The state of U.S. business credit

experian™

Introducing:

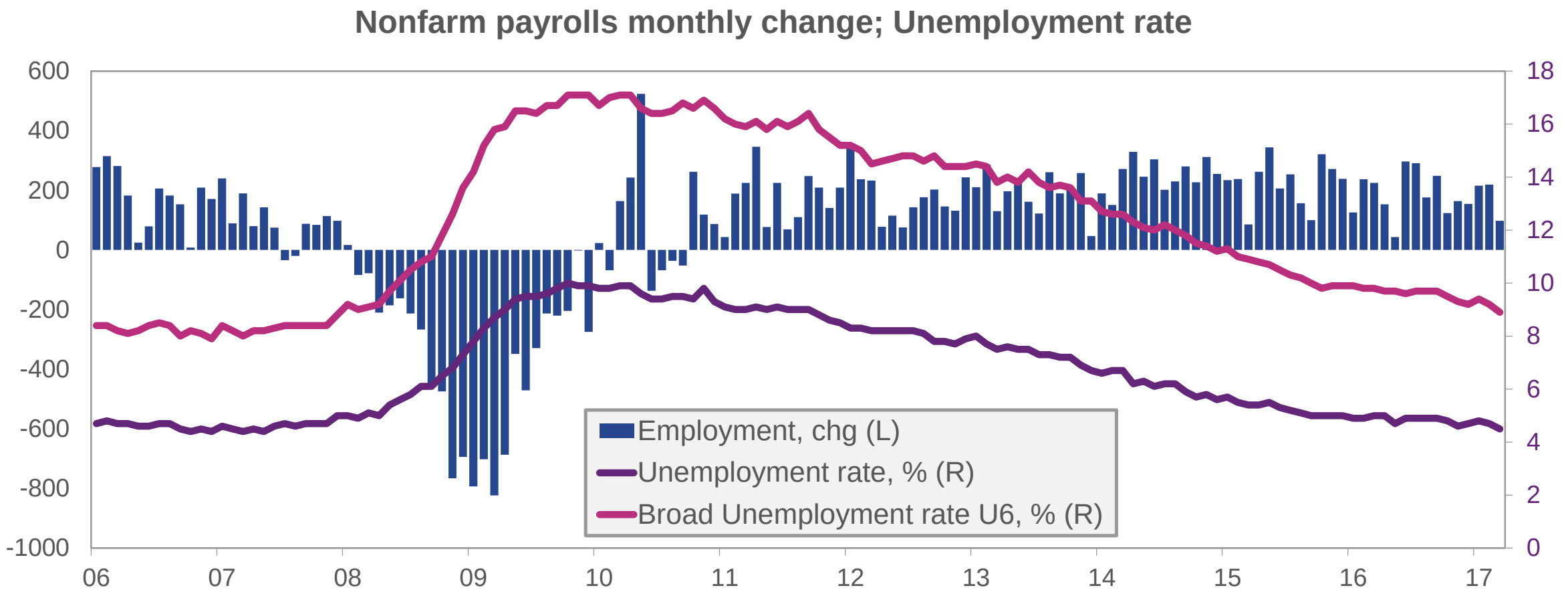
Cris DeRitis
Moody's Analytics

Elizabeth Vega
Experian

Pete Bolin
Experian

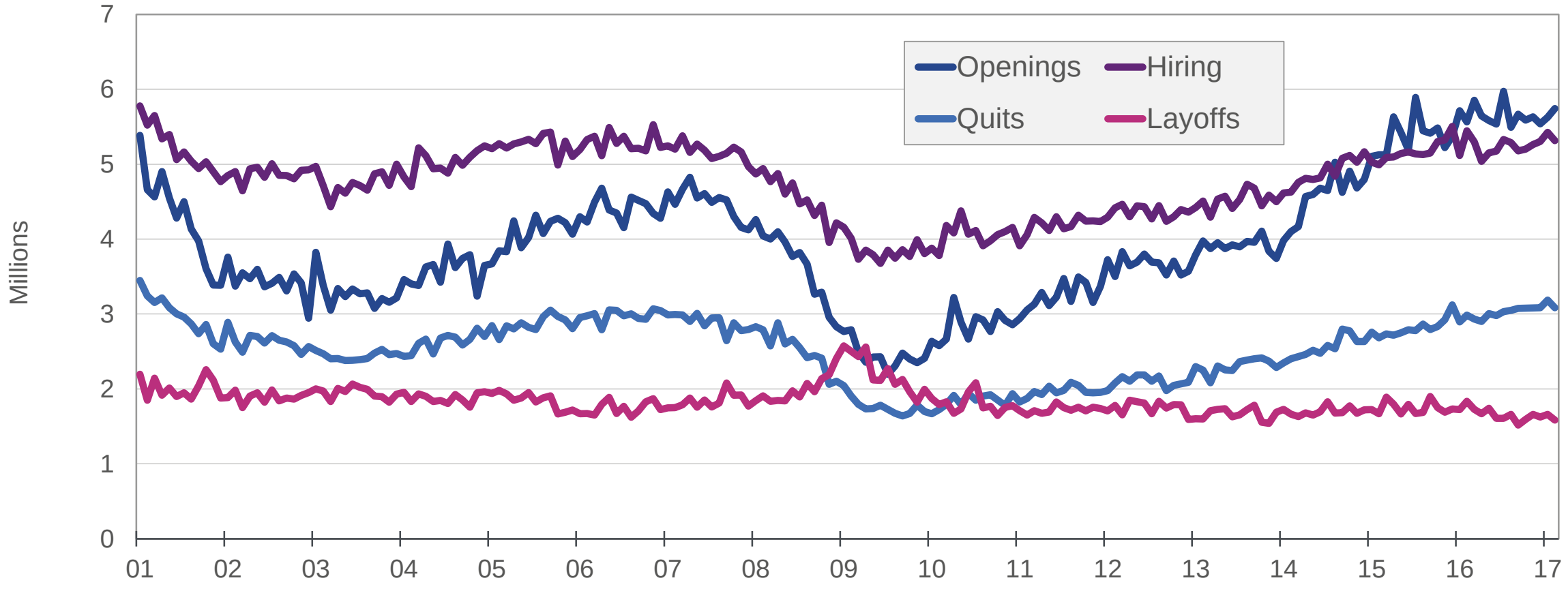
Macro economic trends: Moody's Analytics

