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Rural Schools and Community Economic Development

by

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RURAL SCHOOLS AND COMMUNITY ECONOMIC DEVELOPMENT

Theresa Heiland ^{1/}

Entrepreneurship education programs, initiated by both business and education sectors, are being developed to re-establish a traditionally important resource for rural communities: the local school. School-based enterprise programs represent an important example of how rural schools can play a significant role in community economic development. Here the local school serves as a form of business incubator as well as performs its traditional education role.

Perhaps the mostly highly developed school-based enterprise program is REAL Enterprises, Inc. (Rural Entrepreneurship through Action Learning). REAL originated in North Carolina in response to the sobering realities of poor local educational and work opportunities for rural youth. Without alternatives, rural communities are at risk of lacking qualified individuals for vital roles in local community and economic activities.

REAL Enterprises, Inc. has four primary goals:

- *Institutional goals:* to help rural schools become effective small business incubators.
- *Educational goals:* to help students and teachers develop understanding of, interest in, and competence around entrepreneurship and small business management/ownership.
- *Economic goals:* to help create good new local jobs through identifying and utilizing untapped opportunities in the local economy.
- *Individual goals:* to help foster a sense of empowerment and heighten the capacity to be successful productive community members.

REAL Enterprise process—based on the premise that action learning enhances skills—depends on active student participation and decisionmaking. Students conduct a community survey to identify needs that could lead to entrepreneurial ventures. Once these are identified, business plans are developed, funds are secured and a business site is established, thus providing students the opportunity to learn the concepts and responsibilities of managing/owning a business. Ideally, REAL businesses then "spin off" from the school and are independently owned and managed by students who have participated in the REAL Enterprise Program and have graduated from school. Examples of REAL Enterprise student ventures initiated range from a day care center to a tanning booth/exercise center.

Indisputably, REAL Enterprise projects provided students with quality "hands-on" educational experiences. The community surveys helped students learn about local people and the area they lived in, and also provided valuable information for local leaders. Teachers were able to observe skill levels of their students and focus on areas needing most assistance. REAL's potential to sustain businesses and jobs, however, depends on the individuals involved and on the financial, technical and political support participants are able to create in their local environments. The value of a qualified Community Support Team cannot be overstated.

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Based on the experiences of those who have participated in REAL Enterprise projects, the following guidelines are suggested to optimize program success. These guidelines are not only applicable to REAL projects, but to any school-based enterprise program.

- Schools planning to implement REAL Enterprises must identify key figures (plural emphasized) as project coordinators. REAL Enterprise teachers must have adequate support and agreement from school board members, school staff and school administration if they hope to implement a REAL Enterprise program.
- Teachers must be willing to adjust conventional teaching approaches and adopt methods appropriate for REAL Enterprise courses. Therefore teachers must be given time to attend training sessions and develop curriculum.
- A Community Support Team must be established during the curriculum development stage so teachers may familiarize themselves with community resources. Ideally, CST member qualifications should reflect the various areas of expertise needed for business development in the local community.
- REAL Enterprise courses must be *integrated* into the curriculum with ample time provided to do so—not offered as an *add-on* to the curriculum.
- The school must identify funding sources from within (at least partially) the community for establishing a revolving loan fund to provide assistance for student enterprises.
- Students interested in REAL Enterprise courses must complete an interview process and must demonstrate their interest in business-related activities. Students must be made aware of the work they will be expected to do and the time and commitment involved.
- Students must receive academic credit for completing REAL Enterprise courses.
- Businesses selected must fill an economic or social need not currently met or must establish a partnership with an existing business.
- Students must participate in the enterprise profits to instill the notion of business ownership.
- To generate successful student-operated businesses, adult participants may offer guidance, but must allow students to make final business decisions.

Although initially implemented at the high school level, currently over half of the North Carolina REAL Enterprise projects have been adapted for adult students in community colleges. REAL Enterprise projects at the college level create opportunities for adult students to play a mentor role for high school students interested in REAL. Whether a REAL project is adopted at the high school or college level, teachers and business and community leaders are revising the roles schools are playing to strengthen rural economies.

While the discussion here has focused on REAL Enterprises, Inc., REAL is only one example of how school-based enterprise programs can be developed. The concepts outlined here are applicable to any school-based enterprise program.

Ron Shaffer
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