

## 6. Paths

This section is meant as a summary resulting from analysis. It is based on the data and writings cited herein and in the larger *Economic Development Studies and Path*.<sup>1</sup>

### ***Economic Development Studies and Paths***

## 6. Paths

### **Business Attraction, Expansion, and Retention.**

Why bother with business attraction, given its lack of job creation?

While one's primary emphasis should be towards retention and expansion, including the fostering of local entrepreneurship, some effort, carefully planned and implemented should go into attraction.

1. While the success rate is very small, statistically, any wins add to the economic vitality of the community.
2. Elected officials tend to be keen on attraction success, hoping for that "big win". So attraction effort is part of maintaining relationships cross-sector.
3. Targeted attraction can push the success rate up into a couple percent. Our current study, that is ending, is in part, a prelude to that.
4. When you are working on attraction, you may want to see that work as part and parcel of your business expansion work. Working on this in this broader context addresses helping your existing businesses find new markets, operational growth possibilities, and new relationships

#### **Factors**

Shawano is 250 miles from both Chicago & Minneapolis.

½ of the adult population has graduated high school as its highest attainment level.

Population growth in both Shawano County and in Menominee County-Nation is probably from births, not in-migration.

Nearly 60% of the workforce leaves the 2 county area every day (commutes).

The number of people in employed in the government sector in Shawano County is smaller than in the counties in surrounding 10 county area, and is paid 20% lower than in that surrounding area.

Retention and expansion effort creates the majority of new jobs, much more than relocation and recruitment.

Local retail gaps include building materials, gardening items, personal care, specialty food & beverages, furniture/home furnishings, electronics, clothing and accessories.

### Next Steps

When Matt Kures completes section 5 of his report, I would like to convene the Advisory Group for his study, the members of SICDC, and any members of the SCEPI and Chamber boards to look at the results and discuss the areas that we will target for recruitment efforts.

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<sup>1</sup> It was requested that a version of this section be done just for folks interested in the City of Shawano. After reflection I have decided not to do that. This is because the City is embedded in the wider context of its surrounding areas, drawing customers, materials and many other thing from around it, as all cities do. I hope that the reader sees what is general herein, to be also of importance to their own particular political subdivision.

Following that meeting, i would like to have a day set aside for the same, and respective, relevant staff, to meet with an UW-Extension colleague who used to be a professional site selector. Dennis Heling will confer with him prior to the event. A site selector is a person hired by a corporation to find a new location or expansion location. The purpose of the day would be to learn about the "care & feeding" of site selectors, getting noticed, etc.

Matt Kures has also assured me that after we make initial targeting decisions, the Center for Community Economic Development will assist with "drill-down" data runs to assist us.

Research and feasibility study(s) are necessary to determine if the transition in the future to substitution of biobased materials/feedstocks for plastics, resins, adhesives and industrial chemistries can play a role in our area.

Section 5 of the Kures report will probably add to or alter the following, but for the sake of discussion.

Areas to consider for attraction, and connections/expansion ideas for current employers"

Dairy related

Specialty foods

Plastics

Furniture and related manufacturing

Fabricated metal products (including forging & stamping, coating, engraving, heat treating, machine shops, motor vehicle parts...)

Wood product manufacturing

### Retention and Expansion

How most (60% - 80%) of new job creation.

SCEPI has begun new activity in this area, and we will be working together on this in the future.

Some points:

Development of a business retention visits plan.

Continued development of a relationship between businesses and economic development professions for mutual support, cooperation and the seeking of expansion possibilities.

Increase local businesses, individuals and financial institutions investing in local new businesses, entrepreneurship and expansions. (not just buy local, invest local).

Cooperation between sectors on amenity development

## Economic Gardening methods and approaches.

### Workforce Development

From a community economics approach, increasing the competencies and skills; both hard and soft, of the potential workforce serves both business recruitment & attraction and business retention and expansion. It is also crucial for the development of entrepreneurship.

