



# STATE OF MICRO AND SMALL BUSINESSES IN THE DETROIT REGION

PERSPECTIVES, CHALLENGES, AND GOALS  
MAY 2024

**DETROIT**  
**FUTURE**  
**CITY**



# STATE OF MICRO AND SMALL BUSINESSES IN THE DETROIT REGION

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Thank you to survey ambassadors and Detroit's small-business ecosystem who worked to encourage business owners to respond to the survey.





Neighborhood Business Initiative Worktable (NBI Worktable) in-person on January 30, 2024



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# EXECUTIVE SUMMARY

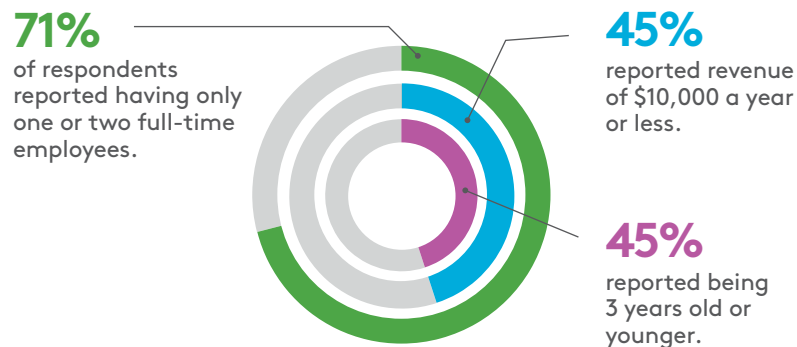
In summer 2023, New Economy Initiative (NEI) led a survey of small-business owners across southeast Michigan to learn more about the outlook, challenges, and goals of small businesses based in the Detroit region (Wayne, Oakland, and Macomb counties).

## Who responded to the survey

The survey had **1,235** respondents from Wayne, Oakland, and Macomb counties



Most businesses that responded to the survey were very small, and a notable share were newer businesses.

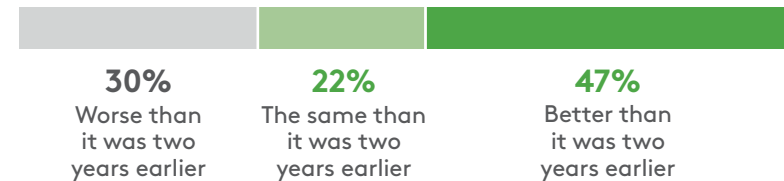


## Outlook

Small businesses had generally positive outlooks on the current (summer 2023) business environment.



Small businesses had varied views on business environment progress.



The business owners showed widespread confidence in their financial futures.





## Challenges

Top challenges identified by respondents.



**#1**  
**Accessing capital**  
Accessing capital was a challenge for **56%** of businesses.



**#2**  
**Navigating cost of capital**  
Navigating the cost of capital was a challenge for **48%** of businesses.

## Credit deep dive

Accessing credit is both a major challenge and goal for the businesses surveyed.



**86%**  
of respondents reported using personal savings to finance their business.



**51%**  
reported using credit cards.



**33%**  
reported using friends and family.



**18%**  
reported using debt-based financing from lenders.

Of businesses that reported applying to some type of lender, **54%** applied for more than **\$25,000**, and **63%** reported that they received the amount they applied for. Of those that received lender-based financing, working capital and purchasing equipment were the top uses.

## Goals

Top three goals for surveyed small businesses over the next one to two years.

**#1**

Acquiring new customers

**#2**

Accessing capital

**#3**

Acquiring new contracts

## Resource needs/availability

Finance, marketing, and strategy resources were the top resource/service types identified by respondents as important to reaching their goals. **Eighty-one percent** of respondents felt that finance resources, such as accounting support, are “very important” for reaching their goals. Crucially, less than one-quarter of respondents strongly agreed that these resources are readily available in the ecosystem. This raises a question about whether resources are actually limited, or if more outreach can be done to boost small-business owners’ knowledge of resources available to them.

**Businesses that reported engagement with business support organizations (BSOs) more frequently agreed that they know where to go to find the resources they needed.** Across the three most desired resource types (finance, strategy, and marketing), businesses that reported at least some engagement with BSOs more frequently agreed that they knew where to go to find resources their business required. Furthermore, businesses that engaged more frequently with BSOs more frequently had current financial statements on hand.

# THE CRITICAL ROLE OF SMALL BUSINESSES IN CREATING AN ECONOMICALLY EQUITABLE AND THRIVING DETROIT





Small businesses are an integral part of any city's economic environment. When given the opportunity to grow and flourish, small businesses can provide wealth-building opportunities for entrepreneurs, create job opportunities for local residents, help keep money circulating within local and regional economies, and contribute to resilient and vibrant neighborhoods and commercial corridors. Growing and supporting Detroit's small businesses, especially small businesses owned by people of color, could have a significant impact on economic equity in Detroit. Key to this is cultivating and investing in a supportive small-business ecosystem so that entrepreneurs can start, maintain, and/or grow their small business in Detroit.

To ensure the small-business ecosystem is meeting the needs of these small businesses, it's essential to take into account the diversity of challenges, needs, and aspirations of small-business owners and entrepreneurs, especially those owned by people of color, women, immigrants, and others.

New Economy Initiative (NEI) regularly surveys small businesses in support of growing a small-business ecosystem that meets the needs of entrepreneurs. These surveys are designed to gather information about how small businesses are doing, their goals, and the ways that the small-business ecosystem might be able to support them better. One important component of these surveys is the collection of demographic data, which helps shed light on the diversity of experiences of different groups of businesses, such as Black-owned and women-owned businesses.

Highlighting the unique needs within small businesses was especially important, as small businesses in the Detroit region and across the country faced a multitude of challenges as they navigated the COVID-19 pandemic. NEI's 2020-21<sup>1</sup> survey of small businesses found that Wayne County businesses were heavily affected by COVID-19, and businesses of color were more severely impacted than white-owned businesses.<sup>i</sup> Further, access to capital was highlighted as the top challenge for Wayne County businesses, with Black-owned and smaller businesses reporting significant need.<sup>ii</sup> Many of the themes of the 2020 survey remain present today as businesses continue to navigate a complex economic environment.

<sup>1</sup> NEI's 2021 survey was conducted in Wayne County from November 2020 to mid-January 2021, and had 590 respondents.



The Shed at Martz Park

## About this report

This report highlights new key findings from NEI's 2023 survey of small businesses<sup>2</sup> and provides fresh insights into how the needs of small businesses are evolving after the peak of the COVID-19 pandemic. The survey results encompass the perspectives, challenges, and goals of various businesses types, incorporating context from the 2020 survey described above and drawing comparisons to other national surveys focused on small businesses. The survey findings also shed light on areas where business support organizations, and the wider business support ecosystem have assisted small businesses. Understanding these perspectives can assist business support organizations, policymakers, philanthropic organizations and others improve the resources they provide to small businesses and entrepreneurs in Detroit.<sup>3</sup>

<sup>2</sup> NEI's 2023 survey was conducted May to August 2023.

<sup>3</sup> For survey caveats, see Appendix.



# PROFILE OF 2023 SMALL-BUSINESS SURVEY RESPONDENTS



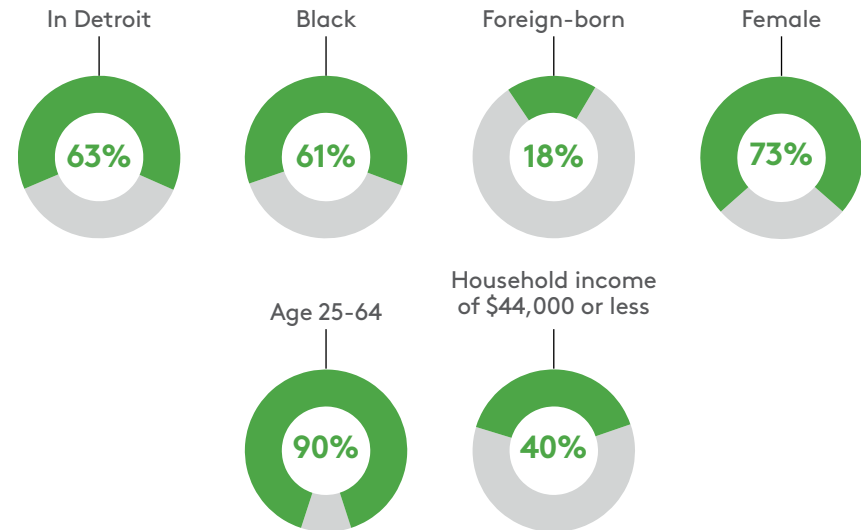
## DEMOGRAPHICS

Beyond location, Detroit-region survey respondents represented a variety of different racial identities, gender identities, ages, and nationalities that are important to consider when reviewing responses.

### Location<sup>4</sup>

This report focuses on the 1,235 responses received from small-business owners in Wayne, Oakland, and Macomb counties; this will be referred to as the Detroit region. Most respondents in the Detroit region were based in Wayne County, since that is where outreach was focused, but a number of small-business owners based in Oakland and Macomb counties also responded. More than half of responses in the Detroit region were from businesses based in the city of Detroit.

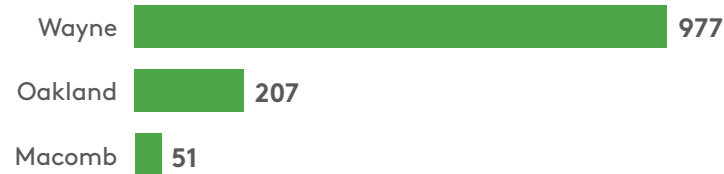
1,235 SURVEY RESPONSES  
**Detroit region**  
Wayne, Oakland, and Macomb counties



<sup>4</sup> Charts showing counts of respondents may not add to 1,235 if respondents skipped that question. Percentages are calculated based using the number of respondents who answered a question, which does not always equal 1,235.

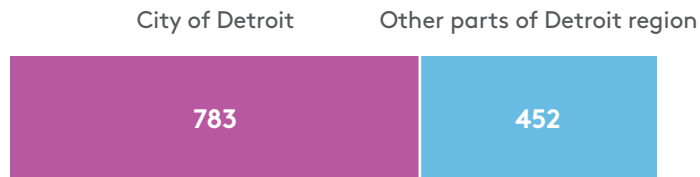
### THE MAJORITY OF DETROIT-REGION RESPONDENTS WERE FROM WAYNE COUNTY

Count of survey respondents by county



### 63% OF RESPONDENTS WERE BASED IN DETROIT

Count of survey respondents by city

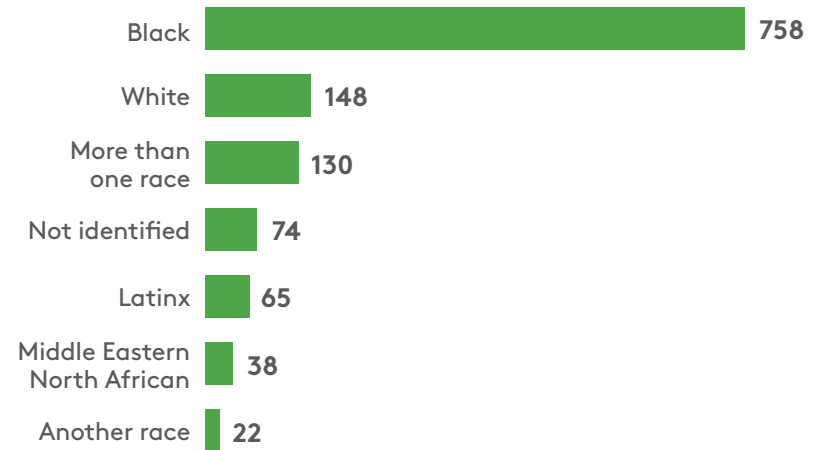


## Racial identity

Though there was some racial diversity in the survey responses, most respondents were Black entrepreneurs, which is representative of the demographics of Detroit.<sup>5,6</sup>

### 61% OF RESPONDENTS WERE BLACK

Count of survey respondents by race



<sup>5</sup> The "another race" category includes respondents who identify as Asian (11 respondents), Indigenous (10 respondents), or Pacific Islander (1 respondent).

