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June, 1999

Dear Business Owner:

I am writing to ask for your help in informing me and other policymakers about small business access to credit by participating in a survey of small business finances. This study will help us more fully understand the effects of policy actions on a wide variety of small businesses throughout the United States.

The Federal Reserve Board is concerned with how economic and regulatory changes affect small businesses. For example, in recent years, many smaller banks have been allowed to consolidate into larger banks. This changing banking structure may mean changes in the way small businesses are able to access needed credit. Such changes can, in turn, have important implications for economic policy making.

While some information on certain types of small businesses and their financial needs exists, a complete picture of every type of small business does not. For this reason, the Board sponsored the first survey of small business finances in 1987. The survey was so successful in filling a gap in available data that it was conducted again in 1993. We are now ready to conduct a third round of the study and have asked the National Opinion Research Center (NORC) at the University of Chicago to undertake the 1998 survey for us.

Your business was randomly selected for this survey. Participation in this important project is voluntary. Nevertheless, it is important for the survey to reflect the diverse experiences of small businesses. I therefore urge you to take part, and I assure you that your name and any other information that identifies your specific business will be held in the strictest confidence by NORC and the Board.

Within the next week, a representative of the National Opinion Research Center will be calling you about participating in the study. Please accept my thanks in advance for your cooperation.

Sincerely,

Alan Greenspan