

# **Rural Development, Regional Innovation, and the Farm Bill: The New Realities**

Presented to the 2011 NACO Legislative Conference

March 8, 2011

Washington, DC

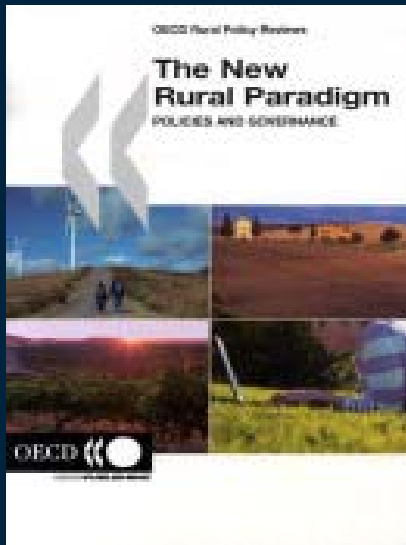
Charles W. Fluharty

President and CEO

Rural Policy Research Institute



# The New Rural Paradigm (NRP)

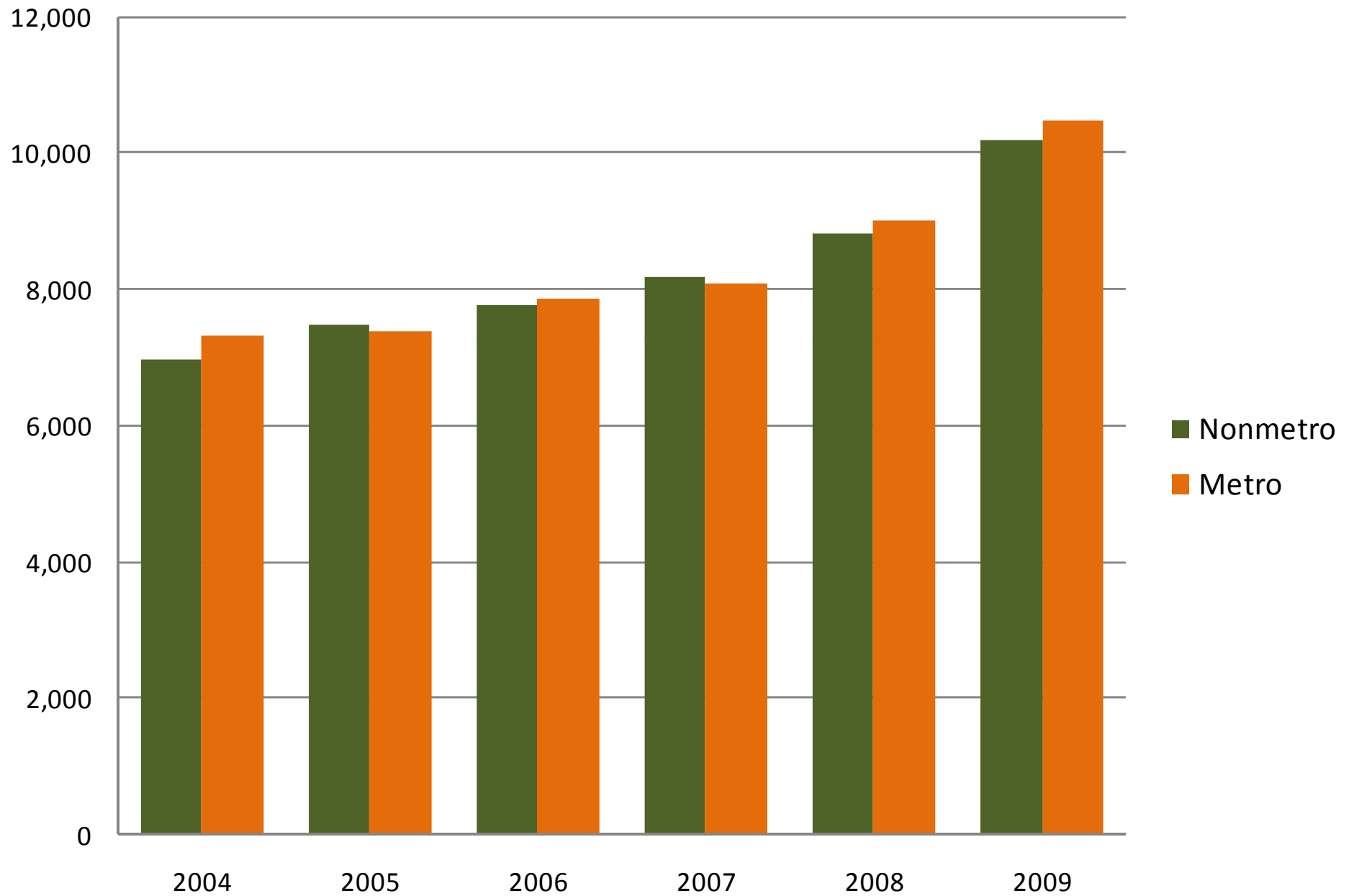


	Old Paradigm	New Paradigm
