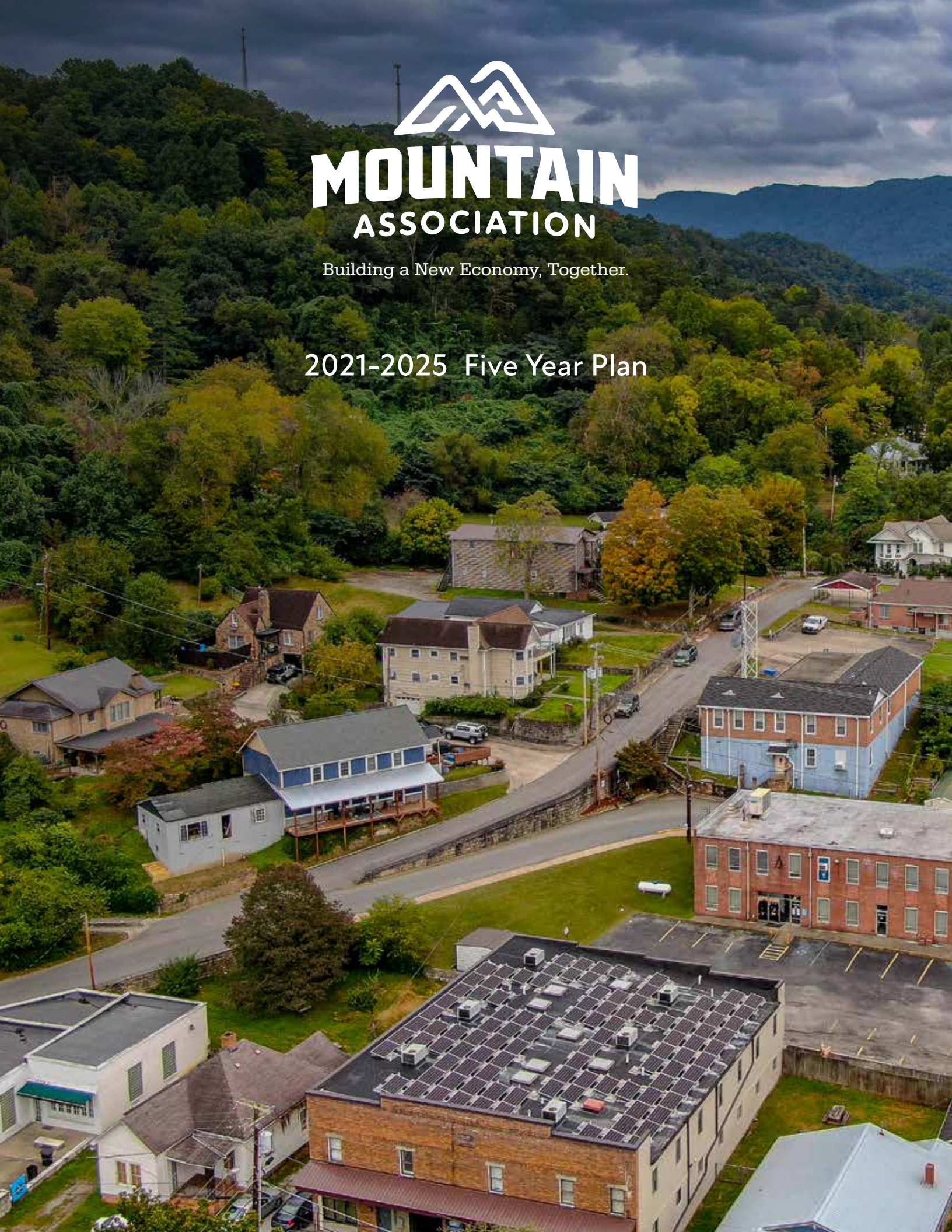




# MOUNTAIN ASSOCIATION

Building a New Economy, Together.

2021-2025 Five Year Plan



# Building a new economy, together.

## Greetings friend,

Thank you for your interest in our work. Our staff and board spent more than a year developing this new strategic plan—time spent looking backward and forward, inward and outward. We have asked ourselves tough questions and debated challenging answers. We have benefitted from the wisdom and engagement of our staff, our board, and our many partners, allies and funders.

