



SOUTHERN MINNESOTA  
INITIATIVE FOUNDATION

# Strategic Development Considerations

## Lanesboro & Spring Valley, Minnesota



# FILLMORE COUNTY, *Minnesota*



*Developed for Southern Minnesota Initiative Foundation's  
Rural Entrepreneurial Venture (REV)*

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## Introduction

Entrepreneurial Ecosystems or e2 believes in **empowering research** – making data-driven decisions about economic development to be more strategic and, ultimately, create the kinds of economic development outcomes and long-term community or regional prosperity you desire. We work hard to build tools and resources that communities can use to access and understand data and turn that raw information into knowledge you can apply in your community. This **Strategic Development Considerations** paper is one of our **Getting Started Tools**. This profile was prepared for Fillmore County, Minnesota by e2 for our partner, Southern Minnesota Initiative Foundation’s Rural Entrepreneurial Venture (REV).

## Using Our Strategic Development Considerations

Our **Strategic Development Considerations Paper** is meant to be used as a conversation starter in your community or region. We believe that the best development decisions are made after a thorough assessment of your assets and opportunities. This Profile provides one set of information to get you started. We encourage you to share this profile with a diverse group of community and regional stakeholders and residents. The data shared here will be enriched by conversations with a range of partners who bring new and unique perspectives on your economy and opportunities. An entrepreneur is likely to look at this information from a different perspective than a community banker or county commissioner. Yet, these perspectives can help you establish a better understanding of your starting point and create the space for you to dream about what might be possible in your county going forward.

## Lanesboro & Spring Valley Quick Summary

We have pulled updated data from Esri to provide a quick summary of the Bluff Country communities of Lanesboro (Zip Code Area 55949) and Spring Valley (Zip Code Area 55975), Minnesota. All of this data includes the municipalities of Spring Valley and Lanesboro, including their adjoining countryside residents and businesses.

**Location and Demographic Summary.** We have provided a quick location and demographic summary for the Bluff County Region. Unlike most rural counties in America’s Heartland, your community and region are projected to experience moderate growth based on Esri’s 2018 to 2023 forecasts. Fillmore County is projected to experience a strong 0.58% per year growth rate for this period. In part, this growth is being enabled by your community’s connection within the Rochester Metropolitan Area and its growth. Information on commuters provides details regarding this important linkage.

**Business Sector and Employment Summary.** We have also provided from Esri data a quick business and employment profiles for your community. Note, Esri data may underestimate your overall venture community but it is a starting place for understanding your economy.

**Retail MarketPlace Summary.** A Retail MarketPlace Profile from Esri is also included. We will address this data later in our considerations.

**Other Available Data for Your Community.** We have pulled additional community level data from Esri and the U.S. Census that is available through your Electronic Library. Work with your REV Coach or feel free to reach out to Don at [don@e2mail.org](mailto:don@e2mail.org) for help with accessing this information. Feel free to post your questions and we can work to see if our research can provide addition data and analysis that is helpful to your community's development efforts.

### Figure 1 Lanesboro, MN

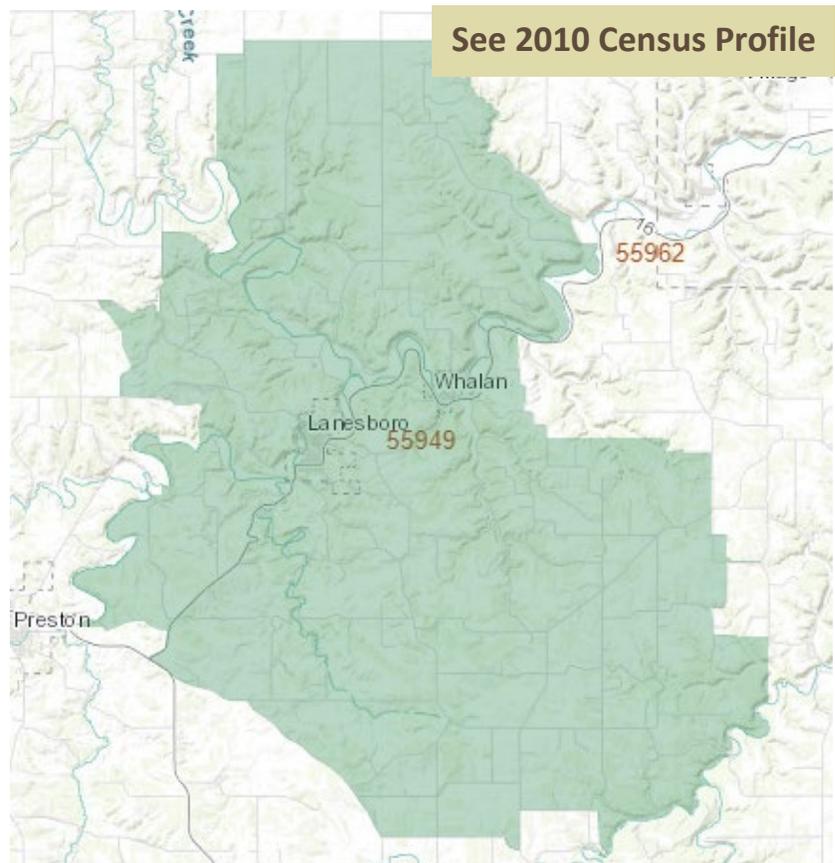
The map highlights the community region of Lanesboro, Minnesota. The community-level data has been pulled at the zip code level. Lanesboro is identified as the 55949 zip code region.

