

MSU EDA University Center for Regional Economic Innovation (REI)
2012 Co-Learning Plan Series

Promoting Youth
Entrepreneurship in Michigan:
Strategies for Building on Michigan's Entrepreneurial Heritage

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Promoting Youth Entrepreneurship in Michigan: Strategies for building on Michigan's entrepreneurial heritage

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August 2012

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Introduction

Throughout the last century Flint came to be identified as the quintessential company town. General Motors and its related firms employed more than 100,000 workers. This huge footprint obscured an important fact – Flint used to be one of the most entrepreneurial cities in the world. First with furs, then lumber, carriages, and eventually automobiles, Flint was the Silicon Valley of its day. Ideas were hatched, inventions created, start-ups launched and fortunes made.

Similar stories were being written across the state: manufacturing in Detroit, cereal in Battle Creek, furniture in Grand Rapids, chemicals in Midland, appliances in Benton Harbor and many more. Through time those businesses went from ground-breaking to old news, creating the perception that Michigan was stuck in the past, anti-innovation, and destined for status as an economic backwater. The numbers tell a different story. According to the Michigan Economic Development Council, Michigan ranks in the top five states in the nation for number of high-tech employees, total amount of research and development expenditures, construction or expansion of corporate facilities, and number of engineering graduates each year. In its most recent study from 2010, the Gallup organization announced Michigan led the nation in job creation improvement.

Across the state a potent combination of private business, education, non-profits and government are making real strides in re-inventing our economy. Innovative companies are growing in areas like renewable energy, high-tech manufacturing and information technology. Higher education programs in entrepreneurship are growing, like Kettering University's 'Entrepreneurship Across the Curriculum' initiative. The Great Lakes Entrepreneur's Quest has grown into one of the largest competitions of its kind in the country. Governor Rick Snyder has put a new emphasis on tools such as SmartZones to boost entrepreneurship. To make these gains sustainable, Michigan must look to its innovative past to create an entrepreneurial future, and we must begin with our youth.

The Challenge

To accomplish this we must ensure that all youth are exposed to entrepreneurial concepts early and often. Despite a variety of programs, in-school and out-of-school, public and private, Michigan's youth entrepreneurship resources do not reach young people equally. Relatively wealthy school districts have far more options, and those options are almost entirely focused on higher-achieving, college-bound students. This does result in important foundations being laid for future academic programs, but leaves significant gaps for youth who could use entrepreneurship as a strategy to improve their lives immediately.

This disparity of offerings creates a serious problem: the youth most in need of assistance have the fewest ways to explore entrepreneurship. Poorer school districts have fewer clubs or organizations. Limited family resources make participation in some programs difficult. For some students, educational achievements limit their ability to pursue higher education, and early parenthood or even criminal records could hinder employability.

Even in wealthier school districts there can be a disconnect between classroom activities and the experiential side of starting a business. Clubs can help fill that gap, but are often dependent on the availability of teachers willing to devote the extra time and energy. A cross-disciplinary approach that bridges education, job training, economic development and alternative financing shows promise as a strategy to boost entrepreneurship at the most grassroots level.

The Response

For two years a group has been working on a project called *YES Flint* to provide youth with the entrepreneurship support they need to help launch, grow and sustain their business ideas. The intent was to create a Michigan-specific model that takes into account our history, economic conditions and resources. Coordinating with existing service providers and avoiding duplication were the keys to maximizing the limited funding

available for this effort. *YES* conducted asset-mapping to determine existing resources and surveys to identify gaps. *YES* also partnered with other organizations offering youth entrepreneurship support, and where needed, began creating a suite of programming that could be offered as a resource to schools, faith-based organizations, community groups, educational institutions and other individuals.



The goal of *YES* was to create a pipeline for entrepreneurial youth with multiple entry points and several successful outcomes. Participants could be engaged through their school classes and clubs, community groups, centers of worship or summer programs. Whether individuals were exploring a concept, starting a business or trying to make their venture sustainable, they could find assistance. Positive results would include youth starting their own businesses, entering training programs to gain skills they would eventually need in their field, finding a route back into the educational system or becoming more innovative employees at existing companies.

A Model for Michigan

The goal of this project is to create a collaborative model that can be adapted to multiple Michigan communities, changing as needed to reflect existing programming, potential funding and other local conditions. Initial research has indicated that most cities already have the beginnings of a network, formal or informal, that has organically started collecting information. Whether there is an organized effort, like *YES Flint*, or the presence of a ‘go-to’ person for youth entrepreneurship questions, educators and

professionals are making the links they need to do their work effectively. This is a key first step in making sure that work is accessible to youth.

