Alternative SMB Financing:

Fueling Underserved Entrepreneurs[1]

PayPal

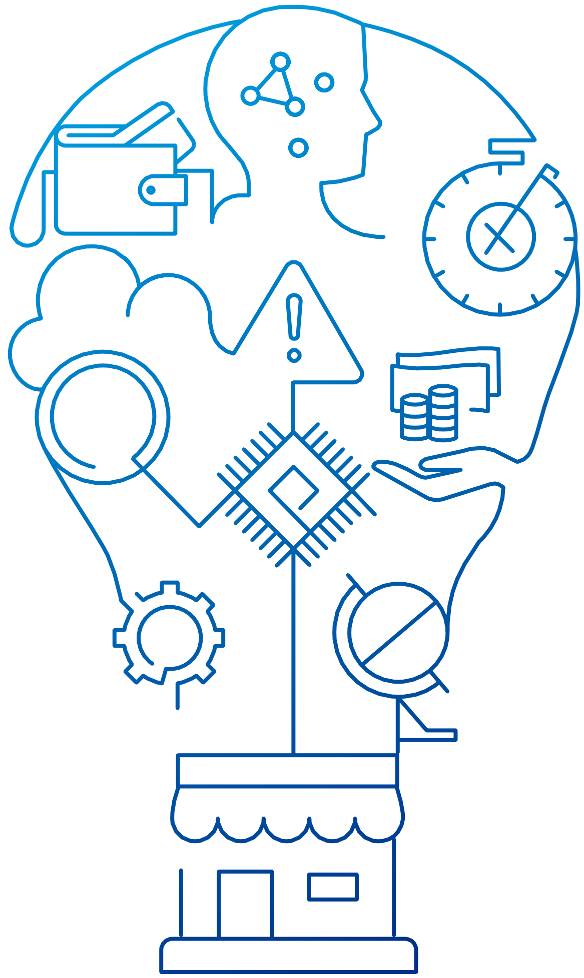
Contents

Executive Summary

Small businesses play a critical role in the global economy. In the U.S. alone, there are 30 million small businesses, accounting for over 99% of total businesses, and employing 58.9 million individuals.[2] These small businesses are also responsible for most of the dynamism in America's economy. The smallest of firms, those with fewer than 20 employees, create the most net new jobs.[3] Innovation and digitization are enabling greater entrepreneurial opportunity, removing barriers to entry, and allowing small businesses to succeed, regardless of location or background.

The digital growth opportunity can be difficult to attain without the necessary resources. Small business financing is pivotal to fueling that opportunity, however, access to capital remains the most significant barrier to small business growth. The 2018 Small Business Credit Survey found that 30% of SMBs faced the challenge of credit availability and 53% of those who applied for financing received either less than or none of what they sought.[4] The World Bank estimates the global credit gap for formal SMBs is $1.2 trillion.[5]

Small business lending has always been a challenge for financial institutions because of information symmetries and resource constraints. A survey of small business owners found it took an average of 26 hours to go through the loan application process for a traditional bank.[6] Meanwhile, smaller loans, which younger and smaller firms benefit from most, are less profitable for traditional lenders and in turn, more difficult to acquire.



The small business credit gap was greatly exacerbated by the 2008 financial crisis. Traditional providers began closing physical branches and tightened lending requirements. According to FDIC data, the number of large and community banks have declined by 21% between 2009 and 2017.[7] SMB loans from traditional financial service providers have continued to lag pre-financial crisis rates despite the growth of the economy.

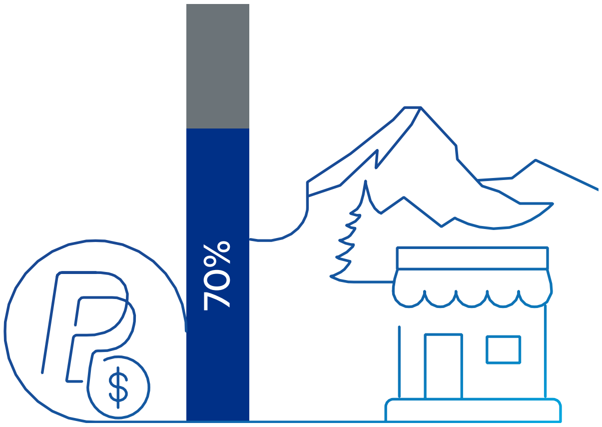
These issues are being acutely felt by underserved populations including minority and female entrepreneurs, rural populations, and low-income households. The Federal Reserve Bank of New York found that individuals from low-income census tracts were more than twice as likely to live in a banking desert making it more difficult to access traditional methods of financing.[8] Minority-owned businesses have historically struggled to meet their financing needs; with one survey citing minority owned businesses as being denied loans at three times the rate of comparable non-minority firms.[9] A gender gap also remains between male and female-owned businesses. Women-owned businesses are less likely to apply for funding in the first place out of fear of rejection and those that do apply are less likely to receive the amount granted than their male counterparts.[10]

Innovative financing products are emerging as alternative options to underserved entrepreneurs who may be struggling to access capital. Digital platforms like PayPal are able to reduce information asymmetries, streamline application processes, and reach consumers who may lack other options. In a 2016 paper, PayPal found that 25% of its PayPal Working Capital (PPWC) loans were going to the 3% of counties that lost 10 or more banks since the 2008 financial crisis. At the time, the PayPal Working Capital product was relatively new. Now, five years after launching, and the introduction of PayPal Business Loan, PayPal has provided more than $10 billion in funding to more than 225,000 small businesses around the world.

