

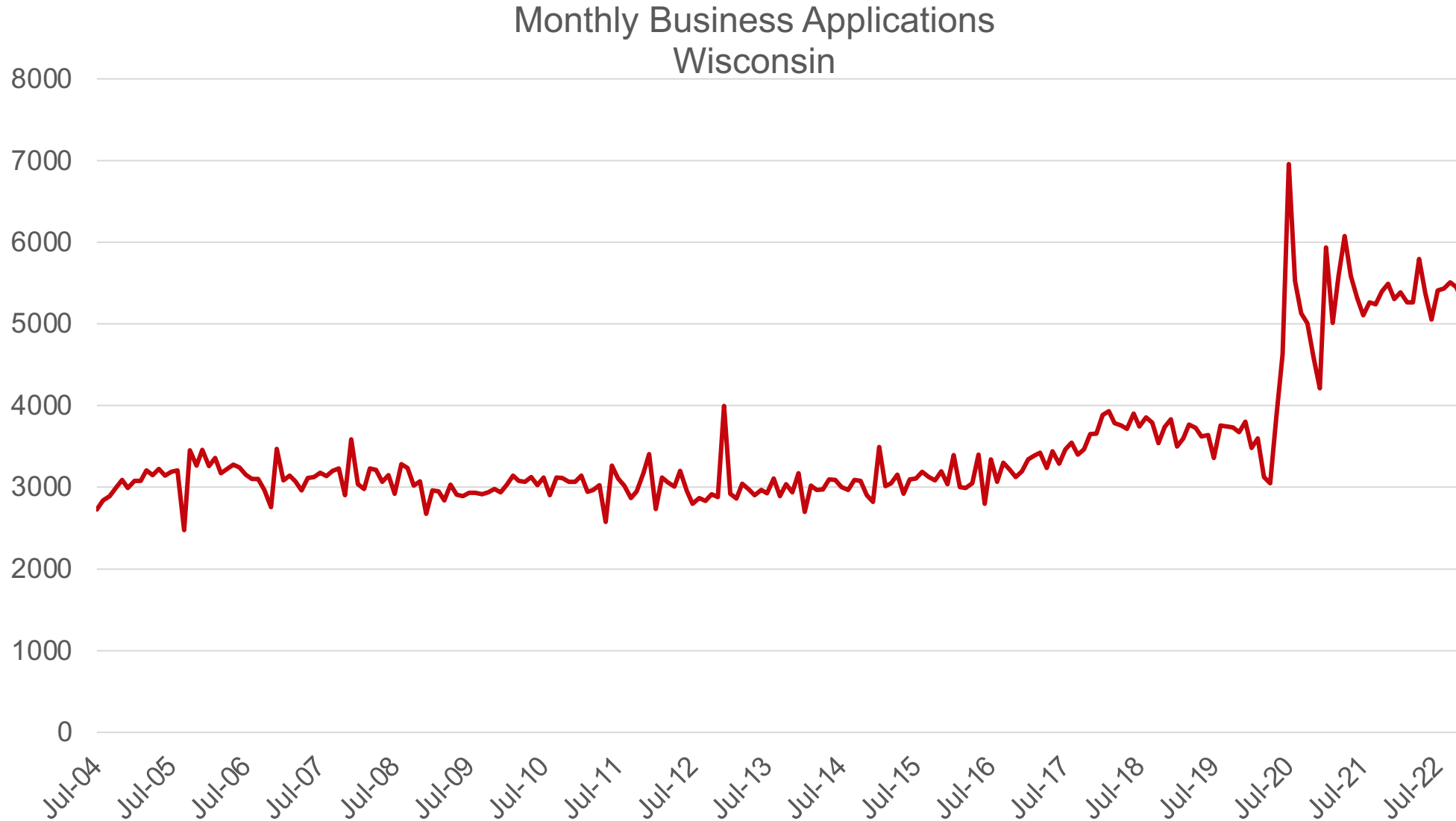


Rural Wisconsin Entrepreneurship

