2015 Joint Small Business Credit Survey

INTRODUCTION

The Small Business Credit Survey asks about general business conditions and your firm’s financial and credit experiences. The survey is conducted by the Federal Reserve Banks of Atlanta, Boston, Cleveland, New York, Philadelphia, Richmond, and St. Louis in partnership with local business and civic groups.

The questions are best answered by an owner or key financial decision maker. Your answers are confidential, and results will be reported only in the aggregate. The information will help to shape programs that benefit the small business community. The questionnaire takes approximately 10 minutes to complete. Please click the next button in the bottom right to begin the survey. Thank you.

DEMOGRAPHICS

First, we have some general questions about your business.

1) Which state is your headquarters located in?
   a) >>Drop down list of states <<

2) ZIP code?
   a) ____________

3) In what year was your business established? (YYYY)
   a) ____________

4) Which of the following BEST describes your business's primary activity? Please select 'ALL other' if you don’t see your industry or if you are unsure.
   a) Agriculture
   b) Manufacturing
   c) Transportation or warehousing
   d) Retail trade (does not include restaurants)
   e) Wholesale trade
   f) Finance (does not include accounting)
   g) Health care or social assistance (includes childcare but NOT personal fitness)
   h) Education or training
   i) Staffing
   j) Real estate (agent, broker, appraiser, or property management)
   k) Rental (homes, autos, equipment, etc.)
   l) Leisure and Hospitality (hotels, restaurants, entertainment, personal fitness)
   m) ALL other services or unsure (includes accounting and business or consumer services not listed above)
5) Please describe what your business does (barber shop, law firm, insurance agency, construction, etc.).

Next, we have a few questions about the approximate size of your business.

7) Does your business have any paid employees, excluding owner(s) and contract workers?
   a) Yes
   b) No
   c) Unsure. Please explain: ______________________

8) How many people does your business employ (including owners)? If none, enter 0.
   a) Full-time employees (30+ hours per week)
   b) Part-time employees (less than 30 hours per week)

9) Has your business relied on any contract workers during the past 12 months?
   a) No
   b) Yes, please enter the number: ____________________

10) Roughly, what were your business’s total revenues in 2014?
    a) $25,000 or less
    b) $25,001 - $50,000
    c) $50,001-$100,000
    d) $100,001 - $250,000
    e) $250,001 - $500,000
    f) $500,001 - $1,000,000
    g) $1,000,001 - $5,000,000
    h) $5,000,001 - $10,000,000
    i) $10,000,001 - $100,000,000
    j) More than $100,000,000
    k) Unsure
    l) Decline to answer
We now have a few questions about your business’s performance and challenges.

11) At the end of 2014, was your business operating at a profit, break-even or at a loss?
   a) At a profit  
   b) At break-even  
   c) At a loss  
   d) Unsure

12) How did the following change over the past 12 months?

<table>
<thead>
<tr>
<th></th>
<th>Decreased</th>
<th>No change</th>
<th>Increased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of contract workers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

13) How does your business expect the following to change over the next 12 months?

<table>
<thead>
<tr>
<th></th>
<th>Decrease</th>
<th>No change</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of contract workers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14) Which of the following challenges, if any, did your business experience in the past 12 months?
   Select all that apply.
   a) Government regulations
   b) Taxes
   c) Credit availability
   d) Cash flow (for example, meeting payroll or paying for inventory)
   e) Costs of running business
   f) Growing Revenues/sales
   g) Hiring and/or retaining qualified staff
   h) Other. Please specify: ____________________________
   i) None

If more than one challenge is selected and ‘None’ is not selected:

15) Which was your business’s BIGGEST challenge in the past 12 months?
   a) >>>List populates based on selections in <<<
We have questions about how your business is financed.

16) Does your business have any outstanding debt?
   a) Yes
   b) No
   c) Unsure

If business has debt:

17) How much total debt does your business have as of today?
   a) $10,000 or less
   b) $10,001 - $25,000
   c) $25,001 - $50,000
   d) $50,001 - $100,000
   e) $100,001 - $250,000
   f) $250,001 - $500,000
   g) $500,001 - $1,000,000
   h) $1,000,001 - $2,000,000
   i) Over $2,000,000
   j) Unsure

If business has debt:

18) Was any of the following used as a guarantee or as collateral to secure this debt? Select all that apply.
   a) Personal assets or guarantee
   b) Business assets
   c) Portions of future sales (percentage of future credit card receivables for payment of merchant cash advances)
   d) Unsure
   e) None
   f) Other. Please specify: ____________________

19) How does your business PRIMARILY fund its operations?
   a) Retained business earnings
   b) Personal funds of owner(s)
   c) External financing
**If business uses external financing:**

