eye toward attracting small- and mid-sized companies who desire access to the expertise it offers.²⁵

²⁵ IALR reportedly has the potential to be a critical base for the economic transformation of the region by creating a new model of “knowledge to business” capacity. See http://www.ialr.org/news_events/news_details.php?vw_news_categoriesPage=2&news_ID=144

- The Regional Center for Applied Technology and Training offers aggressive technology transfer and training programs. Emblematic of the quality of the Center's training, Swedenwood recently hired all of the graduates from the College's new manufacturing technician certificate program.²⁶
- Several vocational and technical schools, including Danville Regional Medical Center School of Nursing, Artistic Beauty College, and Danville Regional School of Radiological Technology, offer education and training in the local area.

In addition to these local education options, another 37 Colleges and Universities and 12 Community Colleges are located within a 60-mile radius of the Danville region.

Danville area elementary and secondary schools are also actively involved in building local human capital. Three area elementary schools were recently honored with the Governor's Award for Educational Excellence, the highest honor created by the Board of Education. Several other area schools received second- and third-tier award recognition. All City of Danville and Pittsylvania County schools made Adequate Yearly Progress (AYP) in the 2006-2007 school year.

²⁶http://www.godanriver.com/gdr/news/local/danville_news/article/local_plant_tops_in_incentives_01_24_08_drb/498/

The Danville area's physical capital assets should not be overlooked. The area boasts a strategic location and valuable natural resources. Combined these assets enhance the quality of life for local residents and serve as magnets in the recruitment of new residents and businesses.

Geographically, the area is located in south-central Virginia along the North Carolina border, within a day's drive of two-thirds of the nation's population and less than 60 miles from the major metropolitan areas of Greensboro-High Point-Winston-Salem and Raleigh-Durham-Chapel Hill (which includes the Research Triangle Park). Easy access to Interstates 40 and 85 make the Danville region extremely well suited to reach mid-Atlantic markets and international shipping facilities.

The region is also served by an excellent highway system. U.S. Highway 29 (Future I-785) is a major four lane, north/south route from Washington D.C., to Atlanta, Georgia, and is a direct link to Interstates 40 and 85 in Greensboro, North Carolina. U.S. 29 was expanded to include the Danville Expressway that skirts the city and connects U.S. 58, U.S. 29 (Future I-785), and U.S. 86. U.S. Highway 58 is Danville's major east/west route and provides direct access to the ports in Norfolk, Newport News, and Portsmouth. The area is also located within a day's drive of deep-water ports in Wilmington, NC, Morehead City, NC and Charleston, SC.

The area has an inventory of industrial sites with rail access. Rail lines snake through Pittsylvania County from north to south serving existing buildings as well as large tracts of developable property. Rail service is provided by Norfolk Southern Railway, a major trunk line railroad. Local service is provided daily; and switching within the Danville switching limit is offered on a 16-hour basis. AMTRAK serves Danville with one northbound and one southbound train daily with service between New Orleans, Louisiana, and Washington, D.C.

The Danville Regional Airport and Danville Mass-Transit serve the local area directly. The airport has two runways, a primary 6500' Precision ILS runway and a new 510' x 425' south ramp that can accommodate 737 series aircraft. The Danville Mass Transit system operates from 4 A.M. – 12:45 A.M.

Along with the Danville Region's proximity to and accessibility via interstate highway, rail, air and seaports the area is also endowed with rivers and lakes for recreational opportunities. In particular Leesville Lake, Smith Mountain Lake, and Hyco Lake provide residents and visitors opportunities for a wide variety of outdoor recreational activities, including boating, swimming, and fishing. The Dan River is also a natural asset.

The Danville region also has an array of social and cultural capital assets that can be leveraged both for local residents and in the economic

development marketplace. The area has numerous local parks, three public golf courses, the White Oak Mountain Wildlife Management Area, several wineries, Yoder's Country Market, and numerous cultural and historic organizations. The region also boasts a rich Civil War History with many historic sites. Caswell County has one of the largest numbers of Antebellum homes in North Carolina. In Danville, "Millionaire's Row," which is listed in the National Register of Historic Places, highlights the City's Victorian Era heritage. The area also offers professional sporting opportunities in the way of the Virginia International Raceway (www.virclub.com) and the Danville Braves Minor League Baseball Team. In addition there are over 344 religious and faith-based organizations that provide opportunities for spiritual enrichment, social interaction, and networking.

Weaknesses

As shown above, the Danville Region has a number of strengths that make it attractive as a place to live and do business. But there are several areas of weakness that adversely affect its competitiveness in the economic development marketplace.

One major area of weakness is the Danville Region's reliance on external sources of funding for economic revitalization and job creation. The problem is most apparent in the city of Danville.

In 2007, the city received \$25 million in state aid and \$16.5 million in federal aid (\$9.8 million to support the public schools). Danville also received millions of dollars from the Virginia Tobacco Settlement Fund to diversify its economy. While extremely important as seed capital, such funding does not constitute a sustainable revenue base and thus places the region in an economically precarious situation. Given this reliance on external funding, the region is most vulnerable during an economic downturn when such sources of funding typically dry up. To thrive and prosper in the years ahead, the city of Danville and the Danville Region more generally must develop a more sustainable revenue base, one that is less vulnerable to the political whims of outside funders and the vagaries of the business cycle.

The information that is available electronically about the Danville Region is another area of weakness. If the Danville Region is to be seen as a highly integrated region, then marketing and economic development officials need to be consistent in the information they provide regarding the region.

Availability of all physical capital assets in the region should be highlighted in marketing and economic development efforts. The Danville Office of Economic Development web site only lists the Danville Industrial Parks or the Industrial Parks they have undertaken jointly with Pittsylvania County. It does not list the parks controlled by Pittsylvania or Caswell counties. In the same vein, Pittsylvania and

Caswell do not list City of Danville Industrial Parks. There is also some confusion regarding the number and names of Industrial Parks in the area depending on which web site one is using.

Discoverdanville.com mentions Airport Industrial Park and Danville / Pittsylvania County Regional Industrial Park. The latter is commonly referred to as Cane Creek Centre on other web sites. There is also little clarification on Airside and Riverview Industrial Park(s) and whether this is one park or separate parks. The map on the Discoverdanville.com site mentions both names but the map is only labeled as "Airside Park".

On the Danville-va.gov web site there are 4 separate industrial parks listed--the CyberPark, Airside Park, Riverview Park, and the Cane Creek Centre (called the City-County Regional Park on this web site). There was also one reference in an article to Danville's Southside Industrial Park,²⁷ which is not mentioned on any of the Economic Development sites. It seems as though some of these Industrial Parks may have merged and/or have changed names over the years, but the different web sites have not been consistently updated to reflect the changes. This makes it difficult for someone searching Industrial Parks in the area to see what is actually available.

²⁷ <http://www.danville-va.gov/news.asp?cid=4454>

Additionally, it is difficult to find information on attractions in Caswell County. The web sites for the City of Danville and Pittsylvania County do not include much information in their respective area attractions sections on what is available in Caswell County. The Caswell County Chamber web site does little to promote attractions in the actual county itself. The first two paragraphs of the “Living in Caswell County” page highlight its close proximity to larger cities and attractions outside of the county. There are no hot links to actual attractions within the County. On the “attractions” portion of the site, Hyco Lake is not listed. There is nothing on the Chamber web site indicating the main industry or employers in the area.

The Caswellcountync.gov web site has hot links but several, such as to the Piedmont Sportsman Hunting Preserve and the NC State Department of Commerce County Profile, do not work. Going to the Caswell Messenger online to get information about the county provides further obstacles, because one must pay a daily, weekly, or monthly fee (\$5, \$10, or \$20, respectively) in order to access archives past a certain date.

Regional transportation issues are another weakness. Although Danville does have a regional airport, it is a general aviation airport and there is no commercial service at the facility. The closest commercial airports are Piedmont-Triad International Airport (1 hour travel time), Raleigh-Durham International Airport (1.5 hours), and Lynchburg

Regional Airport (1 hour). Also, many of the roads in the Danville area, particularly those around the industrial parks which are used for distribution routes, are not adequate for that use.

