

Information to Support BSOs: Data on Small Business Credit Demand and Lending

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Leveraging Research: Capacity Builder Workshop

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Note: This presentation represents the views of the speaker and not necessarily those of the Federal Reserve Bank of Chicago or the Board of Governors of the Federal Reserve System.

Data Sources

- Federal Reserve Small Business Credit Survey
- CRA Small Business Lending



Community Reinvestment Act

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CRA Data Products

CRA data are generally released by August of the year following the calendar year of the data.

National Aggregates, 1996-2022

These reports are a nationwide summation of the CRA data. They indicate the number and amounts of lending, cross-tabulated by loan, applicant, and geographic characteristics.

Aggregate Reports (by Geography), 1996-2022

These reports summarize the CRA lending information by [MSA](#).

Disclosure Reports (by Institution), 1996-2022

These reports summarize CRA lending information for individual institutions, both nationwide and by [MSA](#).

Flat Files, 1996-2022

The combined flat files represent all of the CRA Aggregate and Disclosure report data. The data can be imported into statistical software packages or Microsoft Excel for analysis.

Note:

If you are unable to access the summary tables or flat files online, you may order a CD-ROM by filling out the [Data Order Form](#). This option is only available for years 1996-2004.

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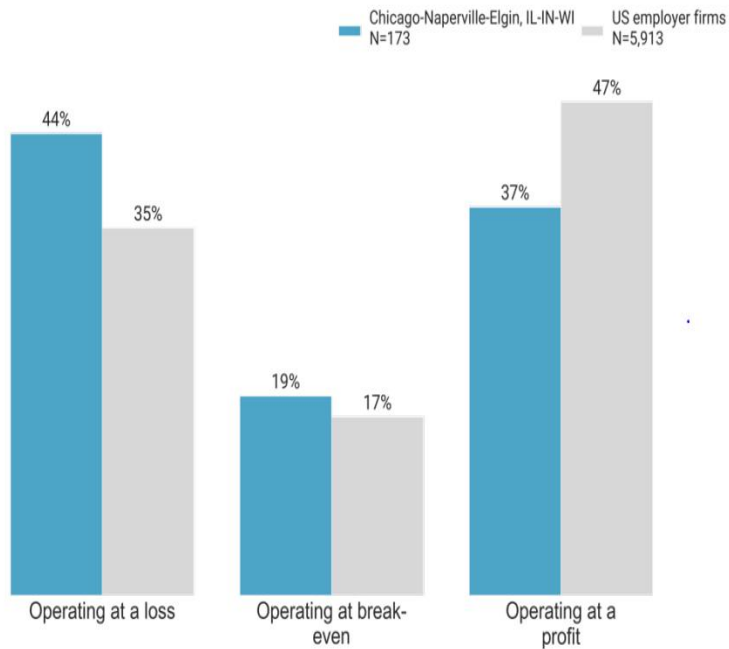
The Small Business Credit Survey

- The Small Business Credit Survey (SBCS) is a collaboration of Federal Reserve Banks
 - The 2023 survey was fielded from September through November 2023
-
- Data available by:
 - Geography of business
 - Age of business
 - Industry of business
 - Race/Ethnicity of business owner
 - Gender of business owner
 - ...and more!

Chicago MSA: Profitability; Employment Change

Profitability, end of 2022

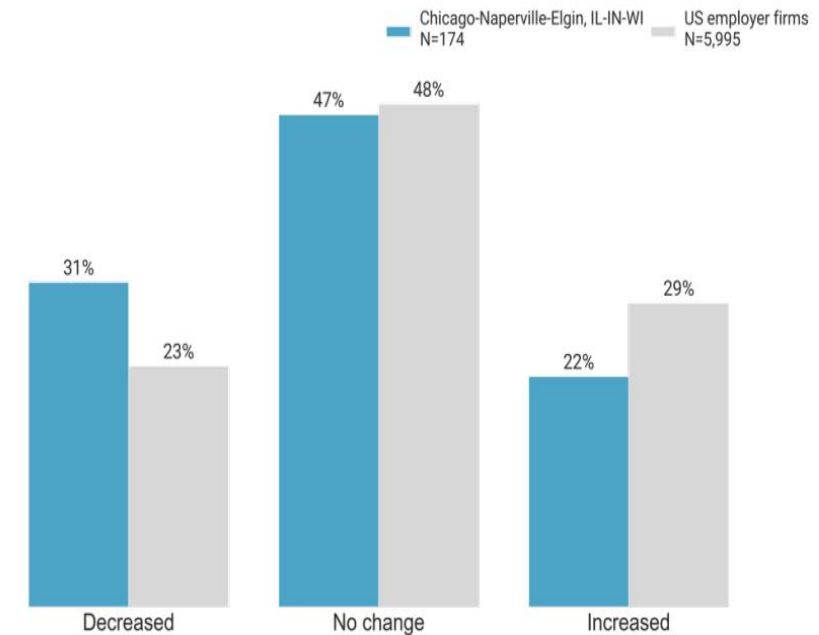
(% of employer firms)



Notes: Percentages across response options may not sum to 100 within firm categories because of rounding.

Employment change, prior 12 months

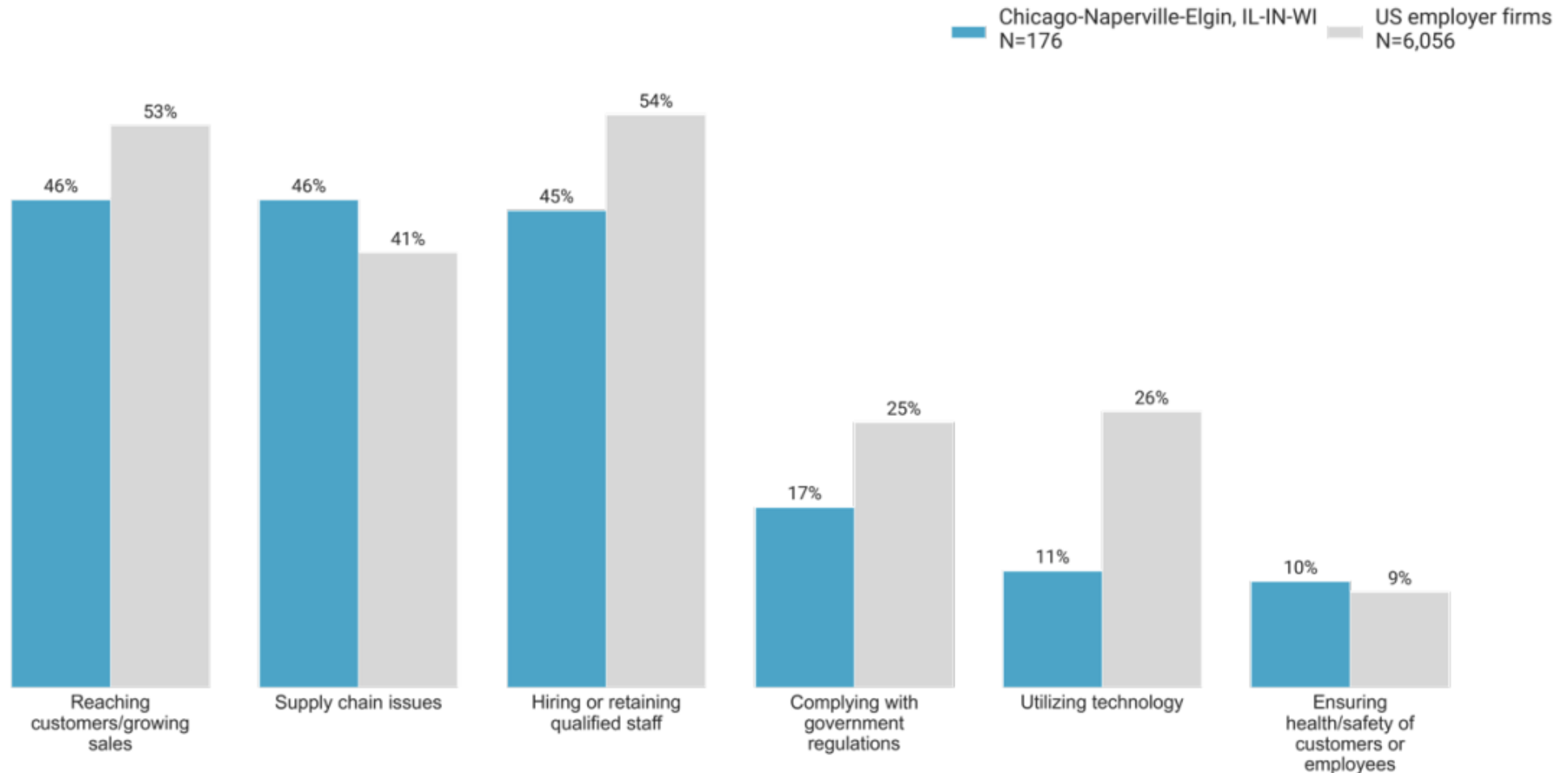
(% of employer firms)



