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A ROADMAP FOR **GROWTH**



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Fourth annual state of small business and U.S. business credit





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Introducing:

- **Cris deRitis**
Moody's Analytics
- **Pete Bolin**
Experian





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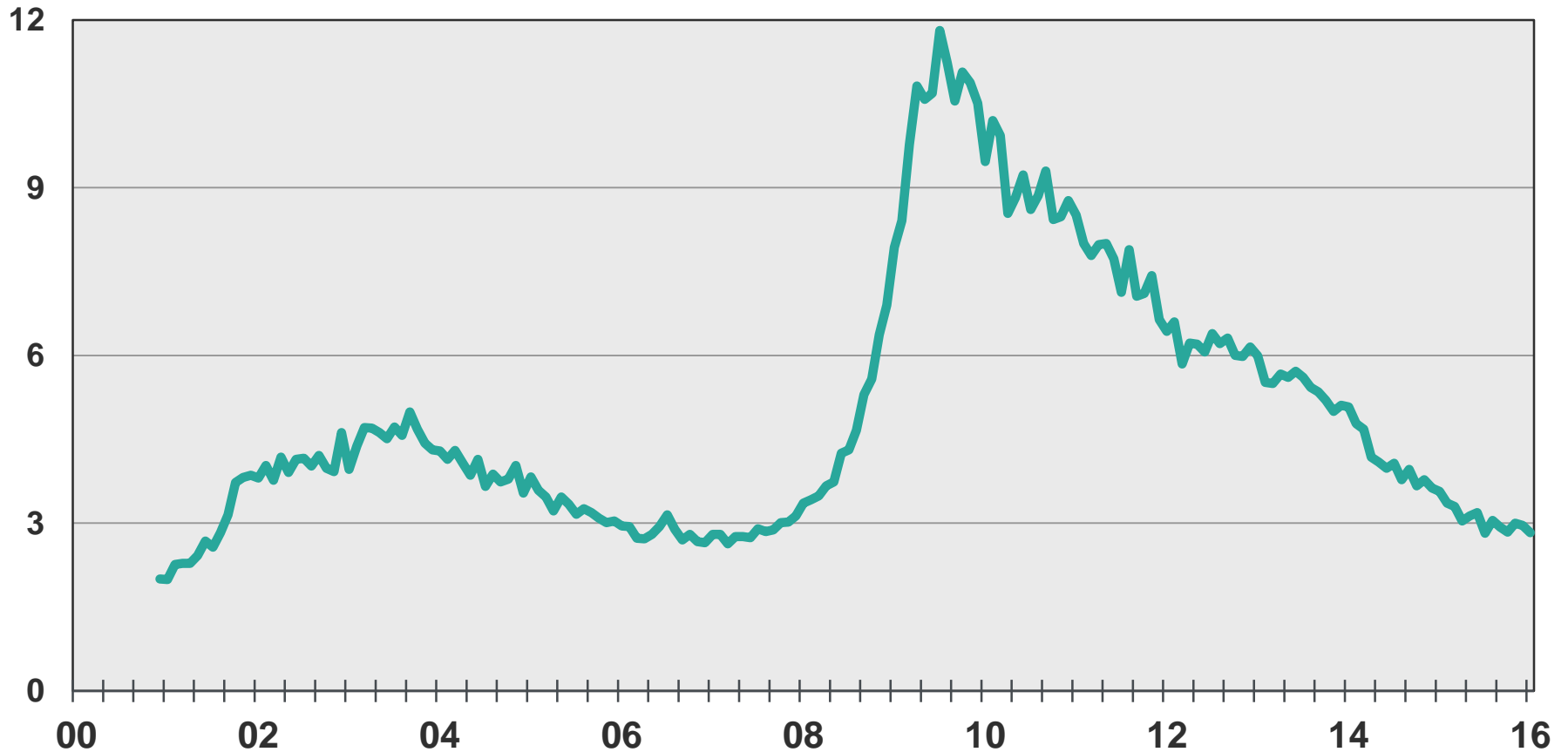
Macro economic trends

Moody's Analytics



Full employment is in view

U6 underemployed per open job position

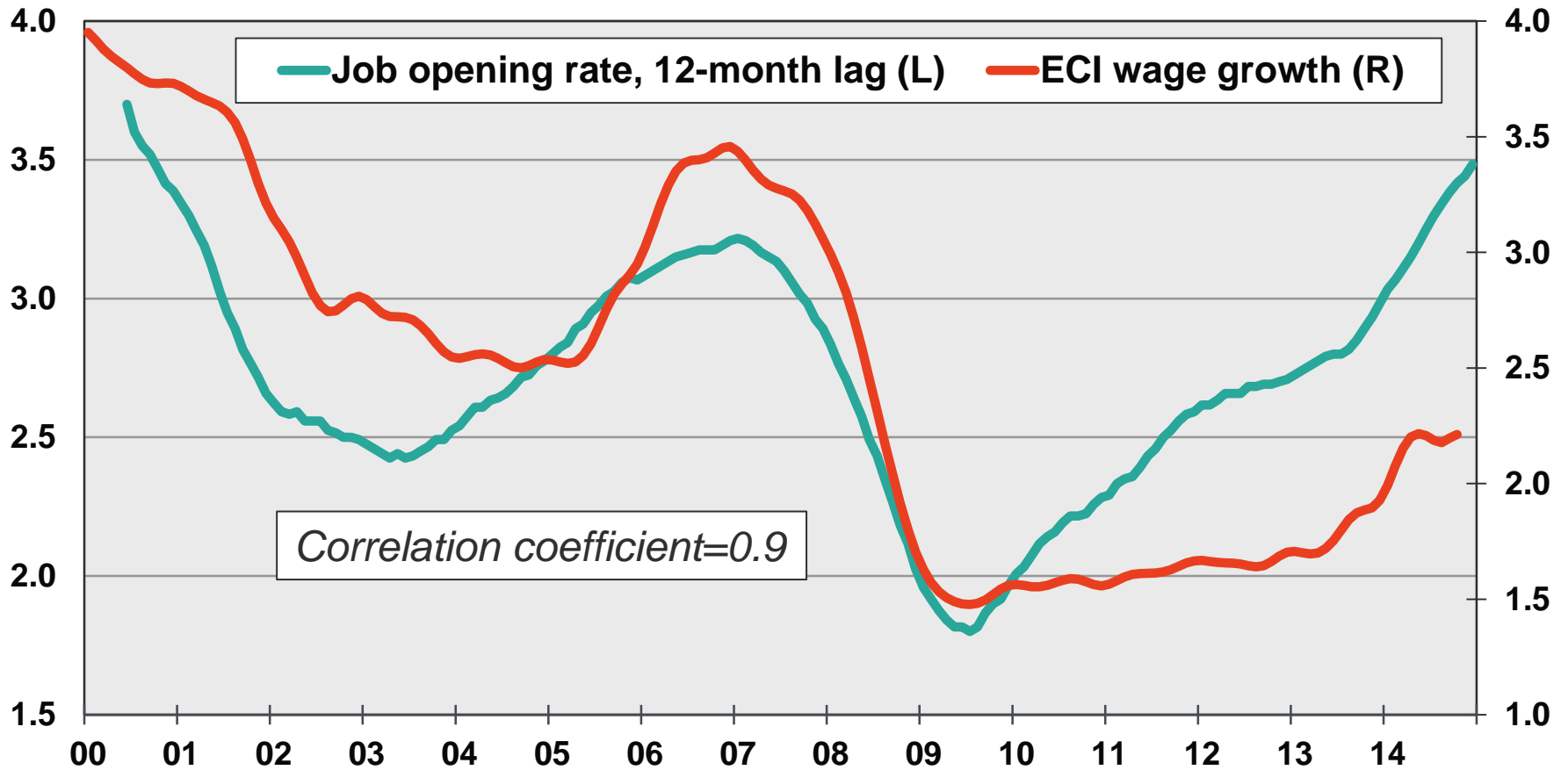


Sources: BLS, Moody's Analytics



Wage growth set to accelerate

12-month MA, percentage

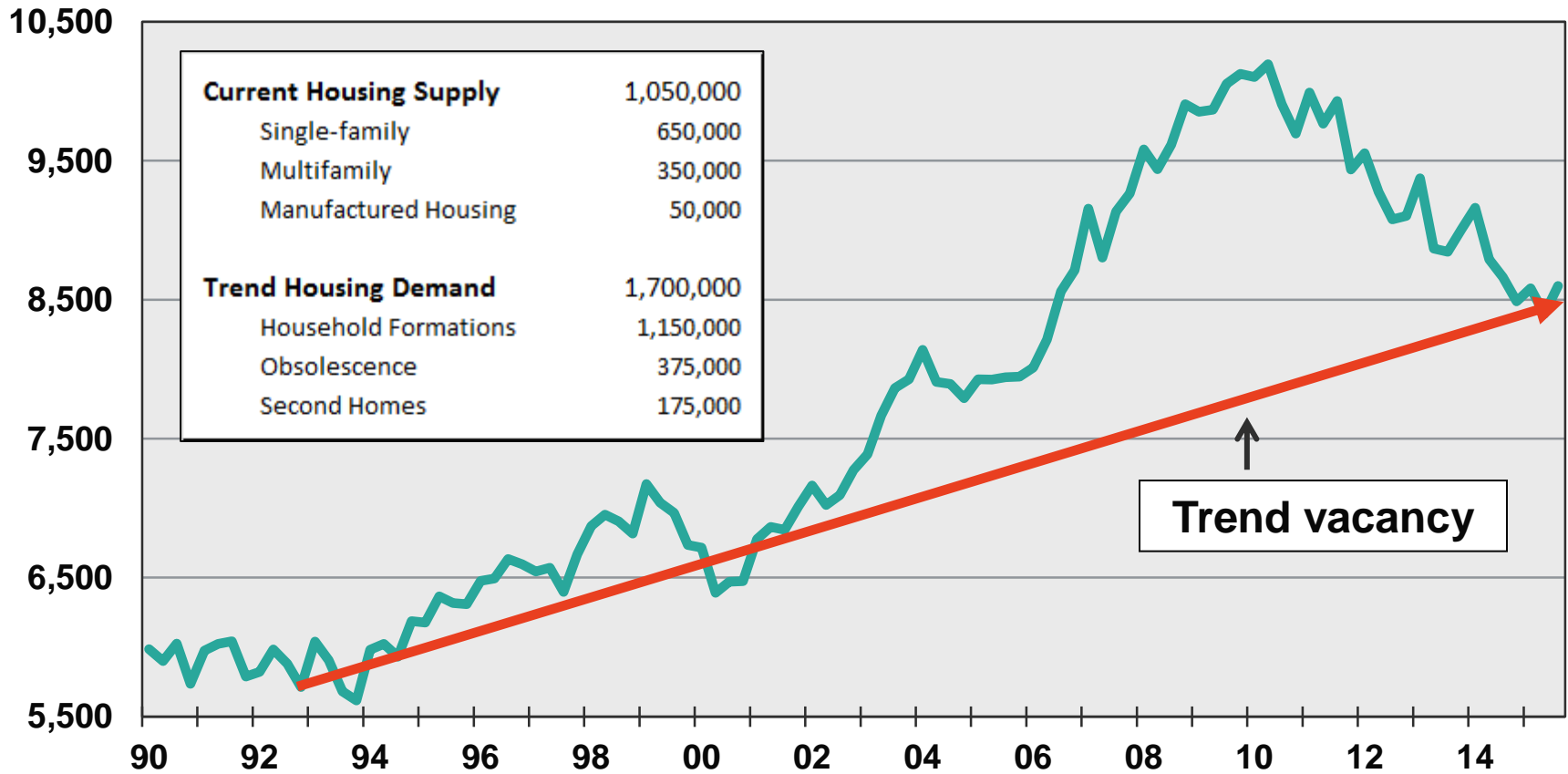


Sources: BLS, Moody's Analytics



Housing swings from overbuilt to undersupplied

Vacant homes for sale, for rent, and held off market, ths



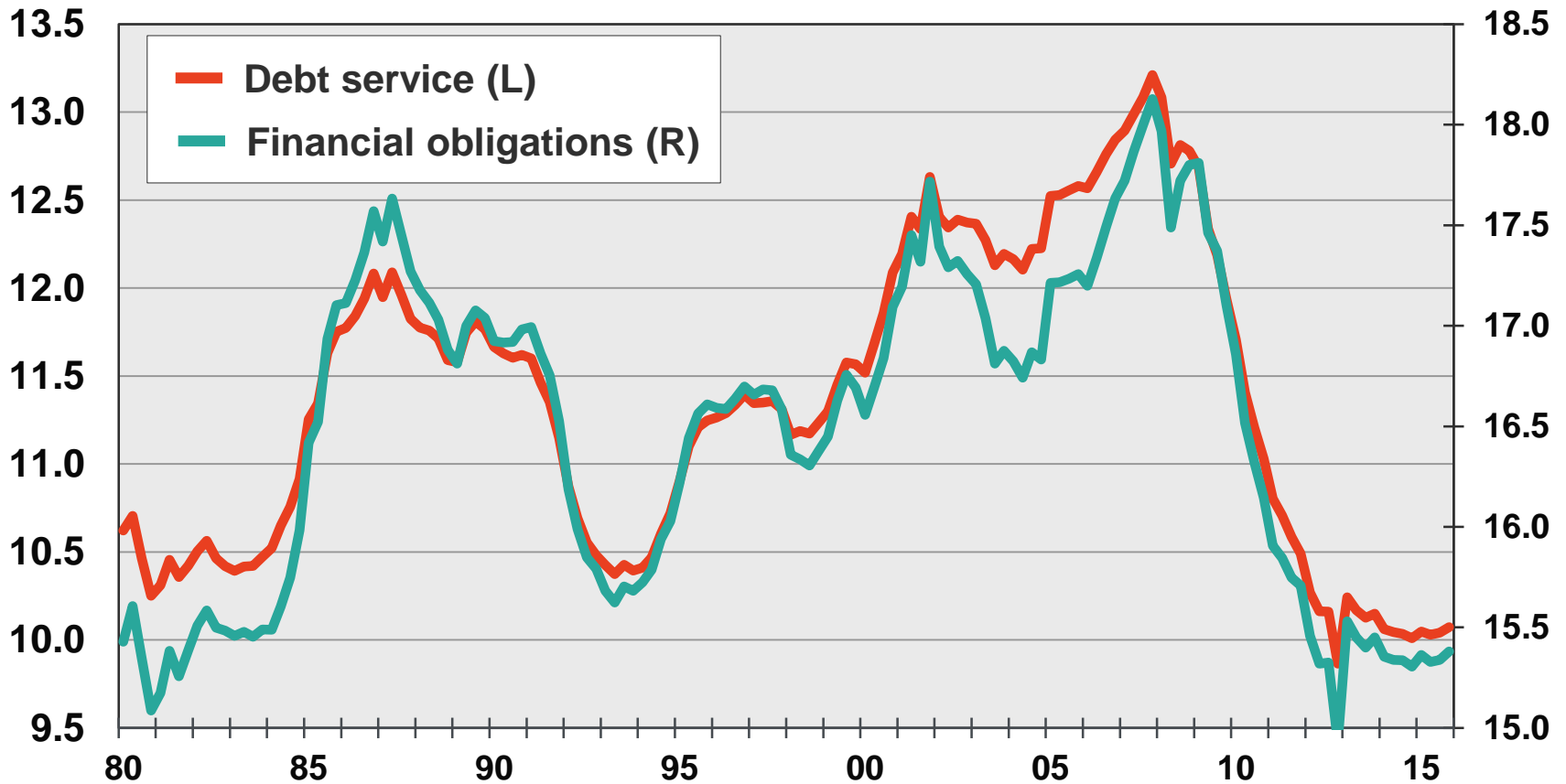
Sources: Census Bureau, Moody's Analytics

