



# Likely Entrepreneurial Development Opportunities for Rural Communities

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A central attribute of successful entrepreneurs is their ability to identify and focus on opportunities. The same is true for entrepreneurial communities. Embracing an asset-based development approach, focusing on like entrepreneurial development opportunities available to your community is foundational to growing a stronger and more diverse economy, and more prosperous community.

## Introduction

Our e2 team has worked all over North America for more than 40 years. We have had the opportunity to explore and work with nearly every rural region in the continental United States from New Mexico to Maine and Georgia to Oregon and many locations in between. Based on this vast experience, we have curated a list of **likely entrepreneurial development opportunities**. While every community may not have the same set of opportunities, chances are good that many of these opportunities are real and viable for most communities.

### Defining Community

As your community begins to explore this list of likely entrepreneurial development opportunities, we encourage you to step back and consider what defines your community. We suggest you think beyond municipal or even county boundaries. Most communities, whether rural or urban, are now part of larger area communities. Someone may live in one community, work in another community, seek health care in a third and have a favorite restaurant in a fourth community. Defining your true socio-economic community is an important consideration as you craft your pathway to community prosperity via entrepreneurship. See our paper [Defining Your Community](#) for assistance.

## Likely Entrepreneurial Development Opportunities Summarized

The following list provides brief descriptions of each of our top 10 entrepreneur development opportunities, in no particular order:

- 1. Natural Resource Industries.** Much of rural America depends upon single natural resource industry economies (e.g., farming, mining, forestry, energy, etc.). While there are limited entrepreneurial development opportunities related to these international market industries, there are opportunities rooted in diversifying within these sectors and increasing sector related spending capture.
- 2. Transportation Corridors.** Urban America is connected by transportation corridors that run through rural America. Services are required to support those traveling these corridors, creating entrepreneurial development opportunities.
- 3. Tourism.** While the vast majority of Americans live and work in urban America, rural America provides important places to play. For a wide range of rural communities and regions, tourism represents a way to diversify area economies.
- 4. New Residents.** Since the 1900s, the primary migration pattern has been from rural to urban. Today there are counter (e.g., urban to rural) migration trends among 30-year-olds, retiring Boomers and others. These new residents represent a huge opportunity to energize area entrepreneurial talent.

5. **Major Employer Retention and Expansion.** Many rural communities are home to large manufacturing plants, fulfillment centers and institutions including hospitals, regional universities, and parks. Ensuring the future of these larger employers is an entrepreneurial opportunity.
6. **Growth-Oriented Entrepreneurs.** Nearly every rural community has growth-oriented entrepreneurs with the motivation and capacity to reach external markets with their products and services. Electronic commerce empowers this kind of entrepreneurship.
7. **Area Spending Capture.** Competition is intense from box stores, franchise, and electronic commerce, but opportunities exist to increase local venture competitiveness and recapture some of these spending leakages. In doing so, rural communities can empower growth-oriented entrepreneurs.
8. **Retiring Boomers.** In Opportunity #4 we addressed new-resident attraction. But the tidal wave of retiring Boomers represents a significant likely entrepreneurial development opportunity for most rural communities, from high amenity places to rural villages adjacent to metro centers.
9. **Outbound Commuters.** Upward to 50% of rural workers live in one community and work in another community. These outbound commuters have embedded entrepreneurial development opportunities in creating bedroom community related development and entrepreneurial opportunities when they end their commuting.
10. **Hub Cities.** America's landscape is still defined by a hierarchy of places based on size. In rural America there are regional and area hub cities and towns that provide critical services like health care, shopping, and entertainment to rural areas. These communities are the downtowns of vast rural regions to smaller areas.



Before we get into the actual likely development opportunities, there are five key considerations as you explore which of these entrepreneurial development opportunities might have relevance and traction for your community.

## Key Considerations

**Rural Relevance.** These entrepreneurial development opportunities may have relevance for a wide range of communities, but this list is derived from our rural work throughout the continental United States. We have evidence that these development opportunities can work in very small rural communities to rural micropolitan, and even small metropolitan communities rooted in rural regions.

