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# Rural Community Response to Closure/Downsizing of a Major Employer

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**Abstract**

Rural communities in the Upper Midwest continue to experience economic restructuring, caused not only by area agricultural changes, but also by mining and local manufacturing shutdowns. Focusing on two states—Minnesota and North Dakota—this study details the repercussions, and response, of five rural communities to the downsizing or closure of a major employer. The five community case studies represent a range of industries in which there were employment losses, diversity in community size, proximity to other labor markets, as well as multiple and varied use of adjustment techniques local leaders used in their response to community job loss. The communities studied were selected from more than 40 communities in the two states that had experienced a closure or downsizing that produced significant job loss between July of 1994 and January of 1998.

The five communities were treated as case studies, and a number of local leaders were identified, and participated in in-depth interviews. Additional information about each community was obtained through a random sample of respondents who completed a mailed questionnaire. The questionnaire focused on the respondent's views of the impact of job loss for the community, and their perceptions of leadership to resolve the crisis. The communities ranged in size from less than 400 to 10,000 residents. All five communities had low levels of unemployment, and at the time of the survey data analysis, Minnesota and North Dakota were ranked as having the lowest unemployment rates in the country.

Case study communities in this study tended to make a "better" adjustment when there was/were:

- ✦ an economic development organization (regional, if not local) in place prior to the closure;
- ✦ cohesion of community and agency leaders who were not concerned with "turf" issues;
- ✦ a focus on both assisting displaced workers and promoting economic development;
- ✦ a breadth of contact and networking with State agencies, consultants, and community leaders from other communities which had already weathered a dislocation and made a good adjustment;
- ✦ substantial lead time prior to closure/downsizing;
- ✦ an understanding that the adjustment period from downturn to upturn was not overnight, but might take months, or even years, but a "Can Do" attitude prevailed throughout;
- ✦ a closure/downsizing that was not the sole or dominant employer;
- ✦ some displaced workers who were not local residents, but were commuters; and
- ✦ a range of alternative re-use options for the closed facility, rather than a single restrictive use-option.

**Keywords:**

economic restructuring, downsizing, closure, community case studies, economic development organization, lead time to closure/downsizing

## Highlights

How do rural communities adjust to the downsizing or closure of a major employer? The research focus of this project has sought to answer that question, by (1) describing the approaches employed by some Midwestern communities to maintain or restore their economic vitality in the face of a major plant closing or downsizing, and (2) describing the economic, community, and social organizational factors related to those community development efforts.

The focus of this study has been on five communities within the states of Minnesota and North Dakota. The five communities were selected from more than 40 communities that experienced significant job loss between July of 1994 and January of 1998. The communities represent a range of industries in which there were employment losses, diversity in community size, proximity to other labor markets, as well as multiple and varied use of adjustment techniques by local leaders in response to community job loss. Each community was studied through in-depth interviews with a number of community leaders. Further insight into both the impacts of job loss and an assessment of what local residents perceive about the community, and the leadership during the crisis was provided by data collected by a mailed questionnaire to a random sample of residents in each of the five communities.

At a time when the media inform us that the "Midwest jobless rate stays best in nation", and Minnesota and North Dakota[*] have the lowest unemployment rates in the country as a whole, the five case studies described here are reminders that job loss occurs in "good times" as well as during recessionary or poor economic periods. Having an unemployment rate of 2.1 percent or 2.4 percent does not mean that all communities are doing well, or that there aren't difficult periods ahead for individuals who are displaced from their jobs, as well as for their resident communities.

The communities ranged in size from about 400 to 10,000 residents. At the time of the survey, all five communities had low levels of unemployment. Three of the communities experienced a closure or shutdown; one a coal mine employing 53 miners; another, a Jerome Foods turkey processing plant and the largest employer in the community; while the third closure was a Campbell Soup (chicken processing) plant employing over 435 workers. The other communities had a downsizing of a research farm and displacement of 30 workers, while the remaining downsizing was a State Developmental Center which eliminated more than 500 positions.

Communities responded differently to the job loss experiences, in part because of the significance of the loss, but also because sometimes the workers were primarily commuters, and not local residents. In one case study, the number of displaced workers was small and absorption of the workers into the local and area labor markets was easy, leaving the community with

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[*] While Minnesota's 2.1% unemployment is the 'best' (i.e., lowest), North Dakota is tied with New Hampshire for the nation's second best unemployment rate at 2.4 percent, according to "Midwest jobless rate stays best in nation", Minneapolis Star Tribune, May 22, 1999, page D4.

virtually no problem. Other communities “wrestled” with the impacts for extended periods, during which community leaders experienced frustration and indecision about the best options.

A summary table is useful to understand the community differences and unique response of each community.

**SUMMARY TABLE**

| | Community | | | | |
|---|---|---|---|---|---|
| Component | Altura | Bowman | Courtland | Grafton | Worthington |
| Downsizing/closure | closure | closure | downsizing | downsizing | closure |
| Facility type | turkey processing plant | coal mine | research farm | State Developmental Center | chicken processing plant |
| Industry position | dominant | major | minor | dominant | major |
| Number of employees Displaced | 222 | 53 | 30 | 500+ | 435+ |
| Resident/non-resident Employees | commuters | local | local | local/commuters | local |
| Re-use option | restricted | restricted | flexible | limited | limited/ restricted |
| Replacement industry | none | none | none | partial | none |
| Local absorption capacity | limited | limited | strong | moderate | strong |
| Existing economic development agency | no | yes | no | yes | yes |
| Local leadership | ambiguous | directive | directive | directive | directive |
| Community involvement | volunteers | Jobs Committee | limited | volunteers | Task Force |

Lastly, communities facing a closure/downsizing in this study tended to make a “better” adjustment when there was/were:

- an economic development organization (regional, if not local) in place prior to the closure;
- cohesion of community and agency leaders who were not concerned with “turf” issues;
- a focus on both assisting displaced workers <u>and</u> promoting economic development;
- substantial lead time prior to closure/downsizing;
- an understanding that the adjustment period from downturn to upturn was not overnight, but might take months, or even years, but a “Can Do” attitude prevailed throughout;
- a closure/downsizing that was not the sole or dominant employer;
- some displaced workers who were not local residents, but were commuters; and
- a range of alternative re-use options for the closed facility, rather than a single restrictive use-option.

# Rural Community Response to Closure/Downsizing of a Major Employer

F. Larry Leistritz and Kenneth A. Root*

## Introduction

Rural communities across the United States are undergoing dramatic economic restructuring. The wrenching changes occurring in many small towns have left a legacy of dwindling economic opportunities, shrinking and fragmenting communities, and a rural labor force held hostage by global economic forces that few fully understand. One of the central features of this restructuring has been substantial instability in the manufacturing sector. While manufacturing is the only sector in which employment grew faster in nonmetropolitan areas than in metro areas between 1970 and 1988, changes in manufacturing employment also have constituted a disproportionate share of the year-to-year fluctuations in total nonmetro employment (Bernat 1992). As a result, many rural communities are struggling to recover from the closure or downsizing of manufacturing facilities and trying to implement economic development programs.

Rural communities in the Upper Midwest region have experienced economic turbulence associated with changes in agriculture and mining, as well as manufacturing. The “farm crisis” of the 1980s resulted in substantial economic stress not only for farm families but also for businesses and public service providers in agricultural trade centers (Murdock and Leistritz 1988). The mining industry also has become important to some communities in the region, offering a substantial economic stimulus during periods of expansion but sometimes resulting in major economic disruption when market conditions or resource exhaustion lead to curtailing of mining operations (Leistritz and Hamm 1994). Finally, closure or downsizing of public facilities has led to substantial economic adjustments in some communities (Knapp et al. 1996).

Past research has found the community-level impacts of facility closure and/or downsizing to be quite variable, ranging from relatively mild negative economic multipliers that resulted in few community problems to devastating downward spirals of lost employment, dwindling income, population out-migration, shrinking tax base, and reduced ability of small town governments to maintain basic services (Leistritz and Hamm 1994). Because locales differ greatly on economic, demographic, and related factors that influence the extent of impacts and the potential for recovery, it has sometimes been difficult to generalize common findings from community-level studies. One aim of this study was to identify these differences and their effects on the success of local economic development efforts.

The goal of this study is to achieve a greater understanding of the differential impacts of plant closure and worker redundancy in nonmetropolitan communities and to gain new insights into the economic, community, and organizational factors that underlie effective rural community response to economic distress. The specific objectives were:

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1. To study the approaches that Midwestern communities have used to maintain or restore their economic vitality in the face of plant closings and/or downsizings.
2. To describe the economic, community, and organizational factors related to the effectiveness of these community development efforts.
3. To apply that knowledge to assist rural communities in responding to economic restructuring.

## Procedures

The research plan first required selection of nonmetropolitan communities to be studied. The authors developed lists of communities in Minnesota and North Dakota that had experienced the closure or downsizing of a major employer between July of 1994 and January of 1998. From more than 40 communities initially identified, five were selected for study based on factors such as community size and the nature of community response to the closure. In each of the five case study communities, the authors conducted in-depth interviews with a cross-section of community leaders, with the aim of gaining an understanding of the communities (i.e., their population, economic base, etc.), the circumstances of the closure/downsizing that occurred, the effects of the closure/downsizing, and the community's response to the situation. Subsequently, a short survey was mailed to a random sample of residents in each of the study communities. The survey focused on the effects of closure on the community and the respondent, responses to the closure, and the respondent's satisfaction with the responses made by company officials and community leaders. The survey resulted in 571 usable responses, for a response rate of 33 percent.

## Description of Study Communities and their Closure Experiences

The study communities ranged in size from less than 400 residents (Altura, MN) to about 10,000 (Worthington, MN) (Table 1). The communities also differed substantially in their proximity to larger cities, as Altura and Courtland, MN, in particular are located within a relatively short commuting distance of larger cities (Rochester and Winona for Altura, Mankato and New Ulm for Courtland), whereas Bowman, ND is located about 85 miles from the nearest city with 10,000 or more people and 150 miles from the nearest MSA (Figure 1). Each community had recently experienced the closure or downsizing of a major employer. However, the effects of these events and the communities' responses to them differed substantially. This section summarizes the experiences of the study communities. (For more information about economic and demographic trends in these communities, see appendix A, tables A-1 through A-6.)

Table 1. Population of Study Communities, 1970-1996

| Town | Population 1970 | 1980 | 1990 | 1996 |
|---|---|---|---|---|
| Minnesota: | | | | |
| Altura | 334 | 354 | 349 | 377 |
| Courtland | 300 | 399 | 412 | 458 |
| Worthington | 9,825 | 10,243 | 9,977 | 10,321 |
| North Dakota: | | | | |
| Bowman | 1,762 | 2,071 | 1,741 | 1,602 |
| Grafton | 5,946 | 5,293 | 4,884 | 5,480 |

Source: Appendix Table A-1.

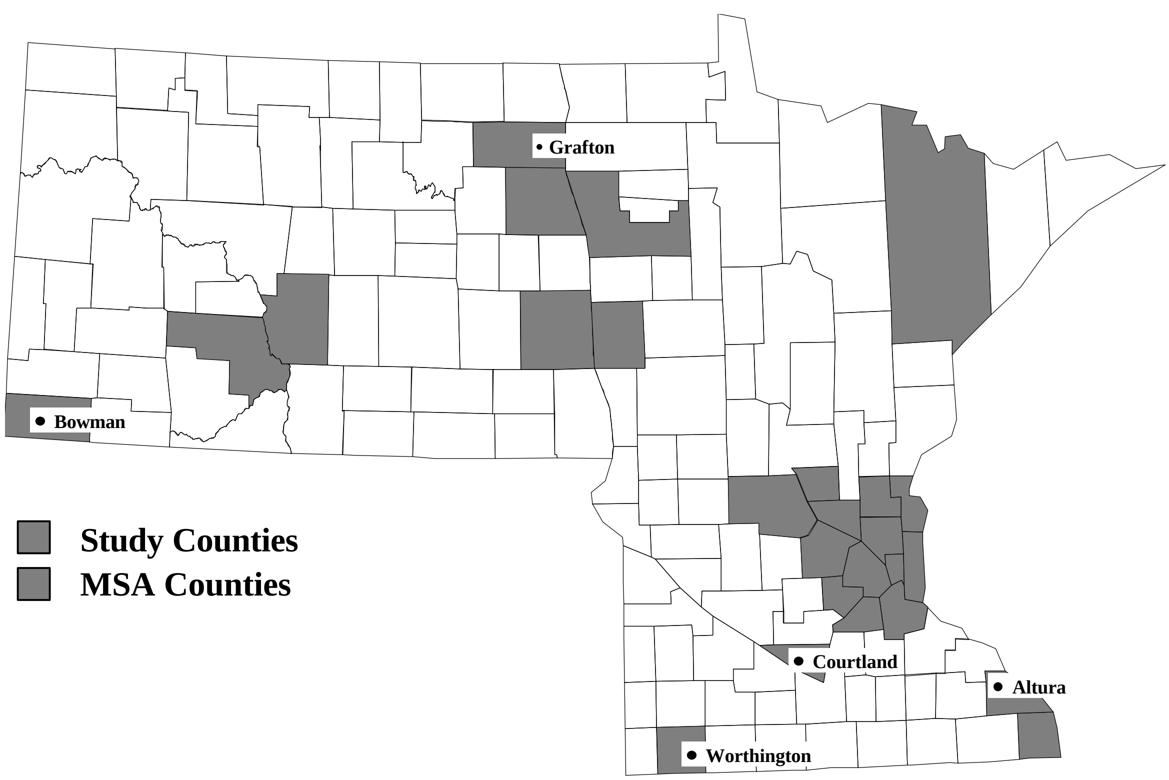


Figure 1. Study Community Location and MSAs for Plant Closure/Downsizing Study, 1999

**Altura, Minnesota**

Altura is a small southeastern Minnesota community of 354 residents located 10 miles north of Interstate 90 between Rochester, Minnesota and LaCrosse, Wisconsin. State Highway 248, which ends west of town, provides an eastern road to the town of Minnesota City. State Highway 74 joins at the termination point of State Highway 248 and provides a southern outlet to Interstate 90 and beyond. Winona, Minnesota and Rochester, Minnesota are approximately 25 miles away in opposite east-west directions.

Originally a rail stop watering-hole for steam engines, Altura has since been bypassed by the railroad, and is off a major highway. The community is located in a pastoral setting of rolling hills where the dairy industry is vibrant. Eleven dairy farms are located within the city limits. One of the characteristics of area farms noted by more than one respondent was the fact that farms were getting larger at the same time that farm families were getting smaller. In addition to the post office, there are six businesses located on the six-block main street. The businesses include a restaurant, a grocery store, a gas station, an implement dealer, a bar, and a liquor store. The community does not have a Medical Doctor, a lawyer, a dentist, a plumber, an electrician, nor a heating/furnace repairman. The locally-owned bank has relocated on the edge of town, some six blocks from the balance of residents and businesses. In the bank structure there is also a real estate agency.

While the local school system has merged with Lewiston into the Lewiston-Altura Schools, the school building in Altura houses intermediate grades 5 and 6 for the combined school system. Local residents are for the most part retired, work in agriculture, or commute to Rochester or Winona for their employment.

**Job Loss**

The community of Altura lost 222 jobs when Jerome Foods closed in May of 1996. Jerome Foods [now known as The Turkey Store Company] closed their turkey processing plant but retained grower facility farm operations in the area for their processing facilities elsewhere in Minnesota and Wisconsin. The plant facility, located on the main street in Altura, has been purchased for possible expansion by Rochester Meats, a beef processing operation located in Rochester, Minnesota. The plant was for sale for nearly 1 ½ years prior to the December 1997 Rochester Meats purchase. Since that purchase, the buildings have sat vacant, or been rented, but there is no activity, nor any employees, working at the site.

The turkey processing facility in Altura was originally started by the Altura Feed Mill and known as Altura Rex. During a difficult period in the late 1930s, Hubbard Foods from Mankato took over the operation, assuming the indebtedness. Hubbard ran the facility for approximately 30 years, and sold the operation and farms to Simmonds Industries in December, 1990. After operating the plant for three years, the entire operation was sold to Jerome Foods in December of 1993.

While the original facility was a major employer for local residents, operating on a seasonal basis, the operation increasingly became a year-round full-time processing plant. Long-time residents recall how the seasonal processing work would draw them to work even when they held other full-time work. The emphasis in their story is the commitment of locals to keep the plant in operation. Over the years, as outside control and management set higher and faster standards, fewer local residents were interested in the work. Local residents also were getting older, so at the point that Jerome Foods purchased the operation, management was dependent upon a labor force from the surrounding area. At the time of the shutdown, Jerome Foods workers came from eleven Minnesota communities, with most workers commuting no more than 25 miles, but some as distant as 40 miles. Workers were also commuting from the Wisconsin towns of Arkansas, Pepin, and Nelson, about 60 miles away. While local residents maintain that workers were bussed in from some of these communities, company officials indicate that was not the case. New workers included Southeast Asians, and Hispanics, as well as Moroccans.

**Impacts of the Closure**

The Jerome Foods closure has had an impact on some Altura businesses, as well as the city budget. Local business operations include a grocery store with a general line of groceries, plus greeting cards, video rentals, a deli and grill, and four tables for customers to eat at. The store, open from 5 am until 7 pm six days a week and from 9-12 am on Sundays, has expanded its catering service, which has extended the workload of the owner-operators. The expansion to catering was forced by the closure, since roughly half the business of the grocery-grill was from workers at Jerome Foods. In addition to extended hours for the owners, the processing plant shutdown forced them to reduce their staff, including the termination of one full-time and one part-time worker. The remaining hours for one part-time employee were also reduced.

The city has a water and sewer system that is about 25 years old. When the turkey processing plant was operational, it used about 85 percent of the water and 90 percent of the community's waste treatment operating capacity. The closure has meant that the city is overbuilt if the incoming business operation does not use those city utilities, or if new industry is not recruited. Further, for the time being, the City Council has elected to not pass on rate increases to residents, but runs those charges on a deficit out of the city budget.

One long-term resident and a former Altura processing plant worker said that the closure had "quite an impact". He cited the processing plant's use of water and sewer and the deficit funding to cover those costs, as well as the loss of taxes (roughly $3000 annually) as a result of the difference between the sale price and assessment of the processing plant. He thought it was important for a small town with a big plant to get a new operation back in business as quickly as possible.

A number of community strengths were identified by local Altura residents, including:
* good water, and an ample supply;
* good volunteer fire and ambulance service with two fully equipped ambulances;
* the city finances are in good shape;
* there is a strong agricultural economy;
* Altura is a cohesive community--residents have grown-up in the community; and
* community residents have a strong faith.

