

# Four Rules for Local Prosperity



MICHAEL H. SHUMAN

## THE LOCAL ECONOMY SOLUTION

HOW INNOVATIVE, SELF-FINANCING  
"POLLINATOR" ENTERPRISES CAN  
GROW JOBS AND PROSPERITY

*Reinventing economic development  
as if small business mattered*



## How to Grow Atlantic Canada

# On November 5th, we're making dating great again.

Maple Match makes it easy for Americans and Canadians to meet online in a safe, friendly, environment...and they just may avoid the unfathomable horror of a Trump presidency in the process.

We're thrilled to announce the launch of our iOS app on November 5th in NYC.  
[Click here to RSVP!](#)

Want to learn more? Reach out at [info@maplematch.com](mailto:info@maplematch.com).

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# Why Economic Development Matters

- Jobs
- Income & Wealth
- Public Sector



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- Income & Wealth
- Public Sector





WHY NB

START-UP

GROW

EXPORT

INVEST

SEARCH ...

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## How We Can Help You

Opportunities NB is a single point of contact for companies looking to grow, expand or locate their business. We help businesses innovate and compete in today's fast-paced and ever-changing economy. Let us open doors for you by offering:

- Personal **Business Development Executive** to provide turnkey services
- Recruitment and training consultation and assistance
- Sourcing of realtors, developers, contractors, shippers and utilities
- Specialized training programs for businesses of all sizes
- Export-ready training
- Tailor-made financial incentive packages
- Liaison with local communities and partners

Connect with our  
business development  
executives today

**CONNECT  
NOW**

## Incentives



Nova Scotia's incentive programs have bottom line benefits.

Grow your business in Nova Scotia and reap the rewards of our generous incentive programs.

# Today's Economic Development



**“Incentive competition is on the rise. It is costly, generally inefficient, and often ineffective for winning regions.”**

**- Ann Markusen & Katherine Ness**

# Circus Time in Sarasota, FL





# An Alternative Approach



# Four Alternative Rules for LOIS Economic Development

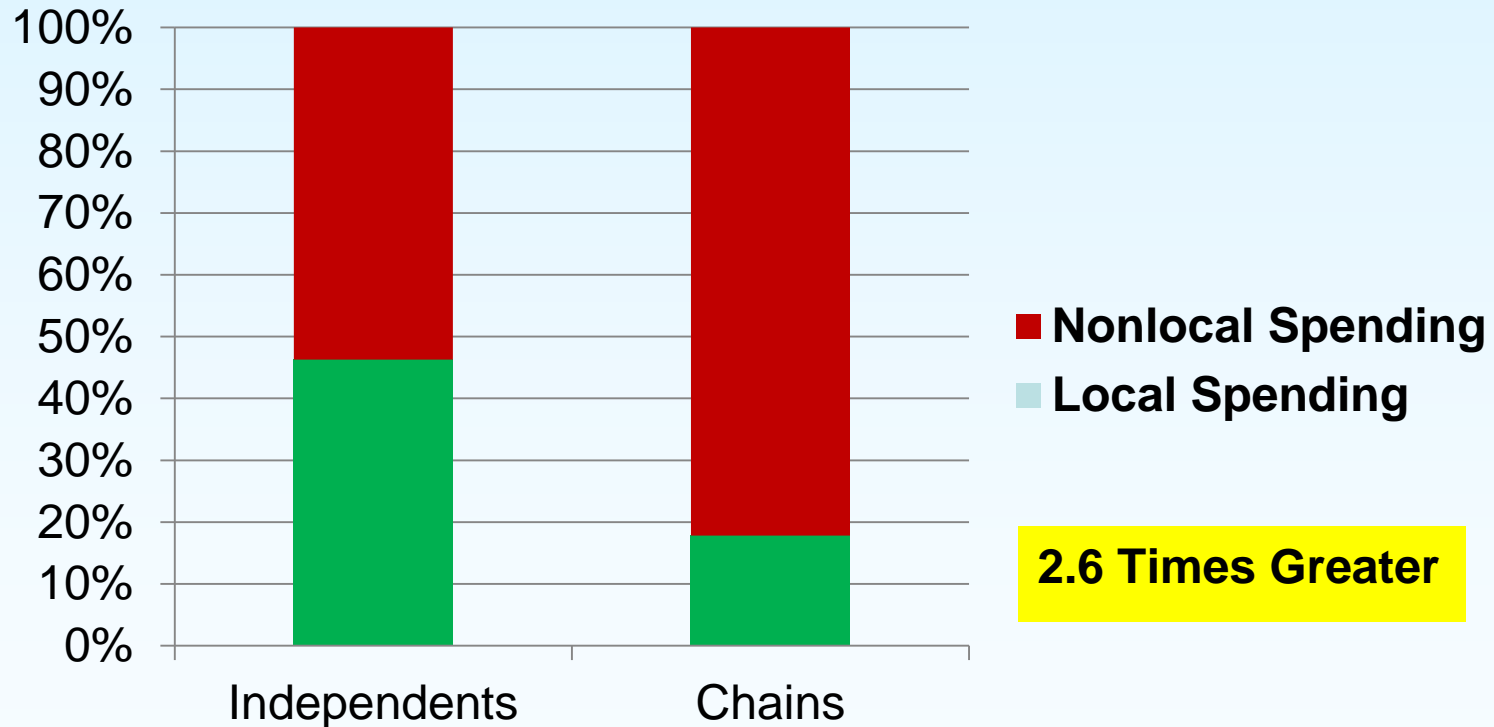


- (1) Maximize local ownership (LO).
- (2) Maximize import-substitution (IS).
- (3) Spread models of multi-bottom line success.
- (4) Create entrepreneurial ecosystem.

