

Department of Agricultural and Resource Economics

Rural Chambers of Commerce Roles and Expectations

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The purpose of this publication is to assist new chamber of commerce directors and local government officials with understanding the roles and objectives of these business supporting institutions.

Chamber History

Perhaps the first purpose for traders of commerce to band together in earlier times was to seek common protection against enemies such as bandits. Eventually, they established codes to govern trade and then later attempted to influence legislation. (Madera Chamber of Commerce, 2024). According to Crawford (2015), during the late 19th and early 20th centuries, boards of trades organized to unify the interest of members to collectively deal with regional problems. Typically, these problems included threats to regional trade and the consequential financial difficulties board members experienced as a result of these problems (Crawford, 2015). These boards of trade were later renamed chambers of commerce. Crawford (2015) inferred that these organizations were purposed to not only unify the interests of regional business owners but also to advocate for local community interests by interacting with political decision-makers and regulatory agencies.

The Chamber's Roles

Membership in a chamber of commerce provides a business with instant credibility and trustworthiness as seen in the posting and display of a chamber seal on business windows, serving not only as a promotional tool but an emblem of reassurance as well to customers (Noel & Luckett, 2014). Kinderman (2022) contends it matters how business organizations respond to societal issues and social movements. As an institution that emerged to unify the interests of business owners, the role of the chamber as the voice of business in the community is almost a universal statement. Chambers of commerce recognize interests that span far beyond political activity (Crawford, 2015). It should be noted small and large chambers operate differently, with small chambers (less than 150 members) tending to be held together by social ties while large chambers (1000+ members) tend to be issue driven (Bennett 1998; Brockmann and Lacho 2015).

Small rural chambers typically lack full-time support staff and operate at a slower pace of change (Brockmann & Lacho, 2015). According to Brockmann and Lacho (2015), small rural chambers generally exhibited a “self-reliance” attitude. Smaller chambers also emphasized as a priority of their mission to focus on the community as a whole instead of prioritizing business performance, believing a natural extension from a better community to a better business environment was expected (Brockmann & Lacho, 2015).

Changes Affecting Chambers of Commerce in the Past 30 Years

According to Rohrlack Jr (2019), everything chambers offer are available online. If businesses need training on employee hiring, search engines instantly connect them to resources. If someone is interested in finding a company to perform a service, they research them on the web and find thorough reviews of companies. Due to technological advancements, work can be accomplished without leaving home. Transactions can be communicated and processed in seconds, instead of days. Cell phones have the same technological power as a computer at work or home, enhancing our ability to communicate instantly. However, it threatens the chamber of commerce’s role as a networking organization.

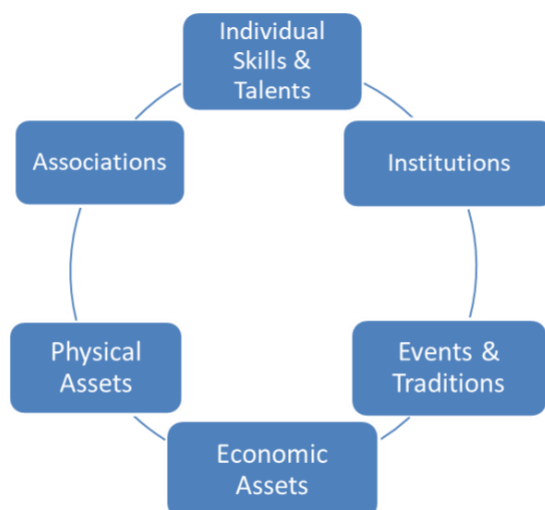
Rohrlack Jr, (2019) also cited as threats to chambers the other organizations working on similar business issues. Economic development/business recruitment, downtown or other submarket marketing entities, entrepreneurial assistance, tourism and minority business development are some examples of specifically dedicated groups that have created organizations to focus on their advancement.

Other concerns affecting chambers are:

- Membership Motivation – Members significantly differ in the degree to which they prioritize the common good and personal benefits of membership.
- Consensus – Members have competing interests.
- Context – As stated previously, small chambers and large chambers operate differently; small chambers tend to be held together by social ties while large chambers tend to be issue driven.
- Influence – Social status is an important driver of chamber influence, both internal and external to the community. Advocacy is an important way chambers increase their influence.
- Government Involvement – Influencing government is seen as an increasingly important chamber role.
- Technology – Technology is reducing the need for face-to-face networking.