While there were numerous strengths, residents were also able to identify some weaknesses, which included:

* restrictive City Council spending;
* not having full-time city employees to do something about the shutdown, or employees with a great deal of experience with closures;
* plans for a bike trail in the area have been dropped;
* the community needs a "flow" of people, and this doesn't exist;
* limited job opportunities;
* Altura needs more than a single industry; and
* young people don't stay in the community.

**Community Response to the Closure**

Altura city council members have spent considerable time with the issue of the job loss. Council members and city residents know the significance of losing an industry, which was for them the dominant industry in town. Yet, lack of available land for either commercial or home development appears to have limited the possibilities of growth. Decline of the rural population, both in family size and the reduction in the number of farm operators means that fewer people use the town as a market center. According to most interviewees, few Altura residents are without work, unless they want to be, so concern for individual well-being of neighbors has not been a problem.

The former city clerk in Altura has volunteered to write a proposal for city funding from the Minnesota Trade and Economic Development Council for new job development. This proposal would not be submitted until Rochester Meats is ready to employ new workers. The monies generated by this proposal would be granted to the city, loaned to Rochester Meats, and repaid to the city, with a portion repaid to the Minnesota Trade and Economic Development Council.

**Lessons Learned**

Businesses in Altura would like more customers. Some local stores were very dependent on a large labor force at the closed plant. Not having easy access to a close larger town hampers town growth. The location of the community in such close proximity to dairy operations puts further restrictions on city expansion, whether for commercial or residential development, although some local leaders maintain that land would be available for city expansion. The limited use of the processing plant for other industrial operations worked against a quick sale, and the new owners have purchased the facility as a back-up operation for possible expansion. One lesson is that a closed facility will help local community vitality most if it is quickly filled with a workforce. Some local residents would maintain that community leaders need to do more, or the community will slowly die.

The Jerome Foods closure was Altura's only industry, and it has taken some time for the city to develop a plan to respond to the shutdown. Even though the closure did not impact a large number of local residents, the facility did bring into the community a number of other workers who made purchases in town, including gas, food, and drinks. The unique features of the processing operation made it difficult to sell, and when it sold at a fire sale price, the community lost tax revenue. While the facility is without a labor force and processing, the water and waste infrastructure require subsidies from the city treasury. In hindsight, could the community have acquired the facility early on, at an even lower cost? There have been several examples of larger corporations selling the physical plant to the host city for one dollar. If not an outright purchase, could the city have worked more closely with the Minnesota Economic Development Council for assistance in recruiting new industry, or alternatively, hired the services of an Economic Development Consultant to assist in locating a buyer for the facility who would operate the facility much sooner?

The city has plans to develop a parcel of land for 18 new home-sites, anticipating that growth, and business, will come through population expansion. This facet of development will add to diversity within the local economy, and provide a stronger pool of local labor for the potential recruitment of new industry.

**Bowman and Adams Counties, North Dakota**

The Gascoyne coal mine is located in eastern Bowman County, in extreme southwestern North Dakota. The nearest communities are Scranton (population about 270, 5 miles west), Bowman (population about 1,600, 18 miles west), Reeder (population about 220, 6 miles east), and Hettinger (population about 1,430, about 23 miles east). Reeder and Hettinger are located in Adams County. The Gascoyne mine was operated by Knife River Coal Mining Co. and employed 53 workers at the time shut down began in 1995.

The Bowman and Adams County communities were founded around 1900, generally at about the time that the railroad (Milwaukee Road) reached the area. The communities developed as trade and service centers for an agricultural area characterized by extensive farms and ranches. Coal mining in the area began around the turn of the century, but distance from markets limited the scale of mining until the 1970s. Early in that decade, the Gascoyne mine was expanded to produce about 2.5 million tons of lignite per year. This surface mine was highly mechanized, using large draglines and other high capacity equipment, and almost all of the 53 workers were full-time employees.

Another energy sector which affects Bowman County is the oil and gas industry. Oil exploration and extraction in North Dakota began in the 1950s, waned during the 1960s, and experienced a second surge of growth from the mid-1970s to the early 1980s. Most of the oil activity in Bowman County is in the western portion of the county, affecting the town of Bowman more than the other communities.

Major factors affecting southwestern North Dakota, aside from the closure of the Gascoyne mine, include changes in the region's agricultural and oil sectors and population declines for most of the area's smaller communities. Farm and ranch consolidation has been a major trend statewide in North Dakota, and the Bowman-Adams Co. area has been no exception. Decreasing farm numbers have led to population decline in the area's towns. Bowman's population fell from 2,071 in 1980 to 1,741 in 1990 and 1,602 in 1996 while Hettinger's population dropped from 1,739 in 1980 to 1,574 in 1990 to 1,427 in 1996. Among the smaller towns near the mine site, Scranton's population decreased from 415 in 1980 to 269 in 1996 while Reeder went from 355 in 1980 to 222 in 1996.

A prominent characteristic of this area is its isolation from population centers. From Bowman, the nearest larger towns are Dickinson (population about 16,000; located 85 miles northeast), Belle Fourche, South Dakota (115 miles south), and Miles City, Montana about 120 miles west). To reach the nearest metropolitan area (MSA) would require a trip to Bismarck, North Dakota (about 150 miles northeast) or Rapid City, South Dakota (a similar distance south).

**Mine Closure**

The Gascoyne mine had been producing about 2.5 million tons of lignite coal per year since 1975, with virtually all of the output contracted to the Big Stone Power Plant in northeastern South Dakota. As the date for contract renewal (1995) approached, concerns emerged regarding the sulfur content of the coal (the lignite coal produced at Gascoyne has a BTU content of about 6,000 BTU/lb. and has a higher sulfur content per BTU than the competing Montana-Wyoming subbituminous coal with about 8,500 BTU/lb.) and its cost compared to alternative fuels. In early 1994, it was announced that the contract would not be renewed and that the mine would be closing in 1995.

Prior to the shutdown, the Gascoyne mine employed 53 workers, with an average annual wage/salary of about $50,000. The excellent pay and benefits of the mine jobs meant that the loss to the area economy was disproportionate to the number of jobs. Layoffs began during the second half of 1995. The closure was a two-year process; about 20 workers were retained through 1996 and part of 1997 to complete reclamation work on the mined areas. Knife River Coal also has established a recycling facility at the mine site, and this employed 4 or 5 persons at the time interviews were conducted (summer, 1998).

The Gascoyne mine workers were offered the opportunity to transfer to other jobs within the Knife River Coal Company (which also operates a large mine near Beulah, ND). Most of the mine workers opted to transfer, in part because the wage/salary they could obtain in the mining industry would be substantially greater than they might expect in other jobs. Older workers were offered early retirement, and several chose that option. As a result, the local impacts of closure resulted primarily from the loss of the mine payroll and from out-migration of most of the mine workers and their families.

**Impacts of Closure**

Interviews with local officials indicated that most of the mine workers left the area in order to accept jobs with Knife River Coal at other locations (primarily at Beulah, in Mercer Co.). A few of the older workers opted for early retirement, and a few with strong ties to the area elected to remain and try farming, perhaps in partnership with family members. The isolation of the area made commuting to alternative employment a less viable option than it might be in other settings. In sum, the immediate impacts to affected communities resulted from out-migration rather than from a large increase in unemployed/underemployed persons.

Another immediate problem to Bowman and Adams Counties and their political subdivisions was loss of severance tax revenue. In North Dakota, a portion of the coal severance tax is rebated to the county where the coal is mined, and the county's share of the tax revenue is further divided among the county general fund and the political subdivisions (i.e., towns and school districts). Further, when a mine is located near a county border (as in the case of the Gascoyne mine), the neighboring county and nearby towns and school districts share in the revenue. The total loss in tax revenue was about $500,000 per year, and Bowman County's (general fund) share was about $300,000.

The impacts of the mine closure were offset somewhat by an expansion of oil and gas activity. Discovery of new oil deposits in western Bowman County has stimulated oil exploration and extraction activity over the past two to three years. A total of 185 new wells were completed between February 1995 and May 1998, with 67 of these being completed in 1997. During 1997, Bowman County was the state's leading oil producer. Most of the oil activity is in the western part of Bowman County, so the town of Bowman has been affected more than other communities. The oil activity has helped both Bowman and Scranton refill their empty houses. The expansion in oil production also has bolstered the county's tax revenues, as North Dakota's counties receive a share of the production/severance taxes from oil and gas produced within their borders. (It should be noted that, since the community interviews were completed, declining oil prices have led to a substantial reduction in oil exploration and some decrease in oil production across western North Dakota.)

Overall, local officials do not perceive dramatic local impacts from the mine closure, *per se*. However, the losses of tax revenue, mine payroll, and workers and families have added to the challenges of maintaining local businesses and public services in the face of steadily declining farm numbers and rural population base. The town of Reeder is facing the imminent prospect of losing their school, while Bowman area residents have been concerned for several years about the future of their hospital. Both Bowman and Hettinger registered declines in their total taxable sales (inflation adjusted) over the period 1980 to 1996, although both towns did better than the statewide average for towns in their size class (i.e., partial shopping centers). Short-term changes in taxable sales for Bowman and Hettinger reflect these population patterns; Bowman's inflation-adjusted sales increased by 0.1 percent from 1995 to 1996, while Hettinger's sales fell by 9 percent over the same period. From 1994 to 1996, Adams County registered a population decrease of 21 persons (0.7 percent) while Bowman County had an increase of 25 (0.8 percent).

**Community Response to Closure**

Community efforts to respond to the closure were aided by the fact that Knife River Mining gave about 18 months notice before closure began. Among other things, this allowed the affected area to apply for a grant from the U.S. Economic Development Administration under

Title 9 (Sudden and Severe Economic Adjustment). The grant was received on September 30, 1995, and was used to fund a Jobs Committee.

The Jobs Committee is made up of six voting and four nonvoting members. The voting members represent the local entities that contributed matching funds to the project ($75,000 of EDA funds were matched with $17,500 of local funds and $7,500 of state funds). The local entities are Bowman County, City of Bowman, Bowman County Development Corporation, City of Scranton, ARISE (Scranton Economic Development group), and the Adams County Economic Development Corporation. The four nonvoting members are the executive directors of the two economic development corporations, a representative of the Roosevelt-Custer Regional Council (which acted as the fiscal agent for the grant), and a representative of Knife River Coal. The conditions of the grant specified that the funds were not to be used for physical infrastructure ("bricks and mortar"), but rather for planning, and technical assistance. Over its three year life, the Committee has attempted both to find alternative uses for the mine site and to support other types of economic development efforts in the region generally, with the aim of replacing the lost jobs. Several of the efforts that have been supported appear to have promise, but none have created any new jobs as yet.

A second program aimed at addressing economic problems in southwestern North Dakota is the Rural Economic Area Partnership (REAP) program. The REAP zones parallel the Empowerment Zones and Enterprise Communities (EZ/EC) Initiative as regards strategies for economic and social revitalization. A Memorandum of Agreement (MOA) signed in 1995 created two REAP zones in North Dakota, one of which is the eight counties that comprise State Planning Region 8 (the Roosevelt-Custer Regional Council area). (This region includes Bowman and Adams Counties.) The strategic plan for the Southwest REAP zone calls for projects for expansion and improvement of infrastructure (housing, community facilities, water, and electricity) in the region, in order to support growth in telemedicine, value added agriculture, tourism, and technology industries.

The current REAP program in the southwest region is directed by a board, with one member from each of eight participating counties. The major funding received to date from USDA has been in the areas of water and wastewater ($8 million), rural housing ($6.2 million), and rural business programs ($1.1 million). Among their concerns for the future, the REAP staff discussed the difficulties of maintaining community infrastructure in the face of a declining population, particularly in the rural areas. Branch line abandonment by the railroads is a concern, as is maintaining the region's road and highway network.

**Lessons Learned**

Perhaps the most important lesson that can be drawn from the experience of the communities affected by the Gascoyne mine closure is that economic recovery/community development efforts take a substantial time to show results. While the Jobs Committee has been in operation for nearly three years and has funded a number of projects, many of these are still in the feasibility analysis and/or planning stages and have yet to result in viable local businesses. Because of the time required for such economic recovery/development efforts, it may be unrealistic to believe that a community response effort can generate new jobs in time to prevent the relocation of displaced workers. Rather, development of businesses which may in time grow enough to replace the lost jobs may be the best that can be hoped for.

## Courtland, Minnesota

Courtland, with 420 residents, is located 8 miles west of New Ulm on U.S. Highway 14 in southcentral Minnesota. Courtland's main street is busy U.S. Highway 14, and contains a hardware store, a bank, a gas station/food mart, two bars (which serve food), and a post office. The town also has a feed mill, and two churches. At one time, the community had a large ballroom, and there is evidence that the community has lost population over the years.

Students in Courtland attend either Nicollet or New Ulm schools, or a Lutheran parochial pre-K through 8th grade school three miles from Courtland. City expansion appears significant off the busy highway and a quarter-of-a-mile south overlooking the Minnesota River. Another area of residential expansion off the highway is a long block north, near the Moravian church. A new sewer system, at a cost of $4.4 million is presently under construction. A $3.1 million grant from the State pays for the majority of the project. The Courtland sewer system will be hooked up with the New Ulm system. The water system was updated about eight years ago. While the infrastructure is in good condition and the new sewer a major expenditure through bonding of $1.3 million, one concern expressed by some local leaders is the possibility that residential growth will be too much, too quick.

The proximity of Courtland to New Ulm and the labor need of some New Ulm operations is a major component of the vitality of the town. Larger New Ulm employers include Kraft Foods with 1,200 employees, and 3M with 1,000 employees. Most employed Courtland residents work in New Ulm, and locals recognize the "bedroom community" feature of their town.

### Job Loss

Courtland experienced the closure of the livestock component of Supersweet Farms on the western edge of the town after Supersweet merged with AGP (AgProcessing), an Omaha-based company. The majority of the displaced farm workers (30 total) were not Courtland residents and were readily absorbed in the Courtland-New Ulm labor market. The research arm of the operation was also put up for sale, and lab workers initially sought to purchase the lab. The offer to sell the lab was withdrawn, and AGP entered into an administrative agreement with Archer Daniels Midland (ADM) for the lab. The lab, under the title of CN Laboratories does analysis for the AJP Feed group, as well as a range of additional customers. CN Laboratories specializes in trace minerals and pesticide residues, among other analyses. The lab has 23 employees, four of whom live in Courtland, with the balance residing in either New Ulm or Mankato. The ease of travel to New Ulm makes a work commute attractive, and some Courtland workers interviewed in this project were New Ulm residents, while a number of Courtland residents were also New Ulm workers.

**Impacts of the closure**

The Supersweet Farm operation had existed for at least 30 years prior to closure. While the farm has been purchased, it no longer can have livestock since the farm is within the city limits of Courtland. The present owner is contemplating a housing development on a portion of the land, but in the meantime, the buildings are used as lumber storage sheds, and the land is planted to row crops. The displaced farm workers have either retired or been absorbed in other Courtland industries, including Minnesota Hardwoods, a sawmill and retail lumber operation; Courtland Industries, a decorative lawn products and paving stone manufacturer; and Courtland Waste Handling, or obtained new employment in nearby New Ulm.

The Supersweet Farm shutdown in Courtland is probably more accurately described as a downsizing, since the lab workers were retained. Further, the lab employees are the workers on the high-end of the salary structure compared to the terminated farm workers. Given the fact that only 30 employees were terminated, and only six or seven of these were Courtland residents, the impact of the closure was not difficult for the community. Local residents maintain that the community only lost one family as a result of the closure. In reality, not having animals so close to city homes has been a positive component of the restructuring. If a local business with many Courtland residents, such as Courtland Industries, were to close, local residents indicate this would create a much larger hardship for the community. Courtland Industries, with seasonal variation, employs 35-65 workers, primarily in cement floor construction.

Local residents identified several community strengths, including:

* small, cohesive community;
* people in the town are supportive of one another;
* easy proximity to New Ulm and Mankato for shopping or work.

Some identified weaknesses of Courtland were:

* limited resident involvement in city government;
* concern for the future of the community, and "fear" of growth;
* for those residents who live on Highway 14, there is considerable noise.

**Community Response to the Closure**

Once the community was aware of the Supersweet Farm closures, there were emergency city-council meetings. Supersweet management periodically met with, or provided an update of information, to the city council. The city council also became active in working with the lab workers who were attempting to purchase the lab. The city council has some younger members, and a council that is sensitive to the needs of the community. The council is close-knit, yet willing to work with new business people. The city has low-interest business loans available for new business through a revolving fund.

**Lessons Learned**

Courtland has the great advantage of proximity to a larger city with extensive labor needs. Good roads over a short distance provide limited problems for a commute to New Ulm. While the closure has not prompted much insight into the problems and pitfalls of downsizing, the community is vacillating over the degree of growth desired. Some focus on future planning is mandated by the growth issue, which could have been stimulated as well by the adjustment to a shutdown. In short, the range of options for Courtland is extensive, but the size of the closure, the strong economy at the time of the downsizing, and the fact that not all displaced workers were Courtland residents made the community adjustment minimal.

## Grafton, North Dakota

Grafton is a community of about 5,000 located in the northern Red River Valley region of North Dakota. The county seat of Walsh County, Grafton developed into a regional trade and service center for this very productive agricultural area. The State Developmental Center (originally designated as the Institution for the Feeble Minded) was established in Grafton in 1904, and grew to be the town's largest employer, with about 1,040 full-time equivalent (FTE) positions (and nearly 1,200 total personnel) in the late 1980s. Over the period 1989 to 1995, the Center's employment was reduced to less than 500 FTE positions, as more than 80 percent of the clients were moved into group homes and other facilities around the state.

Grafton was incorporated as a town in 1882 and became the county seat of Walsh County in 1883. The community developed as a trade and service center for the northern Red River Valley and its agricultural industry. In recent years, Walsh County has been North Dakota's leading county in the production of potatoes and one of the top counties in production of sugarbeets, dry edible beans, and wheat. The town's major employers have for many years been the Developmental Center, Christian Unity Hospital, Grafton Public Schools, and Walsh County Government. Grafton's population has been relatively stable during the past 40 years (1950--4,901, 1960--5,885, 1970--5,946, 1980--5,293, 1990--4,840).

