

# Klamath IDEA

## Entrepreneurship Ecosystem Building In Action

By Don Macke with Kat Rutledge

In 2014 [Klamath IDEA](#) was born from a broad community conversation about business incubation, which led to the 2016 creation of the Klamath IDEA Center for Entrepreneurship. Since then, Klamath IDEA (which stands for Inspire Development, Energize Acceleration) has been carried by a small group of passionate residents rooted in Klamath Falls, Oregon. The initiative has created, evolved, and executed an impactful entrepreneurship focused community economic development game plan. Klamath IDEA is one of these experiences worth study by others in North America seeking to grow a more successful economy and prosperous community through entrepreneurship.

### Introduction

Figure 1 provides e2's **Continuum of Community Economic Development Commitments**, an investment self-assessment that was developed to help rural communities with their development. This community assessment process is critically important because most rural communities underinvest in their development, contributing to patterns of chronic and often severe decline.

**Figure 1. e2's Continuum of Community Economic Development Commitments**

<b>Tier 1 Not in the Game</b>	Too many communities are not really in the community economic development game. They lack commitment and a smart game plan. These communities are "adrift," totally dependent on luck.
<b>Tier 2 Reactive</b>	Other communities at least recognize a need for development, but they are ill prepared and reactive. Too often when either challenges or opportunities present themselves, they are behind the curve and come up short.
<b>Tier 3 Responsive</b>	Some communities have accepted that it is their responsibility to take on their own development. They are somewhat prepared and are responsive to both challenges and particularly opportunities enhancing their development.
<b>Tier 4 Proactive</b>	Some responsive communities step up to the next level and become proactive seeking out opportunities and anticipating challenges. They are prepared to act ensuring greater development and community success.
<b>Tier 5 Strategic</b>	The highest performing level of community economic development is when communities become strategic focusing serious attention and resources on genuine development opportunities. They are ahead of the curve with likely challenges. These communities organize around cluster development areas.

Because of Klamath IDEA, the Klamath Falls region has reached Tier 5 Strategic development standing with deep roots in entrepreneurship. This community is in rare company among North American rural communities. For this reason, we are producing this paper and a podcast episode focusing on Klamath IDEA and Kat Rutledge, Director.

This paper is divided into the following sections:

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Source: National Park Service at [www.nps.gov](http://www.nps.gov)

Crater Lake National Park is the cornerstone or apex natural resource in Klamath County.

Our next stop is a review of **impacts and insights** realized by Klamath IDEA.

In our [Hierarchy of Community Impacts](#) framework paper, the highest impact level is goal setting and progress benchmarking or Level 5 - **Indicators of Transformative Change**. At this level, desired community economic development change is occurring and can be measured with independent and federal government metrics.

**e2’s Hierarchy of Impacts, Goal Setting, and Progress Benchmarking**

The following is a conceptual illustration of the Hierarchy with actual metrics common in rural community economic development employing [e2’s Development Framework](#). Klamath IDEA is reaching Level 4 with the potential for achieving Level 5 Transformative Change.

**Figure 4. Sample Entrepreneur-Focused Hierarchy**

<p><b>Level 1</b> Smart and Strategic Activities</p>	<ol style="list-style-type: none"> <li>1. Community Readiness</li> <li>2. Engagement in the Initiative</li> <li>3. Organizing for Action</li> <li>4. Host Organization with Funding and Staffing</li> <li>5. Collaborative Organizations</li> <li>6. eLeadership Team</li> </ol>
<p><b>Level 2</b> Progress Outputs</p>	<ol style="list-style-type: none"> <li>1. Completion of the Opportunity Assessments:</li> <li>2. Likely Entrepreneurial Development Opportunity Areas</li> <li>3. Starting Point Energy Areas</li> <li>4. Entrepreneurial Talent Mapping and Targeting</li> <li>5. Entrepreneurial Resource Mapping and Engagement</li> <li>6. Exploration of Smart Strategy Solutions</li> </ol>
<p><b>Level 3</b> Commitments Made and Realized</p>	<ol style="list-style-type: none"> <li>1. Commitment to the eStrategy</li> <li>2. Commitments to Community Engagement</li> <li>3. Commitments for Funding, Staffing &amp; Volunteers</li> <li>4. Commitments to eOutreach and Engagement</li> <li>5. Commitment to eClient and ePortfolio Development</li> <li>6. Commitments to Impact and Story Capture</li> </ol>
<p><b>Level 4</b> Progress Outcomes</p>	<ol style="list-style-type: none"> <li>1. Entrepreneurs Engaged</li> <li>2. eResources Engaged</li> <li>3. Networking to Resources</li> <li>4. Development Decisions</li> <li>5. New Investment &amp; Markets Developed</li> <li>6. Jobs Created and Saved</li> </ol>
<p><b>Level 5</b> Indicators of Desired Transformative Change</p>	<ol style="list-style-type: none"> <li>1. Larger and More Successful Venture Community</li> <li>2. Increased Entrepreneurship and Job Opportunities</li> <li>3. Rising Household Personal Income</li> <li>4. Greater Economic Diversity</li> <li>5. Greater Personal and Venture Resilience</li> <li>6. Increasing Community and Household Wealth</li> <li>7. Corresponding Quality of Life/Business Investments</li> <li>8. Entrepreneurial and Prosperity Culture</li> </ol>

Klamath's entrepreneur-led development initiative led by Klamath IDEA is a work in progress. It has sustained its efforts since 2014. Based on its progress to date, e2 shares the following insights that have been foundational to this initiative's success.

## Insights

Beginning in very late 2019 and continuing to present (as of November 2021), the world and the Klamath Region are in the grasp of the COVID-19 Global Pandemic and associated social and economic disruptions. Engaging in community economic development during these stressful and challenging times was complicated. In reviewing the impacts associated with Klamath IDEA, keep in mind the context of the times.

### Regional Reference

In this paper we employ "Klamath" as shorthand for the city of Klamath Falls, Klamath County, the frontier communities in this region, and its region including Lake County.

