



**West Virginia**  
*A Vision Shared!*  
**Economic Development** *Strategy*  
*a plan for West Virginia's future*

Prepared by: Market Street Services, Inc.

December 2001

## Governor Bob Wise

# West Virginia Council for Community and Economic Development

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## The Process: How Did We Get Here?

In the spring of 2000, the West Virginia Council for Community and Economic Development (the Council) commissioned *Market Street Services, Inc.* to assess the economic competitiveness of the State, solicit input from various stakeholders throughout the State, and ultimately, assist in the development of an economic development strategy and implementation plan.

The result of this six-month process is what you now hold in your hands – the strategy to move West Virginia forward. This strategy articulates the fundamental values and goals for the State to rally around to become economically competitive in the 21<sup>st</sup> Century. It is important to keep in mind that this strategy serves to identify the major issues that must be addressed in West Virginia, and the goals to be achieved to create a positive future for the State.

The process that has led to the development of this strategy includes the following.

### **1. *Demographic and Economic Analysis: An Evaluation of Economic Competitiveness***

- Detailed profile of West Virginia's economy. Assessment of "how the people are doing." Included comparisons with 10 other states, as well as an overview of West Virginia's counties and regions.

### **2. *Stakeholder Interviews and Focus Groups***

- Extensive statewide input process. Included varied stakeholders, ranging from economic developers, local government officials, business leaders, community organizations, legislators and other elected officials to labor unions and State staff.

### **3. *Community and Economic Development Best Practices***

- Assessment of best practices, models, and options from around the nation. Focused specifically on 11 key program areas within the community and economic development arena.

### **4. *Community and Economic Development System Evaluation***

- System-level analysis of how West Virginia delivers community and economic development at the state level. Looked at the West Virginia Development Office, and a brief overview of 23 other relevant organizations in the State.

### **5. *Competitive Assessment***

- Analysis of state legislation and policies, and their impact on the business climate. Overall assessment of State's business climate competitiveness, including strengths and weaknesses.

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*"Though no one can go back  
and make a brand new start,  
anyone can start from now  
and make a brand new  
ending."  
- Carl Bard*

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## The Crisis: Where are We Now?

The research conducted over the course of this process identified several challenges facing West Virginia. The fundamental conclusion was that West Virginia is not competing successfully. As many already know, West Virginia is ranked 49<sup>th</sup> or 50<sup>th</sup> on many indexes and rankings at the national level. Organizations like Progressive Policy Institute, The Corporation for Enterprise Development, and Congressional Quarterly, Inc. reviewed West Virginia with failing grades or low rankings.

Based on in-depth statistical review, the following are the key indicators that demonstrate where West Virginia is, and why the State continually receives poor markings in national reports.

### 1. PER CAPITA INCOME IS LOW AND GROWING SLOWLY

West Virginia's per capita income -- one of the most direct indicators of wealth creation and overall economic strength -- is below the national level. In addition, per capita income in West Virginia is increasing at a slower pace than the rest of the nation, causing West Virginians to fall even further behind.

- Per capita income in West Virginia was \$18,724 in 1997, compared to a national average of \$25,288.
- Per capita income was 35% below the national average in 1997, compared to 24% below in 1977.
- Every county in West Virginia has a per capita income below the national average.

### 2. THE POPULATION IS AGING RAPIDLY

West Virginia's aging population is an issue for several reasons. Older people are less likely to contribute to overall wealth creation because they usually have low levels of labor force participation. An aging population is also unlikely to sustain itself through natural increase.

- West Virginia has the highest median age in the nation at 38.1 years. The national average is 34.9 years.
- Between 1990 and 1997, West Virginia lost population in several young age groups: ages 4 and under; 5 to 17; and 26 to 35.
- Over 71% of the population change in the 1990s resulted from natural increase rather than in-migration.

### 3. EDUCATIONAL ATTAINMENT IS POOR, BUT IMPROVING

Educational attainment is a key indicator of workforce quality, and largely dictates the kinds of jobs an area can support. West Virginia continues to lag its neighboring states and the nation in educational attainment. However, educational attainment in West Virginia is improving, and high school dropout rates are very low.

- About 34% of West Virginians did not have a high school diploma as of 1990.
- The percentage of the population with at least a Bachelor's degree in 1990 in West Virginia was 12.3% as opposed to 20.3% in the United States. In 1998, that percentage was 16.3% in West Virginia and 24.4% in the United States.

