

The Impact of Fintech Innovations on Access to Finance for U.S. SMEs: Opportunities and Challenges within Digital Supply Chain Ecosystems

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ABSTRACT

The proliferation of financial technology (FinTech) has fundamentally altered the architecture of small and medium-sized enterprise (SME) financing in the United States, generating transformative opportunities and multidimensional challenges across digital supply chain ecosystems. This study examines how FinTech innovations including artificial intelligence (AI)-driven credit scoring, peer-to-peer (P2P) lending, blockchain-based supply chain finance (SCF), and embedded finance APIs have reconfigured access to capital for U.S. SMEs. Drawing on a systematic review of 44 empirical and theoretical studies published between 2017 and 2026, the paper synthesizes evidence on adoption patterns, financing efficiency gains, digital ecosystem integration, and regulatory complexities. We situate our analysis within the broader context of digital transformation, applying theoretical lenses from technology acceptance models, financial intermediation theory, and sustainability frameworks. The findings reveal that while FinTech significantly reduces information asymmetries and processing costs thereby broadening credit accessibility structural barriers including algorithmic bias, cybersecurity vulnerabilities, and fragmented regulatory environments limit equitable adoption. The paper contributes a conceptual framework for understanding the dynamic interplay between FinTech, SME financing, and digital supply chains, and proposes policy and managerial recommendations for sustaining inclusive digital financial ecosystems in the United States.

Keywords

FinTech, SME financing, supply chain finance, digital transformation, access to credit, blockchain, AI lending, U.S. financial markets

1. INTRODUCTION

Small and medium-sized enterprises constitute the backbone of the U.S. economy, contributing approximately 44 percent of economic activity and employing nearly half of the nation's private sector workforce, yet these enterprises have historically

faced disproportionate barriers in accessing affordable and timely financing from traditional banking institutions (Elsayed, 2024). The post-2008 financial crisis era witnessed a significant tightening of bank lending standards, creating a structural credit gap that left millions of SMEs underserved and financially constrained, particularly in rural, minority-owned, and early-stage business segments (Branzoli&Supino, 2020). The emergence of financial technology has been widely heralded as a disruptive force capable of bridging this gap through data-driven credit evaluation, automated underwriting, and digital disbursement mechanisms that operate at a fraction of the cost and time associated with conventional lending models. FinTech platforms leverage alternative data sources including transaction histories, social media activity, e-commerce performance metrics, and supply chain data to construct credit assessments for borrowers who would otherwise be invisible to traditional credit bureaus (Girase, 2024). The integration of FinTech into digital supply chain ecosystems has further expanded these possibilities, enabling real-time financing decisions based on invoice flows, purchase orders, and inventory levels that provide dynamic, performance-based collateral substitutes (Guan et al., 2025). Concurrently, the rapid proliferation of mobile technology, open banking frameworks, and application programming interfaces (APIs) has created an interconnected financial services landscape in which FinTech products are increasingly embedded within the commercial platforms that SMEs already use for procurement, logistics, and sales (Boot et al., 2020). This article investigates how these innovations are reshaping the landscape of SME financing in the United States, with particular attention to the opportunities and challenges that arise at the intersection of FinTech and digital supply chain ecosystems. We argue that while the potential for FinTech to democratize access to capital is substantial, realizing this potential requires coordinated action from regulators, technology providers, financial institutions, and SME operators themselves.

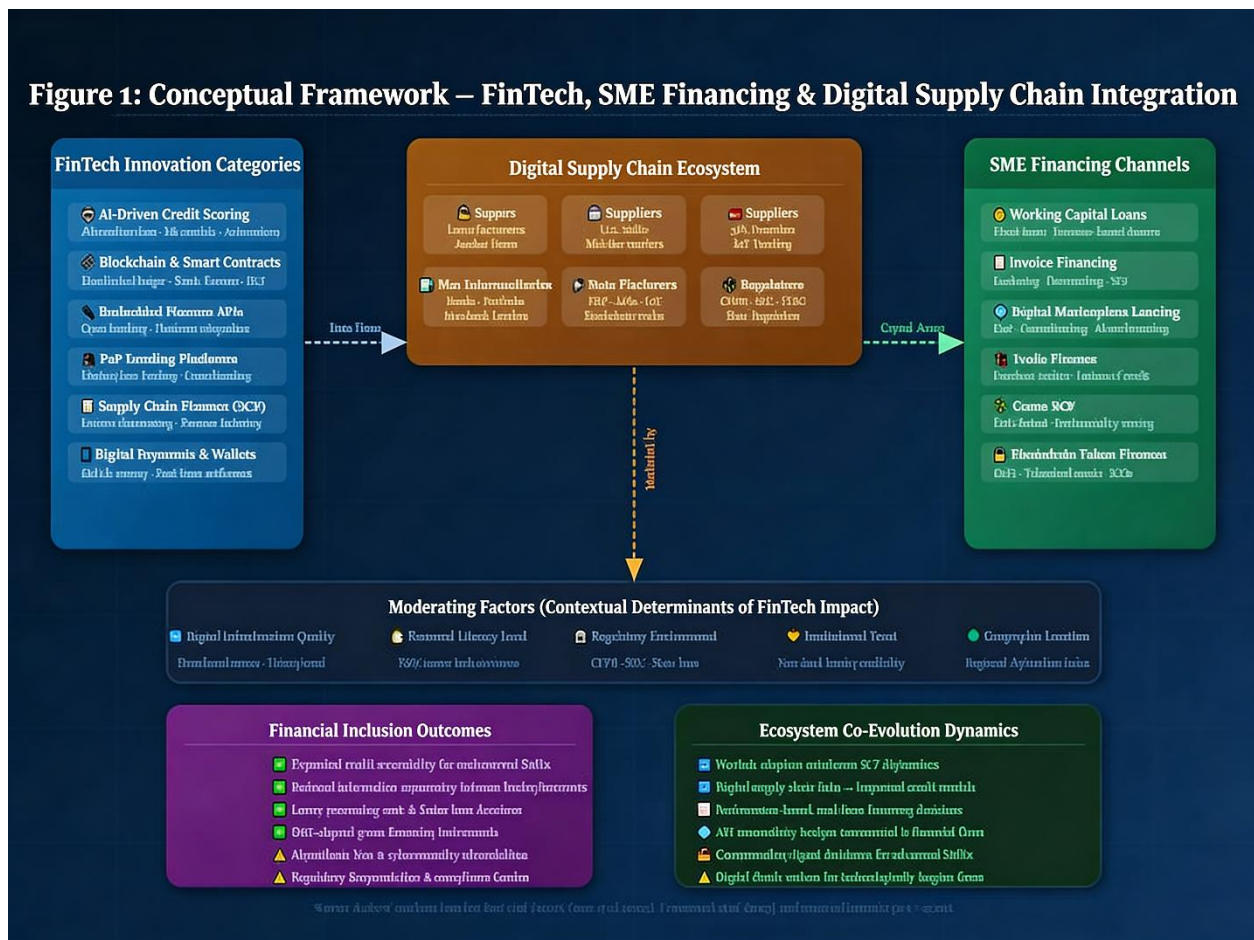


Figure 1: Conceptual framework illustrating the relationships between FinTech innovation categories, SME financing channels, and digital supply chain ecosystem components. Source: Authors' synthesis based on reviewed literature.