Workforce development may be the most complex area in community economic development. This is because it is comprised of considerations and topics not intuitively part of markets, and a view of ROI much more expanded, than most are used to or comfortable with.

I would suggest continued support for the current efforts in this area by Shawano Job Center, SCEPI, the K-12 systems, the technical colleges and UW-Extension and all the other players. I also would recommend increased coordination and communication between the players.



My office and others are currently engaged in a new effort on *community resiliency*. We hope to involve many parts of the community in addressing problems that have different names when viewed from different perspectives. One of those perspectives is workforce quality.

Social problems, health problems, homelessness, poverty, crime, domestic violence, alcohol and drug abuse, juvenile / family problems, availability & cost of child care, are all part of the creation of workforce quality problems, and things that drag upon workforce development. Likewise, the solutions are drawn from the cooperation of all sectors in our communities.

Please contact me if you interested in this.

### Broadband

Broadband availability at an affordable price, for home or business, is crucial to economic development. It is crucial to business attraction (including for employees at home), expansion of existing retail and service businesses, and developing local entrepreneurs. Broadband development and expansion across the entire county should be a priority.

Broadband is also a priority for any restaurants, bars, and businesses involved in tourism. High-speed connectivity is for free, and without sign-up or password (i.e. "guest" access) in public buildings, and businesses is now an expectation.

### Green Energy & Sustainable Living

Some rural areas embrace sustainable agriculture and renewable energy to add to their attractiveness. On the energy end, being wind power and solar power friendly in the areas of land use and zoning are of course necessary for this path. It also requires a workforce with the necessary related skills.<sup>2</sup>

### Low Wages (a community economic development perspective)

Whether or not low wages is a good strategy/feature for a business depends on the business. But for *a community's* economic development, it is not a good idea.

Question: Who creates jobs?

Answer: Customers

Question: Who is a customer?

Answer:

Somebody with money to spend!

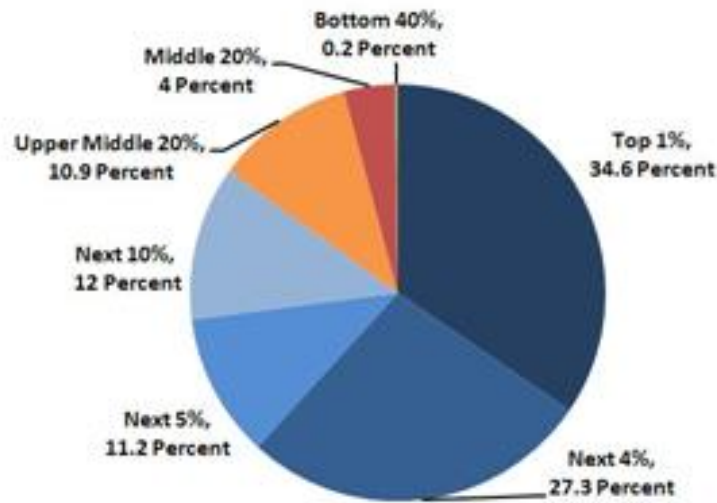


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<sup>2</sup> Patrick J. Carr, Maria J. Kefalas, *Hollowing Out the Middle*, 2009.

But with increasing economic disparity....  
Fewer, less flush customers?

