

Florida Alliance For Community Solutions

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Atlanta Fed: The Sixth Federal Reserve District

 Federal Reserve Bank of Atlanta



Community and Economic Development at the Atlanta Fed: What, Why, and How

 Federal Reserve Bank of Atlanta

We are a Southeastern collaborator helping improve economic mobility and resilience for low-income individuals and underserved places to foster a stronger and more inclusive economy. We do this through the intersection of our research and engagement efforts to:

- Diversify evidence
- Build bridges to effective capacity, connections & capital
- Make research and data actionable

By always working to understand the unique experiences of the people and communities we serve, we can apply that to shape our CED portfolio and inform the responsibilities of other functions of the Atlanta Fed, like monetary policy, economic research, bank supervision and regulation, and payments.



What makes Atlanta Fed's Community & Economic Development effort unique?

 Federal Reserve Bank of Atlanta

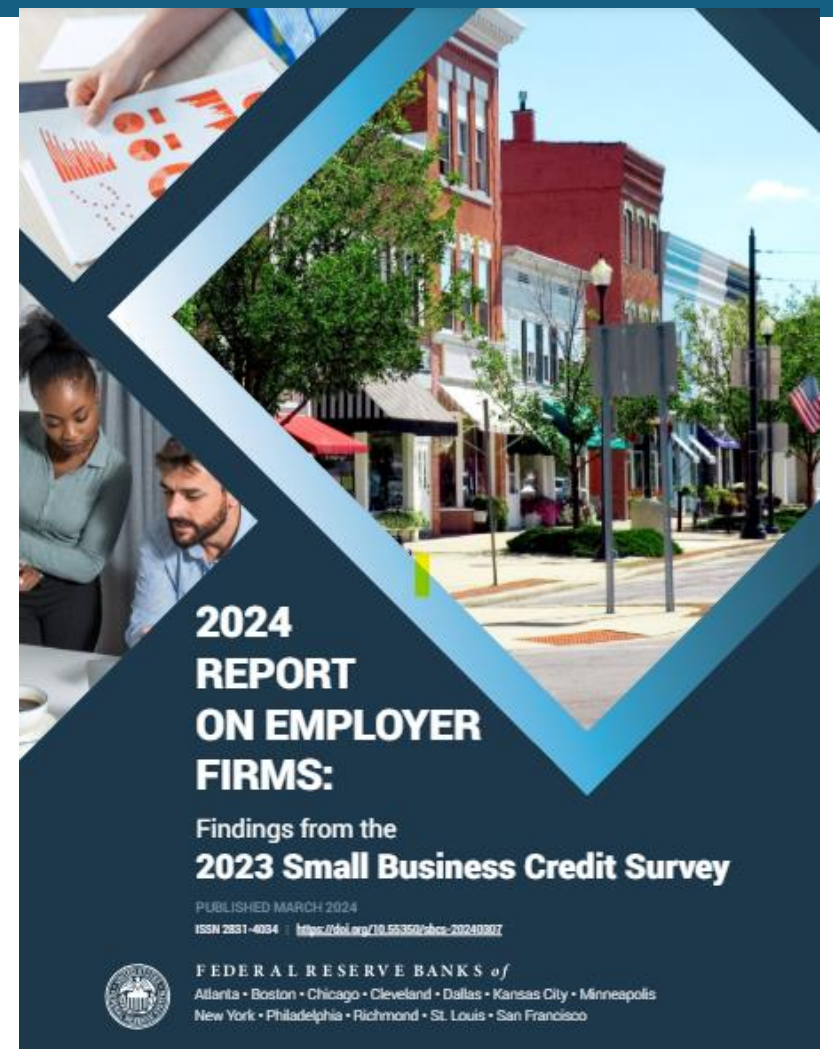
Our Value Add



What we do not do: Provide funding; advocate for specific policies; act as a quarterback or staffer; act as a project manager or consultant for external efforts unless it is very limited, very specific, and deeply within our core competencies.

Agenda

- About the Survey
- SBCS and the Federal Reserve System
- Key Findings
- Employer Firm Demographics
- Performance and Challenges
- Debt and Financing
- Financial Applications
- Additional Resources



About the Survey



- The Small Business Credit Survey (SBCS) is an annual online survey administered through a collaboration of the 12 Reserve Banks
- **Topic:** The questionnaire focuses on business performance, financing needs, and emerging issues
 - The 2023 SBCS included special questions on banking relationships, payments, and debt, as well as special questions on natural disaster impact
- **Timing:** The 2023 survey was administered from **September 8 to November 30**
- **Sample:** The survey is distributed to small businesses through a network of 300 local, regional, and national nonprofit partner organizations
- **Response:** 11,000 small businesses across the country
 - More than 6,000 responses were received from employer firms

Key findings from national employer firms



- **Performance indices held steady year over year but remain below prepandemic levels.** Top challenges include inflation as well as hiring or retaining qualified staff
- **The share of firms with debt has fallen since 2022,** but compared to prepandemic years, a higher share of firms now have more than \$100K in outstanding debt
- **Demand for financing declined from 2022 to 2023,** and approval rates remained steady. Applicants at all lender types were more likely to cite challenges with high interest rates in 2023 than in 2022

