

Project No. A-1112
Contract SBA-1474-FA-68

COMMUNITY DEVELOPMENT TRAINING PROGRAM

SUBCOURSE CD(SBA)3
COMMUNITY DEVELOPMENT : ORGANIZATION
PLANS AND PROGRAMS

Prepared for
THE SMALL BUSINESS ADMINISTRATION
by
THE INDUSTRIAL DEVELOPMENT DIVISION

LESSON PLANS



Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
Atlanta, Georgia

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March 25, 1969

LIST OF LESSON PLANS

<u>Reference Designator</u>	<u>Subject</u>
CD(SBA)3.1-1	Involvement of Citizens in Community Development
CD(SBA)3.1-2	Citizen Participation in Community Development
CD(SBA)3.2-1	Roles of Community Development Agencies and Activities
CD(SBA)3.2-2	Organization and Functions of Community Development Agencies
CD(SBA)3.3-1	Fundamentals of Planning and Programming
CD(SBA)3.3-2	Planning and Programming in Community Development
CD(SBA)3.4-1	Coordination of Federal Assistance Programs at the Local Level

LESSON PLAN

Essential Data

TITLE: CITIZEN PARTICIPATION IN COMMUNITY DEVELOPMENT

PURPOSE: To examine approaches which may be employed to engender citizen participation in the community development process and means of encouraging local leadership to act in the development and implementation of community development programs

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: Chapter IV, Handbook on Community Development

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: One hour

INSTRUCTOR REFERENCES:

1. Chapter IV, Handbook on Community Development
2. Citizen Participation in Community Development, Part II, Bulletin 277, Rev. March 1967, Extension Division, Virginia Polytechnic Institute
3. Developing Local Leadership, Circular 727, Rev. January 1967, Cooperative Extension Service, Virginia Polytechnic Institute

TRAINING AIDS: See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS: Reproduce one copy of ADVANCE SHEET and LESSON OUTLINE for each student. Distribute ADVANCE SHEET at least 24 hours in advance of class; distribute LESSON OUTLINE at commencement of class.

CITIZEN PARTICIPATION IN COMMUNITY DEVELOPMENT

Lesson ManuscriptINTRODUCTION

1. Gain Attention. -- The community without good leadership will fail to act (maintain the status quo), waste its energies on frivolous activities, attempt to overcome impossible problems, or reach for unrealistic goals. Without leadership, a community will not define sound goals for itself; it will not analyze the problems involved in reaching those goals, and it will not formulate a plan of action which might resolve those problems.

2. Motivate. -- Unless we are able to work with an involved citizenry, our SBA program in the field of community development will be a sterile one. In some communities, we will find strong community leadership and a citizenry that is eager to move forward. However, in a substantial number of communities, we will find a void when it comes to effective community leadership. If we want our programs to take root in these communities, we must try to set the spark that will move the community off dead center.

3. State Purpose and Main Ideas. -- From your reading assignment in Chapter IV of the Handbook on Community Development, you learned that there are a large number of community leaders and regional contacts to whom you may turn when you are working in the community development arena. It is our purpose today to further develop our working knowledge in the field of community development by examining ways and means of involving the citizens in community development as well as engendering the further development of community leadership. This will include:

- a. A brief review of some of the fundamental aspects of leadership and the real-world factors that affect their actions,
- b. An examination of the formal and informal groups which constitute the keystone of any fruitful resource development program,
- c. A broad view of the power structure and its effect on community development,
- d. The identification of leaders,
- e. And, finally, a group discussion of the role of the group in community development.

TRANSITION. -- All of us know a great deal about leadership and most of us have participated in civic affairs at one time or another. Yet, I am sure that we all have different ideas about leadership, especially in regard to its role in community development. Perhaps because there are so many diverse ideas about leadership, it is one of the most difficult subjects to discuss in a concise manner.

BODY

1. Concepts of Leadership. -- For reasons that will become apparent later, we shall concentrate on the involvement of citizens in community development rather than on the "individual" leader as the goal we are seeking. This is not to imply that we are not interested in the individual community leader. But studies and experience have made clear that in a group situation it is not so much the operations of a few "leaders" that count, but the operation of the total group. However, before turning to group operations, let's take a look at the individual leader.

a. Situational Leadership. When we are given the task of initiating an agency program in a community with which we are not familiar, our first reaction is to try to locate individuals in the community who can get the project or program under way. Who are the leaders? What do we have in mind when we ask this question?

When we initiate inquiries, local people frequently will refer us to the "status" leaders in the community. These are individuals whose influence in the community is not necessarily based on the know-how which the community needs, but on such things as wealth, family, and political or economic position. Frequently, such leaders find it in their interest to keep things as they are even if this means falling short of accomplishing needed community programs. And they will often oppose the development of new leaders, since this would constitute a threat to their position.

The term "leader" of course implies that the individual has a following group of either a formal or informal nature. The "status" leader who does not have the requisite know-how and restricts the activities of those who have the knowledge or skills dominates a group or community that "appears" to be dead. Such inactive groups or communities are rarely changed from within. If change takes place, it is usually from outside the group or community.

It is essential that we know the situational leaders in the community. If the "status" leaders of the community cannot be influenced to accept forward-looking leadership roles, perhaps we may be able to encourage members of local interest groups to identify their needs, and then utilize local people who have the requisite skills to help in carrying out the needed changes. In doing this, new leadership is developed which permits group development and the proper application of know-how.

b. Functional Leadership. We have previously noted that in a group situation it is not so much the operation of a few individual "leaders" that counts as the operation of the total group. We feel that the best way to look at citizen participation in community development is through group action -- action by both the formal and informal groups. In other words, we want to look at community leadership as a "function" of the group rather than the "man-on-horseback" leader.

TRANSITION. -- For a moment let's digress from our talk of leadership and the involvement of citizens in community development and take a quick look at some very fundamental considerations.

2. Reality and People. -- When we work in the community development arena, we must always remember that we are working in a "real-world" situation. We work with reality and we work with people. (On TRANSPARENCY #1)

a. Reality. Reality is what I perceive it to be; reality is what Banker Jones in X-ville perceives it to be. What Banker Jones perceives the real situation to be in X-ville may not be what I perceive it to be. However, if I want to get my job done, I must recognize that Banker Jones perceives reality in X-ville in a very definite way and will react to his perceptions.

b. The Personal Perspective. Banker Jones tends to feel that the world revolves around him and he is the center of the universe. This egocentric attitude is modified by his ability to be perceptive and sensitive to others. Banker Jones' personal perspective is a product of the interplay between Banker Jones as an individual and his social milieu. His personal perspective reflects the shared perspectives of members of one or more groups or social relations in which he is or has been involved, or which he hopes to enter.

You and I cannot fully appreciate his perspective nor does Banker Jones think we can. On the other hand, we feel that Banker Jones cannot fully understand our perspective either.

c. Attitude. Banker Jones will have certain fundamental, enduring attitudes which are based upon his concepts of reality and his personal perspectives which he has developed over a long period of time.

d. Behavior. From time to time, it will seem to us that Banker Jones will act in strange ways. This exchange between Banker Jones and the real world is called behavior and is the result of his attitudes on countless matters.

Banker Jones' behavior depends on both Banker Jones and his environment, and the way he behaves makes sense to him. His perception of a particular situation will influence his behavior in that situation. The way Banker Jones views himself influences what he does; he also is influenced by his needs, which vary from time to time. (Off TRANSPARENCY #1)

TRANSITION. -- We cannot accomplish SBA community development programs in the area and regional offices; we are too far removed from reality and the people involved. We must do our work in the real-world community. In this real-world situation, the group, both formal and informal, is the dominant force in our social order.

A classic joke told by those who are against the use of groups is that "a camel is a horse which was put together by a committee." What is the "truth about groups"? Why do they exist? What functions do groups fulfill for the organization and their members? How should one conceptualize a group, and how does one judge the goodness or effectiveness of a group? What are the types of

things that they can or cannot do? What impact do groups have on their members, on each other, and on the organization within which they exist? What are the pros and cons of intergroup cooperation and intergroup competition? How does one manage and influence groups? We won't find all of the answers to these questions today -- but it is worth the time to think about them on occasion.

(On TRANSPARENCY #2)

3. Definition of a Group. -- (Off TRANSPARENCY #2) What is a group -- how big is a group -- what characterizes it? Perhaps the best way to look at this matter is from a psychological viewpoint. A psychological group is any number of people who: (On TRANSPARENCY #3)

- (1) interact with one another,
- (2) are psychologically aware of one another, and
- (3) perceive themselves to be a group.

The size of the group is thus limited by the possibilities of mutual interaction and mutual awareness. Mere aggregates of people do not fit this definition because they do not interact and do not perceive themselves to be a group even if they are aware of each other as, for instance, a crowd on a street corner watching some event. A total department, a union, or a whole organization would not be a group, in spite of thinking of themselves as "we," because they generally do not all interact and are not all aware of each other. Work teams, committees, subparts of departments, cliques, and various other informal associations among organizational members would fit this definition of a group.

(Off TRANSPARENCY #3)

4. (On TRANSPARENCY #4) Types of Groups

a. Formal Groups. Formal groups are created in order to fulfill specific goals and carry out specific tasks which are clearly related to an organization's mission or perhaps a community's social or economic needs. Permanent formal groups are established to carry out continuing organizational functions or tasks. Temporary formal groups may be created to carry out a particular job, but once the job is carried out, cease to exist unless some other task is found for them or unless they take on informal functions.

b. Informal or Small Groups. Members of organizations are formally called upon to provide only certain activities to fulfill their organizational role. But, because the whole man actually reports to work or joins the organizations and because man has needs beyond the minimum of doing his job, he will seek fulfillment of some of his needs through developing a variety of relationships with other members of the organization and individuals outside the organization. There is almost always the tendency toward informal groups both on the job and off because of the nature of man and his human needs.

Informal groups are often referred to as "small" groups and are not a formal part of an organization's structure. The small group, as a type of social phenomenon, is more organized and more enduring than a social or "focused" gathering, but less organized and probably less enduring than a formal organization. The "focused" gathering is a casual or informal meeting of several people for some purpose which is not expected to be a continuing activity. (Off TRANSPARENCY #4)

TRANSITION. -- All of us here today belong to at least one formal organization -- SBA. Most of us belong to some formal group within SBA, such as a formal

committee. In addition we are all members of several informal groups. I am sure that if you give the subject a moment's thought you can come up with at least three. Keep in mind that within our formal organization we have many informal groups. Further, keep in mind that a similar situation exists in the communities you will be assisting in your community development work. (On TRANSPARENCY #5)

5. Norms and Goals. -- A norm is a principle of right action, binding upon the members of a group, which serves to guide, control, or regulate proper and acceptable behavior. Norms provide individuals with ready-made ways of behaving or thinking which have been tested by man's accumulated experience. Explicit norms are those which are written down in forms of laws, regulations, and pledges. Implicit norms are nonverbalized norms but are just as effective as explicit norms in regulating behavior. In fact, implicit norms of the informal group may be at variance with written norms of the formal organization. Sometimes explicit norms of the group are held by a majority but are in conflict with the implicit norms of subgroups, for example, on the matter of integration. The explicit or implicit norms do not always contribute to the achievements of group goals (church social standards vs. its membership goals).

Conformity to group norms is rewarded with praise and acceptance; nonconformity is punished with criticism or rejection. These sanctions operate only upon the members of the group holding the norms; they do not affect outsiders except insofar as they help exclude those adhering to opposing norms.

6. Community Norms and Goals. -- Those individuals who are not members of local organizations (churches, PTA's, Chamber of Commerce, or even local government) are little affected by community norms and goals, and they are seldom "in line

with" society's goals and norms, such as norms of cleanliness, education, church attendance, and promptness of reporting on the job. These fringe families will, of course, have goals and norms of their own; but they generally will be opposed to or at least different from those of the community and society generally and will not change until the persons who hold these views become members of local organizations or feel that they are members of the community.

TRANSITION. -- It was indicated earlier that in a group situation it is not so much the operation of a few individual "leaders" that counts as the total operation of the group. Time does not permit comprehensive coverage of group dynamics today, but we do need to make one further observation concerning group cohesion.

7. Group Cohesion. -- Group cohesion refers basically to the complex of forces which bind members of a group to each other and the group as a whole. Cohesion is directly related to goals, agreement on norms, the extent of democratic and stable leadership, agreement or shared understandings, and similarity in backgrounds (age, experience, ethnic identification).

a. Improvement in Group Cohesion. Group cohesion will increase: (On TRANSPARENCY #6)

- (1) When members feel that they are highly valued by the group.
- (2) When members are in a cooperative rather than competitive relationship.
- (3) When they have full opportunity for social interaction.
- (4) When the group is a small one. (Off TRANSPARENCY #6)

b. Decrease in Group Cohesion. Group cohesion is reduced: (On TRANSPARENCY #7)

(1) When false expectations are raised about the group.

(2) When a few members dominate things.

(3) When disagreement or failure is too often experienced. (Off TRANSPARENCY #7)

TRANSITION. -- Perhaps, before we move further down the road, we should answer a question which I am sure is in some of your minds. How about community leadership? After all, it is community leadership that makes the wheels turn.

The answer is yes -- yes we are interested in community leadership and will become deeply involved in the subject. However, the word "leader" implies followers -- and leaders and followers make up the formal organization and the informal groups. We feel that we should look to the group and organization as the fountainhead from which community leadership emerges. Now we know that this is not always the case, but if we are to involve the citizens in community development and to develop leadership that is not "status" bound, we must have viable community groups and organizations. If we are to be useful in implementing SBA community development programs, we must understand the group.

8. The Power Structure. -- A great deal has been said and written in the last few years about the community power structure. Perhaps all of man's social organizations have been centered on a "power structure." Most human conflicts have been involved in changing existing social structures -- replacing one with another, then replacing that one. Since this is not a course in ethics, we are not interested in whether "power structure" is a proper social phenomenon. We know that they do exist and probably will continue to do so.

Generally speaking, the status leaders of a community or area are referred to as the "power structure," or the "economic determinants," or the "community influentials." In the power structure of a community, social groupings give definite functions to some persons. This "power" is moving others to act. While all policy makers are men of power, not all men of power are policy makers.

Whether or not we agree with what the power structure in a community does or does not do, we must recognize its existence. In the final analysis, the power to assist in carrying out leadership decisions is frequently vested in governmental leaders. Thus, we must know the community leader.

9. Identification of Leadership. -- Chapter IV of the Handbook contains considerable detail concerning the types of leaders you may normally expect to find in communities. These leaders will be the ones you usually will contact first. In some instances, you will find that these leaders are not the actual community leaders, but rather are their spokesmen. You also will find that these leaders are members of one or more formal organizations and perhaps a relatively large number of informal groups.

Since the social interaction of people within a given community is a somewhat complex affair, it may take some time to discover where the power really lies and how it can be brought to bear in the solution of community problems. This requires continuing analysis and evaluation of the leaders and their interrelationships with others in the community. Such an approach requires a great deal of understanding of human nature on the part of the SBA representative combined with caution and patience. During our conference period, we will have an opportunity to discuss this matter in greater detail.

10. Citizen Participation - How Much? -- Throughout this presentation, we have time and again emphasized the need for citizen participation in community development. How much citizen participation is needed? About the only answer that can be given is "enough." On the one hand, we are not talking about outside professionals coming into a community to do the complete community development job. On the other hand, we are not talking about holding a town meeting or a referendum to make each decision that must be made in the community development process. Rather we are talking about an enlightened citizenry that is aware of the community problems, the things that need to be done to enable the community to move forward, and is prepared to support the community development program. Some of the citizens will take an active role as either leaders or working members of groups involved in the development process. A majority of the citizens will continue to play an interested and supportive role but in a passive manner. Of course there will always be a substantial number who will actually oppose the process or play a completely negative role.

OPPORTUNITY FOR QUESTIONS

SUMMARY. -- During this period of instruction, we have reviewed some of the fundamental aspects of leadership and the real-world factors that affect their actions. We have made a brief examination of the group, emphasizing its importance in community development, and we have examined certain aspects of leadership as it relates to the power structure of the community. During the following conference period we will have the opportunity of again emphasizing the role of the group in community development.

LIST OF SUPPORTING PAPERS

1. Training Aids

TRANSPARENCY #1	The Real World
TRANSPARENCY #2	Questions
TRANSPARENCY #3	A Group Is Any Number of People Who:
TRANSPARENCY #4	Types of Groups
TRANSPARENCY #5	Definition
TRANSPARENCY #6	Group Cohesion Will Increase:
TRANSPARENCY #7	Group Cohesion Is Reduced:

2. Other Documentation

ADVANCE SHEET - To be reproduced locally

LESSON OUTLINE - To be reproduced locally

INVOLVEMENT OF CITIZENS IN COMMUNITY DEVELOPMENT

Advance Sheet

PURPOSE

To examine approaches which may be made to engender citizen participation in the community development process and means of encouraging local leadership to act in the development and implementation of community development programs.

STUDY REFERENCES:

Chapter IV, Handbook on Community Development

INVOLVEMENT OF CITIZENS IN COMMUNITY DEVELOPMENT

Outline of Instruction

PURPOSE: To examine approaches which may be employed to engender citizen participation in the community development process and means of encouraging local leadership to act in the development and implementation of community development programs.

STUDY REFERENCES: Chapter VI, Handbook on Community Development

1. Concepts of Leadership

a. Situational Leadership

b. Functional Leadership

2. Reality and People

a. Reality

b. The Personal Perspective

c. Attitudes

d. Behavior

3. The Group Defined

4. Types of Groups
 - a. Formal Groups
 - b. Informal Groups
5. Norms and Goals
6. Community Norms and Goals
7. Group Cohesion
 - a. Improvement in Group Cohesion
 - b. Decrease in Group Cohesion
8. The Power Structure
9. Identification of Leadership
10. Citizen Participation - How Much?

LESSON PLAN

Essential Data

TITLE: CITIZEN PARTICIPATION IN COMMUNITY DEVELOPMENT

PURPOSE: To discuss approaches which may be employed to engender citizen participation in the economic development process and means of encouraging local leadership to act in the development and implementation of community development programs

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Conference

HOURS: Two hours

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES:

1. Chapter VI, Handbook on Community Development
2. Citizen Participation in Community Development, Part II, Bulletin 255, Rev. March 1967, Extension Division, Virginia Polytechnic Institute
3. Developing Local Leadership, Circular 727, Rev. January 1967, Cooperative Extension Service, Virginia Polytechnic Institute

TRAINING AIDS: None

ADDITIONAL DETAILS: Reproduce one copy of the Discussion Leader's Guide for each group leader and one copy of the Agenda for each student.

CITIZEN PARTICIPATION IN COMMUNITY DEVELOPMENT

Conference OutlineINTRODUCTION

(15 Min.)

1. Instructor Action. -- We have learned that community development, as an organized approach to meeting community needs, is primarily concerned with motivating community residents to help themselves use their physical and human resources to the full. We further found that, when viewed from without a particular community, community development is an effort to increase the economic opportunity and quality of living of a given community by helping the people of that community with those problems that require group decision and group action. We found that probably the most essential ingredient in community development is effective leadership at the local level. Such leadership encourages the people of a community to pool their ingenuity, their vision, their experience, and their skills in analyzing and identifying their problems and arriving at satisfactory solutions. During the last period, we examined the group as a vehicle for engendering the development of leadership at the local level as well as a means of involving citizens in community development.
2. Instructor Comment. -- The general purpose of this conference is to discuss among ourselves ways and means through which we can best serve as the all-important catalyst in involving citizens in their community and assist in the development of local leadership. Specifically, we want to draw on your individual experience in working with people and relate our discussion to the environment

in which we work. At this point, let us review our Community Development Plan. As you will recall, the purpose of the Small Business Administration Community Development Plan is to focus all SBA resources on worthy community projects that local development plans and programs identify. This is accomplished by assisting local development groups to organize properly and develop a full program and by making known the scope of SBA and other Federal programs.

Thus the SBA Community Development Plan has three essentials:

- a. An incorporated organization in each community which SBA can counsel and advise.
- b. A commitment by the local organization to develop an analysis of community needs and goals as a basis for an action plan and a justification for projects which are deemed essential to the further development of the community.
- c. A commitment by the organization to work with SBA toward achievement of the community goals.

All of these essentials should be present in a community before the Small Business Administration commits extensive time and effort of its personnel in the solution of community problems. Where a viable organization does not exist, one must be developed before the entire SBA Community Development Plan can be activated. The commitment to design an overall plan of development must be made by the community organization. To accomplish the objectives of our plan, we must encourage the development of local leadership and the participation of citizens in community development.

3. During this period we shall discuss the items contained in the agenda you have been furnished. Each of you has also been furnished a list of the discussion groups. Will you now please join with your discussion leader in the place indicated?

CONFERENCE PROCEDURE

At this point, the several conference groups will commence a discussion of the agenda items under the guidance of the discussion leaders. These leaders should be other members of the instructional team. A discussion leader's guide and the agenda are appended to this lesson plan.

BODY

- | | |
|--|-----------|
| a. Group discussion of Agenda Item No. 1 | (30 Min.) |
| b. Group discussion of Agenda Item No. 2 | (45 Min.) |
| c. Group discussion of Agenda Item No. 3 | (30 Min.) |

OPPORTUNITY FOR QUESTIONS

(Class reassembled)

CONFERENCE CRITIQUE

(15 Min.)

Now that we have answered questions, each group leader will briefly describe the discussions undertaken by his group.

LIST OF SUPPORTING PAPERS

1. Training Aids

None

2. Other Documents

Discussion Leader's Guide

Agenda

DISCUSSION LEADER'S GUIDE

General InstructionsBACKGROUND

A conference is a group discussion in which the members actively participate, conversing on a given problem or topic under the leadership of an instructor or student. To be most effective, a conference period of instruction must involve participants who have a general knowledge of the subject matter to be discussed. It can be assumed that the participants in this period of instruction have some knowledge of citizen participation in civic affairs and perhaps some basic general psychology. In any event, the conference should draw from each participant his views on the community activities of which he is aware and develop in each participant an awareness of the problems involved with community development.

BASIC OBJECTIVE

The basic objective of this period of instruction is to focus the thinking of the participants on means of engendering citizen participation in community planning and development. When practicable, the small group is used as a vehicle for discussion. The objective is not to foster consensus, but rather to encourage thought and discussion, emphasizing the people and environment with which the participants are acquainted.

CONFERENCE PREPARATION

Each conference leader must prepare himself well in advance through study of the instructor references. These references should be studied in relation

to the agenda so that the leader may keep the conference moving by interjecting questions or statements. However, the leader should not dominate the discussion.

PROCEDURE

To achieve the objective of a conference period of instruction, it is necessary that there be a reasonable balance between relevant and irrelevant subject matter. In other words, it can be expected that participants will occasionally discuss irrelevant matter when seeking to express themselves on the subject at hand. Thus, the discussion leader must use skill and tact in keeping the conference "on the track."

Generally speaking, the following procedure will be followed:

1. Restate reasons for the conference and general procedure to be followed.
2. Introduce each agenda item, setting the direction and tone of the discussion.
3. Open the conference to discussion.
4. Interject prepared questions as necessary to keep the conference moving in the proper direction.
5. Do not permit one or two individuals to dominate the discussion.
6. Make a brief summary of points covered in the agenda item discussion and point out additional areas for later consideration by the participants. Move to next agenda item in a timely manner.

7. Make a final summary at end of conference period.
8. Return to classroom for question period.
9. Critique group discussion.

TIMING

A time schedule has been provided as a general guide. Judgment should be used so that areas in which participants are knowledgeable and interested are emphasized. All agenda items should be covered unless it is obvious that to do so would make the period less effective. Frequently, it is better to cover all items and return to a particular one for additional discussion later, if time permits.

AGENDA

SAMPLE CONFERENCE INTRODUCTION

"We are all aware that citizen participation in community and district development is one of the most important aspects of the development process. Frequently, it is one of the most pressing problems requiring solution.

"Apparently, there is no best way of engendering citizen participation in community and district affairs. There are, of course, many approaches and various techniques. One of our major purposes during this conference is to exchange viewpoints and to examine those viewpoints in the light of our various experiences. To make this conference go, we need something to focus our thought and discussion upon--a theme from which we can vary as we seek to examine possibilities for involving citizens in development. We have chosen the small group since we feel that the group plays an important role in civic activities.

"Although we have chosen the group as the central theme of our agenda, we want to interject the thoughts contained in Chapter V of the Handbook where appropriate. I am sure that you have noted that the Handbook emphasizes leaders and organizations. Today, we want to look beyond the leaders and into the organization.

"We are not seeking consensus here; rather we are meeting to encourage thought and discussion on this very important matter. We will try to follow the agenda with which you have been furnished, but that is not our objective. Let's get a fruitful interchange above all else."

AGENDA ITEM INTRODUCTION

Each agenda item should be introduced to the discussion group in such a manner that the participants will be properly oriented and have a precise point of departure for discussing the item. Discussion leaders should prepare an introduction for each item based on an analysis of the area to be covered and the background information furnished in the formal presentation. As the conference progresses, it may be necessary to modify prepared introductions to agenda items somewhat so that continuity of thought can be maintained. The following is a sample introduction for Agenda Item No. 1:

"You will recall that the best way to initially look at the "group" is from a psychological point of view. That is, a group is any number of people who:

1. Interact with one another;
2. Are psychologically aware of one another; and
3. Perceive themselves to be a group.

"Of course it is not our purpose here today to discuss group psychology. However the group is a good vehicle through which we can view local leadership and the citizens. For every leader there must be followers; followers must have leaders. Now, for a few minutes let's briefly review and discuss the characteristics and roles of groups, especially those groups and organizations with which you are familiar."

CITIZEN PARTICIPATION IN COMMUNITY DEVELOPMENT

Conference Agenda

Agenda Item No. 1 (30 Minutes)

EXISTING ORGANIZATIONS AND GROUPS

1. Formal Groups

- a. What types of community development organizations are you familiar with?
- b. What are the characteristics of their leaders?
- c. What are the problems involved in making contact with their leaders?

2. Informal groups

- a. How are they identified?
- b. How do you identify their leaders?
- c. What are the characteristics of their leaders?
- d. How do these groups interact with the formal organization of which they may or may not be a part?

Agenda Item No. 2 (45 Minutes)

EVALUATION AND ASSISTANCE TO LOCAL LEADERSHIP

1. Leadership Evaluation

- a. What personal characteristics should be evaluated?
- b. What other characteristics should be considered?
- c. What are some of the "blocks" to potential leadership?
- d. What do we do when we have made our evaluation?

2. Assistance to Leadership

- a. What can we do when we find a lack of effective leadership in a community?
- b. How can we help a potential community leader when he is not at present a member of the apparent "power structure"?
- c. What can we do when the community leaders seek our support?

Agenda Item No. 3 (30 Minutes)

THE ROLE OF THE GROUP IN PLANNED CHANGE

1. What is the group role in planned change?
2. How is planned change accomplished?
3. Is the group a good vehicle for involving the citizen and local leadership in SBA's Community Development Plan?
4. How should our group (SBA) interact with community development groups?

LESSON PLAN

Essential Data

TITLE: ORGANIZATION AND FUNCTIONS OF LOCAL DEVELOPMENT AGENCIES

PURPOSE: To examine in detail the organization of local development agencies, and to review areas in which they operate

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCE: Chapter IV, Handbook on Community Development

TRAINING AIDS: See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS: None

ORGANIZATION AND FUNCTIONS OF LOCAL DEVELOPMENT AGENCIES

Lesson ManuscriptINTRODUCTION

1. Gain Attention. -- During the last hour, we discussed the various types of organizations active in community development fields. Now we need to put the community agency under the microscope.
2. Motivate. -- While some communities appear to have grown and prospered without any design, nonetheless there were groups responsible for bringing some order into the process. Since the ultimate responsibility rests on the individual community, we need to seek what kind of vehicle or machine works best.
3. State Purpose and Main Ideas. -- Today, most communities operate within a framework of local government agencies and nongovernment public and civic organizations. These are the agencies the Small Business Administration developer will be cooperating with and assisting.

TRANSITION. -- We became aware, earlier, of the multiplicity of development organizations. Many of these, however, if not based in an individual community, can only cajole, advise, counsel, and stimulate. The real "doers" in the community are those agencies composed of local citizens.

BODY

1. Organization. -- Community development encompasses a wide range of activities, and many communities can support a variety of development groups. But each

group needs a structure in order to carry out its goals. (On TRANSPARENCY #1)
Its successful organization depends upon three basic segments: Goals, Action, Motivation.

