

MICHIGAN'S ROADMAP TO **RURAL PROSPERITY**



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**



MICHIGAN
OFFICE OF
**RURAL
PROSPERITY**

TABLE OF CONTENTS

BACKGROUND	2
RURAL MICHIGAN: A WEALTH OF STATEWIDE ASSETS	8
Population and Economic Trends in Rural Michigan	10
THE ROADMAP	20
Grow and Diversify the Workforce Across Sectors	23
Improve Individual Health and Economic Well-Being	31
Support Local and Regional Capacity to Deliver Services	38
Expand Quality and Attainable Housing Opportunities	44
Build and Maintain Resilient Infrastructure	49
Enhance Regionally Driven and Place-Based Economic Development Efforts	55
Protect, Conserve, and Steward Natural Assets	63
CONCLUSION	68
REFERENCES	69

BACKGROUND

In January 2022, Governor Gretchen Whitmer established Michigan's Office of Rural Development within the Michigan Department of Agriculture and Rural Development (MDARD) via Executive Directive 2022-01. The creation of the Office was a direct response to concerns from rural community leaders that existing policies, programs, and resources must account for the unique realities of Michigan's rural areas. Governor Whitmer charged the Office with strategically focusing on the needs of rural Michigan, including but not limited to the areas of economic and workforce development, housing, infrastructure, energy, and sustainability.

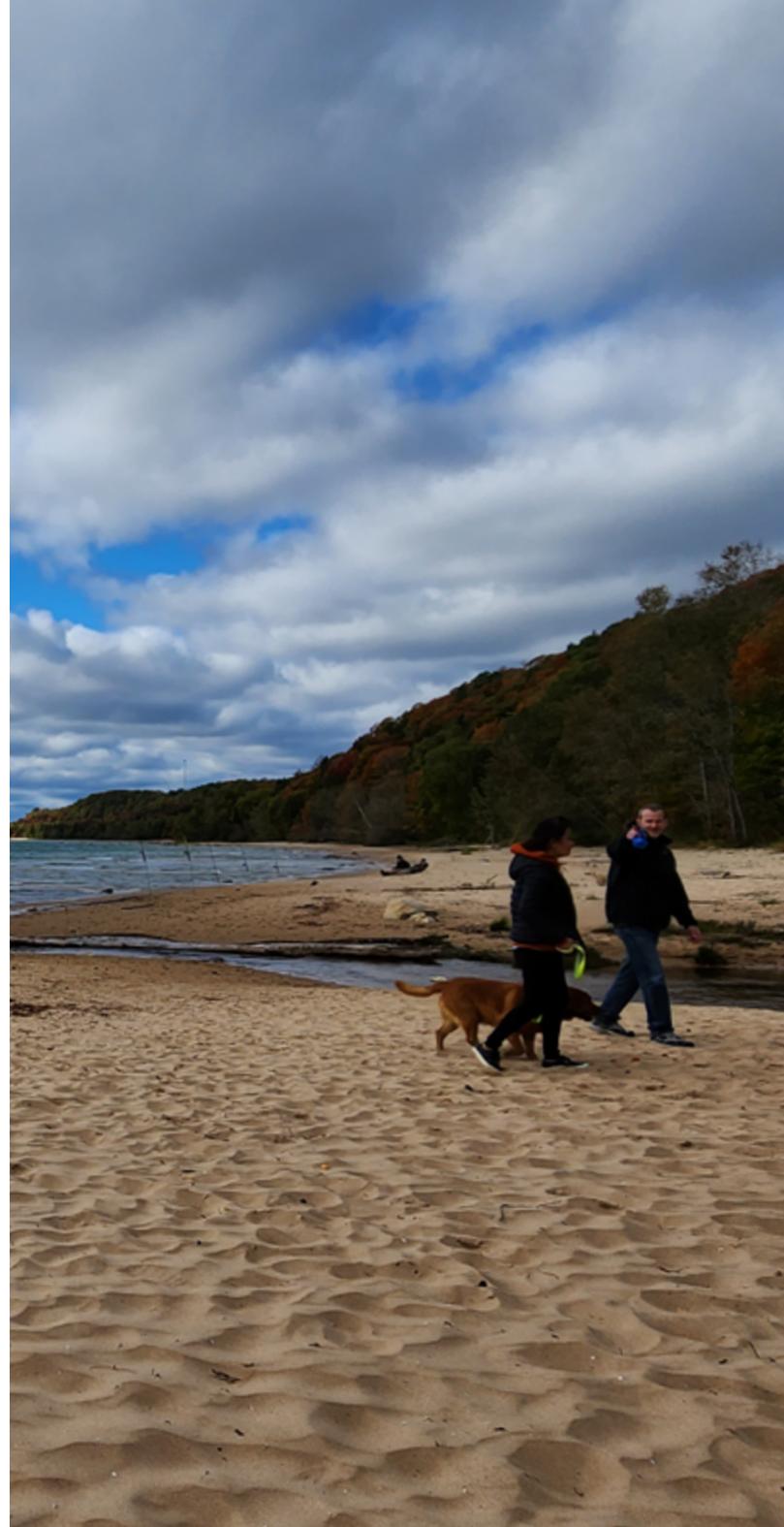
The Office developed initial programming and continuously refined its efforts and partnerships in 2023 to respond to the priority needs reflected by rural community leaders. While positioning the Office as a cross-agency connector and liaison, initial programs and initiatives included the Rural Readiness Grant Program, Virtual Roundtables, Rural Leadership Summits, policy focus groups, technical assistance, and grant application support. Office programs and initiatives connect rural communities, state agencies, and other partners, while building the readiness and capacity of rural communities to respond to current and future needs around housing, workforce, childcare, economic development, and more.

To further solidify its interagency approach around the most prominent rural needs and uplift its commitment to building long-term prosperity, Governor Whitmer strategically moved the Office into the Department of Labor and Economic Opportunity and changed the name to the Office of Rural Prosperity (ORP) in December 2023.

Rural prosperity means resilient, connected rural residents, businesses, communities, and natural environments. Ensuring prosperity for rural Michigan requires a holistic vision that recognizes how existing and historic workforce and population trends, resource and capacity needs, and patterns of investment have impacted, and will continue to impact, communities. The ORP led the development of this Roadmap to Rural Prosperity Report (the Roadmap) with extensive engagement from rural community leaders to illustrate the trends impacting rural Michigan and uplift the priorities of rural communities for achieving long-term prosperity.

The following engagement, research, and analysis have informed the content of the Roadmap:

- A 2022 statewide listening tour led by the ORP Director reaching 58 counties to discuss challenges, opportunities, and community priorities with cross-sector groups.
- A 2023 statewide survey that received responses from 2,489 rural stakeholders covering all 83 counties.
- 2023 Rural Leadership Summits hosted in six rural regions - including the Upper Peninsula, Northwest Lower, Northeast Lower, East/Central Michigan, West/Central Michigan, and South Michigan rural communities - engaging a total of 350 rural community leaders.
- Topic-based roundtables with rural employers and community leaders.
- ORP participation in more than 175 local and regional discussions.
- ORP participation in regional and statewide planning initiatives, such as the Rural Health Equity Plan, led by the Michigan Center for Rural Health and Michigan Department of Health and Human Services; the Michigan Statewide Housing Partnership; and select Regional Housing Partnerships.
- Analysis of more than 175 Rural Readiness Grant Program Letter of Interest results, which identified priority needs and projects across a range of topic areas in rural communities statewide.
- Review of existing state, regional, and organizational policy agendas and reports highlighting key rural priorities.
- Policy and data analysis conducted by the ORP.
- A population and economic trend study of rural Michigan was completed in 2023 by Public Sector Consultants.



The Roadmap is built upon the input from rural stakeholders across the state.

By synthesizing input from rural residents and community leaders on key rural challenges and opportunities, the Roadmap aims to give voice to rural communities, foster a statewide understanding of rural needs and priorities, and help guide local, regional, and state leaders in advancing collaborative and collective action to achieve prosperity across rural Michigan.

Each section of the Roadmap highlights a priority issue area for rural Michigan, discussing the factors that impact rural prosperity, and presents strategies to help all rural areas thrive.

These strategies necessarily cross sectors, agency programming, and issue areas; and are intended to offer flexibility to tailor solutions to specific

challenges and unique assets of rural communities. Because a one-size-fits-all approach to addressing community challenges would leave many communities behind, the Roadmap's strategies center around solutions that can be scaled and 'flexed' to respond to needs and opportunities **identified by rural communities through regular, ongoing, two-way engagement** and inclusive decision-making. The ORP recognizes that this ongoing engagement is a key element in successful policy and program solutions. As strategies in the Roadmap are explored and implemented, continued testing, refinement, and reassessment with rural stakeholders is needed to successfully implement a vision of thriving residents, businesses, communities, and natural environments in rural Michigan. ■



LETTER FROM THE DIRECTOR

Sarah Lucas, The Office of Rural Prosperity

When we think of rural Michigan, many different images might come to mind: from thick forests, clear rivers, and inland lakes, to towering dunes and rolling farm fields. We might think of quaint downtowns or busy seasonal resort areas. Or, we may consider the communities that have vacancies in their downtowns and declining numbers of students in their schools, or those that have lost industry or jobs and are still struggling to rebuild income and employment.



The fact that these different images and experiences exist simultaneously in rural Michigan can make it hard to understand exactly what its future holds. Is rural Michigan thriving or struggling? How should decisionmakers plan for rural Michigan's needs? What opportunities are there for new residents, businesses, and workers?

The answers are nuanced, but consistent. While long-term trends have pointed towards declining populations and economies across much of rural Michigan, more recent trends and successes - including expanded remote work opportunities, outdoor recreation access, high-speed internet access, business growth, and changing migration patterns - have positioned rural communities for new growth. What's more, those working in rural communities are optimistic about the community's trajectory, and see the location and environment, outdoor recreation, and strong social and community connections as key competitive strengths for retaining and attracting rural Michigan residents.

While optimistic, feedback from residents and leaders in rural communities indicate that they also recognize their communities face critical challenges - including housing shortages, limited workforce, poor public transportation, lack of affordable childcare access, aging and deteriorating infrastructure, limited high-speed internet access, and more - that must be addressed to successfully capitalize on emerging economic and demographic trends. Across the state, local and regional leaders are working together with statewide partners to find solutions to these challenges. And across the board, they are finding that consistent barriers stand in the way of implementing effective solutions. Limited, and in some cases shrinking, budgets leave many communities unable to fund or invest in solutions to these challenges, to provide adequate staffing or services, or to access grants or other public programs due to a lack of staff or resources that will allow them to plan for and develop projects.

The Office of Rural Prosperity recognizes the complex and nuanced reality of rural Michigan: **rural communities are poised for unprecedented opportunity throughout the state but they must prepare for those opportunities strategically and deliberately to be successful.** To that end, the Office has worked closely with rural communities to understand how best to position the state to plan for change and build future success. Data, strategies, and best practices included in the Roadmap to Rural Prosperity are intended to account for the differing assets and desires of rural communities and their common challenges around financial capacity, organizational capacity, and planning to meet local goals. To leverage those assets and realize rural goals, coordinated, strategic action is needed among all partners working towards rural prosperity in Michigan, and the Office is excited to offer a vision for that action and collaboration with the Roadmap to Rural Prosperity. ■

LETTER FROM THE GOVERNOR

Dear Friends,

From the northernmost reaches of the Upper Peninsula to the southernmost communities of our state, rural Michigan is home to nearly 20% of our state's population. However, for too long, our rural communities have faced unique challenges like limited workforce opportunities, housing shortages, and inadequate access to affordable child care and high-speed internet.

That's why, in 2022, I established Michigan's Office of Rural Development to focus on investing in rural economies and tackling the issues faced by rural communities. Now known as the Office of Rural Prosperity, this new office has released a comprehensive Roadmap to Rural Prosperity, a strategic plan to bring long-term prosperity to our rural communities. By developing strategies to grow workforce opportunities, improve health and well-being, support local services, expand attainable housing, and strengthen local economies, the Roadmap is a plan for fostering resilience and connectivity in our rural communities.

Our recent bipartisan progress to expand high-speed internet access, create more remote work opportunities, and support regional economic growth have positioned Michigan's rural communities for a new era of strong growth. By listening to the voices of folks in our rural communities and collaborating closely with state agencies, we will build a brighter future where every county in Michigan thrives.

I extend my sincere gratitude to the dedicated individuals, organizations, and agencies working hand in hand to build more prosperous and resilient communities in rural Michigan. Let's keep getting it done. ■

Sincerely,



Gretchen Whitmer
Governor of Michigan



Acknowledgements

The ORP would like to thank the 2,489 survey respondents, 350 Rural Leadership Summit participants, members of the Young Rural Champions Insights Group, and countless individuals and organizations that engaged in discussion with us about the challenges and opportunities in your rural communities. The ORP would like to give special thanks to the following individuals who either served as a report reviewer, offered significant input on rural matters, or contributed important research on issues impacting rural communities. **The ORP is deeply grateful for your support of this work and commitment to serving rural communities across Michigan. Thank you for all that you do!**

Amy Berglund, Director of Business Initiatives, Invest UP

Bonnie Gettys, President/CEO, Barry Community Foundation and Board Chair, Rural Partners of Michigan

Brigitte LaPointe, CEO, Keweenaw Bay Indian Community Council of Michigan Foundations

Dan Petersen, Executive Director, The Pokagon Fund

David Arsen, Ph.D., Professor Emeritus of Education Policy and Educational Administration, College of Education, Michigan State University

Emilie LaGrow, Village Manager, Village of Cassopolis

Gary Clemetson, Director, Entrepreneurial Services, Lenawee Now

Jean Hardy, Ph.D., Assistant Professor, Department of Media and Information and Director, Rural Computing Research Consortium, College of Communication Arts & Sciences, Michigan State University

Jeff Hagan, CEO, Eastern U.P. Regional Planning and Development Commission (EUP Planning)

Jerry Wuorenmaa, Executive Director, Western Upper Peninsula Planning and Development Region

Jessica AcMoody, Policy Director, CEDAM and Executive Director, Rural Partners of Michigan

Kati Mora, Vice President, Middle Michigan Development Corporation

Lenny Avery, Economic Development Coordinator, Target Alpena Development Corporation

Mackenzie Price, Executive Director, Huron County Community Foundation

Marcus Peccia, City Manager, City of Cadillac

Marty Fittante, CEO, InvestUP

Mary Catherine Hannah, County Administrator, Alpena County

Michigan Center for Rural Health

Nikki Devitt, President, Petoskey Regional Chamber of Commerce and Vice Chair

Northern Michigan Chamber Alliance

Sarah Mills Banas, Ph.D., Director, Center for EmPowering Communities, Graham Sustainability Institute and Associate Professor of Practice, Urban & Regional Planning, University of Michigan

Tom Bergman, Community Development Director, City of Ironwood

Travis Alden, Senior Director, Community Development, The Right Place

Warren Call, President and CEO, Traverse Connect

What is special about Michigan's rural communities?

"People care about each other and are willing to go the extra mile for their neighbors when there is a need. We all treasure the peaceful, beautiful, natural setting."

- 2023 Rural Priorities and Perspectives Survey respondent

WHAT IS RURAL?

Defining rural using existing data collection standards is no easy task. Dozens of official definitions of 'rural' exist for the U.S. Census and various state and federal programming. Because each definition comes with its own implications for policy and funding, the answer to 'what is rural?' has very real impacts including political representation, access to funding, services like transportation and healthcare, and opportunities for jobs and schools. The definition may determine whether a community qualifies for an incentive program or tool enabled by law or can apply for a grant or technical assistance program to address an urgent issue or leverage new investment. It can also skew the broader understanding of what is truly happening in rural communities.

Where, then, do we start? Most definitions are based either on population, population density, or the distance from and connections to metropolitan areas. These definitions leave room for confusion, especially around Michigan's metropolitan areas concentrated south of US-10, where communities may be larger and/or located within a reasonable commuting distance to metropolitan job markets, services, shopping, or schools. Even outside of metropolitan areas, rural is relative; the various population sizes, geographic locations, and amenities of different communities leads to different views on which communities are 'really' rural. A rural community located hundreds of miles from a metropolitan area may struggle to identify with those more closely connected to parts of the state with higher population densities, for example.

However, the ORP recognizes that, while rural definitions may encompass a variety of community types and regions, there are some shared realities that encapsulate "Rural Michigan" such as:

- **A deep connection to natural assets:** Rural residents, communities, and economies are deeply connected

to natural assets through agriculture, forestry, mining, tourism, outdoor recreation, and hunting and fishing.

- **Being more geographically remote:** Rural communities and economies are more geographically remote, resulting in weaker connections to metropolitan economies and amenities like healthcare (especially specialty healthcare), educational opportunities, large airports, and services. These long distances from amenities build reliance on smaller local assets that serve fewer people and therefore can be difficult to sustain financially.
- **Smaller populations:** Rural communities have smaller populations, meaning fewer people to draw from for the workforce, governance, volunteer positions, tax base, and school enrollment. Limited populations affect opportunities to build and expand businesses or provide services, funding for schools, and capacity for developing effective local solutions.

It is critical that the rural definition used to determine the allocation of resources, tools, or incentives be carefully considered and appropriately selected to fulfill the intent of specific programming goals. Recognizing the significant equity implications associated with creating a single 'multi-purpose' definition of rural, the ORP is committed to continuing to refine its guidance around the use of rural definitions in different contexts through ongoing input and in partnership with practitioners and the research community. Ultimately, research-driven guidance will create a greater understanding of the range of rural community types and needs, and more equitable policies and programs.

For the purposes of this document and ORP programming and data analysis, the ORP has referred to multiple definitions or combinations of definitions to help tell the story in rural Michigan. Sources for these data are cited throughout the Roadmap. ■

Population and Economic Trends in Rural Michigan

Rural communities have experienced sustained and gradual shifts in their populations and economies for decades. While some regions experienced decades-long decline, others experienced significant growth; and with both have come challenges. Declining population results in reduced revenues for services and schools, closures of businesses and critical institutions, and increased financial burdens on remaining residents for infrastructure and other costs. On the other hand, growing population, especially in those communities facing significant and rapid growth for the first time, results in new pressures on existing infrastructure, housing stock, and natural and working lands. Many rural communities are ill-equipped to handle sudden growth and to manage it in a way that is consistent with community priorities.

