

**Patterns of
Small Business Lending
in
Greater Boston
1999-2002**

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MASSACHUSETTS COMMUNITY & BANKING COUNCIL

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EXECUTIVE SUMMARY

This report represents the fifth report on small business lending patterns in Greater Boston undertaken by the Massachusetts Community & Banking Council (MCBC). The report analyzes lending data for the year ended December 31, 2002, and provides comparisons to the 1999 – 2001 lending data that was analyzed in MCBC's previous reports on small business lending.

The following represent some of the report's most important findings:

1999-2002 LENDING RATES

- In three of the last four years, the lowest rates of lending to small firms in the city of Boston and in the Boston MSA (measured in thousands of loan dollars per 100 firms) were in low income census tracts while the highest rates were generally in either middle or upper income census tracts.
- In three of the last four years, the lowest rates of lending to small firms in the city of Boston were in lower income minority neighborhoods while lower income white and mixed-race neighborhoods generally reported higher lending rates.

2002 LENDING

- Despite a weakened economy, the number of small business loans in the Boston MSA increased 16.3% in 2002 and the overall dollar volume of small business loans increased 4.5%.
- In the city of Boston, the number of small business loans increased 10.7% in 2002 while the dollar volume of small business loans decreased 10.4%. Within the city, changes in dollar volume ranged from a decrease of 26.3% in low-income census tracts to an increase of 22.2% in moderate-income census tracts. Total loan dollars also decreased 10.2% in minority census tracts while increasing 14.0% in mixed-race and 1.7% in white census tracts.

LENDERS

- The largest banks in Massachusetts provided \$264.5 million in small business loans in Suffolk County in 2002, representing 51.1% of all CRA-reported small business loan dollars in the county. In the Boston MSA, the combined loan volume for the largest Massachusetts banks totaled \$1.15 billion or 44.6% of all CRA-reported small business loans.
- Other Massachusetts banks originated \$131.7 million in small business loans in Suffolk County in 2002 for a market share of 25.4%. In the Boston MSA, other Massachusetts banks originated \$758.5 million for a market share of 29.4%.
- Credit card lenders provided 12.2% of all small business loan dollars in Suffolk County and 15.0% of all small business loan dollars in the Boston MSA in 2002.

COMPARISON WITH OTHER METROPOLITAN AREAS

- Of the fifteen largest MSAs across the country, the Boston MSA ranked 11th in lending rates to small firms, up from 15th in 2001.

NONBANK INTERMEDIARIES

- Nonbank intermediaries serve as a valuable resource for small businesses, particularly those in lower-income areas and minority communities, by providing technical assistance and loans to new and existing businesses and by promoting access to more traditional sources of credit.

I. INTRODUCTION

This report represents the fifth report on small business lending patterns in Greater Boston undertaken by the Massachusetts Community & Banking Council (MCBC). The report analyzes lending data for the year ended December 31, 2002, and provides comparisons to the 1999 – 2001 lending data that was analyzed in MCBC’s previous reports on small business lending. The report is based on small business lending data collected under the federal Community Reinvestment Act (CRA), business demographic data prepared by Dun & Bradstreet, and population and income data obtained from the US Census Bureau. The report also includes an analysis of data collected from nonbank intermediaries who participated in a survey developed by MCBC for this report.

The primary goal of this report is to contribute to improved credit flows to small businesses in traditionally underserved areas by presenting a careful *description* of what has happened that all interested parties can agree is fair and accurate. It is beyond the scope of this report to offer either an *explanation* of why the observed outcomes have occurred or an *evaluation* of how well lenders have performed. Rather, this report’s descriptive contribution is intended to be one input to the complex, on-going tasks of explanation and evaluation.

For the purposes of this report, small business loans are defined as commercial loans of \$1 million or less. The report utilizes four different measures of lending rates, expressed in terms of lending per 100 firms, to compare small business lending activity across different geographical areas. These lending rates are calculated based on the following: (1) the total number of small business loans, (2) the total dollar amount of small business loans, (3) the number of loans to firms with annual revenues of less than \$1 million, and (4) the dollar amount of loans to firms with annual revenues of less than \$1 million. For the purposes of the report’s findings, discussion is generally limited to the fourth measure of lending rates. Businesses with \$1 million or less in annual revenues (referred to in this report as small firms) are those of greatest concern to MCBC due to the fact that these firms generally have fewer options than larger firms when it comes to raising capital and are more likely to require assistance in obtaining credit. Secondly, the high volume of small loans from specialized credit card lenders has less of a distorting impact on rates measured in dollars than on rates measured in numbers of loans.

The geographic levels covered in this report include the city of Boston, Suffolk County, the Boston Metropolitan Statistical Area (MSA), and selected cities and towns around Boston and across Massachusetts. The CRA small business lending database makes available *aggregate* lending data at the census tract level; however, readers are advised that the small business lending data of *individual* lenders is not available below the county level.

The heart of this report is the data presented in Tables 1 through 17 which present data on total business loans, loans with an original amount less than \$100,000, loans to firms with \$1 million or less in annual revenue, and lending rates. Most of these tables can be divided into 2 categories: those that provide updated information for the year ended December 31, 2002 (designated by the letter “A” beside the table number) and those that provide a time series of data from 1999 to 2002 (designated by the letter “B” beside the table number).

- census tracts in the city of Boston grouped by level of income (Tables 1A-B)
- census tracts in the Boston MSA grouped by level of income (Tables 2A-B)
- census tracts in the city of Boston grouped by percentage of minority residents (Tables 3A-B)
- census tracts in the city of Boston grouped by both income and race/ethnicity (Table 4A-B)
- Boston’s traditional neighborhoods, as defined by the Boston Redevelopment Authority (Tables 5A-B and Table 6)
- twenty-seven cities and towns that surround Boston (Tables 7A-B)

- comparison of lending activity by income level in the city of Boston, surrounding towns, and the Boston MSA (Table 8A).
- forty additional cities and towns across Massachusetts (Tables 9A-B)
- individual lenders and major types of lenders (Tables 10A-B, 11A-B, 12A-B, and 13A-B).
- maps that show aggregate lending data for the Boston neighborhoods and surrounding communities (Maps 1 – 3)
- tables that focus on small business lending activity in the 15 largest metropolitan statistical areas across the country (Tables 14 – 16)
- table that summarize the activity of nonbank intermediaries which participated in a survey undertaken by MCBC (Tables 17).

Section II, immediately below, presents the report's findings. Section III discusses the nature and limitations of the data used in this report. The report concludes with a glossary section. Readers may notice that the sections of the study have been reorganized since last year's study. These changes were implemented in effort to increase the reader's focus on the report findings and to improve the flow of the report. We welcome any comments and feedback that can help advance future editions of the study.

II. FINDINGS

This section summarizes some of the most significant findings that emerge from an examination of the 2002 small business loan data for Greater Boston. Readers are advised that the 2002 results as well as the year-over-year comparisons discussed in this report are impacted by a substantial increase in the reported number of firms with annual revenues of \$1 million or less as well as the overall number of firms. The increase in the business demographic data more than offset an increase in the dollar amount of small business loans originated in 2002 and therefore caused overall lending rates to decline. Readers are also reminded that, for the sake of simplicity and clarity, the discussion that follows is limited to only one of the four measures of lending rates shown in the tables: the rate of lending to firms with annual revenues of \$1 million or less.

It should be noted that the US Census Bureau recently released the 2000 Census data. While this report does not use the new data - the federal bank regulators have directed banks to begin using the 2000 Census data with their 2003 small business loan data submissions - a preliminary review of the 2000 income level data for the city of Boston indicates a significant increase in the number of residents living in low and moderate income census tracts while at the same time an overall decrease in the number of low and moderate income census tracts. A preliminary review of the 2000 minority population data indicates an substantial increase in Boston's total minority population to the point where whites now represent less than 50% of the total population. Given the significant nature of the demographic changes from 1990 to 2000, readers should use caution when interpreting the findings presented here. Additional information on the new demographic data is provided in Section III.

A. CITY OF BOSTON - LENDING RATES BY CENSUS TRACT INCOME LEVEL

2002 LENDING RATES

The 2002 small business lending data for the city of Boston show a **moderately positive relationship between lending rates and census tract income level**. The rate of lending to small firms in 2002, measured in loan dollars per 100 firms, was lowest in the low income tracts and highest in middle income tracts. At the same time, the lending rate in moderate income tracts was higher than the rate in upper income areas. The rate of lending was \$310,000 in low income tracts, \$553,000 in moderate income tracts, \$598,000 in middle income tracts and \$535,000 in upper income tracts. As a result, **the lending rate in the city of Boston's low income tracts declined to 55.2% of the city's overall rate in**

2002 (compared to 94.4% in 2001) while the rate in moderate income tracts increased to 98.6% of the overall rate (compared to 92.8% in 2001). The lending rate in middle income tracts increased to 106.7% of the city's overall rate (compared to 93.9% in 2001) and the lending rate in upper income tracts declined to 95.4% of the overall rate (compared to 116.7% in 2001).

Table 1A
Small Business Lending in City of Boston
By Census Tract Income Level, 2002

Census Tract Income Level (No. of Tracts)	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Percent Of Overall Lending Rate	Loans Per 100 Small Firms	Percent Of Overall Lending Rate
A. Number of Loans							
Low (38)	1,306	1,234	312	30.1	87.8%	10.5	77.4%
Moderate (71)	4,296	4,057	1,102	38.1	111.3%	14.1	104.0%
Middle (34)	2,362	2,245	680	38.9	113.6%	16.0	118.3%
Upper (7)	733	690	177	38.1	111.3%	14.0	103.1%
Cent Bus Area (14)	4,566	4,173	1,361	30.2	88.2%	13.0	95.7%
Total (164)	13,263	12,399	3,632	34.3	100.0%	13.5	100.0%
B. Dollar Amount of Loans (000s)							
Low (38)	\$39,810	\$11,790	\$9,212	\$917	74.9%	\$310	55.2%
Moderate (71)	\$132,691	\$38,991	\$43,225	\$1,178	96.2%	\$553	98.6%
Middle (34)	\$61,622	\$20,126	\$25,366	\$1,015	83.0%	\$598	106.7%
Upper (7)	\$25,398	\$8,135	\$6,775	\$1,321	107.9%	\$535	95.4%
Cent Bus Area (14)	\$214,317	\$56,334	\$65,697	\$1,418	115.8%	\$626	111.6%
Total (164)	\$473,838	\$135,376	\$150,275	\$1,224	100.0%	\$561	100.0%

1999 TO 2002 LENDING RATES

An analysis of the 2002 and 2001 data for the city of Boston shows that **overall lending rates declined markedly in 2002 in the city of Boston despite an increase in loan volume.** The lending rate decrease was due to a substantial increase in the reported number of firms. The overall lending rate to small firms, measured in loan dollars per 100 firms, declined 7.6% to \$561,000 in the city of Boston. Over the same period, loan volume to small firms increased 6.5% from \$141.1 million in 2001 to \$150.3 million in 2002, and overall loan volume to all firms decreased 10.4% from \$528.5 million in 2001 to \$473.8 million in 2002.

The decline in lending rate can be attributed to an increase in the number of firms data used in this report, which showed a 15% increase in firms with revenues under \$1 million and a 35% increase in total firms. The reported number of small firms in the city of Boston increased as much or more in low and moderate income census tracts from 2001 to 2002 than in higher income census tracts. The number of small firms increased 18% in low income tracts, 19% in moderate income tracts, 19% in middle income tracts, and 14% in upper income tracts.

The data for the city of Boston also show that **changes in lending rates from 2001 to 2002 fluctuated widely across census tract income level categories.** Lending rates in low income tracts decreased 46.0% from 2001 to 2002, while lending rates in moderate income tracts decreased just 2.0%. The lending rates in middle income tracts increased 5.0% from 2001 to 2002 while the rate in upper income tracts decreased 24.5%.

An analysis of the small business loan data for the city of Boston from 1999 to 2002 reveals a stronger positive relationship between lending and income levels than is revealed by the analysis of the 2002 data alone. **The lowest rates of lending to small firms were in low income census tracts in three of the past four years while the highest lending rates were generally in either middle or upper income census tracts.**

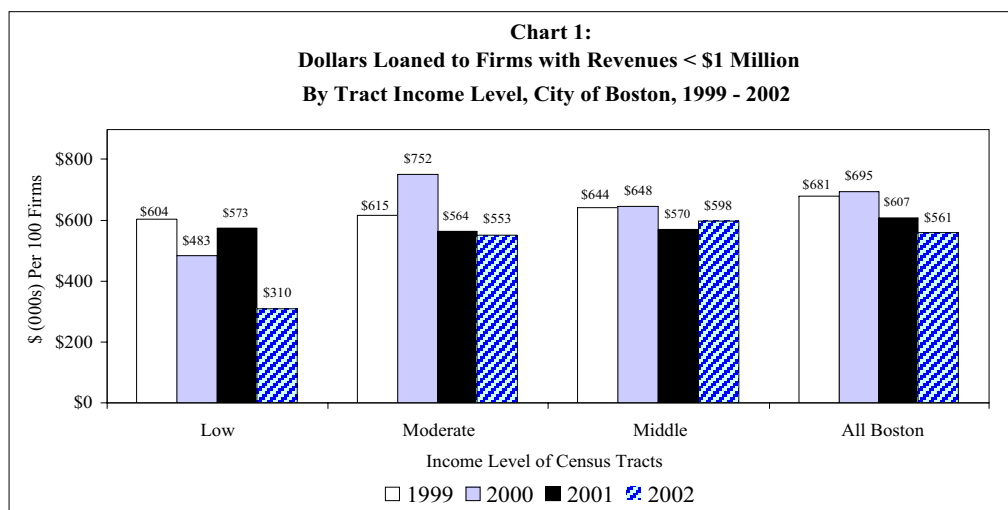


Table 1B
Small Business Lending in City of Boston
By Census Tract Income Level, 1999 - 2002

Census Tract Income Level (No. of Tracts)	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Number of Loans								
Low (38)	555	899	1,316	1,306	232	284	411	312
Moderate (71)	1,961	3,006	3,698	4,296	867	1,076	1,404	1,102
Middle (34)	1,090	1,658	2,012	2,362	545	586	770	680
Upper (7)	314	460	699	733	141	170	227	177
Cent Bus Area (14)	2,044	3,177	4,256	4,566	1,092	1,173	1,717	1,361
Total (164)	5,964	9,200	11,981	13,263	2,877	3,289	4,529	3,632
B. Lending Rates - Number of Loans Per 100 Firms								
Low (38)	19.1	31.0	42.7	30.1	12.1	14.9	16.5	10.5
Moderate (71)	26.1	39.9	42.2	38.1	16.4	20.3	21.1	14.1
Middle (34)	29.7	45.1	47.9	38.9	19.9	21.4	21.6	16.0
Upper (7)	22.1	32.4	49.9	38.1	15.3	18.4	20.4	14.0
Cent Bus Area (14)	16.8	26.1	35.5	30.2	14.2	15.2	18.2	13.0
Total (164)	21.5	33.2	41.8	34.3	15.5	17.7	19.5	13.5
C. Dollar Amount of Loans (000s)								
Low (38)	\$25,321	\$27,361	\$54,017	\$39,810	\$11,540	\$9,233	\$14,284	\$9,212
Moderate (71)	\$82,408	\$81,574	\$108,593	\$132,691	\$32,573	\$39,832	\$37,459	\$43,225
Middle (34)	\$35,255	\$34,844	\$62,144	\$61,622	\$17,608	\$17,718	\$20,334	\$25,366
Upper (7)	\$15,945	\$13,443	\$24,171	\$25,398	\$8,425	\$6,120	\$7,899	\$6,775
Cent Bus Area (14)	\$151,041	\$183,881	\$279,620	\$214,317	\$56,400	\$56,271	\$61,128	\$65,697
Total (164)	\$309,970	\$341,103	\$528,545	\$473,838	\$126,546	\$129,174	\$141,104	\$150,275
D. Lending Rates - Dollar Amount of Loans Per 100 Firms (000s)								
Low (38)	\$872	\$943	\$1,753	\$917	\$604	\$483	\$573	\$310
Moderate (71)	\$1,095	\$1,084	\$1,356	\$1,178	\$615	\$752	\$564	\$553
Middle (34)	\$960	\$949	\$1,479	\$1,015	\$644	\$648	\$570	\$598
Upper (7)	\$1,122	\$946	\$1,724	\$1,321	\$913	\$663	\$708	\$535
Cent Bus Area (14)	\$1,239	\$1,508	\$2,330	\$1,418	\$731	\$729	\$649	\$626
Total (164)	\$1,118	\$1,231	\$1,842	\$1,224	\$681	\$695	\$607	\$561

B. BOSTON MSA – LENDING RATES BY CENSUS TRACT INCOME LEVEL

2002 LENDING RATES

The 2002 small business loan data for the Boston MSA, which includes cities and towns surrounding the city of Boston, shows **no discernable relationship between lending rates and income level**. For the entire metropolitan area, the rate of lending to small firms, measured in loan dollars per 100 firms, was lowest in low income tracts but was highest in moderate income areas. The rate of lending was \$447,000 in low income tracts, \$603,000 in moderate income tracts, \$537,000 in middle income tracts and \$568,000 in upper income tracts. As a result, **the lending rate in the MSA's low income tracts decreased to 80.1% of the MSA's overall rate in 2002 (compared to 98.3% in 2001) and the rate in moderate income tracts increased to 107.9% of the overall rate (compared to 96.9% in 2001)**. The lending rate in middle income tracts declined to 96.2% of the MSA's overall rate (compared to 98.2% in 2001) and the lending rate in upper income tracts declined to 101.8% of the overall rate (compared to 102.5% in 2001).

Table 2A
Small Business Lending in the Boston MSA
By Census Tract Income Level, 2002

Census Tract Income Level (No. of Tracts)	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Percent Of Overall Lending Rate	Loans Per 100 Small Firms	Percent Of Overall Lending Rate
A. Number of Loans							
Low (48)	2,221	2,088	544	32.1	80.1%	11.4	74.8%
Moderate (157)	12,130	11,457	3,044	40.3	100.5%	14.0	92.0%
Middle (316)	42,831	40,698	11,372	43.1	107.6%	15.6	102.6%
Upper (157)	23,240	22,070	6,850	38.3	95.7%	16.2	106.1%
Cent Bus Area (14)	4,566	4,173	1,361	30.2	75.4%	13.0	85.1%
Total (692)	84,988	80,486	23,171	40.1	100.0%	15.2	100.0%
B. Dollar Amount of Loans (000s)							
Low (48)	\$73,153	\$21,446	\$21,385	\$1,058	88.4%	\$447	80.1%
Moderate (157)	\$359,791	\$115,162	\$130,878	\$1,195	99.9%	\$603	107.9%
Middle (316)	\$1,219,496	\$408,493	\$391,016	\$1,228	102.7%	\$537	96.2%
Upper (157)	\$669,552	\$241,580	\$241,059	\$1,105	92.4%	\$568	101.8%
Cent Bus Area (14)	\$214,317	\$56,334	\$65,697	\$1,418	118.5%	\$626	112.0%
Total (692)	\$2,536,309	\$843,015	\$850,035	\$1,196	100.0%	\$559	100.0%

1999 TO 2002 LENDING RATES

An analysis of the 2002 and 2001 data for the Boston MSA shows that **overall lending rates declined markedly in 2002 in the Boston MSA despite an increase in loan volume**. The lending rate decrease was due to a substantial increase in the reported number of firms. The overall lending rate to small firms, measured in loan dollars per 100 firms, declined 5.5% to \$559,000 in the Boston MSA. Over the same period, loan volume to small firms increased 8.8% from \$781.1 million in 2001 to \$850.0 million in 2002, and overall loan volume to all firms increased 4.5% from \$2.426 billion in 2001 to \$2.536 billion in 2002.

The decline in the lending rate can be attributed to an increase in the reported number of firms used in this report. The number of firms data showed a 15% increase in firms with revenues under \$1 million and a 34% increase in total firms. The number of small firms in the Boston MSA increased

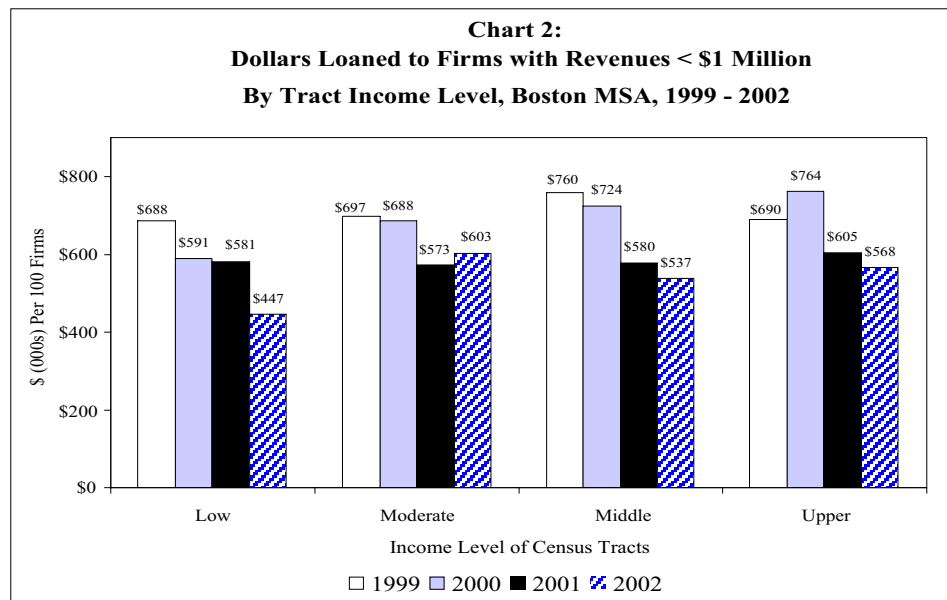
nearly as much in low and moderate income census tracts from 2001 to 2002 as they did in higher income census tracts. The number of small firms increased 16% in low income tracts, 14% in moderate income tracts, 15% in middle income tracts, and 17% in upper income tracts.

