

presented by
SCORE 

THE MEGAPHONE OF MAIN STREET:

The Small Business Rural/Urban Divide

FALL 2022



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Executive Summary

In the wake of COVID-19, small businesses are holding communities together, creating two-thirds of net new jobs in the United States while accounting for nearly half (44%) of U.S. economic activity, according to the U.S. Small Business Administration (SBA).¹ The bonds that small businesses create are especially strong in rural communities, which are home to one in five Americans or approximately 60 million people.²

Indeed, businesses with less than 50 employees provide 42% of all jobs in rural America.³ That includes businesses of one, as their lack of population density means small towns historically have had higher concentrations of self-employed individuals than big cities.

“If you have a business that fixes air-conditioners and furnaces in a rural place, it’s not going to employ 1,000 people like it might in a major city,” noted Mark Partridge, a professor of economics at The Ohio State University, in a recent interview with the Federal Reserve Bank.⁴ “So you tend to see more small businesses in rural areas.”

Small businesses aren’t just more common in rural America, unfortunately they’re also more challenged. One reason is population stagnation, which is eating away at the supply of customers, employees and educators in rural communities. While the population in rural areas has declined slightly over the last decade, falling 0.6% from 2010 to 2020, the population in urban areas has increased, growing 8.8% during the same 10-year period, according to the U.S. Department of Agriculture’s Economic Research Service (ERS).⁵

And then there’s poverty, the myriad impacts of which can impede the formation, growth and survival of small businesses. Although the rural poverty rate is declining, it remains elevated in rural America, reports ERS, which says 15.4% of Americans in rural areas live in poverty compared to 11.9% of Americans in urban areas.⁶

Fortunately, small businesses are hard-wired to treat obstacles as opportunities. Although starting and growing a successful small business can be more difficult in rural America, it also can be more impactful. By creating jobs, stimulating innovation and nurturing productivity, small and locally-owned businesses can help rural towns and geographies prosper in ways that improve the physical, social and economic well-being of the people who live in them.

Because of the outsized impact that small businesses can have in rural communities, rural entrepreneurs are the subject of SCORE’s latest study in its *Megaphone of Main Street* research series, which spotlights overlooked and undervalued small business communities with the goal of generating increased attention and resources for them.

To ascertain the state of rural entrepreneurship and raise awareness about the needs of small businesses in rural communities, we asked a large sample of rural business owners how they're faring in light of current events, what their greatest challenges are, and what can be done to satisfy their needs. Here, we present our findings in two parts:

Part 1: Economic Anxiety Persists explores how business owners feel about the post-COVID economy and recovery, what their biggest challenges are and what solutions they believe will help them prosper.

Part 2: Hungry for Talent and Technology delves deeper into the effects of population trends on small businesses in rural communities and how they impede access to workers and technology, including the technology infrastructure, expertise and education needed to participate in the digital economy.

SCORE analyzed responses from a diverse pool of survey respondents, including business owners in the start-up, in-business and exiting-business stages. There were 3,345 respondents with 882 self-identifying as rural entrepreneurs. The businesses surveyed represent many industries and geographic locations throughout the United States. All survey respondents agreed to provide an honest reflection of their experiences and outlook.

In addition to the survey responses, SCORE dove deeper by interviewing rural business owners and asking them to express their specific issues and concerns. Their contributions and feedback, including direct quotes and qualitative analysis, are also shared in this data report.

About SCORE

SCORE is the nation's largest network of volunteer, expert business mentors, with approximately 10,000 volunteers in more than 230 chapters and 1,500 communities nationwide. Since its founding in 1964 as a resource partner for the U.S. Small Business Administration, SCORE has helped more than 11 million current and aspiring entrepreneurs start, grow or troubleshoot a business through mentoring, workshops and educational services. In 2021 alone, SCORE volunteers helped create 25,084 new small businesses and add 71,475 non-owner jobs to the American economy.

