

ECONOMY

Introduction

Franklin County continues to be the fastest growing community in the Roanoke Metropolitan Statistical Area and the West Piedmont Planning District and is projected to continue to be a leader in population growth in the future. For decades, Franklin County has been recognized as an agricultural community with cattle, dairy and tobacco farms as well as being a center for manufacturing. The County is still a leading farm producer but with a new focus with many tobacco fields being replaced by organic vegetables and vineyards. Although manufacturing employment has declined over the past decade, manufacturing remains the County's largest employment sector and has the potential for future growth; however, other sectors such as construction, retail, professional and services associated with growth around Smith Mountain Lake have grown rival manufacturing in importance and will continue to grow in importance. This is evident not only by the manufacturing jobs created over the past decade through the expansion of existing firms but also with new firms such as the May 2006 announcement by McAiraid's Vliesstoffe GmbH & Co. KG to invest \$85 million to locate its first manufacturing facility in the United States on a 30-acre tract at Commerce Park in Franklin County, creating 160 new jobs. This new 300,000-square-foot facility will serve as McAiraid's U.S. headquarters. This announcement represents the largest investment in the County by an international corporation and demonstrates the County's ability to successfully compete in the global marketplace.

Over the past decade, Franklin County also has experienced dramatic increases in a number of employment sectors including health/social services; construction; finance, insurance, and real estate; public administration; and retail. Much of the growth in these sectors may be attributed to development at Smith Mountain Lake, which is no longer just a vacation destination. The Lake area along Routes 122, 616, and 40 has been developing significantly over recent years into an area of commercial and residential developments. The development at the Lake has significantly boosted the economy for Franklin County and has provided jobs in the construction, retail, and service sectors. Developments along Route 122 such as Westlake Towne Center, Bridgewater Pointe, Bridgewater Grande, and LakeWatch Plantation are developments that have or will combine a mixed use of commercial, residential, and, in some cases, recreation. Other developments on Routes 122 and 616 include but are not limited to Westlake Village Business Park South, Westlake Commons, and Southlake Towne Center to be developed along Route 40 in Union Hall. Ferrum College also has a plan for community and economic development, which calls for a "Blue Ridge Village" which would be constructed on College-owned property. The plan is an arrangement of retail and service entities including health services, a grocery store, restaurants, shops, a bank, and residential construction. Under the proposed plan, the Ferrum Farm Museum would be relocated to the north side of Route 40, contiguous to the Blue Ridge Institute on property currently occupied by College maintenance facilities. These and other future developments will continue to change the employment base for the County in years to come.

The County is aging at a significant pace in the 55-and-older age bracket. Franklin County is becoming a popular area for individuals at retirement age, especially in the area of Smith Mountain Lake. Due to the increase in middle-age working adult population and retirees, healthcare is an important issue for the economy of the County. Two developers have

proposed medical complexes at Smith Mountain Lake. Retirees will boost the economy in other areas such as construction, retail, and professional services.

An economic analysis of the County is useful in understanding what factors play a role in influencing land use and general development in the past, present, and future for Franklin County. To a large extent, the development of a County is determined by the free market economy. In other words, decisions made by business and industry in their efforts to make profits encourage the growth and development patterns of a County. The County government also has tools at its disposal to affect the development patterns (namely tax policy, utility development, and roads development), but often local governments tend to or are directly affected by private enterprise decisions. Coupled with an excellent quality of life and the County's reputation for bountiful natural resources, there are a number of relatively new economic development resources available to market the County. A number of these resources are outlined in more detail in this chapter, including a new 31,000-square-foot workforce development center—the Franklin Center for Advanced Learning & Enterprise--being constructed in Rocky Mount; an active Workforce Development Consortium—a partnership of local governments and the school system, area colleges, and workforce agencies; the Gereau Center for Applied Technology and Career Exploration—a unique community effort to prepare students for the workforce of the 21st century; two small business incubators---one at Smith Mountain Lake and the other in neighboring Martinsville--to promote entrepreneurship; and the Mid-Atlantic Broadband Cooperative's Regional Backbone Initiative which is bringing broadband services including high-speed internet connectivity to various areas of the County as part of a 700-mile fiber optic network being installed throughout Southside Virginia.

The Franklin County Department of Commerce and Leisure Services is available to assist industry or employers to expand or develop new facilities. Franklin County is also part of the seven-jurisdiction Roanoke Valley Economic Development Partnership. The County supports the local Chambers of Commerce, the Rocky Mount Community Partnership for Revitalization (Main Street) Program, and other initiatives to assist small business and tourism promotion. Both the Franklin County Chamber of Commerce and the Smith Mountain Lake Chamber of Commerce sponsor annual Business Expos, a marketing tool for businesses to reach their customer base and to increase the community's awareness of their services.

Employment

The principle increases (50 percent or more) in the County's employment from 1990 to 2000 took place in the following categories: health/social services (89.3%); public administration (80.8%); and other services (124.5%) [which includes repair and maintenance personal and laundry services; religious, grantmaking, civic, professional, and similar services; and private households; this does not include public administration]. Construction (37.0%); finance, insurance, and real estate (27.1%); retail trade (13.8%); and educational services (13.3%) all grew substantially as well. Construction employment grew in response to the substantial numbers of residential housing units constructed over the period due to the County's population growth and Smith Mountain Lake's influence; services and supportive employment also increased for the same reason.

Employment by industry data in the following table illustrates the dependence of Franklin County on manufacturing. In 1990, 35.3 percent of the total County workers versus 15.1 percent of State workers were employed in manufacturing. Over the period 1990 to 2000, the County's percentage of employment in manufacturing declined from 35.0 percent of the total

County to 24.3 percent, a 21 percent decline over the period. During the same time period, the state's percentage of employment in manufacturing declined from 15.1 percent of total employment to 11.3 percent of total employment, a 15.4 percent decline. Over the past decade, the County has been impacted by the North American Free Trade Act (NAFTA), which has caused manufacturing employment to continually decrease. Since 2000, the manufacturing industry has steadily declined from 4,360 workers in 2000 to 2,965 workers in 2004, according to statistics from the Virginia Employment Commission.

**Employment by Industry
1990-2000**

	<i>Franklin County</i>				<i>State of Virginia</i>			
	1990	2000	% of Total 2000	% Chg 90-00	1990	2000	% of Total 2000	% Chg 90-00
Total Workers	20,091	22,944	100.0	14.2	3,028,362	3,412,647	100.0	12.7
Agriculture	986	596	2.6	-39.6	61,549	33,396	1.0	-45.7
Mining	37	32	0.1	-13.5	18,072	10,029	0.3	-44.5
Construction	1,762	2,414	10.5	37.0	236,995	250,155	7.3	5.6
Manufacturing	7,088	5,584	24.3	-21.2	457,632	387,104	11.3	-15.4
Transportation	1,084	999	4.4	-7.8	118,830	131,043	3.8	10.3
Utilities*	311	203	0.9	-34.7	83,983	27,434	0.8	-67.3
Wholesale	629	613	2.7	-2.5	101,910	93,477	2.7	-8.3
Retail	2,474	2,816	12.3	13.8	487,016	389,437	11.4	-20.0
Finance, Insurance, Real Estate	903	1,148	5.0	27.1	198,063	226,222	6.6	14.2
Educational Services	1,514	1,715	7.5	13.3	243,181	294,488	8.6	21.1
Health/Social Services	1,062	2,010	8.8	89.3	215,611	331,668	9.7	53.8
Public Administration	495	895	3.9	80.8	280,776	282,259	8.3	0.5
Other Services	1,746	3,919	17.1	124.5	524,744	955,935	28.0	82.2

*NOTE: In 1990, Utilities category was combined with Communications.
SOURCE: U.S. Bureau of the Census, STF3 -- 1990 & 2000.

The major employers in Franklin County are manufacturers of wood products, textiles, and modular and mobile homes. The table entitled "Manufacturing Employment by Product Class" gives a detailed breakdown of data for the County, illustrating the County's dependence on textiles and furniture and wood products. From 2000 to 2002, the County experienced a 33.6 percent decrease in the number of workers employed in manufacturing from 4,755 to 3,158, according to the U.S. Census Bureau's County Business Pattern data presented in the following table. However, in 2002, 69.2 percent of the County's manufacturing employees worked in the furniture-lumber-wood products category compared to only 12.1 percent statewide. The State, as a whole, is much more diverse—with strength particularly in printing and publishing, food and kindred products, metals, machinery, electrical machinery, and transportation equipment manufacturing. The percentage of employees across the State in these categories are often three to five times the percentages or higher than those for Franklin County. Wage rates for jobs in certain product class industries are lower than others and can impact on the aggregate buying power in the local economy.

**Manufacturing Employment by Product Class
(By Place of Work)
2000-2002**

	Employees 2000	Employees 2002	No. of Firms 2000	No. of Firms 2002
Manufacturing--All Firms	4,755	3,158	59	55
Textile products	250-499	250-499	1	1
Apparel	100-249	20-99	4	1
Lumber, wood products	2,605	2,090	19	16
Furniture	584	94	9	10
Printing	100-249	0	1	0
Chemicals	0-19	0-19	1	2
Computer & electronic products	100-249	100-249	1	1
Fabricated metal products	43	0-19	7	5
Rubber, plastics	0-19	0-19	1	1
Stone, clay, glass	289	262	5	5

SOURCE: U.S. Department of Commerce, County Business Patterns, 2000 & 2002.

The heavy concentration of employment in only a few categories also can mean that the area may be sensitive to upsets and cycles in the economy depending on the mix of industries that form the local industrial economy. A broader base of employment in more different types of businesses and industries would make the area more resistant to economic upsets. Historically, the County and its residents have avoided these potential problems by having available to them jobs outside the County in Roanoke-Roanoke County and Martinsville-Henry County which can be seen in the commutation data.

Major Employers

The following table, entitled "Major Employers in Franklin County," includes the major employers, their products, and the approximate number of employees. Employment figures are given by range to protect the privacy of the firms and to conform to disclosure laws.

Of the firms listed in the table, eighteen are in service industry classifications, and eight are in wood products, furniture, or related classifications including modular housing firms. Thus, 52.0% of the fifty employers are centered basically in only two classifications. Much of the industry in the County is tied to the interest rate-sensitive housing market. Secondly, the industries in the textile-apparel areas are in an industrial class that has been affected by strong foreign competition. Due to the impact of NAFTA, this industry has dramatically decreased. The need for more diversity in the County industrial base is quite apparent in order to afford the County at least some protection from downside movements in the industries that now make up the local industrial base. Therefore, the County's service industry base has grown considerably.

