



Confronting the Issues

How Can Pennsylvania Reinvest in Rural Communities?

PFB Policy Development

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Issue

Pennsylvania is one of the largest rural states in the country. Despite having two major metropolitan areas in our state, Pennsylvania is rural at heart. Across the country, rural communities are struggling to retain residents, attract investment, upgrade infrastructure and capitalize on its positive attributes. Pennsylvania is not exempt from that struggle. On average, it takes rural communities longer to bounce back from economic downturns; and they often struggle with the ability to bring in new businesses and enterprises to their communities. Yet, rural communities have many attributes to offer as we create a modern, connected, economy. In areas with reliable broadband service, remote workers can enjoy a cheaper cost of living. Individuals and families that want to be close to outdoor recreation are often drawn to rural communities. Several states have launched initiatives to attract new investments in rural communities. What steps, if any, should Pennsylvania take to bolster rural communities?

Questions

1. What type of incentive programs, if any, should be created to help attract investment in rural communities, particularly those that will bring in new businesses to an area?
2. Is Pennsylvania doing enough to market the appealing characteristics of rural Pennsylvania, such as our agriculture heritage, outdoor recreational opportunities and affordable cost of living? Should Pennsylvania government develop marketing strategies that will encourage people and businesses to move to rural communities?
3. Infrastructure in rural communities sometimes lags behind, including broadband, but also roads and bridges and even public institutions like schools and libraries. How can the state best address those factors, which are sometimes a barrier to new investment?

Background

Urban areas often have an easier time attracting new businesses and investments. Proximity to market, and a ready source of labor, are often two factors that businesses consider when making location decisions. While rural Pennsylvania might not reasonably expect to locate the next technology giant in one of its communities, is Pennsylvania government doing enough to sell the benefits of rural communities?

As a national leader in several agriculture commodities, hardwoods and forestry being chief among them, should our state carve out incentive programs that encourage businesses to locate in key agriculture communities? The state also has a concentration of food manufacturers in key areas, but can more be done to attract additional food processors to Pennsylvania? Given the popularity and growth of local foods, is there more that Pennsylvania can do for “micro enterprise” loans designed for small to medium sized businesses?

Our state has an excellent reputation for outdoor recreation. We capitalize on that asset when we market Pennsylvania as a tourism destination, but what about people who are looking to move closer to outdoor recreation? As other areas of the country become more expensive for cost-of-living, are there incentives that Pennsylvania can offer for relocation? For instance, Vermont and West Virginia offer a relocation tax credit for remote workers who move into the state.

In order to attract new investment, Pennsylvania has to address its overall infrastructure problems—which are often exacerbated in rural communities. The lack of broadband service in rural Pennsylvania is well documented, but roads and bridges often face the same lack of investment. Public institutions like schools and libraries are two factors that families often consider before relocating to areas. Is Pennsylvania making equitable investments in suburban, urban and rural public institutions? Often the lack of population in rural communities means less pressure on the development of farmland. But that lack of population growth results in less of a tax base to draw revenue from. How can Pennsylvania best balance those two competing interests?

Farm Bureau Policy

PFB, 8, Processing facilities,

We recommend:

1. Incentives, both tax and others, be made available for milk and milk-product plant construction and expansion or other capital improvements in Pennsylvania. ('16)

PFB, 9, Funding of Public Education,

We recommend:

2. Continuation of additional state subsidy payments to smaller school districts. ('15)

PFB, 17, Healthcare,

We recommend:

1. The Pennsylvania legislature provide incentives for the delivery of medical and mental health services in rural areas, including financial incentives to Pennsylvania medical students training to become family practitioners, general surgeons or other primary care physicians, who intend to practice in rural Pennsylvania. ('15)

PFB, 18, Infrastructure,

We recommend:

1. Maintenance of highways, roads and bridges be given priority over new construction, especially rural state routes. ('15)