The following are our top 10 insights from the work of Klamath IDEA:

- 1 - Strategic.** From the very beginning, even during the early exploratory years, leaders within Klamath IDEA have been strategic ensuring a smart and optimal game plans at each stage of its development.
- 2 - Sustaining.** Founded in 2014 Klamath IDEA and its work has sustained for eight years. Most community level entrepreneurship initiatives rarely sustained past year three based on our field experience.
- 3 - Scaling.** Not only has Klamath IDEA sustained its work it has been able to scale its capacity to do more entrepreneurship work. The amount of initiative funding was nearly \$36,000 in 2019 and has grown to over \$120,000 in 2021 or by 233%.
- 4 - Staffing.** Committed staffing has grown from 0.4 FTE in 2019 to 1.4 FTE or by 250 percent. Leaders are essential, volunteers are foundational, but dedicated staffing is essential for sustained high performance and impact.
- 5 - Demand Driven.** Klamath IDEA in its work has embraced a **demand-driven** approach to its work where entrepreneurs, and their needs and wants, drive both resource networking and ecosystem development.
- 6 - Entrepreneur Concierge.** Klamath IDEA has innovated in creating the **Entrepreneur Concierge** staffed position. As chief networker, the concierge position provides boots on the ground getting to know, resourcing and supporting area entrepreneurs.
- 7 - Strategic Connections.** Klamath IDEA's game plan strategically connects and empowers other community economic development including main street revitalization, new resident attraction and a focus on destination recreational tourism value chain development.

**8 – Increasing Entrepreneurial Activity.** According to data from the Oregon Secretary of State, new business registrations have changes as follows for this community:

2019	683	Pre-Pandemic Year
2020	666	Strong During the Peak Pandemic Year
2021	944	278 New Business Increase or +42%

New business startups are particularly important in a community like Klamath. Its roots are in natural resource industries like timber and agriculture. Growing an entrepreneurial talent pool and culture is foundational in pivoting from a legacy industrial economic base and culture. It's important to acknowledge that some, but certainly not all, of the 2021 increase reflects a need for businesses to be registered with the Secretary of State in order to receive COVID-19 related financial support from the state of Oregon. Even excluding that activity, the region still saw a considerable increase in new business activity.

**9 - Realized Economic Impact.** At the end of the day communities pursue entrepreneur-focused development strategies out of the desire to generate a stronger, diverse, more competitive, higher value and resilient economy. During this challenging past year (i.e., July 1, 2020, through June 30, 2021) the following documented economic impacts have been realized:

- \$145,500 in increase in business sales
- \$52,000 in new business investment
- 13 new jobs created
- 123 jobs supported

**10 - Rural Oregon Entrepreneurship Leader.** Klamath IDEA has become a rural Oregon entrepreneurship leader contributing to the [Ford Family Foundation's](#) Growing Rural Oregon (GRO) initiative and [Business Oregon's Rural Opportunity Initiative \(ROI\)](#), inspiring rural communities in Oregon, the Pacific Northwest and across North America.

There are many other insights we can share, but we hope that this top 10 list of insights provides motivation to your community and what is possible when you strategically commit to entrepreneur-led community economic development.

## Klamath IDEA Impacts Infographics

On pages 6 and 7 we share Klamath IDEA's infographic sharing its assorted impacts rooted in their **Score Card**. Klamath IDEA has invested into a smart system of goal setting and progress benchmarking metrics. This commitment and investment of time and energy is a national model. Embracing metrics to set goals and track progress is foundational to entrepreneurial initiatives' success. Employing infographics is a powerful way to share with community stakeholders, community builders and residents.

JULY 1, 2020 - JUNE 30, 2021



Connecting Entrepreneurs to the Right Resources at the Right Time!

### ENTREPRENEUR ASSISTANCE

Strategic Accomplishment – Launching KlamathIDEA.org on the SourceLink Platform.

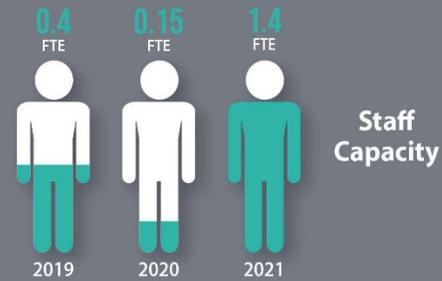
The site supports entrepreneurs in three ways:

- Providing curated information available 24/7
- Providing a Resource Navigator
- Curating entrepreneur-focused events



