



## Opinion Poll

### Small Business Owners Support Policies Promoting Access to Responsible Lending

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**Small Business Majority**  
1101 14<sup>th</sup> Street, NW, Suite 950  
Washington, DC 20005  
(202) 828-8357  
[www.smallbusinessmajority.org](http://www.smallbusinessmajority.org)

## Executive Summary

Navigating the small business lending landscape is a longstanding, serious challenge for entrepreneurs. Traditional bank lending to small businesses has not returned to pre-recession levels, and alternative lenders that have stepped in to fill this gap do not operate under the same regulations as traditional lenders. Previous opinion polling from Small Business Majority found this lack of access to capital is a serious concern for small business owners, with [90% of small business owners agreeing](#) that the availability of small business loans is a problem.<sup>1</sup> And more recent Small Business Majority polling found [74% of small business owners](#) feel that while online lending has opened up new sources of capital, these lenders should be regulated to ensure small businesses are protected from predatory practices.<sup>2</sup> New scientific opinion polling sheds more light on small business owners' views regarding the lending landscape, and shows that small business owners are broadly supportive of a range of policies that would support responsible lending and help them access the capital they need to launch and grow their businesses.

The survey, conducted by Chesapeake Beach Consulting for Small Business Majority, revealed that majorities of small business owners support a number of policies that could help increase the availability of traditional loans and make alternative sources of loans safer. The poll was an online survey of 500 small business owners nationwide conducted between March 5 and 11, 2018.

Specifically, the poll found more than 3 in 4 (77%) small business owners support a policy that would increase the amount of small business lending done by credit unions by lifting the cap on the amount of loans they can underwrite. Additionally, more than 6 in 10 (62%) small businesses support policies such as the Community Reinvestment Act, which requires banks to invest in low-income communities.

Small businesses also support policies that protect them from predatory lending practices. An overwhelming 87% of small business owners support a “truth in lending” act for small business lending to ensure loan rates and terms are disclosed transparently and consistently. A 51% majority strongly support this kind of legislation. Small businesses support institutions that serve to protect borrowers as well. Three in four small business owners support the Consumer Financial Protection Bureau, which oversees mortgages, credit cards and other consumer financial products in services.

Too many entrepreneurs are struggling to access the capital they need to start and expand their business. When they are able to find financing, they need it to be safely and responsibly administered. As these results show, small business owners are largely supportive of policies and institutions that support their businesses by increasing the availability of small business loans from small banks and credit unions, while also protecting them from predatory lending practices.

## Methodology

This poll reflects an Internet survey of 500 small business owners nationwide with 1-100 employees. The poll was conducted by Chesapeake Beach Consulting for Small Business Majority between March 5-11, 2018. The margin of error is +/-4.4%.

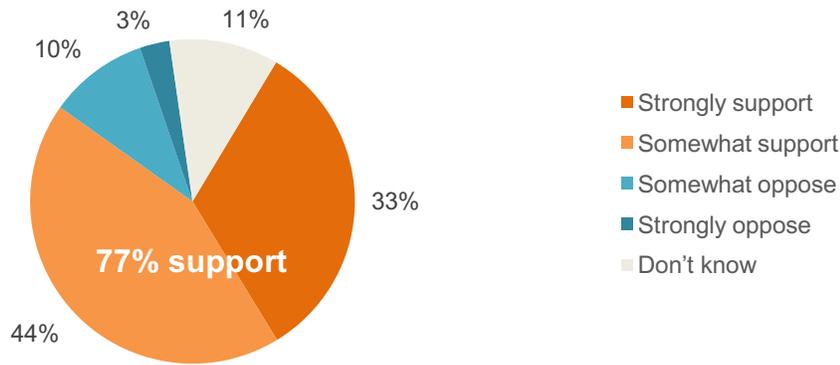
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<sup>1</sup> Small Business Owner Opinions on Access to Credit and Proposals to Boost the Economy, 2012, <http://smallbusinessmajority.org/our-research/entrepreneurship-freelance-economy/opinion-survey-small-business-owner-opinions-access>

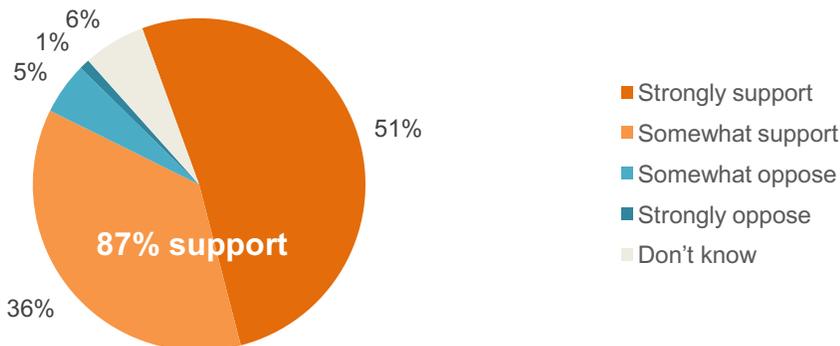
<sup>2</sup> Small Business Owners Concerned with Predatory Lending, Support More Regulation of Alternative Lenders, 2017, <http://smallbusinessmajority.org/our-research/access-capital/small-business-owners-concerned-predatory-lending-support-more-regulation-alternative-lenders>

## Main Findings

- Small business owners support policies to help increase the amount of small business lending made by credit unions:** 77% of small business owners are supportive of a policy that would increase the amount of small business lending done by credit unions by lifting the cap on the amount of small business loans they can underwrite, compared to just 12% who oppose such a policy. One in three small business owners strongly support this notion.