Notes: Percentages across response options may not sum to 100 within firm categories because of rounding. See Appendix for definitions of SI

Operational challenges, prior 12 months

(% of employer firms)

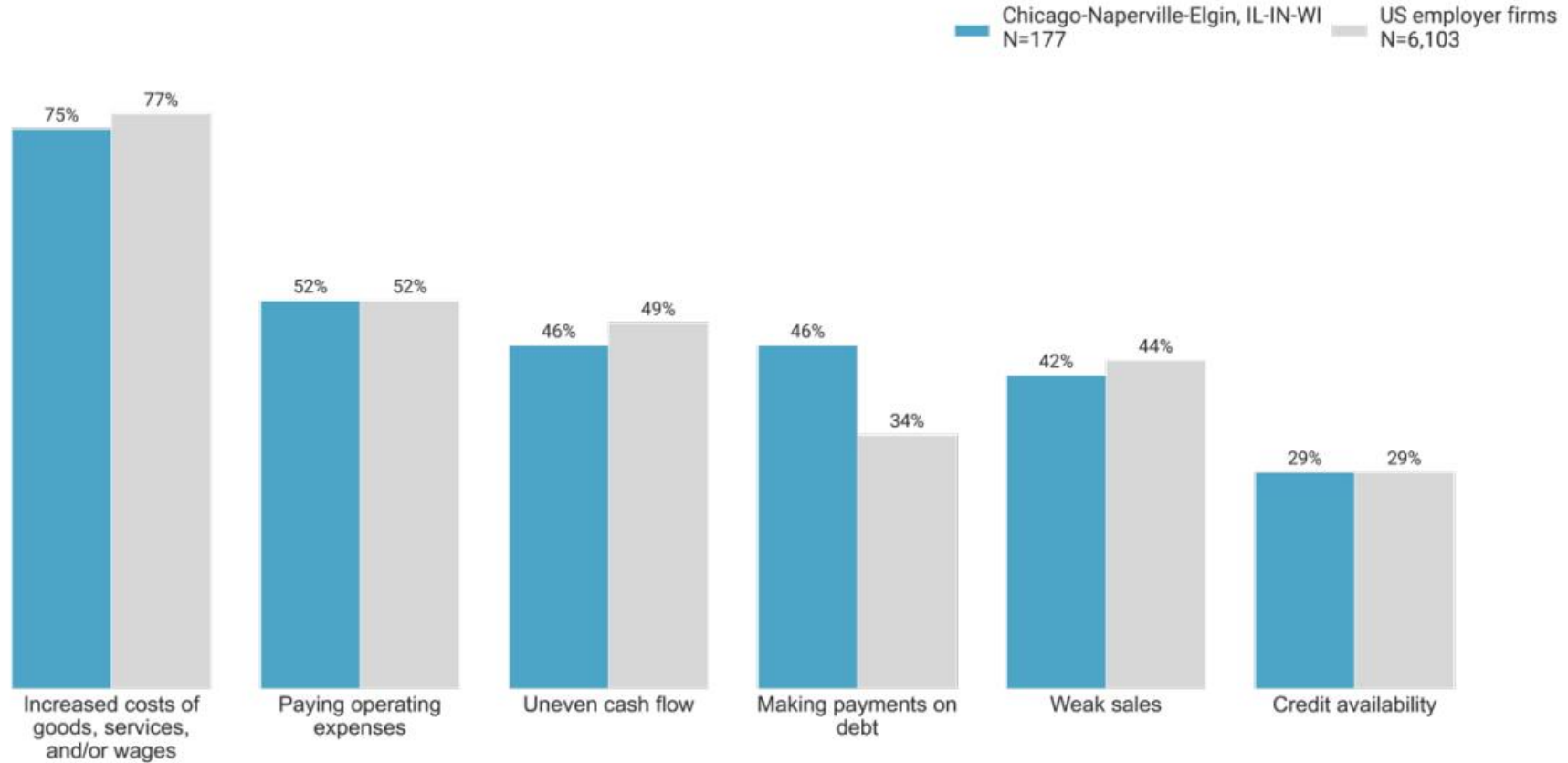


Notes: "Utilizing technology" includes using websites, ecommerce, social media, and cybersecurity. Respondents could select multiple options. Select response options shown. See Appendix for definitions of SBCS time references.



Financial challenges, prior 12 months

(% of employer firms)



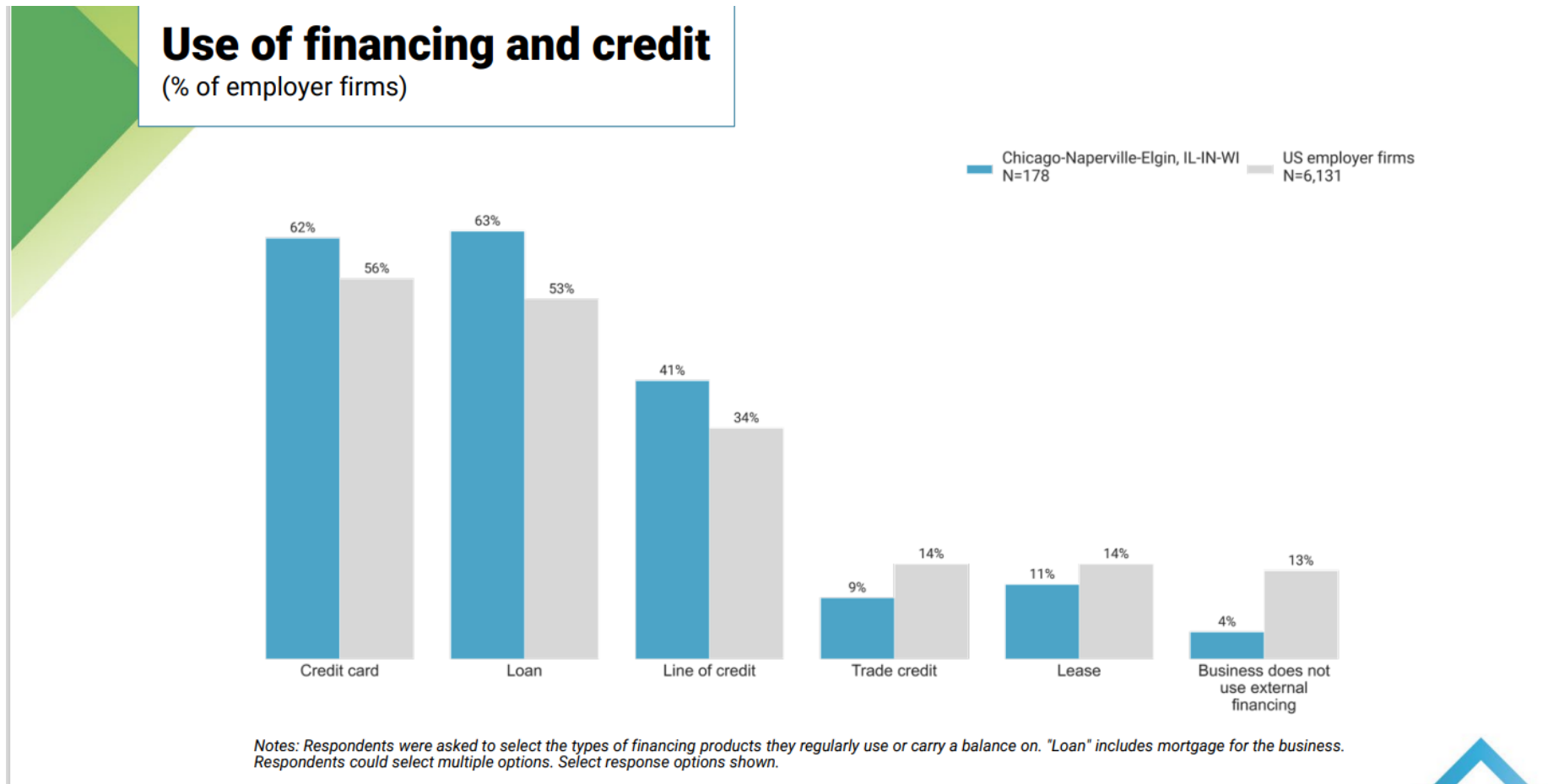
Notes: Respondents could select multiple options. Select response options shown. See Appendix for definitions of SBCS time references.

