

AN EVALUATION OF INCOME, EMPLOYMENT, AND MIGRATION CHANGE  
IN SOUTHERN ILLINOIS COUNTIES FUNDED BY  
THE ECONOMIC DEVELOPMENT ADMINISTRATION

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## ABSTRACT

The Economic Development Administration (EDA) is one of several federal agencies created to assist nonmetropolitan areas experiencing economic decline, and has been active in southern Illinois since 1966. Its most controversial strategy to stimulate economic activity has been to focus development upon growth centers-- communities with the potential for self-sustaining economic growth and capable of alleviating the distress of surrounding areas.

The research measured the effectiveness of EDA's programs and growth center strategy in 17 rural counties in southern Illinois, and found no evidence that counties receiving funds from EDA between 1966 and 1976 had experienced greater growth in employment and personal income than other southern Illinois counties. The EDA-funded counties had experienced a higher rise in unemployment than the larger population centers of the state Standard Statistical Metropolitan Areas (SMSAs). Personal income had increased more in EDA-funded counties than in SMSAs, but this growth was attributed to an increase in transfer payments rather than to economic development.

The Economic Development Administration's apparent failure to stimulate economic development was explained in part by environmental variables over which EDA had no control. These included the overall deterioration of the state's economy, the longstanding economic distress of southern Illinois counties, the lack of a

state comprehensive plan, and the tendency for nonmetropolitan areas to attract low wage, slow growth industries. Other environmental variables include the "dispersed city" characteristic of the region, or the development of many small cities of similar size and apparently similar potential for growth.

Other variables affecting development are EDA's activities. Growth centers are too numerous, and too small, while funds have been dispersed into many other communities. Greater use should have been made of economic analysis to indicate superior growth areas and those with little growth potential where out-migration should be encouraged. The feasibility of proposed development projects and the cost to communities of providing support services for economic development should also have been analyzed.

Finally, economic development has been slowed by EDA's heavy investment in basic infrastructure. More time may be needed before the effect of such long-term projects on income and employment are apparent.