

# Small Business News & Notes



## Rural Entrepreneurs Report Growing Economic Anxiety

(NAPS)—Rural small businesses face greater challenges to economic recovery and are less optimistic about the future compared to their non-rural counterparts, according to new survey data from SCORE, mentors to America's small businesses.

SCORE's Fall 2022 Megaphone of Main Street: The Small Business Rural/Urban Divide surveyed more than 3,000 entrepreneurs and found that while more than 75% of small businesses surveyed have returned to pre-pandemic levels or better, more than half (53%) of rural entrepreneurs say they feel somewhat or extremely negative about the economy and its impact on their business.

Although customer acquisition remains a challenge for all small businesses, inflation, the overall economy and cash flow are top concerns. In particular, rural entrepreneurs feel more challenged by inflation and supply chain disruptions. Specifically, rural small business owners are:

- 30.2% more likely than non-rural small business owners to cite inflation as one of their top three business concerns
- When compared to non-rural counterparts, are 32.4% more likely to cite supply chain disruptions

Diving deeper, rural small businesses say cash flow is constrained by rising costs for utilities, supplies, labor and capital. Rural entrepreneurs are:

- 9.3% more likely than non-rural small businesses to report higher costs of doing business
- 24.5% more likely to report higher vendor prices, when compared to non-rural entrepreneurs

Compared to their non-rural counterparts, twice as many rural entrepreneurs say there's a lack of local banks in their area from which to seek financing, further limiting their ability to secure funding.

### What do rural entrepreneurs need in order to overcome these barriers?

Both rural and non-rural small businesses agree that better access to capital would most help them in the coming year, followed by loan forgiveness or debt relief. Interestingly, rural businesses were 24.5% more likely than non-rural businesses to desire assistance in the form of infrastructure improvements.

Recognizing that rural entrepreneurs face unique challenges, SCORE Bozeman Chapter Chair Rick Sanders notes: "Rural entrepreneurs deal with limited inventories and slow turns, requests for services from a limited pool of trained resources, few government resources and fierce competition from online stores. Thankfully, SCORE



### Rural bike shop owner David Sperstad addresses small business challenges with the help of a mentor.

is here to connect the dots in rural communities across the country to provide the advice, tools and information rural entrepreneurs really need."

#### SCORE supports rural small businesses through challenges

"As a small rural business, there are days where it seems like everything is an obstacle to overcome. From dealing with a remote location and lack of WiFi to physically demanding agricultural work and trying to get our products to customers, I can absolutely say that our business would not have grown without our SCORE mentor," said Teddi Maslowski, owner of Birch Creek Farmery in Burgettstown, Pa.

"Our SCORE mentor gave us the groundwork to plan aggressive business projections, make decisions before they are high-pressure, and to continuously monitor the direction we are headed—all things that are giving us the confidence to rapidly expand our business in an unstable economy," Maslowski adds.

Currently, her business' biggest concern is the increasing cost of product production, but she has strategies in place, including calculations, creative solutions and both short- and long-term plans to work through this phase, thanks to SCORE, she reports.

#### SCORE provides tangible solutions for rural entrepreneurs

In response to rural small business challenges, SCORE offers a centralized resource hub, SCORE for Rural Entrepreneurs. There you can download the full Megaphone of Main Street: The Small Business Rural/Urban Divide and the full infographic.

Since 1964, SCORE has helped 11 million entrepreneurs start or grow a business. SCORE's 10,000 volunteers provide free mentoring, workshops and educational services to 1,500+ communities nationwide.

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