**Lanesboro, MN  
Demographic Profile**

**2010** Population – 1,796  
 Median Age – 46.3 Years  
 Households – 775  
 Average Household Size – 2.30

**2018** Projected Pop – 1,812  
**2023** Projection Pop – 1,841

Projected 2018-2023  
 Growth Rate = +0.32% per year



The population of your Zip Code area is significantly greater when compared to the municipality's population. Like your county, your community is projected by Esri to grow in the coming five year period (2018-2023) by +0.32% per year. This is a relatively strong growth rate for a smaller rural community highlighting growth in commuters traveling to employment hubs like Winona, LaCrosse, and Rochester.

**Figure 2 – Esri Business and Employment Profiles for Lanesboro, MN**

Lanesboro, MN Business Summary		Sector	Ventures	Employees	Percent of Total Employees
Total Businesses – 133	<b>Businesses per 1,000 Residents</b> Lanesboro – 73 Fillmore County – 49 Minnesota – 37 U.S. – 77	Agriculture	8	20	2.4%
		Mining & Utilities	0	0	0.0%
		Construction	6	26	3.2%
		Manufacturing	3	5	0.6%
		Wholesale Trade	6	67	8.2%
		<b>Retail Trade*</b>	<b>14</b>	<b>53</b>	<b>6.5%</b>
		Transportation & Warehousing	2	7	0.9%
		Information	1	3	0.4%
		<b>Finance &amp; Insurance*</b>	<b>9</b>	<b>49</b>	<b>6.0%</b>
		Real Estate	2	4	0.5%
		Professional Services	6	12	1.5%
		Management & Administrative	4	30	3.7%
		Total Employees – 820	<b>Employees per 1,000 Residents</b> Lanesboro – 453 Fillmore County – 370 Minnesota – 574 U.S. – 447	Education	3
Health Care	1			1	0.1%
Arts, Entertainment & Recreation	6			53	6.5%
Accommodations	21			63	7.7%
Food Service	10			195	23.8%
<b>Hospitality Sector**</b>	<b>37</b>			<b>311</b>	<b>37.9%</b>
Other Services	18			81	9.9%
Public Administration	6			36	4.4%
Unclassified Establishments	7			5	0.6%
<b>Total</b>	<b>133</b>			<b>820</b>	<b>100%</b>

Some considerations regarding your venture economy:

- It is important to note that there are multiple sources that provide venture and employment information. The Esri resource tends to count more established ventures and therefore fewer ventures when compared to other sources.
- Lanesboro has 73 ventures per 1,000 residents compared to Minnesota’s 37 and the U.S. benchmark of 77 ventures per 1,000 residents. This data suggests a substantial venture community and related development opportunities.
- Referring to Figure 3 on the next page Lanesboro has a 2018 retail spending leakage of nearly \$8 million. Given your community’s size and location, this is a reasonable leakage rate. However, there are opportunities for capturing additional spending leakage. If just 5% of this spending leakage was capture by local businesses an additional \$400,000 in retails sales could be localized contributing to increased local sales taxes and up to seven to 5-10 net new jobs.

