



Stimulating the Regional Economy: An Economic Gardening Strategy

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Initiative
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How Do We Grow the Local Economy?

- Recruitment
- Local entrepreneurs
- Workforce development
- Reduce leakage



Recruitment Research

New jobs:

- Relocations: <1%
- New and expanding: >99%

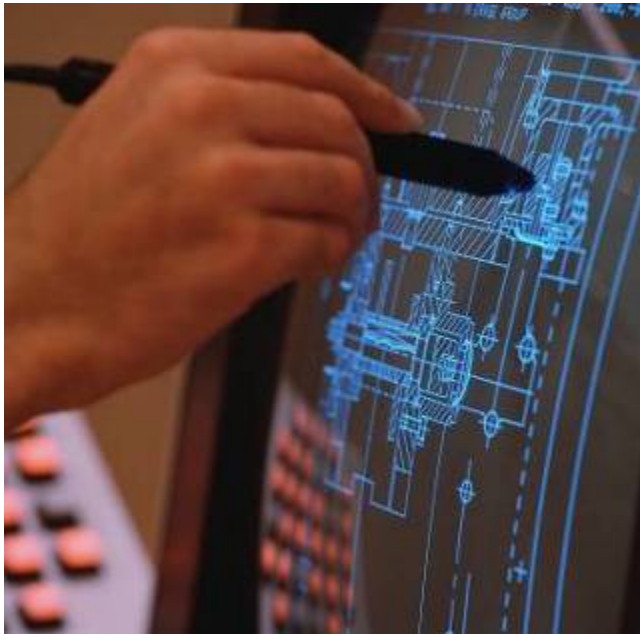


What is an Entrepreneur?

An entrepreneur is someone who perceives an opportunity and creates and grows an organization to pursue it.



