

# Advancing Economic Development in Persistent-Poverty Communities

CASE STUDIES



**Gadsden County, Florida:**  
Struggling to achieve liftoff

## Overview

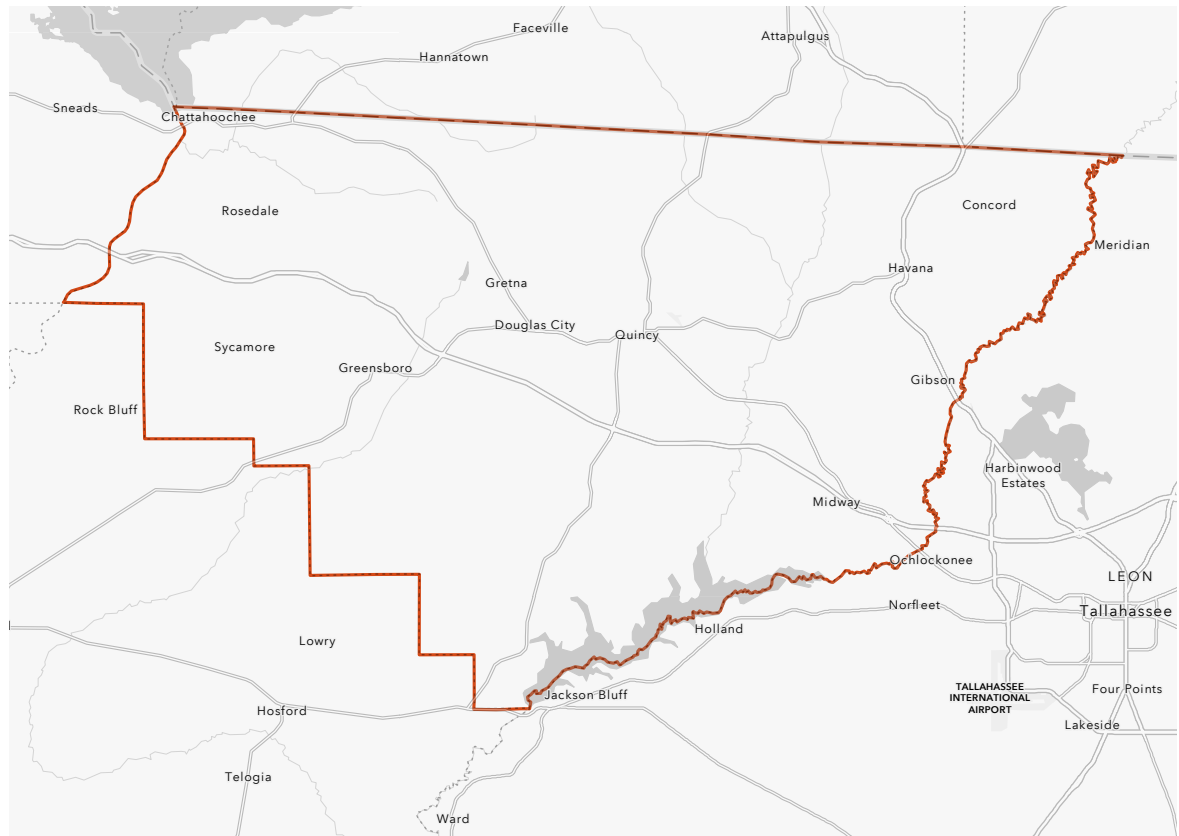
Situated just to the west of Tallahassee, Florida's capital, Gadsden is a rural county with deep agricultural roots even though most of its residents work in other industry sectors today. The county has a modest population of 46,000, and none of the six small towns scattered across it exceed 10,000 in population. Despite its proximity to a growing urban area, it is one of just two counties in Florida with a population above 30,000 that lost residents from 2010 to 2019. Although its population loss has not been severe and some of its towns are growing, its growth trajectory stands in stark contrast to the rapidly expanding population of the state elsewhere. Like many rural counties in Florida, it tends to attract retirees while struggling to hold onto working-age adults and families.

Gadsden has yet to capitalize on its various assets and gain the necessary momentum to exit the list of persistent-poverty counties even though it seems well-positioned to do so. Throughout the county, there is ample land that is shovel-ready for industrial and residential development, but projects tend to move forward slowly, if at all, largely due to local officials being slow to sign off on projects. While Gadsden's poverty rate has trended down over the past 30 years from 28 percent in 1990 to 23 percent in 2019, several of its towns still have poverty rates well above 20 percent, with clear disparities in income and wealth. Despite its demographic and economic challenges, Gadsden could very well pivot to growth over the next decade, but this will depend on the focused efforts of local leaders and carefully scoped state and federal investments.

