

Summary of Key Findings

The Small Business Credit Survey (SBCS) is an annual survey that collects information about the business performance, financing needs and options, and borrowing experiences of firms with 500 or fewer employees. Responses to the SBCS provide insight into the dynamics behind aggregate lending trends and about noteworthy segments of small businesses.

This report analyzes data from the 2021 SBCS for the State of Washington.

The findings in this report show data for employer firms only (employer firms are firms with at least one employee in addition to the owner(s)). The results are weighted to reflect the full population of small businesses. The SBCS is not a random sample; therefore, results should be analyzed with awareness of potential methodological biases.

Survey Response¹

- + Results summarized below reflect small business trends in Washington. National results are included in the charts for comparison purposes.
- + In Washington, there were 112 responses for the 2021 SBCS. Nationwide, there were 10,914 responses.
- + The 2021 SBCS was fielded September 8 through November 19, 2021 and is the second SBCS conducted during the COVID-19 pandemic.

Surveyed Firm Demographics

- + The majority of firms have 1-4 employees (56%) and had 2020 revenues of \$500,000 or less (63%).
- + The majority of small businesses surveyed are White-owned; 15% of respondent firm owners are Asian, Hispanic, Black, or Native American.

¹ For a full discussion of the survey methodology, see [Small Business Credit Survey 2022 Report](#), page 27.



Firm Performance, Challenges and Expectations

- + The majority of firms (85%) report that the COVID-19 pandemic is currently having a negative effect on their business.
- + 77% of Washington firms have experienced decreases in revenue since 2019, but the majority (58%) expect revenues to increase in the next 12 months.
- + 73% of firms experienced supply-chain issues during the past 12 months; this was the most common operational challenge experienced by respondents.

Pandemic-related Financial Assistance

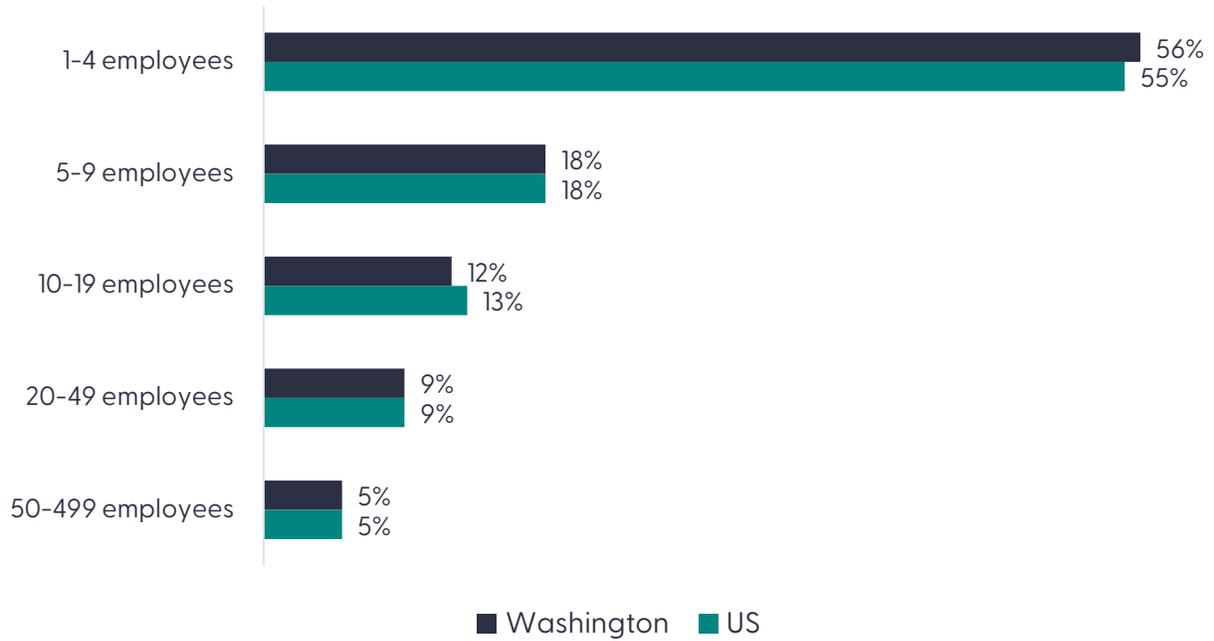
- + 84% of Washington firms sought some type of pandemic-related financial assistance, compared with 77% of firms nationally.
- + Among firms that applied for pandemic-related emergency assistance funding, the most sought sources were the federal Paycheck Protection Program (PPP), followed by the federal Economic Injury Disaster Loan (EIDL) Program.
- + Of the firms that received PPP funding in 2021, 87% expect full forgiveness. Of the firms that received PPP funding in 2020, 93% received full forgiveness.

Financing Need and Credit Products

- + 72% of firms had some level of debt outstanding at the time of the survey.
- + The percentage of Washington firms that applied for financing (24%) was lower than the percentage of firms that applied for financing nationally (34%).

Surveyed Firm Demographics

Figure 1: Number of firm employees



34% of Washington firms use contract workers compared to **39%** of firms nationally.



