



THE OFFICE OF GOVERNOR  
WES MOORE

Maryland State Innovation Team

# Access to Capital & Maryland Community Investment Venture Fund

January 2026

# Table of Contents

**01** The MCIV Fund

---

**02** Our Progress

---

**03** Our Insights

---

**04** Measurement



# The MCIV Fund

# Understanding the Maryland Community Investment Venture (MCIV) Fund Opportunity



State of Maryland  
Office of Financial Regulation

Granting up to \$50,000\* to support the implementation of fintech pilots that help SCFIs better serve LMI small businesses

The Maryland Community Investment Venture (MCIV) Fund was established in 2023 to accelerate the adoption of financial innovations that enhance access to capital and other financial services for small business owners in low-to moderate-income (LMI) communities

## State-chartered financial institutions (SCFIs) can benefit from:

### Low-to-no cost fintech solution discovery and testing

- Collaborate with leading fintechs and help enhance customer and member acquisition strategies
- Discover and pilot new technologies that address the unique financial needs of LMI communities

### Community Leadership

Underscore commitment to financial inclusion and community development

## Approved fintech companies may gain access to:

### Funding

Access to grant dollars to develop and test solutions

### Pilot Opportunities

Collaborate with Maryland state-chartered banks and credit unions to deploy and refine your technology

### Real-World Impact

Contribute to financial inclusion and make a tangible difference in LMI communities

\* The MCIV Fund grants between \$25,000 and \$50,000 to support pilot implementation of a tech solution that can meaningfully improve access to capital and financial services to LMI small business members of Maryland state-chartered credit unions and banks. Although funding is granted to awarded fintechs, fintechs are not eligible unless they enter a pilot partnership with a Maryland State-Chartered Financial Institution before applying.

# Our Progress

# Maryland Community Investment Venture (MCIV) Fund Progress

Helping community banks and credit unions adopt new financial solutions to better serve Maryland small businesses in high-need areas.

## CHALLENGE

- With **62% of low- to moderate-income (LMI) census tracts lacking physical branches**, residents and small businesses face critical gaps in capital access and banking services. Trusted community banks struggle to bridge this divide due to barriers in **adopting the financial technology necessary** to better serve these customers

## APPROACH

- Operationalized and publicly launched a **\$2.5M MCIV Fund**, established as part of the *2023 Access to Banking Act*, covering up to \$50k for pilots for community banks and credit unions to adopt solutions for LMI communities.
- Interviewed 150+ community members, **engaged with the top community banking and credit union executives** in the state, and **engaged fintechs and accelerators** nationwide to help find solutions
- Hosted a **"demo day"** connecting Maryland financial institutions with high-impact fintech partners to jumpstart innovative collaborations

## IMPACT

- Successfully **facilitated several emerging partnerships** between a Maryland state-chartered financial institution and fintech partner, with three grant applications submitted
- **Gained national recognition** as a scalable model for financial inclusion, attracting interest from federal leaders and media as a blueprint for how states can catalyze financial inclusion programs for impact

## NEXT STEPS

- The first cohort of pilots is expected to be announced in early 2026.
- The program's initial success informed the 2026 Access to Banking Act upgrade for this legislative session, which aims to expand the Fund's scope to support consumer financial health in addition to small businesses

 IN THE NEWS

THE DAILY RECORD  
FINANCIAL MINDS



# Our Insights

We engaged with **150+** stakeholders during two months of research

**100+ hours**

Conducting primary research across:

- Small business owners (SBOs)
- Financial empowerment organizations and nonprofits
- Entrepreneur empowerment organizations
- Financial institutions and banking industry associations
- Fintech ecosystem leaders

**9**

SBO/entrepreneur events and workshops attended



**120+**

SBOs engaged at events

**30+**

1:1 in-depth interviews with SBOs



**62**

survey responses from SBOs in Maryland



**28**

1:1 in-depth interviews with financial empowerment organizations



**17**

1:1 in-depth interviews with leaders in the financial technology ecosystem



**20**

Financial institutions and banking industry associations engaged



# Small businesses with fewer than 50 employees make up ~94% of all businesses in Maryland\*



~134,000

Total Maryland businesses with <50 employees\*\*

~955,000

Estimated total Maryland employees of businesses with <50 employees



45%

Of wage workers with children under 5 in the US are employed by businesses with <50 employees

