



# Development Opportunity Profile

## Grant County, Oregon



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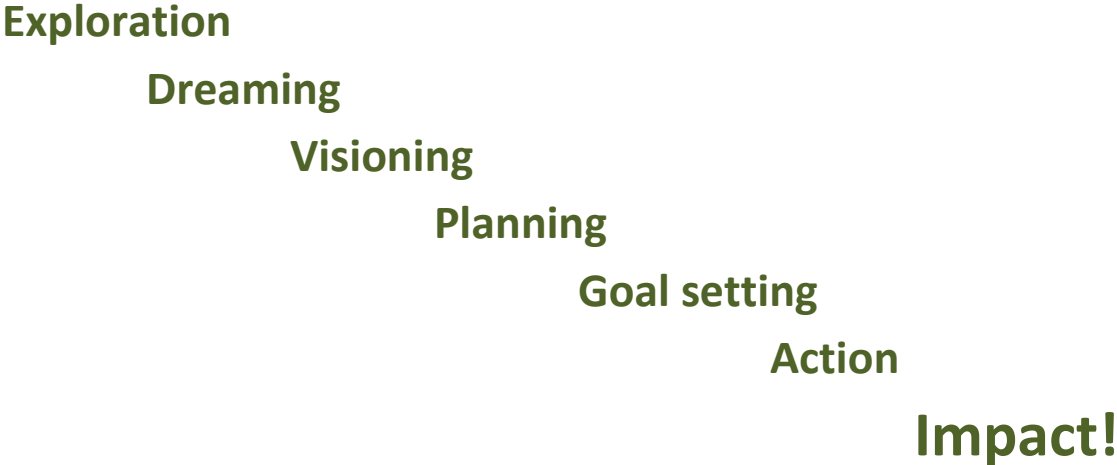


e2 Entrepreneurial Ecosystems believes in **empowering research** – making data-driven decisions about economic development to be more strategic and, ultimately, creating the kinds of economic development outcomes and long-term community or regional prosperity you desire. We work hard to build tools and resources that communities can use to access and understand data and turn that raw information into knowledge you can apply in your community. This **Development Opportunity Profile** was prepared for Grant County by e2 and NetWork Kansas.

### Taking Stock – The Power of Assessment

Whether a community or a region is successful over time – or not – depends upon the commitment and choices of its leaders and people, and the investments they make in their development. As Deepak Chopra says, “When you make a choice, you change the future.” Making the *right* development choices is a prerequisite for achieving community and regional prosperity. The best way to make the *right* development decisions is to commit to a thoughtful and robust assessment of your region’s opportunities. By taking the time to discover and better understand your region’s genuine development opportunities, you will make smarter investments and enhance your region’s potential for greater prosperity.

This **Development Opportunity Profile** is a start on a pathway to prosperity. But it is only a start. It reflects one view of your region, based on secondary data. We challenge you to build on this work, draw on your own knowledge of the region and its assets, and create a deeper understanding of your unique development opportunities. Then use this understanding to craft and implement a smart development game plan. We hope this **Development Opportunity Profile** is helpful and contributes to your future development success.



## Asking the Right Questions

To be successful and achieve sustainable prosperity, every region needs to achieve two things, at a minimum – economic renewal and demographic renewal. These two things are intimately connected. New residents are attracted to and put down roots in places that offer diverse economic opportunities. And a healthy population supports a more robust quality of life and the amenities that go with it – schools, health care, shopping, arts, and recreation, for example. This **Development Opportunity Profile** helps you begin to answer a number of questions about your community or region:

1. What is the regional context for your place?
2. What are the demographic trends in your place?
3. How is your economy doing in terms of job creation?
4. How is your economy doing in terms of income generation?
5. What is driving your economy?

You may choose to address additional questions for your community or region – how are families doing; how is the ethnic makeup of your community or region changing? The answers to these and other questions will help you focus in on your genuine development opportunities.

The first section of this profile provides an historical overview of your economy as a whole.

- The regional context
- Population trends
- Employment trends
- Personal income trends
- Economic drivers

The second section delves more deeply into the business or entrepreneurial economy, describing general business ownership trends and specific entrepreneurial attributes of your region. In the final section, we provide a summary of key development opportunities for your county as well as some identified development challenges.

### Online Library

Research collected and analysis completed in support of this profile is available through an Online Library at the following site:

[Grant County, OR](#)

**Being a Smart Data Consumer.** We provide a summary of research sources at the end of this profile. Detailed source information can be found by reviewing specific research items in the Online Library. Data used in this profile is based on sampling and estimates. Through the sampling process, data can be skewed particularly in smaller, more rural regions. We encourage you to carefully review the data and question the results if they are at odds with your experience. At the same time, remember that others – prospective residents, employees, and entrepreneurs – are using this same secondary data to learn about your county.

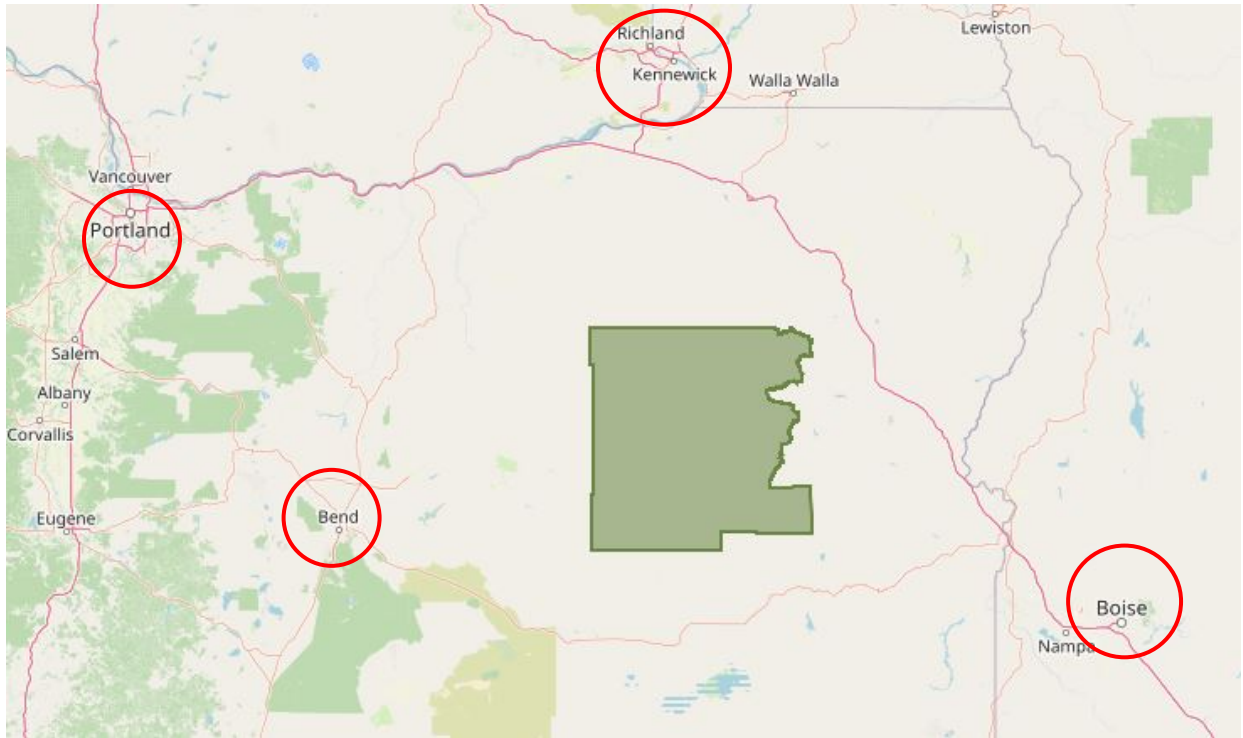
# Understanding the Economy – Historical Overview

## Regional Context

Every region has a unique location offering both opportunities and challenges. Even in our globally interconnected world, location still matters. Early in America’s history, a region’s access to water transportation was a plus. Today, a location with access to high-speed internet and a unique quality of life might attract, for example, entrepreneurs or telecommuters who can choose to work from anywhere. Individual communities exist within a larger regional context that drives both economic and residential development.

Grant County is located in rural and relatively isolated Eastern Oregon. It is served by north/south U.S. 395 and east/west U.S. 26. U.S. 395 connects to Pendleton in the north and via Oregon 7 to Baker City in the east. U.S. 26 connects to the booming Redmond and Bend corridor. Grant County is home to remarkable public lands including the Malheur National Forests, the John Day River connecting with the Columbia River, and multiple other natural resource amenities including waterways, mountains and forests. John Day is the largest and leading community in the county. Multiple communities are spread throughout this relatively large geography. Isolation in this case is a potential development asset and opportunity.

**Figure 1. Grant County, Oregon**



## Population Trends

Community and economic development should be focused on strategies that not only grow a more robust economy but create opportunities to attract and retain people. A growing population contributes to a strong workforce and supports community infrastructure including schools, health care, arts and culture, and retail activity. Failure to address population loss contributes to further economic and social contraction as a community or region’s vibrancy and capacity decline.

### Grant County, OR Quick Demographic Profile

2010 Population – 7,445  
 Median Age – 50 Years  
 Households – 3,352  
 Average Household Size – 2.19

2021 Projected Pop – 7,527  
 2026 Projection Pop – 7,408

Projected 2021-2026  
 Decline Rate = -0.32% per year

The Census Bureau makes a minor statistical correction called a "residual" which is included in Figure 2 but omitted from Figure 3. Because of this correction, natural change plus net migration may not add to total population change in Figure 2.

