

What Helps Rural Entrepreneurship Thrive?

Entrepreneurship is one of rural America's greatest economic strengths.

New businesses create jobs, build wealth that stays local, and give communities more control over their futures. But entrepreneurship grows from the assets already present in a place.

Using the Community Capitals Framework, this research examines seven forms of local capital—natural, human, cultural, social, built, financial, and political—and how each relates to rural entrepreneurship. [See our full report](#) where national analysis is paired with fieldwork in **Bozeman, Montana**, showing how these assets interact in practice.

What We Found

NATURAL CAPITAL is the strongest predictor of rural entrepreneurship, helping places attract talent and create opportunities rooted in local assets.

HUMAN CAPITAL is about more than degrees. Industry experience, technical knowledge, and years spent understanding a market also matter a great deal.



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CULTURAL CAPITAL can shape whether entrepreneurship takes root through local identity and attitudes toward risk, independence, and collaboration.

SOCIAL CAPITAL matters when it connects founders to customers, mentors, investors, talent, and one another.

BUILT CAPITAL provides the foundation, but broadband, housing, transportation, and physical spaces have greater impact when paired with programming and entrepreneur support.

FINANCIAL CAPITAL is as much about relationships as dollars, especially through community banks, CDFIs, personal networks, and connections to outside investors.

POLITICAL CAPITAL is the one form consistently associated with less entrepreneurship, pointing toward broad, place-based investments rather than incentives for individual firms.

The Takeaway

- **Rural communities do not need to become something they are not or build every form of capital equally.**
- **A stronger strategy may be to start with the assets a place already has, invest in them deliberately, and build connections between them.**
- **Entrepreneurship grows from an ecosystem of local strengths that reinforce one another over time.**



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