

Small Business Defaults in Massachusetts Up in April

In April 2017, small business loan defaults increased in Massachusetts' business community, according to data published by PayNet. However, of the 18 major industries, only 7 rose in the state.

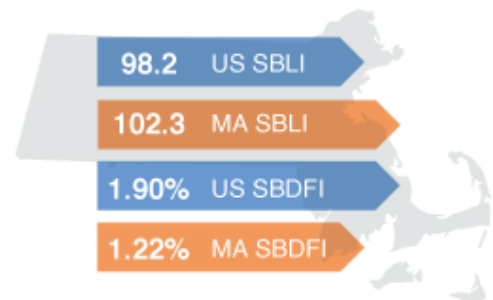
In spite of a 3 basis point increase from March, Massachusetts' PayNet Small Business Default Index (SBDFI) of 1.22% ranked 3rd best in the country and was still 68 basis points below the national SBDFI level of 1.90%. The uptick in defaults over the past four months may signal deteriorating financial health in the state. The national SBDFI increased 26 basis points over the last year, while Massachusetts' SBDFI rose 9 basis points.

The industries with the highest default rate in Massachusetts were Information (2.32%); Manufacturing (1.91%); and Public Administration (1.88%). Nationally, Information had a default rate of 2.64%, with a difference of +0.18% compared to the prior year versus a variance of -0.17% in Massachusetts.

The PayNet Small Business Lending Index (SBLI) for Massachusetts came in at 102.3, outperforming the national SBLI level (98.2) despite declining by 0.3% from the previous month's state level. Small business borrowers are being cautious and holding off on new investment.

"Declining investment and deteriorating financial health exhibited by Massachusetts' small businesses set the stage for a slowing economy," states the president of PayNet, William Phelan.

Massachusetts Small Business Credit Trends
April 2017



Source: SBinsights.net

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About

PayNet is the leading provider of credit ratings on small businesses enabling lenders to achieve optimal risk management, growth and operational efficiencies. PayNet maintains the largest proprietary database of small business loans, leases and lines of credit encompassing over 23 Million contracts worth over \$1.4 Trillion. Using state-of-the-art analytics, PayNet converts raw data into real-time marketing intelligence and predictive information that subscribing lenders use to make informed small business financial decisions and improve their business strategy. For more information, visit www.paynet.com.

PayNet Small Business Lending Index (SBLI)

The PayNet SBLI is based on new commercial loan and lease originations by major U.S. lenders in PayNet's proprietary database. This index measures the volume of loans to small businesses formulated on a rolling 12-month basis. Small businesses generally respond to changes in economic conditions more rapidly than do larger businesses; this statistic is a leading indicator of macroeconomic and industry trends

PayNet Small Business Default Index (SBDFI)

The PayNet Small Business Default Index (SBDFI) measures the percent of loans and leases to small businesses that have defaulted in the past 12 months.

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