



## **Appalachian Renewal Ingredients**

**Speech given by Justin Maxson at Appalachia's Bright Future Conference  
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My name is Justin Maxson. I'm a Kentuckian whose family roots run deep in Appalachia and central Kentucky. For the last decade I've had the great privilege to work with the Mountain Association for Community Economic Development. We have worked for nearly 40 years to create sustainable economic alternatives and strengthen communities in eastern Kentucky and Central Appalachia.

Just to give you a sense of our work, over the last two years we have supported more than 70 small enterprises and entrepreneurs by lending more than \$5,000,000 and providing 2,500 hours of technical assistance. We operate several energy programs that have resulted in more than 200 residential and commercial energy efficiency retrofits. We have helped landowners sustainably manage more than 30,000 acres of forestland. And we are actively engaged in research and state policy change.

Sue and I have been asked to kick off this discussion by sharing our thoughts about what a Just Transition in Eastern Kentucky means – and what it might take to make meaningful progress in that direction. I appreciate the fact that this session – and the whole weekend – is designed to be a conversation about those questions.

None of us, myself included, has all the answers. But if you take anything away from what I say here today, I hope it is this: we know a lot more than we think we know the way forward. We have many more assets to build from than we often believe. And despite our many challenges, including rapid changes to our local and regional economy, there are innovative people providing hopeful examples all around us. What we need now is to knit these pieces together with a vision for Appalachian renewal and help grow them to meaningful scale. To do that, we need a movement that is big enough, inclusive enough, ambitious enough and visionary enough to build a bright future here in the mountains.

For too long we've been told – and many of us have come to believe – that eastern Kentucky can't, eastern Kentucky won't, eastern Kentucky doesn't, eastern Kentucky isn't. When did we start believing that? More importantly, why? I think that mindset is a problem and a major challenge. Don't get me wrong. I know very well the serious challenges and barriers we face.

But we have incredible assets and potential.

Whether we use the words “just transition” or “Appalachian renewal,” fundamentally what we are talking about is an intentional effort to improve the quality of life for people and places affected by economic distress and degradation of our land and water. There are a lot of necessary ingredients to bring about renewal in eastern Kentucky. I am going to talk about three ingredients—vision, development strategies that work and leadership.

### **The Importance of Vision**

We are all familiar with the power of vision. Martin Luther King didn’t anchor his speech from the Lincoln Memorial with facts or complaint. Rather, he propelled a movement by sharing his dream, his vision of a better future.

I learned a personal lesson about the importance of having a vision from my grandmother, Louise Broadus Maxson, who died last December at the age of 96. She grew up in Estill County, on the edge of the coalfields.

She was a quiet women, but full of useful advice. “Be clear about what you want,” she would say. “And then work to make it happen. If you don’t know where you are going, it’s a lot harder to get anywhere.”

When I was a senior in high school, I used to stop by her house all the time. One particularly anxiety-ridden afternoon, I spoke to her about my future. At the time I had a job working at a local frame shop building frames. I had a challenging high school experience, and my future options were questionable. But I had gotten pretty good at stapling together the frames and I could do basic math. So when the owner offered me an assistant manager position, I thought I might do that for a while.

I explained all this to my grandmother Louise. As usual, she didn’t tell me what to do. She simply said, “Justy, honey. I am sure you make pretty frames. And that is good work. But when you close your eyes and think about your future, do you see staples and frames in it?” That was her polite way of telling me I needed a more ambitious vision of my future.

When we close our eyes, are you satisfied with the job options you see around you? When you think about the future of eastern Kentucky and Central Appalachia, what do you see?

I’ll tell you my vision, and I hope that as we go forward you will also share yours.

- I see a stronger, more diverse, homegrown economy that provides good jobs and a decent quality of life for more people.
- I see people and communities who value our history, culture and sense of place, and are finding ways to make their living by connecting to that foundation.

- I see well-loved, working landscapes – forests and farms in particular – that provide us with food, fiber, fresh water and clean energy as well as beauty and recreation.
- I see young people who are leading the way with a spirit of hopefulness and determination.

