MASTERCARD CONSUMER COLLECTIVE

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Fueling big ambitions in small towns

Supporting the rural entrepreneurs who support their communities

Contents

The beating heart of the heartland

 

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Rural entrepreneurs are resilient innovators, problem-solvers, and community builders who fuel local growth. Yet despite their determination, they often face outsized challenges accessing capital, adopting technology, and navigating complex financial systems. By understanding their ambitions and barriers, we can help unlock meaningful opportunities for progress.

Rural entrepreneurs do not operate in isolation; they are at the heart of a vast and vital part of the country. Rural America, which makes up most of the nation's land mass and a significant share of its people, is experiencing a remarkable shift. For the first time in 50 years[1], more people are choosing to leave the hustle of the big cities to move to small towns and rural areas. This "small-town revival" underscores just how essential local businesses and entrepreneurs are to sustaining growth and community well-being.[2]

Rural entrepreneurs are driven by a dual desire to fulfill their own dreams and uplift their communities. They have a deep understanding of local needs and challenges and pursue their financial goals with resilience, dedication, and an aspirational mindset. By investing in rural business owners, we spark local prosperity and contribute to a stronger, more inclusive national economy.

Despite their determination, rural business owners face obstacles that are often steeper than those encountered in urban settings. We can continue to help by expanding financial access, offering training, and providing mentorship to strengthen operations and confidence. Public programs and policies can drive rural economic growth and collaboration. These efforts create ripple effects, as rural entrepreneurs are deeply embedded in their communities — driving local progress.

One of the most pressing challenges — and greatest opportunities — lies in technology. For rural entrepreneurs, digital tools offer access to new markets and efficiency gains, but they can also pose challenges due to infrastructure gaps or limited digital literacy. Bridging this divide ensures that technology empowers rather than hinders. Supporting rural entrepreneurs means equipping them with the tools and knowledge to succeed in an increasingly digital economy.

Supporting the growth of the resilient, driven rural entrepreneurs whose success fuels cascading benefits for their communities is more than an economic strategy; it is a commitment to helping others thrive.

Join us on a journey to better understand the unique needs and aspirations of rural entrepreneurs. By supporting this vital group, we unlock economic potential not just for individuals, but for entire communities. Together, we will uncover new opportunities to deepen trust, expand support, and create lasting value for rural businesses and the communities they serve.

Ginger Siegel
Senior Vice President
Small Business Products, North America

1. Bloomberg, "Record Wave of Americans Fled Big Cities for Small Ones in 2023," May 7, 2024.
2. New York Post, "Why young adults are moving to small towns at the highest rate in a decade," March 14, 2025.

Executive summary

1

Rural entrepreneurs are a vital market for economic growth
Across the United States, small towns depend on small businesses—and rural entrepreneurs are at the center of that ecosystem. They play a vital role in sustaining local economies, not only by meeting community needs but also by creating employment and fostering economic growth. With a majority, 86%, planning to expand their operations[1], rural entrepreneurs represent a significant source of future growth. Their continued success is essential to strengthening both local communities and the broader national economy.

2

Purpose and values shape their business journey
Rural entrepreneurs are driven by a desire for freedom, fulfillment, and flexibility—values that reflect their commitment to building their lives on their own terms. Their pursuit goes beyond business ownership; it's a personal investment in their communities and futures. With so much at stake, they are often loyal, long-term partners for financial institutions and highly involved in or supportive of local governments.

3

Uniquely equipped to serve, adapt, and strengthen rural communities
Rural entrepreneurs build strong personal relationships with their customers through daily interactions, offering unique insight into local needs. They are +13% more likely to say that contributing to charitable causes positively impacts society, and +14% more likely to intend to contribute to their local community. Their proximity and engagement enable them to adapt quickly and serve their communities with precision. They reinvest locally, spark innovation, and strengthen community well-being, making them a powerful force for sustainable, inclusive growth.

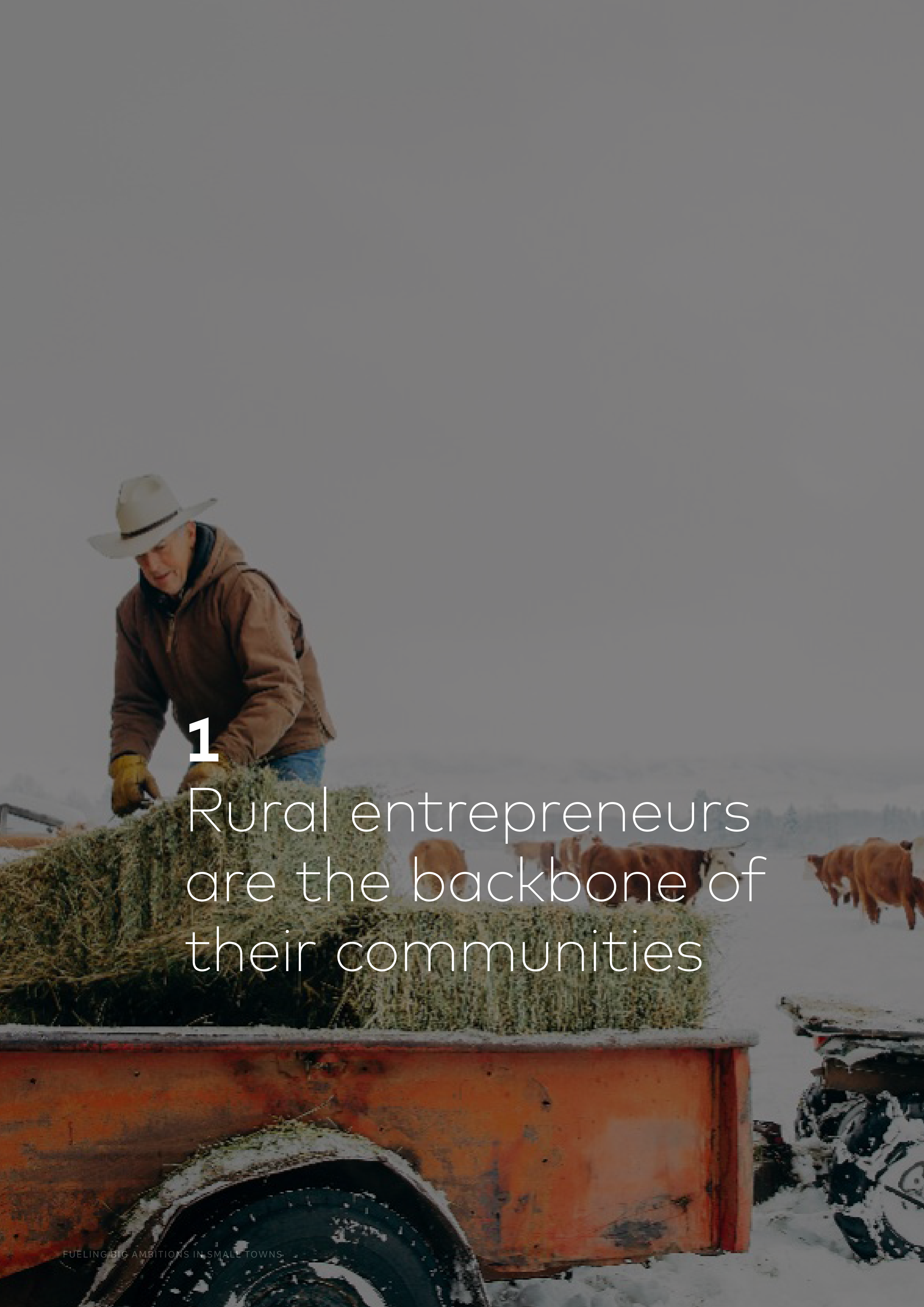
4

Economic challenges are amplified in small towns
Barriers like inflation, rising costs, and labor shortages are often magnified in rural areas, highlighting the need for greater public and private support. Rural entrepreneurs face limited access to capital (1.2x more likely to want a loan, 1.4x more likely to rely on a personal loan) and increased supplier pricing (1.2x more likely to experience higher prices from vendors). Hiring is also more difficult, with rising wage demands adding pressure. As these challenges grow, financial education is more essential than ever to help rural business owners sustain and strengthen their operations. When local governments support rural entrepreneurs in overcoming these challenges, they foster economic diversification, reduce dependence on external entities, and improve local employment opportunities. All of this leads to a stronger tax base, improved community cohesion, and long-term reinvestment in local well-being and causes.

5

Digital tools are essential, yet access and adoption remain uneven
Technology is a powerful catalyst for rural entrepreneurship, unlocking access to customer data, efficiency, and growth. Some rural business owners have embraced digital tools with confidence, 45% use cloud services, 33% use cybersecurity software, 25% use e-commerce platforms, 18% use AI, among many other technologies. Others, however, face barriers in adoption, from limited infrastructure to a lack of training or support. Yet their commitment to adapt is clear. Whether through e-commerce platforms, digital payment systems, or cybersecurity tools, rural entrepreneurs recognize that technology is essential to remain competitive.