More than half of firms cited payments processing fees as a challenge

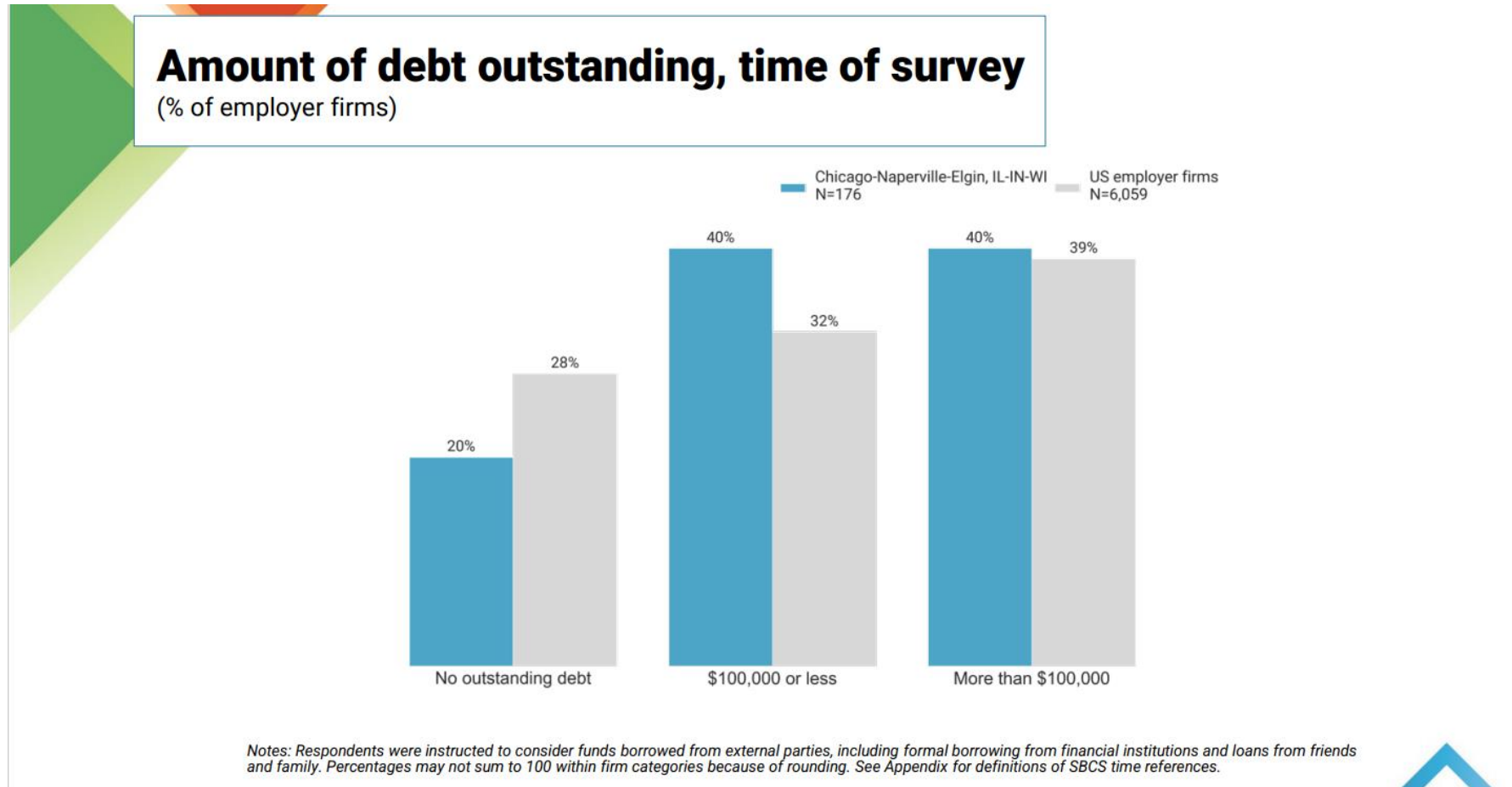
PAYMENTS-RELATED CHALLENGES (% of employer firms)



Chicago MSA: Financing Products

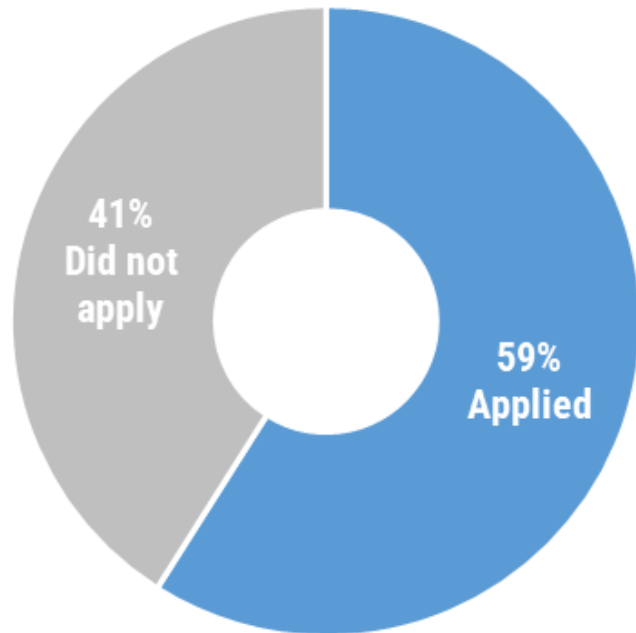


Chicago MSA: Amount of Debt Outstanding

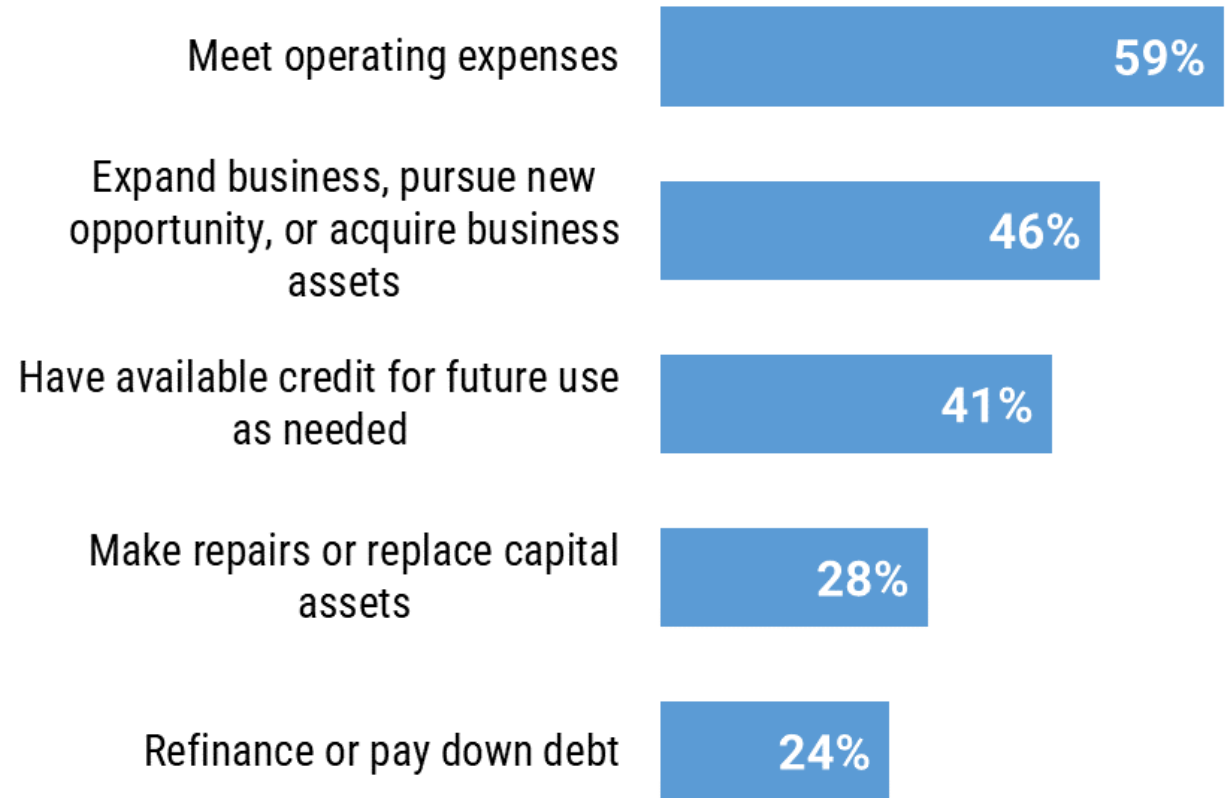


Fifty-nine percent of firms applied for financing, most frequently to meet operating expenses.

