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**Economic Development in Rural Wisconsin:
Developing a 21st Century Response to Compete
in Today's Global Marketplace**

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News and Views

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Economic Development in Rural Wisconsin: Developing a 21st Century Response to Compete in Today's Global Marketplace

by Steven Kuehl

In October 2011, the Federal Reserve Bank of Chicago's Community Development and Policy Studies division co-sponsored a two-day conference that explored and discussed policies that speed, strengthen, and enhance economic development in Wisconsin's rural areas to increase their competitiveness in today's global economy. This article summarizes key points from presentations and discussions at the symposium.

Over 150 participants, representing community banks¹ in the Seventh Federal Reserve District, economic development/finance agencies, small business owners, researchers, and policymakers, convened to explore ways to enable Wisconsin's rural economy to compete in today's global economy.²

Day one proceedings

In her opening remarks, Alicia Williams, vice president, Federal Reserve Bank of Chicago and head of the bank's Community Development and Policy Studies (CDPS) division, commented on the importance of how cities define themselves and relate to their surrounding regions. Leaders in those cities that "outperform" their peers articulate their connectedness with their rural surroundings, not only to the labor pool outside city limits, but also as partners in a region-wide

economy. Williams further touched on the various efforts of CDPS and its counterparts throughout the Fed System to address the foreclosure crisis and to bridge obstacles to small business lending, which the Fed has identified as key to the overall economic recovery.

In his remarks, Wisconsin District Director of the U.S. Small Business Administration³ (SBA) Eric Ness, explained that the SBA organizes around three Cs: capital, contracting,

and counseling. "Capital" refers to loans; "contracting" refers to getting more federal contracts for small businesses; and "counseling" refers to assistance provided to start and grow a small business. Ness explained how the SBA has been refining its three Cs to be highly responsive to the recessionary problems currently faced by Wisconsin's small businesses. He highlighted the increase in SBA loan limits from \$2 million to \$5 million, which effectively makes SBA programs more suitable to the sizable borrowing needs of larger manufacturers and many franchise owners and franchisees. Also, for its export loan programs, the SBA increased the lender guarantee to 90 percent of the loan. At the other end of the lending spectrum, Ness stated that the SBA is working to expand its ability to make loans under \$250,000 to business owners via credit lines to intermediaries, such as community development financial institutions and certified development companies.

As of September 30, 2011, the SBA made 2,025 loans for over \$835 million, which represents a significant increase in both the volume and number of SBA loans made in Wisconsin over previous years. Of this total, rural markets accounted for 824 loans totaling over \$379 million, also a significant increase.

[T]he SBA is working to expand its ability to make loans under \$250,000 to business owners via credit lines to intermediaries, such as community development financial institutions and certified development companies.



Paul Jadin, chief executive officer, Wisconsin Economic Development Corporation

Morning keynote address

Paul Jadin, chief executive officer, Wisconsin Economic Development Corporation⁴ (WEDC), noted that Wisconsin Governor Walker had pledged to create 250,000 jobs in the state by 2015.⁵ As the CEO of the WEDC, Jadin stated that the Governor's pledge is now his charge. To carry out his mission, Jadin has overseen the legislatively enacted reorganization of the former Wisconsin Department of Commerce into the newly created WEDC, which is a public-private corporation that supplants program mandates with a larger, more flexible Economic Development Fund,⁶ which has led to a more diverse array of programs and funding to assist with job creation in the state.

WEDC's priority is a small-business-friendly environment: retention and growth of existing businesses, encouraging new business formation, and assisting entrepreneurs at various growth stages. According to Jadin, attracting new businesses to the state is a lower priority than creating an environment conducive to "home-

grown" business formation. Jadin pointed to a recent survey⁷ in *CEO Magazine* survey that ranks states for their level of "business friendliness." Wisconsin moved from 41st in 2010 to 24th in 2011, the largest one-year improvement of a state in the history of the survey.

Workforce development is also a priority. While Wisconsin has a high unemployment rate, a great number of jobs are going unfilled because employers cannot find enough skilled workers. Jadin expressed his desire for a closer relationship between employers and technical colleges, public (primary and secondary) schools, and universities. He mentioned a recent agreement between WEDC and Kevin Reilly, president, University of Wisconsin System, to co-fund a vice-presidency in Reilly's office that will serve as economic development liaison with WEDC. The goal is to enable a better understanding of graduates entering the workforce, as well as how to connect that workforce with WEDC programs and opportunities. Further, at the technical college level, WEDC will be working to develop a curriculum that is geared toward employers' needs.

Rural Midwest economy perspectives⁸

William Testa, vice president and director of regional programs, Federal Reserve Bank of Chicago, provided his perspective on the rural Midwest economy, with emphasis on Wisconsin. Testa stated that rural economies are different from one another, for many reasons. For example, because they are small, they may be dependent upon just one or two industries or companies; however, for presentation purposes, Testa examined rural economic performance based upon broader measures.

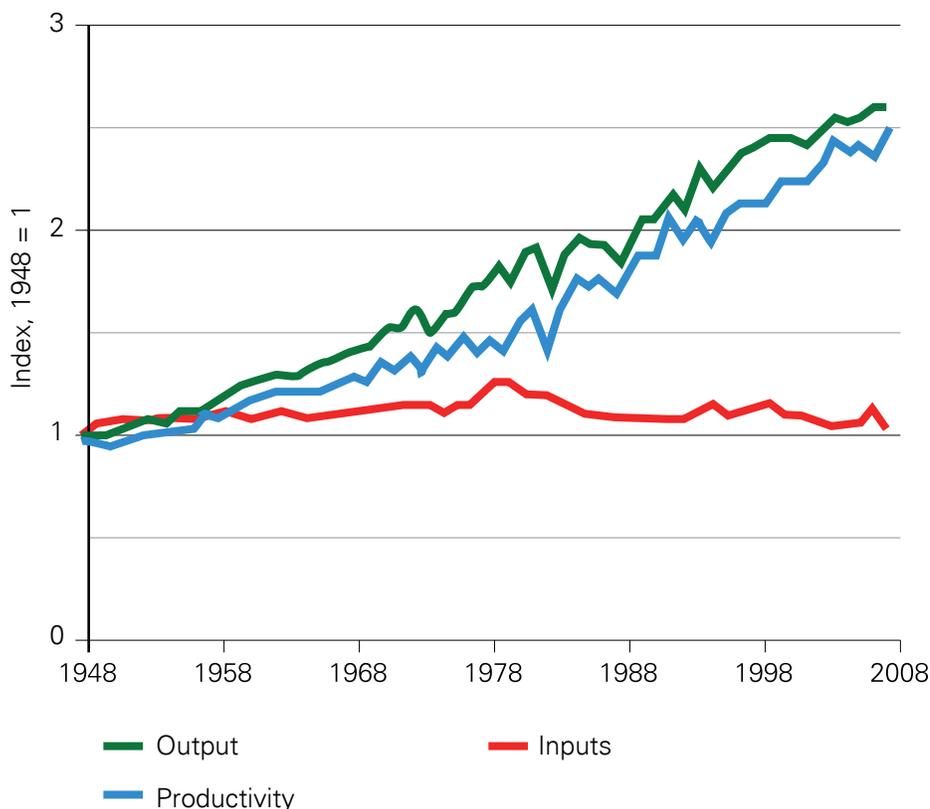
Population trends in rural areas have generally lagged those of metropolitan

areas. Since 1970, non-metro counties have only grown at about one half the rate of metropolitan counties. This phenomenon presents challenges for rural areas in maintaining community assets, such as health care facilities, a diverse retail base, and the business networks that are important to job creation. Testa observed that counties adjacent to metropolitan areas, or the outlying counties of metropolitan areas, grow more quickly than more isolated rural counties, due to better and stronger commercial, transit-related, and other links to a city economy.

For rural areas, being producers of globally traded commodities (grains, meats, etc.) has forced them to transform in ways much different than suburban areas. According to Testa, agriculture has been a "victim of its own success." As the accompanying chart illustrates (Figure 1), since 1948, agricultural output in the United States has more than doubled (see top blue line), outpacing the broader economy. Agricultural productivity has soared with more efficient use of land, labor, capital equipment, and energy, nowhere more than in the Midwest (Figure 2), including Wisconsin. However, the level of demand for agricultural products, combined with increased efficiencies that reduce the necessary labor inputs, has tempered both job growth and income in rural areas.

