

Rural Entrepreneurs are Finding Success

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The economies of rural America are struggling. As a result, the percentage of startups that are in rural communities fell from 20% in the 1980s to around 12% currently, according to The Kauffman Foundation. But there's a quiet and enterprising movement gathering steam among rural leaders to encourage local entrepreneurship and attract residents who'll start businesses. It's working.

"Lots of cool things are going on in rural America," says Mary Ann Kristiansen, founder of the Hannah Grimes Marketplace and the Hannah Grimes Center for Entrepreneurship in Keene, N.H. Among those "cool things" is the way [older adults have been embracing entrepreneurship](https://www.nextavenue.org/most-successful-entrepreneurs-older/) (https://www.nextavenue.org/most-successful-entrepreneurs-older/) in rural communities.

Some of the older entrepreneurs are moving to rural towns for the low-cost, easygoing lifestyle. Others already live there and have decided to start businesses as their encores.

'A Great Way to Get Integrated Into the Community'

Take Rovena Claxton. Now 60+, she had a 30-year career in human resources, mostly at large companies around the country. She and her husband lived in the Twin Cities; he ran a Minneapolis UPS store. When they

were ready to semi-retire in 2018, the couple moved into a house they'd built in the small harbor town of Grand Marais, Minn. (pop. 1,300; much larger with summer vacationers), along the north shore of Lake Superior.

Soon after, Claxton attended a coffee shop gathering of local women small-business owners. Several remarked they'd hire her to help deal with workplace challenges. So, Claxton launched North Shore Human Resource Consulting. "I knew I wanted to continue to work, even if it's part-time," she says. "It's a great way to get integrated into the community."

Like many entrepreneurs, she's doing everything to run the business — from learning web design skills to working on her Facebook page. She takes webinars to stay current on her profession. And she's loving her new chapter.

"Experienced entrepreneurs in rural areas have the best of life. They are where they want to live and doing what they want to do," says [Elizabeth Isele](https://www.nextavenue.org/showcase/meet-next-avenue-influencers-in-aging-2017/elizabeth-isele) (https://www.nextavenue.org/showcase/meet-next-avenue-influencers-in-aging-2017/elizabeth-isele), founder of the Global Institute for Experienced Entrepreneurship in Amissville, Va. and a Next Avenue Influencer in Aging. "They are creating economically sustainable businesses and they are providing a boost to the rural economy."

'My Life Is So Much More Affordable'

Certainly, that's true for Burke Murphy, 71. Once a member of the counterculture movements in Vermont and the Bay Area, she opened a hair salon and art gallery in Oakland, Calif. in 1981. That led to many moves and work experiences. She taught high school Spanish in Massachusetts; got a master's at the University of Minnesota and worked out of the Twin Cities in state government and on regional competitiveness projects in the U.S. and abroad.

Free to live anywhere in her last job at the Corporation for a Skilled Workforce nonprofit, in 2017, Murphy bought a home in rural Red Wing, Minn., a historic Mississippi River town about an hour southeast of Minneapolis.

“My life is so much more affordable here than in the Twin Cities,” she says. “There is a life force here.”

Upon losing her job a month after arriving, Murphy quickly set up a consulting business that mostly involves youth career and technical training in advanced manufacturing and engineering. She’s also a strategic adviser on workforce development with Red Wing Ignite, a nonprofit that supports entrepreneurs, businesses and students.

Burke concedes that she earns about half what she could in the Twin Cities and isn’t employed in a high-level position. “Nonetheless, I’m doing work that is satisfying, visibly making a difference, with NO commute!” she says.

Local Support for Rural Entrepreneurs

Rural entrepreneurs like Claxon and Murphy are increasingly getting a hand from economic support operations. Incubators, accelerators, co-sharing workspaces and similar signs of urban entrepreneurship have been popping up in small towns and cities.

Yes, the obstacles to growth are challenging: geographic isolation, a lack of investment capital and, often, unreliable access to digital technology.

Yet the promise of rural startups is intriguing to them — and to their local leaders.

“Build a business that enhances the community. That is what smaller communities need,” says Arthur Markman, executive director of the IC2 Institute, a think tank focused on rural and small-city innovation and entrepreneurship at the University of Texas, Austin.

