**KEY FINDINGS**

**SMALL BUSINESS CREDIT SURVEY, Q4 2013**

As part of its engagement with the business community, the New York Fed’s Outreach Team surveys small firms twice a year about their financing and credit needs. Responses to the *Small Business Credit Survey* provide insight into the dynamics behind aggregate lending trends. The survey probes firms’ credit application decisions, strategies for obtaining credit or improving creditworthiness, and uses of credit, as well as future credit plans.

In the Q4 2013 survey, over 1,500 firms in New York, New Jersey, Connecticut, and Pennsylvania, (weighted to be a statistically representative sample), reported on their business performance and credit experiences in the first half of 2013 and their outlook for the first half of 2014.

The key findings for our region are:

**Managing uneven cash flow dominates firm concerns, and 27% percent seek new credit for business expansion**
- Ability to manage uneven cash flow was the top business challenge, ranked above access to capital.
- Managing day-to-day operations expenses was also the top reason why firms sought credit. Applicants continue to rely on real estate collateral, especially personal real estate, to secure debt.
- 27 percent of applicants sought credit for business expansion, up from previous surveys.

**Firms report small credit needs and high search costs**
- Most applicants sought relatively small loans ($100k or less).
- 60% of firms have outstanding debt, with the majority holding $100k or less.
- Searching for credit is time consuming—on average, firms spent 26 hours searching and applying for credit, contacted 3 financial institutions, and submitted 3 credit applications.

**Credit market is favorable for experienced and profitable firms**
- Successful applicants are profitable firms that seek larger loan amounts ($100k or greater) and have previously obtained credit.
- Profitable firms were not only more successful in applying for new credit but also reported declines in the interest rate charged on existing debt.

**Firm outlook is positive for Q1 and Q2 2014**
- More than 50% of respondents expect revenues to increase and 30% expect to add employees. Only 19% reported adding employees in 2013.
- 29% of firms (similar to first half of 2013) plan to apply in first half of 2014, and another 18% of firms are considering applying.

**About the Survey**

The Small Business Credit Survey (SBCS) is a semi-annual survey of establishments conducted by the Federal Reserve Bank of New York’s Outreach Team, reporting information about business performance, financing needs and choices, and borrowing experiences. The SBCS captures the perspectives of businesses with fewer than 500 employees in New York, New Jersey, Connecticut, and Pennsylvania. Results are weighted to reflect the full population of small businesses in the four states of coverage along the dimensions of industry, age, employee size, and geography.
ABOUT THE RESPONDENTS

GEOGRAPHIC DISTRIBUTION

46% NY
26% PA
20% NJ
8% CT
26% New York State (excluding NYC)
20% New York City

AGE

EMPLOYEES

INDUSTRY COMPOSITION

Retail
Learning & Education/Health & Human Services
Professional Services
Other
Finance/Insurance/Real Estate
Construction
Wholesale & Transportation
Manufacturing
Information/Media/Communications

Age data from Longitudinal Business Database, 2011. All other data from Census Business Patterns, 2011.
PERFORMANCE OVERVIEW: 1ST HALF 2013

FINANCIALS

REVENUE CHANGE, % OF FIRMS

- 41% Increased
- 29% No change
- 30% Decreased

N = 1418

PROFITABILITY, % OF FIRMS

- 36% Operating at a profit
- 38% Operating at a loss
- 26% Breaking even

N = 1491

BUSINESS CONCERNS

TOP BUSINESS CHALLENGES, % OF FIRMS

- 52% uneven cash flow
- 44% rising fixed costs
- 37% credit availability

N = 1469

EMPLOYMENT

CHANGE IN EMPLOYMENT, % OF FIRMS

- 63% Unchanged
- 18% Decreased
- 19% Increased

N = 1403

FRBNY Small Business Credit Survey | February 2014
## DEBT OVERVIEW: 1ST HALF 2013

### 6 out of 10 respondents hold debt

- **58%** held debt less than $100K
- **42%** added debt in the first half of 2013
- **53%** used debt to manage cash flow
- **49%** pledged collateral
- **42%** pledged personal or business real estate

---

### INTEREST RATE CHANGE, % OF FIRMS

- **21%** Higher
- **69%** Stayed the same
- **10%** Lower

---

### DEBT BALANCE

<table>
<thead>
<tr>
<th>Debt Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000</td>
<td>15%</td>
</tr>
<tr>
<td>$10,001–$25,000</td>
<td>15%</td>
</tr>
<tr>
<td>$25,001–$50,000</td>
<td>14%</td>
</tr>
<tr>
<td>$50,001–$100,000</td>
<td>13%</td>
</tr>
<tr>
<td>$100,001–$250,000</td>
<td>13%</td>
</tr>
<tr>
<td>$250,001–$500,000</td>
<td>8%</td>
</tr>
<tr>
<td>$500,001–$1,000,000</td>
<td>6%</td>
</tr>
<tr>
<td>Over $1,000,000</td>
<td>9%</td>
</tr>
</tbody>
</table>