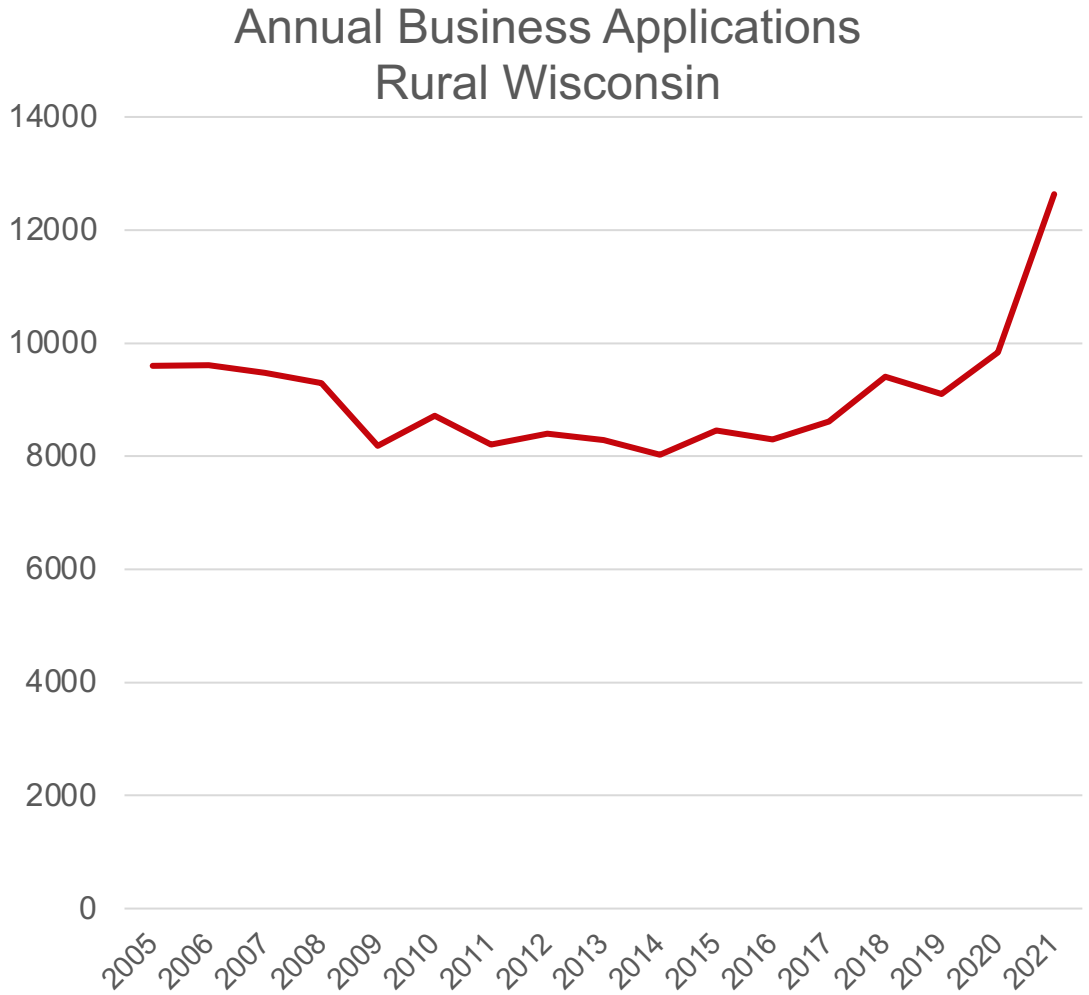
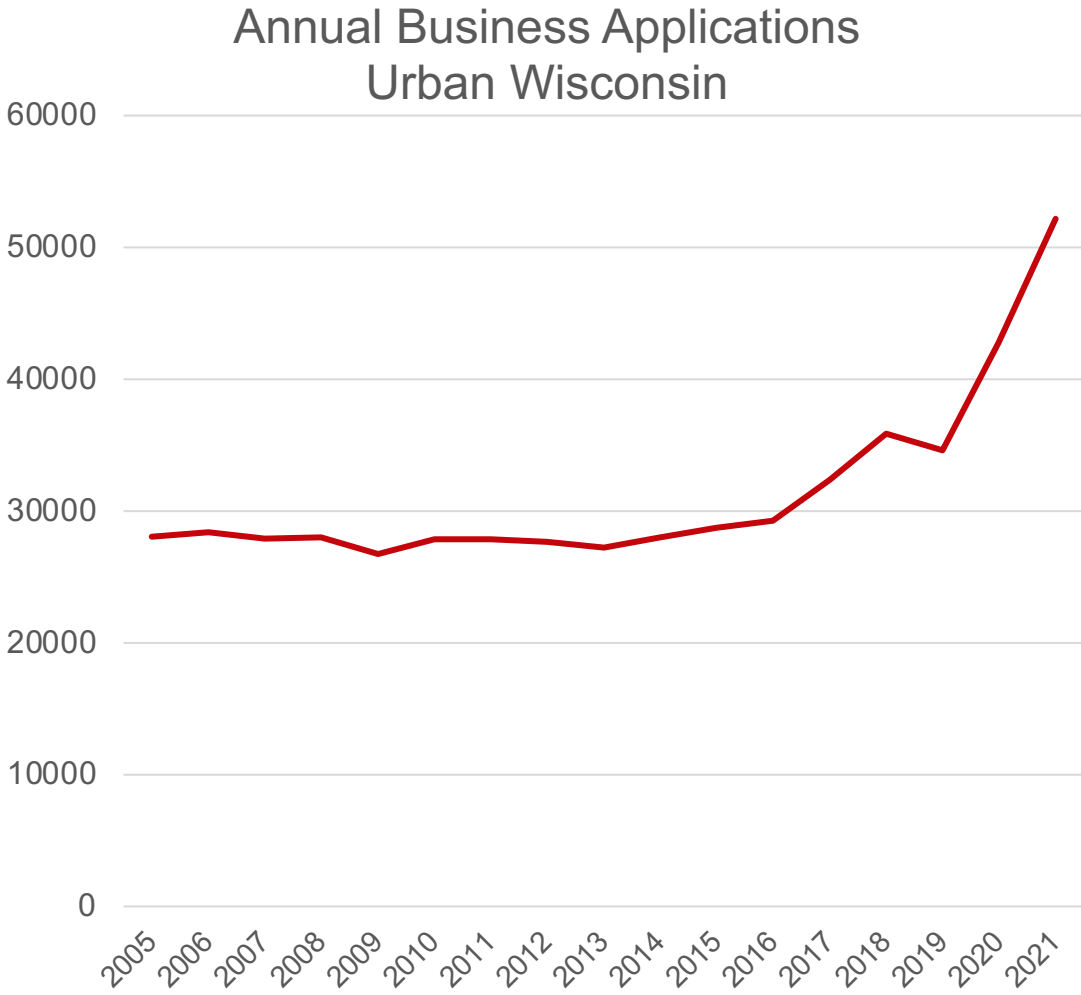


