

# SETTLING THE WEST

## Rural Counties Face Population, Workforce Challenges

Driving through west central Indiana – not far from the Illinois border – elicits a feeling of freedom. The open sky. The rolling fields. A bald eagle launching from a branch in Parke County.

But for many employers – and potential workers – in the area, there are limitations. Namely in terms of access to well-paying jobs – and the metaphorical cement boots of limited education. Only 11% of Fountain County residents have a bachelor's degree or higher, for example, and Parke County is one of just six in Indiana with a per capita income below \$30,000.

Furthermore, rural counties across the United States are slowly but steadily losing inhabitants to metro areas. In 1910, for example, 72% of the country lived in rural areas. Today, that number is well below 20%. Indiana is no different. According to the 2010 Census, less than 14% of Indiana's 6.48 million residents lived in strictly rural counties (map and charts on Page 18).

Fountain, Parke, Vermillion and Warren counties are projected by Indiana University's Kelley School of Business to continue losing population (Page 26), with Vermillion estimated to drop from 16,212 inhabitants in 2010 to 13,651 by 2050. Warren County is already the third smallest in the state with 8,500 residents.

Drops like this can lead to not only a reduced workforce – but an aging population.

"It's a serious issue, and quite challenging," explains Brigitte Waldorf, Ph.D., agricultural economics professor at Purdue University. "These four counties have been losing population for quite a long time; it's been going on for about 100 years.

"The population decline is selective, meaning the people still in the counties are older," she adds, noting that older residents have greater health care and transportation needs. "The median age of Warren County is almost 44 – and the others are in the same ballpark;



Lucas White (left), vice president and director of The Fountain Trust Company, catches up with COO Brian Dowers. The bank's multiple locations make it one of the area's largest employers.



While Covington’s downtown is not as populated with businesses as it once was, it has become a destination for antique seekers.

whereas in the rest of Indiana, it’s around 32. So fewer people are living there, and they’re getting older, on average.”

Lucas White is vice president and director of The Fountain Trust Company and a fourth-generation banker based in Covington. He lives in the heart of town – taking up residence in the 150-year-old house that once belonged to his great-grandfather. White remains proud of his hometown and remarks how Covington has become a destination for antique seekers, but laments the overall departure of businesses.

“In the Covington town square, there are businesses on all sides, but there are big gaps,” he denotes, adding that his bank is one of the larger employers in the area with over 100 employees spanning 11 locations. “When I was a kid, you had a whole row of businesses along that side (where there is now just a grocery store) – and there was a hardware store that has since gone out of business. They knocked it down and it’s just a parking lot. There have been a lot of businesses that have gone out.”

### Open (range) for business

All is not lost in the region, however.

In fact, some consultants may find such rural areas appealing, according to a September 2012 *Site Selection* magazine article “Middle of Somewhere.” Attractive qualities like a central location, red carpet

treatment, move-in ready industrial parks, experienced workforces and access to raw materials can make some companies keen on the prospect of moving to such a location.

Leveraging its open spaces is a beneficial strategy, asserts Steve Eberly, director of the Warren County Local Economic Development Organization. The potential offerings to the agriculture and aquaculture industries are vast.

“In Romney (in Tippecanoe County, near Fountain County), there’s an amazing tilapia operation, marketing 3,000 pounds of live fish a week to oriental restaurants in Chicago, so (that owner has) found a niche,” he relays.

He adds that expanding dairy and animal operations in Warren County makes sense due to population density.

“As the public understands more about modern dairy and the humane practices with the animals and doing all they can to minimize the environmental footprint, I see a place for expanding dairy-type operations through our corridor because we’re sparsely populated.”

Industrial parks have also been erected in Vermillion (see story on Page 52) and Warren counties as a means to bring businesses into facilities with existing infrastructure.

“The industrial park in Williamsport is fully subscribed,” Eberly states. “The Williamsport park has six tenants, including a sister plant (to locally-based construction equipment component manufacturer TMF Center) and a hospital clinic.”

Additionally, the Bowman Business Park in Pine Village has up to 80 acres for potential development. It has been recently equipped with access to natural gas, water and electricity – and will have sewer access shortly.

A consolidated economic development organization and movement is important for rural locations to attract businesses, according to Eberly. He thinks that could be hindering neighboring Fountain County at the moment.

“Fountain County doesn’t have an organized economic development entity as yet,” he emphasizes. “Their ability to be nimble can be challenged because if you don’t have cash in the bank or a single point of contact to start with, it’s a challenge.”

### Wrangling the workforce

AccuBurn, Inc. – a flame, laser and plasma cutting and precision forming operation in Williamsport – is able to provide relatively well-paying jobs and employs over 30 people. Vice President Steve Smith explains his company has trained local people to use its technology, and a vast majority of the staff has been on board for at least a decade.

