



# Entrepreneurship, Dynamism, and Strategies for Economic Growth

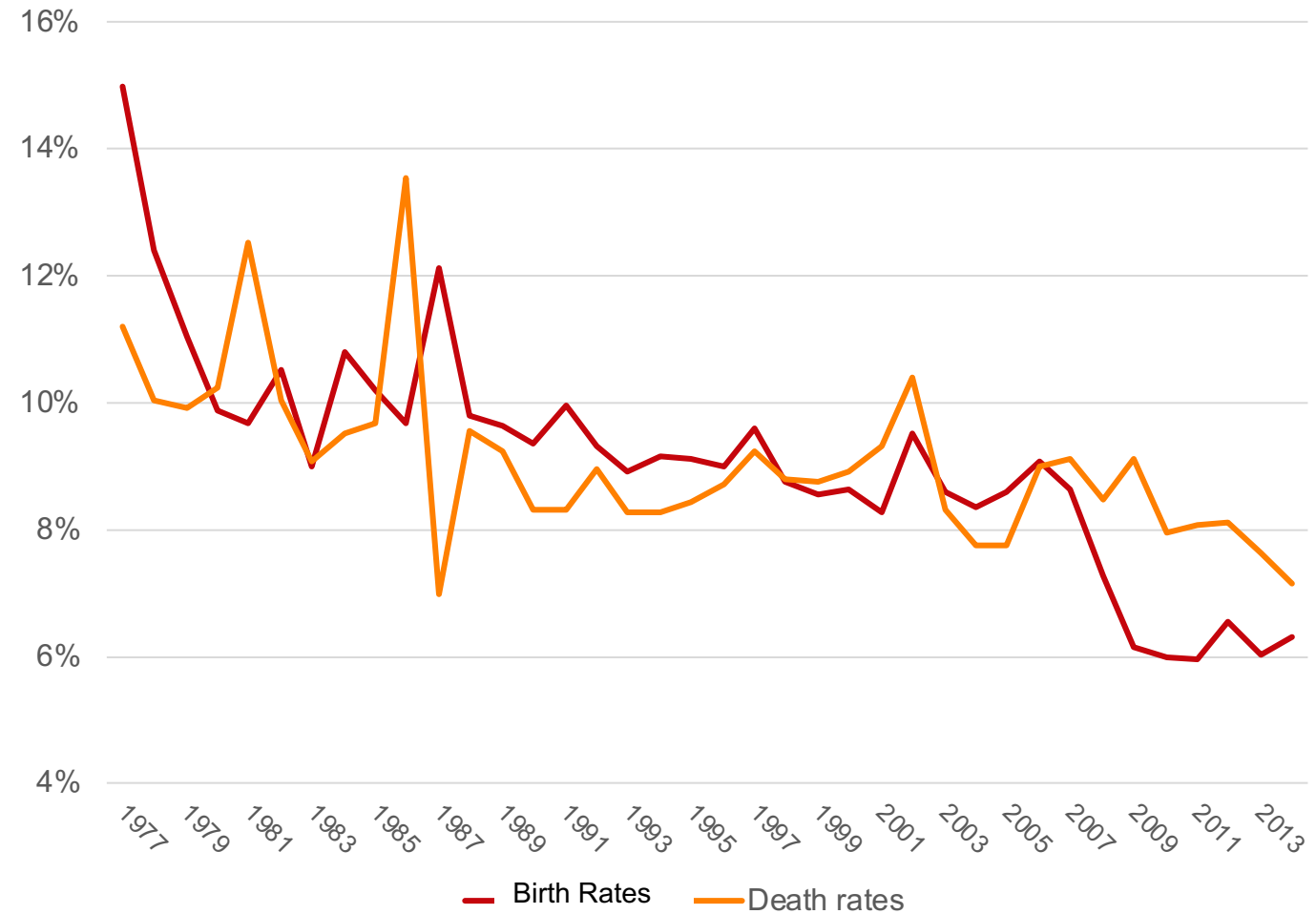
Tessa Conroy  
Assistant Professor



Department of Extension  
Department of Agricultural and Applied Economics

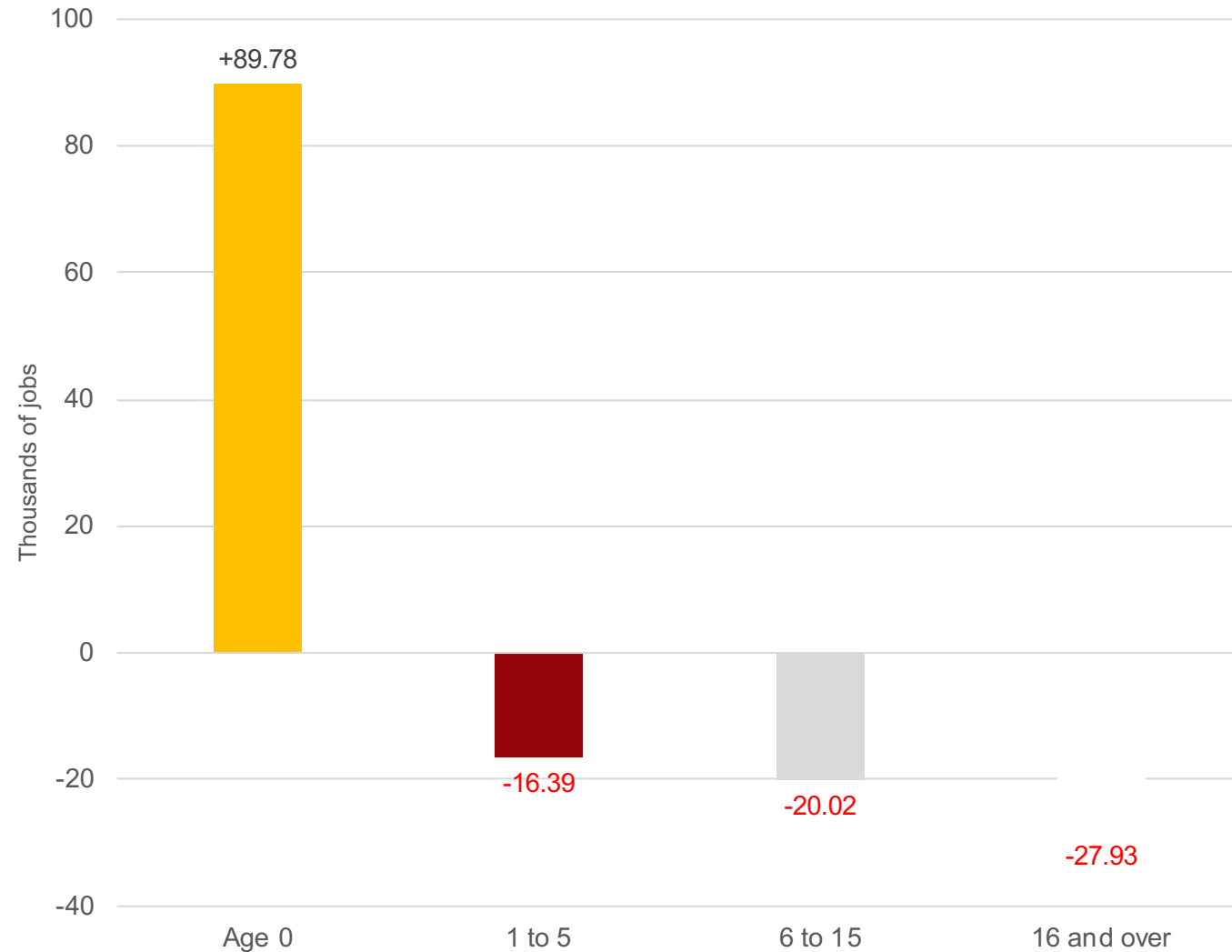
Strong  
economies  
tend to  
“churn”.