Full employment is here



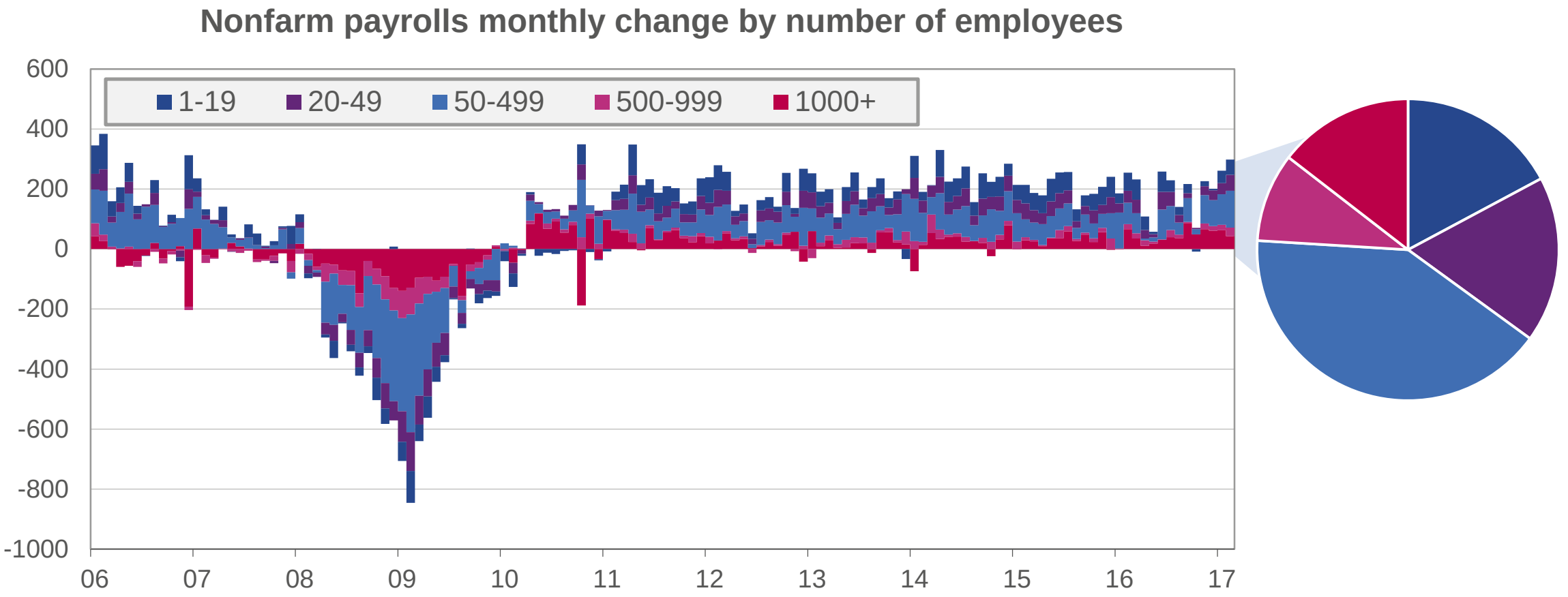
Sources: BLS, Moody's Analytics

Labor demand remains strong



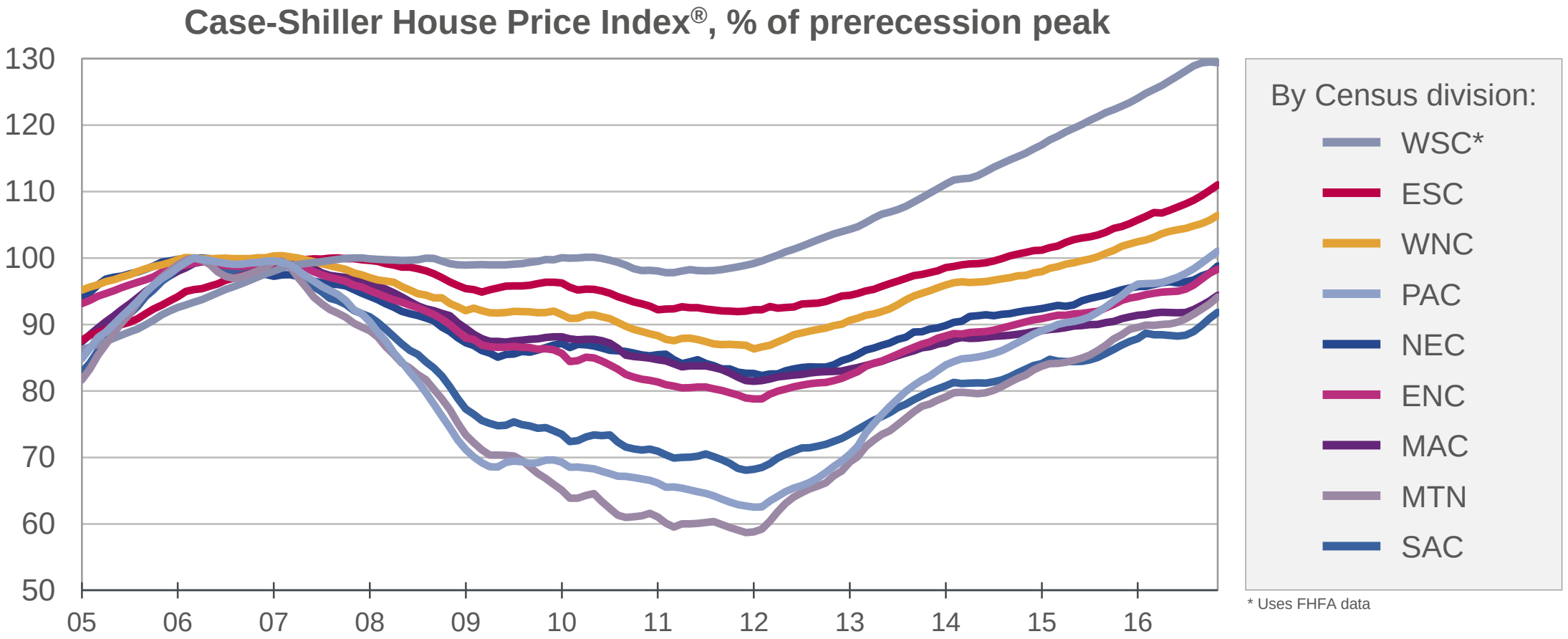
Source: BLS

Most job creation from mid-size businesses



Sources: ADP, Moody's Analytics

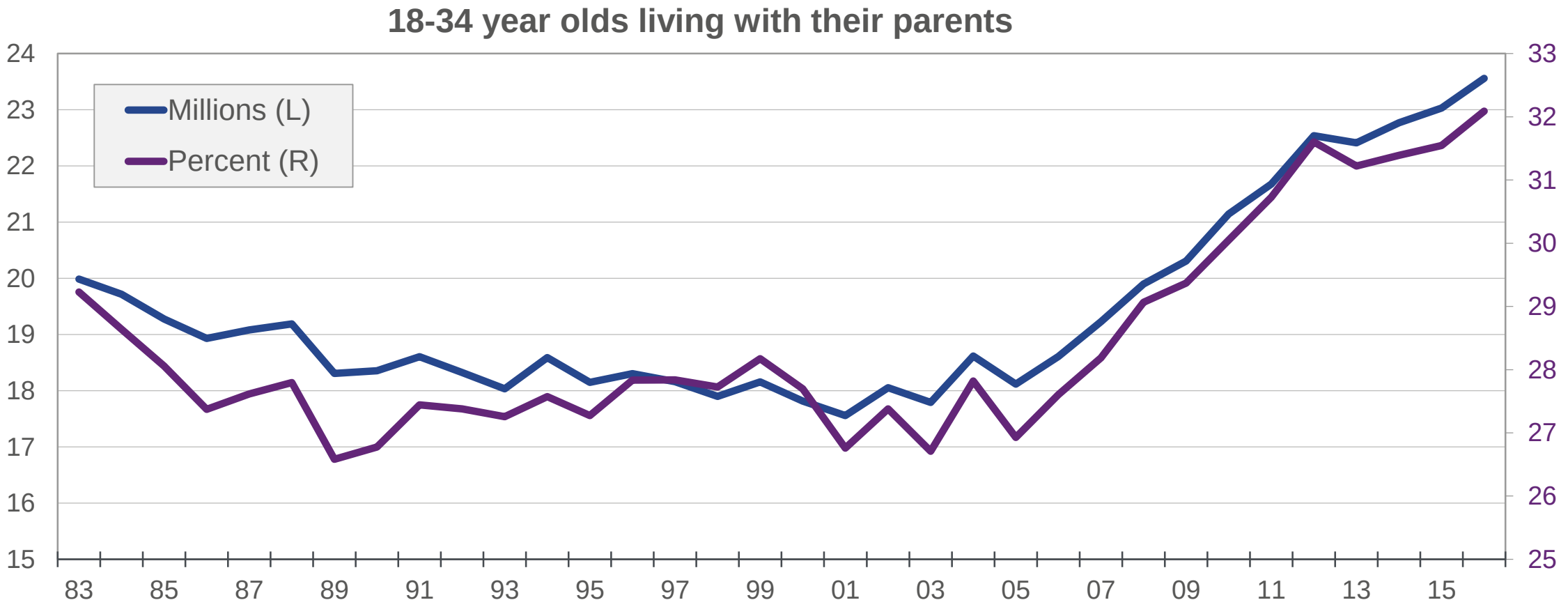
Housing provides a tailwind



* Uses FHFA data

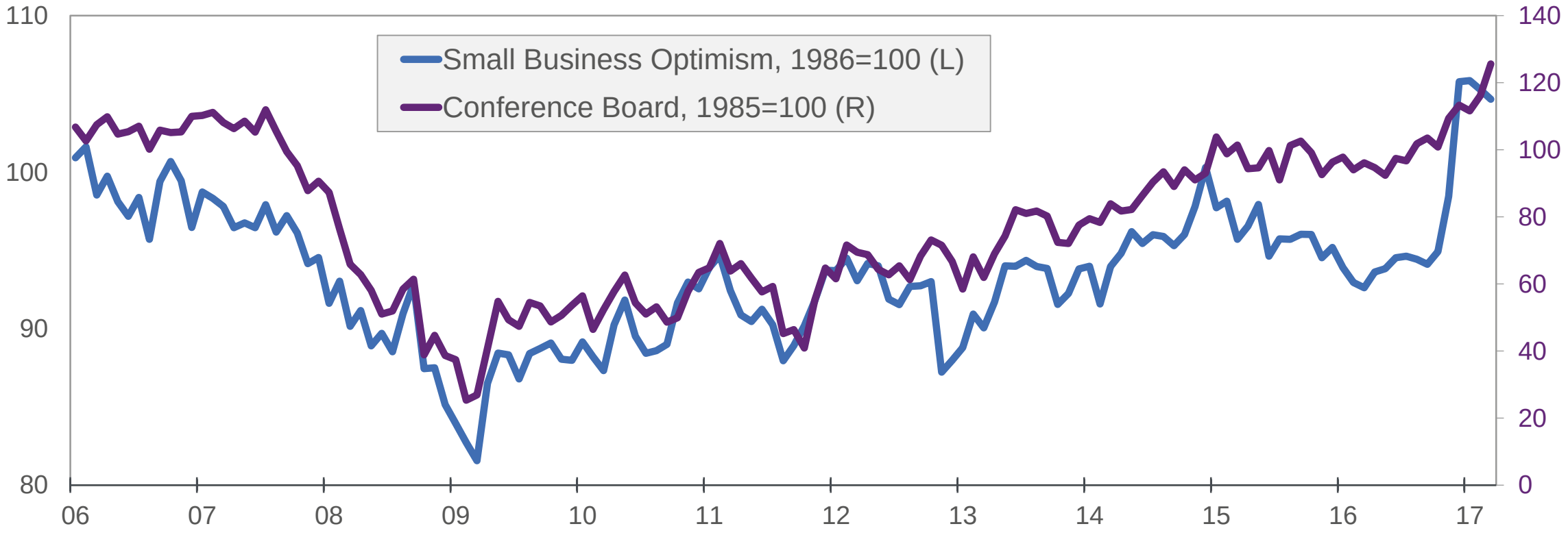
Sources: CoreLogic, FHFA, Moody's Analytics

Many pent-up households waiting to form



Sources: Census

Consumer and business confidence recovers



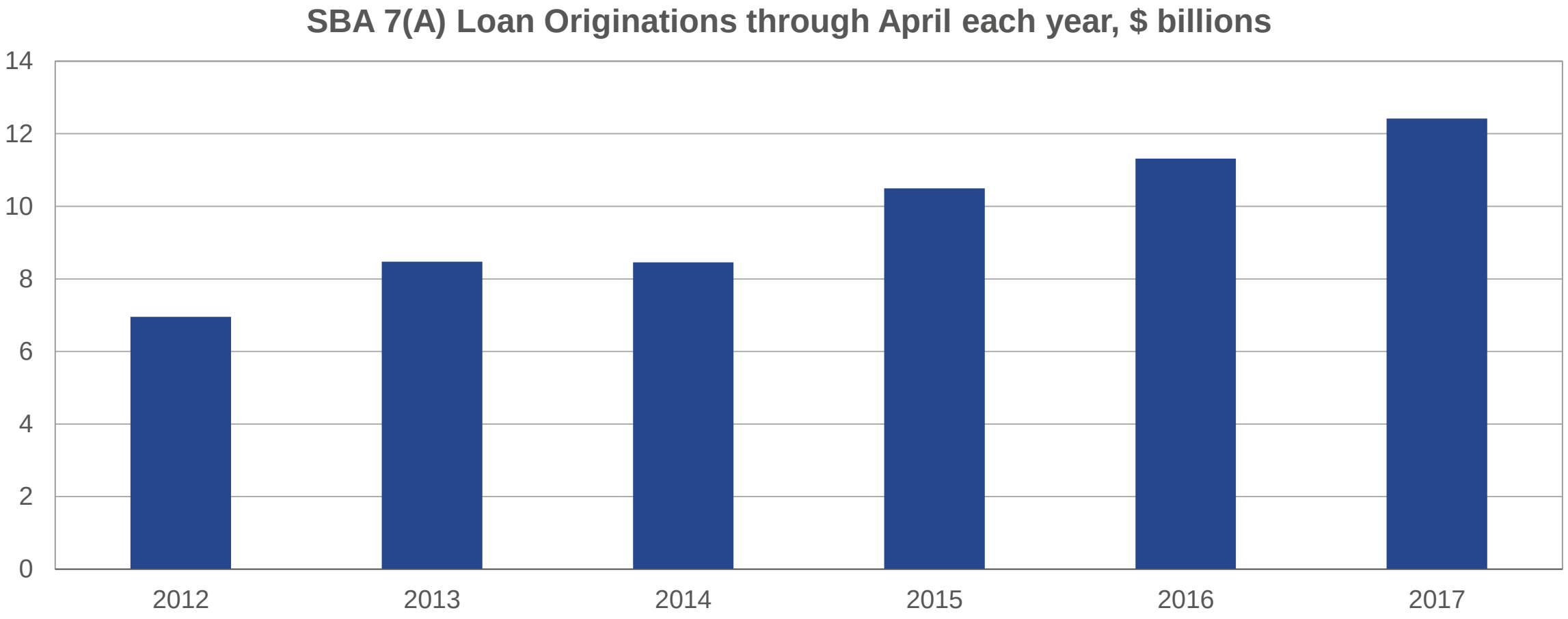
Sources: Conference Board, NFIB, Moody's Analytics

Experian / Moody’s Analytics

Main Street report

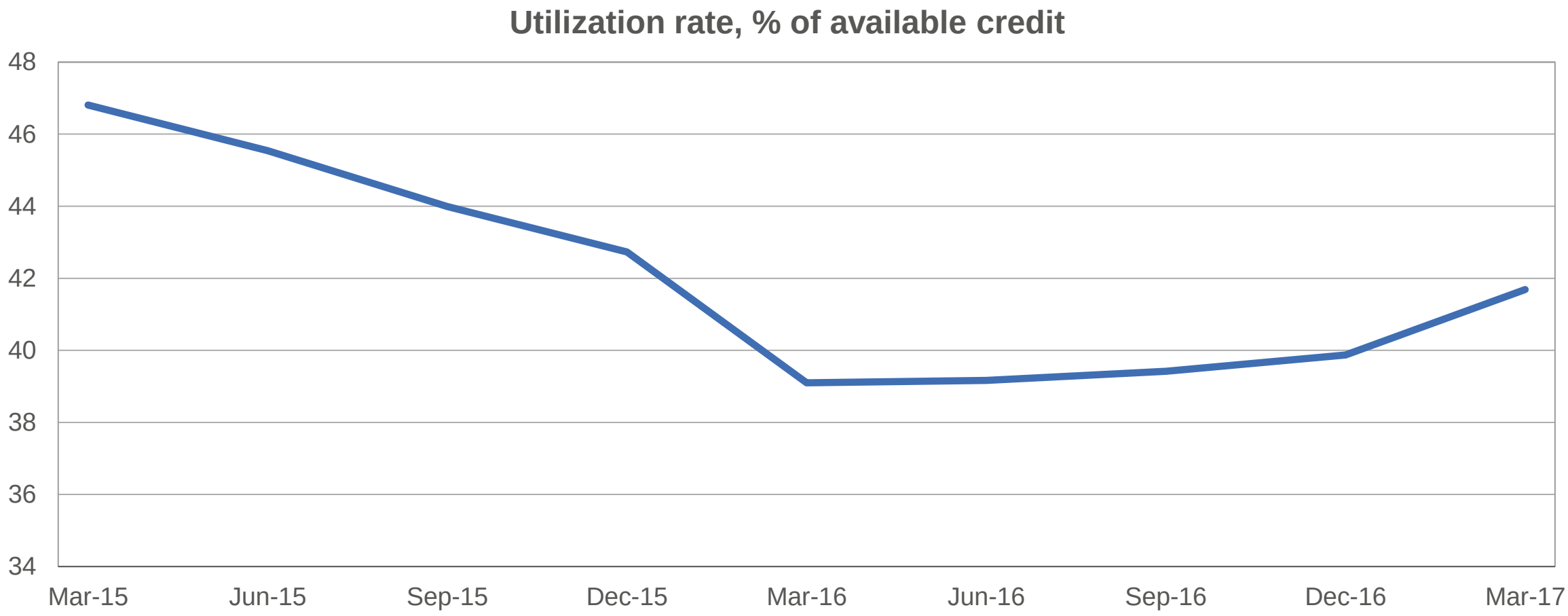
- **Quarterly report**, combining Experian business credit data and Moody’s Analytics economic analysis
- Brings deeper insights to the **overall financial well-being** of the small business landscape
- Provides **macro-economic outlook** on trends and what they mean for credit grantors and the small 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.)