# Rule #1

## Maximize Local Ownership

### Breakdown of Retail & Restaurant Spending In British Columbia (2013)



# The Jobs Verdict

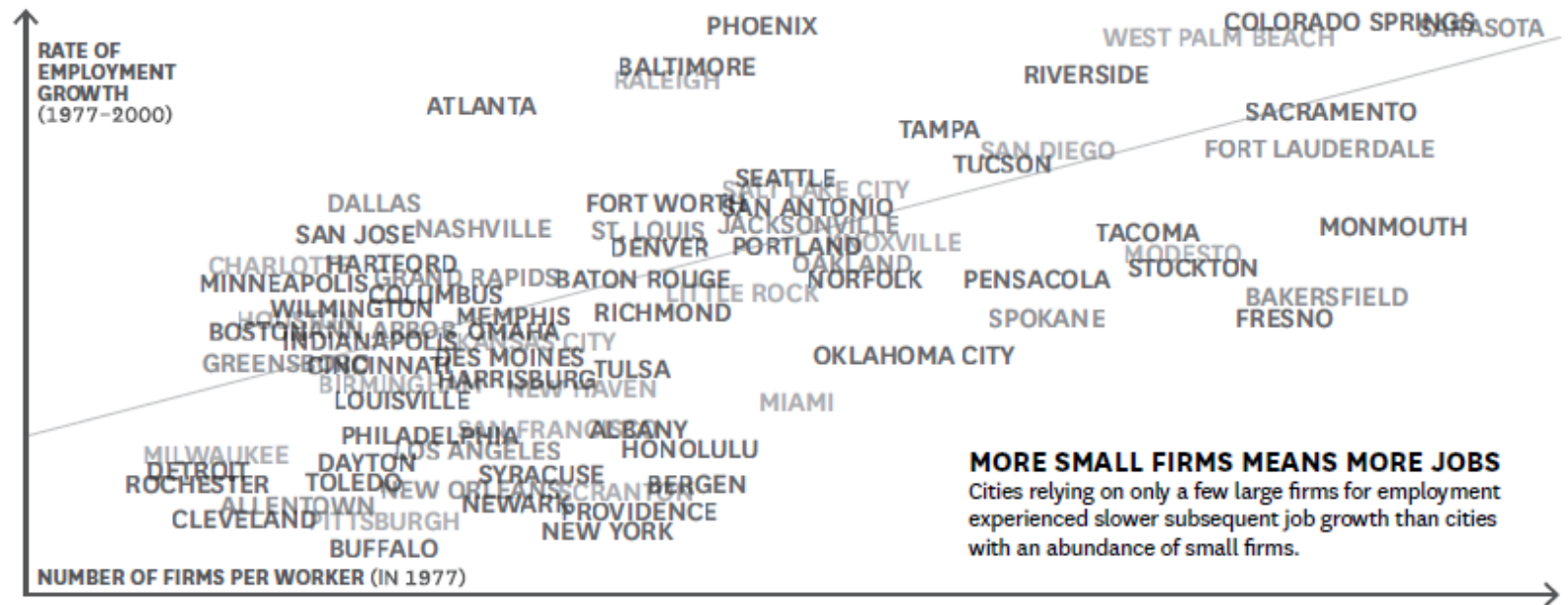
<b>Study</b>	<b>\$ Circulated Locally: Local vs. Nonlocal Ownership</b>
Austin (2002)	3.5
Maine (2003)	5.0
Chicago (2004)	1.6
Toledo (2004)	4.0
Iowa (2006)	1.6 (Jobs)
San Francisco (2007)	1.4-1.7
Phoenix (2007)	2.9
Grand Rapids (2008)	1.6
New Orleans (2009)	2.0
<b>AVERAGE</b>	<b>2.6</b>

# Harvard Business Review

July-August 2010

## More Small Firms Means More Jobs

Cities relying on only a few large firms for employment experienced slower subsequent job growth than cities with an abundance of small firms.



# Federal Reserve of Atlanta

August 2013



## **Locally Owned:**

**Do Local Business Ownership and Size  
Matter for Local Economic Well-being?**

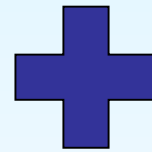
Anil Rupasingha, PhD

Federal Reserve Bank of Atlanta

Community and Economic Development Department

“My results...provide evidence that **local entrepreneurship matters** for local economic performance... I find that the percent of employment provided by resident, or locally-owned, business establishments has a significant **positive effect on county income and employment growth** and a significant and **negative effect on poverty** in the all counties and non-metro counties sampled.”

# Rule #2: Maximize Local Self-Reliance



# A Rural Success Story





# Rule #3: Spread Triple-Bottom-Line Business



# How B Corps Boost Prosperity

- Consumer Spending
- Greater Business Spending
- Reduced Resource Use



# **Rule #4:**

## **Create an Entrepreneurial Ecosystem**



# The 6 P's of an Entrepreneurial Ecosystem

<b>Planning</b>	Plug the leaks & boost business.
<b>People</b>	Support entrepreneurs.
<b>Partners</b>	Compete through collaboration.
<b>Purse</b>	Harness savings locally.
<b>Purchasing</b>	Spearhead "Local First" campaigns.
<b>Policymaking</b>	Remove anti-local biases.