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*"Even if you are on the right track, you'll get run over if you just sit there."*

*- Will Rogers*

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- The 1996 high school dropout rate in West Virginia was 3.6%, and was 4.8% in the United States.

#### 4. THE ECONOMIC STRUCTURE IS NOT IMPROVING

The national shift away from a manufacturing-based economy has had profound impacts on West Virginia. Declines in the manufacturing and mining sectors have resulted in the loss of tens of thousands of jobs in the State. While these lost jobs have been largely replaced by the expanding services sector, many of the new services sector jobs pay significantly less. The services sector jobs that do pay well generally require specific skills and a higher level of education.

The relatively poor educational attainment in West Virginia means that many workers are not adequately prepared for these jobs. Therefore, well-paying jobs may go unfilled, despite relatively high unemployment rates. Wages in West Virginia are below national averages for all sectors except mining.

- Manufacturing accounted for 10.2% of total employment in 1997, down from 20.5% in 1977.
- Mining accounted for 3.4% of total employment in 1997, down from 8.3% in 1977.
- Services accounted for 28.9% of total employment in 1997, up from 17.2% in 1977.
- Average earnings for 1997 in West Virginia were \$38,847 in manufacturing, \$51,759 in mining, and \$22,019 in services.
- Average annual earnings in West Virginia were approximately 82% of the national average.

Many of West Virginia's neighbors and competitors are performing well economically. Southeastern states like Virginia, North Carolina, and South Carolina are adding population and jobs at a rapid pace. Even the slower-growing Midwestern states are outperforming West Virginia in terms of wages, income, poverty, unemployment, and educational attainment. Stiff competition from these states will continue to make quality economic development in West Virginia difficult.

West Virginia is deeply rooted in the "Old Economy," with heavy manufacturing supported by extractive industries such as mining and timber. The occupational mix and job skill levels in the State reflect this industrial heritage. The State must participate more fully in the "New Economy" if it is to improve the economic conditions of its residents.

Poverty is high throughout West Virginia, and pockets of extreme poverty exist in the central and southern parts of the State. Every county in the state has a per capita income below the national average. Many counties still have double-digit unemployment rates. Developing strategies to deal with these persistent problems will be fundamental to improving wealth creation and strengthening the economic base.

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*"One thing that is in our favor is knowing how bad off we really are—we can only go up from here. But—and I can't state this strongly enough—we have to do something."*

*- Focus Group Participant*

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## The Past: Why is West Virginia Where It is?

### ***Almost all findings point to the fact that West Virginia has not embraced change.***

Based on the extensive research undertaken, West Virginia seems to still be focused on its past, instead of reaching for the future. Historically, West Virginia is not a state that has embraced change because, many times, change did not bring good things. The history of layoffs and closings, young people leaving for better opportunities, and resentment of the “hillbilly” stereotype is deeply rooted in the consciousness of West Virginians.

### ***There are few solid systems and processes in place to manage change in West Virginia.***

Many of the State’s methodologies for dealing with issues critical to community and economic development are disjointed and not working. The limited resources available are spread too thin to ensure effective programming and delivery of services.

### ***No single vision guides all efforts in West Virginia.***

A natural result of the lack of a unifying vision is that some organizations within the State have competing or overlapping visions. Without a clear, shared vision, there is little chance for coordinated -- and successful -- efforts to manage change.

### ***There is no discernable structure for public involvement.***

While West Virginians reported many problems, they also wanted to know how to become involved. A wide stretching, inclusive approach to change has not been used in West Virginia in the past. The old way of doing things – including a lack of public involvement – clearly has not worked well for the State.

### ***Some people are invested in the status quo in West Virginia.***

Some people in the State like things the way they are because it is what they know, and it serves their personal interests. There is an incredible fear of change among some West Virginians because they believe it threatens the values they hold dear. This has been a significant obstacle to the State moving forward in the past.

### ***Leadership has not been strong and diverse in the past in West Virginia.***

The quality, diversity, and depth of any state’s leadership is directly linked to the ability of the state to welcome change and manage success. The leadership structure has been weakening in West Virginia over the last two decades and has been exacerbated by the impact of companies and young people leaving the State.

### ***West Virginia is deeply rooted in the Old Economy.***

Almost everything from the State’s economic structure to business taxes to infrastructure is oriented toward the Old Economy. West Virginia has made little effort to adopt new thinking about what type of business mix should be encouraged and realistically understand how businesses make location decisions in the New Economy.

