
Entrepreneurship and Economic Development in Rural America

1

Ronald J. Hustedde

Overview

Americans with disabilities and rural communities have something in common: both struggle to build assets and to create wealth. Yet, both have opportunities for building a quality of life that is rooted in equity and prosperity. Rural people and those with disabilities start their own ventures due to decreased employment opportunities. The World Bank (2016) reports small and medium enterprises account for more than half of all formal jobs across the globe. These firms create effective solutions for clean water, alternative energy, health services, and education. During 1992–2005 smaller companies created more jobs than larger companies. However, recent research indicates start-up firms, regardless of size, and generates the greatest surge of jobs in the USA (Haltiwanger et al., 2012). Small firms account for almost two-thirds of employment in rural America (U.S. House of Representatives Small Business Committee, 2016).

Entrepreneurship is seen as a route to economic independence for people with disabilities. According to Kitching (2014), one possible solution to problems of low labor market participation rates lies in the potential for people with disabilities to become self-employed or to start and run their own businesses. The risks of poverty and barriers to employment are significantly

higher for people with disabilities in rural areas than for people without disabilities and for people residing in urban areas. The reasons for both risks and low employment rates are attributed to a wide range including level of education, local job market, social exclusion, and geographical boundaries in rural areas.

Learning Objectives

By the end of the chapter, the reader should be able to:

1. Describe disabilities and entrepreneurship in rural areas.
2. Explore the economic and community obstacles and opportunities that people with disabilities in rural areas face.
3. Build a case for entrepreneurship as a venue for creating wealth and prosperity among those with disabilities in rural areas.
4. Provide insights on how rural communities and advocates for people with disabilities can build an entrepreneurial culture and ecosystem.

Introduction

People can consider entrepreneurship and/or self-employment for various reasons: (a) out of necessity, (b) attempt to increase their income, (c) gain independence and autonomy, (d) take advantage of an opportunity, and (e) improve work-life balance (Potter & Halabisky, 2014). These reasons may also influence people with disabilities; however, they are also likely motivated by different

R.J. Hustedde (✉)
Department of Community and Leadership
Development, University of Kentucky,
Lexington, KY, USA
e-mail: Ronald.hustedde@uky.edu

factors such as the benefit that entrepreneurship provides as entry into the labor market, a buffer against employer discrimination, and flexibility in work hours and accommodations (Jones & Latreille, 2011). “In addition to facing the general challenges to business start-ups that all entrepreneurs face, entrepreneurs with disabilities are likely to face specific barriers to entering and sustaining entrepreneurship activities” (Potter & Halabisky, 2014, p. 8; see Table 1.1).

People with disabilities in rural communities present unique challenges with regard to the desirability and feasibility of entrepreneurship. Moreover, barriers exist to the availability of entrepreneurship training, technology, mentors and advisors, and local incentives and tax credits. Although entrepreneurship offers expanded opportunities for people with disabilities in rural areas, it is important to understand the contextualized social-structural and geographical constraints that rurality imposes on economic development and inclusion of people with disabilities.

Table 1.1 Barriers to entrepreneurs with disabilities

Lack of confidence and limited aspirations – difficulty identifying a business opportunity, developing this business idea, and engaging with the available support infrastructure in a meaningful way; unsupportive family and friends

The benefits trap – fear of losing the security of regular benefit income (supplemental security income or social security disability income)

Lack of relevant business knowledge and skills – lack of specialist business management, legal, and financial skills and knowledge due to limited relevant education and employment experience

Access to start-up capital – limited personal financial resources; poor credit rating; disinterest/discrimination part of the banks; lack of accessible information on sources of grants and loans

Consumer discrimination – result in reducing the demand for goods and services produced

Increased labor costs – some entrepreneurs with disabilities need to hire assistants to help them undertake tasks that many non-disabled people can do on their own

Lack of appropriate business support services – business advisers are often reluctant to recommend self-employment as a career option for people with disabilities and sometime actively dissuade them; inadequate or stereotypical understanding of the activity restrictions related to the disability

Adapted from Potter and Halabisky (2014)

Link Between Rural America and Disabilities

Over the past decade, researchers have asked whether there is a relationship between geography and disability. Information about that question was released in 2013 by the US Census Bureau from the 2008 to 2012 American Community Survey. Self-reported disabilities from the survey are defined as functional impairments in at least one of the six areas: hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and the inability to live independently. There are also distinctions between severe and non-severe disabilities.

While metropolitan counties have a disability rate of 11.2%, the rate is more pronounced in nonmetropolitan counties. Counties with populations between 50,000 and 10,000 people have a disability rate of 15.2%, while noncore counties with populations of less than 10,000 have a rate of 17.4%. Although nonmetropolitan counties have higher population rates of those who are 65 and older, there are consistently higher rates of disabilities in nonmetropolitan counties across all age ranges. These nonmetropolitan counties represent about 72% of the US land mass (von Reichert, Greiman & Myers, 2014).

Differences of Living in Urban and Rural America

Rural Americans tend to be less influential in affecting US federal policy because they only represent about 14% of the US population (USDA Economic Research Service, 2017). Partisan differences about the environment, worker and food safety, and agricultural issues make it difficult to build coalitions between rural and non-rural legislators. As a consequence, rural America lacks a comprehensive federal rural development policy (Hustedde, 2008). Rural residents may be more effective in stimulating needed changes at the regional and local levels to reflect the uniqueness and diversities of their communities (Fortunato, 2014).

The rural landscape is distinguished from urban areas by income, education, employment

levels, and the role of gender in small business development.