Action programs of community development are dependent upon leadership and the organizations which are motivated to participate in these programs. It is a rare occurrence when one powerful individual by himself can mount and implement community development programs. In such a case, this will usually be a one-time situation, for only when a broad base of interests is involved in community development does a continuing effort for betterment result. (Off TRANSPARENCY #1)

2. Local Development Company. -- (On TRANSPARENCY #2) Frequently communities establish development companies. These generally concentrate on the attraction of industry or the development of home-grown industry, although they are not excluded from an interest in other commercial ventures or civic improvements. They may be publicly or privately financed. They may be constituted as a quasi-governmental payroll or bonding authority, with the authority to issue revenue (or less frequently, general obligation) bonds for industrial purposes. In almost every case, they are guided by civic leaders from the economic and governmental sectors.

It may be necessary to restructure an existing corporation to insure that it meets SBA requirements for handling loans under the 502 program. Also, on occasion, the SBA will find itself working with two organizations in a community. One organization will create the overall community plan, while the other will serve as the vehicle for loans.

Here the primary emphasis is on the creation of new industrial jobs, although other job-creating activities may be considered as well. The corporation may also serve as a vehicle for fact gathering, promotion, and financing of new ventures. It is this type of organization which the SBA most often utilizes in its community development program. (Off TRANSPARENCY #2)

3. Chamber of Commerce. -- The most common nongovernmental development agency encountered in small communities is the chamber of commerce. (On TRANSPARENCY #3)

The chamber of commerce represents the business leadership of the community, and its goals usually embrace total community development. Aside from one or more staff people, the chamber of commerce is largely a voluntary organization operating through a committee system to achieve its goals.

The primary aim of such organizations generally is to promote balanced development of the community. In addition to business and industrial activity, chambers focus attention on other areas pertaining to tourism, agriculture, education, civic improvements, and the like. (Off TRANSPARENCY #3)

4. Municipal Government. -- (On TRANSPARENCY #4) Municipal governments are frequently involved in development efforts, especially those conducted by other organizations in a community. In planning, construction, and financing of new projects, the role of community government is often vital. Sometimes a separate development office is established by the city or a semiautonomous bonding authority created to provide a vehicle by which the city participates in community development efforts of the type in which SBA has an interest. Lacking such formalized organization, the mayor or some of the councilmen in smaller communities may play

an active role in the leading community development groups.

The aim is to provide efficient city government and services, while planning for orderly future growth. Because many cities have a deep involvement in the development of the infrastructure (i.e., streets and roads, utilities, services, etc.), there is a continuing need for dialogue by other development groups with the city government. (Off TRANSPARENCY #4)

5. Civic Clubs. -- In the absence of other groups, or perhaps supplementing these, we often find civic clubs. (On TRANSPARENCY #5)

These groups are organized generally for civic improvement and charitable purposes, although they have important social aspects as well. They are project-oriented to both short-term and continuing civic projects of various sorts. Because elements of the leadership are represented in these organizations, they serve as forums for formal and informal discussion of meritorious projects for the community. Sufficiently motivated, they can help provide a broad base of support for projects by disseminating information about needs and action plans. (Off TRANSPARENCY #5)

6. Other Groups. -- Well-developed complex communities will have, in addition, other groups concerned with some aspects of community development, such as cultural groups, neighborhood clubs, minority groups, unions. While we need not dwell upon these now, they are mentioned in Chapter IV of the Handbook.

7. Leadership. -- The function of leadership has been discussed in other sessions. We cannot ignore the fundamental fact, however, that it is leadership in any of the formal organizations discussed earlier that makes them effective.

8. Functions. -- By this time, we clearly recognize the functions and responsibilities of the elected government in the field of community development.

For the nongovernment agency, let's refer back to the "Typical Work Program" used in the last session to reexamine the areas where these agencies can assume responsibilities and take action.

OPPORTUNITY FOR QUESTIONS

SUMMARY. -- In the last two hours, we have examined the role of many actual, and some "would-be," development agencies. We have seen the limitations of some of these organizations and the opportunities for activity for many, particularly those on the local level. It is these agencies, in the last analysis, which can plan programs and take action. These are the ones with which the Small Business Administration developer should be most involved.

LIST OF SUPPORTING PAPERS

1. Training Aids

TRANSPARENCY #1	Successful Organization Tripod
TRANSPARENCY #2	Local Development Company
TRANSPARENCY #3	Small Chamber of Commerce Organization
TRANSPARENCY #4	Small Municipal Government Organization
TRANSPARENCY #5	Civic Club Organization

2. Other Documentation

None

LESSON PLAN

Essential Data

TITLE: ORGANIZATION AND FUNCTIONS OF LOCAL DEVELOPMENT AGENCIES

PURPOSE: To examine in detail the organization of local development agencies, and to review areas in which they operate

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCE: Chapter IV, Handbook on Community Development

TRAINING AIDS: See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS: None

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2. Other Documentation

None

LESSON PLAN

Essential Data

TITLE: FUNDAMENTALS OF PLANNING AND PROGRAMMING

PURPOSE: To survey the fundamentals of planning and programming, emphasizing a rational approach to the development cycle, including goal formulation and program implementation

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: Chapter VI, Handbook on Community Development

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: One-half hour

INSTRUCTOR REFERENCES:

1. Chapter VI, Handbook on Community Development
2. Bertram M. Gross, The Managing of Organizations, Collier-MacMillian Limited, London, 1963, p. 477
3. William H. Newman and Charles E. Summers, Jr., The Process of Management: Concepts, Behavior and Practice, Prentice-Hall, Inc., Englewood Cliffs, N. J., 1961, p. 10
4. Yehezkel Dror, "The Planning Process: A Facet Design," in Fremont J. Lynden and Ernest G. Miller (ed.), Planning Programming Budgeting: A Systems Approach to Management, Markham, Chicago, 1967, pp. 99-100
5. Frederick C. Mosher, Program Budgeting, Public Administration Service, Chicago, 1954, p. 48
6. Robert E. Millward, "PPBS: Problems of Implementation," AIP Journal, March 1968, pp. 89-94

TRAINING AIDS:

See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS:

The appended ADVANCE SHEET and LESSON OUTLINE may be reproduced locally and furnished students at the beginning of this period of instruction.

FUNDAMENTALS OF PLANNING AND PROGRAMMING

Lesson ManuscriptINTRODUCTION

1. Gain Attention. -- In matters concerning the management of our affairs, I suspect that most of us are middle-of-the-roaders. On the one side we find the copers--those who are constantly fighting fires because they seldom plan or look ahead--they cope with situations as they arise. On the other side we find the planning types--those who constantly plan but never do very much about the plans. Most of us do some planning, a considerable amount of coping, and a great deal of incrementing--that is, starting a process from a historical base and moving forward--each movement forward based upon the feedback from our actions.
2. Motivate. -- As SBA professional personnel, it is really unimportant if you ever get personally involved in the actual job of developing the plans and programs for a particular community. Generally speaking, this is something that community people must do for themselves. What is important is that you understand the necessity for rational and comprehensive planning in community development and be prepared to furnish assistance and advice to community leaders in the development and analysis of their community development plans. To do this, of course, you must understand some of the planning fundamentals, their application to the community arena, and some of the obstacles to rational, comprehensive, long-range community development planning.

3. State Purpose and Main Ideas. -- It is our purpose during the next hour to present some of the fundamentals of planning and programming. This will include:

- a. A brief review of the purposes of organization and the role of planning within the development process.
- b. Definitions of planning and the implications of various definitions on planning concepts.
- c. A brief look at the characteristics of planning.
- d. A discussion of programming and budgeting as an integral part of the comprehensive planning process.
- e. A look at the planning-programming-budgeting process.
- f. A discussion of the barriers to comprehensive, long-range community development planning in the area of community development.
- g. And as time permits, a look at goals-setting activities at the community level.

TRANSITION. -- For the next few minutes, disassociate yourself from your job and your problems and let's take a general look at planning. Frankly, if we can stir your thinking and imagination, this instruction will be a success. First off, let me say that what you hear here today is not dogma. As a matter of fact, we could discuss planning on any number of days using a completely different approach, and I suspect each approach would be as valid as the one we are using today. Also, what you hear during the next few minutes is somewhat removed from your reading assignment in the Handbook. Frankly, at this time we want you to look at planning as a process not necessarily related to a particular

aspect of the development process. Later in the course we will get down to the real-life situation you will face in your community development work.

BODY

1. Organizational Purposes. -- Planning is the all-pervasive aspect of development. It has been said that we "plan" to plan. When discussing planning, it seems to me that we often start talking about planning too early in our conversation. I believe that any rational discussion of planning should begin with a review of the basic purposes of development organizations. We must logically fit planning into the overall picture of development--be it in the public or private sectors of the economy. What are the purposes of any legitimate organization? (On TRANSPARENCY #1) (Instructor Reference #2)

a. Satisfaction of Interests. I believe that, without exception, you will find that formal organizations are established to satisfy the wants or needs of various people. Some of these people will be members of the organization; others are clients. Frequently, we find that these interests are multiple, hard to identify, and overlapping. In working with local development organizations, it is frequently necessary to look beyond the charter to determine whose interests are really being satisfied.

b. The Going-Concern Concept. Most legitimate organizations are established to continue operations for an indefinite period of time. As the accountant puts it, these organizations are established as "going concerns." The going-concern concept means that the organization must survive and should grow. To survive and grow, a development organization must make continuing investments in its physical, human, and organizational assets.

c. Input of Resources. Every organization must mobilize the resources required to establish it as a "going concern" and the resources required to produce the goods and services for which the organization was established.

d. Output of Goods and Services. An organization is established to produce goods and services. The services may be tangible or nontangible. These goods and services are required in part to satisfy the interests of members and clients of the organization.

e. Efficiency. Efficiency is closely related to the ideas of input of resources and the output of goods and services. When relating input to output, we frequently use the terms efficiency or profitability. The idea of efficiency is also related to the idea of the going concern since efficiency can affect the viability of the organization.

f. Codes and Rules. Organizations must observe both internal and external codes and rules which prescribe behavior imposed upon the organization by law, morality, and professional ethics. These codes and rules may be expressed in terms of what is expected or what is prohibited. In any event, one of the purposes of any organization is to abide by codes and rules, both internal and external. (Off TRANSPARENCY #1)

2. The Management Process. -- Authorities in the field of management theory generally agree that there are four or five major aspects of management. (On TRANSPARENCY #2) One authority lists the steps in the management process as follows:

Organizing

Planning

Leading

Measuring and controlling

You may have other listings which are just as valid. Our purpose here today is to discuss planning, not management theory, so for the time being let us be satisfied when we understand that planning fits into the total management process, and the management process is an integral aspect of the development process. (Off TRANSPARENCY #2) (Instructor Reference #3)

TRANSITION. -- I suspect that if we asked each of you to define planning we would get a wide variety of answers. We really don't need a consensus on a definition, but we do need to understand what is involved in the planning process.

3. Planning Defined. -- Planning is a word of many meanings. At this time we are interested in planning, not in decision making in general nor in the person or organizational element that "approves" the planning action or plan. What is your definition of planning? (Instructor Reference #4)

Note: The instructor should ask various members of the class for their definition of planning, trying to draw "key" words or phrases from each which he will place on the blackboard. Some of the key words may be:

Process

Set of decisions

Action

Future

Goals

Optimal means

Finally, by combining the words or phrases, the instructor can develop a definition satisfactory to the majority of the class.

At this time the instructor may supply definitions used by authorities in the planning field, if he so desires.

TRANSITION. -- Now that we have some agreement on the term "planning," let's look at some of the characteristics of planning.

4. Characteristics of Planning. -- These are some of the general characteristics of planning:

- a. Plans require identified and well-defined goals.
- b. Plans should be consistent and interrelated.
- c. The planning process must be responsive to the planning and programming demands placed upon it.
- d. Alternative courses of action must be provided in plans where this is feasible and appropriate.
- e. The planning process requires uniform discipline throughout.
- f. Responsibility and authority for preparation and implementation must be clearly designated in plans.
- g. The planning process must be synchronized in timing and scope with related development processes and functions.
- h. Planning must be realistically time-phased.

TRANSITION. -- Perhaps before we move further in our discussion of comprehensive planning, a word of warning is needed. In your work in community development, you frequently will find that communities do little or no community development planning. In those instances where you do find some planning, it probably will be a very simple sort of thing. However, those of us who are trying to assist communities in their development should fully understand the process of planning. One way to accomplish this is to understand that the planning, programming, and budgeting process is a system, then make applications in the development process as simply as possible.

5. Programming: The Bridge. -- Plans and budgets do not exist in a vacuum. A middle ground is referred to as the program or programming. Programming in this sense is the "bridging of the gap" between the plan and the budget; it is the integration of the planning-financial management process. (Instructor Reference #5)

a. Characteristics of Programming. Programming has a number of characteristics. The following are considered to be most important.

(1) The programming process must provide for adequate evaluation of cost/effectiveness or cost/benefit.

(2) Program costs must be capable of being expressed in terms of an appropriation structure when required.

(3) Programs must be identified with assigned functions and tasks.

(4) The programming process must be compatible with the planning system.

(5) The programming process must be sufficiently flexible to accommodate changes readily.

(6) The programming process should generate and highlight feasible alternatives available to decision makers.

(7) The programming process must be built upon well-defined terms of reference and provide for validation of program feasibility.

(8) Adequate provision must be made in programming to consider the human element wherever this is involved.

(9) The programming process must serve as an important management tool for achieving program completeness and program balance.

b. Basic Steps in Programming. The basic steps in programming are as follows: (On TRANSPARENCY #3)

(1) Divide into steps the activities necessary to achieve the objective.

(2) Note relationships between steps.

(3) Decide responsibility for each step.

(4) Determine resources.

(5) Estimate time.

(6) Assign definite dates.

(Off TRANSPARENCY #3)

6. Budgeting.

a. Definition. The modern budget system has accompanied the growth of representative government during the last two centuries, and is among the oldest means we have for controlling operations. The initial aim for the use of budgets in government was to secure a balance between tax income and operating expenditures--a problem that continues to bother public administrators. Full-scale budgeting was not undertaken in the business environment until the 1920's, but is now considered a basic management tool. A budget is "a plan showing how resources will be acquired and used over a specified time."

b. Financial Management at the Local Level. Perhaps one of the greatest deterrents to effective community development is the ineffective financial management practices at the county and community level. In a substantial number of communities, we find no budgeting accomplished at all. Most financial actions are of a "coping" nature. Thus, in working with communities, we must be alert to the fact that our efforts to assist the community to develop its resources will be useless unless funds are available to convert many of the community development plans into action programs. Therefore, we should try to influence those charged with public financial matters at the local level to improve the management of their affairs whenever possible. For in the final analysis, comprehensive planning is not complete until resources are made available for program execution and programs are in fact implemented.

TRANSITION. -- We have now reviewed the purposes of organizations, examined a number of definitions of planning, and have taken a brief look at

programming and budgeting. Now let us take a look at the process which involves planning, programming, and budgeting. At this point we want to begin to direct our attention to planning at the area and community level.

7. The Planning, Programming, and Budgeting Process. -- The planning, programming, and budgeting process can be divided into four parts: (On TRANSPARENCY #4)

a. Identifying Goals. Specific community goals which are deemed appropriate need to be selected in the light of a comprehensive evaluation of the needs and objectives of the community. Since goal-setting activities at the community level are of such importance, I shall return to this subject in a few minutes and discuss it in some depth.

b. Relating Goals to Programs. Although goals are of prime importance, they are of no long-range value unless programs are developed and implemented which will provide for goal accomplishment. Thus, a second step in the planning phase is the development of projects and programs that will provide for the accomplishment of specific community goals. Later in this program you will have an opportunity to engage in this type of activity.

c. Program Selection. Since program cost is always a critical factor in any development program, specific costs of alternative programs in support of a particular goal need to be estimated in order to compare their efficiency. This brings in the cost/benefit techniques, as well as more informal examinations with less quantification. At the community level, we can expect that the analytical techniques used to determine the best or optimal program or project will be very basic in nature. In any event, programs and projects must be selected that will provide for the accomplishment of specific community goals at the

lowest cost.

d. Relating Programs to Budget Dollars. Program implementation requires that each program must be related to "someone's" budget dollar. Some of the community development projects and programs will fall in the public sector, some in the private. The real payoff comes when the community development group is able to relate its plan and program to budget dollars, both public and private. (Off TRANSPARENCY #4)

8. Why Definite Goals Are Necessary. -- Explicit, well-defined goals play a crucial role in community development planning. They are necessary for five major reasons: (On TRANSPARENCY #5)

a. Improve Planning. Goals enable people to plan their actions with maximum effectiveness. Unless persons responsible for carrying out community development understand exactly what they are trying to achieve, they may overlook prime opportunities, or concentrate upon projects which have little impact upon the community's economy.

b. Provide Standards. Goals provide standards against which progress can be measured. This function requires stating goals in terms of variables which can be both quantified and measured.

c. Aid Communication. A clear statement of goals provides a simple means with which the community organization can communicate its intentions and the nature of its functions to the citizens of the community.

d. Enhance Support. Cooperative goal formulation is a means of creating a consensus in the community upon which effective action can be based. By

asking people in the community to help formulate development goals, the community development organization can get them interested in community development and give them a sense of participation in the planning-and-action process. Moreover, by properly taking their views into account in its goal formation, the organization will thereafter shape its program so as to serve the citizens more effectively. This further increases the probability that they will support community development programs.

e. Promote Aspirations. Definite goals serve as ideals which inspire people within communities to accomplish things they would otherwise never have undertaken. One of the key functions of planning is creating community and individual aspirations. By making these ideals explicit insofar as they relate to community development, the community development organization may succeed in "evolving" efforts which would otherwise have remained latent. This is particularly important for communities not accustomed to thinking in terms of economic development. Hence they may have neglected many possible gains from cooperation because they simply have never thought about it before.

Community development goals cannot accomplish these vital functions unless they are formulated cooperatively, defined precisely, and stated openly--and often. (Off TRANSPARENCY #5)

TRANSITION. -- In theory, the planning, programming, and budgeting process appears to offer a rational approach to comprehensive planning at the local level. However, rationality may not prevail, and in the final analysis we must do our work in real-world situations. (Instructor Reference #6)

9. Barriers to Comprehensive Community Development Planning. -- Since comprehensive community development planning appears to be such a rational process, why do we have problems? These are some of the reasons.

a. Social Goals. Frequently, goals set by community development groups are social goals. Such goals are elusive and are rarely agreed upon among individuals, organizations, or governmental agencies. Even if social goals are agreed upon, means and methods of accomplishing them will not be agreed upon.

b. Institutional Resistance. Any local institution may oppose change, partly because of uncertainty and partly because of a desire to hang on to those things that are known. Aside from stated goals and objectives, there is an overriding desire to maintain and enhance the power and prestige of existing institutions. Occasionally, an organization may have consensus on goals, yet have little or no control over means of achieving them. For example, a community development group may have consensus on its program, but elements of the program must be executed and paid for by other agencies.

c. Incremental Budgeting. The traditional governmental budgeting process is incremental--proceeding from a historical base, guided by notions of fair shares, in which decisions are fragmented, made in sequence by specialized bodies, and coordinated by repeated attacks on problems and through multiple feedback mechanisms. The traditional process is the antithesis of long-range, comprehensive, goal-oriented planning and budgeting. Logrolling and bargaining are integral aspects of most expenditure decisions. Elected officials may be less than willing to commit themselves to long-range expenditures because a commitment would declare their stance, which they would prefer to leave ambiguous on many issues. Few politicians are willing to accept the possibility of

being voted out of office by endorsing programs that may prove to be unpopular.

d. Inertia and a Sense of Well-Being. Perhaps the greatest barrier to comprehensive community development is inertia on the part of some and a sense of well-being on the part of others. In many communities, most of the people have lived in the community all of their lives. They have been acclimated to their environmental circumstances and are inclined to live from day to day doing the best they can under the circumstances. They tend to solve their individual problems when they can, avoiding group solutions to common problems when possible. Many can look about and see others who are not as fortunate as they. This tends to engender a feeling of well-being and an inclination to maintain the status quo.

OPPORTUNITY FOR QUESTIONS

SUMMARY

We have covered a great deal of ground in this hour. We have described in very general terms the planning, programming, and budgeting process as a means of better understanding comprehensive planning in the field of community development. At the outset, we recognized that planning at the community level is often conducted in a very simple way, if done at all. We also have recognized that there are many barriers to effective planning in the field of community development, and that we must be prepared to provide assistance which is consistent with real-world situations. Later, we shall examine planning and programming at the community level in a very practical way. However, with the background that we now have, we should be in a better position to understand local community situations.

LIST OF SUPPORTING PAPERS

1. Training Aids

TRANSPARENCY #1	Organizational Purposes
TRANSPARENCY #2	The Management Process
TRANSPARENCY #3	Planning Defined
TRANSPARENCY #4	Basic Steps in Planning
TRANSPARENCY #5	Summary of the Planning, Programming, Budgeting Process
TRANSPARENCY #6	Development Goals

2. Other Documentation

- ADVANCE SHEET - to be reproduced locally
- LESSON OUTLINE - to be reproduced locally

FUNDAMENTALS OF PLANNING AND PROGRAMMING

Advance Sheet

PURPOSE: To survey the fundamentals of planning and programming, emphasizing a rational approach to the development cycle, including goal formulation and program implementation.

STUDY ASSIGNMENT: Chapter VI, Handbook on Community Development

FUNDAMENTALS OF PLANNING AND PROGRAMMING

Outline of Instruction

PURPOSE: To survey the fundamentals of planning and programming, emphasizing a rational approach to the development cycle, including goal formulation and program implementation.

STUDY REFERENCES: Chapter VI, Handbook on Community Development

1. Organizational Purposes

- a. Satisfaction of Interests
- b. Going-Concern Concept
- c. Input of Resources
- d. Output of Goods and Services
- e. Efficiency
- f. Codes and Rules

2. The Management Process

- a. Organizing
- b. Planning
- c. Leading
- d. Measuring and Controlling

3. Planning Defined

Step-by-step Definition

(1)

(2)

(3)

(4)

(5)

(6)

(7)

4. Characteristics of Planning

- a. Plans require identified and well-defined goals.
- b. Plans should be consistent and interrelated.
- c. The planning process must be responsive to the planning and programming demands placed upon it.
- d. Alternative courses of action must be provided in plans where this is feasible and appropriate.
- e. The planning process requires uniform discipline throughout.
- f. Responsibility and authority for preparation and implementation must be clearly designated in plans.
- g. The planning process must be synchronized in timing and scope with related management processes and functions.
- h. Planning must be realistically time-phased.

5. Programming: The Bridge

- a. Definition
- b. Characteristics of Programming
 - (1) The programming process must provide for adequate evaluation of cost effectiveness.
 - (2) Program costs must be capable of being expressed in terms of an appropriation structure when required.

- (3) Programs must be identified with assigned functions and tasks.
- (4) The programming process must be compatible with the planning system.
- (5) The programming process must be sufficiently flexible to accommodate changes readily.
- (6) The programming process should generate and highlight feasible alternatives available to decision-makers.
- (7) The programming process must be built upon well-defined terms of reference and provide for validation of program feasibility.
- (8) Adequate provision must be made in programming to consider the human element wherever this is involved.
- (9) The programming process must serve as an important management tool for achieving program completeness and program balance.

c. Basic Steps in Programming

- (1) Divide into steps the activities necessary to achieve the objective.
- (2) Note relationships between steps.
- (3) Decide responsibility for each step.
- (4) Determine resources.
- (5) Estimate time.
- (6) Assign definite dates.

6. Budgeting

a. Definition

b. Financial Management at the Local Level

7. The Planning, Programming and Budgeting Process

- a. Identifying Goals
- b. Relating Goals to Programs
- c. Program Selection
- d. Relating Programs to Budget Dollars

8. Why Definite Goals Are Necessary

- a. Goals Enable People to Plan
- b. Goals Provide Standards
- c. Goals Aid in Communication
- d. Goals Enhance Support
- e. Goals Promote Aspirations

9. Barriers to Comprehensive Long-Range Planning

- a. Social Goals
- b. Institutional Resistance
- c. Incremental Budgeting
- d. Inertia and a Sense of Well-Being

LESSON PLAN

Essential Data

TITLE: PLANNING AND PROGRAMMING IN COMMUNITY DEVELOPMENT

PURPOSE: To discuss the planning-programming process and its relevancy to the work of an SBA community development representative

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Conference

HOURS: Three hours

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES:

- (1) Chapters VI and IX, Handbook on Community Development
- (2) Northeast Georgia District Overall Economic Development Program, Northeast Georgia Area Planning and Development Commission and the Northeast Georgia District Economic Development Advisory Council, Athens, Georgia, 1967, 184 pp.
- (3) Planning Guidelines, 1968, Lower Chattahoochee Valley Area Planning and Development Commission, Columbus, Georgia, 24 pp.
- (4) Robert W. Collier, "Charting Community Goals: The Role of Citizen Participation," Community Planning Review, Summer 1965, p. 20.

TRAINING AIDS: See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS: Reproduce one copy of the AGENDA and of the four items of SUPPLEMENTARY MATERIAL for each student

PLANNING AND PROGRAMMING IN COMMUNITY DEVELOPMENT

Conference OutlineINTRODUCTION

1. Instructor Action. -- Yesterday you discussed how to evaluate a community's resources and got involved in determining needs and formulating community goals. In the previous session, you surveyed the fundamentals of planning and programming as a rational approach to the development cycle by looking at planning in general and theoretical terms. During this time period, we shall be looking at and discussing the application of these fundamentals in community development.

2. Instructor Comment.

a. Purpose. The purpose of this conference is to review the planning-programming process and then to discuss among ourselves its relevancy to the work of an SBA community development representative.

A discussion of community planning-programming probably can be approached from several different angles. For instance, we could look at and discuss what a particular community did to overcome its problems; alternatively, we could examine particular programs of Federal and state aid which could be employed in the process, and so on. However, I feel we should examine the process itself for the purpose of learning how it may be employed in your work.

As SBA community development representatives, you will need to be well-posted on both regional and community goals within your geographic area of responsibility, for you cannot hope to render assistance until you know what local people want to achieve. Once you know their goals, you then can see

where SBA programs can be employed to help reach those goals. In determining the community's goal structure, you, as the community representative, also will determine what procedures have been used to define local goals and which groups participated in their formulation. In brief, you must know how things work locally so you can function effectively within the local context.

So far we've only talked about knowing what goals have been formulated and who did the formulating. But why do you, as an SBA community development representative, need to know the various steps in planning and programming at the community level? You may find yourself in a situation where the local leadership has not done any goal formulation or where there has been no planning-programming. In such a situation, you, as the community development representative, may be called on either to do the planning-programming yourself or to guide local decision-makers through the process. In either case, you will have to know how it's done.

b. Method. To accomplish this, we shall examine the planning and programming process as it is used in community development in three phases:

(1) Phase 1: A Review and Discussion of the Planning-Programming Process. In this phase, we shall look at the various steps in the planning-programming process to get a general picture of how the process works. Following this, we shall examine and discuss excerpts from an actual program to see some results of the process in action.

(2) Phase 2: Applicatory Exercise. During this phase, we shall return to Greensboro and your previous exercise on goal formulation for the purpose of continuing the process we started during the community development conference. However, in this exercise, we shall attempt to outline the community's goals in a more definitive manner and to propose appropriate projects for their attainment.

(3) Phase 3: Critique. During this phase, we shall examine the goals and projects developed by each group earlier in Phase 2.

BODY

1. Phase 1: A Review and Discussion of the Planning-Programming Process.

a. Background. Let me begin our discussion today by pointing out that planning and programming are not separate parts of the community development process, but are, in fact, one thing, part, process, or call it what you will. Programming, as we shall see later, is merely a continuation of planning; more specifically, it is a continuation of the community planning preceding it. So, perhaps our subject should be planning-programming in community development, rather than planning and programming. Planning, broadly defined, means determining what needs doing and how it will be done. When we have several activities to carry out, or implement, deciding how it will be done includes determining in what order each activity will be done. Here we're talking about programming or the-plan-for-carrying-out-the-plan.

b. Steps in the Planning-Programming Process. Now to the planning-programming process. There are seven steps in the process. These seven steps are rather broad steps which perhaps can be broken down into a greater number of steps to meet specific situations in a given community. Here, we're trying to look at the broad aspects of the process as they might apply generally. Earlier sessions probably touched on some aspects of the first three steps: Analyzing the Community (Step No. 1); Developing Goals (Step No. 2); and Developing Goal Priorities (Step No. 3).

