

10 IMPACT STATEMENTS

December 2024 eBook



SMB Growth:

Credit Access



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INTELLIGENCE**

The SMB Growth: Credit Access — 10 Impact Statements eBook is a PYMNTS Intelligence exclusive eBook. **PYMNTS Intelligence** retains full editorial control over the following findings, methodology and data analysis.

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SMBs' ACCESS TO FINANCING SOURCES

01

52%



Share of SMBs that report having access to financing sources

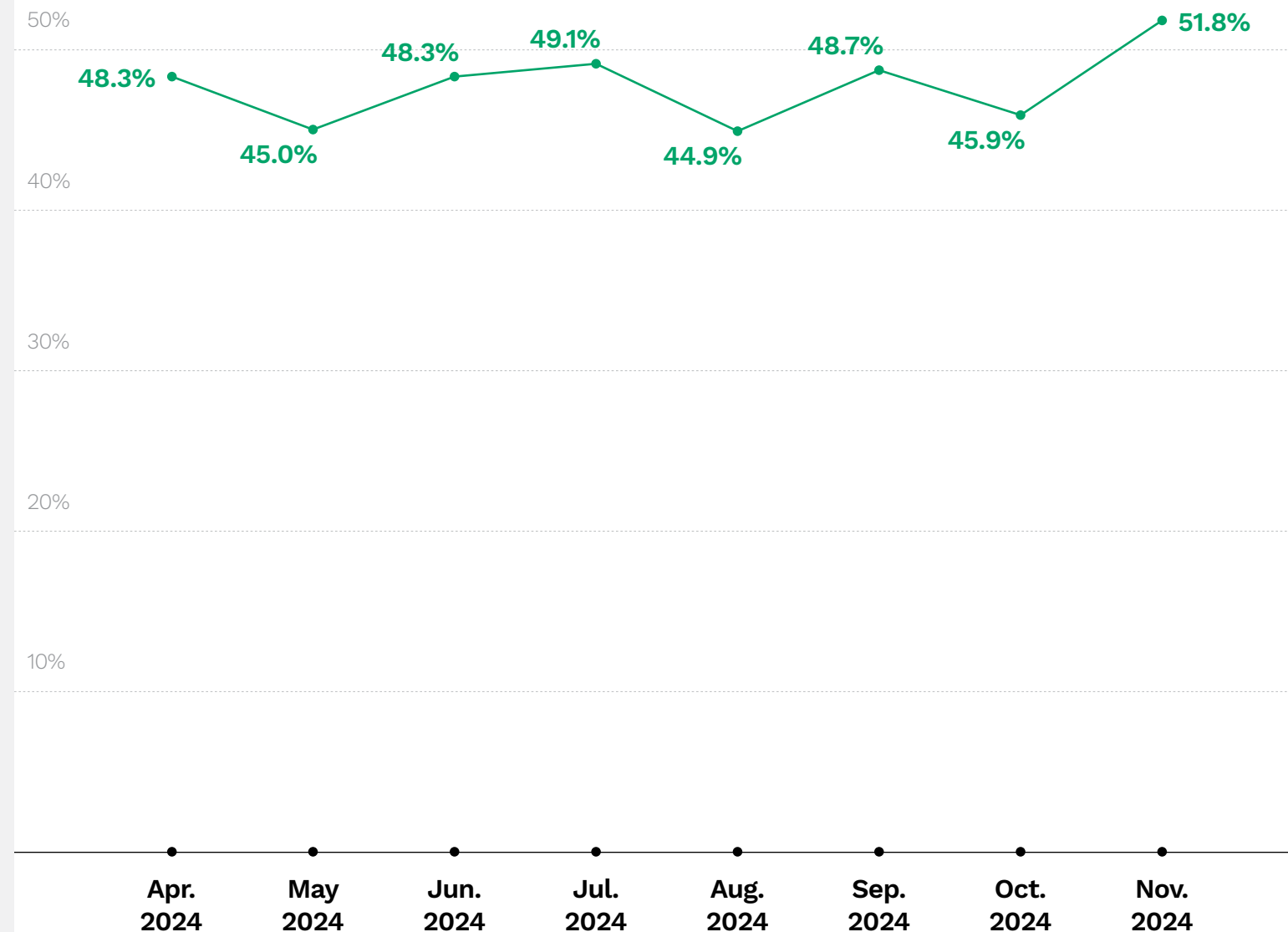
So what:

Nearly half of small to mid-sized businesses (SMBs) are not in the credit market, but they could be brought in with the right offers or solutions.

