



**The Boston
Foundation**

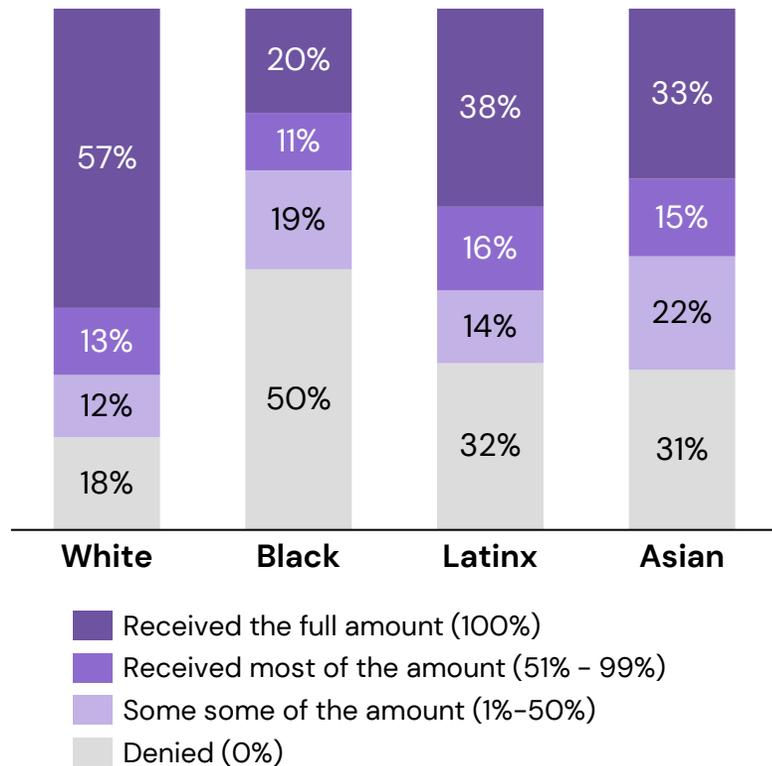
Small Business Mission-Driven Financing Institution Forum

Capital Research Presentation

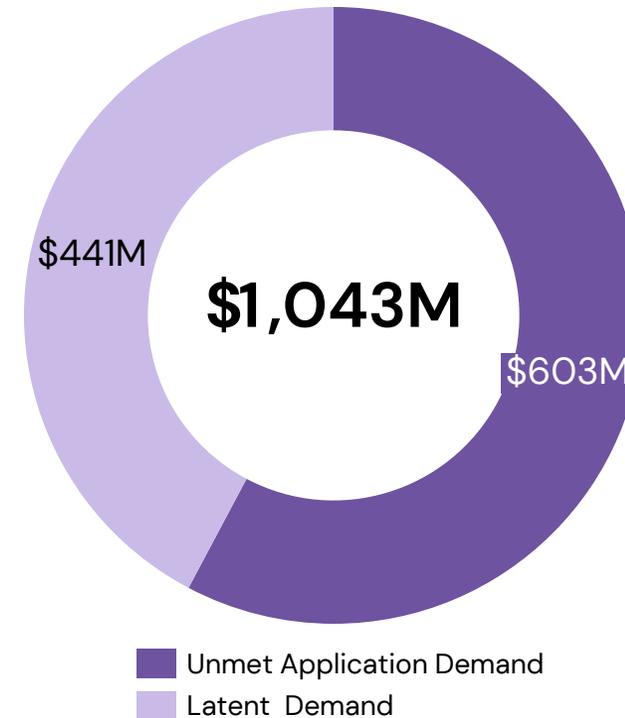
March 3, 2026

Entrepreneurs of color in MA have 2x the rate of financing shortfalls and \$1B unmet financing needs annually