### FOUNDATIONAL CAPACITY

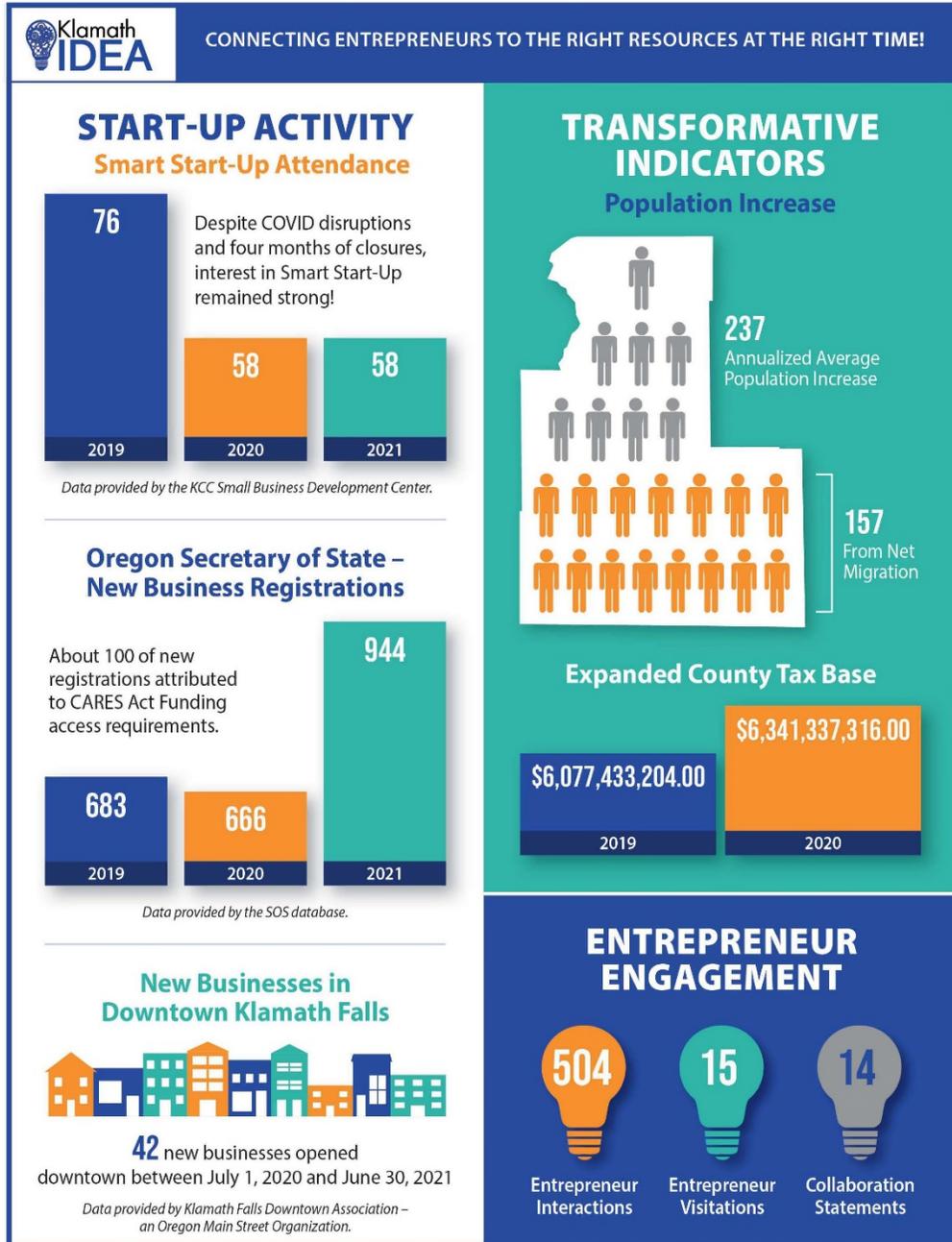
Amount of Funding



### ECONOMIC IMPACT



KlamathIDEA.org | 541-887-8298



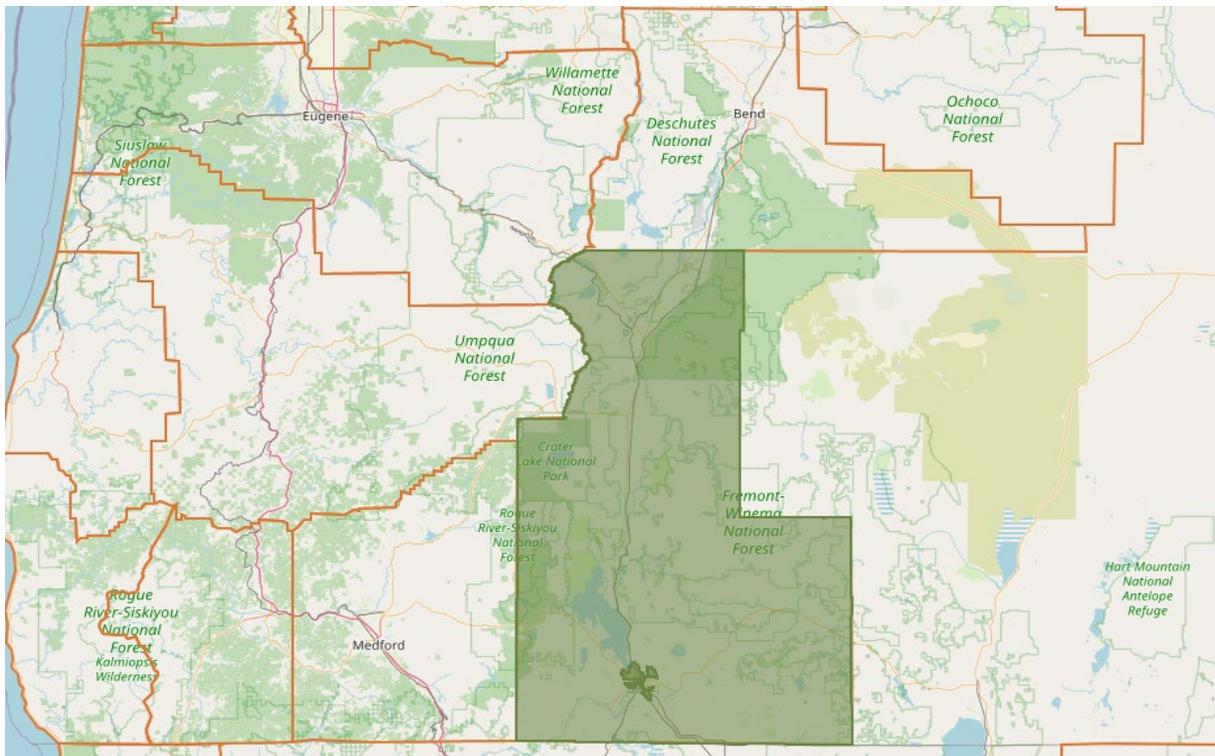
KlamathIDEA.org | 541-887-8298

South Central Oregon is a remarkable landscape with a rich history and genuine culture. It is one corner of rural America worth visiting. This region is home to world-class attraction like Crater Lake National Park. Location still matters in community economic development. Klamath Falls and its environs is one of those next best places with the opportunity for development and prosperity despite past challenges.

### About the Community and Region

Klamath County is highlighted in green in Figure 2. Klamath Falls is located in the south-central part of the county. It is a regional hub city for a vast rural region including Lake County to the east. This community has strong socio-economic connections with Bend to the north and Medford to the west. Mountains, forests, farm and ranch land and lakes are all part of this remarkable landscape. But this community is also rural and somewhat isolated creating both development opportunities and challenges.

Figure 2. Map of Klamath County Oregon



Counties in the west are often vast. Klamath County is nearly 6,000 square miles. By comparison the entire state of Rhode Island has only 1,214 square miles. Population density in Klamath County is 11.2 residents per square mile compared to 1,018 residents per square mile for Rhode Island. Klamath Country is a low density and higher cost market with entrepreneurship implications.