Key Findings

Part 1: Economic Anxiety Persists

- **Small businesses have rebounded from COVID-19:** Across both rural and non-rural locations, a third of small business owners (34.7%) say business has returned to pre-pandemic levels; another four in 10 (42.6%) say business is stronger than it was before the coronavirus pandemic.
- **Rural entrepreneurs are uncertain:** Despite their recovery, more than half of small businesses in rural communities (53.3%) feel somewhat or extremely negative about the economy and its effects.
- **Finding customers keeps business owners up at night—and so does inflation:** Getting customers is the number one challenge for all small business owners: 54.6% cited it as one of their top three business challenges right now. For rural small business owners, however, inflation and supply chain disruptions also loom large.
- **Cash flow is a conundrum for rural businesses:** Rural entrepreneurs are more likely than non-rural entrepreneurs to say they're impacted by higher costs of doing business (i.e. rent, utilities, gas), as well as higher financing expenses (i.e. higher interest rates, costs to borrow).
- **Outside financing is helpful but elusive:** Among all small businesses, two-thirds need outside financing while three-quarters have trouble accessing it. For those in rural areas, scarcity of local bank branches can be an added barrier.
- **Capital, debt relief and infrastructure are possible solutions:** Rural and non-rural entrepreneurs agree that access to capital and loan forgiveness/debt relief programs would help them be more successful. Rural entrepreneurs, in particular, said infrastructure improvements also would be beneficial.

Part 2: Hungry for Talent and Technology

- **Americans are on the move—and rural businesses are feeling it:** With rural America losing population, rural entrepreneurs (45.3%) are significantly more likely than non-rural entrepreneurs (25.5%) to say that population trends impact their business.
- **Rural businesses are hurting for workers:** Population shifts create challenges for small rural employers, over a third of which (35.9%) say there are few qualified workers in their area.
- **Rural entrepreneurs struggle with more expenses and fewer customers:** Rising fuel costs (49.3%), slowing customer spending (48.6%), tight marketing budgets (47.6%) and a limited local customer base (34.6%) are their most vexing customer-related challenges, rural small businesses say.
- **The technology gap between rural and non-rural businesses persists:** Rural entrepreneurs (19.2%) are twice as likely as non-rural entrepreneurs (9%) to cite broadband/high-speed internet access as a technology challenge. Small businesses in both rural and non-rural areas, meanwhile, say they're challenged by a lack of technology knowledge or assistance.
- **Health insurance is a competitive advantage:** Rural (35.3%) and non-rural (36.4%) entrepreneurs agree that better health care options would help them succeed, especially as they struggle to compete with larger employers for qualified talent.

Economic Anxiety Persists

From ample space and clean air to small government and a strong sense of community, rural towns and geographies have a lot to offer. One thing they typically lack relative to cities and suburbs, however, is resources. Small businesses in rural areas therefore have to jump higher than those in non-rural areas in order to clear even the most basic economic hurdles. And in the present climate, there is no shortage of economic hurdles to clear, according to *Megaphone of Main Street* survey respondents.

Most entrepreneurs agree: Business is back.

Small businesses everywhere have been through the wringer. In both rural and non-rural geographies, however, entrepreneurs say their business is faring at least as well as it was before the COVID-19 pandemic—and in many cases, better.

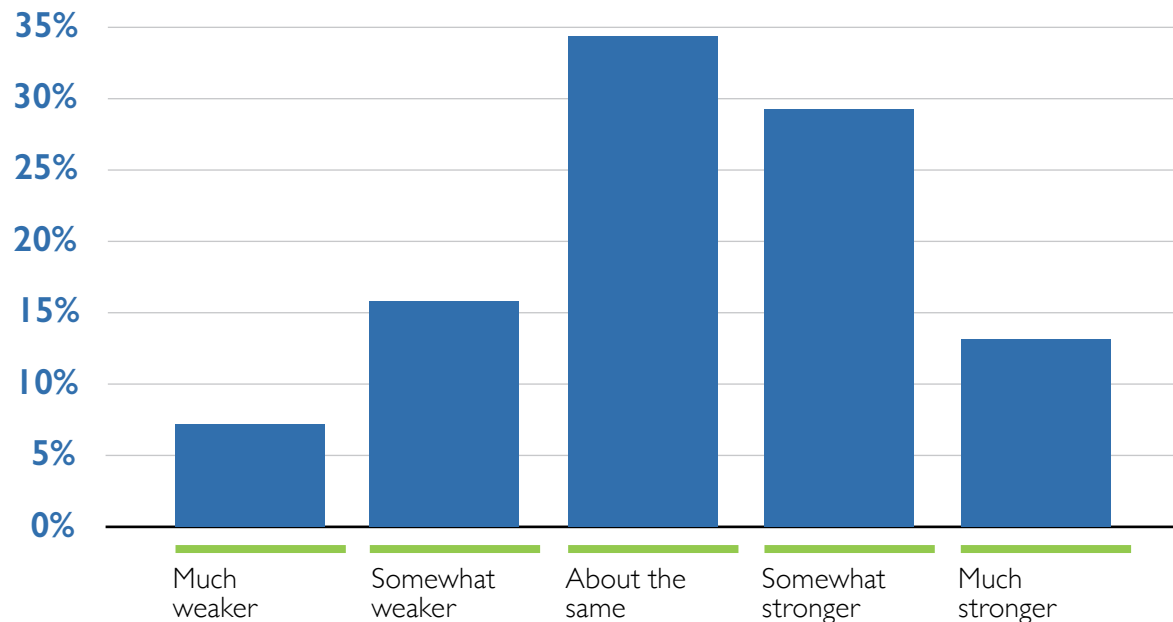
“Business is growing rapidly. [We’re] unable to keep up with the human resources required to meet customer demand.”