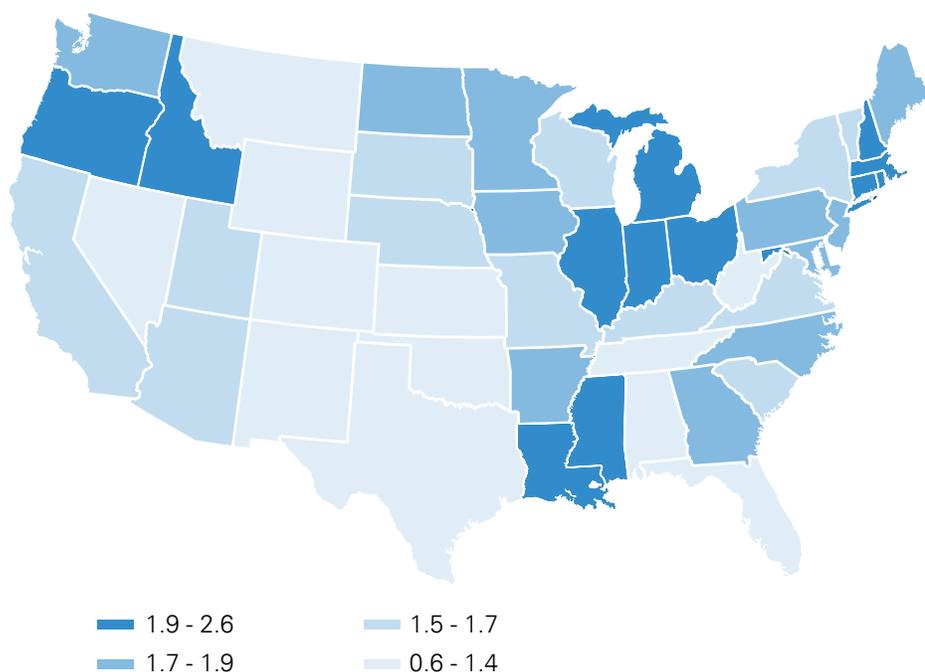
In some regions, manufacturing has found a very hospitable place to operate in non-metropolitan counties. Some of the factors that influence establishment of manufacturing facilities in more rural areas include lower overall costs, productive labor forces, and good transportation systems. In some areas, accordingly, manufacturing has become a dominant industry. Traditionally, this manufacturing has been in farming-related industries, such as food processing. More recently, energy, plastics, transportation, logistics, as well as service activities that are tied

Figure 1: U.S. agricultural output, inputs, and total factor productivity, 1948-2008



Source: ERS data product, Agricultural Productivity in the United States.

Figure 2: Change in agricultural productivity by state, 1960-2004



Source: ERS data product, Agricultural productivity in the United States. Average annual growth for the U.S. was 1.76 percent for the period 1960-2004.

to the farm, comprise rural-based manufacturers. Overall, however, manufacturing employment in Wisconsin since 1990 is down about 15 percent – a significant drop, but less of a decline than in metropolitan counties. Nonetheless, rural areas remain challenged to keep developing value-added activities and service occupations, as farming and food processing manufacturing activity do not generate the income and jobs they once did.

Small business and farm access to credit

The moderator for the “small business and farm access to credit” panel was James Simelton, lead business development specialist for Wisconsin with the SBA. The panelists included Charles Luse, assistant vice president, Community Bank Group, Federal Reserve Bank of Chicago; Richard McGuigan, executive vice president, Community Bankers of Wisconsin; Tom Wilson, vice president, Commercial Credit, GreenStone Farm Credit Services; Rich Diemer, vice president and economic development loan officer, Wisconsin Business Development Finance Corporation (WBDFC); and Mary Patoka, president and CEO, CAP Services, Inc. Simelton noted that the flow of credit to small businesses and farms is crucial to economic recovery and job creation. He guided the panel discussion of the latest data, trends, and other factors impacting supply and demand of small business and farm credit.

Charles Luse touched on differences in banking rules and enforcement for small versus large banks; in effect, he stated, bank supervisors practice “right-sized” supervision. Small banks have less resources, personnel, and different systems than larger banks. However, as banks grow, so do supervisory expectations regarding more complex institutional systems and controls. Luse mentioned that

regulators understand that community bank rules can impede their ability to lend and operate profitably, and that bank supervisors work to alleviate undue regulatory burdens on banks, except for banks that are in less than satisfactory condition, which undergo more scrutiny until they resolve financial and/or operational problems. He stated that borrowers may not realize that a bank has these constraints, as the institution would not typically divulge supervisory issues to current or prospective customers, and the bank would in fact be disinclined to generate new lending business. Borrowers, he said, should be prepared to shop around their credit needs.

Luse emphasized that regulators are very aware of the role of community banks in supplying credit to small businesses, and the impact on employment and economic activity. He cited the latest FDIC data (third quarter, 2011),⁹ which indicated that the number of institutions on its "problem list" declined from 865 to 844 during the quarter. Total assets of "problem" institutions fell from \$372 billion to \$339 billion. Luse also explained that the Federal Reserve has computer surveillance models that are used to judge the potential for continued deterioration in banks, and presently they show a positive trend in our district.

Richard McGuigan observed that banks¹⁰ are hesitant to lend, and gave the following reasons: lackluster consumer demand; stricter underwriting standards; falling residential property values; continually changing underwriting guidelines for federal mortgage refinancing plans; hesitancy for banks and regulators to undertake or allow concentrations of specialized credits; and increasing loan loss reserves, which negatively impacts bank earnings and their ability to extend credit. McGuigan predicted that Wisconsin will encounter continuing slow but steady growth. He also stated that the impacts of globalization on

Wisconsin will continue to intensify in coming years and local decisions will be increasingly made with global realities in mind.

Tom Wilson,¹¹ who works with large dairies and other related businesses, addressed the question as to whether lending to farmers has rebounded from the recent recession. He sees the growth in demand for agricultural credit primarily coming from large farm operations, partly because mid-sized operations are decreasing in number. The recent strength of commodity prices and land values has bolstered farm cash flows and balance sheets. Also, Wilson observed that, on average, there is a one year wait to purchase a new John Deere combine; farm machinery is holding its value. If a farm operation is well run, with a good business plan, financing is available and underwriting standards are easing. However, for poorly run operations that have missed marketing opportunities, financing is generally not available. Like McGuigan, Wilson was cautiously optimistic and predicted slow steady growth.

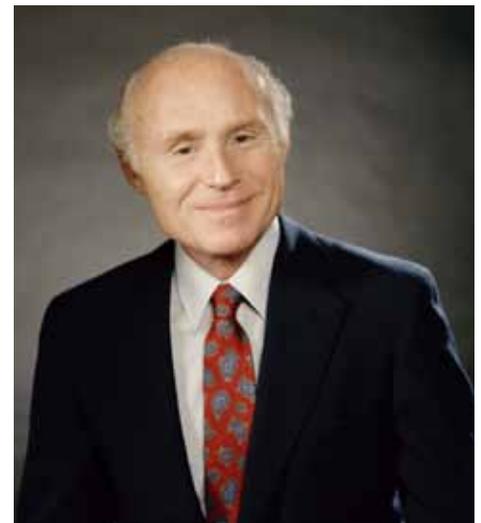
Rich Diemer stated that as a certified development company, the WBD¹² is authorized by the SBA to originate and service SBA 504 loans. Diemer alluded to an upward trend in credit scores among WBD¹² borrowers, partly due to banks referring very strong projects (and borrowers), which in the past would have qualified for conventional financing; lenders now desire the (SBA) credit enhancement, and that WBD¹² take a subordinate collateral position. An element of the 2010 stimulus package reduced fees for the 504 program; since its termination, WBD¹² has experienced a lower volume of loans and lenders appear to have more funds available to fund their projects without the need for credit enhancement.