Commenting on the roadway problem, David Bennett, director of carbon sealing tape operations at Intertape Polymer Group, said that about 50 trucks serving Intertape daily travel routes along narrow roads that are not designed for high volume truck traffic. He goes on to state that, "Eventually, someone is going to get killed." In addition, traffic volume from Intertape's 300 employees further exacerbates the problem. A roadway has been proposed that would connect Route 730 to U.S. 29, streamlining access to the highway and southeastern Pittsylvania County's industrial parks, especially for delivery vehicles, according to regional planning officials and consultants²⁸, but it is unclear whether this road will be built.

Locally Unwanted Land Uses (LULUs)—land-uses that are typically perceived to have an adverse affect on property values or otherwise detract from the attractiveness of the community as a place to live and do business--constitute yet another weakness.²⁹ Most notable in this

²⁸http://www.godanriver.com/gdr/news/local/danville_news/article/county_mulls_connecting_road_between_route_730_us_03_27_08_drb/1197/

²⁹ More generally, Danville's long history of textiles, tobacco, and manufacturing has left behind an infrastructure that is not well suited for today's prospering and most competitive industries. Many buildings have been abandoned and more than 100 acres have been identified as Brownfield sites. The stigma associated with this plight is a lasting one, serving as a major hurdle in attracting new businesses and residents.

regard are the Green Rock Correction Center in Chatham and the Caswell Correctional Center near Yanceyville. In addition to serving as a deterrent to other, more salutary land-uses (e.g., schools, churches, day care centers, and hospitality businesses), there also appears to be a severe overcrowding problem in the local jails, which creates the perception that there is a drastic increase of crime in the area.

City of Danville Sheriff James Dooley said the city jail is overcrowded, but it is nothing like the county's jail. The county's jail was originally built for 36 inmates and bunks were doubled at one time to allow for 72 inmates. However, the average daily population at the jail is 140, forcing some inmates to sleep on mattresses on the floor, according to the county sheriff's office. Danville's jail has room for 143 inmates, Dooley said. There are 135 male inmates in jail and 55 women who have been held at the Adult Detention Facility since 1993.³⁰ Crime and perceptions of crime are continuing problems that must be addressed to improve economic development opportunities in the Danville Region.

As noted previously, unemployment is a serious issue affecting the Danville region. Danville has steadily lost population due to workers moving out of the area as jobs are lost to layoffs and the loss of manufacturing operations such as Dan River Inc. Danville has lost more than 3,400 people, or 7 percent of its population, since the 2000 Census,

placing it at 132 out of 134 localities in the state in population growth or, in this case, decline.³¹ The majority of Caswell County's labor force (68 percent) works outside the county,³² and therefore job losses in surrounding communities such as Danville and Pittsylvania County heavily impact the unemployment rate in Caswell County as well.

According to Census 2000, approximately 23 percent of workers employed in Caswell County commute into the county to work each day. Thirty-two percent of the in-commuters come from Danville.³³ Caswell County may be at a disadvantage in business recruitment because neighboring counties in Virginia have lower corporate taxes, cheaper unemployment insurance, more aggressive economic development officials who often can leverage funds from the Virginia Tobacco Settlement Fund and draw upon other recruitment incentives to lure companies.³⁴

High rates of joblessness may be a major cause of other human capital issues in the area as well, such as poverty and homelessness. There has been a rise in the number of homeless people, including

³⁰http://www.godanriver.com/gdr/news/local/danville_news/article/bill_for_regional_jail_shot_down_02_06_08_drb/631/

³¹http://www.godanriver.com/gdr/news/local/danville_news/article/danvilles_population_loss_leads_all_virginia_cities_03_21_08_drb/1133/

³²http://www.godanriver.com/gdr/news/local/danville_news/article/unemployment_rate_rises_in_caswell_county_03_24_08_drb/1159/

³³ <http://www.caswellcountync.gov/economic/labor.htm>

³⁴ http://www.tradingmarkets.com/.site/news/Stock_percent_20News/1155931

homeless children. A recent survey indicates that about 75 percent of the homeless people surveyed have lived in Danville more than six months, which may indicate a link to the closing of the Dan River's manufacturing operations.³⁵ The city of Danville ranks fifth in the state for all ages in poverty at 24.3 percent. Pittsylvania County has 14.3 percent in poverty for all ages. Danville is second in the state for children under 18 in poverty at 35.1 percent with Pittsylvania County reporting 19 percent. For children ages 5 to 17, Danville ranks fourth with 31.7 percent in poverty, while in Pittsylvania County 17.4 percent of the children in this age group live below the poverty line.³⁶

Education is another area that needs improvement in order to prepare the workforce and attract jobs to the region. The Pittsylvania County Economic Development web site indicates that only 67.3 percent of Pittsylvania County residents over age 25 have high school degrees, compared to 81.5 percent for the State, and only 9.3 percent have Bachelor's degrees, compared to 29.5 percent for the State. Also, while Pittsylvania County and the City of Danville schools appear to be making Adequate Yearly Progress (AYP) markers, only 2 of the 6 schools (33.3 percent) in Caswell County made AYP in the 2006-2007 school year.³⁷

³⁵http://www.godanriver.com/gdr/news/local/danville_news/article/loss_of_dan_river_shows_on_the_streets_02_26_08_drb/839/

³⁶http://www.godanriver.com/gdr/news/local/danville_news/article/gloomy_census_figures_in_01_11_08_drb/371/

Having a poorly educated workforce and low-performing schools may be a deterrent for employers looking to either expand or relocate to the area and may prompt existing businesses to move out of the region.

Teenage pregnancy is a public health concern in Danville. Teenage pregnancy rates in Danville have remained high over the past ten years, even while rates were dropping throughout the state. Among independent cities and counties in Virginia, Danville had the eighth highest rate of teen pregnancy in 2006, slightly below 6 percent.³⁸

Paralleling the teenage pregnancy problem, the infant mortality rate in Danville is appallingly high (21.5/1000 births in 2005)--higher than in many third world countries. By comparison, the infant mortality rate was 6.2/1000 and 7.1/1000 for Pittsylvania County and Virginia, respectively.

Among pregnant mothers, low-birth weight is another problem in Danville. Compared to 9.9 percent in Pittsylvania County and 8.3 percent in the state, 12 percent of births in Danville in 2005 were low weight (less than 2500 grams).

These problems stem, at least in part, from the fact that many of the mothers are not only young but also unwed. In 2005, over 60 percent of births in Danville were to unmarried women, almost twice that level of

³⁷ <http://www.caswell.k12.nc.us/sublinkDetail.asp?linkId=2&sublinkId=42>

the state (34.4 percent) and much higher than in Pittsylvania County (40.5 percent).

Sexually transmitted diseases also are a growing area of concern. In 1999, Danville had the highest rate of syphilis in the nation, but was able to eradicate the disease by 2001. However, the disease seems to have returned, with four new cases reported last year, and six this year.³⁹

Adult and childhood obesity constitute yet another problem. An estimated 60 percent of the adults in both the city of Danville and Pittsylvania are classified as overweight or obese, just slightly higher than the statewide average. However, the rate of Diabetes Mellitus is much higher in the city of Danville (54.8/100,000) and Pittsylvania County (35.8/100,000) than in the state as a whole (21.3/100,000).⁴⁰

Childhood obesity rates for Virginia counties are not readily available.⁴¹ But the Annie E Casey Foundation's analysis of the 2003 National Survey of Children's Health estimated that 30 percent of 10-17

³⁸http://www.godanriver.com/gdr/news/local/danville_news/article/teen_pregnancy_s_till_a_problem_in_danville_area/2433/

³⁹http://www.godanriver.com/gdr/news/local/danville_news/article/health_officials_watching_for_possible_syphilis_com_03_23_08_drb/1145/

⁴⁰ Aside from differences in the incidence of diabetes, measures of adult health in Danville and Pittsylvania County are not that different from those in the state.⁴⁰ In Danville, 19 percent of adults are classified as being in fair or poor health, compared to 16 percent for Pittsylvania County and 15 percent for the state.

⁴¹ It should be noted, however, that Virginia does have an active program to combat childhood obesity. See <http://vaperforms.virginia.gov/i-obesity.php>

year-old Virginians were overweight or obese, a level slightly below the national level.