In an effort to assess how alternative financing solutions like PayPal are benefiting underserved entrepreneurs, we have analyzed PayPal data looking at loans disbursed by PayPal to businesses in the U.S. between October 2014 to September 2018. We then compared the data to offline data on traditional SMB loans and recipients of those loans as well as comparing to census data on income level and demographic data.

The data revealed several key findings that demonstrate how programs like PayPal are benefitting underserved entrepreneurs and businesses that need financing the most.

- In analyzing US Census data, we found PayPal Working Capital loans are being distributed to in cities where banks have consolidated and rural areas where banks have closed their retail locations.
  - 70% of PPWC loans went to the 10% of counties that lost 10 or more bank branches since the 2008 financial crisis. Also, the share of total PPWC being distributed to Banking Deserts[11] is 2x the share of traditional SMB loans.

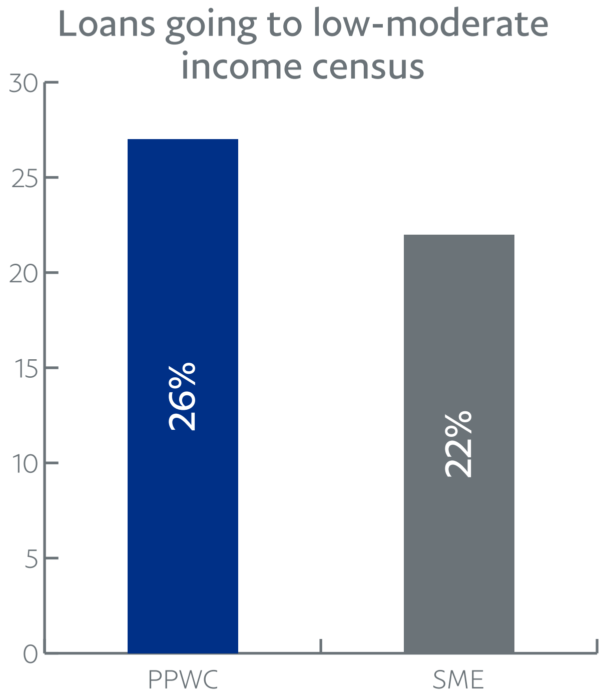


• PayPal Working Capital loans are being provided to low-moderate income households at a greater rate than traditional SMB loans while also being concentrated in geographies that are struggling.

- 26% of PPWC loans go to low-moderate income census tracts compared to 22% of traditional SME loans.[12]
    - These same low-moderate income census tract businesses exhibited better growth rates. In 2017, the YOY growth rate for these borrowers was 22%[13] vs. the average SMB growth rate of 9%[14].
- In At-Risk and Distressed Counties[15], the share of PPWC loans disbursed to low-income receivers[16] was about 50% between 2015-2017 whereas less than 30% of traditional SMB loans[17] were disbursed to low income loan receivers in the same counties in 2013, 2014 and 2016[18].
    - The average growth in the number of those PPWC loans to these counties was 141% of the average growth in the number of all PPWC compared to 95% of the average growth in the number of all traditional SMB loans over the same time period[19].
    - The businesses themselves are also growing at nearly 3x the rate of the average SMB (26% vs. 9%)[20].

• PayPal Working Capital loans are also being distributed to areas with greater concentrations of minority populations, helping to close the gap in access for minority entrepreneurs.

- The percentage of total PPWC loans going to census tracts with greater than 25% African American population share is slightly higher than traditional SMB loans (13% vs. 11%). Also, this same group of borrowers are growing more quickly than the average SMB (22% vs. 9%)[21].



• PPWC is also helping to solve the gender gap that exists in SMB financing.

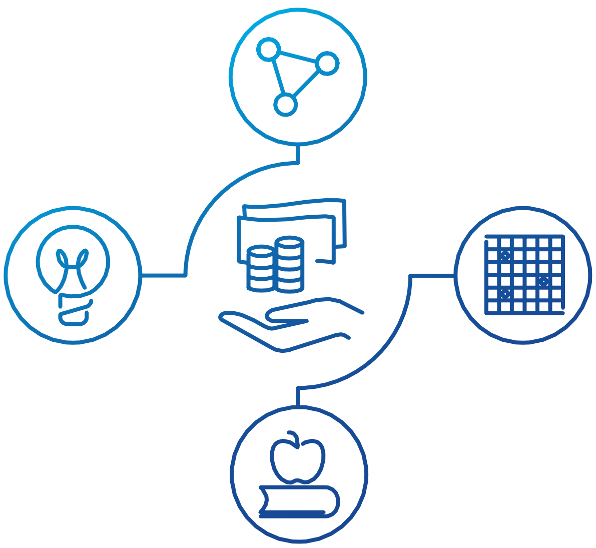
- The percentage of total PPWC loans going to female-owned businesses is 33%[22] while only 16% of conventional small business loan recipients are female, a difference of nearly 2x.[23]

• Finally, the data revealed that PPWC loans are also going to younger and newer firms who often need financing the most in addition to needing small-dollar loans which can be the hardest to acquire.

- 71% of loans went to firms 5 years or younger which is the largest segment of firms with financial challenges [71%] and financing gaps [61%][24].
- Additionally, since the launch of PPWC, 89% of the loans were less than $25K[25].

These findings demonstrate how innovative financing options can help to fill the gaps that have persisted for entrepreneurs no matter their background, location or age. Alternative methods of small business financing have steadily grown in market share as compared to other traditional means, and entrepreneurs have shown an increased willingness to take advantage of the new opportunity. However, online lending remains a small portion of the overall small business lending landscape overall. Barriers still exist for small business owners to access financing and work can be done to increase access and further reduce the gap. It is important for policymakers, regulators and small business owners themselves, to work together in exploring ways to allow innovative products to reach consumers while also ensuring that proper safeguards are in place to prevent predatory practices.