## Establishment Birth Rates and Death Rates in Wisconsin



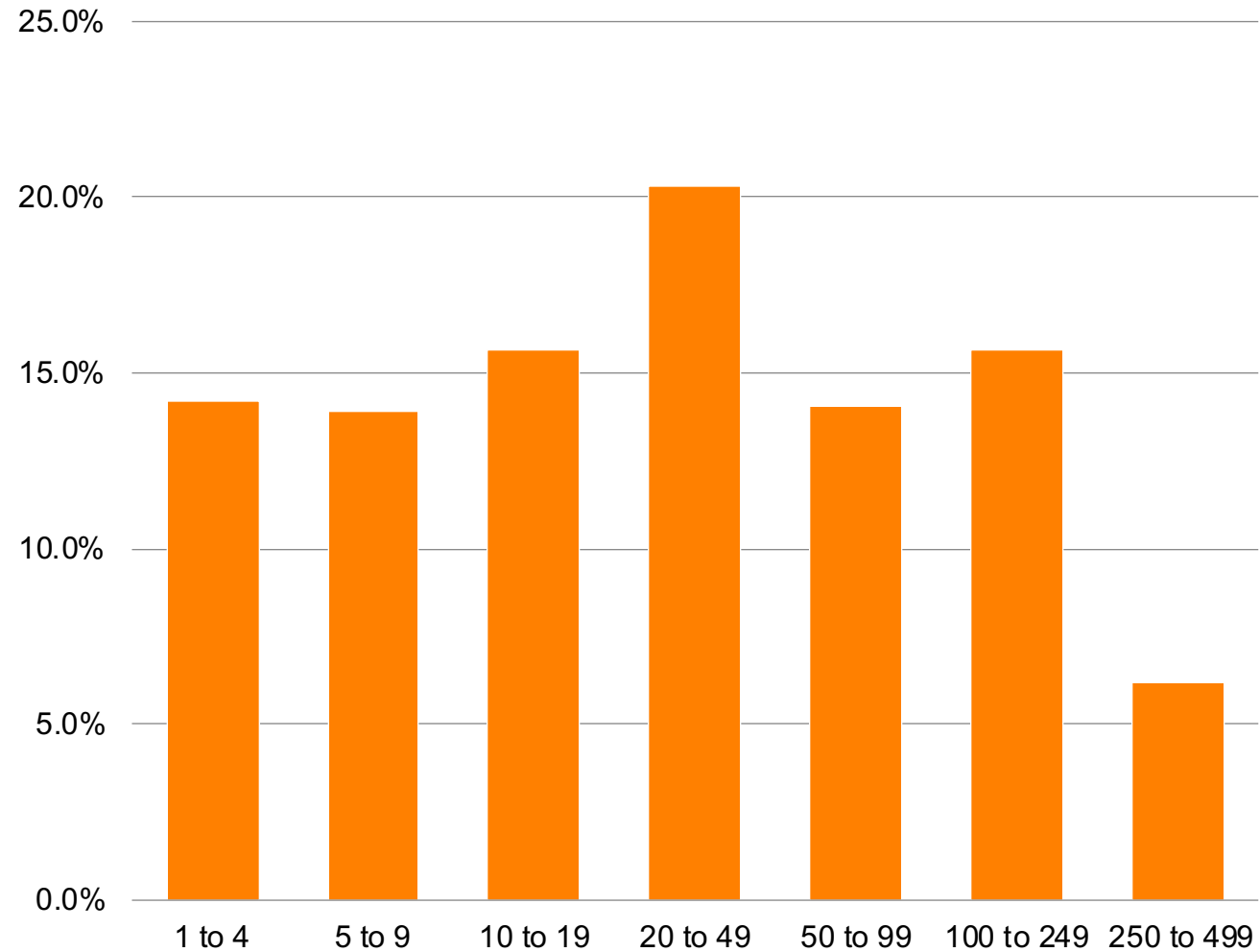
New  
businesses  
are  
important  
for job  
creation.

## Average Annual Net Job Creation by Establishment Age, 1994-2014



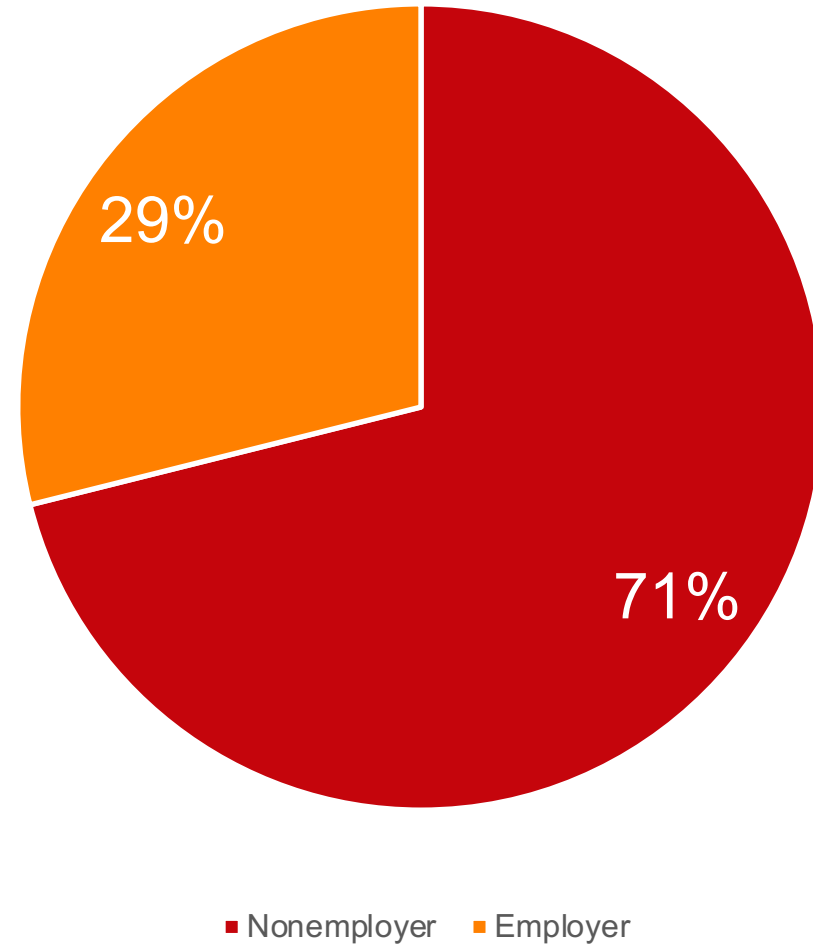
New  
businesses  
often  
happen to  
be small.

## Share of Total Job Creation By Business Size Class



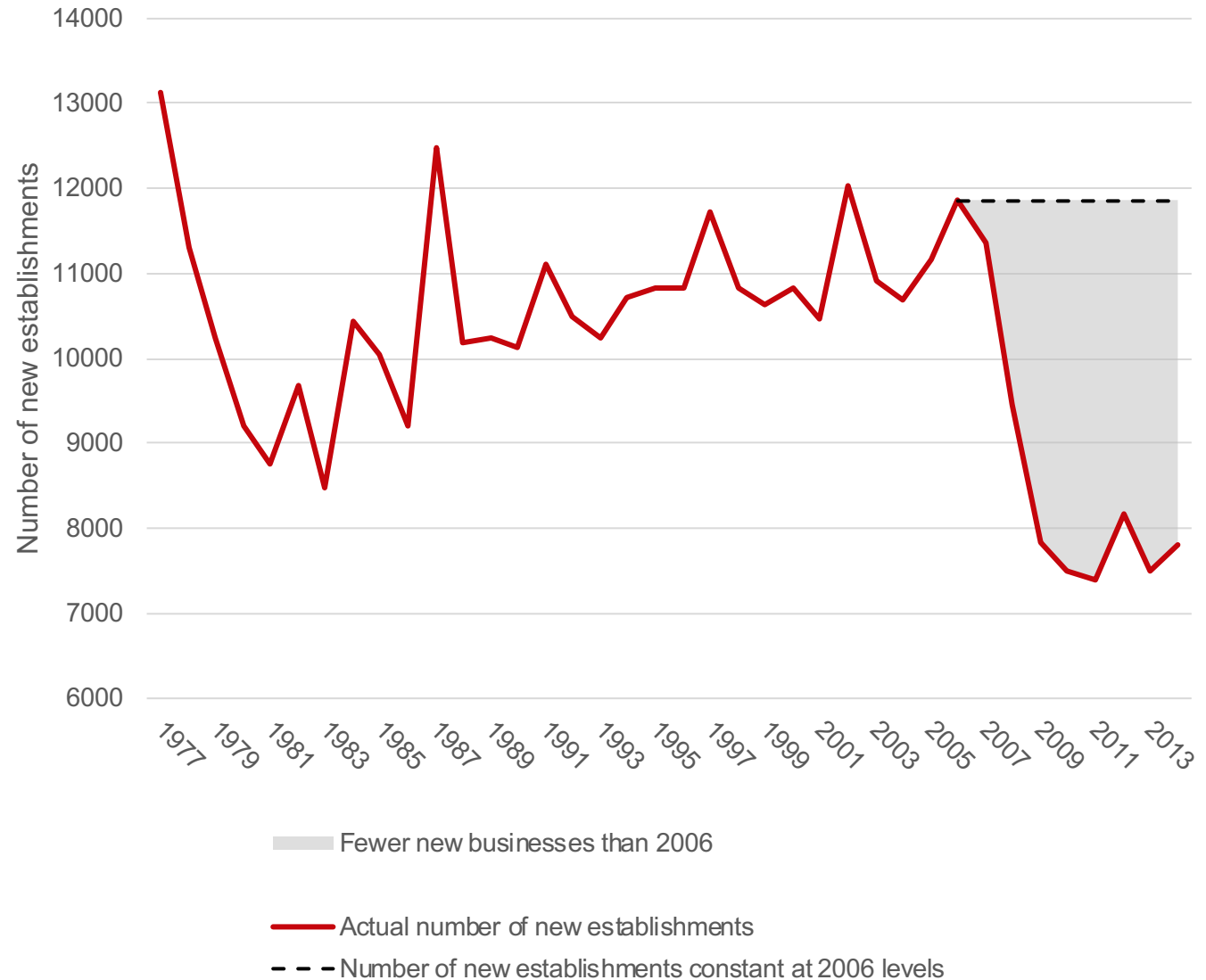
The very  
smallest  
businesses  
are a  
seedbed of  
future jobs.

