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Sustainability & Entrepreneurship Manufacturing in Distressed West Virginia Counties

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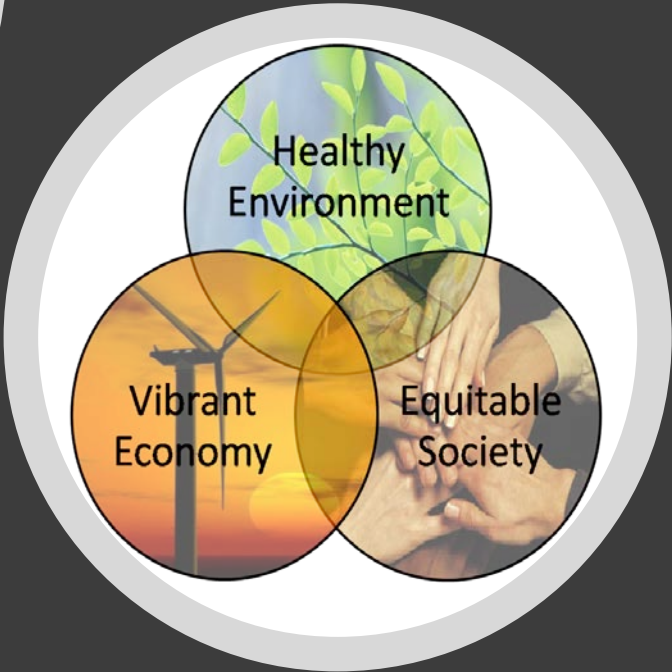


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Sustainability & Entrepreneurship Manufacturing In Distressed West Virginia Counties

Margie J Phillips

Purpose

This project will identify and define the economic challenges faced by distressed counties in West Virginia.

In addition, one historic model and one present model will be examined as to their successes and challenges.

Examine how sustainable and entrepreneurship manufacturing, i.e. 'Cottage Industry' and 'Small Scale Manufacturing' can provide opportunities for residents in West Virginia distressed counties.



APPALACHIAN
REGIONAL
COMMISSION

The Appalachian Regional Commission (ARC) is a regional economic development agency that represents a partnership of federal, state, and local government.

Established by an act of Congress in 1965, ARC is composed of the **governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president.**

The ARC uses a system that compares each county's averages for three economic indicators with national averages:

- **three-year average unemployment rate**
- **low per capita income**
- **poverty rate**

The resulting values are summed and averaged to create a composite index value for each county.

Counties are designated as **distressed, at-risk, transitional, competitive, or attainment**, based on their ranking in the index. Designations are revised annually using the most current data available. **Distressed counties are those that rank in the worst 10 percent of the nation's counties.**

