



Changing the Conversation: Regional Assessments

A Community and Economic Development Assessment of the Danville Region

Created in 2005, the Danville Regional Foundation (DRF) is a catalyst for innovation and an agent for transformation. Understanding that significant community change takes time, the foundation invests for the long term in efforts that promise sustained positive impact for the Dan River region. The foundation is committed to activities, programs, and organizations that address the health, education, and well-being of residents of Danville, Pittsylvania County, and Caswell County.

In the last two years, DRF has developed its vision, mission, values, and focus (see <http://www.danvilleregionalfoundation.org/vision.html>), issued guidelines (see http://www.danvilleregionalfoundation.org/drif_GrantProposalGuidlines.pdf), hired staff, and begun awarding grants (see <http://www.danvilleregionalfoundation.org/grants.html>).

To help the foundation better understand the opportunities and challenges facing its region, DRF retained MDC, Inc. of Chapel Hill, North Carolina, to develop three regional assessments on community health needs, workforce development and related educational challenges, and community and economic development.

Each assessment used a variety of techniques to gain opinions from within the region, quantitative data about the area, and recommendations that the authors believe might be beneficial. Thus, each assessment is a unique picture, reflecting the values and judgments of the authors, based on what they learned about the region. Accuracy of the information included in each report is the responsibility of the organization that conducted each assessment.

DRF believes these assessments are important contributions to critical policy discussions in the region and beyond. The foundation does not endorse the assessments or necessarily totally agree with them. A careful reading of all three assessments will show disagreements about perceptions, priorities, and proposed initiatives. In fact, if DRF were to fully adopt the recommendations contained in the three assessments, it would not have any resources to respond to requests emerging from the region.

DRF is using these three reports to inform its own deliberations. The foundation believes these reports illuminate many of the challenges and opportunities within the region. DRF encourages organizations throughout the region to use these reports in a similar way. There is much in these reports to give all of us encouragement and concern. DRF shares the assessments in the interest of supporting a better informed public discussion about how we use limited resources to transform the region and create a better future for all the region's residents. DRF is using these assessments to inform its consideration; DRF is not limited by the results of these assessments.

Questions and comments about the assessments are always welcome. They should be sent to Karl Stauber, President and CEO of Danville Regional Foundation at kstauber@danvilleregionalfoundation.org. Over time, DRF anticipates producing other assessments and community studies. Ideas for future topics of study are appreciated.

A Community and Economic Development Assessment of the Danville Region

Final Report Submitted to MDC, Inc.
and the Danville Regional Foundation



December 14, 2007

BACKGROUND

In response to an invitation from MDC, Inc., CFED conducted an assessment of the needs, opportunities, and institutional capacity for economic and community development in the Danville region. The region includes Caswell County, North Carolina; Pittsylvania County and the City of Danville, Virginia. The project goal was to understand and strengthen the fundamental economic base—to expand opportunities for prosperity to touch all people of the Danville region.

CFED brought to this work its mission of expanding economic opportunity by helping Americans to start and grow businesses, attend and graduate from college, own homes, and save for their children's and own economic futures. CFED's robust experience in the practice, research, and policy fields demonstrates that economic and community development is only successful when its benefits are widely shared across the community.

Assessment was managed by Nancy Stark, CFED director of field development, with research expertise from Genevieve Melford, program manager; and James Nguyen, program associate; for CFED Applied Research and Innovation. Stark directed other activities with assistance from Bridget Venne, project consultant.

METHODOLOGY

CFED followed assessment methodology outlined in the proposal submitted to MDC. The process included interviews with approximately 80 individuals, including 49 personal interviews, as well as interviews with two focus groups comprised of Danville Community College students (see List of Interviewees). Prior to the interview, individuals received a one-page statement about the assessment (attached). CFED followed a set of interview questions (attached) and recorded responses in writing. Two CFED staff members were present at all on-site interviews and group sessions. Interview notes are available upon request, although CFED told interviewees that personal statements would not be attributed to them in a report to the foundation.

This report references secondary data contained in Excel worksheets (attached). The final attachment is a database of organizations in the Danville Region including each organization's name, type, description, address, contact person, and web site (if appropriate).

FRAMEWORK FOR BUILDING WEALTH, EXPANDING OPPORTUNITY

Through nearly thirty years of work on transformative economic and community development, CFED has developed an explicit understanding of what needs to happen in communities and regions to create and sustain productive economies. *We know* that communities and regions build wealth and expand opportunity through integrated efforts of individual asset-building *and* through economic and community development. *We know* that

economic development alone does not necessarily produce broadly shared benefits for low- and moderate-income people. We also *know* that helping businesses to relocate and expand in the region is just one piece of the economic development puzzle.