**Figure 3 - Retail MarketPlace Profile, Lanesboro, MN, 2018**

<b>Summary Demographics</b>						
2018 Population						1,812
2018 Households						781
2018 Median Disposable Income						\$42,015
2018 Per Capita Income						\$30,762
<b>Industry Summary</b>	<b>NAICS</b>	<b>Demand (Potential)</b>	<b>Supply (Sales)</b>	<b>Retail Gap</b>	<b>Leakage/Surplus Factor</b>	<b>Number of Businesses</b>
Total Retail Trade and Food & Drink	44-45,722	\$27,409,527	\$19,447,903	-\$7,961,624	-17.0	27
Total Retail Trade	44-45	\$25,160,827	\$13,188,621	-\$11,972,206	-31.2	16
Total Food & Drink	722	\$2,248,700	\$6,259,282	\$4,010,582	47.1	11
<b>Industry Group</b>	<b>NAICS</b>	<b>Demand (Potential)</b>	<b>Supply (Sales)</b>	<b>Retail Gap</b>	<b>Leakage/Surplus Factor</b>	<b>Number of Businesses</b>
Motor Vehicle & Parts Dealers	441	\$5,795,280	\$2,762,670	-\$3,032,610	-35.4	2
Automobile Dealers	4411	\$4,649,570	\$0	-\$4,649,570	-100.0	0
Other Motor Vehicle Dealers	4412	\$697,912	\$2,549,399	\$1,851,487	57.0	1
Auto Parts, Accessories & Tire Stores	4413	\$447,798	\$213,271	-\$234,527	-35.5	1
Furniture & Home Furnishings Stores	442	\$666,155	\$0	-\$666,155	-100.0	0
Furniture Stores	4421	\$386,043	\$0	-\$386,043	-100.0	0
Home Furnishings Stores	4422	\$280,112	\$0	-\$280,112	-100.0	0
Electronics & Appliance Stores	443	\$808,487	\$0	-\$808,487	-100.0	0
Bldg Materials, Garden Equip & Supply Stores	444	\$2,011,539	\$101,106	-\$1,910,433	-90.4	1
Bldg Material & Supplies Dealers	4441	\$1,792,274	\$0	-\$1,792,274	-100.0	0
Lawn & Garden Equip & Supply Stores	4442	\$219,265	\$101,106	-\$118,159	-36.9	1
Food & Beverage Stores	445	\$3,827,457	\$4,036,078	\$208,621	2.7	3
Grocery Stores	4451	\$3,235,365	\$1,442,969	-\$1,792,396	-38.3	1
Specialty Food Stores	4452	\$198,423	\$0	-\$198,423	-100.0	0
Beer, Wine & Liquor Stores	4453	\$393,669	\$2,593,109	\$2,199,440	73.6	2
Health & Personal Care Stores	446,4461	\$1,847,850	\$0	-\$1,847,850	-100.0	0
Gasoline Stations	447,4471	\$2,941,480	\$3,254,245	\$312,765	5.0	1
Clothing & Clothing Accessories Stores	448	\$1,035,609	\$1,244,075	\$208,466	9.1	4
Clothing Stores	4481	\$721,773	\$487,002	-\$234,771	-19.4	2
Shoe Stores	4482	\$152,555	\$0	-\$152,555	-100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$161,281	\$757,073	\$595,792	64.9	2
Sporting Goods, Hobby, Book & Music Stores	451	\$674,498	\$586,463	-\$88,035	-7.0	1
Sporting Goods/Hobby/Musical Instr Stores	4511	\$592,280	\$586,463	-\$5,817	-0.5	1
Book, Periodical & Music Stores	4512	\$82,218	\$0	-\$82,218	-100.0	0
General Merchandise Stores	452	\$4,065,619	\$0	-\$4,065,619	-100.0	0
Department Stores Excluding Leased Depts.	4521	\$2,977,212	\$0	-\$2,977,212	-100.0	0
Other General Merchandise Stores	4529	\$1,088,407	\$0	-\$1,088,407	-100.0	0
Miscellaneous Store Retailers	453	\$1,090,382	\$1,203,984	\$113,602	5.0	4
Florists	4531	\$51,894	\$0	-\$51,894	-100.0	0
Office Supplies, Stationery & Gift Stores	4532	\$174,298	\$476,524	\$302,226	46.4	3
Used Merchandise Stores	4533	\$98,265	\$0	-\$98,265	-100.0	0
Other Miscellaneous Store Retailers	4539	\$765,925	\$727,460	-\$38,465	-2.6	1
Nonstore Retailers	454	\$396,471	\$0	-\$396,471	-100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$268,942	\$0	-\$268,942	-100.0	0
Vending Machine Operators	4542	\$17,524	\$0	-\$17,524	-100.0	0
Direct Selling Establishments	4543	\$110,005	\$0	-\$110,005	-100.0	0
Food Services & Drinking Places	722	\$2,248,700	\$6,259,282	\$4,010,582	47.1	11
Special Food Services	7223	\$63,163	\$0	-\$63,163	-100.0	0
Drinking Places - Alcoholic Beverages	7224	\$114,729	\$762,070	\$647,341	73.8	2
Restaurants/Other Eating Places	7225	\$2,070,808	\$5,497,212	\$3,426,404	45.3	9

The following section provides community data for Spring Valley, Minnesota. This data is for your community's immediate area. More specific and detailed data is available through your REV Community Coach and the e-library.

