

# THE CASE FOR RURAL: PORTSMOUTH, OHIO

A CASE STUDY BY THE CENTER ON RURAL INNOVATION  
AND RURAL INNOVATION STRATEGIES, INC.

BUILDING INNOVATION IN RURAL AMERICA  
FROM THE GROUND UP



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This case study examines how a rural community can strategically leverage diverse sources of funding to support the staffing, programming, and physical space necessary to build out a digital economy ecosystem. Through the lens of Portsmouth, Ohio, we seek to inform local economic development leaders about the realities of how rural organizations navigate the challenges of funding the growth of tech entrepreneurship in their communities.



(Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)



# UNDERSTANDING THE RURAL-URBAN OPPORTUNITY GAP

The Great Recession exacerbated a growing opportunity gap between urban and rural economies. This was largely driven by gains in the digital economy, which enabled major urban areas to recover from the economic shock. Between 1997 to 2017, the digital economy grew more than four times faster than the overall American economy. In 2017, the digital economy represented 6.9% of GDP; in 2018, it accounted for 10.6% of real value-added ([BEA, 2019](#)). Following the recession, rural economies were not as resilient, and as the growing tech sector concentrated in urban areas, small towns were left without a path to sustainable 21st-century employment. Five major metropolitan areas accounted for 90% of innovation sector job growth between 2005 and 2017 ([Atkins, Muro & Whiton, 2019](#)). Although rural regions represent at least 15% of the workforce (using the CBSA rural definition), only 5% of computer and math occupation employment is located in rural counties. The goal is to bridge that gap and increase the number of tech jobs in rural areas to be 15% of the total rural workforce.

This growing geographic inequality has significant consequences for rural areas, as tax bases shrink and young people move to urban areas searching for aspirational jobs. But with the right tools and assets, small towns can participate in the innovation economy, owning and driving the means of production in today's digital marketplace. This case study, the second in a series of five, seeks to show the strategic work being done across rural America in grassroots efforts to foster the creation of digital economy ecosystems and tech-based economic development.



(Paul Yost; Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)

## Understanding Tech-Based Economic Development and Digital Economy Ecosystems

In telling the story of Portsmouth, it is important to have a grasp on a few terms relevant to the context. First is the difference between the **tech-based economy** and the **digital economy**. While those in the tech-based economy use specialized technologies as part of their day-to-day work — like those in high-tech assembly lines or in research and development — the work of those in the digital economy is centered on the development of computer-based automation technologies to make processes and markets more efficient. Professions in the digital economy can include computer programmers, cybersecurity analysts, IT specialists, data scientists, network engineers, and other tech-powered roles that are resilient in the face of automation.



# Tech-Based Economies in Rural America

In 2010, federal spending in rural counties was an average of \$683 less per person than in urban counties, and between 1994 and 2001, rural areas received half as much investment per capita from the federal government as compared to urban areas ([Bishop, 2012](#); [WK Kellogg Foundation, 2004](#)). The same goes for philanthropic foundations: Between 2005 and 2010, the average real value of grants given to rural areas was half as much as that given to urban areas ([Pender, 2015](#)). The U.S. Economic Development Administration's (EDA) Build to Scale program supports organizations and initiatives that unlock equity capital to further inclusive investment, operate programs to accelerate sector growth, and/or enable technology commercialization to spur the next generation of industry leading companies. Within that program, EDA aspires to award at least 40% of funds to rural areas ([RISI, 2021](#)). Build to Scale is one of several grant opportunities that rural communities can access to pursue regional innovation, but the 1:1 match requirement to apply can prove to be a barrier. Rural organizations have to navigate the ins and outs of local funders, regional agencies, and private donors as well, often having far more limited staff capacity and access to resources than their urban peers based on sheer numbers.

It is also essential to recognize the difference between tech-based economic development and developing digital economy ecosystems.