(1) Step No. 1: Analyze the Community. (On TRANSPARENCY #1) Analyzing the community provides the background information necessary to determine how the community functions, what its problems are and, therefore, to provide

you with knowledge about what you're up against when it comes to the community's economic improvement. Community analysis requires:

- (a) Collecting and interpreting data, and from this,
- (b) Defining community needs, problems, and opportunities, and then
- (c) Determining what action is already being taken to eliminate problems and taking advantage of opportunities. (Off TRANSPARENCY #1)

(2) Step No. 2: Develop Goals. Once you know what problems prevail, you're in a position to focus on these severally or individually in the form of statements to guide your solutions to problems. These statements are goals. (On TRANSPARENCY #2) Goals are the starting point, or points, of the action or "do something about it" part of your program. Goals are developed out of the community needs and problems uncovered in Step No. 1. Goals are also used in putting priorities on projects, because various projects will be needed to carry out each goal. Some goals will have to be attained before others can hope to be attained. Therefore, such goals will have a higher priority because they must be reached earlier in the game. Those projects which must be accomplished to reach the higher-priority goal will by their nature require a higher priority. However, there also must be some flexibility in the program and its planning to allow for change, so goals may need periodic revision as time passes. (Off TRANSPARENCY #2)

(On TRANSPARENCY #3) Goals must be meaningful if they are to help the community better itself. That is, a goal must communicate because it defines an "end" to be attained, and it cannot be attained if no one understands what the goal is. Here are some suggested guides to be used in community goal selection.

(a) They must be simple and therefore easily understood.

(b) They should be based on the personal experience and history of the region or community.

(c) They should be statements that can be attained step-by-step and subject to continual adaptation to changing circumstances. (Off TRANSPARENCY #3) (Instructor Reference #4)

(3) Step No. 3: Develop Goal Priorities. Once the community has developed a set of goals, it will be necessary to decide which goals should be tackled first, second, third, and so on, because local resources probably won't permit implementing all goals at once. (On TRANSPARENCY #4) We have already noted that goals may change as the program moves along, as more is learned about initial findings, and as the program matures. Once all this has been accomplished, it becomes apparent that some parts of the program will have to be carried out before others for a couple of reasons.

(a) Some goals will encompass things that need immediate attention and which can be initiated and possibly accomplished in the "short run."

(b) Other goals will encompass things which will require a longer time period to accomplish or which, by their nature, can be accomplished only after other goals have been reached.

In other words, the need for development of priorities will become apparent in regard to each goal. It is at this point that the programming phase of planning begins. Priorities will change periodically as the program moves along because of changing program emphasis or attainment of some goals which, in turn, permit a higher priority for other goals. (Off TRANSPARENCY #4)

(4) Step No. 4: Develop Projects. Now that the community has a set of goals and has them arrayed in some order of priority, some provision needs

to be made for their achievement. This brings us to Step No. 4 in our process, project development. (On TRANSPARENCY #5) Here we're talking about two things which are synonymous -- projects and/or subgoals. To carry out a single goal, for instance, increased employment, will entail the development and scheduling of projects aimed at attaining the desired goal. Each project, in turn, becomes a goal in itself and its attainment, in turn, something that must be had before attainment of the big goal can be realized. So with this in mind, what we mean by the term "subgoal" becomes readily evident. It also becomes evident that the whole process becomes one of goal-subgoal development and attainment. Subgoals, then, are individual projects and/or their individual components. (Off TRANSPARENCY #5)

It is here, in the project area, that the SBA representative probably can make his greatest contribution to community development. Projects will require implementation and some or many of these will need assistance in one form or another from SBA. SBA help may also be needed in the formative stages of a project; for example, the local leadership may need your help in developing some of the projects necessary for carrying out various goals. So, as you review community goals, be prepared to look for the various opportunities for SBA help they may contain.

(5) Step No. 5: Determine Project Cost, Time, and Manpower Requirements. Executing projects and working toward goal achievement entails cost. Of course, nothing gets developed without money. This brings us to the next step. (On TRANSPARENCY #6) Step No. 5 refers merely to getting the additional information necessary to carry out later steps in the process, because it will be necessary to know how much time, money, and manpower will be required to carry out each study or project.

I might add that here we are also talking about a subgoal which is necessary to achieve the goal of programming the program. The elements of cost, time, and manpower will have their impact on the priority and scheduling given to each project because, in any given program year, there will be only so much money and so many persons available to do the job. Each project will require, at the minimum, so much time to execute. While the time element can to some degree be changed through employing more people (assuming the necessary additional money can be had), professional job requirements being what they usually are, the types of personnel needed probably will be difficult to find. This also means spending precious program time finding the kind of people needed. (Off TRANSPARENCY #6)

(6) Steps No. 6 and 7: Set Project Priorities and Schedules. Steps 6 and 7 are closely related since they deal with scheduling and money, so let's discuss them together. (On TRANSPARENCY #7) Setting priorities on individual projects or subgoals will be predetermined, in part, by your goal priorities and, in part, by the nature of the projects themselves. If increased employment, for instance, proves to be the most pressing goal to be attained, and it is therefore given a top priority, then the projects necessary for increasing employment and attaining that goal will also have high priorities. However, among the necessary projects, some by their nature will have to precede others; this factor itself will, in turn, determine which project will need to be No. 1 under the No. 1 goal.

(a) The "Ideal" Program and Its Use. At this point, it would be a good idea tentatively to program all projects in order to get some idea of what the desirable or "ideal" order of things might be. This should be done in light of estimated time required and number of personnel which are or,

hopefully, will be available to carry the load. It also should be remembered that some projects, or program elements, will be "ongoing" and that these will have to be programmed-in each year from the inception to the termination of the entire program. But once this "ideal" setup has been laid out, you have a basis, or framework, for judgment which will be needed as a guide in the juggling which is about to come up. This brings us fully into Step No. 7.

(b) Step No. 7. Since there never is enough money available to do all that needs doing in any particular year, it will be necessary to determine just what funds will be available the first year. Then, taking the "ideal" schedule previously developed, determine how much of this schedule you can execute in Year 1, scheduling the most important activities first up to the point where time, money, and staff won't permit anything more.

Now here's where you fall back on the idealized schedule, or framework, and here's where it's of the most value. Once you have programmed all you can reasonably expect to do the first year, and you have some leftover projects, the idealized framework provides you a reference guide for juggling projects around for future years so that you don't lose sight of which projects now take precedence the second year, because they got left out of year 1, over projects previously high on the list for year 2.

Due to fluctuations in money from year to year, and possibly to fluctuations in program emphasis, some kind of project shuffling will be routine each year. To prepare for this, at least in part, some tentative estimate of next year's funds should always be on hand along with the projects which hopefully will be carried out during that period. Such an estimate and schedule are needed to provide a base or point of departure when the time comes that the amount of next year's funds and other resources become known so that further refinement can be made. (Off TRANSPARENCY #7)

(c) Planning-Programming, an Ongoing Process. As you've probably guessed by now, there is no end to the process as long as you have a program. Planning-programming is an ongoing process wherein attainment of one subgoal or project means moving on to the next logical subgoal or project which, in turn, requires programming or scheduling of its components until it, too, has been attained. The cycle continues on to the next project, etc., until the "big goal" is attained. However, by the time, if ever, the "big goal" is attained, there will be other goals awaiting attainment, requiring that the process be again undertaken, and so on . . . as this last transparency shows.

(On TRANSPARENCY #8) (Point out cycle.) (Off TRANSPARENCY #8)

Now, for your future reference and discussion during this conference, we shall pass out copies of the steps in the planning-programming process.

(Distribute SUPPLEMENTARY MATERIAL #1.)

TRANSITION. -- We have discussed planning-programming. Now we should add a final word, action. We perhaps have inferred action when discussing "budgeting-in" a project in a particular year because when we finally get a project hooked up to the necessary money, action most likely will result. However, getting action really means, and depends on, action by local officials and other individuals; this means selling them on your program or project. Having your program based on local goals and projects will provide the necessary sales package to enhance the probability of a successful sales campaign with local officials.

c. Some Suggested Sources of Goal and Project Information. Now we need to determine where in the community to look for information on development goals and projects. Here we have to know something about the community's planning structure, that is, which group or groups do developmental planning and

how it or they relate to the community. There probably is no one source of information on all community development goals, because community development entails action by different groups, with each one making its contribution. In doing its part, each group will be working to achieve its own goals. This makes it necessary to determine which group is doing what. However, the local planning agency, where one exists, provides a good starting point since it is generally responsible for guiding local development efforts. (On TRANSPARENCY #9)

(1) Local Planning Agency. In some communities, the planning function will be carried out by a single agency, such as a city or county planning department, an area planning commission staff, or the staff of an Economic Development District. In this situation, you can determine some community goals from the local planning agency. However, the planning agency should not necessarily be your only source, for it should lead you to other groups which have goals and projects that also have been incorporated into the planning program.

(2) State Planning Agency. This organization can provide valuable information on organized planning agencies around the state and the person to see in each agency. A visit here before going to specific communities can save you time later. The state agency also will be able to give you a review of its program and goals which will also, to some degree, determine local planning goals.

(3) Economic Development Administration (EDA). In some areas, local planning may be handled through an Economic Development District (EDD) encompassing several communities. The nearest EDA office can advise you where EDD's are located, their areas of responsibility, and who to contact. This

information may also be available from the state planning agency. EDA can give you a review of its goals and program which will also be setting the pace, to some extent, for goals of the local Economic Development District. It should be noted that the Overall Economic Development Program (OEDP) EDA requires of each EDD is probably the best single goal and project information source available anywhere. Since developing the OEDP requires development districts to determine their problems, deficiencies, and resources and to formulate a program, containing goals and projects, for overcoming district deficiencies, the OEDP is a "natural" source for the SBA community development representative.

(4) The "No Planning Agency" Situation. A planning agency may not be available, in which case you will have to pull together your own information from different groups. This means you first will have to do some guessing as to which group is doing planning and goal formulating in which areas of community activity. Some suggested possibilities are the following:

(a) Chamber of Commerce (State and Local). The local chamber organization should have formulated goals on community improvement, both economic and noneconomic. It also should have an idea about what other groups are doing and who to contact in each group. The state-level organization can fill you in on its overall program and goals which probably are a general guide for many local chamber programs. The state chamber group also may be able to advise you on local planning organizations, where they exist.

(b) Local Development Group. This group is responsible for facilitating the community's development effort, be it called industrial development or economic development. It may be part of the local chamber of commerce or separate from it. The development group should be able to advise you on the

community's various economic goals, especially the types of economic activity sought and the methods the community plans to use getting them.

(c) Merchants' Association. This group should be able to help with goals involving local commercial development. It may be a part of the chamber of commerce, such as a retail sales committee, instead of an individual group.

(d) Governing Body or Administrative Head of City or County Government. The clerk of the county commission, clerk of the city council, or the city manager (where the manager form of government is used) can be another source of goal information, especially regarding development of various public facilities, such as water lines, sewers, and streets.

(e) State Agencies (Other Than Planning). Various state agencies with offices on the local scene also can be helpful. The local health department, state employment service, and state welfare agency may have needed information. State agencies also may help in that they can give you information on goals and state-wide programs they have developed, which to some degree will reflect local agency goals, too. (Off TRANSPARENCY #9)

While this suggested list of sources should not be considered exhaustive, it is intended to give you some idea of various possible areas in which to hunt down the information you will need. Each community organizational situation will differ from others, requiring you to change your hunting methods somewhat in each case. Our list here is merely a starting point. (Distribute SUPPLEMENTARY MATERIAL #2.)

(5) Goals May Not Be Written Down. In some cases, perhaps in most, a local agency or group may be able to tell you plenty about its goals and projects but have little or nothing in writing. In this situation, it will be necessary for the community development representative to carefully determine and

interpret these goals and write them down himself so that he can formulate his own overall picture of community goals.

d. Summary. Now we have reviewed the several steps in the planning-programming process to see how they work together toward attaining desired goals. We have also briefly looked at where the community development representative might begin searching for needed goal and project information.

e. Introduction and Review of Example Material. In a few minutes, we shall undertake an exercise employing various steps in the process. However, before we begin the exercise, I want to pass out selected sections from an actual Overall Economic Development Program (OEDP) and go over these with you to show you how one planning group tackled the problem, using the process we've just reviewed. As we look at this together, feel free to ask questions about the material or about the conference we've just completed.

(At this point, a set of the example material, SUPPLEMENTARY MATERIAL #3, will be passed to each conference participant and a review and discussion of each of its elements is to begin.)

REVIEW AND DISCUSSION

2. Phase 2: Applicatory Exercise.

a. Introduction and Purpose. During this phase, we shall return to the Greensboro community and continue the development process started earlier during the community evaluation conference. Here, we will use the planning-programming process in an attempt to further define previously defined community goals, to develop projects appropriate to attaining each goal, and generally to

determine which SBA programs might be employed, and where, to facilitate carrying out the community's program.

b. General Instructions. (At this point, copies of the exercise, SUPPLEMENTARY MATERIAL #4, will be passed out to each conference participant along with a copy of the group assignment sheet.) Instructions for carrying out the exercise appear on the exercise. Each group is to take no more than one hour to complete the group discussion part of the exercise. Following group discussion, all groups are to reassemble here in the classroom.

c. Conference Procedure

- | | |
|---|-----------|
| (1) Group discussion of Agenda Item No. 1 | (15 Min.) |
| (2) Group discussion of Agenda Item No. 2 | (25 Min.) |
| (3) Group discussion of Agenda Item No. 3 | (10 Min.) |

3. Phase 3: Conference Critique

a. Purpose and General Instructions. During this final phase of our conference, each group chairman will report on his group's finding and proposals, after which we shall open the floor to questions and discussion.

b. Reports of Group Chairmen

c. Questions and Discussion

LIST OF SUPPORTING PAPERS

1. Training Aids

TRANSPARENCY #1	Step #1 in the Planning-Programming Process
TRANSPARENCY #2	Step #2 in the Planning-Programming Process
TRANSPARENCY #3	Guides for Goal Selection
TRANSPARENCY #4	Step #3 in the Planning-Programming Process
TRANSPARENCY #5	Step #4 in the Planning-Programming Process
TRANSPARENCY #6	Step #5 in the Planning-Programming Process
TRANSPARENCY #7	Steps #6 and #7 in the Planning-Programming Process
TRANSPARENCY #8	Diagram of the Planning-Programming Budgeting Cycle
TRANSPARENCY #9	Some Suggested Sources of Goal and Project Information

2. Other Documentation

SUPPLEMENTARY MATERIAL #1:	Steps in the Planning-Programming Process -- to be reproduced locally
SUPPLEMENTARY MATERIAL #2:	Some Suggested Sources of Goal and Project Information -- to be reproduced locally
SUPPLEMENTARY MATERIAL #3:	Planning and Programming Illustrative Material
SUPPLEMENTARY MATERIAL #4:	Exercise for Planning-Programming Conference and Conference Agenda

SUPPLEMENTARY MATERIAL #1

STEPS IN THE PLANNING-PROGRAMMING PROCESS

1. Analyze the community
 - a. Collect and interpret data
 - b. Define community needs, or problems, and opportunities
 - c. Determine what action is already being taken to eliminate problems and take advantage of opportunities
2. Develop goals
 - a. Goals are developed in light of community needs or problems
 - b. Goals are used in setting project priorities
 - c. Goals may need periodic revision as time passes and the program advances (or as the program matures)
3. Develop goal priorities
 - a. Priorities must take into consideration the importance of each problem's solution to improving the welfare of community residents
 - b. A given priority may change as time passes and the program advances
4. Develop individual projects needed to reach goals and list under specific problem and goal
5. Determine cost of each project, required time, and number and type of personnel needed
6. Set a priority on each project and schedule all projects accordingly
7. Determine which projects should be carried out in years 1, 2, 3, etc., of the program
 - a. Determine amount of money available in year 1
 - b. Estimate money that may be available in years 2, 3, 4, 5
 - c. Determine which projects might be carried out in years 2, 3, 4, 5

SUPPLEMENTARY MATERIAL #2

SOME SUGGESTED SOURCES OF GOAL AND PROJECT INFORMATION

1. Local Planning Agency
 - a. City Planning Department
 - b. Area Planning Commission Staff
 - c. Economic Development District Staff
2. State Planning Agency
3. Area Office of the Economic Development Administration (EDA)
4. Chamber of Commerce (State and Local)
5. Local Development Group
6. Local Merchants' Association
7. Governing Body or Administrative Head of City or County Government
8. State Agencies (Other Than Planning)
 - a. Health Department
 - b. Employment Service
 - c. Welfare Department

SUPPLEMENTARY MATERIAL #3

Planning and Programming Illustrative Material

POTENTIALS FOR GROWTH

Enumeration of Potentials. -- The following is a general list of activities which show good potential for growth in the community.

<u>Identification</u>	<u>Nature of Prospective Development</u>
1.a. New industry	1.a. Expansion in durable goods industries
b. Retail and services expansion	b. New shopping areas, professional and business services to meet needs of expanding population
2. Growth in agricultural income from the sale of farm products	2. Increased yields, shift to more profitable crops, livestock and poultry production.
3. Agribusiness potential	3.a. Food (especially poultry) processing to increase
	b. Primary and secondary wood processing to increase
4. Mining potential	4.a. Extraction and processing of granite
	b. Brick clay extraction and processing
5. Potential for feed-stuffs	5. Reopen agricultural land to grain and soybean production for use in feeds for local cattle and poultry growers
6. Improved soil conditions and added recreation	6. Completion of 21 small watershed projects in the district
7. Urban growth	7. Expansion of industry and retail trade in conjunction with growth of the community
8. Vocational and technical education, etc.	8.a. Manpower retraining programs through O.E.O. and Department of Labor (administered by ACTION, Inc.)
	b. Adult literacy programs, ACTION, Inc.
	c. Vocational additions in high schools
	d. Technical school
	e. Operation "Head Start," ACTION, Inc.
9. Expanded and improved social conditions	9. New or expanded libraries and cultural additions, civic design studies, improved amenities for attracting new industries

ENUMERATION OF PROBLEMS AND DEFICIENCIES

<u>Identification</u>	<u>Cause</u>	<u>Effect</u>
EMPLOYMENT		
Retail trade, personal and business services potential unrealized	Lack of good merchandising techniques, proper management	Much trade lost to other communities; economic level not as high as could be
Forestry, agriculture, minerals, agribusiness, manufacturing potentials unrealized	Full utilization of all resources not attained	Contributes to unemployment and under-employment
Occupational and educational training programs inadequate for adults <u>and</u> youth	Lack of physical facilities, trained personnel, money	People leave area to obtain training or do not receive it at all; industrial prospects reportedly locate where training facilities are better
FINANCIAL ADMINISTRATION		
Tax problems	Lack of equalization programs	Unfair tax burden on some; not as much revenue as possible
COMMUNITY FACILITIES		
Sewerage inadequate	Inadequate and often no facilities to treat sewage	Health hazard
Water supply, treatment, distribution inadequate	Increased urban growth without corresponding increase in water supply, treatment and distribution facilities	Inconvenience to local residents; poor fire protection; lack of industrial supply, etc.
Refuse disposal inadequate	Lack of properly operated land-fill sites	Health hazard
Existing school sites not providing adequate service	Poor school facilities planning	Now abandoning many existing school buildings for consolidation

CURRENT EFFORTS TO SOLVE DISTRICT PROBLEMS

<u>Problem</u>	<u>Accomplishments</u>	<u>Cost</u>	<u>Estimated Time of Completion</u>	<u>Place</u>	<u>Impediments</u>	<u>Planning Group</u>	<u>Project and Financing</u>
EMPLOYMENT							
Retail trade, etc.	10 population and economic base study reports for nine-county Northeast Ga. Area	\$78,000	1967	9-county Planning Commission Area	None	NE Ga. APDC	2/3 grant HHFA (now HUD), 1/3 local
Occupational training	Athens Area Vocational-Technical School	-	Building recently completed	Clarke County open to residents of all 9 counties	Not being used by all counties	Clarke County School System	Local, state, Federal
Work training experience for youth between ages 16 and 22	Neighborhood Youth Corps	\$562,290 430,080 (Federal)	Continuing	All counties plus Elbert County	None	ACTION, Inc.	Local & Federal
Community development staff & central and county community action administrative	Administration	\$82,620 76,014 (Federal)	Through Sept. 30 1967	Greene, Jackson, Morgan, Madison, Oglethorpe, Walton	None	ACTION, Inc.	Local & Federal
Preschool and parent education activities	Summer Head Start (1968)	\$76,945 61,851 (Federal)	Through Dec. 31, 1966	Greene, Oglethorpe, Jackson	None	ACTION, Inc.	Local & Federal
Adult education with a high school equivalency curriculum	Adult high school	\$65,505 56,591 (Federal)	Through Sept. 30, 1967	Clarke County with extension into rural counties	None	ACTION, Inc.	Local & Federal
Family development through homemaking, health & child development education	Operation FUTURE	\$205,021 167,211 (Federal)	Through Sept. 30, 1967	Jackson, Morgan, Greene, Walton	None	ACTION, Inc.	Local & Federal

PROJECT PRIORITY LISTING AND PROJECT NUMBER BY GOAL

Goal: Reduce unemployment in the community to 3% or less and reduce under-employment to provide each family within income of at least \$3,000 per year.

<u>Project Priority</u>	<u>Project Number</u>	<u>Project</u>
A	1	Promote industrial activities producing durable goods and utilizing more semiskilled and skilled personnel to provide higher-paying jobs in the community.
B	2	Introduce nondurable goods manufacturing activities which are labor intensive to provide employment in the community.
B	3	Develop agribusinesses which will utilize agricultural and forestry products in the surrounding county, such as poultry, beef, dairy feed crops, timber, to introduce primary and secondary processing.
A	4	Provide adequate vocational and technical training for job migrants and young people preparing to enter the labor force.
B	5	Develop and promote local industrial parks and/or industrial sites.
C	6	Develop retail trade and services to reduce the flow of trade and service dollars outside the community.

Goal: Financial Administration Improvement.

<u>Project Priority</u>	<u>Project Number</u>	<u>Project</u>
C	7	Provide additional local funds through revaluation of property for ad valorem tax, permitting sales and other forms of taxes to local governments and increasing bonding capacity.
A	8	Secure augmentation of local funds by Federal and state sources.

Project Priority: A - Critical, B - Urgent, or C - Important

DESCRIPTION OF PROPOSED PROJECTS

<u>Project Description</u>	<u>Problem</u>	<u>Project</u>		<u>Schedule</u>	<u>Estimated Cost</u>
		<u>Priority</u>	<u>No.</u>		
EMPLOYMENT					
Turkey processing plant	Potential not being realized	B	3 2	1967	\$1,500,000
Light fowl processing plant	Potential not being realized	B	3 2	1967	500,000
Wood particleboard plant	Potential for wood processing not being realized	A	1 3	2 1966 3	3,000,000
Feasibility studies for excelsior board, paneling, charcoal, and Christmas tree production	Possible new industries	A	1	1966	20,000
PEOPLE					
Expanded vocational training, adult literacy, and other programs to increase the economic viability of the population	Lack of development of human resources	A	4	Ongoing 1	?
FINANCIAL ADMINISTRATION					
Tax revaluation programs	Unfair present tax system	C	7	3 1968	?
COMMUNITY FACILITIES					
Provide needed water and sewerage facilities for industrial parks and other industrial sites	Impediment to industrial and park and site expansion	B	9 10 11	1967	400,000
County-wide refuse disposal	Existing disposal poor	B	11	1967	?

Project priority: A - Critical, B - Urgent, C - Important.

SUPPLEMENTARY MATERIAL #4

EXERCISE FOR PLANNING-PROGRAMMING CONFERENCE AND CONFERENCE AGENDA

This is an exercise in developing the projects necessary to attain a particular goal. To do the exercise, the class is to be divided into groups; each group is to appoint a chairman to report to the class on his group's findings. Once this has been done, each group should follow the agenda below:

Agenda Item No. 1

(15 Minutes)

Consolidate individual member goals from the community analysis exercise into group goals, redefining them where the group feels it necessary.

Agenda Item No. 2

(25 Minutes)

Develop a list of projects to go with each goal.

Agenda Item No. 3

(10 Minutes)

Put priorities on each goal and on each project.

LESSON PLAN

Essential Data

TITLE: COORDINATION OF FEDERAL ASSISTANCE PROGRAMS AT THE LOCAL LEVEL

PURPOSE: To examine the fundamental considerations involved in the coordination of Federal assistance programs at the local level and SBA's role in this coordination

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES:

1. Catalog of Federal Assistance Programs (OEO)
2. Handbook for Local Officials (Office of the Vice President)
3. Bureau of the Budget Circular A-80

TRAINING AIDS: See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS:

1. Reproduce one page of Master Index of Catalog of Federal Assistance Programs for each student
2. Reproduce sample program description page from Catalog of Federal Assistance Programs for each student

COORDINATION OF FEDERAL ASSISTANCE PROGRAMS AT THE LOCAL LEVEL

Lesson ManuscriptINTRODUCTION

1. Gain Attention. -- New and complex programs affecting the development of the physical, economic, and human resources of the states have made the desirability of more effective instruments for planning and coordination abundantly clear. Ultimately, the development of resource programs promotes efficiency in governmental operations, especially in Federal-state-local cooperative efforts.

It has long been recognized that there is an urgent need to coordinate Federal programs within state boundaries to assure that all Federally assisted programs are consistent with local planning and programming activities. The lack of adequate coordination has resulted in the duplication of effort, dissipation of local leadership, multiple demands for local matching funds, and overlaps and conflicts within state boundaries.

2. Motivate. -- As SBA becomes more active in the community development arena, it is essential that we give due consideration to insuring that our programs are conducted in coordination with the programs of other Federal agencies and that they complement the efforts of state agencies, multicounty organizations, counties, and the community. Each of us who work with the communities must be alert to the need for program coordination and be prepared to advise and assist communities in this matter.

3. State Purpose and Main Ideas. -- It is our purpose during the next hour to present some of the fundamental considerations involved in the coordination of Federal assistance programs at the local level. This will include:

- a. A review of the basic need for cooperative Federal-state-local programs of assistance.
- b. A brief survey of the role of the Federal government in providing assistance to states and local communities.
- c. An examination of the magnitude of Federal programs and the types of programs available to local communities.
- d. An examination of approaches that communities should consider for obtaining and using available Federal programs.
- e. A discussion of the coordination of Federal programs at the local level and some approaches that may be used in the coordination of programs.

TRANSITION. -- In any bureaucratic institution, there is an overriding desire to maintain and enhance the power and prestige of the institution. Generally speaking, our agency is no different from any other Federal bureaucratic institution in this matter. Well, perhaps we are somewhat more objective because of the nature of our programs. However, I am sure that each of us pushes SBA programs to the best of his ability. For the next hour, let each of us consider himself as John Doe, citizen, so that we may view this coordination matter as objectively as possible.

BODY

1. Basic Need for Cooperative Federal-State-Local Programs of Assistance. -- First, let's review the background for the development of the assistance programs.

- a. Growth Forecast. Today the nation's population is roughly 200 million, with more than 57 people for every one of our 3.5 million square miles. Of this number, about 70%, or 140 million, live in urban areas and densely populated cities on only 1% of the nation's total land area. Some statisticians estimate that by the year 2000, this urban population will be about 250 million -- twice

the present size. The nonurban population, estimated at 75 to 100 million, will live only a short drive from an urban area. The nation will be, in fact, almost totally urbanized.

Even sooner than the year 2000, between now and 1976, we will need 2 million new homes a year, schools for 60 million children, health and welfare programs for 27 million people over the age of 60, and transportation facilities for the daily movement of 200 million people in more than 80 million automobiles.

This tremendous growth and the resulting demand for facilities and services is confirmation of the fact that we have entered a new era in our nation's history, the urban era.

b. Growth of Local Jurisdictions. Another indication of the "urban era" has been the tremendous increase over the past 50 years in the number of local jurisdictions of all types; the 15,000 that existed in 1951 grew to 90,000 in 1965, an increase of 500%. In spite of this growth, only 20% of all local jurisdictions are located in metropolitan areas. The average number of governmental units for a metropolitan area is 87, but several areas now have over 1,000 local units. This increase is due largely to the creation of new cities, villages, towns, and special districts in metropolitan areas. These changes have created new problems and accentuated old problems.

TRANSITION. -- (On TRANSPARENCY #1.) So, as a result, all levels of government -- Federal, state, and local -- are joining together to come up with creative solutions to such difficult problems as urban growth, poverty, police protection, transportation, and air and water pollution. No single level of government has the resources or the capacity to solve these problems on its own. (Off TRANSPARENCY #1.)

Most important, solutions cannot and will not come from the Federal government. Washington can help, and it does, but ultimately the solutions must be found within local institutions and under local leadership.