Mary Patoka introduced CAP Services¹³ as a community action agency, but noted that it is also

certified by the U.S. Treasury as a community development financial institution (CDFI). CDFIs target populations in market niches, especially in distressed areas. Patoka stated that CAP has undertaken many opportunities to fund businesses, especially with microenterprise loans. Although CAP Services has made loans at or above \$250,000, they have originated many loans under \$50,000, and Patoka emphasized the demand for smaller loans (microfinance). Patoka closed by noting that small businesses seeking financing should consider every option, and CDFIs offer part of the resources that will grow the Wisconsin rural economy to the next phase.

Luncheon keynote address by Wisconsin Senator Herb Kohl¹⁴

Senator Herb Kohl provided a luncheon keynote address, touching on the importance of agriculture in the state's economy. Nationwide, agriculture is one of the few elements of the economy with a trade surplus in relation to the rest of the world. Far from symbolizing the past, rural America is part of a competitive global industry. Senator Kohl stated that rural Wisconsin must now unleash its full economic potential by freeing up credit



Wisconsin Senator Herb Kohl, (D) United States Senate

for business. Kohl has supported programs, such as the Small Business Jobs Act, that expanded small business lending and resulted in millions of dollars in new lending in Wisconsin. Further assistance can be provided to rural economies, he stated, by cutting taxes, making it easier for entrepreneurs to get started, expanding access to international markets, and providing for good infrastructure.

Entrepreneurial access to venture capital

The moderator for the “entrepreneurial access to venture capital” panel was Mary Patoka, president and CEO, CAP Services, Inc. This panel comprised Kim L. Kindschi, executive director, Division of Entrepreneurship and Economic Development,¹⁵ University of Wisconsin-Extension; Bill Wheeler, executive director, Tri-County Regional Economic Development Corporation¹⁶ (TREDC); Paul Graham, owner, Central Waters Brewery,¹⁷ and Peter Brey, managing partner, Buena Vista Investment Management, LLC.¹⁸ Patoka stated that entrepreneurs are “engines of creativity and innovation vital to our economic growth,” and that entrepreneurs are disproportionately responsible for job growth and standard of living gains in modern economies. Unfortunately, for several decades Wisconsin has ranked well below the national average for new firms launched. Patoka guided the panel discussion on venture capital and in part focused on new or modified economic policies to encourage entrepreneurship.

The panel began by providing some perspectives on entrepreneurship and small business development. Entrepreneurs start a business, and then they become a small business. Panelists defined¹⁹ a small business as one with 500 or less employees, a first-stage business as one with nine or less workers, and a second-stage business as one with 99 or less.

In 2010, 85 percent of licensed Wisconsin businesses²⁰ were first-stage, and only 12 percent were second-stage. Small businesses are also the nation’s economic foundation, employing over half of all private sector employees, paying 44 percent of the total U.S. private sector payroll, generating 64 percent of the net new jobs over the past 15 years, and producing 13 times more patents per employee than large companies. Further, to the benefit of local economies, small businesses are far less likely to send jobs abroad.

Kim Kindschi also observed that entrepreneurs generate the vast majority of new employment, encourage innovation and flexibility, and keep larger companies competitive. He noted that in the technology sector, a prime motivation for entrepreneurship and innovation is that successful smaller companies are often purchased by larger companies. Further, small business people obviously have a vested interest in the economic vitality of their communities, and often provide expertise and serve on committees and boards organized around key civic, educational, environmental, business, or community issues.

Bill Wheeler stated that TREDC, which provides technical assistance and other services to business owners, given its rural market with limited resources, had become a very efficient organization out of necessity. Unlike in the past, TREDC markets the three-county region, rather than each county individually. Paul Graham highlighted the importance and value of organizations like TREDC, noting that his microbrewery business struggled until he was able to access capital from a local CDFI revolving loan fund. CDFIs are often willing to take subordinate liens on property and equipment and offer flexible terms, as they did in his case.

The panel also provided venture capital investment data²¹ for Wisconsin.

Wisconsin represents 1.84 percent of the nation’s population, but only 0.55 percent of the venture capital investment. One panelist postulated that if the state received its proportional share of venture capital, it would experience (the creation of) 259,000 new jobs versus the present 60,000 venture capital-derived jobs. Wisconsin derives one job for every \$20,000 of venture capital invested in the state; in contrast California derives one job per \$75,000 in venture capital. Many factors – infrastructure, tax rates, labor costs, and regulatory hurdles in different industries among them influence performance relative to jobs created by venture capital investments, but at some level, such a stark contrast speaks to the state’s productive workforce, they agreed.

Peter Brey offered that aspiring entrepreneurs looking to attract capital need to clearly articulate and differentiate their business plans, addressing sales, distribution, operations, and growth and contingency strategies. Brey observed that professional service providers – accountants and attorneys, for instance – can shorten the learning curve and introduce potential business partners, either through themselves or via their networks.

To encourage entrepreneurship and more interest from sources of venture capital, the panel generally agreed about the need for cultural and environmental changes in the state’s business climate. They noted the need to foster innovation and growth by encouraging more calculated risk taking. A further need is to accelerate the transformation of research into well-paying, knowledge-based jobs. They also noted that education plays a critical role, and that community college and other programs must address local business needs. Investments in education generally also represent a need, as some areas struggle to meet benchmarks, but

promoting early childhood education, pre-K-4, is a critical first step. They also agreed on the need to expand access to traditional and non-traditional sources of capital, including sources such as local commercial banks, angel investors, and venture capital and to heighten awareness of resources to assist entrepreneurs.

Developing, attracting, and retaining a skilled agriculture, food, and natural resources workforce

The moderator for the “workforce” panel was Jack Ourada, executive director, Wisconsin Agricultural Education and Workforce Development Council. This panel included Dennis Winters, chief of the Office of Economic Advisors, Wisconsin Department of Workforce Development;²² Paul Larson, high school agricultural educator, Freedom Area School District;²³ Lori A. Weyers, president, Northcentral

Technical College;²⁴ and Mark MacPhail, agriculture director, McCain Foods.²⁵ Ourada led the discussion on Wisconsin’s current labor market, the mismatch of skills possessed to skills needed, educational efforts to reach out to displaced workers, and providing employers with tools to recruit skilled employees.

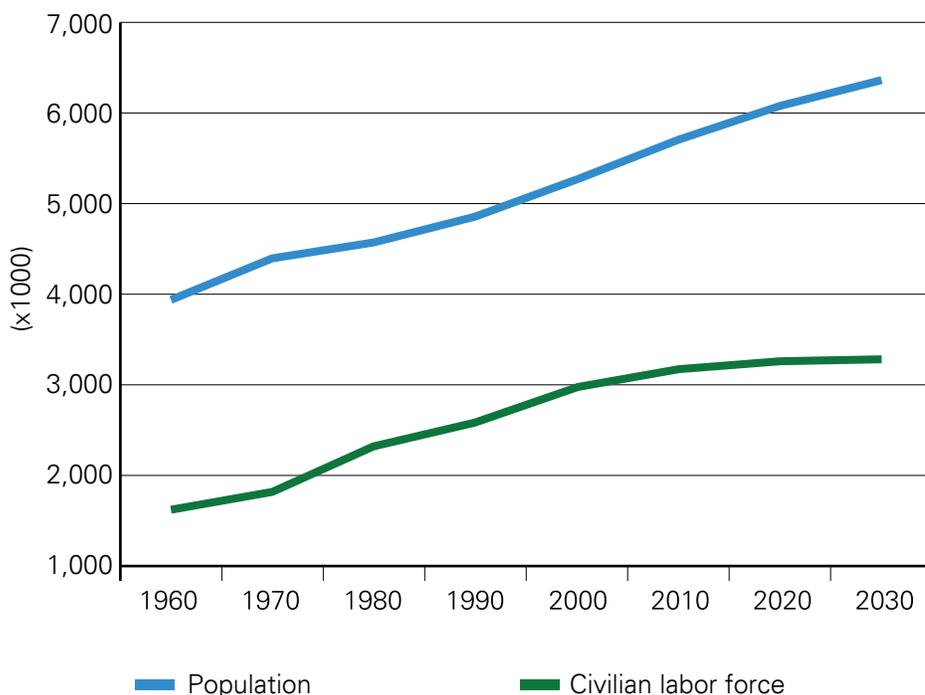
Dennis Winters presented a graph (Figure 3) of Wisconsin’s population, which shows its workforce growth flattening. The yellow line, representing Wisconsin’s total population, stretches from 1960 to 2030 and essentially increases every year at the same rate. However, the blue line, representing Wisconsin’s workforce over the same time period, started to flatten out in 2010 and is projected to actually go negative by 2035. According to Winters, a flattening and then declining workforce spells serious trouble for Wisconsin’s future economic activity as it threatens the entire state economy. Further, Winters has done

other projections that model older workers remaining in the workforce longer, however, because it would only result in 100,000 extra workers out of a pool of 3 million, the extra participation doesn’t significantly alter the projections.