## Geography and background

Gadsden is situated in the Florida panhandle, with Georgia to the north and Tallahassee to the east. Lake Talquin forms its southern border with Lake Seminole accessible from the other side of the county. The Apalachicola River runs along its eastern border. Florida's Gulf Coast is reachable in around an hour's drive. Quincy is the county seat and its largest town. It sits in the middle of the county, just off Interstate 10, which runs east to west across the county. Smaller towns are scattered throughout the rest of the county. Chattahoochee, in the northwest corner, is the most geographically isolated, while Midway is a short drive from Tallahassee and stretches along Interstate 10. Gretna is not far from Quincy, and Havana is in the northeast, also not far from Tallahassee. The proximity to the interstate for most of the county and the dispersion of its towns is such that none is more than a short drive in any direction, making the county feel well-connected. Nonetheless, it remains very rural, with little spillover in suburban development from Tallahassee.

## Map of Gadsden County study area



 Gadsden County boundary

Source: EIG analysis of U.S. Census Bureau data and American Community Survey 5-year estimates.

Gadsden is Florida's only majority-Black county with 55.8 percent of its population falling into that group, and it is part of the historic, predominantly agricultural Black Belt region. Whites make up 32.3 percent of the population and Hispanics 10.4 percent. The racial composition varies substantially from town to town. Midway is 87.6 percent Black while Havana is just 49.2 percent Black, with whites making up most of the rest of its population. Quincy tends to be quite segregated, with Black people concentrated in the southern part of the town and whites mostly gravitating towards the northern parts of town. North Quincy boasts carefully maintained historic homes and lush yards, while south Quincy has visibly lower quality homes, less tree coverage, and more strip malls with vacant stores. This is a stark example of how poverty is not evenly distributed throughout the county.

Historically, like many rural counties in the Black Belt, most of Gadsden’s wealth was concentrated in the hands of a small number of its white residents. Certain families’ strategic investments in Atlanta-based Coca-Cola stock along with tobacco farming made Gadsden one of Florida’s richest counties in Florida in the early 20th century. Although the county’s wealthy residents invested money back into the county, as evidenced by improvements to the town of Quincy, their prosperity did little to expand economic opportunities for its mostly Black, low-income residents.<sup>1</sup>

When shade tobacco, Gadsden’s primary cash crop since before the Civil War, went bust almost overnight in the 1960s, the county’s mostly Black labor force suffered the most. Changes to wages and labor laws around this time made it cheaper to grow the crop in South America.<sup>2</sup> The low wages paid to the laborers who worked Gadsden’s tobacco fields provided little generational wealth, and the decades following the collapse of the county’s tobacco industry were defined by high poverty rates and few economic opportunities. By 1990, Gadsden’s poverty rate was markedly higher than the Tallahassee metropolitan area, a clear indicator that its economy was out of step with the broader region. The county did see a meaningful reduction in its poverty rate by the end of that decade, buoyed by robust economic growth nationwide, but the economically turbulent 2000s drove up its poverty rate again. Economic growth in the 2010s brought poverty rates down again, but it is unclear if the county is well-prepared to handle another economic shock.

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1 Rockwell, Lilly. “Quincy’s Drink of Choice,” Tallahassee Magazine, 2012.

2 Dunkelberger, Rosanne. “Remembering Shade Tobacco in Havana,” Tallahassee Magazine, 2020.

## Key metrics, Gadsden County and Florida

Indicator category	Indicator	Gadsden County	Florida
Demographics	Total population, 2019	46,000	20,832,600
	White	32.3%	54.0%
	Black/African American	55.8%	15.3%
	Hispanic/Latino	10.4%	25.5%
	Native	0.1%	0.2%
	AAPI	0.2%	2.7%
	Foreign born	4.9%	20.7%
Poverty and income	Poverty rate	22.8%	14.0%
	Median household income	\$41,400	\$55,700
Housing	Housing cost burden	20.4%	27.8%
	Vacant housing	18.3%	22.1%
	Owner-occupied	72.9%	65.4%
Education	Adults with no high school diploma	19.1%	11.5%
	Adults with Associate's degree or higher	22.5%	39.7%
Employment	Prime-age adults not working	35.9%	22.6%
	"Good-paying" jobs per 1000 prime-age workers	706	851
	Establishment growth rate, 2010-2019	1.9%	16.8%
Industry	Natural resources	3.2%	1.0%
	Construction	8.6%	7.6%
	Manufacturing	5.4%	5.1%
	Skilled services	38.2%	43.7%
	Leisure and hospitality	7.1%	12.2%
	Trade, transportation, and utilities	19.6%	21.0%
	Government	14.9%	4.2%

Source: EIG analysis of U.S. Census Bureau American Community Survey, Longitudinal Employer-Household Dynamics, and Business Patterns data.