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*“We need to be connected. We must have a vision for the future, and we need to see what parts of the system we can change. The change will be painful for various sectors, but we always have gone with the less painful option. Twenty years ago we didn’t want to take the pain, and that’s why we are where we are.”*

*- Focus Group Participant*

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## The Present: Is West Virginia Ready for Change?

### ***Without hesitation, West Virginians are ready to make a change.***

While the past is important to consider when pondering the future, it is by no means a direct indicator of the potential the future may hold for a state. West Virginians clearly stated during the input process that they are ready for change. People had very different motivations for welcoming change -- from those that have returned to their home state and see the untapped potential to those who have been "naysayers" in the past, but realize there is simply no other choice and change is on its way.

### ***West Virginians stated with intensity that the State must take action.***

There have been too many studies and projects conducted in the past that have produced too few results. This strategy cannot be put on a shelf to collect dust; instead, it needs to be viewed as a living, dynamic document.

### ***West Virginians want to be involved.***

West Virginians are eager to be part of the solution. Many people reported not being welcomed to the table or not having any idea about how to become involved. A broad-sweeping, inclusive approach must be adopted by the State to ensure success.

### ***West Virginians realize that the economy is not working.***

While many citizens might not be aware of all the statistics about the State's economy, they do know what is going on in their daily lives. People want good jobs near their homes, college students want good opportunities to stay in West Virginia for employment, parents want good schools for their kids -- and the list goes on. West Virginians realize that they do not have all those things now, and that the State's economy is the underlying cause of these issues.

### ***West Virginians would like to take a stronger leadership role.***

Some people stopped volunteering or withdrew from being active in their community because they felt that they were not making a difference. Many of these same people said if they felt they were working towards a clear goal, they would be more than willing to assume a leadership position within their community, region or the State.

### ***West Virginians are ready to make the State competitive for the future.***

One consistent and overwhelming sentiment of residents was love for their home. Most residents are natives -- some living here all their lives, and others having left for jobs, but returning to raise families. West Virginians want to make this a better place. They want it to become everything they hope it can be. Significant talent and drive exists within the State to make it happen. The key is coordinating efforts and concentrating resources to ensure success, bring prosperity, and achieve economic competitiveness.

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*"Bring everyone to the table—no more 'me' or 'you.' We need to do it together, being sincere and dedicated."*

*- Focus Group Participant*

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## The Future: What has to Happen to Make a Change?

Most West Virginians have an idea about what has to happen to make a change in West Virginia and are ready to make that change. What they need is a clear path to follow to get from here to there. The importance of a clear, shared vision and a strategy that people can get behind cannot be overstated.

This strategy will serve to explain how to make West Virginia's visions come alive. The issues and goals identified here represent a broad cross-section of the issues that face West Virginia today. There is really "something for everyone" in this strategy.

The name, *West Virginia: A Vision Shared!* was carefully chosen to convey the purpose of this project. It is now time to face forward -- armed with a shared vision and a clear strategy -- to be a leader in the future. The vision of the preferred future, developed with the input from over 400 West Virginians and the Council is the following:

***West Virginia's strong commitment to future generations has created a vibrant and diverse economy balancing quality jobs and the state's irreplaceable natural beauty. West Virginia has a highly skilled and educated work force, is a leader in innovation and offers an excellent quality of life for all residents.***

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*"Learn from the past, set vivid, detailed goals for the future, and live in the only moment of time over which you have any control: now."*

*- Denis Waitley, author  
Psychology of Winning*

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This vision statement serves as a snapshot of West Virginia's preferred future in 20 years. It is meant to be used as a touchstone to ensure that actions being undertaken are in-line and on-course.

The inclusive and wide-ranging input process, coupled with the extensive research conducted on the economy and its competitiveness, have produced the ideas contained in this strategy. The key issue areas that West Virginia must address were narrowed to the following:

- 1. Intellectual Infrastructure in the 21<sup>st</sup> Century**
- 2. New Economy: New Challenges and New Solutions**
- 3. Results-Based Government: Planning for the Future**
- 4. Building Bridges and Empowering Citizens**

There are then five goals within each of the four issue areas equaling a total of 20 goals contained in this strategy. These are far-reaching goals that cannot be completed in the short-term. The issue areas and goals were prioritized by over 200 stakeholders attending a Leadership Summit held in early November 2000.

