

# 2025 Firms in Focus

Chartbook on Massachusetts Employer  
Firms

Findings from the  
2024 Small Business Credit Survey



# About the Small Business Credit Survey



- The Small Business Credit Survey (SBCS) is an annual survey of firms with fewer than 500 employees.
- Data in this chartbook represent findings from the 2024 survey year. The survey was fielded from September 4 to November 4, 2024.
- The findings in this chartbook show data for employer firms only. Employer firms are those with at least one employee in addition to the owner(s). For chartbooks on state and metropolitan statistical area (MSA) findings, the “US employer firms” comparison bars show data for the national SBCS sample.
- Estimates are shown only when the corresponding sample includes 50 or more observations.
- Firms in Focus chartbooks examine differences in small businesses’ credit experiences based on firm and owner characteristics, states, and metro areas. This chartbook contains data on firms in Massachusetts. Additional information, including on firms in specific states, is available via [FedSmallBusiness.org](https://fedsmallbusiness.org).

## *Suggested citation*

Federal Reserve Banks, Small Business Credit Survey. 2025 Firms in Focus: Chartbook on Massachusetts Employer Firms. Retrieved from <https://fedsmallbusiness.org>. 10.55350/sbcs-20250512.

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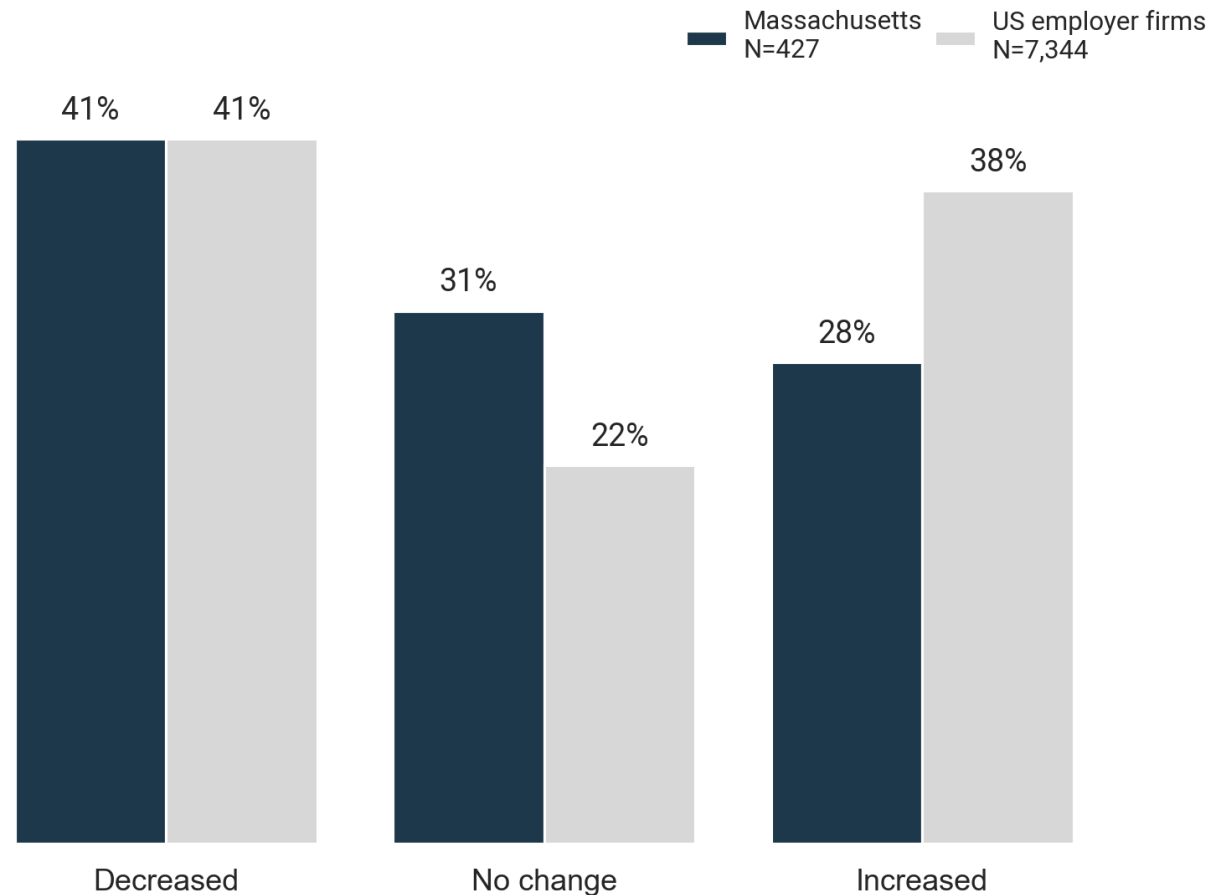
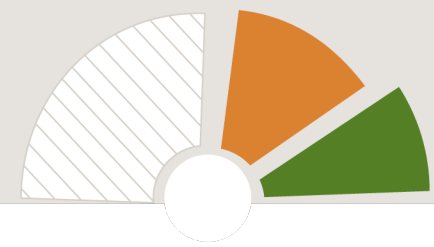
# Firm Performance

Revenue, employment, and  
business conditions



# Revenue change, prior 12 months

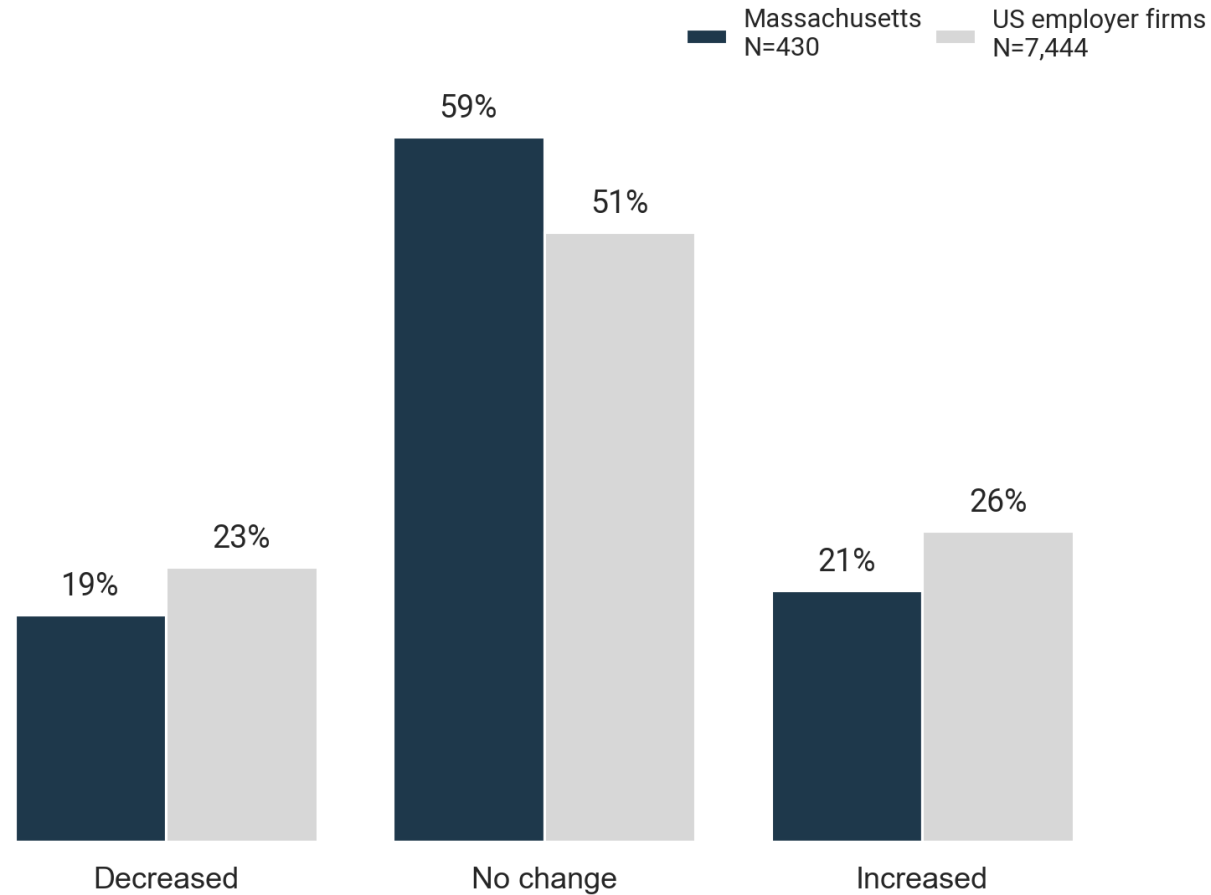
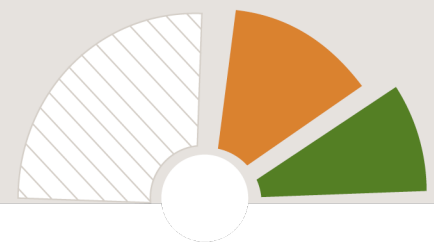
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

# Employment change, prior 12 months

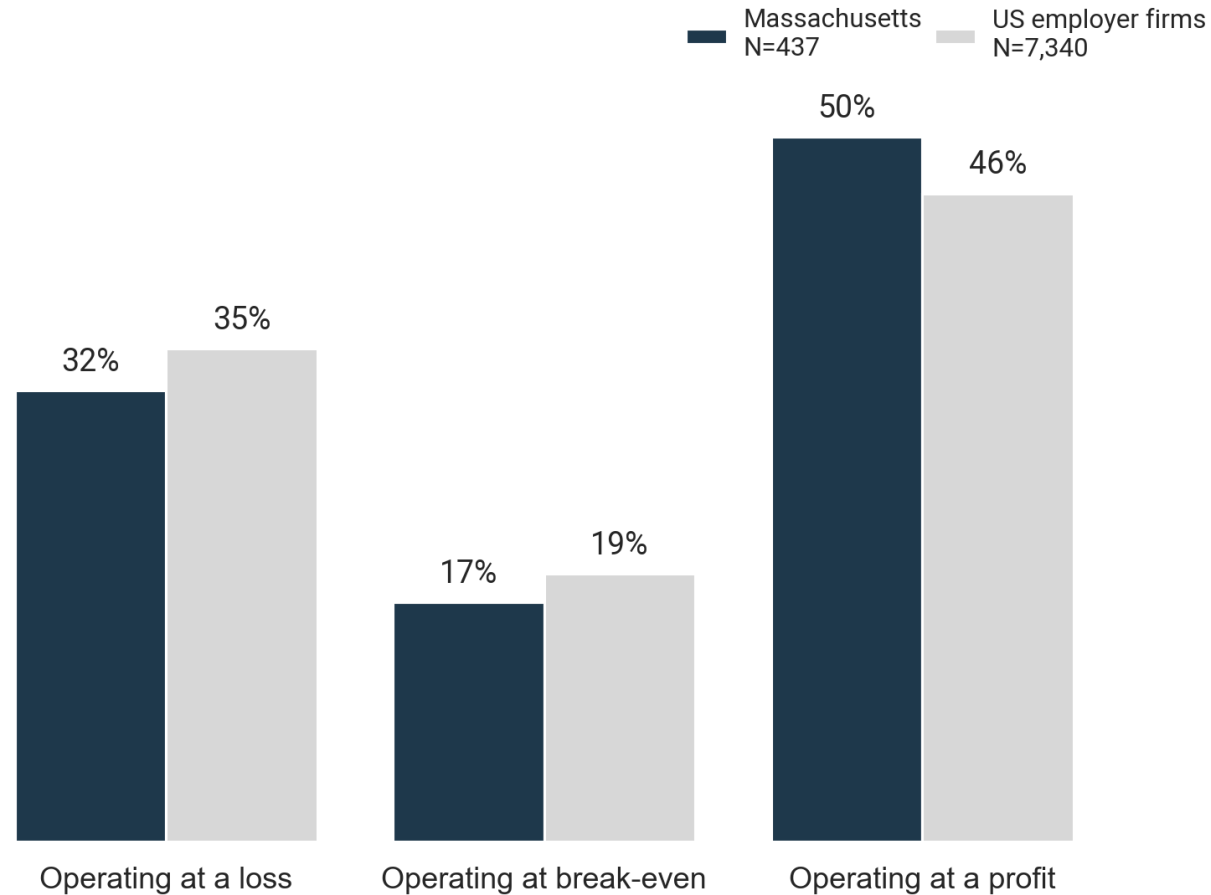
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

# Profitability, end of 2023

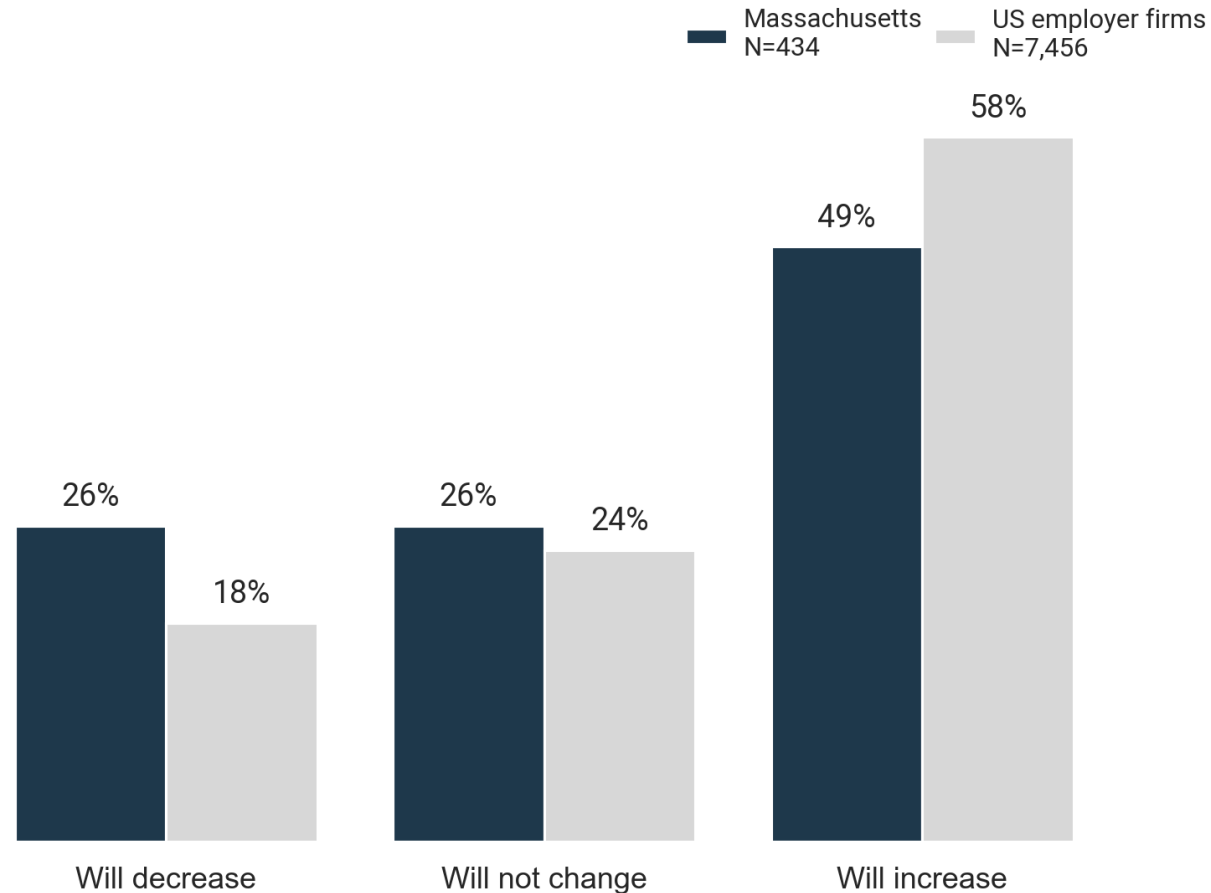
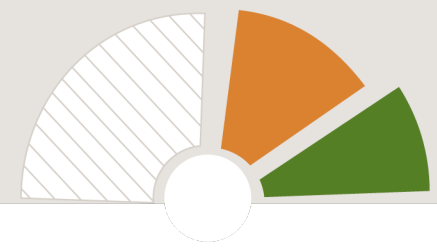
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

# Revenue expectations, next 12 months

(% of employer firms)

