



(PRLEAP.COM) New York – September 28, 2013 – Strategic Consulting Services (www.strategiccs.org), a New York firm providing client-focused financial consulting, confirms that their small business clients are seeking options in the wake of the recession and financial crisis. Although increasing equity from the housing bubble originally helped launch many small businesses before the recession, access to loans and equity from major banks has become a problem that is only recently being addressed by financial organizations.

While small businesses have felt the sting of the recession just like consumers and large businesses, evidence is linking [increased home values in specific markets to the number of new businesses](#) and employment from small companies. Larger companies in the same markets didn't see the same growth in payroll as smaller businesses, as increased home value borrowing comprised up to 25 percent of pre-recession growth in some areas. [Research by the National Bureau of Economic Research from 2002-2007](#) shows the industries that saw the most growth were those that required less capital (that could be secured from home value increase) and were those where goods were shipped over long distances, ruling out local demand for the increase in local business.

Lending to small businesses has been contracting for four years straight. Small business loans in [2012 dropped 78 percent compared to 2007](#). In contrast however, lending to large companies has begun to show signs of recovery according to data from the Federal Deposit Insurance Corp. Although many small businesses were started or sought operating capital from home equity, during the financial crisis, major banks tightened policies and made it harder for small businesses to access capital. In the wake many "alternative lenders," loan brokers, and [new middlemen](#) emerged to offer financing to small businesses in need, including an increase from Credit Unions. "A lot of banks haven't, for a very long time, needed to invest in support and advice infrastructure for small businesses," says [Sharon Chinn](#) at advisory firm Corporate Executive Board. However since the bank portfolio of small business has been shrinking, bank executives are showing signs of concern and [taking steps to increase small business loans](#). It is unclear how much and how significantly bank lending policies, bank profits, and small business revenue will change however, there already are some signs that [small business loans from banks are improving and increased as much as 17 percent](#) from July 2012.

"Small businesses are the backbone of the American economy yet have shouldered a heavy

Small Business Access To Capital Funding Still An Issue

Written by Australian Business

burden during the recession. Just like large companies and even state governments, small businesses are looking for new options to stay in business and re-invest to grow opportunities and operations," said Ben Kittle, Senior Financial Consultant at Strategic Consulting Services.

About Strategic Consulting Services Strategic Consulting Services is a financial services firm with teams specialized in Debt Management, Mortgages and Business Services. With a comprehensive client-focused approach, the Company provides assessments looking beyond immediate financial issues to help clients build greater financial strength with smart habits and choices. Since 2007, Strategic Consulting Services has helped individuals and small businesses create savings plans, reduce debt, and make wiser spending choices. For more information visit www.strategiccs.org .