



PHASE 1: COMMUNITY ASSESSMENT

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STEERING COMMITTEE

<u>Name</u>	<u>Organization</u>
Dr. Betty Adams (chair)	Southern Virginia Higher Education Center
Grey Watson (chair)	Sentara Halifax Regional Hospital
Dennis Witt (chair)	Halifax County Board of Supervisors
Lezlie Bryant	Realty Resource
Virginia Byrd	Southern Virginia Higher Education Center
Petrina Carter	Tri-County Community Action
Rev. Kevin Chandler	Trinity Missionary Baptist Church
Ryland Clark	ABB
Mattie Cowan	Retired
Carl Espy	Town of Halifax
Mark Estes	Halifax County Service Authority
Chelsey Garrett	Edward Jones
Blair Hall	Waller Brothers Farms
Earl Howerton	Southside Outreach
Stanley Jeffress	Jeffress Funeral Home
Kristy Johnson	Industrial Development Authority of Halifax County
Adam Layman	Staunton River State Park
Bradford Lee	Presto Products
Dr. Mark Lineburg	Halifax County Public Schools
Mitzi McCormick	Halifax County Chamber of Commerce
Tom Raab	Town of South Boston
Dan Sleeper	Halifax County
Phyllis Smith	Retired
Jason Studley	Sentara Halifax Regional Hospital
John Voss	Voss Farms
Angela Yancey	Mentor Role Model Program

PROJECT OVERVIEW

The six-phase research and strategic planning process will last approximately nine months, concluding in March 2019. A diverse Steering Committee comprised of representatives from the public, private, and non-profit sectors will guide this process and ensure that it lays a foundation that allows people and businesses to thrive and wealth to accumulate.

Phase 1: Community Assessment

In today's competitive economic climate, it is important to begin with an honest appraisal of current trends affecting a community's success and prosperity. The Community Assessment provides a detailed evaluation of Halifax County as a place to live, work, and do business. This phase began with a Stakeholder Engagement process. This entailed reaching out to people who live and/or work in Halifax County via an online survey, individual interviews, and focus groups to help identify the community's strengths, weaknesses, opportunities, and challenges. This input process took place in October and November 2018. Market Street complemented the input received from stakeholders in Halifax County with analysis of demographic, economic, socioeconomic, and quality of life data trends. The Community Assessment weaves together the qualitative feedback and quantitative findings into a series of "stories" that provide a concise narrative of the opportunities and challenges the community will face as it seeks to raise levels of prosperity and improve quality of life for all of its current and future residents. This phase will conclude in December 2018.

Phase 2: Community Strategic Plan

The Community Strategic Plan represents the culmination of all the quantitative and qualitative research findings and strategic implications. The Community Strategic Plan will guide the collective actions of local partners and will be geared toward addressing challenges and capitalizing on opportunities. The plan will be holistic, actionable, and measurable. Examples of best-practice programs, policies, and initiatives from around the country will be included when relevant and appropriate to help form strategic recommendations and their subsequent implementation. This phase will conclude February 2019.

Phase 3: Implementation Plan

A plan, no matter how visionary, is only valuable when it is implemented. The Implementation Plan represents a work plan for Halifax County and its implementation partners to ensure that the Community Strategic Plan is activated and sustained for the next five years and beyond. The Plan will formalize timelines for phasing in the Community Strategic Plan's multiple actions, identify lead and support entities to implement each aspect of the Community Strategic Plan, determine existing and necessary financial and personal capacity to drive implementation propose optimal staffing and governance operations, and confirm performance metrics to track implementation progress and success. This phase will conclude in March 2019.

COMMUNITY ASSESSMENT

This assessment examines the competitive issues facing Halifax County by evaluating them through the lens of what Market Street believes to be the three critical aspects of a community: its **people**, the community as a **place**, and the levels of **prosperity** enjoyed by community residents. Findings related to these key community attributes are incorporated into nine key stories that weave into a broader narrative about the current realities, key successes, and remaining challenges facing Halifax County. These stories emerged from public input provided by residents in Halifax County, as well as in-depth analysis of data covering demographic, socioeconomic, economic, and quality of life trends within the community. Collectively, they help take stock of conditions in Halifax County as they presently exist and identify some of the top issue areas that warrant strategic attention. **Stories 2 through 8 conclude with a brief recap of “Key Takeaways” that summarize the most important issues discussed within that section.**

FOCUS GROUPS AND INTERVIEWS: A thorough assessment of a community’s strengths, weaknesses, opportunities, and challenges must be informed by input from the people that live and work in the area. With that in mind, a series of focus groups and interviews with individuals from the community’s public, private, and non-profit sectors was conducted in October 2018. **The input gathered during these discussions and the online survey has been summarized and incorporated into this Assessment when relevant and appropriate, and is differentiated throughout the report by red text.**

ONLINE SURVEY: In addition to in-person input solicited via focus groups and interviews, an online community survey was open to the public for several weeks in October 2018 to capture an even wider net of community input beyond focus groups and interviews. A total of 1,579 residents, workers, and business leaders responded to the survey. Survey respondents provided the necessary input that will help ensure that this assessment and the forthcoming strategy are well-informed and mindful of the needs, wants, and opinions of stakeholders in Halifax County. Selected results from the online survey are available in the Appendix of this Assessment.

DATA SOURCES: A variety of public and private data sources are used throughout this Assessment. A great deal of information is drawn from the U.S. Census Bureau and other public sources including the Bureau of Labor Statistics (BLS), the Bureau of Economic Analysis (BEA), the Virginia Department of Education, and the Internal Revenue Service (IRS). Proprietary data covering economic composition are provided by Economic Modeling Specialists, International (EMSI).

COMPARISON COMMUNITIES: Throughout this assessment, Halifax County is utilized as the primary geographic unit of analysis. In addition to state and national trends, the region’s performance is benchmarked against three other counties with which it shares certain characteristics and/or competes for jobs, workers, and investment: **Danville City, VA; Lee County, MS (Tupelo); and Thomas County, GA (Thomasville).**

1. INTRODUCTION: REINVENTION AND RENEWAL IN THE RURAL SOUTH

Leaders in Halifax County have come together around an effort to create a holistic Community Strategic Plan in order to make their community a more prosperous, successful, and vibrant place. This Community Assessment represents the culmination of the first phase of this process. It brings together data analysis and public input gathered through an extensive stakeholder engagement process to evaluate Halifax County as a place to live, work, and do business. But a discussion of the community's competitive opportunities and challenges must begin by acknowledging the context in which this planning effort is taking place.

In no uncertain terms, recent decades have been challenging for rural communities and small regions across the United States. Since the conclusion of the Great Recession in 2009, the United States as a whole has been in the midst of one of the longest economic expansions in its history. But a wide range of evidence reveals that most of the benefits from this recovery are accruing to metro economies, with the largest regions in the country performing especially well. Meanwhile, rural areas are facing issues such as population loss, economic stagnation or decline, declining health and resident well-being, and so on.

Consider that by one estimate, 97 percent of the nation's job growth between 2001 and 2016 occurred in urban areas, with metros with at least one million people capturing two-thirds of new jobs.¹ And while some rural areas have seen healthy job growth, all rural counties in the country – Halifax County included – combined to capture just three percent of employment growth during this time period. (Note that Halifax County is not part of any metropolitan or micropolitan region. Accordingly, it is considered to be a rural county for the purposes of federal data programs.) Data suggests that rural areas performed slightly better in 2017, but this growth was driven at least in part by resource extraction and other cyclical industries such as logging, oil and gas, and construction.²

Entrepreneurial activity and new business formation has also eroded in rural areas. According to an Economic Innovation Group analysis of U.S. Census Bureau County Business Patterns data, slightly more than 20 percent of new businesses were launched in rural areas in the late 1970s. But in the 2010s, just 12 percent of new companies formed outside of a metro area. In 2014, the number of rural businesses that closed (57,000) exceeded the number of new rural businesses formed (49,000).³

The economic challenges in rural areas are having profound consequences for their residents. According to a 2017 analysis from the Wall Street Journal, **"rural areas have become markedly less healthy than America's cities"** even after adjusting for older populations in rural communities. According to the analysis, in 1980, rural areas had lower rates of heart disease and cancer relative to cities. The opposite was true in 2014.⁴ Perhaps most importantly, **younger Americans are relatively less likely to want to live in a rural community or small town.** According to a 2015 study from the Urban Land Institute, 51 percent of Baby Boomers (individuals aged 50 to 68 at the time) preferred to live in rural areas and/or small towns. But just 32 percent of Millennials (aged 18 to 36) preferred the same.⁵

The preceding data points describe just some of the headwinds that rural communities face in the present moment. Complicating matters for Halifax County is the fact that it did not enter this period of uncertainty from a position of strength. Like many communities in the Southern Virginia and the larger Piedmont region

Halifax County endured a series of economic shocks as legacy industries such as tobacco, textiles, and furniture collapsed due to a diverse range of factors. And while sectors such as manufacturing have stabilized, research and public input suggests that the community has never fully recovered from these economic shifts.

Given the context laid out in the preceding paragraphs, it should come as little surprise that Halifax County is faced with multiple serious challenges that pose a major threat to the community's long-term success and viability. **The public input process revealed that Halifax County residents are well aware of most of their community's struggles.** Subsequent stories in this Assessment discuss the most prominent themes not to belabor the point, but to help identify the strategic implications that stakeholders must consider as they seek to put their community on a different course.

While the prevailing environment may be challenging, some rural communities and small regions have had success in the wake of economic downturns by aggressively reinvesting in their place and their economy. Halifax County has already made progress toward such reinvention and renewal. Strategic planning work that the community carried out in 2004 led to many initial successes, while major investments such as expansions of the Southern Virginia Higher Education Center have already delivered returns (as will be discussed later in this Assessment). The time has now come for Halifax County to take the next steps toward a more prosperous and successful future. This Community Assessment represents a starting point for leaders on this journey.

2. POPULATION DECLINE: THE LOSS OF CHILDREN, FAMILIES, AND PRIME WORKERS

As discussed in the preceding story, a wide variety of data indicators speak to Halifax County's recent struggles. Among the most significant are those related to population and demographic trends. **They reveal that Halifax County is in the midst of a sustained period of population decline, with losses becoming even more pronounced in recent years. Additional data suggest that this trend could accelerate in the future without a significant course correction.**

According to Census Population Estimates data provided by Moody's, Halifax County lost population in all but three years between 1995 and 2017. During this time period, the community's population fell from 37,643 to 34,563, a loss of 3,080 residents. Worryingly, population losses have been increasing in recent years. In the five years between 2012 and 2017, Halifax County lost 1,154 residents – nearly as many as the 1,202 residents it lost in the 10 years between 2002 and 2012.

Between 2007 and 2017, Halifax County lost 4.9 percent of its total population. It was not alone. Southern Virginia neighbor Danville City's population declined by 6.9 percent during this timeframe, a loss of more than 3,000 residents. Meanwhile, other small communities were able to hold steady or even thrive during this 10-year period that included the Great Recession and subsequent sluggish economic recovery. Thomas County, GA's population grew by 1.2 percent between 2007 and 2017 while Lee County, MS added more than 4,300 residents or 5.4 percent.

