



Jennifer Brogee

CAN SOCIAL
ENTREPRENEURSHIP
WORK IN THE RUST
BELT?

A Mom, a Dream, and a Declining
Downtown

The Emergent Entrepreneur

Collection Editor
DREW HARRIS

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To my parents, Greg and Ruth Ann Stover, and my husband, Kevin Brogee, who have been on this wild entrepreneurial ride with me for more than 20 years. They have gone above and beyond in investing time, money, and most importantly, their hearts in this small business adventure.

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Abstract

What she learned in business school barely prepared her for entrepreneurship.

Jennifer Brogee thought that having a well-written business plan was the path to success when she launched her coffee shop in 2003. Her goal was to make a living for her family and to help the declining rust belt downtown by believing in its potential and locating her business there. She soon realized how littered with roadblocks that path was. Denied funding, she and her family bootstrapped the business to make it work.

This story shares the roadblocks she faced as a young woman with children, in a business model with tight margins and high overhead. Twenty years later, the coffee shop still stands but the business model—and the mindset of the owners—had to change. Jennifer identifies the lessons learned and explores the types of business models that are better suited to social entrepreneurship.

This book explores her journey through the Great Recession, juggling two careers, exploring new paths beyond the coffee shop, and completely overhauling the business during COVID. Through the experience, she learned the power of the macroenvironment to shape her business's future and moved from independence to interdependence.

Key words

Business models, economic development, gender discrimination, rural discrimination, startup funding, Great Recession, woman

entrepreneurship leadership, community development, women in business, small business leadership.

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First of all, I want to acknowledge that this is just one side of the story—my side. My business partners may have a different view of our journey. This is not meant to be a comprehensive overview of the last 20 years of our business, but rather my perspective.

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Contents

Acknowledgements	vii
Introduction	xi
Learning objectives	xiii
Chapter 1 Entrepreneurship roots	1
Chapter 2 Business as mission	9
Chapter 3 Mom entrepreneur	13
Chapter 4 Finding funding	23
Chapter 5 Growth	29
Chapter 6 The Great Recession	43
Chapter 7 Re-invention	51
Chapter 8 Slowdown	57
Chapter 9 Macroenvironment	67
Chapter 10 Twentieth anniversary	73
Chapter 11 Social mission	81
Epilogue: Mistakes made, lessons learned	85
Recommended activities and discussion questions	93
Afterword	97
Appendix: Excerpts from original business plan and year one financials	99
References	119

x Can Social Entrepreneurship Work in the Rust Belt?

Recommended further reading 121

Index 123

Introduction

When you are 20-something years old, for some reason you are frequently asked to do a lot of icebreakers. You know, the awkward “let’s all stand in a circle and tell each other where you are from, where you went to school, and a fun fact about yourself.” The first things I tell people about myself are (1) I’m from Lima, OH—yes, where that wacky 2010s a cappella show *Glee* took place—and (2) My family owns a coffee shop that was featured on said wacky 2010s show.

I was four years old when The Meeting Place opened. As soon as I was old enough to sit in the front seat of a car, I was old enough to be part of the family business. Memorial Days consisted of my grandpa rolling me around on scaffolding while I dusted the air ducts on the ceiling above. Mother’s Days meant driving our rickety van to local dance recitals to cater healthy lunches.

Our friends and family thought we were crazy for opening a cafe in the downtown. After all, the downtown of Lima was a forgotten community, littered with empty storefronts and the subject of prejudice from the surrounding regions, despite being less than ten minutes away from one of the wealthier subdivisions in the region. I specifically remember inviting my teammates after sports practices to come to the cafe for lunch, to which one of the moms whipped her head around and exclaimed “**My** daughter will **not** be going downtown.” Even though it was midday, her husband worked three minutes away, and there would be a large

group of us. That was that. A testament to the impression many in our community had of the downtown and its contents.

To me, the name is significant. The Meeting Place. While the easier choice would have been to place the cafe in the suburbs, my family wanted the coffeehouse to stand for something larger—a place for the community to break down barriers and build connections. It was an investment in a town that no one seemed to care about anymore.

And now, we frequently hear stories from other business owners in the area about how The Meeting Place standing on its own for so long inspired them to open their business downtown.