Comparing Employer Firms, US vs. FL



US

Florida

69%

73%

have \$1M or less in annual revenue

57%

64%

have fewer than 5 employees

21%

42%

are newer firms (in business 5 years or fewer)

20%

28%

are owned by people of color

22%

25%

are women-owned

72%

60%

are low-credit-risk (based on self-reported credit scores)

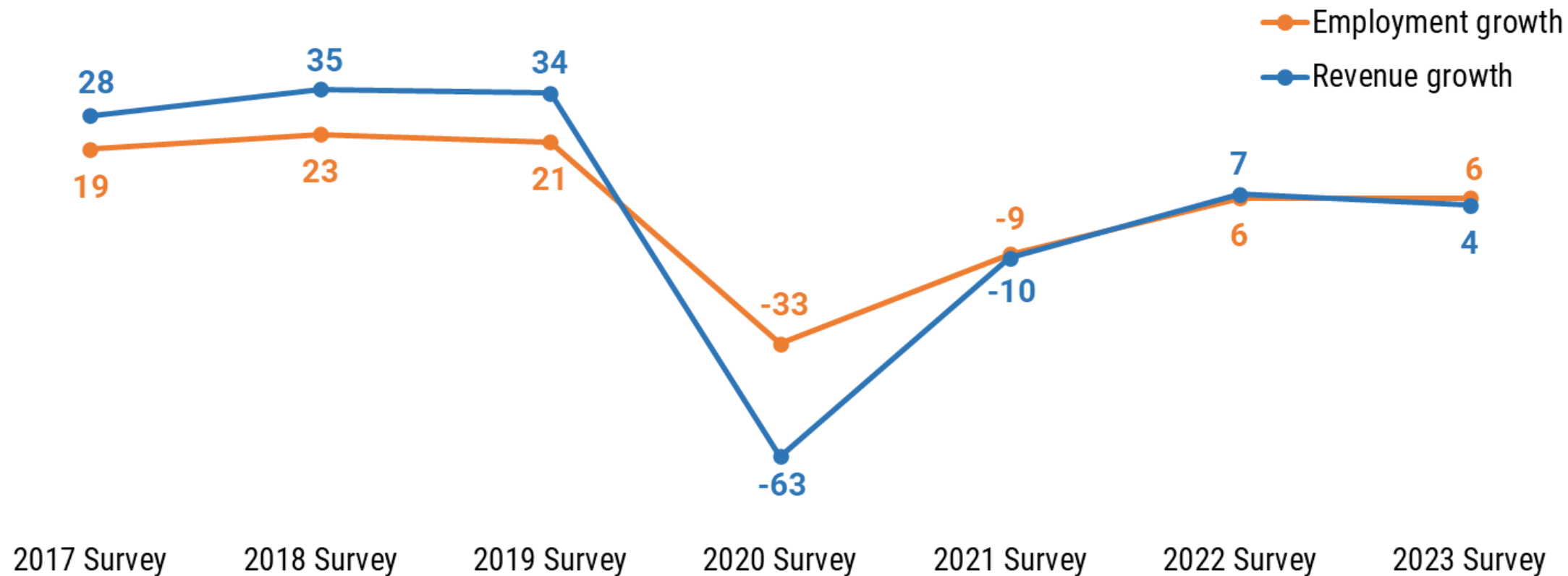
SMALL BUSINESS CREDIT SURVEY

Performance & Challenges



National firm performance remained steady, but revenue and employment growth remain below pre-pandemic levels

EMPLOYER FIRM PERFORMANCE INDEX, Prior 12 Months (% of employer firms) - national