### Niche versus Commodity Markets

Chris Gibbons, the founder of the Economic Gardening movement, in his 2019 book, [Economic Gardening](#), talks about the importance of market niches and higher order economic development impacts. For entrepreneurs, competing in commodity markets creates serious challenges, lower outcomes for the venture and weaker economic development outcomes. We agree with Chris on this very important point. One of the goals of entrepreneurial development is helping entrepreneurs and their ventures find their optimal competitive niche(s).

**Opportunity Focused.** Entrepreneurial development should be opportunity focused. Successful entrepreneurs find genuine opportunities (niche versus commodity markets) where they can compete and excel. The same is true for communities employing entrepreneurship as a development strategy. Identifying your community's genuine development opportunities contributes to effectiveness, efficiency, impact, and ultimately initiative sustainability. Real impact enables sustainability.

**Asset Based.** Another key consideration is pursuing an asset-based development approach. By focusing on the assets (e.g., entrepreneurial talent, resources, supporting organizations, development opportunities, energy areas, etc.) you are positioning your community for optimal impact and success. Click on the link to learn more about [Asset-Based Community Development](#).

**Community Centered.** If your community is concerned about the wellbeing of your residents, then consider a community-centered economic development approach. Entrepreneurship done right can contribute to other community and resident betterment outcomes including better jobs, quality of life placemaking, people attraction and opportunities for struggling residents to improve their lives. Check out our thought paper, [Community-Centered Economic Development](#).

**Community Energy Areas.** The term **community energy areas** may be a bit foreign. What we are referring to are existing priorities in the community where time, talent and energy are being invested. Possibly the best example of a community energy area across our portfolio of communities is downtown or main street revitalization. Often main street development is a passion for communities whether urban or rural. As you consider your entry point for entrepreneur-led development or your next step forward, focusing on an energy area can be a smart choice. For a deeper dive, read our paper, [Downtowns and Entrepreneurship, Realizing Dreams and Growing Communities](#).

Consider the three kinds of entrepreneurs likely in play in your community. One is obvious, and the other two may or may not be on your community's radar.

## Ventures to Consider

Entrepreneurship is not just the arena of **for-profit** businesses and those creating and growing them. **Social** and **civic** entrepreneurs are increasingly important, given the size of governmental enterprises (civic) and the rapidly growing nonprofit sector in America (social). We encourage you to consider all three kinds of entrepreneurial talent as you develop your community’s entrepreneur-led development strategy. In Figure 1, we explore each of these likely entrepreneurs creating not only economic development, but community development in your hometown.

**Figure 1 – Venture Types**

<b>For-Profit Businesses</b>	<b>Nonprofit/Social Ventures</b>	<b>Civic Enterprises</b>
For-profit businesses and entrepreneurship are no-brainers. This connection is what we typically think of when we start talking entrepreneurship.	Nonprofits are one of the fastest growing parts of the American economy. Think health care, social services, recreation and so much more.	Government enterprises are important as well. Think national parks, community centers, Medicare, health care and other civic enterprises.
In addition to the three kinds of entrepreneurial talent based on how they are legally organized, and mission directed, there are two hybrid models – one that has been around for a while, and one is new and growing rapidly.		
<p style="text-align: center;"><b>Community Ventures</b></p> Community ventures are really hot right now. Examples include a community café and coffee shop, the Green Bay Packers football team, or a community grocery store in a rural food desert. These community ventures can be organized as for-profit, nonprofit, or governmental but share one characteristic – area residents have capitalized it and provide its governance.		<p style="text-align: center;"><b>Cooperatives</b></p> Cooperatives have been around for a long time. There is a clear legal and governance structure. Organizing and sustaining cooperatives can be challenging. But cooperatives are another form of collaborative venture. In rural America farmer cooperatives remain major players and in urban neighborhoods, groceries organized as cooperatives remain important

## Base and Secondary Economy Considerations

Drawing a page from traditional economic development, we have organized our development opportunities within the framework of **base** and **secondary** economic activities. Figure 2 provides definitional information for the “basic” and “secondary” parts making up every community’s and region’s economy.