Rachel Brogee

(daughter of Jennifer Brogee)

Learning objectives

1. Understanding gender stereotyping that impacts entrepreneur confidence, connections, and funding options.
2. Tying business models to social entrepreneurship viability.
3. Describing funding options for small business founders.
4. Understanding business ownership options and how they impact funding, especially for small businesses and lower-income founders.
5. Explaining the key factors of the rust belt.
6. Recognizing the journey the author took from independence to interdependence and debating how that impacts business viability.

1

Entrepreneurship roots

I cannot count the number of people who have told me that they have a dream to open a coffee house. I usually try to talk them out of it.

I opened a coffee house in 2003. The Meeting Place on Market, a coffee shop that would become both an albatross and the imperfect realization of a dream, started me on a quest that has spanned more than 20 years. A friend asked me if this is a story of success. I said it is a story of stubborn perseverance.

The dream began many years earlier in Berrien Springs, Michigan. My first startup was the Sunshine Detective Agency, patterned after my favorite Nancy Drew books. While I never landed a customer (unless you count my brother), my marketing strategy included hand-drawn brochures that I delivered to my neighbors.

My next startup idea was inspired by the old-fashioned soda shop my great-aunt and uncle once owned in Baroda, Michigan. I created a stellar logo for it and named it Shakes. It was going to be an ice cream shop with a 1950s feel located in a downtown row building. I never progressed past the planning stage, but the shop idea embodied a nostalgic picture of community that I would unwittingly try to recreate as an adult.

Traits of an entrepreneur

Southwestern Michigan was an ideal place to grow up, but I did not realize how much it impacted my view of the world until much later. We lived on a country road surrounded by apple trees and vineyards cultivated by our neighbors. Our two-story home shared the street with a cacophony of farms, small rental homes, modular homes, a slaughterhouse, and a dog kennel. As a child, I roamed the acres of woods that surrounded our property, making up adventures that I would face with my brother or on my own. At the bus stop at the end of our quarter-mile-long driveway, I met different kids every year. Even though I was shy, I learned how to make friends quickly.

Our address was in Berrien Springs, a village of approximately 2,000 people with a quaint little downtown measuring two blocks by one block in each direction. My mom would often take my brother and me on errands there. We would park near the post office, get stamps, then walk to Schugg's Drug Store where I would hopefully be able to buy a piece of candy. Our favorite pizza shop and the local weekly newspaper, which is surprisingly still doing brisk business today, bookended the other side of the street.

A small town with an independent spirit, Berrien Springs was founded as Berrien Township in 1832 in what was called the Michigan wilderness (Ullrey, 2000). While the town might have been named by mostly European settlers, it was a diverse place when I was growing up. My best friend in elementary school, Lisa, was from Korea. She traveled to Berrien Springs with her parents, who attended Andrews University. Other friends included the children of migrant families from Mexico who eventually settled

in the area, and the families of university graduate students from all over the world who traveled to Berrien for the same reason Lisa's parents had. The famous boxer Muhammad Ali had a home in Berrien Springs, and I watched him practice boxing in the gym on his property when I was a very young child. The theme I picked up from Berrien was live and let live. Life was not ideal for everyone, but I do know that when I moved to Ohio as a child of 12, I missed the free spirit of Berrien County. Independence and freedom are the traits that I inherited from my hometown, traits that inspired me to create a business from the ground up, with only the help of family and good friends. I eschewed the idea of franchises and outside investors because of these traits—decisions I have come to question.

I also learned from my time in Berrien that a community takes care of itself. I observed that the government and banks were two institutions that we had to learn to deal with but could make one's life miserable. My dad would tell me stories that cemented that belief. He built our two-story house himself. When the house was approximately a quarter finished, my dad went to the bank for a construction loan to help pay for the remaining supplies. He asked for a modest sum that was a small percentage of the future value of the home. However, the bank put roadblocks in his path. The loan officer insisted that the home needed to be assessed before any funds could be distributed. Dad told them there wasn't much to assess yet except a poured foundation and some framing. The bank stood firm. The project was put on hold while Dad waited for an assessor to arrive. One day, my dad saw a man throwing stones into the pond in front of the home construction site. He went over to talk to the stranger. The man asked if there

was good hunting in the area. Dad said yes. The man said, "Great. I'd like to do some hunting on the property one day. Here is your assessment for your loan. You're approved." No questions were asked, no inspection was made. My dad looked at the paper in disbelief. He shook the man's hand and walked away. To this day, he tells the story with a shake of the head. The message is clear—banks and governments are good for stopping progress, but not much else. Because of this belief, the business has gotten into trouble over the years for our avoidance of the permitting process, and for a reluctance to use debt as a tool for growth.

