

If We Offer it Will They Come?

Determinants of County-Level Demand for Community-
Based Entrepreneurship Programming

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**United States
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Entrepreneur?

- “marriage broker between what is desirable from an economic point of view and what is possible from a technological point of view” (Klein)
- Opportunity and innovation
- “goal is to create or capitalize on new economic opportunities through innovation – by finding new solutions to existing problems, or by connecting existing solutions to unmet needs or new opportunities” (Lichtenstein and Lyons)
- Lichtenstein, Gregg A., Thomas S. Lyons, and Nailya Kutzhanova. "Building Entrepreneurial Communities: The Appropriate Role of Enterprise Development Activities." *Community Development Society. Journal* 35.1 (2004): 5-24. Web.

Entrepreneurial Community?

- “possesses a critical mass of entrepreneurs who are actively engaged in capturing new market opportunities”
- exists “a group of entrepreneurs that constitute a distinct and recognizable community within the community”
- “community as a whole is entrepreneurial, not just some of its parts”

(Lichtenstein, Lyons and Kutzhanova)

Program Background

- Three year initiative launched by Land Policy Institute at Michigan State University
- First round of the program was launched in 2008 – 9 Michigan counties participated
- Second round launched in 2010 – 12 more Michigan counties participated

Community Supported Entrepreneurship

- No one best model exists for a community development model
- Most successful community initiatives targeted youth, arts and culture, diversity and effective policy
- Has been shown to lead to creation of dynamic ecosystems
 - Comprised of organizations, people and resources that work in conjunction to support development of entrepreneurship

Program Overview

- First year – focus on building a strong community foundation
 - Review support systems for entrepreneurs and gain a better understanding of their entrepreneurial pipeline
- Second year – focus on program development
- Third year – focus on implementing programs
- Program includes a networking component

Four Essential Components for Creating Entrepreneurial Communities

- Social Networks
- Assets and Resources
- Entrepreneurial Culture
- Policy

http://www.landpolicy.msu.edu/modules.php?name=Pages&sp_id=484

41 Key Questions

- Community Systems and Networks
- Finance and Regulations
- Training and Mentoring Systems

*Loveridge, Scott, "Getting Started in Community-Based Entrepreneurship" Chapter 13 (pp.255-273) in Walzer, Norman, (ed.) *Creating Entrepreneurial Approaches to Local Economic Development*. Lexington Books, Lanham. 2007.

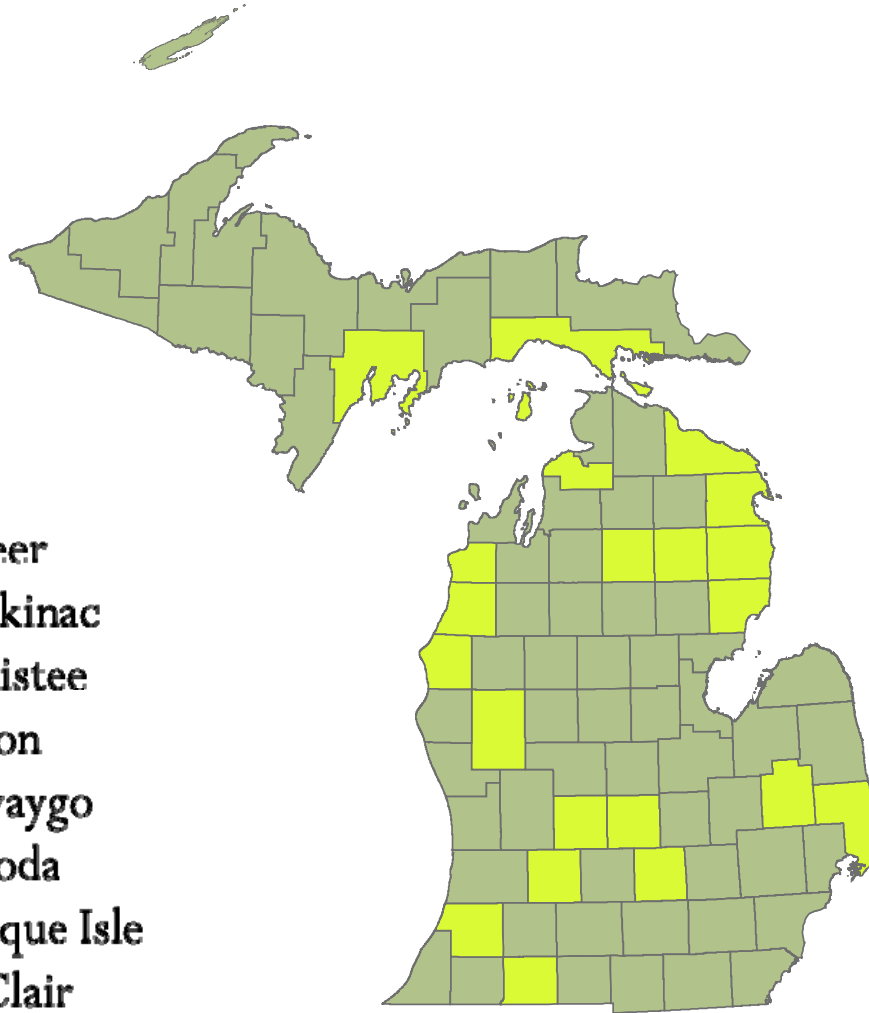
Steps to Creating an Entrepreneurial Community

