

The Journey

“Creating a dynamic environment of economic opportunities for the Newaygo County community”

MARCH/APRIL 2004

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NCEDO is a 501(c)(3) non-profit organization and also welcomes financial support from businesses and individuals. Contact us to learn more about how you can help NCEDO carry out its mission.

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Regional Collaboration Captures Washington DC’s Attention



The Economic Development Administration (EDA), an agency of the U.S. Department of Commerce, recently announced its selection of the West Michigan region for completion of an in-depth analysis of our innovation-based economic development model. The Chair of the West Michigan Economic Development Partnership (WMEDP), Greg Northrup, stated, “This is a great opportunity for us, as one of only three regions selected nationally in 2004 to further improve our offerings to local, national and international investors.”

The Council on Competitiveness, a Washington based think tank, will complete the analysis and assessment. Working with the WMEDP’s local partners, representing the economic development organizations from the region (including NCEDO), they will look at the opportunities and challenges affecting job creation.

Our region continues to benefit and earn dividends from the investments we have made in regional thinking and actions. The West Michigan Strategic Alliance (WMSA), through its efforts has helped position our region as a leader, not only locally, but nationally. WMSA Chairman, Jim Brooks, stated, “This recognition by the EDA, and related commitment of resources, positions us to better understand how to channel our innovative capabilities in areas such as design, research and development and engineering. Our economic development professionals and organizations are setting the example for regional action and this selection reflects the importance of these types of initiatives to our region.”

(Continued on page 4)

NCEDO To Work With West Michigan Science and Technology Initiative

The West Michigan Science & Technology Initiative (“The Initiative”) is a non-profit institute housed within Grand Valley State University and is dedicated to helping companies and entrepreneurs commercialize their discoveries. Matt Dugener, Executive Director of the WMSTI, recently spoke to the NCEDO Board of Directors to highlight their mission.

“The Initiative” has identified three key service areas:

BizExchange

This starts at the earliest stage of business development. The Initiative works with companies on developing prototypes, completing commercial assessments, business plans, and assisting in capital acquisition (angel, venture, or conventional) all the way through roll out of the product.

TechExchange

The Initiative serves as a clearinghouse for new technologies. Their goal is to create a significant pool of emerging technology for incorporating

into existing West Michigan companies for new market opportunities or to create new business enterprises. Companies without research & development capabilities can still be on the cutting edge.

DiscoveryExchange

The Initiative, through partnerships with various higher education institutions, provides low-cost research and development solutions to help conceptualize a new product or new way of producing existing products. The Initiative will coordinate community research resources to help solve your problems.

NCEDO is pleased to be working with the WMSTI to bring their expertise and resources to businesses and entrepreneurs in Newaygo County. For more information contact NCEDO or check out The Initiative on the web at: www.wmsti.org.



Matt Dugener

President's Report

Innovation, Entrepreneurship and Regional Partnerships Highlight Future Dialogue for NCEDO

At the recent NCEDO Annual meeting, I was honored to be elected to a second year as President. These are exciting and challenging times for the County. As we begin to assess the economic development environment several trends and themes begin to jump out at us.

Industrial recruitment is not a silver bullet for economic development, especially in rural counties. Too often, economic development is equated with industrial recruitment. Yet, in today's global economy, placing too much emphasis on this strategy is both expensive and risky. NCEDO will continue to aggressively market Newaygo County, but we are mindful that the vast majority of new jobs are created by firms already located in an area and by entrepreneurs. That is one reason why we place so much emphasis on our retention program.

Entrepreneurship and innovation are increasingly the keys to controlling our own economic future. This is the "grow your own" model. However, greater patience is required for this strategy because results are not easily quantified and take time to develop. NCEDO, in conjunction with the MSU-Extension Office, has already sponsored an "Entrepreneurial Agriculture" class. We are also a satellite office for the Small Business and Technology Development Center to provide counseling and training for those interested in starting or expanding small busi-

nesses. We think that there is more that we can do with additional programming to create an entrepreneurial spirit in our students and residents. We recognize that there is also a definite need for capital in our community to help small businesses and entrepreneurs. We will pursue potential sources of funding to establish a revolving loan fund and/or a business incubator.

Quality of life matters! This falls in line with the Richard Florida thesis in "The Rise of the Creative Class" and Governor Granholm's "Cool Cities" Initiative. Instead of concentrating resources on attracting industries, focus on those assets that make people want to live in an area and the jobs will follow. This philosophy is obviously heavily tied to promoting entrepreneurship and innovation.

Regional collaboration is vital to competing in a global market. To this end, NCEDO has been working hard to develop partnerships with other organizations in our region that are engaged in economic development. We feel that these partnerships bring greater exposure to the region and Newaygo County and can also allow us to tap into resources (SmartZones, Universities, etc.) that are not available within our own boundaries.