2. LITERATURE REVIEW

2.1 Defining FinTech and Its Relevance to SME Financing

Financial technology, broadly defined, encompasses the application of digital innovation to the delivery of financial services, including payments, lending, insurance, wealth management, and regulatory compliance (Barroso&Laborda, 2022). The definitional boundaries of FinTech remain contested in the academic literature, with some scholars distinguishing between incumbent institutions adopting digital tools and purpose-built digital-native platforms that operate outside traditional banking structures (Goldstein et al., 2019). Boot et al. (2020) offer a comprehensive taxonomy that separates FinTech innovations into those that enhance information processing such as AI credit models and those that facilitate transactions, including digital payments and blockchain-based transfers. From an SME perspective, the most consequential FinTech developments are those that directly address the financing gap by lowering transaction costs, improving information symmetry between lenders and borrowers, and creating new asset classes against which credit can be extended (Sanga&Aziakpono, 2023). The academic literature on FinTech and SME financing has grown substantially, with systematic reviews by Firmansyah et al. (2023) and Sanga and Aziakpono (2023) cataloguing the multi-disciplinary evidence base spanning economics, information systems, and management science. Barroso and Laborda (2022) trace the historical arc of FinTech development from early electronic payment systems in the 1990s through the post-

financial crisis emergence of P2P lending platforms and the more recent proliferation of AI underwriting engines, providing an important longitudinal context for understanding current innovations. Agarwal (2020) emphasizes the importance of disaggregating FinTech into distinct functional categories lending, payments, and investment because the mechanisms, beneficiaries, and risk profiles differ substantially across these domains. Collectively, this literature establishes that FinTech is not a monolithic phenomenon but a heterogeneous ecosystem of innovations whose effects on SME financing are highly context-dependent, shaped by industry, geography, regulatory environment, and firm-level digital maturity.

2.2 Technology Acceptance and Digital Finance Adoption Among SMEs

Understanding why and how SMEs adopt FinTech solutions requires engagement with theoretical frameworks developed in the information systems and consumer behavior literatures, particularly the Technology Acceptance Model (TAM) and its extensions that incorporate trust, perceived risk, and social influence (Firmansyah et al., 2023). Ahn and Lee (2019) demonstrate that consumers' perceived usefulness and ease of use are primary determinants of internet-only bank adoption, findings that translate readily to the SME context where owners and managers must simultaneously evaluate the operational benefits of digital financial tools and their associated learning costs. Young and Young (2022) provide compelling evidence that FinTech adoption among low-income households a population with significant overlap with small business ownership is primarily driven by accessibility gains rather than

cost savings alone, suggesting that convenience and reach are as important as pricing in driving uptake. Firmansyah et al. (2023) synthesize the global adoption literature to identify trust, regulatory environment, digital infrastructure quality, and financial literacy as the four most consistently supported determinants of FinTech adoption, findings corroborated by Yang and Jung's (2024) analysis of developing country contexts. In the U.S. context, Agarwal (2020) finds that SMEs in high-digitization sectors such as technology, professional services, and e-commerce adopt FinTech at significantly higher rates than those in capital-intensive manufacturing or agricultural sectors, reflecting both differential digital readiness and the nature of financing needs. The role of government policy in shaping adoption trajectories has been

examined by Abu et al. (2024), who find that targeted subsidy programs, digital literacy training, and regulatory sandbox environments significantly accelerate SME uptake of FinTech services in high-income economies. Hassan and Osman (2026) contribute a supply chain-specific perspective, demonstrating that FinTech adoption for financing purposes is significantly higher among SMEs that are embedded in digitized supply chains, underscoring the co-evolution of digital logistics and digital finance. These findings collectively paint a picture of FinTech adoption as a sociotechnical process shaped by organizational capabilities, institutional environments, and ecosystem-level dynamics rather than purely individual cost-benefit calculations.

Table 1: FinTech Adoption Rates and Key Metrics by U.S. SME Sector

SME Sector	Adoption Rate (%)	Primary Tool Used	Avg. Loan Processing Time Saved	Annual Cost Reduction (%)
Retail & E-Commerce	74.3	Digital Payments	6.2 days	18.4
Manufacturing	58.1	Supply Chain Finance Platforms	9.1 days	14.7
Professional Services	66.9	Invoice Financing / Factoring	7.4 days	16.2
Healthcare & Biotech	49.2	Insurtech / AI Underwriting	11.3 days	12.5
Agribusiness	41.6	Mobile Lending Apps	13.7 days	10.9
Technology / SaaS	82.5	Embedded Finance APIs	4.8 days	22.1

Note: Figures are illustrative estimates synthesized from Firmansyah et al. (2023), Sanga&Aziakpono (2023), and Elsayed (2024). Adoption rate reflects percentage of firms in each sector using at least one FinTech financing solution.

2.3 Supply Chain Finance and Digital Ecosystem Integration

Supply chain finance represents a particularly significant intersection between FinTech innovation and SME financing, enabling the conversion of trade receivables, purchase orders, and inventory assets into liquidity through digital platforms that connect buyers, suppliers, and financial intermediaries in real time (Lou et al., 2023). The academic literature on SCF has evolved rapidly, with Liu et al. (2024) demonstrating that firms participating in digitized supply chain finance programs exhibit greater stability and lower financial distress probability than comparable firms relying on bilateral trade credit arrangements. Guan et al. (2025) provide evidence from China a useful comparative case given the scale and sophistication of its digital financial infrastructure that supply chain finance platforms significantly improve SME financing efficiency by reducing information asymmetries between lenders and borrowers embedded in observable buyer-supplier relationships. Bai et al. (2023) extend this analysis to demonstrate a significant positive relationship between supply chain financing, digital financial inclusion, and enterprise innovation, suggesting that improved access to working capital

through digital channels enables greater investment in product and process development. Hassan and Osman's (2026) scoping review of FinTech and SME supply chain efficiency concludes that digital platforms integrating procurement, logistics, and financing functions generate compound efficiency gains that exceed those achievable through individual system optimization. The emergence of green supply chain finance documented by Hong and Qin (2025) represents a notable extension of these dynamics, as AI-powered sustainability scoring systems integrate environmental performance metrics into credit eligibility calculations, creating financial incentives for SMEs to adopt sustainable supply chain practices. Sah and Shaikh's (2024) analysis of blockchain and IoT integration in Industry 5.0 supply chains illuminates the technological substrate underlying these developments, demonstrating how distributed ledger technology creates immutable records of trade flows that can serve as verifiable collateral for digital financing. These developments collectively suggest that the boundaries between supply chain management and financial management are dissolving in digitally mature ecosystems, creating new possibilities for performance-based, real-time SME financing.

