

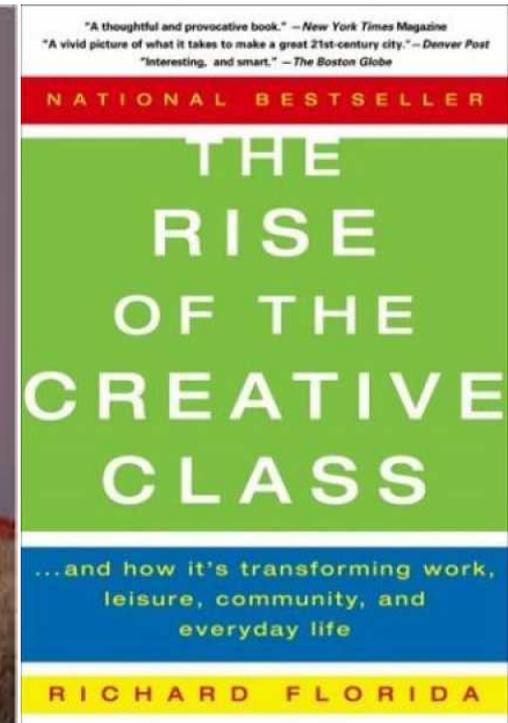
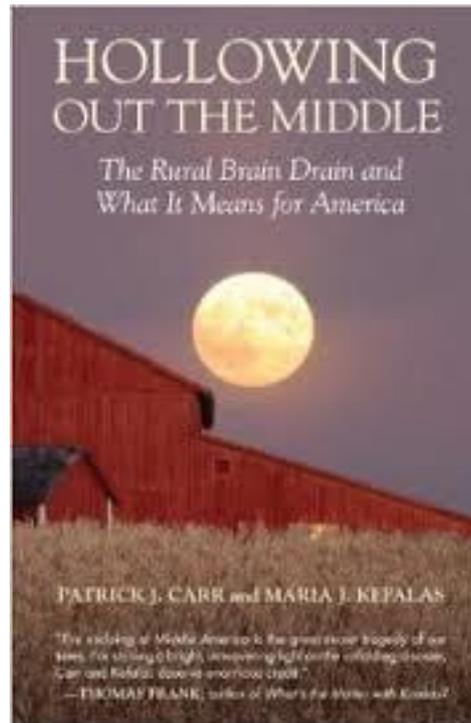
Through the Eyes of an Entrepreneur:

Strategies for Retaining and Attracting Young People in Your Community

Presented by Michael Held
Rural Development Initiatives

The Issue

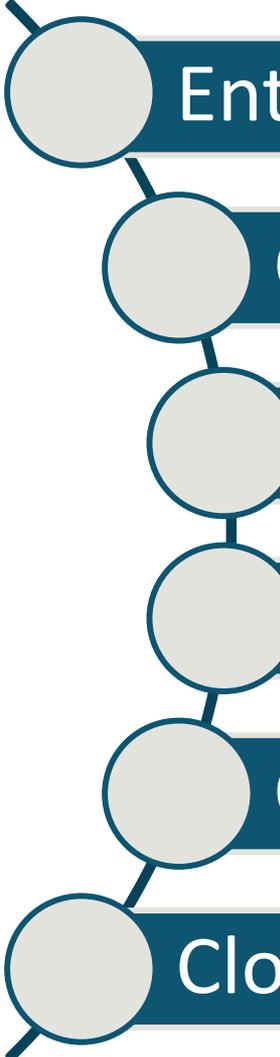
- Rural Out-Migration
“The Brain Drain”
- Aging Rural Communities
- Changing Workforce
- Importance of Developing Community Assets



Today's Objective

How can we retain and attract young people by creating more livable and attractive places through downtown revitalization and business development?

Agenda



Entrepreneurship: Why it matters

Changing Demographics

Lessons from the Field

Learning from Others

Community Strategies

Closing

Activity

- Table introductions
- **STEP 1:** What are the main challenges and obstacles your community faces in retaining and attracting young people and entrepreneurs?
 - Write challenges/obstacles on 1st flip-chart sheet
- **STEP 2:** As a group, determine **ONE** challenge/obstacle to focus on and develop **ONE** problem statement.
 - Problem statement - is a concise description of the issue that needs to be addressed by a **problem** solving team.
 - Write problem statement at top of the 2nd flip-chart sheet
- Brief Debrief

What is Entrepreneurship?

- Many definitions
- Today's definition:

“A person who starts, organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.”

“The Rise of the Entrepreneur”

Technology, new funding mechanisms and cultural developments stimulating new business ownership

Why Entrepreneurship?

- Push innovation, productivity, and overall economic growth
- Help bring new products to markets
- Source of job creation
- Creates new wealth
- Small business is cornerstone of economy
- Small business = higher net job growth rate

“Human capital, that is, human innovation and ideas, rather than technology or economic forces, are at the forefront of entrepreneurship”

Why Millennial Entrepreneurship?

Aging Workforce

- 1 in 3 U.S. employees is *currently* a millennial
 - By 2020, 50%
 - By 2025, up to 75%

Shifting Preferences

- 72% of high school students want to start their own business, 64% of college students

Increasingly Entrepreneurial Minded

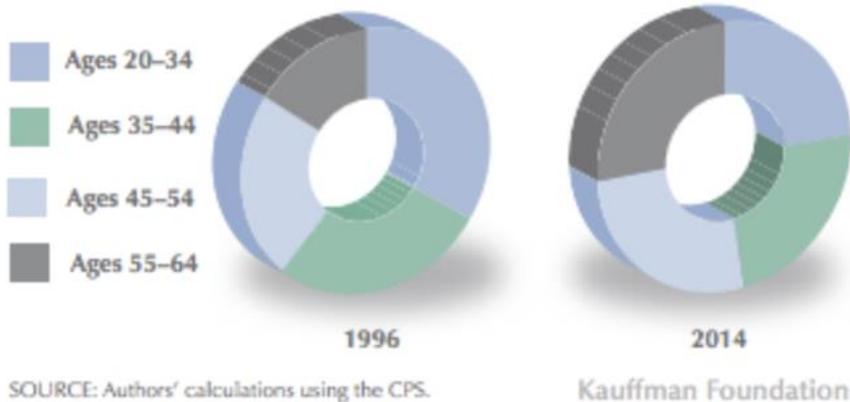
- 61% of high school students want to be an entrepreneur after college, 43% of college students