Income Disparities Rural residents tend to have a lower income levels than their urban peers. These differences can limit access to good and services that can fuel economic development. It also means that rural residents may not be able to leverage as much capital for entrepreneurial opportunities. Rural median household income was \$41,198 in 2012, while the urban median household income was \$52,988 in the same year (Kusmin, 2015). Typically, income level is directly proportional to education attainment.

Educational Levels Land, labor, and capital were once viewed as the essential ingredients for economic development. However, education is now viewed as a critical fourth ingredient for the knowledge economy, particularly for innovative approaches to address pressing issues associated with health, environment, and other needs (Shaffer, Deller, & Marcouiller, 2004). Knowledge and skills cannot always be measured by formal educational attainments, but that is the measure that is available. Rural areas have made educational gains, but they still lag behind urban areas. Approximately 35% of urban areas have working-age adults with 4-year college degrees versus 19% in rural areas (Kusmin, 2015). The higher concentration of employment opportunities for college-educated adults in urban areas continues to draw people away from rural areas.

Employment Employment can be part of a downward or upward spiral for economic development. An area with high employment can lead to higher wages because of the competition to secure workers. The obvious consequences can be a more potent economy and higher quality of life. On the other hand, higher levels of unemployment can set the stage for a downward spiral regarding the quality of life and prosperity. Some unemployed and underemployed people will turn to entrepreneurship as a venue for sustainable income. Unemployment is higher in rural counties with less formal education. Educational rates are lower for racial and ethnic minorities in rural counties.

Rural businesses and consumers are as likely to use the Internet as their urban counterparts. However, broadband access is not as readily available in rural areas, and the lack of population densities leads to higher costs and a less pronounced return on investments (see Chap. 4 for additional information on technology).

Gender Women from rural areas tend to have less access to employment opportunities than urban women. Hence, a higher proportion of women from rural states are small business owners. A South Dakota study of rural women business owners indicates that the majority had gross sales of less than \$100,000. These women defined success in four major categories: (a) helping others, (b) contributing to family income, (c) making a profit, and (d) feeling a sense of accomplishment. Most of the respondents indicated that being a woman was a positive or neutral factor toward their business success (Meeder & Cumber, 2007). See Chap. 11 for additional information on women in rural communities.

Summary The differences in urban and rural areas are pronounced. Only 14% of Americans live in rural areas. There isn't a comprehensive federal policy for rural development because of partisan differences and unidirectional metropolitan communication linkages. Urban residents have higher rates of formal education and income than rural residents. Educational levels may impede involvement in the knowledge economy, and lower income could mean that rural people will be able to leverage fewer resources for economic development than their non-rural counterparts. Unemployment in rural areas tends to be higher, especially for women and minorities. However, women in rural areas are more likely to start businesses because of limited economic opportunities. In recent years, there have been intellectual shifts in community development practices. The focus is no longer on deficits or problems but on assets or strengths. Rural regions can discover their unique cultural, financial, environmental, and infrastructure assets and build on those strengths.

Defining Entrepreneurship

An entrepreneur can be defined as an individual (or team) who creates a new business venture within a place that offers a new product(s) or service(s) and adds value to markets within the community. It can include innovative replication or introduction of a prior innovation to a new market or to an old market in a novel way (Fortunato, 2014). Contrary to popular opinion, entrepreneurs are not huge risk takers. They tend to take calculated risks and share those risks with investors, partners, community, and others.

While business owners have entrepreneurial traits to stay in business, all of them are not entrepreneurs. Some business owners are managers who routinely open and close their businesses each day. The Ewing Marion Kauffman Foundation claims that business owners who revitalize, grow, and reinvent their business are inherently entrepreneurs, while other business owners who are merely maintaining their operations are behaving more as managers (Markley, Mackey & Luther, 2005).

Sirolli (2012) argues against the myth of the entrepreneur as a single individual. He contends that the most successful entrepreneurs consist of teams who are skilled in three areas: (a) the development of a product or service, (b) marketing or sales, and (c) finance, including anticipated sales, overhead, and potential profits. While some individuals may be talented or drawn to two of these areas, they are seldom accomplished in all three. The team concept makes it easier for individuals who may have disabilities to focus on their strengths rather than perceived limitations.

Entrepreneurs seize opportunities. They may not invent the idea, product, service, or approach, but they see value in something and carry it toward action. Contrary to popular opinion, their primary motivation is not exclusively about financial gain. They are driven by passions – the ability to make a difference in people’s lives, to provide employment to others, to create a lifestyle, or to prove their creative spirit (Gruidl & Markley, 2015).

Entrepreneurial Types

Entrepreneurs are not the same. It can be argued there are at least six kinds of entrepreneurs. These are discussed below.

Aspiring entrepreneurs include those people who have not started a business or venture yet because their timing isn’t right. They may be researching their idea, or they may lack encouragement, partners, and finances or face other difficulties or limitations. Start-ups have taken the plunge and actually launched their enterprise, but they may not have a solid business plan or have not fully developed their team. The needs of aspiring and start-up entrepreneurs are similar. They often need community support, mentoring, training, or business counseling.

Survival entrepreneurs include those who start a venture because of unemployment or the need for supplemental income. They are not necessarily growth oriented because what they really want is a job with fixed wages and benefits. Typically, they are not considered part of conventional community economic development strategies because they are part of the informal economy and often act on a cash basis. Nevertheless, there is a growing awareness that these kinds of businesses are important. Nonprofit microcredit services, modeled after the Grameen Bank in Bangladesh, have emerged in the USA to provide loans and other financial services to people who cannot access conventional loans or credit. In order to access microcredit, these entrepreneurs are usually required to receive financial literacy and business planning, training, and counseling to insure their success (Dewan, 2013). Survival entrepreneurs can move toward growth with community encouragement and visioning.