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Household balance sheets are solid

% disposable income

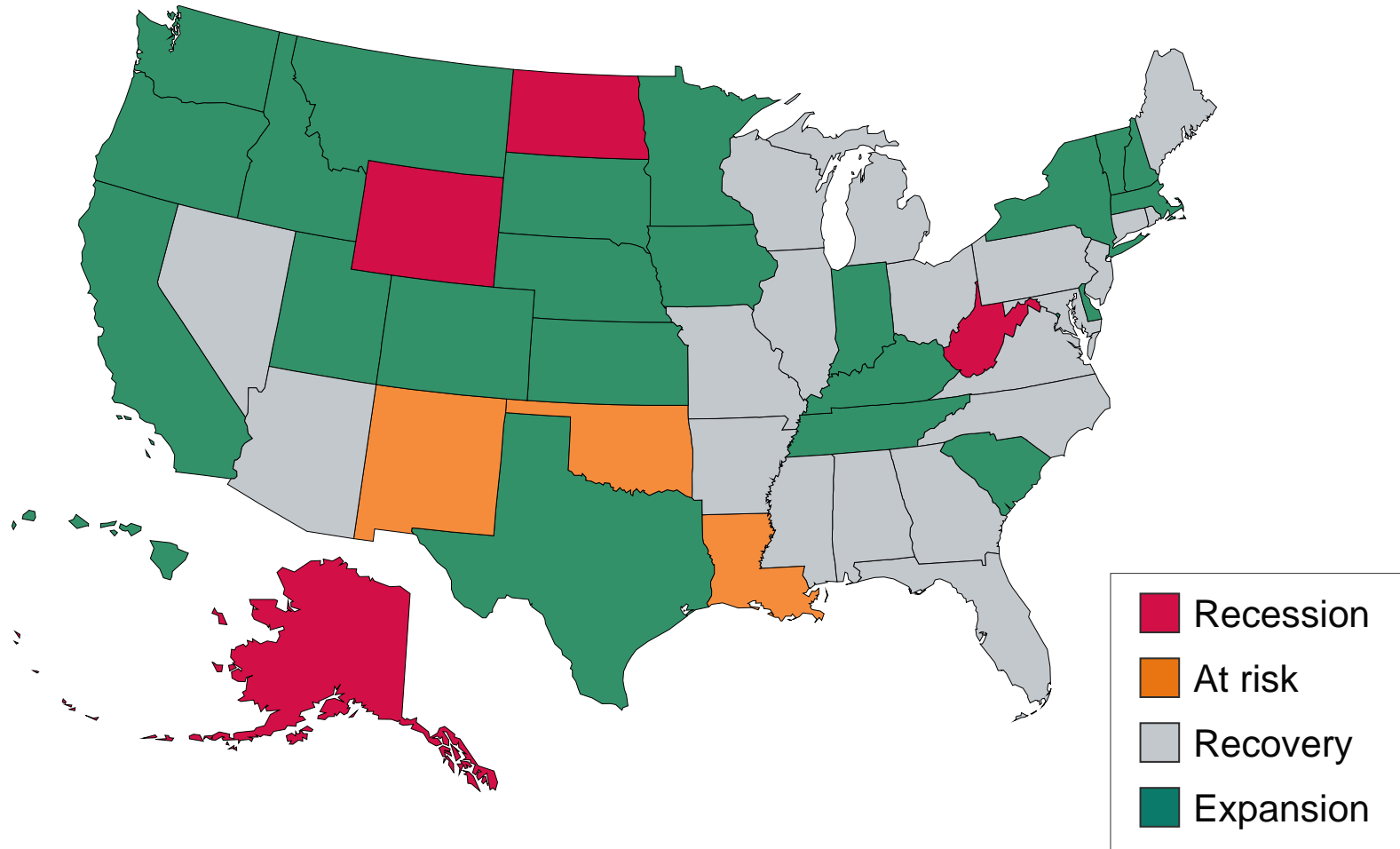


Sources: Federal Reserve, Moody's Analytics



But, there are regional risks

Status as of January 2016 data



Source: Moody's Analytics



Experian / Moody's Analytics

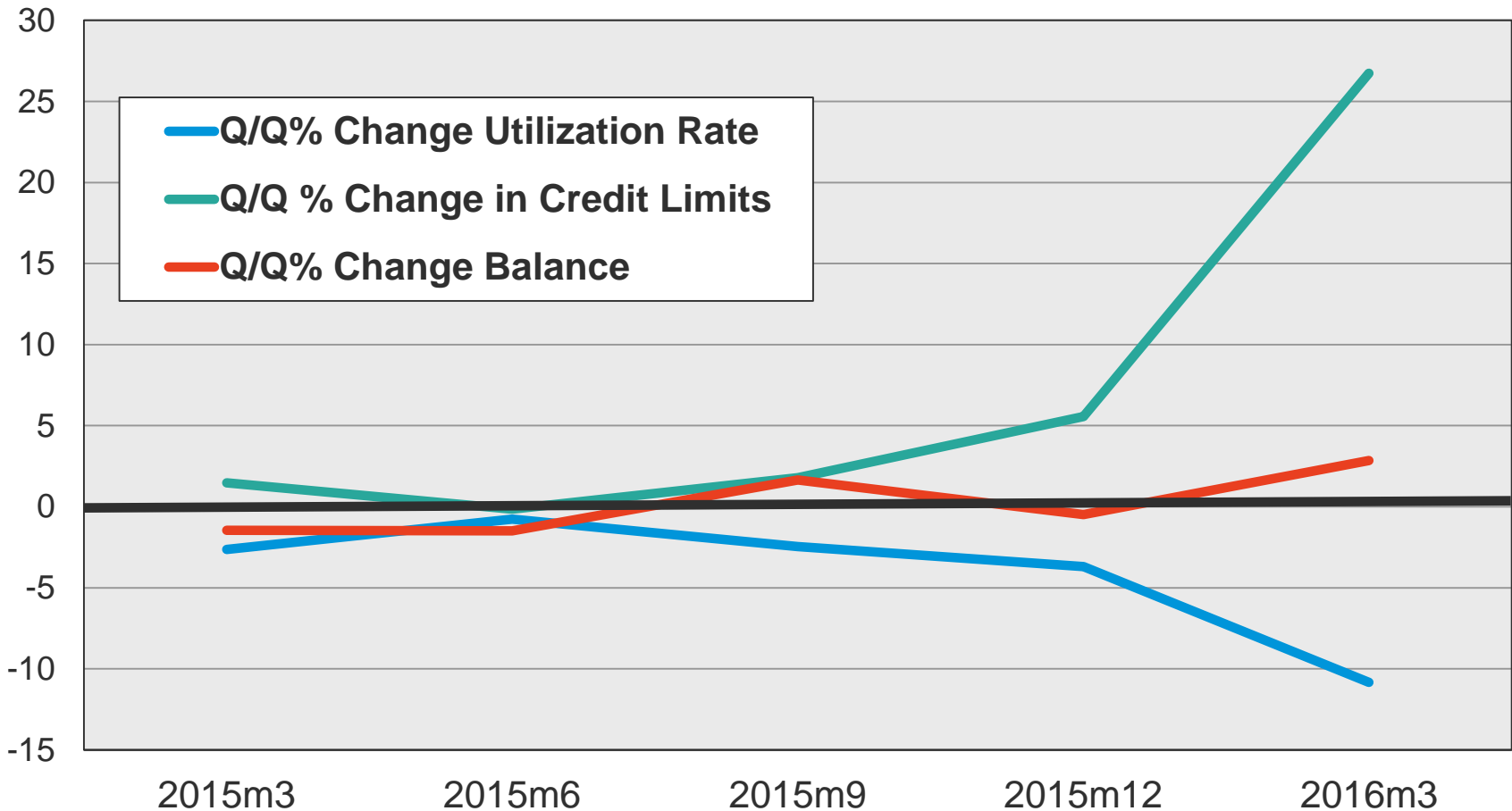
Main Street Report

- Quarterly report, combining **Experian business credit data** and **Moody's Analytics economic analysis**
- Brings deeper insights to the overall financial well-being of the **small business landscape**
- Provides **macro-economic outlook on trends** and what they mean for credit grantors and the small business community as a whole
- Includes a **combination of business credit data** (credit balances, delinquency rates, utilization rates, etc.) and **macroeconomic information** (employment rates, income, retail sales, investments, etc.)



Credit for small businesses expands

Q/Q % change for small businesses (less than 100 employees)

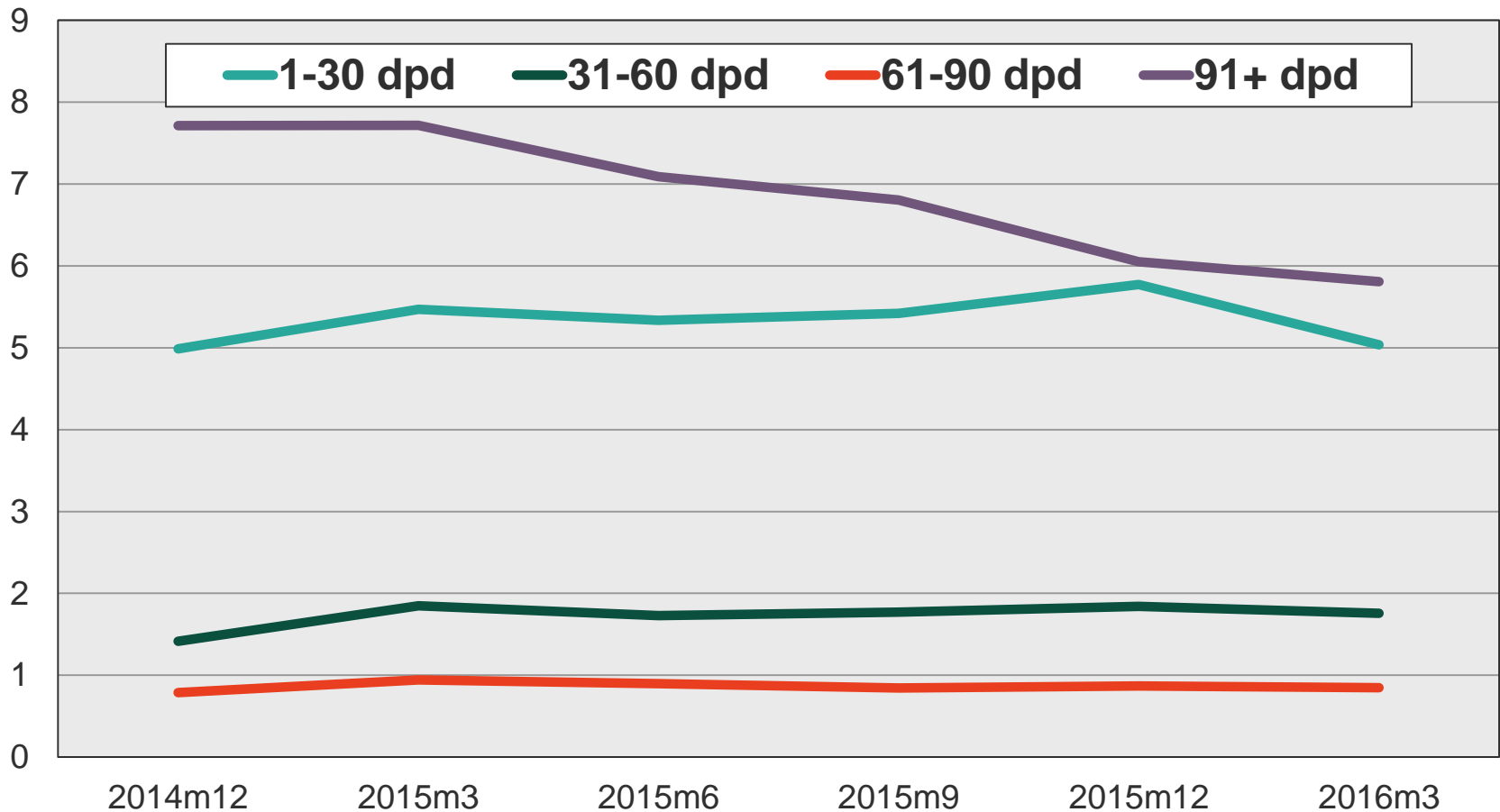


Source: Experian, Moody's Analytics



Business delinquencies generally improve...