<sup>6</sup> This report uses the term "Latinx" to refer to all individuals of Spanish origin or Latin American descent. We acknowledge and respect that individuals within the community have diverse experiences and identities, and may identify with other terms, including "Hispanic/Latino," "Latine," and "Latina." We recognize the distinction and importance of these identities, and our choice of language is not intended to disregard them.



## Place of birth

The majority of small-business survey respondents in the Detroit region were born in the U.S. Notably, 18% are foreign-born, which tracks well with recent national statistics. Data from 2018 and 2019 compiled by the Small Business Association found that, nationally, about 18% of employer firms, and 23% of non-employer firms were owned by those who are foreign-born.<sup>iii</sup>

### ABOUT 1 IN 5 RESPONDENTS WERE BORN OUTSIDE OF THE U.S.

Count of survey respondents by place of birth

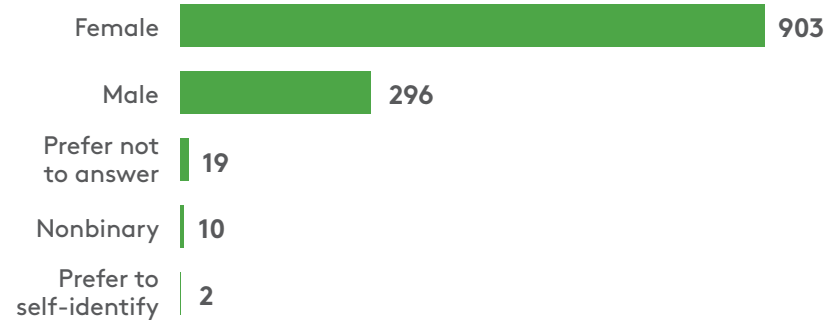


## Gender identity

A large majority of respondents identified as female, whereas nationally, it is estimated that only 43% of businesses were owned by women in 2018.<sup>iv</sup>

### THE MAJORITY (73%) OF RESPONDENTS IDENTIFIED AS FEMALE

Count of survey respondents by gender identity



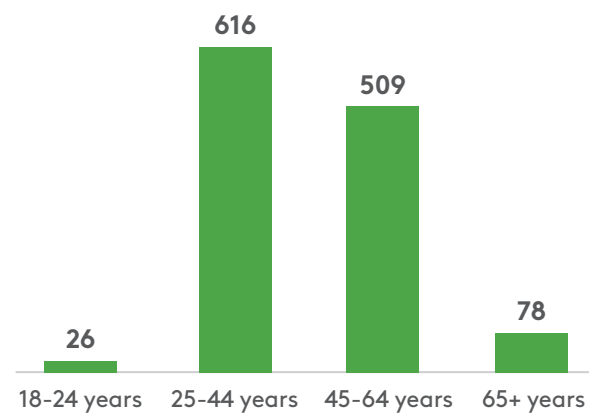
*Baobab Fare*

## Age

Most of the survey respondents were between ages 25 and 64, with few respondents under the age of 25.

OVER 90% OF RESPONDENTS WERE BETWEEN  
AGES 25 AND 64

Count of survey respondents by age

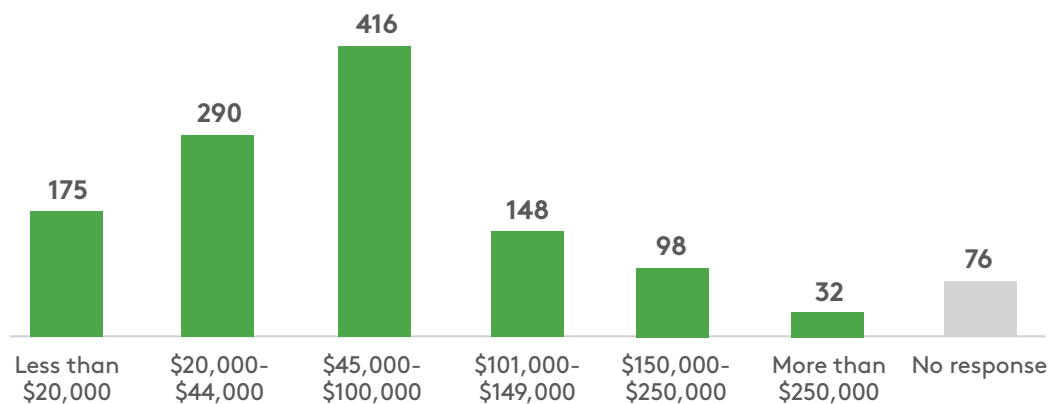


## Income

Respondents also reported their annual household income, which provides a better understanding of the resources these entrepreneurs may have to support and build their businesses. Though the survey consists mostly of people earning \$100,000 a year or less, nearly 40% of respondents reported a household income of \$44,000 or less. It should be noted that a significant portion of respondents (6%) chose not to answer this question, compared to the other demographic data.

### 40% OF RESPONDENTS REPORTED AN ANNUAL HOUSEHOLD INCOME OF \$44,000 OR LESS

Count of survey respondents by household income



Having a higher income can make fundamental aspects of entrepreneurship, such as taking on risk and not being able to take a salary from the business, easier to navigate. Small-business owners with lower income may have less financial cushion to navigate risks and setbacks and could also have more difficulties obtaining financing for their business due to the lack of collateral.



## BUSINESS CHARACTERISTICS

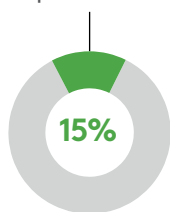
The businesses represented in this survey also carry unique characteristics that may contribute to how they responded to survey questions.

### Industry

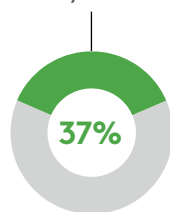
The following table shows the breakdown of industries represented and how much of the sample they make up. Among the top industries is a mix of retail, service-based businesses such as marketing and consulting, restaurants and bars, and hair and beauty, as well as food and beverage product manufacturing, demonstrating a wide range of small businesses in the sample.

#### KEY BUSINESS DEMOGRAPHICS

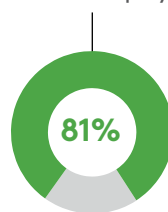
Retail was one of the top industries



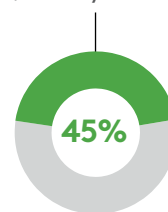
Businesses between 1-3 years old

























Businesses had 2 or fewer full-time employees



Generated revenue of \$10,000 a year or less



## PROFILE OF 2023 SMALL-BUSINESS SURVEY RESPONDENTS

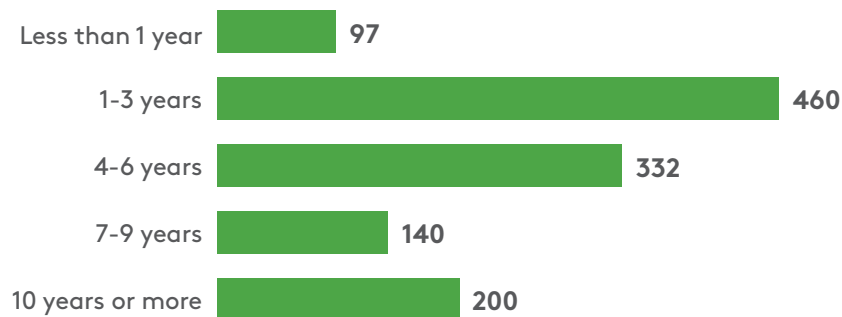
<u>Industry</u>	<u>Number of businesses</u>	<u>Percentage of respondents</u>
Other	190	 15.4%
Retail	181	 14.7%
Professional/financial/marketing services and consulting	136	 11.0%
Food and beverage product/manufacturing	106	 8.6%
Restaurant/bar, food vendor, catering	103	 8.3%
Creative and arts	85	 6.9%
Hair, barber, and beauty	73	 5.9%
Health care and mental health	65	 5.3%
Construction and trades	40	 3.2%
Real estate development and management	35	 2.8%
Maintenance, snow removal, cleaning, janitorial, lawn care, landscaping	33	 2.7%
Manufacturing of soft goods, such as apparel	31	 2.5%
Child care and education	30	 2.4%
Fitness and wellness services (eg., spa, massage)	30	 2.4%
Tech and software	21	 1.7%
Distribution/logistics/wholesale	20	 1.6%
IT services	16	 1.3%
Farming and agriculture	12	 1.0%
Auto sales or service	9	 0.7%
Manufacturing of hard goods like machine parts	9	 0.7%
Energy	5	 0.4%
Grocery/liquor store	5	 0.4%
<b>Total</b>	<b>1,235</b>	<b>100%</b>

## Business age

There was a wide range in the number of years businesses had been in operation, ranging from being open less than a year to those with more than 10 years of operation. The largest number of respondents came from businesses that have been operating for one to three years, meaning a significant number of businesses in the sample started just before or during the COVID-19 pandemic. This tracks with national statistics, which showed the number of new business applications jumped 154%, from around 3.5 million in 2019 to a peak of around 5.4 million in 2022.<sup>v</sup>

### 37% OF BUSINESSES WERE 1-3 YEARS OLD

Count of survey respondents by business age

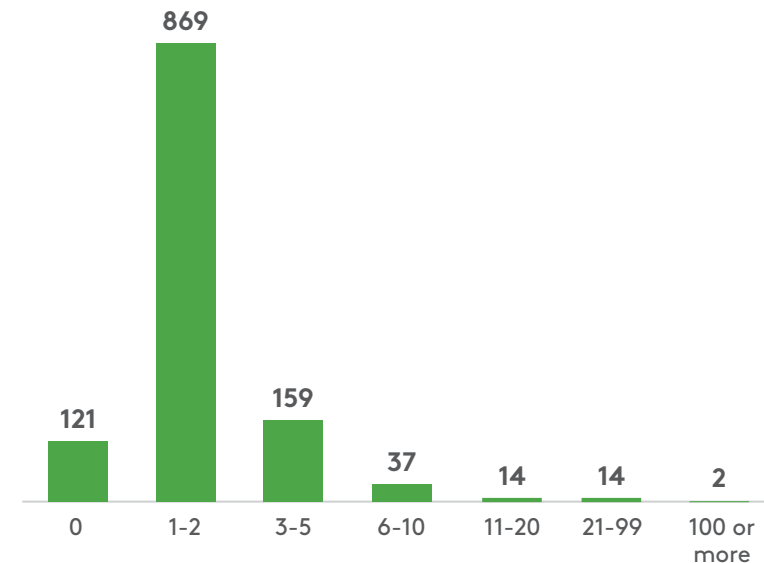


## Number of full-time employees

Overwhelmingly, the businesses who responded to this survey were very small. 869 respondents said that they had one or two full-time employees. Additionally, 121 businesses reported that they were sole proprietorships. This is important, because it means the survey heavily reflects the needs of small businesses with very few employees, rather than larger ones.

### 71% OF BUSINESSES HAD 1 OR 2 FULL-TIME EMPLOYEES

Count of survey respondents by number of full-time employees

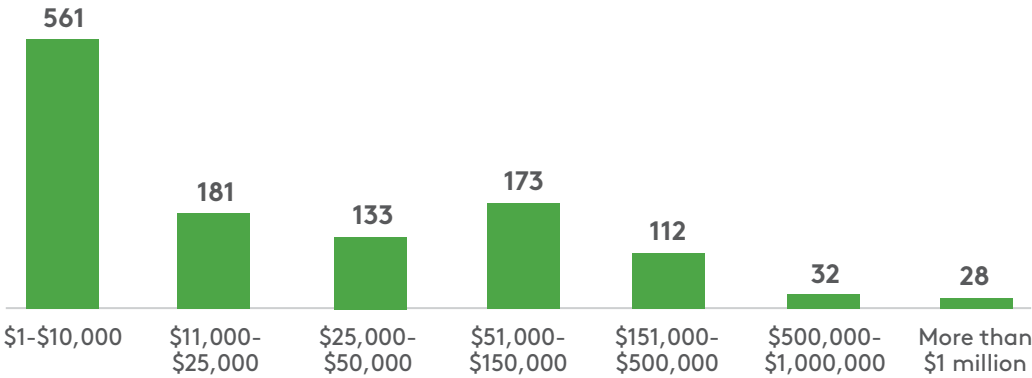




Revenue

Finally, surveyed businesses reported a wide range of yearly revenues. Though this survey was open to all small businesses, 71% of the responses came from those with revenue of \$50,000 a year or less. Even more striking is that 45% of the sample was from businesses reporting revenue between \$1 and \$10,000.