For more than 40 years, the Mountain Association for Community Economic Development has developed tangible, scalable demonstrations of what the new economy looks like. We finance small, locally owned businesses in regenerative economic sectors that produce positive outcomes for people and places, including clean energy, local food, sustainable forestry, health care, and the creative economy. As a Community Development Financial Institution, we seek to make capital work for people and communities instead of the other way around. We apply research and analysis to inform public dialogue about important policy issues. We also lift up the voices of people here so they can tell their own stories about their work and their communities.

Our path for the next five years is ambitious. We have sharpened our analysis of the historic forces that shaped this region and the current external landscape. We have clarified our vision for the future and identified the building blocks upon which that future must be built. We have written a new mission

statement to guide our work. We have deepened our understanding of just and equitable community economic development. We have set goals that will direct our steps upon this path.

Along with taking these steps to reconceive our work, we are also changing our name, as MACED becomes the Mountain Association. This change underscores our commitment to a new beginning as we start this next phase of our work. The new name highlights the importance of engaging with our partners and allies and collaborating with the people and communities we serve. We hope that it will invite further dialogue about our ambitious vision and goals.

As we roll out this plan, we face an uncertain future brought about by the global COVID-19 pandemic. But we find this moment of crisis makes the course we have charted more relevant than ever. Creating the future we want will take all of us learning, planning and working to build an economy that better serves the people and places of Eastern Kentucky. We share this five-year plan as a road map, and as an invitation, to join us on this journey of building a new economy, together.

## Sincerely,

**Robin Gabbard, Board Chair**  
**Peter Hille, President**

## Our Mission

The Mountain Association invests in people and places in Eastern Kentucky to advance a just transition to a new economy that is more diverse, sustainable, equitable and resilient.



**Pine Mountain**  
Harlan County, KY

KY Horseshoeing School  
Richmond, KY

## Our Analysis

**Appalachia is a place of great richness; one of the most beautiful and ecologically diverse places on the planet, home to deep culture, resourceful people and a legacy of innovative problem solving.**

The region also faces real and deep challenges. This place of great abundance has been plundered by extractive industries at the expense of the land, people and communities. The old economy failed to create durable assets, resilient institutions and viable local economies, while most of the wealth went to corporations and absentee landowners.

## Appalachia needs a new economy,

one that is more diverse, sustainable, equitable and resilient. We call this shift we seek a just transition, the justice of which is grounded in the reality that Eastern Kentucky communities fueled the prosperity of the entire nation. Justice demands we bring the new investment that is needed to build that new economy.

Despite big, systemic challenges here, there is an even longer list of unique assets. Music, arts, culture and natural beauty help define the place. The people are enterprising and creative. And effective organizations and leaders are working to make a real difference.

Economic oppression by the coal industry, which resulted in deep inequities, forged a culture of resistance and traditions of community support for mutual survival. We can thank early 20th Century miners for many of the labor rights we enjoy today. Through unionizing and activism, miners and their spouses fought back against mine owners, dismal working conditions, and poor pay. They're still fighting today, to keep their Black

Lung and pension benefits, and be paid for work they've already done as companies file for bankruptcy.

Indeed, those miners' struggles have inspired generations of fighting back against oppressive systems. Women led anti-poverty social movements in the 1960s and 1970s to expand federal social safety net programs – and, in the past decade, to expand Medicaid. Teachers and retired state employees have fought to keep their pensions and raise their pay for decades. LGBTQ+ youth and young Appalachians of color are challenging stereotypes, uncovering erased histories, and making their voices heard. People of this region have had to work together in order to survive.

There is hope in this place. It is hope born of all these struggles and triumphs, of disaster and survival, of kinship and community. All the people who have called this place their home, with their varied experiences and cultures, have shaped its history and define its present-day realities. Despite the challenges the region faces, we can shape a better future. We can build a new economy, together.