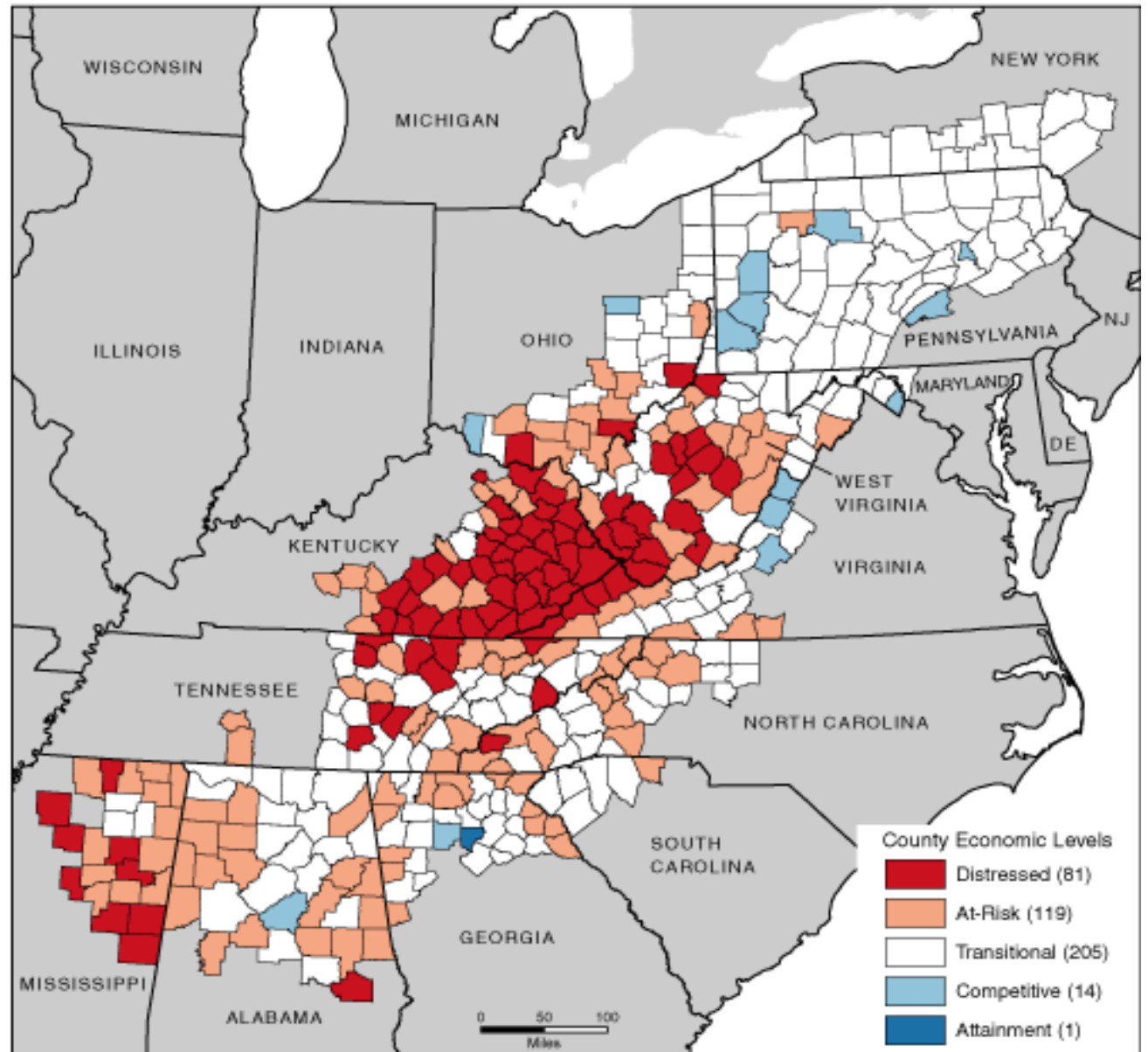
Introduction

Since 1983, ARC, Appalachian Regional Commission, has provided special funds for the Region's poorest counties.

Originally the program focused mainly on:

- providing water and wastewater facilities
- literacy training

In October 2000, the Commission approved the creation of an 'Enhanced Program for Distressed Counties.'



Created by the Appalachian Regional Commission, August 2018

Data Sources:

Unemployment data: U.S. Bureau of Labor Statistics, LAUS, 2014–2016

Income data: U.S. Bureau of Economic Analysis, REIS, 2016

Poverty data: U.S. Census Bureau, American Community Survey, 2012–2016

Effective October 1, 2018
through September 30, 2019

Introduction

Capacity-building Program

Designed to strengthen communities and help organizations fulfill their mission.

The program includes:

- A minigrant program
- Technical assistance
- Workshops, knowledge sharing, and other activities to encourage community learning and leadership development.
- ARC outreach efforts that give local communities access to other resources, including nonprofits, foundations, and government agencies.



Thurmond, WV in Fayette County

Introduction

Telecommunications and Information Technology Program

Promotes the development of telecommunications in Appalachia.

The program seeks to stimulate economic growth and improve the standard of living in the Region through technology.