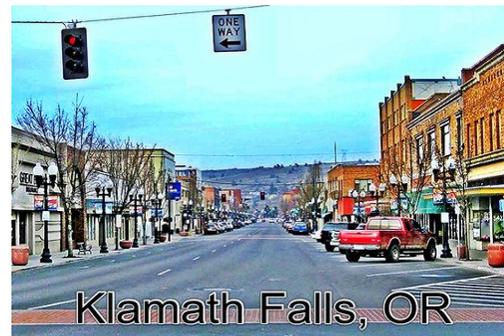
The **top economic drivers** for Klamath include (based on household earnings generated):

1. Retirees	\$989 million
2. Government (a)	\$389 million
3. Hardship Related Transfer Payments (b)	\$308 million
4. Health Care and Social Assistance	\$250 million
5. Retail Trade	\$133 million
6. Other Transfer Payments (c)	\$129 million
7. Manufacturing (e.g., wood products)	\$118 million
8. Hospitality and Tourism (d)	\$103 million
9. Outbound Commuters (e)	\$97 million
10. Construction	\$80 million

**Notes:** (a) Includes public schools, military base, local government and two post-secondary educational institutions.  
 (b) Includes Medicaid, unemployment, public assistance, and other welfare programs.  
 (c) Includes Veterans benefits, workman's compensation, farm subsidies and other transfer payments.  
 (d) Likely under-estimates this part of Klamath's economy.  
 (e) Workers who live in Klamath County but work outside the county.

**Next Best Place in America.** Our analysis of Klamath supports the idea that Klamath Falls and its environs is among the next best places in America. Certain Americans are on the move from career starting families to active retirees. They are looking for communities based on location, cost, congestion, safety, amenities, and community culture. Cost of housing and living is a particularly important driver. Consider the 2021 median housing price points for these communities:

Klamath Falls	\$236,000
Portland OR	\$537,000
Seattle WA	\$760,000
San Francisco CA	\$1.5 million
Bend OR	\$708,000



For those priced out of more expensive markets like Bend, which has been experiencing heavy immigration for more expensive and congested cities like Portland, Seattle and San Francisco, Klamath is an increasingly great option. Additionally, the Klamath region offers less congestion and access to an amazing collection of natural resource assets including prized public lands. To learn more about these migration trends, check out e2's paper, [Urban America Is Filling Up](#). To learn more about Klamath Falls, Klamath County and the Klamath and Lake Counties' region, check out e2's **Development Opportunity Profile** for [Klamath County](#).

Our next topic focuses on **challenges** facing Klamath IDEA.

Growing a thriving rural community and region is hard work. Many of the development forces are now working in favor of rural places. Every community committed to the work of community economic development faces challenges. Klamath IDEA and the communities it serves have and are facing headwinds making this work challenging.

## Challenges

Based on our work with Klamath and Klamath IDEA we have curated the following top 10 challenges facing this community and its entrepreneurship work.

**1 – Industrial Culture.** Historically, as a general rule communities and regions with high concentrations of industries and union work forces typically have lower entrepreneurship rates. Klamath county has a rich and expansive history with timber and lumber products industries ranging from logging, trucking, milling and value-added manufacturing. While this part of the economy has contracted significantly in the past few decades, it has a remaining industrial culture footprint. A side effect of this culture is the desire for some community leaders and residents wanting the “good old days” back with great jobs creating challenges for committing to an entrepreneurial development strategy.

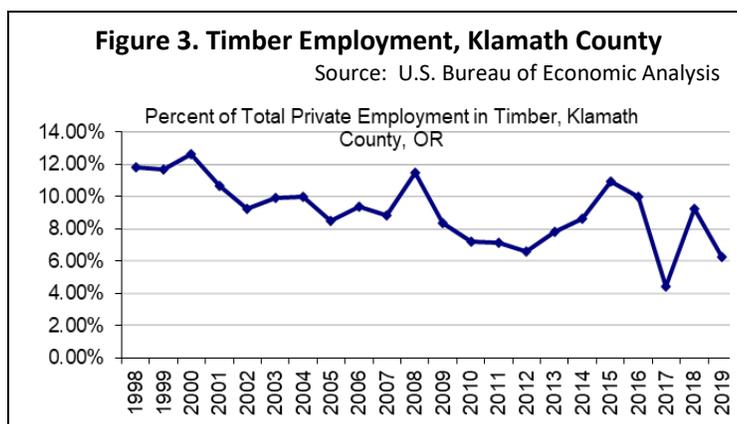
**2 – Rural Sociology.** Klamath County has a very strong and understandable rural sociology. Even Klamath Falls continues to have a strong “small town” rural culture. While this culture is changing it has implications for stimulating entrepreneurial behavior including severe punishment for venture failure and a tendency to not celebrate those in the community who do exceptionally well in entrepreneurship.

**3 – Economic Change and Stress.** Timber (including forestry and logging, and wood products manufacturing) is a foundational economic sector in Klamath County. In 2000 nearly 13% of all private employment was in the timber sector. By 2017 timber’s share of private sector employment dropped to about 4% representing nearly a 70% decline. Timber employment rebounded in 2018 (9%+) and contracted in 2019 (6%).<sup>1</sup>

Significant change in this underlying economic driver has created economic and social stress.

Weakening area economies coupled with eroding confidence creates powerful headwinds for entrepreneurs and their ventures.

**4 - Acknowledgement.** Klamath IDEA rooted in its champions is a highly innovative and recently successful entrepreneur-led development game plan. Klamath IDEA has struggled to realize



<sup>1</sup> Source: [www.headwaterseconomics.org](http://www.headwaterseconomics.org), November 2021

acknowledgement within the Klamath community and externally in Oregon. Lack of acknowledgement has created challenges for Klamath IDEA's leaders and collaborating organizations.

**5 – Funding.** Funding entrepreneurial ecosystem building and operation is a major universal challenge across the United States. Funding and staffing ecosystems is a primary focus of the Entrepreneurship Summit work at the Ewing Marion Kauffman Foundation over the past five years. Klamath IDEA has been challenged by the amount of time and energy it takes in securing robust and sustainable funding enabling optimal staffing and programming.

**6 – Champions and Stakeholders.** The Klamath IDEA champions group and stakeholder partners has grown and deepened in recent years. However, broadening and deepening the champions group and stakeholder partners is a challenge and foundational to growing robust and sustainable funding.

