



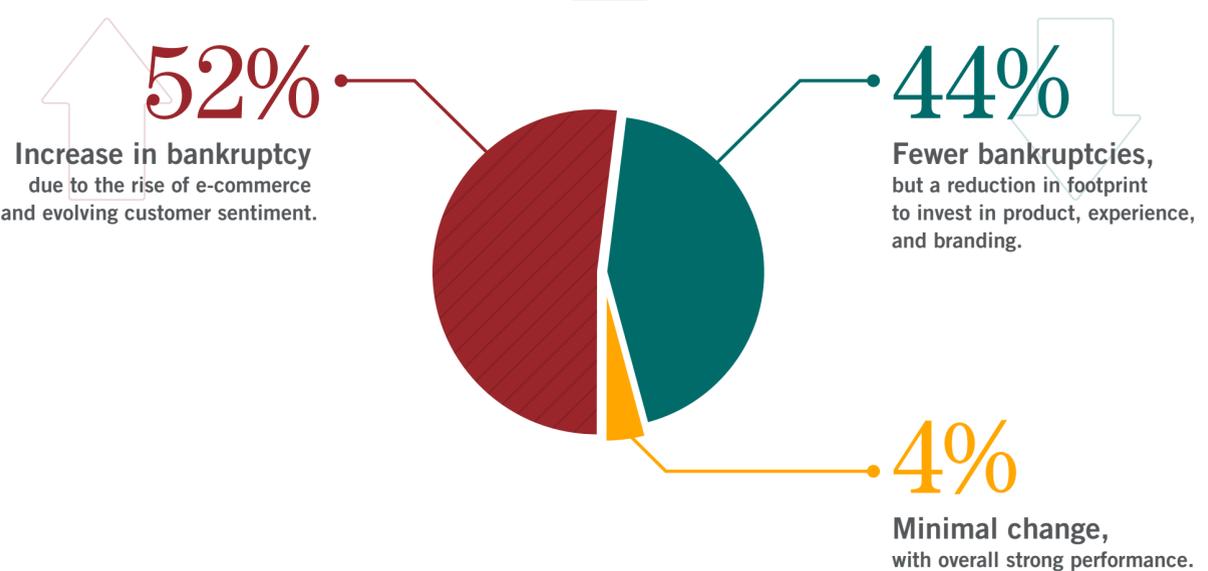
Lending Climate

IN AMERICA

For more than 20 years, Phoenix Management Services has administered a quarterly survey to lenders from commercial banks, finance companies, credit funds, and other lending institutions to **identify the latest economic issues, business drivers, and credit trends impacting lending in America.**

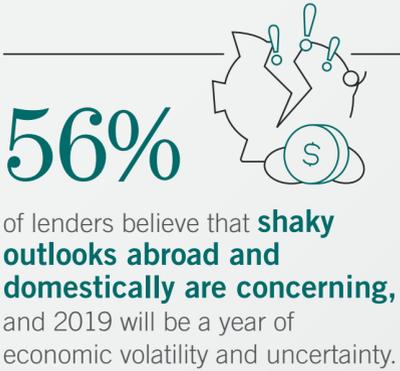
Top 5 Takeaways from the First Quarter 2019

1 Anticipated Brick-and-Mortar Retail Trends



Regardless of the outcome, nearly all lenders were in agreement that the brick-and-mortar retail industry would shift in 2019.

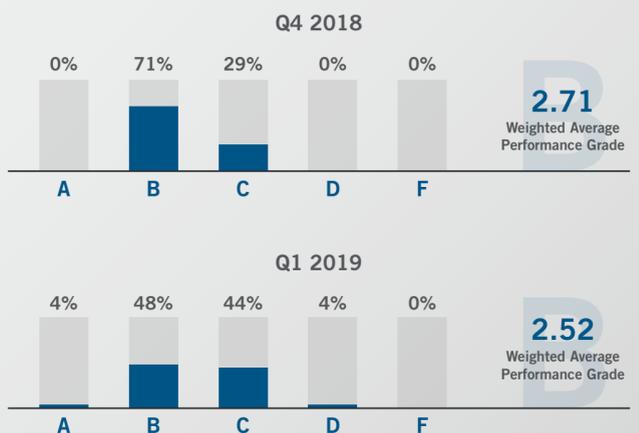
2 Economic Outlook



Despite employers adding 304,000 jobs in January 2019, the largest monthly total in nearly a year, **lenders believe that the shaky economic outlook in Europe and China, and the long-lasting U.S. government shutdown, will inhibit U.S. economic growth in 2019.**

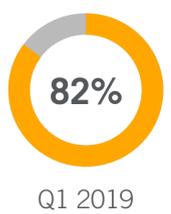
3 U.S. Economy Near-Term Performance Grade

The U.S. economy performance grade continued to decrease in Q1 2019, dropping an additional 19 percentage points after a 37 percentage point GPA drop between Q3 2018 and Q4 2018.



4 Top 3 Industries Projected to Experience Near-Term Volatility

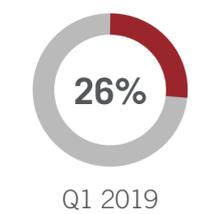
Retail Trade



Construction



Manufacturing



Far more than any other industry, **retail trade** was selected by nearly all lenders as **one of the top industries to experience volatility over the next 6 months.**

5 Predictions of GDP Growth

Economic forecasts place the U.S. GDP growth at 2.3% in 2019. Do you agree with this prediction?



In 2018, U.S. GDP growth was nearly 3%. Despite this, **trade tensions, previous Fed rate increases, slowing global growth, and other economic indicators have led the majority of lenders to agree with the forecasted, decreased GDP rate.**

The Q1 2019 lending survey continued the trend from Q4 2018 of decreasing confidence in the U.S. economy. In particular, the retail industry is anticipated to take a hit, with projections anticipating a shift in brick-and-mortar retail.

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For over 30 years, Phoenix has provided smarter, operationally focused solutions for middle market companies in transition. Phoenix Management Services® provides turnaround, crisis and interim management, specialized advisory and operational implementation services for both distressed and growth oriented companies. Phoenix Transaction Advisory Services® provides quality of earnings, management/organizational review, business integration, sell-side business preparation and other transaction related support. Phoenix Capital Resources® provides seamless investment banking solutions including M&A advisory, complex restructurings and capital placements. Phoenix Capital Resources is a U.S. registered broker-dealer and member of FINRA and SIPC. Proven. Results. For additional information visit our website or email marketing@phoenixmanagement.com.



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