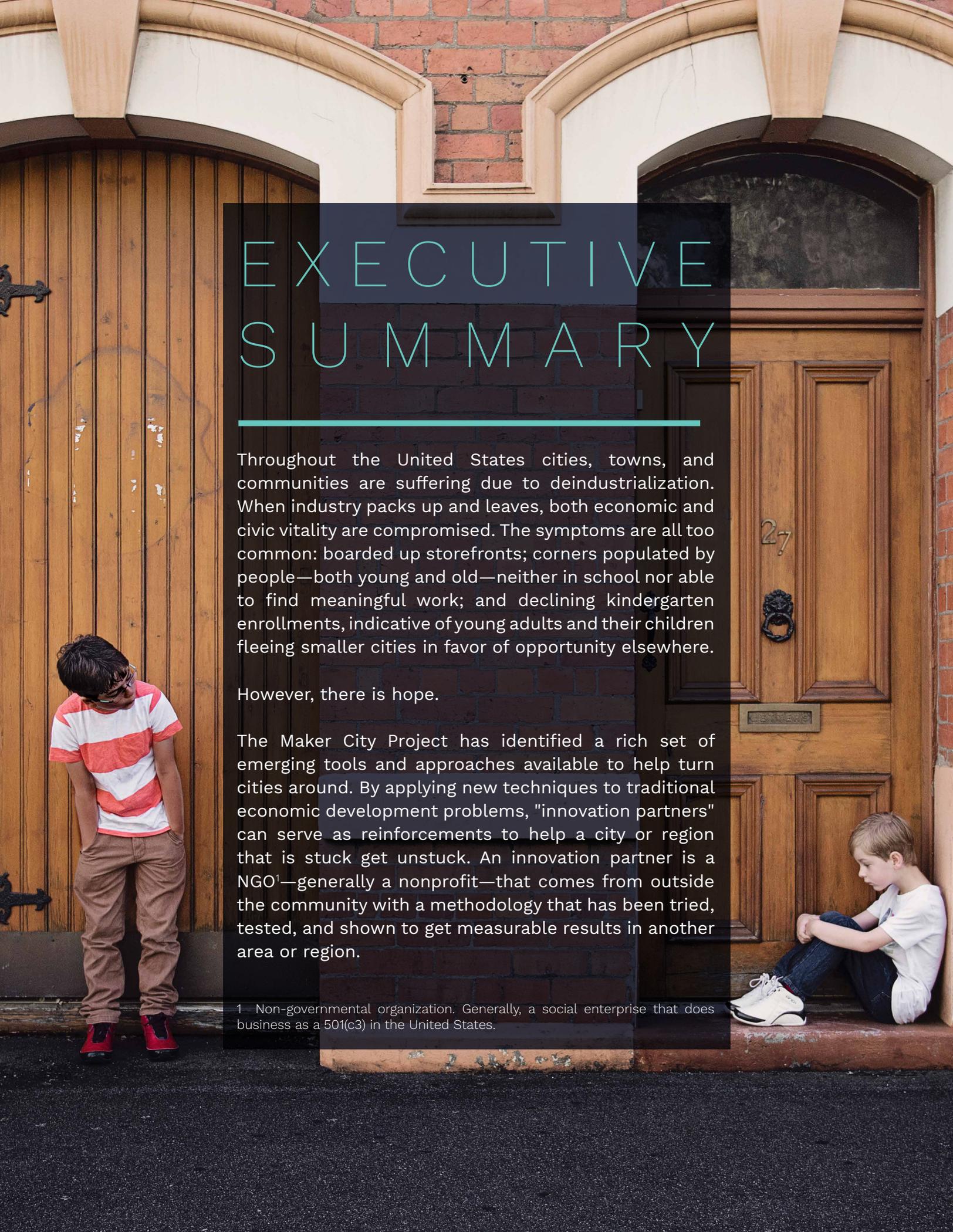




**MAKER  
CITY**

# HOW TO REVITALIZE YOUR CITY OR TOWN

A policy guide  
for localists  
and city leaders



# EXECUTIVE SUMMARY

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Throughout the United States cities, towns, and communities are suffering due to deindustrialization. When industry packs up and leaves, both economic and civic vitality are compromised. The symptoms are all too common: boarded up storefronts; corners populated by people—both young and old—neither in school nor able to find meaningful work; and declining kindergarten enrollments, indicative of young adults and their children fleeing smaller cities in favor of opportunity elsewhere.

However, there is hope.

The Maker City Project has identified a rich set of emerging tools and approaches available to help turn cities around. By applying new techniques to traditional economic development problems, "innovation partners" can serve as reinforcements to help a city or region that is stuck get unstuck. An innovation partner is a NGO<sup>1</sup>—generally a nonprofit—that comes from outside the community with a methodology that has been tried, tested, and shown to get measurable results in another area or region.

<sup>1</sup> Non-governmental organization. Generally, a social enterprise that does business as a 501(c3) in the United States.

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**WHY THIS**

**POLICY BRIEF**

The purpose of this policy brief is to introduce three NGOs, describing both their methodologies and results; to inspire city leaders, economic development teams, and localists with the tools they need to move from hopelessness to tangible progress; to create a renewed sense of community; and to understand how and when to invite an innovation partner to come in and inject their methodology, thinking, and best practices. You and your organization still own the problem, but, by inviting an innovation partner to partner with you, you can help accelerate the solution with a methodology and processes that have been tested elsewhere.

The three innovation partners we'll be showcasing are:

**RISING TIDE CAPITAL**



**INNOVATION COLLECTIVE**



**HOPE STREET GROUP**



These organizations differ greatly from each other in the geography of where they do their work, their fundamental missions, the policy support needed, their cost basis, and the way they measure results. We don't claim that these are the only innovation partners you could invite into your community. They are simply three very different organizations that have succeeded to an unusual extent and are explicitly interested in geographic expansion.

## WHY TRADITIONAL ECONOMIC DEVELOPMENT FAILS

The alternative to organic, bottom-up economic development is what we call "old-school" economic development. This methodology is characterized by providing a company—e.g. Carrier—with tax credits sufficient to motivate the plant to stay<sup>2</sup> or to entice a new employer or manufacturing plant to set up shop in your city or town. In short, the old-school way is to focus on one employer at a time versus taking an ecosystem approach. If you do not have a well-developed ecosystem around entrepreneurship or manufacturing in your city or town, bringing in an innovation partner can really help.

The problem with throwing tax credits or other incentives at a problem is that the resulting economic opportunity is not rooted in what makes a community great or even good. Some people will of course be employed when a new company ... let's call it "Bigco" ... comes to your town and sets up a facility needing 10,000 employees. But many of the employees who are hired will come from outside the community. It is far too easy for Bigco to go out to bid a second, third, or fourth time, and find the next town willing to pay them for the privilege of setting up shop there. The result is a kind of race to the bottom, where corporations can move manufacturing plants from place to place, regardless of the economic consequences for the people and businesses that get left behind. Finally, the incentives and grants that a city must provide to land a Bigco may be so sizeable as to erode rather than build a city's tax base, an important consideration now that many cities find themselves with ballooning pension obligations<sup>3</sup>.

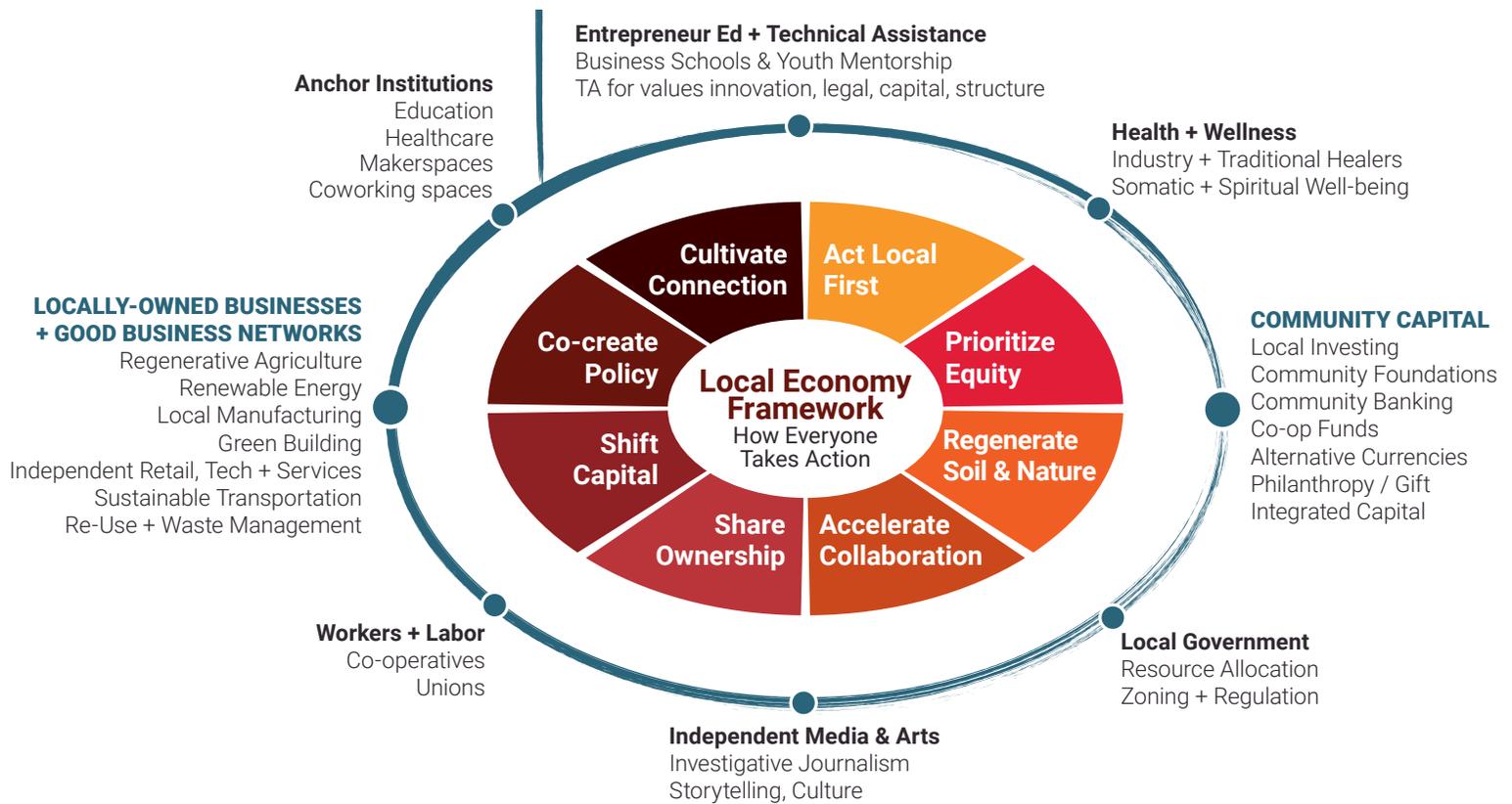
In short, incenting and attracting new companies to come to your city and town can be part of your economic development strategy but it should not be your only tool for economic revitalization.