## Figure 4 Spring Valley, MN

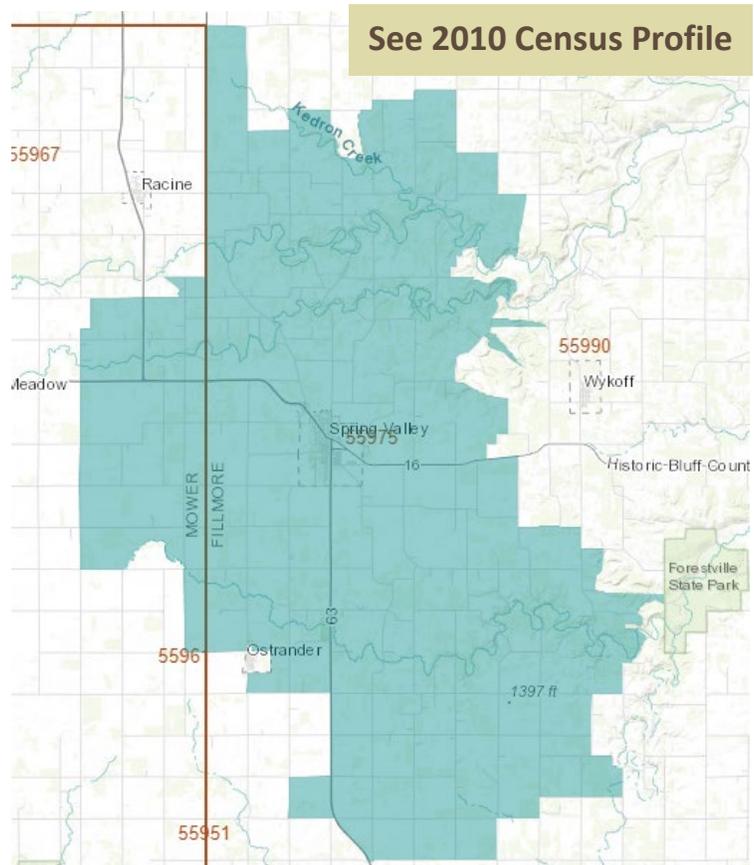
The map highlights the community region of Spring Valley, Minnesota. The community-level data has been pulled at the zip code level. Spring Valley is identified as the 55975 zip code region.

### Spring Valley, MN Demographic Profile

**2010** Population – 3,439  
 Median Age – 42.5 Years  
 Households – 1,818  
 Average Household Size – 2.36

**2018** Projected Pop – 4,355  
**2023** Projection Pop – 4,418

Projected 2018-2023  
 Growth Rate = +0.29% per year



The following are some considerations:

- Give some thought as to what defines your community. Consider not only residents and ventures located within municipal boundaries, but also residents and ventures located in your immediate area. We have worked with your REV Team to define your community inclusive of four Zip Codes.
- Your community continues to have a substantial and growing population and market capable of supporting a relatively diverse economy and society. Esri is estimating for the 2018 through 2023 period that your community's population will grow by a strong +0.29% per year.

**Figure 5 – Esri Business and Employment Profiles for Spring Valley, MN**

<b>Spring Valley, MN Business Summary</b>	<b>Sector</b>	<b>Ventures</b>	<b>Employees</b>	<b>Percent of Total Employees</b>
<b>Total Businesses – 206</b>  <b>Businesses per 1,000 Residents</b> Spring Valley – 47 Fillmore County – 49 Minnesota – 37 U.S. – 77  <b>Total Employees – 1,446</b>  <b>Employees per 1,000 Residents</b> Spring Valley – 332 Fillmore County – 370 Minnesota – 574 U.S. – 447	Agriculture	9	31	2.1%
	Mining & Utilities	0	0	0.0%
	Construction	22	71	4.9%
	Manufacturing	9	72	5.0%
	Wholesale Trade	9	68	4.7%
	<b>Retail Trade*</b>	<b>27</b>	<b>240</b>	<b>16.6%</b>
	Transportation & Warehousing	8	27	1.9%
	Information	5	30	2.1%
	<b>Finance &amp; Insurance*</b>	<b>14</b>	<b>88</b>	<b>6.1%</b>
	Real Estate	9	24	1.7%
	Professional Services	13	64	4.4%
	Management & Administrative	1	8	0.6%
	Education	6	194	13.4%
	Health Care	11	149	10.3%
	Arts, Entertainment & Recreation	5	57	3.9%
	Accommodations	5	21	1.5%
	Food Service	10	79	5.5%
	<b>Hospitality Sector**</b>	<b>20</b>	<b>157</b>	<b>10.9%</b>
	Other Services	31	183	12.7%
Public Administration	8	40	2.8%	
Unclassified Establishments	4	0	0.0%	
<b>Total</b>		<b>206</b>	<b>1,446</b>	<b>100%</b>

Some considerations regarding your venture economy:

It is important to note that there are multiple sources that provide venture and employment information. The Esri resource tends to count more established ventures and therefore fewer ventures when compared to other sources.

Spring Valley has 47 ventures per 1,000 residents compared to Minnesota’s 37 and the U.S. benchmark of 77 ventures per 1,000 residents. This data suggests a substantial venture community and related development opportunities.

Referring to Figure 6 on the next page Spring Valley has a 2018 retail spending leakage of \$10.4 million. Given your community’s size and location, this is a reasonable leakage rate. However, there are opportunities for capturing additional spending leakage. If just 5% of this spending leakage was captured by local businesses an additional \$520,000 in retail sales could be localized contributing to increased local sales taxes and creating between 5 to 10 net new jobs.

