

ASSESSMENT SERIES

GUIDE TO BASELINE ASSESSMENT

Energizing Your Economy Through Entrepreneurship

Background and Introduction

Creating a baseline is the first assessment we recommend in this discovery process. Developing a baseline provides shared insight, reference points and a solid context for proceeding.

Other resources in this **Assessment Series** include **Overview, Clarifying Development Goals, Mapping Development Assets or Capacity** and **Understanding Entrepreneurial Talent**.

Why a Baseline Assessment?

At the start of a new development initiative, an assessment can play two critical roles. First, it can provide essential information necessary for building the strongest strategy. The assessment does this by providing a common understanding of what the conditions and opportunities for development are within a community. Second, the assessment provides a reference point for measuring change and progress as the initiative unfolds.

The whole point of economic development is to change things for the better. We want to create more business, increase jobs and income, expand our tax base and create wealth. It is important that we take a good look at the existing conditions and the history of a community. Where is your community today and how did it get there? What are the key trends impacting your community? What have you been doing to address these trends? These are the kinds of questions we recommend in the ***Baseline Assessment***.

What Should the Baseline Assessment Include?

The baseline assessment generally includes five sets of information:

- Summary Insights.
- Socio-Economic Profile.
- Leadership and Civic Capacity.

- Development Capacity.
- Entrepreneurial Talent.

Let's explore each of these in turn.

Summary Insights

The baseline assessment may be conducted by an external team with help from the local organizing committee or working group. During initial visits to the community and discussions with champions, residents and possible stakeholders, the external team is gathering insight on the baseline condition within the community. These initial insights are captured in the Summary section.

The Economy

It is important that this assessment provide all involved with a sound understanding of the economy of the area, including how did the economy develop and where is it headed? Understanding the economy is central to building the best possible development strategy down the road.

Socio-Economic Profile

Since the point of this work is to stimulate and support development within the community, building an understanding of the social and economic history and conditions of the community is fundamental to doing good work. The socio-economic factors considered during the baseline assessment include:

- Regional location and conditions (degree of rurality).
- Community culture and tradition.
- Structure and vitality of the area's economy.
- The status of the main street community.
- The status of the business transfer situation.

Leadership and Civic Capacity

Very little gets done without good leadership and strong civic capacity. Civic capacity is the ability of a community to get things done. Leadership enables communities to focus, mobilize and realize progress. During the baseline assessment we consider three key factors:

- Who are the champions of economic development and entrepreneurship?
- What is the orientation of the larger community towards entrepreneurship?
- What is the capacity of the development organization(s) in the community?

Development Capacity

Later in the assessment process we go much deeper into this question of development capacity. During the baseline assessment we simply want to get an initial picture of things. We typically explore the following questions:

- What is the current economic development game plan?
- Is there an entrepreneurship strategy?
- What are the current expectations for development?
- What is the funding and staffing present in the community?
- Are there development tools like loan funds?
- What is the nature of the volunteer leadership?
- Is there an existing development resource network?

Going Deeper

It may appear that we are planning to plow the same ground twice. During the baseline assessment we do a brief initial look at development goals, capacity and entrepreneurial talent. Later we go much deeper into all three areas of assessment.

Entrepreneurial Talent

Again, later in this assessment process we will identify and visit entrepreneurs within the community. During the baseline assessment, we generally meet with a group of knowledgeable community leaders (e.g., economic developer, banker, government officials and business leaders) to gain some insight. Some of the questions we typically explore include:

- Is there entrepreneurial talent present?
- Are there serial and high growth entrepreneurs present?
- Are there existing businesses with growth possibilities?
- Are there folks in the community wanting to start businesses?
- Are informal entrepreneurial networks working in the community?

Sample Baseline Report

At the end of this Baseline Assessment publication is a sample baseline report from Stuart and Atkinson Nebraska. This baseline report was prepared as part of the Home Town Competitiveness Initiative. This sample report will provide you with an idea of the kinds of information collected through the baseline assessment process.

Conclusion

The baseline assessment process typically takes between 30 and 60 days. It is used during the initial orientation of the working group developing the initiative. We hope this brief is helpful to you and your community in better understanding the baseline assessment process.

Customization

The baseline assessment is not boiler-plate. It is important to customize this process to get at those conditions, issues and opportunities that are unique to your community.

About this Series

Through each of the publications in this series, we provide guidance and tools for completing an entrepreneurship assessment in your community. Other publications in the series are:

- Overview of the Assessment Process.
- Clarifying your Community's Development Goals.
- Mapping your Community's Development Assets.
- Understanding your Community's Entrepreneurial Talent.