Major factors affecting Grafton, aside from changes at the Developmental Center, were changes in the region's agriculture and increased competition from Grand Forks (the nearest metro area [MSA]) in the retail and service sectors. Farm consolidation has been a major trend statewide in North Dakota, and Walsh County has been no exception. The total number of farms in Walsh County peaked at 2,631 in 1935, fell to 2,132 by 1950, and declined steadily to 928 by 1987. This trend had obvious implications for Grafton's Main Street businesses. During the same period, Grafton businesses experienced growing competition from Grand Forks, located about 50 miles to the southeast. Interstate 29 was completed early in the 1970s and runs about 10 miles east of Grafton, which allows area residents easy access to Grand Forks' shopping centers and medical services.

The problems experienced by towns like Grafton were exacerbated by the "farm crisis" of the 1980s. Low farm income and high interest rates caused farm families to postpone investments in farm machinery and equipment, as well as home furnishings, clothing, and many other consumer items. In the Grafton area (as in much of North Dakota), the decade of the 1980s was culminated by severe drought conditions in 1988 and 1989. Thus, the downsizing of the Developmental Center came at a time when the local economy was already under considerable stress.

**State Developmental Center**

Substantial changes at the Developmental Center began in the early 1980s, largely as a result of a lawsuit by the Association of Retarded Citizens (ARC). Prior to the lawsuit, the Center housed about 1,200 individuals with developmental disabilities. Services focused on providing the basic needs of individuals (custodial care). In 1983, a Court Order was issued mandating that services at the Center be brought into line with standards for the industry and that community services be developed. The Court Order also stated that the Center was to downsize the number of individuals served from 1,200 to 250.

While it was clear as early as 1983 that substantial changes were in store for the Center, the initial changes actually resulted in an economic stimulus for Grafton. The Center's staff was augmented, and new buildings were constructed. The Center staff was roughly doubled (from 600 to 1,200) during the mid-1980s, and several million dollars of new buildings were constructed. By 1991, an evaluation indicated that the Center had become one of the best facilities of its kind in the nation.

The number of individuals living at the Center decreased in the late 1980s, as increasing numbers were moved to group homes in various communities around the state. As a result, major reductions in the Center staff were initiated in 1989. The staff levels for the Center were 1,041 FTE at the beginning of 1989, 849 FTE at the end of 1989, 743 FTE in 1991, 588 in 1993, 557 in 1994, and 493 in 1995. Staffing is expected to stay near that level for the foreseeable future.

**Impacts of Downsizing**

When local officials and Developmental Center personnel were interviewed, it became clear that little systematic effort had been made to document the impacts of the changes that occurred at the Center. The consensus of local opinion was that a substantial percentage of persons who were laid off (Reduction in Force, or RIFed) probably left the area, but many others remained, often because of family ties. The latter group often commuted to jobs in nearby communities within one hour driving time from Grafton. It was also mentioned that the immediate impacts were lessened because many of the (RIFed) Center personnel had been commuting from outside the community. (Grand Forks apparently was the place of residence for a number of the professional personnel, while a substantial number of less skilled workers commuted from smaller communities in the area.)

Overall, the local informants did not recall dramatic impacts from the downsizing. Some personnel who were RIFed later rejoined the Center staff in another capacity. The reduced demand for housing led to lower values and rents, but the community did not experience widespread vacancies. Main Street businesses felt considerable pressure during the late 1980s and early 1990s, but similar problems were being experienced by virtually every small trade center around the state, as the state's largest urban centers captured increasing shares of retail and service activity. In the recollections of local informants, the impacts of downsizing tended to blend with the general economic pressures resulting from changes in agriculture and in trade and service patterns.

The period 1994-95 is often described by local officials as a low point for Grafton. At least three major retail businesses announced plans to close in 1994 (Ben Franklin, Ryleck's clothing store, and K-Mart). These closings were a real blow because these firms were seen as some of the "anchor stores" that attracted shoppers to the city. The impact of these closures was exacerbated by a rash of fires affecting local businesses. The major grocery store (Wally's), the hardware store, and two or three other businesses had fires. (A local man was subsequently arrested for arson in connection with some of the blazes.) The business community responded well to these set-backs, as the owners of the burned stores generally chose to rebuild (Wally's) or to establish their business in other quarters (the hardware store).

**Community Response to Downsizing**

The Grafton area's response to the downsizing took two forms: (1) efforts to establish other uses for the Developmental Center facilities that were being vacated and (2) more general economic development efforts aimed at establishing "replacement jobs" in the area.

Three organizations played key roles in the Grafton area's efforts to cope with the downsizing: (1) Red River Regional Council for Development, (2) Walsh County Jobs Development Authority, and (3) City of Grafton Economic Development (Growth Fund). The **Red River Regional Council** was established in the early 1970s to provide technical assistance in planning and economic development to the counties and communities in State Planning Region 4 (Grand Forks, Nelson, Pembina, and Walsh Counties). The Council is supported by contributions from its member governments and by administrative fees from federal and state programs that they administer. The **Walsh County Jobs Development Authority** was formed in 1988, soon after state enabling legislation allowed counties to levy up to 4 mills for purposes of economic development. The **Grafton Growth Fund** is funded primarily by a local option sales tax. The local tax rate is 1 percent, which is the maximum allowed under state enabling legislation, and all proceeds go to the Growth Fund. The sales tax was established in 1990; Grafton was the sixth North Dakota city to establish a local sales tax and was the smallest city to do so at that time. In 1996, the tax was reauthorized by a substantial majority of those voting.

<u>Red River Regional Council</u>

The Red River Regional Council has been involved in a wide variety of economic development projects throughout the four-county area. This organization was also heavily involved in a project aimed specifically at finding alternative uses for the physical facilities of the Developmental Center. The Council, with a staff of several professional planners and development specialists, has been a valuable resource to Grafton and Walsh County, as well as to the smaller counties and communities in the region, most of which do not have staff dedicated specifically to development efforts. In regard to Grafton's development efforts, the Council was instrumental in obtaining a grant from the U.S. Economic Development Administration (EDA) for infrastructure for the new Industrial Park, as well as a Farmers Home Administration grant for a speculative building at the park.

Walsh County Jobs Development Authority

The Walsh County Jobs Development Authority (JDA) was the first effort by Grafton and Walsh County to employ professional staff dedicated to development efforts. The JDA was established in 1988, and in 1989 they hired a director and an administrative assistant. The JDA is funded by a county-wide, earmarked property tax levy of 3.6 mills. The JDA has been involved in a number of efforts aimed at assisting new or existing businesses throughout the county. Some of their major projects include Dynamics Marketing and Marvin Windows.

Dynamics Marketing instituted operations in Grafton in 1991, as Impact Telemarketing. They employed about 40 telephone sales representatives (TSRs) at the start, with starting wage rates of about $5 per hour (however, commissions could add substantially to a TSR's take-home pay). This firm has expanded and at the time of this survey employed 60-70 TSRs. They have been a stable employer. The JDA director was a key player in recruiting this firm, and the Grafton Sales Tax Fund (Growth Fund) provided resources for a loan guarantee, as well as helping to purchase a building for the firm.

Marvin Windows is clearly the largest development project to date for the Grafton area. All three of the community's development organizations participated in this effort, with the City of Grafton taking the lead role. The JDA's role has been largely technical assistance, while the Grafton Growth Fund has provided substantial financial assistance. Park River and Pembina County have also made financial commitments as part of the incentive package for Marvin Windows.

Grafton Economic Development (Growth Fund)

From its inception in 1990, the Grafton Growth Fund has been a major force for local economic development in Grafton. The local option sales tax (1%) generates annual revenue of about $400,000 for the fund. The fund has been used to assist a number of businesses that were seeking to locate in Grafton or the surrounding area or to expand their current operations. The sales tax revenues were also critical to the establishment of a new industrial park (just west of Grafton on Hwy 17), and subsequently for the construction of a spec building at the park. The existence of the park and the building are regarded as a key factor in the decision of Marvin Windows to locate in Grafton.

While Grafton and Walsh County put considerable effort into economic development initiatives beginning in 1988, they experienced only limited success for several years. While Impact Telemarketing (Dynamics Marketing) provided an early success, several other efforts to assist new or relocating businesses proved disappointing. In retrospect, some of the local development personnel commented that some of the firms that sought assistance in the early 1990s were marginal businesses. The local developers perhaps should have "checked them out" more thoroughly before providing assistance.

Another problem that hampered local economic development efforts was turnover of personnel. Both the JDA and the City of Grafton have had some difficulty in retaining development directors. Grafton and Walsh County are among the state's smaller communities to employ full-time development personnel, and there is a tendency for these individuals to move on to larger cities.

**Marvin Windows**

While the local development efforts in the Grafton area had resulted in some successes in attracting new firms or stabilizing or expanding existing ones, the community was definitely experiencing difficult economic times in the mid-1990s. Local leaders believed the community's number one priority was to attract a substantial employer to the area. They had an opportunity in 1996 when Marvin Windows and Doors (based in Warroad, MN) began seeking a site for expansion. Marvin Windows received proposals from several communities in North Dakota (including Grand Forks) and Minnesota. Ultimately, Grafton was selected as the site for the new plant; the decision was announced on November 14, 1996. The new $8 million plant was to be located on a 78-acre tract just west of the Grafton Industrial Park. Construction of the 256,000 square foot building began in the spring of 1997, and production operations began in the new facility early in 1998. As of March, 1998, about 90 workers were employed at the Grafton plant with projections for 150 by the end of the summer and 500 by 2001.

Financial incentives have become an established part of local economic development efforts. In the case of Marvin Windows' location in Grafton, the local entities provided the following major incentives: (1) land -- 78 acres to be provided cost free to Marvin; (2) interest buy-down -- the City of Grafton will provide payment for an interest buy-down (through the PACE Program with the Bank of North Dakota); (3) employment incentive payments -- the City will provide cash employment incentives to Marvin; (4) property tax exemption -- the Marvin facility will be exempt from property taxes for five years, then taxed at reduced rates through year 20; (5) rent-free office space to Marvin for one year; and (6) use of a spec building rent free for one year, for training employees, testing equipment, and other start-up operations. Despite the size of the financial incentive package, some of the local development personnel commented that (1) they do not believe in "bidding wars" for relocating companies and (2) in this case, Grafton was definitely not the high bidder.

Local officials in the Grafton area were generally very enthusiastic about the advent of Marvin Windows. While they acknowledge that the incentive agreement commits most of their sales tax revenue for the next 20 years, they feel that the new employer will at least stabilize the local economy and population. The pay scale is not high (starting wage rate is about $7 per hour), but Marvin has already received more than 700 applications. The company has established a reputation as a dependable employer with a good benefit program and a system of pay raises to reward workers who stay with the firm. The local officials also commented that the Marvin announcement had resulted in a major change in altitudes among the business and community leaders. Evidence of the positive community attitude was the vote to reauthorize the sales tax (which passed by a wide margin in December, 1996) and a vote to build a new elementary school, which also passed by a wide margin in 1997.

The local leaders' consensus is that Grafton's immediate priorities should be to develop housing and revitalize the community's retail and service base to better accommodate the Marvin workforce. The city has taken the lead to encourage housing development by purchasing 36 acres of land in the southwest section of town (near the High School). They plan to develop this area in two stages. The infrastructure costs for Phase I will be about $750,000. The city also has developed an incentive program for people who build new homes.

**Reuse of the Developmental Center Facilities**

Efforts to develop alternative uses for the Developmental Center facilities were multi-faceted. During the course of the downsizing, there was some concern among the community leaders that the Center as they knew it might be completely disbanded. However, through the combined efforts of community leaders and Center staff, they have managed to maintain the core of the Developmental Center. Encouraging developments in recent years have included agreements with organizations like the Veterans Administration to use the Center capabilities. The Center plans to market its services to other groups whose needs might be compatible with Center capabilities.

A major project to find uses for Developmental Center facilities that were being vacated was initiated July 1, 1993, with funding of $100,000 from the North Dakota Department of Economic Development and Finance. The Walsh County JDA was originally the lead agency, but the JDA Director left for another job, whereupon leadership passed to the Red River Regional Council. One challenge faced in this project was to determine exactly which facilities would be available. Until the State decided exactly what their downsizing plan would be, it was difficult to know which buildings would be available for reuse.

Ultimately, a plan was developed to use four vacated buildings for a senior housing project. An agreement was developed with the Retirement Housing Foundation (RHF) from California to develop the facility. However, in June 1997, RHF withdrew from the project. After some further work, an agreement was developed in the fall of 1997 with Metro Plains Development. The current plan is to rehabilitate two buildings, demolish one, and reserve the fourth for future use. The two rehabed buildings will be developed for senior housing, one at market rates and the other as affordable housing. The building that is planned for future use is expected to be an assisted living facility.

**Lessons Learned**

Perhaps the most important lesson to be learned from the Grafton experience is simply that it is possible for a community to recover from a major employment loss. Grafton offers an example of a community that is located in an area characterized by declining employment and population, but which nevertheless has succeeded in replacing the jobs lost in the downsizing, developing a plan for reuse of key facilities and generally positioning itself for a bright economic future. One of the local informants commented that communities should realize that a closure or downsizing is not the worst thing that can happen to a community. She went on to explain that the downsizing of the Developmental Center had made various local interests realize that they needed to work together to achieve community development objectives. She summed up the situation by saying that Grafton probably would not have some of the businesses and services that it has today if the downsizing had not occurred.

Another lesson that can be drawn from the Grafton experience is that economic recovery/community development efforts can take a considerable time to show substantial results and that some set-backs and disappointments are possible (perhaps even likely). Grafton area leaders worked for almost a decade prior to their success with Marvin Windows. They also faced disappointments with some of the businesses they tried to assist. At the same time, they had some small successes along the way, and the experience gained working on previous projects was valuable when they began working on the Marvin project.

Another observation by the community leaders interviewed was that a community needs to examine development possibilities in terms of how well they fit in with the community, its resources, its goals, etc. One leader went on to state that some of Grafton's failures seemed to involve companies that were not a good fit for the community. On the other hand, Marvin had been mentioned during early discussions of the local option sales tax as the type of company that would be ideal for Grafton. This leader summed up her thoughts with the observation that a community should think broadly about development options and possibilities ("don't limit yourself .. don't be too quick to discount possibilities as infeasible").

Among the factors that seem to have been key to the success that Grafton has achieved, the following stand out:

1. The community's three development organizations, which serve separate but overlapping constituencies, have managed to collaborate and work together very effectively.

2. The community was willing to mobilize its own financial resources (through the property tax and local option sales tax) to achieve its goals. While opinions may vary regarding the desirability of a community offering financial incentives to a relocating or start-up company, it is clear that some local financial commitment is generally required in order for a community to have the services of economic development professionals on an ongoing basis. Further, local resources to provide matching contributions are a prerequisite in order for North Dakota communities to access many state programs (and this situation appears to be common in other states as well).

3. The community was able to persevere and maintain a "Can Do" attitude through adversity. One example of this is the spate of fires affecting local businesses. Today, some leaders jokingly refer to the fires as "our Urban Renewal Program" because most of the burned businesses were rebuilt or otherwise re-established. However, they are also quick to point out that it would have been easy for some of the affected business owners to see their fires as an opportunity to get out and seek a more favorable opportunity in another community. One leader told of helping to clean up one of the burned stores. The owner/manager was impressed by the display of community support. He observed that in the city where he had formerly been in business (in another state), the community would not have turned out to help him -- instead he would have feared being looted!

Perhaps the best summary of the lessons from the Grafton experience was a statement by one of the long-term economic development professionals who said "leadership is the key -- if a community really wants to make changes, they **can** make it happen."

## Worthington, Minnesota

Worthington, Minnesota sits on the edge of east-west Interstate 90 and two north-south roads: State Highway 60 and U.S. Highway 59. Just 15 miles from the Iowa border, and 45 miles from the state boundary with South Dakota, Worthington is the largest community in southwestern Minnesota. The community is built around 785-acre Lake Okabena.

The city sits at a crossroad of change—literally. Highway 60 in Iowa will soon become a four-lane road and improve the Omaha to Minneapolis route. Prairie Expo, a nine-county promotion and marketing facility, is soon to be under construction at the junction of US. Highway 59 and Interstate 90. And, as a result of the easy transportation access, Worthington remains a medical and retail center for a 60 mile distance; a radius of 30 miles in most directions. Commercial expansion in the community remains strong, even after the closure of the Campbell facility. The city has Minnesota West Community and Technical College, a member of the Minnesota Community College System.

In addition to infrastructure expansion, the city is changing in other ways as well. The expansion of a local pork processing unit of Swift & Company employing 1,600 workers has increased the demand for a larger labor pool, including many workers who are immigrants and refugees (Table 2). The draw of immigrants and refugees to the community largely accounts for the stability in the Census count at 10,000 (Amato 1996). Out-migration during the farm crisis of the 1980s was rather small for Worthington, but amounted to 8 percent for the county during the 1980-1990 decade.

The increase of new workers in the pork processing facility since 1989 has continued to change conditions in the community. These changes are greatly disturbing to some residents, who have generalized a pejorative stance against all people of color. According to Amato (1996: 68):

> Between 1989 and 1994, according to its police chief, complaints have increased almost 60 percent, juvenile crime 48 percent, and adult crime a staggering 195 percent. Worthington, which has never experienced a single murder, has seen arrests for assault double since 1989. Gang activity is increasing, as is drug dealing. The city has experienced eight drive-by shootings in the last five years, two in 1995.

The city responded quickly to the large influx of new Swift workers, forming the Cultural Diversity Coalition in 1991. This coalition created small work groups to address issues of concern to long-time local residents, as well as those of the newcomers. Some of those interviewed for this case study indicated that the cultural diversity of the community was a positive component. Local officials indicate that 21 percent of the community is comprised of people of color.

In addition to meat processing, the Worthington community has a reasonably broad economic base: 500 employees in the public school system; a community college of 600 students; a plastic manufacturer employing 400 workers, and a trailer and mobile home manufacturer employing 200 workers.

**Job Loss**

In mid-May, 1997, the Campbell Soup company gave their Worthington, Minnesota employees the bad news: the plant would close on or about August 1, 1997. More than 400 unionized production workers were terminated in the shutdown, along with 35 office personnel. The Campbell Soup closure in Worthington was one of three Campbell operations closed nation-wide when the Company determined that they were able to purchase their meat supply less expensively than operate their own processing operations. Although 70 percent of the Campbell Soup employees were Worthington residents, the remaining workers resided in 20 other Minnesota communities and eight Iowa towns, which were generally within a 25-30 mile radius of Worthington.

While Worthington was losing a major employer, Campbell soup was not the dominant meat processing employer in the community of 10,000. Local leaders were relieved that the largest employer, Swift & Company, an independent operating company of ConAgra, Inc. had not made the announcement.