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# Atlantic Provinces Economic Council (Oct. 2016)

THE GLOBE AND MAIL 

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## Atlantic provinces need to shed trade, regulatory barriers, study argues

HALIFAX — The Canadian Press

Published Tuesday, Oct. 25, 2016 10:08AM EDT

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2 Comments



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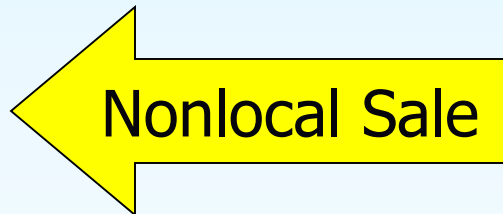
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# Two Development Strategies

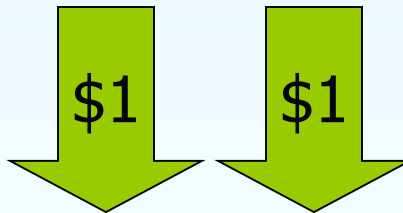
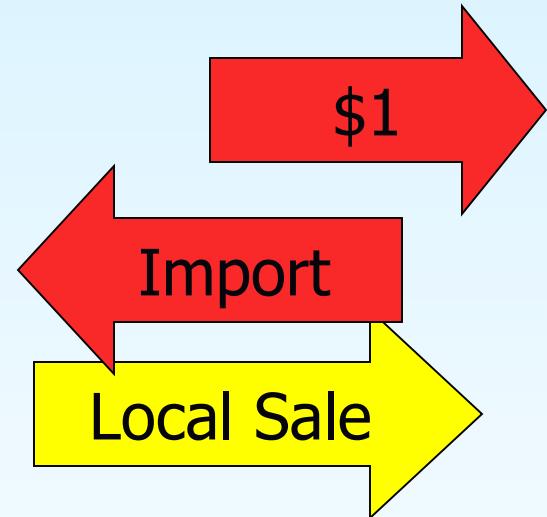
Export-Led



Import-Substituting



Production



Community

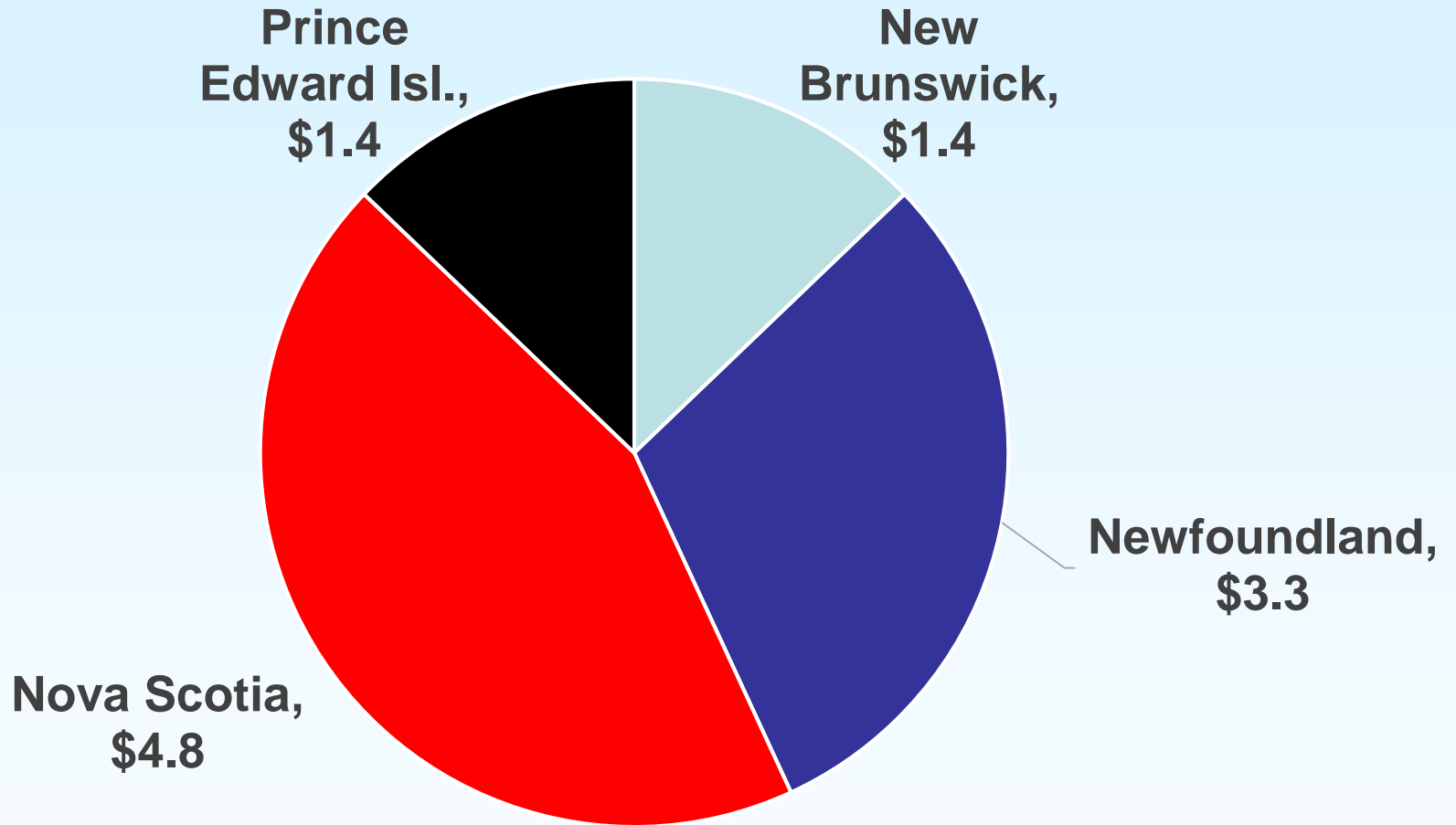
# Overview of Region (2012)

