

**GROWING YOUR
ECONOMY
GROWING
ENTREPRENEURS**

**IA Lakes Corridor
Development Corporation
March 24, 2011**



Three Questions

Where have we been?

How we got here?

Where can we go?



Today's Topics

- **Economic Development Today**
- **The Iowa Lakes Corridor Region**
 - **Why Entrepreneurship?**
 - **Making It Happen!**
- **A Success Story from Kansas**

Time for Some Questions





ECONOMIC DEVELOPMENT TODAY

**A Quick Look
at the
Bigger Picture**

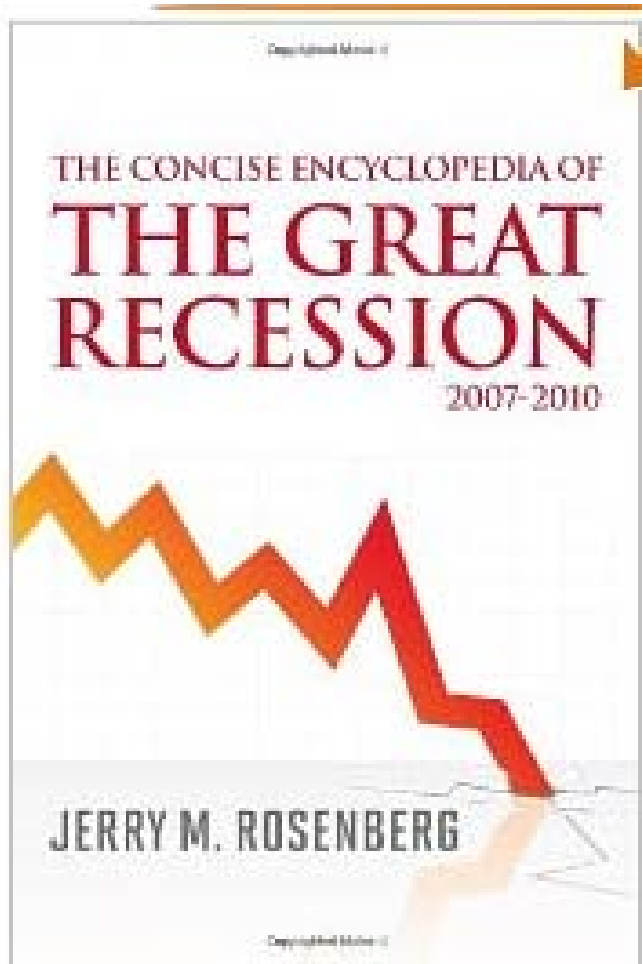
Global Competition



**Post-WWII Dominance
American Declining?
Or
World Catching Up?
New Competitors
New Opportunities**



Great Recession

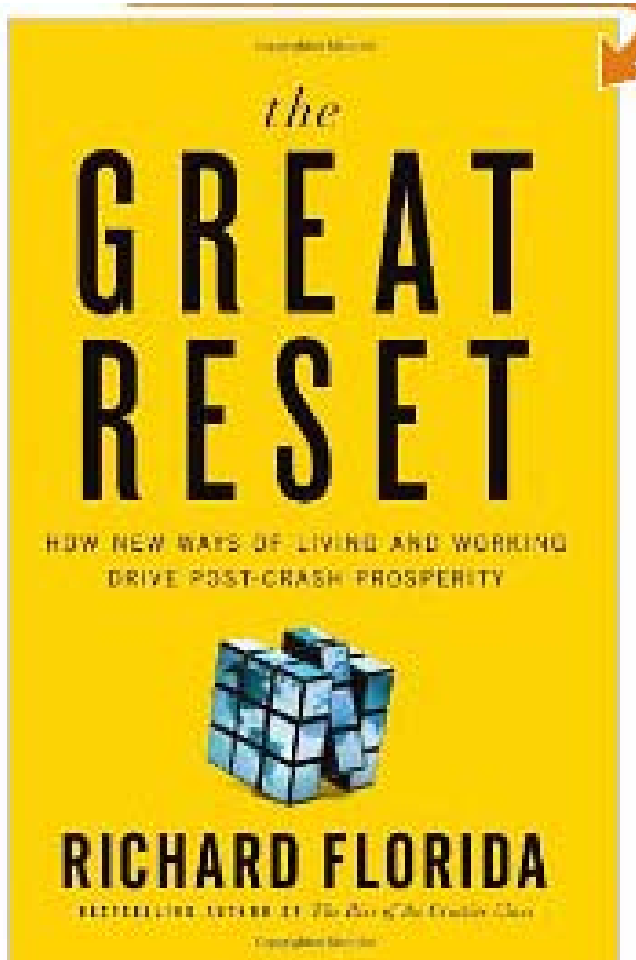


Most significant economic event in our life times!

A new economic and social world will emerge from this recession.



Great Reset



1870s

The Long Depression

1930s

The Great Recession

2007 to ???

