

## Fourth Quarter 2009: Credit Availability Survey for Connecticut Businesses

Sponsored by TD Bank

319 responses, 13% response rate, Margin of error +/-5%

### COMPANY INFORMATION

4Q2008 1Q2009 2Q2009 3Q2009 4Q2009

1. Has your company used any financing within the prior three months to meet your credit needs?

Yes	31.8%	31.7%	29.7%	31.7%	31.6%
No	68.2%	68.3%	70.3%	68.3%	68.4%

2. What types of financing has your company used within the prior three months to meet your credit needs? (Check all that apply)

Bank loan/Line of credit	84.9%	84.9%	85.4%	80.0%	92.4%
Vendor credit	24.7%	28.0%	26.0%	15.7%	22.8%
Private loan	8.6%	18.3%	15.6%	12.9%	11.4%
Government sponsored loan program	3.2%	2.2%	2.1%	0.0%	5.1%
Public issuance of stock	0.0%	0.0%	2.1%	0.0%	0.0%
Private placement of stock	1.1%	0.0%	0.0%	0.0%	0.0%
Leasing	11.8%	8.6%	11.5%	12.9%	10.1%
Private placement of debt	8.6%	3.2%	3.1%	4.3%	2.5%
Credit cards	40.9%	36.6%	33.3%	28.6%	27.8%
Earnings of the business	16.1%	10.8%	21.9%	17.1%	16.5%
Other	2.2%	3.2%	2.1%	5.7%	5.1%

3. What type of financing are you currently most in need of? (Check all that apply)

Working capital (for day-to-day operations, inventory, bridge loans, etc.)	31.2%	33.6%	34.5%	36.6%	33.7%
Capital for machinery and equipment purchases	10.6%	9.3%	9.8%	11.6%	10.5%
Capital for expansion of existing plant or office space	7.6%	5.0%	5.8%	8.9%	6.6%
Capital for research and development	2.7%	1.7%	1.8%	2.2%	1.2%
Capital for new product or service development	3.3%	2.7%	5.5%	6.3%	3.5%
None/Not applicable	50.5%	50.2%	50.0%	47.3%	50.8%
Other	3.7%	3.0%	3.7%	2.2%	1.2%

4. Is credit availability a problem for your company?

Yes	22.1%	25.4%	23.3%	31.4%	27.3%
No	77.9%	74.6%	76.7%	68.6%	72.7%

5. If credit availability is a problem for your company, what has been the effect on your operations? (Check all that apply)

Reduced the number of employees	28.6%	42.5%	47.3%	40.6%	34.8%
Reduced compensation/benefits to employees	28.6%	35.6%	37.8%	34.8%	31.9%
Unable to grow or expand	46.0%	49.3%	54.1%	59.4%	60.9%
Unable to finance increased sales	28.6%	21.9%	28.4%	31.9%	39.1%
Unable to increase inventory to meet demand	20.6%	15.1%	23.0%	26.8%	26.1%
Closed or will close operations, stores or branches	12.7%	9.6%	10.8%	5.8%	8.7%
Other	15.9%	12.3%	12.2%	15.2%	13.0%

**COMPANY INFORMATION**

4Q2008 1Q2009 2Q2009 3Q2009 4Q2009

6. Over the past three months, did your firm seek financing?

Yes	23.5%	24.8%	24.6%	30.9%	25.1%
No	76.5%	75.2%	75.4%	69.1%	74.9%

7. If your firm has received financing over the prior three months, please indicate the actual amount of financing received?

None	28.8%	35.2%	40.5%	43.3%	39.7%
Less than \$50,000	10.6%	18.3%	16.5%	17.9%	15.9%
\$50,000 to \$100,000	12.1%	15.5%	12.7%	10.4%	11.1%
\$100,001 to \$250,000	13.6%	9.9%	3.8%	10.4%	9.5%
\$250,001 to \$500,000	7.6%	11.3%	5.1%	3.0%	9.5%
\$500,001 to \$1,000,000	9.1%	2.8%	6.3%	7.5%	3.2%
Over \$1,000,000	16.7%	5.6%	15.2%	7.5%	11.1%

8. If your firm has received financing over the prior three months, please indicate the amount of financing you would have ideally liked to have received.