Strategy

With a clear picture of the state of youth entrepreneurship programming in various regions of Michigan it is easier to identify gaps and create strategies for filling those gaps with meaningful, grassroots, community-based programming. That process starts with asset mapping in each community to create a matrix others can use, and leaving behind a snapshot of the assets that can be updated and adapted by community champions as needed. It is hoped that just the process of exploring these assets and the options for development they suggest will spur discussion, connect stakeholders and catalyze innovative thinking and future research.

Even as this work plan was being conceived, the Michigan Economic Development Council (MEDC) was forming a Youth Entrepreneurship Advisory Committee. Established in March 2012, this group of about a dozen practitioners self-selected by region to begin quantifying youth entrepreneurship support in their areas. While in its early stages, this effort could help identify best practices and link regional efforts in a way that has never happened before.

The Process of Asset Mapping

Programs professing to engage in youth entrepreneurship have widely ranging parameters; from grade-schoolers through high school, and collegiate programming into young professionals up to forty years old. This particular study focuses on high school-aged youth, approximately 14 to 18 years old. This is by no means a homogenous group. Even in this slim demographic there are several distinct populations that deserve attention.

This is where local knowledge is imperative, because much of this activity is happening under the radar. Teachers, pastors, nonprofit staffers and community members have a surprising array of activities under way already. Mowing lawns and babysitting are

prototypical youth activities, but these days there are youth earning money through crafting on sites such as Etsy.com, selling beats to musicians, providing basic design or IT support, or operating grassroots retail or urban gardening start-ups.

Target Populations

- High school students
 - With access to entrepreneurship programs
 - Without access to entrepreneurship programs
 - Charter school students
 - Home-schooled students
- Appropriately aged students in the summer
- Out of school youth

Connecting with a wide range of service providers allows the best opportunity to pair local youth with the assets they need to be successful.

High School Programs

High school often provides the first true exposure to entrepreneurial concepts for students. While Junior Achievement has a smaller footprint than it did in the past, other programs such as DECA and Business Professionals of America (BPA) have grown. DECA's business plan competition is good training for similar exercises at the collegiate level. Other groups incorporate entrepreneurial content and technology, including Future Farmers of America (FFA) and FIRST Robotics. Educators are a key conduit for reaching youth, whether programming is school-sponsored or not. Their experience in the classroom, additional time advising after-school clubs, and first-hand observation of entrepreneurial students is an asset that is often overlooked. It is crucial to bring them into the loop, at the same time assuring them that outside programming is meant to complement their programs – not compete with them.

Example: Detroit BizFest is a regional competition that brings together many key elements. Educators help select students, a national non-profit coordinates, and an anchor local funder provides support. While only a small number of students are

selected to compete, events like this provide a great opportunity for a motivating field trip.

Charter School Programs

At this point in their development, charter schools have far fewer options for students to explore entrepreneurship. Some Michigan charters promote their commitment to entrepreneurship, but they generally do not participate in regional or state-wide activities. The B.E.S.T. Academy (Business, Entrepreneurship and Technology Academy) in Highland Park could offer no examples of how they teach entrepreneurship. Outreach to charter school administrators, educators and students could help draw more activity for after-school and summer programs since there are limited resources for on-site programming.

Example: A group of related K-8 charter schools, The Academy of Southfield, The Academy of Warren, The Academy of Waterford and the Academy of Westland, include entrepreneurship in their marketing. Their slogan is ‘Step into our world of young entrepreneurs,’ and their program “Involves local business owners in instruction and curriculum. Help students create, own and operate small businesses as part of curriculum.” Unfortunately it is difficult to ascertain how this is done or if there is a model that could be replicated.

Disconnected Youth Programs

Youth who are not in school, not working and do not have a high school diploma or GED face tremendous obstacles in creating a stable future. Several cities in Michigan are ramping up efforts to address the challenges faced by disconnected youth, and entrepreneurship is seen as a part of that strategy. The recently-formed Connect Genesee, through its ReMix program, is specifically targeting this population.

Example: The successful YouthBuild program now operates in four Michigan cities: Detroit, Flint, Jackson and Traverse City. The participants learn construction and repair skills, including trades such as masonry, carpentry, roofing, electrical and HVAC. But they also have an opportunity to pick up skills needed to start their own companies, including quoting jobs, hiring and management. In Flint, the program helps 30 young people each year, but more than 300 apply for these limited positions. YouthBuild Flint is currently transitioning into a charter school model to serve more students.

