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School based enterprises offer an attractive solution to seemingly different problems - improving rural schools and supporting rural economic growth. As such, they demonstrate the very best in rural creativity.

# School-Based Enterprises: Rural Education Through Action Learning

by Paul F. DeLargy

Why does a community educator get involved in economic development, particularly rural economic development? This question has been asked often, frequently by community educators themselves. The answer is quite obvious: Community education has as one of its objectives improving the quality of life of a community's citizens. Since one-third of our national population is rural and many of these rural residents have a below average quality of life, it stands to reason that rural economic development falls in the realm of community education.

In Georgia, our rural schools are burdened by an inequitable distribution of resources. They are hampered by the fact that school support is based on property taxes, and most rural counties have lower land values than those of suburban or urban areas. Rural counties have lower average per capita incomes, higher unemployment, higher school dropout rates, lower academic achievement scores, more health problems and fewer services available to them from service agencies. Add to this list of difficulties the fact that close to one-third of our farms are in jeopardy, and you can begin to appreciate the difficulties that rural school systems face.

The educational needs of Georgia and the South are enormous compared to the rest of our nation. These needs are made obvious by the comparisons made so frequently in the education literature and in governmental reports. These educational needs are even greater in our rural counties.

Many rural schools have difficulties providing adequate vocational education programs for their students. One reason for the inadequate rural vocational programs is

that rural schools have had urban educational models forced upon them. These urban models support job specific training and specialization training, which in many cases is inappropriate for rural communities. Rural communities need generalists. Rural schools that have been able to develop vocational programs have often trained students for jobs available only in urban areas. They, in fact, provided no programs for rural students to develop skills that would enable the students to stay in their rural community.

With this dilemma in mind, Jonathon Sher (1977) offered an alternative that has the potential of dealing with some of these rural educational problems: the establishment of school-based development corporations. School-based development corporations are nothing more than small businesses operated by and/or with students to meet community needs for services or products.

## School-based Businesses

Brooks County High School in Quitman, Georgia became one of the first schools to implement Sher's school-based development corporation concept. With the help of the author and Sher, the school submitted a grant proposal for \$387,000 to Youth Work, a non-profit organization set up to distribute CETA funds for high risk youth operated activities. The project, titled REAL Jobs, was funded along with 11 others in 1979, and remains the only one still functioning.

As part of the school-based corporation project, the Brooks County community education advisory council completed a community needs assessment and generated a list of community needs. Among those needs identified for the REAL Jobs project were the need for (1) a day-care center, (2) a swine breeding and feeder pig operation, (3) a construction company, and (4) a business service component.

Brooks County is a poor rural community in southern Georgia. In 1979 there were no day-care centers in the county even though the Department of Family and Children Services had indicated a child care need for at least 250 children. The need for a swine operation was due to the fact that Brooks County had more swine producers than any other Georgia county, many of whom were operating ineffectively. The decision to develop a business service operation for the project was based on the desire of the business community to hire generalists—someone who could do a little of everything, from waiting on customers and taking inventory to sweeping the floor. A community survey had indicated a need for persons with building skills, and there appeared to be job opportunities for construction workers and construction sub-contractors. In addition, facilities were needed to house the child-care center and the swine operation.

Immediately after funds were received, all four enterprises were begun. The students built a 6,500-square-foot day-care center, which met high state standards for such a facility. They also built facilities for the four-building swine operation and a facility to house the construction component of the project.

At the beginning of the project Brooks County High School was in dire need of help. It had little community support. The school had about 1,000 students in grades 8-12; 63 percent of the students were black, and over 75 percent were below the poverty level. REAL Jobs, the school-based community development enterprise (SBDE) functioned as a catalyst and an implementing agency for a broad range of needed reforms in education and community development. The project involved a logical process for integrating rural schools into the economic development of the community.

Under the sponsorship of the school district, REAL

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Jobs functioned as a corporation working for the community as a whole, providing vocational and career training for high school students. As should be true of any SBDE, the functions of the REAL Jobs project were to:

Own and operate businesses or provide services to other productive enterprises in a local community, primarily using students supervised by the school faculty.

Generate or attract income-producing opportunities to the community.

Serve to help coordinate local development efforts.

Train young people in entrepreneurial skills.

Stimulate the development of community social services that respond to local needs, interest and circumstances.

For over five years the project components have operated with various degrees of success. The day-care center has been the most successful, having fulfilled the objectives set for the project—to improve the quality of life in the community, to provide opportunities to develop entrepreneurial skills, to provide jobs for students, to impact the curriculum in a positive way, to make a profit, and not to cause unnecessary duplication of a product or service.

The day-care center made \$38,000 last year, which was used for other activities not normally provided for by regular school funds. It provides an outstanding service for the community at a reasonable price and is considered one of the better child-care centers in the state. It provides jobs for students and helps prevent drop-outs. During the past several years, two new privately owned child-care centers have been started using REAL Job students as employees. The child-care curriculum was completely revised by the home economics department and now provides a two-year program for certification of child-care workers—the only high school in Georgia doing this. It has been a positive force in improving the community's attitudes toward its public schools.