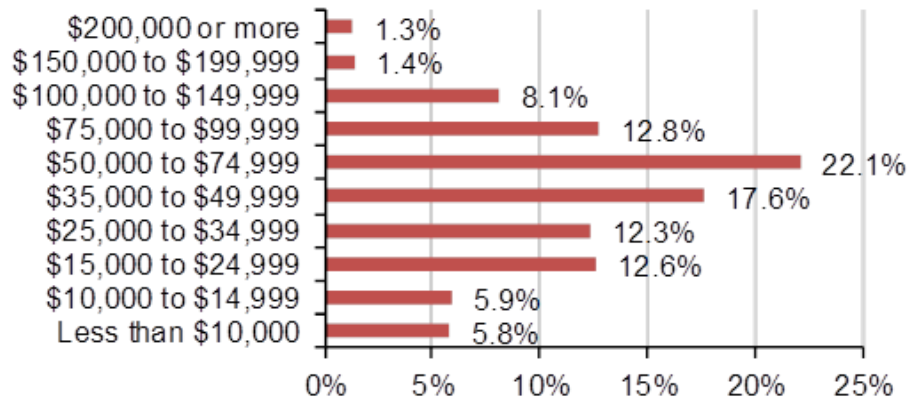
### U.S. Distribution of Wealth, 2007



Edward N. Wolff, 2010

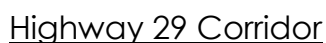
[Edward N. Wolff, Working Paper No. 589, "Recent Trends in Household Wealth in the United States: Rising Debt and the Middle-Class Squeeze—an Update to 2007", Levy Economics Institute of Bard College, pp. 44, March 2010.](#)

### Household Income Distribution, Shawano County WI, 2012\*



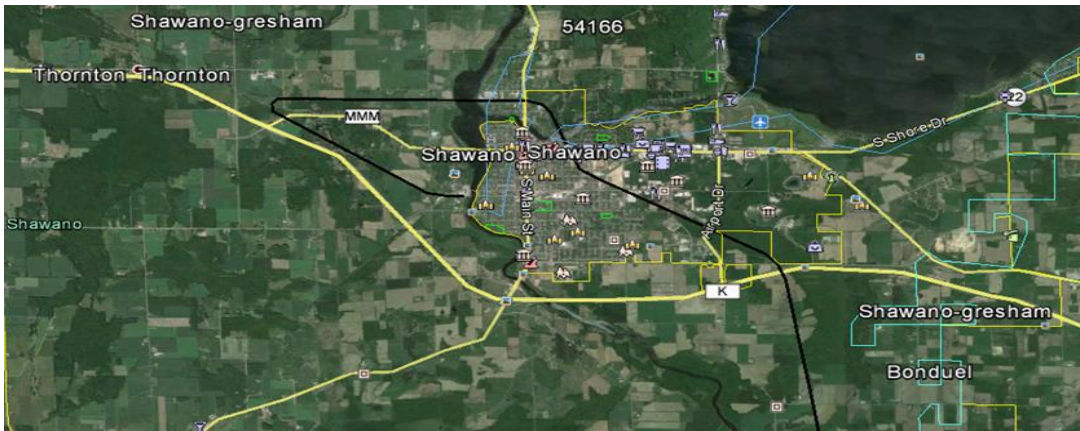
The strategy of trying to attract new employers by having low wages is no longer a good strategy in the United States. Employers whose main concern is low wages left long ago for Asia, and will someday leave there and go to Africa.

From a community point of view, the higher the wages, the more money circulating in the community.



This planning should be done cooperatively between the relevant adjacent local governments and the county governments. This process will involve trust building and the balancing of competing interests, between municipalities and with in each community itself.

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This section is governed by the City of Shawano, the towns of Richmond, Belle Plaine, Waukechon, Washington; and Shawano County.

Planning and cooperative land regulation now, may define future economic development on the ground.

#### The "threat"

The Green Bay sprawl will have to jump over much of the zoning in the eastern side of the county, if those towns maintain the agricultural use emphasis. It is reasonable to assume therefore that the sprawl will grow into the county along Hwy 29 through Angelica and along the corridor, moving west. Shawano is already a place where folks live in a couple large apartment complexes and commute back and forth to Green Bay. Land owners in the corridor may find it attractive to subdivide/sell to developers of large apartment complexes, (a logical early buyer of this space), as the sprawl advances. Residential areas are the most costly to local governments, compared to commercial and industrial. commercial and industrial also provides regular jobs.