Great Recession



1870s – The Long Depression

1st Industrial Revolution

Assembly Line

Telecommunications

Modern Electricity

Good Government Movement

Labor Reform



1930s – The Great Depression

2nd Industrial Revolution

Modern Banking

Suburbia

College Educations

Internet

Modern Aviation

Civil Rights

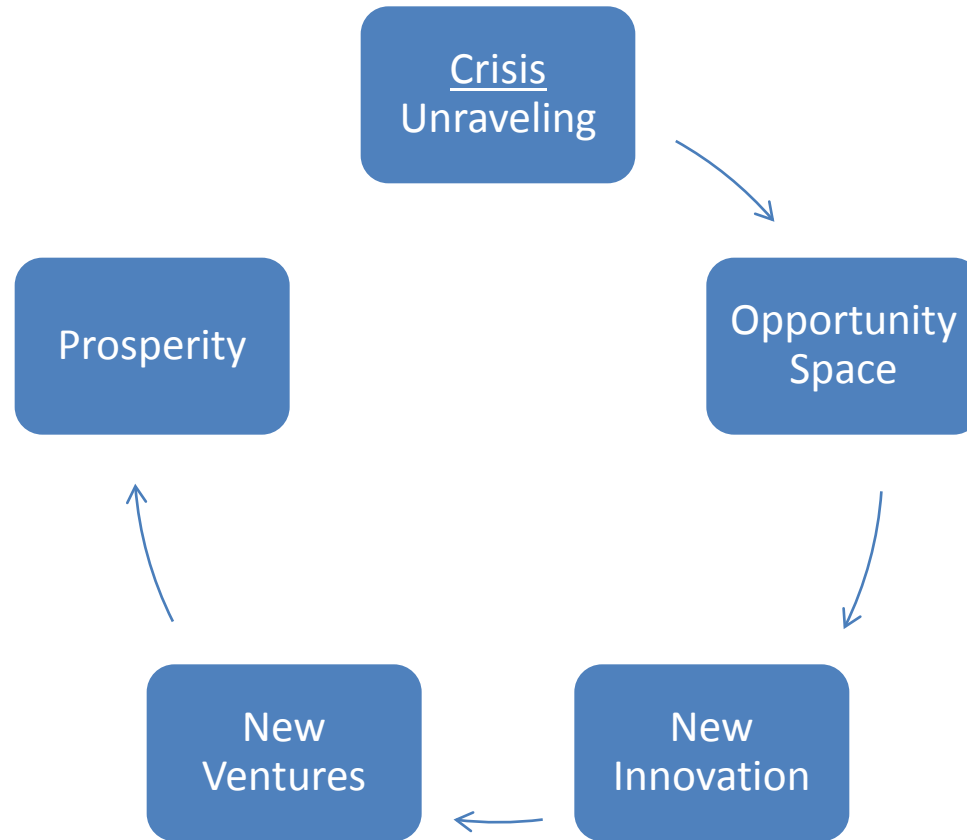


2007 to ? – The Great Recession

Real Estate & Banking Bubbles



The Reset Process



Changing Industries



1870s

The Long Depression

1930s

The Great Recession

2007 to ???

Great Recession



Outsourced Economy



**Foreign & Domestic
Legacy Employment
Outsourced Workers
Teleworkers**

In the next couple of decades as many as 1 in 4 Americans will be outsourced workers.





**Iowa
Lakes
Corridor**

Demographics

2000-2009

Births = 7,225

Deaths = 6,256

Natural Change = +969

Dom. Migration = -4,099

Int. Migration = +1,347

Migration = -2,752

Overall Change = -2,095

- **100k Magic**
- **Base = 66K**
- **Aging**
- **Natural Change Flip**
- **Need--Young Adults**
- **Chronic Losses**
- **Jobs to Careers**



People Attraction – Youth Connection



Business Performance

Establishments	1992-2001		2001-2008	
Total	+245	+4.12%	+1,419	+22.92%
Non-Commercial	+206	+54.93	-61	-10.50
Nonresident	+93	+57.76	-25	-9.84
Resident	-54	-1.00	+1,505	+28.10
Self-Employment	+278	+17.03	+984	+51.52
Stage 1 (2-9)	-452	-13.49	+532	+18.36
Stage 2 (10-99)	+122	+30.05	-8	-1.52
Stage 3 (100-499)	-3	-13.64	-2	-10.53
Stage 4 (400+)	+1	-----	-1	-100