% of credit trades delinquent for small businesses

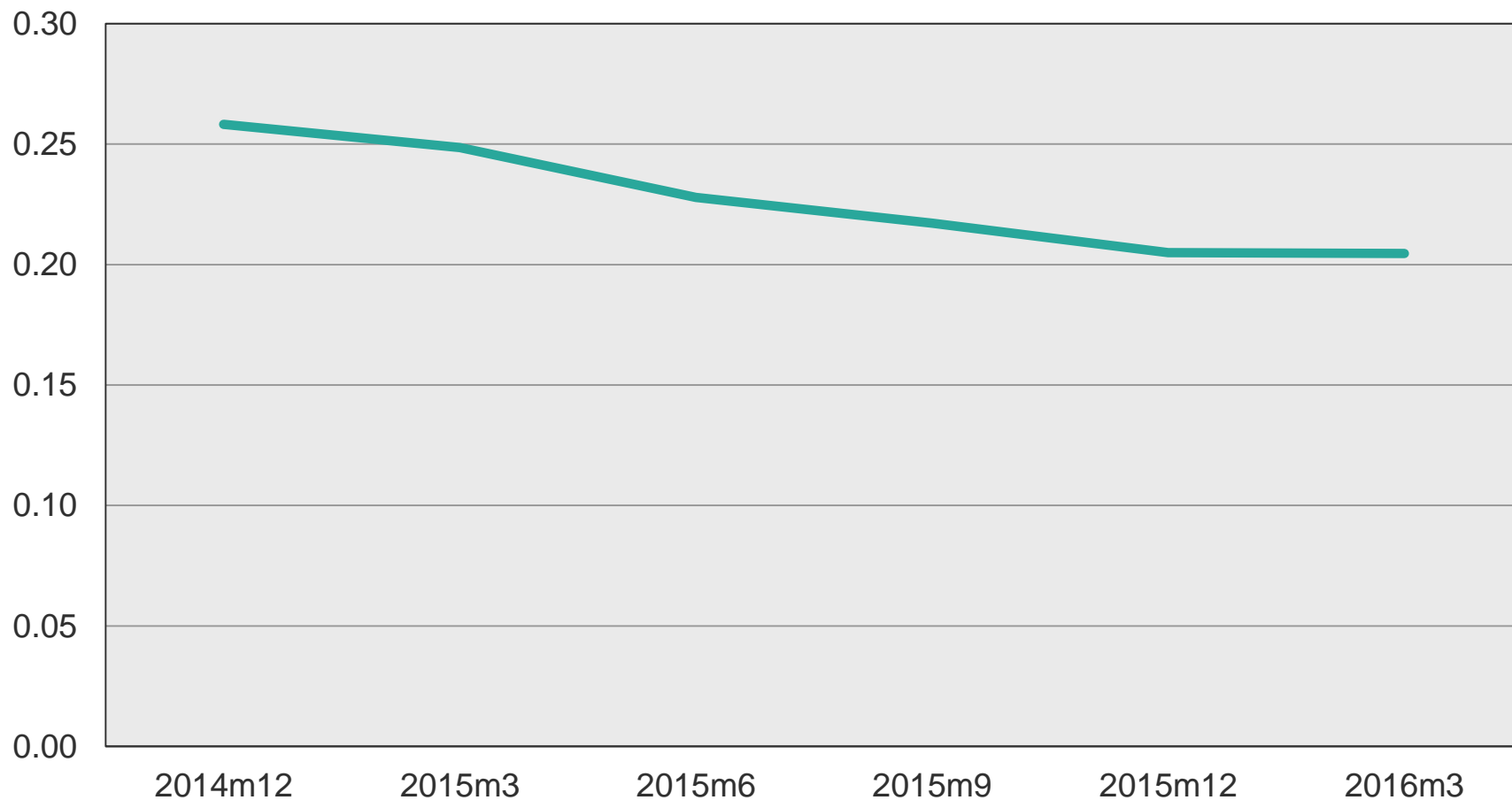


Source: Experian, Moody's Analytics



... as did bankruptcy filings

% of small businesses filing for bankruptcy

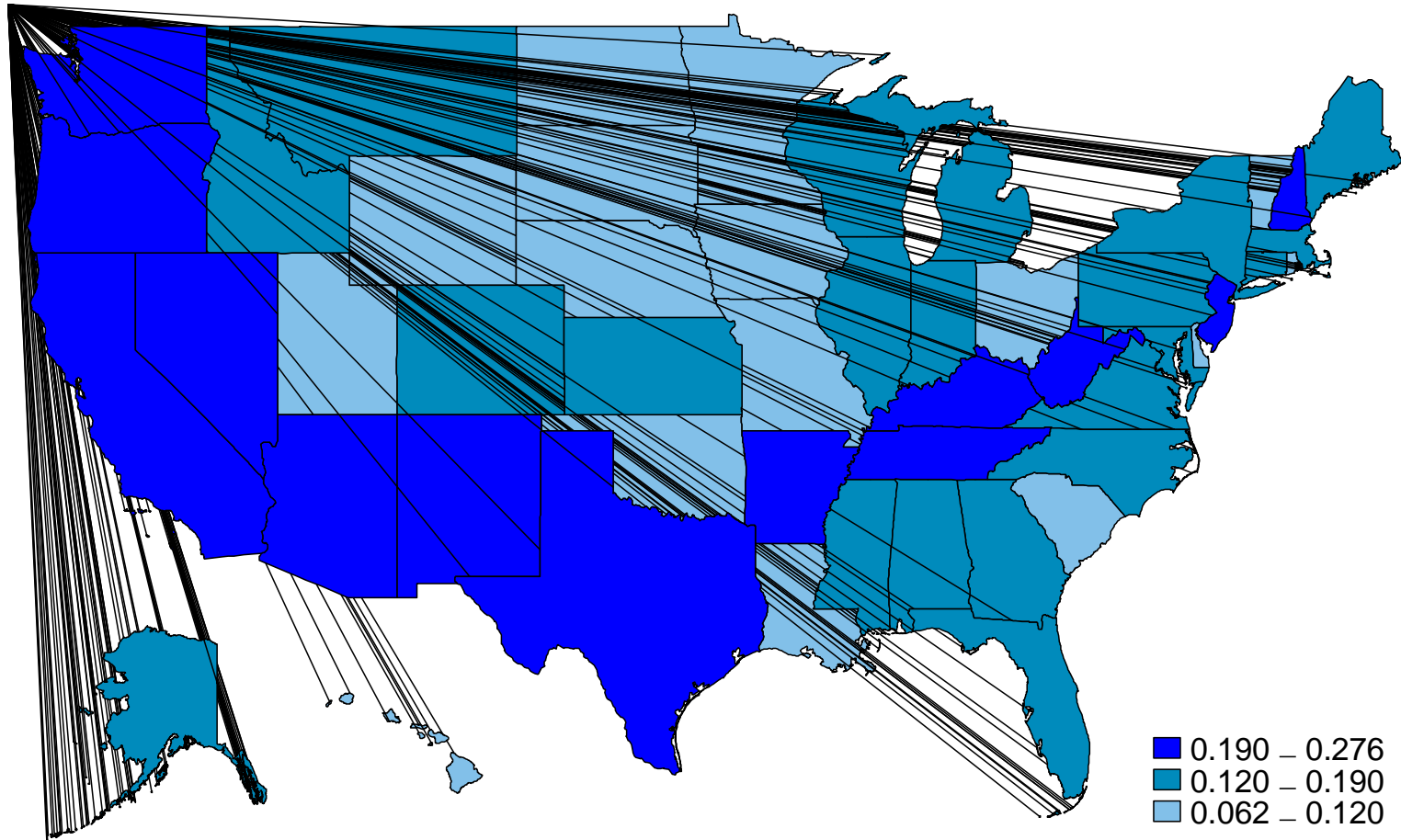


Source: Experian, Moody's Analytics



Performance mixed across the country

% of businesses filing for bankruptcy by state, March 2016

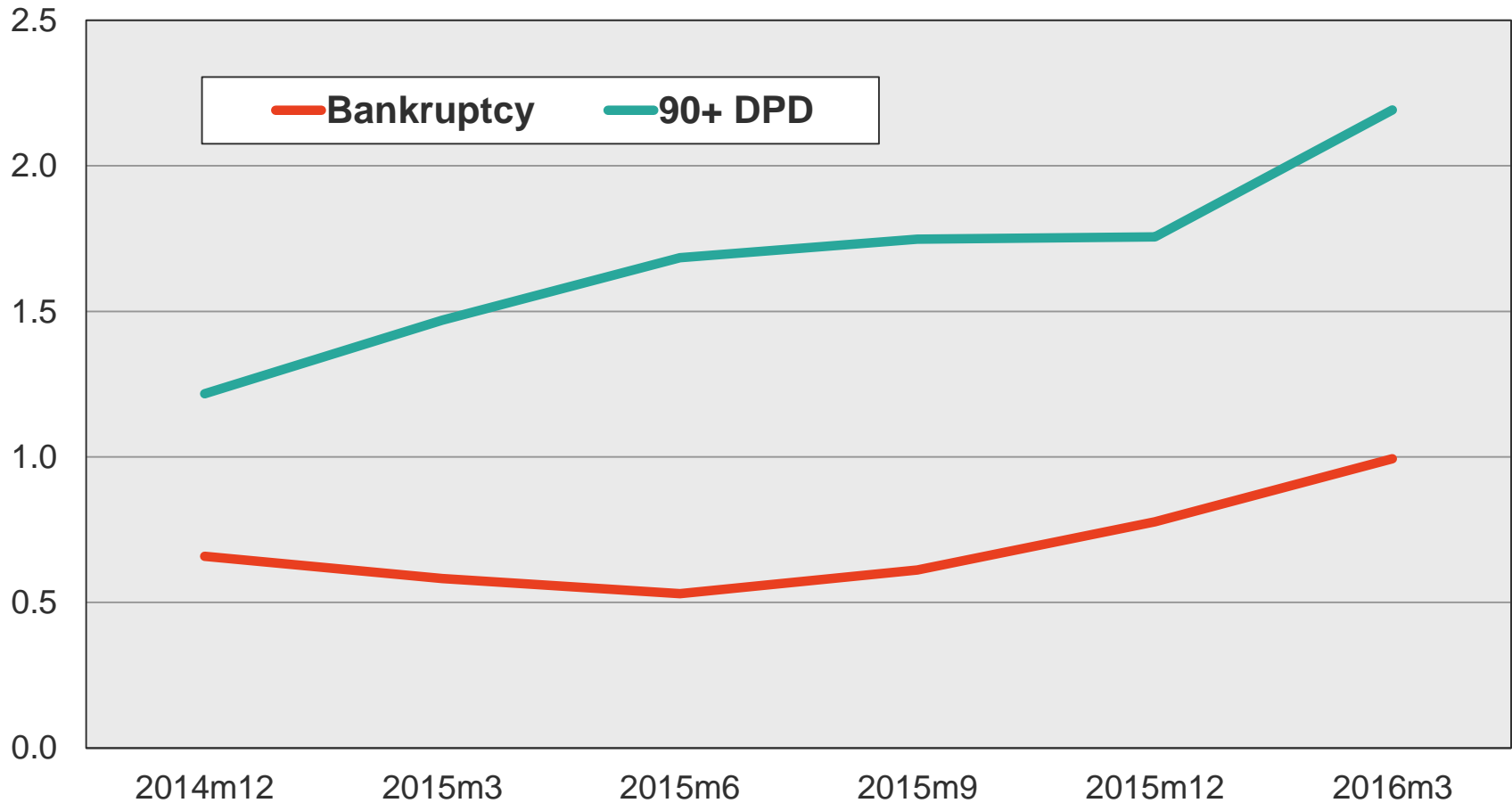


Source: Experian, Moody's Analytics



Mining industry bankruptcies are rising

% of businesses

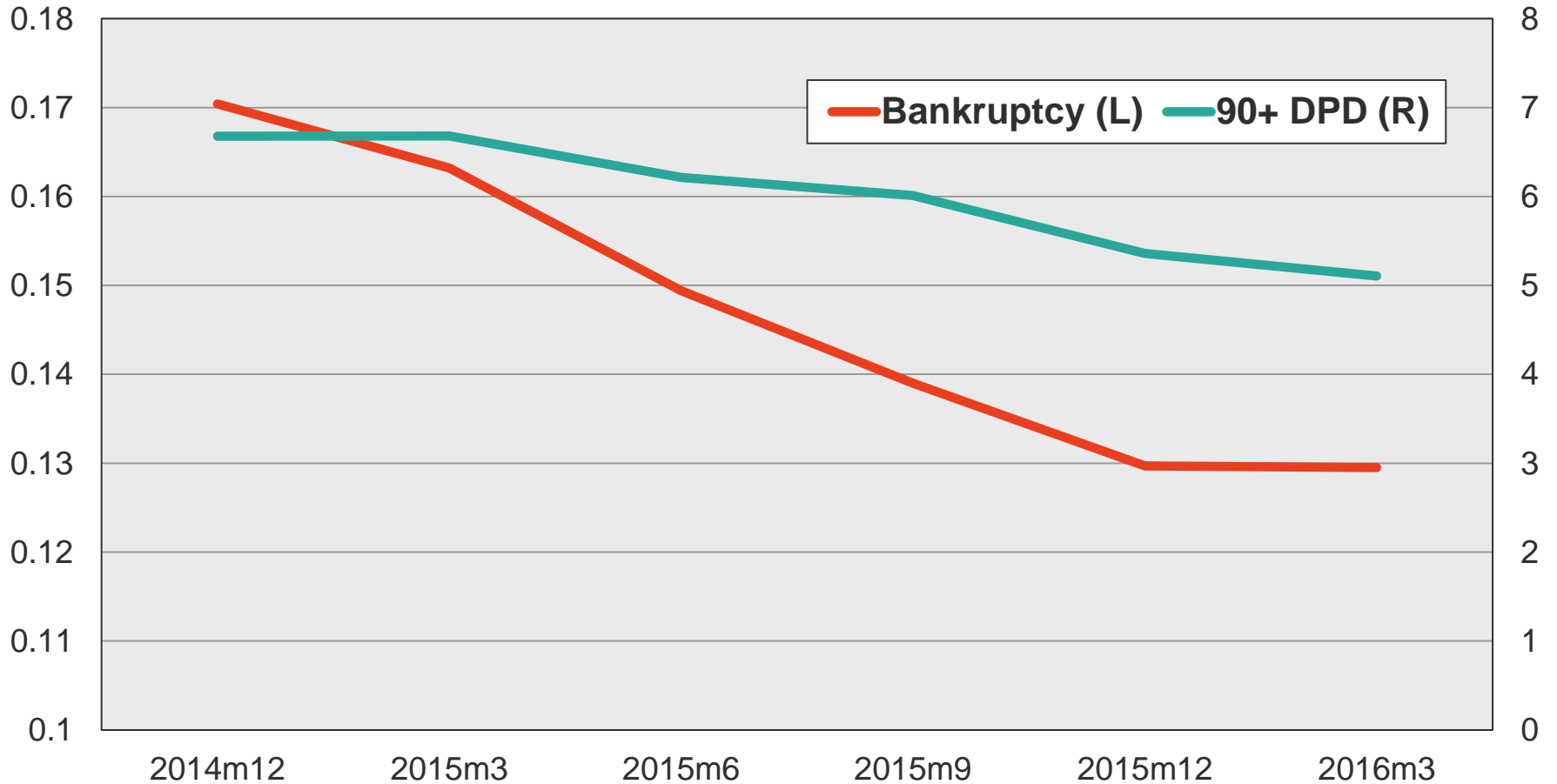


Source: Experian, Moody's Analytics



Services industry performance improves...

