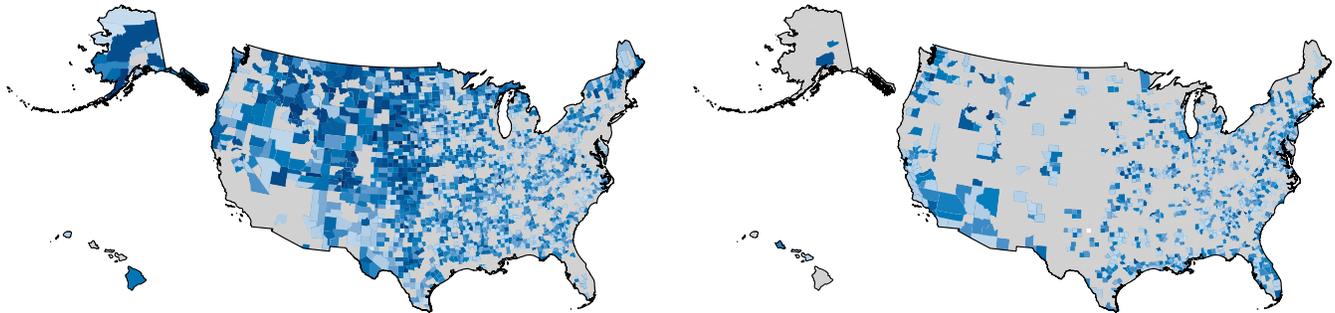


## Rural Areas

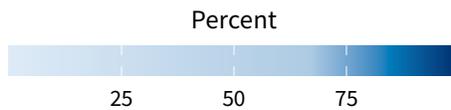
**4.3 million** small business establishments  
**96.5 percent** of establishments outside metropolitan areas

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



Outside metropolitan areas

Within metropolitan areas



### Share of employees working at small businesses by county

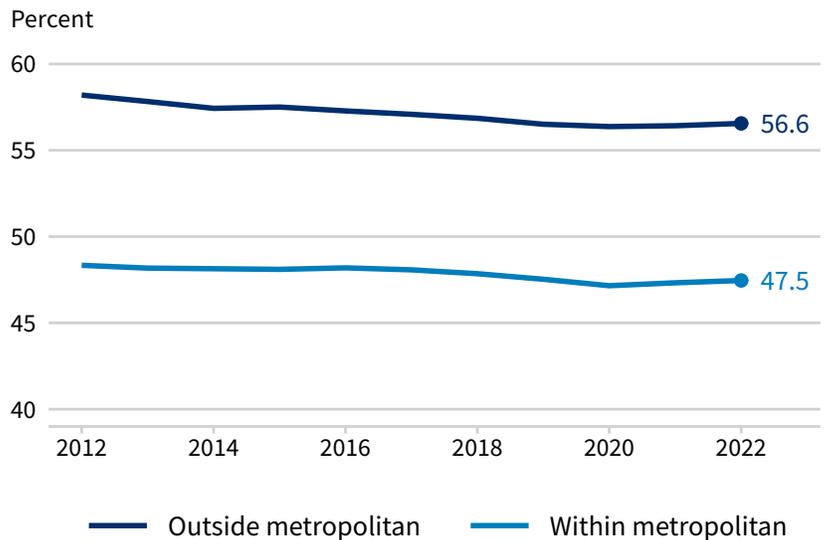
Sources of original data: [Nonemployer Statistics](#) (Census), [Statistics of U.S. Businesses](#) (Census)

### 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. In metropolitan areas, small businesses operated 96.5 percent of establishments in 2022 and accounted for 47.5 percent of employment. Outside of metropolitan areas, small businesses operated 96.5 percent of establishments and accounted for 56.6 percent of employment. However, the small business share of employment outside of metropolitan areas has been declining, falling from 58.2 percent in 2012.

### Small business share of employment

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

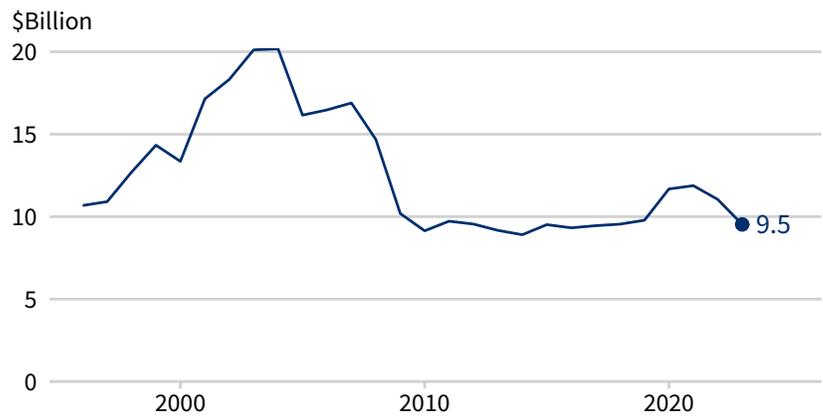


## Lending

### Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2023, reporting banks issued loans totaling \$9.5 billion to businesses outside of metropolitan areas with revenues of \$1 million or less. Reported new lending to businesses through loans of \$1 million or less was \$24.2 billion. Reported new lending to businesses through loans of \$100,000 or less was \$9.5 billion.