SBA loan volumes up 10% YTD vs. last year



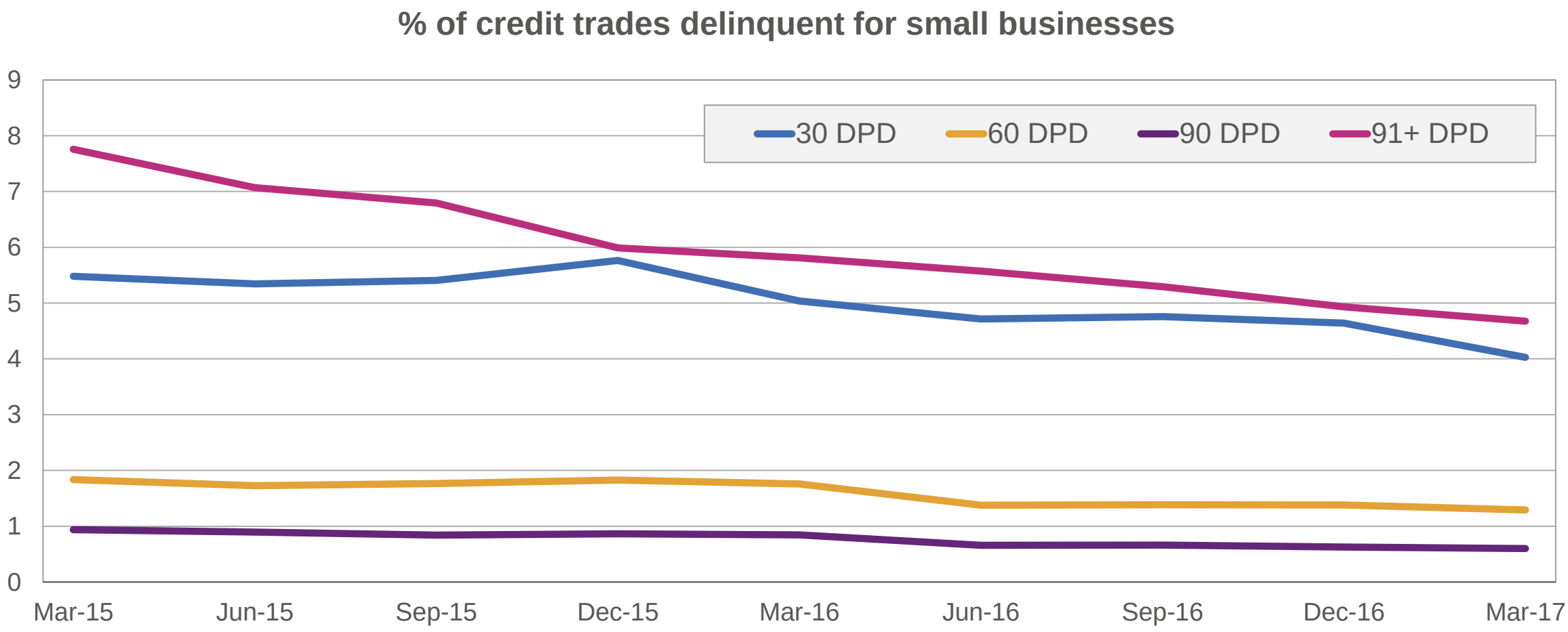
Source: SBA, Moody's Analytics

Small business credit utilization rising



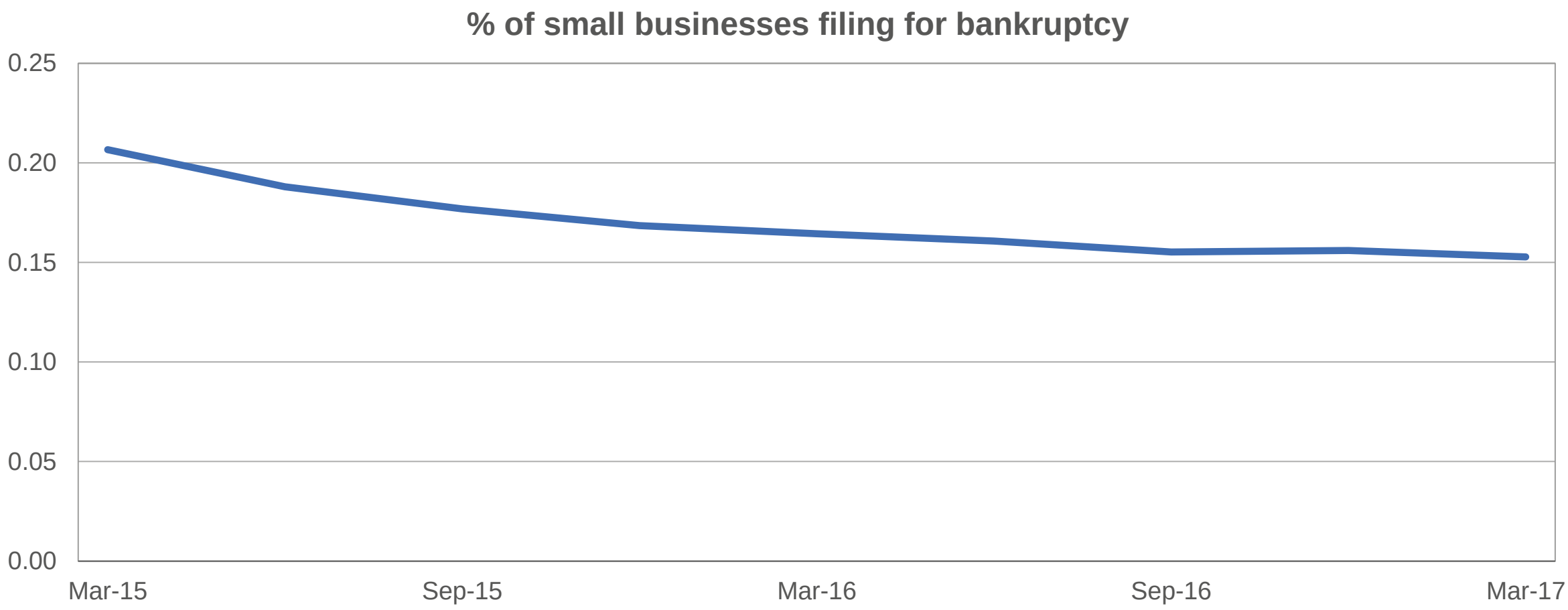
Source: Experian, Moody's Analytics

Business delinquencies keep falling…



Source: Experian, Moody's Analytics

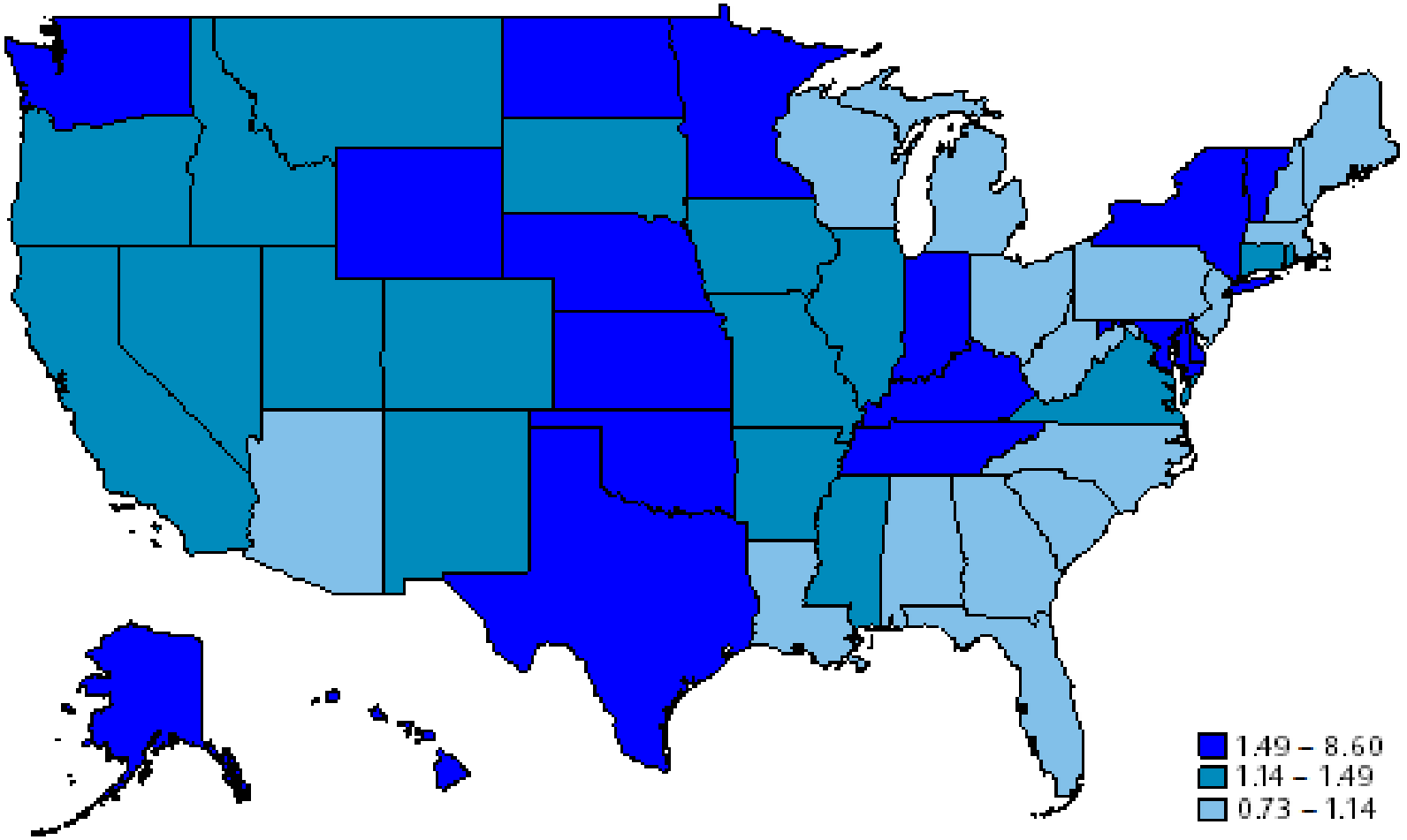
… as do bankruptcy filings



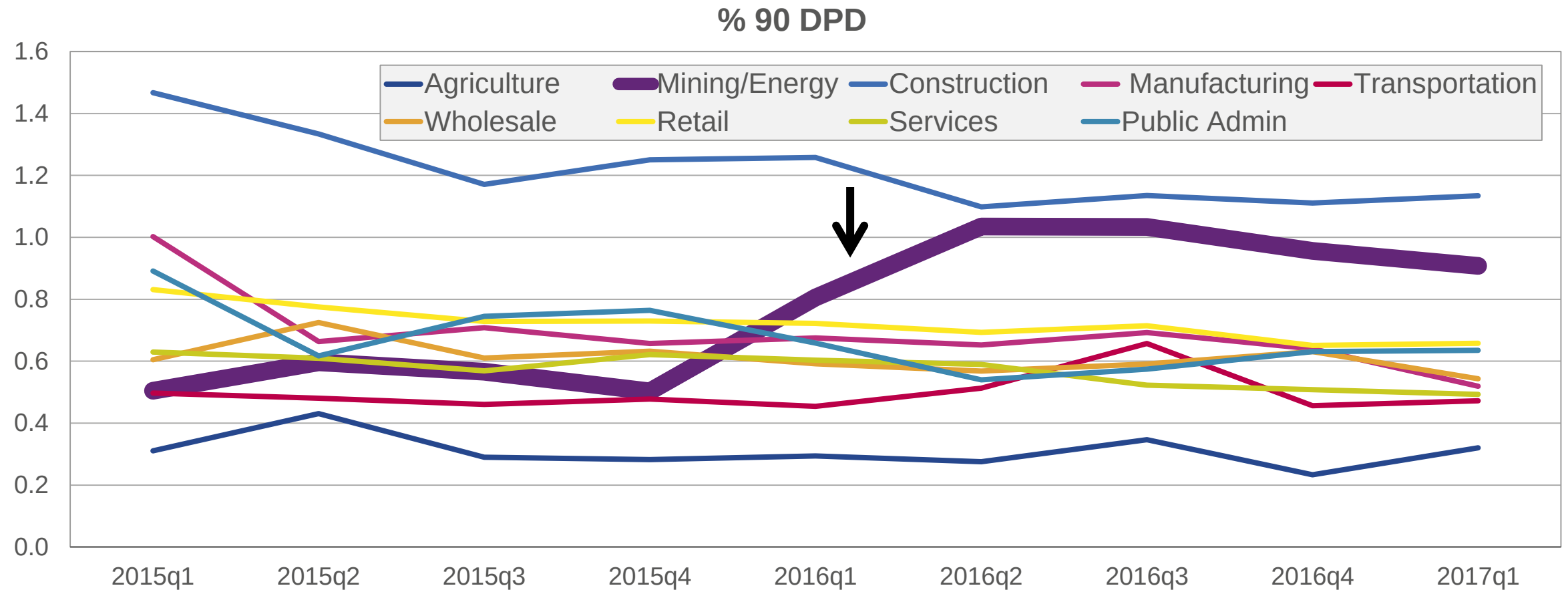
Source: Experian, Moody's Analytics

Performance mixed across the country

% of small businesses 60 DPD as of 2017Q1

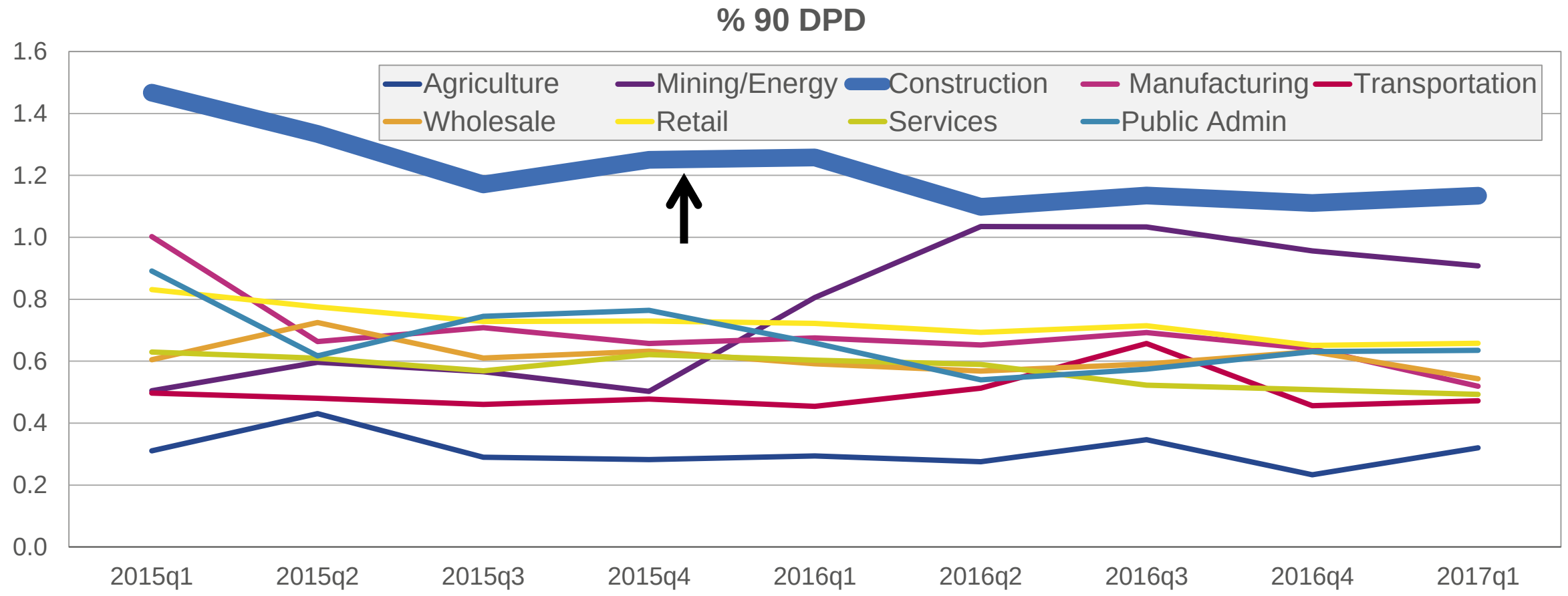


Mining and energy extraction industry turning a corner



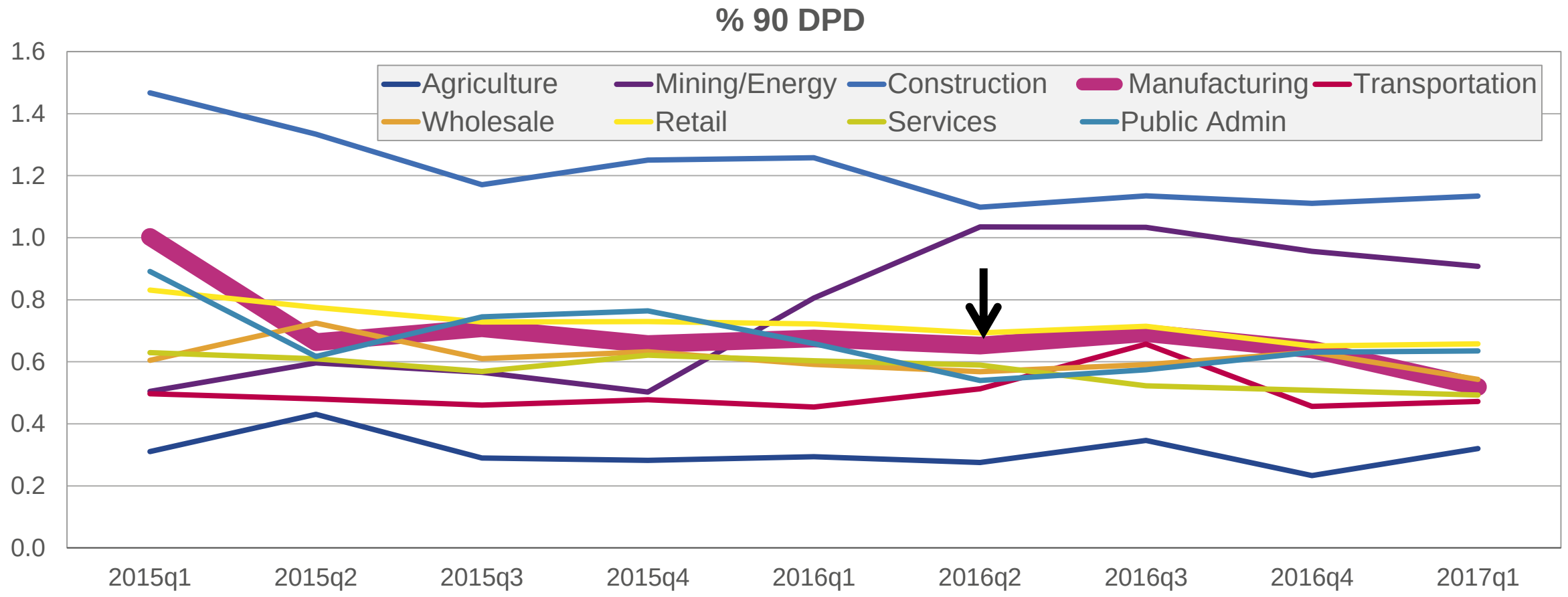
Source: Experian, Moody's Analytics

Construction industry reaches new plateau



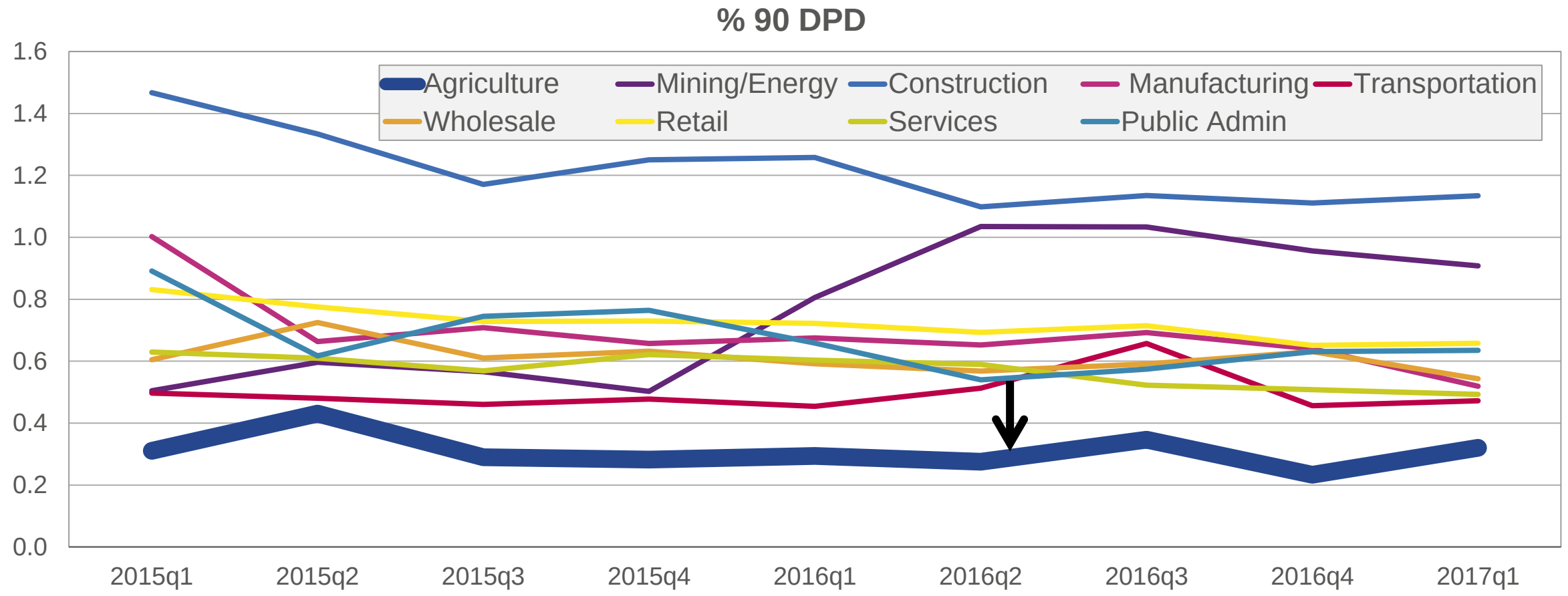
Source: Experian, Moody's Analytics

Manufacturing shows steady improvement



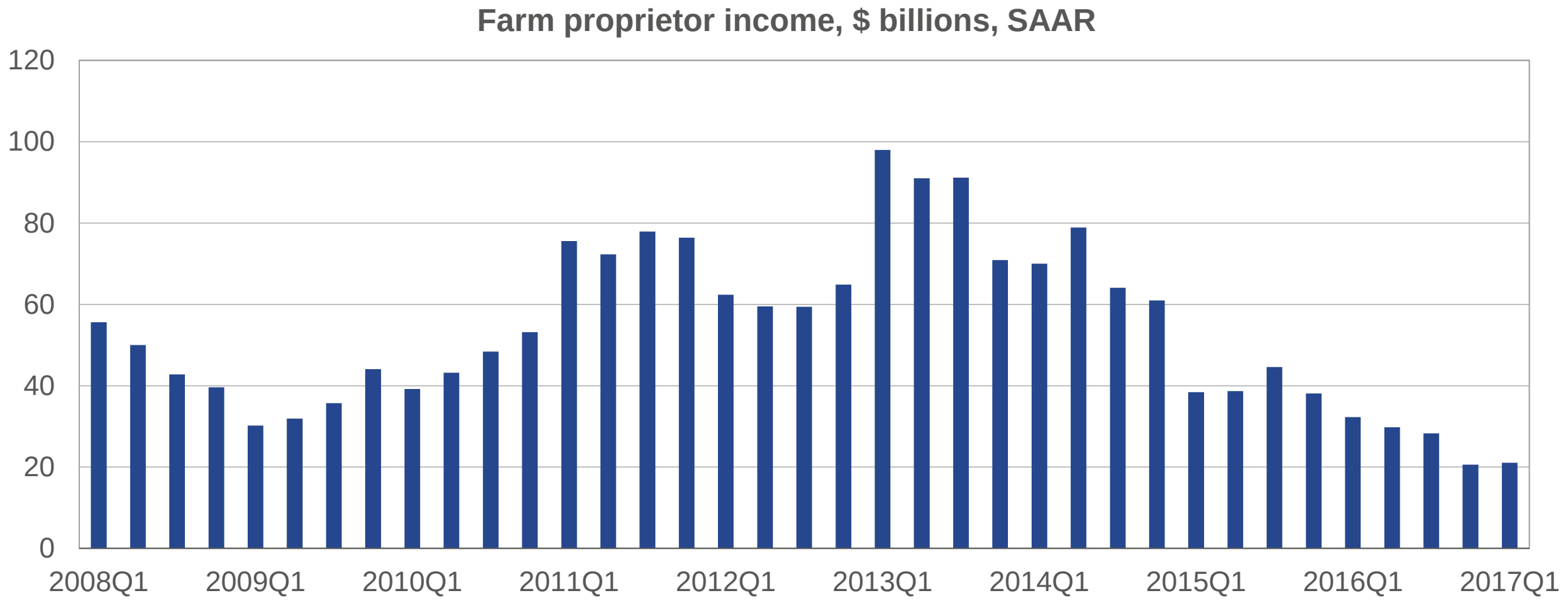