	<b>Atlantic Canada</b>
Population	2,374,100
Gross Regional Product	\$85 B
Exports	\$40 B
Imports	<b>\$51 B</b>
Trade Position	<b>\$11 B</b>



# Distribution of Trade Deficit

(\$ Billions Per Year)

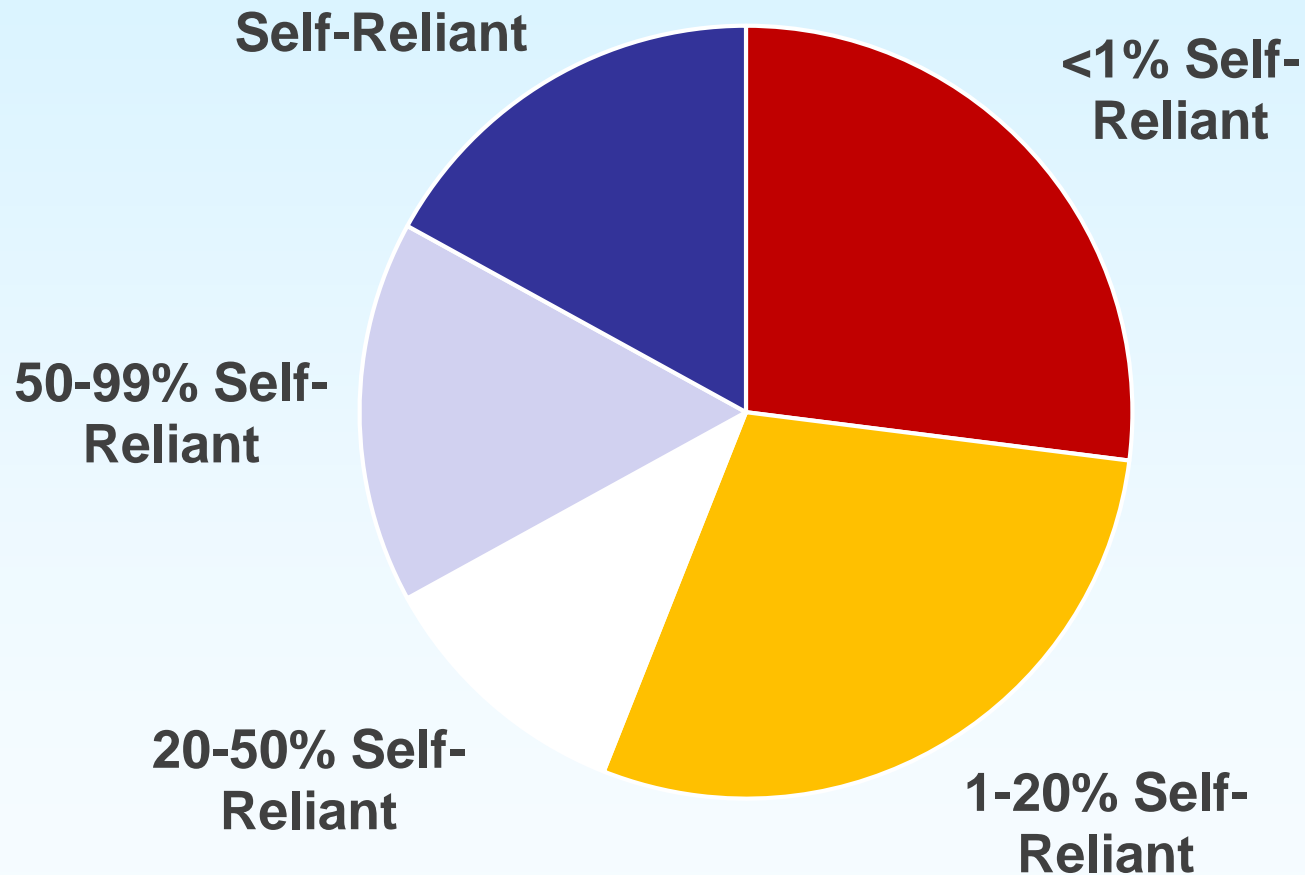


# Regional \$ “Leakage”

	<b>Atlantic Canada</b>
<b>Spending on Local Production</b>	\$76 B
<b>Add'l Production for Self Reliance</b>	\$51 B
<b>Total Demand for Local Production</b>	\$127 B
<b>Level of Leakage</b>	40%

