



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ALAN GREENSPAN
CHAIRMAN

Dear Business Owner:

I am writing to ask for your participation in the Survey of Small Business Finances. As an owner of a small business, you are vital to our nation's ever-changing economy, and by participating, you can help inform policymakers about small businesses' access to credit. Information from the survey will help us more fully understand the effects of policy actions on small businesses throughout the United States.

The Federal Reserve Board is concerned with the ways in which economic and regulatory changes affect small businesses. For example, in recent years, many smaller banks have been allowed to consolidate into larger banks. This change in banking structure may lead to changes in the financial products and services available to small businesses. Such changes can, in turn, have important implications for economic policymaking.

To obtain a full picture of small businesses and their financial needs, the Federal Reserve sponsored the first Survey of Small Business Finances in 1987. The survey was so successful in filling gaps in the data that it was conducted again in 1993 and in 1998. The data collected in these surveys have been critical for policy decisions at the Federal Reserve and in other parts of the government. However, both the state of the economy and the use of technology are very different today than they were five years ago, when the last survey was conducted. Thus we have asked the National Opinion Research Center (NORC) at the University of Chicago to conduct another survey for us.

Your business was randomly selected for this survey. Participation in this important project is voluntary. Nevertheless, for the survey to reflect the diverse experiences of small businesses, your response is important. Your firm's unique experiences are critical to our obtaining a complete picture of the circumstances regarding credit that small businesses face today.

Within the next week, a representative of NORC will be calling you about participating in the study. I assure you that your name and all other information that identifies your specific business will be held in the strictest confidence by NORC and the Federal Reserve.

Please accept my thanks in advance for your cooperation.

Sincerely,

(signed)
Alan Greenspan