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Dixon, Illinois, is a medium size rural community in northwestern Illinois. With a population of 15,135, it has been, and hopes to continue to be, an active regional hub, serving as a residence for people who work locally or in surrounding communities. To achieve this goal, Dixon has used — with considerable success — a planning/development model that other communities might wish to employ, not only to protect themselves from existing and future economic and technology changes but, even more importantly, to prosper from such changes.

The need to do so is critical for many rural communities — especially those located within commuting distance from larger cities. In recent years, small rural communities with economies relying heavily on agricultural and manufacturing activities have performed less well than larger urban and metropolitan areas where businesses can access a larger workforce with more up-to-date technical expertise. Dixon’s planning/development model might very well help other communities to survive and prosper, despite evolving economic and technical changes.

What Issues Face Dixon and Other Small Communities?

Rural communities are being hurt by:
1. Competition from foreign businesses where labor costs are lower;
2. Relatively poor access to broadband which, in turn, is essential to an information economy; and
3. The widening divergence in wage rates between urban and rural areas that lures secondary school graduates with skills in advanced technology to larger cities with better employment opportunities, aggravating the difficulties rural employers have in finding qualified workers.

The challenges for rural communities are further complicated by indications that mid-size and larger communities will continue to outperform smaller, manufacturing-based communities. They will continue to be important employment centers for residents in surrounding small communities even as their growing shortage of workers is further aggravated by aging populations, by older workers leaving the workforce, and by the movement of younger people to larger communities with more diverse job opportunities and higher salaries.

1 The authors are City Manager, City of Dixon, and Senior Research Scholar, NIU Center for Governmental Studies, respectively. As part of a 50th Anniversary event, the NIU Center for Governmental Studies held a session on the changing economic landscape to explore activities in the region on which to build a regional economic development strategy. Danny Langloss described how Dixon, IL (pop. 15,135), is working to attract young families and residents who work in neighboring Rockford, DeKalb, or the Quad-Cities. Some of these trends are identified in the five-year statewide development plan recently released by the Illinois Department of Commerce and Economic Opportunity.
Furthermore, these trends are not new. Each recent decennial Census has shown more rural residents commuting longer distances to work, documenting the growing importance of regional hubs and mid-size communities that offer desirable living environments and proximity to natural recreation sites. These attributes will continue to be attractive, both to active seniors and to young families willing to commute longer distances to work.

Finally, these trends show no signs of abating. Small and medium-size communities such as Dixon cannot continue to function as in the past and hope to prosper. Instead, they would be well-advised to reorient their development strategies, focusing more on quality of life aspects to retain existing residents and attract new ones. They must increase their appeal to young families starting careers and those considering retirement locations. Both groups are prime for starting business ventures and the expected growth in elderly populations will continue to play into this strategy.

To help rural communities develop such strategies, this Research Brief describes what Dixon has done to minimize the impact of these trends by expanding as an active regional hub. Local leaders refocused development strategies to enhance the quality of life with more shopping and entertainment options, housing approaches, and expansions in employment opportunities.

Dixon’s success in confronting problems facing many mid-size and larger rural communities in Illinois suggests that other rural communities can do likewise by finding new ways to prepare for expected demographic changes. The experiences in Dixon – located in a region of Illinois subject to, and affected by, these changes – offers other rural Illinois communities both a reason to be positive about their future and useful insights into a process of change to make that future possible.

Before describing Dixon’s efforts, however, this report will describe ongoing changes expected to continue adversely affecting rural community life throughout Illinois, including those in the Northern Illinois region. With these background issues in mind, this report will then describe Dixon’s efforts to solidify its position and grow as a regional hub. Hopefully, Dixon’s experience can help other communities respond effectively to ongoing and future economic and technology changes.

**Changes Adversely Affecting Rural Life in Northern Illinois**

As defined here, Northern Illinois includes the 23 Illinois counties north of Route 80, east of the Mississippi River, and west of Cook County (see Figure 1). The region is strategically positioned to benefit from ongoing demographic trends and economic shifts described above. The region’s principal assets include proximity to national markets in the Chicago area via modern interstate highways plus links to worldwide markets through O’Hare and Midway airports. These links brought substantial international investment in the region even in smaller communities such as Rochelle (pop. 9,227) which has been a major regional transportation hub. The investments provide employment opportunities for residents of communities across the region.

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**Figure 1. Northern Illinois Economic Development Regions**

Of special interest to this discussion are the counties labeled as the “Northwest Region.” They have low population densities and rely more heavily on agriculture and local manufacturing industries. The sub-region also depends on large employment centers such as the Quad Cities, Rockford, and Peoria in addition to regional centers such as Freeport and Sterling-Rock Falls. The rural portion of this region has performed less well economically than the urbanized Northeastern area. Population projections (Figure 2) suggest that these trends will continue.

