

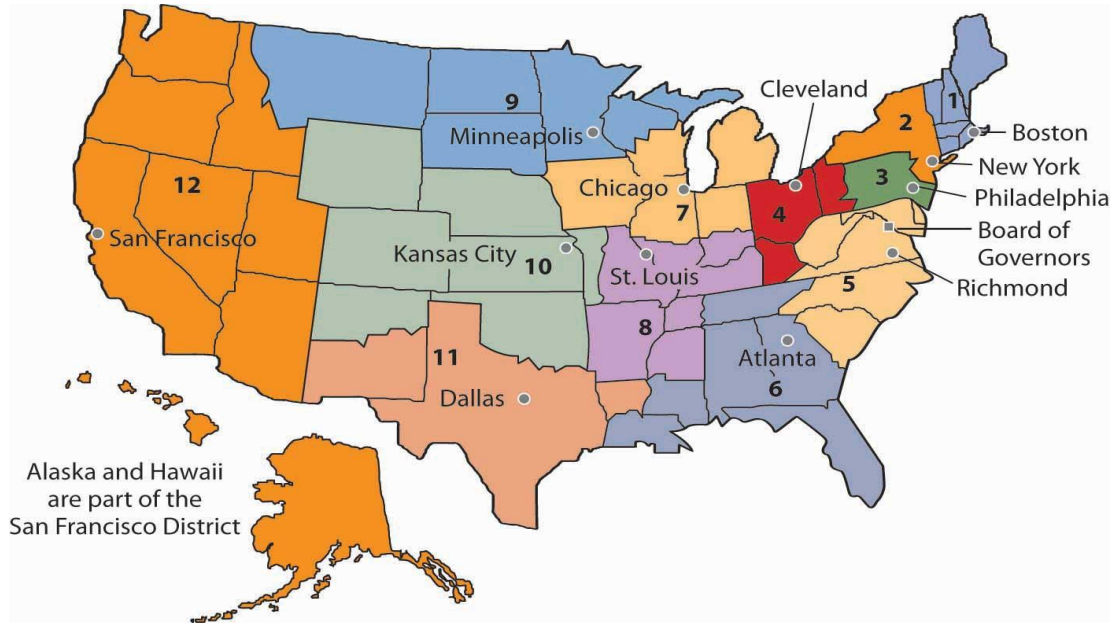
The Federal Reserve Bank of Kansas City

Rural Entrepreneurship Led Economic Development

*Dell Gines, CEcD
Sr. Community Development Advisor
Federal Reserve Bank of Kansas City*



Federal Reserve Bank of Kansas City



The Tenth District consist of Nebraska, Oklahoma, Kansas, Colorado, Wyoming and parts of Missouri and New Mexico

The Fed's three functions are to:

- Conduct the nation's monetary policy,
- Provide and maintain an effective and efficient payments system, and
- Supervise and regulate banking operations



The Federal Reserve Bank of Kansas City

Denver Branch



Alison Felix is vice president and Denver Branch executive at the Federal Reserve Bank of Kansas City. In this role, she serves as the Bank's regional economist and representative in the states of Colorado, Wyoming and northern New Mexico. Felix also recruits and works closely with the Branch's board of directors and is responsible for briefing the Kansas City Fed's president—a member of the Federal Open Market Committee—on economic and business activity in the Denver region's states.



The Federal Reserve Bank of Kansas City

Functions – around 160 staff

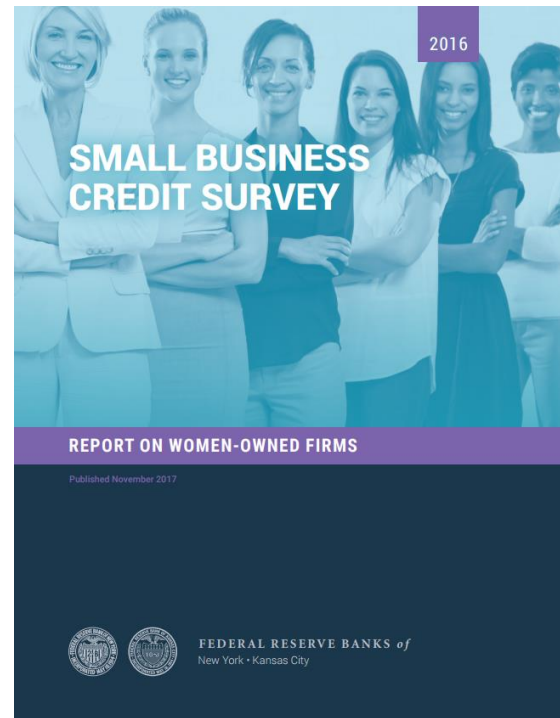
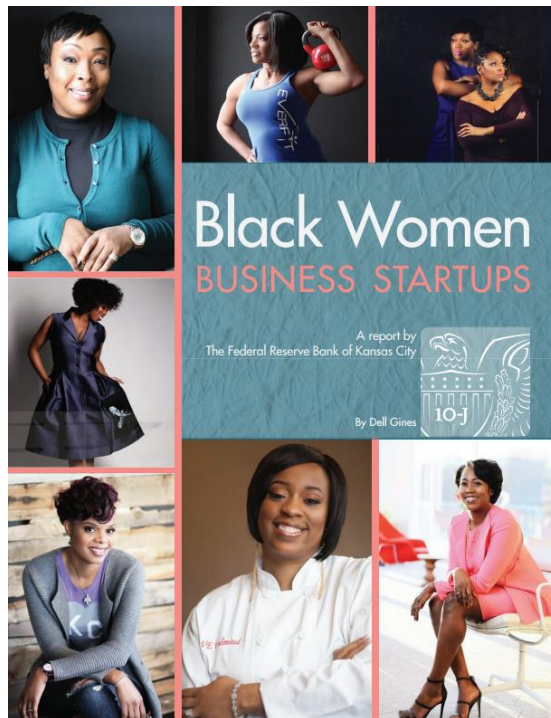
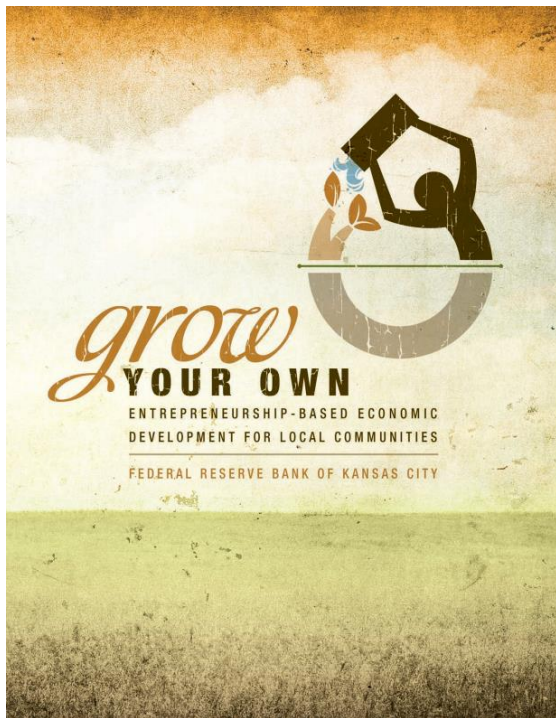
- Regional research covering the economies of Colorado, New Mexico and Wyoming
- Economic, financial education, and community development outreach
- Examinations of Colorado, Wyoming and northern New Mexico financial institutions
- Cash processing and distribution
- Money Museum