1. Goldman Sachs, 10,000 Small Businesses, 2023



1

Rural entrepreneurs are the backbone of their communities

RURAL ENTREPRENEURS ARE THE BACKBONE OF THEIR COMMUNITIES

Supporting a vital force in smalltown America

Rural America is a growing segment and an undeniable economic force, representing roughly one in five Americans (66 million people) and a staggering 97% of the country's land mass.[1] In fact, in recent years more people moved to small towns and rural areas than to larger urban areas.[2]

1 in 5
Americans call rural America home — 66 million people[1]

97%
of the country's land mass is considered rural[1]

54%
of workers in rural counties are employed by small businesses[3]

Small businesses are the life force of these small, rural communities across the country. Not only do they provide the essential goods and services that power everyday life, they offer essential employment opportunities, directly impacting the financial health and stability of community members' households. Entrepreneurs operate the majority of establishments in their counties and employ more than half of workers.[3]

METHODOLOGY

Insights are based on both qualitative and quantitative methodologies. Quantitative data was collected in a 35-minute online survey from a nationally representative U.S. sample, including N=544 U.S. rural entrepreneurs.

Rural entrepreneurs were defined as small business owners, solopreneurs, or creators with self-identified zip codes in rural areas (matching metropolitan statistical areas with populations less than 50,000 or the ten cities on the rural listening tour).

A listening tour across the U.S. allowed us to gather authentic insights and qualitative observations into the lives, priorities, and challenges of the rural entrepreneurs who serve in the communities where they live and work. We conducted interviews with rural entrepreneurs, representatives from local chambers of commerce, and public officials in the following locations:

- Newark, OH
- Bowling Green, OH
- Sparks, NV
- Morristown, TN
- Pullman, WA
- Plattsburgh, NY
- Great Falls, MT
- Albuquerque, NM
- Duluth, MN

1. Health Resources and Services Administration, using 2020 census data.
2. Bloomberg, "Record Wave of Americans Fled Big Cities for Small Ones in 2023," May 7, 2024.
3. US Small Business Administration Office of Advocacy, Small Business Facts: Small Businesses in Rural Areas. August 22, 2023.

RURAL ENTREPRENEURS ARE THE BACKBONE OF THEIR COMMUNITIES

Rural entrepreneurs have a forward-looking mindset, with the vast majority aiming to expand their business.[1] This motivated population both seeks out and attracts aspirational partnerships that reflect ambition, determination, and promise. They represent a significant opportunity for community-focused organizations, local governments, non-profits, banks, and financial service providers to drive progress. Unlocking the potential of this audience will also spark positive change in small-town communities across the country.

Entrepreneurs represent the spirit of America that burns bright in rural areas. It's essential that we support the people who are doing so much to support their communities — from fueling their local economies and creating social connections to making a meaningful impact on their neighbors' lives.

> "78% of our community is made-up of small businesses; they provide all the goods and services that we all use every single day."
>
> — Reno & Sparks, NV Chamber of Commerce Representative

Operating

85% of establishments in their countries[2]

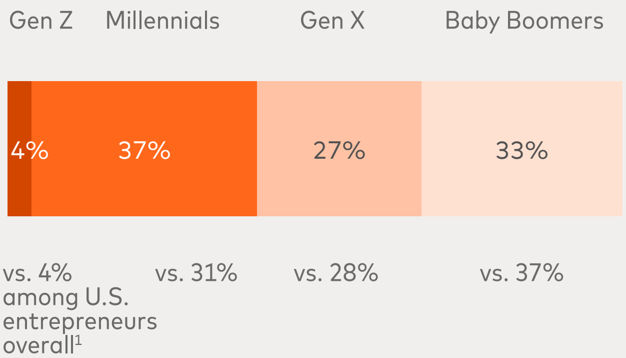
86% plan to grow their business[1]

1. Goldman Sachs, 10,000 Small Businesses, 2023.
2. US Small Business Administration Office of Advocacy, Small Business Facts: Small Businesses in Rural Areas. August 22, 2023.

A closer look at rural entrepreneurs

DEMOGRAPHICS

Slightly more Millennial



More likely to be female

INCOME AND SPENDING

Lower income, spend, and revenue

$56k

(vs. $67k)
Median household income

$6k

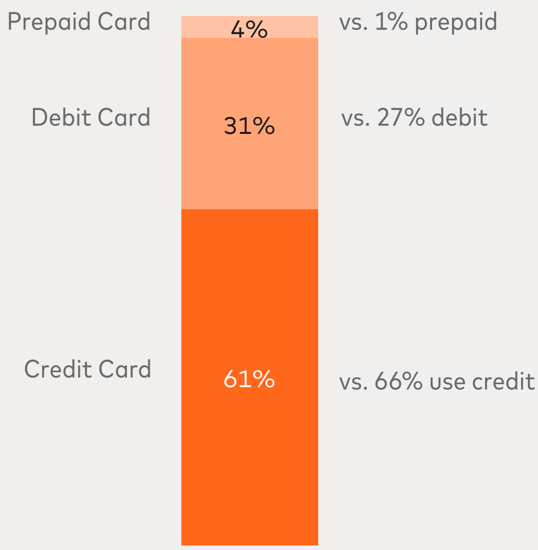
(vs. $10k)
Median business spend

$47k

(vs. $55k)
Median business revenue

Safe spending habits

Lean more heavily on debit and prepaid than other entrepreneurs



1. Comparisons are made against a sample of U.S. entrepreneurs overall

RURAL ENTREPRENEURS ARE THE BACKBONE OF THEIR COMMUNITIES

"Transitioning from a legal career to owning our own business has been the hardest, hardest job I've ever done in my entire life. Yet I love it immensely and would never change a moment of it. It's a commitment. You'll be pushed to the limits and know your strength, how you can become quite the fighter when you need to be."

— Sparks, NV

"I saw my mom and dad working Monday through Sunday from 8am sometimes to 11pm. I didn't want that same life; I wanted to change my lifestyle and help my mom and dad. I started digging into businesses with my business partner. He liked the tools, I liked the business side, we put it together and it came out great. It's been challenging, but at the same time it's exciting."

— Albuquerque, NM

Prosperity means freedom, fulfillment, and flexibility

Rural business owners are driven by an appetite for growth and a fierce drive for independence, similar to entrepreneurs throughout the U.S. Their entrepreneurial spirit is inspired by a desire to pursue their passion, align their career with their values, and navigate life on their own terms, no matter the challenges they may face along the way.

Freedom represents the financial stability that allows this group to chase their goals and create a meaningful life. Freedom also means the ability to create their own livelihoods on their own terms. They may be stepping away from exhausting or damaging work environments, or breaking free from generational cycles that have constrained other family members, driven by a desire for greater financial independence and control. Entrepreneurship can also offer the freedom to build something that reflects tradition and local pride.

Rural entrepreneurs approach their goals with a strong sense of purpose, seeking fulfillment and meaning in their work. For them, entrepreneurship is not merely a means of earning a living, it is a passion-driven pursuit. They are +13% more likely than their peers to define prosperity as transforming a personal passion into a business. Their ventures are often rooted in personal significance, whether realizing a lifelong aspiration, advancing a community cause, or sharing a hard-earned skill. The opportunity to make a positive impact on their neighbors and the broader community further deepens their sense of pride and purpose.

Owning a business also lets these rural entrepreneurs choose their own hours, set their own schedules, and live on their own terms. The flexibility that comes with being your own boss can mean spending more time with family, seeing the world, or being present in the community and responding to local needs. For rural entrepreneurs, it might mean being able to integrate work with other personal responsibilities, such as farming, caring for a relative, seasonal work, other businesses, or investing in their own personal development.

No matter their individual desires, in many ways, rural entrepreneurs embody a holistic vision of success, which combines economic progress with a balanced, independent lifestyle.

Wendy, **Sparks, NV**

Leveraging these values and making connections

The values that inspire rural entrepreneurs—freedom, flexibility, and fulfillment—are not only personal but powerful. They shape how these business owners build, sustain, and contribute to their communities. For government agencies, financial institutions, non-profits, and community organizations, these values offer unique entry points to engage, support, and strengthen relationships with this motivated and resilient group.

When public institutions invest in rural entrepreneurs and their pursuit of financial independence, the returns include a more diverse and resilient local economy, reduced dependence on outside resources, and greater employment stability. These entrepreneurs also give back, reinvesting in local causes, preserving cultural heritage, and contributing meaningfully to community development. For financial institutions, supporting purpose-driven entrepreneurs builds trust, increases product engagement, and fosters long-term loyalty. Their fulfillment leads to greater business longevity, while their adaptability and strong sense of purpose make them promising, low-risk partners for scalable growth.