The goals should be viewed as something to work towards upon which actions can be coordinated and oriented. Specific actions to achieve these goals will be determined as implementation takes place. The most important role this strategy can play is to provide a vision and road map to get all of West Virginia "there." "There" being a leading, competitive position within the New Economy.

It is important to remember that the ultimate goal of economic development today has to be centered on one item alone -- personal wealth creation. Wealth creation is only successful if it results in shared prosperity for all residents of West Virginia. Increasing wealth and prosperity does not involve taking from some groups and giving to others. Instead, the idea is to actually make the "pie" bigger, so that there are more "pieces" to go around. The goals contained in this strategy embody these elements of economic development, and will help to move West Virginia towards its vision.

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*"The only thing we can  
predict with certainty is  
change."  
- Jayne Spain*

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## Intellectual Infrastructure in the 21st Century

Economic prosperity in today's "information age" requires a highly skilled and productive workforce and worker skills have been identified as one of the greatest competitive challenges facing the nation today. Significant shifts that have created this challenge include changes in the workplace environment due to information technology, the opening of global competition, the aging of a great proportion of the workforce, and welfare reform.

Each day, businesses move across regional, state and national borders, companies restructure to improve their competitiveness, and workers are told they must acquire and demonstrate different skills and competencies. The nation has seen the rapid spread of a new work order in a post-industrial, information-based economy. What has become unmistakably clear is the tie between educational attainment and wealth creation. Therefore, new skills must be learned in order to fill the new jobs being created every day. As this continues to build, workers' knowledge and skill sets will be even more important as we move into the 21<sup>st</sup> Century economy.

This issue area addresses such critical goals as educational attainment, technical education, worker training, research and development, and lifelong learning.

### 1. EDUCATIONAL ATTAINMENT

The level of educational attainment and income level of people have been inextricably linked through extensive studies. The more education and training a person has completed, the higher the income potential that person possesses. West Virginia needs to focus on reducing high-school dropouts, increasing the proportion of high school graduates going on to college, and improving test scores of primary and secondary students.

### 2. TECHNICAL EDUCATION

A specific focus on technical education needs to be adopted and implemented in West Virginia. In particular, the State needs to move away from the traditionally isolated and limited vocational programming towards a systematic approach of teaching technical skills that employers need today. A strong technical education system needs to be established that is separate from the university system and is responsive to business' needs throughout the State.

### 3. WORKER TRAINING

Training -- whether it be on-the-job, skills upgrades, or basic employability -- is a priority for employers and training providers alike in the New Economy. Many times, people with jobs are overlooked as needing training, since education and training are seen as separate items. All residents of West Virginia need to be trained, and retrained, for them to remain competitive.

### 4. RESEARCH AND DEVELOPMENT

Research and Development (R&D) are the cornerstones of the New Economy. Increased funding needs to be dedicated to R&D, particularly in the

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*"There is no workforce development 'system' here—people don't get the connection with economic development. We must change that."  
- Focus Group Participant*

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area of emerging technologies. The assets already in place in West Virginia, due largely to federal facilities, need to be built upon to strategically position the State as a leader in R&D in targeted technologies. However, it is equally important that higher education institutions and the private sector become more actively engaged in collaborative efforts in R&D. Additionally, technology transfer efforts need to be stepped up considerably to ensure maximum benefit from current and future R&D conducted in West Virginia.

#### 5. LIFELONG LEARNING

The role of lifelong learning is becoming a more critical piece of the overall educational and training system in the nation. The transition to the New Economy requires all residents and workers to continuously improve their skills and knowledge base. The availability of continuing education, distance learning, and other non-traditional approaches to delivering educational services is key to success. The intention of lifelong learning is to disseminate valuable information to as many people as possible to maximize the benefit realized by all residents and workers in the State.

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*“The key asset to a business—the only one that provides a sustainable and competitive advantage—is its employees, their skills and their dedication.”*

*- Robert Reich*

*Former US Secretary of Labor*

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## New Economy: New Challenges and New Solutions

The economy is changing rapidly. New and different kinds of jobs are being created every day. The Progressive Policy Institute defines the New Economy as “a knowledge and idea-based economy where the keys to wealth and job creation are the extent to which ideas, innovation, and technology are embedded in all sectors of the economy.” The characteristics of the New Economy range from an increase in knowledge-based jobs and constant technological innovation to higher levels of entrepreneurial dynamism and continuous economic churning.

