1WEST

Q2 2026 Edition
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Small Business Health Index

A quarterly composite of small business financial health, built from real 1West marketplace application data.

Q2 2026 SCORE
69.1
/ 100

AVG REVENUE	CREDIT SCORE	TIME IN BUSINESS	CREDIT READINESS	APPLICATIONS
$948K	601	8.33 yrs	68.9%	46,412
Up 2% vs Q1	Held steady	Held steady	Sustained	Near record

EXECUTIVE SUMMARY

The strength was not a spike. It is the baseline.

The 1West Small Business Health Index closed Q2 2026 at 69.1 out of 100, statistically even with the inaugural 68.9 recorded in Q1. For the second consecutive quarter, the businesses seeking capital through the 1West marketplace represent the strongest applicant cohort in our data. Average revenue rose 2% to $948K, credit and tenure held steady, and application volume stayed near record highs at 46,412.

The story of Q1 was a surprise. The strongest cohort on record, paired with a gap between that strength and actual access to capital. The story of Q2 is confirmation. One strong quarter is a data point. Two is a baseline. Applicant strength has found a higher floor, and the Confidence Gap has not closed with it.

SECTION 01

Applicant Health Overview

Q1 produced the strongest cohort of applicants in 1West history. The question for Q2 was whether that strength would hold or fall back. It held, across all four components.

$948K
Average Annual Revenue

Up 2% from $926K in Q1, a second straight quarter near the $1M mark. These are not thin files.

601
Average Credit Score

Level with Q1 and among the strongest in our dataset. Paired with 68.9% credit readiness, applicants stayed well positioned for approval.

8.33 yrs
Average Time in Business

Identical to Q1. Seasoned operators with track records, not startups chasing early capital.

QUARTER	APPLICATIONS	AVG REVENUE	AVG CREDIT	TIME IN BUSINESS	CREDIT READINESS
Q1 2025	32,922	$786K	592	7.51 yrs	61.9%
Q2 2025	29,275	$742K	590	7.20 yrs	60.6%
Q3 2025	39,130	$795K	590	8.38 yrs	67.1%
Q4 2025	34,480	$773K	591	7.51 yrs	63.0%
Q1 2026	46,001	$926K	602	8.33 yrs	69.7%
Q2 2026	**46,412**	**$948K**	**601**	**8.33 yrs**	**68.9%**

SECTION 02

Funding Activity

Demand did not cool. Q2 applications reached 46,412, holding the near record pace set in Q1 and well above the 29,275 logged in the same quarter a year ago. Two quarters running, more small businesses are actively seeking capital, and they are arriving more qualified than any prior cohort.

46,412

Application Volume

A second straight quarter near all time highs. The direction is unambiguous. Demand is strong and steady.

69.1 / 100

Applicant Quality

More than eight years of average operating history, revenue near $1M, and credit among the strongest we have recorded.

Two quarters

Strength Sustained

Record volume and quality repeated rather than vanished. That is the difference between a spike and a baseline.

Strong businesses. Steady demand. A gap that did not close.

Under normal conditions, two straight quarters of record volume and record quality would signal a strong funding environment. The data tells a more complicated story, and it is the same one we told in Q1.

SECTION 03

The New Baseline

One strong quarter is a data point. Two is a pattern. The Q2 index confirms that the strength we saw in Q1 was not a fluke of a single reporting period. It is where the market now sits. Mature operators, revenue approaching $1M, and credit profiles strong enough to keep the index at 69.1 for a second straight quarter.

The applicant side of the equation is not the problem. It has quietly become the strongest part of the story. Which is why the other half matters more, not less. The Confidence Gap we introduced in Q1, the distance between demonstrated readiness and actual access to capital, did not close in Q2. Applicant strength found a new, higher floor. Access did not rise to meet it. When quality plateaus at a record high and the gap stays open, it stops looking like a moment and starts looking like a market condition. The businesses are ready, and they have been ready for two quarters now.

A NOTE FROM OUR CEO

Readiness should open doors, not raise them.

For two quarters now, the data has said the same thing. The small businesses coming to us are ready. They have revenue. They have credit. They have years behind them. These are the operators who keep their towns running. The backbone of the economy is not struggling to qualify. It is struggling to be met.

The old way rewarded the businesses that needed capital least. It asked them to prove themselves twice, then made them wait. We think that is backward. When a business shows up strong, the system should move toward it, not away.

The Confidence Gap is not a headline to us. It is a to-do list. We built 1West to close it, one funded business at a time. The numbers this quarter tell us the work is not finished. So we keep going.

Kunal Bhasin
Chief Executive Officer, 1West

SECTION 04

Methodology

The SBHI draws exclusively from 1West's internal application data, anonymized and aggregated, to provide a consistent, comparable benchmark across quarters. Data for Q2 2026 reflects applications received April 1 through June 30, 2026. All figures are averages across the applicant pool, with clearly invalid outlier records removed before averaging. Each component is normalized to a 0 to 10 value against fixed absolute ranges, then weighted and summed to produce the score on a 0 to 100 scale. Ranges are locked to those established at launch in Q1 2026 so quarters remain directly comparable.

40%	25%	25%	10%
Credit Readiness Score	Avg Annual Revenue	Avg Credit Score	Avg Time in Business

Revenue normalized against a $0 to $1M range. Credit Score against the standard FICO range of 300 to 850. Time in Business against 0 to 20 years. Credit Readiness against 0 to 100%. Individual outcomes vary. The SBHI is a market indicator, not a forecast or an offer of credit.

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