A Profile: Today's Young Entrepreneur

1. Value Independence, not the Corner Office
 - 13% express climbing the career ladder as a professional goal, whereas, 67% said their goal is starting their own business
2. Value Flexibility, not the 9-5
 - 77% say flexible work hours are key to boosting productivity. 39% believe working remotely would result in increased productivity.
3. Face-to-Face Communication is *Still* Best
 - 51% prefer to speak in person to colleagues and bosses.
4. The "Silverspoonpreneur"
 - #1 Indicator of Success: Ready Access to Capital. It costs on average \$30k for start up businesses

Composition of New Entrepreneurs

Changes in Composition of New Entrepreneurs by Age (1996, 2014)

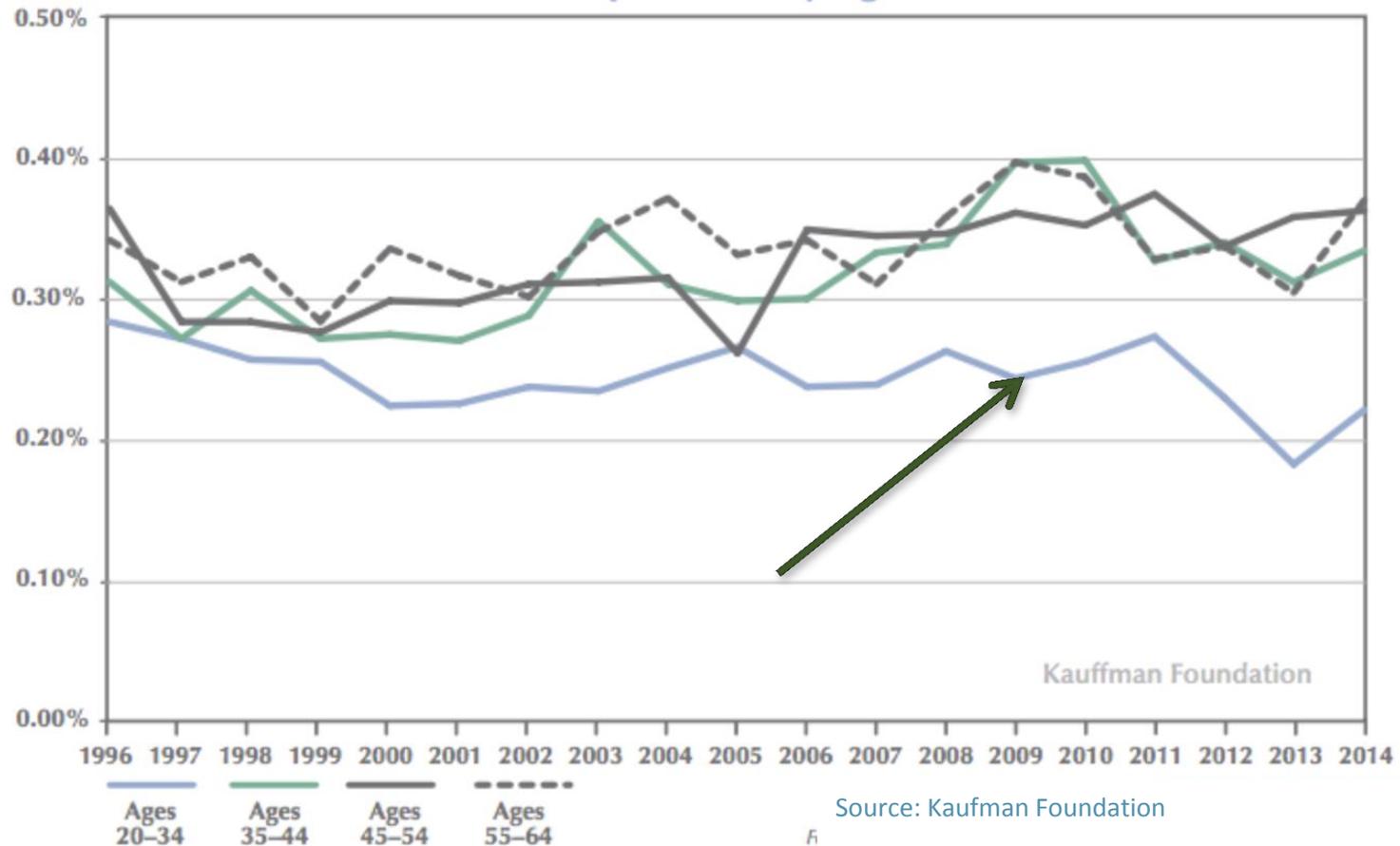


Age	1996	2014
Ages 20-34	34.3%	24.7%
Ages 35-44	27.4%	22.9%
Ages 45-54	23.5%	26.6%
Ages 55-64	14.8%	25.8%

Rate of New Entrepreneurs

Figure 5

Rate of New Entrepreneurs by Age (1996–2014)



Source: Kaufman Foundation

Key Takeaways

- Entrepreneurs are good for the economy
- Young people are increasingly entrepreneurial
- Young people are decreasingly becoming entrepreneurs
- Aging workforce = workforce transition

We need to do a better job of supporting and cultivating young people and entrepreneurs.