- Attend conference
- Application to program
- Assessment
- Energizing Entrepreneurs Institute
- Community coaching support
- Entrepreneurial community assessment

Question


- What kind of counties are more likely to participate in this type of program?

Map of Participating Counties



- | | |
|------------|--------------|
| Alcona | Lapeer |
| Alpena | Mackinac |
| Barry | Manistee |
| Benzie | Mason |
| Charlevoix | Newaygo |
| Clinton | Oscoda |
| Crawford | Presque Isle |
| Delta | St. Clair |
| Ingham | St. Joseph |
| Ionia | Van Buren |
| Iosco | |

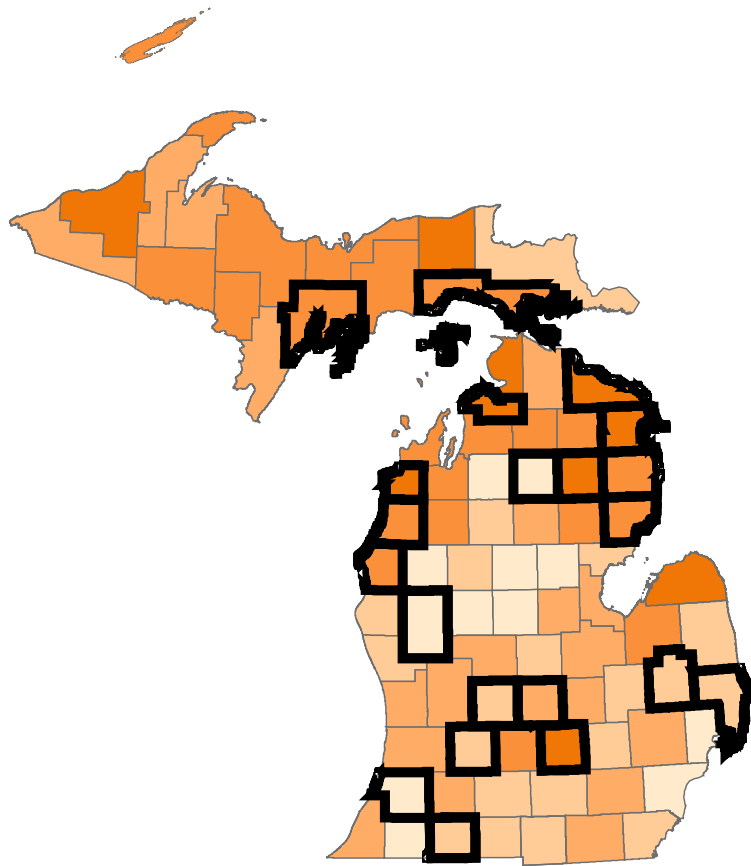
Michigan Counties Program Participation

- | | |
|---|-----|
|  | No |
|  | Yes |

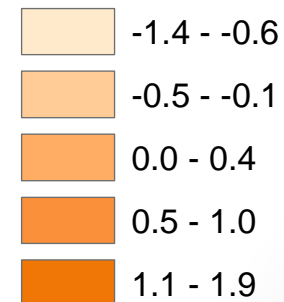
What is included in social capital index?

- Developed by Stephan Goetz and Anil Rupasingha (Northeast Regional Center for Rural Development)
- County level measures
 - Bowling centers, civic and social associations, public golf courses, religious organizations, political and professional organizations
 - Census response rates
 - Voter participation

