

**Second Quarter 2009: Credit Availability Survey for Connecticut Businesses**

Sponsored by Banknorth

386 responses, 14% response rate, Margin of error +/-5%

**COMPANY INFORMATION**

**2Q2008 3Q2008 4Q2008 1Q2009 2Q2009**

1. Has your company used any financing within the prior three months to meet your credit needs?

Yes	33.4%	33.7%	31.8%	31.7%	29.7%
No	66.6%	66.3%	68.2%	68.3%	70.3%

2. What types of financing has your company used within the prior three months to meet your credit needs? (Check all that apply)

Bank loan/Line of credit	85.0%	86.8%	84.9%	84.9%	85.4%
Vendor credit	23.0%	23.1%	24.7%	28.0%	26.0%
Private loan	14.0%	8.8%	8.6%	18.3%	15.6%
Government sponsored loan program	4.0%	1.1%	3.2%	2.2%	2.1%
Public issuance of stock	0.0%	0.0%	0.0%	0.0%	2.1%
Private placement of stock	2.0%	0.0%	1.1%	0.0%	0.0%
Leasing	11.0%	8.8%	11.8%	8.6%	11.5%
Private placement of debt	2.0%	0.0%	8.6%	3.2%	3.1%
Credit cards	35.0%	34.1%	40.9%	36.6%	33.3%
Earnings of the business	11.0%	14.3%	16.1%	10.8%	21.9%
Other	4.0%	2.0%	2.2%	3.2%	2.1%

3. What type of financing are you currently most in need of? (Check all that apply)

Working capital (for day-to-day operations, inventory, bridge loans, etc.)	32.5%	32.3%	31.2%	33.6%	34.5%
Capital for machinery and equipment purchases	13.6%	12.2%	10.6%	9.3%	9.8%
Capital for expansion of existing plant or office space	7.9%	7.5%	7.6%	5.0%	5.8%
Capital for research and development	2.0%	2.9%	2.7%	1.7%	1.8%
Capital for new product or service development	5.3%	5.0%	3.3%	2.7%	5.5%
None/Not applicable	49.3%	47.7%	50.5%	50.2%	50.0%
Other	2.3%	2.2%	3.7%	3.0%	3.7%

4. Is credit availability a problem for your company?

Yes	15.8%	17.7%	22.1%	25.4%	23.3%
No	84.2%	82.3%	77.9%	74.6%	76.7%

5. If credit availability is a problem for your company, what has been the effect on your operations? (Check all that apply)

Reduced the number of employees	26.1%	17.0%	28.6%	42.5%	47.3%
Reduced compensation/benefits to employees	19.6%	10.6%	28.6%	35.6%	37.8%
Unable to grow or expand	45.7%	42.6%	46.0%	49.3%	54.1%
Unable to finance increased sales	39.1%	25.5%	28.6%	21.9%	28.4%
Unable to increase inventory to meet demand	19.6%	21.3%	20.6%	15.1%	23.0%
Closed or will close operations, stores or branches	6.5%	8.5%	12.7%	9.6%	10.8%
Other	11.3%	7.9%	15.9%	12.3%	12.2%

**COMPANY INFORMATION**

2Q2008 3Q2008 4Q2008 1Q2009 2Q2009

6. Over the past three months, did your firm seek financing?

Yes	23.5%	24.2%	23.5%	24.8%	24.6%
No	76.5%	75.8%	76.5%	75.2%	75.4%

7. If your firm has received financing over the prior three months, please indicate the actual amount of financing received?

None	20.6%	23.8%	28.8%	35.2%	40.5%
Less than \$50,000	14.7%	17.5%	10.6%	18.3%	16.5%
\$50,000 to \$100,000	19.1%	23.8%	12.1%	15.5%	12.7%
\$100,001 to \$250,000	17.6%	12.7%	13.6%	9.9%	3.8%
\$250,001 to \$500,000	11.8%	7.9%	7.6%	11.3%	5.1%
\$500,001 to \$1,000,000	5.9%	4.8%	9.1%	2.8%	6.3%
Over \$1,000,000	10.3%	9.5%	16.7%	5.6%	15.2%

8. If your firm has received financing over the prior three months, please indicate the amount of financing you would have ideally liked to have received.