Challenging Rural Trends

- Sluggish economic recovery
- Demographics
- Aging populations
- Rural flight



Changing Demographics

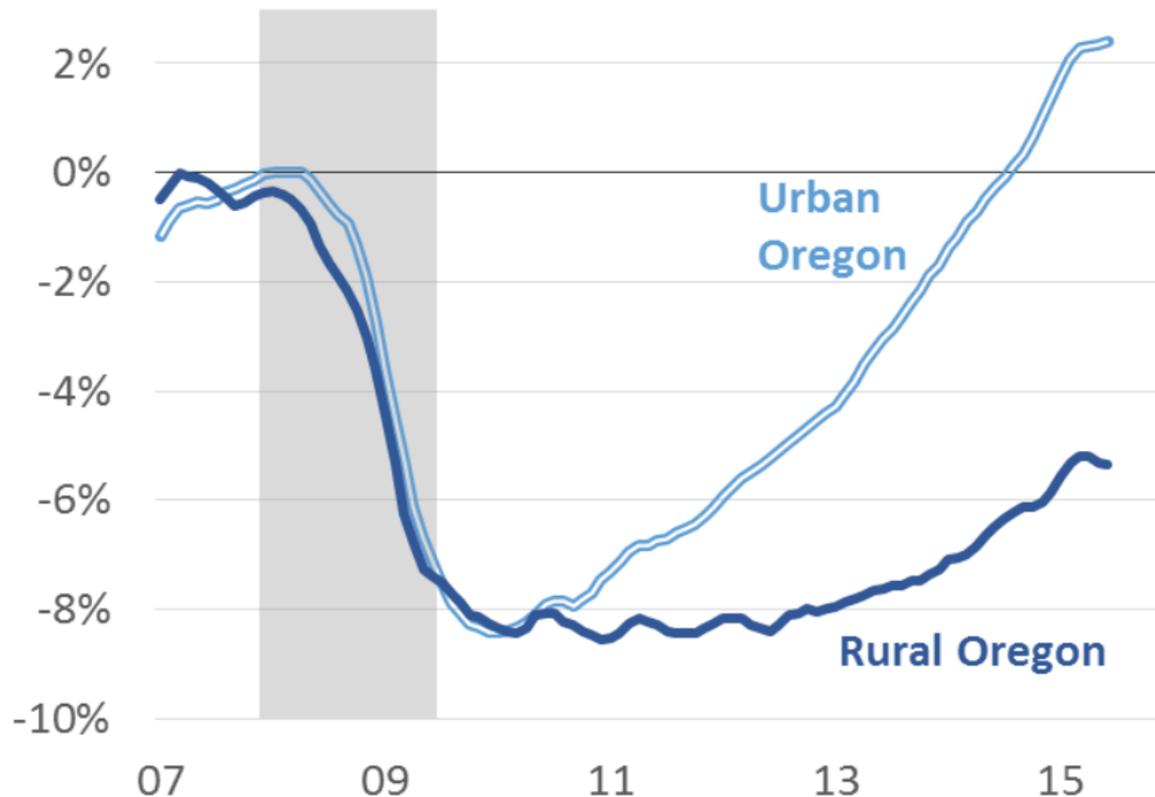
“I used to be with it, but then they changed what it was. Now, what I’m with isn’t it, and what’s it seems weird and scary to me. And it’ll happen to you, too!”