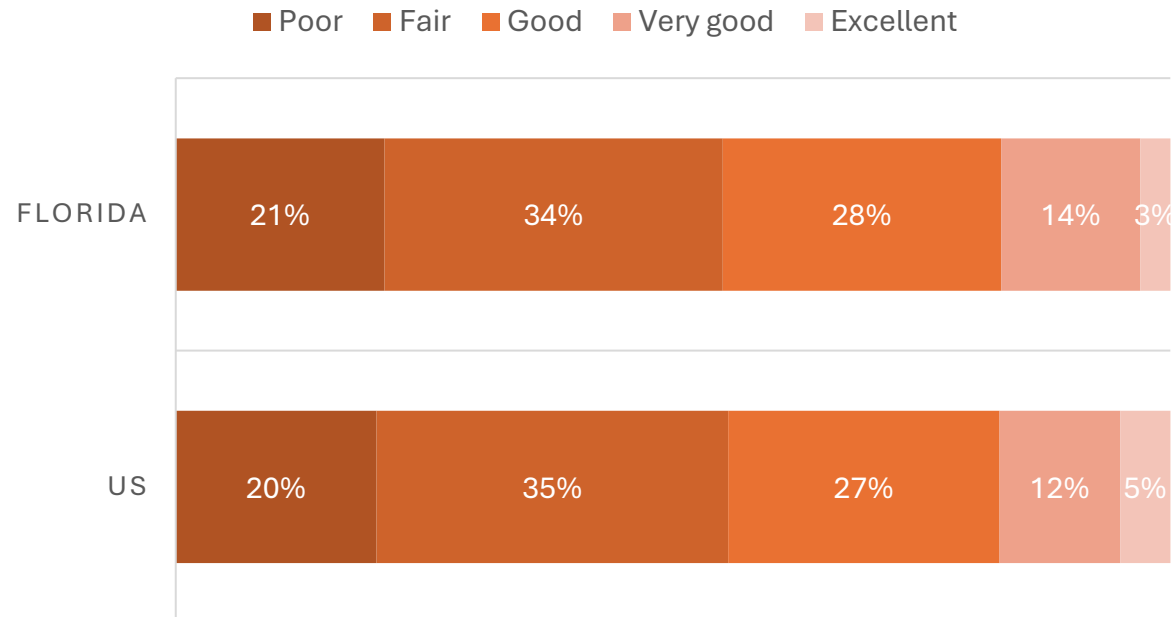
Revenue Change in the Prior 12 Months

Florida vs. US

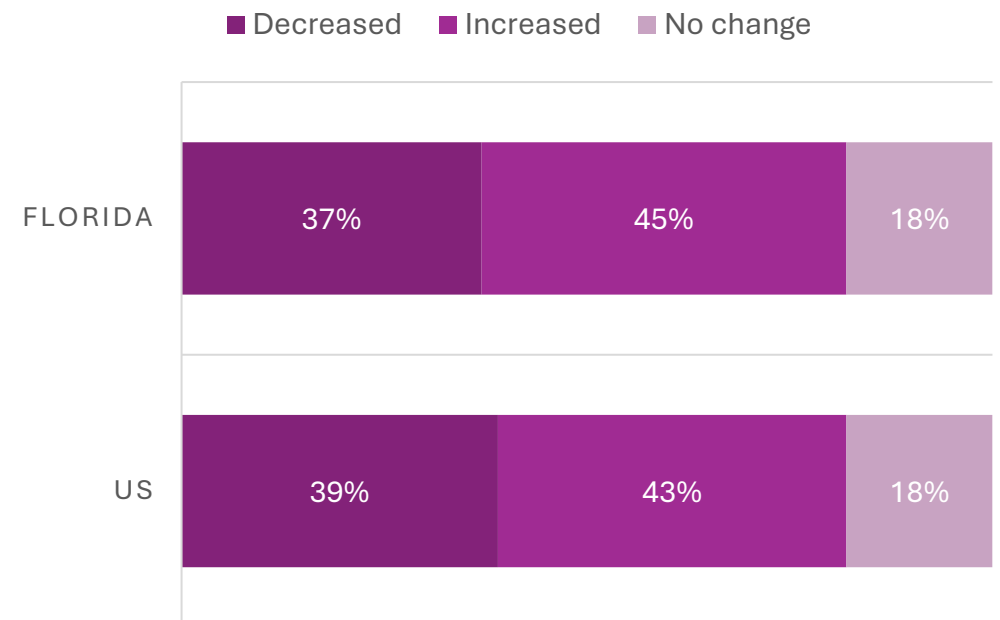


More Florida firms are in fair financial conditions, however slightly more firms reported decreased revenue change than US firms.

Current Financial Condition



Revenue Change in the Prior 12 Months



Nationally, rising costs of goods, services, and wages were the most reported financial challenges