**Figure 2. Population Trends, 1969-2020**

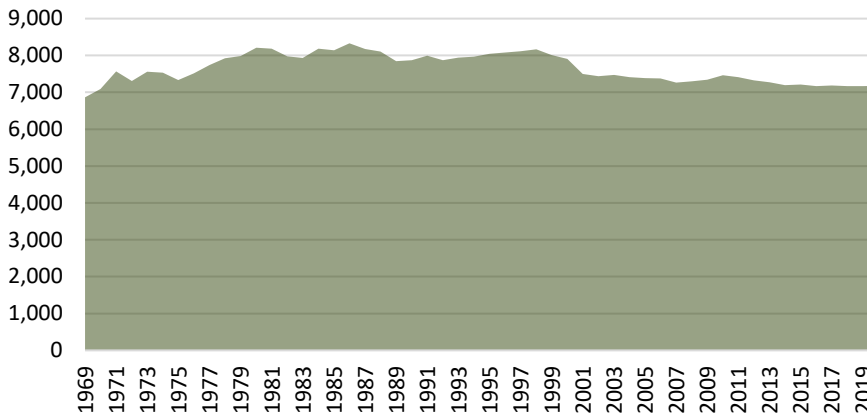
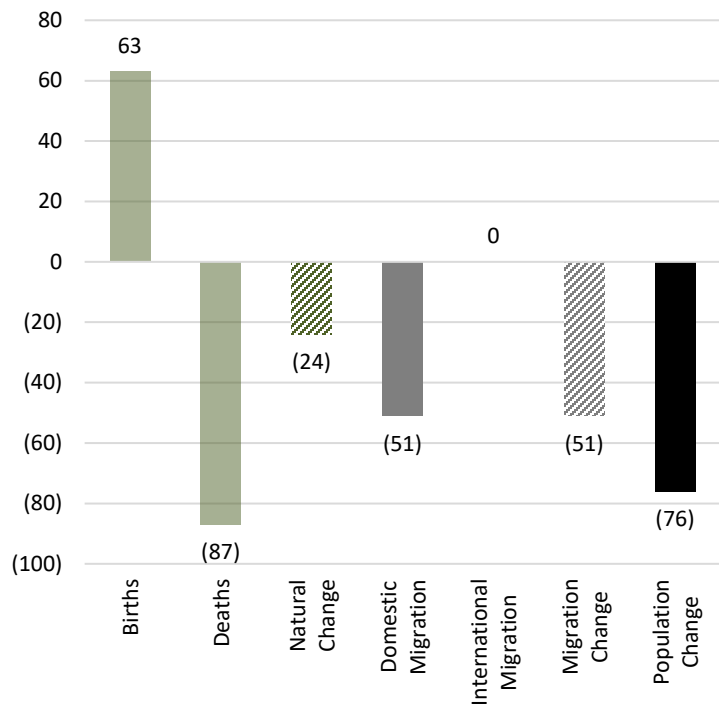
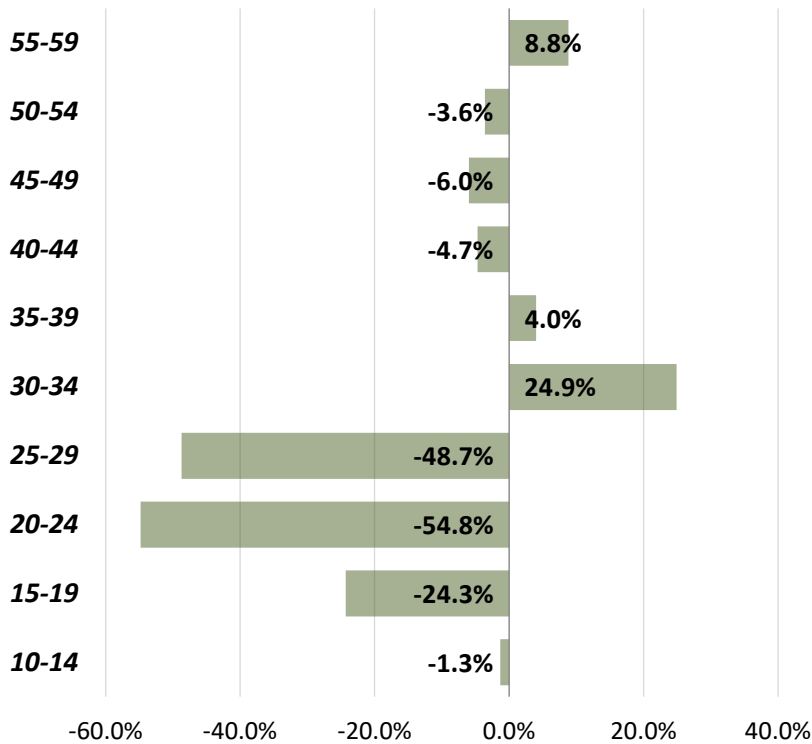


Figure 3 shows average annual change in population, including natural change (births and deaths) and migration (in-migration and out-migration), for 2000 through 2020. When natural population change moves towards zero or negative, a community will likely experience severe and chronic depopulation undermining community vitality. Migration, both domestic (within the U.S.) and international (outside of the U.S.) can strengthen or erode a community’s demographic or population health. Heavy net outmigration (more people leaving than coming in) can further stress demographic health and contribute to declining economic fortunes and quality of life. As America ages, overall birth rates are coming down. For many counties, in-migration of new residents is essential to not only sustain current population levels but to enable growth. For areas to be prosperous, rapid population growth is not necessary.

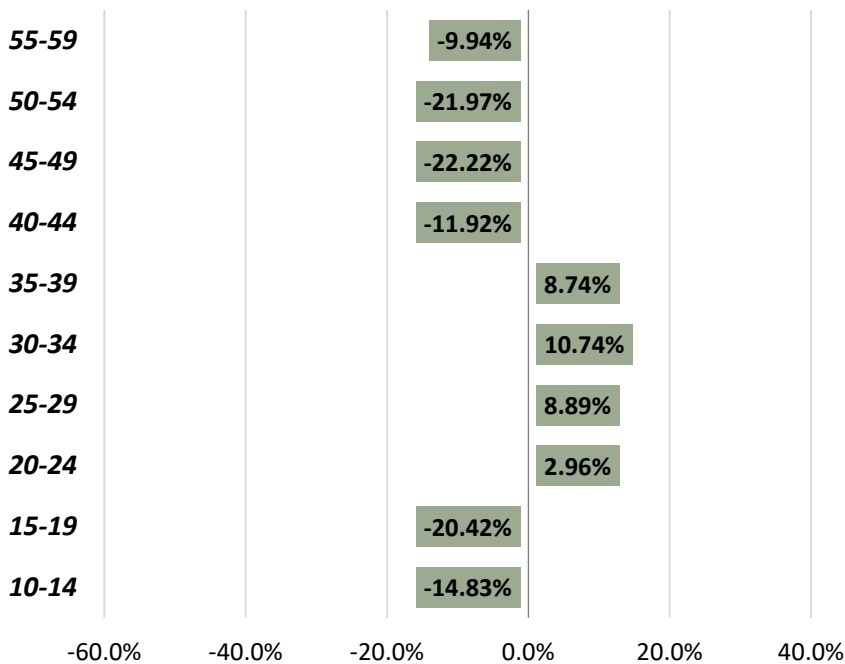
**Figure 3. Average Annual Components of Population Change, 2000-2020**



**Figure 4. Percent Age Cohort Change, 2000-2010**



**Figure 5. Percent Age Cohort Change, 2010-2021**



Demographic health is foundational to a community’s vitality. Demographic health is not necessarily defined by whether there is strong absolute population growth. Rather a healthy demography is when there is a balance of age cohort groups within a community ensuring that the overall population is balanced and stable.

A community’s residents are why communities exist. They provide workers, students for schools, members of churches, a workforce, entrepreneurs, consumer spending, leaders, volunteers, donors, and so much more. Growing an economy that also fosters stronger community demographics is foundational to community prosperity.

Household structure is changing with fewer traditional households with larger numbers of children. Today household size is decreasing due to fewer marriages, fewer children, and fewer multi-generational households. Taking into account household structural changes can help your community better understand your demographic health and how development can strengthen your demography.

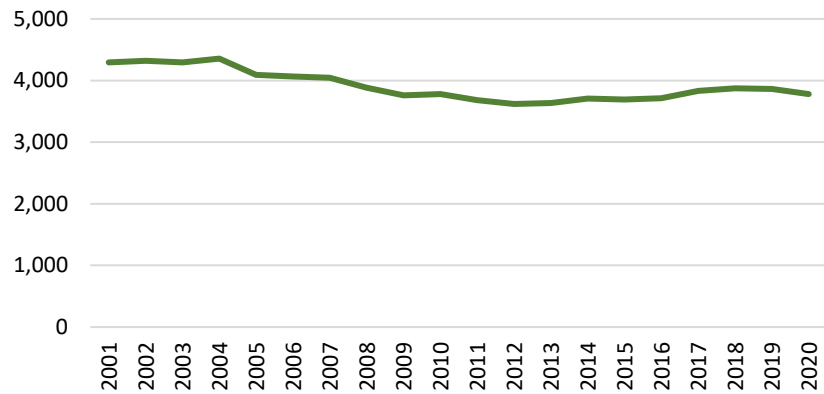
Figure 4 provides data from Dr. Ben Winchester with the University of Minnesota employing 2000 and 2010 Census data reflecting the percentage change in resident population by age cohort. Figure 5 provides data from Esri based in part on Census data comparing percentage changes in cohorts between 2010 and 2021.



## Employment Trends

Figure 6 to the right provides the long-term historical trend for total employment in the county. Typically, if a county’s population is increasing, we will also see increasing employment. However, for rural counties, it is not uncommon to see declining population with growing employment at least for some time. In most parts of America, workers are willing to travel long distances for jobs and careers. Workforce is often regional where people live in one community and commute to another community for work and running businesses. Eventually, if a community continues to experience population loss, its ability to sustain job growth is undermined. Later in this profile, we provide more detailed information on job trends associated with different kinds of ventures by type and size of employment.