In speaking of "our partners in a new and creative Federalism," President Johnson has said, "Governors and local executives are responsible for the management of their units of government. The Federal government should take all practical steps to increase the role of these executives in the administration of Federally aided programs."

2. Role of the Federal Government. -- Well, just what is the Federal government's role?

a. Objectives. In recent years, the scope of cooperative governmental efforts to solve national problems has grown significantly. By sharing the resources derived from a growing economy, Federal aid implements the achievement of national goals in such areas as education, health, welfare, and urban development.

Under the Federal system, broad national objectives can be pursued in ways that recognize diversity of local conditions and need, permit interchange of ideas and skilled personnel, spread creative innovation, and relieve fiscal pressures on state and local jurisdictions.

"Federalism," President Johnson has said, however, "is not a one-sided partnership, and the states and local governments do not exist simply to carry out programs on behalf of the national government."

b. Historical Background. -- The distinguishing features of our present system of Federal grants-in-aid can be traced back to the enactment of the Morrill Act in 1862. This Act established land-grant colleges (so called because assistance for education was provided in the form of Federal land) and instituted certain minimum requirements (compulsory ROTC). In rudimentary

form, the pattern was established for providing needed resources in exchange for acceptance of certain national standards. (This type of aid has come to be known as "categorical" grants.)

Federal aid was next extended to agricultural programs around the turn of the century. The second decade of the 20th century saw the inauguration of Federal assistance programs for highways and for vocational education and rehabilitation. In the depression years of the 1930's, the financial exigencies of the time led the Federal government to launch a wide range of new welfare and economic security programs. These were designed not only to help individuals, but also to alleviate the intense pressures on state and local resources. Other measures were enacted to provide low-rent public housing and improved health services.

The years following World War II were marked by a series of new categorical grants for health care, for education in selected fields and areas, and for renewing the physical environment of the nation's cities. More recently, significant steps have been taken to broaden elementary, secondary, and higher educational opportunities; to develop economically depressed areas of the country; to help finance health services and medical care for the indigent; and to launch a concerted attack on poverty. In 1966 a comprehensive new program was enacted to transform blighted and slum areas of cities into model neighborhoods.

TRANSITION. -- Federal assistance is now widespread and far-reaching. Increasing population and rapid urbanization have led to greater demands for the services traditionally provided by state and local governments.

Programs in education, health, housing, urban renewal, highways, and public transportation have all increased in size and scope.

While the major burden for providing such public services rests directly

on the more than 90,000 state and local governmental jurisdictions, the Federal government also plays a vital role: first, by providing financial assistance to state and local governments, and second, through direct operation of various programs.

Furthermore, by encouraging a sound and growing economy, the Federal government helps states and localities indirectly by promoting a growing tax base.

3. Magnitude of Federal Assistance Programs. -- This table will give us some idea of the magnitude and nature of the aid programs. (On TRANSPARENCY #2.)

The number, as well as the magnitude, of Federal aid programs has grown in response to the increasing array of problems faced by state and local governments which are also of national concern.

The Legislative Reference Service of the Library of Congress has tabulated the number of aid programs in effect during a three-year period. In early 1964, the number of major assistance programs exceeded 115. Two years later, the number of programs had grown to 162. In many cases, a given program has several different grant authorizations. The total number of such authorizations rose from 239 in 1964 to 399 in 1966. (Off TRANSPARENCY #2.) (On TRANSPARENCY #3.)

This table shows that Federal financial assistance to state and local governments primarily takes the form of grants-in-aid and shared revenue. An estimated \$17.2 billion, or 98.7% of the total expenditures for aid, took the form of grants in 1968. Shared revenue accounts for \$223 million, or 1.3%. Apart from these types of Federal aid, many other Federal expenditures which are not included in this analysis affect the finances of state and local governments; these include contractual payments or grants to public institutions for research and training in specialized fields. (Off TRANSPARENCY #3.)

4. Catalog of Federal Assistance Programs. -- Where can we get information about the various government programs available and a description of this multitude of

programs? (On TRANSPARENCY #4.)

The most complete and handy source of reference information is this Catalog of Federal Assistance Programs. (Show catalog.) It was published in June 1967. It is produced by the Office of Economic Opportunity and contains all domestic assistance programs of the Federal government:

- a. It explains the nature and purpose of the programs.
- b. It specifies major eligibility requirements.
- c. It tells where to apply.
- d. It lists printed reference materials available (show catalog).

This catalog contains:

- a. A master index (hand out to students). (Demonstrate usage.)
- b. 35 program indexes.
- c. 459 program descriptions.
- d. Regional or state office addresses of some agencies.
- e. A special index -- an alphabetical list of programs by agencies.
- f. An alphabetical index of subject matters.

Now let's look at a program description. (Hand out sample program page from catalog.)

Here is an example of a program description. It depicts:

- a. The nature and purpose of the program,
- b. General information as to who is eligible to apply for assistance,
- c. Whom to contact for further information,
- d. An indication of the availability of publications which describe the program in more detail,
- e. Reference to the legislation authorizing the program,
- f. And the administering agency. (Off TRANSPARENCY #4.)

TRANSITION. -- We have been considering the nature of some assistance programs which are available; now let's discuss some general aspects and steps that should be taken in order to obtain Federal aid for local programs.

First, however, it is necessary to recognize that a growing and constantly changing variety of Federal assistance is available for states and localities.

This assistance and the manner in which it is administered are so diverse that only general statements can be made with respect to "how to" obtain and use Federal aid.

Each department or agency and each program has its own set of criteria, procedures, and regulations.

The Handbook for Local Officials (show) and the companion Catalog of Federal Assistance Programs set forth details about the major aids which are available and their interrelationships.

We shall now discuss how local officials may obtain help in finding and using Federal assistance, as well as responsibilities and burdens that go along with acceptance of Federal assistance.

5. Approaches for Obtaining and Using Available Programs. -- How does a community get started toward obtaining assistance to reach local objectives?

a. Local Goals and Programs. The first and probably most important phase in obtaining and using Federal aid takes place within the community or locality. Federal assistance will be most beneficial to a locality if it takes certain steps before specific Federal programs are considered. (On TRANSPARENCY #5.)

(1) The community and its leaders should identify and analyze its needs and problems, and its long and short-range goals for physical and human resource development. The community must determine where it is going and what it wants to become.

(2) The alternative programs and projects that lead toward achievement of community goals should be organized and coordinated into a plan similar to a capital budget.

The plan should outline not only time schedules and completion dates, but possible sources of financing and assistance, procedures and requirements for obtaining aid, and related and alternative programs as well.

This process enables a community to assign priorities and, if appropriate, choose wisely from among available Federal assistance programs.

(3) The community should adopt a flexible program for adjusting priorities as programs progress and as the availability of financing dictates.

Occasionally, the conditions for receiving assistance may change, or new sources of financing may become available. It is an advantage to be able to shift emphasis in order to maintain the momentum of the entire program.

Budget and tax flexibility are essential for matching the Federal aid and encouraging other community development interests.

(4) Community leaders must effectively manage and coordinate both the developmental programs and related community activities of government and coordinate them with private interests so as to maintain the integrity of the planning and implementation process.

These officials have the responsibility for developing community awareness and understanding of developmental goals, plans, and projects.

They must win for the program not merely acceptable, but total commitment.

(5) All sources of information about Federal assistance programs, private development plans, and plans of other public agencies should be explored and utilized. (Off TRANSPARENCY #5.) (On TRANSPARENCY #6.)

b. Basic Considerations. Two significant, but often overlooked facts must also be kept in mind while local officials are considering Federal assistance:

(1) The first, and most important, is the nature and meaning of Federal assistance to localities.

Practically all assistance is initiated locally, developed and directed by local agencies and officials, and in large measure implemented by stimulating the private sector of the economy in the actual performance of required services.

The government does little besides provide the climate and the opportunity, supported by financial and technical services, to enable the private sector to get a job done.

By increasing the amount of available resources, Federal assistance increases a community's ability to achieve its goals.

Systematic progress toward community objectives, in turn, builds confidence in community leadership and encourages private investment. The Federal dollar is a means toward local ends rather than an end in itself. A locality that chases Federal programs for dollars' sake alone makes a serious mistake. In contrast, a city that looks to Federal programs as one of several sources of financial assistance or revenue which it might use to finance locally conceived plans can advance itself materially.

(2) The second fact relates to the availability of Federal dollars. Federal financial assistance is limited, and in most cases the demand for funds far outweighs available appropriations. As a result, funds must be parceled out and allocated among states and localities in some manner, and many applications will be rejected or put on waiting lists.

Careful planning and establishment of priorities will increase a locality's chance of obtaining assistance.

An early inquiry to the appropriate department or agency will give local officials a perspective on the likelihood of getting a grant, which may be used in decisions on scheduling and funding local activities.

TRANSITION. -- Everyone recognizes the need to coordinate all state, Federal, and local government programs. But two questions remain: (1) who should do the coordinating, and (2) how should it be done?

Should the chief coordinator be the state government, the county government, the heads of key municipalities, urban planners or regional planners in concert with councils of governments, or Federal agency personnel?

6. Program Coordination

a. State and Subregional Coordination. To meet the vital need for improved coordination at both state and subregional levels, the United States Bureau of the Budget, Executive Office of the President, issued Circular No. A-80, titled "Coordination of Development Planning for Programs Based on Multijurisdictional Areas," to the heads of executive departments and establishments on January 31, 1967.

The primary purpose of A-80 is to secure similar boundaries for regions established for planning related Federally assisted development programs within states. It also is intended to obtain maximum use of planning resources, funds, data, manpower, etc., by coordinating related planning.

It followed a presidential memo of September 1966 addressed to the Federal departments and agencies which assist in comprehensive or functional planning covering multijurisdictional areas and related to financial assistance at the state and local government levels.

The Committee on State Planning of the National Governors' Conference has asked the U. S. Bureau of the Budget for more aggressive implementation of Circular A-80, noting the need for many Federal agencies to develop procedures for local assistance programs which meet the criteria of the circular. In June 1968, the Director of the U. S. Bureau of the Budget announced that his staff was working on procedures to implement the circular. At that time, the circular was described

as a medium for explaining "performance standards," with possible mechanisms suggested rather than specified as necessary. In other words, the publication aims at effective coordination and efficient utilization in a given state or region.

At the national agency level, procedures have been called for or already implemented for the coordination of certain programs.

At the state agency level, National Governors' Conference members are taking an active interest in the circular. In certain areas of Texas, for example, Governor Connally's office developed "umbrella" organizations, common staffing, and so on under planning activities of HUD, EDA, and USDA programs. In Michigan, Governor Romney transferred the Office of Planning Coordination to the Bureau of Planning and Program Development in the executive office to improve Federal-state coordination arrangements. In Nebraska, Governor Tiemann's office completed a regional delineation study and has concluded that 26 regions were inappropriate for every type of planning and development effort; instead, the regions are to be considered "building blocks" which may be combined, not fragmented, for increased flexibility through 1968. In Iowa, Governor Hughes created the Office for Planning and Programming to develop a comprehensive state planning program and provide assistance to the Office of the Comptroller in budget planning. In Georgia, the State Planning and Programming Bureau, Department of Industry and Trade, and other state agencies work within the framework of the 17 state-designated area planning and development commissions, as do EDA regions and certain HEW programs.

b. County and Community Coordination

(1) Need for Information. The increase in number and scope of Federal grant-in-aid programs since 1960 has bewildered many local officials. The amount of Federal aid appropriated during the last eight years equals twice the total appropriated during the previous 100 years.

If Federal assistance programs are to be of maximum benefit, every local official should have complete information on the full scope of these programs. Without this information to assist in formulating programs and making decisions, many communities fail to participate in Federal assistance programs for which they are eligible.

The vastness of the Federal aid administrative jungle reflects the urgency of developing an information system to keep local leaders and administrators informed so that they can fulfill their responsibilities.

Most counties and communities have no mechanism for collecting current information. The very communities which most need Federal assistance often do not have this know-how.

(2) Responsibility of Elected Officials. Generally speaking, locally elected officials must bear the ultimate responsibility for the community's programs involving Federal assistance. Although they may be working with county or multicounty development agencies that may exercise certain coordinative functions, the determination of whether or not a community is to be involved in a particular Federally assisted community program is a decision that must be made by the elected official. Since the decisions made by these officials are of such importance to the community, they should be based upon adequate knowledge. Gathering and processing information on Federal grant programs is time consuming, pointing to the need for a full-time development coordinator who can provide his community or county with quick and definitive information on grant programs on which decisions can be based.

(3) SBA Assistance in Coordination. As we move forward with our community development work, there are certain actions we should take or should continue.

(a) We should continue to adequately coordinate our programs with

other Federal programs at the state and subregional levels.

(b) We should establish and maintain close working relationships with subregional multicounty planning agencies and activities. In this connection, we should make an early determination of relationships between the community we are working with and any county or multicounty planning agency with which it is associated.

(c) In those instances where communities are not associated with county or multicounty development organizations, we should endeavor to assist them in developing the information they need to adequately utilize Federal programs. Where development agencies are not available to assist community governments in planning and coordinating Federal assistance programs, we should encourage them to develop their own means of acquiring needed information and assigning one official to carry out the necessary coordination.

OPPORTUNITY FOR QUESTIONS

SUMMARY

We have discussed the background and scope of assistance programs. They are many and varied. We have covered some approaches for obtaining funds through these programs.

No two localities will put together identical packages of programs because no two localities have precisely the same array of problems. Cities vary in size and need, but all can use the coordinated or packaging concept to get maximum impact out of the programs selected.

Though the program combination will differ, there is likely to be a common pattern discernible in successful community efforts: (1) careful analysis of problems; (2) consultation at all stages with and among relevant public and private agencies and concerned and affected citizens; (3) the setting of goals

followed by the design of a workable plan of action; and (4) coordination and cooperation among all relevant groups and agencies.

Programs, along with state and community resources, can help achieve lasting improvement in the physical, economic, and social conditions of the target neighborhood.

Particularly important are the development of close relationships and an active commitment to the goals by all concerned parties -- all government levels and jurisdictions, private enterprise, and the citizens affected. The most significant contribution local officials can make is leadership in focusing the efforts of the various local departments and agencies and the nongovernmental participants on the goals they have jointly established.

Finally, I would say that we in SBA cannot approach communities as if we were their only hope. Such is not the case. We can help, and we want to help. However, there are others who can also help. Our role must be one of encouragement, assistance, complementation, and coordination in matters of Federally assisted programs.

LIST OF SUPPORTING PAPERS

1. Training Aids

TRANSPARENCY #1	Scope of Assistance Programs
TRANSPARENCY #2	Number of Aid Authorizations in Effect at Specific Dates
TRANSPARENCY #3	Types of Federal Aid by Function
TRANSPARENCY #4	Catalog of Assistance Programs
TRANSPARENCY #5	Setting Local Objectives
TRANSPARENCY #6	Federal Assistance

2. Other Documents

None

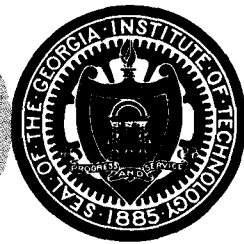
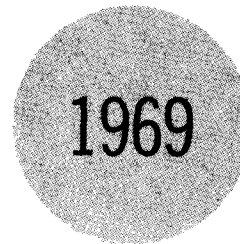
Project No. A-1112
Contract SBA-1474-FA-68

COMMUNITY DEVELOPMENT TRAINING PROGRAM

SUBCOURSE CD(SBA)4
APPLICATION OF SBA RESOURCES IN
COMMUNITY DEVELOPMENT

Prepared for
THE SMALL BUSINESS ADMINISTRATION
by
THE INDUSTRIAL DEVELOPMENT DIVISION

LESSON PLANS



Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
Atlanta, Georgia

Project A-1112
Contract SBA-1474-FA-68

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March 25, 1969

LIST OF LESSON PLANS

<u>Reference Designator</u>	<u>Subject</u>
CD(SBA)4.1-1	SBA's Role in Community Development
CD(SBA)4.2-1	SBA Coordination and Cooperation with Local Community Development Organizations
CD(SBA)4.3-1	SBA Evaluation of Community Organization, Plans and Programs
CD(SBA)4.4-1	SBA Assistance in Identifying Economic Opportunities in the Community
CD(SBA)4.5-1	Application of SBA Resources to Community Needs
CD(SBA)4.6-1	Determining the Economic Impact of SBA Projects on the Community and Surrounding Area
CD(SBA)4.6-2	Determining the Economic Impact of SBA Projects on the Community and Surrounding Area
CD(SBA)4.7-1	SBA Program Evaluation and Follow-up Procedures

LESSON PLAN

Essential Data

TITLE: SBA'S ROLE IN COMMUNITY DEVELOPMENT

PURPOSE: To discuss the SBA policies and procedures with respect to the SBA Plan for Community Development

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture and demonstration

HOURS: One hour

STUDY ASSIGNMENT: Summary, Chapter IV, and Chapter VI, Handbook on Community Development

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: One and one-half hours

INSTRUCTOR REFERENCE: Summary, Chapter IV, and Chapter VI, Handbook on Community Development

TRAINING AIDS: See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS: This lecture makes use of a demonstration which requires a demonstration kit. This may be prepared by the individual instructor. It involves the following aids:

1. A plumb bob or metal object weighing approximately three to eight ounces to which string can be attached
2. Three three-foot pieces of string
3. A receptacle smaller than the standard teacup
4. Three blindfolds

SBA'S ROLE IN COMMUNITY DEVELOPMENT

Lesson ManuscriptINTRODUCTION

1. Gain Attention. -- We come now to a more detailed discussion of the SBA role in community development. This was mentioned to you in the introductory period, as well as in the period 3.3-1, and perhaps on other occasions. We will be discussing the operations and policies associated with the implementation of what we shall call the SBA Community Development Plan, or CDP. (On TRANSPARENCY #1)

This plan calls for SBA staff personnel to work with community leaders much more extensively than in the past. It involves working at the grass roots level to help community organizations achieve basic improvements which are part of an orderly development program. It implies a close liaison with the community leadership. It calls for definite actions on the part of the community organization. It involves SBA in the provision of advice and counsel, information, and management and financial assistance.

The CDP then is a broad umbrella of assistance to communities, under which all the resources of the SBA may be brought to bear upon the solution of identified community problems. (Off TRANSPARENCY #1)

2. Motivation. -- Many, if not all, of you will be directly involved in some way in the Community Development Plan, so it is important that you understand its nature, and how it will operate. If you are not familiar with the SBA role in community development and the policies and procedures which stem from this role, then you will not be able to perform effectively in this SBA program. To

perform effectively, you must also broaden your understanding of forces at work in the community development process. The latter will be covered in other parts of this training program.

3. State Purpose and Main Ideas. Our main purpose in this next hour is to review the role that SBA can play in community development. This review will include the following:

- a. The essential requirements for SBA community development action
- b. Working with community organizations and leaders
- c. The community organization as a concept
- d. The essentials of a successful community organization
- e. The role of community leaders
- f. The role of SBA community development personnel
- g. Practical approaches: a step-by-step plan of action

TRANSITION. -- While SBA has many viable programs and appreciable resources, it has neither the funds nor the manpower to work in community development with every city or town in the country. Therefore it will be necessary to be selective in picking the cities which will receive community development assistance. Communities which lack leadership probably should not be selected as ones with which to work. Communities with political problems or internal disruptive factions probably should be avoided in favor of those with a more favorable environment.

The recognition of this need for selectivity is recognized by the SBA administration, and the following general policy is suggested.

BODY

1. The Essential Requirements for SBA Community Development Action. -- Before the SBA Community Development Plan can be fully implemented, three essential elements must be present: (On TRANSPARENCY #2)

a. There must be an incorporated organization in the community with which SBA can counsel and advise.

b. There must be a commitment by that organization to develop an analysis of community needs and goals as a basis for an action plan and a justification for projects which are deemed essential to the further development of the community.

c. There must be a commitment by the organization to work with SBA toward achievement of the organization goals (community goals).

During the initial stages of work with a community, these conditions may not all exist and some expenditure of time and effort must be made in an effort to identify the organization needed and to get commitments from it. The step-by-step procedure for doing this is outlined elsewhere in the training course and in the Handbook on Community Development.

Again, a community organization which has agreed to the conditions stated above may have to dissolve that commitment in the face of changing community conditions. When this occurs, it will be necessary for the SBA personnel to disengage themselves from the community involvement and look to other cities or towns in which to pursue the objectives of the program. (Off TRANSPARENCY #2)

TRANSITION. -- With what kind of local organization should SBA work in its Community Development Plan? There is no universally appropriate answer to this

question -- it will vary with the community and the nature of the existing organizations in the community.

2. Working with Community Organizations and Leaders. -- (On TRANSPARENCY #3)

Perhaps the best vehicle for the program will be local development companies where they exist. They are incorporated bodies with some financial resources. They are usually run by some portion of the leadership of the community. Since they exist for development purposes, they may be attuned to the type of program in which SBA wishes to engage in the community.

On the other hand, the local development company may have been chartered with a relatively narrow field of interests. Many such companies are formed with the sole end of industrial development. Such a mission is too narrow and would have to be broadened to permit consideration of other meritorious projects.

In the event no local development company exists, it is advisable to look at other organizations in the community which might serve the same purpose. There may be a good chamber of commerce organization which can take on a comprehensive community analysis and work with SBA on a development plan. Or there may be a strong civic club which in a small community has assumed some of the developmental functions normally ascribed to chambers of commerce and development companies. (Off TRANSPARENCY #3)

What happens when no organization exists in the community which appears to have promise as the vehicle for the SBA Community Development Plan? Thought should be given to encouraging the community leadership to organize an appropriate development company. In such an event, SBA can be extremely helpful; however, it frequently is a time-consuming and frustrating job to develop a local organization. It may well be more appropriate to disengage the SBA program

from the community and turn attention to other cities which are better organized and more receptive to the plan. This is a judgment decision which will have to be made by the individuals in SBA charged with implementing the Community Development Plan.

TRANSITION. -- Let us assume for the moment that no organization exists in a community which is receptive to the idea of working with SBA. How does such an organization come into being? What are the essentials for ultimate success of such an organization? What is the role of the SBA community developer?

3. The Community Organization as a Concept. -- In order to demonstrate the answers to these questions, I'm going to give you two brief definitions. Like all definitions, they are arbitrary, serving the purposes of this discussion. The first is that of a unit organization. (On TRANSPARENCY #4) A unit organization is two or more people consciously coordinating their acts. This class is a unit organization -- here we have a number of people coordinating their acts. When you break up for lunch into smaller groups, these then become unit organizations.

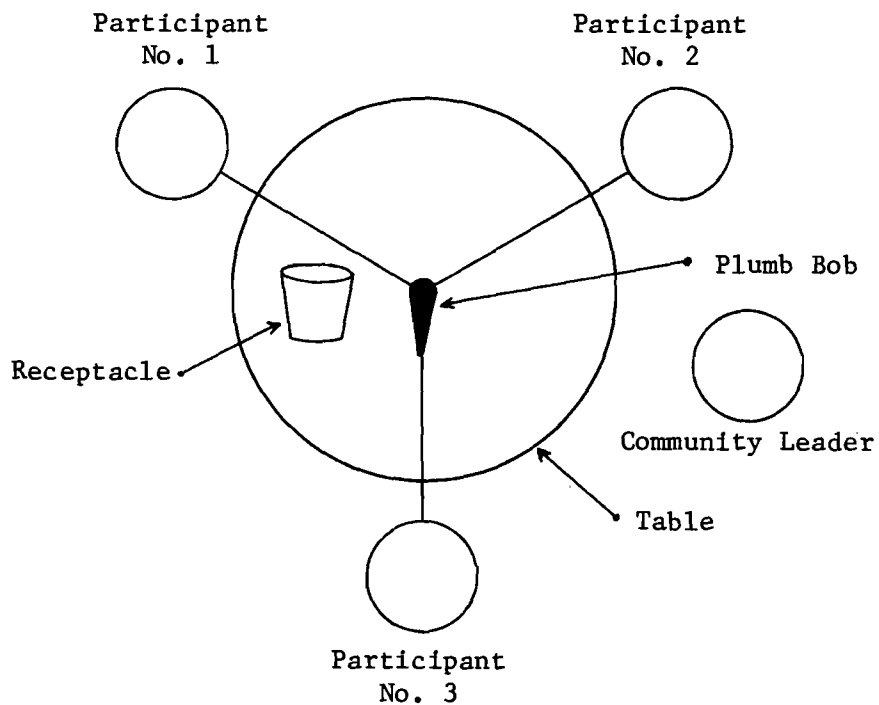
Unit organizations have certain characteristics. They are short-lived, for example. This unit organization will shortly die, and be replaced by other unit organizations as you break.

The second definition is that an organization is a system of unit organizations. SBA is an organization made up of many unit organizations. So are General Motors and Georgia Tech. Community development organizations are also systems of unit organizations.

I should like to demonstrate a community development organization at work to this group and to develop from the demonstration some of the answers to the questions I asked a few minutes ago. (Off TRANSPARENCY #4)

(At this point, three volunteers from the group are seated around a table in front of the room and blindfolded. A piece of string attached to a plumb bob is placed in the hand of each of the members of the community organization. Another member of the group is asked to act as the community leader and to guide the organization in the performance of a task. The task is for the three blindfolded participants to place the plumb bob in a container on the table by pulling on the strings in their hands, under the guidance of the community leader. After some time, the task is accomplished. Then the blindfolds are removed, the task is demonstrated to the participants, and they are asked to complete the task without assistance from the community leader. The task is quickly accomplished and the demonstration ends.)

COMMUNITY ORGANIZATION DEMONSTRATION SETUP



Now we could talk a long time about this demonstration because it shows many things about a community development organization and how it operates. It uses symbolism because it substitutes for the usual goals of a community organization a physical task. Let's pretend, however, that the task of putting the plumb bob in the receptacle was really the attainment of a community goal, say the attraction of new industry to the community. Then this becomes a very practical demonstration of how a community organization goes about achieving its goal of attracting new industry.

We really demonstrated two different types of organizations. When the members of the community development organization were blindfolded, we had a formal unit organization being demonstrated. This is a unit organization where a community leader is needed to continually guide the activities of the group. Later, when the blindfolds were removed we had what is known as an informal unit organization. In this case the members of the community group could see the task to be accomplished to reach the group goal and were able to achieve it with very little help.

One thing this demonstrates is the effect of blindfolds on people. Everybody in an organization is blindfolded to some extent -- he cannot always see what has to be done, he does not always understand why it has to be done, and he is not always motivated to do what should be done. When the blindfolds are removed the members of a group can do a much better job of reaching the group goals more quickly. The job of the community leader is to remove the blindfolds of the members of the organization.

4. The Essentials of a Successful Community Organization. -- There are three essentials to the success of a community development organization. They were illustrated in the foregoing demonstration.

a. Knowledge of Goals. First, everybody in an organization has to know and understand the goals of the group, the reason for their acting cooperatively. When the group members were blindfolded, they could not perceive the goals of the group and it was difficult for them to contribute effectively to the goals of the group. When the community organization members had the blindfolds removed, they could see and understand the goals of the group. It would have helped the members of the organization a great deal to know what they were doing holding the end of the piece of string -- to know what the goals of the organization were.

b. Recognition of Action Required. The second essential demonstrated was that each member of the organization must know the physical, mental, or spiritual acts which he must perform in order to help the community development organization to reach its goals. In the blindfolded performance, the members of the group could not see what had to be done. When the blindfolds were removed, they could see the necessary acts to be performed.

It frequently happens that the goals of an organization are clearly perceived but the means of attaining the goals are obscured. In industrial development, for example, the goal may be the attraction of industry. Leaders and members of community organizations usually have no difficulty in picturing the benefits which may come to a community from new industries in terms of the impact of new jobs, income, housing, sales, etc. However, these same individuals may be relatively ignorant about how to attract industry in terms of the information which must be compiled and put into usable form, the development of attractive industrial sites, the ways to contact and handle industrial prospects, etc. This would be a case where the goals are obvious to everyone but the

necessary acts to reach the goals are not obvious. Here the SBA community developer can provide information and advice.

c. Motivation to Act. The third essential demonstrated is that each member of a community development organization must be motivated to perform the acts which will permit reaching the organization goals. The organization members must recognize the incentives that exist for them. These may include civic pride, a need for recognition, or even the expectation of making a profit on some future date as a result of the achievement of the community goals. In the demonstration, the organization members were not particularly well motivated. In this particular case they participated because they were asked to do so and to refuse to participate might have been a little embarrassing. Had we placed a \$100 bill on the table after the blindfolds were removed and informed them that they could share the money as soon as they could perform the task in three seconds or some short time, they would soon have achieved that level of performance and been financially motivated. In all probability, most members of non-profit community development organizations are not financially motivated but more altruistically inclined. (On TRANSPARENCY #5)

These three essentials of successful community development organizations are so important that they should be restated. In a successful organization it is important that the individual members know and approve of the goals, know the acts required to reach the goals, and are motivated to perform the acts which will permit the goals to be reached. (Off TRANSPARENCY #5)

TRANSITION. -- We come now to a discussion of the role that the community leader played in the demonstration and the role that the SBA assumes in such an environment.