**Figure 6 - Retail MarketPlace Profile, Spring Valley, MN, 2018**

**Summary Demographics**

2018 Population	4,355
2018 Households	1,824
2018 Median Disposable Income	\$42,642
2018 Per Capita Income	\$30,174

Industry Summary	NAICS	Demand (Potential)	Supply (Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$62,717,375	\$52,301,346	-\$10,416,029	-9.1	38
Total Retail Trade	44-45	\$57,162,504	\$49,950,174	-\$7,212,330	-6.7	28
Total Food & Drink	722	\$5,554,871	\$2,351,172	-\$3,203,699	-40.5	10

Industry Group	NAICS	Demand (Potential)	Supply (Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$12,578,759	\$10,149,515	-\$2,429,244	-10.7	6
Automobile Dealers	4411	\$10,073,785	\$9,747,893	-\$325,892	-1.6	5
Other Motor Vehicle Dealers	4412	\$1,474,964	\$0	-\$1,474,964	-100.0	0
Auto Parts, Accessories & Tire Stores	4413	\$1,030,010	\$401,622	-\$628,388	-43.9	1
Furniture & Home Furnishings Stores	442	\$1,657,066	\$0	-\$1,657,066	-100.0	0
Furniture Stores	4421	\$973,798	\$0	-\$973,798	-100.0	0
Home Furnishings Stores	4422	\$683,268	\$0	-\$683,268	-100.0	0
Electronics & Appliance Stores	443	\$1,952,375	\$0	-\$1,952,375	-100.0	0
Bldg Materials, Garden Equip & Supply Stores	444	\$4,377,610	\$5,466,377	\$1,088,767	11.1	7
Bldg Material & Supplies Dealers	4441	\$3,918,010	\$4,253,807	\$335,797	4.1	6
Lawn & Garden Equip & Supply Stores	4442	\$459,600	\$1,212,570	\$752,970	45.0	1
Food & Beverage Stores	445	\$8,837,740	\$23,295,247	\$14,457,507	45.0	8
Grocery Stores	4451	\$7,401,972	\$21,978,751	\$14,576,779	49.6	5
Specialty Food Stores	4452	\$455,474	\$405,655	-\$49,819	-5.8	2
Beer, Wine & Liquor Stores	4453	\$980,294	\$910,841	-\$69,453	-3.7	1
Health & Personal Care Stores	446,4461	\$4,142,722	\$2,346,441	-\$1,796,281	-27.7	1
Gasoline Stations	447,4471	\$6,519,414	\$7,341,593	\$822,179	5.9	2
Clothing & Clothing Accessories Stores	448	\$2,625,724	\$0	-\$2,625,724	-100.0	0
Clothing Stores	4481	\$1,815,641	\$0	-\$1,815,641	-100.0	0
Shoe Stores	4482	\$381,305	\$0	-\$381,305	-100.0	0
Jewelry, Luggage & Leather Goods Stores	4483	\$428,778	\$0	-\$428,778	-100.0	0
Sporting Goods, Hobby, Book & Music Stores	451	\$1,620,144	\$158,642	-\$1,461,502	-82.2	1
Sporting Goods/Hobby/Musical Instr Stores	4511	\$1,414,987	\$158,642	-\$1,256,345	-79.8	1
Book, Periodical & Music Stores	4512	\$205,157	\$0	-\$205,157	-100.0	0
General Merchandise Stores	452	\$9,584,756	\$1,090,620	-\$8,494,136	-79.6	2
Department Stores Excluding Leased Depts.	4521	\$7,093,745	\$0	-\$7,093,745	-100.0	0
Other General Merchandise Stores	4529	\$2,491,011	\$1,090,620	-\$1,400,391	-39.1	2
Miscellaneous Store Retailers	453	\$2,357,079	\$101,739	-\$2,255,340	-91.7	1
Florists	4531	\$122,626	\$101,739	-\$20,887	-9.3	1
Office Supplies, Stationery & Gift Stores	4532	\$420,792	\$0	-\$420,792	-100.0	0
Used Merchandise Stores	4533	\$249,763	\$0	-\$249,763	-100.0	0
Other Miscellaneous Store Retailers	4539	\$1,563,898	\$0	-\$1,563,898	-100.0	0
Nonstore Retailers	454	\$909,115	\$0	-\$909,115	-100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$656,691	\$0	-\$656,691	-100.0	0
Vending Machine Operators	4542	\$40,710	\$0	-\$40,710	-100.0	0
Direct Selling Establishments	4543	\$211,714	\$0	-\$211,714	-100.0	0
Food Services & Drinking Places	722	\$5,554,871	\$2,351,172	-\$3,203,699	-40.5	10
Special Food Services	7223	\$149,138	\$0	-\$149,138	-100.0	0
Drinking Places - Alcoholic Beverages	7224	\$305,077	\$72,653	-\$232,424	-61.5	1
Restaurants/Other Eating Places	7225	\$5,100,656	\$2,278,519	-\$2,822,137	-38.2	9

# Strategic Development Considerations for Lanesboro & Spring Valley, Minnesota

## Location Considerations

The Bluff Country region is located in extreme southeastern Minnesota where Wisconsin and Iowa connect with Minnesota. You are part of the Rochester Metropolitan Area with close proximity with Winona, La Crosse and Rochester. You have the ability to offer a smaller town and rural quality of life with access to higher order amenities within a reasonable travel distance. For your entrepreneurs this location offers access to potential markets and partners. Within a larger geography you have access to major metropolitan areas like Minneapolis, Madison, Quad Cities and Des Moines.

