

# MAIN STREET

# POLICY PULSE

## SMALL BUSINESS VIEWS

## ON FINANCIAL REFORM

### STATE SNAPSHOT: NORTH CAROLINA

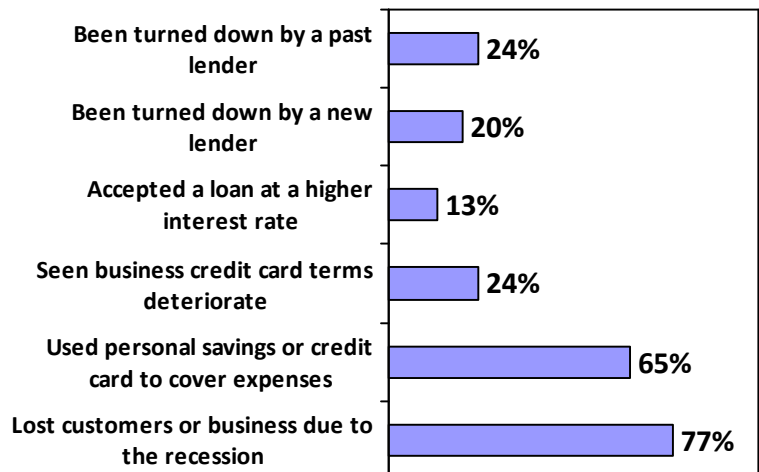
In North Carolina, 123 small business owners participated in the survey on financial issues and financial reform. Most respondents came from Charlotte and Wilmington.

#### Impacts of the Recession on North Carolina Small Businesses

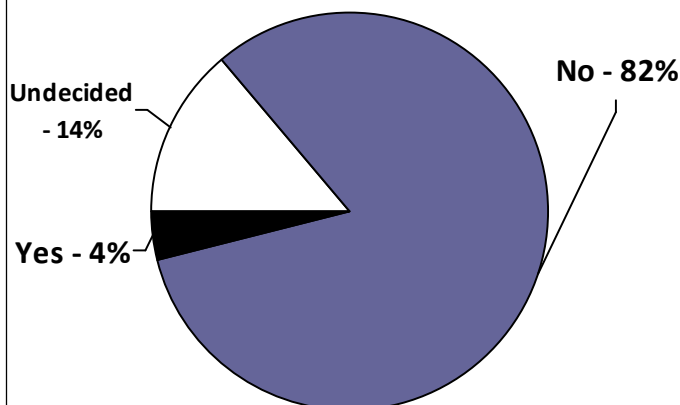
The survey asked small business owners about their experiences in the current recession.

Since June 2008, more than three quarters (77 percent) of North Carolina respondents reported losing customers or business due to the recession. Almost two thirds (65 percent) used personal savings or credit cards for expenses normally covered with external loans or business credit cards. Almost one quarter (24 percent) saw their business credit card terms deteriorate. Meanwhile, 24 percent reported being turned down by a past lender, while 20 percent reported being turned down by a new lender.

#### IMPACTS OF THE RECESSION ON NORTH CAROLINA SMALL BUSINESSES



#### HAVE ENOUGH STEPS BEEN TAKEN TO PROTECT SMALL BUSINESSES FROM ANOTHER WALL STREET COLLAPSE?



#### Perspectives on Protecting Small Businesses from Another Collapse

The survey next asked small business owners:

*Do you believe enough steps have been taken to ensure that small businesses and the economy as a whole are protected from another Wall Street collapse?*