FIGURE 1:

SMBs with access to at least one financing source

Share of SMBs that have access to at least one type of financing



Source: PYMNTS Intelligence
 SMB Growth: Credit Access — 10 Impact Statements, December 2024
 N varies by month surveyed;
 N = 573: Complete sample for November 2024, fielded Nov. 8, 2024 – Nov. 25, 2024

02

2x

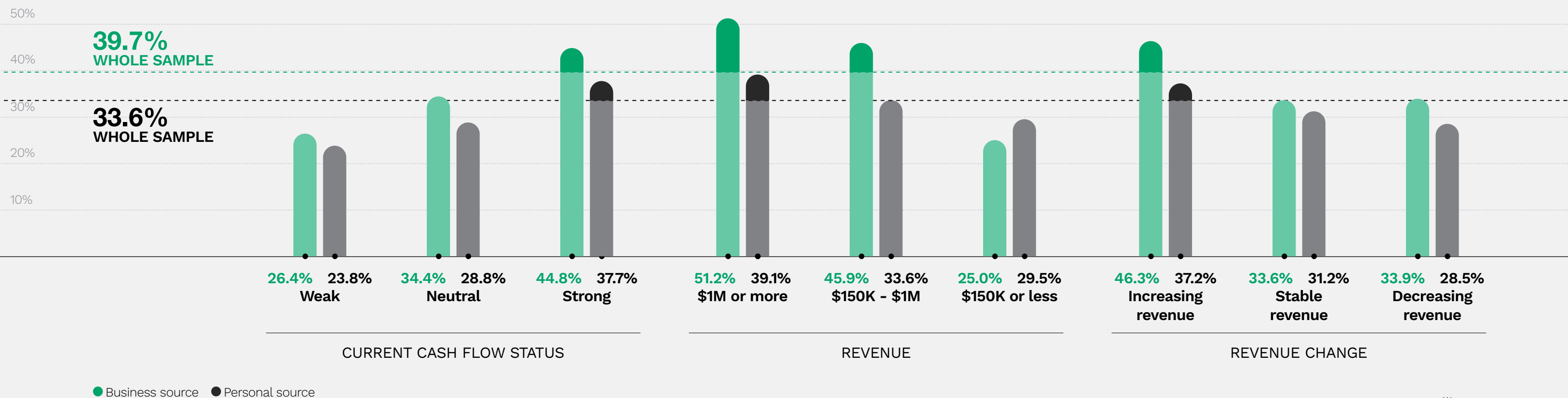
SMBs generating more than \$1 million in revenue are twice as likely to have access to business credit than SMBs generating less than \$150,000 in revenue.

FIGURE 2:
SMBs with access to financing

Share of SMBs that have access to at least one type of business or personal source of financing, by business demographic

So what:

Access to credit is not equal for SMBs. Those with more resources are in positions to get business credit options, which can ultimately help an SMB develop a robust credit portfolio.



Source: PYMNTS Intelligence
SMB Growth: Credit Access — 10 Impact Statements, December 2024
 N = 573: Complete sample for November 2024, fielded Oct. 4, 2024 – Oct. 18, 2024