The data for the Boston MSA, like the data for the city of Boston, also show that **changes in lending rates from 2001 to 2002 fluctuated widely across income level categories.** Lending rates in low income tracts decreased 22.9% from 2001 to 2002, while lending rates in moderate income tracts increased 5.2%. The lending rates in middle income tracts decreased 7.4% from 2001 to 2002 while the rate in upper income tracts decreased 6.1%.

An analysis of the small business loan data for the Boston MSA from 1999 to 2002 also reveals a stronger positive relationship between lending rates and income level than is revealed by the analysis of the 2002 data alone. **As is the case with the data for the city of Boston, the lowest rates of lending to small firms in the Boston MSA were in low income census tracts in three of the past four years while the highest lending rates were generally in either middle or upper income census areas.**

Table 2B
Small Business Lending in the Boston MSA
By Census Tract Income Level, 1999 - 2002

Census Tract Income Level (No. of Tracts)	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Number of Loans								
Low (48)	890	1,489	2,129	2,221	403	505	698	544
Moderate (157)	5,278	8,147	10,172	12,130	2,575	2,898	3,724	3,044
Middle (316)	17,881	29,490	35,542	42,831	9,612	10,789	13,017	11,372
Upper (157)	10,230	16,624	19,966	23,240	5,534	6,114	7,564	6,850
Cent Bus Area (14)	2,044	3,177	5,256	4,566	1,092	1,173	1,717	1,361
Total (692)	36,323	58,927	73,065	84,988	19,216	21,479	26,720	23,171
B. Lending Rates - Number of Loans Per 100 Firms								
Low (48)	18.6	31.2	41.3	32.1	12.9	16.1	16.9	11.4
Moderate (157)	25.2	39.0	44.9	40.3	17.4	19.6	19.6	14.0
Middle (316)	26.0	42.8	47.5	43.1	19.2	21.5	20.6	15.6
Upper (157)	26.2	42.6	46.2	38.3	19.4	21.4	20.8	16.2
Cent Bus Area (14)	16.8	26.1	43.8	30.2	14.2	15.2	18.2	13.0
Total (692)	24.9	40.4	46.3	40.1	18.4	20.6	20.2	15.2
C. Dollar Amount of Loans (000s)								
Low (48)	\$47,922	\$47,565	\$86,204	\$73,153	\$21,525	\$18,487	\$23,928	\$21,385
Moderate (157)	\$233,257	\$218,543	\$318,884	\$359,791	\$103,336	\$101,879	\$108,850	\$130,878
Middle (316)	\$789,473	\$765,614	\$1,100,623	\$1,219,496	\$381,194	\$363,393	\$366,847	\$391,016
Upper (157)	\$460,472	\$460,214	\$640,617	\$669,552	\$197,033	\$218,156	\$220,328	\$241,059
Cent Bus Area (14)	\$151,041	\$183,881	\$279,620	\$214,317	\$56,400	\$56,271	\$61,128	\$65,697
Total (692)	\$1,682,165	\$1,675,817	\$2,425,948	\$2,536,309	\$759,488	\$758,186	\$781,081	\$850,035
D. Lending Rates - Dollar Amount of Loans Per 100 Firms (000s)								
Low (48)	\$1,004	\$996	\$1,672	\$1,058	\$688	\$591	\$581	\$447
Moderate (157)	\$1,116	\$1,045	\$1,408	\$1,195	\$697	\$688	\$573	\$603
Middle (316)	\$1,147	\$1,112	\$1,470	\$1,228	\$760	\$724	\$580	\$537
Upper (157)	\$1,179	\$1,178	\$1,481	\$1,105	\$690	\$764	\$605	\$568
Cent Bus Area (14)	\$1,239	\$1,508	\$2,330	\$1,418	\$731	\$729	\$649	\$626
Total (692)	\$1,154	\$1,149	\$1,536	\$1,196	\$728	\$726	\$591	\$559



C. CITY OF BOSTON - LENDING RATES BY MINORITY POPULATION

2002 LENDING RATES

The 2002 small business loan data for the city of Boston show a **moderately positive relationship between lending rates and a neighborhood's racial composition**. The rate of lending to small firms, measured in loan dollars per 100 firms, was lowest in predominantly-minority neighborhoods and highest in mixed-race areas. The rate of lending per 100 firms was \$293,000 in predominantly-minority neighborhoods, \$582,000 in mixed-race neighborhoods, and \$545,000 in predominantly-white neighborhoods. As a result, **the lending rate in Boston's minority census tracts decreased to 52.3% of the city's overall rate (compared to 90.6% in 2001) while the rate in mixed tracts increased to 103.8% of the city's overall rate (compared to 93.8% in 2001)**. The lending rate in Boston's white census tracts declined to 97.2% of the city's overall rate in 2002 (compared to 97.9% in 2001).

Table 3A
Small Business Lending in City of Boston
By Racial Composition of Census Tracts, 2002

Census Tract Racial Composition (No. of Tracts)	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Percent Of Overall Lending Rate	Loans Per 100 Small Firms	Percent Of Overall Lending Rate
A. Number of Loans							
Minority (42)	1,249	1,207	283	33.3	97.2%	11.0	81.4%
Mixed (44)	2,889	2,713	789	34.1	99.6%	13.4	98.6%
White (64)	4,559	4,306	1,199	40.1	117.0%	15.3	112.9%
Cent Bus Area (14)	4,566	4,173	1,361	30.2	88.2%	13.0	95.7%
Total (164)	13,263	12,399	3,632	34.3	100.0%	13.5	100.0%
B. Dollar Amount of Loans (000s)							
Minority (42)	\$25,444	\$10,228	\$7,515	\$679	55.4%	\$293	52.3%
Mixed (44)	\$91,222	\$26,331	\$34,362	\$1,077	88.0%	\$582	103.8%
White (64)	\$142,855	\$42,483	\$42,701	\$1,256	102.6%	\$545	97.2%
Cent Bus Area (14)	\$214,317	\$56,334	\$65,697	\$1,418	115.8%	\$626	111.6%
Total (164)	\$473,838	\$135,376	\$150,275	\$1,224	100.0%	\$561	100.0%

1999 TO 2002 LENDING RATES

The data for the city of Boston also show that **lending rates in minority neighborhoods fell dramatically from 2001 to 2002**. The lending rate in predominantly-minority neighborhoods declined 46.7% from \$550,000 in 2001 to \$293,000 in 2002. At the same time, lending rates in mixed-race neighborhoods increased 2.2% in 2002 while rates in white neighborhoods fell 8.3%. By way of comparison, the lending rate for the entire city of Boston declined 7.6%. The substantial decline in minority neighborhoods can be attributed to a large decrease in the dollar volume of small business loans to small firms in these areas.

The data for the city of Boston from 1999 to 2002 also reveal a stronger positive relationship between lending rates and racial composition than is revealed by the analysis of the 2002 data alone. However, readers are urged to use caution when interpreting the data in the table below given the high correlation between minority population and income level: high minority areas are usually also low income areas. Bearing that in mind, **the lowest rates of lending to small firms in the city of Boston were in predominantly-minority neighborhoods in three of the past four years while the highest lending rates were in either predominantly-white neighborhoods or mixed-race neighborhoods.**

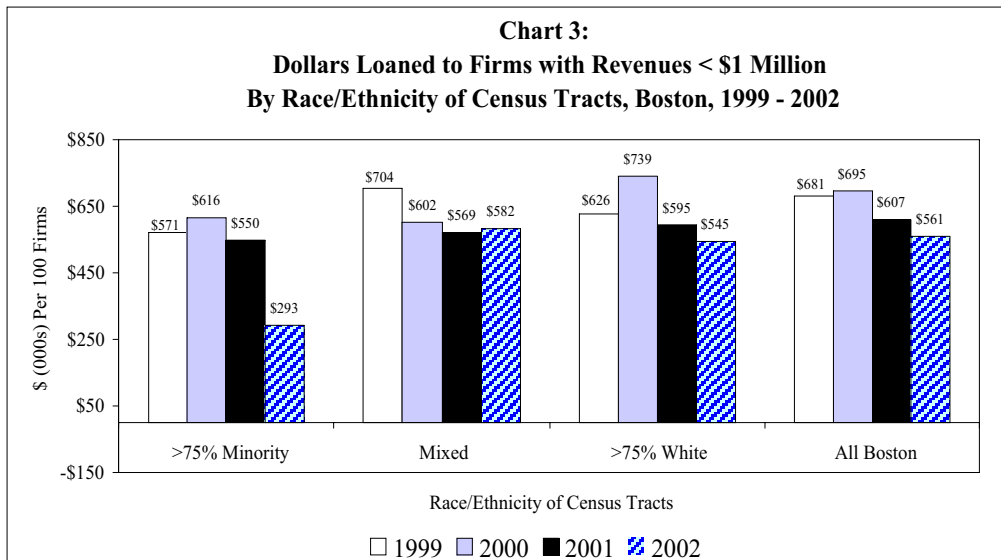


Table 3B
Small Business Lending in City of Boston
By Racial Composition of Census Tracts, 1999 – 2002

Census Tract Racial Composition (No. of Tracts)	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Number of Loans								
Minority (42)	506	788	1,168	1,249	201	271	373	283
Mixed (44)	1,333	2,058	2,518	2,889	620	768	994	789
White (64)	2,081	3,177	4,039	4,559	964	1,077	1,445	1,199
Cent Bus Area (14)	2,044	3,177	4,256	4,566	1,092	1,173	1,717	1,361
Total (164)	5,964	9,200	11,981	13,263	2,877	3,289	4,529	3,632
B. Lending Rates - Number of Loans Per 100 Firms								
Minority (42)	22.8	35.5	45.4	33.3	12.0	16.2	16.9	11.0
Mixed (44)	23.3	36.0	42.8	34.1	15.9	19.7	20.5	13.4
White (64)	27.4	41.9	49.1	40.1	18.2	20.3	21.3	15.3
Cent Bus Area (14)	16.8	26.1	35.5	30.2	14.2	15.2	18.2	13.0
Total (164)	21.5	33.2	41.8	34.3	15.5	17.7	19.5	13.5
C. Dollar Amount of Loans (000s)								
Minority (42)	\$19,482	\$22,156	\$28,348	\$25,444	\$9,557	\$10,304	\$12,102	\$7,515
Mixed (44)	\$54,683	\$47,580	\$80,054	\$91,222	\$27,428	\$23,457	\$27,626	\$34,362
White (64)	\$84,764	\$87,486	\$140,523	\$142,855	\$33,161	\$39,142	\$40,248	\$42,701
Cent Bus Area (14)	\$151,041	\$183,881	\$279,620	\$214,317	\$56,400	\$56,271	\$61,128	\$65,697
Total (164)	\$309,970	\$341,103	\$528,545	\$473,838	\$126,546	\$129,174	\$141,104	\$150,275
D. Lending Rates - Dollar Amount of Loans Per 100 Firms (000s)								
Minority (42)	\$878	\$999	\$1,101	\$679	\$571	\$616	\$550	\$293
Mixed (44)	\$955	\$831	\$1,361	\$1,077	\$704	\$602	\$569	\$582
White (64)	\$1,118	\$1,154	\$1,707	\$1,256	\$626	\$739	\$595	\$545
Cent Bus Area (14)	\$1,239	\$1,508	\$2,330	\$1,418	\$731	\$729	\$649	\$626
Total (164)	\$1,118	\$1,231	\$1,842	\$1,224	\$681	\$695	\$607	\$561

A comparable analysis for the Boston MSA was not undertaken because there are few census tracts outside the city of Boston with a substantial percentage of minority residents. In fact, of the 541 census tracts within the MSA but outside of the city of Boston, only one is a minority tract and only 31 are mixed.

D. LENDING RATES BY BOTH CENSUS TRACT INCOME LEVEL AND MINORITY POPULATION

An effort was made to measure whether income or race was more important in determining the patterns of lending rates described above. Census tracts were grouped into categories that took both income level and race/ethnicity into account. A finding of higher lending rates in white low income tracts than in minority upper income tracts would indicate that race/ethnicity was the more important factor. The reverse finding, that higher lending rates in upper income minority tracts than in lower-income white tracts, would indicate that income was the more important factor.

Since Boston has no high-minority areas and few mixed-race areas that are classified as upper income or middle income under the 1990 Census, in order to conduct our analysis it became necessary to combine low and moderate income tracts together as one group and to combine middle and upper income tracts together as another group. **Readers are urged to use caution when interpreting the findings discussed here, given the strong correlation between Boston neighborhoods with high minority populations and low income levels.**

2002 LENDING RATES

An analysis of the small business loan data for 2002 alone, suggests that **income level may be a more important factor than race/ethnicity in predicting lending rates**. The lowest lending rates to small firms, measured in loan dollars per 100 firms, were in low-to-moderate income minority neighborhoods and the second lowest rates were in low-to-moderate white neighborhoods.

Table 4A
Small Business Lending in City of Boston
By Race and Census Tract Income Level, 2002

Census Tract Racial Composition and Income Level (No. of Tracts)	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Percent Of Overall Lending Rate	Loans Per 100 Small Firms	Percent Of Overall Lending Rate
A. Number of Loans							
Minority & Low-Mod (42)	1,249	1,207	283	33.3	90.4%	11.0	79.2%
Mixed & Low-Mod (38)	2,396	2,258	650	34.3	93.1%	13.3	95.1%
Mixed & Mid-Upper (6)	493	455	139	33.2	90.2%	13.9	99.8%
White & Low-Mod (29)	1,957	1,826	481	40.2	109.1%	14.5	103.8%
White & Mid-Upper (35)	2,602	2,480	718	40.0	108.5%	15.9	114.4%
Total (150)	8,697	8,226	2,271	36.9	100.0%	13.9	100.0%
B. Dollar Amount of Loans (000s)							
Minority & Low-Mod (42)	\$25,444	\$10,228	\$7,515	\$679	61.7%	\$293	56.5%
Mixed & Low-Mod (38)	\$72,669	\$21,904	\$28,799	\$1,040	94.6%	\$587	113.2%
Mixed & Mid-Upper (6)	\$18,553	\$4,427	\$5,563	\$1,251	113.8%	\$556	107.3%
White & Low-Mod (29)	\$74,388	\$18,649	\$16,123	\$1,528	138.9%	\$484	93.4%
White & Mid-Upper (35)	\$68,467	\$23,834	\$26,578	\$1,052	95.6%	\$590	113.7%
Total (150)	\$259,521	\$79,042	\$84,578	\$1,100	100.0%	\$519	100.0%

1999 TO 2002 LENDING RATES

However, the data from 2001 to 2002 show that **lending rates in low-to-moderate income minority neighborhoods fell more than those in low-to-moderate income white or mixed-race neighborhoods**. The lending rate in low-to-moderate income minority neighborhoods decreased 46.7% from 2001 to 2002 while the lending rate in low-to-moderate white neighborhoods decreased 25.7% and the rate in low-to-moderate mixed-race areas increased 14.6%.

An analysis of the data for the past four years appears to confirm that race may be a more important factor than is revealed by the analysis of the 2002 data alone. **The lowest rates of lending to small firms in the city of Boston were in low-to-moderate income minority neighborhoods in three of the past four years while low-to-moderate income white and mixed-race neighborhoods generally reported higher lending rates.**

Table 4B
Small Business Lending in City of Boston
By Race and Census Tract Income Level, 1999 - 2002

Census Tract Racial Composition and Income Level (No. of Tracts)	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Number of Loans								
Minority & Low-Mod (42)	506	788	1,168	1,249	201	271	373	283
Mixed & Low-Mod (38)	1,090	1,741	2,108	2,396	514	647	834	650
Mixed & Mid-Upper (6)	243	317	410	493	106	121	160	139
White & Low-Mod (29)	920	1,376	1,738	1,957	384	442	608	481
White & Mid-Upper (35)	1,161	1,801	2,301	2,602	580	635	837	718
Total (150)	3,920	6,023	7,725	8,697	1,785	2,116	2,812	2,271
B. Lending Rates - Number of Loans Per 100 Firms								
Minority & Low-Mod (42)	22.8	35.5	45.4	33.3	12.0	16.2	16.9	11.0
Mixed & Low-Mod (38)	23.2	37.1	43.5	34.3	16.0	20.2	20.8	13.3
Mixed & Mid-Upper (6)	23.5	30.6	39.4	33.2	15.3	17.5	19.0	13.9
White & Low-Mod (29)	26.1	39.1	47.4	40.2	16.5	19.0	20.8	14.5
White & Mid-Upper (35)	28.6	44.4	50.4	40.0	19.5	21.4	21.8	15.9
Total (150)	25.3	38.8	46.3	36.9	16.4	19.5	20.3	13.9
C. Dollar Amount of Loans (000s)								
Minority & Low-Mod (42)	\$19,482	\$22,156	\$28,348	\$25,444	\$9,557	\$10,304	\$12,102	\$7,515
Mixed & Low-Mod (38)	\$44,825	\$40,371	\$61,869	\$72,669	\$21,372	\$20,276	\$20,535	\$28,799
Mixed & Mid-Upper (6)	\$9,858	\$7,209	\$18,185	\$18,553	\$6,056	\$3,181	\$7,091	\$5,563
White & Low-Mod (29)	\$43,442	\$46,408	\$72,393	\$74,388	\$13,184	\$18,485	\$19,106	\$16,123
White & Mid-Upper (35)	\$41,342	\$41,078	\$68,130	\$68,467	\$19,977	\$20,657	\$21,142	\$26,578
Total (150)	\$158,949	\$157,222	\$248,925	\$259,521	\$70,146	\$72,903	\$79,976	\$84,578
D. Lending Rates - Dollar Amount of Loans Per 100 Firms (000s)								
Minority & Low-Mod (42)	\$878	\$999	\$1,101	\$679	\$571	\$616	\$550	\$293
Mixed & Low-Mod (38)	\$956	\$861	\$1,277	\$1,040	\$667	\$633	\$512	\$587
Mixed & Mid-Upper (6)	\$952	\$697	\$1,747	\$1,251	\$876	\$460	\$841	\$556
White & Low-Mod (29)	\$1,233	\$1,317	\$1,973	\$1,528	\$567	\$794	\$652	\$484
White & Mid-Upper (35)	\$1,019	\$1,012	\$1,493	\$1,052	\$673	\$696	\$551	\$590
Total (150)	\$1,024	\$1,013	\$1,491	\$1,100	\$646	\$671	\$579	\$519

E. SMALL BUSINESS LENDING IN BOSTON'S NEIGHBORHOODS

Among the numerous definitions employed to describe Boston's neighborhood boundaries, the sixteen planning districts defined by the Boston Redevelopment Authority are the most broadly accepted standard, and this is the set of neighborhood definitions used in this report.

The 2002 small business loan data show **wide variation among the lending rates in Boston's neighborhoods**. The rate of lending to small firms, measured in loan dollars per 100 firms, ranged from a low of \$295,000 in North Dorchester (compared to \$405,000 in 2001) to a high of \$829,000 in Hyde Park (compared to \$472,000 in 2001). The 2002 small business lending data for Boston's neighborhoods is presented in Table 5A on the next page.

Table 5B on the pages that follow shows that **changes in lending rates over the past few years have fluctuated widely across Boston's neighborhoods**. Seven of Boston's sixteen neighborhoods experienced increases in lending rates of at least 5% from 2001 to 2002 while the remaining nine experienced decreases of at least 10%. During the four years from 1999 to 2002, no neighborhood has had the highest lending rate twice, and only North Dorchester has had the lowest lending rate twice.

This report does not attempt to explain any apparent relationships between neighborhood lending rates and neighborhood demographics due to the fact that many of the neighborhoods have a relatively small number of census tracts (seven of the fourteen neighborhoods have eight or fewer census tracts). The neighborhood-specific lending data that is presented in this report are intended to provide information to those readers who may be interested in better understanding what is happening in individual communities.

Readers may wish to refer to the maps on the pages following Table 6 for a visual frame of reference to small business lending in Boston's neighborhoods and the surrounding cities and towns.

