



Written by [Brian Koenig](#) on August 16, 2011

Obama Announces New Rural Economic Plan During Midwest Bus Tour

At the White House Rural Economic Forum in Peosta, Iowa, on Tuesday, President Obama unveiled new economic initiatives to help stir job growth and capital investment in rural America. "These are tough times for a lot of Americans — including those who live in our rural communities," the President said in a press release. "That's why my administration has put a special focus on helping rural families find jobs, grow their businesses and regain a sense of economic security."



With firm opposition from Republicans over another federal stimulus package, the White House has been seeking ways to curb the 9 percent unemployment rate without needing congressional approval. Agriculture Secretary Tom Vilsack and Small Business Administrator Karen Mills alleged that the new economic package will have a meaningful impact on rural jobs — a critical element of U.S. unemployment, they [claim](#), because although 16 percent of Americans live in rural areas, 90 percent of persistent poverty exists there.

Recommended by the White House Rural Council, Obama's plan offers [four economic initiatives](#):

- The Small Business Administration will double the amount of investment capital funneled to rural businesses through its Small Business Investment Company program. The total capital infusion will be \$350 million over the next five years, officials say.
- The administration will sponsor and host "conferences" to help connect private equity and venture capital investors with rural start-ups. And, they'll use "marketing teams" to go out and pitch federal grant money to private investors.
- USDA will provide access to Labor Department job search tools at its 2,800 field offices nationwide.
- HHS will modify the National Health Service Corps loan repayment program to allow more than 1,300 small, rural hospitals to recruit new physicians. (The White House estimates that the addition of one new primary care physician in a rural community generates \$1.5 million in annual revenue and creates 23 jobs annually.)

The Obama administration claims the new plan will create a "pretty significant" amount of jobs, although no specific amount has been estimated. "Half of the people who work in America either own or



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work for a small business, and two out of every three private sector jobs are created by small business," asserted Mills. "This is intensely true in rural areas. Small businesses of all kinds are thriving in rural areas."

"By bringing new capital, job training and additional investments to our rural communities, we are working to ensure the people who live in these towns have a better, brighter future," Vilsack [added](#).

Obama's announcement comes on the second day of his Midwest trek through Minnesota, Iowa, and Illinois. Burdened with a stagnant economy and persistently high unemployment, the President is journeying through America's heartland to explain his economic policies to anxious rural voters — while, of course, campaigning against his GOP adversaries.

The President's announcement may be a slight aversion to critics' claims that he is simply following the campaign trail. The first day of the tour seemed to be all campaigning, as Monday's destination was primarily a bash on Republican presidential hopefuls. According to [Politico](#), as soon as Obama landed Monday, the GOP witch-hunt began:

Emerging from the bus, Obama lit into Romney, accusing the former Massachusetts governor of ditching his commitment to health care reform to run in the conservative GOP primary: "You got a governor who is running for president..??.It's like [he's] got amnesia."

He even mimicked Romney: "Oh, this is terrible! This is going to take away freedoms!"

The audience was largely supportive, but there were murmurs of concern about the jobs crisis and the president's willingness to accept some changes to entitlements such as Medicare and Medicaid.

Tuesday's drive took a political detour, as Obama used his new rural initiatives as an attempt to put words into action. The President's motives are still under the microscope, as Republicans largely affirm that this week's agenda seems a little too strategic. But Obama's new plan, which is enthusiastically directed towards small businesses, may also be strategically designed to tame private-sector criticism that came as a result of the administration's anti-business demeanor.

Indeed, critics may suggest that Obama's new economic initiatives, conveniently announced during his three-day Midwest bus tour — which opponents label a taxpayers' funded "campaign" tour — is simply an effort to court America's rural electorate.

Photo: President Barack Obama pauses as he speaks during a Rural Economic Forum, Tuesday, Aug. 16, 2011, at Northeast Iowa Community College in Peosta, Iowa.; AP Images



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