

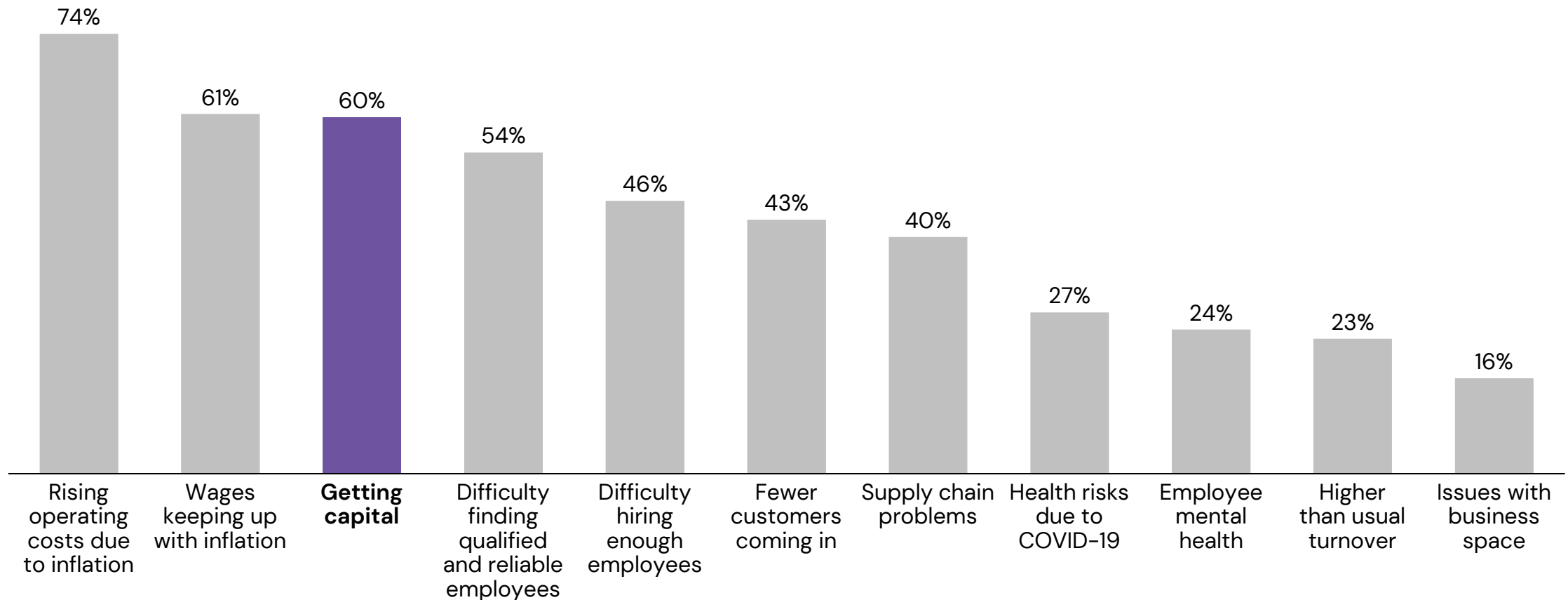
**The Boston
Foundation**

The Color of the Capital Gap

November 28, 2023

