

## Ruralite Magazine

“The Backbone of Rural America”

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Marv Obenauf dispenses hot leather preservative into containers at his company’s production facility in Peck, Idaho. The former firefighter was frustrated his leather boots would crack and fall apart before they wore out, so he created an all-natural leather preservative. For years he mixed the natural oils, beeswax and propolis (a tree resin) in a barrel over a hot plate and wood stove, finding neighbors to fill containers with his product. Today, 30 years later, his products are sold nationally through Cabela’s and Sportsman’s Warehouse. For more information, see [www.obenaufs.com](http://www.obenaufs.com).

Photo by Lori Mai

## *Entrepreneurs find creative ways to bring money home to their local communities*

In Milton-Freewater, Oregon, Kristine Mier teaches a classroom full of entrepreneurs eager for tips on how to start and market their product or business.

“Rural entrepreneurs are the backbone of the U.S.,” says Kristine, Latino entrepreneurial program manager for the Rural Development Initiatives. “A lot of people who choose to live rural make sacrifices in some areas. It doesn’t have to be that way.”

Entrepreneurs in rural areas influence economic change within their communities, often with help from a variety of organizations and programs.

**Deborah Markley**, co-founder and managing director of the **Center for Rural Entrepreneurship**, says rural areas can become more prosperous by creating specific strategies and tapping into specialized local, state and national resources to support local entrepreneurs.

“The goal is to be a hub for learning about rural entrepreneurship,” says Deborah. “When we started the organization, entrepreneurship wasn’t quite the buzz word it is today.”

Instead of focusing solely on individual entrepreneurs, the center—founded in 2001—partners with government officials, community leaders and organizations from rural areas on strategies that support, retain and attract entrepreneurs.

Supporting economic development in rural communities requires a three-pronged approach, says Deborah.

Traditionally, rural areas look to recruit a large industry to create jobs in the community. Another approach is retention and expansion by identifying what businesses are in the community and implementing strategies to help them grow. The third approach is identifying people who have entrepreneurial talent.

“So often the economic development isn’t focused on people who are already here in our community,” says Deborah. “For almost 15 years, we’ve continued to believe that for most rural areas the focus is on growing what they have.”

The center offers trainings, economic research studies and connects people with other community leaders who successfully support entrepreneurs.

“I think most of the folks who come to the center recognize what they want their community to become,” says Deborah. “They see what they want, but don’t know how to get there. It’s not a single path. It’s like a road map because every community starts in a different place. We give the community tools to find their own path. They know what they have to work with. It’s a different way of working together.”

### **A Big-Picture, Long-Term View**

**Richard Gardner** has helped spread word of the **center’s programs** to business leaders in eastern Idaho and a nonprofit in Oregon through training sessions that teach the principles of long-term support for rural entrepreneurs.

“Often times, people are looking at business recruitment as the answer,” says Richard, founder of Bootstrap Solutions. “It’s hard to recruit businesses into more isolated communities. Entrepreneurship benefits every town. They need to build a network to support the town’s entrepreneurs.”

Richard says there are several types of entrepreneurs in communities who need to be supported:

- **Necessity entrepreneurs.** They create their own business to survive in a town where a larger business has shut down or few other employment opportunities exist.
- **Social entrepreneurs.** Generally, these business people work in the public sector or for a nonprofit and strive to accomplish a specific mission.
- **Lifestyle entrepreneurs.** These professionals have successful businesses, but are not looking to grow them.

- **Growth entrepreneurs.** They are interested in expanding, subsequently creating more local jobs.
- **Serial entrepreneurs.** These people start multiple businesses in a lifetime.

“This is really helpful to understand, especially in small towns,” says Richard.

### **Accessing Capital and Knowledge**

A challenge many rural entrepreneurs face is access to resources locally. National and state centers help community leaders who want to reach out and improve their towns. Rural entrepreneurs also can turn to online resources.

**Shawn Rios, a board member for the Center for Rural Entrepreneurship**, knows the importance of online resources for geographically isolated entrepreneurs.

His company, Soloprenur, has online courses and blog posts to help rural entrepreneurs across the country.

Building an enterprise takes diligence and resources, but Shawn says anyone can become an entrepreneur.

“My philosophy is that entrepreneurship is a learned set of skills,” says Shawn. “It’s not a DNA trait or characteristic. Anybody in a rural area who wants to take a shot at becoming an entrepreneur, they can.”

