



LegalZoom Gives Away \$6 Million in Cash and Products to Over 18,000 Small Businesses through its "Fast Break for Small Business" Grant Program

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Grant program provided capital and essential services to empower thousands of entrepreneurs nationwide

MOUNTAIN VIEW, Calif., Oct. 15, 2024 (GLOBE NEWSWIRE) -- LegalZoom proudly announces the success of its Fast Break for Small Business grant program, a three-year initiative that awarded \$6 million in grants and services to over 18,000 small business owners across the U.S. Since October 2021, the program has provided critical resources to underrepresented and emerging entrepreneurs, addressing barriers to growth such as access to capital, legal services, business formation and compliance needs, and financial tools.

The need for accessible capital, in particular, remains a pressing issue for many small businesses; over the course of the initiative, LegalZoom received more than 76,000 applications for funds, with more than 40,000 received in 2024 alone. According to the most recent *Forbes* Small Business Statistics, nearly 40% of small businesses fail due to depleted cash reserves or the inability to secure additional funding. The LegalZoom grant program sought to make a significant impact in the lives of small business owners by addressing capital needs alongside services, empowering entrepreneurs with funding and products to help accelerate growth. With a particular focus on helping to remove barriers for emerging entrepreneurs, including those in communities of color, women, immigrants, and members of the LGBTQ+ community, an additional result and benefit of the program was driving more awareness of Accion Opportunity Fund's loan products, generating an additional \$1.3 million in loans to small business owners.

"Access to capital is a challenge for many first-time business owners," said Jeff Stibel, CEO of LegalZoom. "Through LegalZoom's grant program, we have been able to provide not just grants, but also the tools and expertise necessary to help entrepreneurs succeed in their journey."

The creation of the LegalZoom grant program highlighted the critical need for capital among new entrepreneurs when it launched in 2021 as a response to the COVID-19 pandemic. Today, LegalZoom's customer research reveals that access to capital is still a challenge, as it's the second most common need for its small business customers, with only 35% of small business owners securing a loan or credit card in their first year of operation. Many small businesses lack the experience or resources to navigate traditional banking requirements, which often include high entry points such as established credit scores, collateral, and lengthy operational histories. The LegalZoom grant program helped small businesses overcome these barriers, enabling them to thrive in an otherwise challenging environment.

In addition to the grants, first-time entrepreneurs received free and discounted services, such as LLC formations, compliance offerings, attorney counsel, and estate plans. These tools are often out of reach for price-conscious entrepreneurs, and therefore these tools provide critical support for long-term success.

The grant program has sought to make a lasting contribution to the small business ecosystem, addressing challenges such as inflation, market volatility, and access to capital. LegalZoom looks forward to continuing its work in supporting small businesses and continuing this legacy through future grant programs, growing existing partnerships with non-profit organizations, driving affordable service models, and through other impactful initiatives.

About LegalZoom

LegalZoom is a leading online platform for business formation in the United States. Driven by a mission to unleash entrepreneurship, LegalZoom delivers comprehensive legal and compliance products and expertise for small business owners through easy-to-use technology. From free business formations to business management solutions and professional advisory services, LegalZoom supports millions of small business owners and their families throughout the entrepreneurial journey. Founded on the belief that everyone should have affordable access to legal and financial expertise, LegalZoom empowers entrepreneurs to make their dream a reality. To learn more about LegalZoom, visit www.legalzoom.com.

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