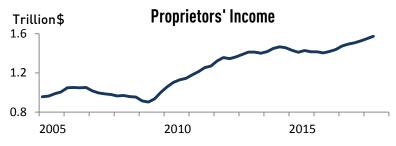
SMALL BUSINESS QUARTERLY BULLETIN

REGULATION • RESEARCH • OUTREACH

September 2018

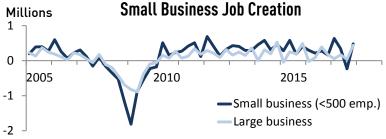
Small businesses are showing upticks in income, jobs, and new businesses, despite small business lending still being flat, even with low loan delinquency rates.



Source: U.S. Bureau of Economic Analysis.

Proprietors' Income

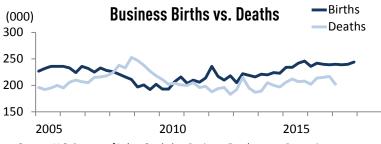
From the second quarter of 2009 to the second quarter of 2018, proprietors' income is up about 75 percent.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics.

Small Business Job Creation

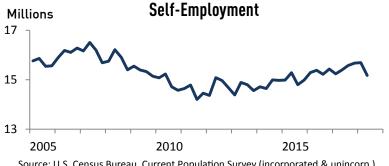
Over the last five years, small businesses created 6.8 million net new jobs, which was 2.7 million more than the number of net new jobs created by large businesses.



Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics.

Business Births vs. Deaths

Since the Great Recession, there have been 1.3 million more employer business births than deaths.

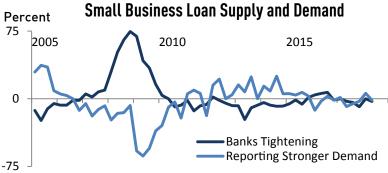


Source: U.S. Census Bureau, Current Population Survey (incorporated & unincorp.)

Self-Employment

Self-employment (as a primary occupation) has been trending up for the last seven years.

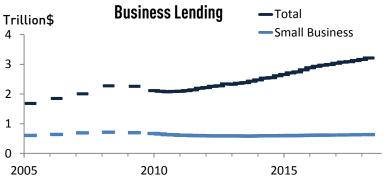
FINANCE



Source: Federal Reserve Board of Governors, Senior Loan Officer Opinion Survey. (Net percent of domestic respondents or banks).

Small Business Loan Supply and Demand

Bankers report easing lending standards and a weak demand for small businesses loans.

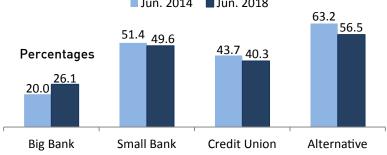


Source: Federal Deposit Insurance Corporation, Quarterly Banking Profile.

Business Lending

Large business lending (commercial and industrial plus commercial real estate) continues to rise at a steady clip while small business lending (loans under \$1 million) has been struggling to gain traction.

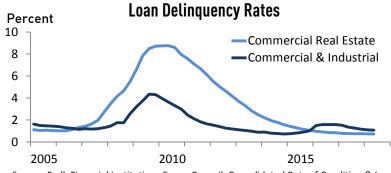
Small Business Loan Approval Rates ■ Jun. 2014 ■ Jun. 2018 63



Source: Biz2Credit Small Business Index, 2018

Small Business Loan Approval Rates

Approval rates for small banks are approaching alternative lending approval rates as alternative lenders become more selective.



Source: Fedl. Financial Institutions Exam. Council, Consolidated Rpts of Condition & Inc

Loan Delinquency Rates

Business loan delinquency loan rates have been low in recent years with commercial real estate dropping below commercial and industrial.