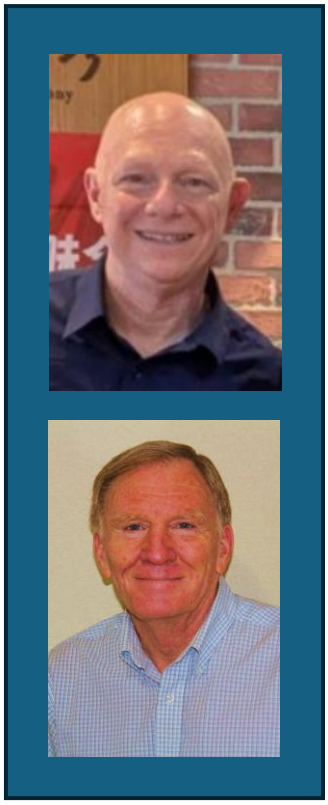
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Podcast Posting at MainStreet.org



Welcome to the Main Street Business Insight podcast featuring the stories of America's downtown and neighborhood entrepreneurs.

There's so much about being a Main Street business that is intertwined with what it means to be part of a community. The impact that it has on creating jobs, occupying vacant storefronts, improving the quality of life, like this is a big deal.

What advice would you give to other Main Street businesses?

Investing in yourself is the most important thing that you can do. What was that experience like for you to reach out and you know learn from others?

Any entrepreneur getting into business, I highly recommend find the people that you trust that'll tell you the thing you may or may not want to hear when you need to hear it and who will stand by you and helping to solve your challenges.

Matt Wagner (Main Street Business Insight [MSBI]): Welcome to the Main Street Business Insight podcast. Our journey focused on the people, ideas, and trends shaping small businesses on America's downtowns and neighborhood commercial districts.

I'm your host, Matt Wagner, chief innovation officer at Main Street America. And in this episode, I want to walk you back in time. Picture Littleton, Colorado in 1987.

The Berlin wall is coming down. The country is talking about a peace dividend. And Littleton's biggest employer, a defense contractor, is laying off thousands of workers.

The city council gives its economic development staff a totally unusual directive. Stop chasing outside companies and start growing jobs and the businesses that are already here.

Now, the person who took on this challenge is my guest today, Chris Gibbons. Working with an idea, first sketched by Phil Burgess of the Center for the New West, Chris turned it into a practice called economic garden. Instead of hunting for the next big relocation and incentivizing it, he watered and fertilized the companies already rooted in your community.

That work drew visitors from more than 800 communities across the US to help make entrepreneurship a standard part of economic development that we all know today. In this conversation, Chris and I talk about what it took to sell a patient homegrown strategy to elected officials. Why the best main street businesses, refuse to compete on price.

And how AI and 1099 economy are changing what we should count as a job and why local entrepreneurs with deep roots are the ones who stay. Let's go ahead and dig in and I'll see you on the other side.

All right, Chris. Well, welcome to the show. It's great to have you on.

Chris Gibbons (National Center for Economic Gardening [NCEG]): Thank you. Thanks for inviting me.

Matt Wagner (MSBI): You bet. You bet. So, I think Chris Gibbons is an absolute legend in the world of economic development. And I'm not going to put you on the spot to comment to that remark, of course, but like you literally wrote the book on Economic Gardening. And I think for folks that have been in the field for a while, uh we those of us that really believe in sort of rootedness and the importance of cultivating, you know, a community's human capital and the talents that exist there love the thought of economic gardening. And I also love that you followed up and I didn't know this part. I've known I've known of you for at least 20 years of my career. Uh, and I'm fortunate that we we were able to connect uh and meet a few weeks back. But I didn't realize that you had a followup to the book which was the part two and I've got it here is the amateurs observations on the economy.

And I absolutely love that title. I think it's just so cool.

Chris Gibbons (NCEG): Accent on amateur.