Students in the construction component successfully built the swine production and child-care facilities. The construction component has proven to be a positive vehicle to help students—including special education students—in jeopardy of failing. The construction enterprise has provided many other services for the community, including building dugouts, restrooms and bleachers for the community baseball field; building brick retaining walls around trees for a city beautification program; and laying sidewalks in the city and county. It will continue to provide services to the city, county and community at large.

The swine operation was designed to provide an up-to-date contemporary learning center through which swine management could be taught in the vocational agriculture program at Brooks County High School. The swine breeding farm provides students with hands-on swine management experience and serves as a model for farmers in the area. The breeder pig operation also supplied feeder pigs to local farmers for the commercial markets. At present, the swine operation is being reorganized to include more community involvement and support and to integrate the comprehensive use of computers for management purposes.

The Brooks County REAL Jobs projects has received considerable attention. Numerous foreign visitors representing countries such as Ghana, Scotland, Brazil, and other countries have observed the project. The project was featured at the White House Conference for School/Business Partnerships and presented on a national teleconference sponsored by the U.S. Chamber of Commerce and

the National Community Education Association.

About the same time the REAL Jobs project was developed in 1979, planning began in five towns in Arkansas under the leadership of the Arkansas Community Education Development Association (ACEDA) with support from the Winthrop Rockefeller Foundation and the Ozark Regional Commission (Rosenfeld, p. 16). The planning resulted in the development of school-based development enterprises in five towns:

- \* In Mammoth Springs, students began to publish a weekly newspaper—it became the newspaper of record in the county.

- \* In Arkansas City, students started a maintenance company (Handyman, Inc.) and a photography laboratory. During the second year, they began a small newspaper and undertook a feasibility study for the renovation and conversion to apartments of an historic building.

- \* In Mountain Pine, the school district created Educational and Economic Enterprises, Inc., to operate a day-care center and a roller skating rink, employing 10 students and one local citizen.

- \* In Pangburn, students developed a community newspaper and later a woodworking plant. Their first product was a computer desk.

- \* In Clarendon, students attempted to open a movie theater, but it was an unsuccessful venture and SBDE was ended in 1982.

Publicity about the Georgia and Arkansas SBDE projects have created considerable interest. In a 1982 Special Report about Community Education, the Charles Stewart Mott Foundation featured the REAL Jobs project as one of six outstanding projects they had helped fund over a five-year period. Distributed to over 150,000 educators nationally, the report generated requests for SBDE information and technical assistance. In response, the foundation funded the author to conduct workshops throughout the country.

The outcome of these developmental activities has been the formation of a national non-profit 501(c) organization, called REAL Enterprises, to help establish SBDEs nationwide. A national advisory council has been organized, and the Small Business Development Center and Institute of Business of the University of Georgia will provide space and support services for REAL Enterprises.

Small Business Development Centers in several states have entered into informal partnerships with organizations developing SBDEs and have provided technical assistance by training students to develop feasibility studies, marketing studies and business plans.

Jonathon Sher is currently active in the development of five SBDEs in North Carolina. Partially funded by the North Carolina Small Business Development Center and two foundations he also has a JTPA grant from the North Carolina State Department of Education. He is also organizing the North Carolina REAL Enterprises affiliate with an active state advisory council.

#### Plans for Future School-Based Businesses

Plans are being made to start several SBDEs in Alaska and also in Oregon. And in Hartwell, Georgia, several SBDEs are being developed as components of a major community development project to attract tourists to that northeast Georgia town. The major component of the project is a scenic passenger railroad line, which uses a 1926 Baldwin steam engine and 1929 Erie Lackawanna reconditioned pas-



senger cars. The project also includes a retail Georgia products store, which will be one of at least 14 new businesses—along with the railroad—being created to attract tourists.

The school-based retail store and 19 other businesses in Hartwell formed a non-profit corporation called the Depot Street Development Corporation to direct the development of a two-block area next to the scenic railroad as a tourist attraction. Students helped the corporation do the research necessary to have buildings along the entire street placed on the National Historic Register. Recently an architect was hired, plans have been presented, and commitments made to restore the buildings to their original design. After the restoration, Depot Street will appear as it did in the late 1890s and early 1900s.

Recently an interesting modification of the School-based Development Enterprise concept was initiated. Called Arch International Export Corporation, it is a REAL Enterprise affiliate involving international business students from the University of Georgia. It will function as a student-operated export trading company. It is sponsored by a number of organizations including the University of Georgia Center for Community Education, the Small Business Development Center, REAL Enterprises and the Georgia International Trade Association. The business is currently being incorporated and is in the process of conducting feasibility studies to establish markets and products for the business.

### Conclusion

According to Stuart Rosenfeld of the Southern Growth Policies Board, "The School-based Enterprise concept allows schools to become businesses as well as educational institutions, and puts education into a 'real life' business setting, to employ as well as train. This may be the ultimate link between education and economic development." Rosenfeld raises some important questions: Should the local SBDE operate outside the community, the SBDEs to date have been local service businesses? Are there enough funds to adequately capitalize manufacturing or complex businesses? What about local competition, does it create a problem for school-based enterprises with local businesses? And finally, how difficult is it to get the concept of SBDEs across to school administrators to convince them to accept dual goals of education and economic development for their schools?

These questions remain to be answered, but with the number of projects now being initiated throughout the country, the answers to these questions should be forthcoming.

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