FINANCIAL CHALLENGES, *Prior 12 Months* (% of employer firms) - national



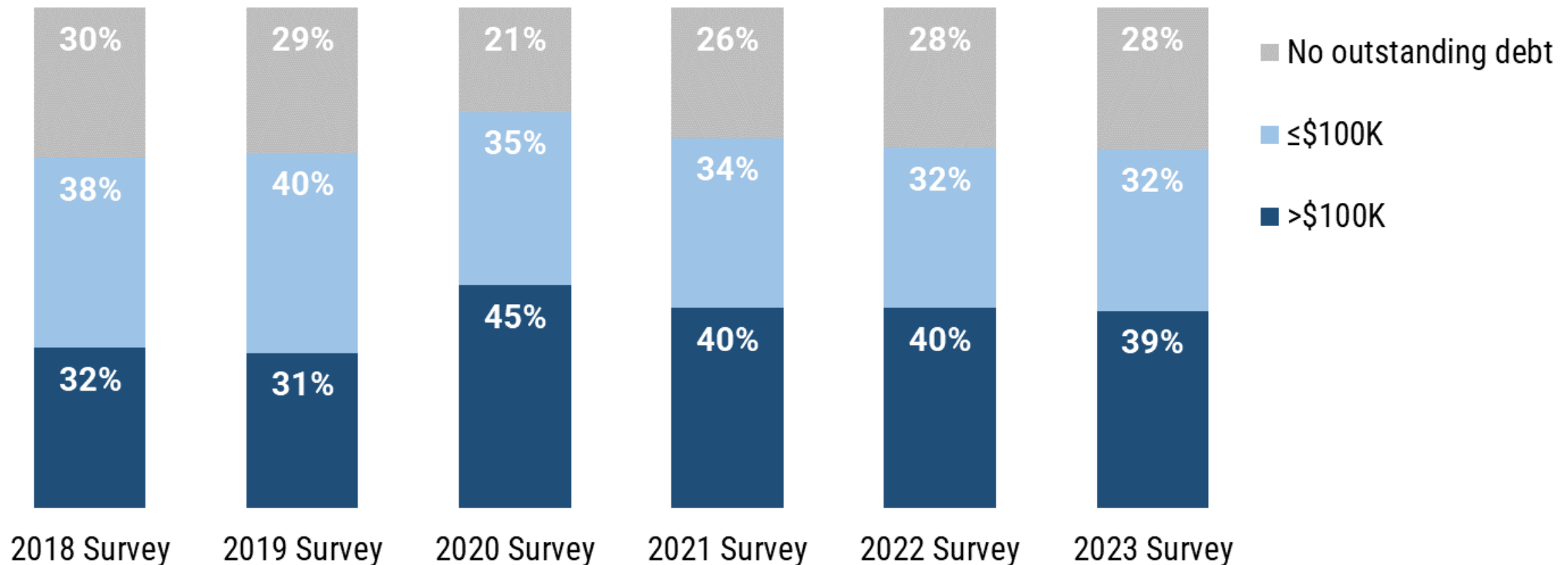
SMALL BUSINESS CREDIT SURVEY

Debt & Financing



The national share of firms holding larger amounts of debt—more than \$100K—remains higher than pre-pandemic levels

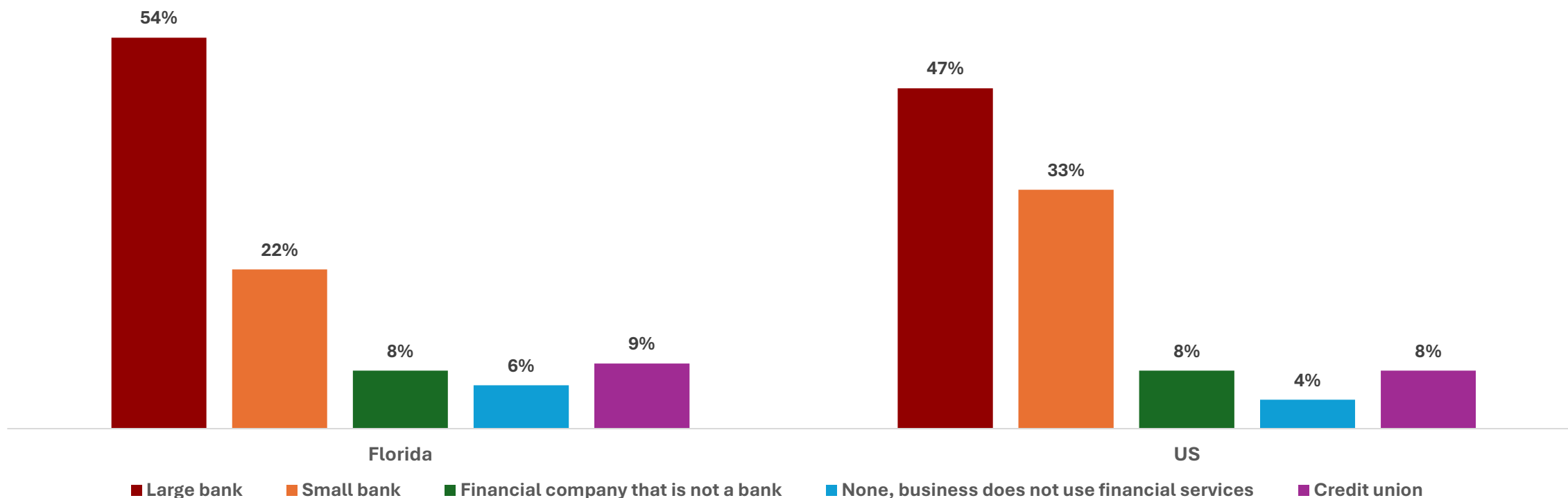
AMOUNT OF OUTSTANDING DEBT, At Time of Survey, By Survey Year (% of employer firms) - national



