

Rural small businesses need solutions to workforce challenges to continue driving local economies.

80% of rural small business owners have plans to grow, but workforce challenges and access to basic services are top-of-mind.

- 31% of rural small businesses cite **difficulty finding and retaining employees** as their most significant problem, second only to inflation
- 35% of rural small businesses think it is unlikely or very **unlikely that young people will stay in their communities**, compared to 21% of non-rural small businesses
- 55% of rural small businesses believe there are **not enough workforce training opportunities in their communities**, compared to 46% for non-rural small businesses

Rural small business owners are most likely to cite the following barriers to attracting workers:

- Lack of affordable housing (76%)
- Low wages (45%)
- Lack of child care (42%)

Amid a challenging landscape, rural small businesses remain backbones of their communities. They are:

- More likely to be **volunteers** in their community than non-rural small business owners (89% vs. 84%)
- More likely to see themselves as **leaders in their communities** than non-rural small business owners (63% vs. 57%)
- Significantly more likely to be **involved in their chambers of commerce** (55% vs. 42%) and their **local government** (20% vs. 14%)
- 76% of rural small businesses believe that their business has had a **meaningful impact on the social well-being of their community**, compared to 68% of non-rural small businesses

Over 30% of rural small business owners say they or their employees have to **drive at least 15 miles** to access **affordable housing** (35%), **medical care** (33%), and **childcare** (18%). 24% say they or their employees have to drive at least 15 miles for a **grocery store**.

62% of rural small businesses believe **attracting workers to live and work in their community is a challenge**, compared to 41% of non-rural small businesses

Health Care

- 16% of rural small businesses cite lack of health care as a barrier to attracting workers in their communities
- Rural small business owners are **2x** as likely to report **not having access to high quality health care** as non-rural businesses

Inhibitors to high-quality health care, according to rural small business owners:

- Range of services (62%)
- Professionals (59%)
- Emergency services (36%)
- Technology (26%)
- Affordability (26%)

Child Care

- 74% of rural small business owners report that the lack of high quality and affordable childcare programs negatively impacts employee recruitment and retention
- 58% of rural small businesses report that there are **not enough child care programs** that are high quality and affordable, compared to 42% of non-rural business owners
- 42% of rural small businesses cite lack of childcare as a barrier to attracting workers to live and work in their communities, compared to 30% of non-rural businesses

Inhibitors to high-quality child care, according to rural small business owners:

- Accessible facilities (68%)
- Child-teacher ratios (59%)
- Affordability (51%)

Access to Capital

Access to capital looks different for rural small businesses, who are significantly more likely to rely on community banks or friends and family.

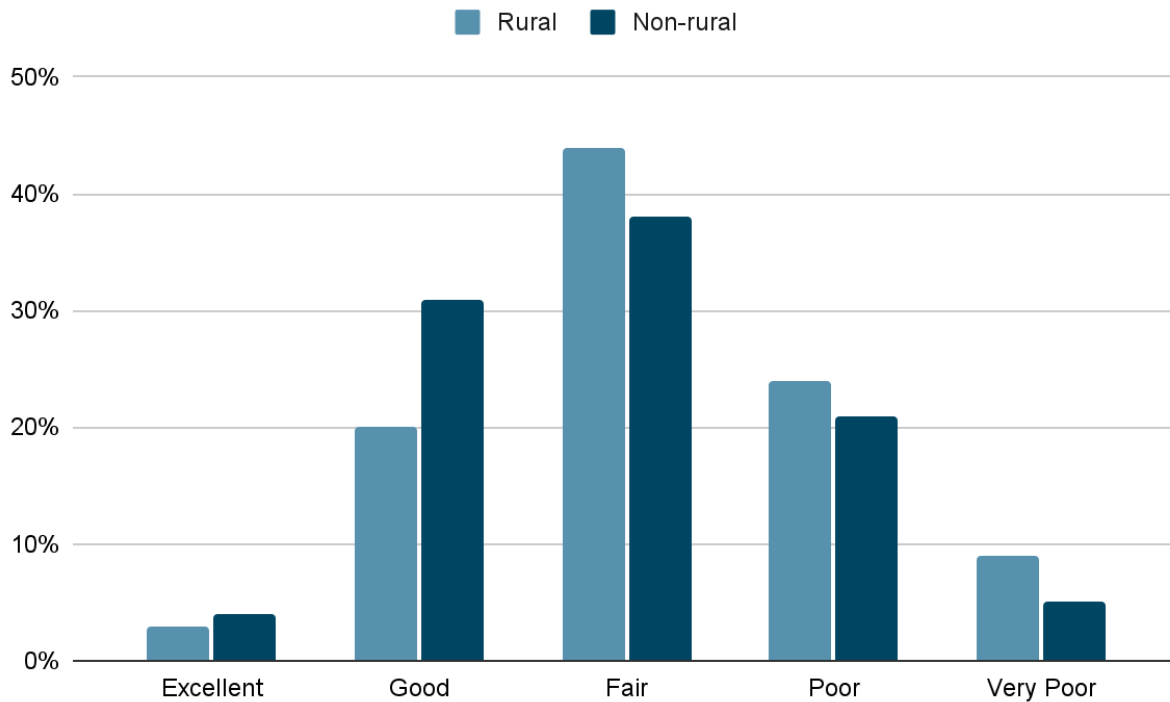
Non-rural small businesses are more likely to initially fund their business from personal savings.

- 66% of rural small business owners are concerned about accessing capital for their businesses
- Rural small businesses are ~1.4x **more likely to rely on friends/family** and over 2x **more likely to rely on a community bank** to initially fund their businesses than non-rural small businesses

Economic Outlook

Rural small businesses are more pessimistic about the economy than their non-rural counterparts.

33% of rural small businesses consider the economy poor or very poor compared with 26% of non-rural small businesses.



- 32% of rural small businesses identify **inflation as their most significant problem**
- 98% of rural small businesses say that the **cost of doing business has increased** in the past 5 years

| Data drawn from a survey of 2,23847 small business owners who participated in Goldman Sachs 10,000 Small Businesses program. 1,918 are categorized as non-rural and 320 as rural based on responses to the survey.