

Small Business Administration
Office of Entrepreneurial Development



Impact Study of Entrepreneurial Development Resources

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The statements, findings, conclusions, and recommendations found in this study are those of the authors and do not necessarily reflect the views of the Office of Entrepreneurial Development, the United States Small Business Administration, or the United States Government.

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FOREWORD

Concetrance would like to thank the SBA Office of Business and Community Initiatives and SBA's Office of Entrepreneurial Development Program Offices: Small Business Development Centers, Women-owned Businesses, and SCORE for their assistance in conducting this research. Both headquarter offices and local ED Resources spent considerable effort to ensure that clients from each center were represented in the data collection. The rich dataset that now exists is in no small measure due to these efforts.

The following individuals contributed to the development of this report:

- ◆ Dr. George Solomon- Senior Policy Advisor, SBA Office Of Business and Community Initiatives; Associate Professor, George Washington University
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I. INTRODUCTION

The Small Business Administration’s (SBA) Office of Entrepreneurial Development (ED) designed a multi-year time series study to assess the impact of the programs that it offers to small businesses. This study is part of the process of meeting the President’s Management Agenda and subsequent evaluative processes such as the Office of Management and Budget’s (OMB) Program Assessment Rating Tool (PART) evaluation. SBA contracted with Concentrance Consulting Group to assist in administering the study, to analyze the findings and to write this report. This report presents the findings of three separate study groups as shown in the table below; the 2006 clients’ initial attitudinal assessment of their counseling experience, as well as a follow-up of the long-term financial impact on the FY2004 and FY2005 clients.

	Study Year 2005	Study Year 2006	Study Year 2007
FY2004 Clients	Initial Survey	First Follow-up	Second Follow-up
FY2005 Clients		Initial Survey	First Follow-up
FY2006 Clients			Initial Survey

This study measures attitudinal assessments, perceptions of improvement in management/marketing skills, and business growth for firms that utilized SBA’s ED Resources during the fourth quarter of FY2004, FY2005, and FY2006. The ED Resources include: Small Business Development Centers (SBDCs), SCORE, and Women Business Centers (WBCs).

This report includes:

- Research questions
- Executive Summary
- Methodology
 - Sampling, data collection, and response rate
 - Survey administration
 - Data analysis
 - Analysis of non-response
 - Follow-Up
 - Limitations
- Findings: Initial Economic Impact Study
 - Impact of Total ED Resources (FY2004 - FY2005 - FY2006)
 - Regression Analysis
 - Perception of impact of SBDC resources FY2006
 - Perception of impact of SCORE resources FY2006
 - Perception of impact of WBC resources FY2006
 - Qualitative Analysis of free-form letters, notes and comments sent in by clients
- Findings: Follow-Up Study of FY2004 and FY2005 ED Resource Clients
- Research Summary and Recommendations

The appendix includes the distribution of responses for each survey question, and sample survey instruments.

Research Questions

The following questions were the focus of this study and are addressed in the findings section of this report. The last two questions, #6 & #7, posed for study by the SBA are addressed in the Follow-Up Study, which addresses time series analysis and requires multi-year data.

1. What is the demographic, financial, and business profile of firms who utilize SBA ED Resources?
2. Is there a relationship between the services/assistance provided by SBA ED Resources (SBDC, SCORE and WBC) and the client's perception of the usefulness and value of the usefulness and value of the services/assistance received?
3. Is there a relationship between the services/assistance provided by SBA ED Resources (SBDC, SCORE and WBC) and the client's decision to start a small business?
4. Is there a relationship between the services/assistance provided by SBA ED Resources (SBDC, SCORE and WBC) and the client's decision to implement and/or change management and/or marketing practices in their business?
5. Are the services/assistance provided by SBA ED Resources (SBDC, SCORE, and WBC) having an impact on the client's financial position in terms of job creation, job retention and sales?

Follow-Up Study of 2004 and 2005 ED Resources:

6. Based on a comparison of the total ED Resources with the Panel Study of Entrepreneurial Dynamics (PSED), what is the impact of ED Resource assistance on firm survival?
7. What is the financial impact of services/assistance provided by SBA ED Resources as a whole in terms of job creation, job retention and sales?

II. EXECUTIVE SUMMARY

The Small Business Administration’s (SBA) Office of Entrepreneurial Development designed a study to assess the impact of its Entrepreneurial Development (ED) Resource assistance on small business clients and hired Concentrance Consulting Group to conduct this study. This report presents our findings of the initial attitudinal impact study of 2006 clients and a follow-up study showing the financial impact on 2004 and 2005 clients.

ED Resource Clients Studied

Three ED Resource Partners were studied comprising:

- Small Business Development Centers (SBDCs),
- SCORE, and
- Women Business Centers (WBCs).

Within each ED Resource, three small business client segments were studied including:

- Nascent - Those individuals who have taken one or more positive steps to start a business;
- Start-up - Those individuals who have been in business six months or less;
- In-Business – Those individuals who have been in business more than six months and are classified as small by the SBA.

For the 2006 clients who responded to the initial impact study we analyzed the perception of the impact of ED Resource assistance on demographic groups: gender, race/ethnicity and veteran status, as well as the relationship of these groups to the impact of ED Resource assistance, and we assessed the survival rates and financial growth of 2004 and 2005 clients through 2007.

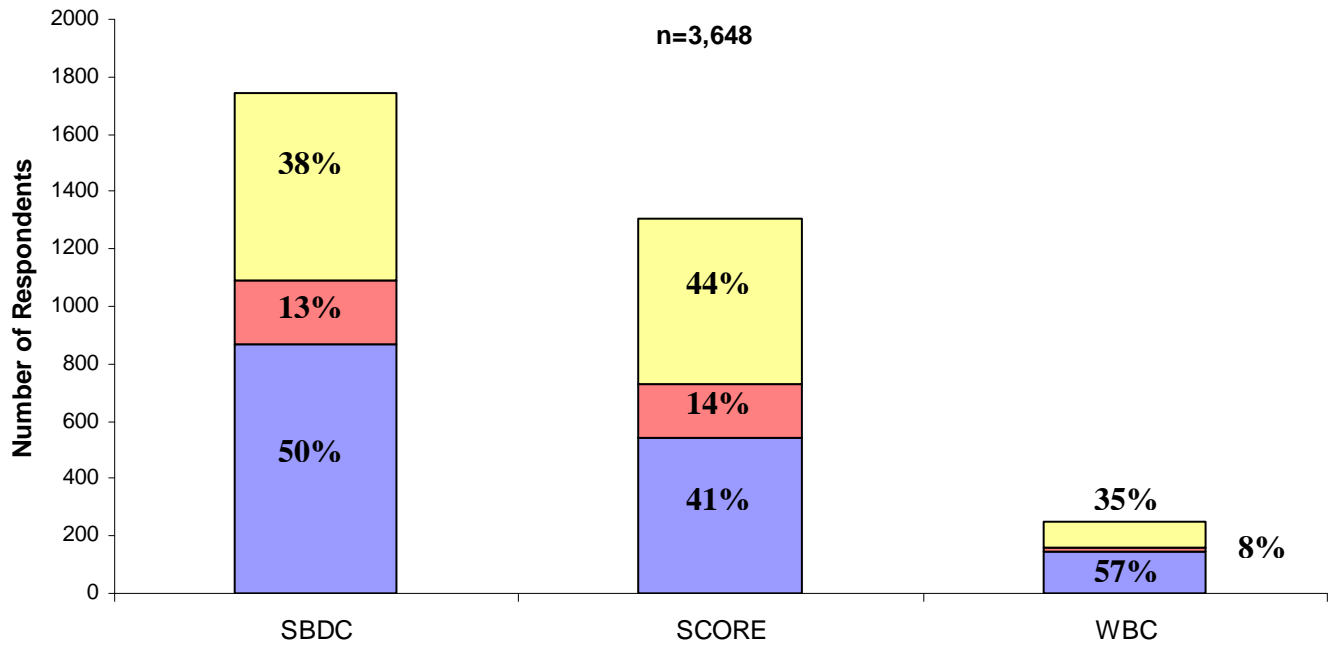
Quantitative Findings (Initial Impact Study 2006)

Data were collected, coded, and analyzed for 3,648 respondents with an overall response rate of 23%. The table below provides the number of respondents and the business segment composition of each ED Resource.

ED Resource Center	Stratified Sample Size	Usable Sample Size ¹	Surveys Received	Response Rate
SBDC	11,804	10,100	1,927	19%
SCORE	7,048	4,532	1,453	32%
WBC	1,439	1,233	268	22%
Total	20,291	15,865	3,648	23%

¹ The usable sample size comprises stratified sample minus surveys noted as undeliverable by mail or telephone due to incorrect contact information.

Distribution of Respondents by Segment (FY2006 Clients)²



Segment	In-Business	Start-up	Nascent	Total
SBDC	865	224	654	1743
SCORE	539	188	578	1305
WBC	143	20	86	249

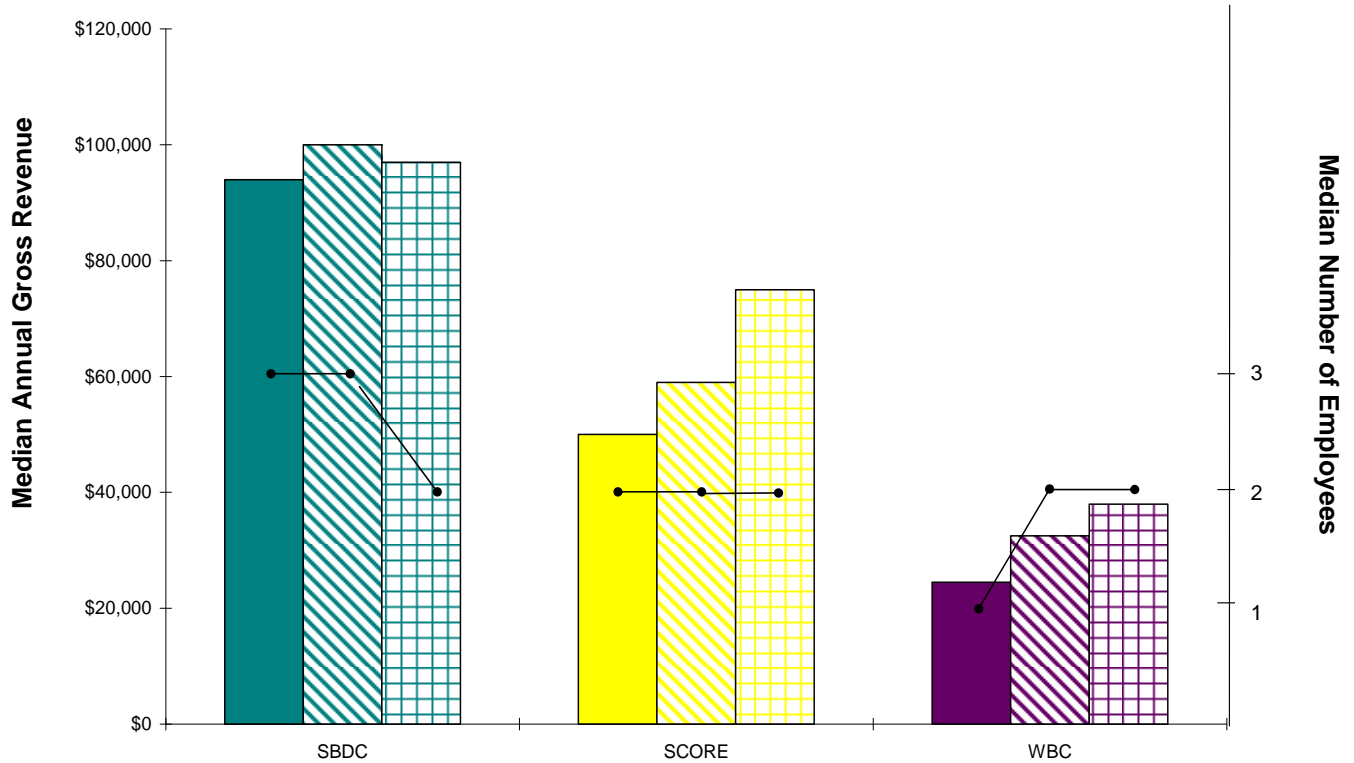
The 2004 clients who responded in 2006 were resurveyed to determine financial impact after two years in terms of financial growth and firm survival rates. Their response rate was 17%. The 2005 clients who responded in 2006 were resurveyed to show financial impact and firm survival rates after one year and their response rate was 11%.

Client Year	Stratified Sample Size	Useable Sample Size	Follow-Up	Surveys Received in 2007	Response Rate
2004	430	405	2 nd	67	17%
2005	3,482	3,242	1 st	363	11%

² Respondents (351) who reported being in business but who did not provide a valid start date for that business, were not assigned to a business segment.

The financial profile of client firms by ED Resource revealed that the 2006 SCORE and WBC clients reported higher revenues than those of past years; however 2006 SBDC clients reported lower revenues than in 2005.

- The reported revenue for SCORE and WBC clients has consistently increased over the past three years, while SBDC clients experienced a decrease in revenue during 2006.



■ Revenue 2004	\$94,000	\$50,000	\$24,500
▨ Revenue 2005	\$100,000	\$59,000	\$32,500
▩ Revenue 2006	\$97,000	\$75,000	\$38,000
● Employees 2004	3	2	1
● Employees 2005	3	2	2
● Employees 2006	2	2	2

Clients served in 2006 had a diverse client base with findings similar to past years regarding demographic and business characteristics.

- The total ED Resource client base consisted of: females (52%), Black/African American (12%), Veteran (10%), Hispanic/Latino (8%), Asian (4%), American Indian/Native Alaskan (3%), and Native Hawaiian/Pacific Islander (1%).³
- The majority of 2006 clients (31%) were between the ages of 45-54.
- African-American owned firms reported high increases in their number of employees, while every other group decreased their number of employees.
- The primary business industries for 2006 clients remained the same as past years: retail (15%) and services (14%).
- The highest revenues by gender were reported by male firm owners; the highest by race/ethnicity were reported by Hispanic/Latinos followed by Hawaiian/Pacific Islanders and Whites. Veteran and Service Disable Veterans reported significantly higher revenues than in past years.

2006 client respondents gave significantly higher ratings (76%) to the usefulness of the assistance they received. This figure was 64% in 2006 and had been decreasing since 2004.

- Other usefulness ratings include: decision to start (40%) or not to start a business (13%), impact on changes to management practices, impact on increasing sales (26%), hiring new staff (12%), and increase in profit margins (20%).
- Twelve percent of 2006 clients reported that changes made after counseling had an impact on retaining current staff. This figure has been steadily decreasing over the study years.

Although client reported perceptions of each ED Resource were similar for the most part, there were some key differences.

- Approximately 65% of WBC Start-up clients reported that assistance was helpful in their decision to start a business, which is a substantially larger than the 48% of SCORE clients who found their assistance to be helpful in starting a business.

³ These results were compared to national averages and proved to be very similar, with the exception of the Hispanic/Latino group whose national average is 12%.

Compared to last year, WBC clients reported the lowest ratings for assistance with the decision to start a business.

- SBDC Nascent respondents reported the highest ratings (80%) usefulness of the information they received from their counselor, compared to 70% of both SBDC and WBC Nascent respondents.
- An astounding 55% of WBC Start-ups reported that WBC assistance resulted in their hiring new staff compared to 7% for SCORE Start-ups, 13% of SBDC Start-ups, and 12% for all ED Resource clients. It should however be noted that the sample of WBC Start-ups is much smaller than the other groups.

Unlike previous study years, clients' demographic characteristics such as race and ethnicity were significant determinants of the client's perception of the decision to start a business, and the perception of the client's business having a positive financial impact.

- African American and Latino firm owners reported lower levels of perceived assistance with starting a business and lower financial impacts than their counterparts.
- As shown in previous years, perceived usefulness and financial impact declines with age.

Findings from an analysis of longitudinal surveys of ED Resource clients in 2004 and 2005 suggest that ED Resource assistance has a substantial impact on firm survival and growth. However, it appears that current economic conditions are beginning to affect small business revenue and employment.

- More than 90% of Start-up and In-Business firms in the 2004 and 2005 follow-up samples remained in business after one year.
- In the past year, revenues and employment for 2004 clients have declined since their first follow-up. This is consistent with other economic indicators, which reflect a downturn over this time period.

Qualitative Findings

- A few clients from each ED Resource provided ad hoc commentaries in letter form or in the form of hand written note on the survey instrument. The number of hand written responses was much smaller this year.
- Comments were both positive and negative for each ED Resource.

Recommendations

- Add data instructions that include a cut-off point for revenues.
- Add a data field to record information regarding the amount of time spent in counseling.

Methodology

The initial study of FY2006 clients was quantitative in nature, based upon responses to mail and telephone surveys. Statistical analyses utilized frequency distributions, average comparisons, cross tabulations, and regression models.

The initial survey of 2006 clients resulted in a respondent sample of 3,648. ED Resources provided Concentrance with a random sample list (proportionately distributed across ED Resources) of 20,291 clients served during the fourth quarter of 2006. Surveys were mailed to each client and mailed again to non-respondents within thirty days. Phone surveys were attempted for clients who did not respond to mail surveys. According to statistical tests, there was no evidence of bias due to non-response, therefore mail and phone surveys were analyzed together.

Regression analyses were used to test for the impact of client demographics on the outcomes of the ED Resources. Each regression model examined the impact of selected demographic characteristics (age, gender, race, ethnicity and veteran status) and firm characteristics (size, business segment, and ED resource) on a particular resource impact. These impacts included: perceived usefulness of ED resource assistance, the decision to start a business, and perceived impact on sales.

The respondent sample for the second follow-up survey of 2004 clients was 67. The respondent sample for the first follow-up of 2005 clients was 363. We used the matched sample to perform pairwise statistical tests that compare changes in growth and business segment to other groupings. We examined the revenue and employment growth for ED resource clients by comparing SBA data to that of the PSED and the NFIB Small Business Survey Monthly Report.