## The Legacy of Resource Extraction

The coal industry created wealth for a few, but left a tattered legacy of persistent poverty for many. Appalachian Kentucky has the highest number of economically distressed counties of any state in Central Appalachia, and nine of the 30 poorest counties in the nation are in Eastern Kentucky. Cycles of boom and bust masked the long-term decline in jobs as a result of the mines being mechanized. Cheap natural gas from fracking drove the coal industry to collapse beginning in 2012. As coal production fell, coal severance tax revenue vanished, causing many communities to struggle to provide basic services like emergency medical transport or to make critical infrastructure updates to crumbling water systems and roadways.

The coal industry has played an outsized role in the buildup of CO2 in the earth's atmosphere and the resulting climate changes. Eastern Kentucky communities continue to face direct impacts of extreme weather, most often in the form of wildfires, floods and landslides (which are exacerbated by the environmental impacts of surface coal mining). Even so, coal jobs are cited as a reason why we can't take more action to slow climate change and seek justice for frontline communities. However, the old coal economy has already collapsed, and will never again provide the numbers of jobs it once did. We acknowledge a responsibility—and economic opportunity—in advancing a new clean energy economy in Eastern Kentucky.

Print My Threads  
Flatwoods, KY

**Despite the depth of the challenges we face and the urgency of the time we live in, we take aim at a bright future for Appalachia.**

We draw hope from all the good work we continue to witness; strength from our networks of allies and partners; and, wisdom from all those who have come before us. This hope, strength and wisdom inform a bold vision for the future.

# Our Vision

We envision an Eastern Kentucky where vibrant, inclusive communities are grounded in hope, where everyone has what they need to thrive, and where people tell their own stories and create their own future.

To realize this ambitious vision, we recognize that our work must engage effectively with the wide range of other programs and organizations that share our commitment to this brighter future.

## The Foundational Building Blocks

We have identified the following seven elements as essential to building a new economy. We characterize our approach to building this foundation as just and equitable community economic development.

### Communities

Vibrant communities are inclusive of all residents and newcomers, and are places where people want to visit, live, stay or return.

### Ecosystems

Land, air and water are healthy and natural resources are used sustainably, creating resiliency in the face of climate change.

### Equity and Inclusion

Community work is active in acknowledging and addressing historic injustice and ongoing inequities.

### Leadership

Civic leadership is diverse, grounded in feedback from engaged citizens and advocates for the needs of the community at large.

### People

All people have what they need to thrive, and there are no barriers to well-being, making it possible for them to be more civically engaged in their communities.

### Systems and Infrastructure

Government and private industry are accountable and actively support and invest in infrastructure improvements necessary for thriving communities.

### Wealth

Groups of people that have traditionally been excluded because of race and class are able to build generational wealth.

With this foundation solidified, the region can be a place where people want to live, work and play; where everyone can feel welcome in their community; where there are abundant opportunities to work with dignity or start a business; and, where anyone can thrive. No one can build this foundation alone. It will take many people, business owners, community leaders and organizations, and intentional, long-term investment at scale, to see each element realized.

Given this analysis and building on the Mountain Association's strengths as an organization, the next pages describe our goals for furthering these elements of a new economy.

Thursdays on the Triangle  
Hazard, KY

## Just and Equitable Community Economic Development:

A community-led, action-oriented approach to regenerating local economies and strengthening democracy. This approach recognizes the economic, environmental and social challenges Eastern Kentucky faces are interconnected and complex, and that the solutions must address issues on individual, community and regional levels.

To be effective, solutions must be inclusive – particularly of people and groups that have been historically excluded from decision making and wealth building – and rooted in place, culture and local knowledge.

# Our Goals

We have developed six high-level goals for our work over the next five years:

- 1** Align our work and our organizational culture with our values of equity and inclusion.
- 2** Support small businesses and communities in order to build long-term wealth, particularly for people who have been excluded and places that have been underserved.
- 3** Advance clean energy in service of people and communities and to address the growing climate crisis.
- 4** Develop projects and programs that demonstrate the new economy.
- 5** Empower new and different voices to tell their own stories.
- 6** Promote public policy that advances each goal in our five year plan.