NCEDO is actively involved in the West Michigan Economic Development Partnership. This is a collaborative effort of eco-

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Economic Review



The not seasonally adjusted unemployment rate for Newaygo County rose three-tenths of a percent in March 2004 to a level of 9.7 percent. However, the March 2004 rate is a full two percentage points lower than March 2003. The report is particularly encouraging in that employment is higher than a year ago, while unemployment is lower than a year ago. This would suggest that the local economy is beginning to increase employment at a rate higher than the growth in the labor force and is now making a dent in the level of unemployment. This is the lowest unemployment rate for the month of March since 2001.

According to data from the Michigan Department of Labor and Economic Growth, the unemployment rate for the Grand Rapids metropolitan area declined by seven-tenths of a percent from March 2003 to March 2004. During this period, the number of unemployed fell by 3,500. The Grand Rapids metro area unemployment rate of 7.2 percent is lower than the Michigan rate of 7.6 percent but still is above the national rate of 6.0 percent

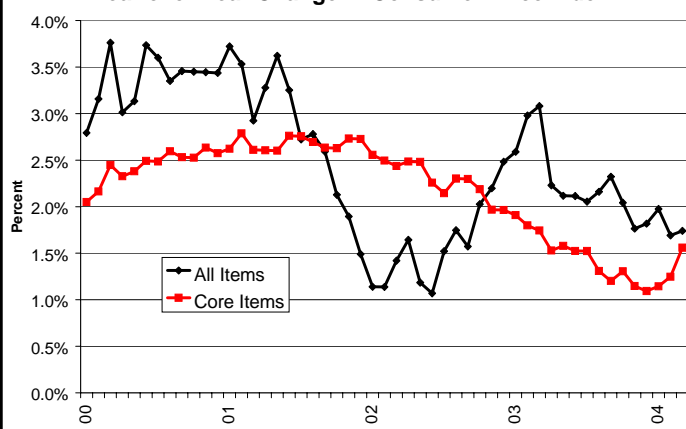
This month's graph shows the year over year change in the consumer price index for the last several years. For the 12-month period ended March 2003, the CPI-U (All Items) rose a relatively tame 1.7 percent. Core inflation, which excludes the more volatile food and energy components, is up only 1.6 percent over the past year. It is this stable core rate that should allow the Federal Reserve Bank to continue to pursue a fairly easy monetary position to further stimulate economic growth by helping to keep interest rates low.

Labor Force Estimates

	United States (000)		Michigan		Grand Rapids- Muskegon- Holland MSA	Newaygo County
	SA	NSA	SA	NSA	NSA	NSA
Current Month: March 2004						
Civilian Labor Force	146,650	146,525	5,073	5,040	610,400	22,175
Employment	138,298	137,691	4,723	4,657	566,300	20,050
Unemployment	8,352	8,834	350	383	44,100	2,125
Unemployment Rate	5.7%	6.0%	6.9%	7.6%	7.2%	9.5%
Change from month ago:						
Civilian Labor Force	179	371	2	26	4,900	100
Employment	(3)	307	(14)	10	3,800	50
Unemployment	182	64	16	16	1,100	50
Unemployment Rate	0.1%	0.0%	0.3%	0.3%	0.1%	0.3%
Change from year ago:						
Civilian Labor Force	832	724	55	55	9,000	300
Employment	998	908	55	55	12,600	750
Unemployment	(166)	(184)	-	-	(3,600)	(450)
Unemployment Rate	-0.1%	-0.2%	-0.1%	-0.1%	-0.7%	-2.0%

Note: All estimates are based on place of residence
SA - Seasonally Adjusted Level, NSA - Not Seasonally Adjusted Level
Grand Rapids-Muskegon-Holland MSA includes Kent, Allegan, Muskegon, and Ottawa Counties.
Source: U.S. Bureau of Labor Statistics and Michigan Department of Labor and Economic Growth

Year over Year Change in Consumer Price Index



News and Events

Important Changes to Michigan Economic Growth Act (MEGA)

The Michigan Economic Growth Authority (MEGA), the state's primary tool to respond to interstate and global competition for company expansion and relocation projects, has been extended through 2009. Administered by the Michigan Economic Development Corporation (MEDC), the MEGA program has the authority to award Single Business Tax Credits to companies choosing to grow in Michigan. There are several changes to the legislation that are worth noting.

Help for Rural County Businesses

As part of the MEGA reauthorization legislation (SB 824), the job creation threshold for businesses in rural counties (less than 75,000 in population), including Newaygo County, has been reduced to 25 jobs from 75 jobs to qualify for this incentive. This change is welcome news for businesses operating in rural areas that may not have been able to qualify for this incentive program in the past.