Some of the steps that can be taken to increase small business access to financing are:



- **Education:** A pivotal aspect of increasing access to capital is increasing access to knowledge and tools that educate entrepreneurs on all of the options available to them.

- **Analyzing Risk:** A key factor in increasing small business lending is adopting new methods for assessing the creditworthiness of a business. As the digital world changes and the small business landscape evolves, financing products should account for new data points that can measure the risk of an entrepreneur.

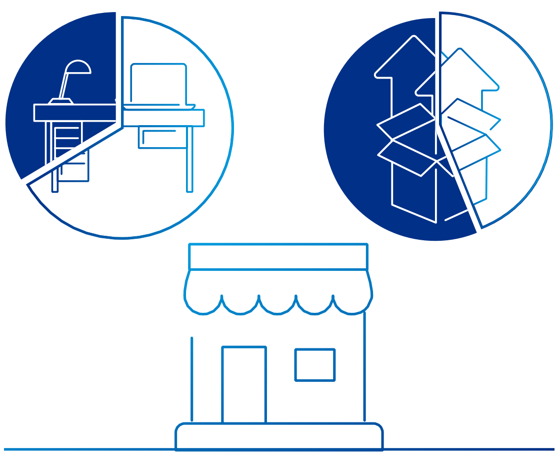
- **Connectivity:** While the digital world has democratized opportunity for entrepreneurs and enabled small businesses to launch from all corners of the world, it is still difficult for some rural communities to connect to that digital world.

- **Enabling Innovation:** As new models of small business lending enter the market it is important for regulators and policymakers to encourage the innovation that can lead to more underserved entrepreneurs getting access to capital.

Small businesses continue to play an overwhelming role in the health of our economy and local communities. Enabling their access to capital, particularly in the early years of development, is critical to allowing them to grow and thrive. Innovative methods of financing are democratizing opportunity for entrepreneurs, particularly in low-income and distressed areas of the country. The use of new information and metrics to assess risk is closing the gap for underserved entrepreneurs like minority and female-owned businesses. Encouraging this innovation and supporting our entrepreneurs creates a healthier ecosystem and encourages a new generation of small business owners to launch in their communities.

The State of SMB Lending

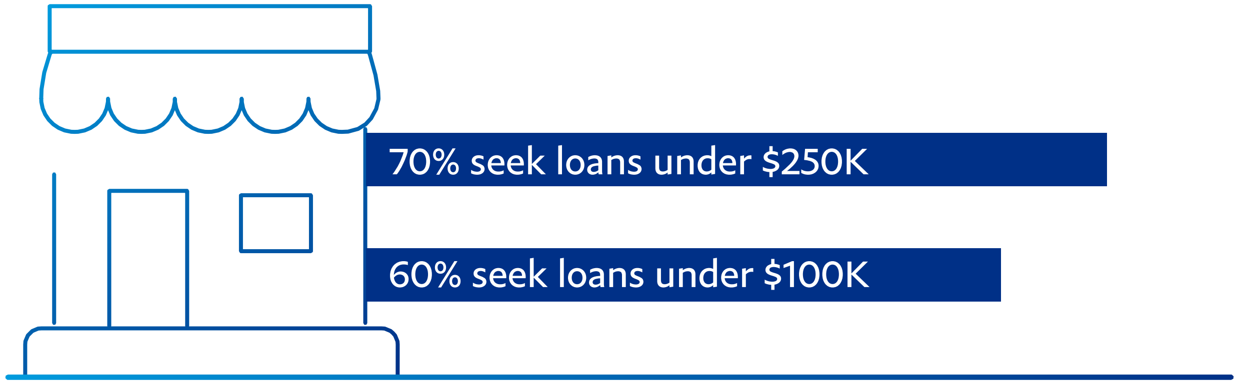
Small businesses play an outsized role in our overall economy, creating two-thirds of net new jobs and accounting for 44% of the overall GDP.[26] While these numbers are impressive, the overall share of GDP for small businesses has actually dropped in the last few years as real GDP for large businesses is outpacing the growth of SMBs.[27] The overall rate of small business creation is falling as well.[28]



These numbers run counter to the new opportunities that exist for entrepreneurs. The evolution of digital commerce has changed the calculus of who can launch and grow a business. Global ecommerce is expected to reach $5.8 trillion by 2022.[29] While in the past, the concentration of small business success was in large cities and on the coasts, entrepreneurs can now launch a business from their hometowns, regardless of location, and instantly reach customers around the world. Digitization has removed some of the barriers to entry preventing individuals from launching a business.

Despite the opportunity, small businesses continue to face challenges when attempting to launch and grow their business. A key contributor to that success or failure is accessing financing. Additional capital allows entrepreneurs to purchase more inventory, hire employees, launch marketing campaigns and generally enable better cash flow when margins are tight. However, small businesses have struggled to access that capital, particularly smaller and newer firms or firms located in economically distressed areas.

The struggle becomes more pronounced when traditional financing options are unavailable or overly burdensome to small businesses. According to FDIC data, large and community banks have declined by 21% between 2009 and 2017. Large banks tend to be proportionately less committed to small business lending than smaller community banks.[30] Meanwhile, community bank branch locations have declined 44% from Q4 2004 to Q4 2018, falling from nearly 9,000 branches to just shy of 5,000.[31] Despite this decline, small banks still account for a disproportionate share of small business loans.[32] Also, the number of banking deserts, defined as census tracts without a bank within a 10 mile radius, has been steadily increasing. The Federal Reserve of St. Louis estimates there are over 1,100 banking deserts in the U.S., a number that could easily double if community banks continue to decline.[33]



Barriers to access to finance prevents small businesses from achieving their true potential. The 2019 Small Business Credit Survey found 53% of small businesses who applied for credit did not receive the funding they sought.[34] Smaller and younger firms who struggle to demonstrate profitability or produce collateral, experienced greater difficulty than larger firms. A 2015 study by the Federal Reserve found that micro-firms (those under $100,000 in revenue) were half as likely to receive the capital they requested than larger firms.