Source: Experian, Moody's Analytics

Agriculture performance remains steady



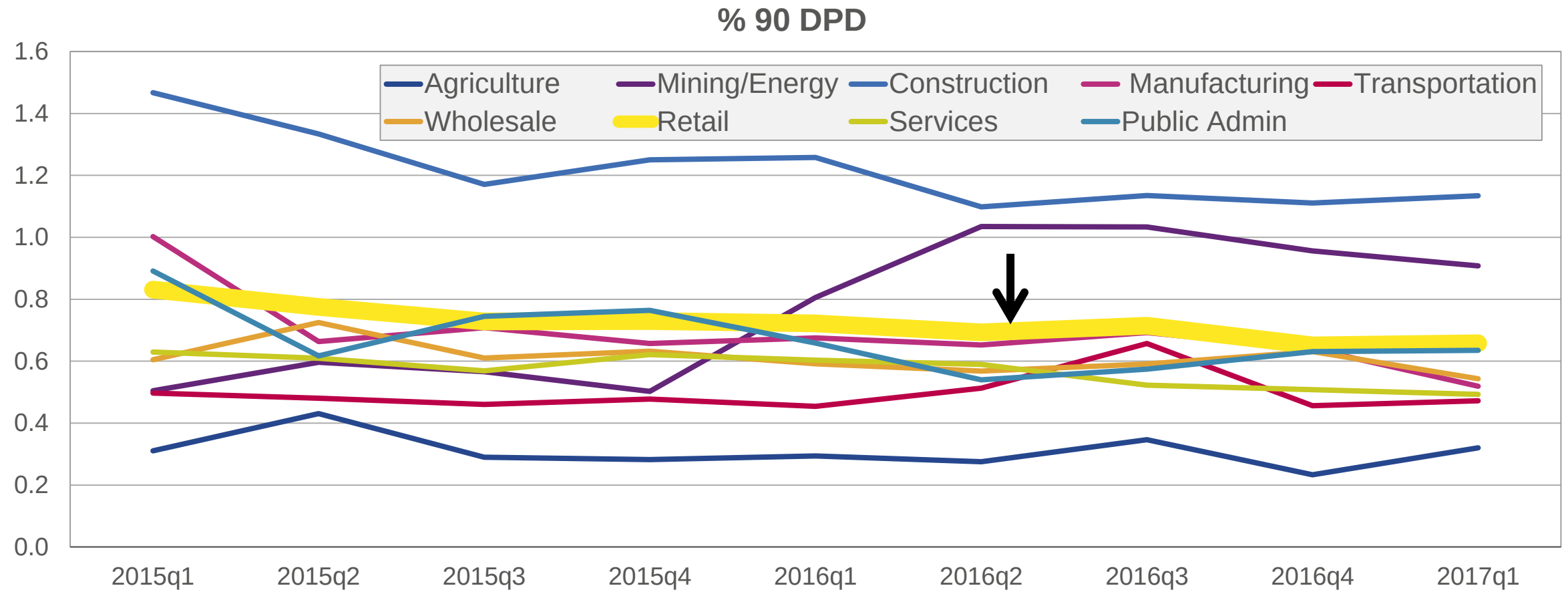
Source: Experian, Moody's Analytics

… even as farm incomes weaken



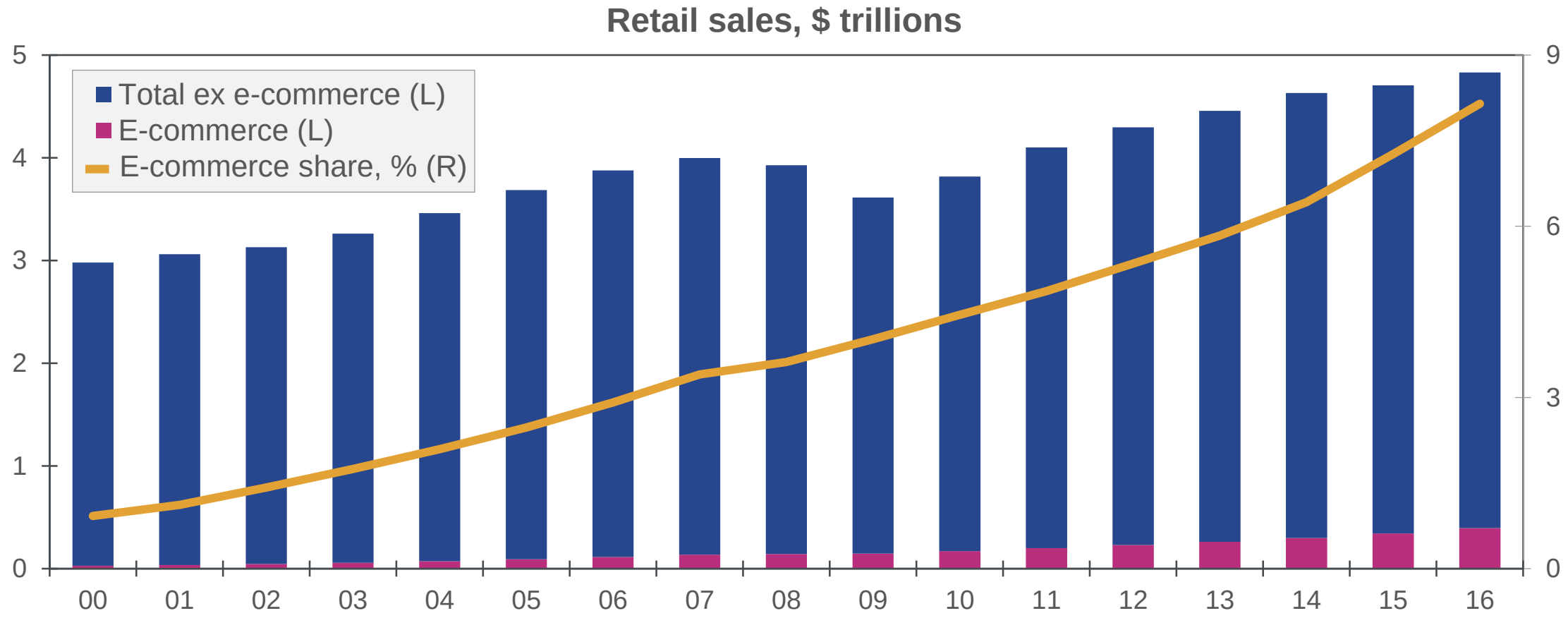
Source: BEA, Moody's Analytics

Retail is surprisingly resilient



Source: Experian, Moody's Analytics

E-commerce growing… but, still small



Sources: Census Bureau, Moody's Analytics

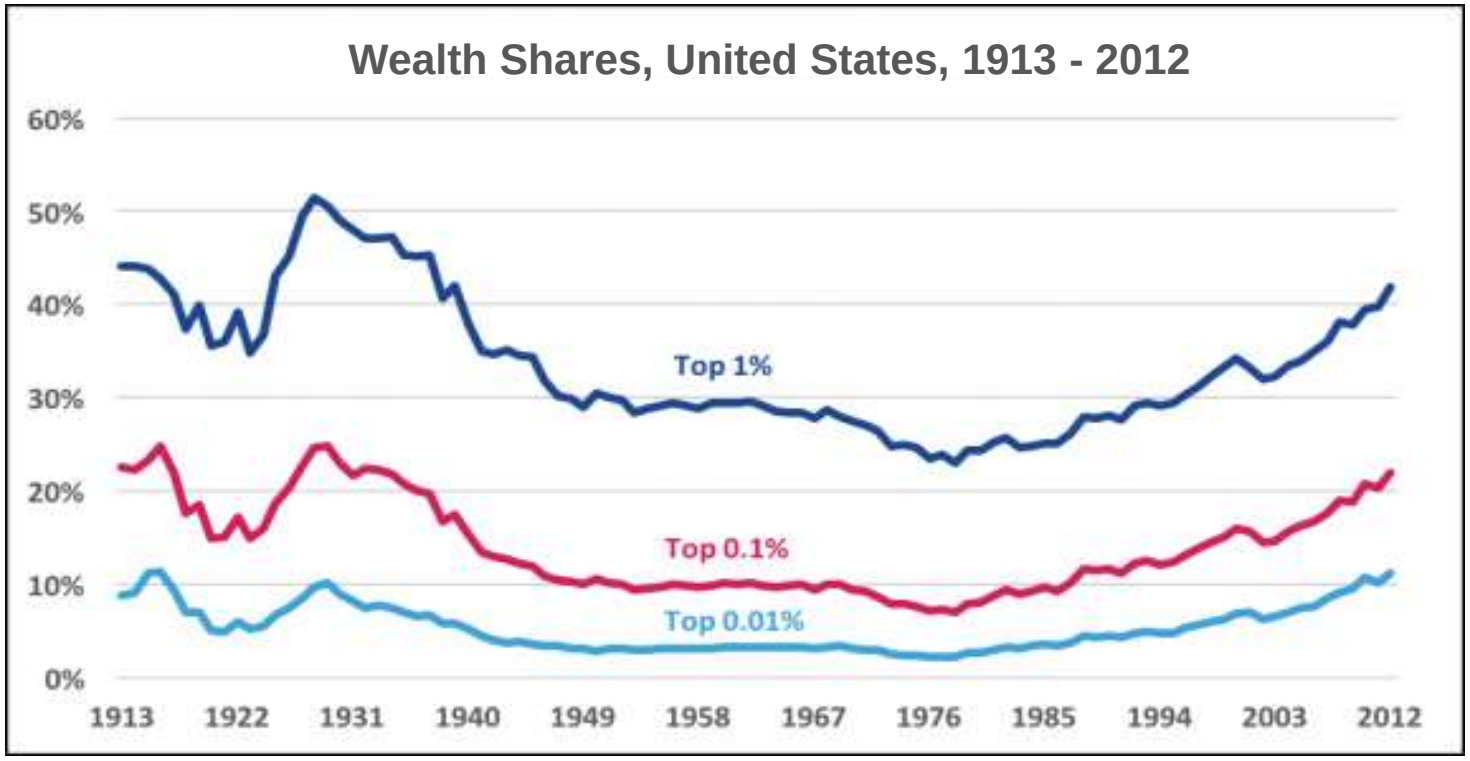
Vision 2017 hot topic

Wealth Insight Services℠

The new data benchmark
in wealth-based strategy
and targeting

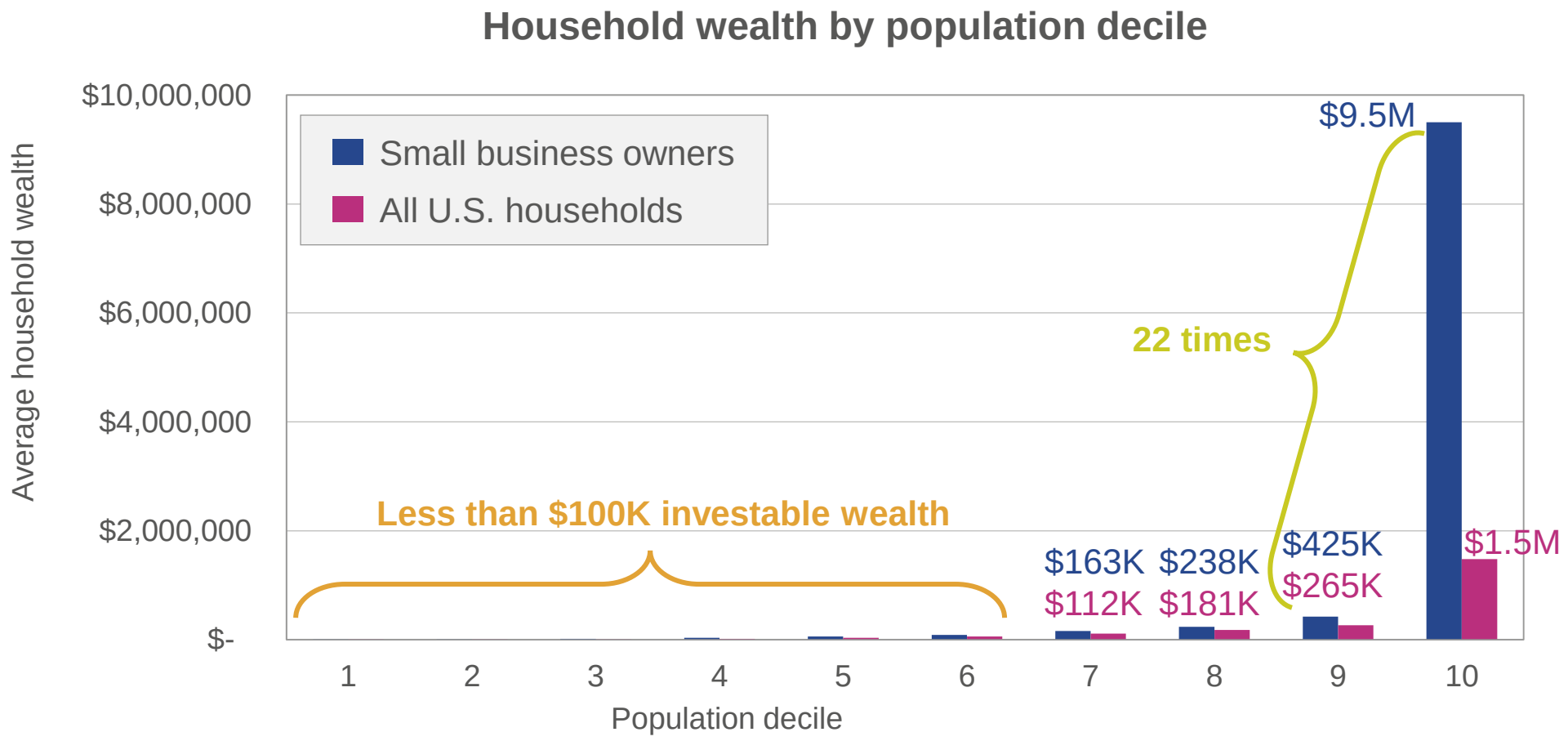
U.S. wealth has become increasingly concentrated at the top

The top 1% of the U.S. population holds over 40% of total wealth, 40 years ago they held less than 25%



Source: Wealth Inequality in the United States since 1913: Evidence from Capitalized Income Tax Data, Emmanuel Saez and Gabriel Zucman, August 2015. Inequality.org