## Tech-Based Economic Development

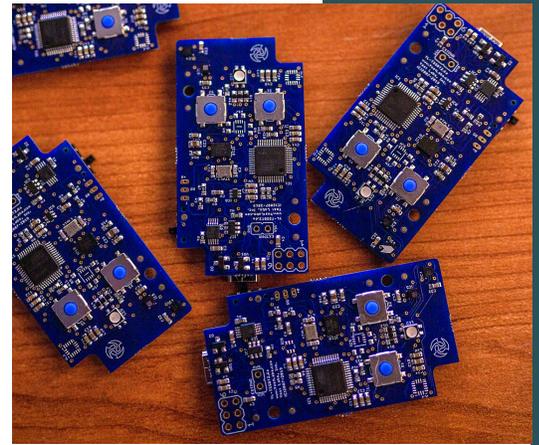
When we talk about tech-based economic development, we are referring to how a community's economy evolves to center on technology and innovation. Tech-based economic development incorporates a broad range of enterprises, from converting traditional manufacturing to highly automated manufacturing of the same product, to research initiatives on new materials, to the assembly of technology equipment, to app development by entrepreneurs. Tech-based economic development can involve strategies like recruiting large tech companies to locate a data center in a community, and can require preparation like building a perimeter road at an industrial park, gaining access to water for cleaning manufactured parts, and obtaining available land for construction.

## Developing Digital Economy Ecosystems

When we talk about developing digital economy ecosystems, we are referring to how organizations in a community work to align around the common goal of increasing tech employment, and as a byproduct, promote greater economic inclusion in rural communities. An ecosystem involves more open collaboration between many different startups, companies, and entrepreneurs, as opposed to having companies operating in silos. This can be supported by building coworking spaces, creating a coalition of tech-focused investors and support organizations, or holding an accelerator program for local entrepreneurs. The ecosystem, when functioning properly, creates a cycle of regenerative benefits for investment, training, collaboration, mentorship, and growth.



Not all tech-based economic development involves developing digital economy ecosystems. But developing digital economy ecosystems is one approach to tech-based economic development – one that involves a more inclusive form of capitalism and is part of what it takes to establish a collaborative culture that supports technological innovation. Workers on an assembly line at a computer chip manufacturer may be contributing to the tech-based economy; yet assembly-line workers who use coding skills learned from a local boot camp to develop a new robotic system to do their repetitive work are a part of the digital economy.



*(Yost Labs; Portsmouth, Ohio;  
Courtesy Rural Innovation Strategies, Inc.)*

These workers may go on to turn their innovation into a growing startup that trains and employs more line workers, launch a hackathon to identify weaknesses in its software, and subsequently spur new innovations and activity in the community. In short, these workers are part of creating that cycle of local ownership of production, learning, and growth in an age of automation.

Portsmouth is just one community of many across the United States that tell the story of how bringing together partners across sectors and social divides can lead to the positive growth of a digital economy ecosystem and tech-based economic development in rural America.

### **The Rural Innovation Initiative**

The Rural Innovation Initiative (RII) is a digital economy ecosystem development program that supports rural communities that are seeking to implement strategies for creating digital jobs and fostering more home-grown tech startups. Powered by [Rural Innovation Strategies, Inc.](#) (RISI) and its sister organization, the [Center on Rural Innovation](#) (CORI), RII was launched in 2018 through a cooperative agreement between RISI and the EDA. It stemmed from the understanding that while many rural communities had the assets and potential needed to grow tech-based economies, they often struggled to access – or even be aware of – the funding that could help make that a reality.

The Portsmouth community first learned of RII when David Kilroy, the current Program Director of [Kricker Innovation Hub](#) at Shawnee State University, met a member of the RISI team at the 2019 [RuralRISE Summit](#) in [Pine Bluff, Arkansas](#). In an effort led by the Kricker Innovation Hub, Portsmouth made the decision to apply to RII to figure out what building a digital economy ecosystem could look like on a practical level. The community was selected to be a part of the 2020 Development Cohort along with four other rural communities from across the country. The RII Development Cohort is a program designed for communities that are at an earlier stage of tech-based economic development, and seeks to help them create a strategy to bring it to fruition. Following its experience in the Cohort, Portsmouth hopes to create a successful Build to Scale application in the 2022 cycle.

This case study is part of a larger series intended to illustrate the array of possible ways that digital economy ecosystems can be constructed in rural America. Although the focus of this is on just one small, rural city, the funding strategies the Portsmouth community employs may be valuable for other rural institutions seeking to expand their tech-based economic development endeavors.