Social Capital Index 2005



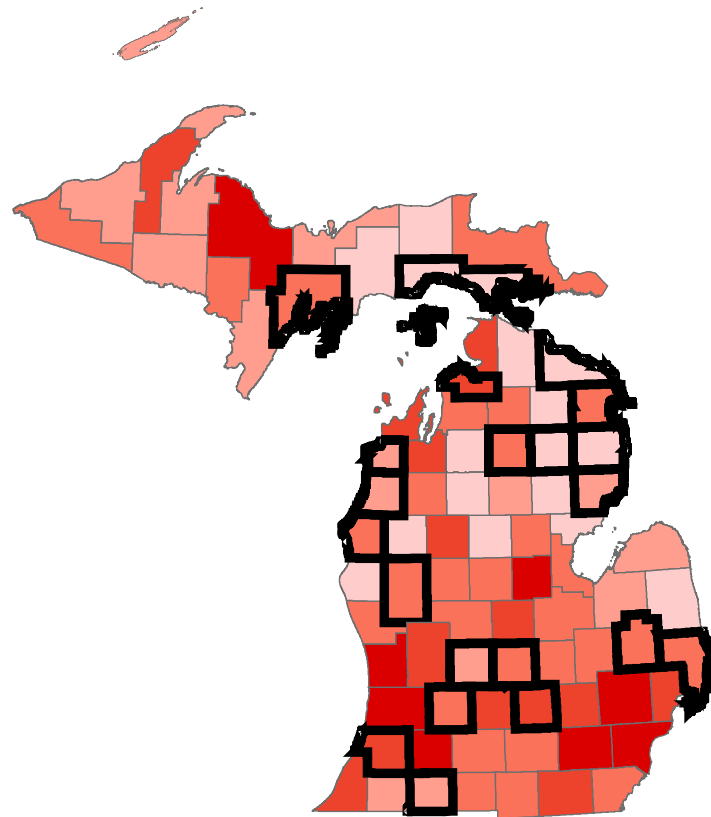
Michigan Counties
Social_Capital_Index_05



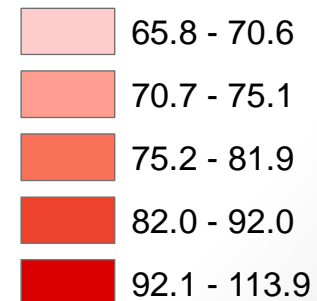
What is included in the innovation index?

- Five components:
 - Human Capital 30%
 - Educational attainment, technology-based knowledge occupations
 - Economic Dynamics 30%
 - Broadband density and penetration, establishment sizes
 - Productivity and Employment 30%
 - Job growth, GDP per worker, average patents per 1000 workers
 - Economic Well-Being 10%
 - Average poverty rate, average unemployment rate 3 year average 2007-2009, compensation