Lifestyle entrepreneurs are attracted to a place or business that suits their idea of a good life. They may run a bed and breakfast establishment, a hardware store, and a fly-fishing business or serve as a family physician. While there are numerous and successful lifestyle entrepreneurs, they typically don’t have aspirations to grow.

Growth-oriented entrepreneurs are driven to grow their sales and profits and to build their new products or services. The entrepreneurship litera-

ture refers to them as “gazelles.” Many regional and state entrepreneurship policies attempt to identify the potential high-growth businesses and provide assistance to help them expand. They are seen as major job and wealth creators because they have compounded growth rates of 15% per annum. These firms represent about 4–5% of American businesses.

Civic or social entrepreneurs have the same motivations as other entrepreneurs. However, they tend to work in teams with an emphasis on interdependence and inclusivity. They start with an optimistic view of the local or regional economy and bring their entrepreneurial mind-set to the civic arena. Their long-term interests and the community’s interests complement each other. These civic entrepreneurs fall along the continuum from for-profit businesses to nonprofits. While they generate sufficient revenue to be sustainable, they address issues related to the environment, social justice, or sustainable economic development (Kerlin, 2006; Murray, 2012). These ventures may also take on the form of a cooperative or an employee-owned business. In recent years, “B” corporations have emerged and are certified by the B Lab, a nonprofit organization that focuses on a shared and durable prosperity, transparency, and a positive impact on the community (B Lab, 2016).

Youth entrepreneurship is another important component to consider. National surveys indicate that most high school youth are interested in starting their own businesses (Markley et al., 2005). Their involvement in entrepreneurship is of vital concern to rural communities for retaining their youth and encouraging them to innovate and use their talents to create wealth and jobs. The key is to provide opportunities for them to learn about the business world and to learn entrepreneurial skills. The impact from entrepreneurial programs in schools and other organizations such as 4-H or Junior Achievement is significant: an increased interest in education, problem-solving, practical skills in teamwork and financial management, and leadership skills and interpersonal skills (Kaufmann & Stuart, 2007). The challenge for communities is to develop high-quality entrepreneurship programs. Youth

entrepreneurship initiatives have emerged in rural America to provide economic alternatives based on rural assets and to avoid the “brain drain” to urban areas. Organization such as the Future Farmers of America and programs in the Cooperative Extension System are focusing more resources on youth entrepreneurship (Schroeder, Heinert, Bauer, Markley & Dabson, 2010).

Challenges for Rural Entrepreneurship

Rural America has a rich entrepreneurial tradition that is part of the American identity: it has attracted immigrants and people with imagination. During the industrial age, improvements in agricultural, mining, and extractive technologies created new opportunities for entrepreneurs that strengthened rural economies and quality of life. While urban areas have outpaced the growth of rural areas during the past 50 years, rural areas are no longer dependent on farming, forestry, and mining. Rural economies have shifted into manufacturing, tourism and recreation, and a variety of service-based industries. These shifts require funding and other resources for start-ups and expansion including product and market research, operations, and sales. The funding issue is more pronounced for entrepreneurs who are seeking exponential growth.

Finances for Rural Entrepreneurs

The ecosystem for rural entrepreneurship has shifted during the past 20 years. It used to be about finding capital from commercial banks or relying on personal resources including those from friends and family. However, the range of players has broadened to include public financing programs, microlending for small businesses, community development financial institutions, formal and informal investment groups, US Department of Agriculture and Small Business Administration programs, and crowd financing. Rural businesses are more likely to use traditional tools such as bank and debt capital and are

less likely to use equity capital such as crowd funding or angel investment groups. Rural entrepreneurs may be less likely to take on more debt than urban peers. There are also geographic disparities in the distribution of bank and public sector financing in some rural counties. Some rural areas have more robust demand for alternative financing than others because of a less sophisticated ecosystem or local public policies that are less favorable for entrepreneurs (Markley, Pages, Scruggs, & Miller, 2012).

Limitations for Rural Entrepreneurs

The higher population densities of urban American with concentrated services make it easier for urban entrepreneurs to access equity finances, technical assistance, institutional support for small businesses, and proximity to markets. The remoteness of rural areas and strong ties with kin and close friends can restrict information flows and can isolate rural entrepreneurs. Lop-sided power relationships of dominant employers and elites in rural areas can also disempower citizens. In addition, many rural counties have experienced “brain drain” – population shifts of college-educated adults to urban areas where there are more economic opportunities. While those lacking a college education in rural areas are more likely to be self-employed, they don’t generate as much income as college-educated entrepreneurs (Fortunato, 2014). While rural firms are more persistent and have better survival rates than urban firms, they tend to have slower growth rates and generate fewer jobs than their urban counterparts. The slower job growth rates can be attributed to smaller home markets and limited access to business services including coaching and mentoring (Markley et al., 2012).

Opportunities for Rural Entrepreneurship

In spite of these limitations, rural locations have advantages for entrepreneurs of all types. Rural self-employment has outpaced urban self-employment by taking advantage of access to

natural resources and lower costs of land and labor. Family farms are turning to agritourism such as farm stays, agricultural festivals, and pick-your-own produce (Gartner, 2004). In addition, value can be added through direct sales to consumers or moving from nonorganic to organic, planting different crops, raising different animals, or adding something to a raw commodity such as the production of jam or sausage. They can also find ways to save energy or make their products viewed as superior to other competitors (Lu & Dudensing, 2015).