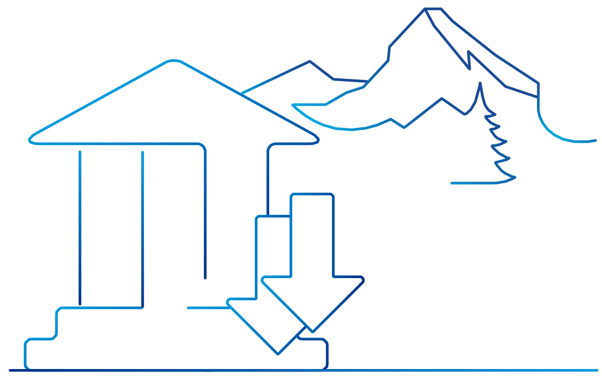
Small businesses are also more likely to be seeking smaller dollar loans. These smaller loans, however, require largely the same paperwork and process as larger loans at traditional institutions, meaning they are far less profitable. More than 70% of small businesses seek loans under $250,000 while more than 60% seek amounts less than $100,000.[35] The gap in accessing these small dollar loans is persistent, with loans under $50,000 at traditional institutions showing the biggest gap.[36]

Digitization and the evolution of globalization are creating new opportunities for entrepreneurs. However, for small businesses to succeed, particularly in underserved communities, financing needs should be properly addressed. Innovative options are starting to achieve success in closing that gap.

Filling the Gap for the Underserved

The gap in access to capital for small businesses is a problem that is acutely felt by particular pockets of populations throughout the country. While digital commerce has democratized where businesses can launch and thrive, the continued decline of regional banks and the consolidation of big banks, has resulted in fewer options for entrepreneurs who are seeking financing to help grow their business. From 2010 to 2014, the growth of firms in just five metro areas exceeded the rest of the country combined.[37] In 2011, nearly 78% of bank offices were located in metro counties, but despite the high concentration, banking activity in metro areas still falls short of the US population share and economic output in those areas.[38] As dynamism fades, the success and growth of small business is becoming more narrowly concentrated. As these areas grow, populations in low-moderate income areas, distressed counties and rural locales are losing access to the financial services that they need.

As discussed in the previous section, the decline of large and community banks since the 2008 financial crisis has created a gap in access to capital. This gap is disproportionately felt by these communities where traditional financing services have faded away. Since 2009, 86 new banking deserts, populated areas in which no banks are located within 10 miles, were created. In these areas, small businesses are left with very limited options when it comes to financing their business growth.

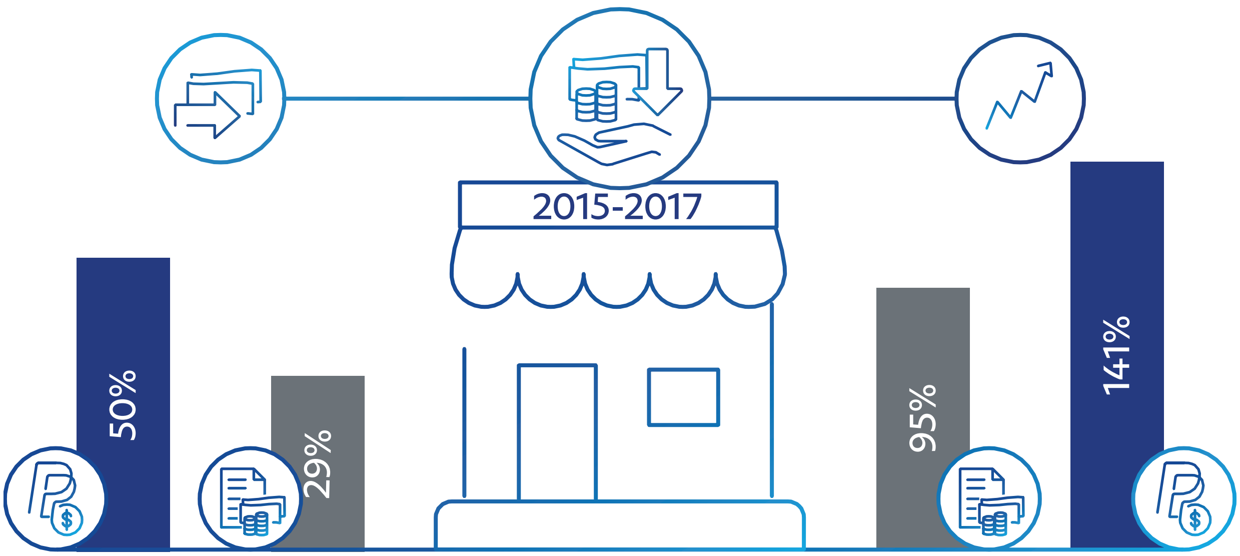


The consolidation of big banks has contributed to community banks closing in urban areas as well due to increased competition, and often branches located in low to moderate income census tracts are at greatest risk of closing.[39] In addition to community bank closures, the trend is also forcing community banks to merge with other community banks resulting in a community banking sector populated with larger institutions as the only option for financial services in a limited geographic area.[40] Our research found that 70% of PayPal Working Capital loans went to merchants located in the 10% of counties that lost 10 or more bank branches since the 2008 financial crisis.[41]

