

APPROACHES TO DEVELOPING OUR REGIONS



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Introduction

Community colleges have clearly arrived on the political agenda. From the White House, to Governors' Offices, to local legislatures, discussions regarding community colleges and their role in economic development are taking place with a seriousness unlike anytime in history since the Truman Commission. Much of the conversation about the role of community colleges in economic development focuses, almost exclusively, on workforce development and training. To be sure, these are important components of the community college mission and a critical factor in economic development.

However, should workforce development serve as the total conversation for community colleges and economic development? Many articles and papers have been written and hundreds of discussions have taken place about the value of higher education with regard to its contribution to economic development through a variety of efforts. These efforts include research, purchasing, education and numerous other factors that keep local communities that host colleges and universities hopeful for the future. Indeed, higher education institutions contribute to local economies in many ways.

The purpose of this paper is to briefly discuss the history of higher education and explore the ways in which higher education institutions from all sectors have contributed to economic and community development. Then, to discuss specifically how community colleges affect local economies and identify potential contributions beyond their current efforts in workforce development with an emphasis on the following questions: Are community colleges already doing more for their communities than is typically recognized? What other contributions to community development could community colleges make? Recommendations for expanding community college activities will be suggested.

Higher Education

Foundations of Higher Education

One could argue that higher education is founded in a mission of economic development. From the early beginnings of society, formal structures of education arose to provide selected youth (usually the wealthy and elite) with the necessary knowledge and skills to fulfill their roles as leaders of the society. In Greek and Roman cultures, boys from wealthy families were instructed by teachers in a variety of settings using a number of techniques. Socrates and Plato are probably the most well-known teachers of that time and taught, mostly, through oral instruction in small groups.

As societies grew and evolved, so did their approach to education. Many young children were schooled at home by their parents or in small groups with a single teacher for their entire educational experience. Formal education was limited and primarily afforded to the wealthy. While much of the society remained illiterate, those who were expected to lead and work in the professions of the society were educated and trained to do so.

The 12th century brought about the concept of a university. In Western Europe, specifically Paris and Bologna, groups of educated men gathered to form a “university” designed to teach young males. The term university comes from the Latin word *universitas* meaning corporation or guild. Thus, this new concept of a university created what essentially became a “union of scholars.” Dedicated to the pursuit of knowledge, and striving to not be controlled by politics, these scholars believed that such a “union” would protect their interests from outside influences and allow them to pursue their studies unfettered by external constraints.

While some of these European universities had campuses, many of them used facilities that were available at the time such as community halls, churches, pubs, town squares, and private homes to provide instruction. As these early universities matured, formal organizational structures were put into place. Although formal in nature, these structures remained quite democratic and provided the faculty with a strong voice in deci-

sions made on behalf of the university; a tradition still true today. The leader of the university, a president, was elected by the faculty and charged with handling administrative matters for the management of the university.

As these early universities developed and became more codified in their operations, the preparation of those seeking to work in certain professions was absorbed into the mission of universities. While still focused on the wealthy and elite, universities became more commonplace and accepted as institutions of education for the future leaders of society across Europe. Additionally, the faculty within the universities became the formal body that granted teaching licenses to those interested in joining a university - thus creating the *profession* of teaching.¹

During these early gatherings of educated men, a curriculum focus evolved primarily around four areas of study: the arts, medicine, theology, and the law. Elsewhere in the world, like Cambridge and Oxford, other societies began to develop universities. These institutions were founded almost exclusively by the church, for the purpose of educating professionals in the four fields identified above; however, in these universities everyone participated in religious studies in addition to their professional studies.²

Given the manner in which universities developed across Europe, it could be concluded that the foundation of higher education was: 1) to prepare students for society through a study of the classics (language, science, mathematics, religion, etc.); 2) to prepare students for leadership (as leaders needed to be educated men); and 3) to prepare students for a profession (in the early history of universities the four professions named above). This foundation still plays a significant role in the purpose of colleges and universities today.

Similar to much of Europe, in the colonial United States, almost all of the universities were established by the church. Harvard College was the first U.S. institution of higher education, established by the Puritans in 1636. William and Mary was established in

¹ Domonkos, Leslie S. (1989).

² Domonkos, Leslie S. (1989).

1693 by the Anglicans. These were followed by Yale in 1701 by the Congregationalists, Princeton in 1746 by the Presbyterians, and other well-known universities by other churches. These universities each had a strong affiliation with a church and remained reserved for the elite of the colonial cities. It would not be until 1803 when Thomas Jefferson founded the University of Virginia that a university would be established by a government and be publicly supported. Regardless of their origins, all of these universities remained true to the tradition of teaching humanities and arts along with professional fields.³

Today, thousands of colleges and universities are located across the United States and around the world. While there are some small liberal arts colleges dedicated only to the study of humanities, science, and the arts, nearly all colleges and universities have developed curricula that provide students with an education in a profession accompanied by a prescribed general education. Students primarily select a college or university that they feel is best suited to prepare them for the profession of their choice. While the number of degree programs have expanded far beyond the original four - arts, theology, medicine, and law - there is still a great deal of focus placed on preparing students for citizenship, leadership, and employment.

History of Community Colleges

Community colleges are a unique and truly American addition to higher education. Hailed as colleges of democracy, community colleges were created to bring post-secondary education to the masses. Today, there are nearly 1,200 community colleges across the country and they can be found in communities large and small - urban, suburban, and rural. In fact, just over 50% of community colleges are located in rural parts of the country serving small populations and/or large, sparsely populated geographic

³ Domokos, Leslie S. (1989).

areas.⁴ These rural community colleges are often a hub of activity for the community or region in which they are located.