Above and beyond the foregoing health issues, wait times at the Danville Regional Medical Center are also a problem. In 2006, 17 percent of patients coming into the Emergency Room (ER) left without treatment, and the average time spent in the ER was 9.6 hours. The situation has improved considerably since then, with only 4.2 percent of patients leaving without receiving treatment, and the average time spent in the ER has been reduced to 4.3 hours. However, these percentages and times remain higher than the national averages of 4 percent and 3.3 hours, respectively.⁴²

Notwithstanding the depth of the foregoing social problems, expenditures in the city of Danville were heavily weighted in favor of law enforcement in 2007. At \$24.7 million, public safety, including fire and emergency services as well as police and corrections, loomed above any other group of expenses. The law enforcement component of the public safety budget was \$8.6million; correction and detention was \$6.6 million. By contrast, education received \$17.3 million, health and welfare \$15.3 million, community development \$3.0 million, and public works \$10.4 million.

⁴²http://www.godanriver.com/gdr/news/local/danville_news/article/hospital_less_er_waiting_03_18_08_drb/1082/

If the Danville Region is to be globally competitive, substantially greater resources will have to be invested in education, health, and welfare issues as well as in the rebuilding of the local physical capital asset base. Because prospective firms and residents increasingly are making locational decisions on the basis of quality of life issues, such investments will likely enhance the attractiveness of the Danville Region as a place to live and do business.

On the environment front, the level of bacteria in the Dan River is another public health issue of considerable concern. The Dan River watershed carries high levels of fecal bacteria, exceeding state standards and impairing streams' recreational use. Virginia's water-quality standard for E. coli water levels is 235 colony-forming units per 100 milliliters, while that for fecal coliform is 400 colony-forming units per 100 milliliters. If a stream exceeds those limits more than 10.5 percent of the time, the Virginia Department of Environmental Quality deems it impaired.⁴³

Finally, the conflict over proposed uranium mining may be weakening the cohesiveness of the community. Although the issue has yet to be resolved, a special-use permit was granted to erect uranium core storage facilities, a decision made by the Board of Zoning Appeals that went against the recommendation of the Pittsylvania County

⁴³http://www.godanriver.com/gdr/news/local/danville_news/article/quality_of_rivers_water_decreased_by_pollution_02_01_08_drb/582/

Planning Commission.⁴⁴ Although the potential risks of the uranium issue have not yet been fully assessed, the divisiveness that the issue is causing can be seen as a major obstacle to the community's attractiveness as a place to live and do business.

Opportunities

Several areas of opportunity exist to promote and facilitate economic development in the Danville Region. The opportunities are based largely on the strengths of the community, including an aggressive economic development strategy, available industrial parks, and a pro-business climate, all of which have resulted in numerous planned projects coming to the region that could generate significant revenue and bring additional jobs.

Due to its substantial locational advantages, the city of Danville is an excellent site for an Information Technology (IT) data center.

- The area's available stock of cheap land and its proximity to potential high-tech employees from nearby colleges and universities (Averett University, University of North Carolina at Chapel Hill, North Carolina State University, Duke University, Virginia Tech, Elon University, UNC-Greensboro, and the University of Virginia) is a major draw for data center use.
-

- For data centers, power consumption accounts for an estimated 40% of total operating costs.⁴⁵ Given that commercial electricity costs in Virginia are the 6th lowest in the United States, Danville is an attractive option, particularly when considered with the human capital potential.
- Danville's stable weather patterns and inland location makes it less prone to natural and man-made disasters, such as hurricanes, earthquakes, and terrorist threats.⁴⁶

A data center would lead to the creation of many construction jobs, followed by a number of permanent and relatively high-paying technology jobs, along with a host of administrative, maintenance and support positions. The city's Institute for Advanced Learning and Research (IALR) can also be leveraged to instill technical skills required at data centers.⁴⁷

Auto racing is another strong arena where more energy and effort can be invested to develop local businesses and jobs. The recent

⁴⁴http://www.godanriver.com/gdr/news/local/danville_news/article/board_approves_buildings_for_mining_operations_01_09_08_drb/347/

⁴⁵ <http://www.govtech.com/gt/312792>

⁴⁶ http://searchdatacenter.techtarget.com/news/article/0,289142,sid80_gci1204203,00.html

⁴⁷ Enhancing its attractiveness as a potential data center, a cutting edge, next generation broadband network hub is being deployed in Danville's Cyber Park to attract and serve private sector telecommunications intensive operations by integrating internet architecture using Multimedia Service Access Points (MSAP) components, locally referred to as *e-Dan*. The goal of a MSAP is to provide a central broadband switching and a network access point for all Internet, voice and video traffic in the community. This is being developed in cooperation with Virginia Tech, and should

expansion plans of the Advanced Vehicle Research Center (AVRC) in the Cyber Park complex allow for many business development options. The research and design center and closed loop natural track of the AVRC project, in addition to the other local racing industry assets, may serve as a magnet for satellite, partner, supplier, or subsidiary businesses to move to the area, particularly in light of the planned future expansion of the test track to include an additional 144 acres. Supporting this development, Dick Dell, Executive Director of the AVRC, said that, “The region already has significant assets that support the auto racing industry such as the Virginia International Raceway and neighboring speedways.”⁴⁸

Grants from the Virginia Tobacco Settlement Fund and local incentives from the Enterprise Zone program can be leveraged to recruit businesses looking to move into the area or expand existing operations. Indeed the Danville region has been pitted against locations in Texas, North Carolina, South Carolina and Pennsylvania, and has prevailed, due in large part to the financial incentives offered.⁴⁹

The proposed \$5 million agricultural complex is one project benefitting from the Tobacco Settlement Fund. It includes a farmer’s market, indoor arena, offices, classrooms, and a banquet hall that can

serve as a springboard for future telecommunication enhancements in the area. See <http://www.discoverdanville.com/data.asp?questions=2199&target=articles>

⁴⁸ <http://www.discoverdanville.com/news.asp?id=3931>

hold up to 300 people.⁵⁰ Another project will convert the Old Belt No. 5 warehouse into a multi-tenant manufacturing center, fostering the creation of 50-75 new high technology jobs and a private capital investment of \$5-7 million.⁵¹

Opportunities also exist to further improve the physical capital infrastructure which, in turn, would enhance the region's attractiveness as a logistics and distribution center. The future upgrade of U.S. Highway 29 to I-785 would provide Interstate linkage from Danville to I-40 and I-85 in Greensboro, NC. With the upgrade of the Danville Expressway to a four-lane road in 2004, the Virginia section of the route is completed, but construction on some sections in North Carolina to bring the highway up to interstate standards is not scheduled to begin until 2011.⁵²

Another planned roadway would connect Route 730 to U.S. Highway 29, streamlining access to the Highway from area industrial parks, especially for delivery vehicles. The link would make conditions much safer for distribution trucks using the existing routes, which are

⁴⁹ <http://www.danville-va.gov/news.asp?cid=11086>

⁵⁰ http://www.godanriver.com/gdr/news/local/danville_news/article/tobacco_grant_will_help_fund_5_million_complex_01_24_08_drb/500/

⁵¹ http://www.godanriver.com/gdr/news/local/danville_news/article/officials_grant_will_help_bring_new_jobs_01_11_08_drb/369/

⁵² http://en.wikipedia.org/wiki/Interstate_785

currently narrow roads that were not developed for commercial use.⁵³ The Fed Ex Mid-Atlantic hub at Greensboro, NC's Piedmont Triad International Airport, slated to open in 2009, could provide additional opportunities for the Danville region, as it is only an hour away.

Another opportunity exists for the Danville Region to coordinate marketing efforts, particularly on area web sites, to highlight all of the physical capital assets and tourist attractions in the region both for local citizens and area visitors. The many facilities for motor sports in the region and in neighboring counties could provide opportunities to market the other attractions in the area to visitors of these sports complexes. The area lakes, as well, should be highlighted on all web sites of the region. Smith Mountain Lake, a small part of which is in Pittsylvania County, and Hyco Lake, which has a large "finger" in Caswell County, and Leesville Lake--all should be marketed as major recreation attractions in the area. More cohesive marketing efforts of the region's attractions across all web sites would help draw tourists as well as illustrate that the region provides ample opportunity for recreation for those who move to the area and would show the region as an attractive place to live and work.