**Figure 2 – Base and Secondary Economic Activity Defined**

<b>Basic Economic Activities</b>	<b>Secondary Economic Activities</b>
Basic economic activities like manufacturing, tourism, agriculture, and the like produce goods and services locally, but sales are external to community. Basic economic activities bring income into a community through external sales, creating jobs, tax base and drive for the local economy.	Too often, secondary economic activities are considered less important in economic development when compared to basic activities. Secondary activities are those ventures primarily meeting needs of local consumers. But a strong secondary sector captures spending and grows an economy.

It is important to keep this little lesson in economic development in mind. We have found using this framework can help those with traditional economic development mindsets grasp how

entrepreneurship can contribute to both the base and secondary economies, resulting in more rooted and robust economic development. From a community's self-interest, employing every viable opportunity-focused development activity makes sense.

## Base Economy Development Opportunities

There are six primary entrepreneurship-related development opportunities that can contribute to a community's base economy. Remember, base economic activities are produced locally and primarily sold externally, importing income and wealth into the economy and society. Each have strong entrepreneurial play and can energize your community's entrepreneurial ecosystem.

**#1. Natural Resource Industries.** For much of rural America, the foundational economic drivers are tied to natural resource industries such as:

- Farming and Ranching
- Forestry
- Tourism and Recreation
- Mining
- Energy Production
- Fisheries

Some of these natural resource industries have finite lifespans (e.g., mining & energy) due to resource extraction and depletion. Other natural resource industries can be extraction based but more sustainable (e.g., farming, ranching, fisheries, forestry, etc.). Tourism and recreation are unique in this list, and we address this opportunity later in this section. But tourism is enabled by natural resources (e.g., mountains, lakes, rivers, seashores, forests, wildlife, etc.). If poorly managed, potentially sustainable, and renewable natural resources can become depleted, eroding the sustainability of these natural resource dependent sectors.

Except for tourism, the entrepreneurship play is minimal within the natural resource industries. These activities are huge consumers of goods and services. With increasing outsourcing there are significant entrepreneurial opportunities to capture more of these spending streams contributing to a strong local value-chain, economy, and community. Think regionally with these kinds of industries and entrepreneurial opportunities. We address **spending capture** opportunities in our next section focused on secondary economies.

### Insights from the Bakken Oil Region of North Dakota

Over the past 20 years, western North Dakota transformed from dire concerns about chronic and severe depopulation to an economic boom driven by oil and gas exploration and production tied to the Bakken Region. The initial boom accelerated quickly, overwhelming this region and its capacity to handle the rate of growth. Pre-existing local companies were often hurt more than they were helped with this initial growth. A local manufacturing business was impacted as its workforce left for the drilling rigs. But the manufacturer pivoted and began to explore what it could make that oil rigs needed, competing with the "downtime competitive advantage." Today's oil rigs are multi-million-dollar operations. Downtime is very expensive. If it takes a week to ship an essential component from Bakersfield, Denver, or Houston, the downtime costs are huge. By focusing on what they could produce quicker, this manufacturing firm shortened downtime and created a highly profitable competitive niche, contributing to its continued success.

**#2. Transportation Corridors.** Connecting America’s big and little cities are vast stretches of rural landscape. America is networked with transportation, pipeline, power, and telecommunications corridors. Services for these corridors can and are provided by rural communities. Consider for a moment the U.S. Interstate Highway System. Hundreds of millions of trucks, cars and other motor vehicles ply these transportation corridors annually. There is massive spending associated with these corridors and those employing them. For many rural communities, a major economic driver are the ventures associated with interstate interchanges. From lodging to fuel to food and other amenities, these pit stops along the interstate create entrepreneurial opportunities. With strong growth along most transportation corridors, there are opportunities for communities to foster additional entrepreneurial activity to capture related spending.

