The Opportunity: Small Business and Entrepreneurship

Background
Small businesses and entrepreneurs have long been important to rural economies. In fact, the number of proprietors per 1,000 residents is highest in remote rural communities.¹ This is consistent with recent research that found counties with more historical experience as frontier communities have higher rates of new business starts.² However, consistent with trends in the broader economy, rural entrepreneurship has been declining in recent years, with more firms closing than opening in rural areas every year from 2008 to 2018. In fact, there were fewer rural firms active in the United States in 2018 than at any time since 1987.³ And yet, past trends need not dictate the future, and many rural communities are actively creating fertile conditions for new businesses to form.

Examples of Local Efforts
In Ohio, the Great Lakes Community Action Partnership supports entrepreneurship through its Entrepreneurial Communities Initiative, which helps communities identify the resources available locally to support entrepreneurs, interview entrepreneurs to understand their needs and develop action plans, and also provides training on how to successfully create a supportive environment for entrepreneurs.⁴

In Maine, Coastal Enterprises, Inc. (CEI) operates the StartSmart program, which provides no-cost, confidential, and linguistically and culturally sensitive business advice to refugee or immigrant community members looking to start or expand businesses. CEI also supports the financing needs of local businesses, including with a Sharia-compliant financing product for Muslim entrepreneurs.⁵

In Mississippi, Higher Purpose Co. is supporting a community of Black entrepreneurs, artists and farmers through the Higher Purpose Funding Network, the Higher Purpose Business Fellowship and the Higher Purpose Institute for Black Entrepreneurship. Together, these programs seek to rethink capital and how Black entrepreneurs and small-business owners access it with the aim of building community wealth among Black Mississippian.⁶

Across the United States, the Center on Rural Innovation is helping local communities build digital economies that support tech jobs and entrepreneurship through its Rural Innovation Network. An example of a network member is Codefi in Cape Girardeau, Missouri, which operates the 1ST50K Startup Competition that draws applicants from around the world each year. Winners move to Cape Girardeau for at least a year, where Codefi and its partners work to help them launch and grow their companies.⁷

Keys to Success
- Collaborate across the government, private, nonprofit and philanthropic sectors to identify needs and coordinate available resources.⁸
- Encourage local leaders to make a deep, long-term commitment to support entrepreneurs and small businesses.⁹
- Create a tailored strategy dedicated to capitalizing on unique local assets and opportunities.¹⁰
- Invest in local entrepreneurship support capacity and regional relationships.¹¹
- Recognize diversity and inclusiveness as competitive advantages to be fostered and leveraged.¹²
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