

# Small Business Credit Survey:

2024 Insights for the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metropolitan Statistical Area

by Alaina Barca<sup>1</sup>

Owners of small employer firms (firms with one to 499 employees) were surveyed in the fall of 2023 for the Small Business Credit Survey (SBCS).<sup>2</sup> This brief highlights key findings for 239 small employer firms (“firms”) in the Philadelphia-Camden-Wilmington, PA-NJ-DE-MD metropolitan statistical area (“Philadelphia metro”).<sup>3</sup>

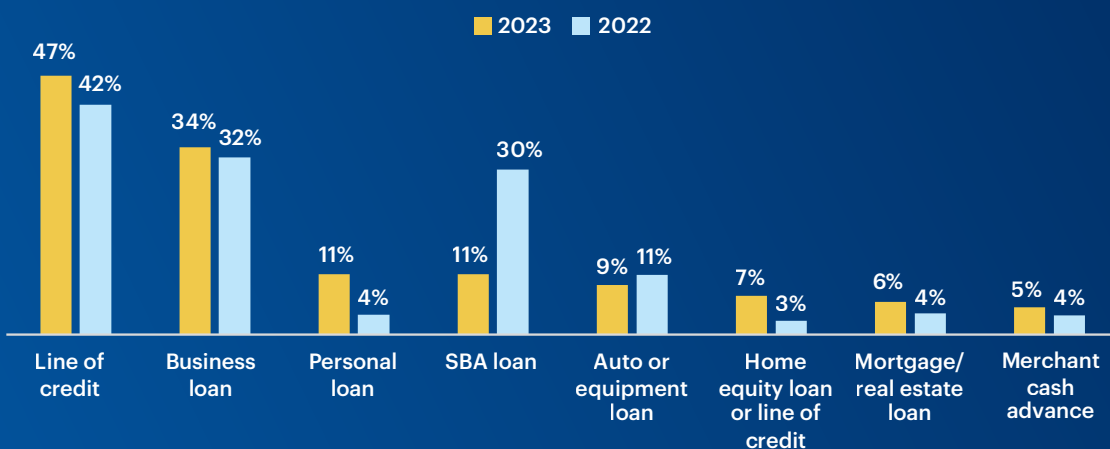
## Firm Conditions

For the second year in a row, more than half of the Philadelphia metro’s firms reported poor or fair financial conditions. More firms said they experienced either a decrease or no change in their revenues between 2022 and 2023 than did between 2021 and 2022, while fewer said revenues increased. Fewer firms carried debt, although about the same number of firms applied for loans, lines of credit, or merchant cash advances compared with the previous year. Among the firms that did apply in 2023, more sought lines of credit, business loans, and personal loans than those that applied in 2022, and fewer sought Small Business Administration (SBA) loans.<sup>4</sup>

### Revenue Change in the Last 12 Months



### Application Rate by Type of Loan, Line of Credit, or Merchant Cash Advance<sup>5</sup>



**57%**  
Reported that 2023 financial conditions were poor or fair

**34%**  
Had no outstanding debt, compared with 22% in 2022

<sup>1</sup> The views expressed here are those of the author and do not necessarily represent the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

<sup>2</sup> The SBCS is a national sample of small businesses focused on firms’ financing and debt needs and experiences. The national report and corresponding data used for this brief are available at [www.fedsmallbusiness.org/survey](http://www.fedsmallbusiness.org/survey).

<sup>3</sup> See more demographic details on page 2. Note that data are weighted to be representative of all the small businesses in the Philadelphia metro, a U.S. Census Bureau-defined geography that includes 11 counties surrounding Philadelphia across Pennsylvania, Delaware, New Jersey, and Maryland. Not all yearly comparisons included are statistically significant, partly owing to sample size. Percentages may not sum to 100 because of rounding, and for some figures, respondents could select more than one option. Last year’s Philadelphia metro brief is available at [www.philadelphiafed.org/-/media/frbp/assets/community-development/briefs/2023-sbcs-phil-msa-insights-brief.pdf](http://www.philadelphiafed.org/-/media/frbp/assets/community-development/briefs/2023-sbcs-phil-msa-insights-brief.pdf).

<sup>4</sup> Figure sample sizes vary based on survey responses. The sample size for revenue change is 227 firms in 2023 and 341 firms in 2022, poor or fair financial conditions is 239 firms, outstanding debt is 239 firms in 2023 and 339 firms in 2022, and application rate is 94 firms in 2023 and 122 firms in 2022.

<sup>5</sup> Among the 31 percent of firms that applied for loans, lines of credit, or merchant cash advances in 2022 and the 30 percent that applied in 2023.

# Challenges in 2023

In 2023, the most commonly reported challenges of Philadelphia metro firms were similar to those in 2022, although most were reported less frequently in 2023. The most widely cited operational challenges were hiring or retaining qualified staff, reaching customers or growing sales, and supply chain issues. Other operational challenges included utilizing technology (31 percent), complying with government regulations (25 percent), and ensuring the health and safety of customers or employees (9 percent). The most common financial challenges were increased costs of goods, services, and/or wages; weak sales; and paying operating expenses. Other financial challenges included uneven cash flow (46 percent), making payments on debt/interest rates (37 percent), and credit availability (24 percent).<sup>6</sup>



## Top Operational Challenges

**56%**

Hiring or retaining qualified staff

**53%**

Reaching customers/ growing sales

**38%**

Supply chain issues



## Top Financial Challenges

**74%**

Increased costs of goods, services, and/or wages

**48%**

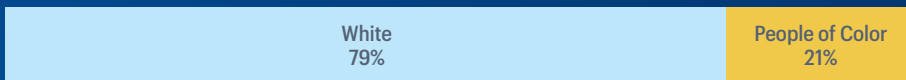
Weak sales

**47%**

Paying operating expenses

## Firm Demographics<sup>7</sup>

### Race/Ethnicity of Owner(s)



### Industry



**56%**

Have 1-4 employees



**52%**

Earn <\$500K in annual revenues

**68%**

Male-owned

**22%**

Female-owned

**10%**

Equally owned

### Age of Firm (Years)



<sup>6</sup> Figure sample sizes vary based on survey responses. The sample size is 233 firms for operational challenges; 239 firms for financial challenges, gender, race, industry, number of employees, and age of firm; and 235 firms for annual revenues.

<sup>7</sup> Age of firm, employment size, gender of owner(s), industry, and race and ethnicity of owner(s) are among the variables used to weight the SBCS. The demographic figures shown represent SBCS sample respondents weighted based on U.S. Census Bureau population data. Some figure categories are broader than they were in previous years because of sample size limitations.