Sample Baseline Assessment

STUART/ATKINSON ASSESSMENT *Home Town Competitiveness*

Introduction and Background

This draft document provides the initial assessment for the Stuart/Atkinson communities.

Purpose of the Assessment

At the start of a new development initiative an assessment can play two critical roles. First, it can provide essential information necessary for building the strongest strategy. The assessment does this by providing a common understanding of what the conditions and opportunities for development are within a community. Second, the assessment provides a reference point for measuring change and progress as the initiative unfolds.

The Stuart/Atkinson Assessment is organized into the following sections:

- Summary Assessment and Insights.
- Socio-Economic Profile.
- Entrepreneurship and Economic Development Assessment.
- Leadership and Civic Capacity Assessment.
- Youth Assessment.
- Philanthropic Assessment.

The Stuart/Atkinson Community

Our Home Town Competitiveness Project is focusing on the communities of Atkinson and Stuart. We are referring to this region as the Stuart/Atkinson Community. As such we are referring to the broader community located in the western part of Holt County in North Central Nebraska.

Summary Assessment and Insights

The following represents the HTC Team's initial assessment and insights on the Stuart/Atkinson communities:

- Stuart and Atkinson have strong traditions of being “can do” communities. Both communities have dealt with numerous challenges leading to stronger communities over time.
- There is strong and dedicated core leadership in each community. But the leadership pool is narrow and the process for growing new leadership informal. There is an emerging vision supporting regional cooperation.
- The changing economy, particularly with regards to agriculture and manufacturing, are impacting these communities. Loss of population, sub par income levels and lack of opportunities for younger adults are challenging the future of Stuart and Atkinson.
- Both communities have taken positive and significant steps towards strengthening their development capacity. The housing rehabilitation program in Stuart and the passage of LB 840 in Atkinson are clear examples of strong and visionary leadership.
- We have found remarkable entrepreneurs in both communities suggesting that there are opportunities for growing stronger, more diverse and attractive (for young adults) economies. The overall entrepreneurial pool is large and the opportunity for supporting more growth from these enterprises exists.
- There appears to be a strong potential to build a more effective development program within each community and regionally. The HTC process should ensure that Stuart, Atkinson and the broader Stuart/Atkinson community move to the next level of development.
- Resources, both people and money, are tight. The capacity of local governments and main streets to increase investment into an expanded development program is limited. However, there is considerable inter-generational wealth in both communities. Tapping this wealth through donor development can provide necessary new dollars to support this work and other community betterment opportunities.
- A good start is emerging and we believe that in 2004 significant progress can be made in building the capacity necessary for more aggressive and successful development in Stuart and Atkinson.

Socio-Economic Profile

For sustained and successful development to occur it is critically important for a community to understand as fully as possible its historic and current social and economic conditions within the context of the larger regional and international

economies and communities. Today the free market economic system is more global than at any time in human history. Ensuring economic success that in turn enables community and family success requires a development approach that is both regionally and globally competitive. The following profile provides some key social and economic indicators to support this process of understanding the communities and economies of the Stuart/Atkinson regional community. This profile is organized into key indicator sections including:

- Geography
- Demographics
- Wealth
- Economic Structure

Geography. Located in North Central Nebraska, this area is truly rural by most definitions (see Figure 1). With a population density of 4.8 persons per square mile (*2000 Census*), this region is considered *frontier* defining the strength of its rurality. The region is shaped by the Elkhorn River and its extensive valley. River valley environments evolved a type of agriculture heavily dependent upon forage production. To the south and west of the Elkhorn Valley (with a small region north of Stuart) we find the eastern reaches of Sandhills with the associated cow/calf ranching operations. Further north we find dissected plains with their hilly land, sharp ridge crests and remnants of old eroded plains. The Elkhorn Valley and a 100 plus years of ranching contribute a lasting legacy to the character and economy of the Stuart/Atkinson region.

Demographics. Population is a key indicator for a community. Figure 2 provides the population history for Holt County and the Stuart/Atkinson communities. Holt County's population peaked in 1920 and has gone through two brief periods of population growth and two longer periods of population decline. The 2001 population for the county is 66 percent that of the peak year population level. Both Atkinson and Stuart have somewhat similar histories. Atkinson's peak population year was 1950 with steady growth through the 1980 Census. Since 1980, this community's population has declined by 277 persons or 18.2%. Stuart's population has been somewhat steadier peaking in 1960 with a significant drop in the 1970s followed by relatively stable population levels.

Age demographics are also very important indicators of community well-being. Community specific information is not yet available from the 2000 Census, but Holt County data are available and can provide a relatively good substitute for the Stuart/Atkinson communities. Figure 3 provides the age demographics for Holt County in comparison to Nebraska (*2000 Census*).