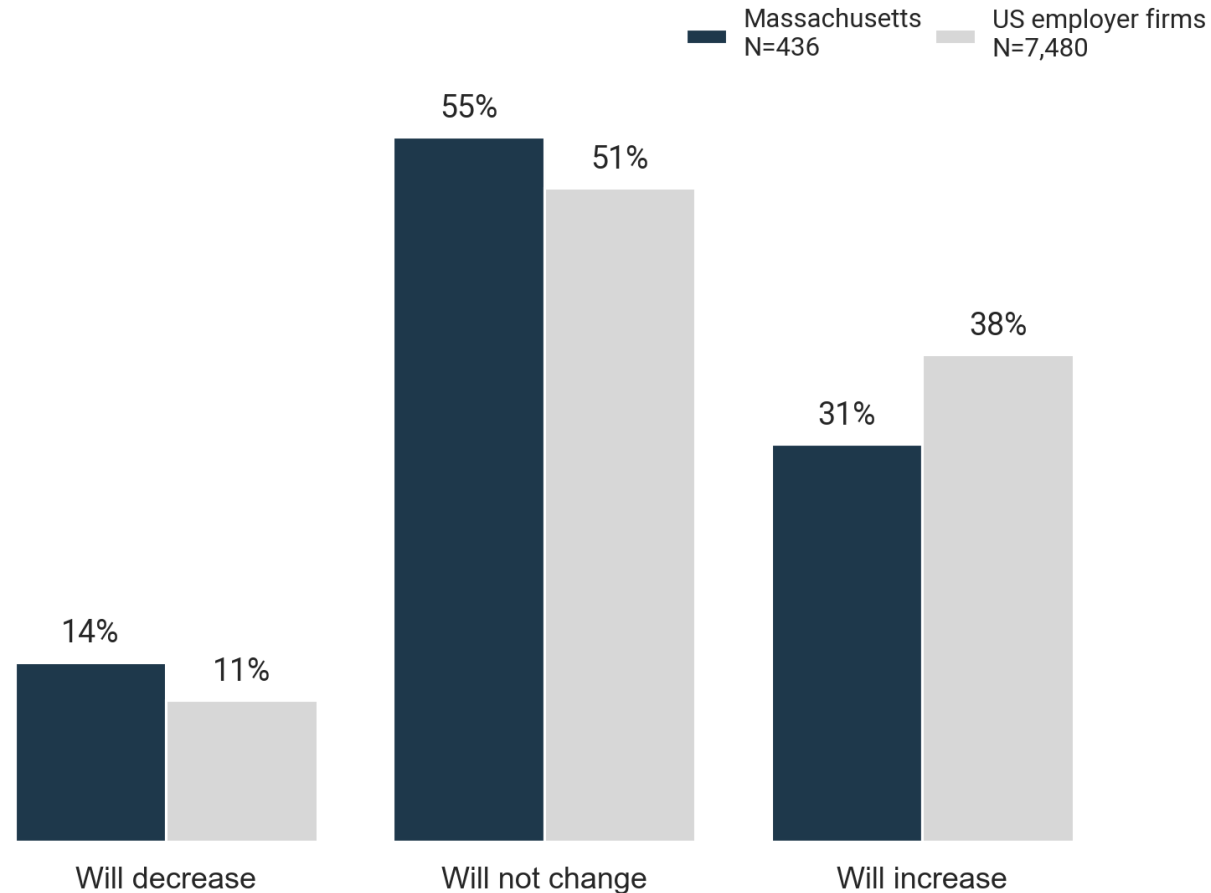


Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.



# Employment expectations, next 12 months

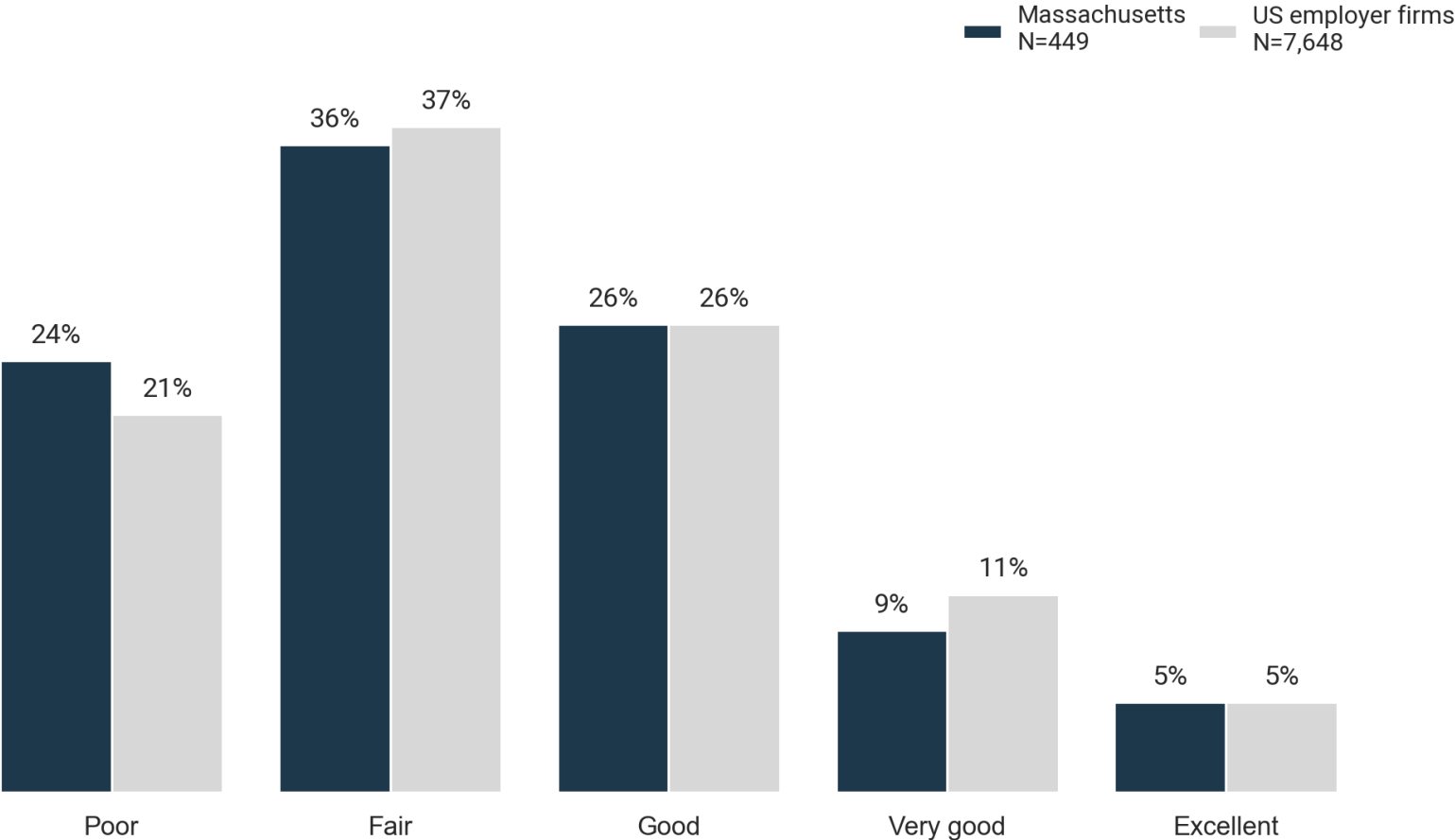
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

# Financial condition, time of survey

(% of employer firms)



Notes: Self-reported financial condition at the time of the survey. Percentages may not sum to 100 within respondent groups because of rounding. See Appendix for time period definitions used in the SBCS.

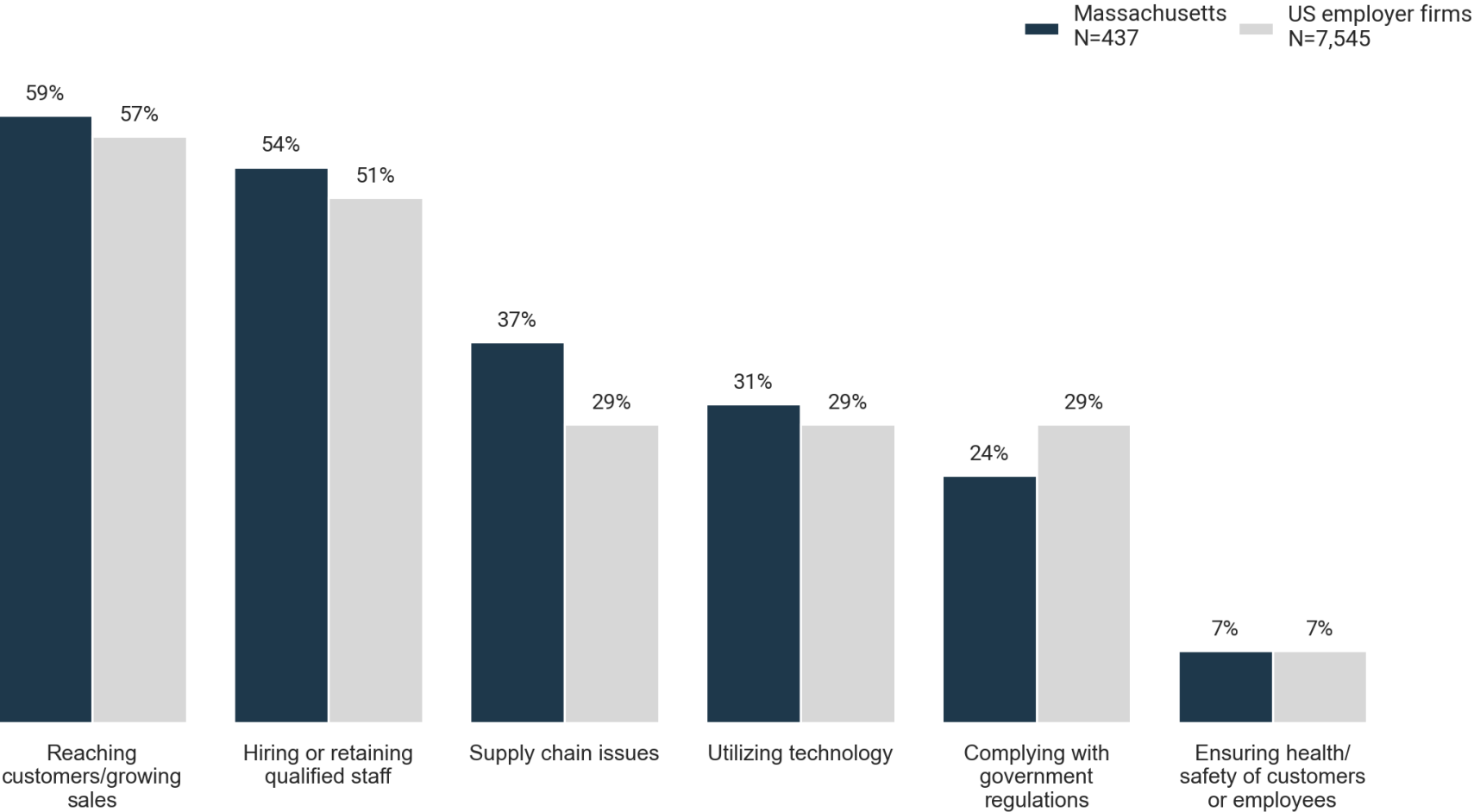
# Challenges

Financial and operational challenges and actions taken in response



# Operational challenges, prior 12 months

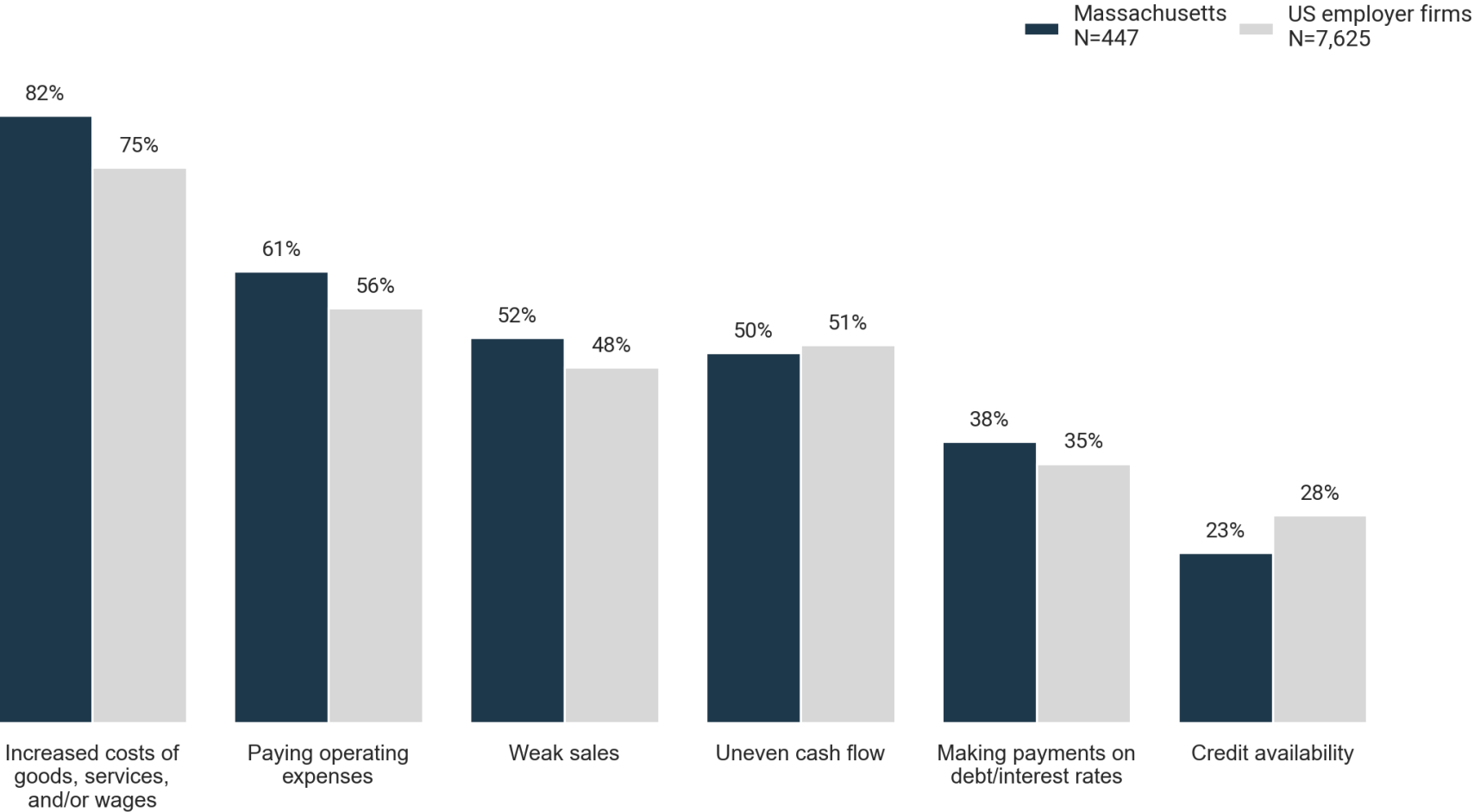
(% of employer firms)



Notes: “Utilizing technology” includes issues with ecommerce, cybersecurity, social media, and websites. Respondents could select multiple options. Most common responses shown. See Appendix for time period definitions used in the SBCS.