I embraced freedom wholeheartedly and inherited a distrust of institutions. However, there was one institution that was a constant in our lives and that was our church. We attended a non-denominational (independent) Bible centered, mid-sized church. I spent Wednesday evenings and Sunday mornings there almost every week. The good thing about our church was that it elevated a relationship with God above all else. That relationship created unconditional safety, security, and love in my life, holding me firm against the attacks on our self-confidence that we all face as children. As my faith grew, my willingness to embrace calculated risk taking in life and in business expanded. My faith gave me a firm foundation from which to adventure out into uncertain endeavors.

I did learn some lessons from church that were not so good, however. Our church, like many others of that generation, extolled the necessity of sharing one's faith. As a young child with a high degree of conscientiousness, I took that responsibility seriously. I was too shy to talk about my faith, but maybe I could help save people another way, I thought. Maybe I could solve people's

problems, like Nancy Drew. This expectation for saving people's souls created a distorted understanding of my responsibility to others. I started to view my life through the lens of a book, where I was the missing link, just like Nancy Drew, in solving other people's problems. My motivation was love; the wisdom of my thinking was questionable.

When I was in eighth grade, my family moved to the city of Lima, Ohio, a metropolitan area of approximately 100,000 people. I was in awe of the large, beautiful homes showcased in its historical section. I was happy that there were now grocery stores and fast-food places a short drive from my home. I was excited about the adventure of a new school.

Lima losers

Back in the 1800s, Lima was the site of large oil field discoveries that attracted Rockefeller and his new company, Standard Oil, which laid the foundation for the town's establishment around the thriving oil industry (Folsom, 1988). Because of its boom in the early 1900s, Lima still has a plethora of infrastructure in its downtown including high-rise former bank buildings and manufacturing warehouses. In fact, there are more buildings than it needs. The buildings are spread out, some are empty, and as a result, the downtown feels like it is deteriorating. While successful small businesses are scattered throughout the area, multiple factors contribute to the negative perception of downtown—the lack of cohesion, empty spaces where buildings used to stand, and crumbling, abandoned structures mixed in with occupied buildings.

The reality is that Lima's economy has never boomed as much as it did in the 1920s. The reason cities like Lima, and others throughout the Midwest and parts of the East, are part of the rust belt is because of the rusting infrastructure left behind after the mass exodus of manufacturing from the 1930s to the 1980s. As the US South and other countries launched their industrial revolutions, manufacturing jobs began moving to cheaper locations. Companies were attracted to relocate because of lower wages and fewer regulations.

Downtown Lima especially bore the brunt of the economic change. Not only did it have to contend with declining manufacturing jobs, the city also suffered from suburbanization as middle-class citizens in the mid-1900s took advantage of cars to find cheaper land and less restrictive zoning in the rural areas around the city. Where the city streets had once been bustling with shoppers and the downtown buildings filled with businesses and apartments, the downtown business district felt empty by the 1980s.

Lima struggles with a sense of inferiority, a sentiment exemplified by the term "Lima losers"—a phrase my friends and I sarcastically applied to ourselves during our high-school days, long before Ryan Murphy used it on the popular TV show *Glee*. This cultural mindset influences many to perceive staying in Lima as getting stuck. Nevertheless, some, including myself, choose to return to Lima. Family ties, the desire to raise children close to grandparents, and the belief in "blooming where you're planted" drive such decisions, finding success and contentment in one's chosen location rather than seeking external validation from the "big city." This perspective led my husband and me to return to

Lima after I graduated from college. This is the place in which my partners and I decided to locate our business in 2003.

When I first wrote the business plan, I was unconsciously trying to solve multiple problems for my community and my family: the problem of a disinvested downtown, the problem of meaningful work for myself, family members, and people in the community, and the problem of a lack of “coffee culture.” I’m not sure if a small business should be burdened with so much responsibility on top of the difficulties of turning a profit, especially because I was determined that my partners and I would accomplish this on our own. The weight of responsibility was a handicap to the fledgling coffee shop. Yet the traits that drove me—freedom, independence, faith, risk taking, conscientiousness, and personal responsibility—created a breeding ground for entrepreneurship.

