



Business Loans and Banking Relationships:

What Matters Most to Small Business Owners



ACADEMYBANK

About Academy Bank

At Academy Bank, we realize that financial wellness is your gateway to great moments. We're the simple banking solution that provides easy access to funds and know-how.

Academy Bank's corporate headquarters are located in Kansas City, Missouri, and retail banking locations are found in Arkansas, Arizona, Colorado, Kansas, and Missouri. We provide a wide range of financial solutions to businesses and individuals, including commercial and small business lending, treasury management, and mortgage services.

We feature the latest banking technologies, including Smart ATM and Interactive Teller Machine video banking, because we are always searching for ways to provide a better banking experience for you. With a branch network of more than 70 banking centers and counting, we grow our deposits organically, one person, one household, and one business at a time.

Academy Bank is a wholly owned subsidiary of Dickinson Financial Corporation, a unique \$4.1 billion banking franchise that serves clients nationwide through its personal and business banking solutions.

Introduction

Small businesses are the backbone of the American economy. From sole proprietors to mid-size employers, these companies play a vital role in creating jobs, driving innovation, and enriching local communities. But behind the success of many small businesses lies a critical financial tool: business loans.

Whether it's used for hiring, purchasing inventory, or expanding into new markets, a business loan can provide the capital small business owners need to grow and achieve their goals. This whitepaper explores how small business owners approach loans, what challenges they face, and what they value most when choosing a banking partner.

Methodology

The survey was fielded online in April 2025 with 222 small business owners participating. Responses reflect a variety of industries, business sizes, and revenue ranges, offering a snapshot of business lending experiences across the country.