## Key challenges and barriers to revitalization

Gadsden's high share of adults without a high school diploma and prime-age adults not working are key factors explaining its persistently high poverty rate. Its poor performance on these metrics reflects structural issues with its public schools, workforce training, and overall economic growth. Like many rural counties, it struggles to attract large development projects, exacerbated by limited institutional capacity and competition from neighboring Leon County, which includes Tallahassee. Infrastructure investments are needed alongside substantial improvements to its talent pipeline to better prepare residents for participation in the regional economy.

### **Institutional capacity is limited**

Institutional capacity is a significant challenge for Gadsden County. Most of its towns do not have a grant writer to assist in applying for federal or other funds. Given (at least the local perception) that successful grant applications are often built on having an established network of relationships and experience with the grant process, it has been particularly difficult for the towns to navigate through that process and even become aware of opportunities.

Gadsden's many town governments have broad leeway in terms of shaping development and economic growth within their boundaries. While this flexibility gives residents a strong voice in the future of their communities, it can also lead to a lack of coordination and capacity constraints needed to advance complex projects. Towns with better-managed governments, like Havana, tend to be more successful compared to towns with less stable governments, like Quincy, which has had substantial turnover in the past year. How well these towns interface with the Gadsden Economic Development Council matters as well, and there can be friction between county government and local officials.

The county government in Gadsden has limited capacity to move projects forward without buy-in from the local government whose jurisdiction the project falls under. A common refrain from local leaders is that projects get held up by local politics and do not get the approvals and permits necessary to move forward. Several local officials interviewed for this case study acknowledged that the county's municipalities need to be more decisive in green-lighting projects that will likely benefit the entire county. They also noted that this is difficult to achieve when small municipal governments vary in leadership quality, capacity, and vision.

### **The small business ecosystem is anemic**

The proximity of Gadsden to Tallahassee is both an opportunity and a challenge for the county. At present, Tallahassee's proximity is a net economic loss for Gadsden. Major economic investments tend to happen in and around Tallahassee, and a lack of shops and restaurants in Gadsden increases the likelihood its residents drive to Tallahassee for amenities instead. There is anecdotal evidence that residents of both Gadsden and Tallahassee are more likely to cross state lines and go to small towns in Georgia if they want a small-town experience because those towns are more economically successful than the ones in Gadsden and have superior amenities.

Communities throughout Gadsden do not currently have enough economic activity to support more restaurants and shops, but the lack of those options makes it unlikely that they will be able to compete with their more prosperous neighbors. Chain businesses have proliferated in the county, especially around Quincy, while local, independent businesses struggle to survive for a variety of reasons. County residents placed some of the blame for a lackluster small business environment on elected officials who they claim have not done enough to encourage the growth of new businesses. These chain businesses do of course hire local workers, and many are franchises that may provide opportunities for local entrepreneurs, but they fail to create a distinct sense of place that is needed to draw in more visitors and encourage residents to shop and eat locally.

### **The public education system is underperforming**

Local officials in Gadsden identified the K-12 public education system as one of the biggest impediments to the county's economic growth. Out of all the issues the county is struggling with, human capital is perhaps the most wide-reaching in terms of its impact. The high dropout rate for students and the low quality of the schools themselves fails to create the workforce in Gadsden necessary to attract manufacturing and transportation and logistics facilities. Recent data indicates that only 10 percent of 3rd grade students in Gadsden were proficient at reading,<sup>3</sup> a dismal statistic that indicates the uphill battle the county faces in preparing its youngest residents for future employment.