Figure 2: Age of firm

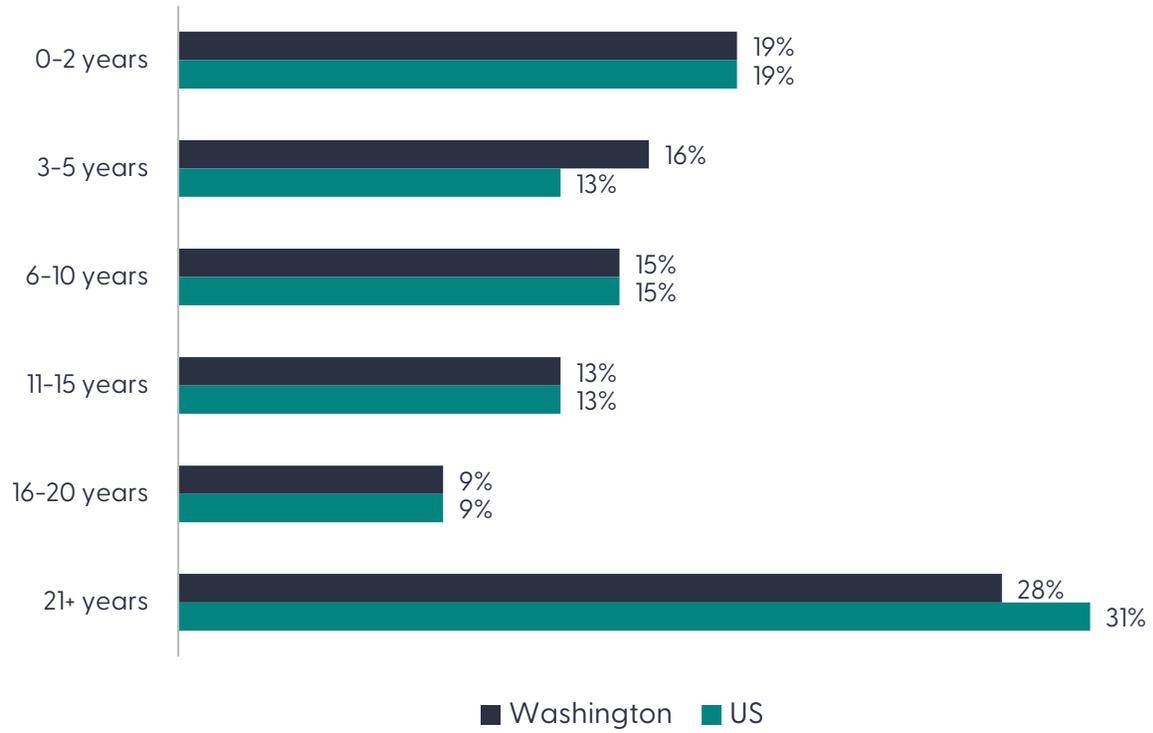




Figure 3: Industry

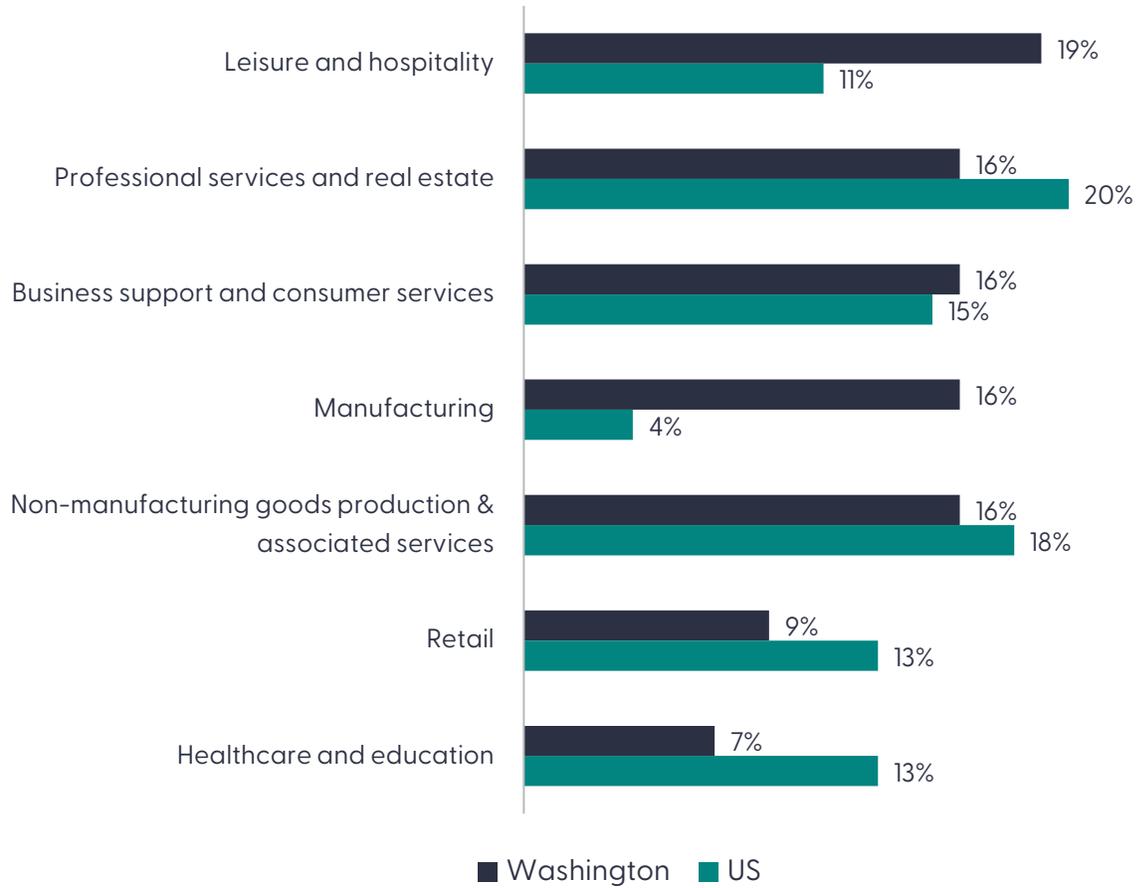




Figure 4: Total firm revenues in 2020

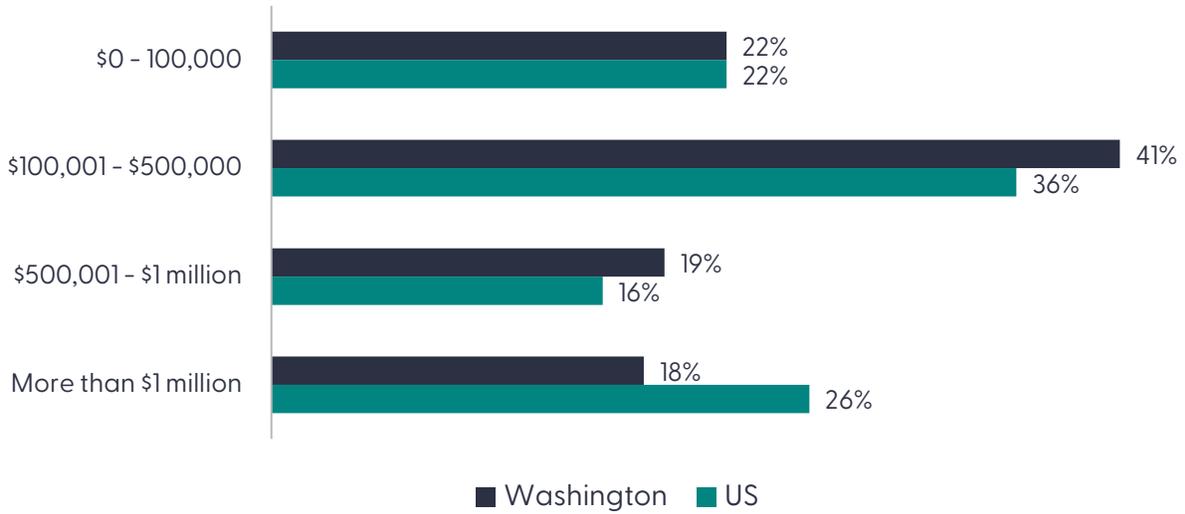
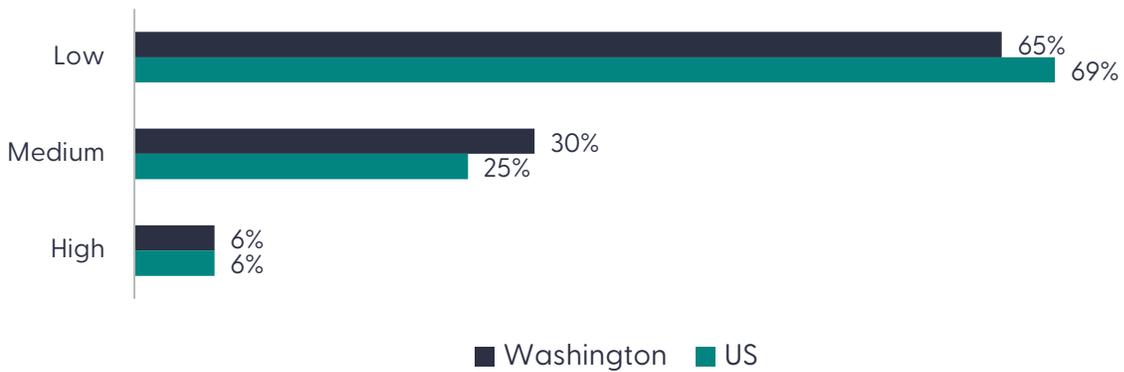


Figure 5: Credit risk of firm



Note: Washington question sample size was less than 100.



Figure 6: Geographic location of firm

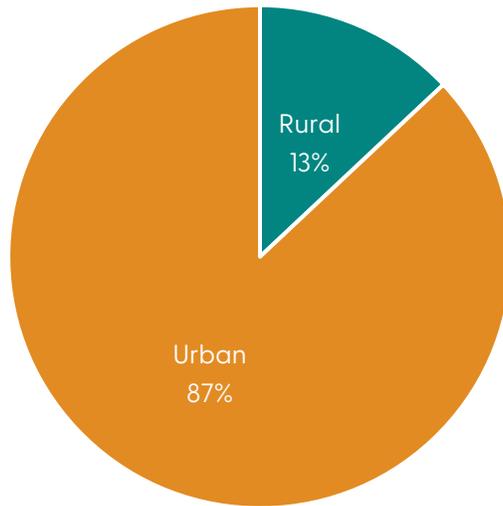


Figure 7: Race and ethnicity of the owner(s)

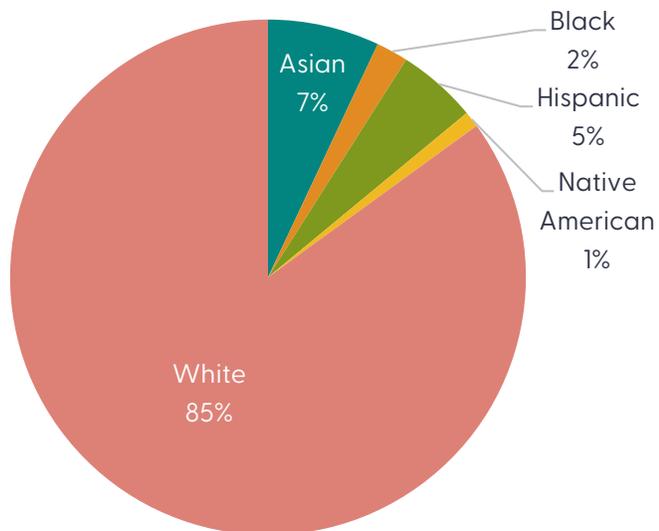




Figure 8: Gender of owner(s)