Source: Edward Lowe Foundation, www.youreconomy.org, 2011



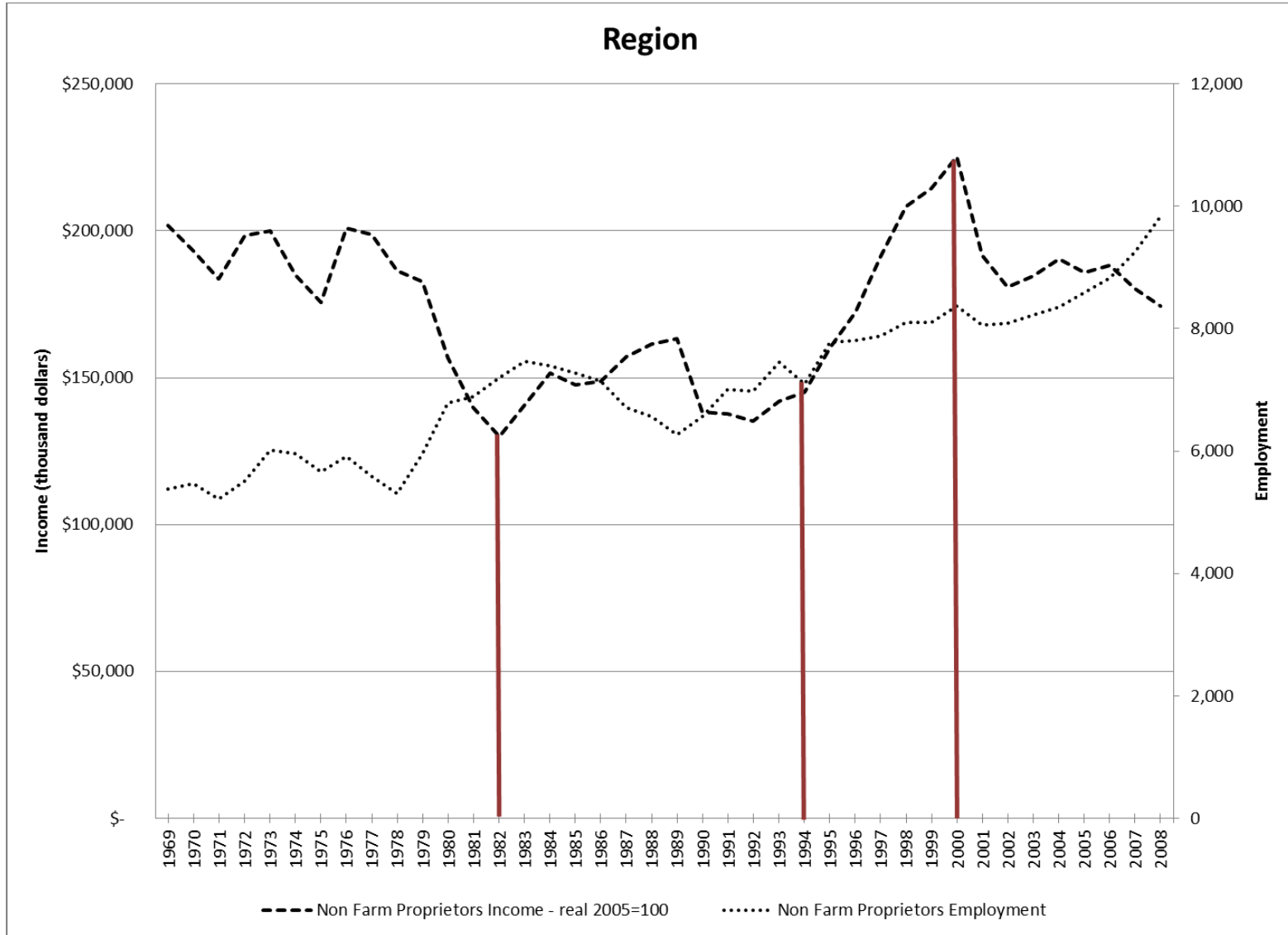
Business Performance

Jobs	1992-2001		2001-2008	
Total	+6,987	+16.89%	-7,719	-15.96%
Non-Commercial	+1,263	+11.54	-6,860	-56.20
Nonresident	+2,596	+48.90	-1,132	-14.32
Resident	+3,128	+12.45	+273	+0.97
Self-Employment	+278	+17.03	+984	+51.52
Stage 1 (2-9)	-1,327	-12.20	+801	+8.39
Stage 2 (10-99)	+3,536	+39.21	-226	-1.80
Stage 3 (100-499)	-9	-0.25	-636	-17.75
Stage 4 (400+)	+650	-----	-650	-100

Source: Edward Lowe Foundation, www.youreconomy.org, 2011



Non-Farm Proprietors



Don's Top Opportunities

1 – Small Town Quality of Life Attraction

2 – Baby Boomer Retirees

3 – Young Adults & Couples

4 – Home Grown Entrepreneurial Ventures

5 – From Jobs to Careers

The success of the region and its communities is rooted in winning both the demographic and economic development challenges.





WHY ENTREPRENEURS?

**Entrepreneur Defined
American Legacy
Who Creates Jobs
Two Entrepreneurs
Source of Jobs
Role of Entrepreneurs**

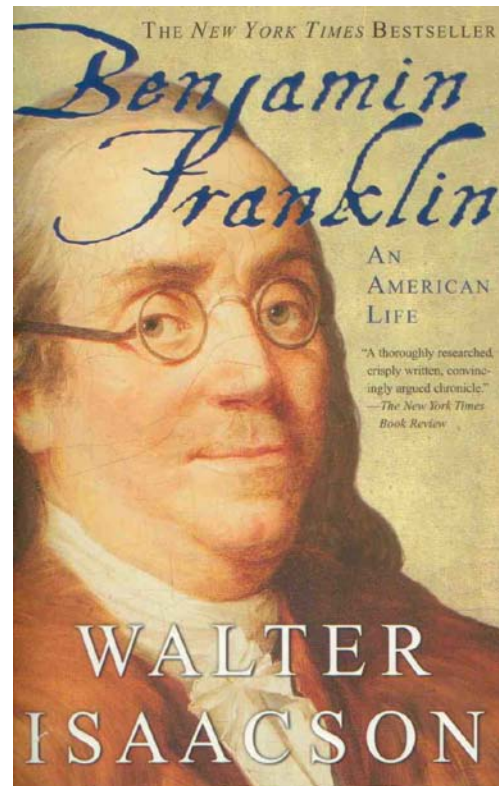
Entrepreneurs Defined

“A person who creates and grows a venture.”

Jay Kayne
Miami University



American Legacy & the New Economy



Entrepreneurs Build Economies

David Birch & Cogenics

55% -- Existing Business

44% -- Startups

1% -- Relocations

Growth Oriented Entrepreneurs



Entrepreneurs - Home & Career



Jim Jenkins

Callaway, Nebraska



Beth Stube

Dickinson, North Dakota



Source of Employment United States

Year	Stage 3 & 4	Self-Employed
1992	34.3%	2.4%
2001	33.9%	3.2%
2008	26.1%	7.0%

Source: Edward Lowe Foundation, 2010

Share of Employment by Business Size

Stage 1 = 2 to 9 Employees, Stage 2 = 10 to 99 Employees

Stage 3 = 100 to 499 & Stage 5 = 500+ Employees



Role of Entrepreneurs

- 1. Power Change Agents**
- 2. Its Learned Behavior**
- 3. Community Culture is Important**
- 4. Three Kinds of Es:**

Business – Social - Civic



Entrepreneurs – Wealth Creators

Average Net Worth of Self-Employed

\$1.84 Million Federal Reserve, 2007

Necessity Entrepreneurs

Opportunity Entrepreneurs

Breakout Entrepreneurs

**Of the world's millionaires – 47% are
entrepreneurs.** The Credit Suisse Global Wealth Report, 2010





**MAKING
IT
HAPPEN!**

San Diego, California

Complicated!