The governments in question may want to create a regulatory structure for land use in this corridor for future non-retail commercial and industrial uses, and for expansion of existing businesses.

### **Amenity Development**

Public access river and lake access is important both for tourism and for quality of life measures. That access does not mean a boat landing. It means access to experience the water body itself. Many local governments now have or are in the process of reclaiming water frontage for public use.

The Red River between Gresham and the Wolf contains some very good, scenic kayaking and canoe water. This corridor could be another target for increased public ownership of shorelines. One potentially low hanging fruit, both for tourism and local quality of life, is the former Novitiate property. That property abutts a town of Richmond park. Combined, they would be a significant recreational asset for the county.

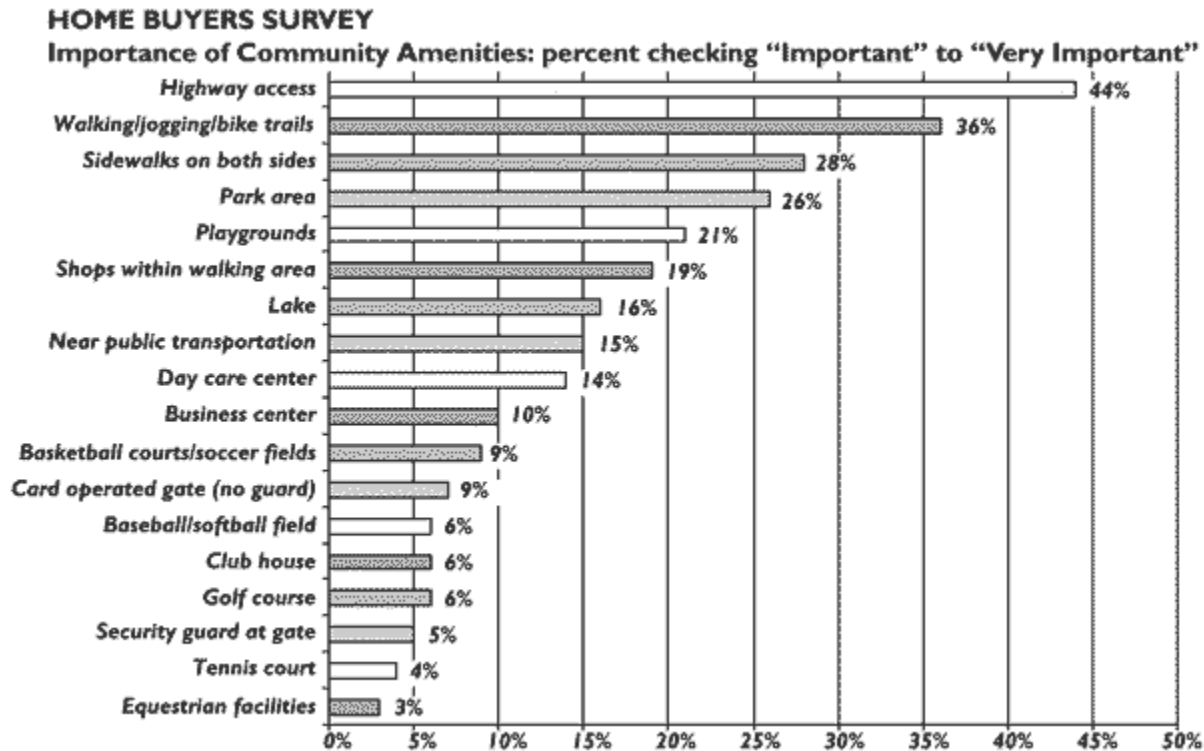
Along the same lines, local governments working with outfitters to develop and promote kayaking and canoe use of the Wolf, from the Shawano dam south, through the Navarino area of the river.

Trails for walking, jogging and running are very important. This includes the roads having foot/bike lanes. With the growing trend in "healthy" lifestyles, quiet sports, and other things,



trails/paths/lanes are sought by employees of businesses, and often the businesses themselves for health plan reasons. They are in general one of the leading quality of life assets in economic development. They are an asset for the home owner also.