Matt Wagner (MSBI): Exactly. uh many days uh feel very much the same. Um let's let's go back because I mean you have a long a long career. Um but I I want to sort of start at the point and I think anyone that's read about economic gardening knows about Littleton, Colorado because that's really the the sort of the the bedrock the foundation of your your work in economic gardening. So, I want to I want to talk about when you first arrived in Littleton and you had this position in economic development and what I came to understand was that you were pretty disillusioned with the whole like smoke stack chasing and uh and kind of like where economic development I think was going at the at the time. What was going on in your head at that point and what did you see in Littleton that you thought you could maybe try something different?

Chris Gibbons (NCEG): Well, uh it was an event um and that is uh this so this is 1987 and Berlin walls coming down the um Soviet Union's collapsing and uh there's all this talk about

there's going to be this big peace dividend all this money we've been spending on war we spend on peace except we were in the war business our major employer was Lheed Martin and they had 15,000 people and they laid off uh 7,000 which is what we thought was going to happen except was a devastating impact on little and so that 1987 council told staff as good as corporate citizen as you know they were they're based in Bethesda Maryland and they didn't see these people at the grocery store on Saturdays what they said is we want you to work with local growth companies create good jobs not burger flipping jobs so we actually got a direction whether whether we wanted or not. But yeah, I had been thinking about it for about 5 years because I'd worked in Leadville prior to that in Leadville. They closed down a midnum mine up there and uh you know and so they wanted me to recruit people to go to a town that's 10,000 ft high and winter about nine months out of the year. They used to say we had two seasons. There was winter and mighty poor dog sledding. [laughter] Two months.

Matt Wagner (MSBI): That's awesome. I love it. That's t-shirt right there.

Chris Gibbons (NCEG): So, what happened was that I wasn't getting much anywhere, but I'd met these two miners and they invented a resin bolt to hold mats up in the mine. And I and they're they're stronger bolts. And I was going, "Wow, there'd be a worldwide market for that." And I went to that board. I said, "Why don't we work with these guys and see if we can create some jobs?" They didn't do it.

And I didn't get very far in uh Leadville, but it but the idea never left my mind. So by the time I got to u uh Littleton and uh you know they they didn't when I was doing the interview they didn't tell me about the they fired the guy before me and we had 30% unemployment blocked about 75 details you know and so I show up on the first day and I'm kind of snapping my head back but I still had this idea about I think we can grow jobs locally uh if we work with those growth entrepreneurs.

That's kind of a condensed story.

Matt Wagner (MSBI): Okay. And where did this term economic gardening actually [clears throat] come from? I I think it's awesome because it also conjures up um the visual aspects of economic development work and a lot of things I think that we do in in Main Street. And so where did that come from and how did that end up shaping your work in Littleton going forward?

Chris Gibbons (NCEG): I didn't actually name it. I I went to a speech by a guy by the name of Phil Burgess and Phil's with a Denver think tank center for the new west and he gave this speech about most communities spend a lot of time and money you know trying to recruit companies hunting economic hunting out there and a lot of times they don't have much to

show for it and he said what you really ought to do is stay at home and work with local businesses you know weed water fertilizer is kind of how he put it and uh I went back to my boss because we the council told us to do I said, "Let's go down and talk with him." We went down and uh that next week and just said, "Phil, if if you'll help us find the smartest people in the country, we'll be a road test for your idea." We struck a deal within the hour and you know, 40 years history of history after that.

Matt Wagner (MSBI): So, so it was Phil Burgess that came up with the term.

It's Chris Gibbons that put it into action. I like that.

Chris Gibbons (NCEG): Yes, [laughter] I talk to Phil off and on and uh he's he's very proud of the of how how it grew and the idea grew.

Matt Wagner (MSBI): So anyway, that's fantastic. How how do you think as you look look back on that work? How do you think the meaning of economic gardening has it changed? Has it shifted in your mind?

Chris Gibbons (NCEG): No, but it's got in more detail to it.