REASONS TO SUPPORT THEIR FINANCIAL FREEDOM, FULFILLMENT & FLEXIBILITY

Public and non-profit sectors

- Economic diversification within the community
- Reduced reliance on distant corporations or government subsidies
- Reduced local unemployment and underemployment
- Retention of local talent
- Stronger local tax base from business activity and property improvements
- Improved community stability, cohesion, and well-being
- Reinvestment by business owners in local causes

Financial institutions

- Stronger customer base
- Higher product usage (e.g., credit, loans)
- Long-term viability
- Fulfillment leads to staying in business longer

2
Strength rooted in connection and purpose

Small towns offer big advantages

> "Small businesses are really the heart and soul here. We're the ones who care the most about the community and we're making it a vibrant place to live. I would love to see Lake City Coworking become a brand that has recognition as a major part of the community with support within the community."
>
> — Plattsburgh, NY

As the heartbeat of their communities, rural entrepreneurs can turn challenges into opportunities with resilience and creativity. Recognizing their distinct strengths—innovation, adaptability, and a deep commitment to sustaining local economies—can reveal new pathways to support their success and ensure the vitality of the communities they serve.

Strong community connection

Business owners hold a prominent role in smaller, close-knit communities. Living and working among their customers gives rural entrepreneurs unique insight into local needs and the ability to respond quickly to change.

This deep understanding fosters the agility essential in today's fast-paced environment. Rural entrepreneurs are nimble and can adapt offerings to match evolving preferences because they know their customers' daily lives. By providing specialized, locally tuned services, they deepen loyalty and strengthen their businesses. Their grasp of individual needs also enables effective personalization, further reinforcing customer relationships and long-term success.

REAL STORIES FROM RURAL AMERICA

Plattsburgh, NY: Restaurants adjusted operations by shortening hours and closing two days a week due to staffing shortages, demonstrating flexibility to remain sustainable.

Albuquerque, NM: When profit margins on smoothies became slim, a shop owner branched out into other services including diet plans, general fitness and wellness consultation, and training.

Newark, OH: One business owner recalled starting to use Snapchat, Instagram, and TikTok to reach the college population in town.

Lynn, **Plattsburgh, NY**

STRENGTH ROOTED IN CONNECTION AND PURPOSE

Having close ties to the community also pushes smalltown entrepreneurs to seek support from the public sector. Compared to their urban counterparts, rural entrepreneurs more often acknowledge the importance of government support, with two-thirds recognizing that their local government supports small businesses in their community, and they are significantly more satisfied with those efforts.

67%

of rural entrepreneurs are aware that the local government supports small businesses in the community

+24%

more are highly satisfied with these efforts compared to their urban counterparts

Community ties create opportunities for rural entrepreneurs, and those who support them, to be the catalyst for change. For example, rural entrepreneurs may have better access to local officials and decision-makers, participate in collaborative partnerships with local institutions, and garner chamber of commerce support — furthering the interests of their businesses and the community as a whole.

REAL STORIES FROM RURAL AMERICA

Pullman, WA:
Businesses collaborate with Schweitzer Laboratories, which helps them navigate cybersecurity by hosting webinars and offering tech support.

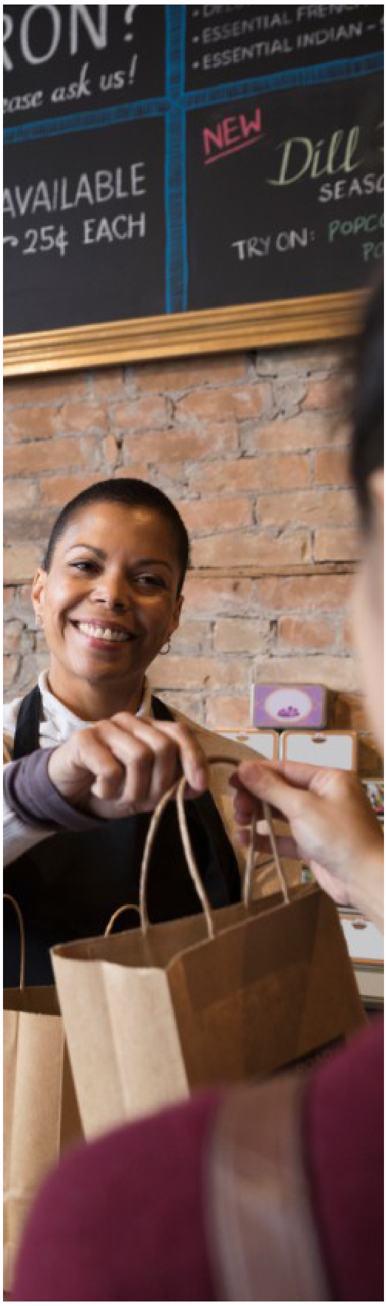
Great Falls, MT:
Entrepreneurs described their efforts to influence local tax policies and expand revitalization programs in the downtown area.

Plattsburgh, NY:
Business owners mentioned learning about the Work Opportunity Tax Credit (WOTC) from the North Country Chamber of Commerce.

STRENGTH ROOTED IN CONNECTION AND PURPOSE

" A student who had just graduated from high school called me and said, 'Can I come in and apply?' I said, absolutely not, you can come in and have a job. I know you, I've known your family forever."

— Bowling Green, OH



Community ties create lasting value

Rural entrepreneurs are more than business owners, they are tightly woven into the fabric of their towns. Their day-to-day relationships with neighbors, customers, and peers create a natural ecosystem of trust, loyalty, and shared success. By addressing local needs through innovative, multi-sector solutions, they help money stay within the community, strengthen civic engagement, and enhance the use of public infrastructure.

These strong local connections benefit public organizations through improved cohesion, resilience, and sustained well-being, while offering financial institutions a unique advantage: access to a deeply rooted customer base whose influence, reliability, and community presence drive both reputational and economic returns. Supporting these entrepreneurs is not just a community investment, it's a long-term growth strategy.

HOW COLLABORATION WITH LOCAL COMMUNITIES ADDS VALUE

Public and non-profit sectors

- Entrepreneurs help address unmet local demands
- New, creative solutions
- Multi-sector innovation keeps money circulating
- Efficient use of public infrastructure (e.g., broadband, roads, community centers)
- Partners for community development initiatives
- Cultural preservation (e.g., heritage, local crafts)
- Greater civic engagement

Financial institutions

- Wider variety of product needs with a collaborative group or community
- Influential word-of-mouth advocates
- Reduced loan risk with diversified incomes
- Local success leads to faster scaling

STRENGTH ROOTED IN CONNECTION AND PURPOSE

Guided by purpose and pride

Giving back is another important motivator for this group. Rural entrepreneurs find unique purpose in helping others, including their own customers. While they share many top business goals with U.S. entrepreneurs as a whole, such as growing revenue, acquiring new customers, keeping up with rising costs, and improving profit margins, rural entrepreneurs place greater value on making a difference in their communities.

Nearly a quarter of rural entrepreneurs consider contributing to charitable causes and giving back to society to be a pivotal part of what it means to be prosperous. Even more have set a goal of contributing to their local communities in the next five years.

19%

of rural entrepreneurs define prosperity as contributing to charitable causes and giving back to have a positive impact on society, +13% higher than entrepreneurs on average

26%

have a goal to contribute to their local communities within the next 5 years, +14% higher than entrepreneurs on average

REAL STORIES FROM RURAL AMERICA

"When my wife and I moved back to Montana where I grew up, I really wanted to get into the craft beer business. We have a 5-year plan to become a staple here downtown but also help the downtown Great Falls area grow. We can benefit from that as things start to pick up in downtown Great Falls. We're excited about the opportunity to be in this business."

— Great Falls, MT


Dan, **Great Falls, MT**

22%

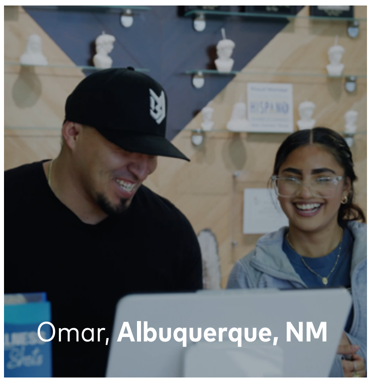
want to improve employee compensation in the next 5 years, +17% higher than entrepreneurs on average

Besides donations, rural entrepreneurs also intend to do more for their communities through investing in their employees. While many business goals are common between rural and urban entrepreneurs, those that distinguish rural entrepreneurs include interest in improving benefits and compensation for their employees, +17% higher than entrepreneurs on average. Investing in their employees, who are also their neighbors, positively impacts the entire community.

REAL STORIES FROM RURAL AMERICA

"We focus on the growth of every single member of our team. Because we believe we're here to do something great. Somebody helped us. If we can also help somebody grow we're going to do the best we can do."