“For us, in what we do, if you can give me an 18-year-old, bright-



AccuBurn Plant Manager Adam Johnson (left), Vice President Steve Smith and Production Coordinator Tod Whetstone strive to keep the company’s workforce as well trained as possible. The company’s 10,000-square-foot laser production facility is one area where staff is put to work.

## External View: Parker Hinshaw

Hamilton County native who founded Westfield-based MaxIT Healthcare Holdings in 2001 and sold it in 2012. Earned his business degree from Indiana University. Has lived in California (currently the San Diego suburb of Del Mar) since 1996. Investor in three Indiana technology companies (through Bootstrap Venture Fund), with additional deals in the works.



### What sets Indiana apart?

"Number one is the people. We didn't have any trouble finding all kinds of skill sets. I have a true appreciation for the work ethic, the access to affordable talent, the culture of the people. I think it is true across the Midwest, but I'm definitely prejudiced to Indiana.

"The cost of office space, especially in rural Indiana, is significantly less than we could have ever thought about in other locations."

### How does Indiana balance rural charm with metro growth?

"We were able to reach talent that didn't really want to commute into the city (Indianapolis), so we were able to hire local people. We hired people willing to commute from Frankfort, Tipton, those kinds of areas. I don't know if that works where you actually have to have people, potential customers, coming into the office. Ours was definitely a back-office operation.



Indigo BioSystems is one of several Indiana companies benefiting from California-based venture capital.

"There might be the opportunity to attract talented people to come back. If you go up to the Bay Area, there are all kinds of people from Purdue and IU up there. How do you keep them in Indiana? I don't know how you do that."

### Why are you so loyal to Indiana?

"It's important because it was good to me. If I wasn't married to a woman from Southern California, I would be living in Indiana. There are examples of people I have hired out here, from Indiana, several who got to the point when they were ready to have children, they wanted to come back to Indiana to raise their kids. I think that happens often actually. Many people from small towns, when it comes to raising a family, want to have those values – family, church, community. That's pretty pervasive."

### Is Indiana a flyover state?

"I don't think there's any doubt that all states can do a better job of that (selling itself). People on the coasts – you would get that reaction if on the East Coast because they never seem to leave, in my opinion. But people out West, whether it's Texas or Denver, most of them are from the Midwest. I don't think you get that reaction there."

### What is one thing Indiana could do to improve its business climate?

"The thing I hear most often from people, the reason we've been able to make some really nice investments there, is access to capital is a real problem. Outside of the angel community, a little from the state, there aren't a lot of private equity organizations. That's where the conservative part probably works against you a little bit. They don't take risks as easily is what I'm hearing. It's problematic about growing the businesses that you do have there. I hear that often actually."

minded farm kid who's been working on tractors and has a good understanding of mechanics, I can put him on a \$600,000 laser and train him internally with some phenomenal operators," Smith asserts. "It's amazing how that type of individual will understand the work and the processes if you just give them the ability to."

While a number of areas focus on postsecondary degrees and certifications, the education prospects for many in this region are far less lofty.

Smith notes that some AccuBurn applicants lack the basic math skills required for the job and have to receive additional education. Yet he's grateful the local library helps people in the area attain GEDs, calling the facility a "great partner" in developing his workforce.

"You can go there as an adult, or if you're a struggling student, you can go there to apply for your GED. ... They do a tremendous amount because we need it."

He adds that some schooling does fall on the company, which is encouraging workers to get up to speed.

"We'll also start implementing an incentive program if you don't have your GED, and are maybe at a fourth-grade level in math; if you bump up to a sixth-grade level, we can give you a 25-cent or 50-cent (per hour) raise. That's our way of helping them be the best they can be."

Enhanced job-specific training for manufacturing positions remains a focus for employers in the area.

Smith relays a personal story: "I have a friend who went to college and he's a full-blown engineer – and I have machine operators making more than him right now. Now, they've been here, they've put their time in and have a phenomenal understanding. But they graduated from high school and it didn't take them \$120,000 to go to college to be able to make \$60,000 to \$80,000 a year, and in our area that's a really decent wage."

At the K-12 level, Fountain Central High School boasts an award-winning welding program. Eberly is pleased that students from several counties benefit from the resource – although logistically not having that type of education in every school is a setback for the region, he stresses. He contends that students traveling from other schools lose curriculum exposure in such a program simply because they have a 35- to 40-minute commute to the facility.