There's a lot of people that uh use that term describe all kinds of stuff and it's not what we were doing in Littleton and you know it it may or may not have been good. I don't know about it, but what I do know is they weren't doing what we were doing in low I always say the term kind of went wild on me. And so, uh, at some point we started, we put in a certification program and started detailing, hey, these are the principles, these are the the tools, these are the practices. You know, if you I always say there's a lowercase and uppercase economic lowerase means, hey, let's just work with our our local businesses. uppercase is what we did in Littleton.

Matt Wagner (MSBI): Yeah, I think that's very uh similar.

You know, we've had the four-point approach at Main Street America for, you know, 45 plus years and you get these sort of um hybrid and I think just very independently minded and then why don't we add a fifth point or why don't we do Yeah, that's a constant uh kind of dialogue I think anytime you have a concept uh that that's working.

Chris Gibbons (NCEG): Certainly. Yeah, I I think and I was familiar with that. I actually served on some uh Main Street groups way back uh when it first started. But I to me it's high fidelity is what it's about. It's if you want what we if you want to get the outcomes we got, you got to do what we did. [snorts]

Matt Wagner (MSBI): What did that look like in practice? Did the the work of economic development shift? Were were you all looked upon as like bunch of crazies because you weren't out like trying to recruit and incentivize businesses to come there?

And I'd really be also interested in in sort of how you convinced local folks to in essence rather than invest outside, invest within and actually like incentivize your own people to do things.

Chris Gibbons (NCEG): You're absolutely right. people just and I I don't think they thought we're crazy that they were just didn't even know how to think about it. I remember Denver all the economic development groups worked together and I remember going to one of those meetings and they were signing a committees for the year and I said are we going to have an entrepreneurship committee this dead silence in the room and people were looking around you would have thought I proposed a new number between 10 and 11 or something like that I mean it wasn't it was like they didn't even know how to think about it so I they they pointed me his chair and there was nobody on city you do it [snorts]

Matt Wagner (MSBI): I I hope you were able to find some disciples in the area.

Chris Gibbons (NCEG): When we when we first started of looking around, there was just nobody doing anything. There was nobody to talk to. There was no academic research going on.

I mean, we were just starting ground zero. Jim Woods, who's my boss, and is it's got to be 5050 in this deal all the way through. We always talked about that, you know, we were going to change the world and we were going to be prophets in the wilderness. And in those early years, we just weren't making much progress and we weren't showing jobs and stuff. And we kind of looked at each other and we said, I think we're just in the wilderness. We're just totally lost about what we're trying to do here. But we had all these smart people that the Center for the New West had introduced us to that was helping us along.

Matt Wagner (MSBI): So yeah, I mean, you bring up an interesting point. I think one that many struggle with in you know sort of the broader context of community and economic development that when you're trying to cultivate from within rather than trying to get the quick fix u the big hit um um type of thing it [clears throat] takes a there's like a like patient capital that has to be applied. Were there some strategies that you all employed to kind of like especially with especially with like the the political body uh as well that doesn't have often a lot of patience.

I'm just sort of curious about how you dealt with that.

Chris Gibbons (NCEG): Well, first of all, they told us to go do it. So, they were waiting to see what they do. There were two key people and that my boss Jim Wood, the city manager, and our mayor for 12 years, Susan Thornton, they absolutely they flew cover for me. They got budget to me.

They gave me time to make m and room to make mistakes. Stood up for us. And it absolutely would not have uh succeeded had they were the patient people, you know, and I didn't really know where we were going. I just had a kind of a general idea that we ought to be doing this sort of stuff. And oh, from 87 through I it really took off in around 2000 or so. for maybe 13 years or so, we were kind of just doing our own stuff, responsible to our council. Um, but at some point the term kind of clicked and we had like 800 some communities come to the look of what we were doing when I was at Littleton. And not only that, we started winning awards, IEDC, the National League of Cities, we were finalists at Harvard. Um, but I tell you what, I think why it survived during that kind of you know, depressive period is that they were getting good feedback from the CEOs this because we were doing this really great stuff about finding markets and increasing their sales and uh different uh you know business models and a whole bunch of high-end stuff that we were bringing down to these smaller companies and they were telling the city council and and city council's going well you know should we fund it for the next year and they go absolutely absolutely that's what really kept us alive was those CEOs talking about us.