NEARLY HALF OF THE RESPONDENTS REPORTED  
REVENUE OF \$10,000 A YEAR OR LESS  
Count of survey respondents by revenue



# SMALL-BUSINESS OWNER PERSPECTIVES

This section dives into the perspectives of small-business owners, particularly highlighting the unique experiences of different types of owners and businesses. This section covers:

- 1 Small-business outlook and challenges**  
Business owners' sentiments on the economic environment, the future of their business, and the key challenges they face.
- 2 Small-business goals and resource needs**  
Business owners' goals for the next one to two years and thoughts on the availability of resources they need to help them reach their goals.



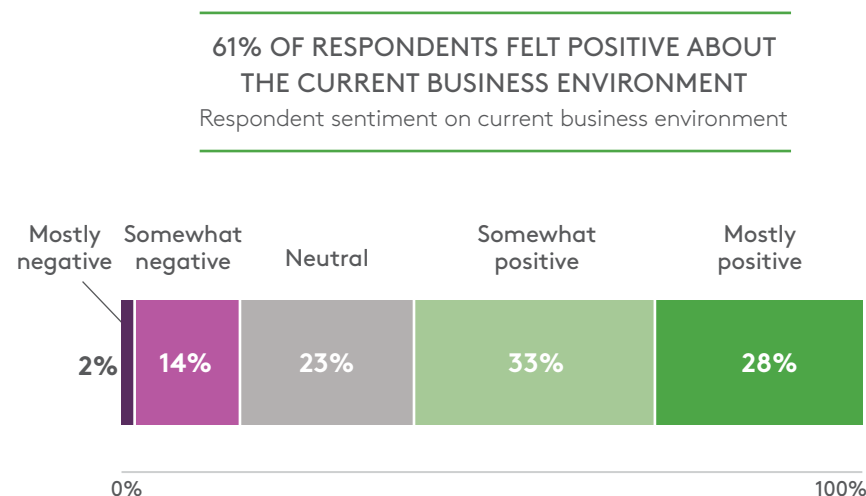
# 1 SMALL-BUSINESS OUTLOOK AND CHALLENGES

## OUTLOOK ON THE BUSINESS ENVIRONMENT

Small-business owners have a generally positive view of the business environment and the future of their business, while also having mixed views on progress in the business environment since 2021.<sup>7</sup>

### Small businesses had a generally positive view of the current (summer 2023) business environment

Businesses were asked how they feel about the current business environment, including key factors that influence their businesses, such as the wider economy, infrastructure, regulations, and the price of materials and labor. At the time of the survey, three out of five Detroit-region businesses felt either somewhat or mostly positive about the current business environment.



<sup>7</sup> For outlook question details, see Appendix.



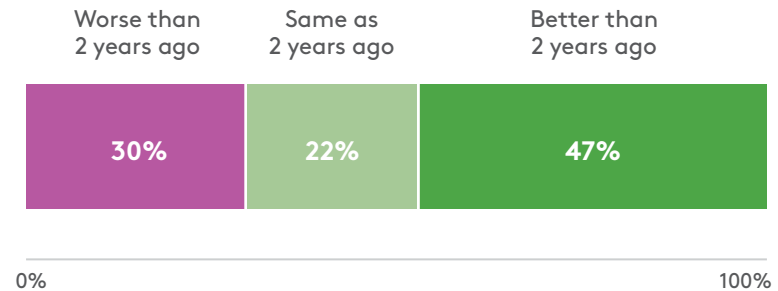
## Varied views on business environment progress

Survey respondents were asked to reflect on changes in the business environment compared to two years ago (summer 2021). Responses to this question reflect a wide variety of opinions of how the Detroit region's business environment has evolved as the economy transitions out of the COVID-19 pandemic. This question gives insight into how Detroit-region small businesses are reacting to some of the recent macroeconomic trends brought on since COVID-19, such as increased labor market tightness, which affects employers' ability to hire and retain employees<sup>vi</sup> and the increased costs of goods, services, and wages due to heightened inflation<sup>vii</sup> and supply chain disruptions.<sup>viii, ix</sup>

Nearly half (47%) of respondents believe that the business environment was better than in the spring of 2021. More than half of the respondents felt that conditions have either stayed the same (22%) or gotten worse (30%).

### 47% OF DETROIT-REGION RESPONDENTS FELT THAT THE CURRENT BUSINESS ENVIRONMENT IS BETTER THAN IT WAS TWO YEARS PRIOR

Respondent sentiment on business environment trends



A similar question was asked in the National Small Business Association's (NSBA) 2023 Economic Report, which surveyed more than 570 small businesses.<sup>x</sup> When asked in January 2023 to reflect on how the national economy had changed over the past year, 60% of respondents said that the economy was either somewhat worse (33%) or much worse (27%).<sup>xi</sup> Though these questions are similar, it is important to remember that Detroit-region businesses were reflecting on an economy in summer 2021 that was much closer to the peak of the pandemic, while NSBA respondents were reflecting on the economy in early 2022.

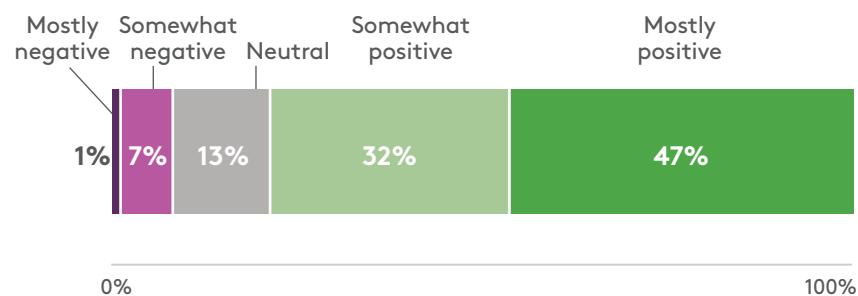
## Confidence in the financial future of their business

Business owners were asked to look forward and describe how they feel about the financial future of their business. Once again, most Detroit-region businesses (79%) reported feeling either somewhat or mostly positive about the future of their business from a financial perspective.

The National Small Business Association asked a similar question in its 2023 survey and found that 73% of small businesses reported feeling confident (either somewhat or very) in their future, while about a quarter of surveyed businesses did not feel confident.<sup>xii</sup> Once again, the results from Detroit-region businesses seem to be more positive than those from the NSBA survey. Combining this with the positive responses to the previous two questions regarding the current business environment, as well as the trend over the past two years, Detroit-region businesses report a positive outlook on the business environment they are working within.

### 79% OF BUSINESS OWNERS FELT POSTIVELY ABOUT THEIR BUSINESS'S FINANCIAL FUTURE

Respondent sentiment on business financial future



## CHALLENGES

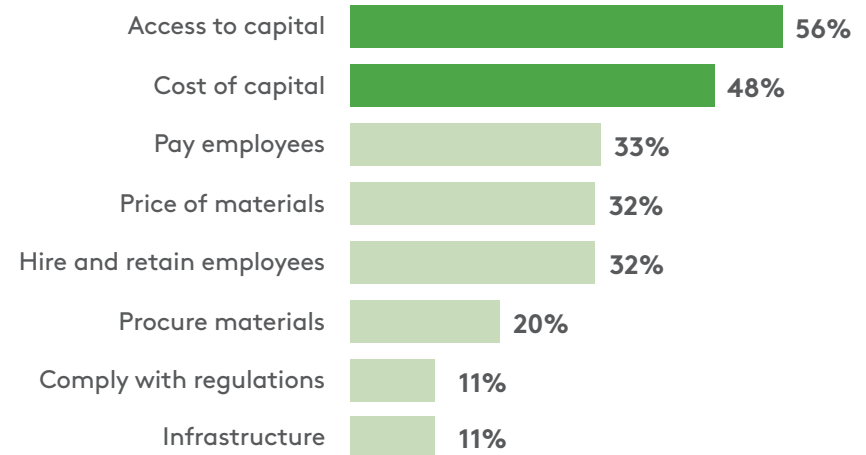
Small businesses in Detroit experience a variety of challenges, but locating affordable capital rose to the top.<sup>8</sup>

### Top challenges: Accessing capital and the cost of capital

Respondents were presented with a list of common challenges and asked to rank how challenging each one was to their specific business, if at all. Overwhelmingly, accessing capital and navigating the cost of capital were the top two challenges faced by businesses. Being able to access affordable capital would help to minimize other challenges that businesses felt were particularly challenging, such as paying employees and procuring materials. The chart to the right shows all of the potential challenges surveyed businesses were presented with, ranked by the number of times they were categorized as “very challenging.”

#### AROUND HALF OF DETROIT-REGION RESPONDENTS FELT THAT ISSUES RELATED TO CAPITAL ARE ‘VERY CHALLENGING’

Percentage who responded “very challenging” for each potential challenge



*Note: Respondents could select “very challenging” for multiple options*

<sup>8</sup> For challenges question details, see Appendix.



One issue where Detroit-region businesses seem to be differing from national surveys is inflation. In Detroit, affordable capital is a top issue, while other surveys frequently have found that the cost of goods and labor is the key challenge in the wake of the COVID-19 pandemic. The Federal Reserve Bank's 2023 Small-Business Credit Survey reported that 77% of the businesses surveyed found the rising cost of goods, services, and/or wages was a challenge. In a nationwide survey of 751 businesses done by the U.S. Chamber of Commerce from July 20-August 8, 2023, 52% of businesses said inflation was their top challenge.<sup>xiii</sup> This difference may be accounted for, in part, by the majority of respondents to the NEI survey being very small, relatively new businesses, which need capital to scale.

### Access to capital

When asked how difficult it is to access capital, more than half of respondents said it was “very challenging.” Accessing affordable capital is not just an issue for Detroit businesses. Small Business Majority, a national organization that supports entrepreneurs and other small-business organizations across the United States, released survey findings in 2021 that found that 21% (of 500 total businesses) across the U.S. did not have a business relationship with a bank or credit union before the COVID-19 pandemic.<sup>xiv</sup> The number was even higher for Black (31%) and Latino (26%) respondents.<sup>xv</sup> Similar findings can be seen in other surveys. In NEI's 2020 survey, 77% of respondents said that capital was the resource that would most help them reach their goals.<sup>xvi</sup> In the National Small Business Association 2023 Economic Report, 37% of respondents said that they were unable to find adequate financing.<sup>xvii</sup> In a larger study of more than 6,000 firms nationwide, the Federal Reserve Banks found in their annual 2023 Small Business Credit Survey that 29% of firms reported the availability of credit as a challenge.<sup>xviii</sup>

Because capital is so important to small businesses, especially as they work to become profitable and sustainable, understanding these challenges, and which Detroit-region businesses are most affected, is crucial to an equitable business ecosystem.



*Mushroom Angel Company*





## DEEPER DIVE

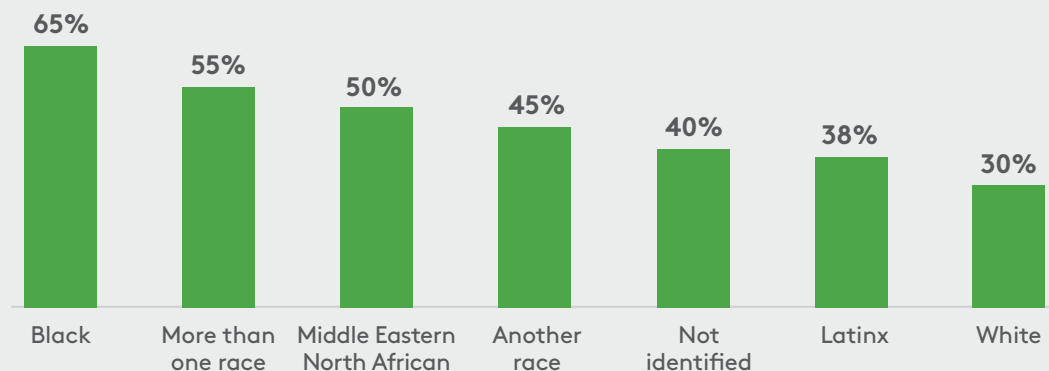
Though most of the sample found accessing capital to be challenging to some degree, there is noticeable variance by race, household income, and revenue range. By race, Black respondents and multiracial respondents most frequently reported that accessing capital was “very challenging” for their businesses. Unsurprisingly, businesses with lower revenues and respondents with lower household incomes also frequently reported that accessing capital was “very challenging.”

