



Zions Unit Cites Upbeat Mood Among Small Businesses in Calif.

By Amilda Dymi

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Lenders everywhere are looking for signs of heightened loan demand, and a San Diego bank says it has found a strong one.

Eighty-seven percent of small-business owners in California are optimistic about the future and expect their businesses to grow over the next year, according to a survey by California Bank & Trust, a \$10 billion-asset unit of Zions Bancorp. (ZION)

Roughly the same percentage of respondents thought their business was moving in the right direction and plan to expand by 2015 through investments in technology, equipment, online marketing and social media. Sixty-five percent expect to expand by 5% or more over the next 12 months.

More than 680 small businesses across California that have up to \$10 million in annual revenues and up to 50 employees participated in the online survey in April.

The findings were more upbeat than in 2013, when respondents were uncertain about the economy, revenue and cash flow. Last year nearly 82% said California's economic environment presented a challenge to their small businesses, not an opportunity.

The mood this year has changed, says Tory Nixon, the banks' executive vice president of small business lending. "We are seeing increased demand across the board for commercial and small business lending, cash management, international banking, merchant services, online and mobile banking and wealth management services," Nixon said in a press release.

Close to 35% of small businesses surveyed said they expect to need financing over the next 12 months; and 49% say bank loans are their primary source of funding.

Ninety-two percent plan to hire 1-10 additional workers. Fifty-two percent said an e-commerce online presence was "extremely important" or "very important," even though 74% see traditional sales as their primary source of growth. Eighty-four percent of small businesses surveyed are planning to invest more or the same amount in technology over the next 12 months; and 34% are increasing their investment in social media.

Survey participants were also asked questions about hot-button policy issues. For example, nearly two-thirds of respondents said the Affordable Care Act has had a neutral or positive impact on their business, and 72% said the rise in the minimum wage would have a neutral or positive effect on their business.

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