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Lendio Releases 2024 State of SMB Lending Report

Small Business Owners Depend on Access to Capital But Struggle to Find Ideal Solution, Study Finds.

PRESS RELEASE FROM LENDIO

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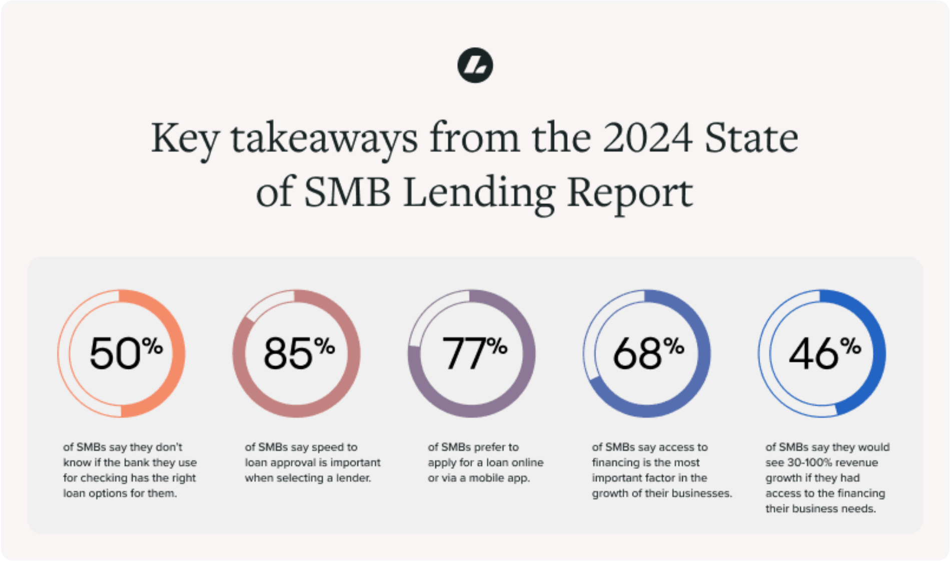

LEHI, Utah — Today, Lendio released its inaugural State of SMB Lending report. In the survey of over 1000 small business owners, 68% of small businesses say access to financing is the most important factor in the growth of their businesses. While respondents expressed confidence in their ability to access capital, they said the loan amount and term often fall below their expectations.

According to Lendio data, small business owners typically seek a $50,000 loan, but traditional lenders with better rates and terms find smaller loan amounts too expensive to

“Most banks have chosen not to proactively offer or market their SMB loan products to depositors because despite the existing relationship and wealth of available data; they struggle to underwrite SMB loans cost-effectively,” said Philip Taliaferro, SVP of SaaS at Lendio. “The depositors are meanwhile indifferent to the lender and that creates a new risk that the bank will lose those deposits if the business turns to an outside bank for funding.”

SMBs also want a faster, easier loan approval process. 85% of small business owners say speed to loan approval is important when selecting a lender, and 77% prefer to apply for a loan online or via a mobile app.

“The current system wasn't built for small businesses, so there is a huge market need waiting to be tapped,” said Brock Blake, CEO of Lendio. “The solution isn't to pit banks against alternative lenders or make a full shift to banking-as-a-service. Every one of these providers has a contribution to make to an ecosystem that fully supports small business owners whether it's through the bank they currently deposit with or the vendor that sells them supplies.”

Read the full report here.

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and embeds a full small business loan marketplace directly within small business service providers' platforms.

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