

Faith Based Economic Development
Presentation to Communities of Shalom
by Thomas J. Shepstone
Honesdale, PA - September 15, 2001

I enthusiastically accepted the invitation to speak today because the Communities of Shalom program is a beautiful example of the faith based initiatives now being advanced as national policy. Its ecumenical nature gives it a particular strength, each faith bringing something special to the table.

This challenged me, in preparing for today, to examine what my own faith, Catholicism, says about economic development. I went to the Internet and downloaded a copy of Pope John Paul II's 1991 encyclical, Centesimus Annus. It speaks to many of the things we do as economic developers. The messages I took from it as a planner help to answer the first of Reverend Duncan's five questions to me - what is community economic development?

Economic development should, the encyclical suggests, empower individuals to earn a living through their own initiatives, rather than the social service machine. This is an essential aspect of human dignity, the ability to be independent rather than dependent. It means, on a practical level, the encouragement of business and entrepreneurship. The challenge for communities is to create favorable conditions for the free exercise of economic activity that will lead to abundant opportunities for employment and sources of wealth to support families - a "multiplication of the loaves," if you will. Being open to such development is crucial. Incentives to encourage it are also important.

Economic development should serve to build a society of free work, of enterprise and of participation in the global economy. If we have learned anything this week it should be that we cannot put walls around our communities or pretend that such a community does not or should not exist as some World Trade Summit protesters would have it. We have to engage ourselves in the world. This requires that we help people understand the new world economy and equip them with the skills and tools to compete within it.

We also need to sustain business activities and ensure future opportunities by stimulating those activities. We need to support governmental economic development programs and the efforts of such entities as the Wayne Industrial Development Corporation (WIDCO) and the Greater Honesdale Partnership (GHP). Moreover, we must recognize that needs are best understood and satisfied by people close to them and who act as neighbors to those in need. We know that the further up the ladder a problem solving attempt is made, particularly in government, the less likely it is that the attempt will match needs or be successful.

Reverend Duncan also asked how churches and communities can help with economic development. There are a number of ways but perhaps the most important is by creating a community image and environment conducive to new business, especially small business. The experience of adjoining Sullivan County, New York with the long decline of their resort industry,

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the ensuing deterioration of properties and cynicism about the future illustrate just how important image is to the local economy. Communities with poor self-image can neither help themselves nor attract outside investment.

The image challenge can be met through community clean-up programs, community events such as "First Night" programs, establishment of Business Improvement Districts and downtown efforts such as the Greater Honesdale Partnership. The key is constant communication of a positive message and the repeating of it until it becomes ingrained.

Other ways for Communities of Shalom to help include equipping the least fortunate with the skills to participate in the economy and providing the interim support systems they need to become self-supporting. Introducing individuals and businesses to each other and with opportunities through job fairs, expositions, training and continuing education are also important. Assembling alliances among businesses and cross-promotion of small businesses in particular are additional techniques.

Faith based economic development, too, demands that we collaborate and engage ourselves, as Christians, in other efforts and groups. We don't necessarily need to go to them with a special mission in mind, however. Simply participating as people of faith will help to imbue these organizations with the Gospel as Centesimus Annus urges. We especially need to avoid the isolation trap of thinking we can go it alone, that growth, development, globalization of the economy or working with others will somehow diminish or weaken us.

The third question I was asked to address had to do the initial steps leaders should take to stimulate economic development. As a planner, I always approach such tasks in the same way - with three distinct phases to the work. The first and most important of these is to conduct an inventory of needs. Extensive talks with other agencies and organizations operating in the community as well as individuals in need and knowledgeable business persons are essential. It is especially important to look within the congregations and parishes that make up the Communities of Shalom to identify needs and the assets to deal with them.

Following the inventory of needs, the group must come together to define its objectives. They must be specific, realistic and measurable. Abstract goals may help to set the tone of action but they provide no firm foundation for it. The more specific the vision, mission and purposes of the group, the more direction it will have and the better its prospects for success will be. Objectives should be tangible. Examples include reducing storefront vacancies, increasing employment among disadvantaged populations, increasing the number of self-employed entrepreneurs or raising the incomes and wealth of families in need.

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Developing an action plan is the final step before implementation and it is, in many ways, the most difficult. Even very capable people frequently have trouble doing it. The task, simply put, is to answer the questions of who, what, when, where and how. It is human nature, however, to answer these questions, once again, in the abstract without placing responsibility for action on anyone specifically. This must be avoided. An organization with mushy goals will produce a product of equal consistency. It is critical that the action steps be laid out in as specific a form as possible, with timing and the parties responsible for taking the action clearly identified. A matrix planning document with columns for each of these items is the best way to succinctly lay out the strategies and implementation tasks.

Developing the action plan may require professional help. Leaders from other organizations and planners are a possible source of assistance but the best resources are to be found in the business world. Successful entrepreneurs who know how to lay out a business plan and implement it are a tremendously valuable reservoir of knowledge. They know how to get things done - how to reach the bottom line. Those types of individuals exist in every community and need to be engaged in Community of Shalom for their expertise.

What other resources are available? These are many. They include economic development organizations such as the Greater Honesdale Partnership (Honesdale's downtown revitalization group), WIDCO, local Chambers of Commerce (there are several) and the Economic Development Council of Northeastern Pennsylvania. The USDA Rural Development agency can be very difficult to work with but has helped to fund a number of non-profit economic development initiatives in the area.