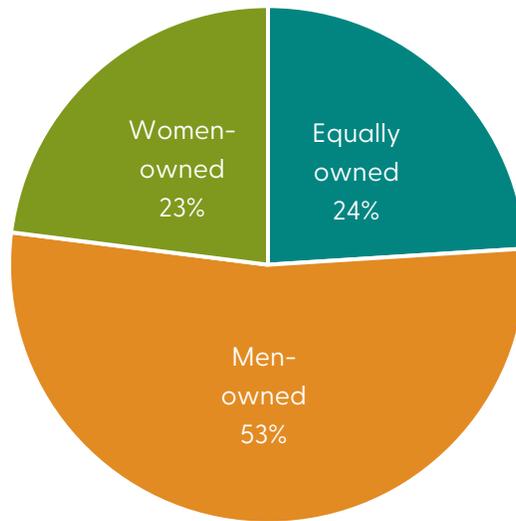


Figure 9: Immigrant ownership

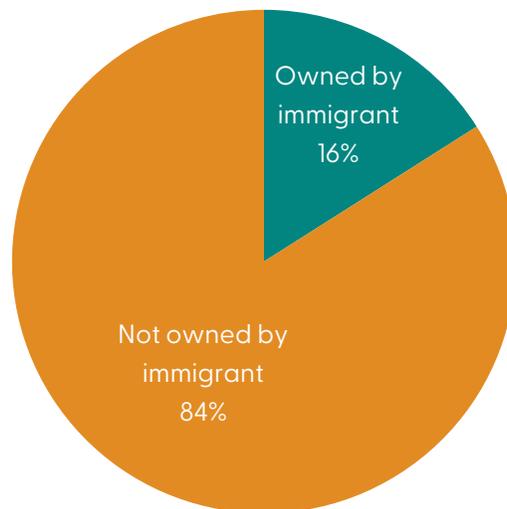




Figure 10: LGBTQ ownership

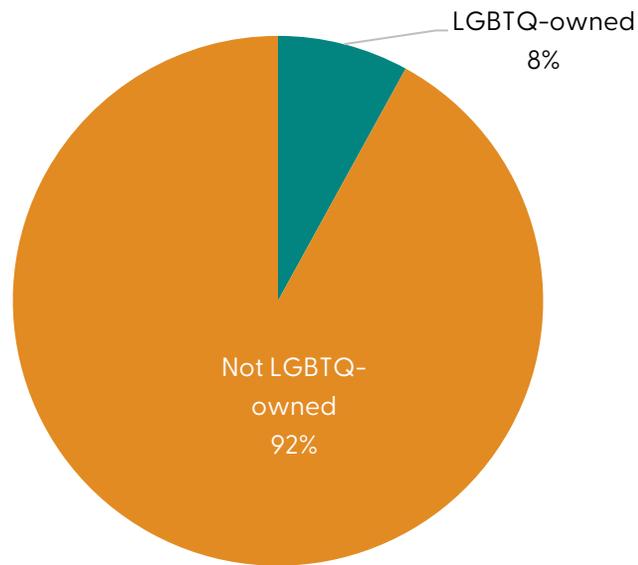
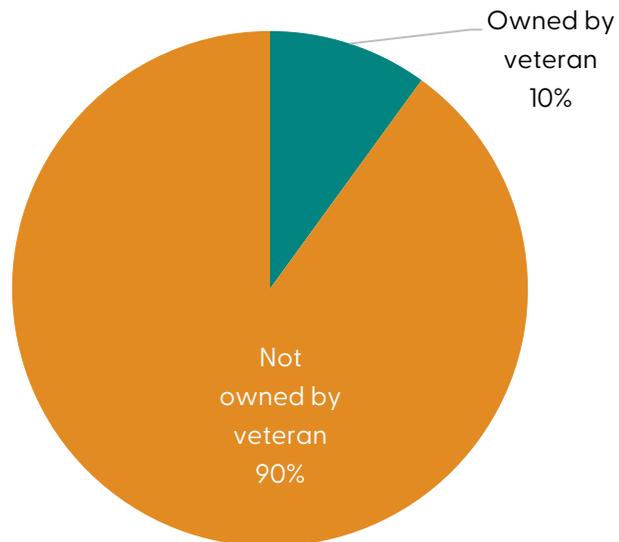


Figure 11: Veteran ownership



Firm Performance, Challenges, and Expectations

Figure 12: Financial condition, at time of survey

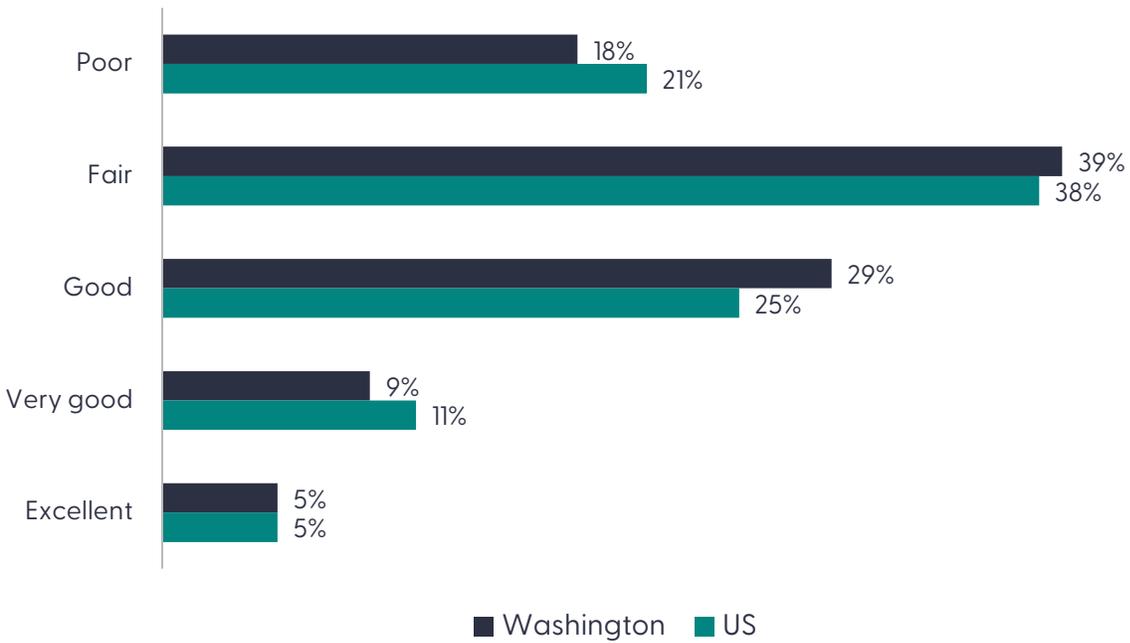
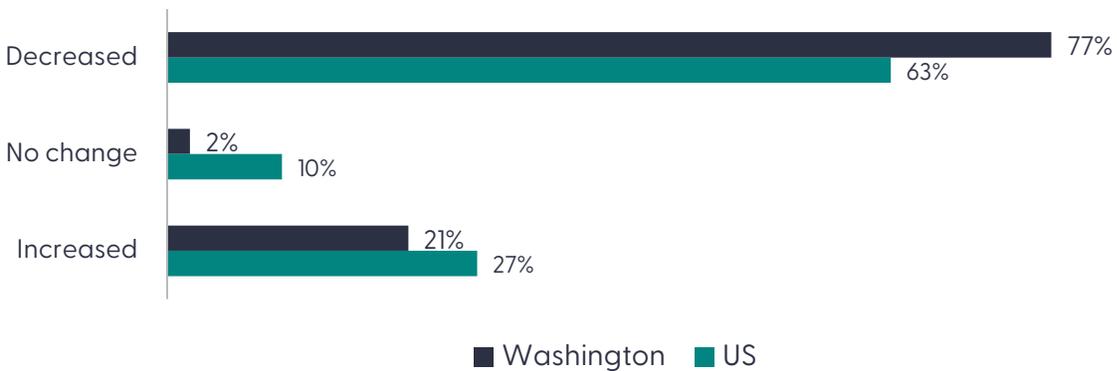


Figure 13: Revenue change, since 2019



Note: Washington question sample size was less than 100.



Figure 14: Revenue change, past 12 months

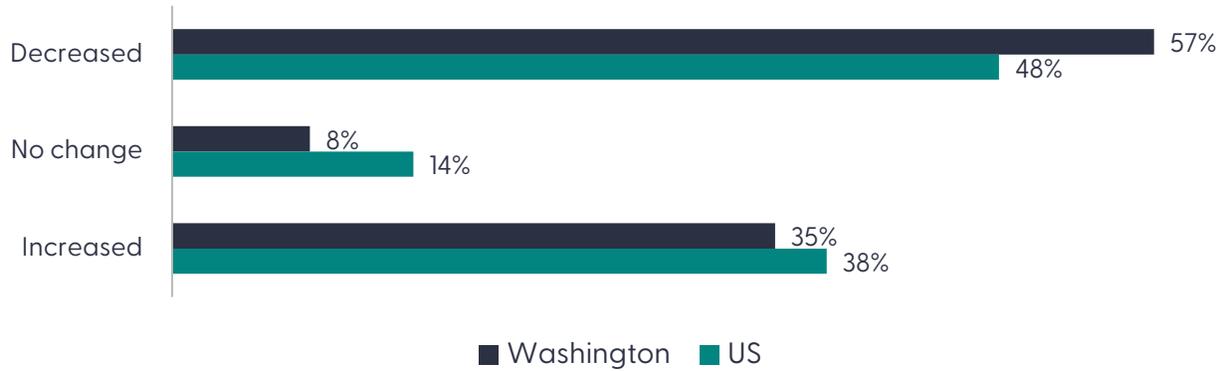


Figure 15: Revenue expectations, next 12 months

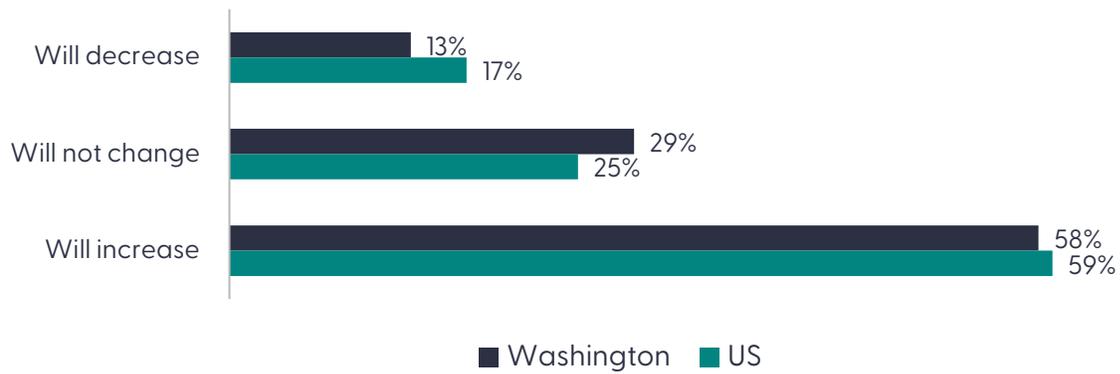
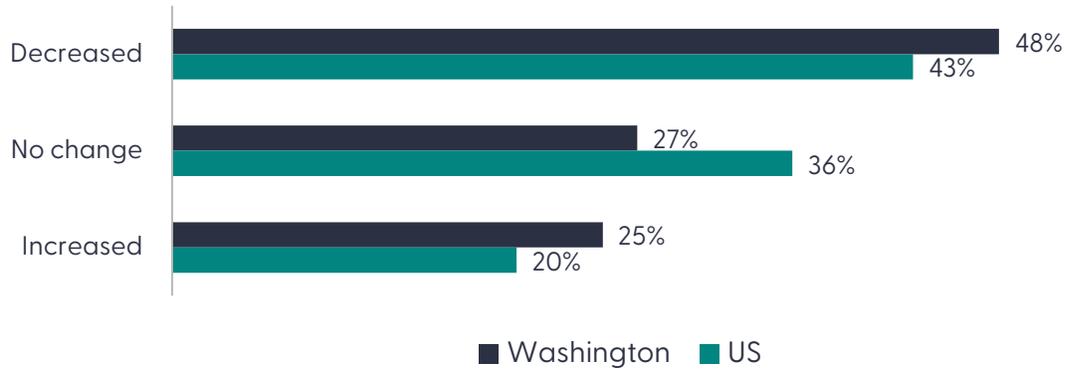




Figure 16: Employment change, since 2019



Note: Washington question sample size was less than 100.