Figure 1 – Map of the Region

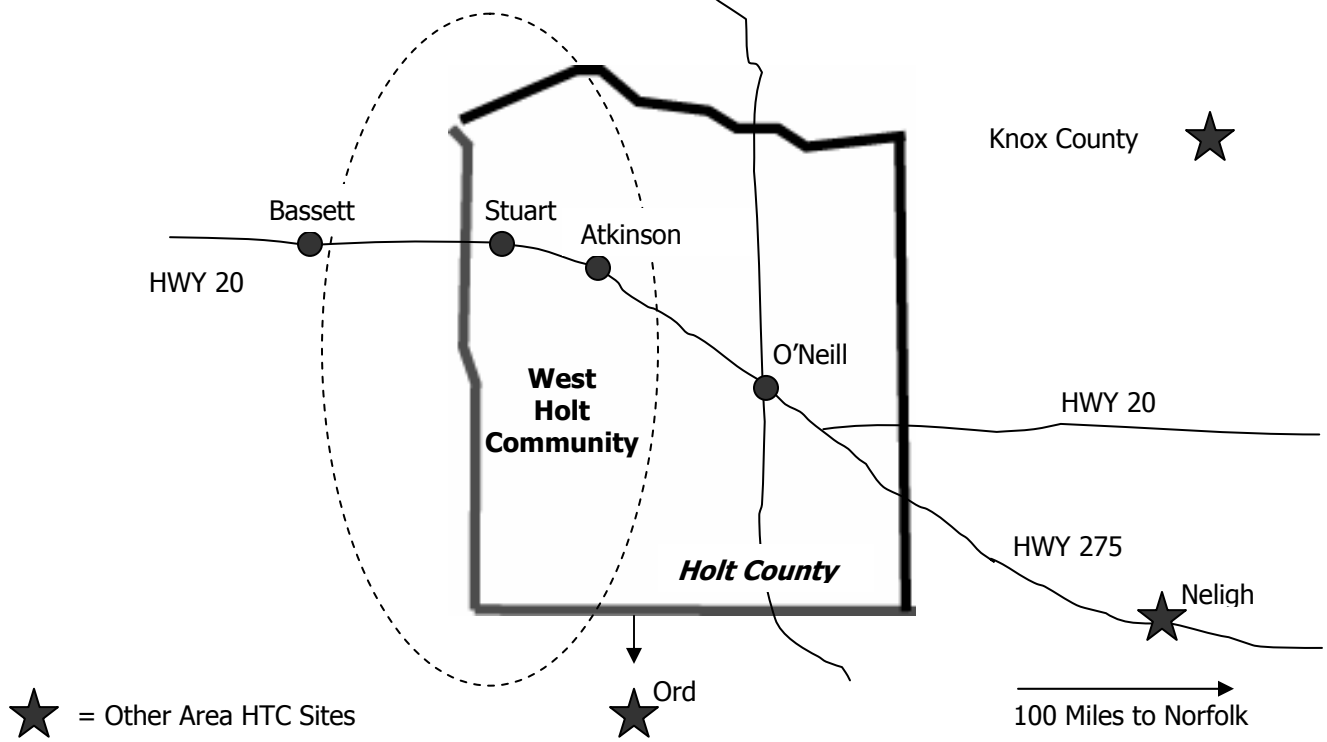


Figure 2 – Population History for the Stuart/Atkinson Region

Year	Holt	Atkinson	Stuart
1860	-	-	-
1870	-	-	-
1880	3,287	-	-
1890	13,672	701	245
1900	12,224	595	382
1910	15,545	810	467
1920	17,151	1300	739
1930	16,509	1144	763
1940	16,552	1,350	760
1950	14,859	1,372	785
1960	13,722	1,324	794
1970	12,933	1,406	561
1980	13,552	1,521	641
1990	12,599	1,380	650
2000	11,551	1,244	625
2001	11,351		

Figure 3 – Age Demographics for Holt County, Nebraska

<i>Age Group</i>	<i>Holt County</i>	<i>Nebraska</i>
<i>Youth</i>	<i>29.7%</i>	<i>29.4%</i>
<i>- 5</i>	<i>5.8%</i>	<i>6.8%</i>
<i>5-9</i>	<i>7.0%</i>	<i>7.2%</i>
<i>10-14</i>	<i>8.8%</i>	<i>7.5%</i>
<i>14-19</i>	<i>8.1%</i>	<i>7.9%</i>
<i>Young Adults</i>	<i>12.2%</i>	<i>20.0%</i>
<i>20-24</i>	<i>3.3%</i>	<i>7.0%</i>
<i>25-34</i>	<i>8.9%</i>	<i>13.0%</i>
<i>Middle Age</i>	<i>28.9%</i>	<i>28.6%</i>
<i>35-44</i>	<i>15.6%</i>	<i>15.4%</i>
<i>45-55</i>	<i>13.3%</i>	<i>13.2%</i>
<i>Elders</i>	<i>29.2%</i>	<i>21.8%</i>
<i>55-64</i>	<i>9.4%</i>	<i>8.2%</i>
<i>65-74</i>	<i>9.4%</i>	<i>6.8%</i>
<i>75-84</i>	<i>7.3%</i>	<i>4.8%</i>
<i>85+</i>	<i>3.1%</i>	<i>2.0%</i>