**Figure 2. Projected Population Changes by Sub-Region, 2018-2028**

<table>
<thead>
<tr>
<th>Ages</th>
<th>Northwest</th>
<th>Northern Stateline</th>
<th>Northeast (Excl. Cook County)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>-4.9%</td>
<td>-4.7%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>25-44</td>
<td>-0.6%</td>
<td>-4.5%</td>
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<tr>
<td>44-64</td>
<td>-14.5%</td>
<td>-14.8%</td>
<td>-10.6%</td>
</tr>
<tr>
<td>65+</td>
<td>3.9%</td>
<td>21.3%</td>
<td>35.0%</td>
</tr>
</tbody>
</table>

**Source:** Economic Modeling Specialists, Inc., 2018.

**Population Projections**

Of special importance are population projections in four-age cohorts. Each sub-region will likely face substantial population declines in residents 64 years and younger (except ages 25-44 years in the NE region). The implications for future workforce size are especially important with businesses likely to experience even more difficulties finding workers with up-to-date skills. If this happens, it may discourage investment in these industries.

Equally important are trends in population age that affect the sub-regions in several ways. Elderly residents qualify for property tax breaks on housing. Typically, they spend less locally in retirement years, thereby reducing sales tax receipts. They also typically spend more on health related and elder-friendly services, both in total amount and as a proportion of all their purchases but some smaller communities do not offer these specialized services. Key medical and health centers such as Rockford, the Quad-Cities, and DeKalb-Sycamore, will become more important in helping to retain elderly residents in the future.

**Industry Trends**

Several shifts in employment among industries have also occurred (Figure 3). These industries are shown using a weighted index of current employment, growth prospects, and wages paid. The comparisons illustrate differences among the three sub-regions and the contribution of each to the overall economy.

The comparisons also highlight future development opportunities. Especially important is the projected growth of each industry and its relative importance at the present time as shown by location quotients. The LQs show the percentage a specific industry represents of all industries in the region compared to the relative importance of this industry statewide. Thus, a higher location quotient means that a specific industry is more concentrated in the region than it is statewide so is relatively important in local employment generation.

For instance, agribusiness industries are heavily concentrated in the NW sub-region and are also projected to have above-average employment increases suggesting greater emphasis on ag-processing in the future. Although the traditional agriculture sector (e.g., crop and livestock production) is not necessarily considered a growth industry, value-added industries such as food processing and manufacturing are projected to gain employment. As just one example, emerging opportunities in the Hemp industry and related activities could open new options for growers and processors alike.
Changing demographic and economic landscapes as well as advanced technology will usher in a new economic paradigm for many regions. Areas with large populations will, by and large, be the main employment sources. In this scenario, suppliers to large businesses will locate in regional centers leaving agricultural-based and recreational activities driving the growth of small rural communities. These trends can potentially leave many smaller rural communities behind.

**What can rural communities do to prosper?**

To prosper in this new era, rural communities must take advantage of workers’ increasing willingness to: (1) work at home, (2) work by telecommuting, or (3) commute longer distances between where they live and where they work. To do that, communities can focus more on quality of life enhancements — to be more attractive as places to live, not only for retirees, but also for those who can telecommute or are willing to commute longer distances.

The timing is especially advantageous because the State of Illinois recently released a five-year statewide plan that recognizes the importance of industries such as manufacturing, agribusiness, transportation and logistics as development opportunities. This plan also incorporates the importance of building on opportunities in mid-size regional centers.

Thus, now more than ever, it is important that rural communities across Illinois prepare for and shape their own futures. Mid-size rural communities must find ways to retain more of their own talent and attract families — young, mid-life, and older — to their community. While recruiting new, high-paying jobs is still important,
modern technology is changing the way people work and where they can live. This, in turn, creates new pathways communities can use to sustain and grow their populations.

Jobs maintain and enhance the population base, increase demand for retail and service providers, enhance property and sales tax revenues, and fund education and other local public services. Job creation and job retention are important, but so, too, is the need for rural communities to use tourism and entertainment opportunities to make them destinations for travelers.

In today’s world, it is not uncommon for someone to drive 30 to 60 minutes to work and increasingly people do not want to be forced to live where they work. Instead, they want the freedom to live where they choose. Telecommuting has expanded this option and now many people work from home several days a week or work remotely all the time. This increasing phenomenon offers opportunities for rural communities which often have a lower cost of living and pleasant quality of life with natural recreation areas.