# Financial challenges, prior 12 months

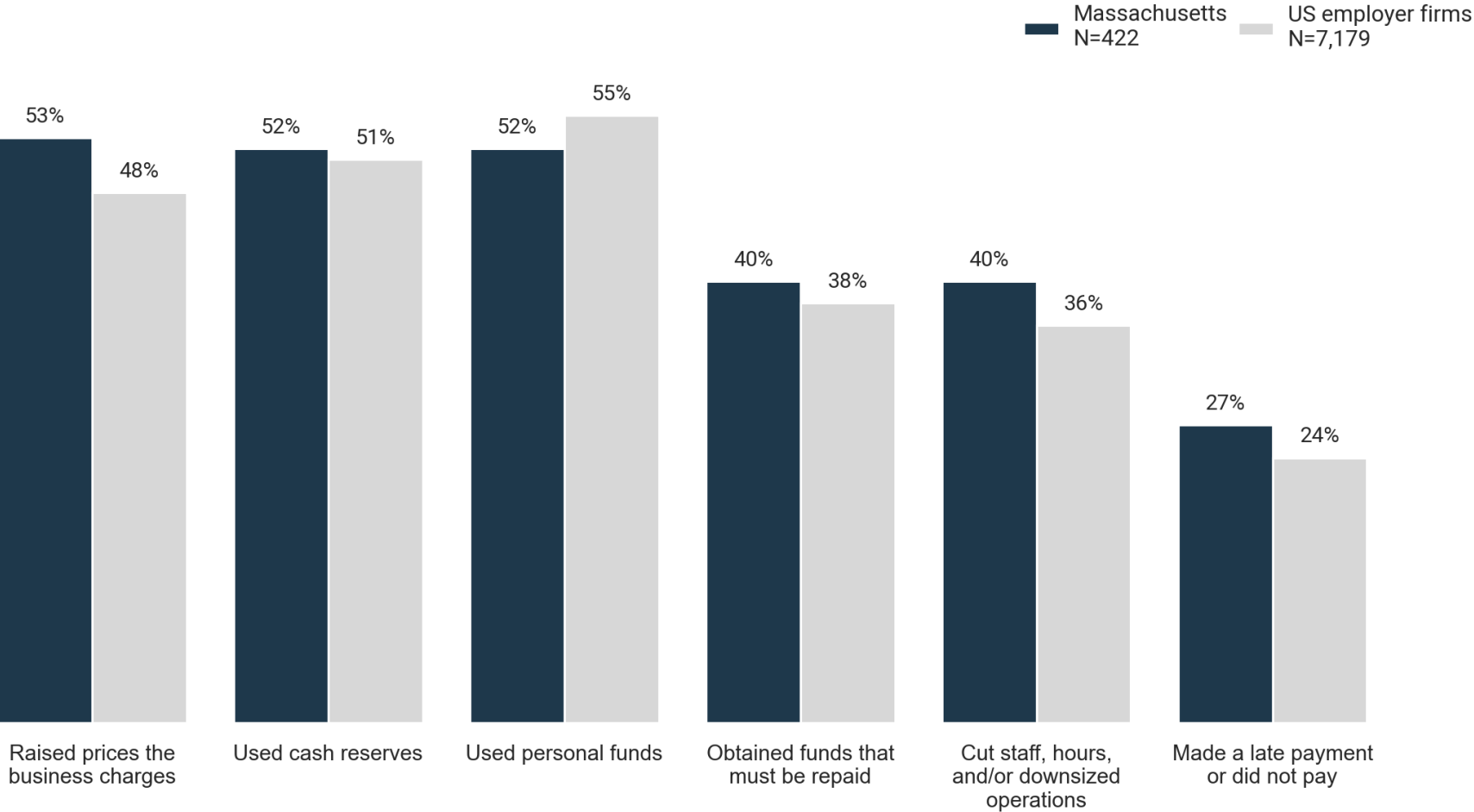
(% of employer firms)



Notes: "Uneven cash flow" includes collecting on receivables. Examples presented for "paying operating expenses" include payroll, rent, and inventory costs. Respondents could select multiple options. Most common responses shown. See Appendix for time period definitions used in the SBCS.

# Actions taken in response to financial challenges, prior 12 months

(% of employer firms with financial challenges)



Notes: Respondents could select multiple options. Select responses shown. See Appendix for time period definitions used in the SBCS.

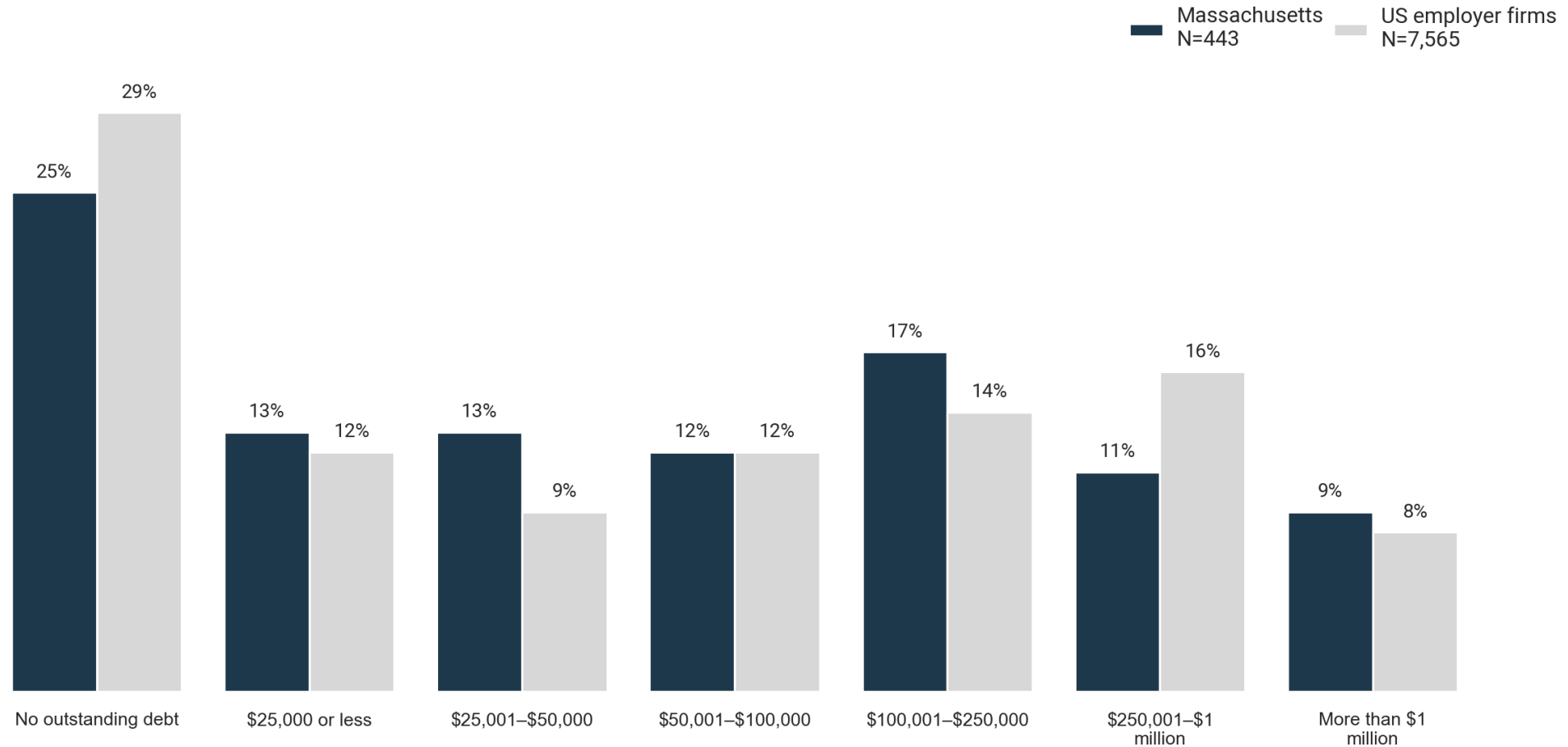
# Debt and Financial Services

Outstanding debt and  
use of financial services



# Amount of outstanding debt, time of survey

(% of employer firms)

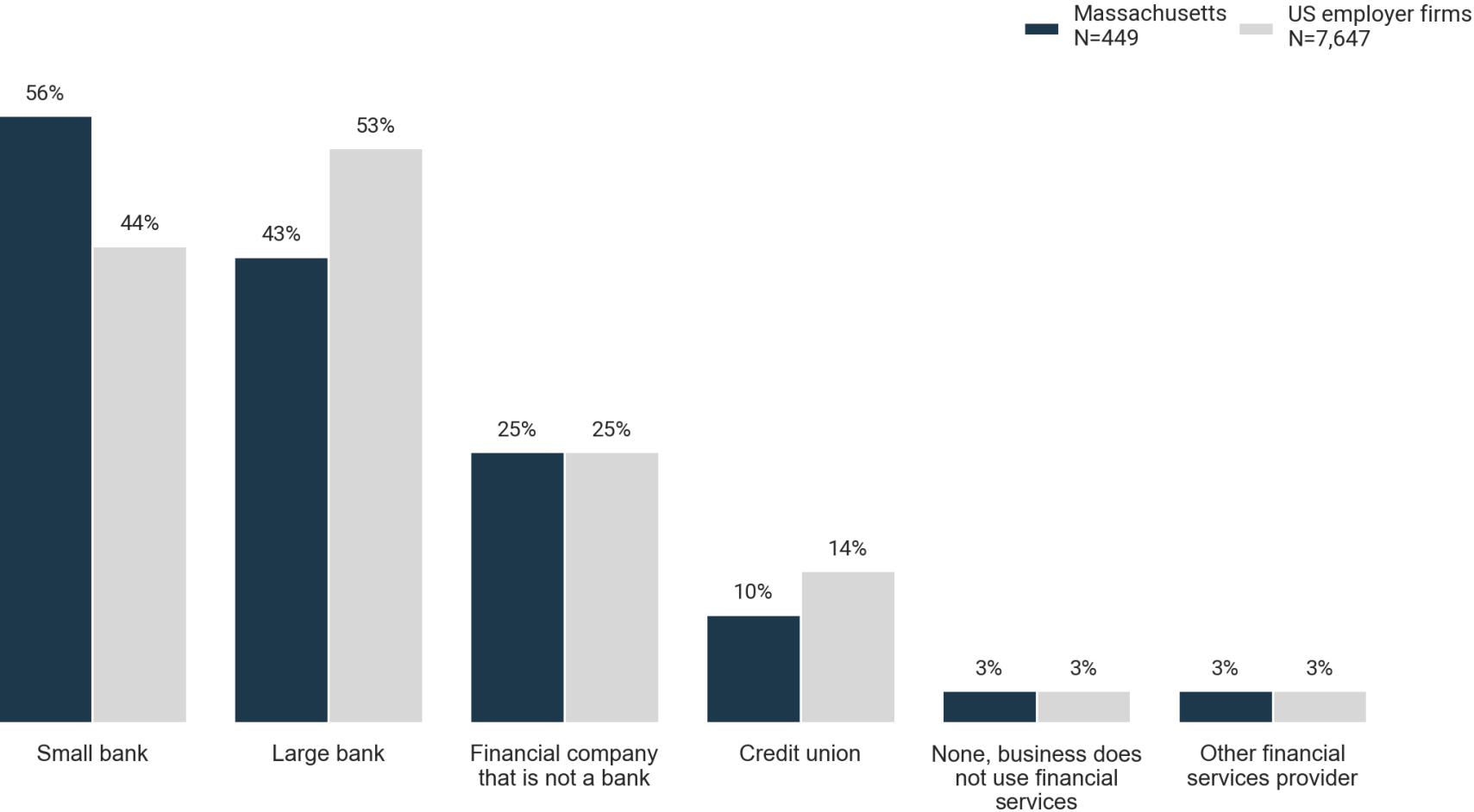


Notes: Respondents were instructed to consider funds borrowed from external parties, including formal borrowing from financial institutions and loans from friends and family. Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.



# Use of financial services providers

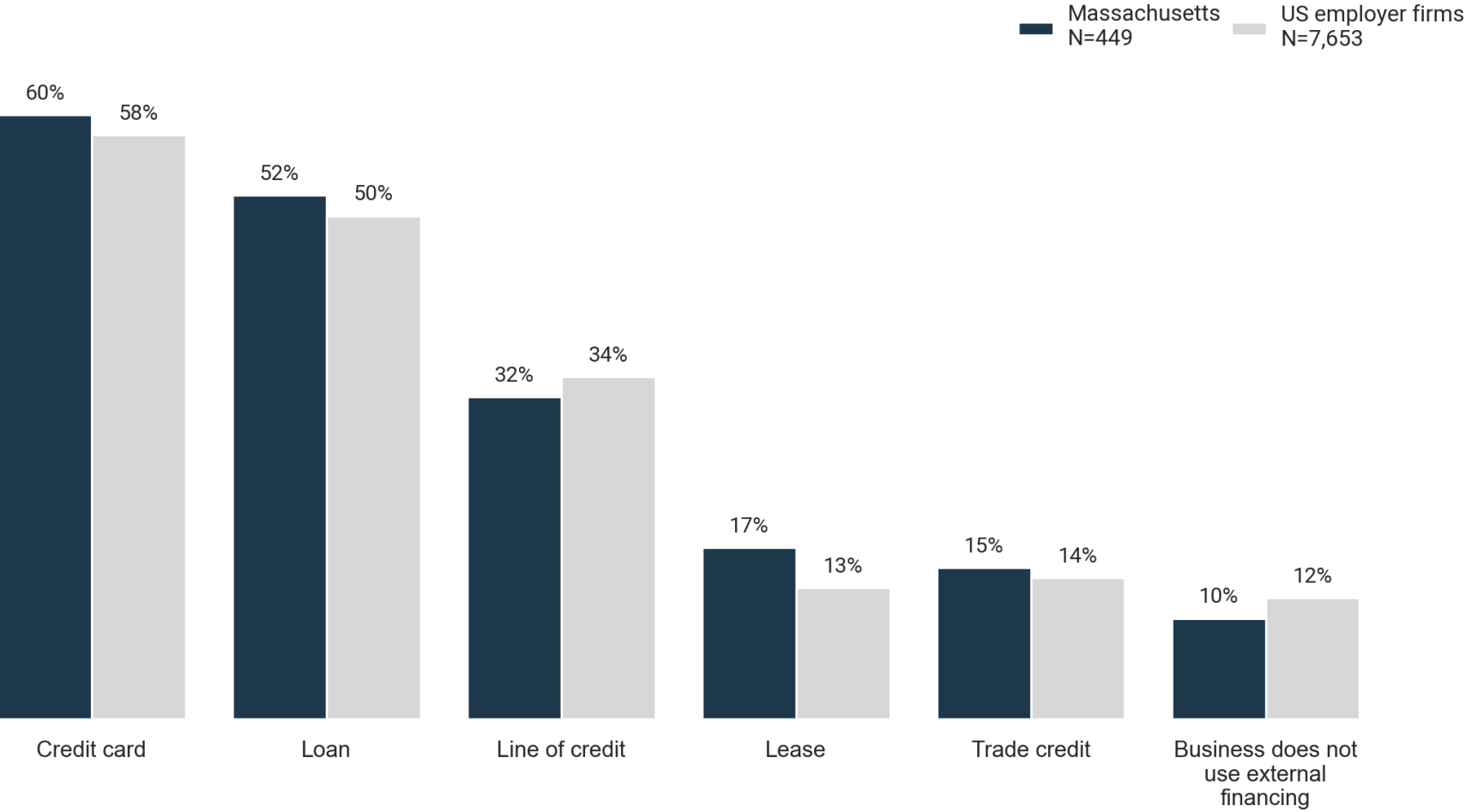
(% of employer firms)



Notes: Financial services providers are those at which the firm has an account or uses other financial services, including loans and payments processing. Respondents could select multiple options. Response option "other" not shown. See Appendix for financial services provider definitions used in the SBCS.

# Use of financing and credit

(% of employer firms)



Notes: Respondents were asked to select the types of financing products they regularly use or on which they regularly carry a balance. "Loan" includes mortgage for the business. Respondents could select multiple options. Most common responses shown.

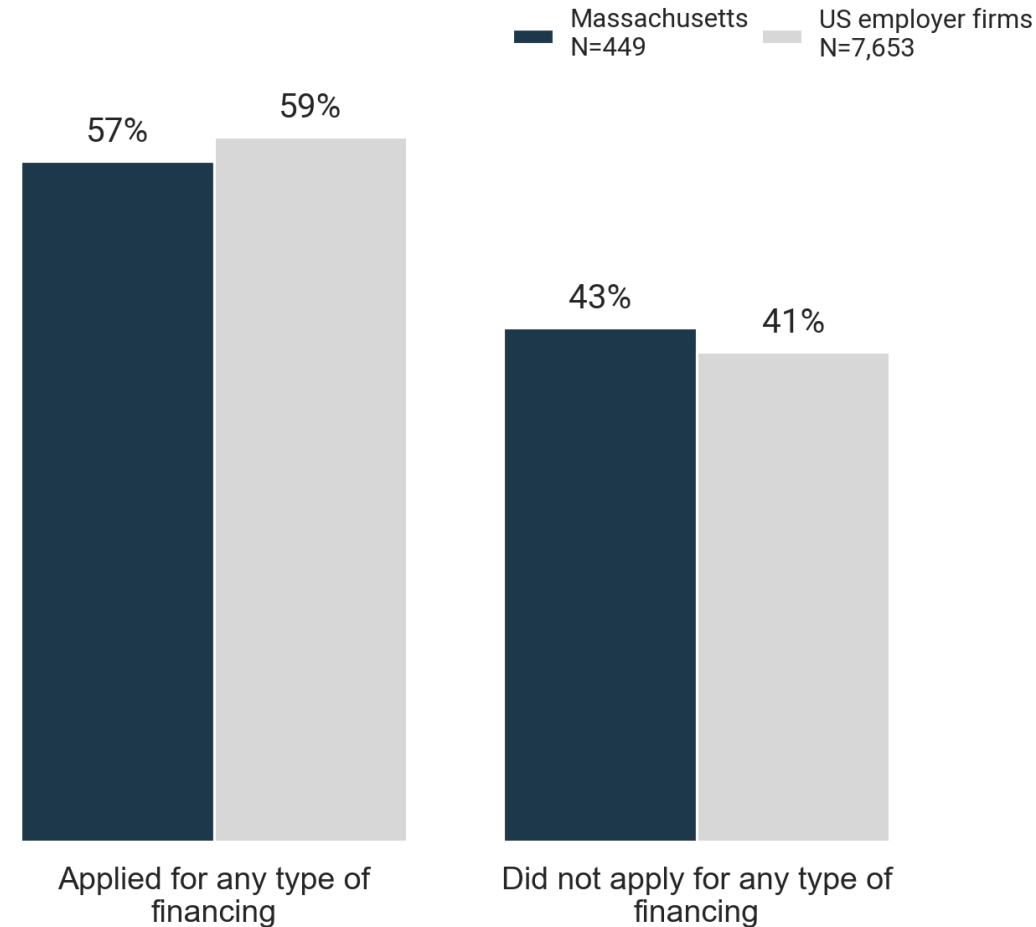
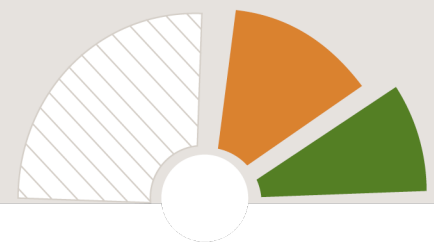
# Financing