N = 856

---

FRBNY Small Business Credit Survey  | February 2014
USE OF CREDIT

FIRMS WITH OUTSTANDING DEBT, 2012

- Yes: 52%
- No: 45%
- Not sure: 3%

N = 1457

FIRMS THAT APPLIED, 1ST HALF 2013

- Yes: 28%
- No: 70%
- Not sure: 2%

N = 1421

FIRMS THAT PLAN TO APPLY, 1ST HALF 2014

- Yes: 29%
- No: 53%
- Not sure: 18%

N = 1386
34% of respondents searched for credit

Nearly 3/4 of firms that searched also applied

*Mean values reported
CREDIT APPLICANTS: 1ST HALF 2013

QUICK FACTS

28% applied in 1st half 2013

Nearly 2/3 had debt

Nearly 3/4 of applicants applied for lines of credit

Approximately 2/3 of applicants applied for business loans and/or credit cards

PROFITABILITY

36% Operating at a profit

23% Breaking even

41% Operating at a loss

REVENUES

68% ≤ $1M < 29%

N = 437

N = 433

AGE DISTRIBUTION

0–2: 18%
3–5: 15%
6–10: 24%
11–20: 25%
20+: 18%

N = 437

All other firms: 72%

Applicants: 28%
**CREDIT APPLICANTS: 1ST HALF 2013**

**AMOUNT OF CREDIT SOUGHT**

- Sought under $100k (N = 223):
  - $10,001–$25,000: 21%
  - $25,001–$50,000: 14%
  - $50,001–$100,000: 15%
  - $100,001–$250,000: 17%
  - $250,001–$500,000: 10%
  - Over $500,000: 13%
- Sought over $100k (N = 197):
  - Less than $10,000: 9%

**REASONS FOR SEEKING CREDIT**

- **59% sought < $100K, and 52% were approved**
- **40% sought > $100K, and 60% were approved**

- **Expand business**: 21%
- **Day-to-day operations**: 25%
- **Capital Investments**: 35%

---

FRBNY Small Business Credit Survey | February 2014
SUCCESSFUL APPLICANTS

QUICK FACTS

52% approved during 1st half 2013

Nearly 2/3 received all credit sought

Nearly 3/4 approved for lines of credit

More than 8 in 10 approved for business loans and/or credit cards

PROFITABILITY

48% Operating at a profit

20% Breaking even

32% Operating at a loss

REVENUES

58% ≤ $1M < 41%

N = 225

AGE DISTRIBUTION

N = 224

0-2: 12%

3-5: 14%

6-10: 23%

11-20: 27%

20+: 25%

2025
UNSUCCESSFUL APPLICANTS

QUICK FACTS

47% denied during 1st half 2013

8 in 10 sought lines of credit and/or business loans

4 in 10 sought credit to cover day-to-day operations

6 in 10 used business earnings and/or personal savings as their primary financing source

PROFITABILITY

24% Operating at a profit

25% Breaking even

51% Operating at a loss

REVENUES

79% \( \leq \$1M < 17\%

N = 212

REVENUES

N = 212

AGE DISTRIBUTION

0–2: 25%
3–5: 16%
6–10: 24%
11–20: 23%
20+: 12%
### REASONS FOR DENIAL

<table>
<thead>
<tr>
<th>Reason</th>
<th>Count (N=279)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient collateral</td>
<td>108</td>
<td>38%</td>
</tr>
<tr>
<td>Low credit score</td>
<td>79</td>
<td>35%</td>
</tr>
<tr>
<td>Weak business performance</td>
<td>79</td>
<td>29%</td>
</tr>
<tr>
<td>Weak financial statements</td>
<td>27</td>
<td>9%</td>
</tr>
<tr>
<td>Other factors</td>
<td>79</td>
<td>28%</td>
</tr>
</tbody>
</table>

### ACTIONS TAKEN IN RESPONSE TO DENIAL

<table>
<thead>
<tr>
<th>Action</th>
<th>Count (N=274)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contacted new/more financial institutions</td>
<td>140</td>
<td>51%</td>
</tr>
<tr>
<td>Paid down debt</td>
<td>124</td>
<td>45%</td>
</tr>
<tr>
<td>Explored new financing types</td>
<td>91</td>
<td>33%</td>
</tr>
<tr>
<td>Consulted business advisor / improved financial management</td>
<td>82</td>
<td>30%</td>
</tr>
<tr>
<td>Did not take action</td>
<td>45</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>39</td>
<td>15%</td>
</tr>
</tbody>
</table>

### IMPACT OF CREDIT DENIAL

<table>
<thead>
<tr>
<th>Impact</th>
<th>Count (N=279)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited business expansion</td>
<td>117</td>
<td>42%</td>
</tr>
<tr>
<td>Did not complete existing orders</td>
<td>45</td>
<td>16%</td>
</tr>
<tr>
<td>Prevented hiring</td>
<td>45</td>
<td>16%</td>
</tr>
<tr>
<td>Other</td>
<td>39</td>
<td>14%</td>
</tr>
<tr>
<td>No impact</td>
<td>27</td>
<td>9%</td>
</tr>
<tr>
<td>Sought alternative financing</td>
<td>9</td>
<td>3%</td>
</tr>
</tbody>
</table>