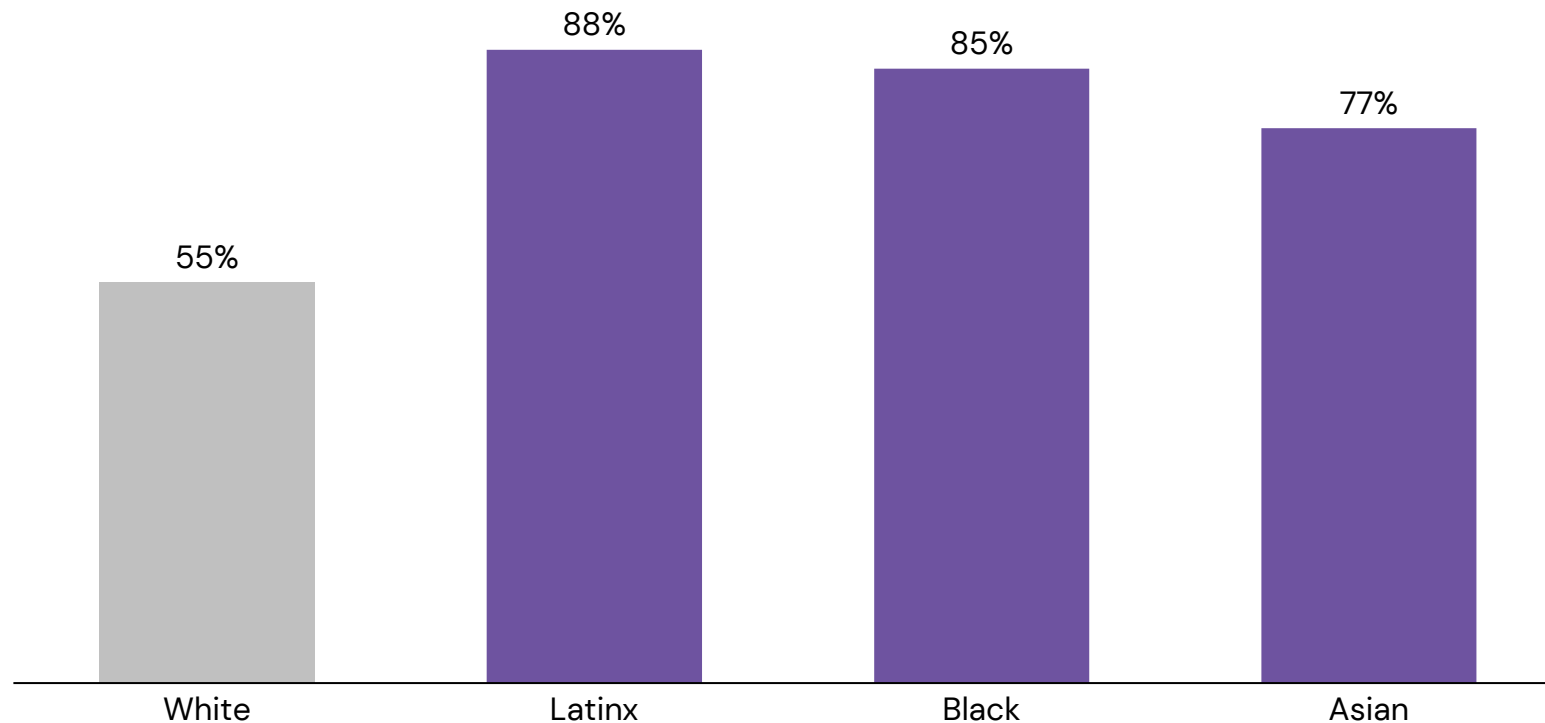
Access to capital remains a top concern of Massachusetts small businesses