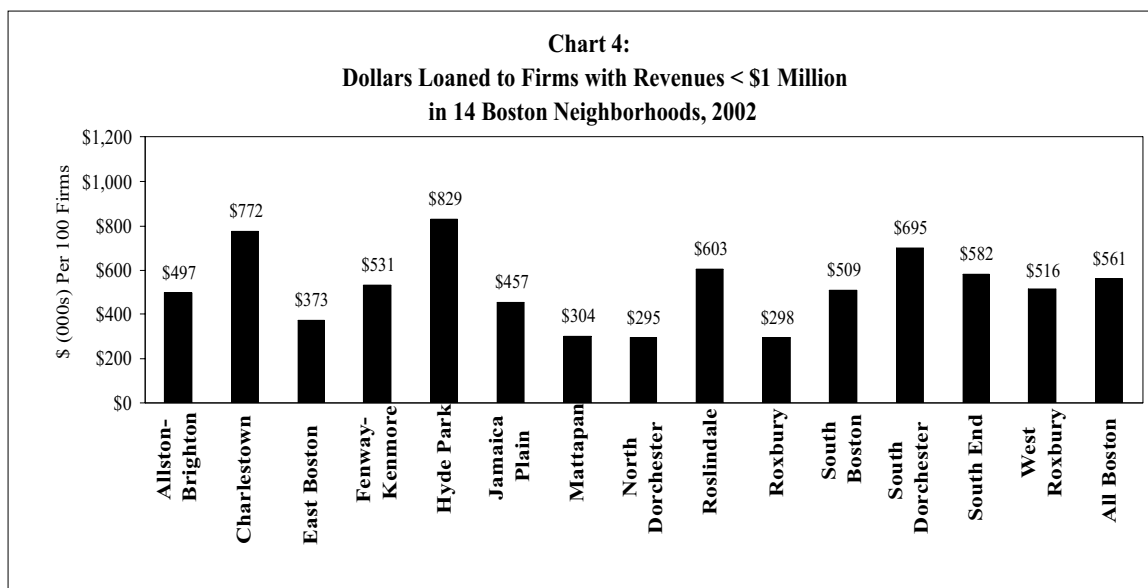


Table 5A
Small Business Lending in City of Boston
By Neighborhood, 2002

Neighborhood (Sorted by Percent in (Next Column))	% White Plus % of MSA Median Family Income	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Percent Of Overall Lending Rate For City	Loans Per 100 Small Firms	Percent Of Overall Lending Rate For City
A. Number of Loans								
Roxbury	55.7%	676	638	133	34.3	100.3%	10.0	73.8%
Mattapan	75.8%	304	294	76	31.9	93.2%	11.4	84.1%
South End	100.2%	966	903	289	34.4	100.5%	15.0	111.0%
North Dorchester	113.6%	317	300	63	37.3	108.9%	10.7	79.1%
South Dorchester	119.5%	831	786	183	40.3	117.6%	12.5	92.0%
Jamaica Plain	121.5%	614	595	188	31.6	92.1%	13.8	101.9%
East Boston	133.8%	478	452	105	32.6	95.0%	9.7	71.6%
Fenway-Kenmore	135.3%	439	417	138	28.0	81.8%	12.8	94.3%
Allston-Brighton	147.6%	1,217	1,160	347	39.6	115.4%	16.5	122.1%
Hyde Park	155.6%	486	453	127	42.9	125.3%	15.5	114.7%
Roslindale	161.2%	435	415	129	37.7	110.1%	15.8	116.7%
South Boston	165.6%	1,018	932	259	41.8	122.0%	16.0	118.1%
Charlestown	181.6%	413	393	92	44.4	129.5%	14.7	108.8%
West Roxbury	198.5%	503	488	142	40.2	117.4%	17.0	125.4%
Central	161.8%	3,089	2,795	970	26.6	77.7%	12.1	89.6%
Back Bay-Beacon Hill	277.2%	1,477	1,378	391	42.1	122.8%	15.6	115.0%
City of Boston	133.5%	13,263	12,399	3,632	34.3	100.0%	13.5	100.0%
B. Dollar Amount of Loans (000s)								
Roxbury	55.7%	\$19,530	\$6,140	\$3,965	\$992	81.1%	\$298	53.2%
Mattapan	75.8%	\$5,268	\$2,184	\$2,027	\$553	45.2%	\$304	54.2%
South End	100.2%	\$33,036	\$10,161	\$11,171	\$1,177	96.2%	\$582	103.7%
North Dorchester	113.6%	\$10,561	\$2,476	\$1,734	\$1,242	101.5%	\$295	52.6%
South Dorchester	119.5%	\$23,124	\$6,277	\$10,199	\$1,121	91.6%	\$695	123.9%
Jamaica Plain	121.5%	\$12,052	\$4,897	\$6,220	\$620	50.6%	\$457	81.5%
East Boston	133.8%	\$12,051	\$3,637	\$4,034	\$821	67.1%	\$373	66.5%
Fenway-Kenmore	135.3%	\$17,530	\$4,624	\$5,739	\$1,119	91.4%	\$531	94.8%
Allston-Brighton	147.6%	\$31,769	\$10,543	\$10,426	\$1,032	84.4%	\$497	88.7%
Hyde Park	155.6%	\$14,677	\$3,879	\$6,770	\$1,297	105.9%	\$829	147.8%
Roslindale	161.2%	\$10,679	\$3,043	\$4,918	\$926	75.7%	\$603	107.5%
South Boston	165.6%	\$47,377	\$12,016	\$8,243	\$1,946	111.0%	\$509	108.4%
Charlestown	181.6%	\$13,070	\$5,008	\$4,818	\$1,404	159.0%	\$772	90.8%
West Roxbury	198.5%	\$8,797	\$4,157	\$4,314	\$703	114.7%	\$516	137.7%
Central	161.8%	\$157,723	\$39,112	\$48,535	\$1,359	57.5%	\$608	92.0%
Back Bay-Beacon Hill	277.2%	\$56,594	\$17,222	\$17,162	\$1,612	131.7%	\$684	122.0%
City of Boston	133.5%	\$473,838	\$135,376	\$150,275	\$1,224	100.0%	\$561	100.0%

Table 5B
Small Business Lending in City of Boston
By Neighborhood, 1999 - 2002

Neighborhood	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Number of Loans								
Roxbury	277	399	584	676	110	125	206	133
Mattapan	130	191	239	304	61	74	68	76
South End	425	653	914	966	197	226	342	289
North Dorchester	139	208	277	317	47	58	96	63
South Dorchester	372	493	627	831	150	178	223	183
Jamaica Plain	300	478	548	614	160	206	240	188
East Boston	267	374	440	478	122	131	165	105
Fenway-Kenmore	192	351	457	439	101	130	164	138
Allston-Brighton	544	877	1,051	1,217	267	348	463	347
Hyde Park	190	328	388	486	81	104	110	127
Roslindale	216	330	387	435	85	120	165	129
South Boston	472	717	949	1,018	211	211	323	259
Charlestown	137	269	434	413	71	85	99	92
West Roxbury	259	355	430	503	122	120	148	142
Central	1,469	2,298	3,199	3,089	778	852	1,252	970
Back Bay-Beacon Hill	575	879	1,057	1,477	314	321	465	391
City of Boston	5,964	9,200	11,981	13,263	2,877	3,289	4,529	3,632
B. Lending Rates - Number of Loans Per 100 Firms								
Roxbury	22.9	33.0	42.8	34.3	13.3	15.2	18.2	10.0
Mattapan	22.5	33.0	37.1	31.9	12.8	15.5	11.9	11.4
South End	23.3	35.8	48.9	34.4	15.9	18.2	22.7	15.0
North Dorchester	24.5	36.6	48.5	37.3	12.6	15.6	20.4	10.7
South Dorchester	31.4	41.6	44.3	40.3	16.4	19.5	18.0	12.5
Jamaica Plain	24.2	38.6	41.9	31.6	17.8	22.9	21.8	13.8
East Boston	25.4	35.6	40.8	32.6	16.6	17.8	17.9	9.7
Fenway-Kenmore	17.5	31.9	39.8	28.0	14.5	18.6	17.4	12.8
Allston-Brighton	27.3	44.0	48.0	39.6	19.3	25.1	25.4	16.5
Hyde Park	26.2	45.3	49.0	42.9	14.9	19.1	15.9	15.5
Roslindale	33.8	51.6	52.3	37.7	16.5	23.3	25.5	15.8
South Boston	24.2	36.8	46.7	41.8	16.8	16.8	21.3	16.0
Charlestown	19.4	38.2	63.8	44.4	15.5	18.6	18.0	14.7
West Roxbury	34.2	46.8	50.2	40.2	22.4	22.1	20.8	17.0
Central	15.7	24.6	34.8	26.6	13.2	14.4	17.5	12.1
Back Bay-Beacon Hill	20.3	31.0	37.6	42.1	17.3	17.7	20.3	15.6
City of Boston	21.5	33.2	41.8	34.3	15.5	17.7	19.5	13.5

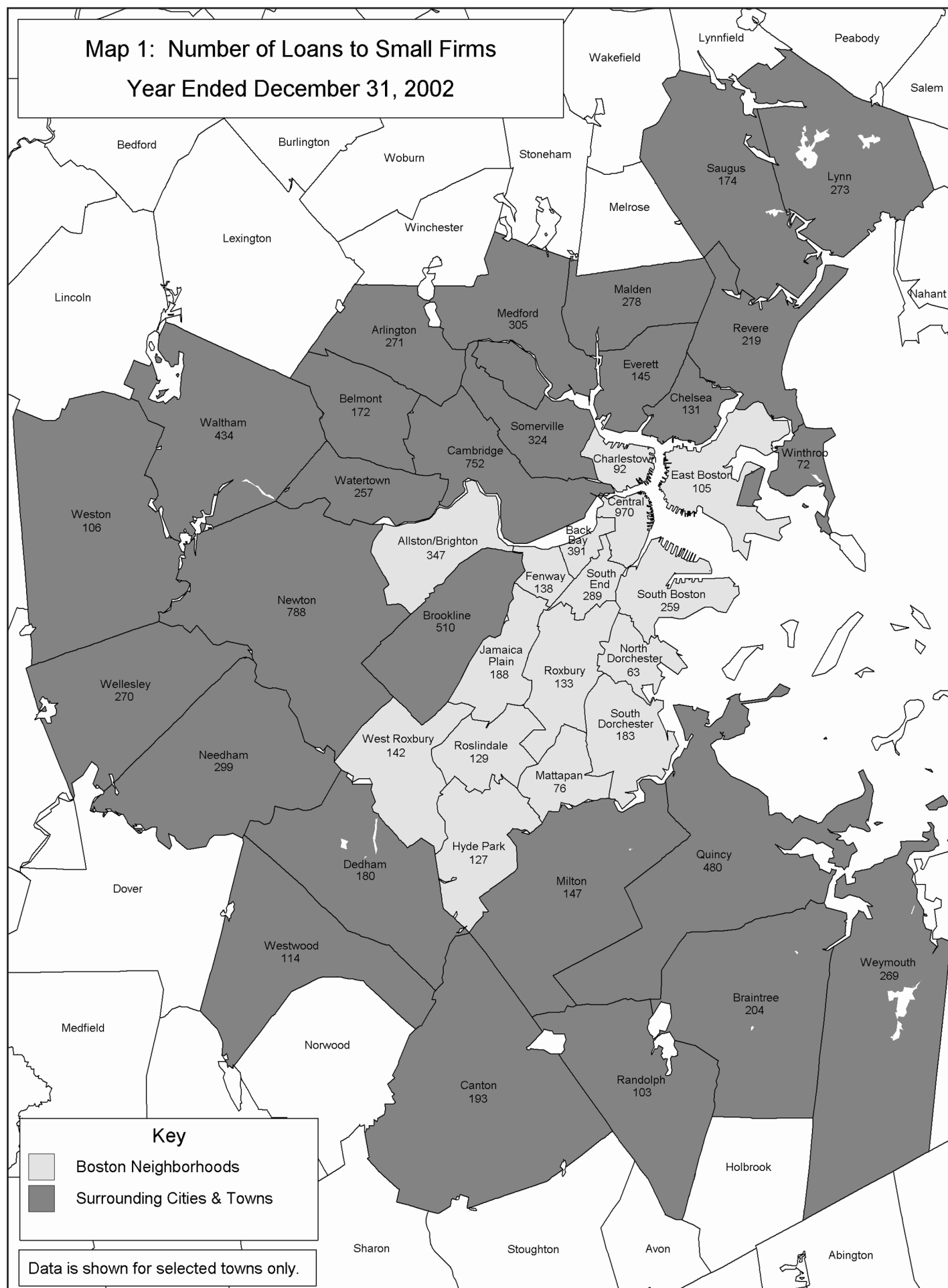
Table 5B (Continued)
Small Business Lending in City of Boston
By Neighborhood, 1999 - 2002

Neighborhood	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
C. Dollar Amount of Loans (000s)								
Roxbury	\$12,337	\$12,136	\$24,471	\$19,530	\$5,237	\$3,857	\$7,026	\$3,965
Mattapan	\$3,945	\$3,199	\$3,824	\$5,268	\$2,835	\$2,469	\$1,455	\$2,027
South End	\$20,340	\$19,371	\$30,835	\$33,036	\$10,809	\$10,301	\$9,821	\$11,171
North Dorchester	\$3,384	\$7,044	\$6,269	\$10,561	\$866	\$2,295	\$1,902	\$1,734
South Dorchester	\$14,472	\$13,997	\$14,279	\$23,124	\$7,107	\$8,757	\$6,760	\$10,199
Jamaica Plain	\$11,963	\$9,855	\$13,102	\$12,052	\$6,028	\$6,802	\$6,481	\$6,220
East Boston	\$7,553	\$5,828	\$12,382	\$12,051	\$3,432	\$3,566	\$5,127	\$4,034
Fenway-Kenmore	\$8,206	\$9,783	\$11,193	\$17,530	\$5,457	\$3,927	\$4,479	\$5,739
Allston-Brighton	\$21,128	\$21,346	\$33,864	\$31,769	\$7,899	\$9,837	\$15,868	\$10,426
Hyde Park	\$5,465	\$2,733	\$9,398	\$14,677	\$2,076	\$901	\$3,274	\$6,770
Roslindale	\$3,447	\$5,932	\$6,750	\$10,679	\$1,226	\$2,460	\$2,881	\$4,918
South Boston	\$31,698	\$28,998	\$59,923	\$47,377	\$9,759	\$11,045	\$9,588	\$8,243
Charlestown	\$8,972	\$12,158	\$12,656	\$13,070	\$4,672	\$3,995	\$2,680	\$4,818
West Roxbury	\$6,019	\$4,842	\$9,979	\$8,797	\$2,743	\$2,691	\$2,634	\$4,314
Central	\$117,151	\$144,762	\$226,953	\$157,723	\$41,362	\$40,986	\$41,270	\$48,535
Back Bay-Beacon Hill	\$33,890	\$39,119	\$52,667	\$56,594	\$15,038	\$15,285	\$19,858	\$17,162
City of Boston	\$309,970	\$341,103	\$528,545	\$473,838	\$126,546	\$129,174	\$141,104	\$150,275
D. Lending Rates - Dollar Amount of Loans Per 100 Firms (000s)								
Roxbury	\$1,021	\$1,005	\$1,794	\$992	\$636	\$468	\$620	\$298
Mattapan	\$681	\$553	\$594	\$553	\$594	\$518	\$255	\$304
South End	\$1,116	\$1,063	\$1,648	\$1,177	\$870	\$829	\$651	\$582
North Dorchester	\$596	\$1,240	\$1,098	\$1,242	\$233	\$617	\$405	\$295
South Dorchester	\$1,220	\$1,180	\$1,008	\$1,121	\$777	\$957	\$545	\$695
Jamaica Plain	\$966	\$795	\$1,001	\$620	\$670	\$756	\$589	\$457
East Boston	\$719	\$555	\$1,149	\$821	\$467	\$485	\$557	\$373
Fenway-Kenmore	\$747	\$890	\$974	\$1,119	\$782	\$563	\$474	\$531
Allston-Brighton	\$1,059	\$1,070	\$1,548	\$1,032	\$571	\$711	\$871	\$497
Hyde Park	\$755	\$377	\$1,187	\$1,297	\$381	\$165	\$472	\$829
Roslindale	\$539	\$927	\$912	\$926	\$238	\$477	\$445	\$603
South Boston	\$1,626	\$1,488	\$2,948	\$1,946	\$778	\$881	\$634	\$509
Charlestown	\$1,273	\$1,725	\$1,861	\$1,404	\$1,022	\$874	\$487	\$772
West Roxbury	\$794	\$639	\$1,164	\$703	\$504	\$495	\$371	\$516
Central	\$1,252	\$1,547	\$2,468	\$1,359	\$701	\$695	\$578	\$608
Back Bay-Beacon Hill	\$1,196	\$1,381	\$1,876	\$1,612	\$829	\$842	\$867	\$684
City of Boston	\$1,118	\$1,231	\$1,842	\$1,224	\$681	\$695	\$607	\$561

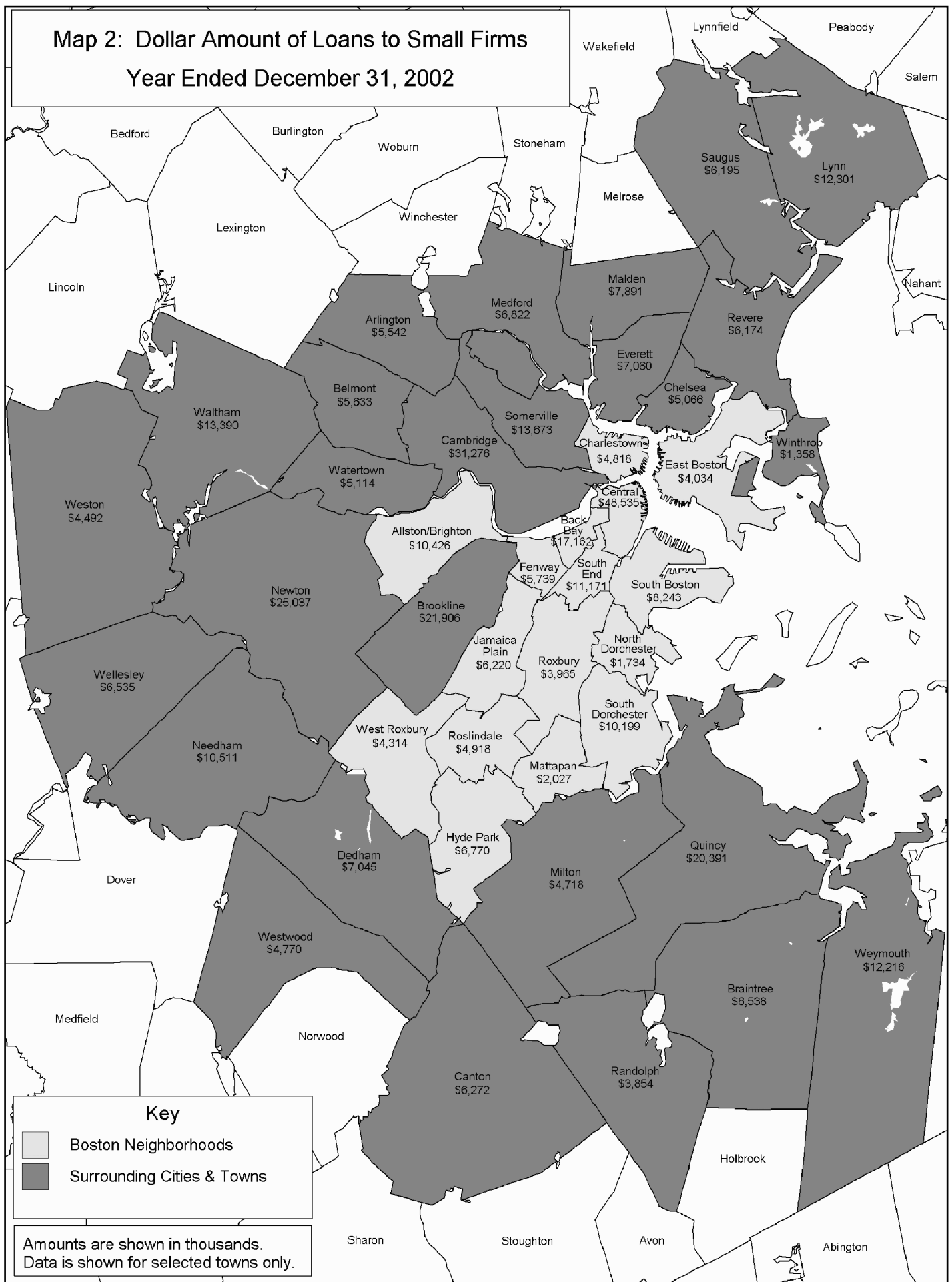
Table 6
Information on Boston's Neighborhoods
Income, Population, Bank Branches, & Firms

Neighborhood	Median Family Income (MFI)	MFI as % of MSA MFI	Total Population	Asian % of Population	Black % of Population	Hispanic % of Population	Minority % of Population	White % of Population	Total Number of Bank Branches 6/30/02	Bank Branches Per 10,000 People	Total Firms Per 1,000 People	Small Firms Per 1,000 People
Roxbury	\$24,063	49.42%	57,532	0.7%	71.3%	18.6%	93.7%	6.3%	6	1.04	21.0	14.3
Mattapan	\$31,971	65.67%	34,680	0.9%	82.6%	5.8%	89.9%	10.1%	4	1.15	16.7	13.8
South End	\$30,324	62.28%	32,888	11.5%	34.8%	15.1%	62.1%	37.9%	4	1.22	55.4	37.8
North Dorchester	\$30,858	63.38%	26,425	6.0%	21.8%	14.8%	49.8%	50.2%	4	1.51	21.5	14.1
South Dorchester	\$35,082	72.05%	59,727	3.2%	37.9%	9.1%	52.6%	47.4%	12	2.01	19.9	15.3
Jamaica Plain	\$34,306	70.46%	37,785	4.9%	17.4%	26.2%	49.0%	51.0%	13	3.44	32.8	23.8
East Boston	\$27,926	57.36%	32,941	3.9%	1.6%	17.3%	23.6%	76.4%	7	2.13	31.9	22.3
Fenway-Kenmore	\$30,923	63.51%	33,526	9.3%	10.4%	7.4%	28.2%	71.8%	9	2.68	32.8	20.8
Allston-Brighton	\$36,253	74.46%	70,284	10.8%	6.8%	8.7%	26.9%	73.1%	17	2.42	28.4	19.7
Hyde Park	\$41,083	84.38%	32,621	1.4%	22.0%	5.1%	28.8%	71.2%	5	1.53	22.2	16.7
Roslindale	\$40,037	82.23%	30,298	2.8%	6.2%	11.9%	21.0%	79.0%	4	1.32	21.1	17.0
South Boston	\$33,951	69.73%	29,945	1.7%	0.9%	1.0%	4.1%	95.9%	11	3.67	66.1	42.5
Charlestown	\$42,108	86.49%	14,544	2.7%	0.3%	0.2%	4.9%	95.1%	3	2.06	48.5	31.4
West Roxbury	\$50,359	103.43%	29,716	1.6%	1.5%	1.7%	4.9%	95.1%	7	2.36	25.5	18.3
Central	\$42,252	86.78%	21,666	18.6%	2.7%	3.5%	25.0%	75.0%	54	24.92	432.0	272.4
Back Bay-Beacon Hill	\$93,630	192.31%	19,381	4.3%	3.9%	3.2%	11.4%	88.6%	14	7.22	146.2	93.6
City of Boston	\$36,240	74.43%	574,283	5.2%	24.0%	10.4%	40.9%	59.1%	174	3.03	48.3	32.4