So how do some rural communities thrive when others are experiencing a slow decline? Dixon, Illinois, found a way to answer this question. The balance of this discussion tells how local leaders addressed the issue in their community.

Dixon’s Pathway to Success

Leaders in Dixon used six key factors that support thriving rural communities: leadership; strategic partnerships; community engagement; quality of life; identifying and building on local strengths; and capturing an ongoing momentum. Each is described next.

Leadership

Organizations rise and fall with leadership that transforms communities and it is the foundation for success. Community leaders must have a clear vision and be willing to commit to that vision. To do this, they must “begin with the end in mind.” Remember the phrase — “If you don’t know where you are going, anywhere will do?” Once a clear vision is shared, leaders can carefully select a team with each member in a position that gives him or her and the organization the best chance to succeed.

Leaders must set the tone and establish strong values and expectations with clear mechanisms of accountability. They clearly understand that leadership is about service not power; team before self; courage over comfort; and sacrifice to achieve success. They play a significant role in creating the culture of “community” that becomes a foundation for sustained success. To do this, they must clearly understand the DNA of their community, with a firm grasp of the internal and external forces that will impact their success.

Dixon is well-known as the hometown of President Ronald Reagan and has been coined “The Petunia City.” It gave birth to John Deere and Walgreens and, in more recent times, is known for embezzlement by Comptroller Rita Crundwell and the heroic actions of School Resource Officer Mark Dallas, who was named the 2018 International Chiefs of Police Officer of the Year for stopping an active school shooter. It is a warm, welcoming community and a business-friendly community founded on customer service.

Even more important for development purposes, Dixon encourages progressive and innovative leaders with a strong entrepreneurial presence. This culture is the foundation for the strong heartbeat of a community that aggressively takes steps to prepare for its future. The leadership
team understands that the community must embrace its history while creating its future. However, it also recognizes that it cannot get stuck in its history. Rather, leaders had to embrace it, build on it, and evolve into the next phase of Dixon.

**Strategic Partnerships**

Strategic partnerships are essential in every community, but they are even more important in rural areas that do not have the same resources or tax bases as large urban centers. “Silos” and territorial mindsets are the recipe for status quo and deterioration in quality of life. Strategic partnerships require thinking outside the box and exploring new frontiers.

Leaders in Dixon brought key stakeholders (the City of Dixon, Dixon Park District, Dixon School District, Dixon Chamber of Commerce and Main Street, Lee County Government, Sauk Valley Community College, Lee County Industrial Development Association, and the Dixon Family YMCA) to the table and built strong relationships between administrators and elected officials. Similar strong private-public partnerships were formed with many local businesses including ongoing major financial contributors such as KSB Hospital, Ken Nelson Auto Plaza, Raynor Garage Doors, and Bonnell Industries.

The partnerships have been essential in creating a vibrant arts and culture community, revitalization of the historic downtown, riverfront development, expansion of the industrial park, enhancement of community events that attract more than 50,000 people annually, and creation of a $500,000 Water Wonderland Splash Pad. More recently, they are reviving an historic theater which is quickly becoming a strong regional draw and economic development engine.

**Community Engagement**

While sometimes difficult, engaging the community is essential to building trust and confidence in community development. This engagement creates program buy-in, empowers new and emerging leaders, increases volunteerism and financial support, and fosters a culture where entrepreneurs thrive. Generational changes have made it increasingly difficult to engage residents in their 20’s, 30’s, and 40’s. Life is busier than ever, and people are often too busy to participate in city council meetings, community forums, or strategic planning sessions. Nevertheless, their input is essential for the health and future of community development issues.

So how does one engage an ever-changing diverse community? In the past, community members almost exclusively obtained information from a local newspaper or radio station. But that has changed with Generation X and Millennials. Even Boomers have diversified their news stream.

In today’s world, the purpose of local governments is to provide essential services such as public safety, infrastructure, economic development, and quality of life enhancement. There is much going on in every community, but if someone else is telling the story, it may contain misperceptions and negativity. At the same time, if no one tells the story, residents have little idea of what is being done by their City team.

By proactively “telling your story”, the City team can share information about its work on behalf of the community, which builds trust and confidence. This approach has allowed Dixon to share information with residents, but, despite its good intentions, it still fell short of true engagement at a level that would begin to set a path for the future. This situation led to the creation in November 2017 of the #DixonStrong Leadership
The #DixonStrong Leadership Team currently has 15 diverse community members, including participants in their 20’s, 30’s, 40’s and 50’s, with a mix of men and women representative of the population. To date, this team has completed two community surveys that have driven significant community engagement in a variety of activities.