BALLE—the Business Alliance for Local Living Economies—has created a model for how authentic local economies can flourish. This is an ecosystem approach to which we here at the Maker City Project added our own two cents, to drive home the importance of Makerspaces as one of what BALLE calls an "anchor institution":

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2 Indiana Board Endorses \$7M Carrier Plant Deal Trump Brokered (US News, March 2017)  
<http://mcbook.me/2zg4ud0>

3 Cities Dream Of Landing Amazon's New HQ And They're Going To Great Lengths To Show It (NPR, October, 2017)  
<http://mcbook.me/2yy2tfk>



We leveraged the BALLE model in our interviews with the three NGOs cited above, to better understand the organizations' unique approaches to economic development. Costs cited should be taken in context. An organization that requires an investment of \$500K per year over three years pales in comparison to the Carrier deal, where the state and federal government reportedly invested \$7M<sup>4</sup> to keep a single Carrier plant in Indiana when it threatened to move to Mexico. Cities bidding to become Amazon's second headquarter (the first is Seattle) are likewise expected to offer millions if not billions of dollars in multi-year tax incentives and grants<sup>5</sup>.

Besides lower cost, there is every indication that when you invite a Rising Tide Capital, Innovation Collective, or Hope Street Group into your city or town to assist you in economic development, the results will be more authentic and therefore potentially more resilient in the face of technology change, generating a ripple effect on your community. Company towns—those that are dominated by one employer—are not always great places to live, because the people who live and work there live in constant fear that their community's well being is not something they can control<sup>6</sup>. At a time of wrenching changes in public policy—coupled with rapid technology advances that are changing the very nature of

4 Indiana Board Endorses \$7M Carrier Plant Deal Trump Brokered (US News, March 2017)  
<http://mcbook.me/2zg4ud0>

work itself—local communities need to take charge of their own destinies, not put them in the hands of policy leaders in Washington, DC or at the mercy of corporate juggernauts.

Inviting in an outside organization to help your community flourish may seem counterintuitive. Cannot communities tough it out, go it alone, and get the job done without outside help? The answer is sometimes, yes, they can. But to accelerate change an outside partner can be extremely helpful, to augment the solutions a localist can and will come up with on their own, with additional inputs in the form of outside expertise, infrastructure, and credibility that comes from working with an innovation partner boasting a track record of both fundraising and programmatic success.

## POLICY PRECEDENTS

Before inviting an innovation partner into the community, localists and city leaders need to take a fearless inventory of what they believe to be the core problem stifling economic development in their community.

For many communities, it comes down to a lack of talent. Without a pipeline of talent, a community cannot create new businesses, attract an existing business in growth mode to relocate in whole or in part, nor create the intellectual property that drives investment capital.

Richard Florida has written extensively about what he calls "winner-take-all" urbanism, the notion that several types of capital are getting so concentrated in our major cities that secondary cities and rural areas can no longer compete for talent<sup>7</sup>.

The three organizations we interviewed don't try to attract talent into a community; they work with the people already there to unleash their potential and put them in situations where both they and their communities can thrive.

One important policy precedent is a belief in local first: that local talent should be developed and encouraged to flourish before bringing in outside sources of talent. Increasing the flow of talent works on the supply side. Based on our conversations with the three NGOs, there are well-developed methodologies designed to increase supply. Less developed are methodologies to increase demand, which is where policy needs to play a stronger role.

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5 Big question for US cities: Is Amazon's HQ2 worth the price? (CNBC, October 2017)  
<http://mcbook.me/2yy2tfk>

6 The stress of living in a company town dominated by a single health-care employer is documented. Deep in Trump Country, a Big Stake in Health Care (New York Times, October 2017)  
<http://mcbook.me/2zh1xvrm>

7 The New Urban Crisis charts the problem with "winner-takes-all" superstar cities (New Statesman, September, 2017)  
<http://mcbook.me/2yznWUW>

## POLICY CHECKLIST

FOR LOCALISTS INTERESTED IN ACCELERATING CHANGE USING AN OUTSIDE INNOVATION PARTNER

**PRESENCE OF A LOCAL CHAMPION.** All the organizations prefer to be invited in by a local champion, generally someone at the helm of an NGO that already exists in the community but sometimes—as we'll see when we discuss Hope Street Group—a local for-profit business that is concerned with shoring up a talent shortfall. Consider policies that establish or strengthen a local economic development agency. Make sure your development agency can work with reasonable autonomy. Often, we find that the development agency is funded through a local chamber of commerce. While this can work, increasingly we are seeing cities seek out grants and funding from community foundations for an independent office of one-two people with the explicit goal of economic revitalization<sup>8</sup>.

**ABILITY TO RAISE FUNDS.** The innovation partners we interviewed for this policy brief cost \$125K - \$400K per year. Some fundraising capacity from foundations and donors in the community is therefore critical to your success, should you decide to bring in an outside innovation partner.

**UNDERSTANDING THE STRENGTHS (AND WEAKNESSES) OF YOUR COMMUNITY.** Often these strengths and weaknesses have historical antecedents. For example, Youngstown, Ohio, a community the Maker City Project has studied, has historically housed automobile plants. Today, the plants are all closed but at least one new plant has come to town to assemble large-scale automatic parking facilities<sup>9</sup>.

**FOCUS ON LOCAL HIRES AND LOCAL TALENT DEVELOPMENT.** Some large corporations are looking to relocate or de-locate entire divisions to cities and towns in the heartland of America. This effort is designed to reduce labor and facility costs. But to make the most of this opportunity, cities and towns must figure out the talent will be needed and put policies and programs in place to home grow that talent.

**PARTNER WITH LOCAL UNIVERSITIES, COMMUNITY COLLEGES, AND HIGH SCHOOLS** when it comes to the delivery of programs intended to develop homegrown talent<sup>10</sup>.

**CREATE POLICIES THAT MAKE IT WORTHWHILE FOR MAJOR EMPLOYERS AND/OR GOVERNMENTAL ENTITIES TO PURCHASE GOODS AND SERVICES FROM TRULY LOCAL BUSINESSES.**

**DEVELOP PROGRAMS THAT EMPHASIZE TO RESIDENTS THE IMPORTANCE OF BUYING GOODS AND SERVICES FROM LOCAL BUSINESSES.** These can be medallion programs for artisanal goods as well as those locally manufactured<sup>11</sup> but also storefront programs that encourage people to buy locally<sup>12</sup>.

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8 See for example the small rural town of Redding, CA which hired in Rachel Hatch from the well-regarded think tank the Institute for the Future (ITF). McConnell Foundation Hires Rachel K. Hatch – Focus Will Be on Revitalization of Downtown Redding (ANewsCafe, March 2017) <http://mcbook.me/2zze25T>

9 Connecting Youngstown to Silicon Valley for Growth (Maker City blog, March 2017) <http://mcbook.me/youngsto>



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10 Rhode Island is doing a good job with policies that leverage its local universities. (Maker City blog, February 2017)  
<http://mcbook.me/2zlg3lx>

11 Our colleagues at SFMade created the first such program for the City and County of San Francisco. This model has since been replicated by Portland and Seattle. (Fast Company, March, 2017)  
<http://mcbook.me/2zf7N6O>

12 Some have been critical of the efficacy of these programs. For a guide on how to build an effective program download the free guide  
<http://mcbook.me/2zjW9XW>

# RISING TIDE CAPITAL

[RISINGTIDECAPITAL.ORG](http://RISINGTIDECAPITAL.ORG)

## NON-PROFIT INNOVATION PARTNER

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Rising Tide Capital transforms urban communities by empowering talented entrepreneurs to grow life-changing businesses.