- Small business owners support the Community Reinvestment Act:** More than 6 out of 10 small business owners (62%) support policies like the Community Reinvestment Act, a federal law that requires that banks make investments in low-income communities.
- Small business owners overwhelmingly support a “truth in lending” act that would increase transparency:** A decisive majority of 87% of small business owners support a “truth in lending” act for small business lending to ensure loan rates and terms are disclosed transparently and consistently. A 51% majority of small business owners strongly support such legislation, while a mere 6% are opposed.



- Small businesses support institutions that protect consumers:** 3 in 4 small business owners support the Consumer Financial Protection Bureau, which oversees mortgages, credit cards and other consumer financial products and services. One in three small businesses strongly support this institution, compared to just 15% who are opposed.
- Small business owners are politically diverse:** 45% of respondents identify as Republican or Republican-leaning independents, 39% are Democrat or Democrat-leaning independents and 15% are pure independent.

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500 Small Business Owners Nationwide (Online)  
1-100 Employees  
March 2018

1. Please indicate your gender

Male ..... 60%  
Female ..... 40%

2. What state is your business in?

West ..... 22%  
Midwest ..... 25%  
South ..... 38%  
Northeast ..... 16%

3. Do you own your own for-profit business?

Yes ..... 100%

4. How many people do you employ including yourself? (*Cap at 25% self-employed*)

One ..... 25%  
2 to 9 ..... 56%  
10 to 19 ..... 9%  
20 to 49 ..... 6%  
50 to 100 ..... 4%

5. How long have you been in business?

Less than one year ..... 2%  
One to three years ..... 11%  
Four to six years ..... 13%  
Seven to 10 years ..... 14%  
More than 10 years ..... 60%  
Don't know ..... 0%  
Refused ..... 0%

As a small business owner, would you say that you strongly support, somewhat support, somewhat oppose or strongly oppose each of the following financial policies and institutions.

6. Increase the amount of small business lending done by credit unions by lifting the cap on the amount of small business loans they can underwrite

Strongly support ..... 33%  
Somewhat support ..... 44%  
Somewhat oppose ..... 10%  
Strongly oppose ..... 3%  
Don't know ..... 11%  
Refused ..... <1%  
**SUPPORT** ..... **77%**  
**OPPOSE** ..... **12%**

7. A “truth in lending” act for small business lending to ensure loan rates and terms are disclosed transparently and consistently

Strongly support .....	51%
Somewhat support.....	36%
Somewhat oppose.....	5%
Strongly oppose .....	1%
Don't know.....	6%
Refused .....	<1%
<b>SUPPORT .....</b>	<b>87%</b>
<b>OPPOSE .....</b>	<b>6%</b>

8. Policies such as the Community Reinvestment Act that require bank investments in low-income communities.

Strongly support .....	23%
Somewhat support.....	39%
Somewhat oppose.....	12%
Strongly oppose .....	14%
Don't know.....	11%
Refused .....	<1%
<b>SUPPORT .....</b>	<b>62%</b>
<b>OPPOSE .....</b>	<b>26%</b>

9. The Consumer Financial Protection Bureau, which oversees mortgages, credit cards, and other consumer financial products and services.

Strongly support .....	33%
Somewhat support.....	41%
Somewhat oppose.....	9%
Strongly oppose .....	6%
Don't know.....	10%
Refused .....	0%
<b>SUPPORT .....</b>	<b>75%</b>
<b>OPPOSE .....</b>	<b>15%</b>

Now, I have just a few questions for statistical purposes...

10. In what year were you born?

18-29 .....	3%
30-44.....	19%
45-54 .....	20%
55-64 .....	32%
65+ .....	25%

11. How would you categorize your business?

Retail.....	17%
Financial, insurance or legal services .....	9%
Construction .....	8%
Real estate .....	6%
Information technology .....	5%
Agriculture .....	4%
Manufacturing .....	3%
Medical or dental .....	3%
Restaurant or food service .....	3%
Other non-retail services .....	9%

Wholesale trade .....	3%
Other .....	29%
Not sure/Refused to answer .....	1%

12. Generally speaking, do you think of yourself as a Republican, a Democrat, or an Independent?

Democrat .....	26%
Independent .....	33%
Republican.....	35%
Other .....	3%
Don't know.....	1%
Refused .....	<1%

12a. IF INDEPENDENT, OTHER OR DON'T KNOW, ASK: Do you think of yourself as closer to the Republican or Democratic Party? ..... **N=189**

Closer to Democrats .....	32%
Closer to Republicans.....	26%
Neither .....	39%
Don't know.....	2%
Refused .....	1%

13. Again, just for statistical purposes what was the gross revenue of your business in 2017?

Less than \$100,000.....	39%
Between \$100,000 and \$250,000 .....	16%
Between \$250,001 and \$500,000 .....	13%
Between \$500,001 and \$1 million .....	12%
Between \$1 million and \$2 million .....	8%
Between \$2 million and \$5 million.....	4%
More than \$5 million.....	2%
Don't know.....	1%
Refused .....	6%

14. What is your race?

White.....	82%
African American or Black .....	5%
Hispanic or Chicano .....	4%
Asian or Pacific Islander.....	4%
American Indian.....	1%
Other .....	1%
Biracial or multiracial.....	1%
Don't know.....	0%
Refused .....	1%