

OWNERS OF MINORITY OWNED BUSINESSES EXPRESS OPTIMISM FOR FUTURE ECONOMIC GROWTH

April 2016

Study of 1,500 Minority Entrepreneurs Reveals Optimism for the U.S. Economy, Confidence in Small Business Growth

Nearly eight out of ten minority entrepreneurs are confident that their companies will grow in the next 12 months and more than six in ten are optimist about the overall economy's growth, according to a survey of more than 1,500 small business owners conducted in late March by Biz2Credit, a leading online resource for small business finance.



More than **60 percent** of the small business owners surveyed in the last month expected the U.S. economy to maintain its current expansion (38.3 percent) or grow faster than before (21.9 percent). Meanwhile, only about one-third of the respondents viewed the **economic growth potential** unfavorably; a little more than 20 percent expected the economy to slow down a little, while 13.1 percent felt as if we were headed towards a recession.

Respondents were even more confident about the overall health of their businesses. **More than half (57.5 percent)** of the respondents were very confident in their companies, and 19.3 percent were somewhat confident. Only 7.2 percent of those surveyed were not confident in their operations in the coming year.

"Many entrepreneurs have experienced growth in the last three years. The economy has steadily emerged from since the Great Recession and it is a great sign that there is such a high confidence in the economy, Business owners are more willing to borrow money to expand their operations when they expect to see a return on their investments. These positive views of the economy reinforce a vision for growth."- Rohit Arora, Biz2Credit CEO.

Among the top challenges that minority entrepreneurs anticipate in the next year is getting adequate financing for their business. In fact, more than **one-third of the respondents** (36.3 percent) feared they wouldn't get the funding sufficient for business operations. **Maintain or growing profitability** and improving revenues were the primary concerns for more than one-quarter of the entrepreneurs.



"Minority entrepreneurs have historically faced challenges in securing capital," said Arora, one of the nation's top experts in small business finance. **"Fortunately, competition among lenders in the small business credit marketplace and programs designed to help minority entrepreneurs have made it easier for applicants to receive funding. The SBA has assistance programs and encourages business development in economic empowerment zones. CDFIs and microlenders also provide funding to minority businesses as part of their mission."**- Rohit Arora, Biz2Credit CEO.

In the coming year, minority entrepreneurs are expected to integrate a variety of strategies in efforts to grow their companies. Among the top three plans expected to be carried through this year include online expansion (**18.7 percent**), increase in capital spending (**16.4 percent**), and hiring more workers (**16.2 percent**).

Biz2Credit asked the following questions in relation to the overall health a company's operations and the economy:

How confident are you about the overall direction of the US economy in the next year?

How confident are you about the future health of your business?

What would you say are the top 3 challenges facing your business in the coming year?

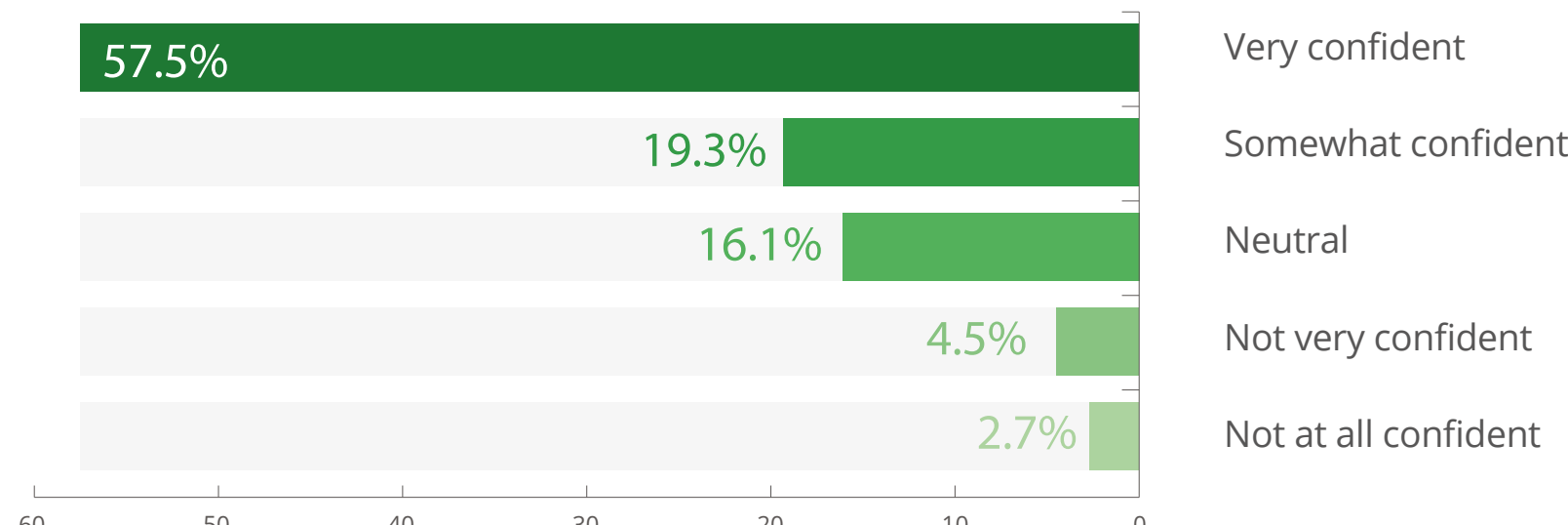
For the coming year, what strategies do you plan to use to grow your business further?