One common thread, however, found throughout rural Michigan, points toward population imbalances that affect community needs statewide. Rural Michigan generally lacks a sustainable or balanced population - a population that is diverse in age, experience, and backgrounds - making it more challenging to meet current and evolving needs of rural residents, businesses, and communities.

In 2023, Governor Whitmer created the Growing Michigan Together Council to propose a statewide population and economic growth strategy. Understanding demographic and economic trends in rural areas is a critical first step in preparing communities and the state for continued change.



Rural Michigan generally lacks a sustainable or balanced population - a population that is diverse in age, experience, and backgrounds - making it more challenging to meet current and evolving needs of rural residents, businesses, and communities.

Data analysis from Public Sector Consultants, existing reports highlighting rural Michigan trends, and ORP's statewide engagement efforts help to identify some of the primary trends affecting different types of rural Michigan communities.

POPULATION

Decades-long population decline has occurred largely along the eastern side of the Lower Peninsula, Upper Peninsula, and border counties.

Much of rural Michigan – particularly in the Upper Peninsula, Northeast Lower Michigan, Thumb, and Southern border counties – saw overall population decline from 2010 to 2020.¹ While Michigan's rural border counties in the Upper Peninsula and in South Michigan experienced population decline in the last

decade, their Indiana and Wisconsin counterparts generally saw growth. Ohio border counties were the primary exception.²

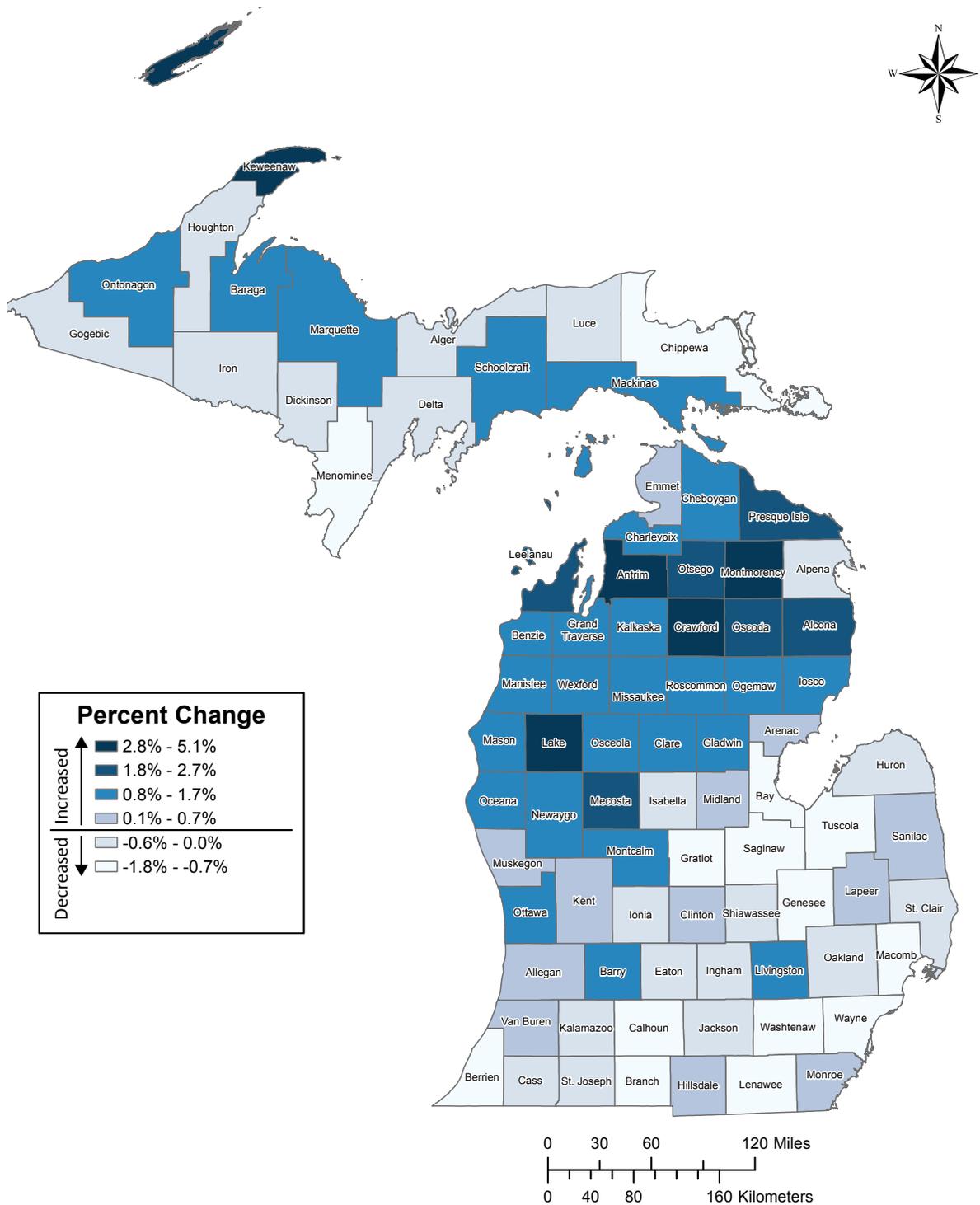
Analysis from Public Sector Consultants on rural Michigan population trends from 2016 to 2021 also suggests that rural areas with larger non-Hispanic white populations were more likely than other rural areas to experience population decline, following a national trend.³

Some rural areas particularly through the capital region and along the west side of the state saw growth.

While most of rural Michigan experienced population decline over the last decade and prior, some rural areas, particularly in western and northwestern regions – concentrated outside of



FIGURE 1. MICHIGAN POPULATION CHANGE 2020 TO 2022



Annual Estimates of the Resident Population for Counties: April 1, 2020 to July 1, 2022 data provided by the United States Census Bureau located at census.gov/data/tables/time-series/demo/popest/2020s-counties-total.html.

Map created by the Michigan Department of Agriculture and Rural Development, 5/17/2023

Grand Rapids and around Traverse City - and a band stretching across the capital region have experienced a trend of population growth.⁴

Recent population shifts show growing interest in rural Michigan.

Between 2020 and 2022, declining population trends reversed in many rural counties, particularly in northern Lower Michigan and parts of the Upper Peninsula (see Figure 1 on page 12). This shift to population growth in much of rural Michigan was not unique to our state. Nonmetro areas nationally grew at a faster rate than metro areas as net in-migration outpaced natural decline.⁵

Analysis from Public Sector Consultants on Michigan rural population trends from 2016 to 2021 also suggests that rural areas that saw growth from 2020 to 2021 were significantly associated with increases in characteristics including migration from the western U.S.; children age 5-17; those identifying as biracial and multiracial; those working in private industry; those working in the arts, entertainment, recreation, and accommodation, and food services industries; and people who work from home.⁶

DEMOGRAPHICS

Rural communities on average are significantly imbalanced in age representation.

Populations in rural Michigan are on average much older than their non-rural counterparts (see Table 1), creating a significant imbalance in age groups. The largest single demographic in rural Michigan includes those aged 65 and older. Rural communities have seen a dramatic increase in the percentage of people 65 years and older and a near equal decrease in the number of people aged 45 to 54. The largest differences between non-rural and rural areas are found between age ranges

TABLE 1. POPULATION BY AGE GROUP IN NON-RURAL AND RURAL AREAS OF MICHIGAN

Variable	Non-rural Rural % (2016)	Non-rural Rural % (2021)
5-17	16.2 16.4	15.5 15.8
25-34	13.7 10.3	14.8 10.7
45-54	13.6 14.8	12.2 13.0
65 plus	14.2 18.2	15.8 20.2

Source: Public Sector Consultant analysis of American Community Survey 5-Year Estimates (2016 through 2021) and Geocorr data (2018 and 2022). The largest differences between urban and rural areas are found between age ranges 18-34 and 55-65 plus.

18-34 (25.2 percent in non-rural vs. 19 percent in rural) and 55 plus (29 percent in non-rural vs. 35.8 percent in rural).⁷

Aging trends in rural Michigan are consistent with national trends, where nonmetro areas have been experiencing outmigration among young adults and in-migration of older adults to rural retirement destinations.⁸

Rural communities have less racial and ethnic diversity on average compared to non-rural communities.

Racial and ethnic diversity is lacking in much of rural Michigan, with most rural counties being more than 80 percent white. Some exceptions exist. Three of rural Michigan’s most diverse counties are in the Upper Peninsula – Chippewa, Mackinac, and Baraga – which represent the state’s largest percent of American Indian and Alaska Native populations, along with Black or African American populations and those

who identify with two or more races at levels above average compared to other rural counties in Michigan.⁹

Michigan’s most rural areas experience high rates of poverty and ALICE¹⁰ populations.

Low incomes and poverty are significant concerns in rural areas. High numbers of rural households cannot afford basic necessities. In 2021, more than 45 percent of working residents had earnings too low to afford the bare-minimum cost of household necessities in 24 Michigan counties. All but one of these counties (Wayne County), are rural (see Figure 2 on page 15).¹¹

Rural areas nearest the state’s metropolitan areas – for example, near Grand Rapids, Kalamazoo, Lansing, and Ann Arbor – have the highest percentages of people making over \$75,000 annually.¹²

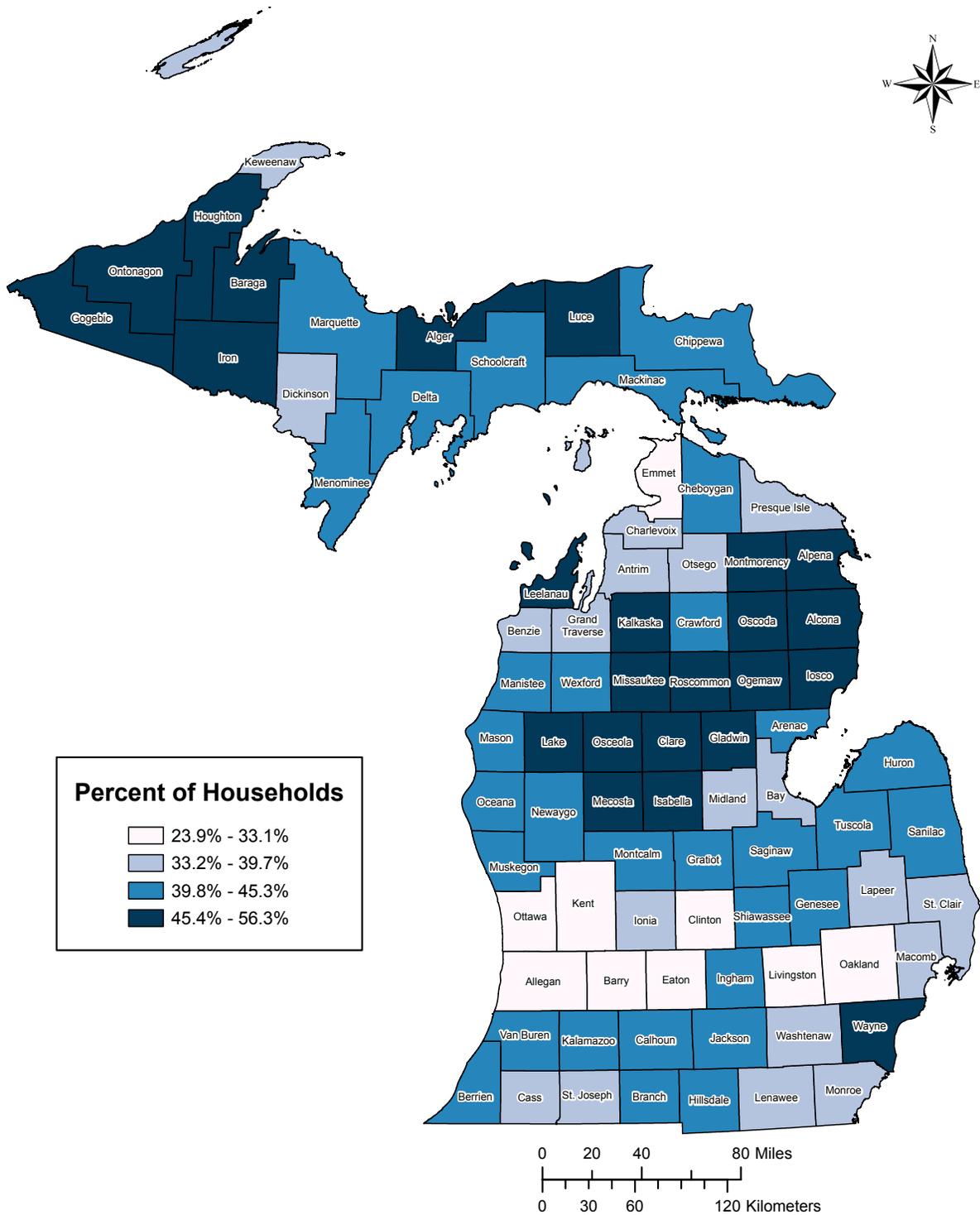
Rural areas on average have fewer 25-34 year-olds with an associate degree or higher, compared to residents in non-rural areas.

Rural adults ages 25-34 tend to have lower rates of bachelor and graduate degrees than associate degrees compared to their non-rural counterparts. In 2021, non-rural areas had more than double the percent of males with graduate degrees compared to rural areas, and both males and females in non-rural areas saw more significant increases in those with graduate degrees from 2016 to 2021. Overall, rural areas have fewer residents with educational attainment higher than an associate degree, providing less diversity in educational backgrounds to meet qualifications for different career types. Differences in educational attainment appear to be greater between non-rural and rural males than females (see Table 2 on page 16).

Rural Michigan is home to unparalleled natural and cultural assets. Its farmland, forests, and mines drive hundreds of millions of dollars in exports, and its scenic beauty and year-round outdoor recreation amenities are cherished by rural residents, attract new residents and tourists, and are home to businesses that drive statewide economic growth.



FIGURE 2. HOUSEHOLDS IN POVERTY AND ALICE (2021)



Map created by the Michigan Department of Agriculture and Rural Development, 10/10/2023

Rural Michigan is central to the state’s economic stability and growth.

Rural Michigan is home to unparalleled natural and cultural assets. Its farmland, forests, and mines drive hundreds of millions of dollars in exports, and its scenic beauty and year-round outdoor recreation amenities are cherished by rural residents, attract new residents and tourists, and are home to businesses that drive statewide economic growth. Working lands in rural Michigan play a critical role in the state’s economy. Agriculture contributes \$104.7 billion annually to Michigan’s economy, while the forest product industry contributes another \$22 billion each year.¹³ Additionally, the growing outdoor recreation industry accounts for \$10.8 billion in value-add.¹⁴

It cannot be overstated that outdoor recreation opportunities are a clear driver behind the desire to move to or stay in Michigan’s rural communities. This was further amplified as part of a national trend during the pandemic and a large shift to more remote work. In the ORP’s 2023 Rural Priorities and Perspectives Survey, respondents felt that geographic location, natural environment, and outdoor recreation opportunities were their rural community’s most significant competitive strengths.

Education/healthcare and manufacturing make up largest employment sectors in rural Michigan.

The largest fields of employment in rural Michigan are in education services, healthcare, and social assistance (22.2 percent) followed by manufacturing (18.8 percent). When comparing rural to non-rural areas, agriculture (including forestry, fishing and hunting, and mining), construction, public administration, and retail trade make up larger employment shares while arts, professional, and finance make up lower

TABLE 2. EDUCATIONAL ATTAINMENT RATE BY NON-RURAL/RURAL STATUS

Variable	Non-rural Rural % (2016)	Non-rural Rural % (2021)
Male 25-34		
Under 9th	2.6 2.3	2.0 2.1
w/o GED	8.8 6.9	6.6 6.2
GED	26.0 33.2	25.8 32.4
Some College	25.5 26.8	24.7 26.1
Associate	7.5 9.6	7.3 9.5
Bachelor	20.5 16.5	22.9 18.8
Graduate	9.1 4.8	10.7 5.0
Female 25-34		
Under 9th	2.0 1.8	1.8 1.4
w/o GED	7.0 5.1	5.1 4.2
GED	18.9 21.6	20.0 22.2
Some College	27.4 27.9	24.1 26.4
Associate	9.7 14.1	9.4 12.7
Bachelor	23.5 21.4	26.0 24.2
Graduate	11.4 8.1	13.6 9.0

Source: Public Sector Consultant analysis of American Community Survey 5-Year Estimates (2016 through 2021) and Geocorr data (2018 and 2022).

employment shares in rural Michigan compared to their non-rural counterparts (see Table 3 on page 17). The larger share of employment in retail trade in rural areas could be reasonably associated with outdoor recreation related employment, which accounts for a large portion (38 percent) of retail trade in Michigan overall.¹⁵

Housing is the most cited critical issue facing rural communities statewide, now and into the future.

Michigan needs conservatively more than 190,000 additional units of housing to address the state’s

housing crisis. Rural communities are not immune to this crisis. Whether experiencing population growth or decline, rural communities face significant year-round housing shortages. Lack of available and attainable housing is the most-cited concern among rural communities. ORP’s 2023 Rural Priorities and Perspectives Survey showed individuals working in rural Michigan felt that their biggest challenge for their rural community over the next 10 years is being able to increase housing production.

A perfect storm of trends has driven rural Michigan’s housing shortages. Household sizes are shrinking, requiring more units even for declining populations; older residents are increasingly choosing to age in place; and more housing units have been converted to seasonal use and/or used for short-term rentals. The increase in second homes and short-term rentals has hit rural Michigan especially hard, drastically shrinking the supply and increasing the price of homes for purchase or rental by year-round residents. [Further discussion on rural Michigan’s housing crisis begins on page 44.]

Workforce challenges represent the second most cited issue facing rural communities statewide, now and into the future.

Rural Michigan’s workforce challenges and housing crisis are inextricably linked. Rural-based employers in every sector across the state have lost prospective talent and been unable to fill open positions because their applicants cannot find housing.