5. The Primary Role of the Community Leader. -- What was the primary role of the community leader in the preceding demonstration? (On TRANSPARENCY #6) It was fairly obvious. The community leader communicated with the members of the organization. His message involves the same three essentials previously discussed. A community leader in communication with the organization members discusses the goals of the group and how to reach them; in addition, he somehow motivates members to perform the necessary acts. (Off TRANSPARENCY #6)

The motivation techniques employed by community leaders are discussed at some length in the Handbook and will not be repeated here.

6. The Role of SBA Community Development Personnel. -- The role of the SBA personnel working with the community organization also was apparent in the recent demonstration. It was the role assumed by the lecturer -- as an advisor, catalyst, and participant. (On TRANSPARENCY #7)

Initially, the lecturer helped in the formation of the organization by obtaining volunteers from the audience and by selecting a community leader. Occasionally, where an appropriate organization does not exist, this is precisely the type of thing SBA personnel must undertake.

a. Advisor. The advisory role of SBA in the demonstration took the form of instruction to the participants in grasping the string, in advising the community leader concerning his functions and the goal of the organization -- i.e., attracting new industry. It included information on the limitations of the project, such as telling the leader that the goal must be achieved through direction of action of the members rather than just by reaching over and performing the task himself. This is comparable to providing information to a group in real life, through the provision of information and advice, such as

describing the nature of assistance programs available to the community or the limitations of SBA financing programs.

Guidance to the community leader in the course of the demonstration also was provided by the lecturer. This is the essence of the assistance role of the SBA to community organizations. While others in the organization may be provided information on occasion, the leadership should be the focal point of the SBA activity. It is usually the leadership which can best introduce and maintain interest in projects which are meaningful to the community. Without the support of the leadership, projects will not be pushed and completed.

b. Catalyst. The catalytic role that the SBA presence plays is to accelerate the community development process, much as a chemical catalyst speeds up a chemical reaction by its presence.

SBA stimulates the community development process by making available to the local organization certain tools, information, and expertise. SBA personnel, by working with the local organizations, can provide answers to questions and inputs of data, information about other programs, etc., which can materially shorten the decision-making time for the organizations.

c. Participant. The participatory role of the SBA community developer also was apparent in the demonstration. The lecturer blindfolded the participants and performed other acts of participation in the group activities.

In like manner, the SBA staff man who works with a community organization participates in a very real sense. He attends meetings of the organization, enters into the discussions without trying to dominate them, and provides needed information at the appropriate time to the group. He may participate personally in the analysis phase of community problem identification. He also

may provide guidance in the selection of priorities of problems to be solved, and he may assist in the implementation of action programs by serving on committees or other means.

TRANSITION. -- This demonstration and the ensuing discussion really constitute a conceptual scheme, a way of looking at community development organizations which closely parallels the circumstances you will encounter in working with local groups. However, these do not tell much about the practicalities of working with community leaders and organizations. Neither do they cover the step-by-step procedures which can act as guidelines in working with communities. (Off TRANSPARENCY #7)

7. Practical Approaches: A Step-by-Step Plan of Action. -- We shall now review briefly the procedures which SBA employees can use in implementing the Community Development Plan. It should be recognized that these procedures are idealized, and they must be modified to suit the particular environmental circumstances of the specific city or town in which SBA finds itself involved. The steps followed in one community may not be needed in another; in still others, the sequence of them may be changed, or additional steps may be required. However, the following plan of action, with some modification, should be appropriate in a large proportion of the cases. (On TRANSPARENCY #8)

a. Step 1 -- Preliminary Identification of Maximum Growth Potential Communities. On the assumption that those communities with the most growth potential will produce the most results in terms of viable SBA projects, a preliminary survey of communities in the area must be made. Inputs to the survey will include local and regional data, personal knowledge of the communities, previous experience with communities, and whatever sources appear to be helpful in the

analysis. The objective will be to produce for each regional office a list of communities which data and experience indicate are most likely to be receptive to working with SBA in its Community Development Plan. The list must be flexible so that communities can be added or deleted as circumstances warrant. With this list in hand, a selection of communities must be made to determine which will receive first priority effort by SBA. Specific assignments of communities will be made to individuals or groups of individuals.

b. Step 2 -- Additional Community Information. All readily available information on the selected communities should then be gathered, reviewed, and digested by the individuals assigned to the respective communities.

c. Step 3 -- Initial Community Contacts. The SBA personnel working on the Community Development Plan must proceed to establish contact with the community leadership structure. This is best initiated through the community financial structure -- that is, the local bankers. Other contact points include the mayor and the county commission chairman or county judge. In these contacts, the situation in the community can be reviewed. If there is a local development organization, it must be identified and analyzed to see if it can be used as a vehicle for the Community Development Plan.

If such an organization existed but is now defunct, then consideration should be given to revitalizing the organization. If no organization has existed or is available, then consideration should be given to assisting in the creation of such an organization.

8. Plan of Action in a Community Where No Suitable Organization Exists.

a. Step 4 -- Determining the Degree of Interest. It is necessary to utilize the contacts established in the community to determine the interest of the

leaders in the SBA Community Development Plan. If suitable interest is shown, the leaders should be encouraged to call for an organization meeting.

b. Step 5 -- Planning the Organizational Meeting. SBA personnel can lend assistance to the leadership of the community in planning an organizational meeting in a number of ways. Involvement in the planning for the organizational meeting is important. Guest speakers from various development agencies might appropriately be invited. Such speakers should be fully informed about the SBA Community Development Plan and why it is important to achievement of the goals of the organization.

Some assistance may be provided in the selection of the date, place, and time of the initial meeting and in the invitation of concerned individuals and organizations. Where possible, the meeting agenda should be well planned to include a welcoming statement and a description of the purpose of the meeting, the needs and benefits of an overall community development program, the role that SBA will play in such an endeavor, and a suggested plan of organization. After a brief question and answer period, the organizers should be prepared to present a slate of officers or an organizational committee so that the matter may be pursued. (Off TRANSPARENCY #8) (On TRANSPARENCY #9)

8. Steps the Community Organization Must Take with SBA Advice and Assistance.

a. Step 1 -- Formal Organization. The organization must be formalized with a broad range of objectives encompassing all aspects of community development. If the SBA is to use the organization for SBA loans ultimately, it is desirable that the group incorporate as a local development company in accordance with the requirements of the Small Business Administration.

b. Step 2 -- Appointment of Working Committees. Once formally organized, the group needs to establish working committees which can handle the various

tasks. Steering, research, finance, and publicity committees might be established initially. Functional committees for agriculture, tourism, industry, and business development might also be considered.

c. Step 3 -- Analysis of the Community. The first operational task of the organization is to prepare a community profile and an analysis of the community needs. Here the SBA personnel can assist in helping identify community needs and problem areas. This phase usually takes a considerable period of time.

d. Step 4 -- Establishment of Goals and Priorities. Once the analysis is complete and community needs and problems have been identified, the assignment of priorities to these findings establishes the short- and long-range goals of the organization within the framework of its charter objectives.

e. Step 5 -- Action Plans. The goals and priorities permit the development of an action plan to reach the goals. This generally evolves into specific projects, such as developing an industrial district, building a 50-bed hospital, developing a shopping center, helping an industry expand, setting up a new manufacturing plant, or building a motel. Perhaps the greatest application of SBA expertise and knowledge, as well as loan programs, can be provided at this stage of the community development program.

9. Additional Step that SBA Personnel Must Take. -- Use the standards suggested in the Handbook on Community Development or other evaluative procedures developed by the Small Business Administration to evaluate goals and programs of the local development organization. (Off TRANSPARENCY #9)

10. Plan of Action Where the Community Has an Active Development Group. -- In an environmental situation where an appropriate group exists, the organizational activities described above are not necessary. However, it is necessary for SBA

personnel to evaluate the existing organization in terms of its structure and goals. If the objectives of the group are compatible with the SBA objectives, no changes may be necessary. Frequently the structure of the organization may have to be modified or the objectives broadened to permit usage of it. If this can be done without sacrificing the interest and enthusiasm of the members of the group, it is much preferred to trying to establish an altogether new organization.

OPPORTUNITY FOR QUESTIONS

SUMMARY

In this period we have discussed three major aspects of SBA involvement in community development. The fact that there must be a community organization with certain commitments to SBA was discussed, as well as the nature of the commitments. A conceptual way of looking at the operations of community organizations was demonstrated. Finally, a step-by-step approach to working with community organizations was reviewed, recognizing that each individual community may require a personalized rather than a stereotyped approach.

LIST OF SUPPORTING MATERIALS

1. Training Aids

TRANSPARENCY #1	SBA Community Development Plan (CDP)
TRANSPARENCY #2	CDP Essential Requirements
TRANSPARENCY #3	Community Development Organizations
TRANSPARENCY #4	Conceptual Definitions
TRANSPARENCY #5	Three Essentials of Successful Community Groups
TRANSPARENCY #6	The Role of the Community Leader
TRANSPARENCY #7	The Role of SBA Community Development Personnel
TRANSPARENCY #8	CDP -- Step-by Step #1
TRANSPARENCY #9	CDP -- Step-by-Step #2

2. Other Documentation

Demonstration kit (to be produced locally), consisting of plumb bob, string, receptacle, blindfolds.

SBA'S ROLE IN COMMUNITY DEVELOPMENT

Advance Sheet

PURPOSE: To discuss the SBA policies and procedures with respect to the SBA Plan for Community Development

STUDY ASSIGNMENT Summary, Chapters IV, and VI, Handbook on Community Development

REFERENCES: None

SUPPLEMENTARY READING: See bibliographies after Chapters IV and VI

REQUIREMENTS TO BE COMPLETED BEFORE CLASS: None

ADMINISTRATIVE DETAILS: None

LIST OF MATERIALS ATTACHED: None

LESSON PLAN

Essential Data

TITLE: SBA COORDINATION AND COOPERATION WITH LOCAL
COMMUNITY DEVELOPMENT ORGANIZATIONS

PURPOSE: To discuss approaches and problems in
implementing the SBA Community Development
Plan through working with community leaders
and organizations

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Conference

HOURS: Two hours

STUDY ASSIGNMENT: Chapters IV and VI, Handbook on Community
Development

ESTIMATED TIME REQUIRED TO
COMPLETE STUDY ASSIGNMENT: One and one-half hours

INSTRUCTOR REFERENCE: Chapters IV and VI, Handbook on Community
Development

TRAINING AIDS: None

ADDITIONAL DETAILS: Reproduce one copy of DISCUSSION LEADER'S
GUIDE for each group leader and one copy
of the AGENDA for each student.

SBA COORDINATION AND COOPERATION WITH LOCAL
COMMUNITY DEVELOPMENT ORGANIZATIONSConference OutlineINTRODUCTION

1. Instructor Action. -- We have emphasized throughout this program that community development, as an organized approach to meeting community needs, is primarily concerned with motivating community residents to help themselves use their physical and human resources to the full. We further found that, when viewed from without a particular community, community development is an effort to increase the economic opportunity and quality of living of a given community by helping the people of that community with those problems that require group decision and group action. We are now aware that SBA is committed to play a definite role in the community development process. The various ramifications of our program were discussed in a previous period of instruction.

2. Instructor Comment. -- The general purpose of this conference is to discuss among ourselves approaches and the problems involved in implementing the community development plan by working with community leaders and organizations. Each of you has been furnished an agenda and a list of the discussion groups. Will you now please join your discussion leader at the place indicated?

CONFERENCE PROCEDURE

At this point, the several conference groups will commence a discussion of the agenda items under the guidance of the discussion leaders. These

leaders should be other members of the instructional team. A DISCUSSION LEADER'S GUIDE and the AGENDA are appended to this lesson plan.

BODY

- a. Group discussion of Agenda Item No. 1 (20 Min.)
- b. Group discussion of Agenda Item No. 2 (30 Min.)
- c. Group discussion of Agenda Item No. 3 (30 Min.)
- d. Group discussion of Agenda Item No. 4 (15 Min.)

OPPORTUNITY FOR QUESTIONS

(Class reassembled)

CONFERENCE CRITIQUE

(15 Min.)

Now that we have answered questions, each group leader will briefly describe the discussions undertaken by his group.

LIST OF SUPPORTING PAPERS

1. Training Aids

None

2. Other Documents

DISCUSSION LEADER'S GUIDE

AGENDA

DISCUSSION LEADER'S GUIDE

General InstructionsBACKGROUND

A conference is a group discussion in which the members actively participate, conversing on a given problem or topic under the leadership of an instructor or student. To be most effective, a conference period of instruction must involve participants who have a general knowledge of the subject matter to be discussed. It can be assumed that the participants in this period of instruction have some knowledge of SBA's intended role in community development and a general knowledge of community development organizations. The conference should draw from each participant his views of the workings of the community organizations of which he is aware and develop in each participant an awareness of the techniques he can use and the obstacles he may encounter in the community environment.

BASIC OBJECTIVE

The basic objective of this period of instruction is to focus the thinking of the participants on ways of implementing the SBA Community Development Plan in a community. When practicable, the small group is used as a vehicle for discussion. The objective is not to foster consensus, but rather to encourage thought and discussion, emphasizing the people and environment with which the participants are acquainted.

PROCEDURE

To achieve the objective of a conference period of instruction, it is necessary that there be a reasonable balance between relevant and irrelevant subject matter. In other words, it can be expected that participants will occasionally discuss irrelevant matter when seeking to express themselves on the subject at hand. Thus, the discussion leader must use skill and tact in keeping the conference "on the track."

Generally speaking, the following procedure will be followed:

1. Restate reasons for the conference and general procedure to be followed.
2. Introduce each agenda item, setting the direction and tone of the discussion.
3. Open the conference to discussion.
4. Interject prepared questions as necessary to keep the conference moving in the proper direction.
5. Briefly summarize points covered in the agenda item discussion and point out additional areas for later consideration by the participants. Move to next agenda item in timely manner.
6. Make final summary at end of conference period.
7. Return to classroom for question period.
8. Critique group discussion.

TIMING

A time schedule has been provided as a general guide. Judgment should be used so that areas in which participants are knowledgeable and interested are emphasized. All agenda items should be covered unless it is obvious that to do so would make the period less effective. Frequently, it is better to cover all items and return to a particular one for additional discussion later, if time permits.

AGENDA CONSIDERATIONS

"Acting in an advisory capacity to community leaders may, on occasion, be a frustrating experience for SBA personnel. The aim of such advice is to guide the actions of community leaders and their organizations along channels which will lead to attainment of the goals. This frequently means a change in thinking or action for the leadership and organization. People resist change unless the benefits of making the change are very clearly spelled out and understandable to them.

"Because SBA is providing advice and assistance without direct line authority, the community organization has the option of accepting or refusing the counsel. Herein lies a potential frustration.

"In order to review the ways to operate effectively in the community organization environment, we shall first discuss the concept of the Small Business Administration Community Development Plan. Then we shall get the thinking of this group on techniques which can be used, obstacles one is likely to encounter, and motivation of community leaders.

"There are, of course, many approaches and various techniques. One of our major purposes during this conference is to exchange viewpoints and to examine those viewpoints in the light of our various experiences. To make this conference go, we need something to focus our thought and discussion on -- a theme from which we can vary as we seek to examine possibilities for involving citizens in development. We have chosen the small group since we feel that small group psychology plays an important role in civic activities.

"We are not seeking consensus here; rather we are meeting to encourage thought and discussion on this very important matter. We will try to stay with the agenda which you have been furnished, but that is not our objective. Let's get a fruitful interchange above all else."

AGENDA ITEM INTRODUCTION

Each agenda item should be introduced to the discussion group in such a manner that the participants will be properly oriented and have a precise point of departure for discussing the item. Discussion leaders should prepare an introduction for each item based on an analysis of the area to be covered and the background information furnished in the formal presentation. As the conference progresses, it may be necessary to modify prepared introductions to agenda items somewhat so that continuity of thought can be maintained.

CONFERENCE AGENDA

Agenda Item No. 1 (20 Minutes)

The Nature of the SBA Commitment to Community Development

1. Do we understand the CDP?
2. What benefits will the community get through the CDP?
3. What are the SBA commitments to a community?

Agenda Item No. 2 (30 Minutes)

Coordinative Techniques to Be Used by SBA

1. List the techniques utilized in achieving coordination and cooperation.
2. How can these techniques be used by SBA in obtaining coordination in the community?
3. How can cooperation with the leaders be achieved?

Agenda Item No. 3 (30 Minutes)

Obstacles to Implementing the CDP

1. List obstacles to acceptance of the CDP in the community.
2. How can obstacles be overcome?

Agenda Item No. 4 (15 Minutes)

Motivation of Community Leaders

1. List ways to motivate community leaders (assistance, etc.).
2. How can these be applied effectively?

3. How do you measure the effectiveness of leadership?
4. How do motivation techniques compare with coordinative techniques?

Agenda Item No. 5 (15 Minutes)

Conference Critique

1. Recap of group discussions by group leaders.

LESSON PLAN

Essential Data

TITLE: SBA EVALUATION OF COMMUNITY ORGANIZATIONS,
PLANS AND PROGRAMS

PURPOSE: To establish guidelines for SBA use in de-
termining which communities to work with,
and which local organizations to motivate.
Also, steps are listed that need to be taken
to make sure those organizations can meet
desirable objectives.

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: Two hours

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO
COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES: Chapters VI, VII, and VIII in Handbook on
Community Development

TRAINING AIDS: None

ADDITIONAL DETAILS: Reproduce one copy of SUPPLEMENTARY MATE-
RIAL #1 and #2 for each student.

SBA EVALUATION OF COMMUNITY ORGANIZATIONS, PLANS AND PROGRAMS

Lesson Manuscript

INTRODUCTION

1. Gain Attention. -- By this time, I am sure you are beginning to get thoroughly inoculated against and resistant to "infrastructure," "community organizations," "power structure," and all the rest of the terminology. You may even be at the point of wanting to chuck all the development techniques and procedures out the window.

2. Motivate. -- In that case, you might be right.

What we tend to ignore, all too often, is that community development is simply working with people in order to get things done.

And, since SBA has a mission to get things done, let's review what you need to accomplish this on the local level.

3. State Purpose and Main Ideas. -- During this period, we shall explore, through discussion, what we need to have in a community to make the SBA program most effective. We shall be reviewing much of what we discussed last week in order to put those ideas and concepts to maximum use.

TRANSITION. -- Assume for the moment that you are a citizen of some standing in a community and an SBA expert contacts you to say, in effect, "Look, we have some programs and the opportunity to provide money or advice in some economic-social areas. Do you think our help can be used? Whom do we work with?"

What would be your response?

BODY

1. Initial Contacts. -- My own reaction to the questions above would be to tell the SBA man to contact one of the community leaders, either in the governmental sector or the business sector. This is a perfectly natural reaction.

Probably, there is some sort of scale working here. For example, in the very small community, you will be referred to the mayor or the leading businessman. In somewhat larger communities, it may be to the city manager or to the chamber of commerce. In even larger communities where the structure is more complex, you will be bounced to a city councilman, the planning director, the economic opportunity executive, the chamber manager or foundation executive, or a similar individual.

2. Financial Institutions. -- One of your prime contacts, because of the nature of SBA, will be the local banker. He may be in the inner circle of local leadership, or perhaps on the fringe. Certainly he ought to know what organizations presently function, who the key individuals are, and something of the general scope of the activity.

3. Preliminary Preparation. -- In a purely theoretical problem, setting up an ideal set of circumstances, you as the SBA community developer would first review all the data you had on hand in the office about the community that you hope to work in and with. You also would have checked with other development agencies (banks, utilities, state and regional agencies) to inquire what information they have about the community, what they know has been done, what needs to be done, and whom to contact.

I doubt, even under the most ideal circumstances, that all this can be done within the confines of your office, hundreds of miles removed from the community we are preparing to put under the microscope.

4. Cursory Evaluation. -- Having proceeded through the procedures enumerated in earlier courses, we come to the first dilemma: Does an active, viable community organization, one with which SBA can work and to which SBA can render assistance, have to be constructed, or does one already exist?

Let's take the first alternative. This puts us on page vi of the Summary in your Handbook, "Step-by-Step Plan of Action for Use in Communities Which Have No Active Development Group." In this case, first, we have to start out with encouraging local leaders to create an organization committed to certain programs and objectives.

If the other alternative presents itself, then we can pick up on page vii of the Summary: "Steps the Community Organization Must Take with SBA Advice and Assistance."

5. Review the Organization. -- Here again, we can follow the Handbook. Once the organization is alive and active, examine the current information about it and comprehensive data about the community.

- a. Is the organization broad-based; does it represent a wide cross section of the community?
- b. Does it seek to identify problem areas?
- c. What is being done about identified problem areas?
- d. What areas are not being explored?
- e. With particular respect to SBA lending and technical problems, how far has the organization gone in identifying companies that need help or advice, opportunities in the health and recreation sectors, development of minority business?

6. Search for Goals. -- Let's review what we say in the Handbook about goals:

a. Define Goals. A clear definition of goals is an essential first step in the construction of plans and programs. This is part of the strategy for the allocation of community resources among all the competing demands for those resources. Without the definition of goals which are attainable, the community development organization is in danger of merely establishing random targets and becoming involved in projects that are arbitrarily chosen and have no relationship to each other.

b. Economic Goals. At least four separate types of development goals can be identified. In the present climate of national and international ferment, with major emphasis upon the underprivileged and the deprived groups, economic goals have been at the center of community and regional attention. Raising the standard of living is a major objective. Such a goal can usually be defined in terms of an increase in real personal income, the provision of jobs for all citizens who seek employment, and the better and higher utilization of all local resources. Disparity in income and buying power has placed a premium upon efforts to expand this phase of the economy.

c. Social Goals. Social goals are also of major concern. These are frequently defined in terms of better housing, of better education, and of improved health facilities. Social concern with those segments of our society classified as minority groups or senior citizens has brought into sharp focus some of these goals, usually on a regional or national scale, rather than on a community basis.

d. Political Goals. Political goals are concerned with the form and efficiency of governmental operations. Particularly on the local level, much

attention is now being paid to measures to consolidate municipal and county functions, often to merge two or more local units of government. As a parallel, the services being performed by or expected from various levels of government are also under examination. The revenue-raising capacity of all these are being carefully scrutinized by many communities.

e. Physical Goals. Some local goals may be physical, and therefore are concerned with the manner in which land is used and institutional facilities developed. In many communities, problems related to modern transportation facilities and the great dependence upon the automobile as a mode of transport have forced some serious consideration of establishing goals to solve these situations. Efforts to improve the esthetic appearance of many communities is another illustration of this type of goal.

The SBA community development specialist should make a special effort to review those studies and recommendations previously prepared for the local development group in order to be alert to potential opportunities.

7. Relation to Goals of Larger or More Comprehensive Areas. -- How the local goals fit into the general scheme of the region or area also has to be considered.

Examples of Regional Goals. Some regional objectives are well defined. For example, with respect to development of economic opportunities, a regional goal would be the substantial reduction of unemployment and eventual elimination of this condition. With increased industrial growth, strides can be taken in that direction. But the solution is not that simple, for usually the region's unemployed are also the unskilled and the uneducated.

So there are yet other alternatives with which local community groups have to contend: retrain the unemployed and then attempt to attract and

develop industries which can use those skills, truly a long-range project; or, for the short range, attempt to attract potential employers of unskilled workers. Since the latter is the short-range approach, it offers only a temporary solution. Most of the industries which fall within the category of large employers of unskilled workers probably are declining in a competitive sense or growing very slowly; therefore, they offer a much less suitable target.

Another common regional goal would be to increase sources of income in the respective subareas. To be occupied implies fruitful employment, and in work that provides suitable income. The propensity of the American wage earner to spend large proportions of his income, combined with the trend toward a shorter work week and thus more available leisure time, makes higher wages and higher income highly desirable. Such situations are usually associated with growth industries that make maximum use of skilled employees.

8. How These Goals Are to Be Realized. -- Here we are talking of the means of accomplishing some community objectives. Once again, let's draw upon some items in the Handbook:

If a community organization has as its main project the building of a new hospital, this might be recognized as a laudable goal by the majority of members of the organization, but some might feel that there are other more pressing needs to which the organization should apply itself. It is incumbent upon the organization leadership to see that all members receive information relative to the need for the hospital in terms of what it can do for the community inhabitants and potential users, how it may relieve a shortage of hospital beds or eliminate the need for travel to a distant city to obtain medical service, or whatever other justifications may exist.

Often it is possible for a member of an organization to perceive the goals and their desirability, but not to understand how the goals are to be achieved.

This sometimes occurs in industrial development activities when the leaders may recognize the desirability of new industry, but with little practical experience in the development field, may be completely unaware of the steps required to attract industry. They must be exposed to a period of education on industrial development; they must find ways to obtain the necessary information about their community and to accomplish the other necessary steps outlined in the Handbook.

Another example: a community may see as one of its problems the contamination of the nearby streams by area industries and untreated municipal sewage. This may be a technical problem, but it is also a political and economic problem, for the provision of a municipal sewage treatment plant may not solve the pollution problem. Pressure by the community on the area's industries to clean up the industrial waste situation may cause friction, great expense to the industries, and possibly alienate some of them. In order to know the extent of the problem and how far the community can go to correct the situation, experts should be called in.

9. Specific Programs. -- We have furnished you in the Handbook (on pages 3 through 6 of Chapter VII) a check list of community problem areas. Let's discuss some of these.

(About 15-20 minutes of discussion on these phases.)

TRANSITION. -- Having immersed ourselves this deeply in local aims, objectives, and programs, let's come up for a breather and a short break.

(Take 10 to 12-minute break.)

TRANSITION. -- Resuming the actual procedure you developers would follow in analyzing the community program and organization, we can pick up with measures to be used for sound evaluations.

10. Response to Leadership. -- We know, from painful experience, how agonizingly slow -- glacial, if you will -- is the progress many communities make when an outsider volunteers aid, advice, and help. So what we are confronted with is periodic review and recontact.

- a. How has the leadership responded to SBA guidance?
- b. Has the group done anything concerning its problems since your last visit?
- c. Have previous suggestions been explored and followed?
- d. If alternative courses were taken, are there logical reasons?
- e. Is it still concerned with apparently insoluble problems?
- f. Has it turned up any specific projects that SBA can focus its resources on?

11. Use Check List. -- To make things easier, we constructed an evaluation check list. This is on page 3 of Chapter VIII. What are your reactions to this?

TRANSITION. -- Program concepts are great, but often we find they are too grandiose, or impractical. One thing to check locally is funding. First, let's examine funding of the organization.

12. Funding. -- Is the organization itself adequately funded? Any successful local or regional economic development program requires adequate funding. Salaries must be provided for a director and a secretary, if a professional is to be utilized. Office space and utilities, postage, stationery, travel

expenses, subscriptions, and association dues are but some of the other expenses which an organization must cover. These monies are usually raised from local businesses and individuals -- most typically from those having a stake in the continued growth and economic well-being of the area. Ideally, the financial pledges are for a period of from three to five years, to insure a continuing program.

Then, is the specific project adequately funded; have sources for such been explored?

13. Adherence to Work Program. -- A useful measure of a community's interest and its leaders' abilities can be achieved by examining how the community adheres to previously agreed upon objectives. Examination of the current work program in light of those for previous years ought to be undertaken, comparing past accomplishments with the status of projects in the current work program, including any projects currently under way. Evaluation of this information will permit a reasonably accurate judgment as to the continuity of the program from year to year and the group's ability to set and meet goals. Some alterations of the planned program will occur, but there should be sound, logical reasons for these.

14. Specific Work Programs. -- We included as the Appendix to the Handbook a "Typical Program of Work -- Centerville Economic Development Organization." This is based on an actual case of an organization with a full, well-rounded series of goals. Some of these programs have little application to SBA activities, but may pertain to other Federal programs where help and assistance can be rendered. But some are directly in your spheres of activity. (Discuss)

TRANSITION. -- A couple of other evaluation tests also ought to be applied consistently.