How confident are you about the overall direction of the US economy in the next year?

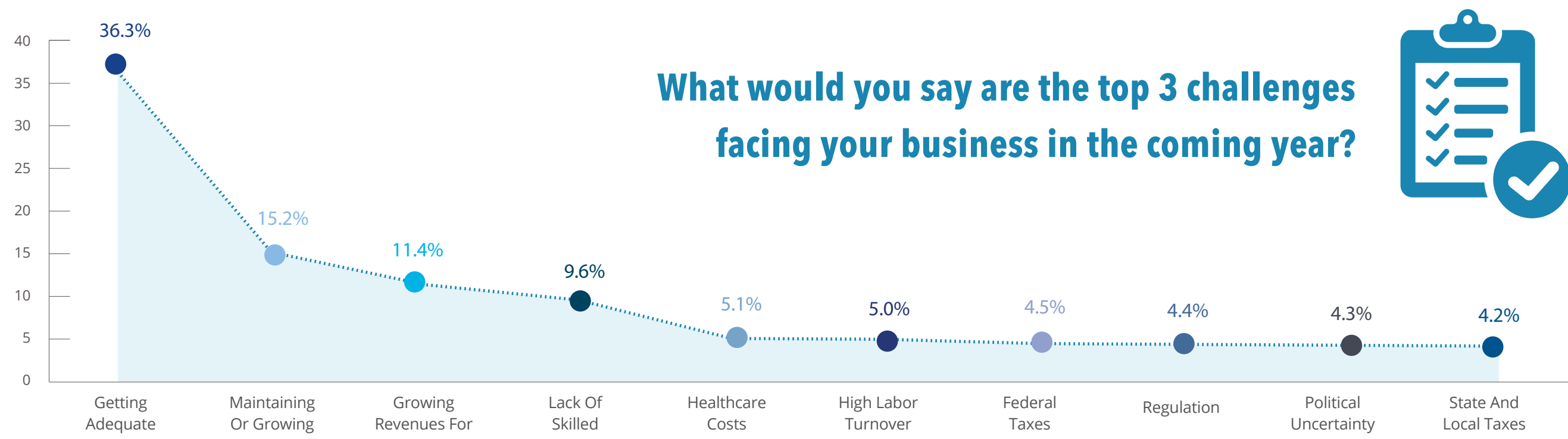


38.3%	Will maintain its current expansion
22.1%	Will slow down a bit
21.9%	Will grow faster than before
13.1%	Is headed for a recession
4.6%	Will stop growing but not contract