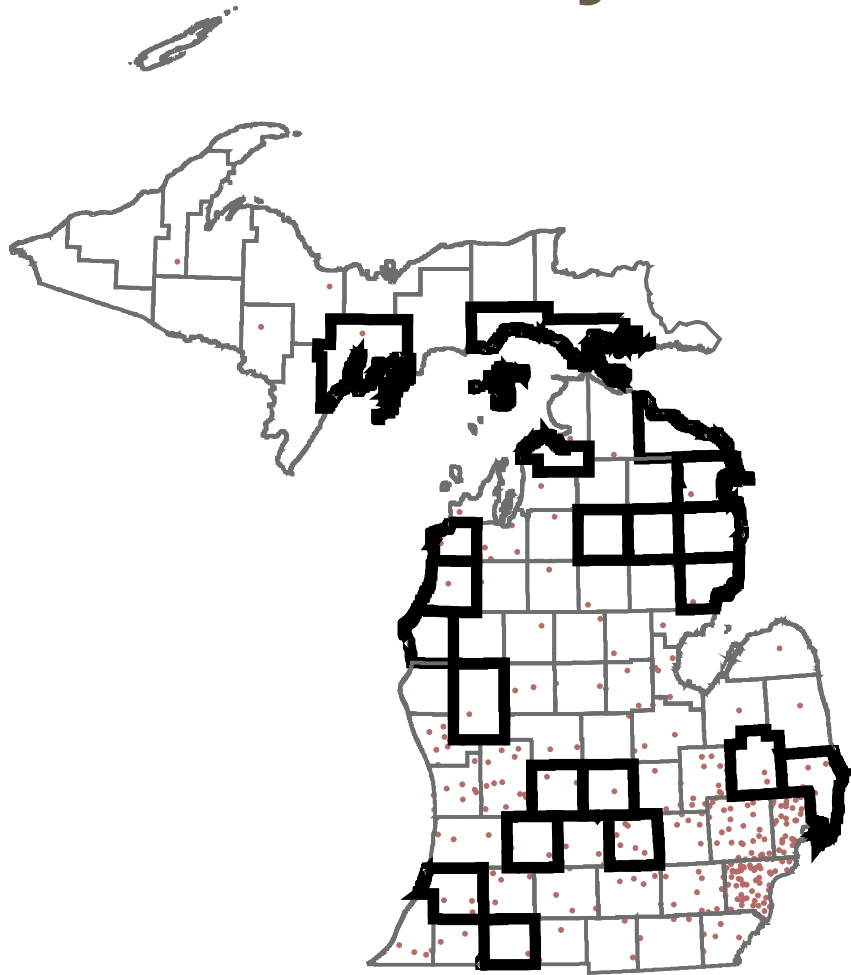
Innovation Index



Michigan Counties
Innovation_Index_Percent



Population Density



Michigan Counties

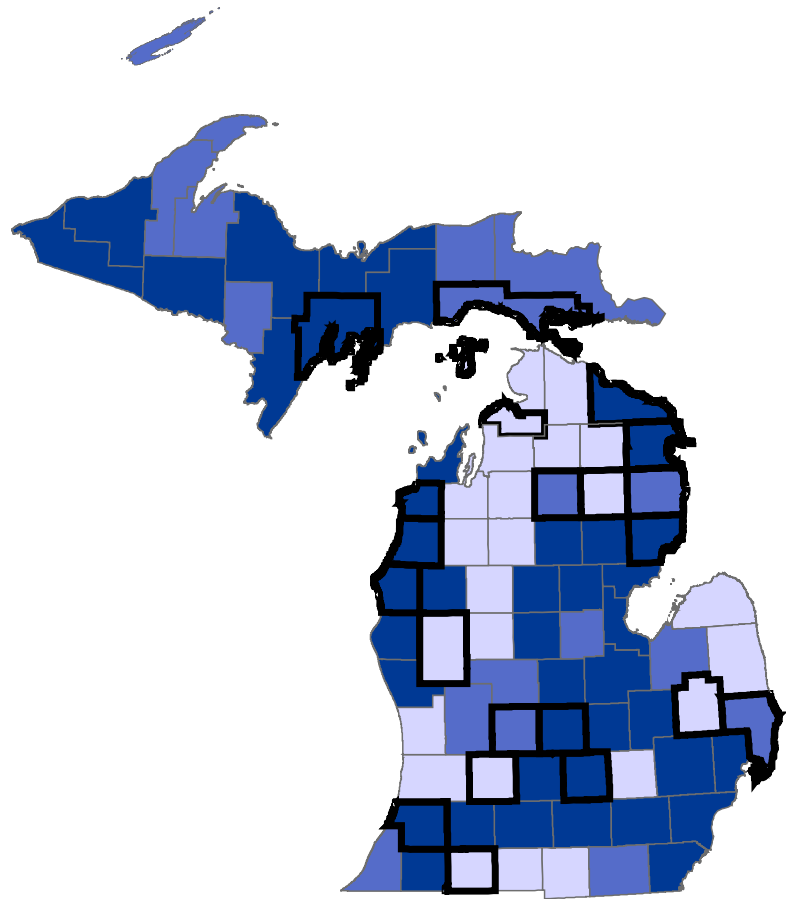


1 Dot = 50



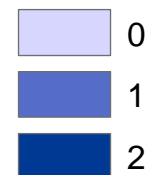
Population_Density

Voting Patterns



Michigan Counties

Democrat Voting Patterns



Variables

Variable (All)	Mean	Std. Dev.	Min	Max
Social Capital Index 05	0.2	0.67	-1.4	1.88
Population Density	191.14	428.7	4.11	3221.49
Foreign Born Percent	2.64	2.16	0.5	11.3
Innovation Index	79.31	9.69	65.8	113.9
Democrat	1.22	0.87	0	2

Comparison

Variable (Participated)	Mean	Std. Dev.	Min	Max
Social Capital Index 05	0.34	0.7	-0.72	1.34
Population Density	93.45	107.91	10.64	498.75
Foreign Born Percent	2.49	1.54	1.3	7.8
Innovation Index	76.22	5.53	68.1	87.9
Democrat	1.19	0.87	0	2

Variable (Didn't Participate)	Mean	Std. Dev.	Min	Max
Social Capital Index 05	0.16	0.66	-1.39	1.88
Population Density	224.23	488.71	4.11	3221.49
Foreign Born Percent	2.69	2.35	0.5	11.3
Innovation Index	80.35	10.57	65.8	113.9
Democrat	1.23	0.88	0	2

Output

		No. of obs	83
		LR chi2(5)	8.04
		prob>chi2	0.15
Log Likelihood	-42.93	pseudo R2	0.0856

Participation in Program	Odds Ratio	Std. Error	z	P> z	[95% Conf. Interval]
Social Capital Index 05	1.38	0.55	0.81	0.42	[.63, 3.00]
Population Density	0.99	0.002	-1.14	0.25	[.99, 1.00]
Foreign Born Percent*	1.53	0.36	1.8	0.07	[.96, 2.42]
Innovation Index*	0.93	0.04	-1.67	0.09	[.85, 1.01]
Democrat	0.96	0.3	-0.13	0.9	[.52, 1.77]

- Currently, I am workin on a revision of this – adding more explanatory varaibles.
- If you have any questions or comments, please feel free to contact me at Ajka.Suljevic@gmail.com