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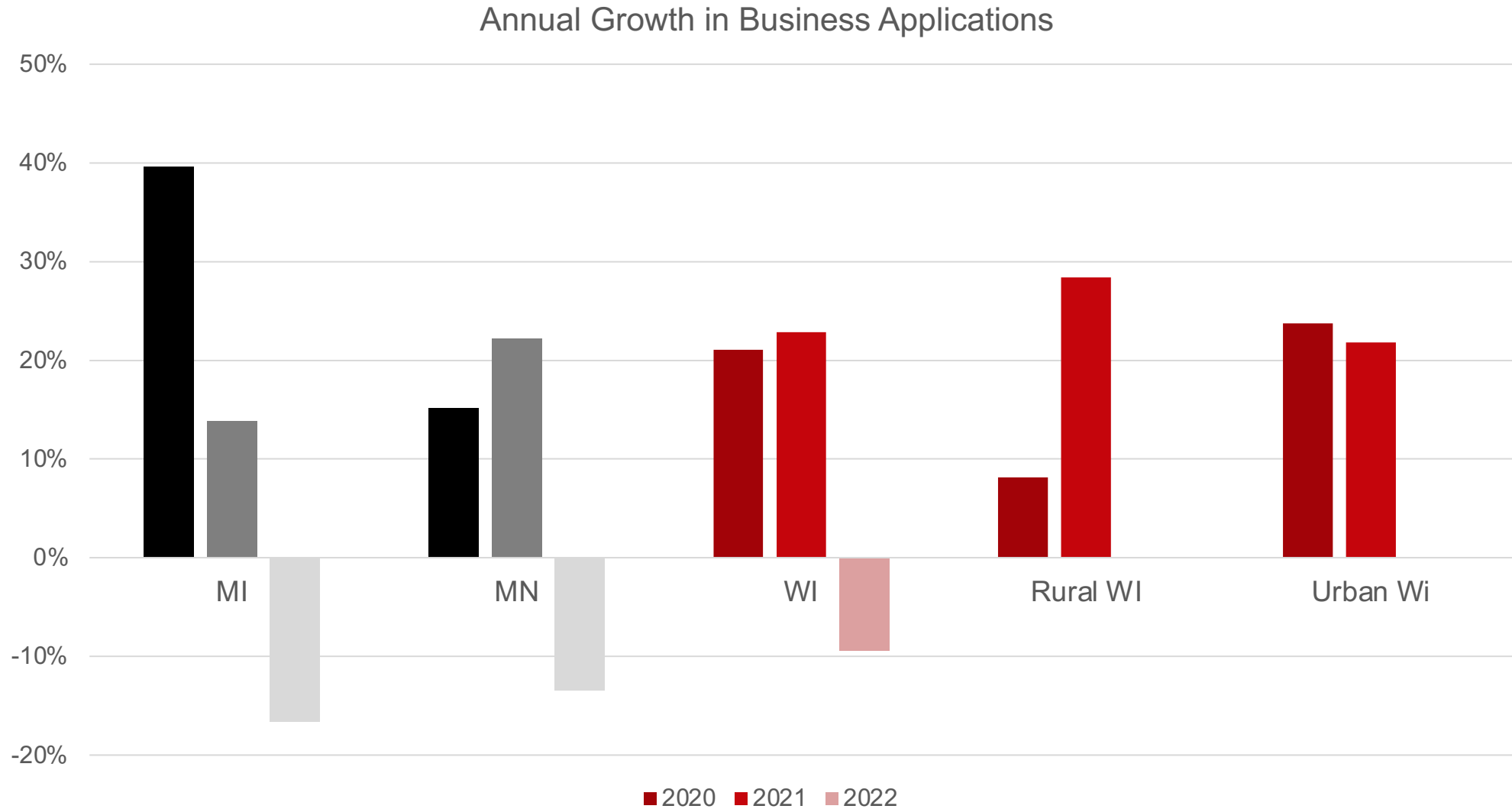
Entrepreneurial intent is high...