Attached to this report is a document titled *Framework for Building Wealth and Expanding Economic Opportunity* (see page 23). The framework represents the perspective and base of experience that CFED brought to this project. The framework, along with the regional data and recommendations below, is a *road map* for charting Danville's course to long-term prosperity.

ASSESSMENT FINDINGS

This section of the report presents CFED's specific findings about Danville's community, economic development capacity, and achievements. We present both promising and problematic findings about the region's *community development*, which we know to be the essential foundation for successful economic development. Then we move on to promising and problematic data about the region's *economic development*, especially its economic base. As stated previously, the findings are informed by many years of experience in the community and economic development field.

Promising Findings about Community Development Capacity and Achievements

The region is blessed with amazing volunteers. Members of the Future of the Piedmont Foundation (several of whom are now on the Danville Regional Foundation Board) who have worked through the years to understand, bolster, and rally for the region's economic and community development agenda are foremost among the volunteers. The Danville Regional Foundation Board deserves particular credit for commissioning three independent assessments in education/workforce, health, and economic and community development.

An impressive number of religious congregations are present in the region. The concentration of congregations in Danville and the surrounding counties exceeds the state, especially in the number of Evangelical Protestant churches associated with the Southern Baptist congregation. Many residents, especially African-Americans, are deeply involved in church life holding highly respected and demanding leadership positions in their congregations. Church leadership is "*honored work*." In the words of one interviewee, "*Being a trustee or deacon in my church is a bigger deal than being on a foundation board, even if the church only has a few hundred members.*"

The region is now home to several high-profile, new or reinvented institutions with exciting capacity. The most visible institution is the Institute for Advanced Learning and Research, that (as stated in the MDC report of 2005) "*shows visitors and residents the area's commitment to a new economy and a new way of doing business.*" But given sufficient resources, other long-standing institutions—Danville Community College, the Danville-

Pittsylvania County Chamber of Commerce and the United Way of Danville-Pittsylvania County—have equal or greater potential to transform the region.

Problematic Findings about Community Development Capacity and Achievements

As stated in the MDC report of 2005, **“leadership is not believed to be inclusive.”** For example, with the exception of one recently introduced African-American member, the Future of the Piedmont Foundation is an all-white, male organization with considerable perceived power. Many people, especially African-Americans and women, believe that they have not had an opportunity to participate in the foundation and other inner circles of community decision making. Many people hold this belief, because there has not been any intentional and sustained process for low-income people and rank-and-file workers to help develop a shared vision for the region. *The present style of leadership will not grow Danville into a more prosperous region.*

Existing leadership programs (e.g., Leadership Southside, Sorensen Institute) **are not producing diversity in the region’s public and nonprofit institutions.** In order to participate in leadership development programs such as Leadership Southside, an individual must be recommended by a formal leader (usually a program graduate), make a significant investment of time, and obtain permission from his or her supervisor. Most people can not fulfill these requirements. And regrettably, many individuals who complete Leadership Southside do not step up into leadership positions in the community. Several graduates interviewed for this study told us that they are *“waiting for the old guard to step down”* or *“did Leadership Southside because the networking was good for my business.”* A more promising community leadership development model might be the Neighborhood Leadership program recently launched by the Chamber and United Way. A few people referenced SCALE-UP as a leadership program reaching out to more community residents, especially minority individuals. However, SCALE-UP is actually a citizen group affiliated with the IALR that focused on *“raising residents’ sights educationally and ensuring that everyone has the opportunity to obtain the training or education he or she needs”* (see www.scaleupdanville.org).

Unresolved racial conflict continues as a troubling legacy. Only a few African-Americans hold leadership positions in the Danville region outside of their churches. If minority leaders miss a meeting or two, some of their White counterparts assume that the African-American members are *“not really committed.”* The following comment is typical, *“We ask the minority community to recommend people for our boards, but it’s like banging your head against the wall! I’m not going to drag people to our meetings!”* CFED suggests that there are better, more systematic ways to solicit engagement from the African-American community.

Compared to surrounding counties and the state, **Danville has the highest percent of housing units built before 1970.** The median year for housing built in Danville is 1959 compared to 1975 in Pittsylvania and Caswell. The city also has the lowest home ownership rate out of all comparison areas (58 percent). For African-Americans, who comprise almost half of the city population (46 percent), the home ownership rate is even lower (40 percent).

