

The Backbone of Rural Communities: Small Businesses Need Support

Why Goldman Sachs is Announcing a \$100 Million Investment in Rural Small Businesses

Section 1: Rural Small Businesses are the Foundation of Their Communities

Poised for growth, rural small businesses drive connection and well-being in their communities

- 89% of rural small businesses support organizations and causes in their local community through volunteer and other efforts
- 70% say their business has a meaningful impact on the social well-being of their local community

SIDEBAR: “My community has been there for me as I’ve grown my business, and I’m committed to giving back and making things better however I can.” – Small Business Owner in rural Arkansas

As the primary employers in rural communities, small businesses are ready to grow

- 86% of rural small business owners have current plans to grow their business

Section 2: Access to Capital, Workforce, Child Care, Healthcare and Other Essential Services Weigh Heavily on Rural Small Businesses

“I tried getting capital in the past and was turned down without explanation.” – Small Business Owner in rural Michigan

68% of rural small business owners are concerned with their ability to access capital

It is likely that young people will stay in my community to live, work, and raise a family
31% rural, 64% non-rural

There are not enough training opportunities for the local workforce
58% rural, 46% non-rural

68% of rural small business owners agree that attracting workers to live and work in their community is a challenge (compared to 46% non-rural)

SIDEBAR: “It’s hard for small businesses like mine to compete for talent. Many young people are moving away and it’s a challenge to attract new workers here and retain them.” – Small Business Owner in rural North Dakota

Lack of child care and other amenities were cited as key factors to growing workforce challenges:

- Only 10% of rural small business owners say there are enough affordable, high-quality child care programs in their area
 - Almost three quarters (74%) say child care is a significant or moderate factor in attracting and retaining a qualified workforce

And those aren't the only challenges facing rural small business owners, who say:

- 71% My community does not have adequate affordable housing options
- 23% My community does not have access to high-quality healthcare
- 19% My community does not have access to affordable, reliable high-speed internet

SIDEBAR: “We don't have some of the amenities that larger cities do, so people know less about what our town has to offer.” —Small Business Owner in rural Iowa

Section 3: Lack of Public and Private Sector Resources Inhibits Further Growth

Rural small businesses feel they are not getting their fair share of government or private sector resources

- Only 14% think rural small businesses receive a fair amount of federal government resources to help grow their businesses
- Only 26% are familiar with federal government resources for rural small businesses
- Only 7% think rural small businesses receive a fair amount of private sector resources to help grow their business

Section 4: Our Plan to Prioritize and Invest in Rural Small Businesses

Goldman Sachs *10,000 Small Businesses* will continue to support rural small business owners, including through a \$100 million investment in our new initiative.

- Since completing the *10,000 Small Businesses* program,
 - 72% of rural small business owners have created jobs
 - 85% think their business is more resilient
 - 74% have increased revenue
- If looking for additional skills or knowledge, 69% of alumni would turn to the *10,000 Small Businesses* alumni community and/or program

Source: Survey of 1,379 Goldman Sachs 10,000 Small Businesses participants, including 211 rural small businesses, conducted by Babson College from July 24-August 2, 2023.