2016

SMALL BUSINESS CREDIT SURVEY

FEDERAL RESERVE BANKS *of*
Atlanta • Boston • Chicago • Cleveland • Dallas • Kansas City • Minneapolis •
New York • Philadelphia • Richmond • St. Louis • San Francisco

TABLE OF CONTENTS

ACKNOWLEDGMENTS

EXECUTIVE SUMMARY

The Small Business Credit Survey (SBCS), a national collaboration of the Community Development Offices of the 12 Federal Reserve Banks, is designed to provide timely information on small business financing needs, decisions, and outcomes to policy makers, researchers, and service providers. Intelligence on small firms' financing needs and gaps is fundamental to understanding and bolstering the sector's health and growth. The survey findings are complementary to national data on aggregate lending volumes and lender perceptions.[1]

The 2016 SBCS, which was fielded in Q3 and Q4 2016, yielded 10,303 responses from employer firms in 50 states and the District of Columbia.[2] The report findings provide an in-depth look at small business performance and debt at the end of 2016.

Heading into 2017, small businesses expressed continued optimism while also reporting trouble making ends meet and accessing credit. Overall, the survey finds:

- Steady performance, but signs of slowing revenue growth and strains on operating funds.

- Persistent credit gaps for smaller-revenue firms (annual revenues of $1M or less), stemming in part from weak credit scores and insufficient credit histories.

- Higher approvals for smaller-revenue firms at community development financial institutions (CDFIs), small banks, and online lenders than at large banks. Borrower satisfaction among all applicant firms is highest at small banks, credit unions, and CDFIs.

- A common connection between personal finances and business financing, even for larger-revenue firms (annual revenues greater than $1M). The majority of small businesses report using personal credit scores when applying for business capital.

More detailed findings include:

STEADY PERFORMANCE, BUT SIGNS OF SLOWING REVENUE GROWTH

- In 2016, a majority of firms reported that they were profitable and had growing revenues, similar to 2015. The net share reporting revenue growth, however, declined from 2015.[3]

- Sixty-one percent of employer firms faced financial challenges in the last year.[4]

- The most common way firms cope with challenges is by self-funding—76% of business owners used personal funds to fill the gap. Firms also reported taking on additional debt (44%), making a late payment (44%), or downsizing (43%).

- More firms applied for funding to cover operating expenses in 2016 than did in 2015 (45%, up from 37%).[3]

CONTINUED OPTIMISM, BUT MODEST DEBT EXPECTATIONS

- Most firms are optimistic about the future, expressing expectations for 2017 similar to those they held for 2016;[3] a net 61% expect revenues to grow and a net 39% anticipate job growth in 2017.

- At the same time, debt expectations are modest: 19% of firms expect to increase their debt level in 2017. Thirty-four percent of firms increased their debt level in 2016.

PERSONAL FINANCES UNDERPIN BUSINESS FINANCING—EVEN FOR LARGER FIRMS

- Forty-two percent of small businesses rely exclusively on their owners' personal credit scores to secure debt; another 45% use both the owners' personal scores and business credit scores. Among larger-revenue firms, 25% rely exclusively on the owners' personal credit scores and another 53% use a personal credit score in combination with a business credit score.

- Personal guarantees are the most common means of securing debt across smaller- and larger-revenue firms.

ABOUT HALF OF NONAPPLICANTS HAVE ENOUGH FUNDING; A QUARTER ARE AVOIDING DEBT

- Among nonapplicants, 47% indicated they have sufficient financing.

- Debt aversion is fairly common—27% of nonapplicants said they didn't want to take on debt.

- Seventeen percent of nonapplicants reported being discouraged, meaning they did not apply for financing because they believed they would be turned down.

---

1   *See, for example, the SBA Office of Advocacy's "Quarterly Lending Bulletin;" the Federal Financial Institutions Examination Council's (FFIEC) "Consolidated Reports of Condition and Income" ("Call Reports"); and the Board of Governors of the Federal Reserve System's "Senior Loan Officer Opinion Survey on Bank Lending Practices."*
2   *A total of 15,991 firms responded to the survey; 10,303 were employer firms.*
3   *In order to make time-series comparisons, data from prior years' surveys have been re-weighted to represent the nation as a whole. Therefore, the values and observation counts here may differ slightly from past reports. Please see p. 19 for more detail.*
4   *Financial challenges include: credit availability or securing funds for expansion, paying operating expenses, making payment on debt, and purchasing inventory or supplies to fulfill contracts.*

FINANCING APPLICATIONS ARE STEADY; WIDESPREAD DEMAND FOR SMALL LOANS

- Demand for financing was steady, with 45% of firms applying for funding, similar to 46% in 2015.

- Most firms (55%) were seeking $100K or less in financing; three quarters sought $250K or less.[5]

- On average, applicants reported a higher incidence of credit risk factors than nonapplicants: fewer were profitable, more reported low credit scores, and more reported financial challenges in the prior year.

- Loans and lines of credit are the dominant financing products. Eighty-six percent of credit applicants sought a loan or line of credit for their business; 31% applied for a credit card.

- Firms most frequently sought financing at large banks (50%), small banks (46%), and online lenders (21%).

LOAN AND LINE OF CREDIT APPROVALS ARE SIMILAR TO 2015; FINANCING GAPS PERSIST FOR SMALLER FIRMS

- Loan and line of credit outcomes were consistent with 2015; 53% of applicants were approved for all of the financing sought.[5]

- Financing shortfalls were notably more common among smaller firms (annual revenues of $1M or less), with 67% of applicants obtaining less than the amount sought, compared to 45% of larger firms (annual revenues greater than $1M).

- Smaller-revenue firms are much more likely than larger firms to attribute their financing shortfalls to insufficient credit histories and low credit scores.

- Still, within credit risk categories, smaller-revenue firms are less likely than larger firms to receive at least some of the financing they requested.

SMALLER FIRMS REPORT HIGHEST APPROVALS AT CDFIS, SMALL BANKS, AND ONLINE LENDERS; APPLICANT SATISFACTION OVERALL HIGHEST AT CDFIS, CREDIT UNIONS, AND SMALL BANKS

- Smaller firms (annual revenues of $1M or less) apply most frequently to traditional lenders: large banks (49%) and small banks (42%). They are also noticeably more likely than larger firms to apply to online lenders: 26% vs. 12%.

- However, smaller firms are also notably less successful at obtaining financing from large banks (45% success) than they are at obtaining financing from smaller banks (60% success) or from online lenders (59% success).

- Successful applicants report greater satisfaction with credit unions (75% net satisfaction) and small banks (75% net satisfaction) than with large banks (46% net satisfaction) or online lenders (27% net satisfaction).

ABOUT THE SURVEY

Given the breadth of the 2016 survey data, the SBCS can be used to shed light on segments of the small business population, including startups and growing firms, microbusinesses, minority-owned firms, women-owned firms, and the self-employed (nonemployer firms). Future reports will focus on the financing needs and experiences of specific segments.

The Small Business Credit Survey (SBCS) is an annual survey of firms with 500 or fewer employees. These types of firms represent 99.7% of all employer establishments in the United States.[6] Respondents are asked to report information about their business performance, financing needs and choices, and borrowing experiences. Responses to the SBCS provide insight into the dynamics behind lending trends and shed light on noteworthy segments of small businesses. The SBCS is not a random sample; results should be analyzed with awareness of potential biases that are associated with convenience samples. For detailed information about the survey design and weighting methodology, please consult the Methodology section.

---

5   *In order to make time-series comparisons, the 2015 and 2016 Survey data have been re-weighted to represent the nation as a whole. Therefore, the values and observation counts here may differ slightly from past reports. Please see p. 19 for more detail.*
6   *U.S. Census Bureau, 2014 County Business Patterns, Table CB1400A13.*

The following charts provide an overview of the survey respondents.

CENSUS DIVISION[1] (% of employer firms)

N=10,303

16% Pacific

8% Mountain

7% West North Central

14% East North Central

14% Middle Atlantic

5% New England

11% West South Central

5% East South Central

20% South Atlantic

INDUSTRY[1,2] (% of employer firms)
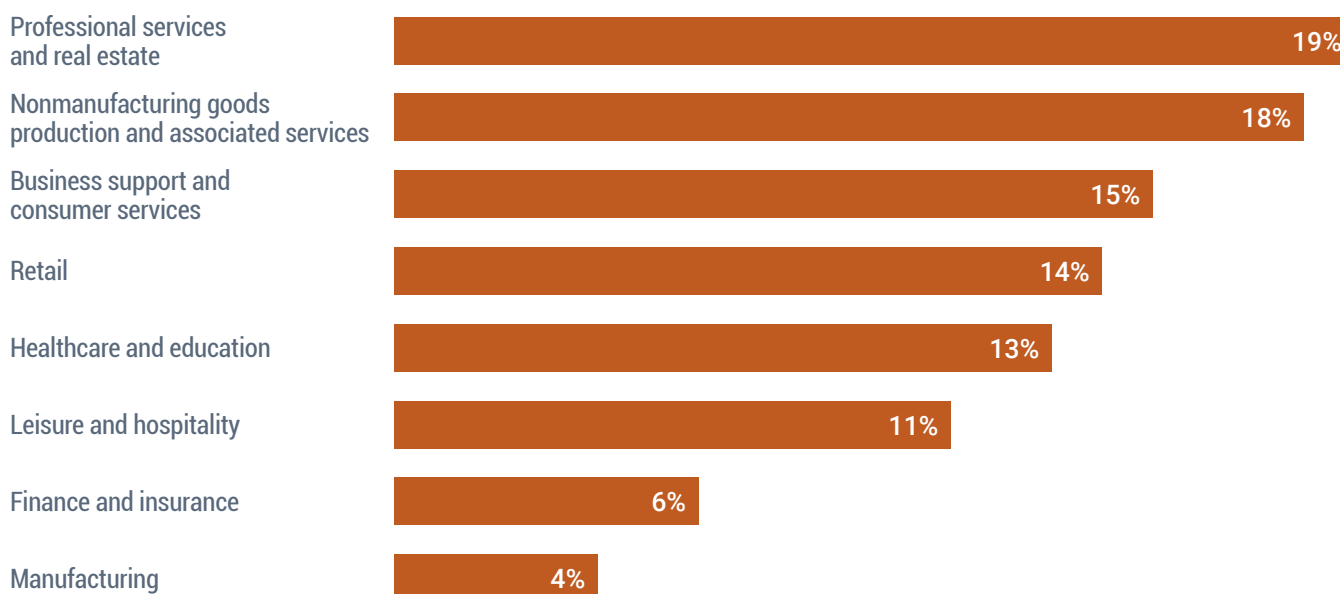
N=10,303

Industry	%
Professional services and real estate	19%
Nonmanufacturing goods production and associated services	18%
Business support and consumer services	15%
Retail	14%
Healthcare and education	13%
Leisure and hospitality	11%
Finance and insurance	6%
Manufacturing	4%

1 SBCS responses throughout the report are weighted using Census data to represent the US small business population on the following dimensions: firm age, size, industry, and geography. For details on weighting, see p. 19.

2 Firm industry is classified based on the description of what the business does, as provided by the survey participant. See Appendix for definitions of each industry.

AGE OF FIRM[1,2]
(% of employer firms)

N=10,303

Years	0–2	3–5	6–10	11–15	16–20	21+
%	20%	13%	20%	14%	9%	23%
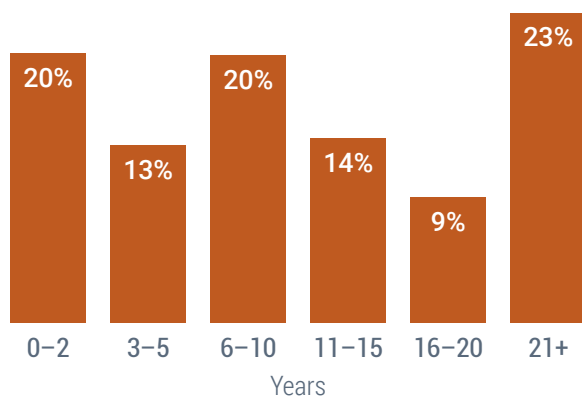
GEOGRAPHIC LOCATION[1,3]
(% of employer firms)

N=10,303

83% Urban
17% Rural
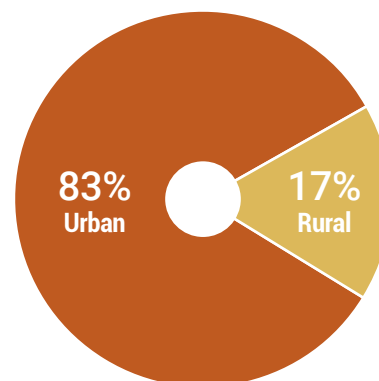
REVENUE SIZE OF FIRM
(% of employer firms)

N=9,964

Annual revenue	≤ $100K	$100K–$1M	$1M–$10M	> $10M
%	21%	49%	26%	4%

* Categories have been simplified for readability. Actual categories are:
≤$100K, $100,001–$1M, $1,000,001–$10M, >$10M.
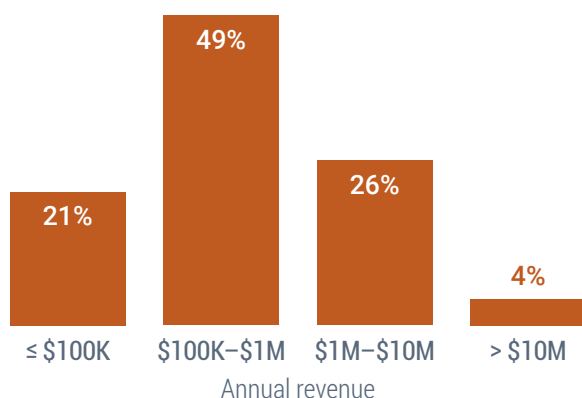
NUMBER OF EMPLOYEES[1,2,4]
(% of employer firms)

N=10,303

Employees	1–4	5–9	10–19	20–49	50–499
%	55%	19%	13%	9%	5%

42% of employer firms use contract workers.

