



NATIONAL RURAL ECONOMIC
DEVELOPERS ASSOCIATION

RURAL ISSUES
WHITE PAPER



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About Us

The National Rural Economic Development Association (NREDA) is a professional, individual-member organization committed to advancing rural development, enhancing member expertise, and achieving social and human service goals in rural communities.



Who We Are

Our membership spans a wide range of sectors, including—but not limited to—electric cooperatives and rural broadband/telecommunications providers, economic development organizations, government agencies, associations, and consulting firms.



Our Mission

We are a member organization dedicated to the advancement of rural economic development by providing education and networking opportunities to further the movement of growing and revitalizing rural America.



What We Do

As the sole organization dedicated to rural economic and community development, NREDA serves as a vital connector for professionals across a broad spectrum of fields—ranging from energy, telecommunications, water systems to transportation, housing, healthcare, education, and finance.



Our Vision

To equip members to collaborate with strategic partners to drive measurable growth in rural America. We take a solution-driven approach to addressing the unique economic challenges facing rural communities in the United States.

Through the facilitation of

Strategic connections and providing access to necessary resources and expertise, we aim to overcome the primary barriers to rural economic growth.



Key Challenges and Opportunities:

Rural Economic Development Strategy

NREDA takes a solution-driven approach to addressing the unique economic challenges facing rural communities in the United States. Through facilitating strategic connections and providing access to necessary resources and expertise, we aim to overcome the following primary barriers to rural economic growth:

- Workforce Development
- Housing and Community Services
- Infrastructure
- Continuous Financing for Current Programs

Workforce Development: A Critical Driver of Rural Prosperity

A strong and prepared workforce is essential to the success of rural America. The NREDA recognizes that a ready workforce is the foundation of a thriving rural economy and advocates for ongoing investment in rural workforce development. Rural communities rely on individuals from various backgrounds and experiences to keep essential industries and services running—including farms, ranches, hospitals, manufacturers, restaurants, tourist attractions, senior centers, and hotels.

From Texas to Iowa, Kansas to Georgia, Nebraska to New Mexico, and South Dakota to Kentucky, many rural towns depend on the contributions of a robust skilled workforce. However, these communities are already experiencing a decline in their working-age population. Workforce development, including upskilling and educational training to tackle new industries can help counter this trend and strengthen rural economies.

NREDA member organizations believe that rural development efforts should be accessible, welcoming, and supportive of individuals from all walks of life. An assorted workforce can tap talents from across a range of experience to create a strong and productive workforce. It is crucial to implement programs that create training and educational opportunities to meet new, local, and global economic demands.



Mobile STEM classroom in Ohio



Healthcare research in Minnesota

We want them to ask, 'How can I use this to create something new or solve a problem in my community?'

Christy Millhouse,
4-H STEM Educator



Development in Pennsylvania

Housing Development in Rural America:

A Strategic Imperative for Economic Growth

NREDA strongly advocates for increased investment in housing development across rural America. Accessible housing is a critical factor in attracting and retaining a skilled workforce, which is key to the long-term economic growth and resilience of rural communities.

To address the shortage of attainable housing, NREDA proposes a set of policy initiatives aimed at reducing barriers to housing development and improving financial access, such as Revolving Loan Funds to alleviate high initial infrastructure costs in rural housing projects. These strategies are essential for ensuring sustainable growth and improving quality of life in rural areas.

Key Initiatives Include:

- **Streamlining the Homebuilding Process:** Simplify regulatory and approval processes to accelerate housing construction. Expanding zoning and land-use policies to facilitate affordable housing development will reduce construction costs, benefiting both developers and prospective homebuyers, and supporting broader community growth.
- **Financial Support for Infrastructure Development:** Provide targeted incentives—such as grants, tax credits, and low-interest loans—to housing developers investing in rural areas. These incentives would help offset the significant pre-development costs associated with infrastructure, making rural housing projects more financially feasible and ensuring sustainable growth in rural communities.
- **Expanding Homebuyer Assistance Programs:** Many prospective homeowners in rural areas face substantial barriers to homeownership, particularly related to upfront costs like down payments and closing fees. Expanding homebuyer assistance programs will improve affordability, stimulate local economies, increase property tax revenues, foster greater consumer spending, and strengthen community engagement.


Modernizing Rural Infrastructure: A Pathway to Economic Growth

NREDA is dedicated to the modernization of rural infrastructure through strategic funding strategies. Ensuring that all Americans, regardless of their location, have fair access to essential infrastructure is critical for the growth and diversification of rural economies and communities. NREDA focuses on the following key areas of infrastructure as integral to advancing this mission:

- **Broadband Access:** NREDA strongly advocates for federal funding initiatives that ensure affordable, high-quality broadband service is available to all Americans. It is vital that rural broadband offerings match urban standards for affordability, speed, and reliability. This includes expanding universal service funding to enhance broadband infrastructure in high-cost rural areas. Research highlights the importance of robust broadband access for the future growth of rural economies. NREDA supports partnerships among electric cooperatives, rural telecom providers, broadband cooperatives, and local communities to optimize resource allocation and expand service coverage.
- **Transportation Infrastructure:** Effective transportation networks are essential for the economic development of rural communities. However, investment in critical infrastructure like highways, waterways, airports, and air traffic control systems has not kept pace with the increasing demands. NREDA advocates for a permanent solution to the funding shortfalls facing the Highway Trust Fund and urges increased investments in modernizing waterway locks and upgrading air traffic control systems to support rural development.
- **Energy Access and Transition:** The U.S. power grid is expected to grow by almost 16% over the next five years. As the U.S. transitions to a cleaner, electrified energy future, NREDA emphasizes the need to ensure reliable baseload power remains available to support this shift. Access to safe, affordable, and reliable energy is essential for rural economic development. While NREDA advocates for the growth of clean energy sources like solar and wind, the organization also recognizes the importance of maintaining and growing stable baseload power from sources such as hydropower, nuclear, natural gas, and coal during this transition period.

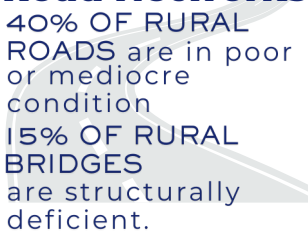
Economic Impact of Broadband

Rural counties with broadband access experience **4X HIGHER** business growth rates than those without.



Underfunded Road Networks

40% OF RURAL ROADS are in poor or mediocre condition
15% OF RURAL BRIDGES are structurally deficient.



Growing Grid

The U.S. power grid is expected to **GROW BY ALMOST 16% OVER THE NEXT FIVE YEARS.**



Infrastructure Demands

- **Water & Wastewater Systems:** As the U.S. becomes a leader in technology manufacturing, the demand for water and wastewater infrastructure is evolving rapidly. Communities lacking the funding to expand water treatment and wastewater systems risk losing out on significant economic opportunities. NREDA supports funding initiatives that empower rural areas to increase their water and wastewater management capacities, ensuring these communities can meet the growing demands of industrial expansion and population growth.
- **Emergency Response Infrastructure:** Rural infrastructure extends beyond roads, bridges, and energy systems—emergency services are a cornerstone of community health and economic resilience. Facilities such as hospitals, clinics, fire departments, ambulance services, and law enforcement are crucial for ensuring community safety and well-being. NREDA advocates for enhanced support for rural emergency response infrastructure, as it is not only vital for protecting residents but also plays a key role in attracting and retaining a skilled workforce in these regions.

33% OF RURAL WATER SYSTEMS are over 50 years old, leading to frequent failures and high maintenance costs.

Support for USDA's

Rural Economic Development Loan and Grant (REDLG) Program

The USDA's REDLG program is vital in funding rural economic development initiatives. By addressing financial challenges in workforce, housing, and infrastructure development, this program—among others—helps strengthen rural communities. NREDA advocates for ongoing federal investment in such initiatives to enhance rural development efforts.

- For every \$1 invested in USDA's REDLG program, rural communities see a \$4.50 return in economic activity.
- REDLG program's budget is less than 1% of USDA's total budget, despite rural areas making up 97% of the landmass.

Conclusion

NREDA remains committed to advancing efforts that tackle both the challenges and opportunities in economic development. Not-for-profit utilities, including those focused on grid reliability, broadband, and water/wastewater modernization, play a key role in fostering rural economic growth. Sustained investment in these essential services is critical to supporting businesses, schools, hospitals, and public institutions, ultimately contributing to the prosperity of rural America.

Association Values

Act Together

We believe that in order to reach our full potential as rural Americans, we must live together, build together, work together, and grow together. NREDA represents the communities we serve.

Education

We believe K-12 is the basic building block of a functioning workforce that can meet the needs of tomorrow. We support an increased focus on developing educational programs that will create the workforce of tomorrow – a workforce educated in technology and innovation can usher in a clean energy transition, modernize farming and agricultural practices, and tackle the technological challenges coming our way.

Integrity

We believe that as we modernize our training and education programs, we must ensure that those programs are developed in a way that is accessible and beneficial to people of all walks of life. A diversified workforce is a healthier, more productive workforce and a healthy workforce leads to economically strong rural communities.

The Facts

Labor Force Decline

Rural labor force declined from 15% IN 2000 TO 12.5% IN 2020.

Growing Grid

The U.S. power grid is expected to GROW BY ALMOST 16% OVER THE NEXT FIVE YEARS.

Skills Gap

50% OF RURAL JOBS require middle-skill levels, yet only 43% of rural workers are trained at that level.

Remote Healthcare Impact

50% OF RURAL HOSPITALS rely on telehealth for specialty care, as 140+ rural hospitals have closed since 2010, leaving communities without nearby emergency care.

Affordability Crisis

INCREASED BY 50% Median rural home price between 2016 and 2022, compared to a 40% increase in urban areas.

Economic Impact of Broadband

Rural counties with broadband access experience business growth rates 4X HIGHER than those without.