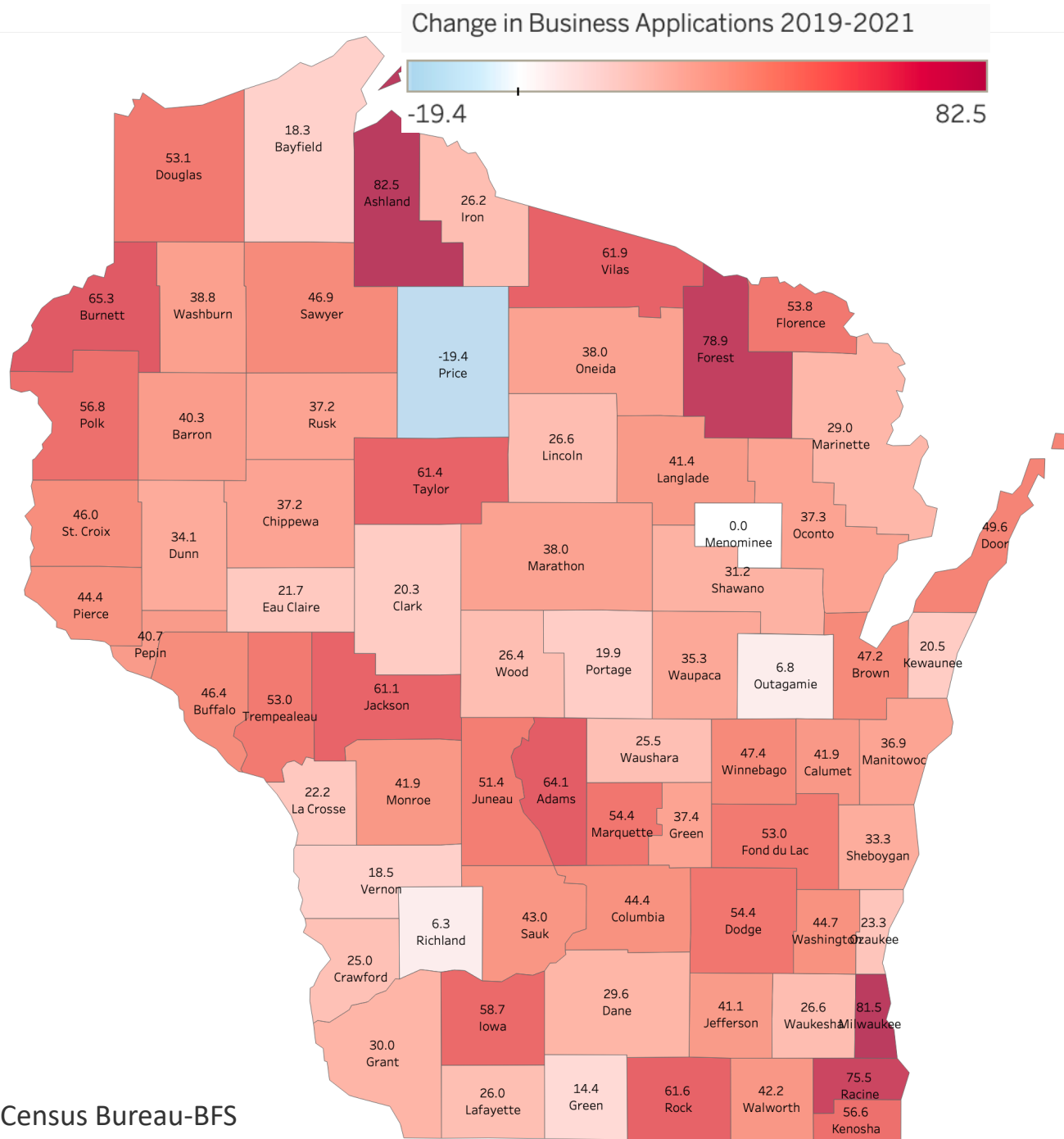


in rural and urban Wisconsin...



...though leveling off.

