But Why?—

The title of this piece was originally going to be "Rural Entrepreneurship Matters." That's a pretty good title, as just about any rural Texan can identify plenty of small businesses that have made an important difference in his or her community. And it's an interesting and timely topic too, because there has been a large – and growing – focus on how entrepreneurship contributes to economic growth and prosperity. Fully 79 percent of Americans say that entrepreneurs are more important to job creation and the economy than big business, scientists, and the government¹, and all net job growth in the United States between 1980 and 2005 was due to firms less than five years old².

Hundreds – maybe even thousands – of professional articles have made similar claims that entrepreneurship is meaningful, important, and what sets our economy apart from so many others. But the real question for rural areas, the one that is less clear in research and journalism, is why entrepreneurship matters more than ever in rural areas. The more I thought about that question, the more it made sense to talk about it.

One of the biggest problems is that entrepreneurship is typically reduced to just that: an alternative economic development strategy whose promise is growth, job creation, and innovation. But there are two issues with this approach. First, just because entrepreneurs stimulate job growth in the aggregate, this does not necessarily mean that all entrepreneurs are equally successful. Several studies have shown that high growth entrepreneurship tends to be clustered in cities rather than in rural areas³. Not that rural areas do not have plenty of entrepreneurs, just that they tend to earn less and create fewer jobs overall⁴,⁵.

This brings me to my second, more optimistic point. Focusing only on the economic benefits of entrepreneurship is not only misplaced, but completely overlooks some of the best attributes of entrepreneurship in rural areas.

▪ Entrepreneurs are natural problem-solvers and can quickly develop solutions to persistent local problems. Got a tricky local issue? Give it to a group of local entrepreneurs to solve with input from citizens.
▪ Entrepreneurs are more likely to stay in the communities where they
launch their business, unlike large companies based elsewhere.

- Rural entrepreneurs may create fewer jobs than large companies, but those jobs are more likely to be tailored to the skills available in the local community.
- Entrepreneurs can provide goods and services in important niches that meet local tastes and preference. They do this much better than Wal-Mart.
- Entrepreneurs often participate in community and civic life.
- When something goes wrong with their product or service, you can talk to an entrepreneur to make things right.
- Entrepreneurs often take paths others find too risky, serving as either warning or encouragement to others—a public service either way.
- In some rural places, creating even five jobs (instead of 500) still makes a big difference.

And my favorite:

- Entrepreneurs help bring creativity and imagination to the community and can serve as a role model for others who want to take creative risks.

In summary, saying that rural entrepreneurs merely “create jobs” and “stimulate the local economy” actually does not give entrepreneurs (and their supporters) enough credit. Entrepreneurs and small businesses can profoundly enrich local life by launching new ideas, offering new products and services, serving as community role models, and taking on risk (so others do not have to). Entrepreneurs are not all perfect, and they are certainly not all the same. But, they are among the most overlooked assets for community change in rural areas nationwide. If you haven’t done so recently, be sure to stop by a local business, thank an entrepreneur, and talk to him or her about their ideas for their business and for the community. Be sure to share some of your own ideas, and you may become fast friends. You may even find that some of the greatest innovators are not in Silicon Valley, but right here in rural Texas, ready for the next big idea.

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1 Kauffman Foundation, 2009a, Kauffman Poll: Entrepreneurship and Economic Recovery America’s Views on the Best Ways to Stimulate Growth, Kansas City, MO.
2 Kauffman Foundation, 2009b, Business Dynamics Statistics Briefing: Jobs Created From Business Startups in the United States, Kansas City, MO.
4 Acs, Z. & Malecki, E. 2003, Entrepreneurship in Rural America: The Big Picture, Federal Reserve Bank of Kansas City, Kansas City, MO.
Nebraska Youth Plans After High School

*Multi-Year Youth Assessment Project Completed—*

The Heartland Center in collaboration with the Nebraska Community Foundation and the Center for Rural Entrepreneurship (CRE) just completed a multi-year, comprehensive assessment of youth perceptions about staying or returning to their hometowns in the future as well as their outlook on employment opportunities, entrepreneurship and hometown amenities. Twenty communities were involved in the initial survey, ten participated in action planning process and five of those communities implemented these plans with technical assistance from CRE and the Heartland Center. Funding for this project was provided by a grant from the Small Business Administration.