*Black Leaders Detroit with Developing Despite Distance*

**RACE/ETHNICITY**

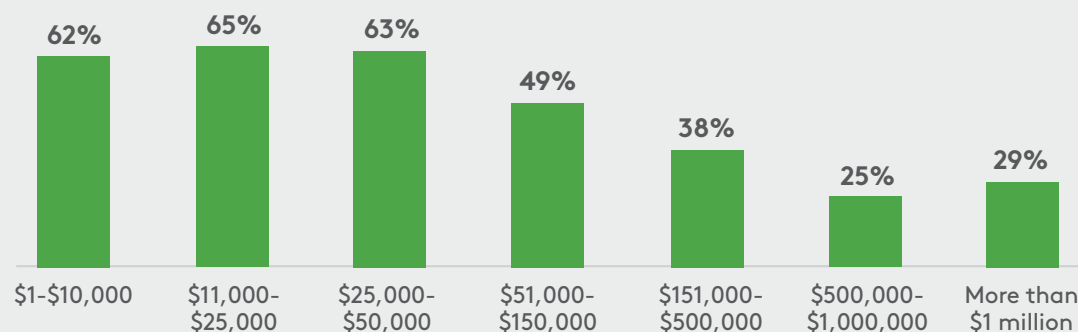
65% of Black respondents found accessing capital to be 'very challenging,' outpacing all other demographics by at least 10%

Percentage that responded accessing capital was "very challenging," by race/ethnicity

**REVENUE**

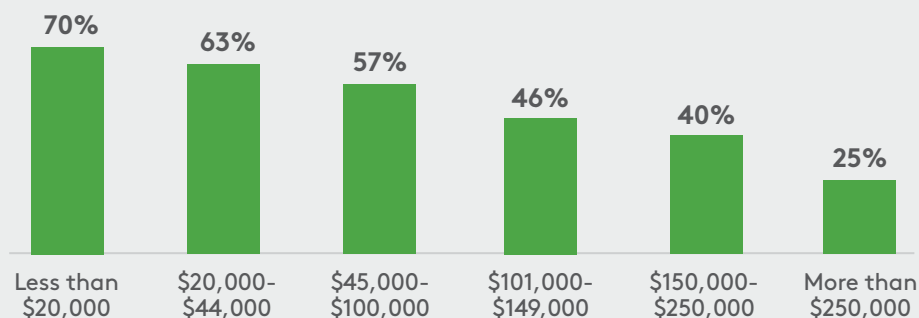
63% of businesses earning \$50,000 or less reported that access to capital was 'very challenging'

Percentage that responded accessing capital was "very challenging," by revenue

**HOUSEHOLD INCOME**

As household income increases, respondents are less likely to say that accessing capital is 'very challenging'

Percentage that responded accessing capital was "very challenging," by household income





*Three Thirteen Store*



### Cost of capital difficult for many

Similar to accessing capital, three out of four survey respondents said that navigating the cost of capital was at least somewhat challenging for their business. This means that it is not only difficult to identify a lender that is willing to work with the business, but it is also difficult to afford the terms of the loan, such as the interest rate.

The small-business support ecosystem, as well as lenders, should consider ways to develop low-cost financing tools and assist these businesses with finding affordable small-business capital, so that they can both sustain and grow their operations. A later section of this report will go into more depth about the relationship between Detroit-region businesses and capital, how they fund their businesses, how much funding they might need, and how they use lender capital.





### DEEPER DIVE

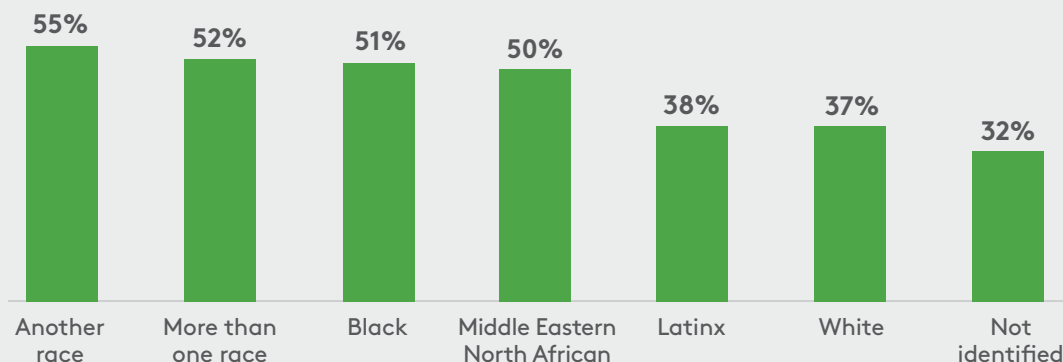
As with accessing capital, the same three variables – race, revenue, and household income – show clear differences in how different respondents answered this question. Black businesses, businesses earning \$50,000 a year or less, and respondents with lower household income more frequently reported that navigating the cost of capital was very challenging.

*Grace in Action Collectives*

**RACE/ETHNICITY**

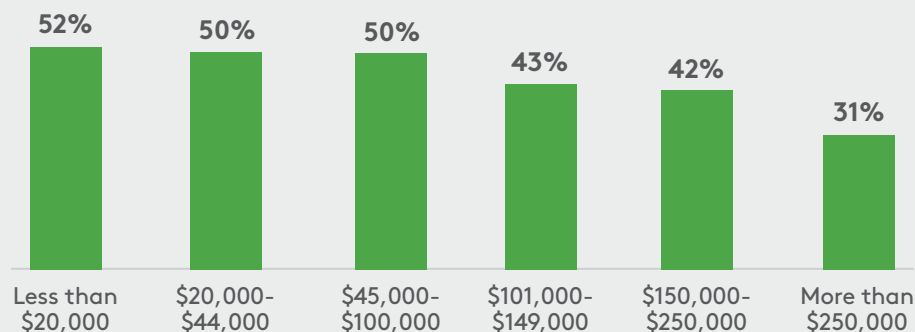
Latinx and white respondents were least likely to say that cost of capital was 'very challenging'

Percentage that responded cost of capital was "very challenging," by race/ethnicity

**HOUSEHOLD INCOME**

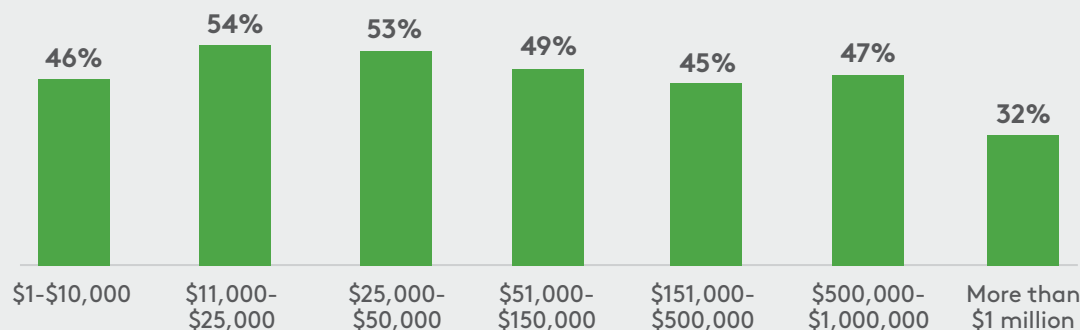
Respondents with lower household income were more likely to report that the cost of capital was 'very challenging'

Percentage that responded cost of capital was "very challenging," by household income

**REVENUE**

For businesses earning \$1 million or less, about half felt that the cost of capital was 'very challenging'

Percentage that responded cost of capital was "very challenging," by revenue





## 2 SMALL-BUSINESS GOALS AND HOW THE BUSINESS SUPPORT ECOSYSTEM CAN LEND SUPPORT

Small businesses in the Detroit region continue to look to the future for opportunities to achieve their goals and aspirations. Building on the challenges described previously, this section will cover the goals of small businesses over the next two years, the resources needed to reach their goals, and whether they believe the resources they need are easy to find. There also will be an exploration of access to capital, including where the surveyed businesses have applied for capital, whether they received what they asked for, and what they used the capital for. These questions will give business-support organizations and policymakers further insights into the specific needs of small businesses and help them act and craft solutions that can help Detroit-region small businesses achieve their goals.



Source Booksellers

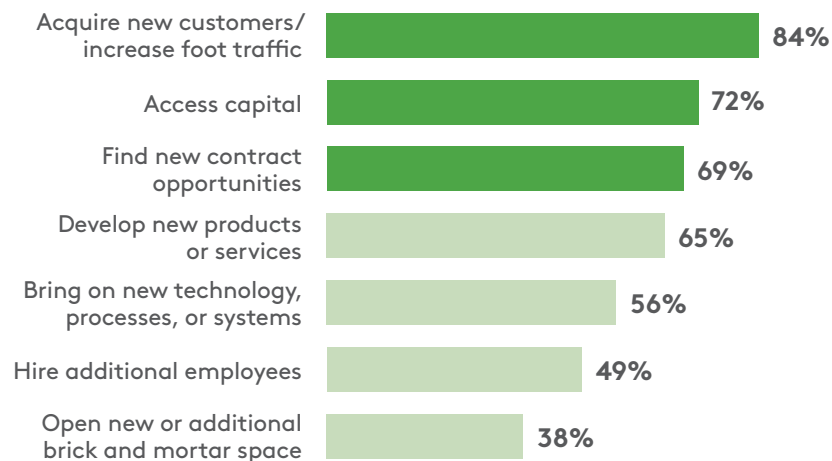
## GOALS

In the next one to two years, small businesses are most focused on:<sup>9</sup>

1. **Acquiring new customers**
2. **Accessing capital**
3. **Acquiring new contracts**

### 84% OF RESPONDENTS SAID THAT ACQUIRING NEW CUSTOMERS IS A 'VERY IMPORTANT' GOAL FOR THEIR BUSINESS

Percentage who responded "very important" for each potential goal



Note: Respondents could select "very important" for multiple options

In 2020, NEI asked a similar question in its biannual survey. Respondents were asked what their top three business goals were for the next one to two years. The top responses were growing sales and revenue (31%), surviving the impacts of the pandemic (28%), developing new products or services (19%), and hiring additional employees (18%).<sup>xix</sup> Though the response options across the two years are different, there is a key similarity in that businesses in 2020 were focused on growing sales and revenue, and businesses in 2023 were focused on acquiring new customers and finding new contract opportunities—both key avenues for growing sales and revenue. This makes sense, as boosting revenue is key for small businesses to grow and flourish. Also noteworthy is that in 2023, developing new products and services and hiring employees were listed as being "very important" to many businesses, but not the top goal. That was also true in 2020.

<sup>9</sup> For goals question details, see Appendix.





*El Asador Steakhouse*

## 1. Acquiring new customers

Acquiring customers was ranked as a “very important” goal by an overwhelming majority of the survey (84%). Acquiring new customers is crucial for most businesses, especially the newer small businesses that make up a majority of this survey. It is unsurprising that nearly every business that responded to the survey said that acquiring new customers was “very important” for them over the next one to two years.

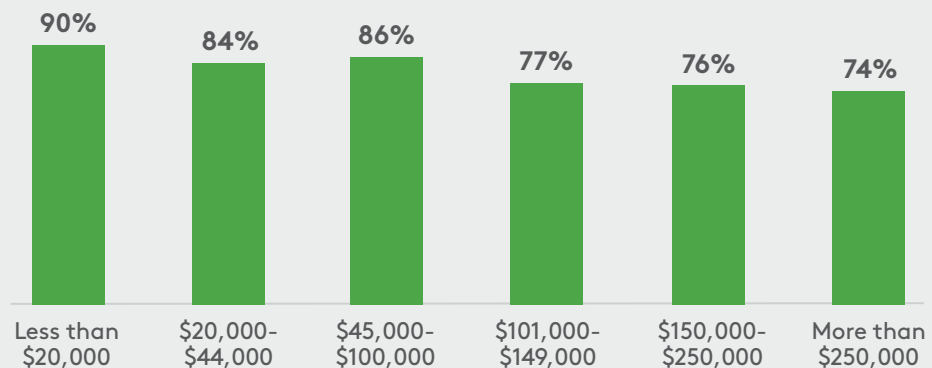
### DEEPER DIVE

Because this goal was so widely held as “very important,” there was not a lot of meaningful differentiation when looking at how different demographic groups responded to the question. The only meaningful variable was household income, which showed that, as income increased, the goal to acquire new customers decreased (but remained high overall). For respondents with household income of less than \$20,000, 90% felt that acquiring new customers was “very important.” For respondents with household income of more than \$250,000, 74% felt that acquiring new customers was important.