2018 Denver Board of Directors

- Richard Lewis (Chair): President and CEO of RTL Networks, Inc.
- Ashley Burt: President of The Gunnison Bank and Trust Company
- Taryn Edwards: Senior Vice President of Saunders Construction
- Edmond Johnson: President and Owner of Premier Manufacturing, Inc.
- Denny Marie Post: President and CEO of Red Robin
- Jeff Wallace: CEO of Wyoming Bank and Trust
- Katharine Winograd: President of Central New Mexico Community College



Federal Reserve Bank of Kansas City



Federal Reserve Bank of Kansas City



What We Will Cover

- Wyoming Businesses
- Entrepreneurship Led Economic Development Concepts
- Entrepreneurship Led Economic Development Promising Programs and Practices



The Evolution of Economic Development

1930s – Industrial Recruitment

Summary - Focuses on reducing firm cost to relocate or remain in a community.

Practice – Provide tax incentives, lease abatements, and other forms of cost cutting to firms to induce them to locate to a community.

Rationale – Firms make location decisions based upon cost relative to profit so if economic development reduces cost, they have a likelier chance of attracting or retaining a firm that is providing economic growth.

1980s – Entrepreneurial Strategies

Summary - Focuses on helping small businesses grow by accessing resources and markets.

Practice – Provide access to capital, support with exporting, additional training, and provide incubators to help reduce early cost.

Rationale – Small businesses create the majority of net new jobs, therefore helping them start, grow and access new markets is a key to economic growth.

1990s - Clusters

Summary - Focus on the economic development environment in which industries and firms group together and create a competitive advantage.

Practice – Identify the critical clusters of industries in an area, and the things that influence those industries, and work to strengthen the clusters through policy, programs and practice.

Rationale – Clusters occur and create a competitive advantage to a local area based upon the development of supply chain support, and workforce. Therefore an effective development strategy should be to strengthen the entire cluster, and recruit firms that fit the cluster to maximize economic growth.