## Employer and Nonemployer Business Shares Grow North Region



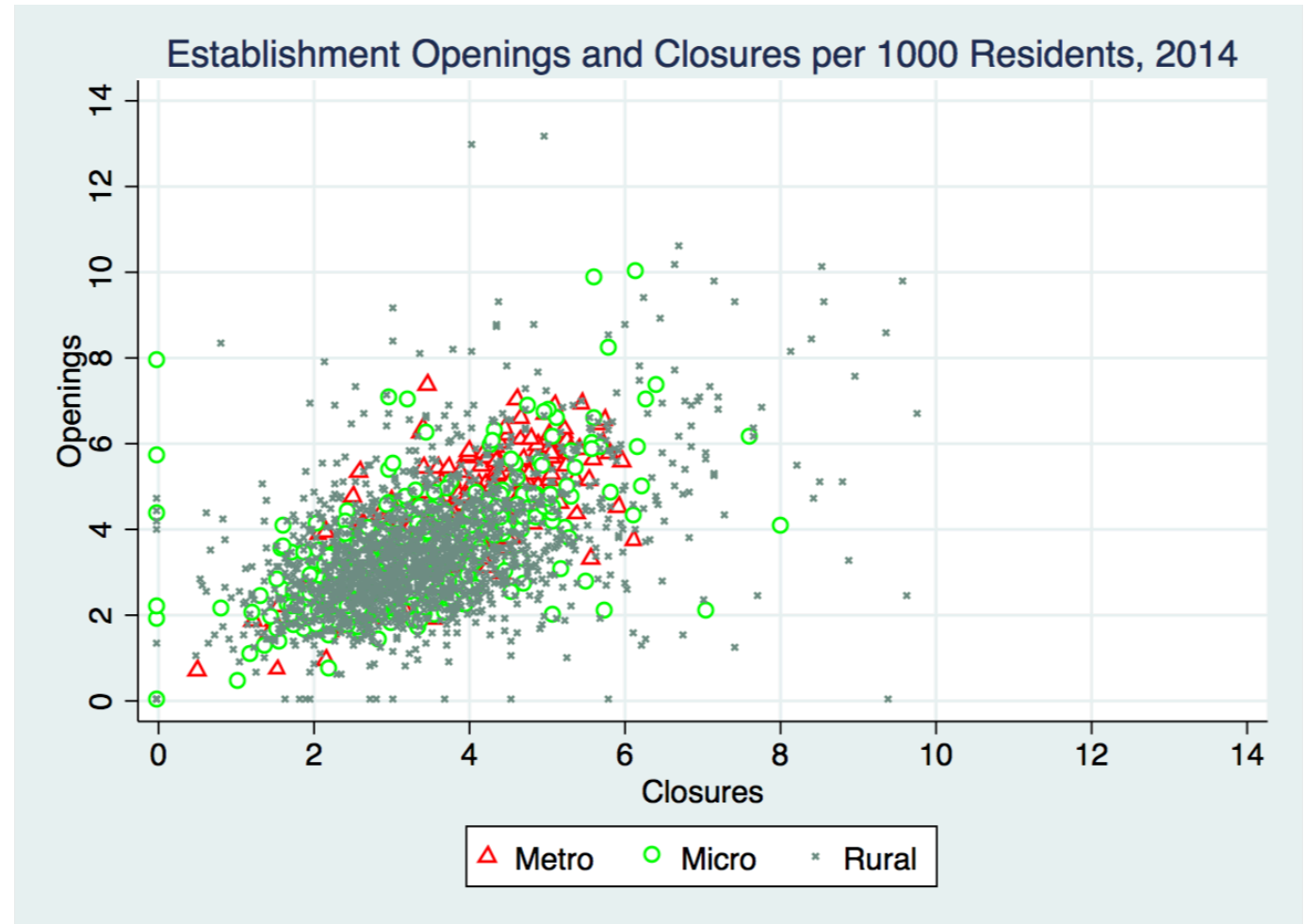
A lack of  
new  
businesses  
can mean  
slow job  
growth.

## Number of New Businesses in Wisconsin Each Year

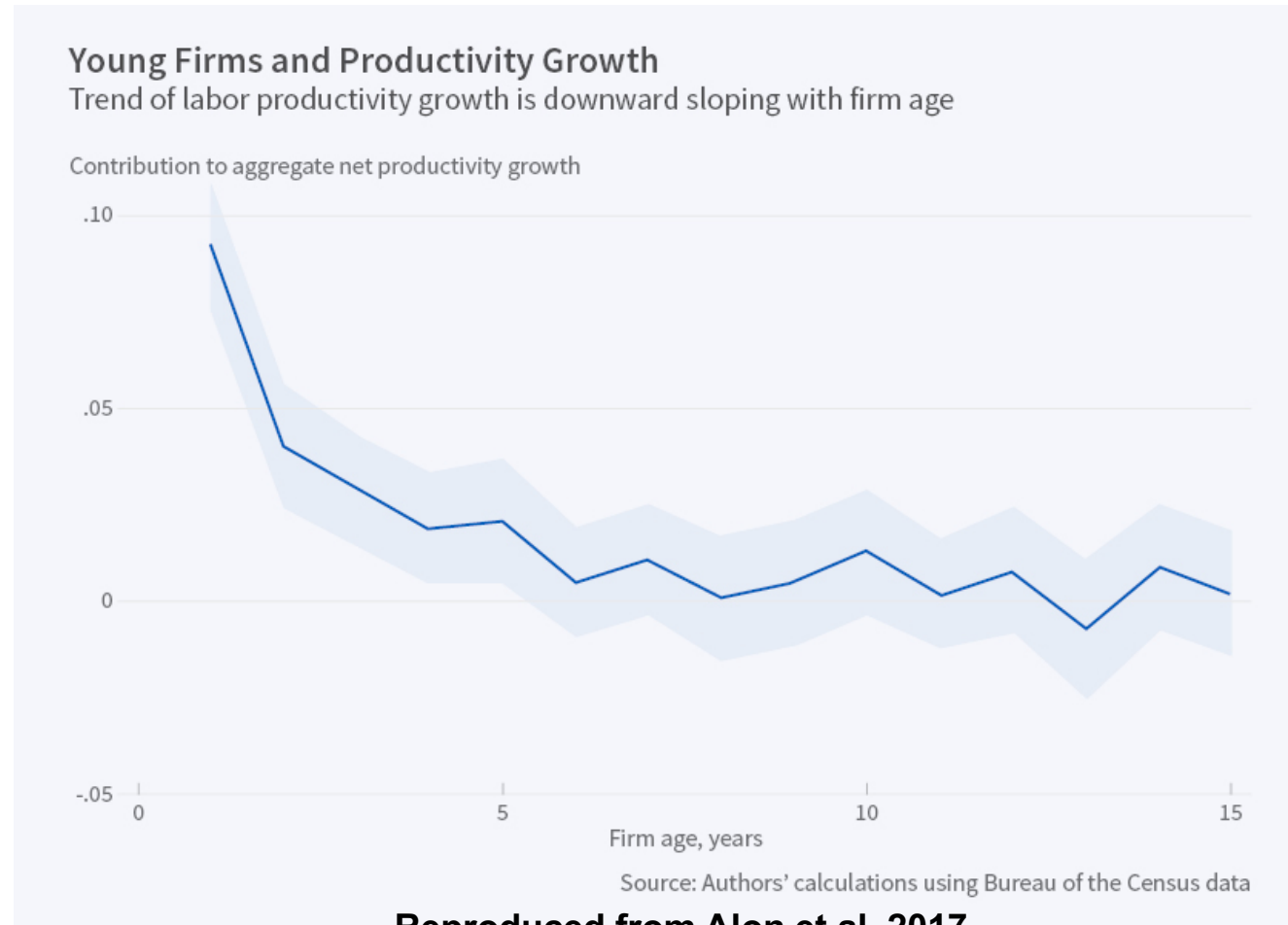




Places with  
lots of  
startups tend  
to also have  
lots of  
closures.



Business  
closures are  
important  
too.