Figure 17: Employment change, past 12 months

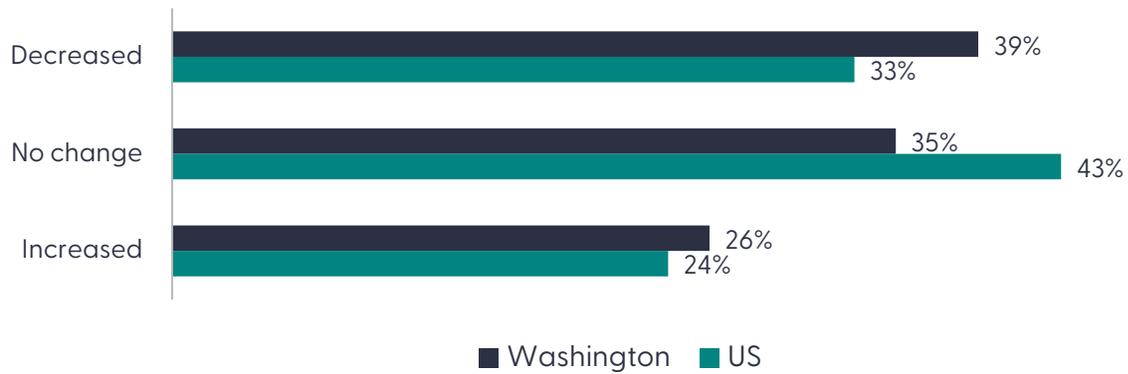




Figure 18: Employment expectations, next 12 months

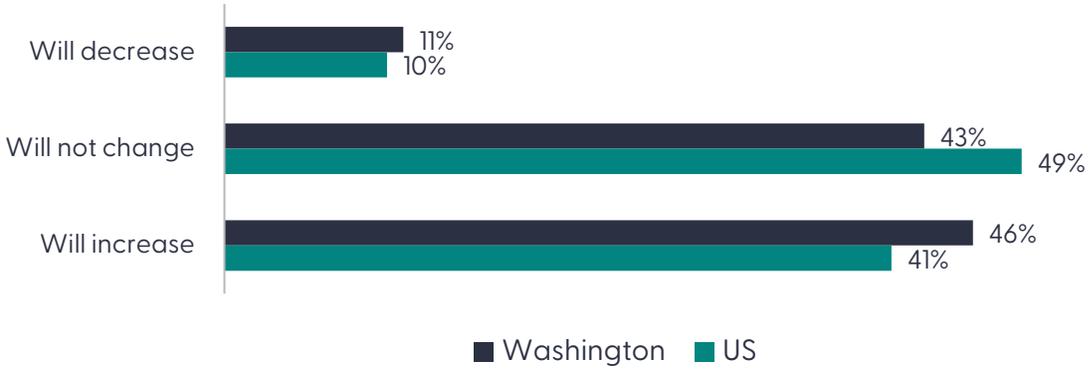


Figure 19: Effects of the COVID-19 pandemic on firms, at time of survey

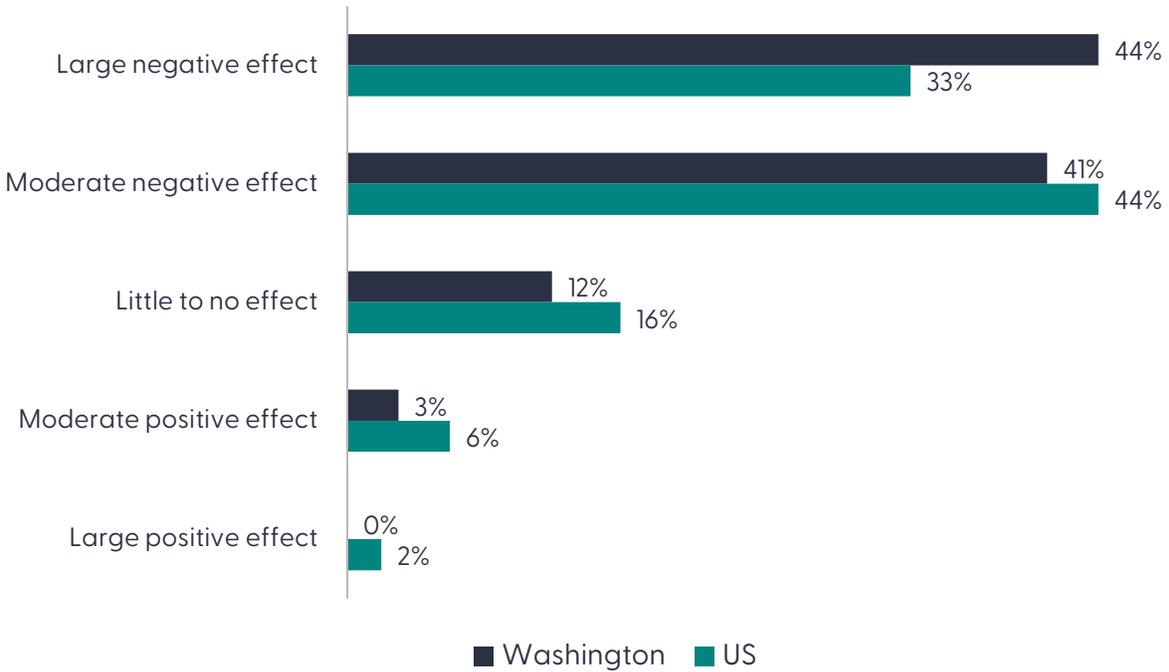
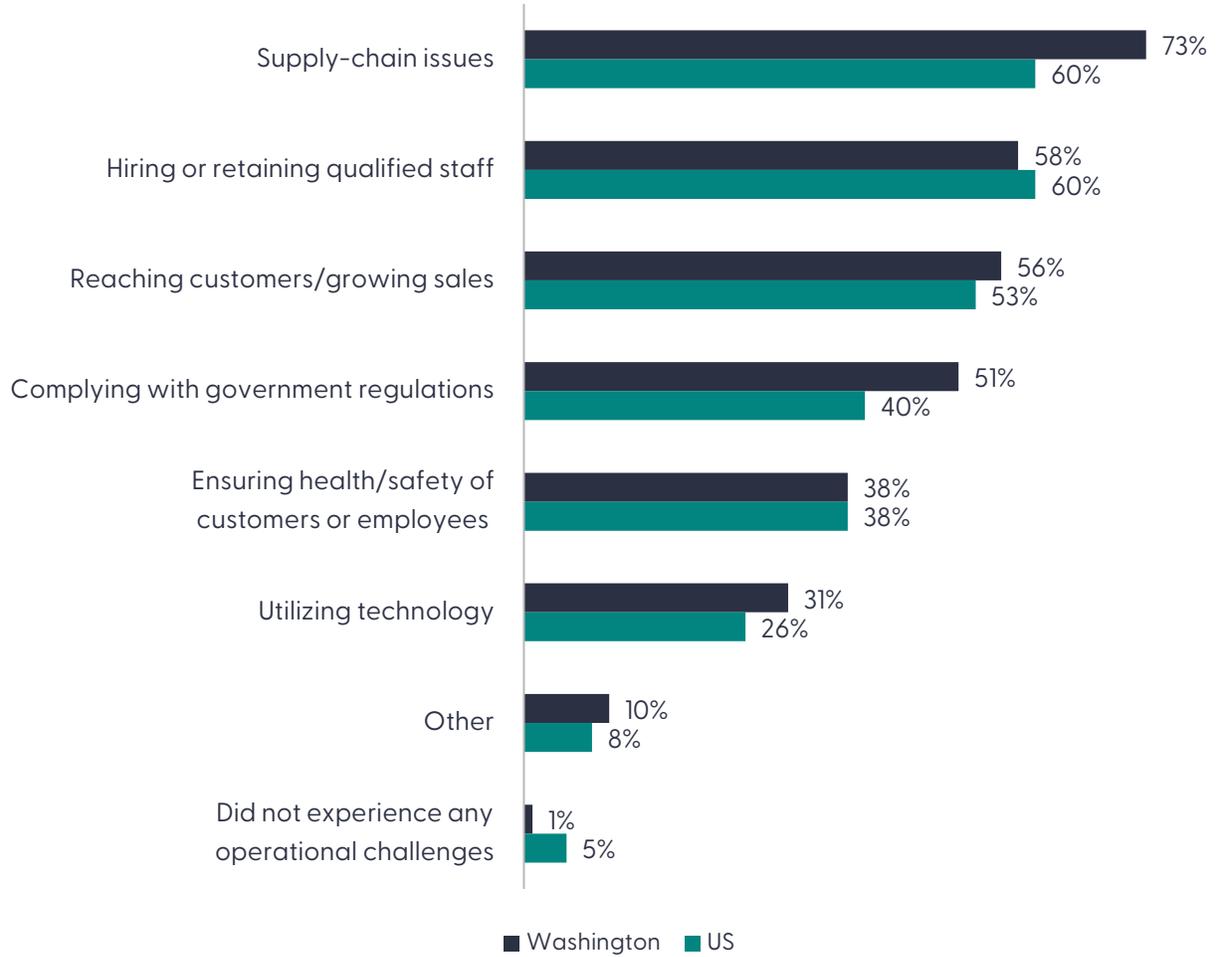




Figure 20: Operational challenges



Note: Firms selected all challenges that applied.