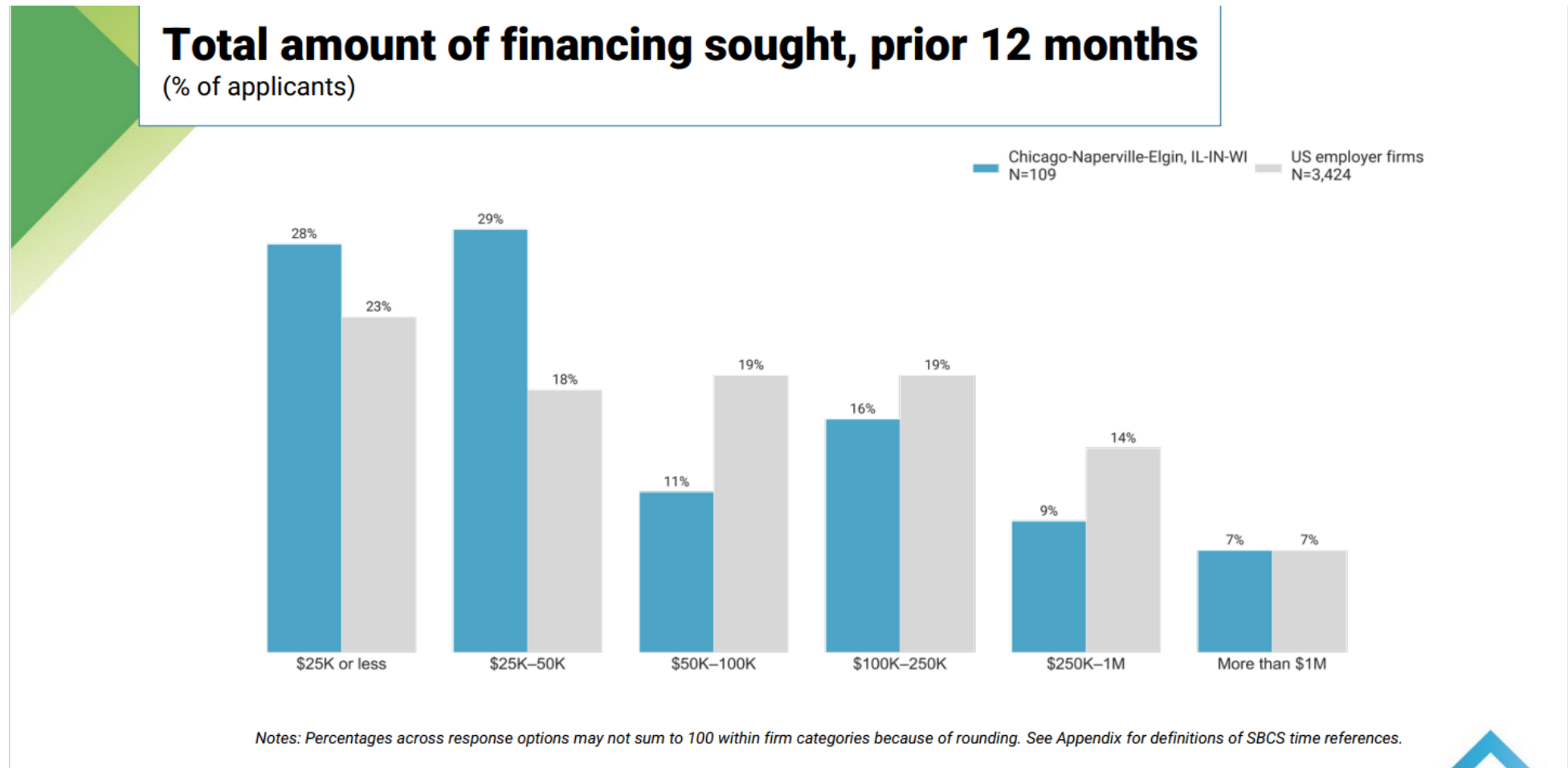
SHARE THAT APPLIED FOR FINANCING,
Prior 12 Months (% of employer firms)



REASONS FOR APPLYING, *Prior 12 Months*
(% of applicants)