**Figure 6. Employment Trends 2001-2020**

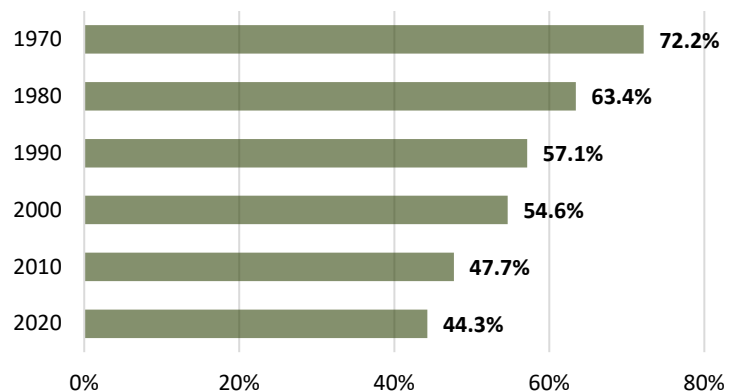


**Table 1. Net Job Growth During Recession Periods**

2001 Recession		Great Recession	
Recession (Mar-Nov 2001)	0.8 %	Recession (Dec 2007-June 2009)	0.4%
Recovery (Dec 2001-Nov 2007)	-0.1%	Recovery (July 2009-Dec 2018)	-0.1%

“Labor earnings to total personal income” is a good proxy for how dynamic or robust an economy is. Across the country, the share of labor earnings (active work) relative to total personal income has been dropping reflecting both an aging and stagnating economy. A healthy labor-earning rate is in the range of 60 to 70 percent. For communities with a Labor Earnings Ratio that has been consistently dropping, there should be concern about the vitality of a community’s economy. In some situations, this ratio will fluctuate due to influences of natural resource extraction and processing. In communities where farming is predominant, earnings will fluctuate from year to year impacting this ratio. The same is true for other economies where oil, timber, fisheries, and tourism are king. Understanding how these economic activities impact community health and well-being is important and a commitment to economic diversification is key to more stable and prosperous communities.

**Figure 7. Labor Earnings as a Percent of Total Income 1969-2020**

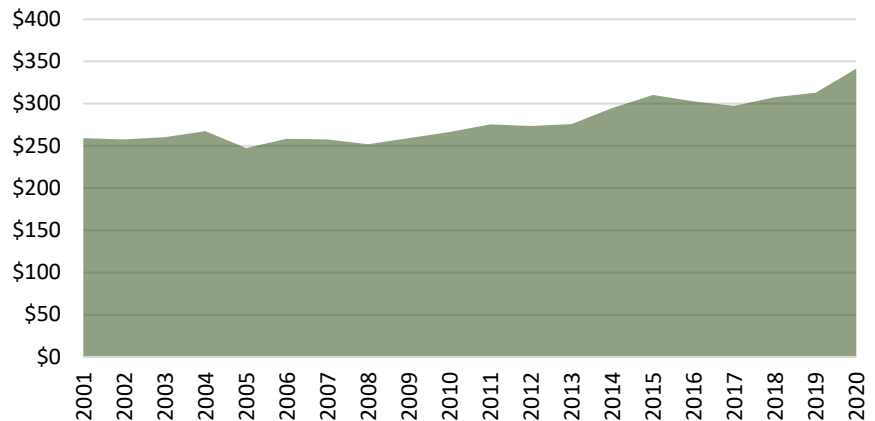


## Personal Income Trends

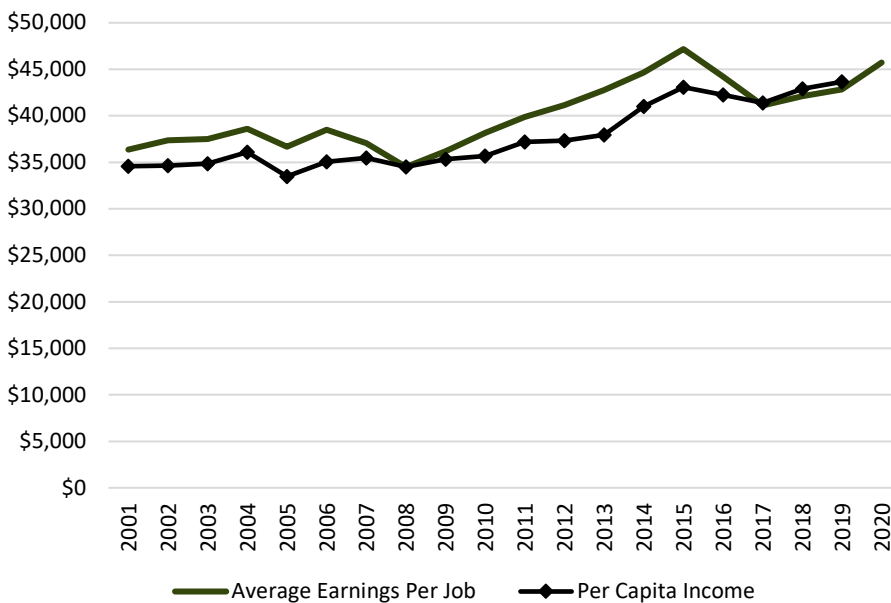
Long-term personal income trends measured in real or inflation-adjusted dollars (where a dollar in 2020 has the same purchasing power as a dollar in 1970) are presented for your county in Figure 8. Personal income is a critically important indicator of community well-being. Generally speaking, when personal income is rising faster than both population and employment, household and community well-being is improving.

What Figure 8 does not show is income distribution. We have additional research in your online library profiling household disposable income and net worth.

**Figure 8. Personal Income Trends 2001-2020**  
(Millions of 2020 dollars)



**Figure 9. Average Earnings Per Job and Per Capita Income 2001-2020**  
(2020 dollars)



Per capita income (total personal income for the county divided by the number of permanent residents or population) is a good indicator of how well a county is doing. Per capita income in most rural communities is rising because of an aging population. Total personal income includes active earnings (wage and salary earnings) and passive earnings associated with rents, Social Security, retirement, royalties, and the like. With aging populations, active earnings may be stagnant but per capita income is rising due to growing passive earnings.

Average earnings per job gives us a better indicator of how business owners and workers are doing. When average earnings are rising, chances are good that the county is doing better. The converse is true when average earnings are contracting reflecting reduced earnings from businesses and wage stagnation or cuts for workers.





## Economic Drivers

Every community, region, or state is shaped by certain *economic drivers* that generate income. Using data on total earnings by industry, this profile highlights the top 10 *economic drivers* for the county, how each of these has done in the last decade and its relative importance benchmarked to U.S. averages.