The striking percentage of older housing units is significant in relation to energy efficiency and utility bills while low rates of home ownership are a major constraint on family asset building and preservation. Both are detrimental to the community's quality of life.

Young people are always complaining that there's nothing exciting to do, but the statement might be true in Danville. For example, there is not any public swimming facility, an omission that—according to several interviewees—has racial undertones. The churches operate youth programs, but (we heard) there are not enough places where the youth can go to play ball, etc. Liability concerns prevent the schools from opening their gyms to neighborhood students. *“There aren't enough activities that appeal to teenagers. The kids get kicked out of the mall if they hang out in groups, even if they're doing nothing wrong.” “The mayor tried to pull together a youth coalition to address local issues, but it never jelled.”*

Adding to these difficulties are a rise in property crime and a potentially growing drug problem. While Danville's violent crime declined steadily over the past five (5) years, its rate of property crime increased. Property crime actually decreased 2.5 percent over the last year (2005-2006), but the rate remains 15 percent higher than five (5) years ago. This rise in property crime could be evidence of frustration and of a lack of economic options for residents. Danville has over five times as many drug arrests as Pittsylvania County. However, the state rate exceeds both areas. Danville experienced a massive spike in drug arrests from 2000 to 2001, but the current rate of 316 arrests per 100,000 is lower than the 2001 rate of 382 arrests per 100,000.

Promising Findings about Economic Development Capacity and Achievements

Danville has tremendous financial assets. An impressive number of charitable organizations and private foundations reside in the city. On a per capita basis, Danville (compared to the surrounding areas and the state) has the highest concentration of 501c3 organizations, greatest amount of 501c3 assets (financial), highest concentration of private foundations, and greatest amount of private foundation net assets. Compared to the state, Danville has 50 percent more private foundations per capita and more than twice as much foundation capital.

Danville's economic base is becoming more diversified. In the years between 1998 and 2004 (except for 2003), the percent of Danville residents employed in the top five industries rose. However, over the last three years (2004-2006), the concentration of employment in the top five industries declined from 76 percent to 70 percent. In 2006, for the first time in ten years and since tracking by the North American Industry Classification System (NAICS) code began, manufacturing is no longer the top employment industry in Danville. Health care and social assistance has overtaken manufacturing (18 percent versus 17 percent). Much of the credit for this progress goes to the region's aggressive economic development leaders, especially Danville's city manager and its economic developer. Danville remains less diversified than Pittsylvania County, where the top five industries make up roughly 61

percent of all employment, and the state, where the top five comprise approximately half of all employment. But Danville is moving in the right direction.

Problematic Findings about Economic Development Capacity and Achievements

City residents of Danville are struggling economically; the region as a whole will not progress until certain critical issues are addressed: the vitality of Danville as the economic engine for the region, wage disparities, and poverty. Compared to surrounding counties and the state, city residents are poorer, older, and less educated. They are less likely to own their own homes, more likely to live in housing built before 1975, and more apt to work in a low-wage industry or to be unemployed. (Danville's unemployment rate is 8.5 percent compared to 6.5 percent in Pittsylvania County, 7.2 percent in Caswell County, and 2.9 percent in Virginia.) While the unemployment rate has risen, Danville's population has been steadily declining for the past 15 years. Present residents face the prospect of poverty or already experience poverty at double the rate of other Virginia residents.

Over a third (34 percent) of Danville children live in poverty compared to 19 percent living in poverty in Caswell County, the next highest rate. Four in five Danville workers earn less than \$50,000 and nearly half (47 percent) earn below \$20,000. As one interviewee said, *"There's a large segment of the population that is too rich to be poor (meaning qualification for public assistance) and too poor to be rich (meaning comfortable). Those are the families we see at God's Storehouse (local food bank) and church lunches."*

While efforts to develop the "next generation" economic base have been bold and often successful, much of the community has not yet been touched by the progress made in recent years, for example, by the Institute for Advanced Learning and Research. In fact, there's a perception among "folks" that there is a direct connection between the hospital conversion (still widely unpopular) and the creation of IALR. Some people believe that a few individuals have benefited personally (financially) from these developments. It matters little that these perceptions are untrue. What does matter is that *many people are hurting* and there is a new, fancy technology building on a hill, distant from the city's downtown neighborhoods. There is a distinct need to focus on short-term improvements that address economic loss in the region while continuing to build for the future.