The possibility of mining the uranium at Coles Hill could potentially bring millions of dollars in revenue to the region. This issue

is a very contentious one, however, and it seems unclear as to how Pittsylvania County will proceed.

Threats

Several issues threaten the future viability and competitiveness of the Danville Region. The main ones are highlighted below.

Danville's primary threat is the surrounding small towns and jurisdictions that are competing for the same employers, residents, and tourists. Many of these areas, such as South Boston, Martinsville, and Rockingham County, have similar demographics and promote themselves as business friendly environments. All of these areas are reeling from high unemployment, making it a hyper competitive environment in which to attract business and industry.

Larger cities in the area, such as Richmond, Roanoke, and Raleigh/Durham, also pose a threat. These large job centers tend to absorb Danville's most qualified employees, leaving behind a less educated workforce, which makes it difficult for Danville to attract businesses offering high paying, long-term employment--the types of jobs that would improve the economic viability of the city and the region.

Thus, the decrease in the type of human capital the community needs to continue to grow and prosper—the so-called “brain drain”—constitutes yet another threat. For nearly two decades, the population of

⁵³http://www.godanriver.com/gdr/news/local/danville_news/article/county_mulls_co

the Danville Region has bordered on stagnation. As Table 4 shows, the population grew by less than one percent (.9) between 1990 and 2006. By comparison, the state of Virginia's population increased by 24 percent during this period (Table 4).

A 14 percent decline in the city of Danville's total population (-7,570) and a 30 percent decrease in the City's white population (-9,954) were largely responsible for the region's anemic growth. For the region as a whole, Danville's population losses—total and white--were offset by modest absolute gains in the City's black (1,427) and Hispanic (826) populations; in Pittsylvania County's total (5,846), white (4,967), and Hispanic (1,055) populations; and in Caswell County's total (2,817), white (2,570), and Hispanic (585) populations (Table 4).⁵⁴

[nnecting road between route 730 us 03 27 08 drb/1197/](#)

⁵⁴ Within the region, as Appendix Table A3 shows, these demographic shifts had the greatest impact on the racial/ethnic composition of the city of Danville. The white share of Danville's population dropped from 58.5 percent in 1990 to 53.3 percent in 2000 to 50.9 percent in 2006. Paralleling these drops in the white share of the population were concomitant increases in the black—from 36.5 percent in 1990 to 43.9 percent in 2000 to 45.6 in 2006—and Hispanic—from 0.5 percent in 1990 to 1.3 percent in 2000 to 2.0 percent in 2006—populations. As Appendix Table A3 shows, this shift in the racial/ethnic mix of Danville's population parallels a trend that is encompassing the state as a whole—albeit not as dramatically—but is not characteristic of the Pittsylvania and Caswell counties where the white share either remained unchanged or increased slightly during this period.

Table 4

Population Change in the State of Virginia and the Danville Region by Race and Ethnicity, 1990-2006

Total			
Area	2006 Population	Absolute Change 1990-2006	Percent Change 1990-2006
Danville Region	130,633	1,229	0.9%
City of Danville	45,486	-7,570	-14.3%
Pittsylvania County	61,501	5,846	10.5%
Caswell County	23,456	2,817	13.6%
State of Virginia	7,647,884	1,480,526	23.9%

White			
Area	2006 Population	Absolute Change 1990-2006	Percent Change 1990-2006
Danville Region	N/A	N/A	N/A*
City of Danville	23,152	-9,954	-30.1%
Pittsylvania County	45,410	4,967	12.2%
Caswell County	14,669	2,570	21.2%
State of Virginia	5,167,028	465,378	9.9%

Black			
Area	2006 Population	Absolute Change 1990-2006	Percent Change 1990-2006
Danville Region	N/A	N/A	N/A*
City of Danville	20,742	1,427	7.3%
Pittsylvania County	14,391	-476	-3.2%
Caswell County	8,005	-404	-4.8%
State of Virginia	1,483,105	329,972	28.6%

Continued on the next page.

Table 4 - Continued

Hispanic			
Area	2006 Population	Absolute Change 1990-2006	Percent Change 1990-2006
Danville Region	N/A	N/A	N/A
City of Danville	910	826	983.0%
Pittsylvania County	1,107	1,055	2029.0%
Caswell County	612	585	2166.0%
State of Virginia	470,871	310,583	193.8%

Source: Summary File 1, Census 1990, www.census.gov; Summary File 1, Census 2000, www.census.gov and State and County Quickfacts, <http://quickfacts.census.gov/qfd/index.html>. White refers to non-Hispanic White. NA - not available from Census Estimate.

These shifts in the size and racial or ethnic composition of the population have had a profound impact on the age composition of the Danville region (Table 5). In general, the region has lost population in the age cohorts that typically contribute to economic growth and development: working age (18-64) and prime working age (18-44) individuals. Up to date census statistics are not available, but data from the 1990s are highly informative.

Between 1990 and 2000, as Table 5 shows, the region's working age population declined by -15.8 percent (-12,389) and the prime working age population declined by -7.0 percent (-3,541). The decline in the working age population is due in large part to plant closings and capital flight out of the region, which forced some dislocated workers (and their families) to move elsewhere in search of employment.

Paralleling population losses in these two age cohorts was growth in two segments of the population that typically do not contribute to

economic development because they are outside of the normal working age: the under 18 population and the over 65 population (Table 5). In fact, the under 18 population was the most rapidly growing segment of the population during the 1990s, increasing by 51.9 percent (15,573). Between 1990 and 2000, as Table 5 shows, the 65+ population grew by 5.3 percent (1069).

Table 5

Population Change in Virginia and the Danville Region by Age, 1990-2000

Population < 18			
	2000 Population	Absolute Change 1990-2000	Percent Change 1990-2000
Danville Region	46,112	15,573	51.9%
City of Danville	16,702	4,711	39.3%
Pittsylvania County	21,179	7,655	56.6%
Caswell County	8,131	3,206	65.1%
State of Virginia	2,590,737	1,087,217	72.3%

Population 18-44			
	2000 Population	Absolute Change 1990-2000	Percent Change 1990-2000
Danville Region	47,315	-3,541	-7.0%
City of Danville	16,218	-3,731	-18.7%
Pittsylvania County	22,228	-312	-1.4%
Caswell County	8,883	482	5.7%
State of Virginia	2,916,348	63,976	2.2%

Population 18-64			
	2000 Population	Absolute Change 1990-2000	Percent Change 1990-2000
Danville Region	66,160	-12,389	-15.8%
City of Danville	22,220	-8,924	-28.7%
Pittsylvania County	31,736	-2,937	-8.5%
Caswell County	12,315	-494	-3.9%
State of Virginia	3,694,984	-326,799	-8.1%

Continued on the next page.

Table 5 - Continued

Population 65 or older			
	2000 Population	Absolute Change 1990-2000	Percent Change 1990-2000
Danville Region	21,385	1,069	5.3%
City of Danville	9,484	-432	-4.4%
Pittsylvania County	8,830	11,372	18.4%
Caswell County	3,055	96	3.2%
State of Virginia	792,794	130,747	19.7%

Source: Summary File 1, Census 1990, www.census.gov; Summary File 1, Census 2000, www.census.gov and State and County Quickfacts, <http://quickfacts.census.gov/qfd/index.html>. White refers to non-Hispanic White. NA - not available from Census Estimate.

As a consequence of these shifts in age composition (Table 6), the share of the region's population that was prime working age (18-44) and working age (18-64) decreased by -3.9 percent (from 39.3 percent to 35.4 percent) and -10.8 percent (from 60.7 percent to 49.9 percent), respectively, between 1990 and 2000 (Table 7). The share of the population outside the labor force (i.e., those under 18 and over 65) increased by 11.2 percent during this period. Given these shifts in the age composition, strategies are urgently needed to solve the Danville Region's human capital problem.