03

32%

Share of firms that have access to a business credit card

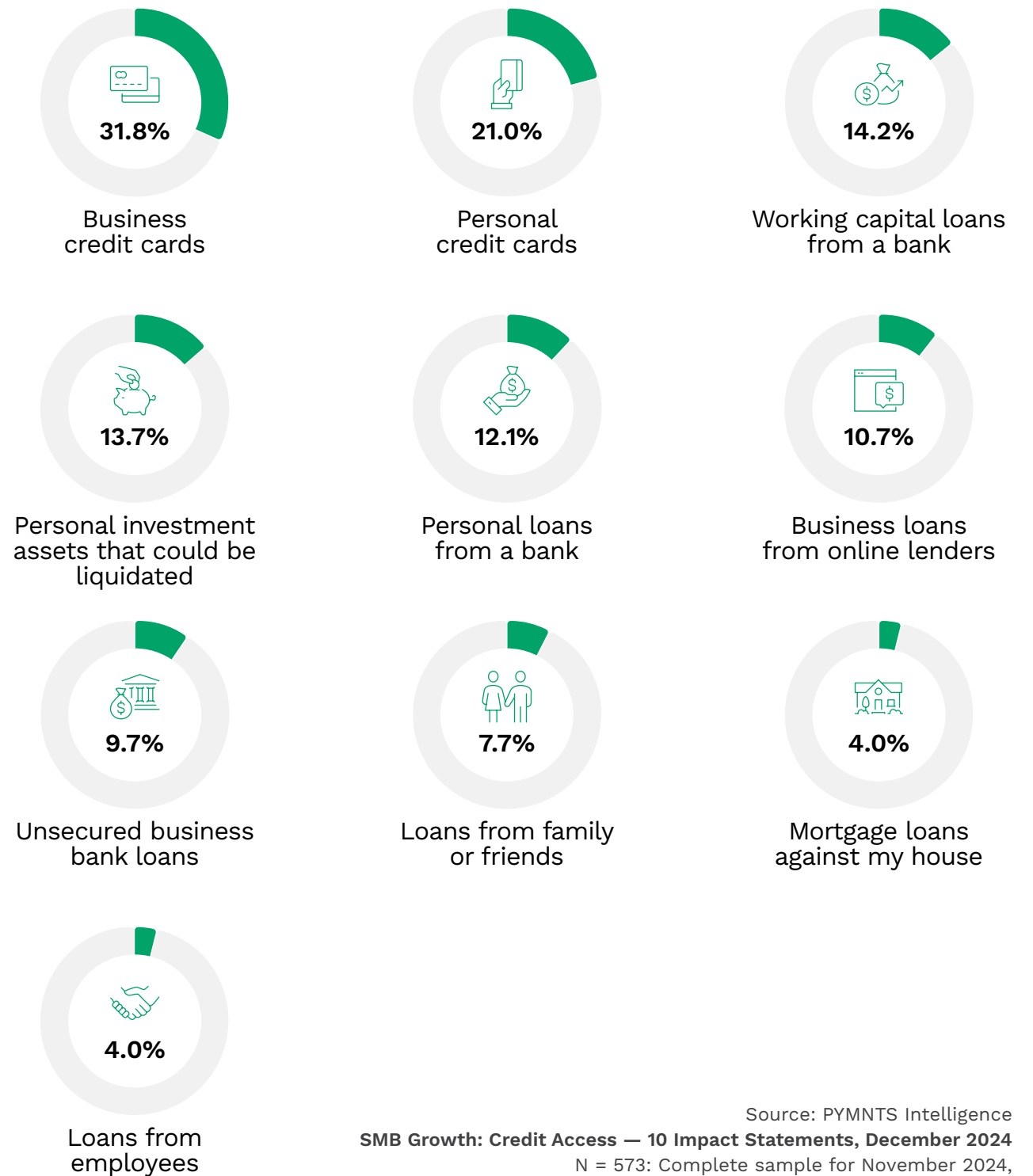
So what:

Credit cards — business or personal — are the most common forms of financing SMBs have access to. Other forms of credit are either less accessible or SMBs do not know how to go about obtaining them.

FIGURE 3:

Types of financing SMBs can access

Share of SMBS that have access to select types of financing



Source: PYMNTS Intelligence
SMB Growth: Credit Access — 10 Impact Statements, December 2024
 N = 573: Complete sample for November 2024, fielded Oct. 4, 2024 – Oct. 18, 2024

04

71%



Share of SMBs with access to financing that generate revenues of more than \$150,000 and have access to a business credit card

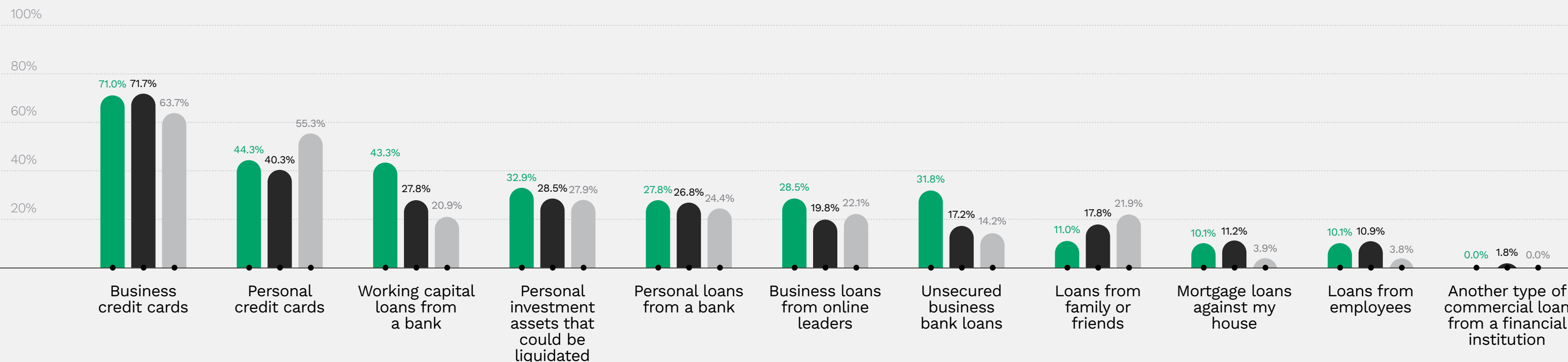
FIGURE 4:

SMBs' revenues and their access to financing

Share of SMBs with access to financing reporting the types of financing sources they have access to, by annual revenue

So what:

Among those that have access to financing, higher-revenue SMBs are more likely to have access to the types of credit that can ultimately help their business.



