

Evidence from the Federal Reserve Bank of New York

# PUERTO RICO SMALL BUSINESS SURVEY



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# FOREWORD



**William Dudley**  
President and CEO,  
Federal Reserve Bank  
of New York

The Federal Reserve Bank of New York has a deep commitment to the people of Puerto Rico and their future, and has collaborated over the years with partners on the Island to foster opportunity and promote inclusive growth.

Through longstanding partnerships with local stakeholders in the education, banking, nonprofit, and business sectors, our Outreach and Education team has held financial literacy programs, convened Community Reinvestment Act forums, and held small business lending workshops for small business owners all across the Island. In recent years, our research economists, who monitor economic conditions on an on-going basis, have, among other things, produced two reports on the *Competitiveness of Puerto Rico's Economy*.

The *Puerto Rico Small Business Survey Report* is our latest contribution to help inform efforts to strengthen the Island's economy. Building on our earlier efforts, this report is focused on providing previously unavailable data

on the small business sector to benchmark where firms are today and identify opportunities for growth. Small firms employ approximately 80 percent of private sector workers in Puerto Rico, making small business performance a key consideration for the Island's future. Even so, timely information about business conditions and growth opportunities is limited. In our meetings with business leaders, community representatives, elected officials, and regional leaders, a recurrent and important information gap was the lack of information about firm conditions. As stakeholders expressed, this firsthand input directly from business owners is critical both for understanding challenges and for proposing solutions.

I am pleased that the New York Fed produced this report to address some of these information gaps. The *Puerto Rico Small Business Survey Report* can help provide a common ground for considering programs and policies for future growth. We will continue to do our part to help Puerto Rico achieve prosperous and inclusive economic outcomes.

# PREFACE

As the financial crisis and economic recession unfolded in 2008, small business lending declined markedly in the U.S. Questions arose regarding the underlying dynamic: Were firms not seeking credit given the challenging economic environment or had underwriting standards become unduly restrictive? It was difficult to gauge the situation since only limited and incomplete data were available on small business demand for credit.

In 2009, the New York Federal Reserve Bank undertook a small pilot survey to better understand the issue. In partnership with a few local organizations, we designed and fielded a survey that asked firms first-hand for their input on what was happening. From that small initial effort, the mainland *Federal Reserve Small Business Credit Survey* has grown and now gone national with all twelve Reserve Banks participating and all fifty states plus the District of Columbia represented.

It was our intention for some time to do something similar in Puerto Rico, which is part of the New York Federal Reserve's service area. The Island has been struggling economically for some time and the Federal Reserve has produced two reports<sup>1</sup> over the last several years. Anecdotal and disparate pieces of information on Puerto Rico small businesses are available but not sufficient for policymakers and practitioners to formulate evidence-based solutions. We felt that the time was right to apply our learning from our mainland efforts to pilot an effort in Puerto Rico.

In January 2016, we consulted with Puerto Rico thought leaders of varied backgrounds to scope out the survey. Many individuals generously shared their time and expertise to help focus the survey on the issues most relevant for the Puerto Rico small business community. While we built on our mainland experience, the survey design and questionnaire were uniquely customized for the needs of Puerto Rican businesses, as gleaned from these conversations.

The survey instrument was fielded from mid-March through May, 2016. As on the mainland, the survey would not have been possible without the committed participation of our local partners, who are thanked in the Acknowledgments section. The unique aspect of the Federal Reserve small business survey is that it is a volunteer collaboration. The New York Fed fields the survey and undertakes the data analysis. But local organizations—our network of distribution partners—distribute the survey to their membership and encourage members to participate by filling out the questionnaire. This outreach and engagement of local members is essential; without it, there would be no data to analyze; without high participation rates, the survey results might be less representative.

The results in this volume are presented by themes—business performance; demand for credit or the lack thereof; business impact of receiving zero or only partial funding; top ranked training needs; and top ranked actions that would help business to grow. We present these themes for all the respondents as a group. We also plan to report results for sub-groups that might be of interest such as regional comparisons, by firm size as measured by annual revenues, and firm profitability. As with all surveys and despite our best efforts, there may remain some degree of selection, recall and non-response bias in our results.

Our intention with the pilot survey was to test both content relevance and operational feasibility. Our challenge was to design a questionnaire that addressed stakeholder needs yet was sufficiently short that firms would actually complete it. If successful, it would be the first step to gathering a body of data that might be useful to benchmark small business conditions and to track progress over time. The feedback from our partners is that the results are both interesting and useful. We are most pleased and welcome all input on how to improve the effort and welcome more Puerto Rico organizations to join us as distribution partners for the 2017 survey.

**Kausar Hamdani, Ph.D.** | SVP and Senior Advisor  
**Claire Kramer Mills, Ph.D.** | AVP and Community Affairs Officer  
**Javier Silva** | Associate Director

<sup>1</sup> See *Report on the Competitiveness of Puerto Rico's Economy*, <https://www.newyorkfed.org/regional/puertorico/index.html> and *An Update on the Competitiveness of Puerto Rico's Economy*, <https://www.newyorkfed.org/outreach-and-education/puerto-rico/2014/report-main.html>.

# ACKNOWLEDGMENTS

We wish to thank the many individuals in Puerto Rico who helped make the *Puerto Rico Small Business Survey* a reality. They generously shared their time and expertise to sharpen the focus on local needs, and helped recruit respondents from their membership without whom this survey would not have been possible. The conversations helped us to deepen our knowledge of the Island; make new friends and partners; and better understand the challenges being faced by the business community. That said, in no way do these individuals or their organizations bear responsibility for any remaining shortcomings.

We particularly wish to thank the following people and their organizations for valuable input into the survey questionnaire and assistance in recruiting respondents from their membership:

- Vanessa Alvarado, Executive Director, Sociedad para la Gerencia de los Recursos Humanos Capítulo de Puerto Rico
- Teresa Berrios, Project Director, Minority Business Development Center
- Laura Cantero, Executive Director; and Gabriela Alvarez, Strategic Development Manager, Grupo Guayacan, Inc.
- Yvette T. Collazo Reyes, District Director; Maria De Jesus, Deputy District Director; and Angelique Adjutant, Public Affairs Officer; PR and USVI District Office, US Small Business Administration
- CPA Edna Jimenez, Executive Director; CPA Jose Orta, President Elect; CPA Luis Zayas, President; and CPA Zulmarie Urrutia, Past-President; Colegio de Contadores Públicos Autorizados de Puerto Rico
- Mario Marazzi, Executive Director, Instituto de Estadísticas de Puerto Rico
- Carmen Marti, Executive Director, Puerto Rico Small Business & Technology Development Centers
- Wanda Marrero, Director, Research Division, Compañía de Comercio y Exportación
- Jorge Marti Peña, Executive Vice President, Banco de Desarrollo Económico para Puerto Rico
- Annette Montoto, President, Microfinanzas Puerto Rico
- Ramón A. Pérez Blanco, President, Hecho en Puerto Rico
- Rubén Piñero, President, Centro Unido de Detallistas
- Giovanna Piovanetti, President, Corporación para el Financiamiento Empresarial del Comercio a las Comunidades
- Manuel Reyes, President, Camara de Mercadeo, Industria y Distribución de Alimentos
- Jose Villamil, President, Estudios Tecnicos, Inc.
- Javier Zapata, Deputy Director, Pathstone

We also thank our colleagues at the Federal Reserve Bank of New York who are members of the Puerto Rico Working Group, especially Jason Bram, Research Officer, for their input. Our colleagues Jessica Battisto, Scott Lieberman, and Sanjay Sudhir of the Outreach & Education team provided excellent data assistance; Krista Schmidt of the Digital Strategy team helped vet the report for the website; and Namrata Kalola provided the design, graphics and the layout of the volume. An e-version of this volume is available at [www.newyorkfed.org/outreach-and-education](http://www.newyorkfed.org/outreach-and-education).