# COMMUNITY CONTEXT

Portsmouth, a rural community of a little more than 20,300 in Scioto County, Ohio, is located on the southern edge of the state, just north of the Kentucky border. Like many midwestern cities, Portsmouth's historic identity is deeply connected to the Rust Belt. Throughout the first half of the 20th century, Portsmouth's economy relied heavily on the iron and steel industries. In 1930, when the city's population peaked at 43,000 people, the Detroit Steel Company – which would later become Empire Detroit Steel Portsmouth Division – was a dominant force, in large part due to the growth of the auto industry. By the 1960s, a significant portion of steel manufacturing had been outsourced internationally, and by the late 1980s, all steel and iron factories had been shut down with the exception of one, which today is home to a Walmart Supercenter ([Byrne & Hannah, 2004](#); [Craycraft, 2008](#)).

## **Demographics**

The population of Portsmouth is predominantly white, and predominantly low-income: 88.5% percent of residents are white, 6.3% are Black, 2.8% are two or more races, 1.9% are Latinx, 1.1% are Asian, and less than 1% are Indigenous (ACS, 2019). The county has faced high unemployment rates – hovering around 8%, and reaching a peak of over 14% in April 2020 ([BLS, 2021](#)). The median household income is \$28,840, as compared to \$56,602 on the state level ([ACS, 2019](#)), and over the past few decades, the rising poverty rate has corresponded with the decline of industry in the area and a lack of economic opportunities. At present, although the many residents of the Portsmouth community are facing economic hardship – 36% of residents fall below the poverty line ([ACS, 2019](#)) – there is a small but growing push led by Shawnee State University and the Kricker Innovation Hub towards tech-centric industries, remote work possibilities, and work opportunities related to the gaming industry.



*(Grace Community Church; Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)*





(Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)

### **Portsmouth's Evolving Gaming Industry**

Portsmouth is seeking to fill a unique economic niche: the video gaming industry. On a global level, the games market is expected to grow to \$218.7 billion by 2024 ([Newzoo, 2021](#)). In the Portsmouth area, there is an expanding community of gaming industry professionals due primarily to the gaming culture and academic programming at Shawnee State University (SSU), a public college located in Portsmouth that has built out its educational offerings with this niche in mind. The college is known nationally for producing talented game design students – the product of two key majors, Game and Simulation Arts, and Game Programming – as well as for its [competitive esports team](#), and hosting the longest-running gaming conference in the midwest, [Shawnee Game Conference](#). SSU and Kricker Innovation Hub view gaming as a major potential avenue of growth for digital employment in the community.

### **The Opioid Crisis**

An important piece of context to understand about Portsmouth is the challenge the community faces with substance abuse and opioid addiction. Scioto County's opioid overdose rate in 2020 was the highest in the state of Ohio, and the death rate from opioid overdoses in Ohio was the highest it has been in the past 10 years at a rate of more than 11 people per 100,000 ([Ohio Attorney General Dave Yost, 2021](#)). And Portsmouth has come to be framed in the national conversation as a symbol of the challenges and effects of the opioid epidemic. In part, the community garnered attention following the 2015 publication of the book "Dreamland: The Tale of America's Opiate Epidemic," which highlighted the city as its focal point. Portsmouth was subsequently featured in a predominantly negative manner by media outlets including [NPR](#), [The Boston Globe](#), and [The Guardian](#) ([Russell, Spence & Thames, 2019](#)). As more consciousness was brought to the opioid crisis, an influx of federal funding to support treatment and recovery, prevention, and research grew in opioid-affected areas such as Portsmouth. Between 2017 and 2018, federal opioid abuse appropriations to Ohio increased from \$119 million to \$224 million, and appropriations to Scioto County increased from almost \$423,300 to more than \$677,600 ([Hoagland et. al., 2019](#)). Yet, amidst this context, Portsmouth community members and leaders in higher education, business, and economic development are seeking to forge a different name for the city. Community members have been vocal that there are important, alternative positive narratives of their community apart from the opioid epidemic that deserve attention ([Tavernise, 2020](#)).

This case study details the ways in which Portsmouth is strategically leveraging a diverse array of funding to support staffing, programming, and physical space to elevate local tech entrepreneurship specifically centered on the gaming industry. This evolving story can offer other rural communities insight into how different sources of overlapping funding can make rural digital economies a reality – from EDA grants, to private donations, to corporate philanthropic support, and community sponsorships.



