



Opinion poll

Small businesses share concerns with recent banking closures, access to capital challenges

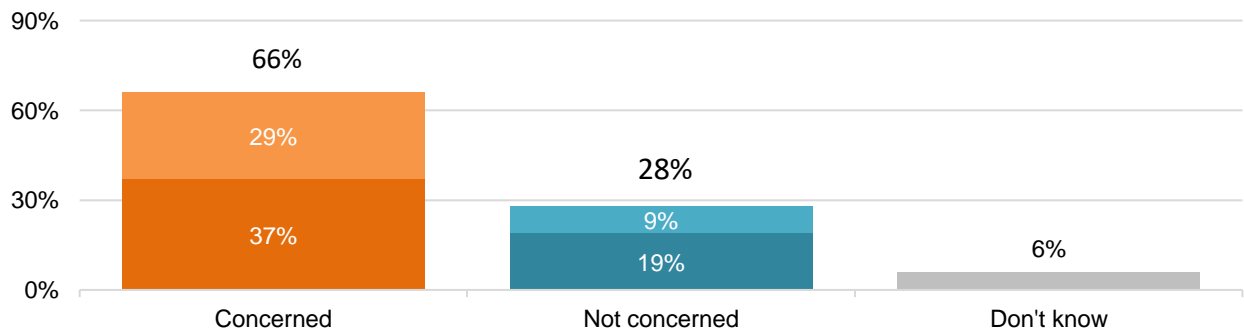
May 3, 2023

Introduction

As recent banking closures like the Silicon Valley Bank collapse shake the financial system, Small Business Majority surveyed small business owners and decision-makers around the country to understand their concerns about banking and access to credit.

The survey found that two-thirds of small businesses are concerned about the recent bank closures. The banking closures also impact small business owners' ability to obtain loans: **more than 1 in 3 (34%) small business owners reported that their financial institution indicated they were planning to restrict lending due to the recent developments in the banking industry.**

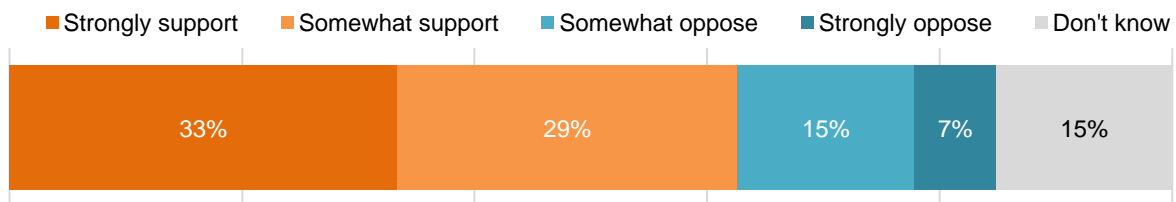
Figure 1: Small business owners are concerned about recent bank closures



Additionally, the survey found that accessing capital has become an increasing challenge for small businesses. **Fifty-five percent of small business owners found it harder to access capital in the past year**, while only one in five respondents reported that accessing capital was easier. Small business owners also were affected by higher interest rates when seeking new capital or taking on more debt on existing lines of credit or on credit cards. Nearly three-fourths of small businesses felt that higher interest rates have had an impact on their ability to access capital.

When asked about policies that could mitigate the risk caused by banking closures, respondents were in favor of greater financial protections. Sixty-two percent supported increased oversight of the financial health of our nation's banks, including a third who strongly support such changes. Furthermore, **two-thirds of small businesses support increasing the level of FDIC insurance on commercial bank deposits above the current \$250,000 limit.**

Figure 2: Small businesses support increased oversight of the financial health of banks



As these findings reveal, many small businesses are concerned about the recent banking closures and their subsequent impact on their ability to access capital. Respondents are supportive of an increased level of insurance and oversight that would provide greater financial security for their business.

Methodology

This poll reflects a national survey of 312 small business owners and decision-makers in the United States. The poll was an online survey conducted on SurveyMonkey on April 2, 2023. The margin of error is +/- 6%.

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1. How much of an impact have higher interest rates in the past year had on you seeking new capital or taking on more debt on existing lines of credit and/or credit cards?

Major impact.....	38%
Minor impact	34%
No impact.....	24%
Don't know.....	5%

2. Have you found it easier or harder in the past year to obtain capital to grow or operate your business?

Much harder	25%
Somewhat harder	30%
Much easier.....	13%
Somewhat easier	7%
Don't know.....	4%
I haven't sought capital in the past year	20%

3. How concerned are you about the recent bank closures (Silicon Valley Bank and Signature Bank)?

Very concerned	29%
Somewhat concerned.....	37%
Not very concerned	19%
Not concerned at all.....	9%
Don't know.....	6%

4. Have any of your financial institutions indicated they are planning to restrict lending due to recent developments in the banking industry?

Yes.....	34%
No.....	41%
Don't know.....	25%

5. Do you support or oppose increased oversight of the financial health of our nation's banks, including capital reserve requirements and the strength of investment portfolios?

Strongly support	33%
Somewhat support	29%
Somewhat oppose	15%
Strongly oppose	7%
Don't know.....	15%

6. Do you support or oppose increasing the level of FDIC insurance on commercial bank deposits above the current \$250,000?

Strongly support	35%
Somewhat support	32%
Somewhat oppose	13%
Strongly oppose	7%
Don't know.....	13%

7. Ethnicity (optional)

Asian or Asian American	13%
Black, African or African American	9%
Hispanic, Latinx or Spanish Origin	10%
Middle Eastern or North African	5%
American Indian or Alaska Native	2%
Native Hawaiian or other Pacific Islander	1%
White or Caucasian	52%
Some other race, ethnicity or ethnic origin.....	1%
Prefer not to answer.....	7%

8. Age

< 18	0%
18-29	19%
30-44.....	31%
45-60.....	38%
> 60.....	12%

9. Gender

Male	43%
Female.....	57%

10. Region

East North Central.....	16%
East South Central	4%
Middle Atlantic	16%
Mountain	6%
New England.....	3%
Pacific.....	21%
South Atlantic	19%
West North Central.....	6%
West South Central	10%