Joliet Junior College was the first community college and was founded in 1901 in the Chicago, Illinois area. It was established as an experiment to provide a post-graduate high school program to further the skills of students who successfully completed high school but were not college bound. Since the founding of Joliet, community colleges have expanded across the country and evolved in their mission.

Deegan and Tillery (1985) suggest that community colleges have gone through five generations of change throughout their history. These generations include: 1) an extension of high school, providing post-high school programs (1900 - 1930); 2) a junior college, focused primarily on transfer to universities (1930 - 1950); 3) a community college, with the addition of vocational education and training programs (1950 - 1970); 4) a comprehensive community college, expanding their role in higher education and in the community (1970 - 1985); and 5) a new college, as represented by an evolution to a “learning college” as identified by Dr. Terry O’Banion (1985 - present).⁵ This evolution of these institutions, now commonly called community colleges, demonstrates the community focus and responsiveness to social change that these colleges have at the heart of their missions throughout their history.

When community colleges began to expand across the country, from 1930 - 1950, (then known as junior colleges) they operated with a focus as the first two years of a university degree and had, almost exclusively, a transfer mission. By the mid-20th century, the need for a workforce to serve in local industries brought the discussion of adding vocational education to these colleges. The vocational education movement was debated vigorously among junior college presidents. Some were concerned that the addition of vocational programs would dilute the mission of their institutions and that they would

⁴ Young, Jerry W. (1997).

⁵ Young, Jerry W. (1997).

be seen as trade schools rather than colleges. Others saw the needs of their communities and felt obligated to respond.

In 1948, the Truman Commission Report made a very bold statement in support of vocational education at junior colleges. It was this report that introduced the title of *community college* to the sector and laid out the vision for a comprehensive community college that would serve their communities through very broad mission statements.⁶ A telling quote from the report describes the overall direction in which junior colleges needed to evolve and advocated for the expansion of their missions in order to serve their communities and the country. It states:

“If the ladder of educational opportunity rises high at the doors of some youth and scarcely rises at all at the doors of others, while at the same time formal education is made a prerequisite to occupational and social advance, then education may become the means, not of eliminating race and class distinctions, but of deepening and solidifying them. It is obvious, then, that free and universal access to education, in terms of the interest, ability, and need of the student, must be a major goal of American education (U.S. President’s Commission on Higher Education, 1948. p. 36).⁷

The Truman Report accelerated the conversation about junior colleges and ultimately turned it into one of creating community colleges with broad missions designed to support their local communities. In 1956, almost a decade after the Truman Report was released, Jessie Bogue proposed that community or junior colleges should have as a distinct part of their missions three functions: 1) to prepare people for work and life (vocational education); 2) to prepare people for further college study (university parallel); and 3) to provide continuing education for part-time students and to meet community and business training needs.⁸ Shortly after the discussion of these three functions began, in the early 1960s, an emphasis on developmental and remedial education was

⁶ Bragg, Debra D. (2001)

⁷ Bragg, Debra D. (2001)

⁸ Bragg, Debra D. (2001).

added to the community college agenda in order to meet the needs of those students who were not prepared for university study. Thus began the concept of “open access” to higher education which has become a critical, and sometimes passionate, part of the community college mission.

Today, the evolving history of community colleges is reflected in the current missions and operations of these institutions across the country. Nearly every community college is providing developmental education, university parallel programs, vocational education, corporate training, continuing education, and other programs to meet the needs of their specific communities. Interestingly, the lines between university parallel programs and vocational programs are not as clear as they might have seemed decades ago. There are data to suggest that as many students in ‘vocational programs’ (A.A.S.) transfer to four-year institutions as those students in ‘transfer programs’ (A.A., A.S.). This is especially true in programs like business, education, engineering, and healthcare related degrees.⁹

Community and Economic Development

Defining Community and Economic Development

One of the key discussions in every community today is economic development. Governors talk about it; mayors talk about it; business leaders talk about it. Economic development is seen as the means by which a community turns the corner from surviving to thriving. But just what is economic development? The discussion can be very encompassing.

Some argue that economic development is a part of a larger effort - community development. Community development takes a broader look at a geographic area and creates a vision for the future. It works to enhance the economic, social and cultural aspects

⁹ Braggs, Debra D. (2001).

that identify a region and give it a unique character. It is the activity of improving or enhancing the attractiveness of a community and thus raising the value of property, desirability, and livability.¹⁰ It is, then, all of those aspects that make a community a place where people want to live and work. It includes those attributes that create a sense of attachment to a community and provide its residents with a sense of pride.

Economic development, it can be argued, is a focused initiative within the larger effort of community development and is the improvement and strengthening of communities with an emphasis on attracting and growing business and industry. More specifically, the American Economic Development Council defines economic development as “...the process of creating wealth through [the] mobilization of human, financial, capital, physical, and natural resources to generate marketable goods and services. The economic developer’s role [then] is to influence the process for the benefit of the community through expanding job opportunities and the tax base.” (1991, *Economic Development Tomorrow*.)¹¹

Community development and economic development have a synergistic relationship. It is highly unlikely that one could develop without the other. Because of this interdependency, often when communities discuss economic development they are actually talking about community development. When discussions include parks, social gathering places, diverse housing stock, school enhancements, etc., then a more holistic approach is taking place for what is really the broader topic of “community development.” Regardless of how a community entitles these discussions, they are indeed critical discussions to have and should involve a variety of constituent groups in the region.

¹⁰ Young, Jerry W. (1997).

¹¹ Young, Jerry W. (1997).