Lifestyle entrepreneurs are often attracted to rural areas because of the scenery and outdoor recreation or to escape the pressures of urban life. These exurbanites can draw upon the Internet to launch information-based businesses with export-oriented links to outsiders. Other lifestyle entrepreneurs are drawn to tourism-related entrepreneurship, apparel, retail, interior design, and hospitality firms because they want to live in a certain place or maintain a lifestyle without the confines of traditional employment (Fortunato, 2014).

Civic or social entrepreneurs are driven by the need to bring about some form of social change. The rural landscape is dotted with civic ventures that focus on issues such as affordable and safe housing, alternative health care, asset-based economic development, arts and artisans, environmental conservation, disability rights, youth development, and community-based philanthropic organizations. Capital access has been a problem for these entrepreneurs, but web-based intermediaries, socially conscious investors, and the growth of local philanthropies are minimizing some of these obstacles (Bornstein, 2007; Bornstein & Davis, 2010; Harris et al., 2013; Shapiro, 2012). Social entrepreneurs are also being nurtured through business schools and other institutions that integrate social issues with business concepts. For example, Berea College in Kentucky has a multiyear undergraduate program, *Entrepreneurship for the Public Good*; its intent is to help rural communities in Central Appalachia. According to the organization’s website, the primary focus is on “a process when one person or a group of people in a community originate an idea or innovation for a needed change and influence others in that community to

commit to realizing that change, despite the presence of risk, ambiguity, or uncertainty” (*Entrepreneurship for the Public Good*, 2016).

Rural youth entrepreneurship is becoming more visible as community development strategy because it engages youth in creative learning and problem-solving business acumen and provides alternative economic choices. Rural-dominated organizations such as the Future Farmers of America and the Cooperative Extension System are creating more venues for youth to be innovators (Guthrie, 2013). The Center for Rural Development learned that the key to rural entrepreneurial communities is to attract youth and keep them there. There are strong emotional ties to families, friends, and groups that can keep youth involved if they believe that educational and economic opportunities are available to them. Communities have often, unintentionally, not involved youth in shaping their own futures and local development efforts. Based on their study of over 6000 youth in the Midwest, the Center recommends these action steps:

1. Create a community action plan for improvement that actively engages youth.
2. Encourage the growth of medium- and small-sized businesses through coaching and technical assistance that offer employment and ownership opportunities for youth.
3. Introduce entrepreneurship into the school curriculum or as an extracurricular activity with links to entrepreneurs who can serve as mentors or provide hands-on activities for aspiring entrepreneurs.
4. Consult and involve local youth in every aspect of community development efforts as a way to build new leaders (Dabson, Schroeder & Markley, 2010).

Opportunities for Rural Entrepreneurs and People with Disabilities

More than 8.8 million noninstitutionalized civilians with disabilities live in rural America (U.S. Census Bureau, 2015). Historically, Western

societies have institutionalized or marginalized those with disabilities. However, the past 30 years have witnessed marked changes because of social movements that focused on inclusion. The Americans with Disabilities Act (ADA) of 1990 is modeled after laws that prohibit discrimination based on race and gender. The ADA covers disabilities related to mobility, stamina, vision, hearing and speech, learning disorders, and emotional illnesses. It addresses access to the workplace, state and local government, places of accommodation, and commercial facilities and telecommunications for people who have hearing or speech impairments through telecommunications relay services.

In spite of these gains, the 2015 unemployment rates for those with disabilities were 10.7%, while those with no disabilities was 5.1%. About 32% of workers with a disability were employed part time, while 18% of those with no disability have part-time jobs. Working-age people with a disability were more likely to be self-employed than those without a disability (U.S. Dept. of Labor, 2016).

There are risks for entrepreneurs who carry the weight of their operations on their own shoulders and spread themselves too thin. Hence, policy makers have created programs to share risks for entrepreneurs with disabilities. These efforts are also part of a pattern of inclusivity by federal and local governments and nonprofit groups. At the federal level, there are a variety of initiatives to create self-employment for those who are disabled. Table 1.2 lists entrepreneurial resources for people with disabilities.

While the initiatives listed in Table 1.2 are noteworthy, it is only in recent years that scholars have attempted to bridge the gaps among entrepreneurship studies, rural studies, and disabilities studies.

Arnold (2011) conducted the first national study of those who are disabled and self-employed. She found that over half of entrepreneurs with disabilities had initial investments of less than \$10,000 to start their businesses. They reported that their investments came from one of more sources: personal savings (59%), credit card/cash advance (30%), loans from family members (25%), institutional loans (18%), and

state vocational rehabilitation funding (16%). There were a variety of reasons why they started business including wanting to be their own boss and seeing a need for a product or service. Forty-three percent cited the need to accommodate their disability through flexible work hours or working conditions. The typical entrepreneur with disabilities in this study of 330 respondents was a white male with some college education. Their businesses were diverse: construction contractors, manufacturers, artisans, farming/ranching, retail, and providers of various services. Fifty-two percent reported their disability affected how they ran their business. Nine-one percent enjoyed their business, and 56% reported their business as “successful.”

There are several studies that have attempted to identify the key variables that influence how entrepreneurs with disabilities can be nurtured. Heath and Reed (2013) identified 38 low-income entrepreneurs with disabilities in Alaska, including those from rural areas. Their program offered training sessions on topics such as marketing and financial management that was followed up with networking sessions on building social capital and one-to-one support from other entrepreneurs.