Top 'major concerns' of Massachusetts small business owners



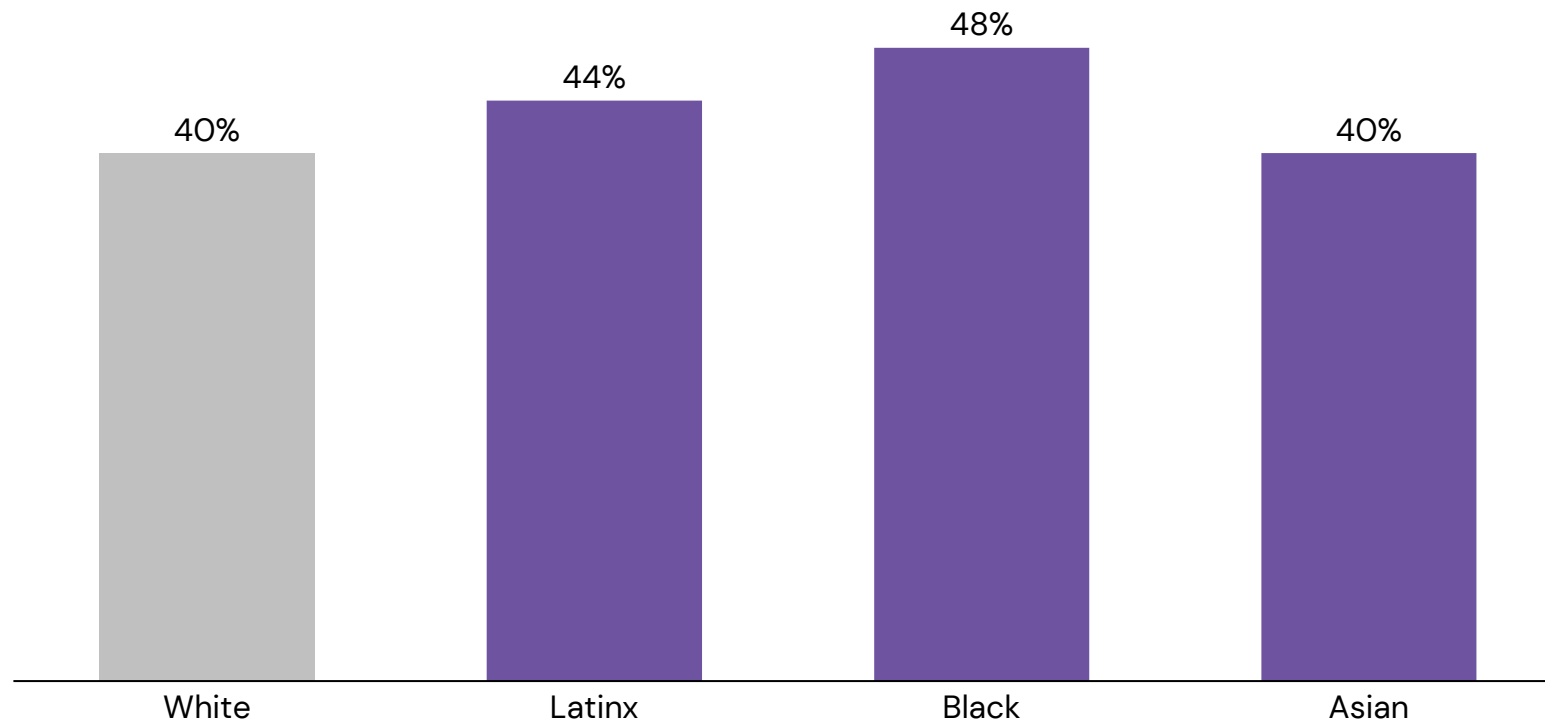
Businesses of color report greater challenges accessing capital than White-owned businesses

Mass. small businesses citing 'getting capital' as a major concern by race and ethnicity



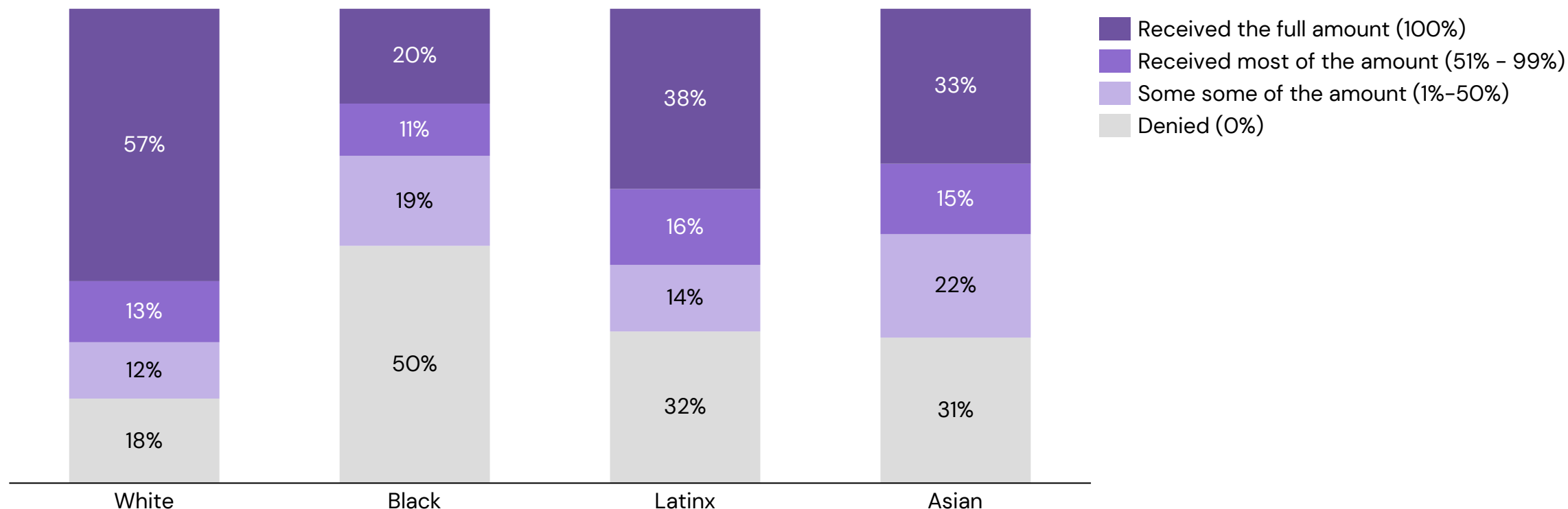
Black- and Latinx-owned businesses are more likely to apply for financing