2010s – Entrepreneurship Ecosystems

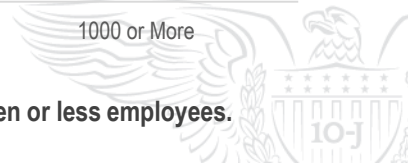
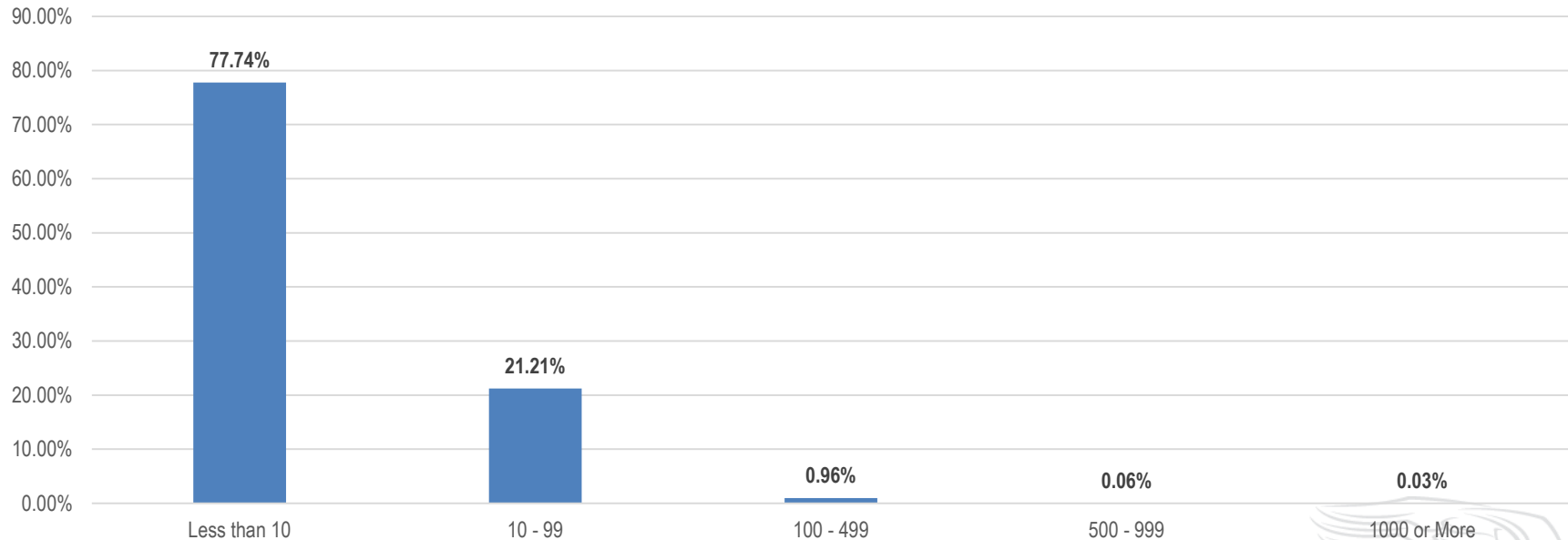
Summary - Focus on the elements in a local community that enable entrepreneurs to efficiently start and grow companies.

Practice – Foster collaboration, and interaction between policy makers, capital providers, and entrepreneurship support organizations to create an environment that helps entrepreneurs start and grow as quickly as possible.

Rationale – High growth entrepreneurs create the majority of net new jobs, and drive new economic growth, so creating a resource rich environment should be a priority of effective economic development.

