



Are Banks Open for Business? Survey Says Yes

Banks are lending more to small businesses, as nearly 40 percent of small businesses received bank loans in February 2014 compared with 34 percent that received loans in October and November 2013, according to a survey by Pepperdine University and Dun & Bradstreet Credibility Corp. The survey found 55 percent of small business owners are looking for financing to grow and expect revenue to rise an average of 8 percent in 2014.

Things are Looking Better for Small Businesses It's easier to borrow, revenue is up, and small businesses are planning to hire. Nearly 40 percent of small businesses, surveyed in February 2014 by Pepperdine University's Graziadio School of Business and Management and Dun & Bradstreet Credibility Corporation, said they received bank loans during the previous three months. That compares to 34 percent that reported success in a similar survey in October and November 2013.

The Pepperdine Private Capital Access Index rose to 27.1 from 26.6 in the fall. It measures companies' demand for and ease in getting financing, including loans. But, even though more businesses were able to get bank loans, the lending climate is far from perfect. Nearly 70 percent said it was still difficult to get any form of debt financing, slightly higher than last fall's 68.7 percent. The number of those that tried

to raise financing of all types, including loans, was unchanged at 28 percent.

Combining Financing and Economic Incentives Opportunities as Companies Grow Fifty-five percent of small businesses said they were looking for financing to grow or expand, up from 54 percent in the fall. That expansion would probably include new jobs. One-third said they planned to hire one to two workers, and 13 percent planned to hire three to five workers.

Owners plan to grow and hire because they expect their revenue to rise an average of 8 percent this year, up from a forecast of 7 percent. The survey included responses from 3,615 companies of all sizes.

As companies and clients grow, now is the time to learn more about which financing and economic incentive options best fit your needs and how to reduce the bottom line. For more questions or a consultation, please contact McGuire Sponsel.

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– Douglass Dalton
Principal
McGuire Sponsel

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