This social-enterprise venture was started by Alfa Demmellash (CEO) and Alex Forrester (COO) in 2004 in Jersey City, New Jersey, a community of some 236,000<sup>13</sup> people located just across the Hudson River from Manhattan. Jersey City is a place of relative affluence along the waterfront but further inland the community is historically poor with a high concentration of African American and Hispanic families.

The initial concept behind Rising Tide Capital (RTC) was to provide financial capital for new business formation in the form of revolving loans. When it became evident that the community needed to shore up both human capital and knowledge capital in order to maximize the use of any financial capital, the initial idea became less of a priority.

According to Alfa Demmellash, the name gives the brand permission to operate like venture capitalists, except that instead of money, the primary form of investment is in human and knowledge capital, helping people maximize their potential and achieve financial stability through business ownership.

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13 The population has increased to 265,000 in 2016 according to Google, making it the fastest growing municipality in New Jersey (Wikipedia, October 2017)  
<http://mcbook.me/2h1aHXN>

## METHODOLOGY FOR CHANGE

At the heart of the RTC methodology is a 12-week program they call **The Community Business Academy (CBA)**. The curriculum was developed by RTC and accredited by the Business School at Saint Peter's University, a private Jesuit university that operates out of a 25-acre campus in Jersey City. Core to the curriculum are three in-depth simulations, a pedagogy which recognizes that adult learners learn best when exposed to educational activities that are active and hands on. The CBA focuses on the practical nuts and bolts of how to set up a business and see it prosper: budgeting, marketing, bookkeeping, and financing.

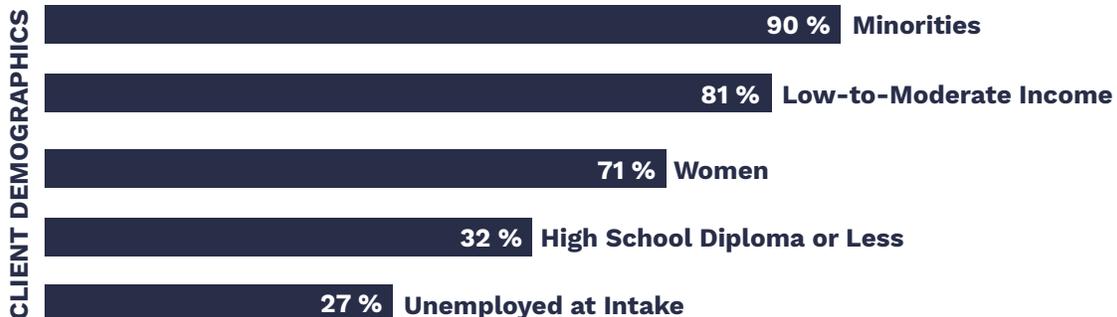
Most of the new businesses are what we here at the Maker City Project would call "practical businesses," e.g. child care, car repair shops, home health care, restaurants. The average entrepreneur is a 40-year-old woman with two children who before Rising Tide Capital's program was making only \$35,000 per year. Local cost-of-living calculations estimate that she would have to earn \$50,000 per year to be considered financially self-sufficient<sup>14</sup>.



# \$15,000

An extra **\$15,000** per year from a business can help a Rising Tide Entrepreneur:

- achieve self-sufficiency
- save for the future
- educate a child
- contribute to a healthy local economy



14 The Real Cost of Living: The Self Sufficiency Standard for New Jersey 2013 (The Legal Services of NJ Poverty Research Institute, 2015) <http://mcbook.me/2iybWZk>

The program focuses on business ownership as a means to build financial security, particularly for its entrepreneurs, most of whom are people of color with a high school education and no more. The Rising Tide Capital CBA is something one must apply for and the application process— while intended to be inclusive—is also designed to weed out people who are not judged ready to make the commitment to a 12-week program. Everyone who attends the program pays something to defray the cost for the program. Program costs are estimated at \$3950 per person, most or all of which is defrayed by scholarships on a sliding scale based on income<sup>15</sup>. You must have a business idea going into the program.

Some participants come from Wall Street and other established industries; what attracts them to the program is the ability to get training as an entrepreneur in a safe setting, one where they won't be subject to the same kind of competitive pressure they might find elsewhere. Following completion of the Community Business Academy, Rising Tide entrepreneurs are eligible for mentoring and ongoing coaching for an indefinite period through a program called **Business Acceleration Services (BAS)**.

Mentors meet one-on-one with the entrepreneur, identify barriers and accelerators to business growth, and then connect the entrepreneur to business services as well as financing and procurement opportunities. This intensive mentoring program has the added advantage of giving Rising Tide a way to stay close to some 2,000 people who have graduated from the CBA program since its inception in 2006. In this way, results data can be collected in a way that is not burdensome to the entrepreneur. The program focuses on businesses that at minimum will be sufficient to support a family. Part of Rising Tide Capital's theory of change is that business ownership is one of the things that allows poor people to climb into the middle class and accumulate if not wealth then at least financial stability. Rising Tide Capital hosts "Start Something Challenge" and "Plan and Pitch" business competitions as well as introductory seminars to recruit people into the Community Business Academy program. Potential attendees, contestants, and graduates mingle at these events, network, and form business relationships and partnerships.

Being an entrepreneur can be isolating. Although one of the things that Rising Tide Capital doesn't explicitly teach is "how to network," Alfa Demmellash, CEO, commented that "people network intensely at these events." Rising Tide Capital brings these entrepreneurs together in the community about four times a year to support each other, thereby increasing social cohesiveness.

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<sup>15</sup> The most any one individual must pay is \$395 representing 10% of the total program cost.

## ANCILLARY BENEFITS

There's a multiplier effect that happens when communities support a wide range of entrepreneurial businesses. Some of the businesses are entirely local, providing services the community values and providing jobs for people who live in the community. Other businesses may have national or international ambitions, hiring people from the local community but also bringing in new people with diverse backgrounds and talents. One way to think of business formation is as a kind of yeast—to help a community rise—by increasing money that gets spent locally, the local tax base, home values, and quality of life.

## COMMUNITY-BASED TRAINING

Currently, Rising Tide Capital runs many of its programs out of locations in the community, e.g. churches, community recreation centers, and public schools, as well as university campuses, which serve as anchoring institutions both for RTC and the Jersey City community as a whole. It hopes to establish its own building, one with potential room for its entrepreneurs to co-locate, perhaps with a Maker Space or something similar. That said, until now, the team at RTC believes that part of its appeal is in bringing entrepreneurial training to the community in familiar settings, rather than requiring the community to come to them.

## RESULTS MEASUREMENT

**110**  
BUSINESSES  
STARTED



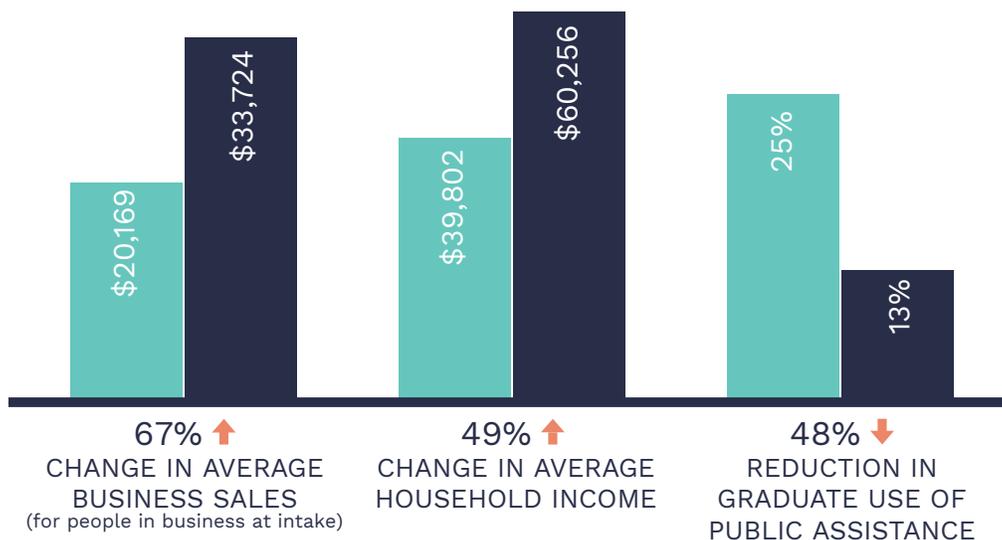
**344**  
NEW JOBS  
CREATED



**272**  
BUSINESSES  
STRENGTHENED



**187**  
BUSINESSES  
EXPANDED



■ at intake ■ within 2 years

\* statistics from 2016

## **GREATEST CHALLENGE**

The greatest challenge is encouraging the entrepreneurs it has trained to see around corners, to anticipate the impact technology and societal change will have on their businesses, and to forward plan accordingly. For example, Alfa worries about the car repair businesses that have been started under her watch. What will happen when personal car ownership goes away, say with the advent of fully automated vehicles?

Two systematic ways that RTC is dealing with this challenge that could be readily replicated in other geographies are:

- **Convening Local Living Economy Working Group** (LLEWG), a cross sector group that brings together community, business, education, and other leaders across the entire ecosystem of Jersey City to meet and discuss common issues when it comes to building an inclusive, 21st century economy.
- **Cultivating an 80:20 mix of students** in the Community Business Academy and other seminars and classes. While 80% of the students are deemed low-to-moderate income by federal HUD standards, 20% have more means and presumably bring with them access to broader networks and economic opportunities including access to modern technologies and other change agents... not generally found in low-income, minority-based communities.