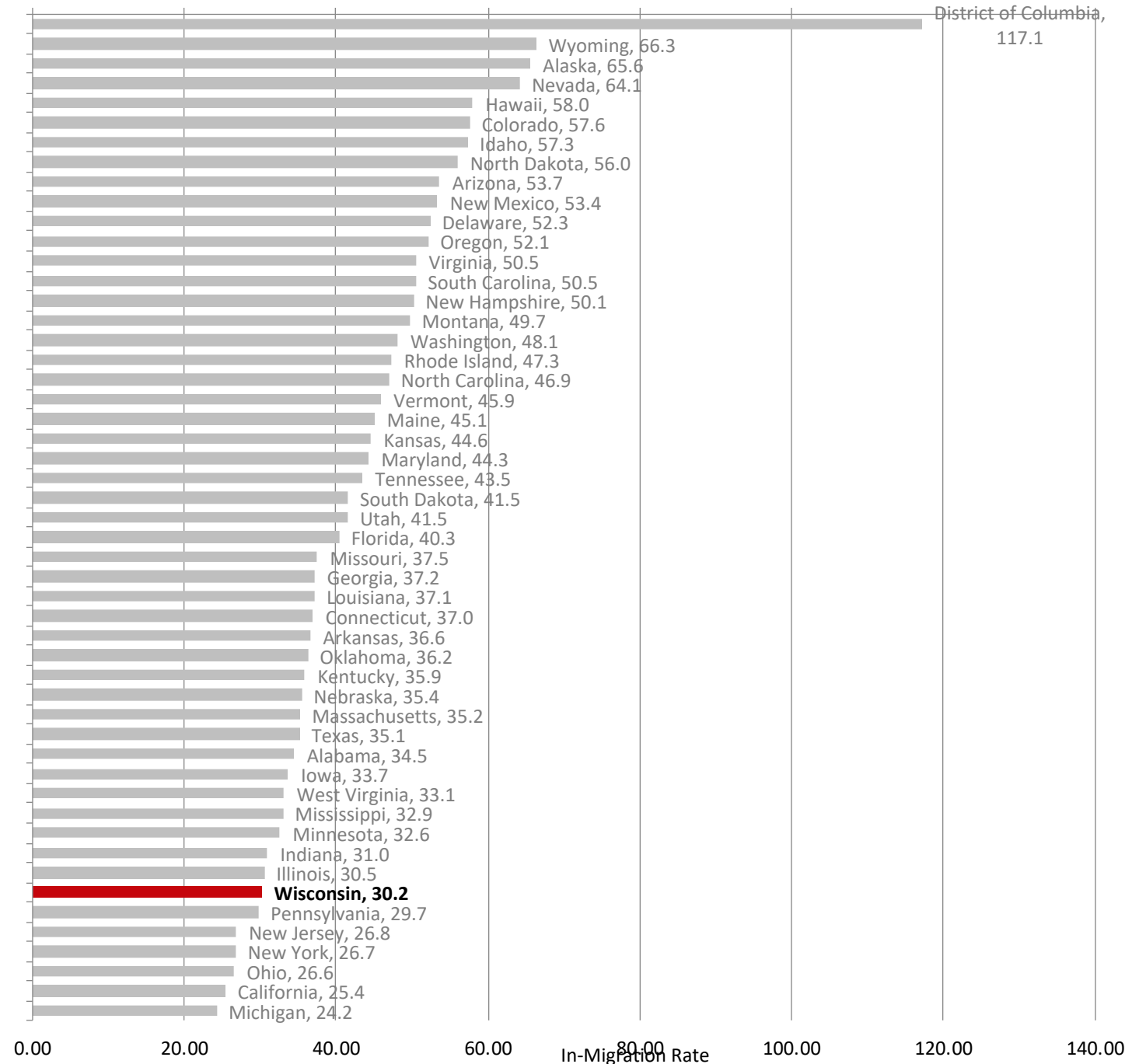


# Dynamism

- **Dynamism—the speed and scope at which the economy can change.**
- Measured by business activity, employment patterns, population mobility, spending on research and development, and lending activity by banks.
- Captures overall capacity for an economy to experiment and adjust.

# Wisconsin has low domestic in-migration.

(2011-2015 5-year Estimates)  
Per 1000 Population Age 18 to  
64 with a Bachelor's Degree

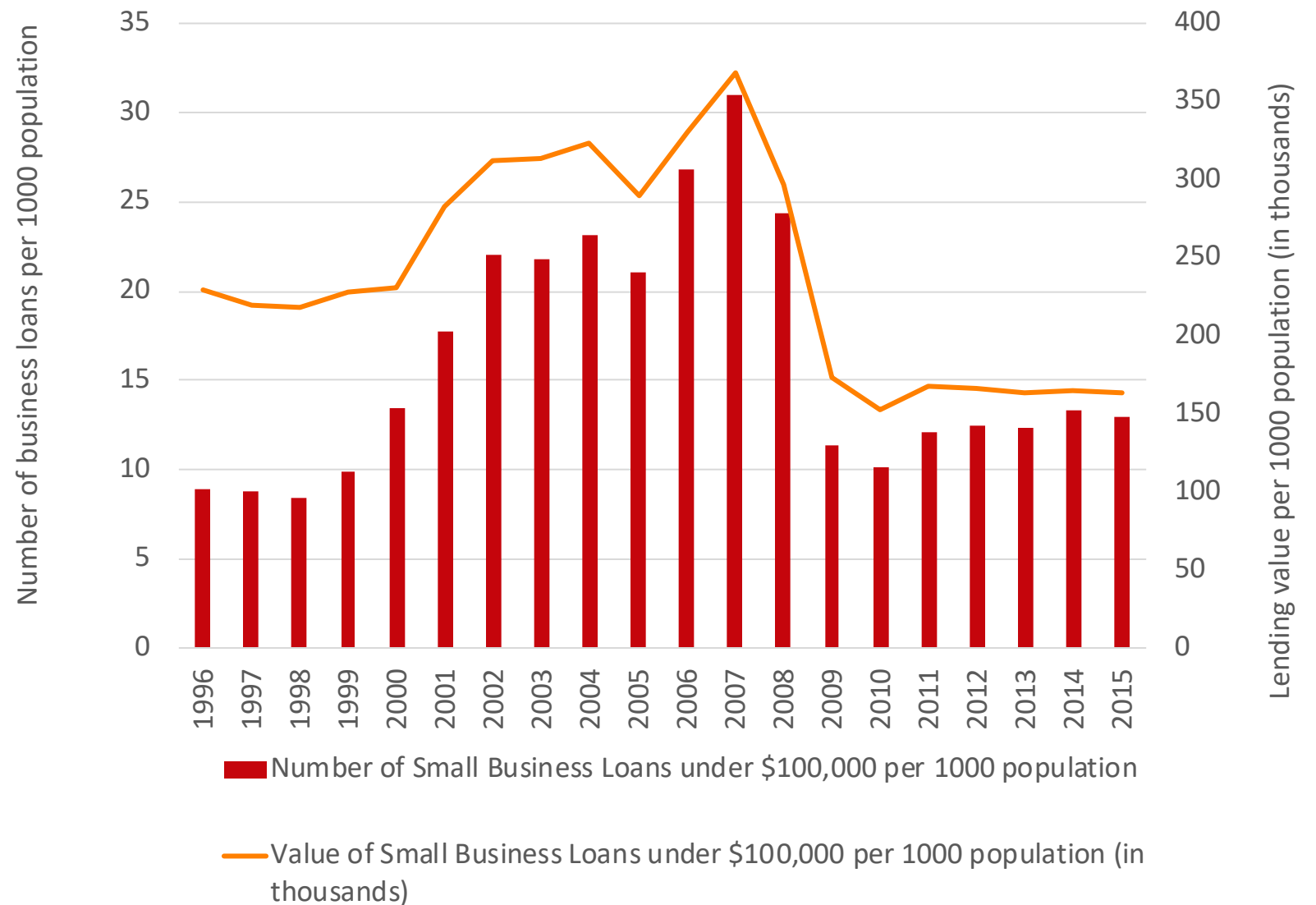


# In-Migration

- Placemaking
  - Entrepreneurs are footloose.
  - UW-Extension Placemaking team
- Near and newly-retired populations
  - High human capital/financial capital
  - Age-inclusive programming and initiatives
- Foreign-born population
  - Immigrants nearly twice as likely to become entrepreneurs