A web-based conferencing system was used because some of the participants lived as far as 1000 air miles from each other. While many entrepreneurship initiatives focus on technical aspects of developing a business, this industry-driven support model promised a low-cost effective method for entrepreneurship because they concluded that the focus on social capital addressed the geographic isolation and connected them to other low-income entrepreneurs and to others in the field. The one-to-one mentoring was also effective:

- The Chicago Add Us In (AUI) program was funded through the US Department of Labor to remove environmental barriers that inhibit entrepreneurship among the disabled. It built a consortium among key institutions including hospitals and rehabilitation centers to view entrepreneurship as an alternative to wage employment. The consortium offered courses to develop business plans and provided mentoring and a business incubator for start-ups. They also explored the creation of small cooperatives as venues for people with disabilities to become co-owners rather than sole propri-

Table 1.2 Entrepreneurial resources for people with disabilities

Federal resources
Small business administration: https://www.disability.gov/
Office of Disability Employment Policy (ODEP), US Department of Labor: https://www.dol.gov/odep/resources/
Other resources that provide training, encouragement, and networking assistance
<i>Disabled Businesspersons Association</i> offers entrepreneurship education courses for those with disabilities: http://disabledbusiness.org
<i>DisabilityBiz.org</i> offers business plan training and consulting for disabled entrepreneurs: http://www.disabilitybiz.org
<i>Entrepreneurship Bootcamp for Veterans with Disabilities</i> offers experiential training in entrepreneurship and small business management to post 9/11 veterans: http://ebv.vets.syr.edu/
<i>The Global Network for Entrepreneurs with Disabilities</i> provides information for entrepreneurs at various stages of their journey: http://entrepreneurswithdisabilities.org/
<i>The Hadley Institute for the Blind and Visually Impaired</i> offers entrepreneurial online courses for those with vision impairments: http://www.hadley.edu/
<i>Job Accommodation Network</i> contacts entrepreneurs with disabilities to others in their field: http://www.careersbeyonddisability.com
<i>University of Montana Research and Training Center on Disability in Rural Communities</i> investigates approaches to help rural rehabilitation service providers to help those with disabilities to achieve and maintain employment: http://rtc.ruralinstitute.umt.edu/employment-vocational-rehabilitation/

etors of businesses. The consortium of various agencies generated systems changes that improved the opportunities for people with disabilities to become self-employed. The “lessons learned” from this initiative are:

- Relationship building among agencies is key to success.
- Troubleshooting and assessing progress is part of facilitative leadership.
- Through cooperative efforts among agencies, entrepreneurship can empower people with disabilities.
- Trusting relationships and collaboration among agency leaders create the ingredients for systems changes.

The consortium requires more work because agencies have to gradually change their culture and openness to entrepreneurship (Balcazar, Kuchak, Dimpfl, Sariepella & Alvarado, 2014).

Veterans and Entrepreneurship

Among the 2.3 million individuals who have served in the US military forces since 9/11, one in every four has a service-related disability (see Chap. 8 for discussion on veterans). Veterans are likely to have a variety of military skills and knowledge that can be transferred to civilian life. Evaluations of the Entrepreneurship Bootcamp for Veterans with Disabilities indicate that hobbies and self-employment should not be confused with creating a business. Blass and Ketchen (2014) learned that veterans who started businesses are most likely to succeed if the firms are based on three factors. First, they have a value proposition – why a customer would spend money with that business rather than another organization. Second, successful businesses leverage the unique experiences and attributes of the entrepreneurial team including military experiences. Third, the business is built around a pro-

cess or system that prospers even if the entrepreneur leaves. These three factors are also applicable to nonveterans.

The Viability of Entrepreneurship for Those Who Have Disabilities

In a review of key literature about entrepreneurs and disabilities, Arnold and Ipsen (2014) concluded that entrepreneurship is an important economic development strategy for those involved in vocational rehabilitation. It provides a viable option for those with disabilities because it offers flexible scheduling to address health issues, increases economic independence, and allows people to stay closed to supportive networks. Government policies can help entrepreneurs with disabilities to succeed.

However, there is a trade-off when government organizations invest in generic programs but do not have resources to adapt those programs to meet the broad spectrum of those with disabilities (Kitching, 2014).

People with disabilities have seldom been involved in community economic development initiatives, nor have rural community development strategies generally reflected the well-being of those with disabilities. Admittedly, it can be cumbersome to generate inclusive representation of the disabled, women, immigrants, and youth. However, research indicates those rural communities that have multiple stakeholder representation and leadership tend to have greater economic impacts (Ipsen et al., 2006). Vocational rehabilitation programs and rural Centers for Independent Living (CILs) are untapped resources for integrating those with disabilities into leadership positions, employment, and small business development. A study of citizen-led rural community development efforts in two states indicates that there were multiple outcomes:

- It changed the views of locals who viewed those with disabilities as assets because they took on leadership roles where others did not.
- Alternative economic development strategies were pursued rather than merely competing for large-scale industrial plants.
- Community people came to see the role of vocational rehabilitation in overall economic development.
- A greater sense of solidarity emerged among community people.
- The capacity of citizens to promote community development was enhanced through engagement (Ipsen et al., 2006).

