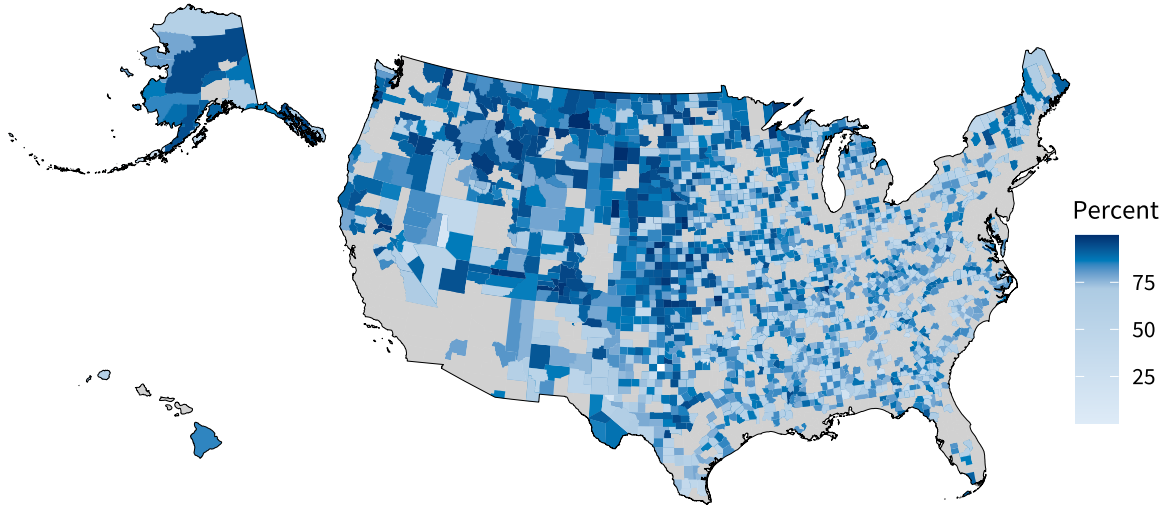


## Rural Areas

**4.1 million** small business establishments  
**96.3 percent** of establishments outside metropolitan areas

**7.5 million** small business employees  
**56.6 percent** of employees outside metropolitan areas



### Share of employees working at small businesses in counties outside metropolitan areas

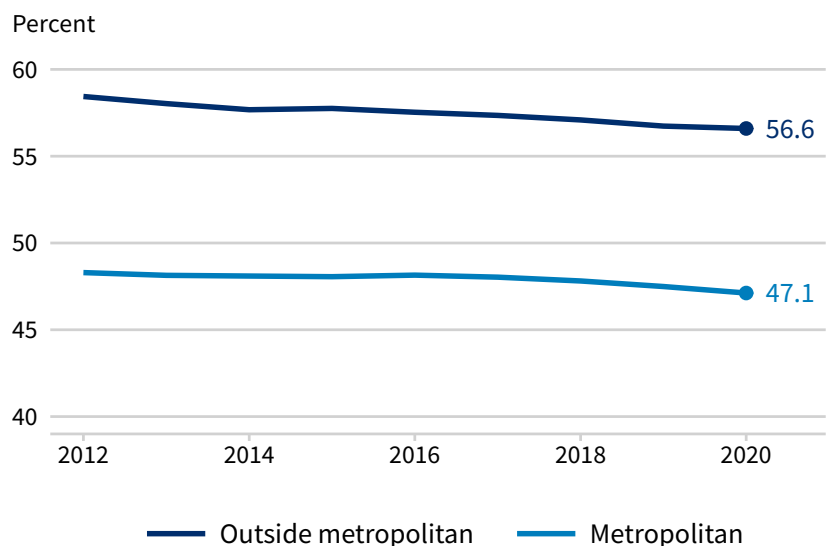
Sources of original data: [Nonemployer Statistics](#) (Census); [Statistics of U.S. Businesses](#) (Census)

### Role of small businesses

Businesses with fewer than 500 employees play a bigger role outside of metropolitan areas. A single business may operate establishments at multiple locations. Outside of metropolitan areas, small businesses operated 96.3 percent of establishments in 2020 and accounted for 56.6 percent of employment. In metropolitan areas, small businesses operated 96.1 percent of establishments and accounted for 47.1 percent of employment. However, the small business share of employment outside of metropolitan areas has been declining, falling from 58.4 percent in 2012.