Less than \$50,000	13.2%	20.6%	15.2%	23.9%	15.2%
\$50,000 to \$100,000	22.1%	20.6%	15.2%	15.5%	15.2%
\$100,001 to \$250,000	19.1%	20.6%	13.6%	18.3%	17.7%
\$250,001 to \$500,000	20.6%	20.6%	13.6%	19.7%	20.3%
\$500,001 to \$1,000,000	11.8%	7.9%	16.7%	5.6%	10.1%
Over \$1,000,000	13.2%	9.5%	24.2%	15.5%	20.3%

9. If you were able to obtain additional credit today for your business, how would you use it? (Check all that apply)

Maintain current workforce size	29.4%	25.4%	33.3%	40.8%	38.0%
Hire more employees	17.6%	17.5%	12.1%	21.1%	20.3%
Increase compensation/benefits to employees	4.4%	9.5%	6.1%	11.3%	7.3%
Invest in new plant and equipment	47.1%	36.5%	30.3%	36.6%	27.8%
Invest in research and development	8.8%	9.5%	9.1%	4.2%	6.3%
Expand export activities	1.5%	6.3%	1.5%	2.8%	2.5%
Increase inventory	14.7%	19.0%	15.2%	12.7%	21.5%
Expand into new operations, stores or branches	29.4%	20.6%	21.2%	19.7%	21.5%
Other	17.6%	14.3%	19.7%	11.7%	6.6%

10. Has your primary lending institution changed terms of any loan you may have had within the prior three months?

Yes	10.4%	8.5%	12.7%	8.8%	18.3%
No	59.7%	61.0%	60.8%	60.4%	52.1%
Not applicable	29.9%	30.5%	26.5%	30.9%	29.7%

**CURRENT CREDIT CONDITIONS**

2Q2008 3Q2008 4Q2008 1Q2009 2Q2009

11. In your opinion, how would you characterize the current lending climate in Connecticut?

Excellent	3.2%	2.3%	2.5%	40.0%	0.3%
Good	19.6%	10.4%	7.2%	6.1%	7.3%
Average	56.9%	52.7%	52.0%	46.8%	48.2%
Fair	14.6%	26.2%	27.6%	33.2%	35.9%
Poor	5.7%	8.5%	10.8%	13.6%	8.3%

**FUTURE EXPECTATIONS FOR CREDIT CONDITIONS**

2Q2008 3Q2008 4Q2008 1Q2009 2Q2009

12. *What are your expectations for Connecticut's lending climate over the next three months?*

Improve significantly	2.5%	1.5%	2.2%	0.4%	0.7%
Improve somewhat	15.5%	6.2%	8.3%	9.3%	7.6%
Stay the same	52.5%	36.2%	42.1%	52.7%	49.8%
Deteriorate somewhat	24.1%	44.2%	38.1%	29.0%	34.9%
Deteriorate significantly	5.4%	11.9%	9.4%	8.6%	7.0%

**DEMOGRAPHIC INFORMATION**

2Q2008 3Q2008 4Q2008 1Q2009 2Q2009

13. *What best describes your firm?*

Manufacturing	35.3%	39.4%	39.2%	37.9%	36.8%
Construction	13.8%	8.0%	9.9%	9.8%	6.3%
Retail	8.7%	8.0%	5.3%	9.1%	7.5%
Wholesale trade	--	--	--	--	6.0%
Information	--	--	--	--	0.6%
Finance	--	--	--	--	4.4%
Business and Professional Services	--	--	--	--	18.6%
Education	--	--	--	--	1.9%
Leisure and Hospitality	--	--	--	--	2.2%
Government	--	--	--	--	0.3%
Other	--	--	--	--	15.4%

14. *How many employees are currently employed at your Connecticut firm?*

Less than 10	28.7%	18.5%	25.0%	30.0%	20.6%
10 to 49	52.2%	53.6%	55.6%	51.9%	55.2%
50 to 99	--	--	--	--	11.4%
100 to 249	--	--	--	--	7.6%
250 to 499	2.4%	2.9%	2.5%	2.4%	1.9%
500 and above	1.0%	3.6%	2.1%	1.0%	3.2%