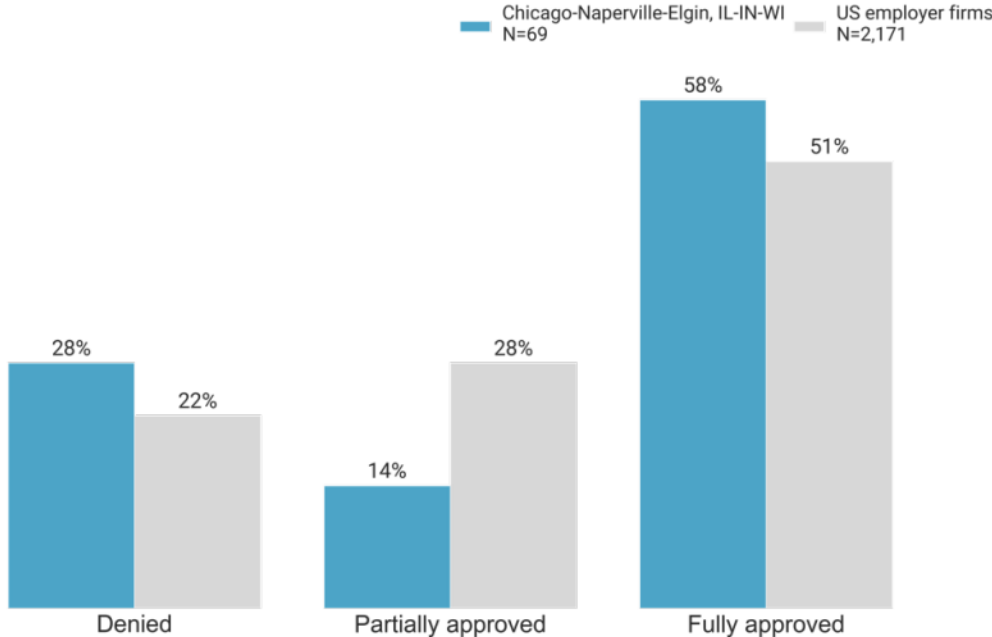


Chicago MSA: Amount of Financing Sought



Chicago MSA: Outcomes of Financing Request

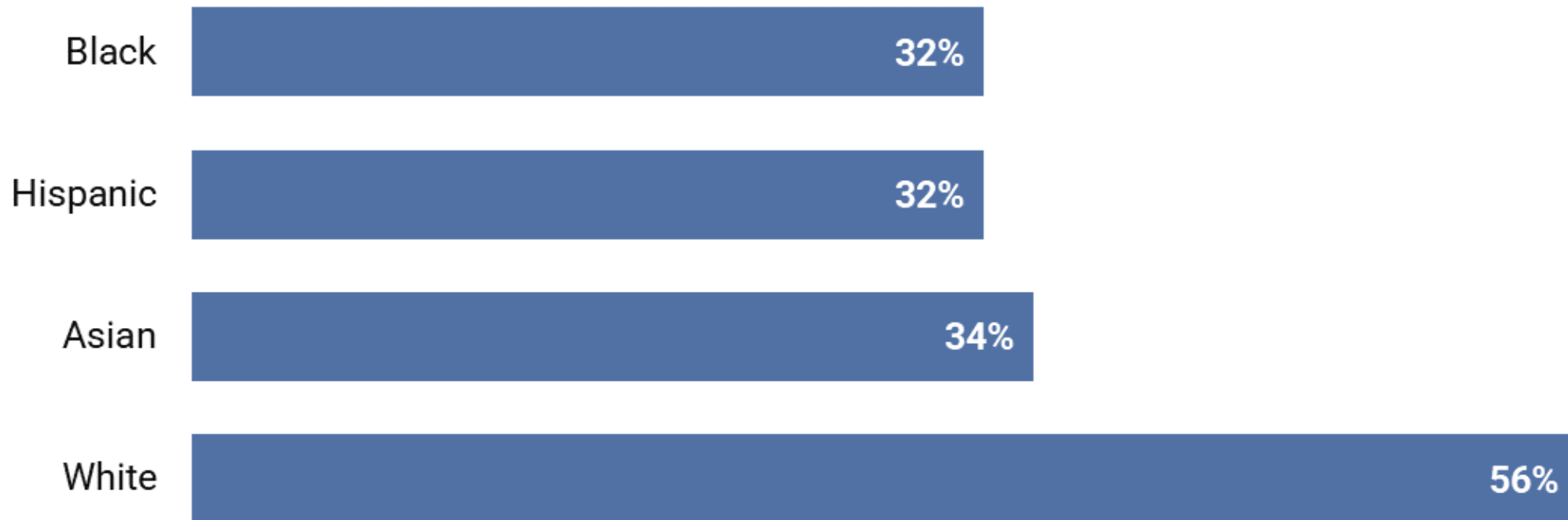
Outcomes for loan, line of credit, and MCA applicants, prior 12 months (% of applicants)



Notes: Percentages across response options may not sum to 100 within firm categories because of rounding. See Appendix for definitions of SBCS time references.

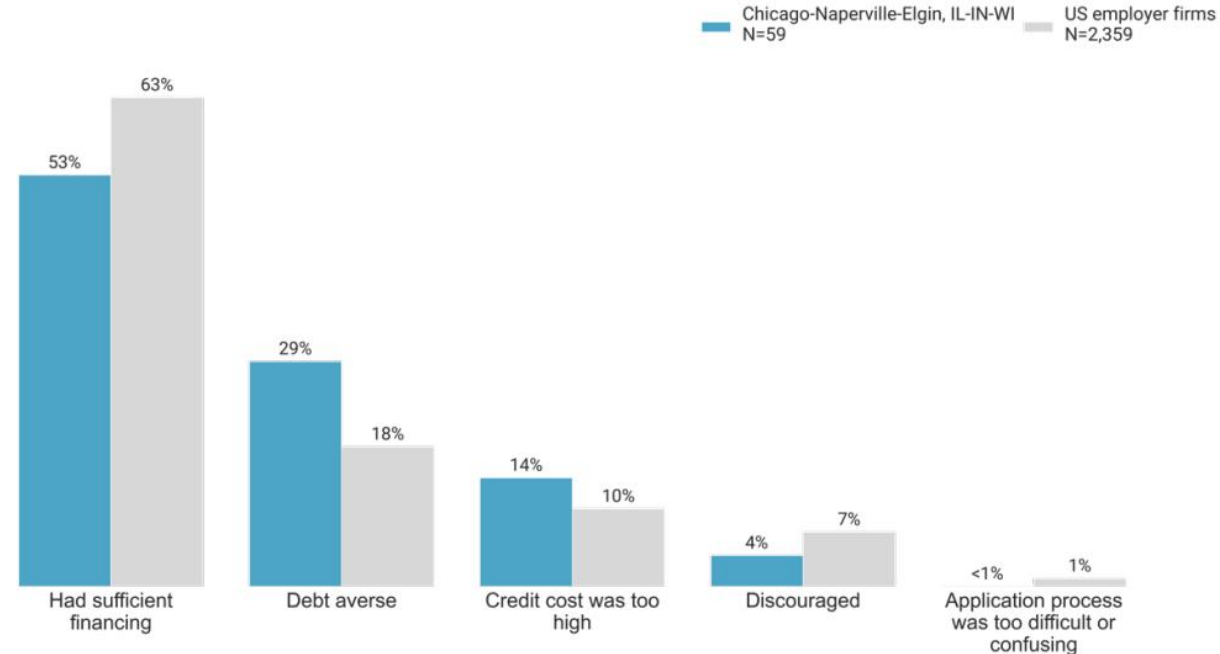
Firms owned by people of color remain less likely than white-owned firms to be fully approved for financing

SHARE OF APPLICANTS THAT WERE FULLY APPROVED, By Race/Ethnicity of Owner(s), Prior 12 Months
(% of loan, line of credit, and cash advance applicants)



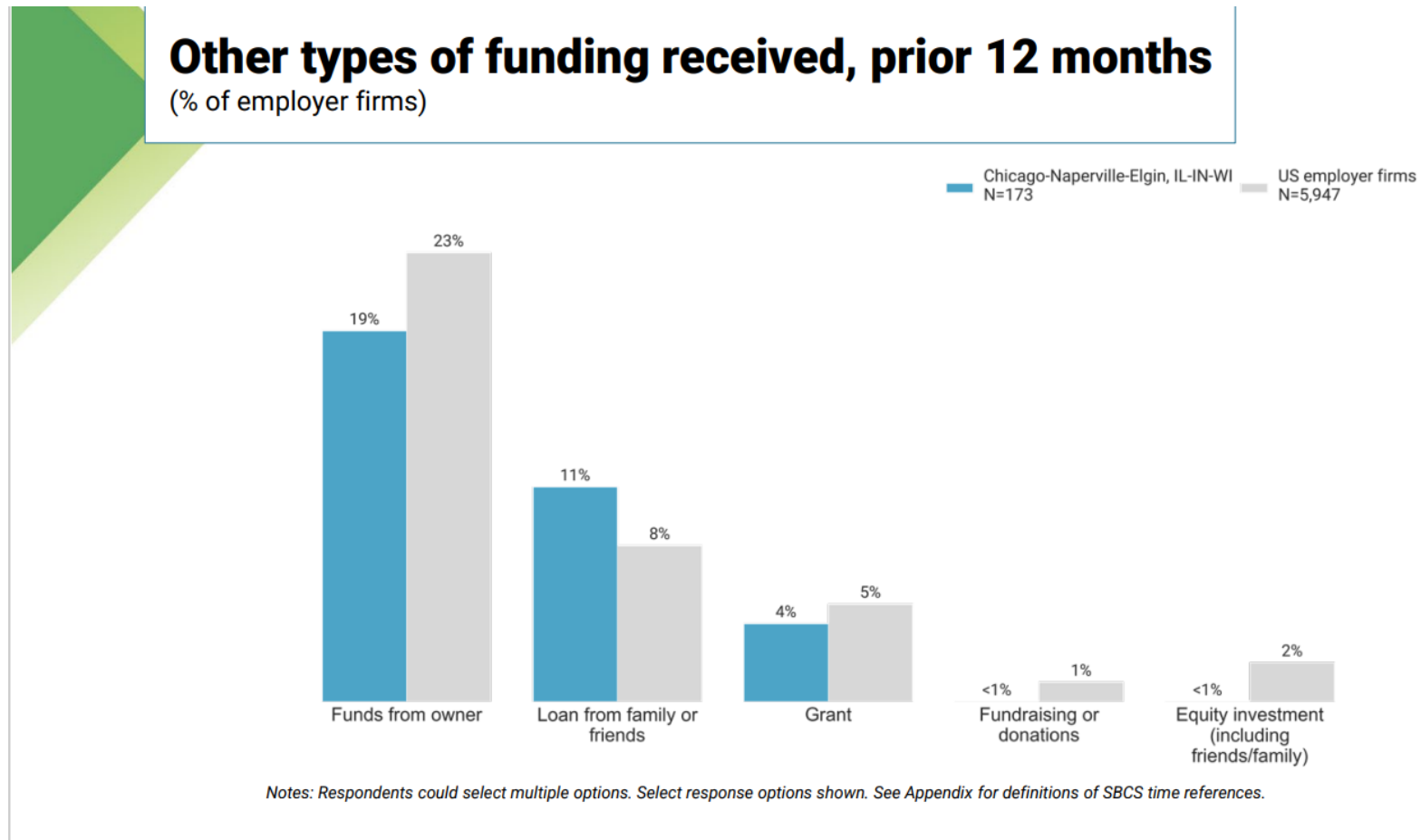
Chicago MSA: Reasons for Not Applying

Top reasons for not applying, prior 12 months (% of nonapplicants)



Notes: Respondents were asked to select the primary reason they chose not to apply for financing. "Nonapplicants" are firms that did not apply for financing in the prior 12 months. Percentages across response options may not sum to 100 within firm categories because of rounding and because response option "other" is not shown. See Appendix for definitions of SBCS time references.