Small businesses located within low- and moderate-income (LMI) communities are struggling to meet their financing goals. Lending activity in upper-income census tracts exceeds the share of businesses and population in those areas as compared to low-income tracts.[42] In an isolated study by the New York Fed, in 2016, none of the small business loans made in the assessment area were distributed to low-income census tracts.[43] The National Community Reinvestment Coalition (NCRC) released a report recently that found higher percentages of bank closures are occurring in urban zip codes and points out these are often lower income areas and small businesses are often the most affected consumer group.[44]

Alternative online lenders are helping to fill the gap, providing quick and reliable options to entrepreneurs located in these rural and economically distressed areas as an alternative to traditional small business lenders. Between 2014-2018, over 26% of all PPWC loans went to low-moderate income census tracts, whereas only 22% of traditional SMB loans were distributed to those areas in the same timeframe. These loans can often play an outsized role in a small business' success in low-income areas where they lack collateral and other forms of social capital as means to launch and scale their business or demonstrate profitability to a traditional financial service provider. Higher percentages of micro-businesses are concentrated in LMI neighborhoods and yet still struggled to match the average revenues of their non-LMI business counterparts.[45] It is critical that we ensure LMI businesses are getting the capital that is instrumental in their ability to grow and hire more people to strengthen their community. Small businesses in low-moderate income neighborhoods are critical to overall employment.[46] Those that can access lending are growing more quickly. PPWC small businesses in these LMI communities experienced a year-over-year growth rate in 2017 of 22% vs. the average SMB growth rate of around 9%.

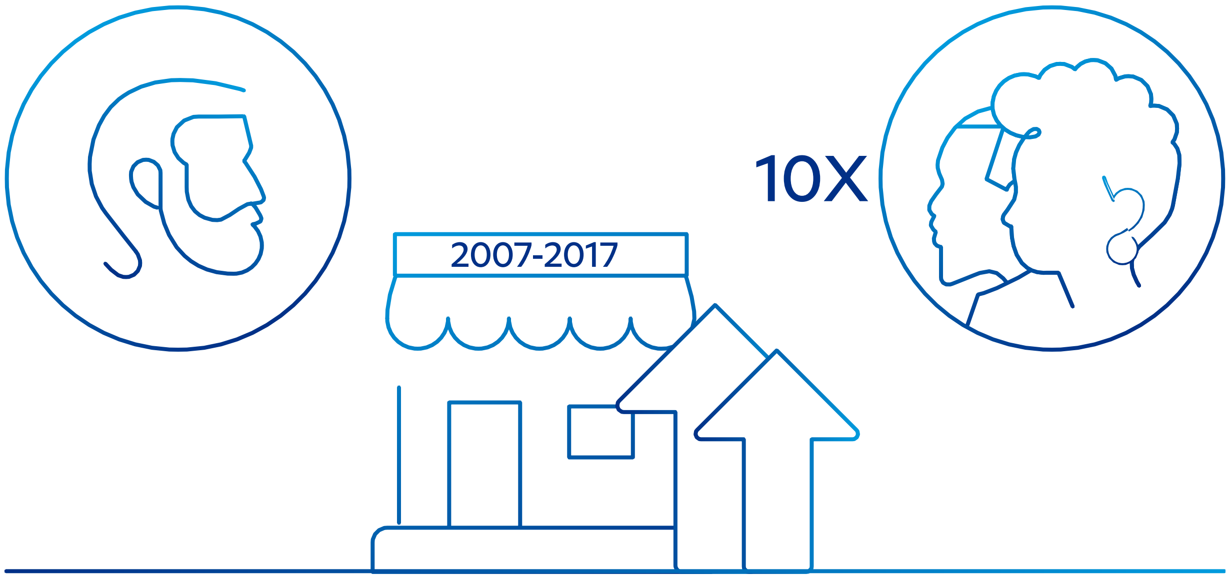
Finally, distressed counties (those ranked in the bottom 10% economically) and at-risk counties (ranking between 10-15% nationally) are also struggling to get a proper share of financial support for SMBs. In At-Risk and Distressed Counties, the share of PPWC loans disbursed to low-income receivers was about 50% between 2015-2017 whereas less than 30% of traditional SMB loans were disbursed to low-income loan receivers in the same counties in 2013, 2014 and 2016. Additionally, the value of PPWC loans being distributed to these areas is on the rise. The average growth in value of PPWC loans to those counties was



141% of the average growth in the number of all PPWC compared to 95% of the average growth in the number of all for traditional SMB loans over the same time period. Our data revealed that PPWC borrowers in these counties were also growing at elevated rates compared to the average SMB. The year-over-year growth rate in 2017 for small businesses located in At-Risk and Distressed counties who took out a PPWC loan was nearly 3 times the rate of average small business growth in the same year (26% vs. 9%).

Alternative financing options are beginning to address the needs of these entrepreneurs located in geographically distressed areas. This becomes crucial to small businesses scaling, creating more jobs and a healthier economy for the community.

