Texas Small Business Defaults Unchanged in January

In January 2017, the percentage of small firms late on repaying existing loans has remained consistent in Texas, data announced by PayNet shows. Of the 18 major industries, 7 improved and 11 worsened.
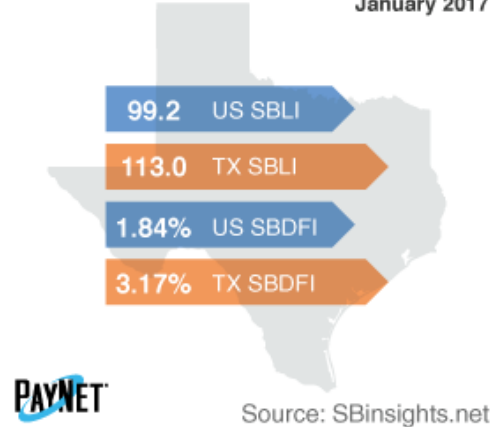
Following a 3 basis point decline from December, Texas' PayNet Small Business Default Index (SBDFI) of 3.17% ranked last nationally and was 133 basis points greater than the national SBDFI level of 1.84%. The decline in defaults over the past two months may signal improving financial health in the state. Texas' SBDFI rose 98 basis points over the last year, while the national SBDFI rose 29.

Texas Small Business Credit Trends
January 2017

99.2	US SBLI	
113.0	TX SBLI	
1.84%	US SBDFI	
3.17%	TX SBDFI	

Source: SBinsights.net

The industries with the highest default Index in Texas were Transportation and Warehousing (7.35%); Mining, Quarrying, and Oil and Gas Extraction (7.14%); and Construction (4.09%). Nationally, Transportation and Warehousing had a default rate of 4.23%, with a difference of +1.40% compared to the prior year variance of +2.04% in Texas.

Registering at 113, Texas' PayNet Small Business Lending Index (SBLI) rose 0.2% from the previous month's state level and was 13.9% greater than this month's national SBLI level. Year-over-year, business investment deteriorated 8.0%, reducing future growth potential.

"The performance of defaults over the past few months may foster a better lending environment," suggests William Phelan, president of PayNet.

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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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