The Brookings Institution
Reimagine Rural **podcast**

"Innovation is part of rural America's DNA"

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Episode Summary:

Innovation and entrepreneurship are fundamental to America's national identity, yet they are commonly associated with big cities and areas like Silicon Valley. As we've encountered numerous times in past episodes, rural America is full of innovation and home to countless examples of ingenuity. In this episode, part one of two, rather than capture the story of a rural place, Tony Pipa hears from entrepreneurs from across the country who have created ventures to bring the digital economy, affordable housing, and childcare to rural places.

MURPHY: Hi, my name is Cynthia Murphy and I'm head of the childcare business lab at Coastal Enterprises, which is a Maine based community development finance institution.

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HERNANDEZ: Hi, my name is Tanya Hernandez and I'm the director slash owner of Mis Primeros Pasos, which is a bilingual childcare.

CHUPP: I am Charlie Chupp. I'm the CEO and founder of Fading West Development.

CARNELL: Chris Carnell. I'm the co-founder of Codefi and executive director of the Codefi Foundation on Rural Innovation.

PIPA: Innovation. Policymakers, economists, business leaders and much of the general public see it as central to the American economy and even our identity as a country. It's part of the lore of what makes us strong and distinguishes us as a nation. I can tell it's a major preoccupation in the minds of decisionmakers when I google "innovation" and "The Harvard Business Review," and get more than 10 million results. *But* ... I also googled "RURAL innovation" and "The Harvard Business Review," and got just a few more than 2,400 results, with the first article focused on rural innovation in India.

Now, that may be a crude comparison, but it does suggest that innovation is more closely linked in the popular and even policymaker imagination with places like Silicon Valley and the garage where Bill Packard and Dave Hewlett designed their first technology. But as I've experienced throughout my travels, and as we heard in this season's very first episode, which featured companies such as B&W Hitches and Chobani, rural America is full of innovation and home to countless examples of American ingenuity.

Rather than remain hidden, it's important to surface and recognize innovation as part of rural America's DNA, so our country can leverage its talent to the fullest extent.

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Welcome to this special Innovators edition of *Reimagine Rural*. I'm Tony Pipa, a senior fellow in the Center for Sustainable Development at the Brookings Institution and your host for the podcast. Usually, I focus on capturing the story of a rural *place* and the progress it is making, but in this episode, you'll hear from a set of entrepreneurial people who are leading new ventures related to some of the most urgent issues relevant to rural towns: the digital economy, affordable housing, and childcare. And you know, I came across so many innovators during my travels for this season that we couldn't fit them all into one episode—tune into our innovators part two episode for stories about agrovoltaics, textiles, and financing.

But let's get started in this episode with the thing that springs most to mind when we say "innovation": digital technology.

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This is Chris Carnell, co-founder of Codefi and executive director of the Codefi Foundation on Rural Innovation.

CARNELL: So, we are a what you would call a digital economic development organization. So, we help people, companies, communities create programs and capacity to develop startup and tech-based economies. We're in Cape Girardeau, Missouri.

I'm from Sikeston, which is about 30 minutes south of Cape in the boot hill of Missouri. I met a professor up here, a doctor who started the Innovation and Entrepreneurship Center at the university. And he helped me launch my first tech company.

It was in the very early days of when crowdfunding started to come the buzzword for the Jobs Act. So, I had this concept in my head and James had actually been to DC working with some federal agencies and knew about the Jobs Act before it came to be. And so, I started to build a platform for nonprofits for crowdfunding. So, if I was more business savvy, it wouldn't be GoFundMe, it would be the company that I started. But I was young and inexperienced. So.

PIPA: One of the things that enabled the bond between Chris and his partner and mentor, Dr. James Stapleton, former professor of entrepreneurship at Southeast Missouri State University, was a shared history in small towns and small business.

[4:45] [music]

CARNELL: Our pasts are very eerily similar. He comes from Lyons, Kansas. His dad was a mechanic that owned his own company, business, small business. My dad owns a body shop. Down to dysfunctional family dynamics, it's just eerily similar.

