How are Small Businesses Doing?

Findings from the 2024 Federal Reserve Small Business Credit Survey

Inland Northwest Partners Convening
October 15, 2025

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Community Engagement & Analysis
Federal Reserve Bank of San Francisco

Our Goal

Building an economy that works for all of us.

"The greater our understanding of how different people and businesses experience the economy, the better we can meet our congressionally-mandated monetary policy goals of stable prices and maximum employment."

–**Mary Daly, President and CEO**
Federal Reserve Bank of San Francisco

We Are the Nation's Central Bank

The Federal Reserve System works to foster the stability, integrity, and efficiency of the nation’s monetary, financial, and payments systems.

Our Dual Mandate

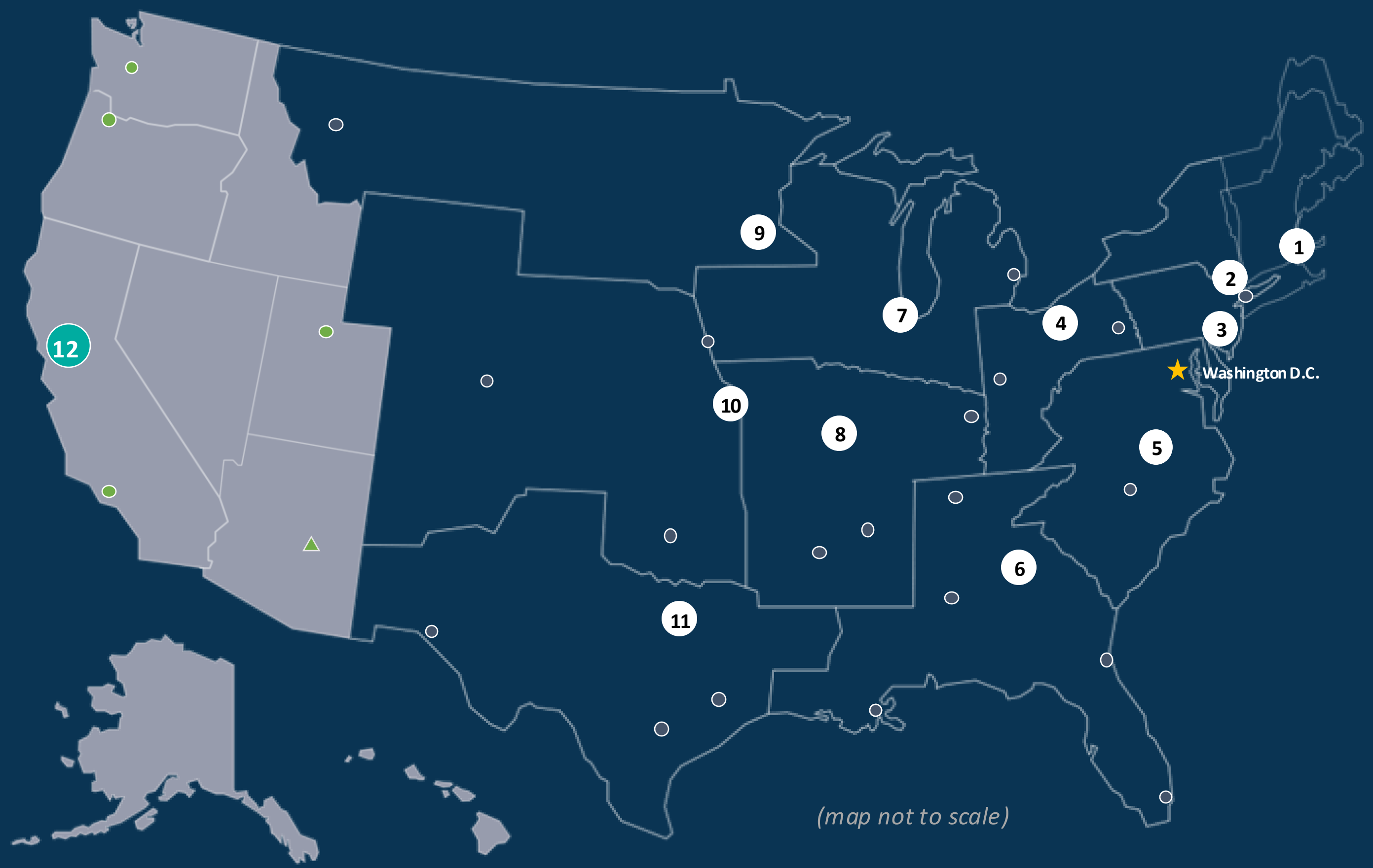
Everyone who
wants a job
has a job

Maximum Employment

Price Stability

Dollar holds
its value

A Federated Structure



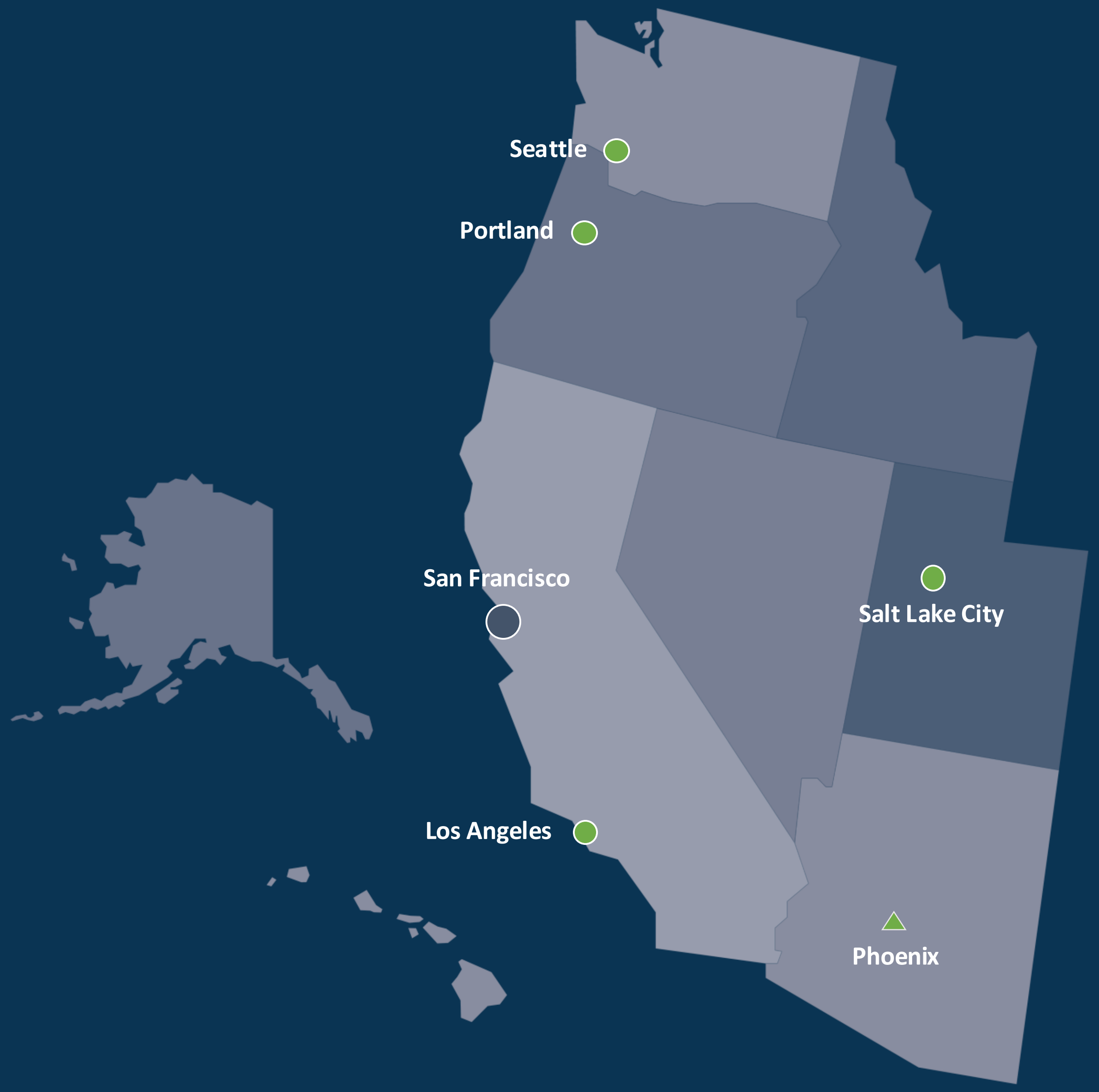
1. Boston
2. New York
3. Philadelphia
4. Cleveland
5. Richmond
6. Atlanta
7. Chicago
8. St. Louis
9. Minneapolis
10. Kansas City
11. Dallas
12. San Francisco

About the SF Fed

+Six locations

+Largest of the twelve districts

+Includes the nine most western states and two Pacific territories, and one Commonwealth, as well as 80% of the country's federally recognized tribes



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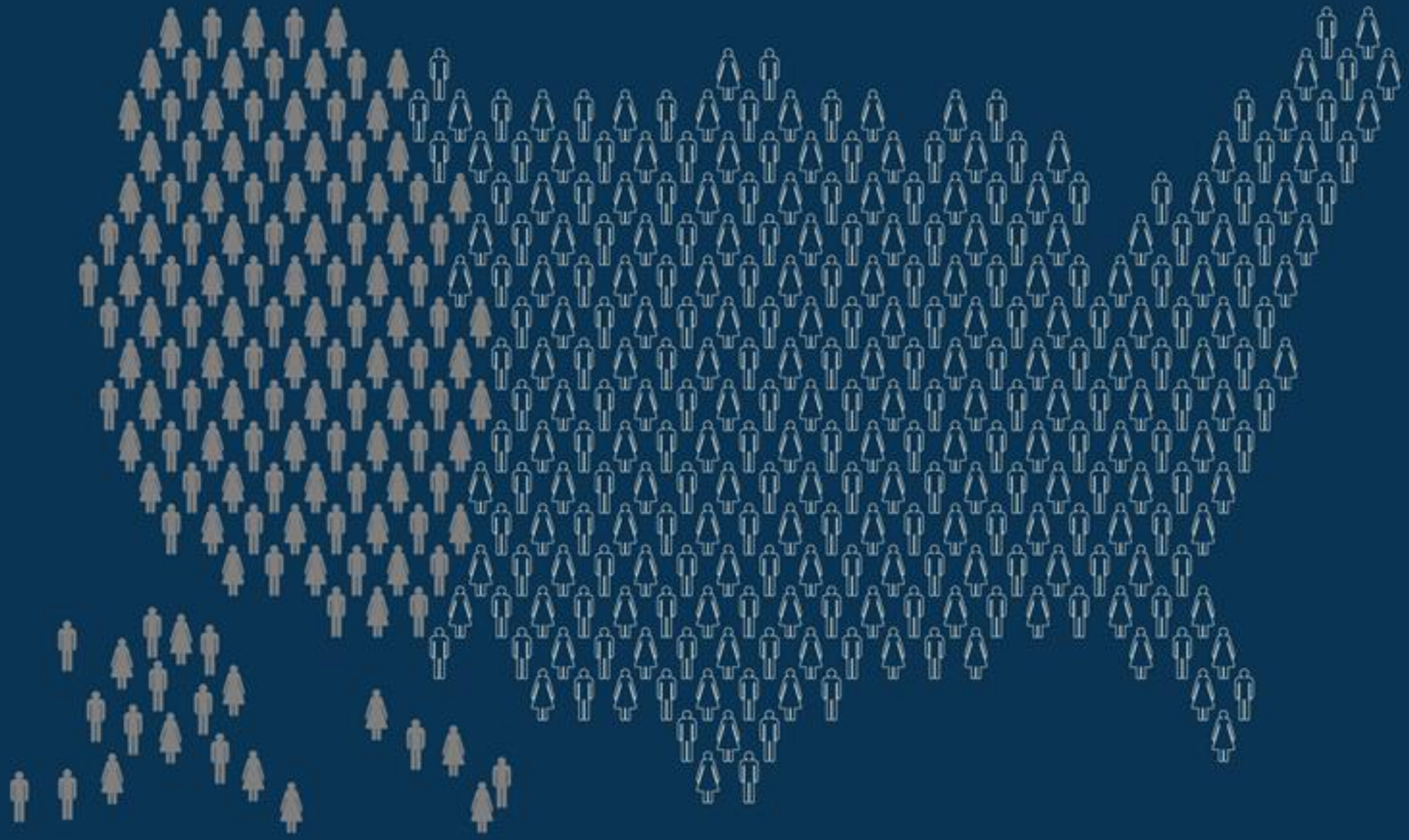
About the SF Fed

The Twelfth District Accounts For:



23%
of US economic output

21%
of US population

37%
of US geographic area

Community Engagement and Analysis

CEA works to understand the economic experiences of lower-income households and communities to help build a stronger economy for all Americans.