The views presented here are those of the authors and do not necessarily reflect the position of the Federal Reserve Bank of New York or the Federal Reserve System.

# SURVEY HIGHLIGHTS

Employing more than 80 percent of all private sector workers, small businesses are a mainstay of Puerto Rico's economy.<sup>2</sup> Accordingly, understanding the sector's challenges and issues is vital to the Commonwealth's efforts to restoring economic vitality. The Federal Reserve Bank of New York's inaugural *Puerto Rico Small Business Survey Report* presents data that indicate underlying strengths in the small business sector even as small firms face significant challenges.

In 2015, approximately sixty percent of small firms reported that they were profitable or broke even, though 54 percent also reported declining revenues from a year before. Business formation was also healthy with more than a third of respondent firms having been started within the last five years, a share similar to the mainland United States<sup>3</sup> and notable given the challenging economic conditions in which the Puerto Rico firms launched.

A large share of the small business sector may be characterized as micro-firms. The majority of respondents employs fewer than 10 workers; has annual revenues less than \$250,000; and 38 percent report annual revenues under \$50,000. Given the tight constraints that small firms typically operate under, it is not surprising that cash flow is their top reported business challenge. And credit needs are primarily microfinance needs with nearly half of small firms seeking \$25,000 or less in financing.

Small business demand for credit is robust, possibly due to the revenue and cash flow challenges that they flagged. Fifty-five percent of firms reported applying

for credit during the previous twelve months. Of these, 40 percent were seeking financing to meet operating expenses. Managing cash flow was not, however, the exclusive driver of credit applications as nearly one-third of applicants wished to expand their business.

However, there are noteworthy funding gaps. While 39 percent of applicants received all of the funding that they applied for, another one-third of applicants received none. Their chief self-reported credit obstacles were insufficient collateral and low credit scores. As a result, 43% of these firms reported delaying or passing on a business opportunity or an expansion that they had planned.

Among non-applicants, the main reasons for not applying were not wanting to accrue debt (37%) and having sufficient funding (23%). Another 14% were discouraged borrowers or firms that did not apply because they believed they would be turned down. Among this group, low credit scores were the chief self-identified challenge.

A special focus of the survey was training needs and growth opportunities. Nearly half of firms requested programs in support of growing sales—to the federal government, via online commerce, and through exports—as their top priority. In keeping with the funding gaps that the survey revealed, 45 percent of firms cited improved access to capital and credit as the initiative that would have the largest growth impact, above streamlining business regulations (18 percent), a larger pool of skilled workers (11 percent), and access to export markets (11 percent).

2 "2016 Small Business Profiles for the States and Territories." U.S. Small Business Administration Office of Advocacy. 2016.

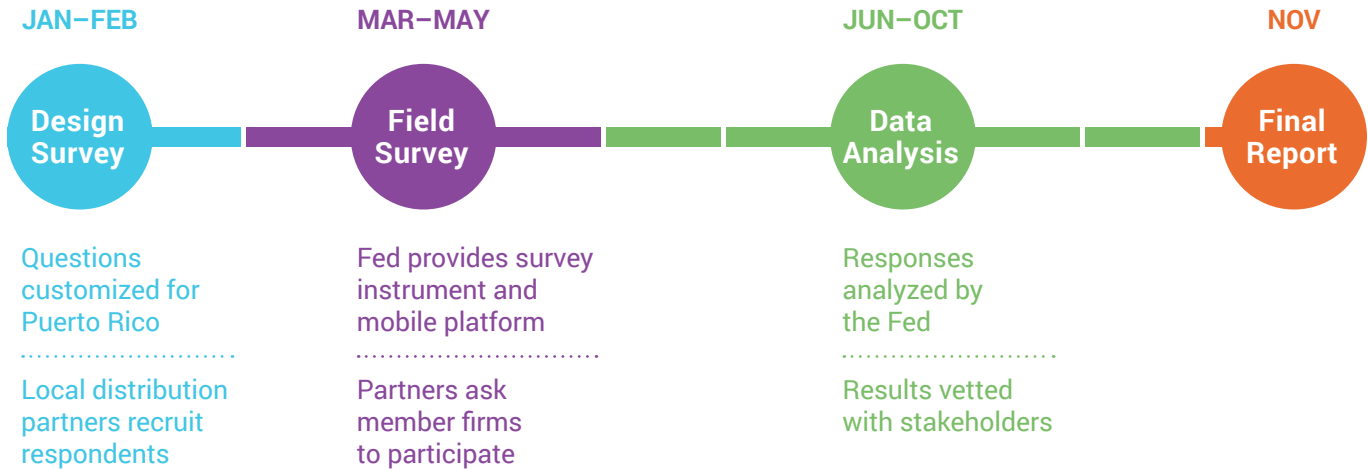
3 "2015 Small Business Credit Survey: Report on Employer Firms." Federal Reserve Banks of New York, Atlanta, Boston, Cleveland, Philadelphia, Richmond, and St. Louis. March 2016.

# ABOUT THE SURVEY

In January 2016, we consulted with diverse Commonwealth thought leaders to scope out the survey content and distribution method. They helped focus the survey questionnaire on issues most relevant to the Puerto Rico small business community and encouraged us to use a mobile platform as the most convenient way to reach local firms. The survey was designed to collect data that will establish benchmarks and fill knowledge gaps, most likely on the formal economy given our distribution process.