# THE LOCAL DIGITAL ECONOMY ECOSYSTEM



(Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)

**Portsmouth is home to several key institutions that make up the network of organizations focused on education, digital skilling, and employment to promote digital jobs and the tech-based economy. Although there are three main actors involved, several others – including local entrepreneurs, Tri-State Angel Investment Group, LIGHTS Regional Innovation Network, and local businesses and industry partners such as banks and manufacturers – influence both the demand for tech jobs and the capital to support startups and entrepreneurial endeavors.**

## **Kricker Innovation Hub**

The central leader of and location for Portsmouth's tech-based economy development, Kricker Innovation Hub, is a physical space designed to provide a bridge between student entrepreneurs at SSU and the Portsmouth community, combining academic resources and community assets. In 2010, Ohio initiated a "Centers of Excellence" program, with the idea of identifying specific strengths held by different higher education institutions, and the state designated SSU a Center of Excellence in Digital Immersive Technology. Yet in spite of this recognition, there was no physical center to signify it, and thus the idea for Kricker Innovation Hub was born. The Hub officially opened its doors in 2018, located in the historic building that had previously housed the Sanford, Varner & Co. clothing manufacturer (Scioto Historical). It hosts an array of events, from the Glockner Dare to Dream High School Business Pitch Competition, to happy hours, speaker series, workshops and bootcamps for entrepreneurs in the broader community. The Hub strives to be a space that brings together both the university and the broader Portsmouth community. Through a partnership with LIGHTS, a network of makerspaces, business incubators, and other small business support programs, the Hub secured an Appalachian Regional Commission (ARC) POWER (Partnerships for Opportunity and Workforce and Economic Revitalization) grant, which enabled it to provide entrepreneurship support services that are inclusive to those in the recovery community. In 2019, it organized the first Startup Weekend Portsmouth, which served as a way to get the broader community involved in the tech entrepreneurship space.





(Shawnee State University; Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)

### **Shawnee State University**

Shawnee State University (SSU) is a public university in Portsmouth, and, as mentioned, is the home of Kricker Innovation Hub. From a tech perspective, SSU fills a niche in the state and the broader region: producing video game developers and designers. SSU is the youngest public university in Ohio, but has been recognized as one of the top game design schools in the country for more than a decade. With two foundational game design majors – Game and Simulation Arts, and Game Programming – it ranked in the top 10 game design schools in both 2020 and 2021 (SSU, 2021). It also produces graduates in plastics manufacturing technology, computer science, business information systems, and cybersecurity. SSU serves an important role for students in the area: A significant portion are first-generation college students, many are commuter students, and many have not had exposure to white collar-type work environments like those involved in the software and gaming industries. “The university represents the best opportunity to integrate Portsmouth into the broader digital economy,” said David Kilroy, the Hub’s Program Director.

### **Ohio Valley Regional Development Commission**

The Ohio Valley Regional Development Commission (OVRDC) is the Economic Development District office for Portsmouth, and for a region of southern Ohio more broadly. As the regional entity that manages federal economic development funding, OVRDC serves as an essential resource for entities like Kricker Innovation Hub and for SSU. John Hemmings III, the Executive Director of OVRDC, has made a strong effort to maintain open communication with those working on economic development in Portsmouth. “[OVRDC] is an organization I have on speed dial for when necessary,” said Eric Braun, Vice President of Advancement and Institutional Relations at SSU, describing how OVRDC serves as an essential resource to talk through whether project ideas are viable, grant opportunities are attainable, and for other insight from its decades of experience. The vast majority of development projects that OVRDC supports are centered on infrastructure, such as water, sanitation and sewer systems projects, and few have centered on the digital economy.