Matt Wagner (MSBI): Yeah. T ttttttttttttttttttttttttttttttttttttttttttt, could you talk a little bit about what kinds of programs you did end up establishing? What worked, what didn't work? Um, and I I want to be just for the audience, a a lot of your work was more in I think you would characterize as like stage one to stage two, like trying to scale businesses. These weren't startups necessarily.

Chris Gibbons (NCEG): No, they weren't stage one either. e they had already hit stage two and were starting to grow.

Matt Wagner (MSBI): Okay. So, the little bit later stage and what you were trying to do is take them to the next level. Could you talk about how that looked programmatically, the kinds of things that you were running?

Um, you sort of mentioned it that maybe like a lot of it like TA, direct TA, but could you speak to that?

Chris Gibbons (NCEG): So, a lot of stage one work is because it's just teach them how about business.

A lot of times people just don't even know the basic of business. When you're stage two, 10 employees, billion dollars in sales, you know, business. You've already got a proven market. You've already got some uh management skills.

And what they, you know, typically if you ask them money, um, um, workforce and I call it battlefield information.

My staff doesn't like me using military terms, but I'm a big history now. But uh you know what the environment looks like, where's the markets, where are the competitors, uh industry trends and a lot of what we do is around that strategic information, business models and those kind of things because that's what they don't have time to stop and think about as a business. You know, they're they're involved in the operations and the operations are starting to go faster and uh they just don't have time to settle down. We always pitch ourselves as we're staff when we come in. We're not consultants.

We're not counselors. We're not going to tell you how to run your business. We're high power researchers. And if there's questions that you wanted to know and you just didn't have the time, the people, the tools, or whatever, we're your guys. So, we're in there over a period of time, back out, turn them back over to the local economic development agency to help implement everything.

Matt Wagner (MSBI): Yeah. So, a lot of like market intelligence, things that were hard to come by or difficult that help to drive strategy and focus

Chris Gibbons (NCEG): and expensive.

Matt Wagner (MSBI): Yeah. Yeah, you're gonna pay $30,000 for market studies.

You're right. You're right. Um, one of the things I I wanted to to touch on, um, looking back, you know, I guess when you think about traditional economic development versus something like economic gardening, I would characterize it sort of like that.

Although it's it's it's evolved, it seems like we still measure the same things. Like I guess you you could go back probably 60 70 years back to like Mississippi when they first did the like the world's first incentive to drive and manufacture from the north to the south kind of thing. But we're still measuring the same things. It was like jobs and tax base and um and employment and those kinds of things. And certainly with all the job losses that Littleton had experienced, I'm sure that was critical.

But were there other things that you discovered also had real importance that were sort of non-traditional or outside the current measurement system?

Chris Gibbons (NCEG): Yeah, both of your statements are right.

You still got to measure jobs and and wealth and income. That's what, you know, that's what people want out of it.

That's what they need. Your life goes to heck when those things go away.

But the combination we always said is is got both of those things at operation.

You got the in terms of measurement those old traditional hard numbers but you're also uh a lot of it is about community and we always talked about that uh community development and and economic development are just two sides of the same coin and you got to really got to do both. People who are have growth companies want to live in nice communities. They want to have the amenities and and Lilith is a real high amenity town from a public standpoint and you know trails uh bicycle trails and all the drainage areas and summer concerts and you [snorts] know our library. We could we could host Smithsonian exhibits in our library.

We're a town that 35,000 people and part of that is downtowns that people like downtowns. I I don't know how you know whether people are familiar or not, but we're a suburb of Denver and then on south of us is Highlands Ranch.

Highlands Ranch, big community, 100,000 shopping centers all over the place. We got this one place where they're trying to build a main street and so it's trying to make a walk main street, quote unquote, going drive 10 miles north. We got a main street and we've had it since 1850.