In the 2023 Rural Priorities and Perspectives Survey, individuals working in rural areas felt that one of the biggest challenges their rural community faces over the next 10 years is attracting a larger working-age population, second only to housing. Rural Michigan is facing a retirement ‘cliff’ across all job sectors that will further strain existing workforce challenges. Additionally, many growing rural Michigan communities are also popular retirement destinations that ‘import’ retirees from non-rural areas, thus adding further demand on a shrinking workforce, particularly in the service sector. Meanwhile, population decline among younger individuals and

TABLE 3. PERCENT INDUSTRY EMPLOYMENT BY NON-RURAL/RURAL STATUS

Industry Type	Non-rural Rural % (2016)	Non-rural Rural % (2021)
Agriculture, forestry, fishing and hunting, and mining	0.4 2.6	0.4 2.2
Construction	4.0 6.5	4.5 7.3
Manufacturing	16.9 18.3	17.8 18.8
Wholesale trade	2.3 2.2	2.2 2.2
Retail trade	11.2 11.7	10.7 11.2
Transportation and warehousing and utilities	4.3 4.6	4.9 4.6
Information	1.7 1.3	1.4 1.1
Finance and insurance, real estate, and rental and leasing	5.5 4.8	5.9 4.9
Professional, scientific, management, administrative, and waste management services	10.7 7.4	10.9 7.8
Education services, healthcare, and social assistance	24.3 22.7	23.8 22.3
Arts, entertainment, recreation, accommodation, and food services	10.6 9.1	10.0 8.8
Other services (except public administration)	4.9 4.8	4.5 4.7
Public administration	3.3 4.1	3.0 4.1

Source: Public Sector Consultant analysis of American Community Survey 5-Year Estimates (2016 through 2021) and Geocorr data (2018 and 2022). The largest differences between urban and rural areas are found between age ranges 18-34 and 55-65 plus.

families over the last several decades has narrowed the future workforce pipeline, with fewer children in schools and ultimately the workforce.

What's more, less educational diversity in the rural workforce makes it especially challenging to fill a range of necessary occupations and support business growth. While no major differences seem to exist in labor force participation rates between rural and non-rural areas,¹⁶ Michigan's overall labor force participation rate stands below the national average, further shrinking the rural workforce. [Further discussion of rural Michigan's workforce challenges begin on page 23.]

Rural Michigan stands out in stark contrast to its more immediate midwestern rural counterparts when examining rates of prime-age (25-54) employment. Most of rural Michigan is considered a "severely distressed" or "distressed" labor market.¹⁷

Lack of local capacity - the funding, staffing, and expertise needed to deliver services, plan for projects, and manage community goals - make it especially challenging for rural communities to respond to complex challenges and attract new investment.

During ORP engagement with rural communities, community leaders frequently cited concerns regarding capacity and the ability to plan for and position themselves for investment. These resources are critical to building prosperity. According to the 2023 Rural Priorities and Perspectives Survey, of those working in rural communities that considered communities to be improving, most (39 percent) attributed a "community planning effort" to that improvement. However, data and research indicate that most rural communities in Michigan have limited capacity for planning and other proactive economic strategies, and many report concerns with their inability to monitor funding opportunities, apply for grants, or attract investment.¹⁹ ■

Tourism - a Complex Economic Reality for Rural Michigan

While tourism is a major source of tax base and economic strength for many rural communities - particularly in northern Michigan, the Upper Peninsula, and along the Great Lakes shorelines - being a tourist destination has complex implications. As an example, a 2022 study from Networks Northwest shows how populations in Northwest Lower Michigan, a popular tourist destination, double in size during peak travel times.¹⁸ The population surge experienced by many rural areas during peak tourism season puts additional strain on an already-constrained workforce and services; and the desirability of tourist destinations has significant impacts on real estate values and year-round housing availability. Increased interest in outdoor recreation, largely driven by the pandemic, has also increased traffic, and placed additional wear and tear on trails, parks, and other natural spaces.



2023 Rural Priorities and Perspectives Survey: What do you see as the biggest challenge facing the rural community you serve over the next ten years?



1

INCREASING HOUSING OPPORTUNITIES



2

ATTRACTING A LARGER WORKING-AGE POPULATION



3

CHANGES TO THE COST OF LIVING



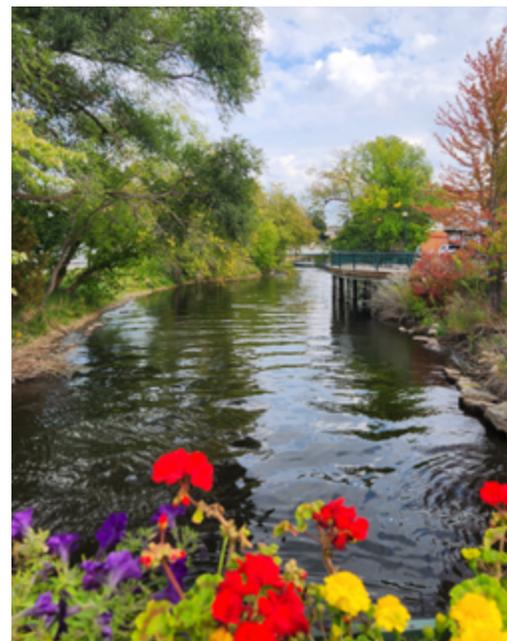
4

MANAGING POPULATION GROWTH AND DEVELOPMENT



5

RETAINING WORKFORCE



THE ROADMAP

Rural communities share many of the same challenges as their urban counterparts, including aging or inadequate infrastructure, lack of quality and affordable housing opportunities, overburdened local governments, workforce shortages, and more. Despite these many commonalities, rural communities experience these challenges in a way that reflects their smaller populations and limited resources, which are often spread over larger geographic distances. As such, solutions must account for those geographic, economic, and demographic realities as well as the specific assets and resources available – or not available – to different communities and regions. Solutions must be developed to meet the unique and diverse needs of Michigan’s rural communities as they work to address the demographic and economic realities that pose both immediate and long-term challenges to their prosperity. What’s more, solutions must account for the cherished values and tremendous opportunities that exist in rural communities, and the desire for residents, employers, businesses, and visitors to balance changing realities with the many qualities they love about their communities.

Fortunately, Michigan is famously resilient, and rural communities throughout the state have risen to meet these challenges with innovation, creativity, and resourcefulness. More work, additional collaboration, and ‘rural-conscious’ investments are still needed to achieve long-term prosperity in rural Michigan.

The Roadmap to Rural Prosperity focuses on the following key priority areas identified by rural stakeholders through engagement efforts, and offers strategies for tackling these priorities:

- Grow and diversify the workforce across sectors.
- Improve individual health and economic well-being.
- Support local and regional capacity to deliver services.
- Expand quality and attainable housing opportunities.
- Build and maintain resilient infrastructure.
- Enhance regionally driven and place-based economic development efforts.
- Protect, conserve, and steward natural assets

For each priority area, current rural realities including those that hinder rural prosperity are identified, along with preliminary strategies put forth by rural stakeholders to ensure rural residents, businesses, communities, and natural environments thrive. While each priority area is highlighted separately, it is important to acknowledge that they are inextricably linked. Success or failure in one will advance or impede progress in another.

The work does not end with the Roadmap. Successfully addressing these priorities across rural Michigan will require intentional cross-sector and multi-jurisdictional collaboration. Strategies must be refined and tested through collective efforts between rural communities, the private sector, and all levels of government.

WHAT IS RURAL PROSPERITY?

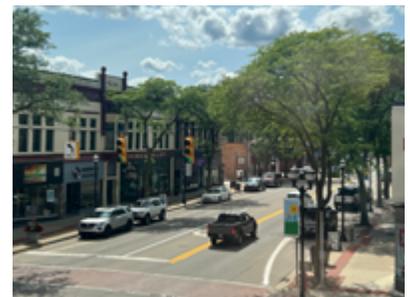


We define rural prosperity as **resilient, connected rural residents, businesses, communities, and natural environments**. The strategies put forward in this document can serve to guide local, regional, and state-level decision-making in the public, private, and nonprofit sectors. Also, because success depends on extensive collaboration, anyone reading this Roadmap can contribute to efforts to build a more prosperous rural Michigan.



RESIDENTS

Residents are healthy, connected to their community, have access to opportunity, and can build wealth.



BUSINESSES

Businesses can succeed, grow, and evolve.



COMMUNITIES

Communities are vibrant with the social connections, amenities, and resources that make them desirable and resilient.



NATURAL ENVIRONMENTS

Natural environments are healthy, sustainable, and integrated into rural lives and economies.

Achieving Rural Prosperity in Michigan

The Roadmap to Rural Prosperity identifies opportunities for local and regional leaders, businesses, funders, and all levels of government to collaborate and work in coordination to achieve this vision of prosperity through the following strategies.



GROW WORKFORCE

IMPROVE WELL-BEING



DELIVER SERVICES



HOUSING OPPORTUNITIES

RESILIENT INFRASTRUCTURE



ECONOMIC DEVELOPMENT

STEWARD OF NATURAL ASSETS



Grow and diversify the workforce across sectors

by increasing labor force participation, retaining or reskilling workforce, and attracting out-of-state talent in rural-conscious ways that allow rural businesses to launch, grow, and evolve.

Improve individual health and economic well-being

by overcoming rural-specific barriers to accessing quality services including healthcare, education, childcare, high-speed internet, and transportation to allow residents to reach their full potential.

Support local and regional capacity to deliver services

by increasing resource supports, building cross-sector and multi-jurisdictional partnerships, and developing capacity to meet immediate demands and evolving future needs of residents, businesses, communities, and natural environments.

Expand quality and attainable housing opportunities

by increasing investments in housing, enhancing tailored technical support, and continuing to foster policies that facilitate new housing options to ensure current and future rural residents can meet their diverse housing needs.

Build and maintain resilient infrastructure

by empowering effective planning and multi-jurisdictional coordination with resources that address rural realities and meet the evolving needs of residents, businesses, and communities.

Enhance regionally driven and place-based economic development efforts

by building on uniquely rural attributes and resources, empowering regions through flexible funding, and fostering a supportive rural business climate to ensure rural residents, businesses, and communities thrive.

Protect, conserve, and be a responsible steward of natural assets

by carefully balancing development and land preservation, offering resources and supports to preserve natural environments, and encouraging environmentally conscious practices to support the health and well-being of future generations.



THE ROADMAP TO RURAL PROSPERITY



Grow and Diversify the
Workforce Across Sectors



GROW AND DIVERSIFY THE WORKFORCE ACROSS SECTORS

Grow and diversify the workforce across sectors by increasing labor force participation, retaining or reskilling workforce, and attracting out-of-state talent in rural-conscious ways that allow rural businesses to launch, grow, and evolve.

RURAL REALITIES

Rural Michigan currently faces significant challenges in attracting and retaining in-demand skilled workforce, resulting in immediate and severe challenges in filling positions essential to community services and economic growth. Without timely and strategic interventions, troubling population trends will only exacerbate these challenges over time. There are a variety of driving factors that are contributing to extreme workforce shortages in rural Michigan, including an overarching trend of population decline and aging as well as lack of housing and childcare options to attract new and retain existing workforce.

Michigan's population ranked the 14th oldest in the nation in 2021 and continues to age and shrink overall. Rural areas, which are older on average than the rest of the state, are feeling blunt and urgent impacts from these changes. Many rural communities lost working-age residents during the 2008-recession; many others are retirement destinations, with the only population growth coming from those at or nearing retirement age. As a result, populations and age cohorts in rural areas have become increasingly imbalanced, with fewer children in schools and a smaller, shrinking labor pool as more of the workforce enters retirement.

Many of our college graduates have chosen to leave the state. Between 2010 and 2018, for example, 75 percent of Northern Michigan University graduates were from Michigan, but only 32 percent of students chose to stay after graduation. Michigan Technological University experienced a similar trend, with 78 percent of its students originating in Michigan and only 46 percent staying after graduation.²⁰ For young, entry-level professionals, the need to address student loan debt and other costs of living creates a sense of urgency around finding competitive salaries and opportunities for career advancement. Perceptions of limited opportunities and lower wages in rural areas discourage some potential recruits from re-locating or settling in rural areas.

While an expanded workforce pool is needed for all sectors of Michigan's rural economy, data analysis and rural input points to particularly urgent shortages for some specific jobs that require a range of training and educational attainment from short-term training to a bachelor's degree or higher, such as:²¹

- **Healthcare**, including behavioral and mental health,²² emergency medical,²³ home healthcare and personal care aides, and dental²⁴ care providers. According to the Michigan Healthcare Workforce Index, Michigan is experiencing extreme shortages across nearly every part of the healthcare workforce.

The Importance of Engaging Young Rural Voices

In designing strategies to retain and attract working-age populations, it is vital that younger age cohorts be engaged in developing and implementing solutions. Decisionmakers and leadership at all levels and across sectors should create meaningful opportunities to engage younger populations and open doors for leadership development to help retain and attract young talent in rural communities. This is needed now and for the future success of Michigan's rural communities. As one effort to help identify and refine solutions to attract and retain young talent in rural communities, the ORP formed the Young Rural Champions Insights Group, consisting of young rural leaders representing a diversity of educational and professional backgrounds across rural Michigan.

With our aging population, particularly in rural areas, the shortage of these positions will likely grow while demand simultaneously increases.

- **Construction trades**, ranging from construction laborers and managers to HVAC technicians. While rural Michigan has a larger percentage of its population employed in the construction industry than non-rural areas, shortages in this industry are frequently cited by rural community leaders. Community leaders have called attention to a critical shortage of contractors, particularly HVAC contractors trained in the installation of high-efficiency heat pumps, and contractors to support housing construction, as major impediments to achieving their local energy and housing goals.
- **Education and childcare**, including teachers, school administrative staff, and childcare workers. A report from Michigan State University, Educational

Opportunities and Community Development In Rural Michigan: A Roadmap For State Policy (2022) calls attention to a troubling teacher shortage, with more than 80 percent of superintendents serving rural districts reporting that teacher recruitment and retention was "'very' or 'extremely' difficult for their districts."²⁵

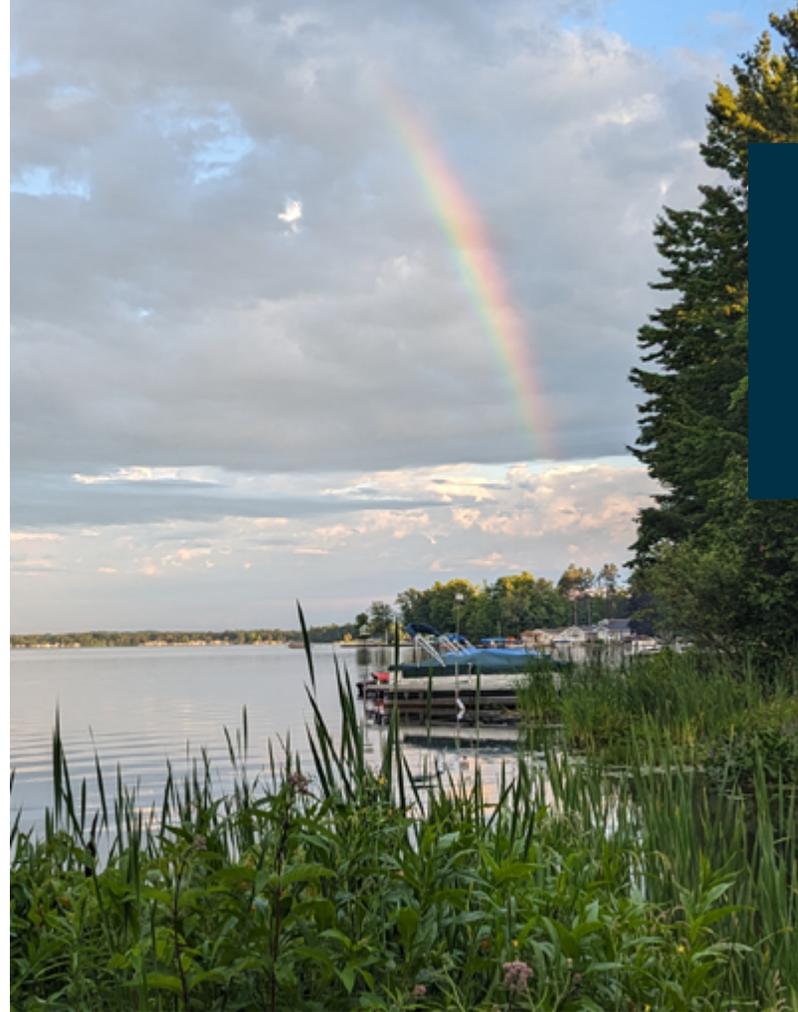
- **Public Service**, including full-time tribal, local, and county government staff and public defenders. Results from the February 2023 Michigan Public Policy Survey paint a troubling picture for local and county government workforce retention and attraction, particularly in small communities. Communities between 5,001-10,000 residents saw recruitment challenges triple in five years, from 9 percent in 2017 to 28 percent in 2022. Reports of retention problems also tripled during that same timeframe from 12 percent to 37 percent. Those in the state's smallest jurisdictions (1,500 residents or less) saw retention problems increase from 17 percent to 26 percent.²⁶ Michigan's Legal Tundras: Criminal Defense Attorney Shortages in Rural Communities. A Report Prepared for the Indigent Defense Council calls attention to critical shortages of those in the legal profession, and particularly those willing to work in public defense, across Michigan's rural communities due to migration and retirement trends. Some of rural Michigan's most populous counties report decreases in attorneys joining the county.²⁷
- **Veterinarians**, with more than 30 rural counties designated veterinarian shortage areas for 2023 by the USDA National Institute of Food and Agriculture.²⁸ Rural communities commonly lack emergency and specialty services, requiring residents to travel long distances and often to Michigan's major metropolitan areas for services.
- **Restaurant and other service workers**, with thousands of annual openings expected across rural regions of the state.²⁹

These occupations are critical lynchpins in any thriving rural economy and rapid, targeted talent attraction and development strategies are needed to address these shortages.

As the workforce needs in rural Michigan grow in urgency, the workforce pipeline narrows. As such, there is a strong emphasis on attracting new residents to communities, including remote workers and international populations, guest workers, or refugees. Some communities are strategically targeting those young rural Michiganders who left for education or other job opportunities, encouraging them to return to Michigan and serve their home communities.

While rural Michigan has much to offer in attracting new residents, the success of these efforts also depends on the availability to meet essential needs, like housing and childcare. In 2023, the ORP partnered with the Michigan State Housing Development Authority to host a virtual roundtable with employers headquartered in rural areas throughout the state struggling to meet the housing needs of their current and future workforce. Rural employers cited frequent challenges attracting workforce and voiced significant frustrations around lack of housing in their area costing them prospective new talent. A 2023 Housing Needs Assessment in Northwest Michigan echoed this concern, reporting that two-thirds of interviewed employers stated that the housing shortage negatively impacted their recruitment efforts.³⁰

In a highly competitive labor recruitment environment with declining populations of working-age individuals, it is unlikely that new residents alone will meet immediate and projected labor needs. Schools, employers, and others are working towards creative solutions to create skilled



training, apprenticeship programs, vocational learning, targeted partnerships, and other innovations to create a talent pipeline. Solutions such as reskilling current workers, working with those not currently engaged in the labor market, supporting and training justice-involved individuals and people with disabilities, and creating opportunities for shared or collaborative services are being implemented in communities across the state, and should be explored concurrently to population attraction efforts.