# Leakiness of New Brunswick

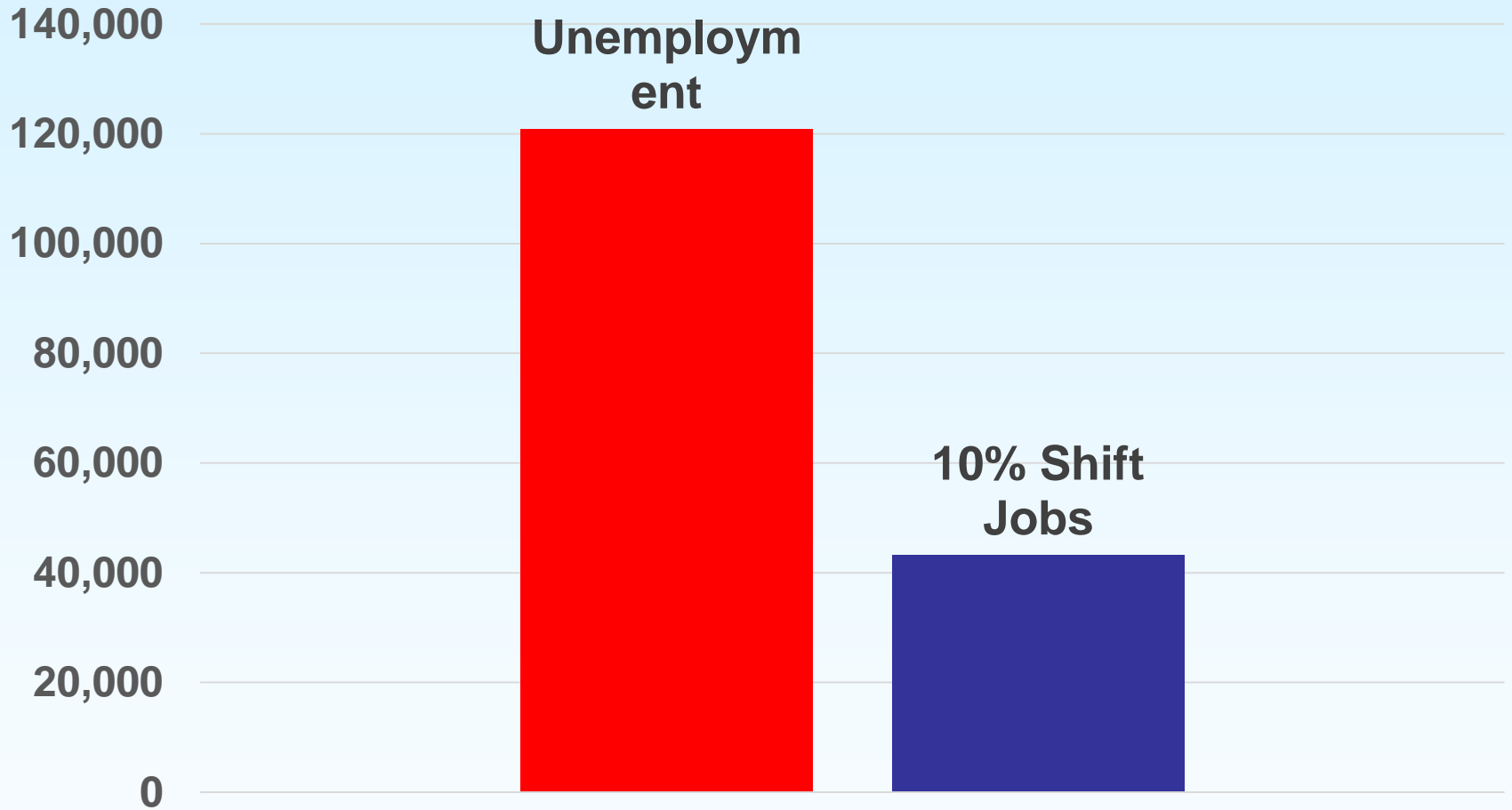
(Based on 110 IMPLAN Sectors)



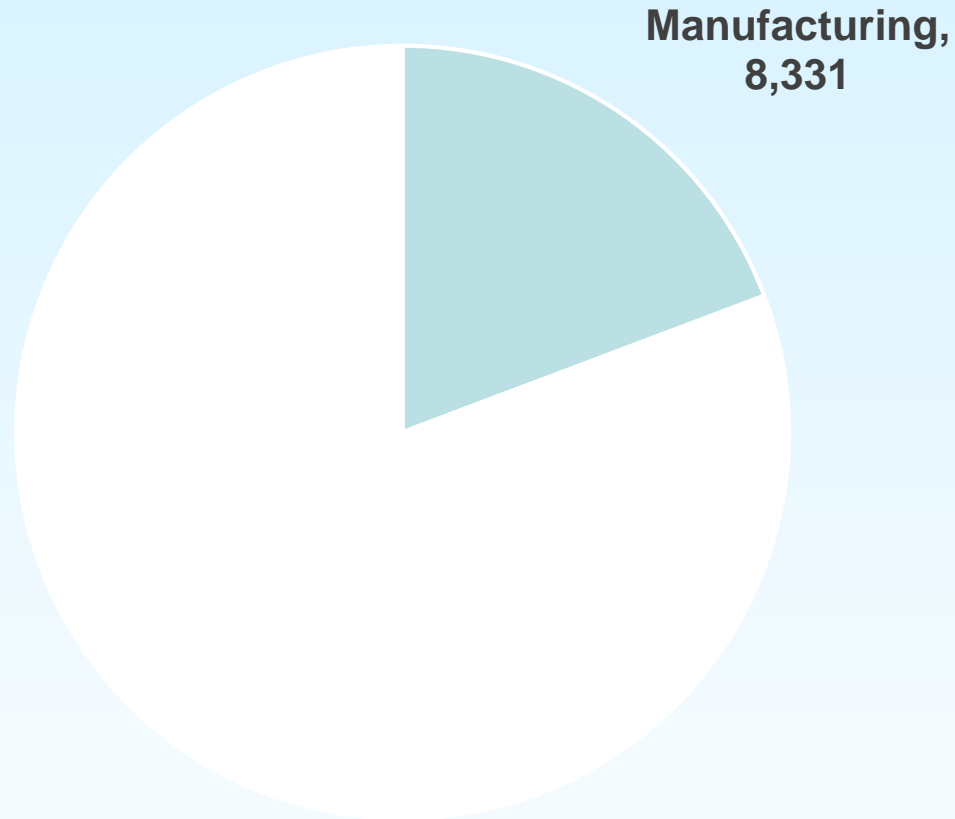
# Impacts from 10% Shift

	<b>Atlantic Canada</b>
Jobs	43,259
Wages	\$2.6 B
Value Added	\$4.7 B
Taxes	\$219 M