Livable Communities

Communities that are having serious discussions about community development (or economic development) are including in those discussions the concept of “livable communities.” The concept of livable communities is a recent revival of an emphasis toward community planning. Most cities and towns have had planning boards and/or planning professionals that have worked with the citizens, developers, and business owners on building codes, zoning, and other “rules” that are designed to keep order to the municipality. However, many communities were unable to “step back” and create an organized plan, vision, or direction for the overall community. Void of this overarching plan, much of the historical growth of communities seemed to be incremental rather than holistic.

The new discussion of livable communities is, at some level, a resurgence of order and a refocus on developing neighborhoods that may have been lost by some municipalities during long periods of rapid growth throughout the “industrial age”. The livable community movement seeks to regain a sense of organization and balance, that perhaps, existed prior to the industrial boom, through five basic goals. They are: 1) to preserve green space; 2) to ease traffic congestion; 3) to restore a sense of community; 4) to promote collaboration among neighboring communities; and 5) to enhance the economic competitiveness of the region.¹²

One could easily assume that developing livable communities will be left to the urban and suburban areas of the country. However, rural areas also, have a lot to offer as livable communities. Inexpensive land, numerous outdoor activities, and abundant natural resources are just a few of the attractive aspects of rural areas that can bring about livable communities and economic prosperity. The key for rural area growth is to focus on the larger region’s strengths.

Rural areas, high in natural amenities, should focus on attracting young, talented, creative-class families to their region who tend to seek outdoor activities for recreation.

¹² Fischer, Elizabeth. (2000).

They should place energy behind marketing to midlife career changers and active retirees as potential new residents in their communities. They should not try to focus on young, single people who are searching for a city experience.¹³ They should strive to attract and grow businesses and industries that need the resources in the area and that add to the community in a manner that is congruent with their plan.

Thus, the discussion of livable communities is a discussion of balance when considering community development. That balance can sometimes be difficult. Each of the five goals are important to developing a community that is attractive to citizens who want to live there, while remaining business friendly and supportive of the economic development efforts that keep the community viable. One of the key goals - collaboration among neighboring communities - may be the hardest goal to achieve, particularly in difficult economic times. However, it is one that is critical to regional success. Rural municipalities trying to create livable communities without emphasizing regional growth will fail.

Role of Higher Education in Development

Contributions of Higher Education

As the United States has moved through various economic phases (agriculture to manufacturing, manufacturing to high-technology, high-technology to innovation) the needs of employers have changed. In the mid-part of the 1900s, it took thousands of individuals working in industrial plants to produce products. These individuals were often uneducated; and, the work required little input from the employees as it was more manual labor than intellectual creativity.

As the U.S. economy transitioned to a high-tech industry based economy, the workforce needs underwent dramatic change. Manufacturing plants became highly mechanized

¹³ McGranahan, David A. (2007).

with much of the “labor” completed by machines. More equipment and fewer workers in the plants meant employees had to increase their skill levels to keep the automated production processes operating. Employees monitored the quality of the products being produced by the machines through statistical process control which provided charts and graphs regarding the successful output of the manufacturing process. And the tasks of those on the manufacturing floor changed. They made adjustments to the machines’ programming to keep processes within tolerances. They met in teams to discuss production outputs and issues. And, they helped the company problem-solve on a daily basis. While this high-tech manufacturing environment continues to operate in the U.S. today, it constantly evolves. The advances identified above are not enough for the United States to remain competitive in a global economy for the long-term. These firms must continue to innovate in order to survive.

The future of the U.S. economy is innovation; and, the transition to an innovation economy is evident. It was highlighted in 2001 by Alan Greenspan when he stated that “...over time and particularly during the last decade or two, an ever increasing share of the GDP has reflected the value of ideas more than material substance or manual labor output.”¹⁴

As the economy accelerates into an economy of advanced technology and innovation, it is estimated that 70% of the jobs created will need, at least, some post-secondary education. This is true of those working in production environments as well as in the professional services sector. Manufacturing in the United States is, and will continue to be, high-precision production in a clean environment requiring a skilled workforce.¹⁵ For these reasons, economic development strategies have changed.

Historically, states relied on incentive packages and large labor pools to attract businesses. Today, communities need a labor pool that is educated and skilled in conjunction with a connection to a higher education institution as a critical strategy for eco-

¹⁴ Green, Rodney D. & Venkatachalam, Padma. (2005).

¹⁵ Jones, Dennis & Kelly, Patrick. (2007).

conomic development.¹⁶ Everyone working in a successful business must not only bring their physical presence and labor to the workplace, they must bring their minds and creativity as well.

Therefore, the changing economy, coupled with the changing needs of employers, contributes to an increased need for higher education to participate as a key partner in economic development. Responding to this need, higher education is taking on a greater role. It is incumbent upon higher education: 1) to advance innovation through the development of new technologies, new processes, new products, and new ideas; 2) to pursue strategies that will help local companies prosper and grow - like knowledge transfer, training, consulting, business incubation, etc.; 3) to play a key role in the development of the local community through improving its quality of life; and, 4) to create an educated citizenry for the future.¹⁷ These are strategies that are influencing the direction of higher education now and for the foreseeable future.

How higher education fulfills this needed role depends upon the institution and its relationship with the community. Higher education institutions are involved in training, assessments, consulting, business incubation, small business development, research, improving K-12 education, and other initiatives. The business community is involved at the institution through advisory committees, governing boards, equipment donations, and other activities. Further, many institutions are contributing to their communities by providing meeting spaces, developing the arts, taking visible roles with public and private agencies, and serving as a resource for community education programs and discussions.¹⁸ This reciprocal relationship between the college and community creates the foundation for economic development activities to expand and grow.