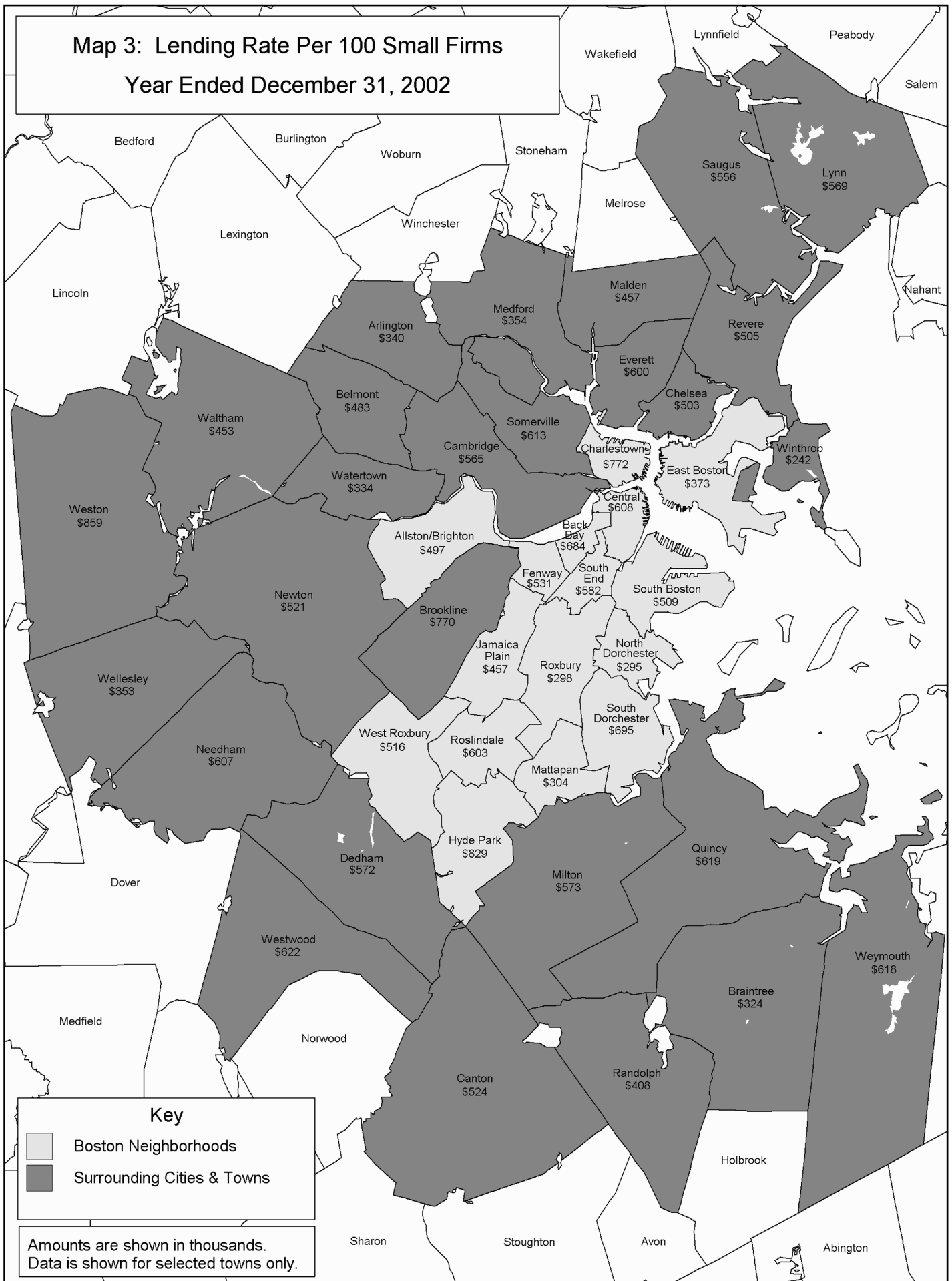
Map 1: Number of Loans to Small Firms
Year Ended December 31, 2002



Map 2: Dollar Amount of Loans to Small Firms
Year Ended December 31, 2002



Map 3: Lending Rate Per 100 Small Firms
Year Ended December 31, 2002



F. SMALL BUSINESS LENDING IN CITIES & TOWNS SURROUNDING BOSTON

Information on lending rates in 27 cities and towns that surround Boston is presented in the tables that follow. Information on lending in low and moderate income census tracts is also presented for the eleven communities among these 27 that have at least one low or moderate income census tract.

As with the data for Boston's neighborhoods, the 2002 small business loan data show **wide variation among the lending rates in different communities**. The lending rate to small firms, measured in loan dollars per 100 ranged from a low of \$242,000 in Winthrop in 2002 (compared to \$492,000 in 2001) to a high of \$859,000 in Weston (compared to \$1,017,000 in 2001). Readers may wish to refer to the maps on the preceding pages for a visual frame of reference to small business lending in the cities and towns surrounding Boston.

Perhaps even more so than was the case with Boston's neighborhoods, limited significance should be attached to the observed relationships among lending rates and income levels and minority percentages in these municipalities due to the fact that 18 of the 27 communities have fewer than ten census tracts. Again, the main purpose of presenting the data in this report is to provide information to those who may be interested in better understanding what is happening in individual communities.

The data presented in Table 7C show that **changes in lending rates over the past four years have fluctuated widely across the cities and towns surrounding Boston**. Ten of the 27 cities and towns, experienced increases in lending rates of at least 3.5% from 2001 to 2002 while the remaining 17 experienced decreases of at least 3.2%. During the four years from 1999 to 2002, only Weston has had the highest lending rate twice and no town has had the lowest lending rate twice.

Table 8A on the pages that follow compares some of the key 2002 small business lending data by income level for the city of Boston, the 27 cities and towns surrounding Boston, and the Boston MSA. In this table low and moderate income tracts are combined together and middle and upper income tracts. The data show that in 2002 the **city of Boston had a lower lending rate in low and moderate income tracts than the surrounding towns and the entire Boston MSA. At the same time, the city had a higher lending rate in middle and upper income areas**.

Tables 9A-B on the pages that follow provide an overview of small business lending in cities and towns across Massachusetts. Table 9A provides key demographic data and summary lending data for the 40 most populated cities and towns outside greater Boston's surrounding cities and towns. Table 9B provides similar data for the low and moderate income areas in these communities.

Table 7A
Small Business Lending In Boston's Surrounding Cities & Towns, 2002
Part 1: By Number Of Loans

A. In All Census Tracts

City/Town	% Minority Population	MFI as % of MSA MFI	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Loans Per 100 Small Firms
Arlington	5.6%	108.3%	825	807	271	38.0	16.6
Belmont	4.7%	130.9%	607	588	172	39.2	14.8
Braintree	3.0%	108.0%	898	854	204	33.1	10.1
Brookline	14.8%	132.9%	1,370	1,317	510	35.2	17.9
Cambridge	28.2%	89.3%	2,637	2,479	752	32.1	13.6
Canton	2.3%	130.5%	741	675	193	41.7	16.1
Chelsea	39.9%	61.3%	511	470	131	35.3	13.0
Dedham	2.4%	108.5%	605	576	180	36.0	14.6
Everett	7.8%	78.0%	720	673	145	44.2	12.3
Lynn	19.4%	79.3%	1,165	1,111	273	40.4	12.6
Malden	12.2%	86.9%	1,045	1,000	278	43.3	16.1
Medford	7.9%	94.6%	1,092	1,054	305	42.5	15.8
Milton	7.2%	129.3%	446	428	147	39.0	17.9
Needham	4.5%	146.4%	964	911	299	37.9	17.3
Newton	8.7%	153.9%	2,665	2,552	788	38.5	16.4
Quincy	8.8%	90.7%	1,729	1,639	480	38.8	14.6
Randolph	15.5%	104.2%	496	467	103	36.7	10.9
Revere	9.1%	76.5%	796	771	219	49.3	17.9
Saugus	1.6%	98.7%	721	693	174	48.8	15.6
Somerville	15.4%	79.8%	1,200	1,149	324	39.2	14.5
Waltham	11.9%	94.9%	1,621	1,527	434	37.7	14.7
Watertown	5.2%	100.0%	876	836	257	41.1	16.8
Wellesley	7.4%	188.2%	820	761	270	31.3	14.6
Weston	6.4%	222.9%	303	291	106	36.5	20.3
Westwood	2.8%	138.1%	381	360	114	33.9	14.9
Weymouth	2.3%	100.0%	1,179	1,107	269	45.5	13.6
Winthrop	3.1%	93.6%	365	360	72	48.6	12.8
Total	11.5%	104.8%	26,778	25,456	7,470	38.3	15.0
For Comparison:							
City of Boston Total	40.9%	74.4%	13,263	12,399	3,632	34.3	13.5
Boston MSA Total	13.7%	100.0%	84,988	80,486	23,171	40.1	15.2

B. In Low and Moderate Income Census Tracts

City/Town	Number of Low & Moderate Tracts	Total Number of Tracts	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Loans Per 100 Small Firms
Arlington	1	7	86	86	23	40.2	14.4
Cambridge	13	30	1,058	996	265	34.5	13.1
Chelsea	5	7	472	432	121	34.3	12.6
Everett	6	7	537	494	118	45.2	14.1
Lynn	16	22	783	744	182	38.4	12.0
Malden	1	9	228	213	59	37.3	13.3
Medford	1	11	67	63	18	42.7	15.7
Quincy	3	16	345	320	86	42.5	14.6
Revere	6	8	581	562	152	49.1	16.9
Somerville	8	15	715	682	164	38.7	12.2
Waltham	4	13	320	308	83	42.8	15.2
Total	64	145	5,192	4,900	1,271	39.2	13.5
For Comparison:							
City of Boston Total	109	164	5,602	5,291	1,414	35.9	13.1
Boston MSA Total	206	692	14,351	13,545	3,588	38.8	13.5

Table 7A (Continued)
Small Business Lending In Boston's Surrounding Cities & Towns, 2002
Part II: By Dollar Amount Of Loans (000s)

A. In All Census Tracts

City/Town	% Minority Popu-lation	MFI as % of MSA MFI	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Loans Per 100 Small Firms
Arlington	5.6%	108.3%	\$12,486	\$7,058	\$5,542	\$575	\$340
Belmont	4.7%	130.9%	\$13,966	\$5,749	\$5,633	\$902	\$483
Braintree	3.0%	108.0%	\$24,312	\$9,169	\$6,538	\$896	\$324
Brookline	14.8%	132.9%	\$36,347	\$13,434	\$21,906	\$934	\$770
Cambridge	28.2%	89.3%	\$86,285	\$26,747	\$31,276	\$1,052	\$565
Canton	2.3%	130.5%	\$31,143	\$7,893	\$6,272	\$1,754	\$524
Chelsea	39.9%	61.3%	\$23,153	\$6,381	\$5,066	\$1,601	\$503
Dedham	2.4%	108.5%	\$16,347	\$5,879	\$7,045	\$974	\$572
Everett	7.8%	78.0%	\$22,335	\$7,090	\$7,060	\$1,370	\$600
Lynn	19.4%	79.3%	\$28,224	\$9,550	\$12,301	\$979	\$569
Malden	12.2%	86.9%	\$24,112	\$8,629	\$7,891	\$998	\$457
Medford	7.9%	94.6%	\$19,093	\$9,499	\$6,822	\$742	\$354
Milton	7.2%	129.3%	\$10,213	\$4,374	\$4,718	\$893	\$573
Needham	4.5%	146.4%	\$33,125	\$11,033	\$10,511	\$1,302	\$607
Newton	8.7%	153.9%	\$70,796	\$27,525	\$25,037	\$1,023	\$521
Quincy	8.8%	90.7%	\$51,353	\$16,927	\$20,391	\$1,152	\$619
Randolph	15.5%	104.2%	\$12,898	\$3,627	\$3,854	\$953	\$408
Revere	9.1%	76.5%	\$12,853	\$6,869	\$6,174	\$796	\$505
Saugus	1.6%	98.7%	\$14,956	\$6,006	\$6,195	\$1,012	\$556
Somerville	15.4%	79.8%	\$29,252	\$9,687	\$13,673	\$955	\$613
Waltham	11.9%	94.9%	\$55,152	\$16,205	\$13,390	\$1,281	\$453
Watertown	5.2%	100.0%	\$25,033	\$8,684	\$5,114	\$1,175	\$334
Wellesley	7.4%	188.2%	\$32,697	\$10,266	\$6,535	\$1,249	\$353
Weston	6.4%	222.9%	\$7,581	\$3,596	\$4,492	\$913	\$859
Westwood	2.8%	138.1%	\$11,366	\$4,145	\$4,770	\$1,010	\$622
Weymouth	2.3%	100.0%	\$34,144	\$11,090	\$12,216	\$1,319	\$618
Winthrop	3.1%	93.6%	\$4,251	\$2,710	\$1,358	\$566	\$242
Total	11.5%	104.8%	\$743,473	\$259,822	\$261,780	\$1,064	\$524
For Comparison:							
City of Boston Total	40.9%	74.4%	\$473,838	\$135,376	\$150,275	\$1,224	\$561
Boston MSA Total	13.7%	104.2%	\$2,536,309	\$843,015	\$850,035	\$1,196	\$559

B. In Low and Moderate Income Census Tracts

City/Town	Number of Low & Moderate Tracts	Total Number of Tracts	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Loans Per 100 Small Firms
Arlington	1	7	\$623	\$623	\$333	\$291	\$208
Cambridge	13	30	\$33,903	\$11,448	\$12,076	\$1,105	\$599
Chelsea	5	7	\$22,429	\$5,902	\$4,736	\$1,631	\$492
Everett	6	7	\$19,849	\$6,019	\$5,883	\$1,671	\$705
Lynn	16	22	\$19,839	\$5,952	\$7,653	\$973	\$504
Malden	1	9	\$7,710	\$2,389	\$2,669	\$1,262	\$600
Medford	1	11	\$1,735	\$720	\$843	\$1,105	\$733
Quincy	3	16	\$14,235	\$3,331	\$7,766	\$1,753	\$1,321
Revere	6	8	\$9,732	\$5,111	\$4,824	\$823	\$536
Somerville	8	15	\$18,029	\$5,714	\$7,296	\$976	\$543
Waltham	4	13	\$7,409	\$2,873	\$3,033	\$992	\$555
Total	64	145	\$155,493	\$50,082	\$57,112	\$1,174	\$606
For Comparison:							
City of Boston Total	109	164	\$172,501	\$50,781	\$52,437	\$1,105	\$486
Boston MSA Total	206	692	\$432,944	\$136,608	\$152,263	\$1,169	\$575

Table 7B
Changes in Small Business Lending
In Boston's Surrounding Cities & Towns, 1999 – 2002
Part I: Number of Loans

City/Town	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
Number of Loans								
Arlington	413	569	630	825	226	233	259	271
Belmont	240	396	447	607	119	156	169	172
Braintree	390	687	847	898	206	241	294	204
Brookline	646	944	1,103	1,370	362	431	472	510
Cambridge	1,382	1,932	2,411	2,637	713	834	989	752
Canton	315	571	693	741	137	187	240	193
Chelsea	252	391	500	511	119	134	150	131
Dedham	274	488	517	605	156	180	207	180
Everett	314	500	613	720	160	148	198	145
Lynn	462	793	1,017	1,165	238	267	368	273
Malden	507	743	1,013	1,045	284	277	404	278
Medford	504	807	950	1,092	245	272	351	305
Milton	242	301	374	446	117	114	130	147
Needham	396	628	845	964	225	224	348	299
Newton	1,021	1,862	2,482	2,665	555	686	832	788
Quincy	772	1,227	1,550	1,729	369	434	529	480
Randolph	250	387	408	496	125	145	122	103
Revere	371	586	664	796	179	209	233	219
Saugus	332	520	599	721	204	168	191	174
Somerville	570	928	1,051	1,200	284	346	391	324
Waltham	675	1,283	1,573	1,621	348	455	597	434
Watertown	400	637	740	876	201	236	297	257
Wellesley	374	558	769	820	189	206	314	270
Weston	139	234	265	303	84	101	117	106
Westwood	176	283	309	381	101	105	97	114
Weymouth	464	834	960	1,179	255	306	381	269
Winthrop	165	215	285	365	79	85	106	72
Total	12,046	19,304	23,615	26,778	6,280	7,180	8,786	7,470
For Comparison:								
City of Boston Total	5,964	9,200	11,981	13,263	2,877	3,289	4,529	3,632
Boston MSA Total	36,323	58,927	73,065	84,988	19,216	21,479	26,720	23,171

Table 7B (Continued)
Changes in Small Business Lending
In Boston's Surrounding Cities & Towns, 1999 – 2002
Part II: Lending Rates (Number of Loans)

City/Town	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
Lending Rates - Number of Loans								
Arlington	29.0	39.9	39.4	38.0	19.5	20.1	18.4	16.6
Belmont	22.5	37.0	41.0	39.2	13.1	17.2	17.2	14.8
Braintree	19.8	34.9	40.4	33.1	16.9	19.7	17.0	10.1
Brookline	29.4	43.0	41.6	35.2	20.4	24.3	20.1	17.9
Cambridge	23.9	33.4	40.2	32.1	18.1	21.2	20.1	13.6
Canton	26.5	48.0	52.9	41.7	17.6	24.0	23.8	16.1
Chelsea	24.1	37.4	45.1	35.3	18.7	21.1	17.3	13.0
Dedham	22.1	39.3	39.8	36.0	17.8	20.6	18.6	14.6
Everett	26.5	42.2	47.9	44.2	17.8	16.5	18.7	12.3
Lynn	24.4	41.8	47.8	40.4	16.7	18.7	20.2	12.6
Malden	31.4	46.1	57.8	43.3	22.6	22.0	27.0	16.1
Medford	28.8	46.2	49.7	42.5	19.1	21.2	21.4	15.8
Milton	36.2	45.1	49.3	39.0	21.7	21.2	19.1	17.9
Needham	23.8	37.8	46.3	37.9	19.4	19.3	23.5	17.3
Newton	22.9	41.8	51.6	38.5	16.5	20.3	20.5	16.4
Quincy	24.5	39.0	46.3	38.8	15.9	18.7	18.9	14.6
Randolph	26.8	41.4	41.6	36.7	18.2	21.2	14.7	10.9
Revere	33.6	53.0	54.7	49.3	20.9	24.4	21.7	17.9
Saugus	34.9	54.6	55.2	48.8	29.6	24.3	20.0	15.6
Somerville	27.4	44.6	45.5	39.2	17.6	21.5	19.8	14.5
Waltham	21.8	41.5	48.8	37.7	17.8	23.3	23.6	14.7
Watertown	26.3	41.9	46.2	41.1	18.3	21.5	22.3	16.8
Wellesley	21.2	31.7	41.0	31.3	14.7	16.0	19.8	14.6
Weston	30.2	50.9	55.2	36.5	23.7	28.5	27.5	20.3
Westwood	27.1	43.5	41.6	33.9	23.9	24.8	16.1	14.9
Weymouth	24.2	43.5	55.6	45.5	17.7	21.2	25.7	13.6
Winthrop	31.9	41.6	48.1	48.6	18.9	20.3	20.6	12.8
Total	25.5	40.8	46.5	38.3	18.3	20.9	20.6	15.0
For Comparison:								
City of Boston Total	21.5	33.2	41.8	34.3	15.5	17.7	19.5	13.5
Boston MSA Total	24.9	40.4	46.3	40.1	18.4	20.6	20.2	15.2

Table 7B (Continued)
Changes in Small Business Lending
In Boston's Surrounding Cities & Towns, 1999 – 2002
Part III: Dollar Amount of Loans (000s)