% of businesses

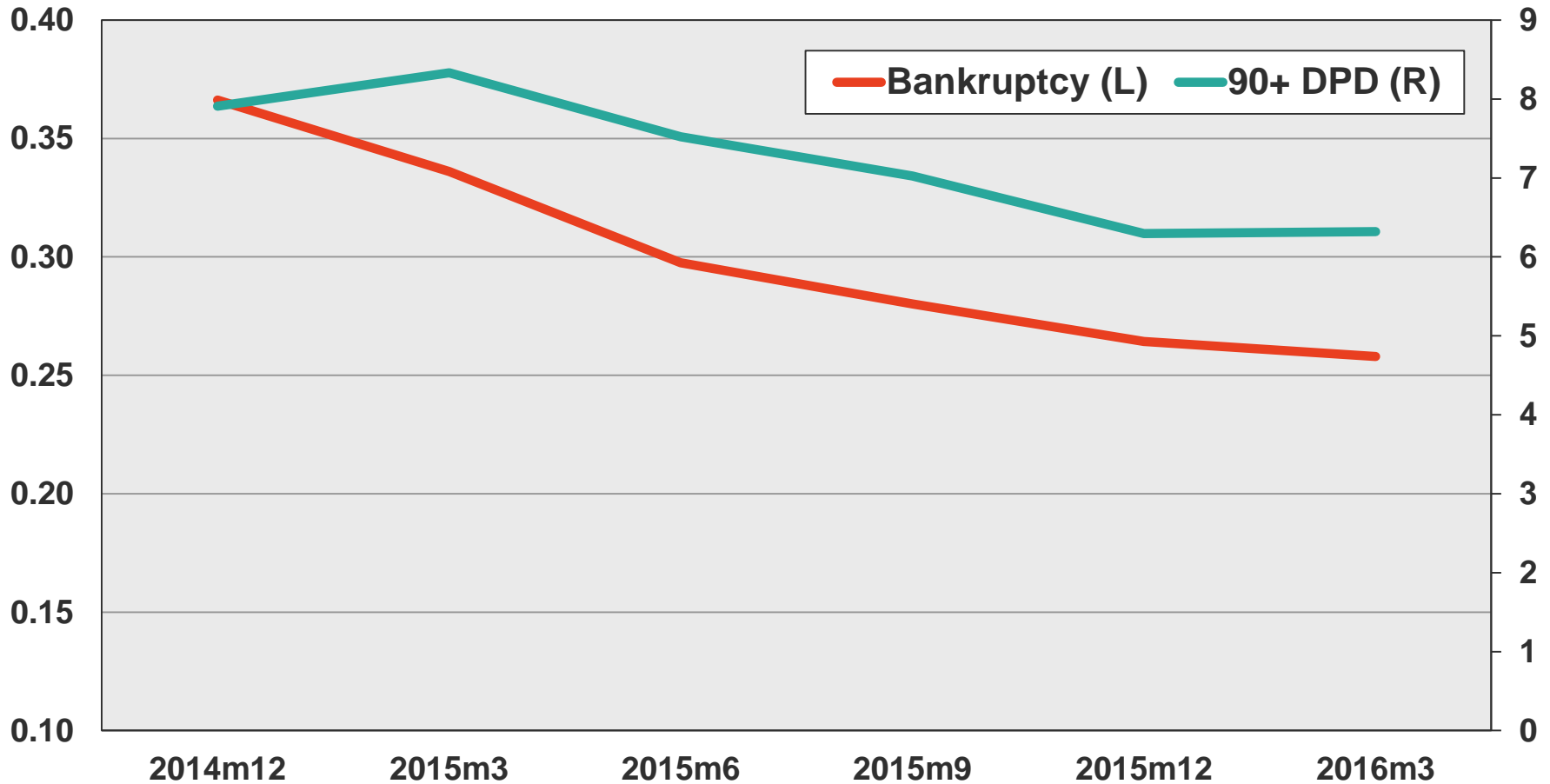


Source: Experian, Moody's Analytics



... as does construction

% of businesses

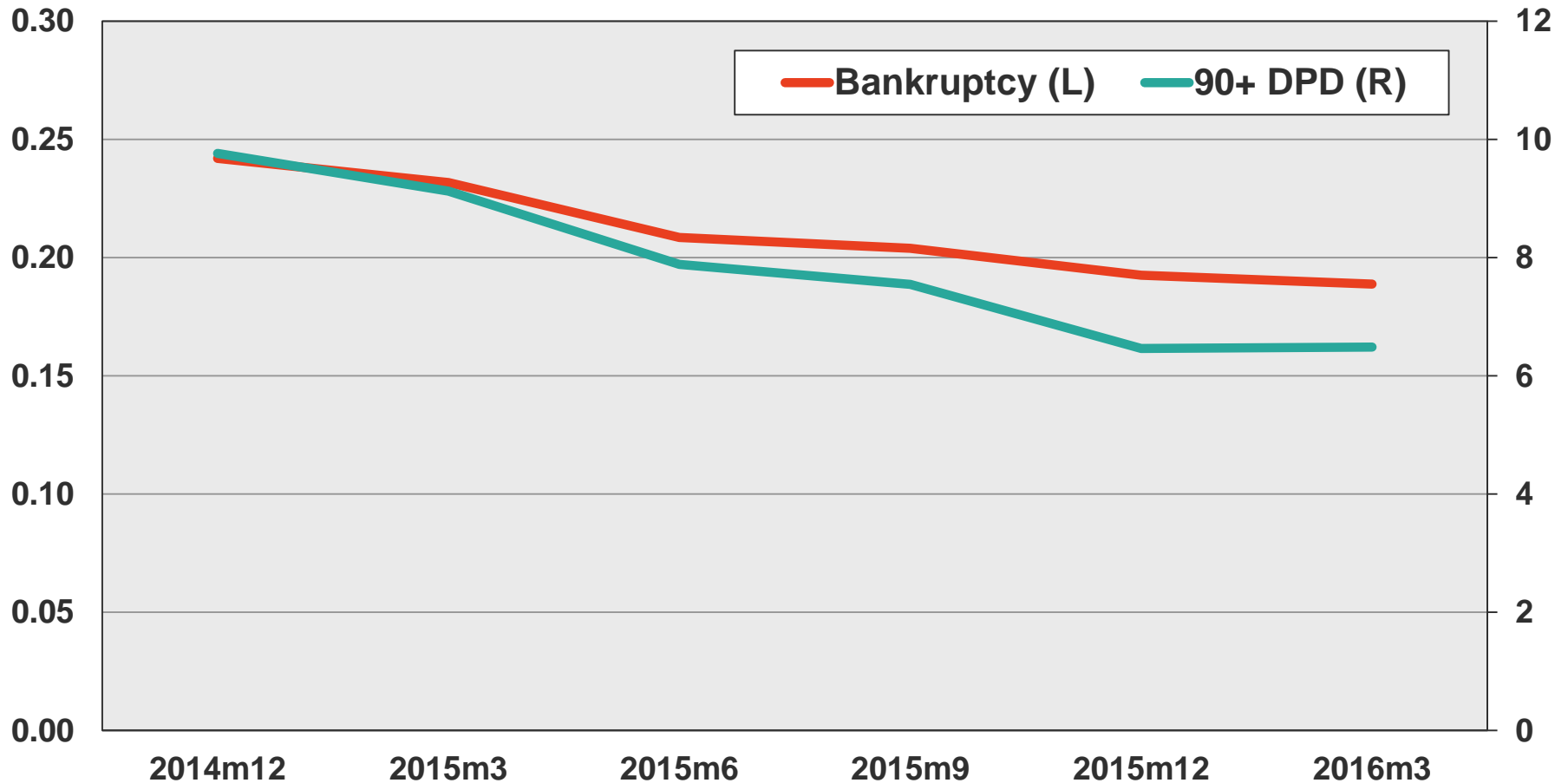


Source: Experian, Moody's Analytics



Retail industry stabilizing...