Some communities are looking to higher education institutions, or a consortium of institutions, to actually **lead** the economic future of their region. In Baltimore, Maryland

¹⁶ Shaffer, David F. & Wright, David J. (2010).

¹⁷ Shaffer, David F. & Wright, David J. (2010).

¹⁸ Rock River Region. (2005).

the *Baltimore Collegetown Network* has taken on a large role in revitalizing the region. Sixteen colleges and universities in the region work together for the advancement of Baltimore and are a significant driver in the economy.¹⁹

This group of educational institutions conducts research that leads to technology transfer “spin-off” companies and simultaneously prepares a workforce for the future in the Baltimore area. Additionally, there are other significant contributions that they make. They are a large employment sector in the region with thousands of employees. They attract highly educated people to the region and pay well; thus, adding to the local economy by providing a large and educated consumer base. The institutions purchase many goods and services in the area. They also provide numerous sports venues and cultural events open to the public which add to the recreational attributes of the community.²⁰

Higher education institutions generate revenue for many businesses. Through the high payroll for employees, supplies and equipment purchases, and construction on college campuses, local economies are directly impacted. Colleges also bring dollars to a community through federal student aid, research grants, etc. Finally, student spending along with students volunteering time in a community can have a significant impact in the local economy.²¹

Colleges can bring revenue from other countries as well. The growing international student populations at colleges and universities impact communities. This growth in international students is estimated to reach five million students in the United States and Canada in the near future. Around the globe, international students are viewed as economic assets to a region. They may also be seen as highly-educated potential immigrants to a community who can contribute to an innovation economy. In Atlantic Canada, for example, the impact of international students is estimated to be \$565 million;

¹⁹ Baltimore Collegetown Network. (2008).

²⁰ Baltimore Collegetown Network. (2008).

²¹ Mercer, Joyce. (1996).

significant enough for the community leaders to become extremely interested in attracting and retaining this population.²²

The role of higher education in community development is clearly growing. It is a vital role as well as a complex, fluid, and dynamic one clearly dependent upon the community in which the institution is located.²³ It is also a role that is often unnoticed and/or under-appreciated by the larger community.

Community College Role

Community colleges are a relatively new sector in higher education with the first community college (Joliet Junior College) founded in 1901. Through various stages of development as highlighted above, community colleges have taken on a greater role in community and economic development. However, when considering the role of community colleges in economic development the vast majority of the discussion centers around workforce development.

Historically, community colleges' role in the local economy included: 1) it's presence (payroll, purchases, etc.); 2) preparing students to enter the workforce; 3) improving basic skills; 4) providing the first two-years of education for professionals; 5) providing business specific courses; 6) providing student interns and co-ops to area businesses; 7) pre-screening for employment in area companies; 8) providing placement service for students; and, 9) providing customized training for local companies.²⁴ Again, all of these services center around education and workforce development.

Some states are beginning to consider how their community college system can assist the state with economic development beyond preparing the workforce. Virginia has been exploring the community college role in economic development for decades. Its

²² Siddiq, Fazley; Baroni, Judy; Lye, Jeannette & Nethercote, Warrent C.E. (2010).

²³ Thomson, Andrew. (2008).

²⁴ Young, Jerry W. (1997).

community college system has developed advanced technology and high-performance manufacturing centers, small business development centers, technology assistance and transfer services, economic development centers, “one-stop” workforce services, and total quality institutes. However, many of these efforts continue to revolve around training.²⁵

Community colleges can, and should, play a larger role in community and economic development. They can serve as leaders for resolving community issues even when a solution is not one of education.²⁶ Community colleges are comprised of highly educated and creative people who can assist with problem-solving in any number of issues that may affect a community. This is especially true for rural community colleges (over 50% of the community colleges in the U.S.) as these institutions are often the only institution of higher education in the region. History suggests that rural communities are often difficult to change because of highly entrenched political and economic structures.²⁷ However, community colleges as highly visible public institutions can bring together business, government, and community members as a convener of people and a facilitator of discussions around an issue. They can work to move a community forward and energize a core group of people for change with a fact-based, creative, and unemotional approach to visioning the future.

Because community colleges are often the most visible institution of higher education in a region, and because they are, by their missions, focused on the local community, these institutions are beginning to explore other roles they can play in community development. However, a significant challenge that community colleges face with such an expanded role is one of resources - there are too few. This lack of resources is exacerbated in rural communities where community colleges are typically underfunded, yet the community has the greatest need for the community college to lead it through change.²⁸

²⁵ Budd, Ray E. (1996)

²⁶ Jensen, Jane McEldowney. (2003).

²⁷ Jensen, Jane McEldowney. (2003).

²⁸ Jensen, Jane McEldowney. (2003).

Nonetheless, because of the nature of community colleges, presidents are looking for ways they can assist the community develop and grow. Depending upon their region, community colleges are: 1) serving as a conduit for research and development; 2) developing business incubators and small business centers; 3) providing for the growth of the arts; 4) recruiting students from other areas of the world; 5) consulting with companies for training, management, and improved business practices; 6) leading the charge for innovation and creativity, and many other initiatives.

Community Colleges: Beyond Workforce Development

Embracing Innovation

Richard Florida (2012) writes in his book, The Rise of the Creative Class - Revisited, “Powering the great on-going changes of our time is the rise of human creativity as the defining feature of economic life. Creativity has come to be valued - and systems have evolved to encourage and harness it - because it is increasingly recognized as the font from which new technologies, new industries, new wealth, and all other good economic things flow. As a result, our lives and society have begun to resonate with a creative ethos.” Further he states, “...creativity is essential to the way we live and work today...”²⁹ Indeed, there is much being written about, and tremendous effort being placed on, enhancing creativity and the innovation economy.