Limitations to consider when interpreting these results include:

- Measures of ED Resource impacts are attitudinal rather than objective, however objective data on financial outcomes are harder to collect;
- Many respondents did not report revenue data;
- Outcomes do not include consideration of the amount of assistance received since ED Resource utilization is not measured, and
- Financial and growth outcomes for the follow-up group should be viewed with caution due to the small sample sizes.

III. METHODOLOGY

This report contains findings from the FY2006 Initial Impact Study of ED Resources and the Follow-Up Study of the FY2004 and FY2005 clients who participated in the Initial Impact Studies of 2005 and 2006, respectively. The methodology for the 2006 Initial Impact Study, which reveals clients' attitudinal assessments of their counseling experience, is presented first, followed by the methodology for the 2004 and 2005 client Follow-Up Studies which reveal the long-term financial impact on the client firms.

Sampling and Data Collection

We examined the research questions by SBA ED Resource and by clients in various stages of business formation:

- Nascent - Individuals who have taken one or more steps to start a business
- Start-up - Individuals who have been in business six months or less
- In-Business – Individuals who have been in business more than six months and are classified as small by the SBA

The sampling distribution is shown in Table 3.1. It represents the distribution of clients served in 2006 across ED Resources. This sample provides a statistically significant number of respondents by ED Resource. To determine if the sample size for this study was sufficient, sample size was computed on the basis of reported sales revenues. The sample size of 3,648 is sufficiently large enough for accuracy within plus or minus \$35,000 in reported annual sales revenues at a 95% confidence level.⁴

Table 3.1 below depicts the distribution of surveys across ED Resource and the response rates by ED Resource. The overall response rate was 23%, which is consistent with response rates found in other surveys of entrepreneurs. For example, Aldrich and Baker (2000) found that nearly a third of surveys of entrepreneurs had response rates below 25 %.⁵ In another example, the National Federation of Independent Business (NFIB) has a response rate of 25 % in its Survey of Small Business Economic Trends (Dennis 2003).⁶

Table 3.1 – Sampling Frame

ED Resource Center	Stratified Sample Size	Usable Sample Size	Surveys Received	Response Rate
SBDC	11,804	10,100	1,927	19%
SCORE	7,048	4,532	1,453	32%
WBC	1,439	1,233	268	22%
Total	20,291	15,865	3,648	23%

⁴ This assumes a standard deviation of annual revenues of \$1,000,000.

⁵ Aldrich, Howard E. and Ted Baker (2000), "Blinded by the Cites: Has there been any progress in entrepreneurship research?" in *Entrepreneurship 2000*, ed. Donald L. Sexton and Raymond L. Smilor, Chicago: Upstart Publishing, p. 377-400.

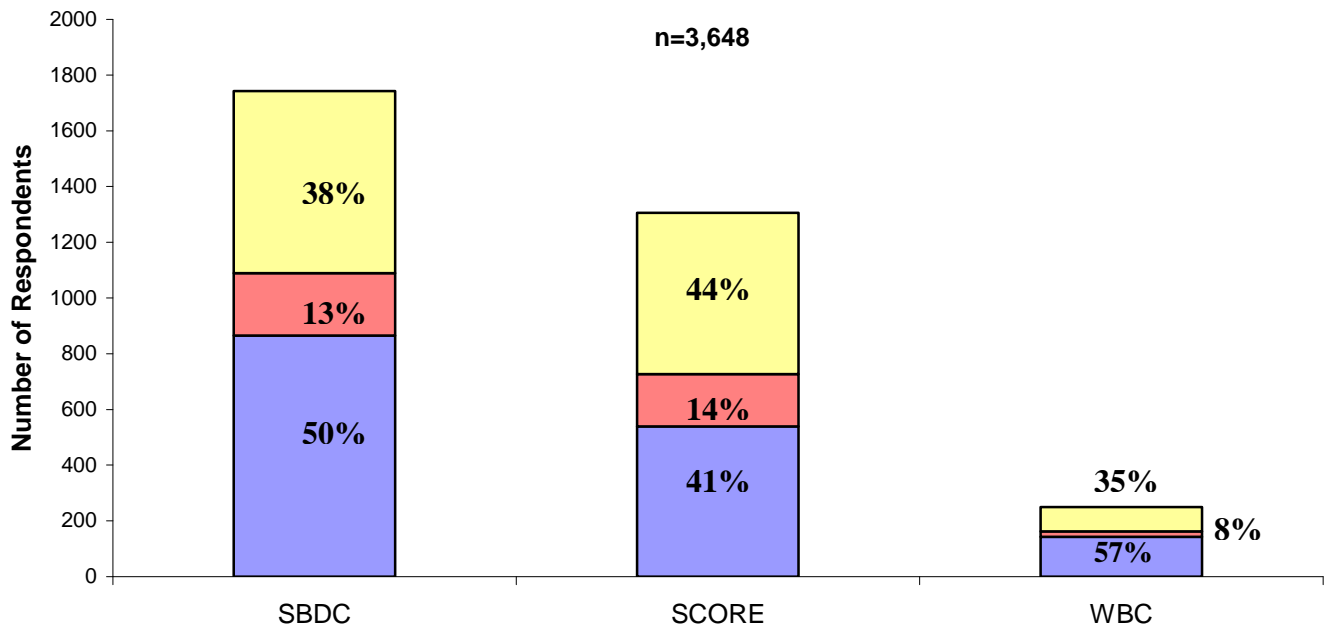
⁶ Dennis, William J., Jr. (2003), "Raising response rates in mail surveys of small business owners: Results of an Experiment," *Journal of Small Business Management*, July, 41(3), pg. 278




Survey Administration

Concurrence developed a random sample table for each ED Resource. SBA ED Resource personnel, using the random sample table, selected clients served within the fourth quarter of FY2006. See Appendix 3 for survey instrument. Concurrence printed, and mailed SBA’s cover letters and survey instruments, approved by OMB. All surveys were computer-coded with client codes to ensure that a second mailing was sent to non-respondents within 30 days of the initial mailing and that information would remain confidential. Concurrence logged-in all received surveys, entered the survey data into a database for analysis and developed an electronic database list of non-respondents for telephone follow-up.

Figure 3.1 shows the distribution of respondents by resource and business segment. The In-Business segment was the largest segment served for all resources. The Start-up segment is considerably smaller than the other segments in part because of the narrow definition of Start-ups (firms that have been in business for 6 months or less) and in part because a valid start date for the business must be available to identify this segment.

FIGURE 3.1 – Distribution of Respondents by Segment (FY2006)



	Nascent	654	578	86
	Start-up	224	188	20
	In-Business	865	539	143
	Total	1743	1305	249

Data Analysis

Analyses included the following methods: basic descriptive statistics, frequency distributions, cross tabulations and regression. Basic descriptive statistics were used for continuous variables, e.g. annual sales revenues. Frequency distributions were used for Likert scales where respondents answered on a scale of 1 to 5. Cross-tabulations were used to compare responses across resources and segments. Finally, multiple regression analyses were conducted to test for differences in key outcomes, such as perceived usefulness or financial impact of ED Resource assistance, based on demographic or firm characteristics. These analyses were selected in order to reflect the objectives of each research question and to facilitate the interpretation of the findings.

Analysis of Non-Response

SBA's research plan for this study included a methodology for estimating potential non-response. Non-response bias can occur in survey research if respondents differ substantially from those who do not respond. The best way to protect against this bias is to improve the response rate. An effective method for achieving high response rates is the use of follow-ups and reminders. In this study, non-response bias was minimized by the second mailing of the survey and further by telephone follow-ups to non-respondents.⁷

In addition, we assessed the extent and direction of potential non-response bias by studying the differences between those who responded and those who did not. Our approach was to conduct a phone survey of non-respondents. **A total of 602 phone surveys were conducted with mail non-respondents. The next step was to conduct a comparative analysis of the responses of the two groups.**

There is no evidence of bias due to non-response. Results of these analyses indicated that the differences between the mail and phone samples were not statistically significant. For example, mail and phone respondents did not differ significantly in terms of annual revenues or in terms of number of employees. Thus, responses from the mail and phone survey administrations were combined in all analyses.⁸

⁷ Research in this area suggests that the optimum number of follow-up mailings or reminders is two. James, Jeanine M and Richard Bolstein, "The Effect of Monetary Incentives and Follow-Up Mailings on the Response Rate and Response Quality in Mail Surveys," *Public Opinion Quarterly*, 54, Fall 1990, 346-61.

⁸ These findings were based on results of a one-way analysis-of-variance (ANOVA) to determine whether mail versus phone respondents differed significantly in terms of sales revenues ($F=0.51, p=0.4750$). This was a test of the null hypothesis that the average sales revenues were the same between these groups. A second ANOVA test was performed to determine whether mail versus phone respondents differed significantly in terms of number of employees ($F=0.30, p>0.5838$). This was a test of the null hypothesis that the average number of employees was the same between these groups. A p-value less than 0.05 would be evidence of significant differences between mail and phone respondents.

Follow-Up Study 2004 and 2005 – Sampling, Data Collection, and Analysis of Non-Response

We conducted a follow-up study of both 2004 and 2005 clients in order to evaluate the financial impact on these groups one year and two years after they were counseled by the ED Resources. Due to an extraordinarily low initial response rate, we conducted an extra round of telephone surveys this year. There were 430 clients from FY2004 who were contacted for a second follow-up in 2007. There were 67 respondents to this second follow-up, which represents a 17% response rate. Each of these respondents had valid client codes that could be matched on a one-to-one basis with the initial impact survey respondents. **Thus, for a sample of 67 clients, there were detailed data which could be tracked for two years.**

There were 3,482 clients from FY2005 who responded to the initial study conducted in 2006. The first follow-up of these respondents was conducted in 2007 and included 363 respondents. **Thus, for a sample of 363 clients, there were detailed data which could be tracked for one year.**

Table 3.2 shows the number of surveys received by ED Resource and the total response rates.

Table 3.2 – Follow-up Impact Study Clients

Client Year	Stratified Sample Size	Useable Sample Size	Follow-Up	Surveys Received in 2006	Response Rate
2004	430	405	2 nd	67	17%
2005	3,482	3,242	1 st	363	11%

The matched sample was used to perform pair-wise statistical tests that compared changes in growth by segment, ED Resource, and other groupings. Although there were few observations available for this analysis, findings provided a more precise estimate of changes in revenues and employment over time than aggregate, non-matched comparisons.

Limitations

There are several limitations that should be considered when interpreting the results presented in this report. These limitations are primarily posed by the research design and methodology.

- Measures included in this initial survey are primarily attitudinal and all items are self-reported. Thus, there are few objective measures that can be used to assess actual client performance or make comparisons with other data sources.
- Many respondents did not report revenue data, which is critical to measure growth from year-to-year. For example, out of Start-up and In-Business firms, approximately 62% reported zero revenues or did not report revenues. We excluded revenue responses greater than \$25 million from our analysis.
- Estimates of firm survival and growth over time should be interpreted with caution. Due to attrition, firms which have gone out of business may be under-represented.
- This survey does not measure ED Resource utilization. Thus, we cannot measure the relationship between the amount of assistance provided by ED Resources and key outcomes, such as financial impacts. In other words, these analyses cannot differentiate between clients who had limited contact with a counselor and clients who had more extensive assistance. This problem would be alleviated if the agency provided, for example, data on number of hours of assistance. The ability to conduct regression analysis, causal modeling, and other statistical measures of relationships are similarly limited.

IV. TOTAL ED RESOURCES COMBINED 2004 - 2005 - 2006

The following section presents comparison results of clients from FY2004, FY2005 and FY2006. First, the general demographic and financial characteristics of the total ED Resource respondents are presented. This is followed by additional findings on the impact of the total ED Resources on Nascent, Start-up and In-Business firms organized by research question, as follows:

- Is there a relationship between the services/assistance provided by ED Resources and the client's perception of the usefulness and value of the services/assistance received?
- Is there a relationship between the services/assistance provided by ED Resources and the client's decision to start a business?
- Is there a relationship between the services/assistance provided by ED Resources and the client's decision to implement and/or change management and/or marketing practices in their business?
- Is there a relationship between the services/assistance provided by ED Resources and the client's business having a positive financial impact on job creation and retention and increase in sales?

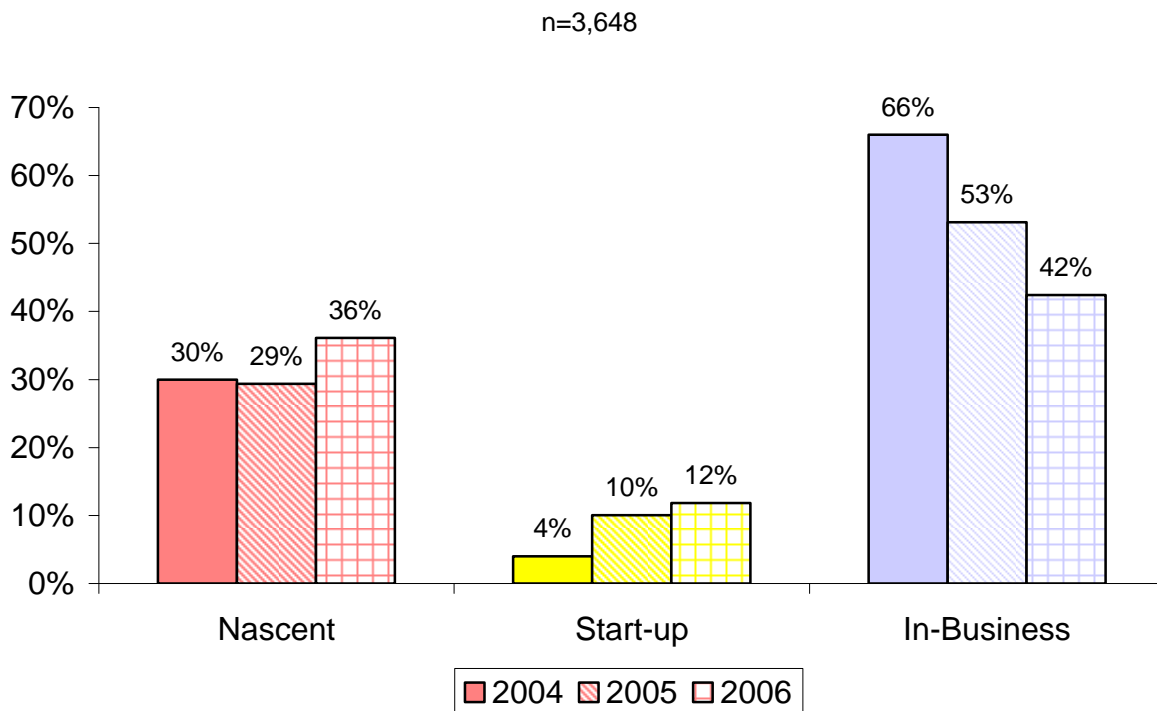
It is important to note that comparisons between 2004, 2005, and 2006 clients should be interpreted with caution. Cross-sectional data were collected from a different set of firms each year, and these firms were operating under different economic conditions. Cross-sectional research has limited usefulness for examining changes over time.

Demographic Characteristics of ED Resource Clients

This section describes the general demographic and financial characteristics of all ED Resource respondents who were served in FY2006. These results are based on an analysis of 3,648 completed surveys.

As shown in Figure 4.1, the largest business segment in 2006 that was served by ED Resources was the In-Business segment (42%). In 2005, 53% of clients were in this segment and in 2004, 66%. Nascent and Start-up segments have increased since last year. The In-Business segment however, has been steadily decreasing over the past three years.

Figure 4.1 – Total ED Resources – Client Segments Served



The median annual revenue for ED Resources clients was \$78,000

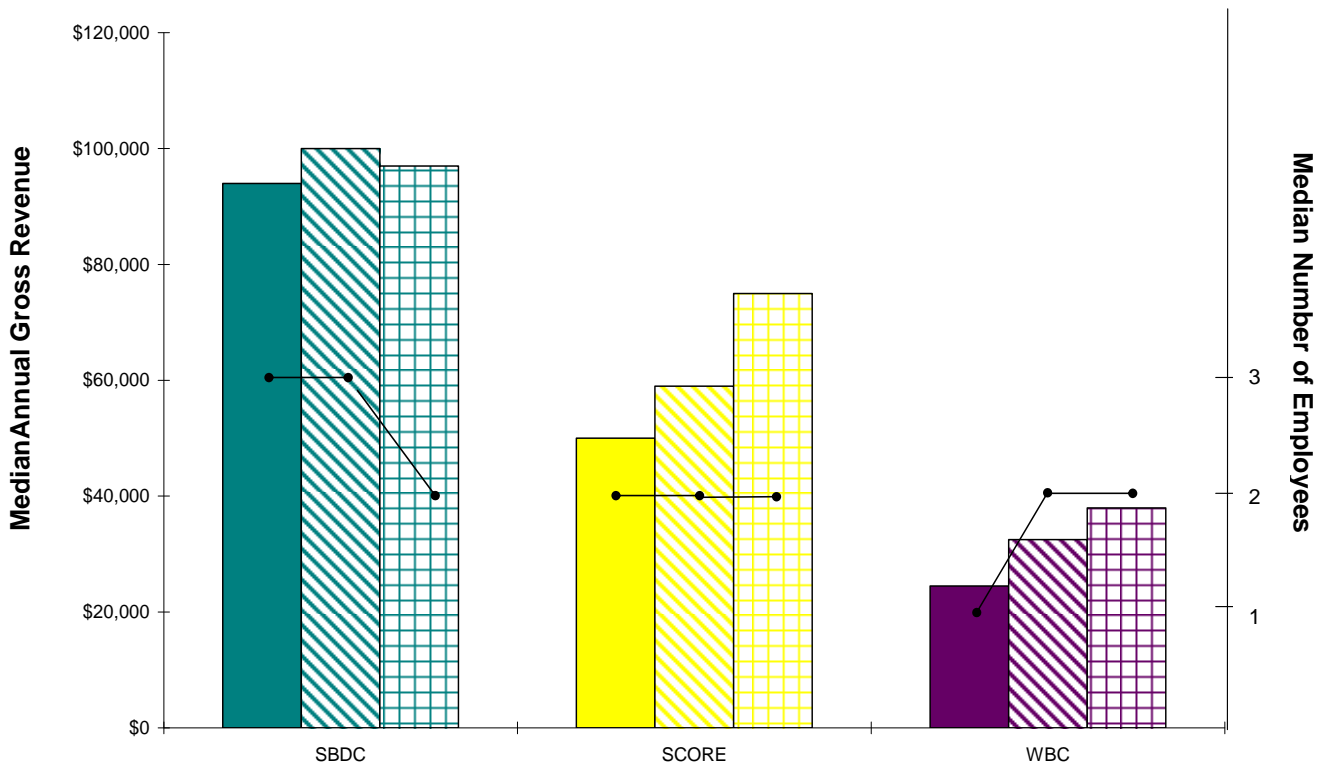
Table 4.1 – Total ED Resources-Revenues and Employment⁹ (FY2006)

	Total ED Resources
Median Revenue	\$78,000
Median Employees	2

⁹ Three firms who reported revenues of \$25 million or more were considered outliers and were omitted from revenue analyses.