Best Outcome on Application(s) for a Business Loan by Race and Ethnicity

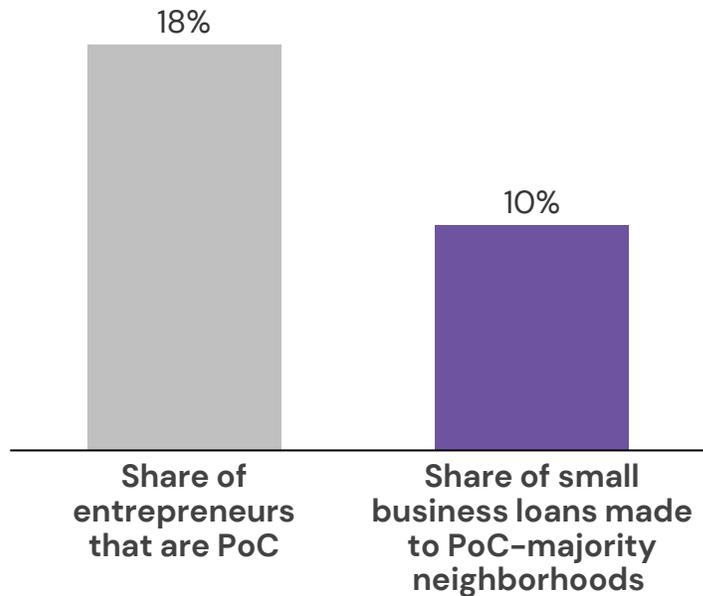


Annual Unmet Financing Demand from Entrepreneurs of Color in Massachusetts

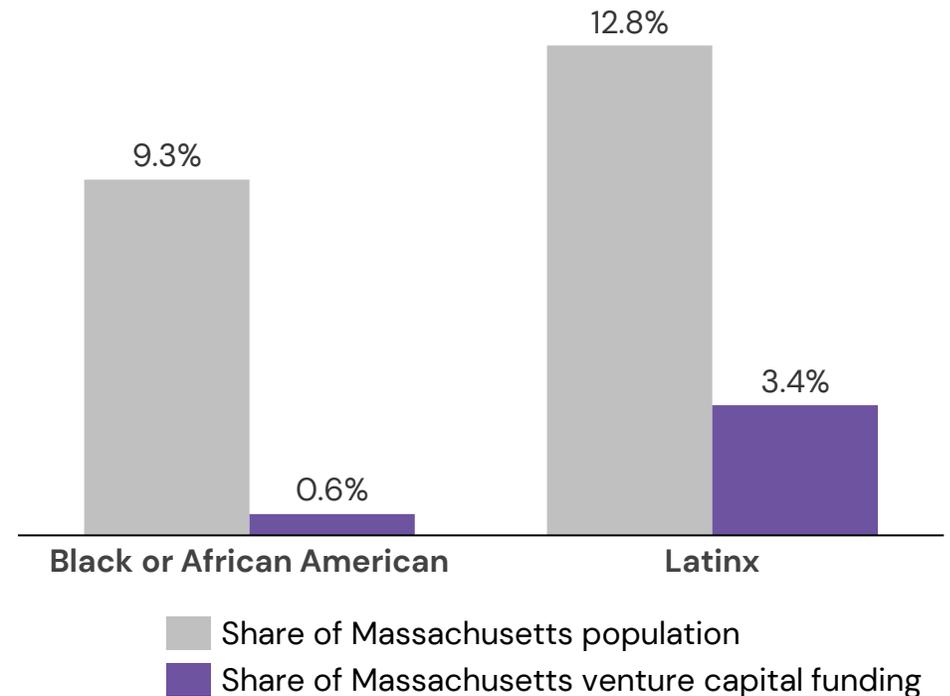


Traditional financing institutions do not effectively reach entrepreneurs of color

Share of entrepreneurs of color and small business bank loans in Massachusetts neighborhoods that have majority people of color populations