This region has a comparable youth population to that of Nebraska. There is a significant drop in young adults reflecting the high percentage of youth who leave the region to attend higher education or seek employment outside of the region (61% of state average). Like youth, the middle age demographic in the region is very comparable with Nebraska suggesting that young adults are returning in some numbers repopulating this demographic. This is a positive indicator. Finally, like much of rural Nebraska, the region has a significantly higher elder population particularly in the 75 years of age and older group. Retaining elders, particularly with the aging of the baby boom group, has significant implications for health care and the elder care industries within the region.

In America, our homes are a powerful symbol of our status. The region has a strong home ownership rate of 73.6% compared with the Nebraska rate of 67.4%. Roughly 9.1% of the households reside in mobile homes compared with

5.1% for Nebraska. Housing stock age is another matter with the region having a considerable older housing stock when compared to Nebraska.

Wealth. It is hard to measure the wealth of a community. However, wealth is critically important. It is a measure of how well the economy is doing and the economic status of the families living within the community. We employ a number of indicators that help us understand the dimensions of wealth within a community:

- Median Household Incomes and Per Capita Income Levels.
- Housing Stock Age and Value.
- Income Distribution and Source of Income.
- Inter-generational Wealth.

Income Levels. If population is the most important demographic indicator, income is the second most important one. Median household income in the County is \$30,738 compared with \$39,250 for Nebraska (nearly 22% lower). Poverty rates are roughly the same at 9.8% for the county and 9.7% for Nebraska. These values suggest two things. First, the economy is performing at a sub par level. Simply put, the economy is not producing enough wealth to support higher income levels. Overtime, this trend can result in lower overall wealth capacity within the community and rising poverty rates. The relatively comparable poverty rates suggest that while the economy is sub par, it is generating enough wealth to avoid an increase in chronic poverty rates.

Housing Stock Age and Value. Housing is one of the most primary investments we make. It reflects how well our families are doing economically. Communities with older and lower value housing stock reflect a historic economy that has not done an adequate job creating wealth for a broad segment of the community's population. The housing stock in Holt County is significantly older when compared to Nebraska averages (Figure 4). However, during the decades of the 1970s and 1980s, comparable rates of new home construction were realized in the county (e.g., good times). During the past decade and continuing into the current decade, housing start rates have again fallen behind state averages reflecting slower growth.

Home values are also significantly lower in Holt County when compared to Nebraska reflecting lower overall historic income levels and the lower occurrence of higher income families (Figure 5).

Figure 4 – Housing Stock Age – Holt County and Nebraska

Unit Age	Holt County	Nebraska
1999 Forward	1.5%	2.0%
1990s	5.5%	11.8%
1980s	10.8%	10.3%
1970s	17.3%	18.9%
1960s	10.1%	13.4%
1940s & 50s	21.2%	18.6%
Pre-1940	33.5%	25.3%

% of Total Housing Stock – Source: U.S. Census Bureau.

Figure 5 – Housing Stock Value – Holt County and Nebraska

Value Range	Holt County	Nebraska
Less than \$50,000	39.9%	18.6%
\$50,000 to \$99,000	44.1%	42.8%
\$100,000 to \$149,000	12.6%	23.4%
\$150,000 to \$200,000	2.3%	8.3%
Greater than \$200,000	1.1%	6.9%

Percent of Total Housing Units

<i>Home Ownership Rate</i>	<i>74%</i>	
<i>Number of Mobile Homes</i>	<i>9.8%</i>	<i>6.7%</i>

Source: U.S. Census Bureau.

Income Distribution and Sources. Like most of rural Nebraska, there is a higher percentage of households in the low and moderate-income ranges and a lower percentage of households in the middle to upper income ranges when compared to Nebraska (Figure 6). These differences would be even more striking if compared to urban places like Lincoln or Sarpy County. A potential key economic development goal would be to increase over time the number of households in the middle to upper income ranges. With more spending power, the overall economy would likely grow.