Less than \$50,000	15.2%	23.9%	15.2%	14.9%	9.5%
\$50,000 to \$100,000	15.2%	15.5%	15.2%	23.9%	25.4%
\$100,001 to \$250,000	13.6%	18.3%	17.7%	20.9%	22.2%
\$250,001 to \$500,000	13.6%	19.7%	20.3%	14.9%	20.6%
\$500,001 to \$1,000,000	16.7%	5.6%	10.1%	10.4%	3.2%
Over \$1,000,000	24.2%	15.5%	20.3%	14.9%	19.0%

9. If you were able to obtain additional credit today for your business, how would you use it? (Check all that apply)

Maintain current workforce size	33.3%	40.8%	38.0%	32.8%	25.4%
Hire more employees	12.1%	21.1%	20.3%	19.4%	31.7%
Increase compensation/benefits to employees	6.1%	11.3%	7.3%	10.4%	12.7%
Invest in new plant and equipment	30.3%	36.6%	27.8%	40.3%	44.4%
Invest in research and development	9.1%	4.2%	6.3%	7.5%	7.9%
Expand export activities	1.5%	2.8%	2.5%	4.5%	6.3%
Increase inventory	15.2%	12.7%	21.5%	14.9%	20.6%
Expand into new operations, stores or branches	21.2%	19.7%	21.5%	25.4%	23.8%
Other	19.7%	11.7%	6.6%	7.8%	9.0%

10. Has your primary lending institution changed terms of any loan you may have had within the prior three months?

Yes	12.7%	8.8%	18.3%	16.2%	13.7%
No	60.8%	60.4%	52.1%	56.9%	55.2%
Not applicable	26.5%	30.9%	29.7%	26.9%	31.0%

**CURRENT CREDIT CONDITIONS**

4Q2008 1Q2009 2Q2009 3Q2009 4Q2009

11. In your opinion, how would you characterize the current lending climate in Connecticut?

Excellent	2.5%	40.0%	0.3%	0.5%	0.4%
Good	7.2%	6.1%	7.3%	6.2%	3.8%
Average	52.0%	46.8%	48.2%	43.6%	49.0%
Fair	27.6%	33.2%	35.9%	33.6%	32.6%
Poor	10.8%	13.6%	8.3%	16.1%	14.2%

**FUTURE EXPECTATIONS FOR CREDIT CONDITIONS**

4Q2008 1Q2009 2Q2009 3Q2009 4Q2009

12. *What are your expectations for Connecticut's lending climate over the next three months?*

Improve significantly	2.2%	0.4%	0.7%	0.5%	0.4%
Improve somewhat	8.3%	9.3%	7.6%	5.6%	8.4%
Stay the same	42.1%	52.7%	49.8%	48.4%	48.3%
Deteriorate somewhat	38.1%	29.0%	34.9%	33.8%	31.9%
Deteriorate significantly	9.4%	8.6%	7.0%	11.7%	10.9%

**DEMOGRAPHIC INFORMATION**

4Q2008 1Q2009 2Q2009 3Q2009 4Q2009

13. *What best describes your firm?*

Manufacturing	39.2%	37.9%	36.8%	43.4%	35.9%
Construction	9.9%	9.8%	6.3%	5.1%	4.5%
Retail	5.3%	9.1%	7.5%	6.5%	9.0%
Wholesale trade	--	--	6.0%	4.1%	7.8%
Information	--	--	0.6%	0.8%	1.2%
Finance	--	--	4.4%	5.2%	2.9%
Business and Professional Services	--	--	18.6%	23.0%	18.4%
Education	--	--	1.9%	2.0%	1.6%
Leisure and Hospitality	--	--	2.2%	1.2%	1.6%
Government	--	--	0.3%	0.1%	0.0%
Other	--	--	15.4%	8.7%	17.1%

14. *How many employees are currently employed at your Connecticut firm?*

Less than 10	25.0%	30.0%	20.6%	21.2%	28.0%
10 to 49	55.6%	51.9%	55.2%	53.7%	49.4%
50 to 99	--	--	11.4%	17.5%	11.1%
100 to 249	--	--	7.6%	2.8%	8.6%
250 to 499	2.5%	2.4%	1.9%	1.8%	0.8%
500 and above	2.1%	1.0%	3.2%	3.1%	2.1%