FINANCING BALTIMORE’S GROWTH

Utilizing Small Business Financing Data
Financing Baltimore’s Growth: Utilizing Small Business Financing Data

Background: Identifying Sources


- Data story included in Vital Signs 16

- Further analysis: Southern Maryland and Community Reinvestment Act analysis
## Financing Baltimore’s Growth: Utilizing Small Business Financing Data

### Business Financing Data Sources: What Are They?

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<th>Financing Source</th>
<th>Investment/Program Name</th>
<th>Type of Investment</th>
<th>Years of Data</th>
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#### Total Dollar Amounts Invested in Small Businesses per 50 Businesses, 2016

- $115,000 - $314,999
- $315,000 - $649,999
- $650,000 - $1,149,999
- $1,500,000 - $1,999,999
- $2,000,000 - $8,150,000
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Federal Sources: SBA 7(a) and 504 Loans

What are they?
-Federally guaranteed loans up to $5 million for small businesses (500 > employees)

How detailed are they?
-Years available: FY2000 – present, updated quarterly
-Data on business name, address, lending institution, loan amount, industry, jobs supported

What are the limitations?
-Loans more difficult to make given federal guarantee
-No demographics on business owners, address sometimes incorrect

How do I access them?
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Federal Sources: Community Development Financial Institution (CDFI) Small and Micro Business Loans

What are they?
-Loans and investments made by private, mission-driven, financial institutions dedicated to lending in low-income and disadvantaged neighborhoods

How detailed are they?
-Years available: 1970s – FY2015, updated annually, but 2-3 years behind
-Data on purpose of loan, lending organization, FIPS code, industry code, year, demographics of loan recipient, and loan amount.

What are the limitations?
-Inconsistent data fields
-FIPS codes missing for some data, and 2010 and 2000 census tracts used
-Not all organizations report data

How do I access them?
-Community Investment Impact System (CIIS) data and New Markets Tax Credit data
-https://www.cdfifund.gov/research-data/
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Federal Sources: Export-Import Bank

What are they?
- Loans and insurance guarantees made by private banks to businesses exporting goods

How detailed are they?
- Years available: 2007 – 2017, updated annually
- Data on type of loan, industry, business name, business city and state, loan amount, MWBE, small business status

What are the limitations?
- Business location not given beyond city
- Limited source of data, only 5-10 loans in Baltimore per year

How do I access them?
https://data.exim.gov/
Federal Sources: SBIR and STTR Grants

What are they?
- Grants made from federal agencies to small businesses doing research to pursue commercialization of technology

How detailed are they?
- Years available: 1983-present
- Data on business name, MWBE, awarding agency, year, address, # of employees, contact information, research description

What are the limitations?
- Business location sometimes wrong
- Can only download 1,000 records at a time

How do I access them?
https://www.sbir.gov/sbirsearch/award/all
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State Sources: Maryland Dept. of Commerce and Dept. Housing and Community Development

What are they?
-A wide variety of financial incentive programs (grants, tax credits, loans, venture capital) for businesses in a variety of fields. 12 loan and grant financing programs used in the city

How detailed are they?
-Years available: FY2009 - FY2017, updated annually
-Data on business name, address, jobs created/retained, loan amount, total project costs, industry code

What are the limitations?
-Some programs no longer active, can be difficult to navigate

How do I access them?
-Commerce: http://commerce.maryland.gov/fund/maryland-finance-tracker
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Private Sources: FDIC Insured Bank Loans

What are they?
The 1977 CRA law was enacted to encourage banks to lend in LMI communities where they are located. The law requires them to report lending activity.

How detailed are they?
- Years available: 1996 - 2016, updated annually
- Data on loan amount range, number of loans, census tract, and if annual revenue < $1M
- Can download data by lending institution, geography, or flat files

What are the limitations?
- Only loans under $1 million, only banks over $1 billion
- Banks can report loan as being made either at business HQ or project location
- Different data reported in different years
- No recipient demographics or data beyond revenue and census tract

How do I access them?
https://www.ffiec.gov/cra/craproducts.htm
- Bank call reports: https://cdr.ffiec.gov/public/
- Credit union call reports: https://www.ncua.gov/analysis/Pages/call-report-data.aspx
Private Sources: Venture Capital Data

What are they?
-Funding rounds for startup businesses

How detailed are they?
-Years available: updated constantly, with reasonably reliable data going back to 2007
-Data on business name, location, field, investment amount, investors

What are the limitations?
-Around 50% accurate on number of deals and 75% accurate on total funding amount
-Data varies based on reporting method, whether it was a news story or an SEC filing

How do I access them?
https://www.crunchbase.com/
-Free version allows you to search companies or do specific searches with up to 15 results.
-Pro version is about $350/year.
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Mac McComas, MacMcComas@jhu.edu
21cc.jhu.edu

http://21cc.jhu.edu/publications/reports/financing-baltimores-growth-measuring-small-companies-access-to-capital/