Financing applications  
and outcomes



# Demand for financing, prior 12 months

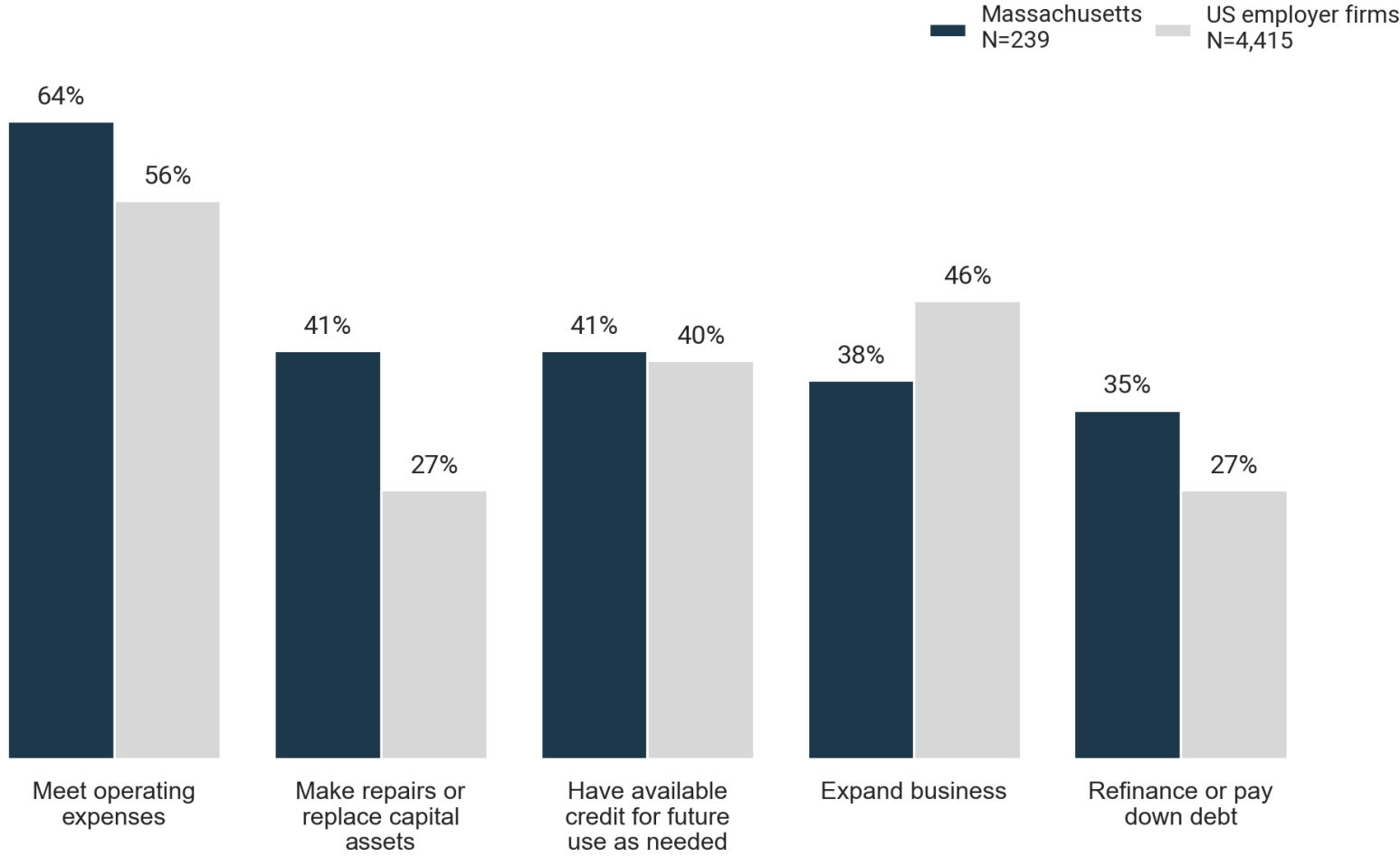
(% of employer firms)



*Notes: Includes financing applications for loans, lines of credit, merchant cash advances, leases, trade credit, credit cards, and factoring. See Appendix for time period definitions used in the SBCS.*

# Reasons for seeking financing, prior 12 months

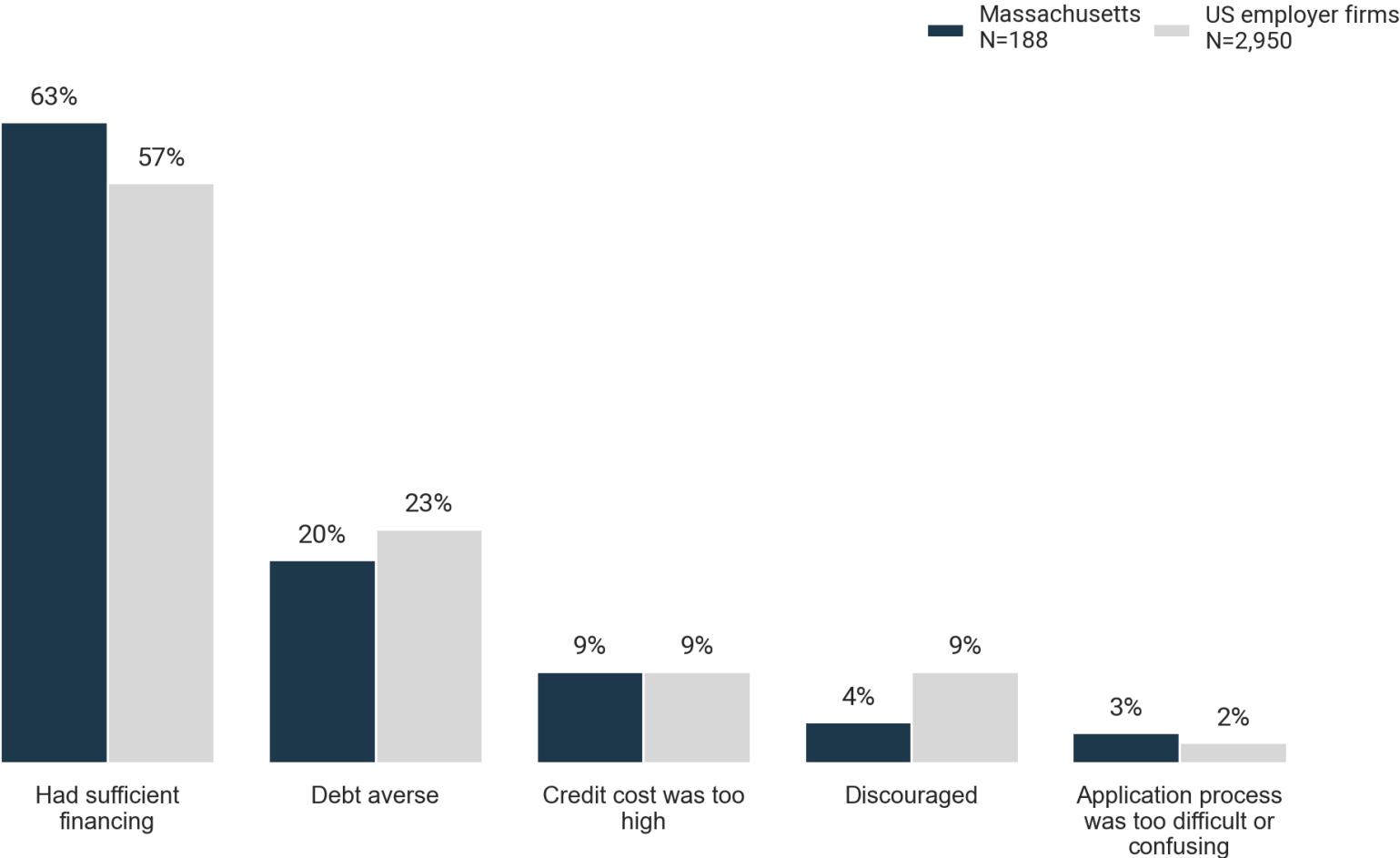
(% of applicants)



Notes: Respondents could select multiple options. Response option "other" not shown. See Appendix for time period definitions used in the SBCS.

# Top reasons for not applying, prior 12 months

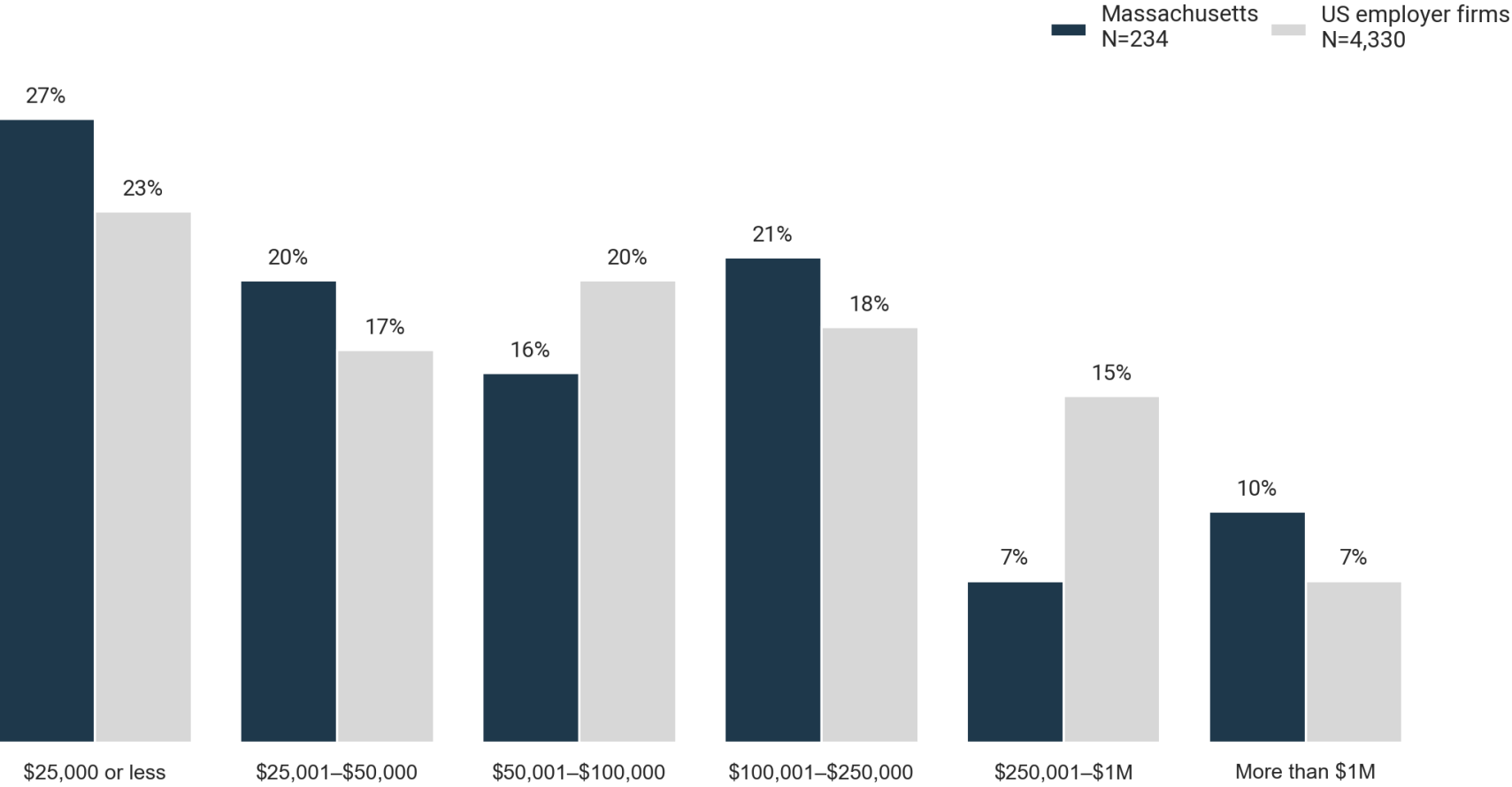
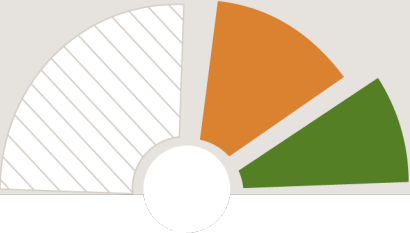
(% of nonapplicants)



Notes: Respondents were asked to select the primary reason they chose not to apply for financing. "Nonapplicants" are firms that did not apply for financing in the prior 12 months. "Discouraged" firms are those that did not apply because they did not think they would be approved. Percentages may not sum to 100 within firm categories because of rounding and because response option "other" is not shown.

# Total amount of financing sought, prior 12 months

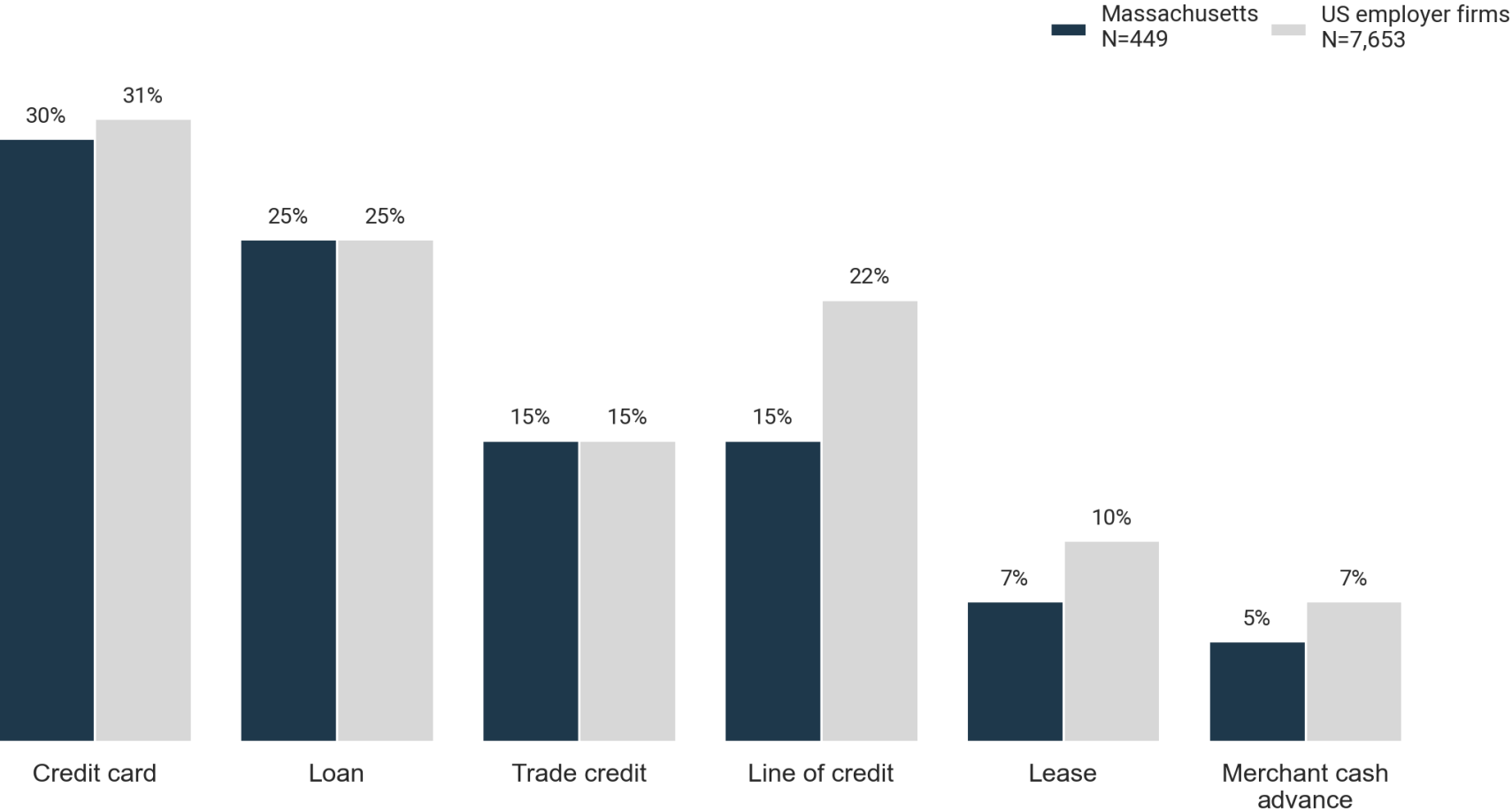
(% of applicants)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