Major Employers in Franklin County (50 or More Employees)

Name	Product	Employment Range
M.W. Manufacturers	Window/door construction	1000+
Franklin County School Board	Educational/government	500-999
Wal Mart	Retail business	250-499
Franklin Memorial Hospital	Medical services	250-499
County of Franklin	Government agency	250-499
Ferrum College	Educational	250-499
Ronile	Yarn dyeing	250-499
Mills Stop & Go, Inc.	Administrative services	250-499
Mod-U-Kraf Homes, Incorporated	Modular housing	100-249
Willard Construction of Roanoke Valley	Construction	100-249
Trinity Mission Healthcare & Rehab.	Healthcare services	100-249
The Uttermost Company	Interior decoration framing	100-249
Ameristaff	Temporary employment services	100-249
Kroger	Grocery store	100-249
Fleetwood Homes of VA	Manufactured housing	100-249
Dairy Queen	Restaurant	100-249
North American Housing	Modular housing	100-249
Courtland Healthcare Center	Healthcare services	100-249
Virginia Utility Prot. Srv. Incorporated	Administrative & support services	100-249
Carilion Healthcare	Medical services	50-99
Rockydale Quarries Corporation	Quarry products	50-99
Trinity Packaging Corp.	Packaging	50-99
Redwood Minute Market	Convenience store	50-99
NewBold Corporation	Credit card imprinting machinery manufacturing	50-99
The Franklin Group, Incorporated	Wood product manufacturing	50-99
Amp Temporary Services Corp.	Temporary employment services	50-99
USA Staff Leasing	Temporary employment services	50-99
Erath Veneer Corporation	Veneer products	50-99
Virginia Home Furnishings	Furniture retail store	50-99
YMCA	Recreational services	50-99
Blackwater Door & Millwork, Inc.	Window/door construction	50-99
Virginia Dept. of Transportation	Government agency	50-99
Goodwill Industries	Human/Social assistance services	50-99
Town of Rocky Mount	Government agency	50-99
McDonald's	Restaurant	50-99
Professional Employers	Temporary employment services	50-99
Ferguson Land & Lumber Company	Lumber business	50-99
Shively Electrical Co., Inc.	Electrical services	50-99
Jamison Electric Company	Electrical services	50-99
Dairy Queen	Restaurant	50-99
U.S. Postal Service	Government agency	50-99
Smith Mountain Lake 4H Center	Civic organization	50-99
Duncan Ford, Mercury	Automobile dealership	50-99
Applebee's Neighborhood Grill	Restaurant	20-49
Capps Home Building Center, Inc.	Building supplies	20-49
Allstaff, Incorporated	Temporary employment services	20-49
Shredded Products Corporation	Scrap metals and iron	20-49
BB&T	Bank/financial services	20-49
Eugene W. Akers, Incorporated	Trucking company	20-49
Fisherman's Galley Seafood Restaurant	Restaurant	20-49

SOURCE: *2005 Top 50 Employer Listing--3rd Quarter*, Virginia Employment Commission.

Worker Commutation

During the 1990 Census, the Bureau of Census developed data on the flow of workers in and out of various localities as commutation patterns. The daily commutation of workers from Franklin County is significant. According to information in the table presented later in this section, entitled "1990-2000 Commuting Patterns," the Census Bureau reported that just over 41 percent of the workers in the County left the County daily for work in 1990. This represents

8,230 persons. In 2000, 9,288 or 41.3 percent of workers commuted outside the County to work. As would be expected, the majority of these persons drive to the nearby employment centers of Roanoke-Roanoke County and Henry County. As seen in the table entitled "1990-2000 Commuting Patterns" on page 5-8, the greatest number of out-commuters were those commuting to Henry County (with a decline of 933 workers from 2,197 in 1990 to 1,264 in 2000, a 42.5 percent decrease); Roanoke City (with an increase from 3,036 workers in 1990 to 3,810 in 2000, a 25.5 percent increase); and Roanoke County (with an increase from 1,110 workers in 1990 to 1,656 in 2000, a 49.2 percent increase).

In 2005, Franklin County contracted with the Issues Management Group of Roanoke to carry out a commuter survey. Interviewing for the survey was conducted by Western Opinion Research, Incorporated, of Winnipeg, Manitoba, Canada, between July 13 and July 19, 2005. The sample consisted of 400 randomly selected residents of Franklin County who commute to work outside the County. The sample of phone numbers was created so that all residential telephone numbers, including unlisted numbers, had a known chance of inclusion. Respondents were screened and only those people who worked full-time in a jurisdiction other than Franklin County were interviewed. Questions answered by the entire sample of 400 residents are subject to a sampling error of plus or minus approximately 5 percent at the 95 percent level of confidence. Where the results of subgroups are reported, the sampling error is higher. These results cannot be generalized to the general population of Franklin County. The survey's findings show that the "typical" worker who commutes from Franklin County to a job elsewhere is white, between 40 and 60 years old, holds at least a high school diploma and, perhaps, a college degree, and earns between \$20,000 and \$50,000 a year from their job. There is likely to be another wage earner in the household, and their family income is above \$50,000. They have lived in Franklin County for ten years or more. They are about as likely to be male or female and they live proportionately throughout Franklin County. According to the survey, only 15 percent of the out-commuters earn less than \$20,000 a year and 15 percent earn more than \$60,000 annually from their job.

The 2005 survey also indicates that the commuter is most likely to work in Roanoke City (44 percent) or Roanoke County (24 percent). They commute at least a half-hour each way to work, and they work outside the County for higher salary, better benefits and/or a job that better suits their skills. There is no typical length of time that the commuter has been in their current position. The most common job categories are professional and professional services (a broad category); health care; management; finance, insurance and real estate; construction; administrative and support services; and retail. The County needs to increase similar opportunities to attract out-commuters back to the area for work. The survey indicated that just over 76 percent of those surveyed said they would consider taking a job in Franklin County and most would accept their current salary or perhaps even a salary slightly below what they currently earn. They would pursue a variety of educational or job training courses or programs if those opportunities were convenient and affordable. Obviously, the typical commuter described above is not representative of all of those people interviewed in the survey. There are numerous exceptions, but what are described above are the tendencies in the data.

The survey summary notes that it does seem clear; however, that most of those who commute to work would prefer to work in Franklin County and would accept a similar position in the County. Most of those who commute do not travel for low-wage jobs, and they are better educated than the average County resident. They are not entry-level employees, according to the survey. The survey states that it seems reasonable to conclude that, in terms of jobs, "if you create them, they will come." To be sure, some of those who commute do not want to

leave their current job, some own businesses outside of Franklin County, and others prefer to work elsewhere for other reasons. Still, according to the survey, most would prefer a job closer to home. This workforce is better educated and probably better trained than the overall workforce that exists in the County; they are also experienced employees.

The following table suggests that in most job categories commuters earn between \$35,000 and \$45,000 annually. There are a few exceptions in the annual salaries of computer programmers who earn significantly more and clerical/support services or manufacturing jobs which tend to earn less.

Job Categories and Incomes of Franklin County Commuters

Job Category	Percent	Number	Median salary	Mean salary
Manufacturing	5%	18	\$25,000	\$31,900
Retail	6%	22	\$35,000	\$40,300
Construction	8%	32	\$35,000	\$35,300
Healthcare, social services	11%	41	\$35,000	\$34,700
Finance, insurance, real estate	10%	37	\$35,000	\$40,300
Education	4%	15	\$35,000	\$39,500
Arts, entertainment, recreation	1%	3	\$40,000	\$40,000
Professional, scientific, professional services	16%	60	\$35,000	\$37,000
Management	11%	42	\$45,000	\$46,500
Administrative and support services	6%	22	\$25,000	\$31,200
Transportation; warehousing	5%	21	\$35,000	\$39,000
Public administration	4%	16	\$45,000	\$45,000
Information technology	3%	12	\$35,000	\$39,400
HVAC	1%	5	\$45,000	\$42,500
Mechanic	4%	14	\$45,000	\$46,400
Electrician	1%	4	\$45,000	\$48,300
IT/Data entry	1%	3	\$25,000	\$21,700
IT/Programmer	1%	5	\$70,000+	\$63,000+
HC/Administrative	2%	8	\$25,000	\$30,000
Prof. Service/Technical	2%	8	\$35,000	\$43,600

SOURCE: Issue Management Group of Roanoke, 2005.

The following table provides information on the out-commutation and in-commutation patterns for Franklin County over the past decade.

**1990-2000 Commuting Patterns
Franklin County**

	# of Out-Commuters from Franklin County to:			# of In-Commuters to Franklin County from:		
	1990	2000	% Chg	1990	2000	% Chg
Bedford City	94	88	-6.4		28	NA
Bedford County	173	110	-36.4	187	309	65.2
Botetourt County	83	163	96.4	31	29	-6.5
Campbell County	16	25	56.3	15	13	-13.3
Danville City	55	87	58.2	7		NA
Floyd County	6	43	616.7	23	47	104.3
Henry County	2,197	1,264	-42.5	279	282	1.1
Lynchburg City	47	61	29.8			
Martinsville City	319	435	36.4	18	103	472.2
Montgomery County	20	71	255.0	14	24	71.4
Patrick County	41	81	97.6	13	35	169.2
Pittsylvania County	52	139	167.3	168	257	53.0
Radford City		18	NA	6	9	50.0
Roanoke City	3,036	3,810	25.5	208	274	31.7
Roanoke County	1,110	1,656	49.2	224	476	112.5
Salem City	555	691	24.5	54	7	-87.0
Worked Elsewhere	426	546	28.2			
Total	8,230	9,288	12.9	1,319	2,022	53.3
Not Reported	0	0	0.0	56	0	-100.0
Number of Persons living & working in Franklin County				11,588	13,182	13.8
<i>TOTAL COUNTY WORKERS</i>				19,818	22,470	13.4

SOURCE: U. S. Census of Population, 1990 and 2000.

This out-commutation is a significant factor in the County's economy. Workers who leave the County daily for jobs often purchase retail goods near their place of work. This takes business and retail sales tax away from Franklin County--taxes collected and credited to Roanoke and Roanoke County who receive a percentage of these revenues back from the State. In addition to sales and tax losses, there is also an added cost to the commuter who must pay additional transportation costs to and from work. These latter expenditures decrease net income and affect purchasing power for the worker and his family living in the County as well as taking away from family time.

The number of County commuters to Martinsville-Henry County in 2000 is significant--1,699 workers. It should be noted, however, that this number declined from 2,516 in 1990. The Martinsville-Henry County area has experienced difficult economic times due to plant closings and layoffs over this time period, particularly in the textile and furniture sectors. It is probable that large numbers of residents of the middle and southern parts of Franklin County work in the Henry County area due to the geographic proximity of the two areas. Similarly, the large manufacturing operations in Roanoke Metropolitan Area also encourage a substantial out commuting pattern from the northern part of the County. A total of 6,320 workers commute into Roanoke City-Roanoke County-Salem-Botetourt County for work, according to the 2000 Census. Due to the large number of persons commuting outside the area for work, it is imperative that the County continue to direct efforts toward attracting new businesses, professional services, and industries as well as in the retention and expansion of existing businesses, professional services, and industries.

In contrast to the numbers of out-commuting, resident workers, there are many fewer workers commuting into Franklin County each day for work. The preceding table, "1990-2000 Commuting Patterns" lists the number of non-resident, in-commuting workers to the County by jurisdiction. As can be seen, only 2,022 workers commuted into the County from other locations for work. These in-commuters primarily came from Henry County (282), Roanoke County (476), Roanoke City (274), Bedford County (309), and Pittsylvania County (257). The total number of in-commuters to the County increased considerably, however, from 1,319 in 1990 to 2,022 in 2000--a 53.3 percent increase.

In-commuting workers tend to add some retail purchasing to the commercial economy of the County and add somewhat to the retail tax base of the County as well. However, it can readily be seen that there is a very high net out-commuting ratio for the County when the figures for in-commuting and out-commuting are compared. This also infers that there may be substantial losses in retail sales that might have been made within the County and some losses in sales taxes. But more importantly, the table infers that job creation efforts in the County need to continue to be well supported by the County's agencies and organizations with the goal of bringing County workers back home to jobs located in the County.

Commercial/Retail Enterprise

The commercial and business core of Franklin County is centered in the areas of Smith Mountain Lake and the Town of Rocky Mount, specifically the Westlake area at the Lake, Route 40 East, and the Town's business district. These areas provide shopping, banks, real estate offices, medical and other service businesses. Additional but smaller commercial and business nodes are located in Boones Mill, Ferrum, and at Halesford Bridge. Each of these areas provides shopping opportunities for residents.