**General Demographics**

In total, 2,508 students completed the survey. Of this total, 375 were in grade seven, 463 in grade eight, 422 in grade nine, 383 in grade ten, 461 in grade eleven and 404 in grade twelve. The gender breakdown was a 50/50 split with 1,153 females and 1,176 males completing the survey.

**Most Post-Secondary Graduation Plans Include College**

Eighty percent of those surveyed indicated that they have post-secondary education plans, with 59% planning to go on to a four-year college or university, 16% attending a community college and 5% enrolling in a technical school. Other categories in the sample include 7% joining the military, 4% joining the workforce, 1% exploring entrepreneurship opportunities and 8% undecided about their future plans.

Community Ratings, Youth Input and Volunteering

When asked to rate their community as a place to live as a young person, 55% gave their respective town high marks while only 4% gave their communities poor marks. But when asked if adults have ever asked youth what they would like to make their community a better place to live, only 29% indicated yes while 71% said no. When asked if youth would volunteer in their community, however, 81% said yes and 19% said no.

Youth Desire More Entertainment and Recreation Options

When asked what changes in their communities youth would like to see in order to make their community more appealing to them, 35% said that having more entertainment and recreation opportunities appealed to them the most. Local job opportunities was the second highest, with 25% youth responding. More shopping and restaurants as well as opportunities to become involved in the community scored 20%.

Exactly 50% would return to their hometowns in the future after going to school, joining the military, working and "seeing the world" if a quality career or business opportunity were available. Only 9% are not likely to

Forty-six percent of the youth surveyed said that they would prefer to stay in the community if there was a quality career or business opportunity.

Almost Half of Youth Surveyed Would Prefer to Return to their Hometown in the Future

Exactly 50% would return to their hometowns in the future after going to school, joining the military, working and "seeing the world" if a quality career or business opportunity were available. Only 9% are not likely to
return in the future. Another 56% pictured themselves living in their hometown in the future.

Nebraska Youth Have an Entrepreneurial Spirit
When asked if they had a current business, 16% indicated they did while 45% are interested in business ownership in the future.

Family Ties Are Critical
According to the youth participating in the survey, 56% picture themselves living in their hometown in the future. They find that their hometowns are a good place to raise a family (27%) and that family ties are important (20%).

Besides surveys, the Heartland Center has a toolkit of topics and materials designed to retain youth and young adults as well as recruiting alumni and attracting new residents to your hometown. To discuss program options, contact Kurt.

The Heartland Center for Leadership Development is an independent nonprofit organization developing local leadership that responds to the challenges of the future. The Heartland Center is headquartered in Lincoln, Nebraska with a field office in Kerrville, Texas.

Heartland Center for Leadership Development
3110 N. 40th St. Suite A
Lincoln, NE 68504
(402) 474-7667
www.heartlandcenter.info

2014 Texas Rural Challenge

The Texas Rural Challenge is the largest state-wide conference to focus on the challenges and opportunities facing rural Texas and features engaging and accomplished leaders in business and government.

Topics include; business and economic best practices, community growth, energy, cultural tourism, and other rural statewide and national issues.

The conference is hosted by the UTSA Institute for Economic Development - SBDC Rural Business Program and the Governor’s Small Business Forum.

Registration will be opening in early April; check the website for more information http://texasruralchallenge.org/registration.