## Survey Process

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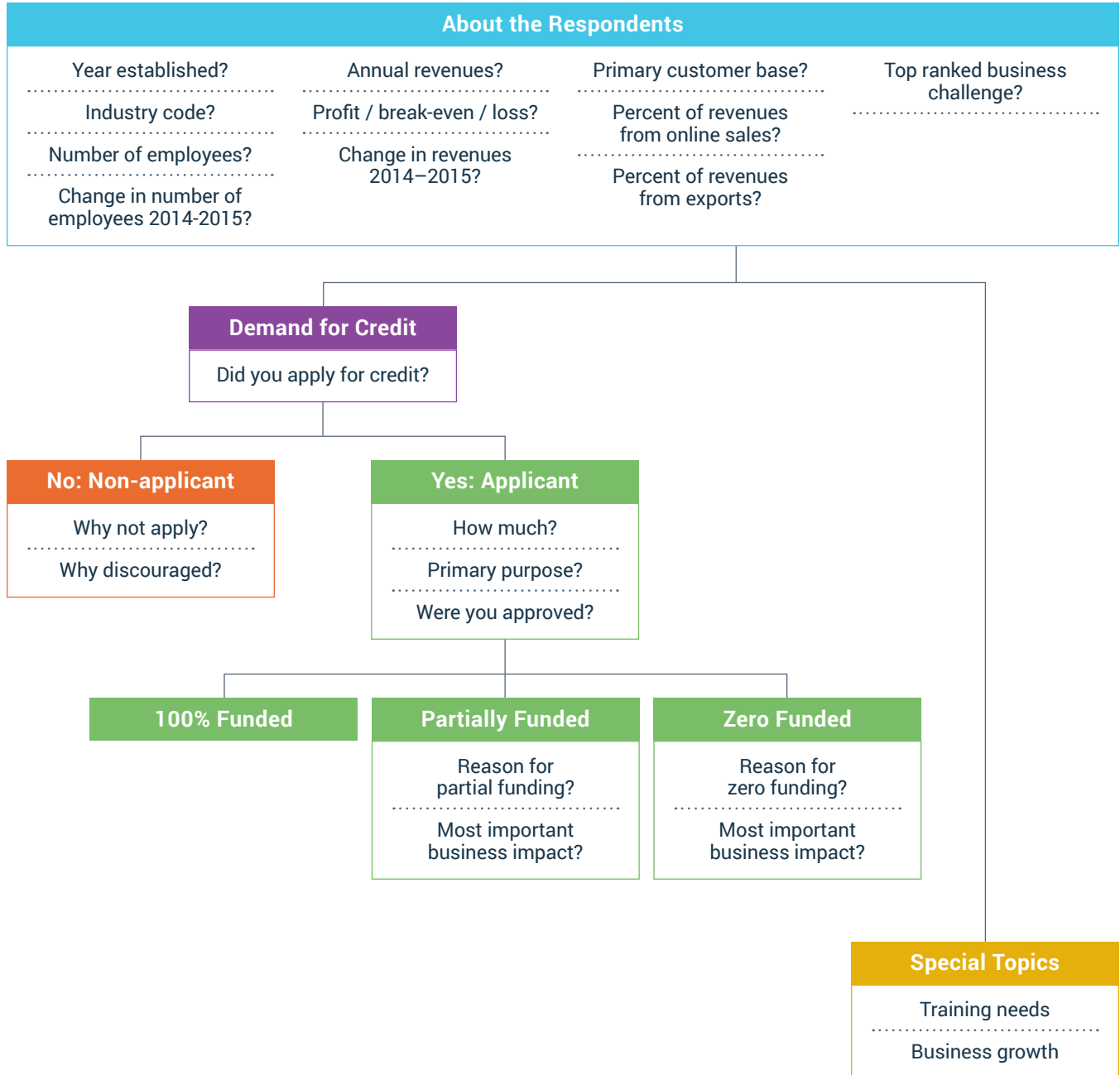
The unique aspect of the *Federal Reserve Small Business Survey* is that it is a volunteer effort. The New York Fed fields the survey and undertakes the data analysis. But local organizations—our network of distribution partners—circulate the survey to their membership and encourage members to participate by filling out the questionnaire. Without them, this survey would not be possible. (See [Acknowledgments](#) for a list of our 2016 partners.)



# ABOUT THE SURVEY

## Architecture of Survey Questions

The survey questionnaire focused on three broad areas: information about the respondents; firm demand for credit; and a special topics section addressing training and growth opportunities. (See [2016 Survey Questionnaire](#) for specific questions.)



# ABOUT THE SURVEY

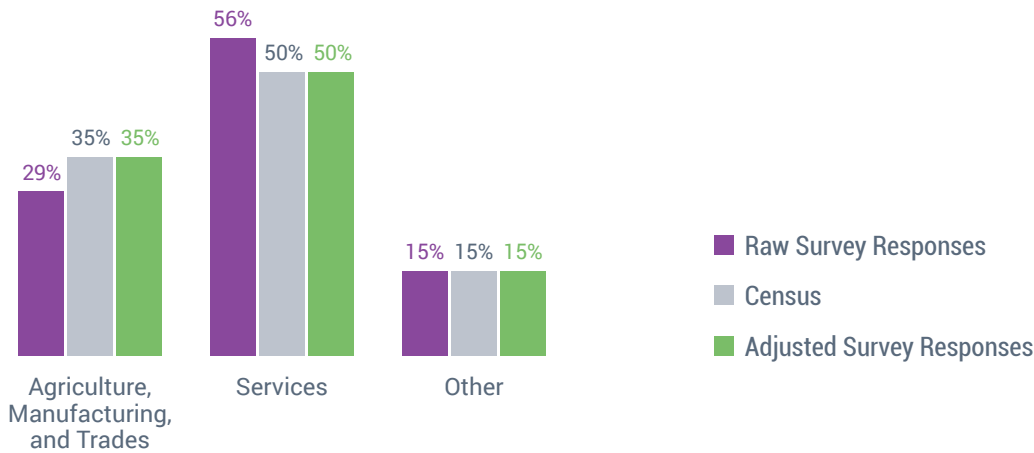
## Weighting the Responses

The survey instrument was fielded from mid-March through May, 2016. Upon closure, we had received 1295 responses in all. To control for bias and to ensure that the sample closely matched the distribution of Commonwealth small business, we weighted the survey responses by industry, geographic location, and employment size. (See [About the Data](#) for details.) Here is how the responses compare, before and after the adjustments:

After checking the responses for completeness and accuracy, we had 767 (or 59% of the original 1295 responses) responses that were usable for the data analysis reported in this volume. The number of observations used are reported for each table and chart as N=xx. The reported number of observations varies because some firms did not answer all questions.