Share of businesses that applied for a loan, line of credit, or merchant cash advance (2022)



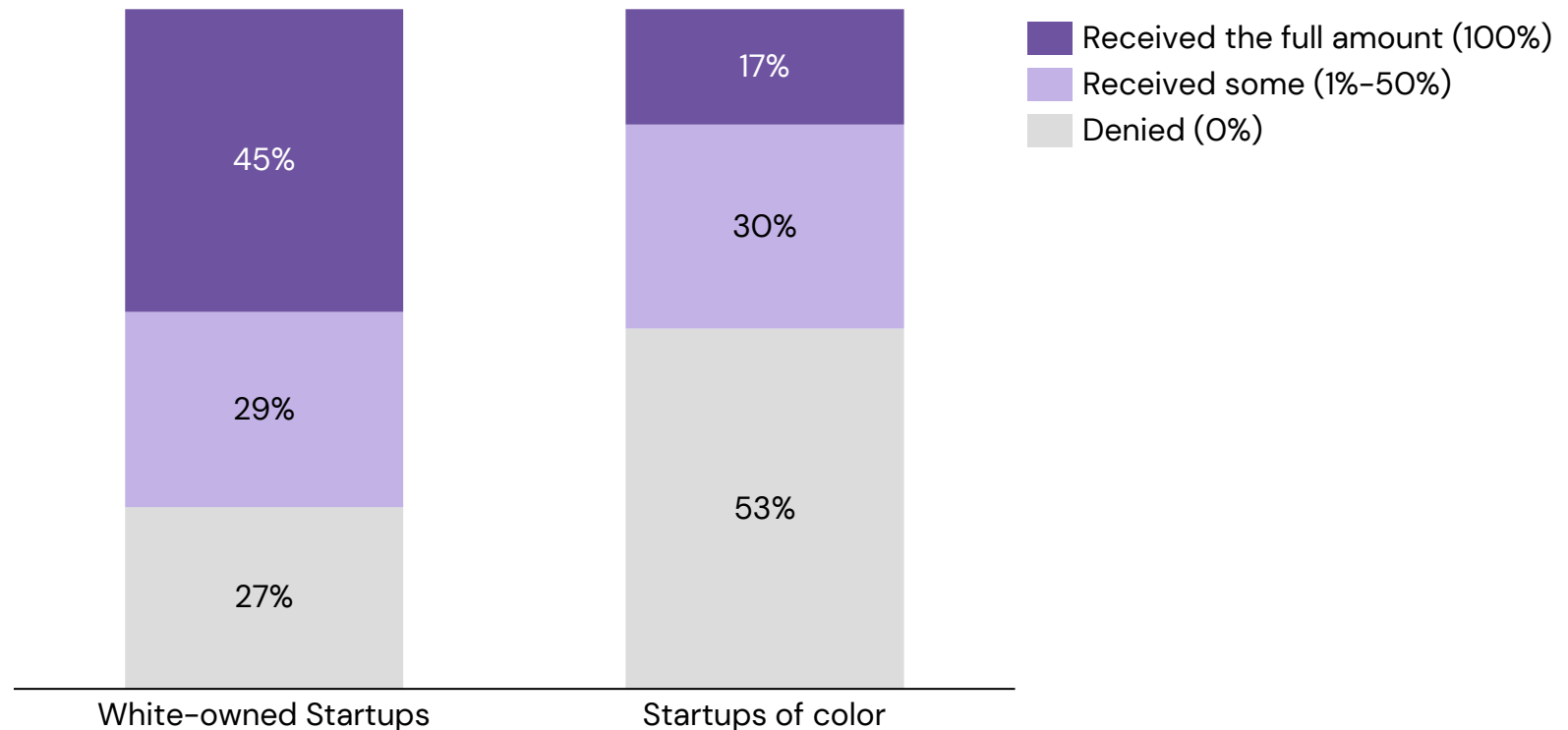
Businesses of color are denied financing at nearly 2x the rate of white-owned businesses