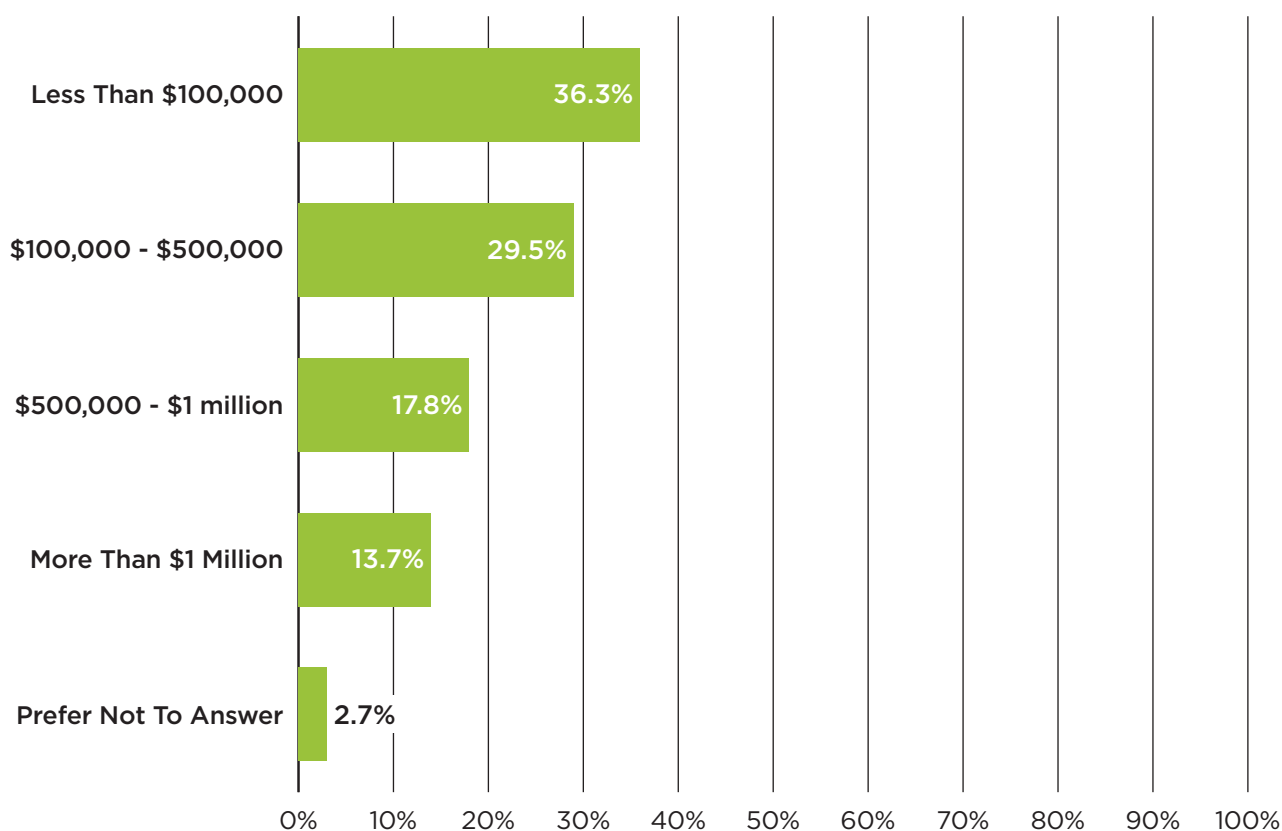
Profiles of Business Borrowers

The first question we asked small business owners was simple: *Have you ever taken out a loan for your business?* A majority—nearly two-thirds of respondents (65.8%)—said yes. This finding reinforces the idea that loans play a critical role in helping business owners launch, maintain, or grow their operations.

Among those who have secured a loan, businesses vary significantly in size. Nearly 80% of respondents have businesses with 50 employees or fewer, though those with larger companies are also represented. Companies with 2-10 employees are the most likely to take a business loan (32.2%), followed by sole proprietors (24%), companies with 11-50 employees (21.9%), companies with 51-99 employees (11.6%) and companies with 100+ employees (10.3%).

Additionally, annual business revenue ranges from less than \$100,000 to more than \$1 million. However, there is a clear trend in our data—businesses with lower annual revenue are more likely to have taken a loan than those with higher annual revenue.

What Is Your Business's Approximate Annual Revenue?



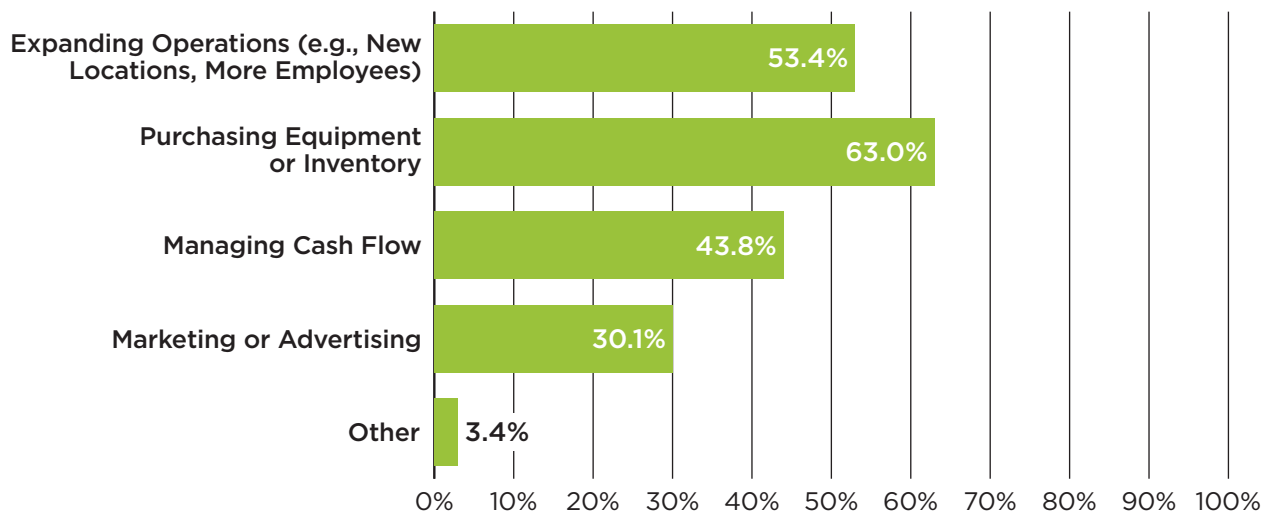
Business Loan Amounts and Purpose

Next, we sought to understand how much our respondents borrowed and why they took out business loans in the first place.

Nearly two-thirds (65.8%) of our respondents reported an average annual revenue of \$500,000 or less, and we found a similar split related to the loan amount borrowed: 69.9% of respondents took out a loan of \$100,000 or less. Most of the remainder (23.3%) borrowed between \$100,001 and \$500,000, leaving only 6.8% who borrowed more than half a million dollars.

We also asked participants to identify the primary reasons for taking out a business loan. Many selected more than one response, pointing to the diverse and overlapping financial needs of growing businesses. Here are the full results:

What Was the Primary Purpose of the Loan? (Select all that apply)



These results reflect the percentage of respondents who selected each option, as they were invited to select all that applied to their situation, leading to a cumulative total exceeding 100%.



