



Mentors Encourage a Rural Renaissance

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From left to right: Brad Klatt, John Cariveau and Mark (Corky) Skoglund, founders of Uncommon Loon Brewery.

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The National Small Business Week awards ceremony for Minnesota was held in St. Paul and attracted big-name public servants, including Isabella Casillas Guzman, head of the Small Business Administration, and Minnesota Governor Tim Walz. But the focus was on the state's small towns and the entrepreneurs who, thanks to local mentors, are growing businesses in them.

The Minnesota Encore Entrepreneur award, which honors founders who start a business after the age of 50, went to John Cariveau, Bradley Klatt and Mark Skoglund for starting and building the Uncommon Loon Brewing Company in Chisago City.

Chisago is a rural town of nearly 6,000 about 35 miles northeast of the Twin Cities. Lakes seem to be everywhere you look and the St. Croix River is close by. Uncommon Loon started turning from a dream into a business in 2016. It opened on December 19, 2018, in a former fire station and community center. The space provided by these repurposed buildings — about 11,000 square feet — turned out to be critical to the rapid expansion of their enterprise.

Many Mentors Make a Difference

From the early days they received valuable support from business and civic mentors. The head of the local Economic Development Agency helped them find additional financing. Every member of the company's "advisory board" lives in the area, including its lawyer, banker, accountant, general contractor, city

administrator and mayor.

"We did get a lot of support," says Klatt. "These folks believed in us. It's like they believed in us when maybe we didn't believe in us."

The popular narrative of rural areas and small towns focuses on economic decline and boarded up main streets. Many rural regions do struggle with declining populations and shuttered businesses.

Rural entrepreneurs also confront the traditional small business difficulties of raising scarce capital, finding enough skilled workers and dealing with being far from suppliers and big markets.

Yet just as there are thriving cities and struggling urban areas, many parts of rural America are managing to do well.

"Rural America is not one geographical unit, but a mosaic of different landscapes, people, and economic realities," notes a 2022 McKinsey report, "Rural Rising: Economic development strategies for America's heartland."

The combination of entrepreneurs, including older entrepreneurs, and support from a rural community's civic and business leaders remains an underappreciated catalyst for a healthier economy. Yet throughout rural America and its small towns is evidence that an economic development ecosystem built around supporting startups is taking hold in more places.

Communities Come Together

"It's communities coming together, it's groups of people like four or five people that are coming together," says Brigid Tuck, senior economic impact analyst at the University of Minnesota Extension in Mankato, Minnesota. "They're going to try to figure out how to make their community a better place to live. And I think that's really important to understand that energy is out



there. People want to do this."

The typical rural small-town entrepreneur, like their urban peers, usually isn't out to start a venture-capital backed business with plans to scale it into a national or global market. They're looking to meet the needs of the local community and to pay household bills. Entrepreneurs in the second half of life might invest their time in developing a passion project that gives them both purpose and a paycheck for their next chapter.

"When people use the word 'entrepreneur' they think about businesses that go to scale, like Elon Musk," says Amy Hause, director of Economic Vitality Services for the [Rural Development Initiatives](https://rdiinc.org/) in Coberg, Oregon. "These are small businesses."

Take the experience of Brian and Cathy Brands, ages 57 and 49, respectively. They live in Sweet Home, Oregon, a town of some 9,000 between Eugene and Portland. Both have been involved in education for decades. Brian is director of special education for the Sweet Home School District and Cathy is a junior high special education teacher. They're starting a side-business using lavender plants to create a variety of products, such as lavender tea and lavender bath bombs.

"As we started talking about retirement, we thought we both really like being outside, we enjoyed putting the yard in, what is something that we could plant and grow and kind of cultivate potentially with some business as we go into retirement," says Cathy. "Lavender grows well here."

Next: a Working Retirement

Retirement is several years off. They're using the time (when not at their full-time jobs) learning more about lavender, doing research and attending conventions. Since neither has owned a business before, they've tapped into the resources offered by the Small Business Development Center at the local Linn-Benton Community College. The free program connected them with an advisor. They're working on their business plan and developing their website.

(The more than 1,000 SBDCs in the country involve the Small Business Administration, a college or university and usually other private and public partners. The centers offer free counseling and training for small businesses on a wide range of topics.)

"It is a small community and local people like to support local businesses," says Cathy. Adds Brian: "When you have a business you don't want to lose it, so people really contribute."

There are resources for rural entrepreneurs to tap into, including from the Small Business Administration. For example, SCORE offers mentoring and workshops to small-business owners in partnership with the Small Business Administration and it launched [SCORE for Rural Entrepreneurs](https://www.score.org/page/rural-entrepreneurs) last year.

Plenty of Help Available

The [Kauffman Foundation](https://www.kauffman.org/) in Kansas City nurtures entrepreneurship, including in rural regions. In Lincoln, Nebraska, [e2 Entrepreneurial Ecosystems](https://www.energizingentrepreneurs.org/) (formerly the Center for Rural Entrepreneurship) helps communities connect and share best practices for building entrepreneurial ecosystems.

State and local governments, usually in partnership with nonprofit groups, commercial companies and secondary education institutions, offer rural entrepreneurs a number of initiatives to help business owners succeed.

"There is a recognition that small businesses are an important driver of the economy in rural areas," says Hause.

Rural communities with a more vibrant small-business economy tend to have one or several attractions for entrepreneurs, notes professor Richard Florida, author of ["The Rise of the Creative Class"](https://www.hachettebookgroup.com/titles/richard-florida/the-rise-of-the-creative-class/9781541617742/). Among those amenities are local colleges and universities, abundant natural amenities, arts and culture and proximity to a major metro area. Several trends may give something of a boost to rural communities and their entrepreneurial ambitions in coming years.

For one thing, more money is being invested in expanding rural broadband (including at least some of the \$65 billion in broadband funding included in the 2021 [Infrastructure Investment and Jobs Act](https://www.gfoa.org/the-infrastructure-investment-and-jobs-act-ii-ja-was)). Although more needs to be done, there is agreement that broadband and rural economic

development are practically synonymous. For another, rural communities with good broadband and some amenities can be attractive places for creative workers to live and work remotely.

Aging Residents Is a Plus

The last advantage is the aging of the population. Yes, you read that right. Older workers are embracing entrepreneurship in the second half of life in greater numbers.

Kauffman Foundation data shows that the [55 to 64 year old age group](https://indicators.kauffman.org/wp-content/uploads/sites/2/2019/09/National_Report_Sept_2019.pdf) (https://indicators.kauffman.org/wp-content/uploads/sites/2/2019/09/National_Report_Sept_2019.pdf) accounts for about a quarter of all new startups in recent years, up from around 15% in the mid-1990s.

Older entrepreneurs enjoy several advantages over their younger peers, including well-developed personal and professional networks, decades of work experience to draw on and some household resources to employ. Older local residents or older newcomers moving into rural communities might want to start their own business as an encore career or sideline passion that brings in an income.