● \$1M or more ● \$150K - \$1M ● \$150K or less

Source: PYMNTS Intelligence
SMB Growth: Credit Access — 10 Impact Statements, December 2024

N = 239: SMBs that had access to financing as of November 2024, fielded Oct. 4, 2024 – Oct. 18, 2024

SMBs' USE OF FINANCING

05

35%

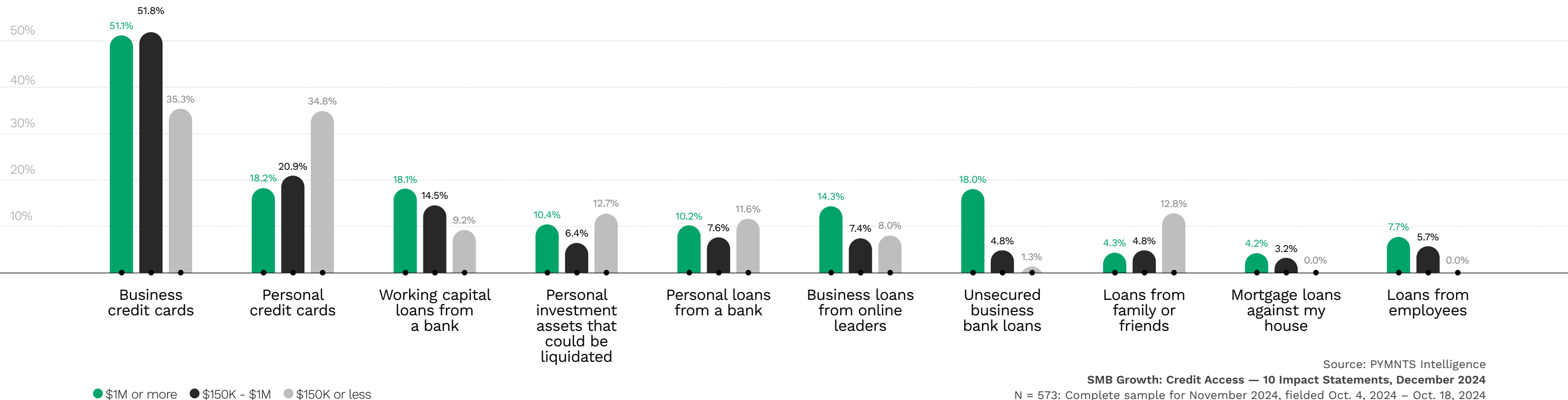
Share of low-revenue SMBs with access to credit that use the owner's personal credit card

FIGURE 5:
The sources of credit SMBs use

Share of SMBs with access to credit that use select types of financing

So what:

Because many lower-revenue SMBs depend on personal sources of financing, they may not be able to build a good credit portfolio and, as a result, may not be able to access business sources of credit, limiting their growth potential.



Source: PYMNTS Intelligence
SMB Growth: Credit Access — 10 Impact Statements, December 2024
 N = 573: Complete sample for November 2024, fielded Oct. 4, 2024 – Oct. 18, 2024