These findings highlight that small business owners are using loans as a tool for growth. They are channeling these funds into investments, which help them build stronger, more scalable businesses over time.

- Chuck Frederick
Chief Retail Officer



The Loan Application Experience

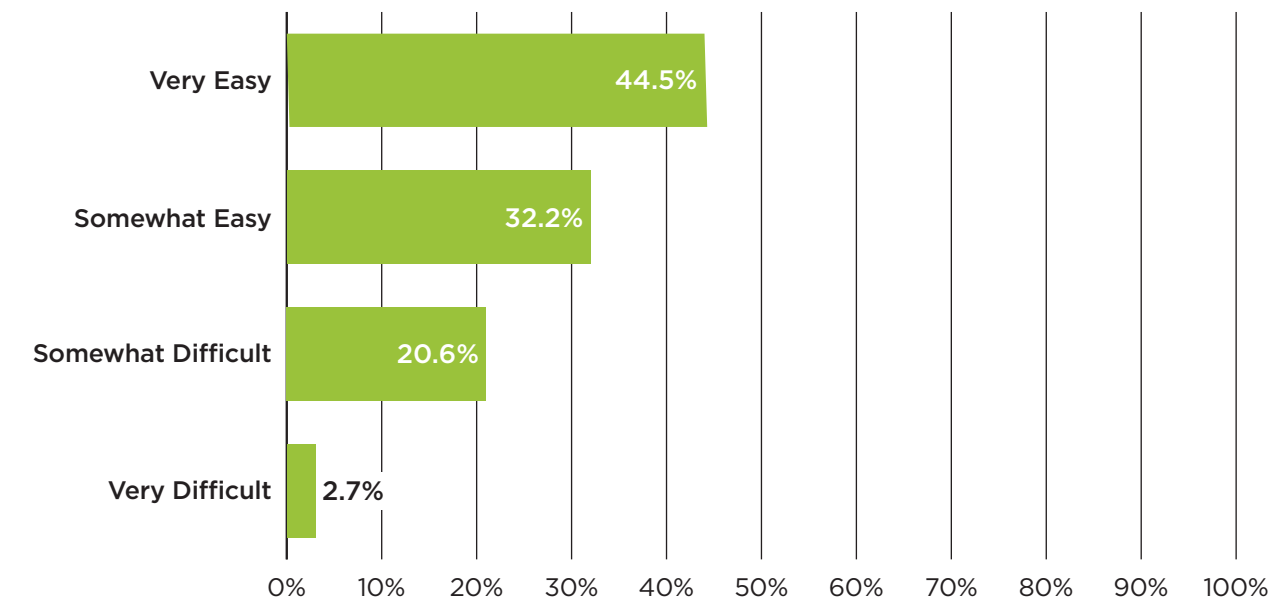
The process of applying for a business loan can be just as important as the loan itself. A smooth, accessible application experience could foster long-term loyalty, while a frustrating or opaque process may push small business owners to look elsewhere.

We asked participants how they submitted their most recent business loan application. Despite the growing prevalence of digital tools, more than half of respondents (52.7%) applied for their loan in person at a bank branch. Another 32.2% applied online, and 15.1% applied through a business banker or relationship manager.

These results suggest that many small business owners may still prefer—or feel more confident—applying in person. For banks, this reinforces the importance of maintaining strong in-branch support and knowledgeable staff, even as digital channels expand.

And when asked how business owners would describe their experience with the application process, the majority (76.7%) found it easy to navigate.

How Would You Describe the Loan Application Process?



This positive response underscores that many financial institutions are doing a good job of meeting small business owners’ needs. However, the fact that nearly a quarter found the process at least *somewhat* difficult suggests there is still room for improvement.