And and that's what's very attractive is that sort of uh feel and community. I mean it I always think about where people interact uh on a community stem.

I grew up in a small town. You know, people saw each other all day long every day for 80 years or whatever. That doesn't happen in a shopping center. You don't go to a shopping center hoping you're going to see somebody, you know, hey, let's go get coffee kind of thing.

It's that richness and the uh kind of authenticity of the community is part of the equation in our mind. You got to do both. You still got to do jobs and wealth, but you also got to do and I I call it community development, but some of it's main street, some of us other things you do in town. Um so that's my take on it.

Matt Wagner (MSBI): Yeah. Yeah. you you've um you've watched you've been part of economic development for you know so many so many years and things come and go. Has the field really shifted from sort of that hunting to gardening do you feel? Or did we just sort of spice it up with new terms or something along those lines and still the drive is to go out recruit incentivize?

What's what's your if you had to look like modern day let's call it modern day economic development what's your sense

Chris Gibbons (NCEG): it's both if you back me up when I was a young guy and it was a lot cockier than I am right now I was absolutely convinced that we're going to change the economic development you know the recruiting is going to go away and everybody's going to do entrepreneurship and you know I'm almost 80 and it's like it didn't work out like that what it did work out like is uh entrepreneurship ship uh driven economic development has spread all over the country. I mean virtually every state in the union and every major economic development agency has a in their portfolio they have an entrepreneurship element and it's growing and it's growing. IEDC is a major policy uh effort for them uh today. So it didn't take out it didn't in fact didn't much change it. they're still going on. You know, everybody chased Amazon and um you know, maybe data centers depending on how that plays out. But I think a better way to think about it is that economic development is really a portfolio kind of like your you know financial we got stocks, bonds, you know, gold, real estate, whatever. And you know, everybody in in the professions know we we got recruiting, we got workforce, uh you know, sometimes brownfield and you know, Main Street and everything else that gets packaged in there. entrepreneurship which is what uh economic gardening is about is in almost everybody's portfolio. That's how I tend to think about it.

Matt Wagner (MSBI): Yeah. Yeah. One of one of the things that um keeps coming up in a lot of the entrepreneurship dialogue is about like economic transition relative to generational transition. And and we're sitting here at uh um some people call it the silver tsunami. Um the uh we've got I think Pew had it at about 11,000 baby boomers retire each and every day over the next few years.

And I I think we are struck by the profoundness of that given probably many of the the the companies, these stage two companies um what have you that we find in our communities or mom and pop institutional businesses that have been there for years and kind of give you that that quality of life or brand identity for your community.

in in the context of economic gardening, how do you think that would have worked with sort of these transitions and trying to keep those businesses local when a lot of like now private equities coming in and buying them up and that kind of thing. How would you how would Chris Gibbons attack, you know, 2026 e economic development?

Chris Gibbons (NCEG): It's a really good question and I'm I'm not strong in that particular area. I do have the experience of being in Littleton and I remember there was a hardware store when I first started working here and it was just like the hardware store where I grew. I grew up in a town of 500 people. When I walked in there, man, I was at home immediately

and I love the guy that run it. He was he was a hardware store owner and and we had just had lots of just interesting conversations, but he went under and Home Depot is there today. And so part of uh you know what I tend to think of is how do main streets survive? and they can't go toe-to-toe on something that's going to be, you know, massive like that. You know, where they win is, uh, you know, the specialized kind of stores, uh, the restaurants, the nightife. Um, you know, it's it's where the big boxes don't play. And so, you know, I think about that hardware store owner, and there was another guy across the street. He owned a Mexican restaurant. His family had been there for 60, 70 years, something like that.

is they're both gone and they've both been replaced by specialized stores. I don't know if they if if there's a solution to that. I don't know if he could have ever won. I don't know how to put that together in my mind because basically, you know, Home Depot was 50% of his prices. I mean, he [snorts] was selling bolts for a dollar and you can get them for a dime at Home Depot. It's that kind of thing.