Table 2. Ethnicity of Swift & Company Employees—Worthington Plant

| | Jan. 31, 1991 | | Jan. 31, 1995 | | Jan. 31, 1996 | |
|---|---|---|---|---|---|---|
| | No. | Percent | No. | Percent | No. | Percent |
| Caucasian | 669 | 71.9 | 698 | 44.1 | 687 | 42.9 |
| Hispanic | 119 | 12.8 | 442 | 28.0 | 525 | 32.8 |
| Asian | 126 | 13.5 | 337 | 21.3 | 324 | 20.3 |
| Black | 16 | 1.7 | 104 | 6.6 | 64 | 4.0 |
| Total | 930 | 100.0 | 1,581 | 100.0 | 1,600 | 100.0 |

Source: Amato (1996).

The August 1997 termination of 435 Campbell employees represents 4.4 percent of Nobles County 1996 total employment. While that percentage does not seem large, a proportional termination of workers in Hennepin County (Minneapolis) would cover more than 35,000 workers; so the impact on the county was significant.

The Campbell workers were generally long-term workers, averaging over 13 years on the job. The average age of the predominantly female workforce was 43, and the average wage was nearly $9 per hour. The local unemployment rate is higher than expected normally [up 2.5 percent from August], but the 5.3 percent unemployment rate in October, 1997 reflects some of the impact of the Campbell closure. Still, the October rate could be higher; it wasn't higher because not all workers had filed for unemployment (due to severance benefits), some workers had obtained new employment, and others had relocated.

**Impacts of the Shutdown**

The November, 1997 Minnesota Department of Economic Security analysis of the potential impact of the Campbell Soup Closing had a potential negative impact if replacement jobs were not found for the dislocated workers. The worst case scenario, if all 435 displaced workers left Nobles County, would mean (1) a decline in sales of over $77,000,000, (2) employment loss of 747 people, and (3) employee compensation loss of almost $16,000,000. Thus, preventing an exodus of workers was essential to minimizing the impact. Given the current tight labor market, it was evident that if Worthington didn't provide replacement jobs, terminated workers could go elsewhere to find work rather easily. On the positive side, the report indicated that this closure could represent an opportunity to replace medium wage jobs with higher wage replacement jobs through retraining. Could the community use the closure as an opportunity to develop high skill/high wage jobs?

Local leaders were cognizant of not wanting to lose people to relocation. For that reason, the county increased their economic development concerns. While employment of the displaced workers was a top priority, city leaders were looking at all options. One option discussed is whether the Campbell plant, located on the edge of downtown and near Lake Okabena, should be retained at that site. Some favor demolishing the facility, encouraging new industry to locate in the new industrial area on the north edge of town. Having the Campbell facility closed may increase the degrees of freedom the community has to redevelop their downtown, or consider alternative uses of the land.

Another impact of the Campbell shutdown is that both water and wastewater resources have become available for new consumers. Since roughly 90 percent of the wastewater system is fixed cost, and Campbell was a major user, revenues from that source are down. As a result, a small increase in household wastewater rates was made, but the increase was kept low because of a city dollar reserve, and anticipation of new users absorbing some of the cost. In Worthington about 75 percent of the water system costs are fixed, and roughly 70 percent of the electric costs are variable costs, and in neither case was there an increase in rates for local homeowners.

The termination of Campbell workers came at a time when the local community college needed students, and since many workers were interested in retraining, and there were retraining dollars for assistance, enrollment at the Minnesota West Community and Technical College grew substantially.

The shutdown also had a cohesive impact for community leaders. Some interviewees saw the closure as an opportunity, not a disaster, particularly if the closure was the catalyst that brought people together in a more cohesive way than they had been in the past. That cohesion was evident in a perspective that there was a new direction, and a more positive new direction for the city.

Although housing starts dropped after the closure, management homes on the market sold quickly. There was not a glut of homes on the market because some medium priced-homes were taken off the market once the closure took place. There are two plausible explanations for a drop in new housing starts: (1) one position is that the decline could be related to market catch-up, while (2) a second position attributes the drop off in new housing to the Campbell closure. While new home startups were down, commercial expansion continued. One benefit of the closure was the acknowledged opportunity to lay out future planning; a position that essentially suggests a major dilemma forces one to plan, otherwise there isn't time or a necessity to plan.

Positive components of the Worthington community identified by interviewees are:

* on the crossroads of great transportation;
* labor force is a plus, with workers possessing a strong work ethic;
* three technical schools and a branch of the University of Minnesota are within one hour of Worthington;
* good compact growth within the city;
* Lake Okabena;
* a strong agricultural community in the surrounding area; and
* good schools.

Problems within the community were identified as:

* difficulty in capitalizing small businesses;
* people want to work locally, and prefer not to drive 30 miles for a job;
* the community is not resource rich—water streams and water supply are weak;
* Worthington is in a rather remote location, and does not have the esthetic pull of the lakes region;
* needs to focus on recruiting new business/industry which is non-demanding in resource components; and
* the city is natural gas deficient for a major industry.

**Community Response to the Closure**

One of the chief characteristics of the Worthington community, that many people who were interviewed for this case study identified, was the cohesion and pulling together of the community agencies and resources. This meant that turf issues disappeared, and the focus of the problem was in getting new industry for the Campbell facility that would employ local residents, provide work for area farmers who had contracted to provide grower facilities for Campbell, and purchase water and power through city-owned utilities.

After the announcement to close the Campbell operation, Worthington's mayor appointed a Task Force to study the options. Soon thereafter, the community created a working partnership with the County, and involved local and state economic development offices. The closed-ranks relationship between the city and county also meant that each had to be willing to expend funds to get the job done, with no entity or individual being obstructionist or anti-development.

Job Service and the Worthington Chamber of Commerce created a Job Fair for the soon-to-be displaced Campbell workers. Further, the State of Minnesota contributed $600,000 for retraining needs of the displaced workers. The Worthington Workforce Center has been assertive in aiding those seeking assistance, and has a placement rate of 99 percent for former Campbell workers.

While some Campbell workers were recruited to other area meat and poultry processors, two of those companies have recently closed, leaving the two most Southwestern counties of Minnesota (Rock and Nobles) with a total 5.8 percent drop in their workforce. The Iowa Beef Packers (IBP) plant located in Luverne, Minnesota closed in March, 1998, while the Packerland Packing Company facility in Hospers, Iowa closed in mid-June, 1998, Both Luverne and Hospers were employment sites within a 35-mile commute from Worthington. The IBP facility employed 375 workers, while the Hospers operation employed 150.

**Lessons Learned**

One important lesson from the Worthington community is that city leaders need to do something for the displaced workers, and for that activity to be a coordinated effort. Finding replacement jobs through recruiting new industry, and training for those terminated workers ultimately provides continuity and growth for the community as a whole. A second lesson learned in this effort is that turf issues are less important than the total program. Leaders now have experience in having accomplished a coordinated effort, and in so doing they are not only ready for the next challenge, they are able to see the positive side of any downturn and make it work for community betterment. This community improvement has increased city-county economic development, and as a result of marketing, a number of potential employers loom as possible citizens. Further, joint planning on the part of city-county offices means that new efforts are being made to make the community attractive for both new industry and new residents. These efforts include providing natural gas for potential employers and to have these services as a component of city utilities, and to join with other communities in establishing an increased water source.

## Survey of Study Community Residents

To gain a better understanding of the effects of the closures/downsizings on the study communities, a survey of area residents was conducted. Questionnaires (see Appendix B) were mailed to a random sample of residents, drawn from local telephone directories, in January of 1999. The response rate after two mailings was 33 percent, ranging from 25 percent for Courtland to 42 percent for Altura.

## Socioeconomic Characteristics

Selected characteristics of survey respondents are summarized in Table 3. Overall, 31 percent of the respondents were over age 60, while 39 percent were between 40 and 60, and 30 percent were less than 40 years old. Grafton had the highest percentage of respondents over age 60 (40%) while Courtland had the fewest in this age group (13%). Just over two-thirds (68%) of the respondents were male. All but two of the 528 respondents were white.

The respondents represented a range of educational levels, as 30 percent overall were college graduates while 29 percent had completed some post-secondary education and another 29 percent were high school graduates. Only 12 percent of respondents had not completed high school (Table 3). Educational levels varied somewhat among the study communities. The percentage of college graduates ranged from 34 percent of Worthington respondents to 25 percent of those in Altura. The percentage of those who had not completed high school ranged from 8 percent for Courtland to 17 percent of those in Altura.

Table 3. Selected Characteristics of Survey Respondents

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| Average Age (years) | 54 | 54 | 48 | 57 | 55 | 54 |
| | ---------------------------- Percent ------------------------------ | | | | | |
| Age Distribution: | | | | | | |
| < 30 | 17 | 16 | 20 | 13 | 12 | 15 |
| 31 - 40 | 17 | 15 | 17 | 13 | 14 | 15 |
| 41 - 50 | 27 | 23 | 28 | 20 | 16 | 22 |
| 51 - 60 | 9 | 14 | 22 | 13 | 26 | 17 |
| > 60 | 31 | 33 | 13 | 40 | 32 | 31 |
| Sex: | | | | | | |
| Male | 65 | 71 | 72 | 64 | 68 | 68 |
| Highest Level of School Completed: | | | | | | |
| Less than 12th grade | 17 | 14 | 8 | 10 | 11 | 12 |
| High school graduate | 22 | 31 | 38 | 33 | 22 | 29 |
| Some post-secondary | 36 | 27 | 26 | 25 | 33 | 29 |
| College graduate | 25 | 28 | 28 | 33 | 34 | 30 |
| Employment Status: | | | | | | |
| Unemployed | 1 | 3 | 0 | 2 | 3 | 2 |
| Retired | 30 | 25 | 14 | 40 | 33 | 29 |
| Employed by someone else | 41 | 41 | 50 | 38 | 45 | 43 |
| Self-employed 28 | 32 | 36 | 19 | 19 | 26 | |

-------- continued -------

Table 3. continued

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ----------------------------Percent ------------------------------------- | | | | | |
| Occupation: | | | | | | |
| Management & professional | 44 | 39 | 28 | 37 | 46 | 39 |
| Technical, sales, & support | 8 | 5 | 13 | 10 | 14 | 10 |
| Service | 4 | 13 | 5 | 13 | 8 | 9 |
| Farming | 21 | 24 | 30 | 18 | 10 | 20 |
| Precision production & craft | 17 | 12 | 12 | 14 | 8 | 12 |
| Operators, fabricators, & laborers | 6 | 7 | 12 | 9 | 13 | 10 |
| Household Income, 1998: | | | | | | |
| <$15,000 | 18 | 12 | 0 | 17 | 16 | 13 |
| $15,000 to $24,999 | 10 | 26 | 17 | 25 | 18 | 20 |
| $25,000 to $49,999 | 53 | 44 | 51 | 32 | 38 | 42 |
| >$50,000 | 19 | 18 | 32 | 25 | 27 | 24 |

Among the respondents overall, 43 percent were employed by someone else and 26 percent were self-employed, while 29 percent were retired and 2 percent were unemployed. The percentages of retired persons ranged from 14 percent in Courtland to 40 percent in Grafton. The variations in the percentages of retired persons correspond closely with the variations in age distribution noted earlier. The percentages of respondents who were unemployed ranged from 3 percent for Bowman and Worthington to 0 percent for Courtland. The low percentages of unemployed persons reflect the low rates of unemployment prevailing across the Upper Midwest region at the time of the survey.

Management and professional occupations were reported most commonly by survey respondents (39%), followed by farming (20%) and by precision production and craft occupations (12%). Management and professional occupations were the largest group in all communities except Courtland, where farming was the most frequent occupation.

The respondents' household incomes also varied substantially, as 24 percent reported a 1998 household income of $50,000 or more, and 42 percent had incomes of $25,000 to $49,999, but 13 percent had incomes of less than $15,000. Income levels varied somewhat by community; Courtland had the highest percentage of respondents with incomes over $50,000 (32%) while Bowman had the lowest (18%). Conversely, Courtland had no respondents reporting incomes of less than $15,000, while Altura had the highest percentage in this category (18%).

## Steps Taken to Ease Closure/Downsizing Problems

The residents of the study communities were asked what steps had been taken by representatives of the employer to ease problems associated with the closure or downsizing (Table 4). Transferring workers to other employer-owned units was the employer action reported most often (47%), followed by providing workers with a significant severance package (31%), assisting workers in finding other jobs (26%), and assisting local officials in finding new uses or tenants for the closed facility (21%). A substantial percentage of respondents indicated that they did not know whether the specified steps had been taken; percentages of "don't know" responses ranged from 41 to 55 percent for the various steps.

The frequency with which the various employer actions were reported varied substantially by community. More than three-fourths of the respondents in the Altura and Bowman areas reported that their respective employers had transferred workers, compared to only 22 percent for Courtland. Significant severance packages were reported by 48 percent of respondents in Worthington and 33 percent of those in Bowman, compared to only 17 percent of those in Grafton. Employer assistance in helping displaced workers to find other jobs was reported most often by respondents from Bowman and Worthington, and least often by those from Grafton. On the other hand, Grafton respondents most frequently reported that the employer had assisted local officials in finding new uses/tenants for the facility, while respondents from Altura and Courtland reported this least often.

The survey respondents also were asked about steps taken by local officials to respond to the closure/downsizing (Table 5). About 30 percent of the respondents overall indicated that

Table 4. Steps Taken by Employer to Ease Problems of Closure/Downsizing

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ------------------------------Percent --------------------------------- | | | | | |
| Transfer workers to other employer-owned units | 78 (73)* | 76 (118) | 22 (77) | 26(125) | 38 (127) | 47 (520) |
| Provide significant severance package | 18 (74) | 33 (117) | 31 (77) | 17(124) | 48 (128) | 31 (520) |
| Assist workers in finding other jobs | 22 (74) | 34 (116) | 23 (77) | 21(125) | 30 (128) | 26 (520) |
| Assist local officials in finding new uses/tenants for facility | 12 (73) | 25 (117) | 12 (77) | 35(124) | 13 (126) | 21 (517) |

* Numbers in parentheses are sample sizes.

Table 5. Steps Taken by Local Officials to Respond to Closure/Downsizing

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ------------------------------Percent --------------------------------- | | | | | |
| Assisted displaced workers to find other work | 15 | 18 | 22 | 22 | 61 | 30 |
| Recruited other employers | 9 | 12 | 8 | 33 | 41 | 23 |
| Offered incentives/concessions to employer to maintain jobs [1] | 3 | 8 | 6 | 40 | 13 | 16 |

[1] For Grafton, this question was phrased, “Lobbied state officials to maintain jobs.”

local officials assisted displaced workers to find other work, while 23 percent reported that local officials attempted to recruit other employers, and 16 percent indicated that local leaders offered incentives or concessions to the employer to maintain jobs. The percentage of respondents who reported the different actions again varied substantially by community; 61 percent of Worthington respondents reported that local officials assisted displaced workers to find other jobs, compared to only 15 percent of respondents from Altura. Similarly, 41 percent of respondents from Worthington and 33 percent of those from Grafton reported that local officials in their communities had recruited other employers, compared to 8 percent in Courtland and 9 percent in Altura. About 40 percent of Grafton residents indicated that their local leaders had lobbied state officials in an attempt to maintain jobs at the Developmental Center (a state facility). In the other communities, the percentage of respondents who indicated that incentives/concessions had been offered to the employer ranged from 13 percent for Worthington to 3 percent for Altura. As was the case for the previous question, substantial percentages of the residents indicated that they did not know whether the various steps had been taken, ranging from 45 percent for assisting displaced workers to 59 percent for incentives/concessions, across all communities.

## Circumstances of Closure

Residents were asked their opinions about specific circumstances of the closure/downsizing in their community (Table 6). Residents of Altura and Bowman generally agreed that the majority of the displaced workers had left the area, while those in Worthington and Courtland felt that the majority of workers had remained in the area, and Grafton residents were mixed in their response. Residents' perceptions were similar to those expressed by key informants and community leaders who were interviewed. Community residents generally did not believe that their communities received effective help from the state government (18% agreed that state officials assisted the community, 45% disagreed, and 37% were not sure). Worthington was the only community where more residents agreed than disagreed with the statement.

More respondents, overall, agreed that company representatives provided local officials with timely information (38%) than disagreed (26%, with 36% not sure), but responses varied substantially among communities. Bowman area residents were substantially the most positive -- 50 percent agreed and only 8 percent disagreed, with 42 percent not sure. Courtland area respondents most often indicated they were not sure (51%). Responses to a very similar question about company officials' provision of timely information to the public drew a similar response (Table 6). City officials were regarded as effective in coping with the closure/downsizing by 37 percent of respondents overall (29% disagreed and 34% were not sure), while only 26 percent regarded county officials as effective in this regard (34 % disagreed and 40% were not sure). Respondents from the Bowman and Worthington areas were the most positive about county officials.

## Effects on Respondent and Family

A series of questions explored effects of the closure/downsizing on the respondents or members of their immediate family (defined as husband/wife, son/daughter, father/mother, sister/brother). About 13 percent of the respondents had worked at the facility that was closed/downsized, ranging from 29 percent of Grafton respondents to 3 percent of those in Bowman (Table 7). About 5 percent of the respondents had lost their jobs as a result of the closure/downsizing. About 18 percent of the respondents had immediate family members who had worked at the facility, and 10 percent had one or more immediate family members who lost their jobs as a result of the closure/downsizing. The response to this question varied substantially by community, in part reflecting the dominance of the various employers in their respective communities.

Almost one-fourth (24%) of the respondents reported that their employer had lost business as a result of the closure/downsizing, ranging from 15 percent in Altura and Courtland to 32 percent in Worthington (Table 7). Of this group, 3 percent reported losing their jobs while another 6 percent reported that their hours and/or pay were reduced. In addition, 16 percent of the respondents reported that a business that they owned or managed had lost business (revenue) as a result of the closure/downsizing, and of these, 14 percent reported that their income had been reduced. Overall, about 59 percent of the respondents reported that their employment had not been directly affected by the closure/downsizing (i.e., 41% had been directly affected). This percentage ranged from 51 percent for the Bowman area to 67 percent for Courtland.

## Effects on Community Attributes

Employment opportunities were the community attribute that the most respondents (75%) felt was negatively affected by the closure/downsizing, followed by local businesses (74%) and income of area residents (67%). These attributes were the three most often identified by residents of all five study communities (Table 8). Other community aspects that were identified as being negatively affected by at least one-third of respondents, overall, were city government (46%), property values (46%), schools (43%), quality of life (41%), social organizations (40%), and the respondent personally (33%).

