

NOVEMBER / 2022

Biz2Credit Small Business Lending Index™

Reports Loan Approval Percentages Dropped at Banks and Credit Unions in November

Small business loan approval percentages at big banks dropped from 14.7% in October to 14.6% in November, the second lowest total in 2022, according to the latest Biz2Credit Small Business Lending Index™ released today.



Big Banks

Big banks dropped from 14.7% in October to 14.6% in November, according to the latest Biz2Credit Small Business Lending Index™ released today.

Total nonfarm payroll employment increased by 263,000 in November, and the unemployment rate was unchanged at 3.7 percent, according to the Jobs Report released by the U.S. Bureau of Labor Statistics reported today. Notable job gains occurred in leisure

and hospitality, health care, and government. Employment declined in retail trade and in transportation and warehousing. 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.

Monthly Comparison

-0.1%

14.6%

November 2022

14.7%

October 2022

Yearly Comparison

+0.4%

14.6%

November 2022

14.2%

November 2021

"With seemingly ever rising interest rates, small businesses are taking a wait-and-see approach to borrowing. All eyes will be on what the Federal Reserve announces at its next meeting on Dec. 14. Most experts anticipate another 25bps increase in interest rates," said Rohit Arora, CEO of Biz2Credit and one of the nation's leading experts in small business finance. "While rates continue to rise, the economy has not yet reaped the benefits of tighter monetary policy as a means to curb inflation."

Rohit Arora
Biz2Credit CEO



Small Banks

Small banks declined from 21.2% in October to 21.1% in November, according to the latest Biz2Credit Small Business Lending Index™ released today.

Monthly Comparison

-0.1%

21.1%

November 2022

21.2%

October 2022

Yearly Comparison

+1.2%

21.1%

November 2022

19.9%

November 2021



Institutional Lenders

Institutional Investors also showed an increase in approval percentages, going from 25.7% in October to 25.8% in November.

Monthly Comparison

+0.1%

25.8%

November 2022

25.7%

October 2022

Yearly Comparison

+1.0%

25.8%

November 2022

24.8%

November 2021



Alternative Lenders

Alternative lenders rose from 27.3% in October to 27.4% in November.

Monthly Comparison

+0.1%

27.4%

November 2022

27.3%

October 2022

Yearly Comparison

+1.6%

27.4%

November 2022

25.8%

November 2021

"Inflation and high cost of capital remain among the top concerns for small business owners," Arora said. "There is a lot of uncertainty for small businesses in the current economy. While we seem to have recovered well from the worst depths of the COVID pandemic, cost pressures -- including rising wages, increasing costs of raw materials, and cost of capital -- are putting a lot of pressure on small companies at this time."

Rohit Arora
Biz2Credit CEO



Credit unions

Credit unions granted 20.3% of loan requests in November, a decrease from October's figure of 20.4%.

Monthly Comparison

-0.1%

20.3%

November 2022

20.4%

October 2022

Yearly Comparison

-0.3%

20.3%

November 2022

20.6%

November 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.

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