

RURAL ENTREPRENEURSHIP: A PANDEMIC TO PROSPERITY WHITE PAPER

Prepared for Rural Development Taskforce, a Resilient Louisiana Task Force

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NEED

Economies in many rural communities struggled in the pre-pandemic era. Declining populations, empty buildings, lower revenues. The song is not new.

Without decisive and sustained action, the pandemic and related shutdown will add another similar verse.

For rural communities to thrive and lift their economic trajectories, such communities can and must expand their entrepreneurial capacity.

These communities must also offer supports to help entrepreneurs successfully navigate quickly changing and unstable business environments.

SMALL BUSINESSES, ENTREPRENEURS, CHARACTER OF PLACE

1. Many of the recommendations here will focus on rural entrepreneurs who generate or have the potential to generate traded revenues.
2. Local businesses focused on local markets create the character of place attractive to such entrepreneurs.
3. Therefore, a key step in supporting these entrepreneurs will involve supporting locally focused businesses.

OPPORTUNITY

1. DISRUPTION + ENTREPRENEURSHIP = PROSPERITY

Recessions often speed the rate of change to existing business delivery models, while pandemics routinely spawn new types of businesses.ⁱ

Of course, neither event is something desired. Given that both a pandemic and recession are at work, the opportunity to create and accelerate entrepreneurial ventures is high.

2. RURAL COULD BE TRENDING ... IN A GOOD WAY

The world's views have shifted. People and businesses are forced to question everything. What is a desirable location? Where can my family feel safe and healthy? Where and how can we prosper?

The lower density of rural areas, so often tallied as a negative, may now be counted as a positive. Solve healthcare and broadband and rural communities can provide the quality of life most people desireⁱⁱ while allowing them to prosper on whatever size stage they choose.

RECOMMENDATIONS FOR STATE ACTION

1. CLEAR THE ENTREPRENEURIAL PATH BY ...

... **CREATING BETTER MAPS** Provide easy-to-follow, step-by-step, comprehensive regulatory roadmaps that cover all necessary permits, fees, inspections, applications, etc.

... **REDUCING LICENSING REQUIREMENTS FOR OCCUPATIONS** Louisiana and Washington are tied as states licensing the most occupations. While some licensing is needed, many licenses simply add to the cost in time and money of opening new ventures.

... **INCREASING AWARENESS OF BARRIERS ENTREPRENEURS FACE** Highlight entrepreneurial struggles through stories, host rural entrepreneur-legislator listening sessions, and hold an Entrepreneur Day at the legislature.

... **COMMISSIONING AN ENTREPRENEURSHIP CZAR** This role reports to the governor and works across all state agencies as well as with entrepreneurial support organizations and businesses to make the government more effective for entrepreneurs.

2. EXPAND ENTREPRENEURIAL CAPACITY THROUGH ...

... **UBIQUITOUS ENTREPRENEURSHIP EDUCATION** Encourage project-based entrepreneurship education in high schools, technical colleges, universities, workforce centers, communities. *Quick win: Every high school senior project = proof of concept of an entrepreneurial venture.*

... **ENTREPRENEURSHIP MENTORING.** Offer more and sustained entrepreneurship coaching by seasoned entrepreneurs to rural entrepreneurs. Include skills training for coaches and an increased emphasis on resiliency and logistics training.

... **HELPING MAIN STREET GO GLOBAL.** An entrepreneurship corps led by seasoned entrepreneurs and leveraging digital natives works with Main Street and Economic Gardening to add ecommerce components to Main Street businesses.

3. BUILD ENTREPRENEURIAL PREREQUISITES BY ...

... **ENCOURAGING AND ALLOWING INNOVATIVE DELIVERY MODELS OF CRITICAL SERVICES.** The E-Czar and E-Corps could work here to make a way for cooperative development. Make room for entrepreneurs. Keep tabs on water and electricity amid the talk of broadband and healthcare. Look beyond best practices. Ask silly questions -- does Space X Starlink solve rural internet by 2021? How might rural areas have the best healthcare possible without adding beds?

... **CREATING X-PRIZE TYPE ENTREPRENEURIAL CHALLENGES AROUND RURAL PROBLEMS.** Attract entrepreneurs, create entrepreneurs, and solve problems.

... **BUILDING RURAL ANGEL AND ENTREPRENEUR NETWORKS.** Open, inclusive, and accessible. Create stackable credits (opportunity, hub, rural angel) and promote rural investment incentives in ways that reach rural angels.

4. SUPPORT RURAL STARTUPS BY ...

... **ENHANCING METHODS OF DIRECTING STATE PURCHASES TO RURAL ENTREPRENEURS.** Examples could include set asides for rural entrepreneurs whose businesses are less than five years old.

... **EXPANDING ECONOMIC GARDENING TO QUALIFIED STARTUPS.** Qualified = proof of concept is validated, and business model is reviewed by regional entrepreneurial support organization.

... **PROVIDING TAILORED, ACCESSIBLE WORKFORCE TRAINING TO QUALIFIED STARTUPS.**

... **PACKAGING/MARKETING VACANT BUILDINGS AS RURAL ENTREPRENEURSHIP SITES.** Leverage tools and tactics often used with site selectors.

... **CREATING SHOVEL-READY DOWNTOWN SITES.** Purchase and demolish some blocks of older buildings. Save older buildings on the fringe. Upgrade the infrastructure if needed. Market as a site but meanwhile use as community green space. Market remaining adjacent buildings to entrepreneurs.

Further Readings: America's New Business Plan, Start Us Up, Kauffman Foundation, Pew Trust Licensing Studies, Institute for Local Self Reliance, Institute for Justice: License to Work

ⁱ Covid-19 Will Fuel the Next Wave of Innovation: This Global Pandemic Will Shape Businesses for Decades to Come. Hamza Mudassir, Entrepreneur.com, March 16, 2020.

ⁱⁱ <https://www.washingtonpost.com/business/2018/12/18/americans-say-theres-not-much-appeal-big-city-living-why-do-so-many-us-live-there/>