But we connected on, we moved from small towns. Because they didn't have the things that we were interested in, which were startups and technology. And so, that's essentially what was the origins of Codefi is that we wanted to create things that gave opportunity to people who may not have otherwise had them with startups and technology.

We didn't know what it was going to be. We just started with that concept and flourished from there.

PIPA: They got to know each other when Chris worked with James on building a downtown redevelopment project that would help students start their own companies, but as the project evolved, it turned more into an arts and hospitality project. Chris lost interest in the project but was intrigued by the innovation framework that he had learned about during the experience.

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CARNELL: So, the very first thing that we did is we actually started a consulting group to teach about these innovation frameworks. We did that for a few months.

And then we started to visit innovation hubs around the United States and realized that a lot of them had a physical space.

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And then more people came together, coworking spaces, which is what we were originally working on. So, we decided to start a coworking space. A lot of them were in downtowns which had started to be revitalized. So, that's what we did. So, we were the first tenants of an old federal building that had just gotten purchased. And so that's where we started a coworking space.

PIPA: As much shared coworking might have been a thing in urban areas then with companies like We Work trying to build a whole new market, well, in smaller places, this was still kind of unknown.

[6:42]

CARNELL: We didn't know who was going to show up. In the early days, we actually had to stop calling it coworking because people didn't understand what that even meant or what that was. But we attracted a different, diverse set of people and I think probably the unique thing that we did is that we weren't only helping others building capacity and bringing amenities, but we were working on our own startups as well.

We were working with others to build technology companies at the same time, and that drove a lot of demand for investment and talent needs.

PIPA: One of the things they didn't have was broadband.

CARNELL: Fiber is sparsely throughout the city, but definitely not downtown. So, what we did is we eventually worked with a federal agency and a local telecommunications company and got the city to approve us expanding that fiber into downtown, and eventually a downtown wireless mesh that's provided for free to give people high speed internet.

PIPA: High-speed internet wasn't the only thing missing. Access to financing was also a barrier.

[7:50]

CARNELL: We realized that one of the biggest barriers for people starting companies early on is capital. There was a competition in St. Louis called Arch Grants, and we saw that that was being successful there, and their model was they were giving away $50,000 non-diluted for companies to relocate to St. Louis.

So, we decided to test it and see if we could do the same thing. And so, five individuals put $10,000 in a hat, and we tried to start a competition. A hundred companies from around the world applied, which surprised us. So, that kind of kicked off a program of an attractant program for companies here.

PIPA: As that program started to take off, and they worked with more and more tech companies, they started to get requests.

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[8:33]

CARNELL: And then people started reaching out to us and said, we're looking for a front-end person. We're looking for someone with .NET skills or something like that. And we started to reach out and couldn't find anybody. So, it led me to do some research. So, in the Delta region from St. Genevieve, just south of St. Louis all the way down to New Orleans, along the Mississippi River, there's 252 counties called the Delta region. I did some research to find out where the software developers in this region. Come to find out southeast Missouri and Cape Girardeau is one of the worst when it comes to number of developers in the workforce.

So, we're two years in, imagine us trying to start a tech ecosystem and there's nobody here that does this work.

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So, we decided to start a bootcamp to train people how to code.

PIPA: As Chris puts it to me, for training in software and web development, you have massive online courses on one side where it's free and self-paced, and on the other end of the spectrum, you can go get a Ph.D. and that's a serious investment of time and money.

[9:35]

CARNELL: What we created was in between trade schools and boot camps in terms of investment needed from people for time. But we would go out and raise money or we would put resources in where the participants, they don't actually have to pay, so it's free to anybody to join the program.

And what we do is we, we get professional developers from the community to then teach people how to code. So, we put a structure in place, and we asked the developers to come up with the curriculum to teach people how to code. And they meet twice a week and then the groups of people have code coaches. So, real software developers helping them learn how to code over the course of 10 months.

PIPA: At this point they were getting tight on space. Their coworking tenants were interested in having private offices, the boot camp was attracting people. So, they met with local investors who had the rights to an old historic hotel.

[10:30]

CARNELL: We eventually just worked together on say, what if we did a downtown redevelopment project called a tech district and build the amenities that need to be for more tech companies to be here, which is a hotel for their clients to come visit them, a commercial building with office space and a coworking space, coffee shop at the bottom for the morning, and a rooftop restaurant bar for them to go in the evening.