### Small business share of employment

Source of original data: [Statistics of U.S. Businesses](#) (Census)

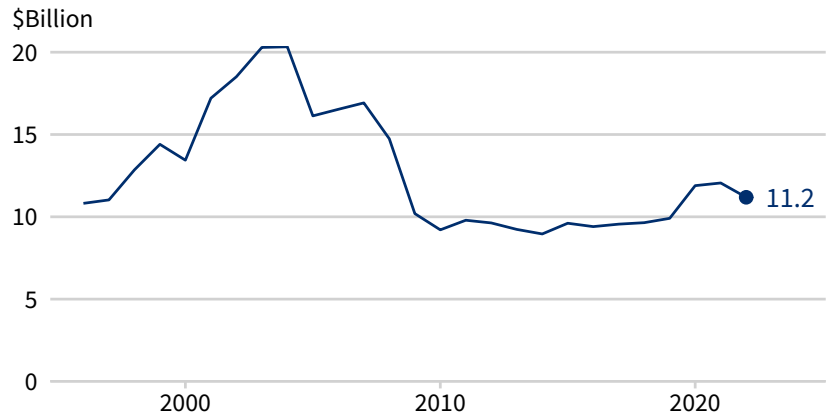


## Lending

### Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2022, reporting banks issued loans totaling \$11.2 billion to businesses outside of metropolitan areas with revenues of \$1 million or less. Reported new lending to businesses through loans of \$100,000 or less was \$10.3 billion. Reported new lending to businesses through loans of \$1 million or less was \$27.5 billion.

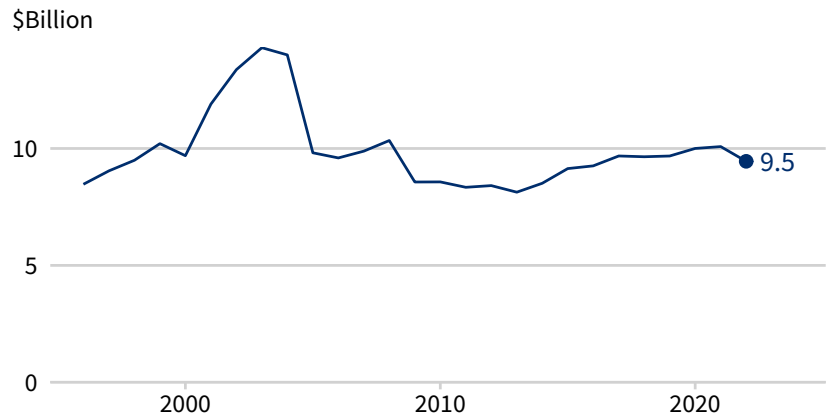
### New lending to businesses with revenues under \$1 million



### Farm loans

The Community Reinvestment Act also requires large banks to report new farm loans. Reporting banks issued loans totaling \$9.5 billion in 2022 to farms with revenues of \$1 million or less, a decrease of 6.3 percent from 2021. Reported new lending to farms through loans of \$100,000 or less was \$4.0 billion. Reported new lending to farms through loans of \$500,000 or less was \$14.4 billion.

### New lending to farms with revenues under \$1 million



Source: [Community Reinvestment Act Aggregate Data](#) (Federal Financial Institutions Examination Council)

