

FSB *Voice of Small Business* Panel: June 2011 Survey Topline Results

- Results are based on an online survey carried out by 1633 members of the FSB Voice of Small Business Panel. This represents a response rate of 38%.
- Surveys were completed between 13th and 24th June 2011.
- The national data has been weighted to the membership profile.
- Where results do not sum to 100%, this may be due to multiple responses or rounding.
- Results are based on all respondents (1633) unless otherwise stated.
- Study undertaken by Research by Design on behalf of the Federation of Small Businesses.

Q1. Have you applied for a loan from a financial institution in the past 12 months?

Base: 1594

Yes	20%
No	80%

Q2. For which of the following reasons, if any, did you apply? (If you have applied more than once, please refer to your most recent application)

Base: 320

Cover cash flows	34%
Inject working capital into the business	24%
Purchase machinery/ equipment	21%
Expand existing business	17%
Loan extension or renewal	12%
Debt consolidation	11%
Purchase land or office premises	7%
Business start-up	2%
Other	7%

Q3. Why have you not applied for a loan in the past 12 months?

Base: 1257

The business has no need for 'additional' finances	73%
I believe a business loan application would be rejected	12%
Bank terms and conditions are unsuitable	12%
Previous negative experiences with loans	7%
Other	7%

Q4. What proportion of the finance did you receive?

Base: 320

0% - the loan request was turned down.	33%
1 - 10%	-
11 - 20%	2%
21 - 30%	1%
31 - 40%	1%
41 - 50%	2%
51 - 60%	1%

61 - 70%	2%
71 - 80%	1%
81 - 90%	1%
91 - 99%	1%
100% - I secured all of the finance I requested	43%
I am awaiting a decision	10%

Q5. What reason(s) did the financial institution give for turning down your loan request?

Base: 106

Insufficient security available	26%
Poor cash flow	18%
Poor credit rating/ Low credit score	16%
Insufficient information supplied	6%
Poor investment opportunity/ business plan	4%
Poorly managed accounts	2%
Other	28%
Unsure/ not informed why the loan request was turned down	16%

Q6. What has been the business impact of failing to secure all of the finance requested?

Base: 147

Ongoing financial concerns	40%
Missed our growth opportunity	31%
Investment plans delayed	21%
Now at a competitive disadvantage	18%
Investment plans scaled down	16%
Redundancies/ Staff lay-offs	13%
Investment plans abandoned	9%
Bankruptcy / administration	1%
Other	13%
None - We secured finance elsewhere	16%
Unsure - Too early to tell	4%

Q7. Which of the following assets, if any, were you required to guarantee your loan against?

Base: 184

Business assets	19%
Personal assets	24%

Both personal and business assets	19%
None of the these	38%

Q8. What was the total value of these assets?

Base: 114

Less than £1,000	-
£1,001 - £2,500	-
£2,501 - £5,000	-
£5,001 - £10,000	6%
£10,001 - £20,000	11%
£20,001 - £30,000	12%
£30,001 - £40,000	2%
£40,001 - £50,000	5%
More than £50,000	62%
Don't know	1%

Q9. What was the interest rate on your loan?

Base: 137

0% - 4%	23%
5% - 6%	30%
7% - 9%	26%
10% - 14%	13%
15% or more	8%