Chicago MSA: Other types of funding



CRA Small Business Lending

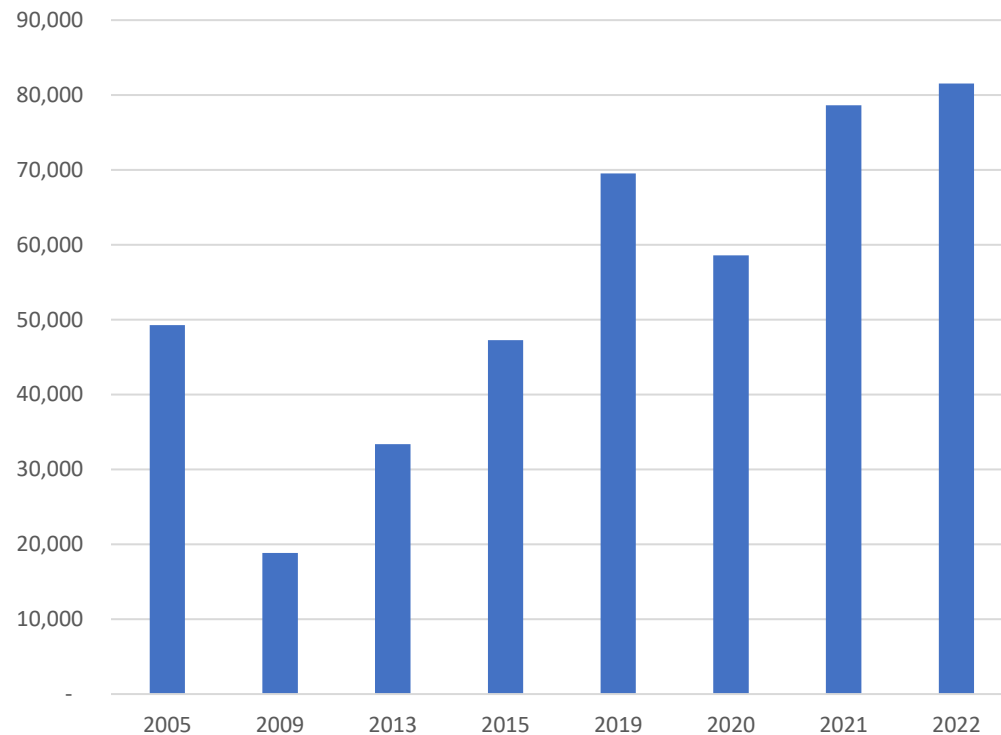
What is CRA
Small Business
lending data?

Who reports?

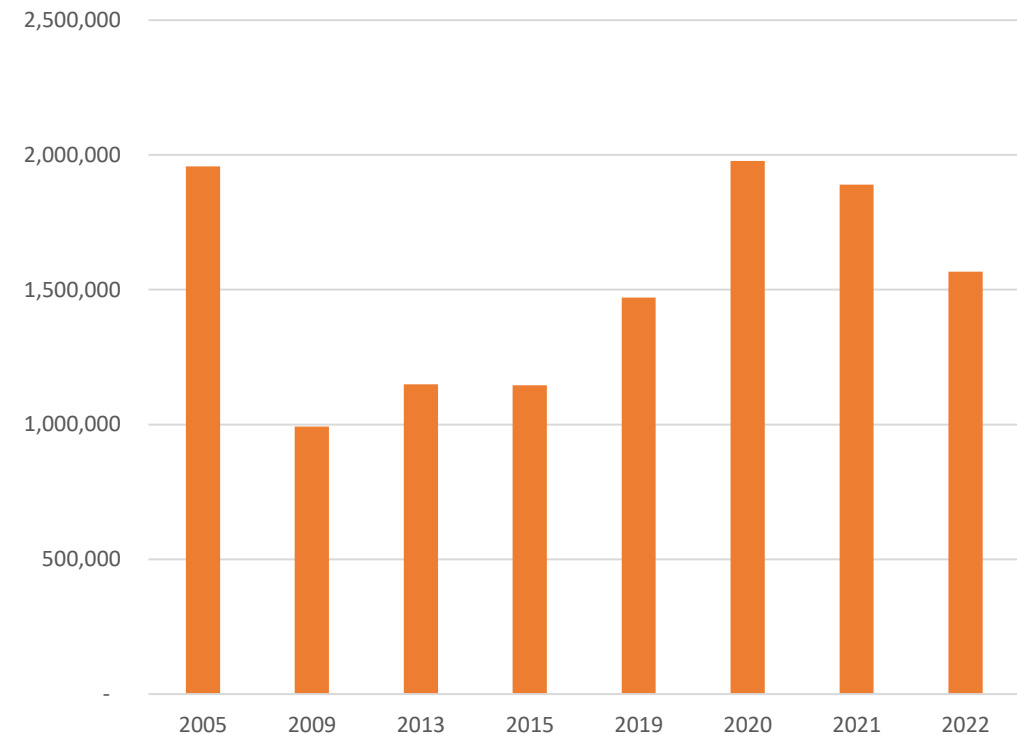
What is
reported?

Loans and Lending to Small Businesses (Cook)