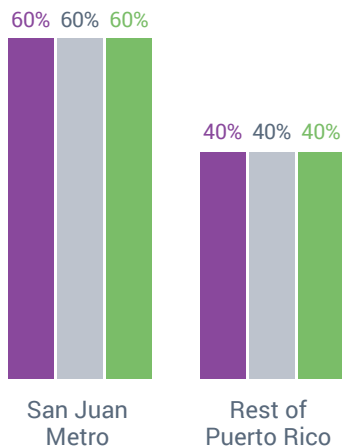
### GENERAL INDUSTRY

N=767



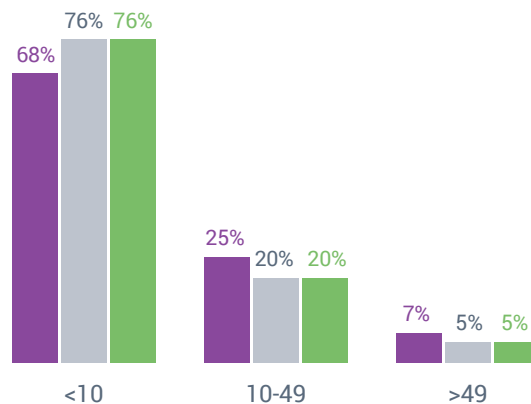
### LOCATION

N=767



### NUMBER OF PAID EMPLOYEES

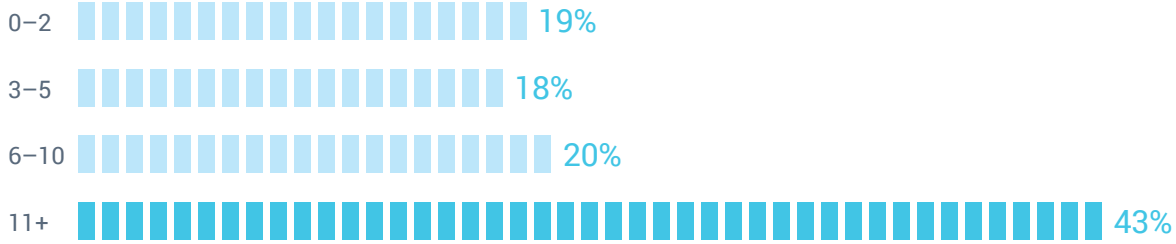
N=767





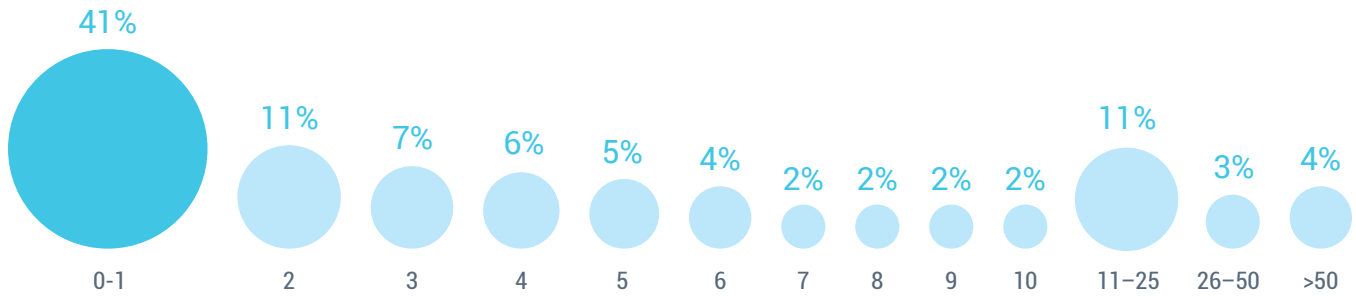
## YEARS IN BUSINESS

N=760



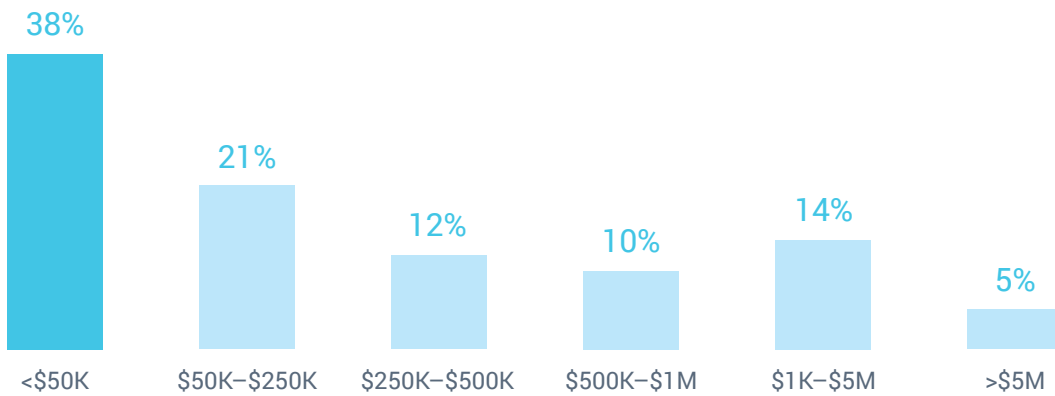
## NUMBER OF FULL-TIME EMPLOYEES, 2015

N=767



## ANNUAL REVENUES, 2015

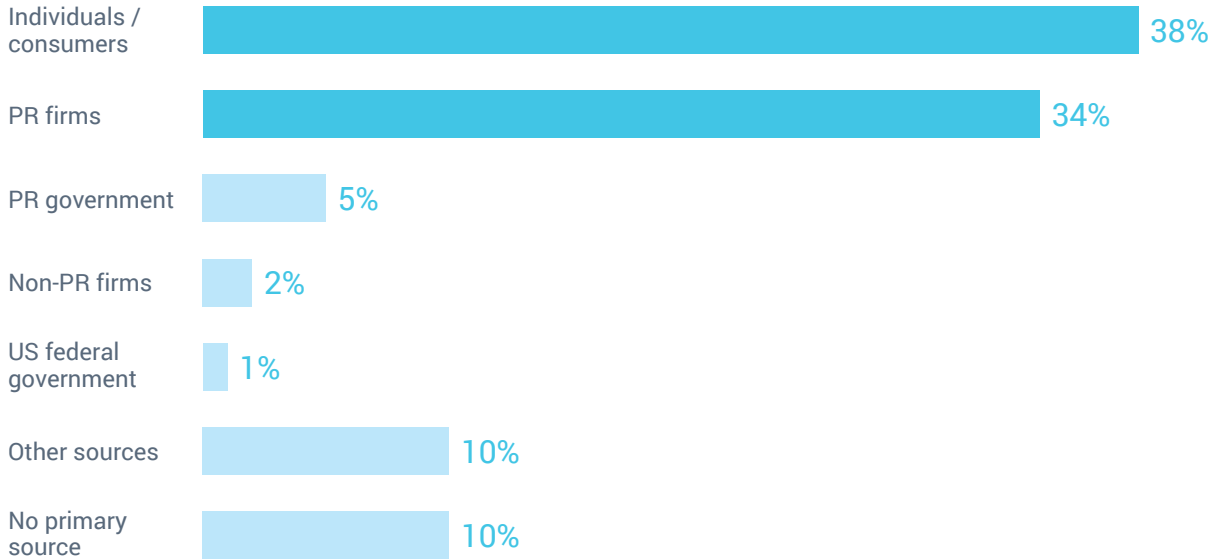
N=728





## PRIMARY (>50%) SOURCE OF REVENUES

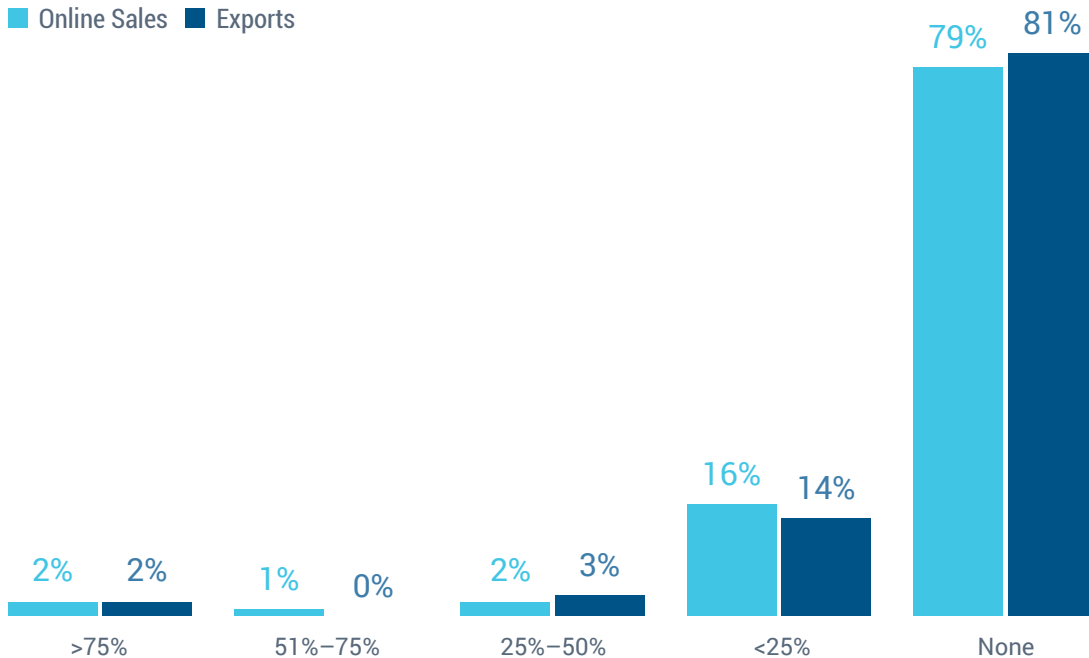
N=712



## REVENUES FROM ONLINE SALES & EXPORTS

N (online sales)=689, N (exports)=686

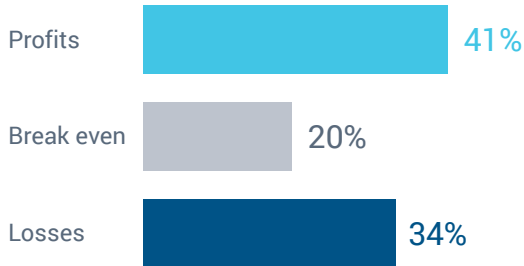
■ Online Sales ■ Exports





## PROFITABILITY, 2015\*

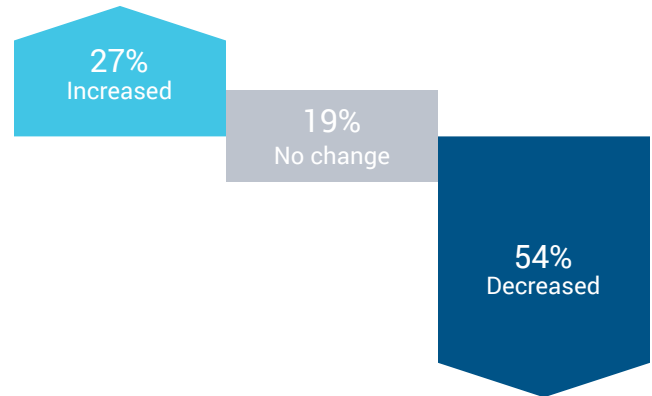
N=680



\*5% of respondents were unsure or declined to answer the question.

