



Your Turn

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Guest columnist

American Rescue Plan could lift small towns, rural areas

While much has been reported about the American Rescue Plan providing needed relief to pandemic-battered cities, less has been written about the potential historic economic boost this policy could have on small towns and rural communities.

Not only does the legislation distribute \$4 billion to support the food supply chain, \$3 billion to support economic development initiatives, and \$9 billion to assist rural health care providers, it also provides \$140 million to support households residing in USDA-subsidized rural properties or who participate in USDA direct mortgage programs. On top of that, the American Rescue Plan assigns \$5 billion to farmers of color and allocates \$750 million to support the Indian Housing and Indian Community Development block grant programs.

President Barack Obama's rural recovery after the Great Recession lagged behind urban areas as employment rates largely plateaued in non-metro counties, unlike their metro counterparts. And President Donald Trump's rural recovery programs in response to his failed "trade war" and the outbreak of COVID-19 weren't any better. His administration focused almost exclusively on narrow relief for agriculture producers, which make up less than 10% of the rural workforce.

For decades, Republican proposals for rural prosperity focused almost exclusively on agricultural producers, despite the fact that over 90% of the rural workforce is employed outside the agricultural industry and the rise of multinational monopolies within the agricultural sector means more taxpayer dollars earmarked for rural communities go to big agriculture companies and wealthy investors who own farms in rural America but don't live there.

And while the CARES Act was helpful, Republican lawmakers insisted the funds specifically not go to state and local governments, which meant long-struggling rural communities with smaller tax bases were unable to meet the pandemic's crushing demands on public services.

The American Rescue Plan, passed by Congressional Democrats and signed into law by President Joe Biden, takes a new approach to economic recovery in small towns and rural communities. Democrats are trusting local governments and local people to solve local problems and understand the richness and diversity of small towns and rural communities.

The American Rescue Plan was designed to ensure federal dollars designated for rural America stay in rural America by requiring locally controlled projects and businesses to get the money first.

But with \$1.9 trillion at stake, implementation of the rescue plan won't be easy. Corporate lobbyists are already trying to extract these funds from small businesses, local farms, small-scale processing facilities, and rural restaurants. Corporate influence over legislation implementation is a challenge for every new policy, but a lack of rural voices at decision-making tables creates additional challenges.

Rural people will tell you that the lowest resourced communities are the least likely to have the resources to leverage federal dollars. Smaller communities often don't have the internal capacity to develop comprehensive economic development strategies required from federal programs to access their funds.

That's why the Administration must ensure that the most distressed rural communities receive technical assistance and investments to support local staff, knowledge, and organizations, empowering them to benefit from the recovery funds and build capacity locally to ensure they can sustain these programs and funds well into the future.

Rural leaders also know that their communities face structural disadvantages when it comes to applying for federal programs — especially federal loan funds paid for by a smaller population base. Almost 95% of the federal money regularly reserved for rural areas are loans, and rural places often lose out when competing against larger towns because of a bias towards scale.

To ensure successful implementation of this legislation, the Administration must listen to rural voices and prioritize non-matching grant funds and forgivable loans for locally owned and controlled projects and businesses in distressed rural areas.

The passage of the American Recovery Plan demonstrates that economic recovery in rural America in the wake of the COVID pandemic is a top priority for this Congress and Administration. If they can pass the American Jobs Plan and American Families Plan — and capitalize on these vital investments from the American Rescue Plan, they could finally start to shift the political fault lines in America.