Summer Programs

With the lack of entrepreneurship resources in many schools, summer programming becomes a key way to engage youth. With unemployment rates for Michigan teenagers near all-time highs, providing meaningful opportunities in the summer is crucial. Most programming is provided by universities, whether on their home campuses or off-site at high schools.

Teen Entrepreneur Summer Academy – Grand Valley State University:

The Teen Entrepreneur Summer Academy (TESA) is a hands-on, interactive camp for West Michigan high school students to learn how to launch a business. Academy participants will be exposed to the importance of networking (with students and professionals), target market research and idea generation during the business development process. The curriculum is based on the Career Pathways Program and National Entrepreneurship Education Standards. A combination of brainstorming activities, teambuilding lessons and a field trip to an entrepreneurial center will supplement each student's creative problem solving task. The final day concludes with a judged business pitch by each team. \$1,000 in cash prizes will be awarded.

Teen CEO

Teen Creating Economic Opportunities (Teen CEO) is in its fifth year as a program of Mott Community College. Each summer, 25-30 high school students spend seven weeks exploring an entrepreneurial concept and ten of them can earn \$1,000 in start-up funds to implement their ideas. Five students each year are returnees who come back and act as mentors, but the rest do not have a formal route to stay engaged with the program. YES Flint has been in contact with Teen CEO to access their pool of more than 125 program graduates, assess the status of their business concepts, and reconnect them to entrepreneurial support.

Starting a Similar Program

The experience in Flint and Genesee County has made clear the value of having a youth entrepreneurship support network for the region. Replicating this model can be done formally or informally, with or without dedicated staff. The key is to cast the net widely in identifying stakeholders; connecting with entrepreneurial youth requires reaching into all corners of the community.

Building the Team

The end goal of the process is to build a collaborative initiative among the area's educational institutions, nonprofits, business and economic leaders, and youth, all working to promote a youth entrepreneur culture within the region. By coordinating community initiatives to educate and support youth-led commercial and social ventures, youth entrepreneurship becomes a path to formal employment, educational attainment and a more sustainable regional economy.

Your local group should start off with representatives from the following groups:

- High school level educators and club advisors
- Higher education; students in college entrepreneurship programs and faculty when available
- Chamber of Commerce or other business development groups
- Programs that support disconnected or at-risk youth
- Local entrepreneurs
- The faith community
- Community members
- Youth themselves

Finding a Home

There are two choices for hosting the program. One is the creation of a new 501(c)(3) nonprofit, the other is becoming a program of an existing organization. The advantages of creating an entirely new structure are that a mission-specific board who is well-versed in entrepreneurship and youth can be recruited, and that a single-issue non-profit can be very focused. Drawbacks include the legal costs of filings and creating by-laws, the delay in getting IRS approval and start-up expenses. The benefits of becoming a program of an existing organization are that it can begin operations quicker and share costs. The drawbacks could be a possible lack of board expertise and the danger of not being a priority as a new program in an established organization.

Affiliation

There are several national youth entrepreneurship organizations, but as well-established groups, they have their own set programming. Very few of these will provide an

opportunity to affiliate. Each community has its own organizations and individuals doing the important work of allowing youth to experience entrepreneurship. In some cases there will be a natural fit, whether it is at an ISD, local college, or community group.

Paying the Bills

A collaborative effort that initially relies on volunteers can be launched without outside funding, but the need for programs will eventually require support. Sources will include local, regional and national grants, sponsorships and fee-for-service opportunities. Youth-focused grants can be found at community foundations and corporate sources like the Best Buy @15 campaign. Michigan is blessed with several family foundations that believe in the power of entrepreneurship, including The Coleman Foundation, The Edward Lowe Foundation, The Kresge Foundation and the CS Mott Foundation. Additional funds could be sought from private individuals, angel investors, federal grants, corporate sponsorships and crowdsourcing or microfinance opportunities like Kickstarter.com or Kiva.com.

Identifying the Needs

Michigan is home to a growing number of entrepreneurship support organizations and programs, but very few of these are accessible to youth. Our findings in Flint appear to be very similar to what is happening in other areas:

- Only 2/3 of high schools offer business courses, and none are specifically addressed toward entrepreneurship.
- After-school programs such as DECA and Business Professionals of America help address the gap, but these are only present in about 1/3 of high schools.
- Charter schools, which house a growing percentage of Michigan K-12 students, provide virtually no entrepreneurship programming.
- More than half of those aged 16-26 have no access to age-specific assistance if they want to explore starting a business.