N = 279

FRBNY Small Business Credit Survey | February 2014
NON-APPLICANTS

FIRMS’ REASONS FOR NOT APPLYING

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient financing</td>
<td>37%</td>
</tr>
<tr>
<td>Discouraged</td>
<td>23%</td>
</tr>
<tr>
<td>Debt averse</td>
<td>28%</td>
</tr>
<tr>
<td>Other</td>
<td>12%</td>
</tr>
</tbody>
</table>

N = 961

AGE DISTRIBUTION

<table>
<thead>
<tr>
<th>Age Range</th>
<th>0–2</th>
<th>3–5</th>
<th>6–10</th>
<th>11–20</th>
<th>20+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient financing</td>
<td>18%</td>
<td>22%</td>
<td>25%</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td>Discouraged</td>
<td>20%</td>
<td>22%</td>
<td>27%</td>
<td>19%</td>
<td>27%</td>
</tr>
<tr>
<td>Debt averse</td>
<td>10%</td>
<td>11%</td>
<td>13%</td>
<td>20%</td>
<td>27%</td>
</tr>
</tbody>
</table>

REVENUES

<table>
<thead>
<tr>
<th>Revenue Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$59 ≤ $1M ≤ $33</td>
<td>82%</td>
</tr>
<tr>
<td>$80 ≤ $1M ≤ $13</td>
<td>60%</td>
</tr>
</tbody>
</table>

PROFITABILITY

<table>
<thead>
<tr>
<th>Profit Status</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating at a loss</td>
<td>22%</td>
</tr>
<tr>
<td>Breaking even</td>
<td>21%</td>
</tr>
<tr>
<td>Operating at a profit</td>
<td>27%</td>
</tr>
</tbody>
</table>

FRBNY Small Business Credit Survey | February 2014
## DISCOURAGED FIRMS

### REASONS FOR BELIEVING FIRM WOULD NOT BE APPROVED

<table>
<thead>
<tr>
<th>Reason</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient collateral</td>
<td>51%</td>
</tr>
<tr>
<td>Low credit score</td>
<td>43%</td>
</tr>
<tr>
<td>Weak business performance</td>
<td>34%</td>
</tr>
<tr>
<td>Weak financial statements</td>
<td>12%</td>
</tr>
<tr>
<td>Other factors</td>
<td>16%</td>
</tr>
</tbody>
</table>

**N = 222**

### ACTIONS TAKEN TO IMPROVE ACCESS TO FINANCING

<table>
<thead>
<tr>
<th>Action</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid down debt</td>
<td>39%</td>
</tr>
<tr>
<td>Did not take action</td>
<td>29%</td>
</tr>
<tr>
<td>Consulted business advisor / improved</td>
<td>21%</td>
</tr>
<tr>
<td>Weak financial statements</td>
<td>19%</td>
</tr>
<tr>
<td>Contacted new/more financial institutions</td>
<td>19%</td>
</tr>
<tr>
<td>Explored new financing types</td>
<td>19%</td>
</tr>
<tr>
<td>Other</td>
<td>10%</td>
</tr>
</tbody>
</table>

**N = 223**

### IMPACT OF NOT APPLYING

<table>
<thead>
<tr>
<th>Impact</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited business expansion</td>
<td>46%</td>
</tr>
<tr>
<td>No impact</td>
<td>21%</td>
</tr>
<tr>
<td>Prevented hiring</td>
<td>12%</td>
</tr>
<tr>
<td>Sought alternative financing</td>
<td>11%</td>
</tr>
<tr>
<td>Did not complete existing orders</td>
<td>4%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

**N = 219**
## Performance Outlook: 1st Half 2014

### Financials

**Expected Revenue Change, % of Firms**
- 58% Increased
- 31% No change
- 11% Decreased

**Expected Profitability, % of Firms**
- 54% Operating at a profit
- 32% Breaking even
- 14% Operating at a loss

### Employment

**Expected Change in Employment, % of Firms**
- 62% Unchanged
- 31% Increased
- 7% Decreased

---

FRBNY Small Business Credit Survey | February 2014
CREDIT OUTLOOK: 1ST HALF 2014

QUICK FACTS

29% plan to apply in the 1st half of 2014

1/2 are new applicants

1/2 are re-applicants

1 in 5 reported being discouraged in the 1st half of 2013

Nearly 1 in 3 were deleveraging

PROFITABILITY

35% Operating at a profit

23% Breaking even

42% Operating at a loss

REVENUES

65% ≤ $1M < 30%

N = 440

AGE DISTRIBUTION

N = 437

0–2: 22%

3–5: 17%

6–10: 20%

11–20: 23%

20+: 18%
SMALL BUSINESS CREDIT SURVEY METHODOLOGY

Overview

The Small Business Credit Survey (SBCS) is a semi-annual establishment survey conducted by the Federal Reserve Bank of New York, reporting information about business performance, financing needs and choices, and borrowing experiences. The fall 2013 survey also asked small businesses about the immediate and longer-term impact of Superstorm Sandy. The SBCS captures the perspectives of businesses with fewer than 500 employees in New York, New Jersey, Connecticut, and Pennsylvania. The SBCS is distributed through civic and non-profit partners, primarily Chambers of Commerce, industry associations, and development corporations/authorities.

