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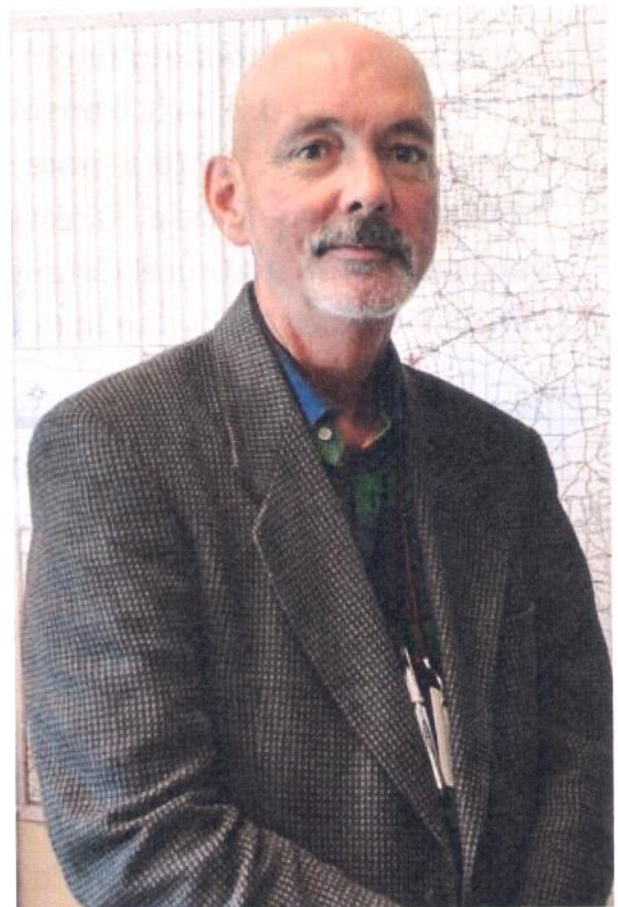
Conference highlights challenges for Texas small businesses

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On June 9 and 10, the Texas Rural Challenge Conference was held in Waco celebrating its seventh anniversary. Attendees from across the state included representatives from the governor's office and the Texas Workforce Commission, as well as mayors, county judges, city managers and economic development directors from rural areas. Notable keynote speakers included Agriculture Commissioner Sid Miller and Texas Secretary of State Carlos Cascos.

The conference is organized annually by the University of Texas at San Antonio Rural Business Program, which is part of the Small Business Development Center network. While the SBDC network focuses on providing assistance to small businesses, the RBP works with local leaders in typically underserved cities and towns in Texas to create revitalization strategies intended to increase economic opportunity and improve the quality of life in rural communities.



LYNDSEY JOHNSON
Thomas Tunstall

This year's conference featured recent findings from a report on small business in Texas that was released in April. The study was sponsored by the governor's office and authored by the UTSA Institute for Economic Development. Larry McManus and Bryan Daniel from the governor's office highlighted key takeaways from the report.

Of course, many small businesses remain challenged by a lack of capital, the ability to build assets, access to information and the availability skilled workers. But the report also took a look at longer-term trends, as well as the types of environments that are conducive to forming small businesses.

Research has shown that children of small business owners are more likely to start small businesses of their own. Recent studies also suggest that cities with a high concentration of creative class workers are more resilient in turbulent economic times.

A particularly interesting finding is that rural Texas — as well as small towns throughout the U.S. — is transitioning from an agricultural and manufacturing-dominated economy to a more sustainable and diverse urban-rural interdependence model. In essence, this means that the traditional dichotomy between urban and rural definitions is beginning to blur and that more and more jobs will be created in the service sector, regardless of their location.

It's worth noting that over the past few decades, rural communities witnessed population decreases and watched helplessly as downtown buildings became abandoned. Many of those same rural areas are now in the process of revitalizing themselves. These rural cities and towns are seeing their populations start to grow instead of shrink, often by implementing mixed-use zoning that combines residential with commercial functions.

One of the themes discussed during the conference's plenary sessions by Charles "Tee" Rowe of America's SBDC and Bryan Daniel, executive director for economic development in the governor's office, centered on figuring out ways to attract knowledge workers to rural areas. Among the factors identified was high-quality infrastructure, which includes items such as affordable broadband, strong K-12 education, a varied housing stock and hospitals.

Also important is quality of life. Research is beginning to demonstrate that

knowledge workers will frequently choose the location in which to live before they make the choice about work. A community's quality of life is a key driver of that decision.

In 2012, small firms — defined by the Small Business Administration as those with fewer than 500 employees — represented 98.6 percent of Texas employers. In that same year, small businesses with fewer than 100 employees hired about 3 million workers and had an estimated total economic of \$844 billion in gross output.

The full report can be found [here](#).

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Guest Contributor

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