- Abe Simpson -

A Dichotomous Recovery

Oregon and the Great Recession

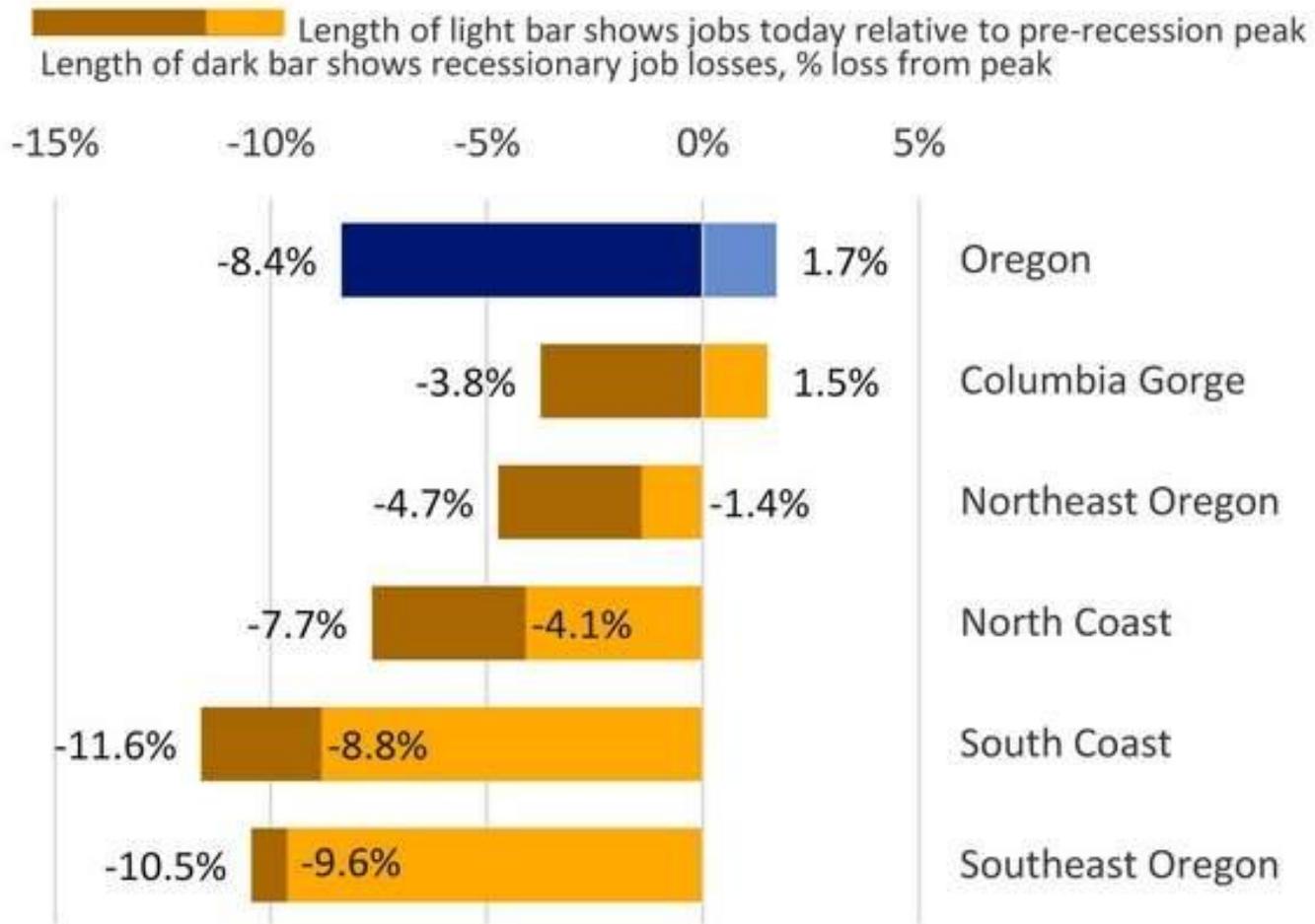
Employment Change From Peak



Data: Seasonally-Adjusted, 3 Month Average, Latest data point: June 2015
Source: Oregon Employment Department, Oregon Office of Economic Analysis

