

Mature Entrepreneurs Support Small Towns

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In many parts of the country smaller startup companies make outsized contributions to local economies.

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Peter Kress spent more than three decades working in education as a teacher, principal and school administrator. While that may mean he's earned a relaxing retirement, that's not exactly what he opted for: Kress, 75, now owns and runs [Swallow Ridge Farm](https://swallowridgefarm.com/) (<https://swallowridgefarm.com/>), a small-batch cheese producer.

"If I wasn't doing this, I don't know what I would do all day long," Kress says. "I like being active."

Kress certainly isn't the only entrepreneuring retiree: The [Kauffman Foundation reports](https://www.kauffman.org/reports/who-is-the-entrepreneur-united-states-1996-2021/) (<https://www.kauffman.org/reports/who-is-the-entrepreneur-united-states-1996-2021/>) that one in five new entrepreneurs between 1996 and 2021 were aged 55 to 64. Kress is also among entrepreneuring retirees opting to launch their businesses in rural areas. The cheese shop is in New Boston, New Hampshire, which has a population of roughly 6,200.

Small Towns, Large Impacts

As Next Avenue has [previously reported](https://www.nextavenue.org/rural-entrepreneurs-finding-success/) (<https://www.nextavenue.org/rural-entrepreneurs-finding-success/>), entrepreneurs have recently been finding success outside of big cities, contributing to the economic revival of rural areas that had slowly declined for decades as young people moved away to cities in search of higher-paying jobs.

"I love being in a rural community," Kress says, adding that it's easier for everyone to know and appreciate the small businesses in the area. "I love interacting with my neighbors."

While Swallow Ridge's success in New Boston is a good example of fruitful entrepreneurship outside of a major metropolitan area, Gary A. Officer, founder and CEO of [CWI Labs](https://www.cwilabs.org/) (<https://www.cwilabs.org/>) — a nonprofit think tank that focuses on issues around labor force participation and workforce development as it relates to older and vulnerable Americans — says the South provides another good example.

There, people outside the big cities tend to have just a few types of employment: within the prison system, local government, health care institutions or schools. Aside from that, they work for themselves. In fact, small businesses account for 54% of employment in rural counties compared to 46% in metropolitan counties, according to a [2023 report](https://advocacy.sba.gov/wp-content/uploads/2023/08/Fact-Sheet-Small-Business-in-Rural-Areas-508c.pdf) (<https://advocacy.sba.gov/wp-content/uploads/2023/08/Fact-Sheet-Small-Business-in-Rural-Areas-508c.pdf>) from the Small Business Administration.

"If you drive from Montgomery to Selma (Alabama) on any given day, what you'll see is hundreds of small businesses . . . around which a huge number of people are employed," Officer says. "They're finding ways to work for themselves and work for themselves successfully for a very long period of time, because relationships run deep, connections run deep and they are using those connections."

Unsurprisingly, there's an impact on the local economies.

Although there has been a decline in most economic metrics that the Office of Advocacy Research Economists in the Small Business Administration looks at for rural economies, small businesses are playing a big role in those areas and likely are contributing to little growth that is taking place, according to a spokesperson for the Office.



Rural business owners have profitability margins that are three percentage points higher than those of businesses in an urban area, says Bridget Weston, chief executive at SCORE, a resource partner of the Small Business Administration that provides free mentoring and education to current and aspiring small-business owners.

That higher profitability, paired with lower operating costs and costs of living, "allows for these rural entrepreneurs to retain more revenue, improve their quality of life and put that back into the community to stimulate or revitalize the economy," she adds.

"These small businesses can make a real difference because they're not only creating the jobs, but also bringing the needs that the entrepreneurs identify closer to home, which increases a quality of life," says Weston. Someone in New Boston, for instance, can go down the road for high-quality cheese instead of having to order it from across the state or further.

Benefits and Challenges in Rural Areas

Dave Sperstad, 61, always loved [biking](https://www.nextavenue.org/the-exciting-power-jolt-of-an-e-bike/) (<https://www.nextavenue.org/the-exciting-power-jolt-of-an-e-bike/>). So when he retired from his career as a clergyman his next step was pretty clear: He used some of his retirement savings to open Tourright Bicycle Shop in Little Falls, Minnesota, with his wife. Little Falls is home to just over 9,000 people — and owning a small business in that tight community comes with its ups and downs. One of the advantages is that you can become the go-to in the community for your niche.

"Because it's a smaller community, word got out that 'Dave knows what he's talking about. You can trust Dave,'" Sperstad says.

That level of trust is another big factor for these rural entrepreneurs, who have to rely on one another and their local economies, Weston adds.

But there are drawbacks, too. For one, rural communities tend to be on the lower end of the financial spectrum compared to cities, which is the case for Little Falls. Sperstad says it can be a challenge convincing people that spending \$400 at his bike shop comes with more perks than buying a bike from a big-box retailer for

\$200.

Other challenges include access to capital, labor shortages and access to the internet, Weston explains.

But for many retired entrepreneurs, the pros outweigh the cons.

"Now I'm doing something I truly love," Sperstad says: "Help people ride a bicycle."