Addressing rural Michigan's workforce challenges requires a comprehensive effort across sectors and jurisdictions focusing on strategies to reskill, retain, and attract, while maintaining a keen awareness and connection to other factors impacting decisions to join the rural Michigan workforce - including

critical amenities like housing, childcare, and health services, along with the place-based amenities that make communities viable and desirable places for workers to live. These services and amenities, particularly housing, childcare, creating a more attractive community, and access to the outdoors, have been emphasized by both data and rural input as fundamentally important elements of the 'infrastructure' needed to recruit and retain a workforce. Without housing they can afford, new recruits are unable to move to a community, while childcare availability determines whether parents re-enter the workforce. And, place-based assets like recreation amenities, vibrant downtowns, and strong community connections act as powerful draws to those considering where to live or relocate. As such, place-based amenities and related services are a key element of workforce attraction strategies and economic development more generally.

For some professions, other barriers, like licensing requirements, have been identified as a deterrent to attracting and retaining skilled workers. This was heavily stressed by stakeholders serving rural communities along Michigan's borders as they more directly compete for workforce with neighboring states. Solutions that address state licensing requirements may lower barriers for experienced in-demand workforce interested in relocating to Michigan, allowing them to immediately begin working. Michigan already offers reciprocity for certain professions with certain states, including through recent policy adjustments addressing teacher certifications, and may have opportunities to expand reciprocity or adjust licensing requirements in other areas of high demand, such as behavioral health and social work, legal professions, and trades for construction and energy.





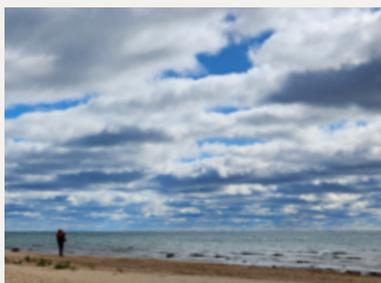
STRATEGIES TO GROW AND DIVERSIFY THE RURAL WORKFORCE ACROSS SECTORS

Support collaborative rural talent development planning and implementation

1. Invest in flexible regional planning and programming that helps schools, employers, and workforce development partners collaboratively identify and implement well-coordinated programs and solutions (education, career tech, university programs, skilled trades schools, scholarships, etc.) based on unique rural regional assets and needs.
2. Support curriculum collaboration between higher education institutions, including community colleges and universities, and employers and industry leaders to ensure educational offerings are preparing students for available apprenticeships and jobs within the region and state. County and regional economic development organizations can play a central role in facilitating and coordinating these important collaborations.
3. Invest in additional rural residency programs to increase recruitment and retention of primary care providers, as well as clinical rotations and internships for other clinical providers, in rural Michigan. Graduates from rural residency programs are five times more likely than urban program graduates to serve in a rural practice.³¹

Eliminate barriers to joining Michigan's rural workforce

4. Focus on funding and policy solutions that will accelerate the production of new housing units for the rural workforce. [Housing is discussed in greater detail beginning on page 44.]
5. Focus on funding and policy solutions that will ensure rural K-12 education is adequately funded to meet educational needs and ensure a sustainable pipeline of skilled workforce. [Education is discussed in greater detail on page 31.]
6. Continue expanding childcare opportunities through innovative programs like tri-share or duo-share partnerships and childcare provider training programs, while exploring policy solutions that address licensing and workforce development barriers. Limited access to affordable childcare opportunities prevents many from joining or rejoining the workforce.
7. Lower barriers for experienced in-demand workforce (e.g., behavioral health and others discussed in this section) by assessing opportunities to adjust Michigan's licensing requirements and provide greater state licensing and qualification reciprocity.



8. Encourage adoption of hiring and retention best practices that lower barriers to employment for existing residents, including those not currently participating in the workforce, justice-involved citizens, and individuals with disabilities, to enable them to successfully join the workforce.

9. Encourage “Grow Your Own” initiatives and innovative solutions and partnerships to fill training and education gaps in rural areas for a variety of career paths (e.g., nursing, trades, etc.), along with the cross-community and cross-sector sharing of those solutions and partnerships. This includes expanding online and on-the-job learning opportunities that allow more individuals to ‘earn as they learn.’

10. Assess opportunities to increase the participation rates and impact of existing state workforce development programs in rural communities like the Michigan Reconnect Program, which offers tuition reimbursement to students within community college districts. Program adjustments to Michigan Reconnect, such as offering full tuition reimbursement to students out-of-district, may improve outcomes for rural communities, which are shown to have lower participation rates in the rural areas with limited community college coverage.³²

11. Support continuation, expansion, and additional funding to support rural-specific workforce programs including but not limited to the Michigan Rural Enhanced Access to Careers in Healthcare (MiREACH), a program administered by the Department of Labor and Economic Opportunity that provides some regional MichiganWorks! with funding to cover healthcare education costs. Program participants must commit to working in rural communities to receive financial support.

12. Expand trade and technical learning opportunities in rural areas where they are lacking through support for innovative partnerships with community colleges and expansion of Intermediate School District Career and Technical Education programming.

13. Expand partnerships between community colleges and four-year degree programs in rural areas, including regions where four-year degree opportunities are lacking, by intentionally connecting higher education with the workforce needs of rural communities, training students for the realities of working in a rural setting, and providing a pipeline of employment opportunities post-graduation.

14. Explore economic and workforce strategies in neighboring states to better understand why rural communities in those states perform better than rural Michigan and consider adopting tailored approaches to increase economic competitiveness and improve individual well-being.

Make moving to or staying in rural areas more attractive to talent

15. Explore offering multi-year financial incentives to in-demand skilled talent to work in rural communities, such as tuition and student loan assistance (e.g., MiREACH discussed above), housing subsidies (including for home construction), and childcare subsidies to help lower the recruitment burden on Michigan’s rural employers.

16. Bolster rural Michigan community marketing efforts outside of Michigan as great places to live and work, not just to visit, with a strategic focus on marketing to rural “boomerangs,” outdoor enthusiasts and industry professionals, rural areas in other states, and other potential newcomers with

in-demand skills and a greater likelihood of relocating to Michigan's rural areas – particularly in those states where the cost of living exceeds Michigan's cost of living.

17. Celebrate rural Michigan as a destination for entrepreneurs and small business by building on the You Can in Michigan campaign with a focus on rural entrepreneur stories in marketing efforts.

18. Invest in and share best practices for community-wide planning efforts and solutions that will assist rural employers in retaining and attracting migrant, immigrant, and refugee populations and support successful participation in the workforce through the provision of critical services and supports including employment readiness, education, language, housing, childcare, and health.

19. Work proactively to engage diverse populations in developing solutions and strategies at the local, regional, and statewide levels to ensure that specific needs and opportunities for diverse residents are integrated into community strategies and services. Ensure that engagement opportunities recognize the differences and constraints around work, family, language, digital access, and mobility levels of diverse populations.

20. Assess opportunities to share best practices and support rural employers in establishing benefit cooperatives to collectively offer more competitive benefit packages to attract talent. ■





THE ROADMAP TO RURAL PROSPERITY



Improve Individual Health
and Economic Well-Being



IMPROVE INDIVIDUAL HEALTH AND ECONOMIC WELL-BEING

Improve individual health and economic well-being by overcoming rural-specific barriers to accessing quality services including healthcare, education, childcare, high-speed internet, and transportation to allow residents to reach their full potential.

RURAL REALITIES

Many of the most significant workforce shortages in rural communities discussed in the previous section have detrimental impacts on the health and economic well-being of rural residents; rural communities struggle to provide the services essential to achieving health and economic prosperity. Rural Michigan has too few teachers and counselors to educate students and ensure academic success and too few healthcare workers to deliver timely and quality healthcare, particularly as demand grows with an older and aging population. The mental health provider shortage is concentrated and particularly acute in rural Michigan. To illustrate, while six mostly urbanized Michigan counties are in the 90th percentile of countywide staffing levels nationwide, with population-to-provider ratios of 250:1 or better, 16 rural Michigan counties have staffing ratios of 1,000:1 or worse. In Ontonagon County it is 5,660:1.³³ Workforce strains in these critical areas compound already existing concerns related to the health and economic well-being of rural residents, particularly those in the most rural and remote parts of the state.

Much of rural Michigan - like Michigan's urban centers that experienced decades of disinvestment - are challenged by deep and persistent poverty.

High numbers of rural households cannot afford the basic necessities. In 2021, more than 45 percent of the working population in 24 counties had earnings too low to afford the bare-minimum cost of household necessities. All but one of these counties (Wayne County), are rural.³⁴ According to the 2022 Michigan Poverty Task Force Report, the top five counties with the highest percent of people below the poverty line are all rural but one (Isabella, Clare, Wayne, Mecosta, and Lake).³⁵ Other data points to the financial struggles rural young people are experiencing, including 13 counties (all rural) with 5 percent of their student population who are unhoused³⁶ and 4 counties (all rural) with more than 70 percent of students receiving free or reduced-price lunch.³⁷ Income is a critical driver of a person's well-being, including their health, educational success, and access to employment.

For rural residents to prosper, access to affordable and quality childcare and education are also critical. Both impact a resident's current and future opportunities to secure a good-paying job. Much of rural Michigan is considered to have significant childcare shortages. Access to affordable and quality childcare - including quality early childhood education, which has significant impacts on childhood development and educational attainment - is a frequently cited concern of rural stakeholders. Complex challenges including the

affordability of childcare, the lack of childcare workers due to issues such as wages and limited workforce overall, and regulations that limit the creation or expansion of new and existing childcare providers have impacted the availability of childcare services across rural Michigan, with significant impacts on the ability of many caregivers to return to the workforce, and for communities to attract new residents.

High-quality K-12 and post-secondary education, meanwhile, are among the most critical components in building strong communities and greater individual and family well-being outcomes. The cost to provide this quality education has been a long-standing area of concern for rural communities. Michigan's less-populated rural areas have smaller enrollment numbers but many of the same fixed costs as more densely populated districts, leading to a greater per-pupil cost. The trend in aging and declining populations in most rural areas has resulted in even lower enrollment numbers and higher student costs, including both educational and operational costs such as transportation. The cost to transport students long distances is another unique challenge for rural communities. **On average, rural schools pay \$200 more per pupil than non-rural areas, and this discrepancy is far higher in many rural areas, climbing above \$2,000 per pupil and requiring schools to pay more than one quarter of their foundation funding for transportation alone.**³⁸

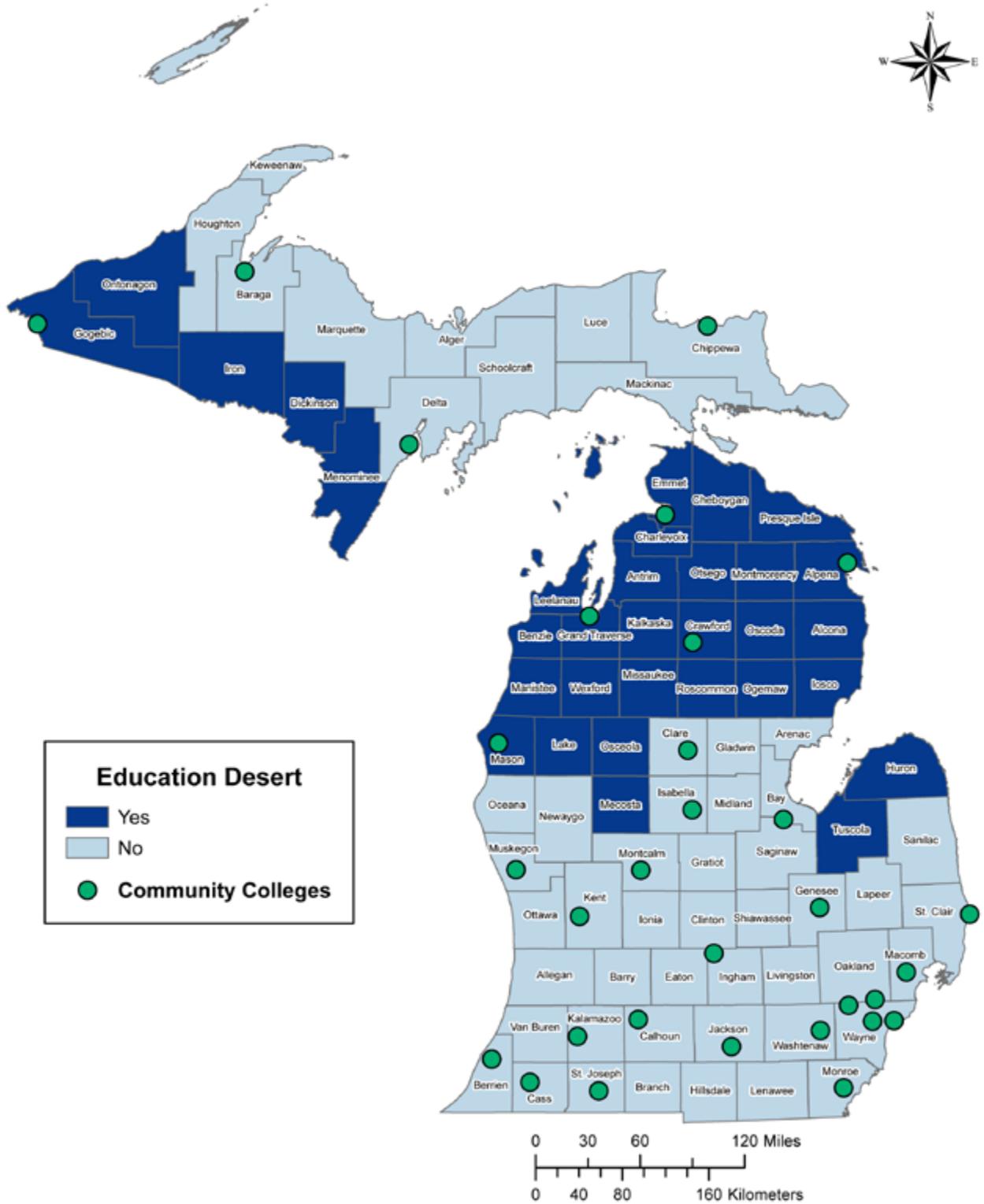
On top of falling short of the true costs to educate rural students, these limited resources prevent schools from offering extracurricular activities, more Career and Technical Education programs, advanced placement courses, as well as challenge attraction and retention of teachers, counselors, and other school staff. This puts rural students



at a critical disadvantage, harming their current well-being and lifelong success. Of particular and growing concern among rural schools, especially during and following the pandemic, is the lack of mental and behavioral health staff to support students, and limited access to high-speed internet, both services that are vital to students' health and access to learning and opportunity. Regardless of socioeconomic status, rural students without access to internet had lower grades, were less interested in STEM field careers, and less likely to attend college.³⁹

In addition to K-12 education, many rural residents have limited access to diverse post-secondary

FIGURE 3. POST SECONDARY SCHOOL DESERTS



Sources: Detroit Free Press and State of Michigan (Michigan Reconnect), data accessed Oct 10, 2023 at <https://www.freep.com/in-depth/news/education/2019/10/16/college-rural-michigan-poverty/3836576002/>
<https://www.michigan.gov/reconnect/community-college/list-of-colleges>

Map created by the Michigan Department of Agriculture and Rural Development, 10/10/2023

Building Infrastructure and Networks for Rural Health and Well-Being

In policy and program decisions and discussions about services and needs of vulnerable populations and individual well-being, it is vital to recognize that many rural communities do not have the organizational capacity or networks in place to provide or distribute services – ranging from food access to transportation to behavioral health. Large parts of the state are served by only a handful of nonprofits or public agencies with limited staff, facilities, and budgets that are unable to implement, or even connect to, new program and funding opportunities. Understanding which communities are underserved, and what options might exist for providing the needed organizational infrastructure to distribute services and funding for vulnerable populations, is a fundamental component of any successful strategy implementation in rural development, particularly as it relates to health and well-being. This requires a long-term effort to assess needs and build sustainable nonprofit and public agency capacity across rural Michigan, and better engage providers in opportunities for funding and support. Further, flexible funding programs and technical assistance may allow existing organizations to expand services to meet needs more effectively, and to develop innovative and regionally specific programs that improve health and well-being outcomes.

opportunities. Even though rural Michigan is home to 21 universities, 32 Michigan counties – all rural – are considered an “education desert” with one or fewer colleges within a reasonable driving commute (see Figure 3 on page 34).⁴⁰ The Upper Peninsula is uniquely fortunate to have three four-year universities along with downstate rural communities that are near major colleges and universities, compared to the rural regions of Northern Lower Michigan and the Thumb. Limited high-speed internet connectivity further limits accessibility of online-degree programs and training to obtain new credentials.

Healthy food access is critical to a person’s overall health. Ironically, rural Michigan experiences some of the highest rates of food insecurity and the fewest federally funded food service programs,⁴¹ despite being the state’s primary grower and producer of fresh food and being home to the vast majority of Michigan’s fisheries and hunting land. Among the top 10 counties with highest child food insecurity rates – all are deeply rural except counties Wayne, Saginaw, and Genesee, home to post-industrial urban centers that experienced decades of disinvestment.⁴² Service providers and partners indicate that the distribution infrastructure that may improve access to food in



rural communities, including nonprofits or other partners with the capacity to offer storage and distribution to populations in need, is inadequate - or simply non-existent - in many rural areas.

Rural Michigan faces some unique disparities in health outcomes and health service delivery based on population and demographic trends, high poverty, limited public transportation, limited high-speed internet connectivity, and challenging healthcare workforce and service trends. Healthcare services in rural areas are far more limited than non-rural areas, with few specialist services offered. Rural residents have higher rates of suicide compared to non-rural areas, and being older on average, tend to have higher rates of many preventable and chronic health conditions⁴³ which typically require increased healthcare services. With this growing demand among already underserved areas, workforce shortages in the healthcare field, including behavioral and mental health, emergency medical services, home healthcare and personal care aides, and dental are particularly troubling for rural communities. And, similar to the unique transportation cost challenges experienced by schools, this problem is also acutely felt across emergency medical service (EMS) delivery.