Rural entrepreneurs traditionally have deep roots in their community. While economic development is vital for towns and cities, the nature of individual business owners is what speaks to the character of the community.

During a Rural Development Initiatives’ program in Umatilla, Oregon, in 2014, participants chose to revitalize a community center. They replaced the floors, walls and ceiling, and installed a window.

Those efforts sparked additional community support, adding free Wi-Fi and new parking lot curbs, replacing doors and adding interior trim.

“It was this sad-looking building turned into this totally revitalized building where they can now have community events, senior lunches and the school can use it,” says Kristine.

### **Financial Support is Critical**

Support and empowerment from a community may boost an entrepreneur’s confidence, but funding is crucial.

The Bristol Bay Economic Development Corp. in Dillingham, Alaska, provides education, employment, grant assistance, loans and training for people in 17 communities and, in some cases, to residents of all Bristol Bay watershed communities.

“Our primary industry is commercial salmon fishing,” says Alice Ruby, the corporation’s economic development and brokerage director. “Commercial salmon fishing is a small business enterprise that we enhance by way of grants to upgrade their vessels and improve the quality of their fishing business. We continue to develop these programs every year.”

Programs and grants are directed at both cities and tribes, she notes. An annual community block grant is used to develop city infrastructure: water, sewer and roads. Individual programs include educational and vocational scholarships.

“We provide personal financial management technical assistance,” Alice adds.

Commercial fishing is not only a critical economic driver in the region, but an important part of the culture, Alice notes.

To support the fishing industry, the BBEDC created a permit loan program. Commercial salmon fishermen need state-issued permits. A limited number are issued in the Bristol Bay region.

“Over time, a majority of the permits have become owned by non-residents,” says Alice. “This is a weakness that causes revenue from commercial fishing to leave the region. It isn’t invested back into the community.”

The permit loan program encourages residents to buy those permits and increase the amount of resident-owned fishing operations.

“We’ve had some great success,” Alice says. “Our program includes a menu of benefits such as a down-payment grant, interest subsidy, sweat-equity assistance and business counseling.”

One of these successes is Dillingham resident Boice Larson—a multigenerational fisherman who got a commercial fishing permit with help from the BBEDC.

Boice bought a permit in 2014.

“They were pretty spendy—\$140,000 to \$145,000 that year,” he says. “That price was the highest I’ve seen it in many years. They (The BBEDC) help you pretty much through the first seven to eight years, and that helps a lot. It’s a good program.”

### **Contests Offer Funding Option**

Another financing option for emerging businesses comes through an annual American Farm Bureau Federation competition that teaches valuable lessons about business planning.

The Farm Bureau Rural Entrepreneurship Challenge gives 10 agriculture entrepreneurs the chance to win \$145,000 worth of startup funds.

Contestants submit a business plan, photo and video pitch online. Last year, judges reviewed 165 applications and offered feedback to contestants, who have the option to resubmit their applications based on the judges’ feedback.

“It was a takeoff from the show ‘Shark Tank,’” says Lisa Benson, American Farm Bureau’s director of rural development. “The goal of the challenge is really to showcase great new businesses.”

Ten finalists are named. The top four win \$15,000 and compete for Entrepreneur of the Year and an additional \$15,000 in startup funds. The People’s Choice Award winner gets another \$10,000. Six semifinalists win \$10,000 each.

Because many applicants expressed a need for more business plan development mentoring, the Farm Bureau plans to provide online training, says Lisa.

This year’s competition opens May 1.

Another program offered by the American Farm Bureau Federation is the Farm Bureau Patriot Project.

“Military veterans who are beginning farmers are matched with farm mentors that share information about how agriculture works in that community,” says Lisa.

The goal is to provide support and networking to rural entrepreneurs to help businesses survive and thrive.

“Sometimes rural communities can be very isolated, so we hope to bring national attention to rural entrepreneurs who are kick-starting innovative agricultural and food businesses,” says Lisa.

As rural entrepreneurship continues to be a focus for communities, support programs grow and expand to meet the needs of local citizens.

“We’re beginning to see in more rural areas there is opportunity for people who want to start growing their businesses,” says Deborah. “It’s a way to root wealth in rural places.”

While venturing into a new market or creating a career from scratch can be difficult, Kristine wants rural entrepreneurs to know they are not alone.

“In rural communities, there are things you can do to become economically vital,” says Kristine. “We are going to give you training to empower you to do those things—tools to embrace and make your own.”

- See more at: <https://www.ruralite.org/backbone/#sthash.2Bp2it04.dpuf>