## **EXPANSION STRATEGY**

Currently, RTC operates in five cities and towns in New Jersey and has established its first outpost in Chicago, Illinois under the auspices of the localist organization Sunshine Enterprises, a spin-off of Sunshine Gospel Ministries.

## **MOST SUITED FOR**

RTC's model is most suited for low-income communities that are located adjacent to major cities plus cities in the Rust Belt that are isolated from economic opportunity. Currently, they are expanding on the Southside of Chicago and serve entrepreneurs in Bayonne, New Jersey which is a predominately white and working-class city quite different from Jersey City. What these communities have in common is a low-rate of business formation coupled with a lack of mobility in housing, meaning that the wage earners in the community cannot go elsewhere in search of economic opportunity.

## **COST/TIMING**

If invited into a new community, Rising Tide Capital can get started with approximately \$250K - \$400K, generally raised from some combination of community-based foundations, high net worth individuals, and personal donations. Alfa and her team are willing to help with raising funds but only so long as there is a strong localist or city leader in the new community willing to take a leadership role in fundraising.

## WHAT PEOPLE ARE SAYING



**PAMELA ROUNDTREE**  
OWNER // NEWBODY.NEWMIND.NEWLIVING

"I am very passionate about what I do, but passion can only get you so far. When I first started my business, I had no target market. I just wanted to work out and help everyone. RTC took my passion and made sure that I focused on a specific audience. They helped me develop as an entrepreneur, so that I can be successful. Without Rising Tide Capital, I would have failed."

"My ultimate goal is to grow my business to a self sustainable level where I could concentrate on managing/ leading the business without having to put in the physical effort. I will know I'm there when my business makes consistent revenue year over year without my physical input, just my management and leadership skills."



**DANTE CASTILLO**  
OWNER // D-AMERICA ELECTRICAL



**HENRY DEGREGODA**  
OWNER // LOVE IN THE CITY

"My ultimate goal is to leave my business to my kids and set an example for the kids in the community. There aren't many black business owners here; there is no example for these kids, and there isn't a lot for them to do. I want to be that person that shows them another way. That's why my store is called Love in the City. I am promoting love."

# INNOVATION COLLECTIVE

[INNOVATIONCOLLECTIVE.CO](http://INNOVATIONCOLLECTIVE.CO)

## NON-PROFIT INNOVATION PARTNER

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The Innovation Collective creates powerful tech economies in underserved cities. IC uncovers incredible investment opportunities with very reasonable valuations in places where most would never look.

The social-enterprise venture was started by Nick Smoot in 2014 following his success as a serial entrepreneur in Los Angeles. When he sold his last startup called Here on Biz, Nick knew he wanted to return to Coeur d'Alene, Idaho where both he and his wife grew up. He caught our attention at Maker City as a prime example of a boomerang entrepreneur—someone with a yearning to return home and make a difference plus the expertise, capital and network to do so<sup>16</sup>.

Nick's initial thinking was to act as a VC and to that end he established a small seed fund called Mountain Man Ventures with \$5M of his own money. He observed that people in Coeur d'Alene were cut off from the economic revival happening in Los Angeles and other cities in the U.S. that are leading innovation hubs. His insight was that there was no reason that Coeur d'Alene—a city of some 44,000—could not transform itself into a center for innovation. Or was there?

Of course, the biggest center for innovation is Silicon Valley, anchored by San Francisco to the North and San Jose to the south. Normally, we here at the Maker City Project do not recommend that cities and towns try to mirror the success of Silicon Valley. The things that make Silicon Valley great<sup>17</sup> are not readily present elsewhere as evidenced by the fact that 88% of the venture capital in the U.S. get invested in only 20 metro areas in the U.S. and fully half of that (44%) gets invested in Silicon Valley<sup>18</sup>.

Nick's vision for Coeur d'Alene was that the city was ripe with talent that could innovate if given the chance.

## METHODOLOGY FOR CHANGE

The initial concept behind Innovation Collective is to turn an entire city or town into a kind of petri dish for innovation which it calls an innovation accelerator.

Innovation Collective’s methodology for community transformation starts by evaluating a city or town, its historical assets, heritage industries, and current strengths and weaknesses, and making a big, bold hypothesis about the core competency of the city or town and therefore where it can best make its mark in forward looking technologies.

For Coeur d’Alene, the IC team ended up recommending that the city double down on two sectors: artificial intelligence and robotics. Local workers were nervous about the impact AI and robotics would have on the future of work. Addressing this nervousness head-on was an audacious start for a young company. There were already several robotics companies in Coeur d’Alene; however, no one had recognized this and asserted this as the beginnings of a cluster or hotbed of innovation. Additionally, there was a history of AI in the city including NextIT, a leader in the chatbot/AI space.

### INNOVATION COLLECTIVE 3 PHASE PROCESS



#### **1. ECONOMIC REBRANDING**



#### **2. ACTIVATING ENTREPRENEURS**



#### **3. IMPORTING EXPERTS CELEBRATING WINS**

At the heart of Phase 2 and 3 are a series of convenings designed to engage locals who would not normally consider themselves entrepreneurs, inventors, and makers.

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16 Boomerang Workers Head Home (Axios, October 2017)  
<http://mcbook.me/2zgEUot>

17 "Regional technology clusters engender concentrated knowledge flows and spillovers, workers with specialized skills, and dense supply chains that improve firm productivity. Many R&D-intensive firms benefit from proximity to innovation resources such as universities and federal laboratories, and this closeness produces myriad 'ecosystem' benefits." (Brookings Institution Report, December 2016)  
<http://mcbook.me/2yxfkhX>

18 The Spiky Geography of Venture Capital in the US (CityLab, February 2016)  
<http://mcbook.me/2zk1jTI>

## CONVENINGS



### **FIRESIDE CHATS**

- 1x per month
- Open to all



### **COFFEE AND CONCEPTS**

- 2x per month
- Open to all



### **QUARTERLY SUMMITS**

- 1x per quarter
- Open only to Innovation Collective Leaders Network (ICLN) members and their guests



### **BI-YEARLY LEADERSHIP SUMMITS**

- Open to members of the ICLN



### **YEARLY THINK BIG FESTIVAL**

- 1x per year

Chris Cochran, Chief Operating Officer for the Innovation Collective, describes their vision:

"One of the things we really believe in is that human flourishing leads to revitalizing our course work. Our curriculum itself is a less structured curriculum than you may find in some other educational-type platforms. And while what we do is educational, we do it through hosting a series of events, and inspiring people through those events. The big events we have been doing in different towns are fireside chats. That's where we allow average citizens to come and hear the entrepreneurial stories of people, either in their community or exported from outside their community. We try to help people understand that no matter how amazing a person may be, 'they're just like me.' And it's the inspiration behind, 'I can be anything I want.'

The second thing that we do is called 'Coffee and Concepts.' Coffee and Concepts are bi-monthly meetings where we inspire people to understand and learn from what's going on in the media, around tech news specifically. We look at tech news from a global, national, regional, and local level. And we have an open-forum discussion on that. And then at the end of that time, anyone in the group can present anything

they're working on and that they need help with. And in doing so, we have seen nine different companies start from it. One of them now has a valuation in the tens of millions of dollars.

We also have a private club, a leadership network [the ICLN] for those who really want to be immersed in the entrepreneurial lifestyle; becoming the best version of themselves they can be. The club includes a program that we call the 'Great Eight'. Great Eight is a small group learning experience led by one of our instructors around the eight areas of life that we all suck at. Things like money, vision, family, fun, playtime, etc.."

What Chris is talking about here is a winnowing-down process that feels natural as individuals who participate in the convenings self-select into a series of more intensive activity. Ultimately this culminates in a leadership network of 12-20 entrepreneurs who are committed to creating new IP, products, and ultimately companies that will be based in Coeur d'Alene. Funding for the companies comes from friends, family, at times from crowdfunding and—of course—from Mountain Man Ventures. To date, there have been 40+ companies established in Coeur d'Alene as a direct result of the Innovation Collective's work including at least one company valued at \$40M; Mountain Man Ventures has already provided seed capital of \$7M for companies based there.

Another key component is an annual "Think Big Festival" that brings thought leaders to Coeur d'Alene to speak for a 3-4-day festival. The Think Big Festival is open to everyone in the town to attend, promoted with great fanfare by the city and chamber of commerce, and designed around a series of speakers of national or even international caliber.

## **ANCILLARY BENEFITS**

There are three different but parallel benefits IC brings to their communities:

- **Empowering talent to rise inside the community.** People who never thought of themselves as inventors, entrepreneurs, or makers start to participate in the convenings hosted by IC and—as a result—begin to see themselves differently and imagine a different future for themselves.
- **Making people more publicly accountable,** as they commit to their dreams and how to change their lives.
- **Injecting outside thinking into a community** which provokes new ideas and transformational thinking.

Nick Smoot commented:

"For example, in one of the cities coming up, we are going to have a summit where we have the former financial wealth manager for the Queen's Mother, and a CIA agent who has been tasked with researching exponential job loss. And we'll bring those two in. The full focus of their time will be spent on what skills have they developed in their lives to get to where they are, what tools do they use to manage their own lives, and what inspiration or kind of encouragement can they give to the attendees. It's a two-and-a-half, almost three-day kind of experience that's attended by typically 70 to 80 locals. And as that wraps up, the end focus is that everyone kind of has a proclamation statement of, 'Because I came this weekend, I want to change this, or this will be different in my life.'"