ENGAGE

Engage our communities to better understand the district

INFORM

Conduct and share research on challenges and promising practices

CONNECT

Facilitate dialogue, shared learning, and partnership building across sectors

Community Engagement and Analysis

Current Priority Topics

Access to Credit, Investment, and Financial Services

+ Small business credit
+ Consumer financial services
+ Community Reinvestment Act

Labor Force Participation

+ Low- and moderate-income jobs
+ Emerging tech implications
+ Caregiving

Neighborhoods and Regions

+ Housing affordability and job proximity
+ Community capacity

Listen and Learn

Examples

Federal Reserve Bank of San Francisco
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What did we learn from small businesses across the Twelfth District last year? The Fed's Small Business Credit Survey (SBCS) found that over 50% of small businesses with employees in the state of ...more

Abby McLennan • 1st
Vice President and Salt Lake City Regional Executive for the Fed...
2w •

Our branch boards serve an important role in providing the Federal Reserve Bank of San Francisco with insights into regional economic conditions and contribute to the Federal Reserve System's ...more

Stephen DeLay • 1st
Vice President and Regional Executive at the Federal Reserve B...
1mo • Edited •

During a recent trip to Hawai'i, I met with business leaders from a wide variety of industries and sectors to gain a real time perspective on the current economic conditions and challenges facing the region. ...more

RESEARCH & INSIGHTS / BLOG

Around the District: Unlocking the Potential of Idaho's Rural Communities


Collaborating with Banks for
Thriving Communities in Idaho
SAVE-THE-DATE
Tuesday, December 16, 2025
10:00 a.m. - 11:30 a.m. MT
via MS Teams
FDIC
FEDERAL DEPOSIT INSURANCE CORPORATION
FEDERAL RESERVE BANK OF SAN FRANCISCO
12-L
INC. MAY 20, 1914
Photo: Pixabay by Pinpals

Findings from the 2024 Small Business Credit Survey

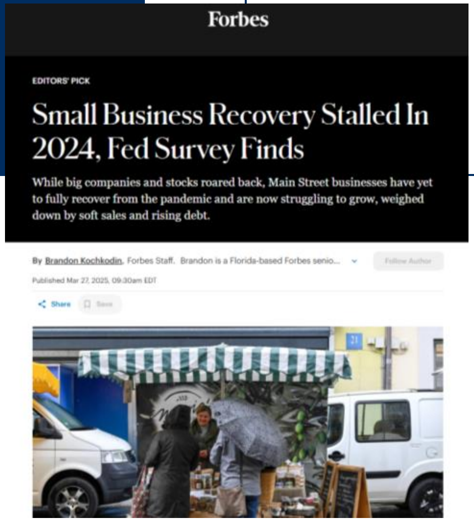
What is the SBCS?

- The Small Business Credit Survey (SBCS) is a national online survey administered through a collaboration of the 12 Reserve Banks
- Surveys firms with fewer than 500 employees
- Respondents asked to report information about their business performance, financing needs and choices, and borrowing experiences
- The survey provides the most detailed available look at performance and financing conditions from the perspectives of small business owners

SBCS Audience & Data Use

- Policymakers and public officials
- Financial industry
- Small business service organizations
- Researchers, academics
- News media

- Inform policy decisions
- Determine gaps in existing services
- Support applications for nonprofit grants for small business services


Forbes

EDITORS' PICK

Small Business Recovery Stalled In 2024, Fed Survey Finds

While big companies and stocks roared back, Main Street businesses have yet to fully recover from the pandemic and are now struggling to grow, weighed down by soft sales and rising debt.

By Brandon Kochkodin, Forbes Staff. Brandon is a Florida-based Forbes senio...

Published Mar 27, 2025, 09:30am EDT

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AMERICAN BANKER

Banking Policy Payments Tech Credit Unions Workplace Opinion

SMALL BUSINESS

Small-business revenue dropped in 2024, Fed survey finds

By Nathan Place March 27, 2025, 9:30 a.m. EDT 3 Min Read

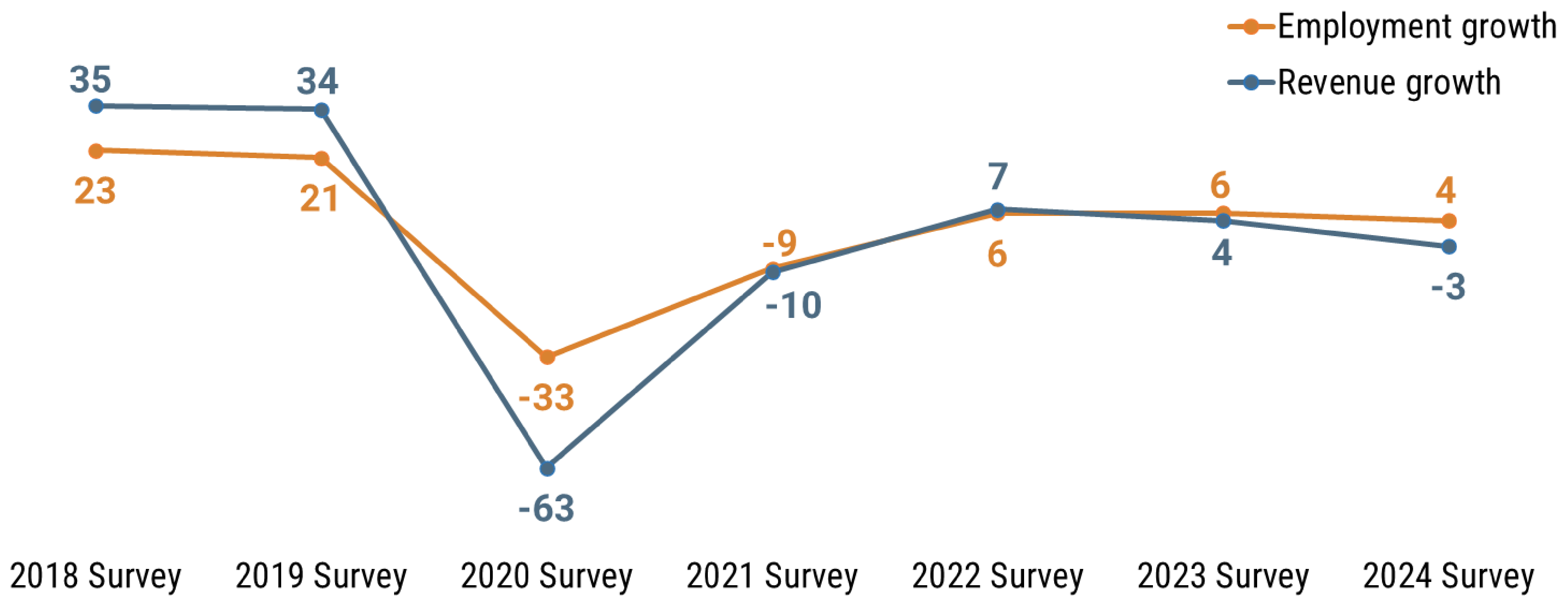
2024 Survey

- The 2024 survey was administered from September 4 to November 4, gathering responses from approximately 13,000 small businesses across the country
- For geographies where we have sufficient response levels, we get geographic-specific results
- Focus today on national data and the state of Washington

National Employer Firm Findings

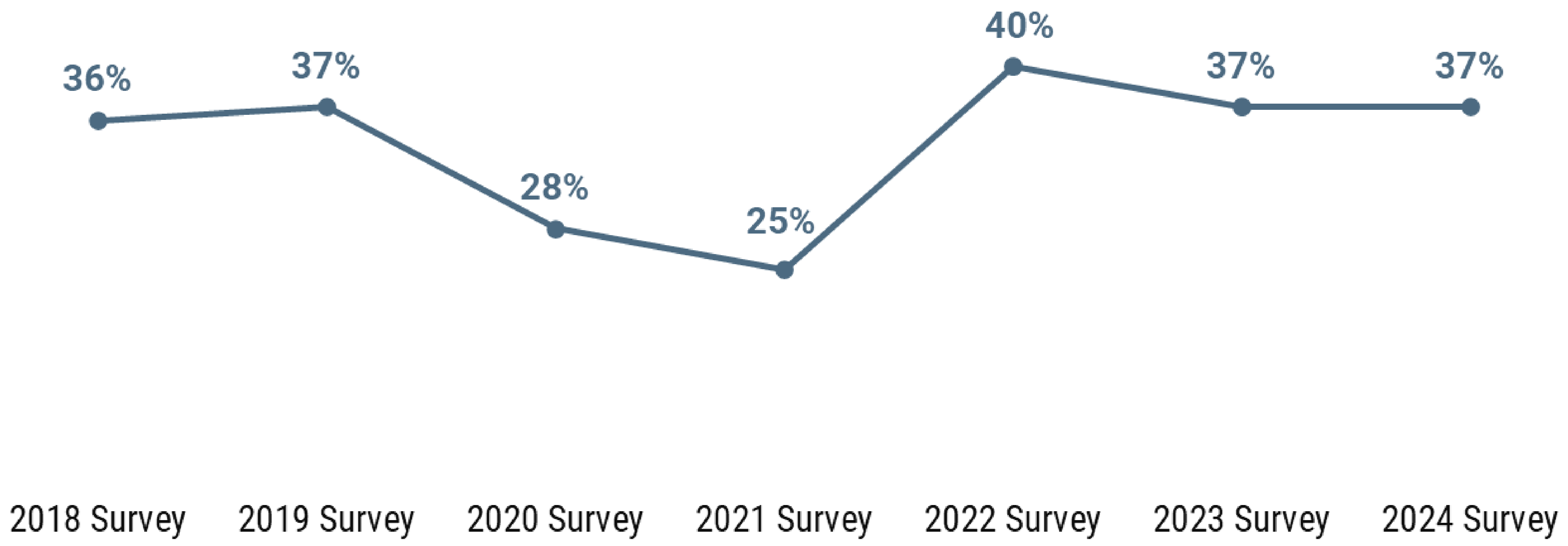
Firm performance measures have rebounded from pandemic era lows but remain below prepandemic levels