Rural EMS/ambulance agencies are challenged by an insufficient and high-turnover workforce, long distances between transports, and a lack of regionalized efforts. These challenges put tremendous strain on the existing workforce; 65 percent of Michigan's rural fire/EMS providers reported experiencing critical stress and 14 percent

had thought about suicide.⁴⁴ Rural EMS agencies also face significant financing challenges with limited revenue options available. Medicare/Medicaid reimbursements only cover EMS transport when a patient is taken to the hospital, meaning the costs of travel to an emergency and for providing on-site patient care, are not reimbursable, creating a very difficult funding structure, especially for a rural setting where there is a heavy reliance on Medicare/Medicaid compared to private insurance. On top of limited reimbursement, EMS is not given "essential service" tax-supported status like fire departments and law enforcement agencies in Michigan. Not being an "essential service" makes it more challenging to qualify for competitive grants.⁴⁵ These significant staffing and financial pressures on rural EMS agencies in Michigan is resulting in more and more closing their doors, further threatening rural residents' access to quality emergency care.

Inaccessible or nonexistent public transportation and high-speed internet leaves rural residents with lower incomes, and those who are older or with disabilities, particularly vulnerable. Investments and initiatives that support the health and economic well-being of rural residents - particularly our most vulnerable residents and those living in the state's lowest-income and most geographically isolated rural communities - are critical to providing opportunity and building long-term prosperity across rural Michigan. Rural residents must have equitable access to quality health and human services, healthy food, K-12 and post-secondary educational opportunities, and good-paying jobs to thrive.



STRATEGIES TO IMPROVE THE HEALTH AND ECONOMIC WELL-BEING OF RURAL RESIDENTS

System supports

1. Prioritize building rural workforce directly connected to providing quality health and education services, along with strategic considerations to attract emergency medical technicians and paramedics, medical assistants, nurses, home healthcare aides, teachers, and behavioral and mental health providers to rural communities. [More discussion on workforce begins on page 24.]
2. Prioritize investments in quantity and quality of housing opportunities, as housing is an important social driver of health, and homeownership can help create a pathway to building wealth.
3. Prioritize and expedite the expansion of high-speed internet infrastructure development in rural areas, to increase opportunities for residents to access telehealth, be more successful in their K-12 education, and access post-secondary virtual learning. [More discussion on high-speed internet beginning on page 52.]
4. Identify, promote, and scale successful models for providing childcare services, by addressing regulatory barriers and investing in proven funding, training, and workforce development models.
5. Build capacity and infrastructure for organizations to successfully deliver critical community services, including health/behavioral health, food access, emergency response, and other services. [More discussion on capacity building beginning on page 38].

Policy and programmatic improvements to support resident health

6. Prioritize the exploration of policy and programmatic solutions to address funding concerns

for emergency medical services (EMS) and its workforce, including consideration of EMS as an “essential service” in Michigan.

7. Identify innovative models and pilot programming to diversify rural health services beyond telehealth, increase healthy food access, and address the unique needs of aging and vulnerable rural populations.

8. Integrate and build support around Community Health Workers (CHWs) to broaden the reach of healthcare services and providers in rural communities.

Policy and programmatic improvements to increase access to education and economic well-being

9. Continue building on statewide efforts to increase school funding for rural districts and support models for shared school staffing and services, recognizing the higher cost to educate rural students.

10. Prioritize increased access to post-secondary training and educational opportunities for rural residents, including efforts to expose rural youth to the diversity of future career options and addressing transportation needs connected to these opportunities. [More discussion on workforce begins on page 24.]

11. Identify, support, and scale innovative and successful models for financial, health, and social services that provide support for Michigan’s growing senior population and vulnerable individuals and families. ■

THE ROADMAP TO RURAL PROSPERITY



Support Local and Regional
Capacity to Deliver Services



SUPPORT LOCAL AND REGIONAL CAPACITY TO DELIVER SERVICES

Support local and regional capacity to deliver services by increasing resource supports, building cross-sector and multi-jurisdictional partnerships, and developing capacity to meet immediate demands and evolving future needs of residents, businesses, communities, and natural environments.

RURAL REALITIES

A central, structural challenge in rural communities across the state is limited, and stagnant or declining, revenue. Many rural communities experienced a significant decline in property values following the 2008 recession, and engagement with rural local governments emphasizes the challenges in 'catching up' to pre-2008 levels of property tax revenue due to the Headlee Amendment - which holds increases in taxable value to the rate of inflation. With declining revenue and taxable value, as well as fewer users paying into local systems, it becomes more difficult to fund basic services. The challenges are compounded in regions with large amounts of public land; in communities or counties that are home to national or state forests or parks, significant amounts of acreage provide little opportunity for communities to grow their tax base.

Limited and declining revenue exacerbates another central challenge; the lack of organizational capacity to respond to short-term needs and plan for long-term change. Without adequate local funding for routine maintenance and services, and with few tools available outside of local millages to raise public revenue, local governments are often reliant on grants as a revenue source, which are inconsistent and difficult to access due to

administrative capacity limitations. Even when grant funding is available, most rural local governments have limited capacity to plan proactively for projects that grant funding could support, and to apply for or administer grants. Grant applications are completed in administrators' 'spare time' and compete with more urgent priorities. Further, the timelines, processes, and reporting requirements for these grants often act as a deterrent; reporting requirements may consume a significant portion of a staff person's time, and timelines to apply and complete projects may be unrealistic.

These capacity issues extend beyond local governments to include quasi-governmental organizations like land bank authorities, tribal governments, and mission-driven organizations working to serve rural residents and communities across a variety of issue areas. The presence of fewer corporate donors and large philanthropic organizations in most rural areas results in fewer or smaller sized fundraising opportunities for many organizations.

This limited and inconsistent funding results in communities lacking the necessary capacity for engineers, housing coordinators, and many other key roles needed to conduct the necessary planning and build development readiness necessary to attract

private investment and implement transformative projects. This leaves many rural communities stuck in a vicious cycle. Without intentional efforts to build local and regional capacity for our rural communities, resilience to respond to economic, demographic, and climate changes will be woefully lacking for many. Largely driven out of necessity, many are shifting course and looking for creative opportunities to collaborate and share resources across their service areas.

“It’s much easier in a rural area to get involved in municipal or educational management as a community member.”

- 2023 Rural Priorities and Perspectives Survey respondent



Building Capacity by Streamlining Procedures: Developing Grant Application and Administration Guidelines to Increase Accessibility to Funding for Rural Communities

Administrative processes in grant and other governmental programming are a significant barrier for communities that have limited organizational capacities. Underserved, disadvantaged rural communities are disproportionately harmed by burdensome application and administration requirements. The burden to apply for grants is continually raised by rural stakeholders and is forcing many to explore ways to secure grant writing services in an attempt to keep up. While one solution to this barrier is to build capacity within communities and organizations, parallel efforts to reduce administrative burdens and streamline processes can further address capacity limitations while improving access to funding. Removing some 'barriers to entry' and reducing the time and expense involved in more extensive applications and reporting requirements would be a welcomed improvement for rural and other under-resourced communities. Examples of guidelines and administrative processes that accommodate and support lower organizational capacities include:

- Tailored eligibility, scoring, and expectations for 'Return on Investment' specific to rural areas, accounting for fewer amenities, smaller and more dispersed populations, and smaller budgets.
- Rural set-asides to ensure that resources are deployed across a spectrum of community sizes and types.
- Streamlined application processes and reporting requirements to accommodate capacity burdens, including shorter application forms and forms standardized across programs and agencies to eliminate redundant data entry and application information.
- Expanded timelines to allow for planning and implementation with reduced staffing resources.
- Lowered or eliminated financial match requirements, allowance of in-kind matching, and inclusion of administrative or indirect costs in grant awards, to allow communities or organizations with limited resources to compete in grant programs.⁴⁶
- Programming and processes that allow communities and organizations to design flexible approaches that achieve desired program outcomes.
- Cooperative grant agreements that feature strong funder engagement and partnership in program implementation, to help communities and organizations build greater administrative expertise and capacity to successfully plan, implement, and manage.



STRATEGIES TO ENHANCE LOCAL AND REGIONAL CAPACITY TO DELIVER SERVICES

Identify additional resource supports

1. Develop and implement program and grant requirements that accommodate the realities of managing projects in rural communities for both public and private funding opportunities. [See page 41 for examples.]
2. Advocate for more state, federal, and philanthropic funding opportunities that offer technical assistance, planning, and capacity building support for rural communities.
3. Create a statewide infrastructure to attract and connect rural communities to greater state and national philanthropic funding and corporate donors to help scale local and regional solutions.
4. Work with the private sector and philanthropy to create a rural financial match program that would allow underserved rural communities to identify and access financial match sources more easily for state and federal programs that require it.
5. Explore policy changes to increase and sustain revenue and efficient distribution of resources for local governments and counties.

Encourage cross-sector and multi-jurisdictional partnerships

6. Consider policy and program changes that provide resources and support for regional planning and economic development organizations to build shared regional capacity and provide enhanced planning and economic development resources and services.

7. Identify, support, and scale successful examples of cross-sector and multi-jurisdictional partnerships that facilitate innovative solutions, including models that allow communities to deliver services more efficiently through shared staff or expansion of service provision into additional geographies.

Build sustainable staffing capacity and expertise

8. Build and expand multi-year fellowship opportunities in rural communities to help fill immediate staffing capacity gaps and attract new talent.
9. Invest in leadership and governance training and continuing education for local, tribal, and county government staff and nonprofit leaders to ensure that communities are equipped with best practices and resources needed to implement effective solutions and are connected to peers in other communities to share lessons learned and spark new ideas.
10. Support and provide leadership development programs, especially for early career talent, to cultivate a pipeline of diverse leadership in local, county, and tribal governance, as well as the nonprofit sector. ■

High Capacity

Building Regional Capacity and Structures

The value of regional strategy, planning, and implementation is central to strategies throughout the Roadmap. Regional coordination enables limited capacity communities to leverage more resources and partners, build broader strategies to capitalize on shared assets like natural resources, and provide more capacity across the region to meet local needs.

These kinds of regional benefits require organizational infrastructure that can facilitate coordination and deploy resources, while also ensuring local priorities are represented and prioritized. Michigan's regional planning organizations (RPOs) and economic development organizations (EDOs) provide a structure for these activities. Examples abound of local and regional solutions that were facilitated by these types of organizations: childcare innovation, grant writing capacity for local governments, local planning and zoning ordinance development and administration, regional economic development, parks and trail planning, and more. However, limited and unpredictable funding of RPOs and EDOs threaten larger scale and sustainable impacts. Much of the revenue available to these regional organizations is based on grants, donors, or programming that are episodic and do not provide stable and ongoing support. Different initiatives have been successfully implemented in the past to provide flexible funding to RPOs, enabling them to develop responsive programming and build stable capacity, and new funds from Michigan Economic Development Corporation (MEDC) may help to build the capacity of EDOs to better serve their regions; but there are currently limited opportunities or programs that enable these critical regional organizations to scale their services and meet local demand. Roadmap recommendations include consideration of funding and programming that will provide the consistent, predictable, flexible funding that will allow these organizations to respond to local needs for planning, small business and entrepreneurial support, and other locally identified priorities.

Low Capacity

THE ROADMAP TO RURAL PROSPERITY



Expand Quality and
Attainable Housing
Opportunities



EXPAND QUALITY AND ATTAINABLE HOUSING OPPORTUNITIES

Expand quality and attainable housing opportunities by increasing investments in housing, enhancing tailored technical support, and continuing to foster policies that facilitate new housing options to ensure current and future rural residents can meet their diverse housing needs.

RURAL REALITIES

Housing needs have been the number-one concern raised by rural communities and residents statewide. The lack of housing supply is a primary barrier to workforce recruitment, and has pushed up the cost of housing overall, making it more difficult for existing residents to afford rentals or transition to homeownership in their community. The severe workforce challenges experienced in rural Michigan are directly linked to the lack of available and attainable housing; rural communities and employers working to attract and retain employees and residents repeatedly cite housing shortages as their most significant and immediate barrier, noting that new recruits often struggle to find a home to which they can relocate, leaving jobs unfilled across all sectors.

Michigan's Statewide Housing Plan demonstrates the degree to which housing shortages impact communities statewide. Indeed, housing shortages are a top priority for both growing rural communities and those with declining populations, reflecting a perfect storm of economic and demographic factors. First, residential construction across the country, and especially in Michigan, plummeted after the 2008 recession, leading to historically low rates of new construction starts and construction businesses and workforce leaving the state or the industry entirely

for well over a decade. As construction slowed or even stopped in many communities, demand continued to grow due to shrinking household sizes.⁴⁷ With fewer people in each household, household growth continues even with a stagnant or declining population, and more homes are needed even for the same number of people. Further, more people are choosing to age in place, a trend that is especially acute in rural Michigan where residents are much older on average and where fewer multi-family or senior living options are available, leading to reduced housing turnover. With low rates of new construction over the last 15 years, Michigan's housing stock overall is older and becoming more difficult and costly to maintain, resulting in declining physical quality of homes, particularly for lower-income communities. And, finally, the growing popularity of short-term rentals, especially in Michigan's tourist destinations – frequently rural Michigan – is further shrinking available housing stock for year-round residents, particularly in areas closest to job centers.⁴⁸

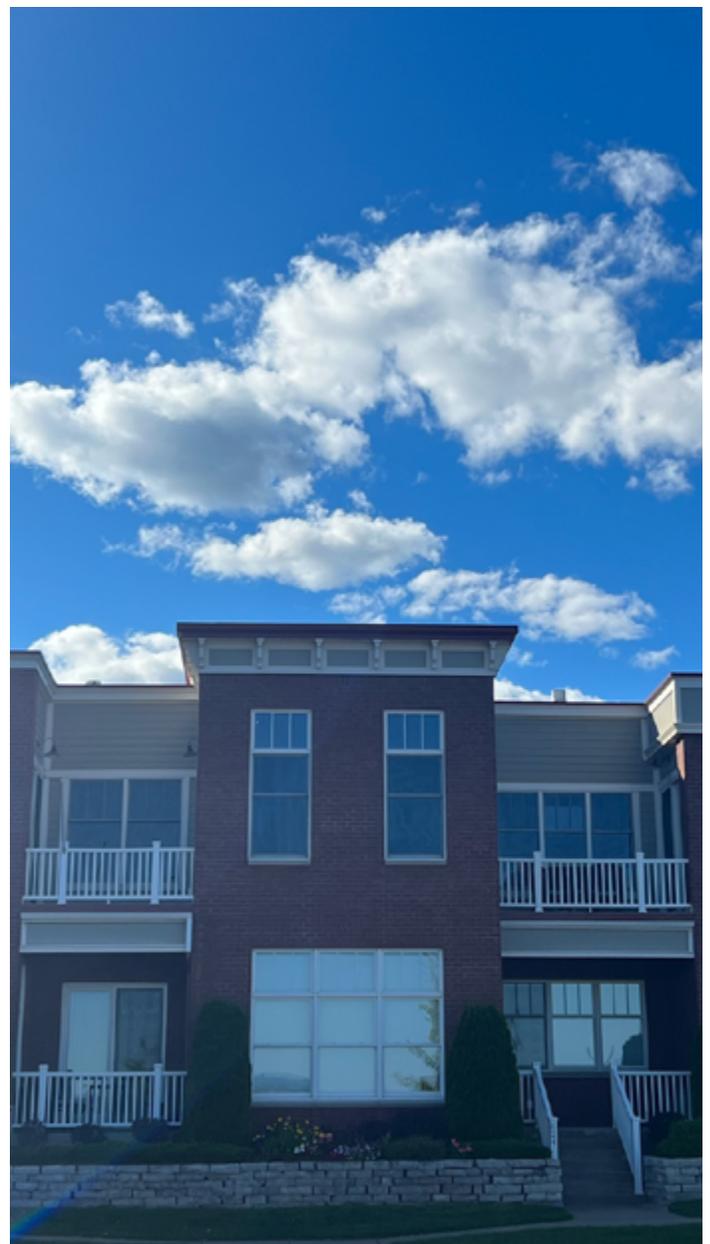
As communities and rural partners work to address these challenges and create new housing stock, many find they lack the organizational capacity needed to apply for grants that often require heavy reporting requirements and local investment, and to coordinate and administer projects. Housing

development is a complex process that requires participation from multiple sectors and levels of government, including local leadership. This can be especially true when needing to explore infrastructure expansion to support housing development. While many communities are working proactively to change zoning, make properties available for redevelopment, and partner with nonprofits or private sector interests, dedicated capacity and new tools are needed to expand, encourage, or incentivize local participation.

Where housing projects are planned, a lack of developers and contractors is exacerbated by competition with non-rural areas or high-value seasonal properties where builders can more easily make a profit because of economies of scale or higher property values overall. In some cases, the inability to find developers and contractors prevents grant recipients from meeting requirements within grant deadlines, jeopardizing needed funds and projects. Stakeholders serving rural communities along Michigan's borders frequently cited heightened competition for developers, as developers found neighboring states' regulations and permitting processes more accommodating and cost-effective than Michigan's.

High costs of development make subsidy necessary to close financing gaps and support the construction of housing that's affordable even to those earning above median incomes. New statewide resources like MSHDA's Missing Middle Housing grants, which provide flexible funding for a range of household types and housing styles, are helping to offset development costs and make housing more affordable; and policy changes have been implemented to provide additional development tools that will further lower housing and development costs, through

tax increment financing, payments in lieu of taxes, and Neighborhood Enterprise Zones. Yet, despite the commitment to and investment in Michigan's housing stock, the high costs of development and tremendous demand for new housing mean that additional resources are needed across the state to meet a range of housing needs; and in rural areas, where organizational capacity and infrastructure are limited, those resources must be flexible or tailored to specific community needs and capacities to be deployed effectively.





STRATEGIES TO EXPAND QUALITY AND ATTAINABLE HOUSING OPPORTUNITIES IN RURAL COMMUNITIES

Invest in rural housing

1. Continue to advocate for state, federal, and philanthropic funding requirements that reflect rural needs and development environments, and can be feasibly implemented by low-capacity, under-resourced communities. [See sidebar Building Regional Capacity and Structures on page 41.]
2. Develop additional funding resources to support gap financing, pre-development costs (including infrastructure needed for housing development), home repair of occupied housing, and rehabilitation.
3. Invest in and support MSHDA's Regional Housing Partnerships (RHPs) and the implementation of the action plans developed by the RHPs.
4. Provide best practices, expertise, and investment to support rural communities and organizations, at the regional level, in establishing housing trust funds that meet locally and regionally prioritized housing needs.
5. Incentivize and support employer-led investments through matching funds in housing production and housing subsidies for their workforce.
6. Identify opportunities for state agencies to streamline processes and coordinate programs and funding to serve projects that meet a variety of goals (housing, childcare, healthcare, etc.).