In total, there were 1548 responses to the survey fielded from October 10, 2013 to Dec 31, 2013. The number of responses to each individual question varied, based on relevance (i.e. firms that were not affected by Superstorm Sandy did not answer subsequent questions about the storm’s impact). All results are weighted to reflect the full population of small businesses in the four states of coverage, along the dimensions of industry, age, employee size, and geography.

Sample Design

The SBCS questionnaire is an online survey distributed by more than 30 partner organizations. Partners contact businesses on their membership lists, asking them to participate in the survey provided through a URL address. In some cases, partners make their distribution list available to the New York Fed. The SBCS is not a random sample, and therefore results should not be interpreted as a statistical representation of small businesses in the Second District or the nation. Rather, the results should be viewed as suggestive and analyzed with awareness of potential methodological biases.

Weighting

To reduce coverage bias, we use US Census Bureau data to weight responses along the dimensions of industry, age, employee size, and geography. Survey weights are derived to allow estimates to be generated from the sample so as to represent the true small business population. For example, by reweighting our data, we correct for the overrepresentation of older firms. See Appendix A for sampling distributions of the 2013 SBCS after weighting.

---

1 Age data from US Census Business Dynamics Statistics, 2011. All other data from Census Business Patterns, 2011.
## Appendix A: Selected Characteristics of Firms in the Survey Sample, fall 2013

<table>
<thead>
<tr>
<th>Firm Age</th>
<th>Sample Size 2013</th>
<th>Sample Distribution After Weighting</th>
<th>Percentage of Total for Weighted Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 years</td>
<td>259</td>
<td>252,853</td>
<td>22.39%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>234</td>
<td>188,352</td>
<td>16.68%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>281</td>
<td>225,986</td>
<td>20.01%</td>
</tr>
<tr>
<td>11-20 years</td>
<td>314</td>
<td>263,677</td>
<td>23.35%</td>
</tr>
<tr>
<td>20+ years</td>
<td>460</td>
<td>198,344</td>
<td>17.56%</td>
</tr>
<tr>
<td><strong>All Firm Ages</strong></td>
<td><strong>1548</strong></td>
<td><strong>1,129,211</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm Size</th>
<th>Sample Size 2013</th>
<th>Sample Distribution After Weighting</th>
<th>Percentage of Total for Weighted Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-4 employees</td>
<td>752</td>
<td>647,229</td>
<td>57.32%</td>
</tr>
<tr>
<td>5-9 employees</td>
<td>291</td>
<td>202,958</td>
<td>17.97%</td>
</tr>
<tr>
<td>10-19 employees</td>
<td>216</td>
<td>135,658</td>
<td>12.01%</td>
</tr>
<tr>
<td>20-99 employees</td>
<td>248</td>
<td>120,834</td>
<td>10.70%</td>
</tr>
<tr>
<td>100-499 employees</td>
<td>41</td>
<td>22,533</td>
<td>2.00%</td>
</tr>
<tr>
<td><strong>All Firm Sizes</strong></td>
<td><strong>1548</strong></td>
<td><strong>1,129,211</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Geography</th>
<th>Sample Size 2013</th>
<th>Sample Distribution After Weighting</th>
<th>Percentage of Total for Weighted Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Connecticut</td>
<td>78</td>
<td>87,836</td>
<td>7.78%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>246</td>
<td>226,346</td>
<td>20.04%</td>
</tr>
<tr>
<td>New York (minus NYC)</td>
<td>383</td>
<td>298,162</td>
<td>26.40%</td>
</tr>
<tr>
<td>New York City</td>
<td>507</td>
<td>222,004</td>
<td>19.66%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>334</td>
<td>294,863</td>
<td>26.11%</td>
</tr>
<tr>
<td><strong>All Geographies</strong></td>
<td><strong>1548</strong></td>
<td><strong>1,129,211</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry</th>
<th>Sample Size 2013</th>
<th>Sample Distribution After Weighting</th>
<th>Percentage of Total for Weighted Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>16</td>
<td>1,357</td>
<td>0.12%</td>
</tr>
<tr>
<td>Construction</td>
<td>206</td>
<td>99,216</td>
<td>8.79%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>170</td>
<td>42,623</td>
<td>3.77%</td>
</tr>
<tr>
<td>Retail</td>
<td>161</td>
<td>165,926</td>
<td>14.69%</td>
</tr>
<tr>
<td>Wholesale/Transportation</td>
<td>108</td>
<td>95,424</td>
<td>8.45%</td>
</tr>
<tr>
<td>Information/Media/Telecommunications</td>
<td>60</td>
<td>21,255</td>
<td>1.88%</td>
</tr>
<tr>
<td>Finance/Insurance/Real Estate</td>
<td>71</td>
<td>115,873</td>
<td>10.26%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>289</td>
<td>127,090</td>
<td>11.25%</td>
</tr>
<tr>
<td>Personal Services</td>
<td>42</td>
<td>121,631</td>
<td>10.77%</td>
</tr>
<tr>
<td>Education/Healthcare and Social Assistance</td>
<td>111</td>
<td>144,068</td>
<td>12.76%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>119</td>
<td>124,682</td>
<td>11.04%</td>
</tr>
<tr>
<td>Other</td>
<td>195</td>
<td>70,066</td>
<td>6.20%</td>
</tr>
<tr>
<td><strong>All Industries</strong></td>
<td><strong>1548</strong></td>
<td><strong>1,129,211</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Partner Organizations