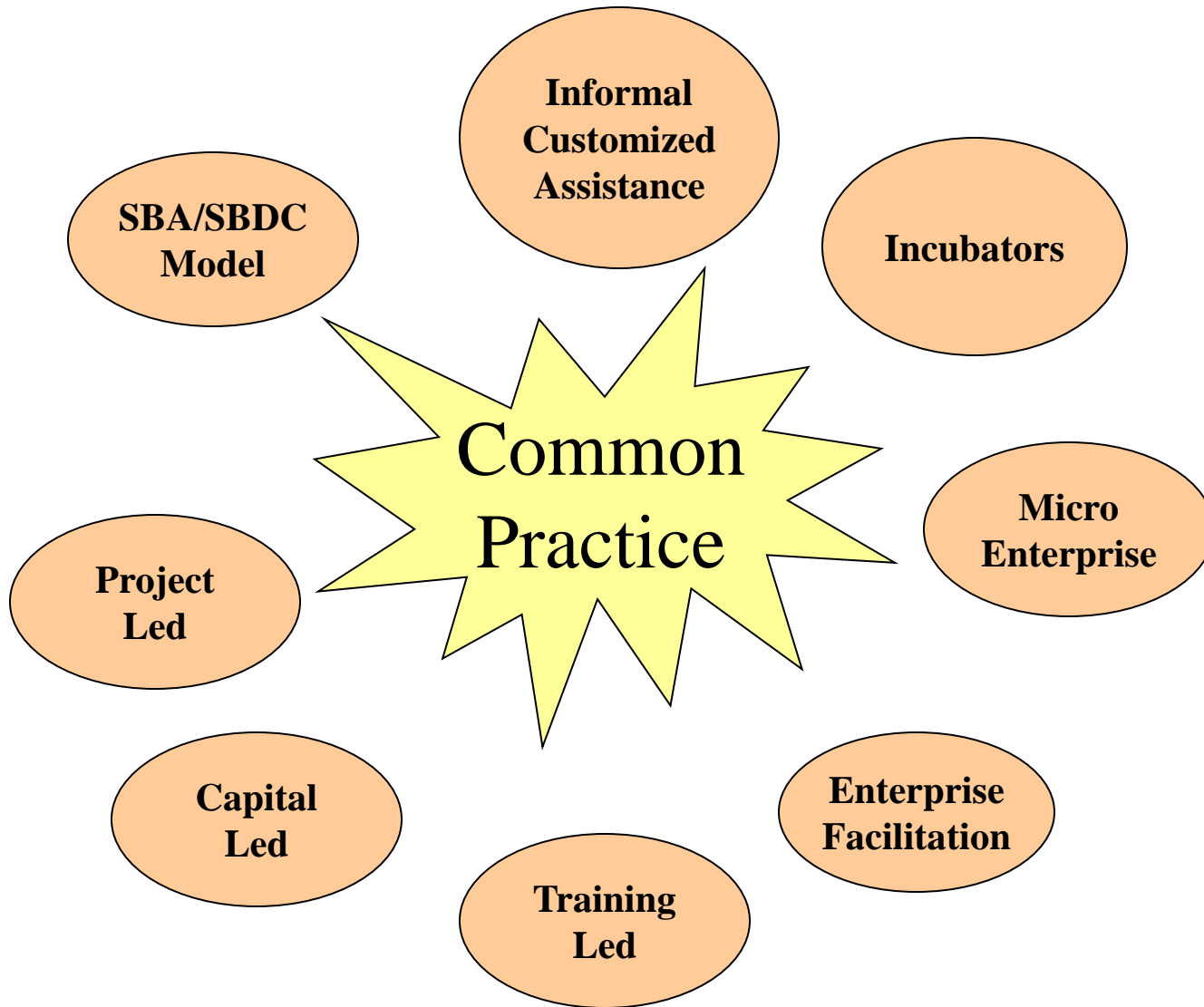
Shenandoah, Iowa



Simple!