The four key areas of the program are:

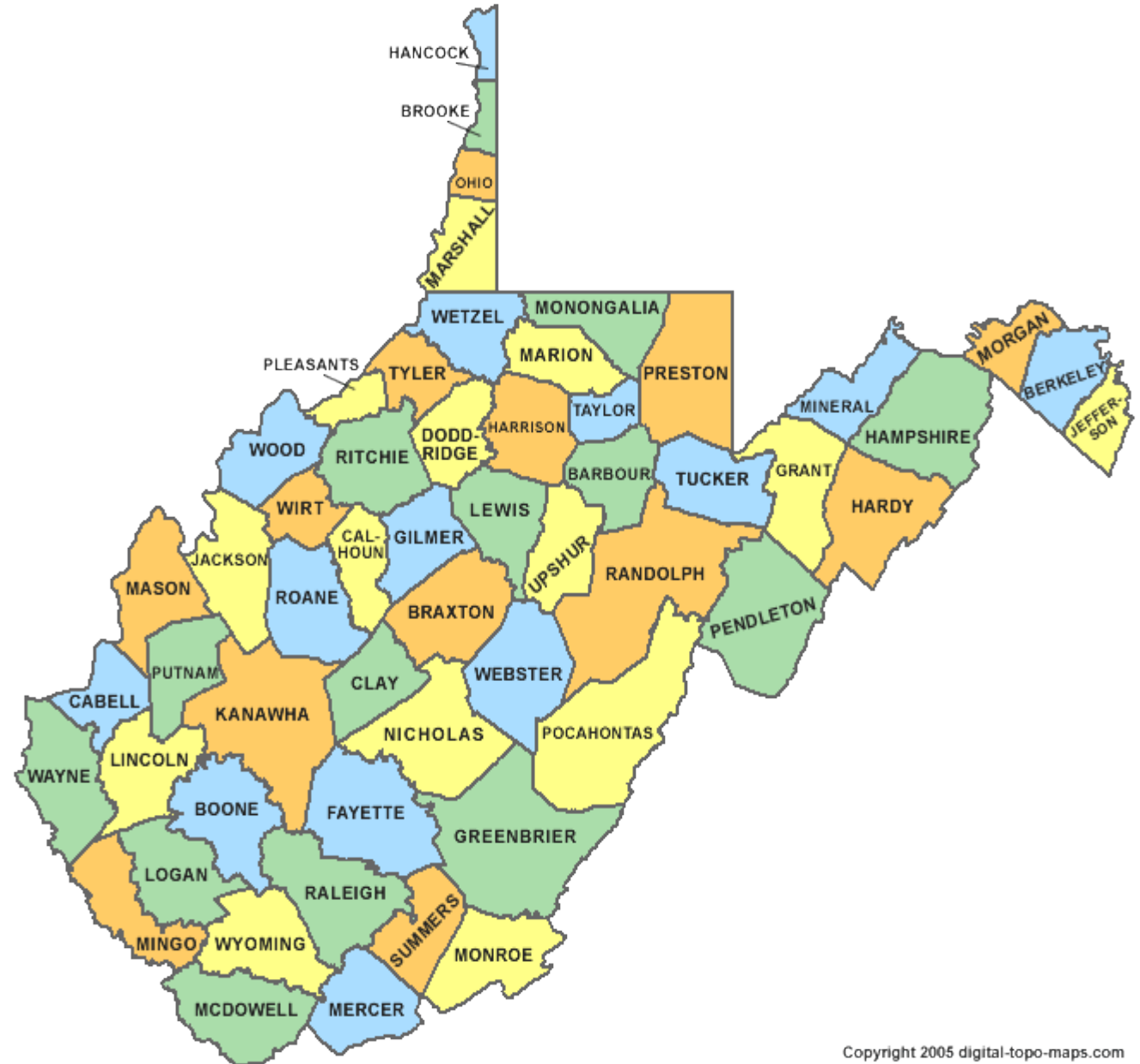
- Access and infrastructure
- Education and training
- E-commerce
- Technology-sector job creation



Matewan, WV in Mingo County

Data

- August 2018, **Fayette, Summers** and **Wetzel** counties moved from at-risk counties to distressed counties.
- The above joined **Roane, Calhoun, Gilmer, Braxton, Webster, Clay, Boone, Lincoln, Logan, Wyoming, McDowell** and **Mingo** counties in that category = **15 total**



