

BUSINESS ACCESS TO CAPITAL AND CREDIT

A Federal Reserve System Research Conference

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Notice

The papers included in this volume are to be considered working papers. They are reproduced here to make them available to scholars and practitioners with a serious interest in topics related to business access to capital and credit. While many of the papers are in preliminary form and will be received for publication elsewhere, some of the papers in this volume have, subsequent to the conference, been accepted for publication in leading academic journals. The works here should be cited as working papers and considered preliminary drafts of any subsequent publication. Although all papers have been screened for relevance to the subject matter of the conference, they have not been subjected to a rigorous refereeing process nor edited for form or content by the Federal Reserve. This proceedings is available at various Federal Reserve System websites. A listing of these websites is provided in Chapter VII.

PREFACE

The availability of business capital and credit is an essential component of healthy communities. Research on the relationship between small business and credit providers can provide information that is critical for dynamic markets.

*Alan Greenspan
Chairman, Board of Governors
of the Federal Reserve System*

The Community Affairs Officers of the Federal Reserve System are pleased to present the proceedings of the *Business Access to Capital and Credit* conference, held March 8 and 9, 1999, in Arlington, VA. The proceedings include papers or summaries of the papers presented by distinguished economists and scholars from across the country. Each paper is reviewed by one or more of the conference discussants, who have also done extensive research on the topic. We are grateful to the authors and discussants for sharing their findings on an important aspect of our free enterprise system.

This research represents the latest work in the field from academia, policy institutions, and the Federal Reserve System. The papers and the reviews offer fresh insight into the small business lending relationship, access to credit for minority-owned businesses, microenterprise lending, and credit scoring.

These proceedings are designed to further understanding of small business lending and credit issues among scholars, practitioners, and policymakers. We hope that future conferences and publications like this one will further encourage ongoing research and discussion of these and other topics related to community and economic development.