**7 – Early-Stage Innovators.** As is the case with early-stage entrepreneur innovators, early-stage entrepreneurial ecosystem builders face the “chicken and egg” syndrome. They must demonstrate success before they can realize community and external recognition and support, but without robust and consistent early-stage support demonstrating impact is very challenging. Early-stage innovation support is a foundational challenge across the country and is clearly at play with Klamath IDEA.

**8 – Leadership.** A demonstrated factor contributing to entrepreneurial initiative success and sustainability or not is strong and diverse initiative leadership. Founding leaders, often a relatively small group of community builders, become taxed over time as the initiative grows, and time and energy commitments continue over time. Growing a larger and more diverse initiative leadership team is a common sustainability challenge. As Klamath IDEA approaches its first decade of life growing the leadership base becomes profound.

**9 – Development Frameworks.** Too many communities and regions committing to entrepreneur-focused development have to create their own frameworks for evolving a high impact entrepreneurial ecosystem. Just as an entrepreneur's progress can be slowed and derailed without networking to other entrepreneurs and resources to optimize learning and embracing proven strategies, the same is true with community-level ecosystem builders. Klamath IDEA innovated their own entrepreneurship development framework, and their progress accelerated when they embraced the field developed and tested e2 Entrepreneurial Development Framework.

**10 – Realizing External Support and Recognition.** In our top 10 challenges we have already touched on the importance of external recognition and support. But for rural communities and regions, external recognition and support can validate local initiatives. When the *Wall Street Journal* newspaper recognized Ord's success, there was a tipping point where more residents and organizations in this rural region of Nebraska took interest and became engaged. External recognition and support by Business Oregon, the Ford Family Foundation and its GRO initiative and others validate the value and importance of Klamath IDEA's work. This recognition is now coming to the community, but earlier recognition and support is important including stories in local, regional, state, and national media.

Our next topic is a **Development Chronology** for Klamath and Klamath IDEA.

The process of community economic development is a 24-7-365-forever proposition. In the United States, unlike most other mature economies, the primary responsibility for a community’s future rests with the community. Material change in communities and regions occurs over the span of decades, not a few years.

**Development Journey**

The following chronology for Klamath Falls and its region provides a high-level view of this community’s development journey spanning many decades. It is contextual to present and future development opportunities.

**Figure 4. Klamath Development Journey and Chronology**

<b>Indigenous Peoples</b>		
We must always remember that before external settlement from Europe and Asia, there were and are indigenous peoples who called these lands in the Americas home. South central Oregon and northern California where Klamath is rooted was settled and occupied by indigenous peoples. Ultimately, these first residents were displaced, experienced genocide and were marginalized. Critically, important remnants of Native American peoples and nations are part of the socioeconomic and cultural mosaic of this region of rural America.		
First European American Explorers	1840s	Beginning of Non-Native Settlement
<b>Competition for this North American Region</b>		
The non-Native race to control this region originally included competition from Spain, Great Britain, Russia, and the United States. Eventually, the United States dominated in control of what became the State of Oregon.		
Oregon Country Envisioned	1843	Autonomous government formed
Oregon Migration Oregon Trail Route Established	1846-1869	European American in-migration and settlement accelerated in the Oregon Territory.
The Oregon Territory Created	1848	
Oregon Statehood	1859	Recognized by Congress as the 33 <sup>rd</sup> State
American Civil War	1861-1865	Moderated non-Native migration
<b>The Klamath Tribes</b>		
The Klamath Tribes, formerly the Klamath Indian Tribe of Oregon, are a federally recognized Native American Nation consisting of three Native American tribes who traditionally inhabited Southern Oregon and Northern California in the United States: the Klamath, Modoc, and Yahooskin. (Source: <a href="#">Wikipedia</a> )		

Klamath Reservation Created	1864	Land losses by Native Tribes
<p><b>Indigenous Peoples’ Displacement, Genocide and Marginalization</b></p> <p>With increasing European America settlement in Klamath County, the process of indigenous peoples’ displacement, genocide and marginalization accelerated. This tragic process had and is at work from the very first external settlers reaching North America. Indigenous peoples’ displacement genocide and marginalization played out in the mid- to late 1800s in the Pacific Northwest including Klamath County.</p>		
Community of Linkville Founded	1867	Becomes Klamath Falls
Modoc War	1872-1873	US Cavalry Wages War on the Modoc Peoples
Klamath Falls’ First Census	1880	250 Residents
Klamath County Created	1882	
Klamath County’s First Census Klamath Falls – 364 Residents	1890	1890 Recorded Population – 2,444 45.6% Increase – 1880 to 1890
Linkville Renames Klamath Falls	1893	County Seat for Klamath County
Klamath County – 3,970 Residents Klamath Falls – 447 Residents	1900	62% growth between 1890 & 1900 22.8% Increase – 1890 to 1900
Klamath Reclamation Project	1906	Drained Marshes Creating Farmland
<p><b>Timber Industry Booms</b></p> <p>Logging and timber processing booms in Klamath County in the early part of the 1900s as U.S. demand for timber associated with rapid growth and development in the Pacific Northwest and across the country.</p>		
Timber Industry Grows Rapidly	1909	Reflected in Boom Level Population Growth
Klamath County – 8,554 Residents Klamath Falls – 2,758 Residents	1910	116% growth between 1900 & 1910 517% Increase – 1900 to 1910
<p><b>World War I – July 1914 through November 11, 1918</b></p> <p>The USA entered World War I in April 1917. Prior to the U.S. entry into the war demand for food, fiber and other resources increased as the USA exported goods to countries already mobilizing for the war. With the U.S. entry demand for natural resources including agricultural products and timber increased impacting this region.</p>		
Klamath County – 11,413 Residents Klamath Falls – 4,801 Residents	1920	33% growth between 1910 & 1920 74% Increase – 1910 to 1920
Kingsley Field Air Base Established This Military Base is Active Today	1928	<i>This military installation continues to diversify the area economy and society.</i>