15. Coordination. -- One of these is coordination of local programs with other programs. A community development group cannot afford to work in a vacuum. It needs to communicate and cooperate with other groups at the local, regional, and state level. A measure of the effectiveness of the local group is the frequency and nature of its contacts with other organizations -- area development groups, state development agency, and industrial development departments of the major banks, public utilities, and railroads. Occasional visits with staff members of these organizations will provide SBA representatives with a good measure of the community's efforts in this regard. Of particular importance is whether the local group provides current information for the files of such organizations.

A related matter is the degree to which the community is aware of and has utilized other Federal and state programs in the solution of its problems. It should have programs at least in the planning stage which can utilize state or Federal funds.

If there is a chamber of commerce or other development organization in another community within the county, or in an adjacent county, then the local development group should maintain close liaison with that body.

In counties which are eligible for EDA designation, an additional gauge of community effort is offered in the relationship between the local development group and the county OEDP committee.

16. Leadership. -- Another test is the evaluation of local leadership. We have talked a great deal in past days of leadership -- what it is, who comprises the leaders, and so on.

It is difficult to establish any hard and fast rules for evaluating the leadership of a community, but it must be recognized that attitudes play a

large part in the success of a community development program. Personalities vary greatly, and people sometimes interact in seemingly incongruous ways. However, the attitudes of leaders can be gauged with some degree of accuracy.

The attitudes of the mayor, the chairman of the development group, and the officials of local banking and other financial institutions toward the growth of the community or area can be determined through informal discussions with each of these people. Although these people may not constitute the real power structure, in most cases their views will reflect those of the power structure. A very important area for discussion is each individual's feeling about the possible changes and disruptions which might come from an expansion of the economy. These might include a reduction in the availability of domestic workers, the entry of a labor union into the community, the loss of present employees to a new employer, increased traffic, new retail competition, or the construction of apartments in the community.

In any community, it is helpful to note whether private and public institutions are involved in the development program. Investigation will show whether the local development group is a "private club" or is fairly representative of the whole community. It should be determined whether the churches, the local college, organized labor, various civic organizations, and housewives are represented on the commission. Certainly, local governmental officials must be involved. In EDA development districts, the poor and the unemployed are also groups to be represented and involved.

One constantly recurring problem in small communities is the loss of interest on the part of local leadership, which can easily become frustrated or worn out.

Because economic development takes time -- it generally takes two to five years to achieve any significant development -- local development groups need to strike a balance between short- and long-range projects in their work programs. A successful project, handled correctly, can keep interest in the overall program at a high level.

Another problem in the smaller community is that the available leadership is shared by a number of organizations. While it is often said, "To get something done, ask the busiest man in town," even this old saw has a point of diminishing returns. And in many communities that point was reached three committees back.

17. Other Measures. -- We cannot complete this resume of evaluation procedures without stressing how important good lines of communication are -- between you and the community, within the community group internally, and externally between the community group and other agencies.

Another evaluation that is useful in examining individual projects is to look at them in the context of all local development programs:

- a. Is the community development program under scrutiny too narrow?
- b. Does it concentrate on only one objective or utilization of a single resource?
- c. Does it post only one solution or alternative avenues of accomplishing the stated objective?

At the risk of overstating the case, let me reemphasize the importance of establishing and maintaining contact with other development agencies and governmental units within the state and the region. It behooves a local development group to become acquainted with the industrial development personnel of these

organizations, to familiarize these persons with the assets of the community, and to provide them with copies of the economic profile and other data.

TRANSITION. -- To show you how such an evaluation can prove useful, we have prepared for you two case histories -- of Salina, Kansas, and Lincolnton, North Carolina. In both of these, SBA assistance was definitely effective.

(Distribute SUPPLEMENTARY MATERIAL #1 and #2.)

DISCUSSION OF CASE STUDIES (at least 15 minutes)

OPPORTUNITY FOR QUESTIONS

SUMMARY. -- The evaluation by the Small Business Administration community specialist who seeks to measure local organizations and programs will always be a subjective one. But, if you scrutinize closely the areas and points we have enumerated:

- a. How is the organization set up and how broad is its support?
- b. How good and deep is the leadership?
- c. What kinds of programs have been developed?
- d. How well thought out are these programs?
- e. Have all sources of help and support been explored?

Then, an effective evaluation can result.

LIST OF SUPPORTING PAPERS

1. Training Aids

None

2. Other Documentation

SUPPLEMENTARY MATERIAL #1 The Salina Story

SUPPLEMENTARY MATERIAL #2 The Lincolnton Story

(To be reproduced locally)

SUPPLEMENTARY MATERIAL #1

THE SALINA STORY
(A Case Study)Background

During World War II, the Department of Defense constructed Smoky Hill Air Force Base at Salina, Kansas. There it trained crews for B-29 bombers. In 1951 the Department renamed the base as Schilling Air Force Base, and extended runways for use by the Strategic Air Command.

At that time, Salina had a population of about 25,000 and four banks. Located about 80 miles north of Wichita and 100 west of Topeka, it served as a trade center for an agricultural area of central Kansas.

Over the next 13 years, Salina's population expanded to 41,203, making it the fourth largest city in Kansas. Population of Saline County reflected a greater gain than its county seat, going from 33,409 to 54,715. Approximately one-third of Saline County received a living from the base, which had an annual payroll in excess of \$20 million. Salina business sold goods and services to the base amounting to about \$1.1 million annually.

Development Company Formed

A profit-making local development company, Salina, Inc., was formed in 1950 to purchase a 60-acre tract. This organization functioned as an arm of the Salina Chamber of Commerce, with almost the same officers. Officers of the LDC were a bank president, the secretary of the Chamber of Commerce, a certified public accountant, an attorney, and the president of a real estate company. Salina, Inc., raised \$50,000 through sale of stock, bought the 60 acres and optioned another 90. Streets and other municipal facilities, through a bond issue, were extended to this industrial area.

Plans were made to establish an area vocational and training school at Salina, and the city was in the process of floating a \$750,000 bond issue to replace the city hall, county courthouse, and public library buildings with a single modern structure to combine the three into one building. But, in the fall of 1964, rumors began to circulate that Schilling was about to be closed by the Department of Defense as an economy measure.

The citizens were badly split over the rumor; some thought the base would be expanded to accommodate the new B-52 bombers, while others were pessimistic.

SBA Involvement

The SBA Regional Director in Wichita was asked to meet with various professional groups and civic organizations in Salina to discuss what could be done if the base were closed. The mood of the different groups he spoke with in those days ran from complacent optimism to deep pessimism, but no one appeared ready to go into any growth program until the issue was settled.

Finally, on November 19, 1964, word came to the local newspaper that Schilling was slated to close, to be shut down in June 1965. The impact of the announcement was widespread. City officials and community leaders reacted by holding a series of meetings in attempts to decide what to do. A delegation was sent to Washington to protest and request reconsideration, but to no avail. When it became apparent that the decision was final, the community resolved to make the best of it.

A delegation composed of representatives of the Department of Defense, Department of Health, Education and Welfare, General Services Administration, Federal Housing Administration, and others visited Salina and explained the various courses that the city could take to utilize the base property and absorb the employees that would be released from jobs at the air base. As a

result of this visit and with the help of the Wichita SBA office, many decisions were made that were to have a profound effect on the community's future. The impending disaster forced the citizens of Salina into close cooperation. Money and time were needed to prevent complete collapse of the local economy, and Salina responded by providing both in large measure.

Local Efforts Stimulated

Some 400 local people were appointed to committees. Much of the expense was borne by these individuals personally. A development specialist from Tulsa, Oklahoma, was employed to coordinate committee activities.

The bond issue for the new city hall-library building was overwhelmingly approved. The fund drive for the community chest was oversubscribed. With the help of Federal urban renewal funds, slum areas were cleared to make space for municipal buildings and business expansion. Special legislation for an airport was pushed through the State Legislature.

Officials of the local development company traveled far and wide seeking new business firms to relocate in Salina. As a result of their efforts, 12 firms have now been established in the industrial park; another 12 business firms have opened in the property vacated by the Air Force. Among the new business establishments that have located in Salina in the past 42 months are branches of Beech Aircraft Corporation and the Westinghouse Corporation.

Results of SBA Activity

Local established business has shared in renewed economic activity by using the local development company to assist in financing with five SBA 502 loans. Such financing amounted to approximately \$1.8 million, with \$356,500 being raised through loans to the local development company by banks. Among the firms assisted under the SBA 502 program are a uniform manufacturer, a truck

line, a ball bearing manufacturer, a farm implement manufacturer, and an industrial engine repair shop.

Some 18 SBA business loans have been approved to firms for working capital and other purposes under the Business Loan Program. Business loans were made to such diverse business interests as a prefab building contractor, a prefab steel company, a plastic manufacturer, an auto dealership, a textile manufacturing corporation, and an office machine company. SBA loans have made possible the creation of 526 new jobs in Salina.

In addition to assistance with loans, SBA has held several seminars with the Salina business community through its Management-Technical Assistance Program. SBA management people work with Kansas Wesleyan University, Marymount College, and the Salina Chamber of Commerce to provide management training courses to the John Deere Farm Implement Company's dealer organization and the new Salina Vocational-Technical School.

SUPPLEMENTARY MATERIAL #2

THE LINCOLNTON STORY
(A Case Study)Background

Lincolnton is a bustling little city nestled on the fringe of North Carolina's Piedmont section, a highly industrialized area running north from Charlotte. Lincolnton is about 30 miles northwest of Charlotte.

Most of the city's 6,000 or so inhabitants live in well-kept brick or frame houses. A housing project which is part of a recently approved urban renewal plan will soon replace the city's substandard housing.

The downtown shopping area is composed mostly of service and retail shops with plain, but neat, store-fronts with good window displays. A shopping center of recent vintage is conveniently located on the south side of town near the growing residential section. On weekends, parking is at a premium both downtown and at the shopping center. North of town an industrial park hums with activity, and the perimeter of the city is dotted with plants and factories.

This is Lincolnton 1969. Ten years ago it was a different kind of town.

Impact of Employment Decline

In 1959, plagued by a decline in its textile-based economy, unemployment had soared to over 17%. Real estate values plunged as residents vacated their houses and sought employment in surrounding communities. Receipts of the town's service and retail firms dwindled. Bank deposits continued to decline. By 1961, the erosion of the local economy was becoming alarming, as the town appeared to be doomed in a matter of a few years.

"We were worried over the unemployment rate," says Walter Lineberger, current president of Lincoln Industries, Inc., a community development company. "We generally agreed something had to be done if the town was to survive."

Local Development Company Formed

David Clark, local attorney, called representatives of the city's two banks, the Chamber of Commerce, and local businessmen together for a meeting to plan a course of action. Their first move was to form an industrial development company.

"We had relied too heavily on one industry," Lineberger says, "and our original plan was to set up a company as a means to attract new industries to Lincolnton."

At the meeting, the group selected officers, set up committees, and decided to solicit subscriptions for local development company stock from local residents. They also determined that any return on investments would go into interest payments on money the company borrowed rather than dividends to the stockholders. The initial solicitation raised \$19,500 (\$500 each from 39 stockholders).

"Some of our local industries were reluctant to endorse the development plan for fear that bringing in new industries would upset established wage scales and would result in union problems," relates Lineberger.

In retrospect, he believes one of the most important things a new development company can do is convince local businesses that they too can expand under a development program. Once this was done, the Lincolnton firms backed the plan enthusiastically.

First Results

The first industry to get help from SBA and the local development company was not an out-of-town industry, but rather an old established local manufacturer -- Burriss Manufacturing Company.

"My grandfather and father had run the business since they founded it in Lincolnton in 1936 with \$300," says Wayne Burriss, son of the founder and the young dynamo who now runs the firm.

"We had tried to be everything to everybody," he recalls. "We had annual sales of about \$1 million in 1960 and had experienced good growth but hadn't hit our niche. We finally hit on the idea of specializing in one style of furniture and trying to be the best in the world in our field," Burriss says.

The company decided on a new style of reclining chair as its specialty. Results exceeded their most favorable expectations and sales soared. Demand soon exceeded supply. The company's cramped quarters and 350 employees could not cope with the burgeoning business.

"We had no room to expand and no railroad siding," Burriss said. "That's when we got together with the development company people," he related. "With their help we acquired land across town, put up a plant, and moved our upholstery and warehousing operations into 100,000 square feet of space." Burriss also hired 130 new employees to operate the new, larger plant.

SBA Assistance

"We realized our \$19,500 wouldn't go far," says Lineberger, "but fortunately our bankers, who also happened to be officers of the development company, had worked with SBA for a number of years on loans to local businesses and were aware of SBA's ability to finance development company projects."

The developers contacted SBA's Charlotte office for more information. From those discussions came the funds to help Burris' firm. "Lincolnton people who had to work in the furniture centers in Hickory, Newton, and Lenoir now had jobs at home," he says.

In 1965, Burris again used the development company as the springboard to additional expansion. Looking for an answer to soaring lumber prices, Burris gambled on a new plastics process he had seen in Germany. Once again he hit paydirt. The new polyurethane process allowed the company to reduce costs, cut handling time, diversify its product line, and employ new packaging concepts, accomplishments which earned the firm a second place in a national voting as "Innovator of the Year" in the furniture business.

In addition to opening a new plant in Mississippi, Burris shortly will expand for the third time in Lincolnton. Including the Mississippi plant, the company now counts 900 people on its payroll. "Our young people in Lincolnton now have an inducement to stay home because we can make attractive job offers," Burris says.

In addition, Burris' use of new technology and an expanding research and development program offer college graduates an incentive to return home to Lincolnton to work. The company is sending young employees to nearby colleges for training and also has attracted professional specialists from as far away as Germany. Now the firm has grown too large to take advantage of SBA assistance programs.

Development company president Lineberger says, "If we hadn't expanded established industries, we would have lost the good will of all our local businesses."

Assistance to Outside Firms

But the developers, recognizing the need to diversify their economy, also sought to attract outside firms to Lincolnton. In 1964 those efforts paid off. A New Jersey knitting concern that bought yarn for its use decided to establish a plant to spin its own yarn. After looking for over a year for a suitable location, it settled on Lincolnton.

"I think the thing that really clinched the deal for Lincolnton was the reception our company president received when he met with the local development company," Calvin Carlton, plant manager of North Carolina Spinning Mills, Inc., says. "They had the answers to the president's questions, and the same day took him out and showed him a plant site and told him they could finance the building of the plant through an SBA Local Development Company loan."

Lincoln Industries, with funds borrowed from SBA, constructed a 35,000-square-foot plant, and the firm hired 50 local people to begin the spinning mill operation.

"We have since expanded our operations to where we now have a complete operation from spinning yarn to making and dyeing fabric, packaging, and shipping," Carlton recalled recently. The company also has nearly tripled its Lincolnton plant space and now employs 200 people, or about four times the original number.

"Industry usually is very receptive if it finds a town has an organization that can provide the information industry needs -- availability of labor, water, and sewage facilities, favorable utility rates, plus the ability to provide financing for a plant," says Ray Shaw, SBA's local development company specialist who has put together many of the SBA loans to Lincoln Industries, Inc. He points out that availability of development company financing for a plant frees up the firm's funds for always needed working capital.

Third Example

However, in another Lincoln Industries case, it worked the other way around. Cochrane Furniture Company, a local manufacturing firm, first used regular SBA financing for machinery and equipment. Volume tripled and it needed working capital. Once again, an SBA-bank loan met the need.

The firm's success soon began taxing the capacity of its quarters and its 85-man staff. Jerry Cochrane and Dave Clark of Lincoln Industries, who had been friends for years, talked the situation over and the development company arranged a loan. Cochrane built a new chair plant.

"I don't know what we would have done if we hadn't been provided the money to build our plant," Cochrane says, adding, "we probably would have had to sell out." With a staff that now totals 260, Cochrane says, "We're now at a plateau like we were in 1965. We've had many offers to sell to big business but want to remain independent."

Other Measures of Growth

The town that had inadequate facilities to accommodate overnight guests and group meetings now has a modern, 40-unit motel with banquet and meeting room facilities.

Increases in personal income underscored the need for better housing to meet the requirements of the executive and professional people now employed by the thriving industries.

In 1958, Lincoln County ranked 58th among the state's 100 counties in per capita income. Last year it had moved up to 27th on the list.

Retail sales in the county, which totaled \$7 million in 1947, were up to \$38 million at the end of 1967.

In 1958, the county had 7,000 people employed. At the close of 1968, there were 12,000 employed.

The population of Lincoln County stood at 28,000 in 1960. The growth of the economy arrested a temporary decline in population, and at the end of 1968, the county contained 32,000 residents.

Resume of SBA Efforts

So energetic and successful have Lincoln Industries efforts been that three other development companies have been formed as offshoots of the parent. The subsidiary companies specialize in helping certain types of industries, including service and retail firms.

The funds to finance operations have come from additional investment by the original subscribers, by adding new subscribers, and by reinvesting returns on loans.

In all, 19 SBA loans for \$3.4 million have been made over the past five years to the development company to finance Lincoln projects amounting to nearly \$4.2 million. Some 1,700 new jobs have been created, far above the 900 the small businesses projected when they got the loans. Among the firms that have received assistance are an undertaker, a men's store, a warehouse, and a motel. The SBA Management and Technical Assistance staff has helped two firms through SCORE counseling and has held one business management clinic in Lincoln.

"This growth has caused the town to do some serious thinking in other than unemployment terms," says Charles Randall, young law partner of Dave Clark. "Increasing our water and sewage facilities is of paramount concern right now," he says.

"We use about 3 million gallons of water a month," says Calvin Carlton of North Carolina Spinning Mills. "We're the second largest user and I don't believe Lincolnton's water system could accommodate another plant the size of ours right now." The city officials are aware of this and are well along in their plans to expand water and sewage facilities.

So successful have the efforts of the development company been that they are not currently encouraging new industry to locate in Lincolnton because the local labor supply is about fully utilized. The 1959 unemployment rate of 17.5% is down to 0.5%.

Jerry Cochrane sums up what seems to be the consensus of the entire community of Lincolnton when he says, "It's hard to say what might have happened to Lincolnton, but I'm certain that growth and progress in the county definitely would have been slowed for many years if it hadn't been for SBA and all the help they have provided the county in the past several years."

Walter Lineberger says that one of the most interesting sidelights of the whole thing is "that if discrimination in employment ever was a problem, it solved itself. Not through any Federal law, but by the simple law of supply and demand. With all the jobs available, labor is at a premium. If you can do the job, you're hired."

Today, city planners grapple with new and different problems, like housing and utilities, instead of unemployment and deterioration of the economy.

LESSON PLAN

Essential Data

TITLE: SBA ASSISTANCE IN IDENTIFYING ECONOMIC OPPORTUNITIES IN THE COMMUNITY

PURPOSE: To review those factors pertinent to improving the economic base of a community

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: Scan Figures 2 and 3, pages VIII-7 through VIII-10, Handbook on Community Development

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: Five minutes

INSTRUCTOR REFERENCE: Handbook on Community Development

TRAINING AIDS: See LIST OF SUPPORTING PAPERS

ADDITIONAL DETAILS: None

SBA ASSISTANCE IN IDENTIFYING ECONOMIC OPPORTUNITIES IN THE COMMUNITY

Lesson ManuscriptINTRODUCTION

1. Gain Attention. -- Economic Opportunity is the name of the game. This country was founded on the search for opportunity and has grown because people have recognized and seized opportunities to improve the physical, social, cultural, and economic base of the nation.
2. Motivate. -- In order to stimulate economic growth, the community must be able to identify economic opportunities in the community and surrounding area. It is important that you, as SBA community developers, identify those factors which appear to have substantial influences on the patterns of area growth.
3. State Purpose and Main Ideas. -- It is our purpose during the next hour to review those factors pertinent to improving the economic base of a community. We shall discuss the role SBA professional personnel play in assisting community leadership, and others, in identifying possible economic opportunities in the community and the surrounding area. This discussion will include:
 - a. A brief review of community development principles.
 - b. Discussion of points to remember when working with leaders in the economic sector of the community.
 - c. Need for basic information.
 - d. SBA assistance in identifying economic opportunities.
 - e. Removal of problems which inhibit economic growth.

TRANSITION. -- While there will be time for questions and general discussion later in the hour, please do not hesitate to interrupt me at any time if you

have a question or comment on any particular point. We want to make this as informal as possible and to utilize the experience and talents of everyone present.

BODY

1. Community Development Principles. -- As stated in Chapter I of the Handbook, "The process of community development involves three basic steps. (On TRANSPARENCY #1) First, all the facts bearing upon the problems must be collected. Second, public discussion of these facts and their implications must be achieved. Third, courses of action have to be developed and procedures outlined for their implementation." I like to say the same thing in different words. In order to stimulate economic growth one must know what the current situation is (facts); how one arrived in this situation (discussion of facts); what has been done in the past to alleviate the situation (discussion of facts); what must be done in the future (courses of action and implementation). (Off TRANSPARENCY #1)

a. Strategy. Each community will determine its own strategy for economic development and plan a course of action to achieve that development.

b. Basic Elements. (On TRANSPARENCY #2) The basic elements of any development program are as follows:

(1) Human Resources -- Manpower is perhaps the most fundamental economic resource.

(2) Natural Resources -- One of the reasons why some regional economies persistently lag behind the nation as a whole is the failure of these regions to make full use of their natural resources.

(3) Institutional Resources -- Quite often institutions, and universities in particular, have not appreciated the changing nature of American

government, its growing professionalization, and its increasing dependence on the universities. They have not sensed a responsibility for anticipating and responding to public service needs. On the other hand, governments themselves have tended to look on the universities not as partners in meeting public service responsibilities, but rather as resources to be exploited at governmental will and convenience. There must be the partner relationship.

(4) Local Leadership. -- This must be present in order to utilize all potential resources. (Off TRANSPARENCY #2)

c. Objectives. The comprehensive community development plan will establish objectives or goals in several different sectors. One of these sectors is economic. The healthy economy is one in which there is an obvious, easily identified increase in jobs. No development program can be considered comprehensive if it neglects phases of the economy which offer the possibility for enlargement of job opportunities. The roster of these activities is extensive: retail and wholesale trade, warehousing and distribution, transportation, finance, insurance, communications, tourist development, processing and manufacturing.

d. Community Services. Efforts of many community development groups are concentrated on the attraction of new industrial enterprises and the expansion of existing operations. The governmental structure of the community is responsible for furnishing the physical services which are vital for any industrial operation; poor housing and school systems, for example, will keep people from moving into a community, even if good jobs are available. These problems can become so acute as to prevent the location of new industrial plants or expansion of existing plants in an otherwise suitable area. Some of the most common industrial location or expansion considerations include proximity to sources of raw materials and to markets; transportation costs and services; availability

and cost of labor; availability and cost of fuel and power; and taxes and services.

TRANSITION. -- Even though we are aware of community development principles, we must have community leadership to apply these principles.

2. Community Leadership. -- It is important that SBA personnel recognize the nature of their role in working with community leadership. (On TRANSPARENCY #3)

a. SBA Role. This obligation to the community is threefold: Catalyst, Advisor, and Participant. The catalytic role is to hasten the development process in the communities with which SBA is working. The advisor role encompasses a broad spectrum of subject area counseling, ranging from assistance in procedural and technical matters to the provision of information about the multitude of Federal and state programs which exist to aid the community. The participant role ranges from actual participation in the community development organization to SBA participation through loans or other services (SCORE) to support various projects. (Off TRANSPARENCY #3)

b. Identify Key Leaders. The true economic sector leaders must be identified. Those people who are most apt to be leaders in the economic sectors are: financial executives, commerce executives, industry executives, health leaders, news media executives, lawyers, educators, and realtors.

c. Available Resources. Community leaders generally will be aware of the local resources they have to draw on. On the other hand, they are not likely to be fully aware of other resources available outside the community. One of the functions of the SBA personnel charged with the responsibility of aiding communities is to be knowledgeable and to provide information about such resources. The colleges and universities of the area are sources of information and expertise and may be helpful as well.

d. Points to Remember. The SBA staff member working with community development groups usually cannot play an active leadership role in the local organization. He can, however, work very effectively through the leaders of the organization. This he does through communication, provision of information, consultation as an expert in certain fields, and in personal assistance as appropriate.

Because of the staff role that SBA personnel play as consultants in the community development process, the same problems and frustrations exist that face any individual who seeks to lend assistance and guidance from outside the local organization.

A consultant usually finds himself as a person with some authority in the organization, for he is the possessor of specialized knowledge. As an outsider he may incur some resentment, and since his expertise in the problem area is not available within the group, this too may create resentment. Unless the relationship and the responsibility assigned to the consultant are made very clear at the outset, considerable difficulty can be created about the role of the consultant in the group.

Many forces are at work in the community development group, and these may prevent the recommendations of the advisor from being acted upon. The advisor rarely enjoys the full confidence of the group. If he speaks up too often or seeks to obtain acceptance of his recommendations over objections, he will be resented by some. If he sits silently at meetings, he may be considered as lacking interest in the activities being discussed. The counselor of community development organizations must seek a middle ground, maintaining a friendly, helpful, diplomatic approach and a "soft sell" advisory demeanor.

Groups resist change in the status quo and the consultant should expect this when he is recommending change. Other groups may want the SBA representative to make their decisions rather than thinking them through themselves. Sometimes, under the pressure of expediency or the desire to demonstrate his value, the SBA advisor may be tempted to suggest a quick temporary solution to long-term problems. Such solutions may sometimes jeopardize long-range solutions.

In all cases, the SBA advisor must retain his objectivity in looking at the problems and opportunities of the community. He should seek to work himself out of a job with the community development group. This he does by assisting the group to reach its objectives and by bringing the level of competence of the group to the point where he is no longer needed on a continuing basis.

TRANSITION. -- So much for working with the community leadership. Let us now return to consideration of the first basic step in the process of community development -- collection of facts.

3. Need for Basic Information. -- As stated before, we must know what the current situation is before we may proceed with the development process.

a. Community Profile. In order to assess the strengths and weaknesses of any community, various aspects of the community must be examined in some detail. A program to analyze the various economic and social factors in a community should be conducted in an orderly and systematic fashion. It is vital to the success of such a program that both strong local interest and reliable local assistance should exist, especially in collecting and reviewing the community data. When compiled, the data present a composite picture of the community commonly termed the "Community Profile." The profile of the community should

contain information about every aspect of its life: population, labor force, natural resources, economic complex, government, and community facilities. Analyzing and interpreting the data gathered should in turn help determine which parts of the total community constitute problem areas, either for the present or in the future.

b. Gathering Necessary Data. The responsibility of gathering necessary data must rest with the local community. But in many cases, the SBA community developer may direct local interests to outside experts who can perform some or most of the work involved. Universities and state-wide development agencies, such as banks, utilities, or the state industrial development office, often have the experience and are willing to render assistance.

If the work is done locally, the survey team must include concerned and knowledgeable people. Competent local contacts are able to obtain information that may not be available to an outsider, or they may be able to recommend an alternate source in instances where the primary source is not available. In addition to providing assistance as mentioned, these local people themselves constitute potential sources of information, and their presence as a part of the survey team lends additional credence and weight to the data.

c. Existing Industry. Having available the exact name, product, and male and female employment figures of all existing industry is of prime importance in identifying economic opportunities in the community. This information, in addition to providing a reference list of all local industry, indicates whether the community industrial employment is predominantly male or female. It shows whether the community is dominated by one type of industry or if a fairly balanced industrial mix exists. Data on existing industries should include information on new and expanded industries in the last five years to serve as a

barometer of current industrial growth and potential growth. An inventory of existing industrial services also is needed. This includes general contractors, machine shops, sheet metal shops, electric motor shops, foundries, surveyors, tool and die shops, and plating shops. These services are a necessary component of the community industrial complex. We shall discuss later one method of obtaining the data on existing industry.

d. Other Factors. Many other factors are pertinent to identifying economic opportunities. These include:

(1) Labor Information. Is labor available? Skilled? Unskilled?
 (2) Transportation Facilities. Rail? Truck? Air? Bus? Water?
 Pipelines? These items are vital to the business sector.

(3) Raw Materials. Minerals, forest products, agricultural products, processors.

(4) Water and Sewer Systems

(5) Power and Fuels

(6) Other City Services. Fire and police protection; planning and zoning.

(7) School System

(8) Housing

(9) Recreation

(10) Health Facilities

(11) Communications

(12) Finances and Banking

(13) Taxes

(14) Government

e. Analyzing and Interpreting Data. After the information has been compiled, the process of analyzing the data that have been gathered can be initiated. Primarily this should be done with the intent of identifying economic opportunities and exploring problem areas which inhibit economic growth. The best type of arrangement for identifying economic opportunities in the community might be a cooperative relationship between an existing industry task force, designed to provide an avenue of communication between manufacturers who need to discuss mutual problems, and a new jobs task force, whose basic goal is to create new jobs, either by the attraction of new businesses or by the expansion of existing industry. The task forces should seek to identify both strong and weak situations.