Stakeholders in Halifax County are well aware that their community is losing residents. During the public engagement process, population loss – including its causes and concerns about its implications – was perhaps the most prominent theme discussed by input participants. Taken alone, population change is not always a reliable indicator of a community's success or future prospects. Some successful, healthy communities have low or even negative growth rates while some high-growth communities perform poorly on a litany of data indicators measuring prosperity and individual well-being. But the rate at which Halifax County has lost population in recent years is concerning in any context. **Additionally, when looking beyond the "topline" population change figure and examining factors such as age dynamics and migration patterns, it becomes clear that Halifax County is in a precarious position with respect to its future competitiveness and sustainability.**

Population change is determined by two factors that the Census Bureau tracks through its Components of Population Change program: natural change (births minus deaths) and net migration (individuals moving into a community minus individuals moving out of a community). Net migration is further subdivided into domestic and international categories.⁶ Between 2010 and 2016, Halifax County lost nearly 900 residents to other communities in the United States. This is not surprising, as small communities across the nation have struggled to retain residents who are attracted to larger metro economies where opportunities are more plentiful; Danville City and Thomas County, GA also experienced net domestic out-migration during this time period.⁷ But in contrast to communities such as Lee County, MS and Thomas County, GA, **Halifax County experienced a net population loss of more than 700 residents due to natural change between 2010 and 2016. In other words, deaths outpaced births.**

An examination of the community’s age dynamics brings the population decline due to natural change into greater focus. **Simply put, Halifax County has an aging population that is trending even older.** More than one in five local residents (21.8 percent) was aged 65 or older, significantly above the national figure of 14.5 percent. Among comparison geographies, only Danville City came close to having a similar proportion of residents aged 65 and over at 19.6 percent.

Halifax County also faces challenges from a workforce sustainability perspective. As of 2016, roughly 26.2 percent of the national population was between the ages of 45 to 64 while 26.4 percent was between the ages of 25 and 44. As those older individuals reach retirement age during the next two decades, there will be just enough younger individuals to “replace” them in the workforce; any shortfall can be made up through international in-migration. But in Halifax County, the population skews far older. As of 2016, 28.8 percent of residents were between the ages of 45 and 64 compared to just 20.7 percent between the ages of 25 and 44. **These age dynamics coupled with the fact that Halifax County is experiencing net out-migration will present a significant threat to the community’s workforce competitiveness in the coming decades.**

Even more alarmingly, these disadvantageous age dynamics have worsened in recent years. As shown in Figure 1, between 2011 and 2016, Halifax County experienced a population loss in every major age group except the 65-and-over category. The steepest decline occurred in the 0 to 17 age bracket, which shrank by 8.9 percent compared to a national decline of just 0.6 percent. The two age groups most likely to contain parents of young and school-aged children – 25 to 44 and 45 to 64 – also declined by 4.5 and 6.1 percent, respectively, between 2011 and 2016 compared to increases in both categories nationally. Taken together, these data points lead to a troubling finding: **Halifax County is losing prime-age workers, especially families with young children.** And while all other local comparison geographies experienced a population decline in at least one under-65 age group between 2011 and 2016, none experienced anything like the kind of across-the-board losses see in Halifax County. Even nearby Danville City saw only a modest drop of 0.5 percent in its 0 to 17 population.⁸

FIGURE 1: POPULATION PERCENTAGE CHANGE BY AGE GROUP, 2011 TO 2016

	0-17	18-24	25-44	45-64	65+
Halifax County	-8.9%	-1.3%	-4.5%	-6.1%	12.1%
Danville City	-0.5%	-7.3%	-0.4%	-5.9%	0.4%
Lee County, MS	-0.2%	6.0%	0.6%	3.8%	15.7%
Thomas County, GA	-3.1%	-1.1%	0.0%	0.2%	10.9%
Virginia	1.2%	2.7%	2.4%	4.7%	19.7%
United States	-0.6%	2.6%	1.9%	4.3%	16.6%

Source: U.S. Census Bureau

Halifax County is clearly losing residents – especially younger individuals and families – to other communities. Data from the Internal Revenue Service’s Statistics of Income program provides insights as to where individuals who leave Halifax County are going. This data is compiled from anonymized tax return data. If a

given return moves from one county to another between tax years, the program categorizes that return – and all its associated exemptions – as having migrated between counties. Examining the number of exemptions that move from county to county in a given year can provide a rough estimate of the net flow of actual people from place to place.⁹ According to IRS data covering 2006 to 2016, Halifax County experienced net population losses to Danville City, Lynchburg City, and various jurisdictions within the Raleigh-Durham and Richmond regions. **This is consistent with stakeholder observations that many families and working-aged professionals are leaving the community for nearby regions with real or perceived economic and quality-of-life advantages.**

The total number of net out-migrants to each of these jurisdictions is relatively small. For instance, on average between 2006 and 2016, Halifax County lost less than 20 people per year to the top destination for individuals moving out of the community, Danville City. But these small numbers add up to a total population loss each year that threatens the community's long-term sustainability. On the other hand, individuals and households tend to "size up" when moving from one community to another, meaning that Halifax County may have an opportunity to attract new residents from other rural areas in Southern Virginia. For instance, the community attracted a net of roughly 32 residents per year from nearby Mecklenburg and Charlotte counties, which helped to offset some losses to other larger regions. Additionally, the fact that so many out-migrants move to a nearby market indicates that many are unable or unwilling to leave the immediate region. This could indicate that Halifax County could more readily retain or "re-recruit" individuals who might otherwise leave with even modest improvements in the availability of economic opportunities and amenities. Doing so will be crucial to the community's future sustainability.

Key Takeaways

Halifax County has an aging population and is losing prime-age workers and families with young children. These conditions pose a significant threat to the community's long-term competitiveness. Due to its age dynamics, Halifax County will be more susceptible to population loss through natural change (deaths exceeding births), while continued net out-migration risks furthering a vicious cycle: a lack of job opportunities leads people to leave, which creates a shortage of workers, which causes existing businesses to close or relocate, further decreasing the number of job opportunities and starting the process anew. The challenging national environment for rural communities discussed in the first story and the weak fundamentals described in this story will make stemming near-term population losses extremely difficult. But if Halifax County is to even slow its population decline, it must take bold action to become a more attractive place for individuals and families. Subsequent stories in this Assessment will discuss factors such as economic opportunities and perceptions about school quality that will figure prominently in any attempt to reverse the community's population decline.

3. PUBLIC EDUCATION: MIXED OUTCOMES HAMPERED BY STRUGGLING FACILITIES AND PERCEPTIONS

One of the many threats that Halifax County faces as a result of the population decline described in the previous story is a decline in the size of its workforce. But the quantity of available working-age residents represents just one dimension of workforce competitiveness. Now more than ever, a skilled and educated workforce is vital to a community's economic prospects. There are two ways in which a community can improve its talent base. One is to attract educated and skilled adults from other parts of the country or world. But for rural communities and small regions like Halifax County with limited or net-negative in-migration, this is a major challenge. **That places increased importance on the second path that communities can follow to raise their education and skill levels: developing and retaining homegrown talent.**

Maintaining a strong, connected "talent pipeline" is a necessary component to ensuring any community's long-term success. This pipeline is sometimes said to begin even before the birth of a child (e.g. through prenatal education for parents) and continue with education and training that prepares individuals for college and careers at various stages of life. **Each segment of this pipeline has an important role to play, but in a community such as Halifax County that desperately needs to retain and attract prime-age workers who are more likely to have or desire a family, the quality of PK-12 education is of particular importance.**

Public PK-12 education in Halifax County is provided by Halifax County Public Schools (HCPS). The school district enrolled 5,101 during the 2017-18 school year, approximately 73.3 percent of whom came from "economically disadvantaged" households.¹⁰ A wide variety of research indicates that students who grow up in economically disadvantaged households are statistically more likely to lag behind those who come from higher income homes. **But despite a much higher population of students from economically disadvantaged households, HCPS has performed remarkably well on some key metrics. Notably, the district's four-year graduation rate and annual dropout rate were both better than Virginia average.** In the 2017-18 school year, 94.5 percent of HCPS students graduated on time compared to just 91.6 percent of students Commonwealth-wide. Just 2.3 percent of HCPS students dropped out in the 2017-18 school year compared to the Virginia average of 5.5 percent.

HCPS students have also made significant progress on Standards of Learning (SOL) for Virginia Public Schools tests. According to the Virginia Department of Education (VDOE), these SOL tests "establish minimum expectations for what students should know and be able to do at the end of each grade or course in English, mathematics, science, history/social science and other subjects." Market Street examined the performance of students in Halifax County and the entire Commonwealth of Virginia on 26 separate SOL tests, ranging from third grade English reading and mathematics to end of course examinations in subjects such as science and history. **Between the 2013-14 and 2017-18 academic years, Halifax County students improved their scores relative to the Commonwealth average on 19 of the 26 SOL tests.** As of 2017-18, Halifax County students passed at a higher rate than the Commonwealth average on six SOL tests compared to just two in 2013-14.

But despite gains in graduation rates and test scores, the proportion of Halifax County High School (HCHS) graduates who go on to college is declining. As shown in Figure 2, in 2008 nearly 72 percent of HCHS graduates enrolled in a two- or four-year college within 16 months of graduation, virtually identical to the state average. But while figures for Virginia have largely held steady, dipping significantly only with the class of 2016, the proportion of Halifax County graduates going on to college has declined precipitously, and the gap between HCHS and the Commonwealth average is now more than 19 percentage points.

FIGURE 2: GRADUATES ENROLLING IN A POSTSECONDARY INSTITUTION WITHIN 16 MONTHS OF GRADUATION, 2008 TO 2016

Graduating Class	% enrolled within 16 months of graduation				Difference
	2-year institution	4-year institution	HCHS total	Virginia average	
2008	32.4%	39.6%	72.0%	72.1%	-0.2%
2009	31.7%	36.4%	68.1%	71.8%	-3.7%
2010	42.0%	24.1%	66.1%	70.7%	-4.6%
2011	36.1%	28.6%	64.7%	70.6%	-5.9%
2012	34.5%	31.6%	66.1%	71.2%	-5.2%
2013	25.8%	31.8%	57.5%	71.6%	-14.1%
2014	38.2%	22.4%	60.6%	71.9%	-11.3%
2015	26.9%	32.5%	59.4%	71.9%	-12.6%
2016	22.1%	28.6%	50.7%	69.8%	-19.1%

Source: Virginia Department of Education

Publicly available data and stakeholder input did not reveal a clear-cut explanation for why this decline in matriculation has occurred or how it squares with improved graduation rates.¹¹ On one hand, the HCHS graduating class of 2016 had proportionally more students from economically disadvantaged households than the class of 2008; nationally, students from this group are relatively less likely to attend college. But while this socioeconomic shift could be a contributing factor to the overall decline in matriculation, VDOE data reveals that the college enrollment rate for non-economically disadvantaged HCHS graduates also plummeted between the classes of 2008 and 2016. During the public input process, stakeholders noted that some families in Halifax County – especially those with high incomes – have opted out of HCHS entirely by sending their children to private school and/or choosing to live in a different county. There is some evidence to suggest that an increasingly large share of high school-aged residents in Halifax County are attending private schools.¹² But in numeric terms this group is not large enough to drastically impact the overall HCHS matriculation rate. Input participants also noted that the community has in recent years emphasized workforce training programs offered directly through the SVHEC that can connect individuals to quality career opportunities without formally enrolling in college. It is possible that these programs have contributed to the decline in enrollment, but here again, the impact is likely only on the margins.¹³ Stakeholders also raised the possibility that recent high school graduates have taken advantage of an improving economy to go directly to work upon completing high school. While this may be occurring, it should be noted that there has not been a major drop in college matriculation rates across Virginia during this same time period.