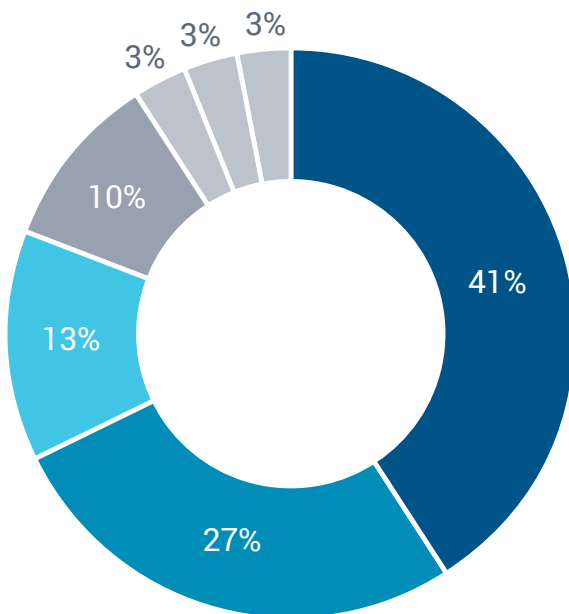
## CHANGE IN REVENUES, 2014–2015

N=660



## TOP BUSINESS CHALLENGE, 2015

N=663



41% Managing cash flow

27% Dealing with rising business costs

13% Complying with government regulations

10% Obtaining credit

3% Finding or retaining qualified workers

3% Identifying export opportunities

3% Establishing online presence / growing e-commerce

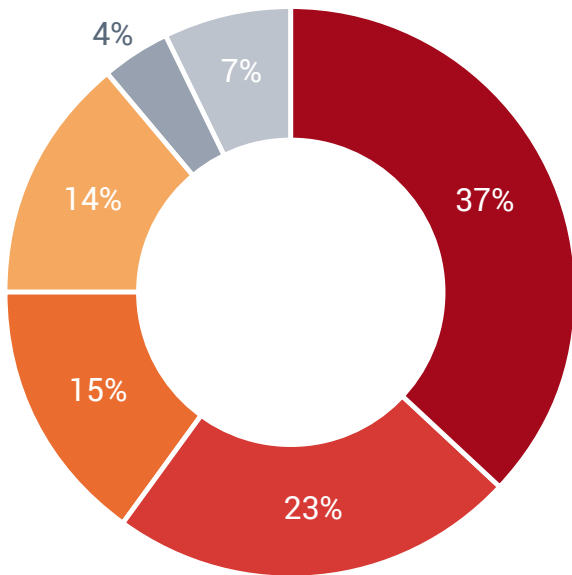


## 45% of respondents did not apply for credit

N=677

### PRIMARY REASON FIRMS DID NOT APPLY FOR CREDIT

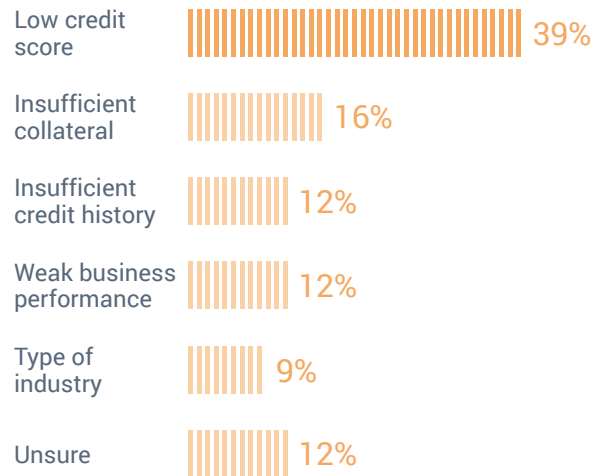
N=297



- 37% Did not want to accrue debt
- 23% Not needed; had sufficient funding
- 15% Loan search / application process was too difficult or confusing
- 14% Did not think application would be approved
- 4% Cost of credit was too high
- 7% Other