— Albuquerque, NM


Omar, **Albuquerque, NM**

Sparking a cycle of progress

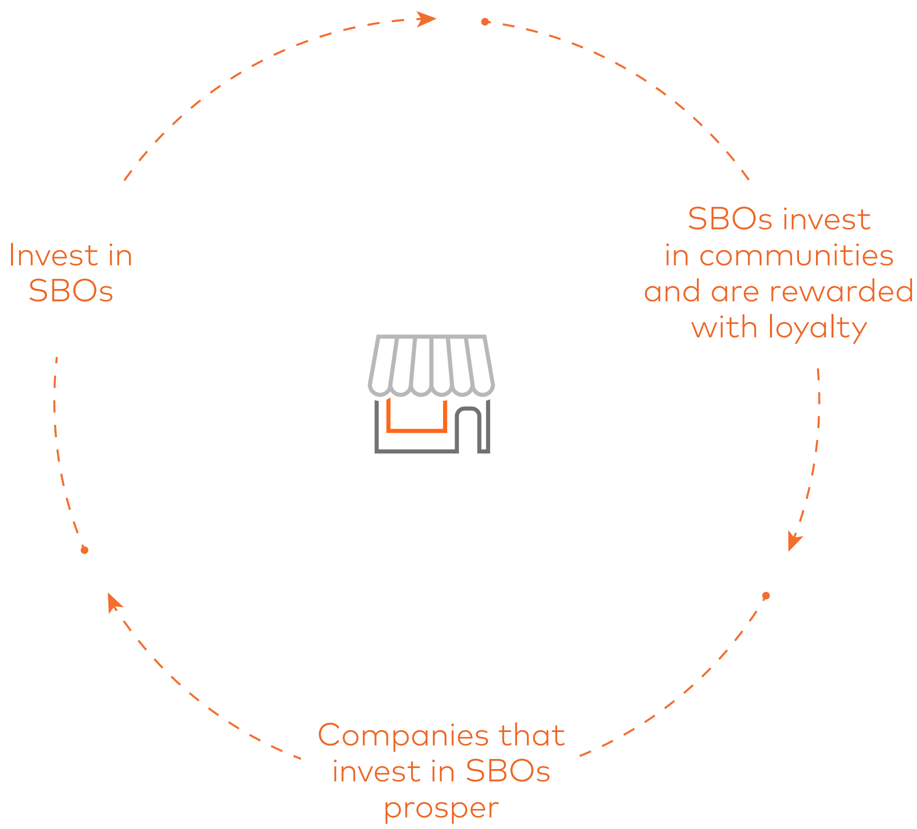
Supporting rural entrepreneurs in giving back is not just about charity. It's about creating a ripple effect of shared progress and community uplift, igniting a cycle of good with far-reaching benefits. When governments, banks, non-profit groups, and other organizations invest in rural small businesses, they pay it forward by investing in entire communities.

When residents of smalltown communities recognize these investments, they reward businesses with their loyalty. This sentiment is echoed by rural entrepreneurs, with three in ten rural entrepreneurs strongly believing that businesses making sincere efforts to invest in the community deserve loyalty.

30%

of rural entrepreneurs feel strongly that companies that make sincere efforts to invest in the community deserve loyalty, +16% higher than entrepreneurs on average

By supporting rural businesses, whether through solutions, resources, funding, projects, or partnerships, we can ignite a cycle of giving and receiving that's beneficial for everyone — building stronger businesses and stronger communities at the same time.



3
Navigating the unique economic challenges of smaller markets

In small towns, hurdles feel bigger

To tap into the unique opportunities to connect with rural entrepreneurs, it is important to understand the financial and business obstacles they face. While their primary challenges are similar to most U.S. entrepreneurs, these challenges are often amplified due to the circumstances that come with being in a smaller community:

- **Access to capital**
- **Economic uncertainty**
- **Access to credit**
- **Shifting populations**

Rural entrepreneurs have committed themselves fully to their journeys and are prepared to meet challenges with resilience and resolve. Like all entrepreneurs, they seek to grow revenue, expand their customer base, and navigate rising costs. Yet their strategies are often shaped by local realities, with a focus on strengthening credit, reducing debt, and accessing new sources of capital.

"We only have our hometown lenders that don't necessarily always lend to small businesses because of the risk. I've been cutting hair for four or five years, but I was just told by the bank, go get a credit card."

— Newark, OH

"We got lucky during COVID because having a small bank that we work with, our banker put us in tune with what was available for us. But it's still difficult being small to grab capital at a good interest rate. We haven't wanted to apply for capital because of the current interest rates."

— Sparks, NV

Funding barriers and opportunities

Overcoming barriers to capital access is essential for rural entrepreneurs. They are more likely to need loans than other business owners but face greater challenges securing them. Nearly half have been denied loans, often due to limited credit history or low scores. Complex processes, high interest rates, and insufficient collateral further hinder their ability to obtain the funding needed for growth.

Rural entrepreneurs are

1.2x

more likely to want a loan, but 45% have been denied

When declined, it is

1.5x

more likely due to no credit or low credit, consistent with the fact that rural entrepreneurs are 1.7x more likely to say their credit is "fair" or "very poor"

NAVIGATING THE UNIQUE ECONOMIC CHALLENGES OF SMALLER MARKETS

In the face of challenges, many rural entrepreneurs turn outside the traditional financial system for support — evidence of their determination and tenacity. They are more likely to rely on personal loans from friends or family, government funding, or gifts and donations. Their ability to forge a path when options are limited reflects the freedom and flexibility they value and work hard to preserve.

Finding creative ways to fund their business

21%

have taken a personal loan from friends/family (+39% higher than average)

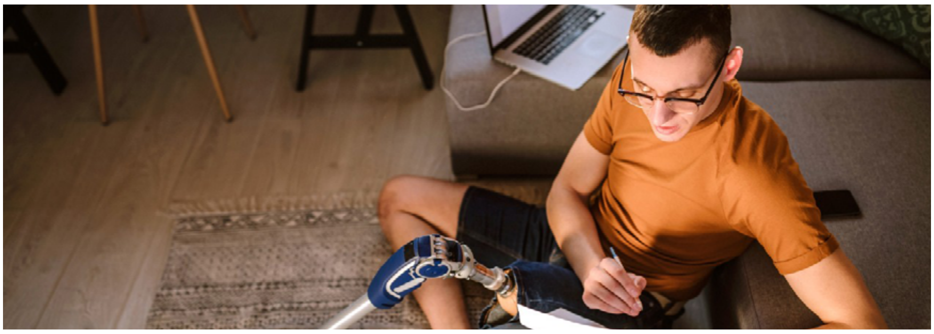
13%

use government funding (+41% higher than average)

13%

use gifts/donations (+20% higher than average)

REAL STORIES FROM RURAL AMERICA



Sparks, NV: "We had to put in our retirement in order to be able to do this."

Bowling Green, OH: "I paid them for a thousand customers that have already paid 4 to 6 months in the future. I don't get that balance for that, which made it really tight. For the first four months, I just didn't pay myself."

Bowling Green, OH: "We just purchased the Ace Hardware here downtown from the founder. It wasn't like we were working on this for years. The opportunity came up and so we did a bunch of financial gymnastics ourselves to make ourselves ready for it."

Morristown, TN: "It would be nice when you get a commercial loan if you could maybe have access to some better interest rates. The regular interest rate could be 3-4% and we're still paying 7-8%."

NAVIGATING THE UNIQUE ECONOMIC CHALLENGES OF SMALLER MARKETS

Rural entrepreneurs are hard-working, committed, and underserved in their access to capital. They need more flexible, accessible, and creative funding solutions tailored to their realities because traditional lending models can fall short. Expanding alternative financing options can help remove systemic barriers and better support their growth and impact.

"One really unfair system is credit reporting. I opened my business four years ago because I had a bad accident. I lost my income, which was six-figures, and I took out different loans to get my business open. This looks bad on paper and my credit score dropped 100 points.

I'm paying off all the loans, haven't been late on a payment, and the business is doing good. I incurred more debt, I keep up with my payments, and I make more, so my credit score should have shot through the roof!"

— Morristown, TN

IDEAS TO HELP RURAL ENTREPRENEURS ADDRESS FUNDING CHALLENGES

- Flexible microloans with lower interest rates and accessible terms
- Payment plans aligned with seasonal or irregular business cycles to ease cash flow pressure
- Revenue-based financing models to lower traditional credit barriers
- Loan forgiveness programs tied to impact goals like job creation, sustainability, or community benefit
- Expanded access to public loans through government-backed low-interest programs
- Targeted small business loans earmarked for equipment, working capital, or startup costs
- Character-based lending using personal references, community involvement, and business history as qualifiers
- Digital tools that help identify local lenders
- Shared databases of active funders, grant programs, and technical assistance resources in their area

Playing the credit advantage

Credit is another important opportunity to support rural entrepreneurs. Compared to other business owners, many prefer debit or prepaid cards over credit, due in part to their worries about credit checks and lack of credit. Rural dwellers are less likely to have high credit scores and use bank credit, which means they also end up paying more for credit when they are approved.[1]

- Rural entrepreneurs are **2x** as likely to cite credit checks as the main reason they prefer debit/prepaid
- **1 in 3** cite limited/no credit as a primary pain point (+26%)
- Only **56%** say they have good-to-exceptional business credit (vs. 61% of all entrepreneurs)

1. Consumer Financial Protection Bureau, "Data Spotlight: Challenges in Rural Banking Access," April 2022.

NAVIGATING THE UNIQUE ECONOMIC CHALLENGES OF SMALLER MARKETS

In smaller markets where margins are tight, timing can be critical, affecting both decision-making and profitability. For rural entrepreneurs, obtaining a credit card often comes with a sense of urgency. In fact, 23% want immediate access to a physical or digital card upon approval, a rate +27% higher than the average entrepreneur (18%). High fees and uncompetitive rates only add to the financial strain, making speed and affordability key priorities.