<b>Objectives</b>	Equalization, focus on farm income	<b>Competitiveness</b> of rural areas
<b>Key target</b>	Sector based	<b>Holistic</b> approach that includes various sectors of rural economies
<b>Main tools</b>	Subsidies	<b>Investments</b>
<b>Key actors</b>	National governments, farmers	<b>Multilevel-governance</b>

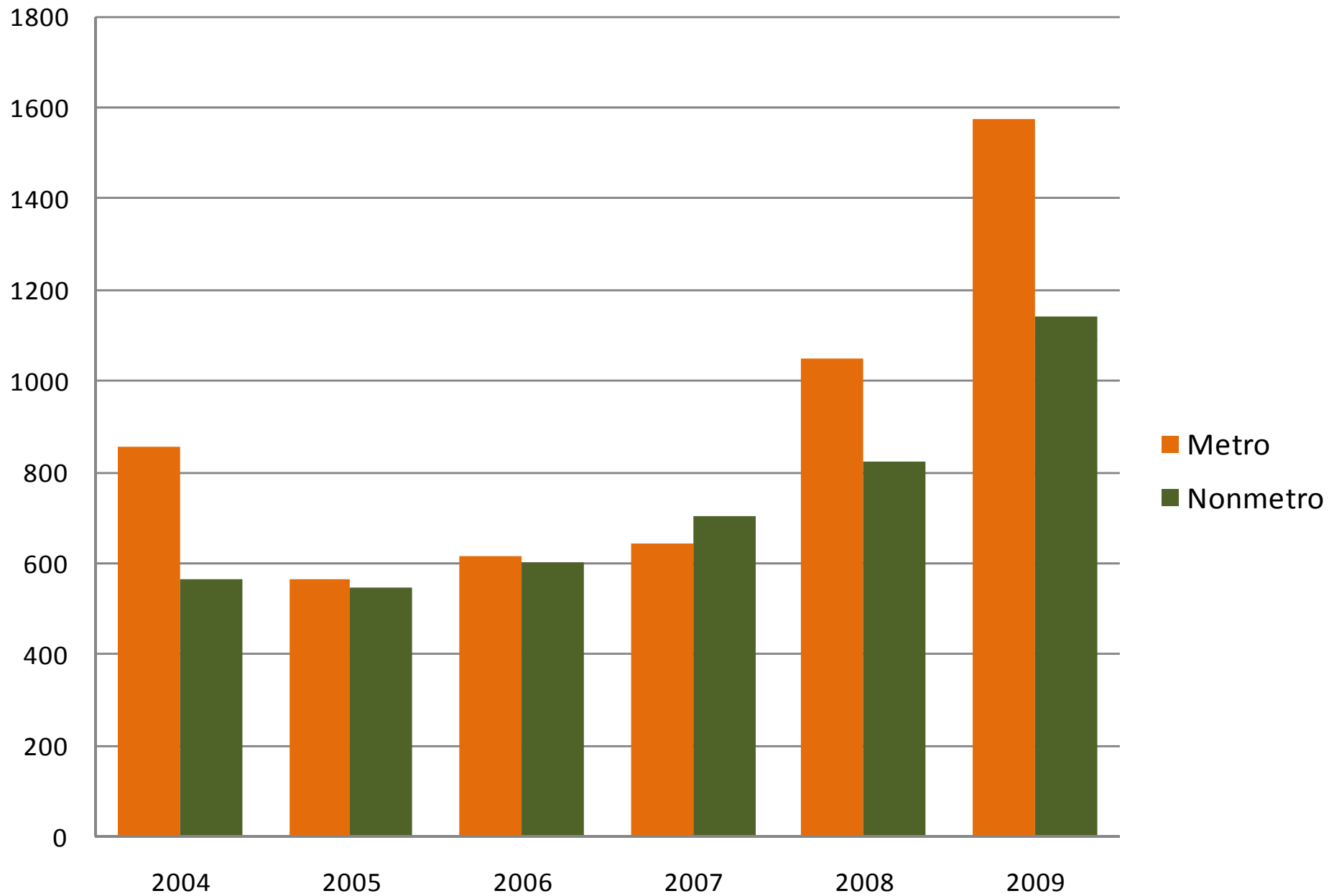
## Objectives of NRP:

- Guarantee adequate **attention to rural issues**
- **Empower** local communities and governments

# Total Federal Funds Per Capita



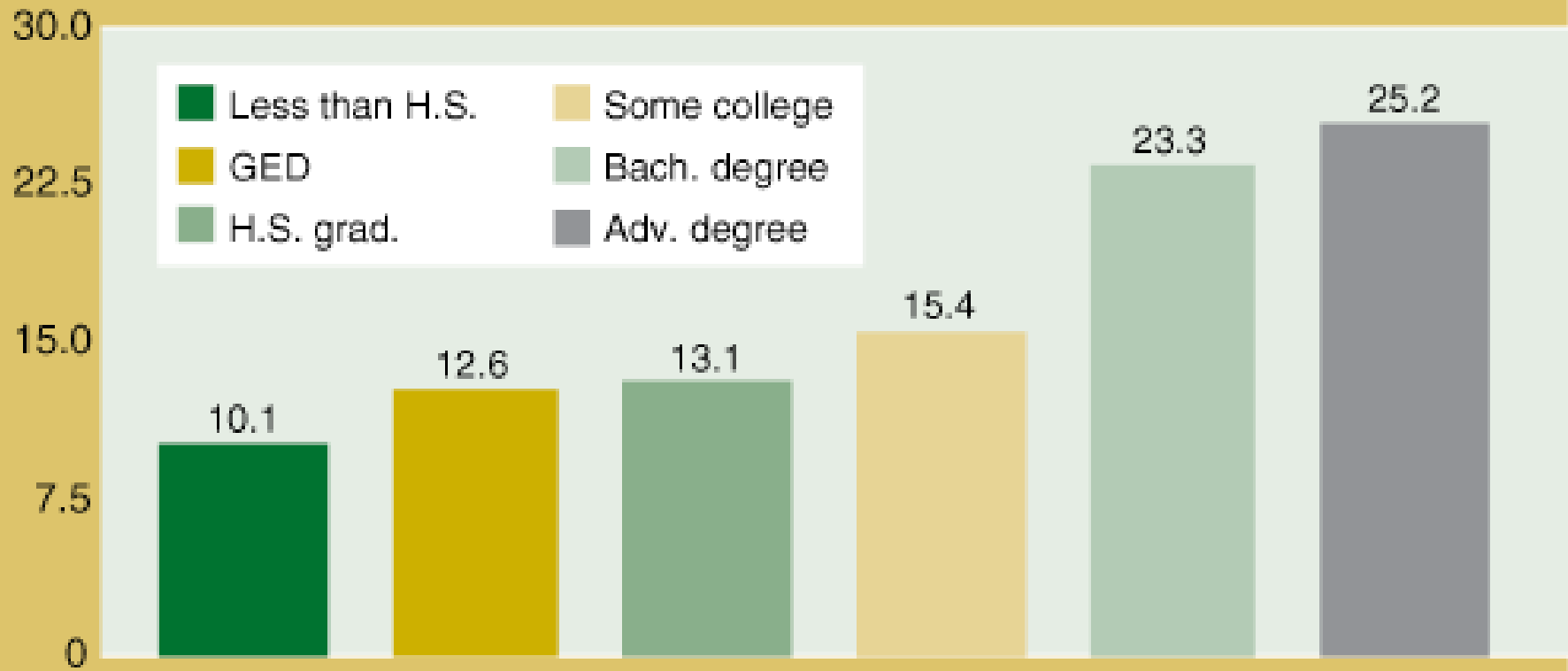
# Community Resources Funding Per Capita



