

AUGUST / 2022

Biz2Credit Small Business Lending Index™

Finds Business Loan Approval Dipped at Big Banks in August 2022

Small business loan approval percentages at big banks (\$10B+ in assets) dipped from 15.3% in July to 15.1% in August, but rose at small banks from 21.2% in July to 21.4%, according to the latest Biz2Credit Small Business Lending Index™ released today.



Big Banks

Big banks (\$10B+ in assets) dipped from 15.3% in July to 15.1% in August, according to the latest Biz2Credit Small Business Lending Index™ released today.

Total nonfarm payroll employment increased by 315,000 in August, and the unemployment rate rose to 3.7 percent, according to the Jobs Report released by the U.S. Bureau of Labor Statistics released on Friday, September 2,

2022. Notable job gains occurred in professional and business services, health care, and retail trade. Many of these jobs are created by small businesses.

Monthly Comparison

-0.2%

15.1%

August 2022

15.3%

July 2022

Yearly Comparison

+1.2%

15.1%

August 2022

13.9%

August 2021

"The overall conditions are tightening, and big banks are taking more provisions now," said Rohit Arora, Biz2Credit CEO and co-founder, and one of the nation's leading experts in small business lending and fintech. "Since smaller banks are more active in SBA lending, their approval rates are still strong as demand for government-guaranteed products is high."

Rohit Arora
Biz2Credit CEO



Small Banks

Small banks from 21.2% in July to 21.4%, according to the latest Biz2Credit Small Business Lending Index™ released today.

Monthly Comparison

+0.2%

21.4%

August 2022

21.2%

July 2022

Yearly Comparison

+2.1%

21.4%

August 2022

19.3%

August 2021

"Inflation is hitting small businesses hard as their input costs have gone up thus they need more working capital. Further, labor shortages have led to companies having to do more with less. Since their automation level is lower than big businesses, higher labor and material costs impact small companies more,"

Rohit Arora
Biz2Credit CEO



Institutional Lenders

Institutional lenders approved 25.9% of loan requests in August, a slight increase from 25.8% in July.

Monthly Comparison

+0.1%

25.9%

August 2022

25.8%

July 2022

Yearly Comparison

+1.6%

25.9%

August 2022

24.3%

August 2021



Alternative Lenders

Alternative lenders' approval rates rose from 27.2% in July to 27.3% in August.

Monthly Comparison

+0.1%

27.3%

August 2022

27.2%

July 2022

Yearly Comparison

+2.1%

27.3%

August 2022

25.2%

August 2021

"Another cause for concern is that consumer spending is going more towards essential products and services, rather than luxuries and travel," Arora said. "So, I expect further drop in lending approvals going into fall."

Rohit Arora
Biz2Credit CEO



Credit unions

Credit unions once again dropped from 20.4% in July to 20.3% in August.

Monthly Comparison

-0.1%

20.3%

August 2022

20.4%

July 2022

Yearly Comparison

-0.2%

20.3%

August 2022

20.5%

August 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

www.biz2credit.com or Twitter @Biz2Credit,

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