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



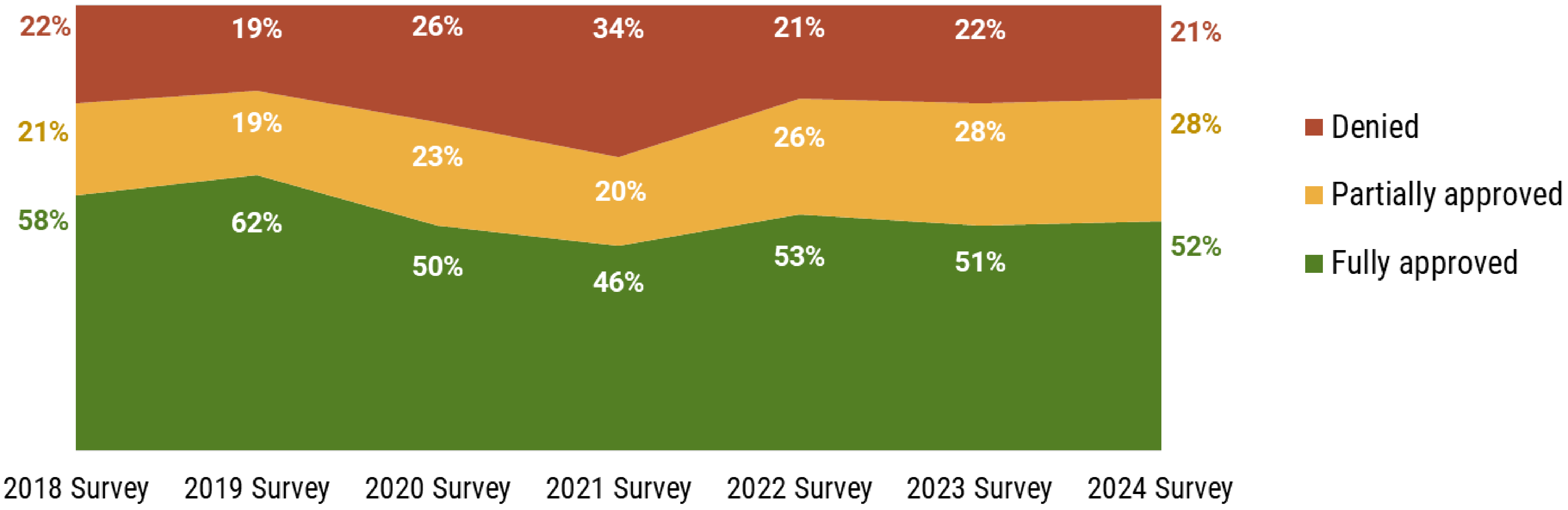
The share of firms that applied for a loan, line of credit, or merchant cash advance was unchanged from 2023 to 2024

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



Approval rates held steady year-over-year, but the share fully approved remains below prepandemic 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)



Small business and AI

- The 2024 survey asked about if and how small businesses were using AI
- 63% of survey respondents answered the question (yes, no, never)
- We are currently analyzing responses and will share analysis this fall
- Seeing small business service providers leaning into this space

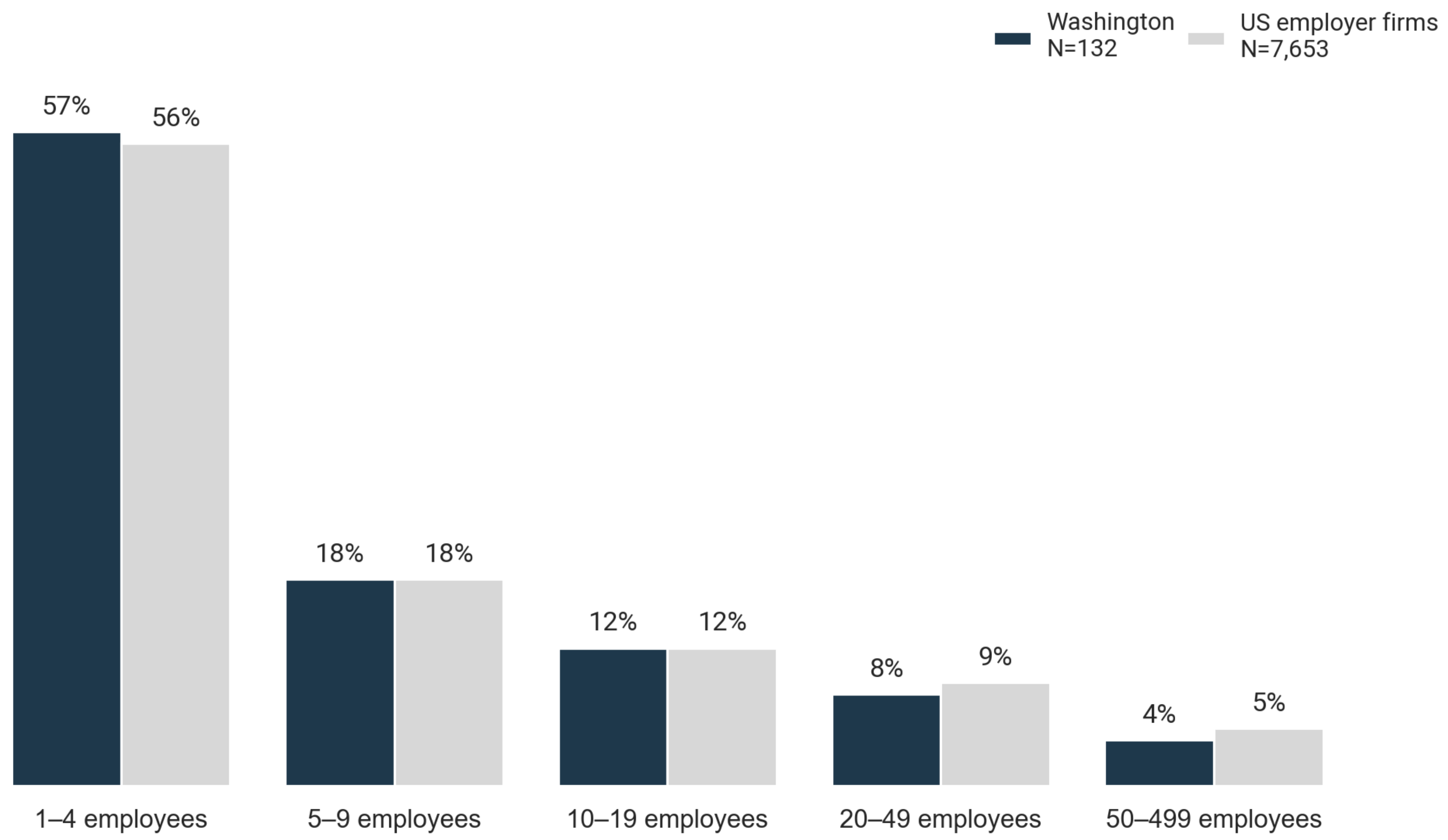
Summary

On March 25, the EmergingTech Economic Research Network (EERN) held a webinar in partnership with the Alaska Small Business Development Center and the Nevada Small Business Development Center on the role of artificial intelligence (AI), including generative artificial intelligence (GenAI) tools, in modernizing business operations. A panel of small business owners explored the successes and challenges of incorporating AI into their work. Speakers shared real-life examples of how entrepreneurs in Alaska and Nevada are leveraging AI

Washington State Employer Firm Findings

Number of employees

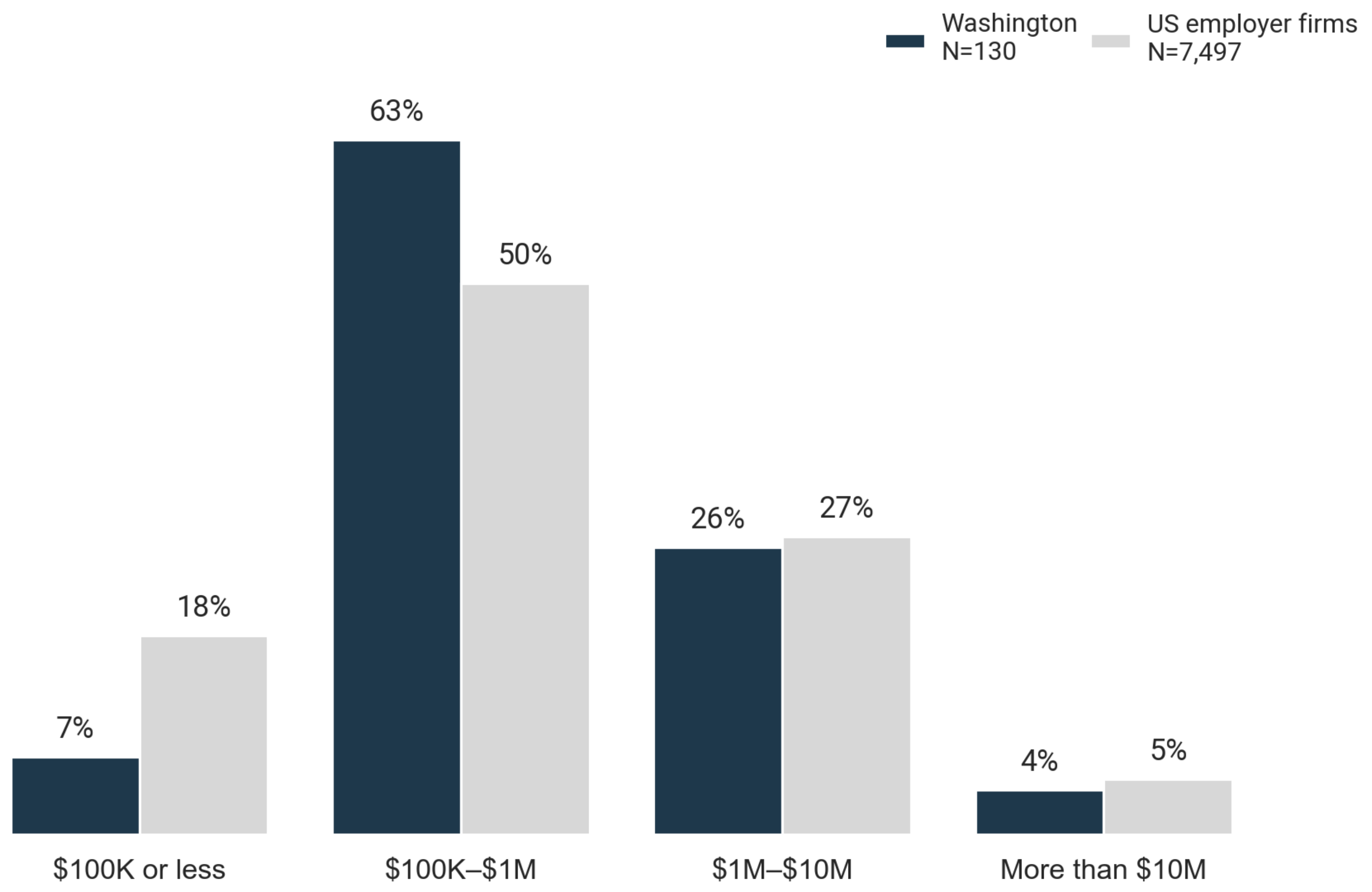
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. Because firm size is included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for details on national-, state-, and MSA-level SBCS weights.