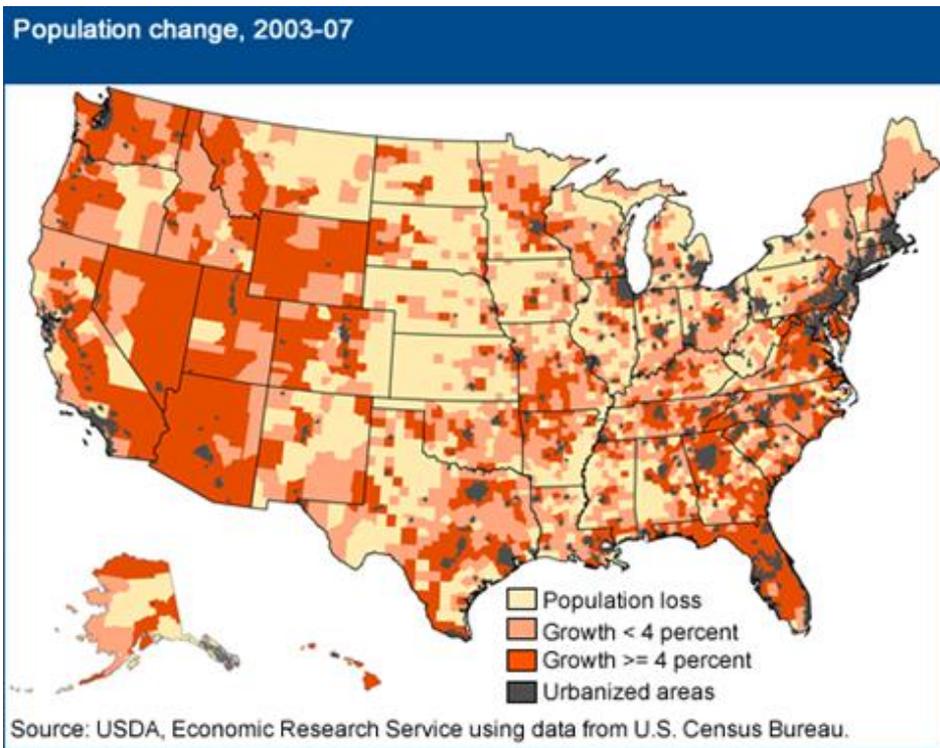
Sluggish Rural Recovery

Rural Oregon and the Great Recession

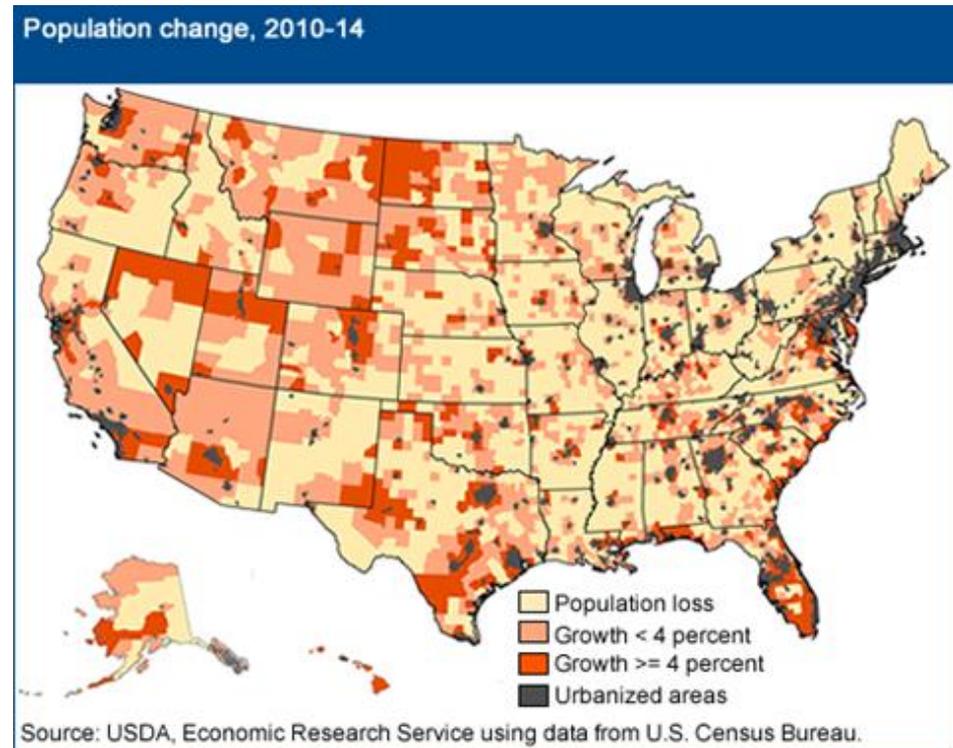


Population Change

Population Change, 2003-2007

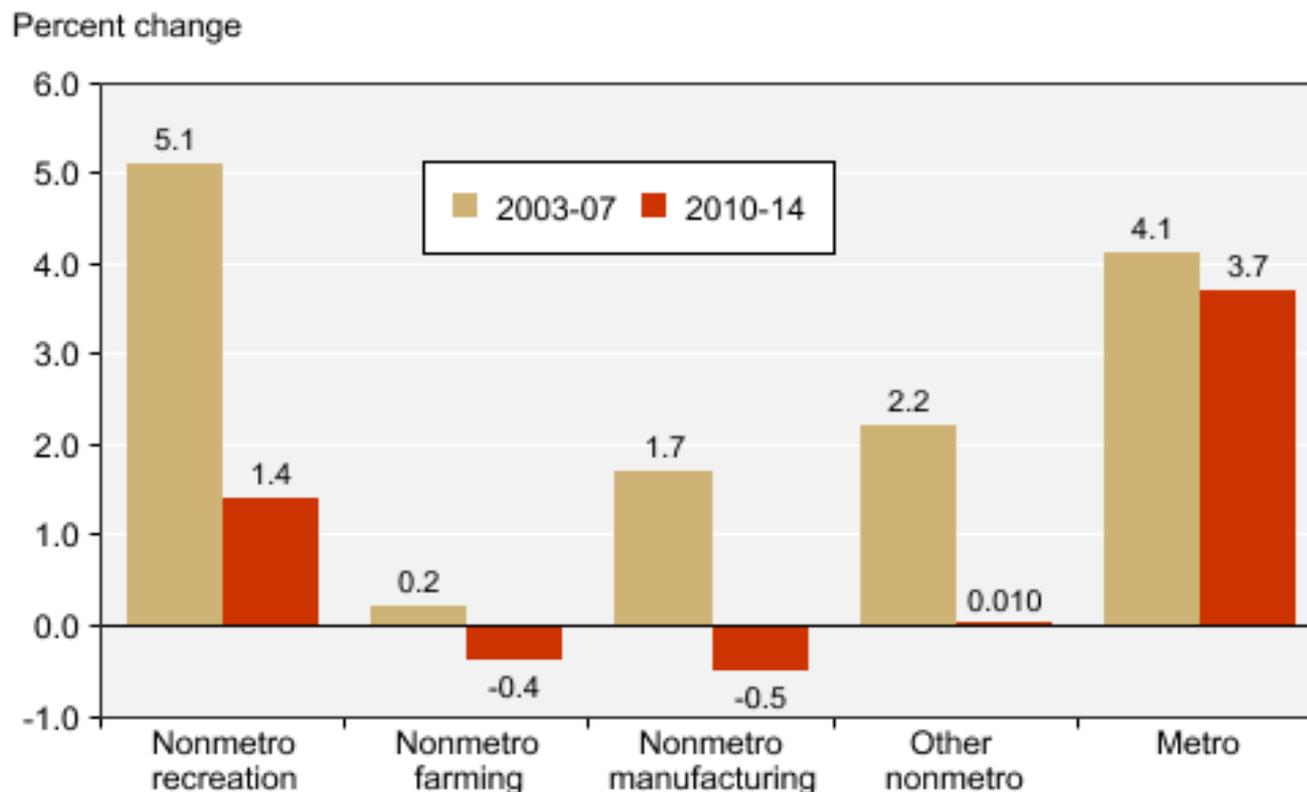


Population Change, 2010-2014



Population Change by Sector Dependent Counties

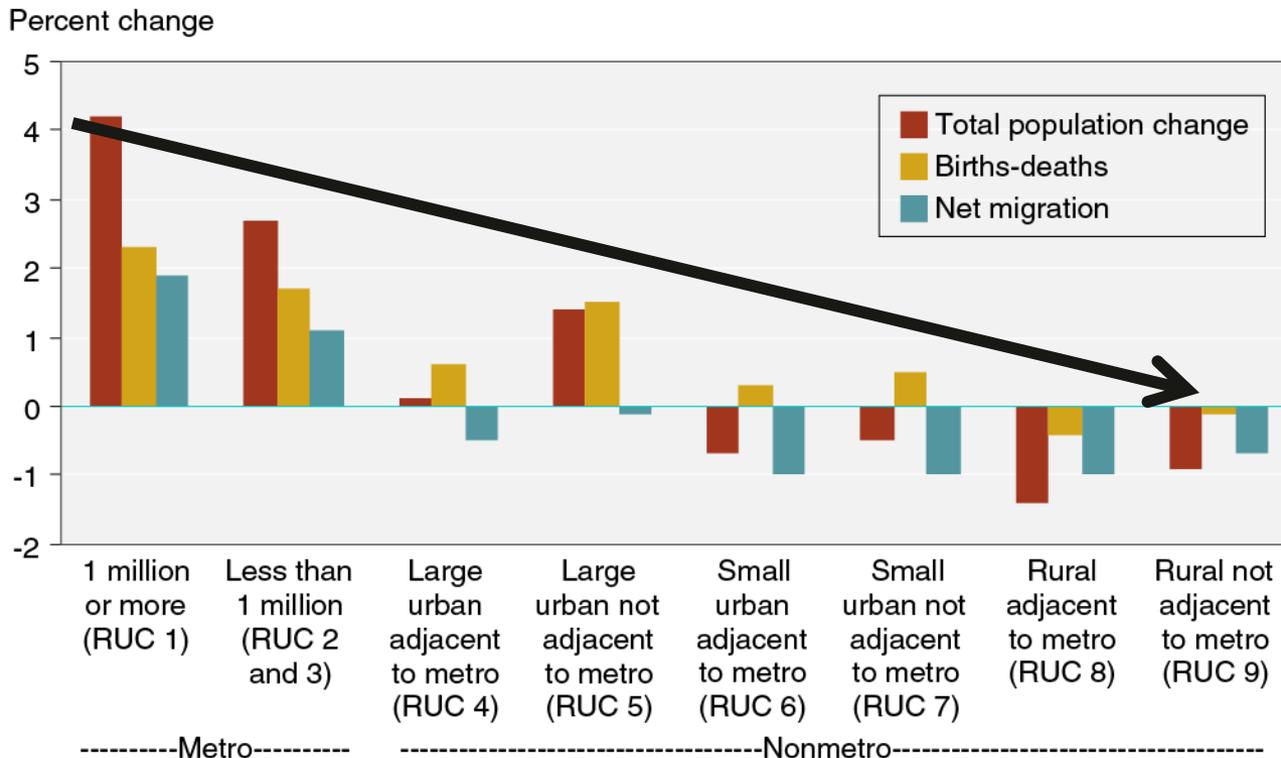
Population change by county type, 2003-07 and 2010-14