Since much of the focus of the New Economy is on people and their abilities, the future, in many respects, is still rooted in the past that produced our people. Larger structural trends are emerging in the structure of production, trade patterns, and the way organizations deliver value to consumers. The impact of the New Economy permeates the everyday life of all workers and residents. New challenges have presented themselves in conjunction with this transformation, and thus, new solutions must be instituted. The New Economy is not about passing economic trends or fads; instead, this profound structural transformation is how the economy now works.

This issue area addresses such critical goals as diversifying West Virginia’s economy, the formation of capital, increasing entrepreneurship, integrating technology, and restructuring the State’s incentives.

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*“The more people who own  
little businesses of their own,  
the safer our country will be,  
and the better off its cities and  
towns, for the people who have  
a stake in their country and  
their community are its best  
citizens.”*

*- John Hancock*

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### 1. DIVERSIFY ECONOMY

West Virginia has little choice but to actively pursue diversification of the State’s economy. Still dependent on its industrial heritage, the State has seen job loss and income loss of extreme proportions over the last two decades. For example, a concerted effort has to be undertaken on building the tourism industry -- using the competitive advantage of the natural beauty of the State as the foundation. The services sector, particularly higher wage jobs, needs to be the benefactor of concentrated efforts on upgrading the mix of jobs within the State. Additionally, the traditional industries already in place in the State need to become more competitive and continue to add value to West Virginia’s economy, with a key component being increasing international trade.

### 2. CAPITAL FORMATION

Capital is an important commodity in the New Economy, since implementing ideas takes not only time and talent, but money as well. While many types of business ventures in the New Economy have greater risks, there is also a greater potential return. Capital formation should be accomplished through a multi-prong approach including seed capital, venture capital, gap financing, and loan guarantees, among others.

### 3. INCREASE ENTREPRENEURSHIP

The majority of new job creation has been from small- and medium-sized businesses in recent years. This trend is expected to hold strong as the transition to the New Economy continues. Increasing entrepreneurship needs to

be a specific focus, given the rural nature of the State and the lack of Fortune 500 corporations headquartered in West Virginia. A new, targeted focus should be given to small businesses, including such efforts as educational outreach, micro-enterprise lending, technical assistance, tax credits, minority-owned business development, and gap financing.

#### **4. INTEGRATE TECHNOLOGY**

A specific focus on technology, both as a business sector, and as a component of all other business sectors, should be adopted and implemented. The integration of technology into West Virginia's economy will have positive effects on existing businesses, new businesses, and business start-ups. Additionally, all levels of government and education would be beneficiaries. Technology is a definite linchpin for successful diversification of the State's economy in the long-term.

#### **5. RESTRUCTURE INCENTIVES**

Given West Virginia's dependence on the Old Economy, State incentives are still aimed at assisting specific industry groups rather than New Economy businesses. The overall package -- both tax and non-tax incentives -- needs to be restructured. A more progressive mix of non-tax incentives, such as brownfield redevelopment funding, loan guarantees, and regional infrastructure grants should exist. The existing tax incentives should be re-examined to ensure competitiveness, and new incentives should be added, such as those aimed at R&D, technology start-ups, small businesses, and business expansions.

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*"We must create the attitude that this is the place to take an economic risk, and teach our children this also. We need to find a way to help people take a risk in the marketplace."*

*- Focus Group Participant*

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## Results-Based Government: Planning for the Future

In today's economy, it is especially important that government becomes more responsive, flexible, and decentralized. Ultimately, government has to make the same transition that businesses have been making in recent years towards performance-based management, which is oriented and governed by results. Bureaucracies might have worked in the past, but the New Economy demands collaboration, partnerships, and networks. Government alone cannot solve the problems of today, or implement actions to correct the problems of yesterday.

Reform efforts are underway all over the nation as governments realize that institutional obstacles are hindering economic and community development efforts. Whatever the issue may be, it has become clear that a combination of citizen involvement and empowerment has to be merged with government reform efforts to ensure the most effective results. Methods for sustaining or directing long-term change have been absent in West Virginia. Therefore, planning efforts -- both comprehensive and strategic -- must be embraced within the State to successfully implement change.

