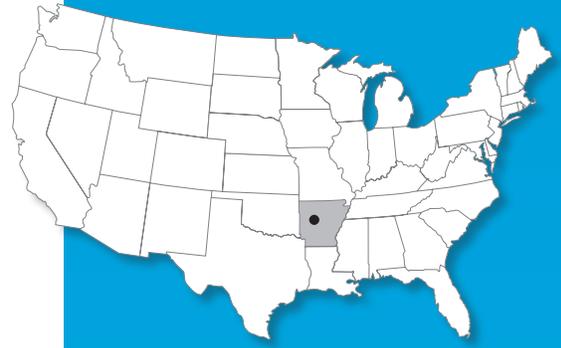


Morrilton, Arkansas



| | Morrilton |
|---------------------------------|-------------------------------|
| Population (2000) | 6,607 |
| Municipal budget (2005) | \$3.2 million ¹⁵² |
| Per capita income (2000) | \$17,000 |
| Median household income (2000) | \$28,000 |
| Poverty rate (2000) | 17% |
| Minority population (2000) | 23% |
| Proximity to urban center | 50 miles to Little Rock, Ark. |
| Proximity to interstate highway | 2 miles |
| Strategic approach | Workforce development |
| Time frame | 1998-2000 |

Over the last 20 years, Morrilton's high concentration of textile and manufacturing plants has been eroding. The biggest loss came in 1999 when two of its largest employers closed in the same week. More than 1,000 workers were laid off, resulting in 40 percent unemployment. The mayor and economic development staff quickly assembled an industrial fair in which more than 50 area businesses hired many of the former plant workers. In addition, Morrilton obtained help to establish a computer training center where former textile workers learned computer and technology skills. Through these efforts, Morrilton has attracted three new industries and replaced nearly all of the lost jobs.

The community and its history

Ever since Morrilton was founded in the late 1800s, farming and industry have been the mainstays of the local economy. Through most of the 20th century – thanks to its hard working labor force and close proximity to a major interstate highway – textile and other labor-intensive manufacturing operations became the town's largest employers. The first major shock came in 1985 when a textile plant, Crompton Mills, closed and laid off 1,100 people. Unemployment rose to 18 percent, and 600 people left town. Unemployment leveled off to around 6 percent by 1990, and locals believed the worst was behind them.¹⁵³

That was until February of 1999. First, Arrow Automotive Industries closed its doors, putting 460 people out of work. The following Monday, Levi Strauss & Co. announced it was closing and all 600 of its employees would be losing their jobs. Within the span of one week, Morrilton had

In Morrilton, two of the town's largest employers close their doors in the same week. A coalition of community leaders responds quickly to form partnerships and implement job training programs for the dislocated workers.

¹⁵²Interview with Wayne Desalvo, Conway County treasurer, March 30, 2007.

¹⁵³U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics.

lost its two largest employers and more 1,000 jobs. Nearly 40 percent of the town's workforce had been thrown out of work.

The strategy

Morrilton saw the potential for plant closings and prepared to help displaced workers and to prevent further dislocations. In 1998, Morrilton's local officials saw that both the Levi and Arrow plants were slowly downsizing. Mayor Stewart Nelson and a local economic development corporation began to develop a strategy for helping workers laid off from the plants. By pooling resources and connections, staff members in the local economic development office contacted business owners in the area to see who was looking to hire. Having generated a significant list, officials were ready when Arrow announced its closure. Within a few days of the announcement, Morrilton's officials pulled together an industrial fair with over 50 area businesses in attendance. The event was funded entirely from donations from local businesses, and many of Arrow's employees walked away from the fair with new jobs. City officials also sought help from the faith community to meet immediate needs of families affected by the layoffs.

On a second front, the town established a training program to teach former textile workers basic computer software and technology skills. By training textile workers in new technology, economic development officials believed Morrilton would be able to attract more modern industry. To set up the program, Nelson and other elected officials from Morrilton worked with Arkansas Sen. Blanche Lincoln to fund a facility and a dozen computers for the town. Lincoln also helped the mayor apply for a federal grant to cover the operating costs of the training program. After a local shopping mall owner donated land and power, the new training center was soon up and running. Within six months, the goal of landing a modern employer was realized with the recruitment of ICT Group, a banking call center. Many of the former Levi Strauss workers who had completed the computer program went on to work for ICT.

To prevent future dislocation, Morrilton has been working to diversify its economic base. The town has tried to recruit large and small 21st century businesses. Telex Communications, with 200 employees, and Semco, with 135 employees, were recruited to Morrilton just a year after the plant closures. In recruiting smaller companies, Morrilton is spreading its employment over a broader range of employers and economic sectors to minimize impacts should a business close. In addition, Morrilton has partnered with the nearby Fort Smith branch of the University of Arkansas to develop a basic management training program. Employees of area businesses can attend the intensive program and learn management skills and quality control techniques. This training curriculum meets the demand coming from business owners and increases the skill sets of the local workforce. Morrilton's greater hope for the program is that it differentiates its workforce from those elsewhere, making it more likely that businesses stay rooted in town. By investing in its workforce and playing a proactive role in the wake of plant closures, Morrilton has been able to overcome a devastating situation and reinforce its economy against future disasters.

What are the lessons from this story?

Workforce development is economic development. Morrilton demonstrates that assisting workers through the transition to new jobs can be an effective tool for economic development. The community's initial push was to engage with existing businesses to secure jobs for dislocated workers. Skill deficiencies pushed the town to go further and to create a computer training program, which has become a draw for more modern industries. Communities moving away from labor-intensive manufacturing can develop workforce strategies that help local workers compete for new economy jobs.

Anticipating the worst enables a community to respond faster to plant closures. Rather than relying on federal and state authorities to help dislocated workers, Morrilton took a leading role in finding workers new jobs. By utilizing contacts with area business owners, something state officials could not do, Morrilton's economic development group pulled off a highly successful job fair that helped many find work. Morrilton also was aggressive in seeking support from its state senator to secure a facility and resources for the computer skills class. Morrilton demonstrates that a concrete response during times of crises can have a large impact on a community.

Seek nontraditional partners in responding to economic disasters. After the plant closures of 1999, elected officials set out to inform laid-off workers of job openings through the industrial fair and provide workforce training programs. But officials did not stop there. Mayor Nelson brought area churches together to discuss how the faith community might help in this time of need. The churches agreed to host prayer meetings and provide counseling to workers and their families. The churches also opened food banks to ensure that no family went without a meal. This brought more members of the community into the problem solving process. "Everybody had a role," Nelson said. "Folks donated food to the churches, who gave food to unemployed families. It really brought the community together and helped us survive." Local leaders and officials should look beyond the obvious workforce issues to see how the other aspects of job loss might be eased. By involving churches, Morrilton was able to meet the immediate economic and psychic needs of its residents.

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