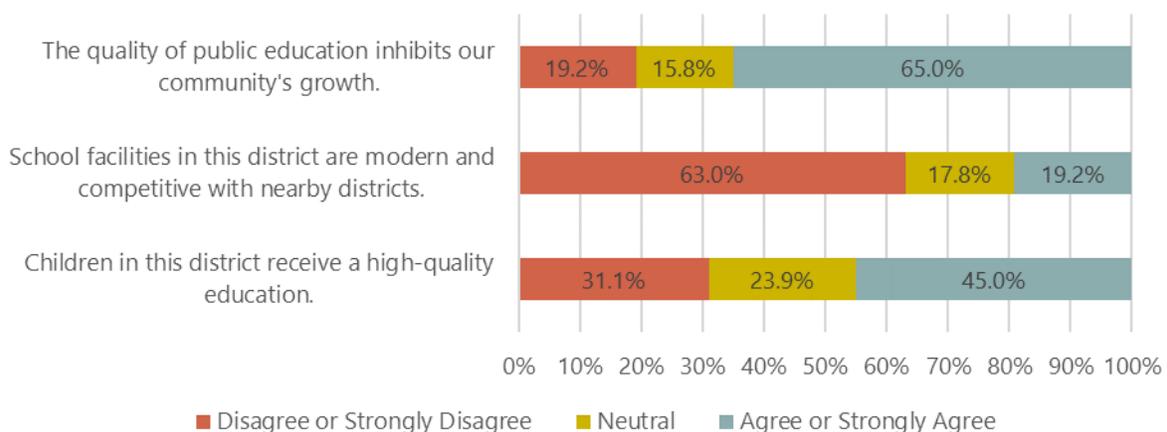
Ultimately, any number of factors could be contributing to the decline in the proportion of HCHS graduates enrolling in college within 16 months of receiving a diploma. **But given the importance of postsecondary educational attainment to a community's economic competitiveness, these figures are troubling.** Stakeholders in Halifax County must work collaboratively to identify and reduce barriers to postsecondary education and training and ensure that its young people are well-prepared for college and careers.

Data from the online survey reveals that stakeholders in Halifax County have some concerns about PK-12 education. All survey participants were asked, "Have you or your children attended Halifax County Public Schools at any point in the past five years?" Participants who answered yes to this question were asked a series of follow-up questions about HCPS. **Approximately 45 percent of respondents agreed or strongly agreed with the statement "Children in this district receive a high-quality education" compared to 31 percent who disagreed or strongly disagreed.** These responses are decidedly less positive than those from other recent Market Street client communities where the same question was asked via an online survey.

During the public input process, stakeholders who are familiar with local public schools identified several issues that could be influencing perceptions of HCPS. Some stakeholders said that low teacher salaries put HCPS at a disadvantage relative to nearby communities and they related anecdotes of the district losing quality talent.¹⁴ Input participants also expressed concerns over other issues ranging from safety and discipline at schools to a desire for expanded career and technical education (CTE) programming.

But by far the biggest issue with respect to public education to emerge from the input process was the quality of school facilities – namely Halifax County High School. According to a wide variety of input participants with first-hand knowledge of the nearly 40-year-old facility, the high school has a litany of issues that impact everything from its curb appeal to the learning environment for students.

FIGURE 3: "PLEASE RESPOND TO THE FOLLOWING STATEMENTS ABOUT HALIFAX COUNTY PUBLIC SCHOOLS"



Source: Market Street Services, Halifax County Community Survey (2018)

According to a facility needs assessment commissioned by HCPS, virtually all of the building's systems – electrical, mechanical, plumbing, HVAC, and so on – are outdated or nearing the end of their useful lives. Exterior features such as brick (a problem since shortly after the facility's completion) and windows are also outdated. The facility lacks safety features such as a security system and the ability to monitor exterior doors, and retrofits to comply with the Americans with Disabilities Act are also awkwardly laced, with some lift systems opening directly into classrooms. Stakeholders with first-hand knowledge of the facilities confirmed these findings and added several of their own, including aging classroom furniture, unpleasant odors, athletic facilities in poor condition, and a generally "worn" appearance.

Overall, there is broad agreement among stakeholders in Halifax County that the high school facility has significant problems that must be addressed in some way. But the public input process revealed a lack of consensus on what should be done to address them or how to fund improvements and the future operating costs to maintain them. Some stakeholders strongly supported building a new facility while others believed the existing building can be effectively retrofitted at a lower cost. Some said they supported funding improvements primarily with property tax increases while others were vehemently opposed and advocated instead for tapping a mix of sales taxes that would require state approval to implement.

An analysis of specific facility needs, a preferred alternative, and optimal revenue streams is beyond the scope of this Assessment. But public input underscores that action will be required. **A wide variety of input participants said they believed that the state of Halifax County High School has driven away existing and prospective families and businesses. Said one participant, "As a product of Halifax County Public Schools, I would not want to go anywhere else. However, due to the age of many of our facilities, I can see where potential employers would not want to make Halifax their home."**

This underscores why, in Market Street's experience, Halifax County must work proactively to address this issue. For a community struggling to retain families with children and attract employers providing high-quality jobs, perceptions that schools or school facilities are substandard could be a critical blow. Research establishes that there is a strong connection between facility quality and student learning.¹⁵ Just as important, however, is the impact that school facilities can have on local pride and morale, external perceptions, and the overall desirability of a community as a place to live and do business. No community has unlimited resources and school facilities represent some of the largest investments that a small jurisdiction and its taxpayers will ever make. Properly addressing the challenges with Halifax County High School facilities will require difficult conversations and tradeoffs. But in Market Street's opinion, one thing is clear: the community cannot afford a failure to take action.

Key Takeaways

PK-12 schools are a critical component of a community's talent pipeline; this is especially true for places such as Halifax County that have limited or even net negative in-migration. While certain metrics such as graduation rates and state test scores have been improving at Halifax County Public Schools, fewer graduates are enrolling in a postsecondary education institution soon after receiving their diploma. Stakeholders in Halifax County also have relatively lukewarm perceptions about HCPS, with a significant contributing factor being the state of Halifax County High School facilities. There is broad agreement in the community that the high school has numerous deficiencies, but there is a lack of consensus on how to fix them and – perhaps more importantly – how to pay for improvements and upkeep. But school quality and facilities are closely tied to issues of community pride, external perceptions, and the overall attractiveness of a community as a place to live and do business. For a community such as Halifax County that is caught in a vicious cycle of population loss and is struggling to attract high-quality jobs, poor perceptions about school facilities could be a critical blow. Accordingly, the community must take action if it is to achieve a more successful future.

4. HIGHER EDUCATION AND WORKFORCE PREPAREDNESS: RETURN ON INVESTMENT

In an increasingly competitive and knowledge-based economy, talent is the single most important factor influencing a community's success and prosperity. Companies – even those in traditionally “blue-collar” fields such as manufacturing – consider factors such as a community's educational attainment rate among their top site selection factors driving location decisions. Additionally, there is a strong link between educational attainment and an individual's earning potential and various other measures of well-being. **The ability to cultivate and retain a skilled and educated workforce is the top factor influencing any region's ability to thrive and accumulate wealth. But as discussed in the previous story, “homegrown” talent is particularly important for a small community such as Halifax County that is experiencing net out-migration of residents.**

This story focuses on another critical aspect of the community's talent pipeline – the Southern Virginia Higher Education Center (SVHEC) – and its impact on educational attainment and workforce competitiveness in Halifax County. **SVHEC emerged as a clear community strength during the public input process. Stakeholders had high praise for various aspects of the institution, including its facilities, programs, and diversity and quality of degree and training programs. Beyond its impact on the community's talent pipeline, residents also perceived SVHEC as a significant source of community pride: it is a highly visible testament to the community's ability to work collaboratively and proactively to address a major community need.**

The SVHEC's mission is to “advance Southern Virginia's economic potential through education, innovation, and collaboration.” It is a state agency, one of five higher education centers in Virginia that provides postsecondary education in otherwise underserved areas. SVHEC is the only such center that is not co-located with a community college and it is located more than 75 minutes from the nearest state-supported four-year colleges. SVHEC was founded in 1986 in a 500-square-foot mobile unit and now occupies more than 100,000 square feet of space in two donated historic tobacco warehouses in downtown South Boston that were renovated with a combination of public and private funds from local, state, and federal sources.

The activities of SVHEC and their influence on economic development in Halifax County are too varied to properly enumerate in this space. But its most visible function is forming partnerships with two- and four-year higher education institutions and employers to offer degree, certificate, and workforce training programs. This allows residents of Halifax County and its surroundings to receive education and training without travelling far outside their community, thereby greatly reducing barriers of accessibility and affordability. Through these partners, students are able to earn a variety of credentials ranging “from GED to PhD.” According to its FY 2018 annual report, SVHEC enrolled approximately 1,145 students in for-credit programs and 295 individuals in workforce training programs, issuing 416 industry-recognized credentials.

Halifax County has relatively low overall educational attainment rates. Due to the community's small size, the U.S. Census Bureau's American Community Survey program does not publish annual educational attainment estimates for Halifax County. **But a five-year average covering 2011 to 2016 shows that just 15.8 percent of residents aged 25 and over had obtained at least a bachelor's degree, the lowest among all comparison**

geographies and just slightly more than half of the national average (30.8 percent) during this same time period. While bachelor’s degree attainment is perhaps the most frequently utilized metric to assess the quality of a region’s workforce, two-year degrees and certificates are also important indicators of competitiveness, in particular for businesses in the manufacturing sector. But on average between 2011 and 2016, just 7.1 percent of Halifax County residents aged 25 and over had completed an Associate degree as their highest level of educational attainment, lower than Danville City (9.6 percent), Lee County, MS (9.4) and Thomas County, GA (8.2). All three of these comparison communities also had a higher proportion of residents aged 25 and over who had attended at least some college.

There is some good news, however. Most notably, **Halifax County has demonstrated long-term growth in educational attainment, with gains on several key indicators outpacing those of comparison communities and the national average.** As shown in Figure 4, between 2000 and 2016, the proportion of Halifax County residents who had obtained at least a bachelor’s degree grew by 6.4 percentage points, 0.5 percentage points better than the national increase and 1.5 percentage points higher than the next-closest comparison community, Lee County, MS. Associate degree growth was also 0.4 percentage points higher than the national average and within one percentage point of the top performer, Danville City.