“Things have been going well. [We have] no complaints at the moment.”

“COVID had a serious impact on our clients, which impacted us. And things are still not completely back to normal.”

Over a third of small business owners (34.7%) say their business has returned to pre-pandemic levels, and four in 10 (42.6%) say their business is either somewhat stronger or much stronger. Less than a quarter (22.7%) say their business is worse off. There were no significant differences between rural and non-rural entrepreneur responses, when asked the survey question below.

Compared to the height of the pandemic, how is your business doing today?



However, rural entrepreneurs remain anxious about the future.

Where it was possible and appropriate, we compared entrepreneurs' responses for this data report with entrepreneurs' responses from our February survey for the Spring 2022 [Megaphone of Main Street: Inflation and the Economy](#) data report. What our analysis yielded was a picture of growing pessimism among small businesses in rural communities.

“I am concerned about out-of-control inflation and the threats of recession... Everyone has to cut way back, which isn't very stimulating for the economy. I am struggling to understand how to succeed in this current economy as a small business owner. What works anymore? I would very much like to expand but fear of a poor economy and the poor labor market are limiting my ability to do it. Customers are fearful of the uncertainty in the economy.”

—Rural Business Owner

In our most recent survey, over half of rural entrepreneurs (53.3%) said they feel somewhat or extremely negative about the economy as compared to non-rural entrepreneurs (42.9%). Just 43.6% of surveyed small business owners felt pessimistic in February 2022.

“I think people have lost a little faith that our economy will thrive again.”

—Rural Business Owner

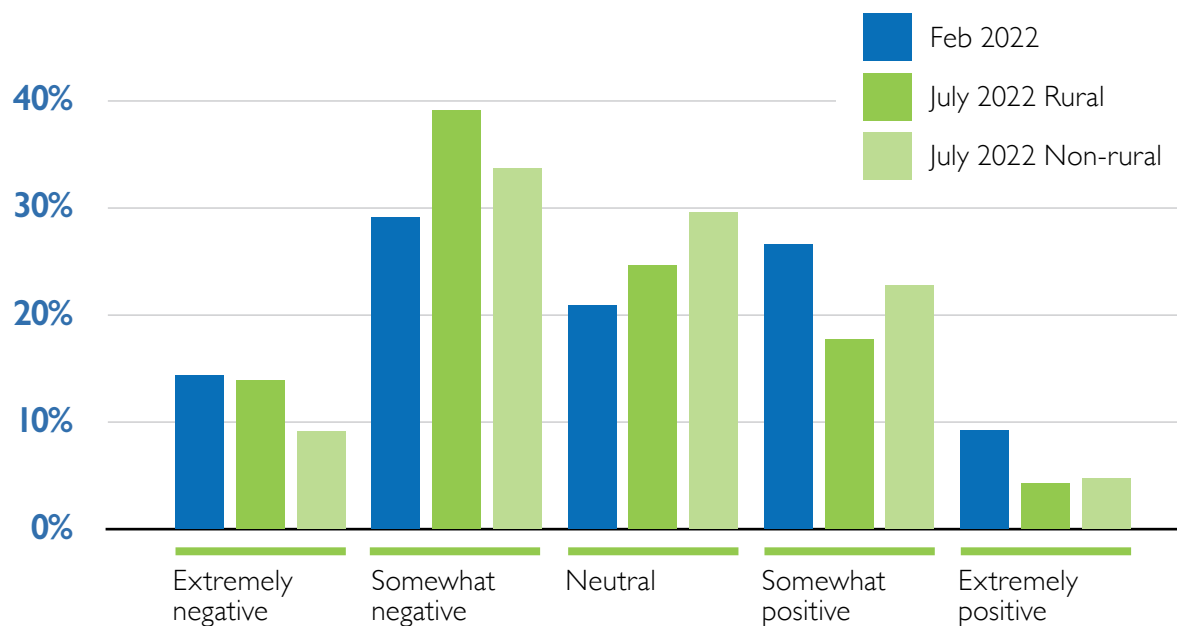
“The economy in general has slowed spending and we’ve seen a 30% drop in sales since April. Although summer is slower, the previous two summers saw an increase over other years.”

