

## **Entrepreneurship & Economic Development**

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“Economic Development” means job and wealth creation. It’s getting businesses to put money into the community, mostly through salaries.

There are two basic modes of economic development: from “without” and from “within.”

From “without” is the one we hear and read about the most from politicians and the media. When they talk about Economic Development they are talking about getting outside companies to move into the area.

From “within” is through Entrepreneurship, or development of local, home-grown businesses.

We hear about growth from “without” from politicians and the media because they need things that make an immediate splash or there’s no votes or story in it. Growth from “without” has more excitement and immediate impact (i.e. votes, readers, & listeners).

Entrepreneurial ventures however are almost always extremely slow and rarely have a newsworthy occurrence in their development. It’s not unusual for a business idea to take years to become a hiring company, and more years before it hires a significant number of employees. No politician can take any credit for the jobs and no media can make it any more exciting.

We have to support and appreciate all the major employers that have moved here, they are hugely responsible for the level of our economy. We also have to recognize that all their profits go to their hometowns. Most also got substantial tax breaks and credits for moving here so they’re not paying a full slate of taxes and since they have no roots here, if it makes economic or political sense, they will pull out in a heartbeat.

Our great home-grown companies like McElroy Metal, Porter’s Cleaners, Sound Fighter Systems, Communications One, and numerous other examples keep their profits right here. Our home-grown companies also pay the full slate of taxes on what they earn and they are more likely to reinvest in their hometown communities and stay here for the long term.

When an outside company has trouble with the politics (this is Louisiana!), they will just move out, but a local Entrepreneur will stay and fight to make changes.

What will the Ark-La-Tex look like when Texas legalizes gambling, GM moves overseas to quit paying \$60/hr in favor of \$5/hr employees, and Congress decides Barksdale is no longer needed? Don’t think that’s doomsday talk, all of those are likely to become true in the not-to-distant future. We weren’t ready for the oil bust, but we can be ready when those things happen if we start now.

For over 20 years, 60 to 80 percent of all new jobs were created by small businesses, that is Entrepreneurs (SBA.gov). So, if we really want to create NEW jobs, 75% of them are going to come from small business... so we better have a strong small business community.

Our Economic Development focus should continue to be from “without” for the big short-term benefits, but it also must be from “within” if we are going to build a world-class economy that our kids will be proud of.