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And so, it was about in total, it was private investment, debt equity, and new market tax credits as much as a creative funding to get it done about $35 million redevelopment project. So, it's just across the street.

So, before we started, this intersection was completely vacant. So, we filled that out and then we rebuilt these and then now there's you know adjacent to us there are luxury apartments and now all of this.

PIPA: So, what started as a coworking space has grown into a tech district that takes up a whole portion of downtown. Their partnerships through the coworking space and the coding bootcamp can point to concrete successes.

[11:38]

CARNELL: So, one of the one of the best examples, or I would say biggest successes from that program, and a company here is a company called Vizient. And they're a healthcare performance company, one of the largest in the United States. And when we started the program, they had probably a dozen developers here. And they started to hire people out of our program.

Eventually they were purchased, and Deloitte came and did some consulting to find out where should they put their development team—Cape Girardeau, Dallas, Pittsburgh, and I believe somewhere else. And after coming here, they said, not only should you not move your development team, you need to grow your development team here because of what you all have going on. And so, now they have over a hundred developers, and I would say close to a third of those have come from the program that we started.

PIPA: Public investment has been important to Codefi. The Delta Regional Authority, a federally chartered and funded commission, provided funds for the fiber build out and infrastructure, as well as workforce development. And based on their success, federal investments are helping Codefi bring the model to other places.

[12:46]

CARNELL: And so, we then received an Economic Development Administration Build to Scale Grant to take what we were doing and help Paducah, Kentucky, so just an hour across the Mississippi River, start the same thing. So, those three pillars of a space, helping startups, and training the talent, and we started to help them do that. And so, we did that over the course of three years.

As we were doing that project, we then received a Department of Labor grant because our coding program was doing well.

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And so, instead of just Cape Girardeau, we expanded it into southeast Missouri and West Kentucky.

PIPA: For its hometown program, by now Codefi has had about 100 businesses use its space, and about four to five hundred people go through its coding program. It's a central player in a redeveloped part of downtown that constitutes a new tech district.

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But from Chris's point of view, the tech and digital economy associated with Codefi isn't really yet seen as an integral part of the community's identity by some of the town's leaders. I asked him what he thought that was about.

[13:53]

CARNELL: I've thought about this deeply, and so, I'll go very philosophical with this. It's fear of the unknown. Fear of change, because what people believe when there's change is that it's going to move away from their values and their morals that they have. It's going to take away securities that they know about that is certain. And getting outside of that becomes very uncomfortable.

And so, when you're not familiar with a lot of change, where in metropolitan areas there's change because there's so many different things going on that have, that's just natural. Whereas in smaller towns, rural communities, it's sparsely populated, you don't see as many different things, you don't see as much change. It then becomes a part of your identity and your value that if you do that, it's going to disrupt who you are and what makes up your family, your community, and everything around you.

PIPA: And it's not just from the town's point of view. Policymakers, and tech investors, and decisionmakers view much of the digital economy at a scale that doesn't fit how it needs to be different in rural places.

[15:08]

CARNELL: If you think of physics, so in our band of reality, there's laws of physics that are absolute. Right? But if you go to the extremes, if you go to really large things, really big things, supermassive black holes, or you go to very small things, subatomic quantum levels, the laws of physics start to break down.

That's what I'm saying. Rural communities are at the subatomic level. The laws of economics start to break down.

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And so, the question is, when do we start, when do we need to start using different models? And so, I think, yeah, just the way we measure economics in metropolitans and nationally, you can't blanket it. And so, there needs to be new measurements, new tools that are used to show progress of innovation and tech startups in small towns and rural communities.

Steve Blank said a startup isn't just a smaller version of a large company. A rural community is not just a smaller version of a large city.

PIPA: As policymakers seek to help more rural communities take advantage of the benefits that a tech economy has to offer, they would do well to take the lessons from Chris Carnell and Codefi to heart.

Our next innovator is working on another issue that is urgently relevant in rural communities: housing. This is Charlie Chupp, the founder and CEO of Fading West

Development. Charlie grew up in Jacksonville, Florida but moved to rural Colorado about 10 years ago.