When Amazon recently decided to locate a fulfillment center in neighboring Leon County, the workforce was cited as one reason for its decision. Not only does Gadsden's K-12 system fail to prepare students for advanced jobs and higher education, but also it increases the likelihood that workers will be funneled into lower paying jobs. This leaves residents with less disposable income to spend in local businesses. Local officials in Gadsden County asserted that the high dropout rate combined with a lack of after school and summer programs increases the likelihood that young people in Gadsden will be inclined to engage in criminal behavior.<sup>4</sup>

### **Perceived and actual safety is an ongoing concern**

Residents of Gadsden, more than local officials, expressed pessimism about the current state of the county, especially around safety issues and the feeling that a sense of community has been lost. While not directly an economic issue, this pervasive belief that Gadsden is becoming a more dangerous place makes residents less inclined to play and shop in the county. A recent uptick in overdose deaths has worsened this perception.<sup>5</sup> Over the long term, it may even lead to outmigration if concerns are not addressed. Places like

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3 Brown, Danielle J. "Florida's state reading results troubling: About 25% of 3rd graders could read 'proficiently,'" Florida Phoenix, 2022.

4 Belfield, C., Henry Levin, and Rachel Rosen. "The Economic Value of Opportunity Youth," Civic Enterprises, 2012.

5 Delgado, Jason. "Florida leaders blame fentanyl deaths in rural Gadsden County on border drug smuggling," Tallahassee Democrat, 2022.

downtown Quincy need foot traffic to attract new businesses, but this goal is difficult to achieve if residents do not feel safe.

Residents and local officials both acknowledged that law enforcement was inadequate and unable to respond to an uptick in crime during the pandemic. Each town is responsible for maintaining its own police force, and this leads to safety disparities within the county. Havana and Midway, for example, are well-policed based on interviews with residents and local officials, while Quincy does not have a sufficient police force to discourage crime.

### **Infrastructure holds back growth**

While the road quality throughout Gadsden is sufficiently high, work needs to be done to make the main streets of its towns feel more walkable. This is especially true in Havana, where narrow sidewalks abutting a four-lane highway create an unsafe walking environment that discourages people from getting out of their cars and exploring the community. While there is some political momentum to improve the situation, the role of the highway as a hurricane emergency evacuation route has so far blocked any solution that would involve reducing the number of lanes, a necessary step for widening sidewalks in the town.<sup>6</sup> A possible compromise would be to only remove one lane and maintain the option for two northbound lanes in an emergency. Top-down decisions from state agencies, in this case the Florida Department of Transportation (FDOT), do not necessarily take into consideration unique challenges facing a particular community, however, and agencies may not be inclined towards working towards a compromise. FDOT has a reputation for prioritizing the expedient flow of motor vehicle traffic over safety and livability concerns.<sup>7</sup> Many poor rural communities struggle to navigate such power asymmetries.

Access to reliable, affordable, and high-speed broadband continues to be a challenge for the county. Local officials reported issues with outages even for municipal offices. Connectivity issues for residents are even more acute.

Housing in Gadsden is significantly more affordable than Tallahassee, but the county is not immune from the constraints that are affecting housing supplies nationwide. For some of Gadsden's towns, geographic barriers make it difficult to add more housing (Chattahoochee), and for others, the difficulties of expanding utilities into unincorporated areas hold back the development of more housing (Havana). Even for places with room to grow, the supply chain issues that have hindered housing construction for communities across America compound local challenges, too.

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6 "Agenda Item 6A: Town of Havana Main Street Assessment," Capital Region: Transportation Planning Agency, 2020.

7 Cogan, Marin. "The Deadliest Road in America," Vox, 2022. See Smart Growth America, 2022 for more information about the challenges of dangerous infrastructure in communities.



## Assets and opportunities

For all its challenges, Gadsden is not lacking in assets. It retains much of its historic character and unique identity, has relatively affordable housing, and offers a distinctly rural living experience, even though most parts of the county are a modest drive from Tallahassee and its airport. The county has received a substantial amount of federal and state funding in recent years. For example, the American Rescue Plan brought \$8 million to the county directed to individuals, businesses, churches, and nonprofits impacted by the pandemic. And in 2022, the state of Florida awarded the county \$9 million to fund infrastructure and economic development throughout the county. Investments in the county that capitalize on this momentum have the potential to make the county an attractive destination for tourists and future residents alike.

### Developing a vision for a more recreation-focused Gadsden

A recreation focus can be a viable development strategy for many rural counties that are looking to both attract and retain population. Although Gadsden has so far only made incremental progress towards establishing itself as a recreation-focused county, it clearly has much to offer outdoor enthusiasts. Despite its inland location, Gadsden's lakes and rivers offer recreation opportunities for both its residents and the broader region.