Matt Wagner (MSBI): Exactly. I wonder um you know we talked about the sort of measurements the you know jobs and those kinds of things that that folks are are looking for. What what I find that that's kind of interesting is I suspect if you were talk to like community members uh residents of the local community or those that are maybe coming in to take a job and they're being you know so you're like developing talent and within that within that community as well that they may talk about things that relate to economic development but maybe more so like I would love to go into that hardware store and be able to talk with someone about how to fix my toilet.

[laughter]

Chris Gibbons (NCEG): Yeah. Yeah.

Matt Wagner (MSBI): And they would actually know. Um or, you know, would I when I bring my family in for the the holidays, you know, I want to go strolling um and have that experience of going into a bunch of little stores and not the Walmart that's on the outskirts of of of town. Um, is there is there anything that you would advise communities on how to balance the the the strategy to ensure that there's that part of the community as well as like jobs and uh

Chris Gibbons (NCEG): yeah, and it's like a vin diagram. They overlap each other. You know, there's places where they're they've got different kinds of things and they just don't share, but there's also places where they do share. Um, and I think my sense is the newer, younger generation is more sensitized to local.

I mean you kind of see that discussion and and that kind you know not not talking about our programs but I mean if you just go to RD and they have a value system I think um almost you know 100 year coming back to where we were before u you know I've got it clearly my memories but what part of what I'm starting to realize there's a whole bunch of people in professions that weren't even born when we were doing our program they don't have those memories they don't have uh you know coming from a Small town is not not as common as it were was that I was born in the 40s. So this is all post World War II and America was small town and it was main street. I've got really vivid memories of what that was all about. But my uh little small town dies or wheat farming down in Oklahoma and you know maybe there's I don't know 150 people left there. They're all 80 and more. Uh I there's you know the economic forces is it's real hard in my mind is they have the trump card. Economic forces in my mind has the trump card all the time.

If you can't stay alive and you don't have a job and you don't have money all the rest of the conversation doesn't make any difference. So what you really got to figure out is how do those two things live together? H how do you find something that works from an economic uh standpoint, economic development standpoint, but also you got this other system values, you know, what do we value in life? Um that to me is the big big discussion.

Matt Wagner (MSBI): Yeah. Yeah. How did you you all given that um and you mentioned it earlier in in the conversation about you know the CEOs were overjoyed about the program um because they also knew that that um not only were they getting all this great assistance but like their employees appreciated living in a great community and all that. Do you see a link between sort of a community's character of its its entrepreneurial infrastructure whether that's like third places or the a great civic life or this place has an identity and whether an entrepreneur stays put like you can create startups but do they end up leaving and going to the big city when you're in a small town or a small city like Littleton? Was there anything you were doing to kind of shape both of those things?

Chris Gibbons (NCEG): Well, it they kind of took care of itself and and in my mind, there's the, you know, screaming unicorn, change the world, West Coast kinds of entrepreneurial businesses. But there's another group of those people. These people do move. They move to wherever they got to.

These people down here usually have a history. At least they did in little they grew up there, you know. They they had companies were 10, 20, 30 people.

They they went to the churches, they shopped, the kids were on the soccer team. Uh they loved all the stuff that Littleton put on every year. We do a humongous Christmas parade and light up a million lights on Main Street, believe it or not. And those people, I always said

they had deep roots. It it wasn't just it wasn't just the numbers. It hey, you know, we can do it cheaper. We can do it better if we move. Those kind of companies are going to do that and they're going to move. But this next group of people are going, there's other factors in us living here. First of all, it's hometown. Secondly, we like the scale and the nature of what we're doing. And we like the schools are really, really good. And uh, you know, they participated in the community. They ran for city council. They served on the boards and commissions. They were big check writers for, you know, the Girl Scouts and and all that sort of stuff.

The corporate people will write you a check, you know. Hey, can we get you to support the parade? How much you need?