Enhancing Rural Entrepreneurship Among People with Disabilities at the Local Level

Entrepreneurship is more than government or private agency support programs or individuals who have a hunger to follow their passions and create innovative enterprises. It involves a culture or mind-set (Hustedde, 2007) that stimulates shared learning and a systems approach. A learning community questions the *status quo*, discovers and shares new knowledge, and changes behavior to reflect its learning (Gruidl & Hustedde, 2003). The second premise involves strengthening the entrepreneurial ecosystem. Typically, rural communities neglect to question the gaps or missing parts in an entrepreneurial system or how the parts are interconnected. New frameworks are needed to animate people for fostering entrepreneurship. Systems thinking aligns technical assistance and financing programs and involves institutions at all levels (Dabson, Malkin, Matthews, Pate & Stickle, 2003; Macke and Markley, 2006). Advocacy groups need to move away from an exclusive focus on finding employment for those who are disabled. If they want to nurture independence and economic security, they also need to see themselves as economic partners in strengthening the local and regional systems for entrepreneurship. Abstract discussions about a learning community and a systems approach are likely to be frustrating for readers

who want practical applications of these principles. Hence, seven approaches for fostering an entrepreneurial ecosystem and culture are suggested.

First, it is important *to make a case for entrepreneurship*. It is in the self-interest of rural communities, vocational rehabilitation organizations, Centers for Independent Living, and those with disabilities to explore the promise of rural entrepreneurship. It is more than just small business. It is about innovation to meet needs and wants: mobilizing resources, sharing risks, building teams, and carrying that into for-profit or non-profit ventures including cooperatives and B corporations. Entrepreneurship is linked to rural vitality. A systems approach focuses on entrepreneurs and their range of personal and business needs and building supportive entrepreneurial communities. The case can be made for the spectrum of entrepreneurs that add to a community's quality of life and economic prosperity: survival entrepreneurs, lifestyle entrepreneurs, medium-sized businesses, growth-oriented entrepreneurs, civic and social entrepreneurs, and youth entrepreneurs. Unless a community can articulate the promise of entrepreneurship, local policy makers are likely to fall back on investing meager resources in industrial recruitment and attraction and ignoring the promise of entrepreneurship (Macke & Markley, 2006).

Second, rural communities need to *welcome fresh voices and to embrace inclusivity*. Those communities that welcome youth, immigrants, women, and the disabled to the table will achieve a great sense of belonging and a willingness to set goals and to bring about change. Those who are disabled may be reluctant to be involved in local organizations unless they are invited (Ipsen et al., 2006, p. 65), but they make up a significant part of rural America.

Third, communities and service groups for those who are disabled need to *mobilize resources for entrepreneurs* to thrive. A systems approach is needed. Consortiums need to be created among agencies, government institutions, and other organizations to lessen barriers for self-employment among those who are disabled (Balcazar et al., 2014). Some communities have

turned unused space or empty downtown stores into incubators with low rents and technical assistance for entrepreneurs to thrive in the areas of arts, agriculture, manufacturing, technology, and youth entrepreneurship. Several Iowa communities offer monthly technical assistance workshops for entrepreneurs to start or expand. Other communities have programs that link entrepreneurs and their ideas for expansion with informal investors on a regular basis.

Fourth, communities and those who served those who are disabled need to *focus on assets rather than deficits*. Kretzmann and McKnight (1993) revolutionized the field of community development when they questioned those in the most economically distressed communities in America about their strengths and assets including their skills, talents, and hidden resources. Asset mapping continues to inspire communities to focus on the positive and to build new opportunities. Those who are disabled as well as women, immigrants, youth, and others can become more involved when they see assets in themselves and others including cultural assets, natural assets, built assets, financial assets, political assets, social capital, and human capital (Emery & Flora, 2006). Entrepreneurship can be part of a community's wealth creation strategy. It can also enhance the environment and add to a community's quality of life (Markley & Stark, 2013).

Fifth, it is important to *cultivate networks for entrepreneurs to thrive*. As discussed earlier, entrepreneurial teams are more successful than loners. Individuals in a team can complement each other's strengths and weaknesses. Entrepreneurs with disabilities need full-time or part-time partners like any other business. In addition, entrepreneurs need to be exposed to a variety of models including small cooperatives. It is also important for those with disabilities or other perceived limitations to hear stories from entrepreneurs who have faced and overcome difficulties. Entrepreneurial recognition programs and other events can encourage entrepreneurial networking among different age groups, ethnic backgrounds, income levels, and other interests. Peer learning is one of the most effective tools for people to learn more effectively.

Sixth, communities, regions, and states need to develop a *shared vision about entrepreneurship*. If a community or region knows its assets and understands market potentials, it can develop a big picture of its future including an entrepreneurial focus in areas such as the arts, alternative energy, agriculture, recreation, and other venues. To be effective and compelling, these visioning initiatives must include those who are disabled, youth, women, and people from various ethnic and income backgrounds. An entrepreneurial ecosystem integrates entrepreneurship into school curriculums as part of a continuous learning and explores issues such as the demand and supply of debt and equity capital and technical services for business and civic innovators.

Seventh, *communities need to foster entrepreneurial leaders and advocates* to help the community and region to prosper. In helping entrepreneurs to recognize opportunities and build new ventures, communities can enhance their economy, improve their environment, and expand the diversity of people involved in public life (Markley & Stark, 2013). Vocational rehabilitation organizations and Centers for Independent Living must find ways to nurture leaders to advocate for entrepreneurs and strengthen the ecosystem for entrepreneurship to grow and mature. Questions must be explored about who is missing in alternative economic development strategies including youth, those from different ethnic backgrounds, income levels, or disabilities. Entrepreneurial civic leaders can also help small-scale entrepreneurs to move toward growth stages to serve new markets or provide new services or products by linking them with resources and networks or helping to craft local policies to foster expansions.

