



# Downtown Economics

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*Ideas for Increasing Economic Vitality in Community Business Districts*

## Downtowns in Small Communities that Celebrate Ethnic Heritage

Summary of Research Conducted by Sarah Burgert\*

Some small towns, especially in the Midwest, focus on their ethnic heritage as a way to attract visitors to their downtowns. A study comparing seven small communities provides insight into recent trends and strategies impacting ethnic heritage tourism. The seven communities researched include:

- New Glarus, Wisconsin (Swiss);
- Berne, Indiana (Swiss);
- Frankenmuth, Michigan (German-Bavarian);
- Guttenberg, Iowa (German);
- Hermann, Missouri (German);
- Lindsborg, Kansas (Swedish); and
- Mount Horeb, Wisconsin (Norwegian).

### Positive Trends

A variety of local, regional and national trends are impacting heritage tourism in the seven communities as listed below:

1. Inclusive community planning and visioning efforts (including development of marketing plans);
2. Private investment in vacant properties and expansion of businesses critical to the local economy;
3. Redevelopment and infrastructure investments by local government (i.e. streetscape improvements);
4. National trend towards healthy living and related expansion of recreational opportunities (i.e. bicycle trails);
5. Retention of strong ethnic and cultural heritage resulting in attraction of amateur and professional artists and historians;
6. Emergence of the next generation of small business owners; and
7. Desire of retirees and young families to return to small communities offering a high quality of life.

### Negative Trends

Some negative trends affecting heritage tourism in the seven communities are listed below:

1. Struggling small businesses and empty storefronts (due in part to slow economic conditions, shifts to on-line shopping, large retailers locating in nearby communities, and "hobby" business owners without effective business plans);
2. Run-down properties needing refurbishment that balances modern business needs with old-world charm characterizing the community;
3. Loss of manufacturing jobs;
4. Property tax increases;
5. Loss of family farm and loss of identification as an agricultural community;
6. Loss of young talent to large metropolitan areas
7. Rising energy costs;
8. Increase in number of day-trippers and decrease in number of extended stay visitors; and
9. Negativity and resistance to change.

### Changes in the Tourism Market

Many of the communities studied have recently seen changes in their tourism base bringing visitors with different tastes and needs to the area.

- Some communities are experiencing declining attendance at more traditional festivals;
- Decline in bus tours and increase in bicyclists and motorcyclists;
- Trend of long-time visitors purchasing real estate in the area;



- Increasing number of early retirees with higher amounts of expendable income; and
- Loss of the "next generation tourist" – their family may have regularly visited the community but now that they have their own families they are not returning as frequently.

## Strategies

As the tourism base changes, so do the marketing strategies that are necessary to balance a community's old-world charm with modern accommodations and experiences. Brochures at welcome centers and rest stops are fairly common, along with the use of billboards for communities near major interstates. The Internet has also become an increasingly used marketing tool. Associating the community with a well known business or product developed in the area has also shown to be a way to increase marketing and create an identity for the community. A variety of strategies and events are being used to promote ethnic heritage:

- Design review for downtown buildings (to ensure and retain heritage appearance);
- Signage in consistent color palette or with names in German/Swedish/Norwegian;
- Symbols of ethnicity visible throughout the downtown and in some cases the broader community;
- Ethnic festivals;
- Ethnic components to many major festivals (i.e. yodeling, alphorns, cultural costumes, demonstration of customs and crafts, cultural foods);
- Heritage sites (museums, villages, etc);
- Clean, well-groomed businesses, streets and homes (reflective of the European culture of the immigrants who settled these communities); and
- Creating a downtown anchor (clock tower, plaza or park) as a gathering space.

Increasing the local support of the tourism sector is also important to the development of the community's downtown. In many instances local businesses do not meet the needs of the local community, therefore the local population does not support the retailers. One way to build the relationship between the local population and local retailers is to provide incentives and rewards (i.e. business of the year to an establishment that extends evening and weekend hours) for businesses that strive to foster community engagement.

Many small communities with local economies that rely on ethnic heritage fall along a continuum. While some communities do very little with their heritage, other communities fully embrace their ethnic image. What is apparent is the need for each community to find and develop their unique sense of place that attracts visitors to the area. For some communities this may involve taking advantage of their physical geography, unique history or proximity to nearby cities. Each community will appeal to a different type of visitor and should find their unique niche.

Partnership between public and private sectors can provide the leadership needed to keep the community economically viable. While unification resulting from a strongly shared community pride and a common vision are critical, it also comes down to individuals as the source of necessary leadership. Individuals are needed to sell their vision, build core groups of people focused on creating positive change, and invest monetarily in the community. It is optimism, persistence and vision that comprise the leadership necessary for development.

## Conclusion

The path to success in promoting a community's ethnic heritage lies in finding its authentic story, telling the story in a way visitors want to experience, and sharing that story as part of the lives of local residents. While there is a lot to learn from strategies in other communities, there is no cookie cutter approach to developing economic gain from heritage tourism; each method is as unique as the community.

While the sense of place each community creates should endure the test of time, it is necessary to be flexible as the market changes. Long-time visitors are eventually replaced with new tourists looking for a reason to stay longer and to come back again. This repositioning as the market adjusts is what successful businesses do, and it is what the community can do with the guidance of a vision for the future and a plan for achieving that vision.

Also see related articles in the February and May, 2007 editions of Downtown Economics:  
<http://www.uwex.edu/ces/cced/downtowns/lrb/index.cfm>

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