Table 6

Relative Distribution of the Population by Age, Danville Region & State of Virginia, 1990, 2000

1990					
	1990 Population	Percent <18	Percent 18<44	Percent 18-64	Percent 65+
Danville Region	129,404	23.6%	39.3%	60.7%	15.7%
City of Danville	53,056	22.6%	37.6%	58.7%	18.7%
Pittsylvania County	55,655	24.3%	40.5%	62.3%	13.4%
Caswell County	20,693	23.8%	40.6%	61.9%	14.3%
State of Virginia	6,187,358	24.3%	46.1%	65.0%	10.7%

2000					
	1990 Population	Percent <18	Percent 18<44	Percent 18-64	Percent 65+
Danville Region	133,657	34.5%	35.4%	49.9%	16.0%
City of Danville	48,411	34.5%	33.5%	45.9%	19.6%
Pittsylvania County	61,745	34.3%	36.0%	51.4%	14.3%
Caswell County	23,501	34.6%	37.8%	52.4%	13.0%
State of Virginia	7,078,515	36.6%	41.2%	52.2%	11.2%

Source: Summary File 1, Census 1990, www.census.gov; Summary File 1, Census 2000, www.census.gov and State and County Quickfacts, <http://quickfacts.census.gov/qfd/index.html>. White refers to non-Hispanic White. NA - not available from Census Estimate.

Table 7

Changes in Relative Age Distribution, Danville Region and the State of Virginia, 1990-2000

	Prime Working Age (18-44)			Working Age (18-64)			Dependent Population (< 18 & 65+)		
	1990	2000	Diff	1990	2000	Diff	1990	2000	Diff
Danville Region	39.3	35.4	-3.9	60.7	49.9	-10.8	39.9	50.5	11.2
City of Danville	37.6	33.5	-4.1	58.7	45.9	-12.8	41.3	54.1	12.8
Pittsylvania County	40.5	36.0	-4.5	62.3	51.4	-10.9	37.7	48.6	10.9
Caswell County	40.6	37.8	-2.8	61.9	52.4	-9.5	38.1	47.6	12.8
State of Virginia	46.1	41.2	-4.9	65.0	52.2	-12.8	46.1	47.8	12.8

Source: Summary File 1, Census 1990, www.census.gov; Summary File 1, Census 2000, www.census.gov and State and County Quickfacts, <http://quickfacts.census.gov/qfd/index.html>. White refers to non-Hispanic White. NA - not available from Census Estimate.

As noted earlier, the low levels of educational attainment that exist in the Danville Region constitute another threat. In 2000, almost a third of the region's adults age 25 and older had not completed high school. And, as Table 8 shows, there was little variation among the communities that comprise the region in the proportion of adults with less than a high school education--the city of Danville (31.5 percent), Pittsylvania County (32.7 percent), and Caswell County (30.8 percent). In contrast, only 18.5 percent of the adults 25 and older in the state of Virginia had less than a high school education in 2000 (Table 8).

At the other end of the education spectrum, only about 12 percent of the adults in the Danville region had completed college or post graduate education in 2000. The percentages were lower in Pittsylvania County (9.3 percent) and Caswell County (8.3 percent). For the state as a whole, as Table 8 shows, thirty percent of the adults had completed college or post graduate education in 2000.⁵⁵

⁵⁵ In part due to disparities in educational attainment, median family income was much lower in the Danville Region (\$39,537) than it was in the state of Virginia (\$54,169) in 2000. Within the region, median family incomes were lower in the city of Danville (\$36,024) than in Pittsylvania County (\$41,175) and Caswell County (\$41,905) (See Appendix Table A4). Similar disparities existed in median household income. Households, as defined in the U.S. census, include families, people living alone, and unrelated individuals sharing a dwelling. The median household income for the Danville Region (\$26,900) was 58 percent of the median family income for the state of Virginia (\$46,677) in 2000. Again, the median household incomes in Pittsylvania County (\$35,153) and Caswell County (\$35,018) were somewhat higher than the regional level, but these were only 75 percent of the state level (Appendix Table A4).

Along with lower median family and household incomes, the poverty rate was also higher in the Danville Region (15.2 percent) than elsewhere in the state of Virginia (9.6 percent) in 2000. Within the region, the poverty rate was highest in the city of Danville (20.0 percent) and lowest in Pittsylvania County (11.8 percent). The poverty rate in

Table 8

Years of School Completed in the Danville Region and State of Virginia, 2000 (population 25+)

Education Level	Danville City	Pittsylvania County	Caswell County	Danville Region	Virginia
Less than High School	31.50%	32.70%	30.80%	32.00%	18.50%
High School Graduate	30.70%	35.20%	36.70%	33.90%	26.00%
Some College	23.90%	22.80%	24.20%	23.40%	26.00%
College Graduate	8.60%	6.00%	6.00%	6.90%	17.90%
Post Graduate Education	5.30%	3.30%	2.30%	5.30%	11.60%

Source: Summary File 3, Census 2000 www.census.gov and State and County Quickfacts, <http://quickfacts.census.gov/qfd/index.html>

Local officials are making serious and concerted efforts to improve education and skills of the local population, but it appears that many of the workers being educated locally are leaving the area to pursue careers elsewhere. This phenomenon, known again as “brain drain,” can have a severe impact on a community if not recognized and addressed. Coy Harville, Chairman of the Pittsylvania County Board of Supervisor, said more young people are training to get better jobs, but higher technology positions are not coming to the area fast enough so these people are

Caswell County (14.4 percent) fell in between the rates for the city of Danville and Pittsylvania County.

Between 2000 and 2004, as Appendix Table A4 shows, median household incomes grew in the city of Danville and Pittsylvania Counties. But poverty rates changed only modestly in the region: slightly down in the city of Danville and slightly up in Pittsylvania County. However, the loss of manufacturing jobs in Danville, Roxboro, and other neighboring communities clearly has affected Caswell County since 2000. The median household income dropped from \$35,018 in 2000 to \$34,113 in 2004. The poverty rate increased from 14.4 percent to 16.2 percent. In a small county like Caswell, disruptions in economic activity have larger and immediate impacts (See Appendix Table A4).

leaving. "The situation is improving, but it's not where it needs to be for the people we are educating," he said. "The high-tech jobs haven't caught up with students and the degrees they are getting." ⁵⁶

Budgetary issues affecting the region's economic development efforts constitute another threat. Pittsylvania County's budget cuts in the school system, providing \$686,000 less in local money to the schools, could result in a decrease in the quality of education. Don Johnson, the School Board's Finance Director, expressed concern by saying, "We will lose ground again compared to everyone else in the state of Virginia because of this cut from the Board of Supervisors."⁵⁷

Concern has also been raised about the potential elimination of recreation from the Pittsylvania County budget. Hershel Stone, president of the Pittsylvania County Athletic Complex Coalition, told the Pittsylvania County Board of Supervisors that "Pittsylvania County is competing for jobs and economic development with counties such as Campbell, Halifax and Henry. These counties which have parks and recreation departments are beginning to understand the positive effect that strong athletic and recreational programs have on their economic development efforts."⁵⁸

⁵⁶http://www.godanriver.com/gdr/news/local/danville_news/article/danvilles_populati_on_loss_leads_all_virginia_cities_03_21_08_drb/1133/

⁵⁷http://www.godanriver.com/gdr/news/local/danville_news/article/pittsylvania_coun_ty_school_committee_proposes_budget_cuts/2869/

Instead of cutting budgets, the City of Danville, on the other hand, is raising utility rates. Danville City Manager Jerry Gwaltney said electricity rates will go up 3 percent while wastewater charges will rise another 18 percent.⁵⁹ Such increases could have a chilling effect on economic development efforts in the long run.

Finally, the contention over the possibility of uranium mining in Pittsylvania County represents another potential threat. The as yet unknown environmental and health risks could pose a threat to the community if the mining is approved. Alternatively, if the mining is not allowed, the county could stand to lose millions of dollars in potential revenue. In either case, the divisiveness in the community over this issue could lead to a breakdown in community relations and in different agencies within the government not working together smoothly.⁶⁰

Summary and Recommendations

We have conducted a community-level SWOT analysis in an effort to identify ways the Danville Region can improve its attractiveness as a place to live and do business in the ever-changing knowledge-based economy of the 21st century. Toward this end, we utilized a conceptual framework and methodology for monitoring and evaluating community

⁵⁸http://www.godanriver.com/gdr/news/local/danville_news/article/loss_of_recreation_tops_budget_hearing/2464/

⁵⁹http://www.godanriver.com/gdr/news/local/danville_news/article/budget_does_not_include_a_real_estate_hike/2525/

competitiveness developed in the Frank Hawkins Kenan Institute of Private Enterprise, the applied business research arm of the Kenan-Flagler Business School, at the University of North Carolina at Chapel Hill.