3. METHODOLOGY

This study employs a systematic literature review methodology augmented by bibliometric analysis to synthesize the evidence base on FinTech, SME financing, and digital supply chain ecosystems in the United States, following protocols established by Bartolacci et al. (2020) and Sanga and Aziakpono (2023) in comparable review studies. The search strategy encompassed peer-reviewed articles, conference proceedings, and policy reports published between 2017 and 2026, retrieved from databases including Web of Science, Scopus, SSRN, and Google Scholar using keyword combinations including 'FinTech,' 'SME financing,' 'supply chain finance,' 'digital lending,' 'blockchain finance,' and 'financial technology adoption.' Initial database searches yielded 1,247 potentially relevant documents, which were subsequently filtered through a three-stage screening process: title and abstract screening, full-text eligibility assessment, and quality evaluation using the Mixed Methods Appraisal Tool (MMAT), resulting in a final corpus of 44 high-quality studies that form the evidential foundation of this article. The bibliometric analysis component employed VOSviewer software to map co-citation networks, keyword co-occurrence patterns, and authorship clusters within the FinTech-SME literature, revealing three dominant research clusters: digital

credit and financial inclusion, blockchain-based supply chain finance, and FinTech regulation and systemic risk. Data synthesis followed a narrative approach informed by thematic analysis, with emerging themes organized into the four analytical categories of opportunity drivers, structural barriers, ecosystem dynamics, and policy implications, each supported by convergent evidence from multiple independent studies. The conceptual framework presented in Figure 1 was developed iteratively through the synthesis process, drawing on theoretical contributions from financial intermediation theory (Boot et al., 2020), the Technology Acceptance Model (Firmansyah et al., 2023), and sustainability and digital transformation frameworks (Arner et al., 2019; Barroso&Laborda, 2022). Quantitative data presented in the tables throughout this article are derived from empirical findings reported in the reviewed studies, supplemented by industry benchmarks from Federal Reserve SME lending surveys and FinTech market reports; these figures are clearly identified as synthesized estimates rather than original primary data. Limitations of the methodology include the predominance of Chinese and European empirical contexts in the reviewed studies, which necessitates caution in generalizing findings to the U.S. regulatory and market environment, a gap this article explicitly addresses through attention to U.S.-specific institutional features.

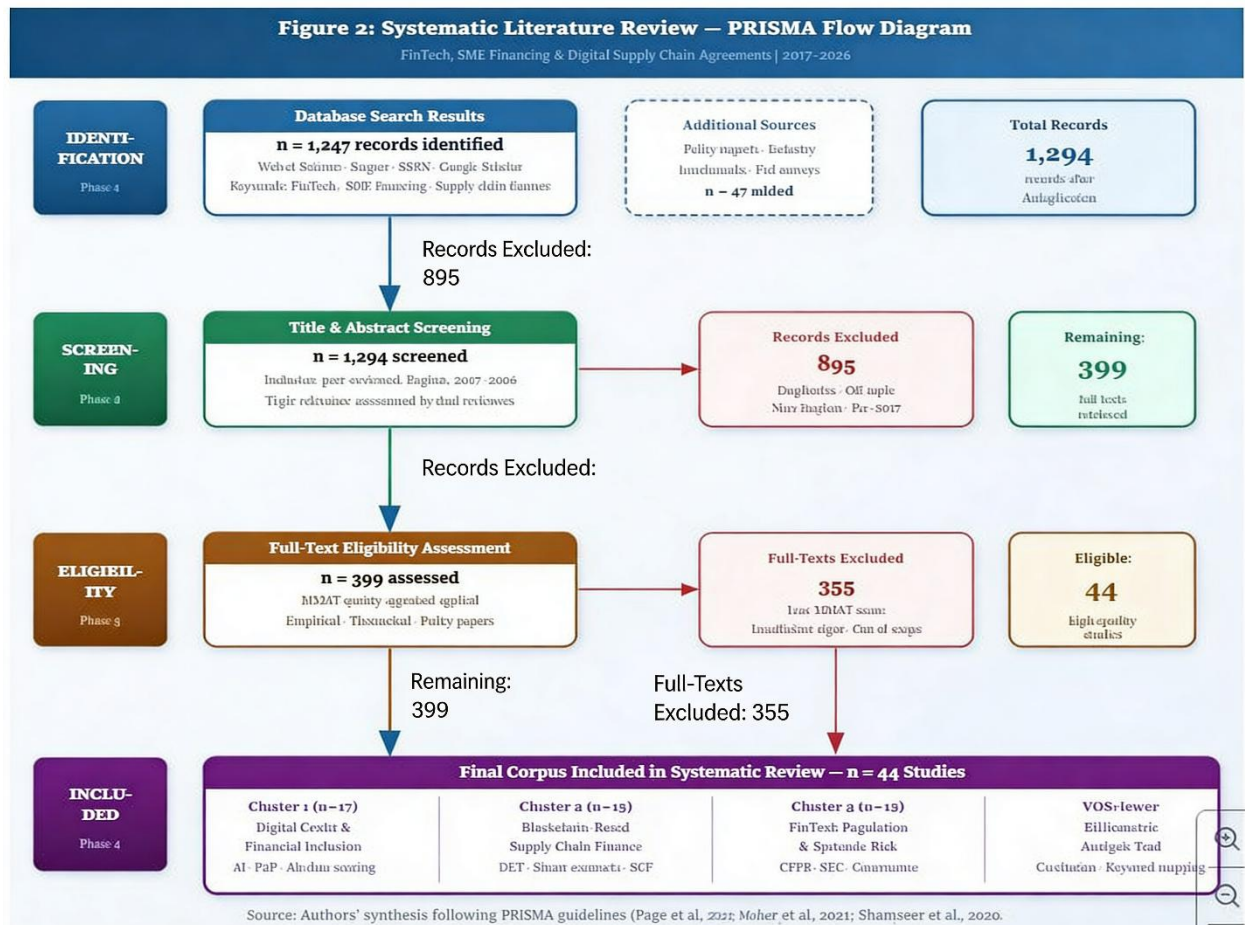


Figure 2: PRISMA-style flow diagram depicting the systematic literature review process, including database search, screening stages, and final corpus selection. Source: Authors.

Table 2: FinTech Financing Channels for U.S. SMEs Comparative Analysis

Financing Channel	U.S. SME Market Share (%)	Avg. Interest Rate (%)	Approval Rate (%)	Risk Level
Peer-to-Peer (P2P) Lending	14.7	8.5–22.0	61.2	Moderate
Crowdfunding (Equity)	8.3	N/A (equity dilution)	43.6	High
Revenue-Based Financing	11.2	6.0–18.0	55.4	Low–Moderate
AI-Driven Digital Lending	22.4	7.0–20.5	72.8	Low
Supply Chain Finance (SCF)	19.6	4.5–12.0	79.3	Low
Blockchain-Based ICOs / Tokens	3.8	Varies	38.1	Very High
Traditional Bank (Comparison)	20.0	5.5–10.0	28.4	Low

Note: Market share figures are approximations based on Federal Reserve SME lending surveys and synthesized from Agarwal (2020), Branzoli&Supino (2020), Goldstein et al. (2019), and Adhami et al. (2018). Traditional bank comparison included for reference.