Figure 21: Natural disaster-related losses

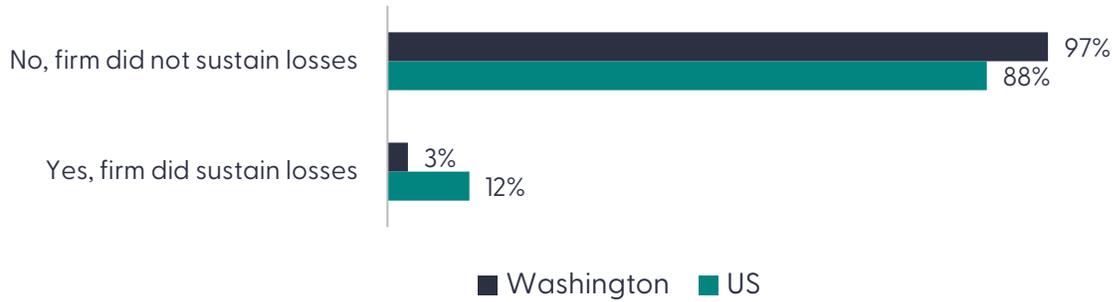
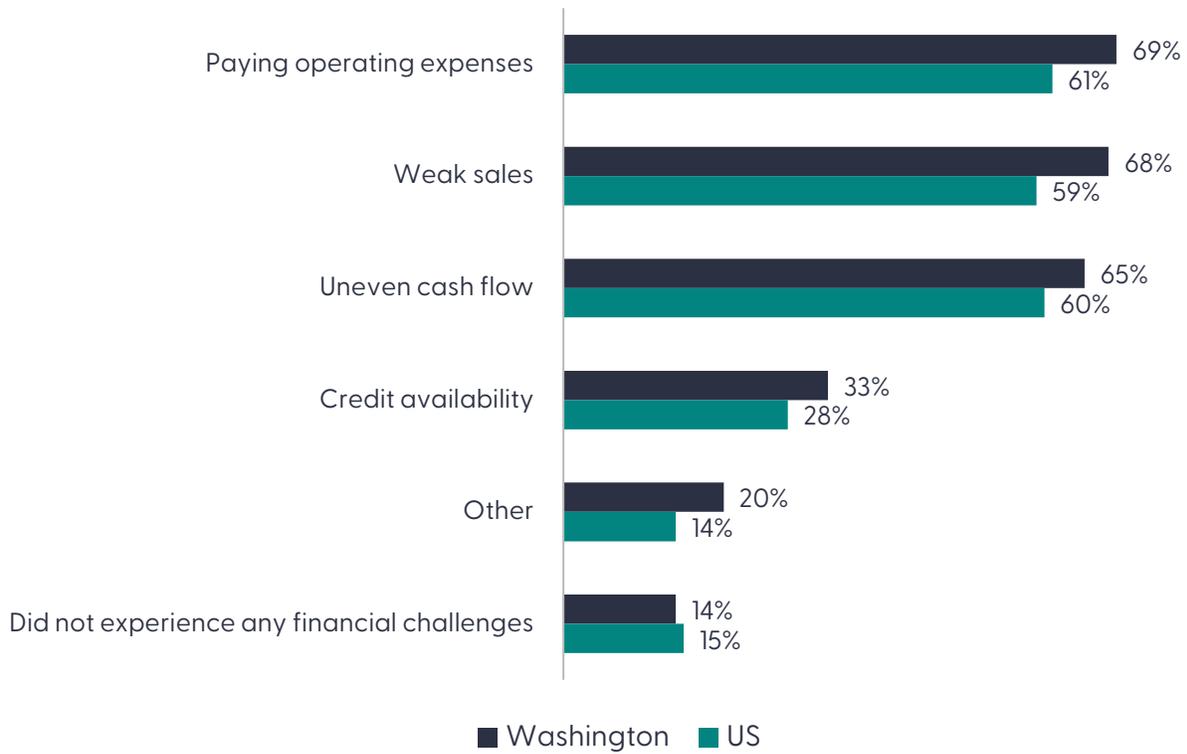
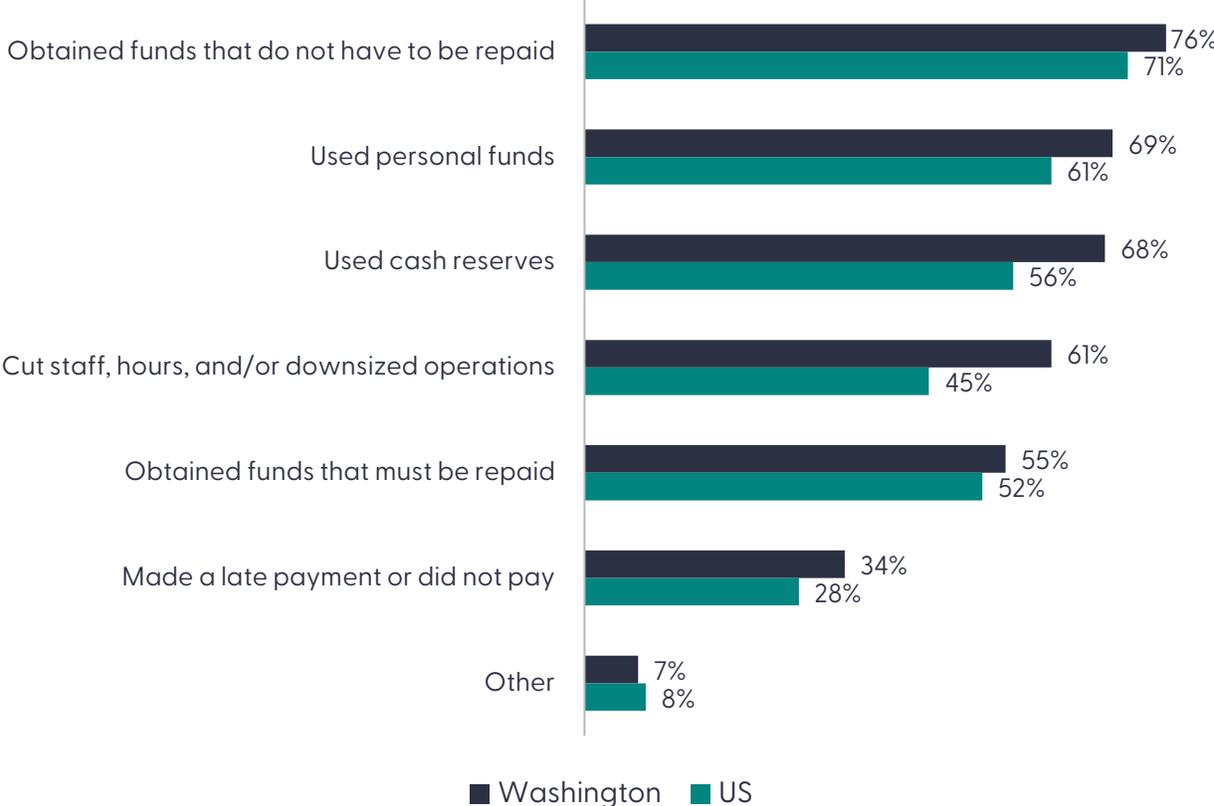


Figure 22: Financial challenges, past 12 months



Note: Firms selected all challenges that applied.

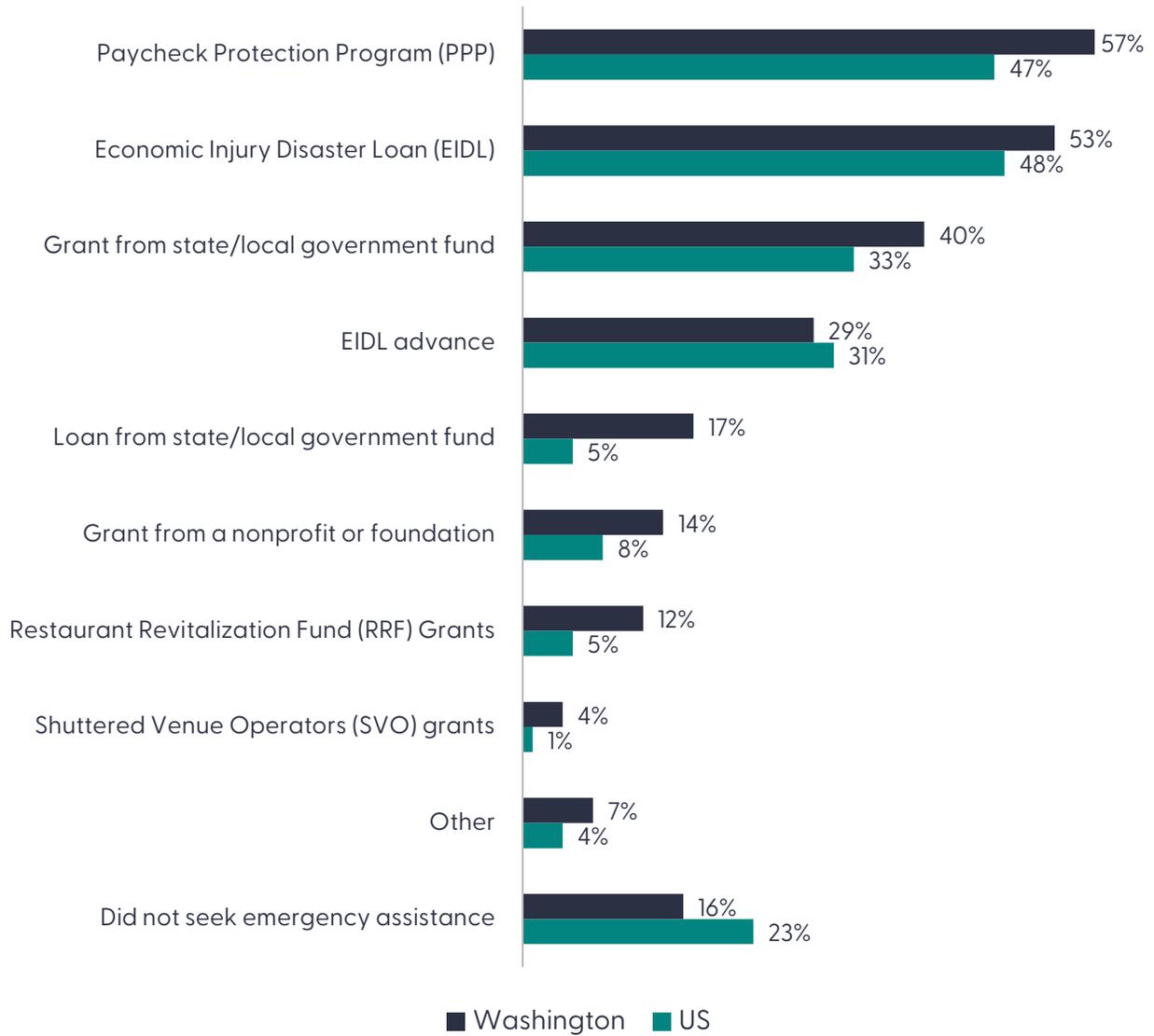
Figure 23: Actions firm took to deal with financial challenges, past 12 months