Figure 10. Earnings Drivers

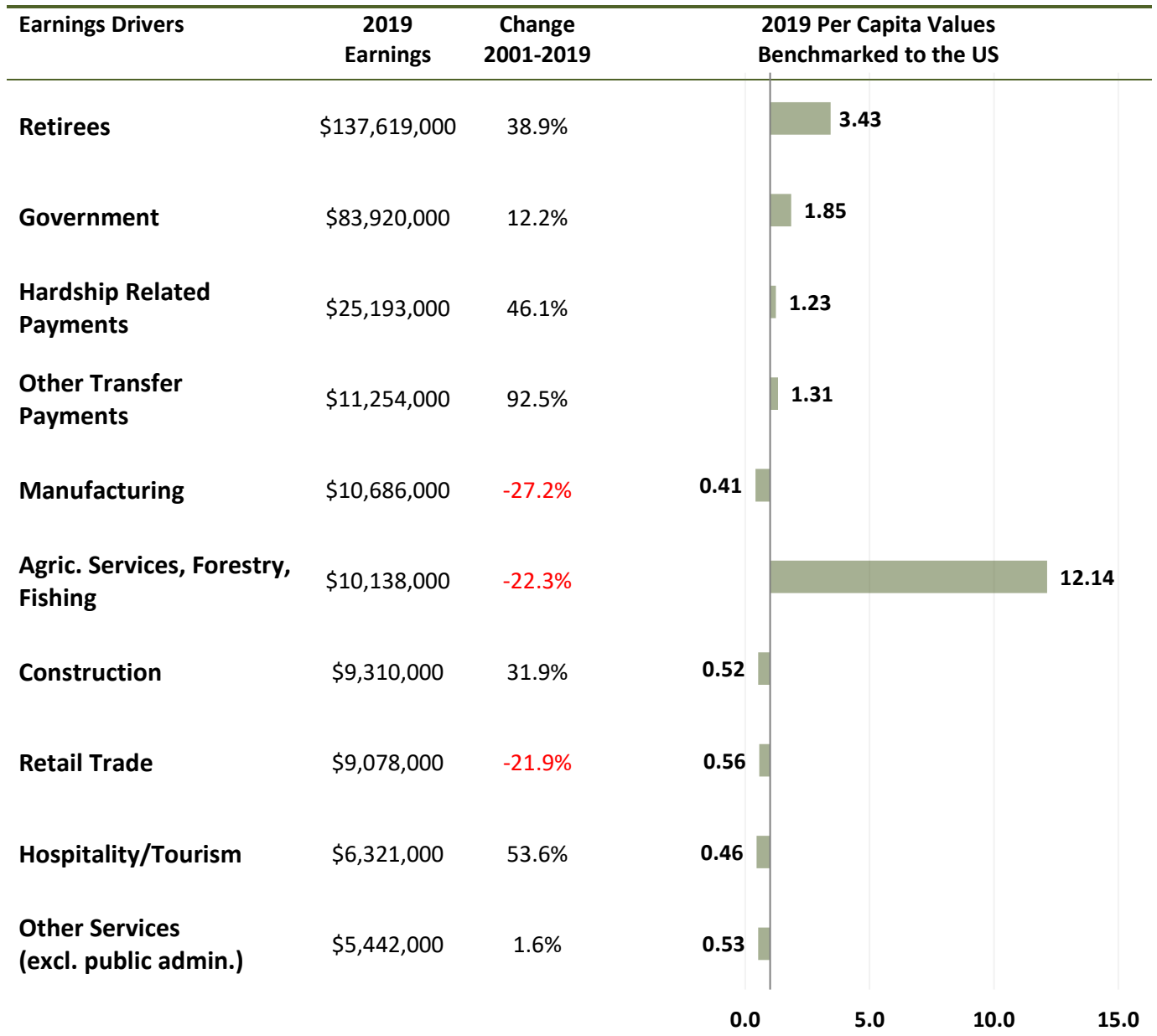
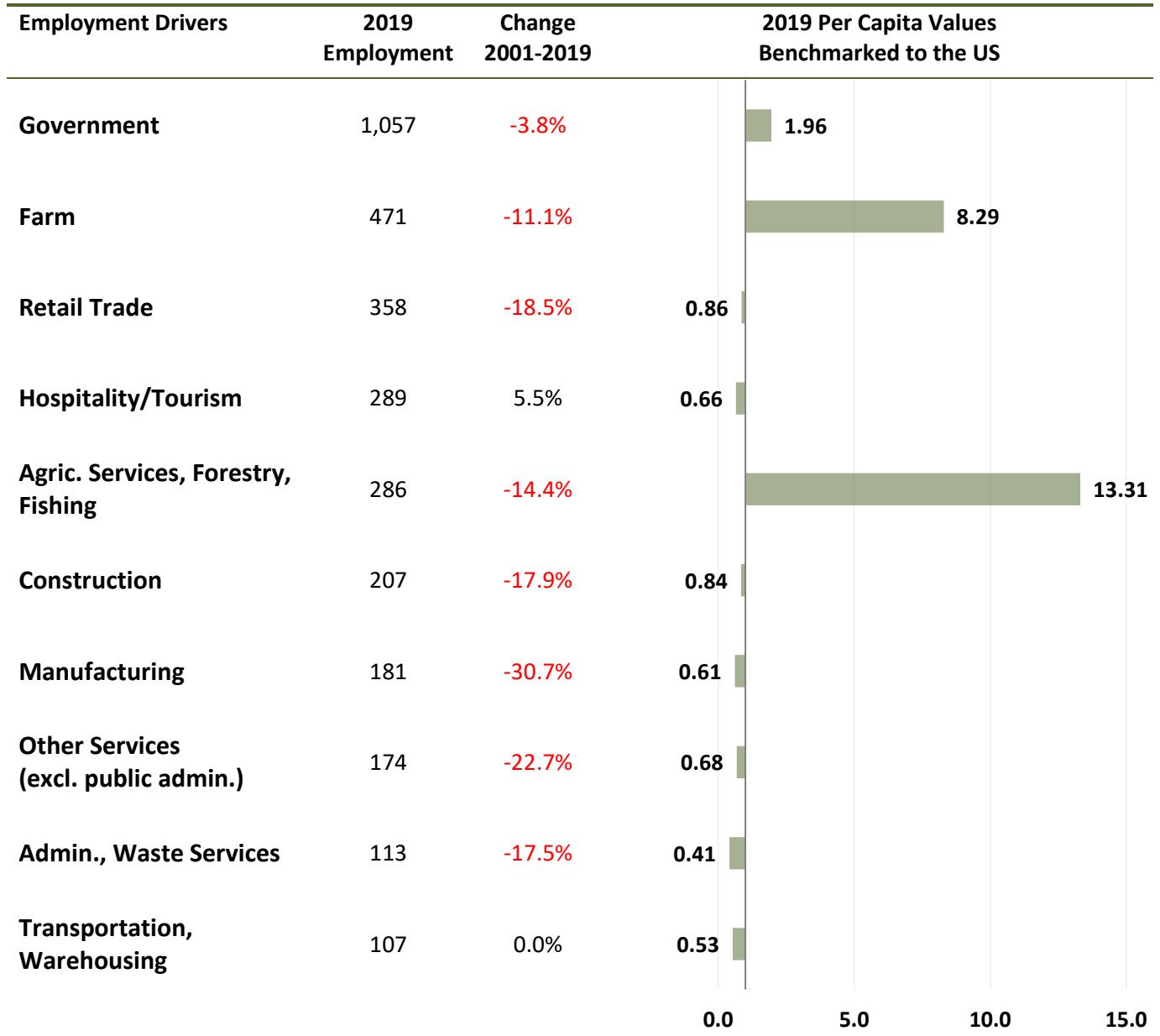


Figure 11 – Employment Drivers



The following analysis provides additional detail on each of these “economic drivers” shaping your county’s economy and society. Additional information is available through the profile’s online library and from e2 Entrepreneurial Ecosystems by contacting Don Macke at [don@e2mail.org](mailto:don@e2mail.org).

**Retirees.** America is aging, and retirees are among the most important economic drivers in our communities today. Retirees are a non-traditional economic sector. We may consider manufacturing, mining, and even health care as economic sectors, but retirees are increasingly important to our community’s economic well-being. Retirees generate significant spending for 55-plus housing, health care, recreation, and other activities. For some rural communities, their local hospital and clinics exist because of retirees and their Medicare insurance programs.



**Government.** Government includes everything from military agencies to federal, state, and local government organizations. Government also includes public education ranging from the local public K-12 school system, public community colleges, colleges, universities, and educational learning centers and agencies. For some communities, all or part of their health care system is public and would be included in the government sector. Government adds stability and diversification to your community while also providing critically important services. Ensuring government stability is highly recommended. Growing, through business development, a larger tax base is an important game plan providing adequate tax revenues to support government functions while reducing the burden on both farm and residential taxpayers.

**Hardship Related Payments.** According to Headwaters Economics ([www.headwaterseconomics.org](http://www.headwaterseconomics.org)), Hardship Related Transfer Payments include payments associated with poverty and include Medicaid, Food Stamps (SNAP), Supplemental Security Income (SSI), Unemployment Insurance, and other income maintenance benefits. With the Great Recession and an aging population, hardship payments have grown and become more important for many communities.

**Other Transfer Payments.** According to Headwaters Economics ([www.headwaterseconomics.org](http://www.headwaterseconomics.org)), Other Transfer Payments includes veterans' benefits, education and training, Workers' Compensation Insurance, railroad retirement and disability, farm payments, other government retirement and disability, and other receipts of individuals and non-profits.

**Manufacturing.** Manufacturing is a mainstay economic activity. Manufacturing in the United States is undergoing profound change due to automation and offshoring. Lower value and lower skill manufacturing is in decline. However, overall manufacturing activity in the U.S. based on value-added output is actually rising. Manufacturing can range from the production of clothing, cars, and furniture to natural resource processing and refining.

**Forestry, Fishing and Agricultural Services.** This category actually includes three separate economic sectors. In the Pacific Northwest and other parts of the country with timber resources that can be harvested, forestry is an important industry. Processing of forestry resources into value-added products typically is captured in the manufacturing sector. The same is true with fisheries and the commercial harvesting of both farm and wild aquatic populations. Finally, agricultural services are a growing sector as farms and ranches have industrialized. This sector includes everything from custom harvesting to drone-supported field monitoring.

**Construction.** Construction, like local retail trade and services, is found in most community and regional economies. Construction activity ranges from locally-based contractors like plumbers and homebuilders to regionally-based construction companies and external companies doing major projects (e.g., roads, power plants, etc.) in a community.

**Retail Trade.** Retail Trade is a bedrock and iconic economic activity in every community. Over the years, the "Norman Rockwell main street" has experienced significant change with emergence of strip commercial activities, shopping centers, franchised box stores and now electronic commerce (e.g. Amazon). Today, locally-

owned retail trade is very important to community health as it captures and recycles local spending and roots wealth, but is challenged.

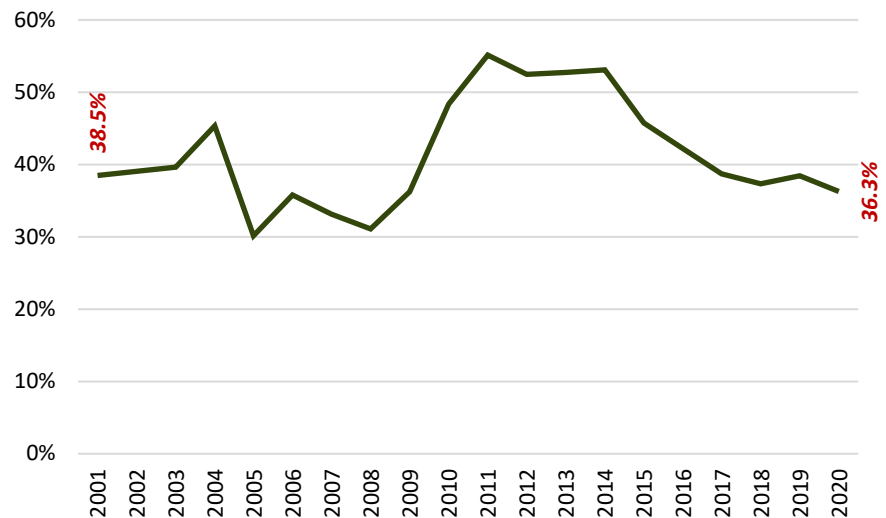
**Hospitality.** Hospitality or tourism includes three key economic activities including arts, entertainment, recreation venues, accommodations or lodging, and food services. Most communities have some activity within all three of these sectors meeting the needs of local residents. However, when there are higher concentrations of these activities, a community is likely a destination for outside visitors. They may be communities along interstate highways providing services to pass-through travelers or genuine destinations that have historic, recreational, or cultural amenities drawing visitors.

**Other Services (except public administration).** Other Services is also an important sector in the county. Activities in this sector are providing services not specified elsewhere in the NAICS industry sectors, including repairs, religious activities, grantmaking, advocacy, laundry, personal care, death care, and other personal services. Other Services generated over \$5.4 million in household earnings in 2019. This sector has grown by 16% between 2001 and 2019. Further exploration of this sector is warranted and likely represents business development opportunities.

**Locally Owned Ventures.**

Historically, one of the greatest assets of American communities was locally owned retail businesses, services, and manufacturing operations (often referred to as Main Street USA). These were area owned and operated, and rooted in the community. Figure 12 measures the income associated with these locally owned businesses compared to that associated with wage and salary jobs. This ratio provides an indication of how well these ventures are doing in our changing environment.