Paul Larson added that agriculture is Wisconsin’s largest industry, accounting for over \$59 billion in economic activity to the state. Currently, the industry has about 10 percent fewer qualified workers than it needs, and the shortage will escalate to 20 percent in coming years. As a high school agricultural educator, Larson works with the Wisconsin Agriculture Education and Workforce Development Council²⁶ to ensure instruction aligns with workplace demands. The council’s new Web site, www.whyag.com, is designed to match employees with employers. Visitors to the Web site select the skills they have and their interests, and the tool matches them to appropriate jobs.

Lori Weyers focused on the role that the technical college system plays, noting that during the 2010-2011 academic year, approximately 3,700 students were enrolled in a variety of programs related to agriculture, food processing, and natural resources. Weyers stated that over the next decade, 80 percent of jobs will require more than a high school diploma, but less than a four year degree. She also stated that younger students have no desire to go into farming because their perception is that it’s a 24/7 job, with no free time. Given that the average age of a dairy producer in Marathon County is 59, Weyers predicted serious challenges to finding enough workers. Technology may provide some of the solution, as Northcentral’s dairy science program is currently employing such cutting edge science as robotic milkers, cows with embedded computer chips, wireless farms, and solar energy. The enhanced technology enables more freedom, and thus makes farming a more attractive

Figure 3: Wisconsin population and labor force



Source: Bureau of Labor Statistics, OEA.

career choice. Weyers also added that, in order to make up for the upcoming skilled worker shortage, Wisconsin's diverse minority population must be more actively included.

As a representative of the food processing industry, Mark MacPhail added that McCain Foods' recruitment and retention of employees is challenging because their company purposely locates to rural areas. They employ this strategy because many products utilize perishable raw material, so proximity of supply increases a facility's efficiency. However, recruitment and retention becomes a challenge, especially if attempting to attract potential employees from different geographical areas. MacPhail commented that students become accustomed to amenities available in college towns and, upon graduation, are hesitant to take jobs in rural areas that lack them. In order to ensure a vibrant future for rural economies, MacPhail stated that partnerships with K-12 education and technical colleges, along with providing amenities in rural areas, such as high quality health care, are absolutely essential.

Rural labor: many voices, one community

The moderator for the "rural labor" panel was Gary Sipiorski, dairy development manager, Vita Plus Corporation²⁷ and past president/CEO and current board member, Citizens State Bank of Loyal, Wisconsin. This panel consisted of John Pagel, owner, Pagel's Ponderosa Dairy;²⁸ Daylene Stroebe, general manager, Kalahari Resorts;²⁹ Wilda Nilsestuen, program coordinator, Wisconsin Rural Physician Residency Assistance Program, UW-Madison Department of Family Medicine; and Erich C. Straub, immigration attorney, Straub Immigration, LLC.³⁰ Rural communities throughout Wisconsin face serious challenges to their continued vitality.

Among the most critical is the challenge of rural labor, primarily in agriculture and tourism. Immigrant labor is a growing segment of the local population and an essential factor in community economic health; however, immigration is among the most politically divisive and controversial issues. Sipiorski moderated the discussion on the importance of immigrants to healthy rural economies and their impact on increasing long-run economic growth and U.S. competitiveness, as well as how to bring differing cultures to mutual trust and understanding.

John Pagel described his two large dairy operations, where 4,600 cows are milked three times daily, and he employs 140 people. The employee base, which continues to grow, comprises approximately 60 percent of people coming from northern Mexico, and 40 percent of local people. Pagel stated that his business conducts its due diligence regarding the legal documentation of all its employees, and all employees must complete Form I-9,³¹ Employment Eligibility Verification, from the Department of Homeland Security, U.S. Citizenship and Immigration Services. Pagel stated that he struggles to find qualified employees. The workers he hires from northern Mexico have prior experience working with cattle, enjoy working on his farm, and have been excellent employees. Further, Pagel stated that the starting wage for milking technicians is \$9 per hour, and \$10 per hour for the night shift. After a 90 day (positive) review, they get a raise. All employees get medical insurance, with the farm paying 91 percent of the premiums. An added perk is that all employees enjoy free meat from the farm. Pagel's non-English speaking employees also utilize the Literacy Partners of Kewaunee County,³² where twice a week they work with volunteers to learn English, and many employees are now bilingual.

Pagel observed that two decades ago, 25 percent of the milk hauled to local cheese plants was trucked from farms milking more than 100 cows. Today, 75 percent of the milk transported to local cheese plants comes from farms milking more than 100 cows, and 60 percent is from farms milking 500 cows or more. The dairy industry continues to improve productivity. The industry's workforce must adapt and learn new skills, but in the recent past (and foreseeable future), immigrant workers figure prominently in efficiency gains. Daylene Stroebe offered the perspective of the value of immigrant labor to Wisconsin's \$12 billion³³ tourism industry. Stroebe manages the Midwest's largest water park and conference center, the Kalahari Resorts. Annually, the Wisconsin Dells (Dells) hosts over five million guests and offers over 8,000 hotel rooms. It is ranked 20th in number of hotel rooms on the list of top 100 cities in the United States. However, there are only 2,468 Dells residents – 23,000 including the population of surrounding communities. The Kalahari Resorts alone employs 1,200. With several other mega-resorts in the Dells, and 191 other major employers with over 50 employees, Stroebe's biggest challenge is finding enough employees. The solution to the labor shortage was immigrant labor. Six years ago, the Kalahari partnered with a company and started using J-1 visa³⁴ students, who are educational visa students who come into the United States to work and travel. Stroebe said the program helps during the peak summer season, but the students are only allowed to be in the U.S. for three months. Shortly after they are trained, they must return home.

Erich Straub is an immigration attorney who works primarily with dairy farmers. Straub stated that today's immigration system doesn't work for the dairy (H-2A visa³⁵) nor the hospitality industry (H-2B visa³⁶), and

the system is broken for many reasons. The H-2A visa, designed for the needs of the seasonal agricultural industry, does not work well for the dairy industry; cows must be milked 365 days a year. Straub cited too many regulations and an entrenched bureaucracy, as well as the high relative cost of the program, given the short tenure of the workers who participate. Instead of the current system, Straub argued for a balanced approach recognizing the needs of some growers to hire seasonal workers, and other year-round workers.

Wilda Nilsestuen stated that her contribution to the panel dialogue derived from two previous positions – directing the Future Farming and Rural Life in Wisconsin Project,³⁷ and also the Council of Rural Initiatives,³⁸ a nonprofit spin-off of the project.

Nilsestuen described Wisconsin’s change in ethnic population between 2000 and 2010. Overall, the state’s population grew just 6 percent.

Whites accounted for only 3 percent of that growth, Blacks 18 percent, but Hispanics comprised 74 percent. Wisconsin’s Hispanic immigrants are predominantly from Mexico and Central America, and represent a very large portion of the state’s workforce.

Nilsestuen suggested that social interaction is the most important starting point for immigrant integration; education and civic engagement are critical to long-term assimilation and integration of immigrant workers, as are opportunities for career and professional growth.

Day two proceedings

In his opening remarks, Stan Gruszynski, Wisconsin state director, U.S. Department of Agriculture Rural Development³⁹ (Rural Development), stated that the key goal of his agency is to promote self-sustaining, economically thriving rural regions and communities. As part of an overarching strategy to serve this goal, Rural Development

coordinates its efforts with other U.S. Department of Agriculture federal investments, and other federal and state agencies. He cited working relationships with the Wisconsin Housing and Economic Development Authority (WHEDA), Farm Services Administration (FSA), community development finance authorities, and regional planners.