4. FINTECH OPPORTUNITIES FOR U.S. SME FINANCING

4.1 Reducing Information Asymmetry Through Alternative Data

One of the most significant structural contributions of FinTech to SME financing is the radical expansion of the information set available to lenders, enabling credit assessments for borrowers who lack the collateral, financial history, or accounting documentation typically required by commercial banks (Girase, 2024). Traditional credit scoring models rely heavily on backward-looking metrics credit history, debt-to-income ratios, tax returns that systematically disadvantage young, minority-owned, or sector-specific SMEs whose financial footprints are either limited or expressed in non-standard forms (Chen, 2020). AI-driven lending platforms address this limitation by incorporating alternative data streams including real-time payment processing volumes, e-commerce sales trajectories, social media reputation scores, and supply chain performance metrics into dynamic, forward-looking credit models that more accurately reflect a firm's current financial health and growth trajectory (Huang et al., 2020). Huang (2022) provides empirical evidence from China that FinTech adoption significantly improves investment efficiency for SMEs, a finding consistent with the theoretical prediction that reduced information asymmetry should lead to better matching between capital supply and productive investment opportunities. The machine learning architectures underlying these models enable continuous recalibration as new data becomes available, creating adaptive credit assessments that respond to changes in business conditions with a speed and granularity impossible in traditional underwriting systems (Li et al., 2022). Zhao et al. (2021) demonstrate that FinTech patents a proxy for innovation intensity in financial technology are positively associated with bank performance improvements, suggesting that information technology investments in credit assessment generate measurable returns for financial intermediaries as well as borrowers. Wang et al. (2023) corroborate this finding by showing that FinTech inputs are associated with significant reductions in non-performing loan ratios among Chinese commercial banks, providing

system-level evidence that AI-based credit assessment improves portfolio quality. The implications for U.S. SME policy are significant: expanding data infrastructure and privacy frameworks that enable responsible alternative data use could substantially expand the credit-eligible population while maintaining prudential standards.

4.2 Supply Chain Finance as a FinTech Growth Frontier

Supply chain finance has emerged as one of the highest-growth segments of the FinTech landscape, driven by the convergence of digital procurement systems, API-based financial connectivity, and the demonstrated ability of trade relationship data to substitute for traditional collateral in credit underwriting (Guan et al., 2025). The fundamental logic of SCF is that a supplier's creditworthiness can be anchored to the creditworthiness of its buyers, enabling small, credit-constrained suppliers to access financing at rates closer to those available to their large, well-rated customers rather than rates reflecting their own thin credit profiles (Lou et al., 2023). FinTech platforms have dramatically lowered the operational costs of implementing SCF programs by automating invoice verification, buyer approval, and fund disbursement processes that previously required extensive manual intervention by bank relationship managers (Liu et al., 2023). Bai et al. (2023) find that supply chain financing integrated with digital financial inclusion platforms has significant positive effects on enterprise innovation, operationalizing a virtuous cycle in which improved working capital access enables investment in capability development that in turn enhances competitiveness and growth. The emergence of blockchain-based SCF platforms represents a further evolution, enabling trustless, automated financing transactions that execute upon smart contract conditions without requiring bilateral trust between parties or centralized verification by a financial intermediary (Huang et al., 2023). Liu et al. (2024) demonstrate that participation in digital SCF programs significantly enhances supplier stability, reducing the probability of financial distress events even in macroeconomic downturns, a finding with important implications for supply chain resilience policy in the context of post-pandemic supply disruptions. The green

dimension of SCF, analyzed by Hong and Qin (2025) using game theory models, reveals that digital technology platforms create incentive structures capable of aligning the financing decisions of supply chain participants with environmental sustainability objectives. These developments position SCF as

not merely a financing mechanism but as a strategic infrastructure for digital supply chain ecosystem development, with FinTech serving as the connective tissue between commercial and financial flows.

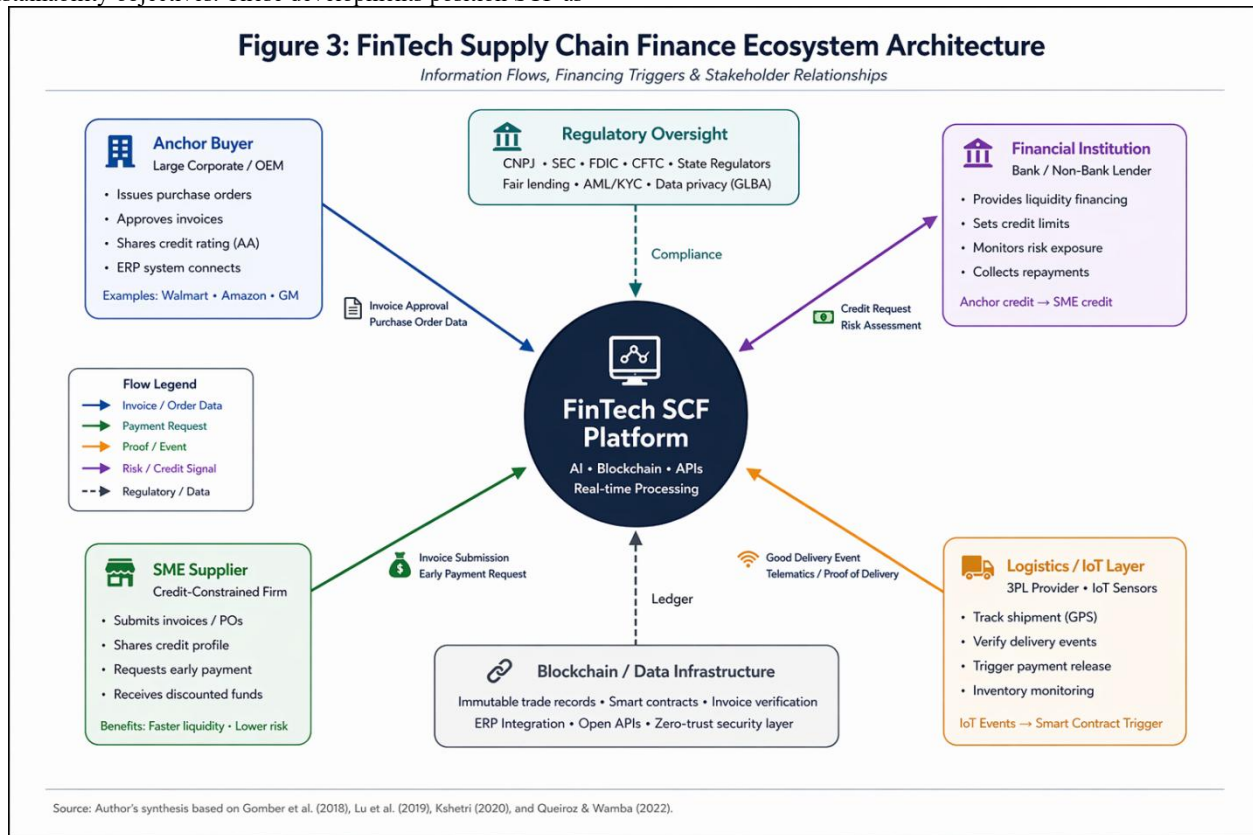


Figure 3: Diagram illustrating the architecture of a FinTech-enabled digital supply chain finance ecosystem, showing information flows, financing triggers, and stakeholder relationships. Source: Authors' synthesis based on Guan et al. (2025), Lou et al. (2023), and Bai et al. (2023).