Entrepreneurial Activity



- 10% of population
- 60% self-financed
- Half are home-based



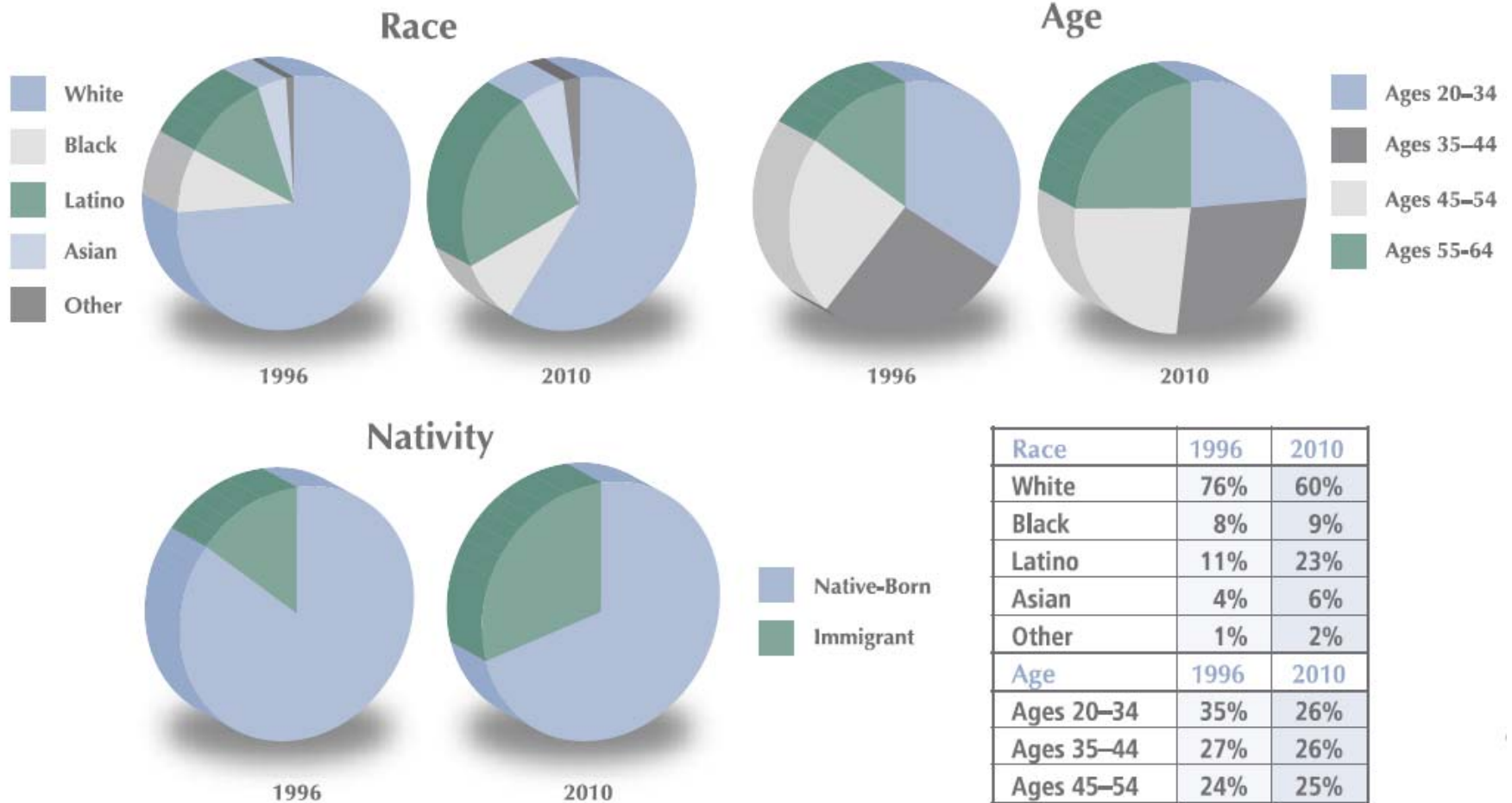
Entrepreneurial Activity



- 45 to 64 year olds
- More men than women
- Immigrants more than native-born



Big Changes in Composition of New Entrepreneurs Share of All New Entrepreneurs (1996, 2010)



Race	1996	2010
White	76%	60%
Black	8%	9%
Latino	11%	23%
Asian	4%	6%
Other	1%	2%
Age	1996	2010
Ages 20–34	35%	26%
Ages 35–44	27%	26%
Ages 45–54	24%	25%
Ages 55–64	14%	23%
Nativity	1996	2010
Native-Born	86%	71%
Immigrant	14%	29%

SOURCE: Robert W. Fairlie, University of California, Santa Cruz, using the Current Population Survey.

Poll

What percentage of net new jobs in the U.S. are created by businesses with 1 to 9 employees?

- ☐ 25%
- ☐ 50%
- ☐ 75%
- ☐ 100%



Small Business Facts

- 1-9 employees
- 100% of net new jobs
- Growth is key



Source: YourEconomy.org, Edward Lowe Foundation, 2008 data

Sussex County 2006-2008



 Resident Establishments (average)  Jobs (average)  Positive Job Growth

Source: YourEconomy.org

Economic Impact of Start-up Firms

- Only net job growth in U.S.
- 3 million jobs in first year
- 80 percent retained
- Job creation stable



Start-up Rates

- 2010: highest level in 15 years
- Self-employed: occupational decision
- Employer firms: economic decision



“Sweet Spot”

- 1-5 years old
- Growth focus
- Any size
- Innovation
- Outside market
- High-quality jobs



Small Businesses Drive Economic Growth



Economic Gardening

- Entrepreneurship support strategy
- SBA 2006 *Report to the President*
- Gained traction



Economic Gardening

- Entrepreneurs create jobs
- Economy grows from within
- Community is committed



Economic Gardening – Littleton, CO

History:

- Pioneered in 1989
- Response to recession, oil bust, layoffs
- Traditional recruiting had not worked



Economic Gardening – Littleton, CO

City Council charge:

- Focus on local companies
- Increase sales tax revenues
- Create good jobs for our kids



Economic Gardening Elements

- Information
- Infrastructure
- Connections



Information



Key Information Needs

- Customers
- Competitors
- Market & Industry
- Social Media



Infrastructure



Quality of life
and physical
infrastructure

Connections



- Partnerships
- Entrepreneur networks
- Resources

Creating Partnerships

Who needs to be
at the table?