Distribution of Income Sources, 2008			
	Earnings	Dividends, Interest, Rent	Transfer Payments
Metro	67.6%	18.2%	14.2%
Nonmetro	60.2%	16.8%	23.0%

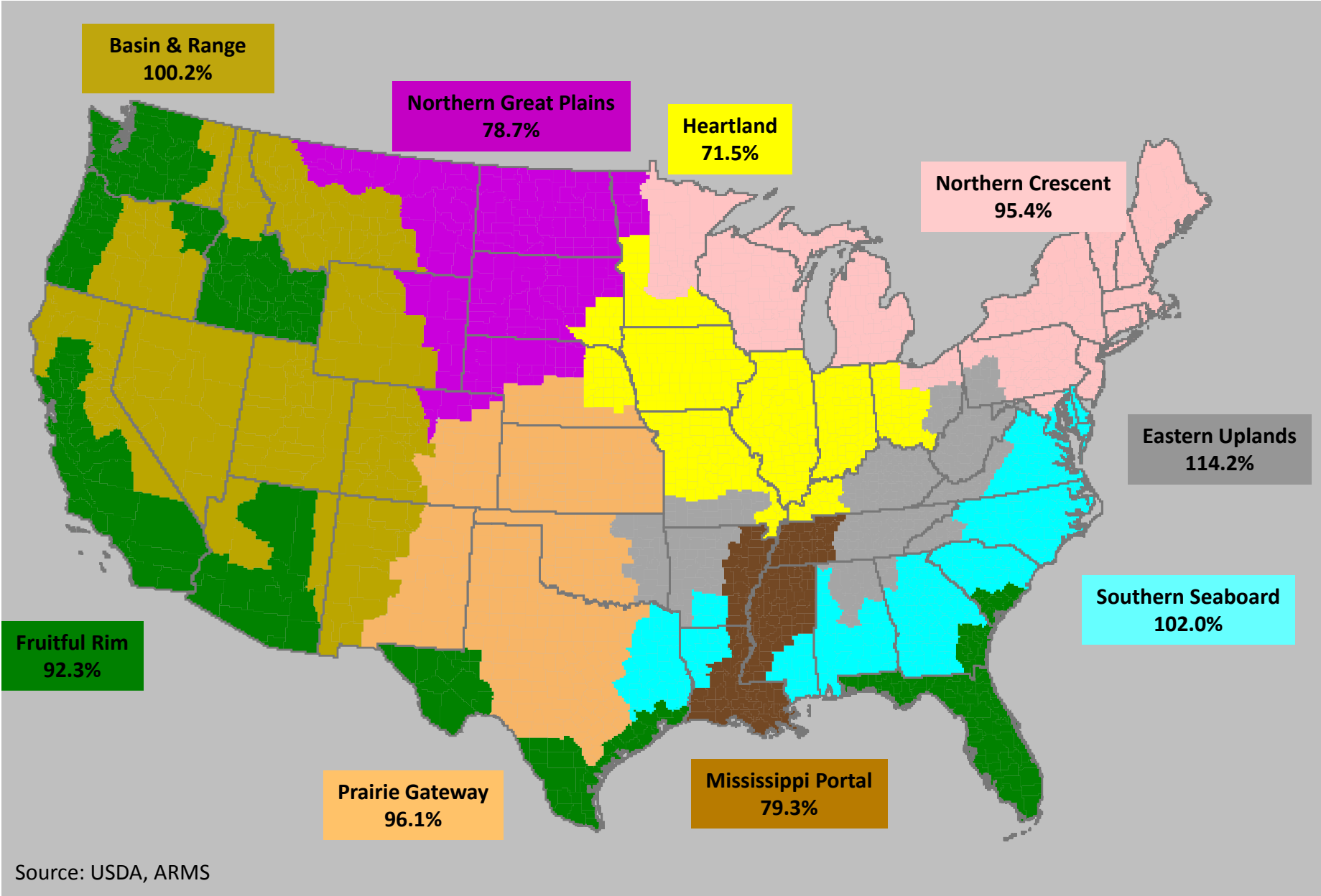
## Metro-nonmetro earnings gap rises with level of education