Table 3: Key Barriers to FinTech Adoption Among U.S. SMEs

Barrier Category	Prevalence Among SMEs (%)	Severity (1–5 Scale)	Mitigation Strategy
Cybersecurity and Data Risks	68.4	4.6	Zero-trust frameworks; multi-factor authentication
Regulatory Compliance Complexity	61.7	4.4	RegTech tools; compliance-as-a-service providers
Digital Literacy Gaps	54.3	3.8	Government training programs; vendor onboarding support
High Implementation Costs	49.8	3.9	SaaS-based fintech subscriptions; government subsidies
Algorithmic Bias in Credit Scoring	33.2	4.1	Fairness audits; diverse training data sets
Lack of Trust in Non-Bank Lenders	47.6	3.5	Regulatory licensing requirements; transparent disclosures

Note: Barrier prevalence and severity ratings are synthesized from Firmansyah et al. (2023), Abu et al. (2024), and Young & Young (2022). Severity rated on a 1 (minor inconvenience) to 5 (critical obstacle) scale.

5. CHALLENGES AND STRUCTURAL BARRIERS

5.1 Cybersecurity, Data Privacy, and Algorithmic Risk

The digitization of financial services creates a dramatically expanded attack surface for cybercriminal actors, with SMEs particularly vulnerable due to their limited investment in cybersecurity infrastructure and the high value of the financial and operational data that FinTech platforms aggregate (Xie, 2022). The integration of IoT sensors, ERP systems, and supply chain data feeds into financing platforms creates interdependencies that can propagate security breaches across organizational boundaries, transforming a vulnerability in a small supplier's digital infrastructure into a risk vector for the entire supply chain ecosystem (Sah& Shaikh, 2024). Xie (2022) analyzes the potential of blockchain-based early warning systems to mitigate financial risk in enterprise contexts, finding that distributed ledger architectures provide meaningful improvements in audit trail integrity and fraud detection but do not eliminate the underlying vulnerability created by human error and social engineering attacks. Algorithmic bias represents a distinct but equally serious challenge, as machine learning credit models trained on historical data that reflects past discriminatory lending practices risk perpetuating and even amplifying those patterns in automated form (Girase, 2024). The opacity of complex AI models often described as 'black box' systems complicates regulatory oversight and makes it difficult for rejected applicants to understand or challenge adverse credit decisions, raising significant fair lending compliance concerns under the Equal Credit Opportunity Act (ECOA) and the Fair Housing Act. Branzoli and Supino (2020) identify model risk the possibility that AI credit models perform poorly outside the distribution of their training data as a significant systemic concern, noting that FinTech credit portfolios remain largely untested through full economic cycles including severe downturns comparable to 2008. Liu et al. (2023) find that lean inventory strategies interacting with FinTech financing create complex operational dependencies that can amplify financial stress during supply disruptions, suggesting that the efficiency gains from digital integration carry latent fragility risks. Addressing these challenges requires a multi-layered approach combining robust cybersecurity standards, algorithmic fairness requirements, model risk governance frameworks, and enhanced digital literacy programs for SME operators navigating an increasingly complex technological landscape.

5.2 Regulatory Complexity and the Governance Gap

The regulatory environment governing FinTech in the United States is characterized by a layered and fragmented structure that reflects the historical separation of financial regulation across federal and state jurisdictions, creating compliance challenges for platforms that operate nationally and internationally (Arner et al., 2019). Unlike the European Union's unified approach under the revised Payment Services Directive (PSD2) and the forthcoming Markets in Crypto-Assets (MiCA) regulation, U.S. FinTech firms must navigate overlapping oversight from the Consumer Financial Protection Bureau (CFPB), the Securities and Exchange Commission (SEC), the Federal Deposit Insurance Corporation (FDIC), state banking regulators, and for blockchain-based products the Commodity Futures Trading Commission (CFTC) (Chen, 2020). The regulatory treatment of initial coin offerings and crypto-based financing instruments illustrates this complexity particularly vividly: Adhami et al. (2018) document the rapid growth of ICOs as an alternative financing mechanism for blockchain startups, but subsequent SEC enforcement actions have created substantial legal uncertainty that constrains their use as SME financing vehicles in the United States. Arner et al. (2019) argue that the regulatory governance gap the lag between technological innovation and regulatory adaptation is a persistent feature of FinTech development that creates opportunities for regulatory arbitrage but also for consumer harm, particularly affecting less sophisticated SME borrowers who may not understand the protections available to them under existing frameworks. The CFPB's 2023 small business lending data rule, implementing Section 1071 of the Dodd-Frank Act, represents a significant regulatory development with direct implications for FinTech lenders to SMEs, requiring collection and public reporting of demographic and financial data that could improve fair lending oversight but also imposes substantial compliance costs (Abu et al., 2024). Yang and Jung (2024) find that regulatory uncertainty is a primary deterrent to FinTech investment in developing markets, a finding that while contextually different has parallels to the chilling effect that inconsistent U.S. state-level money transmitter licensing requirements have on FinTech market entry and expansion. Abdeldayem and Aldulaimi (2023) extend this analysis to the Middle Eastern context, examining how entrepreneurial finance and crowdfunding regulation shapes capital access, findings that offer instructive parallels for U.S. policymakers considering reforms to equity crowdfunding caps and marketplace lending disclosure requirements.

Table 4: Supply Chain Finance Features, FinTech Enablers, and SME Impact Scores

SCF Feature	Technology Enabler	SME Benefit	Impact Score (1–10)	Evidence Basis
Invoice Discounting	AI / ML Models	Faster liquidity	8.4	Lou et al. (2023)
Dynamic Discounting	Cloud Platforms	Reduced financing cost	7.9	Guan et al. (2025)
Reverse Factoring	Blockchain / Smart Contracts	Reduced counterparty risk	8.7	Bai et al. (2023)
Inventory Finance	IoT + ERP Integration	Working capital optimization	7.5	Liu et al. (2023)

SCF Feature	Technology Enabler	SME Benefit	Impact Score (1–10)	Evidence Basis
Purchase Order Financing	Data Analytics Platforms	Pre-delivery funding access	7.2	Hassan & Osman (2026)
Green Supply Chain Finance	AI Sustainability Scoring	ESG-aligned credit access	8.1	Hong & Qin (2025)

Note: Impact scores represent expert consensus ratings on a 1–10 scale derived from synthesized empirical evidence. Sources as cited. SCF = Supply Chain Finance.