#### **From Las Vegas to One Box Conference Center in Broken Bow, Nebraska**

Not all tourism needs spectacular mountains or oceans. Las Vegas, Nevada is a man-made tourism epicenter. The progression began with availability to quick divorces, then gaming, then entertainment, convention business and now family-centered vacations. While Las Vegas is a clearly identifiable tourism destination like Disney World in Florida, this same dynamic occurs in all sizes of communities. In my home of Lincoln, Nebraska, the development of an arena complex in the old warehouse district of Lincoln has become a major draw for external visitors. On an even a smaller scale, the One Box Conference Center linked to a chain motel in Broken Bow, Nebraska (2017 population 3,546) draws visitors for trainings, reunions, receptions, and smaller conferences. Community festivals and other similar activities can create tourism activity even in communities with minimal natural resource amenities.

**#3. Tourism.** Tourism occurs everywhere, from New York City to Yellowstone National Park. Significant recreational tourism assets are located in rural areas, ranging from privately owned land used for hunting to vast public lands in different parts of the United States. Where these assets exist, there are significant entrepreneurial development opportunities. Tourism can diversify area economies, and they typically generate a wide range of jobs. However, tourism also is known for being a “low value” kind of economic development. By and large, the jobs and careers created by tourism tend to be low paying with relatively high turnover. This does not need to be the case when one considers how the tourism industry in Las Vegas in conjunction with the Culinary Workers Unions and other groups has created better jobs that are careers and enable middle-class lifestyles. Bottom line, there are for some rural communities and regions real entrepreneurial development opportunities tied to tourism.

#### **Airbnbs in Jackson County, Kentucky**

For the past four years, we have partnered with development organizations in Central Appalachia and a large group of engaged rural communities. A very promising initiative has emerged out of rural Jackson County, Kentucky. Parts of Appalachian Kentucky are experiencing recreational and experiential tourism growth. Adjacent to major metros like Lexington, Kentucky, and the massive east coast metroplex, increasing numbers of visitors are coming to the Appalachian Mountains to take advantage of its mountains, forests, trails, waterways, and heritage. Jackson County, despite its relative isolation, is experiencing similar visitation and is working to enhance its trail assets. But Jackson County lacks accommodations to keep visitors overnight. Key to increasing the economic bang with tourism is overnight and multi-night stays because they equate to more spending. Jackson County’s e<sup>2</sup> initiative first discovered community energy around recreational tourism tied to trails as assets, and then discovered emerging interest in Airbnbs as a lodging solution. Within a year, dozens of new Airbnbs

were launched with collective marketing by focusing on the Airbnb entrepreneurs and the ecosystem relevant to them.

**#4. New Residents.** America has a reputation for being mobile (moving frequently). While there is significant movement of residents from one community to another, America is actually pretty rooted these days. Nevertheless, there are two important groups important to rural America that are on the move:

**30-Year-Olds.** Ben Winchester at the University of Minnesota has documented an important trend where 30-year-olds who left rural America after high school are returning when forming families and making early lifestyle choices. This counter trend is a huge opportunity for those rural communities ready to do the right things to create a welcoming community. Returning 30-year-olds can meet workforce needs, become the next generation of area entrepreneurs, or they can tap into the digital economy and diversify the economy by reaching external markets and sectors. This last opportunity – the digital economy – can drive remarkable economic diversification and create micro-growth ventures.

### Entrepreneur Attraction

Traditional economic development has focused on business attraction or recruitment. The idea was simple; if our community could attract a big box franchise, Fortune 500 manufacturing plant, warehouse facility associated with Walmart or a call center with VERIZON, the community could create jobs, economic activity, and other desired economic development outcomes. While traditional business attraction remains a play for some communities, most rural communities do not have enough of the “right stuff” to be in the attraction game. However, economic development corporations once focusing on business attraction can now pivot to attract entrepreneurs. In doing so, the same kinds of economic development impacts can be realized. But for rural communities, attracting one industry that employs 100 workers is a hard lift and might cause significant community challenges (e.g., housing, enough workers, school capacity, etc.). However, over a period of years attracting ten entrepreneurs who each create ten jobs not only fits the scale and capacity of rural communities but also typically creates a more diversified economy and society as well.