Many Forms, Common Practice



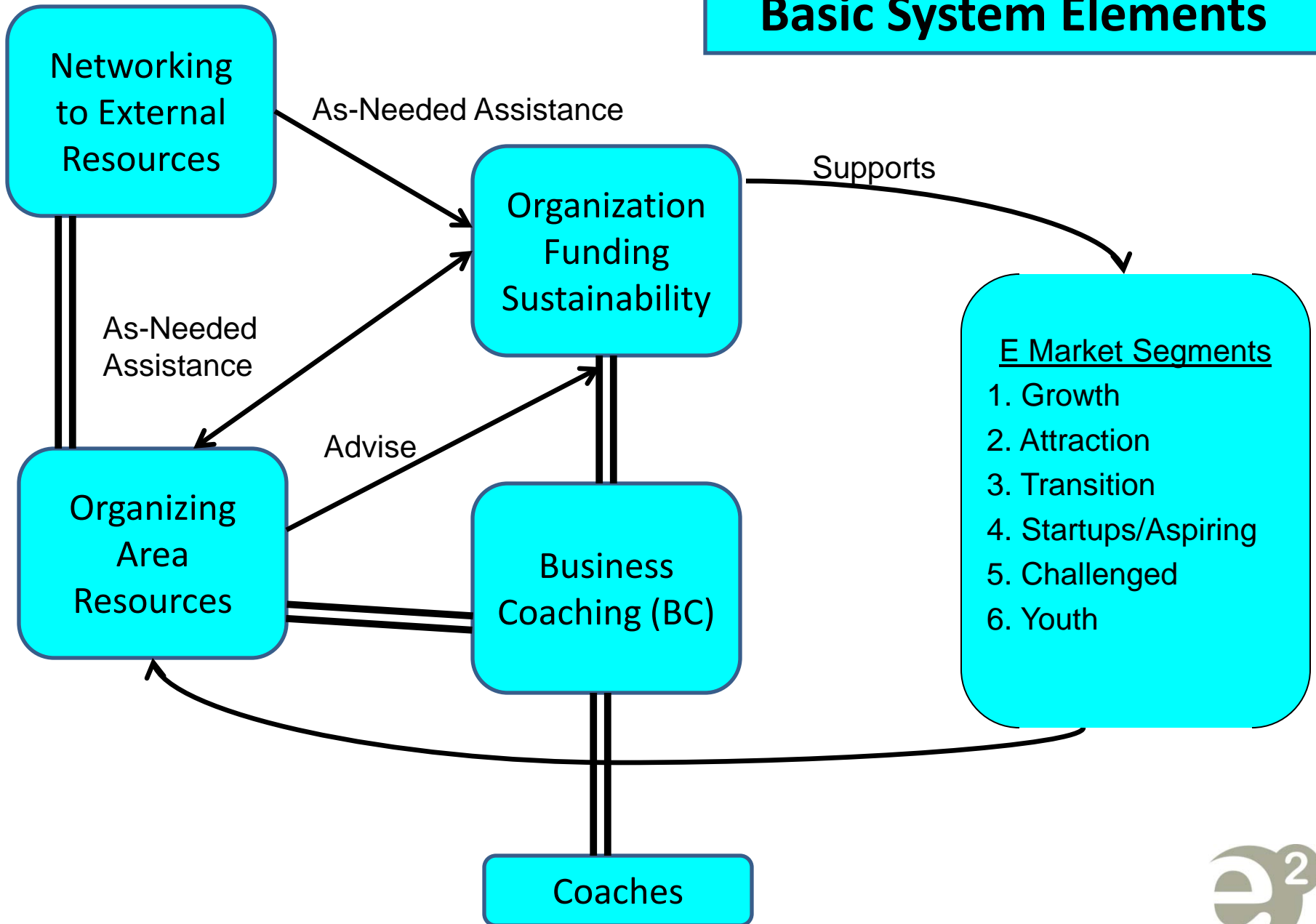
Cutting Edge E Strategies



Systems Work Better!



Basic System Elements



Sue Shaner – “E” Coach

Relationships

Listener

Networker

Portfolio

Non-Expert

Foundational



Organizing Area Resources

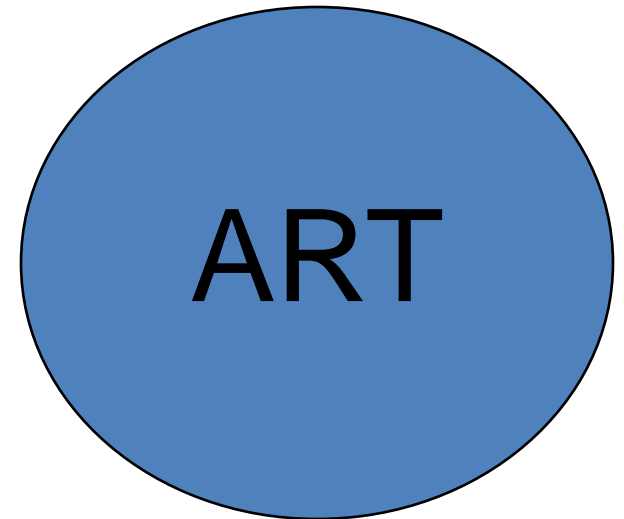
Business Services

Mentors

Networks

Peers

B to B or E to E Events



External Resources Network

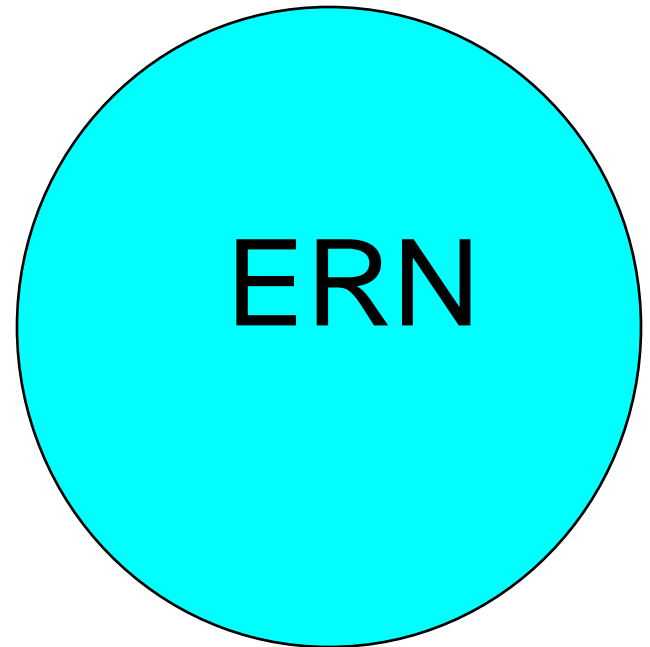
Relationship & Knowledge

Networking

Real Time

Quality Control

Access



Advanced Infrastructure

**Market
Research**

**Mentors
Peer Groups**

**Capital
Access**

**Commerce
Infrastructure**



Choices...

Right Strategy

Locally Empowered

Regionally Supported

Proper Capitalization & Staffing

Work Long & Hard for Impact



The 1% Rule

Every day billions of people wake up and compete economically. The global rise of market economies has created intense and un-ending competition. Our experience suggests that at a minimum regions must invest an amount equal to 1% of their gross domestic product annually in economic development.

\$10 Billion Economy!