06

32%

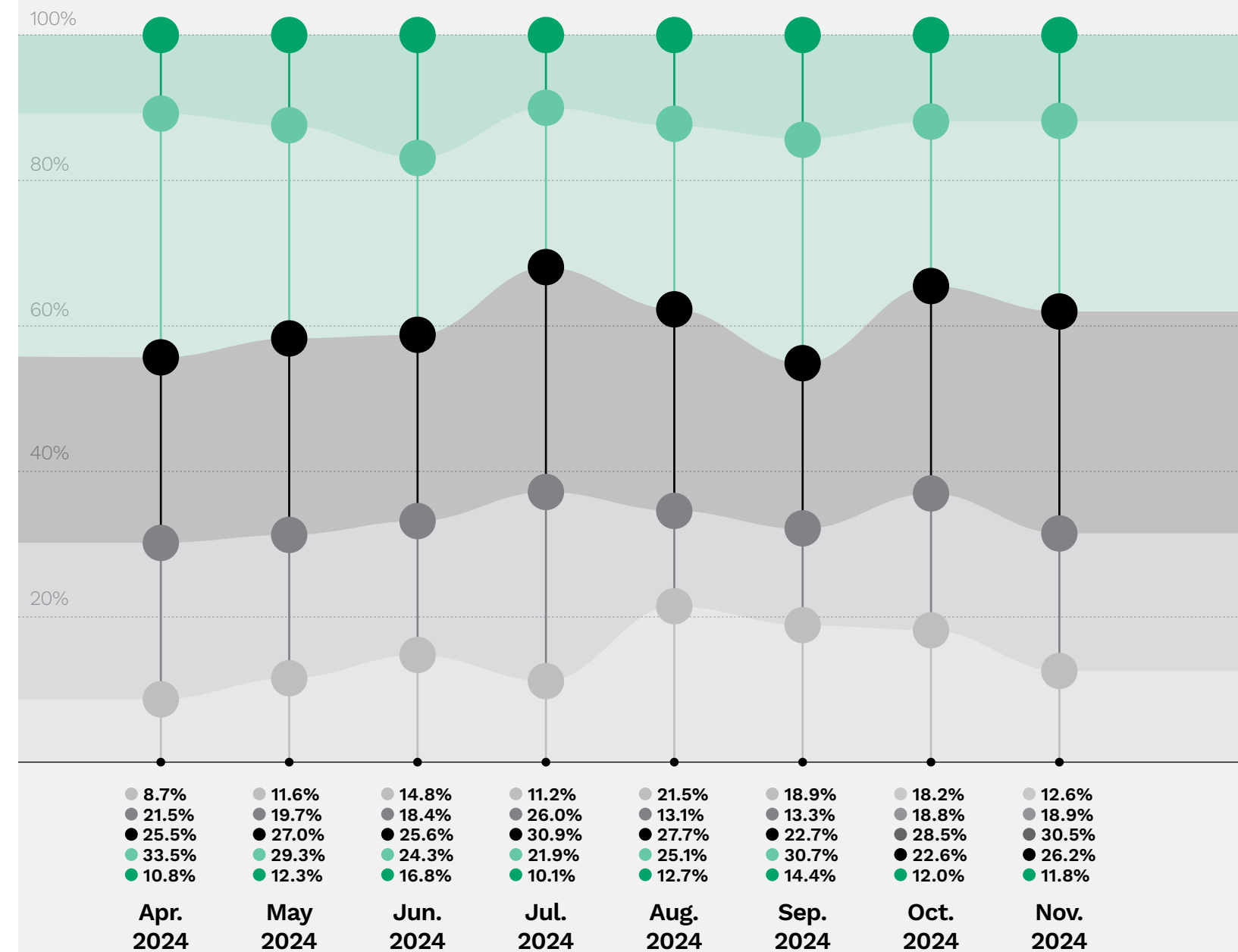
Share of SMBS that use financing out of necessity

So what:

Many SMBs resort to using credit not because they want to but because they have to. Lenders that understand these differences may be able to target their offerings to support SMBs in different situations.

- Used financing **only** as a strategy
- Used financing **mostly** as a strategy
- Used financing out of necessity about half the time and as a strategy the rest of the time
- Used financing **mostly** out of necessity
- Used financing **only** out of necessity

FIGURE 6:
Strategy or necessity: Why SMBs turn to credit
 Share of SMBs reporting they use financing for select reasons



Source: PYMNTS Intelligence
 SMB Growth: Credit Access — 10 Impact Statements, December 2024

N varies by month surveyed; N = 573; Complete sample for November 2024, fielded Nov. 8, 2024 – Nov. 25, 2024