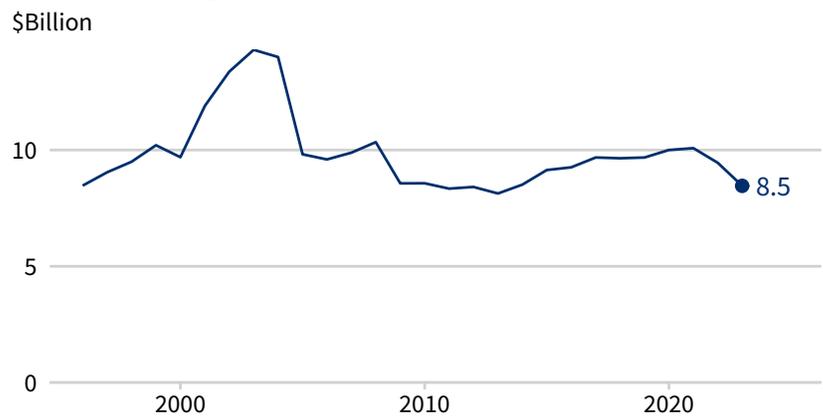
### New lending to businesses with revenues under \$1 million



### Farm loans

The Community Reinvestment Act also requires large banks to report new farm loans. Reporting banks issued loans totaling \$8.5 billion in 2023 to farms with revenues of \$1 million or less, a decrease of 10.5 percent from 2022. Reported new lending to farms through loans of \$500,000 or less was \$13.7 billion. Reported new lending to farms through loans of \$100,000 or less was \$3.9 billion.

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



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

## Farm demographics

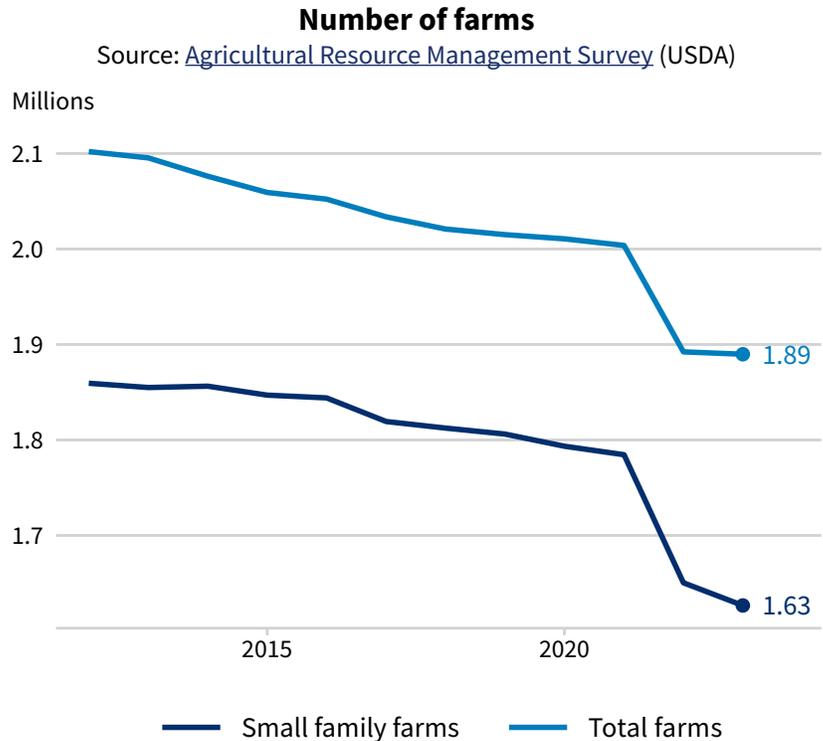
| Group                                      | Operations       | Producers        | Production (\$Thousand) |
|--|------------------|------------------|-------------------------|
| Female                                     | 1,110,546        | 1,224,726        | 222,063,864             |
| Male                                       | 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             |
| <b>Total</b>                               | <b>1,900,487</b> | <b>3,459,177</b> | <b>543,087,166</b>      |

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 2023, 96.5 percent of farms were family farms, and 86.1 percent were small family farms. The number of small family farms declined from 1,650,392 in 2022 to 1,626,608 in 2023. The total number of farms declined from 1,892,300 in 2022 to 1,889,800 in 2023. The number of small family farms has declined by 12.5 percent since 2012, while the total number of farms has declined by 10.1 percent. Although small family farms made up the majority of farms in 2023, they accounted for only 17.1 percent of total farm production.



