



## **FACT SHEET: SBA small-dollar lending and lending to historically underrepresented entrepreneurs increases under Biden-Harris Administration**

*SBA has tripled lending to Black-owned businesses while doubling small-dollar lending and lending to Latino- and women-owned small businesses*

The Biden-Harris Administration has made it a priority to support entrepreneurs and small businesses, with Americans taking steps to file a record 19 million new business applications under this Administration. The SBA is committed to supporting all small businesses, including those owned by women, Black Americans, and Latinos, as they pursue their American Dream.

Through 10 months of the 2024 fiscal year, SBA lending to small businesses from underserved communities in the agency's flagship 7(a) and 504 loan programs continues to climb.

The U.S. Small Business Administration is backing, on average, 416 small business loans to Black-owned businesses per month this Fiscal Year – triple the pace of lending in FY 2020. The volume of monthly lending to Black-owned businesses has also more than doubled since 2020, rising from \$49 million to \$124 million.

Latino-owned businesses have also shown substantial growth in accessing SBA loans, having secured 775 loans per month in FY 2024 – more than double the average monthly loan count of 323 in FY 2020. Monthly loan volume has also doubled, from \$137 to \$261 million.

Majority women-owned businesses are also making gains under the Biden-Harris Administration, with the number of SBA-backed loans per month doubling from 643 in FY 2020 to 1,255 in FY 2024. Average monthly overall loan dollars is \$444 million, a two-thirds increase from \$267 million in FY20.

Small-dollar SBA loans to all entrepreneurs have also doubled, from a monthly average of 1,648 in FY 2020 to 3,113 in FY 2024.

The [7\(a\) Loan](#) is the SBA's primary business loan program, which provides guaranties to lenders that support financing of up to \$5 million to small businesses for a range of uses. The SBA's [504 Loan](#) specifically provides long-term, fixed rate financing up to \$5.5 million for major fixed asset purchases by small businesses.

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The SBA guarantee enables lenders to offer credit to businesses that otherwise would not qualify. SBA lenders must adhere to interest rate caps and fee restrictions; and they often help borrowers by providing longer repayment periods than would otherwise be available.

Economic data show that since 2021, an increasing share of new businesses are owned by people of color. [Economic data](#) show, for example, that Black business ownership has more than doubled since 2019, Latino business ownership is growing at its fastest rate in at least a decade, and the number of women-owned businesses has grown historically fast.

To increase access to credit, the SBA under the Biden-Harris Administration has advanced multiple initiatives to increase awareness of and uptake of its capital programs in underserved communities, including:

- **Historic reforms to SBA 7(a) and 504 Loan Programs:** Implemented in [August 2023](#), the SBA's new rules to simplify and streamline eligibility for SBA loans, especially those under \$500,000, drove increased lender and borrower access to smaller-sized SBA loans. Under the SBLC rule, the SBA also enrolled new lenders with a focus on underserved communities and [continues](#) to do so in 2024.
- **Community Advantage expansion and reforms:** For the past decade the Community Advantage program has played an important role in providing capital to minority-owned small businesses, reaching Black-owned businesses at three times the rate as the traditional 7(a) Loan Program. In March 2022, Administrator Guzman [extended and expanded](#) the Community Advantage Pilot Program, opening it to more lenders, increasing the maximum loan size, and removing restrictions that can keep justice-involved individuals from accessing the program. In May 2023, Administrator Guzman made mission lending permanent feature of 7(a) by introducing the [Community Advantage Small Business Lending Company \(CA SBLC\) license](#). In Fiscal Year 2024, Community Advantage is on pace to nearly double its output compared to 2020.

The SBA will publish a full analysis of FY 2024 lending at the end of the fiscal year. The public can access dashboards updated daily reflecting SBA lending totals by demographic group, industry and other breakdowns at [SBA Office Of Capital Access - Dataset - U.S. Small Business Administration \(SBA\) | Open Data](#).

#### Monthly Average of SBA-Guaranteed Loans by Fiscal Year

	2017	2018	2019	2020	2021	2022	2023	2024 <sup>^</sup>
Total SBA lending	5,721	5,519	4,834	4,118	5,128	4,744	5,274	6,067
to Black-owned businesses	209	225	206	143	228	303	398	416

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to Latino-owned businesses	470	466	437	323	433	476	646	775
to women-owned businesses	1,011	945	843	643	853	888	1,088	1,255
Small-dollar loans (under \$150,000)*	2,984	2,831	2,245	1,648	1,524	1,854	2,395	3,113

<sup>^</sup>FY 2024 data is through July 2024.

<sup>\*</sup>All rows include 7(a) and 504 loans, except “Small-dollar loans” which reflect 7(a) loans only.

### Monthly Average of SBA-Guaranteed Loan Volume by Fiscal Year (In \$Millions)

	2017	2018	2019	2020	2021	2022	2023	2024 <sup>^</sup>
Total SBA lending	\$2,538	\$2,511	\$2,345	\$2,365	\$3,730	\$2,908	\$2,828	\$2,935
to Black-owned businesses	\$56	\$65	\$65	\$49	\$89	\$96	\$121	\$124
to Latino-owned businesses	\$141	\$151	\$154	\$137	\$234	\$216	\$250	\$261
to Women-owned businesses	\$338	\$319	\$315	\$267	\$477	\$391	\$432	\$444

<sup>^</sup>FY 2024 data is through July 2024.

### Total New Business Applications Under Biden-Harris Administration

State	Total New Business Applications 2021-2024 YTD
Alabama	258,096
Alaska	30,844
Arizona	426,262
Arkansas	139,500
California	1,865,558
Colorado	446,821
Connecticut	167,928
Delaware	178,577
District of Columbia	54,312
Florida	2,289,154

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Georgia	1,022,859
Hawaii	67,969
Idaho	107,954
Illinois	641,498
Indiana	318,298
Iowa	112,001
Kansas	113,732
Kentucky	181,570
Louisiana	302,062
Maine	48,802
Maryland	372,849
Massachusetts	267,518
Michigan	517,584
Minnesota	235,867
Mississippi	202,594
Missouri	305,991
Montana	78,739
Nebraska	73,951
Nevada	232,032
New Hampshire	53,338
New Jersey	568,493
New Mexico	105,243
New York	1,096,311
North Carolina	604,397
North Dakota	30,043
Ohio	531,808
Oklahoma	203,330
Oregon	187,559
Pennsylvania	539,588
Rhode Island	40,689
South Carolina	330,914
South Dakota	38,674
Tennessee	336,181
Texas	1,756,467
Utah	242,404
Vermont	26,605
Virginia	461,928
Washington	337,632
West Virginia	51,401
Wisconsin	232,159
Wyoming	170,339

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<b><u>TOTAL</u></b>	<b>19,006,425</b>
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