\$10 Million Economic Development Budget?



Regional Collaboration

Ontario / Michigan Study

1980-2005	Michigan	Ontario
Population Change	+9%	+40%
Employment Change	+32%	+50%
Manufacturing	-41%	-10%

Why – Regional collaboration and less intra-state competition.

Source: A.J. Jacobs, Economic Development Quarterly





**A SMALL
TOWN
SUCCESS
STORY**

**Atwood &
Rawlins County KS**

Atwood & Rawlins County Kansas – Success Story

Very Rural – Very Small

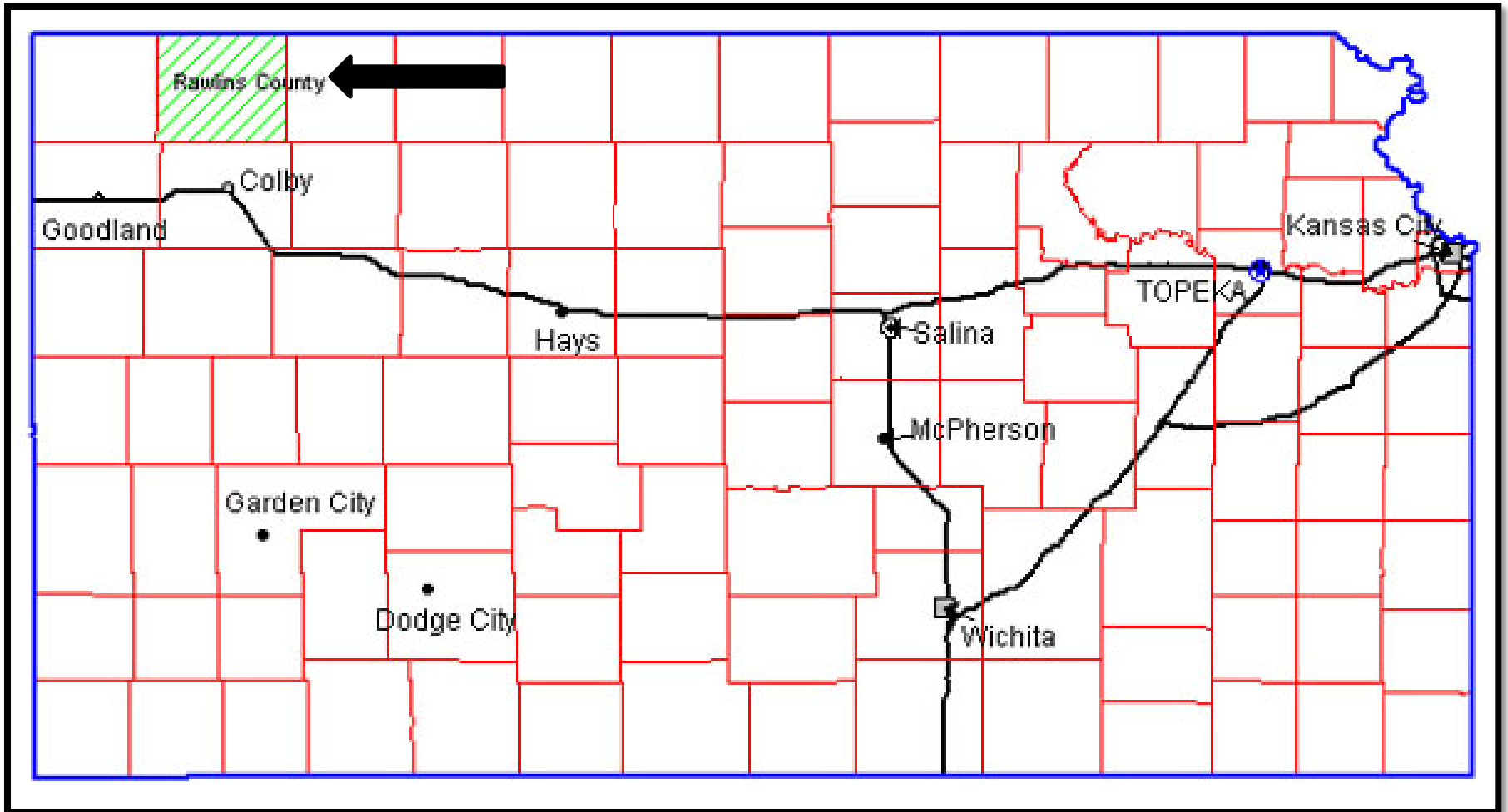
Northwest Kansas – Wheat Country

1970 to 2006 Population Loss

4,500 to 2,573 Residents



Rawlins County, Kansas



Atwood / Rawlins County Chronology

1970 – 4,500 Residents – Today – 2,500 – 44% Loss!