### LIKELY REASON APPLICATION WOULD NOT BE APPROVED

N=40



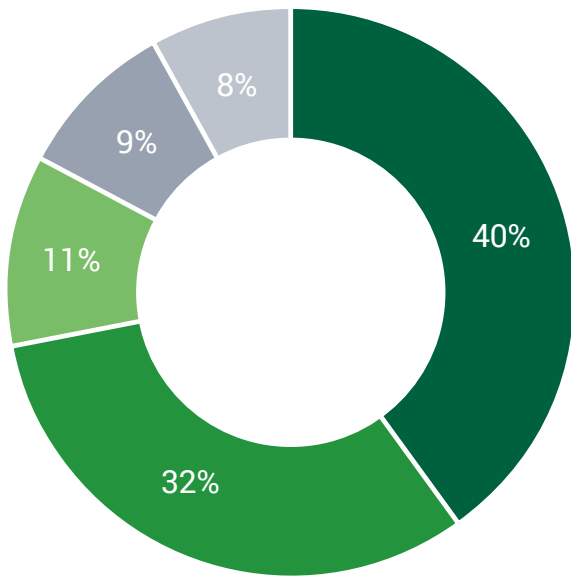


**55% of respondents applied for credit**

N=677

## TOP REASON TO APPLY FOR CREDIT

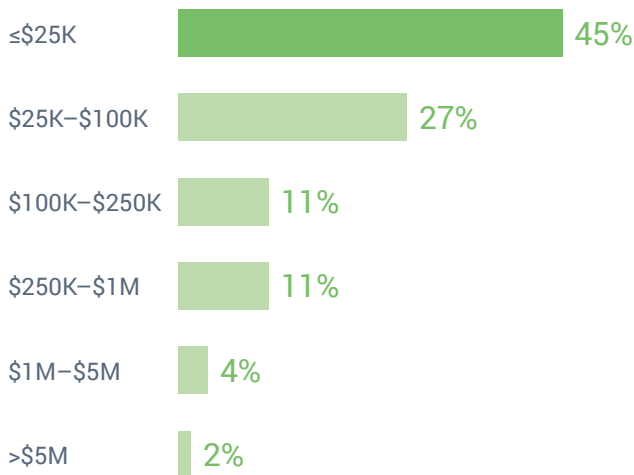
N=372



- 40% Meet operating expenses
- 32% Expand business
- 11% Refinance or pay down debt
- 9% Establish a new business
- 8% Other

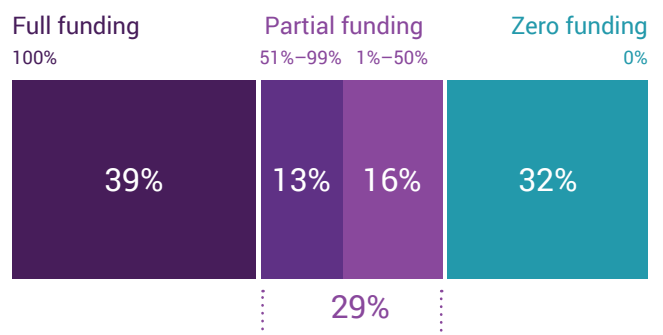
## AMOUNT OF CREDIT APPLIED FOR

N=371



## PERCENT OF CREDIT APPROVED

N=371



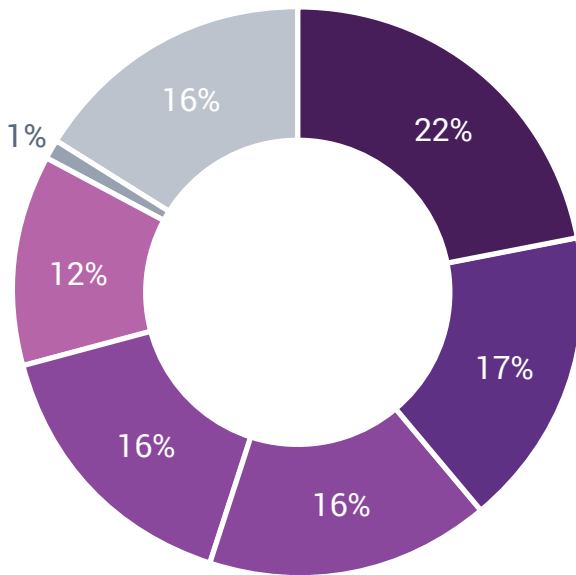


## 29% of all applicants received partial funding

N=371

### LIKELY REASONS FOR PARTIAL FUNDING

N=115\*

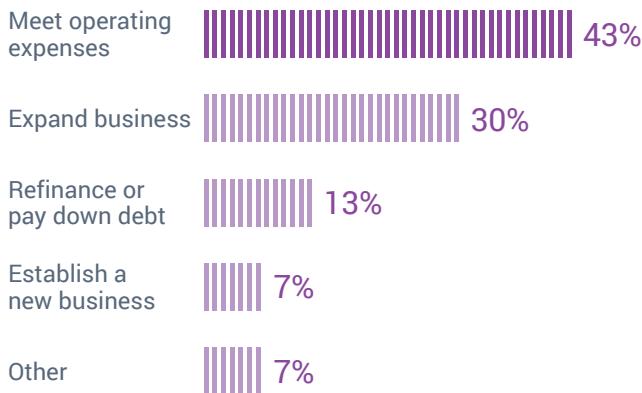


- 22% Insufficient Collateral
- 17% Type of Industry
- 16% Weak Business Performance
- 16% Low Credit Score
- 12% Insufficient Credit History
- 1% Inadequate Documentation
- 16% Unsure

*\*Respondents could select multiple options. Percentages are based on the share of responses that each choice received.*