## **PLACEMAKING**

Currently, Innovation Collective runs many of its programs in Coeur d'Alene out of its offices inside the Innovation Den, a 34,000-foot coworking space that operates out of a 110-year-old building that formerly housed the Elks Club. Nick partnered with two other entrepreneurs to purchase the building and adapt it to use as a permanent home for the Innovation Den.

"Most of the companies in the building are focused on technology, robotics, and artificial intelligence. The University of Idaho's computer science and robotics department is in the building's basement. An unmanned aerial vehicle company, xCraft, also leases space.

In all, the building has 52 offices and six large suites, which range from 1,200 to 4,000 square feet. The building has an additional 5,000 square feet of coworking space, a communal office space for people not typically employed by the same organization."<sup>19</sup>

The building opened for business in August 2017; today, there is no space available to lease other than coworking space, which leases for \$250 a month with 24-hour access to the building.

Having a facility like this is essential to the vitality and dynamism of the community. People are incented to set up their businesses at Innovation Den to join a community of like-minded individuals, access low cost space without a long lease obligation, and for high-bandwidth internet access.

Additional investments in placemaking are planned as IC looks to spark the creation of a Makerspace for the town of Coeur d'Alene.

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<sup>19</sup> The Spokesman-Review, August 2017.  
<http://mcbook.me/2iyqesz>

## RESULTS MEASUREMENT

Innovation Collective measures results in terms of the number of patents filed, the number of companies created as a direct result of its efforts, and the number of millionaires it creates. You heard that right. Millionaires. Part of the winnowing-down process described above is for Nick and his team to identify the 10 "new money millionaires" that will be created as a direct result of IC's work.

While this may not feel "inclusive" in the same way as Rising Tide Capital or Hope Street Group, Innovation Collective is unabashed in its goal, noting that successful technology businesses can revitalize a city or town from top to bottom. For every one technology-based job created, approximately 4.3 services jobs are created in a city or town due to dry cleaners, delis, craft breweries, coffee bars, coworking spaces, and other amenities that tech workers both expect and are willing to spend their money on<sup>20</sup>.

The risk—of course—is that the Innovation Collective ends up crafting Coeur d'Alene in Seattle's image, a city that has been criticized for a growing divide between the haves and have nots<sup>21</sup>. Therefore, it will be important for IC to measure and report on income equality, the gender wage gap, and income parity among minorities as it moves forward with its mission. Although it is early days, the data suggests the tax base in Coeur d'Alene is up after three years of concerted effort from Nick and his team.

## GREATEST CHALLENGE

According to Nick, the greatest challenge he and his team encounter is understanding what elements of his full-stack methodology are critical to economic revitalization of a city and town and which are potentially optional. For example, is it important to bring venture-type financing into a community as part of Innovation Collective's work? Similarly, what about housing?

Coeur d'Alene is like many rural and exurban cities in the U.S. in that it is having a difficulty attracting and retaining young people, who leave the city to pursue economic opportunity and their dreams in other areas. Today's housing stock is dominated by single-family housing and not condos, apartment buildings, or live/work lofts; the latter types of housing are more attractive to young adults just getting their start in life. To attract and retain young adults, the Innovation Collective is partnering with a company called Innovation Village (no relation to Innovation Collective; these are separate companies) to test out the importance of adding housing to the stack.

20 Patrick McKenna, Venture Capitalist, who works with communities in the Midwest including Youngstown and Warren, Ohio. He is citing here a statistic from a Bay Area Council study, December 2012. See also The Multiplier Effect of Innovation Jobs (Sloan Review, June 2012) which estimates the multiplier effect at 1 technology job to 5 service jobs. <http://mcbook.me/2ix6xBw> <http://mcbook.me/2zgGIQt>

21 Seattle Economy Worsening Inequality (The Guardian, March 2015) <http://mcbook.me/2zzS8jd>

Nick says that "All I dream about is a place where people can come home and they're talking to their neighbor, they're reading books, they're sharing about what they've been working on, and it's a very engaged community with more affordable homes that are between 500 and 1,200 square feet." Part of Nick's dream is a homeowner's association (HOA) that pays to bring in artists-in-residence and guest lecturers on a regular basis.

## **EXPANSION STRATEGY**

Currently, Innovation Collective operates in five cities and towns in Idaho, Montana, California, and Canada, just over the border from Coeur d'Alene. The venture's expansion strategy is to move into new cities and towns in the states where it already does business, with a focus on states where it can develop a presence in four or more cities at a time.

## **SELECTIVE ACHIEVEMENTS**

### **2015-2016**

- \$1.5M in venture capital raised; \$1.3M deployed
- 72 jobs created
- Over 3,000 attendees to IC events
- 75 experts imported
- 17 businesses created or accelerated

### **Partial List of Businesses Funded**

Rohhini - <http://www.rohinni.com/>  
Commercializing micro LEDs

Xcraft - <http://xcraft.io/>  
Powerful flying machines (drones)

Continuous Components - <http://continuouscomposites.com/>  
3D printing using multiple types of materials e.g. kevlar

Polysync - <https://polysync.io/>  
Technologies for autonomous vehicles

Nick spends much of his time talking about the success of the IC model when applied to Coeur d'Alene and participating in national convenings around the future of work. This provides him with an excellent vantage point to meet other entrepreneurs who may be interested in "going home again." At the Maker City Project, we are excited about IC's full-stack model and will be following it closely as the Innovation Collective expands its geographic footprint.

There are a variety of ways you can bring Innovation Collective to your community. There's a free mode, where IC trains people via an online bootcamp on how to implement its methodology locally; for this someone in your city or town must apply to the program, get accepted, plus agree to meet certain branding and reporting standards. There's a light mode, designed for a small group of localists and/or city leaders in a single city, which costs \$1300 per month. With the light mode, your people are provided with an in-person bootcamp, trained in the methodology, and then provided with tools and support in an on-going manner.

Finally, you can bring IC to your city or town in a just-add-water manner, something the company calls a "full stack." With the full-stack model, Innovation Collective identifies and hires a community manager to work inside your city and serve as a lynchpin for programming and convening activity. Hiring a community manager may not be sufficient. Nick brings an unusual amount of vision, energy, and investment capital to Coeur d'Alene precisely because this is his hometown and he is a boomerang entrepreneur. It's entirely possible that to replicate its success in other geographies, Nick and the IC team will need to recruit a cadre of successful entrepreneurs who wish to go home again as he did. A community manager is someone you hire in; a boomerang entrepreneur is someone you locate in another city and convince to move home.

## **MOST SUITED FOR**

Rural communities and exurban cities and towns, especially those that are smaller and index low on economic opportunity but high on quality of life are well-suited for this model.

The Maker City Project believes it would be natural for Innovation Collective to continue to expand its footprint in Western states (Idaho, Montana) as well as in certain towns in the Midwest/Appalachia and the South, especially those that were former strongholds for automobile manufacturing and have close relationships with research universities capable of spawning intellectual property.

## **COST/TIMING**

If invited into a new community to implement the full-stack model, Innovation Collective can get started with \$135K per year over five years, generally raised from the state using funds earmarked for economic development. Foundations, corporate grants, and individual contributions are also part of its funding strategy. Nick and his team stress that this kind of money will not support a full convening schedule (64 convenings per year) but is sufficient to hire a dedicated community manager to curate up to three meetings per month or 36 per year. With this as a basis, a city or town can get started, see some early results, and go out and seek additional funding. Funding for the entirety of the full-stack model is more on the order of \$300K - \$500K per year depending on the size of the community and its ambitions.

# HOPE STREET GROUP

[HOPESTREETGROUP.ORG](http://HOPESTREETGROUP.ORG)

## NON-PROFIT INNOVATION PARTNER

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Hope Street Group accelerates solutions for social impact across the top drivers of economic opportunity: Education, Health, and Jobs.