N=10,289

Median number of contract workers per employer firm: **3**

N=4,595

1 SBCS responses throughout the report are weighted using Census data to represent the US small business population on the following dimensions: firm age, size, industry, and geography. For details on weighting, see p. 19.
2 Percentages may not sum to 100 due to rounding.
3 Urban and rural definitions come from Centers for Medicare & Medicaid Services. See Appendix for more detail.
4 Employer firms are those that reported having at least one full- or part-time employee. Does not include self-employed or firms where the owner is the only employee.

CREDIT RISK[1] OF FIRM

N=6,582

(% of employer firms)

65% Low credit risk
27% Medium credit risk
8% High credit risk

AGE OF FIRM'S PRIMARY FINANCIAL DECISION MAKER[2]

N=9,573

(% of employer firms)

Under 36	8%
36–45	19%
46–55	31%
56–65	30%
Over 65	13%
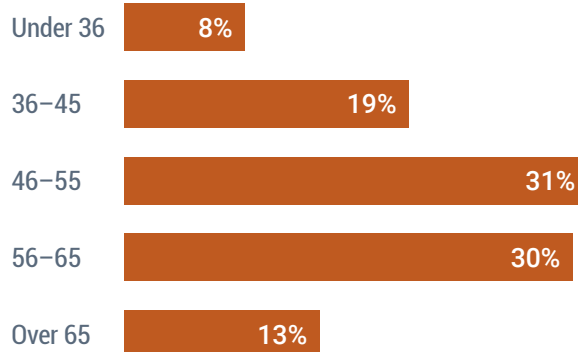
RACE/ETHNICITY[3] OF OWNER(S)

N=7,916

(% of employer firms)

83% Nonminority
17% Minority

GENDER OF OWNER(S)

N=9,034

(% of employer firms)

65% Male owned

20% Female owned

15% Equal ownership
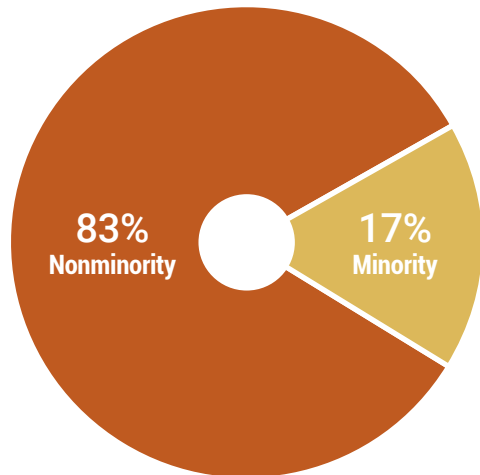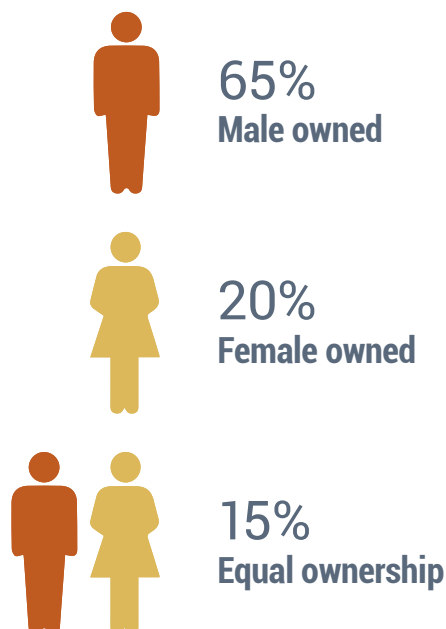
1 Self-reported business credit score or personal credit score, depending on which is used to obtain financing for their business. If the firm uses both, the highest risk rating is used. 'Low credit risk' is a 80-100 business credit score or 720+ personal credit score. 'Medium credit risk' is a 50–79 business credit score or a 620–719 personal credit score. 'High credit risk' is a 1–49 business credit score or a <620 personal credit score.

2 Percentages may not sum to 100 due to rounding.

3 A firm is classified as minority-owned if at least half of the business is owned and controlled by minority group members.

In 2016, a similar share of small businesses reported profitability and employment growth as in 2015, but fewer reported revenue growth.

EMPLOYER FIRM PERFORMANCE INDEX[1], *Prior 12 Months*[2] (% of employer firms)

	Profitability	Revenues	Employment
2014	10	19	11
2015	30	29	18
2016	27	21	17

■ **2014 Survey**[3] (N[4]= 1,369–1,372)   ■ **2015 Survey**[3] (N[4]=3,578–3,611)   ■ **2016 Survey** (N[4]=9,929–10,128)
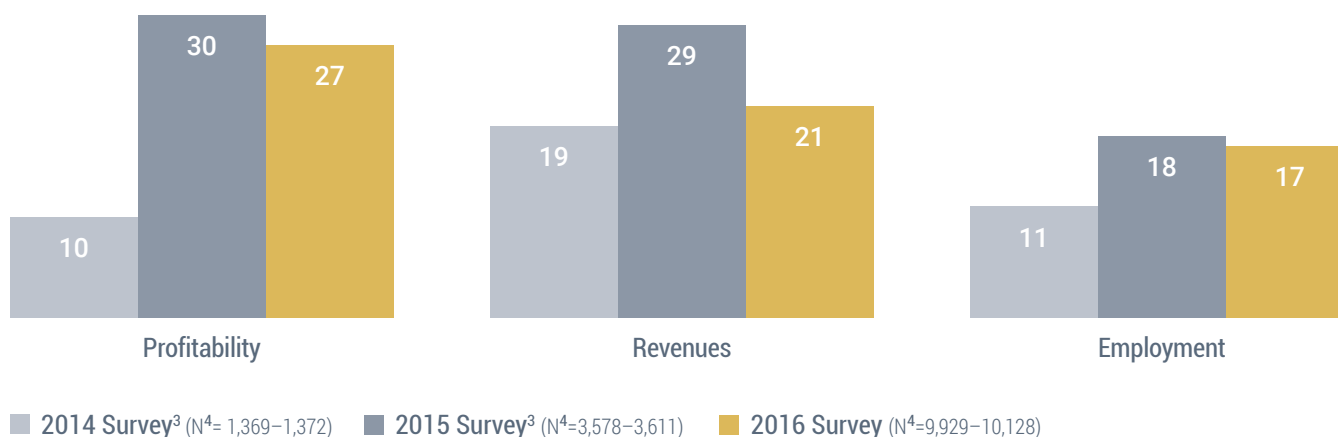
EMPLOYER FIRM PERFORMANCE, *2016* (% of employer firms)

PROFITABILITY,
End of 2015
N=9,929

At a profit	53%
Break even	20%
At a loss	27%
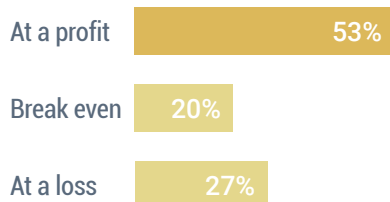
REVENUE CHANGE,
Prior 12 Months[2]
N=10,181

Increased	50%
No change	21%
Decreased	29%
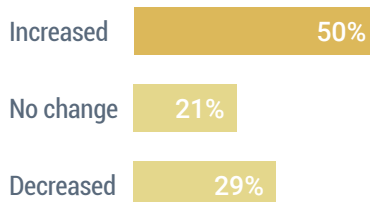
EMPLOYMENT CHANGE,
Prior 12 Months[2,5]
N=10,128
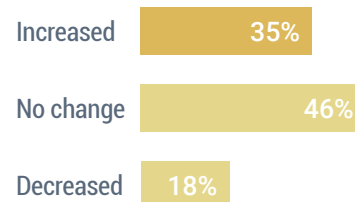
Increased	35%
No change	46%
Decreased	18%

1   For revenue and employment growth, the index is the share reporting positive growth minus the share reporting negative growth.
    For profitability, it is the share profitable minus the share not profitable.
2   Approximately the second half of the prior year through the second half of the surveyed year.
3   In order to make time series comparisons, the 2014 and 2015 Survey data have been re-weighted to represent the nation a whole.
    Therefore, the values and observation counts here will differ slightly from past reports. Please see p. 19 for more detail.
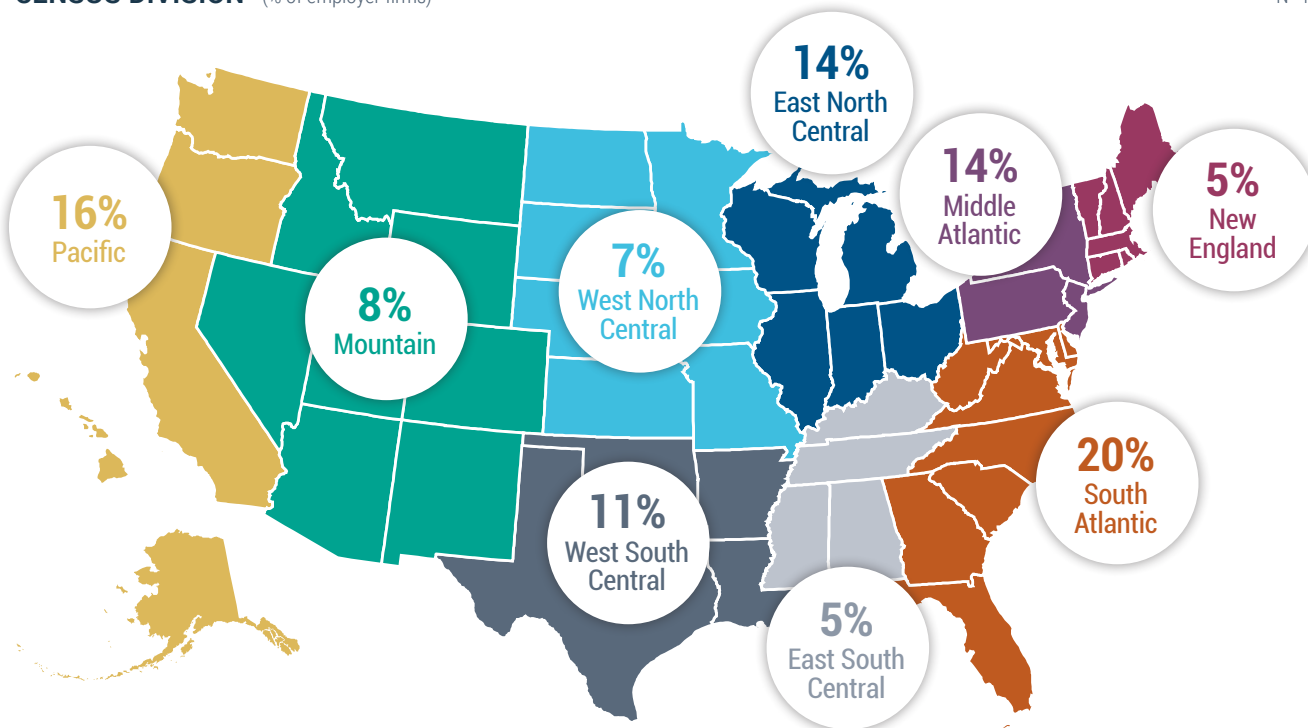4   Questions were asked separately, thus the number of observations may differ slightly between questions.
5   Percentages may not sum to 100 due to rounding.

Small businesses anticipate revenue and employment growth in 2017.

EMPLOYER FIRM EXPECTATIONS, *2016* (% of employer firms)

REVENUE CHANGE, *Next 12 Months*[1]
N=10,218

Will increase	71%
No change	19%
Will decrease	10%
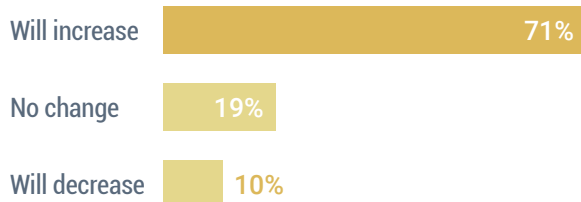
EMPLOYMENT CHANGE, *Next 12 Months*[1]
N=10,187

Will increase	46%
No change	47%
Will decrease	7%
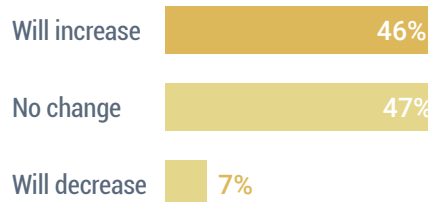
29% of employer firms are **growing**.

Growing firms are defined as those that:
☑ Increased revenues[2]
☑ Increased employees[2]
☑ Plan to increase or maintain number of employees[1]

N=10,017

EMPLOYER FIRM EXPECTATIONS INDEX,[3] *Next 12 Months*[1] (% of employer firms)

Revenues: 59, 63, 61

Employment: 39, 38, 39

■ 2014 Survey[4] (N[5]=1,305−1,356)   ■ 2015 Survey[4] (N[5]=3,626−3,637)   ■ 2016 Survey (N[5]=10,187−10,218)

1 Expected change in approximately the second half of the surveyed year through the second half of the following year.
2 Prior 12 months. Approximately the second half of 2015 through the second half of 2016.
3 The index is the share reporting expected positive growth minus the share reporting expected negative growth.
4 In order to make time-series exparisons, the 2014 and 2015 Survey data have been re-weighted to represent the nation as a whole.
   Therefore, the values and observation counts here will differ slightly from past reports. Please see <u>p. 19</u> for more detail.
5 Questions were asked separately, thus the number of observations may differ slightly between questions.