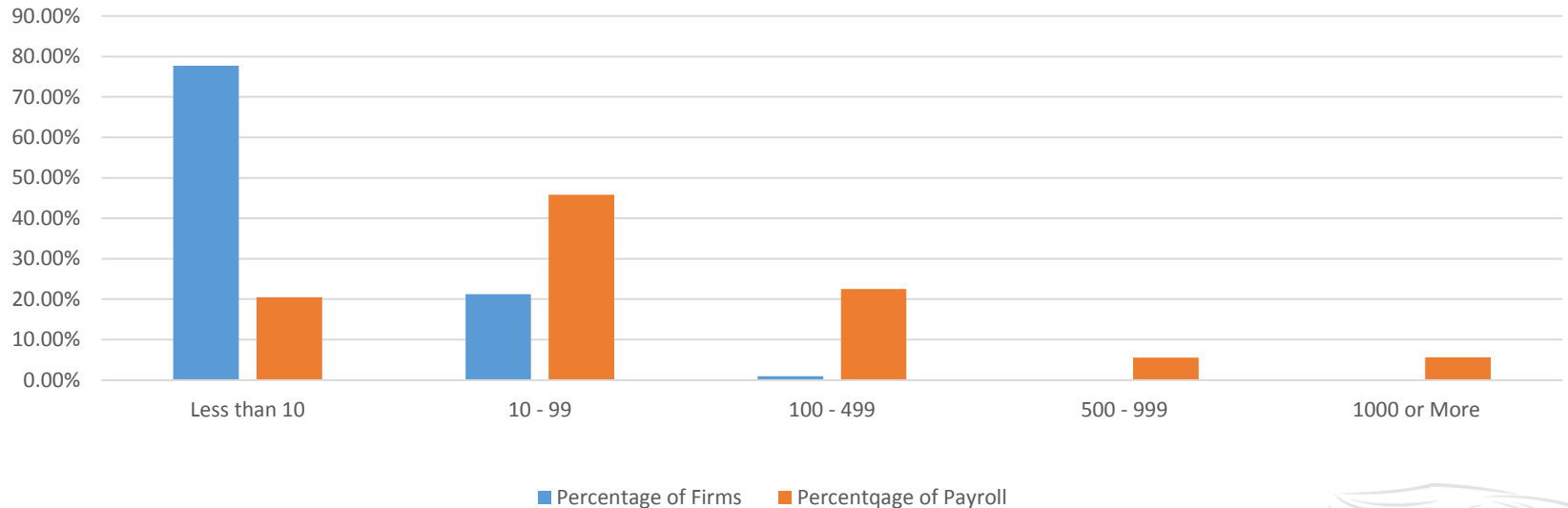
Wyoming Businesses

2016 Wyoming Percentage of Firms by Number of Employees Per Firm



Wyoming Businesses

2016 Wyoming Percentage of Firms by Size Compared to Annual Payroll Percentage

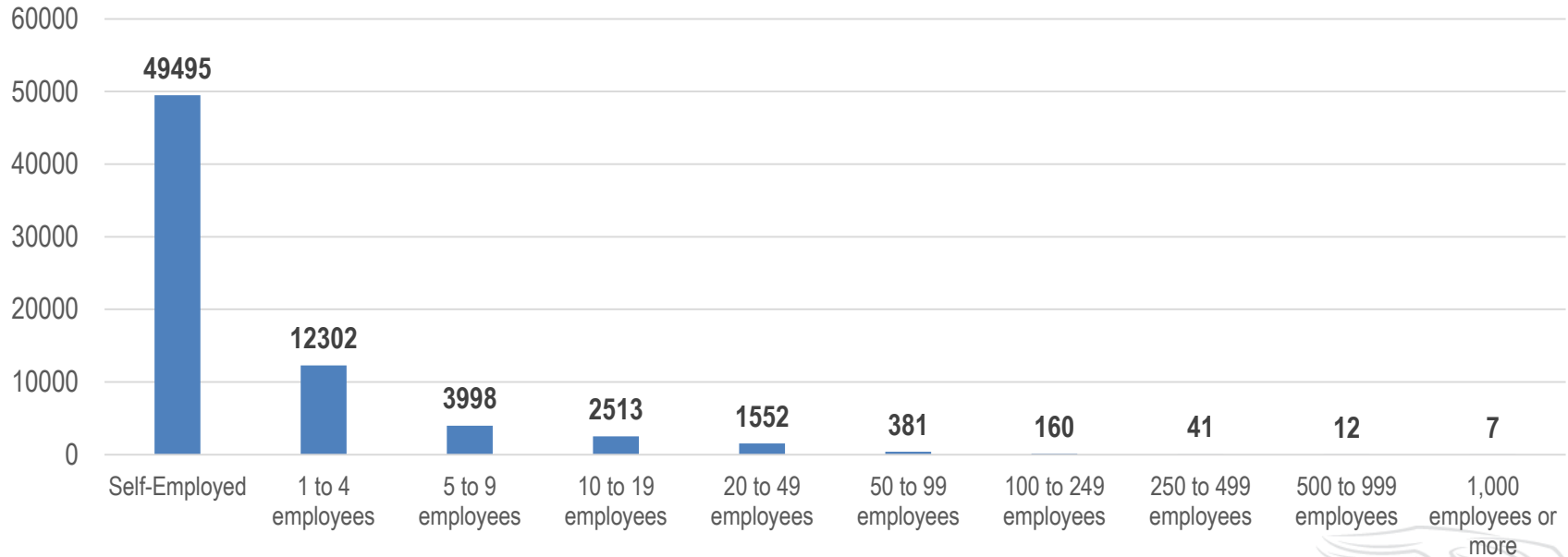


66% of the payroll dollars paid to Wyoming workers are paid by businesses with 99 or less employees.



Wyoming Businesses

2016 Wyoming Businesses by Self-Employment and Employment Size

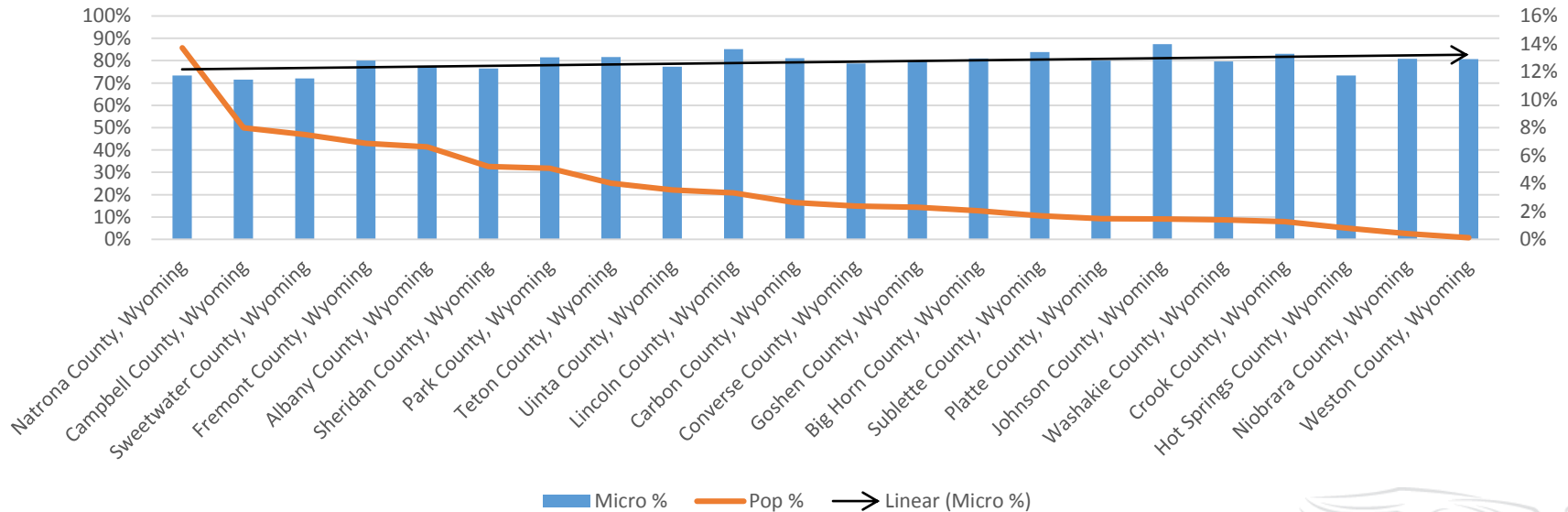


When we add in businesses with no employees 66,000 of the 71,000 businesses in Wyoming have less than 10 employees.



