

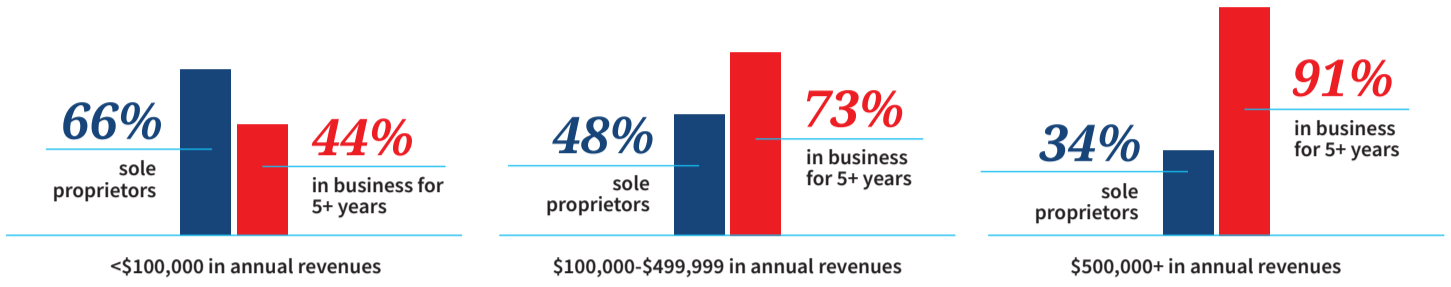
# Better Financial Decisions Start with Better Informed Small Business Customers

Highlights from the 2019 LexisNexis® U.S. Small Business Financial Inclusion Study

In the first study of its kind, 305 small businesses were surveyed to gain insight into their understanding of, and access to, funding to grow their businesses. Companies surveyed were defined as those earning up to \$20M in annual revenue and have applied for funding in the last 3 years or intend to in the next 3 years.

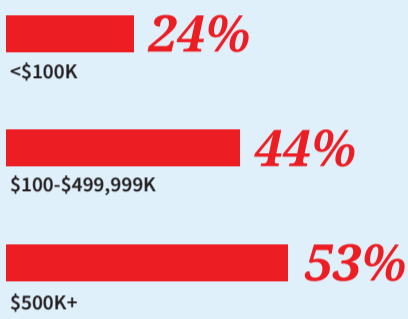
**With over 30 million small businesses in the U.S. and new businesses launching every day, financial institutions run the risk of excluding a sizable number of potential customers by not educating them on and providing options for funding.**

Across the three business profiles that emerged, as company size increased the percentage of sole proprietors decreased



Small and mid-size businesses (SMBs) in the U.S. continue to seek financial support from banks & lenders but are often left to turn to other means

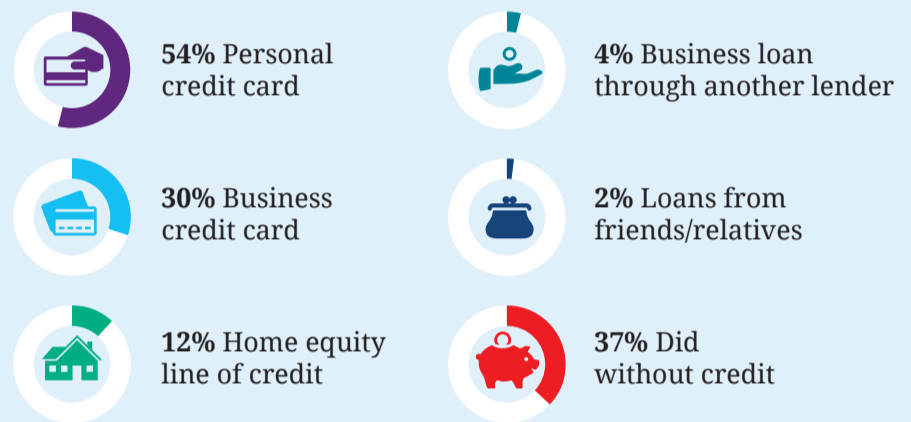
Applied for small business funding in the last 3 years.