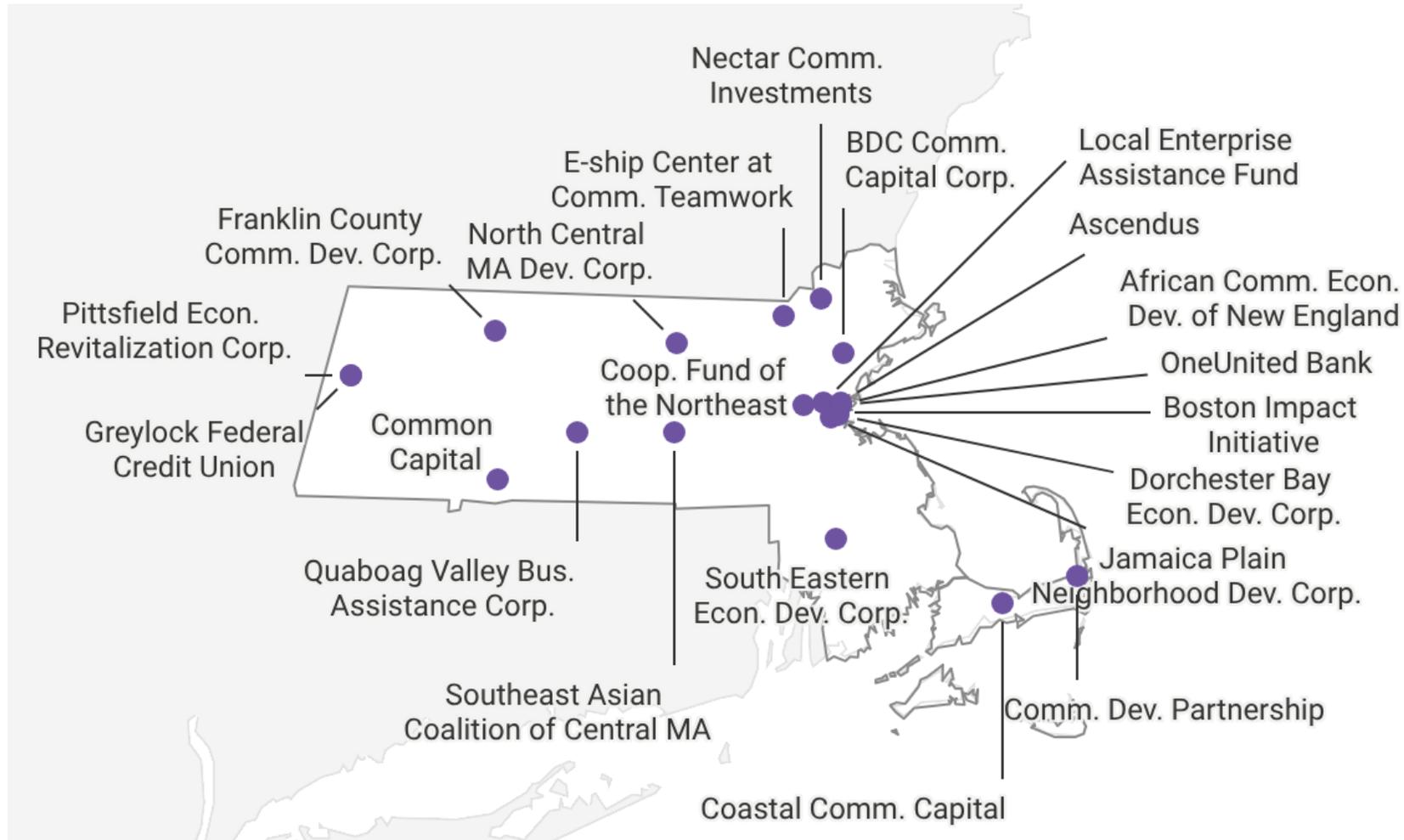


Massachusetts Black and Latinx share of venture capital funding and population



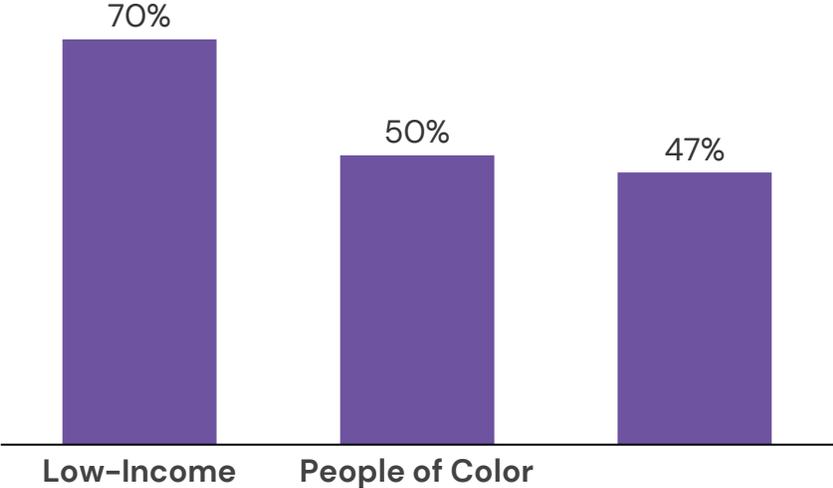
Massachusetts Small Business Serving CDFIs & CDCs

Massachusetts is home to 21 community finance institutions that support small businesses

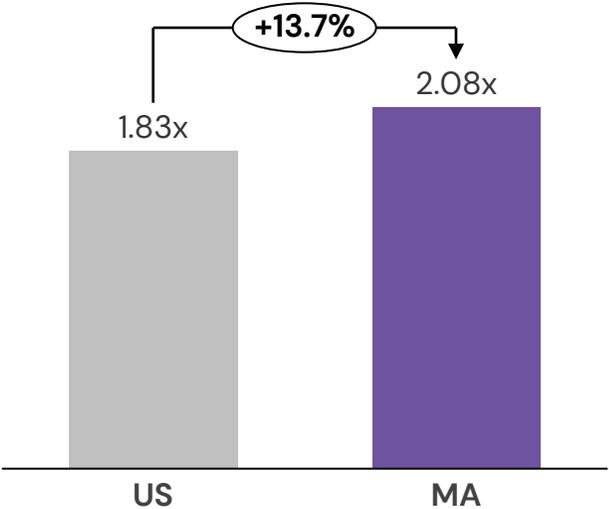


The MA community finance sector disproportionately serves businesses owned by members of underserved communities.

