New York Small Business Defaults Up in March, Borrowing Falls

Data released by PayNet show that more New York small businesses defaulted on loans and the level of borrowing activity fell in March 2017. The data suggest that economic conditions in the state may significantly weaken.

In spite of an 11 basis point climb from February, New York's PayNet Small Business Default Index (SBDFI) of 1.65% was still 22 basis points under the national SBDFI level of 1.87%. The uptick in defaults over the past two months may signal deteriorating financial health in the state. Both the New York and national SBDFI climbed 25 basis points year-over-year.

New York Small Business Credit Trends
March 2017

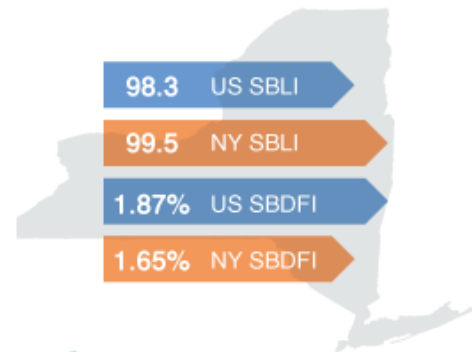|	
98.3	US SBLI
99.5	NY SBLI
1.87%	US SBDFI
1.65%	NY SBDFI

Source: SBinsights.net

Transportation and Warehousing (2.87%); Retail Trade (2.41%); and Information (2.39%) registered the highest default rates of all industries in New York. Nationally, Transportation and Warehousing had a default rate of 4.49%, with a difference of +1.24% compared to the prior year variance of +1.01% in New York.

The PayNet Small Business Lending Index (SBLI) for New York was 99.5, exceeding the national SBLI level despite dropping by 1.6% 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 New York's small businesses set the stage for a slowing economy," states the president of PayNet, William Phelan.

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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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