As we continue to develop the innovation economy, community colleges will play an ever-increasing role in helping companies and communities embrace innovation. This will include helping local governments rethink their communities, local companies rethink their products, and not-for-profit organizations rethink their services. While some

²⁹ Florida, Richard. (2012).

of these efforts will involve workforce training and development, community colleges will also be involved as consultants in innovative thinking.

In Tim Brown's book, *Change by Design*, he highlights that innovation is not just tinkering around the edges and creating incremental change. It is a new way of thinking that relies heavily on observation of consumer behavior, creative brainstorming, rapid prototyping, collaboration, and a human-centered focus to development. Companies that embrace this new style of thinking will excel in the new economy, while others will lag behind.³⁰

Community colleges must prepare to offer assistance with this type of innovative thinking and practice design thinking in their own operations. Valencia Community College in Orlando, Florida has begun to embrace design thinking through its *Center for Learning Innovation*. It has created an entirely new space with facilities that were developed to encourage and support a design thinking approach. Teams sign up to use these facilities and the space is dedicated to that team until they are finished with their project. The team "owns" each space thus leaving notes and prototypes in the rooms for as long as needed. Teams are encouraged to think broadly, develop prototypes, collaborate with each other and approach problems from the students' perspective. This approach leads to real innovative solutions to problems and far surpasses the traditional committee approach typically used on college campuses. Valencia has received so much local attention to this approach that area companies have already begun to ask to use the space and gain assistance with adopting this innovative approach to problem solving.³¹

Through design thinking community colleges can assist communities that want to "leap forward" and not slowly evolve or, worse, stagnate. As stated above, this can be a difficult approach for communities, particularly in rural areas, due to entrenched political and social systems. However, those communities that embrace innovation will thrive in the new economy.

³⁰ Brown, Tim. (2009).

³¹ Shugart, Sanford C. (2013).

Creating a College Town

Regions that have a university or college located in them have generally weathered economic downturns better than those without them. Also of note, those colleges and universities that have developed and fostered a true “college town” atmosphere, in conjunction with the city or town, have prospered and created environments that attract students and non-students alike to spend money in retail, social, and entertainment venues.

So what is a College Town? It is more than a town in which a college is located. Well functioning “college towns” are retail, eating, and entertainment venues that are synergistic with the college itself and therefore appealing to the student population. This attraction for students also creates an energy that often has the look and feel of the arts, inspires free thinking, and fosters lively conversation that may be appealing to non-students as well. Scott Carlson writes, “True college towns are places where the identity of the city [town] is both shaped by and complementary to the presence of its university [college], creating an environment enjoyable to all residents, whether they are enrolled in classes or not”. Further he writes, “They are true melting pots, where young minds meet old traditions, and political, social, and cultural ideas of all kinds are welcomed.”³²

Community colleges, like their sister universities, can and should work to create a college town atmosphere in their communities. In urban and suburban colleges, the community college should work to develop the neighborhoods around their campuses fostering a college town environment by working with landlords, business owners, and city officials. Private student housing complemented by businesses that are targeted toward college students can create this atmosphere. The college should lead the effort to strengthen town-and-gown relations so that the development is positive and not a dilapidated section of town, with no investment, that exploits the students’ experience and proximity. In those areas where other universities share the city, a consortium of colleges can work together to develop college neighborhoods.

³² Carleson, Scott. (2012).

Rural colleges may have a bigger challenge. However, there is a growing trend for many rural community colleges to have (or to consider building) student housing. Community colleges that are providing or considering student housing should discuss broadening their thinking from student housing alone, to creating an integrated college town. Providing student housing and apartments, as well as space for studios, non-student living, small businesses, restaurants, art galleries, coffee shops, etc., can transform a project from solely a college project to an economic development project that attracts people from off-campus as well. Such a broad approach may require an independent structure that is separated from, but associated with, the college - such as a development corporation. Regardless of the structure, the key to success is to tie the environment created by the project to the community college, its programming, and its strengths.

This broader thinking and change in focus may bring other partners and resources to the project. A project of this magnitude can help neighboring cities and towns as well. By creating a draw for young folks (the college town), cities and towns within a regional proximity can establish an identity that encourages people to visit their locations as well.

Entrepreneurship, Business Incubation and Small Business Development

Most economic development today is driven by small to medium sized companies. The U.S. Small Business Administration estimates that almost two-thirds of net new jobs have been developed through small businesses (under 500 employees) over the past 17 years. Additionally, they estimate that small firms accounted for 67 percent of net new jobs from mid-2009 to 2011.³³ Similar to the discussion of encouraging innovation above, community colleges have a role to play in fostering entrepreneurship. Some community colleges have added programs and degrees in entrepreneurship or concentrations for the study of entrepreneurship within existing business degrees.

³³ AACC. (2013).

In addition to courses, some community colleges are helping to launch new businesses through Small Business Development Centers, short-term and highly-focused training programs, as well as business incubators. These approaches are all designed to help small businesses - often which struggle during the first few years of operation - become more successful and profitable sooner, as they develop their products, services, and customers.

To that end, community colleges are becoming a conduit for resources for small businesses in their regions. The American Association of Community Colleges is leading the effort to form national partnerships that will assist local community colleges in meeting this very complex effort to grow small businesses.