Best outcome on application(s) for a business loan by race and ethnicity (2022)



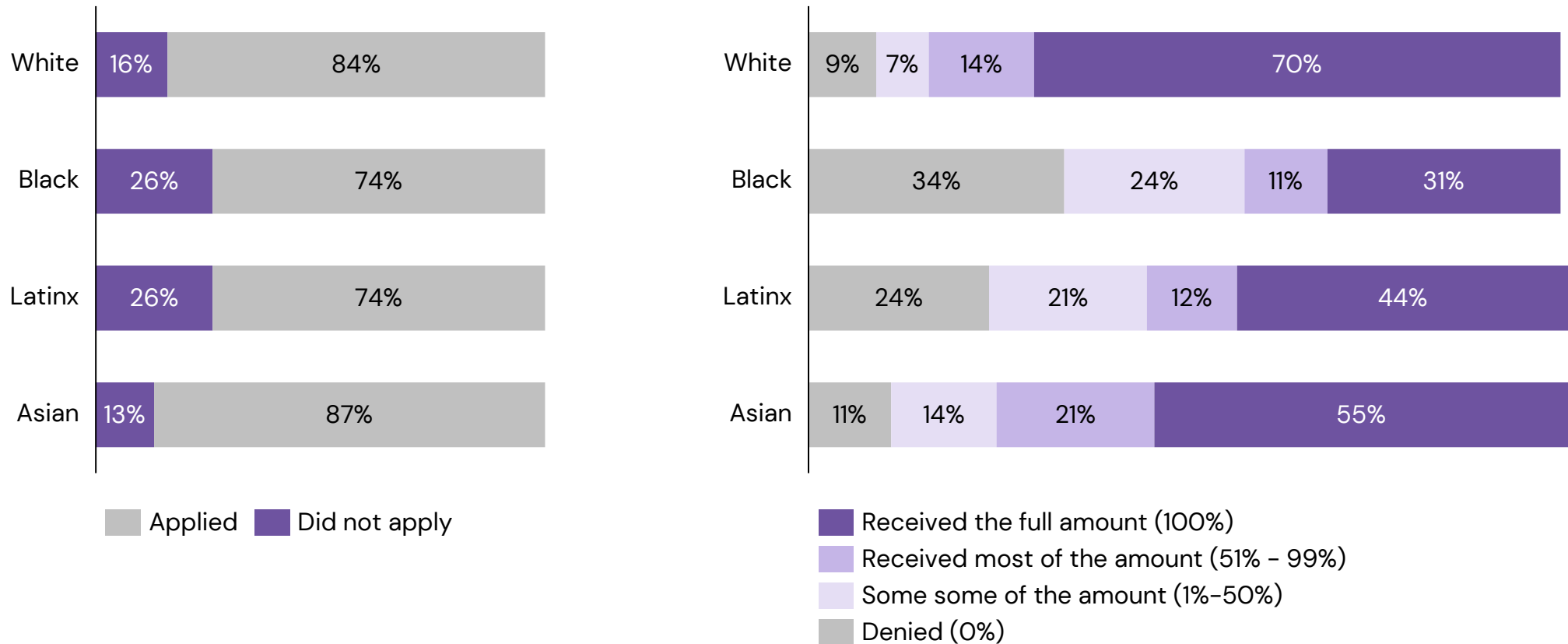
More than half of startups of color are completely denied for loans

Best outcome on startups' application(s) for a business loan, line of credit, or cash advance by race and ethnicity (2022)