Percentage difference by which metro earnings exceed nonmetro

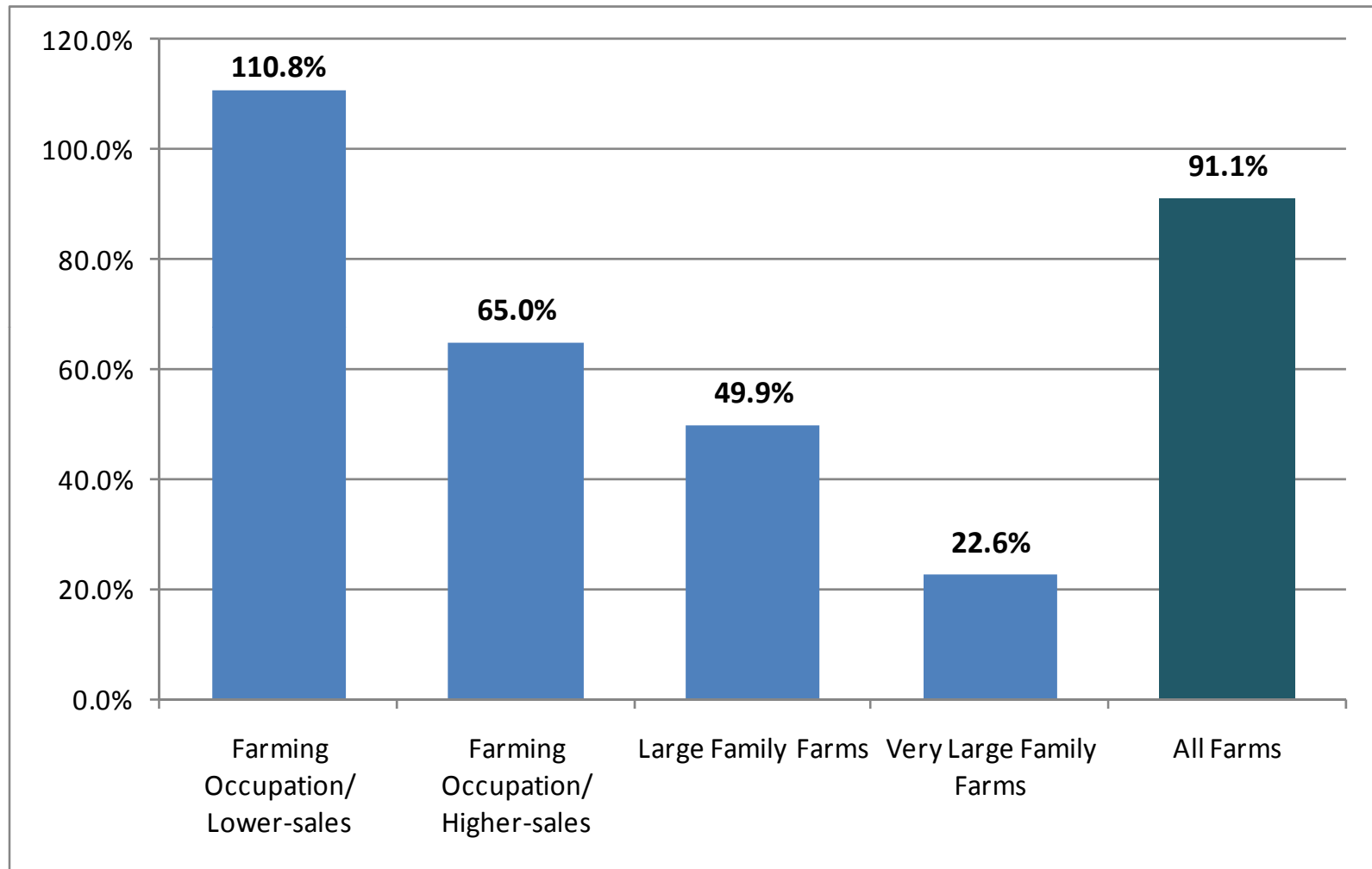


Source: Calculated by ERS using data from the 2006 Current Population Survey Earnings File.

