THE SOUTHERN GROWTH POLICIES BOARD:

The Appalachian Region and Its Challenges: The Next Steps

By Earl F. Gohl, Federal Co-Chair, Appalachian Regional Commission

*This year, the Southern Growth Policies Board celebrates its 40th Anniversary, as well as the 25th Anniversary of the publication of its ground-breaking report, **Halfway Home and a Long Way to Go**. This commentary is part of a series that celebrates this milestone as we reflect on our region's progress and look ahead to the challenges and opportunities of the future.*

Earl Gohl was confirmed as federal co-chair of the Appalachian Regional Commission (ARC) in March 2010. He came to ARC with over 30 years of experience in federal, state and local government, including positions as director of government relations/deputy director for the Puerto Rico Federal Affairs Administration, special assistant, and then associate assistant secretary at the U.S. Department of Labor, deputy secretary of the Pennsylvania Department of Community Affairs, and director of the Pennsylvania governor's Washington office.

The Appalachian Region, home to more than 25 million people, covering 420 counties in 13 states from New York to Mississippi, was once completely dependent on mining, forestry, agriculture, chemicals, and heavy industry. The Region's economy has become more diverse over the past two decades, with assorted manufacturing and professional and technical service industries taking hold along with several auto assembly plants and a vast network of suppliers.

The economic progress of Appalachia is clear and measurable. In 1965, when President Johnson signed the Appalachian Regional Development Act into law creating the Appalachian Regional Commission (ARC), there were 295 counties within the Region with poverty rates at least 150 percent of the national average. President Johnson then called on all of us to work for a great society, not a needy society. In 2009, according to the Census Bureau, there were 120 such counties.

Over the 40-year history of the Southern Growth Policies Board, ARC and the Board have had complementary missions, and each has made important contributions to the growth of the Region.

As the economy has changed, the demand for skills has increased, and families have seen the economic importance of education, boosting high school and college graduation rates in the process. In my travel throughout Appalachia, I have seen first-hand how the educational landscape is being transformed as a result of this growing demand.

This past year in rural Tennessee, during one of the 16 White House business roundtable discussions I moderated throughout the Region, I had the opportunity to meet the technology director for the local school district who was engaged in this transformation. He talked with incredible enthusiasm about the new technology he was able to bring into classrooms and its impact on student performance and interest in learning. The introduction of the technology, which was chosen by the local schools, implemented by the director, and financed by the American

Recovery and Reinvestment Act (ARRA), is the type of partnership that strengthens competitiveness in rural communities and creates economic opportunity. I can tell similar stories about schools in Alabama, Mississippi, North Carolina, and West Virginia.

Much of the economic growth of the Region has come as a result of people working together to achieve more ambitious goals than what they could accomplish working alone. The Appalachian Regional Commission, which itself is a partnership of state and federal leaders, has had as its mission to work with local leaders throughout the 420 counties of the Region to support their initiatives and help them achieve the dreams of their communities. Throughout Appalachia, there are "sparkplugs" —community leaders, teachers, and entrepreneurs—who get up each day and work to make their communities better places for their kids and grandkids than it was for them. In fact, there are times when it appears that there is an Appalachian army solely dedicated to strengthening the economic competitiveness and opportunities in the Region's cities, towns, and "hollars." These Americans, building on the hard work of each generation, are responsible for Appalachia's economic growth.

However, there are significant challenges. Even before the great recession, 400,000 Appalachian manufacturing jobs were lost between 2000 and 2007. While the nation fell back to 2004 employment levels, the recession took Appalachia to 2000 employment levels. Of the 420 counties in Appalachia, only 35 registered positive employment growth during the recession, which hit our Region sooner and harder than many other parts of the country.

Now, as the nation is emerging from the great recession with 26 months of consecutive job growth, it is critical that we all take it as our responsibility to be actively engaged in the Region's economic growth and work to make sure that Appalachia is a full participant in the economic recovery. This is an opportunity that we cannot afford to miss. As a result of the American Recovery and Reinvestment Act, ARC, the Community Development Block Grant program, the Economic Development Administration, and the U.S. Department of Agriculture have been able to invest several billion dollars of federal support into new assets for Appalachian communities. These investments have come in the form of improvements to streets, highways, freight rail systems, inland ports, and airports; new water and sewer lines and systems; school, community college, and university improvements; broadband extensions never before seen; support for export development; and capital for small businesses. These are not just "projects." They are critical assets for communities.

Community after community is using the new federal investments strategically as assets that have the potential to build local economies and support regional growth. When you visit and talk with local leaders, you learn first hand about how they see and plan to use these resources. Local communities see these investments as opportunities, and they understand the investments made the past few years can contribute to their future economic growth. They are using their creativity, leadership, and involvement to maximize the gain.

The Region has great opportunities ahead, whether it is the potential that natural gas can provide, the strengthening of auto-manufacturing and its supply chain, alternative energy development, local foods, an invigorated entrepreneurial ecosystem, or the changes that technology brings to our schools and business development. There is a long list of assets and opportunities. Each community has a different list, but they all have great potential for creating jobs, economic opportunities, and bright futures for our kids and grandkids. The challenge for Southern Growth and ARC is to continue to work with local and state leaders of the Region to use these assets and opportunities as a foundation for more vibrant, competitive, and livable communities.