Note: Firms selected all actions that applied.

Pandemic-Related Financial Assistance

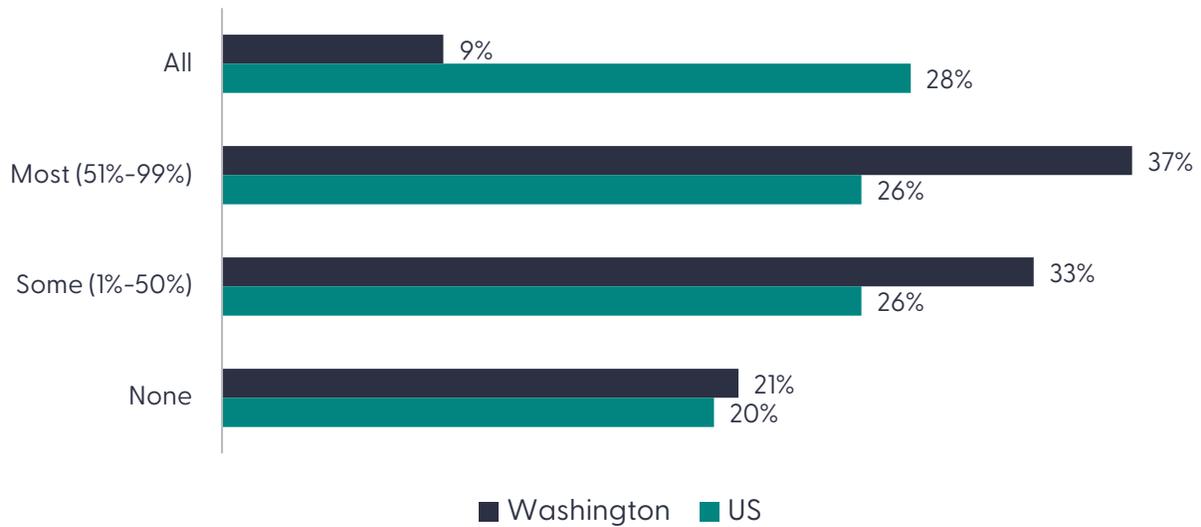
Figure 24: Applications for pandemic-related financial assistance



Note: Firms selected all that applied.



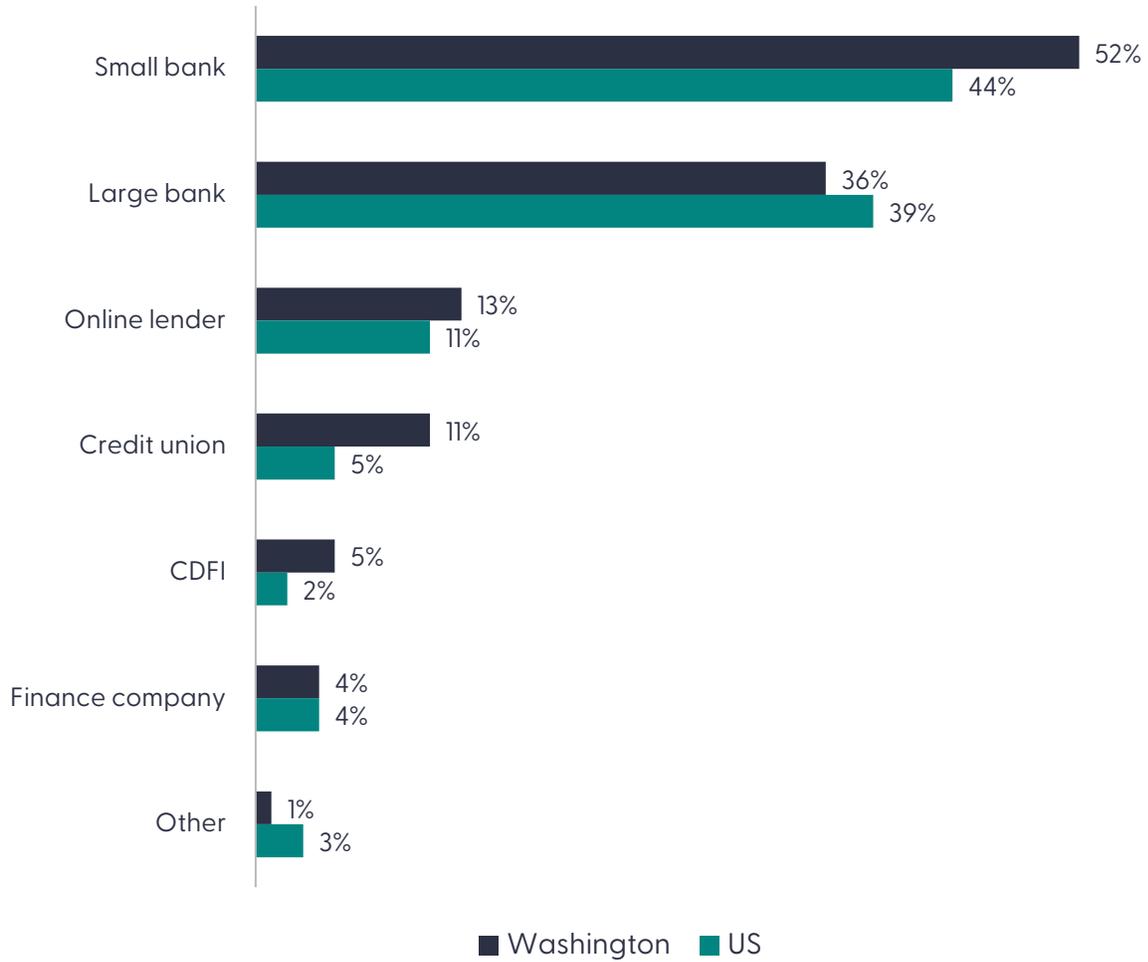
Figure 25: Pandemic-related financial assistance received as share of amount sought (excluding PPP)



Note: Washington question sample size was less than 100.



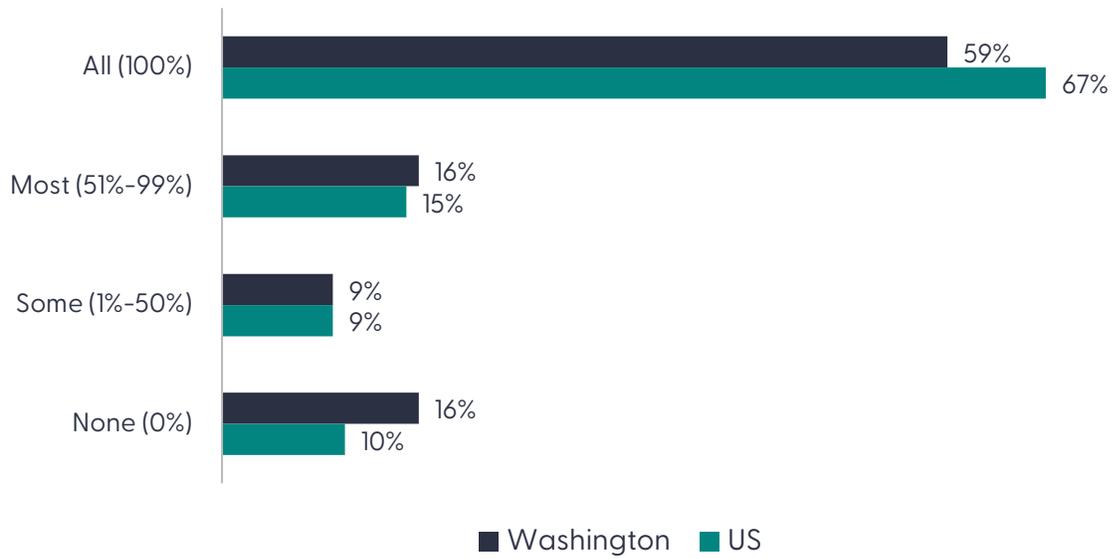
Figure 26: Where firms applied for PPP



*Note: Firms selected all reasons that applied.
Washington question sample size was less than 100.*