The distribution of commercial and business establishments in rural Franklin County has developed along three basic patterns: 1) the isolated general store serving rural customers; 2) highway-oriented establishments located in strip fashion along the County's primary and secondary roads; and 3) minor clusters of stores and services in small communities, or population clusters such as Glade Hill, Truevine, Callaway, Burnt Chimney, Redwood, Scruggs, Penhook, Union Hall, and Wirtz. In recent years, retail and recreation-oriented commercial activities have developed in the Westlake and Scruggs areas in response to recreational and housing activity at or near Smith Mountain Lake. Development of shopping at the intersection of Routes 616 and 122 has occurred in the Westlake area a few miles north of Burnt Chimney. Realty, banking, medical, and other service firms have opened along Route 122's approach to the Lake and Hales Ford Bridge.

In December 2005, Ferrum College announced that its Board of Trustees had approved a plan for community and economic development, which would continue the College's leadership role in improving facilities for the College. The plan calls for a "Blue Ridge Village" which would be constructed on College-owned property. The plan is an arrangement of retail and service entities including health services, a grocery store, restaurants, shops, a bank, and residential construction. Under the proposed plan, the Ferrum Farm Museum would be relocated to the north side of Route 40, contiguous to the Blue Ridge Institute on property currently occupied by College maintenance facilities.

The following table, entitled "Number of Persons Employed in Retail Sales," provides statistics concerning retailing in Franklin County:

**Number of Persons Employed in Retail Sales
in Franklin County**

	1990		2000		% Change '90-'00
	Workers	% of Workforce	Workers	% of Workforce	
Franklin County	2,474	12.3	2,816	12.3	13.8
State of Virginia	487,016	16.1	389,437	11.4	-20.0

SOURCE: U. S. Census of Population, 1990 and 2000.

According to information in the above table, 12.3 percent of the workforce in Franklin County was employed in retail trade in 1990; in 2000, that figure remained stable at 12.3 percent. For the most part, retailers in the area are small grocery-convenience stores, automotive related stores/shops, drugstores, department stores, and specialty shops. In 1990, 12.3 percent of the County's workforce was employed in retail sales in comparison to Virginia's 16.1 percent. In 2000, however, the County's 12.3 percent of employment in retail sales was higher than the State's 11.4 percent.

Taxable sales data from the Virginia Department of Taxation that was compiled and tabulated by the Center for Public Service show the relative growth in commercial/retail sales in Franklin County and the State of Virginia. Two tables are used to show the relationships for retail sales. The "Index of Change" table, which used 1995 as a base year, enables the user to calculate percent change year to year directly. The second table, "Total Taxable Sales," shows absolute dollars in taxable sales in recent years. The taxable sales are primarily retail sales but also include motels, hotels, and other services as well as sales of automobiles, fuel oil, and alcoholic beverages.

**Taxable Sales - Index of Change
2000-2004
(1995=100.0)**

	2000	2004	% Increase '00-'04
Franklin County	157	191	21.7
State of Virginia	132	156	18.2

SOURCE: Virginia Department of Taxation.

**Total Taxable Sales
(000's)**

	2000	2004	% Change '00-'04
Franklin County	\$284,263	\$346,642	21.9
State of Virginia	\$68,661,582	\$81,291,118	18.4

SOURCE: Virginia Department of Taxation.

Information from the table, "Taxable Sales--Index of Change," indicates that the County's taxable sales have grown at a rate faster than that of the State since 1995. The preceding table, "Total Taxable Sales," gives retail dollar amounts for 2000 and 2004. As with the previous table, information here indicates a growth rate faster than the State.

The sales statistics indicate that the County, in terms of retail sales dollars, has performed well in overall commercial, retail sales regardless of the out-commuting patterns for County workers and their negative effect on retail sales. Commercial/retail sales offset by travelers and vacationers to the County could increase the taxable sales. Aggressive retail

development and local job promotion could insure that the sales statistics would continue to improve in the future.

Still another useful measure of the County's commercial sector is the "General Merchandise-Apparel-Furniture (GAF) Sales." GAF sales include sales by firms retailing general merchandise, apparel, furniture, and appliances and are frequently referred to as department store-type sales. The following table provides GAF sales for Franklin County and the State of Virginia, showing that the County's sales sharply decreased from 2000 to 2004. A sharp decrease in the GAF sales could be attributed to the lack of businesses that sell this particular type of merchandise. The County may need to pursue this type of commercial sector in the future to help with the decrease in the GAF sales over the last couple of years.

General Merchandise-Apparel-Furniture Sales
(000's)

	2000	2004	% Change '00-'04
Franklin County	\$77,820	\$42,421	-45.5
State of Virginia	\$21,451,602	\$23,413,979	9.1

SOURCE: *Taxable Sales in Virginia Counties & Cities*, Annual Report 2000 & 2004, Virginia Dept. of Taxation; Center for Public Service, University of Virginia.

Income

There are two frequently used and basic parameters to measure income and relative wealth of persons in an area. These are per capita income and median family income. Per capita income (PCI) is determined by taking the total earned income in an area and dividing that amount by its population. PCI is a general indicator of individual wealth. Median family income (MFI) is, as the title implies, the calculated income figure at which one-half of a given area's family income falls above and one-half falls below.

Income figures, when viewed by themselves, can be of little value in assessing an area's economic situation since inflation causes income statistics to show increases--often without any real improvement in disposable income. However, when compared to other areas, the income statistics can be used to show whether there is any relative progress in income expansion.

As the following table indicates, the per capita income (PCI) of Franklin County rose at a rate faster than the State during the period from 1989 to 1999. However, the County's actual PCI figure still lags considerably behind Virginia's PCI as illustrated in the following table.

Per Capita Income
1989-1999

	1989	% of VA PCI	1999	% of VA PCI	% Change 1989-1999
Franklin County	\$11,936	76.0	\$19,605	81.8	64.3
State of Virginia	\$15,713	100.0	\$23,975	100.0	52.6

SOURCE: U. S. Census of Population, 1990 and 2000.

The other principal measure of income is median family income. Median family income (MFI) is presented in the following table for Franklin County for 1979, 1989, and 1999.

**Changes in Family Incomes
1979-1999**

	1979	1989	% Change 1979-89	1999	% Change 1989-99
Number of Families	9,762	11,450	17.3	13,973	22.0
Number of Families with Income:					
Less than \$10,000	2,334	1,035	-55.7	612	-40.9
\$10,000-\$14,999	1,881	933	-50.4	689	-26.2
\$15,000-\$24,999	3,334	2,290	-31.3	1,770	-22.7
\$25,000-\$49,999	1,979	4,993	152.3	4,800	-3.9
\$50,000 & Above	234	2,199	839.7	6,102	177.5
MEDIAN INCOME:					
Franklin County	\$16,399	\$29,958	82.7	\$45,163	50.8
State of Virginia	\$20,018	\$38,213	90.9	\$54,169	41.8

SOURCE: U. S. Census of Population, 1980, 1990, and 2000.

The information in the preceding table indicates that the County's families have made progress from 1979 to 1999. This is shown by a decrease in the lower income ranges (under \$25,000) and an increase in the upper ranges (above \$25,000). While inflation is the cause of much of this increase, it is also noteworthy that the County's median family income increased at a rate slightly higher than the State's median family income from 1989 to 1999, a 50.8 percent increase for the County compared to a 41.8 percent increase for the State. This means that the changes in incomes of County families on the whole did better than Virginia families statewide during the ten-year period although the actual median family income is still only 83.4 percent of the State figure in 1999. The median family income was only 78.4 percent of the State figure in 1989.

Poverty Levels

Another useful indicator of the relative wealth in an area is the number of persons below the poverty level. The poverty level is determined by a complex formula based in part on family size and the cost of pre-determined nutritional foods.

**Number of Persons Below Poverty Level
1990-2000**

	<u>Franklin County</u>		<u>State of Virginia</u>	
	Number	% of Population	Number	% of Population
1990	4,228	11.1	611,611	10.2
2000	4,481	9.7	656,641	9.6
Numerical Change	253	-1.4	45,030	-0.6
Percent Change	6.0		7.4	

SOURCE: U. S. Census of Population, 1990 and 2000.

**Number of Families Below Poverty Level
1990-2000**

	<u>Franklin County</u>		<u>State of Virginia</u>	
	<u>Number</u>	<u>% of Families</u>	<u>Number</u>	<u>% of Families</u>
1990	967	8.4	126,897	7.7
2000	1,014	7.3	129,890	7.0
Numerical Change	47	-1.1	2,993	-0.7
Percent Change	4.9		2.4	

*% of families for whom poverty is determined by Census Bureau.
SOURCE: U. S. Census of Population, 1990 and 2000.

On a percentage basis, Franklin County experienced about the same changes in both individual and family poverty as did the State of Virginia from 1990 to 2000. In 2000, Franklin County had 6.0 percent more persons in poverty and 4.9 percent more families in poverty than in 1990. Statewide percentages of change were 7.4 percent and 2.4 percent, respectively. This is an indication that Franklin County made less progress than did the State during the past decade in reducing the number of families below the poverty level, but slightly better than the State in reducing the number of individuals below poverty.

In 2000, 9.7 percent of the County's population, (a decrease of 1.4 percent of persons), and 7.3 percent of families in Franklin County were under the poverty level; statewide figures were 9.6 percent and 7.0 percent, respectively. Individual persons in the County below poverty had decreased from 11.1 percent in 1990 to 9.7 percent in 2000. The percentage of families below poverty in the County had decreased from 8.4 percent in 1990 to 7.3 percent in 2000. The persons below poverty in the State fell from 10.2 percent in 1990 to 2000, while the families below poverty decreased from 7.7 percent in 1990 to 7.0 percent in 2000.

Economic Base Analysis

An economic base analysis is simply an examination of the economy of a given area from the perspective of employment in specific sectors of the economy. It is useful to promote an understanding of a community and the economic forces which influence its growth and development. The most straight-forward method of analyzing the economy is to utilize the basic/non-basic method. This theory simply states that there are two types of economic activities: Basic and Non-Basic (or supportive). Basic activities are those which produce goods or services which are exported (and thus bring "new" money into the area). Typical basic activities are manufacturing or mining. Non-basic activities are those that rely on the basic activities and actually do not export products and generally employ or expand dollars internally or locally. Typical non-basic activities are services or businesses which rely entirely on local trade. This type of analysis can help determine if there is an imbalance in the ratio of basic activities to service (or non-basic) activities in an area. However, there is no "ideal" or "perfect" ratio of non-basic-to-basic employment.

**Franklin County
Economic Base Analysis**

	March 1995	March 2004	% Change
Population (Est. – July 1)	43,525	49,841	14.5
Labor Force, Civilian	23,504	24,090	2.5
Labor Force as Percent of Population	54.0	48.3	-10.6
Percent of Labor Force Unemployed	7.2	4.3	-40.3
Number Unemployed	1,697	1,039	-38.8
Employment (By Place of Work)	21,807	23,051	5.7
Basic Employment, By Place of Work			
Manufacturing	4,586	2,960	-35.5
Percent of Manufacturing Employment	21.0	12.8	-39.0
Durable Goods	3,053	N/A	N/A
Non Durable Goods	1,534	N/A	N/A
Non-Basic (Service/Supportive) Employment			
By Place of Work	17,221	20,091	16.7
Percent of Employment--By Place of Work	79.0	87.2	10.4

SOURCE: LAUS Quarterly Reports, Virginia Employment Commission; Intercensal Population Estimates, U.S. Census Bureau.

The Virginia Employment Commission has revised its method of reporting the preceding data a number of times since the early 1970's; thus, the most recent data--2004--and earlier data under their current system have been used in the economic base analysis.