FIGURE 4: PERCENTAGE POINT CHANGE IN EDUCATIONAL ATTAINMENT, 2000 TO 2016*

	Halifax County	Danville City	Lee County, MS	Thomas County, GA	Virginia	United States
No HS Diploma	-15.1%	-11.3%	-8.7%	-8.4%	-7.2%	-6.6%
HS Diploma	1.4%	-2.6%	-1.5%	-0.8%	-1.5%	-1.1%
Some college, no degree	5.5%	4.7%	1.6%	2.8%	-0.5%	-0.1%
Associate degree	1.9%	4.8%	3.5%	3.6%	1.7%	1.9%
Bachelor’s degree	4.2%	2.9%	2.5%	0.2%	3.3%	3.3%
Graduate degree or higher	2.1%	1.5%	2.4%	2.5%	4.1%	2.6%
Associate degree or higher	8.2%	9.1%	8.5%	6.4%	9.2%	7.8%
Bachelor’s degree or higher	6.4%	4.3%	4.9%	2.7%	7.4%	5.9%

Source: U.S. Census Bureau Census 2000 and ACS 5-year estimate
 *2016 figures represent a five-year average covering 2011 and 2016

Throughout the nation, younger generations are on average more educated than their older counterparts. For instance, on average between 2011 and 2016, 33.7 percent of individuals aged 25 to 34 had obtained at least a bachelor’s degree compared to just 25.0 percent of individuals aged 65 and older who had done the same. Similar trends also hold true across all other comparison geographies. This makes Halifax County’s relative gains in educational attainment since 2000 even more impressive; as previously discussed, the community has a disproportionately large population of residents aged 65 and over, just 11.1 percent of whom hold at least a bachelor’s degree. **Halifax County’s younger residents also have educational attainment rates that are much closer to those in the three comparison communities.** On average between 2011 and 2016, 22.4 percent of Halifax County residents between the ages of 25 and 34 had obtained at least a bachelor’s degree, just 1.5 percentage points less than the top-performing community, Lee County, MS. By

comparison, the gap between Halifax County and the top-performing community for overall bachelor's degree attainment (again Lee) was 7.3 percentage points.

It is not possible to definitively quantify the degree to which SVHEC has influenced the improvements discussed in the preceding paragraphs. But it stands to reason that they would not have been possible – at least not to the same degree – without the physical presence of high-quality postsecondary education options within the community. Accordingly, SVHEC is a clear example of return on investment for Halifax County. The community committed resources – financial, political, and otherwise – to massively upgrade a portion of its talent pipeline. **According to stakeholders familiar with the project, this was truly a community-driven effort, with more than half the funds for the initial SVHEC renovation coming from local sources.** Over the years, this has paid off in the form of relative gains in educational attainment and the presence of a significant asset that can support economic development in a variety of other ways – direct workforce assistance for companies, support for entrepreneurs and small businesses, and so on.

Going forward, the community must continue to support the SVHEC and leverage it to the fullest extent possible. One clear opportunity area is strengthening connections between SVHEC and Halifax County Public Schools to address the decline in Halifax County High School graduates enrolling in postsecondary education programs after graduation. SVHEC represents the most logical entry point into education and training programs for many local high school graduates, particularly those who come from low-income households and may find it difficult or impossible to travel outside the county for school.

According to its FY 2018 annual report, SVHEC dedicates significant resources to connecting PK-12 students to potential career pathways through interactive tours, career fairs, and other programming. One promising new addition to connect students to college and career opportunities is the Career Tech Academy (CTA), a regional training center available to high school students from Charlotte, Halifax, and Mecklenburg counties through SVHEC. The CTA will offer two career tracks: information technology (IT) and mechatronics, which integrates various concepts such as mechanical, electrical, and software control engineering and has numerous practical applications in various advanced manufacturing processes. According to SVHEC, students began enrolling in the CTA in August of 2018 and may earn community college credits, a Career Studies Certificate, and an industry-endorsed credential through the programs.¹⁶ **The creation of the CTA represents a promising first step toward more robust career and technical education (CTE) programming that many stakeholders – including parents, teachers, and employers – identified as a significant community need.**

Key Takeaways

SVHEC is among Halifax County's best assets that can support economic development and has demonstrated a strong return on investment for the community, as educational attainment rates are up and the achievement gap relative to comparison communities is closing among younger generations. This success should be instructive for the community as it considers additional investments toward its future prosperity. The community must also continue to leverage SVHEC, particularly to address a significant drop in the number of HCPS students going on to college.

5. PROSPERITY AND OUTCOMES: ADDITIONAL EMPLOYMENT OPPORTUNITIES ARE NEEDED

Holistic community and economic development is at its core an exercise in improving the lives of current and future residents by building wealth and raising standards of living. This story focuses on how residents in Halifax County are doing with respect to their economic and personal well-being. To begin, it is important to acknowledge the clear connection between higher levels of educational attainment and individual community prosperity and wealth. Research clearly demonstrates a strong link between educational attainment and a wide range of positive outcomes. Generally speaking, individuals with higher levels of educational attainment are more likely to be employed and to have higher earning potential over their lifetimes. Higher levels of educational attainment can also have a positive impact on personal and community well-being through higher rates of volunteerism, lower rates of incarceration, and lower unemployment rates, which lead to fewer people reliant on government assistance.

As discussed in the preceding story, levels of educational attainment have been rising in recent years in Halifax County. Accordingly, it is not surprising to see incomes increasing as well. As shown in Figure 5, per capita income in Halifax County rose by more than \$9,000 between 2006 and 2016. Halifax County’s five- and ten-year growth rates also exceeded those of all comparison geographies except for Pittsylvania County (which includes Danville City). Moreover, these growth rates exceeded the rate of inflation as measured by the Bureau of Labor Statistics Consumer Price Index (CPI) data. According to the CPI, prices rose in small Southern communities by 21.0 percent between 2006 and 2016, far less than the 35.6 percent income growth that occurred in Halifax County during the same time period. **Halifax County thus experienced “real” growth in personal income, meaning that residents had more purchasing power in 2016 than they did 10 years prior.**

FIGURE 5: PER CAPITA INCOME, 2006-2016

Geography	Year			% Change	
	2006	2011	2016	5-year	10-year
Halifax County	\$25,464	\$29,598	\$34,527	16.7%	35.6%
Danville City / Pittsylvania County*	\$25,665	\$30,065	\$35,326	17.5%	37.6%
Lee County, MS	\$29,864	\$33,400	\$37,821	13.2%	26.6%
Thomas County, GA	\$31,937	\$35,776	\$40,486	13.2%	26.8%
Virginia	\$42,654	\$47,548	\$52,957	11.4%	24.2%
United States	\$38,144	\$42,461	\$49,246	16.0%	29.1%

Source: Bureau of Economic Analysis

* - The BEA does not provide personal income data for independent cities in Virginia. Accordingly, it is necessary to utilize data for Pittsylvania County, which includes all of Danville City as well as some of its surroundings.

The story of income growth is slightly less encouraging, however, when considering how some of this income is derived. The Bureau of Economic Analysis considers personal income to come from one of three sources – earnings from employment, investment income, and “personal current transfer receipts,” which covers all

manner of government benefits – mostly Social Security and Medicare/Medicaid but also including veteran’s benefits, disability insurance, food assistance, and so on. Because Halifax County’s population is aging, it is not surprising to see the share of income derived from transfer receipts growing as more individuals become eligible to receive Social Security and Medicare benefits. **But between 2006 and 2016, the total amount of income derived from employment earnings rose by 16.5 percent in Halifax County, less than half of the national growth rate of 33.4 percent during this same time period.**

At first this data point would seem to be in conflict with EMSI data that shows average annual wages in Halifax County rising at a similar rate to the national average. For instance, in the same time period as cited above (2006 to 2016) the average wage in Halifax County rose by 23.8 percent, just shy of the national average of 25.4 percent. The explanation for this discrepancy is simple, however, and it highlights a key competitive challenge: **while wages in Halifax County are indeed rising, there are simply too few jobs to keep pace with national earnings growth.** Indeed, between 2006 and 2016, the number of jobs in Halifax County decreased by 6.2 percent while the number of jobs in the nation increased by 5.0 percent. **This finding is consistent with qualitative feedback. Throughout the public input process, stakeholders identified a lack of high-quality jobs as one of the community’s biggest weaknesses.**

There is indeed evidence that many Halifax County residents are struggling. For instance, as of 2016, 18.7 percent of all residents and 25.8 percent of children in Halifax County lived in a household below the poverty line.¹⁷ On the one hand, these figures are lower than might be expected given other fundamentals in the local economy; both Danville City and Thomas County, GA had higher total and child poverty rates. But the fact that more than one in four children in Halifax County lives in a household below the poverty line is especially troubling. Children who grow up in economically disadvantaged homes face a variety of additional challenges that ultimately can negatively impact their educational outcomes and overall well-being. Several studies show that poverty can also contribute to children having social, emotional, and behavioral problems, which can serve to reinforce cycles of generational poverty, **a fear expressed by many stakeholders during the public input process.**

Key Takeaways

Incomes and wages have grown in Halifax County in recent years at rates that come close to or exceed the national average. But additional data reveals that a significant portion of income growth is attributable to growth in government benefits. Much of the increase in benefits is a result of growing Medicare and Social Security payments that are to be expected with an aging population. But income derived from earnings from employment grew at less than half the national average between 2006 and 2016. If Halifax County is to raise levels of prosperity for its residents going forward, it must grow more high-quality jobs to support wage and income growth. Opportunities for doing so are the subject of the next two stories in this Assessment.

6. ECONOMIC GROWTH AND DIVERSIFICATION: MARKET ACCESS PRESENTS AN ADDITIONAL CHALLENGE

Throughout much of the 20th century, a handful of industries brought wealth and employment opportunities to Halifax County. Tobacco came first. In the early part of the century, South Boston was one of the largest tobacco exporting markets in the world, and generations of local families prospered from growing the crop, often on small plots of land.¹⁸ Subsequent decades saw growth in manufacturing – principally in sectors such as textiles and wood products that thrived in rural areas and small regions throughout the Mid-Atlantic and Southeast. But toward the end of the century, a confluence of factors – tobacco industry lawsuits, anti-smoking campaigns, trade policy changes, global competition, and so on – caused these industries to decline throughout the United States. Then the recession of the early 2000s delivered a particularly harsh blow. Between 1999 and 2002, Halifax County lost approximately 2,000 jobs as textile manufacturers such as Burlington Industries, J.P. Stevens, and Tultex closed facilities and laid off hundreds of workers at a time.¹⁹

Stakeholders in Halifax County know the preceding story well. Longtime residents lived through the profound changes, of course, but all residents of the community – old and young, native and newcomer – are still dealing with their impacts. **Halifax County's economic difficulty was a consistent theme throughout interviews and focus groups and was one of the most frequently discussed topics in open-ended survey responses (see Figure 6). Stakeholders said the community has never truly recovered from the downturns in sectors such as tobacco and textiles. While discussions of the past were common, one of the greatest fears expressed by residents is what this implies for the community's future. Noting the community's population loss, input participants said that more abundant and higher quality job opportunities are an absolute necessity if the community is to retain its young people.**

FIGURE 6: IN YOUR OPINION, WHAT IS HALIFAX COUNTY'S GREATEST WEAKNESS OR CHALLENGE TO OVERCOME AS A PLACE TO LIVE, WORK, VISIT, AND DO BUSINESS?



Source: Market Street Services, Halifax County Community Survey (2018)

As shown in Figure 7, Halifax County had approximately 13,400 jobs as of 2017. As is the case in many small communities, government (including public schools) and health care were the two largest business sectors, combining for nearly one out of every three jobs in the county. Halifax County's strength in health care reflects the presence of Sentara Halifax Regional Hospital and the various medical offices that it supports. **Input participants said that the hospital is among one of the community's top assets, serving both as an employment center and an important amenity for residents.** Health care is a vital source of quality jobs for Halifax County, and even though the community's total population is declining, it is home to a large population of residents who will require an increasing amount of care as they age. Additionally, the health care sector in Halifax County has a location quotient of 1.23, meaning it is 23 percent more concentrated locally relative to the national average. This indicates (along with the hospital's name) that people from the region surrounding Halifax County are travelling to the community for care, providing further opportunity.