[16:44]

CHUPP: My kids had fallen in love with it in the summers and just was looking for something different, looking for a change of pace and a slower life. And moved out to Colorado about 10 years ago into a small community, very little crime, slower pace, just a different, whole different lifestyle.

PIPA: Charlie had worked for a couple decades at a great family business started by his grandfather.

CHUPP: We were building all of the Starbucks kiosks and license stores across the United States. So, we would build all of the cabinetry. We would do all the metal work for the countertops. We consolidate all the equipment, prewire, pre-plumb everything, and ship these big kiosks out to different locations in airports or supermarkets. And then send our install teams that would meet it on a Sunday night, put it all together, and they would be serving coffee on a Thursday afternoon.

So, it was this really condensed, very high-speed rollout of this national expansion that Starbucks has been on for years, obviously. And we did other brands as well, Smoothie King, Jamba Juice, Einstein Brothers.

So, then did that for 20 years. I got to run that company as CEO for about 12 years. And when I left, what we kind of stumbled into was looking at the need for affordable housing.

PIPA: Why affordable housing? Well, it all started in Buena Vista, where Charlie lives.

[18:08]

CHUPP: A good friend of mine was a realtor in town, and he had just done an analysis to the Board of Trustees here on the impact that the lack of affordable housing was having on our small community. Buena Vista is only 3000 people. And so, with the lack of affordable housing, it was pushing out teachers and firefighters and police officers and teachers.

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And it was really changing the environment and the community and its ability to sustain a workforce.

And so, he was a realtor. He had 21 acres of land that the bank had had in receivership since back in 2008. And he's like, hey, this bank has cheap land. It's zoned high density. Is there any way you could figure out how to do affordable housing on this one piece of property?

And so, that was our question is how does somebody making 80 percent of the area's median income afford a high-quality, architecturally interesting house in the mountains? And that's where Fading West started.

PIPA: Charlie's previous experience was all about bringing lean production concepts that were pioneered by Toyota to the creation of those kiosks they were building.

[19:17]

CHUPP: How do you apply these same efficiency techniques and lean concepts to what is typically a very wasteful industry? Construction is usually considered one of the least efficient industries that is tracked by the Bureau of Labor Statistics. So, very target rich environment.

PIPA: Now, as we heard in a previous episode of the podcast, a few of the factors behind the housing crisis in rural places include lack of access to tradespeople, stagnant productivity, and a dwindling supply of units. Fading West's model seeks to improve upon the efficiency and reduce some significant cost drivers by manufacturing the major portion of their houses in a factory.

CHUPP: So, we think about how do we drive efficiency through our modular units through a manufacturing process that eliminates waste and brings high quality and, you know, architecturally interesting housing units. Then matching that up with what has to be done at the site through our construction team. So, you still have to do excavation, foundations, utility connections. You have to set and stitch these modular units together once they arrive at the site. And that whole process is what we think about when we look at eliminating waste from that whole value stream.

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So, we think of that whole process and how do we eliminate the cost drivers that push pricing so high.

PIPA: Now, people familiar with rural housing recognize that manufactured housing plays an important role in the rural housing market. Those manufactured units are part of a modern mobile home park are built to standards set by the Department of Housing and Urban Development. The residents don't usually own the property where they're located. The modular units that Fading West produces are different. These are homes built to the International Residential Code, which is the standard for stick-built homes in the U.S. and abroad. Instead of building it all on-site, however, they're building a good portion of it in a factory.

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CHUPP: So, we do something called volumetric modular, which means you're shipping the volume of the house down the street. So, we build a full 16- or 18-foot-wide box by 30 to 50 feet long and we build that whole unit in our in our factory. So, 90 percent of everything is completed here. So, all the drywall is done, all the cabinetry is installed, flooring is done, lighting. Everything is installed here in our factory. And the exteriors are completed and then we ship it to a location, and we set that on a foundation that we have to do as part of our construction at the address.

So, we build five different basic floor plans. And so, if you think about Toyota's product line, they have Corollas, Camrys, Highlanders, and each one of those are

designed to a specific market need. And so, we think about standardization as a huge part of our business model.