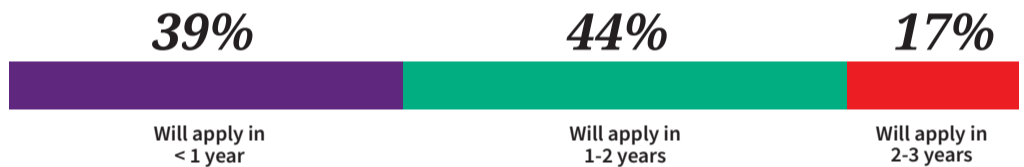
**Businesses with <\$100k revenues are much more likely than others to have been denied funding in the last 3 years.**

Over a third of those denied funding ended up backing their business without credit.

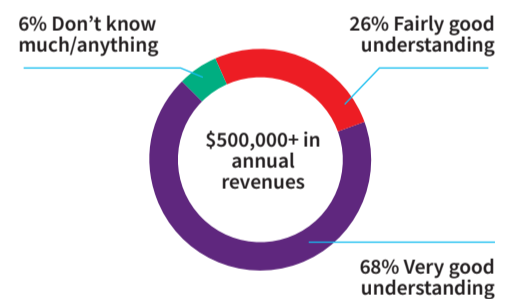
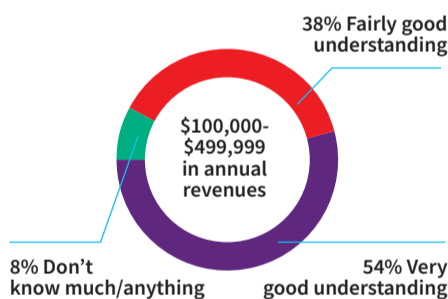
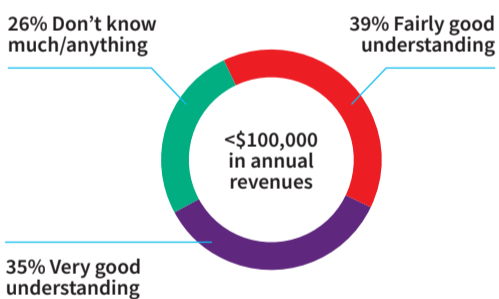
Others used a personal or existing business credit card until they were approved.



Small businesses that haven't applied for funding in the last 3 years have the most immediate plans to do so.



Over 50% of small businesses surveyed only had limited or fairly good understanding of types of financing available. Small businesses earning less than \$100,000 per year have the least knowledge of the 3 small business profiles.

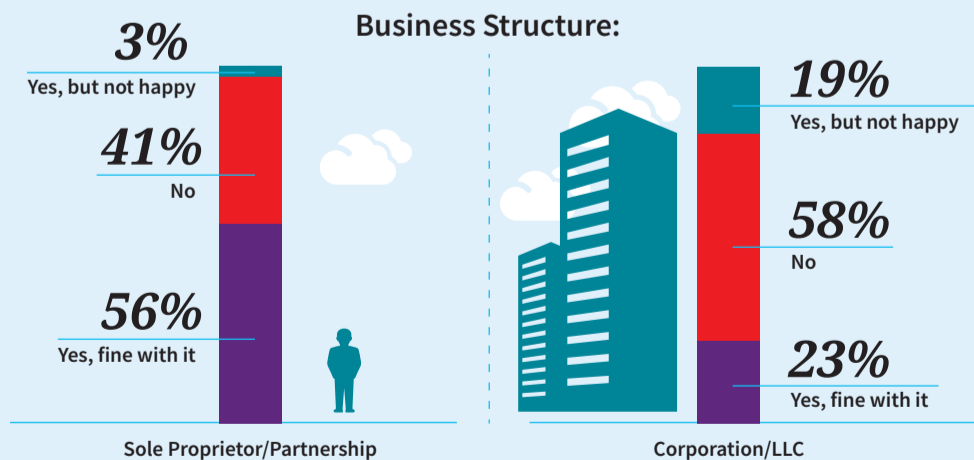


Businesses with <\$100,000 in annual revenues are more likely to experience financial exclusion than others.

What's driving the financial exclusion?



Many small businesses, regardless of size, have been asked to be the personal guarantor on their most recent loan



Owners of small businesses with less than \$100K in revenues have much less willingness to provide bank account information, financial statements, or personal guarantees.

With more than 30 million SMBs in the U.S., this is an opportunity for lenders to increase their SMB lending programs and LexisNexis® Risk Solutions can help. Its small and mid-sized business risk solutions can provide richer data to help financial institutions evaluate creditworthiness, segment risk and identify beneficial owners.

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