**Figure 12. Nonfarm Proprietor Income as a Percent of Wage and Salary Income 2001-2020**



## Commuters

Every worker commutes. Some live and work in their home community. Other workers live in one county and work in another county (i.e., outbound commuters). Additional workers live outside the home county and come into your county meeting workforce needs (i.e., inbound commuters). Finally, a growing number of workers who choose to live in your community may have a work relationship across the state, national or world (i.e., distributed workers). Your community is a relatively large geographic region with multiple smaller rural communities without larger urban centers. In landscapes like this, individuals often live in one community, work in another community (either physically and/or digitally), shop in other communities, and play in other parts of the county. From your county’s unique data, evidence shows expected physical commuting both into and out of the county, but also digital commuting.

**Table 2. Grant County Resident and Worker Destinations (2019)**

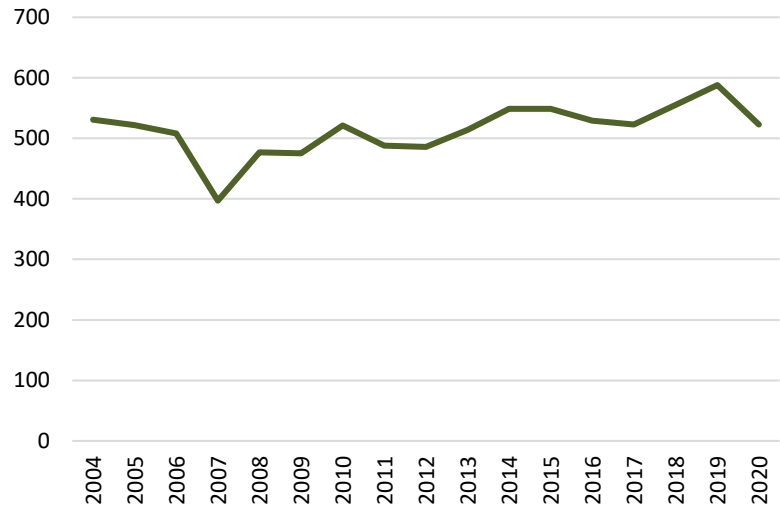
Where Residents Work			Where Workers Live		
Total Jobs	2,751	100.0%	Total Jobs	2,294	100.0%
<b>Cities</b>			<b>Cities</b>		
John Day city, OR	925	33.6%	John Day city, OR	475	20.7%
Canyon City town, OR	186	6.8%	Canyon City town, OR	168	7.3%
Portland city, OR	171	6.2%	Prairie City, OR	142	6.2%
Prairie City, OR	97	3.5%	Mount Vernon city, OR	125	5.4%
Bend city, OR	59	2.1%	Seneca city, OR	44	1.9%
Salem city, OR	47	1.7%	Baker City, OR	42	1.8%
Pendleton city, OR	39	1.4%	Dayville town, OR	32	1.4%
Baker City, OR	33	1.2%	Long Creek city, OR	27	1.2%
Hillsboro city, OR	31	1.1%	La Grande city, OR	25	1.1%
Long Creek city, OR	28	1.0%	Portland city, OR	23	1.0%
<b>States</b>			<b>States</b>		
Oregon	2,561	93.1%	Oregon	2,182	95.1%
Washington	128	4.7%	Idaho	47	2.0%
California	29	1.1%	Washington	29	1.3%
Idaho	14	0.5%	California	7	0.3%
Colorado	3	0.1%	Nevada	7	0.3%

# Understanding the Business/Entrepreneurial Economy

## Big Picture Overview

A central driver of community or regional prosperity is the business community. Figures 13-20 provide an overview of the county’s business community, including for-profit, non-profit, and governmental enterprises, from 2004 through 2020. Figure 13 highlights the longer-term trend in the number of all regional establishments including for-profit businesses, non-profit ventures, and government entities. Data in Figures 13-15 and 17-20 is from [www.youreconomy.org](http://www.youreconomy.org). Find the source data for these figures in the online library.

Figure 13. Businesses



### Grant County, Oregon Business Summary

**Total Businesses**  
452

**Businesses per 1,000 Residents**  
Grant County – 60  
Oregon – 38  
U.S. – 36

**Total Employees**  
3,096

**Employees per 1,000 Residents**  
Grant County – 411  
Oregon – 423  
U.S. – 438

Figure 14. Jobs

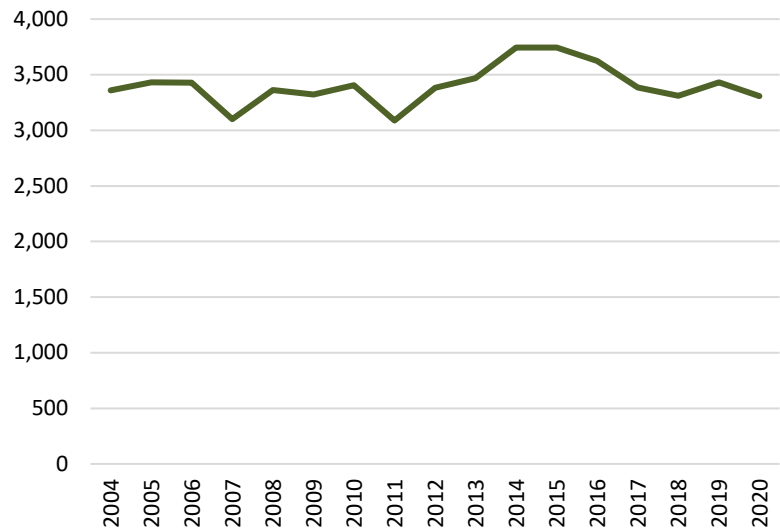


Figure 14 provides a comprehensive picture of all employment from for-profit business to non-profits to government entities including schools. This does not reflect the employment of those who live in the county and work outside of the county.

Esri ([www.esri.com](http://www.esri.com)) produces regional analysis of ventures and employment by sector. The data provides a useful overview of the relative importance of specific sectors in the county’s economy in 2020 (see Table 3). Economic sectors are organized into two components. A county’s *traded sectors* produce products and services that are sold outside the county, bringing new income into the county. Traded sectors are also referred to as *basic industries*. Strong regional economies have strong and diverse traded sectors.

Table 3 provides an accounting of the county’s ventures including the number of ventures by sector and associated full-time equivalent employment. This data source does not always capture all venture activity. For example, it may not fully reflect the number of farms and ranches in a rural area. For those sectors where we have data gaps, there are supplemental reports in your county’s online library.

**Table 3. Economic Sectors, Grant County, OR, 2020**

<b>Sector</b>	<b>Ventures</b>	<b>Employees</b>	<b>% Total Employees</b>
Agriculture, Forestry, Fishing & Hunting	44	486	15.7%
Mining & Utilities	4	59	1.9%
Construction	16	48	1.6%
Manufacturing	7	25	0.8%
Wholesale Trade	13	127	4.1%
<b>Retail Trade*</b>	55	305	9.9%
Transportation & Warehousing	11	37	1.2%
Information	4	30	1.0%
<b>Finance &amp; Insurance*</b>	12	80	2.6%
Real Estate	13	35	1.1%
Professional Services	23	161	5.2%
Management & Administrative	7	51	1.6%
Education	12	307	9.9%
Health Care	32	398	12.9%
Arts, Entertainment & Recreation	10	71	2.3%
Accommodations	15	58	1.9%
Food Service	23	186	6.0%
<b>Hospitality/Tourism Sector**</b>	48	315	10.2%
Other Services	62	152	4.9%
Public Administration	62	441	14.2%
Unclassified Establishments	27	39	1.3%
<b>Total</b>	<b>452</b>	<b>3,096</b>	<b>100%</b>

\*Esri provides additional detail for these sectors including sub-sector information.

\*\*Hospitality/Tourism Sector is created by combining the three preceding sectors.

**Retail Trade** nationally has undergone major changes as once dominant locally owned retailers are now competing with externally owned big box stores and online sellers. A strong and diverse retail sector is important to capturing local spending and generating additional economic growth. Additionally, services for business, households, non-profits, and governmental agencies are increasingly important. We have additional information on your county’s service sector in your online library.



**Table 4. Retail Demand Outlook, Grant County, OR, 2021**

	2021 Consumer Spending	2026 Forecasted Demand	Projected Spending Growth
<b>Apparel and Services</b>	\$4,671,956	\$5,155,274	\$483,318
Men's	\$807,978	\$891,685	\$83,707
Women's	\$1,736,867	\$1,915,775	\$178,908
Children's	\$666,674	\$735,770	\$69,096
Footwear	\$1,057,839	\$1,167,554	\$109,715
Watches & Jewelry	\$347,412	\$383,458	\$36,046
Apparel Products and Services (1)	\$96,984	\$107,063	\$10,079
<b>Computer</b>			
Computers and Hardware for Home Use	\$364,646	\$402,206	\$37,560
Portable Memory	\$11,323	\$12,495	\$1,172
Computer Software	\$18,967	\$20,912	\$1,945
Computer Accessories	\$40,095	\$44,209	\$4,114
<b>Entertainment &amp; Recreation</b>	\$8,701,499	\$9,596,681	\$895,182
Fees and Admissions	\$1,310,307	\$1,445,451	\$135,144
Membership Fees for Clubs (2)	\$458,027	\$505,169	\$47,142
Fees for Participant Sports, excl. Trips	\$196,802	\$217,131	\$20,329
Tickets to Theatre/Operas/Concerts	\$138,284	\$152,627	\$14,343
Tickets to Movies	\$94,623	\$104,407	\$9,784
Tickets to Parks or Museums	\$75,010	\$82,762	\$7,752
Admission to Sporting Events, excl. Trips	\$122,024	\$134,673	\$12,649
Fees for Recreational Lessons	\$224,098	\$247,089	\$22,991
Dating Services	\$1,439	\$1,593	\$154
TV/Video/Audio	\$3,207,263	\$3,539,986	\$332,723
Cable and Satellite Television Services	\$2,392,945	\$2,641,121	\$248,176
Televisions	\$225,867	\$249,501	\$23,634
Satellite Dishes	\$3,488	\$3,839	\$351
VCRs, Video Cameras, and DVD Players	\$10,693	\$11,798	\$1,105
Miscellaneous Video Equipment	\$44,984	\$49,619	\$4,635
Video Cassettes and DVDs	\$17,024	\$18,788	\$1,764
Video Game Hardware/Accessories	\$77,387	\$85,286	\$7,899
Video Game Software	\$35,394	\$39,044	\$3,650
Rental/Streaming/Downloaded Video	\$157,004	\$173,176	\$16,172
Installation of Televisions	\$990	\$1,091	\$101
Audio (3)	\$232,202	\$256,411	\$24,209
Rental and Repair of TV/Radio/Sound Equipment	\$9,285	\$10,312	\$1,027
Pets	\$2,575,246	\$2,838,381	\$263,135
Toys/Games/Crafts/Hobbies (4)	\$291,249	\$321,099	\$29,850
Recreational Vehicles and Fees (5)	\$359,770	\$396,610	\$36,840
Sports/Recreation/Exercise Equipment (6)	\$547,288	\$602,864	\$55,576
Photo Equipment and Supplies (7)	\$86,478	\$95,373	\$8,895
Reading (8)	\$264,999	\$291,960	\$26,961
Catered Affairs (9)	\$59,134	\$65,217	\$6,083
<b>Food</b>	\$22,976,318	\$25,350,753	\$2,374,435
Food at Home	\$14,377,436	\$15,860,404	\$1,482,968
Bakery and Cereal Products	\$1,860,359	\$2,052,512	\$192,153
Meats, Poultry, Fish, and Eggs	\$3,094,797	\$3,414,850	\$320,053
Dairy Products	\$1,506,430	\$1,660,773	\$154,343
Fruits and Vegetables	\$2,635,646	\$2,907,221	\$271,575
Snacks and Other Food at Home (10)	\$5,280,205	\$5,825,048	\$544,843
Food Away from Home	\$8,598,882	\$9,490,349	\$891,467
Alcoholic Beverages	\$1,321,887	\$1,458,099	\$136,212