Figure 6 – Income Distribution – Holt County and Nebraska

<i>Income Group</i>	<i>Holt County</i>	<i>Nebraska</i>
Low Income	21.8%	14.9%
Low to Moderate Income	35.0%	29.5%
Middle Income	35.2%	38.8%
Middle to Upper Income	6.8%	14.2%
Upper Income	1.3%	2.6%

Key: Low Income = Less than \$15,000
 Low to Moderate Income = \$15,000 to \$34,999
 Middle Income = \$35,000 to \$74,999
 Middle to Upper Income = \$75,000 to \$149,999
 Upper Income = \$150,000 & Higher

Source: U.S. Census Bureau.

The rural pattern continues with income by source (Figure 7). Holt County has a significantly lower percentage of households earning their incomes through salaried positions (nearly 32% lower than the state average). Typically this means fewer jobs in the county with benefits like health insurance, vacation, pension programs and the like. There is a significantly higher dependence upon non-farm proprietor income reflecting the strength of small business and self-employment in the county. Holt County has nearly 2.5 times more income derived through self-employment when compared to Nebraska averages. There is also a higher dependency upon dividend, interest and rent income reflecting the relatively higher percentage of households that are of retirement age.

Figure 7 – Income by Source – Holt County and Nebraska

<i>Source of Income</i>	<i>Holt County</i>	<i>Nebraska</i>
Wage & Salaries	32.5%	52.1%
Other Labor Income	3.9%	6.1%
Farm Proprietor Income	2.3%	1.5%
Non-Farm Proprietor Income	19.1%	7.5%
Transfer Payments	18.3%	20.6%
Dividends, Interest & Rents	23.8%	12.2%

Percent of Total Income – Source: U.S. Bureau of Economic Analysis
Note – Income from farms and ranches is highly variable and these numbers vastly underestimate the importance agriculture in the county.

Inter-generational Wealth.

Holt County, Nebraska Wealth Transfer Analysis

\$258

Billion

\$5.2
Billion
Per
Year

Nebraska Wealth Transfer

A recent study by Boston College projects that over the next 50 years \$41 trillion of American wealth will transfer from the current generation to the next generation. The Nebraska Community Foundation estimates that in Nebraska the wealth transfer will be \$258 billion or roughly \$5.2 billion annually (on average). For Rural Nebraska, NCF estimates that the wealth transfer will run \$94 billion or nearly \$1.9 billion each year (on average).

\$1.6

Billion

\$31.2
Million
Per
Year

Holt County Wealth Transfer

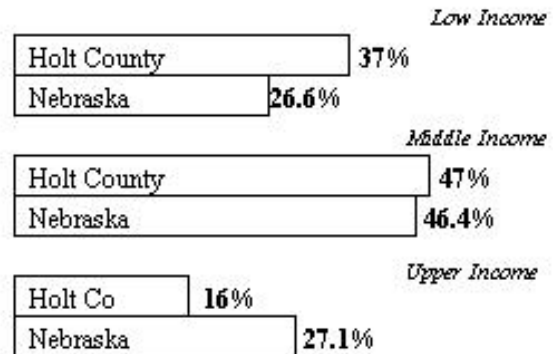
Over the first half of the 21st Century, Holt County will experience \$1.6 billion in wealth transfer from the current to the next generation (or roughly \$31.2 million annually on average). The chart on the flip side of this information sheet illustrates our best estimate of the timing of this wealth transfer. Because of the loss of local heirs, inadequate estate planning, and the greater probability of giving to outside versus local charities – much of this wealth will permanently leave the County.

Impact

Over just the next five years (using annual averages), an estimated \$156 million will transfer. If just five percent were gifted to locally, an endowment(s) of \$7.8 million could be built. Assuming a conservative 5% annual payout (allowing the endowment to grow), \$390,000 would be available each and every year for community betterment investments.

Income Profile

The following chart illustrates Holt County's current income profile relative to Nebraska. Overall, Holt County has more lower income households, about the same number of middle income households, and fewer upper income households. However, this data underestimates the overall wealth based in the County. See next section.



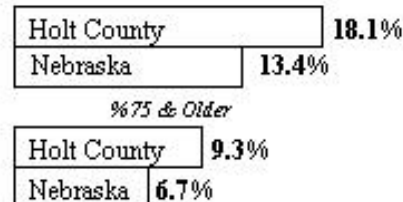
Wealth in Land

The story goes that in Rural Nebraska we are land rich and cash poor. There is truth in this old saying. In fact, in Holt County over 45% of the County's wealth is connected to property such as farm/truck land, commercial real estates, and homes (\$699 million). Relative to population, the County has more of its wealth in property than other wealth types.

