

# Big Stone Gap, Virginia



Big Stone Gap	
Population (2000)	4,800
Municipal budget (2005)	\$4 million <sup>15</sup>
Per capita income (2000)	\$13,000
Median household income (2000)	\$21,500
Poverty rate (2000)	26%
Minority population (2000)	6%
Proximity to urban center	137 miles to Knoxville, Tenn.
Proximity to interstate highway	58 miles
Strategic approach	Tourism Entrepreneurship
Time frame	1998-2007

Big Stone Gap, located in Wise County in the Cumberland Mountains, is a town blessed with natural resources and scenic beauty. Over the last 20 years, however, the declining coal and textile industries have left hundreds of local residents without work or income. In response, local officials have locked arms with Virginia Cooperative Extension and several regional organizations to spearhead an ecotourism strategy. By supporting the growth of small business entrepreneurs to serve the ecotourism industry, the town has revitalized its economy and created new job opportunities for residents.

## The community and its history

Big Stone Gap is in the heart of Appalachia, close to Virginia's western border with Tennessee and Kentucky. The rolling hills and rural landscapes around Big Stone Gap encompass some of the most promising outdoor tourism attractions in the country. Jefferson National Forest, the "Grand Canyon of the South," and the Natural Tunnel State Park envelop this little town. The Appalachian Trail, the Trans-America Bike Route and the new Heart of Appalachia Bike Route and Scenic Drive weave their way through the region. The town is also a major stop on Virginia's *Crooked Road* heritage music trail, which honors this region's role in the creation of bluegrass music.

*This town's choice to embrace ecotourism and to support local entrepreneurs is transforming the local economy and providing residents with a sense of accomplishment and independence from the control of industry outsiders.*

<sup>15</sup> Interview with George Polly, Big Stone Gap town manager, January 25, 2007.

As an additional draw, the scenic beauty and rich cultural history of this region have been the inspiration for several popular novels and films. John Fox Jr., one of Teddy Roosevelt's Rough Riders, was raised in Big Stone Gap. Fox wrote the novel *Trail of the Lonesome Pine* about coal mining in Big Stone Gap; the book became the nation's first novel to sell over one million copies. The novel was turned into an outdoor drama by a theater company in Big Stone Gap and was recently designated as Virginia's Official Outdoor Drama. A motion picture based on local author Adriana Trigiani's novel *Big Stone Gap* is currently being filmed in town.

Big Stone Gap was settled in the mid-1800s when rich coal beds attracted miners into the region. Throughout the first half of the 20th century, the town prospered on proceeds from coal extraction and supplemented its economy with tobacco and textiles. Beginning in the 1980s, however, the mining industry started to falter. By 1992, the county's unemployment rate approached 20 percent and remained in the mid-teens for most of the 1990s.<sup>16</sup> "The coal mining industry was breaking down and workers had been so dependent on outsiders to provide jobs, they just didn't know what to do," said Phyllis Deel, an agent with Virginia Cooperative Extension.

## The strategy

Big Stone Gap's economic development strategy is to use ecotourism to attract new investment and to create employment opportunities by supporting local entrepreneurs.<sup>17</sup> As of the late 1990s, tourism was the fastest-growing industry in southwestern Virginia, with an average annual growth rate of 17 percent.<sup>18</sup> The town partnered with the Heart of Appalachia Tourism Authority (HATA) and Virginia Cooperative Extension to develop an infrastructure to support entrepreneurship in the ecotourism industry. According to Geneva O'Quinn, the executive director of HATA, the town's goal was to allow local residents to "harvest" ecotourism, but to do so in a sustainable manner.

The first step was to create a local education and training infrastructure to provide advice and encouragement to budding entrepreneurs. Phyllis Deel of Virginia Cooperative Extension offered workshops in the community to demonstrate how residents could start their own business and take control of their economic future. Deel also formed alliances with the Mountain Empire Community College and its Small Business Development Center. The center agreed to provide business plan feedback and financial advice to local entrepreneurs. Southwest Virginia Community Development Finance, a community development financial institution in nearby Abington, provided a lending option for ecotourism entrepreneurs in town. The town actively promoted these resources to local entrepreneurs and worked to connect the right resource to the right entrepreneur at the right time.

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<sup>16</sup> U.S. Bureau of Labor Statistics.

<sup>17</sup> According to the International Ecotourism Society, ecotourism is "responsible travel to natural areas that conserves the environment and sustains the well-being of the local people."

<sup>18</sup> McDaniel, Lynda. "Ecotourism Takes Off in the 'Heart of Appalachia.'" Appalachian Regional Commission, 2001.

The town “helped build an infrastructure that entrepreneurs can use to develop their own jobs and generate income by capitalizing on sustainable, value-added, community-based tourism,” Deel said. “We worked on marketing opportunities, especially cooperative marketing for attractions that package well together, and new amenities that encourage people to stay longer. That helps us capture more of the tourism dollar and bring in new money from outside.”<sup>19</sup>

Big Stone Gap has curbed the impacts of regional economic stagnation. “The infrastructure and effort we’ve put in for the past 10 years is really going to help our town reap the benefits of the increased tourism,” said town manager George Polly. An advertising campaign initiated by HATA brought 50,000 requests for information from readers of *Parade Magazine*, *Smithsonian Magazine* and others. In 2005, the county’s unemployment rate returned to a stable level of 4.6 percent, and new businesses are beginning to take off. Small outfitting businesses for kayaking, rafting, biking and camping are thriving. The bed and breakfast industry also is growing and being marketed throughout the state.

### What are the lessons from this story?

***Supporting entrepreneurs is a long-term and transformative economic development strategy.*** Big Stone Gap was riddled with high unemployment and a declining economy. For decades, the town had relied on outsiders, such as the coal company or textile plant, to provide jobs. When these industries pulled out of town, Big Stone Gap looked at itself and what it had to offer, and it decided to build a new economic underpinning based on its local assets and opportunities. “We had to help people think about economic development in a new way,” Geneva O’Quinn said. Entrepreneurship is all about identifying opportunities and figuring out ways to create value for a customer. In Big Stone Gap, the ecotourism assets around town were brimming with opportunity. Over a period of six years, entrepreneurs harvested these opportunities, and slowly but surely, new small businesses started appearing in town – new businesses with local ownership and local roots. In terms of its long-term prospects, Big Stone Gap is well under way in transforming its economy to one driven by local assets and leaders, one much less vulnerable to major economic shocks from circumstances outside of its control.

***Entrepreneurs need a flexible and multi-faceted support network.*** Entrepreneurs have unique needs. A single organization in a small town will never be able to support the broad range of needs that entrepreneurs face on a daily basis. Creating a network of services, however informal, is a viable strategy for supporting the needs of local entrepreneurs.

In Big Stone Gap, the town linked entrepreneurs to the specific expertise of HATA, the local

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<sup>19</sup> Ibid.

community college, the small business development center and the community development lending entity.

## Contact information

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