**In the following pages, we have laid out the context, strategic approach and initial steps for each of these goals.**



# Align our work and our organizational culture with our values of equity and inclusion.

Context

The Mountain Association has taken a learning journey deep into the history of Appalachia in this planning process, and it has allowed us to reflect upon the complex forces that shaped the economy and culture of the region.

We have leaned into hard truths as we studied the colonization of this place by Europeans, and the subjugation, displacement and genocide of indigenous people because of that colonization. We have studied the history of enslaved African Americans in this place, and how that history shows up in our realities today. We see continuing inequity reflected in disparity of opportunity and fundamental human rights on the basis of race, class, gender and identity, immigration status, and transition from incarceration. All of these forces helped to set up the legacy of resource extraction that shaped this region’s failed economy.

Addressing extensive structural inequities demands that we go deeper into our understanding of all the underlying causes, and that we learn and grow both as an organization and as individuals. The Mountain Association’s commitment to equity has grown as we’ve worked to better understand structural and historical factors that have created the conditions in Appalachia today, and as we have learned from partners across the region and country who have asked us hard and probing questions about our approach.

To be effective, our approach and solutions must be inclusive – particularly of people and groups that have been intentionally excluded from decision making and wealth building. Our strategies must be rooted in place, culture and local knowledge.

Strategic approach

FOCUSING ON INCLUSION

Making our work more equitable cannot be accomplished by simply tweaking the work we have done in the past. Guided by what we have learned so far, we have already begun to create new approaches and programmatic designs that account for different needs, perspectives, barriers and lived experience.

Over the next five years and beyond, we will intentionally focus on people with low income or living in poverty, communities of color, and the range of other people and groups who have been left out of economic systems. We will actively explore ways to make our programs, products and services more equitable through research about the accessibility of our programs, and seek to better understand the real needs of those we seek to serve. We will continue to learn about successful, cutting-edge programs aimed at addressing inequity, and work with partners who bring expertise and already have deep connections in the communities we want to reach. We will engage the people we seek to serve, so they can lead us in designing our work together.



Fit & Fabulous  
Hazard, KY

Initial steps

We will modify our existing programs to include perspectives and practices informed by our equity work.

We will design and pilot a new body of work that will engage more directly with underserved groups.

We will modify internal policies and practices to align our organizational culture with our values of equity and inclusion.

We will continue to learn and better understand the historical and cultural forces that set the stage for the resource extraction economy, driven inequity, and divided people.



# Support small businesses and communities to build long-term wealth.

## Context

Small businesses are a powerful engine for building a more diverse and sustainable economy in Eastern Kentucky.

From the farmers market and coffee shop, to the music venue and hiking trail, to the retirement community and specialty clinic – food, recreation, entertainment, housing and healthcare all contribute to a quality of life that many people want in the place where they live. These amenities and resources are needed to revitalize communities, and are economic drivers, creating jobs and livelihoods, while increasing local ownership. A strong pool of well-prepared entrepreneurs is critical to building a diverse local economy.

There is much more work needed to ensure people of all ages, genders, orientations, races, classes and abilities can see themselves becoming successful business owners if they choose, and that they can open those businesses on their Main Street and be supported by their local community. Because of historic injustice, systemic oppression, and ongoing inequities, it is much harder for people in these excluded groups to access capital and find the support necessary to open and grow a small business. The long-term persistent poverty of the communities we serve creates additional challenges for any business.

## Strategic approach

### SUPPORTING SMALL BUSINESSES

Over the next five years, the Mountain Association will continue our small business lending with the aim of putting capital to work for people and communities. Small-business lending allows us to provide capital to people who own, or are interested in starting, their own businesses. In many cases, these entrepreneurs would struggle to access affordable capital elsewhere.

We have a long history of providing affordable financing to entrepreneurs from traditionally underserved groups. But to address our ambitious goals for equity and inclusion, we will have to do more. We will need to develop new approaches, new tools, and new programmatic work. Over the next five years, we will listen and proactively design methods to better support underserved and underrepresented groups in Eastern Kentucky.