% of businesses



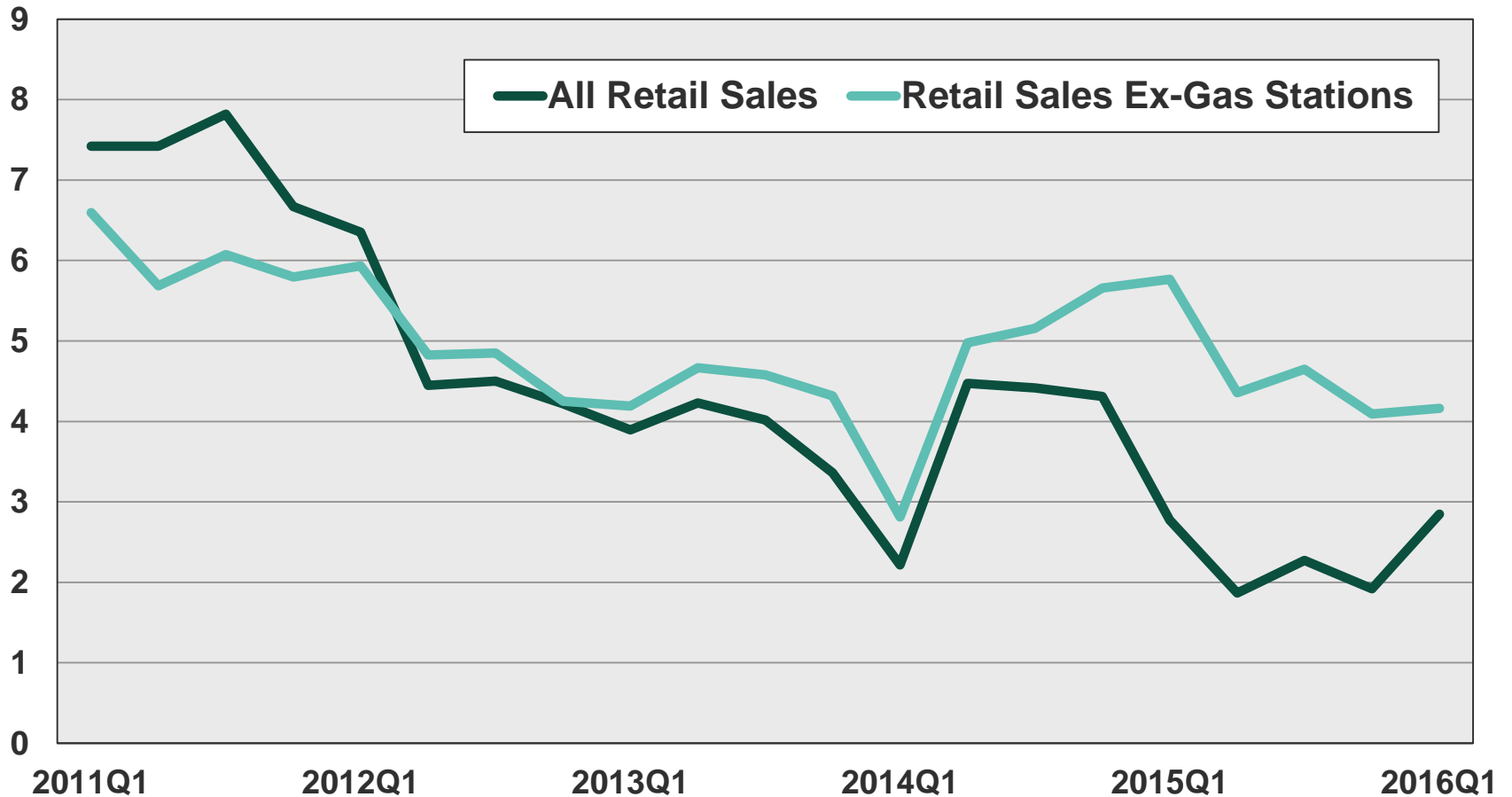
Source: Experian, Moody's Analytics



... despite slower retail sales growth

Driven by lower prices

% change YoY, \$ billions, SAAR



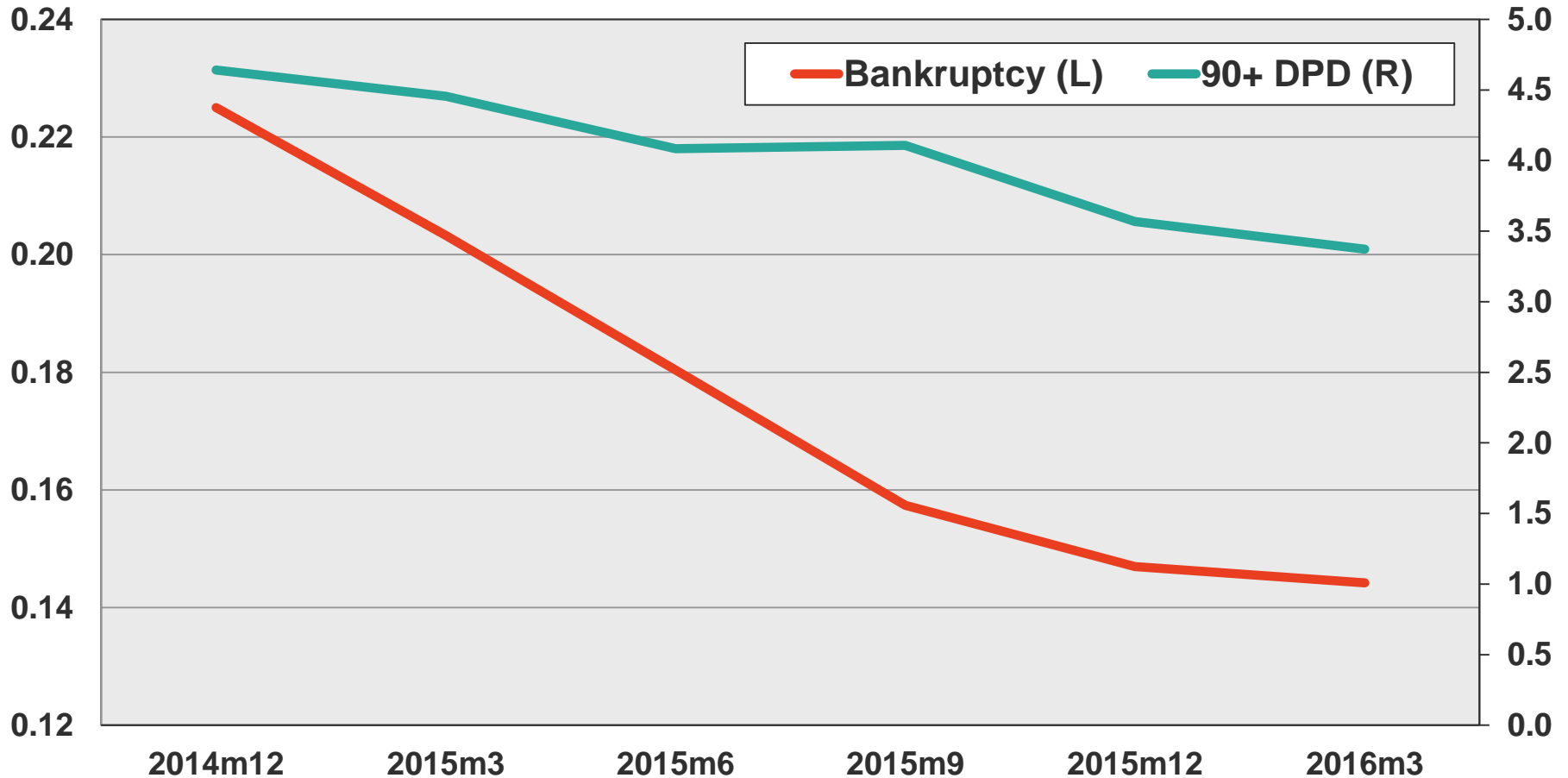
Source: US Census Bureau, Moody's Analytics

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Agriculture industry bankruptcies are low...

% of businesses

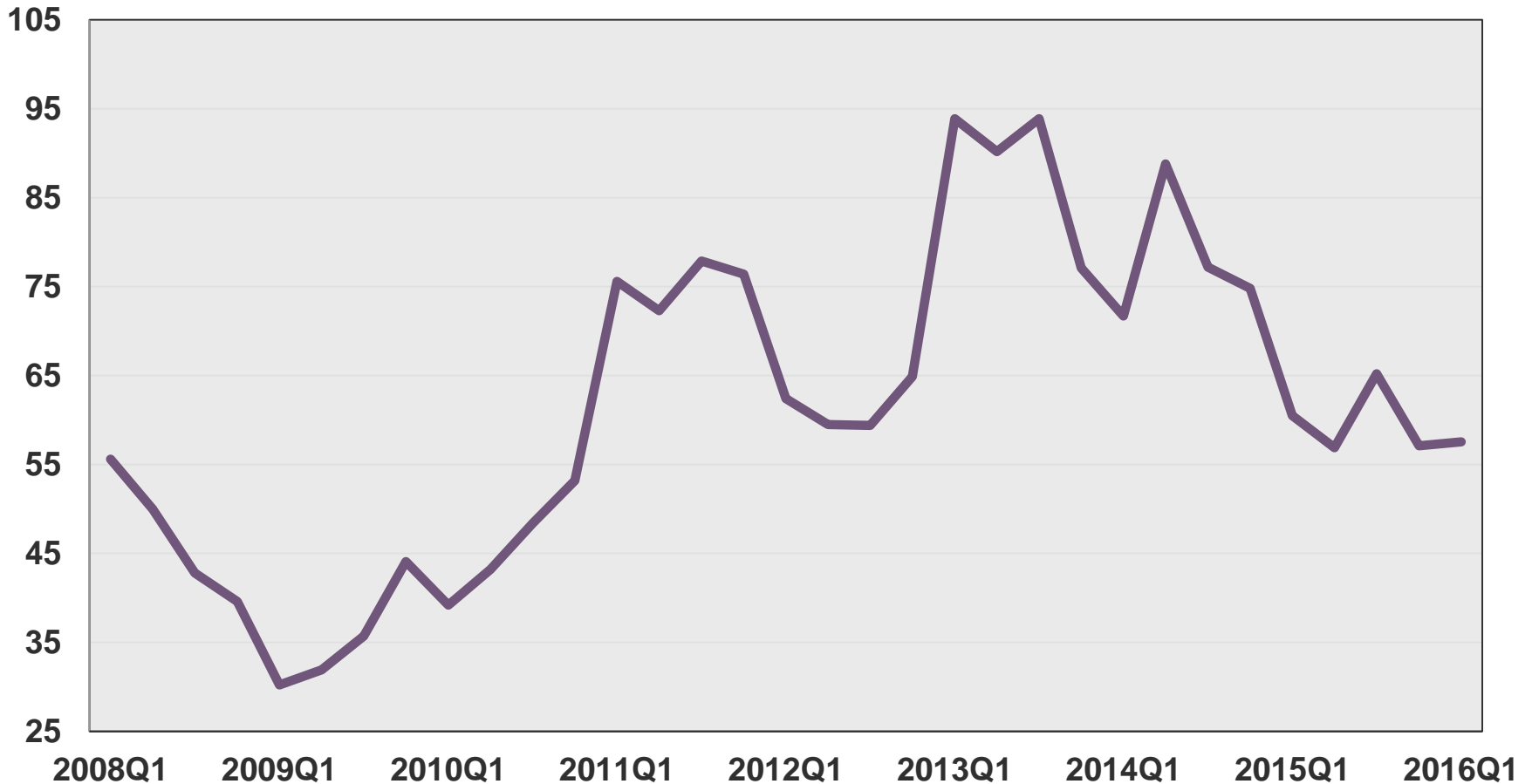


Source: Experian, Moody's Analytics



... but, worth watching as farm incomes weaken

Farm proprietor income, \$ millions, SAAR



Source: BEA, Moody's Analytics



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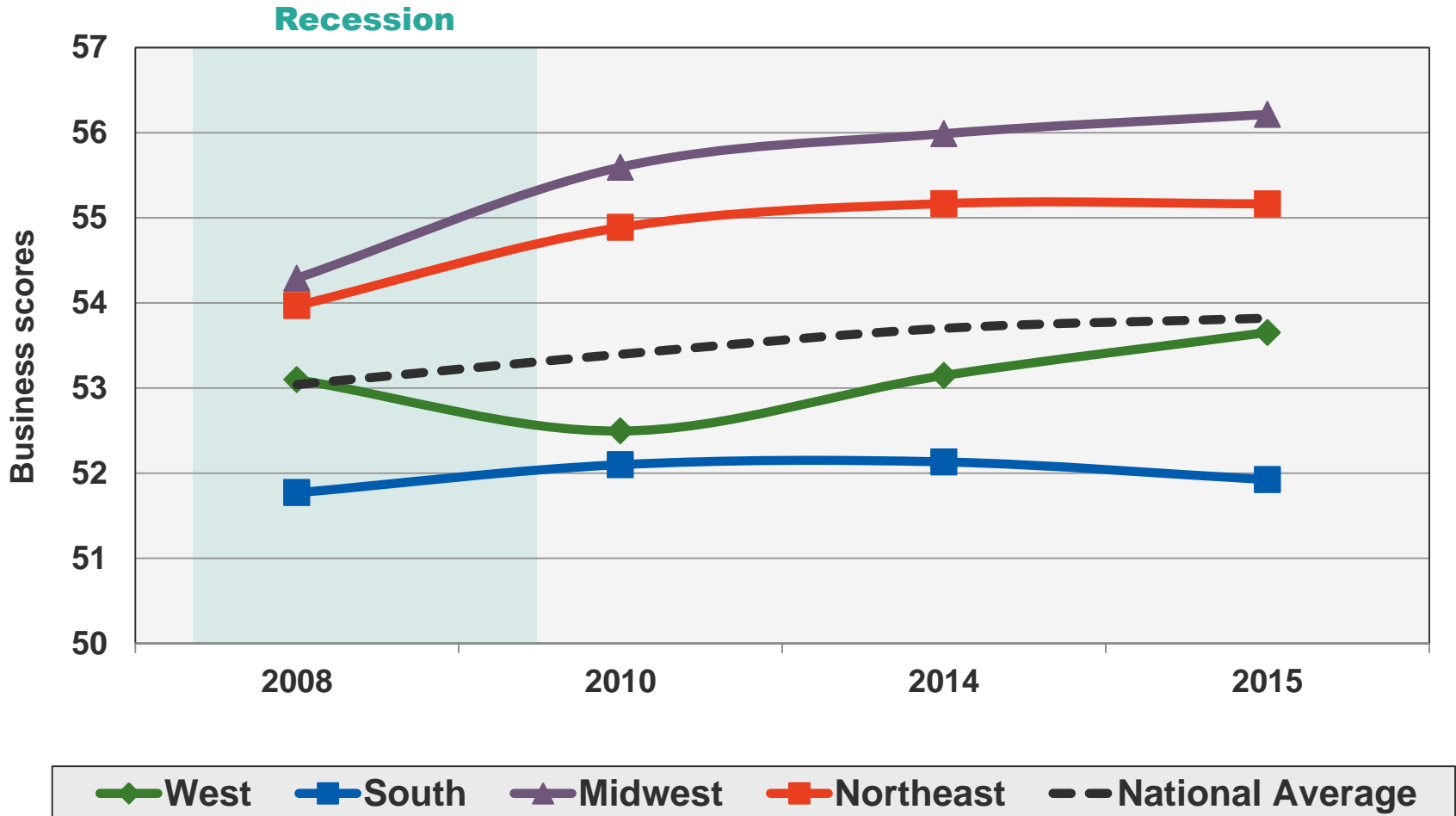
U.S. small business credit trends

