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'Investors Are Hesitant': Rural America Might Miss Out on 'Opportunity Zones'

Tax breaks likely aren't enough to lure investors to low-income communities in rural areas. There are ways they can become more attractive.

This week, the federal government released new guidelines for the nation's more than 8,700 "opportunity zone" communities trying to attract venture capital investment and boost their struggling economies.

Rural areas account for 40 percent of the designated opportunity zones, which offer private companies and investors tax breaks in exchange for investing in certain low-income communities. But some warn that even with the tax incentives, many rural areas still likely won't benefit unless state and local governments intervene to make the investment less risky.

"A lot of investors are hesitant to work with rural communities," says Grey Dodge, who implemented Florida's Opportunity Zone program as the state's economic development policy director and now supports the program through Madison Street Strategies, a consulting firm. "In contrast to six or seven opportunity zone counties in Florida that don't have to do much — the investment is already flowing there — these other areas haven't seen investment in decades."

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BY LIZ FARMER | APRIL 19, 2019 AT 4:00 AM