Primary Sources of Financial Services Florida vs. US



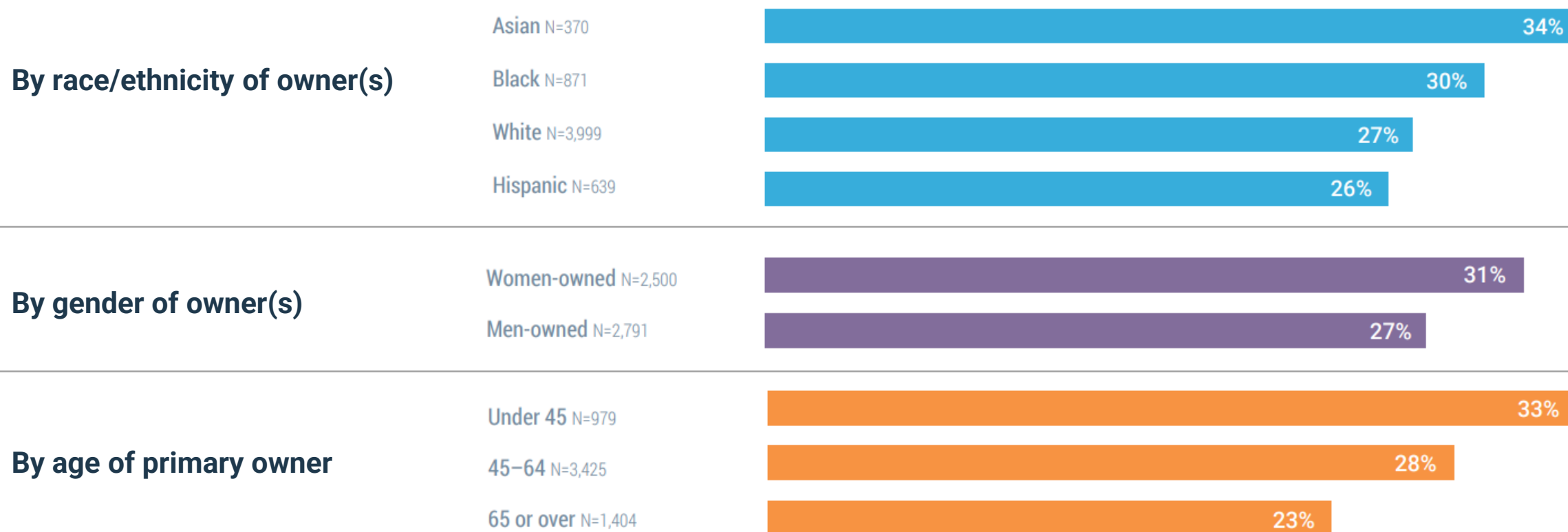
54% of Florida firms use a large bank as their primary financial services provider. As compared to the US and Southeast, fewer Florida firms have existing relationships with small banks and greater such relationships with credit unions.



Nationally, reliance on personal funding sources varies by owner demographic characteristics

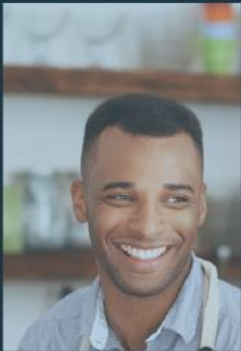


SHARE OF FIRMS THAT RECEIVED A LOAN FROM FRIENDS AND FAMILY OR FUNDS FROM THE OWNER, *Prior 12 Months* (% of employer firms) - national