City/Town	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
Dollar Amount of Loans								
Arlington	\$18,456	\$7,841	\$13,859	\$12,486	\$11,615	\$5,014	\$6,620	\$5,542
Belmont	\$10,185	\$5,886	\$8,198	\$13,966	\$4,892	\$3,591	\$3,873	\$5,633
Braintree	\$19,140	\$16,280	\$27,059	\$24,312	\$7,727	\$7,327	\$4,723	\$6,538
Brookline	\$22,036	\$21,187	\$33,012	\$36,347	\$13,065	\$14,879	\$15,477	\$21,906
Cambridge	\$80,057	\$64,598	\$88,189	\$86,285	\$35,362	\$29,946	\$30,145	\$31,276
Canton	\$22,863	\$27,423	\$33,668	\$31,143	\$5,193	\$12,457	\$7,835	\$6,272
Chelsea	\$17,566	\$10,149	\$28,485	\$23,153	\$5,670	\$4,624	\$5,031	\$5,066
Dedham	\$10,049	\$8,781	\$13,049	\$16,347	\$3,510	\$4,352	\$4,919	\$7,045
Everett	\$12,898	\$18,369	\$27,102	\$22,335	\$5,840	\$7,322	\$8,339	\$7,060
Lynn	\$15,786	\$18,190	\$23,833	\$28,224	\$9,861	\$10,934	\$11,675	\$12,301
Malden	\$24,257	\$21,224	\$26,816	\$24,112	\$14,400	\$12,239	\$8,687	\$7,891
Medford	\$12,889	\$16,064	\$21,405	\$19,093	\$7,147	\$7,700	\$7,517	\$6,822
Milton	\$5,959	\$8,104	\$8,701	\$10,213	\$3,624	\$5,220	\$2,745	\$4,718
Needham	\$18,713	\$18,900	\$26,657	\$33,125	\$9,241	\$6,281	\$7,888	\$10,511
Newton	\$37,873	\$37,929	\$71,030	\$70,796	\$17,309	\$15,113	\$27,384	\$25,037
Quincy	\$34,440	\$29,961	\$49,769	\$51,353	\$15,783	\$15,795	\$13,156	\$20,391
Randolph	\$9,962	\$15,026	\$12,221	\$12,898	\$5,003	\$6,234	\$2,472	\$3,854
Revere	\$8,470	\$10,215	\$13,082	\$12,853	\$5,216	\$3,680	\$5,915	\$6,174
Saugus	\$10,955	\$9,829	\$15,695	\$14,956	\$7,010	\$4,345	\$4,601	\$6,195
Somerville	\$23,109	\$21,170	\$27,948	\$29,252	\$10,227	\$10,218	\$11,699	\$13,673
Waltham	\$37,044	\$35,432	\$67,199	\$55,152	\$10,300	\$14,243	\$18,789	\$13,390
Watertown	\$19,254	\$15,151	\$23,409	\$25,033	\$7,021	\$8,402	\$9,236	\$5,114
Wellesley	\$13,779	\$15,395	\$26,075	\$32,697	\$4,302	\$7,092	\$10,352	\$6,535
Weston	\$5,975	\$6,458	\$7,553	\$7,581	\$2,972	\$3,028	\$4,332	\$4,492
Westwood	\$8,090	\$9,721	\$15,651	\$11,366	\$1,936	\$4,812	\$3,882	\$4,770
Weymouth	\$20,073	\$21,447	\$31,444	\$34,144	\$10,600	\$10,638	\$12,681	\$12,216
Winthrop	\$5,560	\$4,015	\$6,809	\$4,251	\$3,271	\$3,305	\$2,528	\$1,358
Total	\$525,438	\$494,745	\$747,918	\$743,473	\$238,097	\$238,791	\$252,501	\$261,780
For Comparison:								
City of Boston Total	\$309,970	\$341,103	\$528,545	\$473,838	\$126,546	\$129,174	\$141,104	\$150,275
Boston MSA Total	\$1,682,165	\$1,675,817	\$2,425,948	\$2,536,309	\$759,488	\$758,186	\$781,081	\$850,035

Table 7B (Continued)
Changes in Small Business Lending
In Boston's Surrounding Cities & Towns, 1999 – 2002
Part IV: Lending Rates (Dollar Amount of Loans/000s)

City/Town	Total Small Business Loans				Small Business Loans to Small Firms			
	1999	2000	2001	2002	1999	2000	2001	2002
Lending Rates - Dollar Amount of Loans								
Arlington	\$1,295	\$550	\$866	\$575	\$1,003	\$433	\$471	\$340
Belmont	\$953	\$551	\$751	\$902	\$540	\$396	\$394	\$483
Braintree	\$974	\$828	\$1,291	\$896	\$633	\$600	\$272	\$324
Brookline	\$1,003	\$965	\$1,244	\$934	\$735	\$837	\$661	\$770
Cambridge	\$1,383	\$1,116	\$1,469	\$1,052	\$899	\$761	\$614	\$565
Canton	\$1,923	\$2,306	\$2,568	\$1,754	\$667	\$1,599	\$777	\$524
Chelsea	\$1,681	\$971	\$2,569	\$1,601	\$893	\$728	\$579	\$503
Dedham	\$810	\$708	\$1,004	\$974	\$402	\$498	\$442	\$572
Everett	\$1,088	\$1,550	\$2,116	\$1,370	\$650	\$815	\$788	\$600
Lynn	\$833	\$959	\$1,120	\$979	\$692	\$767	\$641	\$569
Malden	\$1,504	\$1,316	\$1,530	\$998	\$1,145	\$973	\$580	\$457
Medford	\$737	\$919	\$1,120	\$742	\$556	\$599	\$458	\$354
Milton	\$892	\$1,213	\$1,148	\$893	\$672	\$968	\$404	\$573
Needham	\$1,127	\$1,138	\$1,460	\$1,302	\$797	\$541	\$532	\$607
Newton	\$851	\$852	\$1,477	\$1,023	\$513	\$448	\$674	\$521
Quincy	\$1,094	\$952	\$1,486	\$1,152	\$681	\$682	\$469	\$619
Randolph	\$1,067	\$1,609	\$1,247	\$953	\$730	\$910	\$298	\$408
Revere	\$767	\$924	\$1,078	\$796	\$609	\$429	\$551	\$505
Saugus	\$1,151	\$1,032	\$1,445	\$1,012	\$1,016	\$630	\$482	\$556
Somerville	\$1,111	\$1,018	\$1,210	\$955	\$634	\$633	\$592	\$613
Waltham	\$1,197	\$1,145	\$2,084	\$1,281	\$527	\$728	\$744	\$453
Watertown	\$1,266	\$996	\$1,461	\$1,175	\$639	\$765	\$693	\$334
Wellesley	\$782	\$874	\$1,391	\$1,249	\$335	\$552	\$652	\$353
Weston	\$1,299	\$1,404	\$1,574	\$913	\$837	\$853	\$1,017	\$859
Westwood	\$1,245	\$1,496	\$2,109	\$1,010	\$458	\$1,138	\$643	\$622
Weymouth	\$1,047	\$1,118	\$1,820	\$1,319	\$736	\$738	\$855	\$618
Winthrop	\$1,075	\$777	\$1,150	\$566	\$781	\$789	\$492	\$242
Total	\$1,111	\$1,046	\$1,472	\$1,064	\$693	\$695	\$591	\$524
For Comparison:								
City of Boston Total	\$1,118	\$1,231	\$1,842	\$1,224	\$681	\$695	\$607	\$561
Boston MSA Total	\$1,154	\$1,149	\$1,536	\$1,196	\$728	\$726	\$591	\$559

Table 8A
Small Business Lending Across Various Geographies, 2002
By Census Tract Income Level

Geographic Area	Total Loans	Loans Less Than 100K	Loans to Small Firms	Loans Per 100 Total Firms	Loans Per 100 Small Firms
A. Number of Loans in Low and Moderate Income Census Tracts					
City of Boston	5,602	5,291	1,414	35.9	13.1
Surrounding Towns	5,192	4,900	1,271	39.2	13.5
Boston MSA	14,351	13,545	3,588	38.8	13.5
A. Dollar Amount of Loans in Low and Moderate Income Census Tracts (000s)					
City of Boston	\$172,501	\$50,781	\$52,437	\$1,105	\$486
Surrounding Towns	\$155,493	\$50,082	\$57,112	\$1,174	\$606
Boston MSA	\$432,944	\$136,608	\$152,263	\$1,169	\$575
C. Number of Loans in Middle and Upper Income Census Tracts					
City of Boston	3,095	2,935	857	38.7	15.6
Surrounding Towns	21,582	20,552	6,198	38.1	15.3
Boston MSA	66,071	62,768	18,222	41.3	15.8
D. Dollar Amount of Loans in Middle and Upper Income Census Tracts (000s)					
City of Boston	\$88,020	\$28,261	\$32,141	\$1,101	\$584
Surrounding Towns	\$587,974	\$209,734	\$204,666	\$1,039	\$505
Boston MSA	\$1,889,048	\$650,073	\$632,075	\$1,181	\$549

Table 9A
Small Business Lending in Selected Massachusetts Cities & Towns, 2002
All Census Tracts

City/Town	Total Population	% Minority Population	Median Household Income	Total Number of Loans	Total Dollar Amount (000s)	Number of Loans to Small Firms	Dollar Amount to Small Firms (000s)
Agawam	27,323	2.6%	\$37,261	734	\$29,672	233	\$10,012
Amherst	35,228	17.4%	\$26,772	476	\$8,593	180	\$4,746
Andover	29,151	6.2%	\$61,374	841	\$24,400	254	\$9,930
Attleboro	38,383	6.6%	\$36,631	831	\$34,489	268	\$12,180
Barnstable	40,949	6.7%	\$33,411	1,743	\$54,658	609	\$30,034
Beverly	38,195	3.2%	\$39,603	1,013	\$26,857	314	\$8,211
Billerica	37,609	4.0%	\$50,239	996	\$40,088	260	\$16,515
Boston	574,283	40.9%	\$29,180	13,263	\$473,838	3,632	\$150,275
Brockton	92,788	22.5%	\$31,712	1,412	\$42,967	338	\$11,842
Chelmsford	32,383	4.6%	\$54,070	911	\$24,141	235	\$8,111
Chicopee	56,632	6.1%	\$28,905	952	\$39,981	278	\$15,325
Fall River	92,703	4.2%	\$22,452	625	\$21,950	215	\$10,913
Falmouth	27,960	6.3%	\$33,944	1,533	\$51,721	412	\$22,012
Fitchburg	41,194	15.3%	\$27,101	818	\$27,026	298	\$19,291
Framingham	64,989	14.8%	\$42,948	719	\$18,842	164	\$7,150
Gloucester	28,716	1.5%	\$32,690	1,960	\$61,524	569	\$23,528
Haverhill	51,418	7.8%	\$36,945	872	\$18,366	241	\$7,906
Holyoke	43,704	34.7%	\$22,858	1,017	\$36,085	291	\$16,209
Lawrence	70,207	45.3%	\$22,183	769	\$28,589	219	\$6,351
Leominster	38,145	12.2%	\$35,974	972	\$27,363	230	\$7,130
Lexington	28,974	8.9%	\$68,301	961	\$29,714	236	\$12,735
Lowell	103,439	23.5%	\$29,351	856	\$22,636	307	\$10,533
Marlborough	31,813	8.4%	\$41,315	1,533	\$41,725	382	\$15,355
Melrose	28,150	2.6%	\$44,109	1,009	\$28,602	269	\$10,826
Methuen	39,990	7.3%	\$37,701	482	\$9,175	139	\$3,644
Natick	30,510	6.3%	\$49,229	809	\$21,454	216	\$7,959
New Bedford	99,922	15.6%	\$22,647	1,219	\$35,067	282	\$9,012
Northampton	29,289	8.9%	\$31,097	1,720	\$62,905	479	\$23,465
Norwood	28,700	4.3%	\$42,805	867	\$23,792	268	\$10,490
Peabody	47,039	4.9%	\$39,800	994	\$29,120	286	\$6,661
Pittsfield	48,622	5.2%	\$29,987	1,358	\$33,009	349	\$14,447
Plymouth	45,608	4.1%	\$39,886	1,289	\$47,392	402	\$21,839
Dartmouth	27,266	3.8%	\$35,138	1,232	\$33,805	368	\$18,232
Salem	38,091	9.8%	\$32,645	1,120	\$31,615	287	\$13,639
Springfield	156,983	36.4%	\$25,656	2,822	\$101,416	841	\$35,210
Taunton	49,832	8.1%	\$32,315	940	\$31,545	232	\$13,327
Tewksbury	27,266	3.2%	\$52,712	682	\$21,410	194	\$8,981
West Springfield	27,537	5.5%	\$32,194	979	\$37,487	342	\$15,699
Westfield	38,372	6.1%	\$33,498	862	\$29,182	295	\$12,164
Woburn	35,943	5.0%	\$42,679	1,605	\$50,732	334	\$11,684
Worcester	169,759	16.7%	\$28,955	3,615	\$118,702	909	\$45,603

Table 9B
Small Business Lending in Selected Massachusetts Cities & Towns, 2002
Low and Moderate Income Census Tracts Only

City/Town	Total Population	% Minority Population	Median Household Income	Total Number of Loans	Total Dollar Amount (000s)	Number of Loans to Small Firms	Dollar Amount to Small Firms (000s)
Agawam	27,323	2.6%	\$37,261	0	\$0	0	\$0
Amherst	35,228	17.4%	\$26,772	100	\$2,352	36	\$1,228
Andover	29,151	6.2%	\$61,374	0	\$0	0	\$0
Attleboro	38,383	6.6%	\$36,631	109	\$5,322	38	\$1,292
Barnstable	40,949	6.7%	\$33,411	530	\$25,065	200	\$12,272
Beverly	38,195	3.2%	\$39,603	372	\$11,898	110	\$3,639
Billerica	37,609	4.0%	\$50,239	0	\$0	0	\$0
Boston	574,283	40.9%	\$29,180	5,602	\$172,501	1,414	\$52,437
Brockton	92,788	22.5%	\$31,712	532	\$19,135	122	\$6,348
Chelmsford	32,383	4.6%	\$54,070	0	\$0	0	\$0
Chicopee	56,632	6.1%	\$28,905	151	\$6,194	33	\$960
Fall River	92,703	4.2%	\$22,452	1,130	\$34,681	298	\$14,598
Falmouth	27,960	6.3%	\$33,944	0	\$0	0	\$0
Fitchburg	41,194	15.3%	\$27,101	307	\$7,954	62	\$3,038
Framingham	64,989	14.8%	\$42,948	153	\$5,555	32	\$755
Gloucester	28,716	1.5%	\$32,690	369	\$8,824	111	\$3,925
Haverhill	51,418	7.8%	\$36,945	363	\$9,864	108	\$6,488
Holyoke	43,704	34.7%	\$22,858	365	\$14,350	121	\$3,738
Lawrence	70,207	45.3%	\$22,183	898	\$25,636	218	\$6,599
Leominster	38,145	12.2%	\$35,974	195	\$7,134	57	\$3,753
Lexington	28,974	8.9%	\$68,301	0	\$0	0	\$0
Lowell	103,439	23.5%	\$29,351	1,101	\$31,800	284	\$12,334
Marlborough	31,813	8.4%	\$41,315	251	\$7,399	73	\$4,056
Melrose	28,150	2.6%	\$44,109	0	\$0	0	\$0
Methuen	39,990	7.3%	\$37,701	53	\$1,469	14	\$1,141
Natick	30,510	6.3%	\$49,229	0	\$0	0	\$0
New Bedford	99,922	15.6%	\$22,647	836	\$38,521	218	\$13,585
Northampton	29,289	8.9%	\$31,097	0	\$0	0	\$0
Norwood	28,700	4.3%	\$42,805	0	\$0	0	\$0
Peabody	47,039	4.9%	\$39,800	326	\$5,566	84	\$2,995
Pittsfield	48,622	5.2%	\$29,987	512	\$15,588	164	\$7,211
Plymouth	45,608	4.1%	\$39,886	105	\$4,224	30	\$2,621
Dartmouth	27,266	3.8%	\$35,138	0	\$0	0	\$0
Salem	38,091	9.8%	\$32,645	339	\$9,614	76	\$3,260
Springfield	156,983	36.4%	\$25,656	1,438	\$47,179	412	\$16,155
Taunton	49,832	8.1%	\$32,315	402	\$13,908	95	\$5,834
Tewksbury	27,266	3.2%	\$52,712	0	\$0	0	\$0
West Springfield	27,537	5.5%	\$32,194	342	\$13,285	114	\$5,485
Westfield	38,372	6.1%	\$33,498	146	\$3,290	70	\$2,752
Woburn	35,943	5.0%	\$42,679	0	\$0	0	\$0
Worcester	169,759	16.7%	\$28,955	1,645	\$56,831	433	\$24,354

G. LENDING BY INDIVIDUAL BANKS AND MAJOR TYPES OF BANK LENDERS

It should be noted at the onset of this section that the data for loans to businesses with revenues of \$1 million or less as reported by some of the area's largest lenders may contain irregularities. For example, GE Capital reported 6,445 small business loans in the Boston MSA with a dollar amount of \$25.7 million but reported just 46 loans for \$1.9 million to businesses with revenues of \$1 million or less. While the reason for this apparent irregularity is unknown, the CRA regulation does provide lenders with a degree of latitude when it comes to reporting borrower revenue information. Lenders are not required to report the revenue of their borrowers if they do not request or rely on the information as part of their credit decision.

It is also important to note that many lenders are not obligated to report their small business lending activity under the CRA regulation, and are therefore not included in the market share totals shown in this report. The CRA law does not apply to private finance companies – it applies only to federally-regulated depository institutions. In addition, the law exempts small banks (those with assets under \$250 million) from the small business loan reporting requirement.

For the purposes of this report, CRA lenders are divided into four major categories: big Massachusetts banks, other Massachusetts banks, credit card lenders, and all other lenders. MCBC's previous studies of small business lending in Greater Boston used a category labeled big Boston banks. This year's study has expanded that category to include other large Massachusetts banks. The banks included in the redefined category in 2002 include FleetBoston, Citizens, Sovereign Bank, BankNorth, and Eastern Bank, each of which had over \$3 billion of deposits in Massachusetts.

The data indicate that a relatively small number of banks continue to account for a large share of total CRA small business lending. **In Suffolk County, the four biggest bank lenders accounted for 49.4% of CRA dollars loaned to small businesses in 2002.** In terms of the number of loans (as opposed to dollars), just four lenders made 55.4% of the total. In the MSA, the four biggest bank lenders accounted for 41.5% of total loan dollars and four lenders accounted for 55.1% of the overall number of small business loans in the MSA.

The data also indicate that there are **striking differences in the types of lending by the four major types of lenders.** The average loan size in Suffolk County in 2002 was \$93,000 for the largest Massachusetts banks, \$232,000 for all other Massachusetts banks, \$6,000 for credit card lenders, and \$70,000 for all other lenders. A likely explanation for these differences is that the other Massachusetts banks specialize in "relationship lending" involving substantial individual attention to small business customers, while credit card lenders specialize in the use of targeted direct marketing and automated credit reviews to provide a high volume of small, standardized loans, and the largest Boston banks engage in both kinds of lending.

In Suffolk County, the volume of small business loan dollars originated by the largest Massachusetts banks in 2002 represented more than half of all small business loan dollars in the county. The combined loan volume of the largest Massachusetts banks totaled \$264.5 million or 51.1% of the all small business loan dollars in the county. Other Massachusetts banks originated \$131.7 million for a market share of 25.4%. Credit card lenders and other out-of-state lenders originated \$63.3 million and \$58.7 million respectively.

In the Boston MSA, the volume of small business loans originated by the largest Massachusetts banks represented nearly half of all small business loan dollars in the MSA. The combined loan volume of the largest Massachusetts banks totaled \$1.151 billion or 44.6% of the all small business loan dollars in the MSA. Other Massachusetts banks originated \$758.5 million for a market share of 29.4%. Credit card lenders and other out-of-state lenders originated \$388.2 million and \$285.9 million respectively.

The tables on the pages that follow (Tables 10A – 13B) provide detailed small business lender data for Suffolk county and the Boston MSA. The tables also provide a time series of summary data for 1999 to 2002. The two furthest-right columns in Tables 10A, 11A, 12A, and 13A provide a measure of a bank's relative performance in meeting the credit needs of small businesses located in low and moderate income areas: the ratio of a bank's market share (measured in both the number of loans and loan dollars) in low and moderate income tracts to its overall market share, expressed as a percentage.