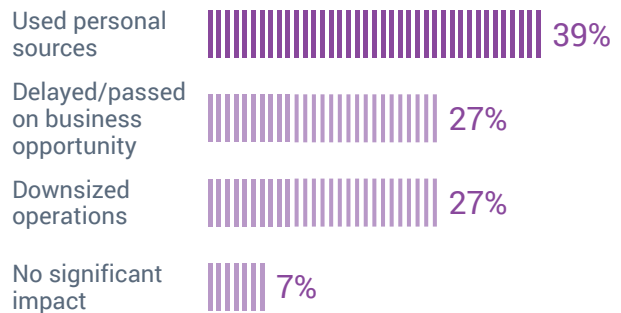
### TOP REASON TO APPLY FOR CREDIT

N=110



### BUSINESS IMPACT OF PARTIAL FUNDING

N=107





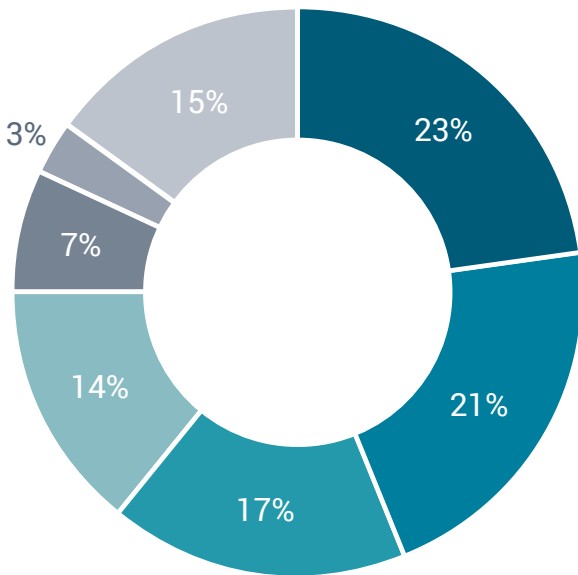


## 33% of all applicants received zero funding

N=371

### LIKELY REASONS FOR ZERO FUNDING

N=144\*

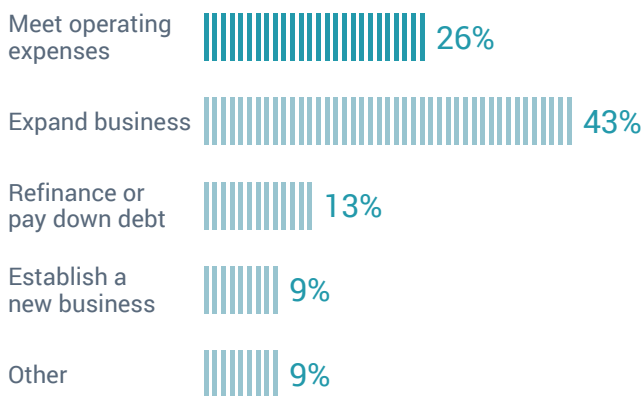


- 23% Insufficient Collateral
- 21% Low Credit Score
- 17% Weak Business Performance
- 14% Insufficient Credit History
- 7% Type of Industry
- 3% Inadequate Documentation
- 15% Unsure

*\*Respondents could select multiple options. Percentages are based on the share of responses that each choice received.*

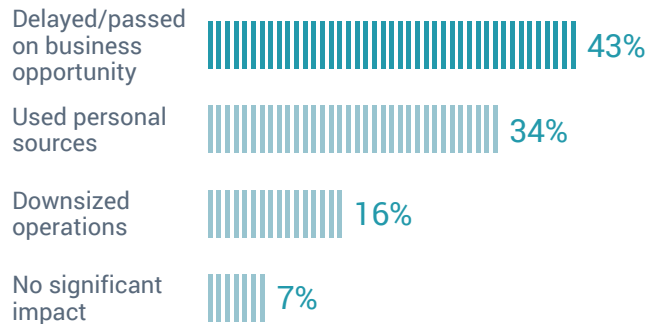
### TOP REASON TO APPLY FOR CREDIT

N=115



### BUSINESS IMPACT OF ZERO FUNDING

N=115





## TOP RANKED TRAINING NEEDS

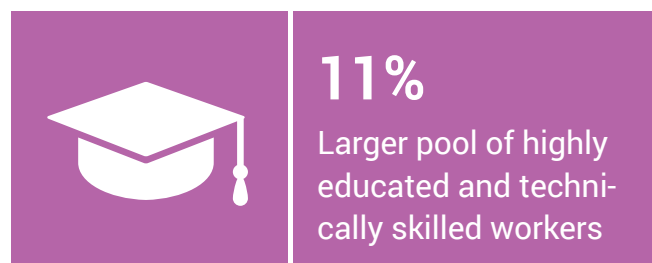
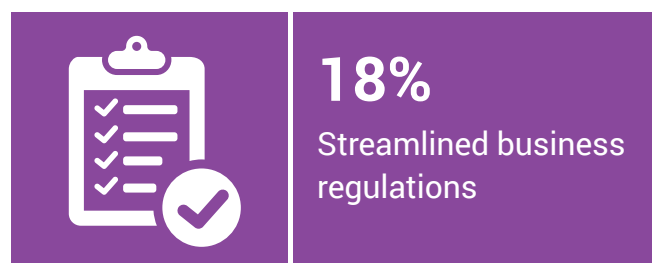
N=643





## MOST HELPFUL TO GROW BUSINESS

N=656



# ABOUT THE DATA

The *Puerto Rico Small Business Survey* is modeled after the Federal Reserve Bank of New York's *Small Business Credit Survey* for the U.S. mainland<sup>4</sup>, and is customized to address local issues and interests in the Commonwealth. See [About the Survey](#) for details.

## Data Collection

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The survey is a voluntary collaboration that results in a convenience sample of business establishments with fewer than 500 employees. The New York Fed fields the survey and undertakes the data analysis. Puerto Rico organizations—our network of distribution partners (see [Acknowledgments](#) for the list)—distribute the survey to their members and ask them to participate. The survey is conducted online and the number of responses varies according to the number of firms that receive and complete a particular question.

1,295 firms responded to the survey, which was fielded between March 2016 and May 2016. Of the respondents, 767 businesses answered the three questions associated with the weighting dimensions—industry, geographic location, and employment size—and are therefore included in the report analysis.

## Data Weighting

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To control for biases and to ensure the survey closely matches the distribution of the small business population in Puerto Rico, we weight the survey responses on three dimensions: industry, geographic location, and the employment size of establishments. As with all surveys, there may remain some degree of selection, recall and non-response bias.

The Federal Reserve Bank of New York worked with the National Opinion Research Center (NORC), a nationally recognized survey organization that designed and calculated the weights. The weighting data for industry and geographic location come from the US Census Bureau's County Business Patterns (CBP) Series, 2014. The CBP excludes most government employees, railroad employees, and self-employed persons. Weighting data for employment size come from the Bureau of Labor Statistics' Quarterly Census of Employment and Wages (QCEW), 2014. More specifically:

- For the industry weights, respondents are sorted into one of three major categories: *Agriculture, Manufacturing, and Trades* (NAICS: 11, 23, 31-33, 42, 44-45); *Services* (NAICS: 51, 52, 53, 54, 55, 61, 62, 71); and *Other*.

- For the geographic location weights, respondents were asked to provide a business ZIP code and were then sorted into one of two categories: The greater *San Juan Metro* area, defined as the San Juan municipio and the 22 surrounding municipios (Aguas Buenas, Barranquitas, Bayamon, Caguas, Canovanas, Carolina, Catano, Cayey, Cidra, Comerio, Corozal, Dorado, Guaynabo, Gurabo, Loiza, Naranjito, San Juan, San Lorenzo, Toa Alta, Toa Baja, Trujillo Alto, Vega Baja, Vega Alta); and the *Rest of Puerto Rico*, or the 55 Puerto Rican municipios not included in the *San Juan Metro* area.
- For the employment size weights, respondents are sorted into one of three categories: *Fewer than 10*, *10 to 49*, and *More than 49* full- and part-time employees.

As population totals are not consistent across the three weighting dimensions, counts by geographic location and employment size are calibrated to the count by industry. Please note that the *Puerto Rico Small Business Survey Report* does not use firm age as a weighting dimension, as is done in the mainland Small Business Credit Survey report, because such municipio-level data are not available.

<sup>4</sup> See [www.newyorkfed.org/smallbusiness/small-business-credit-survey-employer-firms-2015](http://www.newyorkfed.org/smallbusiness/small-business-credit-survey-employer-firms-2015). Mainland includes Hawaii and Alaska.

# ABOUT THE DATA

## Data Presentation & Definitions

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The data in this report are presented as whole numbers, rounded based on the first decimal place. For example, a value of 5.49% would be reported as 5%, whereas a value of 5.51% would be reported as 6%.

**Number of employees:** The sum of full-time employees plus part-time employees.

**Primary source of revenue:** The source from which a firm receives more than 50% of its revenue.

**Revenue change:** The increase, decrease, or lack thereof in a firm's revenue in 2015 relative to 2014.

**Change in number of employees:** The increase, decrease, or lack thereof in a firm's number of paid employees in 2015 relative to 2014.