Demographics of MA CDFI/CDC Small Business Clients



Share PoC-owned businesses CDFIs & CDCs finance relative to share of PoC-owned businesses in the economy

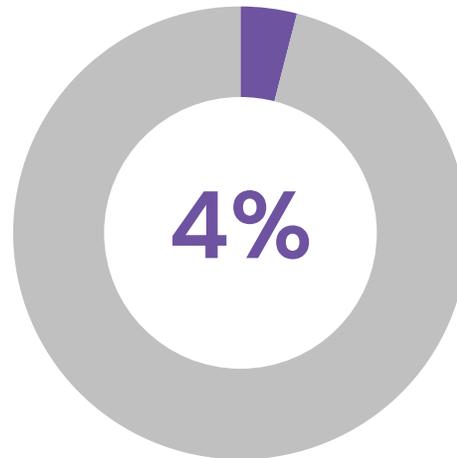


Massachusetts' small business community finance sector is relatively small, especially compared to the need for their services

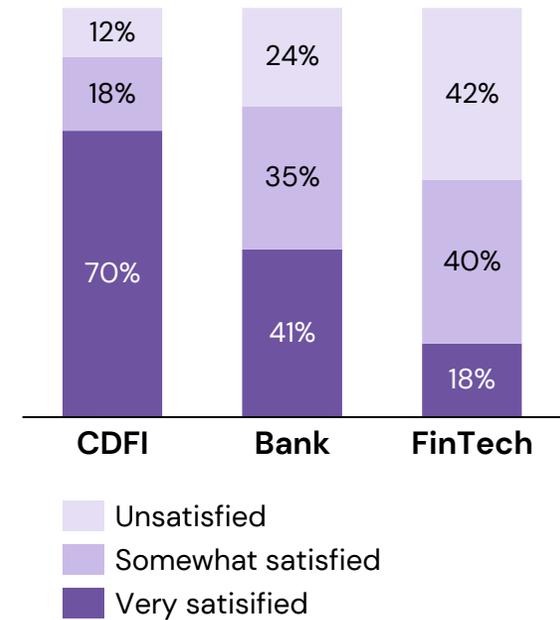
CDFI Financing to Small Businesses per Establishment, MA and US