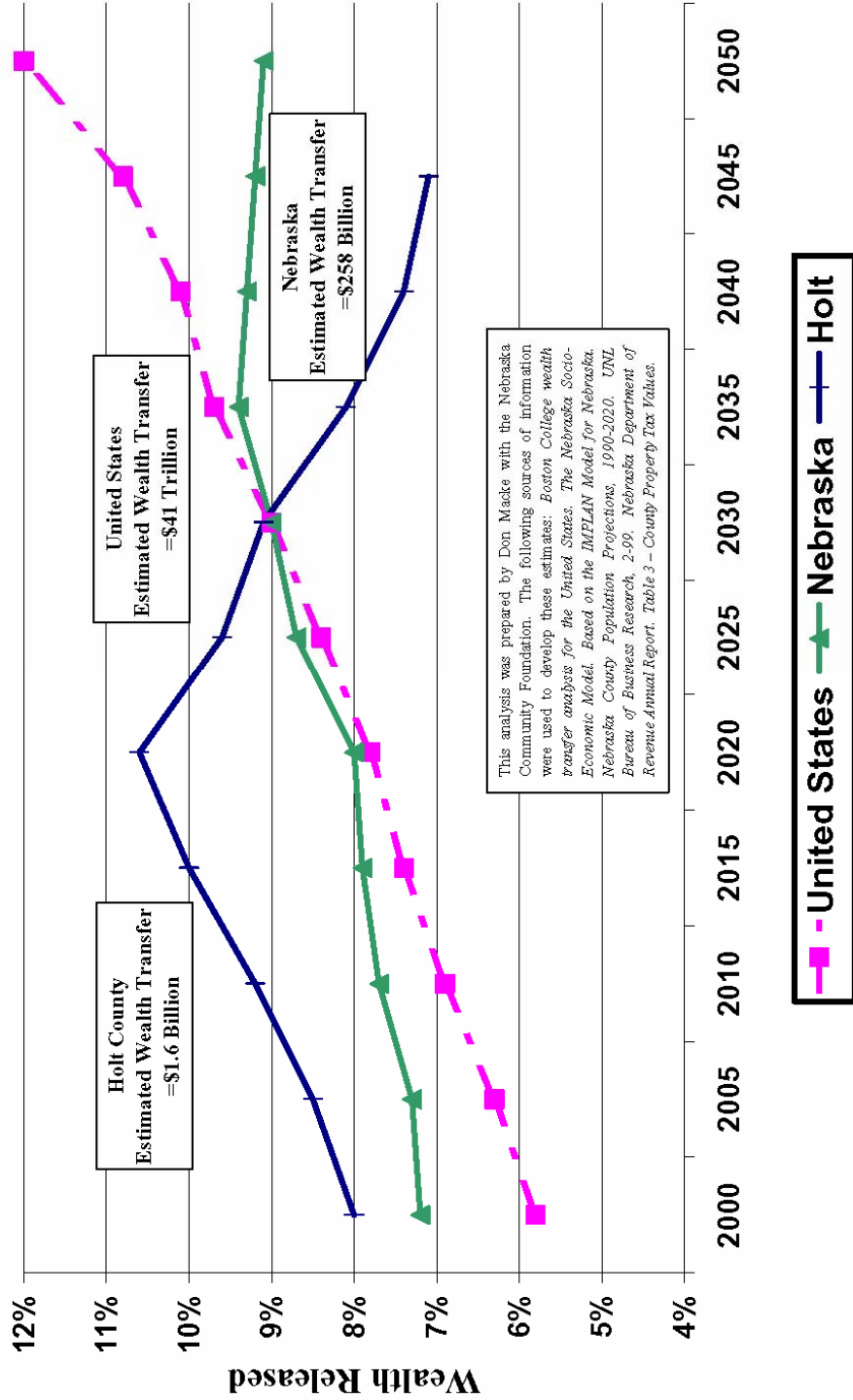
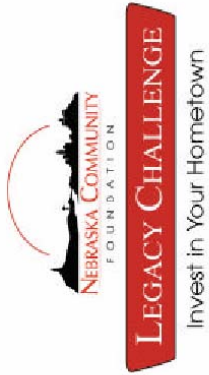


Older

Like most of Rural Nebraska, Holt County's population is older when compared to the State as the following chart illustrates. %65 & Older



America's Wealth Transfer: A Likely Scenario



Economic Structure. In our Home Town Competitiveness strategy, we recommend an asset-based economic development approach. In other words, develop the economy based on the assets that are currently present within the community. Economic structure is critically important. We need to understand it and build upon the existing foundations within the current economic landscape. We employ the following indicators:

- Economic Output and Employment
- Occupations and Class of Worker
- Workforce
- Educational Attainment
- Entrepreneurial Activity
- Market Opportunity

Economic Output and Employment. As one might expect, Holt County is considerably more dependent upon agriculture than Nebraska (Figure 8). There is also a significantly lower presence of manufacturing, government and FIRE (i.e., finance, insurance and real estate) output and employment in Holt County when compared to state averages. TCPU (i.e., transportation, communications and public utilities) has a larger presence in Holt County.