Summary

This chapter blends rural studies with scholarship about entrepreneurship and disabilities. It describes the level of disabilities in rural areas and explores the definitions and spectrums of entrepreneurship. There are similarities between urban and rural entrepreneurs with disabilities,

but rural areas have limited supportive services for entrepreneurs. However, there are unique opportunities for rural entrepreneurs that include natural resources, alternative energy, recreation, and other possibilities.

While federal policies and private initiatives can be helpful for rural entrepreneurs who are disabled, local communities must build an inclusive entrepreneurial culture that builds a learning community and involves a systems approach in which parts are interlinked. Seven practical strategies are offered for rural communities to build an inclusive entrepreneurial culture and an entrepreneurial ecosystem.

Learning Exercises

Self-Check Questions

1. What are some of the reasons that people with disabilities consider entrepreneurial activity?
2. What are the different entrepreneurial types?
3. What is the argument in favor of entrepreneurs consisting of teams rather than individuals?
4. What are the differences between urban and rural entrepreneurship?
5. How can entrepreneurship be enhanced for people with disabilities at the local level?

Experiential Activities

1. Interview an individual with a disability in a rural area that is engaged in entrepreneur activity or is self-employed, and report on how he or she got started and how he or she is maintaining the enterprise.
2. Meet with a local business owner, and discuss what is necessary to develop a business plan for a self-start business.
3. Identify an incubator for small business development in your local community, and determine available resources to assist in the development of entrepreneurial activities.
4. Interview a rehabilitation counselor that has a rural caseload, and discuss if he or she has

assisted clients to become self-employed and what supports and strategies were used.

References

- Arnold, N. (2011). *First national study of people with disabilities who are self-employed: Employment paper 13*. Rural Institute, University of Montana. Retrieved from http://scholarworks.umd.edu/ruralinst_employment/13
- Arnold, N., & Ipsen, C. (2014). *A rapid review of self-employment literature: Implications for the vocational rehabilitation program: Employment paper 32*. Rural Institute, University of Montana. Retrieved from http://scholarworks.umd.edu/ruralinst_employment/3
- B Lab. (2016). <https://www.bcorporation.net/>
- Balcazar, F. E., Kuchak, J., Dimpfl, S., Sariepella, V., & Alvarado, F. (2014). An empowerment model of entrepreneurship for people with disabilities in the United States. *Psychosocial Intervention, 23*(2), 145–150.
- Blass, F. R., & Ketchen, D. J. (2014). So, you want to be an entrepreneur? Lessons from the entrepreneurship Bootcamp for veterans with disabilities. *Business Horizons, 57*(1), 5–9.
- Bornstein, D. (2007). *How to change the world: Social entrepreneurs and the power of new ideas*. New York, NY: Oxford University Press.
- Bornstein, D., & Davis, S. (2010). *Social entrepreneurship: What everyone needs to know?* New York, NY: Oxford University Press.
- Dabson, B., Malkin, J., Matthews, A., Pate, K., & Stickle, S. (2003). *Mapping rural entrepreneurship*. Washington, DC: CFED.
- Dabson, K., Schroeder, C., & Markley, D. (2010). *Energizing our youth: Stimulating rural economies and stemming outmigration*. RUPRI Center for Rural Development, Retrieved from http://cfed.org/assets/pdfs/alc/Maryland%20CS%204_Schroeder,%20Craig_2%20handout.pdf
- Dewan, S. (2013, October 29). Microcredit for Americans. *New York Times*, B1.
- Emery, M., & Flora, C. (2006). Spiraling-up: Mapping community transformation with community capitals framework. *Community Development, 37*(1), 19–35.
- Entrepreneurship for the Public Good*. (2016). Berea College, Berea Kentucky. Retrieved from <http://104.131.44.191/en/about-us/about/>
- Fortunato, M. W.-P. (2014). Supporting rural entrepreneurship: A review of conceptual developments from research to practice. *Community Development, 45*(4), 387–408.
- Gartner, W. C. (2004). Rural tourism development in the USA. *International Journal of Tourism Research, 6*(3), 151–164.
- Gruidl, J., & Hustedde, R. (2003). Key practices in creating a learning community. In N. Walzer (Ed.),