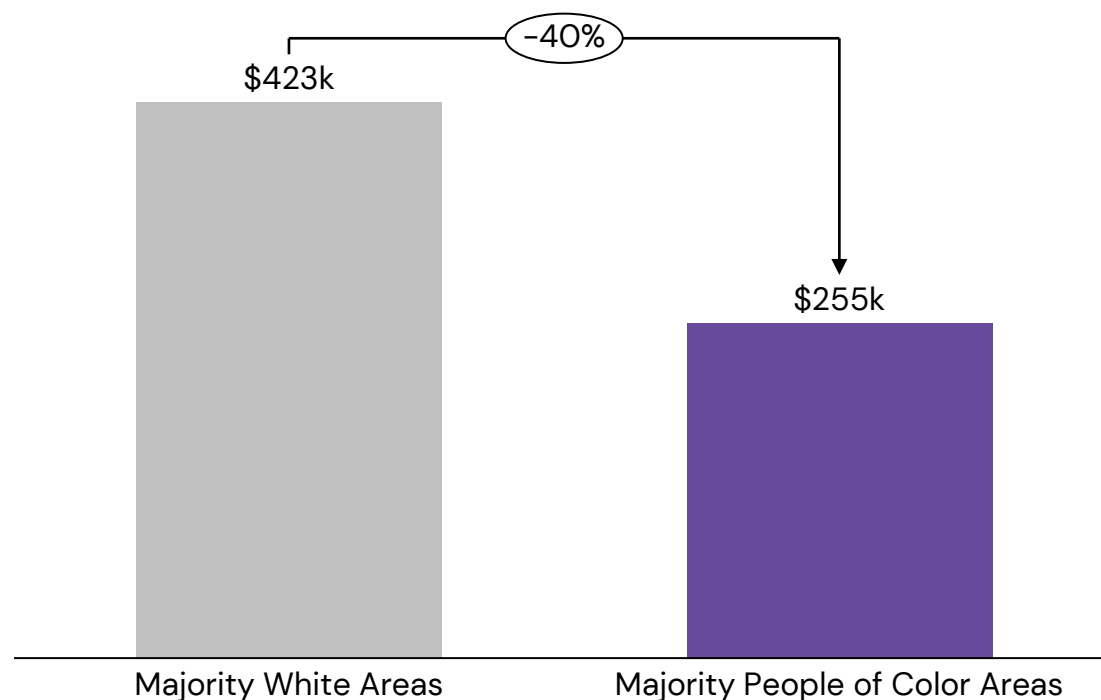
Black and Latinx-owned businesses were less likely to apply for and receive COVID relief

Share of businesses that applied for and received Paycheck Protection Program loans (2021)



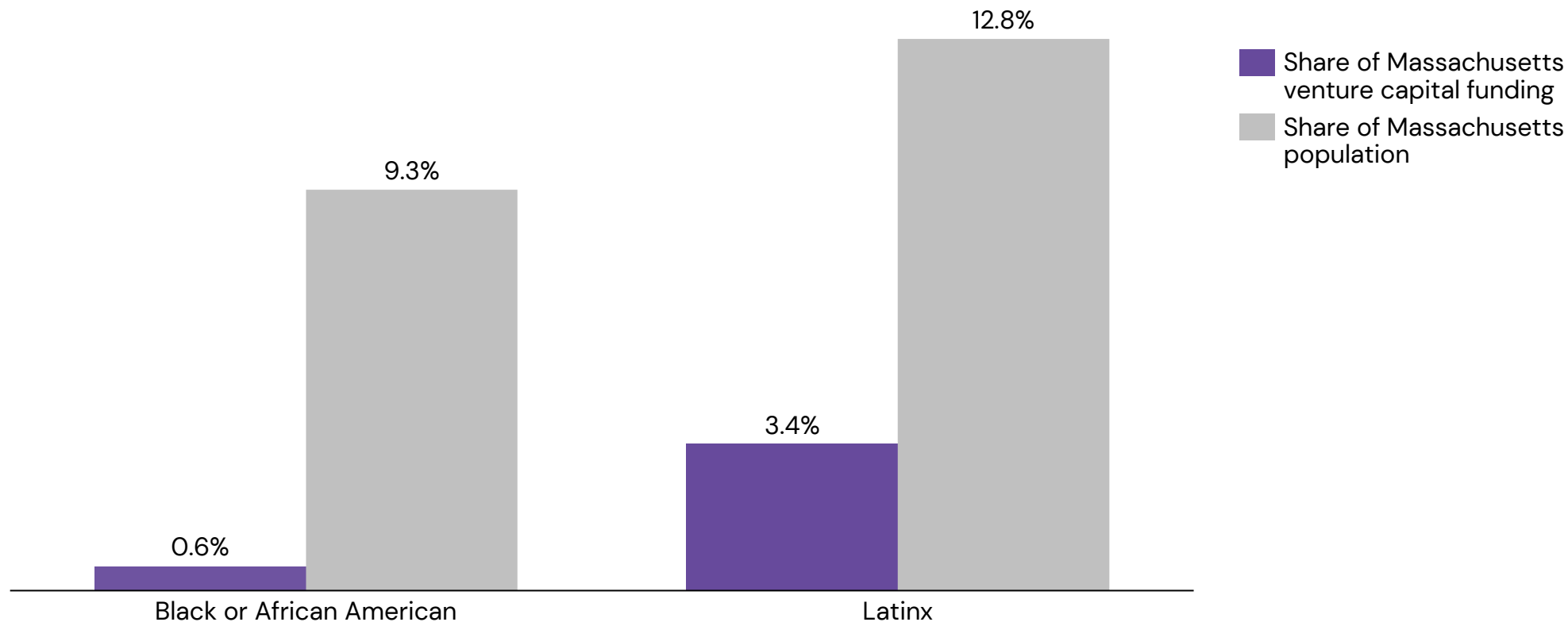
Massachusetts areas with majority people of color receive fewer small business bank loans