The percentage of basic employment has shifted downward by 35.5 percent from its 21.0 percent level in 1995 to 12.8 percent in 2004; this was caused by a rise in supportive employment and drop in basic employment while the labor force overall increased. However, the statistics also demonstrate the fluctuating rates of changes in unemployment in recent years of the 1990's, with manufacturing employment being the hardest hit. This event underscores the County's susceptibility to the effects of the national economy on the local economy.

The rise in the number of persons in the supportive or service sector follows national patterns. In the past, the percentage of service sector employment was much lower than today. It is probable that the expansion has taken place in response to the earlier growth in the industrial sector during the 1960's and 1970's and by the decline of manufacturing jobs. Secondly, retail and commercial business was severely underdeveloped in the County until recently; recent expansion has brought many new jobs in this sector and substantial increases in retail sales as noted earlier. These new jobs are included in the non-basic employment statistics.

The following table, "Employment Data," presents civilian labor force and unemployment information for Franklin County in recent years. Civilian labor force is defined as all individuals 16 years of age or over within a specified geographic area who are either employed or unemployed (excluding individuals serving in the armed forces).

Employment Data Franklin County

Year	Civilian Work Force	Unemployed	Percent Unemployed
2005	25,497	871	3.4
2004	24,544	920	3.7
2003	24,747	1,187	4.8
2002	24,502	1,445	5.9
2001	24,906	1,172	4.7
2000	25,019	907	3.6
1999	25,783	1,045	4.1
1998	24,474	677	2.8
1997	22,538	856	3.8
1996	22,298	1,126	5.0
1995	22,940	1,235	5.4
1994	23,035	1,096	4.8
1993	22,096	923	4.2
1992	21,781	1,332	6.1
1991	20,970	1,726	8.2
1990	20,349	1,221	6.0
1989	20,351	1,253	6.2
1988	19,474	1,250	6.4
1987	17,742	1,009	5.7
1986	18,058	1,378	7.6
1985	18,730	1,427	7.6

SOURCE: Historical Annual Report, Virginia Employment Commission.

Franklin County's unemployment rate has generally peaked during the same periods as national economic recessions. For example, in 1991, unemployment rates in Franklin County were 8.2 percent. In the late 1980's, the rate dropped to the 5-6 percent range. The rate declined to 6.1 percent when the economy began to pick up in 1992 after the 1991 recession. This may be attributed to the County's industrial mix and should be a cause for concern. In 1998, unemployment was at its lowest within the County at 2.8 percent. It steadily increased from 2000 to 2002, when the rate increased to 5.9 percent, again, at a time when the United States saw a slight recession from 2001 to 2002. However, the unemployment rate, for the most part, has remained lower than that of the national or state rates for the same periods.

Economic Development Efforts

Franklin County has long been known as an agricultural community, with cattle, dairy, and tobacco farms dotting its landscape. Although the County continues to be a leading farm producer, its agricultural focus is changing. Tobacco fields are giving way to rows of organic vegetables and vineyards. And with these changes, the County continues to be one of the region's fastest growing communities and is projected to continue to grow over the next decade. To accommodate this growth and the changes in the economy, the County established a **Department of Commerce and Leisure Services** in 2003 to manage the County's economic development, parks and recreation, and tourism programs. Through the Department, the County is committed to working in partnership with the Town of Rocky Mount, the **Franklin County Chamber of Commerce**, the **Smith Mountain Lake Chamber of Commerce**, the Virginia Economic Development Partnership, the Franklin County Industrial Development Authority, and the Roanoke Valley Economic Development Partnership to build a diverse and dynamic economic base in the community. The Department provides assistance to businesses seeking to expand or develop new facilities in the community.

Franklin County has a number of industrial and commerce parks available for new and expanding businesses:

Franklin County Commerce Park—located five miles south of Rocky Mount offers approximately 260 acres with direct access to U.S. Route 220. The park lies adjacent to a public golf course.

West Franklin Business Park—located in the western part of the County off Route 40 in Ferrum with 56 level acres adjacent to Ferrum College.

Franklin County/Rocky Mount Industrial Park—a joint effort with the Town of Rocky Mount with 19 acres available has excellent access to U.S. Route 220 and services in the Town.

Rocky Mount Technology Park—a new park in the Town of Rocky Mount focused on recruiting businesses that value access to fiber and state-of-the-art telecommunications. The park is home to the Franklin County YMCA and provides direct access to over five miles of trails in a state wildlife preserve.

Through the **Regional Backbone Initiative/Roots for Progress Program**, the Mid-Atlantic Broadband Cooperative is bringing broadband services including high-speed Internet connectivity to various areas of Franklin County as part of a 700-mile fiber optic network being installed throughout Southside Virginia. The effort, which is being funded by the Virginia Tobacco Indemnification and Revitalization Commission and the U.S. Department of Commerce, Economic Development Administration, should be up and running within the region in the spring of 2006. The project is connecting five cities, 20 counties, and 56 industrial parks between Franklin and Sussex Counties. Connection points are being established throughout the County, including locations at Westlake, Ferrum College, the Franklin County Commerce Center, Franklin County-Rocky Mount Industrial Park, and the Rocky Mount Technology Park. The project will aid in promoting economic development in the area by attracting attention and technology-based businesses and industry to the industrial and business parks along its route. Several companies have already located in Franklin County, attracted by the area's broadband access along with the County's quality of life, cost of doing business and strong work ethic.

According to the Mid-Atlantic Broadband Cooperative (MBC), the Regional Backbone Initiative will provide high-tech telecom services to help promote economic development opportunities by attracting technology-based business and industry, providing higher wage jobs, and making high-speed Internet access affordable and available in an area where such technology did not previously exist. The MBC network will provide an alternative choice to service providers as well as a redundant telecommunications infrastructure placing Southside Virginia ahead of many other rural areas in the country and will be an advantage for companies looking to invest in Southside Virginia. The project, which serves as a national model for other regions which are seeking to better their economic conditions, will be integrated into a larger fiber-optic system across the Commonwealth. MBC will not serve residential customers or "end-user" customers. It will provide services to Telecommunications Service Providers, or TSP's. These TSP's will provide last-mile access, commonly known as the broadband service that goes to the home or business. TSP's can include existing telecom companies, Internet Service Providers, Wireless Broadband Companies and Competitive Local Exchange Carriers. MBC will not directly provide wireless broadband services, but will enable wireless broadband services. Additional information on the Regional Backbone Initiative may be obtained at www.mbc-va.com.

Franklin County's business environment is a diverse composition of local, regional, national, and global companies which provide a variety of products and services. The following table shows industries that have located or expanded in the Franklin County-Rocky Mount area

since 1990. Of the total of 2,822 jobs created over the period from 1990 through May 2006, 1,944 jobs—or 68.9 percent—were created by the expansion of existing industries. The remaining 878 jobs--or 31.1 percent--were from the location of new firms. The expansion of existing industries generated \$29.3 million in private investment, while the location of new firms generated \$100.6 million. Existing industry expansion represents 22.6 percent of the total private investment over the period, with new industries generating 77.4 percent of the total private investment. The announcement of an \$85 million investment and 160 new jobs by McAirmaid's Vliesstoffe GmbH & Co KG in May 2006 represents the largest investment in Franklin County by an international corporation and demonstrates the County's ability to successfully compete in the global marketplace.

**Manufacturing Job Creation in Franklin County-Rocky Mount
1990 – May 2006**

Company	Product	Announce- ment Date	New/ Expansion	New Jobs Created	Investment (M\$)
MacAirmaid's Vliesstoffe GmbH & Co. KG	Non-woven highly absorbent composite material	May 2006	New	160	85.00
Mod-U-Kraf Homes, LLC	Modular housing	July 2005	Expansion	50	2.80
R&D Millwork	Mullions for windows & doors	Jan 2005	Expansion	64	1.80
CTS&I Millwork, Inc.	Wood moldings	Oct 2004	Expansion	150	4.10
Lincoln Consulting	Call center/market research	July 2004	Expansion	60	0.12
Jammin Apparel	Customized sportswear apparel	May 2004	New	45	1.50
Lineal Technologies	Plastic extrusions	Feb 2004	Expansion	55	0.00
Ronile Incorporated	Carpet yarn	Dec 2003	Expansion	74	1.50
MW Manufacturers Inc.	Windows and doors	Aug 2003	Expansion	446	1.30
MW Manufacturers Inc.	Windows and doors	May 2003	Expansion	60	4.70
Trinity Packaging Corp.	Plastics packaging	May 2002	New	300	9.10
Blue Ridge Mountain Cabinets	Wood cabinets	Nov 2001	Expansion	25	0.00
Mod-U-Kraf Homes, LLC	Modular housing	Oct 2001	Expansion	0	1.20
Group Insurance Concepts	Insurance marketing services	Aug 2001	Expansion	50	0.00
Homestead Creamery	Natural dairy products	Apr 2001	New	8	1.00
Coachmen Housing Group	Modular housing	June 2000	Expansion	60	0.00
Metwood Incorporated	Metal trusses	June 2000	Expansion	0	0.40
Scott Manufacturing Inc.	Wood cabinets	Dec 1999	Expansion	20	1.00
Doyle Enterprises Inc.	Knit sportswear	Feb 1999	Expansion	0	0.90
RPX LLC	Yarn dyeing	Oct 1998	Expansion	60	0.00
Phoenix Metal Products	Metal fabrication	Dec 1997	New	20	0.50
QLF Designs (Quigley)	Components for pipe organs	Dec 1997	New	15	0.50
Uttermost Corporation	Mirrors	June 1997	Expansion	60	1.00
Fleetwood Homes of VA	Manufactured homes	Feb 1995	Expansion	200	7.10
Shredded Products Corp	Recycled metal	Dec 1994	New	30	0.00
Coachman Housing Group	Modular homes	Oct 1994	Expansion	60	0.00
Uttermost Corporation	Framed mirrors	May 1994	Expansion	100	0.00
MW Manufacturers Inc.	Windows and doors	March 1994	Expansion	60	0.60
Ronile Incorporated	Carpet yarn dyeing	Nov 1992	Expansion	40	0.00
Addressograph Imprinters	Blank plastic cards	June 1992	Expansion	10	0.00
MW Manufacturers Inc.	Windows and doors	Feb 1992	Expansion	60	0.50
Uttermost Corporation	Framed mirrors and pictures	Feb 1992	Expansion	30	0.00
Sara Lee Knit Products	Fleecewear	Apr 1991	Expansion	0	0.25
MW Manufacturers Inc.	Windows and doors	June 1990	Expansion	150	0.00
Addressograph Imprinters	Card imprinters	March 1990	New	300	3.00
Total				2,822	\$129.9

Source: Virginia Economic Development Partnership database.

Over the period from 1990 thru 2004, the Franklin County-Rocky Mount area has lost over 1,600 jobs due to plant closings and downsizings. Examples of closures and approximate

job losses associated with each include: Ottenheimer & Company (100 jobs); Weaver Mirror Company (40-55 jobs); Guyer-Roberts Manufacturing (55 jobs); Virginia Apparel (150 jobs); Pluma (50 jobs); Bassett-Walker (169 jobs); JPS Textile Group's Angle Plant (180 jobs); Mirror Craft Technifoam (40 jobs); Standard Register (140 jobs); Lane Company (550 jobs); NewBold (30 jobs); Cooper Wood Products (125 jobs). These job losses were in the textile, apparel, and wood products sectors of the County's manufacturing firms. With the large number of out-commuters to neighboring Martinsville-Henry County which has had a significant number of job losses in the textile, apparel, and wood products firms in its manufacturing sector, it is most likely that a number of Franklin County residents were impacted by those closures as well.