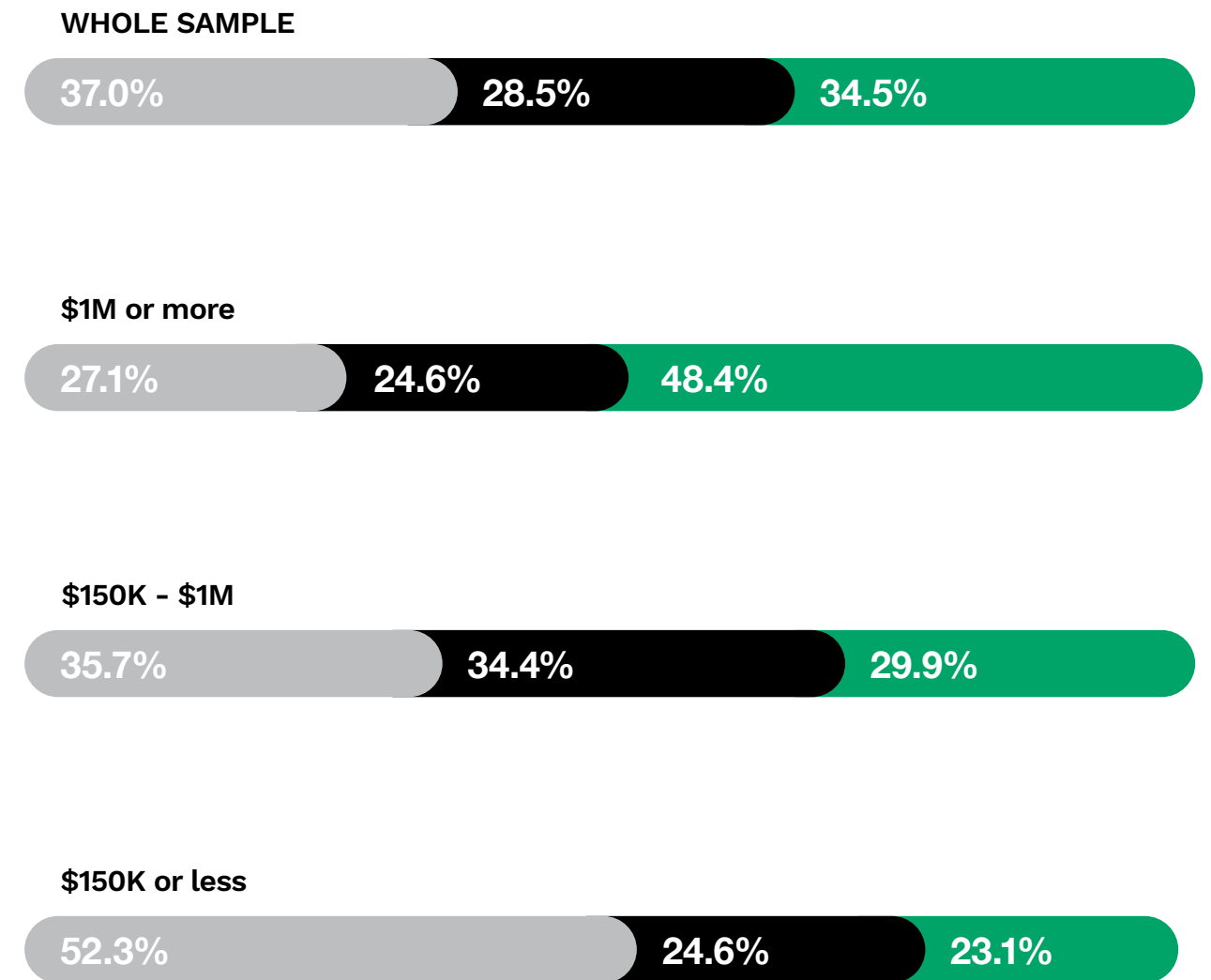
48% 

Share of high-revenue SMBs that use financing strategically most or all of the time

So what:

Half of SMBs generating less than \$150,000 in revenue use credit because they need to, indicating that they are in tough financial positions. In contrast, high-revenue SMBs are 93% more likely to use financing strategically than lower-revenue SMBs.

FIGURE 7:
How SMB revenue shapes their credit use
 Share of SMBs that used financing citing whether they used it strategically or out of necessity, by annual revenue



- Used financing mostly or only out of necessity
- Used financing strategically and out of necessity roughly equally
- Used financing mostly or only as a strategy

Source: PYMNTS Intelligence
SMB Growth: Credit Access — 10 Impact Statements, December 2024
 N = 573: Complete sample for November 2024, fielded Oct. 4, 2024 – Oct. 18, 2024

