Rugby, North Dakota

	Rugby
Population (2000)	2,939
Municipal budget (2005)	$500,000[113]
Per capita income (2000)	$14,380
Median household income (2000)	$25,482
Poverty rate (2000)	14%
Minority population (2000)	2%
Proximity to urban center	152 miles to Bismarck, N.D.
Proximity to interstate highway	110 miles
Strategic approach	Workforce development
Time frame	1999-2005

Rugby is a small town that has survived the economic transition by investing in its workforce. Historically, Rugby's economy was based on agriculture and retail trade. Until the last five years, the local labor force lacked basic computer skills, much less training in more sophisticated technology. Gary Satern, the local economic development director, came to recognize that this skill deficiency was limiting the ability of existing businesses to compete. It also became a barrier for recruiting new competitive industries into Rugby. In response, Satern facilitated a partnership between the town and the Center for Technology and Business in Bismarck to develop a technology training program for the local labor force. As a result, one-third of Rugby's labor force has re-ceived training and new, technology-driven businesses have located in town.

The community and its history

Rugby is one of North Dakota's larger towns. Incorporated in 1886, it was initially called Rugby Junction because of its location at a junction of the Great Northern Railway. The name Rugby came from a city of that name in England. The town's early promoters thought the name would entice English settlers to move to North Dakota. The plan never worked out; almost all of the population is of Scandinavian and North Germanic ancestry.

Like most rural outposts on the northern plains, Rugby has a traditional agricultural economy. As the county seat of Pierce County, Rugby also

Recognizing the lack of computer skills among its workforce, Rugby partners with a statewide training program to enhance the job skills of its citizenry. Its investment in workforce development is attracting new businesses to Rugby.

[113] Interview with Wanda Ingold, Siler City finance director, June 14, 2007.

has a signficant government sector. It employs about 15 percent of the town's workforce. Throughout the 1980s and '90s, Rugby's economy struggled to grow as the agricultural and government service sectors were not generating new jobs. Gary Satern, the director of the Rugby Jobs Development Authority, came into his position seeking to spur jobs and economic growth. As Satern proceeded, though, he recognized that many residents had limited experience with computers. This created several problems. First, technology-driven businesses, which had the potential to be important for Rugby's growth, shied away from town. Second, Rugby's existing businesses that relied on computers were unable to fully utilize them to become more competitive. In the words of Satern, "We had to invest in our people first."

The strategy

Rugby's strategy is to enhance the computer skills of its workforce. In 1999, Gary Satern partnered with Tara Holt from the Center for Technology and Business (CTB), a statewide technical assistance provider, to administer a low-cost computer training program. The program includes practical instruction in running a computer, using Microsoft Office applications and navigating the Internet. Moreover, instead of sending teachers throughout the state to run the training programs, CTB selects and provides training to a few local residents, who then teach the courses in their hometown. Once a town has trainers, they are free to administer and manage the program themselves. Costs to participants range from $30 to $60 per course, though students unable to pay are subsidized. Course revenues cover textbooks and teacher pay. In Rugby, courses are held in donated meeting space at the local hospital. In the past six years more than 400 residents, about one-third of Rugby's labor force, have completed the program.

A computer-literate labor force has positioned Rugby as an attractive site for new businesses. The first of these was Verety, a Chicago-based business that uses a broadband network to take fast-food restaurant orders from remote locations. Given Rugby's established computer training course, Verety decided to locate in town. "Verety saw that Rugby was a place where people had a good understanding of technology," Holt said. Verety hires stay-at-home workers (including underemployed mothers) to take and send orders. The company provides free computers and broadband access to each employee. "These stay-at-home mothers can put their kids on the bus in the morning, work from 10 a.m. to 4 p.m. and still have dinner on the table by 5," one local official said. "That additional income and not having to travel to and from work has been a benefit to so many families in Rugby." Verety's business model, combined with Rugby's workforce development initiative, has allowed the unemployed and underemployed labor force in this rural outpost to link into the local economy.

In addition, since the workforce training program was implemented, Rugby has caught the attention of several relocating businesses. A pool cue manufacturer that was seeking a technol-

ogy-proficient workforce settled in Rugby, as has a pole barn manufacturer from Canada. A local auto body shop was at the point of closing its doors because of major issues with its computer system when the Center for Technology and Business sent a consultant to see if the problem could be fixed. After a week of work on the system and some training for the workers, the body shop was back and running and quickly became profitable. Not long after, that same company decided to create a new business that designs signs for trucks and cars using a sophisticated computer graphics system. Three Rugby residents were hired to run the computers and apply the graphics. "This new design business was entirely centered on computers and technology," Holt said. "It goes to show that when people stop fearing technology, they can begin to use it for their benefit."

What are the lessons from this story?

Workforce investment can be a catalyst for improving a town's economic prospects. The recent attraction of new employers to Rugby can in large part be attributed to the successful workforce training program it implemented. By improving the technical skills of workers, Rugby has increased their value and pursued a strategy that can attract and retain better-paying businesses. The success of the training program became a sort of marketing device as businesses heard about this small town and its trained labor force. Town leaders should see workforce training as a starting point for a number of development strategies, including entrepreneurship and business recruiting.

Resources are available to create training programs. Rugby partnered with the Center for Technology and Business as well as a number of state and federal agencies to devise and implement the training program. One of the federal agencies Rugby partnered with was the U. S. Department of Agriculture, which provides funding to many rural communities for technology education. The message here is for economic developers in small towns to know that funding is available from a wide variety of agencies and that forming alliances with them can be key to a program's success.

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