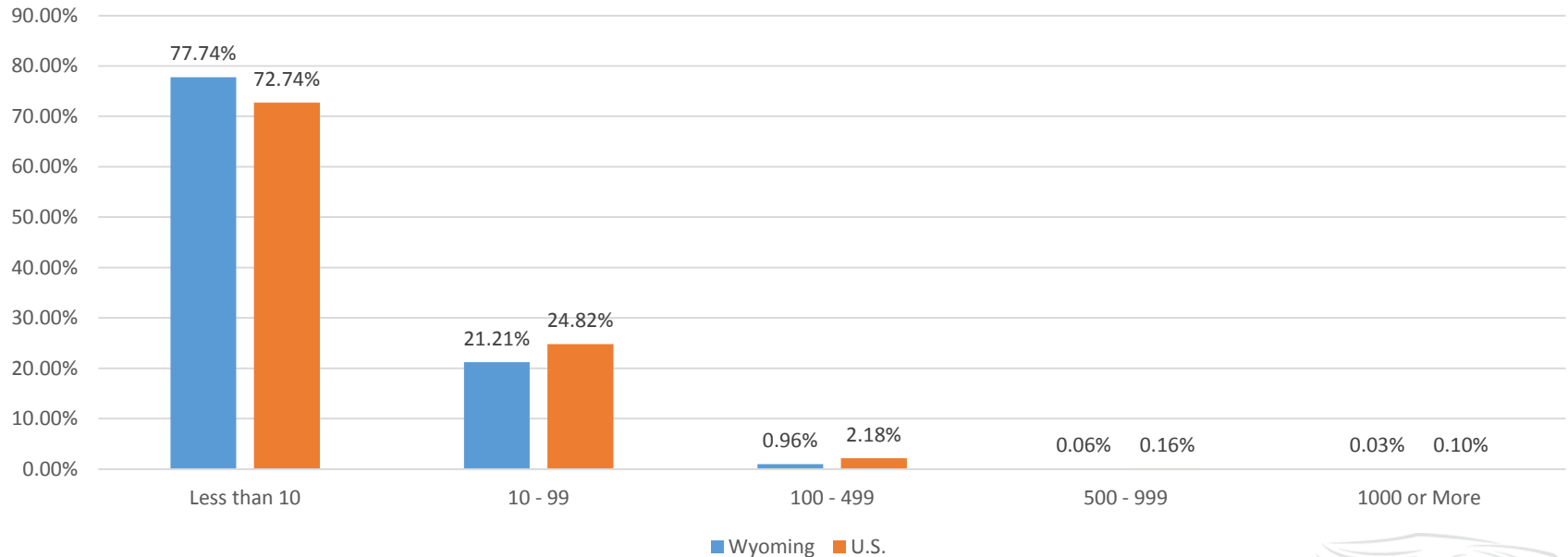
Wyoming Businesses

**2016 Wyoming County Percentage of Businesses with Less than 10 Employees
Compared to County Percentage of Wyoming Population**



Wyoming Businesses

2016 Wyoming Business Size by Employees Compared to the U.S.



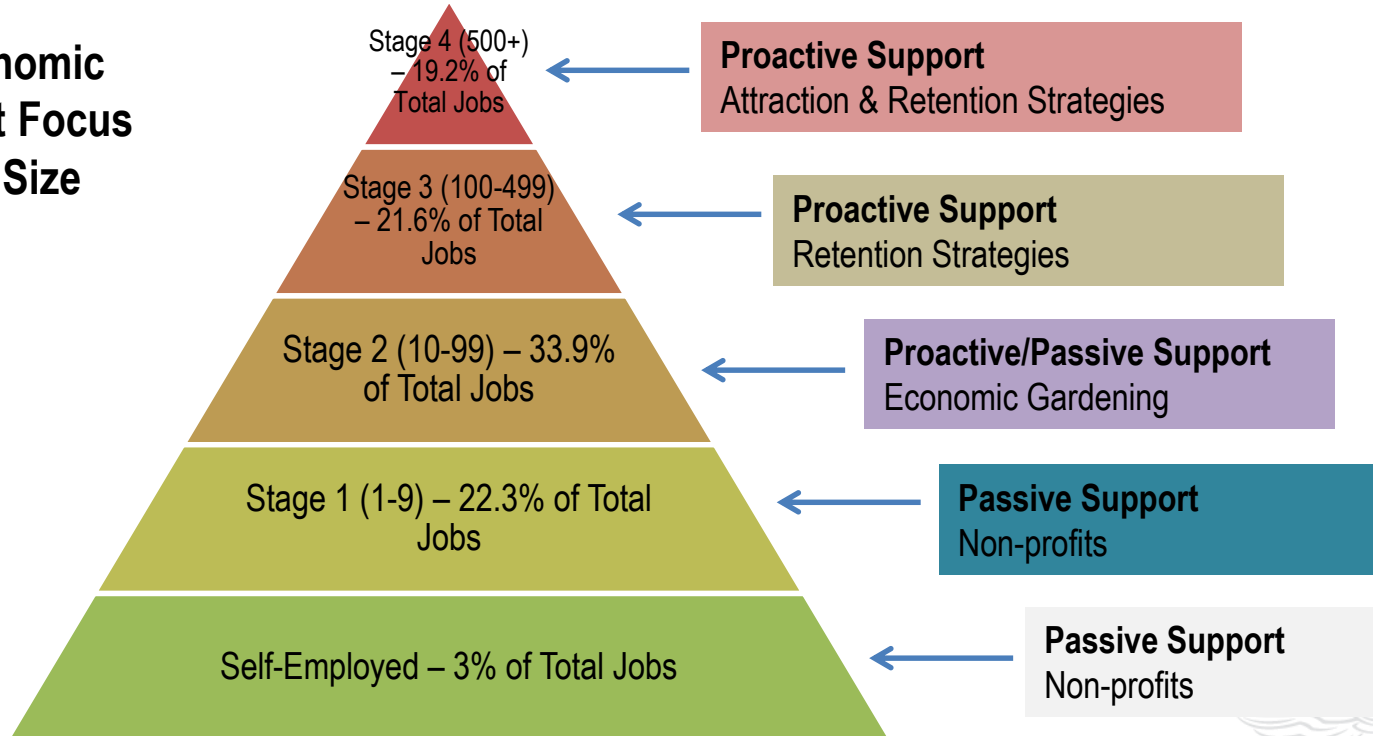
Wyoming Businesses

Wyoming businesses trend to be smaller than the national average and smaller businesses are important contributors to the Wyoming economy.