Massachusetts bank small business loans dollars per 100 small businesses



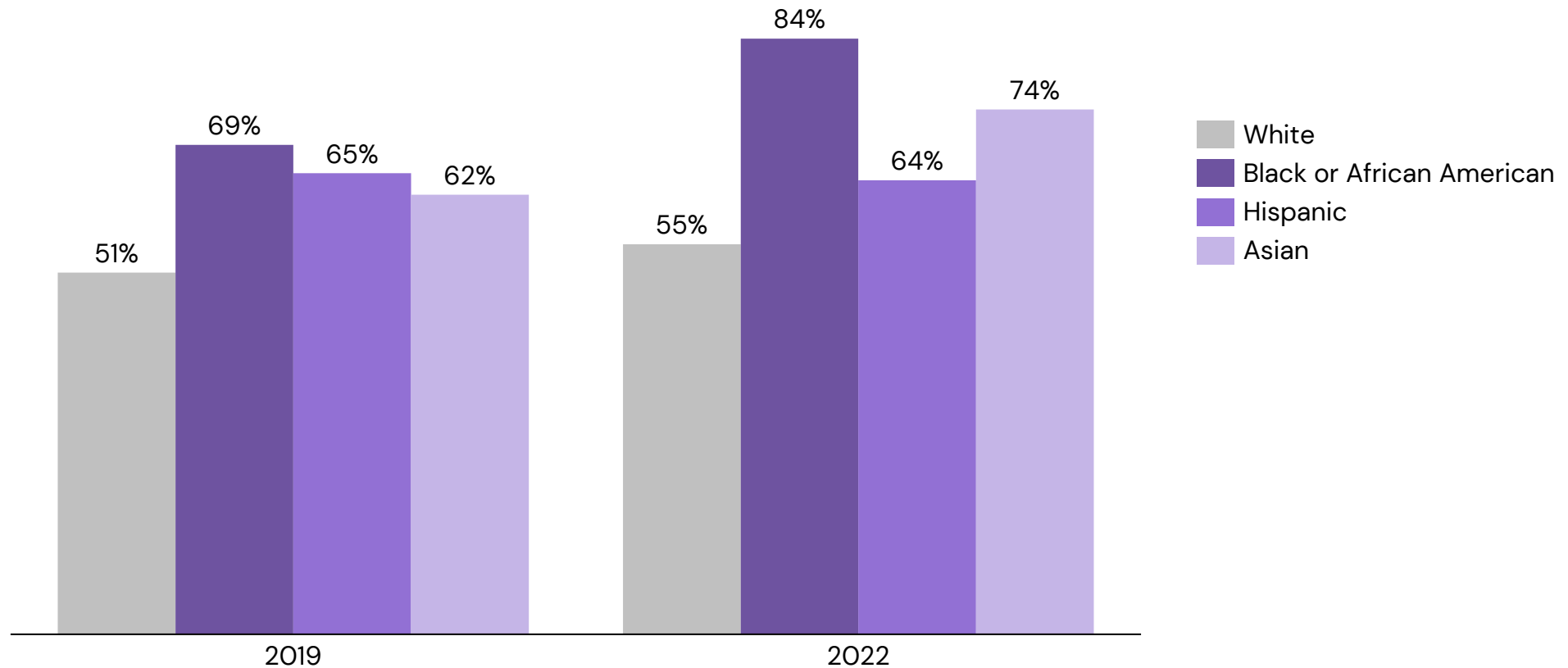
Mass. Black and Latinx-owned startups receive a disproportionately low share of venture funding