## Farm demographics

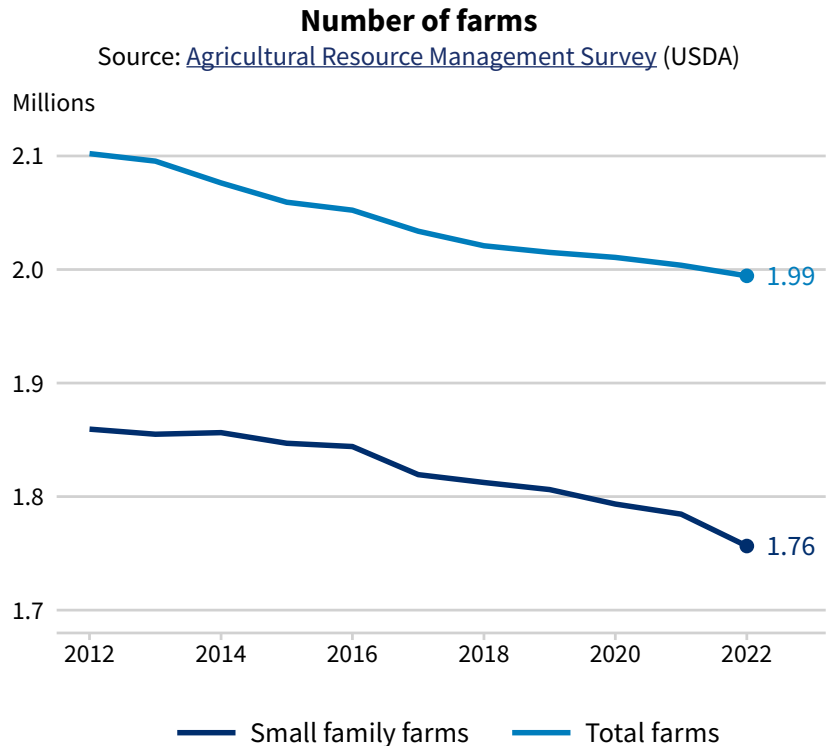
Group	Operations	Producers	Production (\$Thousand)
Female	1,110,546	1,224,726	222,063,864
Male	1,757,655	2,149,318	532,829,254
Veteran	289,372	305,753	49,062,473
Hispanic	83,505	112,379	33,136,505
American Indian and Alaska Native	58,336	78,316	6,194,601
Asian	19,492	27,444	11,993,365
Black or African American	32,653	46,738	2,765,838
Native Hawaiian and Other Pacific Islander	4,994	6,263	1,648,321
White	1,839,643	3,248,371	530,794,723
Total	1,900,487	3,459,177	543,087,166

Operations are classified according to the characteristics of the producers running them, regardless of ownership.

Sources: [Census of Agriculture](#), 2022 (U.S. Department of Agriculture)

## Small family farms

The U.S. Department of Agriculture (USDA) categorizes a farm as a family farm when the majority is owned by a farmer and their relatives. Small family farms have annual revenues of less than \$350,000. In 2022, 97.3 percent of farms were family farms, and 88.1 percent were small family farms. The number of small family farms declined from 1,784,536 in 2021 to 1,756,441 in 2022. The total number of farms declined from 2,003,753 in 2021 to 1,994,421 in 2022. The number of small family farms has declined by 5.5 percent since 2012, while the total number of farms has declined by 5.8 percent. Although small family farms made up the majority of farms in 2022, they accounted for only 18.7 percent of total farm production.



## Business count by owner demographic group outside of urban areas

Ownership	Without employees	With employees	Total businesses
Female	1,661,000	128,135	1,789,135
Male	2,413,000	458,255	2,871,255
Owned equally by both groups	116,000	127,499	243,499
Veteran	288,000	47,639	335,639
Not Veteran	3,882,000	646,155	4,528,155
Owned equally by both groups	19,500	20,093	39,593
Hispanic	257,000	21,688	278,688
Not Hispanic	3,929,000	687,651	4,616,651
Owned equally by both groups	4,500	4,547	9,047
American Indian and Alaska Native	57,500	5,931	63,431
Asian	73,000	22,360	95,360
Black or African American	229,000	7,935	236,935
Native Hawaiian and Other Pacific Islander	5,600	735	6,335
White	3,871,000	679,231	4,550,231
Hispanic or Racial Minority	582,000	56,865	638,865
White and Not Hispanic	3,598,000	648,420	4,246,420
Owned equally by both groups	9,500	8,602	18,102

Counts include only businesses classifiable by owner demographic group and area type; Census blocks with at least 2,500 inhabitants are classified as urban.