The U.S. Department of Housing and Urban Development offers funds that can be used to establish revolving loan programs for business and, interestingly, no such programs for micro-loans have been yet established in this area as they have in many other communities. The County Planning Department and the County Redevelopment Authority can offer more information and technical assistance in these areas.

Private sources of funding for projects include the Scranton Foundation, the Wayne County Community Foundation, the Wayne Memorial Health Foundation and several similar groups throughout the country. There are also numerous other agencies that can help financially and as mentors for small businesses. They include, for instance, the Small Business Administration and its Service Corps of Retired Executives (SCORE) program that links small business owners with experienced business leaders and their expertise.

Programs such as SCORE illustrate that the best help is often non-financial. Moreover, it is often found in the private sector and among volunteers. Honesdale, in contrast to many other

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communities who wait with their hands out for someone else to solve their problems, has a history of raising money from within and accomplishing projects with a minimum of outside help. Honesdale volunteers, for example, built a pool, created a recreation facility, moved a historical building and established a visitors' center - all with minimum or no grant support. Efforts such as these can be mounted quicker and much more efficiently than any government program. They also offer the added advantage of motivating further contributions and instilling the pride so necessary to a healthy community.

Pride and real results can also be produced from continuous communication and publicity. The ability to do this is, in many ways, the most powerful resource at the disposal of Communities of Shalom. It requires only initiative and can turn around the image of an area, erasing cynicism and making people believe that good things are possible simply by saying so enough times. Acknowledging small contributions with awards and publicity can motivate one community to emulate another and produce bigger and better projects the next time. Regular news releases can reinforce the good works and generate the enthusiasm needed to multiply the loaves.

Reverend Duncan's fifth and final challenge to me for today was to offer two effective examples of community economic development. One of these, the "Sullivan First" program, has relied almost exclusively on publicity as a resource. It has been extraordinarily successful and gained strength over several years now. Sullivan First is a non-incorporated group of citizens from both the private and public sectors, who are committed to the revitalization of Sullivan County, New York. Established on an informal basis about 5 years ago when that County was languishing from the long, slow and painful decline of its once famous resort industry. Property deterioration had set in everywhere, the County's image suffered throughout and cynicism abounded.

Sullivan First set out with little or no money but several talented volunteers and the cooperation of a new County Manager to remake the image of the County. It began by candidly acknowledging the problem, admitting that the County conveyed an unacceptable image. It then went on to say, and say over and over again, it was time something was done about it. Awards and recognitions were given for local clean-up efforts. The County Manager adopted the Sullivan First effort as part of his "Blueprint for Economic Revitalization." He also provided some excellent personal leadership for the group, popularizing a mantra to "think big, start small but do something." Sub-committees named for each Town (e.g., "Bethel First") were created. Heavily publicized symposiums were conducted to educate volunteers on techniques and motivate them to pursue small projects such as cleaning up selected roadways, putting up attractive welcome signs and working with local officials to enact needed ordinances.

Removing specific eyesores has been the focus of most of the Sullivan First activities from the

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very beginning. It worked with the County and participating municipalities to develop lists of the worst of these. It crafted a program that would allow the municipalities to dump demolition wastes at the County landfill free of charge and helped make arrangements with property owners to get the eyesores removed. Peer pressure was put on others to fix or demolish deteriorating signs and structures. Very small grants of \$100-\$300 were given to help with projects.

All of these efforts were conducted with extensive attention to message, but relatively little capital or formal organizational structure. The results have been good. Many eyesores have been removed, the focus of economic development efforts has shifted away from legalized gaming as the single magic bullet to solve all problems and a broader base for tourism promotion has been established. Most importantly, people both within and outside the County are now talking about it positively. What was once only Sullivan First has now been expanded to include "Sullivan Renaissance", a \$50,000 community improvement competition sponsored by the Gerry family, the purchasers of the former Woodstock Festival site. It will be the location of a world class performing arts center that will host the New York Philharmonic Orchestra. Sullivan First has made a big difference and its roots are, like the Communities of Shalom, in volunteers from all sectors, not government or business or any one organization alone.

The second example is from Hazleton, Pennsylvania where collapse of the mining industry in the 1950's left the local economy in shambles. Local leaders saw the need to develop new alternative industries. They formed an organization called "CAN DO" to pursue that goal and generated the start-up capital through a "dime a day" local fund-raising program. They went directly to those who needed help and asked them to sacrifice for their own futures - a self-help approach that is also fundamental to successful faith-based economic development. The CAN DO organization used these local funds to secure other monies and proceeded over several years, in an effort that continues to this day, to develop a number of successful industrial parks. Hazleton is, of course, the crossroads of Interstate I-80 and I-81, but it was CAN DO that exploited this advantage and made so much happen so early. It has been a model for industrial development everywhere, started through a local initiative that was bold in its goals though modest in resources. It was another example of "thinking big, starting small and doing something," another multiplication of the loaves.

Both of these examples go back to the basics - helping people to help themselves. It may sound trite in an age of governmental programs designed to fit every situation, but it remains the most successful formula for effective community development. Faith-based economic development, too, must build from this foundation, strengthening it with the power of faith. This takes us back to where I started. Our task must be to empower individuals to earn a living through their own initiatives. It is essential to human dignity and a prerequisite of success in faith-based economic development.

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Thank you for the opportunity to speak today. Communities of Shalom has a wonderful opportunity to make a difference precisely because it is grounded in faith. I wish you well in your endeavors.

The End