FINANCIAL CHALLENGES

SHARE OF FIRMS WITH FINANCIAL CHALLENGES BY REVENUE SIZE OF FIRM, *Prior 12 Months*[1]
(% of employer firms)

61% of employer firms faced financial challenges in the prior 12 months.[1,2]

61%	67%	47%
All firms N=10,129	**≤ $1M** N=4,880	**> $1M** N=4,917[3]
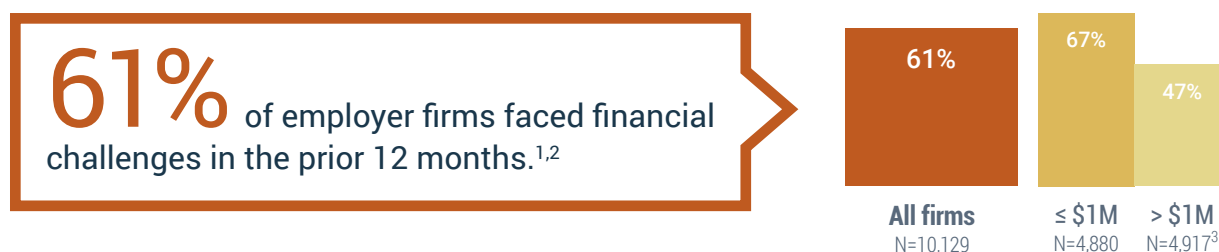
TYPES[4] OF FINANCIAL CHALLENGES, *Prior 12 Months*[1]   N=10,129
(% of employer firms)

Credit availability or securing funds for expansion	44%
Paying operating expenses	36%
Making payments on debt	25%
Purchasing inventory or supplies to fulfill contracts	17%
Experienced none of these challenges	39%
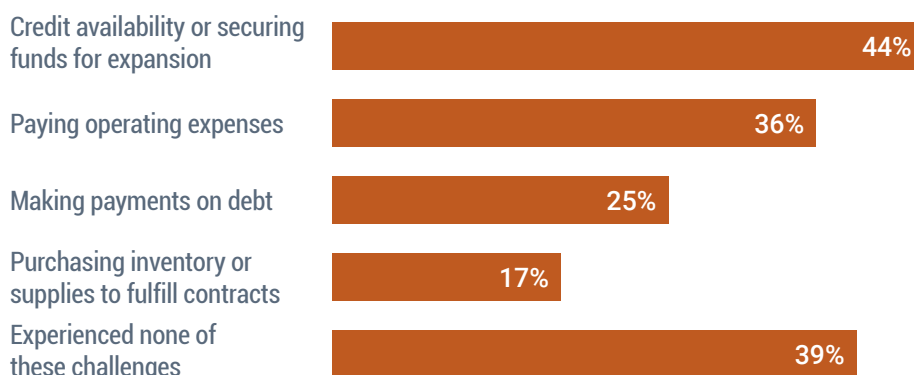
ACTIONS[4,5] TAKEN IN RESPONSE TO FINANCIAL CHALLENGES, *Prior 12 Months*[1]   N=4,141
(% of employer firms reporting financial challenges)

Used personal funds	76%
Took out additional debt	44%
Made a late payment	44%
Cut staff, hours, and/or downsized operations	43%
Negotiated terms with lender	21%
Did not pay—debt went to collections	8%

76% of firms with financial challenges used personal funds to address the problem.
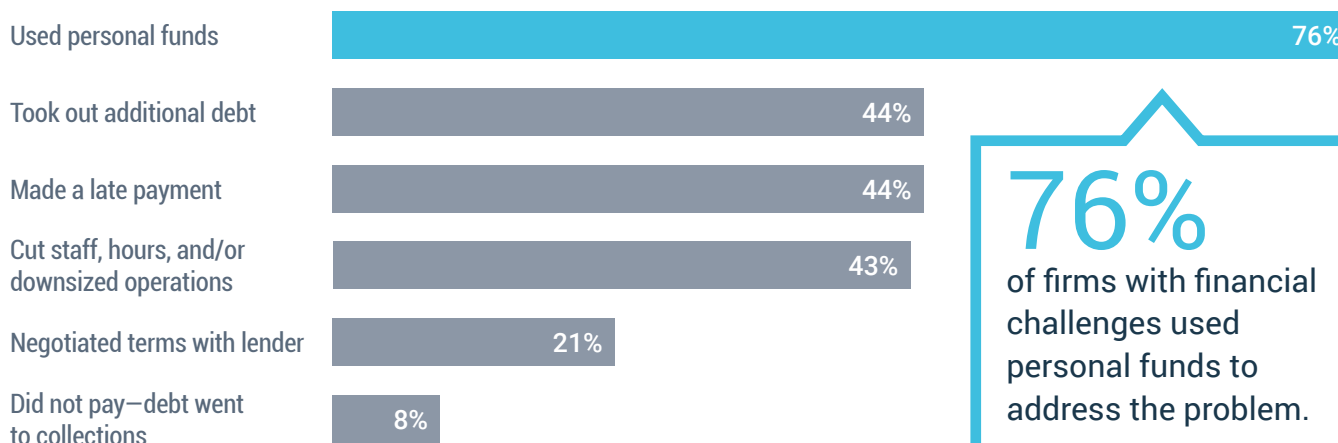
1 *Approximately the second half of 2015 through the second half of 2016.*
2 *Financial challenges are listed in "Types of Financial Challenges" chart below.*
3 *Some firms chose not to answer the revenue question; therefore, the revenue breakouts may not sum to the total for all firms.*
4 *Respondents could select multiple options.*
5 *Response options 'unsure' and 'other' not shown in chart. See Appendix for more detail.*

FUNDING BUSINESS OPERATIONS

Smaller firms are more reliant on the owners' personal funds.
Larger firms are more likely to use external financing than smaller firms.

PRIMARY FUNDING SOURCE BY REVENUE SIZE OF FIRM[1] (% of employer firms)

	Retained business earnings	Personal funds	External financing
All firms N=10,151	64%	21%	15%
≤ $1M N=4,856	63%	25%	12%
> $1M N=4,977	69%	11%	20%

■ Retained business earnings ■ Personal funds ■ External financing
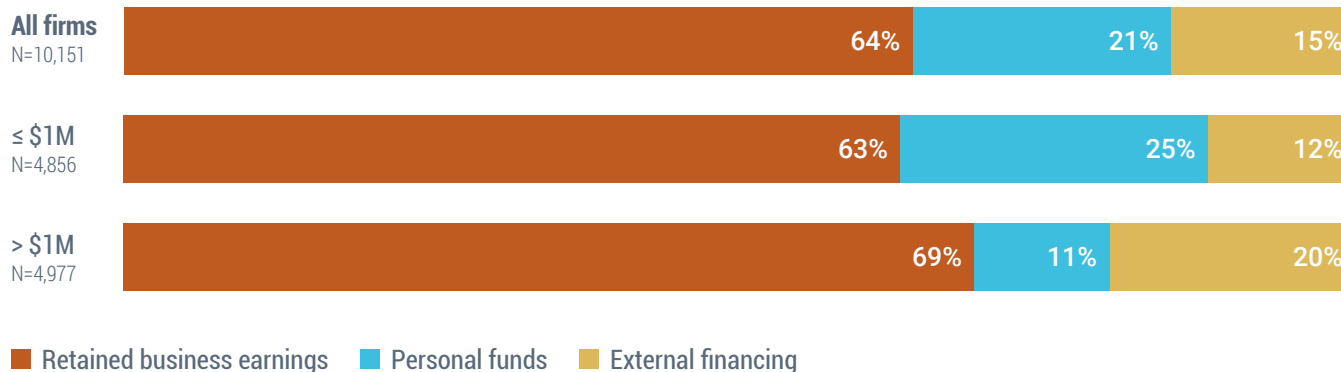
71% of employer firms have outstanding debt.

AMOUNT OF DEBT, *At Time of Survey* (% of employer firms with debt)   N=6,845
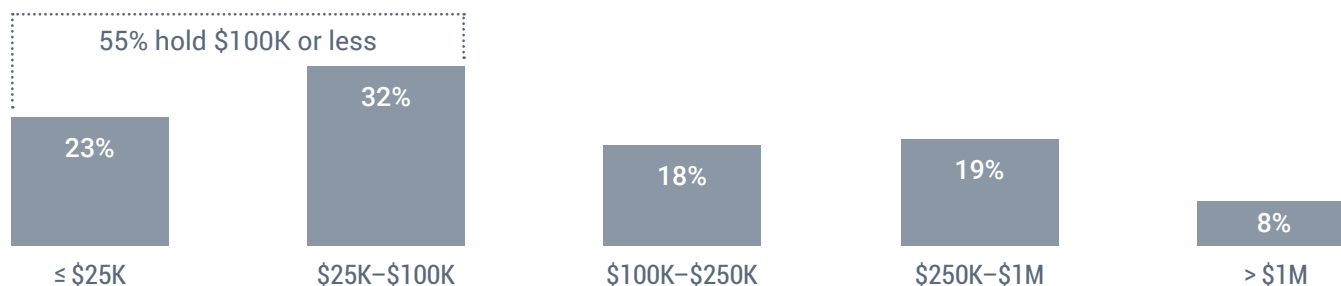
55% hold $100K or less

≤ $25K	$25K–$100K	$100K–$250K	$250K–$1M	> $1M
23%	32%	18%	19%	8%

* Categories have been simplified for readability. Actual categories are: ≤$25K, $25,001–$100K, $100,001–$250K, $250,001–$1M, >$1M.

34% of firms increased their debt level in the prior 12 months.[2]

N=10,065

19% expect to increase their debt level in the next 12 months.[3]

N=10,121

87% of employer firms rely on the owners' personal credit scores to obtain financing.

USE OF PERSONAL AND BUSINESS CREDIT SCORES BY REVENUE SIZE OF FIRM[1] (% of employer firms)

All firms
N=7,523
| 13% | 42% | 45% |

≤ $1M
N=3,715
| 9% | 48% | 43% |

> $1M
N=3,627
| 22% | 25% | 53% |

■ Business score only   ■ Owners' personal score only   ▨ Both
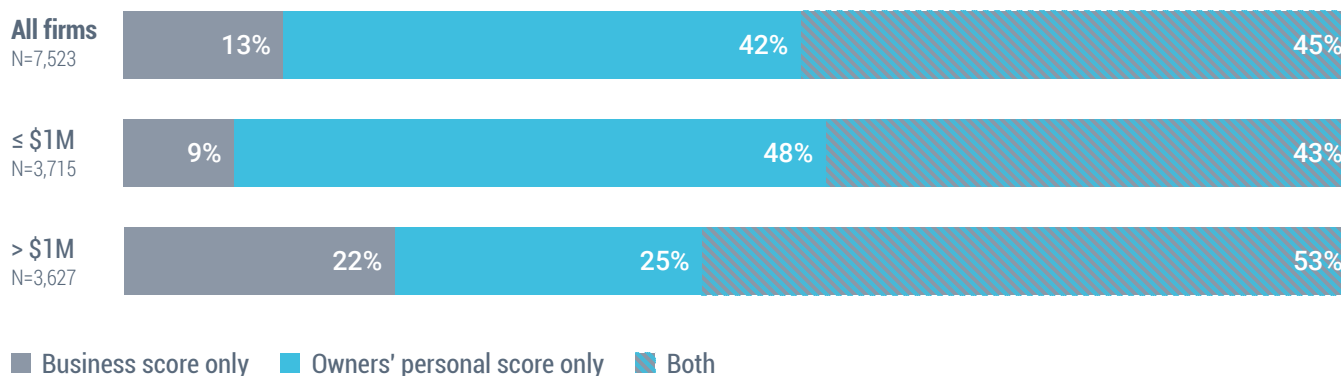
Personal assets and personal guarantees are commonly used to secure financing, even among larger firms.

COLLATERAL[2] **USED TO SECURE OUTSTANDING DEBT BY REVENUE SIZE OF FIRM**[1] (% of employer firms with debt)

■ Personal guarantee
■ Business assets
▨ Personal assets
■ Portions of future sales
□ None

All firms
N=7,357
- Personal guarantee: 58%
- Business assets: 49%
- Personal assets: 37%
- Portions of future sales: 9%
- None: 12%

≤ $1M
N=3,443
- Personal guarantee: 55%
- Business assets: 42%
- Personal assets: 37%
- Portions of future sales: 9%
- None: 14%

> $1M
N=3,698
- Personal guarantee: 67%
- Business assets: 65%
- Personal assets: 37%
- Portions of future sales: 9%
- None: 7%

1   Some firms chose not to answer the revenue question; therefore, the revenue breakouts may not sum to the total for all firms.
2   Respondents could select multiple options. Response options 'unsure' and 'other' not shown in chart. See _Appendix_ for more detail.

DEMAND FOR FINANCING

DEMAND FOR FINANCING
(% of employer firms)

N = 10,303

55% Did not apply

Prior 12 Months[1]

45% Applied
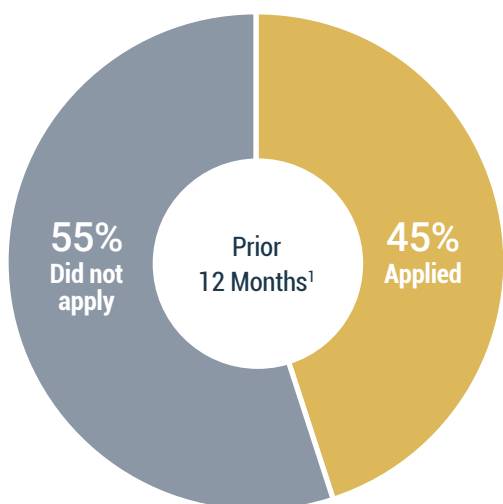
REASONS[2] FOR APPLYING
(% of applicants)

N = 4,796

64% Expand business/ new opportunity

45% Operating expenses

24% Refinance

8% Other[3]

64% of applicants sought funds for expansion.
55% of applicants sought $100K or less.