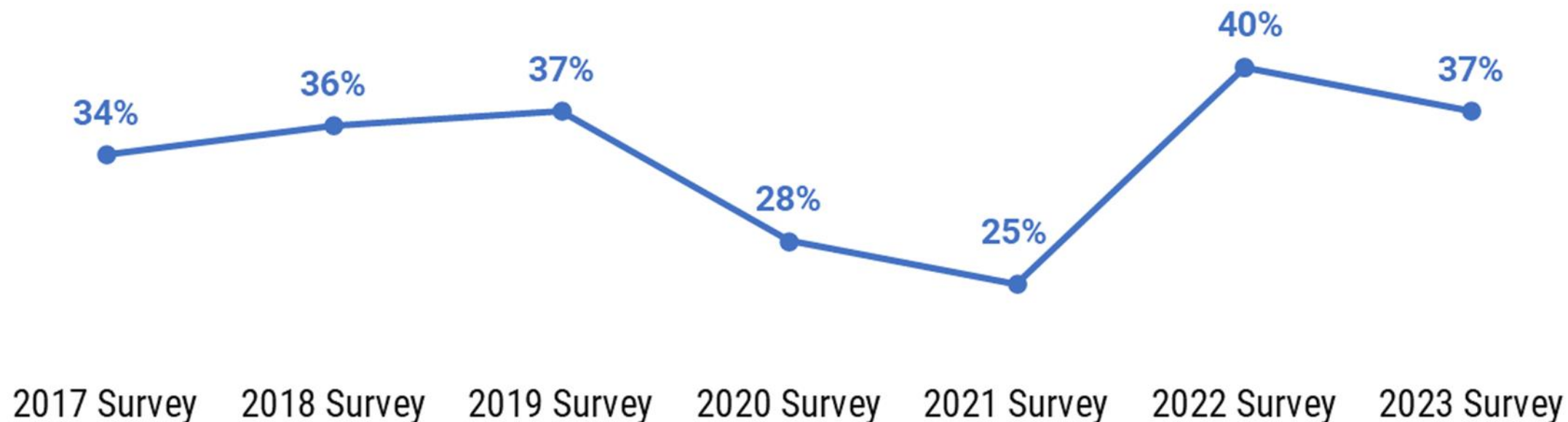
SMALL BUSINESS CREDIT SURVEY

Financing Applications



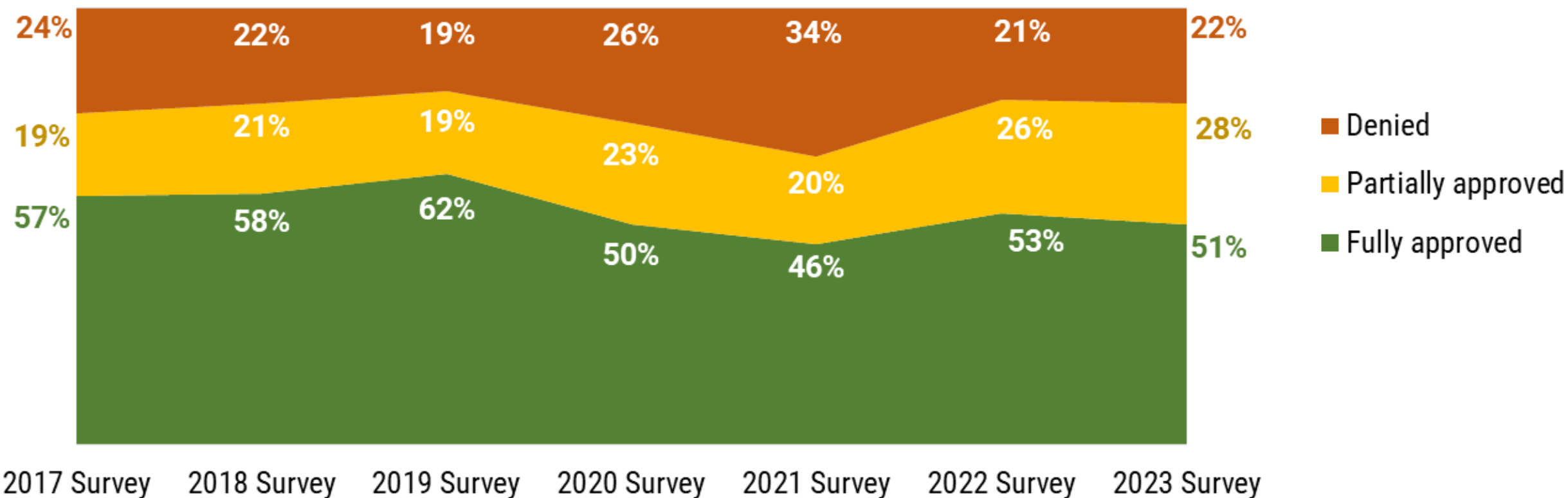
The national share of firms that applied for a loan, line of credit, or merchant cash advance declined slightly year-over-year

**SHARE OF FIRMS THAT APPLIED FOR LOANS, LINES OF CREDIT, OR CASH ADVANCES,
Prior 12 Months, By Survey Year** (% of employer firms) - national



National approval rates held steady year-over-year, but the share fully approved remains below pre-pandemic levels

OUTCOMES FOR LOAN, LINE OF CREDIT, OR CASH ADVANCE APPLICANTS, Prior 12 Months, By Survey Year
(% of loan, line of credit, and cash advance applicants) - national

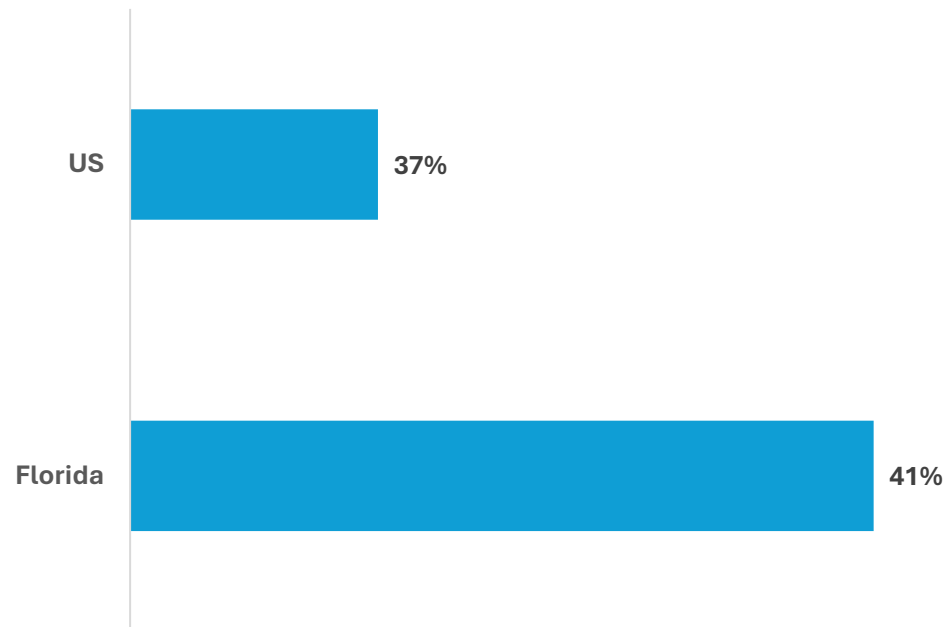


A greater percentage of firms in Florida (41%) applied for funding than their Southeastern and US counterparts

