

Reinventing Rural: Regional Rural Development in the Northern Forest

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Sustainable forestry and recreational tourism are the new economic forces in the Northern Forest.

The rural Northern Forest spans much of northern New England and upstate New York, a 30-million-acre swath of forest reaching 740 miles from the Atlantic coast of Maine to the shores of Lake Ontario. Historically, forest-based industries dominated the Northern Forest economy, but today the region is formulating new types of rural economy by combining the region's assets with leadership, human capital, and catalytic investments.

An Economy Built on Mills

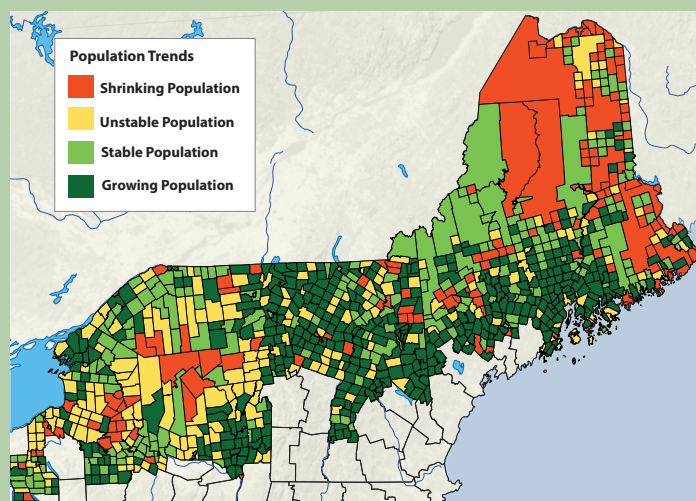
In the 1800s, entrepreneurs coupled innovation, vision, and investment with the region's powerful rivers and vast forests to make the Northern Forest an industrial powerhouse. Jobs in sawmills, turning mills, paper mills, and other industrial operations attracted workers from around the world. Communities like Millinocket, Maine, and Berlin, New Hampshire, grew up around the mills and became the region's commercial and cultural centers. By the 1970s, manufacturing accounted for nearly 180,000 jobs in the region.¹

Current realities are dramatically different. As in the rest of the United States, manufacturing employment in the Northern Forest began a precipitous decline in the 1980s as efficiency grew and companies shifted production to lower-cost regions of the world. Since 1988, nearly 50 Northern Forest communities have experienced the permanent closure of one or more forest products mills and loss of the jobs associated with them.² Today, manufacturing of all types accounts for 86,000 jobs in the region—a 52 percent decline since 1970.³



photo Steve Debenport/Stock

Northern Forest Population Trends: 1980–2010



Data source: US Decennial Census (1980, 1990, 2000, 2010).
Northern Forest Center map based on research and analysis by NH Center for Public Policy Studies, with assistance from Center for Community GIS.

Change in Employment in the Northern Forest Key Industries



Data Source: Bureau of Labor Statistics.
"Northern Forest Region Demographic Trends & Characteristics" (report, New Hampshire Center for Public Policy Studies, 2015).

These economic shifts have had lasting effects on people and communities. Median household income in many parts of the Northern Forest trails the national average, and well-paying manufacturing jobs have given way to employment in services, health care, and government.

Population has declined in many manufacturing-dependent communities as residents have left to seek employment. Conversely, many recreation-dependent communities are growing quickly. Yet across the board, the region is aging more quickly than the rest of the country and is having a hard time retaining young people. Between 2003 and 2013, the share of the population over the age of 65 increased by almost 22 percent in the region, while the number of individuals aged 25–34 declined by almost 6 percent.⁴ (See "Northern Forest Population Trends: 1980–2010.")

A New Question for a New Economy

While these realities are daunting, the natural-resource base that has always been the region's economic foundation remains in place. For many leaders working to address economic distress in the Northern Forest, the question now becomes "How do we optimize the use of our natural assets to revitalize our places?"

In November 2015, the Northern Forest Center and the Neil and Louise Tillotson Fund of the New Hampshire Charitable Foundation hosted the Northern Forest Symposium to address this question. Support from the Federal Reserve Bank of Boston and others enabled 130 community development leaders from across the Northern Forest to gather for three days of learning about shared community development challenges and—more importantly—successes in the region.

As community leaders shared their stories, a common theme emerged: new types of rural economy hold promise for the Northern Forest when the region's assets are combined with leadership, human capital, and catalytic investments. Consider Hardwick, Vermont, where fires devastated Main Street businesses and an important agricultural business. Community leaders worked with local lenders and residents to reopen businesses quickly and focused on increasing the town's "local food" markets. Today, 75 businesses are flourishing, employment is up by nearly 6 percent, and the average annual wage is 4 percent higher than the regional average.⁵

Other small towns have created and branded local promotional events like a hiking challenge (Saranac Lake, New York) or a jack-o'-lantern festival (Littleton, New Hampshire) to draw thousands of new visitors to their downtowns and the surrounding region. Similarly, new recreational assets and events for mountain bikers, cyclists, and off-road vehicle enthusiasts are supporting new businesses across the region. (See "Change in Employment in the Northern Forest Key Industries.")

Galvanizing Community Development

These stories and many others inspired Northern Forest Symposium participants: they show the tangible ways in which many Northern Forest communities are revitalizing their economies and building civic pride. A common ingredient in each success is a strong commitment of personal time—and often money—by a group of individuals. For community leaders and for supporters like the Federal Reserve Bank of Boston, the challenge is to understand how to

use the energy and innovation of the motivated few to catalyze community development momentum across the broader region.