TOTAL AMOUNT OF FINANCING SOUGHT BY REVENUE SIZE OF FIRM[4] (% of applicants)
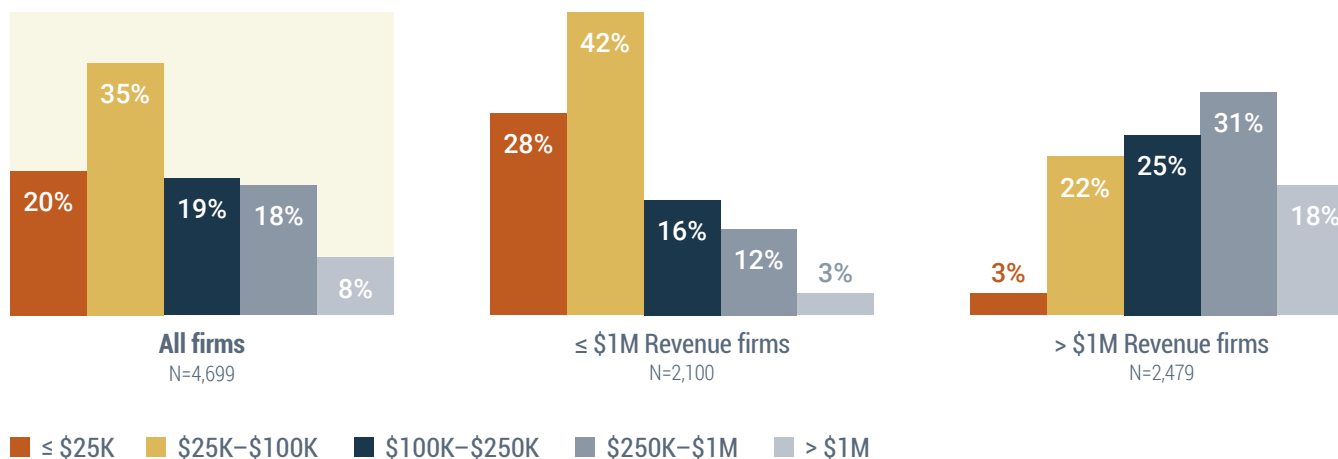
All firms
N=4,699

- 20%
- 35%
- 19%
- 18%
- 8%

≤ $1M Revenue firms
N=2,100

- 28%
- 42%
- 16%
- 12%
- 3%

> $1M Revenue firms
N=2,479

- 3%
- 22%
- 25%
- 31%
- 18%

■ ≤ $25K ■ $25K–$100K ■ $100K–$250K ■ $250K–$1M ■ > $1M

* Categories have been simplified for readability. Actual categories are: ≤$25K, $25,001-$100K, $100,001-$250K, $250,001-$1M, >$1M.

1   *Approximately the second half of 2015 through the second half of 2016.*
2   *Respondents could select multiple options.*
3   *Respondents who selected 'other' were asked to explain their reason for applying. They often indicated that they were looking to start a business or to obtain a credit line in case they needed it.*
4   *Some firms chose not to answer the revenue question; therefore, the revenue breakouts may not sum to the total for all firms. Percentages may not sum to 100 due to rounding.*

NONAPPLICANTS

DEMAND FOR FINANCING
(% of employer firms)

N = 10,303

45% Applied

Prior 12 Months[1]
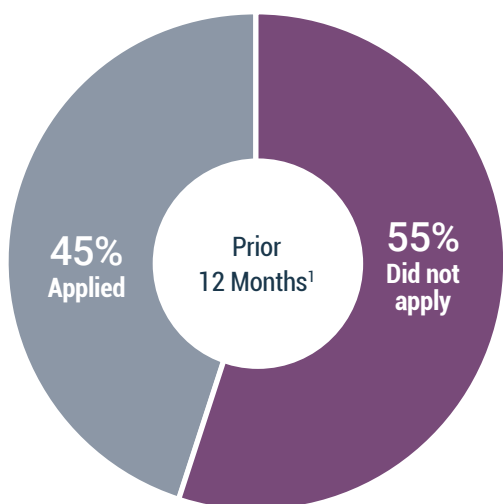
55% Did not apply

TOP REASON[2] FOR NOT APPLYING
(% of nonapplicants)

N=5,081

47% Sufficient financing

27% Debt averse

17% Discouraged[3]

8% — Credit cost high/ search too difficult
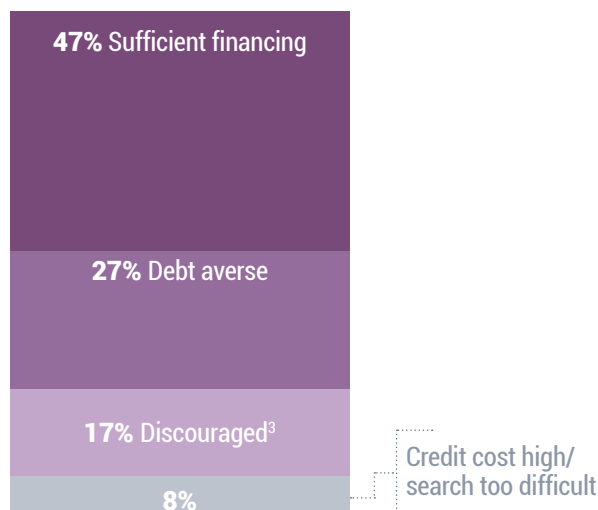
39% of discouraged firms believed they would not be approved due to a low credit score.

77% of nonapplicants report regular use of external financing.

NONAPPLICANT USE OF FINANCING AND CREDIT[4] *Products used on a regular basis*
(% of nonapplicants)

N=5,226

Credit card	59%
Loan/line of credit	34%
Leasing	11%
Trade	11%
Equity investment	5%
Factoring	2%
Business does not use external financing	23%
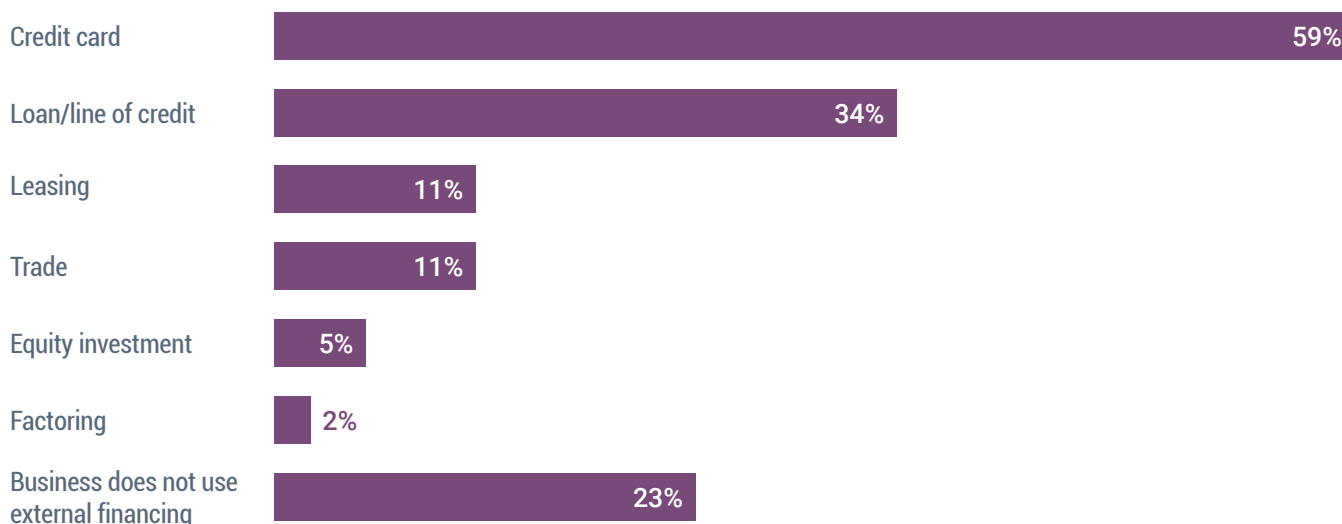
1   *Approximately the second half of 2015 through the second half of 2016.*
2   *Response option 'other' not shown. See Appendix for more detail.*
3   *Discouraged firms are those that did not apply for financing because they believed they would be turned down.*
4   *Respondents could select multiple options. Response options 'unsure' and 'other' not shown in chart. See Appendix for more detail.*

Applicants were more likely than nonapplicants to be growing but were more likely to have experienced one or more financial challenges.

PERFORMANCE OF APPLICANTS AND NONAPPLICANTS (% of employer firms)

	Operated at a profit[1]	Growing[2]	Low credit risk[3]	Experienced no financial challenges[4]
Applicants	50%	34%	57%	24%
Nonapplicants	56%	25%	73%	52%

■ Applicants (N[5]=3,451–4,828)   ■ Nonapplicants (N[5]=3,131–5,301)
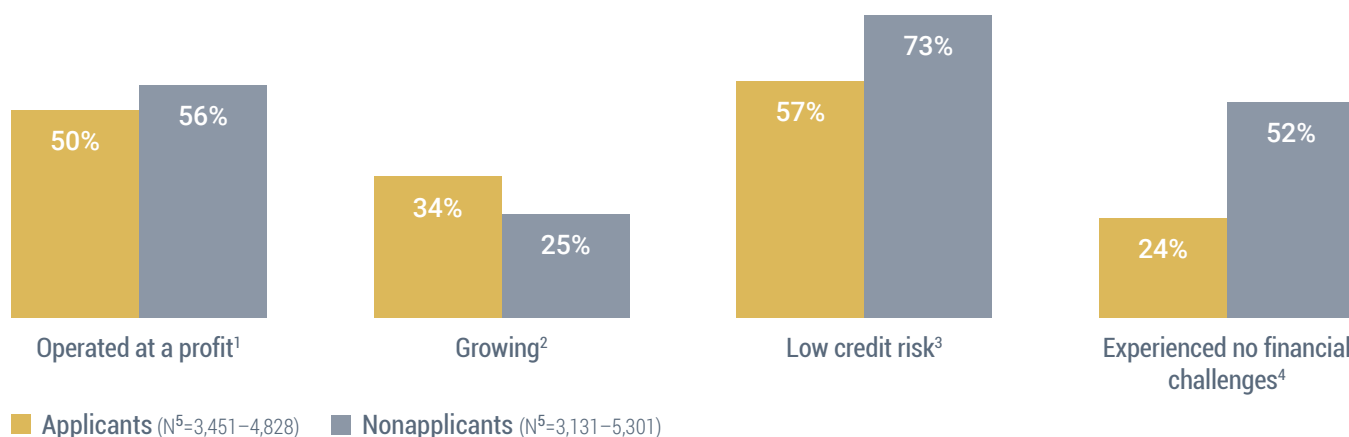
Applicants with $1 million or less in annual revenue tend to have lower credit scores than larger-revenue firms.

APPLICANT CREDIT RISK[3] BY REVENUE SIZE OF FIRM[6] (% of applicants)

	Low credit risk	Medium credit risk	High credit risk
All firms N=3,451	57%	33%	10%
≤ $1M N=1,616	47%	39%	13%
> $1M N=1,765	75%	22%	3%

■ Low credit risk   ■ Medium credit risk   ■ High credit risk

1   *At the end of 2015.*
2   *Firms that increased revenues and employees in the prior 12 months and that plan to increase or maintain their number of employees.*
3   *Self-reported business credit score or personal credit score, depending on which is used to obtain financing for their business. If the firm uses both, the higher risk rating is used. 'Low credit risk' is a 80-100 business credit score or 720+ personal credit score. 'Medium credit risk' is a 50–79 business credit score or a 620–719 personal credit score. 'High credit risk' is a 1–49 business credit score or a < 620 personal credit score.*
4   *Firms that did not experience any of the following financial challenges in the past 12 months: Making payments on debt, paying operating expenses, purchasing inventory or supplies to fulfill contracts, credit availability or securing funds for expansion.*
5   *The observation count varies by question.*
6   *Percentages may not sum to 100 due to rounding.*

76% of applicants received at least some financing.
40% of applicants received the full amount sought.

TOTAL FINANCING RECEIVED[1] BY REVENUE SIZE OF FIRM (% of applicants)

	All	Some	None
All firms N=4,739	40%	36%	24%
≤ $1M N=2,117	33%	38%	29%
> $1M N=2,496	55%	31%	14%

■ All   ■ Some   ■ None
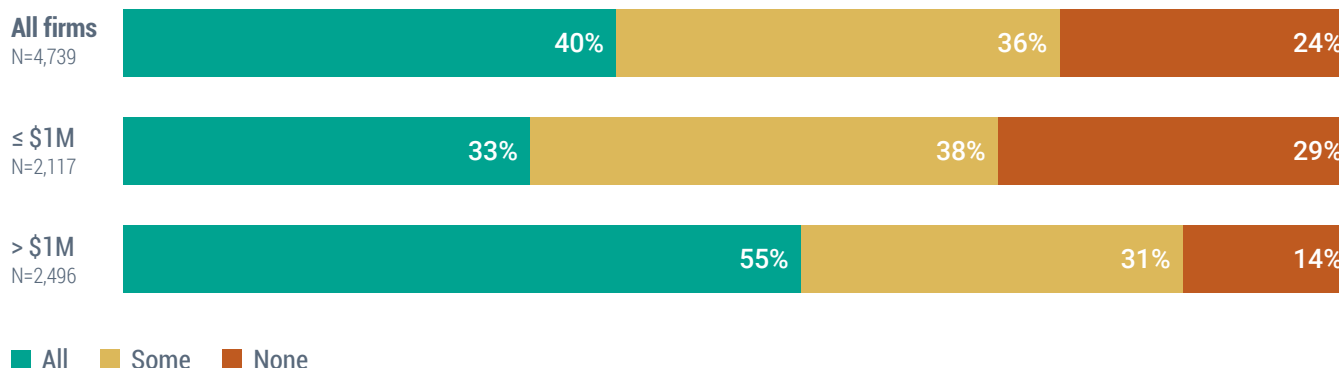
Even within credit-risk categories, firms with $1 million or less in annual revenues received a smaller share of financing sought than larger-revenue firms.