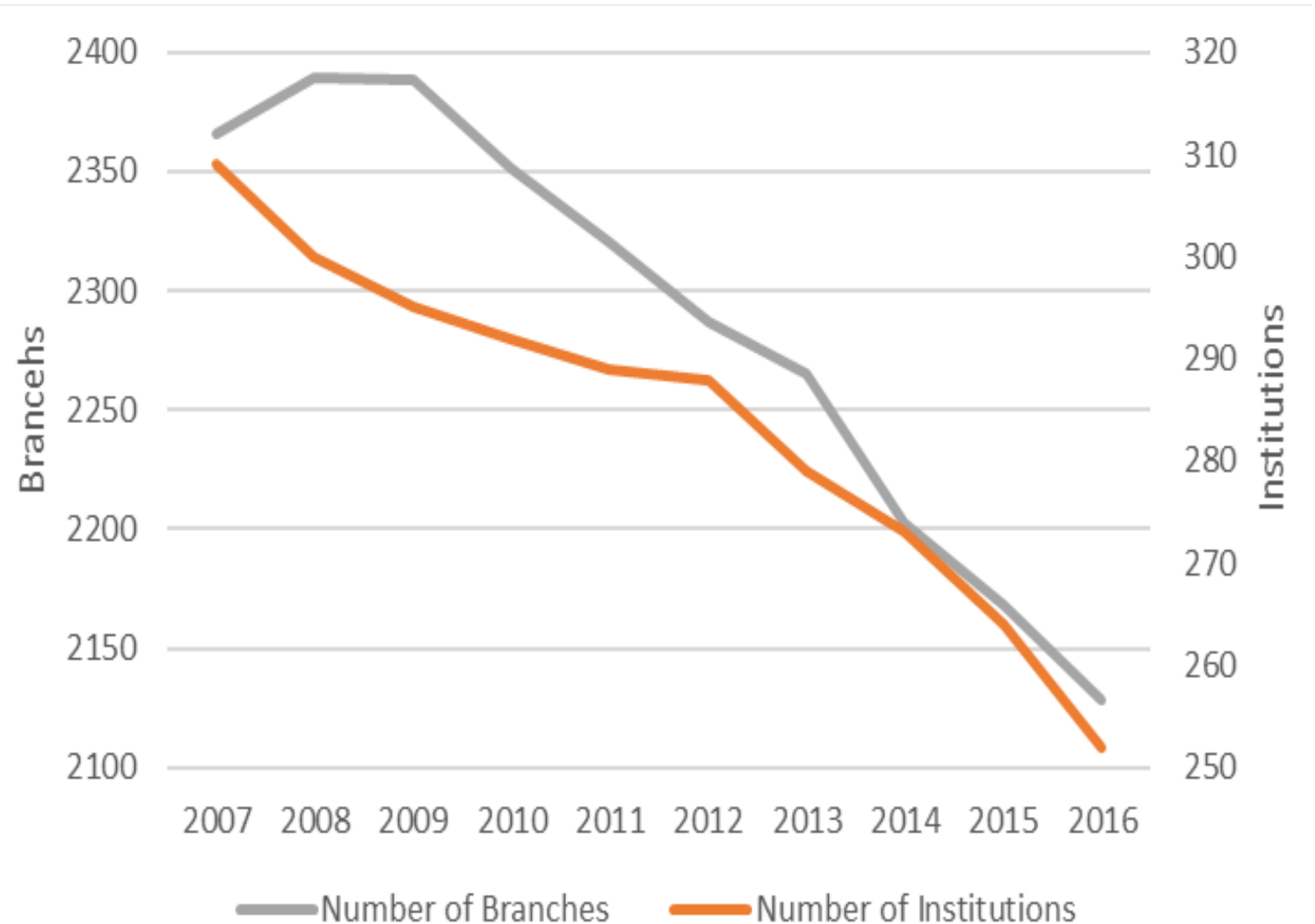
Lending has  
been slow  
to recover  
from the  
recession.

## Trends in Small Business Lending



Financial  
institutions  
and branches  
have declined  
in Wisconsin.

Number of Financial Branches and Institutions



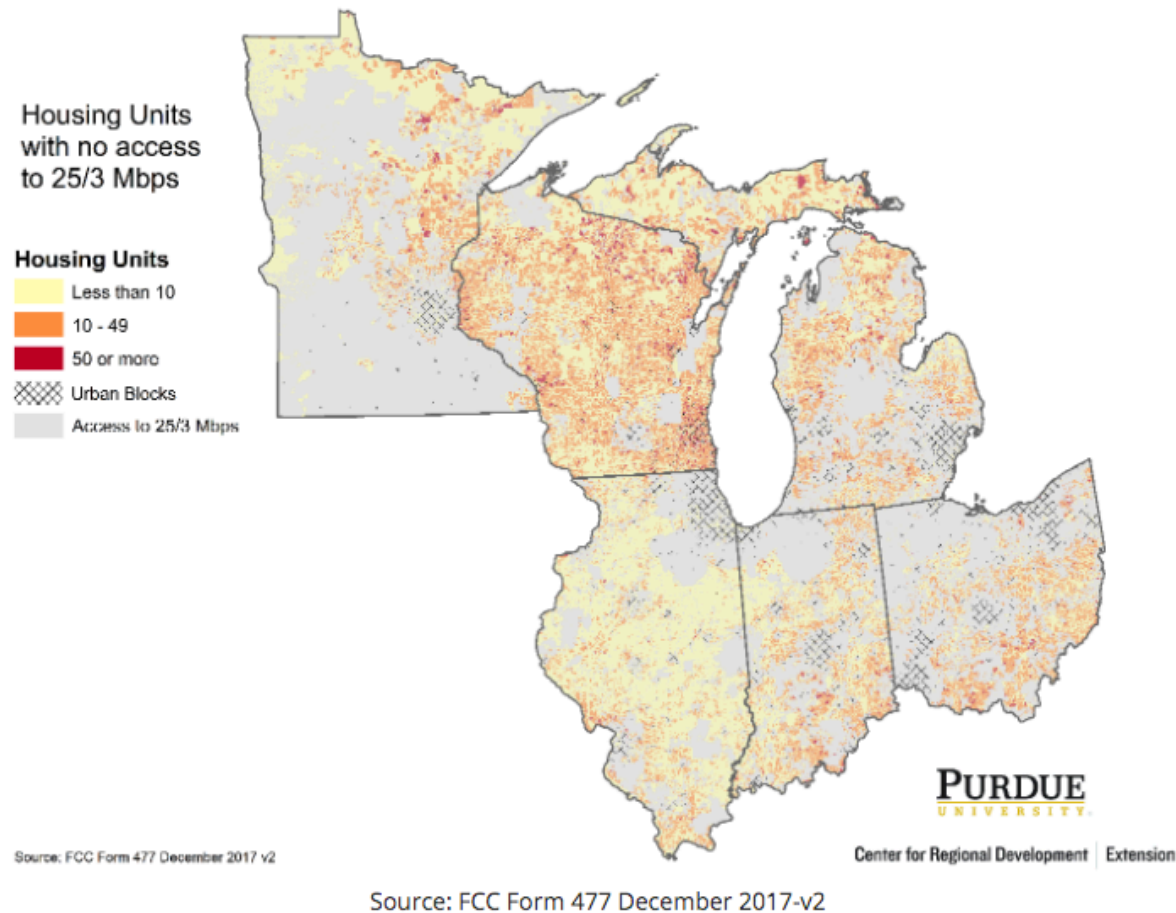


# Financing Opportunities

- Community Supported Enterprise
  - Community ownership of a business
  - Community membership to a business
- Rotating Loan Funds
- Credit Unions
- Community Development Financial Institutions