TRANSITION. -- Now that we have discussed the gathering of facts and briefly mentioned the need for analyzing and interpreting the data gathered, let us take a brief look at the ways in which SBA may be of assistance in identifying economic opportunities.

4. SBA Assistance in Identifying Economic Opportunities. -- To make SBA assistance in this area most meaningful, we need to state again the threefold obligation to the community: Catalyst, Advisor, and Participant.

a. Catalyst. SBA development personnel can assist by being the catalyst that hastens the development process. Not every community seriously exploits the development opportunities available to it. Leaders in many communities spend considerable time discussing economic development yet do very little to begin the task, even to organize a local development company or other local organizations which might do the job. The existence of an organization at the community level is of paramount importance. Equally significant is the

continuity which the organization and its leadership can demonstrate. The SBA community developer might well be the catalytic agent to get the process started and keep it functioning.

b. Advisor. Once the process is started, then the advisor's role takes over. Here the broad range of counseling comes to the front. Again it must be said that before one knows what is needed, one must know what one has. Before new opportunities may be identified we must know what existing business has to offer. (On TRANSPARENCY #4) All existing businesses (retail, wholesale, services, transportation, and manufacturing) in the area should be contacted at least once every year, using a standard reporting form. (Off TRANSPARENCY #4) (See Figures 2 and 3, pages VIII-7 through VIII-10 in the Handbook.) (Discuss form.) (On TRANSPARENCY #5) In this manner, an up-to-date record of existing firms can be maintained, and potential expansion plans or problems inhibiting growth may be uncovered. Through such a program, the owners or managers of these businesses can be made to feel an identified part of the community. The information contained on these forms should provide the SBA program coordinator with initial screening of firms which are capable of expansion and could utilize various SBA programs. The existing industry task force and the new jobs task force could be the groups to make the contacts to complete the standard forms. SBA personnel in their role as advisor could assist these task forces by giving them timely advice and suggesting the reporting format (the standard form).

c. Participant. When the information is gathered and evaluated, SBA personnel put on their participant's hat and actively assist through the various SBA programs.

TRANSITION. -- We have briefly reviewed community development principles, discussed some points to remember when working with community leaders, looked at

the need for basic information, and mentioned how SBA may be of assistance in identifying economic opportunities. Now we want to examine what might be done to assist in removal of problems which inhibit economic growth.

5. Removal of Problems which Inhibit Economic Growth. -- What are the major problems that affect the economic development process as it pertains to business? These may be divided into two major categories: external problems -- those problems, external to the individual business, over which the company has no control; and internal problems -- those problems which are peculiar to each individual business and can be solved by management of each company.

a. External Problems. Any problem that cannot be solved by the individual businessman may limit expansion of existing industry or keep new firms from locating in the community. How do we find out about these problems? There are many ways. One way is through the standard reporting form (Figures 2 and 3, pages VIII-7 through VIII-10, in the Handbook), whereby the existing businessmen report the major problems presently confronting their businesses.

Strengths and weaknesses in the community will become evident from the community profile. As we discuss the development process with community leaders and others, we shall be able to determine what problem or problems are most frequently mentioned as inhibiting economic growth.

To help solve external problems (those over which the company has no control), we must encourage and assist local officials in undertaking a variety of actions for advancing the economic development of their communities. These could be improvements in public works facilities in order to have a firm base for economic growth, housing, schools, skill training, and physical, social, and cultural improvements. Here the SBA community developer, by virtue of his knowledge of other Federal and state programs, can assist by advising community leaders which

department or agency could best help with each problem. These include HUD, HEW, Public Health Service, FFA, Agriculture, Labor, Corps of Engineers, and EDA. If we remove these external problems, then we reduce the problems inhibiting economic growth to the internal ones of the individual company.

b. Internal Problems. In addition to giving assistance in solving the external problems, we must not forget the internal problems of business. Community development sometimes seems to be concerned directly only with external influences which affect the climate in which small business operates. The emphasis given to solving these types of environmental problems has tended to obscure the equally critical and perhaps more basic problems of internal operations and management. While SBA has made considerable progress in its management and technical assistance program, the fact remains that the internal problems of business have received relatively little attention.

(1) Helping Existing Business Expand. In order to stimulate economic growth, we must identify those firms which have the capability to expand and then determine why they are not expanding. Much of this information will come from the standard reporting form (Figures 2 and 3, pages VIII-7 through VIII-10, in the Handbook), where the company management states his internal problems as well as his external problems. The "glamour" of attracting new enterprises into a community often distracts attention from this crucial fact: The single most important source of new jobs in any community is usually expansion of the activities already located there. Firms now located in the community need not be persuaded or cajoled to enter it. They are already convinced of its advantages, or they would not be there. Therefore, it is much easier for the community to "capture" the future growth of these firms than that of firms now located elsewhere. SBA personnel therefore should concentrate some of their

efforts upon helping firms already located in the community to expand in any way that will add jobs to the economy. A key task for SBA personnel is becoming extremely well informed about both the growth prospects of all major enterprises and any obstacles to growth which may be inhibiting their employment expansion.

(2) Types of Problems. If there is no economic need for a business, little can or should be done to salvage it. There is a real need, however, for small businessmen to develop the managerial ability required to operate a business successfully -- and it is in this area that assistance efforts should prove to be extremely fruitful.

Before the most effective assistance can be offered to business managers, a better understanding is needed of the problems that are encountered in developing and managing businesses and of the needs for managerial and technical assistance that grow out of these problems. We need answers to these questions:

(a) What types of operational and managerial problems are most critical to businesses? (On TRANSPARENCY #6) The general areas of business management in which problems are most often encountered are:

- (i) Manpower
- (ii) Manufacturing
- (iii) Sales
- (iv) General Management
- (v) Financial Management
- (vi) Purchasing
- (vii) Inventory Control

(b) What specific needs arise from these problems? The individual areas of greatest need for outside assistance services are:

(i) Training employees, maintaining stable work force, recruiting personnel, employee relations

(ii) Production methods, quality control, maintenance of equipment, production scheduling

(iii) Sales promotion, distribution channels, market information

(iv) Diversification, research and development, organizational planning, customer relations, legal assistance

(v) Raw materials supply

(vi) Inventory control

(Off TRANSPARENCY #6)

(c) How well are these needs presently being met? It is concluded that these needs are not being met to the degree needed mainly because the businessman is not aware of assistance available to him or fails to take advantage of available assistance. This is pointed up by the fact that most businessmen will indicate that they have problems in one or more of the areas we have just mentioned.

(d) What can be done to help meet these needs more effectively? Businessmen are generally unfamiliar with the management and technical assistance services which are available to them through SBA. (On TRANSPARENCY #7) SBA has many programs to strengthen small business and to improve its management. Among these are: management counseling; SCORE (Service Corps of Retired Executives); CALL (Counseling at the Local Level); management courses; AIMS (Association and Industry Management Services); conferences; workshops; problem clinics; foreign trade; and technology utilization.

In addition, many colleges and universities have programs for management and technical assistance to business. State Technical Services are also available. In working with community development groups, the SBA specialists will become aware of these problems and can make known to the businessman the assistance that is available. SBA personnel should make a concerted effort to inform all small businessmen of what management and technical assistance services are available and how these services may be used most effectively. (Off TRANSPARENCY #7)

(3) Identifying Economic Opportunities through Problem Solving. By working with individual companies and providing management and technical assistance services, SBA personnel will become aware of those firms capable of expanding and creating new job opportunities. These firms should be encouraged to expand and be given maximum assistance in their efforts.

OPPORTUNITY FOR QUESTIONS

SUMMARY

We have discussed many items during the last hour. Some we should remember are: (1) application of community development principles; (2) the role of SBA personnel in working with community leadership; (3) the need for basic information; (4) SBA assistance in identifying economic opportunities in the community; and (5) SBA assistance in removal of problems which inhibit economic growth.

LIST OF SUPPORTING PAPERS

1. Training Aids

TRANSPARENCY #1	Steps in the Community Development Process
TRANSPARENCY #2	Basic Elements of a Development Program
TRANSPARENCY #3	The Role of SBA Personnel
TRANSPARENCY #4	Nonmanufacturing Firm Survey
TRANSPARENCY #5	Manufacturing Firm Survey
TRANSPARENCY #6	Types of Problems
TRANSPARENCY #7	SBA Management and Technical Assistance

2. Other Documentation

None

LESSON PLAN

Essential Data

TITLE: APPLICATION OF SBA RESOURCES TO
COMMUNITY NEEDS

PURPOSE: To explore ways and means of applying
SBA programs to identifiable needs. The
conference will emphasize the need to base
program implementation upon valid community
development programs so that the SBA effort
will make a maximum contribution in improv-
ing the welfare of the people. Although
emphasis is placed upon SBA programs, appli-
cation of other Federal programs will be
discussed together with the necessity for
coordination of all programs at the local
level.

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Conference

HOURS: Two hours

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO
COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCE: Handbook on Community Development

TRAINING AIDS: None

ADDITIONAL DETAILS: Reproduce one copy of the CONFERENCE IN-
STRUCTIONS for each student.

APPLICATION OF SBA RESOURCES TO COMMUNITY NEEDS

Conference OutlineINTRODUCTION

1. Instructor Action. -- As we near the end of this training program, we come to the "moment of truth." All of the work that has been put in the development of this training program and the time you have spent here this week will be meaningless unless you can apply SBA resources to meet community needs in the area in which you work. Here again, we would like to emphasize that SBA cannot be everything to everyone; however, we are charged with the responsibility of administering certain Federal programs that can be of benefit to communities. It is up to us to assist communities in identifying programs and projects for which SBA assistance can be furnished.

2. Instructor Comment. -- The general purpose of this conference is to discuss among ourselves ways and means through which we can best apply SBA resources to specific community needs. To accomplish this, we shall use a plan of community development which describes the situation, problems, and objectives of a specific community. Through group action, we want to analyze each objective to determine if SBA can furnish assistance. After we have determined that we can possibly offer assistance, we want to discuss the problems involved and approaches that can be made in furnishing this assistance.

CONFERENCE PROCEDURE

At this point, the several conference groups will commence a discussion of the Cedarville Plan of Community Development. Assigned group leaders may be either members of the instruction team or one of the participants.

BODY

1. Group discussion of the Cedarville Plan of Community Development (1 Hour)
2. Group presentation of findings and recommended courses of action (class reassembled). (45 Minutes)

OPPORTUNITY FOR QUESTIONS

CONFERENCE CRITIQUE

(At this point, the instructor will make a short critique of the conference, commenting on areas of agreement, areas of disagreement, and general approaches that can be made toward applying SBA resources to community needs.)

APPLICATION OF SBA RESOURCES TO COMMUNITY NEEDS

Conference Instructions

Purpose. -- The purpose of this conference is to explore ways and means of applying SBA programs to identifiable community needs. The conference will emphasize the need to base program implementation upon valid community development plans so that SBA effort will make a maximum contribution in improving the welfare of the people involved. Although emphasis is placed upon SBA programs, application of other Federal programs will be discussed together with the necessity for coordination of all programs at the local level.

Procedure. -- Under the direction of a designated group leader, each group will analyze and evaluate the action (objectives) listed in the Cedarville Plan of Community Development and prepare a brief report for presentation to the remainder of the class. In part, the report should cover the following points:

1. Identification of objectives for which SBA can furnish support through either loan programs or manpower assistance.
2. Determine alternative courses of action (if more than one course is possible) SBA can pursue in providing assistance in the accomplishment of each specific objective.
3. Determine whether an objective may require assistance from Federal agencies other than SBA.
4. Identify problems that may be involved in furnishing the community assistance and approaches that may be taken.
5. Determine if the type of assistance proposed will require coordination with other agencies.

CEDARVILLE PLAN OF COMMUNITY DEVELOPMENT

CD(SBA)4.5-1

SITUATION	PROBLEM	ACTION (OBJECTIVES)
HUMAN RESOURCES		
Thirteen percent (13%) average male unemployment largely unskilled labor force with average ninth grade education.	Shortage of industrial plants employing unskilled labor.	Increase job opportunities by expanding existing industrial plant and attract new industries.
	Strong out-migration of high school graduates.	Determine most needed skills and establish after hours training.
	School dropout rate 20 percent among male students.	
NATURAL RESOURCES		
Excellent stand of hard and soft wood forests.	Lumber difficult to get out because of poor condition of roads leading to forests.	Install a railroad spur to a central shipping point of timber.
	High cost of shipping rough sawed lumber to distant plants for further processing.	Develop facilities for a local planing and curing mill.
		Provide distribution center for finished and dried wood products.
INDUSTRIAL		
Area is the center of a food growing area.	Agricultural and truck garden crops are transported from the area to outside food processors a minimum of 50 miles. Some of the locally produced foodstuff, when processed outside, is transported back to the community for sale.	Establish a food processing plant to quick-freeze and distribute locally grown vegetables.
		Construct a grain mill and pelleting plant to process human and animal food.
Community has one small fertilizer plant that serves the farmers in the area.	No export of fertilizer outside of immediate surroundings.	
COMMERCIAL		
One small grocery supermarket and five (5) grocery-variety stores to serve a population of 2,000 residents. Bakery goods are delivered twice weekly from outside. Work clothing and small hardware items stocked by variety stores.	Majority of staple foods are purchased from stores at the county seat, 30 miles distant.	Expand retail food outlets.
Auto repairs provided by two small shops situated on residential property.	Farm tools and machinery bought at county seat.	Construct an automobile, farm implement sales and service facility - increase stock of local store clothing to include men, women, and children's dress apparel. Establish a retail hardware and home appliance outlet.
An old 10-unit tourist cabin facility on outskirts.	Tourist accommodations are old and inadequate -- store buildings in the main business district are old and poorly maintained.	Construct a 25-unit modern motel and restaurant.
One State bank with \$200,000 resources situated in business district.	Inadequate financing to support new or expanded business ventures.	Organize a local development company to focus community action and provide assistance through access to outside private, State and Federal financial and counseling assistance.
Appearance of business district is substandard.	Almost every business building has a run-down appearance and is poorly maintained.	Initiate a campaign to paint up and fix up the stores along main street. Provide some incentive or prize to the merchant providing the greatest improvement in appearance within a given period.
	Business practices reflect deficient management capabilities in many instances.	Encourage local merchants to seek management training from outside sources.
MEDICAL		
Offices of two local doctors are located in their homes.	Insufficient professional medical personnel to service population.	Construct a community clinic to offer diagnostic and treatment service including quarters for four doctors and emergency beds.
Seriously ill patients are transported by private auto to hospital in county seat.	No local facility for emergency treatment.	Provide ambulance service through local mortician or by volunteer fire facility.
Nursing homes for elderly outside of community.	Elderly residents must be housed away from family and friends.	Establish a convalescent and nursing home for community residents.
Emergency ambulance service available at county seat.		
RECREATIONAL		
A State park is located three miles east of main business district offering scenic attractions, hunting, and fishing during season. Camping is permitted in designated areas.	No eating establishments are located in the State park.	Establish a restaurant and souvenir shop on State land or in close proximity.
	Inadequate tourist accommodations.	Construct a nine hole golf course and public swimming pool.
	Lack of sporting goods and supply stores.	Provide for tourist purchase of sporting equipment and supplies.
A golf driving range and a small bowling alley provide amusement.		
Community has one movie theater located in the business district.	Inadequate theater accommodations.	Build an open-air theater to serve community and visitors.

LESSON PLAN

Essential Data

TITLE: DETERMINING THE ECONOMIC IMPACT OF SBA PROJECTS ON THE COMMUNITY AND SURROUNDING AREA

PURPOSE: To familiarize students with principles and methodologies involved in determining the economic impact resulting from the implementation of SBA assisted projects at the local level

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES:

1. Charles M. Tiebout, The Community Economic Base Study, Committee for Economic Development, Washington, D. C., 1962
2. Walter Isard, Methods of Regional Analysis: An Introduction to Regional Science, John Wiley and Sons, Inc., New York, 1960
3. Walter Isard and Stanislaw Czamanski, "Techniques for Estimating Local and Regional Multiplier Effects of Changes in the Level of Major Governmental Programs," Peace Research Society Papers, Vol. III, 1965

TRAINING AIDS: None

ADDITIONAL DETAILS: Reproduce one copy of the SUPPLEMENTARY MATERIAL for each student.

DETERMINING THE ECONOMIC IMPACT OF SBA PROJECTS
ON THE COMMUNITY AND SURROUNDING AREA

Lesson Manuscript

INTRODUCTION

1. Gain Attention. -- You may recall that when we discussed planning, programming and budgeting, we considered the idea of cost effectiveness, or cost benefit, as a factor in determining which project, from an array of projects, should be chosen as the one best suited for the accomplishment of a specific community goal. If we are able to forecast the cost benefit of a particular project, then we should be able, in some manner, to judge the impact a particular project or program will have upon the community and surrounding area.

2. Motivate. -- At the outset, let's be very candid about the matter of determining cost benefit and the economic impact of our projects. At this time I do not believe that we can do a very good job in forecasting the results of our projects on the community, nor can we effectively measure results later. In this connection, I am referring to the economic impact on the community and surrounding area, not whether we are able to assist a concern to survive. In other words, I'm talking about income generation and its effect on the community, not the profit or loss statement of a particular company, although the latter is an important consideration.

At least three considerations make it essential that we become more expert in the matter of forecasting cost benefit and subsequently measuring the effects of the projects for which we furnish assistance.

- a. The demands for Federal funds far outweigh available appropriations.
- b. The economic impact Federal dollars may have upon the local economy is usually one of the yardsticks used in approving assistance projects.
- c. There is a growing demand within the Federal government for the use of cost benefit techniques and program evaluation to measure the economic efficiency of the dollar spent.

3. State Purpose and Main Ideas. -- A great deal of research must be accomplished before we can categorically state "this is the way it is." Accordingly, this period of instruction must be somewhat conceptual in nature. It is our purpose during the next hour to present some of the fundamental considerations involved in determining the economic impact of SBA projects on the community and the surrounding area, and to furnish you some very basic guidance which you may find useful in your project work with communities.

TRANSITION. -- As I am sure some of you are aware, computer-based, quantitative techniques are now available for use in economic analysis and evaluation. Under certain conditions, these techniques provide a prime aid in understanding certain aspects of the exceedingly complex nature of our economic system. However, at the present time, the use of such techniques is expensive, requires highly trained personnel, and employs information systems currently unavailable in most areas. Since these techniques will not be available to the "working level" types for some time, we must do the best we can with what we have in the matter of economic impact analysis.

BODY

1. Purpose of Economic Impact Analysis. -- A general once defined tactics as the opinion of the senior officer present. Today, we shall take the same tack. As we are not economists (the "academic type"), we do not need to heed the call of the academic brotherhood and embellish our statements with the language and hypotheses known only to that brotherhood. Neither do we need concern ourselves with their criticism of our practical approach to economic evaluation. We want to talk in terms that we can understand, and discuss approaches to economic impact analysis that we can accomplish.

Economic impact analysis should be a part of the evaluation of the viability or feasibility of a project or program for which we are providing assistance either through our loan programs or through the expenditure of our time. In economic impact analysis, we attempt to relate resource inputs to the economic impact of such resources on the economy of the community and surrounding area. Each project is evaluated on its merits as it relates to the demonstrated deficiencies within the community. We forecast, then we measure. We attempt to determine the economic efficiency of the Federal dollar spent on our community development programs.

2. Factors Involved in Economic Impact Analysis

a. Measures of Efficiency. When available inputs are perceived as scarce, attention is directed toward making efficient use of inputs relative to output. Since there are many ways of calculating input and output and of relating the two, there are many varieties of input-output objectives. Some

of them are referred to as "efficiency" or "productivity." "Profitability" is applicable whenever output as well as input may be expressed in monetary terms. Profitability is the term usually used in the private sector of the economy.

It would appear that our concern with economic impact analysis should relate to the efficient expenditure of our dollars as well as the actual measurement of the economic impact of such expenditure on the economy of the community and surrounding area. Unless we are able to forecast the economic efficiency of a projected input expenditure, we are unable to choose between two or more projected input expenditure alternatives in determining the most desirable or optimal course of action. We are using the term "input expenditure" to express the costs of our loans and manpower expenditure for a particular project related to the community development program.

Measurement implies the use of standards. By what standards can we measure the economic efficiency of our input expenditures in community development? Do we measure such input expenditures against community goal accomplishment, or against other related types of input expenditures, or some cost per income generation unit such as wages? Before we attempt to determine our measures of efficiency, let us now examine other factors involved in economic impact analysis.

b. Community Development Goals. We have noted in previous instruction that an essential element of our Community Development Program is a commitment by the community organization to work with SBA towards achievement of community goals. These goals are determined by an analysis of

community needs and supported by a course of action. A course of action implies that there are one or more alternative approaches that can be employed in achieving a particular community goal. Thus, when any SBA input expenditure is contemplated by SBA, it should be possible to relate the expenditure to the accomplishment of a particular goal. Furthermore, it may be possible to relate and compare one input expenditure alternative with another. For example, two loans may be contemplated to business concerns in the area. One loan would apply to a manufacturing concern, another to a retail concern. Both loans would tend to increase the income generation capacity of the community. Which loan would provide for the most efficient use of the Federal dollar?

It would seem that the first standard of measurement that we could use in economic impact analysis is whether or not a contemplated input expenditure would contribute to the achievement of a stated community goal. This, in turn, leads us to a determination of the degree to which the goal would be accomplished if the input expenditure were made.

c. Community Income Generation Capacity. An ultimate objective of any community development program is to increase the quality of living and economic opportunity of the people residing in the community and surrounding area. To accomplish this objective, the community must have an acceptable income generation capacity. Of course it means more than this, since per capita income and median family income are involved as well as the total generation capacity of the community.

(1) Primary Economic Benefits. Perhaps the most precise means of measuring an element of the community's income generation capacity is through the measurement of wages and salaries paid per worker. If a new entrant to the work force is hired to fill a new job and receives \$100 per week in wages, the individual's weekly income creating capacity has increased by \$100; this has also added \$100 per week income producing capacity to the community's total direct income producing capacity. The individual may spend a substantial amount of this \$100 in the community for food, shelter, and clothing; he may save some of it; and he may spend some of it in other communities. Taxes will take a portion of it, of course.

A second individual who is also a new entrant to the work force may also be hired at \$100 per week, but to fill an existing vacancy. Assuming that the previous occupant of the job also received \$100 per week, there would be no increase in the community's income generation capacity, but the individual's income generation capability would, of course, be increased by \$100.

A third individual who is currently employed receives a \$50 per week increase in wages. In this case, both the individual and community income generation capacities are increased.

These oversimplified examples indicate that if we had a perfect information system, we could determine with reasonable accuracy the impact of new jobs and increased wage scales upon a community's income generation capacity, and thus, the ultimate effect upon the quality of living of the people of the community. However, it is just not that simple, because secondary benefits accrue to the community's income generation capacity when the wages and

salaries of the workers are spent and when the concerns for which they work make an economic contribution to the community.

(2) Secondary Economic Benefits. Although it is difficult to separate economic activity into discrete areas for investigation, economists frequently use the multiplier theory as a device to approximate the effect of income received and spent. The basic idea involved is that those receiving incomes (wages, salaries, and other types of income) will either spend or retain the discretionary or after-tax portion of the amount they receive. That portion spent will have secondary effects on the economy. The portion saved also will have an effect in that it may serve to increase the capital base of the community. A fundamental consideration is involved. How many times will the "dollar" turn over before the turnover effect is no longer measurable or before the wage or part of the wage "leaves" the community?

For example, let us assume that the employee spends 90% of his original income of \$100 in the community; then the "second level" receivers (grocery stores, gas stations) will get \$90. If, in turn, they spend 90% and save 10%, the "third level" receivers will get only \$81. This could go on until the original \$100 was theoretically all "leaked" away in savings.

If the new employee on the new job we previously mentioned commutes to work, brings his lunch, and makes no local purchases, the community's actual increase in income generation is zero, from a practical viewpoint. If this worker lives in the community but cannot purchase the goods and service he desires in the community, having to go elsewhere to make his purchases, the benefits to the community as a whole are reduced accordingly.

The technique for developing a "multiplier" for a particular community or area is a rather sophisticated process and beyond the scope of this presentation. Generally speaking, a community with inadequate goods and services will have a relatively small dollar turnover before the dollars "leak" outside the community. In a community where most consumption and investment expenditures very quickly end up in purchases, the multiplier will be higher than in the less-developed community. However, the size of the corresponding percentage depends on many factors. Not only are all of the personal preferences of the wage earners involved, but the economic environment within which they exercise them also must be considered.

To this point we have considered the community income generation capability from the viewpoint of the individual. However, it is also necessary at times to consider the local business firm as a major element in community income generation. In this instance, the purpose is to analyze and attempt to quantify income as net value produced by existing firms in the community and to forecast the effects of the establishment of a new firm or the effects of the loss of an old one. We can only generalize here, since the determination of the effect of a concern's net and/or gross income on the community is an exceedingly complex affair.

In this presentation, we are considering the income generation capability of a particular business as a secondary benefit to the community's income generation capability. The concern pays wages and salaries to its employees. These wages and salaries have a "first level" benefit to the community. The company also pays taxes which are used in the development and support of public services, and makes local purchases of materials, supplies, and services as

well. Thus, our analysis of the economic impact of projects involving business firms must concern itself with costs to the community as well as increases in the community's income generation capacity.

d. Noneconomic Benefits. Many community goals are tangible in nature. A community usually wants to increase the number of available jobs, per capita and median family incomes, and the educational level of its inhabitants. Over a period of time, the effect of programs established to achieve these goals can be measured with some degree of accuracy in a quantitative manner.

Communities may also have social goals. These goals are elusive and seldom agreed upon among individuals, agencies, or in the government as a whole. For example, there is some disagreement among people concerning certain health plans, although most people will agree that improvement of the health of the people in a community is a worthy goal. Generally speaking, a health plan will have tangible benefits to the community which are subject to certain measurements. A health plan may also have certain intangible, noneconomic benefits. For example, the people may feel better and thus become more productive workers. Some goals may also result in more intangible than tangible benefits. For example, a home-town cleanup campaign or the renovation of store fronts in the downtown area may induce people to come to the community to shop. However, it is most difficult to measure the effectiveness of such a course of action.

In the final analysis, when we are attempting to measure the economic impact of projects which yield intangible benefits to the community, we must resort to qualitative statements rather than quantitative ones.

TRANSITION. -- As this point, you should be convinced that there just isn't any formula or data sheet available which we can fill out to determine economic impact effects that one of our projects will have on the community and surrounding area. However, it is essential that we make some determination even if it is an "educated guess." An educated guess is better than no guess at all, provided that it is done in a rational and systematic manner and that all the data and information upon which the estimate is based can be analyzed by others. Until the agency develops and promulgates specific directives for the conduct of an economic impact analysis, we are pretty much on our own. However, we should attempt to assist the agency in the development of suitable procedures where appropriate. For the next few minutes, let's examine one approach to economic impact analysis.

3. Data Characteristics. -- Since there is a great deal of information upon which economic impact analysis can be based, we must abstract from the total situation that which we consider to be most relevant to the project being considered. Ideally, the analysis should be a "quantitative" one -- that is, one in which facts add up in a mathematical way to indicate a finding without the need of a verbal, reasoned process. However, the facts and data collected may be either "quantitative" or "qualitative" in nature or have both characteristics.

Quantitative data are those facts that may be expressed in terms of quantity or amount. For example, the per capita income, wage scales, and time and space factors may be expressed in quantitative terms with mathematical precision. Qualitative data are facts that describe the character or distinguishing

attributes inherent in the object being considered. Thus, the kinds of stores in a neighborhood and their appearance are distinguished in qualitative terms.

While every reasonable effort should be made to "quantify" all possible data for comparison purposes, extreme caution should be used to prevent assigning unrealistic values to data that would cause inaccurate measurement. When evaluating the economic impact of a project, both quantitative and qualitative data must be considered. In the first instance, an answer expressed in mathematical terms is possible. In the second instance, the value of a particular item or factor is expressed in verbal terms. Usually, an answer must be derived from considering both verbal and mathematical answers; thus, the finding usually must be a reasoned judgment in which all factors, both quantitative and qualitative, are given due weight. It follows, therefore, that economic impact analysis or evaluation is the weighing of the total "evidence" that has been obtained for each project or program.