—Rural Business Owner

“I want to expand my business, but my fear about the economy is holding me back.”

—Rural Business Owner

Overall, how are you feeling about the economy and its effects on your business?



Although customer acquisition remains the top challenge for all small business owners, inflation, the economy and cash flow are growing concerns.

We compared business-owner sentiment from our July 2022 survey with business-owner sentiment from our February 2022 survey and discovered a consistent but evolving set of challenges for small businesses of all types, regardless of location.

For both rural and non-rural businesses, getting customers—that is, generating revenue—was the top concern in February, and remained the top concern in July. That’s followed by cash flow, inflation and the overall economy, all three of which experienced upticks in the number of entrepreneurs citing them as concerns.

“The decline in the economy has customers seeking DIY alternatives due to the price set for the requested service.”

—Non-rural Business Owner

“According to my own survey I did with my customers, 80% of them are extremely worried about inflation/economy, and have stopped spending on anything that’s not considered a necessity.”

—Rural Business Owner

“All customers are cutting order sizes. If they used to buy four, they’re buying three. If they used to buy two, they’re buying one.”

—Rural Business Owner

What are your top three business challenges right now? (All respondents)

Challenge	Feb 2022	July 2022
Getting customers	51.8%	54.6%
Cash flow	35.9%	36.7%
Inflation	33.9%	36.3%
The overall economy	27.4%	33.4%
Access to financing	27.9%	26.3%
Finding and retaining qualified workers	29.2%	24.5%
Supply chain disruptions	30%	22.8%
Automation/technology	12.7%	16.7%
Taxes	14.9%	14.9%
Regulations	10.7%	8.7%

Rural entrepreneurs feel more challenged by inflation and supply chain concerns.

We compared rural and non-rural entrepreneurs' biggest concerns and found that business owners in rural and non-rural areas are equally concerned about finding and retaining qualified workers. But when it comes to the challenges that are most dominating business discourse in 2022—inflation and supply chain disruptions—rural business owners are more likely to feel the impact. Specifically, rural business owners were 30.2% more likely than non-rural business owners to cite inflation as one of their top three business concerns, and 32.4% more likely to cite supply chain disruptions.

“The largest issue I am having [is] finding labor at a reasonable rate of pay. The increased cost of equipment and supplies coupled with the increasing cost of labor makes it extremely hard to compete with larger corporations that have the ability to take deeper cuts to their margins to weather the crumbling economy.”

—Non-rural Business Owner

“I work in logistics and the current rise in fuel prices and the increase in shipping rates is making it hard to retain customers.”

—Rural Business Owner

What are your top three business challenges right now? (Rural respondents)

Challenge	February 2022	July 2022
Getting customers	49.6%	57.1%
Inflation	43.1%	33.1%
The overall economy	35.4%	32.6%
Cash flow	32.4%	38.8%
Supply chain disruptions	27.4%	20.7%
Finding and retaining qualified workers	25%	24.2%
Access to financing	23.9%	27.4%
Taxes	16.8%	14.7%
Automation/technology	14.5%	17.8%
Regulations	10.8%	7.7%

Higher prices for rent, utilities, supplies and financing are creating cash flow problems for rural businesses.

For small businesses everywhere, cash flow is king. But for rural businesses, especially, cash flow is becoming increasingly constrained by rising costs for utilities, supplies, labor and capital. In fact, rural entrepreneurs are 9.3% more likely than non-rural entrepreneurs to report higher costs of doing business and 24.5% more likely to report higher vendor prices.