## FUNDING STAFF, SPACE, AND PROGRAMMING FOR A GROWING DIGITAL ECONOMY ECOSYSTEM: LESSONS FROM PORTSMOUTH, OHIO

Kricker Innovation Hub's relationship with SSU places it at an advantage compared to other small rural nonprofits working on tech-based economic development. Having a close connection to a rural public university can be an asset because it offers access to institutional knowledge, its broad reach in the region, and its prominent role in the local economy, yet this connection did not mean that the funding process to get the Hub off the ground was straightforward. Although the team is growing, a small core of four people from SSU became the center of the development of Kricker Innovation Hub: Eric Braun, Vice President of Advancement and Institutional Relations; David Kilroy, Kricker Innovation Hub's Program Director; Chris Moore, Executive Director of SSU's Development Office; and Chris Shaffer, Director of Grants and Sponsored Programs. When it comes to the largest sources of funding, "The Hub has somewhat of a linear story," Kilroy explained. "There is the phase before the EDA grant, and then we got the EDA grant. We got the ARC [Appalachian Regional Commission] POWER grant, and that leads us to today. But along the way, it's a lot more piecemeal of community sponsorships and small private foundation grants."

Based on the experience of Kricker Innovation Hub, the following offers insight into lessons learned from amassing a variety of different types of funds to finance physical space, staff, and programming as part of promoting digital entrepreneurship in rural communities.

### SOME KEY FUNDING CONTEXT FOR THE KRICKER INNOVATION HUB

Before digging into the strategies, it is helpful to identify some of the most significant pieces of funding that helped launch the Kricker Innovation Hub:

- 2017, Private Donation: With a donation from the Kricker family, SSU bought the Sanford, Varner & Co. factory building that would become the Kricker Innovation Hub.
- 2017-2018, Foundation Grant: Two rounds of funding from the American Electrical Power (AEP) Foundation provided the groundwork to begin interior renovations to bring the Hub's space to fruition.
- 2018, Federal Grant: Securing an EDA Infrastructure Grant enabled the Hub to renovate the third and fourth floors of the building, and to bring on a workforce development and employer relations staff member.
- 2019, Regional Grant: The Hub was awarded an ARC POWER grant for the LIGHTS Regional Innovation Network to continue to offer entrepreneurship support services through partnerships across the region, and make local services and programs more inclusive to those recovering from substance abuse and opioid addiction.
- Ongoing Community Sponsorships: Over the past few years, the Hub's programming — such as Glockner Dare to Dream, an ongoing speaker series, and Ignite Portsmouth — have been financed through a combination of financial support from local businesses, the Tri-State Angel Investment Group, SSU Development Foundation, The Scioto Foundation, and others.



## FUNDING FOR SPACE



(Shawnee State University; Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)

### **The Need**

A major piece of Kricker Innovation Hub's vision was to offer a physical space to serve as a connection between the university body and the broader Portsmouth community. To do so, its backers would need to raise the funds to establish the Hub in a physical location. In summer 2017, SSU purchased the old Sanford, Varner & Co. factory building, but it needed major renovations to become a technological, entrepreneurial space.

### **How Portsmouth made it happen: A clear vision and knowing its funders**

Sometimes, successfully acquiring a source of funding comes down to timing, preparation, and communication. But it is no secret that successful grant applications often take more than one try, and Kricker Innovation Hub is no different. In 2016, John Hemmings III, Executive Director of OVRDC, was at a conference for the National Association of Development Organizations (NADO), when he listened to the then-Assistant Secretary of Commerce explain that the EDA was eager to fund business incubators and accelerators. Hemmings knew about SSU's desire to create the Hub, and quickly told them they should pull together an application. The process had to move quickly, and unfortunately, "their project was nowhere near ready," Hemmings explained. They did not get this EDA grant.



Fast forward to August 2018: Kyle Darton, the Ohio and Indiana EDA Economic Development Representative (EDR) – a regional EDA officer who works with and advises all economic development grant applicants in that territory – came down to the Portsmouth area to visit Hemmings and look into the projects that the EDA was already supporting. In conversation, SSU’s work in tech entrepreneurship came up, and Darton was impressed with the idea of the Hub. Darton wanted to meet with Shawnee State the following day to go over their application ideas – he was impressed, and was adamant that they submit an application for an EDA infrastructure grant through the Assistance to Coal Communities program, the deadline for which was only a few weeks away.

“They lit a fire under themselves,” Hemmings said. “I really give Shawnee State credit because they put together that application and got it in. We were pressing all the right buttons on a project that EDA was looking for – it just happened at the right time.”