"It's interesting that as education funds were cut over the last 10 years, lots of press was given to cutting music and art programs – but no one really howled a lot about shop class going away," Eberly points out. "That (restoring those courses) would help establish





## Rise and Shine: Vermillion Co. Commerce Park Open for Business

The Vermillion Rise Mega Park is an example of efforts to draw more businesses and jobs into its region.

As a means to repurpose the old Newport Chemical Depot, a former chemical weapons storage facility for the United States Army, a quasi-governmental reuse authority has taken control of the space.

Housing four tenants with over 120 employees, the space now includes several manufacturers, as well as a company that produces pet products and treats.

“When the base closed (in 2005), there were a lot of displaced workers,” offers Elizabeth Burrows, director of the Vermillion Rise Mega Park. “The goal is to create jobs that are tailored specifically for our workforce and to put local people back to work – and attract new people to the area and create jobs of all income levels.”

The park has over 7,100 acres, and a spec building is slated for completion in about a year. That facility is planned to span 50,000 square feet and 31 acres.

Developments are also under way to bring rail access to the park, and area schools may play a role in enhancing the workforce as well.

“We’re looking at developing internships with Rose-Hulman (Institute of Technology) and Indiana State University,” Burrows says. “We’re also working closely with Ivy Tech, specifically the Parke County Learning Center, as well as the Parke-Vermillion Education Training Interlocal and high schools. We would also be glad to partner with other colleges in the area.”

As the park’s officials work to fill its space with employers, one recruiting tool is the county’s recent designation as having access to a large amount of water in the Indiana Chamber of Commerce’s 2014 water resources study.

The Association of Defense Communities named the Newport Chemical Depot Reuse Authority the 2013 Base Redevelopment Project of the Year “for serving as a national model in assessing and addressing regional economic needs following installation realignment or closure.”

**RESOURCE:** Elizabeth Burrows, Vermillion Rise Mega Park, at [www.vermillionrise.com](http://www.vermillionrise.com)

With over 7,100 acres at their disposal, Vermillion Rise Mega Park officials hope to house many more companies and bring down the county’s high unemployment rate.

a framework for high schools to get back in the game stronger.

“A dream of mine would be a tech education center located somewhere along the Interstate 74 corridor that would benefit these counties,” he adds. “I’m confident our manufacturing partners would step up to help fund the original capital build out. But finding the raw financial horsepower to support the educators over time is why it remains a dream.”

A lack of balanced educational opportunities isn’t the only setback plaguing such areas, according to Smith.

“There’s also a big struggle in rural areas with the whole drug issue,” he declares. “My plant manager and I both went to (Indiana Testing, Inc.) in Indianapolis and got certified to do our own drug screenings. With the costs we have to pay for health care and 401(k) and everything, you have to meet a certain criteria if you want to keep this job.”

### The homestead

A recent Regional Cities Initiative (Page 70) by the Indiana Economic Development Corporation (IEDC) studied 11 communities nationwide that have rebounded through successful economic development initiatives. A notable commonality between the areas studied was a focus on “quality of place” in an effort to keep or recruit talent and draw businesses to the area.

Both Eberly and Waldorf point out that the scenic nature of the region can likely be a tremendous asset for these counties, along with the land and water resources they feature.

“The Wabash River and Pine Creek are big draws for us, especially with kayakers. We’re also trying to collaborate with other counties to increase hiking along the watershed,” Eberly qualifies.

He adds that there have been “modest expansions” among Warren County manufacturers. And as job opportunities grow, he believes workers will be able to take advantage of the quality of life the area can provide.

“Couples can get together, get married and find the work they need to fit their lifestyle. ... People can buy two acres in these counties and their kids can see the most amazing natural things they otherwise would never see.”

For now, the challenge remains in not only maximizing the local workforce, but keeping the area’s brightest minds near home. White explains that his bank hosts an academic awards banquet for local high school students each year, and he reaches out to them.

“I give a speech at that event, and one thing I always tell the students is that if you want to stay in the area, call me and I’ll find a job for you,” he reports. “I’ve been doing that for about eight years, and nobody has taken me up on my offer.”

He frankly wishes more Indiana companies would put a focus on keeping young minds – and hearts – engaged in places like Covington and “reverse this trend of everybody wanting to move to the bigger cities.”

“It’s a damn nice place to live out here,” he concludes.

**RESOURCES:** Steve Eberly, Warren County LEDO, at [www.warrenadvantage.com](http://www.warrenadvantage.com) | Steve Smith, AccuBurn, Inc., at [www.accuburninc.com](http://www.accuburninc.com) | Brigitte Waldorf, Purdue University, at [www.purdue.edu](http://www.purdue.edu) | Lucas White, The Fountain Trust Company, at [www.fountaintrust.com](http://www.fountaintrust.com)