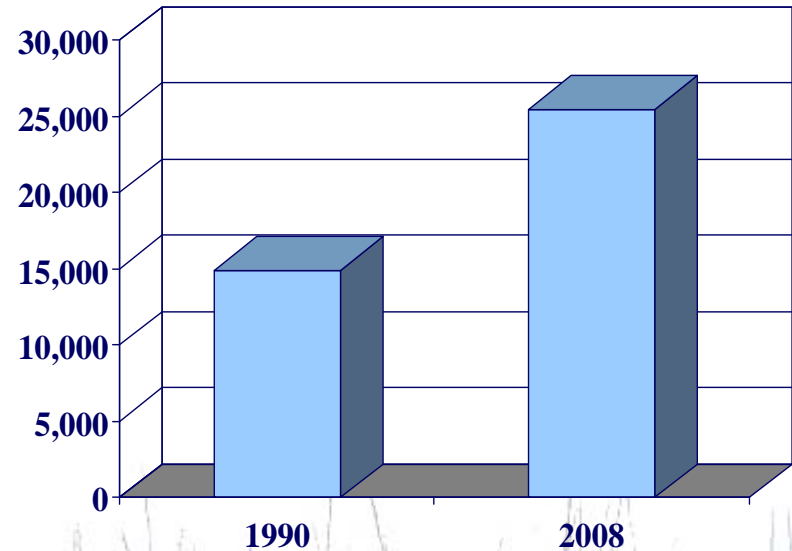


Littleton Impact Data – Employment Growth

**Employment growth
71%**

- 1990: 14,907 jobs**
- 2008: 25,483 jobs**

Net new jobs: 10,576

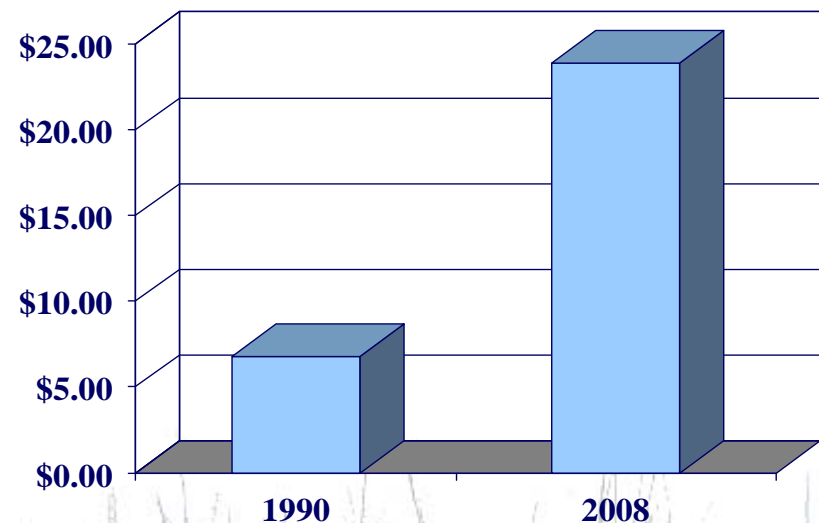


Littleton Impact Data – Sales Tax Revenues

Sales tax revenue growth 228%*

- 1990: \$6.8 million**
- 2009: \$22.3 million**

***Not adjusted for inflation**

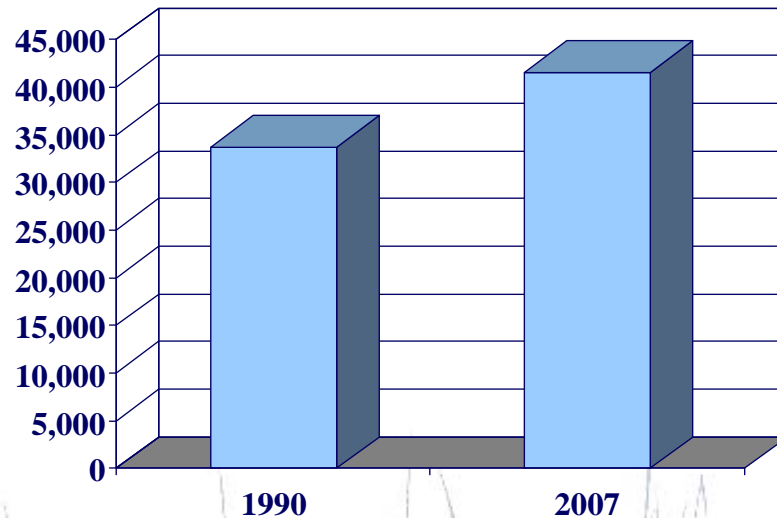


Littleton Population Growth

**Littleton
population**

- 1990: 33,685
- 2008: 40,725

**Population growth:
20.8%**



Source: Denver Regional Council of Governments,
<http://www.drcog.org/communityprofiles/PDFs/Littleton.pdf>

Youth Entrepreneurship

- 4 in 10 want to start business
- More males than females
- Helps to know an entrepreneur
- Confident they can do it
- Look to entrepreneurs for start-up help



Effingham County, IL: Creating Entrepreneurial Opportunities (CEO)

- 50 business partners
- 5 public and 1 private school system
- Meets before school every day
- 2 H.S. credits



Effingham County CEO

- All aspects of starting and running a business
- Tour local businesses
- Develop at least one business
- Year-end Trade Show/Annual Investors Program