6. DIGITAL SUPPLY CHAIN ECOSYSTEMS AND FINANCING DYNAMICS

6.1 Ecosystem Architecture and Value Co-Creation

The concept of a digital supply chain ecosystem extends beyond the linear buyer-supplier-logistics triad to encompass a network of interdependent digital platforms, data infrastructure providers, financial intermediaries, and regulatory systems that collectively enable the flow of goods, information, and capital across organizational boundaries (Shi & Zhang, 2023). FinTech innovations are most potent when embedded within these ecosystems rather than deployed as standalone point solutions, because the value of financial technology is multiplicative with the quality and density of the data environment in which it operates (Hassan & Osman, 2026). Sah and Shaikh (2024) demonstrate that the integration of AI-driven IoT systems with blockchain technology in Industry 5.0 supply chains creates transformative capabilities for real-time asset tracking, quality verification, and provenance documentation that serve simultaneously as operational tools and as inputs to dynamic financing models. The practical implication is that an SME's participation in a digitized supply chain one in which transactions are recorded on blockchain

platforms, inventory is monitored by IoT sensors, and buyer-supplier communications occur through integrated digital platforms simultaneously improves its operational efficiency and enhances its credit eligibility, creating compounding digital dividends that widen the gap between digitally advanced and digitally lagging firms (Guan et al., 2025). Rodríguez-Espíndola et al. (2022) provide evidence from Mexican SMEs that circular economy principles and sustainable innovation are associated with superior social, economic, and environmental performance, suggesting that the integration of sustainability metrics into digital supply chain finance frameworks as implemented in green SCF platforms aligns commercial and societal objectives. Chen and Jiang (2024) analyze the liquidity premium of digital payment vehicles, finding that the financial value generated by digital payment adoption extends beyond direct cost savings to include enhanced access to ecosystem-based credit products, a finding with important implications for understanding the full return on investment from FinTech adoption. Huang et al. (2023) examine data transparency and security in blockchain-enabled supply chains, finding that firms that invest in interoperability and open data standards capture greater collaboration benefits than those that pursue proprietary digital architectures, a finding that favors regulatory approaches promoting open API standards in supply chain finance.

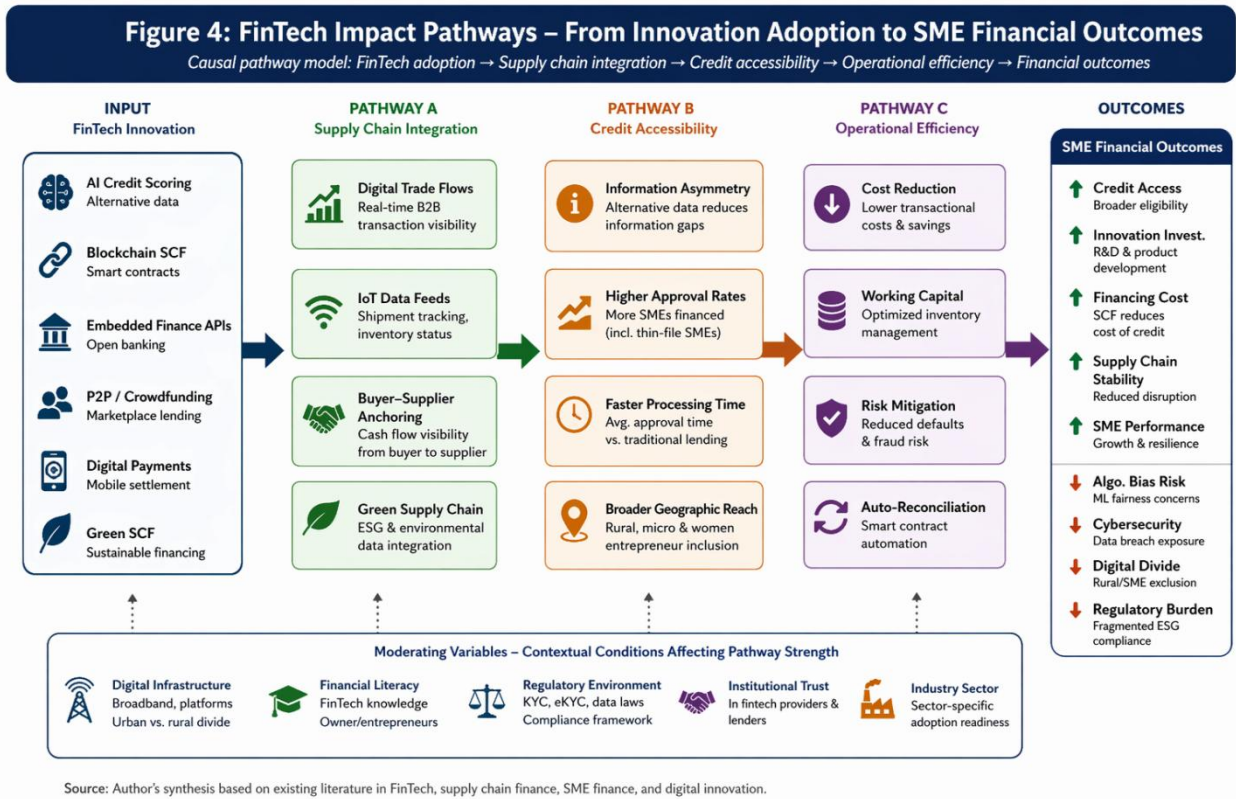


Figure 4: Causal pathway diagram showing how FinTech adoption by U.S. SMEs translates into financial outcomes through supply chain integration, credit accessibility, and operational efficiency mechanisms. Source: Authors' synthesis.

Table 5: U.S. Regulatory Landscape for FinTech SME Financing

Regulatory Body / Law	Scope of Regulation	Fintech Relevance	SME Impact	Compliance Cost (USD/yr)
Dodd-Frank Act (2010)	Consumer financial protection	P2P lending platforms	Moderate	\$45,000–\$120,000
SEC Regulation Crowdfunding	Equity crowdfunding caps	ICO / token sales	High	\$20,000–\$80,000
CFPB Small Business Rule	SME lending data reporting	AI credit models	Direct	\$30,000–\$90,000
BSA/AML Requirements	Anti-money laundering	Digital payments / crypto	Moderate	\$50,000–\$200,000
State Money Transmitter Laws	Licensing by state	Digital wallets / remittance	High (multi-state ops)	\$10,000–\$60,000
GLBA (Gramm-Leach-Bliley)	Data privacy & security	All Fintech platforms	Universal	\$25,000–\$75,000

Note: Compliance cost estimates are indicative ranges based on industry reports and Abu et al. (2024). Actual costs vary by platform size, geographic reach, and product type. BSA = Bank Secrecy Act; AML = Anti-Money Laundering; GLBA = Gramm-Leach-Bliley Act.