ED Resources differed in terms of the size of firms they served, as shown in Figure 4.2. For example, SBDC clients were larger in 2006 than those served by WBC and SCORE, in terms of revenues. The number of SBDC clients' employees decreased from 2005 to 2006. SBDC clients also showed slightly lower revenue in 2006 than in 2005, whereas SCORE and WBC clients observed a continuous increase in revenues starting in 2004.

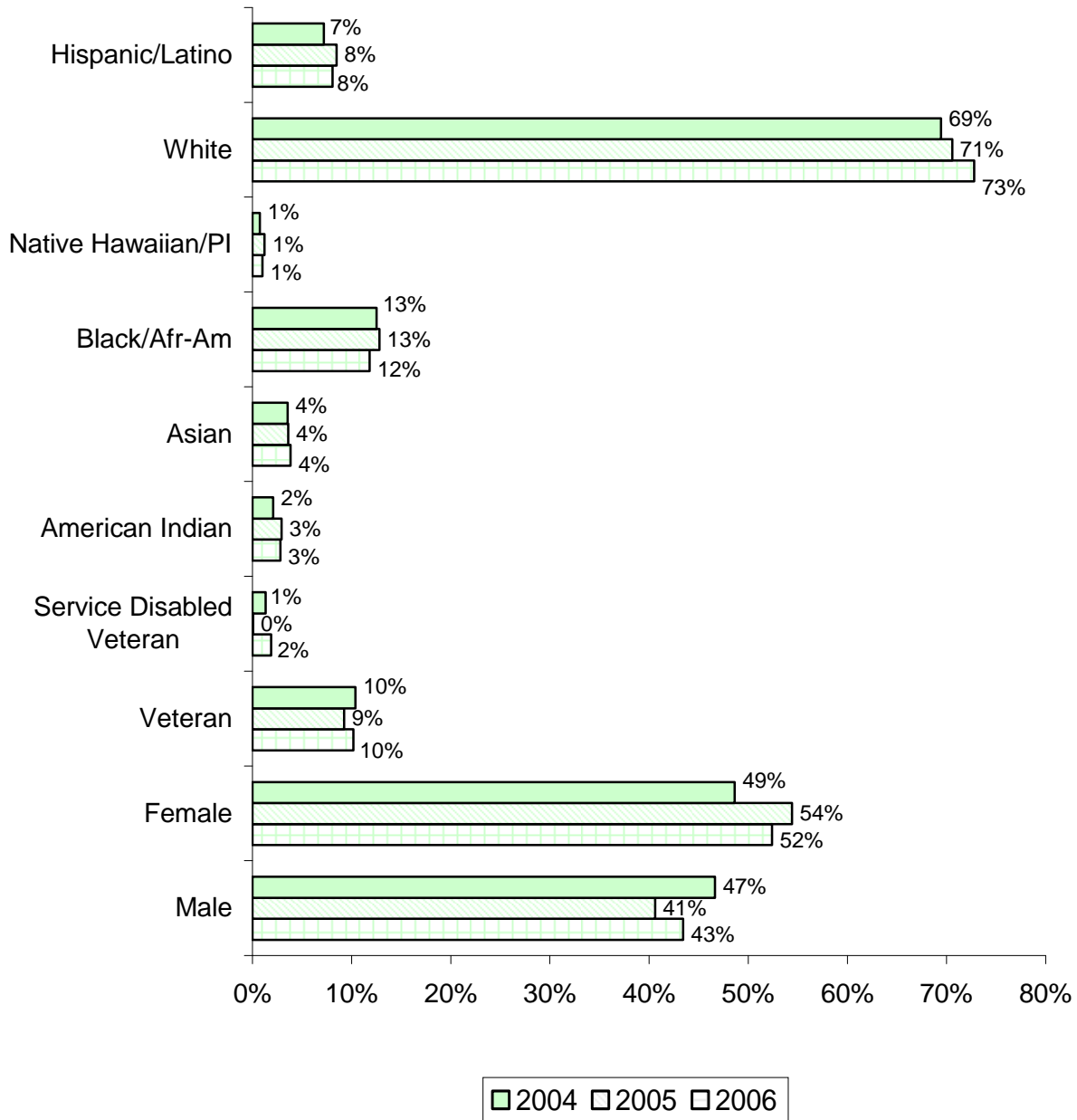
Figure 4.2 – ED Resources – Revenue and Employment



■ Revenue 2004	\$94,000	\$50,000	\$24,500
▨ Revenue 2005	\$100,000	\$59,000	\$32,500
▩ Revenue 2006	\$97,000	\$75,000	\$38,000
● Employees 2004	3	2	1
● Employees 2005	3	2	2
● Employees 2006	2	2	2

Demographic characteristics of ED Resource clients in terms of gender, race, ethnicity, and veteran status, are presented in Figure 4.3. Females represented 52% of the 2006 sample, 12% of respondents were African-American and 8% were Hispanic or Latino. Ten percent of respondents were veterans and 2% were service disabled veterans.

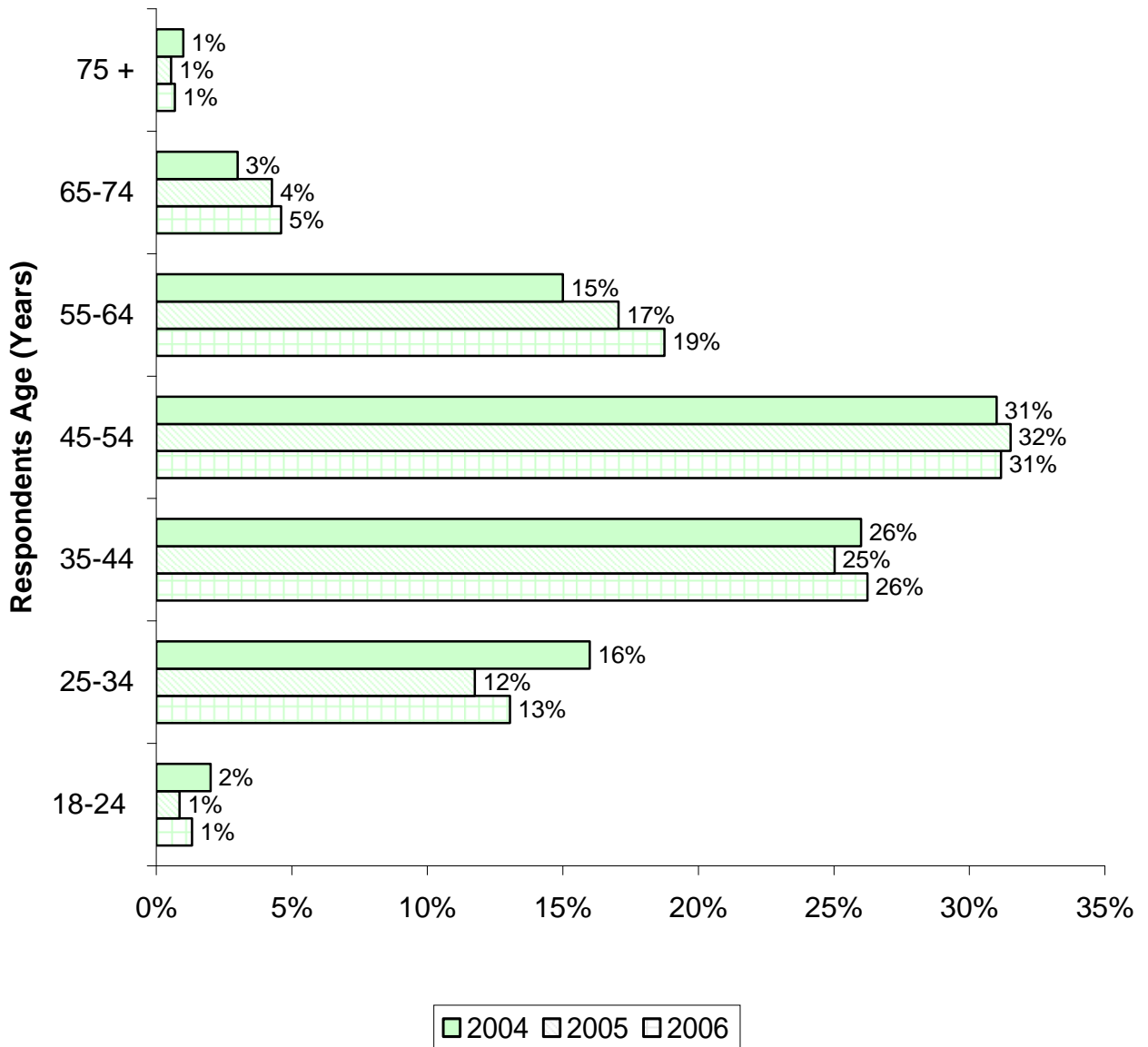
Figure 4.3 – Total ED Resources – Demographic Characteristics¹⁰



¹⁰ The total percentage might not equal 100 due to respondents who selected multiple ethnicities. The gender categories do not total 100% due to non-respondents.

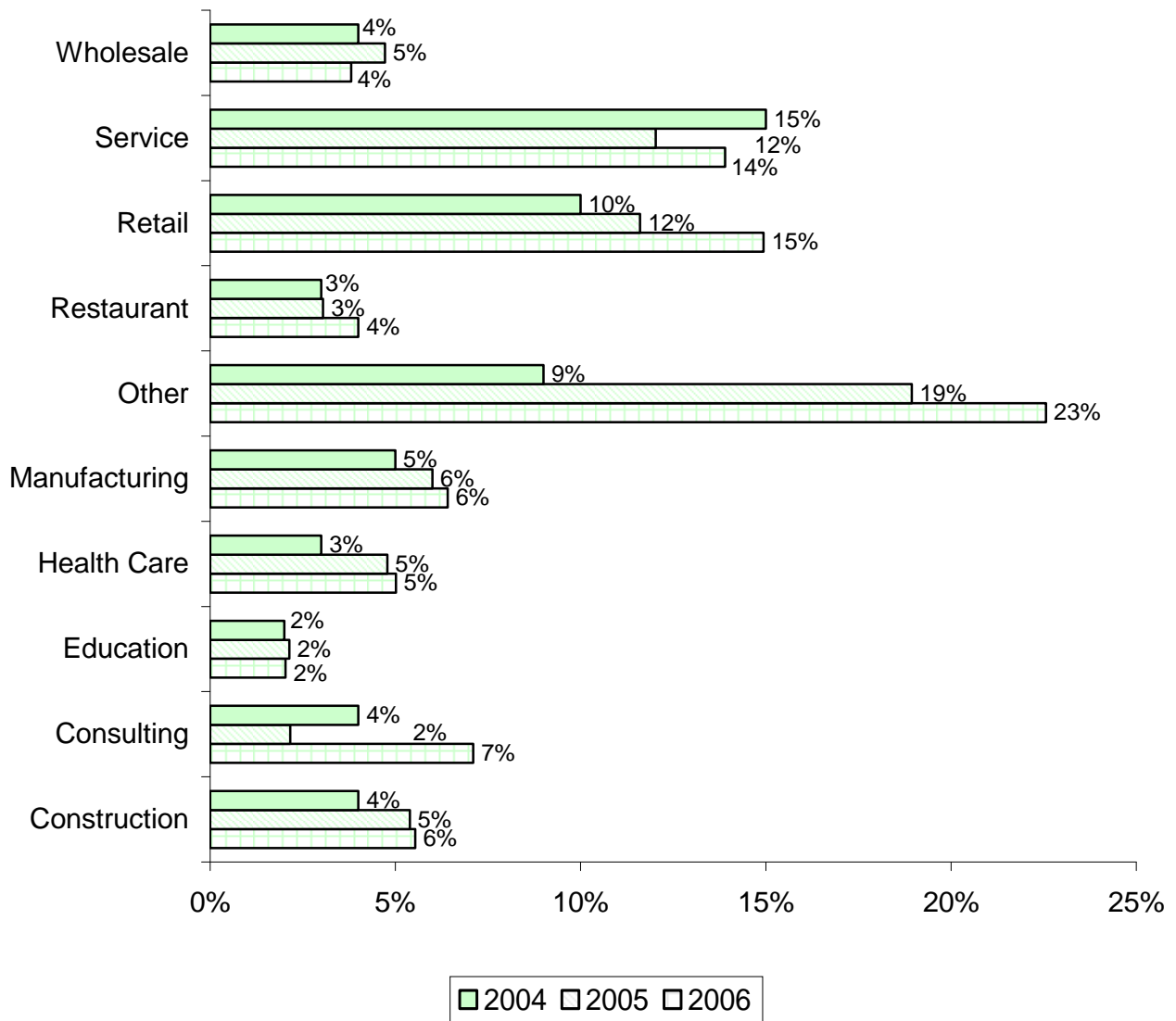
Figure 4.4 shows the distribution of ED Resource clients by age of the business owner. The largest groups of ED Resource clients were the 35 to 44 and 45 to 54 categories, 26 and 31 % respectively.

Figure 4.4 – Total ED Resources – Age of Business Owner (FY2006 Clients)



As shown in Figure 4.5, the two most common types of businesses, besides “other” businesses, served by ED Resources were service and retail businesses. These numbers are consistent with the top 2 employment sectors reported by the Bureau of Labor Statistics¹¹ (BLS), although the industry classifications are not identical. According to the BLS, the most common employment sectors in 2006 were retail and wholesale trade establishments (15 %) and professional and business services (13 %).

Figure 4.5 – Total ED Resources – Primary Business Type (FY2006 Clients)¹²



¹¹ Source: “Industry Employment,” *Occupational Outlook Quarterly*, U.S. Bureau of Labor Statistics, Fall 2007.

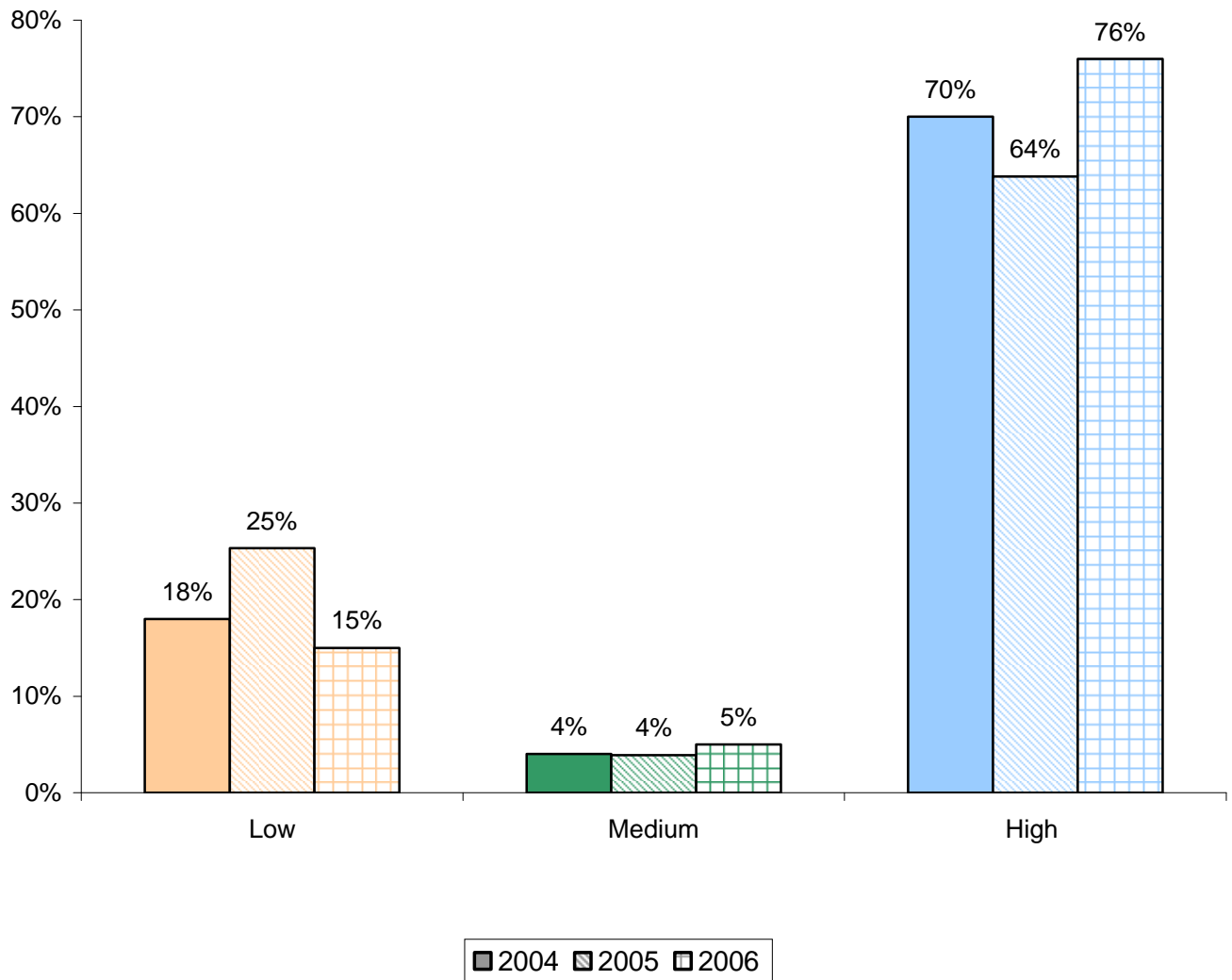
¹² Several large groupings were found to be present among those respondents who classified their business type as “Other”. These included multiple responses in food services not directly restaurant related, automotive services, art related professions, and beauty related professions. Due to non-responses and multiple business type selections, the total for all business types may not equal 100%.