PIPA: Fading West now has a 110,000 square foot manufacturing facility in Buena Vista, employing about 175 people in that rural town. They're building about 30,000 square feet of housing a month.

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CHUPP: So, we have a weather independent location where we can build 90 percent of these homes in Colorado at any time. In February, if it's snowing outside, we can build inside. That's the first thing that's really different about manufacturing is it's weather independent. And in a short building season, climate like we face, that's a huge advantage.

But the efficiency that we're seeing is the ability to repeat models over and over again. So, one of the you know sayings in Toyota production systems is that you can't improve a process that you only do once. So, customized housing, you can't improve, it's a new house, it's a new architecture every time. So, for us our standard floor plans allow us to continually get better and better. We train our people, we can value engineer, we can get the right tools at the right location and build these houses. You know, we're building one or one-and-a-half homes a day now. So, it's a pretty high velocity system.

PIPA: Even with the innovation that comes with constructing the house this way, public resources are still the key to affordability for the working class.

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CHUPP: When we started, we were very close to that 80 percent AMI. We could go in and build a home for a workforce family, a police officer, or a teacher, and we could get them into their own home without subsidies. Since 2020, with the increase in material costs and the interest rates, what we're finding is that, at least in Colorado, there is no way to build an affordable home for the workforce that doesn't have some kind of government subsidy.

So, whether that's a local subsidy where the jurisdiction is giving you free water tap fees or eliminating building permit fees,

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or if going to the state and getting subsidies so that you can sell these units at a cheaper price.

PIPA: Construction is not the only significant inefficiency from Charlie's perspective. The local processes for zoning and entitlement also play a role.

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CHUPP: And so, when you go into any jurisdiction—in Colorado, there's over 300 jurisdictions—each one of them will have a different entitlement process. So, how do you buy land and get it zoned correctly for what you're trying to build? And it could

even have a separate building code in each of those locations. So, one location may require sprinklers, another may not require sprinklers. And so, every time you try to standardize and repeat this process, if you go into a different location, you're having to submit the full architectural package for its own specific approval for that address.

And, if you think about the automotive industry as an example, no state requires a different code to build a Toyota Highlander. There's a national code. You can drive a Highlander from Alaska to New Mexico with the same approvals. And that's the biggest challenge, is everything is custom.

PIPA: One of the most interesting things about Fading West is that it's rural through and through—located in rural, serving rural markets. That can bring some of its own challenges.

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CHUPP: Attracting capital in a rural area is very challenging. It certainly was at the very beginning, because why would you build a big factory in a small community like this? And we had reasons. We wanted to be a part of the community. We wanted to understand and live in a community that we're trying to help thrive, not only with great employment, but also with affordable housing. And we think about that a lot as well.

But at the very beginning, everybody kind of looked at us funny, like, why would you be building this here? Why not Denver? Why not somewhere in the Front Range or a lower cost area? And at the beginning, it was a great challenge. But now it's actually a benefit to us because we're we have established production.

PIPA: Those benefits are both to the company and the community where it is located.

CHUPP: We are such a part of the community itself. And we understand the dynamics in small towns and what are the rural politics and what are the challenges of being a developer and getting housing in these areas. So, most of our projects are in rural communities. And so, there's a difference between, you know, there's no anonymity in a small town.

And so, the things that we build, and we're building projects in our little community as well, I see the people who own those houses and live in them at the grocery store or at church or on Main Street. And so, there is a real deep connection to your customer. There's no anonymity. You don't get to hide behind a, some business that's in another state.

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PIPA: Expanding the supply of affordable housing will be central to helping rural communities strengthen their resilience and thrive. When I asked Charlie what might be improved upon on the federal front, he suggested appointing a housing czar, someone who would have the power to consolidate all the different voices into one streamlined system. He felt as if that would invite more investment and could institute steps towards efficiency.

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But no matter what, Fading West will remain committed to helping grow the amount of affordable housing in rural America.