	2021 Consumer Spending	2026 Forecasted Demand	Projected Spending Growth
<b>Financial</b>			
Value of Stocks/Bonds/Mutual Funds	\$50,898,577	\$56,147,579	\$5,249,002
Value of Retirement Plans	\$213,461,139	\$235,465,892	\$22,004,753
Value of Other Financial Assets	\$23,092,996	\$25,438,464	\$2,345,468
Vehicle Loan Amount excluding Interest	\$7,285,177	\$8,042,794	\$757,617
Value of Credit Card Debt	\$6,574,151	\$7,254,997	\$680,846
<b>Health</b>			
Nonprescription Drugs	\$578,493	\$637,521	\$59,028
Prescription Drugs	\$1,209,683	\$1,334,632	\$124,949
Eyeglasses and Contact Lenses	\$287,503	\$316,923	\$29,420
<b>Home</b>			
Mortgage Payment and Basics (11)	\$23,627,416	\$26,060,420	\$2,433,004
Maintenance and Remodeling Services	\$7,629,507	\$8,409,744	\$780,237
Maintenance and Remodeling Materials (12)	\$2,244,311	\$2,474,534	\$230,223
Utilities, Fuel, and Public Services	\$13,654,820	\$15,071,359	\$1,416,539
<b>Household Furnishings and Equipment</b>			
Household Textiles (13)	\$223,667	\$246,928	\$23,261
Furniture	\$1,468,343	\$1,620,933	\$152,590
Rugs	\$67,380	\$74,425	\$7,045
Major Appliances (14)	\$941,139	\$1,039,008	\$97,869
Housewares (15)	\$231,568	\$255,151	\$23,583
Small Appliances	\$131,686	\$145,242	\$13,556
Luggage	\$30,769	\$33,979	\$3,210
Telephones and Accessories	\$203,254	\$224,226	\$20,972
<b>Household Operations</b>			
Child Care	\$894,682	\$987,179	\$92,497
Lawn and Garden (16)	\$1,645,405	\$1,813,934	\$168,529
Moving/Storage/Freight Express	\$160,080	\$176,520	\$16,440
Housekeeping Supplies (17)	\$2,211,671	\$2,438,694	\$227,023
<b>Insurance</b>			
Owners and Renters Insurance	\$1,982,092	\$2,186,770	\$204,678
Vehicle Insurance	\$4,846,173	\$5,350,086	\$503,913
Life/Other Insurance	\$1,561,238	\$1,724,052	\$162,814
Health Insurance	\$11,818,541	\$13,038,237	\$1,219,696
Personal Care Products (18)	\$1,228,557	\$1,355,213	\$126,656
School Books and Supplies (19)	\$305,688	\$337,205	\$31,517
Smoking Products	\$1,363,010	\$1,506,382	\$143,372
<b>Transportation</b>			
Payments on Vehicles excluding Leases	\$7,289,161	\$8,045,488	\$756,327
Gasoline and Motor Oil	\$6,643,728	\$7,333,001	\$689,273
Vehicle Maintenance and Repairs	\$3,111,529	\$3,432,263	\$320,734
<b>Travel</b>			
Airline Fares	\$1,179,331	\$1,300,258	\$120,927
Lodging on Trips	\$1,620,550	\$1,787,579	\$167,029
Auto/Truck Rental on Trips	\$107,796	\$118,868	\$11,072
Food and Drink on Trips	\$1,337,041	\$1,474,730	\$137,689



## Entrepreneurial Profile

Entrepreneurs play a central role in revitalizing community and regional economies. Where you have more robust entrepreneurial activity, you typically have more competitive, dynamic, and prosperous economies. This is particularly true when rooted entrepreneurs are part of the overall community, contributing to the economy and actively engaging in the civic and social life of the county. Healthy economies support a range of entrepreneurial talent – from aspiring and startup to growth-oriented and breakout entrepreneurs.

**Startup Entrepreneurs** are the seeds of an entrepreneurial economy, making up the mouth of the pipeline. Successful startups create opportunities for business growth that generates employment and ultimately drives the economy. One good proxy for startup entrepreneurs is the number of **self-employed** (where the owner/operator is the only employee). Figure 15 shows self-employment trends for your county from 2004 through 2020 ([www.youreconomy.org](http://www.youreconomy.org)).

Rising self-employment can be due to two things. First, it can reflect the lack of wage and salary jobs where people in a community are forced into necessity entrepreneurship to get by until better jobs emerge. Second, it can be an indicator of increased new venture startups. Self-employment is a leading indicator of new entrepreneurial activity in a community. Working with the self-employed offers a significant development strategy for the county.

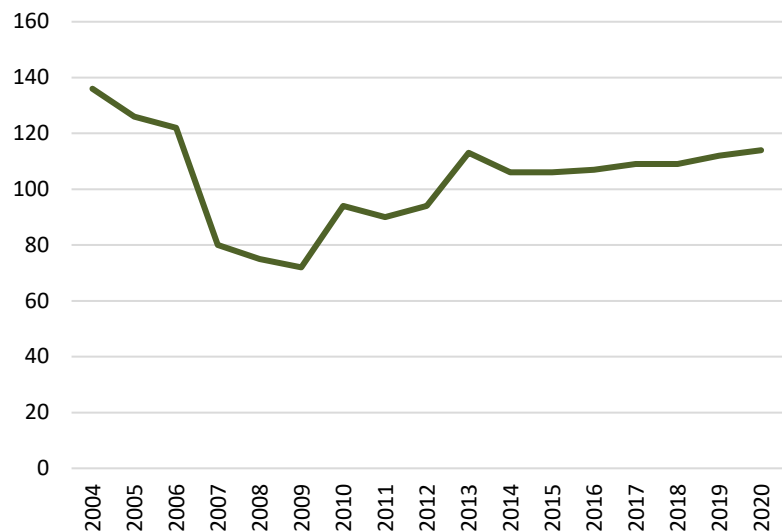
Conversely, declining self-employment can reflect two realities in a community. First, it can indicate an improving wage and salary job market where self-employed persons are taking jobs. For example, this may happen when a business expands and creates significant new job openings. Second, it can indicate deeper community decline where overall economic activity is contracting. Understanding what is behind these trends is paramount.

Regardless of your county's trend direction, it is important to discover who your self-employed entrepreneurs are. We urge the county to focus on the following three questions to explore this development opportunity:

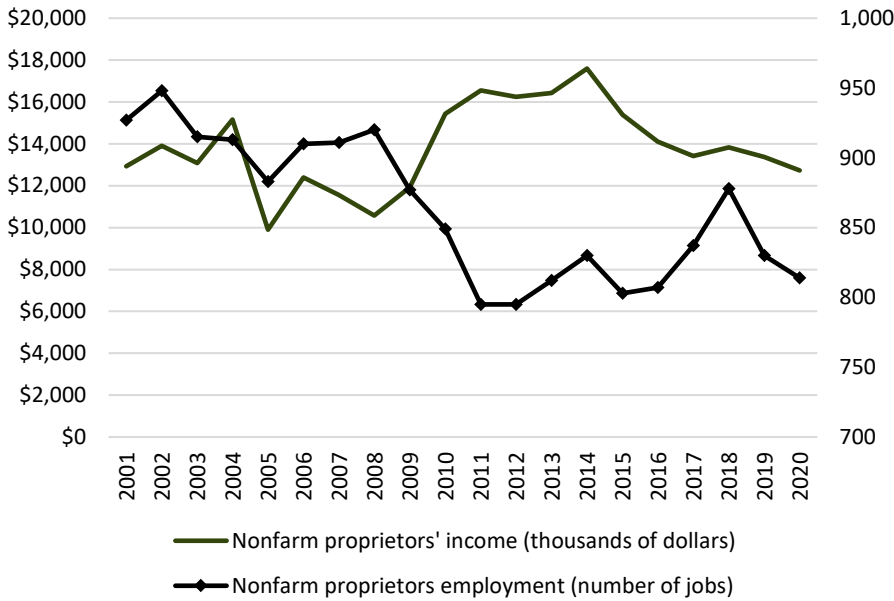
- Who are these self-employed startups?
- What are they doing?
- How could we help them be more successful?