SHARE RECEIVING AT LEAST SOME FINANCING BY CREDIT RISK[2] AND REVENUE SIZE OF FIRM
(% of applicants)

	All firms	≤ $1M	> $1M
Low credit risk	85%	80%	90%
Medium credit risk	67%	65%	70%
High credit risk	49%	48%	67%

■ All firms (N=3,416)   ■ ≤ $1M (N=1,594)   ■ > $1M (N=1,753)
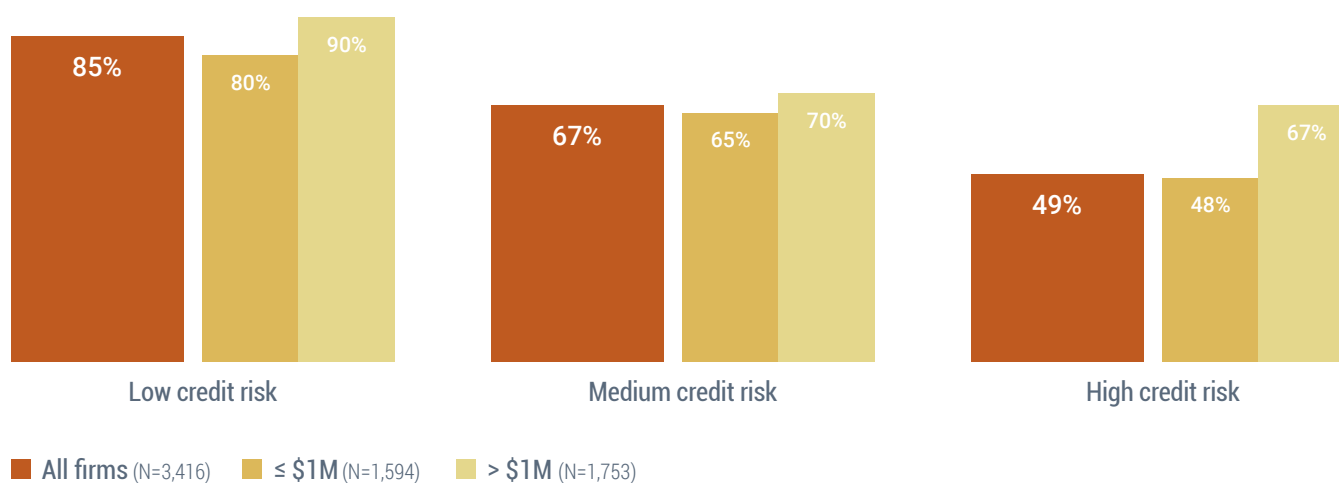
1 Share of financing received across all types of financing. Response option 'unsure' excluded from chart. Prior to the 2016 survey, the question was "How much of the TOTAL financing dollars your business applied for in the prior 12 months was approved?" In the 2016 survey, the question was "How much of the TOTAL financing dollars that your business sought in the prior 12 months did you obtain?"
2 Self-reported business credit score or personal credit score, depending on which is used to obtain financing for their business. If the firm uses both, the higher risk rating is used. 'Low credit risk' is a 80-100 business credit score or 720+ personal credit score. 'Medium credit risk' is a 50–79 business credit score or a 620–719 personal credit score. 'High credit risk' is a 1–49 business credit score or a < 620 personal credit score.

APPLICATIONS

FINANCING AND CREDIT PRODUCTS[1] SOUGHT (% of applicants)   N=4,800

Loan/line of credit	86%
Credit card	31%
Equity investment	10%
Trade credit	10%
Leasing	9%
Factoring	7%

86% of applicants applied for a loan or line of credit.
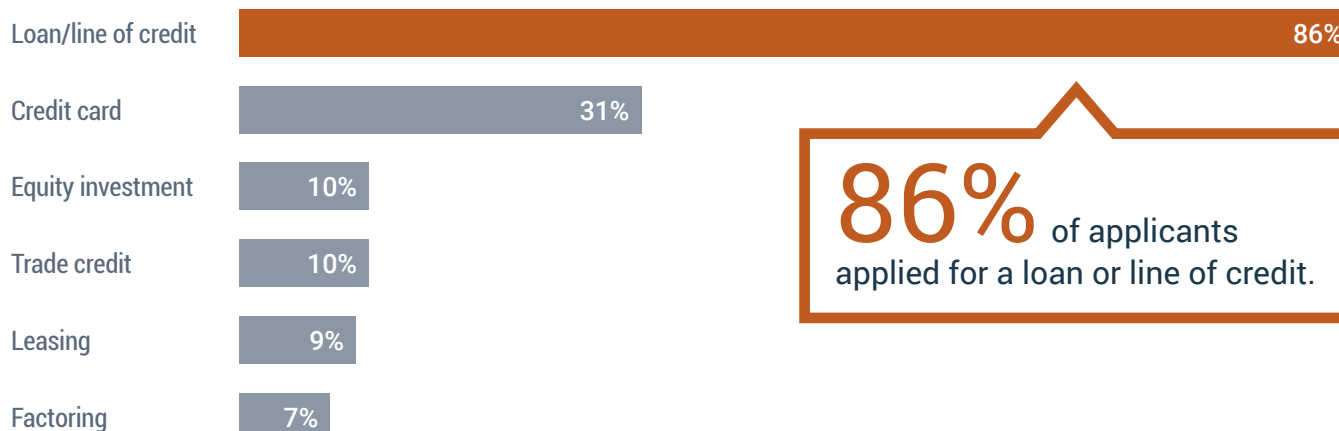
APPLICATION RATES FOR LOAN AND LINE OF CREDIT PRODUCTS[1] BY REVENUE SIZE OF FIRM
(% of loan/line of credit applicants)
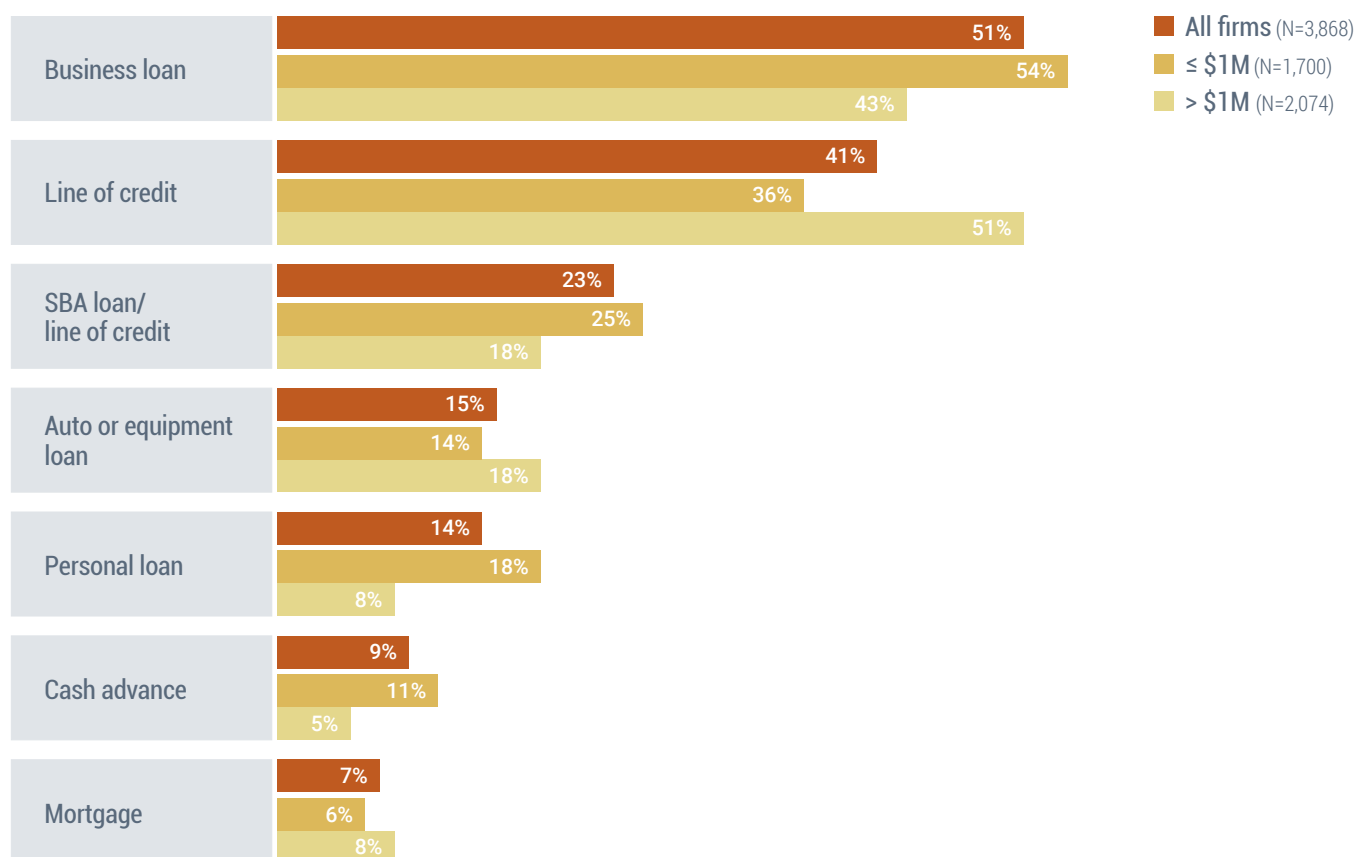
Legend:
- **All firms** (N=3,868)
- **≤ $1M** (N=1,700)
- **> $1M** (N=2,074)

	All firms	≤ $1M	> $1M
Business loan	51%	54%	43%
Line of credit	41%	36%	51%
SBA loan/line of credit	23%	25%	18%
Auto or equipment loan	15%	14%	18%
Personal loan	14%	18%	8%
Cash advance	9%	11%	5%
Mortgage	7%	6%	8%

---

1   Respondents could select multiple options. Response option 'other' not shown in chart. See Appendix for more detail.

Firms make application decisions based on their lender relationships and perceived chance of being approved for financing.

TOP TWO FACTORS[1] INFLUENCING WHERE FIRMS APPLY (% of applicants)

	All firms N=4,793	≤ $1M N=2,133	> $1M N=2,523
1	🤝	💰	🤝
2	💰	🤝	$

🤝 Existing relationship with lender   💰 Perceived chance of being funded $ Price

Banks are the most common source of credit. Smaller firms also frequently turn to online lenders and other sources.

CREDIT SOURCES[2] APPLIED TO BY REVENUE SIZE OF FIRM (% of loan/line of credit applicants)

Large bank[3]: 50%, 49%, 52%
Small bank: 46%, 42%, 53%
Online lender[4]: 21%, 26%, 12%
Other[5]: 20%, 22%, 16%
Credit union: 11%, 13%, 4%
CDFI[6]: 6%, 7%, 3%

■ All firms (N=3,868)   ■ ≤ $1M (N=1,700)   ■ > $1M (N=2,074)
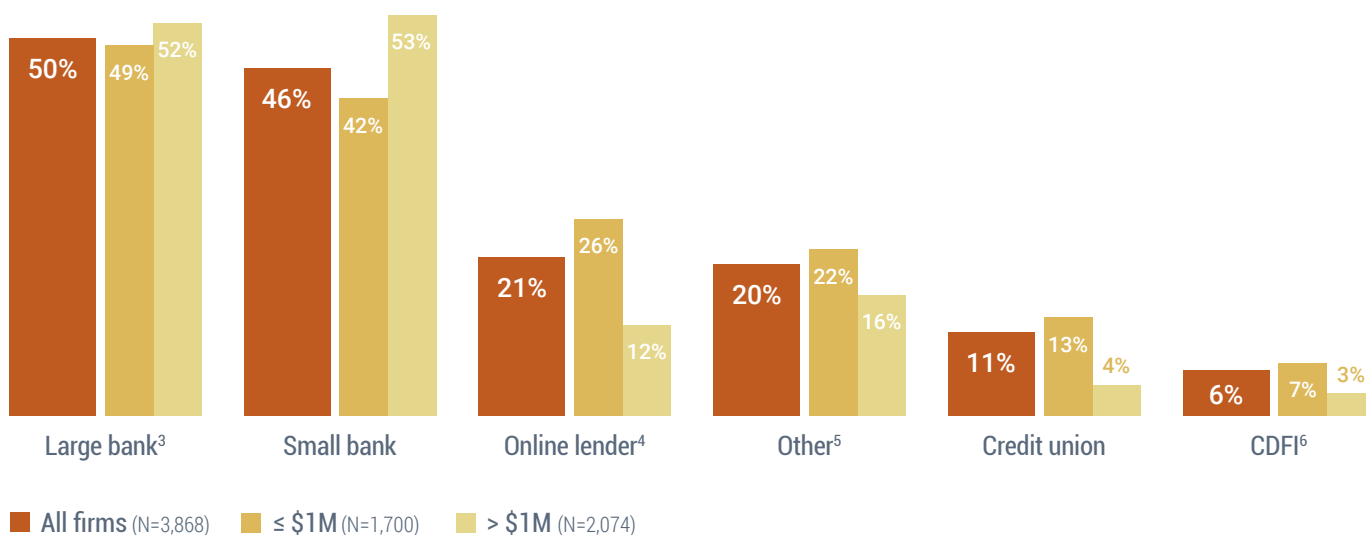
1   *Response options include 'ease of application process,' 'speed of decision,' 'flexibility of product offerings,' 'referral,' and 'other' not shown in table. See Appendix for more detail. Respondents could select multiple options.*
2   *Respondents could select multiple options.*
3   *Respondents were provided a list of large banks (those with at least $10B in total deposits) operating in their state.*
4   *'Online lenders' are defined as nonbank alternative and marketplace lenders, including Lending Club, OnDeck, CAN Capital, and PayPal Working Capital.*
5   *Respondents who selected 'other' were asked to describe the source. They most frequently cited auto/equipment dealers, farm-lending institutions, friends/family/ owner, nonprofit organizations, and private investors.*
6   *Community development financial institutions (CDFIs) are financial institutions that provide credit and financial services to underserved markets and populations. CDFIs are certified by the CDFI Fund at the U.S. Department of the Treasury.*

Approval rates for loans and lines of credit were mostly unchanged from 2015.

SHARE APPROVED: LOAN AND LINE OF CREDIT APPLICANTS (% of loan/line of credit applicants)

2016 Survey
N=3,757

| 53% | 23% | 24% |

2015 Survey
N=1,491

| 53% | 25% | 22% |

- All
- Some
- None
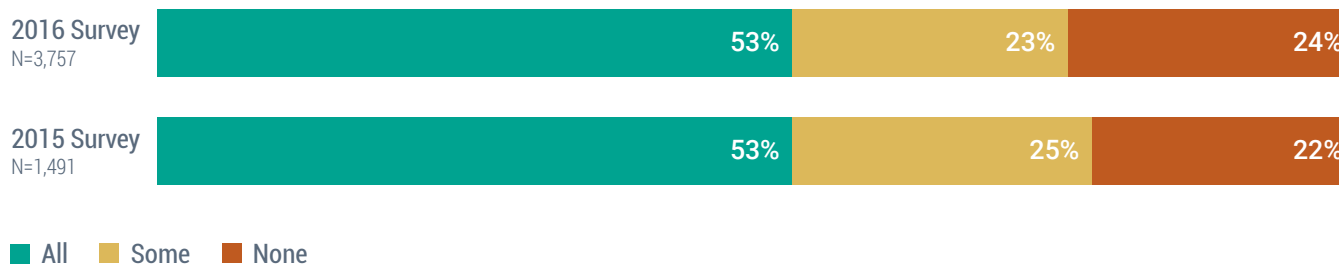
Auto and equipment loans had the highest approval rate.