Adirondack North Country Association
Albany Colonie Regional Chamber of Commerce
Better Business Bureau of Metropolitan New York
Brooklyn Chamber of Commerce
Business Council of Westchester
Connecticut Economic Resource Center, Inc
New York City Department of Consumer Affairs, Office of Financial Empowerment
Development Authority of the North Country
Empire State Development Corporation
Office of Economic Development, City of Stamford
Essex County Economic Development Corporation
Federal Reserve Bank of Philadelphia
Finger Lakes Economic Development Center and Yates County Industrial Development Agency
Genesee County Chamber of Commerce
Greater Newark Enterprises Corporation
Hudson County Economic Development Corporation
Jefferson County Industrial Development Agency
Long Island Association
Manufacturers Association of Central New York
Minority Women Owned Business Enterprise Directories: New York City, New York State
Mohawk Valley EDGE
New Jersey Business and Industry Association
New York City Council
New York City Department of Small Business Services
Newark Regional Business Partnership
North Country Chamber of Commerce
Queens Chamber of Commerce
Rising Tide Capital
Small Business Administration, Buffalo Office
Small Business Development Center, Jefferson Community College
Somerset County Business Partnership
South Bronx Overall Economic Development Corporation
Stamford Chamber of Commerce
Women Presidents Educational Organization
INTRODUCTION

This Small Business Credit Survey is conducted by the Federal Reserve Bank of New York and asks small businesses about their business performance and their financial and credit experiences.

The questionnaire takes approximately 15 minutes to complete. Your answers are confidential and results are reported only in the aggregate. The valuable information you provide will help policymakers and business service organizations shape programs to benefit small business owners.

For optimal readability, we recommend taking the survey on a desktop computer or a tablet.

Thank you for your time.

DEMOGRAPHICS

First, we have some general questions about your business.

1) What is the name of your business? ____________________________________________

2) Is your business a FOR-PROFIT organization? (Not-for-profit firms have a special designation from the IRS)
   - ___Yes
   - ___No
   - ___Not Sure

3) What is your business’s PRIMARY Zip Code? _____________

4) In what year was your business established? ________ (YYYY)

5) What type of funding was used to start your business? Select all that apply.
   - ___Business loan
   - ___Line of credit
   - ___Credit cards
   - ___Personal savings
   - ___Friends/Family
   - ___Other, please specify (e.g. home equity line)
6) Please select the category that **BEST** describes your business's industry.

- Agriculture
- Construction
- Manufacturing
- Retail trade
- Wholesale trade
- Transportation and warehousing
- Information, media, and telecommunications
- Finance, insurance and real estate
- Professional and business services (*e.g.* Consulting, accounting)
- Personal services (*e.g.* Laundry services, nail/hair salon)
- Education
- Health care and social assistance
- Arts, entertainment, and recreation
- Accommodations and food services
- Other, please specify: __________________________________________

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

7) How many people does your business employ, including all full-time and part-time employees, and owners? ______

8) Roughly, what were your business's total revenues in 2012?

- Less than $50,000
- $50,001 - $250,000
- $250,001 - $500,000
- $500,001 - $1,000,000
- $1,000,001 - $5,000,000
- $5,000,001 - $10,000,000
- $10,000,001 - $100,000,000
- Greater than $100,000,000
- Not Sure
- Decline to answer
PERFORMANCE

We now have a few questions about your business’s performance and strategy in the first half of calendar year 2013.

9) For the first half of calendar year 2013, did your business operate at a profit, break even, or at a loss?
   ____At a profit
   ____Break even
   ____At a loss

10) Comparing the first half of calendar year 2013 with the same time period in 2012, did the following increase, decrease, or stay the same for your business?