In 2003, Franklin County, along with Craig County, was added to the Roanoke Metropolitan Statistical Area. In June 2004, Franklin County elected to become a member of the Roanoke Valley-Alleghany Regional Commission while retaining its membership in the West Piedmont Planning District Commission.

Occupational Skills of Employees

The occupational skills of the workers reflect the fact that Franklin County is a secondary trade center with a concentration in manufacturing employment. The 2000 Census was tabulated differently from 1990 with contrasting categories. For example, Production was combined with Transportation and Construction became a separate category. Therefore, statistics for Virginia are included for comparative purposes.

**Occupations by Occupational Category -1990-2000
(Persons 16 Yrs. & Over)
Franklin County & Virginia**

Occupational Category	Franklin County		Virginia	
	Number of Workers	% of Workers	Number of Workers	% of Workers
1990:				
Managerial & Professional	3,245	16.2	902,092	29.8
Technical, Sales, & Adm Support Services	4,967	24.7	927,233	30.6
Farming, Forestry, & Fishing	1,902	9.5	371,408	12.3
Precision Production, Crafts & Repair	1,028	5.1	57,931	1.9
Operators, Fabricators, & Laborers	3,109	15.5	348,644	11.5
Operators, Fabricators, & Laborers	5,840	29.0	421,054	13.9
TOTAL	20,091	100.0	3,028,362	100.0
2000:				
Managerial & Professional	5,607	24.4	1,304,906	38.2
Technical, Sales, & Adm Support Services	5,757	25.1	868,527	25.5
Farming, Forestry, & Fishing	2,875	12.5	468,179	13.7
Precision Production, Crafts & Repair	292	1.3	16,336	0.5
Operators, Fabricators, & Laborers	5,161	22.5	426,966	12.5
Operators, Fabricators, & Laborers	3,252	14.2	327,733	9.6
TOTAL	22,944	100.0	3,412,647	100.0

SOURCE: U. S. Census of Population, 1990 and 2000.

**Occupations by Class of Workers – 1990- 2000
(Persons 16 Yrs. & Over)
Franklin County & Virginia**

Occupational Category	Franklin County		Virginia	
	Number of Workers	% of Workers	Number of Workers	% of Workers
1990:				
Private Wage & Salary Workers	16,429	81.8	2,199,843	72.7
Federal Government Workers	369	1.8	274,832	9.1
State Government Workers	685	3.4	142,952	4.7
Local Government Workers	987	4.9	223,882	7.4
Self-Employed Workers	1,550	7.7	176,862	5.8
Unpaid Family Workers	71	0.4	9,991	0.3
TOTAL	20,091	100.0	3,028,362	100.0
2000:				
Private Wage & Salary Workers	17,271	75.3	2,442,910	71.5
Federal Government Workers	451	2.0	251,461	7.4
State Government Workers	794	3.5	149,085	4.4
Local Government Workers	1,548	6.7	268,029	7.9
Self-Employed Workers	2,781	12.1	293,115	8.6
Unpaid Family Workers	99	0.4	8,047	0.2
TOTAL	22,944	100.0	3,412,647	100.0

SOURCE: U. S. Census of Population, 1990 and 2000.

The data from the occupational class section of the preceding table reflects the fact that the area is heavily concentrated in manufacturing. Manufacturing firms tend to employ large numbers of laborers and operators; in 1990, percentage-wise Franklin County (at 29 percent) had doubled the number of workers for Virginia (at 13.9 percent) in this category. In 2000, that figure decreased somewhat for Franklin County with 22.5 percent, but still almost double the State's rate of 12.5 percent. Conversely, in 2000, the so-called white-collar occupations (Managerial & Professional and Sales & Administrative categories) were considerably smaller in Franklin County (at 49.5 percent) than for the State as a whole (63.7 percent). According to the out-commuter survey completed in 2005, a large portion of these commuters are traveling to Roanoke County and Roanoke City. The reason is that these occupations typically are found in large urban areas where centers of business and finance are located.

In 2000, private enterprise employed 75.3 percent of the workers in Franklin County compared to 71.6 percent statewide. The State has numerous government institutions

(government employment is 19.7 percent), while few institutions are located in Franklin County (government employment is 12.2 percent, only a slight increase over the 1990 figure of 10.1 percent). Therefore, the County's private-to-public sector employment ratio is shifted more towards private employment when compared to the State.

Educational Characteristics

While education is no guarantee of success on the job, employers in an area and industries moving to an area are interested in knowing the local labor pool's level of education since ability to read and general mathematics ability are prerequisites for training employees for most good jobs. The table, entitled "Educational Attainment--Persons 25 Years of Age and Over," characterizes the population 25 years old and over for Franklin County. Persons 25 years old and over are assumed to be at an age when most basic education is completed and able to be in the labor force full-time.

**Educational Attainment
Persons 25 Years of Age and Over**

Years Completed	1990	% 1990	2000	% 2000	% Change	State %
Less than 9th grade	5,861	22.5	4,072	12.3	-30.5	7.2
9th to 12th grade, no diploma	4,570	17.5	5,120	15.5	12.0	11.3
High school graduate	8,225	31.6	10,765	32.6	30.9	26.0
Some college, no degree	3,554	13.7	6,484	19.6	82.4	20.4
Associate degree	1,203	4.6	1,714	5.2	42.5	5.6
Bachelor's degree	1,646	6.3	3,195	9.7	94.1	17.9
Graduate or professional degree	985	3.8	1,687	5.1	71.3	11.6
Totals	26,044	100.0	33,037	100.0	26.9	100.0

SOURCE: U.S. Census of Population, 1990 & 2000.

**Percentage of Degrees Conferred
Persons 25 Years Old and Over**

	Franklin County		Virginia	
	1990	2000	1990	2000
Percent high school graduate or higher	59.9	72.2	75.2	81.5
Percent bachelor's degree or higher	10.1	14.8	24.5	29.5

SOURCE: U.S. Census of Population, 2000.

Based on the 2000 Census, 72.2 percent of persons 25 years old and over in the County were high school graduates; whereas, statewide, 81.5 percent of persons 25 years old and over were high school graduates. This is a much-improved change (9.3 percent difference) over the 1990 figures of 60 percent for the County and 75.2 percent for the State, a difference of 15.2 percent. This last statistic indicates that the County's educational level will continue to improve in the future. In addition, more young people are attending college since people realize that continued education translates into higher earning potentials in the job market.

A study by Virginia Tech's Office of Outreach and International Affairs entitled "Education and Workforce Indicators for Franklin County" shows that Franklin County is one of the top 15 divisions in the Commonwealth in test scores and academic performance. Franklin County's school system meets the Standards of Learning (SOL) requirements and is fully accredited. The system is one of six divisions in western Virginia in which the locality's schools met No Child Left Behind (NCLB) achievement objectives for Adequate Yearly Progress (AYP).

As noted earlier, the Franklin County School System is ahead of the State averages for technology implementation and has won numerous awards for this achievement. One example of the Franklin County Schools' technology leadership is The Gereau Center for Applied Technology and Career Exploration (CATCE) where students explore various career options in a technology-based school that look more like a corporate headquarters.

Agricultural Economy

Franklin County's agricultural economy continues to change, with a shift away from traditional tobacco growing toward new crops—such as organic vegetables—and other, more established farming industries including dairying and beef production.

According to the local Extension Agent John Hambrick, the number of Franklin County farms is decreasing. In 1997, there were 1,072 farms in the County compared with 1,012 in 2002, the most recent year for which agriculture census data is available. That downward trend is being countered, however, by a rise in the number of County acres being farmed, increasing from 171,755 in 1997 to 172,539 in 2002. The average County farm size is also on the rise, growing from 160 acres in 1997 to 170 acres in 2002. The County's three biggest agriculture moneymakers are dairy, beef, and tobacco. The "Natural Conditions" chapter of this document provides detailed agricultural data for the period from 1982 through 2002 as well as information on sales of agricultural commodities from 1997 – 2002.

In 1999, Virginia's General Assembly created the ***Virginia Tobacco Indemnification and Community Revitalization Commission***, a 31-member body whose purpose is to make payments to farmers to compensate for the decline of tobacco quotas and to promote economic growth and development in tobacco-dependent communities. Information on the Commission may be found at www.vatobaccocommission.org.

With the recent changes in the tobacco market, some County tobacco producers near retirement age have stopped farming altogether while others are expanding their beef herds or continuing to grow tobacco. Several small farm producers are growing organic and non-organic garden vegetable crops, including tomatoes, peppers and bedding plants. Most of the organic producers are located out toward the Smith Mountain Lake area. Several nurseries, including some new ones of the past few years, are also catering to the lake area and its development. There is continuing interest from people planning to establish vineyards and wineries in the County.

Franklin County's agricultural success and diversity are evident in the U.S. Department of Agriculture's (USDA) Virginia Agricultural Statistics Services that ranks various attributes of Franklin County's dairy, corn silage, flue-cured tobacco and cattle industries each in the top 10 nationwide.

Many people in Franklin County depend on the forest either directly or indirectly for their income. Some of the products harvest each year include sawlogs, pulpwood, veneer logs, firewood, posts, poles, and Christmas trees. The "Natural Conditions" chapter provides data from the US Department of Agriculture's Forest Service, including forest types by acre and volume of growing stock and sawtimber on timberland.

Tourism

Tourism is not measured directly in estimates of industrial employment because it amalgamates portions of services, retail trade, and government employment; nonetheless, it is a sector that deserves mention.

Currently, the Virginia Tourism Corporation contracts with the Travel Industry Association of America to compile estimates of impacts that tourism makes on areas throughout the nation. In 2004, the agency estimated that there was \$73,301,835 in travel related expenditures in the County which in turn generated \$18,963,354 in payroll benefit, \$3,095,660 in state tax receipts (a 13.6 percent increase), and \$2,311,627 in local tax receipts (a 13.7 percent growth). They estimate that 1,248 jobs were supported by tourism in 2004. The County's lodging taxable sales slightly decreased by 2.4 percent from 2003 to 2004, while food service taxable sales saw an increase of 14.6 percent. The lodging excise tax collection grew by 7.4 and the food service excise tax rose by 9.4 percent during this period.

Travel Impacts Franklin County 2000, 2003, & 2004

Impacts	2000	2003	Percent Change '00-'03	2004	Percent Change '03-'04	2004 Percent of State Total
Expenditures	\$58,140,311	\$64,433,478	10.8	\$73,301,835	13.8	0.5
Payroll	\$9,182,566	\$17,418,031	89.7	\$18,963,354	8.9	0.5
Employment	577	1,178	104.2	1,248	6.0	0.6
State Tax Receipts	\$2,979,139	\$2,724,017	-8.6	\$3,095,660	13.6	0.5
Local Tax Receipts	\$6,241,017	\$2,033,741	-67.4	\$2,311,627	13.7	0.5
Retail Sales						
Lodging Taxable Sales	\$3,893,601	\$4,459,241	14.5	\$4,353,438	-2.4	0.2
Food Service Taxable Sales	\$22,455,782	\$29,203,628	30.0	\$33,455,109	14.6	0.3
Excise Tax Collections						
Lodging Excise Tax	\$117,646	\$113,422	-3.6	\$121,819	7.4	N/A
Food Service Excise Tax	\$592,589	\$640,547	8.1	\$700,812	9.4	N/A

SOURCE: Travel Economic Impact Profiles, 2000, 2003, & 2004, Virginia Tourism Corp.

