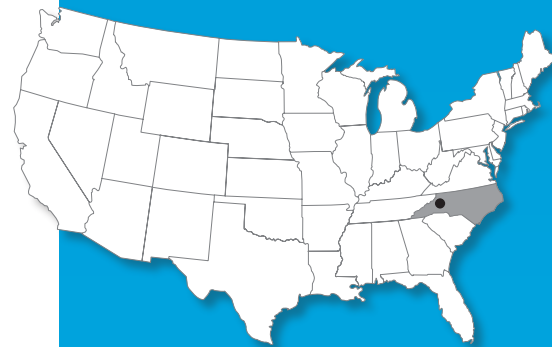


# Spruce Pine, North Carolina



|                                 | Spruce Pine                 |
|---------------------------------|-----------------------------|
| Population (2000)               | 2,030                       |
| Municipal budget (2005)         | 1.6 million <sup>54</sup>   |
| Per capita income (2000)        | \$15,440                    |
| Median household income (2000)  | \$24,770                    |
| Poverty rate (2000)             | 17%                         |
| Minority population (2000)      | 25%                         |
| Proximity to urban center       | 50 miles to Asheville, N.C. |
| Proximity to interstate highway | 25 miles                    |
| Strategic approach              | Entrepreneurship            |
| Time frame                      | 2003-2007                   |

Spruce Pine is building its economy through entrepreneurship, with a twist. The town is using a catalog of local products and creative marketing techniques to build a craft industry inspired by a children's book. The Home of the Perfect Christmas Tree project relies on harnessing local assets to create jobs for local residents – jobs that by definition cannot be out-sourced. "This is our version of economic development based on the resources that we have here," said Shirley Hise, director of the Mitchell County Chamber of Commerce.

## The community and its history

Spruce Pine was founded a century ago as a stop on the Clinchfield Railroad, which connected the coal fields of Appalachia to textile mills throughout the Carolinas. Rich mineral deposits led to a substantial mining industry in and around Spruce Pine, while railroad access turned the town into a commercial hub. Boosted by rail access to outside markets, the town became a manufacturing center for furniture and other industrial products. The area is also a notable haven for local artisans, including blacksmiths and weavers. The Penland School of Crafts, founded on the outskirts of town in 1923, provided looms and other materials to local women and assisted them with marketing their hand-woven goods.<sup>55</sup>

Mechanization of the mining industry, declining railroad use and the general decline of the manufacturing sector have led to major job losses in the area. "In the last decade Mitchell County has lost approximately

*Spruce Pine is at the center of western North Carolina's craft and culture economy. By producing and marketing products from a children's story, it is redefining economic development for others.*

<sup>54</sup> Information on Municipal Budget from Spruce Pine town clerk's office.

<sup>55</sup> Penland School of Crafts website, [www.penland.org/about.html](http://www.penland.org/about.html).

one-third of its manufacturing base,” Hise said. Tourism drives much of the regional economy today. Although the community’s geographic isolation hampers the town’s industrial development, Spruce Pine’s location near the Blue Ridge Parkway makes it a desirable tourist destination. Several annual festivals, including the Mineral and Gem Festival and the Blacksmith Festival, draw visitors throughout the year. Spruce Pine is also home to a concentration of professional craft artists and writers, including Gloria Houston, author of the children’s book *The Year of the Perfect Christmas Tree*. Houston’s Christmas-themed children’s story is set in the Appalachian hills near Spruce Pine.

## The strategy

Spruce Pine’s strategy, which is administered by the Mitchell County Chamber of Commerce, is to support local entrepreneurship by addressing the marketing needs of local artisans. The town’s innovative approach to supporting entrepreneurs has involved creating a product catalog and marketing locally produced crafts, each of which was inspired by Gloria Houston’s book *The Year of the Perfect Christmas Tree*. This approach to local economic development joins two of the community’s unique assets – a famous local author’s trademark story and the local population’s craft skills – to create self-employment opportunities for displaced textile and furniture workers. Spruce Pine’s strategy gives the town independence to promote economic development without relying heavily on state or federal funding sources.

Through the Home of the Perfect Christmas Tree project, Spruce Pine has created an innovative structure for supporting local entrepreneurs. Local artists receive 87 percent of proceeds from the sale of products marketed through the program and the remaining profits go to the Foundation for Mitchell County. The foundation markets and brands the project and administers a college scholarship program, funded with 3 percent of the proceeds. Over 300 locally produced products, from more than 30 artists, are available in the catalog and at a retail store in town. In several cases, craft artists have hired additional employees to meet demand.

In large part, Spruce Pine’s strategy is a response to the employment crisis following significant manufacturing job losses over the last decade. When Houston suggested that the town use her book to promote itself, community leaders saw how this opportunity could help displaced workers create their own employment.

It took a year and a half to secure the copyright and patents that allow Mitchell County to be identified as the Home of the Perfect Christmas Tree. “It took the collaboration of a number of instrumental groups, including county leaders, elected officials, local nonprofits, artists, as well as financial support from local foundations, to get the project off the ground,” said Patti Jensen, the project director. “For the most part we were patient and things came together.”

The Foundation for Mitchell County hired a marketing consultant and a local design firm to develop the project logo, style and packaging criteria for the mail-order catalog and for the store in Spruce Pine. “We were committed to excellence – to something that would hold itself up in the market,” Hise said.

The Home of the Perfect Christmas Tree project creates employment one job at a time. The number of jobs created cannot begin to replace the thousands of manufacturing jobs lost in the last decade. But, Hise said, “the jobs created one at a time are the jobs we are not going to lose.”

Jensen noted the project’s “limitless capacity for growth and expansion.” The creativity of local craft artists to continue to develop products is one avenue for expansion. Increasingly, more established Spruce Pine artists are submitting pieces for the catalog. Potential corporate partnerships with North Carolina businesses could continue to expand the market demand for the products.

### What are the lessons from this story?

***Innovative partnerships are critical to the success of entrepreneurship strategies.*** Spruce Pine’s approach to supporting local entrepreneurs requires that the Chamber of Commerce and the craft community work closely together for the first time, to ensure successful marketing and branding. More established local artists help provide skill development and support for newer craft artists. The local community college offers basic business and marketing skills geared to the crafts business. Finally, a group of business people, artists and local volunteers serve on the product review committee to determine product quality standards and select products for sale.

***Support for entrepreneurship can have positive multiplier effects in a community.*** In addition to creating new jobs to meet the demand for products, Spruce Pine’s strategy has a multiplier effect on tourism and commerce, including sales by local artists not affiliated with the Home of the Perfect Christmas Tree project. Shirley Hise noted that when the retail store opened, business in the local café increased by 20 percent and traffic through local artist galleries increased. According to Hise, this exemplifies the project’s “positive impact on the whole community.”

### Contact information

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