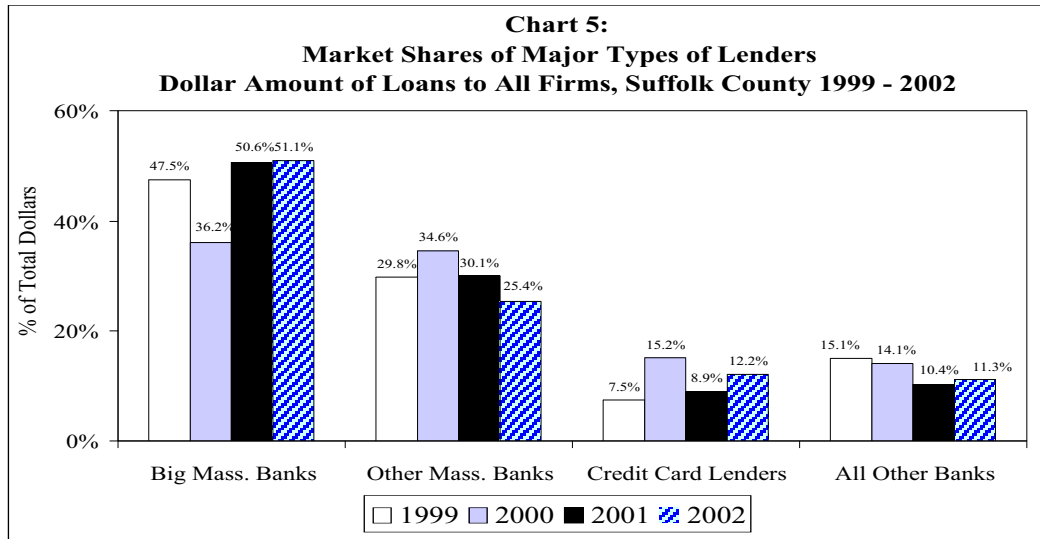


Table 10A
Total Small Business Loans in Suffolk County
By Lender Type and Largest Individual Lenders, 2002

	Mass Deposits 6/30/02 (000s)	Loans to Firms Anywhere in the County					Loans to Firms in Low & Moderate Income Census Tracts					Low/Mod Market Share as % of Total Market Share	
		Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars
A. Big Massachusetts Banks													
Fleet	\$34,744,754	1,263	\$50,984	\$40	8.2%	9.8%	745	\$24,377	\$33	8.9%	8.4%	108.1%	85.6%
Citizens	\$13,579,588	967	\$116,136	\$120	6.3%	22.4%	536	\$64,422	\$120	6.4%	22.3%	101.6%	99.3%
Sovereign Bank	\$7,732,427	401	\$51,406	\$128	2.6%	9.9%	261	\$37,677	\$144	3.1%	13.0%	119.2%	131.2%
Eastern Bank	\$3,390,468	171	\$37,925	\$222	1.1%	7.3%	112	\$26,169	\$234	1.3%	9.0%	120.0%	123.5%
BankNorth	\$4,961,988	33	\$8,040	\$244	0.2%	1.6%	20	\$3,579	\$179	0.2%	1.2%	111.0%	79.7%
Subtotal	NA	2,835	\$264,491	\$93	18.4%	51.1%	1,674	\$156,224	\$93	19.9%	54.0%	108.2%	105.7%
B. Other Massachusetts Banks													
Boston Private	\$970,450	102	\$25,163	\$247	0.7%	4.9%	49	\$10,143	\$207	0.6%	3.5%	88.0%	72.1%
Wainwright Bk	\$382,767	73	\$21,875	\$300	0.5%	4.2%	32	\$10,069	\$315	0.4%	3.5%	80.3%	82.4%
Cambridge Trust	\$540,123	69	\$8,792	\$127	0.4%	1.7%	48	\$7,394	\$154	0.6%	2.6%	127.4%	150.5%
Century B&T	\$987,257	34	\$6,168	\$181	0.2%	1.2%	24	\$5,347	\$223	0.3%	1.8%	129.3%	155.2%
Danvers SB	\$592,816	31	\$5,627	\$182	0.2%	1.1%	21	\$4,481	\$213	0.3%	1.5%	124.1%	142.5%
First Trade Union	\$208,269	29	\$8,961	\$309	0.2%	1.7%	20	\$6,903	\$345	0.2%	2.4%	126.3%	137.9%
East Boston SB	\$565,417	28	\$6,405	\$229	0.2%	1.2%	21	\$4,629	\$220	0.3%	1.6%	137.4%	129.4%
Broadway NB	\$150,848	26	\$1,648	\$63	0.2%	0.3%	23	\$1,629	\$71	0.3%	0.6%	162.1%	176.9%
Bay State FSB	\$339,793	25	\$9,537	\$381	0.2%	1.8%	18	\$7,644	\$425	0.2%	2.6%	131.9%	143.4%
Brookline SB	\$677,025	16	\$4,078	\$255	0.1%	0.8%	5	\$1,125	\$225	0.1%	0.4%	57.2%	49.4%
Salem Five	\$984,863	16	\$3,612	\$226	0.1%	0.7%	2	\$37	\$18	0.0%	0.0%	22.9%	1.8%
All Other Mass Bks	NA	118	\$29,792	\$252	0.8%	5.8%	67	\$16,326	\$244	0.8%	5.6%	104.0%	98.1%
Subtotal	NA	567	\$131,658	\$232	3.7%	25.4%	330	\$75,727	\$229	3.9%	26.2%	106.6%	102.9%
C. Credit Card Lenders													
Capital One	NA	3,283	\$9,981	\$3	21.3%	1.9%	1,929	\$5,509	\$3	23.0%	1.9%	107.6%	98.8%
CitiBank	NA	2,471	\$12,126	\$5	16.1%	2.3%	1,237	\$5,372	\$4	14.7%	1.9%	91.7%	79.3%
American Express	NA	1,512	\$11,290	\$7	9.8%	2.2%	774	\$5,601	\$7	9.2%	1.9%	93.8%	88.8%
MBNA America	NA	1,125	\$11,816	\$11	7.3%	2.3%	519	\$6,262	\$12	6.2%	2.2%	84.5%	94.8%
GE Capital	NA	951	\$3,201	\$3	6.2%	0.6%	555	\$1,877	\$3	6.6%	0.6%	106.9%	105.0%
Advanta	NA	904	\$7,233	\$8	5.9%	1.4%	505	\$3,999	\$8	6.0%	1.4%	102.3%	98.9%
US Bank	NA	414	\$3,920	\$9	2.7%	0.8%	148	\$1,304	\$9	1.8%	0.5%	65.5%	59.5%
Bank One	NA	412	\$3,061	\$7	2.7%	0.6%	204	\$1,408	\$7	2.4%	0.5%	90.7%	82.3%
First NB of Omaha	NA	36	\$222	\$6	0.2%	0.0%	26	\$162	\$6	0.3%	0.1%	132.3%	130.6%
Bank of America	NA	33	\$283	\$9	0.2%	0.1%	20	\$210	\$10	0.2%	0.1%	111.0%	132.8%
Other CC Lenders	NA	0	\$0	\$0	0.0%	0.0%	0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Subtotal	NA	11,141	\$63,133	\$6	72.4%	12.2%	5,917	\$31,704	\$5	70.5%	11.0%	97.3%	89.9%
D. All Other Bank Lenders													
Wells Fargo	NA	283	\$10,106	\$36	1.8%	2.0%	171	\$6,161	\$36	2.0%	2.1%	110.7%	109.1%
Atlantic Bank NY	NA	170	\$2,345	\$14	1.1%	0.5%	93	\$1,210	\$13	1.1%	0.4%	100.2%	92.3%
Chase	NA	149	\$4,241	\$28	1.0%	0.8%	87	\$2,466	\$28	1.0%	0.9%	107.0%	104.1%
Boston Safe	NA	119	\$12,256	\$103	0.8%	2.4%	59	\$4,884	\$83	0.7%	1.7%	90.8%	71.3%
General Bank	NA	26	\$3,167	\$122	0.2%	0.6%	16	\$1,367	\$85	0.2%	0.5%	112.7%	77.3%
Silicon Valley Bank	NA	9	\$5,600	\$622	0.1%	1.1%	2	\$1,050	\$525	0.0%	0.4%	40.7%	33.6%
All Other Lenders	NA	85	\$21,000	\$247	0.6%	4.1%	48	\$8,637	\$180	0.6%	3.0%	103.5%	73.6%
Subtotal	NA	841	\$58,715	\$70	5.5%	11.3%	476	\$25,775	\$54	5.7%	8.9%	103.7%	78.6%
All Lenders Above	NA	15,181	\$467,205	\$31	98.7%	90.2%	8,282	\$264,467	\$32	98.6%	91.4%	99.9%	101.3%
Total - All Lenders	NA	15,384	\$517,997	\$34	100.0%	100.0%	8,397	\$289,430	\$34	100.0%	100.0%	100.0%	100.0%

Table 10B
Change in Total Small Business Loans in Suffolk County
By Lender Type, 1999 – 2002

	Number of Loans				Dollar Amount of Loans (000s)			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Overall Change in Loans								
Big Massachusetts Banks	2,098	1,319	2,498	2835	\$162,883	\$132,994	\$295,077	\$264,491
Other Massachusetts Banks	552	626	891	567	\$102,109	\$127,045	\$175,506	\$131,658
Credit Card Lenders	3,767	8,324	9,694	11,141	\$25,762	\$55,893	\$51,737	\$63,133
All Other Bank Lenders	364	367	778	841	\$51,828	\$51,700	\$60,432	\$58,715
Totals - All Lenders	6,781	10,636	13,861	15,384	\$342,582	\$367,632	\$582,752	\$517,997
B. Overall Change in Market Share								
Big Massachusetts Banks	30.9%	12.4%	18.0%	18.4%	47.5%	36.2%	50.6%	51.1%
Other Massachusetts Banks	8.1%	5.9%	6.4%	3.7%	29.8%	34.6%	30.1%	25.4%
Credit Card Lenders	55.6%	78.3%	69.9%	72.4%	7.5%	15.2%	8.9%	12.2%
All Other Bank Lenders	5.4%	3.5%	5.6%	5.5%	15.1%	14.1%	10.4%	11.3%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
C. Change in Loans in Low & Moderate Income Tracts								
Big Massachusetts Banks	1,216	853	1,625	1,674	\$99,071	\$89,480	\$196,555	\$156,224
Other Massachusetts Banks	286	346	499	330	\$50,439	\$67,513	\$97,525	\$75,727
Credit Card Lenders	2,156	4,583	5,234	5,917	\$13,878	\$29,533	\$26,449	\$31,704
All Other Bank Lenders	225	228	416	476	\$35,583	\$30,382	\$30,683	\$25,775
Totals - All Lenders	3,883	6,010	7,774	8,397	\$198,971	\$216,908	\$351,212	\$289,430
D. Change in Low/Moderate Market Share								
Big Massachusetts Banks	31.3%	14.2%	20.9%	19.9%	49.8%	41.3%	56.0%	54.0%
Other Massachusetts Banks	7.4%	5.8%	6.4%	3.9%	25.3%	31.1%	27.8%	26.2%
Credit Card Lenders	55.5%	76.3%	67.3%	70.5%	7.0%	13.6%	7.5%	11.0%
All Other Bank Lenders	5.8%	3.8%	5.4%	5.7%	17.9%	14.0%	8.7%	8.9%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 11A
Loans to Businesses With Revenues Under \$1 Million in Suffolk County
By Lender Type and Largest Individual Lenders, 2002

	Mass Deposits 6/30/02 (000s)	Loans to Firms Anywhere in the County					Loans to Firms in Low & Moderate Income Census Tracts					Low/Mod Market Share as % of Total Market Share	
		Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars
A. Big Massachusetts Banks													
Fleet	\$34,744,754	612	\$19,237	\$31	14.7%	11.7%	335	\$7,799	\$23	14.9%	8.7%	101.5%	74.7%
Citizens	\$13,579,588	448	\$25,753	\$57	10.8%	15.7%	252	\$14,349	\$57	11.2%	16.1%	104.3%	102.6%
Sovereign Bank	\$7,732,427	195	\$13,273	\$68	4.7%	8.1%	133	\$8,412	\$63	5.9%	9.4%	126.5%	116.7%
Eastern Bank	\$3,390,468	35	\$5,669	\$162	0.8%	3.5%	18	\$1,689	\$94	0.8%	1.9%	95.4%	54.9%
BankNorth	\$4,961,988	18	\$4,495	\$250	0.4%	2.7%	12	\$2,315	\$193	0.5%	2.6%	123.6%	94.8%
Subtotal	NA	1,308	\$68,427	\$52	31.4%	41.7%	750	\$34,564	\$46	33.4%	38.8%	106.3%	93.0%
B. Other Massachusetts Banks													
Wainwright Bk	\$382,767	53	\$8,388	\$158	1.3%	5.1%	25	\$4,556	\$182	1.1%	5.1%	87.5%	100.0%
Boston Private	\$970,450	49	\$8,103	\$165	1.2%	4.9%	30	\$4,914	\$164	1.3%	5.5%	113.5%	111.7%
Cambridge Trust	\$540,123	31	\$1,352	\$44	0.7%	0.8%	17	\$724	\$43	0.8%	0.8%	101.7%	98.6%
First Trade Union	\$208,269	27	\$8,551	\$317	0.6%	5.2%	18	\$6,493	\$361	0.8%	7.3%	123.6%	139.8%
East Boston SB	\$565,417	26	\$5,873	\$226	0.6%	3.6%	19	\$4,097	\$216	0.8%	4.6%	135.5%	128.5%
Bay State FSB	\$339,793	25	\$9,537	\$381	0.6%	5.8%	18	\$7,644	\$425	0.8%	8.6%	133.5%	147.6%
Century B&T	\$987,257	20	\$2,223	\$111	0.5%	1.4%	13	\$1,939	\$149	0.6%	2.2%	120.6%	160.6%
Brookline SB	\$677,025	16	\$4,078	\$255	0.4%	2.5%	5	\$1,125	\$225	0.2%	1.3%	58.0%	50.8%
Salem Five	\$984,863	14	\$3,267	\$233	0.3%	2.0%	2	\$37	\$18	0.1%	0.0%	26.5%	2.1%
Canton IFS	\$398,208	10	\$4,370	\$437	0.2%	2.7%	6	\$2,143	\$357	0.3%	2.4%	111.3%	90.3%
Warren Five	\$397,403	7	\$1,699	\$243	0.2%	1.0%	6	\$1,134	\$189	0.3%	1.3%	159.0%	122.9%
Hingham IFS	\$256,998	6	\$1,786	\$298	0.1%	1.1%	2	\$960	\$480	0.1%	1.1%	61.8%	99.0%
Boston Federal SB	\$779,755	6	\$1,698	\$283	0.1%	1.0%	3	\$411	\$137	0.1%	0.5%	92.7%	44.6%
All Other Mass Bks	NA	70	\$8,035	\$115	1.7%	4.9%	45	\$5,530	\$123	2.0%	6.2%	119.2%	126.7%
Subtotal	NA	360	\$68,960	\$192	8.6%	42.0%	209	\$41,707	\$200	9.3%	46.8%	107.7%	111.4%
C. Credit Card Lenders													
CitiBank	NA	1,376	\$6,098	\$4	33.0%	3.7%	684	\$2,740	\$4	30.5%	3.1%	92.2%	82.7%
American Express	NA	551	\$6,592	\$12	13.2%	4.0%	283	\$3,261	\$12	12.6%	3.7%	95.2%	91.1%
MBNA America	NA	305	\$2,374	\$8	7.3%	1.4%	167	\$1,272	\$8	7.4%	1.4%	101.5%	98.7%
US Bank	NA	60	\$549	\$9	1.4%	0.3%	33	\$292	\$9	1.5%	0.3%	102.0%	97.9%
Capital One	NA	43	\$418	\$10	1.0%	0.3%	26	\$260	\$10	1.2%	0.3%	112.1%	114.5%
Bank of America	NA	24	\$182	\$8	0.6%	0.1%	12	\$112	\$9	0.5%	0.1%	92.7%	113.3%
Other CC Lenders	NA	6	\$143	\$24	0.1%	0.1%	4	\$80	\$20	0.2%	0.1%	123.6%	103.1%
Subtotal	NA	2,365	\$16,356	\$7	56.8%	10.0%	1,209	\$8,017	\$7	53.8%	9.0%	94.8%	90.3%
D. All Other Bank Lenders													
Wells Fargo	NA	53	\$950	\$18	1.3%	0.6%	34	\$658	\$19	1.5%	0.7%	119.0%	127.6%
General Bank	NA	18	\$1,615	\$90	0.4%	1.0%	10	\$465	\$46	0.4%	0.5%	103.0%	53.0%
All Other Lenders	NA	61	\$7,914	\$130	1.5%	4.8%	34	\$3,764	\$111	1.5%	4.2%	103.4%	87.6%
Subtotal	NA	132	\$10,479	\$79	3.2%	6.4%	78	\$4,887	\$63	3.5%	5.5%	109.6%	85.9%
All Lenders Above	NA	4,028	\$148,130	\$37	96.7%	90.2%	2,163	\$79,801	\$37	96.3%	89.5%	99.6%	99.2%
Total - All Lenders	NA	4,165	\$164,222	\$39	100.0%	100.0%	2,246	\$89,175	\$40	100.0%	100.0%	100.0%	100.0%

Table 11B
Change in Loans to Businesses With Revenues Under \$1 Million in Suffolk County
By Lender Type, 1999 – 2002

	Number of Loans				Dollar Amount of Loans (000s)			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Overall Change in Loans								
Big Massachusetts Banks	440	497	670	1,308	\$41,690	\$34,906	\$49,828	\$68,427
Other Massachusetts Banks	368	388	323	360	\$61,347	\$67,711	\$59,849	\$68,960
Credit Card Lenders	2,339	2,847	4,119	2,365	\$19,594	\$22,866	\$25,084	\$16,356
All Other Bank Lenders	115	89	174	132	\$18,123	\$15,973	\$22,199	\$10,479
Totals - All Lenders	3,262	3,821	5,286	4,165	\$140,754	\$141,456	\$156,960	\$164,222
B. Overall Change in Market Share								
Big Massachusetts Banks	13.5%	13.0%	12.7%	31.4%	29.6%	24.7%	31.7%	41.7%
Other Massachusetts Banks	11.3%	10.2%	6.1%	8.6%	43.6%	47.9%	38.1%	42.0%
Credit Card Lenders	71.7%	74.5%	77.9%	56.8%	13.9%	16.2%	16.0%	10.0%
All Other Bank Lenders	3.5%	2.3%	3.3%	3.2%	12.9%	11.3%	14.1%	6.4%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
C. Change in Loans in Low & Moderate Income Tracts								
Big Massachusetts Banks	240	271	385	750	\$21,280	\$20,714	\$24,909	\$34,564
Other Massachusetts Banks	198	222	165	209	\$32,030	\$34,715	\$29,272	\$41,707
Credit Card Lenders	1,294	1,586	2,165	1,209	\$10,428	\$12,286	\$13,207	\$8,017
All Other Bank Lenders	59	40	96	78	\$8,546	\$6,664	\$12,191	\$4,887
Totals - All Lenders	1,791	2,119	2,811	2,246	\$72,284	\$74,379	\$79,579	\$89,175
D. Change in Low/Moderate Market Share								
Big Massachusetts Banks	13.4%	12.8%	13.7%	33.4%	29.4%	27.8%	31.3%	38.8%
Other Massachusetts Banks	11.1%	10.5%	5.9%	9.3%	44.3%	46.7%	36.8%	46.8%
Credit Card Lenders	72.3%	74.8%	77.0%	53.8%	14.4%	16.5%	16.6%	9.0%
All Other Bank Lenders	3.3%	1.9%	3.4%	3.5%	11.8%	9.0%	15.3%	5.5%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 12A
Total Small Business Loans in Boston MSA
By Lender Type and Largest Individual Lenders, 2002

	Mass Deposits 6/30/02 (000s)	Loans to Firms Anywhere in the MSA					Loans to Firms in Low & Moderate Income Census Tracts					Low/Mod Market Share as % of Total Market Share	
		Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars
A. Big Massachusetts Banks													
Fleet	\$34,744,754	5,749	\$207,461	\$36	6.5%	8.0%	1,348	\$43,115	\$32	8.4%	8.3%	129.5%	103.7%
Citizens	\$13,579,588	3,454	\$444,060	\$129	3.9%	17.2%	756	\$85,585	\$113	4.7%	16.5%	120.9%	96.2%
Sovereign Bank	\$7,732,427	1,516	\$196,126	\$129	1.7%	7.6%	389	\$54,494	\$140	2.4%	10.5%	141.7%	138.6%
Eastern Bank	\$3,390,468	1,527	\$224,582	\$147	1.7%	8.7%	339	\$50,706	\$150	2.1%	9.8%	122.6%	112.7%
BankNorth	\$4,961,988	489	\$79,262	\$162	0.5%	3.1%	79	\$11,127	\$141	0.5%	2.1%	89.3%	70.0%
Subtotal	NA	12,735	\$1,151,491	\$90	14.3%	44.6%	2,911	\$245,027	\$84	18.1%	47.3%	126.3%	106.2%
B. Other Massachusetts Banks													
Middlesex SB	\$2,399,516	566	\$75,212	\$133	0.6%	2.9%	26	\$6,003	\$231	0.2%	1.2%	25.4%	39.8%
Rockland Trust	\$1,677,581	549	\$43,666	\$80	0.6%	1.7%	56	\$5,223	\$93	0.3%	1.0%	56.3%	59.7%
Cambridge Trust	\$540,123	336	\$40,241	\$120	0.4%	1.6%	94	\$11,369	\$121	0.6%	2.2%	154.6%	141.0%
Danvers SB	\$592,816	279	\$41,696	\$149	0.3%	1.6%	50	\$7,978	\$160	0.3%	1.5%	99.0%	95.5%
Community NB	\$332,925	218	\$21,386	\$98	0.2%	0.8%	23	\$1,099	\$48	0.1%	0.2%	58.3%	25.6%
Boston Private	\$970,450	206	\$54,385	\$264	0.2%	2.1%	62	\$13,754	\$222	0.4%	2.7%	166.2%	126.2%
Warren Five	\$397,403	195	\$43,381	\$222	0.2%	1.7%	55	\$13,448	\$245	0.3%	2.6%	155.8%	154.7%
Salem Five	\$984,863	183	\$39,721	\$217	0.2%	1.5%	27	\$6,260	\$232	0.2%	1.2%	81.5%	78.6%
Century B&T	\$987,257	145	\$29,326	\$202	0.2%	1.1%	46	\$9,687	\$211	0.3%	1.9%	175.2%	164.8%
Newburyport Five	\$279,343	138	\$9,073	\$66	0.2%	0.4%	0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Bristol County SB	\$556,859	124	\$20,648	\$167	0.1%	0.8%	27	\$4,310	\$160	0.2%	0.8%	120.3%	104.2%
Hudson SB	\$343,427	124	\$15,428	\$124	0.1%	0.6%	14	\$1,977	\$141	0.1%	0.4%	62.4%	63.9%
Wainwright Bk	\$382,767	110	\$32,872	\$299	0.1%	1.3%	38	\$12,186	\$321	0.2%	2.4%	190.9%	185.0%
Beverly NB	\$285,823	106	\$10,954	\$103	0.1%	0.4%	30	\$3,996	\$133	0.2%	0.8%	156.3%	182.0%
All Other Mass Bks	NA	1,463	\$280,468	\$192	1.6%	10.9%	291	\$66,339	\$228	1.8%	12.8%	109.9%	118.0%
Subtotal	NA	4,742	\$758,457	\$160	5.3%	29.4%	839	\$163,629	\$195	5.2%	31.6%	97.7%	107.6%
C. Credit Card Lenders													
Capital One	NA	19,742	\$73,561	\$4	22.2%	2.8%	3,679	\$11,218	\$3	22.8%	2.2%	102.9%	76.1%
CitiBank	NA	12,990	\$64,771	\$5	14.6%	2.5%	2,234	\$10,073	\$5	13.9%	1.9%	95.0%	77.6%
American Express	NA	9,693	\$71,158	\$7	10.9%	2.8%	1,421	\$9,972	\$7	8.8%	1.9%	81.0%	69.9%
MBNA America	NA	6,602	\$53,255	\$8	7.4%	2.1%	1,012	\$10,176	\$10	6.3%	2.0%	84.7%	95.3%
GE Capital	NA	6,445	\$25,685	\$4	7.2%	1.0%	1,119	\$4,110	\$4	6.9%	0.8%	95.9%	79.8%
Advanta	NA	6,194	\$52,494	\$8	7.0%	2.0%	1,152	\$9,180	\$8	7.1%	1.8%	102.7%	87.3%
Bank One	NA	2,946	\$21,006	\$7	3.3%	0.8%	417	\$2,871	\$7	2.6%	0.6%	78.2%	68.2%
US Bank	NA	1,621	\$23,218	\$14	1.8%	0.9%	308	\$4,190	\$14	1.9%	0.8%	105.0%	90.0%
First NB of Omaha	NA	200	\$1,225	\$6	0.2%	0.0%	46	\$311	\$7	0.3%	0.1%	127.1%	126.6%
Bank of America	NA	172	\$1,785	\$10	0.2%	0.1%	35	\$344	\$10	0.2%	0.1%	112.4%	96.2%
Other CC Lenders	NA	0	\$0	\$0	0.0%	0.0%	0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Subtotal	NA	66,605	\$388,158	\$6	74.8%	15.0%	11,423	\$62,445	\$5	70.9%	12.1%	94.7%	80.3%
D. All Other Bank Lenders													
Wells Fargo	NA	1,943	\$65,594	\$34	2.2%	2.5%	337	\$11,095	\$33	2.1%	2.1%	95.8%	84.4%
Atlantic Bank NY	NA	1,108	\$10,500	\$9	1.2%	0.4%	243	\$2,437	\$10	1.5%	0.5%	121.1%	115.8%
Chase	NA	1,028	\$27,567	\$27	1.2%	1.1%	184	\$5,097	\$28	1.1%	1.0%	98.9%	92.3%
Boston Safe	NA	157	\$19,555	\$125	0.2%	0.8%	77	\$6,604	\$86	0.5%	1.3%	271.1%	168.5%
Silicon Valley Bank	NA	47	\$26,560	\$565	0.1%	1.0%	3	\$2,050	\$683	0.0%	0.4%	35.3%	38.5%
All Other Lenders	NA	690	\$136,164	\$197	0.8%	5.3%	105	\$19,494	\$186	0.7%	3.8%	84.0%	71.4%
Subtotal	NA	4,973	\$285,940	\$57	5.6%	11.1%	949	\$46,777	\$49	5.9%	9.0%	105.4%	81.6%
All Lenders Above	NA	86,902	\$2,167,414	\$25	97.6%	83.9%	15,726	\$432,045	\$27	97.5%	83.4%	100.0%	99.5%
Total - All Lenders	NA	89,055	\$2,584,046	\$29	100.0%	100.0%	16,122	\$517,878	\$32	100.0%	100.0%	100.0%	100.0%