#### HOUSEHOLD INCOME

Households earning \$100,000 or less were more likely to say that acquiring new customers is ‘very important’

Percentage that responded acquiring new customers was “very important,” by household income



## 2. Access to capital

Accessing capital ranked as the second most important goal of Detroit-region businesses. This tracks with it being a pain point for most businesses, as discussed in the challenges section. More than 80% of respondents said that accessing capital was either “mostly” (12%) or “very important” (72%).

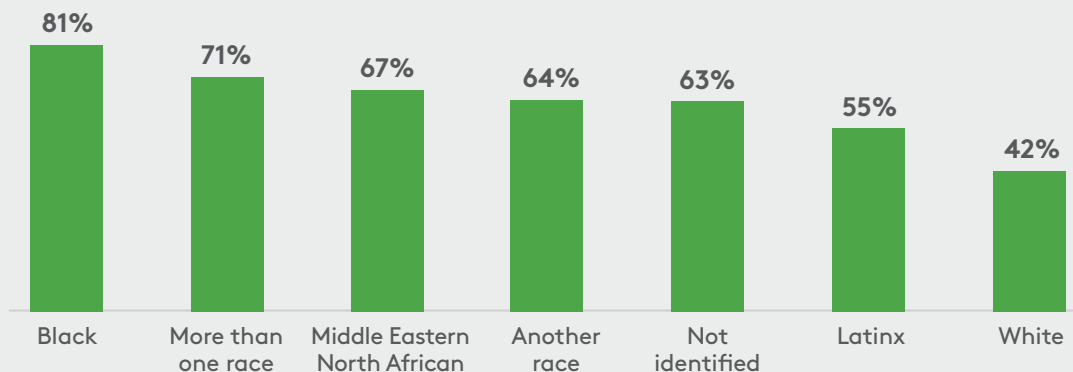
### DEEPER DIVE

Race, revenue, and household income were influential in how respondents categorized this goal. Eighty percent of Black, 70% of multiracial, and 63% of Middle Eastern respondents reported that accessing capital was “very important” for their business, compared with just 41% of white respondents. Additionally, higher revenue businesses, especially those making more than \$1 million, far less frequently ranked accessing capital as “very important.” Lower-income households more frequently ranked accessing capital as “very important.”

**RACE/ETHNICITY**

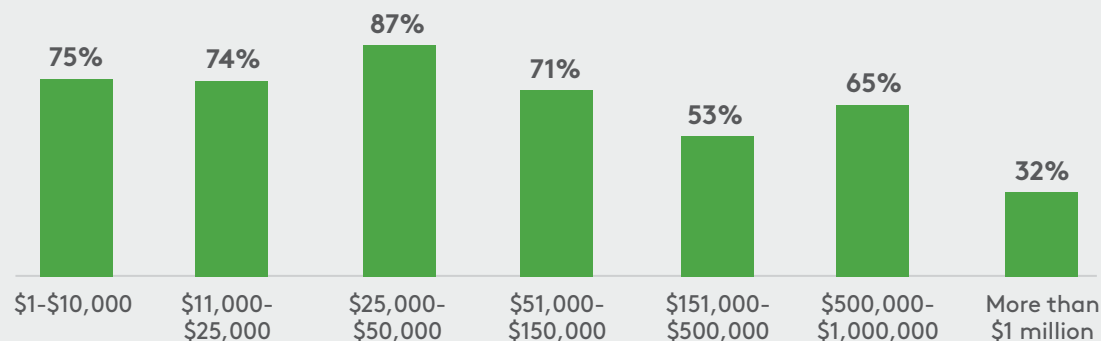
Black respondents said that accessing capital was 'very important' to their business more than any other race

Percentage that responded accessing capital was "very important," by race/ethnicity

**REVENUE**

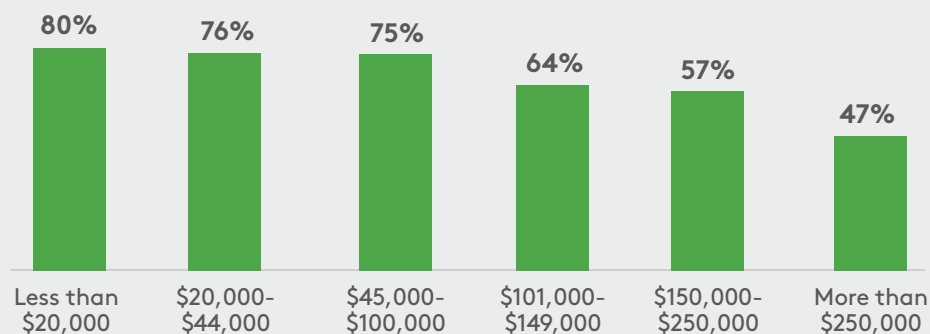
Businesses earning \$1 million or less were far more likely to rank accessing capital as 'very important' compared to businesses earning more than \$1 million

Percentage that responded accessing capital was "very important," by revenue

**HOUSEHOLD INCOME**

80% of respondents earning \$20,000 or less felt that access to capital was a 'very important' goal

Percentage that responded accessing capital was "very important," by household income



### 3. Acquiring new contracts

Acquiring new contracts was the third-highest ranked goal among survey respondents. This is related to the two previous goals and can be viewed as another avenue for businesses to increase revenue.

#### DEEPER DIVE

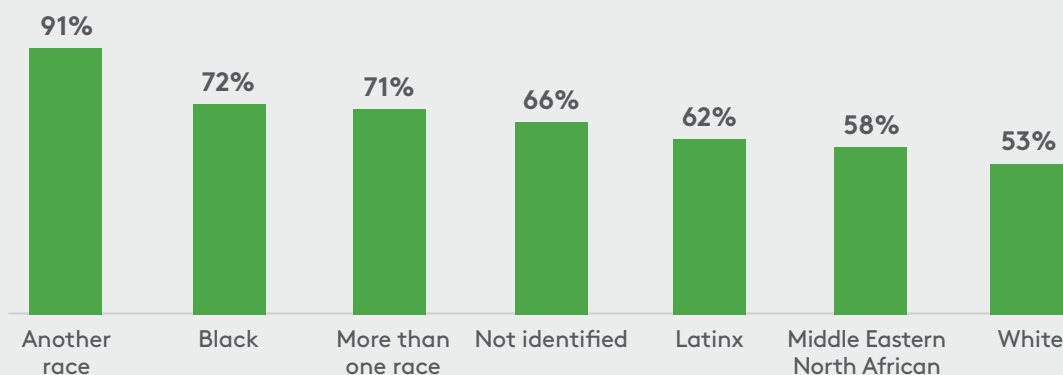
Race, household income, and industry were influential factors in determining how important acquiring new contracts is to businesses over the next one to two years. Ninety-one percent of respondents in the “another race” category, 71% of Black, and 70% of multiracial respondents said that new contracts were a “very important” goal, compared with only 53% of white respondents. Further, respondents with lower household income emphasized the importance of new contracts to boost their business. Finally, the industry that a business is part of was an influential factor. Though most businesses in almost every industry felt that new contracts were important, businesses in industries like IT services, logistics, and construction reported being most focused on securing new contracts to grow their business.



### RACE/ETHNICITY

Respondents of 'another race,' along with Black and multiracial business owners, were more likely to say that new contracts were 'very important' to their business compared to other races

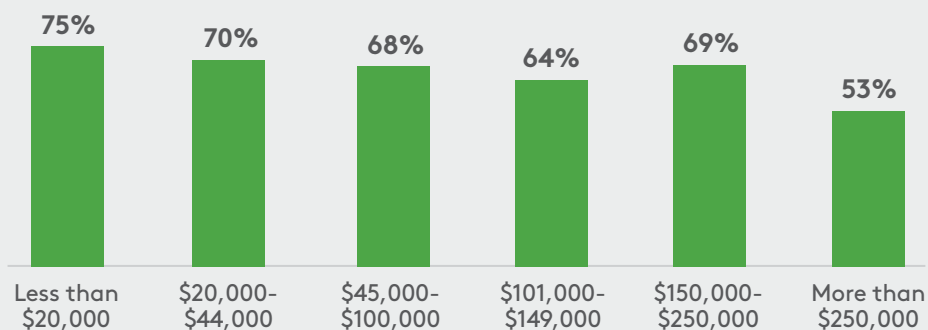
Percentage that responded acquiring new contracts was "very important," by race/ethnicity



### HOUSEHOLD INCOME

Respondents earning \$250,000 or less were far more likely to prioritize acquiring new contracts

Percentage that responded acquiring new contracts was "very important," by household income



### MAINTENANCE, IT SERVICES, AND DISTRIBUTION WERE AMONG THE TOP INDUSTRIES THAT FELT THAT NEW CONTRACTS ARE 'VERY IMPORTANT'

Percentage that responded acquiring new contracts was "very important," by industry

Industry	Count	Percentage of respondents
Energy	5	100%
Maintenance, snow removal, cleaning, janitorial, lawn care, landscaping	29	88%
IT services	14	88%
Distribution/logistics/wholesale	17	85%
Construction and trades	33	83%
Food and beverage product/manufacturing	80	77%
Health care and mental health	48	76%
Professional/financial/marketing services and consulting	102	75%
Other	135	73%
Tech and software	14	70%
Real estate development and management	23	68%
Farming and agriculture	8	67%
Creative and arts	55	66%
Auto sales or service	5	63%
Restaurant/bar, food vendor, catering	63	62%
Hair, barber, and beauty	44	61%
Child care and education	18	60%
Fitness and wellness services (eg., spa, massage)	16	59%
Manufacturing of soft goods, such as apparel	18	58%
Retail	104	58%
Manufacturing of hard goods like machine parts	5	56%
Grocery/liquor store	2	40%



*The Shoe Doctor*

## RESOURCES TO REACH GOALS

Finance, marketing, and strategy resources are most important to support businesses reaching their goals.

Understanding which resources businesses say they need most is crucial to helping them reach their goals. Business support organizations (BSOs) can play an important role in connecting small businesses to these resources and supporting their growth. Insights into needed resources can inform which types of services should be prioritized by the business support ecosystem and policymakers. Further, understanding whether businesses feel like they know where to go to find resources can help business support organizations and other service providers evaluate whether new forms of assistance are needed, or whether outreach strategies need to be adjusted to make sure businesses know about existing opportunities.<sup>10</sup>

<sup>10</sup> For resource needs question details, see Appendix.



BasBlue

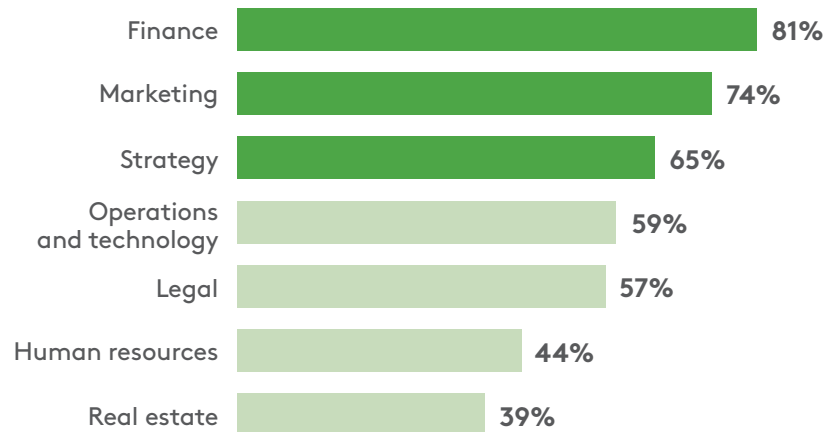
## Access to finance<sup>11</sup>, marketing, and strategy resources are most important for small businesses to reach their goals

Businesses were asked to rank the importance of each type of resource for reaching their specific goals. Finance, marketing, and strategy resources were the top three resource types identified, with at least 60% of respondents saying that they were “very important” to help them achieve their goals.