The first survey established community priorities with nearly 700 residents, in a community of 16,000, completing surveys. The three highest priorities included: improve academic performance in schools, establish a community center, and create additional jobs. Approximately 1,100 residents completed a second survey focusing on amenities for a new community center.

The leadership team is sponsoring research and community engagement as its members help the Park District and its partners bring this vision to reality. The team also works closely with the school district and the business community on a variety of other issues. Participants were asked to prioritize areas in which to strategically invest and the response are shown in Figure 4.

**Quality of Life**

Recognized factors impacting quality of life include: crime rates, cost of living, education system, social networks, community activities and events, park district amenities, and employment opportunities. Within the past ten years, the City of Dixon has made significant infrastructure improvements in the downtown business district to further enhance the Heritage Crossing riverfront development. In addition, the city had made an annual investment in Dixon Main Street with a focus on community events and activities.

**Figure 4. Priorities for Strategic Growth and Progress in Dixon**

![Graph showing priorities for strategic growth and progress in Dixon](image)

*Source: #DixonStrong Leadership Team, Community Priority Survey, 2019.*

Rather than using a more common logo (such as “Discover Dixon”), community leaders are in process of expanding messaging to include the creative theme — “Experience Dixon” — which speaks to both residents and potential visitors. Significant investment was made in creating a new “Dixon ONE” concept, to better coordinate programming by the Chamber of Commerce, Dixon Main Street, Tourism, the Riverfront Commission, and the Dixon Welcome Center. Implementation of the Dixon ONE concept has enhanced the arts and culture draw and has helped upgrade community events.

These efforts also laid the groundwork for the creation of experienced-based amenities, such as restaurants, women’s boutiques, specialty shops, DIY (Do It Yourself) studios, and other unique businesses. In addition to strengthening these local options, the school district invested significant funds in its infrastructure and the park district expanded services for youth and families.
The #DixonStrong Leadership Team is currently working closely with the Park District, Dixon Public Schools, Chamber of Commerce and Main Street, and the City of Dixon to enhance quality of life, improve educational achievement, and develop new ideas for business recruitment. The community center project is a primary driver for quality of life improvements and this team helped with planning and fundraising for the new Water Wonderland Splash Park and visioning for the outdoor ice-skating rink. The team is working with a committee from Dixon Public Schools to identify progressive education programming and enhancing strategies for community engagement through traditional media and social media sources.

**Identifying and Building on Local Strengths**

Every community has unique strengths. Understanding and combining them with community needs, and then recognizing what draws people to the community are essential to long-term prosperity. However, local assets are often overlooked for their marketable value because they have become commonplace to residents. Such assets must be identified and publicized.

The city is anchored by an historic downtown situated along the Rock River. KSB Hospital, Dixon Public Schools, and local government facilities significantly add to the daytime population in this area. Capitalizing on what these people need and want is essential. Because of continued private and public investments, the downtown currently has very low vacancy rates with many restaurants, coffee shops, and specialty shops easy to navigate on foot. In the evening and on weekends, Dixon offers a seamless transition for events and experience-based entertainment.

Its unique history makes Dixon a prime tourism destination. President Reagan’s boyhood home, Lincoln’s Log Cabin, Lowell Park, John Deere’s Historic Site, and the Northwest Territory Historic Center offer many sites for visitors to explore. Bed and breakfasts can personalize the experience. But unless a community’s leadership draws attention to such assets, they will go unappreciated, unknown — and even unvisited — community assets.

Dixon is also home to an annual Petunia Festival plus several outdoor music and family events throughout the year. In 2012, it was selected as one of six cities to host the Mumford and Son’s Gentleman of the Road Tour, which doubled its population that weekend and showcased the historic Dixon High School, Page Park, and Heritage Crossing. In addition to these offerings, the city markets its outdoor active lifestyle anchored by parks, trails, and the Rock River.

**Keeping the Momentum Going**

Communities and organizations must understand the power of momentum — and how to capitalize and build on it. By starting with a desired end in mind, leaders can engage residents in creating a vision for the “ideal” community which fully recognizes the community’s strengths and weaknesses. With this concept as a base, community leaders can better grasp what needs to happen to sustain the health of the community.

Often, this approach means visioning in several key areas at the same time and creating long-term and short-term plans moving forward. Dixon gained a solid momentum with the revamping of its downtown, creation of the Heritage Crossing on the riverfront, and enhancing quality of life through regular community events, investment in schools, and expansion in park activities.
However, this was not the time for Dixon to rest on past accomplishments. *(Indeed, the task of community promotion never ends.)* At the grand opening of a Water Wonderland Splash Pad in summer 2019, park officials announced a vision for the next step—a community center. When up and running, this center will be a partnership with the Dixon Family YMCA, Dixon public schools, and the City of Dixon in a public, private partnership with significant community support. Community leaders recognize that this is only one of many projects that will sustain the health of Dixon into the future.