This issue area addresses such critical goals as continuing government reform efforts, developing infrastructure, implementing a new tax structure, strengthening land-use planning, and improving the health of the State's residents.

### 1. GOVERNMENT REFORM

West Virginia has been going through a process of government reform on a myriad of issues in recent years. However, there are still processes and legislation that should be improved for the State to be competitive in the future. Many states around the nation, and even some of West Virginia's neighbors, have successfully transitioned from bureaucratic institutions to results-based government. West Virginia must continue to pursue reform in workers compensation, the judicial system, and tort reform, in particular. However, government alone cannot bring about all the changes needed in the State. It must be accomplished through continuing partnerships.

### 2. INFRASTRUCTURE DEVELOPMENT

Given the rural nature of West Virginia, infrastructure development continues to be a problem. The New Economy requires new types of infrastructure, such as telecommunications, and elevates in importance more traditional infrastructure, such as commercial air service. West Virginia must strengthen air service capacity throughout the State, continue to develop water, sewer and road basic services, along with affordable housing, and bring the State's telecommunications infrastructure into a more competitive position.

### 3. NEW TAX STRUCTURE

Based on the structural transformation of the economy, the tax structure of West Virginia needs to be altered. Heavily dependent on extraction and mature industries, the State's tax system does not lend itself to being self-supporting in the future. Changes need to take place that are "friendly" to

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*"West Virginia needs clarity of roles and responsibilities—and it's the State's job to provide it."  
- Focus Group Participant*

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New Economy businesses, with a focus on technology and small businesses. Additionally, the tax system should serve to encourage business expansion and entrepreneurship.

#### 4. LAND-USE PLANNING

Land-use planning should not be confined only to zoning or regulating land usage. Communities, regions, and states should carefully plan for the future, so as not to be overwhelmed or unprepared when change arrives. Land-use planning serves to facilitate discussion about what a place wants to be and look like in the future. Choices made in a non-critical situation are usually better thought out, and weighed more carefully, than those that must be made when a crisis arises. Carefully managing development towards what a community, region, or state wants to be in the future is a must in the New Economy, as businesses are looking for stable, progressive, and well-planned locations.

#### 5. HEALTHY CITIZENS

Clearly, one of the most important determinants of a state's economic health is the health of its residents as it directly impacts the State's economic future, tax revenues, infrastructure needs, and quality of life. Unfortunately, West Virginia ranks very poorly in categories concerning health issues, including death rates and chronic disease. Additionally, West Virginia has a rapidly aging population, which can potentially contribute to increased health issues in the future. It is important that educational and outreach efforts are undertaken by the public, private and non-profit sectors to improve the health standards of the resident population, which includes the critical component of safe, decent housing.

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*"You cannot look to government or the political system alone to provide the leadership or the continuity. If you do, it is not going to happen. It happens because people step up."*

*- Susan Engelking  
Grassroots Leaders*

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## Building Bridges and Empowering Citizens

The economic prosperity experienced throughout much of the nation has not been as evident in West Virginia. Many other states have successfully transitioned economically, and moved forward to create new ways of doing things. For West Virginia to move forward, a new way of thinking and acting must be adopted and implemented. Across the nation, collaboration at the local and regional levels is becoming more important as non-profits take the lead to fill the gap between what the public and private sectors are not able to do alone. The regional level makes the most sense for implementation given the critical level of assets that must be present to create long-term change.

The term civic entrepreneurs has been coined in recent years to mean local leaders that forge new linkages at the intersection of business, government, education and community. Leaders today must bring people together in as broad and inclusive of a way as possible. Decisions can no longer be made by a handful of people. Instead, hands-on implementation and the prioritization of community becomes the norm. Successful regions and states have active leadership from small businesses, big businesses, and the media, while including public officials, non-profits, labor unions, and education. This broad cross-section helps to build bridges for change in the future.

This issue area addresses such critical goals as fostering regional cooperation, enabling leadership development, promoting public/private collaboration, improving the State's image (internal and external), and increasing non-profit capacity.

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*“Alone we can do so little;  
together we can do so  
much.”  
- Helen Keller*

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### 1. REGIONAL COOPERATION

Regional cooperation is sweeping the country in states that are successfully transitioning to the New Economy and have undertaken progressive and thriving community and economic development efforts. The regional level has been found to strike the right balance between state and local assets. Working together, communities are able to facilitate capacity building, marketing, and problem solving. The resources within a region surpass any individual jurisdiction, and help to create a brand recognizable outside of the region itself. In the global economy, businesses are not concerned with city and county lines rather, they focus on the resources and civic infrastructure in place in a region. The State should undertake efforts to reward and incentivize regional cooperation.