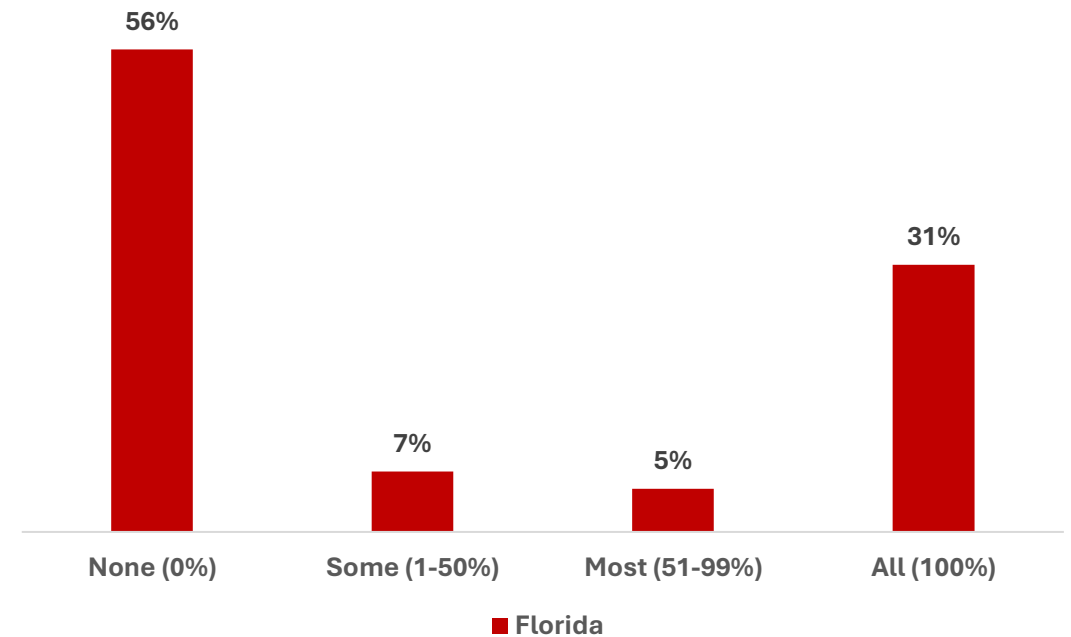


31% of Florida firms received all the funding they sought.

Share of Firms that Applied for Loans



Florida Approval Rates for Funding Sought



The national share of applicants that reported challenges with high interest rates increased for applicants at each lender type



CHALLENGES WITH HIGH INTEREST RATES AT LENDER, *By Survey Year, Select Lenders*
(% of loan, line of credit, and cash advance applicants at source) - national

- 2022 Survey
- 2023 Survey

Online lender

43% ● —————> ● 55%

Finance company

33% ● —————> ● 42%

Large bank

21% ● —————> ● 33%

Small bank

18% ● —————> ● 28%



Share what you are seeing.

[Click this link](#) or scan the QR code to take a short survey about small business conditions since fall 2023.



Access Florida 2024 Small Business Credit Survey State and MSA Fact Sheets!



SCAN ME

Small Business Credit Survey: 2024 Florida Insights

Federal Reserve Bank of Atlanta
Community and Economic Development

By Aaliyah Price, Alvaro Sanchez, Shruti Nemala, and Mary Hirt¹

Owners of small employer firms (firms with one to 499 employees) were surveyed in the fall of 2023 for the Small Business Credit Survey (SBCS).² This brief highlights key findings for 611 Florida small employer firms ("firms").³

Firm Conditions & Financing

For the third year in a row, more than half of Florida's firms (55 percent) reported poor or fair financial conditions in 2023, with a slight decrease (five percent) from the prior year. In 2023, more firms said they experienced no change in revenues the prior 12 months than in 2022, while fewer firms said revenues decreased. Forty-one percent of firms applied for loans, lines of credit, or merchant cash advances, most frequently citing business expansion as the reason for seeking financing. Among firms that applied for financing in 2023, business loan applications increased 11 percent, and firms seeking lines of credit decreased four percent compared with 2022.



41%

Applied for financing in the prior 12 months compared with 43% in 2022 (N=411)

55%

Reported that 2023 financial conditions were poor or fair compared with 60% in 2022 (N=411)

37%

Reported operating at a loss at the end of 2023 compared with 36% in 2022 (N=585)

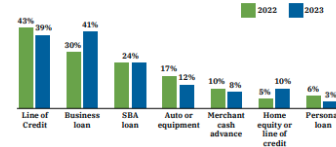
Revenue Change in the Last 12 Months N=582 2022-2023



2021-2022



Application Rate by Type of Loan, Line of Credit, or Merchant Cash Advance N=216



To read the 2024 report, scan the QR code or click [here](#).

¹The views expressed here are those of the authors and do not necessarily represent the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System. ²The SBCS is a national sample of over 4,000 small businesses focused on owner financing and debt needs and experiences. The national report and corresponding data used for this brief are available at www.federalreserve.gov/econres/briefs/sbcs/. ³See more demographic details on page 2. Note that data are weighted to be representative of all small businesses in Florida and that not all yearly comparisons included are statistically significant, partly owing to sample size. Percentages may not sum to 100 because of rounding, and for some figures, respondents could select more than one option.