Entrepreneurship Led Economic Development

General Economic Development Focus by Business Size



Note: Proactive support means the agency is reaching out directly to these firms. Passive support means the support is available on demand.



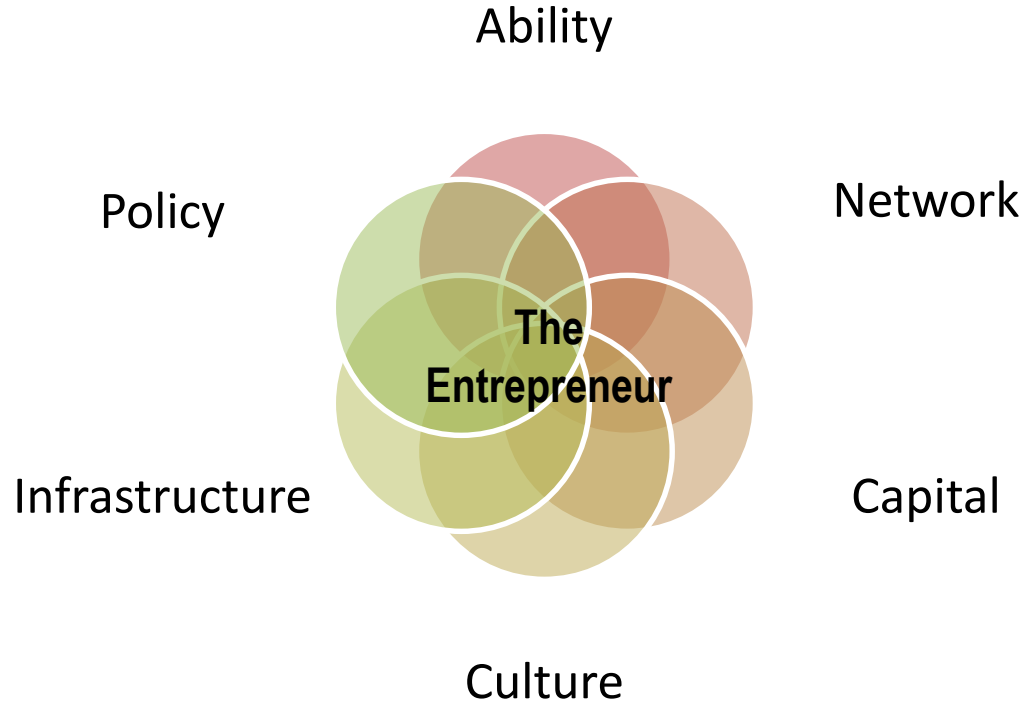
Entrepreneurship Led Economic Development

Entrepreneurship Led Development Returns Development Back to the Hands of the Community.

1. It prioritizes the local.
2. It facilitates economic diversity.
3. It leverages the power of the job creators.
4. It builds community.



Entrepreneurship Led Economic Development



An entrepreneurship ecosystem are the interactive elements in a community that interact together in a meaningful way to influence and support entrepreneurs as they start and grow businesses.



Entrepreneurship Led Economic Development

The economic developer's responsibility in entrepreneurship led development is to:

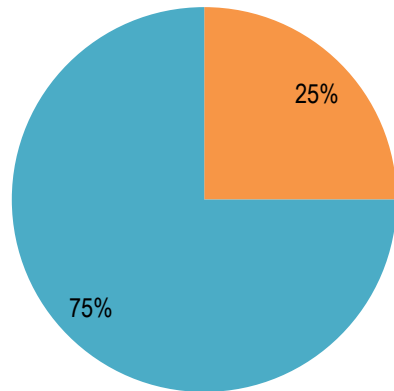
1. Ensure that development is entrepreneur focused.
2. Foster hyper-collaboration between the key elements that drive entrepreneurship in the ecosystem.
3. Identify and fill gaps in the ecosystem.
4. Help manage ecosystem growth as the ecosystem matures.



Entrepreneurship Led Economic Development

Simply stated, an opportunity cost is the cost of a missed opportunity. – inc.com

Foggy & Sparce Ecosystem

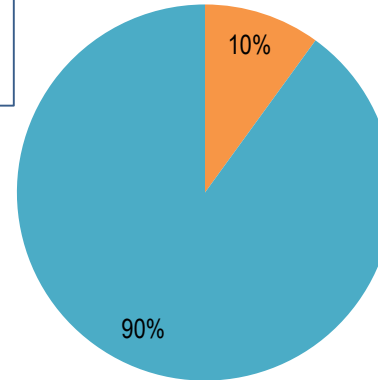


- Time and energy spent figuring out how to get support from the entrepreneurship ecosystem
- Time and energy spent working on building the business

How more productive could our businesses be if they had more time and energy to focus on growing?