HESITANCE
VERSUS INTEREST:
**SMBS' CREDIT
OUTLOOK**

08

23%

Share of SMBs with access to credit that do not use it due to high fees

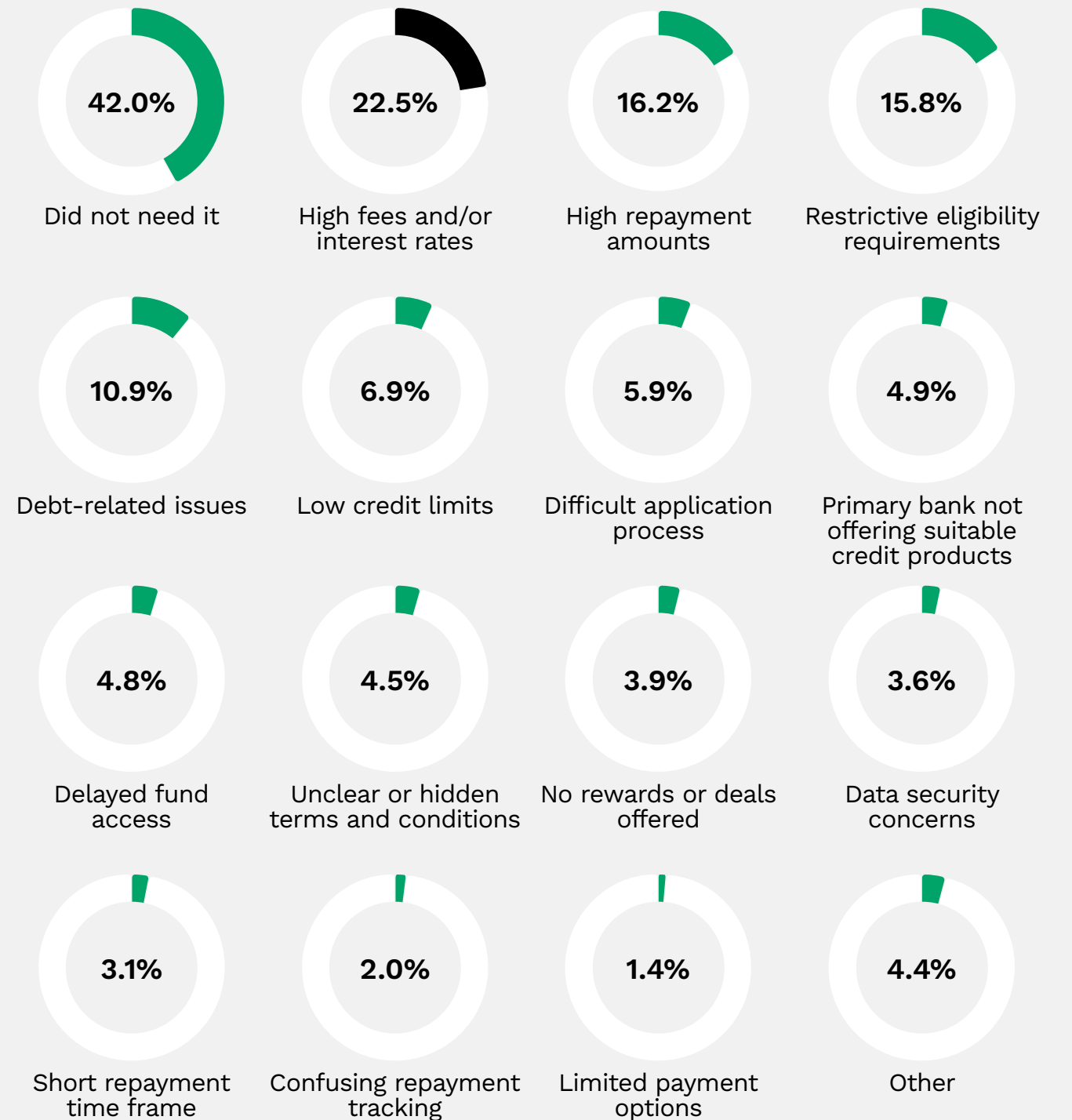
So what:

Lenders that want to increase their appeal to SMBs must understand and address the top concerns stopping SMBs from using credit products.

FIGURE 8:

Why SMBs do not use the credit they have

Share of SMBs with access to credit stating the reasons to not use it



Source: PYMNTS Intelligence
 SMB Growth: Credit Access — 10 Impact Statements, December 2024
 N = 239: Complete sample for November 2024, fielded Oct. 4, 2024 – Oct. 18, 2024



