

Small Business Credit Survey: 2024 Georgia Insights



Federal Reserve
Bank of Atlanta

Community and
Economic Development

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Owners of small employer firms (firms with one to 499 employees) were surveyed in the fall of 2023 for the Small Business Credit Survey (SBCS).² This brief highlights key findings for 161 Georgia small employer firms (“firms”).³

Firm Conditions & Financing

Less than half of Georgia firms (48 percent) reported being in poor or fair financial conditions in 2023; this represents eight percent fewer firms reporting such financial conditions than the previous year. In 2023, more firms said they experienced decreased revenues the prior 12 months than in 2022, while fewer firms said revenues increased. Thirty-four percent of firms applied for loans, lines of credit, or merchant cash advances, most frequently citing making repairs or replacing capital assets as the reason for seeking financing. Among firms that applied for financing in 2023, firms seeking lines of credit decreased 13 percent, and business loan applications decreased 10 percent compared with 2022.⁴

Revenue Change in the Last 12 Months N=156

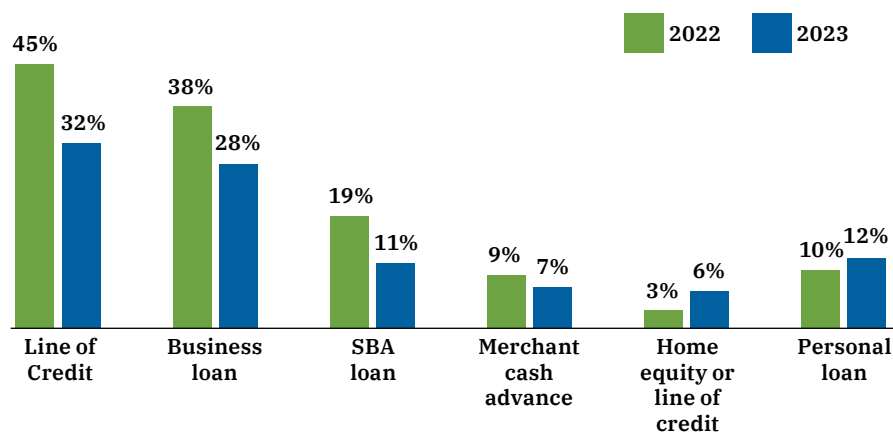
2022-2023



2021-2022



Application Rate by Type of Loan, Line of Credit, or Merchant Cash Advance N=59



34%

Applied for financing in the prior
12 months *compared with*
44% in 2022 (N=161)

48%

Reported that 2023 financial
conditions were poor or fair
compared with 56% in 2022
(N=161)

32%

Reported operating at a loss at
the end of 2023 *compared with*
34% in 2022 (N=160)



To read the 2024 report,
scan the QR code or click [here](#).

¹The views expressed here are those of the authors and do not necessarily represent the views of the Federal Reserve Bank of Atlanta or the Federal Reserve System.

²The SBCS is a national sample of over 6,000 small businesses focused on firms' financing and debt needs and experiences. The national report and corresponding data used for this brief are available at www.fedsmbbusiness.org/survey.

³See demographic details on page 2. Note that data are weighted to be representative of all small businesses in Georgia and that not all yearly comparisons included are statistically significant, partly owing to sample size. Percentages may not sum to 100 because of rounding, and for some figures, respondents could select more than one option.

⁴Due to an insufficient number of survey responses, we cannot share results for applications to auto or equipment loans for the survey category "Application Rate by Type of Loan, Line of Credit, or Merchant Cash Advance" for the state of Georgia.

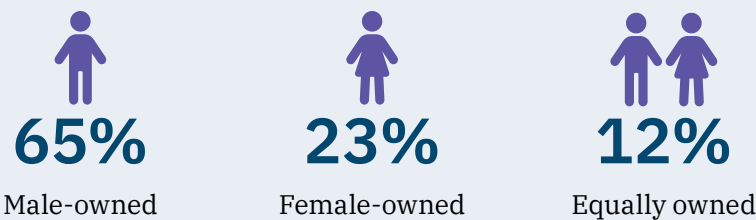
SBCS 2024: Georgia

Challenges in 2023

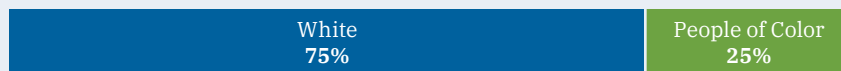
The most prevalent challenges reported in Georgia were similar between 2023 and 2022; however, some challenges that were closely related to the pandemic saw significant declines year over year, such as supply chain issues, which were reported less frequently in 2023. The most widely cited operational challenges in 2023 were hiring or retaining qualified staff (64 percent), reaching customers or growing sales (57 percent), and supply chain issues (48 percent). Other operational challenges included utilizing technology (22 percent), complying with government regulations (21 percent), and ensuring the health and safety of customers or employees (six percent). The most common financial challenges were increased costs of goods, services, and/or wages (69 percent); uneven cash flow (55 percent); and paying operating expenses (44 percent). Additional financial challenges included weak sales (42 percent), credit availability (31 percent), and making payments on debt/interest rates (28 percent).

Firm Demographics N=161⁵

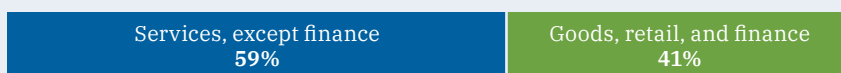
Georgia employer firms consisted of the following demographic groups:



Race/Ethnicity of Owner(s)



Industry



58%

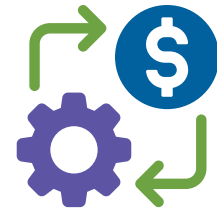
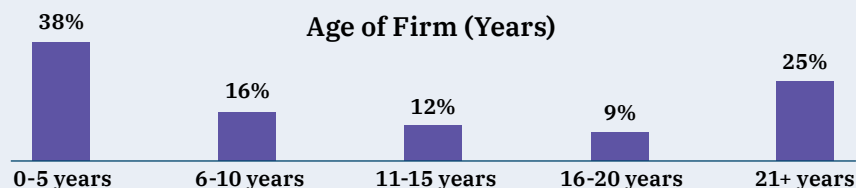
Have 1–4 employees



18%

Earn <\$100K in annual revenues

Age of Firm (Years)



Top Operational Challenges N=159

57%

Reaching customers/
growing sales

64%

Hiring or retaining
qualified staff

48%

Supply chain issues



Top Financial Challenges N=160

69%

Increased costs of goods,
services, and/or wages

44%

Paying operating
expenses

55%

Uneven cash flow

⁵Percentages and sample sizes include only weighted responses from employer firms. The population data used to generate state and MSA level weights come from the US Census Bureau's 2021 Annual Business Survey (gender, race/ethnicity), 2021 Business Dynamic Statistics (firm age), and 2021 County Business Patterns (industry and firm size).