



## **Balboa Capital Survey: Small Business Owner Optimism Remains Strong Despite Slower Growth in the Second Quarter of 2016**

*While Fewer SBOs Reported Revenue Increases in Q2, Expectations for a Strong Third Quarter Are High According to the Results of a Survey Conducted by Leading Independent Financing Company*

IRVINE, CALIFORNIA, August 17, 2016 - Leading direct lender Balboa Capital today released the results of its Q2 2016 small business owner survey, and they indicate that while fewer SBOs reported revenue increases, many of them are feeling optimistic about their companies. The online survey, which was sent to a sample of small business owners nationwide in August 2016, reveals that 65% of SBOs saw revenues increase during Q2, an 11 point decrease from Q1 (76%). However, nearly 7 in 10 SBOs expect moderate to significant revenue increases during the third quarter.

“The strong revenues that small business owners reported seeing during the first three months of the year have declined during the second quarter, but SBOs remain hopeful about the future of their companies, and of the national economy,” said Jake Dacillo, Marketing Director at Balboa Capital. “The slight downturn is somewhat consistent with what we are seeing among the small business owners we work with. They are continuing to invest in their companies, but are taking a more strategic and cautious approach.” Balboa Capital conducts quarterly surveys to gain insight into the small business sector. “The results of our surveys provide us with helpful information about Main Street USA, particularly as it relates to financial performance and economic sentiment,” said Mr. Dacillo, adding, “understanding the expectations and concerns of SBOs allows us to better serve them when they look to us for equipment financing or small business loans.”

Key findings of Balboa Capital’s Q2 2016 survey:

- 65% of small business owners reported moderate to significant revenue increases during Q2 – a decrease of 11 points (76%) from Q1
- 68% of small business owners expect their revenues to increase during Q3
- 63% of small business owners think the economy had higher growth in Q2
- When asked about their growth strategies for Q3, 41% of small business owners said they plan to invest in new equipment and/or technology, 39% plan to expand their operations, and 37% will purchase inventory
- One in four small business owners said they plan to hire new employees in Q3
- Among small business owners who needed capital in Q2, the most popular options include small business loans (29%), equipment financing (20%) and credit lines (18%)
- 54% of small business owners worked with an alternative lender in Q2 – an increase of 22 points over fiscal year 2015 (32%)

“It is reassuring to hear that small business revenues and optimism are staying on track as we enter the second half of the year,” said Mr. Dacillo. “These factors drive investing, job creation and borrowing, the latter of which Balboa Capital can help with. We developed online technology that enables small business owners to secure financing in a fast and hassle-free manner.” The results of Balboa Capital’s Q2 2016 small business survey are included in the Balboa Capital Index, which measures optimism and trends of small businesses throughout the United States.

### **About Balboa Capital**

Balboa Capital is a technology-driven financing company that provides business owners with fast, hassle-free solutions to fuel their growth and success. The company specializes in small business loans, equipment financing, commercial financing, equipment vendor financing and franchise financing. Balboa Capital developed an intuitive online platform that simplifies the entire financing process. Calculators provide instant estimates, applications can be completed and submitted in a matter of minutes, and sophisticated credit scoring technology provides instant decisions. To learn more, visit <http://www.balboacapital.com>.