Resource Impacts

Usefulness and Value of Services or Assistance Received

As shown in Figure 4.6, 76 % of 2006 ED Resource respondents combined reported that the information they received from their counselor was valuable. This shows a significant 12% increase compared to last year.

Figure 4.6 – Total ED Resources – How useful was the information you received?¹³

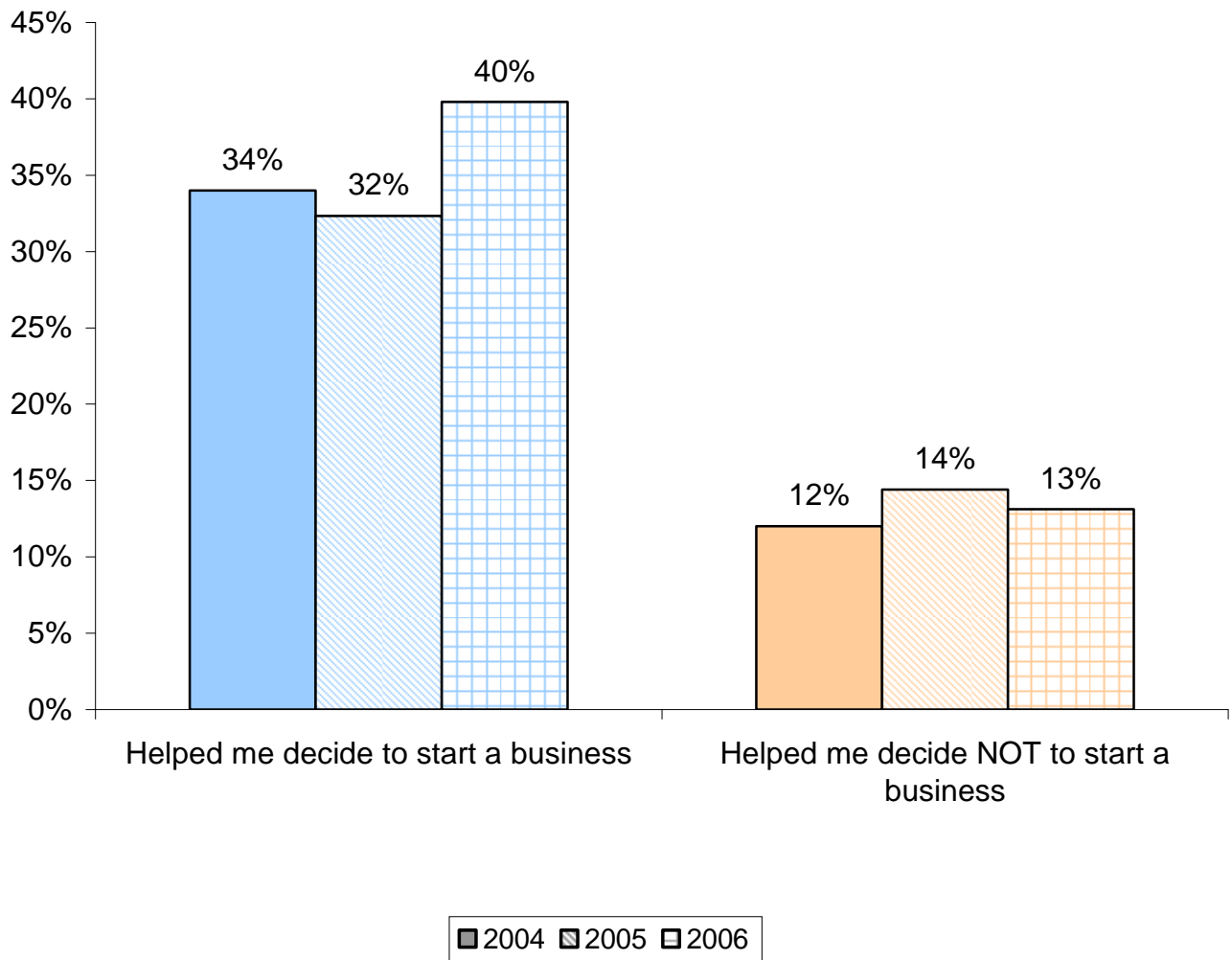


¹³ Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

Decision to Start or Not Start a Business

Figure 4.7 shows that ED Resources assisted clients in their decision to start a business for 40% of respondents. For 2005 clients, this number was 32% and in 2004, 34%. In addition, 13% of 2006's respondents reported that ED Resource assistance helped them decide not to start a business, which is lower than 2005 clients, 14%. In cases when individual entrepreneurs lack resources such as knowledge or expertise necessary to create a successful Start-up, the prevention of business failures is an important type of ED resource assistance. In particular, these activities are part of the SBA's strategic plan that calls for increasing the number and success of small business Start-ups, and maximizing the sustainability of existing small businesses¹⁴.

Figure 4.7 – Total ED Resources – Were these services useful in starting or NOT starting a business?¹⁵



¹⁴ “Enabling the Establishment and Viability of Small Businesses: Strategic Plan FY2003-FY2008,” U.S. Small Business Administration.

¹⁵ Helpful includes the ‘Very Useful’ and ‘Useful’ response categories only.

Clients' Decision to Change Management Practices

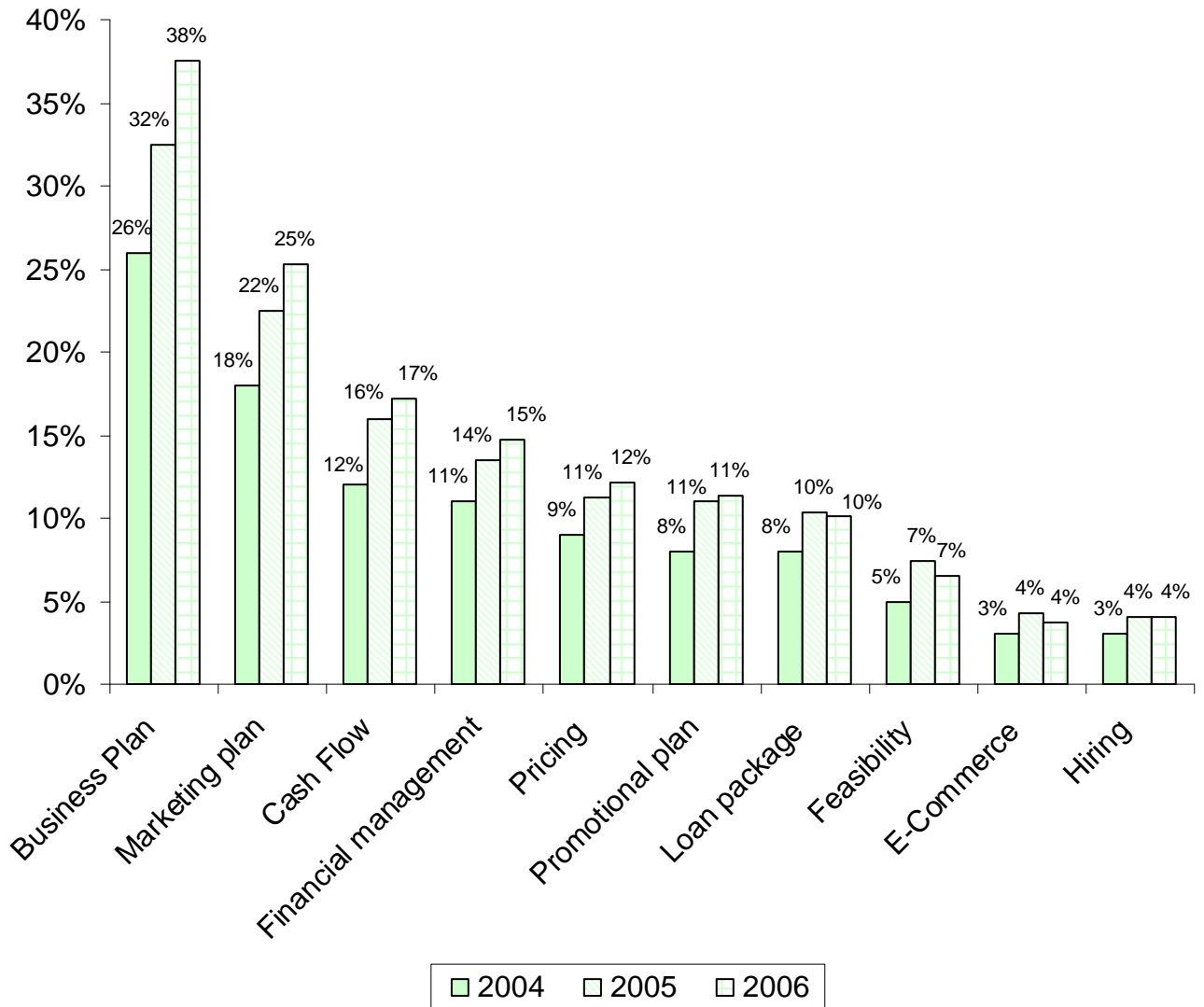
As a result of ED Resource assistance for 2006 clients, 49% of Start-up and 60% of In-Business firms changed their current management practices or strategies. The total ED Resource figures for 2006 clients are somewhat lower than those for 2005 clients.

Table 4.2 – ED Resources Impact on Managerial Practices

	2004 Changed current management practices/strategies	2005 Changed current management practices/strategies	2006 Changed current management practices/strategies
Total ED Resources	57%	56%	45%
Start Up	51%	55%	49%
In-Business	58%	59%	60%

Figure 4.8 shows the business functions that were changed as a result of ED Resource assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and financial management.

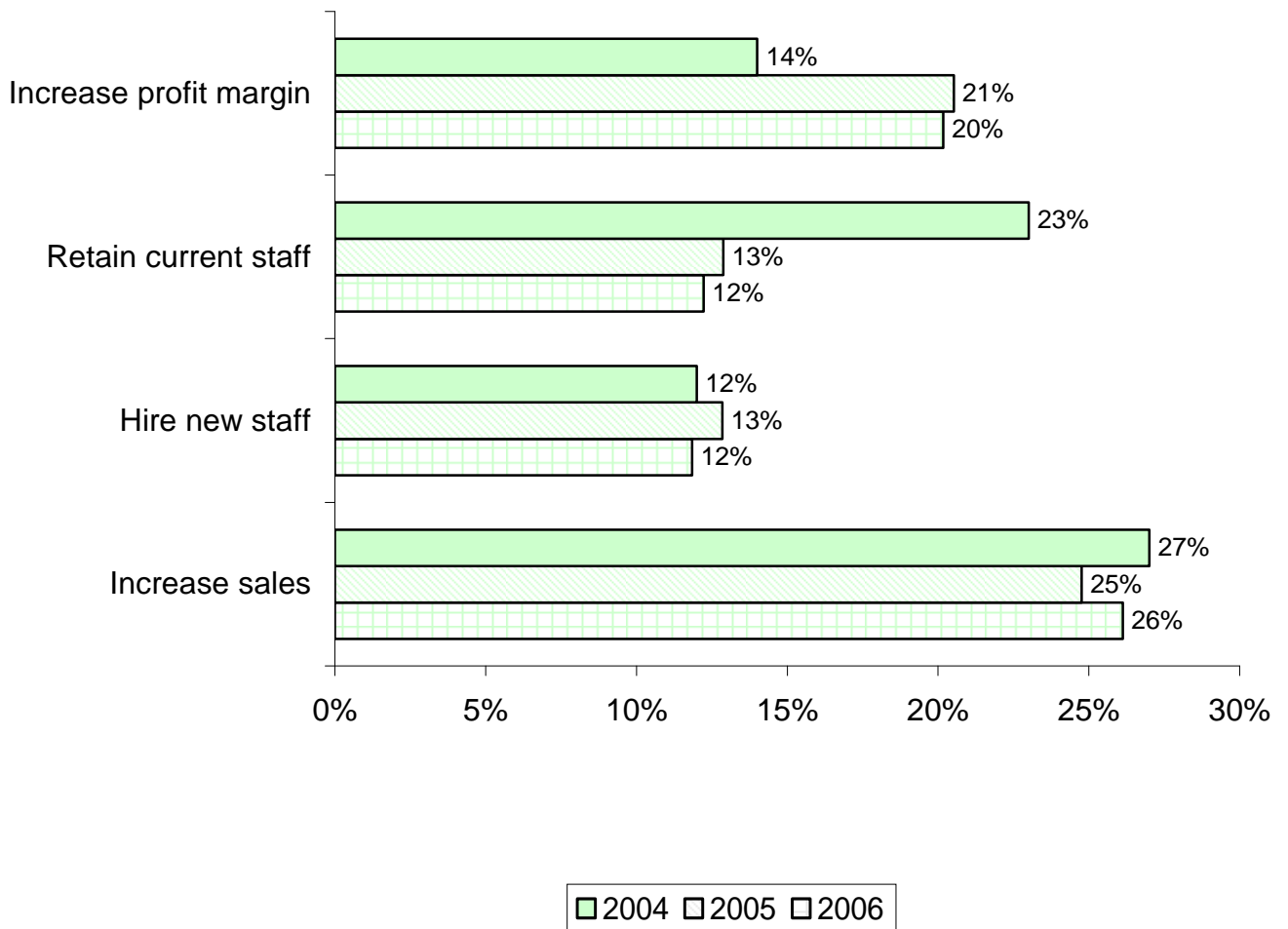
Figure 4.8 – Total ED Resources – Changes in Management Practices



Sales, Job Creation and Job Retention

Figure 4.9 presents findings on the attitudes toward financial impact of ED Resource assistance. For example, 26% of respondents reported that they were able to increase sales as a result of ED Resource assistance, and 12 % were able to hire new staff. The perceived impact of ED Resource assistance on retaining current employees has steadily decreased over the past three years. This may be attributed to downturns in economic conditions during the time of the study.

Figure 4.9 – Total ED Resources – How have these changes had an impact on your firm?



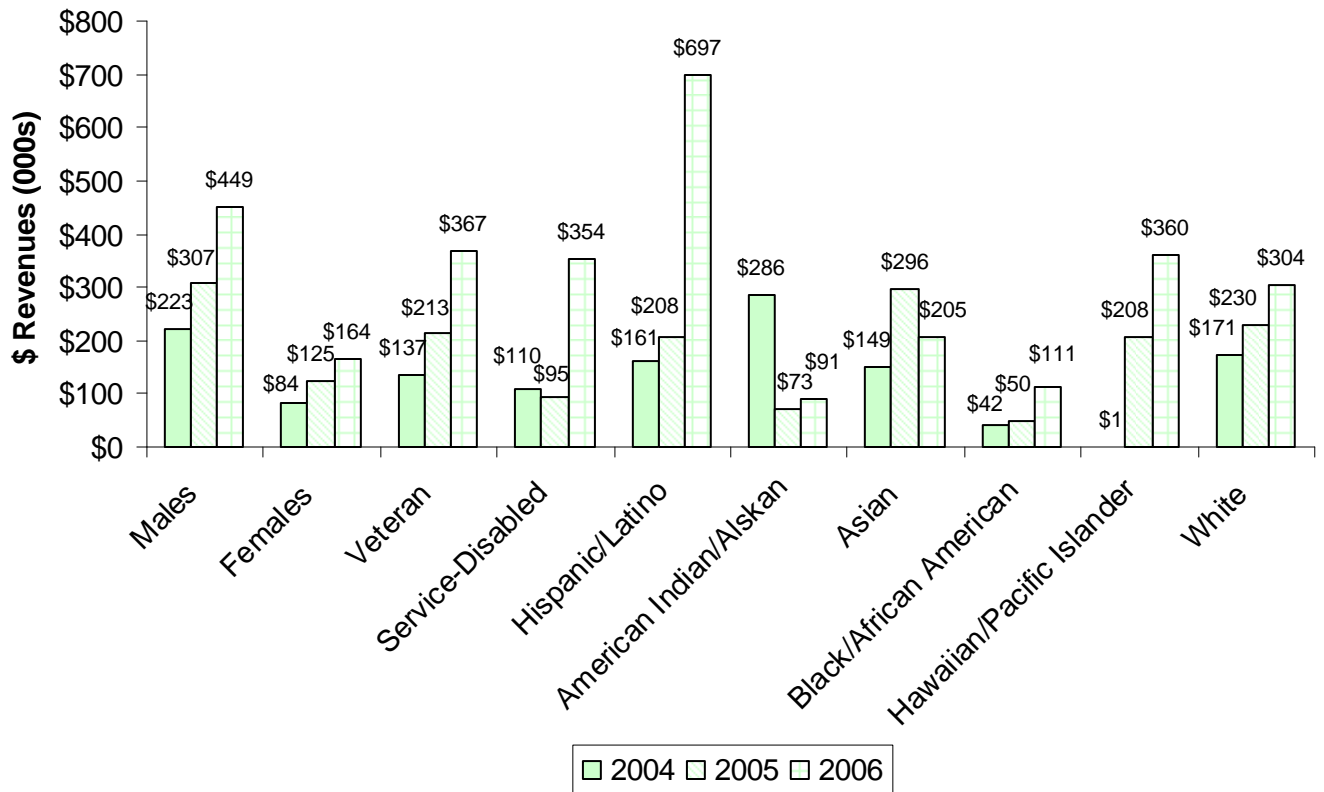
Cross-Sectional Demographic Analysis

This section compares revenues and employment for ED Resource clients by gender, race, ethnicity, and veteran status.

