Building Sustainable Economies

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Today’s Presentation

• Our History
• The Value of An Alternative Lender
• Sectors of Emphasis
• Growing and Sharing Data
The Start

- 1985 – unemployment throughout the UP was over 15%
- Two thirds of students were from the UP
- The economic welfare of UP families was clearly in the interest of the University
- What could a University do to build a more robust and resilient UP economy?
- 7 years inside University in 1992 launched non profit corporation Northern Initiatives
Purposes

• Serve rural communities to help make them vibrant and prosperous.
• Value the rural communities and the businesses served beyond “just the numbers.”
• Take innovative approaches to funding small business owners’ capital needs by having the ability to tap multiple resources and combining public and private funding and grants.
• Offer business development services to our customers, ranging from marketing to manufacturing efficiencies to financial management of operations.
The 501 c 3

- Northern Initiatives partnership with NMU and ShoreBank
  - Jane Jacobs writing that rural needed access to urban for access to capital, access to information and access to markets

- That theory of growing
  - capital,
  - Information and
  - markets
Our Rural Communities in the Great Lakes Region
Leading with Lending

- Micro loans <$50,000
- Small Business loans $50,000- $500,000
- Government Guaranteed loans – SBA 7A Community Advantage, less than <$250,000
- USDA Business and Industry Guarantee loans of up to $10M
Supporting Manufacturing

- Jacquart Fabric Products, Ironwood, Michigan
Reviving Tourism

- Sunshine Motel, Ontonagon, Michigan
Building on What is Local Fresh Natural and Authentic

- Karl’s Cuisine, Café and Winery, Sault Ste. Marie, Michigan
Aiding Rural Businesses to Overcome Distance, Seasonality and Isolation

Risak Pottery, Marquette, Michigan
## Cumulative Performance

<table>
<thead>
<tr>
<th>Region</th>
<th>Thru April 2013 loans closed</th>
<th>1994-2012</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region 1; Alger, Baraga, Chippewa, Delta, Dickinson, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Marquette, Menominee, Ontonagon, and Schoolcraft Counties</td>
<td>3 loans / $306,000</td>
<td>561 loans / $30,577,000</td>
<td>564 loans / $30,883,590</td>
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<tr>
<td>Region 2*; Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford Counties</td>
<td>6 loans / $563,000</td>
<td>46 loans / $1,890,000</td>
<td>52 loans / $2,453,022</td>
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<tr>
<td>Region 3*; Alcona, Alpena, Cheboygan, Crawford, Iosco, Montmorency, Ogemaw, Oscoda, Otsego, Presque Isle, and Roscommon Counties</td>
<td>5 loans / $206,000</td>
<td>47 loans / $4,306,000</td>
<td>52 loans / $4,512,097</td>
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<tr>
<td>Region 4*(that fit Ni’s Service Area) Lake, Mason, Mecosta, Newaygo, Oceana and Osselo Counties</td>
<td>1 loan / $30,000</td>
<td>4 loans / $280,000</td>
<td>5 loans / $310,220</td>
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<tr>
<td>Region 5* (that fit Ni’s Service Area) Arenac, Clare, Gladwin and Isabella Counties</td>
<td>1 loan / $200,000</td>
<td>5 loans / $305,000</td>
<td>6 loans / $505,658</td>
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<tr>
<td>Wisconsin Border Counties* Forest, Florence, Iron, Marinette and Vilas Counties</td>
<td>1 loan / $62,500</td>
<td>5 loans / $620,000</td>
<td>6 loans / $682,500</td>
</tr>
<tr>
<td>Total *lending in Region began in 2008</td>
<td>17 loans / $1,367,581</td>
<td>668 loans / $37,979,506</td>
<td>685 loans / $39,347,087</td>
</tr>
</tbody>
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Data Driven Tourism

• Tourism Surveys
  • Summers of 2010, 2012

• Using Social Media
  • Demonstrating effects of campaigns

• Encouraging partner data to be shared with communities
  • The Department of Natural Resources and the US Forest Service
Conclusion

• Sustainability and Economic Diversity are Tied Together
• There is growing market support for that which is local, fresh, natural and authentic
• Family owned businesses contribute greatly to sustainable economies and to bringing “flavor” to a community economy
• Provide Data and Encourage its Strategic Use