Gruszynski emphasized that working relationships and partnerships are even more important in an era of shrinking public sector resources.

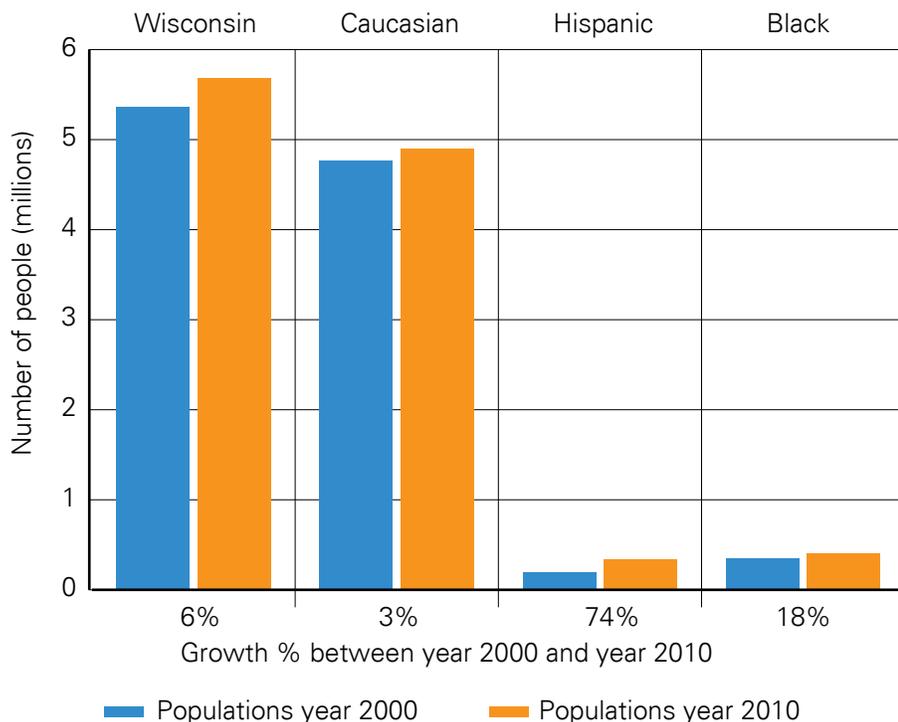
Morning keynote address by Congressman Sean Duffy,⁴⁰ representing the Seventh District of Wisconsin (via video conference)

Congressman Duffy opened noting that economic growth depends on intelligent and well-conceived support of the private sector, and that government policies must allow small businesses and manufacturers to compete. Because of the global nature of capital markets, the United States must maintain an investment-friendly environment to attract capital to Wisconsin and its rural regions, and nationwide. Duffy is an environmentalist, and supports sustainable agriculture and forestry (policy). He also backs continued expansion of broadband into rural areas. Duffy, who sits on the House Financial Services Committee, expressed concern that the rules and reforms deriving from the Dodd-Frank Act⁴¹ were impacting small local banks and credit unions, and making it difficult for them to extend credit.

Local governments on the brink⁴²

Richard Mattoon, senior economist and economic advisor, Federal Reserve Bank of Chicago, stated that there is little disagreement that 2011 was a tough year in local government finance. Minimal growth or outright

Figure 4: Wisconsin ethnic population change by decade



Source: U.S. Census Bureau (2010). Wisconsin race and ethnic groups.

declines in property tax revenues, reduced assistance from state governments, and requirements to make larger payments to underfunded public pension funds were big challenges for many local governments. However, if history is any guide, few local governments will default on their debt or end up in bankruptcy. The aftermaths of actual local government bankruptcies suggest that governments are hurt badly when they emerge from bankruptcy, particularly in their ability to issue debt. Accordingly, in all but the direst cases, local governments under stress are likely to take alternative steps to shore up their fiscal positions.

Growing rural Wisconsin's high-technology opportunities

The moderator for the "high-tech" panel was Justin Kirking, business and cooperative program specialist, U.S. Department of Agriculture Rural Development (Rural Development). This panel consisted of Gary Radloff, interim director, Wisconsin Bioenergy Initiatives; Tom Eggert, director, Wisconsin Sustainable Business Council;⁴³ and Charlie Walker, president and CEO, Chippewa County Economic Development Corporation.⁴⁴ As budgets at all levels of government shrink, Kirking emphasized the need to undertake strategic partnerships and create linkages that keep key projects advancing. Kirking stated that in the past year, Rural Development delivered \$936.1 million of taxpayer investment to rural Wisconsin, which comprised a combination of housing, broadband, and business programs. Some of these programs require financial partners, such as banks; for the programs to succeed, actors in rural communities, including financial institutions, must familiarize themselves with available federal loan guarantee programs. Further, nonprofits, regional planning commissions, and municipal governments must effectively utilize



Stan Gruszynski, Wisconsin state director, U.S. Department of Agriculture Rural Development



Sean Duffy, Congressman representing the Seventh District of Wisconsin

local revolving loan funds and also work with other non-traditional financing sources, such as CDFIs. Kirking cautioned that economic development also encompasses attention to housing, healthcare, and access to high quality education.

Gary Radloff stated that the Wisconsin Bioenergy Initiative⁴⁵ is a Wisconsin-based program to break the "cellulosic ethanol bottleneck" – a next generation fuel that can be

produced using feed stocks from agricultural land. Rural areas would greatly benefit if this technology advances. He cited Wisconsin's many different biomass streams, such as food and cheese waste, corn stover, and paper pulp, and the potential to create jobs in rural areas. Wisconsin currently has a number of projects proceeding that relate to its biofuels economy, including two major utilities and a university all constructing new biomass facilities.

Tom Eggert observed that in the recession of 2001, Wisconsin lost 100,000 manufacturing jobs. In 2008, it lost another 70,000. Eggert stated that despite these losses, Wisconsin remains the number one state in the country for manufacturing jobs, on a per capita basis. He suggested that the state focus its manufacturing expertise, training capacity, and infrastructure on growing more green jobs. He cited the Wisconsin Green Jobs Report,⁴⁶ which noted that green jobs could help Wisconsin recover economically. The jobs that arise from a green economy will expand the middle class, lift those that are unemployed (or under-employed), and benefit the environment, he stated.

Charlie Walker stressed fundamental building blocks of economic development, such as utilizing the natural resources indigenous to rural areas, because those elements provide a competitive advantage in a global marketplace. He cited ethanol plants, stating that they are logically located in rural areas so the corn need not be transported long distances. Walker also stated that most young students are attracted to high technology, and that as traditional rural jobs require use of technology, such as robotic farming and GPS enhanced machinery, the younger generation may find rural employment more compelling.

Luncheon keynote address by Dallas Tonsager, under secretary, Rural Development, United States Department of Agriculture

Under Secretary Dallas Tonsager stated that the key to vibrant rural economies was continuous innovation and the constant creation of new value-added products from indigenous rural resources. Rural Development has supported rural economies nationwide through the extension of credit, and currently has a loan portfolio of \$160 billion, which is invested in virtually every aspect of infrastructure. Despite a large amount of lending in economically challenging areas, the portfolio has had very few delinquencies. Tonsager credited sound risk management for this successful performance. He emphasized that the central mission of the agency is helping rural individuals, communities, and businesses, to gather the financial and technical resources needed to bring projects together. Tonsager cited the creation of cooperative structures, where individual producer-members are tied with investors, as highly effective business structures. These cooperative ventures provide opportunities for local investment in a venture, create local jobs and products, and also retain some equity within the immediate community.

The perspective from WHEDA⁴⁷

Wyman Winston was appointed by Governor Scott Walker as executive director of the Wisconsin Housing and Economic Development Authority (WHEDA), effective January 2, 2011. Upon taking office, Mr. Winston has sought to transform WHEDA into a major economic development agency in addition to a state housing agency. Winston is working closely with his colleague, Secretary Paul Jadin of the Wisconsin Economic Development

Agency, to focus on growing Wisconsin's economy to reach Governor Walker's goal of producing 250,000 new jobs by 2015.