One such initiative is *Goldman Sachs 10,000 Small Businesses* created in 2009. Funded by The Goldman Sachs Foundation, this \$500 million investment focuses on small businesses that are poised for growth but need capital to take their business to the next level. Through this effort \$200 million is provided for free education and consulting while an additional \$300 million is available for capital in the form of low-interest loans and philanthropic support.³⁴

A second AACC initiative is funded by the Mott Foundation and takes the form of a Virtual Incubation Network (VIN). This effort (begun in 2011) is being piloted by eleven community colleges across the country in an effort to encourage more start-up businesses in their communities. Through the VIN, community colleges are experimenting with using technology as a means of creating a virtual incubator rather than a bricks-and-mortar one. Using technology to provide education, consulting, and support services the VIN can assist more start-up businesses in a larger geographic region. If successful, the AACC will expand this effort to hundreds of community colleges across the country.³⁵

³⁴ AACC. (2013).

³⁵ AACC. (2013)

Two other AACC efforts include the Innovation Fund America, sponsored by the Kauffman Foundation, and the National Association for Community College Entrepreneurship. Again, focused on innovation and small business, these efforts bring education and finances to community colleges to grow their local economies.³⁶

As discussed earlier in this section, community colleges are providing more than training and education to foster entrepreneurship. While training and education are important, community colleges are partnering with organizations - large and small - to provide capital, investment, consulting, business incubation, and other services designed to grow small businesses. Community colleges should seek to build a local coalition for the benefit of growing small businesses. By creating such a coalition of bankers, angel funders, attorneys, accountants, etc. that are willing to help small businesses, along with the college providing training and coaching, the rate of success for small business development in a community will improve.

Community colleges can also play a significant role in the development of small business through the operation of a business incubator. In communities where there is not a business incubator, community colleges should look to start one. In communities that have incubators, community colleges should offer to assist the operation by filling any gaps that might be present. A business incubator may be operated by the community college acting independently or in collaboration with other organizations such as the chamber of commerce, economic development corporations, and/or others. Small business is the backbone of many communities and business incubators have demonstrated that they help small businesses succeed.

According to the U.S. Department of Commerce - Small Business Administration “...only twenty percent of new businesses are still operating after the first five years. However, 87% of all incubator graduates remain in business.”³⁷ One could conclude that these incubated businesses fail while in the incubator and therefore skew the statistics. How-

³⁶ AACC. (2013).

³⁷ KJ Smith Assoc.

ever, it is important to note that data suggest that business incubators, in fact, help to increase businesses success rates. They do not just “weed out” the businesses that would have gone out of business anyway.

To exemplify this conclusion, Ned Smith states that “...after 5 years those [businesses] nurtured by incubators have an 87% survival rate while those [businesses] who go it on alone have a survival rate of 44 percent.”³⁸ Through the efforts of those involved in business incubators, developing businesses avoid many of the pitfalls that cripple those businesses which have not been incubated. This assistance leads to success. Some of these avoidable pitfalls may include a poor business plan, a lack of marketing knowledge, under capitalizing for the start of a business, not fully understanding how to run a business, lack of labor to meet goals, inability to afford the space needed to effectively start the business, etc.

The success of an incubated business is fostered by the services provided within the incubator. These services often include shared space, shared support staff, consulting, management advice, angel funding, seminars, networking and other activities that can help a small business. Similarly, there are keys to successful incubators. Most successful incubators are supported by economic development organizations, are non-profit ventures, and often have some relationship with a university or college. They have a formal selection process for start-up businesses, provide high-quality business services, and have a graduation process in which businesses must leave the incubator (although they may retain some relationship with the operators of the incubator for a period of time).³⁹

Many business incubators are attached to universities and serve as technology-transfer incubators that turn university research into marketable products. They may also serve as an environment to launch successful students and graduates into small businesses while they maintain a relationship with the university and/or their professors. These

³⁸ Smith, Ned. (2010)

³⁹ Smith, Ned. (2010).

types of incubators are often heavily subsidized by the university itself; and, the university may actually have some investment in the individual companies within the incubator. Such investments are often in the form of the ownership of patents that are being used to develop products which, if successful, will provide the university a revenue stream in the future.

Community colleges across the country are entering the business incubator arena. This entry is highlighted by the American Association of Community College's efforts with the Virtual Incubator Network discussed above. For many regions, the community college incubator may be the only option for small business incubation and one that must be explored.

One example of a community college developing a successful business incubator is Central Carolina Community College in North Carolina - Siler City, about an hour's drive from Raleigh. Since the city had lost much of its industry and was littered with vacant buildings, the community college brought together local artists to discuss the viability of an incubator for the arts that would be connected to the college's arts programs. The initiative was well received and the college became an anchor tenant in a building that offered artists low-cost studio space. The college offered art classes and helped with business consulting. The result is a growing arts shopping center, currently housing over 30 artists, attracting tourists from Raleigh and other areas.⁴⁰

Without a brick- and-mortar incubator, community colleges can participate in small business development by providing education and consulting to those individuals who are trying to get their businesses launched. Many community colleges host or work in partnership with Small Business Development Centers (SBDC) that are partially funded by the U.S. Small Business Administration. These SBDCs offer assistance in preparing a business plan, consulting on business start-up, assisting with locating venture capital, helping with small business loan applications, and providing other services that help launch small businesses.

⁴⁰ Rider, Jan. (2004).