REAL STORIES FROM RURAL AMERICA

Plattsburg, NY:
"Paying my suppliers with a with a credit card gives me an extra 30 days to pay them with the cash when I'm waiting 60 days to get the job done."

Bowling Green, OH:
"My business is about 24 years old. I started in town and they said happily, 'here, I have money.' That relationship was really good back then. Today if I want a credit increase it's painful, even if they know me after all these years it doesn't matter."

Sparks, NV:
"The philosophy to get money when you don't need it is 100% true because in 2008 when I needed capital, I couldn't get it."

Even those rural entrepreneurs who do use credit cards aren't harnessing their full advantages. They charge a small portion of business expenses, often relying instead on personal accounts (personal credit card, debit card, digital wallet, or auto-debit from their personal checking). They must learn to make better use of their credit and improve their scores to support long-term progress and success.

Among rural entrepreneurs who use credit cards:

29%

struggle with paying balance (+20% more than other entrepreneurs)

25%

rely on personal credit cards to pay business bills (+30% more than other entrepreneurs)

37%

use business credit card for business expenses (significantly less than other entrepreneurs)

"I don't even know what to budget for. It's like one month we're skyrocketing and the next month, no one's paying us."

— Plattsburgh, NY

"A lot of the small businesses [in my area] are sole proprietors. They're so busy in the grind of what they're doing. They're not business people, they're trade people and they don't have the time or the capacity in their day to get to this stuff."

— Plattsburgh, NY

IDEAS TO HELP RURAL ENTREPRENEURS ADDRESS CREDIT CHALLENGES

- Educational workshops on credit repair, responsible borrowing, and how to dispute credit errors
- Credit builder loans with small amounts and gradual repayment to help improve credit scores
- Accessible financial products with low or no fees and competitive rates
- Group-based lending models that leverage collective accountability instead of individual credit scores
- Immediate access to credit via payment card upon approval, meeting the high demand for fast financial activation in rural markets

Feeling uncertain about changing dynamics

Recent years have seen ongoing economic change on a global scale, affecting businesses and consumers across all regions and markets, but rural entrepreneurs have been hit particularly hard. Operating on a smaller scale makes them more susceptible to market fluctuations and economic uncertainty.

Inflation is a top pain point for all U.S. entrepreneurs, but those in rural areas really walk a tightrope between minimizing its impact while staying profitable. More rural entrepreneurs experienced increases in the cost of doing business, including rent, utilities, and gas prices, compared to those in urban locations.[1] Higher vendor and supplier costs also impact more rural entrepreneurs than urban. This is in part due to the razor thin margins they often run on, but also as a result of operating in a localized economy. For small businesses in small towns, inflation doesn't just squeeze profits, it can ripple out through the entire operation, affecting everything from supply chain costs to wages.

64%

of rural entrepreneurs experience increases in the cost of doing business vs. 59% of urban entrepreneurs[1]

29%

of rural entrepreneurs list optimizing inventory and supply chain as a business goal (+20% more than other entrepreneurs)

26%

of rural entrepreneurs cite inventory or supply chain optimization as a current pain point (+12% more than other entrepreneurs)

1. Score.org, "The Megaphone of Main Street: The Small Business Rural/Urban Divide" Fall, 2022.

NAVIGATING THE UNIQUE ECONOMIC CHALLENGES OF SMALLER MARKETS

Ongoing geopolitical uncertainty continues to impact global trade, supply chains, and market conditions,[1] and rural entrepreneurs are not immune. Inflation, tariffs, and shifting economic policies remain top concerns for U.S. consumers and business owners alike. For rural entrepreneurs, these pressures often compound existing challenges, particularly around inventory and supply chain management. Many already identify this area as a key pain point or a top business priority, underscoring the need for targeted support and solutions.

56%

experience higher prices from vendors/suppliers vs. 45% of urban entrepreneurs[2]

54%

of U.S. entrepreneurs rank inflation as the biggest threat to their business[3]

IDEAS TO HELP RURAL ENTREPRENEURS ADDRESS COST AND SUPPLY CHAIN CHALLENGES

Supportive Community Resources and Policies

- Financial incentives to businesses demonstrating measurable community impact
- Utility and rent subsidies
- Reduced rates for long-term leases on city-owned properties
- Town planning that supports entrepreneurship through mixed-use zones and pedestrian-friendly areas
- Simplified zoning regulations for home-based businesses
- Streamlined local permitting processes
- Source supplies and services for public institutions (like schools and libraries) from local vendors
- Shared business infrastructure (e.g., commercial kitchens, co-working spaces, maker labs, and digital co-ops)

Operational Resilience Practices for Businesses

- Regional production hubs such as agricultural co-ops and small-scale manufacturing to reduce supply dependencies
- Group purchasing programs for access to bulk pricing
- Resilience funds or short-term subsidies to help weather supply chain disruptions
- Digital dashboards and early-warning tools to alert entrepreneurs to delays, shortages, or price shifts

1. Economics Observatory, "How are geopolitical risks affecting the world economy?" March 1, 2024.
2. Score.org, "The Megaphone of Main Street: The Small Business Rural/Urban Divide" Fall, 2022.
3. U.S. Chamber of Commerce, "The Biggest Challenges Facing Small Businesses Right Now", July 10, 2023

Shifting populations leave employers in the lurch

Rural entrepreneurs play a pivotal role as employers in the small towns and rural areas where they live and work. In lower population density areas, there are fewer employees to choose from, so finding employees can be difficult. Given the ongoing shortage in skilled or technically trained labor, hiring challenges can become even harder. Roughly one-third (36%) of rural entrepreneurs say there are few qualified workers in their area.[1]

Changing employee needs and expectations in the post-pandemic world further complicate hiring for rural entrepreneurs. Many employees expect higher wages, and with remote work widely available, business owners face competition for workers from beyond their local areas. Childcare shortages and housing affordability issues further impede easy hiring.

REAL STORIES FROM RURAL AMERICA

Plattsburgh, NY:
"Remote work has certainly disrupted people's expectations. Oftentimes you talk to somebody, they're very qualified, but they don't want to move here, you know, because 'I can do everything remote'."

Morristown, TN:
"I need technicians and qualified employees. You run ads and nobody even applies. We're paying over what should be paid, but they still don't apply."

Plattsburgh, NY:
"Young workers right out of high school are expecting $23 an hour for a position that paid $16 an hour a few years ago."

IDEAS TO HELP RURAL ENTREPRENEURS ADDRESS SHIFTING POPULATIONS

- Subsidies or funding for rural childcare centers, or public-private childcare partnerships
- Online certifications and remote work opportunities
- Youth programs and partnerships to align high school curricula with local business needs
- Tailored training for mid-career workers, returning residents, and displaced workers
- Lifestyle support including living wage ordinances, affordable housing and transportation
- Financial wellness programs for employees

1. The Daily Yonder, "Report: Rural Small Business Owners Feel Uncertain About Future," January 2, 2023.

Financial education offers an opportunity to connect

For local governments, non-profit organizations, financial services, and other organizations, financial education offers a meaningful way to engage rural entrepreneurs. Nearly half of rural entrepreneurs feel left behind in their financial knowledge. Financial education offers a powerful opportunity to support them with tools, guidance, and renewed optimism.

Resources such as workshops, loan fairs, and business expos can equip rural entrepreneurs with the knowledge and connections they need to navigate credit options and secure funding. Local resource centers can offer training, legal support, and mentorship, helping new business owners make informed financial decisions and build stronger, more sustainable enterprises. Community groups with trained staff or volunteers can help to guide entrepreneurs through the finance ecosystem, including educating them about available things like startup seed grants, fee waivers, interest subsidies, or tax credits.