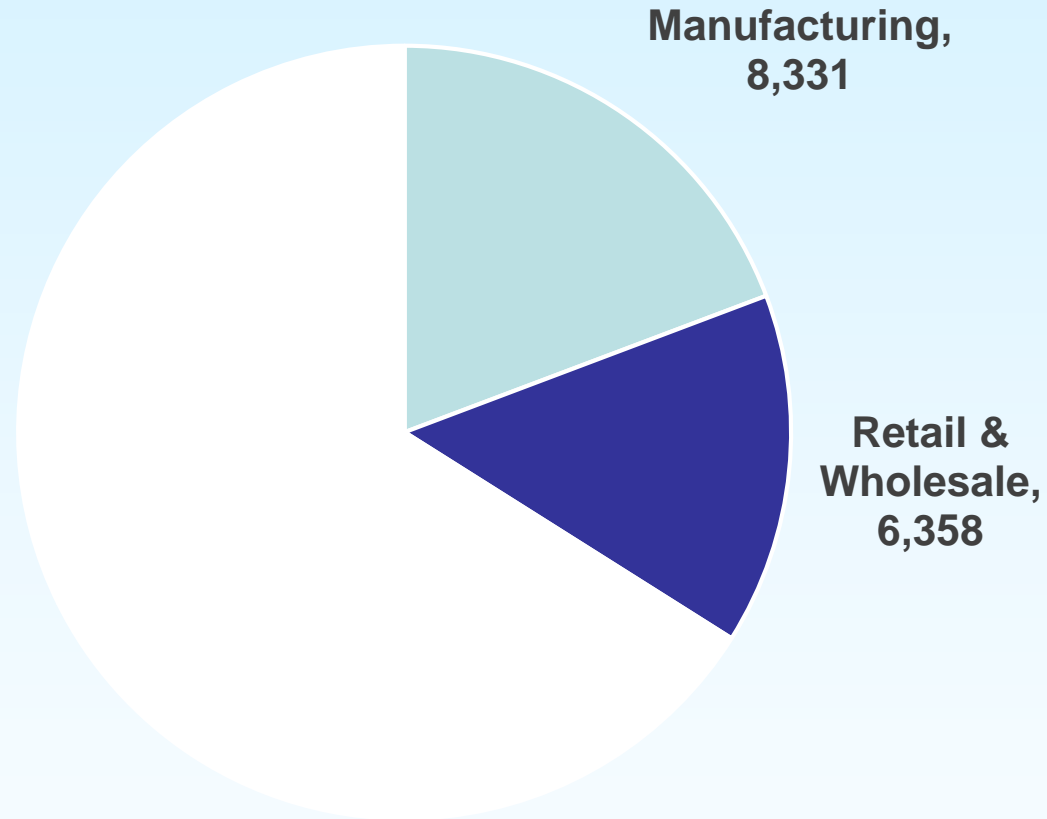
# Jobs Impact of 10% Shift



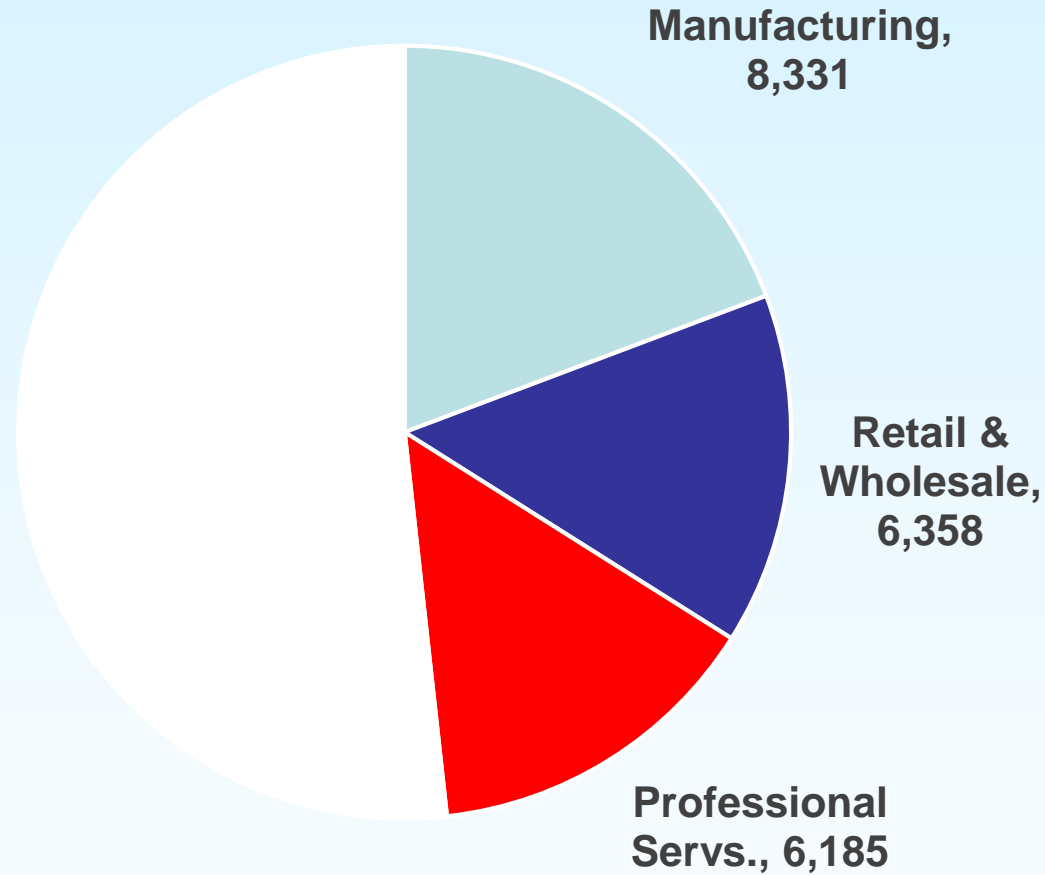