Table 12B
Change in Total Small Business Loans in Boston MSA
By Lender Type, 1999 – 2002

	Number of Loans				Dollar Amount of Loans (000s)			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Overall Change in Loans								
Big Massachusetts Banks	7,736	4,353	8,925	12,735	\$597,471	\$409,563	\$893,748	\$1,151,491
Other Massachusetts Banks	5,319	5,513	6,862	4,742	\$735,540	\$766,891	\$1,020,314	\$758,457
Credit Card Lenders	21,868	49,515	55,491	66,605	\$155,852	\$331,682	\$331,001	\$388,158
All Other Bank Lenders	1,877	1,879	4,123	4,973	\$206,915	\$195,508	\$240,178	\$285,940
Totals - All Lenders	36,800	61,260	75,401	89,055	\$1,695,778	\$1,703,644	\$2,485,241	\$2,584,046
B. Overall Change in Market Share								
Big Massachusetts Banks	21.0%	7.1%	11.8%	14.3%	35.2%	24.0%	36.0%	44.6%
Other Massachusetts Banks	14.5%	9.0%	9.1%	5.3%	43.4%	45.0%	41.1%	29.4%
Credit Card Lenders	59.4%	80.8%	73.6%	74.8%	9.2%	19.5%	13.3%	15.0%
All Other Bank Lenders	5.1%	3.1%	5.5%	5.6%	12.2%	11.5%	9.7%	11.1%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
C. Change in Loans in Low & Moderate Tracts								
Big Massachusetts Banks	1,869	1,293	2,356	2,911	\$143,215	\$122,838	\$254,000	\$245,027
Other Massachusetts Banks	906	915	1,275	839	\$125,037	\$136,158	\$202,175	\$163,629
Credit Card Lenders	3,875	8,394	9,692	11,423	\$25,474	\$53,498	\$52,035	\$62,445
All Other Bank Lenders	392	387	836	949	\$55,640	\$44,992	\$49,625	\$46,777
Totals - All Lenders	7,042	10,989	14,159	16,122	\$349,366	\$357,486	\$557,835	\$517,878
D. Change in Low/Moderate Market Share								
Big Massachusetts Banks	26.5%	11.8%	16.6%	18.1%	41.0%	34.4%	45.5%	47.3%
Other Massachusetts Banks	12.9%	8.3%	9.0%	5.2%	35.8%	38.1%	36.2%	31.6%
Credit Card Lenders	55.0%	76.4%	68.5%	70.9%	7.3%	15.0%	9.3%	12.1%
All Other Bank Lenders	5.6%	3.5%	5.9%	5.9%	15.9%	12.6%	8.9%	9.0%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 13A
Loans to Businesses With Revenues Under \$1 Million in Boston MSA
By Lender Type and Largest Individual Lenders, 2002

	Mass Deposits 6/30/02 (000s)	Loans to Firms Anywhere in the MSA					Loans to Firms in Low & Moderate Income Census Tracts					Low/Mod Market Share as % of Total Market Share	
		Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars (000s)	Avg. Loan Size	Market Share: Loans	Market Share: Dollars	Loans	Dollars
A. Big Massachusetts Banks													
Fleet	\$34,744,754	3,451	\$90,721	\$26	14.3%	10.5%	596	\$16,632	\$28	14.4%	9.3%	100.3%	87.8%
Citizens	\$13,579,588	1,696	\$83,749	\$49	7.0%	9.7%	371	\$21,340	\$58	8.9%	11.9%	127.0%	122.1%
Sovereign Bank	\$7,732,427	825	\$66,572	\$81	3.4%	7.7%	213	\$15,628	\$73	5.1%	8.7%	149.9%	112.5%
BankNorth	\$4,961,988	327	\$39,513	\$121	1.4%	4.6%	50	\$5,847	\$117	1.2%	3.3%	88.8%	70.9%
Eastern Bank	\$3,390,468	281	\$25,285	\$90	1.2%	2.9%	64	\$4,646	\$73	1.5%	2.6%	132.2%	88.0%
Subtotal	NA	6,580	\$305,840	\$46	27.3%	35.6%	1,294	\$64,093	\$45	31.2%	35.7%	114.2%	100.4%
B. Other Massachusetts Banks													
Rockland Trust	\$1,677,581	354	\$15,844	\$45	1.5%	1.8%	34	\$1,608	\$47	0.8%	0.9%	55.8%	48.6%
Middlesex SB	\$2,399,516	174	\$13,809	\$79	0.7%	1.6%	4	\$611	\$153	0.1%	0.3%	13.3%	21.2%
Danvers SB	\$592,816	167	\$16,279	\$97	0.7%	1.9%	27	\$3,358	\$124	0.7%	1.9%	93.9%	98.8%
Cambridge Trust	\$540,123	163	\$8,401	\$52	0.7%	1.0%	38	\$1,227	\$32	0.9%	0.7%	135.3%	70.0%
Community NB	\$332,925	160	\$15,488	\$97	0.7%	1.8%	19	\$880	\$46	0.5%	0.5%	68.9%	27.2%
Salem Five	\$984,863	132	\$28,677	\$217	0.5%	3.3%	19	\$3,825	\$201	0.5%	2.1%	83.6%	63.9%
Warren Five	\$397,403	120	\$19,320	\$161	0.5%	2.2%	28	\$6,328	\$226	0.7%	3.5%	135.5%	156.9%
Hudson SB	\$343,427	117	\$14,445	\$123	0.5%	1.7%	14	\$1,977	\$141	0.3%	1.1%	69.5%	65.6%
Newburyport Five	\$279,343	115	\$5,447	\$47	0.5%	0.6%	0	\$0		0.0%	0.0%	0.0%	0.0%
Boston Private	\$970,450	102	\$21,321	\$209	0.4%	2.5%	32	\$5,664	\$177	0.8%	3.2%	182.1%	127.3%
Century B&T	\$987,257	85	\$13,161	\$155	0.4%	1.5%	27	\$4,704	\$174	0.7%	2.6%	184.4%	171.3%
Wainwright Bk	\$382,767	77	\$11,376	\$148	0.3%	1.3%	29	\$5,248	\$181	0.7%	2.9%	218.7%	221.0%
Bay State FSB	\$339,793	65	\$20,990	\$323	0.3%	2.4%	23	\$10,145	\$441	0.6%	5.7%	205.4%	231.6%
Canton IFS	\$398,208	58	\$14,727	\$254	0.2%	1.7%	9	\$3,873	\$430	0.2%	2.2%	90.1%	126.0%
Brookline SB	\$677,025	57	\$17,757	\$312	0.2%	2.1%	7	\$1,825	\$261	0.2%	1.0%	71.3%	49.2%
First Trade Union	\$208,269	51	\$15,096	\$296	0.2%	1.8%	22	\$7,726	\$351	0.5%	4.3%	250.4%	245.2%
East Boston SB	\$565,417	44	\$9,691	\$220	0.2%	1.1%	23	\$4,775	\$208	0.6%	2.7%	303.6%	236.1%
Hingham IFS	\$256,998	42	\$10,302	\$245	0.2%	1.2%	3	\$1,160	\$387	0.1%	0.6%	41.5%	53.9%
All Other Mass Bks	NA	852	\$111,440	\$131	3.5%	13.0%	163	\$23,718	\$146	3.9%	13.2%	111.1%	102.0%
Subtotal	NA	2,935	\$383,571	\$131	12.2%	44.6%	521	\$88,652	\$45	12.6%	49.4%	103.1%	110.7%
C. Credit Card Lenders													
CitiBank	NA	7,373	\$35,235	\$5	30.6%	4.1%	1,200	\$5,039	\$4	28.9%	2.8%	94.5%	68.5%
American Express	NA	3,330	\$39,726	\$12	13.8%	4.6%	491	\$5,454	\$11	11.8%	3.0%	85.6%	65.8%
MBNA America	NA	2,472	\$18,957	\$8	10.3%	2.2%	375	\$2,904	\$8	9.0%	1.6%	88.1%	73.4%
Capital One	NA	231	\$3,286	\$14	1.0%	0.4%	45	\$505	\$11	1.1%	0.3%	113.1%	73.6%
US Bank	NA	207	\$1,500	\$7	0.9%	0.2%	47	\$378	\$8	1.1%	0.2%	131.8%	120.8%
Bank of America	NA	123	\$1,045	\$8	0.5%	0.1%	22	\$178	\$8	0.5%	0.1%	103.8%	81.6%
Other CC Lenders	NA	46	\$1,899	\$41	0.2%	0.2%	12	\$305	\$25	0.3%	0.2%	151.5%	76.9%
Subtotal	NA	13,782	\$101,648	\$7	57.2%	11.8%	2,192	\$14,763	\$7	52.8%	8.2%	92.3%	69.6%
D. All Other Bank Lenders													
Wells Fargo	NA	346	\$7,158	\$21	1.4%	0.8%	71	\$1,535	\$22	1.7%	0.9%	119.1%	102.8%
Comerica Bank	NA	24	\$12,664	\$528	0.1%	1.5%	3	\$1,700	\$567	0.1%	0.9%	72.6%	64.3%
All Other Lenders	NA	420	\$49,043	\$117	1.7%	5.7%	68	\$8,733	\$128	1.6%	4.9%	94.0%	85.3%
Subtotal	NA	790	\$68,865	\$87	3.3%	8.0%	142	\$11,968	\$84	3.4%	6.7%	104.4%	83.3%
All Lenders Above	NA	22,815	\$699,441	\$31	94.7%	81.3%	3,918	\$147,025	\$38	94.4%	81.9%	99.7%	100.7%
Total - All Lenders	NA	24,087	\$859,924	\$36	100.0%	100.0%	4,149	\$179,476	\$43	100.0%	100.0%	100.0%	100.0%

Table 13B
Change in Loans to Businesses With Revenues Under \$1 Million in Boston MSA
By Lender Type, 1999 – 2002

	Number of Loans				Dollar Amount of Loans (000s)			
	1999	2000	2001	2002	1999	2000	2001	2002
A. Overall Change in Loans								
Big Massachusetts Banks	1,516	2,040	2,804	6,580	\$120,556	\$114,079	\$180,978	\$305,840
Other Massachusetts Banks	3,749	3,585	3,427	2,935	\$445,091	\$447,091	\$384,760	\$383,571
Credit Card Lenders	13,687	16,340	21,482	13,782	\$118,589	\$130,068	\$139,822	\$101,648
All Other Bank Lenders	503	428	735	790	\$78,198	\$75,951	\$89,243	\$68,865
Totals - All Lenders	19,455	22,393	28,448	24,087	\$762,434	\$767,189	\$794,803	\$859,924
B. Overall Change in Market Share								
Big Massachusetts Banks	7.8%	9.1%	9.9%	27.3%	15.8%	14.9%	22.8%	35.6%
Other Massachusetts Banks	19.3%	16.0%	12.0%	12.2%	58.4%	58.3%	48.4%	44.6%
Credit Card Lenders	70.4%	73.0%	75.5%	57.2%	15.6%	17.0%	17.6%	11.8%
All Other Bank Lenders	2.6%	1.9%	2.6%	3.3%	10.3%	9.9%	11.2%	8.0%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
C. Change in Loans in Low & Moderate Tracts								
Big Massachusetts Banks	361	414	573	1,294	\$28,662	\$29,101	\$38,616	\$64,093
Other Massachusetts Banks	644	577	528	521	\$78,184	\$77,284	\$71,645	\$88,652
Credit Card Lenders	2,330	2,821	3,873	2,192	\$19,449	\$21,516	\$23,482	\$14,763
All Other Bank Lenders	109	69	153	142	\$18,091	\$11,659	\$19,018	\$11,968
Totals - All Lenders	3,444	3,881	5,127	4,149	\$144,386	\$139,560	\$152,761	\$179,476
D. Change in Low/Moderate Market Share								
Big Massachusetts Banks	10.5%	10.7%	11.2%	31.2%	19.9%	20.9%	25.3%	35.7%
Other Massachusetts Banks	18.7%	14.9%	10.3%	12.6%	54.1%	55.4%	46.9%	49.4%
Credit Card Lenders	67.7%	72.7%	75.5%	52.8%	13.5%	15.4%	15.4%	8.2%
All Other Bank Lenders	3.2%	1.8%	3.0%	3.4%	12.5%	8.4%	12.4%	6.7%
Totals - All Lenders	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

H. SMALL BUSINESS LENDING IN THE 15 LARGEST METRO AREAS

In an effort to evaluate how Boston compares to other cities across the United States, this section provides a comparison of the demographic characteristics and small business lending data of the country's 15 largest metropolitan statistical areas (MSAs) as measured by the size of their total population.

2002 LENDING RATES

Tables 14 – 16 show that **the Boston MSA ranked in the bottom third in 2002 in terms of overall lending rates despite ranking closer to the middle in terms of total population and number of firms.** Of the fifteen largest MSAs across the country, the Boston MSA ranked 8th in terms of total population and 8th in terms of total number of small firms. At the same time, the Boston MSA ranked 13th in terms of the volume of loan dollars to small firms in 2002 (compared to 12th in 2001) and 11th in terms of the lending rate of loan dollars per 100 small firms (compared to 15th in 2001).

Table 14
Selected Demographic Data For 15 Largest Metro Areas

MSA Name (Number)	Total Population		Minority Population		HUD Median Family Income		Total Number of Firms		Number of Small Firms	
	Number	Rank	Number	Rank	Income	Rank	Number	Rank	Number	Rank
Los Angeles-Long Beach CA (4480)	8,863,164	1	5,244,314	1	\$51,300	14	420,489	1	308,653	1
New York, NY (5600)	8,546,846	2	4,451,081	2	\$53,400	11	357,050	2	259,862	2
Chicago, IL (1600)	7,410,858	3	2,512,612	3	\$63,800	3	311,666	3	215,488	3
Philadelphia, PA-NJ (6160)	4,922,175	4	1,212,206	6	\$55,600	9	205,827	7	144,419	5
Detroit MI (2160)	4,266,654	5	1,095,991	7	\$60,500	6	172,269	9	121,324	6
Washington, DC-MD-VA-WV (8840)	4,223,485	6	1,500,930	4	\$78,900	1	239,963	4	168,859	7
Houston, TX (3360)	3,322,025	7	1,442,406	5	\$54,100	10	206,936	6	148,299	4
Boston, MA-NH (1120)	3,227,707	8	447,371	13	\$62,700	5	166,233	10	117,251	8
Atlanta, GA (0520)	2,959,950	9	858,509	11	\$59,900	7	213,503	5	146,691	9
Dallas, TX (1920)	2,676,248	10	867,259	9	\$58,200	8	188,451	8	132,311	10
Nassau-Suffolk, NY (5380)	2,609,212	11	414,615	14	\$73,300	2	142,658	11	108,532	11
Riverside-San Bernardino, CA (6780)	2,588,793	12	972,540	8	\$47,200	15	117,574	14	84,709	12
Minneapolis-St Paul, MN-WI (5120)	2,538,834	13	215,467	15	\$63,600	4	130,834	13	92,443	13
San Diego, CA (7320)	2,498,016	14	864,735	10	\$52,500	12	135,202	12	98,707	14
St Louis, MO-IL (7040)	2,492,525	15	478,383	12	\$52,000	13	104,505	15	73,215	15

Table 15
Total Small Business Loans in 15 Largest Metro Areas, 2002

MSA Name (Number)	Total Number of Loans		Total Dollar Amount of Loans		Lending Rate (# of Loans)		Lending Rate (\$ of Loans)		Number of Loans in Low & Moderate Tracts		Dollar Amount in Low & Moderate Tracts	
	Number	Rank	Amount	Rank	Rate	Rank	Rate	Rank	Number	Rank	Amount	Rank
Los Angeles-Long Beach CA (4480)	288,970	1	\$7,346,454	2	68.7	1	\$1,747	9	67,624	1	\$2,235,874	1
New York, NY (5600)	215,068	2	\$5,770,460	3	60.2	7	\$1,616	10	42,501	2	\$1,146,075	2
Chicago, IL (1600)	184,979	3	\$8,132,503	1	59.4	8	\$2,609	2	24,402	6	\$1,140,892	3
Philadelphia, PA-NJ (6160)	125,829	6	\$4,613,209	5	61.1	6	\$2,241	4	14,387	12	\$515,536	10
Detroit MI (2160)	94,723	9	\$3,617,013	8	55.0	12	\$2,100	5	15,542	11	\$574,779	8
Washington, DC-MD-VA-WV (8840)	130,950	5	\$3,815,226	6	54.6	13	\$1,590	11	26,159	4	\$797,412	6
Houston, TX (3360)	118,704	7	\$3,752,914	7	57.4	11	\$1,814	7	34,602	3	\$1,057,035	4
Boston, MA-NH (1120)	89,456	12	\$2,596,875	11	53.8	14	\$1,562	12	16,432	9	\$529,319	9
Atlanta, GA (0520)	131,852	4	\$4,864,493	4	61.8	5	\$2,278	3	21,431	7	\$827,567	5
Dallas, TX (1920)	97,147	8	\$2,398,937	13	51.6	15	\$1,273	15	24,739	5	\$723,087	7
Nassau-Suffolk, NY (5380)	94,085	10	\$2,558,909	12	66.0	3	\$1,794	8	12,676	13	\$365,543	14
Riverside-San Bernardino, CA (6780)	76,710	14	\$1,657,246	15	65.2	4	\$1,410	14	16,252	10	\$400,129	13
Minneapolis-St Paul, MN-WI (5120)	76,894	13	\$2,627,119	10	58.8	9	\$2,008	6	9,621	14	\$320,657	15
San Diego, CA (7320)	89,960	11	\$1,940,389	14	66.5	2	\$1,435	13	19,143	8	\$465,764	11
St Louis, MO-IL (7040)	61,135	15	\$2,788,194	9	58.5	10	\$2,668	1	9,069	15	\$438,931	12

Table 16
Loans to Business With Revenues Under \$1 Million in 15 Largest Metro Areas, 2002

MSA Name (Number)	Total Number of Loans		Total Dollar Amount of Loans		Lending Rate (# of Loans)		Lending Rate (\$ of Loans)		Number of Loans in Low & Moderate Tracts		Dollar Amount in Low & Moderate Tracts	
	Number	Rank	Amount	Rank	Rate	Rank	Rate	Rank	Number	Rank	Amount	Rank
Los Angeles-Long Beach CA (4480)	79,240	1	\$2,227,720	3	25.7	5	\$722	12	18,315	1	\$653,300	1
New York, NY (5600)	69,973	2	\$2,114,740	4	26.9	3	\$814	9	13,264	2	\$414,316	4
Chicago, IL (1600)	52,529	3	\$3,174,155	1	24.4	7	\$1,473	3	6,655	6	\$461,489	2
Philadelphia, PA-NJ (6160)	30,740	7	\$1,587,891	6	21.3	11	\$1,100	5	3,359	12	\$169,025	10
Detroit MI (2160)	24,104	12	\$1,307,726	8	19.9	15	\$1,078	6	3,463	11	\$175,800	9
Washington, DC-MD-VA-WV (8840)	34,029	6	\$1,367,996	7	20.2	14	\$810	10	6,876	5	\$294,757	6
Houston, TX (3360)	34,655	5	\$1,694,702	5	23.4	8	\$1,143	4	8,614	3	\$413,148	5
Boston, MA-NH (1120)	24,157	11	\$863,884	13	20.6	12	\$737	11	4,209	9	\$183,274	8
Atlanta, GA (0520)	39,324	4	\$2,287,873	2	26.8	4	\$1,560	2	6,951	4	\$426,261	3
Dallas, TX (1920)	27,114	9	\$952,805	10	20.5	13	\$720	13	6,263	7	\$252,905	7
Nassau-Suffolk, NY (5380)	30,340	8	\$927,061	12	28.0	1	\$854	8	3,950	10	\$138,547	13
Riverside-San Bernardino, CA (6780)	19,064	14	\$526,567	15	22.5	9	\$622	15	3,248	13	\$119,030	14
Minneapolis-St Paul, MN-WI (5120)	20,800	13	\$932,667	11	22.5	10	\$1,009	7	2,625	14	\$111,080	15
San Diego, CA (7320)	26,992	10	\$659,719	14	27.3	2	\$668	14	5,681	8	\$163,452	11
St Louis, MO-IL (7040)	18,256	15	\$1,144,153	9	24.9	6	\$1,563	1	2,417	15	\$155,407	12

I. ACTIVITIES OF NONBANK INTERMEDIARIES

In an effort to analyze the role of public, quasi-public, and nonprofit lenders and technical assistance providers in lending to and otherwise assisting small businesses in Greater Boston, a fourth annual survey was undertaken to collect information about the activities of these nonbank intermediaries. The survey requested specific information about the location of business customers, whether the customer received technical assistance, whether the customer had annual revenues of \$1 million or less, the amount of any direct loans or equity investments, whether the customer was referred to another organization, and whether the customer received a loan as a result of a referral. The survey instructions were designed to closely conform to the reporting requirements that banks are obliged to meet under the Community Reinvestment Act.