Data

3 Year Average Unemployment Rate				
County	Unemployment Rate 2015	Unemployment Rate 2016	Unemployment Rate 2017	Average
Mingo County	13.2	12.5	8.6	11.4
McDowell County	12.8	12.1	8.5	11.1
Wyoming County	9.6	10.2	8.7	9.5
Logan County	11.2	9.3	7.5	9.3
Lilncoln County	9.7	8.5	6.8	8.4
Boone County	9.7	9.1	6.3	8.4
Clay County	11.2	10.4	8.6	10.0
Webster County	7.6	8.3	6.2	7.4
Braxton County	9.0	8.8	7.4	8.4
Gilmer County	7.8	8.2	7.7	7.9
Calhoun County	12.5	12.8	10.4	11.9
Roane County	11.5	10.3	8.5	10.1
Wetzel County	10.0	9.2	7.2	8.8
Summers County	7.1	6.1	5.6	6.3
Fayette County	8.6	7.9	6.4	7.6
			http://www.census.gov/	

Data

County	Poverty Rate 2013	Poverty Rate 2014	Poverty Rate 2015	Poverty Rate 2016
Mingo County	22.9%	23.0%	25.8%	26.0%
McDowell County	36.5%	34.9%	34.5%	37.6%
Wyoming County	24.3%	22.8%	22.5%	20.1%
Logan County	22.2%	20.2%	22.4%	20.2%
Lilncoln County	27.3%	26.5%	27.3%	25.2%
Boone County	20.7%	21.1%	23.3%	26.0%
Clay County	24.8%	25.5%	28.2%	23.1%
Webster County	25.2%	22.6%	26.1%	27.2%
Braxton County	22.0%	21.3%	21.0%	20.2%
Gilmer County	31.5%	28.9%	25.8%	26.1%
Calhoun County	21.0%	21.8%	20.0%	15.9%
Roane County	23.1%	23.1%	21.1%	20.3%
Wetzel County	19.7%	18.5%	20.0%	21.1%
Summers County	22.6%	25.8%	26.4%	18.4%
Fayette County	21.2%	21.1%	19.9%	19.1%
				http://www.census.gov/

Data

Per Capita Income	2013	2014	2015	2016
Mingo County	\$29,864	\$29,896	\$29,416	\$28,162
McDowell County	\$28,280	\$27,024	\$27,107	\$27,401
Wyoming County	\$29,691	\$28,962	\$29,369	\$27,510
Logan County	\$33,317	\$33,446	\$33,546	\$32,950
Lilncoln County	\$26,339	\$27,096	\$27,661	\$27,377
Boone County	\$29,999	\$31,526	\$31,352	\$31,026
Clay County	\$24,944	\$27,555	\$29,045	\$28,506
Webster County	\$26,139	\$26,692	\$27,673	\$26,644
Braxton County	\$27,602	\$28,315	\$29,277	\$28,548
Gilmer County	\$24,509	\$26,457	\$25,376	\$24,779
Calhoun County	\$25,889	\$28,424	\$27,324	\$26,978
Roane County	\$28,067	\$30,672	\$31,411	\$39,881
Wetzel County	\$33,921	\$32,672	\$34,292	\$34,072
Summers County	\$26,620	\$26,714	\$27,914	\$28,278
Fayette County	\$29,945	\$30,314	\$30,462	\$30,239

Data

Distressed West Virginia Counties	Population estimates, July 1, 2017	Population estimates base, April 1, 2010	Population Decline	Population percent change - April 1, 2010 to July 1, 2017
Mingo County	24,127	26,834	2,707	-10.1%
McDowell County	18,456	22,111	3,655	-16.5%
Wyoming County	21,210	23,802	2,592	-10.9%
Logan County	32,925	36,745	3,820	-10.4%
Lilncoln County	20,825	21,720	895	-4.1%
Boone County	22,349	24,627	2,278	-9.3%
Clay County	8,764	9,386	622	-6.6%
Webster County	8,372	9,154	782	-8.5%
Braxton County	14,237	14,519	282	-1.9%
Gilmer County	8,005	8,697	692	-8.0%
Calhoun County	7,307	7,627	320	-4.2%
Roane County	14,043	14,926	883	-5.9%
Wetzel County	15,437	16,580	1,143	-6.9%
Summers County	12,993	13,927	934	-6.7%
Fayette County	43,521	46,049	2,528	-5.5%

