

STRENGTHENING EQUITABLE ENTREPRENEURIAL ECOSYSTEMS ACROSS AMERICA



The E3 Initiative, a pilot program focused on strengthening entrepreneurial ecosystems in Main Street communities, reached 250 communities across 9 states and Puerto Rico, engaging nearly 900 entrepreneurs and resulting in 27 on-the-ground projects supported by \$160,000 in subgrant funds and \$100,000 of matching funds.

The Initiative's three phases included statewide meetings of Main Street programs; deep engagement, training, and technical assistance in 30 communities; and subgrants to the local communities for projects strengthening their entrepreneurial ecosystems.



Anniston, AL

Over the course of the Initiative, we've learned a lot about how Main Streets and similar organizations can be champions of successful equitable entrepreneurial ecosystems.

Here are nine lessons we've learned thus far.

LESSON #1

Main Street organizations, with their inherent focus on trust, collaboration, and downtown vitality, emerged as powerful hubs for fostering local entrepreneurial ecosystems.

Main Streets are locales full of very small, independently-owned businesses, and Main Street organizations generally support robust local economies by growing from within, not by luring major employers from outside town. Main Street America small business surveys from 2020 and 2022 showed that between 66-70% of responding business owners live in the community where their business is located. And yet, at the start of the E3 Initiative's community work, nearly two-thirds of responding entrepreneurs reported that they were unfamiliar or had limited familiarity with their local Main Street program. This disconnect represented a significant, yet untapped, opportunity. The E3 Initiative led Main Streets to fulfill that opportunity directly.

Local Main Street programs work from foundations of relationships and trust built through consistent communication, personalized support, and a deep understanding of local needs. As district-level, downtown-focused organizations, participating Main Streets connected existing business-serving organizations (BSOs) and entrepreneur support organizations (ESOs) with local government officials, property owners, farmers markets and similar marketplaces, and, of course, small business owners and entrepreneurs.

In the words of one Main Street coordinator:

"Downtowns are uniquely positioned to create these ecosystems."

In another state where a variety of statewide economic development entities already worked actively, one Coordinating Program staff member acknowledged the need for collaborative humility and recognized Main Street's unique position to bridge existing gaps and foster a more integrated ecosystem.

"Main Street's role in the middle positions us well, but [you may need to] recognize that folks may not roll out the red carpet for you."

By leveraging their inherent strengths, Main Streets can serve as crucial conveners and catalysts for equitable entrepreneurial growth.

LESSON #2

Financial resources are critical, but money is truly just one piece of the puzzle.

Entrepreneur surveys, both from the E3 Initiative and Main Street America's Research team, consistently revealed a strong demand for both financial and technical assistance.

Access to capital is undoubtedly crucial at all stages of a small business lifecycle, and grant funds that don't require repayment are an ideal source of funds for many small business owners. But financial capital doesn't solve it all.

Tailored technical support and targeted resources can be transformative and catalytic as well, and Main Street leaders who pound the pavement and visit with entrepreneurs regularly can be a source of comfort, support, insight, and assistance, with or without cash in hand. The work of successful Main Street leaders supporting entrepreneurial ecosystems involved regular, face-to-face interactions, building rapport, and gaining a deep understanding of each entrepreneur's unique challenges and aspirations.

Specifically, respondents highlighted the need for grant funding, branding and marketing support, and business operations assistance, including e-commerce and digital marketing.

Ultimately, the E3 Initiative demonstrated that a holistic approach, combining financial resources with personalized support and guidance, is essential for fostering sustainable entrepreneurial growth.

Junction City, KS



LESSON #3

While real economic development wins can come quickly through energized entrepreneurial ecosystems, the most profound successes may take time.

As one of the programs receiving a subgrant and developing a project to support their entrepreneurial ecosystem, Main Street Anniston in Anniston, Alabama, partnered with their local small business development center (SBDC) to spearhead a series of free business education classes that covered ten essential business topics. They culminated their training program with a pitch competition. Main Street Anniston saw first-hand that practical application of the lessons drove success. They write:

“Ending the program with a pitch competition helped participants apply their knowledge in a meaningful way, boosting confidence and readiness to launch their businesses.”

Their efforts proved that structured education and community support can lead to tangible economic development.

“Seeing seven participants successfully start businesses within the city proved that structured education and community support can lead to tangible economic development.”

Anniston, AL



LESSON #3 (CONTINUED)

While real economic development wins can come quickly through energized entrepreneurial ecosystems, the most profound successes may take time.