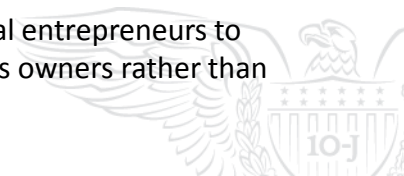


Transparent & Dense Ecosystem



- Time and energy spent figuring out how to get support from the entrepreneurship ecosystem
- Time and energy spent working on building the business

The strongest entrepreneurship development ecosystems do the best job of allowing existing and potential entrepreneurs to spend more time and energy 1) focusing on building the business and 2) becoming more effective business owners rather than wasting time figuring out how to get support, information, and resources to build the business.



Entrepreneurship Led Economic Development

Ecosystem #1 - Sparse



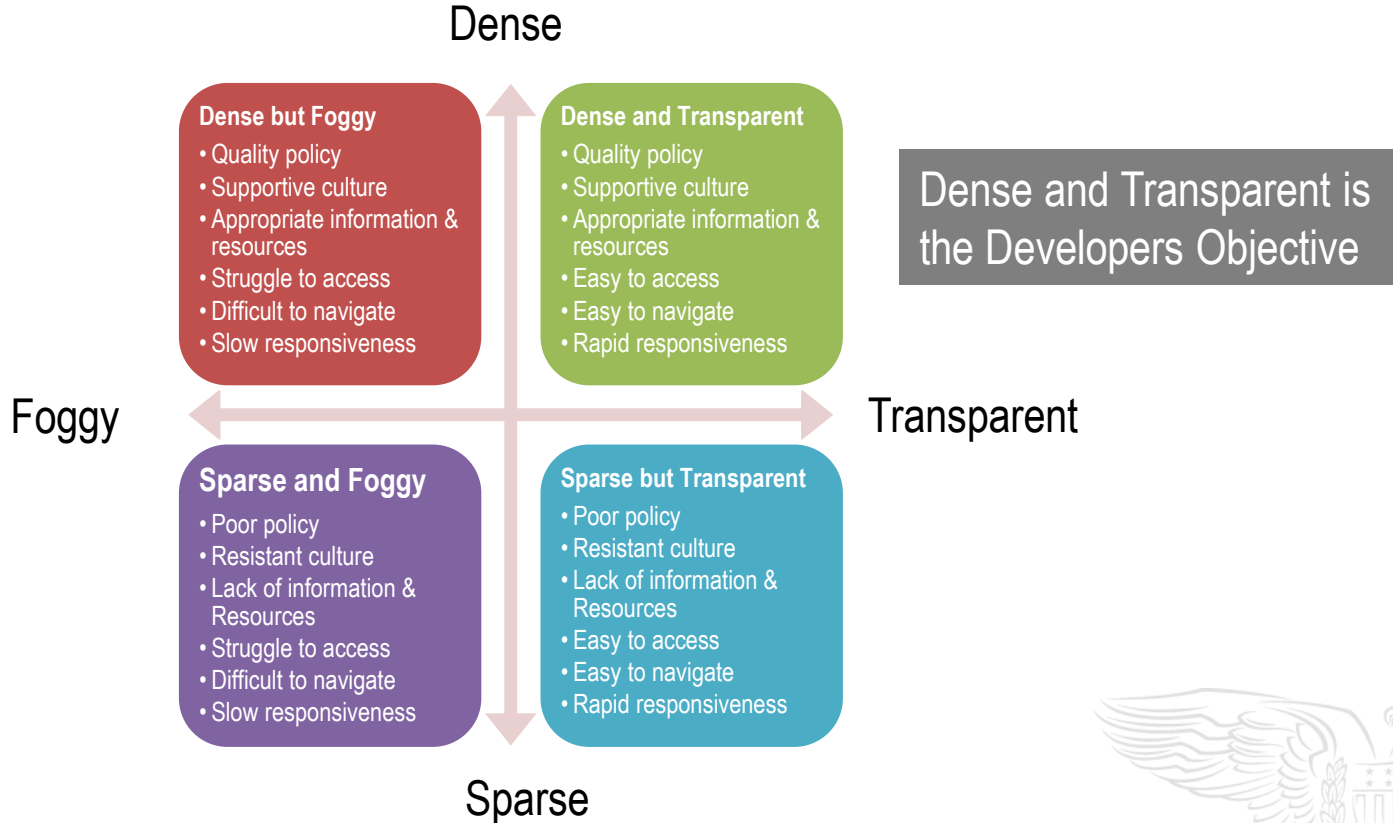
Ecosystem #2 - Dense



Are the programs, policies and activities sufficient in number and type to meet development goals?

