



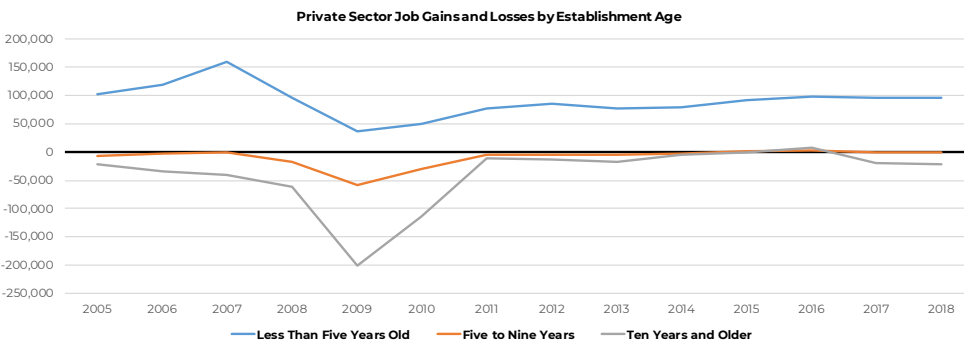
RURAL ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT: OPPORTUNITY, FUNDING, KNOWLEDGE & SUPPORT



In North Carolina, entrepreneurs and small-business owners are a cornerstone of our state’s economy. In rural, urban, and suburban areas alike, small businesses are essential to the fabric of our communities and are drivers of local economic development. The COVID-19 pandemic has exacerbated many of the challenges already faced by entrepreneurs, including access to adequate capital, technical resources, and affordable healthcare for themselves and their employees.

We must break down barriers so all entrepreneurs, regardless of race, gender, income, and geography, have equal access to capital and other funding, and that passionate individuals with a vision and dream have the know-how to start their business, the support to take necessary risks, and have an equitable, level playing field with less red tape and more opportunity. We all benefit when our small-business sector thrives—so we all have a vested interest in advocating for its success.

While much media attention is given to ribbon cuttings for the recruitment of large corporations, the Federal Bureau of Labor Statistics data shows that smaller, **younger firms have a far higher rate of net job creation.** (Figure 1)



Source: Bureau of Labor Statistics

In North Carolina, small businesses, both those with employees and the self-employed, had more than

**\$1
TRILLION
IN SALES**

based on the most recent U.S. Census data (2017-2018).

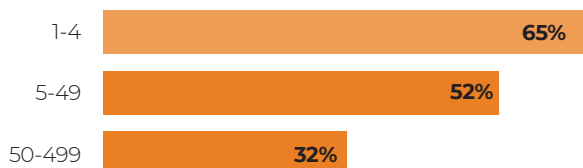
The Federal Reserve released in February its 2021 Small Business Credit Survey of Employer Firms; nationally, we see how **the pandemic has hurt both very-small businesses and firms owned by people of color owned firms.**

SHARE OF FIRMS IN FAIR OR POOR FINANCIAL CONDITION, At Time of Survey (% of Employer Firms)

BY RACE/ETHNICITY OF OWNER(S)



BY NUMBER OF EMPLOYEES



Source: Federal Reserve System: Small Business Credit Survey. 2021 Report on Employer Firms

In North Carolina, the Census Bureau Small Business Pulse Survey carried out during the pandemic notes that

26%

NORTH CAROLINA SMALL BUSINESSES REPORTING EXPERIENCING A "LARGE NEGATIVE IMPACT"

WITH AN ADDITIONAL 48% REPORTING EXPERIENCING A "MODERATE NEGATIVE IMPACT"

Between 2010 and 2020, in North Carolina there was a

27%

DECLINE IN BANK BRANCHES IN RURAL COUNTIES

compared to

10%

DECLINE IN BANK BRANCHES IN URBAN COUNTIES

RECOMMENDED ACTIONS

- Adopt North Carolina's New Small Business Plan – a statewide small business agenda that fully addresses the needs of entrepreneurs and small businesses, with special attention on underserved areas, and businesses owned by people of color, veterans, and women. This plan has four pillars:
 - > Opportunity: A level playing field with less red tape.
 - > Funding: Equal access to the right kind of capital everywhere.
 - > Knowledge: The know-how to start a business.
 - > Support: The ability for all to take risks.

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