Note: County types are described in the ERS County Typology Codes data product:
<http://www.ers.usda.gov/data-products/county-typology-codes.aspx>
Source: USDA, Economic Research Service using data from U.S. Census Bureau.

Rural Out-Migration Patterns

Population change and components of change across Rural-Urban Continuum (RUC) codes, 2010-14

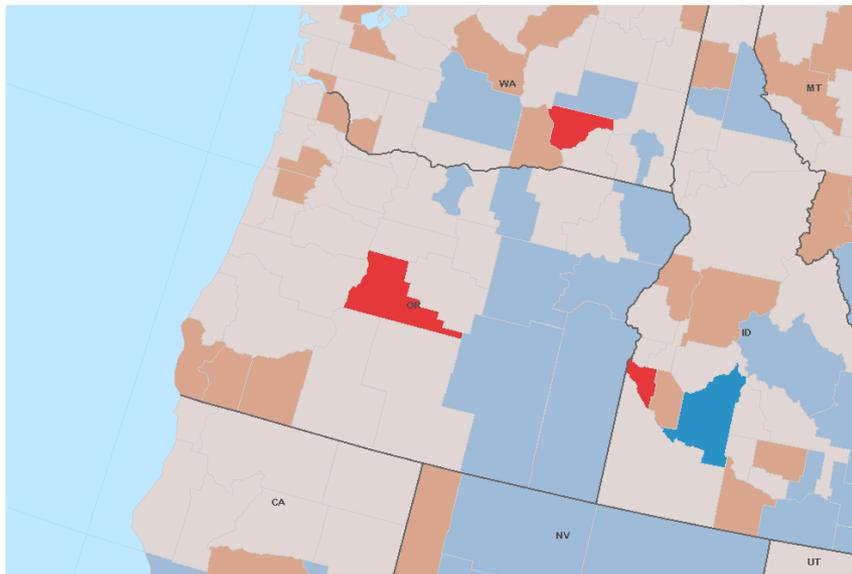


Note: Metro categories are based on the size of the metro area. Nonmetro counties are categorized into large urban (20,000 or more urban residents in the county), small urban (2,500-19,999 urban residents), and rural (fewer than 2,500 urban residents).

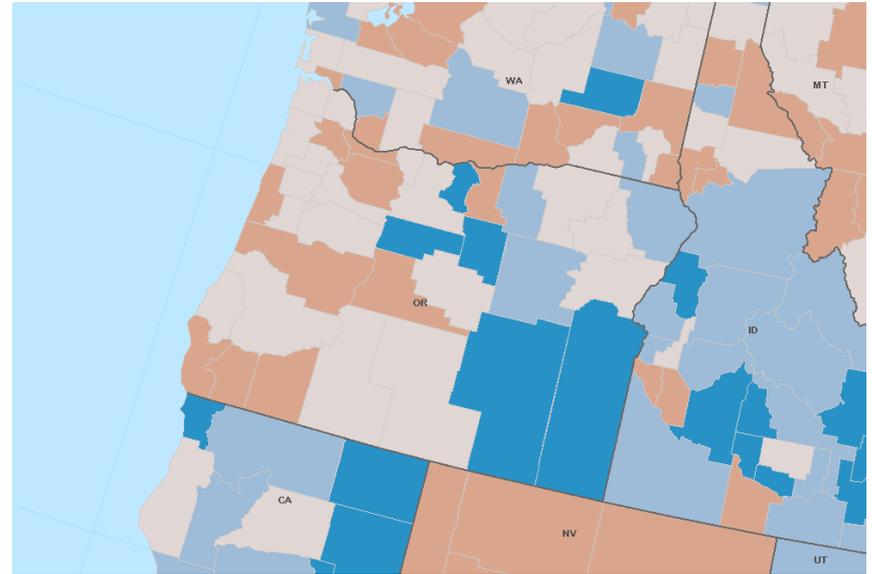
Source: USDA, Economic Research Service using data from U.S. Census Bureau.

Where are People Moving?