## Importance of Demographic Health

**Demographic Health.** Fillmore County peaked in population in 1900 with 28,288 residents. Spring Valley peaked in population in 1960 with 2,628 residents and Lanesboro peaked in 1950 with 1,100 residents. During the following decades the county and the two Bluff Country region communities varied by moderate depopulation to slight growth. However, given regional growth, your county, and two communities are now projected to experience strong to moderate growth. This growth rooted in increasing numbers of commuters using your communities for their residence, but traveling to area employment hubs for employment. Projected regional growth will likely enable this trend to continue. These trends offer two development opportunities:

***Bedroom Community Development.*** *You can stimulate and support bedroom community development through smart investments in affordable housing, quality early childhood education and care and family oriented amenities.*

***Local Business Development.*** *A growing population provides more consumers and greater consumer spending. This trend could enable existing business growth and potential new business startups to meet growing spending.*

**Rebuild a Healthy Population Structure.** Long-term your community and county have been experiencing depopulation (refer to Figure 2 in your DOP). While these losses are not severe and Esri is projecting growth over the next five years there still is a need for focusing on demographic health. Figures 4 and 5 on page 5 of your DOP provide analysis from Dr. Ben Winchester with the University of Minnesota. Dr. Winchester compares age cohort changes for the two decennial periods of 1990-2000 and 2000-2010. Overall, this data suggests a deteriorating demographic profile for Fillmore County. We believe the same would be true for Spring Valley and Lanesboro.

**Focusing on Younger Adults and Retiring Boomers.** We suggest focusing development efforts on attracting and retaining two critical age cohorts: Younger adults ages 25 to 45 years old and retiring Boomers. Increasing your 25 to 45-year-old population will increase your population of youth and young

children, add to available workforce, and increase your consumer base. This demographic will position your community to stabilize your population long-term and move towards sustained modest growth over time. More on the retiring Boomers later in our analysis. For demographic renewal to occur, it is foundational that your community pursue a development approach that increases job/career opportunities and enhances quality of life placemaking that is competitive for both younger adults, young families, and retiring Boomers.

## Strategic Development Considerations

**Your Historic Economy.** Like other rural communities in America's heartland, your community's historic economic rationale was to serve farmers in your area. Production agriculture continues to be an important building block of your economy. Over time, your community became an area trade center providing government, health care, and other services along with retail trade and entertainment offerings. With World War II and the post-war period spurring the movement of manufacturing to America's heartland, your economy was diversified by manufacturing and other industry.

**Your Future Economy?** Production agriculture, manufacturing, and trade center functions are all being stressed today in rural America. Automation, consolidation, and intense external competition is challenging all of these sectors. However, expanding economy opportunity is foundational to demographic renewal and community prosperity. Core development opportunities are tied to retiring Boomers (and associated health care), commuters, tourism and hospitality, and regional economic growth, becoming more competitive in capturing area spending and diversifying your economy through fostering entrepreneurship and growing rooted, area-owned small and medium sized entrepreneurial ventures. More on these opportunities to follow.

**Retiring Boomers.** *Every day 10,000 Boomers are retiring, and this trend will continue for three decades. An important segment of retiring Boomers is moving back to more rural and smaller towns. These Boomers are seeking less congestion, safer communities, and a lower cost of living, but they are also looking for progressive communities that offer the right amenities such as 55 plus housing, strong recreational and cultural amenities, health care, and access to larger communities with airports and a wide range of desired amenities and cultural offerings. Right now, retirees are your community's second largest economic driver generating \$296 million in household earnings in 2017. This part of your economy grew by a strong nearly 68% between 2000 and 2017. We recommend exploring retiree-related development options.*

**Commuters.** *Your community is part of a larger regional economy and society as illustrated by your strong commuting activity. Resident commuters (live in your county but work outside of the county) are your second largest source of household earnings in 2017 at \$257 million. This kind of commuting has grown by a very strong 101% between 2001 and 2017. Inflow from personal income (live in the county and work outside of the county) has grown from \$101 million in 1990 to \$230 million in 2010 and \$251 million in 2016. Outflow of personal income (live outside of the county by work in your county) grew between 1990 and 2010 from \$40 million to \$61 million and moderated to \$60 million in 2016.*

*Your net residential adjustment (inflow versus outflow of earnings) has grown by \$22 million or 13% between 2010 and 2016. This trends supports the view that commuters are becoming increasingly important to your overall economy and society.*