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

| Ownership                                  | Without employees |      | With employees |      | Total businesses |
|--|-------------------|------|----------------|------|------------------|
|  | Count             | %    | Count          | %    |                  |
| Female                                     | 1,854,000         | 92.4 | 153,219        | 7.6  | 2,007,219        |
| Male                                       | 2,562,000         | 83.4 | 509,630        | 16.6 | 3,071,630        |
| Owned equally by both groups               | 141,000           | 52.2 | 128,979        | 47.8 | 269,979          |
| Veteran                                    | 303,000           | 86.7 | 46,386         | 13.3 | 349,386          |
| Not Veteran                                | 4,232,000         | 85.4 | 725,099        | 14.6 | 4,957,099        |
| Owned equally by both groups               | 23,000            | 53.1 | 20,343         | 46.9 | 43,343           |
| Hispanic                                   | 308,000           | 91.4 | 29,085         | 8.6  | 337,085          |
| Not Hispanic                               | 4,242,000         | 84.8 | 757,885        | 15.2 | 4,999,885        |
| Owned equally by both groups               | 6,900             | 58.7 | 4,858          | 41.3 | 11,758           |
| American Indian and Alaska Native          | 64,000            | 89.6 | 7,426          | 10.4 | 71,426           |
| Asian                                      | 100,000           | 79.5 | 25,744         | 20.5 | 125,744          |
| Black or African American                  | 310,000           | 96.8 | 10,368         | 3.2  | 320,368          |
| Native Hawaiian and Other Pacific Islander | 7,100             | 88.7 | 909            | 11.3 | 8,009            |
| White                                      | 4,130,000         | 84.6 | 749,941        | 15.4 | 4,879,941        |
| Hispanic or Racial Minority                | 735,000           | 91.2 | 71,039         | 8.8  | 806,039          |
| White and Not Hispanic                     | 3,808,000         | 84.3 | 711,159        | 15.7 | 4,519,159        |
| Owned equally by both groups               | 15,000            | 60.9 | 9,630          | 39.1 | 24,630           |

Census blocks with at least 2,500 inhabitants are classified as urban. As described in the “About” section on page four, counts include only businesses for which location type and owner demographics could be determined.

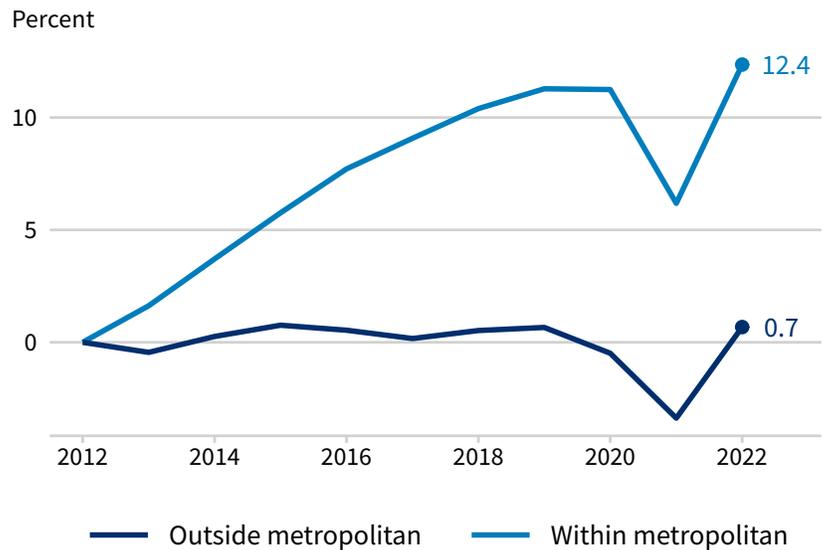
Sources: [Annual Business Survey](#), 2022 (Census); [Nonemployer Statistics by Demographics](#), 2022 (Census)

## Employment growth

From 2021 to 2022, small business employment outside of metropolitan areas rose by 4.2 percent to 7.4 million. Total employment rose by 3.9 percent to 13.1 million. Within metropolitan areas, small business employment rose by 5.8 percent to 54.6 million, and total employment rose by 5.5 percent to 115.1 million. Faster growth in metropolitan areas during the most recent year is consistent with the longer trend. Between 2012 and 2022, small business employment rose by 12.4 percent within metropolitan areas and rose by 0.7 percent outside of metropolitan areas.

### Change in small business employment since 2012

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



### About this profile

Small businesses are defined here as firms with fewer than 500 employees. Two of the data sources used here, *Statistics of U.S. Businesses* and *Nonemployer Statistics by Demographics*, are produced through a partnership between the Office of Advocacy and the Census Bureau.

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 21, 2023](#) are used throughout the profile with minor exceptions for technical reasons. Employment and establishment totals for counties 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.

Classification as urban in the owner demographics table is based on the population of Census blocks, which are small geographic units corresponding roughly to city blocks. Businesses that could not be associated with a Census block are excluded from the table. Businesses organized as C corporations are also excluded, because administrative records do not reliably identify all owners, while businesses that “pass through” income to owners for tax purposes are included.

Business statistics do not include farms. 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.

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. Where notes say “Source of original data,” some values have been approximated because of missing values in the original data.

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](https://advocacy.sba.gov) for additional resources.