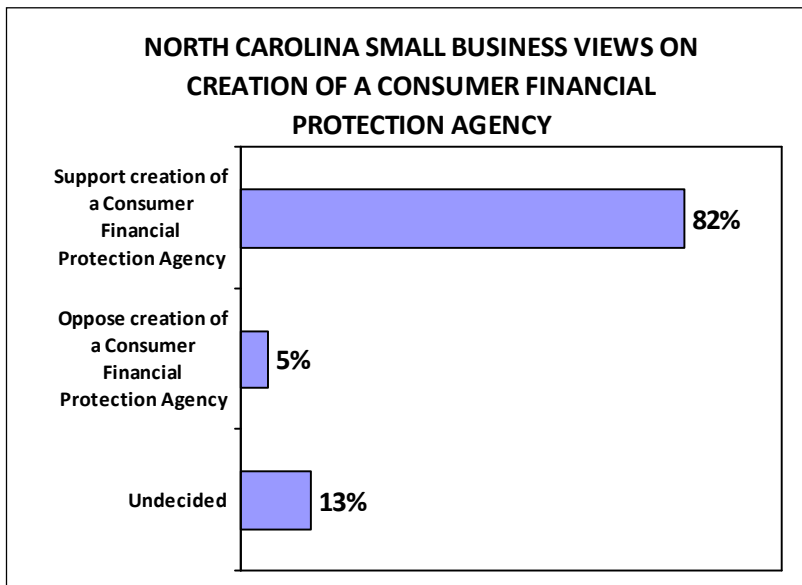
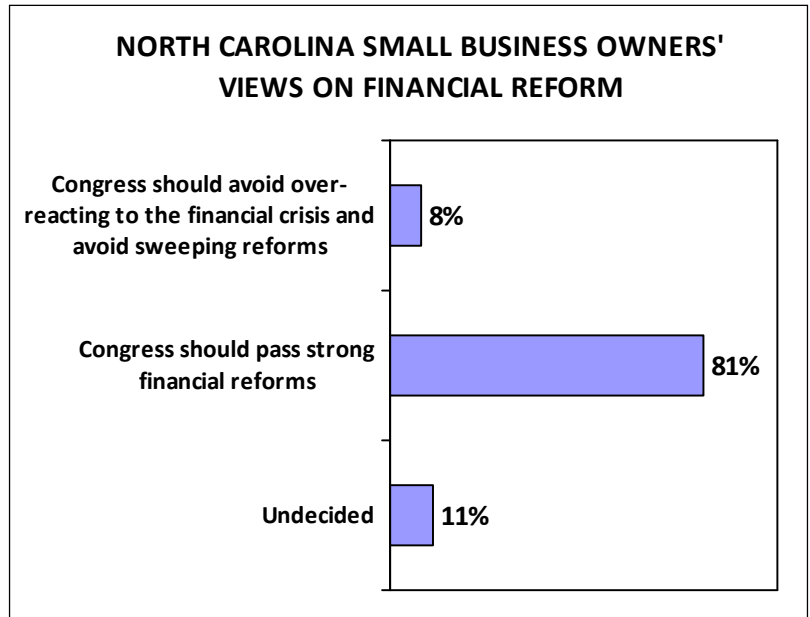
More than eight tenths of North Carolina respondents (82 percent) do not believe enough steps have been taken, while less than one in twenty (4 percent) believe enough has been done.

## North Carolina Small Business Owners' Views on Financial Reform

The survey presented respondents with two possible ways Congress could react to the financial crisis:

- A) *Congress should avoid over-reacting to the financial crisis and avoid sweeping reforms. Too many regulations would stifle business growth and threaten our recovery.*  
 Or,  
 B) *Congress should pass strong financial reforms. Strong measures are needed to ensure accountability on Wall Street, promote fair access to credit for small businesses, and prevent another collapse.*

More than eight tenths of responding North Carolina small business owners (81 percent) support strong financial reforms, compared to less than one tenth (8 percent) favoring less government involvement.



### North Carolina Small Business Views on Creation of a Consumer Financial Protection Agency

Small business owners were then asked whether they would support or oppose creation of a Consumer Financial Protection Agency (CFPA).

More than eight tenths of North Carolina respondents (82 percent) said they would support the creation of a CFPA, with one in twenty (5 percent) opposing it.

Finally, respondents were asked if they believed a Consumer Financial Protection Agency would:

- A) *Help small businesses by ensuring access to credit on fair terms and making sure all lenders are playing by the same rules.*  
 Or,  
 B) *Hurt small businesses by limiting access to the widest array of credit options and applying a “one-size-fits-all” approach to oversight of lenders.*

More than two thirds of North Carolina respondents (68 percent) believed a Consumer Financial Protection Agency would help small businesses, while less than one tenth (6 percent) believed it would hurt small businesses.