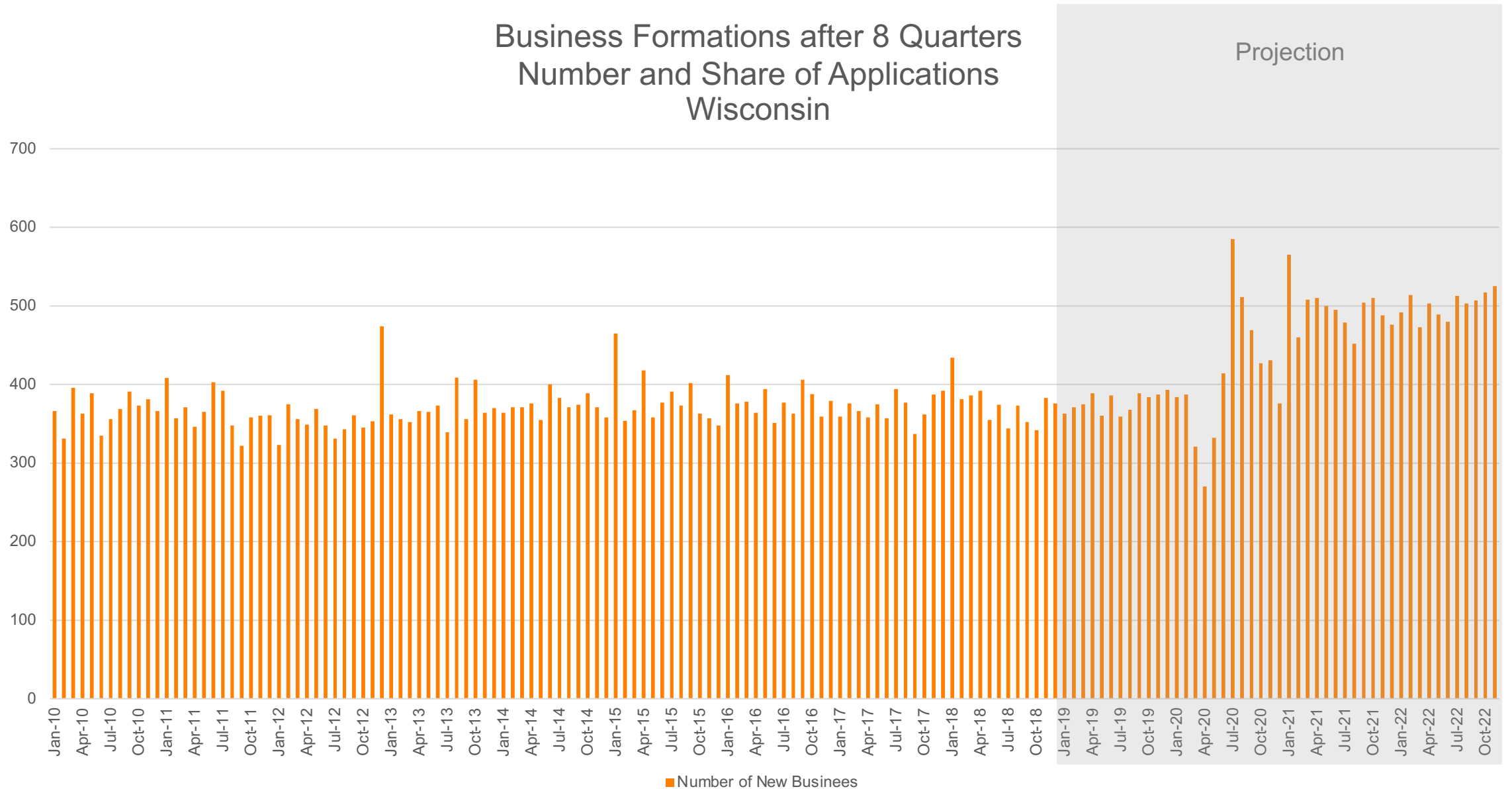




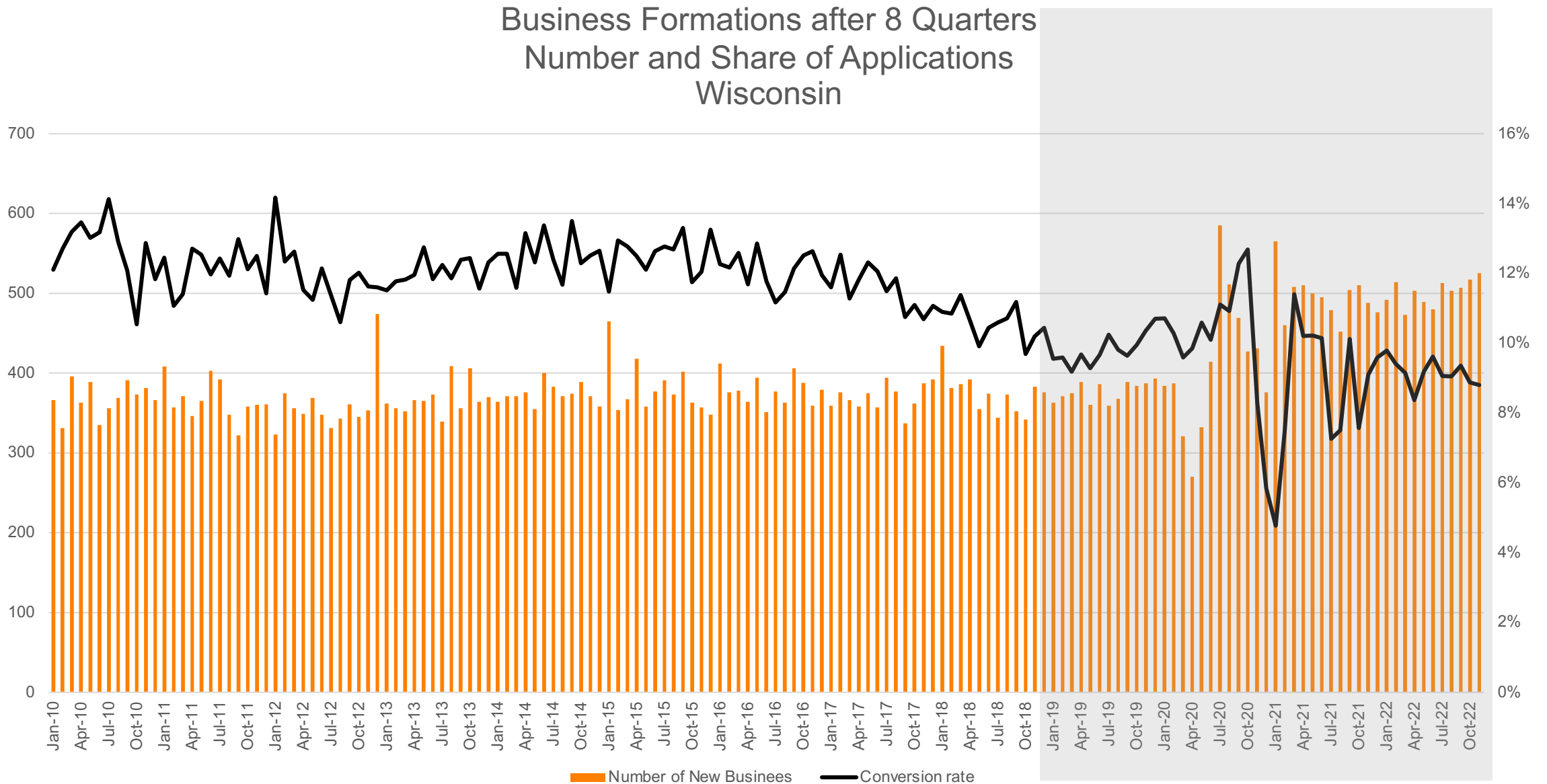
On average, from
2019 to 2021,
business applications
increased...

43% in urban counties
and
39% in rural counties.

Business formations are expected to increase...