<b>Roaring 20s – Massive U.S. Growth Contributes to Boom Times Between 1920 and 1930</b>		
Klamath County – 32,407 Residents Klamath Falls – 16,093 Residents	1930	184% growth between 1920 & 1930
<b>Great Depression</b>		
<p>With the Stock Market Crash in 1929 the United States and ultimately much of the developed world entered into the Great Depression rooted throughout the 1930s. For the U.S. the lasting impacts of the Depression extended until the economic stimulus associated with World War II in the early and mid-1940s. Population growth slowed dramatically in Klamath County. Klamath County continued to grow in population over this challenging decade in part due to homesteading related to World War I veterans.</p>		
Klamath County – 40,497 Residents Klamath Falls – 16,497 Residents	1940	25% growth between 1930 & 1940 2.5% Increase – 1930 to 1940
<b>World War II – September 1939 through September 1945</b>		
<p>World War II, like World War I created increasing demand for food, fiber, and other U.S. products. With the U.S. entry into the war with the December 7, 1941, attack on Pearl Harbor in Hawaii there was rapid industrialization in the U.S. Demand for food, fiber and natural resources like timber grew dramatically. However, workforce and military demands stressed rural population during the 1940s as reflected in modest county growth and a net population decrease in the U.S. As was the case across the USA increasing local labor force needs were met by a surge in women taking work outside the home.</p>		
Klamath County – 42,150 Residents Klamath Falls – 15,875 Residents	1950	4.1% growth between 1940 & 1950 -3.8% Decrease – 1940 to 1950
<b>Physical Large County with Community Diversity</b>		
<p>Klamath County, like so many counties in the Western U.S., is a physically large county covering 6,126 square miles. For example, the state of Rhode Island has 1,214 square miles with a population base of 1.1 million residents. Klamath County in 2020 had just over 69,000 residents. Klamath County is a complex collection of communities and landscapes including five cities with Klamath Falls as the largest and serving as the County Seat, 15 Census-Designated Places, 29 Unincorporated Communities and nine national protected areas including Crater Lake National Park. Klamath IDEA’s focus on region-wide entrepreneurial development could turn this community and landscape diversity into a significant development asset.</p>		
Klamath County – 47,475 Residents Klamath Falls – 16,949 Residents	1960	12.6% growth between 1950 & 1960 6.8% Increase – 1950 to 1960

**Farming and Ranching**

Production agriculture is a foundational economic and cultural force in Klamath County. The Klamath Reclamation Project (1906) drained wetlands and created more farm and ranch land. Homesteading policies related to both World War I and World II increased farm and ranch activity in the county over a long period of time. Based on the 2017 Census of Agriculture (e.g., most current and conducted by USDA every five years) nearly one-half million acres are farmed with over 1,000 farms. The value of farmland and buildings is estimated at one billion dollars and the 2017 market value of farm sales is \$193 million. Production agriculture and allied activities have and continue to be a major player in Klamath country. With increasing consumer population in south central Oregon, the potential for expanding “farm to table” agriculture is expanding.

Klamath County – 50,021 Residents Klamath Falls – 15,775 Residents	1970	5.4% growth between 1960 & 1970 45.6% Increase – 1960 to 1970
Klamath County – 59,117 Residents Klamath Falls – 16,661 Residents	1980	18.2% growth between 1970 & 1980 5.6% Increase – 1970 to 1980

**Timber Industry Change and Employment Decline**

Like other natural resource industries including value-added related manufacturing, Klamath’s timber industry has been undergoing profound structural change with automation and activity contraction combining to reduce employment in this legacy and foundational economic sector and cultural force. As on page 8 the share of timber sector employment as a percent of Klamath County private sector employment has dropped from 13% in 2000 to 4% in 2017. These trends have and are creating economic and social stress in Klamath county.

Klamath County – 57,702 Residents Klamath Falls – 17,737 Residents	1990	-2.4% growth between 1980 & 1990 -6.5% Increase – 1980 to 1990
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**Klamath County Population Stagnation and Decline Driven by Traditional Job Contractions in Timber**

Klamath County – 63,775 Residents Klamath Falls –19,480 Residents	2000	10.5% growth between 1990 & 2000 9.8% Increase – 1990 to 2000
Shut Off of Klamath Irrigation Water Endangered Species Designation	Early 2000s	Water Rights Controversy Farm and Ranch Protest

**Oregon’s City of Sunshine**

Klamath Falls is designated as Oregon’s City of Sunshine as a community that enjoys roughly 300 days of sunshine per year. Much of Oregon is cloudy and rainy during the year. This part of Oregon experiences cold snowy winters, hot summer days and cool summer nights. This region is a four-season climate. Klamath county’s natural resource assets and climate with more sunshine positions it for attracting “city escape” residents seeking more affordable, less congested and the right amenities. Intentionally and aggressively marketing these weather attributes is a key development potential.

<p>Klamath County – 66,380 Residents Klamath Falls – 20,840 Residents</p>	<p>2010</p>	<p>4.1% growth between 2000 &amp; 2010 7.0% Increase – 2000 to 2010</p>
<p style="text-align: center;"><b>2014 – Klamath IDEA Created</b></p> <p>As is the case with entrepreneurial startups the first year, the first three years and the first decade of development are critical. Klamath IDEA is an entrepreneurial startup having survived its first year, pivoted and thrived through its first three years and positioned for breakout growth approaching its first decade of life.</p>		
<p>Klamath IDEA created Klamath Community College SBDC launches Smart Start Up Classes</p>	<p>2014</p>	<p>IDEA becomes an Oregon Solutions Project Oregon Solutions Documents Signed Chamber Leadership Foundation hosts IDEA</p>
<p style="text-align: center;"><b>SBDC and Klamath IDEA Connection</b></p> <p>Klamath Community College (KCC) hosts the Small Business Development Center (SBDC) servicing Klamath and Lake Counties in Oregon. SBDC's are part of the U.S. Small Business Administration, state and local partnership providing small business assistance throughout the United States. The KCC SBDC has always had a strong relationship with Klamath IDEA. Kat Rutledge who leads the KCC SBDC also is a central leader with Klamath IDEA.</p>		
<p>Oregon Tech Launches Catalyze Klamath Falls Challenge College Level Business Pitch Competition IDEA First Coordinator Hired</p>	<p>2015</p>	<p>IDEA Talks Launched KCC SBDC Launches Small Business Management Program City &amp; County Provide Initial Funding</p>
<p>Business Oregon REDI Grant Chamber Launches Rural Business &amp; Innovation Summit</p>	<p>2016</p>	<p>Kat Rutledge Leads Klamath IDEA Business OR Joins Klamath IDEA Leadership IDEA Center for Entrepreneurship Opens</p>
<p style="text-align: center;"><b>Destination Recreational and Experiential Tourism</b></p> <p>Throughout North America, and particularly associated with regions with public lands, destination recreational and experiential tourism is a growing economic force. Klamath County with nine national protected areas including Carter Lake National Park, four national forests, four national wildlife refuges and water resources is a development opportunity that can over time mitigate losses in timber and agriculture.</p>		
<p>Governor Brown Visits Center for Eship SCOEDD Sponsors Pitch Coach Training Klamath IDEA Works with Don Macke Ecosystem Assessment Work Begins</p>	<p>2017</p>	<p>Discovered the e2 Book and Model Oregon SBDC (SBA) Funds Phase 1 &amp; Analytics eLeadership Team Established eResource Partner Network Established</p>
<p style="text-align: center;"><b>Rural Business and Innovation Summit</b></p> <p>During the 2018 Rural Business and Innovation Summit Don Mack keynotes the luncheon address with hundreds on hand focusing on the emerging opportunities of new resident attraction and allied entrepreneurial development opportunities. Don shares extensive demographic information and identifies Klamath County as one of <b>America's Next Best Places</b> for locating.</p>		

