

Wisconsin Small Business Defaults Up in March, Borrowing Falls

The percentage of Wisconsin's small firms defaulting on loans has grown and the level of borrowing activity decreased in March 2017, data released by PayNet show. The indices suggest that economic conditions in the state may significantly weaken.

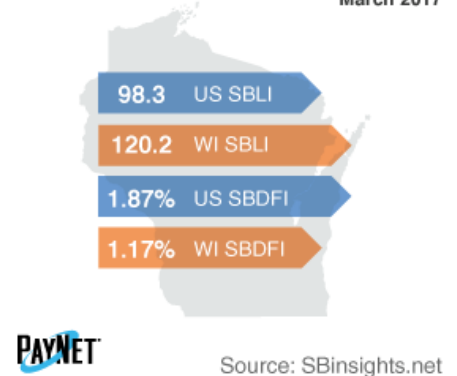
PayNet's Small Business Default Index (SBDFI) for Wisconsin ranked 2nd nationally at only 1.17% following a 2 basis point rise from February. Wisconsin's SBDFI was 70 basis points below the national SBDFI level of 1.87%. The uptick in defaults over the past two months may signal deteriorating financial health in the state. Year-over-year, the national SBDFI increased 25 basis points, whereas Wisconsin's SBDFI dropped 7 basis points.

Transportation and Warehousing (3.62%); Mining, Quarrying, and Oil and Gas Extraction (2.21%); and Agriculture, Forestry, Fishing and Hunting (1.94%) displayed the highest default rates of all industries in Wisconsin. Nationally, Transportation and Warehousing had a default rate of 4.49%, with a difference of +1.24% compared to the prior year variance of +1.03% in Wisconsin.

Wisconsin's PayNet Small Business Lending Index (SBLI) ranked 3rd in the country at 120.2, eclipsing the national SBLI (98.3) by 22.3%. However, the state did perform 1.2% below last month. Small business borrowers are being cautious and holding off on new investment.

"Declining investment and deteriorating financial health exhibited by Wisconsin's small businesses set the stage for a slowing economy," states William Phelan, president of PayNet.

Wisconsin Small Business Credit Trends
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About

PayNet is the leading provider of credit ratings on small businesses enabling lenders to achieve optimal risk management, growth and operational efficiencies. PayNet maintains the largest proprietary database of small business loans, leases and lines of credit encompassing over 23 Million contracts worth over \$1.4 Trillion. Using state-of-the-art analytics, PayNet converts raw data into real-time marketing intelligence and predictive information that subscribing lenders use to make informed small business financial decisions and improve their business strategy. For more information, visit www.paynet.com.

PayNet Small Business Lending Index (SBLI)

The PayNet SBLI is based on new commercial loan and lease originations by major U.S. lenders in PayNet's proprietary database. This index measures the volume of loans to small businesses formulated on a rolling 12-month basis. Small businesses generally respond to changes in economic conditions more rapidly than do larger businesses; this statistic is a leading indicator of macroeconomic and industry trends

PayNet Small Business Default Index (SBDFI)

The PayNet Small Business Default Index (SBDFI) measures the percent of loans and leases to small businesses that have defaulted in the past 12 months.

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