

Small Business Lending in Massachusetts 2007-2013



MASSACHUSETTS COMMUNITY & BANKING COUNCIL

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Total \$ amount lent is increasing



Where does the money come from?

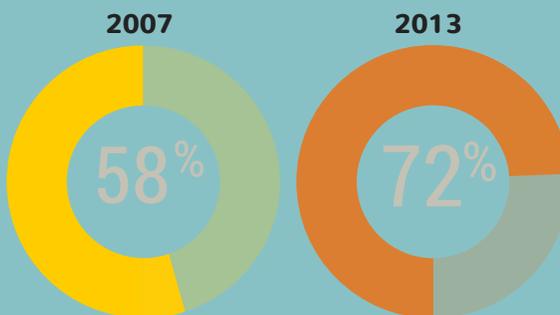


What is the CRA?

The Community Reinvestment Act is a federal law designed to encourage commercial banks and savings associations to help meet the needs of borrowers in all segments of their communities, including low- and moderate-income neighborhoods.

\$4.3 billion

total CRA-reported small-business loans in MA (2013)



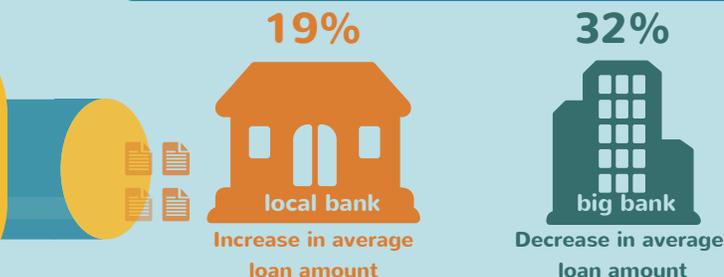
Local CRA reporters have increased their share of small business lending in MA in terms of dollars from 57.9% in 2007 to 72.1% in 2013.



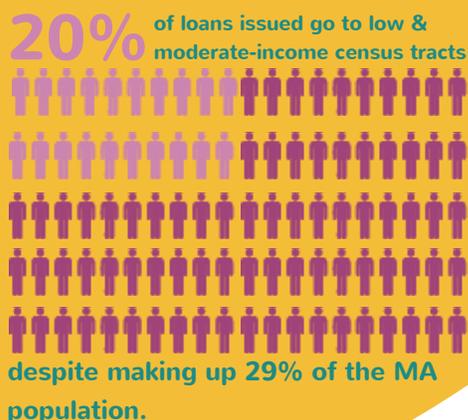
Small Business Lending in Massachusetts, 2007-2013 analyzes 2013 lending data of loans of \$1 million or less collected under the Community Reinvestment Act (CRA) along with quarterly Call Report data. In addition to the data in the report, MCBC is also providing data on all Massachusetts cities and towns in a set of on-line tables. The report was prepared for MCBC by Stuart Ryan of BankMaps LLC.

Community banks are taking the lead!

Since 2007, the average size of small business loans at community banks has increased to **\$191,164** while the average loan from large commercial banks has decreased to **\$93,697**.



The largest increase in small business loan dollars in 2013 occurred in lower income census tracts, just the second time this has occurred in the past six years.



Low and moderate-income census tracts in MA still receive a smaller share of business loans than expected, given their population, consistent with national trends.

Low and moderate-income census tracts make up:

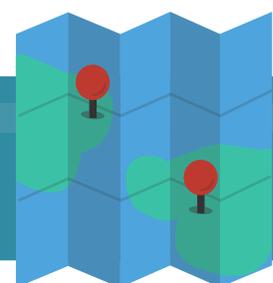


The lowest lending rates by dollar amount in Massachusetts in 2013 were recorded in white communities, which marks a change compared to previous years when the lowest lending rates were in high minority neighborhoods*.

High minority census tracts in lower income communities received on average **\$792,000** per 100 businesses

VS

While lower income white communities received an average of **\$681,000** per 100 businesses



*Read the full report at <http://www.mcabc.info/reports/economicdevelopment>

About MCBC:

The Massachusetts Community & Banking Council (MCBC) was established in 1990 to bring together community organizations and financial institutions to affect positive change in the availability of credit and financial services across Massachusetts by encouraging community investment in low and moderate income and minority group neighborhoods and providing research, other information, assistance and direction in understanding and addressing the credit and financial needs of low and moderate income individuals and neighborhoods.

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