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CHUPP: My hope for Fading West over the next number of years is to really be a voice for affordable housing and an encourager for the different entities that are working towards this common goal. So, Fading West is a part of the solution There are so many people working on this. We always laugh, it takes a village to create affordable housing. And we want to encourage that and also to consolidate and educate the challenges that are being faced right now in doing what everybody wants. We all want affordable housing. How are we approaching this in a unified way so that you're getting to a real change in this lack of supply.

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And so, for us, as we look forward, maybe over the next five years, it's to continue to work with different shareholders and stakeholders to pull everyone together and let's get focused on what's most critical to creating housing.

PIPA: Now we are going to move from Colorado to Maine and talk about another issue that is bedeviling rural towns: the lack of childcare. Thania Hernandez is the director and owner of Mis Primero Pasos, a bilingual childcare in Ellsworth, Maine, a town of a little more than 8,000 that's the gateway to a region known as Downeast Maine, not too far from Acadia National Park.

[29:40]

HERNANDEZ: So, I grew up in Maine and primarily most of my childhood I spent my time in Milbridge and Harrington area. So, the Downeast area of Maine, which is very rural. About five to six years ago, I moved to Ellsworth. I graduated with my bachelor's degree in elementary education from UMM while raising two girls.

After graduating, I was trying to figure out what I wanted to do. I knew I always wanted to work with children. But as I was looking for a job in the educational setting, I realized that there was not a lot of childcares that had open spots. So, I did a lot of research and a lot of the places I reached out to had waitlists.

So, during that time, I myself was thinking, okay, how is this going to work if I don't have childcare? How am I going to do what I want to do and work with children?

PIPA: Thania was immediately faced with a situation that too many workers in rural communities are grappling with: who will provide care for their kids as they work?

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HERNANDEZ: So, then that's when I found out that there was this program through CEI, the Child Care Business Lab, and I looked into it a little bit more, did some research, and I decided to join the group, the, um, cohort is what they call it. So, I decided to join the cohort.

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And, through the whole process, I realized that childcare was very much needed, not only here in Ellsworth, but really everywhere across the state.

PIPA: Thania's referring to an innovative effort started by an organization called Coastal Enterprises Incorporated, a Maine-based community development finance institution commonly known as CEI. Here's Cynthia Murphy, who heads up this initiative.

[31:43]

MURPHY: Back in 2019, CEI, we started to look at parts of the state where there were high levels of unemployment or part year unemployment, where there were higher levels of poverty and lower participation rates in the workforce for all parents.

When we layered on top of that the number of childcare spaces that were available for parents, some trends started to emerge. And we thought, what could we do to help create more childcare spaces so that parents could work? We created the Child Care Business Lab, which is a cohort-based program that helps people like Thania start childcare businesses.

PIPA: As Cynthia told me, the Child Care Business Lab is "model-agnostic"—that is, they start from what the community needs and help the people interested in providing the care adapt accordingly. So, they've helped people start non-profit childcare, for-profit, cooperatives, home-based—whatever works for that particular situation.

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MURPHY: We're bringing together people who have a dream of starting a childcare business. So, the same goals and aspirations. And they're also facing some of the same challenges. We teach people how to create a financially sustainable childcare business through group workshops and also by pairing people up individually with a business advisor who ensures that what is learned in the group is tailored to what's needed in a specific community.

PIPA: These efforts take all shapes and sizes.

MURPHY: We've helped people on the coast of Maine and communities with fewer than 500 people start a childcare in their home.

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We've helped people in our immigrant communities create culturally appropriate. We've helped communities that have a large anchor employer find someone in their community with a passion for children and start a childcare that serves the needs of that particular business—open the hours that are required and aligned with the philosophy of that business.

We've worked with communities that have excess space in a school building—lease that space out to someone who comes in and runs a childcare. We've helped religious organizations find someone in their community who's interested in starting childcare in some extra space that they have.

I think what's really important when we're working with a person who's interested in starting a childcare is to help them tap into the needs of their community and help them at the same time think about what is a good job for them.

PIPA: Now, as Thania learned about the prospect, she was excited about having the opportunity to work with kids all day. But she didn't know much about the business end.

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HERNANDEZ: I think the part that I was mostly concerned about was the business aspect, because I've always wanted to, you know, I've always worked with kids and I've had a lot of experience working with kids, but the business aspect I've never had a business, and I never thought that I was going to own my own business.