Mr. Winston outlined his strategy to transform WHEDA. The first step occurred in its latest budget. Formerly, 15 percent of WHEDA's investment in lending was designated for economic development programs (with the balance designated for housing); going forth, funds devoted to economic development will increase to just over 50 percent. Mr. Winston stated that WHEDA's community development staff will focus on strategic partnering. Further, Winston is committed to raising \$1 billion of capital from a range of different lenders. The first portion of this capital will come from the U.S. Treasury Department's approval of Wisconsin's application to participate in the State Small Business Credit Initiative (SSBCI).⁴⁸ Under SSBCI, Wisconsin will receive \$22.4 million for small business lending programs to help create private sector jobs. Based on 10:1 match expectations, these funds should support at least \$224 million in new lending across the state.

Winston reminded his audience that the United States is where modern capitalism was perfected, and despite its drawbacks, it remains the best economic system. He also stated that another of the nation's traditions is neighbors helping neighbors toward goals.

The moderator for the "collaborative" panel was Diane Schobert, business development officer, WHEDA. This panel consisted of Farshad Maltes, director of economic development, WHEDA; Brenda Hicks-Sorensen, vice president of economic and community development, WEDC; Stan Gruszynski of Rural Development; David Ward, CEO and founder, NorthStar Economics, Inc.;⁴⁹ and Kelly Lucas, president and CEO, Community Foundation of Greater South Wood County.⁵⁰ Diane Schobert set the tone



Dallas Tonsager, under secretary, Rural Development, U.S. Department of Agriculture

for the discussion by stating that given scarce resources at all levels of government, the era of collaborative and regionally-focused economic development has arrived. Regions, Schobert noted, must coordinate efforts to reduce duplication, focus on cooperation, and improve local capacity to undertake projects that individual communities could not otherwise realize.

Brenda Hicks-Sorensen discussed high performing economic development networks. She described how the outmoded model of economic development, where organizations with differing agendas, orientations, and geographic foci, struggle to find common ground. WEDC's strategy embraces a more uniform and aligned network, based on boundaries similar to those utilized by the Wisconsin Regional Planning Commissions.⁵¹

Farshad Maltes stated an unintended benefit of the economic downturn is that groups who traditionally have not worked together now must do so out of necessity. Further, it has challenged the economic development finance community to be more creative and innovative.



Wyman Winston, executive director, Wisconsin Housing and Economic Development Authority

Maltes described one recent project, where a paper mill was soon to close, that highlights regional economic cooperation between many different parties. The mill, located in Oconto Falls, needed \$90 million for rehab to remain viable. A consortium (of sorts) comprising the city, county, and other stakeholders, approached WHEDA for a solution. WHEDA arranged \$90 million in financing, which involved six different New Markets Tax Credit (NMTC) allocates. Maltes explained that although the project was not in a qualifying area for NMTCs, it ultimately qualified after a very creative work-around involving a targeted population test. The mill employs over 100 workers living in LMI areas.

David Ward stated that for much of the state's history, counties conducted economic development mostly on their own, with just a few exceptions. Around 2000, some counties in western Wisconsin began joining forces; but only in the last five years has true regional collaboration gained momentum. As the map illustrates, the majority of counties have joined a regional economic development group. Ward argues that regional organization

is critical to effective marketing and selling of goods in a global marketplace. Private sector leadership is also critical to regional success.

Since 2000, several paper mills in the central Wisconsin area have lost local ownership and/or been shuttered. The region has suffered the loss of hundreds of high paying jobs. Kelly Lucas stated that the impact of globalization on the paper industry in Wisconsin has been considerable. After being battered by the global market place, Lucas stated that the public is mistrusting and fearful. Overcoming this fear has been a real challenge and significant barrier to building authentic trust and relationships.

In the broader sense, during this time of economic upheaval, the Community Foundation of Greater South Wood County (CFGSWC) and the local chamber of commerce began to ask exactly what role they should play. According to Lucas, preserving the foundation's endowment well into the future was not a worthy goal if communities the foundation serves were not thriving. So the organizations came together in meaningful and non-traditional ways.

The CFGSWC recognized very early that job creation would not come about through "smoke stack chasing." In fact, Lucas identified culture as a primary obstacle, and elaborated. Due to the enormous economic success of the paper industry in central Wisconsin over the previous century, an embedded sense of multi-generational entitlement had taken hold. The community expected that, upon high school graduation, there would always be high-paying jobs, for everyone who wanted such a job, in the local paper mills. A strong sense of paternalism and dependency flourished. Globalization ended this once sacrosanct social contract, but the mindset of the community has been slower to accept the new economic reality.

In order to motivate new thinking in the community, CFGSWC launched a multi-year investment in adaptive skills, which, in short, help trainees toward greater ability to communicate and interrelate as they work to bridge differences and work in cooperation. According to Lucas, the program has been transformational as over 100 leaders in the community have been trained in the last five years.

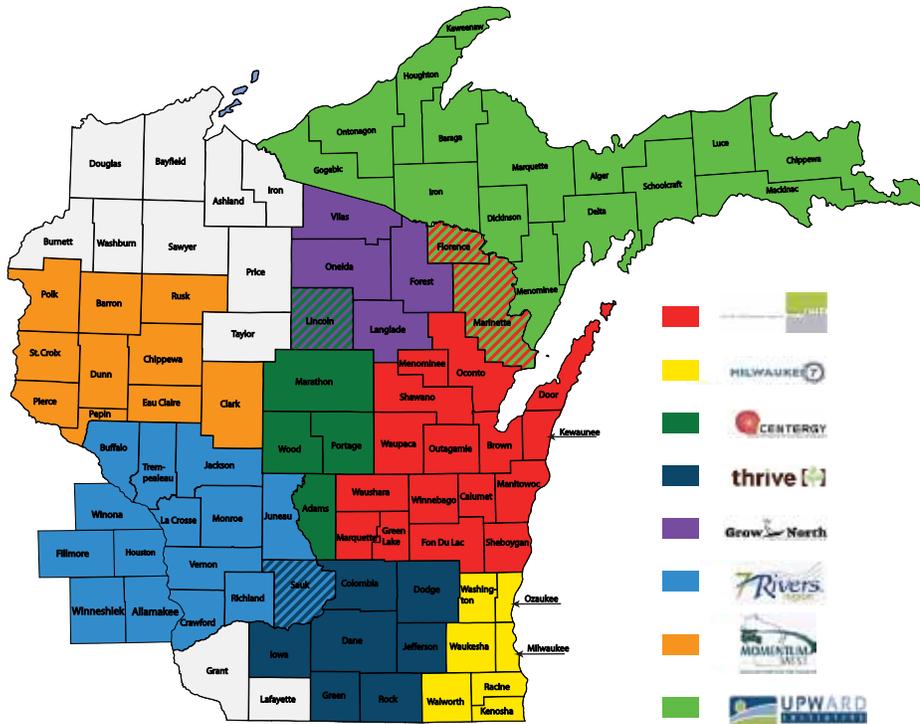
How does rural Wisconsin go global?

The moderator for the "global" panel was John Nevell, liaison director regional manager, International Trade Programs, SBA. This panel consisted of Steven Deller,⁵² professor, Department of Agricultural and Applied Economics, University of Wisconsin-Madison; Lora Klenke, vice president, International Business Development, WEDC; William MacFarlane, owner and president, MacFarlane Pheasants, Inc.;⁵³ and Sheila Nyberg, executive director, Clark County Economic Development Corporation and Tourism Bureau.⁵⁴

John Nevell commented that China today has 300 million people in their middle class, which is more than the entire population of the United States. This new Chinese middle class has enough money to purchase products imported to China, and they won't buy Chinese-made products. Mr. Nevell observed that, for several years, General Motors has sold more Buicks in China than in the U.S.⁵⁵ Mr. Nevell attributed that to Chinese consumers desiring a quality product, and that key to increasing U.S. exports is convincing overseas consumers of the high quality of our products.