64%

Of wage workers living in poverty in the US are employed by businesses with <50 employees

However, several groups are underrepresented among business owners in Maryland

- **Only 20%** of business owners are Black or African American compared to 29% of the total Maryland population
- 51% of the total Maryland population is female, but **only 41%** of business owners are women

\* Small businesses with fewer than 50 employees employ 39.2% of employees in the state. Those with fewer than 500 employees make up 99.8% of all in Maryland and employ 77.9% of employees

\*\* Count of employers only, excludes sole proprietorship. SDAT counts of business registrations which include sole proprietors place this figure at 361,354

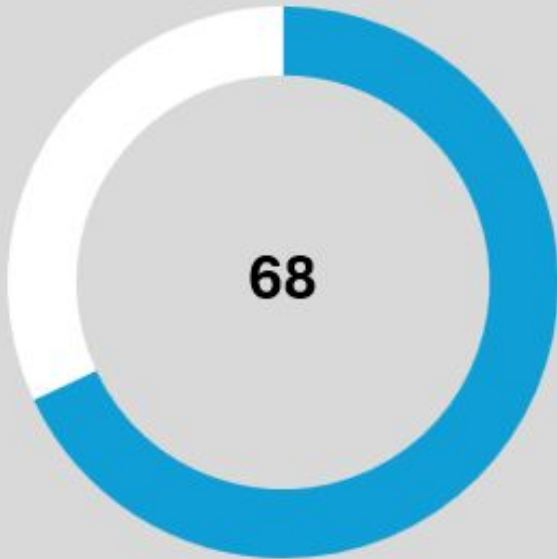
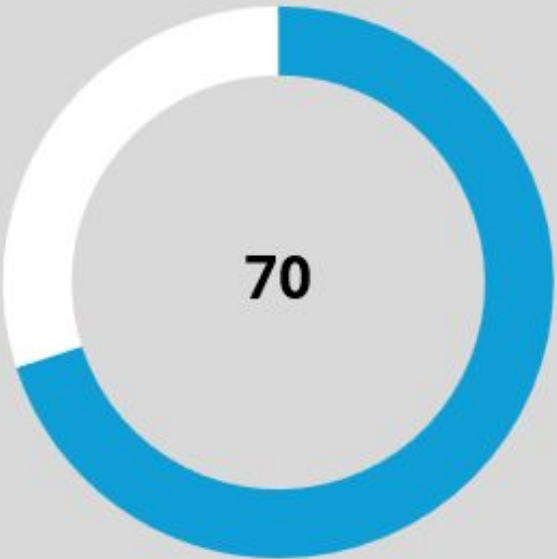
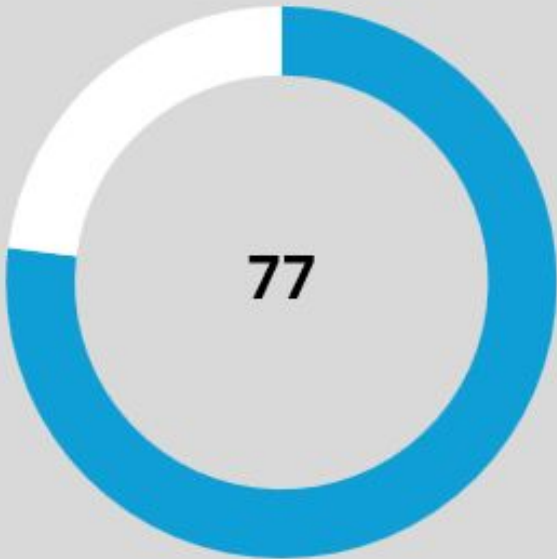