While the County has a potential to grow in the tourism area, it has some definite assets that could be further explored including: the Blue Ridge Parkway, Smith Mountain Lake, Philpott Lake, Booker T. Washington National Monument and farm, historic homes and sites, and recreational areas as well as the Blue Ridge Farm Museum and other related programs offered by Ferrum College. In 2004, the ESPN Bass Master Tournament brought 1.5 million tourism dollars into the community showing that tourism events can have a significant effect on

the County. These could be used to further increase revenues in the County to support projects for the County's ongoing development. At Smith Mountain Lake, there are a number of events which attract visitors to the area including annual festivals (Wine Festival, Fall Festival, Fall Chili Festival); fishing tournaments (Citgo Bassmaster Northern Tournament, Walmart Bass Fishing League Tourney, Children's Miracle Network Bass Tournament); golf tournaments (Corporate Cup Golf Classic, SMLCC Fall Golf Classic); boating events (Tom Maynard Memorial Poker Run, Antique & Classic Boat Show, Virginia Dare Flotilla for Toys Christmas Boat Parade); and other events include the annual Triathlon and Independence Day Celebrations. The Smith Mountain Lake Visitor's Center maintains a calendar of events which is available through its website at www.visitsmithmountainlake.com/events.htm. The Community and Hospitality Center in Rocky Mount also provides the public with information on attractions and events in Franklin County-Rocky Mount and the surrounding area.

The Blue Ridge Folklife Festival, the largest such festival in Virginia, is held in October. This festival, organized by the Blue Ridge Institute at Ferrum College, celebrates the traditional culture and folkways of the Blue Ridge Mountains. Festival highlights include music, food, crafts, and performances that perpetuate regional lore. Other fall festivals in the County include the Boones Mill Apple Festival, the Pigg River Ramble, M & W Mountain Bike Race, Virginia Antique Tractor and Power show, Uptown 5K race, and Rocky Mount Youth Music Festival. Ferrum College offers a variety of cultural programs throughout the year. The College sponsors art exhibitions, plays, dance recitals, concerts, and lectures. Most of these programs are open to the public at no charge.

In addition to the above, the Virginia Department of Game and Inland Fisheries has numerous travel loops which interested citizens can use to observe wildlife, most particularly birds of Virginia, as part of its Birding and Wildlife Trail Program. The Piedmont Area of Virginia offers thirteen loops, with the Southwest Piedmont and Turkeycock Loops, transecting the borders of Franklin County. Information on the Birding and Wildlife Trail Program, along with maps of the phases of the trail link wildlife viewing sites throughout the State including the Franklin County area, is available at <http://www.dgif.virginia.gov/wildlife/vbwt/index.asp>.

Franklin County has two blueways or canoe trails. The first blueway is the Pigg River Blueway, a seven-mile stretch which runs from Waid Recreation Area to Lynch Park. The Pigg River Blueway is the home to the Annual Pigg River Ramble. The second blueway is the Blackwater Blueway which is a nine-mile section that runs from Brubaker Park to Blue Bend Road. The middle of the Blackwater Blueway is a seven-mile stretch running from Blue Bend Road to a private take-out above the Town of Rocky Mount. The lower portion of the Blackwater Blueway is scheduled for completion in the Fall of 2006. It will run from US 220 Wayside north of Rocky Mount to Hopkins Mill Road at Smith Mountain Lake. In the future, the Pigg River Blueway will establish a middle and lower section. For more information on the Franklin County Blueways visit <http://franklincountyva.org/park/blueways/htm>.

In recent years, several campgrounds near and around Smith Mountain Lake have been closed to make way for new residential development. Public boat launches are few and far between. The County may need to look into other avenues for travelers and visitors to have access to the lake for housing needs and public boat launches to support visitors and tournaments.

To promote the folk music, history, and culture in the region, the concept for "The Crooked Road: Virginia's Music Heritage Trail" was initiated in January 2003. The purpose of the 250-mile route is to generate tourism and economic development in the Appalachian region

of Southwestern Virginia by focusing on the region's unique musical heritage. As a result, "The Crooked Road" now includes ten counties (including Franklin), three cities, ten towns (including Rocky Mount), five regional planning districts, four state agencies, two tourism organizations, and a large number of music venues. Funded primarily by the Appalachian Regional Commission, the Commonwealth of Virginia has given official recognition to "The Crooked Road" as it has received enthusiastic interest. Highway signage identifies the 250-mile route as it winds through the scenic terrain of the region. In Franklin County, the trail begins in the Town of Rocky Mount along Route 40 and continues on Route 40 West, then turns to Route 860 along Shooting Creek Road traveling into Floyd County. Additional information is available at www.thecrookedroad.org/.

In 2005, the Board of Supervisors approved the creation of a tourism/special events program manager position in the Commerce and Leisure Services Department to be responsible for development/implementation of marketing and special events efforts that raise the visibility of the County as a tourist destination. The position provides staffing for management of administrative functions, writing grant and event bid proposals, developing marketing materials and strategies, developing and running special events, recruiting and supervising volunteers, expanding partnerships within the community and region to expand tourism events, overseeing grant-funded tourism and cultural programs, and representing the County with local, state and regional tourism initiatives.

In July 2005, the County began distribution of a new brochure, "Franklin County – The Family Recreation Destination," to promote tourism within Franklin County. The 32-page brochure offers 44 points of interest for tourists including attractions centering on sports, history, arts, crafts, and "the world."

The Franklin County Board of Supervisors also awarded \$29,350 in tourism grants in July 2005 for the 2005-06 budget to twelve local organizations that stage special events to attract tourists. An impartial panel composed of professors from Ferrum College and Virginia Tech evaluated the applications and made the recommendations for the recipients. The Department of Commerce and Leisure Services administers the tourism grant program.

Economic Development Resources

In 1991, Franklin County elected to be included in the Regional Comprehensive Economic Development Strategy (formerly the Regional Overall Economic Development Plan) of the West Piedmont Planning District Commission. The Planning District Commission was designated as an Economic Development District by the **U.S. Department of Commerce, Economic Development Administration**, in 1992. This designation represents a partnership among the Planning District, its member local governments, and EDA which assists with establishing regional priorities for projects and investments through the annual development of a Regional Comprehensive Economic Development Strategy (CEDS) document. The Economic Development Administration Reform Act of 1998 identifies a CEDS as a requirement to apply for assistance under the EDA Public Works and Economic Adjustment Programs. Since the original Public Works and Economic Development Act was enacted in 1965, economic development planning has been a key element in achieving EDA's long-range goals. The purpose of the CEDS is to establish a process that will help create jobs, foster more stable and diversified economies, and improve living conditions. It is a continuous planning process that addresses the economic problems and potentials of an area. In order for projects to be eligible for EDA funding, they must be included in an EDA-approved CEDS document. Through

the PDC's Economic Development District Program, the Commission staff also works closely with its member jurisdictions and economic development organizations providing demographics and technical assistance as requested. Additional information on the U.S. Department of Commerce, Economic Development Administration, may be found at <http://www.eda.gov> and www.wppdc.org

The construction and equipping of the new, \$6 million **Franklin Center for Advanced Learning & Enterprise** is being funded in part by the County of Franklin, the Virginia Tobacco Indemnification and Community Revitalization Commission, the Virginia Department of Housing and Community Development, the U.S. Department of Commerce's Economic Development Administration, the Carilion Foundation, and local business and industry resources. The Franklin Center will be strategically located in the center of Downtown Rocky Mount's Business District along Claiborne Avenue and Randolph Street. The new facility will be positioned on a public campus setting between the new Franklin County Library and Mary Elizabeth Park. It will be managed by the Franklin County Workforce Development Consortium—a partnership offering employment, training, and educational services to employers and citizens of Franklin County. Created in 1999, the Consortium consists of thirteen partners representing local governments, educational institutions, and community-based agencies committed to making the community stronger and more competitive in a global marketplace. The new facility will more than triple the Consortium's available space thereby allowing its educational partners to offer new programs, certificates, and degrees. With a planned opening for the summer of 2007, The Franklin Center building will consist of two primary floors of technologically advanced training and instructional space. The project includes next-generation computer and media classrooms, life science laboratories, distance learning modules, faculty / staff offices, and a career resources center. More information on The Franklin Center may be found at <http://www.thefranklincenter.org>.

Franklin County participates in the **Western Virginia Workforce Development Board** (WDB)--along with the Cities of Covington, Roanoke, and Salem and the Counties of Alleghany, Botetourt, Craig, and Roanoke--to administer the Workforce Investment Act (WIA) of 1998. This area comprises Workforce Investment Area III. Area III is divided into roughly three geographic areas. The Roanoke region is the economic center, which hosts the largest population and is served by the Roanoke Workforce Center located at Valley View Mall. The Alleghany Highlands region is located in the northern part of Area III and is served by the Covington Workforce Center. Located in the southern part of Area III, the Franklin County region is served by the Franklin County Workforce Development Consortium in Rocky Mount, which was already functioning as a one-stop center before implementation of the Workforce Investment Act. The Workforce Investment Act of 1998 authorizes funds to provide the employment and training services of various programs and organizations through a system of one-stop career centers. In Virginia, services are provided through locations called Workforce Centers.

The Western Virginia Workforce Development Board (WDB), under the governance of a volunteer board of directors, was established to develop policy and oversee local workforce development initiatives in partnership with the local elected officials. Members are appointed by the chief local elected officials in each of the eight jurisdictions and represent businesses, educational institutions, community-based organizations, economic development groups, public employment services, public assistance agencies, vocational rehabilitation and labor organizations. Membership is drawn from individuals who have policy-making authority within their organization. The WDB serves as a single-point of contact for business, industry and the

public sectors to communicate their workforce needs, promote strategies to encourage lifelong learning, and improve workplace skills. The WDB also: assists in developing new training programs to benefit the area's workforce; conducts planning, oversight, and evaluation of local workforce development programs, including the local Virginia Workforce Centers; coordinates efforts and activities with economic development organizations to promote the availability of qualified workers in the area; and promotes cooperation among the business and the public sector.

The **USDA's (U.S. Department of Agriculture's) Rural Development** agency—formerly the Farmers Home Administration--has a number of programs that can also assist the County in efforts of building its economy. The Community Facility Loan program can be used for industrial parks, including land purchases, roads and bridges, and utilities; the borrower should be unable to obtain needed funds from other sources at reasonable rates and terms; should have legal authority, should be financially sound and able to manage projects. Rural Development also has a business and industrial loan guarantee program. This program may be used in: financing business and industrial construction; purchase of land, easements, equipment, facilities, machinery, supplies and materials; financing processing and marketing facilities; providing working capital and startup monies; and controlling pollution. Additional information on USDA Rural Development Programs may be found at <http://www.rurdev.usda.gov/>

The Franklin County Public School System's **Career and Technical Program**, offered to students in grades six through twelve, is responsive to the business community. An advisory committee of business leaders helps provide direction to the programs to ensure that the community needs are met. The division offers courses in the following areas: Trade and Industrial Education; Business Education; Marketing Education; Agricultural Education; Family and Consumer Science; Technology Education; and Health Occupations. In addition, the School System's **Adult Education Center** provides services to adults who desire to complete their schooling or who wish to upgrade their skills. Students are provided assistance in such areas as, but not limited to: language usage, reading, mathematics, social studies, science, English for Speakers of Other Languages, Spanish, and basic computer skills. Many of the offerings are free or at a low cost. Classes are also offered for adults who want to prepare for the GED test.

The Franklin County School System's **School Partnerships** are an important component of educating children in the Franklin County Public Schools. School partnerships are voluntary formal linkages between the private sector and schools in which educational opportunities are expanded and enhanced. Any private or public entity or not-for-profit institution that wishes to partner with a school can be considered. Partners may include industries, businesses, banks, hospitals, newspapers, civic or religious groups, or individuals. The school division actively seeks partnerships at both the elementary and secondary levels.