# Financing and credit products sought, prior 12 months

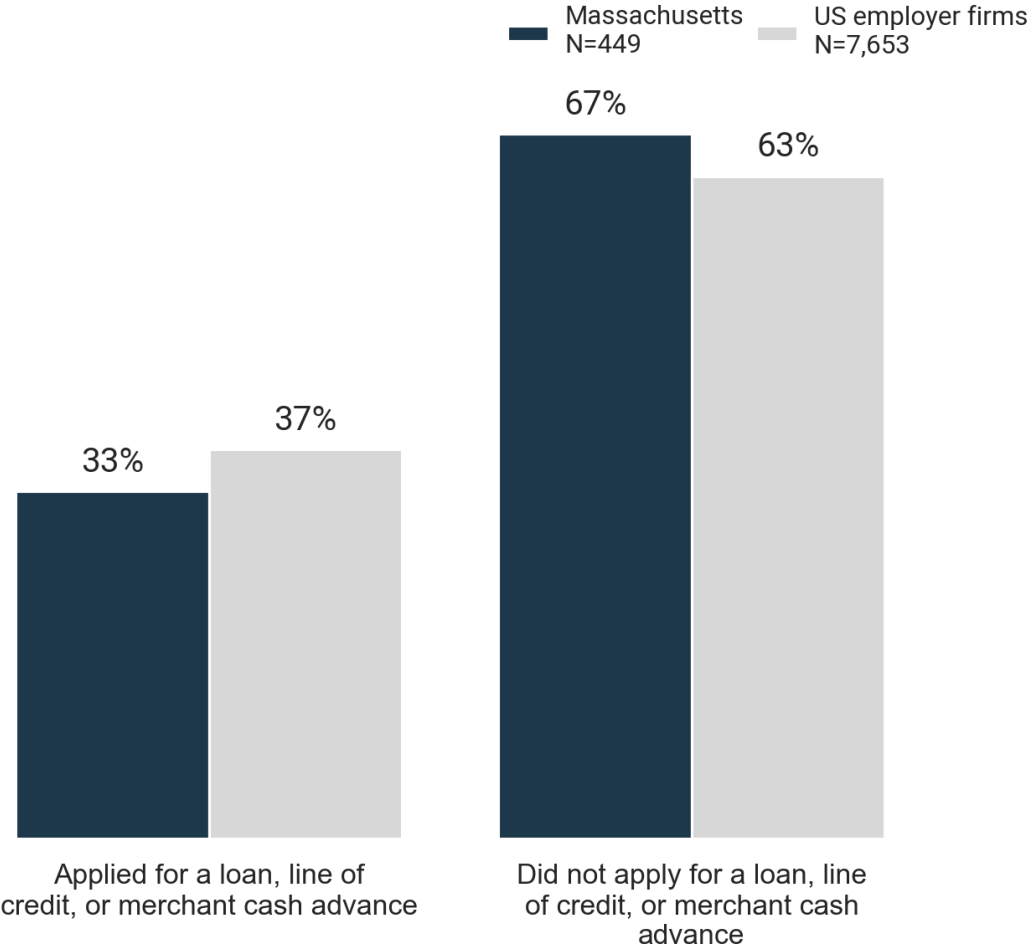
(% of applicants)



Notes: Respondents could select multiple options. Most common responses shown. See Appendix for time period definitions used in the SBCS.



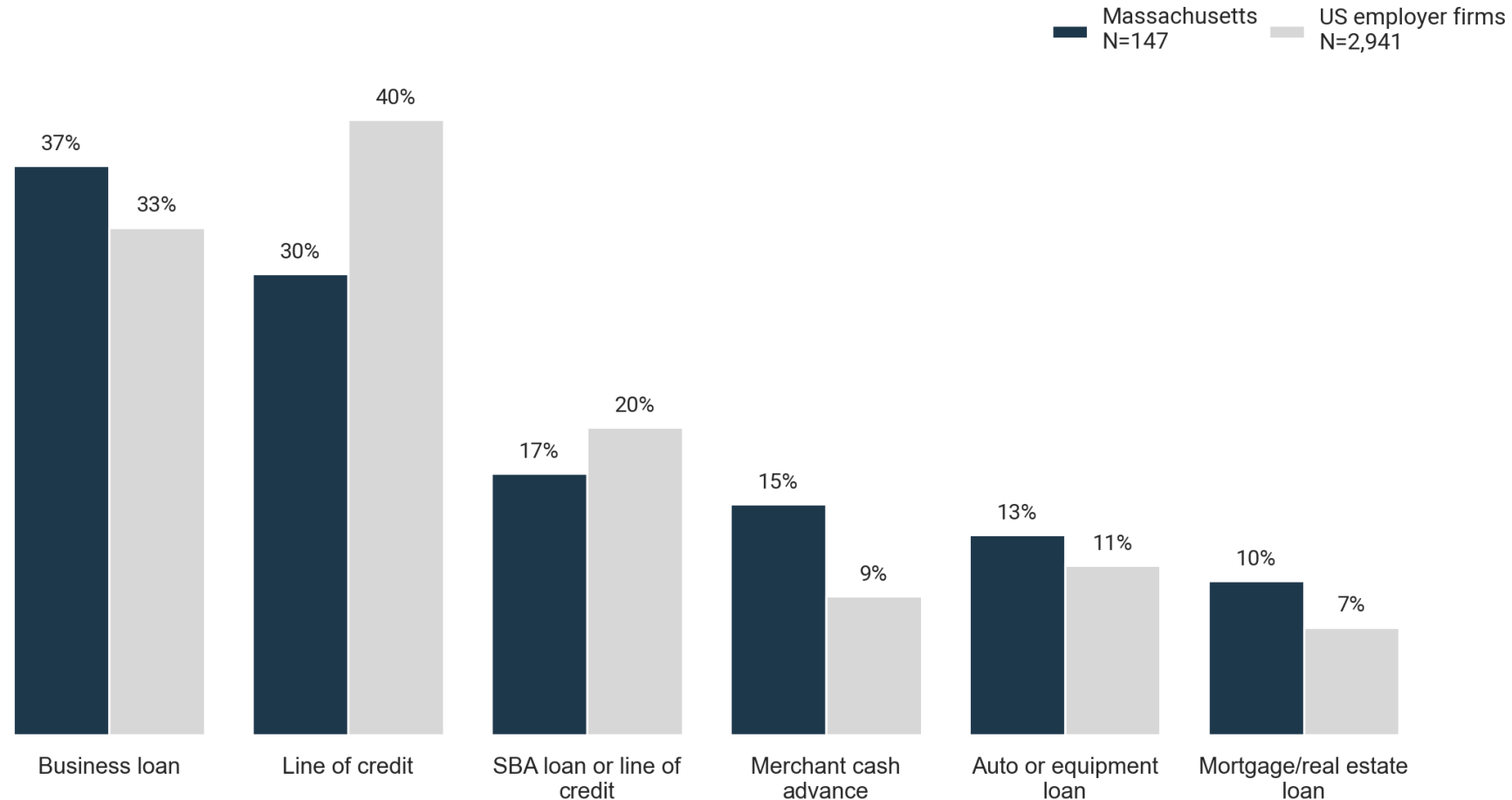
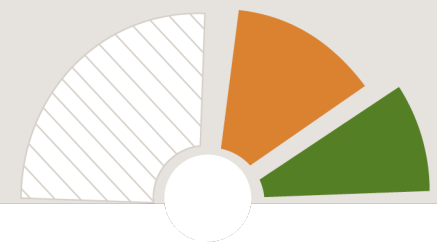
# Share of firms that applied for a loan, line of credit, or MCA, prior 12 months (% of employer firms)



Notes: "MCA" is a merchant cash advance. See Appendix for time period definitions used in the SBCS.

# Application rate by type of loan, line of credit, or MCA, prior 12 months

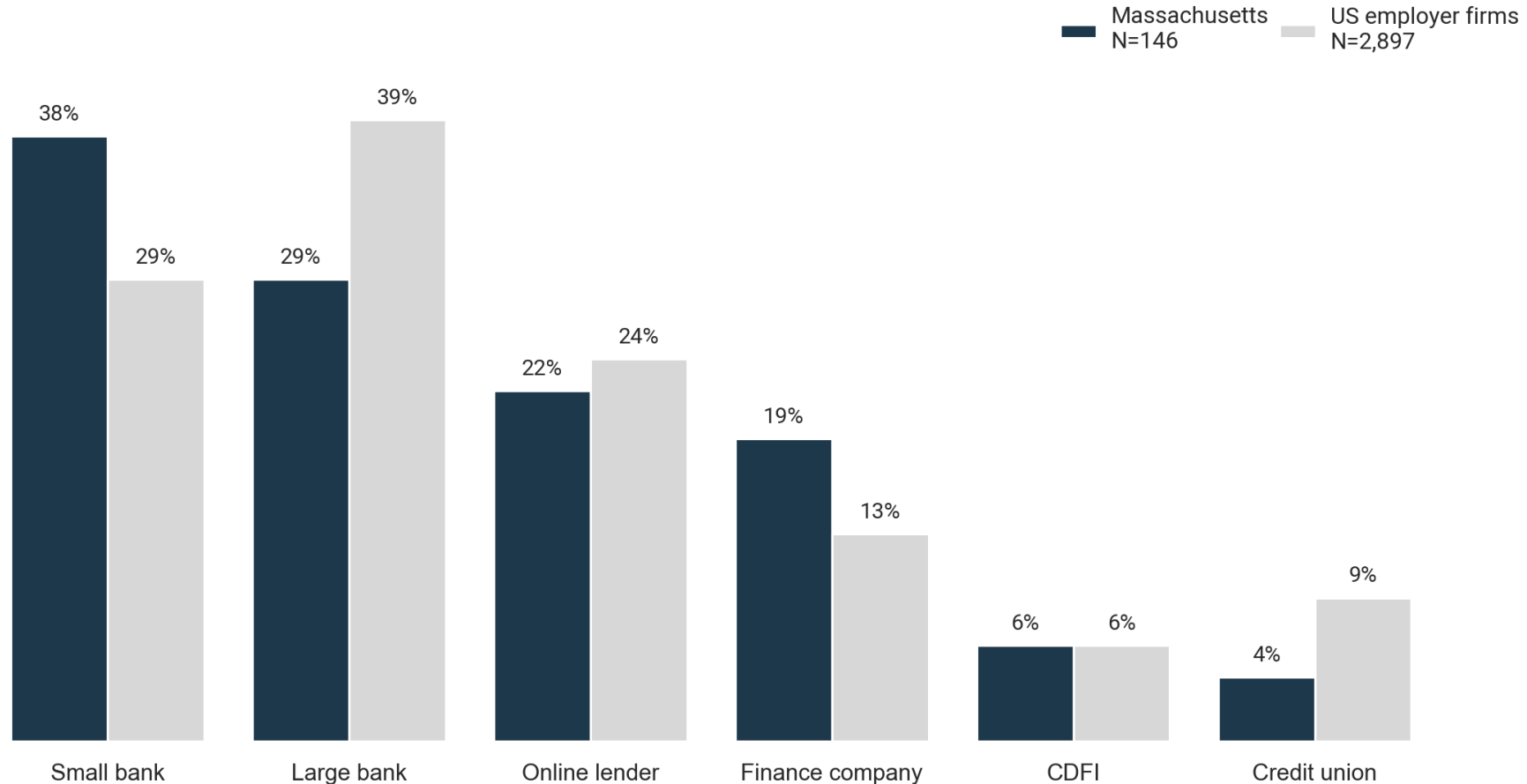
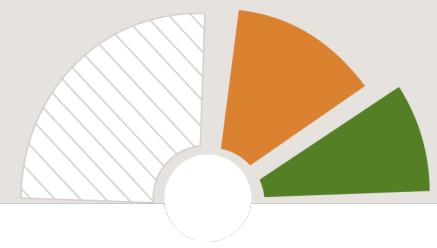
(% of loan, line of credit, and cash advance applicants)



Notes: "SBA" refers to the Small Business Administration. Respondents could select multiple options. Most common responses shown. See Appendix for time period definitions used in the SBCS.

# Credit sources applied to, prior 12 months

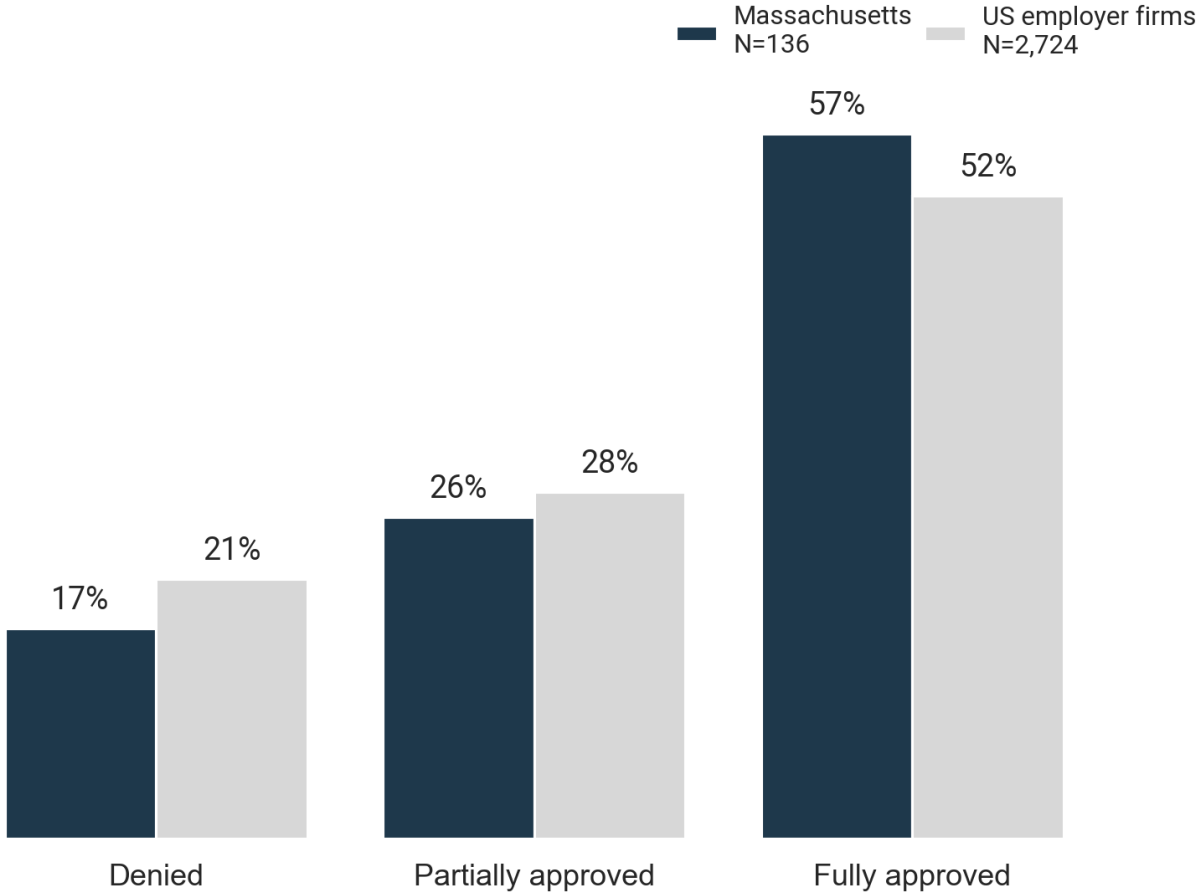
(% of loan, line of credit, and cash advance applicants)



Notes: Respondents that submitted more than one application could select multiple source options. Response option "other source" not shown. "CDFI" refers to community development financial institutions. See Appendix for time period definitions and lender descriptions used in the SBCS.

