



# Missouri Economy Indicators

## Community Engagement and Entrepreneurship

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The 2021 [Civic Health Index](#) report paints a worrisome picture: a decline in community organization memberships, raising concerns about the state of our civic engagement. Adding to the concern, a [2018 Pew Research Center](#) study found that 40% of Americans lack a strong connection to their community. However, there is a silver lining amidst these troubling findings. According to a 2019 study from the Philanthropy for Active Civic Engagement (PACE) and the New Economy Initiative (NEI), a significant portion of entrepreneurs (61%) report feeling "very connected" or "extremely connected" to their communities. This contrast highlights a unique characteristic of entrepreneurs—despite the broader societal trend of disengagement, they often maintain robust community involvement.

### Community Support a Key Motivator for Business Owners

The 2022 U.S. Census Business Survey sought insights from business owners regarding their motivations for running their own companies. Nationally, 26% of respondents cited helping their community as very important. This sentiment was echoed by 22% of Missouri business owners.

Both female and male U.S. business owners are motivated to help their community (27% and 25%, respectively). Nearly half of U.S. Black or African American female business owners feel it is very important (49%). Overall, minority business owners hold a higher regard compared to non-minorities (36% and 23%, respectively).

### Primary Motivating Factors for Business Owners

*Percent of respondents indicating factor is "very important"*

Reason to Own Business	Missouri	U.S.	U.S. Non-minority	U.S. Minority
Greater income	60%	62%	61%	66%
Wanted to be my own boss	59%	62%	62%	65%
Best avenue for ideas	51%	54%	53%	59%
Friend or family role model	28%	28%	27%	32%
Help my community	22%	26%	23%	36%
Carry on family business	20%	19%	18%	21%

Sources: MU Extension graphic of selected answers from the [2022 U.S. Census Annual Business Survey](#).

The [2019 PACE/NEI study](#) revealed that 91% of entrepreneurs actively contribute to their communities beyond their business obligations. Their motivations are diverse and driven by personal values, passion, and the desire to address community needs. More than 80% engage in community work to express their values, while roughly 61% aim to support causes they care about. Community engagement broadens entrepreneurs' perspectives, strengthens social connections and fosters a sense of integration within their communities. It can also boost visibility and credibility, with 69% acknowledging their community in their business journey.

Communities with active, engaged entrepreneurs often experience stronger social cohesion and economic resilience; this sentiment underscores the importance of nurturing this trend among business owners, especially those from underrepresented groups, for a more vibrant society. Furthermore, the positive effects

of entrepreneurs' community involvement extend beyond their enterprises, contributing to the broader community and economy. A [2013 study](#) found that membership in "connected organizations" correlates with higher levels of self-employment.

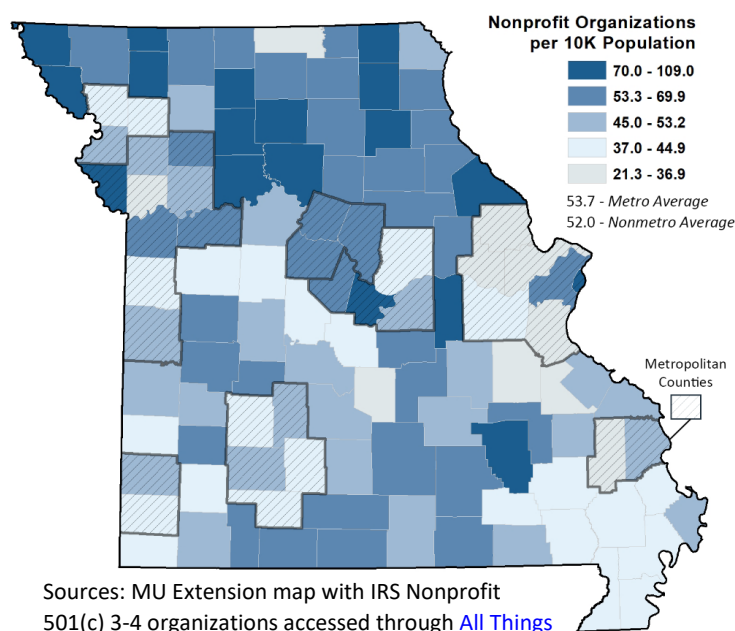
## Assessing Connectedness Through Nonprofit Concentrations

Based on a [2021 U.S. Census/AmeriCorps](#) survey, 30.5% of Missourians formally volunteered for an organization, surpassing the national average (23.2%). However, this rate has declined from 2017 Missouri levels (31.9%). Although volunteerism serves as an indicator of connectedness, county-level data is not readily available. To gauge citizen involvement, the number of nonprofit organizations within a community can serve as a proxy measure. Nonprofit information is sourced from the Internal Revenue Service and includes charitable and social welfare organizations, recreational clubs and chambers of commerce.

In Missouri, eight out of ten nonprofits are mission-focused charitable or social welfare organizations, while approximately a quarter have religious affiliations. Recreational or social clubs, along with business nonprofits like chambers of commerce, represent one in ten organizations in the state.

Although most nonprofits are in large metros, like St. Louis and Kansas City, adjusting for population size shows that concentrations are dispersed throughout Missouri. There are 53 nonprofit organizations for every 10,000 Missourians, exceeding the national average (48). Notably, several northern counties with smaller populations exhibit higher-than-average nonprofit numbers. Conversely, regions like the outer counties of the St. Louis metro and the Bootheel had relatively lower numbers of nonprofits.

### Nonprofits per 10K Population, 2022-23



## Additional Resources and Notes

- The annual [Connecting Entrepreneurial Communities](#) conference, organized by MU Extension, serves as an invaluable resource for communities seeking to learn effective strategies for engaging entrepreneurs.
- The MU Extension [Neighboring 101](#) program is a monthly opportunity to learn new strategies and ideas for building connections and engaging in your community.
- Supporting entrepreneurship is an important community goal. A recent round of Missouri town surveys, part of the [Growth in the Rural Ozarks](#) project, showed that "encouraging local entrepreneurship" ranked third among development priorities, after attracting and expanding local businesses.

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All Missouri Economy Indicators briefs in this series are available at <http://muext.us/MissouriEconomyIndicators>

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