# Percent of Farm Household Income from Off-Farm Sources, by Farm Resource Region, 2009



## Percent of Farm Household Income from Off-Farm Sources by ERS Farm Typology, 2009



Source: USDA, ARMS

Data not shown for limited resource, retirement, and residential type farms

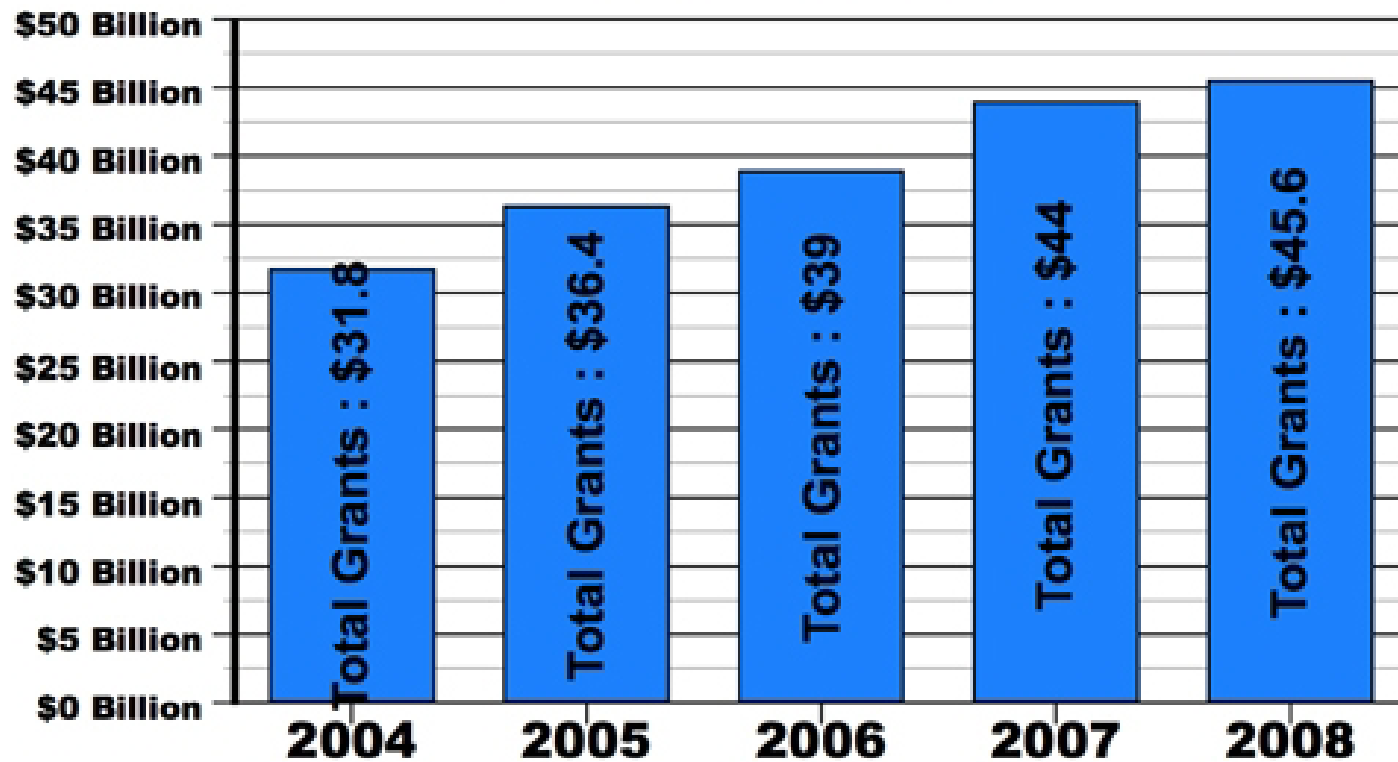