Inflation is complicating businesses' cash flow conundrums even further. Because their customers also are experiencing higher prices, demand for products and services in many cases is falling and payments are often delayed.

“While we are not yet experiencing comments from customers about the rising prices on our products, I am worried that they will curtail their spending due to the new cost and the rising cost of gas and rents.”

—Rural Business Owner

“Commercial customers are trying to cut back on costs, but suppliers are increasing costs and freight. Customers are also slow to pay, which adds to the trickle-down time for sub-contractors to get paid.”

—Rural Business Owner

What are your specific challenges regarding cash flow? (check all that apply)

Challenge	Rural	Non-rural
Higher cost of doing business (i.e. rent, utilities, gas)	64.4%	58.9%
Higher prices from vendors/suppliers	55.9%	44.9%
Need to increase my compensation due to higher personal expenses	35%	33.3%
Customers pushing back on prices	30%	27.1%
Higher financing expenses (i.e. higher interest rates, costs to borrow, etc.)	22.7%	18.5%
COVID relief support has been depleted	18.8%	16.7%
Current workers demanding pay increase	16.5%	15.5%
No challenges with cash flow	11.6%	13.8%

Although most of them need it, many small businesses can't get outside financing.

Most small businesses—approximately two-thirds of those in both rural and non-rural locations—say they could benefit from outside financing. And yet, many of them either do not apply or do not qualify. In fact, three-quarters of all small businesses say they experience challenges with access to financing.

Among the factors that keep small businesses from seeking or obtaining financing are high interest rates and poor credit history. For rural entrepreneurs, however, another barrier looms large: Compared to non-rural entrepreneurs, twice as many rural entrepreneurs say there's a lack of local banks in their area from which to seek financing.

Other studies confirm rural entrepreneurs' financing frustrations. The Federal Reserve Bank, for example, reports that nearly 60% of small businesses in rural communities rely on smaller banks and credit unions as main sources of financing.⁷ Meanwhile, 89% of the U.S. counties that are "deeply affected" by the closure of bank branches are rural, it says.⁸

Banks aren't the only challenge. Rural entrepreneurs also are at a severe disadvantage when it comes to accessing venture capital, angel investments and other funding. The Angel Capital Association, for example, reports that rural businesses consistently receive less than 1% of all angel investment dollars.⁹

What are your specific challenges regarding access to financing? (check all that apply)

	Rural	Non-rural
Don't use / don't need outside financing	36.4%	36.6%
High interest rates	29.4%	26.8%
No challenges with access to financing	24.2%	23.1%
Don't qualify	22.5%	25.4%
Poor credit history	14.5%	14.8%
Fewer local banks in my area	8.8%	4.1%



Small business owners want help in the form of capital, debt relief and infrastructure improvements.

No one is better equipped to suggest solutions to the challenges small businesses face than the entrepreneurs who live them on a daily basis. We asked small business owners what would most help them succeed in the coming year. Both rural and non-rural businesses cited access to capital as the solution that would most help them, followed by loan forgiveness or debt relief. Interestingly, rural businesses were 24.5% more likely than non-rural businesses to suggest assistance in the form of infrastructure improvements.

“Need funding approval to land 10-30+ acres to get this business up and going as it would help the community greatly. I believe I would need a pretty large loan of up to \$800,000 to purchase the land needed and all to get started and can return the amount in less than five years’ turn around.”

—Rural Business Owner

*What outside help would help your business succeed in the coming year?
(check all that apply)*

	Rural	Non-rural
Access to capital	41.9%	45.2%
Loan forgiveness/debt relief	36.9%	33.6%
Infrastructure improvements	25.4%	20.4%

PART 2:

Hungry for Talent and Technology

Next to capital, there are two things every business needs in order to be successful in the Digital Age: high-quality employees and easy access to the latest technology. Unfortunately, *Megaphone of Main Street* survey respondents told us those can be much harder to come by in rural communities. That puts small businesses in rural geographies at a major disadvantage.

Population shifts have an outsized impact on rural entrepreneurs.