From a content analysis of publicly available information accessed through the World Wide Web, we have identified current strengths and weaknesses as well as the opportunities and threats that the Danville Region currently faces. The following specific recommendations flow logically from this community-level SWOT analysis.

Recommendation #1: Re-Brand the Danville Region as a sustainable community. In order to compete in the years ahead, the Danville Region will have to do a better job of distinguishing itself in the economic development marketplace. To do so will require the region to undertake a major community re-branding initiative to shed the region of its old style manufacturing image and reputation. Given Danville's rich and storied history as well as its current economic development challenges, we think the concept of a "sustainable" place or community is the best way to re-brand the Danville Region.

Communities striving to brand themselves as such typically adhere to what is referred to as the triple bottom line principles of sustainability in their efforts to revitalize, rebuild, or strategically reposition the community. In economic and community development

⁶⁰http://www.godanriver.com/gdr/news/local/danville_news/article/senator_says_ura

projects, officials strive to (1) do no harm to the physical environment and protect natural resources to the maximum extent possible, (2) adhere to principles of social justice and equity, and (3) return strong shareholder/stakeholder value.

In communities that brand themselves as sustainable places,⁶¹

- natural and historic resources are preserved,
- jobs are available,
- sprawl is contained,
- infill development and adaptive re-use of existing buildings is advocated,
- neighborhoods are secure,
- health care is accessible, and
- all citizens have the opportunity to improve their lives.⁶²

[nium_process_is_complex_02_03_08_drb/598/](#)

⁶¹Beatley, Timothy and Manning, Kristy, 1997, *The Ecology of Place: Planning for Environment, Economy, and Community*. Washington, DC: Island Press.

⁶² There is some evidence to suggest that local officials are using annexation to deny minority and low income communities access to essential services in the Danville Region (see Appendix Figures A1 and A2). Historical annexation activities and potential future annexation plans are illustrated in Appendix Figure A2, which shows some preferential treatment of middle class and predominantly white communities. The city expansion in Western Danville along the Highway 58 corridor is one example of this biased treatment (Flag 1 in Appendix Figure A2). While the area to the South of the extension is still within the Highway 265 loop (Flag 2 in Appendix Figure A2), it has not been annexed by the city. The economic status of this area is consistent with the rest of Danville, but racially is predominantly black (see Appendix Figures A1 and A2). Further annexation bias is seen in the North Eastern section of the city. The area just outside of the city limits is predominantly black and greater than 20% impoverished (Flag 3 in Appendix Figure A2). City boundaries have clearly been draw around this section of the county. For a detailed discussion of the impact of these issues on community competitiveness, see James H Johnson Jr., et al., "Racial Apartheid in a Small North Carolina Town," *The Review of Black Political Economy*, Vol. 31, Spring 2004, pp. 89-107.

By embracing sustainability as a way to distinguish itself in the economic development marketplace, the Danville Region, we believe, will be in a better position to balance the opportunities and the threats that the community currently faces. In particular, such a re-branding initiative will go a long way toward solving the region's human capital problems as research shows that knowledge workers and the creative class are attracted to places with core values that are consistent with sustainability.

Recommendation #2: Develop an image marketing campaign to promote the Danville Region in the economic development marketplace. Based on the re-branding of the community, a multi-level marketing campaign should be launched in an effort to attract new residents and businesses to the area. In addition to underscoring the community's core values as manifested in the re-branding statement, the marketing materials should highlight the Danville Region's strategic locational advantages.

In marketing the area, the various websites of the city and the counties that make up the Danville Region must be leveraged as the community's primary economic development marketing tools. Research indicates that, in today's information economy, properly designed and linked websites can be the most powerful economic development

marketing tool—the window to world markets.⁶³ It is the first place that site selection and site relocation consultants look as they attempt to develop a short list of sites for their clients who are interested in opening a new facility or relocating an existing one. It is one of the first places that individuals and families consult when contemplating a residential move. Emblematic of how important community websites are in economic development planning and promotion, the most competitive communities reportedly update their website on a daily basis.⁶⁴

Recommendation #3: Promote traditional business venturing entrepreneurship as one of the keys to future economic growth and development. Local officials appear to have put most, if not all, of their economic development eggs in the buffalo hunt basket. That is, they have leveraged local assets and resources to recruit national and international firms that promise to create large numbers of jobs locally.⁶⁵ Danville has experienced considerable success in this type of industrial recruitment, but the sustainability of this model as a long-term economic development strategy is questionable. Resources also should be invested in programs that will create a local entrepreneurial culture and support

⁶³Levine, Ted M., 2002, “Six Revolutions in Economic Development Marketing,” *Economic Development Journal*, Winter, pp. 5-12.

⁶⁴Levine, Ted M., 2002, “Six Revolutions in Economic Development Marketing,” *Economic Development Journal*, Winter, pp. 5-12.

⁶⁵ In a similar vein, local officials have made a strong push to attract corporate restaurant chains, which typically are unattractive to the type of talent the Danville Region is striving to retain and attract.

small business development. Efforts to facilitate small business growth and development will help to diversify the economy reducing the community's dependency on several very large employers.⁶⁶

Recommendation #4: Create a civic entrepreneurial culture to solve the region's most pressing social problems. Given declining government resources, innovative programs and alternative sources of revenue are needed to solve some of the Danville Region's most pressing social problems (e.g. teenage pregnancy, homelessness, obesity, poverty, etc). Toward this end, resources should be invested in civic entrepreneurship training for government and non-profit leaders (including the faith community). Civic entrepreneurship training programs are designed to change the way in which government agencies and non-profit organizations view themselves in relation to the for-profit sector of the economy. Typically the programs are comprised of courses in the Fundamental Principles of Civic Entrepreneurship, Strategic Management and Planning, Finance and Legal Issues, Organizational Effectiveness, Social Marketing, Business Communication, Negotiations, and Principles of Sustainable Community Development.⁶⁷

⁶⁶ Paralleling this recommended shift, greater emphasis should be placed on developing the kinds of dining and entertainment experiences that match the preferences of the creative class of workers that the Danville Region will need to attract in order to be globally competitive in the years ahead.

⁶⁷A number of organizations have emerged to provide this type of training. They include the Minneapolis-based National Center for Social Entrepreneurship; Share Our Strength's (SOS) Community Wealth Ventures, Inc.; and the Frank Hawkins Kenan Institute of Private Enterprise, the outreach arm of the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. Whereas the National Center for

Upon successful completion of such a program, government and non-profit leaders should become stronger and better able to employ civic entrepreneurial strategies in their efforts to address pressing social ills. More specifically, by acquiring skills in the “nuts and bolts” of sound, socially responsible business practices, they should be able to pursue a wide range of entrepreneurial approaches, including leveraging the resources they currently spend with private sector companies, which will generate community wealth — revenue that can be used to solve local problems.⁶⁸

Recommendation #5: Re-engineer K-20 education to include more training and experiential learning opportunities in entrepreneurship. To be successful in the increasingly turbulent and unpredictable global economy of the 21st century, Danville area youth will have to graduate from high school and college with an entrepreneurial mindset. Such a mindset is required because rapid and unpredictable change is likely to be the only constant they will face in the future. Given this state of affairs, they will have to demonstrate a willingness to take incalculable risks and the ability to be agile, flexible, tenacious, and decisive in responding to unanticipated crises and opportunities.

Social Entrepreneurship and SOS target non-profits in their training and technical assistance programs, the Kenan Institute targets non-profit, faith community and government leaders in its executive education programs.

⁶⁸ Bill Shore, 1997, “The Other Lost World, Who Cares,” *The Tool Kit for Social Change*, September-October, 16-17.

In the years ahead, success will hinge on the ability of graduates to be “creative” in devising “innovative” solutions to society’s most pressing problems. It does not matter whether future graduates will aspire to work in the for-profit, not-for-profit, or government sector of the economy, an entrepreneurial mindset will be a prerequisite for success.