Percent of MA Small Businesses Seeking Capital that Applied to a CDFI

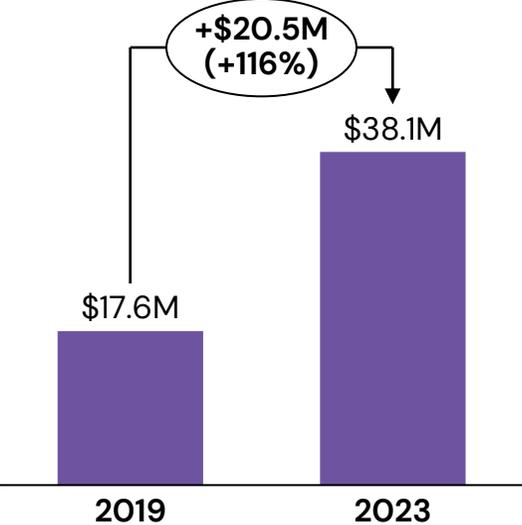


Small Business Client Satisfaction by Lender Type

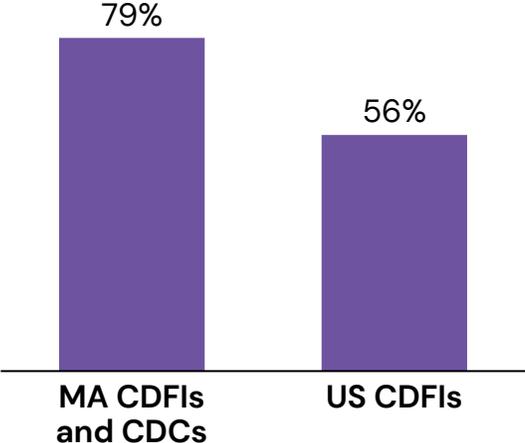


The Massachusetts small business community finance sector has grown significantly in recent years and is poised to accelerate growth