APPROVAL RATE[1] BY TYPE[2] OF LOAN/LINE OF CREDIT (% of loan/line of credit applications)

Auto or equipment loan N=681	79%
Cash advance N=255	72%
Mortgage N=273	68%
Line of credit N=1,752	68%
Business loan N=1,744	58%
Personal loan N=386	57%
SBA loan/line of credit N=713	55%

1   *Percent of loan/line of credit applications for each product type that were approved for at least some credit.*
2   *Response option 'other' not shown in chart. See Appendix for more detail.*

Loan/line of credit applicants had the greatest success at CDFIs,[1] small banks, and online lenders. Firms with greater than $1 million in annual revenues reported higher approval rates at nearly all sources.

APPROVAL RATE[2] BY SOURCE[3] OF LOAN/LINE OF CREDIT (% of loan/line of credit applications)

ALL FIRMS

Source	Approval Rate
CDFI[1] N=143	77%
Small bank N=1,829	67%
Online lender[4] N=604	62%
Large bank[5] N=1,890	54%
Credit union N=280	46%
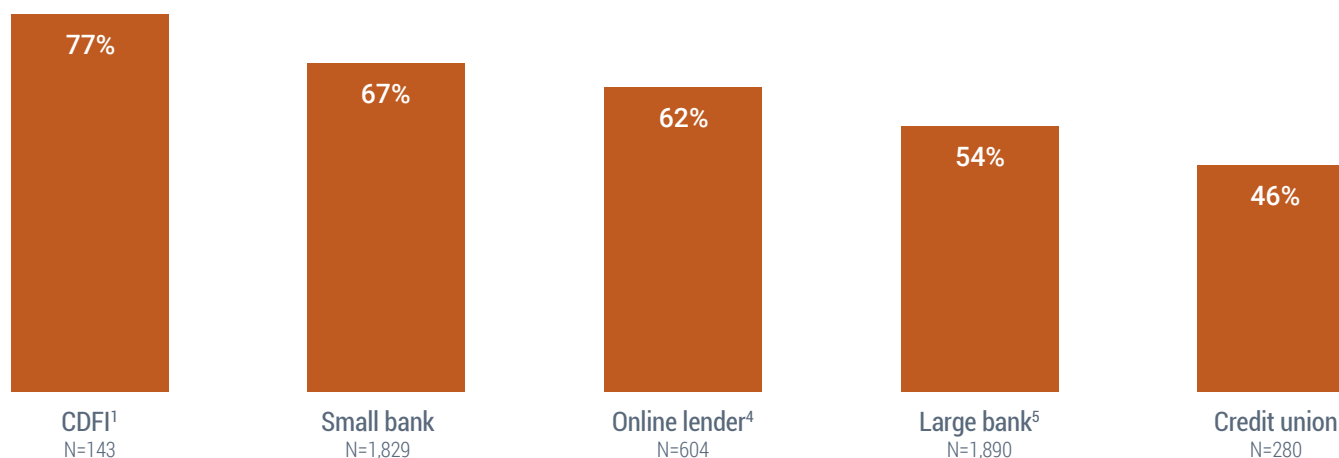
Source	≤ $1M REVENUE FIRMS[6]	> $1M REVENUE FIRMS[6]
CDFI[1] N=143	77%	77%
Small bank N=1,829	60%	78%
Online lender[4] N=604	59%	84%
Large bank[5] N=1,890	45%	72%
Credit union N=280	43%	63%
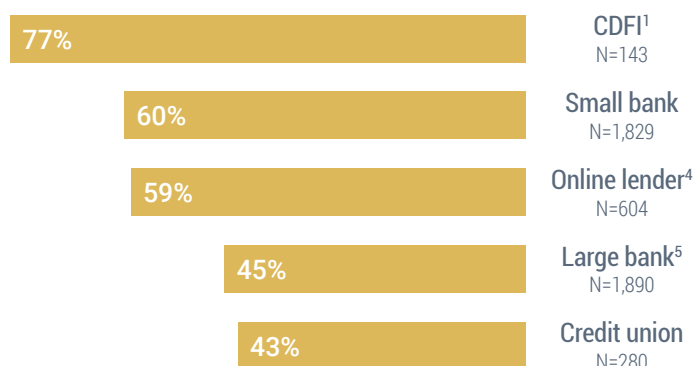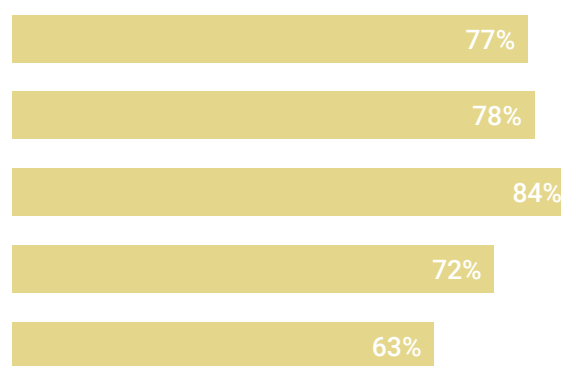
1   *Community development financial institutions (CDFIs) are financial institutions that provide credit and financial services to underserved markets and populations. CDFIs are certified by the CDFI Fund at the U.S. Department of the Treasury.*
2   *Percent of loan/line of credit applications at each source that were approved for at least some credit.*
3   *Response option 'other' not shown in chart. See Appendix for more detail.*
4   *'Online lenders' are defined as nonbank alternative and marketplace lenders, including Lending Club, OnDeck, CAN Capital, and PayPal Working Capital.*
5   *Respondents were provided a list of large banks (those with at least $10B in total deposits) operating in their state.*
6   *The observation count varies by the source of credit.*

LENDER SATISFACTION

Successful applicants were most satisfied with small banks and credit unions.

LENDER[1] SATISFACTION (% of applicants approved for at least some financing at source)

Lender	Satisfied	Neutral	Dissatisfied
Small bank N=1,268	80%	15%	5%
Credit union N=113	78%	19%	3%
CDFI[2] N=90	77%	22%	1%
Large bank[3] N=1,118	61%	24%	15%
Online lender[4] N=340	46%	35%	19%

■ Satisfied ■ Neutral ■ Dissatisfied
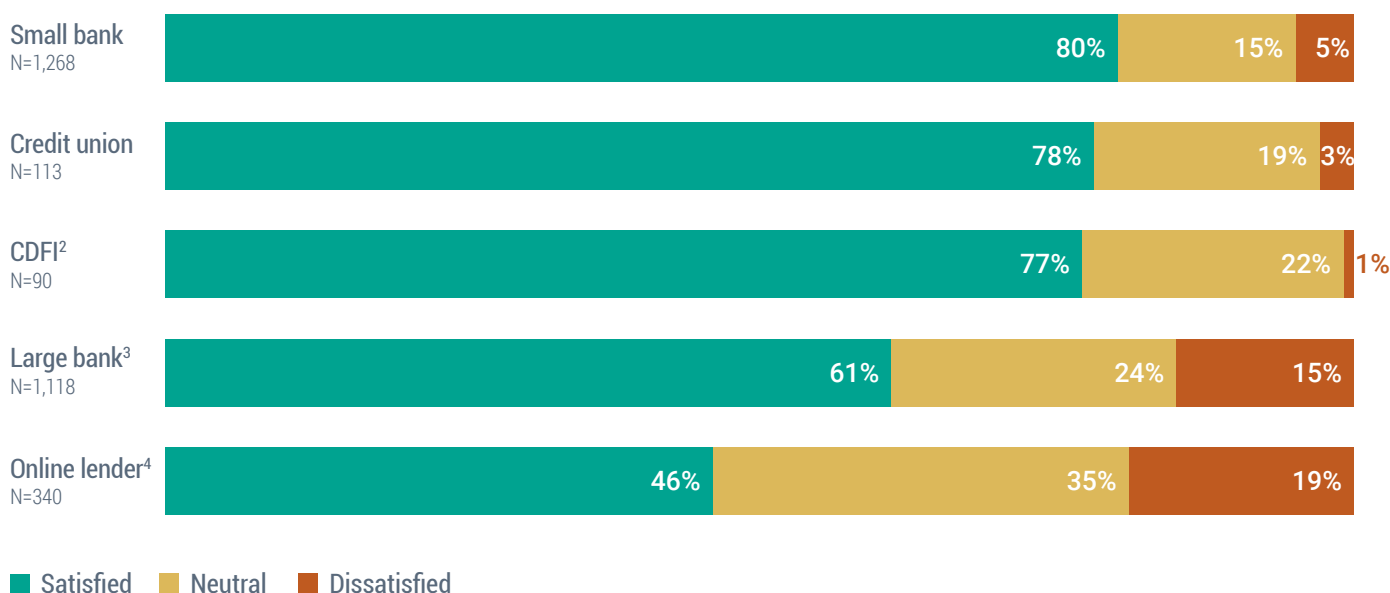
Dissatisfied applicants cited lack of transparency as their primary reason.

REASONS[1,5] FOR DISSATISFACTION, *Select Lenders*[6] (% of employer firms dissatisfied with lender)

Large bank[3] N=628: 6%, 6%; Long wait 44%; Difficult application 44%; Lack of transparency 48%

Small bank N=314: 3%, 3%; Long wait 45%; Difficult application 42%; Lack of transparency 47%

Online lenders[4] N=169: High interest rate 33%; Unfavorable repayment 19%; Long wait 17%; Difficult application 26%; Lack of transparency 49%

■ High interest rate
■ Unfavorable repayment terms
■ Long wait for credit decision
■ Difficult application process
■ Lack of transparency

1 'Other' not shown. See Appendix for more detail.
2 Community development financial institutions (CDFIs) are financial institutions that provide credit and financial services to underserved markets and populations. CDFIs are certified by the CDFI Fund at the U.S. Department of the Treasury.
3 Respondents were provided a list of large banks (those with at least $10B in total deposits) operating in their state.
4 'Online lenders' are defined as nonbank alternative and marketplace lenders, including Lending Club, OnDeck, CAN Capital, and PayPal Working Capital.
5 Respondents could select multiple options. This question is not comparable to the 2015 survey because in the 2016 survey the response options of rejected applicants were limited to 'long wait for credit decision,' 'difficult application process' and 'lack of transparency.'
6 'Credit union,' 'CDFI,' and 'other' not shown due to low observation count.

FINANCING SHORTFALLS

24% of applicants did not obtain any financing.

60% of applicants had a financing shortfall, meaning they obtained less financing than the amount for which they applied.

SHARE WITH A FINANCING SHORTFALL BY REVENUE SIZE OF FIRM (% of applicants)

All firms N=4,739	60%
≤ $1M N=2,117	67%
> $1M N=2,496	45%

REASONS[1] FOR CREDIT DENIAL BY REVENUE SIZE OF FIRM (% of applicants with a financing shortfall)

	All firms N=1,830	≤ $1M N=1,031	> $1M N=753
Weak business performance	31%	34%	32%
Insufficient collateral	31%	32%	31%
Low credit score	29%	31%	28%
Too much debt already	28%	30%	17%
Insufficient credit history	28%	29%	15%
Unsure	13%	12%	12%
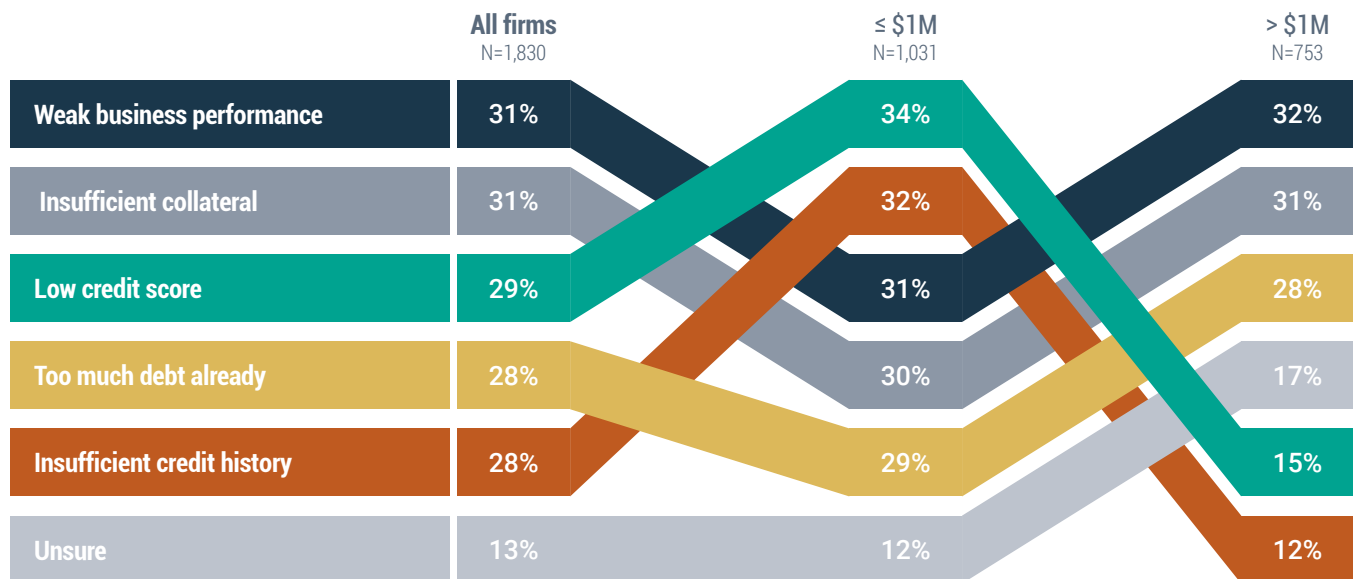
1   Respondents could select multiple options. Response options 'other' and 'unfair lending practices' not shown. See Appendix for more detail.