## Satisfaction with Various Leaders/Groups

When considering their community's experience in coping with the closure/downsizing, respondents were asked about their degree of satisfaction with various leaders and groups that are often involved in community adjustment efforts. Respondents most often expressed dissatisfaction with company officials (39%, with 17% satisfied and 44% neither satisfied or dissatisfied). Respondents' satisfaction with company officials varied substantially by community; the percentage who indicated they were dissatisfied ranged from 66 percent for Worthington to 19 percent for Bowman (Table 9). State government leaders were the group with the second highest percentage of dissatisfaction; 37 percent of respondents overall were dissatisfied with this group, ranging from 54 percent for Grafton to 14 percent for Courtland. Federal government leaders had the third highest percentage; 35 percent were dissatisfied overall, ranging from 51 percent for Grafton to 13 percent for Courtland. Other groups with which at least one-fourth of respondents were dissatisfied were county government leaders (28%) and the city council (26%).

Table 6. Community Residents' Opinions about Circumstances of Closure/Downsizing

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ------------------------------Percent who agreed ---------------------- | | | | | |
| Workers left area | 73 | 69 | 13 | 36 | 13 | 40 |
| Workers remained in area | 15 | 8 | 54 | 26 | 57 | 32 |
| State officials assisted community | 4 | 6 | 5 | 24 | 39 | 18 |
| Company representatives provided local officials with timely information | 32 | 50 | 26 | 33 | 40 | 38 |
| Company representatives provided the public with timely information | 32 | 53 | 23 | 37 | 42 | 39 |
| City officials were effective in coping with closure | 45 | 32 | 38 | 35 | 36 | 37 |
| County officials were effective in coping with closure | 14 | 31 | 22 | 25 | 30 | 26 |

Table 7. Effects of Closure/Downsizing on Respondents and their Families

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ------------------------------Percent -------------------------------- | | | | | |
| Respondent worked for employer that closed/downsized | 5 | 3 | 12 | 29 | 9 | 13 |
| Respondent lost job | 0 | 2 | 8 | 8 | 6 | 5 |
| A member of respondent's immediate family worked for employer that closed/downsized | 18 | 8 | 13 | 36 | 13 | 18 |
| Family member lost job | 12 | 4 | 13 | 10 | 11 | 10 |
| Respondent's employer lost business as a result of closure/downsizing | 15 | 27 | 15 | 25 | 32 | 24 |
| Respondent lost job | 2 | 1 | 5 | 4 | 5 | 3 |
| Respondent's hours and/or pay were reduced | 6 | 7 | 4 | 5 | 7 | 6 |
| Business that respondent owned or managed lost business due to closure/downsizing | 11 | 18 | 16 | 14 | 18 | 16 |
| Respondent's income was reduced | 11 | 18 | 5 | 13 | 18 | 14 |
| Respondent was not directly affected by closure/downsizing 65 | 51 | 67 | 60 | 56 | 59 | |

Table 8. Effects of Closure/Downsizing on Selected Community Attributes

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ---------------------Percent who reported a negative effect ----------- | | | | | |
| Employment opportunities | 6 | 71 | 84 | 69 | 80 | 75 |
| Local businesses | 75 | 74 | 65 | 72 | 80 | 74 |
| Income of area residents | 59 | 70 | 64 | 65 | 75 | 67 |
| City government | 50 | 47 | 43 | 50 | 41 | 46 |
| Property values | 38 | 53 | 16 | 45 | 61 | 46 |
| Schools | 30 | 66 | 15 | 49 | 38 | 43 |
| Quality of life | 30 | 32 | 33 | 47 | 53 | 41 |
| Social organizations | 30 | 55 | 32 | 40 | 37 | 40 |
| Respondent personally | 26 | 29 | 24 | 33 | 44 | 33 |
| County government | 18 | 48 | 16 | 34 | 33 | 32 |
| Ethnic minorities | 38 | 6 | 4 | 26 | 50 | 26 |
| Crime | 12 | 9 | 3 | 21 | 31 | 17 |

Table 9. Community Residents’ Satisfaction with Leaders/Groups involved in Closure/Downsizing

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ------------------- Percent who were dissatisfied --------------- | | | | | |
| Company officials | 40 | 19 | 25 | 36 | 66 | 39 |
| State government leaders | 29 | 33 | 14 | 54 | 41 | 37 |
| Federal government leaders | 25 | 37 | 13 | 51 | 38 | 35 |
| County government leaders | 23 | 21 | 11 | 36 | 40 | 28 |
| City council | 23 | 14 | 14 | 31 | 40 | 26 |
| Cooperation of government agencies to assist workers | 19 | 20 | 13 | 36 | 26 | 24 |
| Business leaders | 14 | 14 | 12 | 28 | 36 | 23 |
| Local citizens | 15 | 11 | 10 | 20 | 21 | 16 |
| Religious leaders | 3 | 6 | 6 | 18 | 16 | 11 |

**Priority to be Given to Future Closures/Downsizings**

The study community residents were asked what priority should be given to future closures/downsizings in the region by several groups that sometimes become involved. The respondents generally felt that residents, business people, and city government in the affected community should give this issue high priority (Table 10). More than 75 percent of respondents from each community felt that community residents should give high priority to future closures/downsizings, while more than two-thirds of respondents from each community felt that business people and city government of the affected community should give this issue high priority. Somewhat lower percentages of the respondents, overall, felt that county officials (61%), state officials (60%), and religious leaders (48%) should give high priority to closures/downsizings.

**Respondents' Residence in Community and Plans to Move**

The respondents had lived in their respective communities an average of 34 years, ranging from 29 years in Courtland to 36 in Bowman (Table 11). About 73 percent had lived in their communities more than 20 years.

When asked if they planned to move away from their community within the next five years, 81 percent of respondents indicated that they were definitely or probably not moving (Table 11). The percentage who indicated that they were probably or definitely moving within five years ranged from 21 percent of Bowman area residents to 16 percent of those from both Altura and Courtland.

**Satisfaction with Community**

The respondents were asked to rate their satisfaction with their community as a place to live, both before and after the closure/downsizing. Overall, more than three respondents in four were somewhat or very satisfied with their community before the closure/downsizing (Table 11). Their rating of the community after the closure was 20 percentage points lower (58% vs. 78% were somewhat or very satisfied). Residents' ratings of the community fell after closure in all communities but Courtland.

## Conclusions and Implications

How do rural communities adjust to the downsizing or closure of a major employer? The research focus of this project has sought to answer that question, by (1) describing the approaches employed by some Midwestern communities to maintain or restore their economic vitality in the face of a major plant closing or downsizing, and (2) describing the economic, community, and social organizational factors related to those community development efforts.

The focus of this study has been on five communities within the states of Minnesota and North Dakota, while the goal has been to assess the impacts of a downsizing or closure between

Table 10. Priority that Should be Given to Closures/Downsizings in Region, by Various Groups

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| | ------------------- Percent indicating High Priority --------------- | | | | | |
| Residents of affected community | 82 | 81 | 77 | 81 | 79 | 80 |
| Business people of affected community | 87 | 79 | 66 | 80 | 77 | 78 |
| City government of affected community | 75 | 76 | 69 | 68 | 75 | 72 |
| County officials | 62 | 65 | 49 | 57 | 71 | 61 |
| State officials | 57 | 61 | 35 | 65 | 69 | 60 |
| Religious leaders of affected community | 30 | 46 | 49 | 55 | 54 | 48 |

Table 11. Respondents' Length of Residence in Community, Plans to Move, and Satisfaction with Community Before and After Closure/Downsizing

| | Community | | | | | |
|---|---|---|---|---|---|---|
| | Altura | Bowman | Courtland | Grafton | Worthington | Overall |
| Years Respondent Has Lived in Community: | | | | | | |
| Average (years) | 34 | 36 | 29 | 35 | 32 | 34 |
| | ---------------------------- Percent ------------------------ | | | | | |
| < 5 years | 5 | 4 | 8 | 5 | 6 | 6 |
| 5 - 9 years | 10 | 6 | 10 | 6 | 9 | 8 |
| 10 - 20 years | 12 | 15 | 19 | 12 | 12 | 14 |
| > 20 years | 73 | 75 | 63 | 76 | 74 | 73 |
| Satisfaction with Community as a Place to Live (percent who were somewhat or very satisfied): | | | | | | |
| Before Closure/Downsizing | 81 | 82 | 86 | 74 | 73 | 78 |
| After Closure/Downsizing | 66 | 64 | 87 | 43 | 46 | 58 |
| Respondents' Plans to Move Away from Community in Next Five Years: | | | | | | |
| Definitely Not Moving | 51 | 34 | 45 | 39 | 35 | 39 |
| Probably Not Moving | 33 | 46 | 39 | 42 | 46 | 42 |
| Probably Will Move | 9 | 19 | 12 | 18 | 16 | 15 |
| Definitely Will Move | 7 | 2 | 4 | 2 | 3 | 3 |

July of 1994 and January of 1998. The five case studies were selected based on population, economic base, the effects of the job loss, the community's response to the situation, and other characteristics. These five communities were selected from more than 40 communities that experienced significant job loss during the designated time period in the two states. Each community was studied through in-depth interviews with a range of community leaders. Further insight into both the impacts of job loss and an assessment of what local residents perceive about the community, and the leadership during the crisis, is provided by data collected by a mailed questionnaire to a random sample of residents in each of the five communities.

Some communities were small, such as Altura, MN with less than 400 residents, while our largest community was Worthington, MN with a population of 10,000. While Worthington has a diversified economy and is the largest community within southwestern Minnesota, Altura lost its only large employer. Furthermore, while the smaller Minnesota communities were reasonably close to other cities where employment might be secured, Bowman, North Dakota was about 85 miles from a community with 10,000 population. Thus, each community [Altura, Courtland, and Worthington in Minnesota, and Bowman and Grafton in North Dakota] had its own story to tell, and responded in its own way to the announcement of job loss.

At a time when the media inform us that the "Midwest jobless rate stays best in nation", and Minnesota and North Dakota[*] have the lowest unemployment rates in the country as a whole, the five case studies described here are reminders that job loss occurs in "good times" as well as during recessionary or poor economic periods. For a state to have an unemployment rate of 2.1 percent or 2.4 percent does not mean that all communities are doing well, or that there aren't difficult periods ahead for individuals who are displaced from their jobs, or their resident communities. Our dynamic economy reflects the decline of some industries and subsequent job loss in some communities, while simultaneously, other industries experience relatively stable periods of prosperity.

From the summary table presented on the following page, several relevant attributes about each community are outlined, and will be used to summarize the case studies.

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[*]North Dakota is tied with New Hampshire for the nation's second best unemployment rate at 2.4 percent, according to "Midwest jobless rate stays best in nation", Minneapolis Star Tribune, May 22, 1999, page D4.

**SUMMARY TABLE**

| | Community | | | | |
|---|---|---|---|---|---|
| Component | Altura | Bowman | Courtland | Grafton | Worthington |
| Downsizing/closure | closure | closure | downsizing | downsizing | closure |
| Facility type | turkey processing plant | coal mine | research farm | State Developmental Center | chicken processing plant |
| Industry position | dominant | major | minor | dominant | major |
| Number of employees Displaced | 222 | 53 | 30 | 500+ | 435+ |
| Resident/non-resident Employees | commuters | local | local | local/commuters | local |
| Re-use option | restricted | restricted | flexible | limited | limited/ restricted |
| Replacement industry | none | none | none | partial | none |
| Local absorption capacity | limited | limited | strong | moderate | strong |
| Existing economic development agency | no | yes | no | yes | yes |
| Local leadership | ambiguous | directive | directive | directive | directive |
| Community involvement | volunteers | Jobs Committee | limited | volunteers | Task Force |

**Altura, Minnesota** was the smallest community examined. The community lost their dominant employer, and while the plant was purchased for processing and freezing, there have been no employees at the facility since the purchase one-and-a-half years ago. The nature of the facility limited re-use options, but fortunately the majority of displaced workers were commuters rather than local residents. The local economy was in no position to provide employment to even a fraction of the displaced workers without a replacement industry. Local leadership has been stymied in developing a plan, in part because no employment activity was forthcoming at the old turkey processing plant, but after three years, the City Council has moved to develop a significant housing development for the community.

More immediate employment opportunities might have been possible if the City Council had been aided by an existing regional economic development agency. Economic development could also be maximized by use of the State economic development agency, or employing consultants who could have marketed the facility for immediate reuse. Networking with city council representatives from other communities which had already weathered a dislocation and made a good adjustment is generally a productive contact. While it may have been a pipe-dream for the community to consider the purchase of the facility, or to have considered subsidies to an employer who would have the operation up and running quickly, exploring all options in a closure needs to be considered. The closure could have been worse, particularly if many of the displaced workers had been local residents and the replacement facility had not reopened immediately. The economic impact of the closure has primarily challenged some local businesses. An adequate fiscal reserve has limited the extra financial load the city has needed to pass on to residents for fixed utility costs that are not presently being used by the closed turkey processing plant.

Altura's population, judging from the respondent sample, has almost one-third of the residents over the age of 60. Of the five communities Altura had the highest percentage (17) who had less than a high school education. By the same token, 36 percent of the respondents had some post-secondary education, and an additional 25 percent were college graduates. Given the age of the Altura sample, it should be expected that Altura would have a higher percentage of respondents who indicated they were retired, and indeed, that is the case. Only one percent of the respondents indicated they were unemployed. The modal income category for Altura respondents was in the $25,000-$49,999 category.

Altura residents perceived that the company provided transfer options for employees, but there was little recognition that a significant severance package was offered, or that company officials either assisted workers in finding other jobs or assisted local officials in finding new tenants for the facility. Residents did not perceive that local officials were particularly active in assisting displaced workers, recruiting other employers, or that they offered incentives to maintain jobs. Altura respondents, compared to respondents from the other communities, were least likely to acknowledge any effort by local officials to respond to the closure. In large part this is because Altura respondents recognized that the displaced workers were overwhelmingly commuters, not local residents, and thus community leaders are not likely to be concerned about the displaced workers. Yet, Altura residents were most likely (of all respondents) to acknowledge that city officials were effective in coping with the closure.

The great majority (65%) of the Altura respondents were not directly affected by the closure/downsizing. However, some reported that a family member lost their job or that they had lost their job through the ripple effects of the processing plant closure. More respondents indicated that their income was reduced as a result of the closure than indicated they had lost their job. Altura respondents perceived that Altura was not as good a place to live after the closure than before (66-81%, respectively), although most respondents indicated they would definitely not move, and nearly 85 percent indicated they would probably or definitely not move.

**Bowman, North Dakota** is near three other small communities within 25 miles of the closed Gascoyne coal mine. The 53 displaced workers were locals, but many transferred to other facilities owned by the Knife River Coal Company. Local employment options were not at the same salary level as that provided by mine employment, and the local absorption capacity was considered limited. The out-migration added further to the decline of the communities in these two counties, and since the workers were well-paid, the loss of the mine payroll was significant.

Other economic ripple effects of the closure meant that the coal severance tax rebated to the county, with a portion passed on to town and school districts, was no longer available. The loss of tax revenue, payroll, and population decline continue to create the threat of demise of local schools, hospitals, or businesses in Bowman and other nearby communities .

The 18 month lead-time to the closure gave community and existing economic development entities time to bond in a working effort, to obtain a grant from the U.S. Economic Development Administration, and to focus on both job replacement **and** economic development.

The re-use option for a closed surface coal mine no closer than five miles to the nearest community would probably be reverted to ranching, but the number of positions in ranching versus the 53 miners are not comparable. The goals of the local Jobs Committee will need to focus on developing new employment opportunities in more remote rural communities which are rather dramatically losing population. Both Federal and State resources appear to be adequately tapped, and the Jobs Committee appears well integrated to continue pursuit of economic development. The immediate concerns with loss of tax revenue from the coal severance tax loom as immediate pressure points for each of the communities, as well as the Bowman Hospital and the Reeder School District.

Community respondents impacted by the coal mine closure had one-third stating they were over 60 years of age. Educational attainment was predominantly at the high school graduate level, but 57 percent of the population had at least some post-secondary education, or were college graduates. Like the other communities, the unemployment rate for Bowman respondents was low--3 percent. Income for the respondents from Bowman was most frequently in the $25,000-$49,999 range.

Community respondents recognized the transfer option provided by the company, and to a lesser degree that the company assisted workers in finding other jobs or provided a significant severance package. Local officials were not perceived as active agents in assisting displaced workers find other work or active in recruiting other employers. Company representatives were acknowledged as providing local officials and the general public with timely information about the closure. City and county officials were viewed as being effective in coping with the closure by one-third of the respondents. As in other communities, Bowman residents were impacted by the closure in indirect ways: a family member lost a job, respondent's employer lost business as a result of the closure, or the respondent's income was reduced. As a result of the coal mine closure, respondents recognized some of the impact of the closure in the form of reduced employment opportunities, or reduced income of area residents. They also note, more than the respondents from other communities, that schools, social organizations, and county government would be more negatively impacted as a result of the coal mine shutdown.

Respondents held views about who was helpful, and ranked government leaders in the following order of dissatisfaction: city council (14%), county government leaders (21%), State government leaders (33%), and Federal government leaders (37%). Respondents from Bowman recognized that a high priority should be given to a closure downsizing by residents, business people, city government leaders, as well as county and state government officials. In this regard, their views are similar to respondents from other case-study communities.

Bowman residents thought that the community was a desirable place to live to a greater degree prior to the mine closure, than after by 82 percent to 64 percent. Still, only a small percentage stated they would definitely move.

The impact of the downsizing of a research farm within the city limits of **Courtland, Minnesota** was minimal for the displaced farm hands, and for the community. The easy proximity to a larger diversified community, and the minor role of the industry in the community are both important in understanding the reduced impacts on the community. The bare land and farm buildings along the main street within the city could easily be re-used. The continuing question asked in the community, and puzzling to the City Council, is not how to solve the problem of a downsizing, but how large and how fast, does Courtland want to grow? There are opposing factions, and the sale of the farm may mean that the city will grow more quickly than it might have had the research farm been retained. Local leaders did not have to worry about unemployed displaced workers, nor did they have to worry about having an empty facility for sale in the community. The downsizing of the research farm has not provided a thorough testing of community leadership, networking economic development efforts, or the ability of local and area employers to absorb a significant number of released workers.

Courtland respondents were the youngest in all five communities. Only 13 percent of the Courtland respondents were over the age of 60. While these respondents had the lowest percentage who had not completed high school, the modal category of educational attainment was high school graduate. There were no respondents who indicated they were unemployed in Courtland. Thirty percent of the respondents indicated they earned their living by farming. While most respondents had household incomes between $25,000 and $49,999, roughly one-third of the respondent households had incomes over $50,000. Courtland respondents had higher incomes than residents in the other communities in this study.