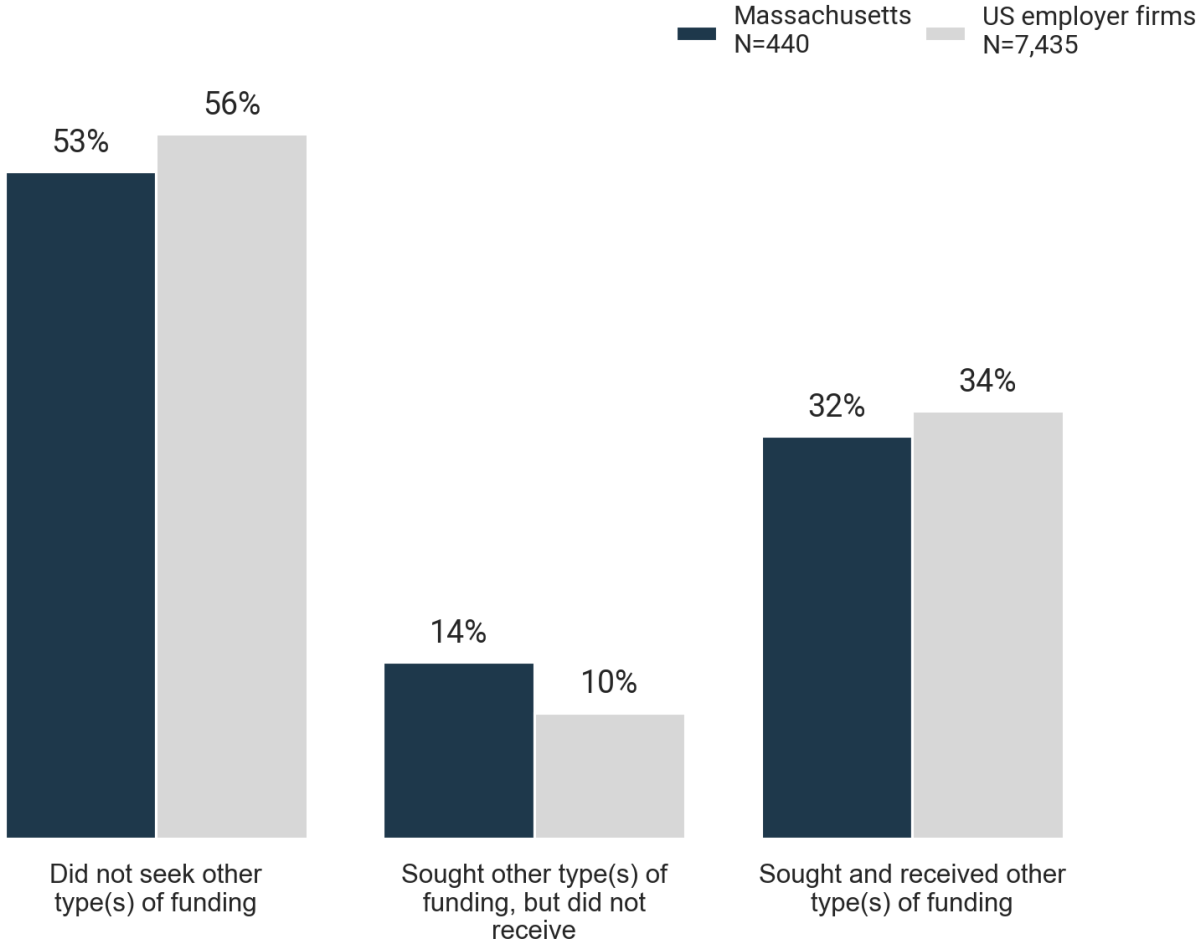
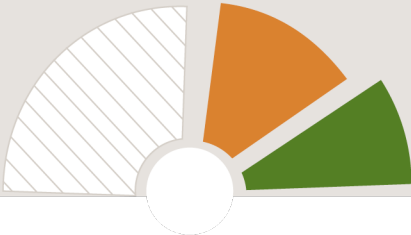
# Outcomes for loan, line of credit, and MCA applicants, prior 12 months

(% of loan, line of credit, and cash advance applicants)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

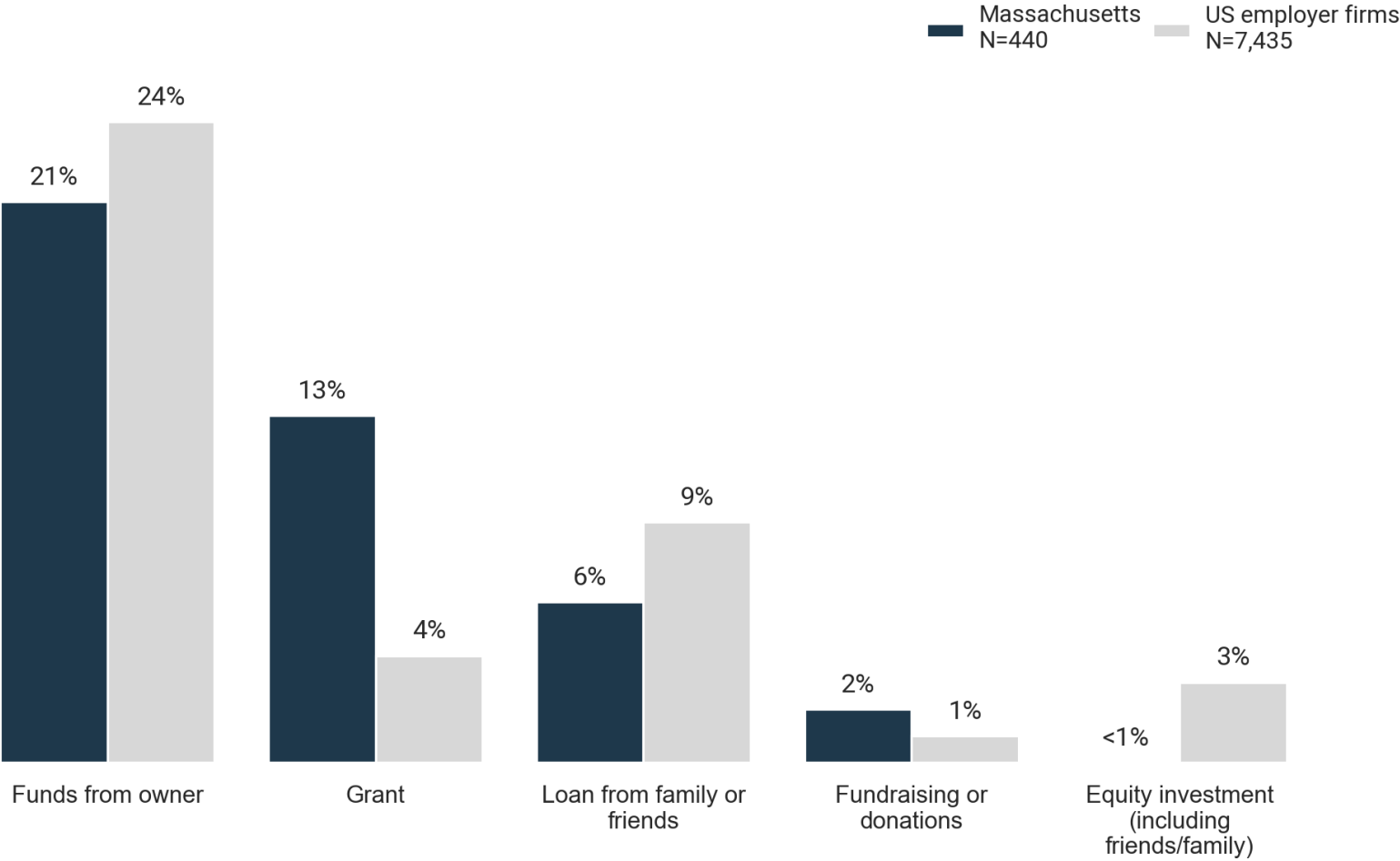
# Other types of funding sought and received, prior 12 months (% of employer firms)



Notes: "Other type(s) of funding" includes funds from the owner(s), loans from family or friends, grants, equity investments, and fundraising or donations. Percentages may not sum to 100 within firm categories because of rounding. See Appendix for time period definitions used in the SBCS.

# Other types of funding received, prior 12 months

(% of employer firms)



Notes: Respondents could select multiple options. Response option "other" not shown. See Appendix for time period definitions used in the SBCS.

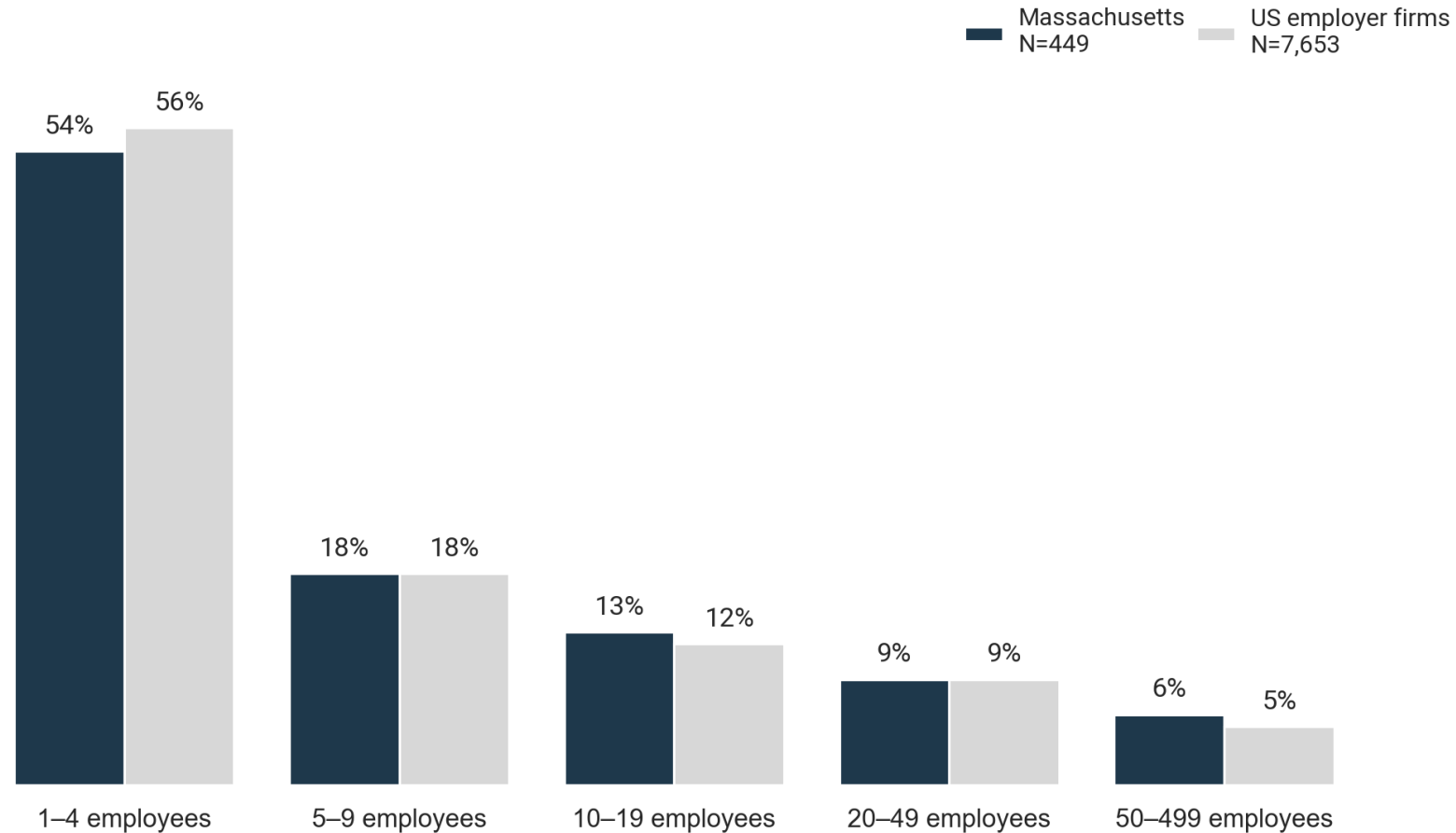
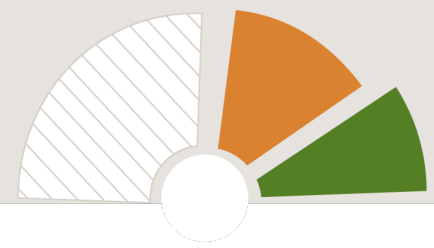
# Demographics

Firm and  
owner characteristics



# Number of employees

(% of employer firms)

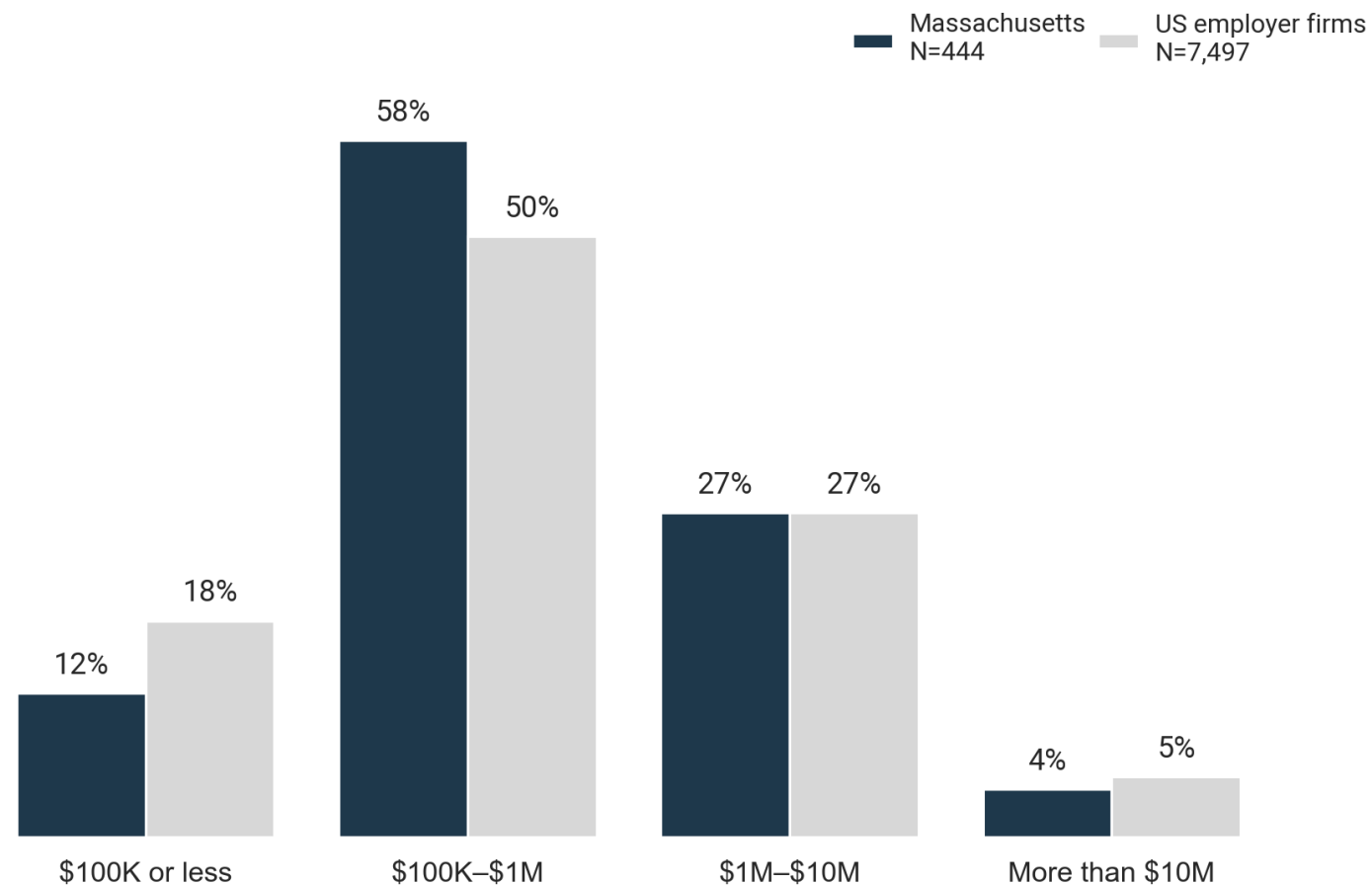
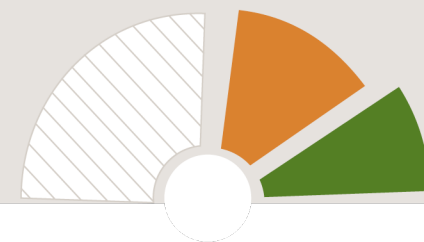


Notes: Percentages may not sum to 100 within firm categories because of rounding. Because firm size is included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for details on national-, state-, and MSA-level SBCS weights.