One example of the success of such efforts is Keith Kullberg and Portland Community College. Mr. Kullberg knew his freshly prepared beans would appeal to the Portland community and was willing to launch a new business; however, what he did not understand, was the intricacies of the food industry. Through Portland Community College’s “Recipe to Market Program” co-sponsored by the SBDC, he learned about food safety, distribution, pricing, recipe formulation, and branding food products. The thirteen-week program saved him time and money as he gained experience that would have been difficult and costly to figure out on his own. At the end of the training program he won a trade-show-like competition which culminated in a contract for shelf-space at the New Seasons Stores in Portland.⁴¹

Research Partnerships

Partnerships between higher education and large companies have been developed for decades. These arrangements take many forms. Some companies contract with universities for faculty, in conjunction with their own research associates, to conduct research on the company’s behalf. Other companies will collaborate with university research innovations to develop a marketable product or spin-off company. Regardless of the structure, these partnerships have proven that universities can assist companies with problem-solving, research, and consulting in a way that launches new products, develops new companies, and creates jobs.

As we continue to develop an innovation economy, it is easy to conclude that expanding these partnerships between companies and universities would be beneficial. In an innovation economy, those firms that innovate, that add intellectual value to their products and services, and that create products for the future will grow and prosper, leaving other firms to wither away.⁴² Universities can assist in adding such intellectual value.

⁴¹ Ullmin, Ellen. (2011).

⁴² Mattoon, Rick. (2007).

While we often think of research as an important activity for high-technology industries, even those “mature” industries that have manufactured products for the long-term can often gain from the application of new production techniques. In fact, healthy manufacturing firms have enhanced productivity and output over the years in order to remain competitive. Universities can assist with the latest production theories and applications to foster productivity.⁴³

However, the advantages of partnering with a research university are lost on many business leaders. Except for large, multi-national firms, few businesses look to higher education to assist them with problem-solving. Rather, they rely on their suppliers and a variety of consultants to bring in outside expertise.⁴⁴ These suppliers and consultants may have an agenda beyond assisting the company succeed, which may include selling more products or maintaining long-term revenue streams.

Community colleges serve nearly every part of the United States and are located all across the country. These institutions are historically very involved in their communities. They are sometimes the only institution of higher education in a region and are very visible. Nearly every community college has a designated office that is responsible to reach out to area businesses in an effort to offer assistance, usually in the form of workforce training. These offices generally forge strong relationships with area business leaders, sometimes stronger relationships than the president’s office might have with local businesses. It is through these community college outreach offices that a cultural change can take place. A change that develops a culture of building multi-level partnerships to move the local economy forward. These partnerships may include the community college, state and private universities, and businesses in the region and bring a multitude of expertise to bear on advancing innovation.

Community colleges should develop relationships with regional and/or state research institutions in order to assist area companies with innovation, research, and consulting.

⁴³ Mattoon, Rick. (2007).

⁴⁴ Mattoon, Rick. (2007).

While some community college faculty can, and do, provide consulting to companies, often the level of research and problem-solving is more aligned with activities conducted at upper-level institutions. By partnering with research institutions, community colleges can bring business leaders into the relationship drawing upon the expertise of the faculty and staff at the university to provide assistance.

A community college staff member often understands the workings of universities and can help business operators navigate what can be a daunting environment. Community college staff can develop relationships with research offices in order to get to the “right” faculty member for the issue and help articulate an agreement for consulting or a research contract between the company and university. Thus the community college becomes a “broker” of research for the purpose of advancing the company and furthering the economic health of the business and community.

Leading Livable Communities

What is a livable community? As stated above, livable communities strive to: 1) preserve green space; 2) ease traffic congestion; 3) restore a sense of community; 4) promote collaboration among neighboring communities, and 5) enhance the economic competitiveness of the community.⁴⁵ They are communities that adapt to change and embrace creativity. They think regionally and for the good of everyone, not in terms of winners and losers in the area. They are attractive, well maintained with a sense of design that is pleasing and inspires people to engage through civic participation. They are safe, clean, affordable and have a sense of place with amenities that help to enrich the lives of those in the region. Generally, these livable communities are led by a team of people collaborating for the good of the region. These leaders can include the mayor, the chamber of commerce president, education leaders, and others that are dedicated to advancing the community.⁴⁶

⁴⁵ Fischer, Elizabeth. (2000).

⁴⁶ Nasser, Haya El. (2004).

Community colleges should play a key role in developing livable communities. First, the community college is often a very visible presence in a community and can act as a convener of community leaders for the purpose of discussions around creating livable communities. Second, the community college employs highly educated people with a variety of backgrounds who can assist with the development and planning of livable communities. These include faculty and staff with backgrounds in: sociology, psychology, design, art, criminal justice, business, etc. Using a team of these faculty members along with community leaders and planners, a successful strategy for developing a livable community can be achieved.

Third, community colleges can bring events and social venues to a community. Community colleges can, alone or with the help of arts organizations, host a number of venues that add to the sense of place and provide amenities in a community. They can host art shows and festivals, concerts, sporting events, food venues, and many other public attractions. These events can include talent from outside of the area as well as student shows, student talent, and student involvement in the community in order to create a value of civic engagement among the student body.

While community colleges cannot create livable communities on their own, they can and should be a major player to help the community develop its future. Elected officials such as mayors, supervisors, legislators, etc., along with those on zoning boards, planning boards, etc., must be involved as key players along with the community college in visioning the future.

Buying Locally

Community colleges are often large employers in their regions. In some rural regions of the country they may be one of the largest employers in the community. These institutions provide many employees with salaries that allow them to purchase local goods and services. Additionally, community colleges purchase office supplies and equipment, purchase food for their cafeterias, purchase educational supplies, purchase cleaning

supplies, contract for printing services, and buy many other commodities for their operations. These expenditures can be from thousands to millions of dollars annually.