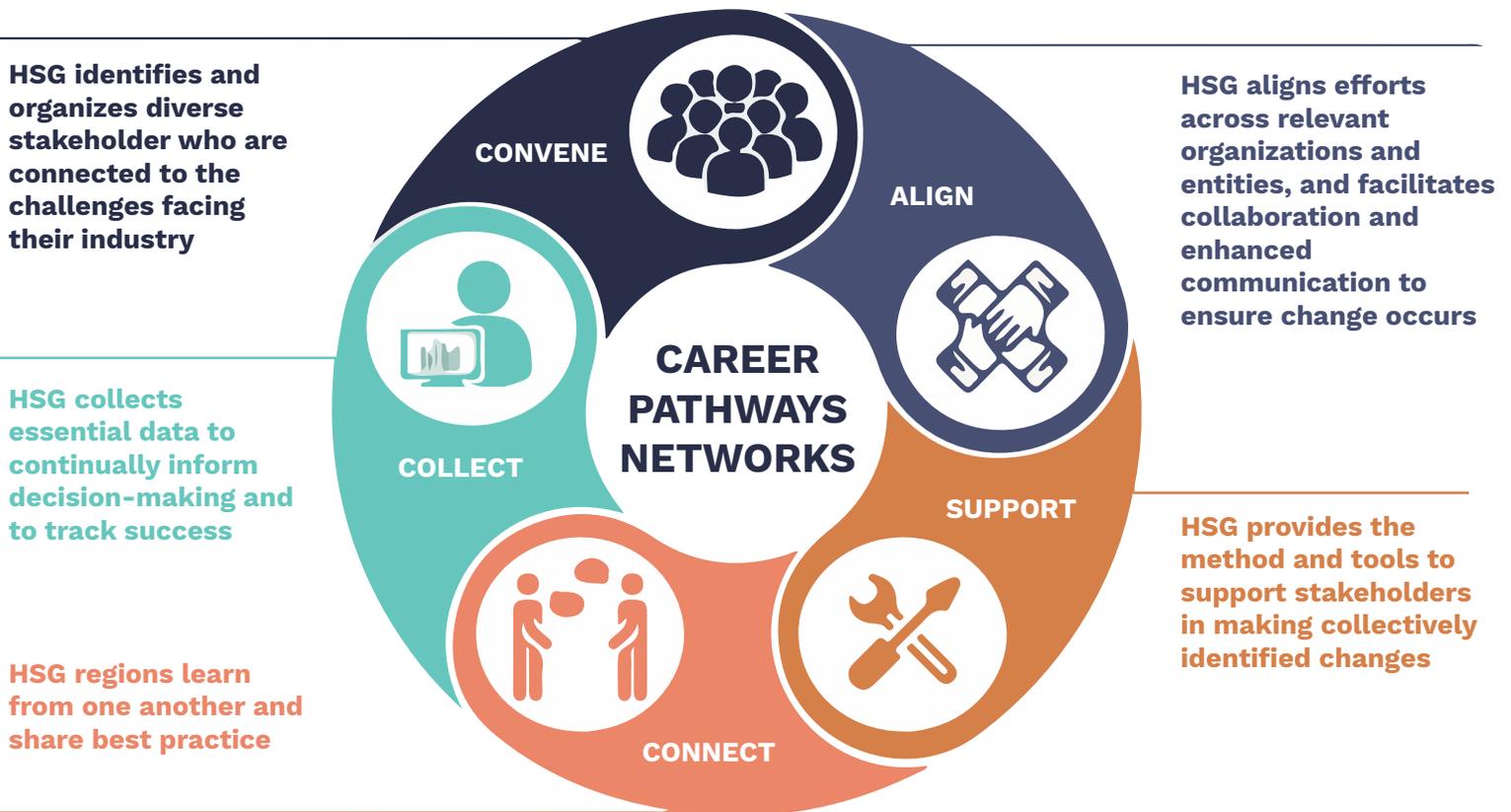
Hope Street Group (HSG) is an innovation partner with operations in 16 regions across 14 states, including Arizona, California, Colorado, Hawaii, Idaho, Kentucky, New York, North Carolina, Michigan, Minnesota, South Carolina, Tennessee, Texas, and Utah. Its mission is to ensure that people have access to the tools and options that lead to economic opportunity. Hope Street Group does that by focusing on re-engineering the big systems that drive economic opportunity: education, workforce development, healthcare. While all three systems must function well to make for a lively local economy, we are going to focus here only on the Hope Street Group as an innovation partner in workforce development.

The social enterprise was founded in 2003 on the south side of Los Angeles by a group of local business leaders concerned that the stepping stones into the middle class were slipping away for the majority of Americans.

Hope Street Group's staff of 18 lives and works in cities across the country. They are led by CEO Martin Scaglione who is based in New York City. Hope Street Group is proud of the distributed nature of its team which it says gives them greater insight into the challenges local practitioners face in their communities.

According to Martin Scaglione, the organization focuses on working with local practitioners to change the system from the inside out. Hope Street Group doesn't work directly with individuals; instead it works through workforce development practitioners, connecting them together and with major employers in the region. This takes considerable work on the ground. It is not uncommon to have multiple practitioners operating in a community in a highly siloed way; a city or town might have separate organizations providing workforce training to veterans, disadvantaged youth, the chronically unemployed, and recent immigrants. Major employers don't have the time or willingness to navigate these waters; what they want is access to a training methodology that works plus a reliable pipeline of entry-level talent.

## **HSG Methodology:**



It is widely recognized that the system of workforce development is broken: that unemployment among low-income communities remains stubbornly high even as employers complain that they do not have a pipeline of talent to fill entry-level positions. This problem is particularly pressing for entry-level jobs that require considerable skill but not necessarily a 4-year college degree.

## METHODOLOGY FOR CHANGE

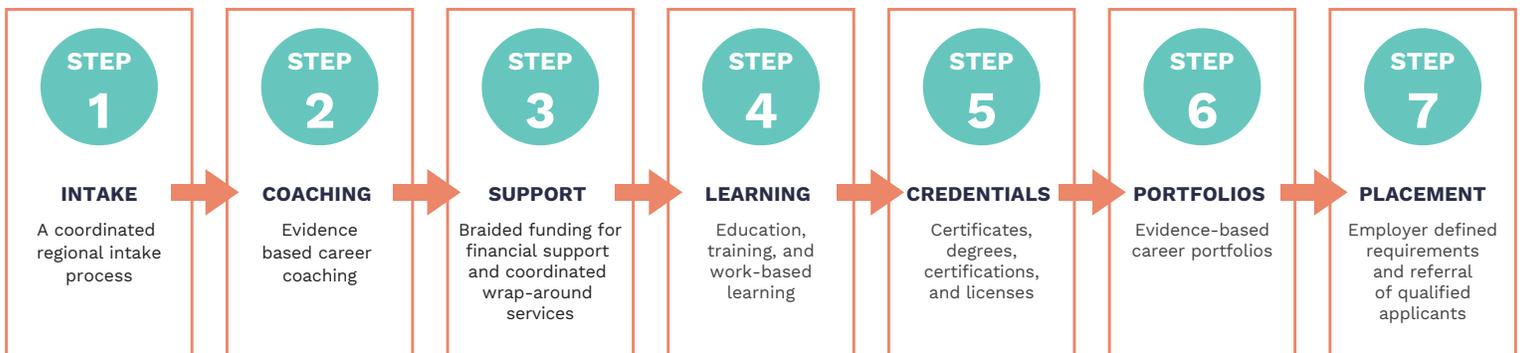
As of 2009, the U.S. spends \$17B per year on workforce development<sup>22</sup>, with most of the dollars implemented locally and the funding flowing through state, federal government, and banks which are chartered with a community-development mandate. Despite the huge inflow of money and the commitment of many skilled and hard-working practitioners, there is broad recognition that workforce development doesn't work all that well.

### SIGNALING PROBLEM AS DEFINED BY HOPE STREET GROUP

Employers are often unaware of or unclear about their identification of the skills and competencies needed for certain jobs. This leads to poor communication with individuals, educators, and practitioners, creating a skills mismatch and ineffective jobs systems. As a result, individuals are not attaining the necessary skills to either enter or advance along a career path.

To solve the signaling problem, Hope Street Group (HSG) works with local practitioners in the region as well as with major employers to pull together a systemic response that builds a pipeline of talent. For example, in Healthcare in West Michigan, HSG works with Trinity Health, plus the local workforce board, community college, and other workforce practitioners.

### HSG's Seven Step Career Pathway Model:



Hope Street Group is explicit about taking an evidence- and metrics-based approach to the process of workforce development, to focus on what really works. This is unique. A researcher from Vanderbilt University commented that: "in spite of meta-analyses spanning 90 studies and 26 countries, the evidence of what works in workforce development is light on facts, evidence, or results."<sup>23</sup>

22 Figure from GAO report entitled "Multiple Employment and Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies." The sheer size of this number set off a firestorm that too much money was being spent on workforce development and that many of the programs funded were duplicative. See CLASP Report (2013) for an in-depth discussion. <http://mcbook.me/2y4JfK1> <http://mcbook.me/2AaSOrt>

23 Workforce Development in the United States: Changing Public and Private Roles and Program Effectiveness by Carolyn J. Heinrich (Vanderbilt University, June 2016) <http://mcbook.me/2zjPqNM>

## RESULTS MEASUREMENT

Hope Street Group measures results in terms of what is important to the practitioner (number of employees trained, cost per head of training, the resulting placement rate, and average year one earnings) but also to the employer (number of skilled workers in pipeline, reduction in time to fill an open position, decrease in turnover rate, and advancement rate).

Hope Street Group's big hairy audacious goal<sup>24</sup> is something it calls "25 by 25". It wants to see 25% of the individuals trained via its methodology promoted by the year 2025. This recognizes that often an entry-level job in industry is not sufficient to lift a lower-income family into the middle class. This focus on "getting promoted" may miss the larger trend, that traditional jobs inside industry are being substantially reshaped and/or even eliminated due to the rise of AI and robotics. The capacity to rapidly learn and absorb new skills is an essential one to survive the wrenching changes to the economy that are expected to come from the fourth industrial revolution. But how do you measure resilience and the capacity and willingness to learn new things, even if they are exceedingly hard?

## GREATEST CHALLENGE

To lift people up and make the most of human capital, people need to be able to more easily access entry-level jobs and to move up in their chosen fields. Historically, this has meant focusing our young people on education and going to college. A recent report from Georgetown University's Center on Education and the Workforce<sup>25</sup> underlines that the post-recession recovery of 2010-2016 was strikingly different from previous recoveries:

- Workers with more than a high school education gained 11.5 million of the 11.6 million jobs added in the recovery
- During the recession, workers with a high school diploma or less lost a combined 7.4 million jobs
- During the recovery, workers with a high school diploma or less gained only 80,000 jobs, while those with more education gained 11.5 million jobs.