By infusing course content on entrepreneurship and economic literacy in the K-20 curriculum, Danville area education institutions can begin to foster, nurture, and facilitate the development of the next generation of homegrown entrepreneurs—traditional business as well as social and civic entrepreneurs--who will, in turn, create jobs through their for-profit and social purpose ventures. In addition, creating a generation of home grown entrepreneurs may go a long way toward reversing the region’s brain drain problem.

Recommendation #6: Devise strategies to solve the region’s human capital problem. The region’s competitiveness will hinge on local officials’ ability to reverse population decline and especially the brain drain of young talent. To address these problems, local officials should:

- Develop education, training, and internship programs that encourage and incentivize the best and brightest young people to remain in the region after they graduate from college.

- Devise a “bring back your own” program. Target home grown talent who have done well professionally outside of the region and who may be willing to “move back” because of their local roots or ties in the region. This strategy may be particularly attractive to individuals—baby boomers and perhaps some Generation Xers—who have aging and ailing parents and grandparents in the region, especially if they are offered incentives to return and local officials re-brand the Danville Region as a sustainable community.
- Forge a strategic alliance with AARP to extend the productive work life of local retirees. Target retirees with skills that match critical labor shortages in the Danville regional economy and entice them to return to the workforce with pay and benefits packages that reflect their specific stage in the life cycle.

APPENDIX: SUPPORTING TABLES & FIGURES

Table A1

Distribution of Jobs by Industrial Categories: City of Danville-Pittsylvania County-Caswell County Region, Census 2000

	Danville City	Pittsylvania County	Caswell County	Danville Region	Virginia
Transformation Activities (e.g. manufacturing and construction)	41.40%	41.50%	31.60%	38.20%	18.70%
Distributive Services (e.g. transportation, communications, wholesale and retail trade)	19.50%	18.90%	15.60%	18.60%	18.80%
Producer Services (e.g. finance, insurance, information services and other business services)	10.70%	9.10%	8.60%	9.50%	22.10%
Personal Services (e.g. entertainment, food services)	13.20%	9.30%	8.90%	10.50%	12.60%
Social Services (e.g. health care, education, government)	24.90%	18.80%	22.60%	21.50%	26.60%
Primary Activities (e.g. agriculture)	0.10%	2.40%	2.90%	1.70%	1.30%

Source: Table P49, Summary File 3, Census 2000

Table A2

SWOT Results for the City of Danville, Pittsylvania County, VA & Caswell County, NC

1. Polity Capital

Strengths

- ❖ Pro-Business Climate
- ❖ Local Government Entities and Cooperation and Collaboration Between These Entities
- ❖ Ability of Government to Adapt to Recruit New Industries as Existing Local Industries Change or Dwindle
- ❖ Industrial Parks
- ❖ Financial Incentives offered through the Virginia Enterprise Zones and the Tobacco Settlement Relief Fund
- ❖ Development organizations such as the Danville Office of Economic Development, the Pittsylvania County Economic Development Organization, the Dan River Business Development Center, the Danville Regional Foundation and the Danville Pittsylvania County Chamber of Commerce
- ❖ City TV-20

Weaknesses

- ❖ Fragmented Approach by the City of Danville, Pittsylvania County and Caswell County to present themselves as One United Area
- ❖ Inconsistency in online available information
- ❖ Lack of information available on the Caswell County Government, Chamber of Commerce and Economic Development web sites

Opportunities

- ❖ Present Cohesive and Unified Information on the 'Danville Region' rather than on Individual Communities
- ❖ Increase educational attainment levels to create a skilled workforce
- ❖ Posting of All Available Real Estate on All County and Economic Development Web Sites.
- ❖ Uranium Mining
- ❖ Dan River Business Development Center
- ❖ Development of Racing Industry
- ❖ Public/Private Partnerships

Threats

- ❖ Lack of Diversified workforce or government
- ❖ Government / Citizen Tension over Uranium Mining
- ❖ Caswell County is left behind as Business Development swells in the City of Danville and Pittsylvania County

2. Physical Capital

Strengths

- ❖ Rivers, Lakes and access to a wide variety of recreational activities
- ❖ Transportation access via road and rail access to Mid-Atlantic Markets and International Shipping Facilities
- ❖ Area location within a day's drive of 2/3rd of the Nation's Population
- ❖ Available buildings and land for development, including water-front
- ❖ Existence of Historic Buildings and Homes
- ❖ Fertile land and climate attributes for grape growing (wineries)

Weaknesses

- ❖ Aging and inadequate physical infrastructure in some areas (roads, water, sewer)
- ❖ No Commercial Airport
- ❖ Vacant and Abandoned buildings
- ❖ Other local unwanted land-uses

Opportunities

- ❖ Capitalize on strategic location by positioning and marketing as a logistics and distribution hub
- ❖ Increase livability of area to facilitate improved health and welfare of residents (e.g., clean water & exercise trails)
- ❖ Increased tourism opportunities and better promotion of local lakes, historic homes and sites, golf courses and wineries
- ❖ Start of Commercial Air access to the Community

Threats

- ❖ Inability to maintain roads and utilities to keep up with demand
- ❖ Increasing Utility Costs
- ❖ Costs associated with Capital improvement projects

3. Financial Capital

Strengths

- ❖ Local economic development organizations like the Danville Office of Economic Development and the Pittsylvania County Economic Development Office
- ❖ Danville Regional Foundation
- ❖ Tax Incentives
 - Tobacco Settlement Fund
 - Enterprise Zone Credits
 - Additional Local Incentives
- ❖ Community Financial Institutions

Weaknesses

- ❖ Lack of national banking institutions
- ❖ Limited larger retail businesses

Opportunities

- ❖ Improve access to credit
- ❖ Danville Regional Foundation

Threats

- ❖ Historic reliance on cyclical industries
- ❖ Economic Downturn
- ❖ State and Federal budget cuts

4. Human Capital**Strengths**

- ❖ City of Danville and Pittsylvania County Schools
- ❖ Low student/teacher ratios
- ❖ Danville Community College & numerous higher education institutions within a hour of the Community
- ❖ Dedicated and Conscientious Workforce
- ❖ Quality of Life
- ❖ Danville Pittsylvania County Chamber of Commerce

Weaknesses

- ❖ Significantly lower levels of education
- ❖ Caswell County Schools
- ❖ Higher poverty rates and an Increase in Homelessness
- ❖ Higher unemployment rates
- ❖ Growing prevalence of STD's and Higher Teen Pregnancy Rates
- ❖ Caswell County Chamber of Commerce

Opportunities

- ❖ Opportunities available through Danville Community College Programs
- ❖ Technology and more training options for the community

Threats

- ❖ Financial challenges of higher education institutions
- ❖ The City of Danville has a negative net out-migration
- ❖ Area 'Brain Drain'
- ❖ School System Budget Cuts
- ❖ Long Wait times as Danville Regional Medical Center
- ❖ Lack of funding for parks and recreation can lead to decrease in quality of life

5. Cultural Capital

Strengths

- ❖ Local recreation areas
- ❖ Historic Homes from the Victorian and Antebellum Era's (Millionaire's Row)
- ❖ Historic and Cultural Attractions such as the Danville Museum of Fine Arts & History, the Thomas Day House Union Tavern, the Richmond Miles History Museum and numerous Civil War Sites
- ❖ Yoder's Country Market
- ❖ White Oak Mountain Wildlife Management Area
- ❖ Theatres and local Concert Organizations
- ❖ Golf Courses and Wineries

Weaknesses

- ❖ Little focus on diversity in community events
- ❖ Physically rundown buildings

Opportunities

- ❖ Gentrification
- ❖ Residential expansions bringing in a more diverse population
- ❖ Promote tourism
- ❖ Increase marketing of historic/cultural attractions

Threats

- ❖ Gentrification
- ❖ Residential expansions bringing in a more diverse population which could cause racial tension

6. Social Capital

Strengths

- ❖ Churches and civic organizations
- ❖ Abundant recreational activities – boating, fishing, swimming, hiking
- ❖ *Danville Register & Bee*
- ❖ *Chatham Star Tribune*
- ❖ Racing Industry
- ❖ Golf Courses

Weaknesses

- ❖ Little information regarding youth activities
- ❖ The *Caswell Messenger* web site