FIGURE 7: HALIFAX COUNTY ECONOMIC COMPOSITION, 2012 TO 2017

Sector	Location Quotient (2017)	Jobs (2017)	Net Job Growth ('12-'17)	% Job Growth ('12-'17)	U.S. % Job Growth ('12-'17)	Average Annual Wages (2017)
Government	1.12	2,268	(155)	-6.4%	1.3%	\$32,493
Health Care and Social Assistance	1.23	2,089	100	5.0%	10.5%	\$43,796
Manufacturing	1.83	1,920	95	5.2%	4.1%	\$45,993
Retail Trade	0.94	1,288	(85)	-6.2%	5.8%	\$23,130
Accommodation and Food Services	0.82	949	18	1.9%	13.3%	\$13,444
Transportation and Warehousing	1.99	937	(60)	-6.0%	15.3%	\$41,000
Other Services (except Public Admin)	1.23	762	65	9.3%	0.3%	\$19,262
Construction	0.98	731	(31)	-4.1%	14.7%	\$37,618
Admin./Spprt./Waste Mgmt./Remed. Svcs.	0.68	575	237	70.2%	11.0%	\$17,983
Wholesale Trade	0.69	342	1	0.3%	3.7%	\$40,658
Arts, Entertainment, and Recreation	1.34	315	(3)	-0.9%	13.0%	\$15,679
Professional/Scientific/Technical Svcs.	0.29	243	78	47.2%	11.4%	\$44,899
Finance and Insurance	0.42	230	(15)	-6.1%	5.2%	\$45,715
Agriculture, Forestry, Fishing and Hunting	1.27	202	43	27.0%	2.9%	\$37,238
Utilities	4.14	190	5	2.7%	1.5%	\$100,708
Real Estate and Rental and Leasing	0.65	147	(11)	-6.9%	9.9%	\$26,116
Educational Services	0.19	69	(158)	-69.7%	9.1%	\$41,940
Information	0.26	67	(19)	-22.2%	4.8%	\$45,360
Mgmt of Companies and Enterprises	0.30	56	(28)	-33.4%	12.1%	\$51,705
Unclassified Industry	0.84	14	14	---	21.7%	\$31,063
Mining/Quarrying/Oil/Gas Extraction	0.05	<10	---	---	-27.6%	---
Total, All Sectors		13,396	88	0.7%	7.6%	\$34,867

Source: Economic Modeling Specialists, Intl. (EMSI)

Other large sectors include manufacturing, retail trade, accommodation and food services, and transportation and warehousing. Agricultural uses, which cover a significant portion of the land area in Halifax County, account for relatively few jobs – slightly more than 200 as of 2017. **Perhaps the most positive finding from the previous table is the fact that Halifax County's manufacturing sector has stabilized.** In 2001,

Halifax County had nearly 4,000 manufacturing jobs, but by 2003 this number had been reduced to 2,618 – a consequence of the rapid textile mill closings referenced at the beginning of this story. For much of the next decade, the community continued to bleed jobs at a slower pace, reaching a low point of just 1,818 jobs in 2011. But since that time, Halifax County’s manufacturing sector has added more than 100 jobs.²⁰

Manufacturing is particularly important because it is both Halifax County’s largest “export-oriented” sector and the export-oriented sector that is best-positioned for near-term growth. In most cases, sectors such as health care and retail primarily serve local or nearby residents, and their growth prospects are tied to population change. But export-oriented sectors such as manufacturing and finance and insurance “sell” goods and services to other markets both inside and outside the United States, thereby bringing in new wealth to a community. Additionally, export-oriented sectors – manufacturing in particular – are more likely to support higher-quality jobs relative to sectors such as retail and food service. Existing manufacturing firms in Halifax County produce a diverse range of products. They include but are not limited to ABB (electrical equipment), Annin & Co. (flags), BHK of America (wooden drawers), Presto Products (food storage bags), RTP Company (custom engineered thermoplastics), and Voestalpine High Performance Metals Corp. (specialized steel products).

In addition to helping these existing firms thrive, stakeholders said they would like to see more high-quality manufacturing jobs.²¹ But the community will face several barriers as it seeks to grow its manufacturing sector and overall economy. **The most significant of these was discussed in the second story of this Assessment: Halifax County is losing prime-age workers and families with children, which will place future constraints on the workforce.** Stakeholders noted that local manufacturing firms frequently must hire employees from outside the county to fill in-demand positions, particularly those with high education requirements. This is consistent with broader public input that suggested that many of the community’s highest-paid employees live outside of Halifax County and commute in for work. That said, data suggests that Halifax County may have a deeper manufacturing workforce than is immediately evident in business sector data. Labor markets do not conform to the boundaries of political jurisdictions – commuting across county and state lines for work is very common. Data from the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics (LEHD) program reveals that roughly 4,400 people commute in to Halifax County for a primary job compared to roughly 7,200 Halifax County residents who commute elsewhere for work.²² **In other words, on a typical workday, there is a net outflow of nearly 2,800 workers from Halifax County.** In a manufacturing context, individuals who are involved with the direct manufacture, transformation, or assembly of a good (and their supervisors) are considered to hold a “Production Occupation.” EMSI estimates that there are more production workers living in Halifax County than there are production jobs.

Overall, while public input and data regarding the depth of the community’s manufacturing workforce would appear to be in tension, it is possible that both conditions are true. Labor sheds are regional, so manufacturers may be noticing the effects of a shortage of production workers across a broader area while the data shows a surplus (or net outflow) of production workers from Halifax County. Certain positions may also be particularly difficult to fill. In any case, the community’s overall talent base is nevertheless relatively small and threatened by broader demographic trends such as an aging population and net out-migration. **Accordingly, Halifax County must seek to leverage its education and training resources to ensure that residents who do remain are able to develop skills that will translate into advanced production processes.**

The community is also likely best-suited for smaller manufacturing operations that do not require large pools of available workers.

A second key barrier is Halifax County's location and connectivity to larger markets. Throughout the public input process, stakeholders lamented that manufacturing firms had recently selected nearby communities such as Danville City, Pittsylvania County, and Mecklenburg County for new or expanded operations. While the causes for any location decision are complex, one key advantage that these communities have over Halifax County is that they are connected to larger markets in multiple directions by limited access four-lane highways. On the other hand, while downtown South Boston is located only slightly more than 50 miles north of downtown Durham, NC, the highway connecting these two markets, U.S. 501, is a two-lane road for portions of the journey.

Site location considerations for manufacturing and distribution firms are constantly evolving, but highway access has consistently been a primary requirement for many firms in these sectors. Accordingly, Halifax County is likely to be at a competitive disadvantage for many economic development projects, and the community would likely not be a candidate for operations within a "just-in-time" production process that rely on short travel distances to other suppliers and assembly plants. **Instead, Halifax County is likely to be more competitive for manufacturing operations that are more sensitive to costs (e.g. labor, energy, land) than time.** The community may also have an opportunity to attract firms that would leverage local agriculture production and – as discussed in the next story – the community's unique asset base related to motorsports.

Finally, though Halifax County has a manufacturing sector that is 83 percent more concentrated in the local economy than in the United States as a whole, its wholesale trade sector is relatively small. Unlike individual households, businesses, governments, and institutions typically purchase goods from wholesalers – intermediary establishments that acquire and distribute all manner of materials and goods. Wholesalers may be vertically integrated divisions of manufacturers or retailers or standalone entities. In addition to their role in storing and distributing goods, wholesalers often provide other services to manufacturing establishments, including marketing, business development, sales support, and supply chain coordination – typically "white collar" jobs. As it seeks to grow its manufacturing base, Halifax County may also pursue wholesale components in order to further diversify job opportunities.

Key Takeaways

Halifax County stakeholders strongly desire additional high-quality job opportunities. Regional health care represents one potential opportunity for growth and diversification. Manufacturing also holds significant promise. After a sustained period of decline, the community's manufacturing sector has stabilized and growth actually outpaced the national rate in the most recent five-year period. But a shrinking workforce and a relative lack of proximity and connectivity to larger markets will be barriers to additional growth in fields such as manufacturing and distribution. Accordingly, the community should focus on smaller, cost-sensitive operations, especially those that leverage another part of the local asset base.

7. MOTORSPORTS: NURTURING AN ECONOMIC AND CULTURAL IDENTITY

As suggested in the preceding story, Halifax County's economic composition – and more specifically, its production-oriented activity – continues to reflect “old” economy sectors that characterized Southern Virginia and the larger Piedmont region for decades. While it faces many challenges that impede its competitiveness for more advanced manufacturing activities, the community has a strong value proposition for smaller manufacturers that are less sensitive to market access and more sensitive to both labor cost and access to workforce development resources.

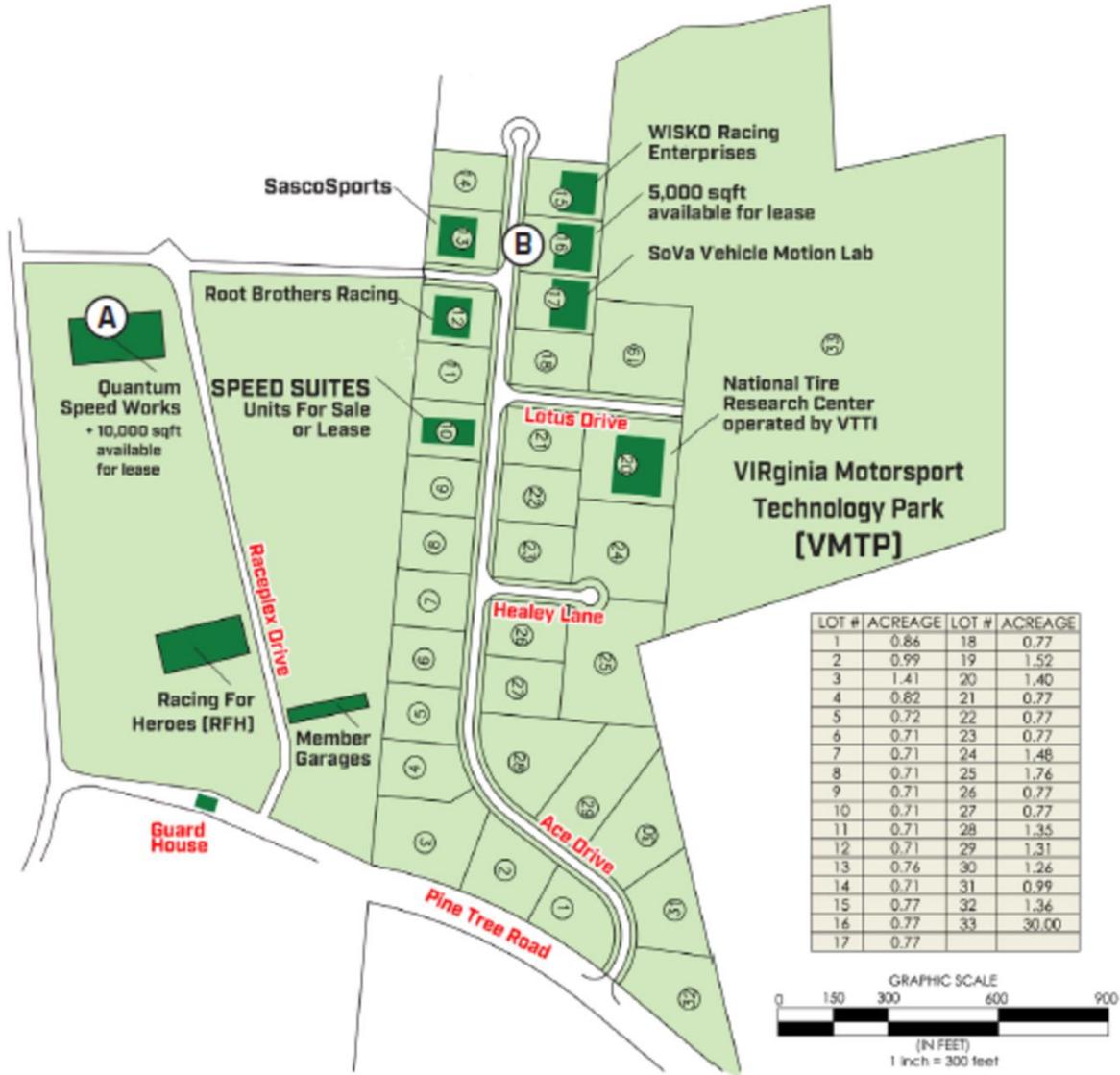
Stakeholders in Halifax County have clearly communicated via the online survey that their biggest wish for the community is more abundant and higher quality job opportunities. They recognize a need to support the community's economic evolution and transition to ensure that the community is able to retain its young people, and to ensure that current and future generations can survive *and thrive* in Halifax County. And they recognize that the community's cultural identity – inclusive of its quality of life offerings – greatly impacts its potential future economic identity.