A similar question was also asked in NEI’s 2020 survey. Respondents were asked which types of resources would most help them achieve their goals. The top options were capital (77%), marketing (60%), sales (42%), and accounting and finance (27%).<sup>xx</sup> In 2023, capital was not an option given to respondents, but given the focus on capital in terms of challenges and goals, capital continues to be an important and needed resource. Finance and marketing resources were highly important to businesses in both surveys.

### FINANCE, MARKETING, AND STRATEGY RESOURCES ARE MOST CRITICAL FOR HELPING SMALL BUSINESSES REACH THEIR GOALS

Percentage who responded “very important” for each resource



*Note: Respondents could select “very important” for multiple options*

<sup>11</sup> Finance resources do not refer to capital, but rather assistance with financial operations, such as accounting.



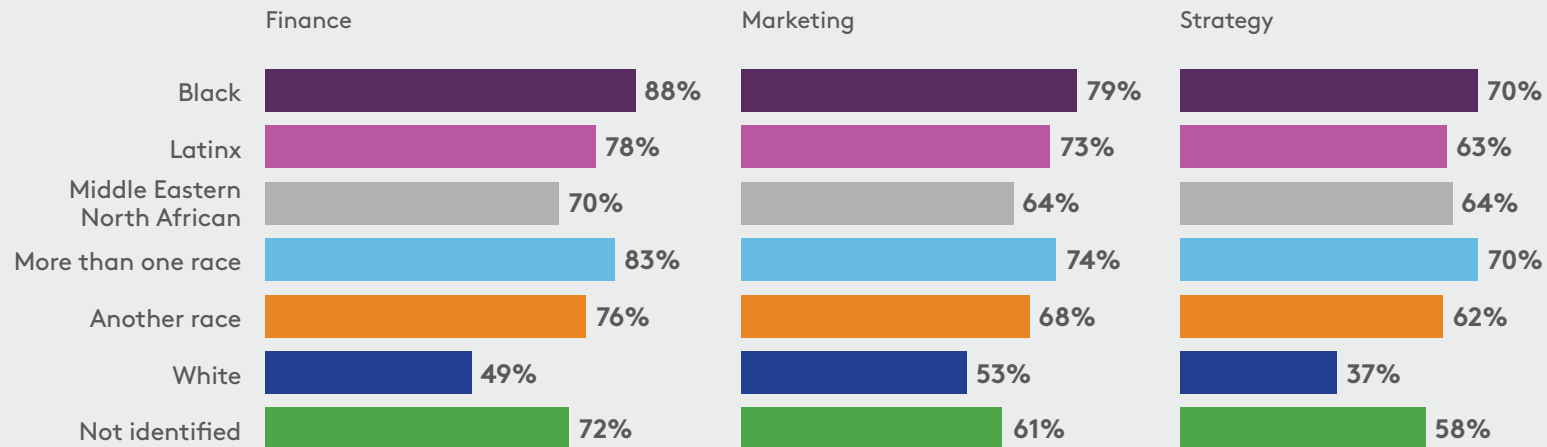
## DEEPER DIVE

Responses to these questions around important resource/service types varied by race, gender, revenue range, and household income. Across all three resource types, Black respondents more frequently responded that the resource was “very important” compared to respondents from any other race. There was also a clear difference by gender for the importance of marketing and strategy resources; in both instances, female respondents more frequently categorized the resources as “very important” compared to male respondents. Finally, as both business revenue and household income increase, the importance of each resource decreases.

## RACE/ETHNICITY

Black respondents most frequently said that finance, marketing, and strategy resources were ‘very important’ to reaching their goals

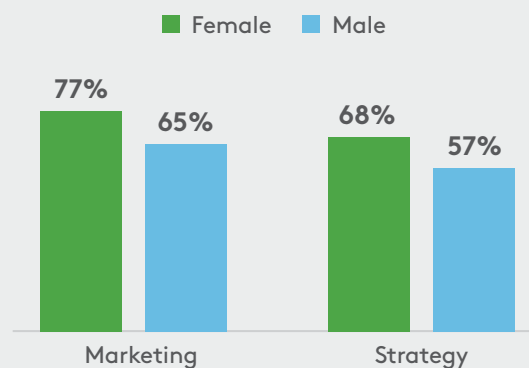
Percentage that responded finance, strategy, and marketing resources were “very important,” by race/ethnicity



### GENDER IDENTITY

Female respondents more frequently responded that marketing and strategy resources are 'very important' to reaching their goals than male respondents

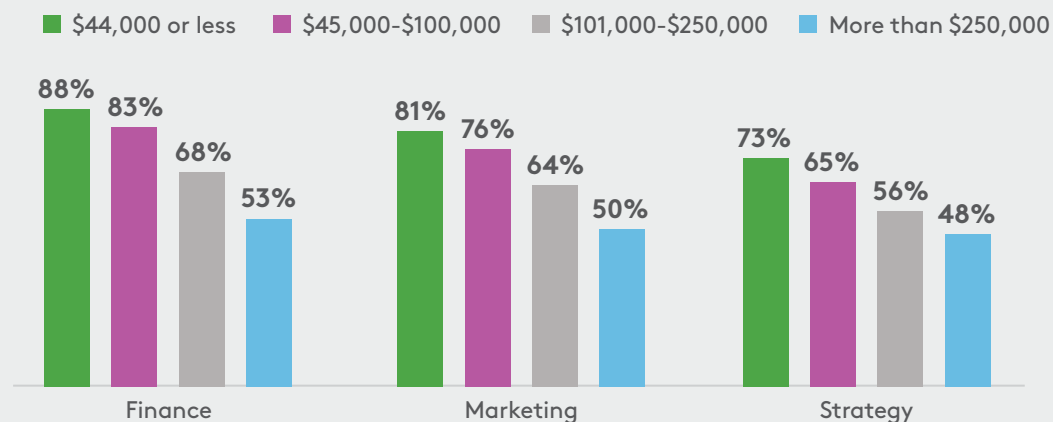
Percentage that responded finance, strategy, and marketing resources were "very important," by gender identity



### HOUSEHOLD INCOME

Respondents with an income of \$100,000 a year or less were more likely to answer that these resources were 'very important' to their goals than those earning more

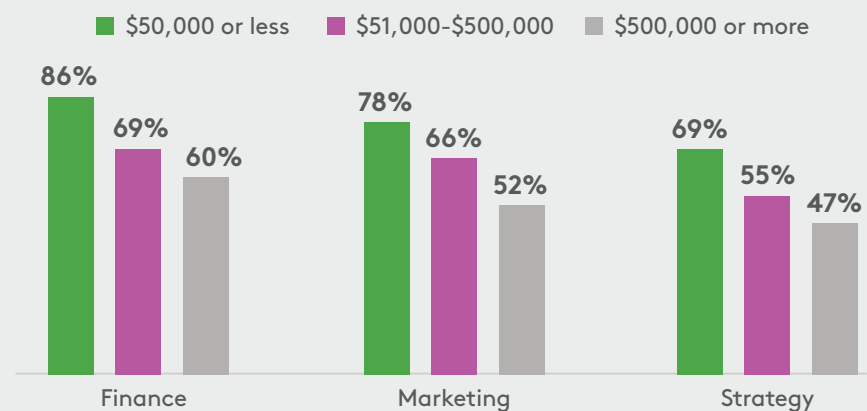
Percentage that responded finance, strategy, and marketing resources were "very important," by household income



### REVENUE

Businesses earning \$50,000 a year or less were far more likely to categorize finance, marketing, and strategy resources as 'very important' to reaching their goals

Percentage that responded finance, strategy, and marketing resources were "very important," by revenue

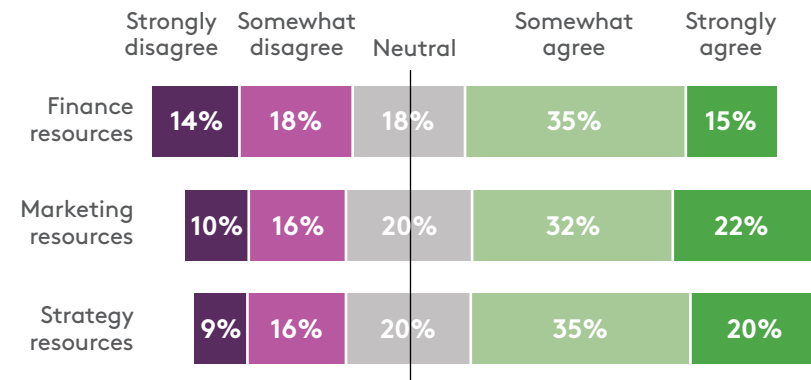


### Small-business owners tended to believe that they know how to find resources to support their businesses

Across all three top resource needs (finance, strategy, and marketing), a higher share of respondents said that they know how to find resources. However, relatively few said that they “strongly agreed” with the statement that they know how to find resources. Resource providers should use this information to evaluate whether these resources actually exist in the ecosystem, or whether better outreach needs to be done to ensure that businesses know that they are available to them.<sup>12</sup>

#### LESS THAN ONE-QUARTER OF RESPONDENTS ‘STRONGLY AGREED’ THAT THEY KNOW HOW TO FIND FINANCE, STRATEGY, AND MARKETING RESOURCES

Level of agreement with the statement that they know how to find resources



<sup>12</sup> For know how to find resources question details, see Appendix.



*Neighborhood Business Initiative Worktable (NBI Worktable) in-person on April 23, 2024*



*Kid Chemist*

## DEEPER DIVE

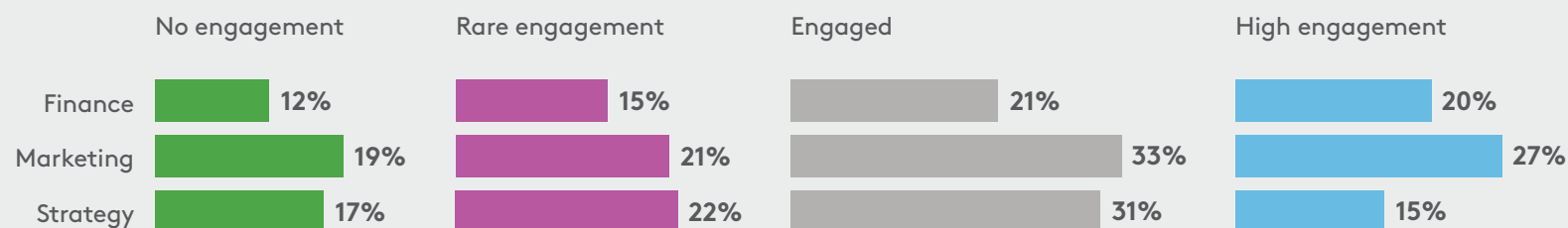
A respondent's sentiment on whether they know how to find resources to support their business varied by business age, utilization of a business support organization (BSO),<sup>13</sup> revenue range, and household income. There were no substantial differences by race/ethnicity. Older businesses tended to know how to find resources compared to newer ones. Additionally, businesses that were more engaged in the business support ecosystem had a better idea of how to find the resources they need. Finally, the same pattern seen throughout the report regarding revenue range and household income holds true here; as revenue and household income increase, businesses more frequently agreed that they know how to find the resources they need.

<sup>13</sup> This is a variable derived from survey respondents' answers to a question about which business support organizations (BSOs) they have engaged for help with their business. Respondents were presented with a list of BSOs and marked those that they had engaged with. "No engagement" designation is for businesses that did not engage any BSOs. "Rare" engagement is for businesses that engaged one to two BSOs. "Engaged" designation is for businesses that engaged three to four BSOs. "High" engagement is for businesses that engaged five or more BSOs.

