



Survey findings on minority-owned firms

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Report examines state of small firms and their performance, financing and credit

Small businesses are crucial to the nation's economy. They employ almost half of U.S. workers, and are important sources of employment and wealth building, particularly for minority communities. The number of minority-owned businesses has grown rapidly in recent years, which means that their well-being and ability to access financing increasingly is important to fostering economic opportunity and broader economic growth.

The Federal Reserve Bank of Atlanta has released the Small Business Credit Survey: 2019 Report on Minority-Owned Firms. The report examines the state of minority-owned businesses, offering insights on their performance, access to financing and experiences in the credit market.

Some key findings:

- 1 For many minority-owned businesses, key performance indicators like profitability and revenue growth lagged white-owned firms.
- 2 Minority-owned firms relied to a greater extent on personal funds, and on personal credit scores when applying for financing, than did white-owned firms.
- 3 Minority-owned-firms' loan applications tended to have worse outcomes (not controlling for other firm characteristics) than did the applications of white-owned-firms, particularly at small banks or online lenders.
- 4 Dissatisfaction with a lender is relatively high among black- and Hispanic-owned firms.

The report is based on data from the 2018 Small Business Credit Survey (SBCS). The SBCS is a collaboration of all 12 Federal Reserve Banks, and annually surveys businesses with fewer than 500 employees to deliver timely information on small business financing needs, decisions and outcomes. The report provides crucial information on minority-owned small businesses to policymakers, lenders and service providers. For more information and other Small Business Credit Survey reports, such as the [2019 Report on Employer Firms](#) and the [2019 Report on Nonemployer Firms](#), visit [fedsmallbusiness.org](https://www.fedsmallbusiness.org). For a more in-depth analysis of the differing experiences of minority-owned firms, read the Federal Reserve Board of Governors' recent [Consumer & Community Context](#).

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SMALL BUSINESS CREDIT SURVEY REPORT ON MINORITY-OWNED FIRMS