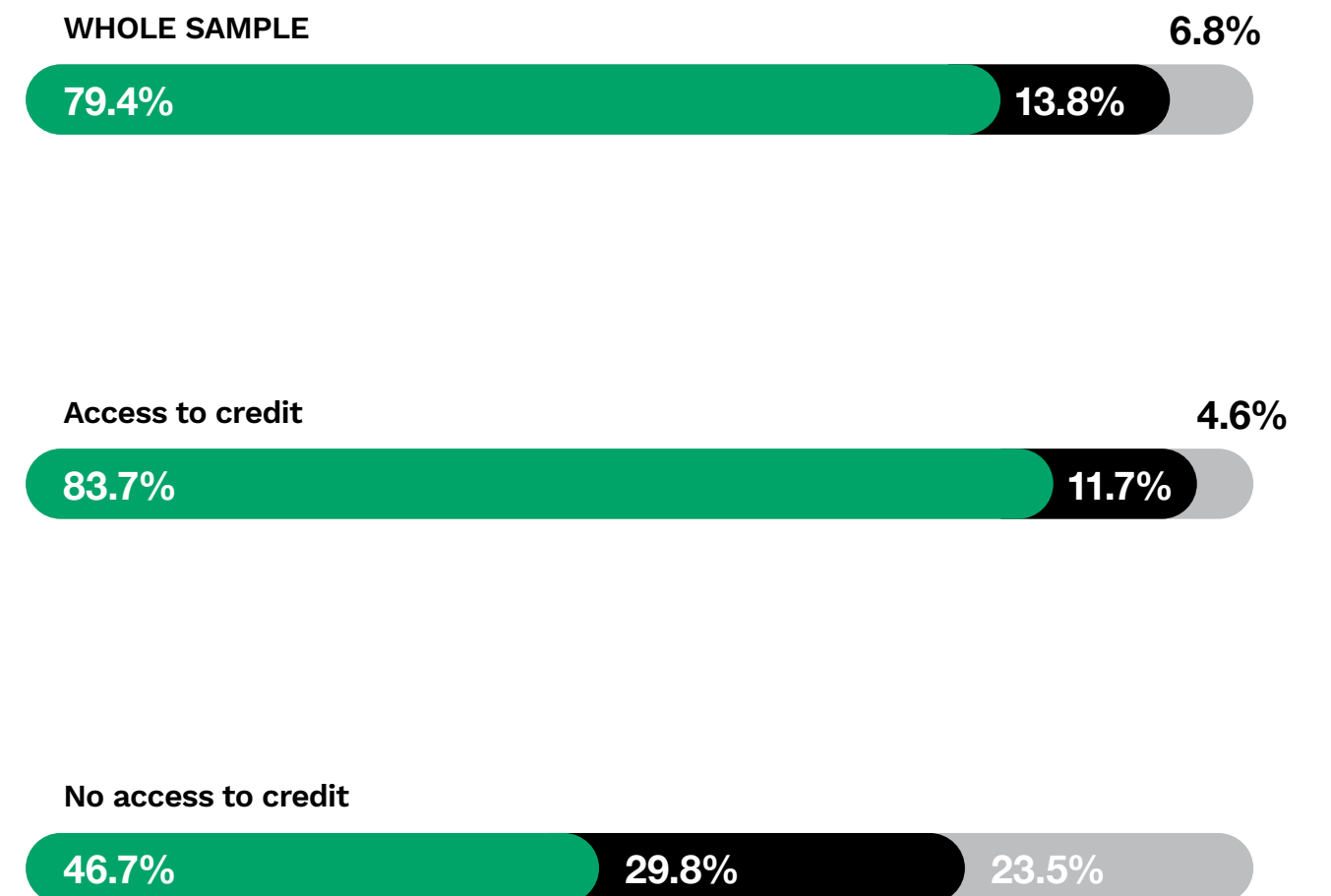
5x

SMBs without access to credit are five times more likely to be worried about survival than those with access to credit.

So what:

Access to credit provides SMBs with flexibility and access to funds even in hard times. Data shows how this access increases SMBs' confidence in their ability to weather challenging economic conditions.

FIGURE 9:
Credit access and confidence in business survival
 Share of SMBs stating likelihood of survival in the next two years, by access to credit



- Very or extremely likely
- Somewhat likely
- Slightly or not at all likely

Source: PYMNTS Intelligence
SMB Growth: Credit Access — 10 Impact Statements, December 2024
 N = 573: Complete sample for November 2024, fielded Oct. 4, 2024 – Oct. 18, 2024

10

75%

Share of SMBs with strong cash flows not currently using a credit card that report they would like to use one to make B2B payments

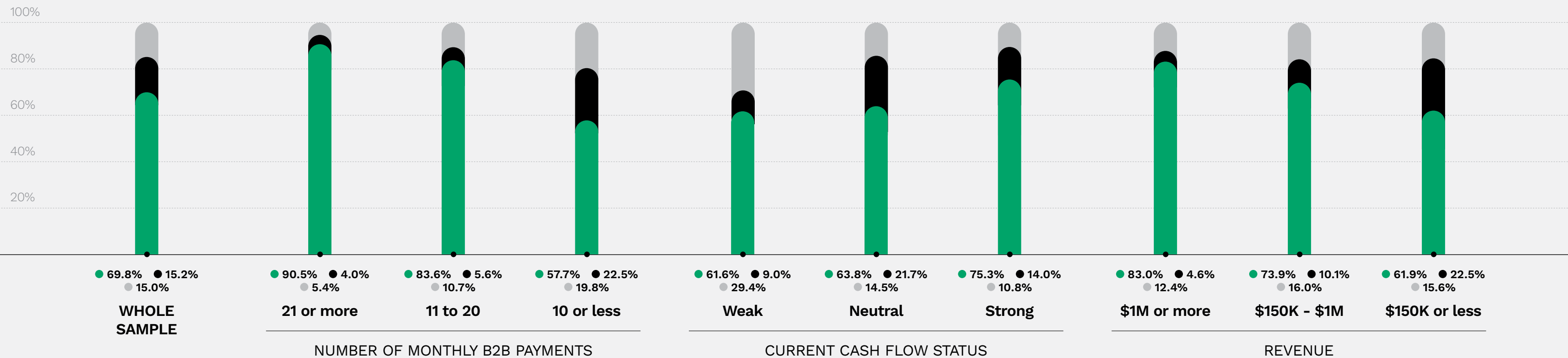
FIGURE 10:

SMBs' interest in using credit cards to make B2B payments in the future

Share of SMBs that do not currently use a credit card to make B2B payments but would like to

So what:

When given the option, SMBs with strong cash flows want to leverage financing to make business-to-business (B2B) payments, which can improve their cash flows even more.



● Interested ● Neither interested nor uninterested ● Not interested

Source: PYMNTS Intelligence

SMB Growth: Credit Access — 10 Impact Statements, December 2024

N = 213: SMBs that do not typically make B2B payments with credit cards, fielded Oct. 4, 2024 – Oct. 18, 2024

ABOUT

PYMNTS INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multi-lingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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