Democratizing Opportunity

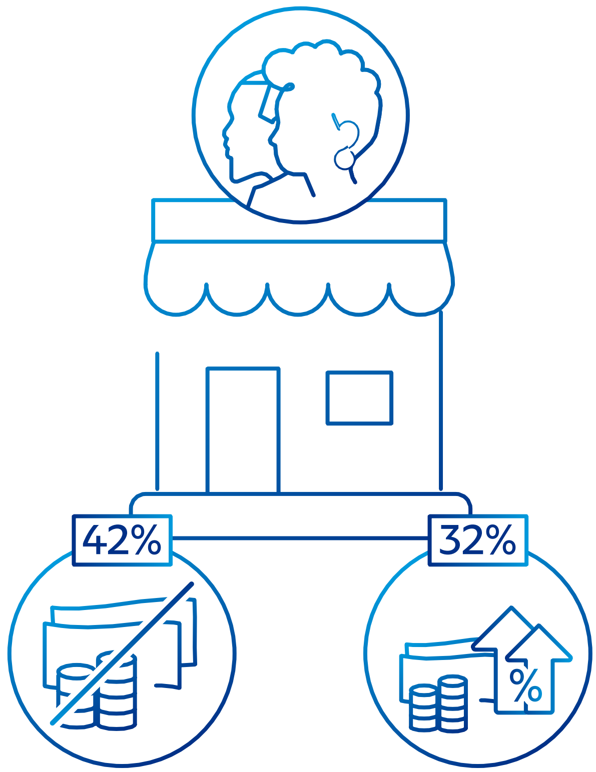


Geography isn't the only determinant in assessing the gap in small business financing, however. Female and minority-owned small businesses have historically struggled to gain access to capital to launch and grow their business, despite the rising rates of entrepreneurship amongst these demographics. In fact, according to recent research by the Business Journal, between 2007 and 2017 the number of minority-owned SMBs grew by 79% which is approximately 10 times faster than the overall growth rate for U.S. small businesses during the same period.[47] Meanwhile, female-owned businesses have increased at four times the rate of male-owned businesses and women of color are driving most of that growth, accounting for about two-thirds of the overall growth between 2002 and 2015.[48]

However, female and minority-owned businesses are lagging in the volume and value of overall small business loans. Minority business owners tend to rely on social capital and personal investments rather than external sources which can constrain the amount of capital they can raise.[49] This is partly due to minority entrepreneurs being less likely to apply for funding from traditional lenders due to fear of rejection. According to a 2013 survey, over 50% of minority entrepreneurs who expressed a need for credit did not apply over this fear.[50] The same trend can be found among female entrepreneurs.[51]

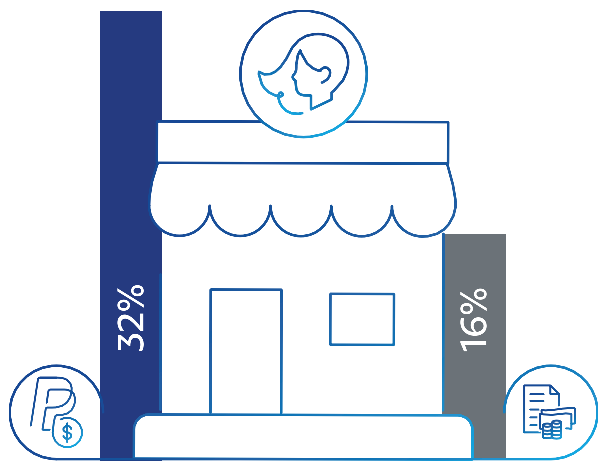
Their fears unfortunately have historically been realized as small business owners in these demographics are being rejected at higher rates than their counterparts or failing to access the funds they sought.

Of small businesses with revenue under $500,000 annually, 42% of minority-owned businesses were denied loans – three times the rate of non-minority firms.[52] Meanwhile, those that were approved often pay higher interest rates. The Federal Reserve found that minority business owners pay interest rates 32% higher, on average, than their non-minority counterparts.[53] In a recent study by the Federal Reserve Bank of Chicago it was determined that a greater percentage of African American population in a particular census tract is associated with a 9% decline in Community Reinvestment Act (CRA) lending for that census tract.[54]



The disparity in access and affordability of financing for minority small businesses is a historical issue that can be resolved through new products that look to democratize opportunity. An analysis of PPWC loans found that the share of total loans being distributed to census tracts with greater than 25% African American population is higher than the share of traditional SMB loans. Additional analysis of YOY growth in 2017 also found that these entrepreneurs are growing at an accelerated rate of 23% YOY, compared with the average small business growth rate of 9%.

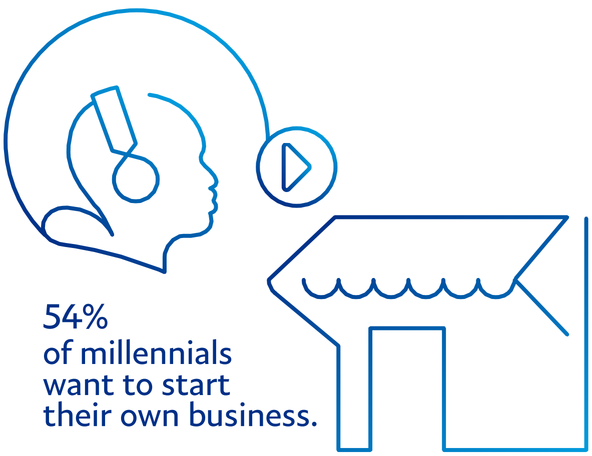
Female entrepreneurs have struggled to meet the traditional requirements of creditworthiness, which relied elements such as because collateral or fixed data such as credit scores. The average revenue of women-owned firms was about half that of male-owned while the credit score for women-owned businesses were 25 points lower than their male counterparts in 2018.[55] Innovative alternative lending options can help to address these data asymmetries by looking at other details to assess risk and creditworthiness. Our research found that the percentage of the total share of PPWC loans going to female entrepreneurs is twice the share of overall traditional small business loans going to women owned SMBs (32% vs. 16%)[56].