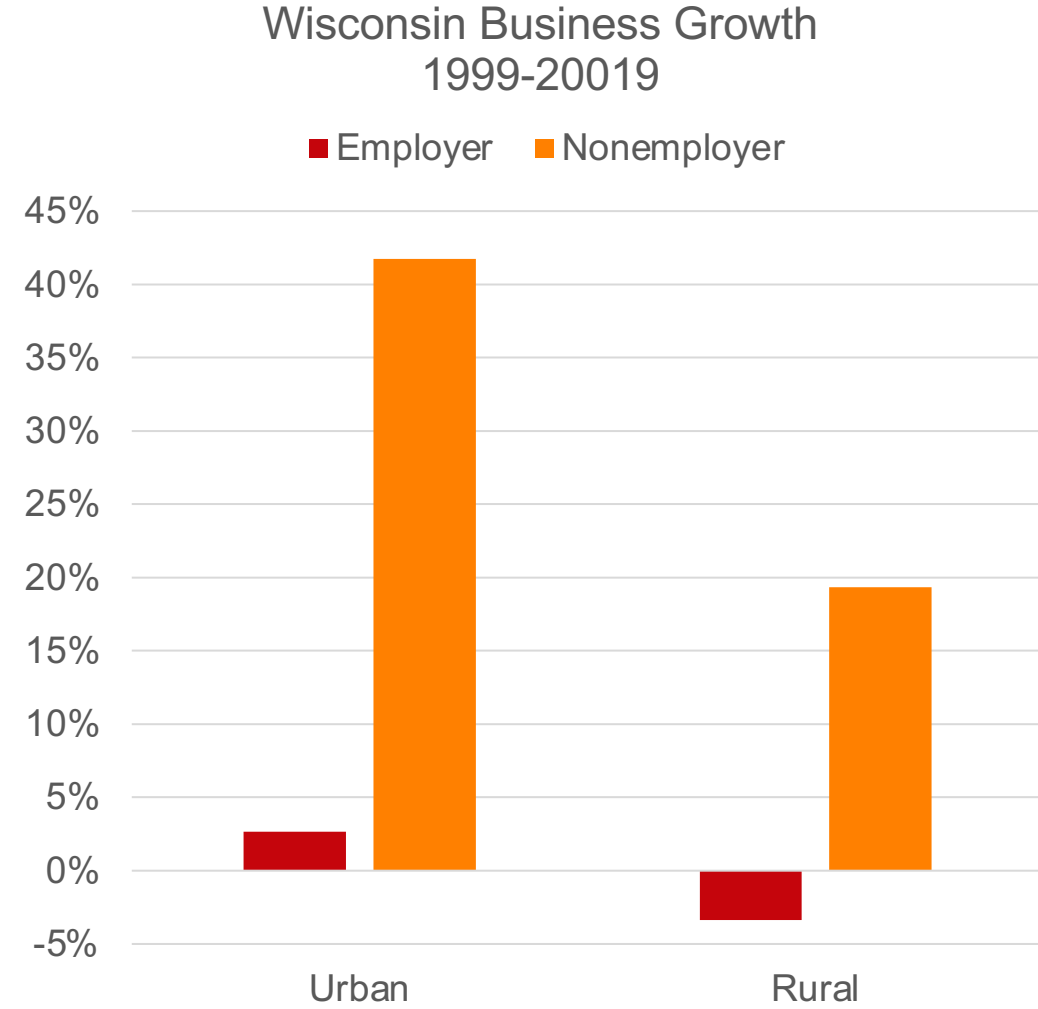
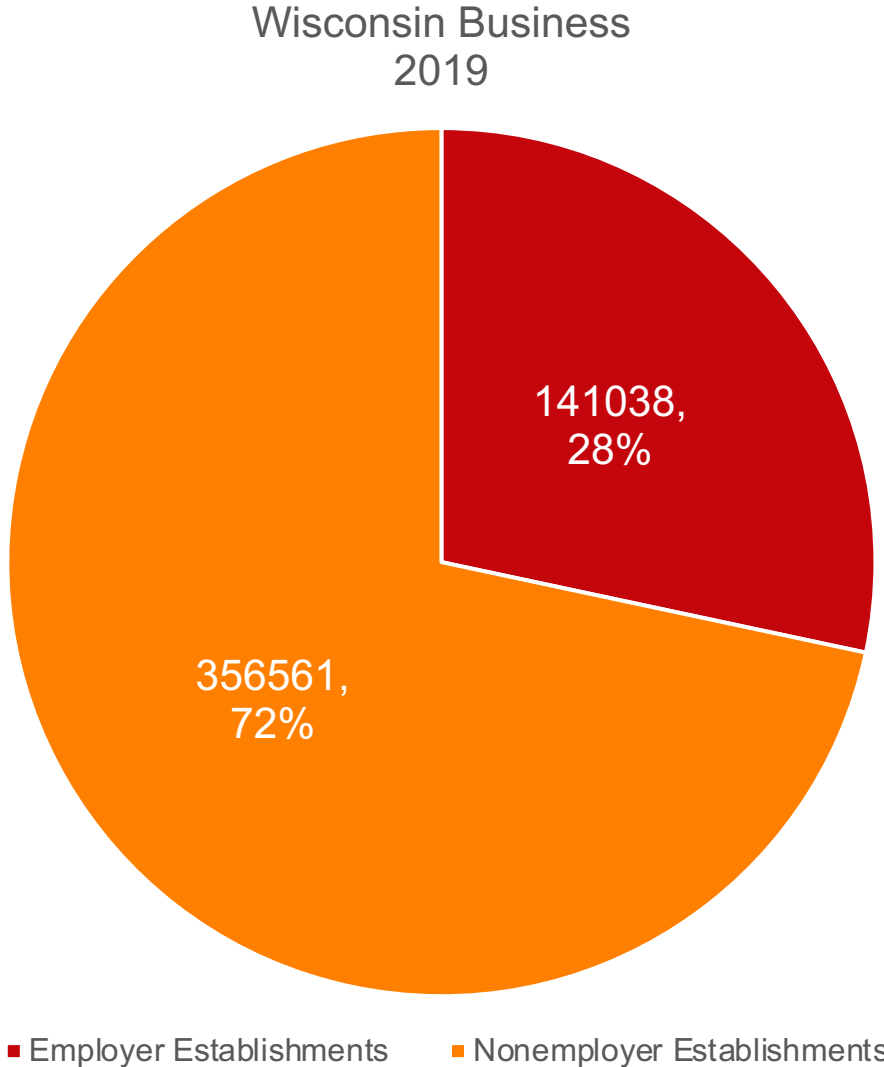


...but the rate of formation is declining.



