

We began this project researching the current demographics, businesses, and business incentives in individual enterprise zones in Rhode Island. Our group sought to understand who the business owners and clients are in these areas, what type of businesses were the most common, which were failing, and why. We found it crucial to our work to investigate what business incentives and support exist in these distressed areas for both start-up and struggling small businesses that are central to the areas' economic development.

In conducting this research, we discovered that such data was not readily accessible to the public, that many of the incentives were out of date, and that there was a lag in evaluation of recent attempts to target economic development in enterprise zones. Many tax credits exist for businesses that are no longer large industries in Rhode Island. In addition, the tax incentives we researched tend to fail to get at the heart of what many business owners need- money to help start their businesses and afford simple technological costs that may seem very daunting and serve as an inhibitor to economic development.

Rhode Island's EZ program offers tax credits to small businesses that are able to increase their employment base by 5% with full-time Rhode Island resident. However, it is often difficult for small business owners to form a cost-benefit analysis of expanding their business against receiving tax credits when tax credits are a retroactive payment. Small business owners are often worried about the now. It became more and more apparent that evaluation, even after the launch of the Enterprise Zone program, is one of the first and most fundamental initiatives that Rhode Island must take on in order to truly understand how they can best adjust their plans to help distressed areas to become more effective. The state dollars put into these past efforts could in fact be more cost effective and beneficial to the communities of interest if it were invested in new innovative projects...which is where we come in.

We are now researching how we could possibly utilize the new Medicaid Global Waiver program to incentivize health care personnel to initiate community-based health organizations that can provide in house health care services. This idea has the potential to create the need for trained individuals such as nurses, EMT's, etc. and to also meet that need by training community members. Such job creation and placement would fit into Rhode Island's emerging knowledge economy heavily based on health care while also helping to develop the economy in areas where the growing high-skilled-based economy and its benefits have not yet reached.

In addition to this idea, we are also investigating how we could possibly reduce the "brain drain" of RI college students leaving the state after graduation because of RI's lacking job opportunities, while also creating more jobs for enterprise zone community members. Many students after college graduation seek to take a year or two off before returning to school or settling into a job. This is the perfect opportunity to harness students' entrepreneurial passion and offer them an opportunity to give back to their community while also learning more about Rhode Island. We are currently researching how we may be able to fund incentives (in the form of subsidies or stipends) to offer students in order to encourage them to create small businesses or non-profits in RI's enterprise zones run by both themselves and local community members who can receive rich on the job training.

We look forward to collaborating with our other teammates and updating you further on our progress as we move onto the next stage!

Research Group:

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