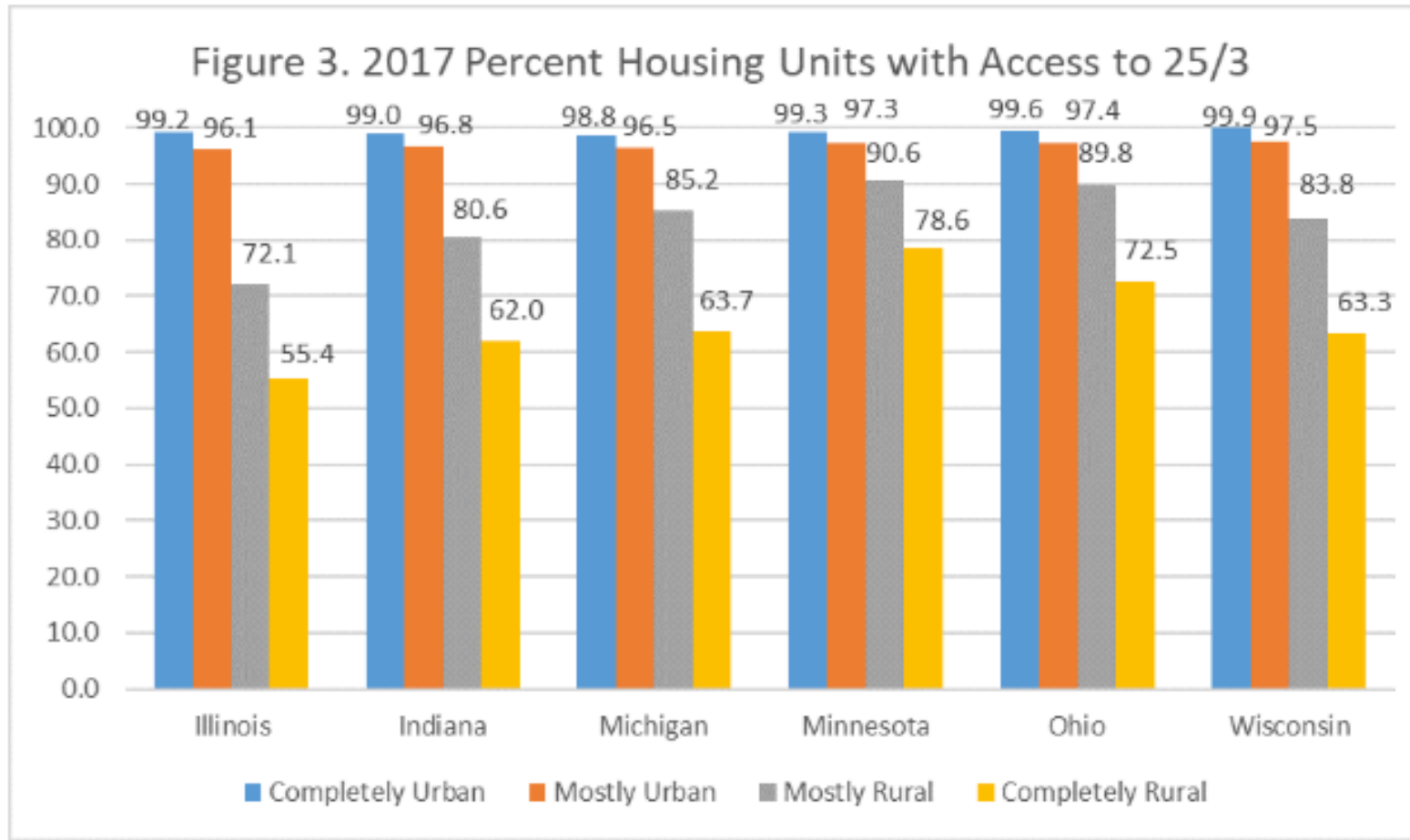
# Broadband Access in the Upper Midwest

Figure 4. 25/3 Broadband Footprint in the upper Midwest, 2017





# Broadband by Rurality





# Broadband Opportunities

- 26 states have laws that restrict or outright prohibit towns and cities from building their own networks.
  - Wisconsin, Minnesota, Illinois among restrictive states.
  - Result of telecom lobbying.
- Limited ability to build community networks or form cooperatives.
  - Strategies that have worked in over 700 communities.
  - Cooperative-model successful in Wisconsin.

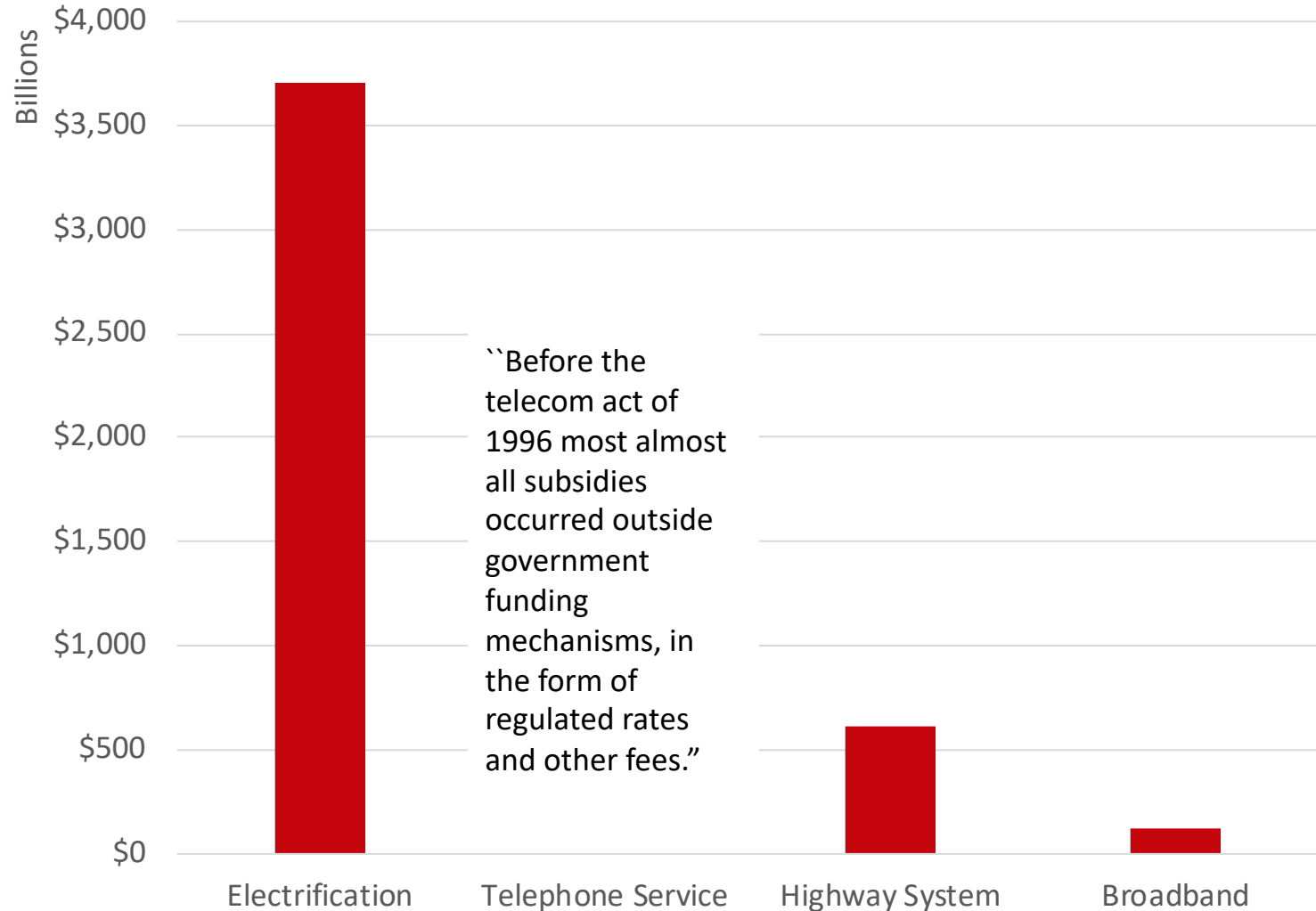
# Legislative Issues

- 2019 Farm Bill
  - \$350 million in broadband-related funding over five years
  - 3 programs: Community Connect/Middle Mile Infrastructure/Innovative Broadband Advancement
- ReConnect
  - 600M in grants/loans this FY
  - Applications were due May-July
- Broadband Data Improvement Act
  - Need to improve Form 477-overestimates coverage

Federal investment in broadband less than past infrastructure projects.