The Six Community Assets

The Asset-Based Community Development (ABCD) Institute at DePaul University (2024) identified six community assets that connect to enhance economic growth.



Chambers foster the interaction of these six assets enabling businesses to: 1) produce products; 2) provide services; 3) maximize resources; 4) recognize expansion and enhancement opportunities and 5) utilize private and public collaborations to foster economic sustainability.

Chambers conduct these tasks by accepting their role as the vital link between private and public entities, providing business services such as: conducting management seminars (tax, employment laws, etc.); serving as a resource clearinghouse for accountants, bankers, attorneys, etc.; providing legislative updates; conducting business recognition and recruitment events (ribbon cuttings and business/industry spotlights); guiding entrepreneurs and managing the local government's Economic 3-Star Program.

Chambers are the source for community and business data by providing information such as the number of businesses, organizations and industries. According to Lacho and Brockman (2013), the chamber of commerce has the following five roles: business promoter, business ownership skills developer, sustainer of government relations, leader of community development and enhancer of economic development. Chambers collect data for government agencies (SBA, USDA-RD, universities, etc.) that survey communities for research and reporting purposes to assist local governments and state economic development officials with industrial recruitment and retention efforts. Chambers also conduct county leadership programs, coordinate festivals and fairs, and foster community agencies' efforts to enhance cultural relations.

Chambers' Role with Agriculture Sector

As farming operations continue to explore agritainment and value-added opportunities, chambers of commerce can be utilized to assist these enterprises with investigating the market situation and trends occurring in their area (University of Tennessee Extension, 2005). The Chamber Professionals Community identified the following six ways that chambers of commerce can support, collaborate and advocate for their agriculture community:

1. **Make Chamber Memberships a Tangible Valuable** – Offer benefits such as group health insurance or serve as the provider for certificate of origin. By assisting agriculture producers with solving real problems like affordable healthcare and assisting producers with international trade documentation, farmers will consider the chamber as a partner instead of a network member.
2. **Honor Legacy Farms and Agriculture's Economic Contribution to the County** – Chambers should collaborate with Extension staffs to encourage eligible farm families to apply for Tennessee Century Farm designation. The chamber can honor these farms annually at county fairs or historic tours conducted throughout the communities. Chambers may also collaborate with public agriculture support entities and the agribusiness community to conduct an annual agriculture appreciation event. The chamber could also house county agriculture economic statistics electronically on its website.
3. **Promote Agritourism Efforts** – Embracing agritourism as a tool to connect with the community can be incredibly powerful. Showcase the agricultural community to the broader public in fun, engaging ways such as farm-to-table events, farmers market locally grown dinners, and tours of agritainment venues.
4. **Prioritize Policy and Problem-Solving** – Agri-businesses need to know their concerns are being heard and acted on. Chambers could host platform events that bring agriculture producers, policymakers and industry experts together to discuss real-world challenges facing farmers and ranchers—from labor shortages to water rights. By bringing agriculture issues to the policy table enables chambers to position themselves as not just supporters but champions of the industry.
5. **Create Dedicated Committees and Peer Groups** – When chambers establish an agriculture committee it provides a great way to give county agriculture-based business members ownership and voice within the chamber. These committees greatly assist with planning large-scale banquets, scholarship programs and awareness campaigns.
6. **Build Bridges Between Agriculture Community and Economic Development** – Great benefit can be achieved by integrating agriculture producers and business groups into county economic strategic planning efforts. This level of inclusion signals respect and raises the profile of the entire agriculture sector.

How Chambers Will Sustain

Chambers assist small businesses by providing access to marketing and data lists, membership directories, website referrals and a variety of networking opportunities such as annual meetings, business connection breakfasts, after-hour gatherings and trade shows (Noel & Luckett, 2014; Tiwasing & Sawang, 2022). Chambers also gather information on the challenges faced by businesses. Although technology has evolved and reduced the cost of running businesses and reduced delays, chambers still provide unparalleled support to local businesses, standing the test of time and continuing to be to be an essential community institution.

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