Between 2010 and 2020, the population in rural communities declined by nearly 300,000 people, according to the U.S. Census Bureau. Although the decline is small—less than 1% of the nation's total rural population—it's the first-ever decade-long population loss in rural America, the University of New Hampshire reports.¹⁰

In rural geographies, even small shifts in population can have big impacts, our data suggests. When we asked whether population shifts between urban and rural areas had impacted their business, nearly half of rural entrepreneurs (45.3%) said that they had, compared to just a quarter (25.5%) of non-rural entrepreneurs. That means rural businesses are 77.6% more likely to feel the impacts of population trends—including higher local costs of doing business, which rural business owners are 68.6% more likely to cite as a consequence of population shifts.

“Rural demographics with below-average income [are] impacted by current inflation. We have been unable to increase the cost based on necessary industry margin to sustain the business.”

—Rural Business Owner

“I want to cover a larger market in office cleaning. I feel that by obtaining clients, I can generate jobs. However, I have weaknesses [and] a market to go to. I have to leave this county for a bigger city, which implies a significant change. I must move to look for new clients to secure work contracts.”

—Rural Business Owner

How have population shifts between urban and rural areas impacted your business? (check all that apply)

	Rural	Non-rural
No impact	54.7%	74.5%
Higher local costs of doing business	26.8%	15.9%
Less customers	12.9%	6.8%
More customers	12.4%	5.6%
Less labor	8.8%	5.9%
More labor	3.9%	2.1%

As a consequence, rural businesses find it more difficult to attract workers.

When the rural population declines, the working population shifts. Small businesses in rural areas are 26% more likely than small businesses in non-rural areas to say they have trouble finding qualified employees in their area.

“Where are the workers? We can’t find laborers or [commercial] truck drivers. The regulations for trucking have made the job not easy to get into today. We’re losing truck companies because of the regulations. They’re selling out or retiring. If we help transportation/trucking companies, it would help our truck repair business also. The farms are the only ones making it today with all of their grants and help they receive, but that hurts us. They are able to have newer equipment than the other small trucking businesses around us, and that affects our customer base, too. [We] need small business support equal to farming.”

—Rural Business Owner

*What are your specific challenges regarding finding and retaining qualified workers?
(check all that apply)*

	Rural	Non-rural
No challenges finding and retaining workers	44.5%	48.2%
Few qualified workers in my area	35.9%	28.5%
Demand for higher wages	34.9%	32.2%
Difficult to deliver competitive health benefits	20.7%	20.3%
Workers still want to work remotely	8.9%	10.4%

Customers are harder to come by, too—and more difficult to serve.

Workers aren't the only ones fleeing rural areas. Customers are leaving with them, according to rural entrepreneurs, who are 26.3% more likely than their non-rural counterparts to be concerned by having a limited local customer base.

Because they can't grow their customer base as easily as non-rural entrepreneurs, rural small business owners must place extra emphasis on customer retention. But rising local costs have made it harder to satisfy their customers—in particular, rising fuel costs, which are vexing to half of rural entrepreneurs (49.3%) but less than a third (29.5%) of non-rural entrepreneurs.

“We’ve experienced a 14% increase in labor cost, a 40% increase in rental/leased equipment, a 54% increase in fuel and an average 30% increase in materials. Overall, we need to increase pricing by 20%, and customers believe this is extreme.”

—Rural Business Owner

“Gas prices make travel to rural areas an investment. Customers can’t just jump in the car and come visit. Customers are conservative about spending money on art with uncertainty, gas and political situations.”

—Rural Business Owner

“My biggest challenge is fuel prices. In 2021, our highest price for diesel was \$3.20 per gallon. In 2022, our current price is \$7.15 per gallon. If I raise my pricing on my services, some customers will not want to spend the added expense unless they are a past customer.”

—Rural Business Owner

What specific challenges are you facing with your customers? (check all that apply)

	Rural	Non-rural
Rising fuel costs	49.3%	29.5%
Slowing customer spending	48.6%	47.8%
Budget to spend on marketing (advertising, etc.)	47.6%	51.1%
Limited local customer base	34.6%	27.4%
Marketing knowledge	32.3%	38.4%
Concerns over COVID/health keeps away customers	13.5%	14.5%
No challenges getting customers	10%	12%

Without internet access, technology is a trouble spot.

Yet another reason rural entrepreneurs struggle to serve their customers is that they often lack access to even the most basic technology infrastructure and expertise. Rural America's dwindling population, for instance, means there may be fewer IT experts and vendors locally who can help small business owners acquire the skills and services they need to connect to the digital economy.