# Access to capital is one of the biggest barriers to small business growth

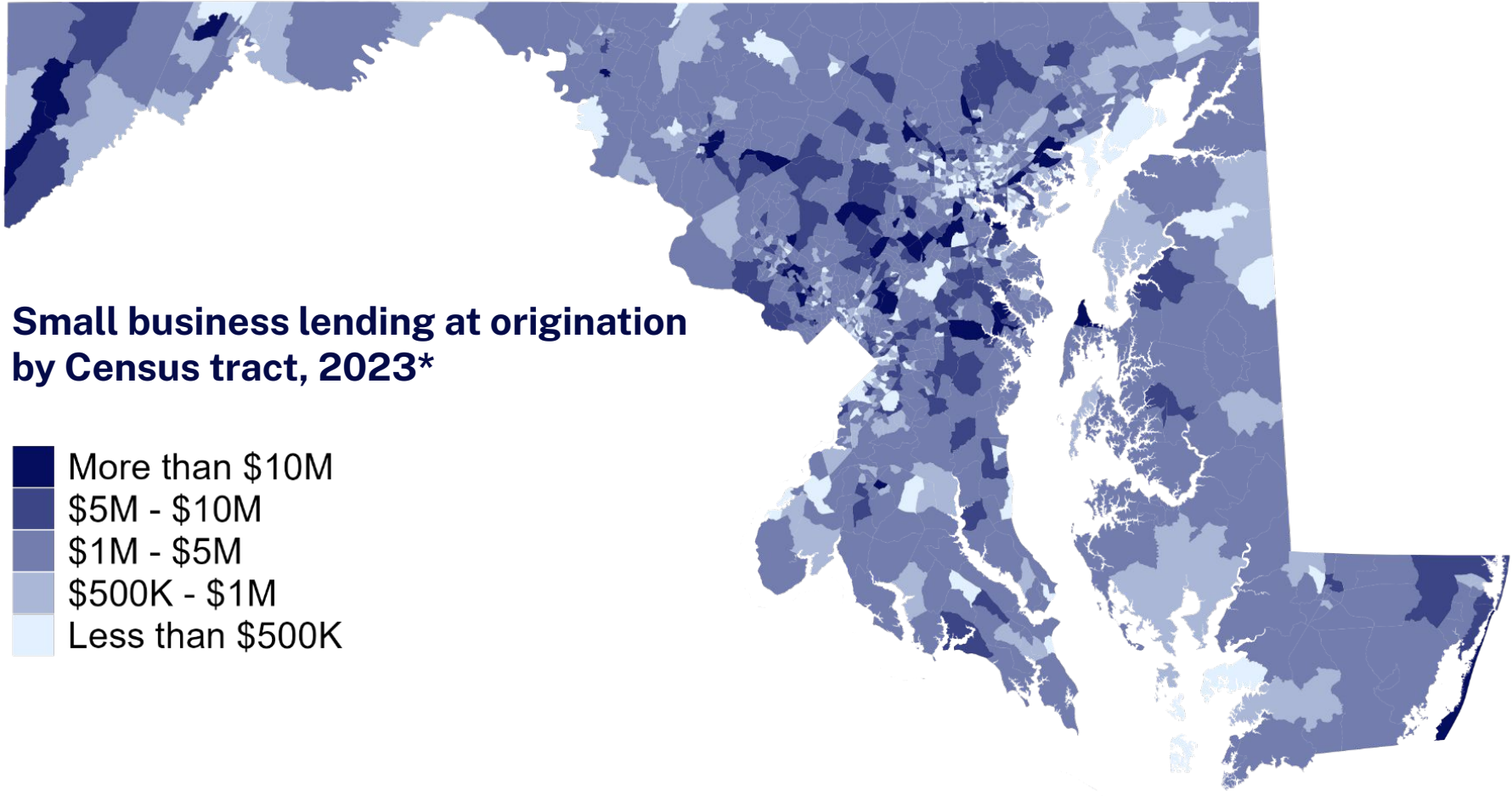
In 2024, **77%** of small business owners in the US were **concerned about their ability to access capital.**<sup>1</sup>