<table>
<thead>
<tr>
<th></th>
<th>Increased</th>
<th>Stayed the Same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>⊗</td>
<td>⊗</td>
<td>⊗</td>
</tr>
<tr>
<td>Net profits</td>
<td>⊗</td>
<td>⊗</td>
<td>⊗</td>
</tr>
<tr>
<td>Number of employees</td>
<td>⊗</td>
<td>⊗</td>
<td>⊗</td>
</tr>
</tbody>
</table>

11) Comparing the first half of calendar year 2013 with the same time period in 2014, does your business expect the following to increase, decrease, or stay the same?

<table>
<thead>
<tr>
<th></th>
<th>Will increase</th>
<th>Will stay the Same</th>
<th>Will decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>⊗</td>
<td>⊗</td>
<td>⊗</td>
</tr>
<tr>
<td>Net profits</td>
<td>⊗</td>
<td>⊗</td>
<td>⊗</td>
</tr>
<tr>
<td>Number of employees</td>
<td>⊗</td>
<td>⊗</td>
<td>⊗</td>
</tr>
</tbody>
</table>

12) Select the **MAIN** strategy, if any, your business employed to improve operations in the first half of calendar year 2013.
   ____Reduced staff hours and/or reorganized management
   ____Reduced operating expenses
   ____Lowered debt payments
   ____Increased capital investments
   ____Launched new products/services
   ____Added new clients and/or markets
   ____Increased pricing
   ____No changes made to improve operations
   ____Other, please specify

____________________________________________________________________
13) Has your business experienced ANY OF the following challenges during the first half of calendar year 2013? Select all that apply.
   ___ Lack of credit availability
   ___ Lack of financial management guidance
   ___ Uneven cash flow
   ___ Increasing fixed costs of running business
   ___ Inability to finance capital investments
   ___ None
   ___ Other, please specify________________________________________________

FINANCING

Next, we have a few questions regarding your business’s financing in the first half of calendar year 2013.

14) How has your business's ability to access financing changed when comparing the first half of 2013 to the same period in 2012?
   ___ Increased
   ___ Stayed the same
   ___ Decreased
   ___ Not applicable

15) What level of financing to cover operating expenses and/or capital investments did your business have in the first half of 2013?
   ___ All (100%)
   ___ Most (>=50%)
   ___ Some (<50%)
   ___ None (0%)

16) What, if anything, has your business done to improve its ability to obtain financing in the first half of 2013? Select all that apply.
   ___ Paid down debt
   ___ Consulted business advisor / improved financial management
   ___ Contacted new/more financial institutions and/or explored new financing types (e.g. Crowdfunding, peer loans)
   ___ Did not take any action to improve my business’s financing position
   ___ Other, please specify
17) Please select the **PRIMARY** type of financing used by your business in the first half of 2013.

- Business earnings (cash income)
- Credit cards
- Business loan/line of credit
- Personal savings
- Friends/Family
- Other, please specify (e.g. equity financing, trade credit, home equity line)

18) What percentage of your business’s operations in the first half of 2013 was financed by <selection Q12>?

- All (100%)
- Most (≥50%)
- Some (<50%)
- None (0%)

19) Did your business have any outstanding debt as of June 30, 2013?

- Yes
- No
- Not Sure

*If you answered “Yes” go to question 20, otherwise skip to 27.*

20) How much total debt did your business have as of June 30, 2013?

- $1 - $10,000
- $10,001 - $25,000
- $25,001 - $50,000
- $50,001 - $100,000
- $100,001 - $250,000
- $250,001 - $500,000
- $500,001 - $1,000,000
- Over $1,000,000
- Not sure

21) What percentage of your business’s total debt was held on credit cards as of June 30, 2013?

- All (100%)
- Most (≥50%)
- Some (<50%)
- None (0%)
22) For what **PRIMARY** purpose does your business use financing from non-business earning sources (e.g. business loan, line of credit, personal savings)?
   - Refinance or pay down debt
   - Capital investment
   - Hire employees
   - Real estate investment
   - Fulfill existing business contracts
   - Launch new product/service
   - Manage cash flow / operating expenses
   - Business only uses business earnings
   - Other, please specify ________________________________

23) Of your business’s total debt, how much was **ADDED** or **RENEWED** in the first half of calendar year 2013?
   - All (100%)
   - Most (>=50%)
   - Some (<50%)
   - None (0%)

24) How did the interest rate on your business debt change in the first half of 2013 compared with 2012?
   - Rate became lower
   - Rate stayed the same
   - Rate became higher

25) Was collateral required to secure ANY OF your business debt? **Collateral can include inventory, equipment, property, personal real estate or other assets.**
   - Yes
   - No
   - Not sure

*If you answered “Yes” continue to question 26, otherwise go to question 27.*

26) Which types of collateral were required to secure your business debt? **Select all that apply.**
   - Inventory or accounts receivable
   - Business non-real estate assets (e.g. equipment, vehicles, securities)
   - Business real estate
   - Personal real estate
   - Other, please specify (e.g. personal assets)
APPLICATIONS

Next, we have a few questions regarding your business’s use of credit in the first half of calendar year 2013.