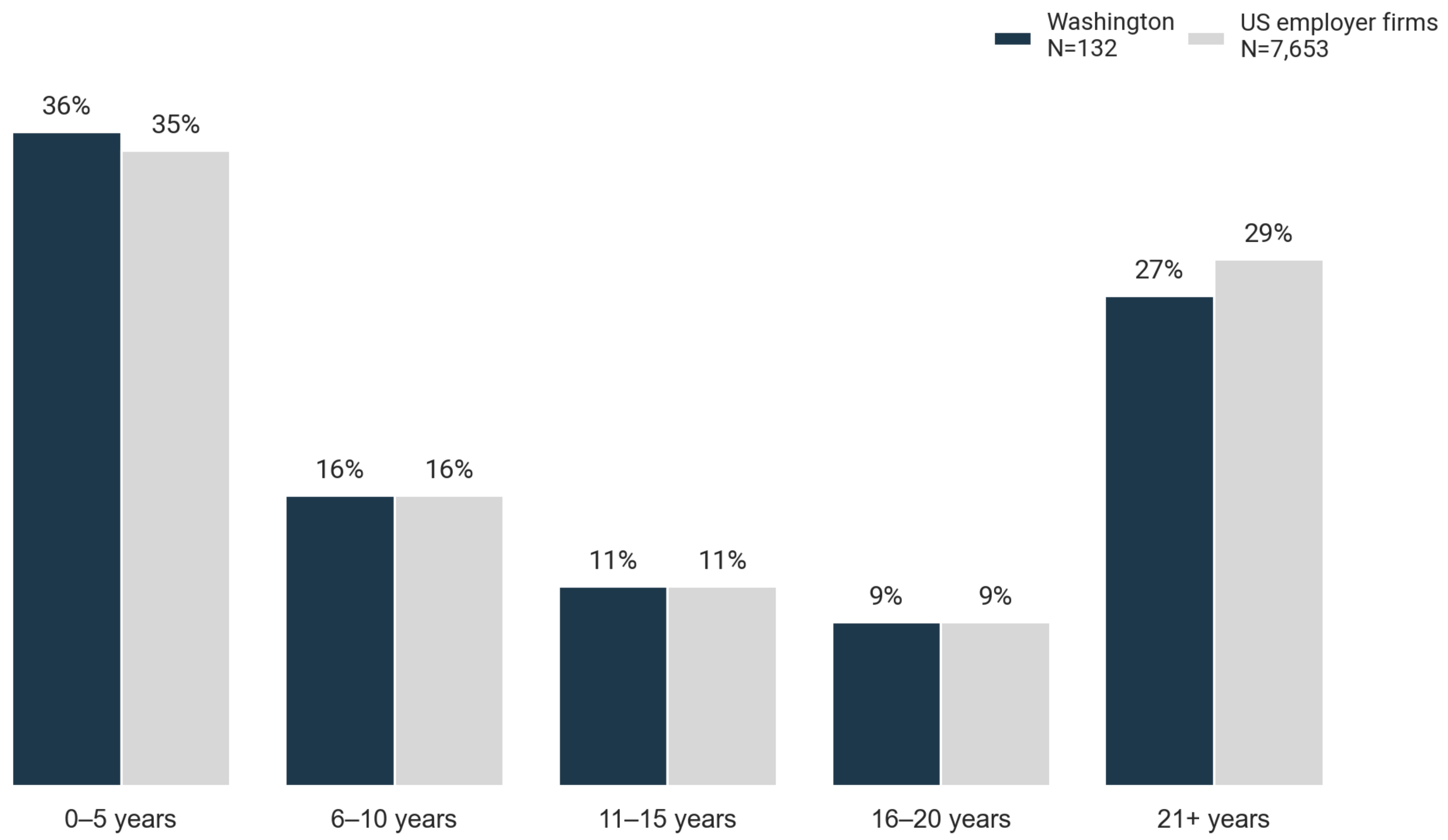
Annual revenues

(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. Revenue size categories have been condensed and simplified for readability. Actual categories are ≤$25K, $25,001–$50K, $50,001–$100K, $100,001–$250K, $250,001–$500K, $500,001–$1M, $1,000,001–$5M, $5,000,001–$10M, and >$10M.

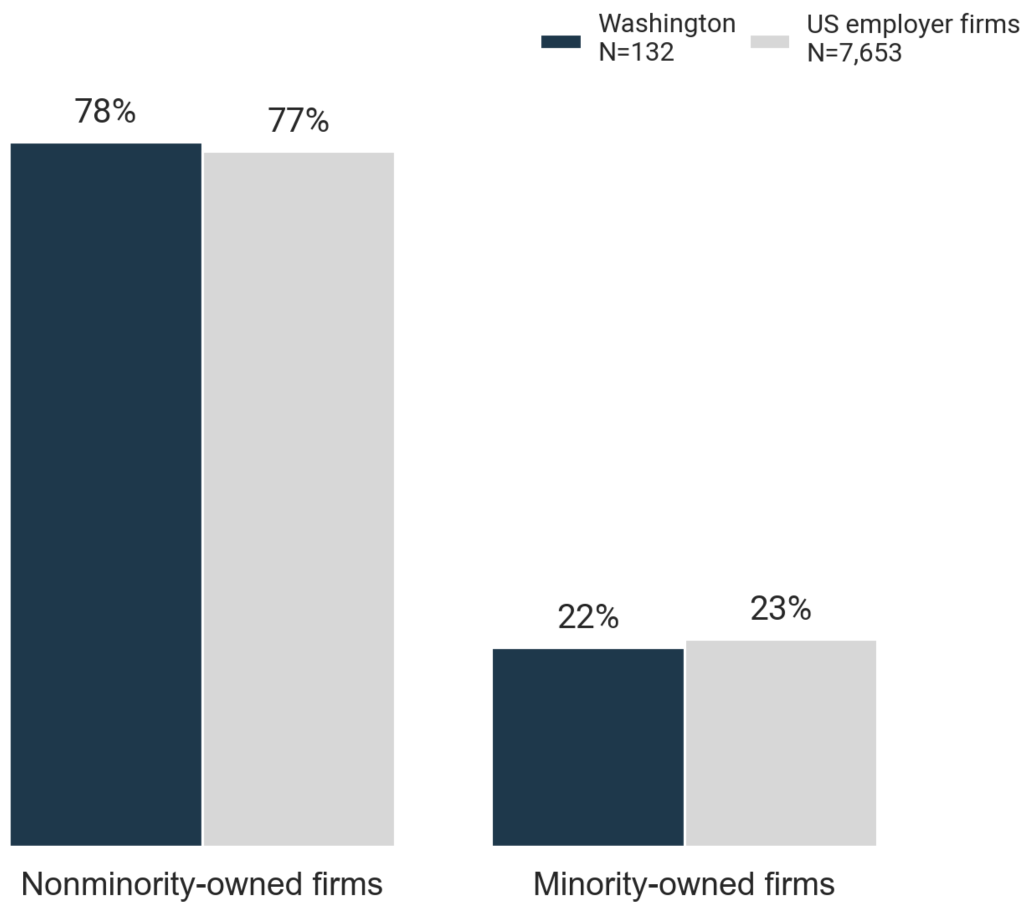
Age of firm
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. Because firm age is included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for details on national-, state-, and MSA-level SBCS weights.

Race and ethnicity of owner(s)

(% of employer firms)



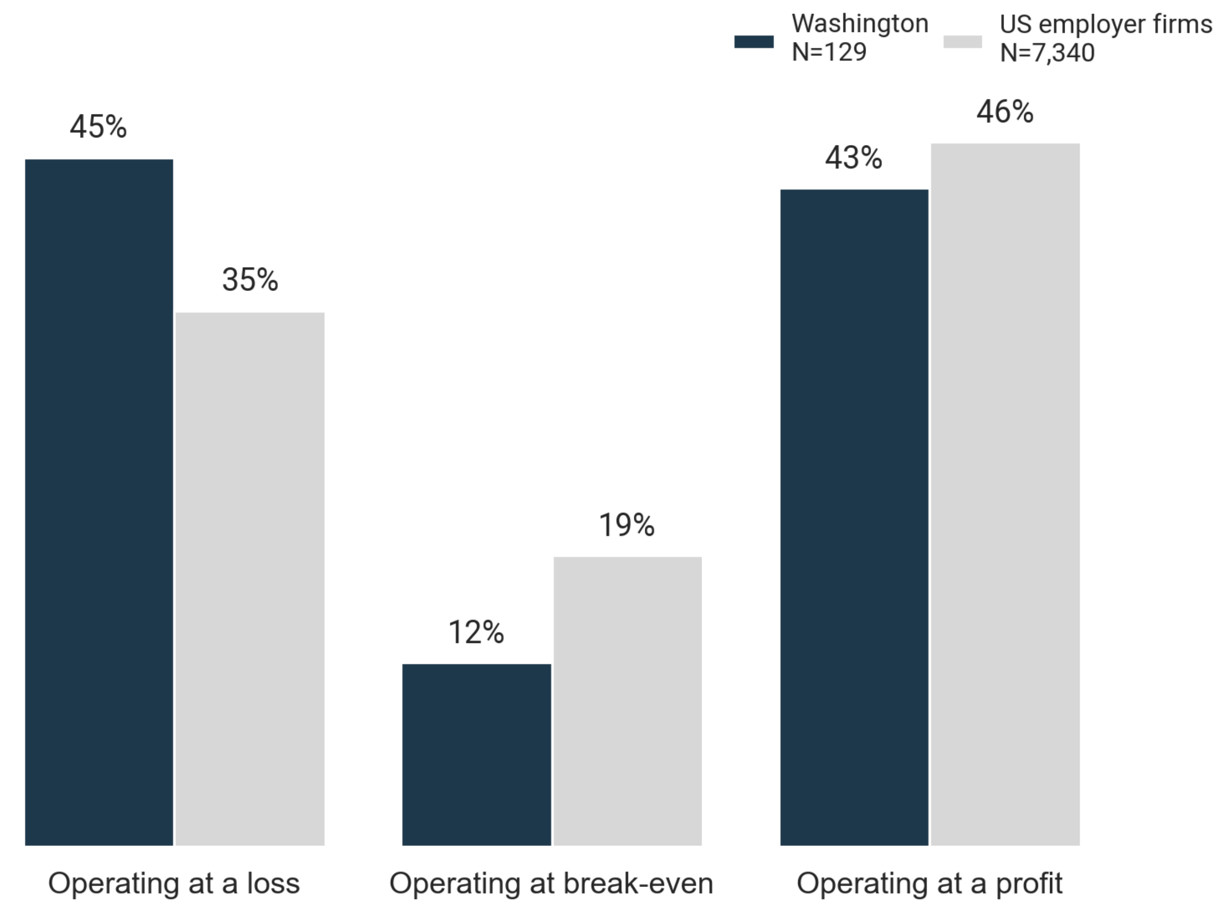
Notes: Percentages may not sum to 100 within firm categories because of rounding. Because owner race and ethnicity are included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for race and ethnicity definitions used in the SBCS and for details on national-, state-, and MSA-level SBCS weights.

Firm Performance

Revenue, employment, and business conditions

Profitability, end of 2023

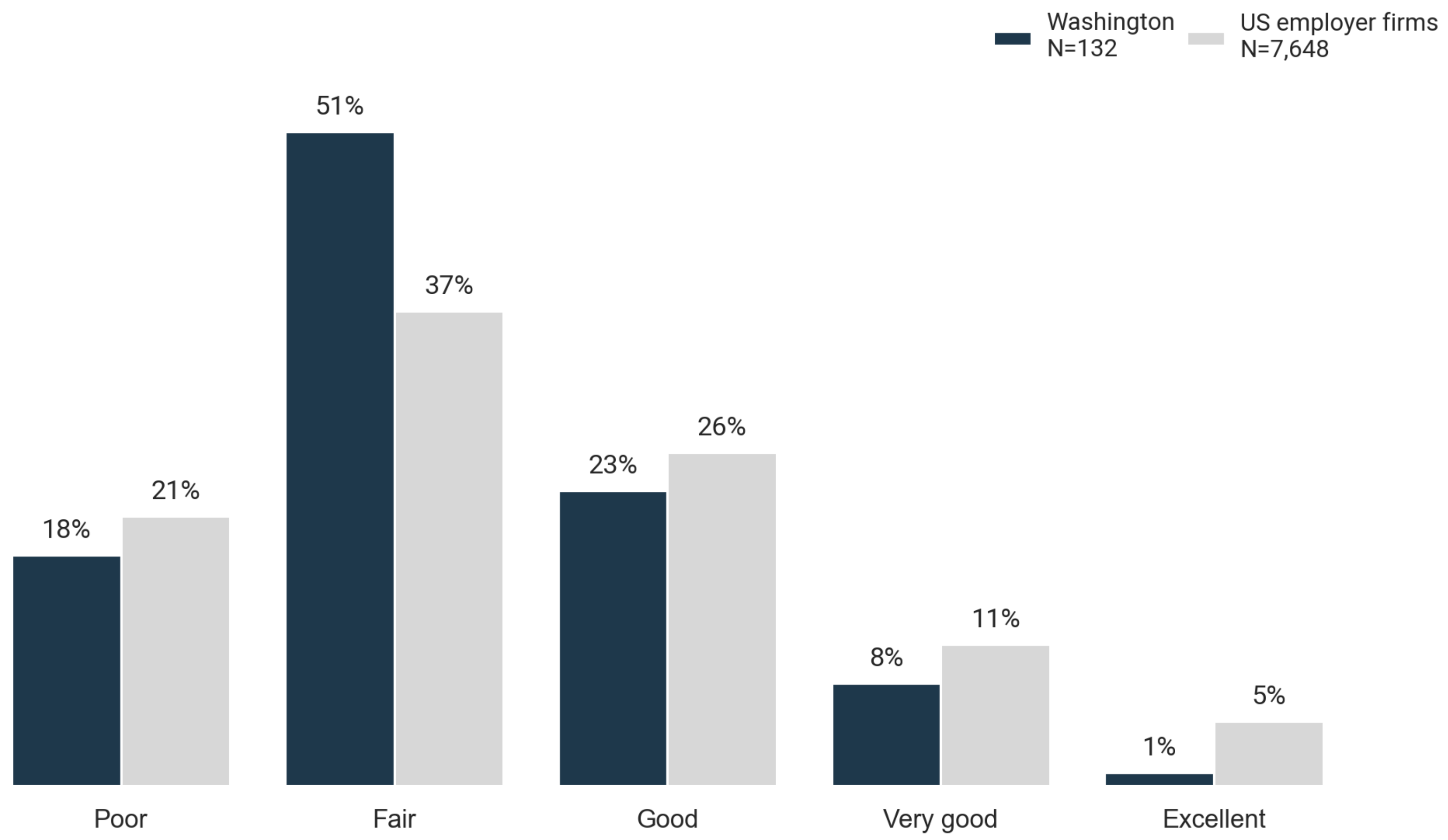
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