Increasing self-employment or startup activity can be an important business development objective within an overall economic development strategy.

Figure 15. Self-Employed



**Figure 16. Nonfarm Proprietors' Income & Employment**

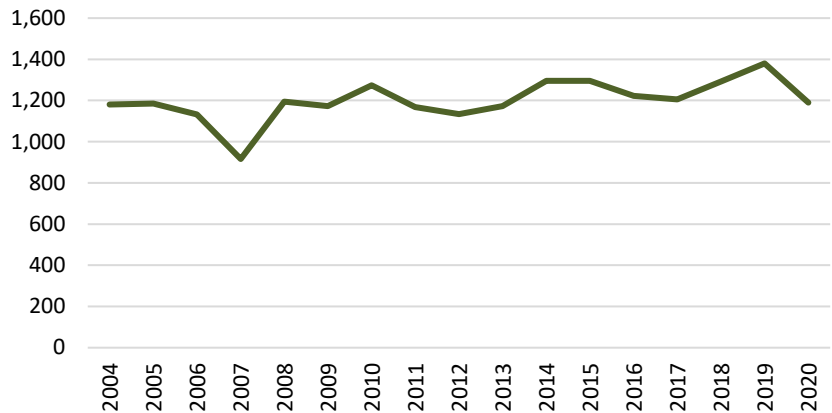


**Established, Locally Owned Entrepreneurial Ventures** are important components of a community’s entrepreneurial pipeline. When family-owned, local businesses prosper, they hire more employees, pay more local taxes and are able to support their communities more actively. We use two sets of data to describe these entrepreneurs. The U.S. Bureau of Economic Analysis (Figure 16) tracks nonfarm proprietors, typically small main street type businesses that are not incorporated. [Youreconomy.org](http://Youreconomy.org)

(Figure 17) tracks ventures based on the number of employees, with Stage 1 businesses (2-9 employees) representing small, most likely family-owned or locally owned businesses.

Stage 1 ventures with 2-9 employees overlap with nonfarm and farm proprietorships. Typically, statistics on Stage 1 ventures have higher numbers for both number of ventures and employment. This difference is due to the fact that Stage 1 ventures can include small corporations and LLCs that may not be classified as proprietorships. Comparing the two sets of data can help a community or region gain a better idea of what is happening with this all-important component of your venture

**Figure 17. Employment in Stage 1 (2-9 Employees) Ventures**



community. For communities or regions that are more rural, Stage 1 ventures and nonfarm proprietorships are the bedrock of “main street” type locally owned ventures. These are our cafes, retail shops, dental offices, medical clinics, small manufacturing operations, local trucking firms, and the like. Stage 1 indicators can vary as ventures move between the magic line of 9 to 10 to 10 to 99 employees. Watching how Stage 1 and Stage 2 indicators are changing can reflect movement between these two classes of businesses. Maintaining and sustaining nonfarm proprietorships and Stage 1 ventures are foundational to most regional economies. This is particularly true if ownership is local meaning profits from the ventures are creating local wealth.

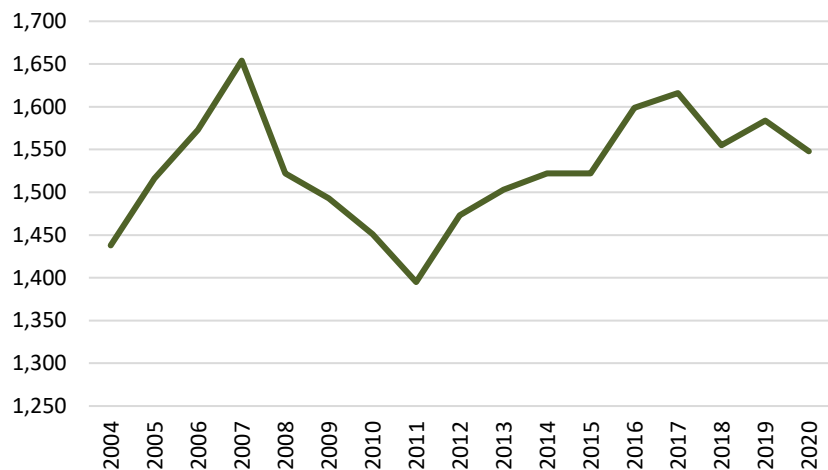


**Growth-Oriented Entrepreneurs** comprise an important part of the entrepreneurial pipeline. These entrepreneurs have the desire to grow and have – or are seeking – the market opportunities to turn that desire into a reality. A great deal of attention is paid to **growth entrepreneurs** – Economic Gardening ([National Center for Economic Gardening](#)) focuses almost exclusively on these entrepreneurs. In most community and regional economies, we have found fewer growth entrepreneurs and much larger numbers of **growth-oriented entrepreneurs**. This latter group includes entrepreneurs who are actively exploring ways to grow their businesses but who may still benefit from the types of business development assistance most regions and communities can offer. Helping growth entrepreneurs often requires much higher-level resources, including diverse forms of capital.

As a proxy for growth-oriented entrepreneurs, we use employment for Stage 2 ventures (10-99 employees). Figure 18 illustrates what we call Stage 2 Ventures or those employing 10 to 99 employees. Stage 2 ventures are critically important to a community or region. These ventures tend to create more jobs and better jobs. There may be less part-time or flexible time situations. Ventures at this size tend to need a stable and productive workforce creating jobs with better

compensation, security, and benefits. Ownership can be independent, franchises with local and outside ownership, or branch facilities of outside LLCs and corporations. Increasing Stage 2 ventures is an important development goal as these ventures tend to provide better jobs. Most likely some Stage 1 businesses became Stage 2 employers through growth.

**Figure 18. Employment in Stage 2 (10-99 Employees) Ventures**

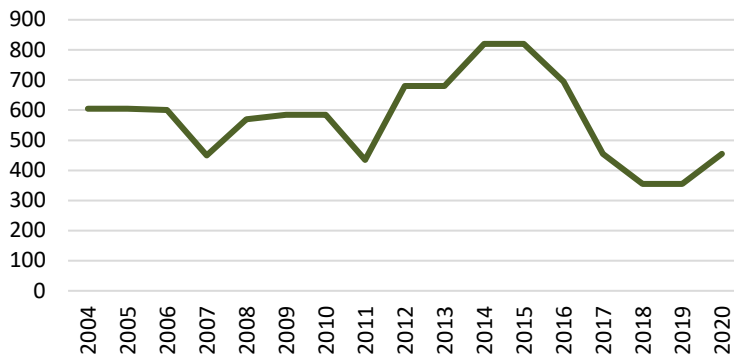


**Breakout Entrepreneurs** are very important to both local and regional economies. Ideally, these entrepreneurial ventures create many jobs, stimulate economic growth, and increase overall economic prosperity as new employee spending drives retail, service, construction, and other sectors of the economy. In the **new economy**, many businesses are experiencing rapid sales growth but creating few jobs as they rely instead on contract employees and outsourcing strategies. As part of the entrepreneurial pipeline, communities should focus on those existing businesses that achieve breakout or rapid growth status **and** create many jobs in the process. According to Christine Hamilton-Pennell (former market research analysis with Littleton, Colorado’s Economic Gardening program), the typical high growth entrepreneurial venture is one that has been around for several decades and reaches a point where there is both motivation and opportunity for high growth. It often takes an entrepreneur time to figure out how to achieve higher growth, creating opportunities for the community to provide support and resource connections. This observation also suggests that leaders should not limit their focus to new entrepreneurial ventures. It is important to look at existing, established entrepreneurs who may be on the cusp of breakout growth.



As a proxy for breakout entrepreneurs, we use employment associated with Stage 3 ventures (100-499). Many Stage 3 ventures achieve a certain level of growth and plateau. If we see employment growth among Stage 3

**Figure 19. Employment in Stage 3 (100-499 Employees) Ventures**

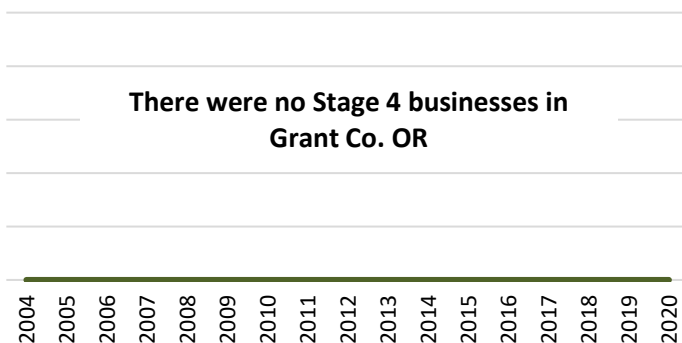


ventures, there is a strong probability that there is breakout entrepreneurial activity.

At the local or regional level, it is relatively easy to identify potential breakout entrepreneurs (remember, they can be non-profits and public enterprises). At this stage, businesses are often moving out of existing space and building new office complexes or even campuses. They may be actively expanding their leadership teams or seeking new supplier relationships. Regional and

local leaders should be watching for such evidence and meeting with these entrepreneurial teams to understand their plans and consider what support the community can provide.

**Figure 20. Employment in Stage 4 (500+ Employees) Ventures**



**Large or Stage 4 Ventures.** The U.S. Small Business Administration defines the dividing line between small and big businesses as 500 employees. YourEconomy defines Stage 4 ventures as those with 500 or more employees. In rural regions, ventures with this kind of employment are rare and often associated with branch manufacturing plants, regional health care facilities, regional colleges and universities, consolidated K-12 school systems, and major energy, power, or mining operations.

Just as a water or natural gas pipeline is critical community infrastructure, the **entrepreneurial pipeline** is the lifeblood of a community or regional economy. A diverse set of entrepreneurial talent, across the entire pipeline, is one key to building a strong, diverse entrepreneurial economy. For the county, Table 5 provides a comprehensive picture of all private, public, and non-profit business establishments across the entrepreneurial pipeline, using data from [www.youreconomy.org](http://www.youreconomy.org).