Number Loans to Businesses with Revenues under \$1 million, Cook County

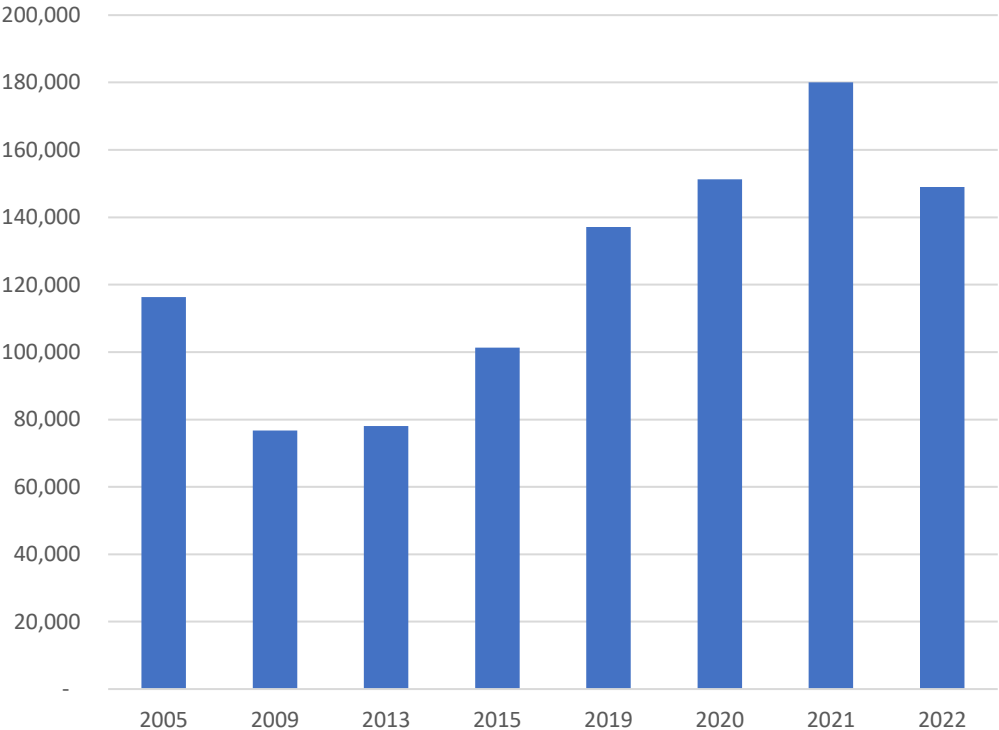


Amount Lending to Businesses with Revenues under \$1 million (000s), Cook County

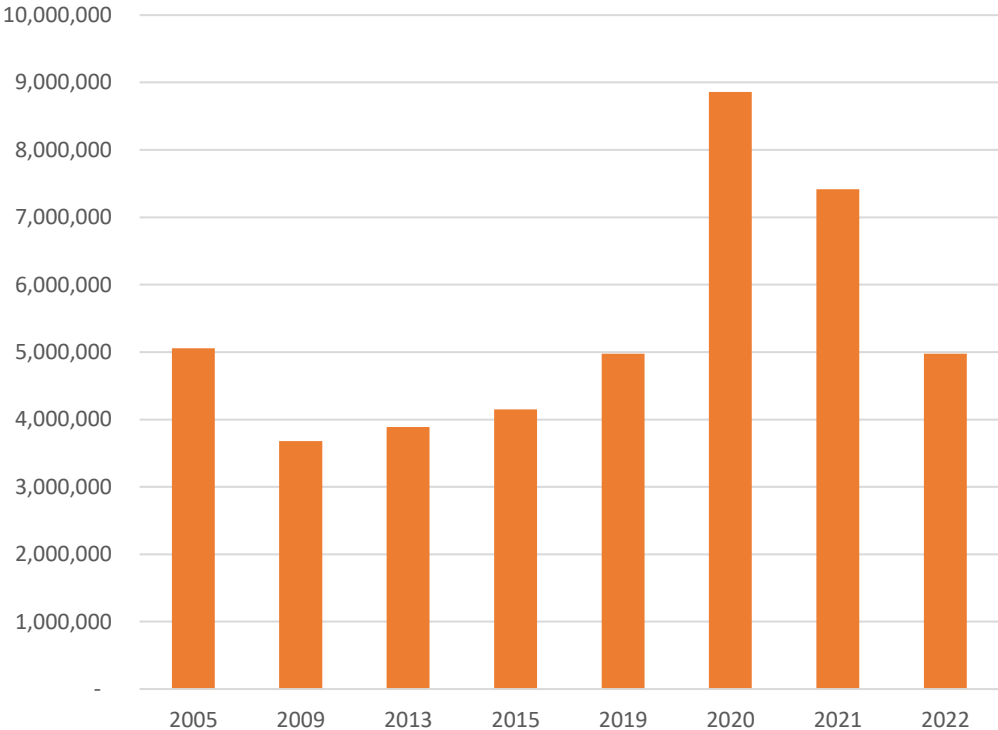


Trend in CRA-Eligible Loans and Lending (Cook)

Total CRA Small Business Loans, Cook County
(selected years)



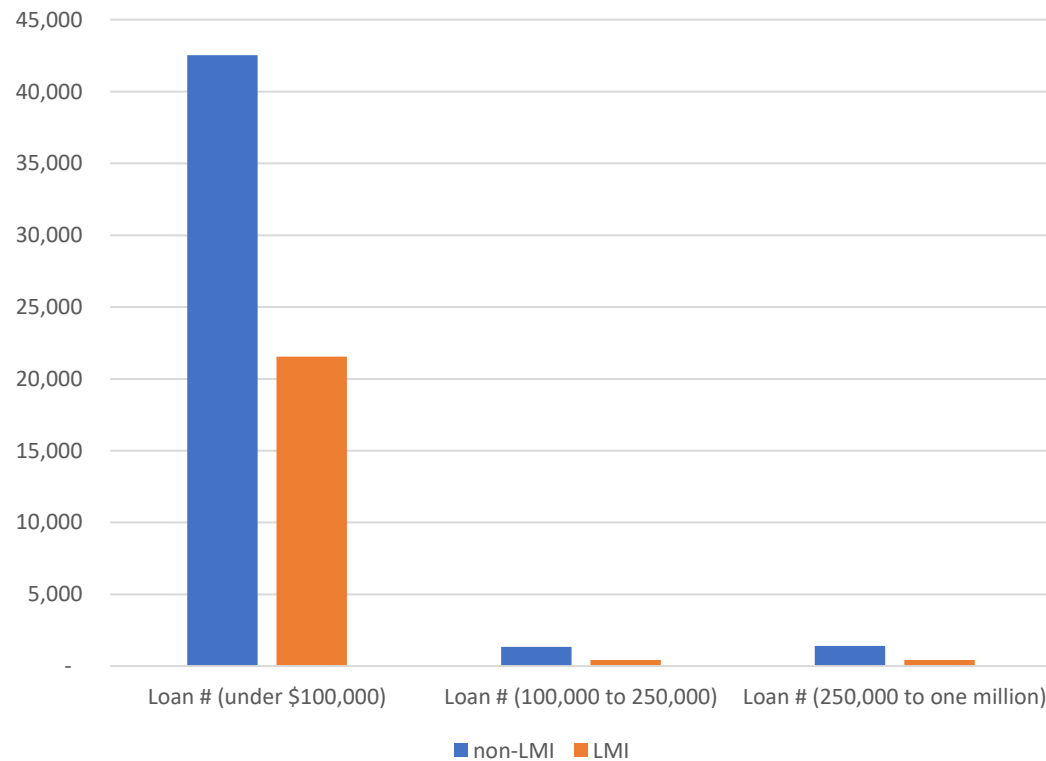
Total CRA Small Business Lending (000's), Cook County
(selected years)



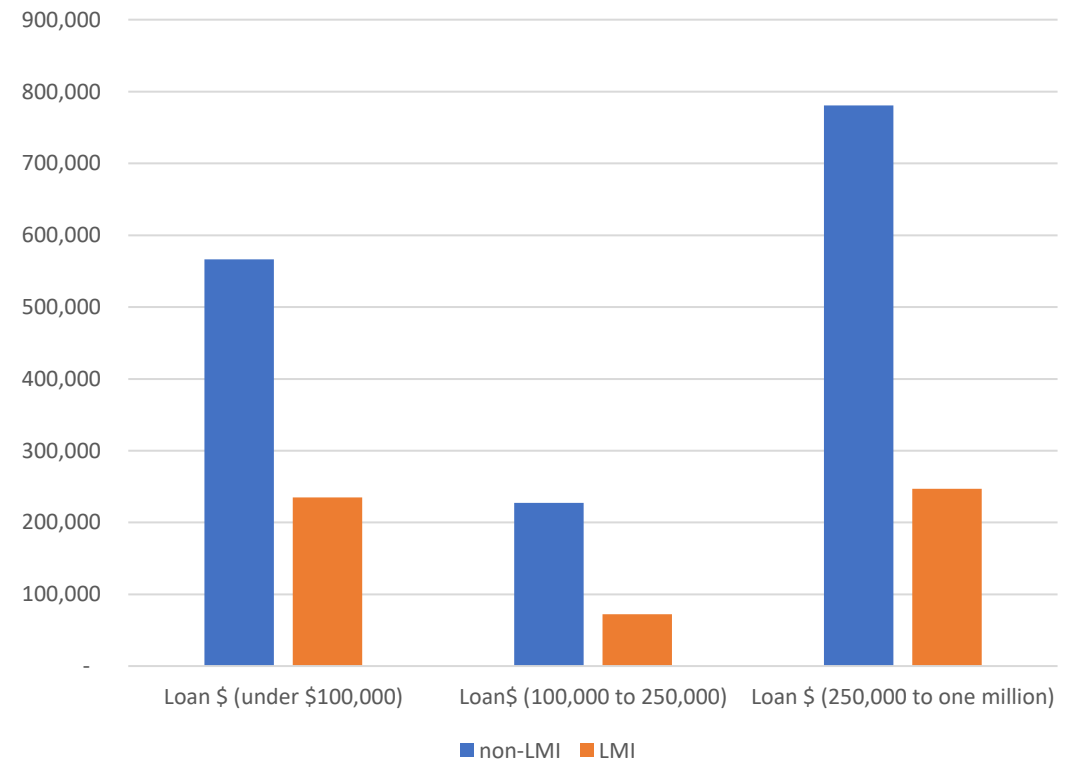
Source: FFIEC

CRA-Eligible Lending by LMI and non-LMI in Chicago (2022)