The majority of new hires (59 percent) in Danville come from industries with the lowest wages (retail trade, accommodation and food services, and administrative and waste services). This phenomenon could be created, in part, by the exceptionally low high school (diploma or GED) and college attainment rates in Danville (69 percent and 14 percent respectively), Pittsylvania (67 percent and 9 percent), and Caswell County (69 percent and 8 percent). As recently as ten years ago, a student could drop out of high school and be hired at Dan River Inc. Although this is no longer true, the region's history with tobacco and textiles (especially Dan River Inc.) has kept wages artificially low. A key challenge for the region will be developing a productive relationship between the skills of the labor force and living-wage, growth-oriented employment.

Danville's economic and social problems radiate out into Pittsylvania County where many residents face basic infrastructure issues such as inadequate water and sewer, little or no transportation to jobs, and severely under-funded public schools. Pittsylvania County has one of the lowest tax rates in the state. We heard, "*County supervisors repeatedly fund only the bare minimum of educational services.*" "*Kids come out of county schools not having math skills or speaking properly because the schools are so under-resourced.*"

These same problems spill into Caswell County where 55 percent of residents are African-American, 35 percent lack a high school diploma, and approximately 70 percent commute out of the county for jobs. County residents are aging and "*lots of people are living at the end of their paychecks.*" The county government is also experiencing fiscal stress. Recently, the county lost three positions: county planner, economic developer, and attorney. Newly-hired County Manager Kevin Howard is attempting to perform all three jobs plus his own. In North Carolina, counties are required to contribute 7 percent of their budget to the state Medicaid fund. This mandate places significant financial pressure on rural counties such as Caswell.

The region's economic developers have successfully recruited an increasingly diverse cadre of companies. However, **the city's and counties' approaches to economic development are not as effective as they could be** because the approaches rely, nearly exclusively, on business recruitment.

- **Business recruitment is a necessary but insufficient strategy for economic development.** At present, the region's economic developers act as though business recruitment is *the only strategy*, even while recent research has shown the danger to communities of relying too heavily upon corporate recruitment and incentives packages. Economic developers in the region should embrace the potential for local entrepreneurial activity stemming from the IALR and several new technology-related firms such as Luna nanoWorks. In order for the Danville region to thrive economically and socially, it must invest resources into initiatives that will retain, expand, and modernize existing businesses while at the same time create new business start-ups. The task ahead is *not* to tweak the business recruitment machine—for example, by focusing recruitment on particular business prospects over others—but to reinvent Danville's development agenda.
- **While the region has made significant progress toward more collaborative, regional economic development, greater progress is needed.** "*Until a few years ago, the city and county economic developers weren't even talking to each other.*" Greater collaboration has yielded results, including the joint city-county business incubator and industrial park, the merged Chamber of Commerce and the IALR. However, what new and existing businesses really need is a combined, regional Danville and Pittsylvania County Office of Economic Development—one office that has full access to the region's land and financial resources. Joining the two operations could free up resources for other important initiatives such as those listed above.

A NEW VISION FOR THE DANVILLE REGION

Tupelo, Mississippi, visited twice by local leaders, is a model for Danville's new vision. As one interviewee said, "A small group of people got things started in Tupelo, just like here. But Tupelo leaders realized that they had to expand the circle and reach down to the grassroots. One of Tupelo's highest accomplishments is a community center located in a high-crime, low-income community. That's the attitude we need here."

Tupelo's Community Development Foundation has been named to the Top 20 by *Site Selection* magazine and ranked 19th out of America's 100 small cities in new and expanded facilities in 2002-2004. Business Retention and Expansion International (BREI) selected CDF's Workforce Development Program for a special award in 2004. Tupelo's success and accolades derive not from a hyper-focus on business recruitment but from the CDF's highly diversified and inclusive approach to community and economic development. On top of industrial attraction, Tupelo operates an entrepreneurial support program, workforce development and career preparedness, and leadership training. The CDF has established or supported several agencies that meet community needs, including a multi-county community action agency. Roughly 1,100 individuals affiliate with the CDF, many participating in the ten-year strategic plan and attending the annual meeting. (Profiles of the Tupelo Community Development Foundation's most recent achievements are at www.cdfms.org.)

The Danville region shares many of Tupelo's programmatic assets, but they need to be nurtured and leveraged to yield deeper impact for the region. Tupelo is referenced here not to suggest that Danville follow in Tupelo's exact footsteps, but that *the Danville region aspires to become something great, perhaps as great as Tupelo*. Maybe Danville can be the town that reinvented itself from an aging mill town to a thriving region of health care, distribution and warehousing, chemicals, and materials industries. Or Danville can become rural Virginia's new site for reengineered wood product and furniture manufacturing industries. Or the region can be the outer-Research Triangle Park place for emerging information technology and professional services businesses.

