



April 24, 2019

Members of the Schaumburg Business Association  
Schaumburg Business Association  
1501 E. Woodfield Rd  
Schaumburg, IL 60173

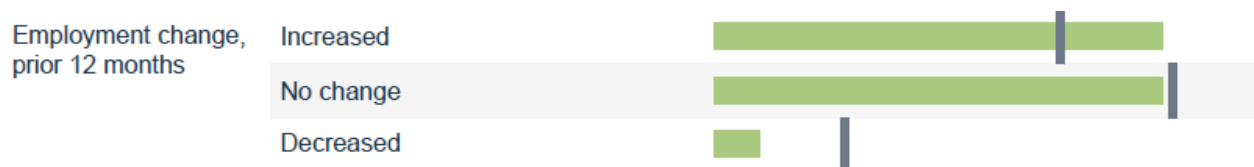
Dear Members,

From October to December of 2018 the Schaumburg Business Association (SBA) partnered with the Federal Reserve Bank to better understand the financing needs and challenges of small businesses through the *Small Business Credit Survey (SBCS)*. This survey – completed by over 6,600 businesses nationally – provides an exclusive understanding into the current state of the small business economy.

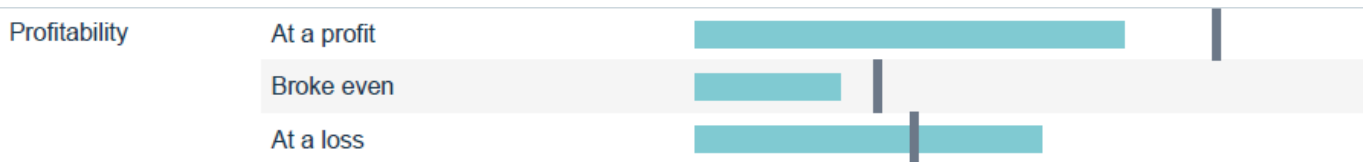
During this three-month period, the SBA was able to obtain 70 completed surveys from Schaumburg Business Association’s small businesses providing their perspective on the state of small business financing. The results of the SBA’s *Small Business Credit Survey* reveal a duality in business performance. For all the makers of success, like increased employment, there are notable indicators for concern.

The complete *Schaumburg Business Association’s Small Business Credit Survey* results have been provided for your review but SBA staff would like to provide this *Executive Summary* to highlight the following data points that are particularly noteworthy:

Employment growth amongst Schaumburg Business Association’s small businesses is higher than the national average as indicated in the below graphic:

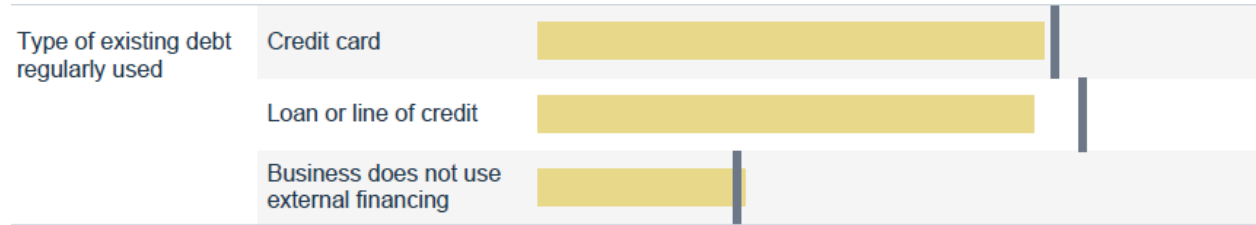


This insight combined with the expectations of revenue and overall firm growth during the next 12-months are persuasive indicators for optimism from Schaumburg small businesses, however, this report is filled with inconsistent data – like the nearly 50% of responding business saying their profitability is at a loss – tampering the feel-good confidence.



While the self-reported data for growth exceed the national expectation there is reason to speculate that this growth could be stunted because of financing limitations and apprehensions.

The duality in this data set is evident in that just over 40% of Schaumburg’s participating small businesses have no outstanding debt but most participating businesses are not using external financing – and relying on personal credit to finance their business.



This insight is further supported by the 12% difference in applications for financing between participating Schaumburg small businesses (31%) and the overall activity seen in the United States average data (43%). This overall lack of external financing is captured by the following graphic:



The combination of *Sufficient Financing* and *Debt Averse* as the predominant responses are consistent with other data sets in the complete report. The noteworthy observation from this graphic is the 20% responding that they were *Discouraged* from applying for external financing. Without qualitative data the SBA staff is unable to assess the meaning behind this answer. This entire data set is worth deeper discussion as it indicates a potential value-added program for the Schaumburg Business Association.

The Schaumburg Business Association’s participation in the Federal Reserve Bank’s *Small Business Credit Survey* provides a baseline understanding of the financing needs and challenges facing the small business community within the SBA. The duality in business performance revealed from this data serves as a quality starting point to provide further education, support, and programs to influence greater economic growth. Moving forward the SBA will look to add to this data to make informed decisions that benefit the backbone of the Schaumburg economy – small businesses.

Sincerely yours,

*Kyle T. Schulz*

Kyle T. Schulz, Vice-President of Economic Development  
Schaumburg Business Association