Net Migration 2000-2009



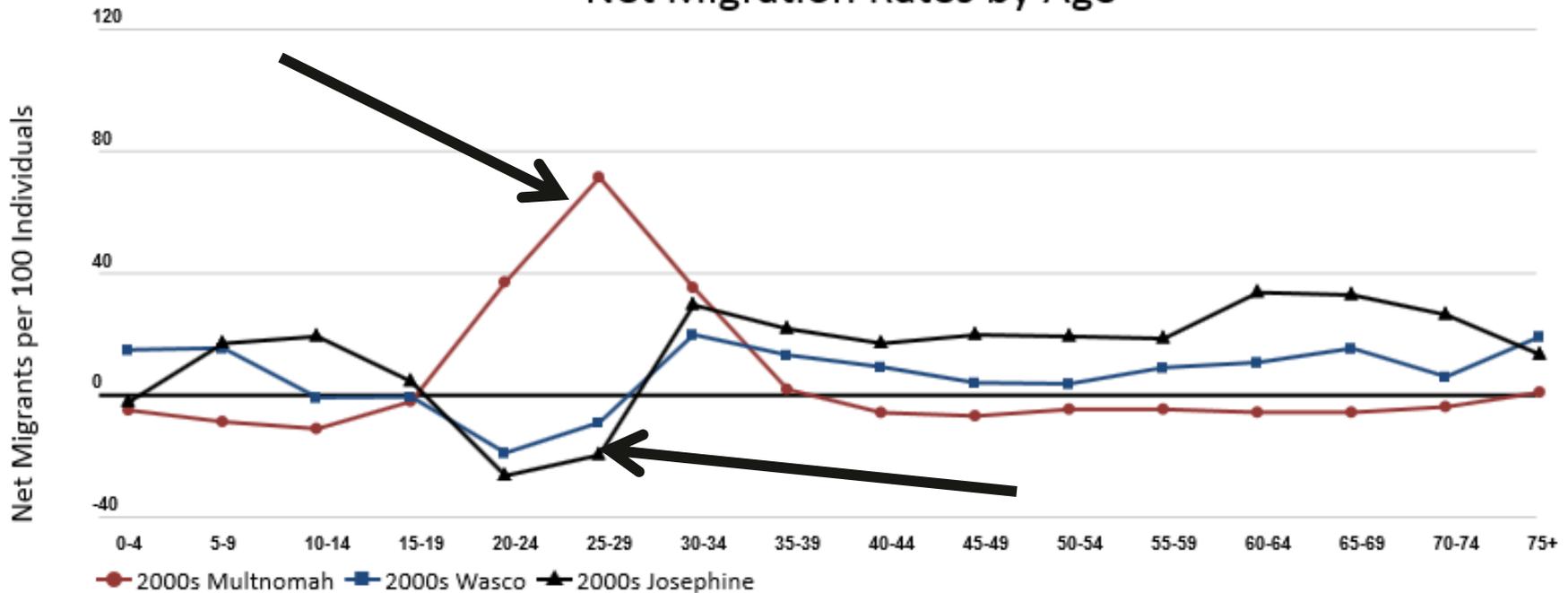
Net Migration 2010-2013



Source: USDA Economic Research Service

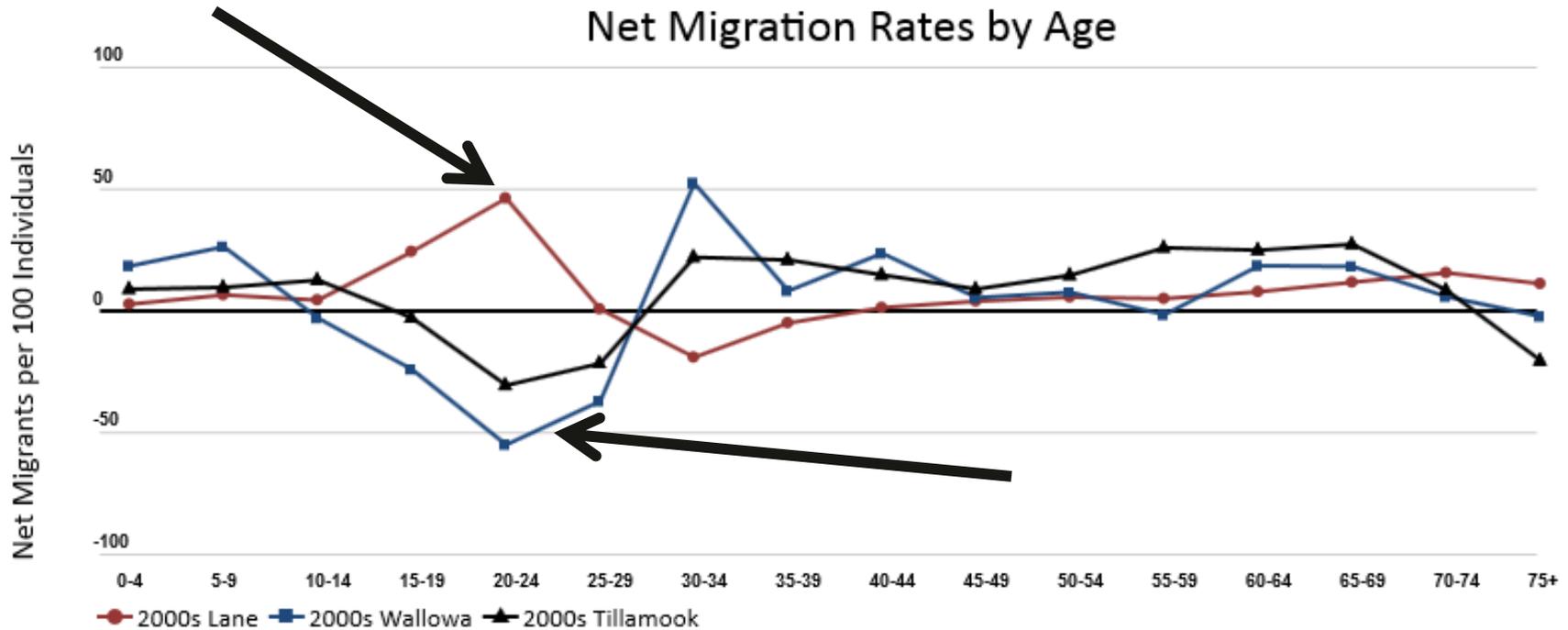
Changing Demographics

Net Migration Rates by Age



Winkler, Richelle, Ken Johnson, Cheng Cheng, Jim Beaudoin, Paul Voss, and Katherine Curtis. *Age-Specific Net Migration Estimates for US Counties, 1950-2010*. Applied Population Laboratory, University of Wisconsin- Madison, 2013. Web.