Provide technical support for rural housing efforts

7. Support MSHDA RHPs with the tools, resources, and expertise to successfully implement RHP action plans, recognizing unique challenges faced in rural areas.

8. Provide capacity-building and technical assistance resources for local, tribal, county, and regional initiatives that address planning, zoning, and implementation needs related to local housing goals.
9. Support education and technical assistance initiatives for housing partners, including housing and economic developers and local, tribal, and county governments leaders, that facilitate the use of new and existing housing development finance tools including but not limited to the use of tax increment financing, land bank authorities, and Neighborhood Enterprise Zones.
10. Invest in and provide additional supports to small or emerging local developers through templates, flexible programming, streamlined processes for developers with less experience, capital, and capacity. Small, local developers are often more likely to invest in struggling rural communities and willing to accept lower rates of return because of their commitment to the community.
11. Provide connections, resources, and support to rural regions to cultivate and attract housing developers to their area while facilitating partnerships and programs that build a more robust construction workforce.

Create a policy environment to better facilitate housing production

12. Incentivize and support local and county planning, zoning, and other local and county initiatives that remove barriers to housing development, while providing additional tools to governments working to expand housing opportunities.

13. Identify opportunities to streamline state permitting processes that will expedite and lower the cost of housing production.

14. Explore state policy change to secure additional, and ongoing, revenue for housing in Michigan.

15. Address and mitigate the potential for negative impacts of short-term rentals on communities, including the strain placed on available housing stock for year-round residency, through local and state policy. ■

“There is a certain charm of small rural communities, each community has its own flavor and character that makes it unique. Rural communities offer slower paced living with room to spread out yet the intimacy of small knit community.”

*- 2023 Rural Priorities and Perspectives
Survey respondent*



THE ROADMAP TO RURAL PROSPERITY



Build and Maintain
Resilient Infrastructure





BUILD AND MAINTAIN RESILIENT INFRASTRUCTURE

Build and maintain resilient infrastructure by empowering effective planning and multi-jurisdictional coordination with resources that address rural realities and meet the evolving needs of residents, businesses, and communities.

RURAL REALITIES

Infrastructure costs present a structural challenge in rural communities; with smaller populations and large geographies, systems have fewer ‘payers’ to support the costs of providing services over larger distances. And, as revenue and taxable values decline in many rural communities and population declines result in even fewer users paying into local systems, it becomes more difficult to fund new infrastructure or provide necessary maintenance on existing infrastructure. In many communities, maintenance has been deferred and/or there is no funding for needed improvements or enhancements. In other cases, where additional infrastructure capacity is needed, costs for expanding water and sewer systems are prohibitive, limiting opportunities for new housing or other development. Issues associated with infrastructure expansions are often complicated by challenges in coordinating water and sewer systems and finances with neighboring units of government, high costs for engineering studies, high hook-up fees for individual users, and lengthy timelines on needed permits, funding, and approvals. Local and tribal governments emphasize the prohibitive costs of expanding or enhancing infrastructure that could create new opportunities for housing or economic development, and the lack of resources available to offset those costs and

attract new developers. Underlying much of this challenge is the reality of low density and remote areas providing a much lower market incentive for numerous infrastructure projects compared to densely populated communities.

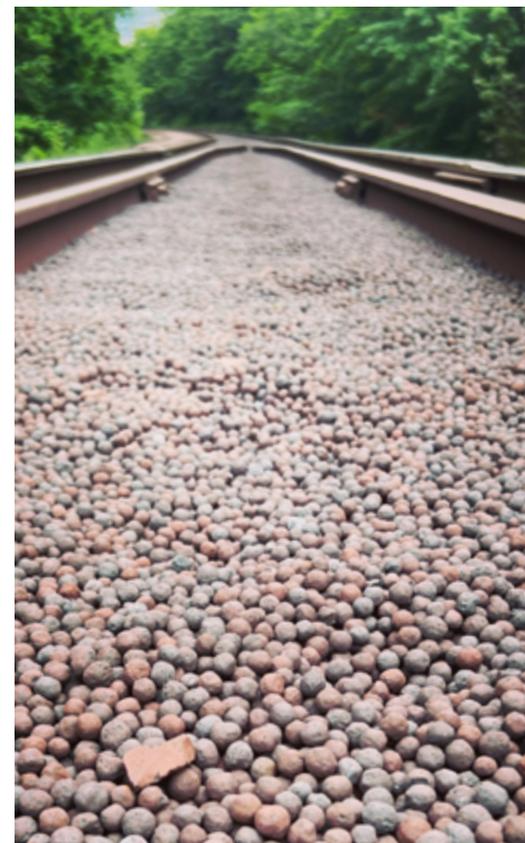
Even with a historic influx of federal infrastructure funding available, many rural communities struggle to access funding appropriate for their needs. Many new funding sources do not address the infrastructure expansion that is required to support new development. And, while there are new funding sources that focus on infrastructure repairs and maintenance, many rural Michigan communities lack the capacity to prepare a project pipeline or build competitive applications necessary to secure funding. Communities that do not have the density or resources to support broad new infrastructure development and rely on smaller forms of infrastructure to support new clustered housing or commercial development, such as community septic systems, often face regulatory and process barriers that can be resource- and time-intensive, effectively prohibiting their use for some projects.

Other key infrastructure needs in rural areas center on transportation, including but not limited to road maintenance needs. As rural communities work towards desirable place-based economic

development, pedestrian and non-motorized infrastructure has become a top priority, particularly for those communities with high rates of traffic in or near their downtowns and commercial areas. Sidewalks, traffic calming, trails and bike paths, and other non-motorized amenities are critical not just for enhancing a community's sense of place, but for the safety, accessibility, and health outcomes of all rural residents, including those who are unable or choose not to drive. The importance of these types of recreational activities is strongly supported by statewide and regional results from the Michigan State Comprehensive Outdoor Recreation Plan survey regarding outdoor recreation participation and the economic and health values of different outdoor recreation types.⁴⁹ These goals are further advanced with effective transit options, which are lacking in many or most rural areas; the complexities of providing transit over large geographies has historically limited the availability of rural transit,

leaving many of rural Michigan's most vulnerable residents dependent on cars and expensive transportation options for essential services, employment, and healthcare.

Additional transportation infrastructure like airports is another key concern in rural communities, who have experienced significant changes to regional air service since the pandemic. It is difficult to overstate the importance of accessible air service to a region's economy and residents: regular and efficient flight connections create and sustain business markets and tourism opportunities. What's more, they are a key consideration for those looking to move to or invest in rural areas, ensuring convenient access to other parts of the country where new residents or businesses may still have social or economic connections. Yet, with fewer pilots, flights, and subsidies available for small rural airports, rural airports across the country are losing service and flights, severely restricting



the accessibility of rural communities to and from other parts of the state and country, particularly in remote areas like the Upper Peninsula and Northeast Lower Michigan. As small regional airports face the prospect of losing their Essential Air Service designation and accompanying subsidies, along with disruptions to air service stemming from changes in the airline industry, communities experience urgent and significant impacts on economic development and business growth, as well as to population attraction and recruitment efforts. Rural areas facing these changes to air service cite it as one of the most significant concerns for economic development and quality of life within their regions. While the complexities of air service have complicated efforts to address disruptions to service, local and regional stakeholders are working with private sector partners to identify opportunities to stabilize and expand service; and state support for public-private partnerships may foster innovative measures to ensure all communities have access to the essential service and opportunities provided by air service.

One of the most critical infrastructure needs rural communities have been facing is the lack of affordable and accessible high-speed internet, or broadband.⁵⁰ The pandemic exposed the long-standing 'digital divide' in rural communities and the crisis that limited connectivity has created for many families in terms of accessing school, work, and health services. Lack of high-speed internet access also limits growth and technological advancements of existing businesses. High-speed internet expansion and accessibility is a top priority across the state, but local plans, maps of unserved areas, and funding has presented challenges in initiating and implementing projects. Some challenges related to high-speed internet expansion are connected to definitions of adequate coverage or service that impact funding opportunities. Further, limitations on eligible applicants or locations can preclude otherwise viable projects from applying for funding. New investment in high-speed internet means that many improvements are planned across the state, but timelines for implementation are long

"Many rural communities in Michigan have faced challenges such as economic shifts and changing industries. However, their residents often demonstrate a remarkable spirit of resilience and adaptability, working together to overcome obstacles and revitalize their areas."

- 2023 Rural Priorities and Perspectives Survey respondents

"I think that Michigan's rural communities have strong bonds and the people strive for resilience. However, lack of services and opportunities damages that resilience."

"The people! I'm proud to live in a community where the public and private sector join forces with individuals to improve the quality of life and vibrancy of our small town."

and the high costs of expansion mean that many stakeholders are still working to identify significant amounts of funding to fill financial gaps even on projects that have received funding. Implementation also requires a workforce that currently does not exist in the numbers needed to complete projects. Meanwhile, even where service is available nearby, connection costs for residents can be prohibitive, and many households continue to struggle with long-term affordability of internet service. And the underlying reality of sparsely populated rural areas providing low or zero market incentive for the private sector to expand high-speed internet, continues to be a barrier.

The Michigan High Speed Internet Office (MIHI), created in 2022, has played a key coordinating role for new federal funds that will support new internet infrastructure and connectivity. With billions of dollars coming into the state from new federal funding sources, MIHI has worked extensively with providers and communities to identify priority needs and gaps. The 2023 Broadband Equity, Access, and Deployment (BEAD) Program 5-Year Action Plan includes specific strategies designed to address a range of implementation needs and builds the groundwork needed for the state to deploy new funding resources to expand the state's high-speed internet connectivity.⁵¹ Because the most significant gaps in connectivity exist in rural areas, many of the new state and federal resources will be deployed in rural areas to overcome the 'digital divide.'

Regional Air Service

Access to airports and frequent air connections can be taken for granted in many parts of the state, especially near larger metropolitan areas, and as such, support for airports might not be recognized as an urgent economic development priority statewide. Yet, large parts of Michigan are encountering significant challenges related to air service that are impacting their ability to sustain and grow business, population, and tourism. Small regional airports are the first to feel changes in the airline industry, and many have lost flights and connections that were and are vital to ensuring access to other parts of the state or country.

The importance of these airports to rural prosperity cannot be overstated; without regular and efficient air connections, communities lose the connectivity to larger markets and opportunity that makes them viable destinations for relocation and growth. The factors driving these changes are tremendously complex, and despite close coordination between regional airports and the business community, solutions are rarely clear or immediate. As these regional stakeholders and statewide partners work to support and build access to airports and air service, a coordinated, comprehensive response is needed to elevate this issue, understand options, and identify solutions and needed resources. Roadmap recommendations for a coordinated statewide initiative may help to network rural and regional airports to identify successful approaches, while also clearly articulating trends, options, and resource or policy needs to address this urgent rural priority.



STRATEGIES TO BUILD AND MAINTAIN MORE RESILIENT INFRASTRUCTURE IN RURAL COMMUNITIES

Provide resources that recognize rural realities

1. Develop funding and resources for infrastructure and high-speed internet that not only support project costs for new or enhanced development, but also offer additional resources for associated costs, including planning and capacity building, developing the workforce needed for implementation, and funds to help offset individual household hookup costs or long-term subscription costs so its accessible for new users.
2. Support local and regional efforts to conduct high-speed internet surveys or develop high-speed internet plans to build readiness for projects that could be implemented as funding becomes available.

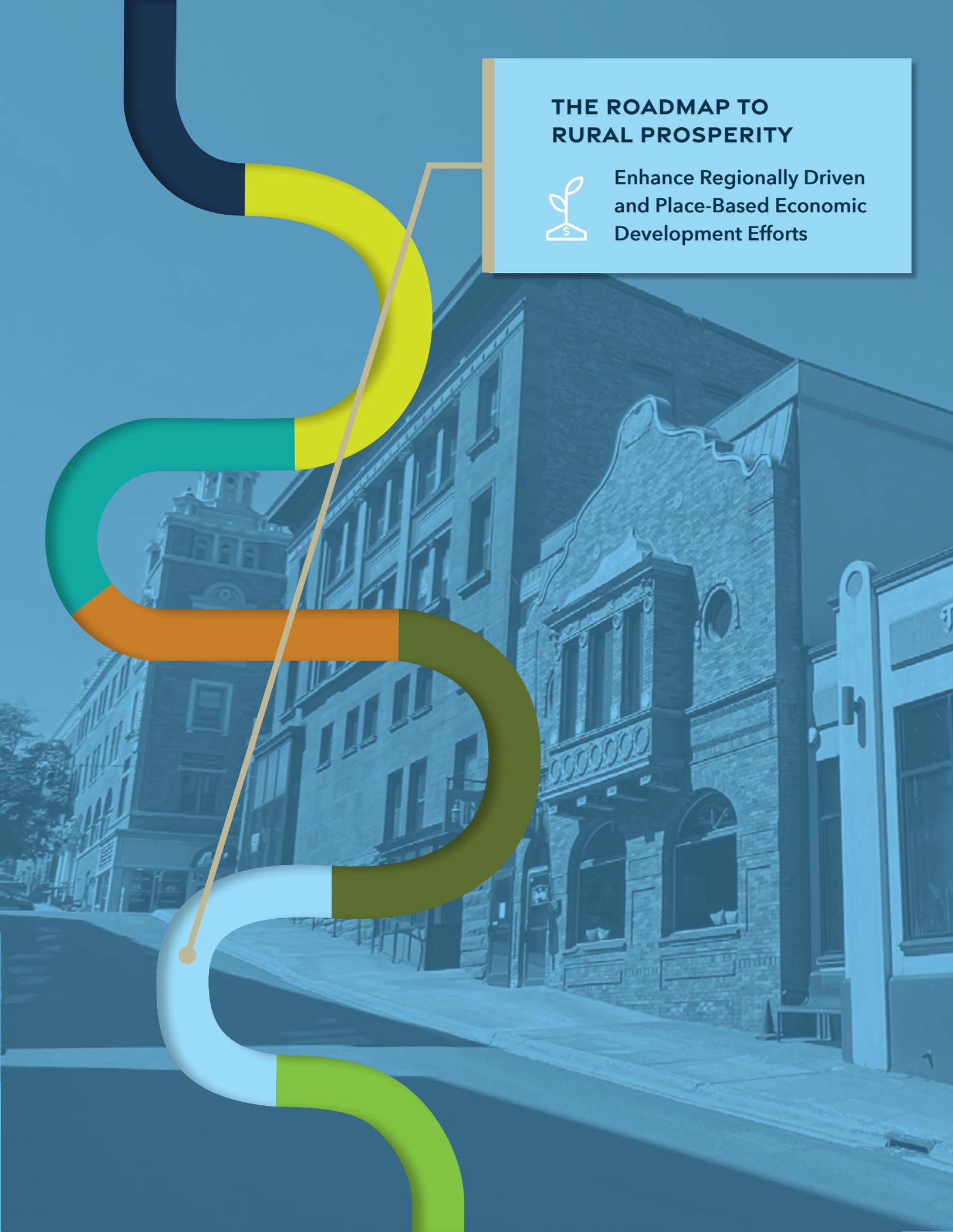
Facilitate more efficient and effective infrastructure planning and development

3. Study the average costs for design and permitting of key infrastructure projects and identify opportunities to streamline permitting and approval processes to lower cost and enable innovative local approaches to infrastructure, such as community septic systems that allow for more dense housing development.
4. Enhance local and state coordination of transportation and infrastructure planning and development by establishing a mutual understanding of processes, needs, and opportunities for improvements in and around downtowns.

5. Support comprehensive planning and implementation of a variety of transportation options, including regional transit services and improvements to non-motorized transportation infrastructure, to ultimately reduce cost, build ridership, and provide travel options for those without a vehicle or transit.

6. Build a focused statewide initiative, engaging rural stakeholders and air service providers/airports, to develop a comprehensive response to rural air service needs that will examine trends in regional air service and their impacts on local businesses, economic development, and ability to serve existing and attract new residents, and identify strategies and options at the state and regional levels, including expansion of public/private partnership models, to respond to these impacts effectively and ensure that more remote communities can remain connected to the state, national, and global economy.

7. Prioritize partnership and training opportunities to develop the necessary workforce pipeline for expected expansion in high-speed internet infrastructure projects. ■



THE ROADMAP TO RURAL PROSPERITY



Enhance Regionally Driven
and Place-Based Economic
Development Efforts



ENHANCE REGIONALLY DRIVEN AND PLACE-BASED ECONOMIC DEVELOPMENT EFFORTS

Enhance regionally driven and place-based economic development efforts by building on uniquely rural attributes and resources, empowering regions through flexible funding, and fostering a supportive rural business climate to ensure rural residents, businesses, and communities thrive.

RURAL REALITIES

'Place' has always been rural Michigan's competitive advantage. The historic downtowns and residential neighborhoods, scenic beauty, and access to the outdoors found in rural communities are a primary factor in decisions that residents and employers make about where to live and invest. These place-based assets have become increasingly

Rural communities have a long history of fostering economic strength and innovation to meet the needs of their communities, the state, and even national and global economies while staying uniquely rural. And as preferences, trends, and environments continue to change over time, rural communities again are proving their ability to think innovatively and celebrate what makes them unique. They are working to ensure they are cultivating their unique regional strengths and that the desired place-based amenities exist for larger strategies to be successful. Supporting rural communities in this endeavor is key to Michigan's overall economic strength and will be what sets it apart from other states.

important in the face of national and global trends that are changing work, migration, and business decisions that will have long-term social and economic impacts.

Remote work has changed migration patterns and business growth; with the freedom to work or do business remotely, many people are choosing to live in areas with access to outdoor recreation and other place-based amenities like vibrant downtowns or quality schools, leading to national trends pointing to recent population growth in many rural communities. At the same time, national and global workforce shortages are pushing more businesses to base their location decisions on where they can find talent – meaning that communities who have invested in place-based amenities like their public spaces and housing stock to attract talent, also face growing opportunities to attract business.