<p>Don Macke Presents at the 2018 Summit The 2018 Chamber Summit is Sold Out Klamath Community College Launches Badger Venture Student Pitch Competition KFDA (Main Street) Joins eLeadership Team</p>	<p>2018</p>	<p>Business OR Awards More ROI Funding First half-time eConcierge Hired Entrepreneur Visitation Protocol Developed Entrepreneur Visitation Begins Klamath IDEA Identifies Development Priorities</p>
<p style="text-align: center;"><b>Klamath IDEA Defines an Entrepreneur</b></p> <p>This is a sophisticated definition of an entrepreneur embracing cutting-edge and more holistic concepts...</p> <p><i>“A growth-oriented and risk-tolerant individual who sees opportunity in creating or expanding a civic, social, or business ventures and takes action to leverage the skill and expertise of a network to turn concepts into economic realities that benefit themselves and/or their community.”</i></p>		
<p>Klamath IDEA becomes a SourceLink Community</p>	<p>2019</p>	<p>Klamath IDEA completes first three-year Entrepreneurship Development Strategy</p>
<p style="text-align: center;"><b>The COVID-19 World Health Pandemic</b></p> <p>In late 2019 the COVID-19 World Health Pandemic began to emerge and spread from China across the world including the USA. By early 2020 the Pandemic was accelerating in the U.S. creating business shutdowns and a cascade of consequences. Klamath County like other communities in the U.S. was impacted. Because of this region’s dependence on recreational tourism there was both positive and negative impacts.</p>		
<p>KlamathIDEA.org re-launches with the SourceLink Resource Navigator and 14 eResource Partners Master Scorecard Created</p>	<p>2020</p>	<p>Klamath IDEA Explores GRO First Full-Time Employee Hired – Entrepreneur Concierge County and City increase financial support SourceLink Pro is utilized for data management and reporting</p>
<p>Klamath County – 69,413 Residents Klamath Falls – 21,813 Residents</p>	<p>2020 Census Results</p>	<p>4.6% growth between 2010 &amp; 2020 4.7% Increase – 2010 to 2020</p>
<p style="text-align: center;"><b>Klamath County... Next Best Place in America?</b></p> <p>While Americans do not move around as much as the case in other countries, some Americans are on the move. They are moving because of cost, congestion, crime and culture or the <b>Four Cs</b>. As noted on page 7, Klamath Falls and Klamath county is positioned as one of America’s Next Best Places. Lower costs (particularly housing costs), less congestion, perceptions of lower crime and amenities such as public lands will likely drive net immigration in the coming decades.</p>		

<p>Klamath IDEA joins Ford Family Foundation’s  <b>Growing Rural Oregon (GRO)</b>                  Klamath IDEA is awarded a Thriving Entrepreneurs Grant from the Oregon Community Foundation</p>	<p>2021</p>	<p>Klamath IDEA awarded 3<sup>rd</sup> round of Business Oregon Rural Opportunity Initiative Funding                  First Economic Impacts are Reported                  Klamath IDEA launches first video story-telling series.</p>
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**GRO – Growing Rural Oregon Initiative**

In August 2019, Kathleen Flanagan, then Senior Program Officer with Community Economic Development within the [Ford Family Foundation](#), reached out to e2 Entrepreneurial Ecosystems visioning a new Foundation investment focusing on rural community entrepreneurship. Despite the challenges associate with the COVID-19 World Health Pandemic, planning and development continued resulting in GRO or Growing Rural Oregon. GRO was publicly launched in the fall of 2021 with four partner rural communities including Klamath, John Day, Independence and Florence. GRO represents a multi-year and robust investment into an entrepreneurial communities’ initiative.

**The Future – 2022 and Beyond**

We are at a pivot point hopefully coming out of the Pandemic. Once again, our world is changing rooted in longer-term trends and catalysts empowered by the Pandemic event. Klamath IDEA in partnership now with GRO has the potential to demonstrate the potential of entrepreneur-focused community economic development in Oregon, the Pacific Northwest and even the United States. Time will tell how this story plays out but following the Klamath IDEA journey is worth our attention in the months and years ahead.

**Justin Lair.** A key Klamath IDEA innovation is a unique staffing position called an **Entrepreneur Concierge**. This concierge is rooted in the more traditional definition as shared from the Oxford Languages Dictionary:

“1. (especially in France) a caretaker of an apartment complex or a small hotel, typically one living on the premises. 2. a hotel employee whose job is to assist guests by arranging tours, making theater and restaurant reservations, etc.”

Justin is Klamath IDEA’s second Entrepreneurial Concierge. His job is to reach out to targeted entrepreneurs, build trusting relationships, listen to their needs and wants, and then network them to resources they can use. Justin is also a serial entrepreneur providing foundational insight as he works with other entrepreneurs. Whether called a business coach, entrepreneurial coach, resource networker or entrepreneurial concierge, this staffing and volunteer role is foundational to high performing entrepreneurial ecosystems.