March 2011

Opportunities to  
Reduce Potential  
Duplication in  
Government  
Programs, Save Tax  
Dollars, and Enhance  
Revenue



# Total Foundation Grants Are Growing

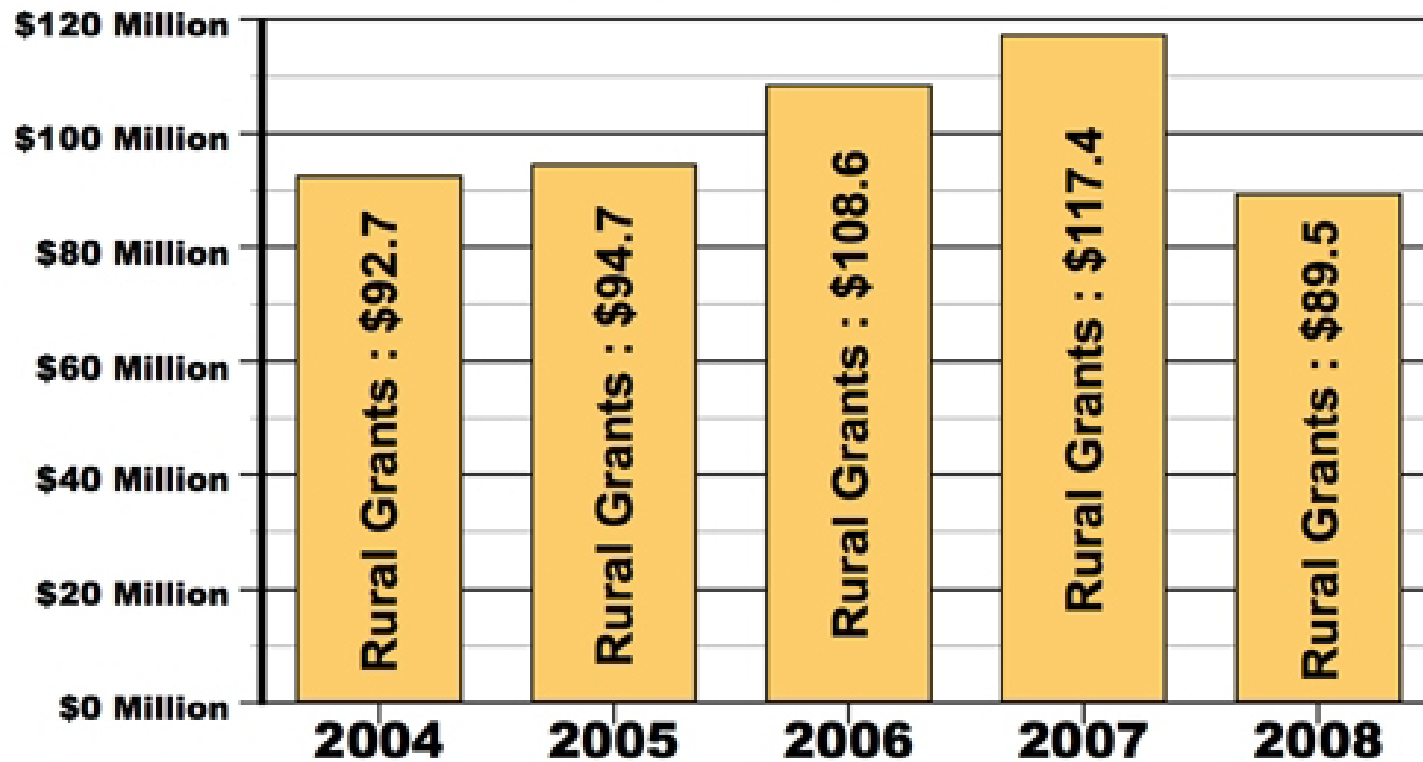
*Foundation grants as a whole increased 43.4%  
between 2004 and 2008*