Remarkably, Halifax County is home to a relatively underdeveloped sector that has the potential to align cultural and economic identity in Halifax County: **motorsports**. The opportunity that presents itself to Halifax County is clear: intentionally develop a comprehensive **motorsports industry** that complements the community's long history of hosting **motorsports events**, nurturing an economic and cultural identity that helps advance the larger objectives of talent retention, economic diversification, and wealth creation. **Doing so will require recognition of the community's existing asset base, a strategic approach to leveraging and supporting those assets, and an intentional effort to develop complementary assets and infrastructure that will allow the community to compete for new investment opportunities.**

While many regional economies seek to position themselves for **automotive assembly and automotive parts production facilities**, few work proactively to leverage a compelling value proposition to develop the **motorsports industry**. Motorsports – the sport (and business) of racing motor vehicles – is a rapidly-evolving sector where the pace of innovation and new technology adoption can render other recent technologies obsolete in just a few short years. Firms are engaged in a diverse array of highly specialized activities that influence safety, reliability, efficiency, and other performance factors. While one business may be engaged in the development of specialized Kevlar components to improve safety in crashes, another may be engaged in the development of new gear-shifting mechanisms while still another may provide analytics and performance evaluation services. As a result, the industry and its employers rely on a diverse array of skill sets: mechanical engineering, electrical engineering, computer-aided design (CAD), welding, machining, maintenance/repair, data analytics, etc. Firms operating in the sector often need access to specialized equipment and infrastructure for product and performance testing.

Halifax County affords a compelling competitive advantage to firms in the motorsports sector, one that is largely centered upon the community's legacy in hosting motorsports events at the South Boston Speedway (SoBo) and VIRginia International Raceway (VIR), the VIRginia Motorsport Technology Park and its specialized infrastructure, and the region's workforce development resources.

FIGURE 8: VIRGINIA MOTORSPORT TECHNOLOGY PARK LAYOUT



Source: VIRginia International Raceway

SoBo and VIR have collectively established the area as a destination for visitors and racing teams, both from Virginia, the Carolinas, and other nearby regions (with respect to SoBo) and even nationally and globally (with respect to VIR). Travel and tourist expenditures associated with motorsports events provide a significant economic boost for the community, with even greater future potential. **Despite concerns among stakeholders that much of the traveler expenditure associated with events at VIR is "lost" to Danville**, opportunity clearly exists for Halifax County, South Boston, and the community at-large to capture a greater share of this expenditure by creating compelling reasons for visitors to "go east" from VIR and spend their monies in Halifax/South Boston (see the discussion of downtown South Boston); it is a roughly 25-minute drive to VIR from downtown Danville and a roughly 30-minute drive to VIR from downtown South Boston. (The

community could also seek to better coordinate efforts around major NASCAR events at the Martinsville Speedway that could generate “spillover” or the opportunity to induce additional trips among race fans.)

Although the existing and potential future economic and fiscal impact of motorsports *tourism* is significant, the jobs supported by this traveler expenditure are in many cases relatively low-wage jobs that may not provide strong benefits in the accommodation, food service, and retail sectors. The opportunity that has yet to be fully realized in the community is the potential to drive heightened export-oriented, higher-wage job creation in the motorsports *industry*. **Few communities are home to assets – be they universities, recreational facilities, health systems, or otherwise – that can honestly be characterized as “world-class” or “differentiating” in a sea of immense competition. Halifax County is home to one such asset: VIR. It would be tremendous mistake and wasted opportunity for the community to fail to leverage its one true world-class asset for the benefit of the community, both economically and culturally.**

VIR is much more than a raceway, having created a comprehensive visitor experience complete with a variety of on-site activities and amenities, dining and lodging options. But from an economic development standpoint, VIR affords companies in the motorsports sector with a set of opportunities and advantages they are unlikely to find elsewhere. Located on grounds at VIR, the VIRginia Motorsport Technology Park (see Figure 8) offers developable sites and existing buildings to prospective companies that are interested in utilizing a variety of specialized assets, equipment, and infrastructure that is available to companies located at the park. This includes free access to the raceway for performance testing. Companies can utilize the track at no cost at any time when it not otherwise under operation, an incentive that, according to VIR, no other raceway in the country is willing or able to offer. Companies can access and utilize the facilities, equipment, and expertise available at the onsite Virginia Tech-affiliated Global Center for Automotive Performance Simulation (GCAPS), which is home to the National Tire Research Center, Southern Virginia Vehicle Motion Labs (SoVa Motion), and the Virtual Design and Integration Laboratory (VDIL).

While VIR affords a set of unique advantages and opportunities to motorsports enterprises, the community’s value proposition is not restricted to VIR and its associated infrastructure. Potential exists to nurture the growth and development of the sector in a variety of ways. With a variety of engineering, welding, and other programs at the Southern Virginia Higher Education Center (SVHEC) complementing more specialized and auto-oriented programs at Southside Virginia Community College (SVCC), the region has a compelling case with respect to workforce development to accompany its case with respect to workforce cost. For local entrepreneurs, assets such as SVHEC’s Research & Development Center for Advanced Manufacturing & Energy Efficiency can help get new ideas and potential enterprises off the ground.

Overall, motorsports is a highly competitive field, and established industry clusters are located in larger markets such as Charlotte and Indianapolis that can offer deep labor pools and quality of life amenities that Halifax County cannot. That said, labor costs are the most substantive variable cost globally, and Halifax can compete well against higher-cost locations. The community may be especially attractive to cost-sensitive international motorsports companies seeking a location in the United States that would be less inclined to seek out a traditional American motorsports hub.

Key Takeaways

Motorsports is a legacy sector that is embedded in the community's culture and quality of life but that is relatively underdeveloped with respect to its economic potential. **Ultimately, the development of a motorsports industry – one that captures technology development and not simply tourism promotion – represents an opportunity for Halifax County to advance its economic evolution from more traditional "old economy" activities to more technology-intensive "new economy" activities in a way that honors, leverages, and aligns with a component of the community's cultural identity.** Motorsports as an activity is already a large component of what supports many residents' *cultural attachment* to Halifax and South Boston. The creation of more job opportunities supporting the development of motorsports technologies can nurture heightened *economic attachment* as well. This is an important objective in a community where residents express concerns that their job prospects – their economic attachment – is threatened, and where businesses and other stakeholders express concern that the community and its economy is not positioned to effectively retain the next generation of workers, entrepreneurs, and taxpayers. **Perhaps most importantly, motorsports reflects an area of the economy where Halifax County and South Boston have compelling competitive advantages to offer prospective enterprises. In a community where new corporate relocations have been limited and budgets have been constrained in recent years and decades, leveraging the community's asset base (such as its specialized motorsports infrastructure) to maximize return on economic development investment is not only sensible but necessary.**

8. QUALITY OF LIFE AND PLACE: OPPORTUNITIES TO IMPROVE COMMUNITY ATTACHMENT

If Halifax County is to achieve a more prosperous and successful future, it must seek to slow its population decline. The most realistic path to doing so is better retaining its existing residents, many of whom have been leaving for other communities in recent years. The preceding two stories discussed a critical aspect of talent retention in Halifax County: increasing the number of high-quality job opportunities within the community. **But there are numerous other factors that influence the location decisions of individuals and households, and many of them are tied to quality of life and quality of place.** In short, “quality of life” refers to the well-being and happiness of a community’s residents while “quality of place” refers to aspects such as a community’s built and natural environments, amenities, and vibrancy.

Research from the John S. and James L. Knight Foundation and Gallup reveals that quality of life and quality of place are particularly important to talent retention. In the late 2000s, these organizations interviewed close to 43,000 people in 26 communities over a three-year period.²³ Their aim was to determine what factors “attach” residents to their communities and to what degree community attachment impacts economic growth and well-being. According to the research, the three most important factors driving community attachment were as follows:

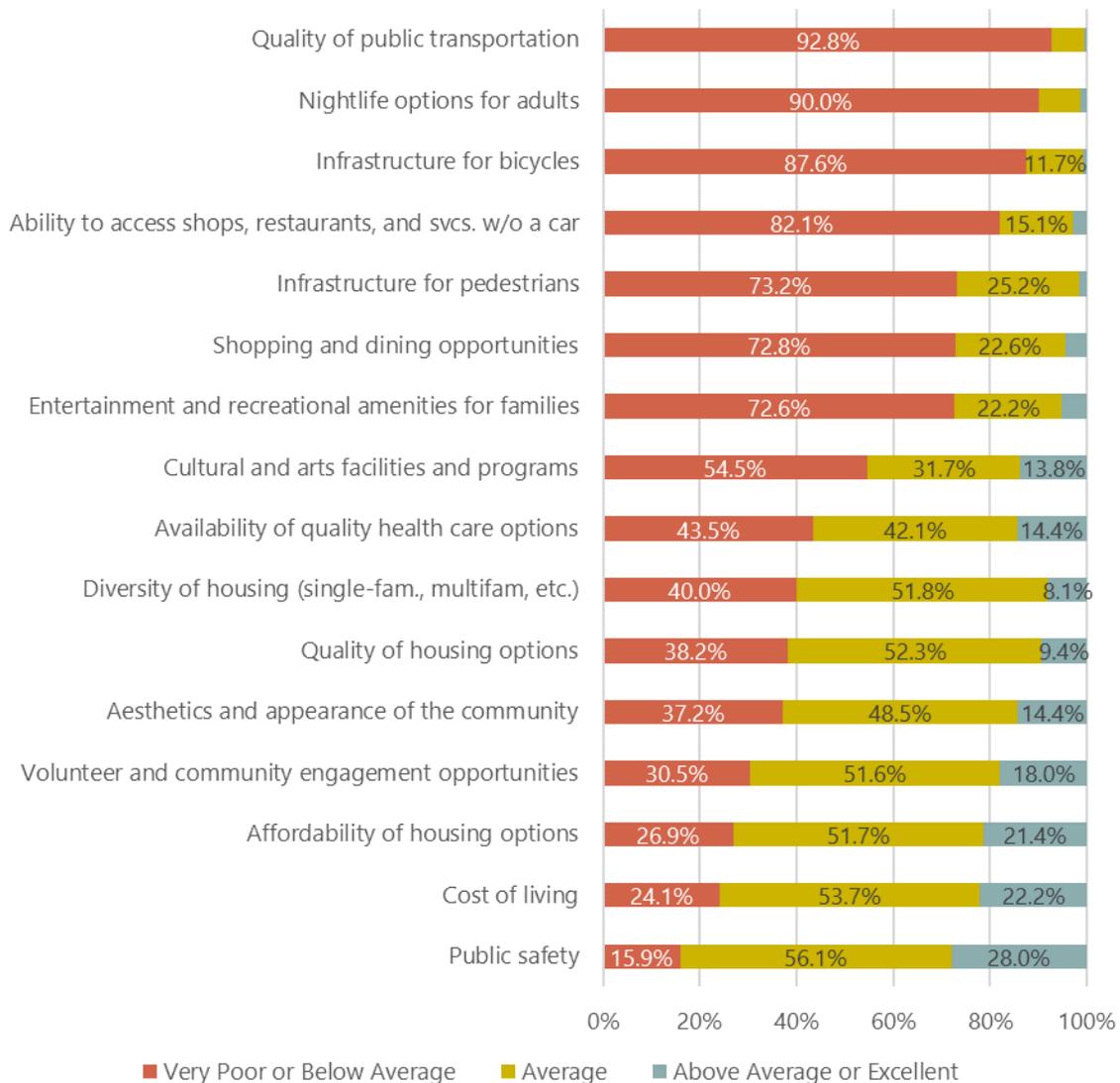
- ✓ **Social offerings** (such as entertainment infrastructure, community events, places to meet people)
- ✓ **Aesthetics** (physical beauty, green spaces, etc.)
- ✓ **Openness** (how welcoming a place is to different types of people)

Notably, the researchers found a positive relationship between communities with higher levels of community attachment and those that were economically successful, underscoring the importance that community attachment plays in economic development. **Unfortunately, the public input process reveals that community attachment is a concern in Halifax County. In particular, stakeholders were concerned that younger generations are unlikely to stay.** On the online survey, respondents were asked to rate the likelihood that they would continue living in Halifax County; a healthy majority (68.6 percent) said they were likely or highly likely to do so. But when asked whether their children (once grown) would continue living in the community, 63.8 percent said that was unlikely or highly unlikely.²⁴ This is consistent with a wide range of qualitative feedback received through interviews, focus groups, and the online survey. **Input participants expressed concerns that in addition to a relative dearth of economic opportunities, Halifax County does not offer the type of quality of life and quality of place that younger generations seek.**

Additionally, the online survey revealed broad concerns about Halifax County’s overall quality of life and quality of place. Figure 9 summarizes results from a question that asked participants to rate 16 aspects of Halifax County’s quality of life and place based on their own experiences. **On all but one factor (public safety), the number of “very poor” and “below average” exceeded the number of “excellent” and “above average” responses. On eight of the 16 factors, “very poor” and “below average” responses constituted a majority.** Some of the responses in Figure 9 are surprising. For instance, just 14.4 percent of respondents held a favorable view of the “aesthetics and appearance of the community,” but in qualitative input,

stakeholders effusively praised Halifax County’s natural beauty and outdoor recreational amenities. A majority of respondents also rated “cultural and arts facilities and programs” as below average or worse despite numerous stakeholders identifying The Prizery cultural and performing arts center as being an uncommon amenity for a community of Halifax County’s size. These responses could indicate that respondents were focusing more on negative attributes of the community’s appearance (such as outdated and/or blighted commercial corridors) or comparing Halifax County to larger communities with a greater depth of cultural amenities. **But the responses are nonetheless concerning, as they reveal a deep dissatisfaction with quality of life and quality of place in Halifax County.**

FIGURE 9: PLEASE RATE THE FOLLOWING ASPECTS OF HALIFAX COUNTY’S QUALITY OF LIFE, BASED ON YOUR EXPERIENCES WHERE YOU LIVE



Source: Market Street Services, Halifax County Community Survey (2018)

The responses in the preceding figure reveal some concerns about Halifax County's social offerings and aesthetics. Additional survey data reveals some concerns about openness as well. For instance, among survey respondents who identified as white, non-Hispanic, a narrow plurality (35.9 percent) agreed or strongly agreed with the statement "opportunities, communities, and networks in Halifax County are accessible and open to a diverse range of people and cultures." But among survey respondents who identified as people of color, just 19.3 percent agreed or strongly agreed while a majority (55.1 percent) disagreed or strongly disagreed.²⁵ This is consistent with feedback from stakeholders who said that the community must be more proactive in ensuring that all types of people are included and represented in leadership positions and in community decision-making.

While Halifax County faces numerous challenges with respect to resident perceptions of its quality of life and quality of place, it has several special strengths that bear mentioning. These include the community's natural beauty and outdoor recreation areas such as Occoneechee State Park and Staunton River State Park, The Prizery, and the South Boston Speedway and VIRginia International Raceway. **But public input clearly revealed that stakeholders in Halifax County desire more opportunities for dining, shopping, and everyday socialization in their community.** The place-based assets with the best chance to deliver these options are downtown Halifax and downtown South Boston.

Historic downtowns have an important role to play in small communities, where they are often the only areas capable of serving as cultural and social hubs. In preceding decades, small towns and cities all across the country have revitalized their historic centers both as a means to attract visitors, but also, crucially, as amenities to help with talent retention. In Halifax County, both downtown Halifax and downtown South Boston have seen positive activity in recent years. **Input participants praised the addition of new restaurants and small businesses in both districts as well as the conversion of several former tobacco warehouses and other historic buildings into loft apartments.** Stakeholders also expressed support for additional potential or proposed redevelopments, such as the conversion of a historic building on Main Street into a boutique hotel.

Stakeholders in Halifax County also noted an important link between the community's historic downtowns and entrepreneurship and small business development. Several indicators suggest that relative to the national economy and comparison communities, Halifax County's economy has a high concentration of small and/or newly formed businesses. For instance, the community had the highest proportion of jobs based in firms that were less than five years old among all comparison communities. Additionally, the percentage of jobs in the community based at firms with fewer than 50 employees grew in Halifax County in the previous decade; in every other comparison geography, this percentage shrank. **Qualitative input suggests that most new businesses in Halifax County are primarily geared toward providing services to local residents and visitors (as opposed to firms with high growth potential seeking to export goods and services to another market).** But residents viewed some of these startups as welcome additions to the community. Stakeholders specifically praised the the SoBo Startup! program that Destination Downtown South Boston (DDSB) put on in 2017. The program leveraged \$51,000 in state grant funding to conduct a six-week boot camp for local entrepreneurs and small business owners with the assistance of the Longwood Small Business Development Center located at the SVHEC. At the conclusion of the boot camp, five winners received a \$10,000 grant.²⁶ **According to input participants, several of the winners were "lifestyle businesses" such as a café and a boutique that have enhanced downtown South Boston.**

The public input process also revealed a handful of additional quality of place challenges. While stakeholders had high praise for Halifax County's natural beauty and outdoor spaces, some input participants noted that formal parks and recreation spaces were lacking. Stakeholders in particular noted that despite the popularity of youth sports in the community, many ballfields were below the standard of those found in other communities. This input could partially explain why nearly 73 percent of online survey respondents rated the community's "entertainment and recreational amenities for families" as below average or worse.

Input participants also concerns about the community's housing stock. As shown in Figure 9, narrow majorities of online survey participants rated the quality and diversity of housing stock as "average." But in both cases, the proportion of respondents who rated these characteristics as below average or worse far outnumbered the proportion who rated them above average or better. Input participants said that many housing units in the county – both market-rate and affordable – are aging and/or of a relatively low quality. Some stakeholders said they believed that this hampers the community's attractiveness to current and prospective residents. Input participants noted, however, that there have been several positive developments with respect to housing in recent years. Stakeholders expressed excitement about the conversion of historic building into loft apartments, namely Halifax Lofts (a former school in Halifax) and Imperial Lofts (the former Imperial Tobacco Warehouse in South Boston). Residents also praised efforts by Southside Outreach Group and other community partners to expand access to high-quality affordable housing. This includes an early conceptual plan to develop 30 new units and a workforce assessment center and day care in the Poplar Creek area of South Boston.²⁷

Among the most consistent concerns that residents cited during the public input process were rural transportation and rural broadband. With limited exceptions (e.g. downtown South Boston) getting around in Halifax County requires access to a motor vehicle, which is a challenge for many residents.²⁸ Stakeholders said that a lack of reliable transportation makes it difficult for many individuals to access jobs and other amenities, thereby weakening the community's workforce. Input participants applauded a forthcoming effort to address this issue. The Southern Virginia Regional Transportation Project would connect key locations in Danville City and Halifax and Pittsylvania counties – including the SVHEC, Sentara Halifax Regional Hospital, and large employers along Highway 58 – via two mostly fixed-route bus lines. Proponents hope that the service will help connect residents who have no or limited access to a vehicle with jobs, education and recreational opportunities, and services.²⁹

According to U.S. Census Bureau data, just 62.7 percent of households in Halifax County had a broadband subscription in 2017 compared to 73.9 percent in Danville City, 72.0 percent in Lee County, MS, and 80.6 percent in Thomas County, GA. A separate 2016 survey by Virginia's Center for Innovative Technology found that 30 percent of Halifax County residents have no internet access at all and another 62 percent insufficient service.³⁰ This is consistent with feedback from input participants who said that broadband speeds in more rural portions of the county are not comparable to those that are available in urbanized areas. Input participants viewed the lack of broadband as a significant hurdle for economic development. Stakeholders also said it puts children from low-income and/or rural households at a disadvantage relative to their peers; according to input participants, each Halifax County High School student is issued a laptop, but individuals from homes without broadband cannot utilize applications that require Internet connectivity from home. Input participants noted, however, that there are several proposed remedies to this challenge. In 2017, Halifax

and Pittsylvania counties entered into agreements with SCS Broadband Internet Services for delivering affordable high-speed broadband, and the Mecklenburg Electric Cooperative (MEC) is also adding fiber in the community. In July 2018, Governor Ralph Northam also announced a new broadband initiative intended to serve all Virginians within 10 years.³¹ **Overall, rural transportation and broadband access are challenges in most rural communities, and solutions often require creative solution and partnerships and/or assistance from state and federal government programs. But to the extent possible, Halifax County stakeholders wish to see the community pursue all available options to address these issues.**

Key Takeaways

Quality of life and quality of place are important factors that “attach” residents to a community. Accordingly, they are vital considerations for communities such as Halifax County that are seeking to better retain talent. Public input reveals that while some positives exist, stakeholders have relatively poor perceptions about certain aspects of quality of life and quality of place. In particular, input participants lamented a lack of restaurants, shops, and other opportunities to socialize. That said, the region’s historic downtowns have the potential to provide additional lifestyle amenities in Halifax County. Enhancing the community’s downtowns and taking any available steps to address other place-based challenges (e.g. rural transportation and broadband) will not solve Halifax County’s talent retention problem on their own. The community must focus primarily on large issues such as the availability of quality jobs and providing attractive high school facilities if it is to slow its population loss and begin building toward a more prosperous and successful future. But quality of life and quality of place improvements can have an impact on the margins and should be considered as a part of a holistic approach to economic development.