It took a natural disaster to accelerate efforts to develop a new vision for the county. On October 10th, 2018, Hurricane Michael made landfall as a Category 5 hurricane, the largest on record to hit the Florida panhandle. Although it weakened substantially by the time it reached Gadsden, it still managed to inflict widespread damage, mostly in the form of downed trees and power lines that cut power to most residents in the county. While the hurricane was unquestionably a disaster for the county, it also brought in a substantial amount of federal funding.

Gadsden County residents received around \$13 million in federal funds to repair damage from the hurricane, and state funding has flowed into the county as well. A mix of projects to improve infrastructure and expand recreation opportunities have been planned in Quincy and Chattahoochee as part of the Recovery and Resiliency Partnership Program (R2P2)<sup>8</sup>—a technical assistance program funded by the U.S. Federal Emergency Management Agency (FEMA) that helps communities impacted by Hurricane Michael. Potential projects identified through the grant include enhancements to the main streets of the two towns and a long-term vision for additional recreational infrastructure, such as expanded pedestrian and bike infrastructure and improved greenspaces. However, most of these projects are not yet funded. Nonetheless, they provide a compelling and ambitious blueprint for how the county can transform itself into a place that offers a high quality of life to residents and visitors.

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<sup>8</sup> "Recovery and Resiliency Partnership Projects (R2P2)," U.S. Federal Emergency Management Agency (FEMA), 2022.

## **Diversifying its industry mix**

Government employment provides job opportunities for many of Gadsden residents and keeps unemployment numbers lower than they would otherwise be. For some towns, government entities are the largest employers. Gretna is almost entirely dependent on the nearby correctional facility, which is its largest employer. Chattahoochee's largest employer is Florida State Hospital, a psychiatric hospital just north of its downtown. Countywide, 15 percent of Gadsden's population is employed in public administration, higher than any other industry in the county and around three times the national share. This large percentage demonstrates the need for greater private sector economic diversification, a challenge Gadsden shares with many other persistent-poverty counties where a stable core of decent-paying public sector jobs sometimes crowds out private sector development and discourages the acquisition of more advanced and marketable skills.

There are several ways that Gadsden can better connect to the broader region and generate new employment opportunities for its residents. It is well positioned to expand its transportation and logistics sector. Its interstate and highway infrastructure connects Gadsden both to seaports like Port St. Joe to the south and to the rest of the Eastern Seaboard. It is also served by a railway mainline and the nearby Tallahassee International Airport. Indeed, a Gulf to Gadsden Freight Logistics Zone has been proposed by the Florida Department of Economic Opportunity that would be a transformative infrastructure project if it came to fruition.

## **Capitalize on existing institutional infrastructure**

Gadsden has several higher education and vocational training institutions that have the potential to be partners in the county's future development efforts. Florida A&M University (FAMU) has a small extension site in Gadsden County that is focused on enhancing its agricultural sector through technological innovation. Gadsden Technical College and Tallahassee Community College both have a presence in Quincy, with the latter mostly focused on connecting residents to employment with limited class offerings. While none of these institutions currently have the capacity to be truly transformative in the county, they have the potential to be scaled up and leveraged to expand educational opportunities for Gadsden residents.

Gadsden is part of the EDA-designated Economic Development District, the Apalachee Regional Planning Council (ARPC), which is one of 10 such entities in the state of Florida. It serves a nine-county region by providing technical assistance to all the local governments within that region. ARPC has been instrumental in helping the county identify its assets and strategic advantages as well as secure different types of federal funding. Along with the Gadsden County Development Council, ARPC adds substantial institutional capacity to the county and will continue to help the county reach its economic development goals.

## Conclusion

In many ways, it is surprising that Gadsden has struggled with a high poverty rate for so many decades. It is an asset-rich county in one of the country's fastest growing states. It offers historic towns and a distinct rural lifestyle while having ample land to redevelop and good infrastructure connections to accommodate both population growth and industrial development. And yet, it is also representative of how inequality can dampen economic growth. Struggling public schools, fragmented local governments with varying levels of capacity, a lack of economic opportunities accessible to lower income residents, and ongoing issues with crime and drug use create drags on the Gadsden economy. There are, however, reasons to be optimistic. Parts of the county, such as Midway and Havana, are doing quite well, and recent planning efforts have laid out a clear path forward for the rest of the county—especially if economic connectivity to the broader region is strengthened. Local commitment and targeted federal and state investment is needed to make those plans a reality.