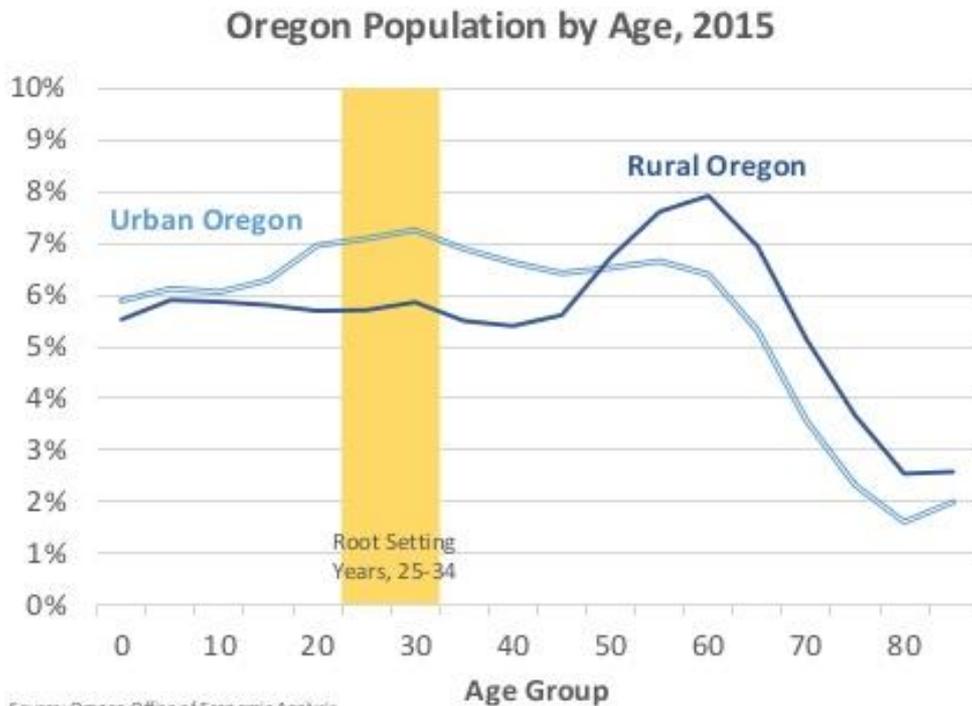
Changing Demographics



Winkler, Richelle, Ken Johnson, Cheng Cheng, Jim Beaudoin, Paul Voss, and Katherine Curtis. *Age-Specific Net Migration Estimates for US Counties, 1950-2010*. Applied Population Laboratory, University of Wisconsin- Madison, 2013. Web.

Rural Hope: The Root Setting Years

Key Issue: Demographics



- Significant Baby Boomer population in Rural Oregon
- Few in root setting years when people settle down, start their careers in earnest, get married, buy a house and start a family

Changing Demographics

- 40% of rural counties in America reported more deaths than births in 2014
- Nearly 60% of rural counties shrunk in America last year – up from 50% in 2009 – 40% in 1990's
- Senior Flight - Villages, a retirement community in central Florida, saw its population jump by 5.2%

Other Noteworthy Trends

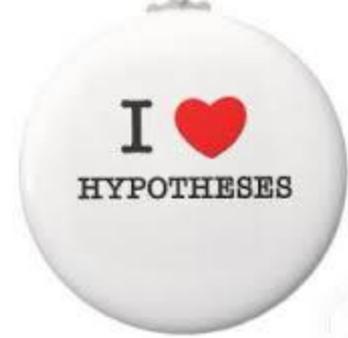
- Migration rates vary by age, race, ethnicity and economic conditions
- Blacks of every age are leaving large urban centers into suburban counties
- 25-29 increasingly migrating to cities
- Family age migrants (30-49) continue moving to the suburbs and rural communities but at a lower rate

Key Takeaway

Why is it an issue?

- Impacts are social, economic, political, and entwined
 - Shift in population has power to change politics
- The loss of young people in a community contributes to a downward spiral of community assets
 - Young adults move away, less demand for businesses and teachers, reduces available services, deters families from moving back
- An issue of community vitality and sustainability

A Hypothesis!



Creating strategies to attract, grow, and retain young people and entrepreneurs will increase the vitality of rural communities.

Learning from Others

- Israel Iayala Guevara
- Small Business
Counseling Specialist
- Business Owner
- Avid Volunteer



Case Study: Klamath Falls

gaucho
[collective]



Q & A

Challenges for Young Entrepreneurs

- Student Loan Debt
- Great Recession – sluggish economy
- Access to Capital
- Access to Assistance
- ?
- ?

Challenges for Young Professionals

- Absence or perceived absence of economic opportunity
- Absence of opportunities for young people to meaningfully engage in shaping community futures
- Deliberate and intentional efforts to send young people away forever
- Generational divide challenges meaningful young professional development and retention and attraction
- ?
- ?

Activity Continued

- **Step 1 Identify**: As a group, choose **ONE** Main Street committee (Design, Promotion, Organization, Economic Restructuring) as your group's committee.
- **Step 2 Strategize**: **Acting as your Main Street committee**, develop 2-3 strategies that your committee will develop to address your problem statement from earlier.
- **Step 3 Implement**: Describe your immediate next step(s) upon returning to your community that will address your problem.
- **Step 4: Debrief**

McMinnville Works

Workforce
Development

MEDP | McMINNVILLE
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Douglas County

Young
Entrepreneurship
Development

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Top Ten Recommendations For Engaging Young Professionals/Entrepreneurs

1. Communicate – learn and relearn
2. Learn where the motivation lies
3. Learn how to give and receive feedback
4. Learn what young people value in a community (i.e. third places)
5. Provide a seat at the table and empower to influence decision making
6. Delegate *real* responsibilities for *real* projects
7. Provide nontraditional networking and relationship building opportunities like pubtalks (more than rotary, kiwanis, etc.)
8. Promote and embrace creative work, creative ideas, and creative solutions
9. Create opportunities for growth (personal and professional) through leadership roles

How can RDI help?

Thank You!

Contact information

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