

Rural America's 'New Normal'

Small Businesses Hard Hit: But Out of Every Crisis Comes Innovation

BY NICOLE S. COLSON



Translating cutting-edge, highly-technical ideas to the world from a rural landscape seems ironic. Yet that kind of entrepreneurship is exactly what's possible in New Hampshire and Vermont, what's continuing to develop here, and now what's needed living in the "new normal."

Rural America lost a quarter-million jobs from February to March 2020 in the first wave of job cuts resulting from the COVID-19 pandemic. The job figures come from the latest report from the Bureau of Labor Statistics.

A new report published by Main Street America, a program of the National Trust for Historic Preservation, reveals that nearly 7.5 million small businesses are in danger of closing over the next five months, also as a result of the pandemic.

When stay-at-home orders were put into effect around the country this March, many were required to shutter their businesses or leave their offices until further notice. Many of these same people needed to equip their homes to be able to work from an office space there.

For those people, the transition may have been less than seamless.

THE BROADBAND PROBLEM ADDRESSED

"People working remotely in the western and northern parts of (New Hampshire), there's far less penetration of broadband," says

Kevin Peterson, Community Development Finance Authority Director of Economic Development. "There's nodes of capacity in towns like Keene, Hanover, Claremont and Littleton — beyond that, it can be a real problem."

In response to this need, the U.S. Department of Agriculture invested \$2 million in high-speed broadband in unserved and underserved rural areas in New Hampshire in May, which would offer new e-connectivity opportunities for nearly 900 households in Cheshire, Hillsborough and Sullivan Counties. The funds are allocated to the program through the federal CARES Act, and additional investments will be made in the coming weeks.

Other federal money from the CARES Act went to the U.S. Small Business Administration, which is offering free technical assistance to small businesses (those with 500 or fewer employees). These businesses make up for nearly half (44%) of the nation's economy and create two-thirds of new jobs.

"They've had double or triple the number of inquiries they had prior (to the pandemic)," notes Peterson of the U.S. Small Business Administration. "They have a database for monitoring business owners they talk with about how they stay in business and how to generate revenue."

Small businesses, he went on, have robust relationships with

banks, which can ease the process of applying for funding from federal programs like PPP (Paycheck Protection Program).

“New Hampshire is fortunate to have a number of mutual banks designed to serve small communities and businesses,” Peterson says.

The same program has already been in place through the Community Development Block program administered by the Community Development Finance Authority for micro-enterprise: businesses with five or fewer employees.

“There is a network of technical assistance providers already in place that help those microbusinesses and are now helping them navigate PPP and other resources to seek additional capital,” says Peterson.

The finance authority, which provides \$850,000 annually to this network, is working on a grant application to provide a similar amount of funding that would be available July 1.

“New Hampshire has one of the strongest and most successful micro-enterprises,” he notes.

GREEN RIVER: ‘OUR TIME HAS COME’

Not only has Michael Knapp’s Brattleboro software company, Green River, been successful in its social justice mission for 20 years — he sees his business shining most in this time of crisis.

Green River, which employs 18 people all now working from home since Knapp closed the Brattleboro office, creates custom software for environmental protection, public health and a sustainable ecosystem.

Starbucks is a Green River client, for one. Green River’s digital platform is used to certify 2.5 billion pounds of coffee, 100% of the coffee Starbucks sells. The company’s data system is used to ensure Starbucks is sourcing sustainably grown and processed coffee by evaluating the economic, social and environmental aspects of coffee production.

“Addressing climate change, environmental protection and public health have been our work for decades,” says Knapp. “We’re using technology as a force for positive change. Now the pandemic arrives and effects every project we have. All our work for the past decades has led up to this moment, and we have to do everything we possibly can to help. This is our time — we have an opportunity to touch lives at scale in meaningful ways that can help save lives. We’ve risen to the challenge.”

He does see an overall trend that has been sped up as a result of the pandemic: that the world is lurching forward in terms of its understanding of the value of, and use of, technology.

What “radically rural” means to Knapp and his team is that the cash is the fuel and not the purpose — the environment, human health and the community — those things are the capital, he explained, in their radically rural world.

“We are a team of programmers living in leaky log cabins in the woods, and we are so incredibly fortunate to be able to make a living here,” he wrote in an email. “This is ‘Green Valley,’ not Silicon Valley. There’s no billboards, beautiful hills and animals in our yard. (What we do here) is a way to show the world what is sustainability.”

RURAL LIVING: A POPULATION SURGE?

Rich Grogan is executive director of Northern Border Regional Commission, a federal-state partnership for economic and community

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— RICH GROGAN, EXECUTIVE DIRECTOR,
NORTHERN BORDER REGIONAL COMMISSION

development focused on communities in Maine, New Hampshire, New York and Vermont.

The Commission, founded in 2008, is part of the Farm Bureau and was formed during the decline of the forest products industry to assist communities in diversifying their economy through grant funding and workforce development projects.

“Rural economies have loyalty — neighbors, community members, select board members — that has an effect on the ability of those businesses to come back (following the pandemic),” says Grogan. “I’ve seen that community support — it’s a special thing about this part of the country. It’s one of the reasons we live here.”

He sees more people relocating to rural states from cities and more urban areas as a result of the pandemic — if local economies remain strong.

“Will people migrate? It’s something I’m watching,” he says. “The challenge is how to get new businesses to locate and start here and make a case for that. Out of every crisis comes innovation, and we hope to harness some of that innovation and help communities act on it. It’s a big part of our mission going forward.”

Mary Ann Kristiansen, executive director of Hannah Grimes Center for Entrepreneurship in downtown Keene, has also been hearing rural populations may surge, with more working-aged people moving to rural areas requiring the creation of more jobs.

“It can be good for economies,” she says. “How much will determine how much impact that has.”

Kristiansen saw a “strong and creative response” once the pandemic hit the region.

“I’m beginning to see the bubbling up of ideas and energies,” she says.

She believes mission-driven entrepreneurial skills will be more important now than ever and providing space, resources and networks for entrepreneurs equally important.

“People will still need to start, re-start or re-grow their business (after the pandemic ends),” says Kristiansen. “The fundamentals are there. The tools don’t change that much, but they will require more creativity.” ■

Nicole S. Colson writes from Swanzey, New Hampshire.