We will expand our business support services, connecting business owners to experts that can help them address challenges, such as marketing, accounting and website development. This one-on-one assistance is a proven form of support, often leading to the most tangible results in the success of a business. In addition to helping small businesses with this support, we will also continue to assist non-profits in the region, many of whom provide critical services to Eastern Kentuckians. We will also continue collaborating with the many other regional organizations working to support entrepreneurs in Eastern Kentucky.

## Initial steps

We will continue and extend our lending activities with a particular focus on regenerative sectors such as local food, tourism, healthcare, energy, sustainable forestry, and the creative economy.

We will expand our business support services in ways that will increase our ability to better serve businesses we have previously supported, and that will create more opportunities for people and places that have been underserved.

We will be responsible stewards of the capital resources entrusted to us, growing our loan portfolio in ways that advance our mission while increasing our self-sufficiency to make our work more sustainable over time.



| That's Sew You  
Stanton, KY



# Advance clean energy for people and communities, and to address the growing climate crisis.

## Context

The energy economy has shaped Eastern Kentucky's past, present and future.

We honor the generations of coal miners who put in long hours doing back-breaking labor to provide for their families and communities. We also honor their struggle for fair pay, safe working conditions and dedicated health benefits for black lung. We believe part of honoring their legacy is to question why, today, the region faces rising energy costs, among the highest per-capita energy usage in the nation and aging infrastructure. On top of that, climate change is causing more extreme weather events that are already impacting the daily lives of Eastern Kentuckians.

The Mountain Association has advanced the new energy economy over the past decade by making energy efficiency retrofits and renewable energy installations available to the residents, small businesses, local governments, non-profits and faith-based organizations in our service area. We have developed innovative approaches including on-bill financing for residential energy efficiency; a new financing tool for solar installations on small businesses and non-profits; and, an innovative internship program that has helped former miners find new work in the clean energy economy.