## Federal Cost of Implementation

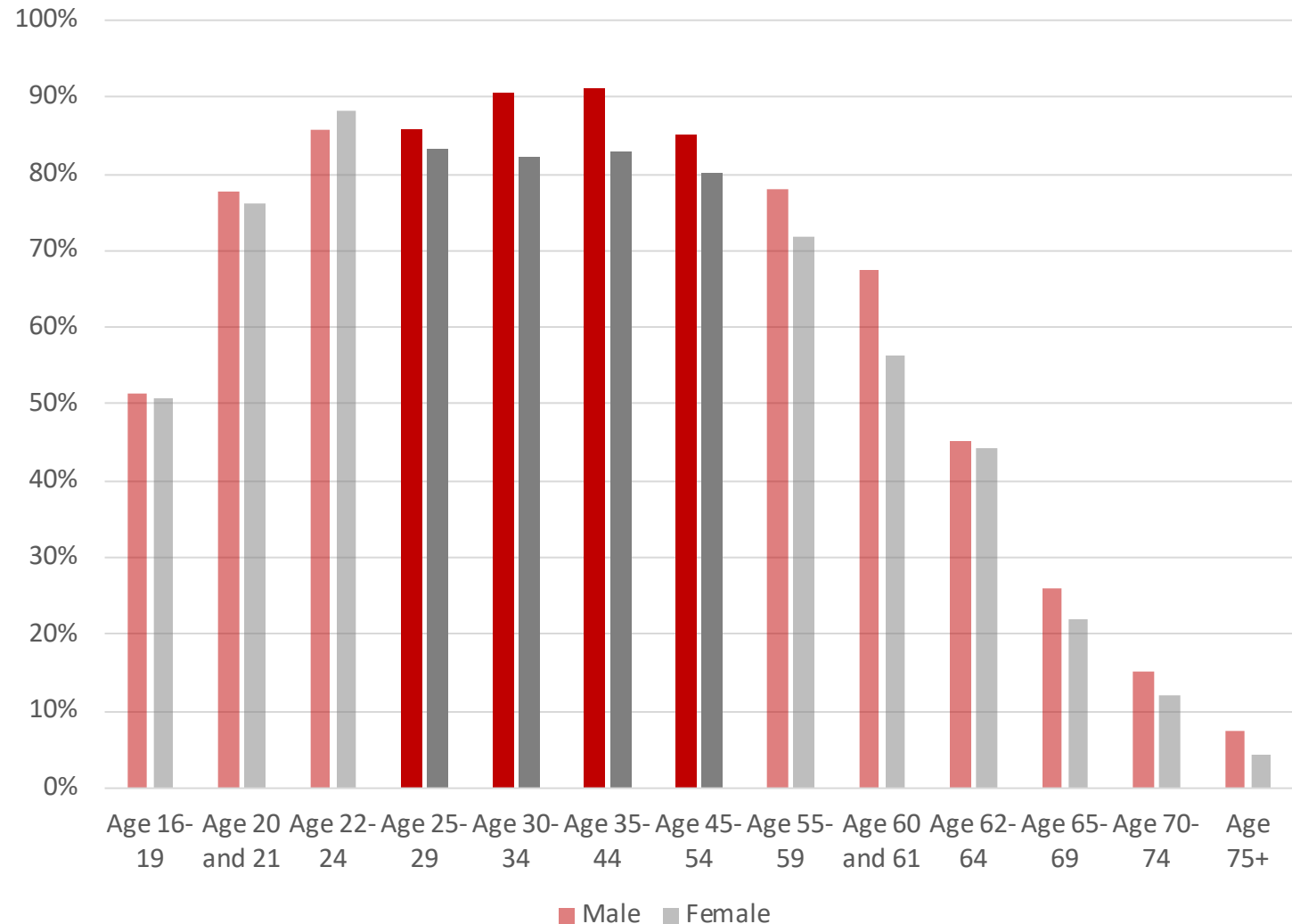
Inflation Adjusted for 2017



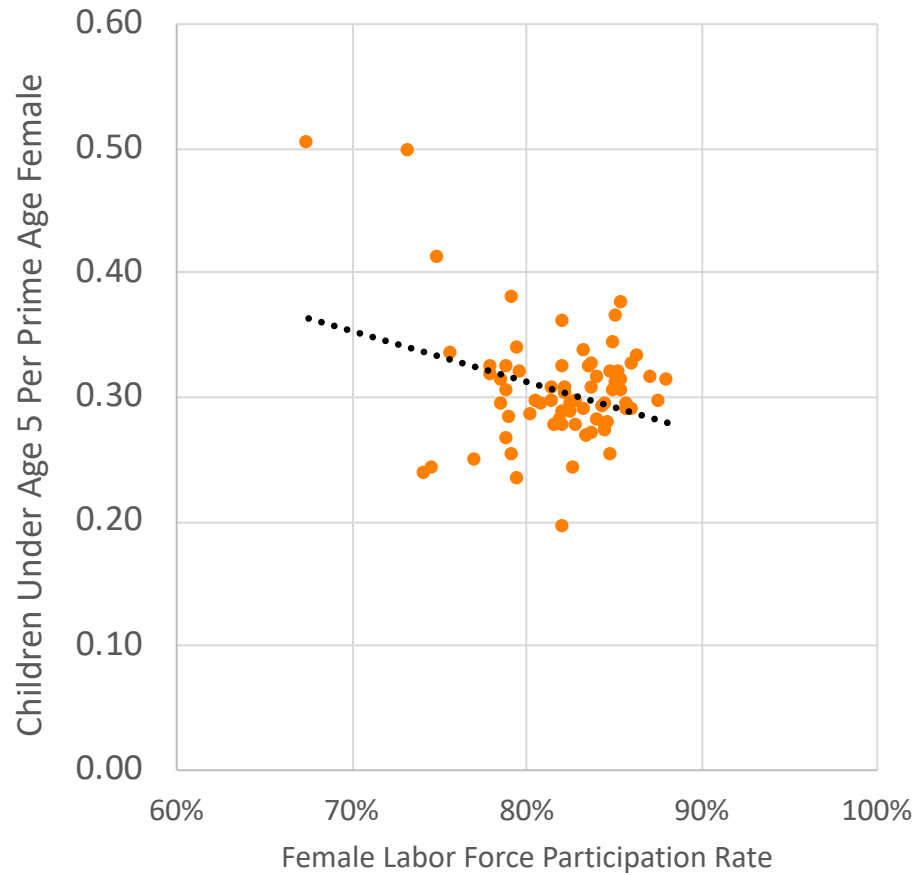
Female  
(prime age)  
labor force  
participation  
is lower than  
males.

## Labor Force Participation by Age and Gender

ACS 2012-2016



Correlation Female Labor Force  
Participation Rate and Children Per  
Prime Age Female  
Wisconsin Counties, 2016



Correlation Male Labor Force  
Participation Rate and Children Per  
Prime Age Male  
Wisconsin Counties, 2016

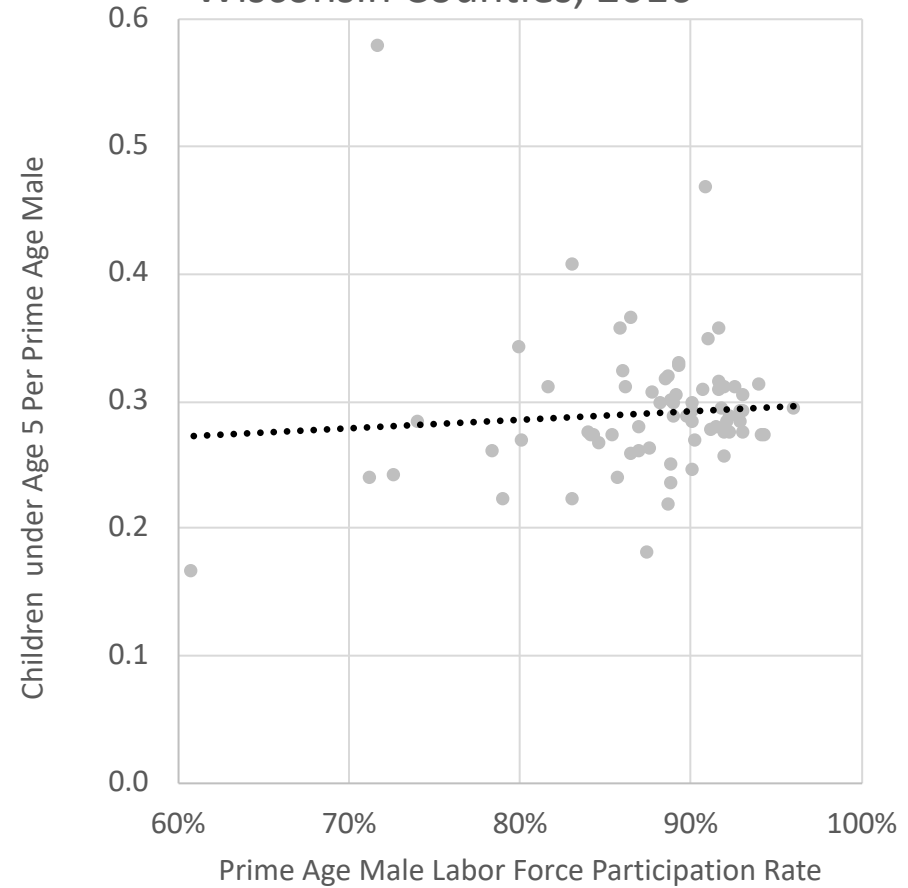
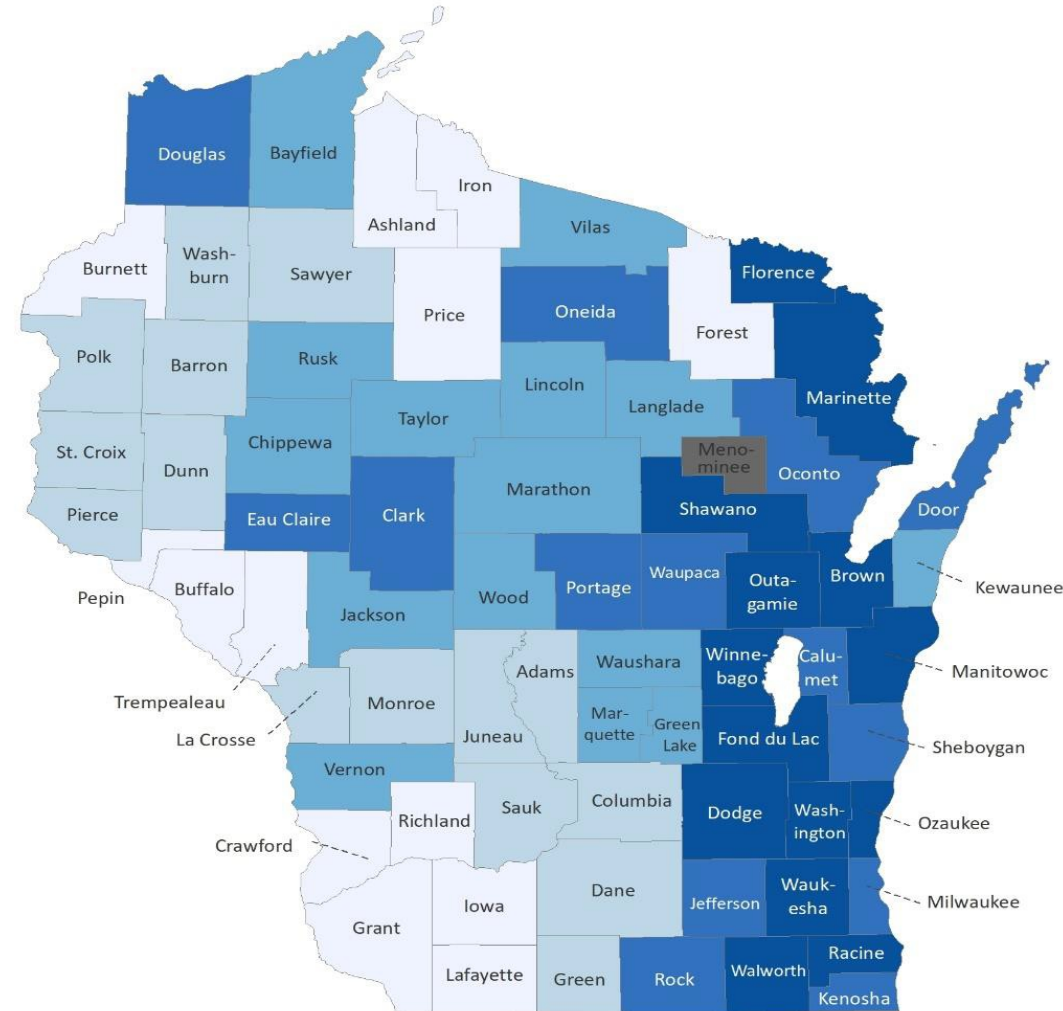


Figure 4 - Number of Children Under Age 5 per Childcare Establishment

The northeast counties have relatively few childcare centers.