Nonbank intermediaries **serve as a valuable resource for small businesses, particularly those in lower-income areas and minority communities, by providing technical assistance to new and existing businesses, by providing direct loans to small firms, and by assisting small businesses in accessing more traditional sources of credit.** Examples of technical assistance include helping firms develop business plans and budgets as well as understanding credit options and preparing loan applications. As such, **nonbank intermediaries serve as a bridge for fledgling and other businesses which have not yet developed the financial track record or credit history that most mainstream lenders look for in their business customers or which have traditionally faced more barriers in accessing business assistance and mainstream financing.**

The MCBC survey was mailed to organizations, agencies, and state and municipal government entities in Greater Boston. The responding organizations consisted of ACCION USA, Allston/Brighton Community Development Corporation, Asian Community Development Corporation, Boston Local Development Corporation, Community Development Corporation of Boston, Center for Women & Enterprise, City of Newton, Codman Square Neighborhood Development Corporation, Dorchester Bay Economic Development Corporation, Jamaica Plain Neighborhood Development Corporation, Mattapan Family Services Center, UMass Boston Small Business Development Corporation, and Viet-AID

These 13 organizations provided technical assistance or direct loans to 591 firms. The respondent organizations made a combined total of 18 direct loans for \$947,000 to small businesses in Greater Boston. The respondent organizations also referred 42 small firms to traditional bank financing which resulted in an additional \$4.4 million in bank loans. While the number of nonbank respondents and the dollar amount of loans may be small in comparison to the small business lending volume undertaken by more traditional lenders, it nevertheless provides an important view of the role played by nonbank intermediaries. It is also hoped that, by publishing the survey results in this report, additional organizations will recognize the importance of tracking their small business lending activities using a standardized methodology and more organizations will choose to participate in future surveys.

Table 17
Summary of Activities of Survey Respondents

	Direct Loans	Referral Loans
Number of Loans	18	42
Amount of Loans	\$947,405	\$4,445,950
Number of Respondent Organizations	13	
Number of Firms Receiving Technical Assistance	591	

III. THE DATA: NATURE AND LIMITATIONS

The findings of any study need to be interpreted in light of the quality and reliability of the data upon which it is based. This section summarizes the nature and limitations of each source of data used in this report.

A. BANK DATA

Under the Community Reinvestment Act (CRA), banks are required to report information on their small business lending activity to their federal regulators on an annual basis. The data include information on originations, renewals, and purchases of small business loans and small farm loans. The data are compiled and publicly released by the Federal Financial Institutions Examination Council (FFIEC).

Small business loans are defined as commercial loans of \$1 million or less. These loans may be to businesses of any size although the data usually indicates how many loans and dollars went to businesses with gross annual revenues of \$1 million or less. Loans are reported in three size categories: less than \$100,000, between \$100,000 and \$250,000 and between \$250,000 and \$1 million. This report considers only origination and renewal activity; purchased loans are not included in the analysis.

While there is no standard definition of what constitutes a small business, most definitions, including that used by the US Small Business Administration, include only firms with revenues of \$1 million or less. For the purposes of this report, such firms are referred to as small firms.

The CRA small business loan database represents the best available source of detailed information about small business lending in the United States. At the same time, the following limitations should be noted:

- Only banks with assets over \$250 million are required to report their small business loan data under the CRA. Recent studies have suggested that the CRA small lending database may include less than half of the total.
- Data for individual lenders are not available at the census tract level - the lowest geographic level available for individual lenders is the county level.
- The data combines two very different kinds of lending: credit card lending and traditional small business lending. Specialized credit card lenders made approximately 75% of the number of loans in the Boston MSA, but accounted for approximately 15% of total dollars with an average loan size of approximately \$6,000. All other lenders had an average loan size of approximately \$98,000.
- The data do not contain information about the race or gender of the borrower or the type of business.
- The data do not contain information about loan applications that do not result in loans.
- Lenders are required to report the full amount of any lines of credit and credit card loans regardless of the extent to which the borrower actually uses the credit available.
- Although refinancings of existing loans have traditionally been reported as new loans, renewals of loans or lines of credit, a much more common form of small business lending, were not reported prior to 2001.
- Lenders are not required to report information on the gross annual revenues of their borrowers if they do not request or rely on the information in making their credit decision.

Bank branch data were obtained from the annual Summary of Deposits data released by the Federal Deposit Insurance Corporation, and report on bank branches in operation as of June 30, 2002.

For this purpose, as elsewhere in this report, the term bank includes savings banks, savings and loan associations, and cooperative banks, as well as commercial banks.

Some readers may have noticed that the grand totals for the Boston MSA that are reported in Table 12 are bigger than the totals reported in Table 2. This difference results from the fact that for a small percentage of loans, banks report the MSA of the borrower but do not report the census tract of the borrower. These loans show up in Table 12, which is based on data reported at the MSA level, but not in Table 2, which is based on data reported at the census tract level.

B. POPULATION & INCOME DATA

The second major type of data used in this report is data from the 1990 US Census on the income level and racial/ethnic composition of the population in each census tract. Census tracts, the basic geographical unit used in the US decennial census, typically contain between 3,000 and 5,000 residents. There are 169 census tracts in the city of Boston (total population: 574,283) and 710 census tracts in the Boston Metropolitan Statistical Area (total population: 3,227,707).

For the purposes this report, and consistent with the CRA, census tract income levels are determined by dividing the median family income of a given census tract into the median family income of the MSA in which the tract is located. Income levels are broken down into low, moderate, middle, and upper income categories where low is 50% or less of the MSA median, moderate is 50% to 80%, middle is 80% to 120%, and upper is 120% or more. This report uses median family income data from the 1990 U.S. Census per the federal bank regulators' guidelines for the 2002 CRA small business loan data.

In order to analyze lending rates by race/ethnicity, the census tracts in the city of Boston were divided into three categories: minority, mixed-race, and white. Minority census tracts are defined as those with more than 75% minority residents, white census tracts are those with more than 75% white non-Hispanic residents, and mixed-race census tracts are all others – that is, those where the percentages of white and minority residents both fall between 25% and 75%.

As noted earlier, the US Census Bureau recently released the 2000 census data. While this report does not use the new 2000 data, a preliminary review of the 2000 income level data indicates a significant increase in the number of residents living in low and moderate income census tracts while at the same time an overall decrease in the number of low and moderate income census tracts. A preliminary review of the 2000 minority population data indicates a substantial increase in total minority population to the point where whites now represent less than 50% of the total population.

**Population by Tract Income Level, 2000 vs 1990
City of Boston**

Tract Income Level	2000 Number of Tracts	2000 Total Population	2000 % of Total Population	1990 Number of Tracts	1990 Total Population	1990 % of Total Population	Change in Number of Tracts	Change in Total Population
Low	44	156,016	26.5%	39	104,169	18.1%	5	49.8%
Moderate	61	248,688	42.2%	74	273,884	47.7%	-13	-9.2%
Middle	39	138,224	23.5%	37	145,085	25.3%	2	-4.7%
Upper	12	45,573	7.7%	6	48,809	8.5%	6	-6.6%
NA	1	640	0.1%	13	2,336	0.4%	-12	-72.6%
Total	157	589,141	100.0%	169	574,283	100.0%	-12	2.6%
Memo: Low & Moderate Combined	105	404,704	68.7%	113	378,053	65.8%	-8	7.0%

**Population by Race, 2000 vs 1990
City of Boston**

Race/ Ethnicity	2000 Total Population	2000 % of Total Population	1990 Total Population	1990 % of Total Population	Change in Total Population
Black	140,305	23.8%	137,756	24.0%	1.9%
Hispanic	85,089	14.4%	59,692	10.4%	42.5%
Asian	44,280	7.5%	30,060	5.2%	47.3%
Other	27,906	4.7%	7,317	1.3%	281.4%
White	291,561	49.5%	339,458	59.1%	-14.1%
Total	589,141	100.0%	574,283	100.0%	2.6%
Memo: Minority Combined	297,580	50.5%	234,825	40.9%	26.7%

**Census Tract Racial Composition, 2000 vs 1990
City of Boston**

Predominant Racial Composition	2000 Number of Tracts	2000 Total Population	2000 % of Total Population	1990 Number of Tracts	1990 Total Population	1990 % of Total Population	Change in Number of Tracts	Change in Total Population
Minority	45	160,434	27.2%	43	132,984	23.2%	2	20.6%
Mixed	71	283,563	48.1%	48	171,330	29.8%	23	65.5%
White	41	145,144	24.6%	78	269,969	47.0%	-37	-46.2%
Total	157	589,141	100.0%	169	574,283	100.0%	-12	2.6%

The federal regulators have directed banks to begin using the 2000 U.S. Census data as they compile their small business lending data for 2003. As a result, the use of updated 2000 income data in future MCBC studies on small business lending is expected to correspond with next fall's release of our 2003 study.

C. BUSINESS DATA

The third major type of data used in this report is aggregate data on the number of firms. Dun & Bradstreet (D&B) Corporation compiles information on the number and size of business firms down to the census tract level for use with PCI Service's CRA Wiz software. For the purposes of all calculations involving 2002 and 2001 lending data throughout this report, the business demographic data is for the year 2002 and 2001, respectively. For the purposes of all calculations involving 1998 through 2000 lending data, the business demographic data is for the year 1998.

Although D&B is the standard source of business data used in the analysis of small business lending data, there are at least two reasons to be cautious in drawing conclusions on the basis of D&B counts of businesses:

- The D&B data report substantially different numbers of businesses from those reported in other data sources such as the US Census Bureau and American Business Information. The discrepancy between these sources suggests that counting businesses is an inexact science and that any total should be regarded as no more than a rough approximation.
- A substantial fraction of the businesses included in the D&B data continue to not report revenue data.

For the city of Boston, the number of firms data for 2002 showed a 15% increase in firms with revenues under \$1 million and a 35% increase in total firms compared to the 2001 data. The reported number of small firms in the city of Boston increased as much or more in low and moderate income census tracts from 2001 to 2002 than in higher income census tracts. The number of small firms

increased 18% in low income tracts, 19% in moderate income tracts, 19% in middle income tracts, and 14% in upper income tracts.

For the Boston MSA, the number of firms data for 2002 showed a 15% increase in firms with revenues under \$1 million and a 34% increase in total firms compared to the 2001 data. The reported number of small firms in the Boston MSA increased nearly as much in low and moderate income census tracts from 2001 to 2002 as they did in higher income census tracts. The number of small firms increased 16% in low income tracts, 14% in moderate income tracts, 15% in middle income tracts, and 17% in upper income tracts.

The number of firms data for 2002 that is utilized in the lending rate calculations contained in this study is identified on the following pages.

1. Number of Firms Data – City of Boston, 2002

Category (No. of Tracts)	Total Number of Firms	Number of Small Firms
A. By Income Level		
Low (38)	4,340	2,975
Moderate (71)	11,265	7,823
Middle (34)	6,069	4,241
Upper (7)	1,923	1,267
Cent Bus Area (14)	15,115	10,499
Total (164)	38,712	26,805
B. By Racial Composition		
Minority (42)	3,750	2,565
Mixed (44)	8,469	5,905
White (64)	11,378	7,836
Cent Bus Area (14)	15,115	10,499
Total # (164)	38,712	26,805
C. By Race & Income Level		
Minority & Low-Mod (42)	3,750	2,565
Mixed & Low-Mod (38)	6,986	4,905
Mixed & Mid-Upper (6)	1,483	1,000
White & Low-Mod (29)	4,869	3,328
White & Mid-Upper (35)	6,509	4,508
Total # (150)	23,597	16,306
D. By Neighborhood		
Allston-Brighton	3,077	2,097
Back Bay-Beacon Hill	3,511	2,510
Central	11,604	7,989
Charlestown	931	624
East Boston	1,468	1,082
Fenway-Kenmore	1,567	1,080
Hyde Park	1,132	817
Jamaica Plain	1,945	1,361
Mattapan	952	667
North Dorchester	850	588
Roslindale	1,153	816
Roxbury	1,968	1,330
South Boston	2,435	1,619
South Dorchester	2,062	1,468
South End	2,806	1,921
West Roxbury	1,251	836
City of Boston	38,712	26,805

2. Number of Firms Data – Boston MSA, 2002

Category (No. of Tracts)	Total Number of Firms	Number of Small Firms
A. By Income Level		
Low (48)	6,916	4,779
Moderate (157)	30,118	21,717
Middle (316)	99,285	72,768
Upper (157)	60,601	42,405
Cent Bus Area (14)	15,115	10,499
Total # (692)	212,035	152,168

3. Number of Firms Data – Surrounding Cities & Towns, 2002

Town	Total Number of Firms	Number of Small Firms
Arlington	2,172	1,630
Belmont	1,548	1,166
Braintree	2,714	2,018
Brookline	3,892	2,845
Cambridge	8,203	5,535
Canton	1,776	1,198
Chelsea	1,446	1,007
Dedham	1,679	1,232
Everett	1,630	1,177
Lynn	2,884	2,160
Malden	2,415	1,727
Medford	2,572	1,925
Milton	1,144	823
Needham	2,544	1,733
Newton	6,920	4,806
Quincy	4,458	3,294
Randolph	1,353	944
Revere	1,614	1,222
Saugus	1,478	1,114
Somerville	3,062	2,230
Waltham	4,305	2,957
Watertown	2,130	1,533
Wellesley	2,618	1,853
Weston	830	523
Westwood	1,125	767
Weymouth	2,589	1,976
Winthrop	751	561
Totals	69,852	49,956

4. Number of Firms Data – Surrounding Towns Low- and Moderate Tracts, 2002

Town	Total Number of Firms	Number of Small Firms
Arlington	214	160
Cambridge	3,067	2,017
Chelsea	1,375	962
Everett	1,188	835
Lynn	2,039	1,518
Malden	611	445
Medford	157	115
Quincy	812	588
Revere	1,183	900
Somerville	1,847	1,344
Waltham	747	546
Total	13,240	9,430

GLOSSARY

Bank

For the purpose of this report, the term bank includes savings banks, savings and loan associations, and cooperative banks, as well as commercial banks.

Census Tract

Census tracts are the basic geographical unit used in the US decennial census. A census tract typically contains between 3,000 and 5,000 residents. The tables shown in this report exclude census tracts for which median family income data was not available in the 1990 Census (five in the city of Boston and 19 in the Boston MSA).

Central Business Area

The 14 census tracts that make up the “Central” and “Back Bay/Beacon Hill” Planning Districts. These 14 tract have been separated out of many of the tables in this report. The distinctive nature of these fourteen tracts is shown by the fact that they are home to only 7.3% of the city’s population, but contain 44.0% of its total businesses and received 43.7% of total small business loan dollars in the city in 2002.

Failure to separate out the tracts in the Central Business Area would greatly affect the lending rates calculated for low income and minority census tracts. The most dramatic example of this is that businesses located in the Central Business Area’s *two* low income census tracts generally receive more loans than businesses located in the other *thirty-six* low income tracts in the city. Failure to separate out the Central Business Area would also have a great impact on the lending rates calculated for minority and mixed census tracts in the city.

CRA – Community Reinvestment Act

The Community Reinvestment Act is a federal law intended to encourage depository institutions to help meet the credit needs of the communities in which they operate. The law places particular emphasis on lending in low and moderate income areas. The law also requires banks to report information on small business loans including info on the annual revenue of the business, loan amount, and the census tract where the business is located.

Income Level

For the purposes of this report, and consistent with the CRA, census tract income levels are determined by dividing the median family income of a given census tract into the median family income of the MSA in which the tract is located. Income levels are broken down into low, moderate, middle, and upper income categories where low is 50% or less of the MSA median, moderate is 50% to 80%, middle is 80% to 120%, and upper is 120% or more. In dollar terms (based on 1990 Census data), low is less than \$24,344, moderate is between \$23,344 and \$38,950, middle is between \$38,950 and \$58,426, and upper is above \$58,426. As noted, this report uses median family income data from the 1990 U.S. Census per the federal bank regulators’ guidelines for the 2002 CRA small business loan data.

Lending Rates

The report applies four different measures of lending rates, expressed in terms of lending per 100 firms, to compare lending activity across different geographical areas. These lending rates are calculated based on the following: (1) the total number of small business loans, (2) the total dollar amount of small business loans, (3) the number of loans to firms with annual revenues of less than \$1 million, and (4) the dollar amount of loans to firms with annual revenues of less than \$1 million. For the purposes of the report’s findings, discussion is generally limited to the fourth measure of lending rates.

Market Share

Market share is determined by dividing lender totals into the comparable totals for all CRA reporters in a specified geographic area. It is important to note that many lenders are not obligated to report their small business lending activity under the CRA regulation and are therefore not included in the market share totals included in this report. The CRA law does not apply to private finance companies – it applies only to federally-regulated depository institutions. In addition, the law exempts small banks (those with assets under \$250 million) from the small business loan reporting requirement.

Minority

For the purposes of this report, minority population is determined by subtracting the white non-Hispanic population from the total population of a given geographic area. Minority census tracts are defined as those with more than 75% minority residents, white census tracts are those with more than 75% white non-Hispanic residents, and mixed-race census tracts are all others – that is, those where the percentages of white and minority residents both fall between 25% and 75%.

Neighborhood Designations

Census tracts were assigned to Boston neighborhoods/Planning Districts as follows:

Allston-Brighton:	0001.00 – 0008.02
BackBay/Beacon Hill:	0105.00 – 0108.00 & 0201.00 – 0202.00
Central:	0203.00, 0301.00 – 0305.00, & 0701.00 – 0702.00
Charlestown:	0401.00 – 0408.00
East Boston:	0501.00 – 0512.00
Fenway/Kenmore:	0101.01 – 0104.02
Hyde Park:	1401.01 – 1404.00
Jamaica Plain:	0808.00 – 0812.00, 1201.00 – 1202.00, & 1204.00 – 1207.00
Mattapan:	1001.00 – 1003.00 & 1009.00 – 1011.02
North Dorchester:	0907.00 – 0915.00
Roslindale:	1101.02 – 1105.02 & 1106.02
Roxbury:	0801.00 – 0803.00, 0807.00, 0813.00–0821.00, 0901.00–0906.00, 0924.00, 1101.00, 1101.01 & 1203.00
South Boston:	0601.00 – 0614.00
South Dorchester:	0916.00 – 0923.00 & 1004.00 – 1008.00
South End:	0703.00 – 0712.00 & 0804.00 – 0806.00
West Roxbury:	1106.01 & 1301.00 – 1304.02

Some members of MCBC’s Economic Development Committee maintain that Mattapan as understood by its residents is better represented by just four of the eight tracts listed above: 1010.01, 1010.02, 1011.01, & 1011.02.

Planning Districts

A term used by the Boston Redevelopment Authority to define the 16 neighborhoods and communities that comprise the city of Boston.

Small Business Loan

For the purposes of the CRA and this report, small business loans are defined as commercial loans of \$1 million or less. These loans may be to firms of any size although the data usually indicates how many loans and dollars went to businesses with gross annual revenues of \$1 million or less. Loans are reported in three size categories: less than \$100,000, between \$100,000 and \$250,000 and between \$250,000 and \$1 million. This report considers only origination and renewal activity; purchased loans are not included in the analysis.

Small Firms

A term used throughout this report to refer to firms with annual revenues of \$1 million or less.