But first, Danville needs to get its priorities in order. CFED believes there are **six fundamental economic and community development strategies** that must be in place for the Danville region to make meaningful economic progress within the next decade. Danville has some elements of these strategies in place but not enough to transform the region into economic prosperity. In aiming for a different future, the region must adopt fundamental strategies which may include those in the following list.

1. **Individual asset-building**, especially in the City of Danville. One interviewee explained the need particularly well: "The community's success will be measured by the opportunities available to people at the low end, not just the high end." There are many highly vulnerable individuals and families in the region. Danville's leaders can make

a real difference in their lives through initiatives on financial literacy, affordable home ownership, savings vehicles (e.g., Individual Development Accounts), protection from predatory lenders, and support to claim the Earned Income Tax Credit. Asset-building programs help low-income families to access the resources, necessary supports, and opportunities to accumulate savings and wealth. They can be a catalyst for economic activity in low-income areas.

2. **Broad-based, “boundary crossing” participation in community decision-making and leadership positions.** The region would benefit from deeper engagement with communities of worship and community-wide meetings that generate broad ownership for community goals. Danville needs leadership development that grows naturally from existing, trusted institutions such as the churches, minister alliances, and neighborhood associations.
3. **Nonprofit organization capacity building.** The region needs a thoughtful strategy concerning nonprofit capacity building starting with “who does what” and then focusing on how to maximize limited resources. Nonprofit capacity seems to be especially lacking in relation to issues of affordable housing and grassroots leadership development.
4. **Collaboration among the region’s economic development entities,** at least the City of Danville and Pittsylvania County. This was explained in detail in the previous section.
5. **Development of an entrepreneurial culture.** Several individuals directly engaged in business or economic development pointed to “lack of capital” as the primary barrier to small business starting and growing in the Danville region: *“The smallest bankable loan is \$250,000 while small businesses need loans of \$50,000 or less.”* However, interviewees also noted that local business owners are risk averse and have little experience presenting to venture capitalists: *“The business mentality here is to not take a risk unless you know you’ll be successful. People have a hard time seeing beyond their present situations.”* This means that the region needs entrepreneurship/small business development from the top (city and county economic developers), youth entrepreneurship programs in the schools or civic clubs, affordable high-speed Internet services for business start-ups, outreach by the IALR, a venture capital fund, and strong and coordinated small business development services.
6. **Balance the region’s highly successful business recruitment strategies with a professional program of business retention, expansion, and modernization.** BR&E programs give existing businesses (especially small businesses) the recognition, networking opportunities, and services to become/remain competitive in the region, to expand their workforces and/or operations, and to modernize facilities and equipment. An organized business retention and expansion program could create more “buzz” in Danville’s downtown, making the area more attractive to families

and young professionals. Downtown Danville will develop or deteriorate depending upon the degree of investment.

SPECIFIC RECOMMENDATIONS FOR ACTION

Immediate or Short-Term Actions

Based on assessment of the Danville region and deep knowledge of effective community and economic development practice, CFED urges the Danville Regional Foundation to launch projects such as these listed within the year.

1. **Fund a few high-visibility projects that can make an *immediate impact*** on residents' financial conditions and generate much needed good will for the Danville Regional Foundation; for example:
 - An expanded **EITC campaign** in partnership with local governments, the United Way of Danville-Pittsylvania County, and Pittsylvania County Community Action, to help eligible, low-income families access the EITC. The percent of low-income returns that receive the EITC is 38 percent in Danville, 34 percent in Pittsylvania County, 37 percent in Caswell County, and 28 percent in Virginia. "Low-income" in this case is defined as gross incomes that fall *under* the EITC limit. Therefore, the percent does not actually describe the EITC "take-up rate," since it does not distinguish between tax filers on the basis of dependents, and thus, eligibility. Given Danville's exceptionally high poverty rate, the EITC participation rate should be much higher than 38 percent, and
 - A community education program to alert people about the **dangers of pay-day lenders**. Across the state of Virginia, there are almost twice as many pay-day lenders as McDonalds. The Danville region is no exception to this trend. Interestingly, pay-day lenders are illegal in North Carolina. (CFED can recommend educational materials, including a powerful video that could be shown on public access TV and at local churches and service organizations.)