“  
*Once we knew what EDA was looking for, and we knew what we wanted to do and identify where we could meet, we just put everything we had into applying for this grant and making it work,*

*- Eric Braun, Vice President of Advancement and Institutional Relations at SSU*



A major takeaway from this experience was the importance of doing further investigation into EDA funding opportunities before delving into an application. After going through the EDA grant writing process once before, and sitting down with Darton to get critical feedback, the Hub’s team was able to refine their project and on Sept. 28, 2018, they had succeeded. The \$2.8 million EDA infrastructure grant was the first major federal grant for the Hub, and enabled them to fund the construction for the third and fourth floors of the building to support their innovation and programming spaces. “Once we knew what EDA was looking for, and we knew what we wanted to do and identify where we could meet, we just put everything we had into applying for this grant and making it work,” Eric Braun explained. It can take months and months to refine a project, and many weeks to align all the pieces of an application, so opting to reach out for feedback well ahead of the application deadline can make all the difference in creating a successful proposal.

The same lesson applies to local and regional funding opportunities. In March 2018 – before the EDA grant – the Hub received a \$200,000 grant from the American Electrical Power (AEP) Foundation. “We have been able to go back to them and other funders and say, ‘You gave us this pre-EDA funding, when our work was just a vision, and we want to share with you everything we’ve done since then,’” David Kilroy said. In a system where rural communities typically receive far less funding than urban communities, Portsmouth’s experience shows how open communication and willingness to adjust can lead from one opportunity to the next – a lesson that applies to fundraising for space, staff, and programming alike.



## FUNDING FOR STAFF



*(Kyle and Shannon James; Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)*

### **The Need**

Before the Kricker Innovation Hub space was operationalized as the physical and entrepreneurial center of the digitaleconomy in Portsmouth, the Hub faced an essential challenge: staffing and capacity. Kricker had no direct hires at the time. In small rural communities, organizations often have small staff, small budgets, and low capacity — a problem that RISI’s case study on Ada, Oklahoma, addresses in detail. In order to network and apply for grants, the Hub needed to have staff with the skills to achieve and the time to commit.

### **How Portsmouth made it happen: Taking advantage of capacity-building opportunities**

Back in 2017, before the successful EDA grant application, the Hub came to the realization that it would need more capacity to bring its vision to fruition. It brought on an AmeriCorps VISTA through LIGHTS Regional Innovation Network, a collaboration of organizations in coal-impacted communities who were seeking to share resources and knowledge. David Kilroy, who is the current Program Director of the Hub, was this AmeriCorps VISTA. “Initially, we chose to bring on an AmeriCorps VISTA because they were at a very attractive price point — the availability of talent at that cost made it possible to bring somebody like David in,” said Eric Braun, who has been Kilroy’s direct supervisor since he began with the Hub in 2017. “I wouldn’t have brought just anybody in, but we had a real connection with David.”



With the support of his supervisors at SSU, Kilroy took a leading role in an array of project management and grant writing, including the 2018 EDA grant – which led to funds to hire an additional workforce development and employer relations staff members. As a growing leader in planning and development, Braun expressed how invaluable having young and passionate leaders like Kilroy has been. “David’s skillset really filled a need not only for this project, but for the community. Our town is limited in its resources, and David’s been able to network and really provide expertise.”

The team at the Hub views having a lean staff that can be flexible, responsive, and efficient as a benefit that enables them to adapt quickly. With support from CORI, the Hub recently hired two additional VISTAs to support their digital jobs training efforts. Getting passionate and talented staff on board – even if just a few key figures – is an essential part of expanding tech-based economic development efforts in a rural community.

## FUNDING FOR PROGRAMMING



*(Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)*

### **The Need**

Another aspect of the Kricker Innovation Hub’s mission in growing Portsmouth’s digital economy is providing the opportunities for training, coworking space, pitch competitions, speaker series, and other opportunities that help entrepreneurs in the Portsmouth area acquire skills, make connections, and scale their ideas. These endeavors require targeted fundraising efforts, which differ from the larger infrastructure and staffing grants they acquired from EDA and AEP. In a rural community with high rates of poverty, this can be challenging, as there are fewer organizations with the capacity to provide significant donations to support these efforts.