Financial condition, time of survey

(% of employer firms)



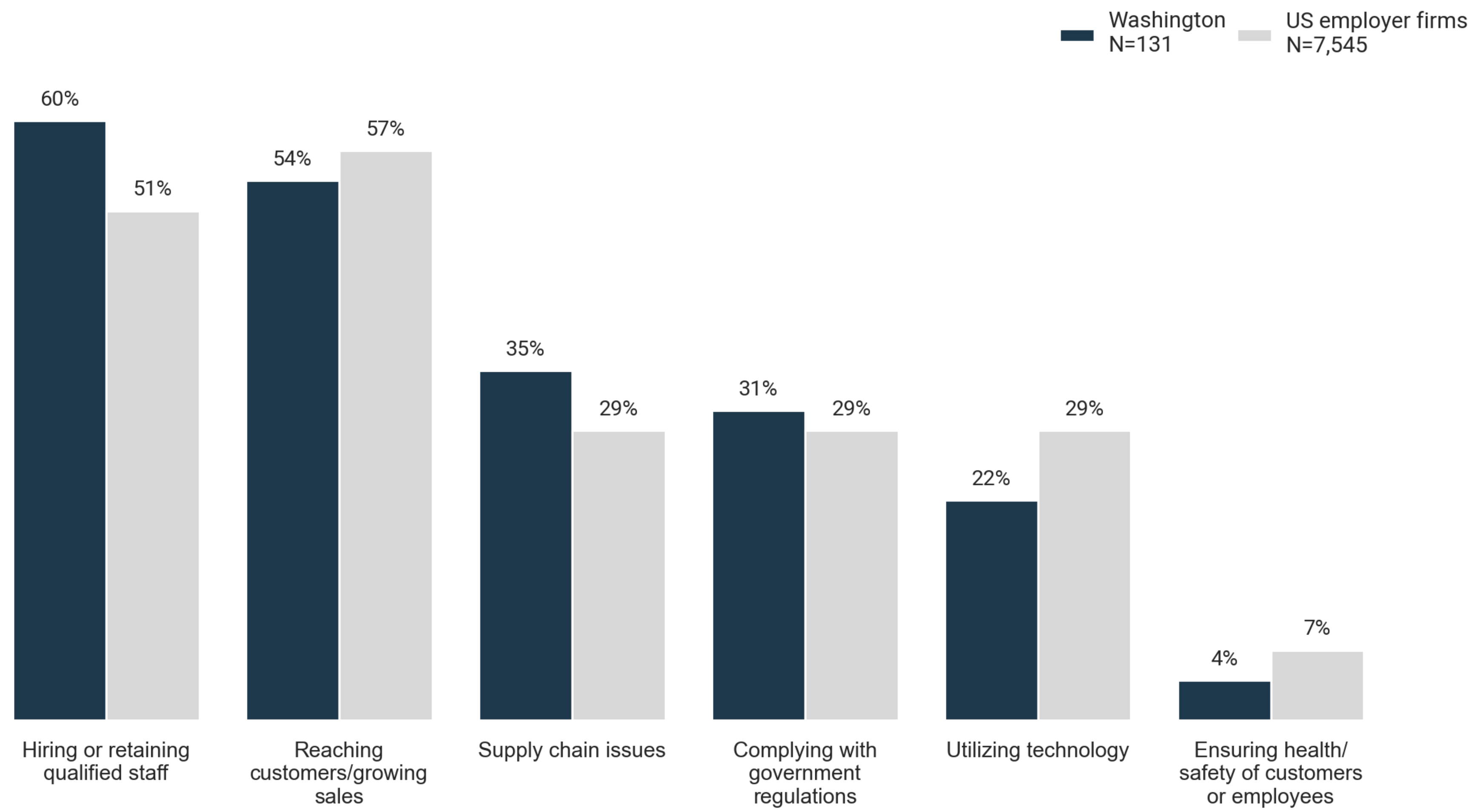
Notes: Self-reported financial condition at the time of the survey. Percentages may not sum to 100 within respondent groups because of rounding. See Appendix for time period definitions used in the SBCS.

Challenges

Financial and operational challenges and actions taken in response

Operational challenges, prior 12 months

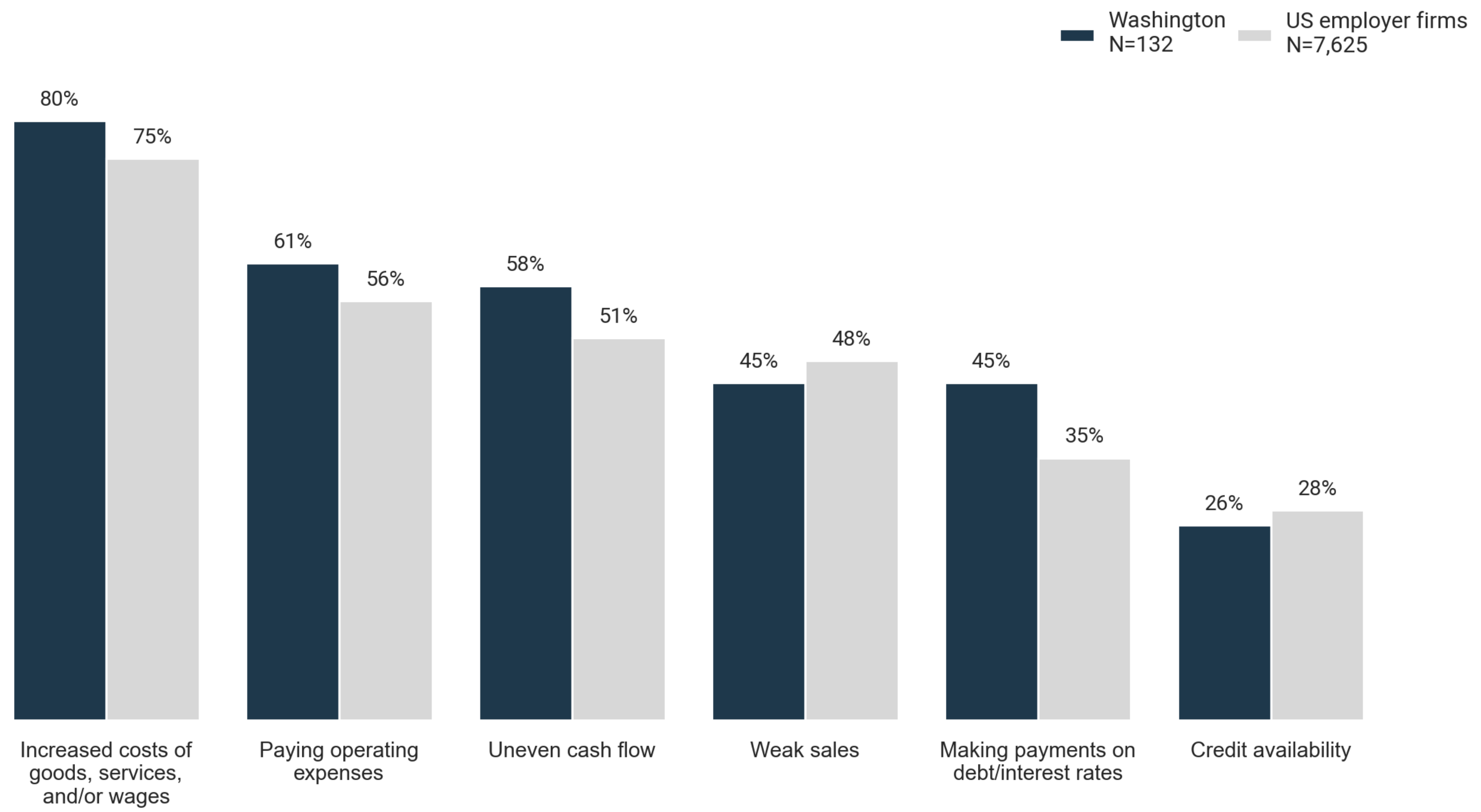
(% of employer firms)



Notes: "Utilizing technology" includes issues with ecommerce, cybersecurity, social media, and websites. Respondents could select multiple options. Most common responses shown. See Appendix for time period definitions used in the SBCS.

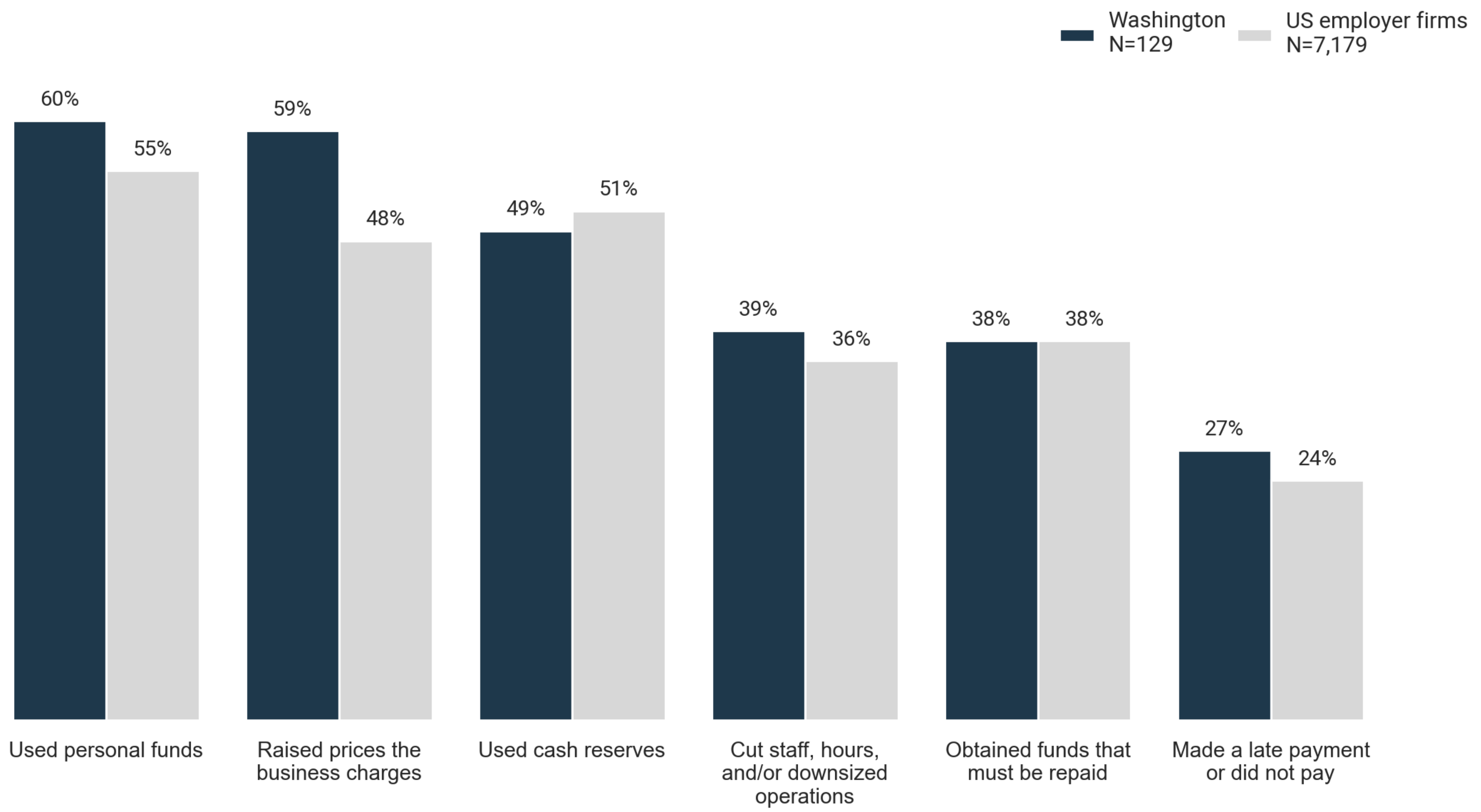
Financial challenges, prior 12 months

(% of employer firms)



Notes: "Uneven cash flow" includes collecting on receivables. Examples presented for "paying operating expenses" include payroll, rent, and inventory costs. Respondents could select multiple options. Most common responses shown. See Appendix for time period definitions used in the SBCS.