24,133

www.census.gov

Methodology

- The literature review included 30 references.
- Keywords: ‘distressed counties West Virginia;’ ‘entrepreneurship West Virginia;’ ‘cottage industries in West Virginia;’ and ‘sustainable businesses West Virginia;’ and ‘entrepreneurship/sustainability in West Virginia.’
- Databases: Academic Search Premier, Business Source Premier, American Economic Association Electronic Database, EBSCOhost, and Google Scholar.
- Personal interviews of entrepreneurs and cottage industry leaders.
- Reputable website of the Appalachian Regional Commission (ARC).
- Articles written between 1970 and 2018.
- Articles written only in English were assessed.

Results

- **Mingo County Redevelopment Authority - Moving Towards Sustainability in Extraction Economies of Appalachia**
 1. **Public Private Partnerships (P3s)**
 - P3 activities include financing, planning, design, construction, operation, and maintenance of projects.
 - Mingo County P3 projects include: Wood Products Industrial Park, the Hatfield McCoy Trail System, the I-73/4 Smart Growth Corridor, and the Air Transportation Park.
 2. **The Hatfield-McCoy Trails Authority**
 - Growing Small Businesses in Hatfield McCoy Trail Communities Initiative. funded by ARC.



Results

- **New River Gorge Regional Development Authority**

- Prospect Recruitment
- Startup Support
- Existing Business Development
- Workforce Preparation
- **Fayette, Nicholas, Raleigh and Summers**

- **Regional Initiatives**

- New River Gorge Accelerator
- Entrepreneur Education Program
- Merchant Societies



Results

- **Distressed counties in need of an Economic Development Authority**

- Wetzel County
- Roane County
- Calhoun County
- Gilmer County
- Braxton County
- Clay County
- Boone County
- Lincoln County
- McDowell County



WV 'Cottage Industry' Historic Success

Cabin Creek Quilts



Cabin Creek Quilts began in the spring of 1970 as a self-help quilting cooperative.

Volunteers from VISTA (Volunteers In Service To America), worked with coal miners' wives and widows in the Cabin Creek area of Kanawha County.

Quilts and other products made of patchwork in traditional designs quickly made their way to shops on New York's fashionable Fifth Avenue, the White House, and Beverly Hills.

As many as 300 home patchwork makers and quilters worked for Cabin Creek Quilts, which was governed by its members and operated by a paid staff. The co-op organized skilled quilters into an efficient '**cottage industry**'.

WV Small Manufacturing

Greenline Energy



July 2016
Red Jacket
Mingo County, WV



April 2018
Rock Creek Industrial Park
Boone County, WV

Daniel Hicks founded Greenline Energy, LLC in 2016. A former mine electrician, created a way to capture hydrogen gas to generate electricity. No harmful byproducts from the process, only hydrogen and heat.

Daniel's vision is, "Where ever facilities are built, 50% of the profits for the first 5 years will go back into the communities to create other jobs."

The company is ranked 4th out of 50 for renewable energy worldwide.

Conclusion

After the Industrial Revolution, many goods that were produced using 'cottage industry' workers moved to factories for large and small manufacturing. This left many regions, and the people living there economically depressed. These areas have rediscovered the viability of cottage industries and small manufacturing to energize their economic base. The internet has proved to be one of the most valuable tools in this effort.

With the growing access and use of the Internet, many cottage industry small manufacturing owners now sell their products online on websites like Etsy.com, Amazon.com, eBay.com, and Sears.com.

For decades and into the future, Cottage Industries and Small Manufacturing are finding a way to exist and flourish. Providing sustainable jobs, economic opportunities, and social improvement, without the complicated infrastructure needed to support larger industries.