2. **Invest considerable time and resources to strengthen and align the region's weak community development infrastructure.** Start by:
 - **Supporting faith-based initiatives** that address the immediate problems facing the region. The churches and associations of local ministers (e.g., Ministers Alliance of Danville and Vicinity) are amazing, largely untapped vehicles for strengthening families and communities. For example, recently the Bible Way Church teamed up with seven other local churches, the Chamber of Commerce, West Piedmont Workforce Investment Board, and about two dozen public, private, and nonprofit entities to launch the Workforce Initiatives Network (WIN!). WIN! is a faith-based,

workforce-development initiative targeted to the region's ex-offenders. This model should be replicated with other issues such as drug use among teenagers and displaced workers, and

- **Funding and hosting**—together with United Way, the Chamber of Commerce, and the Community Action Agency—a **convening of Danville and Pittsylvania County nonprofit organizations** including church-affiliated groups. The purpose of the convening (or convenings) is to determine: (1) who is doing what; (2) which high-profile community needs (identified before the convening, e.g. affordable housing) are not being sufficiently met at the present time; and (3) how can such needs be addressed more effectively, especially through collaboration among the region's nonprofit organizations.
3. **Strengthen existing and potential business and industry clusters.** In July 2005, the Virginia Economic Development Partnership (VEDP) and the Virginia Community College System (VCCS) released an *Industry and Occupational Cluster Analysis* of Southside Virginia. The report identified the following industry clusters as particularly promising: automotive manufacturing*, chemicals and materials*, communication and entertainment, distribution and warehousing, electronics equipment and instruments manufacturing, finance and insurance, health care, information technology and professional services, metals and related manufacturing, and wood products and furniture manufacturing. (* Denotes that the cluster as a whole has low growth potential, but individual companies have high growth potential.) According to Danville's Economic Development Director, Jeremy Stratton, the analysis is still accurate.

As explained by Regional Technology Strategies, a NC-based business competitiveness organization: "A cluster develops when enough similar, related, or complementary businesses locate in a region to give firms a collective advantage. Clustering, however, is first and foremost influenced by access to talent—by concentrations of experienced and skilled labor and by the availability of the customized and specialized education and training that produces and upgrades skills and knowledge."

Therefore, the next step for Danville is to integrate the *Industry and Occupational Cluster Analysis* of Southside Virginia with findings of the workforce assessment conducted for the foundation by Jobs for the Future. Then, community leaders might benefit from contracting with Regional Technology Strategies (www.rtsinc.org) or another expert in business and industry clusters to develop a regional competitiveness plan tailored to Danville's unique conditions.

4. Support and expand the **Neighborhood Leadership Program** launched by the Chamber of Commerce and United Way, using a curriculum developed by Virginia Cooperative Extension Service. Promote the program through local churches.

5. Support **IALR outreach activities**, especially weekend and evening activities that involve children and parents. Although most people (including displaced workers) are excited about the Institute, there is little understanding about what the IALR is, what it does, and how it might benefit them. The institute should initiate bold programs connected to entrepreneurship such as a youth entrepreneurship competition or a small business development fair.
6. Create a more **professional and transparent system for soliciting proposals for foundation support** and awarding grants.

Longer-term Actions

Based on assessment of the Danville region and deep knowledge of effective community and economic development practice, CFED urges the Danville Regional Foundation to launch and/or encourage projects such as the following within the next two or three years.

1. **Promote stronger collaboration among the region's economic development entities**, at least the City of Danville and Pittsylvania County.
2. Improve and expand the region's **affordable housing stock** (public and private, owned and rental, stick-built, and manufactured) and existing initiatives (e.g., Danville's rental housing inspection program).
3. Engage citizens in developing a **ten-year master plan** for the region as was developed in Chattanooga, Tennessee. The closest thing to a master plan is the *Learning.Working.Winning* report completed in October 2000 with little input from ordinary citizens. Chattanooga's master plan was developed through a series of local meetings attended by diverse citizens. As the ideas accumulated, they were evaluated, reorganized, voted upon, and eventually "owned" by citizens in a widely-attended celebration and display. (CFED can provide additional information.)
4. Launch a comprehensive, **asset-building program** to help low-income individuals and families accumulate savings and wealth through financial education, matched savings accounts (e.g., Individual Development Accounts), and protections against unscrupulous pay-day lenders. Promote asset-building efforts through the local churches.
5. Initiate a comprehensive, **entrepreneurship development program**. Regional leaders can help to spawn and support new, small firms by:
 - Learning about entrepreneurship development through excellent programs such as "E2" operated by the Center for Rural Entrepreneurship (www.energizingentrepreneurs.org),