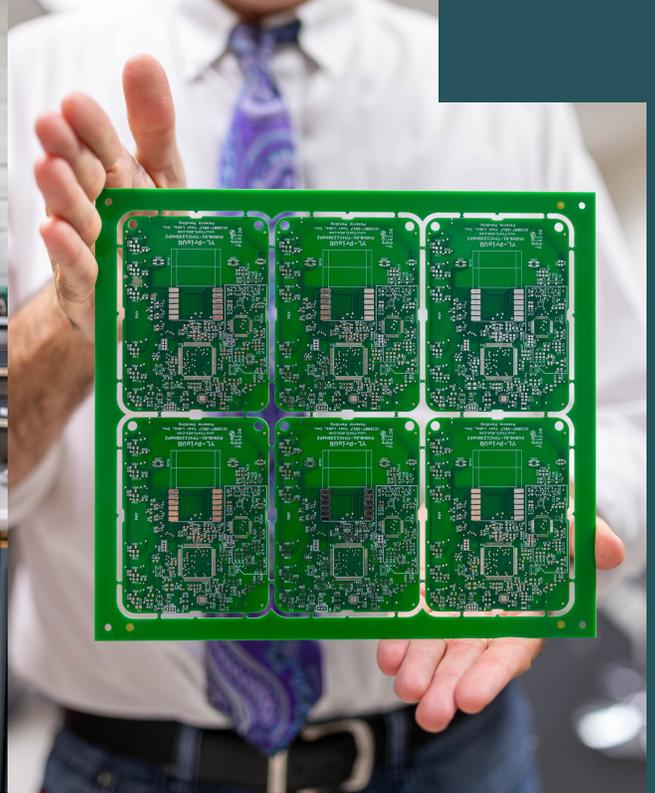
## **How Portsmouth made it happen: Assessing how different funders play different roles for the community**

Certain actors have targeted reasons why they want to invest in projects in specific communities. In the context of Portsmouth, local businesses that support programming have a vested interest in promoting local economic development. The [Tri-State Angel Investment Group](#), which supports entrepreneurs in the Kentucky-Ohio-West Virginia tri-state area, is a lead sponsor for the Glockner Dare to Dream competition because it seeks to provide capital to young entrepreneurs as a way to promote professional development and ongoing local economic growth. The Kricker Innovation Hub has seen how the Angel Investment Group invests in local Portsmouth businesses, and their hope is that in due time, the Hub can start referring some of the entrepreneurs whom they have supported to the investor group to gain capital for their ventures.

External corporate and philanthropic partners can also play a role in propping up digital economies, but in remote rural communities, this is more of a challenge. “Unlike other rural communities, we have no urban proximity,” Eric Braun said of Portsmouth’s geographic location. “The further and further you get away, the harder and harder it is to get traditional partnerships.”

Portsmouth’s leaders and residents do not want the city’s identity to be centered on the prevalence of substance abuse and the opioid crisis, yet the fact that media attention has brought this to the public eye has had some unexpected consequences. Philanthropic support in the community has increased since the publication of *Dreamland* in 2015. “Now, when we are seeing corporate support, a lot of what we’re seeing is philanthropic – the return on investment is purely a competitive interest in the story that is revitalization or recovery in Appalachia,” said Eric Braun. Understanding the public perception of a rural community and thinking critically about how to construct an asset-focused narrative around it can be essential to tech-based economic development.





(Paul Yost; Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)

# Community Progress and Beneficiaries

The reason that the Kricker Innovation Hub works so intently on garnering funding is to support members of its community, students, workers, and entrepreneurs alike. And their stories are telling of the benefits that can come from monetary support for digital economies like Portsmouth's. Below are the stories of two of these people.

## PAUL YOST

Paul Yost wears many hats in Portsmouth, as both a professor and an entrepreneur. He is an Associate Professor of Gaming Technology at SSU, and simultaneously, he is the founder and Chief Technical Officer of Yost Labs, a tech company that creates advanced sensor technologies. Since it was initially established in 1999 as Yost Engineering, Yost Labs has evolved to create sensors for a wide variety of contexts,

from military applications, to municipal vehicles and garbage trucks, to healthcare. Yost sits on the Board of Kricker Innovation Hub, and finds that being involved in both industry and education creates major benefits for his work and his students: He is able to support a pipeline of students interested in tech careers, and he is able to recruit talented students to intern or work for Yost Labs.