Source: U.S. Census Bureau-BFS

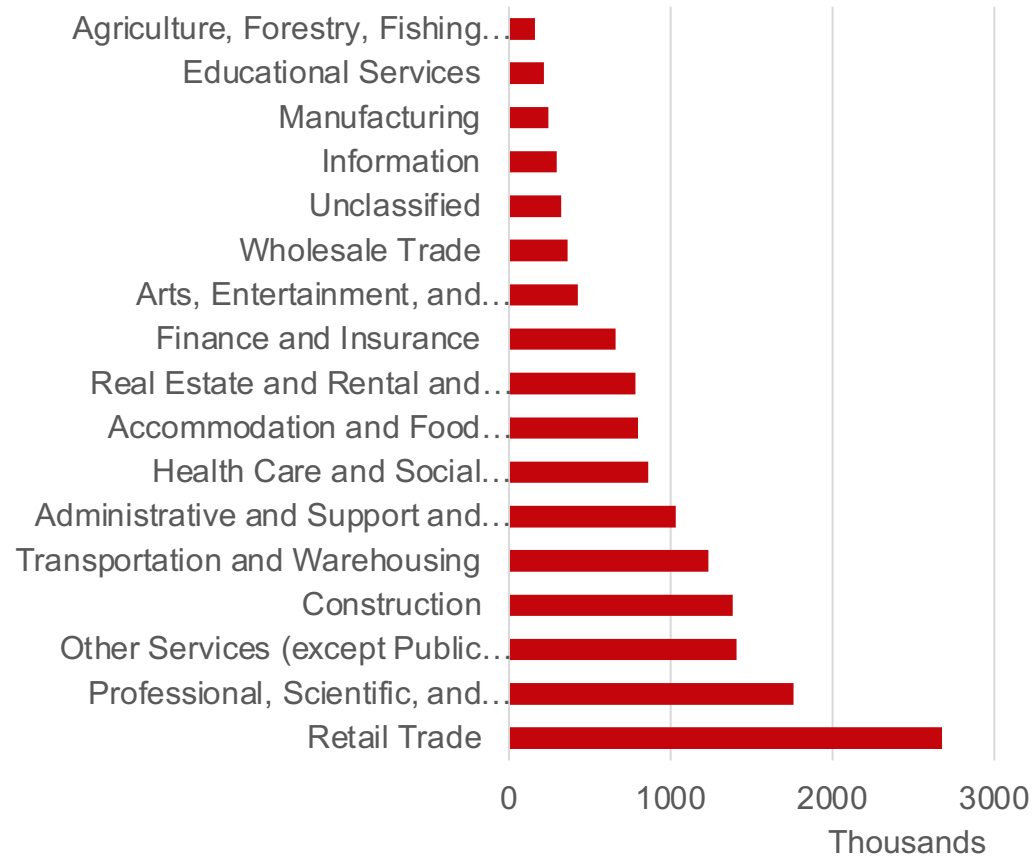
Some applicants will operate as nonemployer businesses.



Source: U.S. Census Bureau-NES, CBP

Many new businesses are likely online.

Business Applications Sector
2020-2022, United States



Business Applications by Retail Subsector
United States, 2020-2022



Research Findings


- Broadband has a positive effect on startup activity in rural areas.
- Especially in *remote* rural areas.
- Strongest effects on small and women-owned businesses.
- Suggests a strategy for equitably supporting entrepreneurs.

International Regional Science Review
Volume 45, Issue 1, January 2022, Pages 3-35
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<https://doi.org/10.1177/01600176211018749>



Article

Entrepreneurship, Broadband, and Gender: Evidence from Establishment Births in Rural America

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Abstract

Broadband access may have important implications for establishment births in rural areas, which feature thinner markets. Broadband may be especially important for rural nonemployer businesses, particularly those without a storefront, for access to nontraditional market channels. As women are more likely to run these types of small businesses, we further expect that broadband may have important implications for women-led businesses. With an effective instrumental variable approach, we find evidence that broadband access is a key factor leading to a higher establishment birth rate across business size and gender in rural areas. This paper identifies the largest effects on nonemployer, women-led and remote rural establishments.