- Incorporating youth entrepreneurship training into local high school and community college curriculum to inspire an entrepreneurial spirit in the community's young citizens,
 - Posting small business licensing procedures and documents on-line so that companies file the necessary forms, etc. in an efficient and low-cost manner,
 - Scouting for entrepreneurial opportunities arising from spin-offs from existing businesses or joint ventures among local firms,
 - Acting as a nurturer or convener, helping incubating firms to form networks and to learn from each other,
 - Acting as a broker of business assistance resources, so entrepreneurs become knowledgeable about the programs and services available to them,
 - Lifting excessive local zoning restrictions to accommodate and aid the growth of home-based businesses without sacrificing quality of life for community residents,
 - Encouraging local lenders to offer small business financing to aid local firms and strengthen the bank's CRA rating, and
 - Partnering with or creating a revolving loan fund to provide small loans at near-market rates to qualified businesses.
6. Initiate a comprehensive, **business retention, expansion, and modernization program**. Excellent information and resources are available through BREI (www.brei.org), the leading professional association for business retention and expansion, a fundamental strategy for economic stability and growth. BREI's mission is to provide leadership resources, education, and networking opportunities in business retention and expansion.

CONCLUSION

The Danville region holds extraordinary potential. Citizens of the region are blessed with tremendous financial, personal, and institutional resources. The future is bright, so long as the region's leaders move forward with a diversified and inclusive development agenda. If the board so wishes, CFED is very interested and willing to assist the foundation along this path.

ATTACHMENT

Questions for Danville Community Leaders

Introduction:

The Directors of the Danville Regional Foundation have commissioned an assessment of the needs, opportunities, and institutional capacity in Caswell County, NC; Pittsylvania County and the City of Danville, Virginia. This assessment will report on each of the four areas in which the Foundation intends to work: **economic and community development, education, and workforce development, public health and civic engagement**. The four assessments will inform the foundation's activities going forward.

As part of this assessment, CFED is investigating the potential and community need for building wealth and expanding opportunity. The goals of the project are to understand and strengthen the fundamental economic base of the region and to expand opportunities for prosperity to touch all people of the Danville region.

We are conducting interviews with a broad cross-section of members of key institutions, economic and community development professionals, business leaders, and youth. A number of individuals have suggested that you are an ideal candidate to interview and help us to gain a better sense of how opportunities are and are not increasing in and around Danville.

Preliminary Questions:

1. How long have you lived in the community?
2. What is your work?
3. How are you involved in the community (e.g. church, civic organizations, local government, planning boards)?

Questions for all interviewees:

1. How would you describe the current economy of the Danville region?
What change would you like to see in the future?
2. Which segments of the population are most vulnerable in the current economy?
What change would you like to see in the future?
3. What are the region's economic development strengths and weaknesses?
(By economic development we mean activities that create and retain jobs and generate income for Danville area residents.)
4. How difficult is it for Danville area residents to earn enough money to save and build assets?
 - a. What are the major threats (low pay, lack of health insurance, housing costs, predatory lending, childcare) to achieving financial stability?
 - b. Have there been any significant efforts to lift Danville residents out of poverty? If so, what works?
5. Does the region know enough about its economic development opportunities?
If not, what change would you like to see in the future?
6. How do you think the region has been affected by changes in the global economy?
Who is focusing on this issue and how successfully?
7. What are the opportunities for moving up the economic ladder in this region?
What change would you like to see in the future?
8. Which communities/regions do you compare the Danville area to and why?

9. Who else should we be talking to or including in this process? Are there people who are not typically involved in development activities who you think can or should be involved?

10. Do you know of any reports or information that we should be sure to collect?

Questions for specific individuals:

Economic development professionals – Ask for more detail on current roles and plans of area economic development organizations. How could better use be made of existing resources (e.g., through greater collaboration between organizations or communities)?

1. What are your current priorities and why are those areas your priorities?
2. How successful do you feel your current programs have been? (How do you know?)
3. Do you offer businesses relocation incentives? If so, how do you track your return on investment?
4. What programs would you like to develop/implement in the future? What's standing in the way?
5. What do you think allows or prevents businesses from starting and growing in Danville?
6. How do the region's economic and community development organizations and agencies relate to one another?

Political/community leaders –

1. How does economic development compare in importance to other key issues facing the community? What are the other key issues?
2. What are your economic development priorities and why are those areas your priorities?
3. What do you think allows or prevents businesses from starting and growing in Danville?
4. How do the region's economic and community development organizations and agencies relate to one another?