Courtland respondents did not acknowledge that Supersweet Farms was strong in providing assistance to displaced workers, but they gave higher marks to the employer for providing a significant severance package. Local officials were also not acknowledged as doing much to respond to the closure, but 38 percent of the respondents stated that city officials were effective in coping with the closure. Courtland respondents were the most likely of all respondents to state that they were not directly affected by the downsizing (67%, compared to 51% for Bowman for example).

Respondents in Courtland viewed the downsizing as having a negative effect on employment opportunities, and on local businesses, but also believed that property values and schools would not be negatively affected. [Recall that the research farm was in the city limits, and the loss of animals within the community meant that animal odors at least would be reduced.] Respondents were overwhelmingly satisfied with state, county, and city council leaders, and were the least dissatisfied of all community respondents. Because Courtland's options, and growth, are positive, and the closure had minimal negative impact on the community, respondents were less likely than other respondents to perceive that community leaders or business people should give a closure/downsizing a high priority. Likewise, respondents from Courtland were equally satisfied with their community after the closure/downsizing as they were before the closure.

**Grafton, North Dakota** lost over 500 positions in the downsizing of the State Developmental Center over a several-year period. While some who were terminated were locals, many others were commuters from nearby smaller towns. Because not all displaced workers were locals, the absorption capacity was not pressed in the same way it might have been had all workers been Grafton residents. The fact that three existing economic development organizations were available to assist community leaders with the downsizing was significant. Both alternative uses for the vacant Developmental Center buildings, and job creation were centerpieces for these organizations. These organizations obtained grants, created a new Industrial Park, built a spec building at the park, ultimately creating the need for the city to create a housing development. New employers have come to the community as a result of these activities.

While 40 percent of the Grafton respondents were over age 60, 40 percent of these respondents were also retired. The Grafton respondents also had one of the highest percentages of college graduates among the five communities, and typically indicated that their occupation was in management and professional areas. Coinciding with their occupation and educational attainment, nearly 60 percent of the respondents earned $25,000 or more in their households.

The employer (State of North Dakota) was recognized by Grafton resident respondents as having made a substantial contribution in assisting local officials in finding new uses/tenants for the portion of the State Developmental Center that was available for other use. Respondents also acknowledged that local officials lobbied state officials to maintain jobs in Grafton, and that local officials were also active in recruiting other employers, as well as assisting the displaced workers find new employment. Roughly one-third of the respondents thought that the state provided local officials and the general public with timely information regarding the downsizing, and that city officials were effective in coping with the closure.

The majority of respondents were not directly affected by the downsizing, but there were a number of impacts felt by other family members, or an awareness that their employer had lost business as a result of the downsizing. Respondents also observed a range of negative impacts on the community; nearly 50 percent thought the schools would be negatively impacted, and 47 percent said that the local quality of life would similarly be negatively impacted.

City council representatives were the political leaders respondents were least displeased with, while most displeasure rested with state government leaders. Grafton respondents were generally the highest of all respondents in perceiving that residents, business people, city government, state officials, and religious leaders should give a closure/downsizing a high priority.

Typically, the Grafton respondent had lived in the community for 35 years, and like the average for the other communities, could certainly be viewed as long-term residents. While there was a decline in the resident's satisfaction with the community after the closure/downsizing compared to before, there were few who indicated they would definitely move from Grafton. The difference in pre-and-post community satisfaction level was the greatest in Grafton, compared to the other communities (74-43% respectively).

**Worthington, Minnesota**, was the largest community of the five case-study communities. While the Campbell Soup facility was a large employer, it was not the largest employer in town. Because of its size, location, and economic diversity, the city continues to maintain a population of nearly or slightly more than 10,000 residents. One of the characteristics of the community is the changing composition of the resident population, with a broader mix of Hispanic and Southeast Asian residents who are employed in an expanding pork processing facility.

Not all of the 435 displaced workers were local residents, although the great majority were. As a result of expansion of the pork plant, and the desire for retraining by a number of dislocated workers, the out-migration of dislocated workers was minimal. The creation of a Task Force to study the options of the closure, the concern for the displaced workers and community Job Fair for the terminated workers, and the State grant of $600,000 for retraining all helped the community and county join together in a concerted adjustment effort. Existing economic development organizations, and new alliances, cemented a positive response from the community.

Nearly one-third of the Worthington respondents were over age 60. The modal frequency of educational attainment was “college graduate”, and nearly half the respondents indicated they were employed as management and professional employees. Earnings for the respondents were toward the high end of the household income categories.

Respondents recognized the severance package provided by Campbell, and their efforts to transfer workers, or assist them in finding other jobs. The only area in which Campbell was not particularly recognized was the effort to assist local officials in finding new uses/tenants for the facility. Local officials were highly praised for assisting displaced workers find other work and for recruiting other employers. Respondents also perceived that the company provided information to both local officials and the general public in a timely manner, and that all units of government (i.e. city, county and state) were active in helping the community cope with the closure.

There were some respondents who worked for Campbell Soup who lost their jobs, others lost their job because their employer lost business when Campbell closed, and 18 percent of the respondents said that their income was reduced because of lost business related to the closure. The closure was perceived to have a range of significant impacts, including reduced employment opportunities, reduced property values, and a reduction in the quality of life. Further, 50 percent of the Worthington respondents indicated that ethnic minorities would be negatively impacted as a result of the closure.

There were some Worthington respondents who were dissatisfied with city council or county government leaders, but in both instances, 60 percent of the respondents were satisfied with their efforts. In contrast, 66 percent of the respondents were dissatisfied with company officials, and this degree of dissatisfaction with company officials was by far the highest of any set of respondents in the five communities. Most Worthington respondents perceived that residents, business people, city and county government leaders, and state officials should give high priority to a closure/downsizing.

Worthington respondents were similar to other respondents in that their degree of community satisfaction had declined since the closing, but few were definitely planning to leave the community. Respondents were long-term community residents; the average for the community was 32 years.

The variation in range of impacts of the closures or downsizings in these five communities reflects the abilities of local leaders; the degree of cooperation with both the organization closing, and the new purchaser, if any; the existence of economic development agencies; and the willingness of local leaders to use outside resources, including consultants, as well as state agency personnel. There are probably no two closures or downsizing events that are exactly alike, but no options should be overlooked to assist both the displaced workers, and the pursuit of economic development. Perhaps the best advice one could give would be for local leaders to support both economic expansions and economic diversity prior to any closure or downsizing. While the ideal job-loss scenario would have a quality new employer in the same facility, hiring many of the displaced workers quickly, the reality is that the ideal scenario is uncommon. More likely, it will be a period of time, sometimes years, before the adjustment will be completed. Thus, future planning, and consideration of all the options to be employed <u>were such an event to occur,</u> might be a practical and worthwhile exercise for community leaders to consider. Such a "dry-run" procedure might facilitate the establishment of networks, and assist in planning, or creating the necessary economic development entities essential to respond to a "real" closure/downsizing.

The Grafton experience, that it is possible for a community to recover from a major employment loss, even when, over time, the community has been losing population and other employers is a powerful observation. Developing a "Can Do" attitude is not always easy, but it is essential to turn the tide of economic reversals amidst population decline.

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# Appendix A

# Appendix Tables

**Table A1. Population for North Dakota and Minnesota, and Selected Counties and Cities, Selected Years 1960-1996**

| AREA | 1960 | 1970 | 1980 | 1990 | 1992 | 1994 | 1996 |
|---|---|---|---|---|---|---|---|
| NORTH DAKOTA | 632,446 | 617,792 | 652,695 | 638,800 | 635,326 | 639,695 | 643,539 |
| Adams County | 4,449 | 3,832 | 3,584 | 3,174 | 3,022 | 2,862 | 2,841 |
| Hettinger | 1,769 | 1,655 | 1,739 | 1,574 | 1,503 | 1,433 | 1,427 |
| Reeder | 321 | 306 | 355 | 252 | 238 | 225 | 222 |
| Bowman County | 4,154 | 3,901 | 4,229 | 3,596 | 3,397 | 3,278 | 3,303 |
| Bowman | 1,730 | 1,762 | 2,071 | 1,741 | 1,648 | 1,590 | 1,602 |
| Scranton | 358 | 360 | 415 | 294 | 277 | 267 | 269 |
| Slope County | 1,893 | 1,484 | 1,157 | 907 | 884 | 845 | 827 |
| Walsh County | 17,997 | 16,251 | 15,371 | 13,840 | 13,244 | 12,875 | 12,799 |
| Grafton | 5,885 | 5,946 | 5,293 | 4,884 | 4,995 | 5,164 | 5,480 |
| Park River | 1,813 | 1,680 | 1,844 | 1,725 | 1,587 | 1,478 | 1,398 |
| MINNESOTA | 3,413,864 | 3,804,971 | 4,075,970 | 4,375,099 | 4,474,586 | 4,572,360 | 4,657,758 |
| Nicollet County | 23,196 | 24,518 | 26,929 | 28,076 | 28,635 | 29,344 | 29,846 |
| Courtland | 239 | 300 | 399 | 412 | 417 | 432 | 458 |
| North Mankato | 5,927 | 7,347 | 9,145 | 10,164 | 10,982 | 11,349 | 11,671 |
| St. Peter | 8,484 | 8,339 | 9,056 | 9,421 | 9,681 | 9,767 | 9,850 |
| Nobles County | 23,365 | 23,208 | 21,840 | 20,098 | 20,215 | 20,339 | 20,060 |
| Adrian | 1,215 | 1,350 | 1,336 | 1,141 | 1,131 | 1,138 | 1,112 |
| Worthington | 9,015 | 9,825 | 10,243 | 9,977 | 10,197 | 10,322 | 10,321 |
| Winona County | 40,937 | 44,409 | 46,256 | 47,828 | 47,922 | 48,344 | 48,411 |
| Altura | 320 | 334 | 354 | 349 | 354 | 376 | 377 |
| Good View | 1,348 | 1,829 | 2,567 | 2,878 | 2,967 | 3,085 | 3,224 |
| St. Charles | 1,882 | 1,942 | 2,184 | 2,642 | 2,783 | 2,861 | 2,938 |
| Winona | 24,895 | 26,438 | 25,075 | 25,399 | 25,207 | 25,149 | 24,788 |

Source: US Department of Commerce, Bureau of the Census. Selected Years. Decennial Census of Population and Housing. Washington, D.C.; U.S. Department of Commerce, Bureau of Census. 1997. Intercensal Population Estimates. Washington, D.C.

**Table A2. Labor Force, Employment, and Unemployment for North Dakota and Minnesota, and Selected Counties, Selected Years 1980-1996**

| ITEM | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|---|
| NORTH DAKOTA: | | | | | | | | | |
| Labor Force | 303,000 | 334,000 | 318,054 | 313,095 | 314,333 | 320,227 | 336,571 | 335,596 | 343,454 |
| Employment | 288,000 | 314,000 | 305,272 | 299,763 | 298,437 | 306,234 | 323,508 | 324,613 | 332,918 |
| Unemployment (No.) | 15,000 | 20,000 | 12,782 | 13,332 | 15,896 | 13,993 | 13,063 | 10,983 | 10,536 |
| Unemployment Rate (%) | 5.0 | 5.9 | 4.0 | 4.3 | 5.1 | 4.4 | 3.9 | 3.3 | 3.1 |
| ADAMS COUNTY: | | | | | | | | | |
| Labor Force | 1,956 | 1,825 | 1,789 | 1,597 | 1,519 | 1,481 | 1,647 | 1,473 | 1,492 |
| Employment | 1,921 | 1,774 | 1,765 | 1,559 | 1,482 | 1,447 | 1,613 | 1,448 | 1,465 |
| Unemployment (No.) | 35 | 51 | 24 | 38 | 37 | 34 | 34 | 25 | 27 |
| Unemployment Rate (%) | 1.8 | 2.8 | 1.3 | 2.4 | 2.4 | 2.3 | 2.1 | 1.7 | 1.8 |
| BOWMAN COUNTY: | | | | | | | | | |
| Labor Force | 2,079 | 2,378 | 1,972 | 1,907 | 1,804 | 1,804 | 1,837 | 1,813 | 1,833 |
| Employment | 2,038 | 2,268 | 1,941 | 1,854 | 1,714 | 1,733 | 1,784 | 1,775 | 1,797 |
| Unemployment (No.) | 41 | 110 | 31 | 53 | 90 | 71 | 53 | 38 | 36 |
| Unemployment Rate (%) | 2.0 | 4.6 | 1.6 | 2.8 | 5.0 | 3.9 | 2.9 | 2.1 | 2.0 |
| SLOPE COUNTY: | | | | | | | | | |
| Labor Force | 577 | 559 | 588 | 450 | 425 | 392 | 536 | 422 | 406 |
| Employment | 566 | 517 | 574 | 433 | 404 | 375 | 521 | 410 | 397 |
| Unemployment (No.) | 11 | 42 | 14 | 17 | 21 | 17 | 15 | 12 | 9 |
| Unemployment Rate (%) | 1.9 | 7.5 | 2.4 | 3.8 | 4.9 | 4.3 | 2.8 | 2.8 | 2.2 |
| WALSH COUNTY: | | | | | | | | | |
| Labor Force | 7,833 | 8,069 | 6,392 | 6,543 | 6,368 | 6,395 | 6,248 | 6,449 | 6,523 |
| Employment | 7,444 | 7,617 | 6,106 | 6,250 | 6,010 | 5,993 | 5,843 | 6,120 | 6,222 |
| Unemployment (No.) | 389 | 452 | 286 | 284 | 358 | 402 | 405 | 329 | 301 |
| Unemployment Rate (%) | 5.0 | 5.6 | 4.5 | 4.3 | 5.6 | 6.3 | 6.5 | 5.1 | 4.6 |

continued

Table A2 continued.

| ITEM | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|---|
| MINNESOTA: | | | | | | | | | |
| Labor Force | 2,110,000 | 2,224,000 | 2,385,802 | 2,414,228 | 2,414,985 | 2,476,433 | 2,576,645 | 2,598,671 | 2,608,586 |
| Employment | 1,985,000 | 2,091,000 | 2,268,780 | 2,290,140 | 2,289,419 | 2,349,196 | 2,473,515 | 2,502,446 | 2,504,541 |
| Unemployment (No.) | 125,000 | 133,000 | 117,022 | 124,088 | 125,566 | 127,237 | 103,130 | 96,225 | 104,045 |
| Unemployment Rate (%) | 5.9 | 6.0 | 4.9 | 5.1 | 5.2 | 5.1 | 4.0 | 3.7 | 4.0 |
| NICOLLET COUNTY: | | | | | | | | | |
| Labor Force | 14,000 | 14,634 | 15,675 | 15,959 | 16,201 | 16,988 | 17,959 | 18,048 | 17,979 |
| Employment | 13,225 | 13,884 | 15,055 | 15,399 | 15,646 | 16,408 | 17,488 | 17,525 | 17,436 |
| Unemployment (No.) | 775 | 750 | 620 | 560 | 555 | 508 | 472 | 523 | 543 |
| Unemployment Rate (%) | 5.5 | 5.1 | 4.0 | 3.5 | 3.4 | 3.4 | 2.6 | 2.9 | 3.0 |
| NOBLES COUNTY: | | | | | | | | | |
| Labor Force | 11,108 | 10,568 | 9,915 | 9,795 | 9,747 | 10,105 | 10,149 | 10,099 | 10,153 |
| Employment | 10,565 | 9,859 | 9,557 | 9,454 | 9,355 | 9,688 | 9,822 | 9,698 | 9,774 |
| Unemployment (No.) | 543 | 709 | 358 | 340 | 392 | 417 | 327 | 401 | 379 |
| Unemployment Rate (%) | 4.9 | 6.7 | 3.6 | 3.5 | 4.0 | 4.1 | 3.2 | 4.0 | 3.7 |
| WINONA COUNTY: | | | | | | | | | |
| Labor Force | 24,399 | 25,561 | 26,553 | 26,512 | 25,985 | 27,403 | 28,222 | 28,050 | 28,110 |
| Employment | 22,520 | 23,990 | 25,015 | 24,949 | 24,670 | 26,071 | 27,211 | 27,019 | 27,010 |
| Unemployment (No.) | 1,879 | 1572 | 1,538 | 1,563 | 1,315 | 1,331 | 1,011 | 1,031 | 1,100 |
| Unemployment Rate (%) | 7.7 | 6.1 | 5.8 | 5.9 | 5.1 | 4.9 | 3.6 | 3.7 | 3.9 |

Source: Job Service North Dakota, Research and Statistics Division. Selected Years 1980-1996. North Dakota Labor Force By County and Region. Annual Average. Bismarck, ND; Minnesota Department of Economic Security. Selected Years 1980-1996. Minnesota Employment, unpublished data. St Paul.

**Table A3. Personal Income by Place of Residence for North Dakota and Minnesota, and Selected Counties, Selected Years 1980-1995.**

| STATE/COUNTY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|---|
| | ---------------------------------------------------------------thousand dollars--------------------------------------------------------- | | | | | | | |
| NORTH DAKOTA | 5,126,259 | 8,370,770 | 9,765,275 | 9,842,901 | 10,762,348 | 10,859,605 | 11,618,143 | 11,938,828 |
| Adams County | 25,480 | 39,287 | 42,976 | 41,127 | 50,225 | 49,155 | 43,822 | 46,497 |
| Bowman County | 35,009 | 50,778 | 56,098 | 56,605 | 59,548 | 63,677 | 60,138 | 61,623 |
| Slope County | 3,199 | 9,791 | 8,476 | 8,783 | 11,220 | 10,147 | 9,704 | 7,381 |
| Walsh County | 118,621 | 216,977 | 211,975 | 220,301 | 254,828 | 211,802 | 260,736 | 242,529 |
| MINNESOTA | 41,446,172 | 61,788,971 | 84,993,249 | 88,061,479 | 94,803,037 | 97,952,483 | 104,762,185 | 110,461,793 |
| Nicollet County | 215,202 | 319,273 | 447,911 | 461,132 | 501,773 | 514,774 | 567,317 | 594,457 |
| Nobles County | 200,130 | 258,753 | 344,776 | 344,612 | 349,919 | 333,304 | 397,036 | 395,229 |
| Winona County | 383,676 | 563,299 | 760,490 | 780,724 | 842,967 | 875,902 | 918,426 | 962,098 |

Source: US Department of Commerce, Bureau of Economic Analysis. 1997. Personal Income By Major Source and Earnings By Industry. Washington, D.C.