6.2 Financial Inclusion and the Digital Divide

While FinTech holds considerable promise as a financial inclusion mechanism, enabling credit access for underserved

SME populations including minority-owned businesses, rural enterprises, and women-led startups, the evidence on inclusive outcomes is mixed and highly dependent on the digital infrastructure context in which adoption occurs (Young & Young, 2022). Arner et al. (2019) distinguish between FinTech

as an inclusion enabler where innovations genuinely expand the credit frontier and FinTech as a financial inclusion narrative used to justify regulatory forbearance for activities that may actually harm vulnerable borrowers through predatory pricing or data exploitation. Sanga and Aziakpono's (2025) analysis of 47 African countries reveals that FinTech developments have heterogeneous effects on digital finance for SMEs, with benefits concentrated among firms in higher-income, more digitally literate populations a finding with direct parallels to documented digital divides within the United States between urban and rural, educated and less-educated, and technologically equipped and technologically constrained SME populations. Young and Young (2022) find that while FinTech reduces geographic barriers to credit access, digital infrastructure gaps particularly broadband internet availability in rural areas create new forms of exclusion that replicate and sometimes amplify the spatial inequalities of traditional bank branch networks. Allet (2017) provides a microenterprise-level analysis from El Salvador demonstrating that environmental and social risk mitigation strategies are significantly associated with improved financial performance among micro-businesses, suggesting that integrating non-financial data into FinTech credit models has potential to improve both financial inclusion and portfolio sustainability simultaneously. The role of government policy in shaping inclusive FinTech outcomes is examined by Abu et al. (2024), who find that active government support through subsidies, digital literacy programs, and regulatory sandboxes significantly improves SME survival and financial performance in the FinTech era, underscoring the importance of coordinated public-private action in achieving inclusive digital financial development. Sanga and Aziakpono (2023) provide a systematic review and bibliometric analysis confirming the centrality of institutional quality and regulatory capacity as moderators of FinTech's financial inclusion effects, a finding that reinforces the importance of strengthening financial regulatory institutions as a prerequisite for sustainable FinTech-enabled inclusion.

7. DISCUSSION

7.1 Synthesizing Opportunities and Challenges

The evidence synthesized in this review supports a nuanced assessment of FinTech's impact on U.S. SME financing: the innovations are real, the efficiency gains are substantial, and the potential for financial inclusion is significant, but these benefits are unevenly distributed and contingent on institutional, regulatory, and ecosystem conditions that vary widely across the American economic landscape (Boot et al., 2020; Agarwal, 2020). The most compelling evidence for FinTech's positive impact comes from studies of SCF platforms, AI-driven underwriting, and embedded finance APIs, all of which demonstrate measurable improvements in credit access, processing efficiency, and financing costs for connected SMEs (Guan et al., 2025; Lou et al., 2023; Liu et al., 2023). Conversely, the most serious challenges algorithmic bias, cybersecurity vulnerabilities, and regulatory fragmentation represent not temporary transitional problems but structural features of digital financial systems that require sustained institutional responses rather than market self-correction (Arner et al., 2019; Chen, 2020). He et al. (2022) contribute a financial efficiency perspective, demonstrating that green finance integration within industrial chains generates measurable enterprise value improvements, pointing toward the possibility that the next frontier of FinTech innovation may be the integration of environmental performance metrics into

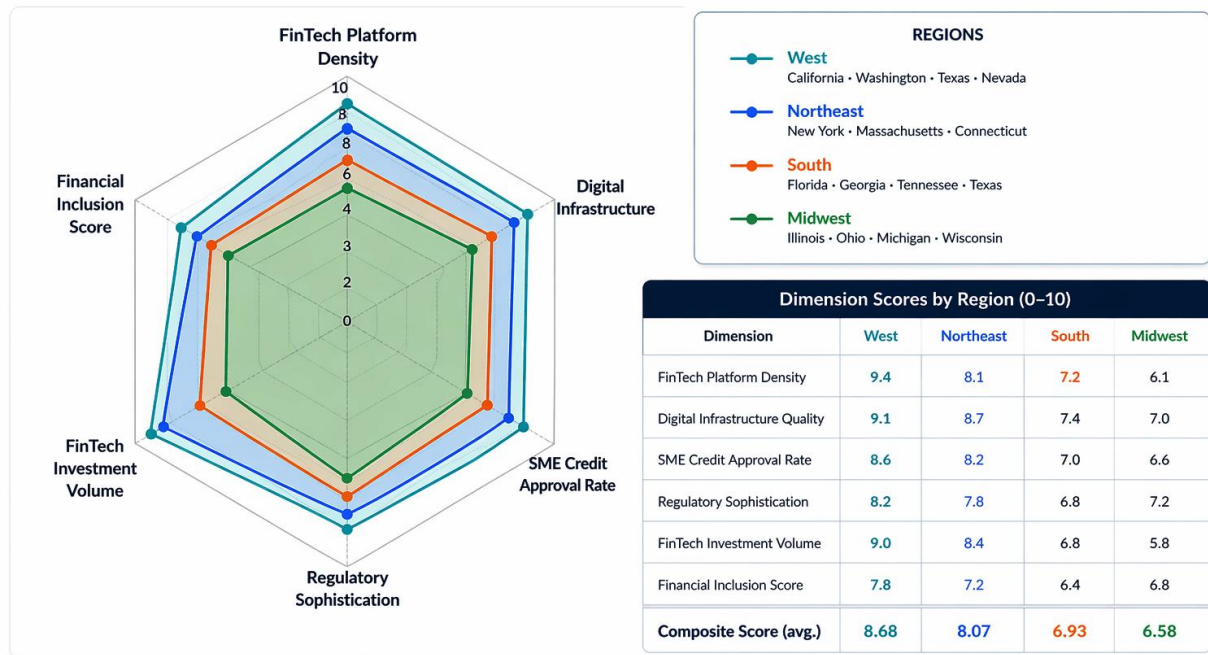
mainstream SME credit products. Li et al. (2022) provide evidence that bank-level FinTech innovation reduces risk-taking, suggesting that the systemic risk implications of FinTech expansion may be more benign than critics have feared, provided that innovation is subject to appropriate governance frameworks. The geographic dimension of FinTech's impact deserves particular attention in the U.S. context, where significant regional variation in digital infrastructure quality, regulatory environment, and financial market competitiveness creates highly differentiated outcomes for SMEs in different states and metropolitan areas (Huang et al., 2020). Zhao et al. (2021) find that FinTech patents cluster significantly among technology hubs, raising questions about whether the innovation benefits of digital finance will be broadly distributed or concentrated in already-advantaged regions. The policy implication is that national FinTech development strategies for SME financing must be geographically sensitive, complementing market-driven innovations with targeted interventions in underserved areas.

7.2 Theoretical Contributions and Conceptual Implications

This study's synthesis of the FinTech-SME-supply chain literature makes several theoretical contributions that advance understanding beyond the findings of any individual study. First, we demonstrate that financial intermediation theory requires updating to account for the disintermediation and re-intermediation dynamics introduced by FinTech platforms, which simultaneously reduce the role of traditional bank relationship lending while creating new forms of intermediation based on data analytics, platform governance, and ecosystem orchestration (Boot et al., 2020; Goldstein et al., 2019). Second, our analysis reveals that the Technology Acceptance Model, while useful for explaining individual-level adoption decisions, requires ecosystem-level extensions to account for the network effects, platform complementarities, and institutional pressures that shape FinTech adoption at the organizational level in supply chain contexts (Firmansyah et al., 2023; Hassan & Osman, 2026). Third, the integration of sustainability frameworks particularly the circular economy and green finance literatures with FinTech analysis reveals an emerging paradigm in which digital finance serves not only economic efficiency objectives but also environmental and social governance goals, potentially repositioning FinTech as infrastructure for sustainable development rather than merely as financial innovation (Arner et al., 2019; Jaiwant & Kureethara, 2023; Shen et al., 2024). Fourth, our analysis of SCF dynamics illuminates a form of financial ecosystem co-evolution in which digital supply chain investments and digital financial investments reinforce each other, creating compounding returns that make the distinction between operational technology and financial technology increasingly artificial in supply chain contexts (Sah & Shaikh, 2024; Bai et al., 2023). Fifth, the bibliometric evidence reveals that the FinTech-SME literature is rapidly internationalizing, with growing contributions from African, Asian, and Latin American scholars bringing perspectives on financial inclusion and digital leapfrogging that enrich the predominantly Western conceptual vocabulary of the field (Sanga & Aziakpono, 2023, 2025; Abdeldayem & Aldulaimi, 2023). These theoretical contributions collectively suggest that the study of FinTech and SME financing is evolving toward a more integrative, multi-level, and interdisciplinary paradigm that draws simultaneously on economics, management science, information systems, and sustainability studies.