# Top Job Opportunities



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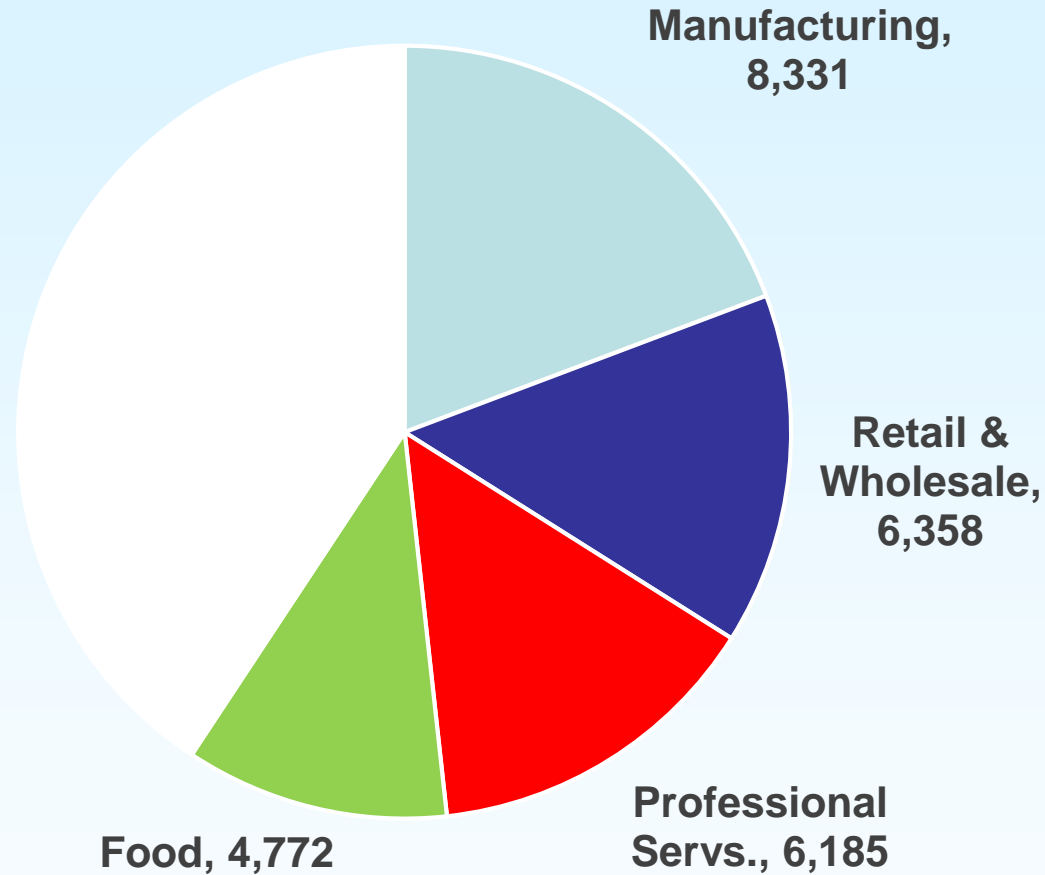