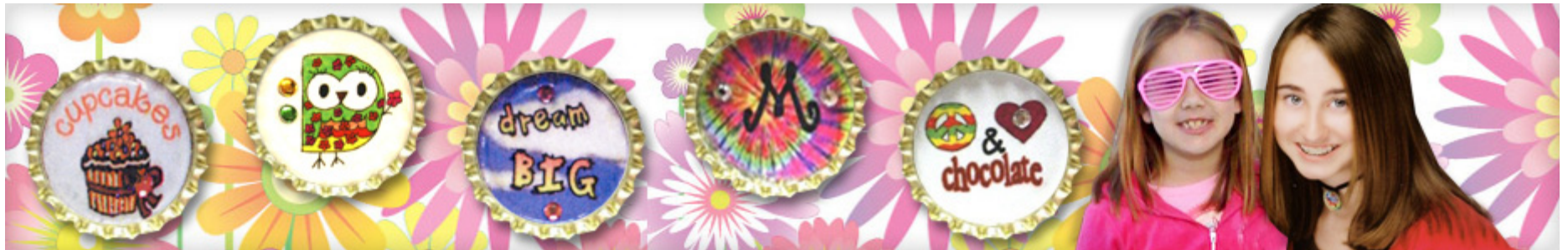


Effingham County CEO

- Started Visto
- Converts vehicles to run on natural gas
- Set up shop in Dieterich
- Lined up funding
- Have first customers
- Interested in converting fleets of vehicles



Christopher Schultz and Vince Higgs

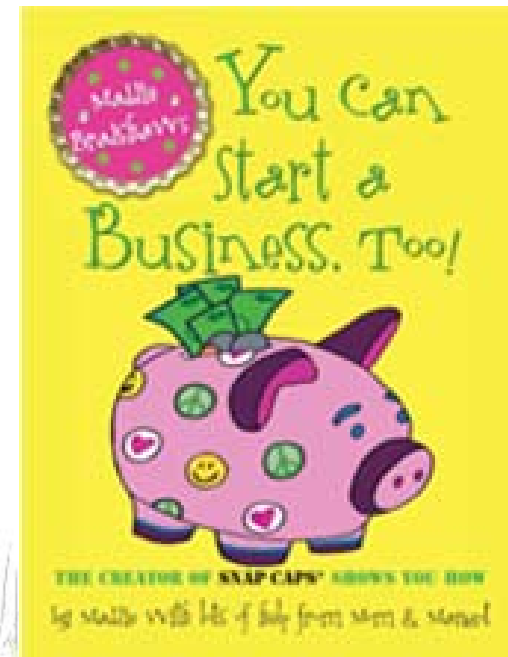


Maddie Bradshaw launched a fashion accessories line at age 13

With \$300 and the help of her mother and sister, Maddie launched her company **M3 Girl Designs LLC., SNAP CAPS®**.

In just two years the company grew into a million dollar business with over 25 employees.

www.m3girldesigns.com



NetWork Kansas – Kansas Economic Gardening Network

- USDA-RBEG grant
- Rural focus
- Hub-and-spoke model
- 470 NetWork Kansas partners
 - Identify candidates
 - Communicate benefits
 - Refer them to the online application
 - Follow-up with businesses



Kansas Economic Gardening Network

Eligibility:

- Rural community (<50K population)
- Privately-held
- 5-100 employees
- \$600K to \$50M in revenues
- Outside market
- Referral from NetWork Kansas partner

Kansas Economic Gardening Network

Services provided:

- Strategy Analysis
- Database Research
- Search Engine Optimization (SEO)
- Geographic Information Systems (GIS)
- Social Media Network Mapping
- Management Team Temperament
- Capital Referrals
- Labor Referrals

Kansas Economic Gardening Network

Outcome:

- 10 businesses assisted in first six months
 - Very rural communities
 - Mostly manufacturing
- Participants very positive



Grenada (MS) Economic Gardening Program

Collaboration:

- City
- County
- Community College
- Economic Development
- School District



Grenada Economic Gardening Program

Key Elements:

- **Technical Support**
- **Infrastructure development**
- **Networking Opportunities**



www.grenadameansbusiness.com/economicgardening

Grenada Economic Gardening Program

Impact (first year):

- 11 companies assisted
- 17 jobs created
- Entrepreneurship class at community college
- Low-interest loans
- 15 jobs from 3 new companies projected

Sauk County (WI) Economic Gardening Program

Partnership:

- Sauk County Development Corporation
- Beth Pluchak and Sue Gleason (consultants)



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Sauk County (WI) Economic Gardening Program

Funding:

- Grants
 - Utility company
 - Family foundation
- Business participation fees
- In-kind contributions



Sauk County (WI) Economic Gardening Program

Eligibility:

- Locally owned
- \$1 to \$20M annual sales
- In business 5+ years
- Growth-oriented
- Innovative leaders



Sauk County (WI) Economic Gardening Program

Pilot Project Results:

- Nine businesses assisted
- Estimated cost per business \$1,000 to \$1,550
- Variety of reports provided
- Businesses overwhelmingly positive



Sauk County (WI) Economic Gardening Program

Lessons learned:

- No secret formula
- Trained staff needed
- Regional approach
- Public-private partnerships
- Use available resources, e.g., library databases
- SCDC “sponsorship” important



Sauk County (WI) Economic Gardening Program

Challenges:

- **Ongoing funding**
 - Spread costs
 - Self-funding
- **Build word of mouth**



Questions?

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