After more than 20 years in business, I’m not sure which critical incident best describes the turning point of my journey. Was it the day when, with shaking hands and anxious thoughts, I signed a five-year lease to start our journey? Was it the night I stared at the TV screen in disbelief as I heard the governor of our state effectively shut down our business? Was it the step I took into the national US Chamber of Commerce building in Washington, DC, as a finalist for the women-owned business of the year? Was it a montage of all the times I cried tears of frustration while analyzing our financial statements? Or is it the expectation of a dream that persists?

2

Business as mission

In 2000, I was at a retreat with a group of women when the facilitator asked us to share a dream that we hoped to one day see fulfilled. I shared that I dreamed of opening a coffee shop. In 2001, I tightly held my newborn baby, Gregory, and cried silent tears as I watched TV coverage over and over again of passenger jets hitting the World Trade Center. I couldn't get over the fact that all those people were just going about their everyday lives, sitting at their desks at work, meeting a friend for lunch, and thinking they had all the time in the world. It began to feel imperative to me to pursue my dream **now**. A few months later, early in 2002, I started writing a business plan for a gourmet coffee shop in Lima, Ohio.

My stated goals for the coffee shop were threefold: meet a gap in the market by opening a coffee shop where none existed, provide an income for myself and my family, and provide meaningful employment opportunities for my family and the community. However, there were deeper motivations that I had not clearly expressed. I also wanted to demonstrate belief in the city's assets, its beautiful diversity, and its historical infrastructure. I wanted to promote economic development in an area that had experienced disinvestment. I wanted to create a place that generated community engagement. And I wanted to recreate a piece of nostalgic America, a place where people walked the

streets arm in arm while they shopped for Christmas gifts in the busy city center. It was quite a set of lofty goals for such a small business. While the nostalgic view of America came from my hometown and from the movies and books I read, I can trace quite a few of the other motivations back to a trip to Chicago when I was a college student.

Cabrini Green, Chicago, IL

As an undergrad, I bounced from major to major, from journalism to graphic design to computer science to sociology. For one quarter, I majored in social work and took a trip with the sociology department to Chicago for a neighborhood immersion experience. We slept on the floor of a community center and took part in various activities throughout the city. During a tour of the area, we stopped at Cabrini Green, a government housing complex made up of 23 high-rise towers, some 15–16 stories tall (Baron, 2020). Cabrini Green was torn down between 2000 and 2011, but it was occupied during my visit. In the 1990s, the Chicago Housing Authority had neglected the upkeep of the towers, and they were in various states of disrepair (Baron, 2020). As our group sat in the van in the parking lot outside of the Cabrini Green towers, I peered up at one of the high-rises and my heart broke. I took in the sight of apartment balconies covered from top to bottom in ugly chain-link fencing to prevent falls or jumps from the higher floors. I saw empty playgrounds with broken swings. I heard police and ambulance sirens in the background. Even though I was visiting a housing complex where thousands of people lived, I felt like I was in a place that had been abandoned. I thought, “How can I be sitting in this place in one

of the richest countries in the world and see such poverty?” This poverty was not the type of shared poverty experienced by so many Americans in the 1940s and 1950s, but an isolating poverty built upon inequality.

The van pulled away from the housing complex. I will never forget that drive. I soaked in the atmosphere of the neighborhood surrounding Cabrini Green—neglected sidewalks, shuttered buildings, bars on the windows of a corner liquor store and check-cashing business, abandoned storefronts. That visit brought home to me the fact that a lack of economic development and hopelessness go together. The next week, I made my final change of major—to business. My social work professor told me I was going to the dark side, but I felt it was a calling.

Christian Community Development Association

During that time, I was introduced to the Christian Community Development Association (CCDA). Their mission is dedicated to “community transformation through equipping and connecting” (CCDA, 2023). When I attended their conferences in the 1990s, they emphasized living in communities that have lost their social fabric and have depleted their social capital. These neighborhoods struggle with business growth and adequate employment opportunities. Many speakers that I heard at CCDA conferences advocated moving in and living in those neighborhoods. They promoted creating new businesses as an act of service. For the first time, I heard that entrepreneurship could be a tool for community development. I visited CCDA members’ homes and businesses in Atlanta and Boston and was

impressed by the grassroots economic development the group helped spur on. While Lima was not comparable to those big cities, the vision of helping people and communities through intentional entrepreneurship was part of my motivation to open a coffee shop in downtown Lima, Ohio.