**Table A4. Earnings by Industry for North Dakota and Minnesota, and Selected Counties, Selected Years 1980-1995 (Thousand Dollars)**

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|---|
| | -----NORTH DAKOTA----- | | | | | | | |
| Ag Services | 19,176 | 32,802 | 55,256 | 52,464 | 56,922 | 63,453 | 66,954 | 71,434 |
| Mining | 199,680 | 219,155 | 156,034 | 167,149 | 165,478 | 169,944 | 167,082 | 179,985 |
| Construction | 402,114 | 367,750 | 346,157 | 356,422 | 393,576 | 430,218 | 478,506 | 520,697 |
| Manufacturing | 264,275 | 333,382 | 426,204 | 459,276 | 497,957 | 545,669 | 618,950 | 663,933 |
| Trans & Public Utilities | 389,443 | 533,437 | 592,069 | 634,299 | 667,188 | 716,624 | 744,275 | 798,478 |
| Wholesale Trade | 412,207 | 461,658 | 547,698 | 554,513 | 599,299 | 625,183 | 671,914 | 713,372 |
| Retail Trade | 490,381 | 643,584 | 660,112 | 694,938 | 738,744 | 782,561 | 831,781 | 876,943 |
| Fin, Ins, Real Estate | 183,124 | 237,730 | 310,874 | 327,429 | 368,227 | 400,226 | 426,970 | 450,934 |
| Services | 710,551 | 1,083,993 | 1,477,087 | 1,587,961 | 1,703,679 | 1,796,882 | 1,918,250 | 2,089,185 |
| Government | 796,034 | 1,187,220 | 1,442,606 | 1,508,087 | 1,587,946 | 1,653,179 | 1,653,691 | 1,731,215 |
| | -----ADAMS COUNTY----- | | | | | | | |
| Ag Services | 300 | 579 | 616 | 611 | 564 | 554 | 543 | (d) |
| Mining | 395 | 104 | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 2,144 | 1,106 | 684 | 567 | 542 | 533 | 487 | 470 |
| Manufacturing | 1,221 | 424 | 175 | 149 | 158 | 229 | 253 | 259 |
| Trans & Public Utilities | 988 | 1,383 | 2,803 | 2,454 | 2,411 | 2,726 | 2,333 | (d) |
| Wholesale Trade | 3,255 | 2,605 | 1,901 | 1,857 | 1,936 | 1,770 | 1,876 | 1,772 |
| Retail Trade | 1,905 | 2,586 | 2,725 | 2,751 | 2,722 | 2,941 | 3,164 | 3,370 |
| Fin, Ins, Real Estate | 578 | 753 | 1,030 | 967 | 1,120 | 1,232 | 1,290 | 1,360 |
| Services | 4,014 | 6,543 | 8,810 | 9,786 | 10,033 | 9,972 | 9,869 | 10,401 |
| Government | 1,973 | 2,798 | 3,546 | 3,635 | 3,766 | 3,740 | 3,553 | 3,474 |

continued

Table A4. continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|---|
| | | | | BOWMAN COUNTY | | | | |
| Ag Services | 123 | 171 | 513 | 295 | 281 | 296 | 346 | 391 |
| Mining | 5,795 | 5,123 | 3,422 | 3,805 | 3,810 | 4,011 | 4,349 | 3,677 |
| Construction | 1,953 | 2,208 | 1,546 | 1,462 | 1,219 | 1,285 | 1,219 | 1,364 |
| Manufacturing | 216 | 494 | 697 | 756 | 673 | 582 | 604 | 797 |
| Trans & Public Utilities | 964 | 1,290 | 1,087 | 1,257 | 1,335 | 1,505 | 1,479 | 1,979 |
| Wholesale Trade | 2,651 | 3,314 | 3,980 | 3,096 | 2,978 | 3,279 | 3,634 | 3,998 |
| Retail Trade | 3,461 | 4,991 | 3,638 | 3,763 | 3,655 | 3,637 | 3,895 | 4,167 |
| Fin, Ins, Real Estate | 1,077 | 1,251 | 1,684 | 1,703 | 1,723 | 1,741 | 1,614 | 1,682 |
| Services | 3,942 | 5,421 | 7,149 | 7,342 | 7,721 | 7,930 | 6,521 | 7,012 |
| Government | 2,522 | 3,818 | 4,497 | 4,715 | 4,800 | 4,883 | 4,836 | 4,839 |
| | | | | SLOPE COUNTY | | | | |
| Ag Services | (d) | (d) | (d) | 62 | 66 | 71 | 79 | 81 |
| Mining | 2,207 | (d) | (d) | (d) | (d) | (d) | (d) | (d) |
| Construction | (d) | (d) | 200 | (d) | (d) | (d) | (d) | (d) |
| Manufacturing | 0 | 0 | 0 | 0 | 0 | (d) | 87 | (d) |
| Trans & Public Utilities | (d) | 68 | 235 | 138 | 162 | 127 | 79 | 314 |
| Wholesale Trade | 79 | 97 | 118 | 92 | 121 | 147 | 157 | 176 |
| Retail Trade | 223 | 136 | 110 | 156 | 183 | 188 | 167 | 187 |
| Fin, Ins, Real Estate | (d) | (d) | 0 | 0 | 0 | 0 | 0 | 0 |
| Services | 496 | 536 | 421 | 411 | 453 | 439 | 408 | 443 |
| Government | 315 | 509 | 684 | 679 | 656 | 636 | 593 | 605 |

continued

Table A4. continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|---|
| | | | | ---WALSH COUNTY--- | | | | |
| Ag Services | 1,721 | 1,835 | 1,952 | 2,051 | 2,059 | 2,253 | 2,186 | (d) |
| Mining | 399 | 539 | 589 | 495 | 683 | 623 | 560 | (d) |
| Construction | 5,304 | 6,060 | 4,762 | 4,789 | 5,083 | 4,562 | 7,225 | 4,787 |
| Manufacturing | 1,702 | 2,270 | 3,798 | 3,703 | 4,675 | 6,074 | 6,820 | 7,577 |
| Trans & Public Utilities | 4,233 | 6,142 | 6,231 | 6,505 | 7,609 | 8,687 | 10,473 | 12,665 |
| Wholesale Trade | 6,794 | 10,029 | 12,473 | 11,428 | 12,532 | 13,954 | 14,800 | 15,831 |
| Retail Trade | 9,129 | 11,853 | 10,717 | 10,577 | 11,355 | 11,552 | 12,002 | 12,453 |
| Fin, Ins, Real Estate | 4,118 | 4,206 | 4,372 | 5,113 | 5,869 | 6,346 | 6,561 | 6,649 |
| Services | 9,755 | 13,761 | 17,881 | 18,400 | 20,276 | 21,752 | 23,202 | 24,787 |
| Government | 15,850 | 32,462 | 33,560 | 34,091 | 35,330 | 34,771 | 32,444 | 31,942 |
| | | | | ---MINNESOTA--- | | | | |
| Ag Services | 123,348 | 191,626 | 309,455 | 323,395 | 349,435 | 363,651 | 388,734 | 408,113 |
| Mining | 542,455 | 358,891 | 367,925 | 374,375 | 375,548 | 365,151 | 395,069 | 428,768 |
| Construction | 2,078,618 | 2,708,922 | 3,630,101 | 3,494,155 | 3,835,569 | 4,005,216 | 4,350,054 | 4,500,476 |
| Manufacturing | 7,683,811 | 11,082,563 | 14,325,081 | 14,768,583 | 15,895,908 | 16,425,831 | 17,307,443 | 18,175,099 |
| Trans & Public Utilities | 2,514,343 | 3,413,367 | 4,338,143 | 4,557,772 | 4,768,578 | 4,835,250 | 4,979,754 | 5,381,001 |
| Wholesale Trade | 2,607,273 | 3,313,937 | 4,598,883 | 4,830,305 | 5,243,920 | 5,391,543 | 5,871,575 | 6,288,530 |
| Retail Trade | 3,301,648 | 4,767,327 | 5,835,580 | 5,943,937 | 6,339,860 | 6,724,858 | 7,186,732 | 7,582,020 |
| Fin, Ins, Real Estate | 1,699,736 | 2,615,258 | 4,238,597 | 4,599,324 | 5,330,218 | 5,901,009 | 6,163,347 | 6,453,785 |
| Services | 5,459,990 | 9,145,587 | 14,804,590 | 15,641,100 | 17,525,333 | 18,539,850 | 19,729,185 | 21,371,516 |
| Government | 4,266,909 | 6,301,329 | 8,901,213 | 9,379,500 | 9,855,164 | 10,186,242 | 10,692,792 | 11,071,172 |

continued

Table A4. continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|---|
| | ----NICOLLET COUNTY---- | | | | | | | |
| Ag Services | 769 | 1,326 | 2,326 | (d) | (d) | (d) | (d) | (d) |
| Mining | 342 | 645 | 634 | (d) | (d) | (d) | (d) | (d) |
| Construction | 8,873 | 6,780 | 7,992 | 6,923 | 8,485 | 9,247 | 10,195 | 10,428 |
| Manufacturing | 32,329 | 46,019 | 94,244 | 99,734 | 109,418 | 119,198 | 133,786 | 147,208 |
| Trans & Public Utilities | 3,506 | 6,534 | 9,112 | 9,133 | 11,480 | 11,544 | 12,876 | 11,042 |
| Wholesale Trade | 9,141 | 12,701 | 10,883 | 10,301 | 10,457 | 10,025 | 11,473 | 11,901 |
| Retail Trade | 9,809 | 12,330 | 13,071 | 13,874 | 14,569 | 15,822 | 16,922 | 17,583 |
| Fin, Ins, Real Estate | 3,486 | 3,611 | 5,248 | 6,373 | 8,838 | 9,143 | 10,514 | 11,641 |
| Services | 18,439 | 29,321 | 43,567 | 45,437 | 49,198 | 52,110 | 58,584 | 62,423 |
| Government | 24,773 | 33,997 | 50,093 | 53,784 | 58,917 | 64,697 | 67,867 | 69,138 |
| | ----NOBLES COUNTY---- | | | | | | | |
| Ag Services | 1,372 | 1,760 | 2,231 | (d) | (d) | (d) | (d) | (d) |
| Mining | 258 | 201 | 340 | (d) | (d) | (d) | (d) | (d) |
| Construction | 7,412 | 7,812 | 7,693 | 8,614 | 10,677 | 12,083 | 13,100 | 13,546 |
| Manufacturing | 25,515 | 17,951 | 48,364 | 54,472 | 60,588 | 63,162 | 71,124 | 74,654 |
| Trans & Public Utilities | 9,613 | 14,081 | 18,289 | 15,731 | 15,532 | 16,151 | 14,745 | 17,018 |
| Wholesale Trade | 13,637 | 16,063 | 21,899 | 23,208 | 23,641 | 24,395 | 25,534 | 26,730 |
| Retail Trade | 20,466 | 26,334 | 27,956 | 27,276 | 28,582 | 29,045 | 29,971 | 31,445 |
| Fin, Ins, Real Estate | 5,012 | 5,234 | 6,593 | 7,230 | 7,759 | 8,587 | 9,274 | 9,559 |
| Services | 16,173 | 22,834 | 30,160 | 31,604 | 34,270 | 34,777 | 35,947 | 38,611 |
| Government | 19,438 | 26,654 | 36,241 | 37,936 | 39,850 | 41,597 | 43,230 | 45,136 |

continued

Table A4. continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 |
|---|---|---|---|---|---|---|---|---|
| | ---WINONA COUNTY--- | | | | | | | |
| Ag Services | 1,389 | 2,029 | 3,581 | 3,438 | 3,542 | 3,473 | 3,880 | 4,226 |
| Mining | 2,288 | 2,135 | 2,899 | 2,800 | 3,110 | 3,134 | 3,805 | 3,287 |
| Construction | 17,066 | 19,000 | 21,776 | 23,457 | 26,375 | 27,430 | 29,801 | 28,531 |
| Manufacturing | 82,614 | 128,477 | 177,882 | 177,111 | 193,121 | 212,035 | 226,033 | 234,748 |
| Trans & Public Utilities | 18,019 | 20,586 | 26,867 | 26,176 | 30,863 | 34,395 | 36,102 | 35,796 |
| Wholesale Trade | 13,844 | 13,882 | 21,616 | 22,152 | 23,855 | 26,677 | 31,014 | 37,773 |
| Retail Trade | 32,159 | 45,564 | 47,286 | 48,117 | 49,971 | 50,411 | 53,265 | 58,112 |
| Fin, Ins, Real Estate | 6,504 | 6,800 | 10,986 | 11,483 | 13,371 | 16,664 | 17,783 | 17,642 |
| Services | 48,737 | 68,330 | 89,808 | 95,710 | 103,480 | 108,368 | 115,746 | 126,516 |
| Government | 35,162 | 52,948 | 81,071 | 85,912 | 87,332 | 92,230 | 95,142 | 100,583 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis. 1997. Personal Income By Major Source and Earnings By Industry. Washington, D.C. (d) not shown to avoid disclosure of confidential information.

**Table A5. Covered Employment by Industry for North Dakota and Minnesota, and Selected Counties, Selected Years 1980-1996**

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|---|
| | NORTH DAKOTA | | | | | | | | |
| Agriculture | 1,945 | 2,246 | 2,323 | 2,396 | 2,515 | 2,686 | 2,791 | 2,983 | 3,209 |
| Mining | 7,494 | 6,883 | 4,299 | 4,249 | 3,902 | 3,821 | 3,703 | 3,818 | 4,084 |
| Construction | 15,987 | 11,678 | 10,091 | 10,296 | 10,962 | 11,726 | 12,778 | 13,575 | 14,873 |
| Manufacturing | 15,257 | 15,450 | 17,380 | 17,956 | 18,269 | 19,477 | 21,218 | 21,756 | 21,899 |
| Trans, Comm, Utilities | 13,080 | 14,538 | 15,231 | 15,266 | 15,642 | 16,027 | 16,581 | 16,782 | 16,803 |
| Wholesale Trade | 19,851 | 19,937 | 19,354 | 19,202 | 19,628 | 19,301 | 20,019 | 20,798 | 21,211 |
| Retail Trade | 46,087 | 47,645 | 50,759 | 52,507 | 53,721 | 55,514 | 56,678 | 58,203 | 59,035 |
| Fin, Ins, Real Estate | 10,933 | 12,014 | 11,968 | 12,251 | 12,485 | 13,003 | 13,397 | 13,501 | 14,015 |
| Services | 43,985 | 52,620 | 62,779 | 64,768 | 67,539 | 70,455 | 74,123 | 78,037 | 81,597 |
| Government | 47,513 | 49,978 | 51,552 | 51,524 | 52,748 | 52,992 | 53,009 | 52,994 | 53,035 |
| TOTAL | 222,139 | 232,988 | 245,737 | 250,416 | 257,411 | 265,003 | 274,297 | 282,447 | 289,761 |
| | ADAMS COUNTY | | | | | | | | |
| Agriculture | 17 | 29 | 37 | 32 | 31 | 31 | 30 | 27 | 25 |
| Mining[a] | 14 | - - | - - | - - | - - | - - | - - | - - | - - |
| Construction | 58 | 19 | 10 | 10 | 9 | 11 | 7 | 7 | 10 |
| Manufacturing | 60 | 27 | 14 | 11 | 11 | 14 | 17 | 17 | 18 |
| Trans, Comm, Utilities | 45 | 38 | 40 | 27 | 25 | 26 | 30 | 35 | 38 |
| Wholesale Trade | 152 | 115 | 90 | 95 | 97 | 75 | 77 | 71 | 71 |
| Retail Trade | 170 | 192 | 191 | 191 | 201 | 217 | 215 | 213 | 223 |
| Fin, Ins, Real Estate | 37 | 51 | 55 | 53 | 55 | 52 | 51 | 50 | 46 |
| Services | 294 | 343 | 392 | 407 | 400 | 384 | 378 | 379 | 402 |
| Government | 177 | 170 | 187 | 186 | 187 | 178 | 167 | 165 | 166 |
| TOTAL | 1,024 | 984 | 1,016 | 1,011 | 1,015 | 989 | 972 | 964 | 1,000 |

continued

Table A5. continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|---|
| | --------BOWMAN COUNTY-------- | | | | | | | | |
| Agriculture | 5 | 7 | 88 | 84 | 93 | 96 | 111 | 89 | 82 |
| Mining[b] | 250 | 146 | -- | -- | -- | -- | -- | -- | -- |
| Construction | 66 | 56 | 39 | 42 | 31 | 28 | 33 | 36 | 40 |
| Manufacturing | 15 | 39 | 47 | 42 | 35 | 37 | 30 | 36 | 33 |
| Trans, Comm, Utilities | 37 | 37 | 41 | 35 | 38 | 46 | 44 | 40 | 41 |
| Wholesale Trade | 168 | 170 | 143 | 118 | 125 | 128 | 140 | 148 | 152 |
| Retail Trade | 276 | 264 | 237 | 251 | 245 | 249 | 245 | 265 | 269 |
| Fin, Ins, Real Estate | 57 | 70 | 73 | 70 | 64 | 58 | 54 | 50 | 54 |
| Services | 225 | 269 | 324 | 316 | 314 | 337 | 311 | 318 | 330 |
| Government | 235 | 240 | 250 | 256 | 251 | 242 | 236 | 241 | 233 |
| TOTAL | 1,334 | 1,299 | 1,242 | 1,214 | 1,196 | 1,219 | 1,204 | 1,223 | 1,233 |
| | --------SLOPE COUNTY-------- | | | | | | | | |
| Agriculture | 0 | 46 | 17 | 50 | 30 | 17 | 22 | 14 | 25 |
| Mining[c] | 103 | -- | -- | -- | -- | -- | -- | -- | -- |
| Construction[c] | 0 | -- | -- | -- | -- | -- | -- | -- | -- |
| Manufacturing[c] | 0 | -- | -- | -- | -- | -- | -- | -- | -- |
| Trans, Comm, Utilities[c] | 0 | -- | -- | -- | -- | -- | -- | -- | -- |
| Wholesale Trade[c] | 0 | -- | -- | -- | -- | -- | -- | -- | -- |
| Retail Trade[c] | 13 | -- | -- | -- | -- | -- | -- | -- | -- |
| Fin, Ins, Real Estate[c] | 1 | -- | -- | -- | -- | -- | -- | -- | -- |
| Services[c] | 3 | -- | -- | -- | -- | -- | -- | -- | -- |
| Government | 50 | 60 | 62 | 55 | 46 | 44 | 43 | 41 | 40 |
| TOTAL | 170 | 106 | 80 | 105 | 76 | 62 | 65 | 55 | 65 |