Where and How Small Businesses Secure Loans

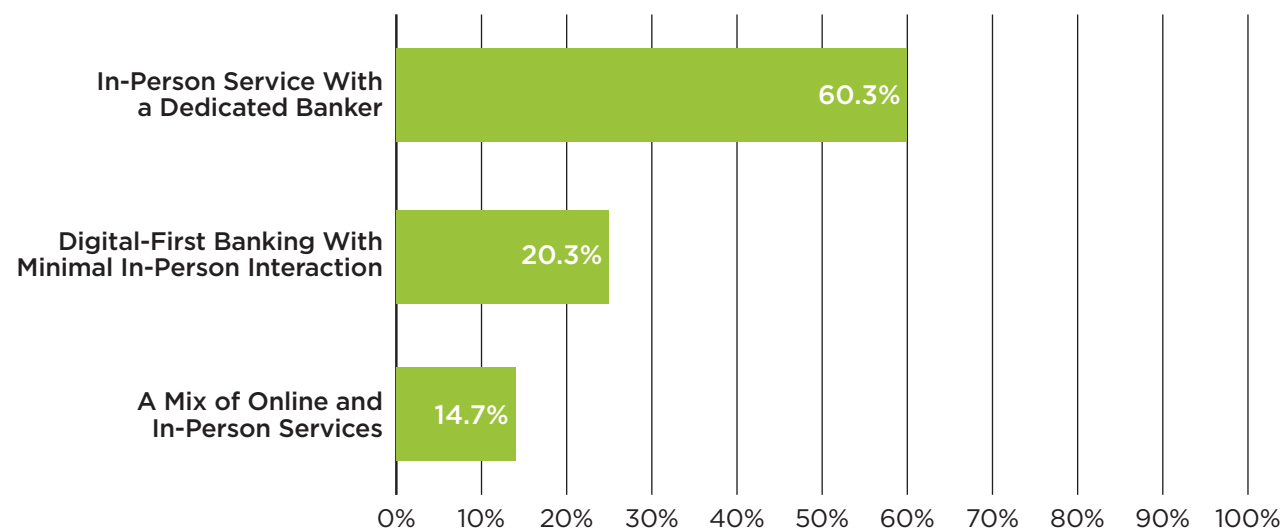
Beyond the application experience itself, where small business owners go for financing—and the kind of relationship they expect—can offer insights into what they value in a banking partner. Our survey results reveal preferences that emphasize trust, service, and human connection.

When asked where they secured their most recent business loan, the majority of respondents said they worked with a community or regional bank (58.9%). This is compared to 31.5% who used a national bank and only 9.5% who used an online-only lender.

This finding suggests that many small business owners prefer working with institutions that are embedded in their local economies. Community and regional banks may be seen as more attuned to the specific needs of local businesses, making them appealing partners for those who value personalized service.

And the theme of personalized service continues throughout our survey: When it comes to managing their banking needs, a strong majority of business owners prefer working directly with a dedicated banker, in-person. Nearly 75% reported a preference for at least *some* human interaction, rather than digital-only services.

What Type of Service Do You Prefer When Working With a Bank for Your Business Needs?



The overwhelming preference for in-person service reflects a core theme: small business owners want trusted advisors, not just transactions. Even in an increasingly digital world, the ability to build a relationship with a banker who understands their business remains a top priority.

Banking Service Preferences by Generation

While in-person service is still the stronger preference overall, generational differences reveal an emerging shift. Of the nearly 40% of total respondents who said they prefer digital banking in some capacity—whether fully digital or hybrid—those respondents skewed younger.

Among Gen Z business owners (ages 18-29), more than half (56%) preferred some form of digital service. That number dropped among Millennials (30-44), at 43.3%. The preference was even lower among Gen X (45-60), at 28.6%, and lowest among Baby Boomers (61+), at just 17.7%.

These generational patterns suggest that while most of today's small business owners still value face-to-face relationships, the next wave of business leaders may rely more on digital tools instead. With Baby Boomers expected to transfer an estimated \$84.4 trillion in assets over the next two decades, the younger, more tech-savvy generations will increasingly influence the future of banking.

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The generational shift in business banking preferences is more than a trend—it's a signal. Banks that want to stay relevant must design personalized, digital experiences to meet the expectations of younger business owners. This generation will hold the greatest financial decision-making power.