A variety of strategies can help assess needs in your community. Contacting high school educators and after-school club coaches is a great first step. Setting up a Google Alert

with your community name and ‘youth entrepreneur’ or similar language will help capture news stories about possible participants.

Filling the Gaps

When there are not adequate programs for youth they must be created or imported. In Flint, our work started by developing a framework of engagement that would support varying levels of interest and accommodate a range of participants from casual to driven. Settings where motivated youth can step forward for immediate assistance are important, but others will prefer to remain in the background until they are ready to further explore their idea. Start-up weekends are perfect for the former, but daunting for the latter. With YES Flint we made sure our monthly meetings were low-pressure and informal. Everyone had an opportunity to share their concepts or ask questions, but nobody was forced to participate before they were ready. Competitions were usually done in a group setting, where team members could hang back if they preferred. To ensure regular programming and a consistent schedule that youth could count on, we categorized YES Flint activities by schedule.

Weekly Contact

It is of critical importance to facilitate and maintain regular contact with the targeted groups as well as participants in the initiative. Make use of the internet to stay in the consciousness of today’s tech savvy and multi-tasking youth. Provide frequent updates on social media sites such as Facebook and Twitter, maintain an active and content-full website, and an updated e-mail list. By engaging in these and similar activities it is possible to maintain regular contact and grow the network.

- Promote activities
- Share local success stories
- Provide access to grant and scholarship opportunities

Monthly Meetings

Monthly meetings are instrumental in connecting with young entrepreneurs. This strategy has proven to be a key way to keep Network members engaged, attract new members,

share information, and build the sense of cohesiveness that encourages all participants to be open and committed to acting on new opportunities. Through these monthly sessions, young entrepreneurs are exposed to a network of community partners, which provides additional support to young entrepreneurs. Sustaining and growing local business and young entrepreneurs will strengthen the economy of Flint and embrace youth who have the potential to be leaders and contributors.

- Hear from expert speakers and presenters
- Find teammates for projects
- Share information about upcoming events

Quarterly Activities

Regular activities, site visits and events are largely driven by participant interest. Gauge your youth's background and entrepreneurial goals to make the best fit. These range from local and informal get-togethers to planned out-of-town trips. Examples include:

- Site visits to local or regional incubators such as TechWorks, SPARK, TechTown
- Food systems programs about urban agriculture and the Flint Farmers' Market
- Walking tour of available downtown Flint retail space
- Informal 'speed networking' sessions
- Viewing of entrepreneurship TV shows: Shark Tank, Biz Kids, American Inventor
- Weekend boot camps for different interest areas – technology, creative economy, retail, etc.

Annual Events

Signature events are a great way to keep youth focused on a goal, especially conferences and competitions. Global Entrepreneurship Week has quickly become a standard time of the year to hold related events, and it seems that the extra press attention is a good hook to drive attendance.

Youth Entrepreneurship Summit

In December 2011, YES Flint presented the inaugural *Youth Entrepreneurship Summit*. The event featured comments from Kettering TechWorks' Neil Sheridan, a welcome by Mayor of Flint Dayne Walling, and a keynote speech by former "Flintstone" and professional basketball player Mateen Cleaves, along with activities around the theme of 'information, inspiration, implementation.' Dozens of youth turned out to participate and there was strong interest in making it an annual event.

Mentoring

Recognizing the need and opportunity to connect young entrepreneurs with local mentors, YES Flint took preliminary steps to establish a mentorship program. The work was done in collaboration with the Genesee Regional Young Professionals, part of the Genesee Regional Chamber of Commerce. The envisioned pilot program would consist of five to ten young entrepreneurs who are introduced to a mentor with some experience in their area. Mentor pools can be drawn from young professional groups, college students, current business owners or retirees. When you are working with youth, almost any interested adult can help serve as a mentor.

High School Support

Many local high school students have little or no access to entrepreneurship education or programming. The YES Summit created a start-up business simulation that is easily replicated for local students, making for a fast, fun and portable exercise that could be taken right to their school. This could be conducted during an existing class period or in an after school setting.

Competitions

Business plan, entrepreneurial startup and other types of competitions are a great way to keep young people excited about developing their ideas. Michigan currently has quite a few events that are easily accessed to observe or participate. There is a learning curve for these events, so just getting your youth to attend as observers is a great way to lay the groundwork for future competitions.