continued

Table A5. continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|---|
| | ---------------------------------------------------------------------------WALSH COUNTY------------------------------------------------------------ ----- | | | | | | | | |
| Agriculture | 402 | 485 | 461 | 437 | 476 | 479 | 489 | 512 | 544 |
| Mining[a] | 23 | -- | -- | -- | -- | -- | -- | -- | -- |
| Construction | 240 | 202 | 163 | 158 | 170 | 163 | 188 | 148 | 160 |
| Manufacturing | 132 | 127 | 164 | 156 | 157 | 185 | 199 | 209 | 202 |
| Trans, Comm, Utilities | 163 | 210 | 201 | 201 | 237 | 254 | 301 | 343 | 345 |
| Wholesale Trade | 351 | 373 | 389 | 373 | 370 | 374 | 387 | 404 | 429 |
| Retail Trade | 958 | 878 | 855 | 810 | 819 | 799 | 811 | 788 | 787 |
| Fin, Ins, Real Estate | 225 | 241 | 190 | 205 | 213 | 221 | 220 | 204 | 195 |
| Services | 721 | 770 | 937 | 939 | 1,001 | 1,062 | 1,105 | 1,120 | 1,191 |
| Government | 1,296 | 1,941 | 1,723 | 1,727 | 1,692 | 1,603 | 1,481 | 1,433 | 1,459 |
| TOTAL | 4,511 | 5,227 | 5,082 | 5,005 | 5,136 | 5,139 | 5,182 | 5,162 | 5,311 |
| | ---------------------------------------------------------------------------**MINNESOTA**------------------------------------------------------------ ----- | | | | | | | | |
| Ag, Forestry, Fisheries | 13,015 | 14,687 | 17,387 | 18,116 | 18,133 | 19,352 | 20,289 | 20,570 | 21,843 |
| Mining | 15,641 | 8,313 | 8,083 | 7,870 | 7,744 | 7,494 | 7,540 | 7,810 | 7,850 |
| Construction | 76,430 | 71,077 | 79,772 | 76,244 | 77,192 | 78,566 | 81,494 | 83,937 | 89,024 |
| Manufacturing | 371,075 | 375,434 | 397,781 | 396,357 | 396,263 | 405,430 | 414,997 | 426,282 | 428,669 |
| Trans, Comm, Utilities | 84,151 | 89,618 | 101,175 | 102,708 | 102,861 | 102,894 | 107,003 | 111,038 | 113,848 |
| Trade | 442,345 | 466,256 | 520,365 | 518,147 | 525,080 | 537,393 | 559,194 | 580,886 | 592,855 |
| Fire | 92,690 | 108,011 | 122,358 | 125,823 | 128,403 | 134,109 | 138,669 | 138,041 | 141,355 |
| Services | 344,269 | 406,110 | 512,222 | 517,791 | 549,330 | 571,301 | 589,802 | 619,173 | 642,753 |
| Government | 287,965 | 269,531 | 302,362 | 306,141 | 309,958 | 315,347 | 322,143 | 326,316 | 328,671 |
| TOTAL | 1,727,581 | 1,809,037 | 2,061,505 | 2,069,197 | 2,116,161 | 2,171,886 | 2,241,114 | 2,314,051 | 2,366,865 |

continued

Table A5 . continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|---|
| | ---------------------------------------------------------------------NICOLLET COUNTY----------------------------------------------------------- | | | | | | | | |
| Ag, Forestry, Fisheries | 0.0 | 40.6 | 80.0 | 87.0 | 104.0 | 104.0 | nd | nd | nd |
| Mining[d] | 0.0 | 0.0 | -- | -- | -- | -- | nd | nd | nd |
| Construction | 349.9 | 201.9 | 188.0 | 172.0 | 180.0 | 188.0 | 186 | 198 | 203 |
| Manufacturing | 2,654.3 | 2,838.8 | 4,454.0 | 4,224.0 | 4,237.0 | 4,565.0 | 5,062 | 5,361 | 5,120 |
| Trans, Comm, Utilities | 160.5 | 131.2 | 227.0 | 228.0 | 334.0 | 353.0 | 373 | 267 | 266 |
| Trade | 1,538.8 | 1,553.8 | 1,469.0 | 1,505.0 | 1,567.0 | 1,612.0 | 1,662 | 1,669 | 1,907 |
| Fire | 191.8 | 220.3 | 221.0 | 225.0 | 282.0 | 284.0 | 307 | 315 | 328 |
| Services | 1,074.2 | 1,189.8 | 1,572.0 | 1,607.0 | 1,636.0 | 1,688.0 | 1,966 | 2,024 | 2,160 |
| Government | 1,534.9 | 1,677.2 | 1,983.0 | 2,015.0 | 2,133.0 | 2,311.0 | 2,407 | 2,311 | 2,257 |
| TOTAL | 6,378.4 | 7,913.2 | 10,194.0 | 10,063.0 | 10,473.0 | 11,105.0 | 12,202 | 12,332 | 12,446 |
| | ------------------------------------------------------------------------NOBLES COUNTY ------------------------------------------------------------------- | | | | | | | | |
| Ag, Forestry, Fisheries | 23.3 | 73.5 | 91.0 | 98.0 | 105.0 | 117.0 | nd | nd | nd |
| Mining[d] | 0.0 | 0.0 | -- | -- | -- | -- | nd | nd | nd |
| Construction | 248.7 | 199.1 | 162.0 | 179.0 | 178.0 | 193.0 | 195 | 214 | 220 |
| Manufacturing | 1251.0 | 676.8 | 2,251.0 | 2,377.0 | 2,515.0 | 2,618.0 | 2,706 | 2,678 | 2,827 |
| Trans, Comm, Utilities | 302.3 | 488.2 | 485.0 | 383.0 | 376.0 | 395.0 | 359 | 393 | 420 |
| Trade | 2707.8 | 2556.3 | 2,840.0 | 2,797.0 | 2,883.0 | 2,873.0 | 2,890 | 2,980 | 2,994 |
| Fire | 346.8 | 303.0 | 299.0 | 328.0 | 350,.0 | 360.0 | 325 | 322 | 322 |
| Services | 1104.5 | 1019.7 | 1,154.0 | 1,192.0 | 1,237.0 | 1,251.0 | 1,273 | 1,307 | 1,313 |
| Government | 1517.8 | 1458.2 | 1,660.0 | 1,642.0 | 1,616.0 | 1,754.0 | 1,717 | 1,734 | 1,767 |
| TOTAL | 7501.5 | 6905.0 | 8942.0 | 8,996.0 | 9,260.0 | 9,561.0 | 9,574 | 9,733 | 9,997 |

continued

Table A5 . continued

| INDUSTRY | 1980 | 1985 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 |
|---|---|---|---|---|---|---|---|---|---|
| | ---------------------------------------------------------------- WINONA COUNTY Region 10-------------------------------------------- ------------------ | | | | | | | | |
| Ag, Forestry, Fisheries | 138.6 | 123.3 | 199.0 | 187.0 | 192.0 | 203.0 | 146 | 158 | nd |
| Mining[d] | 21.8 | 35.2 | -- | -- | -- | -- | 75 | 67 | nd |
| Construction | 671.9 | 580.8 | 543.0 | 570.0 | 578.0 | 567.0 | 562 | 553 | 588 |
| Manufacturing | 5,457.7 | 6,139.9 | 7,124.0 | 6,780.0 | 6,914.0 | 7,446.0 | 7,596 | 7,677 | 7,521 |
| Trans, Comm, Utilities | 690.5 | 665.9 | 789.0 | 821.0 | 961.0 | 1,033.0 | 1,026 | 931 | 958 |
| Trade | 3,879.8 | 4,314.4 | 4,524.0 | 4,631.0 | 4,624.0 | 4,798.0 | 4,946 | 5,211 | 5,392 |
| Fire | 503.6 | 497.5 | 496.0 | 507.0 | 510.0 | 562.0 | 574 | 565 | 560 |
| Services | 3,544.7 | 3,587.1 | 4,077.0 | 4,180.0 | 4,347.0 | 4,522.0 | 4,900 | 5,116 | 5,384 |
| Government | 1,987.6 | 2,156.4 | 2,667.0 | 2,759.0 | 2,782.0 | 2,812.0 | 2,927 | 2,940 | 2,890 |
| TOTAL | 16,896.1 | 18,103.1 | 20,419.01 | 20,435 | 20,908.0 | 21,943.0 | 22,752 | 23,218 | 23,526 |

nd: not disclosed due to confidentiality
[a] Mining and construction were combined in 1985.
[b] Agriculture and mining were combined beginning in 1990.
[c] Agriculture, mining, construction, manufacturing, trans, comm, utilities, wholesale trade, retail trade, fin, ins, real estate, and service combined beginning in 1985.
[d] Ag forestry, fisheries and mining were combined beginning in 1990.
Source: Job Service North Dakota, Research and Statistics Division. Selected Years 1980-1996. North Dakota Employment and Wages. Bismarck, ND.

**Table A6. Public School Kindergarten Through Grade Twelve Enrollment, for Selected School Districts, North Dakota and Minnesota, Selected Years 1980-1998.**

| DISTRICT | 1980 | 1985 | 1990 | 1995 | 1996 | 1997 |
|---|---|---|---|---|---|---|
| ADAMS COUNTY | | | | | | |
| Hettinger | 515 | 491 | 512 | 490 | 490 | 472 |
| Reeder | 154 | 137 | 95 | 55 | 36 | 38 |
| BOWMAN COUNTY | | | | | | |
| Bowman | 634 | 621 | 529 | 466 | 465 | 466 |
| Scranton | 247 | 221 | 181 | 174 | 177 | 176 |
| WALSH COUNTY | | | | | | |
| Grafton | 1,275 | 1,220 | 1,156 | 1,232 | 1,194 | 1,167 |
| Park River | 528 | 520 | 517 | 536 | 534 | 503 |
| NICOLLET COUNTY | | | | | | |
| St. Peter | 1,855 | 1,703 | 1,859 | 1,957 | 1,964 | 1,982 |
| NOBLES COUNTY | | | | | | |
| Adrian | 680 | 549 | 551 | 639 | 655 | 642 |
| Worthington | 2,639 | 2,335 | 2,340 | 2,504 | 2,559 | 2,554 |
| WINONA COUNTY | | | | | | |
| St. Charles | 931 | 936 | 990 | 1,076 | 1,102 | 1,096 |
| Winona | 4,890 | 4,528 | 4,786 | 4,641 | 4,679 | 4,668 |

Source: Department of Public Instruction. Selected Years 1980-1997. Public School Enrollments, Unpublished Data. Bisamarck, ND.; Minnesota Department of Children, Families & Learning. Selected Years 1980-1997. Minnesota Public School Membership, Unpublished Data. St. Paul, MN.

# Appendix B

# Questionnaire

## Impacts of Facility Closure/Downsizing in the Upper Midwest

1. Please indicate whether you agree or disagree with the following statements [Circle the appropriate number]:

| | Disagree | | Not sure | | Agree |
|---|---|---|---|---|---|
| a. The majority of the workers laid off by the Campbell Soup Company left the community/area | 1 | 2 | 3 | 4 | 5 |
| b. The majority of the workers laid off by the Campbell Soup Company remained in the community/area | 1 | 2 | 3 | 4 | 5 |
| c. State government officials have assisted the community in coping with the effects of the Campbell Soup Company's closure/downsizing | 1 | 2 | 3 | 4 | 5 |
| d. Officials representing the Campbell Soup Company provided *local officials* with timely information about their plans prior to the downsizing/closure | 1 | 2 | 3 | 4 | 5 |
| e. Officials representing the Campbell Soup Company provided *the public* with timely information about their plans prior to the downsizing/closure | 1 | 2 | 3 | 4 | 5 |
| f. City officials have been effective in coping with the closure of the Campbell Soup Company | 1 | 2 | 3 | 4 | 5 |
| g. County officials have been effective in coping with the closure of the Campbell Soup Company | 1 | 2 | 3 | 4 | 5 |

2. Please indicate how much effect the closure/downsizing of the facility has had on the following [Circle the appropriate number]:

| | Positive effect | | No effect | | Negative effect |
|---|---|---|---|---|---|
| a. City government of your town | 1 | 2 | 3 | 4 | 5 |
| b. Businesses in your town | 1 | 2 | 3 | 4 | 5 |
| c. Value of property in your area | 1 | 2 | 3 | 4 | 5 |
| d. Schools in your area | 1 | 2 | 3 | 4 | 5 |
| e. County government | 1 | 2 | 3 | 4 | 5 |
| f. Employment opportunities for area residents | 1 | 2 | 3 | 4 | 5 |
| g. Income of area residents | 1 | 2 | 3 | 4 | 5 |
| h. Crime | 1 | 2 | 3 | 4 | 5 |
| i. Ethnic minorities | 1 | 2 | 3 | 4 | 5 |
| j. Social organizations such as churches, civic groups, and business groups | 1 | 2 | 3 | 4 | 5 |
| k. Quality of life in your community | 1 | 2 | 3 | 4 | 5 |
| l. You personally | 1 | 2 | 3 | 4 | 5 |

3. The closure or downsizing of a major employer can affect local residents in a variety of ways. Please indicate if any of the following apply to you.

| | | | |
|---|---|---|---|
| a. | I worked at the Campbell Soup Company. | Yes | No |
| | I lost my job as a result of the closure/downsizing. | Yes | No |
| b. | A member of my immediate family (i.e., husband/wife, son/daughter, father/mother, sister/brother) worked at the Campbell Soup Company. | Yes | No |
| | They lost their job as the result of the closure/downsizing. | Yes | No |
| c. | My employer lost business as a result of the closure/downsizing. | Yes | No |
| | I lost my job. | Yes | No |
| | My hours and/or pay were reduced | Yes | No |
| d. | A business that I owned/managed lost business as a result of the closure/downsizing. | Yes | No |
| | My income was reduced. | Yes | No |
| e. | The closure/downsizing took place but it did not directly affect my work | Yes | No |

4. What steps were taken by local officials (city or county government, local development organization) to respond to the closure/downsizing?

| | | | | |
|---|---|---|---|---|
| a. | Offer incentives/concessions to the Campbell Soup Company to maintain jobs | Yes | No | Don't Know |
| b. | Assist workers who left the Campbell Soup Company to find other work | Yes | No | Don't Know |
| c. | Recruit other employers | Yes | No | Don't Know |

d. Other (describe)________________________________________

________________________________________________________

__________

5. In your opinion, what more could local leaders have done to respond to the closure/downsizing of the Campbell Soup Company ________________________________________

________________________________________________________

____________________

6. Reflecting on your community's experience in coping with the closure of the facility, please indicate how satisfied you are with the following leaders or groups:

| | | Very dissatisfied | Somewhat dissatisfied | Neither satisfied nor dissatisfied | Somewhat satisfied | Very satisfied |
|---|---|---|---|---|---|---|
| a. | Company officials | 1 | 2 | 3 | 4 | 5 |
| b. | City Council | 1 | 2 | 3 | 4 | 5 |
| c. | Business leaders | 1 | 2 | 3 | 4 | 5 |
| d. | County government leaders | 1 | 2 | 3 | 4 | 5 |
| e. | State government leaders | 1 | 2 | 3 | 4 | 5 |

| | | Very dissatisfied | dissatisfied | Neither satisfied nor | Somewhat satisfied | satisfied |
|---|---|---|---|---|---|---|
| | Federal government leaders | 1 | | 3 | 4 | |
| g. | Local citizens | | 2 | 3 | | 5 |
| h. | | 1 | 2 | | 4 | 5 |
| | Cooperation of government & agencies to assist workers | | 2 | 3 | | 5 |

Comments: ______________________________________________________________

______________________________________________________________

__________

What steps were taken by officials representing the Campbell Soup Company to ease problems associated with the closure/downsizing?

| | | |
|---|---|---|
| Transfer some workers to other employer owned units | Yes | Don't Know |
| Provide significant severance package to those losing their jobs | Yes | Don't Know |
| Assist workers who were terminated in finding other jobs | Yes | Don't Know |
| Assist local officials in finding new uses/tenants for the facility | Yes | Don't Know |

Other (describe) ______________________________________________________________

______________________________________________________________

__________

8. __

______________________________________________________________

______________________________________________________________

__________

What priority should be given to future facility closures/downsizings in this region? Please circle the number indicating the priority that you believe each of the following entities should give to future closures/downsizings of major employers.

| | | | | Moderate priority | | Low priority |
|---|---|---|---|---|---|---|
| | Residents of the affected community | 1 | | 3 | 4 | |
| b. | Religious leaders of the affected community | | 2 | 3 | | 5 |
| c. | | 1 | 2 | | 4 | 5 |
| | City government in the affected community | 1 | | 3 | 4 | |
| e. | County officials | | 2 | 3 | | 5 |
| f. | | 1 | 2 | | 4 | 5 |

Comments: ____________________________________________________________________________________

______________________________________________________________________________________________

__________

10. How long have you lived in this community? ______ Years (if less than 1 year, put <1)

11. Using the scale below, please mark the response that best indicates how satisfied you were with this community as a place to live.

**<u>Before</u>** the Closure/Downsizing

| Very <u>Satisfied</u> | | <u>Indifferent</u> | | Very <u>Dissatisfied</u> |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |

**<u>After</u>** the Closure/Downsizing

| Very <u>Satisfied</u> | | <u>Indifferent</u> | | Very <u>Dissatisfied</u> |
|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 |

12. Do you have any plans to move away from this community within the next five years? [Please circle one answer]
a. Definitely will not move
b. Probably will not move
c. Probably will move
d. Definitely will move

13. How old were you on your last birthday? _______ Years

14. What is your sex? ______ Male ______ Female

15. Please indicate if you are [Please circle the most appropriate answer]
a. White
b. Black
c. Native American, Alaskan Native, or Aleut
d. Asian or Pacific Islander
e. Other (please describe)________________________

16. Are you of Spanish or Hispanic origin? Yes No

17. Please indicate the highest level of school that you completed.[Please select the most appropriate answer]
a. Less than 12th grade
b. High School Graduate
c. Some post secondary
d. College Graduate

18. Please mark your employment status.
a. Unemployed
b. Retired
c. Employed by someone else
d. Self-employed

(if checked item *employed by someone else* or *self employed* please answer occupation)
Occupation: ____________________________ (Please write your occupation, such as secretary, teacher, farmer, equipment operator, in the space provided).

19. Please mark the category that is closest to your household's 1998 total income (adjusted gross income from federal income tax form)
a. Under $15,000
b. $15,000 to $24,999
c. $25,000 to $49,999
d. Greater than $50,000

20. Do you believe your 1999 household income will be [Please circle the most appropriate answer]?
a. the same b. less c. more d. don't know

**THANK YOU FOR YOUR COOPERATION**

Please Return by March 15, 1999