20) Which type of external financing does your business PRIMARILY use?
   a) Equity investments
   b) Credit cards
   c) Loans
   d) Lines of credit
   e) Investment or loans from friends and family
   f) Other (such as trade credit, factoring, or leasing). Please specify: _______________________

**If business uses credit cards:**

21) Does your business use personal credit cards or business credit cards?
   a) Personal credit cards
   b) Business credit cards
   c) Both
   d) Unsure

**If business uses equity investments:**

22) Who provided the equity investment? Select all that apply.
   a) Venture capital firm
   b) Impact investor (intention is to generate social and environmental impact alongside a financial return)
   c) Private investor or angel investor
   d) Crowdfunding
   e) Other. Please specify: _______________________

23) During the first two years of business, how did your business PRIMARILY fund its operations?
   a) Retained business earnings
   b) Personal funds of owner(s)
   c) External financing
   d) Unsure/ don't remember

**If used external financing:**

24) Which types of financing did the business use during its first two years? Select all that apply.
   a) Loans
   b) Business lines of credit
   c) Home equity line of credit
   d) Investment from family/ friends
   e) Credit cards
   f) Angel investor, venture capital, or impact investment capital (intention is to generate social and environmental impact alongside a financial return)
g) Crowdfunding
h) Other. Please specify: _______________________
i) Unsure / don’t remember

CREDIT SEARCH

Next, we have a few questions regarding your business’s experience seeking financing in the past 12 months.

25) Did your business seek advice on financing options from any of the following in the past 12 months? Select all that apply.
   a) Accountant, consultant, or business advisor
   b) Loan broker
   c) Banker or lender
   d) Friends, family, or colleagues
   e) Chamber of commerce or industry association
   f) SBDC (Small Business Development Center)
   g) SCORE (Service Corps of Retired Executives)
   h) Other. Please specify: _______________________
i) None

26) Did your business APPLY for any financing in the past 12 months? (Borrowing, leasing, or requesting equity investments – excluding financing provided by owner(s) of business)
   a) Yes
   b) No
   c) Unsure

*If selected yes, go to credit applicants section.
*If selected no, go to non-applicants section.
*If selected Unsure, go to final demographics section.

27) For what purpose was your business seeking financing? Select all that apply.
   a) Meet operating expenses
   b) Expand business (hiring, new products or services, new location, contracts, or capital assets, etc.)
   c) Pursue new opportunity (merger or acquisition, purchase of equipment or space that was previously leased, etc.)
   d) Refinance or pay down debt
   e) Other. Please specify: _______________________
28) What factors were most important to your business when evaluating credit options? Select all that apply.
   a) Existing relationship with lender
   b) Cost
   c) Flexibility of the credit product(s)
   d) Speed of the decision process
   e) Ease of the application process
   f) Perceived chance of being funded
   g) Other. Please specify: ______________________________

29) In the past 12 months, did your business apply for any of the following? Select all that apply.
   a) Loan or line of credit (including business loans and lines of credit, auto loans, commercial mortgages, cash advances, or non-traditional loans from online lenders)
   b) Credit card
   c) Equity investment
   d) Leasing
   e) Trade credit
   f) Factoring (the sale of accounts receivable to a third party at a discount)
   g) Other. Please specify: ______________________________

*If applied for loan or line of credit:*

30) For which type(s) of loan or line of credit product(s) did your business apply? Select all that apply.
   a) Business loan
   b) SBA-backed loan or line of credit
   c) Line of credit
   d) Commercial mortgage
   e) Merchant cash advance
   f) Other loan. Please specify: ______________________________

*Repeat for each selection:*

31) Where did your business apply for <selection>? Large banks operating in your area include:
   <state specific list>.
   a) Large bank
   b) Small or community bank
   c) Credit union
   d) Nonbank online lender (including alternative and marketplace lenders such as Lending Club, OnDeck, CAN Capital, PayPal Working Capital)
   e) Other (including government loan funds and community development financial institutions)
      Please specify: ______________________________
If selected nonbank online lender:

32) What was the name of the nonbank online lender?
   a) Name: ______________________
   b) Unsure

If applied to more than one product or source OR indicated business applied but did not give product or source information:

33) How much of the TOTAL financing dollars your business applied for in the past 12 months was approved?
   a) All (100%)
   b) Most (51%-99%)
   c) Some (1%-50%)
   d) None (0%)
   e) Unsure
List each product/source combination selected. All permutations listed in table below. Only relevant permutations will display for respondent.

34) For each product, how much of the financing dollars your business applied for in the past 12 months was approved?