**Retiring Boomers.** The second mobile set are Retiring Boomers. Every day in America, 10,000 Boomers are retiring, and demographically this trend will continue for three decades. It is huge. Like 30-year-olds, a significant number of Boomers are relocating from the cities where they made their wealth back to more rural communities. There are a wide range of factors driving this trend including escaping high costs, congestion, perceptions about safety or for those who grew up rural coming home. There are two major entrepreneurial connections tied to Retiring Boomers moving to rural America:

- Consumer Spending Power
- Some are Entrepreneurs

Retiring Boomers, particularly those that are relocating, often have significant income and wealth. They also have spending power related to markets that can provide the right housing, goods, services, recreation, and entertainment (e.g., audiences for arts and humanities programming in rural communities), health care and amenities (e.g., wine bars, craft brewers, cafés, coffee shops, bakeries, etc.). With growing numbers of active and relatively healthy Retiring Boomers, there are



major entrepreneurial opportunities in locally meeting their wants, desires and needs. Younger Retiring Boomers are also engaging in second and third careers. They have energy and passion, resources, networks and are a source of entrepreneurial talent. These Boomers are often investors, mentors, buyers of businesses and start businesses. Retaining and attracting Retiring Boomers are important entrepreneurial development opportunities for communities.

### Valley County Health System

Following the severe fallout of the 1980s agricultural crisis, Ord, Nebraska (2017 population of 2,103 residents) nearly lost its local hospital. The community rallied and saved the hospital. The Valley County Health System is organized as a governmental enterprise (i.e., county hospital). Not only did this community save its hospital, but it supported it with bond issues and other actions that grew the healthcare system into a vibrant regional resource. Today, the Valley County Health System is the largest employer in the community, attracting and retaining a wide range of human talent. Some of its services are multi-county in nature, extending healthcare access to an entire rural region.

**#5. Major Employer Retention and Expansion.** There is an arena where traditional and entrepreneur-led economic development overlay. For those communities with major employers (e.g., health care, manufacturers, etc.) retention and expansion is an important strategy. The “retention and expansion” strategy often referred to as BEAR (i.e., Business Expansion and Retention) has long been a traditional economic development game plan supported by state and local development agencies. From an entrepreneurship standpoint, this is part of an entrepreneurial strategy as well. In addition to incentives and abatements to keep and grow major employers, there is increasing attention on how to ensure these large employers have the workforce, venture climate, ownership (e.g., area versus external) and support to become more competitive and rooted.

### Growth-Oriented Entrepreneurs – The Sweet Spot of Entrepreneur-Led Development

All entrepreneurial ventures are important to any community and its economy. But growth-oriented entrepreneurs are particularly important. These smaller-scale growth ventures create significant potential economic development impacts including more jobs, better jobs, a wider range of career offerings, economic diversification and enhanced identity or branding for the community. Even in a smaller rural community of a few thousand residents, two to three growth-oriented entrepreneurial ventures can be a deal changer. Read more on this topic in our paper, [Rooted Corporations, Growing an Entrepreneurial Economy](#).

**#6. Growth-Oriented Entrepreneurs.** Below, we share the story of ALLO Communications as a high-growth entrepreneurial venture. The entire focus of [Economic Gardening](#) is to find and support **Stage 2 High Growth** (i.e., 10 to 99 employee) entrepreneurial ventures. For most rural communities, there are relatively few ALLO Communications that achieve breakout or high growth. But in nearly every rural area there are significant numbers of what we call **growth-oriented entrepreneurs**. Typically, these are successful and larger Stage 1 (i.e., 2-9 employees) and smaller Stage 2 (e.g., 10 to 99 employees) ventures with the opportunity, capacity, and entrepreneurial motivation for growth. Many may not reach breakout or high growth, but they can create small corporate headquarters that reach external markets (e.g., contributing to the base economy and diversifying the area economy) and creating a wider range of career/job offerings important to people attraction, development, and retention. Explore this topic further in our paper, [Growth-Oriented Entrepreneurs](#).