One of the problems that Mr. Nevell has observed over the past 13 years is that Midwest business people prefer not to borrow money. Unfortunately, (responsibly) borrowed capital is often the key to help businesses expand; without a degree of leverage, growth

Regional economic partnerships



Source: David Ward, NorthStar Economics, Inc.

is constrained. Businesses have to grow to stay in business.

Nevell went on to explain that the SBA provides loan guarantees to encourage banks to lend to exporters. The SBA has three specialized programs that help to finance different aspects of exporter businesses: SBA Export Express Loan Program, International Trade Loan Program, and the Export Working Capital Program.⁵⁶

Steve Deller noted that the highest level of worldwide trade occurred, adjusted for inflation, in 1913.⁵⁷ Historically, the U.S. has been fully engaged in a global economy. Only since the Great Depression, have trade barriers been erected that have hindered trade. Today, the global economy is returning to what is, by historical standards, considered a normal situation. Deller offered several strategies that rural Wisconsin can pursue to expand opportunities for foreign exports. Foremost, is for smaller firms to build their awareness

that actual export markets are available for their products. Universities and research foundations can provide descriptive analysis, which can help small firms better understand export markets. Second, small businesses can tap existing resources available through the University of Wisconsin System⁵⁸ and the WEDC. Third, individually, many small businesses are too small to market internationally. Joining or forming marketing cooperatives along the lines of the traditional agricultural model may deepen available resources and broaden the reach of marketing efforts. Finally, expanding broadband, through access to resources, such as Skype, will assist rural producers to share information at high speeds.

Lora Klenke stated that WEDC's programs⁵⁹ and services are geared toward medium-sized companies. There are 6,500 Wisconsin companies that are active exporters. Of those 6,500 companies, 85 percent employ

500 or less employees, and 68 percent employ less than 100 employees. Many, especially agricultural operations, have less than ten employees. These small firms need assistance in developing an export strategy. The WEDC can call upon a wide variety of contacts and experience in international research, sales, shipping, banking, and diplomacy in order to assist Wisconsin's exporting community. Klenke stated that its International Business Development team works one-on-one with beginning and experienced exporters. They assess the demand for a firm's products outside of the U.S. and help plan an approach to international markets in a systematic fashion; help to introduce Wisconsin businesses to potential customers, distributors, or partners in other parts of the world; and support service providers in the state who can assist in developing profitable international transactions.

MacFarlane Pheasants, Inc. (MacFarlane), was the SBA Wisconsin's 2011 Small Business Exporter of the Year.⁶⁰ MacFarlane produces and raises game birds, and has been in business for 82 years. William MacFarlane stated that the company exports its products worldwide. From the perspective of an award winning rural Wisconsin exporter, keys to success include: getting a good Web site address (such as pheasant.com); spending resources on "search engine optimization," to assist Internet search engines with finding your Web address and online information; contacting foreign trade magazines to offer to write articles for them (and always be sure to include your Web address in the article); offering to price your product in local currency; and always be open to hosting foreign visitors to your business and welcome them warmly, as they may become your biggest future customers.

Sheila Nyberg stated that the Clark County Economic Development

Corporation and Tourism Bureau (CCEDC) is the primary agency in Clark County, responsible for creating new jobs and investment in the county. The CCEDC works with specialty clusters of businesses, such as door manufacturers exporting to China; modular homes to Canada; and hospitality linens and draperies to Europe. They have been very successful at identifying waste streams (e.g., whey permeate) and working with local businesses to turn them into an exportable product (e.g., whey permeate to ethanol).

Conclusion

As the U.S. economy recovers, Wisconsin's rural areas are likewise beginning to gain traction and increasingly find ways to compete for jobs and prosperity in today's global marketplace. The conference helped to identify policies that speed, strengthen, and enhance economic development in Wisconsin's rural areas. Common themes and principles emerged as essential drivers of future rural economic development. Identified among them were: taking complete advantage of the rich matrix of financial institutions and layered financing available, from traditional insured depository institutions to CDFI loan funds; employing government guaranteed lending programs and credit enhancements wherever available; engendering a culture that embraces and rewards entrepreneurship; developing close ongoing ties between industry and education to continually produce a highly skilled and employable workforce; recognizing the crucial importance of immigration to healthy rural economies; embracing cutting edge technology for reasons of efficiency and to attract the next generation to rural careers; working collaboratively and regionally to grow access to new capital and credit funding; continue building out broadband services to rural areas

to increase the high-speed exchange of information; and heightening awareness of available resources to assist small businesses to export globally. Policymakers, from all levels of government, attended and participated in the conference. As active participants, they were fully engaged in the process and are empowered to foster policies that will improve economic outcomes for Wisconsin's rural areas.

Notes

- 1 Community banks are typically small banks, which conduct most of their business in their local communities. The size threshold most often used is \$1 billion in assets.
- 2 The Chicago Fed serves the Seventh Federal Reserve District, which comprises all of Iowa and most of Illinois, Indiana, Michigan, and Wisconsin. For more information, visit <http://www.chicagofed.org>.
- 3 Detailed information about the U.S. Small Business Administration Wisconsin District Office can be found at <http://www.sba.gov/about-offices-content/2/3158>.
- 4 Detailed information about the Wisconsin Economic Development Corporation can be found at <http://wedc.org>.
- 5 Office of the Governor Scott Walker Press Release, 2010, "Governor-elect Scott Walker: Wisconsin is Open for Business!," November 2, available at <http://www.wisgov.state.wi.us/Default.aspx?Page=2b8836e4-2823-4f70-bc84-e52cc235bcdd>.
- 6 Wisconsin Economic Development Corporation Strategic Plan, Creating a Plan for Wisconsin's Economic Prosperity, July 1, 2011, available at <http://wedc.org/docs/wedc-strategic-plan.pdf>.
- 7 Donlon, JP, 2011, "Best/Worst States for Business," Chief Executive Magazine, May 3, available at <http://chiefexecutive.net/best-worst-states-for-business>.

- 8 To read more about the rural Midwest economy, see Bill Testa's blog on the Federal Reserve Bank of Chicago's Web site at <http://midwest.chicagofedblogs.org/archives/rural>.
- 9 Waldrop, Ross, Federal Deposit Insurance Corporation, Quarterly Banking Profile, Third Quarter 2011, Volume 5, No. 4, page 4, available at <http://www2.fdic.gov/qbp/2011sep/qbp.pdf>.
- 10 For more information on Wisconsin banks, visit the Web site of the Community Bankers of Wisconsin at <http://www.communitybankers.org>.
- 11 For more information about GreenStone Farm Credit Services, visit <http://www.greenstonefcs.com/Pages/default.aspx>.
- 12 For more information about the Wisconsin Business Development Finance Corporation, visit <http://www.wbd.org>.
- 13 For more information about CAP Services, Inc., visit <http://www.capserv.org>.
- 14 For more information about U.S. Senator Herb Kohl, visit his online office at <http://www.kohl.senate.gov>.
- 15 For more information about the Division of Entrepreneurship and Economic Development at the University of Wisconsin-Extension, visit http://www.wisconsinsbdc.net/uwex_deed.
- 16 For more information about the Tri-County Regional Economic Development Corporation, visit <http://www.tcredc.org>.
- 17 For more information about Central Waters Brewery (including their Tap Room!), visit <http://www.centralwaters.com>.
- 18 For more information about Buena Vista Investment Management, LLC, visit <http://www.buenavistainv.com>.
- 19 The SBA defines a small business concern as one that is independently owned and operated, is organized for profit, and is not dominant in its field. Depending on the industry, size standard eligibility is based on the average number of employees for the preceding 12 months or on sales volume averaged over a three-year period. For examples of SBA general size standards, visit <http://www.sba.gov/content/what-sbas-definition-small-business-concern>. During the