**Figure 8 – Economic Output and Employment
Holt County and Nebraska**

Sector	<i>Economic Output</i>		<i>Employment</i>	
	Holt Co.	Nebraska	Holt Co.	Nebraska
Agriculture	40.6%	9.7%	27.9%	6.8%
Mining	0.3%	0.1%	0.4%	0.2%
Construction	4.7%	7.1%	4.5%	6.5%
Manufacturing	4.7%	25.7%	2.5%	10.5%
TCPU	16.4%	10.6%	3.7%	5.2%
Trade	10.3%	11.6%	23.0%	21.5%
FIRE	6.5%	10.1%	3.8%	6.8%
Services	11.0%	15.7%	20.8%	27.9%
Government	5.3%	9.0%	11.2%	14.0%
Other	0.3%	0.4%	0.8%	0.6%

Percent of Total Activity

Source: Nebraska IMPLAN Economic Model, 1998.

TCPU = Transportation, Communications and Public Utilities.

FIRE = Finance, Insurance and Real Estate

Occupations and Class of Worker. The overall occupation breakouts for Holt County are not dramatically different when compared to Nebraska with two exceptions (Figure 9). There are 5.3 times more persons engaged in agriculture in the County compared with Nebraska. There are nearly 21 percent fewer persons engaged in production (manufacturing) and transportation work.

Figure 9 – Occupation – Holt County and Nebraska

<i>Occupation Category</i>	<i>Holt County</i>	<i>Nebraska</i>
Management & Professional	32.7%	33.0%
Service	15.7%	14.6%
Sales & Office	21.8%	26.4%
Farming	8.5%	1.6%
Construction	9.3%	9.3%
Production & Transportation	12.0%	15.1%

Percent of Total.

Source: U.S. Census Bureau, 2000.

Workforce. There are significantly fewer wage and salary workers and significantly more self-employed persons (Figure 10). These numbers hold two important implications. It is likely that with fewer wage and salary positions and associated benefits (particularly third-party pay), prevalence of health insurance is less in Holt County when compared with Nebraska. The second implication is the relatively high percentage of the population that is engaged in some kind of business activity contributing to the entrepreneurial assets of the community.

Figure 10 – Class of Worker, Holt County and Nebraska

<i>Category</i>	<i>Holt County</i>	<i>Nebraska</i>
Wage & Salary	64.0%	77.1%
Government	11.3%	13.7%
Self-Employment	22.5%	8.7%
Unpaid Family Workers	2.2%	0.5%

Percent of Total.

Source: U.S. Census, 2000.

Educational Attainment. Like most of rural Nebraska, educational attainment is lower in Holt County when compared to Nebraska as a whole (Figure 11). There is a higher percentage of residents with high school or less education and a lower percentage with advanced educational attainment.

However, the percentage of residents with associate degrees is comparable reflecting the growing importance of community college and vocational education in our economy and society.

Figure 11 – Educational Attainment, Holt County and Nebraska

<i>Highest Attainment</i>	<i>Holt County</i>	<i>Nebraska</i>
Less than High School	15.4%	13.4%
High School	41.2%	31.3%
Some College	21.5%	24.3%
Associate Degree	7.4%	7.3%
Bachelors Degree	10.6%	16.5%
Graduate or Professional Degree	3.9%	7.3%

Percent of Total -- Source: U.S. Census, 2000.

Entrepreneurial Activity. Entrepreneurship rates are extremely high in Holt County compared to Nebraska and the U.S (Figure 12). Holt County has three times the number of proprietors relative to its population compared with the nation. However, when income is considered, the entrepreneurs in Holt County are struggling with a long-term decline in average income and the significantly lower average earnings per proprietor.

Figure 12 – Indicators of Entrepreneurial Activity

<i>Indicator</i>	<i>Holt Co.</i>	<i>Nebraska</i>	<i>U.S.</i>
Employment Change – 1970 to 2000	+40%	+66%	+84%
Proprietors Change – 1970 to 2000	+17%	+41%	+124%
Proprietors to Employees Ratio	60%	23%	20%
Change in Proprietors Income – 70-00	-29%	-29%	-10%
Proprietors to Employees Income Ratio	68%	18%	15%
Earners Per Proprietor (2000)	\$20,646	\$28,876	\$36,316

Source: U.S. Bureau of Economic Analysis.