**Applicant:** A firm that applied for any type of credit in 2015.

**Non-applicant:** A firm that did not apply for any type of credit in 2015.

**Discouraged borrower:** A firm that did not apply for any type of credit in 2015 because the prospective applicant did not think the application would be approved.

**Fully funded:** A firm that applied for any type of credit in 2015 and received all of the funding requested.

**Partially funded:** A firm that applied for any type of credit in 2015 and received some, but not all, of the funding requested.

**Zero funded:** A firm that applied for any type of credit in 2015, but did not receive any of the funding requested.

**Training need:** The type of training a firm would find most useful in 2016.

**Most helpful to grow:** The resource or action a firm finds most helpful to grow the business.

# SURVEY QUESTIONNAIRE

The Puerto Rico Small Business Survey asks about your firm's general business conditions and your financing experiences in 2015. These questions are best answered by the business owner or a key financial decision maker. This will take approximately 10 minutes to complete.

The survey is conducted by the Federal Reserve Bank of New York with the collaboration of local business organizations and associations. Your survey responses will be anonymous. The answers you provide will be combined with those of other respondents in Puerto Rico and will be used only to provide information on small businesses on the Island in order to support research, recommendations, and publishing reports. The anonymous data may be shared with third parties exclusively for the purposes of small business research in Puerto Rico.

By taking this survey, you agree to these uses.

## About the Respondents

We would like to start with some general questions about your business, sales and employees. Please answer to the best of your ability.

1. Which ZIP code is your headquarters located in? \_\_\_\_\_

2. In what year was your business established? \_\_\_\_\_

3. Which of the following BEST describes your business's primary activity?

- a. Agriculture, manufacturing and trades
- b. Services
- c. Other

4. How many people did your business employ in 2015 (including owners)?

	Number of employees
Full-time employees (30 hours or more per week)	
Part-time employees (less than 30 hours per week)	
Contract, temporary or seasonal workers	
Unsure. Please explain: _____	

5. Roughly, what were your business's total revenues in 2015?

- a. \$50,000 or less
- b. \$50,001–\$250,000
- c. \$250,001–\$500,000
- d. \$500,001–\$1,000,000
- e. \$1,000,001–\$5,000,000
- f. More than \$5,000,000

*Continued...*

*\*Survey was fielded exclusively in Spanish.*

# SURVEY QUESTIONNAIRE

## 6. In 2015, approximately what PERCENT of your business revenue was derived from the following sources?

	Percent
Individuals / Consumers	
Puerto Rico local businesses	
Business outside of Puerto Rico	
Puerto Rico government, municipalities, or public corporations	
US Federal government only	
All other	

## 7. In 2015, approximately what PERCENT of your total revenue was due to online sales?

- More than 75%
- 51%–75%
- 25%–50%
- Less than 25%
- None

## 8. In 2015, approximately what PERCENT of your total revenue was due to exports?

- More than 75%
- 51%–75%
- 25%–50%
- Less than 25%
- None

Now we would like to ask you some more specific questions about your business's experience over the past year and how this is different or not from previous years. Again, please answer to the best of your ability.

## 9. In 2015, did your business make a profit or loss?

- Profit
- Break even
- Loss
- Unsure or decline to answer

## 10. How did the following change from 2014 to 2015?

	Decreased	No Change	Increased
Revenue	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Number of employees (if any)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Number of contractor hours (if any)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## 11. What was your BIGGEST business challenge in 2015?

- Managing cash flow (for example, meeting payroll for inventory)
- Finding or retaining qualified workers or managers
- Complying with government regulations
- Accessing credit for your business
- Finding export opportunities
- Dealing with rising business costs
- Establishing an online presence / Growing e-commerce sales

Continued...

# SURVEY QUESTIONNAIRE

## Demand for Credit

Businesses often need to obtain credit for operating costs and to cover other expenses. We would like to ask you about your experiences with credit over the past year. Even if you did not apply for any credit, please answer all of the questions.

**12. Did your business APPLY for any type of CREDIT in 2015? (By credit, we mean: applying for loans, leasing, or carrying credit card balance)**

- a. Yes
- b. No

## No: Non-applicant

**13. What was the PRIMARY reason your business DID NOT apply for CREDIT in 2015?**

- 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 was too difficult or confusing
- f. Other. Please specify: \_\_\_\_\_

**If b is selected:**

**14. What is the biggest reason that your credit application would not be approved?**

- a. Insufficient credit history
- b. Low credit score
- c. Insufficient collateral
- d. Inadequate documentation
- e. Type of industry
- f. Weak business performance (E.g. uneven cash flow, poor revenue)
- g. Unsure

## Yes: Applicant

**15. How much TOTAL credit did your firm APPLY for in 2015?**

- a. Less than \$25,000
- b. \$25,001–\$100,000
- c. \$100,001–\$250,000
- d. \$250,001–\$1,000,000
- e. \$1,000,001–\$5,000,000
- f. More than \$5,000,000

**16. What was the PRIMARY PURPOSE for your firm seeking credit in 2015?**

- a. Meet operating expenses
- b. Expand business (E.g. new products or services, new location, purchase of equipment, etc.)
- c. Refinance or pay down debt
- d. Start a new business
- e. Other

*Continued...*



# SURVEY QUESTIONNAIRE

17. Of the total dollar amount of credit, from all sources, that your firm applied for in 2015, what percent was approved?

- a. All (100%)
- b. More than half (51%–99%)
- c. Half or less (1%–50%)
- d. Zero (0%)

## Applicants: Partially or Zero Funded

18. What was the MOST important business impact, if any, of not receiving the full amount of credit for which your business applied in 2015?

- a. Downsized business operations  
(E.g. cut staff, reduced products and services, reduced commercial space, etc.)
- b. Delayed or passed on a business opportunity  
(E.g. new products or services, new location purchase of equipment)
- c. Funded business from personal sources, friends and family, pawnshops, or high cost lenders, etc.
- d. No significant impact

19. What were the likely reasons your business did not receive 100% of the CREDIT applied for? Select all that apply.

- a. Low credit score
- b. Insufficient credit history
- c. Insufficient collateral
- d. Inadequate documentation
- e. Type of industry
- f. Weak business performance (E.g. uneven cash flow, poor revenue)
- g. Unsure

## Training Needs and Business Growth

Finally, we have some questions about how we can help you in 2016. In particular, what services, training, and other assistance would your business find helpful?

20. Which types of TRAINING would your firm find most useful in 2016?

- a. Preparing financial statements
- b. Complying with government regulations (licenses and permits)
- c. Managing cash flow
- d. Starting or growing exports
- e. Recruiting or managing staff
- f. Contracts and sales to the federal government
- g. Automating business processes
- h. Growing internet sales

21. Which of the following would be MOST helpful to grow your business?

- a. Larger pool of highly educated and technically skilled workers
- b. Improved access to capital and credit
- c. Streamlined business regulations
- d. More opportunities to access export markets
- e. Conducting business within US legal and regulatory framework
- f. None