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Passion for improving Ky. is capital effort

2 groups take steps toward a better economy

By Tom Eblen
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Improving Kentucky's economy will require more capital. Finding that capital, both human and financial, is likely to involve more small steps than big leaps.

Two groups are taking steps worth noting. They are the Young Professionals of Eastern Kentucky and the Lexington Venture Club.

The Young Professionals of Eastern Kentucky is a new organization that hopes to help talented young people stay in — or return to — Eastern Kentucky's mountains. It is having its kickoff event Monday night in Hazard.

"We really want to combat the brain drain," said Bradley Parke, 24, of Knott County, the group's vice president. "There are a lot of people who leave and want to come back, but there's just not the opportunities for them."

The free event, which begins with a 6:30 p.m. reception at First Federal Center on the campus of Hazard Community and Technical College, will include speeches by U.S. Rep. Hal Rogers and former Gov. Paul Patton.

Kevin Smith, 26, a Laurel County native who lives in Inez, was inspired to start Young Professionals of Kentucky after reading Visioning Kentucky's Future, a 2008 report by the Kentucky Long-Term Policy Research Center.

"There was a need for young professionals to come together," he said, not only to create new economic opportunities for themselves and their communities, but to be more aware of opportunities already in the region.

"Many of us have a passion for this region," he said. "We want to live and work here."

Smith, Parke and others formed a steering committee and then a board of young professionals from across Kentucky's 32 Appalachian counties. They applied for non-profit status and organized small get-togethers in London, Hazard, Prestonsburg, Somerset, Whitesburg and Pikeville.

"We're pretty spread out, so we're trying to reach every part of the region so everyone feels like they're included," said Parke, adding that online networking tools will be key. The organization has created a Web site (www.ypek.org) and a Facebook group with nearly 1,200 members.

In addition to networking, Smith and Parke said the group plans to form working groups to study and undertake projects around six themes: economic development; energy and environment; education; health care; technology; and civic engagement. That work will get started at the group's next regional meeting, tentatively scheduled for early April.

They said the organization's board includes Republicans and Democrats, and they're being careful to avoid political associations that could limit their effectiveness in the region.

"We're trying to say, no matter what your background or ideology is, we're here to make a difference," Smith said.

Meanwhile, the Lexington Venture Club gathered last week to discuss the state of venture capital funding in Kentucky.

The club reported that entrepreneurial companies in Central Kentucky attracted \$47.5 million in venture funding last year for a two-year total of \$116 million — not a bad showing considering the overall economic climate.

The 88 companies surveyed by the club said they hired 386 people last year, up from 230 in 2008 and 162 in 2007. The average salary for full-time jobs at those companies was \$69,800, up from \$61,000 two years ago.

Venture funding comes from a variety of non-traditional sources outside bank lending, such as venture capital funds, private investors and entrepreneurs and their friends and families.

It is a vital source of capital for young companies in fields such as technology and bio-sciences. Innovation is often a risky investment, but it can pay off big, both for investors in those companies and for their communities.

The gathering at Lansdowne's Signature Club attracted nearly 200 people, prompting UK President Lee Todd to remark that Lexington's venture capital and entrepreneur community "could not have filled a closet 10 or 15 years ago."

The keynote speaker was David Jones Jr., chairman and managing director of Chrysalis Ventures in Louisville, the region's oldest and largest venture capital firm with about \$400 million under management. He also is non-executive chairman of Humana Inc., which his father helped found.

Jones said Kentucky is behind many neighboring states in creating the kind of innovative companies that can attract venture funding. A key to improvement, he said, will be for Kentucky to emphasize and invest more in education at all levels.

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