When working with clients, Yost is often asked why he bases his high-tech company in the historic downtown of a rural place such as Portsmouth. In addition to the access to talent he gets from the connection to the university, overhead costs are an important piece as well. "If we were to pick up this 10,000-square-foot space that we're using for our business to try to move it into Silicon Valley, we'd spend so much money on overhead and less money on product development and talent," Yost said. "Being here allows us to have a little bit of a competitive advantage."

Having a presence of community-minded entrepreneurs such as Yost in Portsmouth exemplifies how local mentorship and tech-centric opportunities are beneficial to local rural economies.





*(Kyle Trapp; Portsmouth, Ohio; courtesy Rural Innovation Strategies, Inc.)*

## KYLE TRAPP

Kyle Trapp, the former head coach of the esports program at SSU, was born and raised in Portsmouth. His father was a soccer coach at SSU, and from a young age, he was keenly aware of the gaming program at the university. As a kid, he competed in gaming competitions around the region, and when it came time for college, he went on to pursue a degree in Game and Simulation Arts at SSU. "I always tell everybody I'm like a tech local," Trapp said.

During the time he was head coach of the esports team, he received call after call from other programs who were looking to set up their own esports programs. While he loved his work at Shawnee State, he felt that he could make a bigger impact starting his own business to help programs locally, around the U.S., and internationally to set up esports programs. "There are a ton of graduates from Shawnee State who have been working in the field, whether it's game design or coaching," Trapp said. "I've had former players who I've sent out to other places."

In both the academic and non-academic settings, providing space and programming to pursue gaming and esports opportunities can accelerate careers for those who want to stay in a rural community such as Portsmouth, as well as those who want to take their skills and apply them elsewhere.

## CONCLUSION

Portsmouth is an example of a rural community that has been able to leverage different parts of its community identity and history to fund its tech-based economic development efforts. From leveraging game development programs at Shawnee State University, to establishing programs seeking to be more inclusive of the broader Portsmouth community, to having regular and open communication with partners and economic development leaders, the Portsmouth team working towards tech-based economic development is employing essential strategies to ensure it is able to sustain itself over time.



# THE RURAL ECONOMIC DEVELOPMENT TOOLKIT: APPROACHES TO STRATEGIC FUNDING

Portsmouth's experience highlights the importance of seeking out a diverse array of funding opportunities to bring tech-based economic development efforts to fruition in a rural community. Passionate and knowledgeable staffing, along with community engagement and understanding of community assets are key. Based on these realities, CORI and RISI created a checklist of suggestions and questions for rural community leaders.

This checklist can be used as a tool to support those considering applying for a Build to Scale grant, as well as other federal funding opportunities. Although there is typically only a 60-90 day window for application once the Notice of Funding Opportunity (NOFO) is released, this checklist is best used as early as possible.

## 1. Understand the grant itself:

- What is your Economic Development District (EDD)? Who is your Economic Development Representative (EDR)?
  - Have you established a rapport with these key economic development officials?
- Have you reviewed prior NOFOs for context?
- Have you researched recently awarded projects to learn more about how to convey your community's needs in a way that corresponds with the NOFO requirements?
  - Have you reached out to any of these organizations to understand the technical and time requirements to deliver a successful B2S application?

## 2. Map out funders on the local, state, regional, and national level:

- Who are your key funders in the:
  - Public sector?
  - Local and regional private sectors?
  - Philanthropy world?
  - Venture capital and investment space?
- What types of funding opportunities exist for economic development (and that can be adapted to support the digital economy) through:
  - Your local government?
  - Your regional development office?
  - Your state government?
  - The federal government?
  - Community foundations in your area?
- What types of funders have provided support before? What types of funders have organizations like yours pursued?

## 3. Make sure you have the right people in your corner:

- Who are your key partners?
  - Where are they getting their funding?
- What would successful funding efforts look like for your institution, and do you have adequate capacity to pursue funding efforts?
- What types of capacity-building supports exist in your area (like AmeriCorps VISTA, RII, etc.)?

## 4. Think critically about the narrative you are portraying about your community, and the key people you want to be a part of the narrative:

- What is the target industry for this proposal?
- Who is the target population that you want to be a part of your programming?
  - What are this target population's biggest needs and challenges in regards to entrepreneurship?
- What types of programs are you running? What types of programs do you need to run to foster inclusive, technology-based economic development?
- What is the public perception of your community? Is this perception something you want to promote, or to counter?



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