Multiple Job Locations

Governor Granholm recently signed legislation that will increase the flexibility and effectiveness of the MEGA program by allowing companies to count multiple job locations within the state to be considered for the tax credit. Until this change, the statute required that a company retain a minimum of 500 jobs at a single location in Michigan to be eligible. Now, jobs at multiple sites of a business or its subsidiaries may be counted to qualify. According to the MEDC, the flexibility in the new law should allow state and local officials to intervene more quickly and nimbly to retain Michigan jobs. Don Jakeway, President and CEO of MEDC praised the state legislators and the Governor for making the necessary changes to the MEGA program to meet the challenges facing the state.

Contact NCEDO for more information about the MEGA Program and how it can help your business.

Upcoming Small Business Counseling and Training



NCEDO is pleased to continue its partnership with the Small Business and Technology Development Center (SBTDC) to provide counseling and training for those interested in starting or expanding a small business in Newaygo County.

NCEDO will be hosting counseling sessions with the local SBTDC Regional Director, Marie Elliott, on the following dates:

June 21, 2004
July 13, 2004
August 10, 2004

Appointments are for one-hour and are available from 10:00AM until 3:00PM. There is no charge for the counseling services.

Also on July 13 2004, NCEDO and the SBTDC will be hosting a Small Business Workshop, which covers the fundamentals of starting/expanding a business and developing a business plan. The program costs \$25 and runs from 4:00PM until 8:00PM. Pre-registration is required.

Please contact NCEDO or the SBTDC at (989) 802-0993 to sign-up for these events. Also, check out their web page at: www.misbtcd.org/region4

"President's Report" (Continued from page 2)

economic development organizations and professionals from the seven county Grand Rapids metro area. To date, we have already launched a web site (www.BestMichigan.org) that is being used to promote our region to site consultants and developers interested in investing in West Michigan. As highlighted in the cover story, the U.S. Department of Commerce has also identified this partnership for study as a model of innovative economic development.

6 Myths About the Future of Small Towns

Myth #1 Towns that are "too small" have no future.

Truth There is no magical size at which a town can survive.

Myth #2 A community's location is key to its survival.

Truth In an information age, leadership, not location, is the most important factor in community survival.

Myth #3 Industrial recruitment is the best strategy for economic development.

Truth Communities must adopt a broad-based economic development plan that supports existing businesses and encourages entrepreneurship.

Myth #4 Small towns can't compete in the global economy.
Truth Small towns throughout America are home to an amazing variety of highly sophisticated, entrepreneurial successes.

Myth #5 The "best people" leave small towns as soon as they can.

Truth Many talented and capable people choose the quality of small town living.

Myth #6 The rural and urban economies are not interdependent.

Truth Many city residents forget that our essential raw materials need dynamic rural infrastructure to get from rural to urban markets.

Source: Heartland Center for Leadership Development

NCEDO and FACF \$1/1 Fundraising Campaign

The Fremont Area Community Foundation has been a strong partner and supporter of NCEDO since our inception. Continuing this relationship, we are pleased to announce that the FACF has agreed to continue to support our efforts by pledging to match, dollar for dollar, funding that we are able to raise from contributions to NCEDO.

Support Our Mission!

NCEDO is a private, non-profit 501c3 organization so your contribution may be tax deductible. To make a pledge, please fill out the form below and fax it back at (231) 924-9250 or call us at (231) 924-8890. Contributions should be made out to the "The NCEDO Fund at FACF", c/o Fremont Area Community Foundation, P. O. Box B, Fremont, MI 49412.

Name/Organization _____

Address _____

City _____ State _____ Zip _____

Phone _____ Email _____

Actual Pledge Amount (per year) _____

Platinum (\$2,500 or more a year) Gold (\$1,000 or more a year)

Silver (\$500 or more a year) Bronze (\$250 or more a year)

Supporter (\$100 or more a year) Friend (\$50 or more a year)

I pledge to continue this support for:

1 year

3 years

"Competitiveness" (Continued from page 1)

The West Michigan Regional Competitiveness Initiative includes four phases:

- ⇒ an analytical assessment of the regional innovation environment;
- ⇒ identification of three key regional issues for ongoing focus;
- ⇒ convening of a regional summit to explore these issues; and
- ⇒ the launch of action teams that will develop plans to address the key innovation issues.

"We are anxious to start working with West Michigan business and community leaders," stated EDA's Assistant Secretary, Dr. David A. Sampson. The mission of the EDA is to enhance community success in attracting private capital investment and the creation of higher paying job opportunities. For more on EDA, visit them at: www.eda.gov.

The Council on Competitiveness is a non-partisan, non-profit organization whose members are corporate chief executives, university presidents, and leaders from other related fields. The Council helps shape the national debate on competitiveness by concentrating on a few vital issues, including national and regional innovation, globalization and benchmarking of U.S. and regional performance against other regions and countries. For more information, visit them at: www.compete.org.

The WMEDP represents the region's economic development professionals and organizations from Allegan, Barry, Ionia, Kent, Muskegon, Newaygo and Ottawa counties. For more information on the Partnership, visit: www.BestMichigan.org.



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