48%

of rural entrepreneurs feel behind when it comes to knowledge of financial products/services (+14% more than other entrepreneurs)

27%

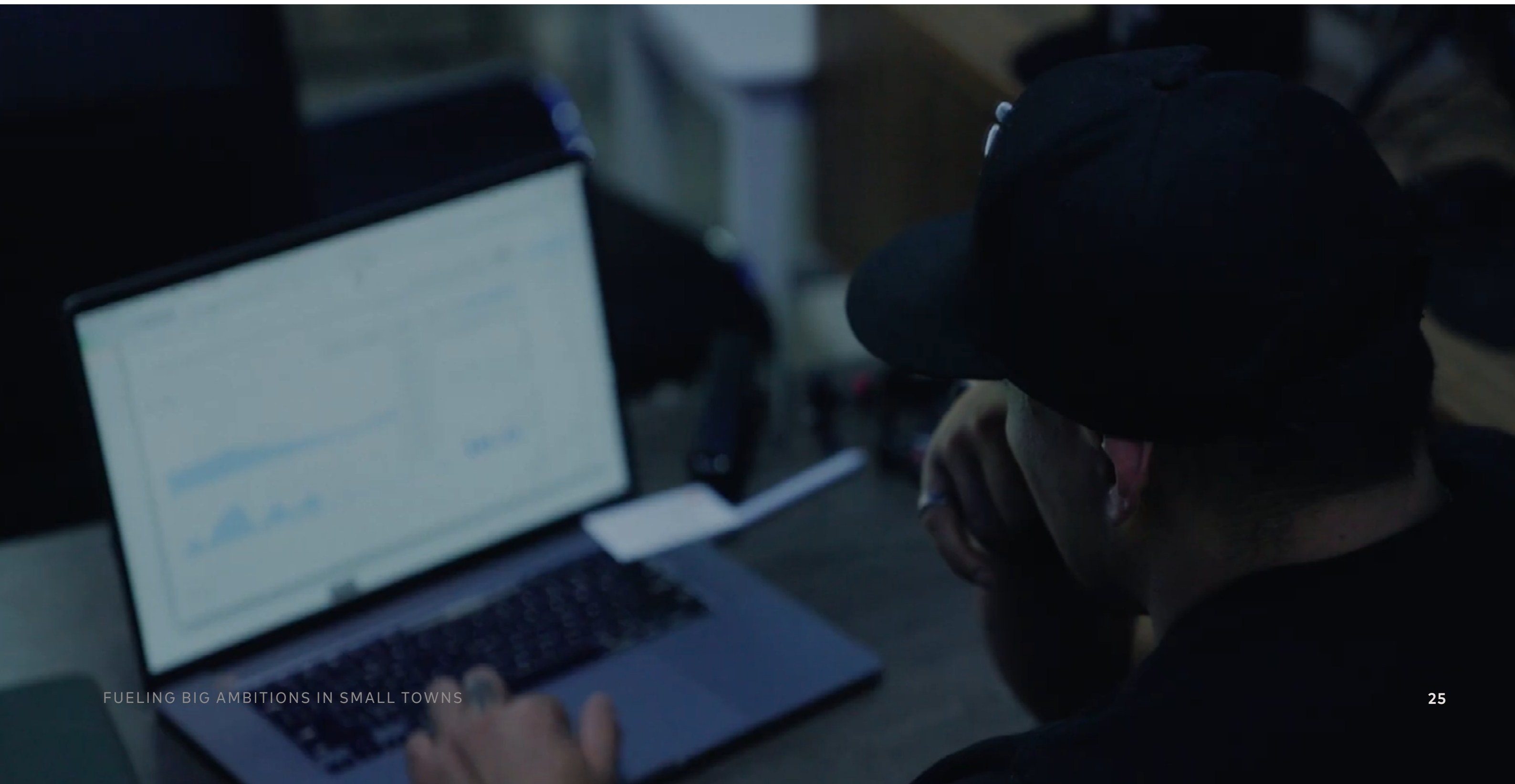
feel unsure where to go to educate themselves about financial decision making (+17%)

Educational Formats

- Workshops
- Loan fairs
- Business expos
- Training
- Legal support
- Mentorship
- Consulting
- Industry networks

Focus Areas

- Credit options
- Finance ecosystem
- Startup seed grants
- Fee waivers
- Interest subsidies
- Tax credits
- Feasibility studies
- Market research
- Logistics solutions
- Digital tools
- Digital practices



NAVIGATING THE UNIQUE ECONOMIC CHALLENGES OF SMALLER MARKETS

Financial education can spark momentum in rural communities, especially when extended to entrepreneurs who are already connected to customers, employees, and peers. When empowered with knowledge and support, they, in turn, can uplift others. Creating shared resources can provide ongoing feedback, consulting access, and tools such as feasibility studies and market research. Connecting entrepreneurs to industry networks and shared logistics solutions eases burdens and further strengthens collaboration, confidence, and long-term community resilience.

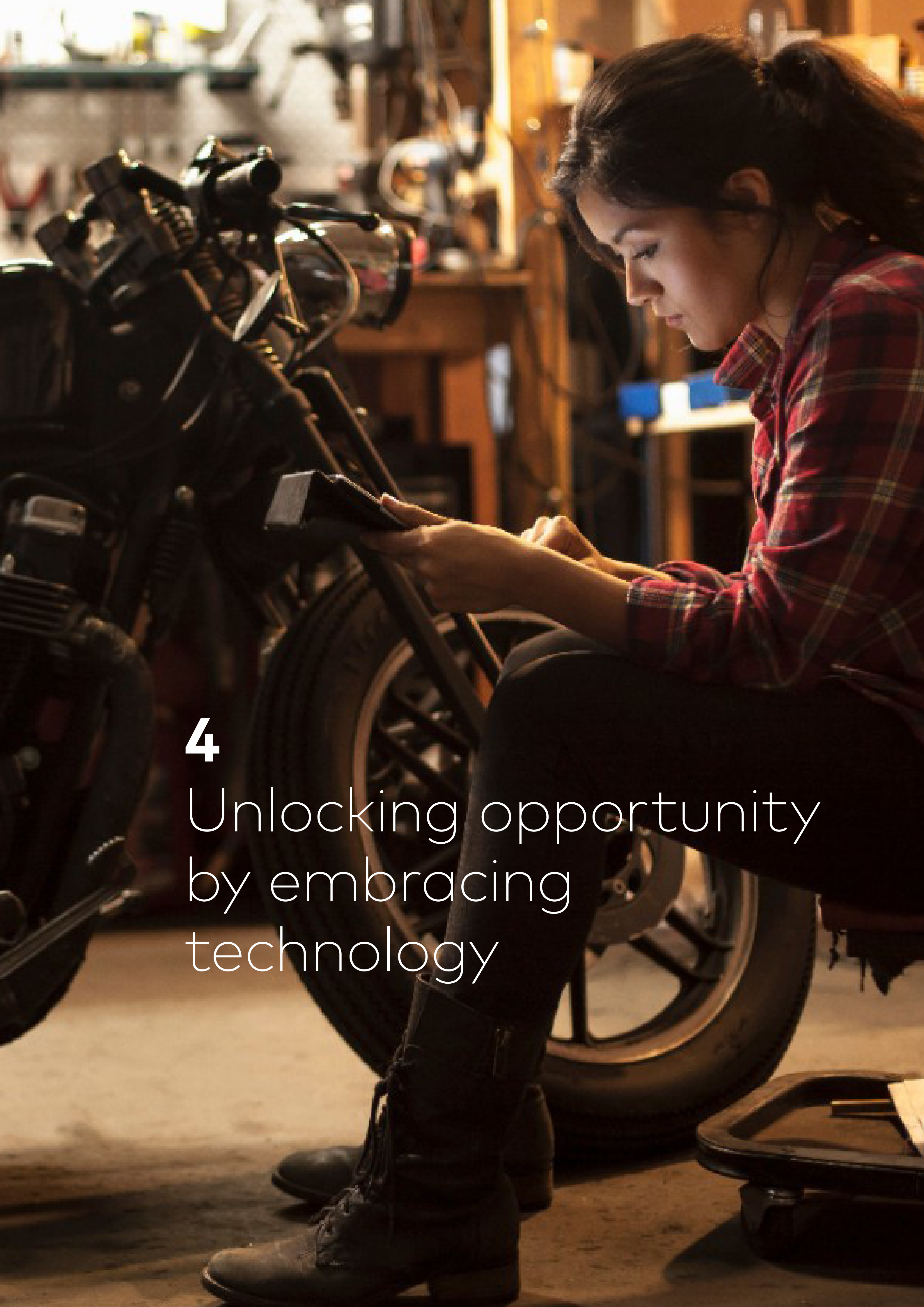
REAL STORIES FROM RURAL AMERICA

Albuquerque, NM: "When I started doing business I didn't have knowledge. I didn't know what an LLC was, I didn't know about loans, grants, about anything. We didn't know the more we put in our bank – cash, debit or credit – the better it was for us."

Plattsburgh, NY: "I think the relationships of other small businesses working together, whether it's the same industry or a different industry is very important. The more of that we can foster will open up resources and can really help us grow."

Sparks, NV: "We belong to a credit union bank that at the time was doing small business loans. They also started holding classes on small businesses, whether it be a franchise or starting from scratch. We attended those classes and learned more about building a business model and what it takes to start."


Mike, **Sparks, NV**



4
Unlocking opportunity by embracing technology

The promise and pressure of technology

Technology is advancing rapidly, reshaping how we live, work, and do business. For rural entrepreneurs, it offers powerful opportunities to grow, connect, and compete. Those who are tech-savvy are already expanding their reach, while others who recognize its value are ready for the guidance and tools to fully embrace it.

57%

use technology in their business to increase efficiency

56%

use it to improve communication with customers

30%

use it to streamline sales and marketing

Potential growth, new challenges

Small business owners recognize the vital role technology plays in today's economy, though their adoption levels vary. Some embrace digital tools with confidence, while others remain uncertain. From cloud services and payment processing to cybersecurity and e-commerce, these tools present both challenges and powerful opportunities for growth. Social media is seen by 66% of small business owners as a key driver of business impact, similar to entrepreneurs broadly.