### BSO UTILIZATION

Businesses that engaged with BSOs more frequently agreed that they know how to find resources

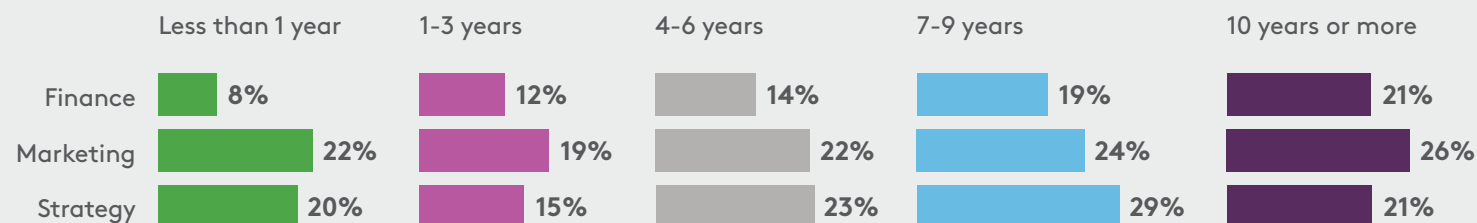
Percentage that responded "strongly agree" that they know how to find resources, by BSO utilization



### BUSINESS AGE

Older businesses more frequently 'strongly agreed' that they know how to find resources

Percentage that responded "strongly agree" that they know how to find resources, by business age



# SPOTLIGHT ON CAPITAL: CHALLENGES WITH ACCESSING CAPITAL FOR DETROIT-REGION SMALL BUSINESSES



The issue of capital has come up throughout this report. Capital shows up in the challenges that small businesses face, the goals that they have, and the financial resources they believe they need to reach their goals. Respondents were asked multiple questions about their relationship with capital. Answers to these questions are critical for understanding how Detroit-region businesses are securing funding and what types of programs/ outreach may be valuable for helping businesses secure capital on favorable terms.<sup>14</sup>

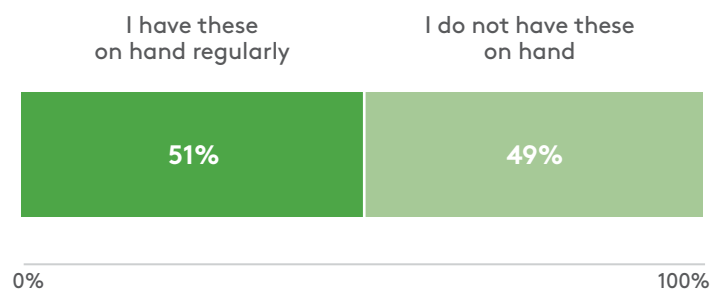
### Only half of Detroit-region small businesses have financial statements on hand

A critical step in securing loans, as well as assistance from government programs, is having current financial statements, such as profit-and-loss statements and balance sheets, on hand. Without these statements, the process for securing funding from banks and other lenders, as well as applying for government programs like the Paycheck Protection Program loans offered during the COVID-19 pandemic, can slow down or stop altogether.

Only half of respondents reported regularly having financial statements on hand. This is a significant decrease in the share of businesses that had these statements on hand from NEI's 2020 survey, which found that 65% of small businesses had these statements on hand, although those findings were limited to Wayne County.<sup>xxi,15</sup>

#### THERE WAS AN EVEN SPLIT IN THE AMOUNT OF BUSINESSES WHO REPORTED KEEPING CURRENT FINANCIAL STATEMENTS ON HAND

Percentage of businesses that keep current financial statements on hand



<sup>14</sup> Because most respondents to the 2023 survey were small-revenue businesses with two or fewer employees, findings in this section do not represent the full range of capital needs Detroit-region businesses say they require. More work should be done to understand the capital needs of businesses in more advanced stages.

<sup>15</sup> For capital deep dive questions details, see Appendix.



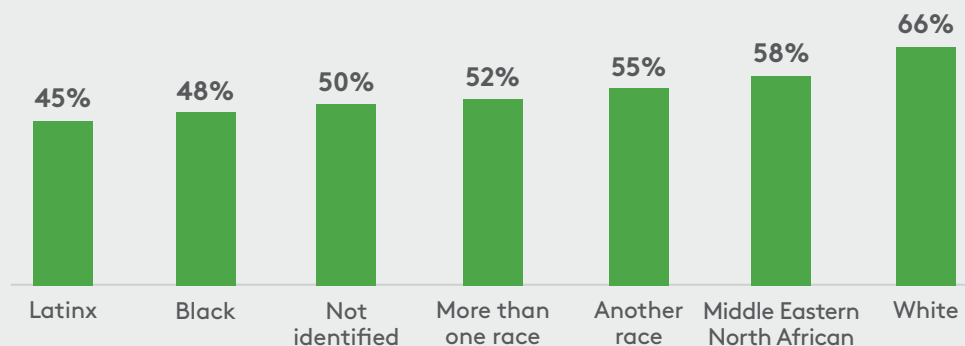
**DEEPER DIVE**

When looking at demographic differences in respondents, some businesses more frequently reported having current financial statements on hand than others. By race, white and Middle Eastern respondents most frequently reported that they regularly had financial statements on hand. White respondents also most frequently had financial statements on hand in 2020.<sup>xiii</sup> High-income earners and businesses with higher revenue also more frequently had financial statements on hand. Only 28% of businesses less than a year old, compared to 67% of businesses 10 years or older, reported having financial statements on hand. Finally, businesses that were more engaged in the business support ecosystem more frequently had financial statements on hand, compared to businesses that were less engaged.

**RACE/ETHNICITY**

**Latinx and Black businesses less frequently had financial statements on hand**

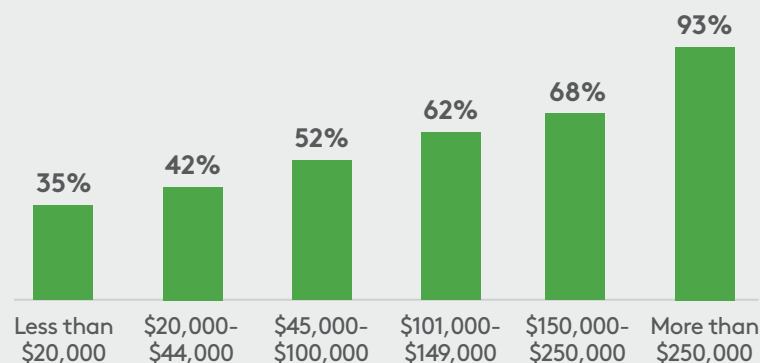
Percentage of businesses that keep current financial statements on hand, by race/ethnicity



**HOUSEHOLD INCOME**

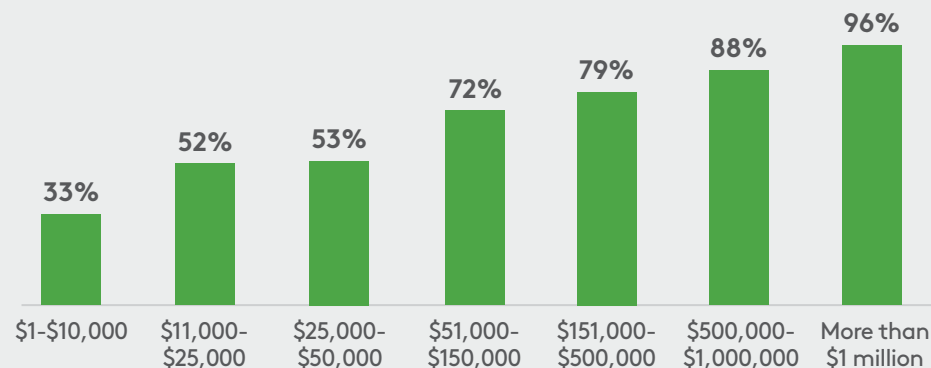
Respondents with lower household income less frequently had financial statements on hand

Percentage of businesses who keep current financial statements on hand, by household income

**REVENUE**

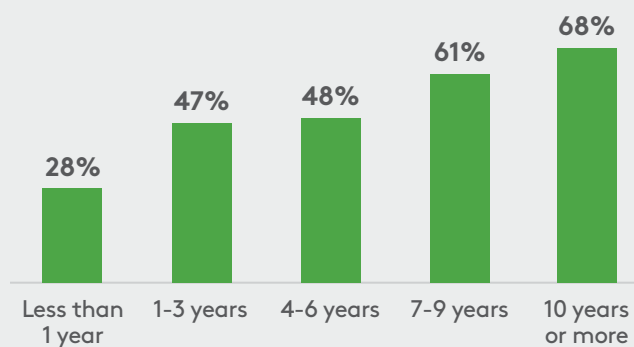
Businesses with lower revenue less frequently had financial statements on hand

Percentage of businesses who keep current financial statements on hand, by revenue

**BUSINESS AGE**

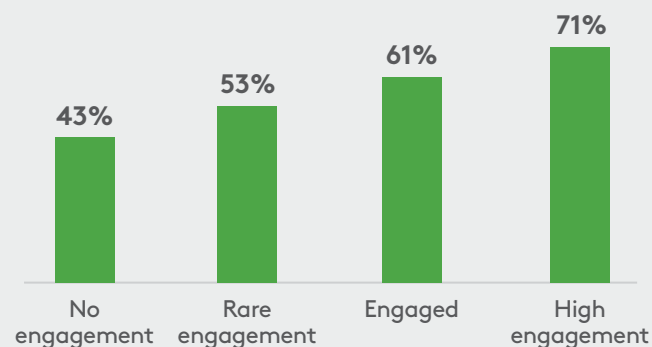
Only 28% of businesses less than a year old had current financial statements on hand

Percentage of businesses who keep current financial statements on hand, by business age

**BSO UTILIZATION**

Business with no or rare engagement with business support organizations less frequently had financial statements on hand

Percentage of businesses who keep current financial statements on hand, by BSO utilization








## More than 80% of respondents have used their savings to fund their business

Given that only half of respondents reported having current financial statements on hand, it is important to understand where businesses are going for funding. Survey respondents were asked about what types of capital they have used to fund their business, and personal savings or credit cards were the top responses. More than 80% of respondents reported using personal savings, while just over half of respondents utilized credit cards. Thirty-eight percent of respondents also reported that they utilized friends and family to finance their business. On the flip side, only 18% of businesses utilized non-credit card debt, and only 76 businesses (2%) received some kind of venture funding. When this same question was asked in 2020, only 40% of respondents reported using savings, and only 22% reported using friends and family.<sup>xxiii</sup>

<u>Capital type</u>	<u>Count</u>	<u>Percentage of respondents</u>
Savings	1,065	86%
Credit card	631	51%
Friends/family	471	38%
COVID relief	269	22%
Debt-based financing (from lender)	228	18%
Write-in/other	191	15%
Personal asset refinancing	90	7%
Crowdfunding	79	6%
Venture capital	26	2%

## Only 17% of respondents reported applying to at least one type of lender for funding

Businesses were also asked whether they had applied to different lender types for capital. Only 17% of respondents reported that they had applied to at least one bank, credit union, mission-based lender, online non-bank funder, or some other lender. Only 7% of respondents reported applying to more than one type of lender for funding. Banks were the most frequently applied to lender type, with 10% of respondents having applied.<sup>16</sup>

<u>Lender type</u>	<u>Total applied</u>	<u>Percentage of respondents</u>
Bank	128	 10%
Mission-based lender	73	 6%
Online non-bank	49	 4%
Credit union	43	 3%
Other	43	 3%

When considering the number of respondents that said obtaining capital and navigating the cost of capital was difficult, as well as the high number of respondents that said accessing capital is a goal for their businesses over the next one to two years, it is surprising that only 17% of respondents report applying to at least one type of lender for capital. More work needs to be done to find out whether businesses aren't applying because they don't know about existing programs, especially from mission-based lenders, or whether they believe that they won't be approved for funding if they apply.

<sup>16</sup> Totals between tables may not add because not all survey participants answered.



Survey respondents requested both larger and smaller amounts of funding from lenders

Along with providing information about the types of lenders they have applied to, businesses also provided information about the amount of funds they applied for. For those respondents who applied to a lender for business capital, they were asked to report the amount of funds they had sought. More than half of the reported requests for funds were for more than \$25,000.<sup>17</sup>

The responses show that small businesses in the Detroit region are turning to lenders when they are seeking larger amounts of funding.