Small Business Credit Survey: 2024 Tampa Insights

Federal Reserve Bank of Atlanta
Community and Economic Development

By Aaliyah Price, Alvaro Sanchez, Shruti Nemala, and Mary Hirt¹

Owners of small employer firms (firms with one to 499 employees) were surveyed in the fall of 2023 for the Small Business Credit Survey (SBCS).² This brief highlights key findings for 105 Tampa-St. Petersburg-Clearwater MSA, from now on referred to as "Tampa," small employer firms ("firms").³

Firm Conditions & Financing

More than half of Tampa's firms reported poor or fair financial conditions in 2023 (65 percent); this represents the same share of firms reporting such financial conditions as the previous year. In 2023, more firms said they experienced increased revenues the prior 12 months compared to firms responding in 2022, while fewer firms saw no change in revenues. Forty-four percent of firms applied for loans, lines of credit, or merchant cash advances, most frequently citing meeting operating expenses as the reason for seeking financing. Among firms that applied for financing in 2023, business loans (35 percent) and lines of credit (29 percent) were sources of financing most sought by Tampa respondents.⁴



44%

Applied for financing in the prior 12 months compared with 40% in 2022 (N=100)

65%

Reported that 2023 financial conditions were poor or fair compared with 65% in 2022 (N=100)

44%

Reported operating at a loss at the end of 2023 compared with 33% in 2022 (N=100)

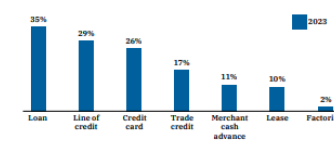
Revenue Change in the Last 12 Months N=102 2022-2023



2021-2022



Application Rate by Type of Financing N=105



To read the 2024 report, scan the QR code or click [here](#).

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Small Business Credit Survey: 2024 Miami Insights

Federal Reserve Bank of Atlanta
Community and Economic Development

By Aaliyah Price, Alvaro Sanchez, Shruti Nemala, and Mary Hirt¹

Owners of small employer firms (firms with one to 499 employees) were surveyed in the fall of 2023 for the Small Business Credit Survey (SBCS).² This brief highlights key findings for 155 Miami-Fort Lauderdale-West Palm Beach MSA, from now on referred to as "Miami," small employer firms ("firms").³

Firm Conditions & Financing

While more than half of Miami's firms reported poor or fair financial conditions in 2023 (61 percent), this represents 8 percent fewer firms reporting such financial conditions than in the previous year. In 2023, more firms said they experienced no change in revenues the prior 12 months compared to firms responding in 2022, while fewer firms said revenues decreased. Forty-one percent of firms applied for loans, lines of credit, or merchant cash advances, most frequently citing business expansion as the reason for seeking financing. Among firms that applied for financing in 2023, credit cards (43 percent), loans (29 percent), leases (26 percent), and lines of credit (26 percent) were sources of financing most sought by Miami respondents.⁴



41%

Applied for financing in the prior 12 months compared with 50% in 2022 (N=155)

61%

Reported that 2023 financial conditions were poor or fair compared with 69% in 2022 (N=155)

33%

Reported operating at a loss at the end of 2023 compared with 41% in 2022 (N=144)

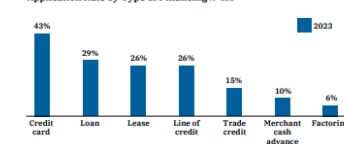
Revenue Change in the Last 12 Months N=153 2022-2023



2021-2022



Application Rate by Type of Financing N=155



To read the 2024 report, scan the QR code or click [here](#).

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For more information



For reports, data and additional information, visit

FedSmallBusiness.org



SURVEY PARTNERSHIP

The survey is deployed in partnership with a network of local, regional, and national organizations that have strong relationships with small business owners.

Resources for Community and Economic Developers from the Atlanta Fed & the Federal Reserve System



Focused on People:

Unemployment Claims Monitor: Data on initial and continued claims for unemployment insurance, including the Pandemic Emergency Unemployment Compensation and Unemployment Assistance, and claimants' demographic data,.

Opportunity Occupation Monitor: Get an estimate of the number and share of jobs accessible to workers without a bachelor's degree that pay more than the national median wage.

Advancing Careers: Examines barriers to employment, safety net policies and systems, and career pathways to support efforts to improve economic security for families and meet the talent needs of businesses for a healthy economy.

For more resources, visit:
frbatlanta.org/community-development

Focused on Communities:

Telling the Stories of Southeastern Community-Based Economies: Atlanta Fed President Raphael Bostic explains how information from communities and individuals is used to inform monetary policy discussions.

Childcare at What Cost?: This article uses Florida as a case study to examine the price of childcare within the context of household income.

Practitioners and Officials Discuss \$10 Billion State Small Business Credit Initiative: Learn more about the SSBCI initiative and what it means for southeastern states.

Small Business Credit Survey: The Federal Reserve Banks survey tracks small business financial conditions and credit experiences.

Small Business of Color Recovery Guide: The Atlanta and Kansas City Feds have published this guide to assist communities throughout the nation in supporting SBOCs as they recover from the economic crisis caused by the COVID-19 pandemic.