But tech illiteracy isn't exclusive to rural businesses. In fact, four in 10 small business owners in both rural (43%) and non-rural (45.5%) areas say they struggle with lack of technology assistance or knowledge.

Still, rural businesses do have unique disadvantages—the most fundamental of which is internet access, with twice as many rural entrepreneurs (19.2%) as non-rural entrepreneurs (9%) saying they struggle with access to broadband/high-speed internet.

That comports with findings from the U.S. Census Bureau, which says an average of 62.7% of households in rural counties have access to moderate- or high-speed broadband, compared to 83.3% of households in urban counties.¹¹

More than a quarter (28%) of homes in rural areas lack broadband internet access, echoes the Pew Research Center.¹² Because technology can reduce barriers to business formation, the gap is as much a challenge for rural Americans who wish to start businesses as it is for rural Americans who are trying to maintain and grow businesses.

“The majority of rural areas still do not have cable or fiber internet access, especially in Minnesota, which severely limits the properties available to me to buy. My business depends on robust internet access to provide events and services and send/receive large files. The property search has been very long (almost a year!) and the majority of places I’ve looked at have been disqualified due to lack of internet that meets my needs.”

—Rural Business Owner

What are your specific challenges regarding technology? (check all that apply)

	Rural	Non-rural
Knowledge or help with technology	43%	45.5%
No challenges with technology	39.6%	41.3%
Cybersecurity threats	19.8%	20.6%
My business' access to broadband / high speed internet	19.2%	9%
My customers' access to broadband / high speed internet	7.4%	5.9%

Small business owners everywhere need help – and health care – to thrive.

Although rural entrepreneurs are uniquely disadvantaged due to lack of population density and technology access, small businesses everywhere face real challenges. And they need real help to overcome them.

In both rural and non-rural areas, what small business owners said would most help them be successful in the coming year is better health care options, which could help them remain competitive with larger firms with regard to attracting and retaining workers.

Entrepreneurs also supported the idea of increased support for employees—in the form of stimulus, for instance, or increased funding for child care—and offered several unique ideas in their survey comments. One small business owner, for example, said more grant funding for small businesses would be helpful. Another stressed the importance of free education for small businesses on topics such as marketing, technology, regulations and finance.

“[I would like to find a] health care program we can buy into as a small business that [does not penalize me] for being rural and small. [One that] we can leverage as a group!”

—Rural Business Owner

“Our problems are not related to the health or relative health of the economy, nor COVID. [They’re related to] shifts in our market and lack of capital to address these shifts... We have a business plan that would allow us to reach new customers, including the skilled personnel to do the work, but because of cash constraints are unable to implement.”

—Non-rural Business Owner

*What outside help would help your business succeed in the coming year?
(check all that apply)*

	Rural	Non-rural
Better health care options for small business employers	35.3%	36.4%
Increased support for employees (stimulus, increased funding for childcare)	20.4%	20.5%
Termination of unemployment benefits	8.8%	6.9%

“I know there were loans that were being approved with the possibility of being forgiven, but it’s hard to sign up for a loan that will have to be repaid in the type of economy that we are in now. Every month I’m concerned with, “Do I close down?” I don’t want to have to close down and owe money. Grants would help more.”

—Rural Business Owner

“[I would like to see a continuation of the] pandemic practice of offering unemployment benefits for self-employed workers.”

—Rural Business Owner

Conclusion

Whether it's marketing on a shoestring budget, losing a star employee to a larger competitor or negotiating with a stubborn vendor, entrepreneurs are used to obstacles. They confront them—and overcome them—every day. And yet, the obstacles for some small business owners are larger and more numerous than they are for others.

SCORE's Fall 2022 *Megaphone of Main Street: The Small Business Rural/Urban Divide* shines a light on the unique challenges that face rural entrepreneurs, in particular. From a changing economy to a shifting population, they find themselves in the eye of a volatile storm whose strong winds threaten their ability to run and grow thriving companies. Among the entrepreneurs we surveyed, a majority are pessimistic about the prospects of their business in the current climate.

To reinforce the walls that keep the U.S. economy standing, the nation must revitalize the mortar that holds them together. As the nation's largest source of small business mentoring and support, SCORE stands ready to help.