“Trails are the most desired community amenity that homeowners seek when buying a home.” National Association of Home Builders, 2008



<http://www.americantrails.org/resources/benefits/homebuyers02.html>

Shawano County does not have very much public land for recreation comparatively speaking. This is especially true along water bodies. The single largest piece of contiguous public land is the State's Navarino area.

Given state laws and policies, the management of this land appears to be primarily for breeding waterfowl and the use of the land, both for the various bullet/arrow/hook recreational seasons. The time during which there is not a season is about four months, from late March through July.

The national trend in outdoor tourism continues to be increasing “quiet sports” and observational activities (birding, photography etc.). The experience of these in Navarino is relatively without aesthetic use conflict during the above window, which includes much of the Spring bird migration.

Given the lack of public land open and suitable for the quiet sports/outdoors tourism, people may want to consider for the present and near future taking advantage of promoting the area on its friendliness to the bullet/arrow/hook variants of tourism, which state laws, regulations and local land use patterns strongly support.



Another area that might be fruitful in the present and near term is the increase in and coordination of, 4 wheeler/ATV areas and trails. If and when that usage decreases in the the future, those assets can easily be repurposed for foot, bike, horse etc.

## **The attracting & Retaining of Young People**

One of the most common concerns of adults concerning local economic development, is the tendency of high school graduates to move out of the area after graduation, and not return. This is a concern voiced in all rural areas.

“...three out of four Americans under the age of 28 said a cool city is more important than a good job.”<sup>3</sup>

“I want to live in a place that fits my lifestyle more than a job that pays the most” *ibid*

In studies done in Michigan, Wisconsin and elsewhere, for young people who want to locate/relocate to a rural area are, factors in order of importance:

Scenic beauty<sup>4</sup>  
Safe streets  
Affordable  
Place for family  
Good public schools  
Sense of community  
Low traffic/walkable streets

Other major factors:

Parks  
Trails

### Retaining the young, or getting them back

“Boomerangers”, the ones who come back have somewhat different reasons for doing so. The number two reason<sup>5</sup> is friends/family. Another important factor for them and the native young who are still here, and newcomers, is a social capital infrastructure. Cooperation between private and public sector actors on community events, community projects, fundraising activities. A “young professionals” group is helpful.

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<sup>3</sup> Much of my writing here on this subject is based on Will Anderson, *Attracting and Retaining Young People as an Economic Development Strategy*, Rural Research Report, ILRA, Fall 2009; and related materials by Mr. Anderson. I have check with a college educator to determine the effect of the recession and subsequent slow job growth on this “cool city” view. Apparently, that has not diminished the view/trend.

<sup>4</sup> Scenic beauty is in the eye of the beholder. But it appears the studies that in this case it points to areas such as Keewanee & Door counties, the Lake Superior Watershed area, etc. Coasts of large water bodies, major scenic river systems, mountain / wilderness, etc.

<sup>5</sup> Number one here is also “scenic beauty”.

For the middle and high school students, connecting them to the community can be helpful to keeping some of them, or getting them to later “boomerang”. Youth leadership and youth entrepreneurship do not necessarily help retain youth. It empowers them more often in their leaving. A strategy should include community place based education, service learning and youth in governance practices. The building of actual emotional ties to the community is the goal.

Some communities take very targeted steps to get boomerangers. One local effort, Welcome Home Kansas provided buildable land to college graduates and post – grads willing to return to live and work<sup>6</sup>. This is also used in “Poaching “ efforts, as opposed to “elephant hunting” (business attraction). Pouching is the attraction of highly educated entrepreneurs and helping them, blossom or tie in with a local company.

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<sup>6</sup> Patrick J. Carr, Maria J. Kefalas, *Hollowing Out the Middle*, 2009, page 156