Actions taken in response to financial challenges, prior 12 months (% of employer firms with financial challenges)



Notes: Respondents could select multiple options. Select responses shown. See Appendix for time period definitions used in the SBCS.g

What We're Hearing: Listening Session Themes Around Performance & Challenges

1. Uncertainty & volatility make planning difficult
2. Businesses are challenged by increased costs and decreased consumer spending
3. Increased demand for Technical Assistance, at the same time TA providers report more limited capacity
4. The nature of TA needed has changed
5. There is still an interest in start-ups, though more selective
6. Changes in immigration are impacting businesses in multiple ways
7. Cautious approach to hiring
8. Increasing insurance costs

Insights from Washington State & Idaho

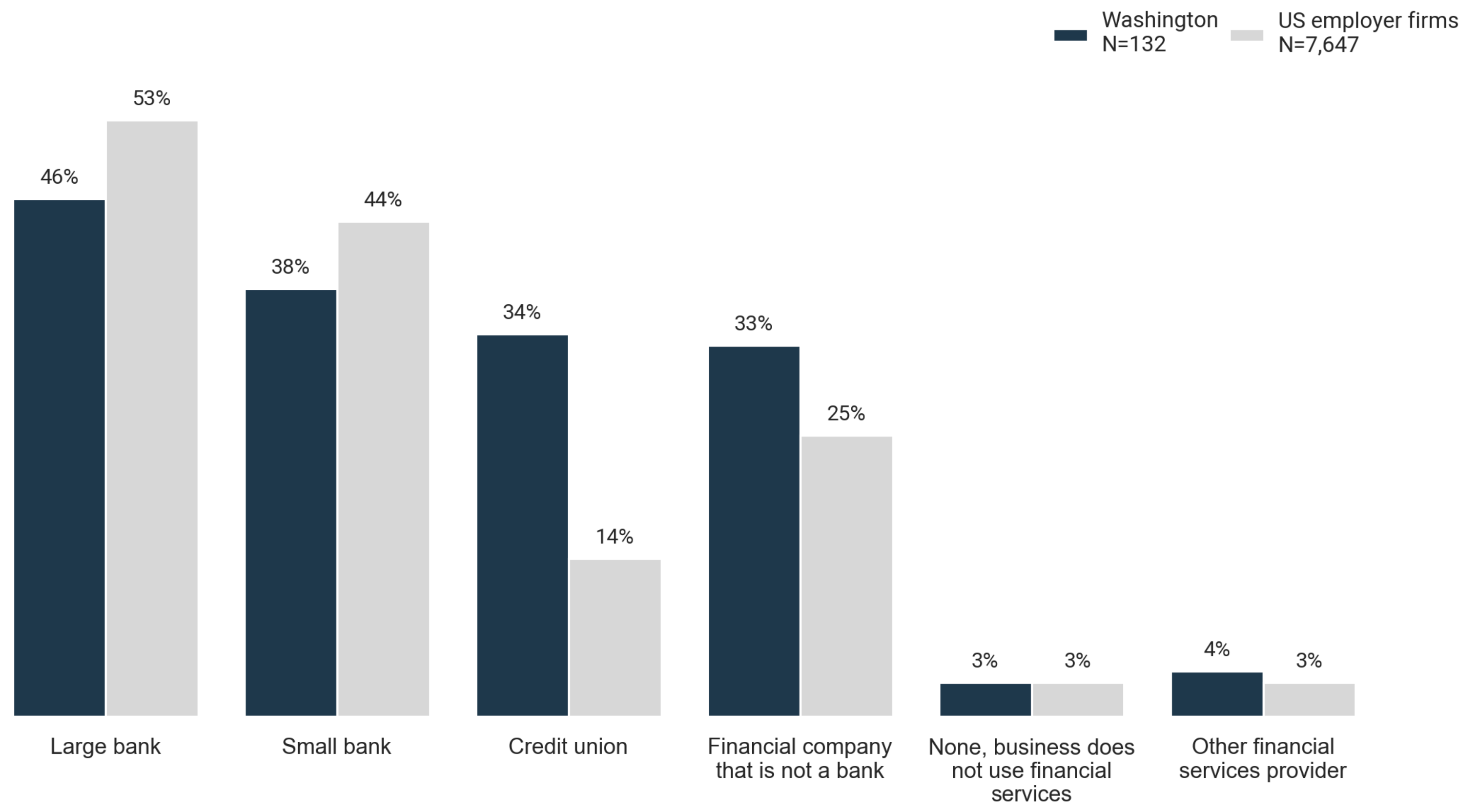
- Labor challenges
- Small businesses deciding to increase their pricing
- Concerns about student debt impacting credit
- Collaboration & cost sharing strategies
- Regional issues

Financing

Financing applications and outcomes

Use of financial services providers

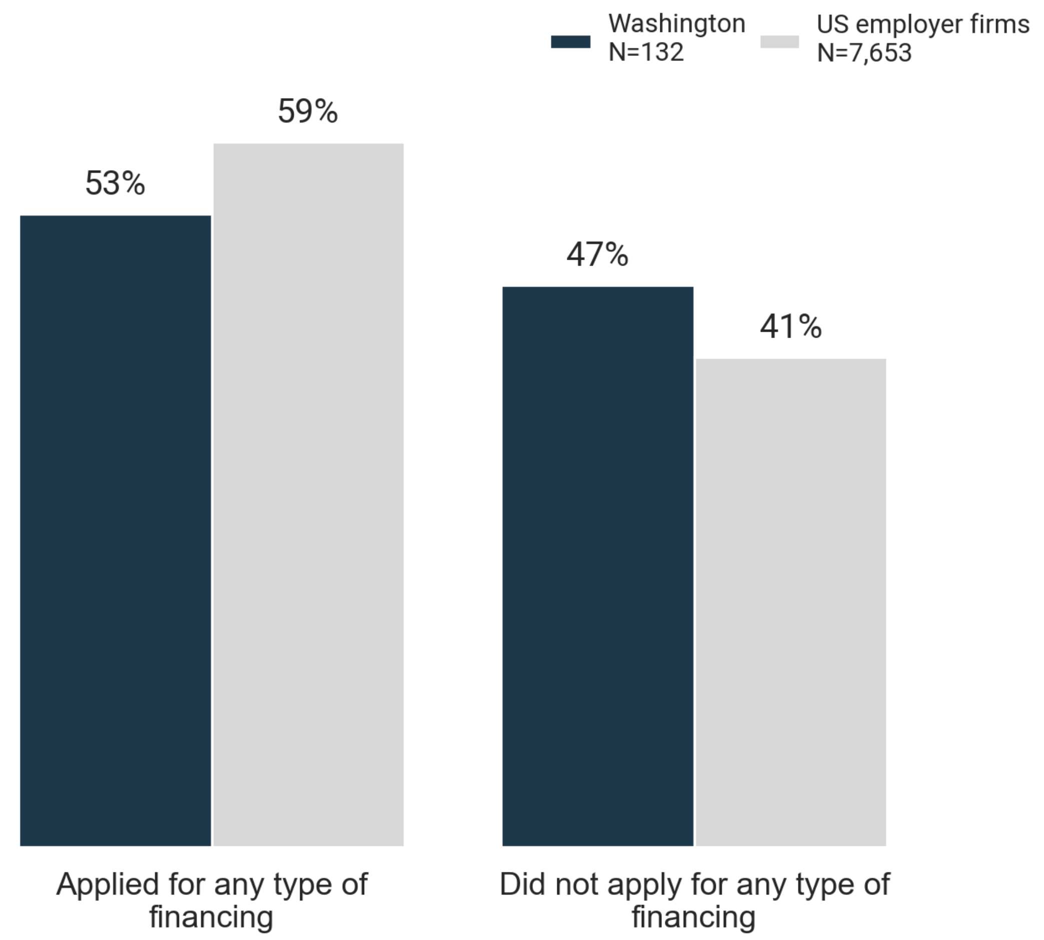
(% of employer firms)



Notes: Financial services providers are those at which the firm has an account or uses other financial services, including loans and payments processing. Respondents could select multiple options. Response option "other" not shown. See Appendix for financial services provider definitions used in the SBCS.

Demand for financing, prior 12 months

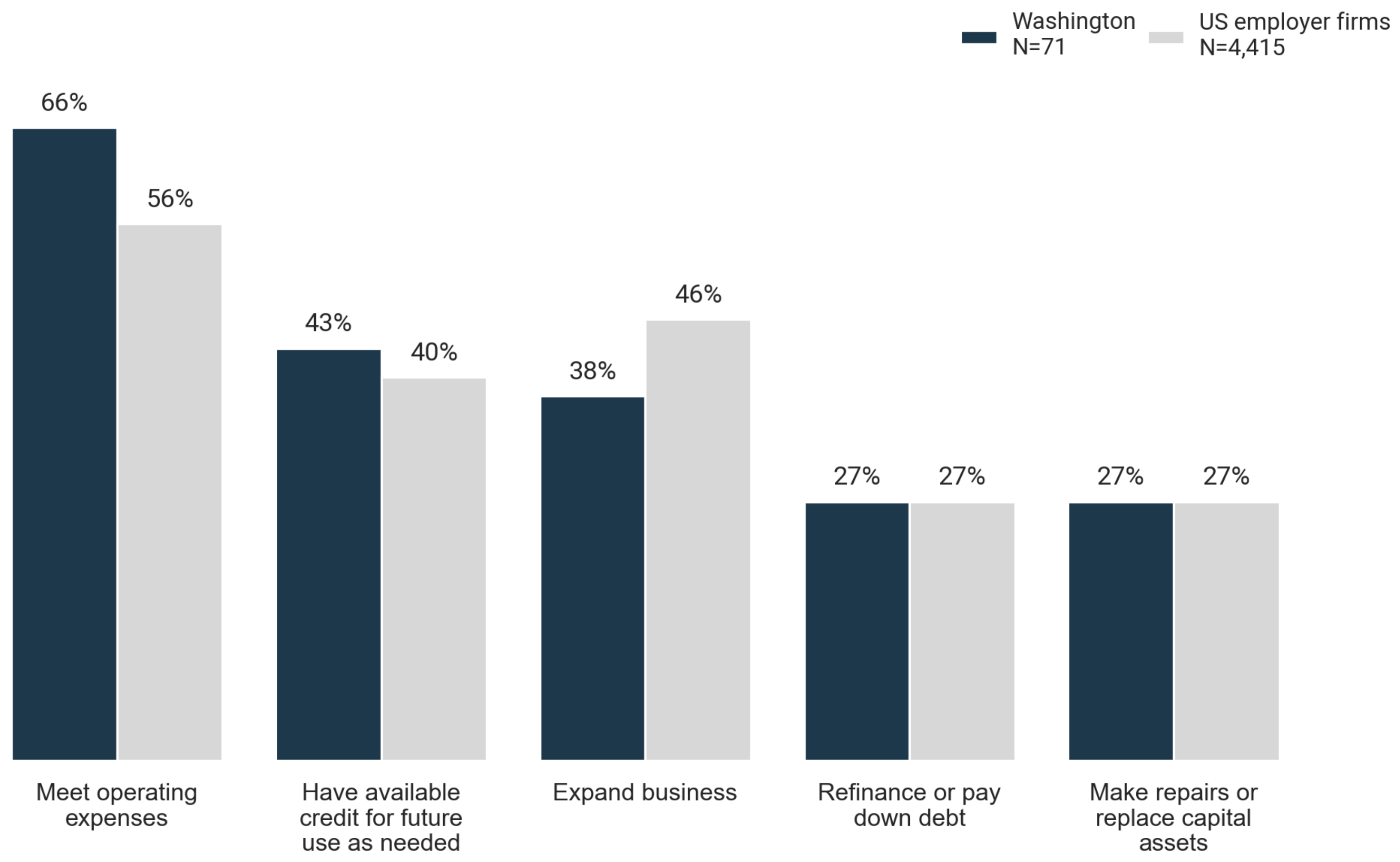
(% of employer firms)



Notes: Includes financing applications for loans, lines of credit, merchant cash advances, leases, trade credit, credit cards, and factoring. See Appendix for time period definitions used in the SBCS.