Figure 27: PPP funding received as share of amount sought

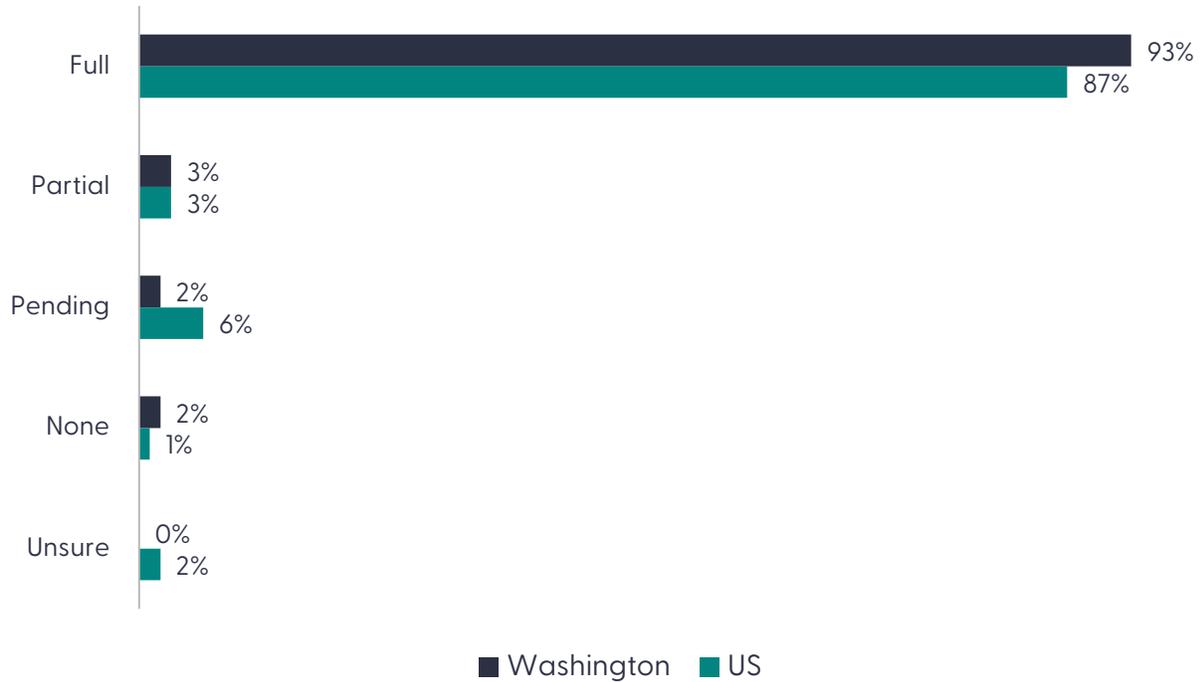


Note: Firms selected all reasons that applied.

Washington question sample size was less than 100.

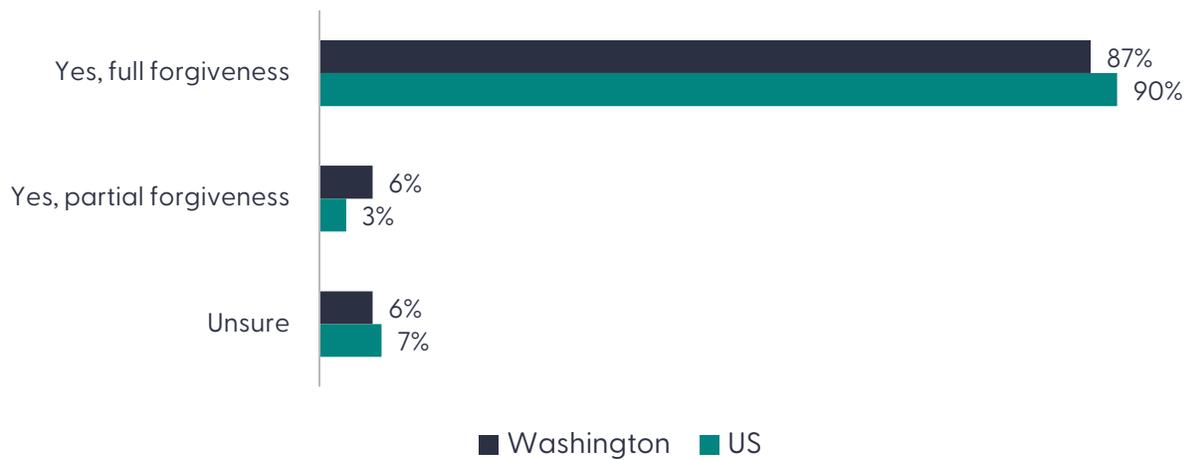


Figure 28: Loan forgiveness received on 2020 PPP loans



Note: Washington question sample size was less than 100.

Figure 29: Expect loan forgiveness on 2021 PPP loan?



Note: Washington question sample size was less than 100.

Financing needs and credit products

Figure 30: Amount of debt outstanding, at time of survey

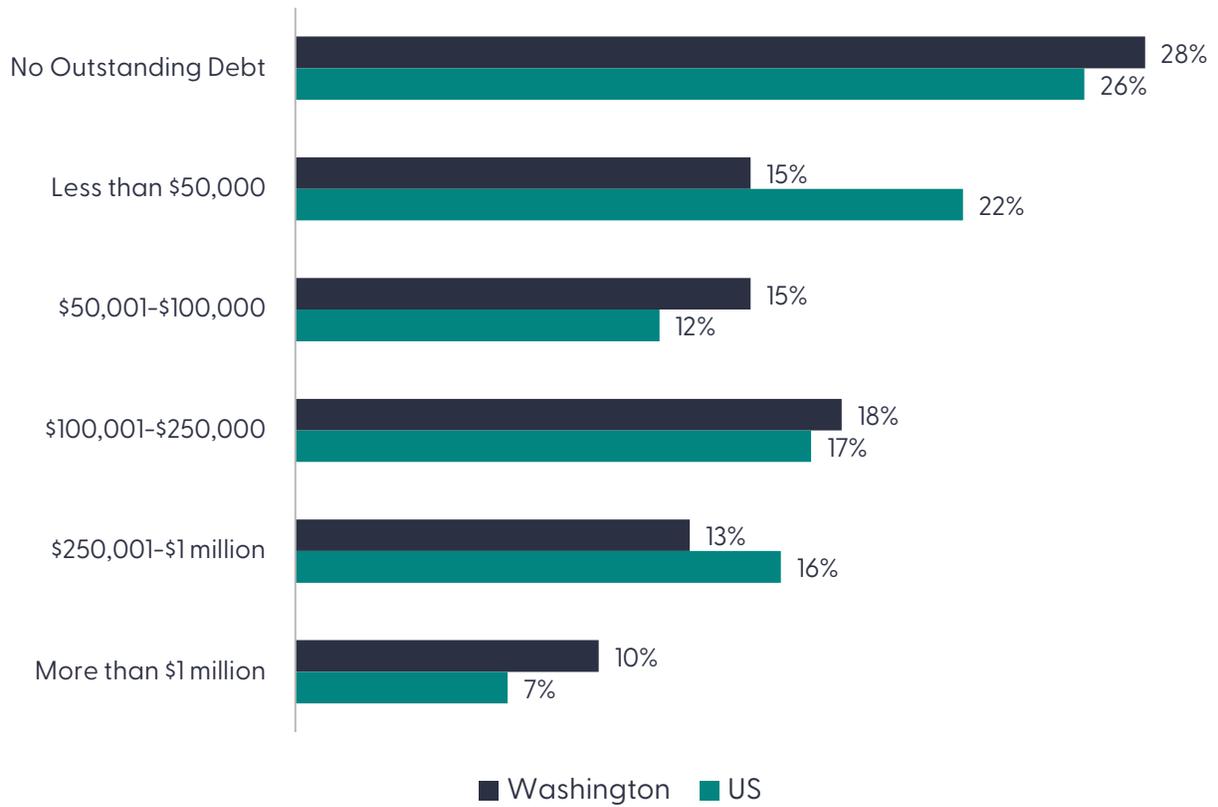


Figure 31: Share of firms that applied for financing, past 12 months (excludes applications for pandemic-related assistance)