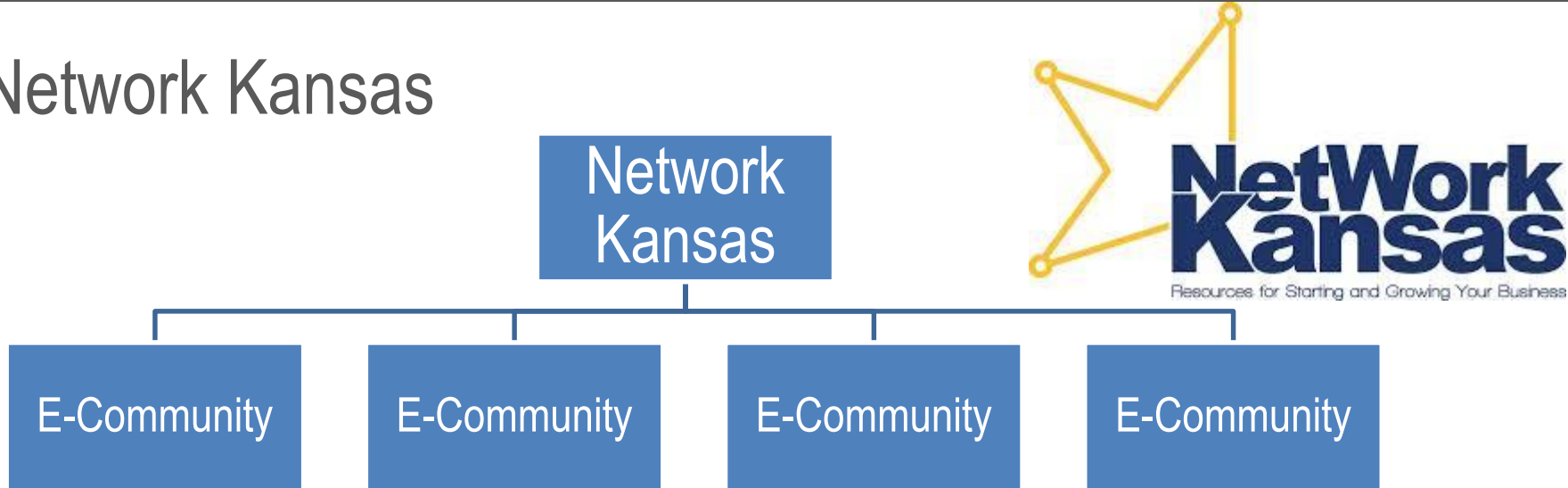


Entrepreneurship Led Economic Development



Best Practices & Promising Programs

Network Kansas



What makes it great - Network Kansas has a statewide model that supports ecosystem building at the community level. The model leverages tax credits that are provided to local communities to establish loan funds. Additionally, it provides education, networking and information sharing. This is a solid model for low population density communities.



Best Practices & Promising Programs

Launch Tennessee



Launch Tennessee

What makes it great – Launch Tennessee is a statewide model that focuses on developing high growth firms. It is rooted in a state wide vision to make Tennessee the “most start-up friendly state in the country”. They leverage their network of entrepreneur centers to support entrepreneurs across critical dimensions of the ecosystem.



Launch Tennessee



TOGETHER

We Build A Startup-Friendly
Tennessee



Best Practices & Promising Programs

Sourcelink



R&D for your Entrepreneurial Community: Identify, Connect, Empower and Measure



Identify

the entrepreneurial resources in your community and make them visible



Connect

your community through a central hub – a robust website, a one-stop hotline and/or a community calendar of events



Empower

your ecosystem by engaging, listening, responding and collaborating to solve problems and fill gaps



Measure

your impact, based on your entrepreneurial ecosystem's stage of development

What makes it great – Now located in over 40 communities in the nation, Sourcelink provides a digital platform along with local support that helps create a centralized portal of small business support organizations in a state, county or city. This helps entrepreneurs identify rapidly the providers that can help the launch and grow.



Best Practices & Promising Programs

Center for Rural Entrepreneurship

energizing entrepreneurial communities

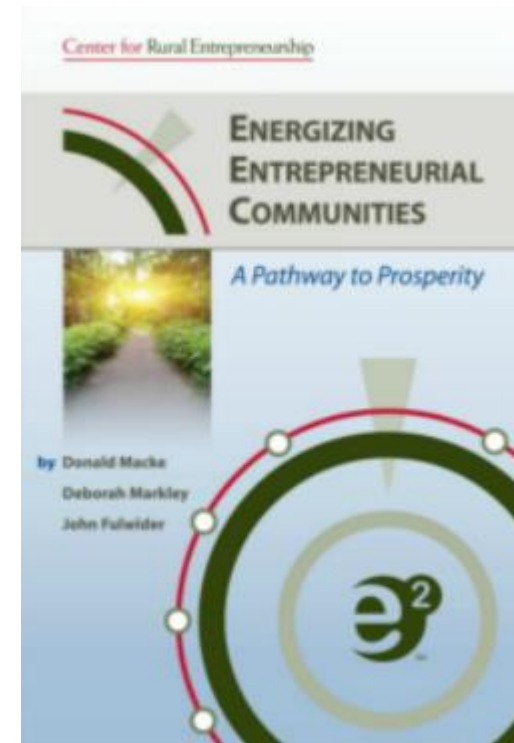


Deborah Markley
Co-Founder, Center for Rural Entrepreneurship;
Senior Vice President, LOCUS Impact Investing



Don Macke
Co-Founder, Center for Rural Entrepreneurship;
Senior Vice President, LOCUS Impact Investing

What makes it great – The team provides decades of experience in helping communities support and grow rural entrepreneurship. This includes research, consulting, education and training on how communities can cultivate a successful environment to facilitate small business growth.



Best Practices & Promising Programs

www.ruralrise.org



- First rural ecosystem conference in May.
- All the presentations are on the website.
- You can join workgroups to contribute to building the field.
- Very responsive and engaged leaders.



Contacts



Ariel Cisneros

Sr. Community Development Advisor, Denver Branch

Ariel.Cisneros@kc.frb.org

(303) 572-2601

Dell Gines

Sr. Community Development Advisor, Omaha Branch

Dell.gines@kc.frb.org

(402) 221-5606