In a 2024 survey, **70%** of small businesses had **less than four months of operating cash** on hand.<sup>2</sup>

**Over two-thirds** of small business owners identify access to financing as **the primary driver of their business growth.**<sup>3</sup>



# In Maryland, only 20% of total small business loan dollars originates in low- to moderate-income communities



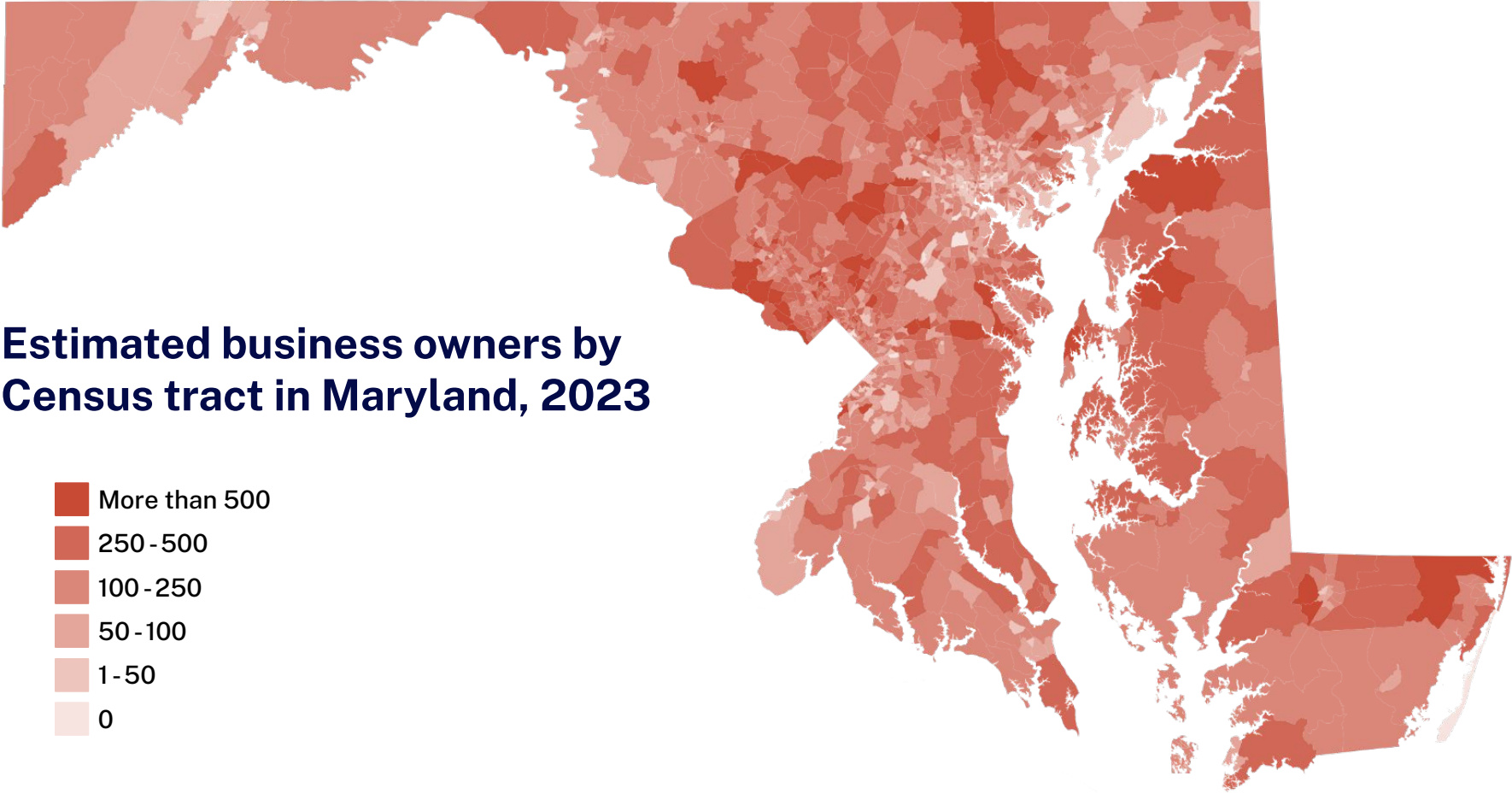
For every **additional \$1** in an area's median family income, small business lending activity **increases by \$8\*\***