What do you see? Where do you want to go? What will it take to get there? To build a bright future in eastern Kentucky and Central Appalachia, we've got to have more of those important conversations – and not just with people we like or expect to agree with.

### **The Coal Industry Today**

Vision will be critical to building the region that many of us want—but to make that vision real, we need a clear-eyed understanding of our current situation. As we all know, the challenges faced by Appalachian communities are multiple and connected. They include persistent and widespread unemployment and poverty, chronically underfunded schools and public services, damage to our land and water, serious health disparities, and a lack of effective public leadership. On top of these familiar issues, we are now in the midst of a rapid and disruptive restructuring of the coal industry in Central Appalachia.

Coal matters. It matters a lot, to both eastern Kentucky and the entire state. For many people over several generations, mining jobs in this region have provided meaningful wages, the ability to support a family and a deep sense of pride and purpose. Coal mined in Appalachia fueled the steel mills, auto plants and growing cities that birthed the country we have today. Our miners deserve our respect and gratitude. They and their families have often sacrificed their health, and too often, their lives.

Yet the history and impact of coal in this region is a complex story. As the dominant industry, coal has shaped our economy, culture, politics and landscape – and not always in ways that are for the better.

Today eastern Kentucky – and the Central Appalachian region as a whole – is experiencing widespread layoffs and declines in production. By now the numbers are familiar to most of us.

- In the last year, coal production in east Kentucky dropped 27%.
- Since 2000, coal production has dropped by more than half and is now at its lowest level since 1965.
- Government agencies estimate a 70% reduction over the next seven years.
- Eastern Kentucky lost 4,000 mining jobs over the last year, 1,350 in Harlan County alone.

There are, of course, a number of driving forces behind these changes. As the resource gets depleted, the coals that's left is harder to get to and more expensive to mine. Appalachian coal faces stiff price competition from cheaper western coal and the natural gas boom. Stepped-up enforcement of mining regulations has played some role. But we also know that underground mining has declined just as fast as surface mining in this region, and many mines with existing

permits have been closed for economic reasons.

Under these pressures, it's no wonder that tensions are running high. But it seems to me that we are wasting precious time if we continue to focus on who or what is to blame. Let's face it. Even when the coal industry was doing well, our economy and communities were in distress. Isn't it time for us to pull together to figure out what can be done to diversify our economy and provide a better quality of life for more people? I think it's past time. Don't you?

### **Getting to Development Strategies that Work Better**

So what can be done?

Creating jobs and building strong communities is hard, slow and uncertain. There are no magic wands or simple solutions. It is unlikely there will be any silver bullets that create the jobs we need.

But we know a lot about what works. And there is important work going on in the region today that points the way. What could a new approach to economic development in Appalachia look like?

I want to share a few examples that inform my sense of where we need to go.

Two weeks ago I met a young local entrepreneur from Perry County who moved backed to Hazard after going to college. She couldn't find a job so she decided to make one. She taught herself cake baking, using online videos to perfect her craft. With some real help, she has opened the Treehouse Café and Bakery. She created an art gallery space in the Café, has a poetry and open mic night, and is offering a menu with no fried food—in Hazard. She had to fight through resistance from her friends and family, though they became extremely supportive. But she did it, she had a vision and she made it real.

Another example. . .Over the last two years, MACED has partnered with four rural electric cooperatives to complete 115 residential energy retrofits and conduct more than 200 home audits. We have piloted an approach new to KY where we front the cost of retrofits to the homeowner—they pay nothing upfront. The homeowner sees an immediate reduction on their bill and the rest of the savings goes back to pay off the cost of the retrofit. The personal credit score or income of the homeowner does not matter. Contractors are hiring new workers to manage the demand for installations. We have learned a ton about how to make energy efficiency work and what help the coops need. It's been hard, but we have developed important relationships with the coops that have been critical to ability to get this done. And now we are on the verge of being able to expand the effort to multiple other coops based on a pending ruling by the state public service commission.