The wealth divide is even greater among business owners



- The top 10% of business owners hold 22 times more wealth than the previous population decile
- 60% of business owners hold less than $100K in liquid investible wealth

Source: Wealth Opportunity Score and Experian Business Information Services database.

Getting the complete financial picture

Mortgage

Investments

Home equity/
auto loans

**Checking /
bank deposits**

Card

Income

Spending

Better data – better decisions

Strategic alliance: Broadridge

- Unparalleled data
  - 90+% of all retail registered shares
  - Over 850 participating financial institutions
- Faster – monthly updates within 6 weeks of period close
- Fresher – 75+% of securities refreshed each month
- More comprehensive – common keyed data view across wealth, marketing, credit and auto
- Unmatched data granularity
  - Patent pending methodology
  - Preserves granularity, accentuates meaningful differences, ensures anonymity

Most dynamic, granular and actionable measures of **liquid investable wealth**

- Bank deposits
- Equities
- Bonds
- Mutual funds
- Money market funds
- Exchange traded funds

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The Wealth Insight Services℠ product line

1,600+ Wealth Insight Attributes™

- **Household wealth**
- **Marketing demographics**
- **Household credit**
- **Auto ownership**

- **Micro-segment technology:** 7 households min.
- **Non-FCRA use:** segmentation, planning, marketing
- **National coverage:** 11M+ micro-segments

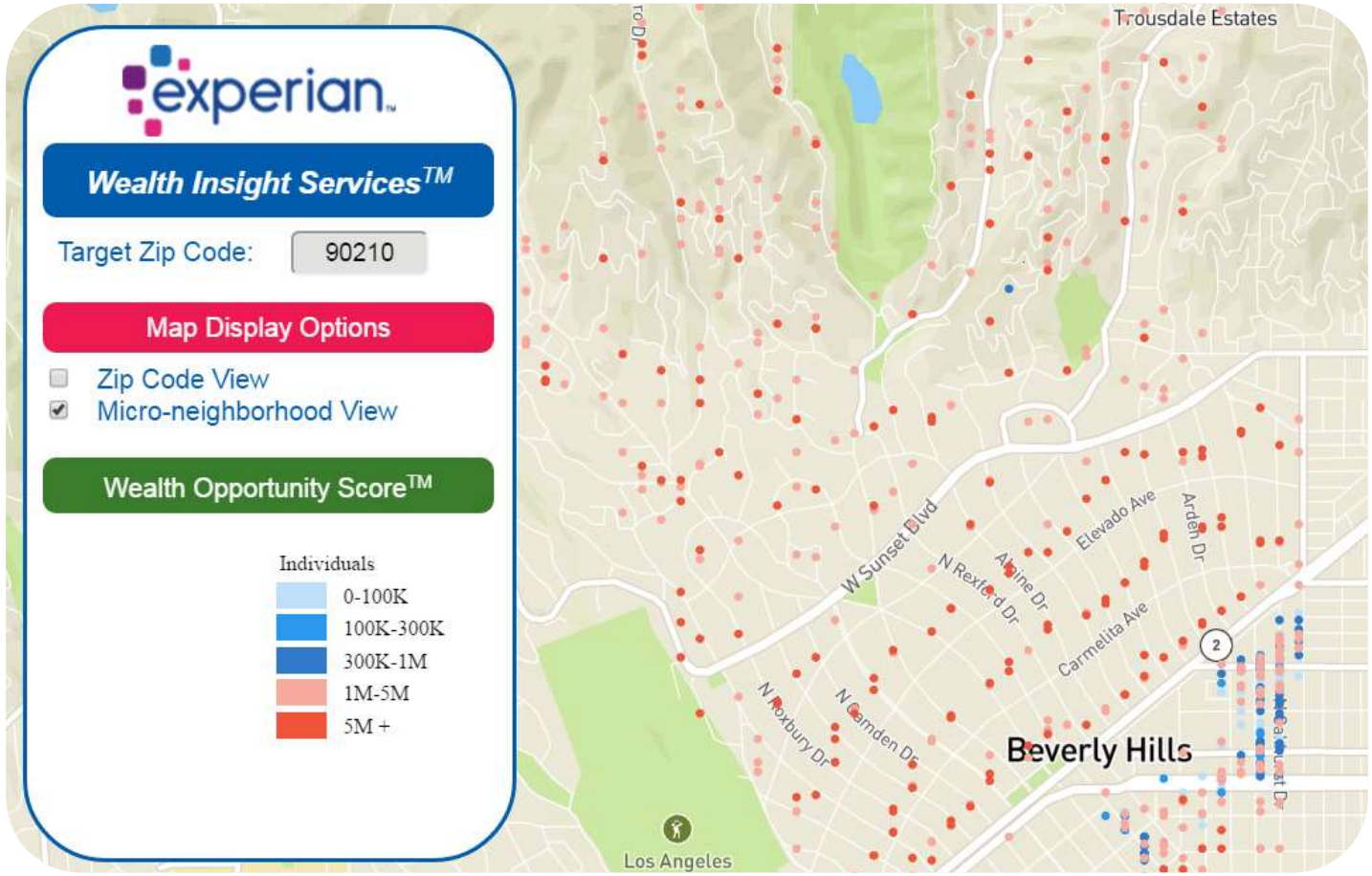
Wealth Opportunity Score™

- **Household score:** liquid investable wealth
- **Non-FCRA use:** marketing, planning, targeting
- **National coverage:** 110M+ households

Product delivery

- Full national data set
- Regional subset
- Attribute subset
- Client file append
- Prospect list
- Decision as a Service℠

