

Biz2Credit Small Business Lending Index™ Reports Loan Approval Percentages Dropped at Banks and Non-Bank Lenders in October 2022



Big Banks[®]

Small business loan approval percentages at big banks dropped from 14.9% in September to 14.7% in October, the lowest total since February 2022, according to the latest Biz2Credit Small Business Lending Index™ released today.

Total nonfarm payroll employment increased by 261,000 in October, and the unemployment rate rose slightly to 3.7%, according to the Jobs Report released by the U.S. Bureau of Labor Statistics that released on Friday, November 4, 2022. Notable job gains occurred in health care, professional and technical services, and manufacturing. Many of these positions are created by small businesses, which are responsible for the lion's share of new jobs in the private

sector economy.

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. To view the report for October 2022, [click here](#).

Monthly
Comparison

−0.2%

14.7%

October 2022

14.9%

September 2022

Yearly
Comparison

+0.6%

14.7%

October 2022

14.1%

October 2021

"Continued inflation and uncertainty over how high the Federal Reserve would set interest rates cast a shadow over small business lending in October," said Rohit Arora, CEO of Biz2Credit and one of the nation's leading experts in small business finance. "Approval percentages at big banks dropped for the fourth consecutive month in October. Likewise, approvals at small banks, which had increased steadily since April 2021, dropped for the first time in well over a year."

Rohit Arora
Biz2Credit CEO



Small Banks[®]

Approval percentages of business loan applications at small banks declined by three-tenths of a percent from 21.5% in September to 21.2% in October.

Monthly
Comparison

−0.3%

21.2%

October 2022

21.5%

September 2022

Yearly
Comparison

+1.5%

21.2%

October 2022

19.7%

October 2021

"While monetary policy aims to curb inflation, it hasn't showed obvious signs of working yet," Arora added. "This is bad news for small businesses in search of capital. Loans are harder to get, and the cost of capital has gone up. This is a double whammy for business owners."

Rohit Arora
Biz2Credit CEO



Institutional Lenders[®]

Institutional lenders granted 25.7% of loan requests in October, a decrease of three-tenths of a percent from September's figure of 26%.

Monthly
Comparison

−0.3%

25.7%

October 2022

26.0%

September 2022

Yearly
Comparison

+1.0%

25.7%

October 2022

24.7%

October 2021



Alternative Lenders[®]

Approval percentages of alternative lenders fell from 27.5% in September to 27.3% in October.

Monthly
Comparison

−0.2%

27.3%

October 2022

27.5%

September 2022

Yearly
Comparison

+1.7%

27.3%

October 2022

25.6%

October 2021

"Inflation is a big concern for small business owners, whose costs continue to rise and eat into profitability. However, the opposite of inflation is a recession, which is also problematic for small companies," Arora said. "It's a tough time for small business owners right now."

Rohit Arora
Biz2Credit CEO



Credit Unions[®]

Lending at credit unions remained stagnant at 20.4%.

Monthly
Comparison

+0.0%

20.4%

October 2022

20.4%

September 2022

Yearly
Comparison

−0.2%

20.4%

October 2022

20.6%

October 2021