# Annual revenues

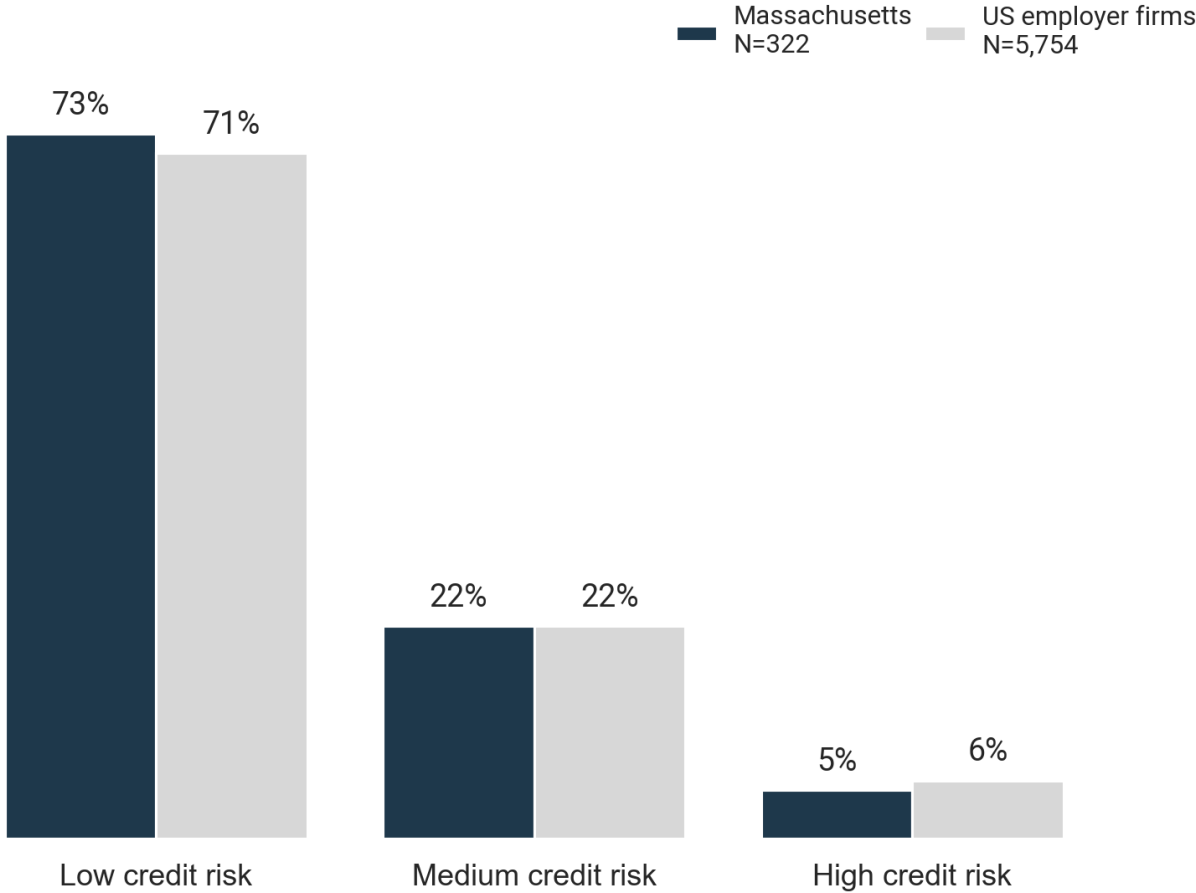
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. Revenue size categories have been condensed and simplified for readability. Actual categories are  $\leq$ \$25K, \$25,001–\$50K, \$50,001–\$100K, \$100,001–\$250K, \$250,001–\$500K, \$500,001–\$1M, \$1,000,001–\$5M, \$5,000,001–\$10M, and  $>$ \$10M.

# Credit risk of firm

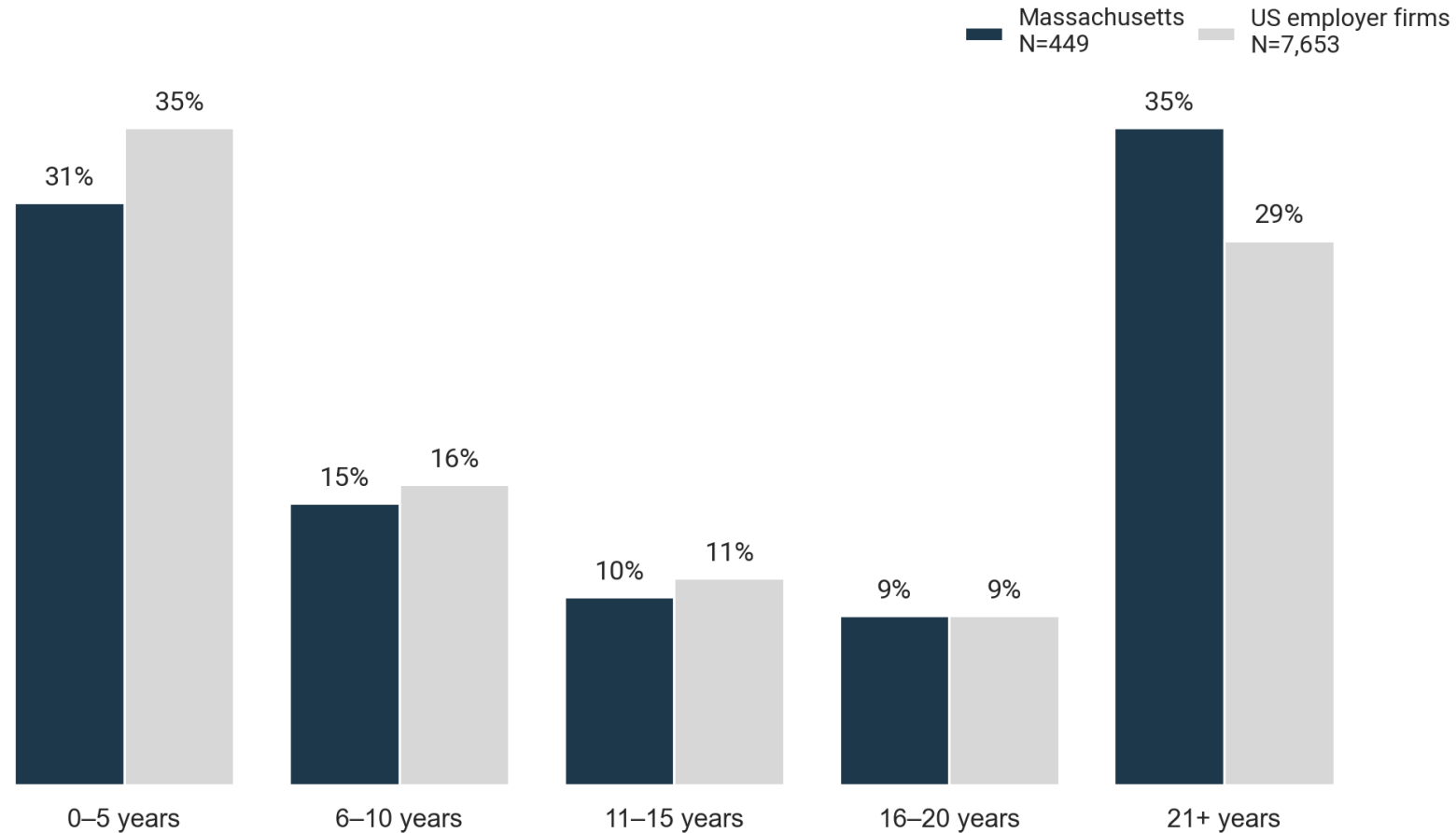
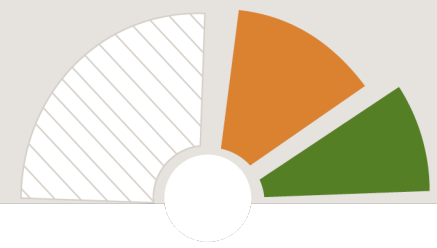
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. See Appendix for credit risk definitions used in the SBCS.

# Age of firm

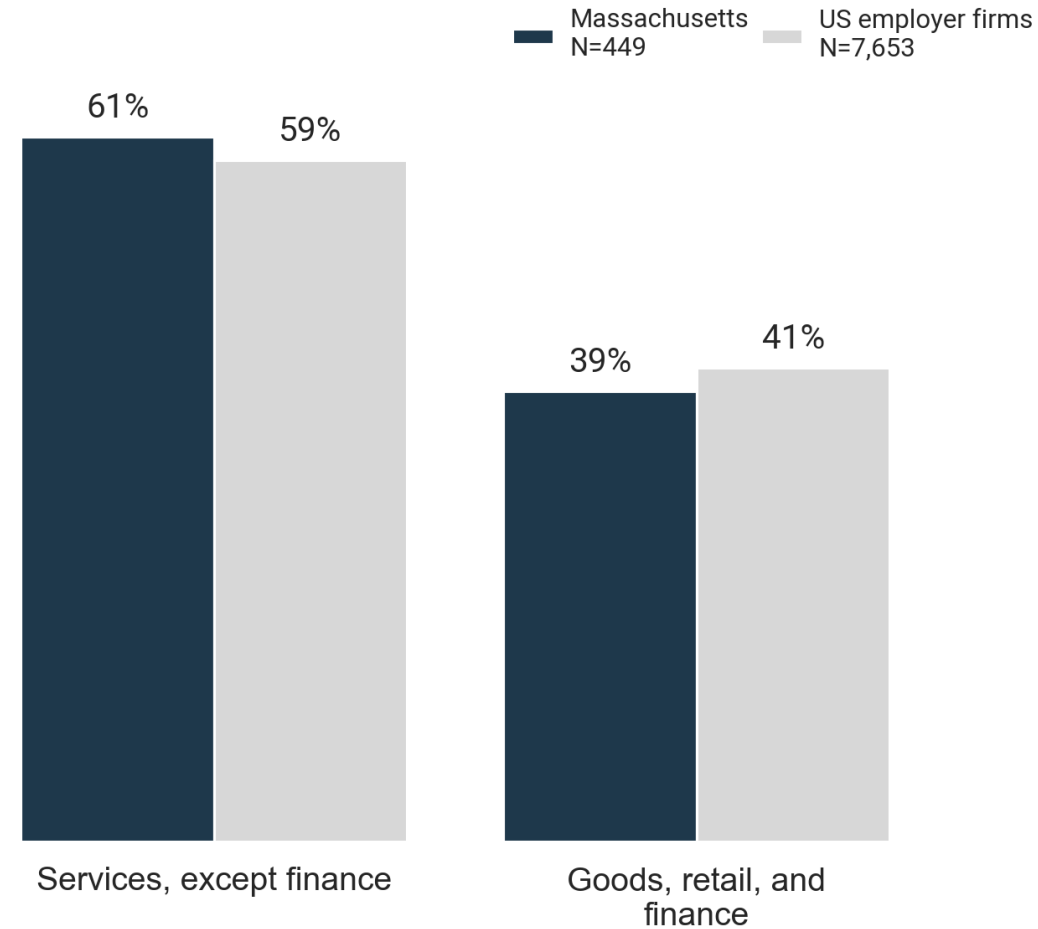
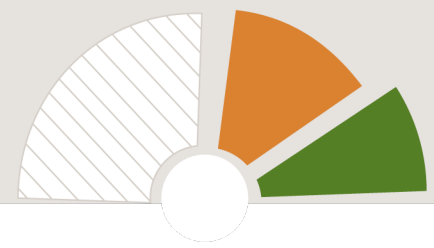
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. Because firm age is included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for details on national-, state-, and MSA-level SBCS weights.

# Industry

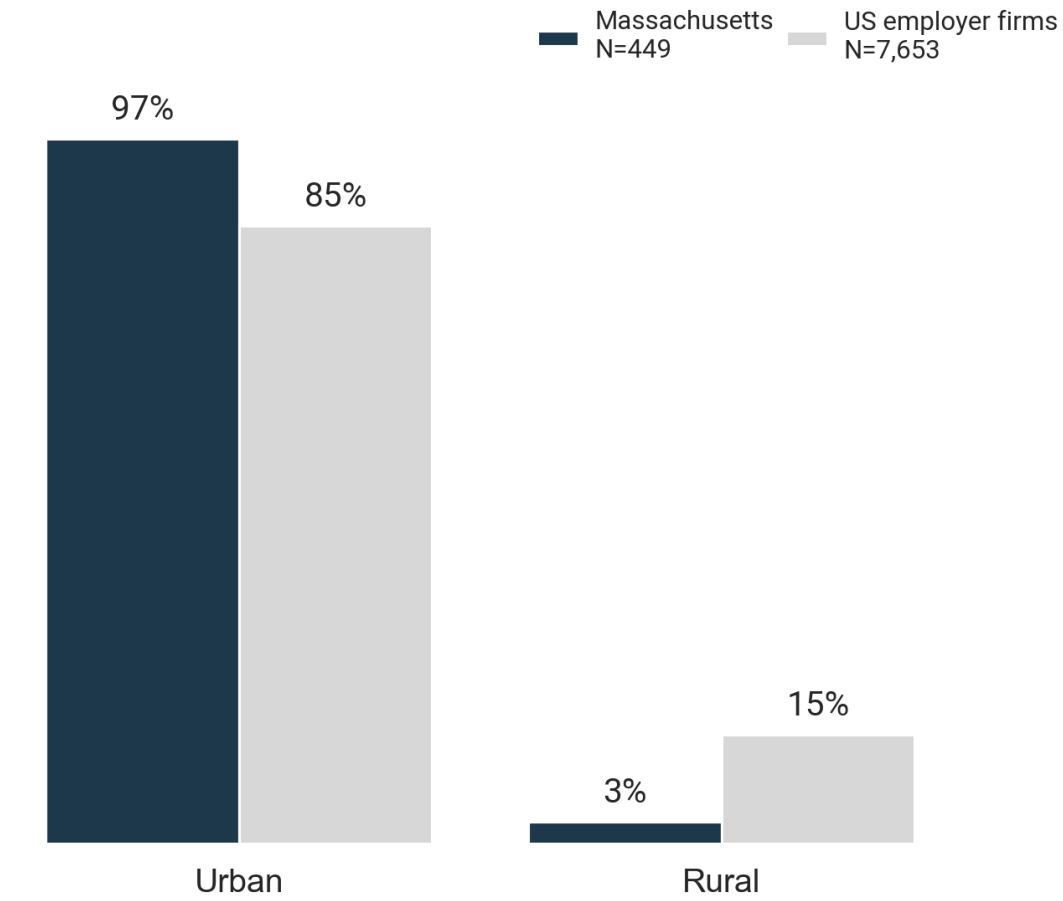
(% of employer firms)



Notes: Select industries shown. Because industry is included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. Industries are consolidated into two categories for state- and MSA-level chartbooks. See Appendix for industry definitions and for details on national-, state-, and MSA-level SBCS weights.

# Geography

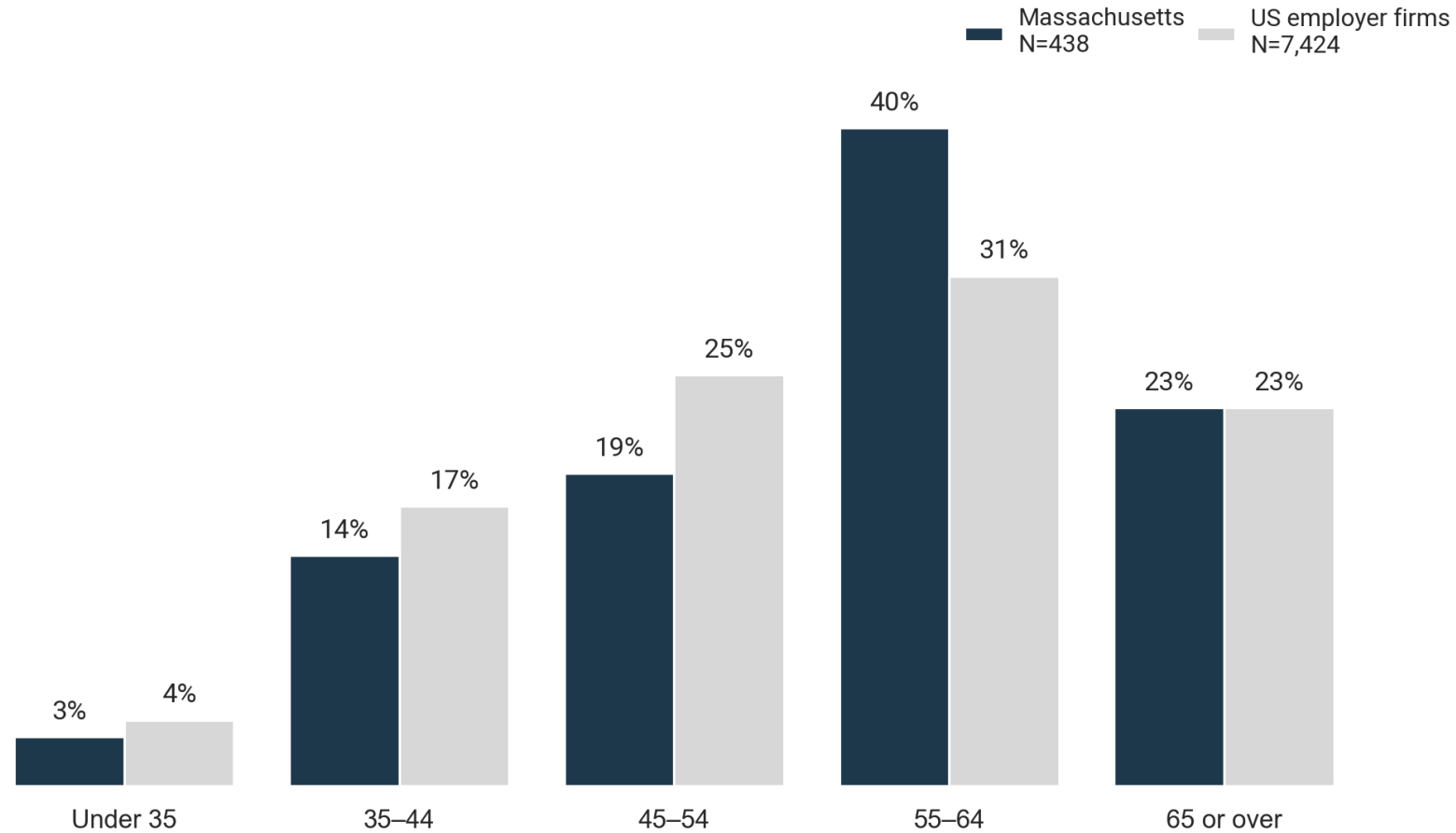
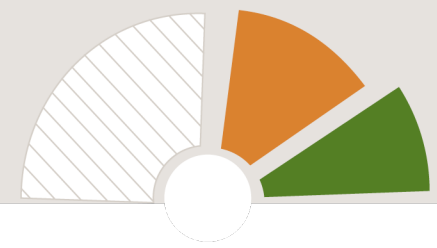
(% of employer firms)



Notes: Urban and rural definitions come from US Department of Agriculture Rural-Urban Commuting Area codes. Because geography is included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for details on national-, state-, and MSA-level SBCS weights. Percentages may not sum to 100 within firm categories because of rounding.