METHODOLOGY

DATA COLLECTION

The Small Business Credit Survey (SBCS) uses a convenience sample of establishments. Businesses are contacted by email through a diverse set of organizations that serve the small business community.[1] Prior SBCS participants and small businesses on publicly available email lists[2] are also contacted directly by one of the Federal Reserve Banks. The survey instrument is an online questionnaire that typically takes 6 to 12 minutes to complete, depending upon the intensity of a firm's search for financing. The questionnaire uses question branching and flows based upon responses to survey questions. For example, financing applicants receive a different line of questioning than nonapplicants. Therefore, the number of observations for each question varies according to how many firms receive and complete a particular question.

WEIGHTING

A sample for the SBCS is not selected randomly; thus, the SBCS may be subject to biases not present with surveys that do select firms randomly. For example, there are likely small employer firms not on one of our contact lists and this may lead to a noncoverage bias. We control for potential biases by weighting the sample data so that the weighted distribution of firms in the SBCS matches the distribution of the small (1 to 499 employees) firm population in the United States by number of employees, age, industry, and geographic location (census division and urban or rural location). We collaborate with the National Opinion Research Center (NORC) in order to calculate these weights. The data used for weighting come from data collected by the U.S. Census Bureau.[3] While weighting the data makes the sample considerably more representative of the small firm population, the SBCS is still potentially affected by nonresponse bias, something that should be taken into consideration when interpreting the results.

COMPARISONS TO PAST REPORTS

Because previous SBCS reports have varied in terms of the population scope, geographic coverage, and weighting methodology, **the survey reports are not directly comparable across time.**

For example, both employer and nonemployer firm results from the 2014 survey are combined into one report (published in 2015) while employers and nonemployers are divided into separate reports for the 2015 and 2016 surveys (published in 2016 and 2017,[4] respectively).

Moreover, geographic coverage and weighting strategies varied from year to year. In the employer/nonemployer combined report using 2014 survey data, geographic coverage includes only 10 states and data are weighted by firm age, nonemployer/employer, number of employees (if employer firm), state, and industry. The employer report using 2015 survey data covers 26 states and is weighted by firm age, number of employees, and industry. The employer report using 2016 survey data includes respondents from all 50 states and the District of Columbia. The data are weighted by firm age, number of employees, industry, and geographic location (census division and urban or rural location). In addition to being weighted by different firm characteristics over time, the categories used within each characteristic have also differed across survey years (there were three employee size categories in 2015, and five employee size categories in 2016). Further, respondents are weighted according to the composition of firms in the geographic area of coverage.

In addition to population scope, geographic coverage, and weighting differences, some of the survey questions have also changed slightly from year to year, making some question comparisons impossible even when using a time-consistent weighting approach.

---

1   *For a full list of community partners, please see p. 23.*
2   *System for Award Management (SAM) Entity Management Extracts Public Data Package, Small Business Association (SBA) Dynamic Small Business Search (DSBS), state-maintained lists of certified disadvantaged business enterprises (DBEs), state and local government Procurement Vendor Lists , state and local government-maintained lists of small or disadvantaged small businesses, a list of veteran-owned small businesses maintained by the Department of Veterans Affairs.*
3   *Age of firm data come from the 2014 Business Dynamics Statistics. Industry, employee size, and geographic location data are from the 2014 County Business Patterns. We use data from the Center for Medicare and Medicaid Services to classify a business's zip code as urban or rural. In subsequent reports, we will compare businesses by the gender and race of the owner(s). When we do this, we will also weight the data by demographic data collected in the 2012 Survey of Business Owners.*
4   *The 2016 nonemployer report will be released later this year.*

COMPARISONS OVER TIME

Throughout this report we compare 2016 survey data to past surveys. To do this, we apply a time-consistent weighting approach to each year's data, which is described below. Not all questions across 2014, 2015, and 2016 survey years can be compared. The table below summarizes which key statistics can be compared over time. For the 2015 and 2016 surveys, most of the data can be compared.

In order to compare the survey data over time, we employ the following consistent weighting methodology. We start by limiting the sample in each year to only employer firms. We then post-stratify respondents by their firm characteristics. We place respondents into one of five employee size categories, one of six age categories, one of eight industry categories, and one of two location categories (urban or rural).[5] The 2016 survey results are also stratified by census division. Last, using a statistical technique known as "raking," we compare the share of businesses in each category of each stratum (e.g., within the industry stratum, the share of firms in the sample that are manufacturers) to the share of small businesses in the nation in that category. As a result, we up-weight underrepresented firms and down-weight overrepresented ones. We iterate this process several times for each stratum in order to derive the sample weight for each respondent.

Table 1: Question Comparability Over Time, Select Key Statistics							
	Application Rate	Overall Financing Approval Rate	Loan and Line of Credit Approval Rate	Business Condition Measures (Employment, Revenues, Profitability)	Reason for Seeking Financing	Debt outstanding	Reason for Not Seeking Financing
2014	yellow	green	green	green	yellow	green	green
2015	green	green	green	green	green	green	green
2016	green	yellow	green	green	green	green	green

Note: Yellow indicates the survey question in that year cannot be compared with other survey years.

[5] Employee size strata are: 1–4 employees, 5–9 employees, 10–19 employees, 20–49 employees, and 50-500 employees. Age size strata are 0–2 years, 3–5 years, 6–10 years, 11–15 years, and 16+ years. Industry strata are non-manufacturing goods production and associated services, manufacturing, retail, leisure and hospitality, finance and insurance, healthcare and education, professional services and real estate, business support and consumer services. See Appendix for industry definitions, urban and rural definitions, and census divisions.

ROBUSTNESS CHECKS

We perform two consistency checks on our methodology for generating time-consistent data. The first is a test on whether the sub-national data in 2014 and 2015 can be weighted to appropriately represent businesses nationwide. In order to test this, we use the 2016 data and restrict the survey respondent data to only the 26 states that we surveyed in 2015. We then weight the results of the respondents in those 26 states to be representative of the nation's distribution of employer firms (along industry, employee size, age, and urban versus rural). Comparisons of many of our key statistics are shown in Chart 1.

The values we obtain using only 26 states are very similar to those obtained using the full sample, most differences being less than half a percentage point (See Chart 1). This suggests that differences in geography are not as important a factor as industry, number of employees, age, or urban or rural location. Therefore, weighting the 2014 and 2015 survey respondents to represent the small business population across the nation appears to be a reasonable approach for the purpose of making comparisons across years.

Second, to understand the extent to which the time-consistent weighting scheme changes the results of the 2015 employer report, we compare key metrics using the two weighting approaches on the 2015 respondent data. Chart 2 shows key statistics using each method. Overall, the values differ by an average of about 1 percentage point—a somewhat larger difference, on average, than the result of the previous experiment. This underpins the need for a time-consistent weighting methodology.

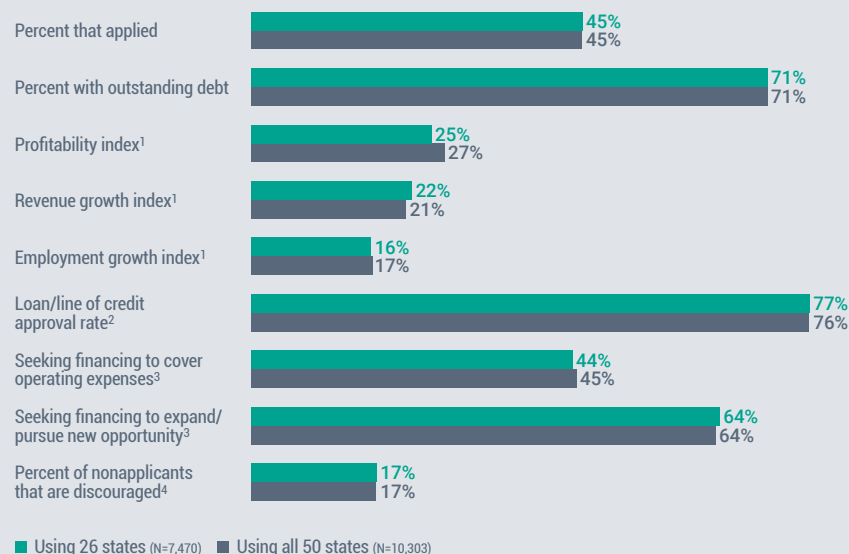### Chart 1: Key Statistics from the 2016 Survey, by Weighting Methodology

	Using 26 states (N=7,470)	Using all 50 states (N=10,303)
Percent that applied	45%	45%
Percent with outstanding debt	71%	71%
Profitability index[1]	25%	27%
Revenue growth index[1]	22%	21%
Employment growth index[1]	16%	17%
Loan/line of credit approval rate[2]	77%	76%
Seeking financing to cover operating expenses[3]	44%	45%
Seeking financing to expand/pursue new opportunity[3]	64%	64%
Percent of nonapplicants that are discouraged[4]	17%	17%

Chart 2: Key Statistics from the 2015 Survey, by Weighting Methodology

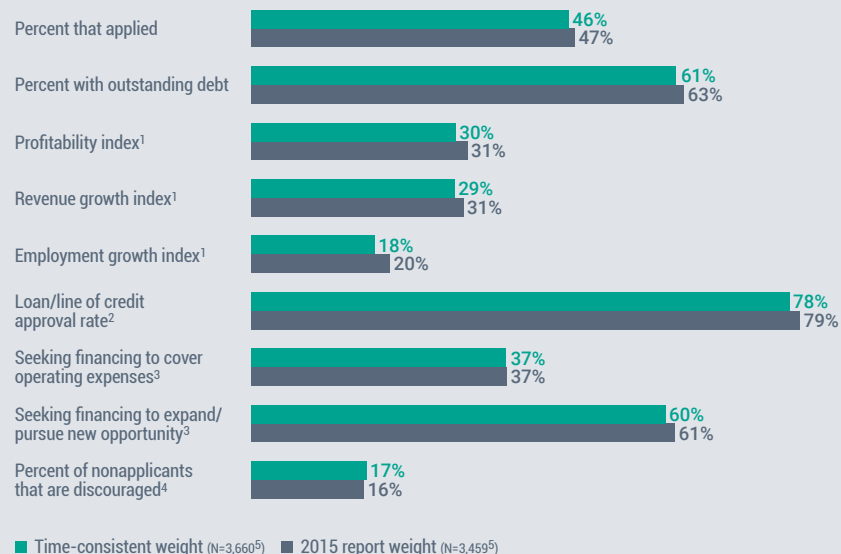|	Time-consistent weight (N=3,660[5])	2015 report weight (N=3,459[5])
Percent that applied	46%	47%
Percent with outstanding debt	61%	63%
Profitability index[1]	30%	31%
Revenue growth index[1]	29%	31%
Employment growth index[1]	18%	20%
Loan/line of credit approval rate[2]	78%	79%
Seeking financing to cover operating expenses[3]	37%	37%
Seeking financing to expand/pursue new opportunity[3]	60%	61%
Percent of nonapplicants that are discouraged[4]	17%	16%

Chart notes:
1 For revenue and employment growth, the index is the share reporting positive growth minus the share reporting negative growth. For profitability, it is the share profitable minus the share not profitable during the 12 months prior to the survey.
2 The share of loan and line of credit applicants that were approved for at least some financing.
3 Percent of applicants.
4 Discouraged firms are those that did not apply for financing because they believed they would be turned down.
5 There are slightly more observations using the time-consistent method because we do not drop not-for-profit organizations or observations in states that have a total of less than 25 responses.

CREDIBILITY INTERVALS

The analysis in this report is aided by the use of credibility intervals. Where there are large differences in estimates between types of businesses or survey years, we perform additional checks on the data to determine whether the difference appears significant. The results of these tests help guide our analysis and help us decide what ultimately is included in the report. In order to determine whether a difference is significant, we develop credibility intervals using a balanced half-sample approach.[6] Because the SBCS does not come from a probability-based sample, the credibility intervals we develop should be interpreted as model-based measures of deviation from the true national population values.[7] Ninety-five percent credibility intervals for key statistics are listed in Table 2. The intervals shown apply to all firms in the survey. More granular results with smaller observation counts will generally have larger credibility intervals.

Table 2: Credibility Intervals for Key Statistics in the 2016 Employer Report		Credibility Interval
Percent that applied	45.3%	+/-1.3%
Percent with outstanding debt	70.7%	+/-1.3%
Profitability index[1]	26.5%	+/-2.1%
Revenue growth index[1]	21.3%	+/-2.1%
Employment growth index[1]	16.8%	+/-2.2%
Loan/line of credit approval rate[2]	76.3%	+/-2.0%
Seeking financing to cover operating expenses[3]	44.6%	+/-1.9%
Seeking financing to expand/ pursue new opportunity[3]	63.6%	+/-1.9%
Percent of nonapplicants that are discouraged[4]	17.2%	+/-1.5%

Table notes:
1 For revenue and employment growth, the index is the share reporting positive growth minus the share reporting negative growth. For profitability, it is the share profitable minus the share not profitable during the 12 months prior to the survey.
2 The share of loan and line of credit applicants that were approved for at least some financing.
3 Percent of applicants.
4 Discouraged firms are those that did not apply for financing because they believed they would be turned down.

---

6   Wolter (2007), "Survey Weighting and the Calculating of Sampling Variance."
7   AAPOR (2013), "Task Force on Non-probability Sampling."