When I joined the cohort, we started by talking about what it is that we wanted to see in our childcare. So, we did a vision board. And then from there we went to, like, doing research, what do other parents need, you know, in the community? Like, because when you're doing, like, a business, you got to align to what the community needs and it's what you want to see, but also what the community wants or needs in the community within the area.

So, I think that was helpful because it made that connection with the community and actually truly finding out if this service I was going to provide was going to be something that parents were interested.

PIPA: One of the first issues that Thania faced was the question of location.

[36:09]

HERNANDEZ: So, Mis Primeros Pasos is housed in Families First Community Centers, which is a nonprofit transitional housing facility, which is working to break the cycle of homelessness for families with children here in this area.

So, we were able to make that connection so that parents can bring their child here. You know, and they wouldn't be worried about the children while they were here. So, making sure that their child was safe, they were close by, they could take classes while at home and, you know, the childcare was right here or if, you know, they had a job.

PIPA: Cynthia explains what that means for the community.

[36:48]

MURPHY: One of the most innovative aspects of working with Thania was her willingness to really think creatively about a location. And she found Families First, which is a nonprofit organization that helps previously unhoused families find secure housing. And Thania's located in that building. And so, the children of the families who live there are attending Mis Primos Pasos alongside other children from the community.

It's interesting because this particular concept is a win win. So, Thania is paying rent, and so it's a profit center for the nonprofit that she's associated with. She's providing an additional service for the families who live there, and providing a way for those families to integrate in the community because she also has children who are not living on site.

[music]

I think being creative about identifying solutions is essential in rural communities. And I think it deepens that connection to the community itself in addition to providing a service that's desperately needed.

PIPA: So, while she's providing her services, Thania is also helping build relationships among community members that might otherwise not exist.

[38:23]

HERNANDEZ: I'm very happy about the connection we've built with Families First Community Center and having a variety of children come in and, you know, children being able to build connection with children, with each other.

And families as well, because we do also have, like, family events and they also can connect with each other during the family events and, you know, kind of meet each other that way as well. And it's just been very interesting to see the diversity and the strong connection that the children build with each other.

PIPA: Thania now employs five people, and while being a manager is a new experience, she's developed strong bonds with her team. She has lots of families interested and sees the need—her wait list is long—and would like to expand. Her childcare is nature-based, so they spend as much time outside with the kids as possible, and the bilingual emphasis also makes it unique.

[39:24]

HERNANDEZ: The kids love to hear us talk in Spanish with them, and we do go back and forth with it. And, you know, because we do it all day long and we do it from such a young age, we have kids that had started with us two years ago and now they're going to be three soon, and they've picked it up and they understand what we're trying to say. And it's just, it's so interesting.

I do agree, thought, I do have a good partnership with, you know, not only FFC, but also with the parents.

[music]

We really communicate and work together along with the staff to try to make sure we're meeting the kid's needs and what the parents want us to work with them.

PIPA: CEI has now helped to start 32 childcare businesses serving just under 700 children across the state of Maine. But what's more impressive is the amount of people that hose businesses have helped get into the workforce. Cynthia explains.

[40:19]

MURPHY: Last year we surveyed the parents of children who started in childcare in the autumn, just ahead of the school year. Forty-three percent of the parents in childcare started through the Childcare Business Lab indicated that they were able to start a new job. That is an eye-popping number. Forty three percent of parents starting a job because they knew that their child was in a place where the child was happy, the child was growing, the child was developing, the child was getting ready for kindergarten.

PIPA: The labor shortages that many rural communities are facing is an undertold story. This innovative program, with new innovators such as Thania, are creating the solutions in Maine that make sense for their communities. And that's one of the major themes emerging throughout all these stories today—just how important rural innovators are to meeting the needs of rural communities.

Tune in to the second half of this special edition of *Reimagine Rural* tomorrow to hear more stories of rural innovators and some reflections on what it means for public policy. More inspiration is on the way!

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Reimagine Rural is a production of the Brookings Podcast Network. My sincere thanks to all the people who shared their time with me for this episode.

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I'm Tony Pipa, and this is *Reimagine Rural*.