Business leaders –

1. How is the community as a place to do business?
2. What do you think allows or prevents businesses from starting and growing in Danville?
What change would you like to see at the local (e.g., local government), regional or state level?
3. Have you been involved in local development efforts?
If so, how?
4. What are the key barriers to your business's ability to grow?

Social service professionals –

1. What are the key social/human service issues in the community at present? How does the health of the regional economy affect these issues?
2. Who is addressing these issues and how? Is it working?
3. How do the region's economic and community development organizations and agencies relate to one another?

Bankers –

1. What are your attitudes about the local community as a banking market (are you positive, negative, do you look for improvement, etc.)?
2. How active are you in commercial lending in the local community (e.g. what percentage of your loan portfolio is local commercial industrial loans)?
How has the movement to interstate banking affected your business (if at all)?
3. Have you been involved in local development efforts? How responsive do you feel local government is to your concerns?
4. How do the region's economic and community development organizations and agencies relate to one another?

High School and Community College Youth –

1. What opportunities do you see in Danville in the future?
2. What types of jobs are available for young people in Danville?
3. Do you see possibilities for starting your own businesses?
What do you think allows or prevents businesses from starting in Danville?
4. Do you picture yourself staying in this community long term?
(if no) What would be necessary to encourage you to stay?
5. Have you been involved in local development efforts? How responsive do you feel local government is to your concerns?

The Directors of the Danville Regional Foundation have commissioned a set of assessments of the needs, opportunities, and institutional capacity in Caswell County, NC; Pittsylvania County and the City of Danville, Virginia. This assessment will examine and report on each of the four areas in which the Foundation intends to work: economic and community development, education and workforce development, public health, and civic engagement.

The Corporation for Enterprise Development (CFED) was recommended by MDC, Inc. to lead *the economic and community development assessment*. CFED is a national, non-profit organization based in Washington, DC, with offices in North Carolina and California. CFED aims to expand economic opportunity by helping Americans start and grow businesses, attend and graduate from college, own homes, and save for their children's and own economic futures. We identify promising ideas, test and refine them in communities to determine what works, craft policies and products to help good ideas reach scale, and develop partnerships to promote lasting change.

The purpose of the Danville economic and community development assessment is to understand and strengthen the fundamental economic base of the region and to expand opportunities for prosperity to touch all people of the Danville region. Regions build wealth and expand opportunity by focusing on *both* financial security and economic and community development. Economic development alone, especially business attraction, does not produce broadly-shared benefits for low- and moderate-income people.

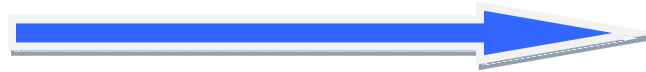
CFED is beginning the economic and community development assessment by conducting interviews with a broad cross-section of individuals living and working in the region, including youth. We will speak with formal and informal leaders and groups working for the betterment of the region. Interviews will be conducted both on-site, during visits to the Danville area in early August and mid September, and by phone. CFED will also generate and present data to describe the region's key issues, performance gaps, and trends. At the conclusion of the project, CFED will deliver a written report, data sets, an annotated "rolodex" of the region's key, and an on-site presentation to the foundation.

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A FRAMEWORK FOR BUILDING WEALTH AND EXPANDING ECONOMIC OPPORTUNITY

Poverty



Prosperity

Individual Asset-Building

The Danville region should provide **individuals and families:**

- An opportunity to earn enough to have some to save, including support to claim the EITC, if applicable.
- The chance to accumulate savings and wealth through vehicles such as affordable homeownership, IDAs, children's or college savings accounts, and employer-provided benefits.
- A connection to the financial mainstream, including access to basic, affordable banking services and an understanding of how to use these services.
- The assurance that they will be treated fairly by financial institutions, including protections against unscrupulous pay-day lenders and predatory mortgage loans.
- Access to affordable public and/or employer-provided health insurance.

Economic and Community Development

The Danville **region** should provide:

- Citizens an opportunity to understand and participate in decision-making about the region's economic future.
- Individuals the opportunity to start-up and grow a new business in a supportive entrepreneurial environment.
- Existing businesses the recognition, networking opportunities, and services to remain competitive in the region, expand their workforce and/or operations, and modernize facilities and equipment.
- Outside businesses the support to relocate to and expand in the region provided that the public benefits (e.g., in jobs, infrastructure) exceed the public investments (e.g., subsidies). Regions raise their return on public investments by targeting disadvantaged areas, tying subsidies to specific milestones, requiring "first source hiring," etc.