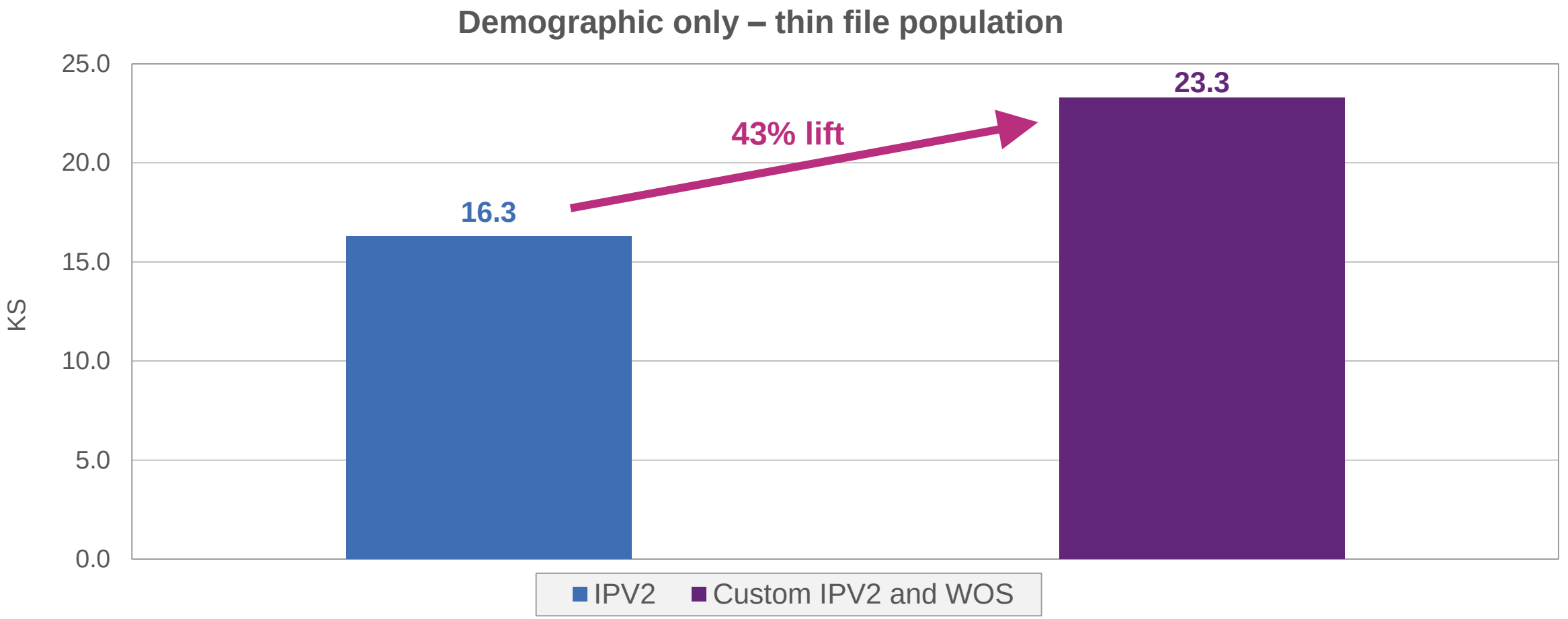
Demo


experian
Wealth Insight Services™
Target Zip Code:
90210
Map Display Options
Zip Code View
Micro-neighborhood View
Wealth Opportunity Score™
Individuals
0-100K
100K-300K
300K-1M
1M-5M
5M +
Trousdale Estates
W Sunset Blvd
N Rexford Dr
Alpine Dr
Elevado Ave
Arden Dr
Carmelita Ave
N Roxbury Dr
N Camden Dr
Beverly Hills
Los Angeles

Hot topic: Why wealth matters?

yes!

Results of risk modeling



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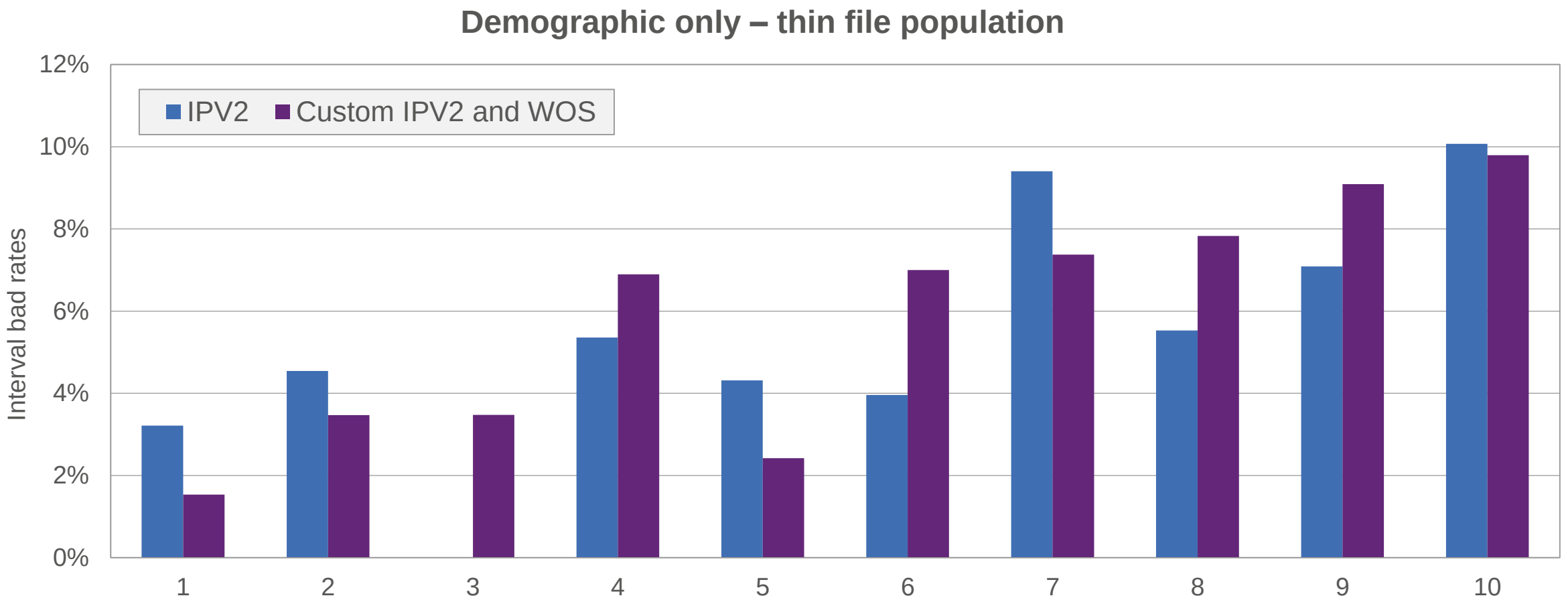
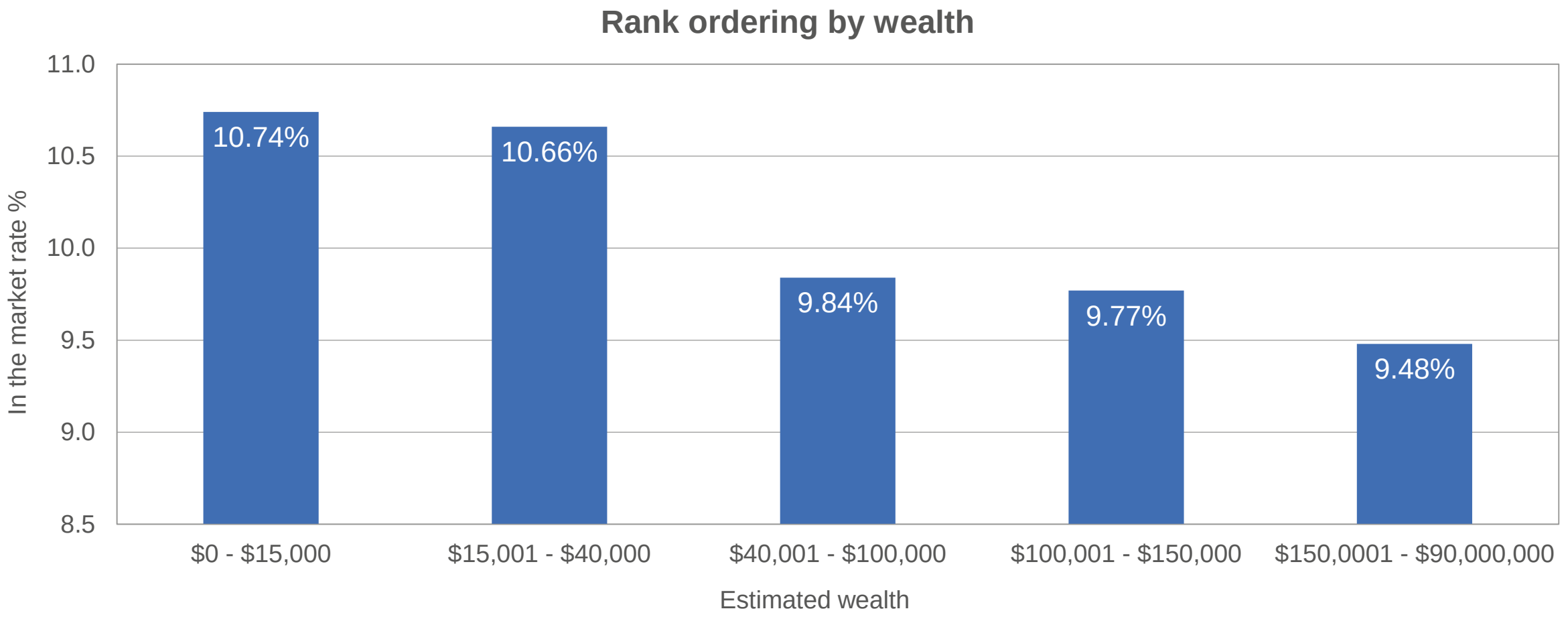
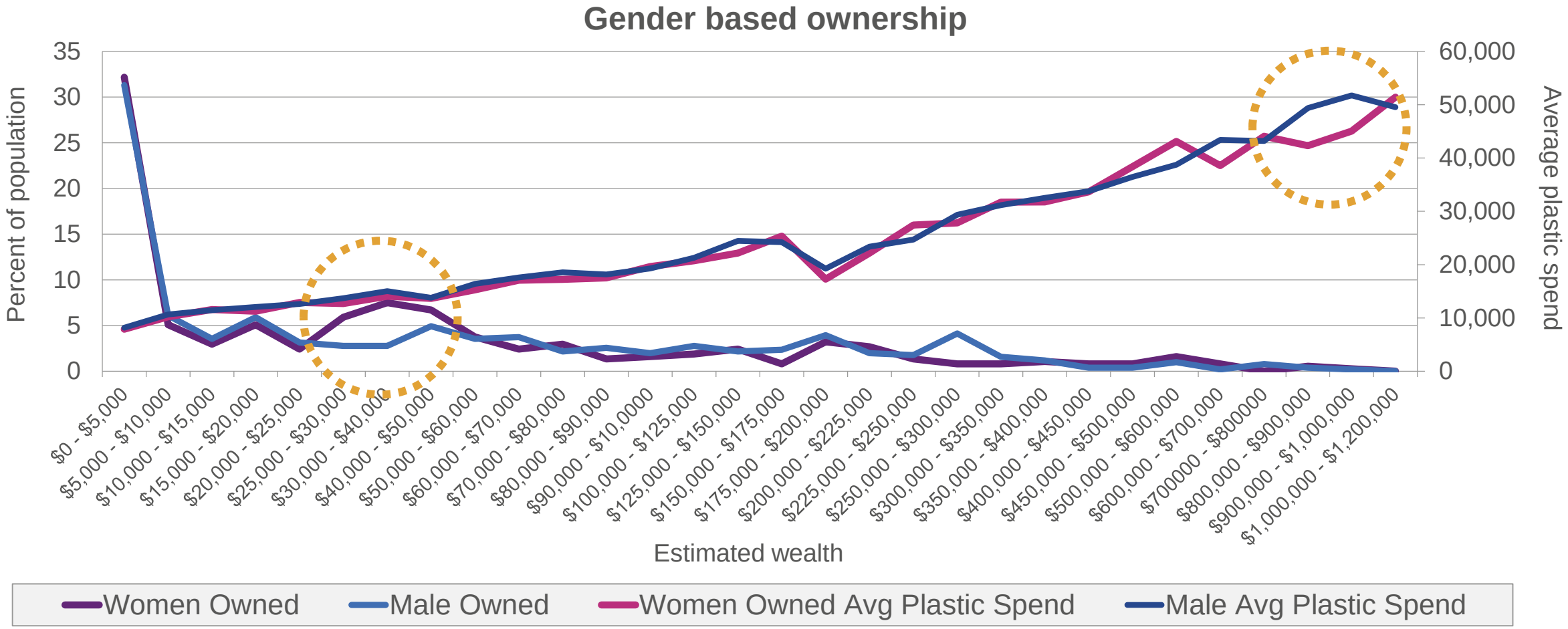