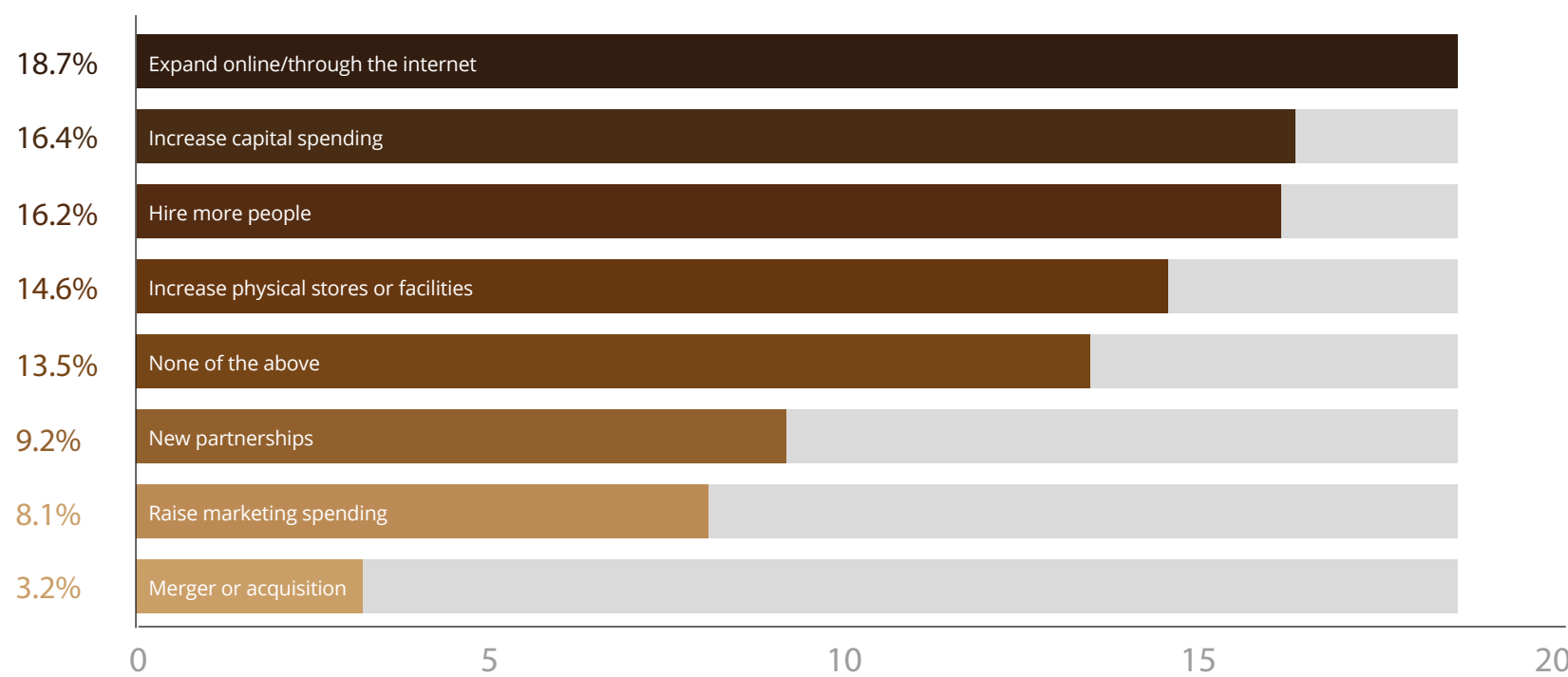
How confident are you about the future health of your business?



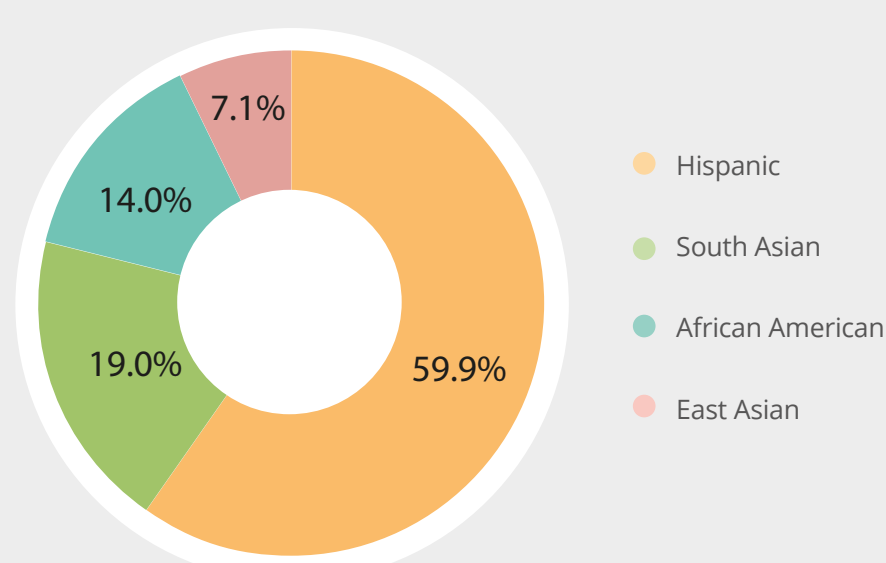
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For the coming year, what strategies do you plan to use to grow your business further?



THE BREAKDOWNS OF RESPONDENTS



Greater than half of the companies surveyed (54 percent) were in **business for two years or less**, while 13.2 percent were in operation for more than a decade. More than two-thirds of them were **sole proprietorships or LLCs**. Approximately 60 percent of those surveyed were of **Hispanic descent**, while **South Asians** (19 percent) and **East Asians** (7.1 percent) represented more than a quarter of the respondents, and **African Americans** (14 percent) comprised the rest.

Industries included services, retail, hospitality and food, transportation and warehousing, construction, arts & entertainment, healthcare, social assistance, IT services and real estate.

About the Biz2Credit

Founded in 2007, Biz2Credit has arranged more than \$1.3 billion in small business funding throughout the U.S. and is widely recognized as the #1 online credit resource for startup loans, lines of credit, equipment loans, working capital and other funding options. Using the latest technology, Biz2Credit matches borrowers to financial institutions based on each company's unique profile -- completed in less than four minutes -- in a safe, efficient, price-transparent environment. Biz2Credit's network consists of 1.6 million users, 1,300+ lenders, credit rating agencies such as D&B and Equifax, and small business service providers including CPAs and lawyers.

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