4. Evaluation Technique. -- The person evaluating the economic impact of a particular project should employ methods and techniques which best suit his capabilities and the time available. There is no single "best" method; however, it is essential that the entire analysis and evaluation process be put in written form since such a procedure will encourage the person making the evaluation to consider all relevant matter. Additionally, the written record will provide a basis for later review and reevaluation, if required. The following is a simple, straightforward method that may be used when more sophisticated methods are not required or desired.

The economic impact analysis process should begin well before any project is identified as one requiring SBA assistance. The process actually begins during the goal-setting phase in the community development process. Here deficiencies are identified and alternative approaches to problem solution are isolated. As alternatives are isolated, the array of possible approaches should be analyzed to determine which approach appears to offer the best possibility of alleviating community deficiencies and of achieving community goals. While these alternatives may be stated in a general way, they should indicate possible projects and action programs that may be initiated.

When a project has been identified as one that might possibly assist in achieving a stated community goal and one requiring SBA assistance, a feasibility study or analysis should be undertaken to determine if the project is a viable one and one with a fair chance of success. From a practical viewpoint, the economic impact analysis should be considered as a part of the feasibility study. In fact, the feasibility study should furnish a great deal of the information required in the impact analysis.

During the economic impact analysis, we attempt to gather and analyze all information relating to:

Primary Economic Benefits

Secondary Economic Benefits

Noneconomic Benefits

Costs to the Community

After we have analyzed information relating to the foregoing considerations, documenting the analytical process in a rational manner, we evaluate

each consideration, attempting to determine its approximate economic impact upon the community and surrounding area. Finally, a total evaluation of all considerations is made and expressed appropriately in quantitative and qualitative terms.

As we have previously mentioned, we know of no best way of conducting an economic impact analysis. However, the process is an analytical one and one that must be conducted in a rational manner. The process must be adjusted to suit local environmental conditions, the nature of the project, available data, and the qualifications of the person making the analysis.

5. Example of Economic Impact Analysis. -- Just as there is no best way of making an economic impact analysis, there is no best example. (Pass out SUPPLEMENTARY MATERIAL.) The supplementary material you have been furnished contains an example. It is neither perfect nor imperfect; it is one that was actually used to measure economic impact. The name of the company and location have been changed for obvious reasons. Of course, the size of the project involved is much larger than those with which we usually work. However, by scaling down the size, we can get some feel for the process we must undertake. Scan the example for a few minutes. Are there any questions?

OPPORTUNITY FOR QUESTIONS

SUMMARY

During this period of instruction, we have attempted to present some fundamental considerations involved in determining the economic impact of SBA projects upon the community and surrounding area. We have indicated

that economic impact analysis is a complex affair and that it is most difficult at this time to arrive at anything other than approximations. However, we have also indicated that economic impact analysis is an important aspect in program initiation and development. It is our hope that this period of instruction has engendered a conceptual spirit and that we as a group will be able to improve our techniques in the future to the point that our program evaluation will be most effective.

LIST OF SUPPORTING PAPERS

1. Training Aids

None

2. Other Documentation

SUPPLEMENTARY MATERIAL

SUPPLEMENTARY MATERIAL

The Economic Impact of a Proposed Chemical Plant
On Clifton, Eastern Texhoma, and the Entire State of Texhoma

1. Introduction

Walleye Chemical Company intends to build a chemical fertilizer plant at Clifton, Texhoma. The plant will cost \$15,000,000 to build and equip and it will employ 125 persons. Annual payroll will be \$1,000,000. An estimated \$250,000 will be spent annually in the Clifton area for maintenance and house-keeping supplies and equipment.

This plant will generate the following traffic annually:

<u>Mode</u>	<u>Inbound</u>	<u>Outbound</u>
Barge	58,000 tons	83,000 tons
Rail	75,000 tons	83,000 tons
Highway		108,000 tons

2. Economic Impact

a. Construction of the Plant. Construction of plant such as this will involve several contracting firms and the employment of a considerable number of construction workers. Building material suppliers in eastern Texhoma will be called upon to furnish materials for the plant. The money which these firms and workers receive for the construction of this plant will, in turn, go to retailers, wholesalers, and services in the area. A substantial portion of the \$15 million will be paid to Texhoma firms and workers who will,

in turn, pass this money on to other Texhomans in return for goods and services. Construction of this plant will thus provide a shot in the arm to the economics of Clifton, Eastern Texhoma, and the entire state.

b. Operation of the Plant. While the construction of the plant will make a sizable impact on the economy of the area and the state for a period of time, the effects of the operation of the plant will be much greater and will have a continuing effect. This plant will employ 125 workers. Consequently, 125 additional paychecks will be distributed to persons in the area as a direct result of this plant. These paychecks will constitute \$1,000,000 of additional income before taxes and deductions.

These 125 workers and their families will need housing, groceries, clothing, appliances, autos, entertainment, medical and other professional services, and a host of other goods and services. Thus, the grocery stores, restaurants, department stores, drugstores, filling stations, furniture and appliance stores, lumber yards, dentists, lawyers, banks, dry cleaners, garages, utilities, and other businesses located in the area will all receive increased business as a result of this additional income. In addition, the company annually will purchase locally some \$250,000 worth of operating, maintenance, and housekeeping supplies and equipment. Retailers and wholesalers in the Clifton area will receive this \$250,000 additional business.

River, rail, and motor carriers serving Clifton and the market area of this plant will gain substantial tonnage if this plant goes into operation. A total of 407,000 tons of cargo will be directly generated by this plant, not including the indirect effect which the plant will have on increasing traffic to other business activities in the area.

A portion of the increased income received by the retail and wholesale trades and service establishments as a result of this new plant also will be spent within the area for consumer goods, more employees, higher wages to employees, and improvements or additions to their business operations. And again, a portion of these expenditures will be respent within the area for similar items. Economists call this diminishing but repetitive effect of an increase in spending the multiplier effect.

Although there is no known way to determine exactly the magnitude of this economic law, we can make some approximations based upon a study conducted by the Economic Research Department of the United States Chamber of Commerce.^{1/} Using this study, we would expect the proposed plant to have approximately the following effect on Clifton alone, over a period of several years after the plant opens.

Population increase	370
Number of new households	140
New workers (125 in plant plus 218 additional jobs)	343
Additional personal income per year	\$737,500
Additional retail sales per year	\$450,000
Additional bank deposits	\$337,500
Additional motor vehicle registrations	134
New retail establishments	5

^{1/}"What New Industrial Jobs Mean to a Community," Economic Research Department, Chamber of Commerce of the United States, Washington 6, D. C., 1954.

However, the economic impact of this plant will reach beyond Clifton County itself. The surrounding counties will receive both direct and indirect benefits. Some of the approximately 343 jobs to be created in Clifton County will be filled by persons living in the contiguous counties. It should be pointed out that, due to Clifton's location on the eastern border of the state of Texla, the neighboring state of Texark also will share the economic benefits accruing from this plant. As a result, neighboring Texla and Texark counties will also receive increases in personal income, retail sales, and so on. We also can expect these neighboring counties to experience increased employment because of this expansion in personal income, retail sales, etc.

Another generally accepted method of estimating the economic effect of a new plant is to take $2\frac{1}{2}$ times the annual plant payroll as the total amount of new business activity generated annually in that area where the employees of that plant work and reside. Two and one-half times the plant's annual payroll would be an annual increase in business activity in eastern Texhoma of \$2,500,000. Even a conservative estimate of twice the annual payroll represents an increase in business activity of \$2,000,000 annually.

One effect of this plant which has yet to be mentioned is the increase to the tax base (i.e., property, both real and personal; income, sales, and use taxes) of the county, the school district, and the state. Based on the above estimate of increased retail sales in Clifton County, it is evident that sales tax receipts will increase. Although accurate estimates of the increase which can be expected from these tax sources cannot be made, it can be assumed that Clifton County will receive increased revenues from all sources. These same effects will be felt to a varying degree by the surrounding

areas and the state as a whole. Increased rents and land and real property values also will result from the presence of a plant of this magnitude.

Another important effect that this plant will have is an increase in the rate of off-the-farm migration in eastern Texhoma. It is estimated that a reduction of 50% in the U. S. farm population is needed in order to bring our rural manpower and agricultural opportunities into balance.^{1/} The state of Texhoma is desirous of achieving such a balanced economy as quickly as such is economically feasible. Also, other farmers will find part-time employment in new jobs which will develop in the area. Earnings from this activity will supplement farm income, improve purchasing power, and impart greater stability to the agricultural economy.

Another tangible benefit is likely to be a further expansion westward of the manufacturing belt stretching in this direction from the Mississippi River region and the eastern industrial area. The impact of this plant on the existing industrial complex in eastern Texhoma probably will have a tendency to push the belt even further westward across Texhoma.

A broader field will be opened for wholesalers and industrial distributors of various products already located in the state. Additional uses may be found for by-products of this operation, thus creating new industries or strengthening those now in existence.

Creation of 125 new jobs in the manufacturing field, plus those job opportunities resulting from the increased demands on trades and services,

^{1/}Melvin Levin, "What to Do with Depressed Areas," Iowa Business Digest, Bureau of Business and Economic Research, State University of Iowa, April 1960.

will tend to slow the out-migration of population from Texhoma and to increase the present relatively slow rate of population gain.

On the intangible side of the picture, the Walleye Chemical Company plant will represent a sizable step in Texhoma's efforts to balance its economy between industry and agriculture. Too, an operation of such magnitude, by two firmly established and reputable firms, will have a tendency to attract related industries and services to Texhoma, further strengthening the state's industrial economy.

3. Conclusion. -- Although it is impossible to determine the exact economic effect which a new manufacturing plant will have on an area, the preceding gives some indication of the results which can reasonably be expected from the proposed chemical plant. When a community receives 125 new jobs and an annual payroll of \$1,000,000, the result will be an increase in the sale of goods and services, not only in the community and county wherein the plant is located, but throughout the state and even beyond the state borders. Added to this are \$250,000 of locally purchased goods and services which the plant itself will consume annually.

As a result of this large increase in personal income and retail, wholesale, and service trade transactions, the effect of the initial sum of \$1,000,000 multiplies several times as the money moves from plant to employee to merchant to supplier to employee to merchant and so on. More homes, clothes, food, automobiles, medical care, haircuts, insurance, transportation, etc., will be required, and more tax revenue will be derived. Employment will increase, as will wages. The standard of living will rise as a result of this expansion of economic activity.

Of equal importance, there will be a closer balance between agricultural and industrial activity in the state, and a portion of the surplus farm labor will have found it profitable to shift to nonagricultural pursuits.

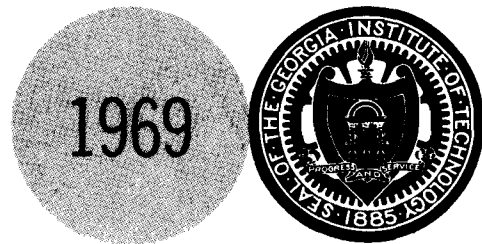
Project No. A-1112
Contract SBA-1474-FA-68

COMMUNITY DEVELOPMENT TRAINING PROGRAM

SUBCOURSE CD(SBA)5
ORIENTATION AND ADMINISTRATION

Prepared for
THE SMALL BUSINESS ADMINISTRATION
by
THE INDUSTRIAL DEVELOPMENT DIVISION

LESSON PLANS



Engineering Experiment Station
GEORGIA INSTITUTE OF TECHNOLOGY
Atlanta, Georgia

Project A-1112
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March 25, 1969

LIST OF LESSON PLANS

Reference
Designator

Subject

CD(SBA)5.1-1

Program Orientation

CD(SBA)5.2-1

Inventory Examination

CD(SBA)5.3-1

Program Critique

LESSON PLAN

Essential Data

TITLE: PROGRAM ORIENTATION

PURPOSE: A period of time reserved for an appropriate SBA official to describe SBA objectives in the area of community development and to discuss the purpose of the community development training program.

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Lecture

HOURS: One hour

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES: 1. Handbook on Community Development

TRAINING AIDS: None

ADDITIONAL DETAILS: Lecture manuscript to be provided by the SBA official making the presentation

LESSON PLAN

Essential Data

TITLE: INVENTORY EXAMINATION

PURPOSE: To measure the effectiveness of the instruction presented during the Community Development Training Program

DATE PREPARED: March 25, 1969

HOURS: Two hours

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES: None

TRAINING AIDS: None

ADDITIONAL DETAILS: Reproduce one copy of the INVENTORY EXAMINATION and ANSWER SHEET for each student

INSTRUCTIONS FOR THE DEVELOPMENT AND
ADMINISTRATION OF THE INVENTORY EXAMINATION

Background

Inventory examinations may be used for a variety of purposes. One important use is to measure the general knowledge of a group of individuals so that instruction can be responsive to the needs of the majority. Another use of the examination is to survey and measure the overall effectiveness of instruction. Actually, for this training program, both the overall effectiveness of instruction and student behavior are measured. In this case, it is necessary that an "initial" examination and a "final" examination be administered. Both examinations are the same.

Since the Community Development Training Program is of short duration, the primary use of inventory examinations is to measure the effectiveness of instruction. However, when it becomes clearly evident that a particular group of students has a knowledge level that is not consistent with the planned instruction, instructors must take immediate action to change the level of instruction.

Steps in the Development of the Inventory Examination

The following steps will normally occur during the development of the examination:

1. Analysis of each area of instruction, fully considering the objectives stated in the course concept.
2. Determination of the "teaching objectives" in each period of instruction.
3. Development of objective-type questions concerning each "teaching objective."

4. Testing of questions to determine their adequacy and validity.
5. Insurance that the test questions are actually covered in the instruction to be presented in such a manner that the average student will have a fair chance of learning the material.

Development of Questions

Since statistical studies will be made of the test results and it is desired that subjective judgment be removed from the grading process, objective-type questions are used. Either true/false questions or multiple-choice questions may be used. Multiple-choice questions are to be favored as they usually generate a greater amount of thought on the part of the student, and an analysis of the answers tends to show more precisely where there are weaknesses in the instruction. Sample questions are as follows:

MULTIPLE-CHOICE QUESTIONS: (Select one answer unless otherwise noted)

1. According to Dun & Bradstreet, the main causes of business failures can be grouped into the following general categories:
 - a. Incompetence, unbalanced experience, lack of managerial experience, and lack of experience in the line
 - b. Undercapitalization, poor sales, lack of knowledge of competition, poor management
 - c. Mixed accounting system, poor inventory control, managerial incompetence, poor hiring practices
 - d. All of the above
2. Area vocational-technical school extension classes may only be entered by:
 - a. Socioeconomically disadvantaged persons

- b. Unemployed persons
 - c. Those who meet the entrance requirements for full-time day programs of the area vocational-technical school
 - d. None of the above
3. One good technique in securing cooperation of industrial leaders in conducting an industrial survey is to:
- a. Associate the survey with an institution or organization well respected in the area
 - b. Flatter the industrial leaders
 - c. Go through a political leader
 - d. Confine contact to the largest companies

TRUE-FALSE QUESTIONS:

- 1. In accordance with state law, no partially finished or finished product used in the training program may be placed in either intrastate or interstate commerce.
- 2. In planning for company growth, no one management function should be permitted to control the growth pattern.
- 3. When conducting an economic impact study for a business loan, only the full-time equivalent employees of the prospective company may be considered.

Administration of Inventory Examination

Time Required. Although two hours is reserved in the training program for the administration of the inventory examinations, each examination session should require from 30 to 45 minutes to complete. The remaining time is provided for administrative purposes.

Administration. The program coordinator must provide each student with a copy of the inventory examination and the answer sheet. Each copy of the examination should be numbered and returned to the program coordinator at the conclusion of each examination period. Prior to administering the examination, each student should be given a student number which he will place on the answer sheet.

Post-Administrative Action

"Initial" Examination. The answer sheet should be scored immediately following the examination and instructors informed of the results. In turn, each instructor should analyze the results of answers to the questions relating to his assigned instruction to determine if emphasis in the instruction should be changed to assure that the student will learn the teaching points prior to the conclusion of the training program. The program coordinator should analyze the results of the examination to determine if the level of instruction requires any immediate changes.

"Final" Examination. At the conclusion of the training program, the program coordinator should analyze the results of the examination to determine the following:

1. Do the results of the examination indicate that all teaching points were adequately covered during the instruction?
2. Did a majority of the students miss any particular question(s)? If so, why?
3. Do any of the questions need changing and/or are additional questions needed to test the students on any particular point?

The results of the analysis with appropriate recommendations should be included in the program coordinator's evaluation report. Each student should be furnished the results of the inventory pertaining to his scores.

Departmental Analysis

Since the inventory examination is one of the primary means of evaluating the effectiveness of the Community Development Training Program, it is essential that a continuing analysis of examination results be made at the departmental level. Changes to the training program should be made when it becomes clearly evident that instruction is not meeting program goals. Also, changes in the inventory examination should be made when it appears that such changes will provide better evaluation of the training program.

LIST OF SUPPORTING PAPERS

1. Training Aids

None

2. Other Documentation

Inventory Examination

Answer Sheet

Sample Report of Inventory Examination Results

CD(SBA)5.2-1

Copy No. _____

COMMUNITY DEVELOPMENT TRAINING PROGRAM

INVENTORY EXAMINATION

THE SMALL BUSINESS ADMINISTRATION

Washington, D. C.

INSTRUCTIONS

When the instruction in community development has been completed, you will be given a short, objective-type examination covering the material presented during the training program. The primary purpose of the examination is to assist us in determining the effectiveness of our instruction.

It will be necessary for us to administer the examination twice because the Community Development Training Program is a new one and we have no empirical data relating to the expected level of student attainment. The "initial" examination will be given on the first day of instruction; the "final" examination on the last day. Both examinations will contain the same questions; however, the questions may be in different sequence. The purpose of the "initial" examination is not to measure your intellectual attainments. Rather, we need the results of the examination to provide a base upon which to measure the effectiveness of instruction as reflected in the "final" examination.

Since both examinations will be the same -- and based on instruction presented during the training program -- you may feel that the "initial" Inventory Examination is not realistic. We realize that this examination during the first period of instruction may be somewhat disconcerting. However, please believe that we are not attempting to harass you nor to draw comparisons between you and the other participants of the program. As previously stated, our primary purpose is to develop a base upon which you and SBA can evaluate your progress during instruction. In short, just answer the questions in the "initial" examination to the best of your knowledge and belief.

You may or may not agree with the theory and practices presented in the instruction. As a matter of fact, we encourage reasoned divergence of opinion.

However, we will expect your answers to the "final" examination questions to reflect the instruction presented here.

Examination results will be confidential. No report of an individual's score will be made to his home office. After you return home, we will furnish you your scores, together with the spread of the group for comparison purposes.

DO NOT TURN TO NEXT PAGE UNTIL DIRECTED TO DO SO
DO NOT MARK ON QUESTION SHEETS

INVENTORY EXAMINATION

MULTIPLE-CHOICE QUESTIONS: (Select one answer unless otherwise noted)

1. The role of the SBA personnel working with community development organizations is threefold, including the following:
 - a. Leader, catalyst, participant
 - b. Lender, advisor, participant
 - c. Catalyst, advisor, leader
 - d. Advisor, catalyst, participant
2. Human resources are potential manpower resources and manpower resources are used:
 - a. To work on the farm
 - b. To repair machines
 - c. To transform other community resources into goods and services
 - d. To send to college
3. Once the job of community analysis has been completed:
 - a. The local development group need do nothing
 - b. The local development group should form task forces to implement various action programs
 - c. The local development group should await action by regional, state, and Federal groups and agencies
 - d. The local development group should focus all of its attention on the problem which appears to require the longest time to solve or correct
4. Some problems external to individual concerns which may limit expansion of existing firms or keep new firms from locating in the community may be:
 - a. Lack of adequate public works, housing, and schools
 - b. Lack of adequate raw materials and production facilities
 - c. Lack of adequate sales and distribution
 - d. Lack of adequate raw materials, sales, labor, and quality control

5. The essential element of the SBA Community Development Program is:
 - a. A community organization which is committed to an evaluation of community needs and to utilizing SBA assistance
 - b. SBA personnel trained to assist communities in the development of leadership and of community resources
 - c. A community organization that will analyze the community needs, establish goals and priorities, and develop action plans to overcome identified deficiencies
 - d. All of the above
6. If a community does not have a community development organization with which SBA can work, then it is best to:
 - a. Consider dropping the community until it is better organized
 - b. Work with interested leaders to develop an appropriate organization
 - c. Investigate the need in the community for other SBA programs
 - d. None of the above
7. In seeking to help solve problems external to business firms (those over which an individual business has no control), SBA staff members should:
 - a. Recommend that the businessman become a community leader
 - b. Encourage the businessman to seek another location
 - c. Inform the businessman that he will have to operate without needed services
 - d. Encourage and assist local officials in undertaking a variety of actions for advancing the economic development of their communities
8. Three essentials for a successful community development organization are:
 - a. A desire to do something constructive, the manpower to do it, and the availability of financing
 - b. Motivation for improvement, understanding of the goals, ability to perform the necessary acts
 - c. Leadership, organization, active membership
 - d. Problems which need solution, a chance to make a profit, desire to improve the community

9. The primary purpose of economic development should be:
 - a. To make jobs available
 - b. To improve the appearance of the community
 - c. To improve the quality of living and the economic opportunities for the people
 - d. To assist businesses in the area to operate in a profitable manner
10. Federal assistance programs can be of great benefit to communities in overcoming obstacles to community growth. In seeking such assistance, the community should first:
 - a. Contact the nearest Federal agency to determine what programs are available
 - b. Develop local goals and community development programs, then fit Federal program alternatives into the local program
 - c. Contact the community's congressional representative for assistance
 - d. Raise matching funds, then determine if Federal dollars are available for project work
11. Since the Federal assistance programs are administered by various well-organized Federal agencies, program coordination at the local level can best be achieved through the efforts of:
 - a. Federal program coordinators
 - b. State agencies
 - c. Local leaders
 - d. All of the above
12. Which of the following is not regarded as among the primary problems which prevent growth in a region or cause the loss of industry already there?
 - a. Lack of natural resources
 - b. Selective out-migration of people
 - c. Overspecialization of industry type
 - d. Geographical factors

13. Today's regional growth has witnessed the most rapid expansion of:
- Mineral resource development
 - Manufacturing
 - Agricultural development
 - Development of service or amenity resources
14. SBA community development programs must be based upon valid information. Which of the following is not an inherent obstacle in meeting the information needs of SBA?
- The dependence on unpublished data
 - The multiplicity of development data
 - The uncooperative nature of public and private sources of information
 - The multidisciplinary nature of development programs
15. A central factor influencing economic development of every region is the degree to which it builds up sufficient local services, resources, and population to attract or generate additional economic activity. One of the factors often involved in this complex process is known as "backward shifting of processing." Backshifting of processing means:
- Bringing the processing of raw material closer to the source of the raw material
 - Transporting raw materials closer to the point of production or manufacture
 - Establishing manufacturing plants to serve the population of a particular region
 - Developing the services required to support production in an area
16. Community development sometimes seems to be concerned directly only with external influences which affect the climate in which small business operates. This has tended to obscure the equally critical and perhaps more basic problems of internal operations and management. SBA personnel should assist the small businessman by:
- Making a concerted effort to place SBA loans
 - Making a concerted effort to provide management counseling

- c. Making a concerted effort to inform all small businessmen of what management and technical assistance services are available and how these services may be used most effectively
 - d. Making a concerted effort to enroll small businessmen in management courses
17. Community analysis, like most research:
- a. Is a means, not an end
 - b. Can be performed without any consideration of the desired use or ultimate goal
 - c. Is an end, not a means
 - d. Is both an end and a means
18. The major problems that affect the economic development process as it pertains to business may be divided into two broad categories. These are:
- a. Taxes and labor
 - b. Sales and manufacturing
 - c. External infrastructure conditions and internal business problems
 - d. Raw materials and production
19. When establishing community goals, community leaders should:
- a. Concentrate on attracting new manufacturing plants, because all other types of economic activity will automatically increase as manufacturing payrolls do
 - b. Concentrate on manufacturing, because no other economic sector will attract "new money" into the area
 - c. Consider all major economic sectors before determining which should be the target(s) for expansion
 - d. Make an in-depth community analysis rather than utilizing the economic profile approach, because the latter is more expensive
20. The major purpose of any community resource development program must be:
- a. To make the community better for tourists
 - b. To upgrade the people or human resources of the community
 - c. To increase taxes
 - d. To create more business and trade within the community

21. After an SBA loan or loans have been approved and disbursed or the project has received other financing, the SBA representative or representatives should:
 - a. Visit the project when traveling in the vicinity
 - b. Consider the project completed and devote time to new projects and inquiries
 - c. Stand ready to provide further assistance when the community so requests
 - d. Plan periodic follow-up visits even though the SBA loan or loans are current or other financing was obtained

TRUE-FALSE QUESTIONS:

1. Although regional growth patterns are important, they do not affect community growth patterns to any significant degree.
2. Since some SBA programs are directly related to individual business concerns or to individual community projects, it is not necessary that these programs be coordinated with agencies other than the local community.
3. The only type of community organization which can be effectively utilized by SBA in its community development program is the local development company.
4. In community development, all manpower components should be inventoried and analyzed.
5. People are the primary and most important element in the community development process.
6. The most significant aspect of the economic activity in an area is usually tied to local raw materials.
7. The infrastructure of a community is becoming more important to community growth potential than the proximity of natural resources.
8. A central factor influencing the economic development of every region is the degree to which it builds up sufficient local services, resources, and population to attract or generate additional economic activity.
9. Published reports provide adequate information upon which an analysis of local areas can be made.
10. Newspaper files are of little use in making a study of an area's needs.
11. An abundance of natural resources will assure the continued economic stability of a community.

12. As a general rule, industry will always locate as close to the source of needed raw materials as possible.
13. Most development districts are established by some Federal agency primarily to provide assistance in accomplishing the agency's mission.
14. The major difference between human resources and manpower resources is the matter of education and training.
15. An effective SBA community development information system is necessarily complex and of a self-sufficient nature.
16. The concentration of additional economic activity in an area has no relationship to the "critical mass" theory.
17. The quality of manpower is the principal consideration involved in community development.
18. Sometimes latent leadership exists in a community, but is dormant or inactive. One of the basic problems in community development is to motivate this leadership so that it will assume an active role.
19. Industries consistently tend to seek locations which provide a low wage structure and freedom from union activities.
20. Generally speaking, economic growth is usually confined to political boundaries.
21. Leadership can best be motivated through strong communication. The form this communication takes, insofar as the role of the SBA employee is concerned, falls into three categories: information, assistance, and encouragement.
22. While community goals must be simple and easily understood, they also should be based on the community's experience or history and its potentials.

ANSWER SHEETMULTIPLE CHOICE (Place an X beside the letter representing your answer.)

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| 1. a. _____
b. _____
c. _____
d. _____ | 7. a. _____
b. _____
c. _____
d. _____ | 13. a. _____
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d. _____ |
| 2. a. _____
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d. _____ | 14. a. _____
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d. _____ | 20. a. _____
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| 3. a. _____
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| 5. a. _____
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c. _____
d. _____ | |

TRUE-FALSE (Use T or F)

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22. _____

ANSWER SHEETMULTIPLE CHOICE (Place an X beside the letter representing your answer.)

- | | | | |
|--|---|---|---|
| 1. a. _____
b. _____
c. _____
d. <u>X</u> | 7. a. _____
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d. <u>X</u> | 19. a. _____
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| 2. a. _____
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TRUE-FALSE (Use T or F)

1. F
2. F
3. F
4. T
5. T
6. F
7. T
8. T
9. F
10. F
11. F
12. F
13. F
14. T
15. F
16. F
17. T
18. T
19. F
20. F
21. T
22. T

SAMPLE REPORT OF INVENTORY EXAMINATION RESULTS

Student Number: 14

Student Name: John Barber

Possible Score: 69

Your Scores:

Initial: 47

Final: 64

Spread of Scores

<u>Initial</u> -	34	45	46	47	51	55	
	34			47		55	
				47			
<u>Final</u> -	41	48	53	54	55	63	64
		48	53		55		

LESSON PLAN

Essential Data

TITLE: PROGRAM CRITIQUE

PURPOSE: A period of time reserved for the program coordinator to review the program with the participants and to provide participants an opportunity to discuss the general aspects of the community development training program

DATE PREPARED: March 25, 1969

METHOD OF INSTRUCTION: Critique

HOURS: Two hours

STUDY ASSIGNMENT: None

ESTIMATED TIME REQUIRED TO COMPLETE STUDY ASSIGNMENT: None

INSTRUCTOR REFERENCES:

1. Handbook on Community Development
2. All Lesson Plans

TRAINING AIDS: None

ADDITIONAL DETAILS: The program coordinator will prepare an agenda for discussion based upon his assessment of the needs of the class