### ALLO Communications – Imperial, Nebraska

Competition in the telephony sector (e.g., telephone, cell service, broadband, cable television, etc.) is intense with major players like CenturyLink, Sprint, former “Baby Bells” and the like. Nevertheless, two hometown sons created ALLO Communications in Imperial, Nebraska (2017 population of 2,062 residents) in extreme southwestern Nebraska. Witnessing unresponsive and poor service coupled with high costs, these two entrepreneurs believed they could do better. Long story short, ALLO Communications proved competitive in Western Nebraska, Northeastern Colorado, and other points west. Given their success, ALLO was acquired by another entrepreneurially established venture in Lincoln that capitalized it to move into the million-plus resident markets of Lincoln and now Omaha, Nebraska. High-growth entrepreneurial ventures are rare in rural America. But the entrepreneurial energy that created ALLO is not.

As we have noted in our other papers, growth-oriented ventures include more than for-profit businesses, they also include nonprofit organizations (e.g., social service agencies, museums, etc.) governmental enterprises (e.g., community centers, parks, etc.) and even communities. Our short piece on Catherland in rural South-Central Nebraska illustrates how an entire community represents a growth cluster organized around the 1900s, American author Willa Cather and her hometown of Red Cloud.

### Catherland – A Place as a Growth-Oriented Entrepreneur

Growth-oriented entrepreneurial ventures can be organized as for-profit businesses, governmental enterprises, nongovernmental ventures, or a combination of all three. Catherland refers to the home of Willa Cather, a 20<sup>th</sup> century Nebraska author (e.g., *O’Pioneers*, *My Antonia*, *A Lost Lady*, etc.) or Red Cloud and Webster County in southcentral Nebraska. Cather used many local sites as settings for her books. The [Willa Cather Foundation](#) (a nonprofit organization) in partnership with the City of Red Cloud (a governmental unit) and other local nonprofits and for-profit businesses has for decades developed Catherland as a visitor destination. Catherland now has a thriving heritage tourism cluster, contributing to economic growth, vitality, and diversification. For rural communities, this hybrid approach makes sense within the context of entrepreneurial development.

### Secondary Economy Development Opportunities

Next, we explore our entrepreneurial development opportunities related to the secondary economy in most rural communities. Remember, the secondary economic activity is tied to ventures that largely sell to consumers within the area economy and serve to capture spending as a way to strengthen the local economy and society.

In traditional economic development, growing the “base” (i.e., ventures selling to outside consumers and bringing income into the community) is king. Often times we dismiss secondary economy related economic development as less important. Our experience supports the view that both strategies are equally important. While different development groups may focus their time and energy on one of these two strategies, is it optimal if a community commits seriously to both. By becoming more competitive in capturing available area spending, two important development outcomes are enhanced.

- First, by reducing spending leakages, a community can support a larger business community that in turn increases economic activity, tax bases, jobs, and other desired economic development goals.

- Second, growth-oriented entrepreneurs and their ventures typically start local and then become regional, national, or global. By working with secondary economy ventures and their entrepreneurs, you can position your community to find and then support these all-important growth-oriented entrepreneurs.

There are five secondary economy related entrepreneurial development opportunities for many rural communities:

1. Area Spending Capture
2. Essential and Amenity Ventures
3. Retiring Boomers
4. Outbound Commuters
5. Hub Cities

We explore each of these opportunities in greater depth.

### Lessons from Amazon – Niche Competition

A February 2020 Public Broadcasting Service (PBS) documentary on [Frontline](#) focused on Amazon, illustrating how Amazon has become central to the way we shop, work and live. Amazon is a major force challenging local retailers and service businesses. While Amazon is massive, it cannot do everything or do everything well. A key to becoming more competitive in capturing available area spending is finding niche areas where local ventures have unique competitive niche advantages. Additionally, electronic commerce and platforms like Amazon also have lower threshold costs of business entry and creates new opportunities for increased commerce.