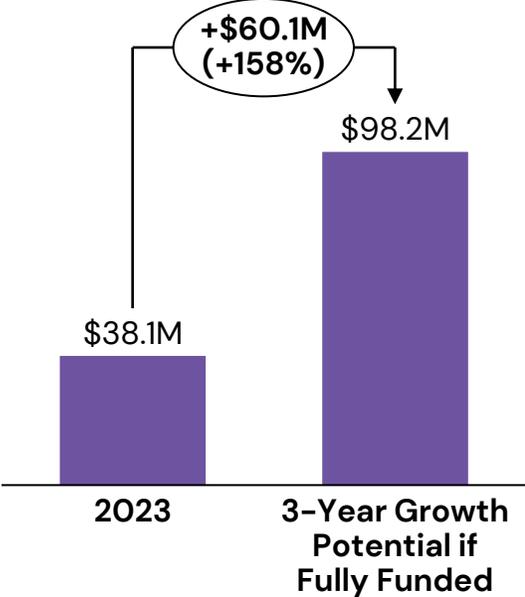
MA CDFI/CDC small business financing



Deployment ratio of MA small business serving CDFIs and CDCs vs. US CDFIs

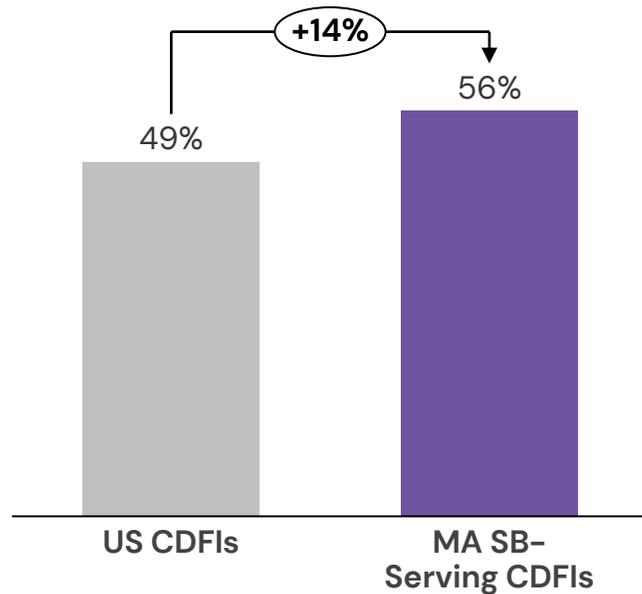


MA CDFI/CDC small business financing growth potential with funding

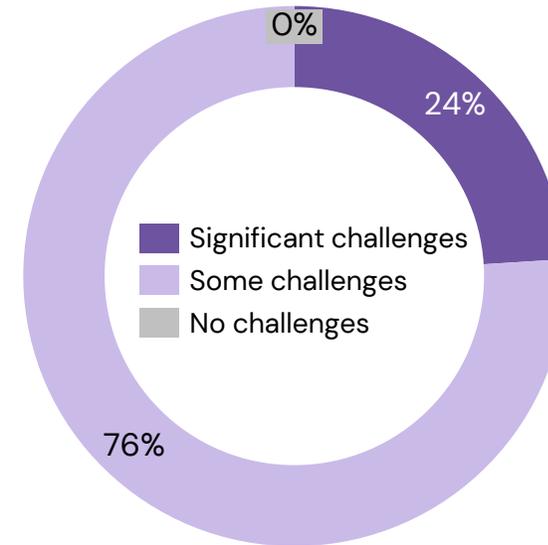


CDFIs require a mix of grants and impact investments to fuel their work, and MA CDFIs struggle to secure funding

CDFI Self-Sufficiency Ratios
(% of operating expenses covered by earned income)