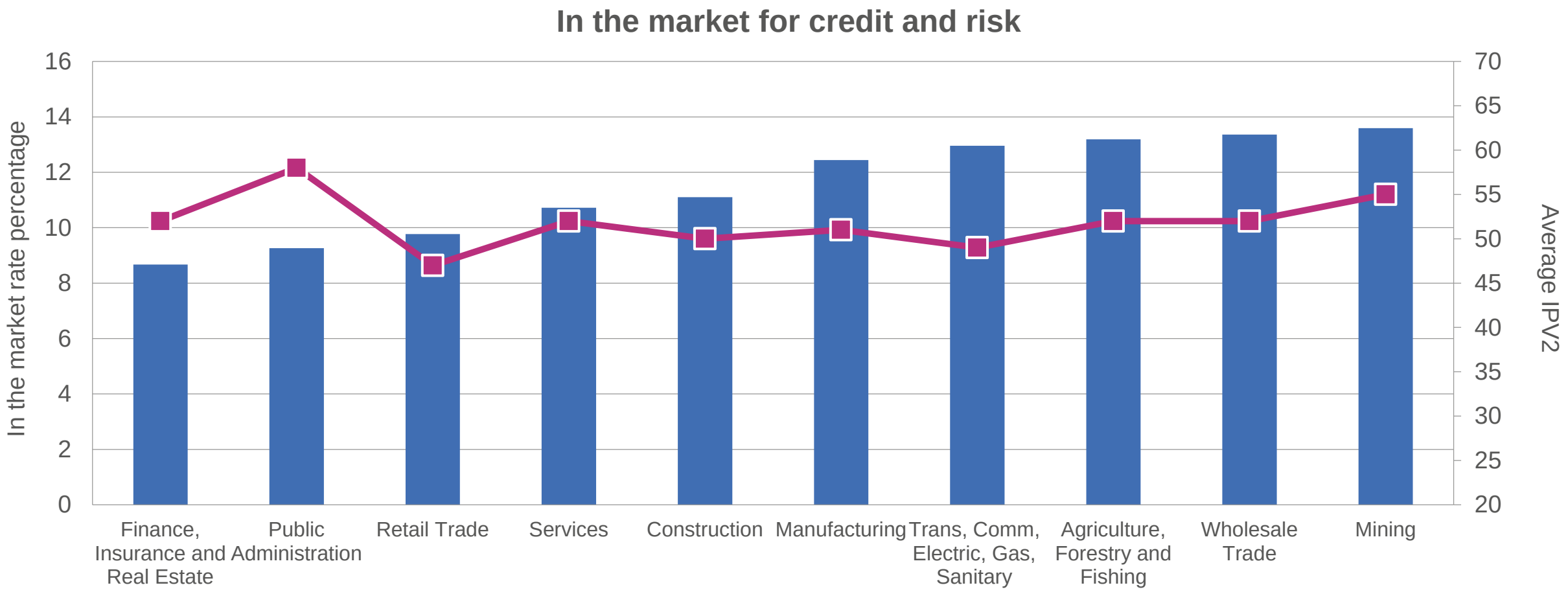
Modeling results for marketing



Introduce trended solutions



Which industries to target?



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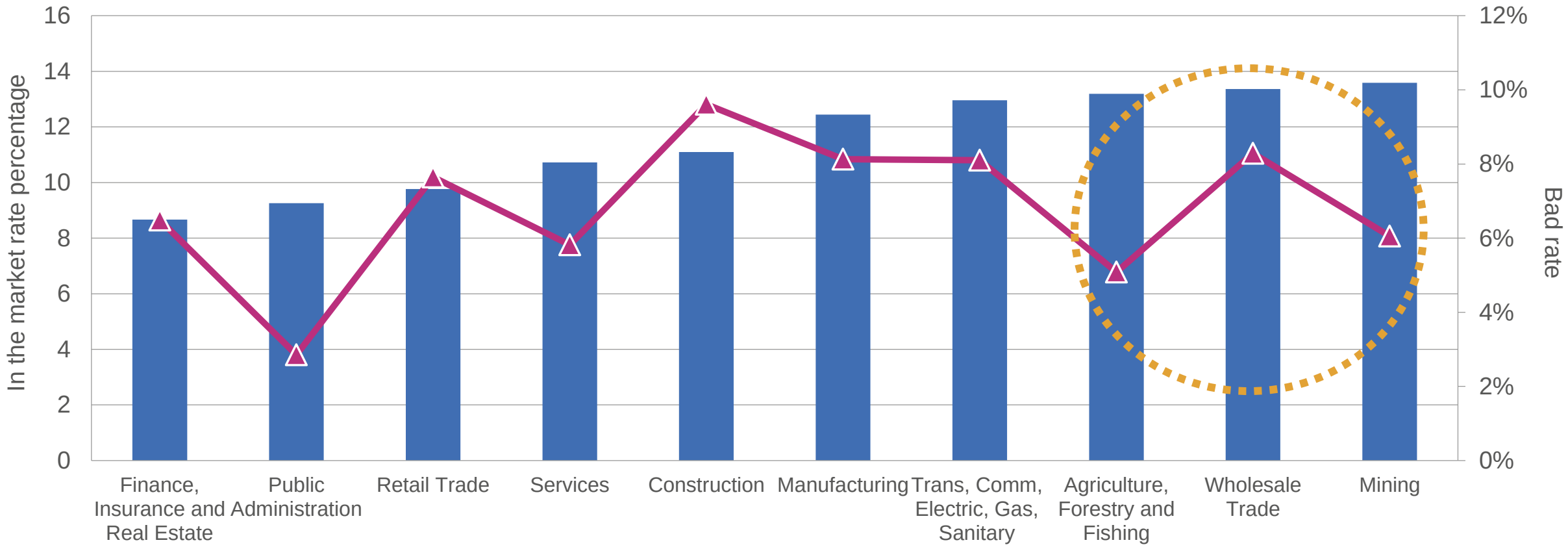
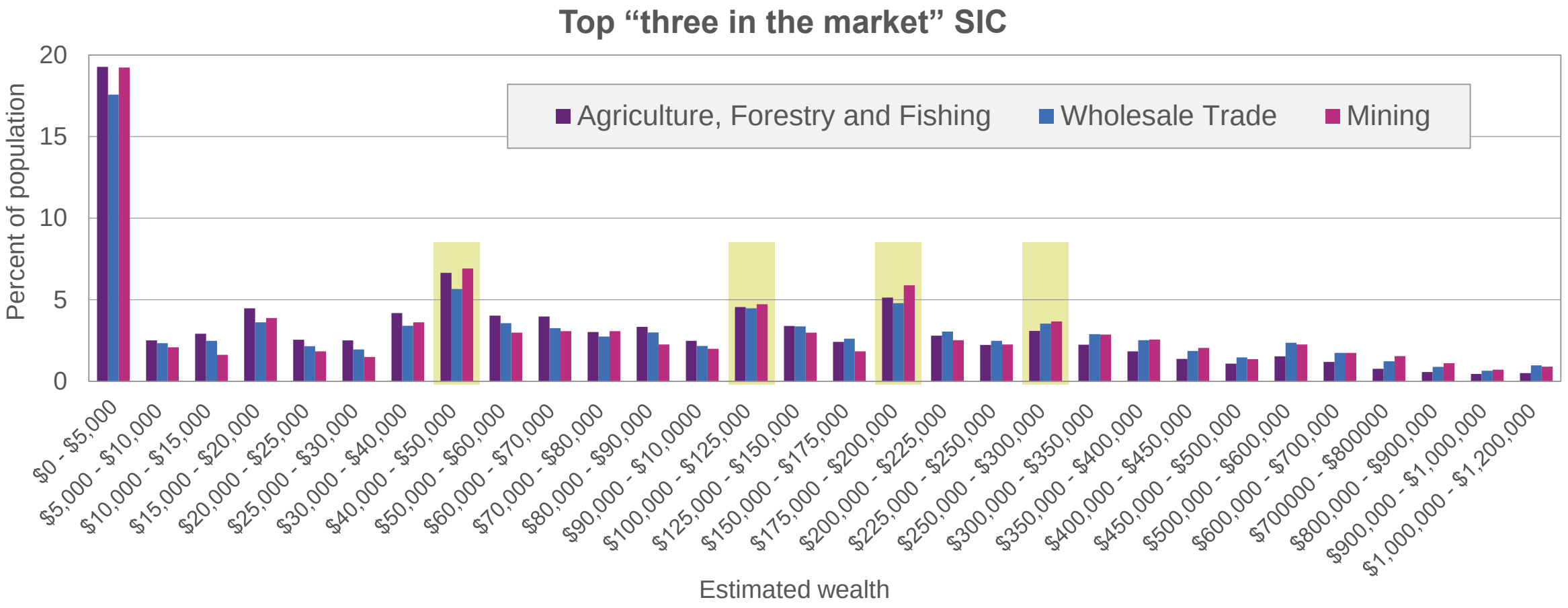
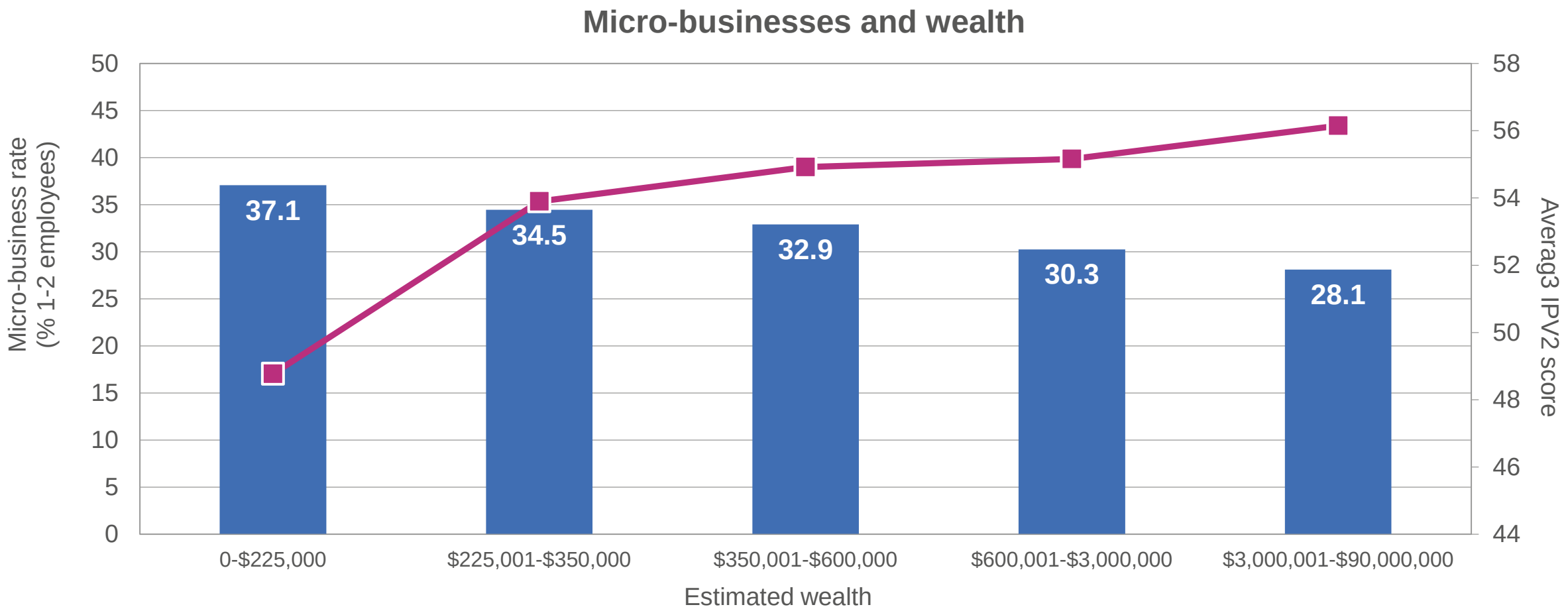


Where to target?



Why to target here?



Questions and answers

Experian contact:

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Pete.Bolin@experian.com

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Please take the time now to give us your feedback about this session.
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How would you rate both the **Speaker and Content?**

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