## Strategic approach

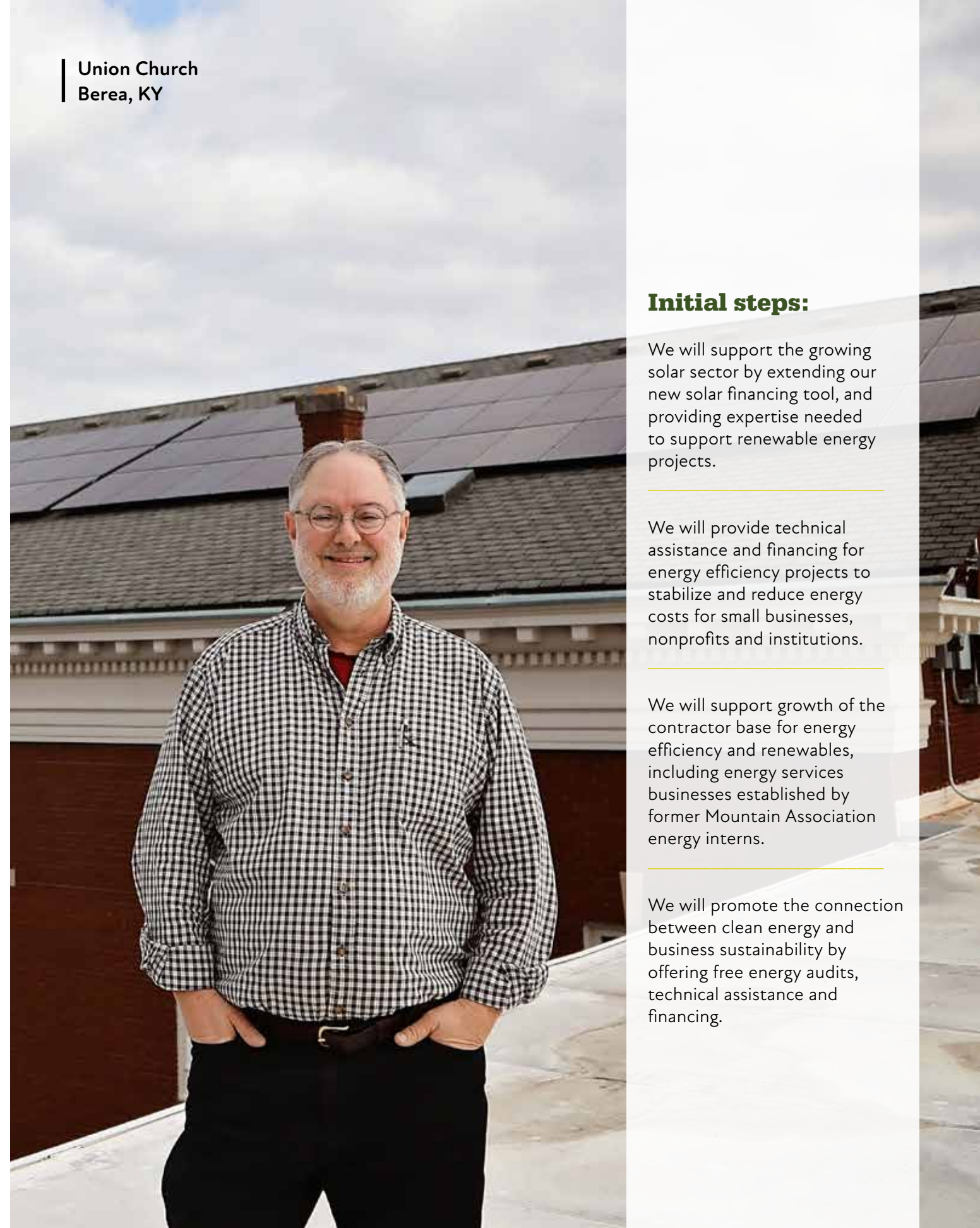
### BUILDING A GREENER FUTURE

Over the next five years, we will continue to extend our innovations in the energy sector. We will expand solar lending and expect to support several million dollars of new solar investment. We will assist new energy entrepreneurs as they grow the market for efficiency and renewables. We will explore, innovate and pilot new technologies, including renewable energy storage, and ensure these innovations are available to businesses, organizations and institutions in our region. We will advocate for state and federal policy that advances a clean energy future. We will continue our work with utilities, encouraging them to understand that their interests align with this work. We will share success stories of Appalachia's energy transition and leverage new financial and intellectual capital into the region and this work.

The Mountain Association will also ensure we are prioritizing people and communities facing economic barriers as the clean energy economy grows, and that communities will have increasing control over their energy production and use. We will address financial barriers, regressive policies and gaps in awareness that tend to make energy innovation only available to the privileged few. We will engage organizations that provide critical services to people with low income and help them implement energy-cost savings so they can keep their doors open and focus on their mission instead of their electric bill.

And, we will no longer stand silent in the face of the growing climate crisis. There are people across this region who see the extreme weather events and changes in their gardens, the forests and the seasons, and know that something is indeed shifting, and not for the good. We believe we have a responsibility to be honest about these changes, not in spite of where we live and work, but because of where we live and work. We will demonstrate that the energy future we can build here is one of economic opportunity, and that we don't have to choose between our economic well-being and a future for our children and grandchildren.

Union Church  
Berea, KY



## Initial steps:

We will support the growing solar sector by extending our new solar financing tool, and providing expertise needed to support renewable energy projects.

We will provide technical assistance and financing for energy efficiency projects to stabilize and reduce energy costs for small businesses, nonprofits and institutions.

We will support growth of the contractor base for energy efficiency and renewables, including energy services businesses established by former Mountain Association energy interns.

We will promote the connection between clean energy and business sustainability by offering free energy audits, technical assistance and financing.



# Develop projects and programs that demonstrate the new economy.

## Context

Communities in Eastern Kentucky know what the gaps are in their local economy. From the beginning, the Mountain Association has listened to communities to understand what they think would help further their progress towards an economy that is more diverse and sustainable.

We have often designed unique and place-based interventions in economic sectors that work to fill gaps and demonstrate what's possible in the region and the new economy. These interventions are built using community knowledge, our own extensive research, and learnings from our regional and national partners about what's working in other places.