- Great Lakes Entrepreneur Quest
- DECA regionals and state
- Generation E Institute Showcase
- FIRST Robotics

IGNITE is a statewide, collaborative team of educators, non-profits and entrepreneurial support organizations working to promote entrepreneurship for K-12 students. A few years ago IGNITE held a regional business plan competition for youth centered on the Captiol area, and quickly expanded it statewide. This kind of tying together of in-class, after-school and independent programs is a great model for youth entrepreneurship generally.

Future Programming

Depending on where in Michigan you are, and what resources your area has available, there are a number of different avenues to follow. The YES Flint team has begun exploring ways to increase entrepreneurial offerings without duplicating existing services. Some of these options could be:

- Portable activities for classrooms and clubs
- One-off assemblies at different schools
- Club sponsorship for after-school activities
- Start-up weekends
- Summer boot camps
- Microfinance programs

Your network or steering committee will be able to help determine which programs have the greatest chance of success.

Conclusion

Michigan's entrepreneurial heritage was never lost; it was merely obscured by decades of industrial success. Our spirit of innovation has continued to create important advances in cutting edge fields. This needs to be celebrated, and our youth need the opportunity, and

the resources, to build their own entrepreneurial futures. Establishing regional support networks that ignite that spirit is an important first step.

2011-2012 Genesee County Youth Entrepreneurship Grid:

School System	After School Programs	Courses
Davison HS	DECA, BPA	
Hill-McCloy HS (Montrose)	BPA	Business Classes
Clio High School	DECA	Business Classes
Lakeville Memorial HS		
Flushing HS	DECA, BPA	Business Classes
E.A. Johnson HS (Mt. Morris)	DECA	Business Classes
Genesee Jr/Sr HS		Business Classes
Hamady HS		
Beecher HS		
Kearsley HS	DECA	
Northern HS	Century 21 Program, BPA	Business Classes
Northwestern HS	BPA	
Southwestern HS	BPA	Business Classes
The Classical Academy		Business Classes
Bentley Jr/Sr HS		Business Classes
Atherton HS		
Bendle HS		Business Classes
Goodrich HS		Business Classes
Grand Blanc HS	DECA, BPA, FIRST Robotics	
Carman-Ainsworth	BPA	Business Classes
Swartz Creek	DECA	Business Classes
Fenton		
Linden		Business Classes
Lake Fenton		Business Classes
Genesee Area Skill Center	DECA	Marketing/Entrepreneurship
Genesee Early College		No Business Related Classes
Mott Middle College		No Business Related Classes
Academy of Flint		No Business Related Classes
Burton Glen Academy	Student Council Credit Union	No Business Related Classes
Center Academy		No Business Related Classes
Grand Blanc Academy		No Business Related Classes
International Academy of Flint		Computer Class
Linden Charter Academy		No Business Related Classes
Madison Academy		
Northridge Academy		None
Woodland Park Academy		None
Sanilac County ISD (out of county, but operating here)	Future Farmers of America (selling at Flint Farmers' Market)	

Genesee County National and Local Program Grid:

Age Range	Program Name	Locally Available?
High School	DECA, Business Professionals of America, FIRST Robotics	Yes
	Junior Achievement , Achievers International, Entrepreneurs Organization, Kairos Society, CEO, Future Farmers of America, 4H	No
	TeenQuest/YouthQuest, Teen CEO (Mott Community College)	Yes
	National Foundation for Teaching Entrepreneurship	No
Collegiate	DECA	Yes (Kettering only)
	After School Clubs	Yes (Kettering, UMF)
	Startup Open, Startup Weekend, Your Big Year, World Series of Innovation, Startup Digest, NACCE,	No
Young Professional	Genesee Regional Young Professionals	Yes
Out of School Youth	YouthBuild, Career Alliance	Yes

Thanks

The YES Flint program was funded by the Charles Stewart Mott Foundation via a grant to Kettering University, and administered through Kettering’s TechWorks program. Additional support was provided by the Flint Area Reinvestment Office, a program of the Prima Civitas Foundation.

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About REI

The MSU EDA University Center for Regional Economic Innovation (REI) has established a unique new-economic development ecosystem that engages innovative mindsets resulting in new economic development practices that are congruent with the new global and regional economic realities. Through a process of responsive community engagement, strategic partnerships, and collaborative learning REI may result in the best and brightest economic development professionals in the world.

REI Center was established in 2011 with support from the U.S. Department of Commerce, Economic Development Administration in collaboration with the following MSU offices:

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