2014 Texas Rural Challenge
FROM SEED TO PROSPERITY
WACO CONVENTION CENTER & HILTON WACO | WACO TEXAS
JUNE 19-20, 2014
## Rural Events

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For a calendar of events visit the Texas Rural Innovators events page at [www.ruraltx.org](http://www.ruraltx.org)
Food Insecurity in Texas

Many Face Challenges—

Food security means having consistent access to a sufficient quantity of food to support a healthy and active lifestyle. It is estimated that while 85.5 percent of U.S. households were food secure in 2012, 14.5 percent (17.6 million households) experienced food insecurity at some point in the year. The households experiencing food insecurity were more likely to be located in rural areas or large cities compared to exurban or suburban locales, to have incomes close to or below the federal poverty line, to be headed by single women or men with children present, and to be considered black, non-Hispanic households or Hispanic households.

Across the nation, many who experience food insecurity receive aid. For example, for November of 2012, 59.4 percent of households who were experiencing food insecurity reported receiving assistance from at least one of the three main federal food and nutrition assistance programs. A non-profit organization Feeding America coordinates with about 200 member food banks across the country, with the aim to end hunger. Food is disbursed through food banks and thousands of partner organizations, including food pantries and soup kitchens. Through this nationwide network they provide emergency food assistance to over 37 million people, including 3 million seniors and 14 million children. Oftentimes, additional programming includes mobile pantries, federal benefits outreach programs, fresh produce programs, afterschool snack programs, and disaster relief. In recent years there has also been an increase in the number of people and groups, such as faith based organizations and educational entities, engaging in home and community gardening.

In Texas, the household food insecurity average for 2010 to 2012 was 18.4 percent, which was higher than the national average of 14.7 percent. For 2011 it was estimated that in 43 Texas counties (14 metropolitan and 29 non-metropolitan) 20 to 24 percent of the population in each county experienced food insecurity. Within many of these 43 counties there are census tracts considered food deserts, which are “low income areas where a significant number or share of residents is far from a supermarket, where ‘far’ is more than 1 mile in urban areas and more than 10 miles in rural areas.” While the Texas Food Bank Network (TFBN) coordinates with 20 regional food banks along with thousands of partner agencies to offer food assistance, households in rural food deserts are particularly challenging to reach due to their distance from population centers, food banks, and food pantries, and because of the lack of adequate transportation options to link those in need with resources. Mobile pantries and monthly drop-offs of supplies are often used to service households in these rural areas, but it is not enough.

For more information on resources available to Texans and on how to get involved you can visit the website of the TFBN (http://tfbn.org/) or call them at (512) 527-3613. The following is a link to a map that shows which food banks supply each Texas county: http://tfbn.org/how-we-help/food-banking/food-bank-by-county/.

Space Limited, First Class—

Take your leadership skills to the next level at the 2014 TML Leadership Academy - a three-course, six-day program designed to enhance the leadership skills of officials who serve our Texas cities. This highly participatory program features an outstanding faculty of university professors, thought leaders, authors, and governing officials who will teach you to critique your own decisions and actions and develop the competencies needed to excel as a leader in your community.

June 19-20; Course One: Personal Leadership Effectiveness

July 17-18; Course Two: Citizen Engagement and Collaboration

August 21-22; Course Three: Leading into the Future

The prestigious "TML Leadership Fellow" title will be awarded to officials who attend all three courses (more than 30 hours of training). Leadership Fellows will be honored at the closing academy session on August 22, and in Texas Town & City magazine.

Space is limited to the first 65 who register. Learn more at www.tmlleadershipacademy.org
Thank you for taking the time to explore this issue of Rural Conversations. Our hope is that Rural Conversations will encourage all of us who hold a passion for rurality to work together toward the goal of allowing rural Texas to flourish.

The mission of the Center for Rural Studies is to assist in the building, strengthening, and maintaining of rural Texas communities.

If you would like to submit something to be published in Rural Conversations, please contact Cheryl L. Hudec, Associate Director of the Center for Rural Studies at ruralcenter@shsu.edu.

If you wish to be removed from the mailing list for Rural Conversations, please email Cheryl L. Hudec at ruralcenter@shsu.edu.

www.shsu.edu/ruralcenter