27) Did your business search for credit in the first half of 2013?

____Yes
____No
____Not sure

*If you answered “Yes” continue to question 28, otherwise go to question 29.*

28) What was the MOST frequent way in which your business searched for credit in the first half of 2013?

____Internet search
____Consulted business’s primary financial institution (e.g. *The bank, credit union, community bank, or other institution your business usually deals with for financing purposes*)
____Consulted multiple financial institutions (e.g. *Bank, credit union, community bank*)
____Consulted with business service organization (e.g. *Chamber of commerce, business development center*)
____Consulted with accountant
____Consulted with friends and family
____Other, please specify________________________________________________________________________

29) Did your business APPLY for credit in the first half of 2013?

____Yes
____No
____Not sure

*If you answered “Yes” continue to question 30, if you answered “NO” continue to question 41, otherwise go to question 45.*

APPLICANT BRANCH

30) How many applications for credit did your business submit in the first half of 2013? _______

31) How many different financial institutions did your business submit a credit application to in the first half of 2013? _______

32) When applying for credit in the first half of 2013, approximately how many total hours did your business spend researching and completing credit applications? _______
33) What was your business’s MAIN purpose for seeking credit in the first half of 2013?
   ___ Start business
   ___ Expand business (e.g. New products, new markets, including exporting)
   ___ Fund day-to-day operations and/or purchase inventory
   ___ Make capital investments (e.g. Real estate, equipment, or vehicles)
   ___ Other (e.g. repay debt, build reserve)

34) How much credit did your business APPLY for in the first half of 2013?
   ___ $1-$10,000
   ___ $10,001 - $25,000
   ___ $25,001 - $50,000
   ___ $50,001 - $100,000
   ___ $100,001 - $250,000
   ___ $250,001 - $500,000
   ___ $500,001 - $1,000,000
   ___ Over $1,000,000
   ___ Not sure

35) How much of the credit your business applied for was approved?
   ___ All (100%)
   ___ Most (>=50%)
   ___ Some (<50%)
   ___ None (0%)

   If answer to Q35 different from received “All (100%)” of the credit it applied for continue to question 36, otherwise go to question 45.

36) What was the MOST important business impact of not receiving the full amount of credit for which your business applied?
   ___ Did not hire new employees
   ___ Delayed/prevented ability to fulfill existing orders/contracts
   ___ Delayed/prevented expansion of business (e.g. Purchase of new capital assets, Launch of new product or service)
   ___ Sought alternative financing sources (e.g. Crowd funding, peer-to-peer lending, community networks)
   ___ No significant impact
   ___ Other, please specify

   If sought alternative financing sources continue to question 37, otherwise go to question 40.
37) Please specify the alternative financing sources (e.g. crowd funding, peer-to-peer lending, community networks)

38) What were the likely reasons your business did not receive the full amount of credit applied for in the first half of 2013? Select all that apply.

- Low credit score
- Insufficient collateral
- Weak/missing financial documents or tax statements
- Weak business performance (e.g. uneven cash flow, weak revenue)
- Other factors, please specify

39) Which types of credit PRODUCTS did your business apply for in the first half of calendar year 2013?

<table>
<thead>
<tr>
<th>Credit Product</th>
<th>Applied</th>
<th>Did not apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Loan</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Line of Credit</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Credit Card</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Other, please specify</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

40) Did your business receive all, some, or none of the credit it applied for in the first half of calendar year 2013??

<table>
<thead>
<tr>
<th>Credit Product</th>
<th>Received all</th>
<th>Received some</th>
<th>Received none</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;Fill based on Q30 answers&gt;</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

41) What was the PRIMARY reason your business DID NOT apply for credit in the first half of calendar year 2013?

- Had sufficient financing
- Did not think business would be approved
- Did not want to accrue debt
- Credit cost was too high
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____Other, please specify__________________________________________________

If you selected “Did not think we would be approved” continue to question 42, otherwise go to question 43.

42) What were the likely reasons your business would not be approved? Select all that apply.
   ____Low credit score
   ____Insufficient collateral
   ____Weak/missing financial documents or tax statements
   ____Weak business performance (e.g. uneven cash flow, weak revenue)
   ____Other factors, please specify_____________________________________________

43) In the first half of 2013, what was the MOST important business impact of deciding not to apply for credit?
   ____Did not hire new employees
   ____Delayed/prevented ability to fulfill existing orders/contracts
   ____Delayed/prevented expansion of business (e.g. purchased new capital assets, Launch of new product or service)
   ____Sought alternative financing sources
   ____No significant impact
   ____Other, please specify (e.g. Delayed/prevented ability to fulfill existing business)
   _______________________________________________________________________

If business sought alternative financing sources continue to question 44, otherwise go to question 45.