"The road to entrepreneurship can be more difficult for some," concludes SCORE CEO Bridget Weston. "We know that resources differ from community to community, which is why we want entrepreneurs in rural and non-rural areas to know they aren't alone. We're here to help ALL small businesses receive the support and guidance they need to start and grow."

Methodology & Demographics

From June 27 – July 17, 2022, SCORE surveyed entrepreneurs who agreed to be contacted for research. From this master list of 37,055 people, 3,476 completed the survey for a response rate of 9.4%.

Because this study aimed to capture the voices of current business owners, respondents were asked to identify their current business stage. After screening, 3,345 were identified as current or emerging business owners. Of these responses, 882 (26.4%) self-identified as owning rural businesses defined as “typically located in towns and along the highways of the country well outside the metro centers; in areas with a population of 50,000 or fewer.”

Survey respondents came from a broad and diverse assortment of backgrounds for both owners and small businesses.

Business stage	Rural	Non-rural
Pre-start: I am thinking of starting a business and taking steps to learn more.	15.4%	12.6%
Start-up: I am in the first year of owning my business	13.9%	13.8%
In business: I have been a business owner for over a year.	66.8%	69.6%
I am exiting or looking to sell my business.	3.9%	4%

Gender	Rural	Non-rural
Female	63.3%	64.7%
Male	34.9%	33.3%
Transgender	0.4%	0.2%
Prefer not to answer	1.3%	1.8%

Ethnic Background (check all that apply)	Rural	Non-rural
White	62.6%	48.1%
Black or African American	13.8%	27.3%
Of Hispanic origin or descent (such as Mexican, Puerto Rican, Cuban or other Spanish background)	6.2%	8.1%
American Indian or Alaska Native	3.9%	2.3%
Asian	2.7%	3.6%
Native Hawaiian or other Pacific Islander	0.9%	0.4%
I prefer not to answer	16.1%	15.6%

Age	Rural	Non-rural
18-24	0.7%	0.1%
25-34	4.2%	4.4%
35-44	18%	15.8%
45-54	24.3%	22.6%
55-64	32.2%	34.6%
65-74	17.4%	17%
75 or older	2%	3.2%
I prefer not to answer	1.3%	2.4%

Were you born a U.S. citizen?

	Rural	Non-rural
Yes	91.1%	87.9%
No	8.9%	12.1%

Please select the industry category that best fits your business:	Rural	Non-rural
Accommodation, Travel, Restaurant, Food Services	13.4%	8.3%
Accounting, Tax, Bookkeeping, Payroll	1.9%	2.3%
Advertising, Public Relations, Marketing	2.2%	4.1%
Agriculture, Farming, Ranching	6.7%	0.7%
Architectural, Engineering	2.7%	2%
Arts, Entertainment, and Recreation	12.5%	11.3%
Computer System Design	0.4%	0.4%
Construction/Manufacturing	10.1%	9.1%
Educational Services	7.5%	10%
Finance and Insurance	0.7%	2.8%
Information Systems	1.8%	1.6%
Legal Service	0.5%	1.3%
Management/ IT Consulting	4.5%	6.5%
Wholesale Sales/ Trade	5.6%	6.6%
Non-profit	2.7%	3.4%
N/A	26.8%	29.7%

How many years has your business been in operation?

	Rural	Non-rural
0-1 year	17%	16.1%
2-5 years	40.7%	39.4%
6-10 years	16.9%	18.4%
11-20 years	12.7%	12.7%
Over 20 years	12.7%	13.4%

How many employees do you have (including yourself)?

	Rural	Non-rural
One	48.2%	52.6%
2-5	34.8%	31.9%
6-10	8.9%	8.1%
11-20	3.8%	4.4%
21-50	3.1%	2.5%
50+	1.2%	0.4%

What were your company sales receipts in 2020?

	Rural	Non-rural
<\$50,000	56.8%	54%
\$50,001-100,000	14.2%	16.5%
\$100,001-\$250,000	11.8%	11.6%
\$250,001-\$500,000	7.6%	7.1%
\$500,001-\$1M	4.7%	4.8%
\$1M-\$2.5M	2.9%	3.4%
\$2.5M-\$5M	1%	1.4%
\$5M-\$10M	0.7%	0.5%
>\$10M	0.3%	0.7%

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