

Small Business Facts

SMALL BUSINESSES IN RURAL AREAS

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U.S. SMALL BUSINESS ADMINISTRATION

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Small businesses play a big role in rural counties

Businesses with fewer than 500 employees account for the majority of rural establishments and employment. Establishments are where business is conducted, and one business may operate many establishments. Small businesses operate 84.8 percent of establishments in rural counties and 82.5 percent in metropolitan counties. Small businesses account for 54.3 percent of employment in rural counties and 45.5 percent in metropolitan counties. Small businesses employ so many rural Americans because the difference in establishment size between small and large businesses is lower in rural counties. Establishments operated by small businesses have an average of 8.5 employees in rural counties and 9.5 employees in metropolitan counties. Establishments operated by large businesses have an average of 39.5 employees in rural counties and 53.6 employees in metropolitan counties.

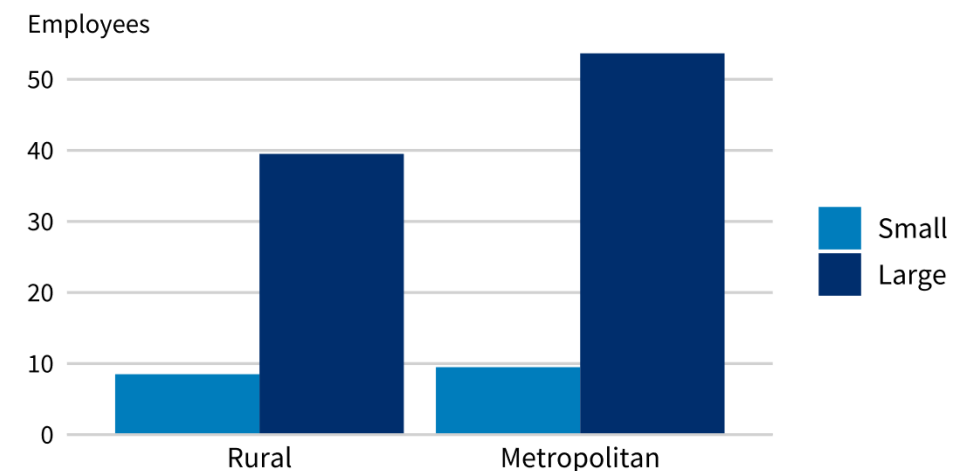
Small businesses provide 54.3 percent of rural jobs

Rural small business employment has grown slowly

Although small businesses employ the majority of rural workers, rural employment by small businesses has grown more slowly than total employment. Between 2012 and 2019, rural employment by small businesses grew by 1.0 percent, from 7.5 million to 7.6 million. During that same period, rural employment by large businesses grew by 12.9 percent, metropolitan employment by small businesses grew by 11.4 percent, and metropolitan employment by large businesses grew by 19.7 percent. Faster growth in employment by large businesses caused the small business share of rural employment to decline from 57.2 percent in 2012 to 54.3 percent in 2019.

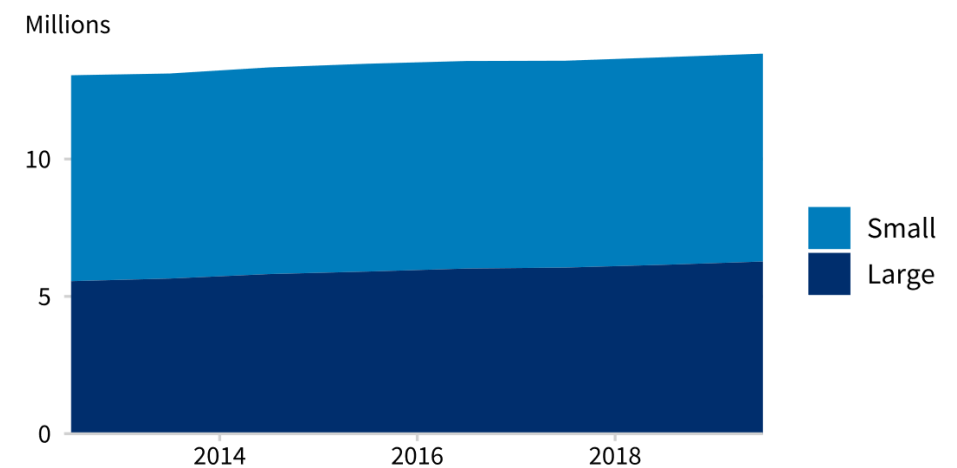
Small Business Facts are produced in the Office of Economic Research of the SBA Office of Advocacy. Questions? Send an email to Advocacy@sba.gov.

Average Employment per Establishment by Business Size



Source: Statistics of US Businesses, 2019 (Census)

Rural Employment by Business Size



Source: Statistics of US Businesses (Census)