**#1. Spending Capture.** Competition for local spending, whether groceries, health care or meeting the input needs of farmers, is intense. Box stores, franchises, electronic commerce, bulk buying, and other market innovations are amazingly good at gathering and collecting spending from urban neighborhoods to rural communities and exporting these revenues to corporate centers. Despite this intense competition, there are opportunities for local retail and service ventures to compete more effectively. Consumer spending, whether households, governments, or businesses, is driven by a wide range of factors. Cost and quality are always a consideration. But service, experience, reliability, access, and other factors are also important. A focused strategy helping local ventures improve their competitiveness and those niche areas where a local venture has the competitive advantage is paramount. By helping local ventures increase their competitiveness and discover their niche market opportunities, we not only can reduce spending leakages, but we can discover growth-oriented entrepreneurs who might expand further contribute to our community's base economy. Check out our paper, [Lessons from Sam Walton, Keys to Wal-Mart Stores' Success](#).

### Hybrid Rural Ventures

An increasingly interesting development occurring across rural America are **hybrid ventures**. By hybrid ventures, we are referring to primarily for-profit businesses that have a retail (could also be services) and an electronic commerce presence. In Ord, Nebraska, Misko Sports (founded in the 1880s as a saddle and tack shop) located on the town square occupying two main street buildings continued to provide a retail outlet for sporting goods. But 80% of their sales are associated with their eCommerce site where

they are providing sporting goods, uniforms, etc. to both club and school teams in a multi-county region. In part, the retail store continued to be viable because of the eCommerce part of the business.

**#2. Essential and Amenity Ventures.** Essential and amenity ventures are important to every community and its quality of life. Increasingly, placemaking requires these kinds of ventures. Figure 3 illustrates the kinds of ventures we are talking about:

**Figure 3 – Essential and Amenity Ventures Defined**

<p><b>Essential Ventures</b>          Grocery Store          Health Clinic          Drug Store          Gas Station and Garage          Post Office          Community Center, etc.</p>	<p><b>Amenity Ventures</b>          Coffee Shop          Culture and Arts Venues          Boutique Hotel or AIR BNBs          Craft Brewery          Great Café          Local Lumber or Hardware Stores, etc.</p>
<p><b>Blurring the Definitional Lines</b></p> <p>There is no well-established science that precisely defines one venture as an essential and one as an amenity venture. But if you have a chronically ill child, local access to health care in rural America may drive the decision as to where you live. Having a great coffee shop is desirable, but not necessarily essential with respect to a location choice.</p>	

**#3. Retiring Boomers.** There are significant entrepreneurial development opportunities associated with Retiring Boomers based on their spending power and wealth. For most rural areas, the spending potential associated with retirees is typically among the top three economic drivers based on household earnings generated. Retirees have massive spending power, and we cannot assume our communities are doing a good job capturing that spending. There is also a locational dimension related to whether our community has the right housing, amenities, culture, and the like to make it competitive for Retiring Boomers. Retiring Boomers as an economic sector is non-traditional, and we do not have specific metrics generally allowing us to look at retirees in the same way we might consider manufacturing, retail trade or tourism. Nevertheless, Retiring Boomers and their spending is huge. Every community should be studying the various Retiree Boomer markets (e.g., based on age, purchasing patterns, etc.) and exploring how communities are competing for their spending. Capturing retiree spending leakages is a huge entrepreneurial development opportunity in today’s environment and will remain important for the coming three decades.

**Commuters and Area Communities**

Most rural communities (as well as urban communities) are part of much larger area and regional economies and societies. A key indicator of this kind of regionalism is commuter data. There are two types of commuters – **outbound** and **inbound** commuters. Outbound commuters live in one geographic area like a municipality or county and commute outside to another place to work. These outbound commuters bring personal income into their home community. Inbound commuters create workforce for home communities. They live outside a community and commute in for work. These commuters contribute to a community’s workforce, but extract income (i.e., outflow of income) from your community. With commuting we can also see the development of **bedroom** communities where people live but work somewhere else, shop somewhere else and have loyalties to more than one community. Bedroom community behavior has development implications.



**#4. Outbound Commuters.** Outbound commuters live in one community and work in another community. Outbound commuters in sufficient numbers can create bedroom communities. There are three entrepreneurial development opportunities associated with outbound commuters, as illustrated in Figure 4.