44) Please specify the alternative financing sources (e.g. Crowd funding, peer-to-peer lending)
   _______________________________________________________________________

END OF NON-APPLICANT BRANCH
We now have a couple questions about your business’s future credit application plans.

45) Does your business plan to apply for credit in the first half of calendar year 2014?
   ____Yes
   ____No
   ____Not Sure

46) If your business were to APPLY for credit in the first half of 2014, do you think it would be approved?
   ____Yes
We have a couple more questions about your business.

47) In your experience, which type of business assistance would be MOST useful for your business?
   ___Networking sessions
   ___Bank financing information events
   ___Alternative financing information events (e.g. non-bank sources of capital, including crowd funding)
   ___How-To-Export clinics
   ___Designing business plan workshops
   ___Bookkeeping training
   ___Other, please specify ________________________________________________

48) Is your business a . . .

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamber of commerce member?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Business association member?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Certified women-owned business?</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Certified minority-owned business?</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

Superstorm Sandy

Please help us gather information about Superstorm Sandy’s impact on small businesses by answering the next few questions. The information you provide will help inform policymakers and shape disaster relief policies.

49) Was your business financially affected by Superstorm Sandy?
   ___Yes, overall positively affected
   ___Yes, overall negatively affected
   ___No, not significantly affected

50) As a result of Superstorm Sandy, did the following increase, decrease, or stay the same?

<table>
<thead>
<tr>
<th></th>
<th>Increased</th>
<th>Stayed the same</th>
<th>Decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
51) Which types of insurance did your business have at the time of Superstorm Sandy? Select all that apply.
   ___ Property insurance
   ___ Flood insurance
   ___ Business disruption insurance
   ___ No insurance
   ___ Other, please specify _____________________________________________

If Q51 = No insurance then skip to Q53

52) Roughly, what PERCENT of your business’s losses was recovered through insurance?
   ___ Business did not suffer any losses
   ___ None (0%)
   ___ Some (<50%)
   ___ Most (>=50%)
   ___ All (100%)

If Q49 = No, not significantly affected then end survey
If Q49 = positive, go to Q53
If Q49 = negative, go to Q55

53) What was the TOTAL value of your business’s ESTIMATED financial gain from Superstorm Sandy?
   ___ Less than $10,000
   ___ $10,000 – $25,000
   ___ $25,001 – $50,000
   ___ $50,001 – $100,000
   ___ $100,001 – $250,000
   ___ Greater than $250,000

54) Please describe how your business was positively affected by Superstorm Sandy
   ________________________________________________________________

Skip to Q57

55) Please select the TOP TWO sources of Superstorm Sandy-related losses that your business experienced. Select up to 2.
   ___ Damage to / loss of assets (e.g., buildings, equipment, inventory)
56) What was the TOTAL value of your business’s ESTIMATED financial losses from Superstorm Sandy?
   ___Less than $10,000
   ___$10,000 – $25,000
   ___$25,001 – $50,000
   ___$50,001 – $100,000
   ___$100,001 – $250,000
   ___Greater than $250,000

57) What was the MOST important financing need that your business experienced in the aftermath of Superstorm Sandy?
   ___None
   ___Meeting operating expenses (e.g. Payroll.)
   ___Making emergency, one-time investments (e.g. Cost of replenishing inventory.)
   ___Temporarily expanding business (e.g. Increasing volume of currently offered products/services.)
   ___Making capital investments (e.g. Replacing lost equipment.)
   ___Making risk reduction investments (e.g. Building improvements.)
   ___Repositioning business to meet changing customer demand
   ___Other, please specify_____________________________________________

If Q57 = None then go to Q62

58) How did your business address this financing need? Select all that apply.
   ___Business earnings
   ___Business loan (non-SBA) / line of credit
   ___Business credit card
   ___SBA disaster assistance loan / government loan
   ___Business savings and/or insurance payments
   ___Disaster aid/grant
   ___Personal resources (e.g. Personal credit cards, savings, friends/family)
   ___Have not addressed
   ___Other, please specify_____________________________________________
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59) Now, roughly one year later, what type(s) of financing needs related to Superstorm Sandy does your business have? Select all that apply.
   ___None
   ___Meeting operating expenses (e.g. Payroll)
   ___Making capital investments (e.g. Replacing lost equipment)
   ___Making risk reduction investments (e.g. Building improvements)
   ___Repositioning business to meet changing customer demand
   ___Other, please specify____________________________________________

If Q59 = None then go to Q62

60) Roughly, what is the TOTAL cost of these financing needs?
   ___Less than $10,000
   ___$10,000 – $25,000
   ___$25,001 – $50,000
   ___$50,001 – $100,000
   ___$100,001 – $250,000
   ___Greater than $250,000

61) Roughly, what PORTION of these costs has your business been able to fund (through savings or borrowing) to date?
   ___None (0%)
   ___Some (<50%)
   ___Most (>=50%)
   ___All (100%)

62) May we contact you about your business’s experience with Superstorm Sandy? If so, please provide your email
   ________________________________________________________________