\* Origination refers to the creation of a new loan, as opposed to a "purchase" where the ownership of the loan is transferred to another financial institution

\*\* 95% confidence interval is \$5.00 to \$11.03



# Only 23% of all Maryland business owners are located in low- to moderate-income communities



For each 9% increase in small business loan dollars, **1 additional small business is created per community**



# We uncovered four primary barriers to accessing capital from traditional lending sources

## INSIGHT 1

### Structural Misalignment Barriers

Too many small business owners face a financial system built for **someone else**. Products and terms are tailored to the needs of larger or more traditional businesses — leaving entrepreneurs navigating outdated or rigid structures that don't reflect their realities.

## INSIGHT 3

### Relationship & Trust Barriers

In underserved communities, small business owners navigate a financial landscape that feels distant, both physically and relationally. Facing a complex system they don't trust, they turn inward — relying on personal savings and informal networks to stay afloat.

## INSIGHT 2

### Readiness & Education Barriers

For small business owners, accessing capital too often means balancing on a three-legged stool — **personal credit, business performance, and financial literacy**. Instead of a pathway to stability, the system guarantees precarity — if even one leg falters, the whole enterprise collapses.

## INSIGHT 4

### Process & Accessibility Barriers

Small business owners are burdened by time-consuming financial applications that drain the very resources they **need to keep their businesses running**. Entrepreneurs aren't asking for shortcuts — they're asking for transparency, fairness, and a process that meets them where they are.



# Measurement

# The program has achieved noteworthy early operational success and is well-positioned to measure pilot and long-term impact metrics

Non-exhaustive \* Leading indicator for long-term impact

## Near-term

### Operational metrics:

- ✓ **1,154** unique MCIV webpage visitors since May 2025
  - ✓ **160** fintech interest forms received
  - ✓ **14** fintech pitches during demo day
  - ✓ **4** preliminary financial institution-fintech partnerships formed
  - ✓ **3** MCIV Fund applications submitted for review
- Total \$ amount of capital deployed

### Quantifying the Opportunity

- An estimated **5,600** business owners in LMI communities are **served by state-chartered institutions**

## Mid-term (Spring 2026)

### Pilot metrics<sup>1</sup>:

- # of first-time borrowers reached\*
- Increased approval rates for small business loans in target areas\*
- Reduction in average time from application to loan disbursement
- # of products developed or refined with community feedback
- Improved borrower experience and satisfaction with financial institutions\*
- Increased financial readiness (e.g., credit scores, business plans)\*

- There are an estimated **63,000** business owners **living in LMI communities**

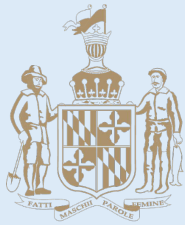
## Long-term

### Impact metrics:

- Reduced racial and geographic disparities in access to capital
- Growth in small business density in LMI areas
- Improved business survival rates in targeted communities
- Increased local revenue and job creation
- Increased trust with financial institutions and the traditional financial system
- Increased household income and reduced child poverty in target communities

- Small businesses in LMI communities employ an estimated **364,000 people**

# We welcome the opportunity to collaborate and share more.



THE OFFICE OF GOVERNOR  
**WES MOORE**  
INNOVATION TEAM

We are happy to connect to share additional lessons learned and explore collaboration opportunities.

**Please reach out to us at:**

- Francesca Ioffreda, [francesca.ioffreda@maryland.gov](mailto:francesca.ioffreda@maryland.gov)
- Charlie Rixey, [charlie.rixey@maryland.gov](mailto:charlie.rixey@maryland.gov)