*The Census Bureau also generates a commuter report (Check out the Commuter Report in the Electronic Library) based on 2015 data. For this year, Census estimates that 2,359 workers live outside of your county but commute into the county for work on a regular basis. Another 3,896 workers live and work in your county, and 6,099 (or 49% of all workers) workers live in your county but work outside of your county.*

*In addition to focusing on this as a development reality, there are two potential development opportunities rooted in your commuter economy.*

- 1. Bedroom Community Opportunities.** *Your community is already home to many residents who work outside of your community. Sometimes, we call this pattern a “bedroom” community. Despite working somewhere else, “bedroom” residents have housing, use schools, spend money, and are active in your community. Growth in the regional economy, particularly in adjacent employment hub communities, will increase potential development opportunities for your community. By supporting housing, child care, schools, and other amenities, you can potentially further your development for commuter residents.*
- 2. Source of Entrepreneurial Energy.** *There is a type of lifecycle associated with commuting, particularly among those commuters who are travelling longer distances. Younger commuters are willing to accept lengthy commutes, because they are early in their work and are willing to make sacrifices for their careers. But as commuters age and start to have children or are caring for elders, the “price” of commuting increases. Additionally, as commuters age, they are acquiring experiences, skills, education, and other assets that give them more work and career options. For some commuters, getting off the road becomes an important goal. These commuters may make the choice to move or locate where they work. Or, these commuters may choose to take work or engage in business closer to home. A potential source of entrepreneurial energy is aging commuters ready to start or buy a business in their hometown.*

**Spending Capture.** *Total personal income for your county in 2016 is nearly \$906 million. Some of this income will be saved, invested, or spent elsewhere, but most of this income is available to be spent in your community. Estimated retail demand and supply is summarized earlier in this paper can be found in your DOP, but this data is only a partial picture of potential area spending. In addition to retail spending, there is spending for health care, services, entertainment and recreation, and other activities. Over the years, rural spending markets have faced more competition first with mail order catalogues, then box stores, franchises, and now e-commerce. Corresponding with these trends, competition for local spending has resulted in growing spending leakages to outside competition undermining our main street economies. Your economy continues to have local health care, a relatively strong local finance and insurance sector, and reasonable retail trade indicators. Retail trade, for example, is your ninth largest source of County household earnings. Unlike many rural counties, Retail Trade has experienced income growth between 2001 and 2017 rising by 47%.*

*Detailed retail data is provided for Fillmore County, Spring Valley and Lanesboro in both your Development Opportunity Profile and your Strategic Development Considerations Profile.*

*We encourage you to focus on helping your businesses become more competitive in capturing local spending through changes in offerings, competitive pricing, and most importantly services and hours that are convenient for your consumers. Also consider how you can help your area businesses become more competitive for spending associated with production agriculture, manufacturing, and larger employers like schools and health care. See our [Wal-Mart Strategy Paper](#) for more insight and ideas.*

**Diversification through Entrepreneurs.** *Given likely trends with historic industries like agriculture and manufacturing, we suggest a primary development focus on fostering entrepreneurial ventures by supporting the entrepreneurs within them. Your community continues to be home to multiple locally-owned ventures. We suggest you consider four interrelated entrepreneurship development strategies:*

- 1. Retirees.** *Retiring Boomers are looking to age at home for as long as they can. More affluent retiring Boomers are willing to pay for services that allow them to be active and engaged, while being safe in their homes and communities. One of the fastest growing segments of the American economy today is meeting the needs of retiring Boomers through the right housing, health care, recreation, travel, transportation, and home services.*
- 2. Local Business Competitiveness.** *We have already touched on this point, but for your community, a strong focus on helping willing local businesses become more competitive in this increasingly competitive world is paramount. Local businesses can compete with larger box stores, franchises, and e-commerce in many ways. Your community development work can be pathway to knowledge and strategies that enable your locally-owned businesses to become more competitive and successful in this environment.*
- 3. Transitions.** *For most rural communities, local businesses are largely owned by an older demographic. Too often, the decision to quit business results in a plan to liquidate inventory, close the business, and sell their building. This is the primary reason why we have so many vacant buildings in rural America. Transition assistance is hard and complex, but this is an area where your community may want to obtain assistance to help willing owners explore options that would result in successful business transition for the owners and your community.*
- 4. Growth-Oriented Entrepreneurs.** *The numbers are low, but growth-oriented entrepreneurs (pg 16) are typically the sweet spot of economic development for most rural communities today. In every community, there are some entrepreneurs who have growth aspirations such as adding new products or services, reaching new markets, or adding new locations. When successful, these growth entrepreneurs not only create better ventures and more jobs, but they also create a wider range of jobs and careers through growing small, corporate headquarters. These entrepreneurial ventures also contribute to a stronger tax base and often attract critical community leaders and volunteers, as well as charitable support within your community. As you work with entrepreneurs in your community, also look for those with growth aspirations and plans. You may want to focus additional attention and support on these kinds of ventures.*