Figure 4.10 compares average revenues for firms in each demographic category. For example, this figure shows that women-owned and minority-owned firms (except for Hispanic/Latino and Hawaiian/Pacific Islander) tended to be smaller than firms owned by males or Whites.

The average women-owned business has \$163,764 in revenues compared to an average of \$448,521 for firms owned by men. In terms of minority-owned firms, average revenues for Hispanic/Latino-owned firms were \$697,014; \$360,438 for Native Hawaiian/Pacific Islander-owned firms; and \$111,197 for Black/African-American-owned firms.¹⁶ Veteran owned firms reported an increase in average revenues from approximately \$213,000 in 2005 to \$360,438 in 2006.

Figure 4.10 –Revenues (000s) for Firms in Selected Demographic Categories¹⁷

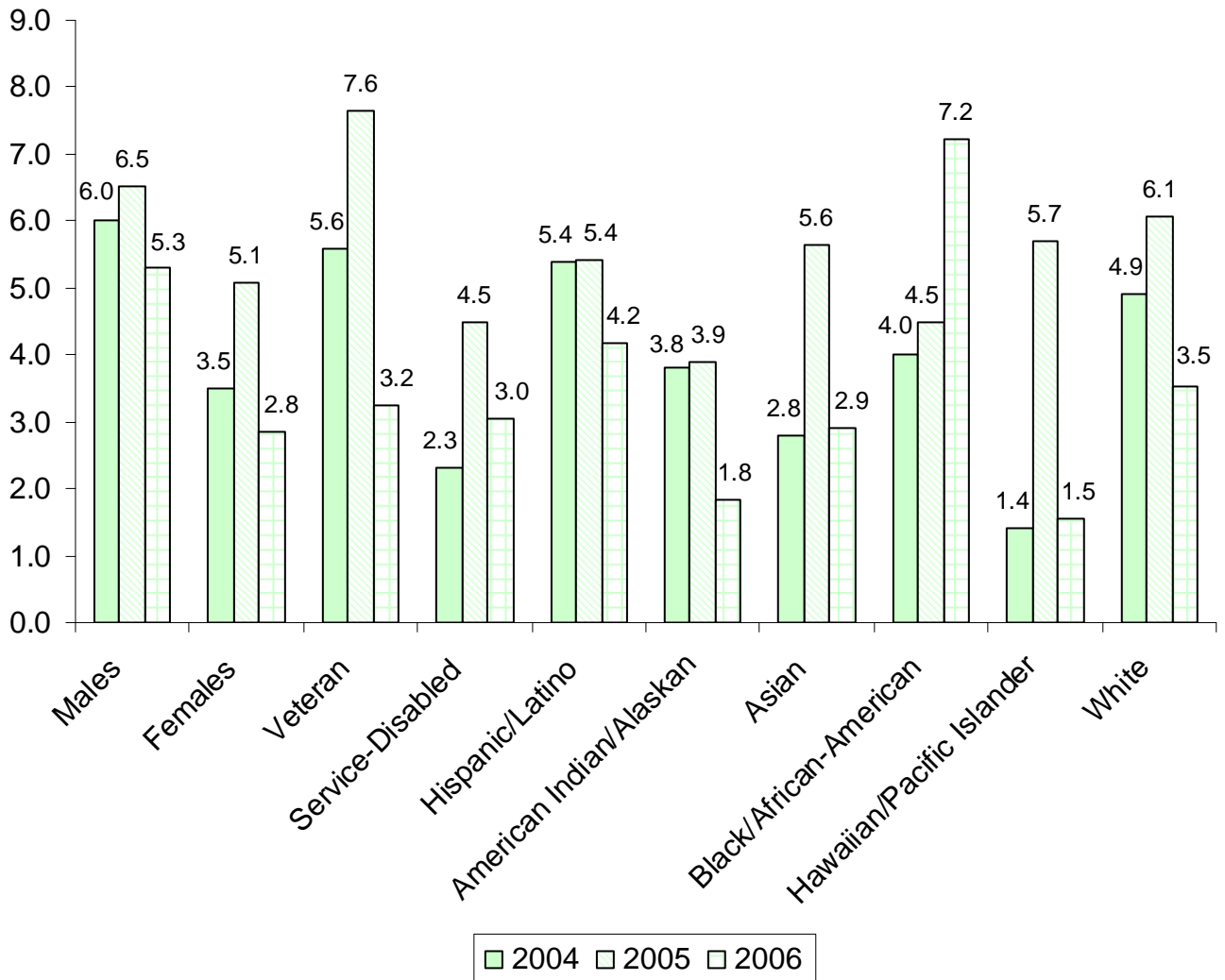


¹⁶ Of the 112 Hispanic/Latino firms that reported revenue, five firms reported figures between \$14 to \$24 million. This small number of firms creates the appearance of a significant increase in Hispanic/Latino firm revenues.

¹⁷ Firms who reported revenues of \$25 million were considered outliers and were omitted from revenue analyses.

Figure 4.11 compares employment by demographic category. Similar to revenues, women-owned businesses tended to have fewer employees than firms owned by males. Male, African-American and Hispanic/Latino-owned firms had more employees than other demographic categories. All the categories of businesses, except for African-American owned businesses, experienced a substantial decrease in number of employees in 2006 compared to 2005.

Figure 4.11 –Total Employees for Firms in Selected Demographic Categories



Regression Analysis: Effects of Gender, Race, Ethnicity, and Veteran Status on Key ED Resource Impacts

The following section presents findings from an analysis of the effects of firm demographic characteristics on ED Resource impacts. We report results from a series of multiple regression analyses. These were conducted to test whether respondents differ significantly in perceived usefulness, perceived assistance with the decision to start a business, and financial impacts of ED resource assistance based on selected firm (revenues, business segment, ED resource) and demographic (age, gender, race, ethnicity, veteran status) characteristics.

These analyses address the following research questions:

1. Are there differences in perceived usefulness based on firm size, business segment or ED Resource?
2. Are there differences in perceived usefulness based on age, gender, race, ethnicity, or veteran status?
3. Are there differences in perceived assistance with the decision to start a business based on firm size, business segment or ED Resource?
4. Are there differences in perceived assistance with the decision to start a business based on age, gender, race, ethnicity, veteran status?
5. Are there differences in the financial impact of ED resource assistance based on firm size, business segment or ED Resource?
6. Are there differences in the financial impact of ED resource assistance based on age, gender, race, ethnicity, veteran status?

Each regression model examined the impact of selected demographic characteristics (age, gender, race, ethnicity and veteran status) and firm characteristics (size, business segment, and ED resource) on a particular resource impact. These impacts included: perceived usefulness of ED resource assistance, the decision to start a business, and perceived impact on sales.

Each resource impact is used as a dependent (i.e. outcome) variable. For example, the dependent variable for the first model is perceived usefulness of ED resource assistance. The dependent variable for the second model is perceived usefulness in the decision to start a business. The dependent variable for the third model a financial impact score, which is a summary measure based on 4 self-reported financial impact measures (the effect of assistance on increases in market share, sales, cash flow, and profit margins).¹⁸

¹⁸ This scale is the sum of the following questionnaire items: q7a, q7b, q7d and q7g. This scale has a Cronbach's alpha coefficient of 0.86, which reflects high internal consistency of items, and is considered an indicator of good scale reliability.

The set of independent or predictor variables included binary variables representing the firm and owner demographic characteristics include the following:

- Sales Revenues
- Client Segment
 - Nascent
 - Start-up
 - In-Business
- ED Resource (SBDC, SCORE, or WBC)
- Respondent age
- Gender
- Race
 - Hispanic
 - American Indian
 - Asian
 - Black/African-American
 - Native Hawaiian/Pacific Islander
- Ethnicity
 - Hispanic/Latino
- Veteran or Service-Disabled Veteran

Regression Results

In the results presented in this section, statistically-significant predictor variables are identified.¹⁹

The first regression model tested for a relationship between selected demographic and firm characteristics and the client's perception of the usefulness and value of the services/assistance received.²⁰

Results of this regression suggest that there is a significant difference in perceived usefulness of ED resource assistance based on firm size. **Larger firms reported higher levels of perceived usefulness.** In addition, firms in the In-Business segment reported significantly higher perceived usefulness than Start-ups. Nascent firms also reported higher perceived usefulness than Start-ups, but this effect was only marginally significant.

SCORE clients reported significantly lower perceived usefulness than SBDC clients. This is consistent with the fact that SBDC serves clients with larger firms. WBC clients also reported lower perceived usefulness than SBDC clients, but this effect was only marginally significant.

¹⁹ Relationships are considered statistically-significant at the 0.05 level. Marginal significance is defined as significant at the 0.10 level.

²⁰ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.185). Coefficients reported here were significant at the 0.01 level. The usable sample size was 3,374.

In terms of owner demographics, veterans reported lower perceived usefulness. **Perceived usefulness also decreased significantly with age of firm owner.** However, female firm owners reported higher perceived usefulness than males.

The second regression model tested for a relationship between selected demographic (age, gender, race, ethnicity, veteran status) and firm characteristics (revenues, business segment, and ED Resource) and the perceived usefulness of assistance with the client's decision to start a business.²¹

Results of this regression suggest that there is a significant difference in perceived assistance with the decision to start a business based on client segment. Larger firms reported significantly higher levels of assistance with the start up decision. Not surprisingly, compared to Start-up firms, firms in the Nascent segment reported significantly higher levels of assistance with starting a business.

SCORE clients reported significantly higher levels of assistance with starting a business than SBDC clients, consistent with SCORE's mission.

There were also significant effects of owner's age, race, ethnicity, and veteran status on perceived assistance with starting a business. **Older firm owners, Hispanic/Latino clients, and African-American clients reported significantly lower assistance with starting a business.**²² Veterans also reported lower assistance with starting a business, although this difference was only marginally significant.

The third regression model tested for a relationship between selected demographic (age, gender, race, ethnicity, veteran status) and firm characteristics (revenues, business segment, and ED Resource) and the self-reported financial impact of ED resource assistance. These impacts include a combination of increases in market share, sales, cash flow and profits.²³ This analysis does not include Nascent businesses, since this impact does not apply to these firms.

Results of this regression suggest that larger firms were significantly more likely to report a higher financial impact of ED Resource assistance than smaller firms. Financial impact was also significantly lower for SCORE clients than those of SBDC, although financial impact did not differ for WBC clients.

Financial impact significantly declined with owner's age. In addition, African-American and Hawaiian/Pacific Islander owners reported significantly lower financial impacts.

²¹ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.0234). Coefficients reported here were significant at the 0.01 level. The sample size was 3,383.

²² This is the first study year in which these particular demographic characteristics had a significant effect on perceived assistance; the difference in perceived assistance could likely be a result of the current economic conditions.

²³ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.0289). Coefficients reported here were significant at the 0.01 level. The useable sample size, including Start-up and In Business firms, was 1,464.

In summary, both firm and client demographic characteristics are significant determinants of the client's perception of the usefulness and value of the services/assistance received, the client's decision to start a business, or the client's business having a positive financial impact. For example, larger firms (i.e. firms with higher revenues) report higher levels of perceived usefulness, higher levels of perceived assistance with starting a business, and a higher impact of assistance on financial outcomes (i.e., sales, profits, cash flow, and market share) than smaller firms. There is also evidence of differences in perceived usefulness and assistance with starting a business by business segment and by ED Resource. SCORE clients reported lower impacts of ED Resource assistance than SBDC or WBC clients in each case.

Similar to findings from previous years, perceived usefulness and financial impact declines with age, suggesting that younger clients derive more benefit from ED Resource assistance. Unlike previous years, however, there were significant effects of race and ethnicity. In fact, African-American and Latino firm owners reported lower levels of perceived assistance with starting a business and lower financial impacts than their counterparts in other categories.

Detailed regression computations are included in Appendix 5.

V. SBDC 2006 VS. TOTAL ED RESOURCES

The following section presents results from SBDC respondents. First, we present the general demographic and financial characteristics of SBDC respondents. This is followed by additional findings on the usefulness of SBDC ED Resources for Nascent, Start-up and In-Business firms organized by research question, as follows:

- Is there a relationship between the services/assistance provided by SBDC and the client's perception of the usefulness and value of the services/assistance received?
- Is there a relationship between the services/assistance provided by SBDC and the client's decision to start or not to start a business?
- Is there a relationship between the services/assistance provided by SBDC and the client's decision to implement and/or change management and/or marketing practices in their business?
- Is there a relationship between the services/assistance provided by SBDC and the client's business having a positive financial impact on job creation and retention and increase in sales?

Analysis of the Attitudes of SBDC Clients Regarding the Assistance They Received from SBDC

Demographic Characteristics of SBDC Clients

This section describes the general demographic and financial characteristics of SBDC respondents. These results are based on an analysis of 1,927 completed surveys. As shown in Figure 5.1, the largest business segment served by SBDC is the In-Business segment (45%). SBDC serves a higher share of In-Business clients than the total ED Resources combined.

Figure 5.1 – SBDC – Distribution of Respondents by Segment (FY2006 Clients)
SBDC vs. Total ED Resources

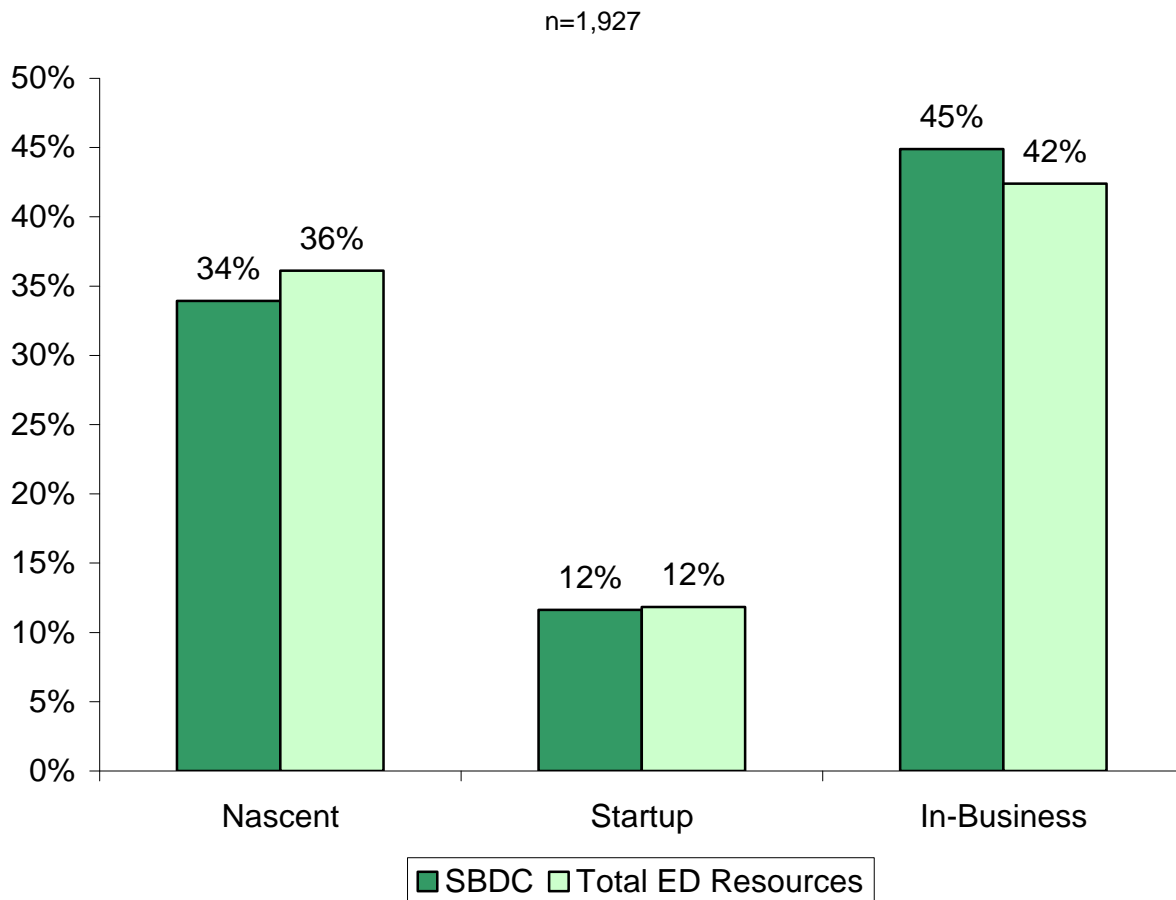


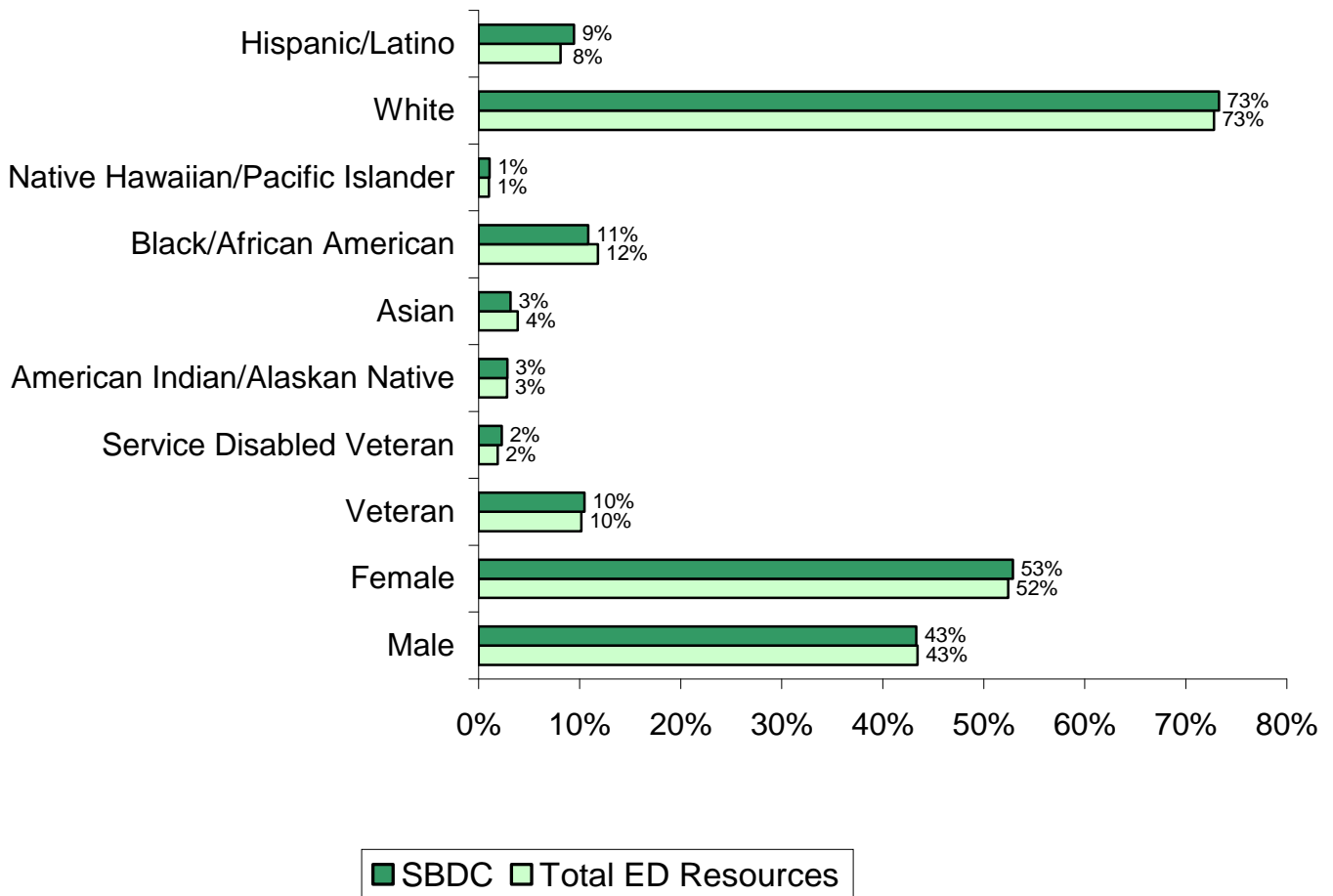
Table 5.1 compares revenues, employment, and firm age for SBDC vs. Total ED Resources. These results indicate that SBDC clients have higher revenues than the average ED Resource clients combined.