1990s – Early Exploration & Commitments

90s to Present – Pattern of Community Investments

Early 2000s – Discovered HTC – Over 30 Trained

2005 – Chris hired as Economic Developer

2007 – Kansas Entrepreneurial Community

2008 – Kansas HomeTown Prosperity

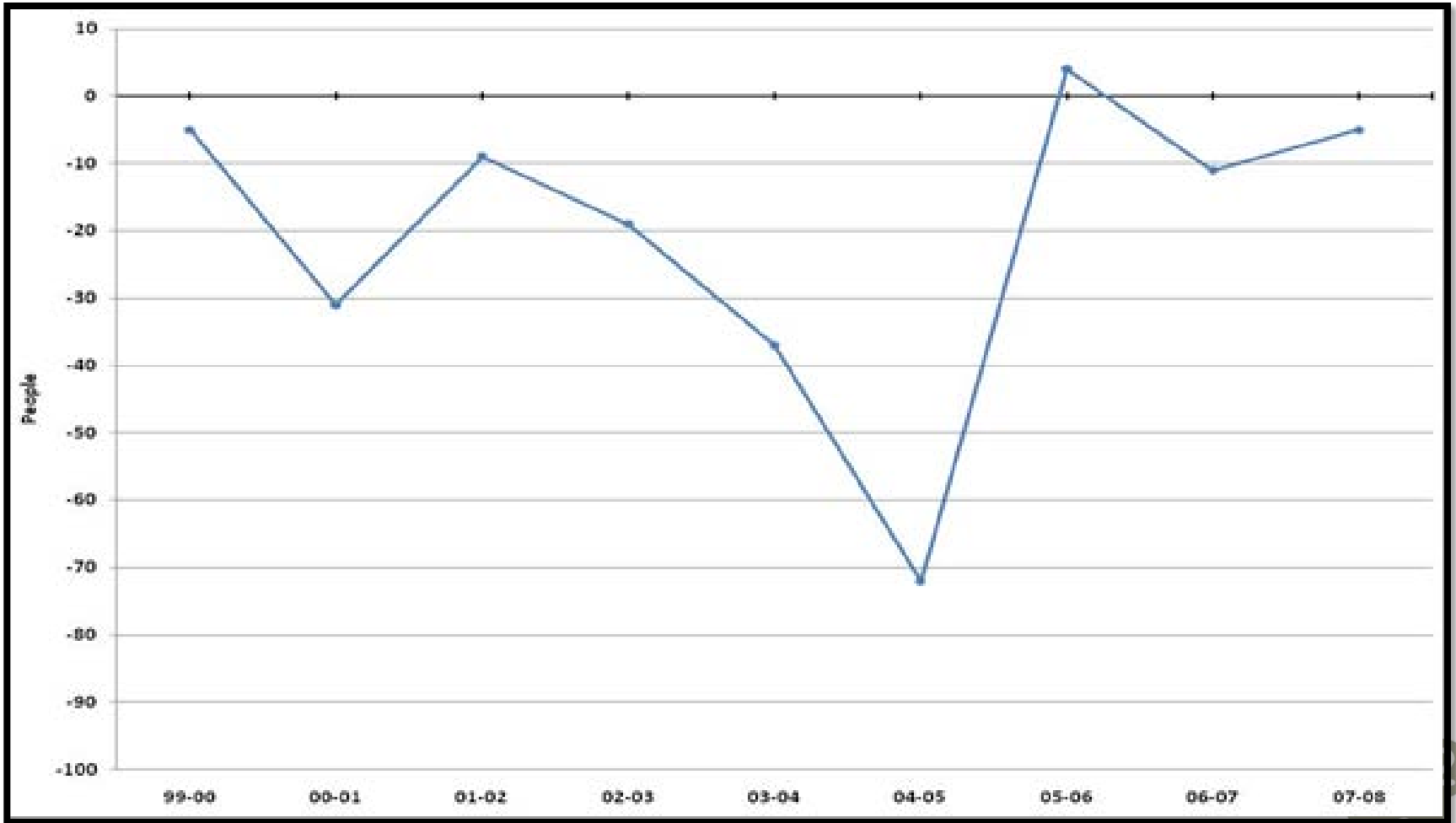
2009 – Entrepreneur Coaching Initiative

2010 – Kansas Entrepreneurial Community Initiative