Opportunities

- ❖ Community resources and leadership from colleges and universities
- ❖ Racing Industry

- ❖ More development of programs focused on diversity and youth

Threats

- ❖ Elimination of Recreation from Pittsylvania County Budget

Table A3

Shifts in Race/Ethnic Composition of Danville Region and the State of Virginia

Danville Region			
	1990	2000	2006
Total Population	129,404	133,657	130,633
% White	66.2%	64.3%	N/A
% Black	32.9%	33.2%	N/A
% Hispanic	0.5%	1.3%	N/A

Danville City			
	1990	2000	2006
Total Population	53,056	48,411	45,486
% White	58.5%	53.3%	50.9%
% Black	36.5%	43.9%	45.6%
% Hispanic	0.5%	1.3%	2.0%

Pittsylvania County			
	1990	2000	2006
Total Population	55,655	61,745	61,501
% White	72.4%	74.4%	74.0%
% Black	26.7%	23.5%	23.4%
% Hispanic	0.4%	1.2%	1.8%

Caswell County			
	1990	2000	2006
Total Population	20,693	23,501	23,456
% White	62.4%	60.6%	62.3%
% Black	40.6%	36.4%	34.0%
% Hispanic	0.7%	1.8%	2.6%

State of Virginia			
	1990	2000	2006
Total Population	6,187	7,078,515	7,647,884
% White	76.0%	70.2%	67.7%
% Black	18.6%	19.4%	19.9%
% Hispanic	2.6%	4.7%	6.3%

Source: Summary File 3, Census 2000 www.census.gov and State and County Quickfacts, <http://quickfacts.census.gov/qfd/index.html>

Table A4

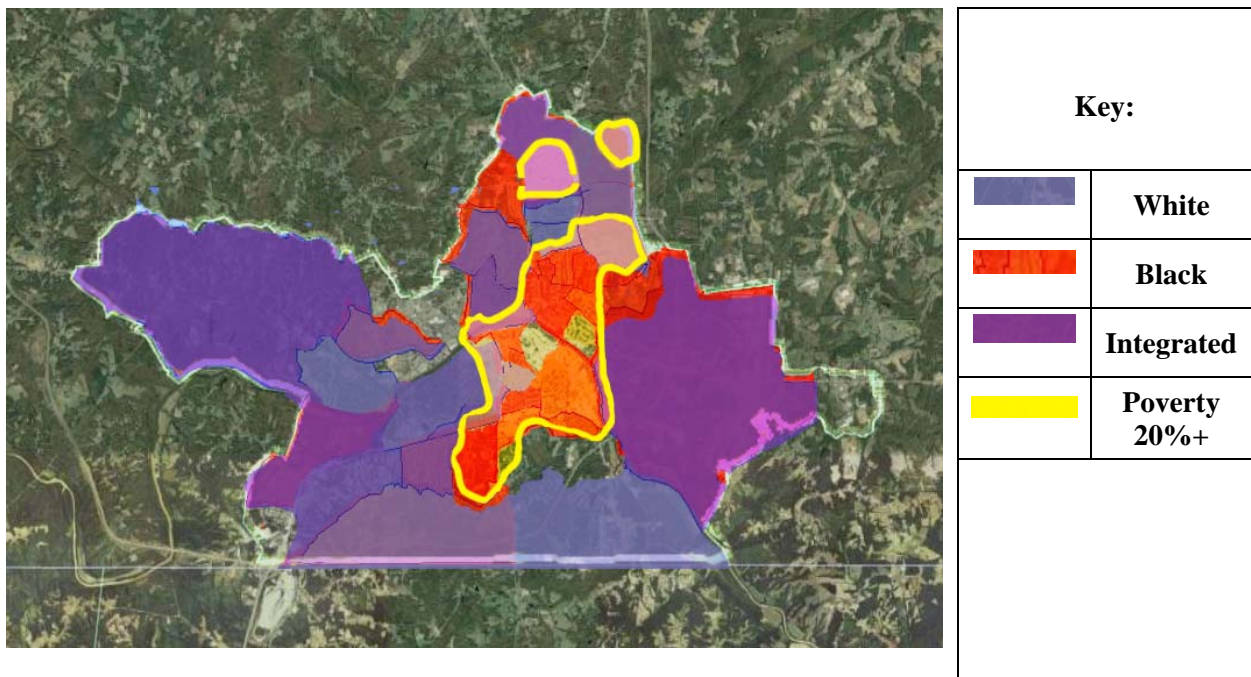
Income and Poverty Statistics, Danville Region and State of Virginia, 2000 & 2006 (Poverty)

	Danville City	Pittsylvania County	Caswell County	Danville Region	Virginia
Median Family Income 2000	\$36,024	\$41,175	\$41,905	\$39,547	\$54,169
Median Household Income 2000	\$26,900	\$35,153	\$35,018	\$32,170	\$46,677
Median Household Income 2006	\$27,904	\$37,328	\$31,113	na	\$51,103
Percent in Poverty 2000	20.00%	11.80%	14.40%	15.20%	9.60%
Percent in Poverty 2006	19.40%	12.10%	16.20%	na	9.50%

Source: Summary File 3, Census 2000 www.census.gov and State and County Quickfacts, <http://quickfacts.census.gov/qfd/index.html>

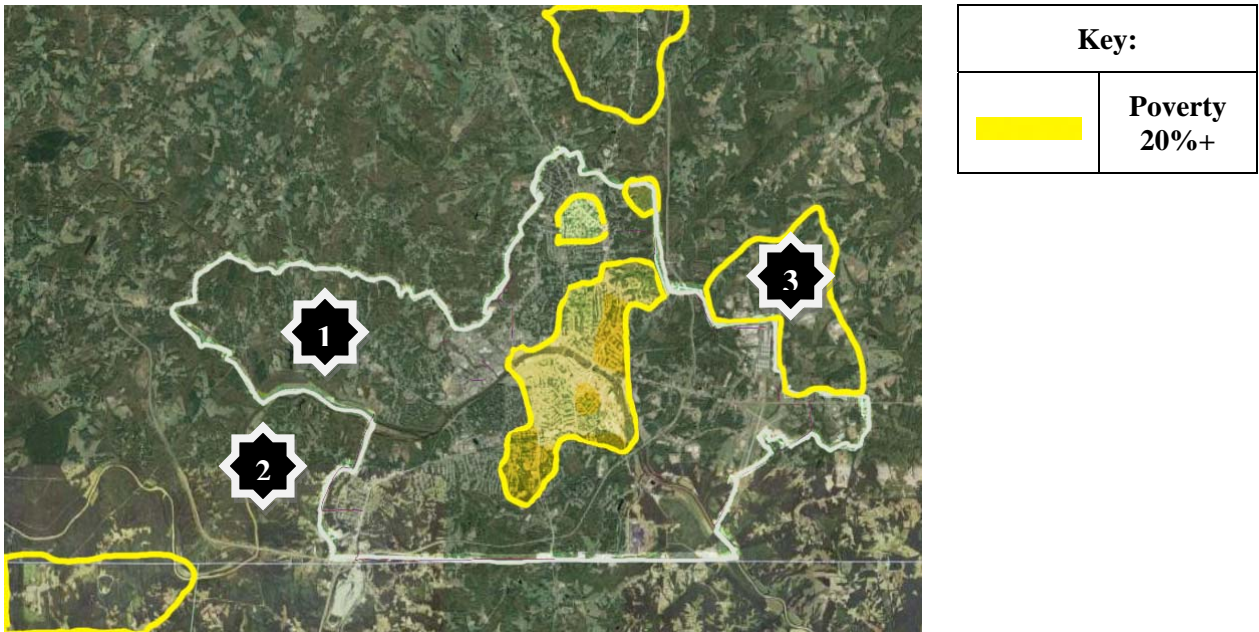
Figure A1

Racial Mix of the Danville Area Population^{69,70}



⁶⁹ <http://discoverdanvillesites.com/>

Figure A2

Poverty Status of Danville Area Population^{71, 72}

⁷⁰ <http://www.fairdata2000.com/SocioEconMapper/>

⁷¹ <http://discoverdanvillesites.com/>

⁷² <http://www.fairdata2000.com/SocioEconMapper/>