- course of the panel's remarks, they also referenced the definitions cited by the Kaufmann Foundation, available at <http://www.entrepreneurship.org/en/Blogs/Policy-Forum-Blog/2009/December/Small-Business-Size-Standards-Under-Revision.aspx>.
- 20 For historical statistics on new business formations in Wisconsin, see the State of Wisconsin, Department of Financial Institutions' Web site at <http://www.wdfi.org/corporations/HistoricalStatistics.htm>.
- 21 Building Companies & Jobs, The Case for a Venture Capital Program in Wisconsin, a white paper by Wisconsin Growth Capital Coalition, available at http://www.competitivewi.com/wp-content/uploads/2011/10/WGCC_BuildingCompanies_final.pdf.
- 22 For more information on the State of Wisconsin, Department of Workforce Development, visit <http://dwd.wisconsin.gov>.
- 23 For more information about the Freedom High School Agricultural Education Program, visit <http://www.freedomschools.k12.wi.us/faculty/plarson/agscience1.cfm>.
- 24 For more information about Northcentral Technical College, visit <http://www.ntc.edu>.
- 25 For more information about McCain Foods, visit <http://www.mccainusa.com/mccainfoodservice/default.aspx>.
- 26 Detailed information about the Wisconsin Agriculture Education & Workforce Development Council can be found at <http://wiaglink.org/index.php>.
- 27 For more information about Vita Plus Corporation, visit <http://www.vitaplus.com>.
- 28 For more information about Pagel's Ponderosa Dairy, visit <http://pagelsponderosa.com>.
- 29 For more information about Kalahari Resorts, visit <http://www.kalahariresorts.com/wi>.
- 30 For more information about the law offices of Straub Immigration, LLC, visit <http://straubimmigration.com/attorneys>.
- 31 Form I-9, Employment Eligibility Verification, from the Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services, can be found on the DHS Web site at <http://www.uscis.gov/files/form/i-9.pdf>.
- 32 Detailed information about the Literacy Partners of Kewaunee County can be found at <http://www.literacykewauneeeco.org/Default.aspx>.
- 33 Ramde, Dinesh, 2011, "Walker: Tourism helps Wisconsin add 9,500 jobs," The JournalTimes.com, July 21, available at http://www.scottwalker.org/news/2011/07/_walker-tourism-helps-wisconsin-add-9500-jobs.
- 34 To learn more about the J-1 Exchange Visitor Program, visit the U.S. Department of State, Bureau of Consular Affairs Web site at http://travel.state.gov/visa/temp/types/types_1267.html.
- 35 The H-2A program allows U.S. employers to bring foreign nationals to the United States to fill temporary agricultural jobs for which U.S. workers are not available. To learn more about the program, see the U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services web page at <http://www.uscis.gov/portal/site/uscis/menuitem.b1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnextoid=889f0b89284a3210VgnVCM100000b92ca60aRCRD&vgnextchannel=889f0b89284a3210VgnVCM100000b92ca60aRCRD>.
- 36 The H-2B non-agricultural temporary worker program allows U.S. employers to bring foreign nationals to the United States to fill temporary nonagricultural jobs. To learn more about the program, see the U.S. Department of Homeland Security, U.S. Citizenship and Immigration Services Web page at <http://www.uscis.gov/portal/site/uscis/menuitem.eb1d4c2a3e5b9ac89243c6a7543f6d1a/?vgnextoid=d1d333e559274210VgnVCM100000082ca60aRCRD&vgnextchannel=d1d333e559274210VgnVCM100000082ca60aRCRD>.
- 37 To learn more about the Future Farming and Rural Life in Wisconsin Project, visit <http://www.wisconsinacademy.org/content/our-wisconsin-idea-program>.
- 38 To learn more about the Council of Rural Initiatives, visit <http://cri-wis.org>.
- 39 For more information on the Wisconsin office of the U.S. Department of Agriculture Rural Development, visit http://www.rurdev.usda.gov/WI_RDHome.html.
- 40 For more information about Congressman Sean Duffy, visit his online office at <http://duffy.house.gov>.
- 41 For more information about the Dodd-Frank Wall Street Reform and Consumer Protection Act, see Public Law 111-203, 124 STAT. 1376, July 21, 2010, available on the U.S. Government Printing Office Web site at <http://www.gpo.gov/fdsys/pkg/PLAW-111publ203/content-detail.html>.
- 42 To read Richard Mattoon's complete essay, see Mattoon, Richard, "Local Governments on the Brink," Chicago Fed Letter, 286a, May 2011, 1-4, available at http://www.chicagofed.org/digital_assets/publications/chicago_fed_letter/2011/cflmay2011_286a.pdf.
- 43 The WI Sustainable Business Council is a network of Wisconsin businesses and organizations that are interested in, or actively responding to, the challenge of sustainability. To learn more, visit <http://www.bus.wisc.edu/business-sustainability/council>.
- 44 For more information about the Chippewa County Economic Development Corporation, visit <http://www.chippewa-wi.com>.
- 45 Created in 2007 by University of Wisconsin-Madison College of Agricultural and Life Sciences, the Wisconsin Bioenergy Initiative (WBI) seeks to cultivate bioenergy expertise among UW-Madison, UW-System, and Wisconsin stakeholders to anchor innovative research. To learn more, visit <http://www.wbi.wisc.edu>.
- 46 For more information about the Wisconsin Green Jobs Report, visit https://mywebspace.wisc.edu/tleggert/Sustainability%20Website/council/green%20jobs/green_jobs_report_2010.pdf.
- 47 For more information about the Wisconsin Housing and Economic Development Authority (WHEDA), visit their Web site at <http://www.wheda.com/root>.
- 48 For more information about Wisconsin's successful application to participate in the State Small Business Credit Initiative

- (SSBCI), see "Governor Walker, U.S. Department of the Treasury Announce \$22.4 Million to Support Wisconsin Small Businesses, Help Create Jobs," available on WHEDA's Web site at <http://www.wheda.com/root/AboutWheda/PressRoom/Dynamic.aspx?id=2873>.
- 49 For more information about NorthStar Economics, Inc., visit <http://www.northstareconomics.com/index.html>.
- 50 For more information about the Community Foundation of Greater South Wood County (now known as In courage Community Foundation), visit <http://www.cfswc.org>.
- 51 For more information about the Wisconsin Regional Planning Commissions, see Profile: Wisconsin Regional Planning Commissions, April 2011, available at http://www.awrpc.org/PDF/AWRPC_Profile_2011.pdf.
- 52 To learn more about Professor Deller's research on modeling community and small regional economies, visit <http://www.aae.wisc.edu/faculty/scdeller>.
- 53 For more information about MacFarlane Pheasants, Inc., visit <http://www.pheasant.com>.
- 54 The Clark County Economic Development Corporation & Tourism Bureau (CCEDC) is the primary agency in Clark County responsible for creating new jobs and investment in the county. For more information, visit <http://www.clark-county-wi.org>.
- 55 Meier, Fred, 2011, "GM sold more vehicles in China than the U.S. in 2010," *USA Today*, Jan. 24, available at <http://content.usatoday.com/communities/driveon/post/2011/01/gm-sold-more-vehicles-in-china-than-the-us-in-2010/1>.
- 56 Approximately 70 percent of all U.S. exporters have 20 or fewer employees. The SBA has placed a priority on helping these small business exporters by providing a number of loan programs specifically designed to help them develop or expand their export activities. If you own or wish to start a small export business, visit the SBA's Web site to learn more at <http://www.sba.gov/content/export-loan-programs>.
- 57 Deller, Steven, 2010, "Economic Impact of Foreign Exports on the Wisconsin Economy," University of Wisconsin-Madison, Department of Agricultural & Applied Economics, Staff Paper No. 546, August, available at <http://www.aae.wisc.edu/pubs/sps/pdf/stpap546.pdf>.
- 58 Steven Deller stated the Center of International Business Education & Research, UW-Madison Business School, is willing to facilitate and hold workshops to help small businesses think through how they might be able to tap into international markets. For more information, see <http://www.bus.wisc.edu/ciber/home/home.asp>.
- 59 For more information on the WEDC's International Business Development resources, visit <http://wedc.org/international>.
- 60 U.S. Small Business Administration, 2011, "SBA's 2011 Wisconsin Small Business Person of the Year and Honorable Mention Winners Announced!" Press Release Number: 11-07, March 23, accessed from <http://www.sba.gov/sites/default/files/2011%20Wisconsin%20Small%20Business%20Winners.pdf>.

Biography

Steven Kuehl is the economic development and Wisconsin state director for the Community Development and Policy Studies division of the Federal Reserve Bank of Chicago.

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