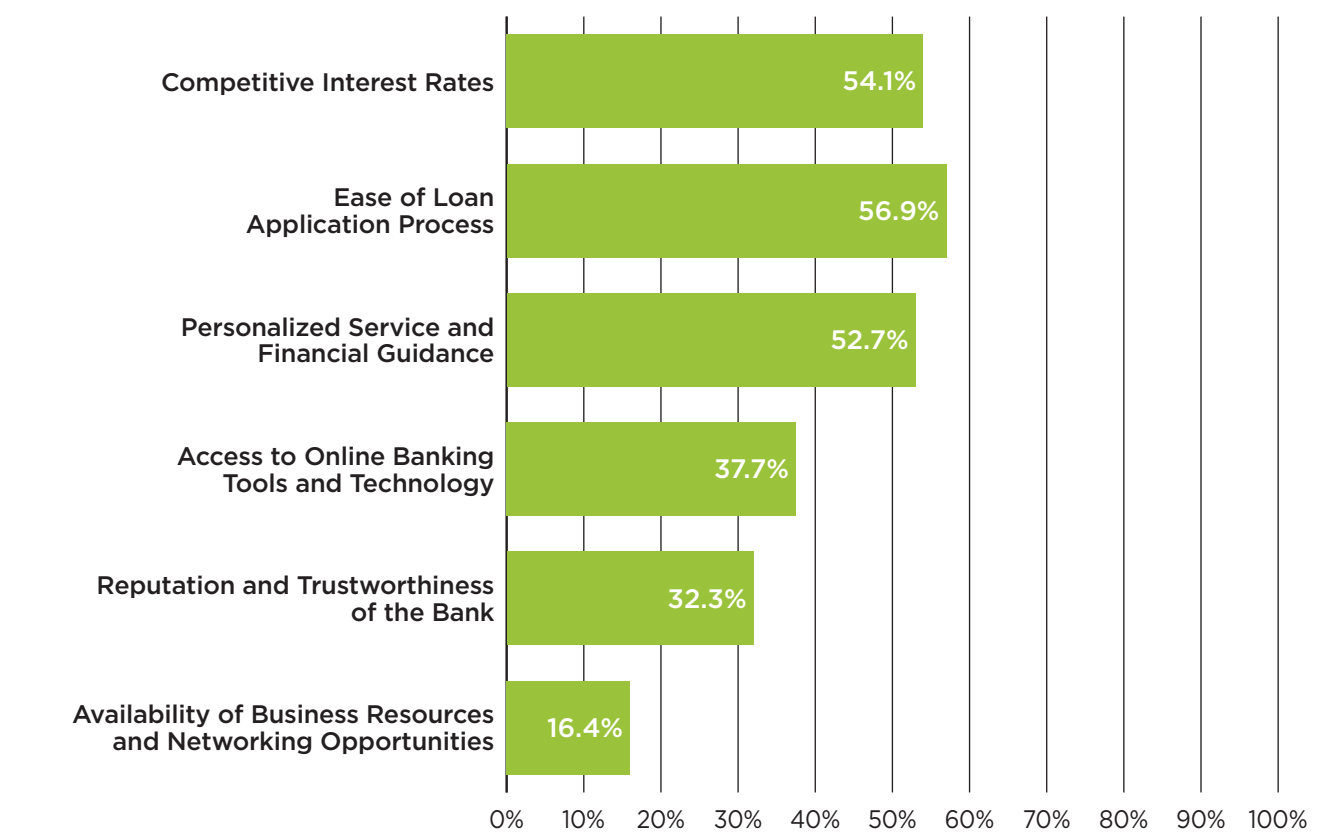
– **Jodi Vickery**
Chief Digital Officer

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What Small Business Owners Look for in a Financial Partner

To better understand how small business owners choose a financial partner, we asked respondents to select up to three factors they consider most important when choosing a bank for their business. The results are as follows:

What Factors Are Most Important to You When Choosing a Bank for Your Business? (Select up to three)



The top three responses—ease of loan application, competitive interest rates, and personalized service—suggest that business owners are primarily looking for straightforward access to capital paired with knowledgeable, human support.

While technology plays a supporting role, banks that simplify the lending process and offer personalized guidance are most likely to win and retain small business clients. Lender reputation ranks lower among selection criteria, indicating that borrowers focus more on service and accessibility. In some cases, they may even be willing to accept a higher interest rate in exchange for a simpler, more efficient application experience.

Conclusion

Small business owners are clear about what they need from their financial partners: simple access to funding, competitive rates, and support from someone who truly understands their business.

While digital tools are valuable, many entrepreneurs still prefer a personal touch when managing their finances—especially when it comes to securing a loan. This preference underscores the importance of community connections, trusted advisors, and relationship-based banking.

For now, personalized, in-person service remains the gold standard. But as younger, more tech-savvy generations take on greater leadership roles, expectations are likely to evolve. Banks that can blend high-touch relationships with digital accessibility will be best positioned to support business owners through this generational shift—and beyond.

At Academy Bank, we are committed to being more than just a lender. We're here to support small business owners with smart, accessible financial solutions and a team that's ready to help them grow, adapt, and succeed in every stage of their journey.

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