Most rural startups aren’t trying to emulate Silicon Valley entrepreneurship, though. Says Markman: “The standard Silicon Valley playbook doesn’t work in rural areas and small cities.”

High-tech hotspots typically focus on how quickly a business idea can be brought to scale nationally and

globally. They’re generally financed by powerful angel investors and venture capitalists looking to profit when the company is sold or goes public.

In rural areas, the business model is usually different, especially for later-life entrepreneurs. They may run [solopreneur](https://www.nextavenue.org/exploring-solopreneurship-after-retirement/) (https://www.nextavenue.org/exploring-solopreneurship-after-retirement/) lifestyle enterprises or businesses that grow slow and steady, eventually employing 10 to 50 people.

Here, “often, people have a good idea, or a good skill and they’re not trying to scale it and replicate it, but start a business, maybe pass it along to the employees or family,” says Kristiansen.

‘Creating a Virtuous Ecosystem of Good’

Still, encouraging a rural entrepreneurial ecosystem allows for the possibility of greater ambition among encore entrepreneurs.

Like Susan Langer, 58, who moved with her husband from Wisconsin to Red Wing three and a half years ago. Before the relocation, Langer had owned a marketing firm. She also worked in New York and Connecticut, among other places. In Red Wing, she launched the financial technology firm Live. Give. Save.

That platform and app makes it easy to turn everyday purchases into savings and giving to causes. Think a combination of Mint + Acorns + Digit + The United Way. “We’re looking at creating a virtuous ecosystem of good,” Langer says.

But why not start the company in Silicon Valley or New York City? “My parents are aging. That’s why,” she says. “It’s a personal decision.” Langer’s parents live in Red Wing and her mother has Alzheimer’s.

Murphy and Langer have been happy to find the Red Wing community so embracing of startups like theirs. The town has nurtured an entrepreneurial ecosystem that brings together assistance ranging from co-sharing workspaces to capital sources. Local money and expert support helped Langer get her business off the ground. And Red Wing has good broadband, vital in today’s economy.

How Rural Communities Can Help

Local Startups

Red Wing has checked a number of boxes experts recommend for encouraging older entrepreneurs, such as the [six steps](https://www.kansascityfed.org/publications/community-connections/articles/2019/q12019/senior%20rural%20entrepreneurs) (<https://www.kansascityfed.org/publications/community-connections/articles/2019/q12019/senior%20rural%20entrepreneurs>) Isele and Dell Gines, of the Federal Reserve Bank of Kansas City, put forward last year. Those include: creating intergenerational pitch sessions, developing an age-inclusive innovation space and helping older residents turn their experience into a business.

One major attraction for later-life entrepreneurs in rural communities is the ability to get to know people and then make a difference in a smaller place.

That's been true for Brad Klatt, 62. He's lived for more than two decades in Chisago City, Minn., part of a chain of five small towns, dotted lakes and the St. Croix River, 35 miles northeast of the Twin Cities.

An engineer, he commuted from Chisago to Trane Commercial Air Conditioning's corporate building in St. Paul for much of his career. But Klatt was also an avid home beer brewer. At his retirement party in 2016, he wore a T-shirt with the words, "Of course I have a retirement plan. I'll be brewing beer."

Three years later, Klatt's Uncommon Loon Brewery Company opened for business in Chisago City.

'Conversation, Community and Fellowship'

The catalyst was a conversation with another home brewer, Mark "Corky" Skoglund, at Klatt's retirement party. Klatt also knew that the former Chisago City fire station and community center was for sale. So, along with John Cariveau, the men put together a business plan, worked with a local banker, lawyer and accountant among others, and got support from local political and economic development leadership.

The result: they turned the fire station and community center into a brewery and taproom, with 16 beers on tap. The brewery is also an active community center, including yoga on the weekends.

"It's a coffee house that serves beer. Conversation, community and fellowship," Klatt says. "The crazy thing is it keeps getting better."

Toward the end of our conversation, Klatt said something that might capture the economic and social role of later-life entrepreneurs in rural America. His 6th grade art teacher once said in class, "When you retire, retire *to* something, not *from* something," he recalls. "That stuck with me."

Learn More

[Connecting 'Entrepreneurial Enablers' Who Strengthen Communities](https://familybusiness.org/content/Connecting-entrepreneurial-enablers-who-strengthen-communities?search=regional%20development)

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