54% OF REPORTED LOAN REQUESTS TO LENDERS WERE FOR MORE THAN \$25,000

Number of loan requests by request amount and lender

	\$25,000 or less		More than \$25,000	
Bank	51		77	
Credit union	25	17		
Mission-based lender	23	48		
Online non-bank	37	12		
Other	18	24		

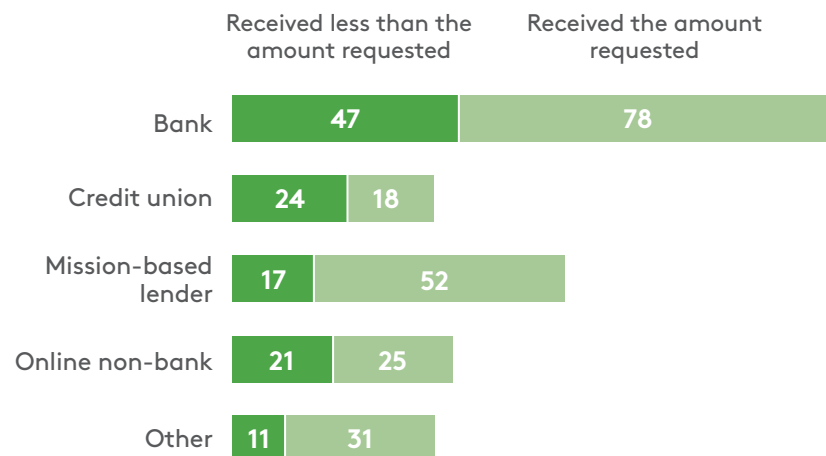
<sup>17</sup> Totals between tables may not add because not all survey participants answered.

## Businesses are relatively successful when applying for loans

More than 60% of respondents said that they received the amount that they asked for from the lender. Though this means that about a third of respondents received less than they asked for, it seems that Detroit-region businesses are relatively successful when applying to lenders for business capital. Work should be done to understand why some respondents are not able to get what they asked for, and why others have been more successful.<sup>18</sup>

### 63% OF RESPONDENTS SAID THAT THEY RECEIVED THE AMOUNT THAT THEY REQUESTED

Amount received by lender type



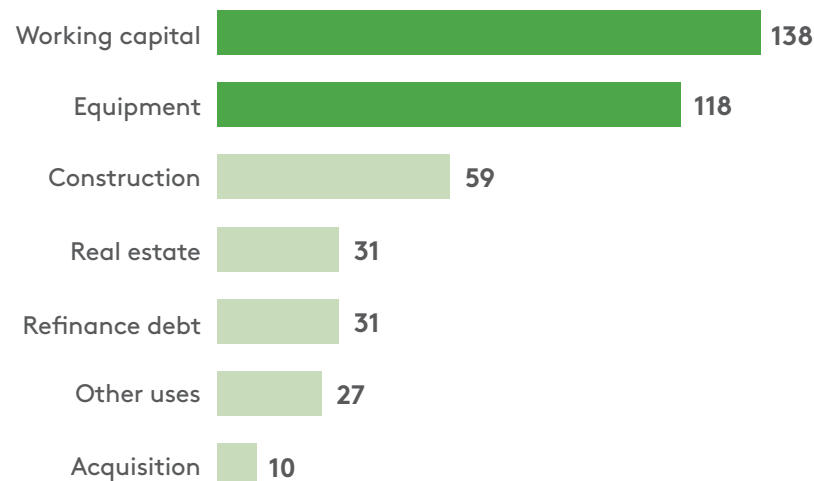
<sup>18</sup> Totals between tables may not add because not all survey participants answered.

## Respondents most frequently used lender funds for working capital and to purchase new equipment

Finally, respondents were asked to describe how they used the capital they secured. Most commonly, capital was used as working capital. This means that businesses were applying for funding so that they would have cash on hand to meet current and short-term obligations, such as paying bills and affording other day-to-day expenses. The second leading use was to purchase equipment for the business.

### RESPONDENTS MOST FREQUENTLY USED LOANS AS WORKING CAPITAL OR TO PURCHASE EQUIPMENT

Count of loan capital uses



It is important to note the types of businesses that make up the majority of this survey. These businesses primarily have five or fewer full-time employees, revenue under \$250,000 a year, and often are 3 years old or less. Because of this, they do not represent all the capital needs for Detroit-region businesses, particularly those that are larger and in a more developed stage. That being said, the businesses in this survey have an interesting relationship with capital. Though many respondents cited challenges accessing and affording the cost of capital and held a goal to access more capital, relatively few businesses reported having applied to a lending institution. Potentially, they don't believe that they would get approved, but it is possible that some of these businesses do not know about the variety of lending services provided by non-bank lenders in Detroit, especially mission-based lenders, some of whom helped distribute the survey. It is crucial that businesses are made aware of the capital resources that exist in the ecosystem so that they can obtain affordable business capital, the top goal reported by businesses in the survey.

Also telling is that the most common use of capital is for meeting present business needs and paying bills (working capital), which — along with the fact that the 45% of respondents had businesses that were 3 years old or less, and 45% of respondents reported revenue of \$10,000 a year or less — shows that the businesses might be so occupied by just keeping their business running, that they don't have the time and energy available to pause, get financial statements in order, and apply for capital. Business support organizations, as well as lenders, should consider ways in which the funding system could be improved, or services could be provided to help businesses, especially new, lower-revenue businesses, secure the capital necessary to sustain and grow their companies and learn about the management of finances on the backend.



# CONCLUSION



Small businesses are a critical part of Detroit's economy and help to provide wealth-building opportunities, jobs, and economic activity to many Detroit residents. This 2023 survey sheds light on the experiences of small businesses, particularly those with relatively few employees and smaller revenues in the Detroit region. Ensuring a healthy small-business ecosystem, one that works for all Detroit-region residents, is critical for economic equity and growing a thriving and resilient region.

The 2023 small-business survey provided key insights into the sentiments, challenges, and goals of owners and entrepreneurs. Though there were generally positive perceptions of Detroit's economy and hope for the future, the survey outlines where more work can be done to support Detroit's small businesses.

- **Access to affordable capital** was the consistent challenge seen throughout the survey. Small-business owners in Detroit frequently tap their own financial resources, such as personal savings and credit cards, to fund their businesses. Few respondents had applied to a bank (10%), mission-based lender (6%), or credit union (3%) for capital.
- **Black and multiracial respondents** consistently found potential challenges more disruptive to their businesses, and valued ecosystem support more than respondents from other racial categories.

- 65% of Black and 55% of multiracial respondents said that access to capital was “very challenging,” about half of multiracial and Black respondents found the cost of capital to be “very challenging.”
- Across finance, marketing, and strategy resources, at least 70% of Black and multiracial respondents said that these resources were “very important” to reaching their goals.
- Black respondents (48%), along with Latinx respondents (45%), were among the groups that had financial statements available less regularly, a critical component in obtaining lender financing or applying for government grants and programs.
- **Lower-income individuals and lower-revenue businesses** reported more difficult challenges, greater need for resources and support, and less knowledge of where to go for resources than higher-income individuals and higher-revenue businesses.
- Sixty-three percent of businesses earning \$50,000 a year or less and 66% of owners with household income of \$44,000 a year or less felt that accessing capital was “very challenging.”

- Across finance, marketing, and strategy resources, at least 69% of businesses earning \$50,000 a year or less, and at least 73% of owners with a household income of \$44,000 a year or less, felt that these resources were “very important” to reaching their goals.
- Only 33% of businesses with revenue of \$1 to \$10,000 a year, and 39% of owners earning \$44,000 a year or less, reported having current financial statements on hand.
- **Businesses that were more engaged with the business support ecosystem benefited in key areas.**
  - Businesses that reported more engagement with business support organizations (BSOs) generally knew where to go to find different resources, although more work is needed overall to connect businesses to resources.
  - Businesses that were more engaged with BSOs also more frequently reported having financial statements on hand.

In order to support more small businesses in Detroit, and expand economic opportunities and activity throughout the region, business support organizations, lenders, and policymakers should consider the ways in which these survey results can inform new services and strategies. More work and deeper analysis should be done to understand the deep need for capital at affordable rates reported by many of the surveyed businesses. Additionally, there is a long list of small-business support organizations already doing important work for small businesses across the region, but more must be done to make sure that small businesses know about the resources that exist, and gaps in resources should continue to be filled. Finally, a follow-up study is necessary that looks at the lending needs of larger businesses, and/or businesses that are in a more developed stage than the ones that make up the majority of respondents for this survey. These strategies, which will help lift small businesses and entrepreneurs across the Detroit region, will help create a more prosperous and equitable city and region. Small-business ownership provides an additional pathway to wealth generation and economic mobility for Detroiters. By supporting small-business owners and providing support to those who hope to start a small business, Detroit can continue to rebuild its middle class and see thriving, resilient neighborhoods grow across the city.



# APPENDIX



## SURVEY CAVEATS

1. Survey was not distributed with an intent to be 100% representative.
2. Only one business per respondent is included in the survey, even if they owned more than one.
3. Survey response time was long, with many respondents taking more than 20 minutes to complete.
4. Some respondents submitted more than one response for the same business; only their last response was analyzed.
5. Though the survey was translated to be available for respondents whose first language is not English, technical glitches were reported and required troubleshooting.



## Outlook questions

### How do you feel about the business environment right now?

By business environment, we mean the larger factors that influence your business, such as the economy, infrastructure, regulations, prices and availability of materials and labor, etc.

#### Response options:

- Mostly positive
- Somewhat positive
- Neutral
- Somewhat negative
- Mostly negative

### Compared to two years ago (spring 2021), do you feel that the business environment is getting better, getting worse, or stayed about the same?

By business environment, we mean the larger factors that influence your business, like the economy, infrastructure, regulations, prices and availability of materials and labor, etc.

#### Response options:

- The business environment is better now than it was two years ago.
- The business environment is worse now than it was two years ago.
- The business environment is about the same as it was two years ago.

### From a financial perspective, how do you feel right now about the future of your business?

#### Response options:

- Mostly positive
- Somewhat positive
- Neutral
- Somewhat negative
- Mostly negative

## Challenges question

### Over the past two years, how challenging have these areas been for your business?

- Hiring and retaining qualified employees
- The cost of paying employees
- Procuring needed materials
- The prices of needed materials
- Accessing capital
- The cost of capital
- Complying with regulatory environment
- Infrastructure (roads, internet, water, parking, sidewalks)

#### Response options:

- Very challenging
- Somewhat challenging
- Not challenging
- Does not apply

### Goals question

**How important are the following business goals to you for the next one to two years?**

- Developing new products or services
- Hiring additional employees
- Bring on new technology, processes, or systems
- Open new or additional brick and mortar space
- Find new contract opportunities
- Acquire new customers/increase foot traffic
- Access capital

**Response options:**

- Very important
- Mostly important
- Somewhat important
- Not at all important

### Resource needs question

**To help you achieve these goals, how important would it be to have access to resources in each of the areas below?**

- Finance
- Legal
- Marketing
- Operations & technology
- General strategy
- Human resources
- Real estate development

**Response options:**

- Very important
- Mostly important
- Somewhat important
- Not at all important
- Not sure

### Know how to find resources question

**Do you agree with the following statement?**

I know how to find resources I need to support my business.

- Finance
- Legal
- Marketing
- Operations & technology
- General strategy
- Human resources
- Real estate development

**Response options:**

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Does not apply

## Capital questions

### Do you have financial statements readily available?

Applying for loans and government offerings are easier if you have current financial statements (Profit-and-loss and balance sheets).

#### Response options:

- I have these on-hand regularly
- I do not have these on-hand

### What types of capital have you used to finance your business?

Please select all that apply.

#### Response options:

- Debt-based financing
- Personal savings
- Friends and family
- Crowdfunding
- Personal asset refinancing
- Credit card
- Venture capital
- COVID relief grant
- Other [text entry]

### What type of lender did you apply to?

Check all that apply.

#### Response options:

- Bank
- Nonprofit/mission-based lender
- Online non-bank lender
- Credit union
- Other [text entry]

### How much money did you request in your loan application to the lender?

#### Response options:

- Less than \$5,000
- \$5,001-\$10,000
- \$10,001-\$25,000
- More than \$25,000

### Was the loan amount from the lender equal to the amount you requested?

#### Response options:

- I received less than the amount I requested.
- I received the amount I requested.

### How did you use the loan from the lender?

Select all that apply.

#### Response options:

- To fund working capital
- To purchase equipment
- To purchase real estate, including land and buildings
- To construct a new or renovate an existing building
- To acquire another business
- To refinance existing business debt
- Other [text entry]

# ENDNOTES

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