A final example. . .the Foundation for Appalachian Kentucky is a five-year-old community foundation based in Chavies. They are raising donations from local people and investing those funds in development plans that reflect the input of hundreds of residents. These are local

people, raising local resources, to solve local problems. They have given away more than \$400,000 to 35 organizations, raising a fund of more than \$5,000,000. They have also created a young philanthropist group, where young people are raising their own funds and investing them in work they think is important. The foundation is now working to help other counties build their own community funds.

And these are just a few examples of the innovative and important work going on in the region today. There are other great examples – efforts to grow local foods in Floyd County, entrepreneurial coaching in northeast Kentucky counties, worker support efforts in Perry County and many more.

In my mind, these examples help illustrate four key development strategies that I think are central to moving us toward a brighter Appalachian future. We need to:

- Better support entrepreneurs and locally owned enterprises with high-quality technical assistance, classroom-based training and access to start-up money.
- Focus on growing key sectors that create economic opportunity and lead us toward our vision like local foods, sustainable wood products, energy efficiency, health care, tourism and environmental remediation.
- Support more worker transition by providing financial support, worker retraining and job-matching opportunities tied to growing sectors.
- Generate more investment for Appalachian renewal by better using coal severance tax funds, supporting community foundations and yes, working for greater federal and state investment in the region.

So, there are important pieces of these strategies and related efforts at work across the region now. But they are not coordinated well enough or done at the scale we need them to be. We need to do a better job of knitting together these four strategies and others, identifying ambitious outcomes and finding the investment to do this work at a large enough scale and over enough time to see real results.

What would the results be if we decided, as a region, that everyone deserves an energy-efficient home? What if we adopted public policies to support that commitment, new financing models and a requirement that utilities do more to help Kentuckians save energy? Imagine if we trained laid off workers to engage in the thousands of construction jobs this would create and the dollars this would save. Or help local entrepreneurs develop new businesses to provide the energy efficiency services.

Or what if we committed to restoring half a million acres of surface-mined land or 500 miles of degraded streams? And ensured local workers got the training to engage in this work?

What if we ensured every four-year-old got high-quality childcare? And that every childcare worker was certified and got paid a living wage?

With research, investment, good policy and smart collaboration, efforts like these can create jobs and opportunities while also making our communities more resilient.

Taken together, these strategies have the potential to help us build a bright Appalachian future. All of them will take better collaboration between our organizations and communities. Some of them will require better state or federal policy. But none of them will move forward without better leadership.

### **Culture of Leadership**

In my organization, we talk a lot about creating a culture of “leadership-in-place.” That means we expect every single person on our staff to provide leadership from whatever position or role they occupy. We expect each person to be proactive, to work to see the big picture, to consider other perspectives, to take initiative and responsibility, to be constructive, and to help support the leadership of others.

To have a just transition in eastern Kentucky and Central Appalachia, we need to develop a new culture of leadership, of leadership-in-this-place. Certainly that starts by expecting more from our political leadership—we need elected officials who are willing to ask hard questions, lead with vision and listen to diverse voices. But we also have to develop a different sense of ourselves as leaders and actors in our own right. We have many unsung leaders in this place, and others who don’t think of themselves as leaders, but who are. We must encourage leadership when it comes from unexpected places, including from our young people, entrepreneurs, artists and others.

I am convinced we know a lot about how to move toward Appalachian renewal. There is a ton of good work going on. We have some great ideas about how to grow that work. But the road in front of us is as much a political and cultural struggle, as it is anything. So it is going to take more than just good ideas, though we need them as well. It will take aligning all the pieces—vision, leadership, development strategies that work and resources. We need a movement that makes all four possible. We have to have lots more of those hard conversations.

Standing in this room today, I am filled with hope for that brighter future. I look forward to our time together over this weekend—hearing about your ideas and the stories of work going on from across the region and across the country.

We can make Appalachian renewal a reality. Thanks for your time.