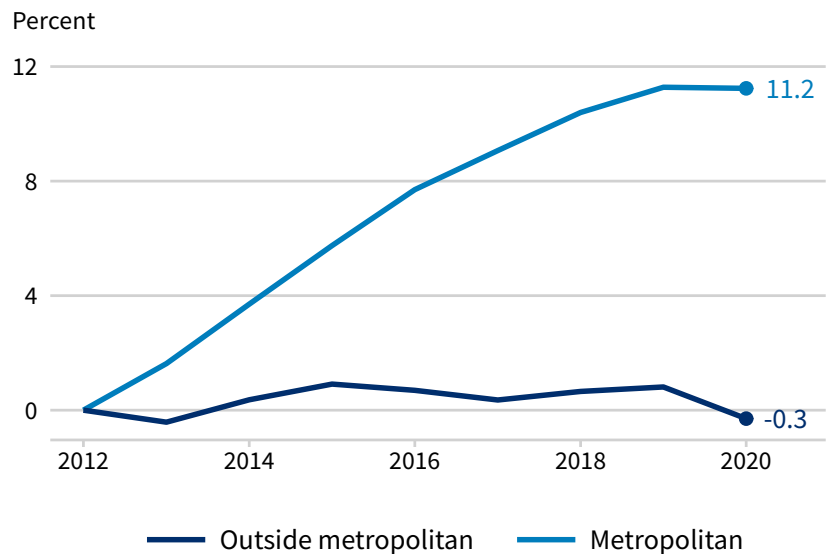
Sources: [Annual Business Survey, 2020 \(Census\)](#); [Nonemployer Statistics by Demographics, 2020 \(Census\)](#)

## Employment growth

From 2019 to 2020, small business employment outside of metropolitan areas fell by 1.1 percent to 7.5 million. Total employment fell by 0.9 percent to 13.2 million. Within metropolitan areas, small business employment remained steady at 54.0 million, and total employment rose by 0.8 percent to 114.5 million. Faster growth in metropolitan areas during the most recent year for which data are available is consistent with the longer trend. Between 2012 and 2020, small business employment fell by 0.3 percent outside of metropolitan areas and rose by 11.2 percent within metropolitan areas.

### Change in small business employment since 2012

Source of original data: [Statistics of U.S. Businesses](#) (Census)



### About this profile

A single firm may encompass multiple establishments if it operates at multiple locations. Small businesses are generally defined here as firms with fewer than 500 employees across all establishments. The business statistics presented here do not include farms.

Data describing small business employment, establishments, and lending are available by county. The Office of Management and Budget groups counties encompassing large urban centers and exhibiting economic integration into Metropolitan Statistical Areas (MSAs). The MSA definitions published on [July 15, 2015](#) are used throughout the profile.

Totals for counties outside of metropolitan areas could not be calculated directly by summing across counties because of omissions from the published data. Rather, totals outside of metropolitan areas were estimated by starting with national totals and subtracting totals for metropolitan areas as well as totals that could not be associated with any county.

Demographic statistics are based on the classifications of Census blocks, which are small geographic units corresponding roughly to city blocks. Businesses are classified as urban in the source of demographic statistics when located in Census blocks with at least 2,500 inhabitants.

Farm statistics include all farms regardless of location. The U.S. Department of Agriculture defines farms as places that produce and sell, or typically produce and sell, \$1,000 of agricultural products per year. Producers are those who run the farms, regardless of ownership. A family farm is a farm where the majority of the farm is owned by a producer and their relatives. Small family farms are family farms with annual revenues under \$350,000.

Numbers have been rounded if they include a decimal point, with the number of digits after the decimal point indicating the precision preserved under rounding. Years in source notes are the years the data describe, which may not match the naming convention used by the data publisher.

Any additional information that may be helpful for interpreting or reproducing the analysis is available by request. The SBA Office of Advocacy can be contacted at [advocacy@sba.gov](mailto:advocacy@sba.gov). Electronic versions of this and other [geographic profiles](#) are available online. Visit [advocacy.sba.gov](http://advocacy.sba.gov) for additional resources.