



IOWA LAKES CORRIDOR DEVELOPMENT CORPORATION

BUENA VISTA, CLAY, DICKINSON & EMMET COUNTIES

Part four in a series of Strategic Planning articles about the Iowa Lakes Corridor Region

Business development, entrepreneurship and jobs in the Corridor

SPENCER - Economic development is most widely believed to be the recruitment of companies and jobs to an area. It is defined and understood by those in the profession as “the creation of wealth and jobs for the improvement of quality of life” and “the process that influences growth and restructuring of an economy to enhance the economic well being of a community.”

Statistics show that over 70 percent of all new jobs are created by existing companies; in the Iowa Lakes Corridor region the statistic has traditionally been over 85 percent. These additional jobs often do not make headlines and are traditionally added incrementally over time. The fact remains that most new jobs are created by those employers already in a community. Additionally, many of these new jobs are created by entrepreneurs as they start and grow their business. The Ewing Marion Kauffman Foundation in Kansas City found through their research that from 1980 to 2005, firms less than 5-years-old accounted for all net job growth in the United States. This data set also shows that without startups, net job creation for the American economy would be negative in all but a handful of years. If startups excluded, an analysis of the 2007 Census data shows that young firms (defined as one to five years old) still account for roughly two-thirds of job creation, averaging nearly four new jobs per firm per year.

There are many pieces to the economic development puzzle needed to have a successful economic development program which generates results (wealth and jobs). In the first three parts of this series, data was provided about the population, demographics, income levels, job growth levels and worker skills. The topic for the past few years since The Great Recession has been jobs and the need, nationally, to create more of them. It is not happening fast enough to make a dent in the national unemployment rate; fortunately, the Iowa Lakes Corridor region did not and still is not experiencing the high levels of unemployment as other parts of the country. That does not mean that jobs are not needed or wanted here. The challenge is how can or how will new jobs be created in our region?

Through consultation and surveys, the Iowa Lakes Corridor has learned to place emphasis, and plans to continue, on existing industries and entrepreneurship to retain and add new jobs in the region. “It was our best chance for success and is even truer today following the Great Recession,” said Kathy Evert, president and CEO. An economic development program emphasizing entrepreneurship is sustainable and can produce the best results long-term.

Investors in the regional economic development program of the Iowa Lakes Corridor have indicated very strong support to continue the entrepreneurship services (coaching, counseling and technical assistance) as well as the youth entrepreneurship programs (Junior Achievement in grades K-6, a middle school entrepreneurship academy, high school teacher training to incorporate entrepreneurship in the classroom, the high school Be Your Own Boss seminar and business plan competition) and the Okoboji Entrepreneurial Institute for college students. “We are developing the next generation of entrepreneurs and business owners, as well as community leaders, through the youth entrepreneurship programs,” said Evert.

Everyone can play a role in supporting entrepreneurship by networking, doing business with local entrepreneurs, being supportive even when failure occurs, and making referrals. As Christine

Pennell-Hamilton shared with Corridor stakeholders in March of this year, “What your community wants to create is a culture with no ‘wrong door.’ No matter where a business owner or prospective business owner starts, he or she will get directed to the agency or organization that can meet their needs, preferably with a name and an introduction.”

Creating a much higher awareness of the existing employers, their contributions to the regional economy, the people they employ and the jobs they create will have even more emphasis throughout the Iowa Lakes Corridor. “We have a tremendous mix of business and industry and very strong companies, financially, that provide great places to work,” said Evert. “And we are blessed to have the beautiful natural resources that have made this such an attractive region in which to live and play. Some think it cliché, but this is truly a wonderful place to do all three!”

The next strategic plan for the Iowa Lakes Corridor region will include strategic targets for new business recruitment, the kinds of companies that will complement the existing industry base, with an emphasis on suppliers and vendors to existing industry. The competition for new industry locations is fiercer than ever due to very few relocations taking place by companies. There remains a significant amount of excess capacity in many industries and a significant amount of vacant industrial space around the country. We will also examine the types of jobs provided by these companies and how well they meet the needs of individuals and communities in a globalized, skill-based economy. In this context, the success of individuals equals the success of business and communities. Quality, higher-skilled jobs will be priority.

“If we kept statistics like a baseball team and its players, we would want our batting average to increase, not decrease; same is true with workers wages and salaries. If we added a team member with a lower batting average, the overall average is less; same is true when adding wages that are below the average wage in a county or region,” said Evert. “Incomes in the region are below the state and national averages and it just doesn’t make sense to focus attention on those jobs that pay less than the average for this region.”

A set of new goals and objectives for the region will be presented in early November. The plan was developed following a series of expert presentations in March, focus group sessions in April, an annual investor survey conducted in April, a new movers study compiled in May, and a draft plan prepared by a core strategic planning committee of nine individuals and Mary Lawyer of Des Moines as the facilitator working with Corridor board members and staff. The Board of Directors of the Iowa Lakes Corridor Development Corporation has adopted a plan for 2013-16 and is working on identifying the resources necessary to execute the plan. The series of articles published over the last four weeks attempted to share some of the background information which helped determine the best set of goals and objectives going forward.

#

The Iowa Lakes Corridor Development Corporation is the regional economic development agency for Buena Vista, Clay, Dickinson and Emmet counties. Its mission is to foster, encourage, aid, promote or otherwise assist in the economic growth and development of the region. For more information about the Iowa Lakes Corridor Development Corporation, call 712-264-3474 or visit www.lakescorridor.com.