

## SMALL BUSINESS CREDIT SURVEY METHODOLOGY

### Overview

The Small Business Credit Survey (SBCS) is a semi-annual establishment survey conducted by the Federal Reserve Bank of New York, reporting information about business performance, financing needs and choices, and borrowing experiences. The fall 2013 survey also asked small businesses about the immediate and longer-term impact of Superstorm Sandy. The SBCS captures the perspectives of businesses with fewer than 500 employees in New York, New Jersey, Connecticut, and Pennsylvania. The SBCS is distributed through civic and non-profit partners, primarily Chambers of Commerce, industry associations, and development corporations/authorities.

In total, there were 1548 responses to the survey fielded from October 10, 2013 to Dec 31, 2013. The number of responses to each individual question varied, based on relevance (i.e. firms that were not affected by Superstorm Sandy did not answer subsequent questions about the storm's impact). All results are weighted to reflect the full population of small businesses in the four states of coverage, along the dimensions of industry, age, employee size, and geography.

### Sample Design

The SBCS questionnaire is an online survey distributed by more than 30 partner organizations. Partners contact businesses on their membership lists, asking them to participate in the survey provided through a URL address. In some cases, partners make their distribution list available to the New York Fed. The SBCS is not a random sample, and therefore results should not be interpreted as a statistical representation of small businesses in the Second District or the nation. Rather, the results should be viewed as suggestive and analyzed with awareness of potential methodological biases.

### Weighting

To reduce coverage bias, we use US Census Bureau data<sup>1</sup> to weight responses along the dimensions of industry, age, employee size, and geography. Survey weights are derived to allow estimates to be generated from the sample so as to represent the true small business population. For example, by reweighting our data, we correct for the overrepresentation of older firms. See Appendix A for sampling distributions of the 2013 SBCS after weighting.

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<sup>1</sup> Age data from US Census Business Dynamics Statistics, 2011. All other data from Census Business Patterns, 2011.

**Appendix A: Selected Characteristics of Firms in the Survey Sample, fall 2013**

	Sample Size 2013	Sample Distribution After Weighting	Percentage of Total for Weighted Sample
<b>Firm Age</b>			
0-2 years	259	252,853	22.39%
3-5 years	234	188,352	16.68%
6-10 years	281	225,986	20.01%
11-20 years	314	263,677	23.35%
20+ years	460	198,344	17.56%
<b>All Firm Ages</b>	1548	1,129,211	100%
<b>Firm Size</b>			
1-4 employees	752	647,229	57.32%
5-9 employees	291	202,958	17.97%
10-19 employees	216	135,658	12.01%
20-99 employees	248	120,834	10.70%
100-499 employees	41	22,533	2.00%
<b>All Firm Sizes</b>	1548	1,129,211	100%
<b>Geography</b>			
Connecticut	78	87,836	7.78%
New Jersey	246	226,346	20.04%
New York (minus NYC)	383	298,162	26.40%
New York City	507	222,004	19.66%
Pennsylvania	334	294,863	26.11%
<b>All Geographies</b>	1548	1,129,211	100%
<b>Industry</b>			
Agriculture	16	1,357	0.12%
Construction	206	99,216	8.79%
Manufacturing	170	42,623	3.77%
Retail	161	165,926	14.69%
Wholesale/Transportation	108	95,424	8.45%
Information/Media/Telecommunications	60	21,255	1.88%
Finance/Insurance/Real Estate	71	115,873	10.26%
Professional and Business Services	289	127,090	11.25%
Personal Services	42	121,631	10.77%
Education/Healthcare and Social Assistance	111	144,068	12.76%
Leisure and Hospitality	119	124,682	11.04%
Other	195	70,066	6.20%
<b>All Industries</b>	1548	1,129,211	100%