

U.S. House of Representatives Committee on Small Business

Testimony on “Flipping the Switch on Rural Digital Entrepreneurship”

Presented by:

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Good morning. My name is Afton Stout and I’m a creative entrepreneur from rural Iowa. Before I begin, I’d like to thank everyone who has had a part of me being here today—my mom, my brother, and, of course, my husband, Brian, and my three year old son, Rhys. I also want to send a thank you to my dad, who passed away in 2006—I know he would be proud of me today for sharing my story. Thank you, Chairwoman Velazquez, Ranking Member Chabot, and Members of the Committee for inviting me to speak with you today about my creative business.

I was born and raised in eastern Montana—an even more isolated area than I live now. My dad was diagnosed with systemic lupus the year that I was born, and I believe that my family’s struggles with poverty has been a huge part of why I am who I am today. Growing up with limited means instilled a sense of restraint when it comes to money and spending it wisely.

I’ve always been motivated by creating and selling—starting out in small craft shows in my hometown of Glendive, Montana. I can remember buying items from Etsy when I got my first bank card, which was exciting. I had always planned to start a shop, despite being both intimidated and inspired by the success of others. I assumed that living in a small town would be a hardship for my creative ventures that I would have to struggle to overcome. However, I’m certainly not alone in this space, as 27% of Etsy sellers are from rural areas like mine.¹ After graduating from the local college, I worked two jobs and crafted on the side, selling through local online groups to keep my mother and I afloat after my Dad’s life insurance ran out.

In 2013, my Mom remarried, and I was able to think about what I wanted to do with my life. My stepdad was a huge help in getting me settled in Iowa, which I am grateful for. That same year, I

¹ 2018 US Etsy Seller Census

met my husband and moved to Iowa and went on to marry him in 2014. For our wedding, I handmade all of the flowers from paper, which was the spark that set me on my entrepreneurial journey. For the first year of our marriage, I made a few pieces of jewelry, some of which I sold through Etsy. After my son was born in 2015, I decided that I would stay home with him and see if I could find a few more people who were interested in handmade paper flowers for their weddings or events. From there, my creative business took off.

Thanks to the internet, I am one of 2.1 million sellers on Etsy—many of whom, like me, are able to run our creative businesses from home, despite living in a rural area. This has improved my quality of life immensely. I was diagnosed with fibromyalgia in 2012, an illness I've been fighting since middle school which ultimately led to me dropping out of high school. Ultimately, I didn't allow that to hold me back, and I took my GED a few months later and went to the local college to obtain my associate degree. Like many creative entrepreneurs, I didn't set out to become a full-time microbusiness owner, but am happy I'm able to do this flexible work.

When I first started out, I advertised on Facebook and listed custom-order handmade flowers on Etsy. My first year, I made about \$37,000 in sales, which I thought was amazing. At the end of 2016, I started working with wooden flowers, and business was booming. After posting some more of my work on Etsy, my sales nearly tripled.

Starting out, most of my sales were online with roughly 10% from local in-person sales. Since then, I've had customers from all over the world, including France and Germany. With a platform like Etsy, I'm able to ship beautiful paper flowers made in Iowa to international buyers that truly value my work.

Today, the bulk of my business is wedding-related. I custom-dye and arrange wooden flowers to match wedding themes and other events. I am able to work with so many lovely people that I would never know, or even reach, without the internet, or online platforms like Etsy. I am making a push for a bigger local presence, and even Etsy has helped with that by showing search results with local businesses closer to the top of search. I work twelve-hour days during wedding season, but I love what I do and the people I get to work with.

I'm proud to say that I am projected to be 80% above where I was last year in views and sales, and I may have to hire my husband to help me run things once my three-year-old goes to preschool this fall. In 2016, my husband started staying home full-time with our toddler so that I could work full-time on my creative business. He has trauma-induced arthritis in both of his ankles from an injury back in 2010 and being able to stay home to raise our son has greatly improved our family's quality of life. Like 97% of Etsy sellers, I run my shop from my home. In fact, we just finished building a studio onto our house to increase my productivity.

My creative business allows me to pursue my creative passions in the comfort of my home, surrounded by my family. And while my story is unique, this pathway to rural entrepreneurship is not. There are over 2.1 million Etsy sellers across the globe, and together, we sold \$3.9 billion in

goods in 2018.² Etsy sellers represent a new face of entrepreneurship—87% are women, and on average, we are much younger than traditional business owners. Platforms like Etsy are an on-ramp to entrepreneurship, especially for those from rural communities, because anyone with an idea, and an internet connection can start a global business. Rather than relying on foot traffic, or store front space to have your wares found by buyers, you just list an item and are able to be discovered.

While operating my creative business has been a lifechanging opportunity, it certainly comes with challenges that policymakers can help address. First and foremost, Congress should act to restore the Open Internet Order by passing the Save the Internet Act. That way, future generations of rural creative entrepreneurs will be able to access the same open internet that allowed my business to thrive.

Next, Congress can help microbusinesses by helping us focus on what we enjoy most—making. Like most Etsy sellers, I am a business of one. That means I handle every aspect of my shop including making, communicating with customers, packaging, shipping, taxes, marketing, and everything in between. For roughly every hour an Etsy seller spends making, she spends another hour on all of the other administrative things. When it comes to sales taxes in a post-*Wayfair* world, Congress can help by passing legislation that takes into account the experiences of microbusiness owners like me. If I were required to calculate, collect, and remit sales tax in more than 10,000 sales tax jurisdictions, it would be nearly impossible for me to manage. That's why any solution should consider the impact on the smallest of small businesses.

From here, my plans are to continue pursuing this work that I love. I've reached a level of success that I am happy with, and would love to maintain, as it has allowed me to provide for my little family. Once I finish paying off our addition and student loans, I plan to pour what I can back into my community—particularly in areas to do with children and animals. While I love the growth of my business, I don't want to become too big to maintain. I have no plans to become so big that I can no longer participate in the best part of business, which is talking to my clients and creating custom works just for them.

I am so appreciative of the opportunity to share my story with you today. I hope that I have shed some light on the many stories of internet enabled rural entrepreneurs. Thank you.

² As of December 31, 2018.