# Age of primary owner

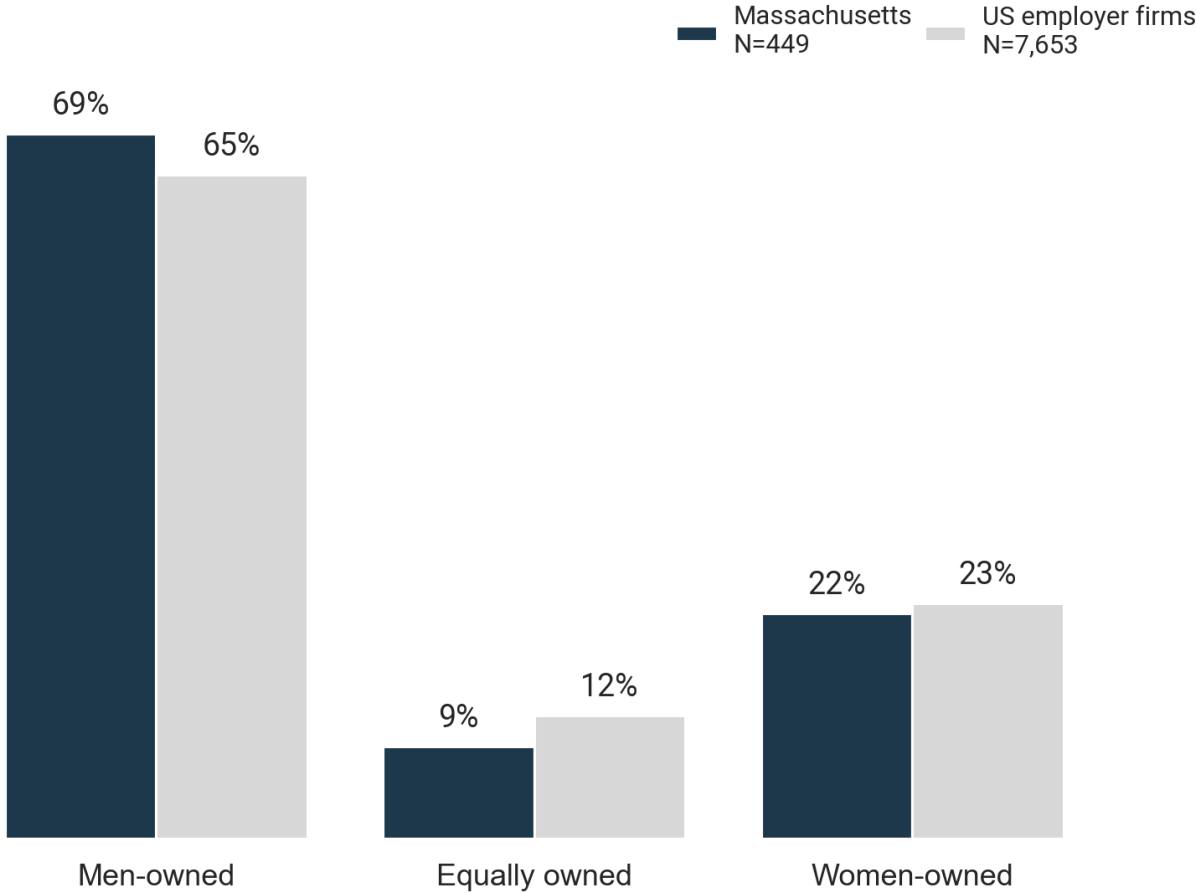
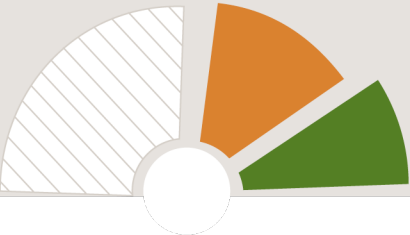
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding.

# Gender of owner(s)

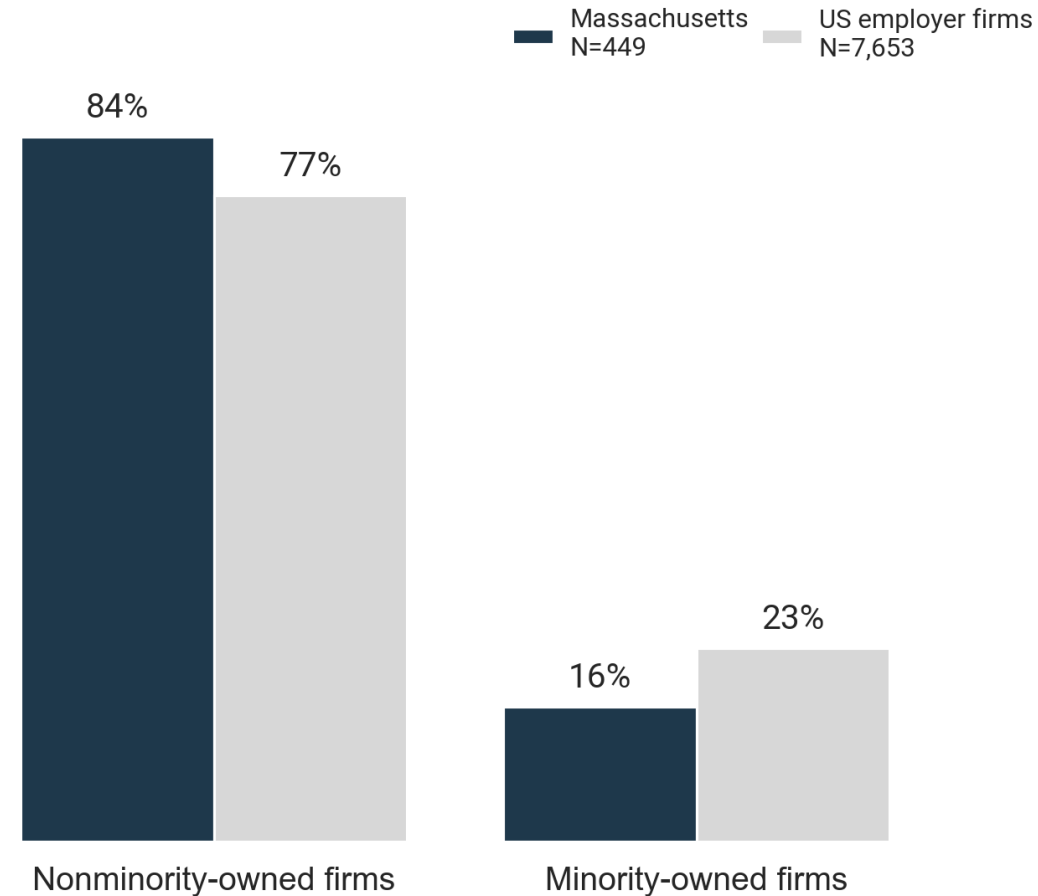
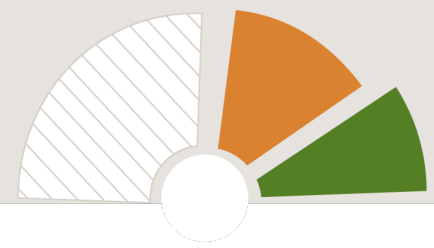
(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. Because gender of ownership is included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for details on national-, state-, and MSA-level SBCS weights.

# Race and ethnicity of owner(s)

(% of employer firms)



Notes: Percentages may not sum to 100 within firm categories because of rounding. Because owner race and ethnicity are included in the SBCS weighting dimensions, the shares shown in the figure reflect the weighted distribution as sourced from US Census Bureau data. See Appendix for race and ethnicity definitions used in the SBCS and for details on national-, state-, and MSA-level SBCS weights.



# Appendix

SBCS definitions



# Definitions: Credit Risk



In the SBCS, “credit risk” refers to a self-reported business credit score or personal credit score, depending on which is used to obtain financing for the business. When firms use both, the weaker credit score is used to categorize the firm.

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## Low credit risk

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Firms with either a business credit score of 80–100 or a personal credit score of 720 or greater.

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## Medium credit risk

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Firms with either a business credit score of 50–79 or a personal credit score of 620–719.

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## High credit risk

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Firms with either a business credit score of 1–49 or a personal credit score of less than 620.

# Definitions: Financial Services Providers and Lenders



Questions in the SBCS ask respondents about their use of and experiences with lenders and other financial services providers. Because respondents may not have a uniform understanding of the terms used in the SBCS, the questionnaire provides examples and explanatory information about the response options.

The financial services providers, lenders, and lender categories referenced in the survey are defined as follows:

Category	Definition
Large bank, small bank	Large banks are defined as those with at least \$10 billion in total assets; small banks are those with less than \$10 billion in total assets. For applicable questions, respondents are shown a list of large banks operating in their state to assist them with proper classification of their institution.
Finance company	Finance companies are nonbanks that provide loans, leases, and other financial services. Examples include mortgage companies, equipment dealers, insurance companies, and auto finance companies.
Finance company that is not a bank	Examples include payroll services and payment-processing companies, fintech lenders, and finance companies.
Credit union	Credit unions are non-profit cooperatives where members can borrow money at competitive rates from pooled deposits.
Financial services provider	Financial services providers are entities at which the firm has an account or uses other financial services (including loans, payments processing, etc.).
Financial institution or lender	This category includes all bank or nonbank financial intermediaries such as banks, finance companies, online lenders, and credit unions.
Online lender/fintech lender	Online lenders/fintech lenders are nonbanks that operate online. Examples include OnDeck, CAN Capital, PayPal Working Capital, and Kabbage.
CDFI	Community development financial institutions, or CDFIs, are financial institutions that provide credit and financial services to underserved markets and populations. CDFIs are certified by the CDFI Fund at the US Department of the Treasury.

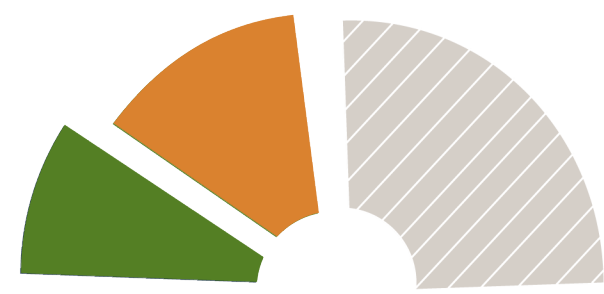
# Definitions: Industry Categories



Industry	NAICS codes	Examples of businesses
Business support and consumer services	56, 81	Barbers, business-event planning, cleaning services, repair services, salons, spas, and travel agencies
Finance and insurance	52	Loan brokers and portfolio management firms
Healthcare and education	61, 62	Counseling services, daycare services, dentists, professional training services, sports instruction, and tutoring services
Leisure and hospitality	71, 72	Bars, caterers, fitness centers, gyms, hotels, and performing arts venues
Manufacturing	31, 32, 33	Electronics manufacturers, engraving services, packaging, print shops, and textile manufacturers
Nonmanufacturing goods production and associated services	11, 21, 22, 23, 42, 48, 49	Construction, farming, logistics, mining, taxis, wholesale suppliers and distributors, and warehousing
Professional services and real estate	51, 53, 54, 55	Book publishers, consulting services, notaries, real estate agents, and vehicle rental services
Retail	44, 45	Boutiques, craft stores, ecommerce providers, grocers, and hardware stores

Notes: Industries are consolidated into two categories for state- and MSA-level chartbooks. "Services, except finance" includes leisure and hospitality, healthcare and education, professional services and real estate, and business support and consumer services. "Goods, retail, and finance" includes nonmanufacturing goods production and associated services, manufacturing, retail, and finance and insurance.

# Definitions: Race and Ethnicity

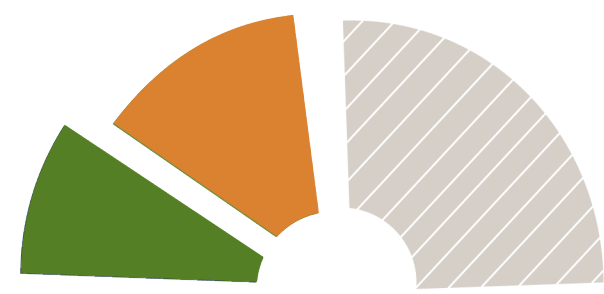


The SBCS relies on Census-defined categories of race and ethnicity. The SBCS uses simplified, mutually exclusive race/ethnicity labels to indicate that more than 50% of the business is held by owner(s) of the given race/ethnicity. As such,

- “American Indian or Alaska Native” refers to non-Hispanic American Indian or Alaska Native.
- “Asian” refers to non-Hispanic Asian or Pacific Islander.
- “Black” refers to non-Hispanic Black or African American.
- “Hispanic” refers to Hispanic or Latine ethnicity, regardless of race.
- “White” refers to non-Hispanic white, Middle Eastern, or North African.

*Notes: Race and ethnicity categories are consolidated into two categories for state- and MSA-level chartbooks. “Nonminority-owned” includes white-owned businesses; “minority-owned” includes American Indian or Alaska Native-, Asian-, Black-, and Hispanic-owned businesses.*

# Definitions: Time Periods



Survey questions in the SBCS ask respondents to reference specific time periods. Most questions ask about respondents' experiences in the 12 months prior to the time of their response. Some questions ask about conditions at the time of their response. Finally, some questions ask about respondents' expectations in the 12 months following the time of their response. The time periods referenced in the survey are defined as follows throughout this report:

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Prior 12 months

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The 12 months prior to the fielding of the survey. For the 2024 SBCS, this is approximately September–November 2023 through September–November 2024.

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At time of survey

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September 4 to November 4, 2024.

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Next 12 months

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The 12 months following the fielding of the survey. For the 2024 SBCS, this is approximately September–November 2024 through September–November 2025.

# Weighting



SBCS employer-firm responses are weighted using US Census Bureau data to represent the national small-employer-firm population across several demographics of businesses and their owners. SBCS data at the national, state, and MSA levels are weighted separately but largely rely on the same data sources and characteristics for weighting purposes. The tables below show the sources used by characteristic for national-, state-, and MSA-level employer weights. For more on SBCS weighting, visit <https://www.fedsmallbusiness.org/our-data/methodology>.

Sample	Data source	Characteristics
National sample	US Census Bureau Business Dynamics Statistics (BDS)	Age of firm
	US Census Bureau Annual Business Survey (ABS)	Race/ethnicity of owner(s), gender of owner(s)
	US Census Bureau County Business Patterns (CBP)	Industry, geography, firm size
State sample	US Census Bureau Business Dynamics Statistics (BDS)	Age of firm
	US Census Bureau Annual Business Survey (ABS)	Race/ethnicity of owner(s), gender of owner(s)
	US Census Bureau County Business Patterns (CBP)	Industry, geography, firm size
MSA sample	US Census Bureau Business Dynamics Statistics (BDS)	Age of firm
	US Census Bureau Annual Business Survey (ABS)	Race/ethnicity of owner(s), gender of owner(s)
	US Census Bureau County Business Patterns (CBP)	Industry, firm size