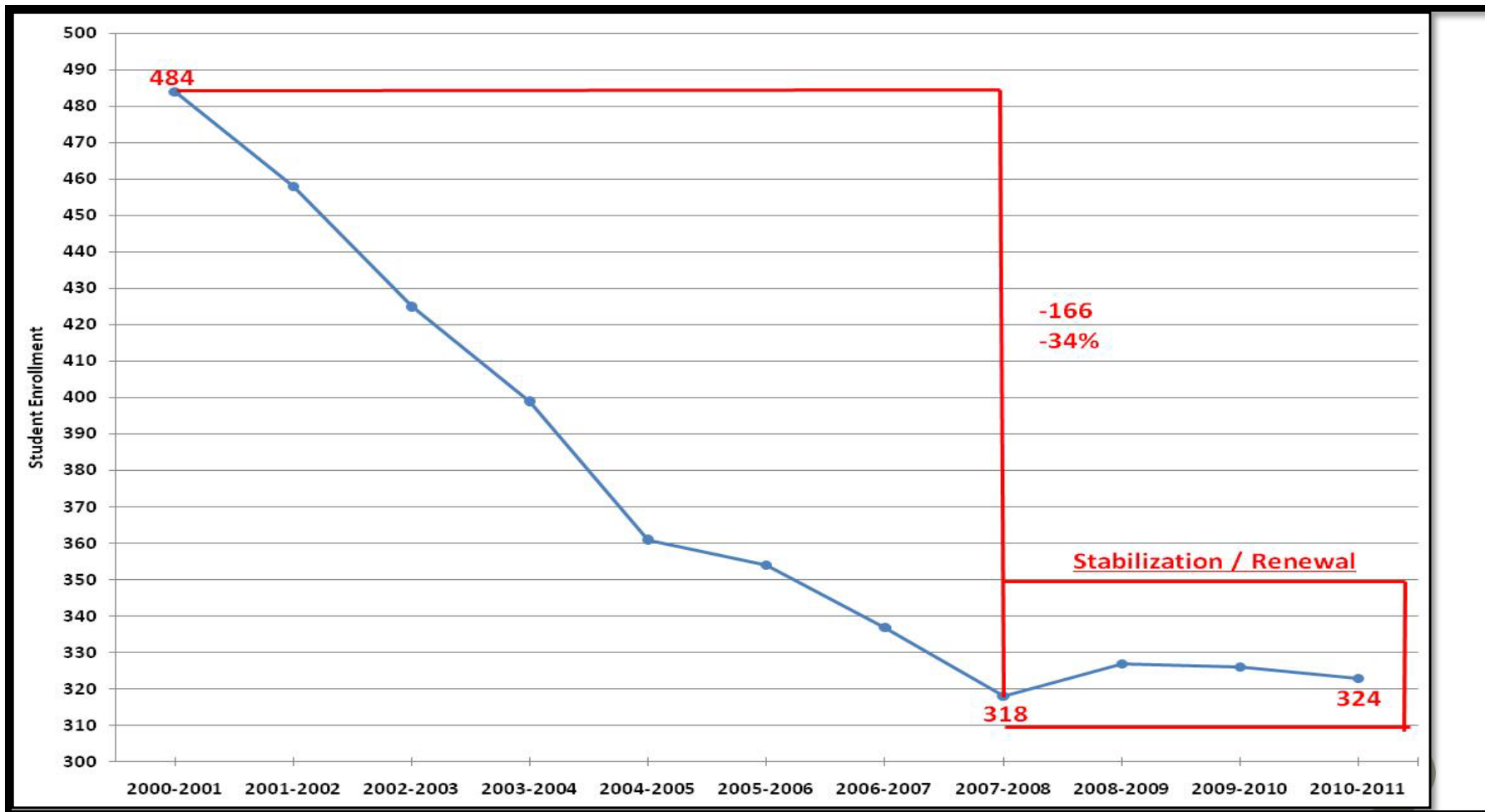
Net Migration

Rawlins County, Kansas



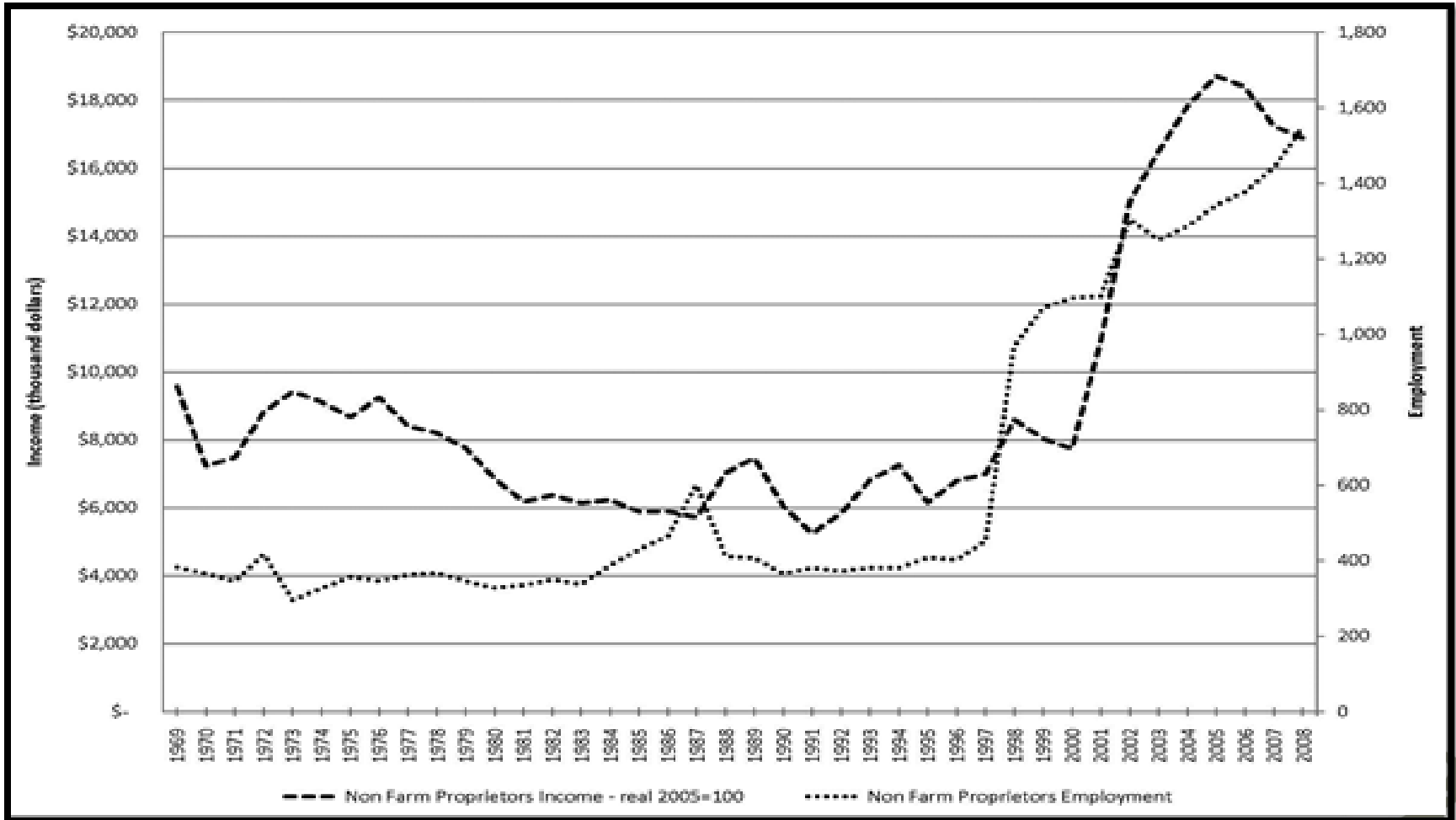
USD 105 School Enrollment

Rawlins County, Kansas



Nonfarm Proprietors' Income & Employment (1960-2008)

Rawlins County, Kansas



Wrap Up

Questions & Discussion

*Thank you for your
time, interest & consideration.*

Don Macke & the RURPI Team

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