Local leaders are also currently working on an expansion of the industrial park, development of retail and service-based businesses in the I-88 corridor, and expansion of the riverfront and trail system.

Quality of life improvements translated to a substantial reduction in crime rates. In 2010, there were 363.4 crimes per 10,000 residents, higher than the statewide crime rate of 317.1. In 2018 (latest available), the crime rate was 167.9, well below the statewide crime rate of 225.4.

Furthermore, even though the population and total employment in Dixon declined as part of statewide trends, economic activity in terms of traffic counts increased. Illinois Department of Transportation data show that the average number of vehicles passing through the primary northern gateway to Dixon, North Galena Road, increased from 17,400 to 18,100 between 2012 and 2018 (4.0% increase). The primary eastern gateway, East River Road and Illinois Route 2, increased from 7,100 vehicles per day to 8,600 (21.1% increase).*vi* Increased vehicle traffic also contributed to a strong sales tax base. Between 2010 and 2018, total sales tax revenue in Downstate Illinois (i.e., all counties outside the Chicago MSA) increased 8.3%, but in Dixon, total sales increased 29.0%.*vii*

In addition to higher traffic counts and sales tax revenues, Dixon has seen significant private investment through growth in experienced-based businesses, such as restaurants and Do-It-Yourself (DIY) studios. Dixon’s downtown vacancy rate is low and key manufacturing companies have expanded.

Most rural communities will continue to face significant challenges during the next decade and longer due to demographic changes and economic shifts. Recognizing and understanding these challenges is just the beginning. Strong leadership, strategic partnerships, effective community engagement, high quality of life, building on strengths, and capturing momentum will be key to creating and sustaining healthy rural communities in the future. Leaders must recognize that the best way to predict the future is to create it—10% of life is what happens to you. The remaining 90% is what you can make of it.

**Looking Ahead**

Northern Illinois boasts many strategic assets including access to high speed broadband, modern highway systems with links to markets around the U.S. and internationally through Chicago, an important agricultural base, and nationally recognized institutions of higher learning. However, the area has three very different regions, each with strengths and limitations. So, what strategies or options seem most reasonable for counties in Northern Illinois to pursue? Previous analyses offer several regional approaches.
• Many small rural areas are becoming bedroom communities for large employers in the region such as Rockford, the Quad Cities, Chicago suburbs, and Chicago. Losses of local manufacturing plants and shrinking workforces made smaller towns more dependent on surrounding employers to retain residents. Thus, collaboration and planning among small towns, mid-size employment centers, and core metropolitan areas will be increasingly important in the future.

• Regional growth hubs such as Sterling-Rock Falls, Ottawa, DeKalb-Sycamore, Aurora, Geneva-St. Charles, and others provide both employment opportunities and markets for suppliers in surrounding areas. Marketing these centers on a regional basis will help lift the entire northern Illinois economy.

• The region is well-positioned to participate in advances in technology that will foster economic growth, mainly in large centers. Advances in internet access and speed will help smaller areas attract entrepreneurs and other groups many of whom will serve regional hubs and larger centers.

• A careful analysis of linkages between businesses within the region, a supply-chain analysis, and skill availability could inform regional and local policymakers about opportunities to move Northern Illinois forward.

Especially important to understand is that each community has a unique location with opportunities to influence the development of its future. Dixon recognized its strategic opportunities as an attractive quality place to live and work either locally or commute to larger centers such as Rockford, Sterling-Rock Falls, Quad Cities, or DeKalb-Sycamore, among other places.

Perhaps even more important, Dixon underwent a community strategic planning process using solid planning principles that involve building leadership capacity, engaging a broad cross-section of community residents, setting a vision, and implementing a clear action plan. While business attraction is still of primary interest, it is not the only driving force. Instead, community development directives are part and parcel of overall local economic development initiatives. While work is still left to do, results, thus far, suggest that Dixon is establishing itself as a regional hub in the emerging regional economy.
Endnotes


v  Illinois State Police, *Uniform Crime Reports*, respective years.

vi  Illinois Department of Transportation, Illinois Highway System File GIS data, respective years. Available at: https://apps.dot.illinois.gov/gist2/

vii  Illinois Department of Revenue, Sales Tax Statistics, Standard Industrial Classification Code Reporting, respective years. Available at: https://www.revenue.state.il.us/app/kob/index.jsp