Keywords

Broadband, entrepreneurship, start-ups, rural, gender

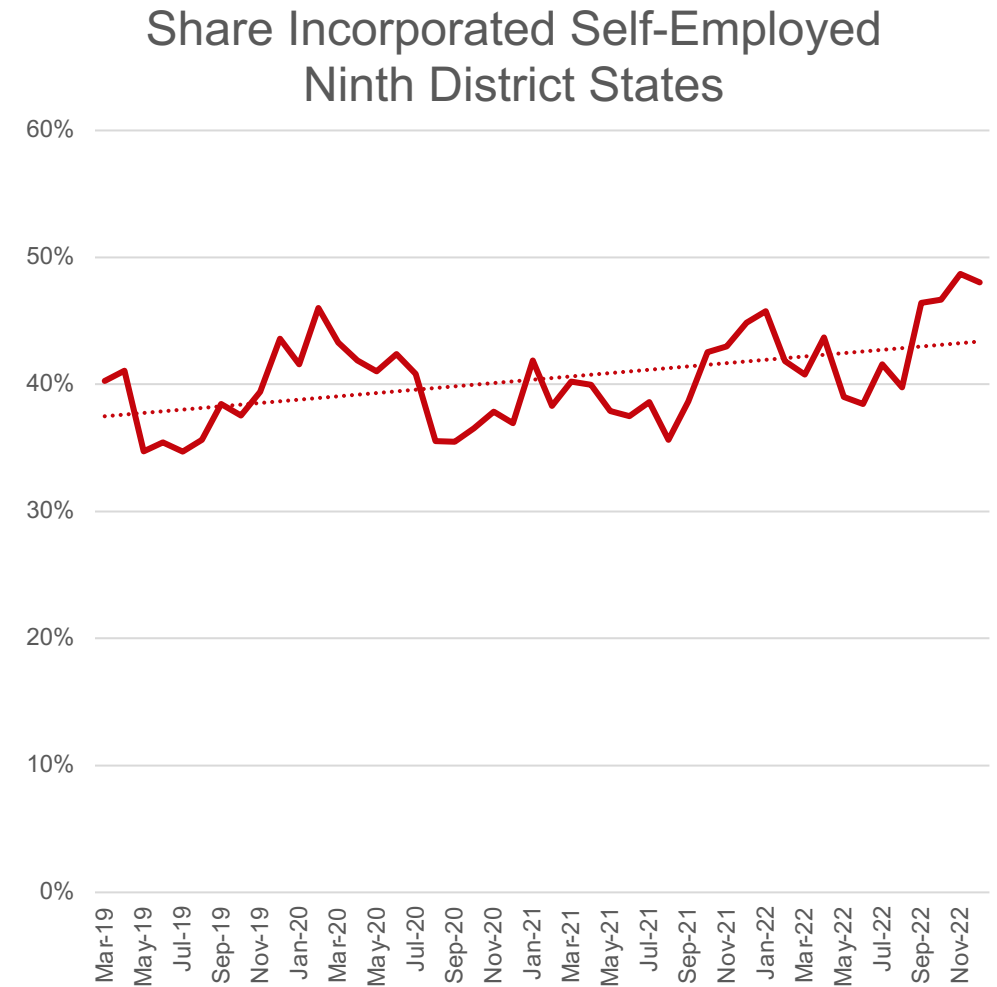
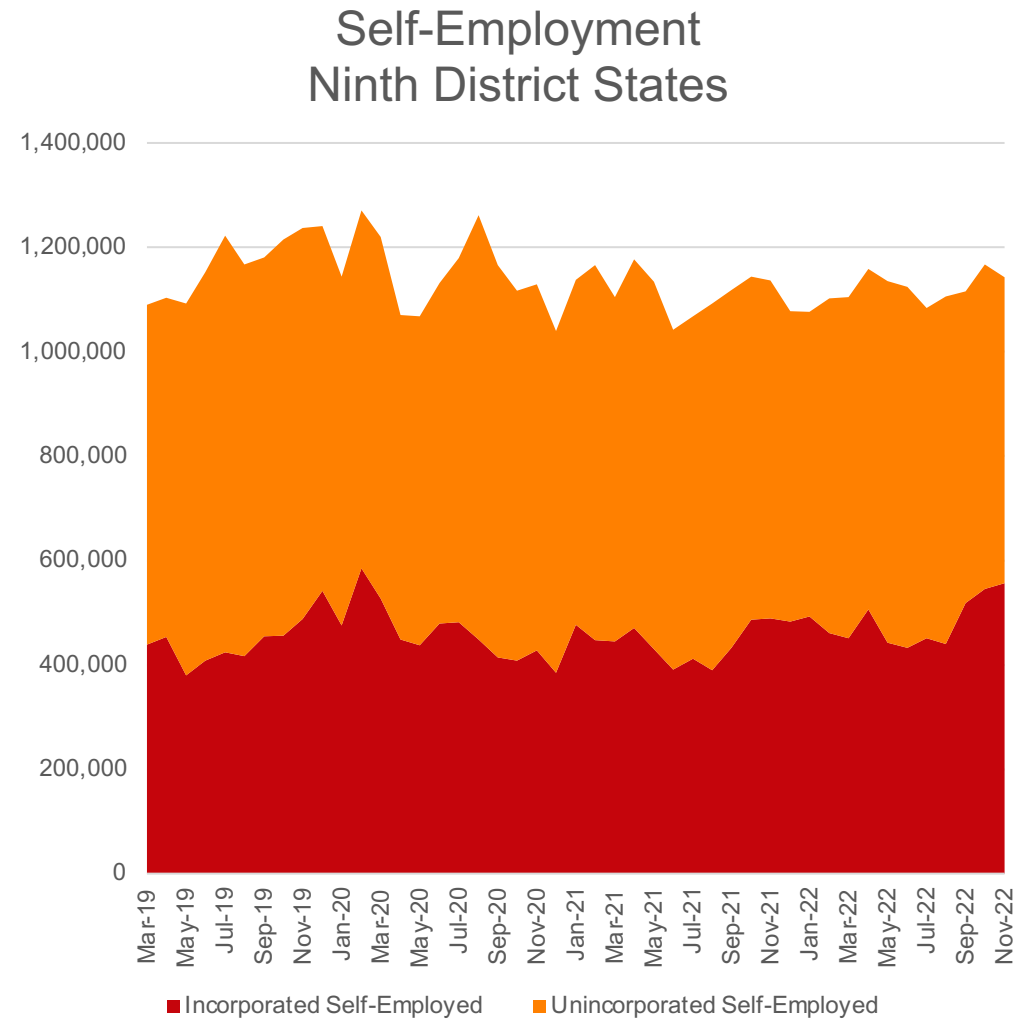
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The share of incorporated self-employment is growing.



Key Points

- In Wisconsin, business applications reached the highest level on record during the pandemic.
- Entrepreneurial intent is high but only a small share of businesses will eventually “form” (i.e. hire employees).
- The rise in business applications is likely to result in more nonemployer firms than employer businesses.

Strategies

- Investment in broadband infrastructure and adoption, as many new businesses were in online retail.
- Training, especially for online marketing, retail platforms, shipping, and logistic support.
- Financing programs that reduce barriers to capital for small businesses.
- Network development, peer-to-peer learning programs, and opportunities for entrepreneurs to share their needs and access business services.
- Expanding childcare.
- Programs tailored specifically to sole proprietors who have no employees as many new entrepreneurs fall into this category.



Looking forward to questions and discussion.

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