Events like the symposium itself may be part of what will necessarily be a multifaceted answer. In connecting with peers from beyond their usual boundaries, symposium participants reported that they tapped into new inspiration and energy for their work, which they consider essential for sustaining their efforts in rural community development. “Meeting peers, potential partners, and mentors was priceless. ‘People with passion’ are often out ahead of most of their home communities. Being able to think with and learn from counterparts from across the region is energizing and sends everyone back to their home communities knowing they have a large network to call on,” said one participant.

In a region like the Northern Forest, which has a shared cultural and economic history, peer-to-peer sharing also accelerates the adoption of successful community development approaches. Through these established relationships and networks, leaders in a community dealing with a paper mill closure can now connect with people who experienced a similar loss elsewhere or at another time and respond more nimbly as a result of what they learn.

While there are good ideas to be replicated, participants at the symposium consistently concluded that there is no magic bullet for reinventing the Northern Forest economy. If anything, the group was united in the sense that economic development takes time and requires a willingness and ability to take risks, learn from failure, and keep a positive attitude.

The symposium highlighted the importance of small, easy wins to engage a community in its own economic revitalization and overcome pessimism. Small, authentic initiatives that bring a community together and demonstrate potential are a key way to build new leaders and set the stage for larger efforts. There is also work under way to get more people involved in these endeavors. Informed by the symposium and a recent strategic-planning process, the Northern Forest Center will work with a few communities in the region to test strategies aimed at attracting new residents—including people who can help fill the growing gap of 25- to 34-year-olds in the region.

Data alone might suggest a challenging economic road ahead for Northern Forest communities. What the numbers don’t reflect, however, is a region full of creative, energetic people dedicated to making a difference in their local economy. As the region charts its future, combining this human capital with the natural capital of the Northern Forest paints a much more promising picture.

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Endnotes

¹ “Social and Economic Overview of the Northern Forest Region” (report, Carsey Institute, October 2007), https://northernforest.org/images/resources/regional-economy-research/Carsey_NFSEL_Report_102007.pdf.

² Northern Forest Center data.

³ “Northern Forest Region Demographic Trends & Characteristics” (report, New Hampshire Center for Public Policy Studies, 2016).

⁴ Ibid.

⁵ Annie Gaillard and Sarah Waring, “The Hardwick Story: Using Food and Agriculture and Community as our Foundation” (Presentation, Northern Forest Symposium, November 2015), <https://northernforest.org/images/programs/regional-strategy/northern-forest-symposium/Gaillard-Waring-Hardwick-opt.pdf>.

Turning Natural Assets into Community Revitalization Success

Across the Northern Forest, a number of communities and businesses are using natural assets to revitalize local communities in innovative ways.

- The Model Neighborhood Wood Heat Initiative, which operates in Maine, New Hampshire, Vermont, and northern New York, has combined local wood with modern technology to create \$3.6 million in economic impact.⁶
- Vermont’s Kingdom Trails Bike Association drew nearly 70,000 mountain bike user visits in 2014, with each visit leaving \$100 in the regional economy.⁷
- A community-owned forest in Errol, New Hampshire, has generated \$3.7 million in timber sales through sustainable forest management and will net \$100,000 annually to the town budget over time.⁸
- Vermont’s investment in its working-lands economy has created 65 jobs and a 54 percent increase in average product output.⁹
- Essex County, New York, has become a hub for young entrepreneurs finding success in incubating viable agriculture businesses.¹⁰
- Coös County, New Hampshire, is now home to the largest interconnected ATV trail system in the Northeast, becoming a hub for thousands of visitors each summer.¹¹

⁶ “Save Money with Wood Pellets,” <https://northernforest.org/programs/modern-wood-heat/dashboard-regional>.

⁷ Tim Tierney, “Private Lands, Public Benefit: Kingdom Trails” (presentation, Northern Forest Symposium, November 2015), <https://northernforest.org/images/programs/regional-strategy/northern-forest-symposium/Tierney-Kingdom-Trails-opt.pdf>.

⁸ Elizabeth Reaves and Marta Ceroni, “Economic Impacts of the 13 Mile Woods Community Forest in Errol, New Hampshire” (report, Donella Meadows Institute, March 2013), <https://northernforest.org/programs/community-forests/13-mile-woods-community-forest>.

⁹ Lucy Leriche and Michael Snyder “Working Lands Enterprise Initiative” (presentation, Northern Forest Symposium, November 2015), <https://northernforest.org/images/programs/regional-strategy/northern-forest-symposium/Leriche-Snyder-Working-Lands-opt.pdf>.

¹⁰ Katie Petronis and Ashlee Kleinhammer, “Investing in Young Farmers” (presentation, Northern Forest Symposium, November 2015), <https://northernforest.org/images/programs/regional-strategy/northern-forest-symposium/Kleinhammer-Petronis-Young-Farmers-opt.pdf>.

¹¹ Pamela Laflamme, “ATVs in Coös County, NH: Challenges & Opportunities” (presentation, Northern Forest Symposium, November 2015), <https://northernforest.org/images/programs/regional-strategy/northern-forest-symposium/Laflamme-ATVs-in-Coos-County-opt.pdf>.

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