Franklin County Public Schools is recognized as a leader in the state for school technology implementation. Nowhere is this more evident than at **The Gereau Center for Applied Technology and Career Exploration (CATCE)**, a computer-technology-based school that helps students explore various career options. CATCE, located in the Rocky Mount Technology Park in the Town of Rocky Mount is unique because it represents a community effort to prepare students for the workforce of the 21st century. In June 2002, The Franklin County School Board renamed the Center as the "Gereau Center for Applied Technology and Career Exploration" in honor of retired Franklin County Division School Superintendent Leonard

A. Gereau. Gereau's CATCE center combines challenging academic standards and integrate critical thinking skills with technological skills in preparing all eighth grade and selected ninth grade students for the work force of the 21st century. The Gereau Center's uniqueness is derived from the way district leaders were able to envision changes in the skills necessary for the emerging work force and bring together several components at once: curriculum development, state-of-the-art hardware and software, parent and industry involvement, and a new building designed to support the infusion of technology into learning. Curriculum emphasis at the technology school is targeted on a "principles of technology" concept with a specific focus on exploration, problem solving, critical thinking and blending of the academic and technology curriculum. An aviation and aerospace program has been added to introduce eighth graders to the science of flight through many different perspectives with a strong concentration on the application of math, science, and technology Standards of Learning. In May 2004, CATCE was featured in a new national publication as an example of "creative and innovative thinking in school design." The center was one of 13 schools nationwide to be recognized in the publication entitled "*Schools as Centers of Community: A Citizen's Guide for Planning and Design.*" Additional information on CATCE may be found at http://catce.frco.k12.va.us/www/frco_catce/site/hosting/index.htm

The **Virginia Economic Development Partnership** (VEDP), a marketing organization, was created by the General Assembly in 1995 to encourage, stimulate, and support the development and expansion of the economy of the Commonwealth. The Partnership is a state authority, which is governed by a 21-member board of directors appointed by the Governor and the General Assembly. To accomplish its objectives of promoting economic expansion, the Partnership focuses its efforts on business recruitment, expansion and international trade. VEDP has offices in Virginia, Germany, Hong Kong, Mexico, Brazil, Korea and Japan. VEDP recently established a new Accessing International Markets (AIM) export development program, which provides assistance and resources to Virginia companies looking to enter the global marketplace. The initiative is part of the Governor's Virginia Works program, a series of new approaches to economic development designed to help existing industries and promote the creation of new industry in Virginia's rural communities. Based on a competitive application process, five companies meeting eligibility requirements are accepted into the AIM program each quarter. Additional information on VEDP and its programs can be found at <http://www.yesvirginia.org>

Founded in 1983, the **Roanoke Valley Economic Development Partnership** (RVEDP) markets the region to new and expanding companies worldwide. RVEDP represents the Counties of Franklin, Alleghany, Botetourt, Craig, and Roanoke; the Cities of Covington, Roanoke, and Salem; and the Town of Vinton. In July 2004, RVEDP was recognized as an Accredited Economic Development Organization (AEDO) by the International Economic Development Council. The AEDO program is a comprehensive peer review process that measures economic development organizations against commonly held standards in the profession. Additional information about RVEDP is available at <http://www.roanoke.org>

The **Virginia Department of Business Assistance** (VDBA) is the economic development agency devoted to the growth and success of the Commonwealth's business community. Established by the Virginia General Assembly in July 1996, the Department rounds out the state's economic development program by ensuring that businesses not only find Virginia an excellent place to locate but also an ideal place to grow, expand, and make additional investments. The agency carries out its mission through its programs and services which include access to capital, small business counseling, workforce training, and pro-active

business problem solving. Additional information about VDBA and its services can be found at <http://www.dba.state.va.us>

The **Virginia Department of Labor and Industry** has a well-established apprenticeship program for training skilled craft and trade workers in many industrial, construction, and service occupations. The Virginia Registered Apprenticeship Program is a “win-win” approach to workforce development that provides a combination of on-the-job training and related classroom instruction to more than 10,000 apprentices (employees) throughout the Commonwealth. The Program currently meets the needs of approximately 2,000 Virginia sponsors/employers who use custom-designed programs to train their workforce. Employers provide on-the-job training for their employees in a variety of occupations, ranging from high tech to highly skilled trades. Additional information on the Virginia Department of Labor and Industry and its programs may be found at <http://www.doli.virginia/gov>

Franklin County's employers also benefits from special programs offered by both **Virginia Western Community College** in Roanoke and **Patrick Henry Community College** in Martinsville--both of which encompass a portion of Franklin County in their service areas. Both community colleges offer a wide range of degree and certificate programs. Through their transfer programs, students are prepared for transfer to a senior college or university. Through their occupational/technical programs, the colleges strive to meet regional demands for technicians and semi-professional workers in business and professions. The colleges also play a significant role as a resource for training employees in local businesses and industries through literacy training and Technology Development and Transfer. Additional information on programs offered by the community colleges may be found in the Community Facilities Chapter or at their websites: <http://www.vw.vccs.edu> and <http://www.ph.vccs.edu>

Patrick Henry Community College's **A.L. Philpott Technical Center**, which makes a valuable contribution not only to existing industry but also to industrial prospects desiring to locate in the area. PHCC can equip employers with the necessary skills to begin their manufacturing operations. This service is especially important in attracting new, high-technology industries to the area. The 39,271-square-foot Technical Center houses classrooms for a Computer-Integrated Manufacturing (CIM) Laboratory, industrial and electricity electronics, and computer-assisted and conventional drafting. PHCC's on-campus resources include the newest technology available through Allen-Bradley and IBM equipment. The electronics curriculum, for example, is based on industrial/commercial-related job skill competency versus theory or communications electronics only. The Lab also provides greater resources to local industries by providing equipment for product research.

Virginia's **A.L. Philpott Manufacturing Extension Partnership** (VPMEP) is located on the Patrick Henry Community College campus. This facility, which utilizes the college's Computer Integrated Manufacturing facility, will provide a means of studying ways to aid Southside Virginia industries. The Center's mission is to foster economic growth by enhancing the competitiveness of Virginia's small and medium-sized manufacturers. VPMEP provides affordable, high quality assistance that can help companies increase productivity, lower costs, identify growth opportunities, improve technology application, and strengthen their production team. VPMEP is a network affiliate of the National Institute of Standards and Technology Manufacturing Extension Partnership (NIST-MEP), a national network of more than 70 manufacturing extension partnership centers that have helped thousands of manufacturers over the past decade. Additional information on VPMEP can be found at <http://www.vpmep.org>

Virginia's **Center for Innovative Technology** (CIT) is a state-chartered non-profit corporation established in 1984 by the General Assembly. CIT's mission is to advance economic development through technology around the Commonwealth. CIT provides the only statewide suite of programs and services for technology researchers, technology entrepreneurs and small technology businesses in all regions of the Commonwealth. Additional information on CIT and its programs can be found at <http://www.cit.org>

The **Longwood Small Business Development Center** (SBDC), a partnership program with the U.S. Small Business Administration, provides assistance and training to help small business owners and potential owners make sound decisions for the successful operation of their business. Part of a statewide network (Virginia Small Business Development Centers), the Longwood SBDC serves twenty counties and six independent cities in South-Central Virginia. The Martinsville-Henry County-Franklin County-Patrick County area is served by the Martinsville office located at the Martinsville-Henry County Chamber of Commerce. The Center offers individual, one-on-one, confidential counseling and sponsors workshops, conferences, and courses at various locations in its service area. Additional information on Virginia's SBDCs can be found at <http://www.longwood.edu>

The **West Piedmont Business Development Center** is a non-profit organization serving the City of Martinsville and Franklin, Henry, and Patrick Counties for the purpose of expanding the economic development of the region. The Center provides low-cost rent and use of its facilities as well as mentoring, business education, networking and professional services to its tenants. Within the nurturing environment of the WPBDC, owners and their businesses can flourish and gain a more substantial foothold within their market and the professional community. The WPBDC community outreach services include public access to its resource library, computers, video conferencing, meeting rooms and regular seminars. Fees are required for use of some services. The Center has a micro-loan program available to encourage small business development among its tenants who cannot initially access funds through traditional lenders. For those business people who need business assistance but do not need office space, WPBDC offers a Virtual Incubation Program. Services include: use of mailing address, voicemail with 24-hour access, 20 hours of internet service per month, copy/fax/postage meter access, printer access and a number of other services. Additional information on the WPBDC can be found at <http://www.wpbc.org>

In addition to the West Piedmont Business Development Center, the **New Century Vision Center**, based in Roanoke, opened a satellite business incubator at Smith Mountain Lake in 2005. The 3,000 SF facility is located at the Westlake Towne Center. The incubator assists tenants in preparing business plans and securing financing and offers business counseling and management advising. In addition to office space, the facilities offer a central receptionist, shared services, and a conference/meeting room. Educational programs and business seminars are also available. Additional information on New Century can be found at www.newcentury.org.

The **Southside Business Technology Center (SBTC)** was created in partnership with Virginia Tech in 2005 and is located in the West Piedmont Business Development Center (WPBDC) in uptown Martinsville. The purpose of the Center is to serve as a management consulting, educational, and research resource for businesses. SBTC helps entrepreneurs enhance their knowledge of business management through the development of high-quality business projects, individual consultations and seminars tailored to specific client needs. The Center also helps businesses obtain data and analysis that is generally unobtainable to them on

their own. SBTC services are available to any individual, company and non-profit organization seeking tangible business assistance. Consulting services are provided by SBTC staff consultants and business analysts along with the faculty and student interns of Virginia Tech, Averett University, Patrick Henry Community College, Ferrum College and other surrounding colleges and universities. When special requirements arise, the SBTC has the ability to hire outside consultants with subject matter expertise. Areas of assistance provided by the Center include but are not limited to: business plan and proposal development, competitor analysis, market research and analysis, financial modeling including industry analysis and feasibility studies, business startup procedures, and legal/business information. Additional information about SBTC can be found at www.southsidebtc.org

Economy Conclusions

- The Lake area along Routes 122, 616, and 40 has been developing significantly over the past decade into an area of commercial and residential developments. The development at the Lake has significantly boosted the economy for Franklin County and has provided jobs in the construction, retail, and service sectors. Developments along Route 122 such as Westlake Towne Center, Bridgewater Pointe, Bridgewater Grande, and LakeWatch Plantation are developments that have or will combine a mixed use of commercial, residential, and, in some cases, recreation. Other developments on Routes 122 and 616 include but are not limited to Westlake Village Business Park, Westlake Commons, and Southlake Towne Center—to be developed along Route 40 in Union Hall.
- Ferrum College also has a plan for community and economic development, which calls for a “Blue Ridge Village” which would be constructed on College-owned property. The plan is an arrangement of retail and service entities including health services, a grocery store, restaurants, shops, a bank, and residential construction. Under the proposed plan, the Ferrum Farm Museum would be relocated to the north side of Route 40, contiguous to the Blue Ridge Institute on property currently occupied by College maintenance facilities.
- Utilizing employment data as an indicator, the County economy is heavily oriented towards manufacturing in housing materials, but a significant shift toward the non-basic, supportive/service sector occurred between 1990 and 2000.
- The median family incomes of County families rose at a slightly higher rate than incomes for families across the Commonwealth from 1989 to 1999. The median figure for the County, however, was only 78.4 percent of the state figure in 1989 and 83.4 percent of the state figure in 1999. Families below the poverty level decreased by 1.1 percent in the County compared to 0.7 percent in the State from 1989 to 1999. The number of persons below poverty in the County decreased by 1.4 percent from 1999 to 2000 in comparison to a 0.6 percent decrease in the State figure.
- The County's supportive, commercial retail sector experienced increases in employment and sales from 1990 to 2000 at a rate higher than the State.