Table 5.1 – SBDC Client Revenues and Employment (FY2006)

	SBDC	Total ED Resources
Median Revenue	\$97,000	\$78,000
Median Employees	2	2

Demographic characteristics of SBDC clients, including gender, race, ethnicity, and veteran status are reported in Figure 5.2. About 53% of SBDC clients are female. Eleven percent of SBDC clients are African Americans and 9% are Hispanic/Latino. Ten percent of SBDC clients are veterans, with 2% in the service-disabled category.

Figure 5.2 – SBDC – Demographic Characteristics (FY2006 Clients)²⁴
SBDC vs. Total ED Resources



²⁴ The total percentage might not equal 100 due to respondents who selected multiple ethnicities.

Figure 5.3 shows the distribution of SBDC clients by age of business owner. More than half of SBDC clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54.

Figure 5.3 – SBDC – Age of Business Owner (FY2006 Clients)
SBDC vs. Total ED Resources

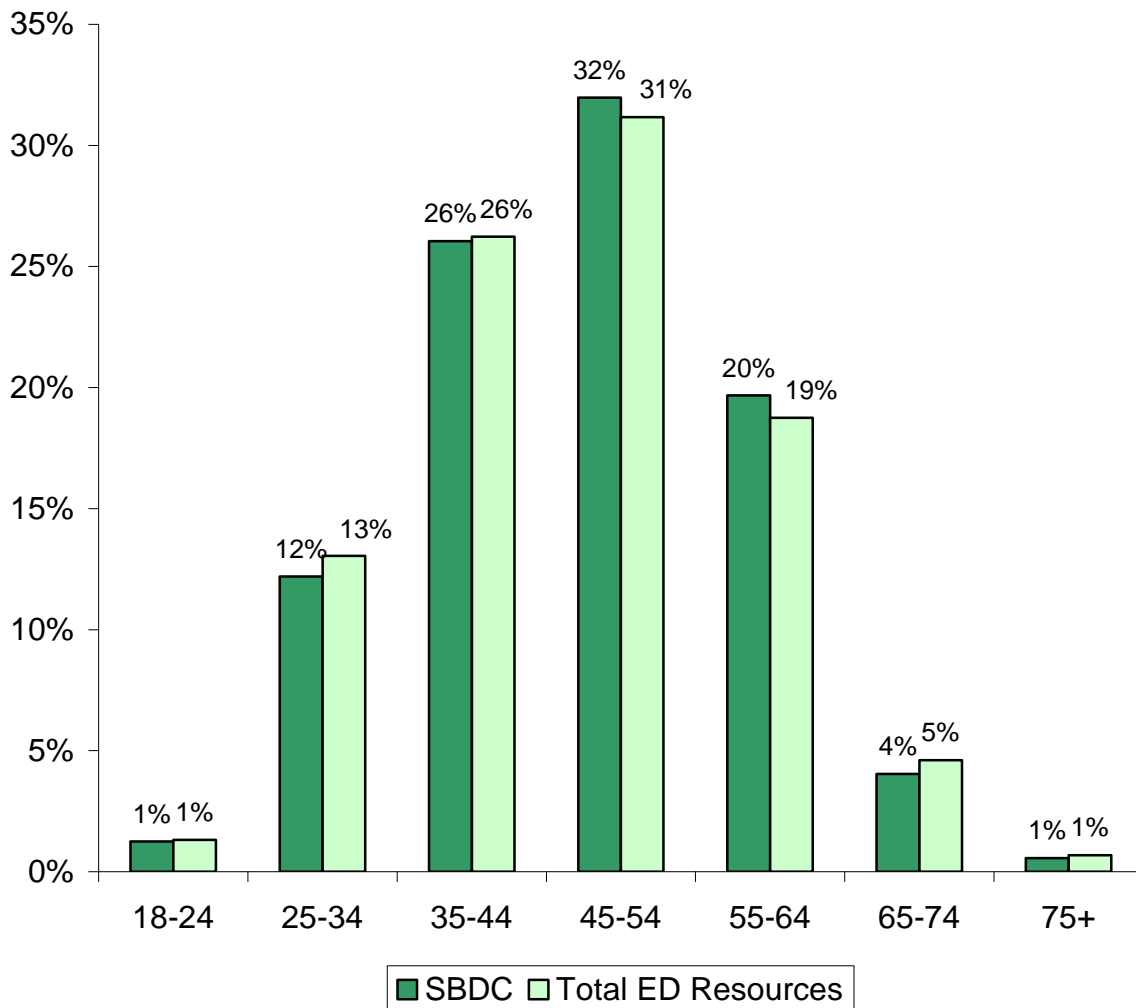
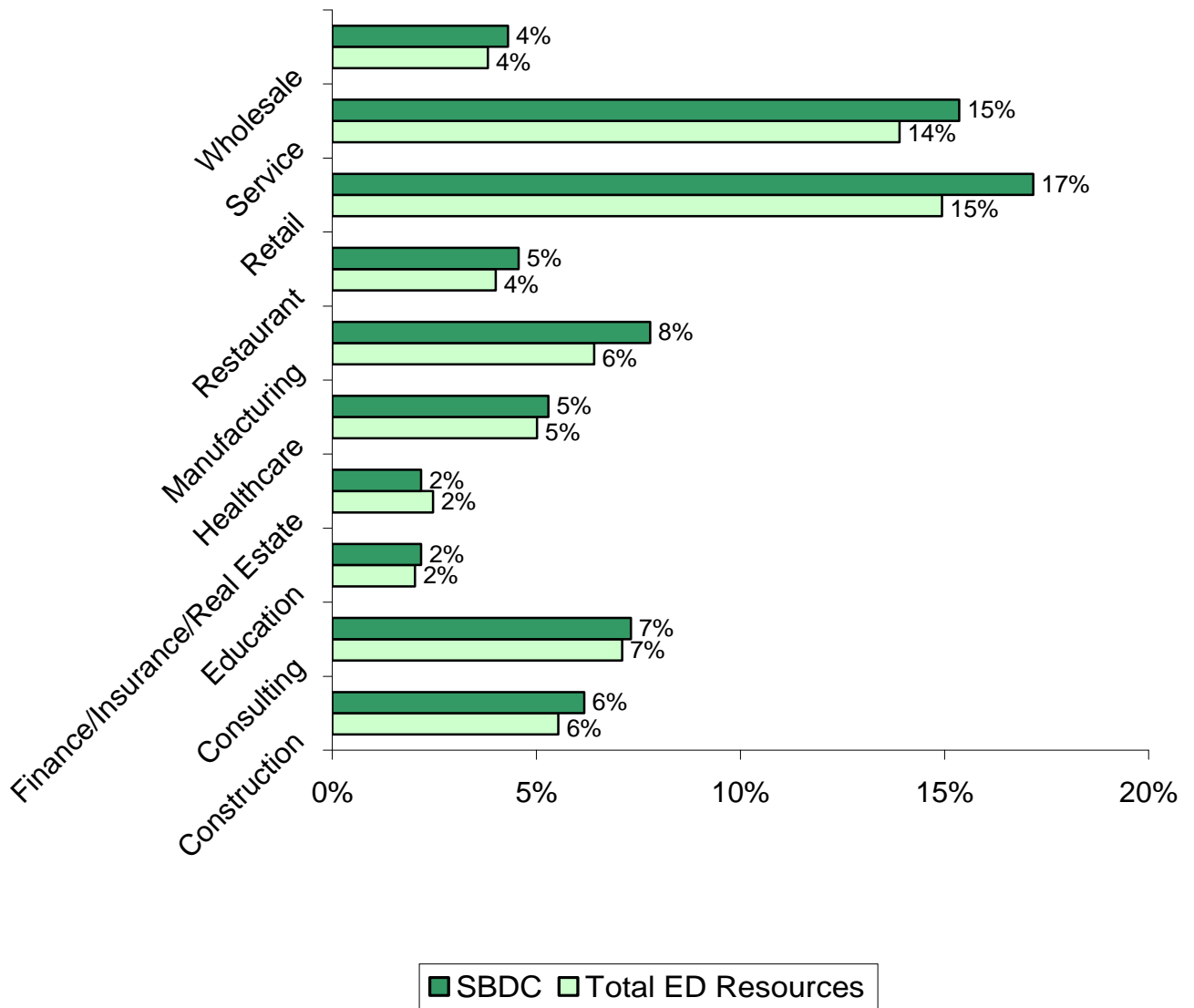


Figure 5.4 shows that the most common types of businesses served by SBDC are in the **retail and service categories**.

Figure 5.4 – SBDC – Type of Business²⁵ (FY2006 Clients)
SBDC vs. Total ED Resources



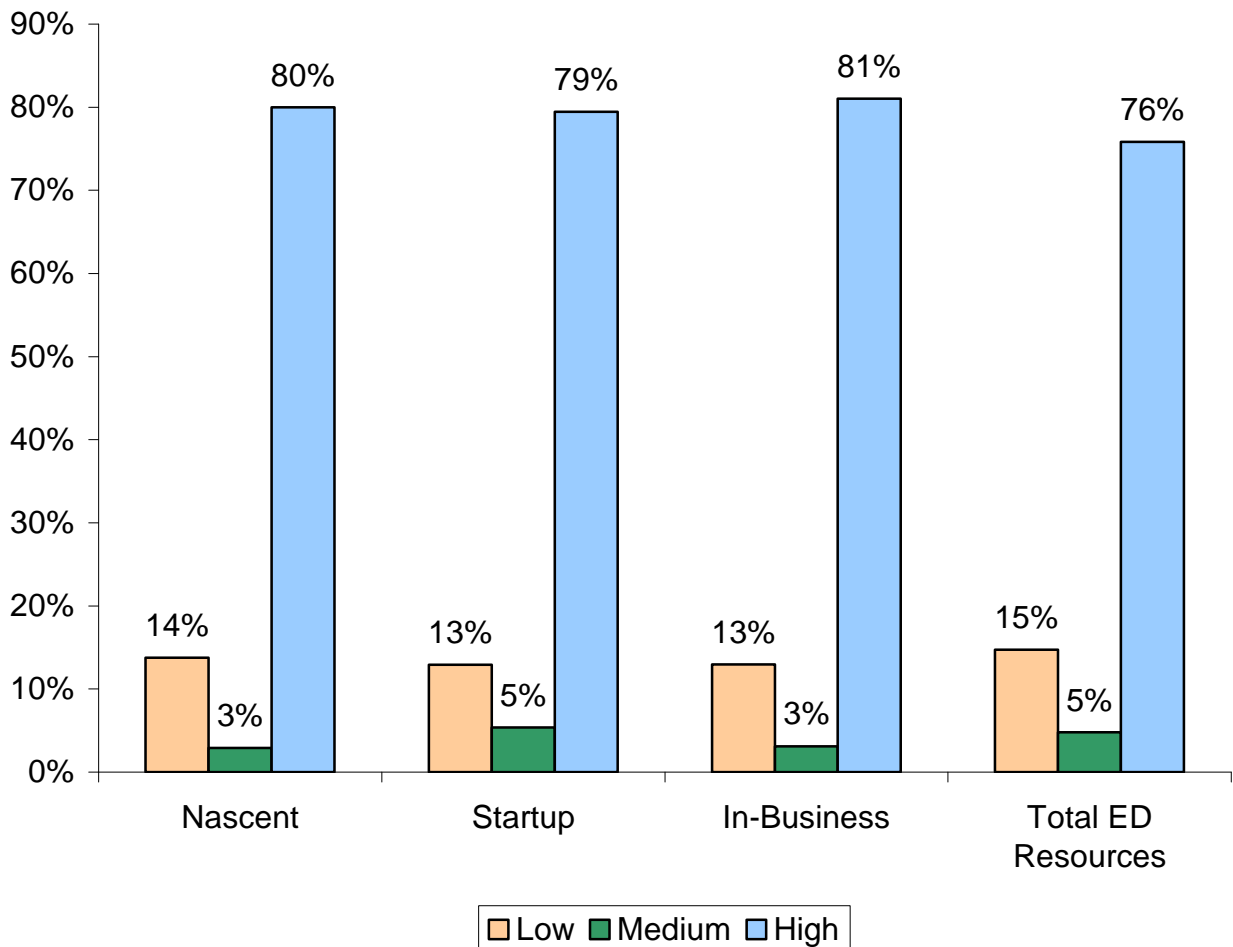
²⁵ Due to non-responses and multiple business type selections, the total for all business types might not equal 100%.

SBDC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 80% of SBDC respondents reported that the information they received from their counselor was valuable. Figure 5.5 shows ratings of usefulness of SBDC ED resources, as assessed by business segment, compared to total ED resources. The SBDC Nascent and In-Business firms rated the usefulness of information slightly higher than the Start-up firms. Regardless of segment, SBDC clients assigned higher ratings than the 76% average for ED Resource clients combined. For instance, out of SBDC Nascent clients, 80% rated the information as highly useful; this figure was 79% for Start-up and 81% for In-Business firms.

Figure 5.5 – SBDC –Usefulness of SBDC²⁶ (FY2006 Clients)
SBDC vs. Total ED Resources



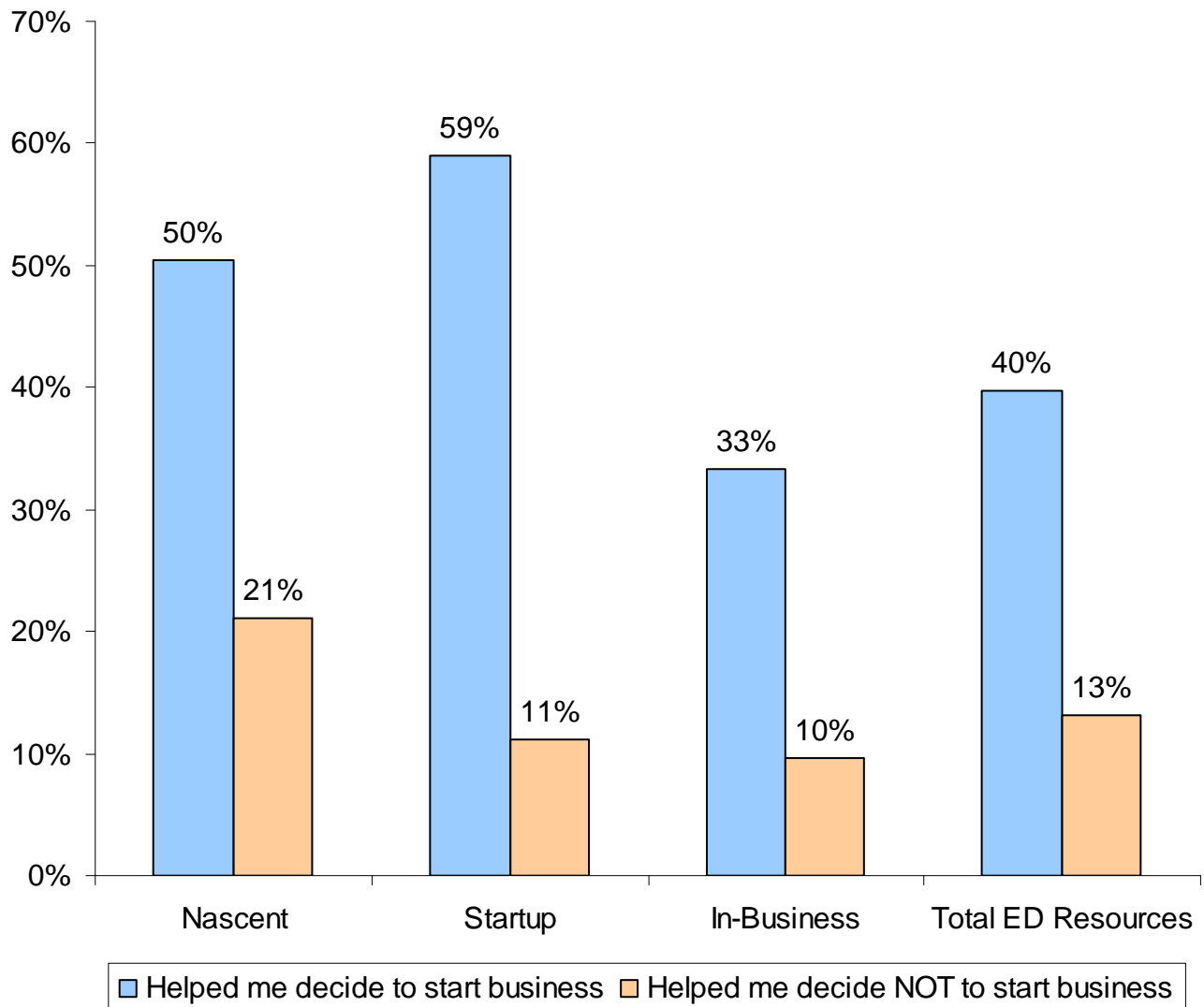
²⁶ Low value includes the 'Somewhat Useful' and 'Not Useful' response categories. High value includes the 'Extremely Useful' and 'Useful' response categories.