These changing migration and economic patterns mean that, while sustained population loss in many rural communities has threatened their economic stability over time, the unique features of rural areas provide tremendous opportunity to retain and attract the talent and businesses needed for a thriving economy – if they are properly managed and leveraged at the local and regional level.

In the 2023 Rural Perspectives and Priorities Survey, place-based features were identified by respondents as top competitive strengths. Additionally, when rural residents were asked why they chose to live in their current rural community, they selected (1) preference for a small community, (2) proximity to family and friends, (3) availability of outdoor recreation opportunities, (4) low crime rates, and (5) hunting, fishing, gathering, and farming opportunities. Notably, over half of respondents (54 percent) did not grow up in their current community and 26 percent had left and then returned to their community – demonstrating the powerful draw these features represent.

Building on these strengths is among the most important economic opportunities facing rural Michigan, and for years, many rural communities have focused their economic development strategies on building a high-quality sense of place that is attractive to residents, visitors, and businesses. A variety of programs, available from partners like the MEDC, have supported new development and redevelopment of downtowns, commercial corridors, and other key community assets, leading to new growth and vitality in rural Michigan. Yet, resources and planning to support place-based economic development are inadequate to meet the tremendous demand for, and costs of, impactful community improvements. Further, many rural regions lack significant amenities that are needed for successful talent attraction and retention, including transportation infrastructure like regional air service that links rural and metropolitan talent and markets, high-speed internet to both support expansion of existing businesses as well as increase access to

capital and technical services for rural entrepreneurial startups, and housing and childcare options for the workforce. In an era of increasing choice – where choosing where to live often supersedes choosing where to work – the value of focusing on place-based amenity development is critically important in attracting and retaining both talent and business.

As communities consider where and how to invest in new growth and development, a key consideration is the balance between development that diversifies and grows their talent and economic base, while at the same time maintains and protects the unique rural features and natural environments that make them attractive and resilient. Often, the term ‘growth’ in rural areas may appear to be at odds with the cherished values of rural lifestyles. However, a balanced and comprehensive approach to development in rural communities, with appropriate planning and community engagement, can preserve those uniquely rural features while still providing residents and businesses with the opportunities to thrive.

One such approach centers small business ownership and entrepreneurship as a key tenet of rural economic development that also fosters and supports placemaking initiatives. Thriving rural communities often depend on a mix of unique, locally owned businesses such as a coffee shop, brewery, restaurants and other hospitality businesses, general store or grocery, and retail options. Vibrant rural downtowns act as a catalyst for wider community revitalization, and they are often the product of investments made by local developers and small businesses that are committed to redeveloping important properties within the communities they live and love. In that respect and more, small business development and

entrepreneurship can spur important placemaking opportunities and new growth in rural Michigan that is integrated within the character and amenities of the community and serves local needs. By creating jobs, amenities, and investment, entrepreneurship functions as a workforce tool, an economic development tool, and a talent attraction tool. Economic development strategies that promote small business ownership as a career path, with training specific to opening and operating small businesses, and grant dollars to local communities to kickstart and support these businesses can advance workforce, placemaking, and economic development goals simultaneously.

Rural Michigan's diverse regional assets like freshwater, forests, and soil-rich agricultural land are driving opportunities for research, innovation, and business growth in industries and fields that depend on access to these resources. With strategic, regional coordination and connections, rural areas are positioned to sustainably rely on natural environments for economic growth in fields like marine technology, mass timber and other forest product manufacturing, the outdoor recreation industry, agriculture and food processing innovations, freshwater research, and more. The unique mix of assets in each rural region can also enhance opportunities throughout the state, as each region provides its own specific amenities, resources, and specializations. For example, as demonstrated by regional results from the Michigan Comprehensive State Outdoor Recreation Plan survey, different rural regions place elevated value and are better positioned to support certain recreational activities (e.g., boating, hiking, hunting/fishing, off-road ATV/ORV riding, etc.) over others, providing opportunities for both



synergies and diversification within the outdoor recreation economy, allowing for the cultivation of regionally unique rural experiences and economies.⁵² Additionally, expanding Michigan's outdoor recreation infrastructure, including biking and hiking trails, and parks, can foster economic development and population stability and growth when strategically planned and appropriately connected to rural communities. When these amenities are accessible and promoted, they can attract new and diverse visitors, residents, entrepreneurs, and new businesses that are looking for recreation opportunities as a lifestyle amenity. A strategic expansion of recreation infrastructure statewide is key to leveraging existing assets and exploring new connections and opportunities. Michigan's newly created Office of Outdoor Recreation Industry stresses the importance of the outdoor recreation sector for our state as a whole and plays a critical role in building important connections and scaling opportunities.

Cross-sector, multi-jurisdictional support of regionally driven efforts will be critical to ensuring that communities and regions are able to capitalize on these resources and opportunities. Rural economic development leaders and businesses

point to the most successful examples of economic development being those that prioritize and facilitate regionally driven design and execution of strategies. These types of regional efforts depend on the existence of regional organizations like economic development organizations (EDOs) and regional planning organizations (RPOs) that provide capacity, administrative support, and important connections between state, tribal, county, and local organizations and governments. Regional organizations typically feature the flexibility, expertise, and accountability to local jurisdictions and state government that are needed to facilitate innovative and effective approaches to complex rural challenges. One often cited example is the regional distribution and deployment of MEDC's Small Business Relief Program

funds to small businesses impacted by COVID-19 through partnerships between local and regional EDOs. These regional organizations work differently in different parts of rural Michigan, but like the communities they serve, they consistently struggle with limited capacity and few predictable resources, impacting their ability to keep up with the demand for support from their partner communities and organizations. Ongoing investments in regional organizations can help communities plan for and execute place-based economic development strategies that meet the unique needs and conditions of the region.

“Unparalleled access to outdoor recreation opportunities is an integral component to Northern Lower Michigan’s quality of life. With our four distinct seasons and outdoor resources, I can hike or mountain bike on amazing forest trails; swim, paddle, and boat on inland waterways and the Great Lakes; downhill ski, snowshoe, and skate on snow and ice all winter. This is not an exhaustive list by any means. Western states might have better skiing, Arkansas might have better mountain biking, southern states might have better surfing, but there are very few places where you can have so many quality outdoor opportunities right outside your door. Beyond just the number of options, they feel authentic.”

- 2023 Rural Priorities and Perspectives Survey respondent



Regional and Place-Based Economic Development Strategies: A Foundation of Rural Michigan's Population and Economic Successes

Community leaders and residents in rural Michigan have been working for decades to reverse declining population trends. Despite considerable barriers and setbacks like the Great Recession, historic housing shortages, and limited high-speed internet connectivity, these communities have inspiring stories of success that, with adequate resources and support, could be replicated, scaled, and enhanced statewide. Through creative and innovative partnerships, rural communities have invested in place – enhancing parks, building attainable housing, improving access to childcare – to make their communities desirable and sustainable places to live and do business. At the same time, they are using place-based assets like agriculture and food, forestry, freshwater, and other outdoor amenities, to build economic clusters and opportunities for innovation and business growth. Their success can be seen as population trends in some rural counties begin to reverse, with new growth occurring in some rural counties since 2020.

The ORP has worked extensively with rural communities to understand what resources and supports are needed to replicate and expand these local successes. **Overwhelmingly, rural communities point to their unique place-based and regional assets, which have been activated and leveraged through strong community partnerships and strategic plans that positioned them for increased investment.** Yet, the ability to plan for and activate these opportunities requires new investment in strategic regional economic development.

Investments in regional approaches to economic development activities, along with new resources to implement place-based plans and projects, would allow rural areas and regions statewide to envision and implement the kinds of projects that will attract new residents to Michigan. Strategic, regionally driven economic programming would make Michigan competitive for new talent and economic growth by creating opportunity based on the attributes, amenities, and resources unique to regions throughout the state. New resources to support bold, strategic action, with a focus on cross-sector and multi-jurisdictional collaboration, would build and sustain regionally identified industry clusters with place-based investment. Ultimately, these projects will rebuild, grow, and diversify Michigan's population and workforce while making Michigan a desirable and competitive place for businesses to invest.



STRATEGIES TO ENHANCE REGIONAL ECONOMIC DEVELOPMENT EFFORTS THROUGH UNIQUELY RURAL ATTRIBUTES

Support regionally driven solutions

1. Invest in regional approaches to economic development activities, building strategies and programming that recognize and leverage unique regional physical and natural attributes in coordination with multiple sectors, partners, and agencies. Programs should provide regions with flexibility to define and implement approaches, while offering the technical support and connections to resources needed for success.
2. Provide for ongoing investment to regional organizations, including RPOs and EDOs, that incentivizes collaboration and efficiencies to build capacity, readiness, and implementation support for both local and regional economic development goals.
3. Replicate the statewide success of distributing MEDC's Small Business Relief Program funds through regional entities that granted the dollars directly to businesses in future funding opportunities. This helped streamline the process and encouraged collaboration.
4. Identify, support, and scale successful examples of shared staffing and resources across organizations and entities, including shared service models that allow organizations to reduce administrative burdens and more efficiently provide economic development services and resources by sharing staff or expanding service provision into additional geographies.
5. Provide resources and invest in regionally significant sites that create manufacturing and

product-testing opportunities for new or growing rural businesses in different regions and/or in connection with existing Smart Zones.

Provide statewide supports for place-based rural economic development

6. Consider and implement changes to existing funding opportunities for community and economic development to better reflect rural needs and development patterns, including differentiated return on investment of job creation requirements for rural projects. [See sidebar Building Capacity by Streamlining Procedures on page 41.]
7. Develop additional flexible funding resources to support place-based investments within and outside of traditional downtowns, including commercial corridors.
8. Develop additional funding sources, trainings, and other resources to support agricultural and small business ownership and entrepreneurship to foster revitalization and workforce development in rural communities.
9. Develop additional funding sources, trainings, and other resources to support local and emerging developers to foster revitalization, investment, and workforce development in rural communities.
10. Provide best practices, expertise, investment, and technical assistance to support rural communities and organizations, at the regional level, in identifying and developing catalytic economic opportunities, assets, and strategies focused on unique regional assets and resources.

11. Develop regional and statewide economic strategies and resources centered on sustainable use of and innovation in Michigan's natural environments.

12. Examine trends in regional air service and their impacts on local businesses, economic development, and ability to serve existing and attract new residents, as well as corresponding options at the state and regional levels, including expansion of public/private partnership models, to respond to these impacts effectively and ensure more remote communities are connected to the state, national, and global economy.

13. Develop statewide planning, funding, and implementation support to grow Michigan's outdoor recreation infrastructure and industries in strategic locations that enhance economic development opportunities, while ensuring recreation assets are accessible and promoted to diverse users.

Foster a supportive rural business climate

14. Examine and respond to the heightened competition rural border counties face with neighboring states that offer both explicit and indirect competitive incentives, including regulatory environments that enable business location and growth.

15. Ensure economic development strategies and funding programs account for changing technology and infrastructure needs for small- and medium-sized businesses, such as growing needs for high-speed internet connectivity to support agricultural technologies, artificial intelligence, and increased automation.

16. Identify more opportunities to invest in and support the stabilization and growth of small rural businesses, including in technological development.

17. Build on the Make it in Michigan effort and fund programs to encourage the purchase of Michigan grown and raised products, address food insecurity challenges, support agriculture and other Michigan-based businesses, and counter supply chain issues.

18. Explore opportunities for tax credits and incentives that build competitiveness among rural businesses, including research and development programs specific to rural communities and incentives for jobs and investments in emerging industries among small and medium-sized businesses.

19. Invest in and provide additional supports to small or emerging local developers through templates, flexible programming, streamlined processes for developers with less experience, capital, and capacity. Small, local developers are often more likely to invest in struggling rural communities and willing to accept lower rates of return because of their commitment to the community.

20. Enhance outreach and education efforts to rural lenders to help increase participation in available financing programs that support small business, like the MEDC-led Small Business Credit Initiative. ■

THE ROADMAP TO RURAL PROSPERITY



Protect, Conserve, and
Steward Natural Assets



PROTECT, CONSERVE, AND STEWARD NATURAL ASSETS

Protect, conserve, and steward natural assets by carefully balancing development and land preservation, offering resources and supports to preserve natural environments, and encouraging environmentally conscious practices to support the health and well-being of future generations.

RURAL REALITIES

Rural life and rural economies are defined by Michigan's natural environment. Michiganders rely on its waters, forests, open lands, and working lands for farming; hunting, fishing, and gathering; recreation; and more. In the 2023 Rural Priorities and Perspectives Survey, when those living and working in a rural community were asked what they considered the most competitive strengths of that community, geographic location/natural environment, and outdoor recreation opportunities were the highest-ranked responses. The natural environment physically, culturally, and economically defines and sustains rural Michigan.

Rural Michigan has maintained vibrant natural systems, increasing the entire state's resiliency and playing a central role in national 30 x 30 goals of conserving 30 percent of land and water by 2030. Michigan's natural and working lands, concentrated in rural Michigan, account for a very small portion of Michigan's total Greenhouse Gas Emissions, while presenting significant opportunities for carbon sequestration to support Michigan's climate goals. An increasing number of mining and timber companies, Timberland Investment Management Organizations (TIMOs), and Timberland Real Estate Investment Trusts (REITs) own/manage rural forests using sustainable practices, including selective harvest and reforestation to sequester carbon.

Land conservancies continue to expand preservation and stewardship efforts, protecting critical natural lands and scenic values. More agricultural businesses are also turning to regenerative practices to farm agricultural lands more sustainably. However, changes in environment and climate still threaten rural Michigan's ecosystems, and in turn, negatively impact its cultures and industries. This has been experienced, for example, through the widespread loss of wild rice, of particular cultural significance to tribal communities and now formally recognized as Michigan's native grain; in increasingly extreme weather patterns further challenging agricultural production for farmers; and warming temperatures harming fish and wildlife habitats that are deeply valued in Michigan's traditions and economy.

One of the biggest threats to rural Michigan's natural and working lands, particularly in rural areas closer to or outside of metropolitan areas, is sprawling development. While infrastructure expansion and development are needed for job creation and the delivery of critically needed services and housing opportunities, many rural residents fear the consequences of unplanned and rapid growth and development, which may impact the availability and condition of the natural environments and farmland they hold dear and that communities rely upon.

Michigan ranks first nationally in agricultural diversity with a fresh source of water and has nearly 50,000

farms. Of Michigan's farmland, 66 percent (or 7,785,900 acres) is "nationally significant," meaning it's considered the country's best land for long-term production of food and other crops.⁵³ Producing food in Michigan has many positive economic and environmental benefits, and farmland is a central part of rural culture and Michigan's scenic beauty, but it is at risk. From 2018 to 2022, Michigan lost 750,000 acres (or 7.5 percent) of farmland to development, most of which occurred in 2021 and 2022.⁵⁴ The West Michigan Fruitbelt, which runs through West and Northwest Michigan, is one of the 10 most threatened agricultural resources in the entire nation.⁵⁵ The continuation of these development trends in Michigan's rural areas will have significant and permanent impacts on its landscapes, ecosystems, and economies.

Underlying all of Michigan's natural amenities - literally and figuratively - are the state's cherished and unparalleled freshwater resources. Rural communities touch most of Michigan's thousands of miles of Great Lakes and inland coastlines, making them critical actors in not just protecting the state's freshwater resource, but also in bearing the impacts - good or bad - of its future. Development that disrupts shorelines and minimizes important

natural filtering systems, along with contamination like per- and polyfluoroalkyl substances (PFAS), threatens the quality of freshwater and disrupts important fish and wildlife habitats. To mitigate these threats, rural conservation organizations and districts and governments implement educational and stewardship programming, and more farmers are turning to climate smart farming practices.

The health of Michigan's land, waters, communities, and economy are inextricably connected, and their sustainability and long-term health require cohesive planning and strategy that consider opportunities for development while integrating and balancing conservation and community development. Because natural systems extend beyond jurisdictional boundaries, a comprehensive, strategic, statewide approach to prioritize and balance Michigan's natural environment with its community needs will ensure preservation of the cultural, health, economic, and recreational opportunities inherent in rural Michigan's natural resources; sustainable hunting and fishing, as well as hunting and fishing rights of tribal nations; responsible development that meets community and conservation objectives; and the achievement of Michigan's ambitious climate goals.



A photograph of a field of sunflowers with large green leaves and bright yellow heads, set against a wooden fence. The image is partially obscured by a large yellow text box.

Statewide Planning and Community Development Support

The programs, resources, and strategies that will build rural prosperity all hinge on the ‘readiness’ of rural communities, or their ability to plan and implement needed projects and solutions. As noted throughout the Roadmap, many parts of the state are hindered by a lack of organizational capacity to plan comprehensively and strategically for the investment and funding they need for solutions. Because these capacity constraints have been such a persistent barrier to progress, many agencies have responded with, and are continuing to develop, technical assistance programming, funding, and support. These measures range from grant writing services to funds for planning and zoning. MEDC’s Redevelopment Ready Communities program, for example, provides technical assistance to help communities plan for and reach targeted goals that will result in new investment and redevelopment. ORP’s Rural Readiness Grant program, a pilot launched in 2023, has provided funding to rural communities to support a range of planning and capacity-building activities that build readiness for housing, infrastructure, trails, economic development, and more.

Even with a growing commitment to capacity on the part of statewide partners, the need and potential impact of these readiness- or capacity-related issues requires a system-wide approach that can knit together resources, funds, and supports to build long-term, sustainable capacity and help communities plan proactively. Because so many rural issues are intertwined, a comprehensive approach to planning and implementation can also help the state build a more strategic approach to larger issues like land use, climate change, and overall community and statewide resiliency. A number of approaches have been discussed or explored over the years to elevate planning resources and strategy, including the potential to organize resources through a planning-focused state office, deploy field staff specifically to support planning and capacity needs of rural communities, and develop a statewide strategy that addresses the complex relationships between shared priorities around natural resources, agriculture, renewable energy, and residential, industrial, and commercial development. These initiatives could fundamentally change the landscape for rural communities, building a consistent level of readiness and enabling cohesive statewide action on key priorities. The Roadmap recommends a focused statewide approach to explore and implement these and similar initiatives, as part of a coordinated, cross-agency effort to comprehensively address the interconnected opportunities and challenges facing rural communities and the state as a whole.