PARTNER ORGANIZATIONS

NATIONAL PARTNER ORGANIZATIONS

- Accion U.S. Network
- Association for Enterprise Opportunity (AEO)
- National Association for Latino Community Asset Building
- National Association of Manufacturers
- National Association of Women Business Owners
- NFIB Research Foundation
- National League of Cities
- National Retail Federation
- Opportunity Finance Network (OFN)
- U.S. Chamber of Commerce

AFFILIATES OF NATIONAL PARTNER ORGANIZATIONS

- Accion Chicago
- Accion New Mexico
- Alabama MicroEnterprise Network (AMEN)
- AltCap
- Anchor Financial Services
- Asian Pacific Islander Small Business Program
- Avenida Guadalupe Association
- BBIF Florida
- CAP Services Inc.
- CDC Small Business Finance
- CIELO
- City First Enterprises
- City of Austin Small Business Program
- City of Chicago
- City of Dallas—Office of Economic Development
- City of San Diego
- Colorado Enterprise Fund
- Common Capital
- Community Business Partnership
- Community Concepts Finance Corporation
- Community Investment Corporation
- Community Loan Fund of the Capital Region, Inc.
- Cooperative Fund of New England
- DC Department of Small & Local Business Development
- Economic and Community Development Institute
- Entrepreneur Works Fund
- FINANTA
- Fresno CDFI
- Golden State Certified Development Corporation

- Green America's Green Business Network
- Gulf Coast Renaissance Corporation
- HAP
- Hispanic Economic Development Corporation
- IICDC
- Jefferson Economic Development Institute
- Kansas City, Missouri Business Customer Service Center
- LAUNCH
- Lower 9th Ward Neighborhood Empowerment Network Association (NENA)
- MACED
- Main Street Launch
- Main Street Project
- Maryland Capital Enterprises, Inc.
- Microenterprise Resources, Initiatives and Training (MERIT)
- National Coalition of 100 Black Women Central Florida Chapter
- Natural Capital Investment Fund
- Neighborhood Lending Partners
- NeighborWorks of Western Vermont
- Northern Initiatives
- Northwest Pennsylvania Regional Planning and Development Commission
- Ohio Council of Retail Merchants
- Opportunities Credit Union
- Opportunity Fund
- Pacific Coast Regional Small Business Development Corporation
- Pacific Community Ventures
- Pacific Island Knowledge 2 Action Resources
- Partners for the Common Good
- Pathway Lending
- PIDC
- PPEP Microbusiness & Housing Development Corporation
- Rural Enterprise Assistance Project-REAP
- San Antonio for Growth on the Eastside, Inc. (SAGE)
- Santa Cruz Community Credit Union
- SBCP
- SF OEWD
- South Dakota Retailers Association
- Start Small Think Big
- Tampa Bay BBIC
- The Community Economic Development Fund Foundation, Inc.
- The Enterprise Center Capital Corporation

- The Wright Way Up Of Atlanta, Inc.
- Tierra del Sol Housing Corporation
- TILT Forward Network
- TruFund Financial Services, Inc.
- Uptima Business Bootcamp
- Women's Opportunities Resource Center
- WORC
- World Beyond Boundaries

FEDERAL RESERVE BANK OF ATLANTA

- Alabama Chamber of Commerce
- Alabama Department of Commerce
- Alabama Department of Economic and Community Affairs
- Alabama Micro Enterprise Network (AMEN)
- Alabama SBDC Network
- Albany Business League
- American Sugar Cane League
- BancorpSouth
- Chatham Business Association
- Chattanooga Area Chamber of Commerce
- Cherokee County Chamber of Commerce
- Citizens National Bank
- Clarksville Area Chamber of Commerce
- Coastal Alabama Business Chamber
- Coastal Georgia Indicators Coalition
- Committee of 100
- Community Bank of Mississippi
- Community Enterprise Investments, Inc.
- Economic Development Commission of Florida's Space Coast
- Florida Bank of Commerce
- Florida Capital Bank
- Florida Chamber of Commerce
- Florida SBDC at FIU
- Florida SBDC at University of West Florida College of Business
- Florida SBDC Network
- Gainesville Area Chamber of Commerce
- Georgia Council for Arts
- Georgia Department of Community Affairs
- Georgia Florida Alliance
- Georgia Hispanic Chamber
- Georgia Micro Enterprise Network (GMEN)
- Georgia Minority Supplier Development Council

- Georgia SBDC
- Greater Fort Lauderdale Convention and Visitors Bureau
- Greater New Orleans, Inc.
- Gulf Coast Business Council
- Hispanic Chamber of Commerce of Louisiana
- Home Builders Association of Greater Knoxville
- Home Builders Association of Tennessee
- Hope Enterprise Corporation
- Huntsville Chamber of Commerce
- Jackson State SBDC
- Jackson State University
- Jeff Davis Parish Economic Development & Tourism Commission
- Kingsport Chamber
- Louisiana Chamber of Commerce
- Louisiana Economic Development
- Louisiana SBDC
- Meridian East Mississippi Business Development Corp.
- Metro Atlanta Chamber
- Middle Tennessee Association of Realtors
- Mississippi Manufacturing Association
- Mississippi Minority Business Alliance, Inc.
- Mississippi SBA
- Mobile Area Chamber of Commerce
- Montgomery Chamber of Commerce
- New Orleans Chamber of Commerce
- New Orleans Metropolitan Convention and Visitors Bureau
- New Orleans Regional Committee of Business Economists
- North Alabama Revolving Loan Fund
- Northeast Florida Association of Realtors
- NOW Corp
- Pathway Lending
- Regions Bank, Jackson, MS
- South Florida Manufacturers Association
- Southern Region Minority Supplier Development Council
- Southern University at New Orleans SBDC Management Institute
- SW Louisiana Economic Development Alliance
- Tech Square Labs
- Technology Association of Georgia
- Tennessee Chamber of Commerce
- The New Orleans Board of Trade

- United Bank, Atmore, AL
- United Way of Southeast Louisiana
- University of Georgia SBDC
- University of Georgia SBDC Network
- USDA
- Village Micro Fund
- Wells Fargo
- Women's Business Enterprise Council South

FEDERAL RESERVE BANK OF BOSTON

- Cape Cod Chamber of Commerce
- City of Boston
- Commonwealth of Massachusetts, Operational Services Division
- Greater Boston Chamber of Commerce
- Greater Concord Chamber of Commerce
- Greater Manchester Chamber of Commerce
- Greater Nashua Chamber of Commerce
- Greater Providence Chamber of Commerce
- HarborOneU
- Interise
- Massachusetts Small Business Development Center
- Metro South Chamber of Commerce
- Middlesex County Chamber of Commerce
- New Bedford Area Chamber
- New Hampshire Business & Industry Association
- North Central Massachusetts Chamber of Commerce
- Plymouth Area Chamber of Commerce
- Retailers Association of Massachusetts
- Rhode Island Small Business Development Center
- Souhegan Valley Chamber of Commerce
- Worcester Regional Chamber of Commerce

FEDERAL RESERVE BANK OF CLEVELAND

- CityWide Development Corp
- Commerce Lexington
- Dayton Area Chamber of Commerce
- Dayton HRC
- Gannon University SBDC
- Indiana County Chamber of Commerce
- Kentucky Small Business Development Center
- Manufacturer & Business Association
- Youngstown/Warren Regional Chamber

FEDERAL RESERVE BANK OF KANSAS CITY

- Adams County Economic Development
- Albuquerque Hispano Chamber of Commerce
- Boulder SBDC
- Catholic Charities
- CML Collective, LLC
- Denver Metro Chamber of Commerce
- Fab Lab ICC at Independence Community College
- Greater Fremont Development Council
- Greater Kansas City Hispanic Chamber Commerce
- Greater Oklahoma City Chamber of Commerce
- Greater Omaha Chamber
- Kauffman Foundation
- KC SourceLink
- McPherson Chamber of Commerce
- Missouri Chamber of Commerce and Industry
- Mountain Plains MSDC
- Nebraska Enterprise Fund
- Nebraska Extension
- NetWork Kansas
- NM Economic Development Department
- North Kansas City Business Council
- Office of Minority and Women Business, Kansas Department of Commerce
- OK Dept. of Career & Technology Education
- Overland Park Chamber of Commerce
- REI Oklahoma
- Santa Fe Business Incubator
- Southeast Missouri State University-Institute for Regional Innovation and Entrepreneurship
- The Colorado Office of Economic Development and International Trade
- The Finance New Mexico project (Holly Co publishers)
- Wichita Hispanic Chamber of Commerce
- Wichita Metro Chamber of Commerce
- Women's Business Center
- Wyoming Business Council

FEDERAL RESERVE BANK OF MINNEAPOLIS

- Affinity Plus Federal Credit Union
- African Development Center of Minnesota
- Bemidji Area Chamber of Commerce
- Central (CERT) Certification Program, The City of Saint Paul
- Community Reinvestment Fund, USA
- Dakota Resources
- Entrepreneur Fund
- Four Band Community Fund
- Initiative Foundation
- Iverson Corner Drug
- Metro Independent Business Alliance
- MetroNorth Chamber
- Metropolitan Consortium of Community Developers
- Metropolitan Economic Development Association (MEDA)
- Minnesota American Indian Chamber of Commerce
- Minnesota Chamber of Commerce
- Minnesota District, U.S. Small Business Administration
- Minnesota Indian Business Alliance (MNIBA)
- MJB home center
- Neighborhood Development Center
- New Ulm Area Chamber of Commerce
- North 65 Chamber of Commerce
- Northwest Minnesota Foundation
- Park Rapids Lakes Area Chamber of Commerce
- PGC
- Pinnacle
- Progress Plus
- Quarks American Bento
- RP Broadcasting, Inc.
- The Dive Depot
- Top Shelf Hockey Shop
- Vadnais Heights Economic Development Corporation
- Wisconsin Indian Business Alliance
- Worthington Area Chamber of Commerce

FEDERAL RESERVE BANK OF NEW YORK

- BOC Capital Corp.
- Bridgeport Regional Business Council
- Capital for Change
- Connecticut Business and Industry Association
- Connecticut Economic Resource Center (CERC)
- Connecticut Office of Business and Industry Development
- Connecticut Small Business Development Center
- Dept. of Economic and Comm. Dev., Connecticut Office of Small Business Affairs
- Empire State Development
- Endeavor
- Greater Bridgeport Latino Network
- Greater Newark Enterprise Corp.
- Intersect Fund
- Metro Hartford Alliance
- New Jersey Community Capital (NJCC)
- New Jersey Innovation Institute @ NJIT
- New Jersey Institute of Technology
- NJ Economic Development Authority
- NYC Department of Small Business Services
- Polsky Center for Entrepreneurship and Innovation
- reSET
- Rising Tide Capital
- Rutgers University Graduate School
- Statewide Hispanic Chamber of Commerce of New Jersey
- Statewide Hispanic Chamber of Commerce of NJ
- The Business Council of Fairfield County
- The WorkPlace
- UCEDC, a nonprofit economic development corporation
- USDA Rural Development
- Women's Center for Entrepreneurship

FEDERAL RESERVE BANK OF PHILADELPHIA

- Delaware Small Business Development Center
- Latin American Economic Development Association
- Pennsylvania SBDC Lead Office
- SEDA-Council of Governments
- Upper Bucks Chamber of Commerce

FEDERAL RESERVE BANK OF RICHMOND

- Asheville Area Chamber of Commerce
- Baltimore Community Lending
- Blowing Rock Chamber of Commerce
- Botetourt County Chamber of Commerce
- Carolina Small Business Development Fund
- CommunityWorks
- Danville Pittsylvania County Chamber of Commerce
- Falls Church Chamber of Commerce
- Franklin-Southampton Area Chamber of Commerce
- Garrett County Chamber of Commerce
- Greater Raleigh Chamber of Commerce
- Greater Winston-Salem Chamber of Commerce
- Greensboro Chamber of Commerce
- Henderson County Chamber of Commerce
- Howard County Chamber of Commerce
- Latino Economic Development Center
- Leadership Maryland
- Loudoun County Chamber of Commerce
- Maryland Capital Enterprises, Inc.
- Maryland Economic Development Association (MEDA)
- Maryland Governor's Office of Minority Affairs
- Maryland Hispanic Chamber of Commerce
- Maryland Southern Region Small Business Development Center
- Natural Capital Investment Fund (NCIF)
- Neighborhood BusinessWorks, Maryland Department of Housing and Community Development
- North Carolina District Office, U.S. Small Business Administration
- North Carolina Small Business and Technology Development Center (NC SBTDC)
- North Carolina Small Business Center Network, North Carolina Community College System (SBCN)
- Northern Virginia Chamber of Commerce
- Richmond SCORE
- Roxboro Area Chamber of Commerce
- RVA Works
- South Carolina Association for Community Economic Development (SCACED)
- South Carolina Department of Commerce
- State Delegation District and State Directors, Congressional Offices
- Unlimited Future, Inc.
- Virginia Peninsula Chamber of Commerce
- Virginia Small Business Development Center Network
- Virginia Small Business Financing Authority
- West Virginia Small Business Development Center
- Windsor-Bertie County Chamber of Commerce
- Women Presidents' Educational Organization—DC (WPEO-DC)
- Yadkin County Chamber of Commerce

FEDERAL RESERVE BANK OF ST. LOUIS

- Arkansas Innovation Hub
- Arkansas Small Business and Technology Development Center
- Arkansas State Chamber of Commerce
- Communities Unlimited
- Community Services Microbusiness Program
- Community Ventures
- eFactory-Missouri State University Business Incubator
- Entrepreneur Center at Mississippi Development Authority
- Green River Area Development District
- Justine Peterson (CDFI)
- LiftFund
- Mid-South Minority Business Continuum
- Office of Entrepreneurship-KY Cabinet for Economic Development
- Southern Illinois University—Office of Economic & Regional Development
- Tennessee Small Business Development Center-Memphis
- Winrock International

FEDERAL RESERVE BANK OF SAN FRANCISCO

- Accion San Diego
- California Small Business Association
- Chamber of Commerce Hawaii
- College of the Canyons Small Business Development Center
- Clearinghouse CDFI
- Council for Native Hawaiian Advancement
- Enterprise Honolulu (Oahu Economic Development Board)
- Fresno SBA Office
- Hawaii Alliance for Community Based Economic Development
- Hawaii Green Infrastructure Authority
- Hawaii Small Business Development Center
- Honolulu Business Network
- Local First Arizona
- Los Angeles Regional SBDC
- Main Street BIDCO Capital
- Maricopa Small Business Development Center
- Maui Economic Development Board

- National Development Council—Greater Salt Lake Area
- Nevada Small Business Development Center
- Northern Nevada SCORE
- Orange County / Inland Empire Regional SBDC
- Orange County SBDC
- Pacific Asian Consortium in Employment (PACE)
- Patsy T. Mink Center for Business & Leadership
- SBA, Hawaii District Office
- State of Hawaii Department of Commerce and Consumer Affairs Business Action Center
- State of Hawaii, Department of Business, Economic Development & Tourism
- The Kohala Center
- University of La Verne SBDC
- USDA Rural Development
- Valley Small Business Development Corporation
- Women's Economic Ventures