

Appendix

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What is the purpose of the Survey of Small Business Finances?

The 1998 Survey of Small Business Finances is the third survey in a series that collects financial data from businesses with 500 or fewer employees. The Federal Reserve Board is concerned with:

- The factors that effect prices and availability of credit to small businesses;
- The effects that bank consolidation may have on the availability of credit and other financial services;
- Understanding the characteristics of small businesses and how these characteristics influence their credit needs;
- The experiences that small businesses have with credit applications;
- The impact that government regulations may have on small business credit access; and
- Identifying the financial and non-financial sources that small businesses turn to for their financing needs;

The information from this survey will be used to evaluate the impact of public policies on small businesses of different sizes, locations, and ownership characteristics. The information will also be used in the “Report to Congress on the Availability of Credit to Small Business” that is produced by the FRB every five years.

Who is doing the survey?

The Survey of Small Business Finances is being conducted for the Federal Reserve Board (FRB) by the National Opinion Research Center (NORC) at the University of Chicago.

The Federal Reserve System is the central bank of the U. S. It was founded by Congress in 1913 to provide the nation with a safer, more flexible, and more stable monetary and financial system; over the years, its role in banking and the economy has expanded. Today, the Federal Reserve Board’s duties fall into four general areas:

- Conducting the nation’s monetary policy by influencing the money and credit conditions in the economy in pursuit of full employment and stable prices;
- Supervising and regulating banking institutions to ensure the safety and soundness of the nation’s banking and financial system and to protect the credit rights of consumers;
- Maintaining the stability of the financial system and containing risk that may arise in financial markets;
- Providing certain financial services to the U.S. government, to the public, to financial institutions, and to foreign official institutions, including playing a major role in operating the nation’s payments system.

NORC is one of the oldest and most respected social science research organizations in the United States, and the results from many NORC studies have been used to help national policy-makers in their decision making.

Will my answers be confidential?

Absolutely. NORC and the Federal Reserve Board maintain the highest standards of confidentiality. Your name and other identifying information, as well as all other participants’, will be kept strictly confidential. NORC assures that the confidentiality of your responses to this survey will be maintained by NORC and the Federal Reserve Board. No information obtained in the course of this study may be disclosed in a manner in which the particular establishment or individual supplying the information is identifiable except to a very small number of authorized staff at NORC and the Federal Reserve System.

Why was I chosen to participate?

Your small business was selected from a nationally representative scientific sample of businesses throughout the United States. This group of businesses whom we’re contacting represent the diversity of small businesses across the nation. The information you provide is essential to obtain an accurate picture of the financial needs of small businesses like yours.

What kinds of questions will be asked?

A variety of topics will be covered during the time of the interview. The questions cover your firm’s use of credit and other financial services as well as where these services were obtained. You will also be asked about your experiences in obtaining credit. Information will also be collected on the firm’s assets, liabilities, income and expenses to help understand the differences

among individual small businesses.

Why do you need my financial information?

Financial information is critical in understanding the needs of all small businesses. One of the main goals of the survey is to evaluate the importance of credit use and availability relative to a firm's size and other financial characteristics. Data from this survey will be published in summary form only. NORC assures that the confidentiality of your responses to this information request will be maintained by NORC and the Federal Reserve Board. No information obtained in the course of this study may be disclosed in a manner in which the particular establishment or individual supplying the information is identifiable except to a very small number of authorized staff at NORC and the Federal Reserve System.

Am I required to participate and answer every question?

No. Your participation is voluntary and you may refuse to answer any questions to which you object, however, the participation of each selected business is vital to the success of the survey. The information obtained in the interview will be held in the strictest confidence.

What will I get out of this?

The information you provide will help the Federal Reserve Board understand the needs of small businesses like yours and evaluate public policy affecting the cost and availability of financial services to small businesses.

Is additional information available?

For additional information about the National Opinion Research Center, the Federal Reserve Board's role in the Survey of Small Business Finances, or any other topics please visit the NORC web site:

<http://www.norc.uchicago.edu>

Follow the "studies" link from the main page.

For additional information about the Federal Reserve Board, please visit the FRB web site:

<http://www.federalreserve.gov>

Follow the "About the Federal Reserve System" link at the top of the main page.

Your participation is vital to the success of this national study.

For additional information, please contact:

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Survey of Small Business Finances

Frequently Asked Questions

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