Experian Decision Sciences



How business owners compare by region business score

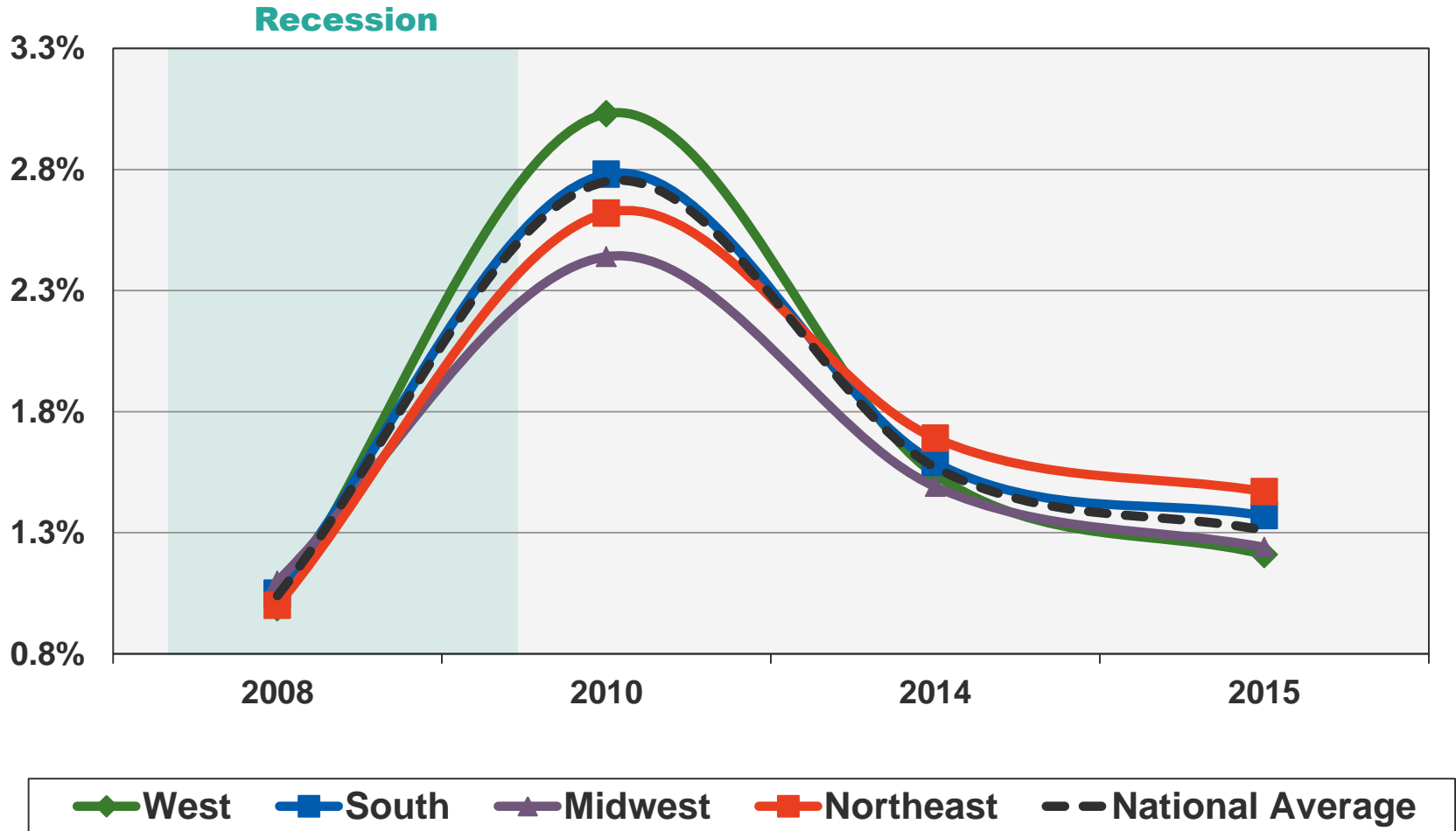
Intelliscore PlusSM V2





How business owners compare by region

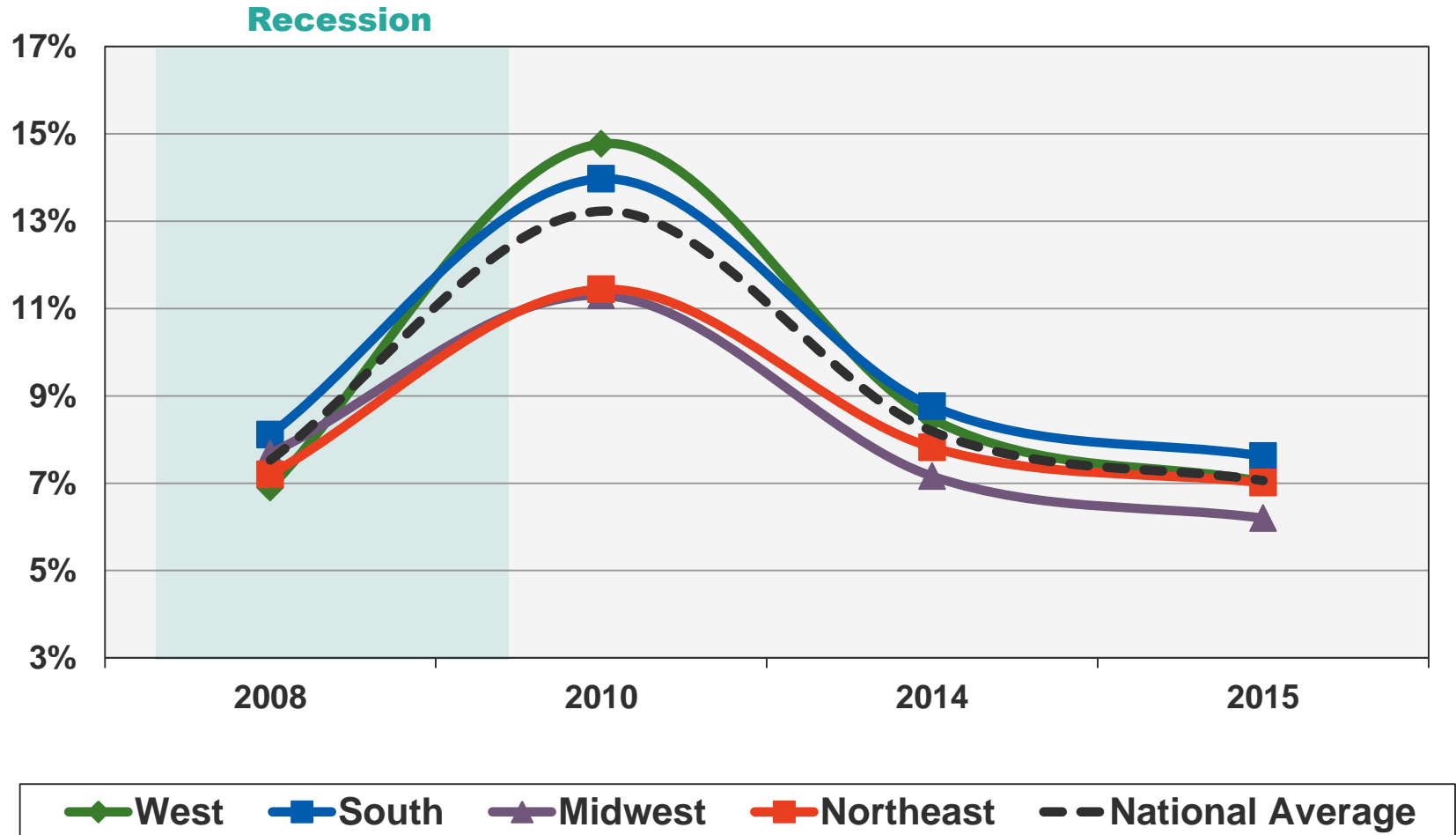
Commercial credit card delinquency trend