Mount Vernon, WA



In Centralia, Washington—another of the subgrant winners—local leaders worked to open a makers' collective. They hosted an open house of the maker space during one of their largest annual events and later reported that the open house “successfully engaged the community, generating excitement and valuable feedback.” Reflecting on their open house, however, they decided that “deeper outreach is needed to ensure broader participation from underrepresented entrepreneurs. Strengthening partnerships with local organizations and schools will help us reach a more diverse audience.” Rather than forcing their initial plan, Centralia leaders demonstrated adaptability, pivoting to an alternative location for the makers' space that offered greater accessibility and long-term sustainability.



Centralia, WA

Leaders in Mount Vernon, Washington, came to a similar conclusion. While Mount Vernon leaders originally planned to use subgrant funds to print a start-up guide for entrepreneurs, they realized they could have deeper impact by investing time and money in students at their local high school. Mount Vernon's investment in a high school internship program represents a strategic, long-term approach to cultivating the next generation of entrepreneurs, with the goal of ensuring a vibrant downtown for decades to come. When the internship program launches in Fall 2025, the high school students will receive stipends and course credit, and they will be paired with small business leaders in Mount Vernon's Main Street district.

These diverse examples illustrate that while immediate economic gains are valuable, the most impactful and sustainable entrepreneurial ecosystems are built through a combination of short-term initiatives and long-term strategic investments.

LESSON #4

In the realm of entrepreneurial ecosystem development, the most effective training and resources are born from direct, personal engagement with community members and entrepreneurs.

Supporting new entrepreneurs requires a rich and personal understanding of the particular strengths and challenges that businesses are facing. Resources should be highly customized to local challenges. Unlike in some traditional economic development work, where large industrial and commercial businesses are offered a multitude of resources, data, and workforce solutions, entrepreneurial ecosystem work requires great care, customization, and intensive, one-on-one support.

Close collaboration is a must, and work should be done with and not for small businesses and entrepreneurs. Participating Main Streets with subgrant projects understood this:



“The focus groups provided critical insights, ensuring that the E3 Initiative addresses real challenges rather than assumed needs.”

“Our hope is that as we continue to connect with entrepreneurs, we will be able to directly hear from them what they need or are looking for and be able to work with the organizations in our community to provide the necessary resources and opportunities.”

“Instead of assuming what small businesses need, we found value in direct conversations with entrepreneurs to understand their challenges and tailor support accordingly.”

“We learned we must work directly with the entrepreneurs in order to develop the website and small business guide.”

It's critical that ecosystem leaders shift from assumptions to direct dialogue, ensuring that support is tailored to the specific needs of local entrepreneurs. By prioritizing direct engagement and personalized support, Main Street programs can create more responsive and effective entrepreneurial ecosystems.

LESSON #5

When trust is established and training is thoughtfully designed, entrepreneurs can rapidly translate knowledge into tangible momentum.

Ponce, PR



With grounded relationships and trust established, Main Streets can help entrepreneurs move from knowledge to action. While community entrepreneurs undoubtedly understand their needs, it sometimes takes Main Street leaders convening stakeholders and prompting conversation to set a course of action in response. Said one coordinator:

“Communities usually know what they need. What they don’t know is how to get there.”

As their subgrant project, the local lead organization in Ponce, Puerto Rico, established a consortium with local and regional partners and set to work providing education and training for entrepreneurs. They developed two multi-day workshops focusing on business creation and development. The local lead in Ponce pointed out:

“While business owners feel as if they never have the time to take time to learn and grow, once they go through programs that demonstrate immediate wins for their businesses and administration practices, they want more training”.

The key was demonstrating immediate, practical applications of the training, which quickly motivated entrepreneurs to seek further development.

By providing targeted, action-oriented training, Main Street programs can empower entrepreneurs to overcome obstacles and drive rapid economic growth within their communities.



LESSON #6

Building truly equitable and inclusive entrepreneurial ecosystems often requires navigating the complex and sometimes contentious language surrounding “equity” and “inclusion.”

The E3 Initiative explicitly set out to support entrepreneurs who are not part of the dominant demographic group. Program leaders pushed to engage with people of color; women, transgender, and non-binary entrepreneurs; and entrepreneurs who were not U.S. citizens. In many communities participating in the E3 Initiative, however, more than 90% of residents are non-Hispanic white Americans.

The leaders of the E3 Initiative found that they got warmer reception and greater traction when they talked about access to entrepreneurial resources, welcoming new business ideas from new entrepreneurs, and the belonging that entrepreneurs felt in the communities. This shift in language resonated more deeply with community members, fostering a sense of shared purpose and reducing defensiveness.