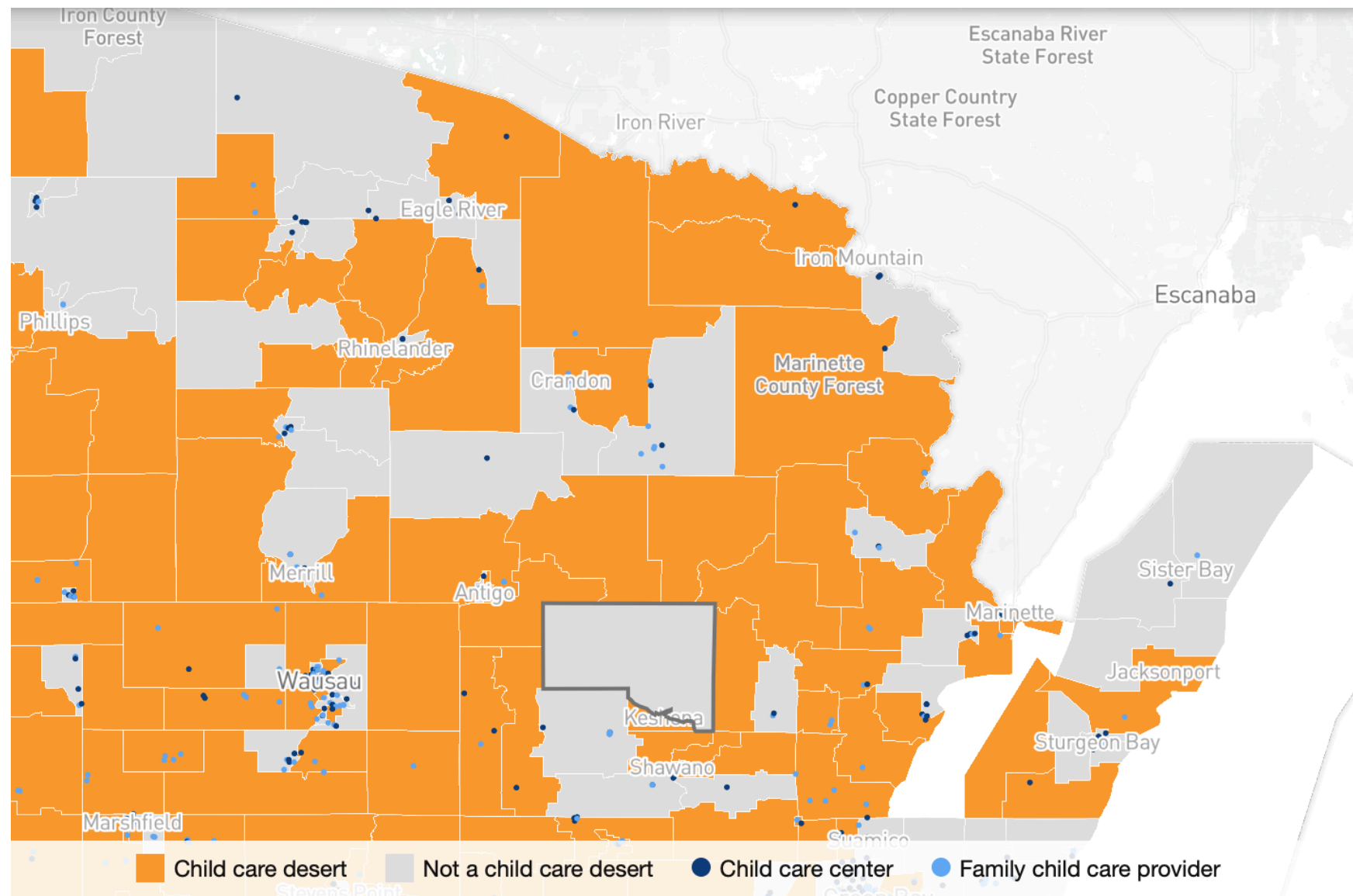
Number of Children Under Age 5 per Childcare Establishment (by Quintile)



Sources: U.S. Census Bureau, 2016 County Business Patterns and 2016 Nonemployer Statistics

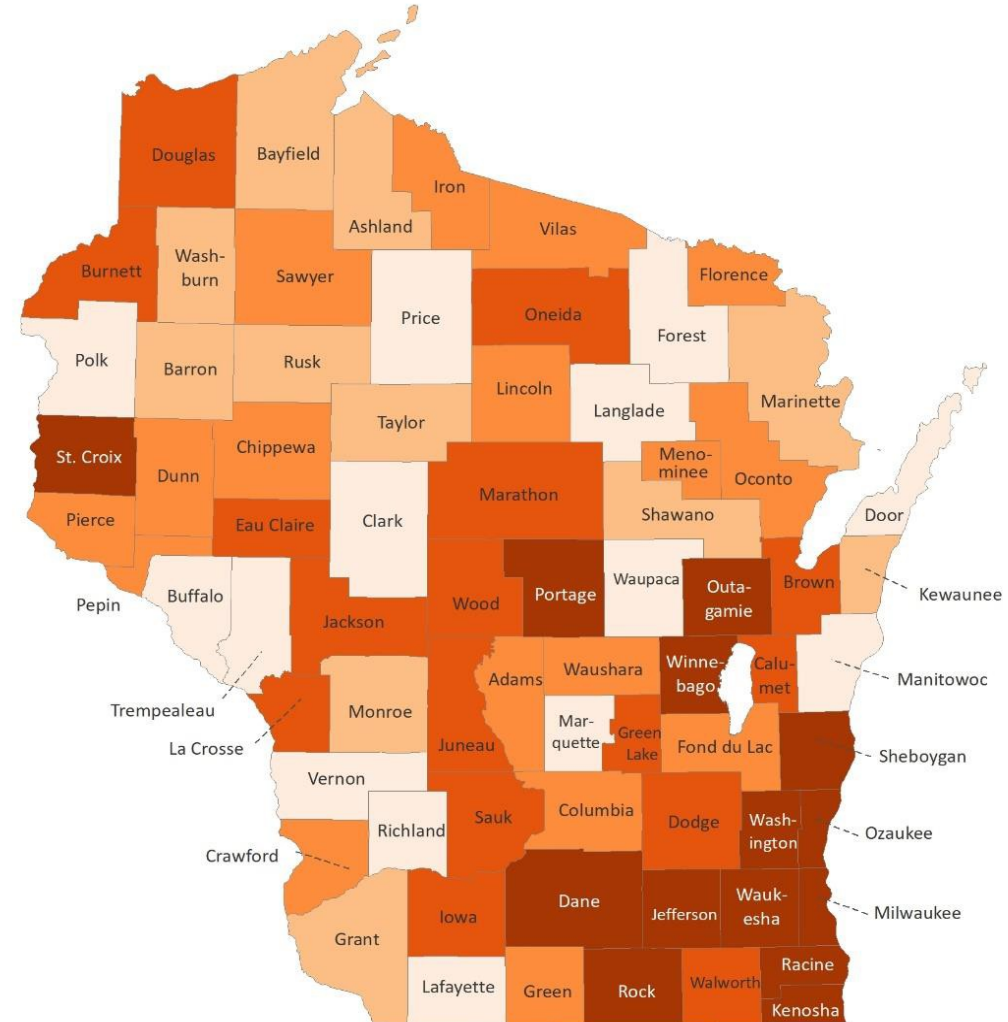


Childcare  
deserts  
are  
common.



**Figure 5 - Wisconsin Household Survival Budget**  
*Monthly Child Care for Households with 2 Adults, 1 Infant and 1 Preschooler*

Childcare  
affordability  
varies in the  
northeast  
counties.



**Monthly Child Care for Households with 2 Adults, 1 Infant and 1 Preschooler**



Data Source: United Way ALICE <https://www.unitedwayalice.org/wisconsin>

# Women Business Owners

- Childcare
  - Women more likely to join the labor force
  - Relax labor shortage
  - Also enhances entrepreneurial outcomes
- Shared Services Model
- Childcare cooperatives
  - Employee/business/parent-owned
- Engaging the broader community
  - Using the schools



Tessa Conroy

W: [tessaconroy.com](http://tessaconroy.com)

E: [tessa.conroy@wisc.edu](mailto:tessa.conroy@wisc.edu)