## Quality of Life Placemaking

The cornerstone of successful communities in 21<sup>st</sup> Century America is human talent. Talented people drive economic prosperity. Communities that develop, retain, and attract talented people will be in the strongest position for success in the new economy and society. Talented people have choices and typically are more mobile than people with less education, skills, and experiences. Human talent is looking for unique communities that can meet their needs. While most talented people are attracted to denser urban places like the Twin Cities, Des Moines, or Omaha, not all talented people want big city lifestyles. For younger adults and younger families, there is a segment of these talented workers that is seeking smaller, rural communities. Out of necessity, they are choosing communities that offer jobs and careers, affordable housing, quality and affordable early childhood education and child care, and progressive communities. Many retiring Boomers are also seeking to move to communities with lower costs, the right amenities (like 55 plus housing and indoor recreational facilities), and less congestion. Focusing on smart and genuine quality of life placemaking is an essential part of overall rural community development today.

**A Note on Venture and Employment Data:** In our Development Opportunity Profiles, we use three public and two private sources of venture and employment research and data. A detailed review of our profiles shows that values change and sometimes change dramatically based on the sources we are using. The following summarizes these sources and their unique attributes:

### Public Sources

**U.S. Bureau of Economic Analysis.** BEA has very reliable data on private sector business establishments and associated employment. We use this source to profile both farm and nonfarm proprietorships. Proprietorships are typically locally owned and “main street” type smaller businesses. However, this kind of business organization can include small manufacturing, industrial, construction and other concerns.

**U.S. Bureau of Labor Statistics.** BLS captures very accurate information on all establishments that have wage and salary workers based on workman’s compensation filings. However, this source does not necessarily capture smaller self-employment ventures or proprietorships.

**U.S. Census Bureau.** Census establishment and employment data is based on surveys. It is comprehensive but for smaller geographies, the sampling can result in potentially unreliable estimates. This source does include information on commuters, home-based and self-employed persons by economic sector.

### Private Sources

**Esri.** We purchase data from Esri ([www.esri.com](http://www.esri.com)), a national market research company. Esri data is very current and can be procured for almost any geographic unit. It estimates ventures and employment at considerable detail including profiles of potential market demand by detailed economic sector. However, the Esri data is not as comprehensive as compared to Your Economy data.

**Your Economy.** The Your Economy ([www.youreconomy.org](http://www.youreconomy.org)) data is very comprehensive. The Your Economy data for ventures and jobs can be 20, 30 and even 40 percent higher as compared to the Esri data series. The Your Economy data set was created by the Edward Lowe Foundation and is now managed by the University of Wisconsin at Madison.

We use all these sources as they provide unique insights into the economy of a particular geography. Understanding what each source is measuring and how the source is estimating data are important. Hopefully this information helps users understand differences in data shared in this profile.

### Other Sources

All other data contained in this Development Opportunity Profile was obtained from the following:

- Esri ArcGIS Maps ([bao.arcgis.com](http://bao.arcgis.com)), 2019
- Headwaters Economics ([www.headwaterseconomics.org](http://www.headwaterseconomics.org)), 2019
- U.S. Department of Agriculture, Census of Agriculture 2012 ([quickstats.nass.usda.gov](http://quickstats.nass.usda.gov)), 2019
- Ben Winchester [Brain Gain](#) Databook, University of Minnesota Extension (obtained privately), 2016

# About e2 Entrepreneurial Ecosystems

The mission of **e2 – Entrepreneurial Ecosystems** is to help communities and regions connect, learn, and share best practices for building sustainable entrepreneurial ecosystems across North America. With more than 25 years of field experience, particularly in rural America, e2 is the preferred resource for communities of all sizes wanting to pursue prosperity. E2, formerly the national Center for Rural Entrepreneurship, is hosted by [NetWork Kansas](#).

To learn more about e2, go to [www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org).



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## How e2 Can Help

**e2 Entrepreneurial Ecosystems** can help communities increase prosperity through entrepreneur-focused economic development and ecosystem building through:

- **e2 Institutes.** Explore our new generation of e2 Institutes where teams come together, learn from each other and explore the expanded world of strategies, tactics and resources needed in entrepreneurial ecosystem development work.
- **National e2 Resource Network.** e2 offers a resource network capable of connecting those seeking help with those who can help across North America.
- **Analytics Support.** E2 helps communities and regions understand their entrepreneurial potential through research. A sampling of our research tools can be found [here](#).
- **Mentoring.** We mentor and coach new practitioners seeking to pursue entrepreneur-led development.
- **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City, SourceLink, Edward Lowe Foundation, Kauffman Foundation, and NetWork Kansas**. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

**e2 Entrepreneurial Ecosystems** (formerly the Center for Rural Entrepreneurship) is led by Don Macke, who has more than 40 years of community economic development and policy experience. We have a national team of practitioners, both inside and outside e2, who bring research, coaching, incubation, market intelligence and other expertise to this work.

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