500 bucks. But that's not that's not participating in a community. That's somebody's job. That's and it's relations. We always said if it has if your job has the title relations in it, there's something bad going. It's public relations, it's community relations, it's, you know, corporate relations.

It's like they just deal in, you know, kind of a negative world all the time.

They got to have good relations. So, I'm kind of rambling here, but the no the point being, I think, is that is to this kind of entrepreneur that grows up locally, has deep roots, they've got a different pattern about leaving it.

It's, you know, they're not just leaving to make more money. They're, oh my god, we're not going to see grandma anymore.

And, you know, the kids, you know, they're going to be, they don't know anybody. On and on. [snorts]

Matt Wagner (MSBI): Exactly. I mean, there seems to be what I I sort of love about that that level, so to speak, is in a in a time where capital is very mobile and companies can just pick up and and move, you need that that level that's just highly resilient. It sort of keeps keeps some steadiness in that more macro shifting environment because you know they're going to do everything they can to stay to kind of like um tough it out uh through through those times.

Chris Gibbons (NCEG): There's an absolutely key principle in our program that thinks I think runs a lot of this and it's commoditization.

So let me just quickly describe it. If you sell the exactly same thing, we always talk about salt and I sell it for two bucks and you sell it for $180, you know, it can't be differentiated. It's like the consumer's going, "This is a short conversation. It's salt. Thank you. I'll take the cheap one." And so I've got to get and so everybody's going to you and I got to get my price

under you and so I got to cut out some expenses and, you know, buying quantities. But I I look over in that uh P&L sheet and there's a big number on there and it's wages. It's like, "Oh my god, the wages are killing me." And so maybe I I don't hire as many people or maybe I send it to China or maybe I do technology that you're going to do exactly what I did and I'm going to do what you did and we're in a downward race in there.

That's what's killing um businesses that are commoditized. And so the key to the game in my mind on Main Street, don't get commoditized. If you're selling something that Home Depot is selling and I'm going that bolt and that boat look an awful lot alike, you're not going to win in that game. The game for in in our world and I think the main street world both is stay on that innovation side, stay on niche, stay on things that other people don't have. That way you can stay alive economically and still bring this character and richness that I think we all want in our communities and on main streets.

Matt Wagner (MSBI): Yeah, totally agree. I mean, I I I refer to that often as uh don't be transactional. Uh be experiential, understand your niche, because otherwise it's just a total race to the bottom.

You're never going to win on on sort of like a volume pricing game.

Chris Gibbons (NCEG): Yeah. When I go into Home Depot, whoever's checking me out, first of all, doesn't know my name, doesn't really care. They just want to swipe it on the bar scanner. I go into, you know, stores on the downtown, there's probably going to be a 20 minute conversation before I get back out the door.

Matt Wagner (MSBI): Yeah. Yeah. For sure. Um, one of the the areas that keeps coming up, obviously, you can't you cannot pick up the a newspaper, if anyone still does, or look online at news or whatever, and not see something about AI, right? Um, and what I've seen in the the data suggests that we've seen over the last couple couple years, primarily the last two years in fact, this massive leap in business formation and a lot of the sort of deep dives on the data are suggesting that it's because of AI. Because with AI, you can essentially open up your business, have a bunch of AI agents doing a lot of work behind the scenes, and you don't have you can scale fairly quickly without a lot of uh labor inputs into the equation, which we all know is is pretty expensive, and you've got to be able to attract capital. I'm sort of wondering uh push forward Chris Gibbons into modern-day AI economic driven development. Um would you still be counting jobs? Do you think we need to like shift the the equation there or um and how do you think that affects um sort of the next generation of of economic gardening?

