

Small Business Facts

GROWTH IN NUMBER OF RURAL ESTABLISHMENTS

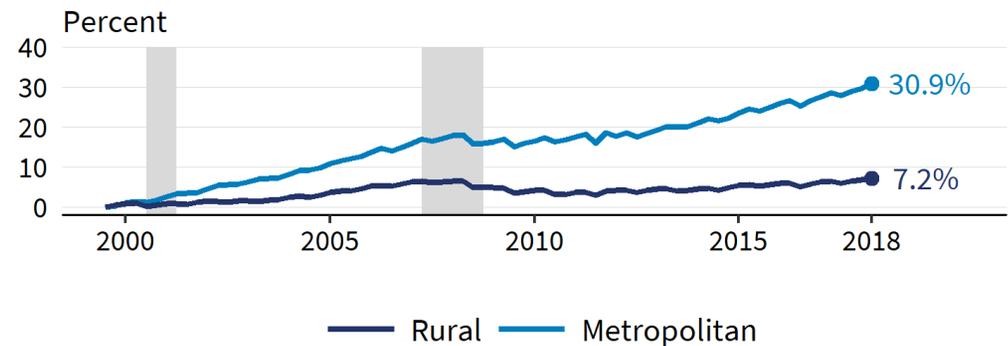
December 2019 · By Daniel Wilmoth, PhD



Rural counties lag metropolitan counties in growth

Metropolitan Statistical Areas (MSAs) are defined around areas of high population density. A comparison of counties within MSAs to those outside reveals how growth has varied between metropolitan and rural areas. Since 2000, the number of establishments in metropolitan counties has grown by 30.9 percent, while the number in rural counties has grown by only 7.2 percent.* The recession that began in 2007 was associated with declines for both groups. However, the number of establishments in metropolitan counties had recovered by 2011, while the number in rural counties did not recover until 2017, and at the end of 2018 it remained less than one percent above the previous peak.

Growth in number of establishments since 2000



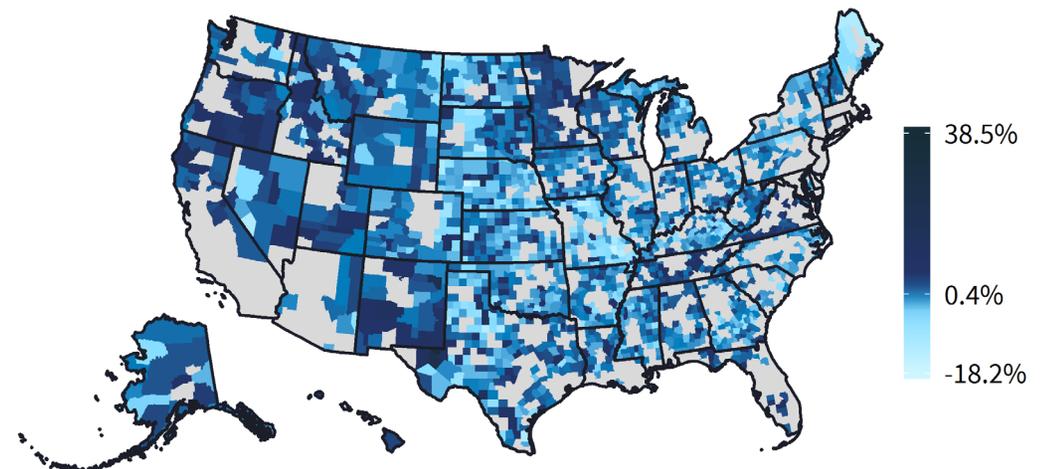
Note: Shading indicates recessionary periods
Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

The number of establishments in metropolitan counties grew by 1.9 percent in 2018, while the number in rural counties grew by only 0.6 percent

Western states led in rural growth in 2018

The map shows growth rates in 2018 for rural counties. The figure key is labeled with the median growth rate, which was 0.4 percent, as well as the minimum and maximum growth rates. Growth was positive for 73.3 percent of metropolitan counties but only 53.0 percent of rural counties. Rural counties in the West led the nation in rural growth, with the number of establishments in those counties increasing by 2.4 percent. The rate of growth was less than one percent for rural counties in the South, near zero for rural counties in the Midwest, and about negative one percent for rural counties in the Northeast. The five states with the highest rates of rural growth were the Western states of New Mexico, Oregon, Hawaii, Utah, and California.

Rural change in number of establishments in 2018



Source: Quarterly Census of Employment and Wages, Bureau of Labor Statistics

* Each physical location at which a firm operates is a different establishment. The most current data describe establishments rather than firms.