Community colleges are public institutions and are therefore required to follow state (and sometimes federal) public purchasing laws and regulations. That means that most major purchases must be advertised and awarded to the lowest qualified bidder. Meanwhile, at some private universities a percentage of the budgets for supplies, equipment, contracted services, etc., is being targeted for local spending. That is, local vendors are given an advantage to assure that a certain percentage of dollars are spent with the local community. This is similar to New York State's initiative to spend a percentage of dollars with Women and Minority Owned Businesses (WMBE).

Community colleges should have the flexibility in purchasing to designate a percentage of funds to be spent in their local communities. Local community should be defined as the county or region within which the community college is located. While local spending should not be required for its entire discretionary spending, to designate a percentage (i.e. 15% of the supply budget) to be spent on the lowest qualified local bidder is a means by which the community college can directly contribute to the local economy. This effort could particularly help small businesses in local regions.

Such an initiative may require changes in the laws of some states to allow for such a designation. There may be community colleges for which such a change in law or regulation is not necessary because they are already spending a reasonable percentage of their budget locally. In these cases, community colleges should market this success. They should publish the total dollars spent in the local community and identify, in a very public way, the companies with which the college is doing business. This effort can assist with local economic development and public relations for the college.

Community colleges can also encourage local agricultural businesses and food production by using locally grown foods in their cafeterias. For example, in 2003, SUNY Potsdam sourced 500 lbs. of local corn, 1,100 lbs. of cucumbers, and 3,360 lbs. of toma-

toes, spending \$75,000 on locally grown foods.⁴⁷ This effort can bring a sense of local attachment and pride to the community. Students often look for foods that they feel are wholesome, healthy, and authentic. Locally grown foods can be viewed as fitting these traits.

By purchasing locally, wherever possible, the community college has a direct impact on the community and its economy. Often overlooked, this effort may create jobs, save small businesses, and provide a strong marketing tool for the college at the same time.

Non-Local and International Students

Across the country the manner in which community colleges are funded varies from state to state. Some community colleges are state supported institutions, some have local sponsorship in partnership with the state, and others have local taxing authority in addition to state support. The over-whelming majority of community college operating budgets are comprised of some form of local support, state support, and tuition. Regardless of how the college is funded, bringing students from out of the region and/or international students not only adds to the culture of the campus and the revenue of the college, it adds to the local economy.⁴⁸

Recruiting students from other regions and countries can bring dollars to the community. In Atlantic Canada (as stated above) it is estimated that in 2009-10, international students had a \$565 million impact on the economy. This impact was realized in terms of apartment rentals, car purchases, clothing purchases, restaurants, food, supplies, banking, etc. Universities have been recruiting international students for some time and the interest in these students continues to grow. It is estimated that by 2020 the inter-

⁴⁷ Popp, Jamie. (2006).

⁴⁸ Fazley, Siddiq; Baroni, Judy; Lye, Jeannette, Nethercote, Warren C.E. (2010).

national student population will increase to over five million students in the U.S. and Canada alone.⁴⁹

In order to attract international students, and students from other locations, community colleges may need to rethink their missions and their campuses. Community colleges interested in this population will need to create student housing opportunities and consider how they create a residential campus atmosphere. Such an atmosphere requires efforts beyond building dorms or student apartments. Community colleges will need to have evening activities, evening social venues, increased public safety into the late-night and early-morning hours, and multicultural student meal plans. Becoming a residential campus requires the administration to think very differently than the traditional commuter campus that community colleges have been historically.

Some communities, particularly rural communities, may not see themselves as attractive to students from outside of their region or from across the globe. Indeed, some communities may not wish to welcome students from outside of their region, and may not see such activity as a part of the local community college mission. Community colleges should lead the discussion about the positives of their local community and the benefits of sharing its attributes with people from outside of the area or country. Many cultures around the world see the United States through the lens of television which often depicts life in New York City, Los Angeles, Miami, or other large metropolitan cities. However, the United States is predominately comprised of small and mid-sized communities that offer a very different lifestyle and experience from those larger metropolitan cities.

Sharing these local communities with others can bring dollars into the community. Equally as important, they can serve as a catalyst to change the view that some cultures may have about the United States and its people, as well as the views that some local citizens may have about people from around the world. The global impact of such a change in viewpoints can affect the U.S. long into the future.

⁴⁹ Fazley, Siddiq; Baroni, Judy; Lye, Jeannette; Nethercote, Warren C.E. (2010).

Community college leaders cannot overlook the impact that international students, and students from outside of the region, have on their college campuses. For many rural community colleges, bringing people from outside of the region or around the world creates a multicultural environment on campus that could not be achieved in any other manner. It provides the opportunity for local students, many of whom have not traveled extensively, to meet people from other races and cultures. It provides for discussions of topics from a multitude of perspectives and experiences both inside and outside of the classroom. It is a means to bring a new academic dynamic to the community college campus and the surrounding community in a positive manner.

Such experiences in a multicultural environment are very important as the U.S. economy continues to develop into a world economy. United States companies are looking for employees who have an understanding of, and appreciation for, other cultures and for those who can work with people from a variety of backgrounds. Providing such an atmosphere on campus will assist in preparing a world-class and culturally-sensitive workforce.

Conclusion

There is a strong and growing synergy between higher education and economic development. Communities that host colleges and universities have been able to leverage the presence of these institutions in ways that have stabilized and accelerated the growth of the local economy. Through any number of activities and initiatives including research, consulting, high payrolls, etc., higher education has facilitated economic growth.

Community colleges are located in almost every region of the country and have included in their missions a connection to economic development, often through workforce development. However, there is much more that community colleges could do in their regions to help, and perhaps lead, economic recovery and community development. Through the efforts of community college leaders, in collaboration with local and state

officials, residents can rethink their communities, develop a vision for their future, develop business opportunities, and create local cultures that embrace innovation.

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