*Justin Lair, Entrepreneurial Concierge*

Now on to Klamath IDEA’s future plans.

Klamath IDEA has robust future plans. They aspire for a time when entrepreneurship is foundational within the culture in Klamath Country. Over the coming years we hope we can periodically update this inspiring story.

### **Klamath IDEA's Future Plans**

The following are the development goals for Klamath IDEA and its entrepreneurial ecosystem building work for the next three years:

#### **Goal 1**

**Develop the entrepreneurial ecosystem with an infrastructure that will support scaling to the frontier communities in the region.**

- Continue to beta-test the SourceLink® suite of products for state-wide potential.
- Develop a process and protocol for involving the frontier communities of Klamath County in the initiative.
- Fundraise for frontier travel and staff time.
- Engage for-profit eResource Sponsors in the Resource Navigator and the initiative.
- Expand the external network of eResource Partners and Sponsors.
- Utilize Network Kansas and the SourceLink® suite of products to monitor our Scorecard Metrics and other initiative commitments.

#### **Goal 2**

**Build a supportive and celebratory culture that inspires, retains, and attracts entrepreneurial talent.**

- Produce video(s) highlighting and celebrating regional entrepreneurs.
- Schedule a "road show" to share strategy and video(s).
- Host IDEA Talks and other opportunities for Entrepreneurs to 'collide'.
- Scale IDEA Talks to frontier communities as supported and appropriate.
- Partner with the Chamber to develop and continue delivering the annual **Rural Business & Innovation Summit**.
- Continue to support **Catalyze Klamath** and **Badger Venture** with prizes, pitch coaching, and leadership support.
- Develop a social media strategy around celebrating entrepreneurs.
- Develop a blog, story, and photo repository with relevant content.
- Partner with the local HS business teachers to coordinate and sponsor a HS. Entrepreneurship and Pitch Competition.
- Develop and launch a County-wide Pitch Competition.
- Explore youth entrepreneurship programming.

#### **Goal 3**

**Engage entrepreneurs for needs assessment and economic impact.**

- Using the existing visitation protocol, continue to engage targeted entrepreneurs.
- Conduct value chain mapping with target segments.
- Monitor the satisfaction and economic impact of our engaged entrepreneurs.
- Identify gaps in the ecosystem and work to fill those gaps.

This vision and plan is robust and smart, providing a development roadmap for this work going forward.

When we reflect on that small band of people who are making Klamath IDEA work to grow a better economy and more prosperous community, we are mindful of Margaret Mead's famous quote,

***Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.***

### **Final Thoughts – Vision, Determination and Smart Development**

From our decades of work in this field we have come to believe that community leadership is core to all successful community economic development. But there are unique kinds of leadership including champions, community builders and engaged stakeholder groups like colleges in Klamath IDEA's case. **Kat Rutledge** is a passionate and driven champion for entrepreneur-led entrepreneurship rooted in the work of Klamath IDEA.



#### **Kat Rutledge – Exceptional Entrepreneurial Ecosystem Builder**

*By Don Macke* - To the best of my knowledge my first conversations with Kat Rutledge began in 2016. Over the following six years there have been so many conversations. Technically my role was as a resource to Kat and Klamath IDEA. But as is always the case with remarkable people, I know I have learned more from Kat and Klamath IDEA than I have shared with them.

Kat is one of those extraordinary leaders powering rural America to a brighter future. She is entrepreneurial in her work, embracing Ewing Marion Kauffman's advice, "...if you want to help entrepreneurs, you must be entrepreneurial yourself." One attribute of successful entrepreneurs is their openness to networking and learning. They accelerate their progress by taking shortcuts when they gain insight and knowledge from others and their experiences. Kat and Klamath IDEA has done just that time and time again.

Kat is resilient and dogged in her pursue of growing a stronger economy and more prosperous hometown. This is also an attribute of successful entrepreneurs. Sam Walton did not realize amazing success early in his journey, but he persevered and created one of the world's greatest retail empires in Walmart. Kat and Klamath IDEA may never realize the kind of success Sam Walton realized, but they are on target to transform their corner of rural America.

But single champions like Kat Rutledge, no matter how dedicated, can't realize a sustainable development initiative. This is a team sport and over time other leaders and community builders must engage.

The following picture is of the Klamath IDEA leadership team or **eTeam**. The active recruitment and development of champions and community builders is essential for scalable and sustainable entrepreneurial ecosystem building initiatives.



*Klamath IDEA's eLeadership Team (pictured from left to right): Rigoberto Cisneros – Entrepreneur, Justin Lair – Entrepreneur Concierge, Kat Rutledge – Klamath IDEA Director, Seth Gretz – Entrepreneur Heather Tramp – Klamath County Chamber Exec. Director, Larry Holzgang – Business Oregon Regional Development Office, Hallie Neupert – Oregon Tech Chair & Professor, Management Department Darin Rutledge – Klamath Falls Downtown Association Exec. Director and Jen Roe – Entrepreneur (Not Pictured)*

As we have travelled North America visiting hundreds of rural communities and nearly every rural region, we appreciate the role of special leaders who empower their communities to embrace change and commitment to meaningful development. The leaders and community builders within Klamath IDEA have demonstrated a remarkable vision rooted in their love of hometown. They have shown determination and resilience in the face of sometimes overwhelming challenges. They have been thoughtful and evolved a very smart development game plan rooted in investing in growing an entrepreneurial economy, community, and culture. Kat Rutledge is one of those thoughtful passionate leaders. There is much we can learn from this community, Klamath IDEA, and its leaders. We hope you take time to benefit from their remarkable journey and lessons learned.

On the next page are some additional Klamath IDEA resources and who to contact for additional information and questions.

## Additional Resources

- **Pathways to Rural Prosperity** podcast [episode](#) with Kat Rutledge and Klamath IDEA
- *Klamath - It's a Great Place to Entrepreneur* Video <https://youtu.be/AyFYruC6uX4>
- [Three-Year Entrepreneurship Development Strategy Outline](#)
- [Klamath County Development Opportunity Profile](#)

## Questions and Additional Information

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