Some top technologies used by rural entrepreneurs

- **45%** cloud-based services
- **45%** mobile apps
- **43%** payment gateways (quick, secure transactions, e.g., PayPal or Stripe)
- **35%** real-time payments (between bank accounts initiated, cleared, and settled within seconds)
- **33%** cybersecurity software
- **25%** e-commerce platforms
- **21%** POS systems
- **18%** AI and machine learning

Entrepreneurs recognize that technology is not just a convenience, it is essential to competitiveness and growth. From adopting electronic and smartphone payments that expand customer access, to using digital POS systems that track inventory, sales trends, and customer preferences, technology enables data-driven decisions that were once out of reach.

57% use technology in their business to increase efficiency, 56% use it to improve communication with customers, and 30% use it to streamline sales and marketing, among many other reasons. These tools help business owners optimize operations and respond more effectively to demand.

To accelerate this progress, local leaders can play a pivotal role by expanding broadband access and offering targeted support—such as grants, digital training, and resources—to help entrepreneurs build websites, embrace e-commerce, and fully leverage digital tools.

REAL STORIES FROM RURAL AMERICA

Bowling Green, OH:
"Oftentimes we start our small business because of the art, but there's a whole science to retail, too. I don't have a background in analyzing all of the metrics and the finances."

Great Falls, MT:
"Technology is important because it allows us to have efficiencies, from ringing up a sale, to measuring our beer, to gathering data about who is buying. In today's world to compete you have to have that data to support what you put on tap and who is your audience."

Morristown, TN:
"My Facebook page got hacked about two months ago and there's nobody you can call to get anything straightened out."

Morristown, TN:
"Technology saved my business. With Zoom, I can meet a client anywhere. And through professional websites I am able to be found. I'm not always a fan of the changes that come with technology, but I like this ability. I love my community, I'm out in my community, and I want this community to grow. But as a single mom, Zoom has been a blessing."

Expanding reach with e-commerce

In today's digital economy, rural entrepreneurs understand the necessity of reaching customers beyond their small community. Over one-third cite building or maintaining an online presence as a top priority, recognizing that digital platforms offer access to broader audiences, new growth opportunities, and long-term competitiveness. A basic website is no longer enough—they are seeking robust digital storefronts that enable meaningful connections with customers across regions and even globally

35%

of rural entrepreneurs have a goal of setting up/maintaining an online presence for business

REAL STORIES FROM RURAL AMERICA

Plattsburgh, NY:
"There are a lot of people who visit and when they leave, they can't really buy from us. They can't really support us other than following us on social media — which is a lot, but it's not entirely enough. With a website, they would be able to directly support us by buying from us and we can ship it to them. So, it really does broaden our horizons."

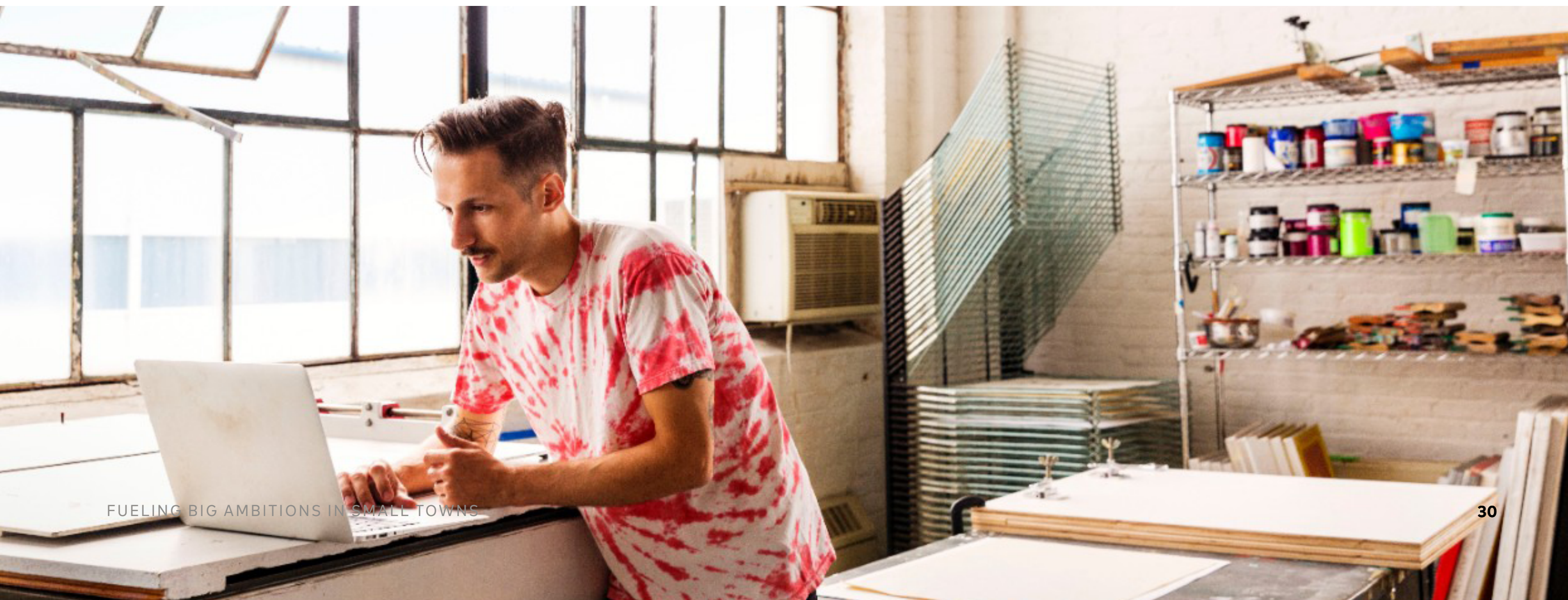
Bowling Green, OH:
"The challenge is figuring out how to have an online presence that works for the kind of businesses that we have. We are in and out of our products so quickly. I'm not a techie and so just even finding the right platform to use to get an integrated e-commerce system through my website was going to be $24,000."

25%

of rural entrepreneurs who use tech for their business use e-commerce platforms, +18% higher than entrepreneurs on average

While most rural entrepreneurs recognize the importance of adopting e-commerce platforms, their proficiency and effectiveness vary widely. Some small businesses are thriving in the digital space, while others are still navigating how to fully leverage these tools. Notably, e-commerce platforms remain the only category of digital tools that rural entrepreneurs utilize at significantly higher rates than their urban counterparts.

The three-quarters of rural entrepreneurs who have not set up an online shop are a way to provide value. Offering guidance and resources to help set up and optimize their online presence provides business owners an avenue for growth and sustainable success.



Cybersecurity is essential

Digital security is essential to business success, and rural entrepreneurs are just as focused on managing digital risks as their urban peers. With the rise in online sales and payments, nearly eight in ten have faced cybersecurity incidents—from data theft to fraud—highlighting the urgent need for protection in today's connected economy.

77%

of rural entrepreneurs have experienced a cybersecurity incident[1]

Rural business owners are prioritizing security at rates on par with their urban peers. Three-quarters have systems in place to backup and safeguard their data with many using cybersecurity software to prevent potential attacks. Notably, 20% of rural entrepreneurs look for safety and security, including cybersecurity strategies, encryption, and fraud protection, from their financial services providers. 31% use technology in their business to protect customers' data, and 27% to protect internal data and information. Security education and resources are a way to connect and provide value.

74%

of rural entrepreneurs have systems in place to back up and protect their business data

40%

look for safety/security from a financial services provider

20%

use ID theft, monitoring, and remediation services

29%

sign up for fraud and credit report alerts

IDEAS TO HELP RURAL ENTREPRENEURS ADDRESS CYBERSECURITY CHALLENGES

- Affordable security tools
- Cybersecurity training
- Digital infrastructure investment
- Rural cybersecurity networks that share threat alerts, toolkits, and success stories

1. A cybersecurity incident was defined as including any of the following: stolen personal information, stolen passwords, target of phishing, received fraudulent notices about money owed, unauthorized uses, purchases, withdrawals, or accounts opened, or received call from someone pretending to be from their financial institution.