Decision to Start or Not Start a Business

As reported in Figure 5.6, SBDC ED Resources assisted with the decision to start a business for 50% of Nascent respondents. Approximately 59% of Start-up clients reported that SBDC assistance was helpful in their decision to start a business compared to just 40% of Total ED Resource clients combined.

Figure 5.6 – SBDC – Usefulness of SBDC ED Resources in Starting or NOT Starting a Business²⁷ (FY2006 Clients)

SBDC vs. Total ED Resources



²⁷ Helpful includes the 'Very Helpful' and 'Helpful' response categories only.

Clients' Decision to Change Management Practices

Figure 5.7 compares SBDC client decisions to change management practices or strategies by segment. As a result of SBDC ED assistance, 54% of Start-up firms have changed their current management practices or strategies. For 2006 clients, 62% of SBDC In-Business clients reported changing management practices.

Figure 5.7 – SBDC – Changed Management Practices/Strategies as a Result of SBDC ED Resource Assistance (FY2006 Clients)

SBDC vs. Total ED Resources

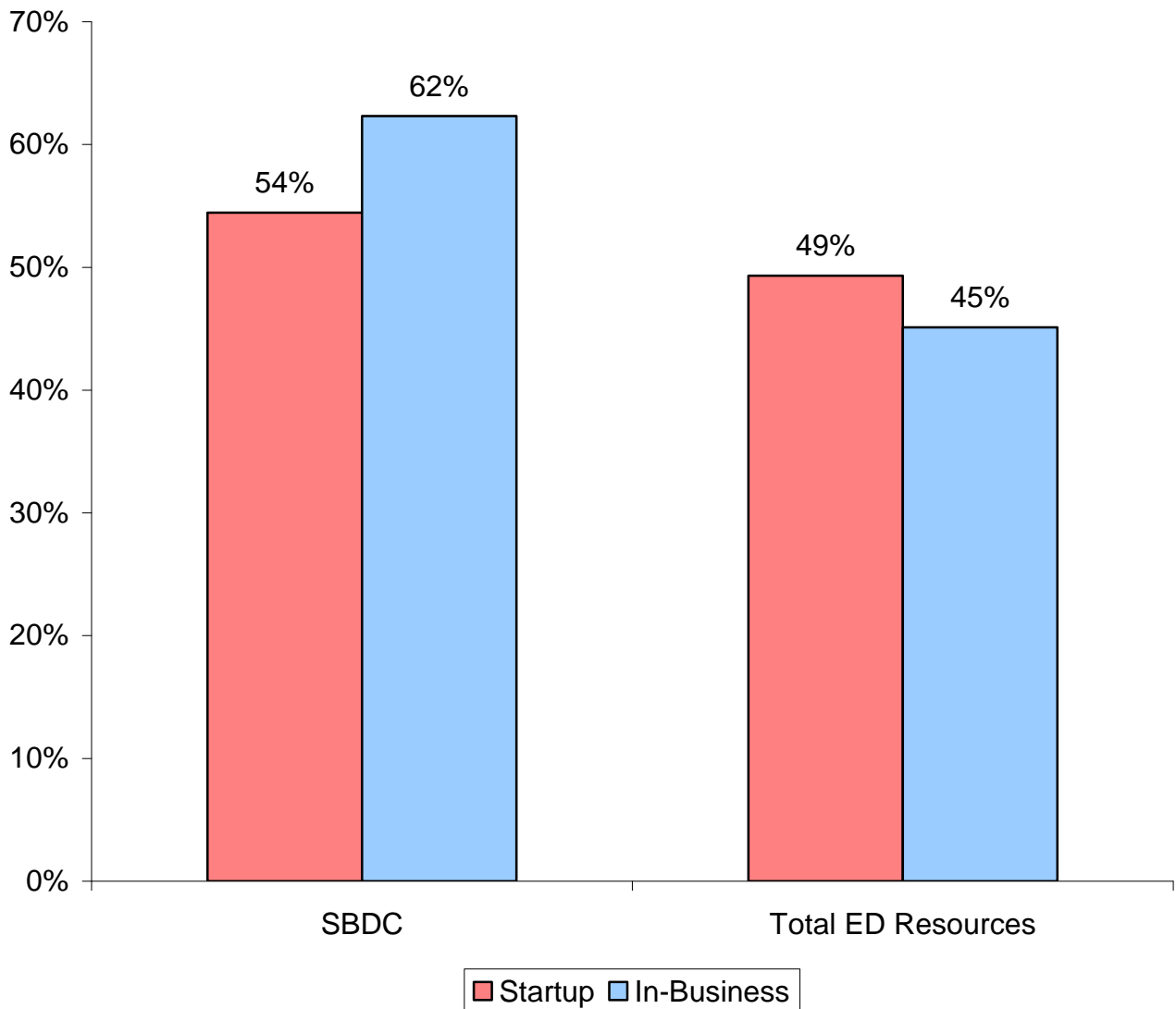
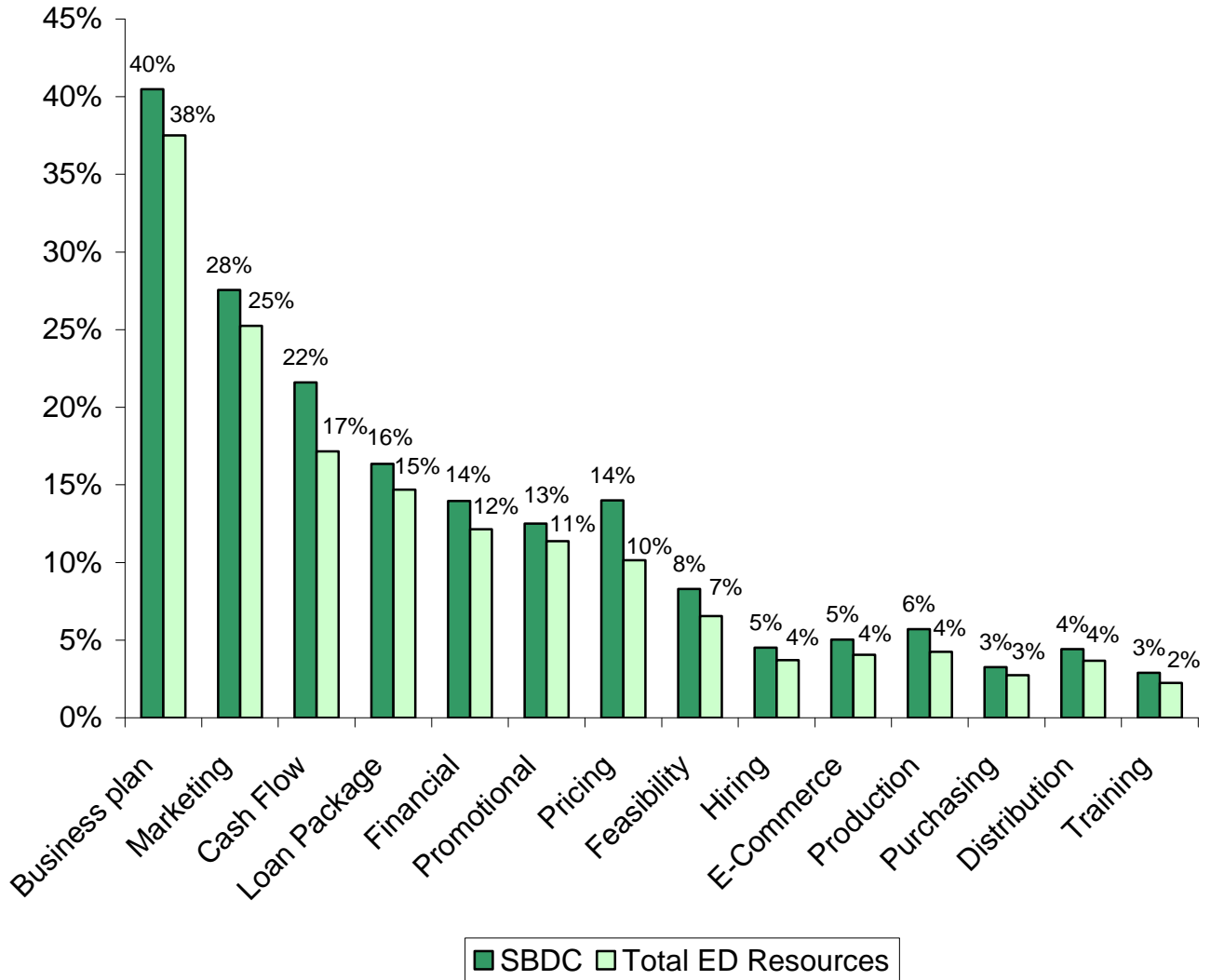


Figure 5.8 shows the business functions that were changed as a result of SBDC ED assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow and loan package.

Figure 5.8 – SBDC – Changes in Management Practices by Business Function (FY2006 Clients)

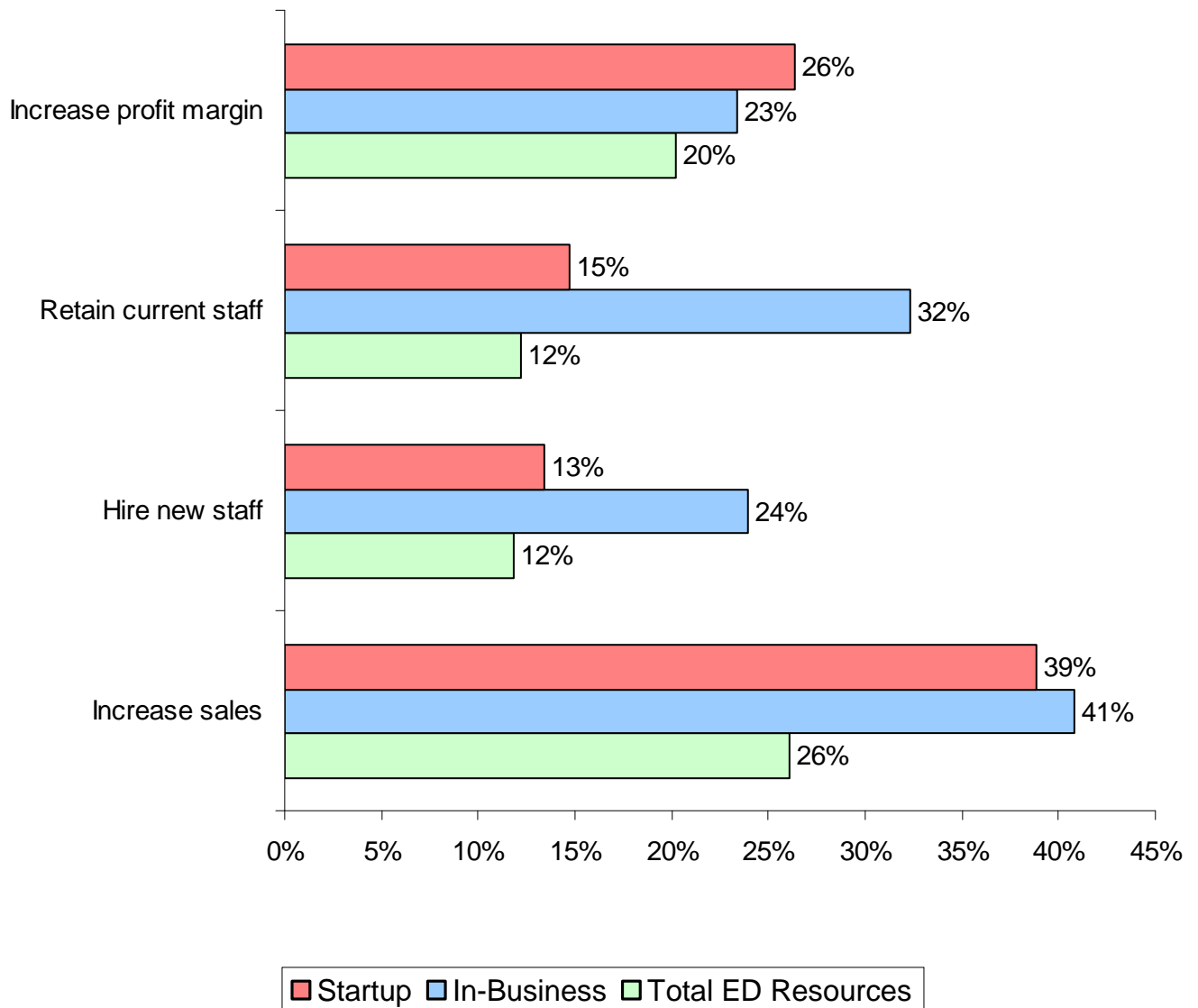
SBDC vs. Total ED Resources



Sales, Job Creation and Job Retention

Figure 5.9 compares SBDC Start-up and In-Business clients in terms of the reported usefulness of SBDC ED assistance on increases in sales, profits, jobs, and the retention of employees. In terms of increasing sales, 39% of SBDC Start-ups and 41% of In-Business respondents reported that they were able to increase sales as a result of SBDC ED assistance, compared to 26% for total ED Resources. Twenty-three percent of In-Business clients reported that they were able to increase their profit margins, compared to 20% for total ED Resources.

Figure 5.9 – SBDC – The Usefulness of Assistance (FY2006 Clients)
SBDC vs. Total ED Resources



VI. SCORE 2006 VS. TOTAL ED RESOURCES

The following section presents results from SCORE respondents. First, demographic characteristics of the sample are presented. This is followed by additional findings on the usefulness of SCORE ED Resources for Nascent, Start-up and In-Business firms organized by research question, as follows:

- Is there a relationship between the services/assistance provided by SCORE and the client's perception of the usefulness and value of the services/assistance received?
- Is there a relationship between the services/assistance provided by SCORE and the client's decision to start or not to start a business?
- Is there a relationship between the services/assistance provided by SCORE and the client's decision to implement and/or change management and/or marketing practices in their business?
- Is there a relationship between the services/assistance provided by SCORE and the client's business having a positive financial impact on job creation and retention and increase in sales?

Analysis of the Attitudes of SCORE Clients Regarding the Assistance They Received from SCORE

Demographic Characteristics of SCORE Clients

This section describes the general demographic and financial characteristics of SCORE respondents. These results are based on an analysis of 1,453 completed surveys.

As shown in Figure 6.1, the largest business segment served by SCORE is the Nascent segment (40%). Nascent also contains a larger share of SCORE clients than are in Start-up or In-Business segments.