Source: Daily Yonder/Rick Cohen,  
with data from The Foundation Center

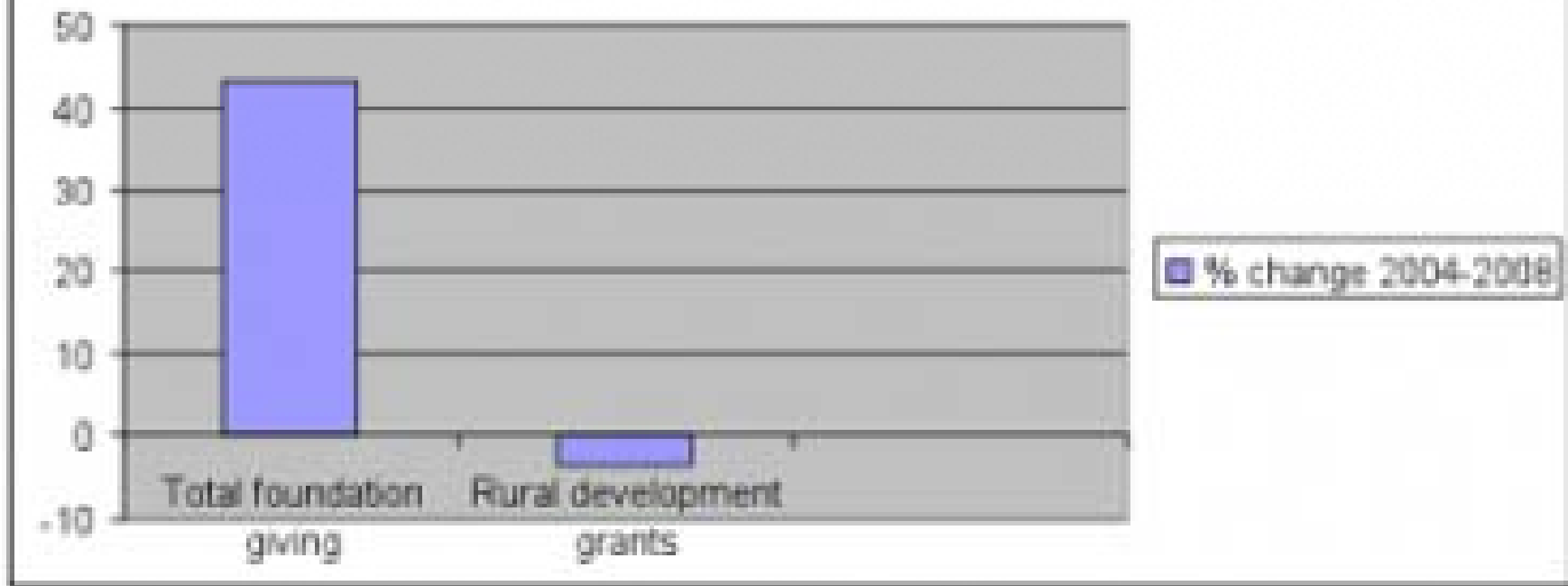
# Grants For Rural Are Stagnant

*Donations to rural development were lower in 2008 than in 2004*



Source: Daily Yonder/Rick Cohen,  
with data from The Foundation Center

Change in annual grants 2004-2008



# The Framework for Regional Rural Innovation



## Critical Internal Considerations

- Wealth Creation and Intergenerational Wealth Retention
- Youth Engagement and Retention
- Social Inclusion and Social Equity