Over the last five years, we focused our demonstrations on key economic sectors and specific places as identified in our last five-year plan. Our sector work included the deep engagement in energy described above, as well as work on tourism through our Airbnb trainings, regional creative placemaking, and network building. Our place-based work particularly focused on Hazard, Kentucky.

## Strategic approach

### INVESTING IN THE REGION

Over the next five years, we will continue deep investment in Hazard by collaborating with long-established and emerging local groups on new projects that present promising opportunities for building a vibrant economy in Hazard. Our core programs of energy, lending and small business support services will continue to be the main tools we use to leverage opportunities and advance demonstrations of what's possible in Hazard. We will continue to develop training tools to build local capacity and support networks to strengthen regional collaboration.

Our ability as a CDFI to leverage capital to finance these demonstrations allows us to bring ambition and scale to the projects and programs we develop. We can use our strengths and unique capacities as an organization to engage in demonstration projects with local partners, helping foster innovative ideas that will support community revitalization work and demonstrate tangible and visible change and possibilities that could be replicated in other communities.



## Initial steps

We will deepen our investment in Hazard by working collaboratively with partners to identify and support high-impact projects, including real estate development, renewable energy installations, and grassroots initiatives.

We will support a more robust entrepreneurial ecosystem through training and technical assistance. Together with our Hazard partners, we will develop a plan for advancing that work, and we will create the structure needed to support that plan.

We will collaborate with leaders in other communities to design and implement strategies that build their capacity for economic transition, similar to the work we've done in Hazard.

We will continue to support the incubation of community networks that build regional capacity and initiatives that demonstrate just transition.

## Our collaborative work in Hazard has provided us with an important case study about developing projects and programs in the context of community.

After we opened our Hazard office in 2011, we realized there were key missing pieces for the entrepreneurs we sought to serve. They needed encouragement from the community; access to physical space in which to locate their businesses; and, they needed to see that starting a business was possible and that a small business could be successful there. We saw opportunities to address these needs by investing time and resources into community development strategies.

Working with other community partners, we supported the creation of InVision Hazard, a citizen-led coalition focused on revitalizing Hazard's downtown and giving voice to local residents' visions for the future. Hazard has made huge strides in its revitalization because of the work of Invision. For example, the City of Hazard re-instituted its Code Enforcement Board, hired a local architect as a permitting and zoning officer, and implemented a property tax penalty on vacant and blighted buildings, which created a registry and enforcement protocol to address out-of-use buildings for the first time. Our investment in Hazard has also provided key capacity and capital for community projects, from local foods to creative placemaking.



# Empower new and different voices to tell their own stories.

## Context

The images of Appalachia most often seen by national audiences are rooted in well-established stereotypes. Stories about ignorant hillbillies that don't want to work, and uneducated, barefoot children are cemented in the national psyche thanks to waves of media extraction that caught fire when president Lyndon Johnson declared the War on Poverty in Martin County, Kentucky, in 1964.

Outside media flocks to the region when there's a national crisis that needs explaining. The most recent example of this came after the 2016 election, and is continuing into the 2020 elections. Though the images now are mostly of out-of-work white coal miners and drug addiction, they are still rooted in the false notion that nothing good comes from a region where the people are "unwilling to help themselves."

But we know better. And the people we serve in Eastern Kentucky know better.

The Mountain Association and many of our partners have worked for decades to tell more accurate stories of Appalachia that are layered and complex. Over the past few years, we have expanded our communications work by publishing stories of inspiration from the region through our newsletter, social media outlets and community networks. We also established and grew partnerships with national and local reporters to help them more accurately tell the story of economic change in Eastern Kentucky.

## Strategic approach

### SHIFTING THE NARRATIVE

We want to shift the narrative of the region on the national level, but more importantly, we want Eastern Kentuckians to see themselves in the stories we tell and amplify so they'll feel like they can join the economic rebuilding efforts happening across the region. We want residents to feel hopeful about the changes so they can confidently stay in the place they love, work in jobs with dignity, provide for their families, send their kids to good schools, and engage in their communities in meaningful ways.