<table>
<thead>
<tr>
<th>Product/Source Combination</th>
<th>All (100%)</th>
<th>Most (51% - 99%)</th>
<th>Some (1% - 50%)</th>
<th>None (0%)</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit card</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade credit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other credit product</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from large bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from small/community bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from credit union</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from nonbank online lender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan from other source</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBA-backed loan or line of credit from large bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBA-backed loan or line of credit from small/community bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBA-backed loan or line of credit from credit union</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBA-backed loan or line of credit from nonbank online lender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBA-backed loan or line of credit from other source</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of credit from large bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of credit from small/community bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of credit from credit union</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of credit from nonbank online lender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of credit from other source</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial mortgage from large bank</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### If respondent applied for loan or LOC. Only list sources that are selected:

#### 35) Overall, was your business satisfied or dissatisfied with the lender(s) it applied to?

*For the sources that approved your application, consider the application process as well as the terms of repayment.*

*For sources that did not approve your application, consider only the application process.*

<table>
<thead>
<tr>
<th>Source</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small or community bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nonbank online lender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other lender</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
If selected “dissatisfied.” Repeat for each applicable source.

36) Why was your business dissatisfied with the <source> it applied to? **Select all that apply.** For the sources that approved your application, consider the application process as well as the terms of repayment. For sources that did not approve your application, consider only the application process.
   a) High interest rate
   b) Unfavorable repayment terms
   c) Difficult application process
   d) Long wait for credit decision
   e) Lack of transparency
   f) Other, please explain ____________________________

If business did not receive 100% of the financing it asked for:

37) What was the MOST important business impact, if any, of not receiving the full amount of financing for which your business applied?
   a) Unable to meet operating expenses on time
   b) Delayed a planned business expansion (for example, hiring, new products or services, new location, contracts, or capital assets)
   c) Passed on a business opportunity (for example, merger acquisition, purchase of equipment or space that was previously leased)
   d) Funded business with personal sources
   e) No significant impact
   f) Other. Please specify: ____________________________

If business did not receive 100% of the financing it asked for:

38) What were the likely reasons your business was not approved for the full amount of financing it applied for? **Select all that apply.**
   a) Low credit score
   b) Insufficient credit history
   c) Insufficient collateral
   d) Inadequate documentation
   e) Weak business performance (for example, uneven cash flow or poor revenue)
   f) Unsure
   g) Other factors. Please specify: ____________________________

**If business did NOT apply for credit**

NON-APPLICANTS

39) What was the PRIMARY reason your business DID NOT apply for financing in the past 12 months?
   a) Not needed; had sufficient funding
   b) Did not think application would be approved
   c) Did not want to accrue debt
   d) Credit cost was too high
e) Loan search/application process is too difficult or confusing
f) Other. Please specify: __________________

*If did not apply because “did not think application would be approved”:*

40) What were the likely reasons your business would not be approved? Select all that apply.
   a) Low credit score
   b) Insufficient credit history
   c) Insufficient collateral
   d) Inadequate documentation
   e) Weak business performance (for example, uneven cash flow, poor revenue)
   f) Unsure
   g) Other. Please specify: __________________

**FINAL DEMOGRAPHICS**

We have a few final questions about your business.

*If non-employer firm:*

41) Why did you start or purchase this business? Select all that apply
   a) To generate extra income
   b) Had a new good/service to bring to market
   c) Start/continue family business
   d) Wanted a flexible work arrangement / preferred to be my own boss
   e) No other employment options
   f) Other. Please specify: __________________

*If non-employer firm:*

42) Does this business (or other businesses you own) provide one or more of the owner's primary source of income?
   a) Yes
   b) No
   c) Unsure

43) Is your business...

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>If nonemployer firm:</strong> Operated out of your home?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>If nonemployer firm:</strong> Legally incorporated?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A NOT-FOR-PROFIT organization? (Not-for-profit firms have a special designation from the IRS)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part of a franchise?
A member of a business industry association (for example, chamber of commerce)

44) Have any of the owners previously owned another business?
   a) Yes
   b) No
   c) Unsure

45) Is more than half (at least 51%) of your business owned by ....

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>A woman?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Someone who is a member of a minority racial group (African American, Asian, or Native American)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Someone who is of Hispanic, Latino, or Spanish origin?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A veteran?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

List for each “yes” selection:

46) Is your business a...

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified women-owned business?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(List if minority racial group or Hispanic dissent) Certified minority-owned business?

Certified veteran owned business?

47) Do you have any comments about availability of business financing or general business conditions?


48) Business name:


49) Email Address (used only for survey-related purposes). You will receive a copy of the results.


Thank you for your valuable input. The information you provided will bring small business issues to the attention of policy makers. Please click the ‘next page’ below to submit your survey.