Chris Gibbons (NCEG): I so I made um bunch of presentations back at Harvard and I talked to this one economist that works there all the time. We've had this same discussion

and my point to him is there's a almost invisible economy and it's the 1099 economy. The economists are one they look at jobs and they look at they're all focused up in here and I'm going and I I say you know what I don't have any boys. I got 28 subcontractors. I've got AI that I can rely on to do initial brochures and that sort of stuff. And I think we need to pay attention. So that's not a job. I you know we show off in the data that you know one one job five jobs unemployment uh and and then there's always sort of like oh yeah this other well that's always a big number down there. It's like that's where people are going to because I have the capability of doing that. Then what that means is more people got to run their own shows. But but in capitalism, money flows to the capital. It flows to the ownership. It doesn't flow to the employees. And so there's nothing wrong in having more people own more businesses. They just got to be smart about it. And they got to, you know, do a bunch of stuff and make it work. But as a principle, uh I think I think that's where we're going.

Uh but to tell you the truth, you know, we're all what maybe three years into it.

Matt Wagner (MSBI): Exactly.

Chris Gibbons (NCEG): Figure it out. knew every major change in the nature of free enterprise from the industrial revolution you know through the internet and all those places there were always people thrown out of business I've got a one of the presentations I make about the lites if you if you took any economics here the lites were the guys who were weavers in uh England in the early 1800s and they brought in the looms and so it threw all these people out of the job and so they took their sledgehammers down and sliced the looms seem pretty straight straightforward answer at the time.

Matt Wagner (MSBI): Exactly.

Chris Gibbons (NCEG): But the point being, did did do we not want that to happen? Do we all want to be making our own textiles this day? We all benefit by those changes, but but what we have to deal with is it's got a massive impact because it always throws somebody out of work when you go into the next round. And I I think our focus is, you know, what is the next round and quit worrying so much about who's getting thrown out of work because everybody's got to move forward on the the platform like in space is innovation's moving this way.

Commoditization's crumbling away on the back end. Get people off that back end side.

Matt Wagner (MSBI): Yeah. Yeah. Yeah.

You're hitting hot buttons. I think you probably could go on forever. [laughter] Well, um I I like to close the the podcast with some learnings. Um and given given your your just amazing career and background, I wonder if there's some advice or teachings you've

learned over the years you'd like to share with, you know, up and cominging main street directors or economic development folks, policy makers. um we sort of have a a mirage of uh different kinds of listeners to the show. So what what would Chris Gibbons advise?

Chris Gibbons (NCEG): I think that understanding of the connection between the economy and the uh the profession of economic development is usually you know projects and and u you know deals I mean every everybody's doing something here real now working on something but it works within this bigger issue and these these questions I talk about commoditization and that sort of stuff and to to get a answer that's going to survive in the long run it's got to work within the economy you can't get out of that and so but you don't hear much discussion about that because I'm down on Main Street and I I worked at Littleton and Main Street for quite a few years and and it was fun and you know my world was three blocks long and was all the little conversations that went up and down that that's not going away. But if if you don't have this big picture, this this uh uh way that the economy is going to support it, the economy and and Main Street have got to be worked together. And I don't see a lot of that happening.

I see conversations on one side or the other, but I don't see people holding conversations about, yeah, we got this cool stuff going on on Main Street and they go, well, they went out of business. That's that's the conversation we ought to be having.

Matt Wagner (MSBI): Exactly. The collective. Yeah.

Chris Gibbons (NCEG): Well, the pol I I think it's maybe policy or I don't know exactly the word I'm looking for, but but it's the economic system because it's trying to do something and it's playing heck with, you know, little small Main Street businesses, but the Littleton Main Street is really vibrant today. It's just a different cast of characters down there.

Matt Wagner (MSBI): Well, I I'll be sure on my next visit out to Denver to see my son uh to trek over to to Littleton and we'll we'll grab some coffee.

Chris Gibbons (NCEG): Yeah.

Matt Wagner (MSBI): Well, Chris, thank you so much for joining me on the on the show. I so appreciate your insights. It's been a true delight after so many years of following your your work in economic gardening and so uh really appreciate your insights. Thanks so much.

Chris Gibbons (NCEG): Thanks for having me on. Have a good day.

Matt Wagner (MSBI): You bet. You bet.