### 2. LEADERSHIP DEVELOPMENT

As new collaborative relationships are formed and new ways of doing things are established, a simultaneous effort should be underway to develop quality leaders at the local, regional and state levels. In today's economy, leadership development must include people from “all walks of life.” In particular, educational efforts should be undertaken to educate people about the responsibilities and duties of leadership, as well as the critical role of community and economic development. Leadership development also needs to include youth, as they are the leaders of tomorrow.

### 3. PUBLIC/PRIVATE COLLABORATION

As hierarchies and bureaucracies collapse into networks and linkages, public/private collaboration is coming to the forefront. Collaboration between the public and private sectors, starting with the West Virginia Council for Community and Economic Development, needs to lead the way for change in West Virginia. Collaborative relationships that have not previously existed, or have historically been tension-filled, need to be formed or strengthened to create a positive future for the State.

### 4. IMAGE IMPROVEMENT

The image of West Virginia -- both internal and external -- needs to be improved. The problems facing the State today should be acknowledged, but the natural assets and the "good news" about the State needs to be communicated both inside and outside of West Virginia. Many misconceptions and historic stereotypes can be replaced with positive images and perceptions through quality marketing and branding activities.

### 5. INCREASE NON-PROFIT CAPACITY

The important role non-profits play is often overlooked. The non-profit system in West Virginia is underdeveloped, and needs a significant boost to assume its critical role as a bridge between private sector and public sector efforts. A considerable increase in funding, training, and support needs to be dedicated to helping non-profits already in place around the State, and forming more community-based organizations in areas that are currently underserved.

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*"In five years we will have to have 'leadership driven change' - it has to be intense and happen now."  
- Focus Group Participant*

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## The Next Steps: Where do We Go from Here?

West Virginia has no choice but to embrace change and implement actions to create a positive future for the State. The bottom line is that West Virginia is not currently “on the same playing field” as the rest of the nation. Perhaps the most important element to creating this positive change is strong leadership and forging collaborations where there formerly were none.

An especially appropriate passage from *Democracy At Risk* is shared here, and should be reflected on in years to come in re-igniting continuing efforts to keep the State moving forward as one.

*“In the past, leaders were special people who did special things. The rest were followers who simply went along with what the leader said, and did. The approach seemed to work: if the industrial age was characterized by anything, it was by hierarchical organizations with leaders who were top executives, and everyone else was down below.*

*But today we share a planet that is shrinking. The rules of engagement that applied for most of what has been called ‘the American century’ no longer work. In the next century, new ways of thinking about leadership will be required, spurred by technology and globalization.*

*Organizations will have to be flattened. Leaders and followers are linked and must be involved in the leadership process. Teamwork and collaboration will work better than command and control.*

*The new model of leadership is collaborative, requiring widespread participation and collective decision-making. It accepts the inevitability of conflict, but encourages consensus. It searches for win-win solutions.*

*This is not to say the new model diminishes the contribution of individuals. Rather it argues that any individual, located any place in the system, can play a leadership role.*

*The new model of leadership insists on the participation that is at the heart of the democratic enterprise. The new model confirms that to collaborate is to prepare for civic engagement.”*

The West Virginia Council for Community and Economic Development is standing ready to take the lead in moving West Virginia forward in the New Economy. However, this cannot be done without all of West Virginia making the changes together. The vision and strategy has now been developed -- it's in the hands of each West Virginian to change the State for the better, for themselves and for future generations.

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“So do it.”

- Focus Group Participant

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*Market Street* is an economic and community development consulting firm focused on helping states, regions, and communities across the United States make strategic decisions about their economies, set specific goals, and develop implementation strategies to meet those goals. Our clients include state governments, local governments, federal agencies, chambers of commerce, corporations, business organizations, and public-private partnerships.

Our goal in every project is to promote an understanding of community and economic development that is comprehensive and contains multiple strategies. Our commitment is to a definition of economic development that, at its core, is about personal wealth creation for all citizens and building better communities.

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NOTE: For further information, copies of the deliverables in PDF format, or to update contact information—please contact the West Virginia Development Office, at 304-558-2234.



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and Economic Development  
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