Increasingly, the cost of attending a 4-year college makes a college degree unobtainable for large swatches of the population. Not just the young, but also low-income families, the formerly incarcerated, veterans, recent immigrants, and older workers that—in addition to not having a college degree—may lack the digital skills so essential to many entry-level jobs.

.....  
24 According to James Collins in the bestselling *Good to Great* (2001) one of the many factors that distinguishes great organizations from merely good ones is the use of big, hairy, audacious goals that balance the practical (what can we achieve) with the aspirational (what must we achieve to meet our mission).

25 America's Divided Recovery (Georgetown University Center for Education and the Workforce, 2016)  
<http://mcbook.me/2yyGLaR>

The organization's greatest challenge is getting employers to recognize the advantages of hiring based on skill set versus using a college degree as a kind of proxy for the kinds of skills and capabilities needed<sup>26</sup>.

# SYNC OUR SIGNALS™

## The Problem

Individuals can't navigate in our current jobs marketplace. They don't know what skills they need to get the jobs they want.

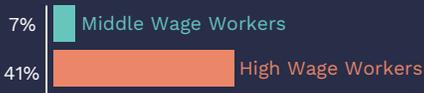


Long-term Unemployment Accounts for 30% of the Overall Unemployment Rate.



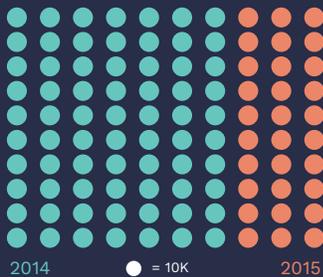
40% of U.S. Employers Report Difficulty in Hiring Middle Skill Candidates While 43% of Job Seekers Say Job Ads Mismatch Actual Positions.

Hourly Wage Increase Since 1979



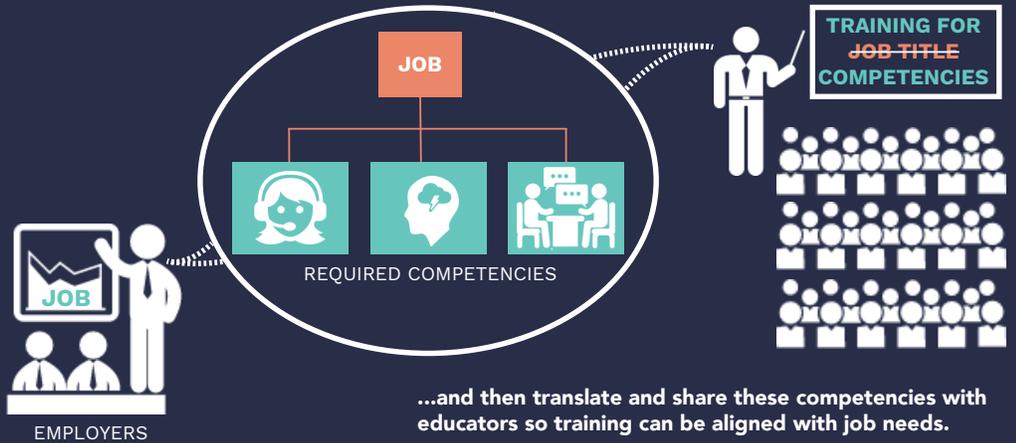
This has major implications for growing sectors like healthcare, where 1 out of 4 new jobs are expected by 2020.

There are currently over 1 million open jobs in the healthcare sector, up 34% over the past year.



## The Solution

Make it easy for employers to determine the knowledge, skills, and abilities necessary for a job...



## The Impact

Individuals know which skills they need to get the jobs they want and are on the path to further career growth.

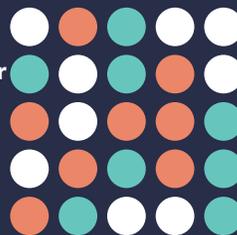
Reduced Turnover



Jobs Filled Faster



Increased Diversity



Better Recommend to Hire Ratio



Hope Street Group is not alone in advocating for a shift from hiring based on job title to hiring based on skills and capabilities. LinkedIn, a member of the innovation economy with enormous reach into the employer base, is one of its funding partners and is likewise committed to seeing employers make the shift.

<sup>26</sup> Hiring Incentives Won't Solve America's Talent Problem: Policymakers need new interventions to help companies change the way they source talent (Stanford University SSIR, August 2017) <http://mcbook.me/2y51rUU>

## **EXPANSION STRATEGY**

Before coming into a new community, Hope Street Group must identify an employer and training providers who are committed to change. The employer must be prepared to break down the skills and competencies necessary for entry-level jobs and provide data around how they have changed their hiring practices including data on diversity, longevity at the company, and advancement. Hope Street Group is looking to partner with employers across the country who are interested in addressing the pipeline problem and tapping into new sources of talent for entry-level positions.

## **MOST SUITED FOR**

This model is most suited for mid-sized and larger cities with large employers in health care, manufacturing, and retail. Today, employment in this country is very tight. The Hope Street Group looks for cities where employers lack a solid pipeline of talent with the requisite skills.

## **COST/TIMING**

\$125K - \$150K for a new community. This covers the costs of providing localists with guidance in building a coalition in their region, access to all the methodologies and tools that HSG has created for a given industry segment, as well as sessions with practitioners to train them up in the HSG methodology and process. It is assumed that local practitioners will find or develop the funding needed to implement the skills-based training curriculum through a combination of employer-provided financing and workforce development dollars.

## **WHAT PEOPLE ARE SAYING**



**SHANA WELCH**  
**REGIONAL DIRECTOR OF TALENT ACQUISITION // MERCY HEALTH**

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"From our experience at Trinity Health, we have found Hope Street Group's career pathway model to not only make sense from a business perspective by reducing hiring and training costs, but also for our patients, as it has resulted in a higher quality workforce. We strongly believe the adoption of an evidence-based selection process and competency-based career pathways will provide individuals across the country with good-paying jobs and advancement opportunities, as well as a more diverse workforce to serve our communities."

"Through leading the education improvements and activities needed to sustain leadership in the sector and through highlighting impact and progress, Hope Street Group is promoting a skilled workforce so the US remains competitive in the global manufacturing and technical market. I encourage you to attend a HSG Connectivity event. By working together and building our networks, we strengthen the efforts and outcomes for all."



**DENNIS DIO PARKER**  
**CO-FOUNDER OF THE FEDERATION FOR ADVANCED MANUFACTURING EDUCATION (FAME)**

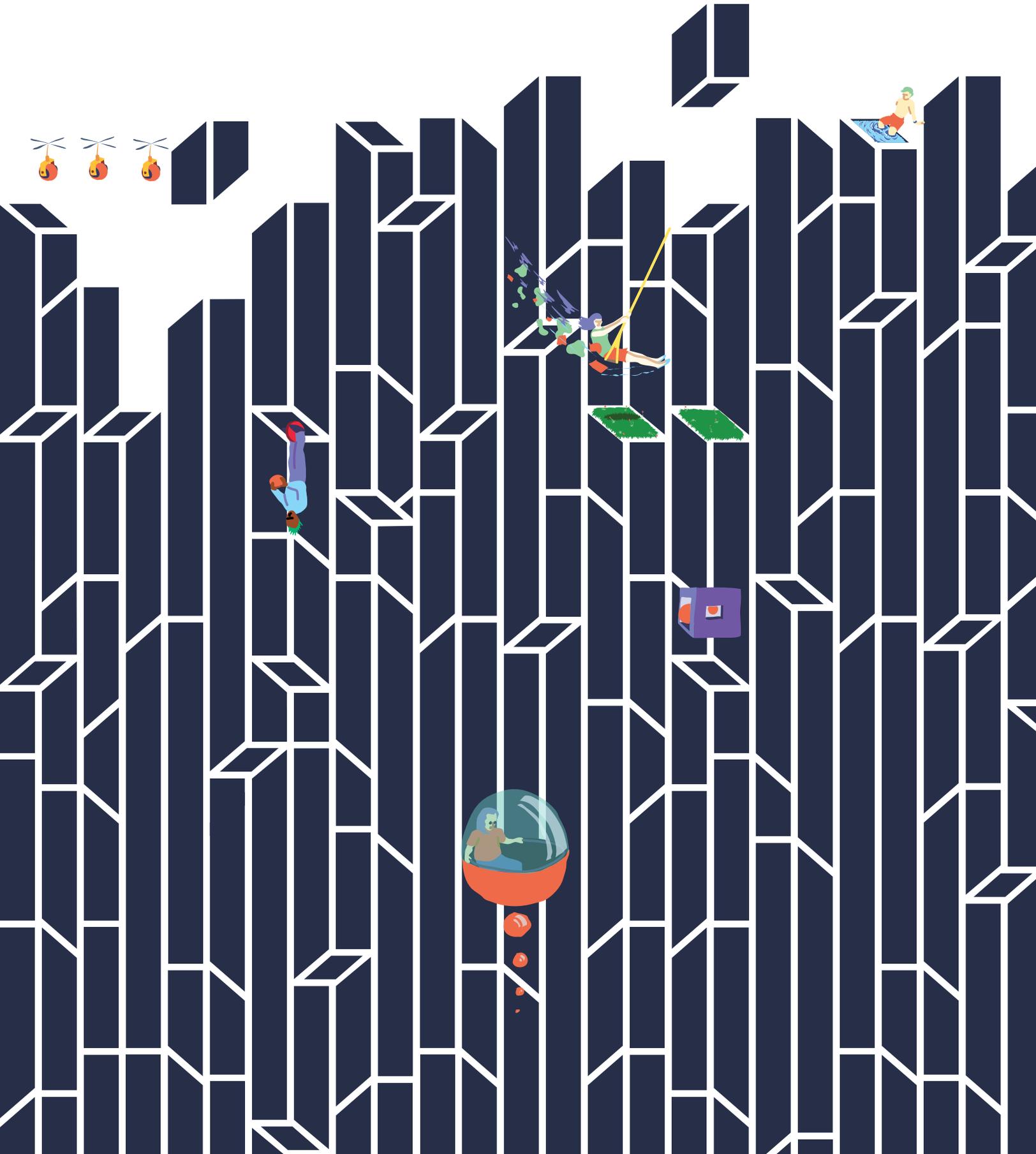
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**LAURA BEETH**  
**SYSTEM DIRECTOR OF TALENT DIRECTION // FAIRVIEW HEALTH SERVICES**

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"It is exciting and engaging to work with people that have a lot of experience with evidence-based strategies, and we need to be thinking about these things in healthcare. Through our work with Hope Street Group, we have learned about best practices that we can move from other systems into ours."



