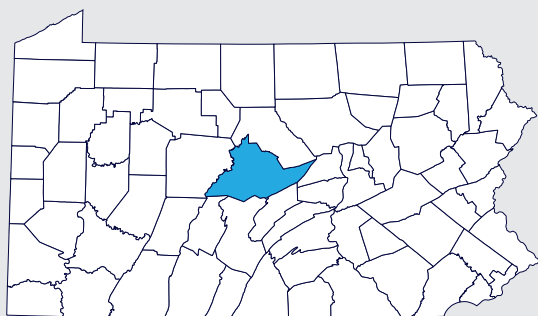


# Lean Economic Development Playbook: Mini-case

## PROVIDING ACCESS TO RESOURCES FOR EARLY-STAGE TECH STARTUPS



**Location:** State College, PA

**Demographics<sup>1</sup>:**

- 80.2% White alone
- 10.0% Asian alone
- 4.1% Hispanic or Latino
- 3.4% Black or African American alone
- 0.1% American Indian or Alaska Native alone
- 0.0% Native Hawaiian and Other Pacific Islander alone
- 3.0% Two or more races

**Population<sup>1</sup>:** 40,745

**Median Age<sup>2</sup>:** 33.44

**Poverty Rate<sup>1</sup>:** 43.4%

**Median Household Income<sup>1</sup>:** \$41,015

**Median Property Value<sup>1</sup>:** \$334,300

<sup>1</sup> 2020 US Census – census.gov  
<sup>2</sup> Pennsylvania Department of Community & Economic Development - DCED.PA.gov

[Visit Happy Valley LaunchBox](#)

### BACKGROUND:

The borough of State College is located in central Pennsylvania directly adjacent to Penn State’s largest campus, University Park. Originally a village, State College grew with the University since its founding in 1855 as the Farmer’s High School of Pennsylvania. With over \$1 billion in research expenditures and a student population of approximately 46,000 (41,000 undergraduate and 5,000 graduate students in 2022), the area—also known as Happy Valley—has undoubtedly been shaped, both economically and culturally, by the University and its students.

Because State College is home to the largest Penn State campus, leadership felt it critical to have a LaunchBox located downtown to send the message to community members, visiting alumni, local leadership, and students that Penn State is invested in economic development outside its traditional economic contributions. To ensure the sustainability of the location, at least in the near term, Happy Valley LaunchBox was fully funded by the University and, as such, the location did not go through the proposal process to receive grant funding.

An assessment of the local ecosystem revealed numerous economic development groups focused on starting and growing traditional, or “main street,” businesses. A few others focused on growing established manufacturing and tech-based businesses. Students had access to classes for building entrepreneurial skills and learning the process of starting a business, but those who wanted to turn their ideas into actual businesses had to rely on faculty or family willing to help them. In short, if you had an idea for building the next great app in State College, you had to find resources yourself. While some individuals had access to friends and family who had experience with entrepreneurship, others didn’t, making it more difficult to access support.



## INITIAL OFFERINGS:

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Launched in 2016, Happy Valley LaunchBox powered by PNC Bank focused on filling this gap by providing the resources, support, and facilities that early-stage scalable startups need to de-risk and accelerate their ideas. Working out of a rented space in downtown State College that was decorated in a casual, non-academic tone, including the LaunchBox slogan “DON’T QUIT YOUR DAYDREAM” in 3-foot letters in the main room—two staff with personal entrepreneurship experience began building and testing resources. The first resources included no-cost coworking space, an “expert speakers” series, a 10-week accelerator

program, and 1-on-1 coaching all emphasizing lean startup methods.

Faculty were invited to bring their classes to the LaunchBox for design thinking workshops to help build students’ entrepreneurial skills. These workshops also got students into the building where they were exposed to the services and support available to them outside of class. All offerings were aligned with a philosophy focused on making entrepreneurship accessible to all and breaking down the myths of entrepreneurship.

## WHAT WE LEARNED:

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In the early days, the space was used mostly by faculty taking advantage of design thinking workshops or teaching classes in LaunchBox. Personal outreach was key to driving usage amongst faculty. Staff leveraged personal connections with faculty and asked those already using the space to spread the word. Often, the director worked with faculty members to design customized activities to support critical class objectives. It was a very organic, opportunistic approach.

As more students learned about services, there was an uptick in people applying to the accelerator. A few community members trickled in out of curiosity, but overall the community didn’t think services were available to them. Disproving that widespread assumption was (and still is) difficult. It has helped to build partnerships with other support organizations—a key tenet of Invent Penn State.

In those early days, key partners included the Small Business Development Center (SBDC) and the Penn State Law Entrepreneur Assistance Clinic (EAC). The SBDC and EAC primarily served community members and could spread the word, as well as refer individuals to LaunchBox programs. Both were co-located at LaunchBox and held educational workshops in the building. Through their outreach and established community connections, more community members began to visit the facility and LaunchBox began to build a reputation as a one-stop shop for local entrepreneurs and business owners.

As we grew, we saw increased interest from donors looking to support our work, and from alumni and local entrepreneurs looking to give back to the next generation of business owners. In 2018, PNC Bank provided a \$1 million grant to support the work we were doing. This generous donation was a turning point in helping to ensure the sustainability of our programs.

## HOW IT’S GOING:

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After seven years, we’re still struggling to get the word out to those not affiliated with Penn State, but we have seen a slow but steady increase in community members leveraging services. Engagement with students has grown dramatically, and we’ve expanded our educational programs, resources, and business coaching to accommodate demand. In fact, we are facing a common startup issue of figuring out how to scale to meet demand.

In 2021, we moved into a new six-story, state-of-the-art building built by Penn State in downtown State College.

This new [Innovation Hub](#) brings together Happy Valley LaunchBox, [OriginLabs](#) (a rapid prototyping and fabrication lab), plus community coworking space and no-cost event space, all under one roof. We are seeing an increase in the number of community members leveraging our coworking space and are now better able to host collaborative events with our partners. The addition of OriginLabs is creating new opportunities to support entrepreneurs with product development through rapid prototyping.



**PennState**

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