As the number of minority and female small businesses continues to grow, it is vital to create an ecosystem that encourages their entrepreneurial success. Democratizing opportunity for these entrepreneurs and leveling the playing field will promote growth, add jobs and contribute to healthier communities.

Fueling the Next Generation of SMBs

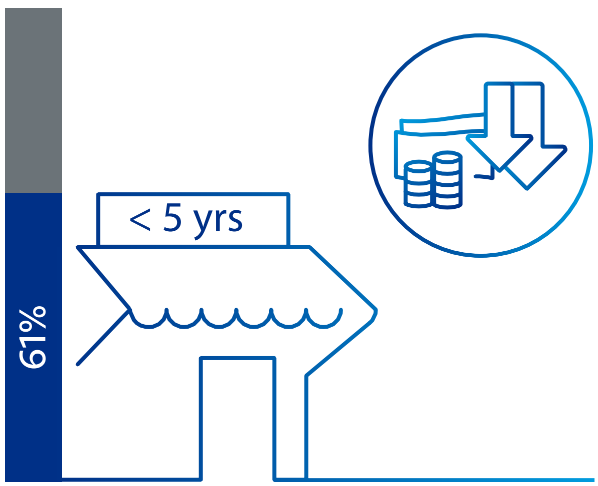
The next generation of entrepreneurs have come of age in the digital age. They understand the opportunity that the digital world creates for them and the ease of starting a new business from anywhere. A recent Kauffman study found that 54% of millennials want to start their own business.[57]



These entrepreneurs are different from the traditional small business owner that the world has come to know. Many of these younger entrepreneurs are leveraging the digital world to hold multiple jobs, work off-hours and operate in a personal space rather than public location. A recent survey by PayPal on the Future of Work, found that 34% of millennial (ages 21-38) respondents said that they have multiple jobs, compared to 25% of their Gen X (ages 38-50) counterparts.

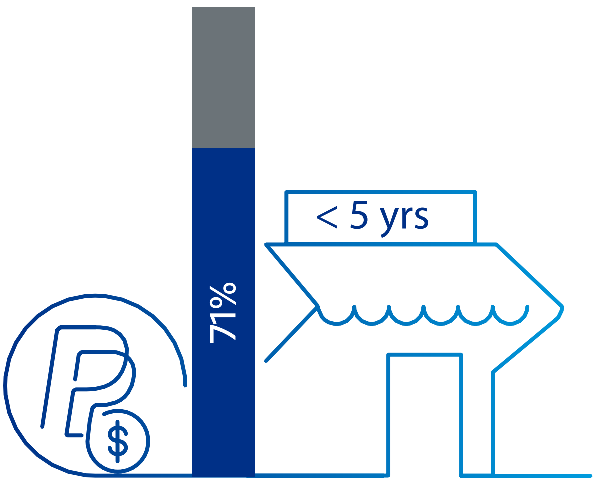
Access to finance is key for young firms to achieve sustainable growth. A recent study looking at young firms, found that companies with access to finance experienced 30% more growth in revenue and 50% more growth in employment than companies that did not access financing.[58]

The lack of access to finance is likely a major contributor to the challenges for young firms. According to US Labor Statistics, only half of small businesses make it to their 5th year of operation.[59] Nearly half of those that fail cite lack of funds as the primary reason for closing shop, according to a recent survey by the Chamber of Commerce.[60] In fact, 61% of firms younger than 5 years cited financing shortfalls, according to the 2017 Small Business Credit Survey.[61]



A contributing factor to younger firms experiencing a gap in access to capital is the ways in which traditional loan providers assess the risk of a small business. Firms in the early stages of developments simply don't have detailed balance sheets, performance history or collateral that traditional financial institutions look for when evaluating loan applications.[62]

PPWC is helping these entrepreneurs at the earliest stages of developments by providing loans that match their size and experience. 71% of all PPWC loans went to firms 5 years or younger. As stated above, these are the small businesses that are most vulnerable and in need of capital to stay afloat.



Another factor in these newer firms experiencing a gap in access to capital is the size of the loans that they are seeking. The smallest of firms are often seeking loans less than $100,000 to fuel the growing revenue, inventory and marketing costs. Loans of this size are the hardest to acquire, however, as traditional financial institutions can't generate the same return as larger loans. Coupling this factor with the difficulties and costs associated with evaluating risk for small businesses, these microloans are few and far between.

Again, PayPal Working Capital and other alternative financing products can step in a fill the gap by assessing risk through different data metrics. In fact, 89% of the PPWC loans distributed between 2014 and 2018 have been less than $25,000.

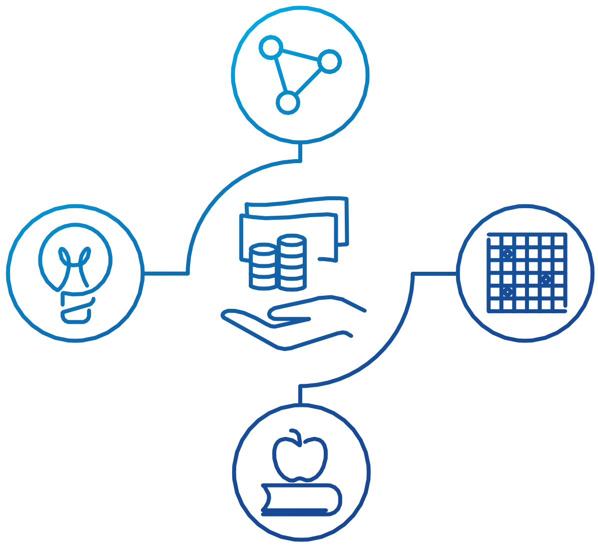
These microloans, as well as loans to younger and newer firms, are addressing a specific gap in the financing shortfall for small businesses. At a stage when the entrepreneurs are most vulnerable to failure, they are able to access funds that they desperately need to stay afloat and scale to that next level to hire more people and contribute more to their local economy. Increasing the survival rate of early stage small businesses is a critical factor in encouraging entrepreneurial success and will reap benefits in local and national economy. New firms account for the highest rate of net new jobs and contribute the most revenue growth in SMB sector.[63]