STRATEGIES TO PROTECT, CONSERVE, AND BE A RESPONSIBLE STEWARD OF RURAL MICHIGAN'S NATURAL ASSETS

Support planning, technical assistance, and funding to preserve natural and working lands

1. Explore the possibility of a statewide land use planning initiative or advisory council to recommend strategies for managing and balancing development and conservation priorities throughout Michigan, with a special focus on rural areas and robust representation from rural communities, including tribal nations. [See sidebar Statewide Planning and Community Development Support on page 66.]
2. Provide support and resources to natural resource agencies and partners to help prioritize protection of ecologically important areas.
3. Provide best practice resources, funding, and technical assistance to support local and regional resiliency planning initiatives.
4. Provide best practice resources, funding, and technical assistance to support local and regional planning initiatives that facilitate community goals related to growth while balancing the preservation and enhancement of natural assets and working lands that make rural communities desirable places to live and do business.
5. Develop a statewide vacant site inventory and redevelopment strategy to identify, prepare, and prioritize large brownfields; vacant, previously developed properties; and marginal state lands for siting development, including for manufacturing and renewable energy infrastructure to support broader energy production goals while preserving

natural and working lands that offer critical carbon sequestration opportunities and numerous environmental, economic, and cultural benefits.

6. Support and raise awareness of programs that protect and preserve privately owned forests and farmland, through assistance and incentives for private property owners to participate in broader resiliency and environmental protection practices.
7. Assist communities in preparing for renewable energy generation by providing education and support for planning, zoning, and identifying and developing “renewable ready sites” on sites well situated for solar or wind development and consistent with community and regional goals, including brownfields and vacant, underutilized land, and areas that do not negatively impact fisheries, wildlife, long-term food production, and recreational access.

Protect Michigan's freshwater, and fish, wildlife, and plant habitats

8. Support efforts led by the Department of Natural Resources to identify emerging threats to natural resources due to climate change and determine the appropriate strategy to address them.
9. Explore opportunities for public acquisition of land or protection of privately held land for the purposes of preserving connected habitats for wildlife.
10. Provide education, tools, and resources to mitigate the impacts of development along inland water shorelines.

11. Empower and incentivize private property owners and land-based businesses to sustainably manage and conserve their forests.

12. Support communities with the tools and resources to address PFAS contamination.

13. Provide support and resources to farmers to help them adopt best management practices like regenerative agriculture and innovate to improve soil health and protect water quality, store carbon, and transition to cleaner technologies. ■



CONCLUSION

The Roadmap's vision for rural prosperity centers on a future of resilient, connected rural residents, businesses, communities, and natural environments. This vision hinges on the close and continuous collaboration between state agencies, decisionmakers, and rural communities and leaders to address the complex, structural, long-term challenges that our communities face. Too often, solutions to these challenges have been isolated and targeted towards symptoms, rather than underlying issues; as a result, local and statewide visions for prosperity are often not realized. The strategies in the Roadmap are focused on underlying shared challenges like resources, capacity, and policy that cut across issues, agencies, and sectors, and when addressed, can create opportunities for a more connected, coordinated approach towards long-term solutions. To that end, the Roadmap not only serves as an evolving guidebook for the ORP's work going

forward, but is also intended to help shape and drive collaborative and collective action across all actors in achieving rural prosperity in Michigan.

As the Roadmap strategies and other policies are explored and implemented, it will be critical to ensure continued engagement with rural stakeholders. Rural voices must be a regular part of policy and program discussions. Roundtables, focus groups, townhalls, surveys, and other targeted engagement, with an emphasis on reaching diverse voices – young people, working families, vulnerable populations, employers, community leaders, and more – can ensure that decisions reflect rural experiences and needs, and that implementation results in desired outcomes. Continued testing, refinement, and reassessment of strategies is needed to successfully implement a vision where residents, businesses, communities, and natural environments in rural Michigan thrive. ■

REFERENCES

- ¹ Decennial data provided by the Department of Technology, Management and Budget's (DTMB) Michigan Labor Market Information located at milmi.org/population
- ² Decennial data provided by the United States Census Bureau located at <https://www.census.gov/library/stories/state-by-state/michigan-population-change-between-census-decade.html>
- ³ Public Sector Consultants analysis of American Community Survey 5-Year Estimates (2016 through 2021) and Geocorr data (2018 and 2022). September 27, 2023.
- ⁴ Ibid.
- ⁵ Davis, James C., et al. Rural America at a Glance 2022 Edition. Economic Research Service USDA. <https://www.ers.usda.gov/webdocs/publications/105155/eib-246.pdf?v=9371.4>
- ⁶ Public Sector Consultants analysis of American Community Survey 5-Year Estimates (2016 through 2021) and Geocorr data (2018 and 2022). September 27, 2023.
- ⁷ Ibid.
- ⁸ Davis, James C., et al. Rural America at a Glance 2022 Edition. Economic Research Service USDA. <https://www.ers.usda.gov/webdocs/publications/105155/eib-246.pdf?v=9371.4>
- ⁹ 2020 Decennial Census. As determined by the Census Diversity Index. <https://www.census.gov/library/stories/state-by-state/michigan-population-change-between-census-decade.html>
- ¹⁰ ALICE is a measure developed by United Ways of Michigan and stands for Asset Limited, Income Constrained, Employed. For more information regarding ALICE, visit: <https://www.uwmich.org/alice-report>
- ¹¹ Households in Poverty and ALICE 2021. Kids Count Data Center. Annie E. Casey Foundation. <https://datacenter.aecf.org/data/map/10661-households-in-poverty-and-alice?loc=24&loct=2#5/any/true/true/2048/any/20442/Orange/>
- ¹² Arsen, David, et al. Educational Opportunities and Community Development In Rural Michigan: A Roadmap For State Policy (2022), p. 5. Michigan State University College of Education. <https://education.msu.edu/k12/educational-opportunities-and-community-development-in-rural-michigan-a-roadmap-for-state-policy/>; Public Sector Consultants analysis of American Community Survey 5-Year Estimates (2016 through 2021) and Geocorr data (2018 and 2022). September 27, 2023.
- ¹³ Michigan's Forest Economy. Michigan Department of Natural Resources. https://www.michigan.gov/dnr/managing-resources/forestry/products/econ?utm_campaign=frd&utm_medium=pr&utm_source=govdelivery
- ¹⁴ Outdoor Recreation. Bureau of Economic Analysis, Department of Commerce. <https://www.bea.gov/data/special-topics/outdoor-recreation>
- ¹⁵ 2021 Employment by Industry, Bureau of Economic Analysis, Department of Commerce.
- ¹⁶ Public Sector Consultants analysis of American Community Survey 5-Year Estimates (2016 through 2021) and Geocorr data (2018 and 2022). September 27, 2023.
- ¹⁷ Bartik, Timothy. "Testimony to the Select Committee on Economic Disparity and Fairness in Growth Hearing on "Bringing Prosperity to Left Behind Communities: Using Targeted PlaceBased Development to Expand Economic Opportunity." May 11, 2022.
- ¹⁸ Seasonal Population Study for Northwest Lower Michigan (October 2022). *Networks Northwest*. networksnorthwest.org/userfiles/filemanager/49nwyypzbp28vz3voy6gk/
- ¹⁹ Rural Capacity Index. *Headwaters Economics*. [https://headwaterseconomics.org/equity/rural-capacity-map/#:~:text=To%20help%20identify%20communities%20with%20limited%20capacity%2C%20Headwaters,that%20can%20function%20as%20proxies%20for%20community%20capacity](https://headwaterseconomics.org/equity/rural-capacity-map/#:~:text=To%20help%20identify%20communities%20with%20limited%20capacity%2C%20Headwaters,that%20can%20function%20as%20proxies%20for%20community%20capacity;); MPPS Policy Brief: Michigan local governments' ability to find, get, and manage state and federal grants (October 2023). University of Michigan. <https://closup.umich.edu/michigan-public-policy-survey/117/mpps-policy-brief-michigan-local-governments-ability-find-get-and-manage-state-federal-grants>
- ²⁰ French, Ron (June 16, 2023). College grads: We left Michigan for jobs. Moved here for family, nature. *Bridge Michigan*. <https://www.bridgemi.com/michigan-government/college-grads-we-left-michigan-jobs-moved-here-family-nature>
- ²¹ https://milmi.org/docs/publications/CareerOutlook_Statewide_2030.pdf
- ²² Arsen, David, et al. *Educational Opportunities and Community Development In Rural Michigan: A Roadmap For State Policy* (2022), p. 43-44. Michigan State University College of Education. <https://education.msu.edu/k12/educational-opportunities-and-community-development-in-rural-michigan-a-roadmap-for-state-policy/>. The report calls attention to severe shortages of behavioral and mental health providers in rural communities to serve in schools: "According to Health Resources and Service Administration data, every rural Michigan county has a countywide mental health-provider shortage, except for Emmet, Leelanau, and Oceana Counties where shortages exist in just parts of the counties. Data from County Health Rankings also show a mental health-provider shortage is concentrated in rural areas. There are simply not enough skilled mental health providers available in most rural areas. Superintendents described job postings for school psychologists, social workers, and nurses that failed to draw a single applicant."

- ²³ Who will answer the call? An Abstract of Challenges Facing Michigan's Rural EMS Agencies (September 2021) commissioned by Michigan Rural EMS Network. *Emergency Medical Solutions, LLC*. The report calls attention to one of the biggest threats to equitable emergency services in rural communities, the EMS workforce shortage: "Reported shortages of EMS providers in Michigan's rural EMS agencies have recently made the headlines highlighting operational challenges as a result of not being able to recruit more qualified providers to serve within their region. These accounts are backed by data abstracted from a 2019 First Responder Needs Assessment, conducted in concert between the Michigan Rural EMS Network and the Northern Michigan Fire Chiefs Association, which highlights that 91% of managers identified recruitment of new personnel or volunteers as a major or moderate challenge facing Michigan's rural fire/EMS agencies."
- ²⁴ While the overall statewide projection of dentists is expected to exceed demand, the location of dentists is not distributed according to need across the state: "In 21 counties in Michigan, there are fewer than 3.5 dentists per 10,000 people, and in another 20 counties there are between 3.6 and 4.9 dentists for 10,000 people. This means that although Michigan's overall ratio of dentists per 10,000 people is at the national average, people living in about half the counties in this state have far fewer dentists available. Furthermore, Northern Michigan is without a dental hygiene program, which has exacerbated the impact of the overall oral health labor distribution in a more rural part of the state." pp. 10 https://www.mhc.org/_files/ugd/24abcc_a0533324cfc74652b23900ab774c24f6.pdf
- ²⁵ Arsen, David, et al. *Educational Opportunities and Community Development In Rural Michigan: A Roadmap For State Policy* (2022), p. 40. Michigan State University College of Education. <https://education.msu.edu/k12/educational-opportunities-and-community-development-in-rural-michigan-a-roadmap-for-state-policy/>. The report calls attention to severe shortages: "Over 80 percent of the superintendents reported that teacher recruitment and retention is "very" or "extremely" difficult for their districts," pp. 37 and "A recent study found that while the statewide supply of active teachers in Michigan public schools will meet demand through the 2022-2023 school year, teacher shortages will persist in the state's northern rural regions."
- ²⁶ Michigan Public Policy Survey (2023). *University of Michigan: The Center for Local, State, and Urban Policy*. <https://closup.umich.edu/michigan-public-policy-survey/110/michigan-local-government-leaders-report-increased-problems-workforce-recruitment#embed>
- ²⁷ A Report Prepared for the Indigent Defense Council: Michigan's Legal Tundras: Criminal Defense Attorney Shortages in Rural Communities (2022). <https://michiganidc.gov/wp-content/uploads/2023/03/M.-Naughton-Report-Attorney-Shortages.pdf>
- ²⁸ USDA National Institute of Food and Agriculture (2023). https://www.nifa.usda.gov/vmlrp-map?state=467&field_type_of_shortage_value=1&field_status_value=All&field_vsgp_status_value=All&fiscal_year=2023-01-01&antibot_key=QGSmSoh0e7n-Uc7AvB1x2DgBITFDoHZCd2DyBIYjvE&year=2023
- ²⁹ Michigan Labor Market Information: Occupational Employment Projections 2020-2030. *Department of Technology, Management, and Budget*. <https://milmi.org/datasearch/OCCPROJ>
- ³⁰ Housing Needs Assessment: Northern Michigan (2023). Conducted by Bowen National Research for Housing North. <https://static1.squarespace.com/static/61768dc8a236c639b8fe44ec/t/649c3611a9ae9c791c30a16a/1687959077783/RS+Northern%2C+MI+22-463+%28Housing+Needs+Assessment%29.pdf>
- ³¹ Patterson DG, Shipman SA, Pollack SW, Andrilla CHA, Schmitz D, Evans DV, Peterson LE, Longenecker R. Growing a rural family physician workforce: The contributions of rural background and rural place of residency training. *Health Serv Res*. May 9, 2023. <https://pubmed.ncbi.nlm.nih.gov/37161614/>
- ³² Michigan Reconnect: Total Applicants by County. <https://milmi.maps.arcgis.com/apps/MapSeries/index.html?appid=a161a5259fdf45359417d3de1e31b93c>
- ³³ Arsen, David, et al. *Educational Opportunities and Community Development In Rural Michigan: A Roadmap For State Policy* (2022), p. 43-44. *Michigan State University College of Education*. <https://education.msu.edu/k12/educational-opportunities-and-community-development-in-rural-michigan-a-roadmap-for-state-policy/>. Emmet, Leelanau, and Oceana Counties have shortages in just parts of the counties.
- ³⁴ Households in Poverty and ALICE 2021. Kids Count Data Center. *Annie E. Casey Foundation*. <https://datacenter.aecf.org/data/map/10661-households-in-poverty-and-alice?loc=24&loct=2#5/any/true/true/2048/any/20442/Orange/>
- ³⁵ 2022 Michigan Poverty Task Force Report.
- ³⁶ Student experiencing homelessness by school district, K-12. Kids County Data Center. *Annie E. Casey Foundation*. <https://datacenter.aecf.org/data/map/10673-students-experiencing-homelessness-by-school-district-k-12?loc=24&loct=2#5/any/false/false/2048/any/20467/Orange/>
- ³⁷ Students receiving free or reduced-priced lunch. Kids County Data Center. *Annie E. Casey Foundation*. <https://datacenter.aecf.org/data/map/1672-students-receiving-free-or-reduced-priced-lunch?loc=24&loct=2#5/any/false/false/1095/any/13159/Orange/>
- ³⁸ Arsen, David, et al. *Educational Opportunities and Community Development In Rural Michigan: A Roadmap For State Policy* (2022), p. 47-49. *Michigan State University College of Education*. <https://education.msu.edu/k12/educational-opportunities-and-community-development-in-rural-michigan-a-roadmap-for-state-policy/>
- ³⁹ Ibid., 45.
- ⁴⁰ Rural Michigan counties are education deserts, trap people in poverty. *Detroit Free Press*. <https://www.freep.com/in-depth/news/education/2019/10/16/college-rural-michigan-poverty/3836576002/>

- ⁴¹ Feeding America. Food Insecurity among Overall (all ages) Population in Michigan. <https://map.feedingamerica.org/county/2021/overall/michigan>; In rural Michigan, need is great, but summer food programs are scarce. *Bridge Michigan* <https://www.bridgemi.com/children-families/rural-michigan-need-great-summer-food-programs-are-scarce>
- ⁴² In rural Michigan, need is great, but summer food programs are scarce. *Bridge Michigan*. <https://www.bridgemi.com/children-families/rural-michigan-need-great-summer-food-programs-are-scarce>
- ⁴³ State Rural Health Inequity Dashboard and Rural Health Mapping Tool. *NORC Walsh Center for Rural Health Analysis*. <https://ruralhealthmap.norc.org/>
- ⁴⁴ Who will answer the call? An Abstract of Challenges Facing Michigan's Rural EMS Agencies (September 2021) commissioned by Michigan Rural EMS Network. *Emergency Medical Solutions, LLC*. p 7.
- ⁴⁵ *Ibid.*, 2-4.
- ⁴⁶ Match requirements prevent rural and low-capacity communities from accessing climate resilience funding (January 2023). *Headwaters Economics*. <https://headwaterseconomics.org/equity/match-requirements/>
- ⁴⁷ Michigan Statewide Housing Plan. Household sizes in rural communities are also less than urban communities, and the statewide average. https://www.michigan.gov/mshda/-/media/Project/Websites/mshda/developers/housing-plan/MI-Statewide-Housing-Plan_Final.pdf?rev=628daf570cfe4af19b0a169d6069ea2d-&hash=682A186BA3A4686A9BB6961BF96F1A2Cpdf?rev=628daf570cfe4af19b0a169d6069ea2d&hash=682A186BA3A4686A9BB6961BF96F1A2C
- ⁴⁸ Seasonal Population Study for Northwest Lower Michigan (October 2022). *Networks Northwest*. networksnorthwest.org/userfiles/filemanager/49nwyypzbp28vz3voy6gk/
- ⁴⁹ 2021 Michigan SCORP Survey: Total Net Economic Value from Michiganders' Outdoor Recreation Participation. Report (March 2022). https://www.michigan.gov/oac/-/media/Project/Websites/dnr/Documents/managing/SCORP2023/SCORP-Appendix_C.pdf?rev=5eecbfe259244fb79869bc9c50d1f446
- ⁵⁰ Michigan State Maps. *Connected Nation*. <https://connectednation.org/statewide-impacts/connected-nation-michigan/michigan-state-maps>
- ⁵¹ 2023 Broadband Equity, Access, and Deployment (BEAD) Program Five-Year Action Plan. <https://www.michigan.gov/leo/-/media/Project/Websites/leo/Documents/MIHI/BEAD/MIHI-BEAD-Five-Year-Plan.pdf?rev=e917202c68cb4bbf8b2437c524d53345&hash=C17537D47EBA-25B80E6C32C1EA0CC774>
- ⁵² 2021 Michigan SCORP Survey: Total Net Economic Value from Michiganders' Outdoor Recreation Participation. Report (March 2022). https://www.michigan.gov/oac/-/media/Project/Websites/dnr/Documents/managing/SCORP2023/SCORP-Appendix_C.pdf?rev=5eecbfe259244fb79869bc9c50d1f446
- ⁵³ American Farmland Trust (September 2023) <https://farmland.org/project/farms-under-threat/>
- ⁵⁴ Farmland includes cropland, pasture, and woodland. USDA National Agricultural Statistics Service.
- ⁵⁵ American Farmland Trust (September 2023) <https://farmland.org/project/farms-under-threat/>

