

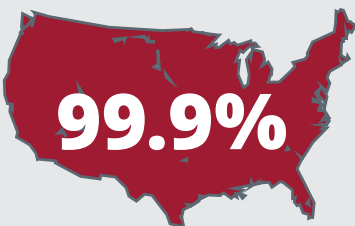


# Strengthening Main Street America

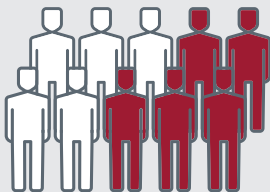
## Insights for lending to small businesses

Small businesses are the lifeblood of the American economy.

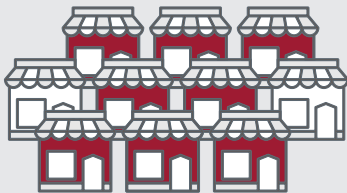
### The small business impact



of businesses in the U.S. are small businesses<sup>1</sup>



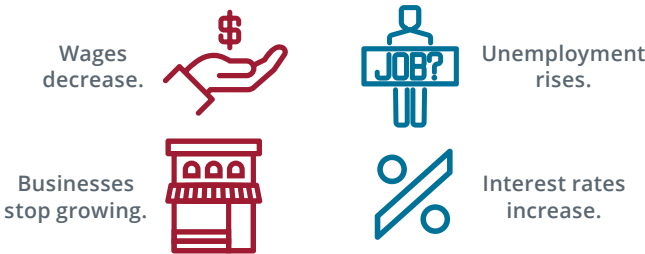
Employ **ALMOST 1/2** of all American workers<sup>1</sup>



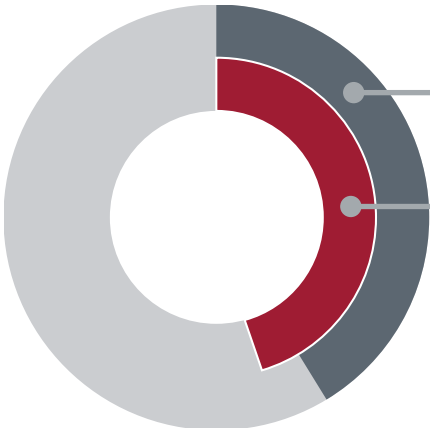
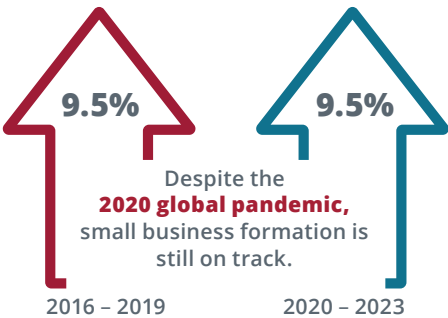
**8 in 10** achieved 2023 business goals<sup>2</sup>

The credit gap for small businesses has increased due to lack of supply, not demand.

### Limited access to credit creates barriers for our economy.



### Small business formation continues.<sup>3</sup>



**4 out of 10** of small businesses rely on large banks for lending needs, compared to 7 out of 10 in 2020.<sup>1</sup>

**42%** of small businesses report they receive the financing they need.<sup>1</sup>

### Tip for lenders

Utilize data, analytics, and technology to unlock innovative, financially exclusive opportunities that move more small businesses forward.



# Strengthening Main Street America

## Insights for lending to small businesses

2024 small business statistics signal opportunities.

**Small business entrepreneurship is surging with record-breaking applications.<sup>3</sup>**

E-commerce shopping

**25%**

of business is conducted online, which underscores the need for more small businesses to set up an online presence.

Economic outlook

**1.4 million**

small businesses expect an increase in sales in 2017, compared to 15% in 2009.

Capital needs

**48%**

of small businesses will fail because they do not establish more capital, creating opportunity for lenders.

3 reasons why small businesses would choose one lender over another<sup>4</sup>

**1**

**Most favorable loan terms and conditions**

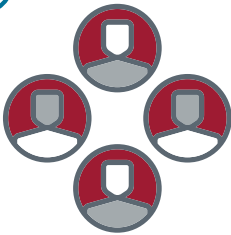
**2**

**Confidence in getting loan approved from that institution**

**3**

**Speed of approval**

### Combatting the credit gap



**Leverage community ties.**

Deepen relationships to gain insights into financial conditions and needs of small businesses to gain trust and grow your loan portfolios.



**Don't underestimate the power of data.**

Put emphasis on transformational data that can help you to translate insights into actionable client information — ultimately helping to streamline your decision-making process, reduce risk, and provide better customer service.



**Be proficient.**

Explore new, innovative technologies entering the market (FinTechs), which demonstrate efficient processes that may help reduce costs and accelerate approval and funding rates.

<sup>1</sup> <https://www.forbes.com/advisor/business/small-business-statistics/>

<sup>2</sup> <https://www.usnews.com/news/business/articles/2024-02-27/small-business-owners-are-optimistic-for-growth-in-2024>

<sup>3</sup> <https://www.uschamber.com/small-business/new-business-applications-a-state-by-state-view#:~:text=Entrepreneurship%20is%20booming%20in%20the,to%20the%20U.S.%20Census%20Bureau>

<sup>4</sup> <https://www.bankrate.com/loans/small-business/how-to-choose-smb-lender/#six>