- While manufacturing jobs still dominate the job market, the number of manufacturing jobs fell from 35.3 percent of the jobs to 24.3 percent of total jobs in the County over the period 1990 to 2000.
- The growth in the commercial and service sectors have not acted to totally counter-balance the less dramatic growth in employment of persons in the manufacturing sector. Unemployment rates have fluctuated in the range from 2.8 percent to 8.2 percent since 1985. In March 1991, the unemployment rate reached 8.2 percent, as a result of the recession, and peaked again in 2002 to 5.9 percent due to a small recession. In 2005, the County's unemployment rate was lower than the State's rate of 3.5 percent, which is less than the national rate of 5.1 percent.
- The basic sector--manufacturing--is highly centralized in lumber/wood-related industries. These industries are sensitive to competition (national and international) and to recessions where consumers delay purchasing certain items including furniture, homes and furnishings, and non-essential goods.
- A 2005 consultant Commuter Survey indicates that most of those who commute to work outside Franklin County would prefer to work locally and would accept a similar position in the County. Most of those who commute do not travel for low-wage jobs, and they are better educated than the average County resident. They are not entry-level employees, according to the survey. The survey also states that it seems reasonable to conclude that, in terms of jobs, "if you create them, they will come." It also notes that it seems reasonable to conclude that, in their current jobs, some own businesses outside Franklin County, and others prefer to work elsewhere for other reasons. Still, according to the survey, most would prefer a job closer to home. This workforce is better educated and probably better trained than the overall workforce that exists in the County; they are also experienced employees.
- According to the 2000 Census, more than 41 percent of the County's labor force commutes to jobs outside the County--the localities of the Roanoke Metropolitan Statistical Area (MSA) and Martinsville-Henry County as principle destinations. In 2000, the Census showed that 9,288 workers lived in Franklin and commuted elsewhere for employment while only 2,022 workers commuted into the County for employment. This represents a net out-commutation of 7,266 workers, or 32.3 percent.
- The educational statistics, for high school graduation and college graduation, was lower than that for the Commonwealth but should continue to improve significantly over the next decade. Secondly, there is a substantial number of persons with experience in precision production, crafts, and repair specialties as well as in general labor and fabrication. The County is participating in job training programs. All of these factors indicate a future labor force more equipped to meet the labor needs of new industrial and commercial development in the future if this development can be induced.
- A study by Virginia Tech's Office of Outreach and International Affairs entitled "Education and Workforce Indicators for Franklin County" shows that Franklin County is one of the top 15 divisions in the Commonwealth in test scores and academic performance. Franklin County's school system meets the Standards of Learning (SOL) requirements and is fully accredited. The system is one of six divisions in western

Virginia in which the locality's schools met No Child Left Behind (NCLB) achievement objectives for Adequate Yearly Progress (AYP).

- **Franklin County Public Schools** is recognized as a leader in the state for school technology implementation. Nowhere is this more evident than at **The Gereau Center for Applied Technology and Career Exploration** (CATCE), a computer-technology-based school that helps students explore various career options, such as Arts, Aviation and Aerospace, Engineering/Architectural Design, Environmental/Natural Resources, Finance, Health and Human Services, Legal Science, and Media Design/TV Production. CATCE, located in the Rocky Mount Technology Park in the Town of Rocky Mount is unique because it represents a community effort to prepare students for the workforce of the 21st century.
- A number of training opportunities are available to adults in the Franklin County area including programs offered by the Franklin County School System, Franklin County Workforce Development Consortium, Western Virginia Workforce Investment Act, Support to Eliminate Poverty Incorporated, Patrick Henry Community College, and Virginia Western Community College as well as programs available through State agencies like the Apprenticeship Program of the Virginia Department of Labor and Industry.
- Construction on the new 31,000 SF, \$6 million **Franklin Center for Advanced Learning & Enterprise** is scheduled for completion in the summer of 2007. The new center which will be staffed by the Franklin County Workforce Development Consortium, will expand existing classroom, training and instructional space by including classrooms, computer laboratories, a compressed video training center and multiple learning nodes. The Center will offer a variety of life-long learning programs and is being designed to facilitate a learning environment that will support the Region's economic development clusters. The **Franklin County Workforce Development Consortium** is a partnership of local governments, the school system, area colleges, and workforce agencies. The Commonwealth of Virginia has designated the Consortium as a "One Stop Center" for the Western Virginia Workforce Development Board.
- Franklin County participates in the **Western Virginia Workforce Development Board** along with the Cities of Covington, Roanoke, and Salem and the Counties of Alleghany, Botetourt, Craig, and Roanoke. This area comprises Workforce Investment Area III. The Workforce Investment Act of 1998 authorizes funds to provide the employment and training services of various programs and organizations through a system of one-stop career centers. As noted above, the Commonwealth of Virginia has designated the Consortium as a "One Stop Center" for the Western Virginia Workforce Development Board.
- Franklin County's employers also benefit from special programs offered by both **Virginia Western Community College** in Roanoke and **Patrick Henry Community College** in Martinsville--both of which encompass a portion of Franklin County in their service areas. Both community colleges offer a wide range of degree and certificate programs. Through their transfer programs, students are prepared to transfer to a senior college or university. Through their occupational/technical programs, the colleges strive to meet regional demands for technicians and semi-professional workers in business and professions. The colleges also play a significant role as a resource for training

employees in local businesses and industries through literacy training and Technology Development and Transfer.

- Industrial and general business development efforts are essential to improving the County's economy and bringing citizens back to the County and to local jobs. Also essential is complete cooperation between the County and Town governments, local business development agencies, and other agencies with roles to play in economic development.
- To accommodate growth and changes in the economy, the County established the **Department of Commerce and Leisure Services** in 1996 to manage economic development, parks and recreation, and tourism programs. In 2005, the Board of Supervisors approved creation of a tourism/special events program manager position within that department to be responsible for development/implementation of marketing and special events that raise the visibility of the County as a tourist destination. The County is also a member of the **Roanoke Valley Economic Development Partnership**, which markets the region to new and expanding companies worldwide.
- In 2003, Franklin County, along with Craig County, was added to the **Roanoke Metropolitan Statistical Area**. In June 2004, Franklin County elected to become a member of the **Roanoke Valley-Alleghany Regional Commission** while retaining its membership in the **West Piedmont Planning District Commission**. Through its membership with the West Piedmont Planning District Commission, the County is also a member of the West Piedmont Economic Development District. The Planning District Commission was designated as an Economic Development District by the U.S. Department of Commerce, Economic Development Administration, in 1992. This designation represents a partnership among the Planning District, its member local governments, and EDA and assists with establishing regional priorities for projects and investments through the annual development of a Regional Comprehensive Economic Development Strategy (CEDS) document.
- Franklin County has a number of industrial and commerce parks available for new and expanding businesses:

Franklin County Commerce Park—located five miles south of Rocky Mount offers approximately 260 acres with direct access to U.S. Route 220. The park lies adjacent to a public golf course.

West Franklin Business Park—located in the western part of the County off Route 40 in Ferrum with 56 level acres adjacent to Ferrum College.

Franklin County/Rocky Mount Industrial Park—a joint effort with the Town of Rocky Mount with 19 acres available has excellent access to U.S. Route 220 and services in the Town.

Rocky Mount Technology Park—a new park in the Town of Rocky Mount focused on recruiting businesses that value access to fiber and state-of-the-art telecommunications. The park is home to the Franklin County YMCA and provides direct access to over five miles of trails in a state wildlife preserve.

The County has also considered the need to develop additional industrial parks north and south of the Town of Rocky Mount and infrastructure/utility planning has been developed.

- The County is served by two small business incubators. The **West Piedmont Business Development Center** is a non-profit organization serving the City of Martinsville and Franklin, Henry, and Patrick Counties for the purpose of expanding the economic development of the region. The **New Century Vision Center**, based in Roanoke, opened a satellite business incubator at Smith Mountain Lake in 2005 at the Westlake Towne Center. Both incubators assist tenants in preparing business plans and securing financing and offers business counseling and management advising. In addition to office space, the facilities offer a central receptionist, shared services, and a conference/meeting room. Educational programs and business seminars are also available.
- Through the **Regional Backbone Initiative/Roots for Progress Program**, the Mid-Atlantic Broadband Cooperative is bringing broadband services including high-speed Internet connectivity to various areas of Franklin County in 2006 as part of a 700-mile fiber optic network being installed throughout Southside Virginia. The effort is being funded by the Virginia Tobacco Indemnification and Revitalization Commission and the U.S. Department of Commerce, Economic Development Administration. The project is connecting five cities, 20 counties, and 56 industrial parks between Franklin and Sussex Counties. Connection points are being established throughout the County, including locations at Westlake, Ferrum College, the Franklin County Commerce Center, Franklin County-Rocky Mount Industrial Park, and the Rocky Mount Technology Park.
- Franklin County benefits from the services of a number of agencies including the:

Southside Business Technology Center, a management consulting, educational, and research resource for businesses and helps entrepreneurs enhance their knowledge of business management through the development of high-quality business projects, individual consultations and seminars tailored to specific client needs.

A.L. Philpott Manufacturing Extension Partnership, located on the Patrick Henry Community College campus, which fosters economic growth by enhancing the competitiveness of Virginia's small and medium-sized manufacturers by providing affordable, high quality assistance that can help companies increase productivity, lower costs, identify growth opportunities, improve technology applications, and strengthen their production team.

Longwood Small Business Development Center, a partnership program with the U.S. Small Business Administration, which through its Martinsville office provides individual, one-on-one, confidential counseling and sponsors workshops, conferences, and courses to Franklin County small business owners and potential owners as well as assistance and training to help make sound decisions for the successful operation of their business.

Virginia's Center for Innovative Technology, a state-chartered non-profit corporation established in 1984 by the General Assembly to advance economic development

through technology around the Commonwealth by providing programs and services for technology researchers, technology entrepreneurs and small technology businesses.

- Franklin County's ***agricultural economy*** continues to change, with a shift away from traditional tobacco growing toward new crops—such as organic vegetables—and other, more established farming industries including dairying and beef production. Although the number of Franklin County farms is decreasing, the average farm size is increasing. The County's three biggest agriculture moneymakers are dairy, beef, and tobacco. Franklin County's agricultural success and diversity are evident in the U.S. Department of Agriculture's (USDA) Virginia Agricultural Statistics Services that ranks various attributes of Franklin County's dairy, corn silage, flue-cured tobacco and cattle industries each in the top 10 nationwide.
- With the recent changes in the tobacco market, some County tobacco producers near retirement age stopped farming altogether while others are expanding their beef herds or continuing to grow tobacco. Several small farm producers are growing organic and non-organic garden vegetable crops, including tomatoes, peppers, and bedding plants. Most of the organic producers are located out toward the Smith Mountain Lake area. Several nurseries, including some new ones of the past few years, are also catering to the lake area and its development. There is continuing interest from people planning to establish vineyards and wineries in the County.
- Greater emphasis has been placed on tourism economy in recent years, with the establishment of the Department of Commerce and Leisure Services and the creation of a new position for a tourism/special events program manager within that Department.
- While the County has a potential to grow in the tourism area, it has some definite assets that could be further explored including: the Blue Ridge Parkway, Smith Mountain Lake, Philpott Lake, Booker T. Washington National Monument and farm, historic homes and sites, and recreational areas as well as the Blue Ridge Farm Museum and other related programs offered by Ferrum College, and the "Crooked Road: Virginia's Music Heritage Trail." These could be used to further increase revenues in the County to support projects for the County's ongoing development.