

Rural Small Businesses: A Smart Investment for America's Economy

Rural small businesses drive economic growth and create essential jobs.

- Over 84% of establishments in rural counties are operated by small businesses.*
- Rural small businesses employ more than half of the workers in their communities.*

These small businesses are **poised for growth**, and yet they **face persistent barriers**: limited access to capital, challenges hiring and retaining skilled workers, complex regulatory hurdles, and keeping pace with technological advancements.

According to a recent *10,000 Small Businesses Voices* survey, **74% of rural small business owners have plans to grow and 45% expect to create new jobs**. To help them achieve their growth goals, these business owners want the federal government to:

54% Address Inflation

38% Increase Access to Capital

38% Support Them in Offering Competitive Benefits

When lawmakers support rural small businesses, they strengthen America's economy and ensure that communities across the country thrive.

Invest in Rural America to Unleash Growth, Innovation, and Opportunity

10,000 Small Businesses Survey Findings

ACCESS TO CAPITAL

76% are concerned about their ability to access capital.

66% In the critical area of the 2025 tax debate, nearly two thirds say the tax code should be simplified.

WORKFORCE DEVELOPMENT

70% say attracting workers to live and work in the community where they do business is challenging vs. 42% in suburban areas and 45% of small business owners in urban areas.

47% say that lack of affordable child care is a challenge to attracting workers to live in their community vs. suburban (24%) or urban small businesses (33%).

INNOVATION & OPPORTUNITY

52% of rural small businesses are using AI vs. 63% of suburban small businesses and 61% of urban small businesses.

63% of rural small businesses say their business is being held back by regulatory red tape.

THE TOP CHALLENGES FOR RURAL SMALL BUSINESSES ARE:

55% Lack of qualified workers

38% Competition with larger companies

37% Limited access to affordable child care

Support Rural Small Businesses: Prioritize a Predictable Operating Environment and Strong Workforce

Here are proposed solutions to help unleash, innovation, and opportunity for rural small businesses:[^]

1 Capital investments in rural communities, particularly rural small business lenders

1. Expand Small Business Investment Companies, privately owned firms that utilize SBA-backed capital to provide funding to small businesses, particularly in rural communities
2. Evaluate lenders' use of technological tools with a focus on streamlining loans and application processes for rural small businesses and lenders
3. Enhance small manufacturers' ability to access affordable capital by increasing the maximum for 504 and 7(a) loans

2 Certainty and predictability in federal policies

1. Maintain successful business tax incentives and expand tax credits that support a strong rural workforce like the employer-provided child care tax credit
2. Prioritize certainty in the 2025 tax debate over temporary extensions or changes
3. Confirm a Chief Counsel to lead SBA's Office of Advocacy and represent small business interests
4. Seek to mitigate regulatory costs and cut red tape for rural small businesses

3 Resources and workforce training opportunities designed with rural small businesses in mind

1. Ensure resource providers in rural communities, like Small Business Development Centers, offer training and guidance on workforce development programs and new technologies like artificial intelligence
2. Prioritize key resources like affordable child care and community amenities to help attract and retain a strong workforce
3. Create a benefits resource guide for rural small businesses to help maximize their participation in relevant benefits programs
4. Increase outreach and technical assistance in rural areas to help prepare small businesses to compete for government contracts
5. Focus on increasing awareness of export assistance programs in rural communities

Key legislative priorities that policymakers will address this year will have profound impacts on the operating environment for rural small businesses. From the Farm Bill to expiring tax provisions and far-reaching regulations, legislators have ample opportunities to help unleash rural small business growth.

[^] The Small Business Policy Playbook: Winning Strategies to Drive Economic Growth" by Goldman Sachs 10,000 Small Businesses Voices and the Bipartisan Policy Center: <https://www.goldmansachs.com/images/community-impact/voices/policy-agenda/policy-playbook/report.pdf>