Massachusetts Black and Latinx share of venture capital funding and population (2022)



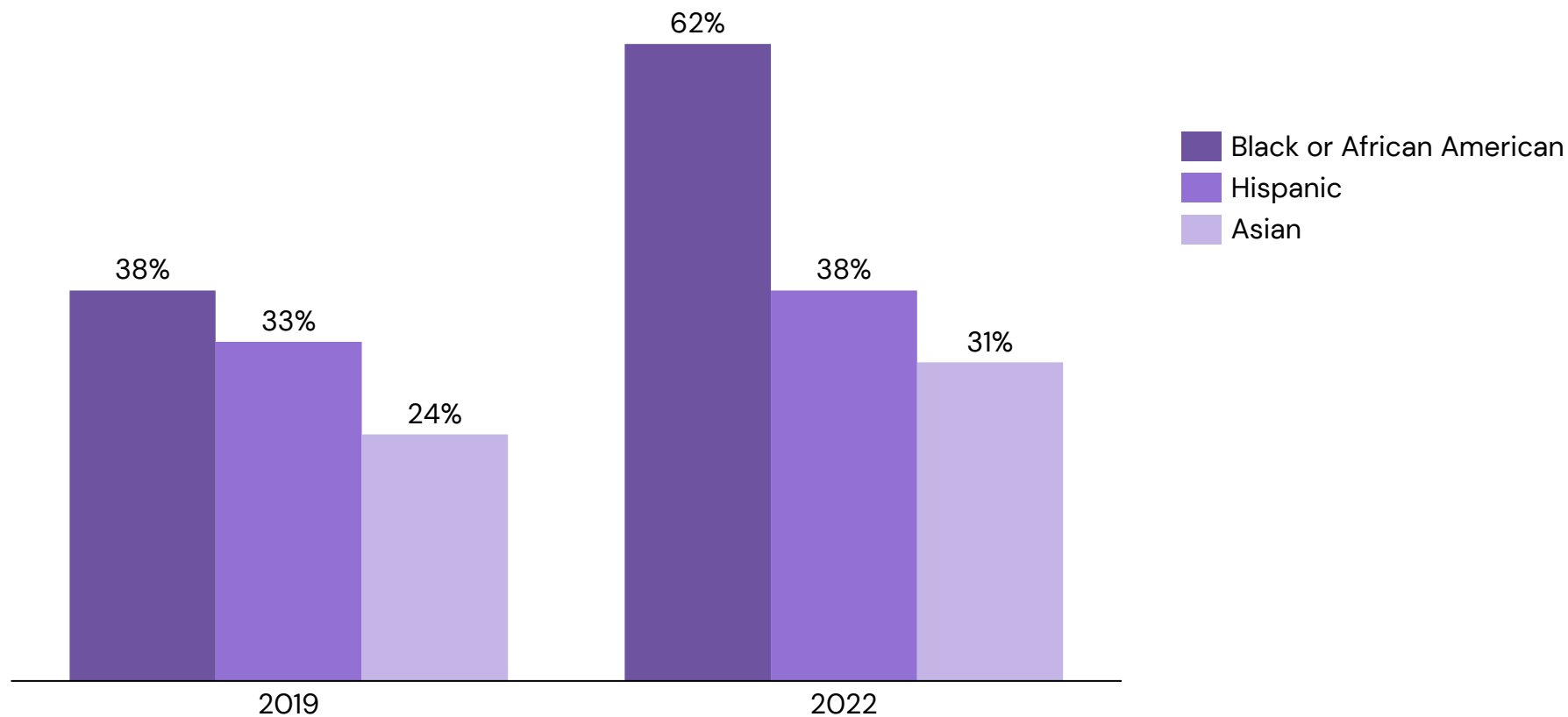
Financing shortfalls for businesses of color have risen from pre-pandemic levels

Small business application financing shortfalls* by race and ethnicity, 2019 and 2022



Loan denials for businesses of color are up and most acutely for Black-owned businesses

Small business financing application denials by race and ethnicity, 2019 and 2022



The size of the capital gap for Massachusetts businesses of color has increased

Estimated annual unmet demand for small business financing from businesses of color in Massachusetts