Every community, particularly within a larger regional setting, has elements of the entrepreneurial pipeline in place, with more businesses in the earlier stages of venture development. Regional and local leaders should focus on understanding the entrepreneurial talent that exists across this pipeline and targeting resources toward those with the desire, capacity, and opportunity to grow.



**Table 5. Grant County, OR Entrepreneurial Pipeline**

	2004	2007	Change	2007	2020	Change
<b>Establishments</b>	531	397	-134	397	523	126
Self-Employed (1)	136	80	-56	80	114	34
Stage 1 (2-9)	328	249	-79	249	342	93
Stage 2 (10-99)	62	64	2	64	63	-1
Stage 3 (100-499)	5	4	-1	4	4	0
Stage 4 ( 500+)	0	0	0	0	0	0
<b>Jobs</b>	3,360	3,100	-260	3,100	3,307	207
Self-Employed (1)	136	80	-56	80	114	34
Stage 1 (2-9)	1,181	916	-265	916	1,190	274
Stage 2 (10-99)	1,438	1,654	216	1,654	1,548	-106
Stage 3 (100-499)	605	450	-155	450	455	5
Stage 4 ( 500+)	0	0	0	0	0	0

## Using this Development Opportunity Profile

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

At e2 Entrepreneurial Ecosystems (formerly the Center for Rural Entrepreneurship), we have studied local and regional economies throughout North America. We have deep and long-term experience helping communities understand their development opportunities and create entrepreneur-focused development strategies. Based on this experience, we offer some initial insights into potential development opportunities for Grant County. We hope these insights provide the fodder for your initial community conversations.

### COVID-19, Shutdowns and Recession

2021 is proving to be a challenging year with the COVID-19 world health pandemic, shutdowns of significant economic sectors and a national and global recession. This health and economic crisis is far from over and will continue to ripple through our economy and society well into 2022. The uncertainty of this crisis complicates economic development planning. For additional information on how this crisis may create development opportunities for communities like yours check out our paper [The 2020 Pandemic Recession – Future Trends.](#)

## Initial Observations

Based on our review of your Development Opportunity Profile data we offer the following preliminary observations:

- 1 – Depopulation.** Data on pages 5 and 6, as well as more historical population change data, suggests the potential for rooting chronic and severe net outmigration and depopulation is a concern. Esri estimates that for the 2021-2026 future period depopulation will average a moderate 0.32% per year.
- 2 – Cohort Population Growth.** Figure 5 on page 6 offers a more promising demographic trend. There is moderate net growth between 2010 and 2021 with the 20 to 39 year-old age cohorts. These age cohorts are the building blocks for demographic health and renewal.
- 3 – Employment Trends.** Figure 6 on page 7 highlights relative stable and some growth in overall employment indicating economic resiliency. However, Figure 7 on this same page indicates your Labor to Non-Labor Earnings Ratio has dropped to 44%. Your economy is becoming overly dependent upon retirees and governmental transfer payments.
- 4 – Earnings Growth.** Figures 8 and 9 on page 8 indicate recent and relatively strong person income growth including total personal income (Figure 8) and growth in “average earnings per job” (Figure 9). Reasonable real growth in wages and personal income are important for a more prosperous community.
- 5 – Top Economic Drivers.** Figure 10 on page 9 and Figure 11 on page 10 provide top 5 economic driver indicators for Grant County. Top economic drivers include:
  - Retirees
  - Government
  - Farming
  - Government Transfer Payments
  - Retail Trade and Hospitality/Tourism
- 6 – Commuters.** Commuters, both in-found (live outside the county and work in Grant County) and out-bound (live in Grant County and work outside the county), are very important to Grant County and its region. Data on page 13 strongly suggests emergence of virtual commuters who are working remotely.
- 7 – COVID Shutdown Effect.** The timing of data collection by [www.YourEconomy.org](http://www.YourEconomy.org) in 2020 coincided with peak COVID-19 related economic shutdowns, over stating the longer-term trends in both ventures and employment. When 2021 data becomes available we anticipate that we will return to pre-pandemic trend lines.
- 8 – Permanent Resident Retail Demand Outlook.** Table 4 beginning on page 16 indicates reasonably strong projected spending growth for most economic sectors. This projected growth by Esri indicates entrepreneurial development opportunities.
- 9 – Venture Employment Growth Areas.** Figure 15 on page 18 indicates growth in self-employment. This data suggests possible nascent entrepreneurial development opportunities. Figure 19 on page 21 indicates moderate job growth with Stage 3 (i.e., 100 to 499 employees).
- 10 – Regional Development.** John Day is a lead community within a vast rural region including Grant County. Embracing and actively supporting regional community economic development, including development in other

communities, is recommended. A stronger region will create development opportunities for John Day and Grant County.

## Likely Entrepreneurial Development Opportunities

At e2, rooted in our extensive Development Opportunity analysis in both Kansas and nationally, we have identified 10 primary [likely entrepreneurial development opportunities](#) as follows:

***Your community's likely entrepreneurial development opportunities are highlighted.***

*The following development opportunities are universally available to most rural communities.*

**#1 - Natural Resource Industries.** Much of rural America depends upon single natural resource industry economies (e.g., farming, mining, forestry, energy, etc.). While there are limited entrepreneurial development opportunities related to these international market industries, there are opportunities rooted in diversifying within these sectors and increasing sector-related spending capture.

**#2 - Area Spending Capture.** Competition is intense from box stores, franchise, and electronic commerce, but opportunities exist to increase local venture competitiveness and recapture some of these spending leakages. In doing so, rural communities can empower growth-oriented entrepreneurs.

**#3 - Retiring Boomers.** In Opportunity #5 we address new resident attraction. However, the tidal wave of retiring Boomers represents a significant likely entrepreneurial development opportunity for most rural communities from high amenity places to rural villages adjacent to metro centers. Every day in America 10,000 Boomers are retiring and this trend will run for three decades. Many are moving from higher cost and congested cities to more rural areas and communities. Boomers represent a multi-dimensional development opportunity.

**#4 - Outbound Commuters.** Upward to 50% of rural workers live in one community and work in another community. These outbound commuters have embedded entrepreneurial development opportunities in creating bedroom community related development and entrepreneurial opportunities when they end their commuting. Commuting comes with a cost in travel expenses, being on the road in bad weather, lost time, and time away from family and friends.

**#5 - New Residents.** Since the 1900s the primary migration pattern has been from rural to urban. Today there are counter (e.g., urban to rural) migration trends among 30-year-olds, retiring Boomers and others. These new residents represent a huge opportunity to energize area entrepreneurial talent. New resident attraction, development, and retention is one of e2's four essentials foundations to rural community prosperity.

*The following development opportunities may be available to some rural communities.*

**#6 - Transportation Corridors.** Urban America is connected by transportation corridors that run through rural America. Services are required to support those traveling these corridors creating entrepreneurial development opportunities. Closely related to transportation related economic development is tourism-led development employing a much wider definition of what constitutes visitor activities.

**#7 - Tourism.** While the vast majority of Americans live and work in urban America, rural America provides important places to play. For a wide range of rural communities and regions, tourism represents a way to diversify area economies. With our [tourism development strategy](#) paper, we explore a wider range of visitor attraction opportunities and the economic development that can result from them.



*The following development opportunities are more limited to fewer rural communities.*

**#8 - Growth-Oriented Entrepreneurs.** Nearly every rural community has growth-oriented entrepreneurs with the motivation and capacity to reach external markets with their products and services. Electronic commerce empowers this kind of entrepreneurship.

**#9 - Major Employer Retention and Expansion.** Many rural communities are home to large manufacturing plants, fulfillment centers, and institutions including hospitals, regional universities, and parks. Ensuring the future of these larger employers is an entrepreneurial opportunity.

**#10 - Hub Cities.** America's landscape is still defined by a hierarchy of places based on size. In rural America, there are regional and area hub cities and towns that provide critical services like health care, shopping, and entertainment to rural areas. These communities are the downtowns, employment hubs, and service centers of vast rural regions to smaller areas.

At e2 in partnership with GRO – Growing Rural Oregon we now have available [Strategy Guides](#) for all these likely entrepreneurial development opportunity areas.

## Sources

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

### Public Sources

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

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

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

### Private Sources

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

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

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

### Other Sources

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

- Esri ArcGIS Maps ([bao.arcgis.com](http://bao.arcgis.com)), 2020
- Headwaters Economics ([www.headwaterseconomics.org](http://www.headwaterseconomics.org)), 2020
- U.S. Department of Agriculture, Census of Agriculture ([quickstats.nass.usda.gov](http://quickstats.nass.usda.gov)), 2017
- Ben Winchester [Brain Gain](#) Databook, University of Minnesota Extension (obtained privately), 2016

## About e2



**e2 Entrepreneurial Ecosystems** helps communities increase prosperity through entrepreneur-focused economic development and ecosystem building. Led by [Don Macke](#), e2 has a national team of practitioners who bring research, coaching, incubation, market intelligence, and other expertise to this work.

## What We Do

- ✓ **Mentoring.** We mentor and coach practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building eEcosystem strategies that work and invite practitioners to join our [National e2 Practitioners Network](#).
- ✓ **Analytics Support.** e2 helps communities and regions understand their entrepreneurial potential through research and data.
- ✓ **e2 University (e2U)** is our online platform for sharing guides, papers, stories, tools, and resources with communities wanting a deep dive into eEcosystem building. Don Macke leads the [e2 University](#) team with analytics support from **Cathy Kottwitz** and report preparation from **Ann Chaffin**. Special recognition for their e2U legacy contributions goes to **Dana Williams** and **Deb Markley**, LOCUS Impacting Investing.
- ✓ **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of **Start Us Up: America's New Business Plan**, a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

## Contact Us

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[NetWork Kansas](#), a 501c3 nonprofit organization dedicated to developing an entrepreneurial ecosystem in Kansas, is the home for e2 Entrepreneurial Ecosystems. NetWork Kansas connects aspiring entrepreneurs, emerging and established businesses, to a deep network of business building resource organizations across the state.

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