What I didn't realize at the time was that I was trying to create a social enterprise. And I went about it all wrong. Instead of stating my goals clearly, I let them hover out of sight, in my consciousness yet rarely communicated. These goals informed decision making yet they weren't part of our mission. Those unstated expectations created a murky tension between the pursuit of profit and the pursuit of a social mission. Frankly, the unstated goals made it difficult to make a profit. Yet that realization did not come until much later.

3

Mom entrepreneur

It wasn't great timing for me to start a business in 2002. I had two children under the age of three, and my husband worked long hours. I was also working full-time as a software developer at a technology startup—three days working from home, two days in the office. My time was already over-scheduled. I had witnessed the long hours and hard work my parents put in when they had owned a business and worried about my ability to manage all the demands on my time.

Entrepreneur and a mom?

I wondered if I could be both a mom and a business owner. We welcomed our first child, Rachel, in 1999. Wanting to learn everything I could about taking care of a baby, I fell into a rabbit hole of "expert" information. Books and articles abound that advocate for moms to stay home with the kids and homeschool, promoting these choices as the keys to creating the best environment for children to develop. The articles I read did not have a lot of advice for dads, but the advice for moms would probably fill 1,000 encyclopedias. Working full-time and launching a business did not fit with the demands of perfect motherhood.

I have often asked myself if sexism still exists. While outwardly it appears to have been conquered through laws and equal opportunity programs, my experience is that sexism is alive and well. What surprises me, though, is how often I am complicit in the sexism I experienced. Yes, I have been advised against doing something or flat-out rejected due to my gender. I share some of those stories in this book. Yet the most pernicious sexism I experienced was in the form of the limits I put upon myself. I absorbed a narrative that came through ideas and books that pigeonholed me into certain roles. That narrative limited me more than any rejection I experienced. That narrative held me back from pursuing my passions and talents. It wasn't until 2002 that I began to take small steps to break out of the box I had put myself in.

Writing the business plan

My first step was to gather information and begin a business plan. I had written a business plan for a coffee shop in Anderson, Indiana, with my friend Heather many years before. We designed a nonprofit entrepreneurial business model that combined a coffee shop with a workforce development program. Our goal was to provide employment training for low-income women with little or no work history through employing them at our coffee shop. We were really excited about the idea and shopped it around town to community and university leaders. The lukewarm reception we received, plus the distraction of major life changes such as marriage and finding a home after graduation, caused us to eventually drop the idea. Now, seven years later, I was using

what I had learned through that experience and applying it to this new entrepreneurial endeavor.

I am a bit of a hoarder when it comes to digital media and documentation. I still have a lot of the information I pulled together when I was researching. The first document I can find related to the coffee shop was a spreadsheet dated January 22nd, 2002. In it, I outlined a rather mundane list of some of the work I had done so far:

What	Time Spent (hours)
meeting with Bill Lewis, Uptown Catering	1.5
meeting with Jay Smith, Downtown Lima	1.5
viewing building off Market St.	1
viewing building next to Bistro and 53 Town Sq. and Basinger's	2
working on business plan	5
working on birthday party planning	3
January 2, 2002—working on business plan	2
February 12, 2002—working on business plan	2
Total	18

I had spent 18 hours so far. Eighteen hours to document my thoughts, research some stats, and basically follow the business plan formula I had learned in college. If only I had known the

endless hours that would be spent by myself, my parents, and my husband over the next 20 years. Would I go back and do it again?

Eighteen hours. Hidden in that mundane list of tasks is an important meeting, although I did not realize it at the time. I did not realize that I had met someone who would align with our vision and invest thousands of dollars in making it a reality.

Choosing a property

I met Gene Duff in January of 2002 when I took my one-year-old son, Gregory, to look at a property on Market Street. Gene owned properties in Lima and Columbus, Ohio, but I had no idea of the extent of his business holdings all over the world until after his death. He kindly held Gregory for me while I toured the building. I thought it was a good location but was concerned about the level of work it needed.

By this time in the planning process, my dad had agreed to partner with me on the business idea. He reviewed my pro-forma numbers and agreed that the profit margin in specialty coffee was healthy enough to explore. I reported back to him about the building and my thoughts, and we went on to look at other buildings. We started to pursue a three-story brick row-house-style building on the town square (similar to the building I envisioned for the soda shop “Shakes” I had dreamed about as a teenager), but it was purchased by someone else while we were contemplating an offer.

The property owned by Gene Duff was originally a savings and loan bank, built in 1917. Business was booming back then, so a few years after opening, the bank built an even bigger building