How business owners compare by region

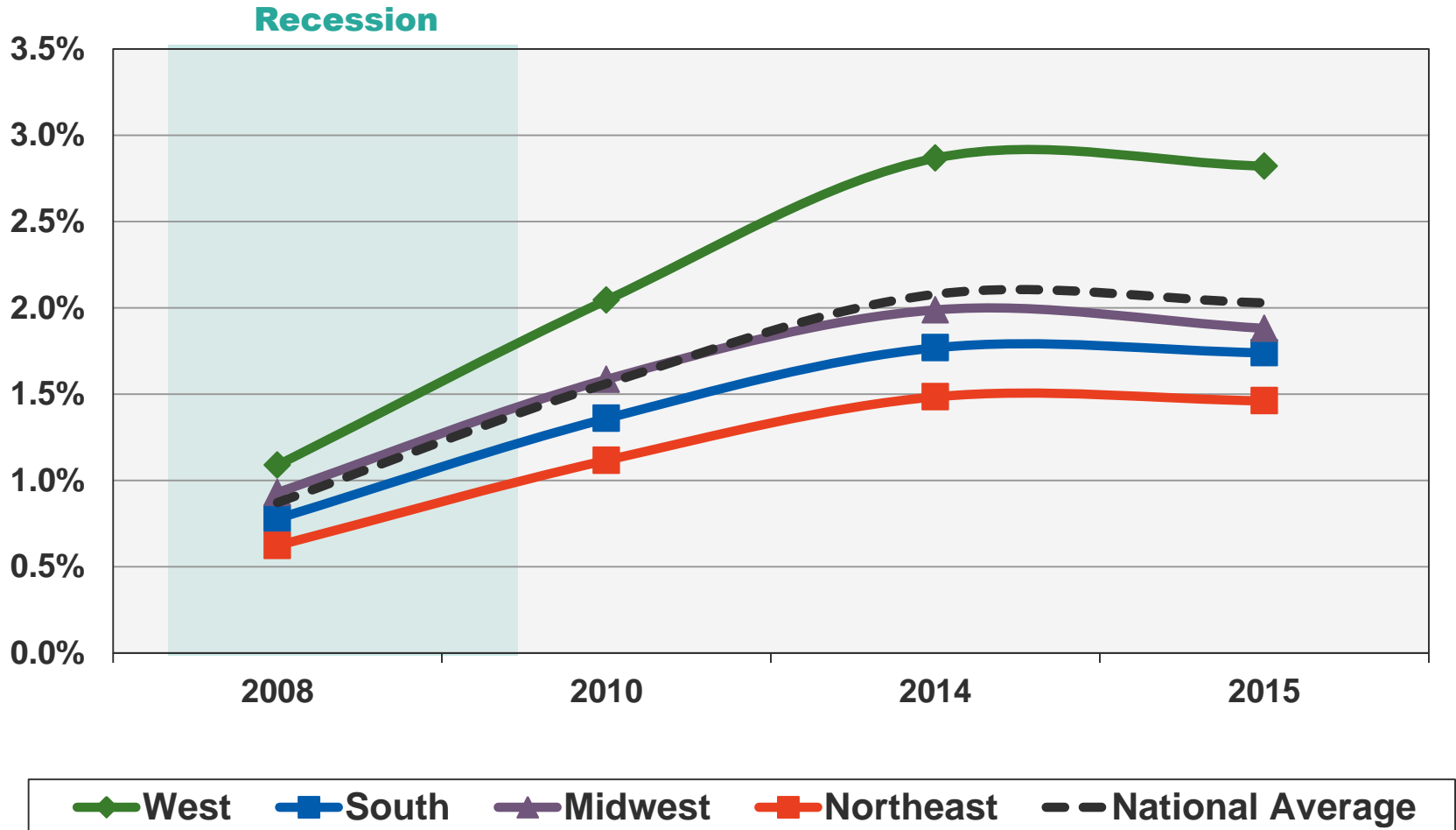
Consumer credit card delinquency trend





How business owners compare by region

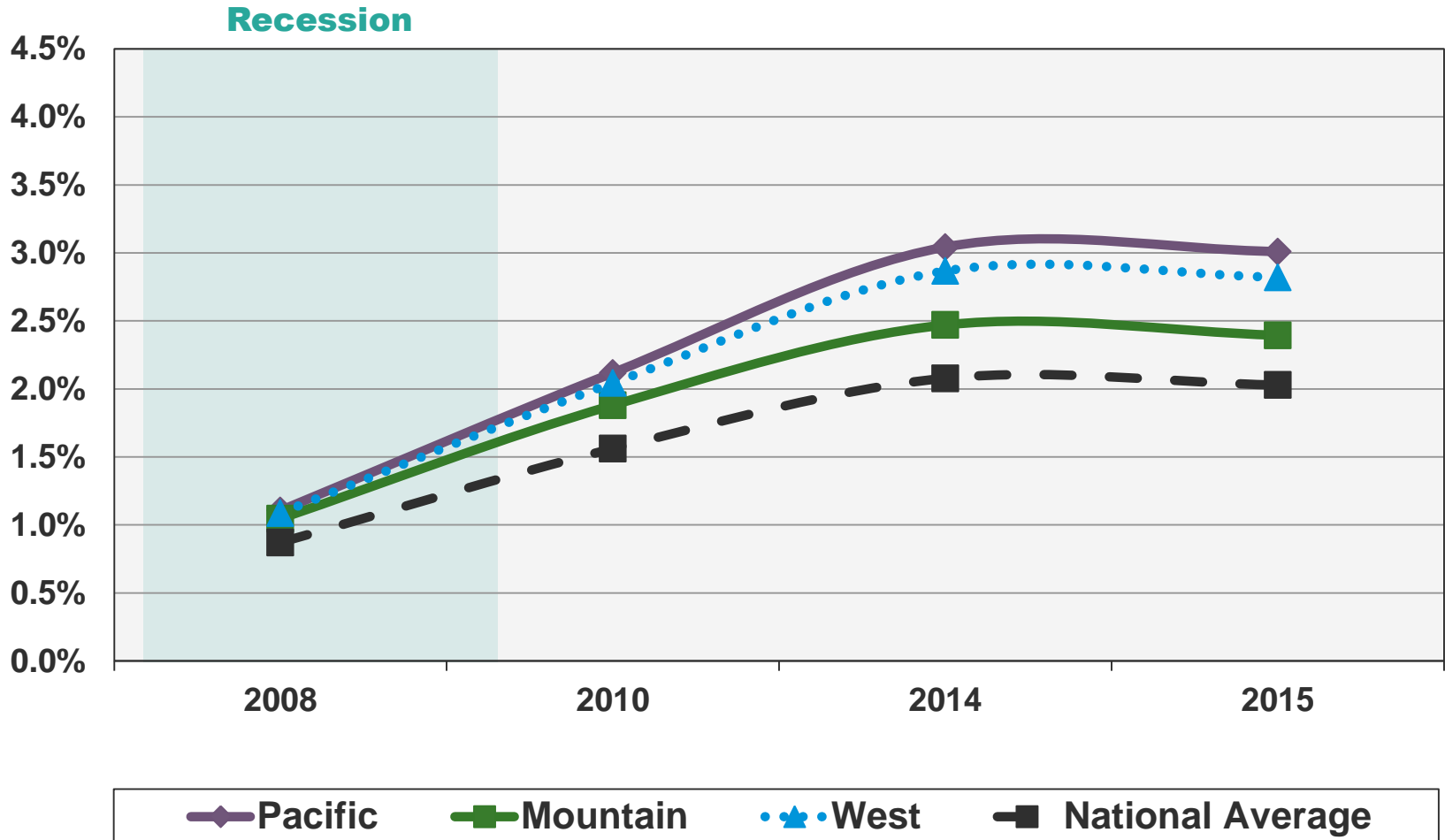
Bankruptcy rate trend





How business owners compare by region

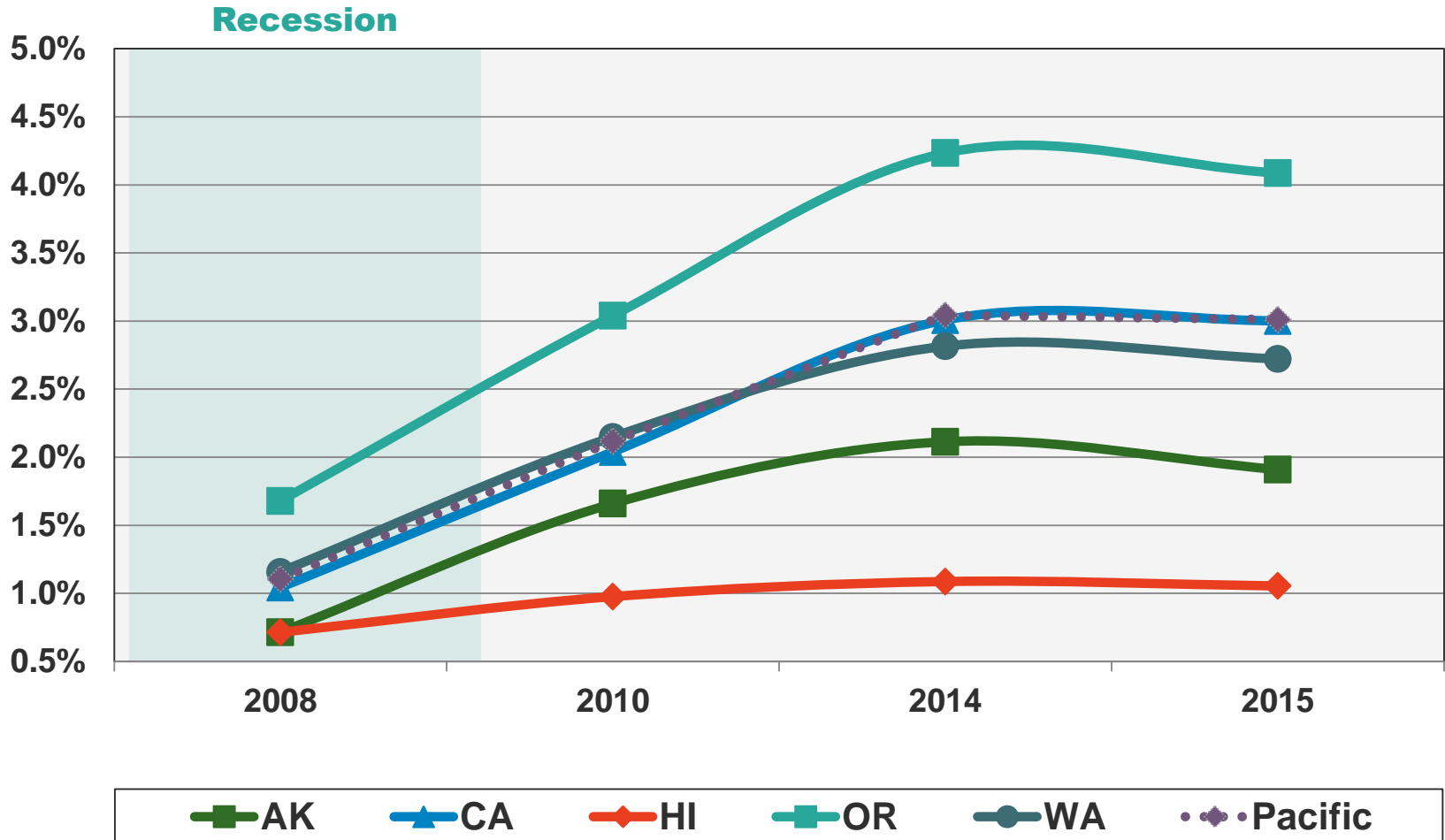
Bankruptcy rate trend – West divisions





How business owners compare by region

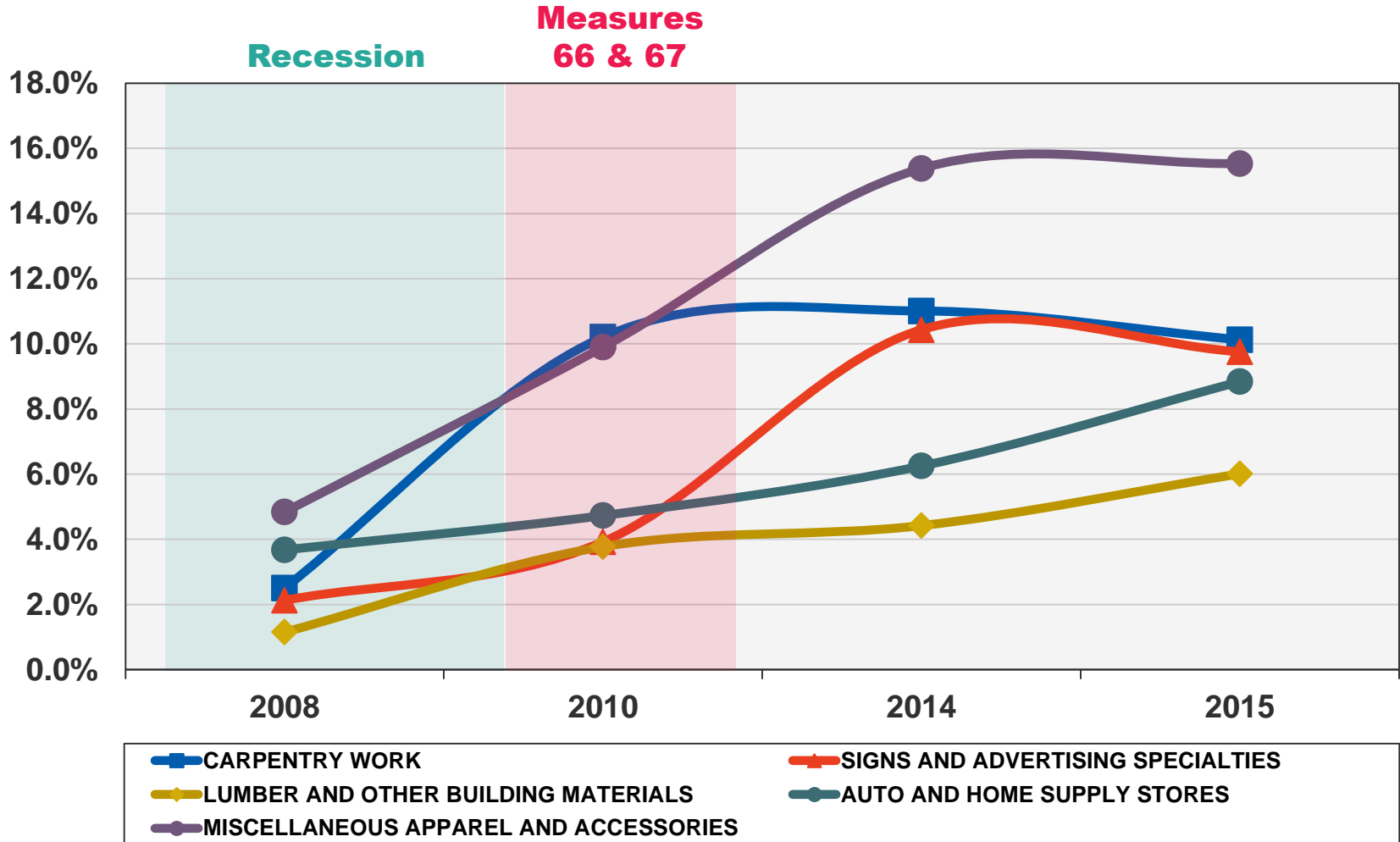
Bankruptcy rate trend – Pacific states





How business owners compare by region

Bankruptcy rate trend – Oregon



Oregon apparel industry

“ Athletic and outdoor company managers large and small voiced their dismay with the rhetoric employed by the advocates of Measures 66 and 67 (increasing the personal and corporate tax rates in Oregon). The anti-business and —soak the rich attitudes expressed in the campaign made them question the public support for businesses.”

— Joseph Cortright, Impresa



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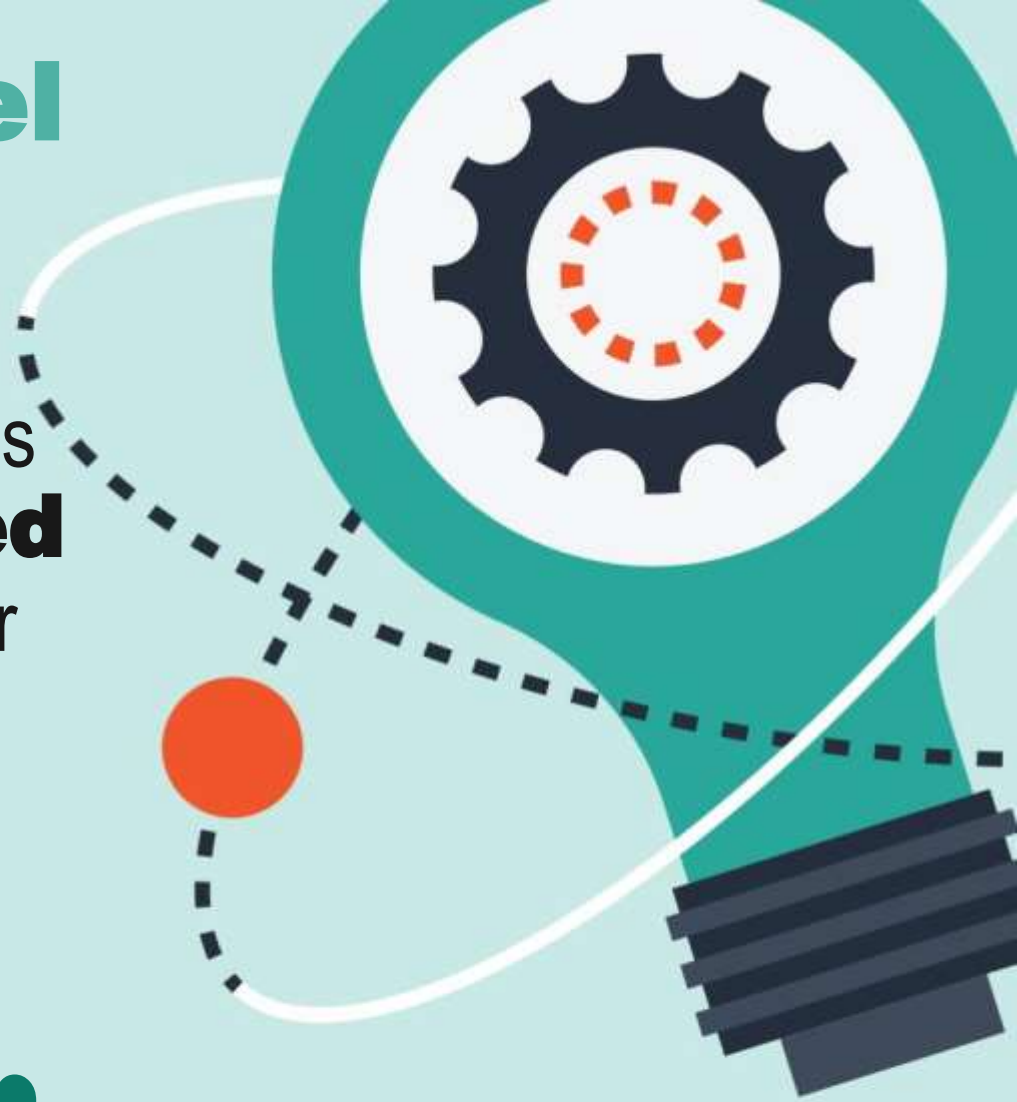
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Oregon apparel industry

“ Some established firms have contracted **or failed** (often being sold to another larger firm). Even these closures can prompt dislocated workers to start their own firms, ultimately triggering further growth. ”

— Joseph Cortright, Impresa



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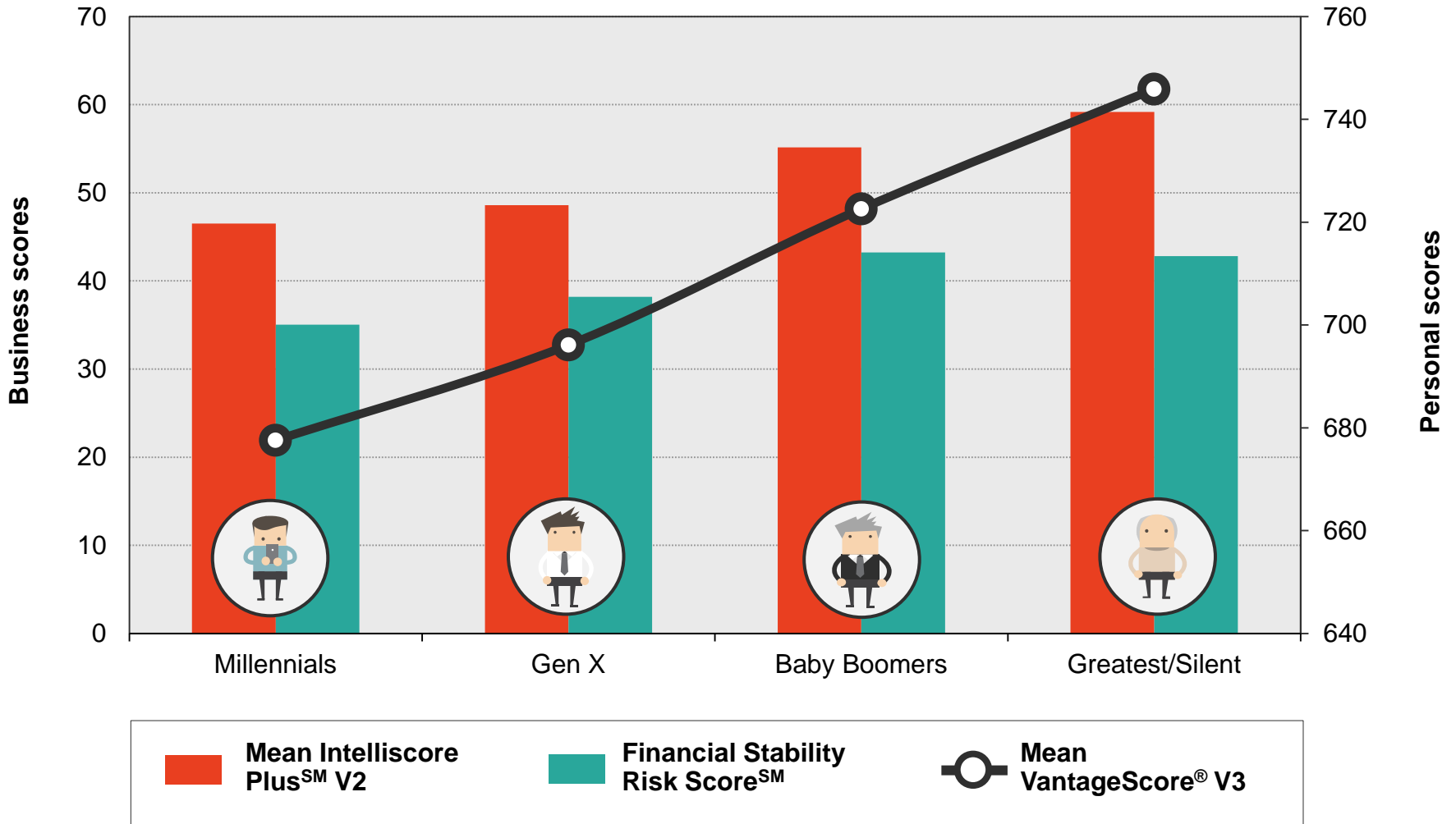
Hot topic! Millennial business owners