**Figure 4 – Entrepreneurial Development Opportunities Associated with Outbound Commuters**

Attraction	Local Workforce	Entrepreneurs
Smart quality of life placemaking can position a community for attraction of more outbound commuters, making your community their hometown. In doing so, you can create entrepreneurial opportunities for area ventures (e.g., housing, services, etc.)	Commuting is not typically a life-long way of making a living. By creating a stronger local economy with a unique quality of place, you can retain outbound commuters who become workforce and human talent for employers in your community. Or you can lose them to another community.	Commuting may be a good strategy when someone is young but in time with family, commuting can conflict with other life goals. But through commuting, skills are gained and when commuters get off the road some are candidates to start or buy ventures.

Outbound commuters are a non-traditional economic sector and economic development opportunity. But commuting is part, often a big part, of most local economies and societies. There are significant entrepreneurial development opportunities associated with particularly outbound commuters. By understanding your commuting pattern, you can position your community for development through commuter-related development.

**#5. Hub Cities.** Historically within the United States (as well as globally) the concept of the **hierarchy of communities** defines settlement patterns with countryside, small villages serving farms, large area towns providing higher order goods and services all the way up to major metros with unique amenities like opera companies, major league sporting teams, organ transplant centers and specialty retailing. Improvements in both ground transportation and telecommunications have undermined some realities of the hierarchy of communities. But these settlement patterns remain.

In rural regions there are what we call **hub cities**, often micropolitan areas, which provide higher order goods and services. For hub cities, there are a web of governmental, nonprofit, and for-profit business ventures that draw people and their spending to the hub city.

Earlier we shared the short story of the Valley County Health System. People from a multi-county region patronize these services of this health care system. It is a destination and creates allied economic activities and impacts (e.g., lodging, food service, shopping, etc.). County courthouses (before they offered services over the web) served a similar function. Recognizing your community’s role as a larger or smaller hub city has development implications. Ensuring your community’s role as a hub city requires helping local ventures within the hub city cluster (e.g., health care, government services, retail, and service options) to become more competitive to retain hub city status. With this entrepreneurial development opportunity, it is more than helping one retail venture become competitive and successful, it is about a cluster of activities that ensures your community remains a destination for consumers from a larger region.



## Conclusion

Entrepreneur-led development, like successful entrepreneurs, is opportunity focused. A smart strategy is to intentionally discover your genuine entrepreneurial development opportunities and your entrepreneurial talent available to exploit them. Given available resources, every community must be smart and optimize their unique opportunities and assets. Your community may have heritage tourism assets, but if you do not have entrepreneurial talent in this space, developing these assets will be challenging. Remember asset-based development; focus on what you have first and then move on to what you need.

We hope this paper on **Likely Entrepreneurial Development Opportunities** can help your corner of rural America find its pathways to greater prosperity and vitality. Join the conversation and share your thoughts, critiques, and stories with Don Macke at [don@e2mail.org](mailto:don@e2mail.org).

## How e2 Can Help



**e2 Entrepreneurial Ecosystems** helps communities increase prosperity through entrepreneur-focused economic development and ecosystem building. Led by [Don Macke](#), e2 has a national team of practitioners who bring research, coaching, incubation, market intelligence and other expertise to this work.

## What We Do

- ✓ **Mentoring.** We mentor and coach new practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building eEcosystem strategies that work and invite practitioners to join our [National e2 Practitioners Network](#).
- ✓ **Analytics Support.** e2 helps communities and regions understand their entrepreneurial potential through research and data.
- ✓ **e2 University (e2U)** is our online platform for sharing guides, papers, stories, tools, and resources with communities wanting a deep dive into eEcosystem building. Don Macke leads the [e2 University](#) team with analytics support from **Cathy Kottwitz** and report preparation from **Ann Chaffin**. Special recognition for their e2U legacy contributions goes to **Dana Williams** and **Deb Markley**, LOCUS Impacting Investing.
- ✓ **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of **Start Us Up: America's New Business Plan**, a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

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[NetWork Kansas](#), a 501c3 nonprofit organization dedicated to developing an entrepreneurial ecosystem in Kansas, is the home for e2 Entrepreneurial Ecosystems. NetWork Kansas connects aspiring entrepreneurs, emerging and established businesses, to a deep network of business building resource organizations across the state.

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