Market Opportunity. The market opportunities for Stuart/Atkinson are as follows:

- The local market for Stuart/Atkinson is relatively small with approximately 3,500 consumers plus associated business and government units. The

- local market is shrinking. This size of market inherently limits the size and growth potential of any business restricted to the local market.
- The regional market is larger, possibly 50,000 consumers with correspondingly greater diversity of government and business enterprises. The regional market is stagnate and not projected to experience sustained growth over the foreseeable future.
 - State, national and international markets are growing and growing rapidly and offer significant opportunity for those entrepreneurs able to acquire the capacity to effectively compete in these larger markets.

Entrepreneurship and Economic Development Assessment

The following observations are based on initial visits to the communities and discussions with residents.

- There appears to be a healthy entrepreneurial community with a rather remarkable range of entrepreneurial talent. Some of the entrepreneurs identified are engaging in rather sophisticated dealings including exporting, joint ventures and working with major corporations. This talent base represents a significant asset for building a stronger economic development strategy.
- The local and area markets are relatively small (number of consumers) with comparatively lower spending power (due to lower income levels). The opportunity to grow a new generation of businesses based on local and area markets is very limited. There is a need within the economic development strategy to identify and work with businesses that are willing and able to reach beyond local and area markets to regional, state, national and international markets. These firms hold the best hope for creating significant economic development impacts.
- The Stuart/Atkinson area is relatively isolated. This isolation has contributed to a stronger mix of local retail and service businesses. The main streets of both Atkinson and Stuart are moderately healthy. However, external competition in both the retail and service sectors will greatly challenge the viability of current main street businesses. There is also an aging ownership group where business transfer is an emerging issue. There is a critical need to ensure the successful transfer of existing businesses and the evolution of a new generation of highly competitive main street business owners and ventures.
- The development capacity within the area has been enhanced with the addition of the LB 840 program in Atkinson. Both communities (on a more informal basis) are quite effective with community development and capturing economic development opportunities when they arise.

- Combined, Stuart and Atkinson represent a trade center for the region. The hospital in Atkinson coupled with complimentary health care services, retail, entertainment, and business services represent a strong draw for area consumers.

Leadership and Civic Capacity Assessment

The following observations are based on initial visits to the communities and discussions with residents:

- There appear to be strong and effective leadership, civic capacity and resident engagement in both Atkinson and Stuart. There are strong and consistent signs of progress, for example, the remarkable housing rehabilitation work in Stuart and the integration of town and rural fire services in Atkinson.
- Like many rural communities, the exceptional leadership in both communities is relatively narrow. There are a relatively few individuals who are carrying a significant load within each community. There is a clear need to expand not only the leadership base in both communities, but create pathways for emergent leaders (i.e., community builders) to become more involved and eventually assume traditional leadership roles.
- There is not a formal process of capacity building and leadership development within either Stuart or Atkinson. However, these processes are present, but very organic in nature. There is an opportunity for a more intentional process of capacity building and leadership development that would not only strengthen each community, but also enhance opportunities for regional collaboration.
- There is not a strong pattern of systemic conflict within either community. There are normal community conflicts, but it does not appear such conflicts have rooted, creating serious divisions within either community.
- One critical issue facing both communities is the future of K-12 education. A significant change in enrollment coupled with State aid policy is challenging the viability of the existing educational system. This issue will demand considerable community time and energy to resolve and could result in community conflict if not handled well.
- Atkinson and Stuart are “can do” communities that have the opportunity to move forward with support of a stronger and more strategic leadership and civic capacity building process. Additional assessment work will be undertaken by the Heartland Center for Leadership Development as it works with the communities on a leadership development program.

Youth Assessment

A preliminary youth assessment has not been undertaken at this time. Should youth emerge as a high priority for action through this HTC process, additional youth assessment work will be undertaken. At this time efforts are being made to identify potential youth connections within the leadership, foundation and entrepreneurship strategies.

Philanthropic Assessment

The following is the preliminary philanthropic assessment for the Stuart/Atkinson area:

- There is a strong tradition of giving within both communities. Residents, like those throughout most of Nebraska, are extremely generous with their giving for church and community needs. However, there is more limited giving through planned gifts and the creation of community endowments. The Weller Family Foundation would be an exception to this general observation.
- There is positive history of capital campaigns including significant fundraising associated with the hospital and other community improvements. Other capital campaigns are pending including the \$600,000 library project proposed for Atkinson.
- Both Stuart and Atkinson are working with NCF to create umbrella community foundations. Additional development work is underway to expand the leadership teams within both foundations and link with multiple community interests through community funds.
- Both communities have some capacity for donor identification and development. There will be an ongoing opportunity to work with community leaders and financial planners to increase access to potential donors. There is also an opportunity to strengthen cases for giving.
- The communities are in the early stages of endowment building through planned giving. A critical next step will be initial planned gifts that create a positive example for other donors necessary for accelerating progress.