

JUNE / 2022

# Biz2Credit Small Business Lending Index™

## Reports Business Loan Approval Rates Rose Slightly in June 2022

Small business loan approval percentages at big banks (\$10m + in assets) inched upwards from 15.3% in May to 15.4% in June, while small banks' approvals also rose from 20.9% in May to 21.1% in June, according to the latest Biz2Credit Small Business Lending Index™ released today.



### Big Banks

**Big banks (\$10m + in assets) inched upwards from 15.3% in May to 15.4% in June, according to the latest Biz2Credit Small Business Lending Index™ released today.**

Total nonfarm payroll employment rose by 372,000 in June, higher than many economists expected, while the unemployment rate remained at 3.6%, according to the Jobs Report released by the U.S. Bureau of Labor Statistics

released on Friday, July 8, 2022. Notable job gains occurred in professional and business services, leisure and hospitality, and health care. Many of these jobs are created by small businesses.

**Monthly Comparison** **+0.1%**

**15.4%**

June 2022

**15.3%**

May 2022

**Yearly Comparison** **+1.8%**

**15.4%**

June 2022

**13.6%**

June 2021

"With the exception of credit unions, the approval rates for all categories of lenders inched higher last month," said Biz2Credit CEO Rohit Arora, one of the nation's leading experts in small business lending and fintech. "We are nowhere near pre-pandemic approval percentages, however. Still, these are positive signs."

**Rohit Arora**  
Biz2Credit CEO



### Small Banks

**Small banks' approvals also rose from 20.9% in May to 21.1% in June, according to the latest Biz2Credit Small Business Lending Index™ released today.**

**Monthly Comparison** **+0.2%**

**21.1%**

June 2022

**20.9%**

May 2022

**Yearly Comparison** **+2.2%**

**21.1%**

June 2022

**18.9%**

June 2021

"While the cost of capital for small businesses is rising because most small business funding comes at variable rates, borrowers need capital for growth," added Arora. "Fortunately, they can find it at a variety of lending sources."

**Rohit Arora**  
Biz2Credit CEO



### Institutional Lenders

**Institutional lenders approved 25.6% of loan requests in June, up one-tenth of a percent from 25.5% of loan requests in May.**

**Monthly Comparison** **+0.1%**

**25.6%**

June 2022

**25.5%**

May 2022

**Yearly Comparison** **+1.8%**

**25.6%**

June 2022

**23.8%**

June 2021



### Alternative Lenders

**Alternative lenders' approval rates rose from 26.9% in May to 27.1% in June.**

**Monthly Comparison** **+0.2%**

**27.1%**

June 2022

**26.9%**

May 2022

**Yearly Comparison** **+2.6%**

**27.1%**

June 2022

**24.5%**

June 2021

"With unemployment so low, small business owners are still struggling to find workers. This, naturally, is driving up the cost of labor as demand outweighs supply," Arora says. "Rising labor costs, combined with 8.6% inflation in May 2022, continues to put a financial crunch on small companies."

**Rohit Arora**  
Biz2Credit CEO



### Credit unions

**Credit unions slipped slightly from 20.6% in May to 20.5% in June.**

**Monthly Comparison** **-0.1%**

**20.5%**

June 2022

**20.6%**

May 2022

**Yearly Comparison** **0%**

**20.5%**

June 2022

**20.5%**

June 2021

## About the Biz2Credit Small Business Lending Index™

Biz2Credit analyzed loan requests from companies in business more than two years with credit scores above 680. The results are based on primary data submitted by more than 1,000 small business owners who applied for funding on Biz2Credit's platform.

About Biz2Credit

Founded in 2007, Biz2Credit has arranged more than \$7 billion in small business financing.

The company is expanding its industry-leading technology in custom digital platform solutions for banks and other financial institutions, investors, and service providers. Visit

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