5
Supporting rural entrepreneur success

SUPPORTING RURAL ENTREPRENEUR SUCCESS

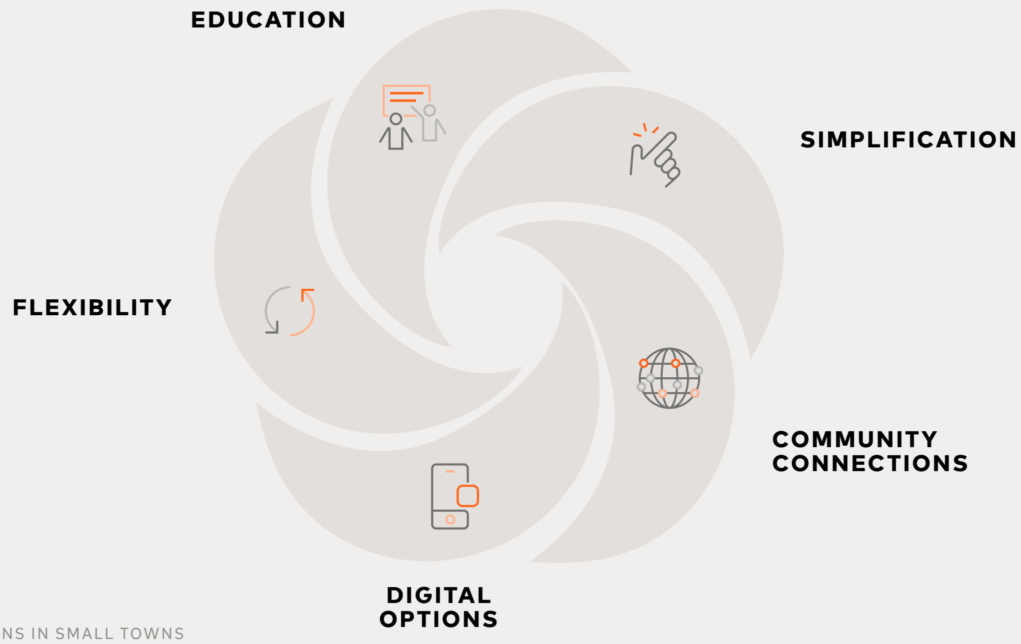
Building momentum for the future of rural businesses

Rural entrepreneurs need support targeted to their specific circumstances to overcome persistent barriers to growth. They seek better access to capital and credit, while navigating inflation, supply chain issues, and labor shortages. Many are eager to embrace technology, but adoption varies.

Community leaders, financial service providers, and public-sector partners all have a role to play in advancing rural entrepreneurs' success. A five-pronged approach — centered on **flexibility, education, simplification, community connections,** and **digital options** — can be applied across sectors to drive meaningful change. By embedding these principles into business development, policy initiatives, and community programs, stakeholders can help rural entrepreneurs weather economic uncertainty, strengthen their enterprises, and catalyze sustainable growth. In doing so, we not only support individual business owners, but also uplift the towns and regions they serve.

"Connecting small businesses with all the resources they can possibly have is very important to all of us in this room. Anytime we in this room can connect and try to get more resources and more technology here to help our small businesses, it only helps the community as a whole."

— Assemblyman Billy Jones, Assembly District 115, New York



Flexibility

Governments, non-profits, and financial institutions can better support rural small business owners by embracing flexibility and meeting them where they are—economically, geographically, and culturally. Creative, tailored solutions such as low-interest microloans, seasonal lending structures, digital tools, and targeted subsidies can help address their unique challenges while building lasting relationships grounded in trust and relevance.

Education

Banks, government institutions, and non-profits can strengthen rural businesses by supporting accessible financial education for both entrepreneurs and their employees. From credit repair and responsible borrowing to business planning, digital skills, and employee wellness resources, expanding educational opportunities builds confidence, fosters resilience, and equips rural entrepreneurs to thrive amid change.

Simplification

Simplifying access to financial tools and support is essential for helping rural entrepreneurs overcome barriers and act quickly to seize opportunities. Community leaders and support organizations can lead the way by offering streamlined applications, faster funding decisions, and user-friendly products, especially for those with limited credit or non-traditional financial histories, ensuring entrepreneurs can focus on growing their businesses, not navigating red tape.

Community Connections

Strong local connections are a defining asset of rural communities, offering natural opportunities for collaboration, resource sharing, and mutual support. By strengthening these networks through peer learning, shared infrastructure, group purchasing, and locally sourced solutions, institutions can help rural entrepreneurs grow stronger together. Streamlined applications, faster funding decisions, and user-friendly products, especially for those with limited credit or non-traditional financial histories, can allow entrepreneurs to focus on growing their businesses, not navigating red tape.

Digital Options

Digital tools can help rural entrepreneurs operate more efficiently, reach new markets, and navigate uncertainty with greater confidence. By investing in broadband access, digital training, and user-friendly technologies community partners and financial institutions can empower business owners to adopt solutions that drive long-term success in a modern economy.

SUPPORTING RURAL ENTREPRENEUR SUCCESS

	EXAMPLES OF ACTIONS FROM PUBLIC AND NON-PROFIT SECTORS	EXAMPLES OF ACTIONS FROM FINANCIAL INSTITUTIONS
FLEXIBILITY	• Government-supported access to capital, like public loans, low-interest programs • Small business loans • Utility and rent subsidies • Lower, long-term leases for public-owned properties • Resilience funds, short-term subsidies	• Lower interest rates and accessible terms for rural small businesses • Flexible or customized payment plans for loans or credit aligned with business cycles • Revenue-based financing • Loan forgiveness programs tied to impact goals • Microloans
EDUCATION	• Information on credit repair, responsible borrowing, and disputing credit errors • Mid-career training opportunities • Online certifications and remote work opportunities • Business practices training for business plans, marketing resources, etc. • Community networking events to promote collaboration and mentorship • Legal support, and other types of consulting	• Support growth with credit builder loans • Accessible starter products low fees, competitive rates • Information for business owners to distribute on financial wellness for their employees • Participation in workshops, loan fairs, business expos • Advice for those with limited credit
SIMPLIFICATION	• Modified zoning regulations to allow for home-based businesses • Centralized resource hubs • Simplified application forms for grants, subsidies, and permits • Clear timelines for approvals • Pre-qualify businesses for fast-track access to certain funding or assistance programs	• Faster access to cards/credit/capital • Accessible products for those with limited credi • Advice for those with limited credit • Simple applications, quick decisions • Open banking
COMMUNITY CONNECTIONS	• Databases of funders, grant programs, other local resources • Mixed-use zones, pedestrian-friendly areas • Source supplies for public institutions locally • Shared business infrastructure • Regional production hubs • Group purchasing programs for access to bulk pricing • Public-private childcare partnerships • Programs to align local education with business needs • Affordable housing and transportation • Cybersecurity networks that share information	• Character-based lending using references, community involvement, business history • Group-based qualification models for loans or credit • Financial incentives to businesses demonstrating measurable community impact
DIGITAL OPTIONS	• Digital tools that help identify local lenders • Early-warning tools to help with supply management, with alerts for delays, shortages, or price shifts • Broadband access • Website, e-commerce training and workshops • Grants for digital training • Digital infrastructure investment	• Affordable security tools • Easy digital lending, payment management tools • Cybersecurity training

Opportunities to collaborate

Mastercard is proud to collaborate with institutions and other brands to enhance the array of financial convenience options for rural entrepreneurs. We support these efforts with a range of dedicated programs and services that allow our partners to develop a keen awareness of the multifaceted aspects and opportunities of this audience. We hope these insights will offer valuable guidance as you refine your strategies to engage with this vital, often underserved market.

Mastercard Trust Center

Mastercard Trust Center makes cybersecurity accessible for small and medium businesses. This free platform delivers tailored learning journeys, from beginner to expert, alongside podcasts, videos, toolkits, and research to help entrepreneurs stay protected. Mastercard Trust Center empowers businesses to defend their digital ecosystems and safeguard customer relationships. Mastercard partners can leverage the resources to build resilience, strengthen client trust, and protect their small business against ever-evolving cyber threats.

Small Business Navigator

Mastercard's Small Business Navigator is a digital toolkit that equips small businesses to grow smarter and safer. Small Business Navigator brings together expert guidance, financial tools, and cybersecurity resources in one easy-to-access hub. From AI-powered support and consumer insights to virtual CFO services, financial health assessments, and point-of-sale solutions, the platform delivers practical tools business owners can use every day. Whether starting out or scaling up, Small Business Navigator is a powerful way to help businesses manage operations, innovate, and thrive in today's economy.

Master Your Card

Master Your Card is Mastercard's community empowerment program helping underserved communities unlock financial equity through financial education and electronic payment solutions. By working hand-in-hand with local governments and community organizations, the program tailors curricula to meet the specific needs of your community. It not only empowers small business owners to maximize the value of affordable investments in customer service, financial management, and business technology but also equips individuals with tools for budgeting, banking, and payments. With a focus on customized education and practical resources, Master Your Card delivers broad community impact while strengthening the financial futures of both entrepreneurs and individuals.

Digital Doors™

Digital Doors™ helps small businesses thrive online by giving them the tools to compete in a digital-first economy. The program connects entrepreneurs with trusted partners and vendor in areas like finance, technology, operations, marketing, and logistics. With the added power of the Small Business AI assistant, owners also receive personalized guidance to ideate, grow, and scale. Digital Doors™ is a one-stop shop for everything from payments to protection — empowering businesses to boost their presence, security, and profitability in today's digital marketplace.

Mastercard Small Business Community

The Mastercard Small Business Community connects entrepreneurs to the resources, capital, and tools they need to grow with confidence. Partners can leverage this vibrant network to support small business success, driving stronger communities and a stronger economy. From webinars to financial tools, the community equips entrepreneurs with skills and insights to reach their goals — making it easier than ever to succeed.