

**Title:** “Improved Prospects for Rural Manufacturing: An Industrial Targeting System for the Great Plains”

**Authors:** John Leatherman and Terry Kastens

Department of Agricultural Economics

Kansas State University

331 Waters Hall

Manhattan, KS 66506

Phone: 785-532-4492

Fax: 785-532-6925

E-mail: [jleather@agecon.ksu.edu](mailto:jleather@agecon.ksu.edu)

**Outline:**

I. Introduction: Overview of Manufacturing Industry Targeting

II. Industry Targeting Strategies: Probability Modeling as One among Numerous Strategies

III. Conceptual Model of Business Growth (including supporting literature)

(A) Community Economic Characteristics

(B) Community Social Climate

(C) Community Infrastructure

(D) Industry Input (Labor Force) and Market Requirements

IV. Specification of Industry Sectors Represented in the Model

(A) Durable goods

(B) Nondurable goods

V. Model Specification

(A) Geographic specification – 416 Great Plains Counties

(B) Probability modeling

(C) Estimating marginal impacts

VI. Illustration of Model Results – A County Case Study

(A) Probability rank order

(1) Manufacturing

(2) All other industries

(B) County rank order by industry probabilities

(C) Marginal impacts

(D) Understanding the policy implications of marginal impacts

VII. Sectoral and Regional Prospects Using Probability Modeling

(A) Average model probabilities by state and industry

(B) Spatial dispersion of industry probabilities and similarities across industries

(C) Percentage of significant policy variables by industry sector and implications for the relative importance of a given policy variable

VII. Probability Model Use in Local Decision-making Illustrated

- (A) What the model can tell us and what it cannot
- (B) Other information needed for decision making
- (C) Final thoughts on industry targeting