Experian Decision Sciences



How Millennial business owners compare

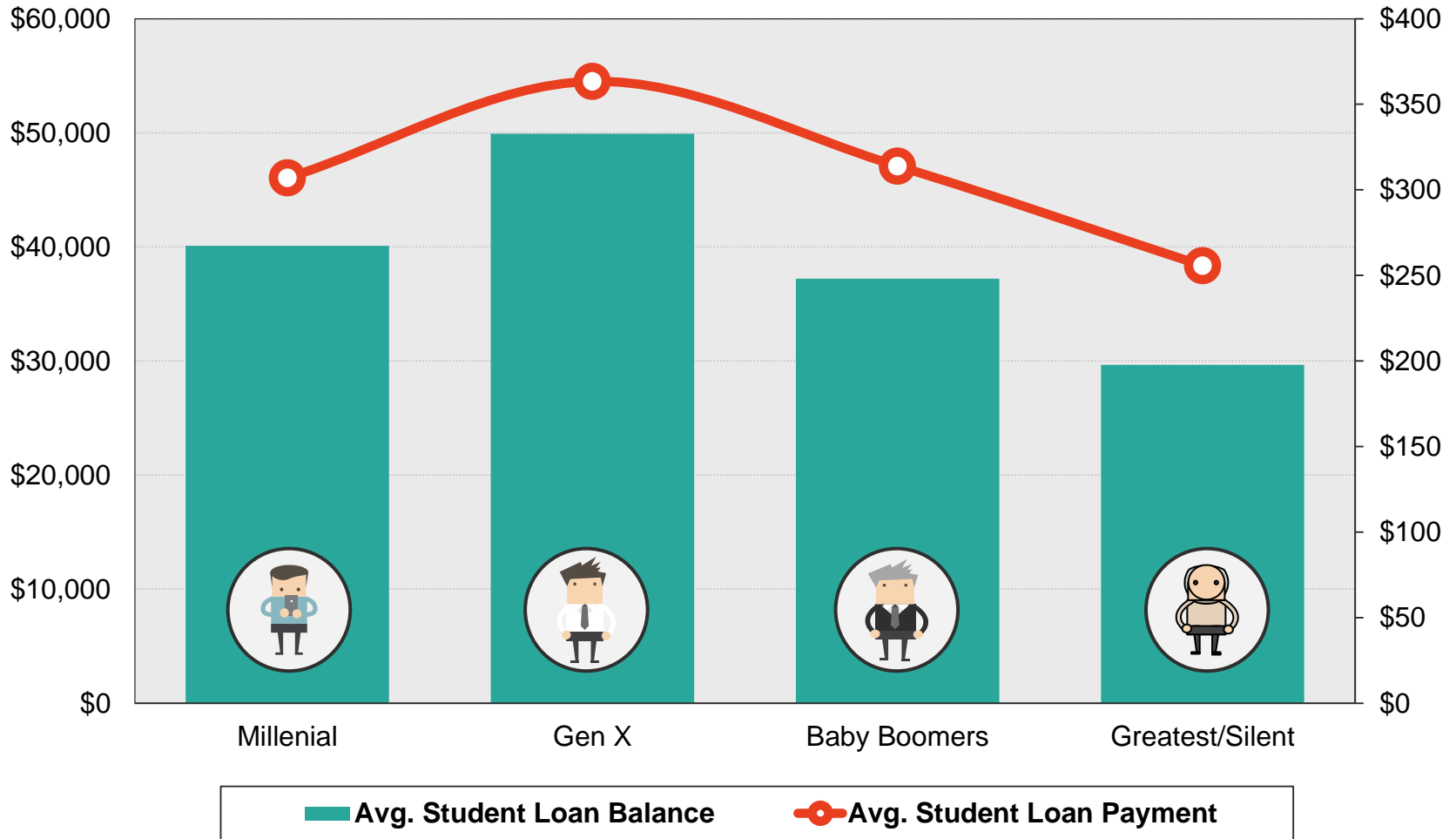
Business scores and personal scores





How Millennial business owners compare

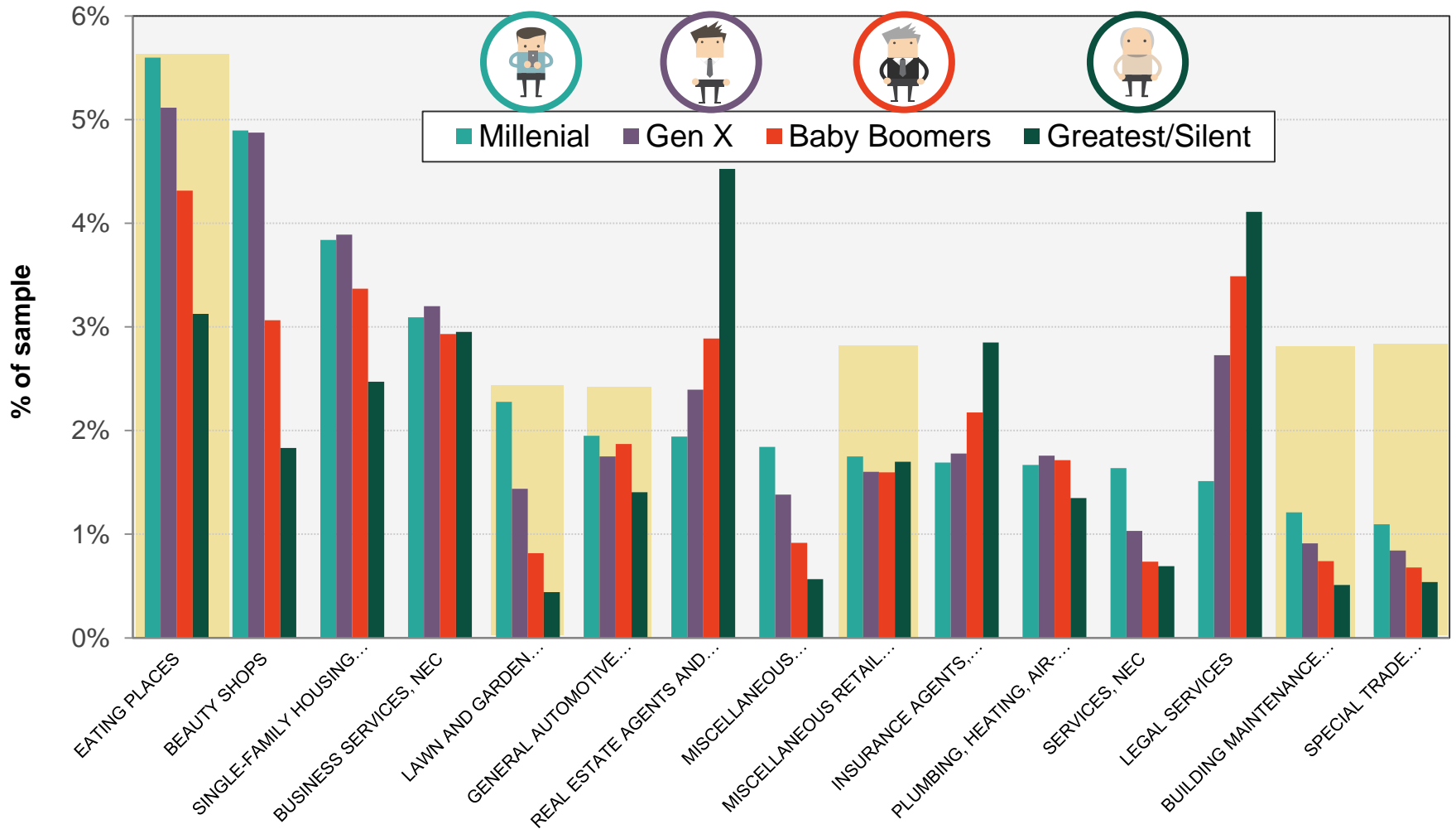
Student loan payments and balances





How Millennial business owners compare

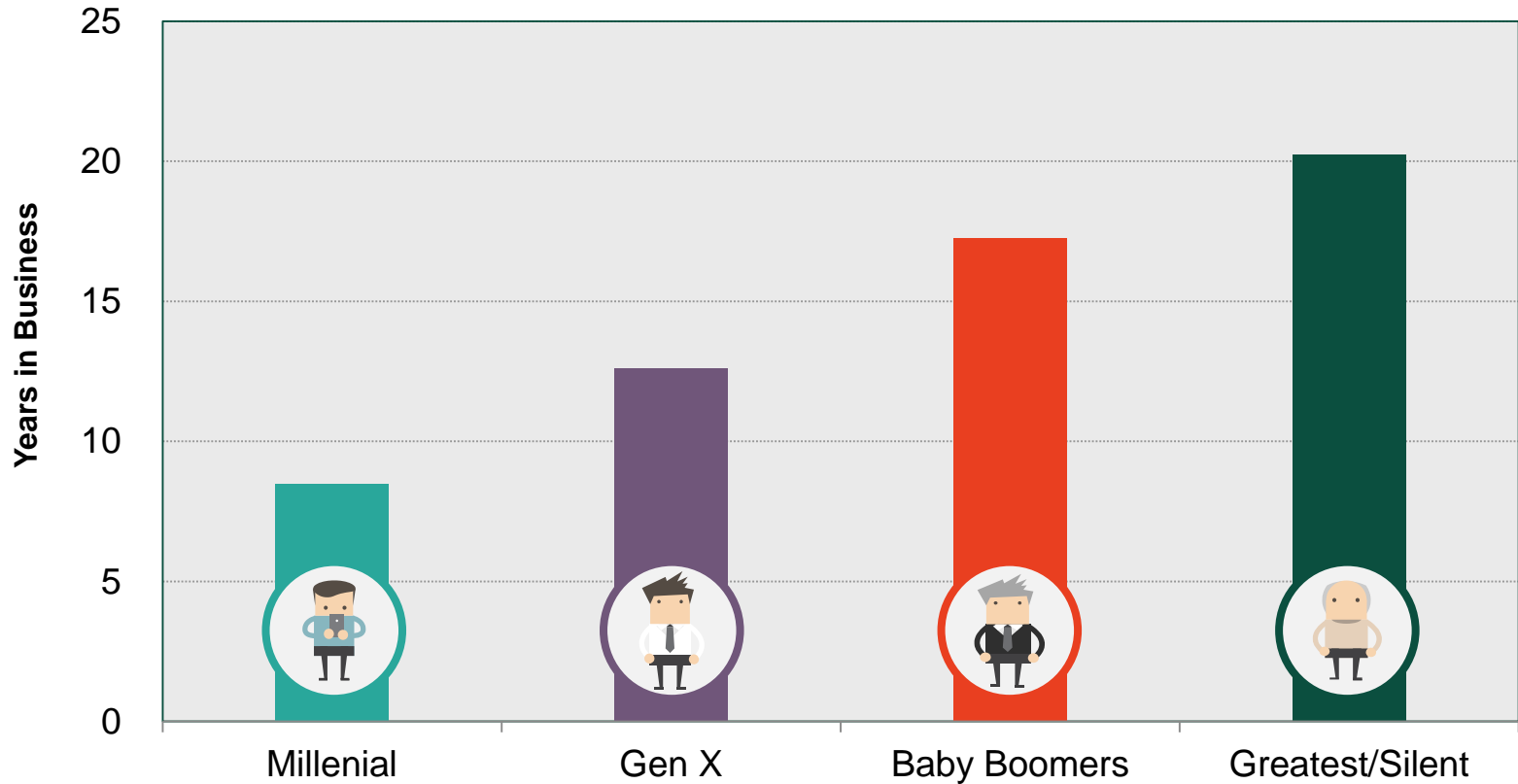
Industry concentration





How Millennial business owners compare

Average number of years in business





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**For additional information,
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1 Select the Survey button and complete

2 Select the breakout session you attended

Vision Conference
Breakout Session Survey

Experian

1. How would you rate the presenters' knowledge?
 Excellent Above average Average Below average Poor

2. How would you rate the presenters' delivery?
 Excellent Above average Average Below average Poor

3. How would you rate the presenters' time management?
 Excellent Above average Average Below average Poor

4. How useful was the session information?
 Very useful Somewhat useful Neutral
 Somewhat not useful Not useful

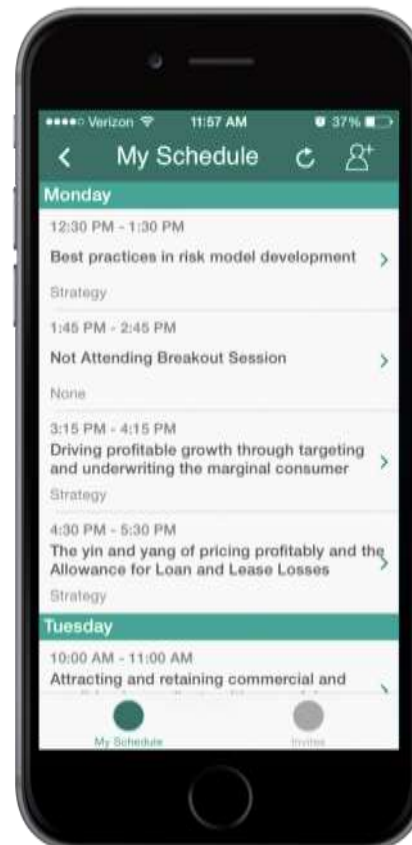
5. How would you rate the session on being current?
 Very current Somewhat current Neutral
 Somewhat not current Not current

6. How relevant was the session content to the title and description?
 Very relevant Somewhat relevant Neutral
 Somewhat not relevant Not relevant

7. How would you rate the level of content?
 Too advanced Just right Too basic

8. Why did you attend this session? (Check all that apply)
 Relates to my business The presenter(s) Interest in new product
 Compelling session description Increase product knowledge

9. Do you have any additional comments?





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