Reasons for seeking financing, prior 12 months

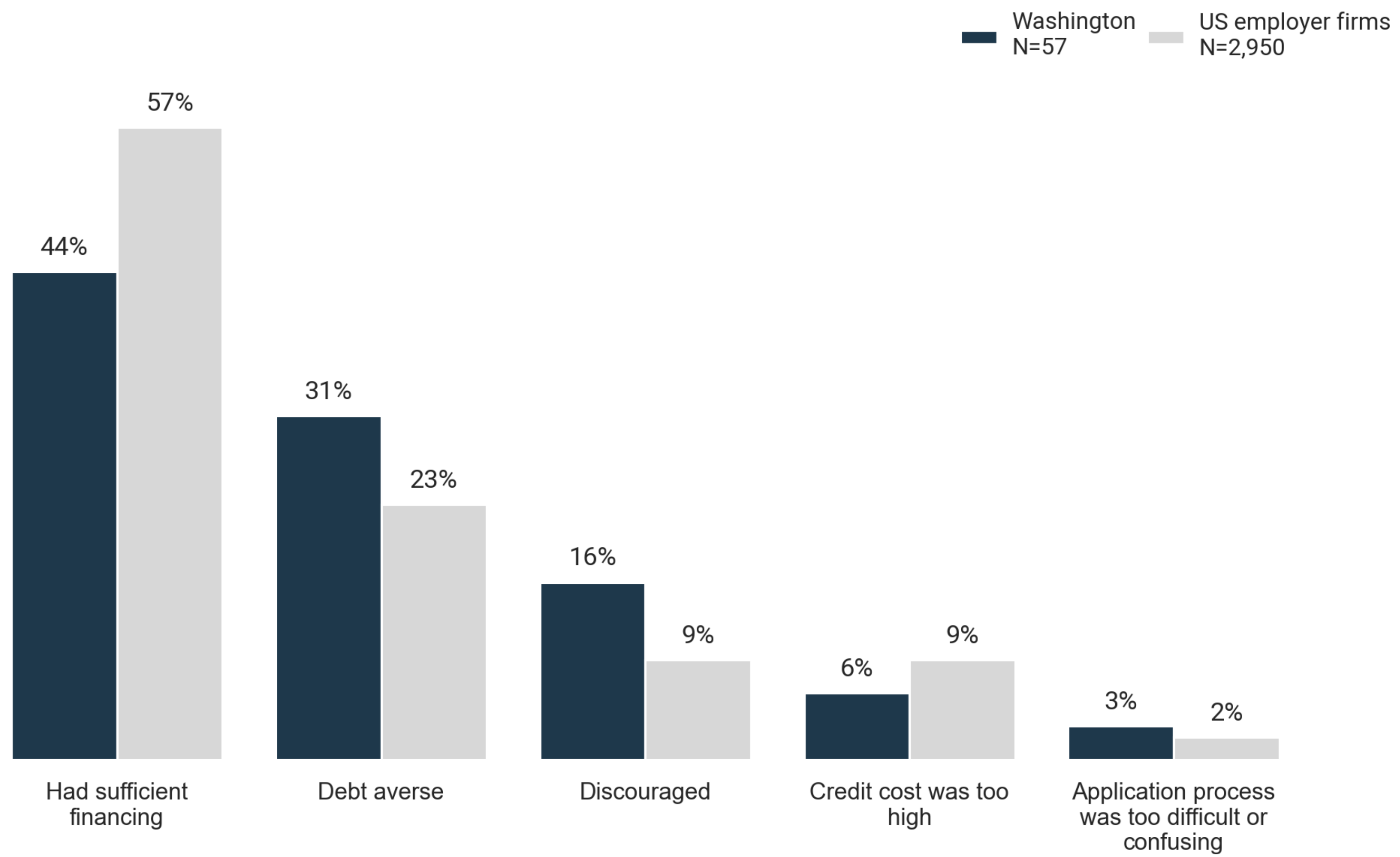
(% of applicants)



Notes: Respondents could select multiple options. Response option "other" not shown. See Appendix for time period definitions used in the SBCS.

Top reasons for not applying, prior 12 months

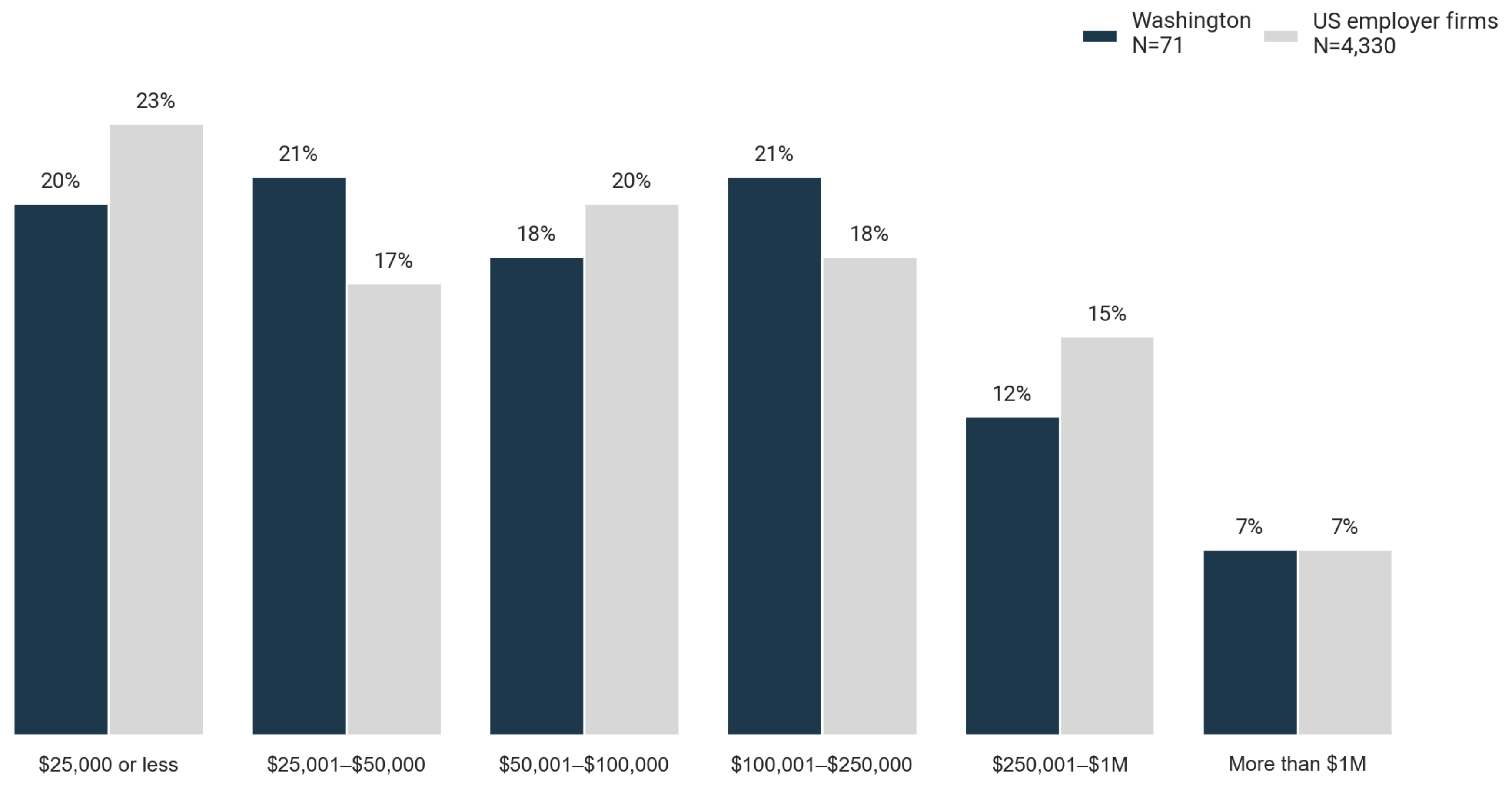
(% of nonapplicants)



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. "Discouraged" firms are those that did not apply because they did not think they would be approved. Percentages may not sum to 100 within firm categories because of rounding and because response option "other" is not shown.

Total amount of financing sought, prior 12 months

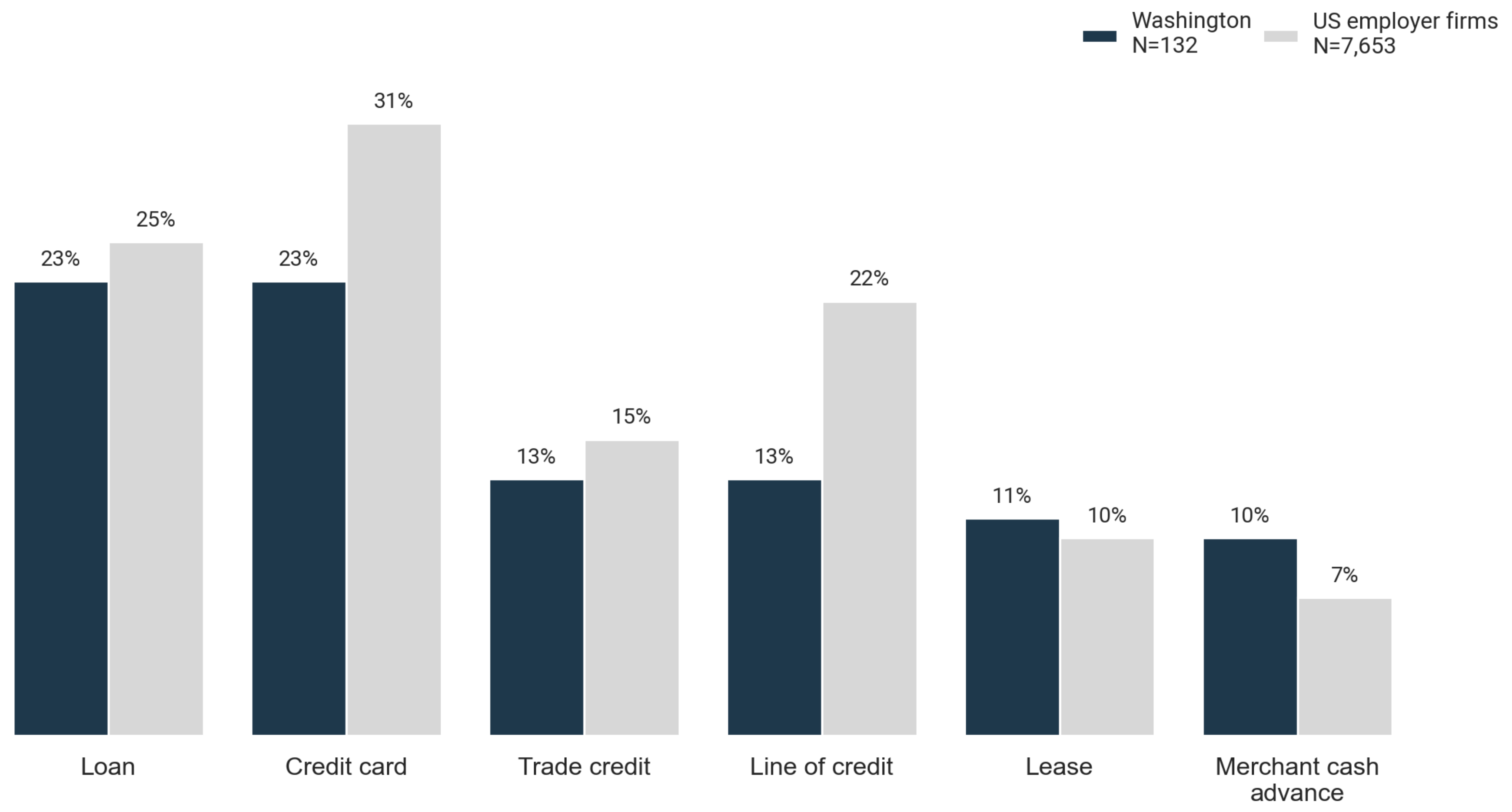
(% of applicants)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