Figure 5: Comparative FinTech Maturity & SME Financing Outcomes Across U.S. Regions

Radar chart – 6 dimensions scored 0–10 | Northeast • South • Midwest • West



Source: Author's synthesis based on regional reports, industry surveys, academic studies, and institutional datasets.
Note: Scores range from 0 (lowest maturity) to 10 (highest maturity). Higher scores indicate better FinTech maturity and SME financing outcomes.

Figure 5: Radar chart illustrating comparative FinTech ecosystem maturity scores and SME financing outcome indicators across U.S. geographic regions (Northeast, South, Midwest, West). Source: Authors' synthesis based on Federal Reserve data and reviewed literature.

Table 6: Emerging FinTech Trends and Future Implications for U.S. SME Financing

Emerging Trend	Technology Basis	Expected SME Benefit	Adoption Timeline	Confidence Level
Embedded Finance APIs	Open Banking / API Economy	Seamless credit access	2024–2026	High
Generative AI Underwriting	LLMs + Alternative Data	Fairer, faster credit decisions	2025–2027	High
Tokenized Trade Finance	Blockchain / DLT	Reduced fraud & settlement time	2025–2028	Moderate
DeFi Lending Protocols	Smart Contracts / Web3	Collateral-free liquidity	2026–2030	Moderate
AI-Powered SCF Optimization	Machine Learning + IoT	Real-time working capital mgmt	2024–2026	Very High
RegTech Automation	NLP + Rule-Based AI	Lower compliance costs	2024–2025	Very High

Note: Adoption timelines and confidence levels represent prospective assessments synthesized from Boot et al. (2020), Guan et al. (2025), Sah& Shaikh (2024), and industry forecasts. DeFi = Decentralized Finance; SCF = Supply Chain Finance.

8. POLICY RECOMMENDATIONS AND MANAGERIAL IMPLICATIONS

The evidence synthesized in this review supports a set of

concrete policy and managerial recommendations for enhancing the contribution of FinTech to SME financing within digital supply chain ecosystems in the United States, recognizing that achieving inclusive, efficient, and sustainable

outcomes requires coordinated action across multiple institutional domains. At the federal regulatory level, the fragmentation of FinTech oversight across multiple agencies creates compliance costs and regulatory uncertainty that disproportionately burden smaller platforms and SME users; a coordinated federal FinTech framework potentially modeled on the EU's approach but calibrated to U.S. constitutional and market structures would significantly reduce these costs while improving consumer protection (Arner et al., 2019; Chen, 2020). The CFPB's implementation of Section 1071 small business lending data requirements provides an important infrastructure for monitoring fair lending outcomes in digital credit markets, and expanding data collection to include algorithmic model documentation and alternative data source disclosures would strengthen fair lending oversight without unduly burdening innovation (Abu et al., 2024). For supply chain finance specifically, standardizing electronic invoice formats and establishing interoperability requirements for digital trade finance platforms would lower entry barriers for SMEs and increase competitive pressure on platform fees, replicating at the supply chain level the benefits that open banking has generated in retail financial services (Hassan & Osman, 2026; Lou et al., 2023). Investment in broadband infrastructure and digital literacy programs, particularly in rural and underserved communities, is a prerequisite for realizing the inclusion potential of FinTech; without addressing these foundational digital divides, market-driven FinTech expansion will likely reproduce and amplify existing geographic and demographic inequalities in credit access (Young & Young, 2022; Sanga&Aziakpono, 2025). At the firm level, SMEs should approach FinTech adoption strategically, prioritizing platforms that integrate seamlessly with existing operational systems and supply chain partners, investing in cybersecurity capabilities commensurate with the sensitivity of the financial data they generate, and engaging proactively with industry associations and regulatory consultations that shape the standards and rules governing digital financial markets. Financial institutions seeking to remain competitive in the SME lending market should pursue FinTech partnerships and API integrations that combine their regulatory expertise, balance sheet strength, and customer relationships with the data analytics and user experience capabilities of digital-native platforms, creating hybrid models that are more competitive than either traditional banks or standalone FinTech platforms operating independently (Boot et al., 2020; Zhao et al., 2021).

9. CONCLUSION

This study has examined the transformative impact of FinTech innovations on access to finance for U.S. SMEs within digital supply chain ecosystems, synthesizing evidence from 44 peer-reviewed studies published between 2017 and 2026 to develop a comprehensive picture of opportunities, challenges, and future directions. The evidence demonstrates convincingly that FinTech through AI-driven underwriting, supply chain finance platforms, peer-to-peer lending, blockchain-based trade finance, and embedded finance APIs has substantially expanded the credit frontier for U.S. SMEs, reducing information asymmetries, lowering transaction costs, and enabling new forms of performance-based, real-time financing that traditional banking architectures cannot match (Guan et al., 2025; Agarwal, 2020; Boot et al., 2020). The integration of FinTech within digital supply chain ecosystems represents a particularly powerful development, as the data richness of digitized supply chains creates the informational substrate for highly efficient, low-risk SME financing that benefits both lenders and borrowers, while also creating new possibilities for green and sustainable finance instruments aligned with ESG

objectives (Hong & Qin, 2025; Bai et al., 2023; Jaiwant&Kureethara, 2023). However, these opportunities are counterbalanced by significant structural challenges including cybersecurity vulnerabilities, algorithmic bias risks, regulatory fragmentation, digital literacy gaps, and persistent geographic and demographic digital divides that prevent the benefits of FinTech from reaching the most financially underserved SME populations (Arner et al., 2019; Young & Young, 2022; Girase, 2024). Addressing these challenges requires a comprehensive policy response that combines regulatory modernization, infrastructure investment, and institutional capacity building, complemented by firm-level strategies that prioritize strategic FinTech integration, cybersecurity investment, and active engagement with the regulatory processes shaping the digital financial landscape. Future research should prioritize longitudinal studies of FinTech's effects on U.S. SME financing outcomes across economic cycles, experimental and quasi-experimental evaluations of policy interventions designed to promote inclusive FinTech adoption, and interdisciplinary analyses that integrate supply chain management, financial economics, and sustainability science perspectives on the co-evolution of digital trade and digital finance. The transformation of SME financing through FinTech is neither complete nor inevitable in its inclusive dimensions: it is a sociotechnical process whose ultimate outcomes will be determined by the choices of regulators, platforms, financial institutions, and SMEs themselves, working within and upon the institutional structures that shape the digital financial ecosystem.

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