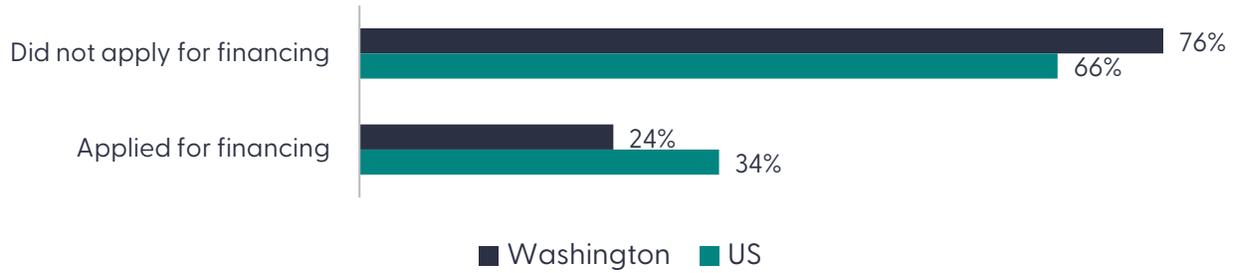
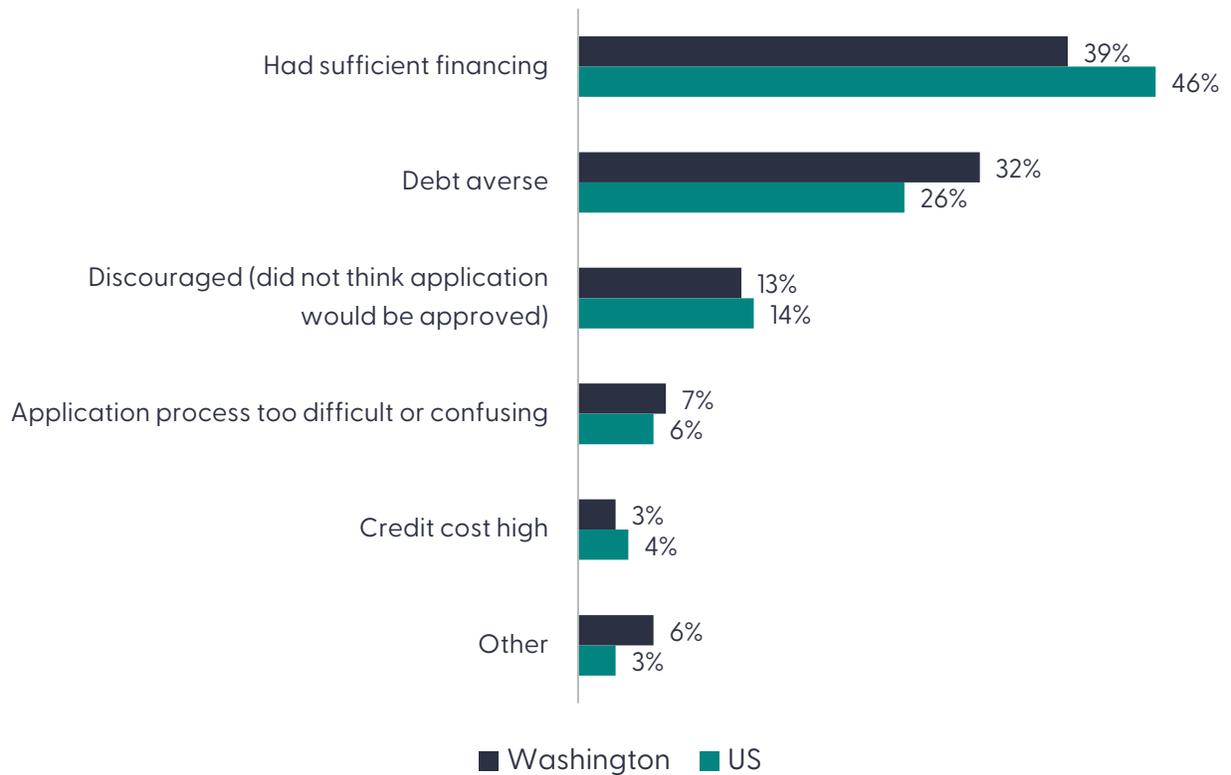


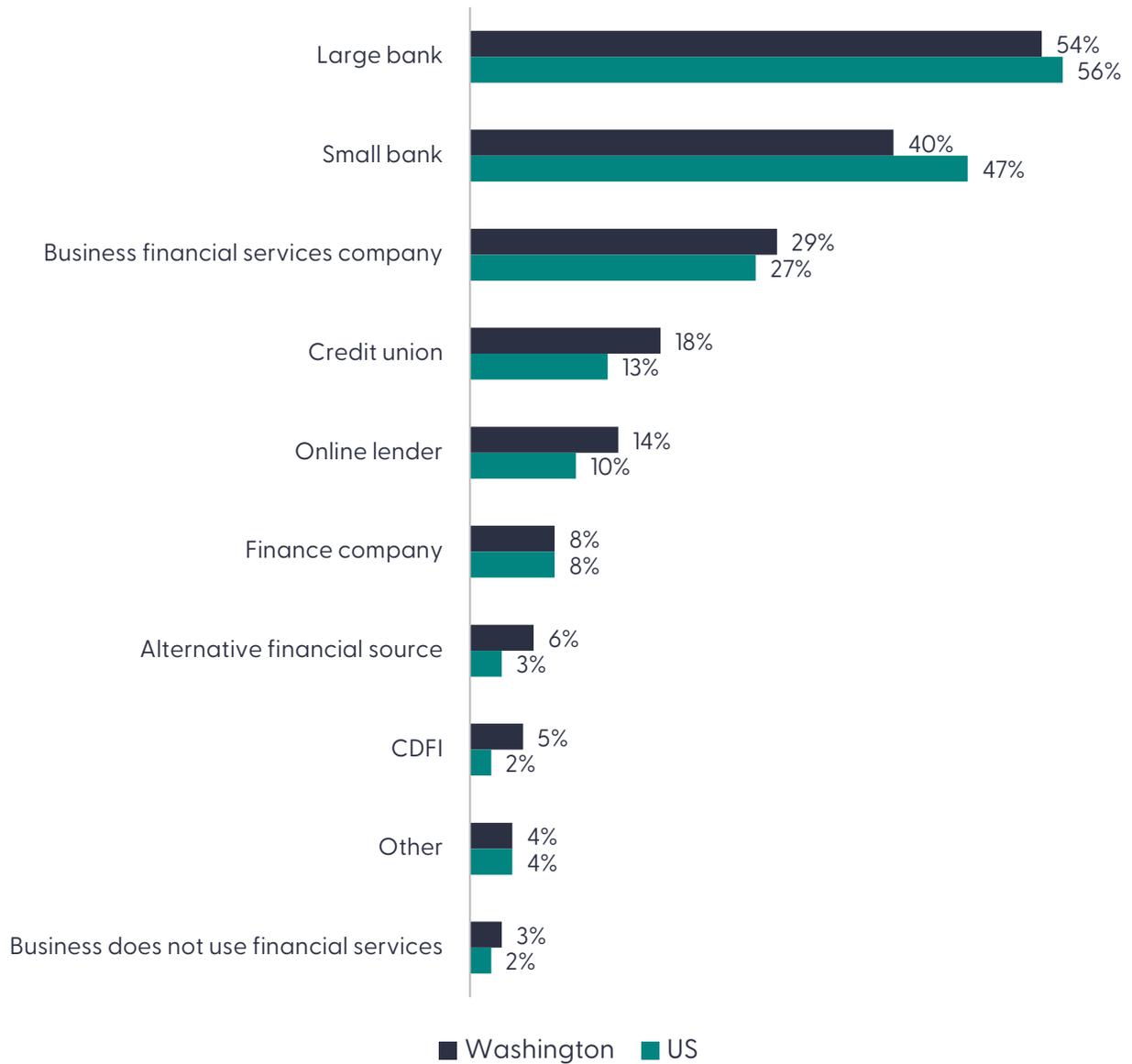
Figure 32: Why firm did not apply for financing



Note: Washington question sample size was less than 100.



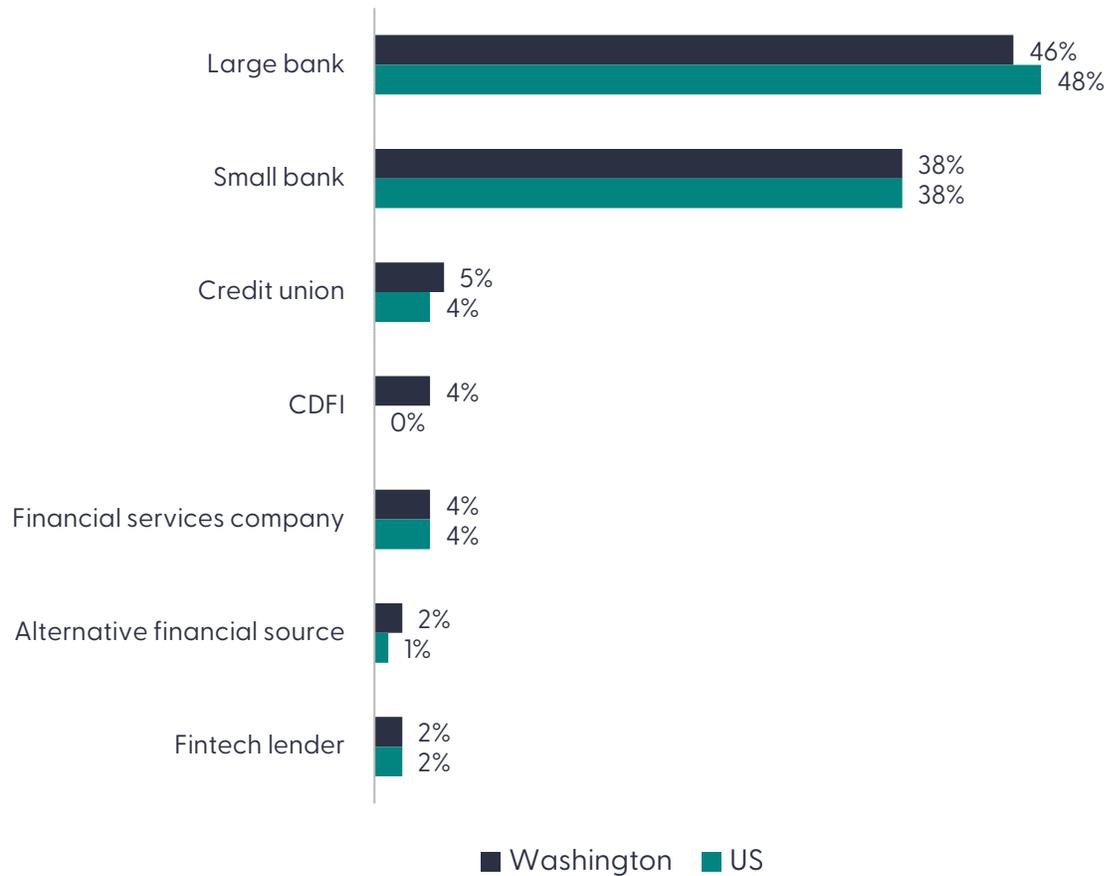
Figure 33: Use of financial services providers



Note: Firms selected all financial services providers that it used.



Figure 34: Primary financial services provider if use more than one



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Acknowledgement

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Disclaimer

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