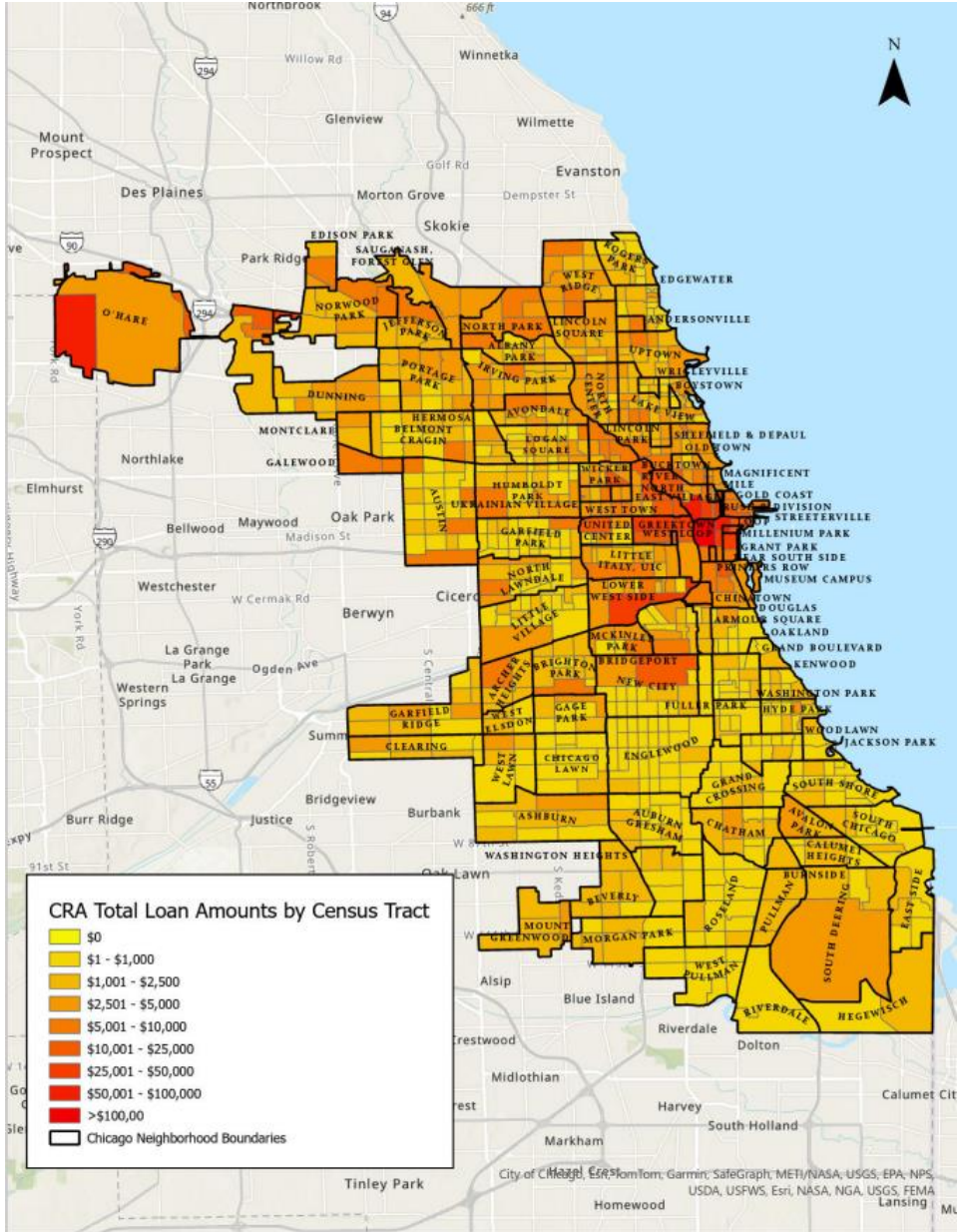
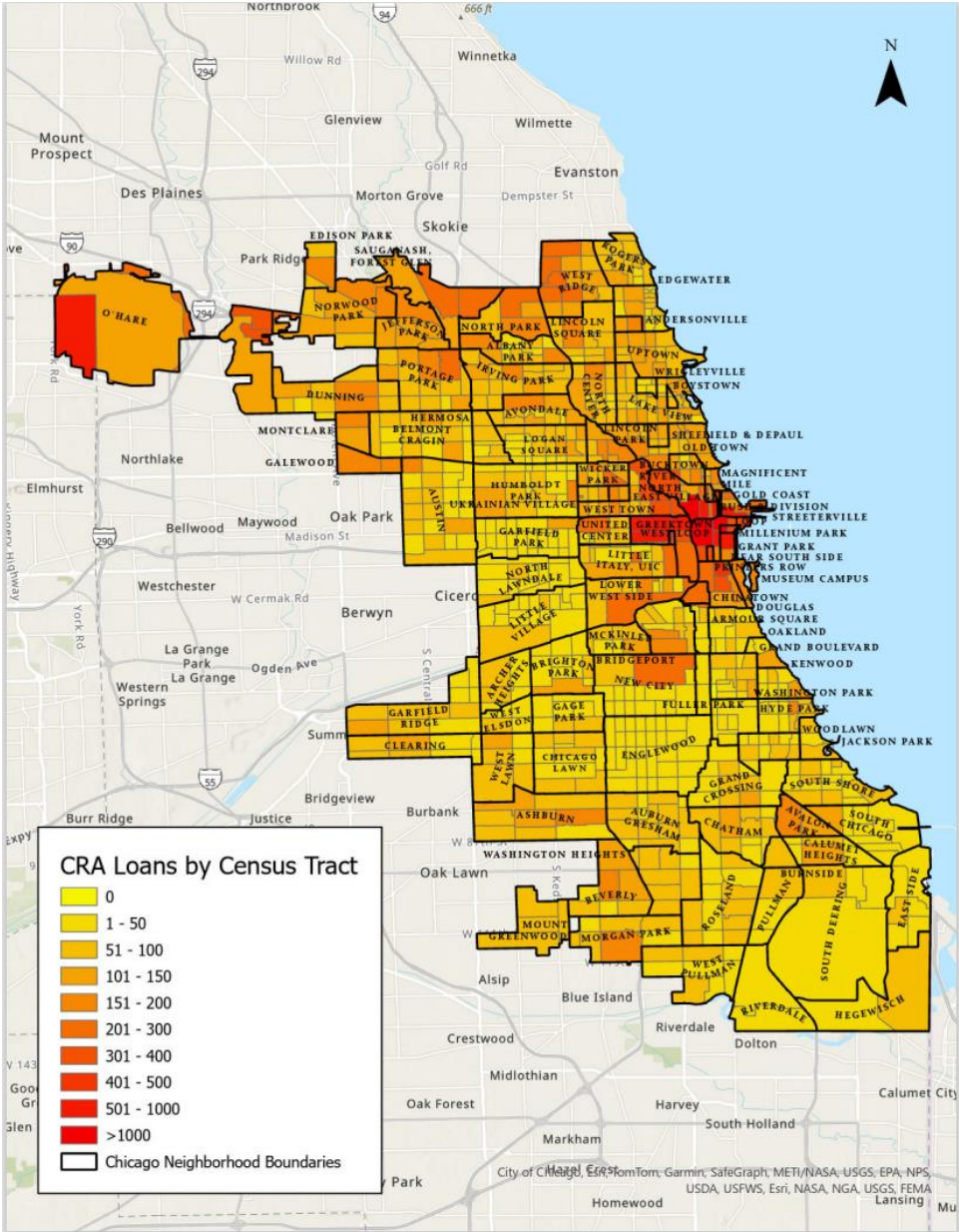
Number of CRA-Eligible Loans Under \$1 Million in Chicago (2022)



\$ Amount of CRA-Eligible Loans under \$1 million in Chicago (2022) (in 000s)



CRA Small Business Lending by Chicago Community Areas (2022)



Some Take-Aways...

This data is available to the public

[Fed Small Business](#)

[CRA Data Products \(ffiec.gov\)](http://ffiec.gov)

Banking relationships are important for credit access
Amount of financing sought tends to be small

We see higher rates of debt aversion among small businesses in Chicago MSA compared to the U.S.

Small business lending is concentrated in non-LMI CTs

Thank You