# CONCLUDING THOUGHTS

We've talked about three distinct innovation partners. One of these may be right to bring into your own community to help accelerate economic opportunity.

	<b>RISING TIDE CAPITAL</b>	<b>INNOVATION COLLECTIVE</b>
<b>OPERATING SINCE</b>	2004	2014
<b>MISSION</b>	Empowering talented entrepreneurs to grow life-changing businesses	Creates powerful tech economies in underserved cities
<b>PROGRAM FOCUS</b>	Educating and supporting entrepreneurs to set up and run their own businesses as a source of financial stability	Convenings that bring together a city and town and encourages entrepreneurship and innovation to flourish
<b>CURRENT GEOGRAPHIC FOOTPRINT</b>	Five cities and towns in New Jersey and Chicago, Illinois	Five cities and towns in Idaho, Montana, California, and a city in Canada
<b>MOST APPROPRIATE FOR</b>	Low-income communities that are located adjacent to major cities plus cities in the Rust Belt that are isolated from economic opportunity	Rural communities and exurban cities and towns, especially those that are smaller and index low on economic opportunity but high on quality of life are well-suited for this model.
<b>COST FOR NEW COMMUNITY</b>	\$250K - \$400K per year	Begins at \$135K per year for full-stack model; there is also an online-only model which is free plus a light-model that combines a face-to-face bootcamp with ongoing coaching, mentoring, and support for \$1,300 per month.
<b>IMPACT</b>	Number of businesses started, the new jobs created by its entrepreneurs, change in business sales over time, change in average household income, and reduction in graduate's use of public assistance.	Number of patents filed, the number of companies created as a direct result of its efforts, and the number of millionaires it creates
<b>BIG HAIRY AUDACIOUS GOAL</b>	Expand to 25 cities by 2025	Identify 10 "new money millionaires"
<b>WEBSITE</b>	<a href="http://risingtidecapital.org">risingtidecapital.org</a>	<a href="http://innovationcollective.co">innovationcollective.co</a>

At Maker City, we are seeing a moment of enormous diversity and experimentation for innovation models and practices in cities and towns. The innovation partners profiled here are not the only ones available and may not cover the entire universe of cities and towns that need help with economic revitalization in the United States. Nor do we pretend that these three social enterprises are at all representative of the types of interventions available to localists and city leaders.

In our work with cities and towns in the U.S., two additional models on the rise and worthy of note.

The first we'll call a "DIY" or community-oriented model. This brings together broad parts of a community's ecosystem on an ad hoc basis to tackle economic development. An example was brought to our attention by Nan Braun, a local Maker advocate who lives and works in Kokomo, Indiana. Nan noticed that Kokomo had just developed an aspirational 15-year plan, that was vague as to the details of future industries, local supply chain, workforce development methodologies, or advanced education. Nan organized a book group that meets every month to discuss the **Maker City** book (authored by us); develop plans; and then make recommendations to the Office of Economic Development. Two months into the process, Mayor Greg Goodnight declared Kokomo a Maker City—further uniting the book club's efforts into the the formal development plan.

The Ewing Marion Kauffman Foundation funded the creation of the **Maker City** book to inspire Maker advocates to change their communities. This kind of highly localized effort based on our book is inspiring to us and we hope it will inspire more localists to field similar programs.

The second model flips around the traditional IT outsourcing model, one that sends jobs overseas to be done more cost effectively. Near sourcing keeps jobs in the U.S. by asking workers in cities and towns with a (relatively) low cost of living to handle selective tasks for a fee. Pioneers in near shoring include some companies you've

HOPE STREET GROUP
2003
Tools and methodologies that create entirely new pipelines of talent
Builds a coalition across a region between employers and workforce practitioners responsible for job training. Enables employers to find new sources of talent. Provides workforce practitioners with the tools and training they need to place individuals into jobs.
16 regions across 14 states mostly in the South and Midwest
Mid-sized and larger cities with large employers in health care, manufacturing, and retail.
\$125K - \$150K in the first year not including the cost of workforce training itself
For employer: number of skilled workers in pipeline, reduction in time to fill an open position, decrease in turnover rate, and advancement rate. For practitioner: number of employees trained, cost per head of training, the resulting placement rate, average year one earnings.
25 x 2025 - to see 25% of the individuals trained via its methodology promoted by the year 2025.
hopestreetgroup.org

## CONCLUSION

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never heard of (Rural Sourcing, Catalyte, Eagle Creek Software Services, Onshore Outsourcing) as well as larger firms like Nexient and IBM.

A great example of near sourcing and its impact is a private-sector company called Interapt based in Louisville, Kentucky, led by CEO Ankur Gopal, who has lived and worked there for almost two decades. Interapt focuses on companies in the U.S. interested in contracting coding tasks as well as remote IT support for a cost and timing advantage. This form of "near sourcing" is possible due to cloud computing and the ready availability of fast and reliable internet connectivity.

Like a lot of companies, Interapt needed to develop a pipeline of talent for its business. The company believed it could successfully train former coal workers to become software coders and/or to work in information technology. It convinced the State of Kentucky to help fund a training program called "TEKY" or the TechHire Eastern Kentucky Initiative<sup>27</sup> which works with the chronically unemployed, including many coal workers who live and previously worked in the Appalachian mountain ranges of Eastern Kentucky. Thanks to state funding, everyone who goes through the training program gets paid \$500 per week while they are getting trained. Also, workers who go through training have a good shot at getting hired by Interapt. You'll recall when we discussed the Hope Street Group, we talked about workforce development as a broken promise. While jobs are not necessarily guaranteed as part of Interapt/TEKY and its training program, together the two entities are helping to turn a promise made into a promise kept when it comes to workforce development.

We didn't include either the DIY model or the Interapt model in the core of this policy brief because it's still early days. The DIY model is one we've seen in only one city in the U.S.. The Interapt model depends in no small part on state funding for its training component and it is unclear whether it will scale to additional communities without state or federal funding. (The TEKY training program was funded with dollars from the Obama administration.) Still, together these five models show the range of what is possible in helping communities revitalize their economies, opening up more opportunities to people who might otherwise be left behind. We look forward to continuing to track and report on additional innovation models beyond these five.

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27. 'The Daily Show' comes to town to ask a Louisville company how it's replacing coal jobs (Biz Journals, August 2017) <http://mcbook.me/2zfnB9z>





# ABOUT THE MAKER CITY PROJECT

The Maker City Project partners with cities, corporations, and nonprofits to encourage cities and towns to ready themselves for technology change and its effects on the future of work and to become a Maker City. We encourage localism to flourish by bringing stories, methodologies, and examples that have worked in one community to other communities looking to revitalize themselves. Much of our work is cross sector, cutting across the public, private, and nonprofit sectors, and includes working with both cities in the U.S. and internationally. Partners organizations include the Ewing Marion Kauffman Foundation, Maker Media, McClatchy Corporation, SFMade, Urban Manufacturing Alliance, USC Annenberg Center on Communications Leadership & Policy, and U.S. News and World Report.

A Maker City is a city or town that is using all its resources to prepare its citizens for the future at a time of great technology change. The goal is not to turn every city or town into a tech hub but to understand how technology and the future of work are changing the landscapes of education, enabling craftsman and artisans to find new ways to make a living, supporting entrepreneurs and inventors as they take their products and inventions to national and international markets, promoting inclusion and social justice, and reshaping urban manufacturing around new tools of production based on industrial-strength 3D printing and the power of the cloud. When a distressed town becomes a Maker City, it creates a vibrant local economy, one that is built from grassroots and local levels up to be more inclusive and without being dependent on federal policy.

To learn more about our work please go to <http://makercity.com> or buy the book at <http://mcbook.me/amaz100>

## **OUR PARTNERS**





## **WHAT IS A MAKER CITY?**

A time of great technology change, a Maker City uses all of its resources to prepare for the future. Maker Cities strive to understand how technology and the future of the work are changing the landscape of education, enabling craftsman and artisans to find new ways of making a living, supporting entrepreneurs and inventors and they take their products and inventions to new markets, promoting inclusion and social justice, and reshaping urban manufacturing. When a distressed city or town becomes a Maker City, it creates a vibrant local economy, one that tends to be more inclusive and less dependent on federal policy.