Policy Recommendations

The gap in access to capital for small businesses is not a new issue. Governments have long been working to address the disadvantages for small businesses and the barriers that acutely affect particular demographics and economically distressed communities. Federal regulators have taken steps since the 2008 financial crisis to monitor small business lending trends and encourage banks to increase their small business lending portfolio.[64] Meanwhile, Congress has also taken positive steps towards examining and addressing the issue including a renewed focus on the Community Reinvestment Act (CRA) which was established in 1977 to address the credit needs of low-moderate income communities. The Small Business Administration has also established programs to specifically promote entrepreneurship for women and minorities.

There is always more that can be done however, as many of the barriers prevent underserved communities accessing capital persist. Public and private sectors can collaborate to address some of these issues and level the playing field for all entrepreneurs.

- **Enabling Innovation:** As new models of small business lending enter the market it is important for regulators and policymakers to encourage the innovation that can lead to more underserved entrepreneurs getting access to capital. Specifically, for non-financial institutions, the bank, non-bank partnership is essential to providing loans while also protecting consumers from predatory practices. By codifying rules like the valid-when-made precedent it would strengthen those partnerships and allow for innovative FinTech solutions to work within the system.



- **Education:** A pivotal aspect of increasing access to capital is increasing access to knowledge and tools that educate entrepreneurs on all of the options available to them. Public and private sectors can work together to establish programs that focus on outreach to underserved communities and connect those entrepreneurs to the various innovative financing option that would fit for their business. The Small Business Administration can also work to update the lending match system so a comprehensive portal of options that are easily compared is available to small business owners seeking out that information.

- **Analyzing Risk:** A key factor in increasing small business lending is adopting new methods for assessing the creditworthiness of a business. As the digital world changes and the small business landscape evolves, financing products should account for new data points that can measure the risk of an entrepreneur. Rather than relying too heavily on credit scores, business history, etc., innovative products can take a more wholistic view of a business and their potential.

- **Connectivity:** While the digital world has democratized opportunity for entrepreneurs and enabled small businesses to launch from all corners of the world, it is still difficult for some rural communities to connect to that digital world. While alternative lending options are working to address the closure of traditional financial institutions in rural communities, those entrepreneurs also need better broadband access to fully utilize these innovative tools.

The rise in alternative lending options is rightfully earning increased scrutiny from legislators and regulators. It is essential that while innovative products are given space to address financial inclusion and democratization of financing, there is also proper oversight to ensure bad actors are not taking advantage of underserved communities. Finding the right balance between regulation and innovation can unlock the formula for addressing small business needs and leveling the playing field for all entrepreneurs regardless of race, gender, economic background or location.

Conclusion

The landscape of commerce is evolving, creating more opportunities for small businesses to launch and thrive from anywhere regardless of their background or location. Fostering an environment for those small businesses to succeed is an important factor in a healthy overall economy, creating jobs, and fostering financial health. However, this democratization of opportunity has not translated to closing the gap in access to capital for small businesses; particularly those traditionally underserved by the financial system. Minority and female-owned small businesses, entrepreneurs from diverse backgrounds and economically distressed areas are all experiencing financing shortfalls as they attempt to achieve their dream of launching and scaling their businesses. Innovative alternative methods of financing are attempting to address this gap and provide the much-needed capital to encourage entrepreneurial success. However, there is still more that can be done from the public and private sectors to ensure that everyone is able to access capital and fuel their dreams.

References

1 *This paper was authored by Paul Disselkoen, Senior Associate, PayPal Government Relations with special assistance from Usman Ahmed, Head of Global Public Policy at PayPal. The research analysis was supported by Simon Schropp, Kornel Mahlstein and Olim Laptiov of Sidley Austin. The report design was created by Nimblebot.

2 https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf

3 Ibid

4 https://www.fedsmallbusiness.org/medialibrary/fedsmallbusiness/files/2019/sbcs-employer-firms-report.pdf

5 https://www.worldbank.org/en/topic/smefinance

6 https://www.inc.com/noah-breslow/26-hours-the-cost-of-searching-for-a-loan.html

7 https://www5.fdic.gov/sod/dynaDownload.asp?barItem=6

8 https://libertystreeteconomics.newyorkfed.org/2016/03/banking-deserts-branch-closings-and-soft-information.html

9 https://www.brookings.edu/wp-content/uploads/2016/07/minority_women_entrepreneurs_building_skills_barr.pdf

10 https://iwpr.org/wp-content/uploads/2018/07/C472_Report-Innovation-and-Entrepreneurship-9.6.18-clean.pdf

11 Census tracts in which there are no branches within a 10-mile radius of the tracts' center (https://www.stlouisfed.org/publications/regional-economist/second-quarter-2017/banking-deserts-become-a-concern-as-branches-dry-up)

12 http://www.ffiec.gov/cra/craflatfiles.htm

13 Internal data measuring TPV growth YOY

14 https://www.prnewswire.com/news-releases/expectations-for-small-business-growth-in-2018-on-the-rise-as-confidence-in-the-us-economy-steadies-300573887.html

15 eig.org/dci/methodology

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17 Small business loans originated with loan amount at $100K or less

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