9. CONCLUSION: CONSENSUS AND COMMITMENT

The preceding stories in this Assessment have revealed that Halifax County faces numerous challenges that threaten its future prosperity and success. It is not alone in facing them, as rural communities all across the United States are facing similar headwinds. **But there can be no doubt: stakeholders in Halifax County need to take bold action if they are to achieve a brighter future.**

Fortunately, stakeholders in Halifax County are generally well aware of the most pressing issues. Moreover, the community has a recent track record of coming together around important issues. Facilities such as SVHEC and The Prizery offer tangible evidence of well-placed investments and hard work on collaboration on the part of a variety of stakeholders. Not every effort has ended in success, however. **According to some stakeholders, a handful of strategic priorities have gone unaddressed in recent years because of a lack of coordination and cooperation among relevant partners.** Halifax County should be certain that this does not happen again. Communities both large and small face similar challenges related to population loss, economic restructuring, aging school facilities, etc. Those with leaders who pull in different directions are destined for inaction, and inaction in the face of such severe challenges is effectively an endorsement of continued erosion of community well-being. On the other hand, those communities that come together and refuse to allow historical differences or personal interests to impede progress give themselves, at minimum, a chance to succeed and prosper.

Through this strategic planning process and subsequent activities, Halifax County must work toward **building consensus about a way forward and then fully commit to achieving success.** Doing so will not always be easy. Success will require developing new resources and making major investments in the community's future. It will also necessitate cultivating and empowering a new generation of leaders, as community and economic development is work that never ends and many of the community's challenges will require long-term fixes.

In the words of the political theorist John Schaar, "The future is not some place we are going to, but a place we are creating. The paths are not to be discovered, but made, and the activity of making the future changes both the maker and the destination." Stakeholders in Halifax County have taken an important first step toward plotting a way forward. The next step of the process is the development of the Community Strategic Plan that will serve as the blueprint for the Halifax County's collective actions in the years to come.

ENDNOTES

¹ Florida, Richard. "Some Rural Counties Are Seeing a Job Boom, Too." CityLab. September 25, 2018. Retrieved from: <https://www.citylab.com/life/2018/09/some-rural-counties-are-seeing-job-boom-too/571207/>

² Muro, Mark and Whiton, Jacob. "In 2017, rural places won a little more, but will it last?" Brookings. March 20, 2018. Retrieved from: <https://www.brookings.edu/blog/the-avenue/2018/03/19/in-2017-rural-places-won-a-little-more-but-will-it-last/>

³ "Dynamism in Retreat: Consequences for Regions, Markets, and Workers." Economic Innovation Group. February, 2017. Retrieved from: <https://eig.org/wp-content/uploads/2017/07/Dynamism-in-Retreat-A.pdf>

⁴ Adamy, Janet and Overberg, Paul. "Rural America is the New 'Inner City.'" The Wall Street Journal. March 26, 2017. Retrieved from: <https://www.wsj.com/articles/rural-america-is-the-new-inner-city-1495817008>

⁵ America in 2015: A ULI Survey of Views on Housing, Transportation, and Community." Urban Land Institute. 2015. Retrieved from: <http://uli.org/wp-content/uploads/ULI-Documents/America-in-2015.pdf>

⁶ Components of Population Change figures also include "residual" adjustments to arrive at a final population count. A discussion of this process is beyond the scope of this Assessment and of limited relevance given the very small residuals in Halifax County.

⁷ Some rural areas and small metros have offset population losses from net domestic out-migration by attracting international in-migrants. But while all three local comparison geographies posted small net gains of international in-migrants between 2010 and 2016, the U.S. Census Bureau estimates that Halifax County actually experienced a net loss of 29 international in-migrants during this time period.

⁸ During the public input process, many participants said that Halifax County has attracted a significant number of retirees who have sought out the community because of its low property tax rates. Generally speaking, evidence does not support the idea that Halifax County is attracting a disproportionate share of retirement-age individuals. First, the growth rate in the community's 65-and-over age category was lower than Commonwealth and national averages between 2011 and 2016. Additionally, the age cohort of individuals aged 60 to 69 in 2012 and 65 to 74 in 2017 shrank faster than the national average, indicating that the region likely did not receive an influx of new residents in this age group during the five-year period.

⁹ This data program has some limitations. While it provides information on the number of exemptions claimed on every return, this metric does not have an exact one-to-one relationship with actual people in a household. Second, the program tracks only those tax filers who submit a return in two consecutive years. As such, the program is known to undercount the elderly, college students, immigrants, and others who may not file a tax return in consecutive years. Additionally, because of their radically different methodologies, the figures from the IRS program do not match Census Components of Population Change figures.

¹⁰ The Virginia Department of Education defines "economically disadvantaged" households as those earning less than 185 percent of the federal poverty level or roughly \$46,400 for a family of four in 2018. The 2018 federal poverty level for a family of four is \$25,100. VDOE also classifies students as economically disadvantaged if they are from a household that receives Temporary Assistance for Needy Families (TANF) benefits, is eligible for Medicaid, or has experienced homelessness or is identified as a migrant at any point of the school year.

¹¹ It should be noted that in 2016, *The Atlantic* observed that while graduation rates were increasing due to strides made by economically disadvantaged students, college enrollment rates were falling. See: <https://www.theatlantic.com/education/archive/2016/01/where-are-all-the-high-school-grads-going/423285/>

¹² The U.S. Census Bureau estimates there were 1,721 children aged 14 to 17 in Halifax County on July 1, 2017. But there were just 1,527 children enrolled full-time at HCHS in Fall 2017. In other words, there were about 89 students enrolled at HCHS for every 100 Halifax County residents in the age grouping that most closely maps to one's high school years; this is down from 91 per 100 in 2010.

¹³ For its matriculation figures, VDOE utilizes data from the National Student Clearinghouse. This data "tracks enrollment of degree-seeking, certificate-seeking, and non-degree seeking students at participating institutions, regardless of full- or part-time status or receipt of financial aid. The dataset covers about 96 percent of all students enrolled in an institute of higher education." However, it may omit students enrolled in credential-based, non-credit workforce training programs, the likes of which are programs that are offered at SVHEC. According to SVHEC enrollment data, fewer than 60 individuals between the ages of 17.3 and 20.8 participated in such a program between August 2014 and November 2018. By comparison, more than 1,700 students graduated from HCHS between 2014 and 2018.

¹⁴ This view is supported by data. According to VDOE, the Average Actual Teacher Salary was just \$37,252 in Halifax County as of Fiscal Year 2016, far below the Commonwealth average of nearly \$55,000. The average salary for teachers also exceeded \$44,000 per year in each of the following nearby communities in Southern Virginia: Danville City and Campbell, Charlotte, Franklin,

Lunenburg, Mecklenburg, and Pittsylvania. (Overall per-pupil expenditures are higher in Halifax County relative to nearby communities such as Campbell, Lunenburg, Mecklenburg, and Pittsylvania counties, however.)

¹⁵ The Importance of School Facilities in Improving Student Outcomes. Center for Evaluation and Education Policy Analysis, College of Education, Penn State. Retrieved from: <http://sites.psu.edu/ceepa/2015/06/07/the-importance-of-school-facilities-in-improving-student-outcomes/>

¹⁶ "SVHEC Launches Career Tech Academy." Southern Virginia Higher Education Center. 2018. Retrieved from: <https://www.svhed.org/about-us/news-releases/772-svhed-launches-career-tech-academy>

¹⁷ The 2018 federal poverty level for a family of four is \$25,100.

¹⁸ Ford, Doug. "Halifax County tobacco exhibit now open at local museum." The Gazette-Virginian. August 23, 2018. Retrieved from: http://www.yourgv.com/lifestyles/county_life/halifax-county-tobacco-exhibit-now-open-at-local-museum/article_03af6dce-a716-11e8-8f0a-2fe9dfde3bc5.html

¹⁹ Paulsell, D., Ford, M., & Hamrick, K. "Using One-Stops To Promote Access to Work Supports--Lessons From Virginia's Coordinated Economic Relief Centers: Final Report." United States Department of Agriculture Economic Research Service. November 2003. Retrieved from: https://www.ers.usda.gov/webdocs/publications/43332/51849_efan03010c.pdf?v=42081

²⁰ Additional job growth in the manufacturing and transportation and warehousing sectors could be "hidden" within the Employment Services subsector, which often includes contract employees for manufacturers and distribution centers. This subsector added 131 jobs between 2012 and 2017, and according to EMSI estimates, the most common occupations within the subsector are related to production and material moving.

²¹ According to stakeholders, this will be especially important given the potential closing of Dominion Energy's Clover Power Station due to tightening regulations, technological shifts, and market factors. Clover provides more than 100 jobs.

²² A "primary job" refers to the highest paying job for an individual worker for the year; the count of primary jobs is equivalent to the count of all workers in LEHD data.

²³ "Knight Soul of the Community 2010." John S. and James L. Knight Foundation and Gallup. 2010.

²⁴ Of the 47 survey respondents aged 24 or under who answered questions about community attachment, just three said they were likely to continue living in Halifax County compared to 38 who said they were unlikely or very unlikely to do so.

²⁵ Due to a limited number of responses in certain race/ethnicity categories, it was necessary to aggregate individuals who identified as Asian/Pacific Islander, black, Hispanic, or "other" into a single category – "people of color" – instead of further segmenting results. In total, 236 people of color participated in the online survey.

²⁶ "SoBo Startup Program brings new life to South Boston." WFLO. 2017. Retrieved from: <http://www.wflo.net/?p=6037>

²⁷ Ford, Doug. "Partners planning housing project in South Boston." The Gazette-Virginian. October 9, 2018. Retrieved from: http://www.yourgv.com/news/town_of_south_boston/partners-planning-housing-project-in-south-boston/article_4b838f02-cc02-11e8-9bce-37da28e6f5a4.html

²⁸ According to U.S. Census Bureau estimates, on average between 2011 and 2016, 9.9 percent of households in Halifax County had no vehicle available, slightly higher than the national average of 9.0 percent.

²⁹ "Routes, stops proposed for buses linking South Boston, Danville, Chatham." SoVaNow.com. October 1, 2018. Retrieved from: http://www.sovanow.com/index.php?/news/article/routes_stops_proposed_for_buses_linking_south_boston_danville_chatham/

³⁰ Demmitt, Jacob. "Halifax County tired of 'bandwidth exhaustion.'" The Roanoke Times. November 11, 2017. Retrieved from: https://www.roanoke.com/business/news/halifax-county-tired-of-bandwidth-exhaustion/article_13746706-c660-11e7-81b7-bfef9933c997.html

³¹ Hodge, Ashley. "Governor touts rural internet initiative, appoints two to council." The Gazette-Virginian. July 4, 2018. Retrieved from: http://www.yourgv.com/business/local_business/governor-touts-rural-internet-initiative-appoints-two-to-council/article_21bd8f84-7ef4-11e8-a25d-0b6798c225be.html