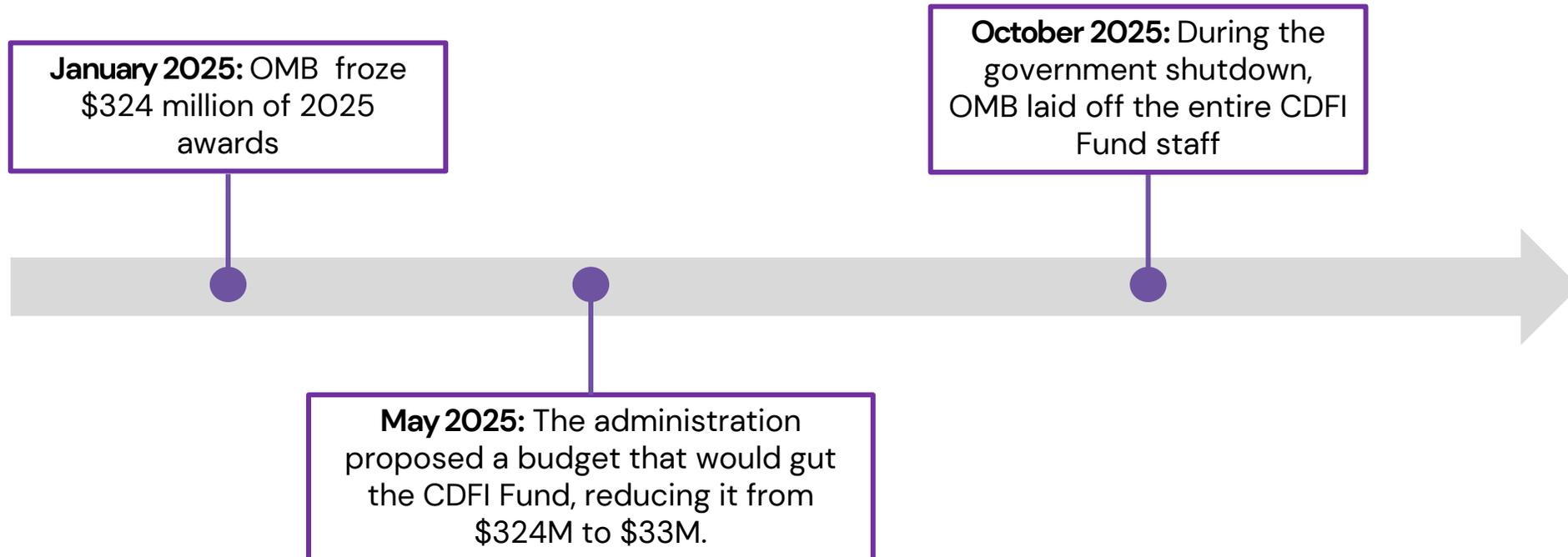


MA Small Business Serving CDFIs and CDCs Reporting Challenges Securing Funding



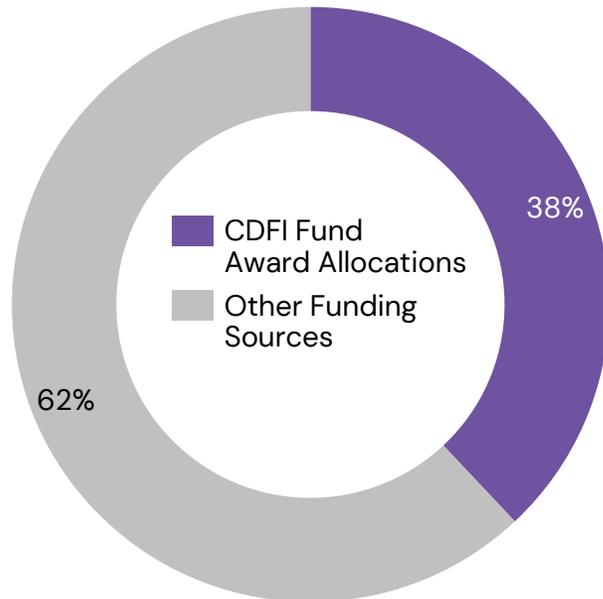
Recent Threats to the CDFI Fund

Despite the CDFI Fund's success and impact, the Fund has come under attack by the Trump administration.

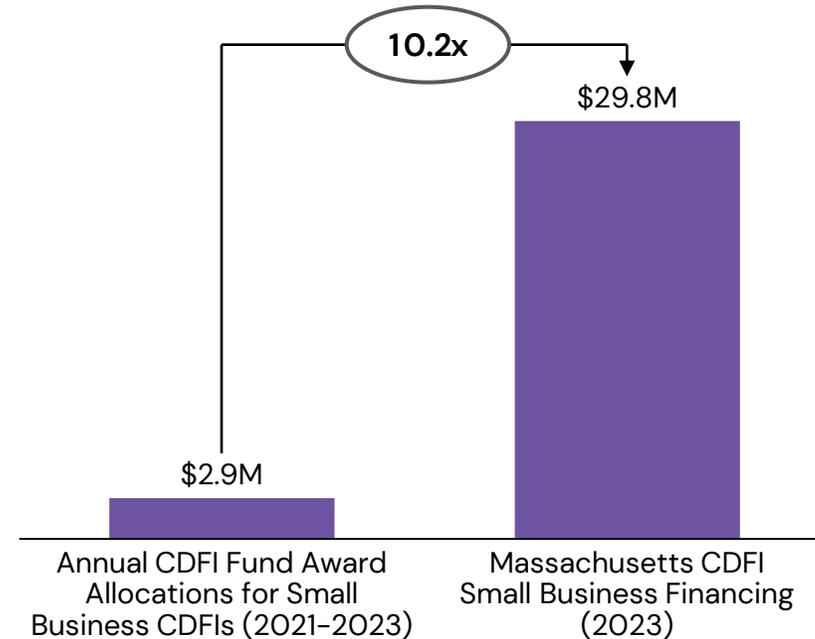


CDFI Fund Overview & Recent Threats

Percentage of MA SB-Serving CDFI Budgets Funded by the CDFI Fund vs. Other Sources (2023)