By asking “What does diversity look like in your community?” and “What barriers or inequities exist as a result?” E3 leaders encouraged communities to move beyond abstract concepts and address the specific challenges faced by their residents.

In some rural environments, one MSA staff leader originally from Latin America found that he could quickly win favor by talking about how he can milk a cow by hand. Though cow-milking was certainly outside the entrepreneurial ecosystem discussion, forging connections through shared experiences brought groups to the same table where rich and productive dialogue could continue.

LESSON #7

Recognizing that entrepreneurial engagement hinges on the “speed of trust,” ecosystem leaders must prioritize flexible scheduling and diverse learning opportunities.

It’s important to build relationships that account for different kinds of learning, different needs, and different schedules. Working at the “speed of trust” involves building genuine relationships, fostering open communication, and demonstrating a commitment to understanding individual needs. For example, in the E3 subgrant project in Anniston, Alabama, ecosystem leaders took care to provide training in the mornings, in the evenings, and at different times of year.

Incubators are great, but what might really be needed is breakfast—some food that can bring people together for relationship, trust, and vision building. If entrepreneur schedules are rarely aligned, consider providing virtual resources that can be stored online and viewed on-demand, or offer in-person workshops that have a virtual component.

Campbellsville, KY



Acknowledging the particular timing challenges of entrepreneurs in your community and adjusting plans accordingly could be the difference between a missed connection and a foundational relationship.

LESSON #8

Entrepreneur supportive spaces are not “one-size-fits all.”

In work with entrepreneurial ecosystems, there is often strong interest in creating spaces for entrepreneurs: business incubators, retail pop-ups, shared commercial kitchens, or maker spaces. Not all incubators or shared spaces will work in every community. Organizations must know the demographics of their business owners, workforce, community residents, and visitors, and work with business owners to understand their space needs.

On Main Street, physical spaces take many shapes beyond just co-working, incubators, and accelerators. Ecosystem leaders should thoughtfully consider what would be most useful based on local market characteristics, available commercial spaces, and other factors.

This could involve creating a progression from home-based operations to market stalls or pop-ups, followed by shared retail spaces, low-cost incubators, and eventually, standalone storefronts.

Is a shared retail space needed? Something that is time-limited like a pop-up? Should the space focus on training, production, or both? How can this space create a pipeline for entrepreneurs?

Entrepreneurial spaces take many shapes:

**FOOD TRUCK
FOR RENT**

**POP-UP
STORE**

**CO-WORKING
SPACE**

**BUSINESS
ACCELERATOR**

**STOREFRONT
RETAIL**

**EVENT
RETAIL**

**SMALL-SCALE
WORKSHOPS &
FAB LABS**

**MAKER'S
STUDIOS**

Entrepreneur support spaces may not need to be something giant and all-inclusive. It may not need to be a physical space or a tangible object at all. Beyond physical locations, virtual spaces offer a powerful complement, bridging geographic gaps and fostering connections based on shared interests and business types. These online communities can cultivate idea sharing, networking, and peer-to-peer support, creating a sense of belonging within the broader Main Street network.

LESSON #9

Consider the timing that will work best for you and your Main Street.

If you've read this far and you're feeling excited to get started supporting an entrepreneurial ecosystem in your community, we suggest you first take a moment to pause and reflect on whether the timing is right for you. Ecosystems need champions who are experienced and committed—in most cases, they should be full-time leaders who have been on the job for at least two years and are feeling energized about facing new challenges in future years of Main Street leadership. They should already have a clear understanding (and documentation!) of the entrepreneurial assets in their districts, including a business inventory and relationships with other business serving organizations and entrepreneur support organizations.

In the Main Street America network, local leaders may want to lean into entrepreneurial ecosystem support after the Transformation Strategy process as it's important to be familiar with market data, have strong community-wide engagement, and have a documented community vision. By prioritizing readiness and strategic planning, Main Street programs can maximize their impact and cultivate a sustainable entrepreneurial ecosystem.



What a strong and effective entrepreneurial ecosystem looks like will vary from one community to the next. It likely isn't just a pipeline for moving folks from a business idea to a downtown storefront, but something rooted in strong relationships, mutual trust, and effective communications, and centered in a shared vision amongst many partners. We hope you consider the challenges carefully and, when you're ready, launch yourself into the meaningful work of supporting entrepreneurial growth in your community.

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