The Mountain Association will continue participating in important storytelling work over the next five years. We will design and implement communications campaigns about the issues Eastern Kentucky faces in a shifting economy as a way to better inform citizens. We will help people in communities tell their own stories as we seek to bring forward a diversity of voices, particularly from groups that have been underrepresented. And, we will work with our partners to uplift a shared narrative of change and revitalization throughout the region.

## Initial steps

Together with our regional partners working on ethical media engagement, we will develop an online toolkit for media covering the region and national partners who visit.

We will use daily strategic social media posts and work with local, regional and national media to promote substantive stories written by or with our communities.

We will work with our partners to design coordinated systems and schedules for messaging in order to more effectively collaborate on a shared narrative.



Sycamore Hollow Hats & Airbnb  
Manchester, KY



# Promote public policy that advances these goals.

## Context

We cannot achieve our goals and carry out our mission without addressing public policy at the local, state and federal level.

We must help shape and support policy aimed at leveling the playing field for all Eastern Kentuckians. These policies must address equity and inclusion for all people, their families, and their communities; remove barriers to health, livelihood, and education; and, support economic transition, particularly in the key sectors we address in our work.

The Mountain Association has a long history of research and policy work. Over the past decade, that work coalesced into our policy program, the Kentucky Center for Economic Policy (KCEP). KCEP has grown and developed its own significant body of work with a broader statewide focus, its own funding sources, and a rapidly growing staff. Accordingly, the Mountain Association and KCEP came to the realization that it was time for KCEP to become an affiliate with their own board, mission and focus on state economic policy. That transition will take place during the first year of this plan. Because of that change, we will renew our internal capacity for research and policy with a sharper focus on Eastern Kentucky and the work described in this plan.

## Strategic approach

### MAKING REAL CHANGE

Over the next five years, we will increase our capacity to conduct research and advance policy that will support our five-year goals and long-term vision for Eastern Kentucky. We will do this with the help of our allies and partners. We will also communicate with Eastern Kentuckians about our research findings to better inform them about decisions that affect their everyday lives. We will speak out against regressive policies and actively support those at the state and federal level that will help advance just transition.

We will continue to work on energy policy, and expand our capacity for energy-related research, public education and advocacy. This will draw upon our experience and expertise of our energy program staff, while lifting up our successful energy projects as demonstrations of the new economy. We will build from our experience with energy policy to inform our policy work related to other sectors.



New Beginnings Child Care  
Hazard, KY

## Initial steps

We will use the existing internal resources of our Appalachian Transition and Communications staff to design this new area of work.

We will develop a plan for extending the Mountain Association's capacity for this work and identify the staff capacity needed to carry it forward.

We will continue current efforts to advance just transition policy on multiple fronts and expand our state and national work as we begin to build more policy capacity.

We will continue to promote supportive energy policies and oppose regressive energy policy, particularly at the state level.

Hemphill Community Center  
Neon, KY

## Conclusion

We continue to see a growing movement calling for a brighter future and an economy that works better for everyone.

We've watched Kentuckians rally for what matters most to them, including public pensions for teachers and state employees, and affordable energy. We have seen businesses and anchor organizations in Eastern Kentucky embrace solar as a way to keep their doors open, and we've supported them with financing and technical assistance. We've seen many entrepreneurs starting or growing businesses in their communities, and we have supported them with training and qualified consultants. We've worked alongside Eastern Kentuckians to challenge the false and misleading stories being told about this place. Together, we are shifting the narrative toward one of hope for our future.

As a staff, we will develop an implementation plan each year that will identify our annual priorities and outline the ways in which we will work toward our five-year goals. We will measure the results, evaluate our programs and produce impact reports to share our progress toward achieving our mission and realizing our vision.

We have laid out an ambitious plan and an even more ambitious vision of the future. We know we will not get there in five years. But with the clarity we have developed through this process, we are confident we will be headed in the right direction and that we will make good progress. With this plan as our guide, and with the help of our partners and allies, we begin this new chapter in the work of the Mountain Association – building a new economy, together.



**Questions? Email [info@mtassociation.org](mailto:info@mtassociation.org) or call one of our offices.**

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