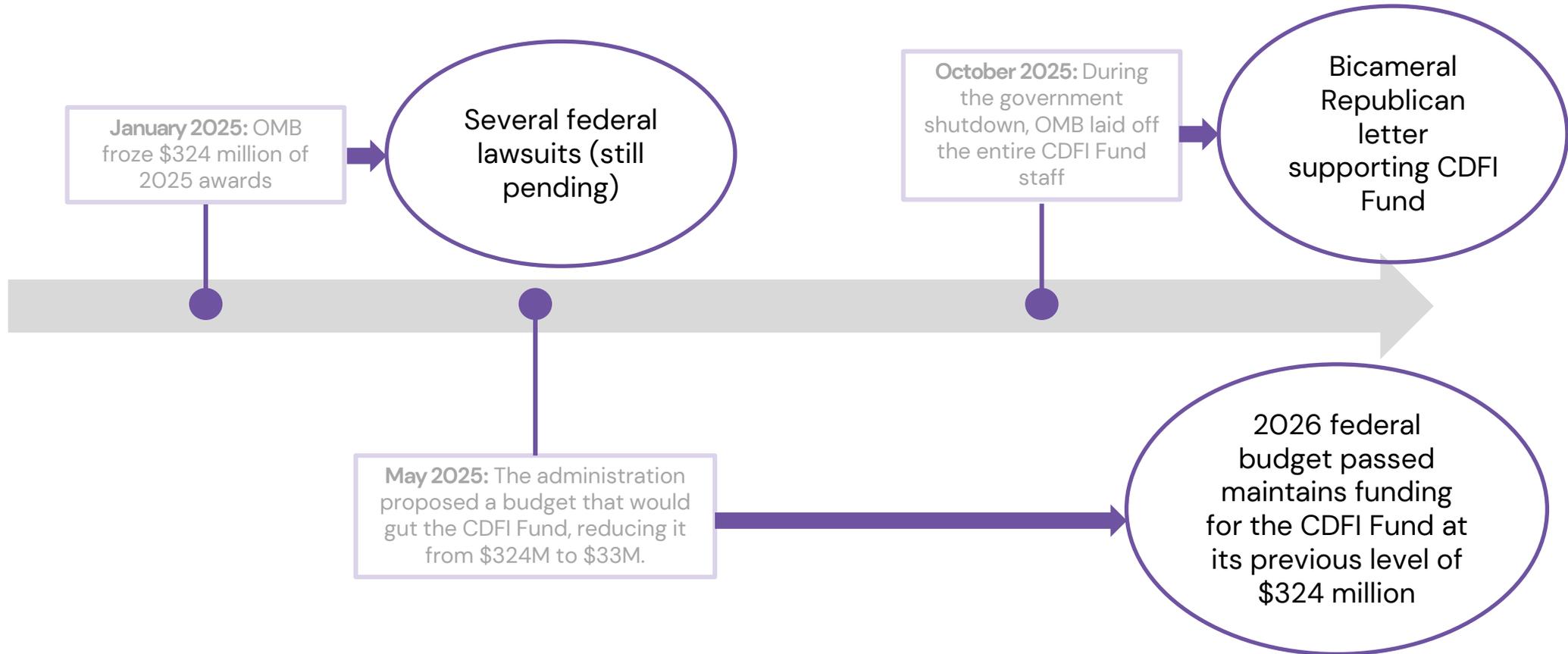


Leverage of CDFI Fund Awards – Awardee Financing per Dollar of CDFI Fund Award Dollars



Defense of the CDFI Fund

In keeping with long-standing bipartisan history, there has been an outpouring of support for the CDFI Fund and the community development finance industry broadly.



Massachusetts small businesses benefit from a relatively small portion of public funding through CDFIs and CDCs

CDFI Fund monetary awards to Massachusetts CDFIs that finance small businesses, 2020-2025