- The American Midwest: Managing change in rural transition* (pp. 246–264). New York, NY: M.E. Sharpe, Inc.
- Gruidl, J., & Markley, D. M. (2015). Entrepreneurship as a community development strategy. In R. Phillips (Ed.), *An introduction to community development* (pp. 278–294). New York, NY: Routledge Press.
- Guthrie, M. J. D. (2013). *The rural youth entrepreneur project*. Doctoral dissertation, The University of Arizona, Tucson, AZ.
- Haltiwanger, J. C., Jarmin, R. S., & Miranda, J. (2012). *Who creates jobs? Small vs. large vs. young* (National Bureau of Economic Research Working Paper No. 16300) August 2010, Revised November 2012 JEL No. E24, L25, L26.
- Harris, S. P., Renko, M., & Caldwell, K. (2013). Accessing social entrepreneurship: Perspectives of people with disabilities and key stakeholders. *Journal of Vocational Rehabilitation, 38*(1), 35–48.
- Heath, K. L., & Reed, D. L. (2013). Industry-driven support (IDS) model to build social capital and business skills of low-income entrepreneurs with disabilities. *Journal of Vocational Rehabilitation, 38*(2), 139–148.
- Hustedde, R. (2007). What's culture got to do with it? Strategies for strengthening entrepreneurial culture. In N. Walker (Ed.), *Entrepreneurship and local economic development* (pp. 39–58). Lanham, MD: Lexington Books.
- Hustedde, R. J. (2008). Politics in rural America. In G. Goreham (Ed.), *Encyclopedia of rural America: The land and the people* (pp. 766–771). Millerton, NY: Grey House Publishing.
- Ipsen, C., Seekins, T., Arnold, N., & Kraync, K. (2006). A citizen-led program for rural community economic development: Two case studies. *Community Development, 37*(3), 53–69.
- Jones, M., & Latreille, P. (2011). Disability and self-employment: Evidence for the UK. *Applied Economics, 43*(4), 1001–1017.
- Kaufmann, B., & Stuart, C. (2007). *Road to self-sufficiency: A guide to entrepreneurship for youth with disabilities*. Washington, DC: National Collaborative on Workforce and Disability for Youth, Institute for Educational Leadership.
- Kerlin, J. A. (2006). Social enterprise in the United States and Europe: Understanding and learning from the differences. *Voluntas: International Journal of Voluntary and Nonprofit Organizations, 17*(3), 246.
- Kitching, J. (2014). *Entrepreneurship and self-employment by people with disabilities*. OECD background paper for the OECD project on inclusive entrepreneurship. Retrieved from <https://www.oecd.org/cfe/leed/background-report-people-disabilities.pdf>
- Kretzmann, J. P., & McKnight, J. (1993). *Building communities from the inside out* (pp. 2–10). Evanston, IL: Center for Urban Affairs and Policy Research, Neighborhood Innovations Network.
- Kusmin, L. (2015). Rural America at a Glance (2015) USDA economic information bulletin no. (EIB-145), p. 6. Retrieved from <http://www.ers.usda.gov/media/1952235/eib145.pdf>
- Lu, R., & Dudensing, R. (2015). What do we mean by value-added agriculture? *Choices*. Quarter 4. Retrieved from http://www.choicesmagazine.org/UserFiles/file/cmsarticle_479.pdf
- Macke, D., & Markley, D. (2006). Entrepreneurship and rural America. *Illinois Institute for Rural Affairs Rural Research Report, 17*(4), 1–6.
- Markley, D., Pages, E. R., Scruggs, P., & Miller, K. (2012). *Access to capital in rural America: Supporting business startup, growth and job creation in the wake of the great recession, interim briefing for USDA*. Rural Policy Research Institute. Retrieved from http://www.rupri.org/Forms/CapitalMarkets_Briefing_April2012.pdf
- Markley, D., & Stark, N. (2013). *Entrepreneurship development in rural America: Insights into triple bottom line and wealth creation impacts of entrepreneurship strategies, wealth creation in rural communities phase I report*. Washington, DC: RUPRI, CFED, & The Ford Foundation.
- Markley, D. M., Macke, D. W., & Luther, V. (2005). *Energizing entrepreneurs: Charting a Course for Rural Communities*. RUPRI Center for Rural Entrepreneurship; Heartland Center for Leadership Development.
- Meeder, A., & Cumber, C. J. (2007). Entrepreneurial activity by women in rural South Dakota. In *Western economics forum* (Vol. 6, No. 02). Western Agricultural Economics Association. Retrieved from <http://ageconsearch.umn.edu/bitstream/92861/2/0602004.pdf>
- Murray, J. (2012). Choose your own master: Social enterprise, certifications and benefit corporation statutes. *American University Business Law Review, 2*(1), 1–54.
- Potter, J., & Halabisky, D. (2014). *Policy brief on entrepreneurship for people with disabilities: Entrepreneurial activities in Europe*. Luxembourg, Europe: OECD/ European Union.
- Schroeder, C., Heinert, L., Bauer, L., Markley, D., & Dabson, K. (2010). Energizing young entrepreneurs in rural communities. In *Center for rural entrepreneurship RUPRI and hometown competitiveness*. Lincoln, NE: Heartland Center Publications. Retrieved from http://www.energizingentrepreneurs.org/content/cr_7/2_000240.pdf
- Shaffer, R., Deller, S., & Marcouiller, D. (2004). *Community economics: Linking theory and practice* (2nd ed.). Ames, IA: Blackwell Publishing.
- Shapiro, R. (Ed.). (2012). *The real problem solvers: Social entrepreneurs in America*. Stanford, CA: Stanford University Press.
- Sirolli, E. (2012). *How to start a business and ignite your life: A simple guide to combining business wisdom with passion*. Garden City Park, NY: Square One Publishers.

- U.S. Census Bureau. (2015). *2010–2014 5-year American community survey disability characteristics*. S1810. Retrieved from <http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>
- U.S. Department of Labor, Bureau of Labor Statistics. (2016, June 21). *Economic news release, persons with a disability: Labor force characteristics summary*. Retrieved from <http://www.bls.gov/news.release/disabl.nr0.htm>
- U.S. House of Representatives Small Business Committee. (2016). *Rural America*. Retrieved from <http://small-business.house.gov/issues/issue/?IssueID=5966>
- USDA Economic Research Service Population and Migration. (2017). Retrieved from <https://www.ers.usda.gov/topics/rural-economy/population/population-migration/>
- von Reichert, C., Greiman, L., Myers, A., & Rural Institute for Inclusive Communities, University of Montana. (2014). The geography of disability in America: On rural-urban differences in impairment rates. *Independent Living and Community Participation*. Paper 7. Retrieved from http://scholarworks.umt.edu/ruralinst_independent_living_community_participation/77
- World Bank. (2016, June 20). *Entrepreneurs and small businesses spur economic growth and create jobs*. Retrieved from <http://www.worldbank.org/en/news/feature/2016/06/20/entrepreneurs-and-small-businesses-spur-economic-growth-and-create-jobs>