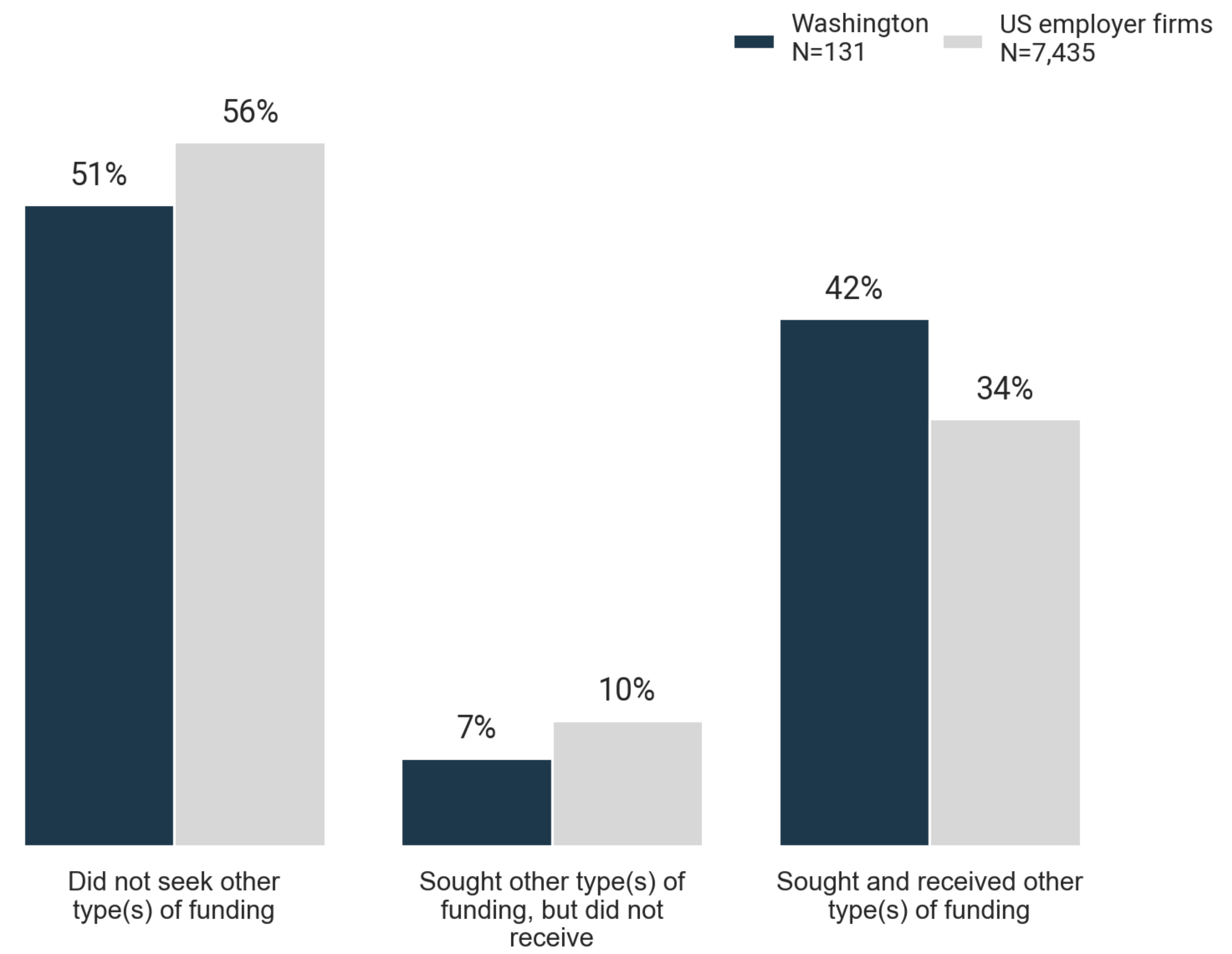
Financing and credit products sought, prior 12 months

(% of applicants)



Notes: Respondents could select multiple options. Most common responses shown. See Appendix for time period definitions used in the SBCS.

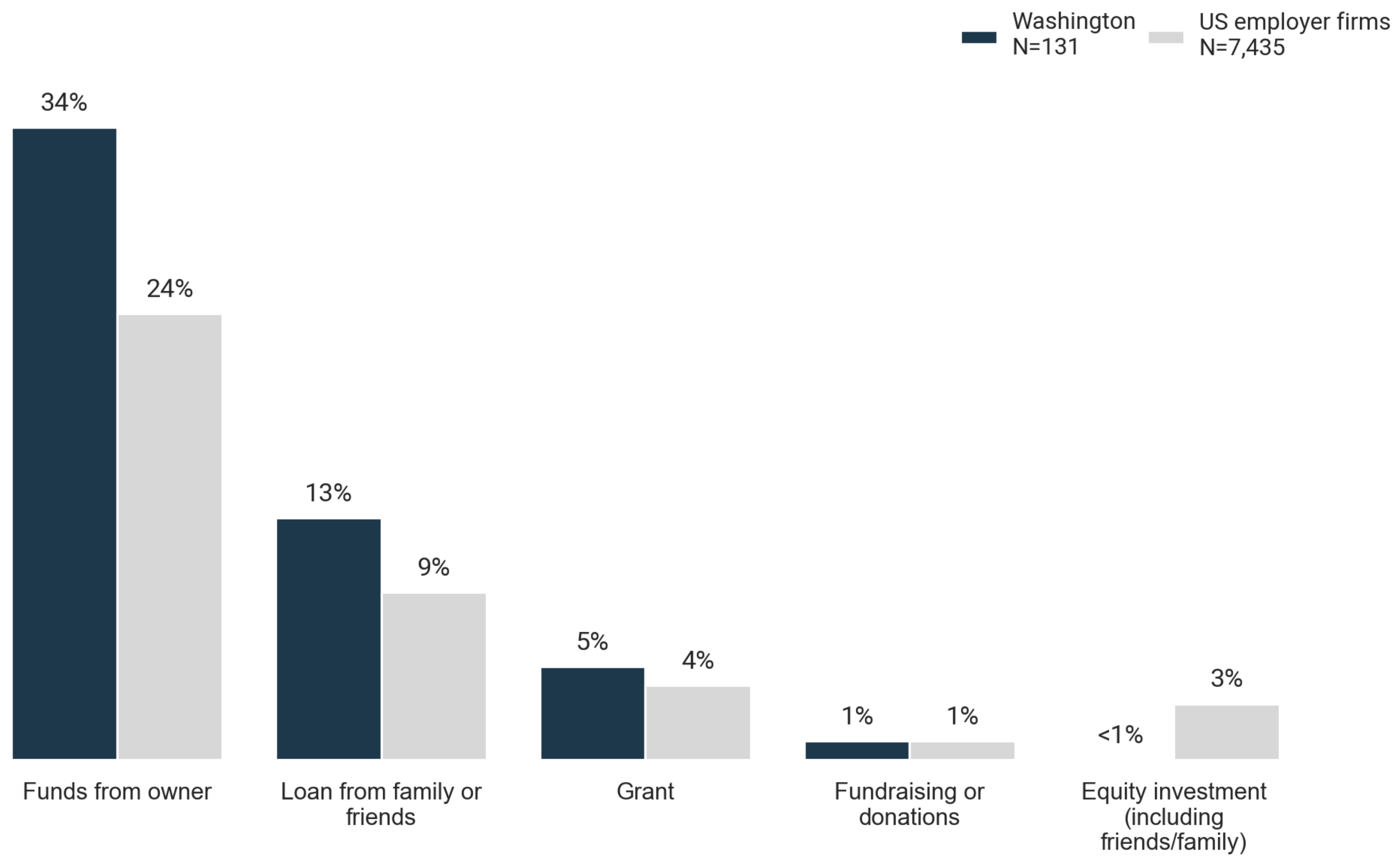
Other types of funding sought and received, prior 12 months (% of employer firms)



Notes: "Other type(s) of funding" includes funds from the owner(s), loans from family or friends, grants, equity investments, and fundraising or donations. Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

Other types of funding received, prior 12 months

(% of employer firms)



Notes: Respondents could select multiple options. Response option "other" not shown. See Appendix for time period definitions used in the SBCS.

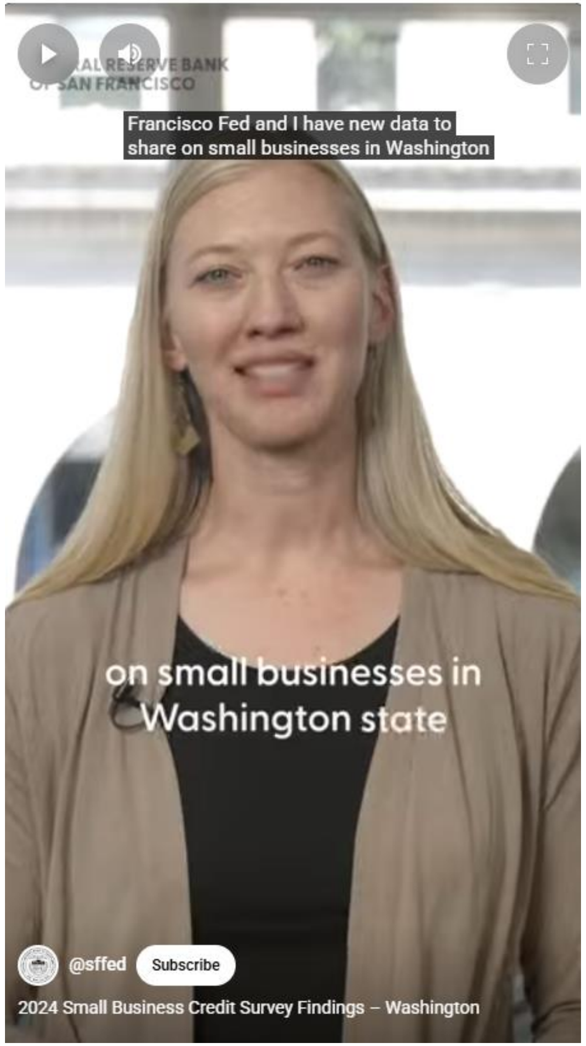
What We're Hearing: Listening Session Themes Around Debt & Financing

1. Increasing demand to refinance MCAs
2. Loan delinquencies increasing
3. Tightening credit standards
4. Growing concern businesses are over-leveraged
5. Expectations of quick, free money
6. Waning demand for expansion capital

Explore & share the data!

- Written reports on national trends for employer & non-employer firms

- State and MSA-specific slide decks for states with sufficient response rates, as well as data across various business and owner demographic characteristics: 2024 Firms in Focus chartbooks on small business data (fedsmallbusiness.org)



https://www.youtube.com/shorts/trWDmQOMkb4

Help us field the 2025 survey!

- The 2025 survey is open now (September 3 – November 14)
- Share the link and help us reach small businesses in Idaho and Washington!

https://sffed.us/sbcs

Photo: Pixabay by Pinpals

Small Business Survey QR Code

Questions?

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