

# Next Generation Economic Development

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**C**onnecticut is dependent on large employers for jobs and job growth. A significant proportion of private-sector employment is in companies with 500 or more employees. Early this year, based on the premise that Connecticut's economy would benefit from job growth among businesses of all sizes, the Capitol Region Council of Governments convened a panel of experts composed of business and government leaders to generate ideas for nurturing small to medium-size businesses in economic sectors that show promise for bringing more well-paying jobs to Connecticut. The successful firms described below show that Connecticut has the potential to experience growth in diverse industries.

Since its founding in 1983 as Microgenesis, Protein Sciences of Meriden has conducted research and development of vaccines and biopharmaceuticals for disease prevention and treatment. Using proprietary technology, the company has developed vaccine, gene therapies, and purified antigens and antibodies.

Protein Sciences CEO, Dr. Manon Cox, the firm's leader since 2010, sees many Connecticut advantages for potential employees including its proximity to New York and Boston and the region's mountains, beaches, and countryside. The state also offers access to capital, colleagues, and support from community and political leaders. For Connecticut to keep young people engaged in its workforce, Dr. Cox believes that state officials must find ways to help with student debt, and expand its bus rapid transit (BRT) systems beyond the Hartford to New Britain CT Fastrak route.

As the scion of a Wethersfield family whose Connecticut roots date back 200 years—including time spent running a prohibition-era speakeasy—Adam von Gootkin is the 32-year-old proprietor and distiller of Onyx Premium Moonshine. Since establishing its distillery in East Hartford, Onyx has set its goal of making Connecticut the moonshine equivalent of sparkling wine's Champagne region of France. As a small business, Onyx Spirits proudly

employs people with intellectual disabilities in its bottling operation. Von Gootkin says the state can be helpful to enterprises such as Onyx by providing better access to capital, promoting entrepreneurship as a college-degree alternative, and providing more networking opportunities.

Led by its ceramic-engineer president, Orville Bailey, minority-owned Covalent Coatings Technologies develops hard coatings and their substrates systems. With its expertise in manufacturing and regulatory controls, Covalent provides services to aerospace, biomedical device, renewable energy, and environmental protection firms in the aerospace and biomedical industries. Covalent developed patented coating systems that materials experts regard as revolutionary.

Bailey said he is pleased with the technological, seed-funding, and financial support from the University of Connecticut, the state Department of Economic and Community Development (DECD), and quasi-public agencies such as CCAT (Connecticut Center for Advanced Technology) giving to Covalent. His state-assistance wish list includes less restrictive financing made available for long-cycle technology and attracting firms with technological resources available for product testing to prepare them for the marketplace. Since technology entrepreneurs routinely look to regions as far away as the west coast for technology firms capable of supporting capital-intensive testing processes, this presents an obstacle to completing product-development work in Connecticut.

A non-profit organization supporting social entrepreneurs, reSET (Social Enterprise Trust) is, according to its website, the "go-to" place for impact entrepreneurs, to make Hartford the Impact City, and Connecticut the social enterprise state. As a co-working space as well as accelerator and mentoring programs provider for entrepreneurs, reSET strives to inspire innovation and community collaboration to support

entrepreneurs creating market-based solutions to community challenges.

Kate Emery founded reSET in 2007 to transform her company, The Walker Group, into a social enterprise to nurture the social entrepreneurship sector in Connecticut. In 2010, reSET hosted its first Beyond Business as Usual conference—attended by 200-plus people—to discuss changing business expectations while adding a social purpose to the bottom line. Volunteers developed reSET's initial strategic priorities which include: introducing the benefit corporation, a new type of business organization in Connecticut for social entrepreneurs; education and business development services to support emerging and scaling entrepreneurs; and better access to financing and investment.

The reSet Networks sees the availability of competitive grants, revolving loan funds, and capital as advantages to conducting business in Connecticut to enhance its ability to attract clients. According to reSET's Director of Advocacy and External Affairs, James Woulfe, Connecticut has the potential to attract more social enterprises by emphasizing public policy to drive social entrepreneurship and advance relationships with capital sources in ways similar to those described by Covalent's Orville Bailey.

With 9,209 businesses formed in 2015, up from 9,048 at the apex of the last economic cycle in 2007, according to the August 2016 Connecticut Economic Digest, business formation hit a new peak in Connecticut. Economic prosperity and stability that rely less on large employers and more on small to medium enterprises may be developing. The four enterprises featured above draw their workers from occupations with some of the most robust employment in the state in 2016. Average annual wages among employment sectors represented by these enterprises can put workers in these industries among middle class wage earners. Achieving balance in hiring and employment among employers remains a long-term challenge. ■