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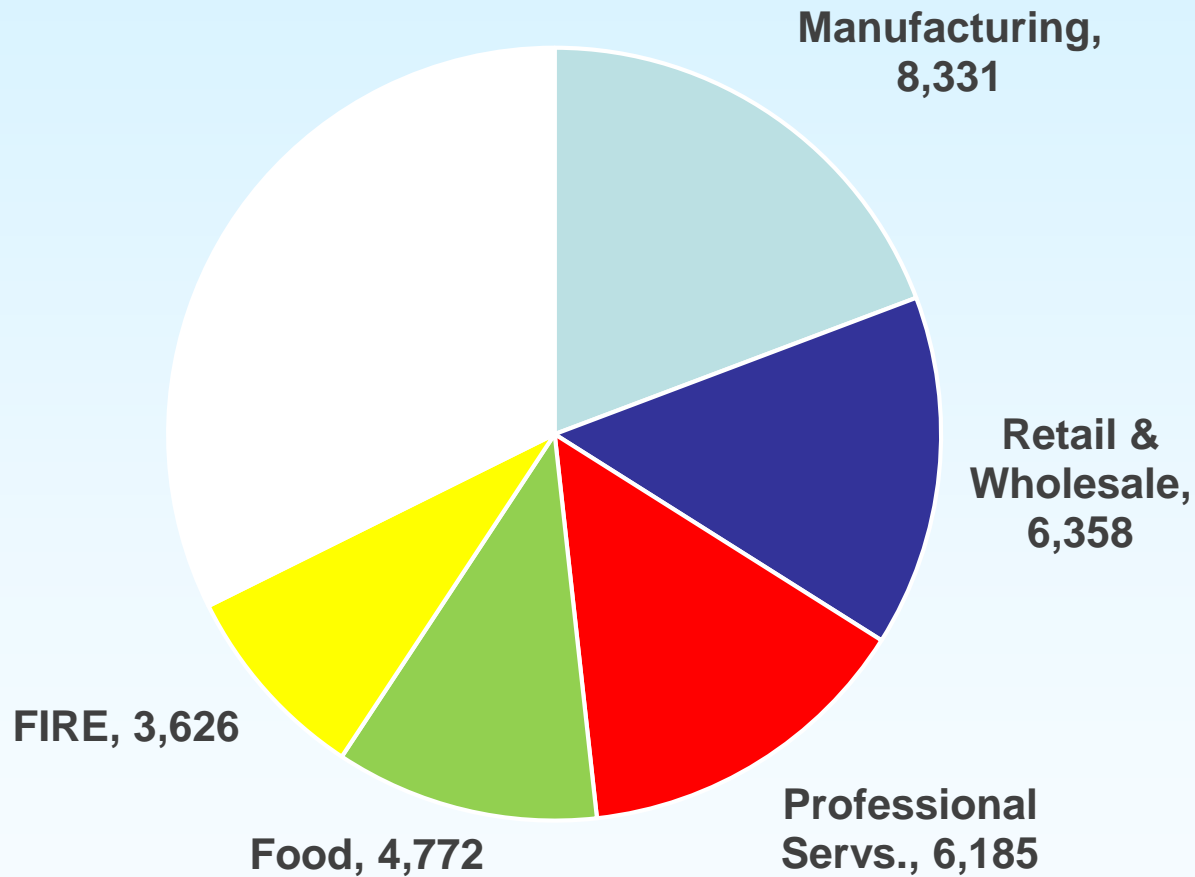




# Top Job Opportunities



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# Leak Plugging Strategies

- **Local Substitution**
- Change Local Need
- Efficiency
- Ownership



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# Leak Plugging Strategies

- Local Substitution
- Change Local Need
- Efficiency
- **Ownership**



# Typical Local Response



# The Better Alternative: Pollinator Businesses





# Examples of Pollinators

<b>Planning</b>	Plug the leaks & boost the business.
<b>People</b>	Support entrepreneurs.
<b>Partners</b>	Compete through collaboration.
<b>Purse</b>	Harness savings locally.
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<b>Policymaking</b>	Remove anti-local biases.

# Planning Pollinators

**Business Retooling**



MAIN STREET  
GENOME



# Purchasing Pollinators

**Virtual Marketing**



 **FIND A BUSINESS**

 **BUY GIFT CERTIFICATES**

 **SHOP LOCALLY**

 **DEALS & COUPONS**





Adopt a Cat: Gypsy

Adopted  
\$165

Midland OSPCA



Birthday Flowers

Same day delivery av...

Fresh Flowers by Leanne



Kenwood KCA-RC107MR  
Wired Marine Remote Contr...

Same Price - Expert ...

Fast Forward Audio Video



Panasonic Style CB5 Power  
Head Geared Vacuum ...

Price: \$11.49

Miller's Vacuum



# People Pollinators

A man with glasses and a red shirt is positioned in the foreground, looking towards the camera. Behind him is a large wall covered in a dense grid of small, individual portraits of people, creating a background that represents a large community or network.

**Acceleration**

# Partnership Pollinators



tucson  
originals  
.com



**Joint Purchasing**

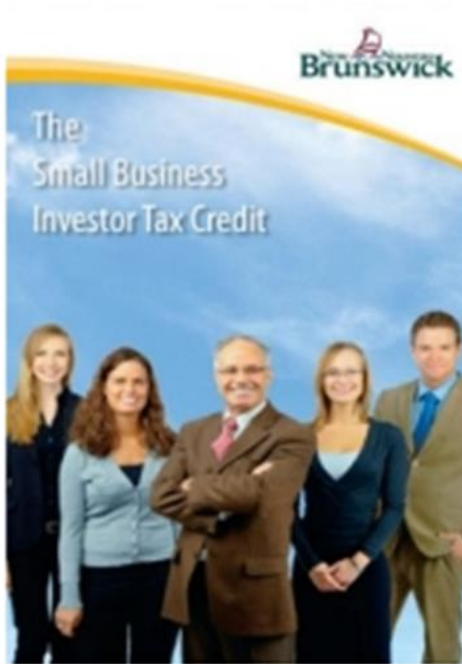
# Purse Pollinators



**Local Investment Funds**

# The Role of Policy

## Small Business Investor Tax Credit



The New Brunswick Small Business Investor Tax Credit provides a 50% (for investments made after April 1, 2015) non-refundable personal income tax credit of up to \$125,000 per year (for investments of up to \$250,000 per individual investor) to eligible individual investors who invest in eligible small businesses, community economic development corporations in the province. For a corporation and trust eligible investor, the New Brunswick Small Business Investor Tax Credit provide a 15% non- refundable corporate income tax credit of up to \$75,000 per year ( for investments of up to \$500,000).

In the event that an investor cannot use the entire Small Business Investor Tax Credit amount in a given year, the tax credit can be carried forward seven years or back three years.





to feel  
happier  
you can  
you can  
ing **focus**  
to feel free  
I cant live my  
understand  
to feel

# Lessons in Leverage







Applause



# For More Information:

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