Figure 6.1 – SCORE – Distribution of Respondents by Segment (FY2006 Clients)

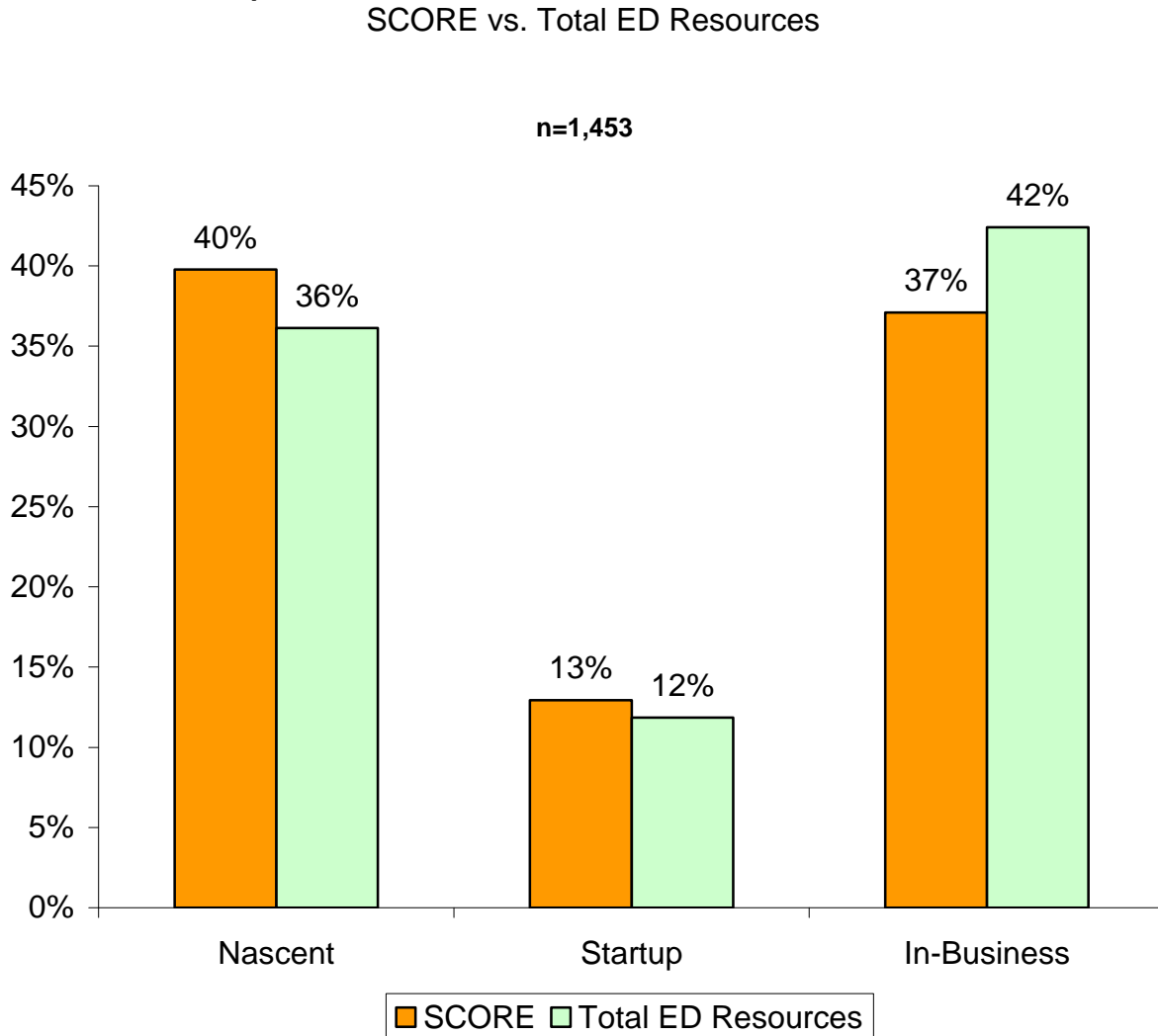


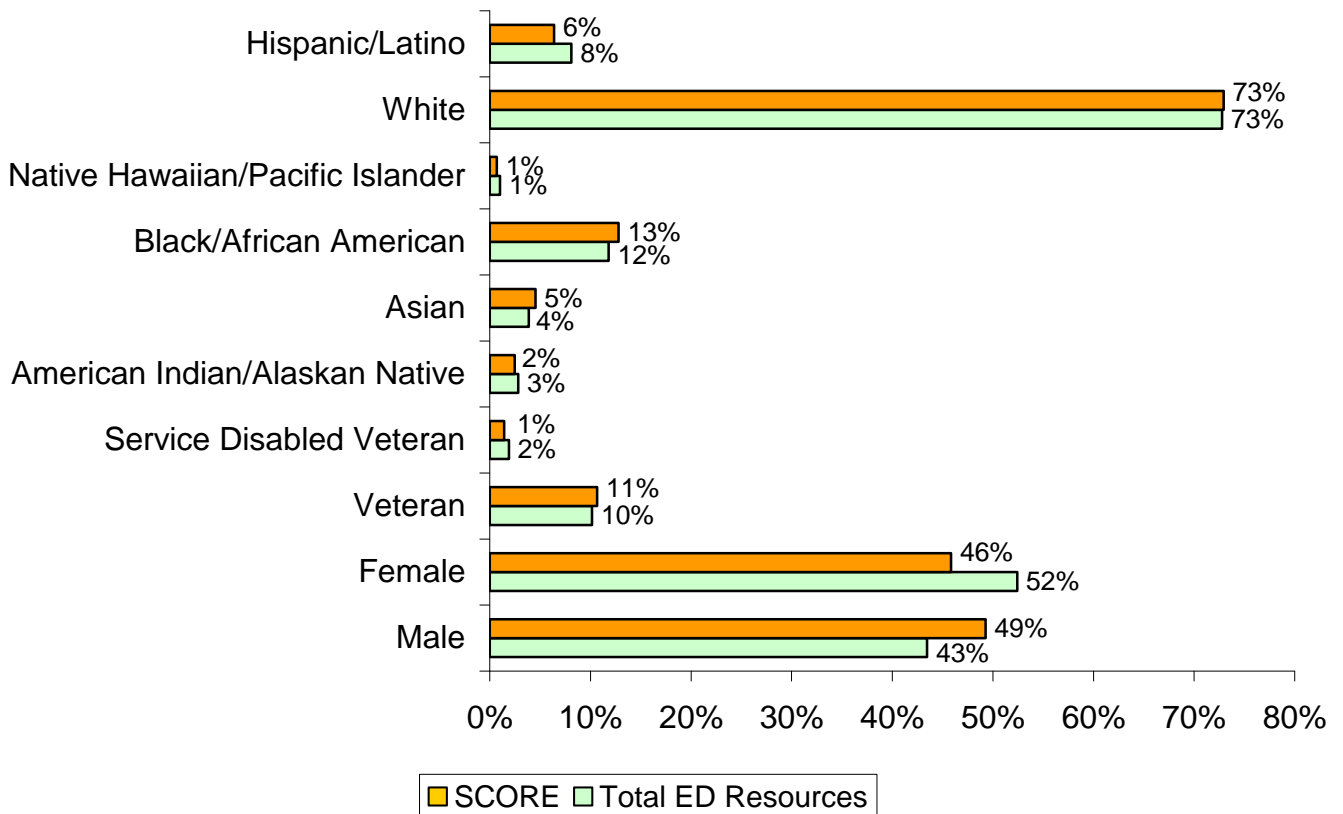
Table 6.1 compares revenues, employment, and firm age for SCORE clients vs. Total ED Resources. SCORE clients are smaller in terms of revenues and employees than the average for ED Resources combined.

Table 6.1 – SCORE Client Revenues and Employment (FY2006)

	SCORE	Total ED Resources
Median Revenue	\$75,000	\$78,000
Median Employees	2	2

Demographic characteristics of SCORE clients, including gender, race, ethnicity, and veteran status are reported in Figure 6.2. About 46% of SCORE clients are female. Thirteen percent of SCORE clients are African-American, and another 6% are Hispanic/Latino. Eleven percent of SCORE clients are veterans, with 1% in the service-disabled category. These percentages are similar to ED Resources overall.

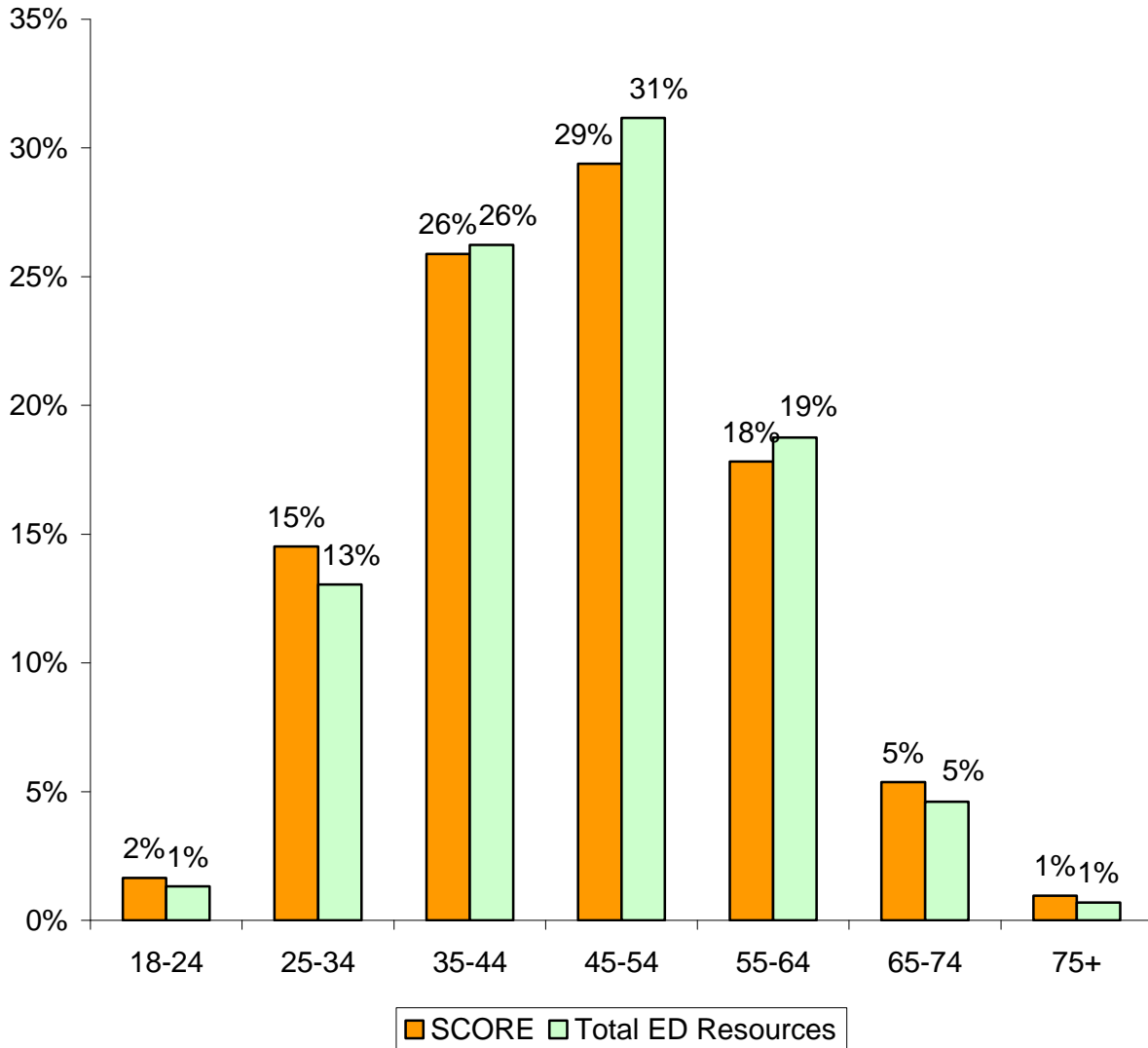
Figure 6.2 – SCORE – Demographic Characteristics (FY2006 Clients)²⁸
SCORE vs. Total ED Resources



²⁸ In some instances, the total percentage might not equal 100 due to respondents who selected multiple ethnicities.

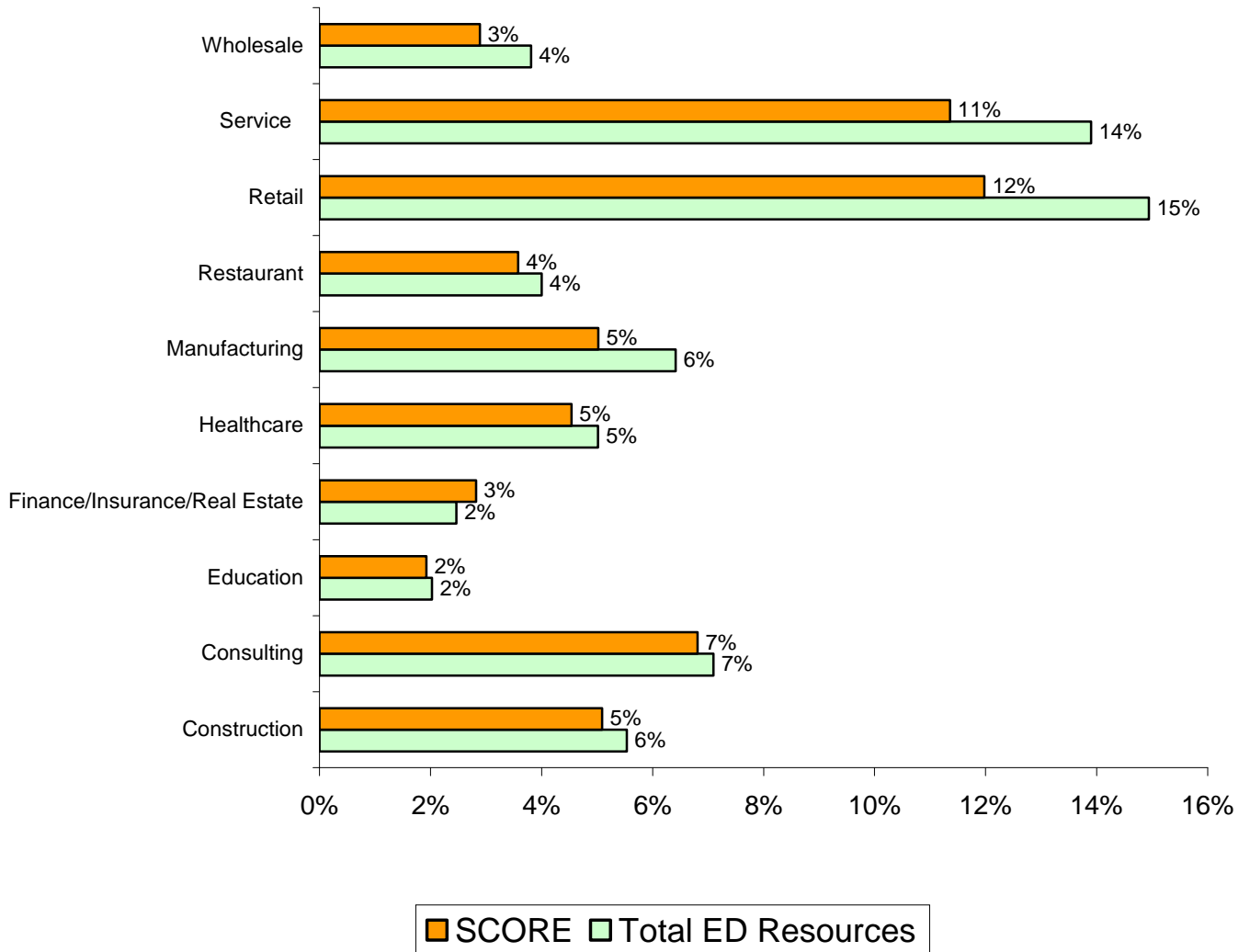
Figure 6.3 shows the distribution of SCORE clients by age of business owner. More than half of SCORE clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54.

Figure 6.3 – SCORE – Age of Business Owner (FY2006 Clients)
SCORE vs. Total ED Resources



As shown in Figure 6.4, the most common types of businesses served by SCORE are in the service and retail categories.

Figure 6.4 – SCORE – Type of Business²⁹ (FY2006 Clients)
SCORE vs. Total ED Resources



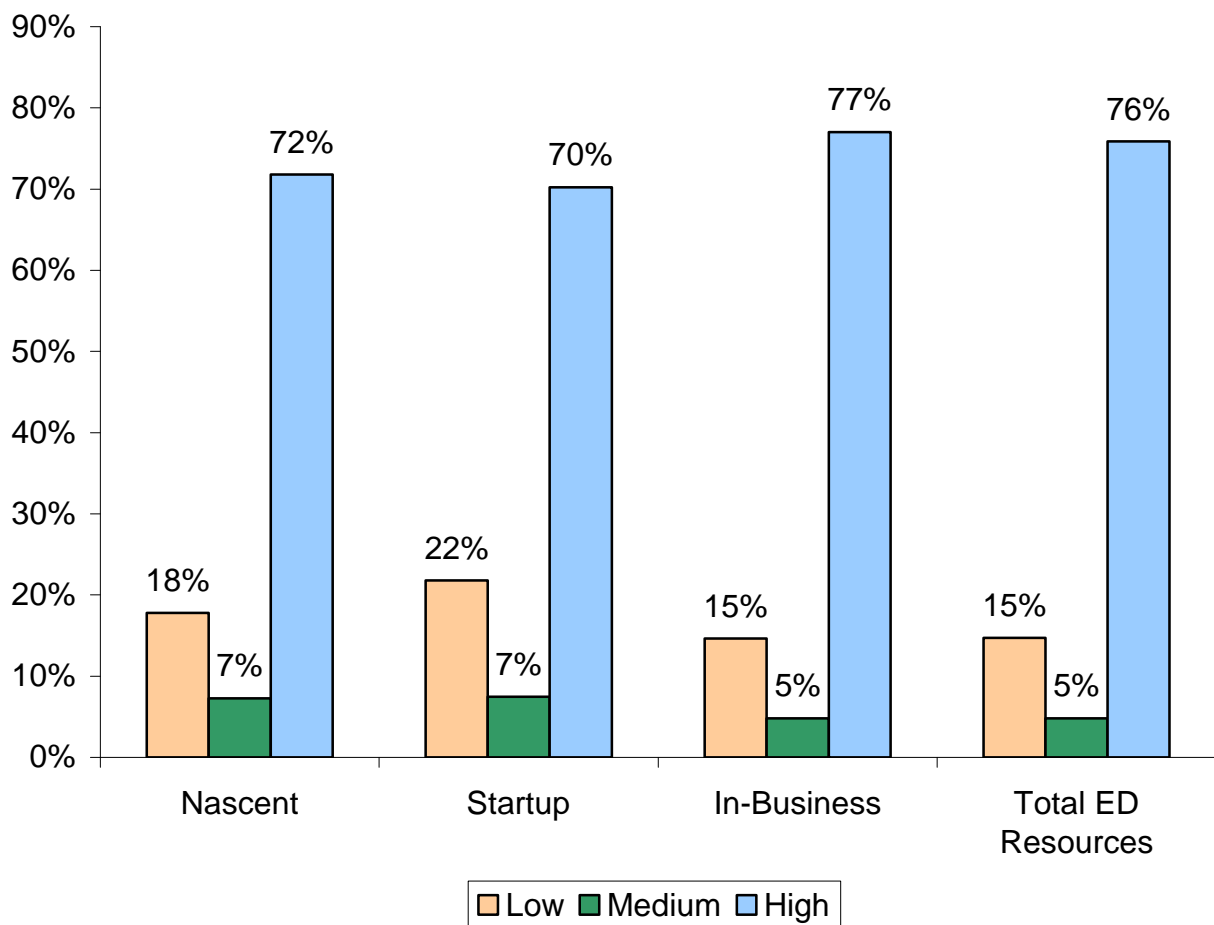
²⁹ Due to non-responses and multiple business type selections, the total for all business types might not equal 100%.

SCORE Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 73% of SCORE respondents reported that the information they received from their counselor was useful, compared to 76% of clients from all ED Resources combined. Figure 6.5 shows these ratings of usefulness of services received by business segment. In-business firms rated the information they received as useful slightly higher than Nascent and Start-up businesses.

Figure 6.5 – SCORE –Usefulness of SCORE³⁰ (FY2006 Clients)
SCORE vs. Total ED Resources



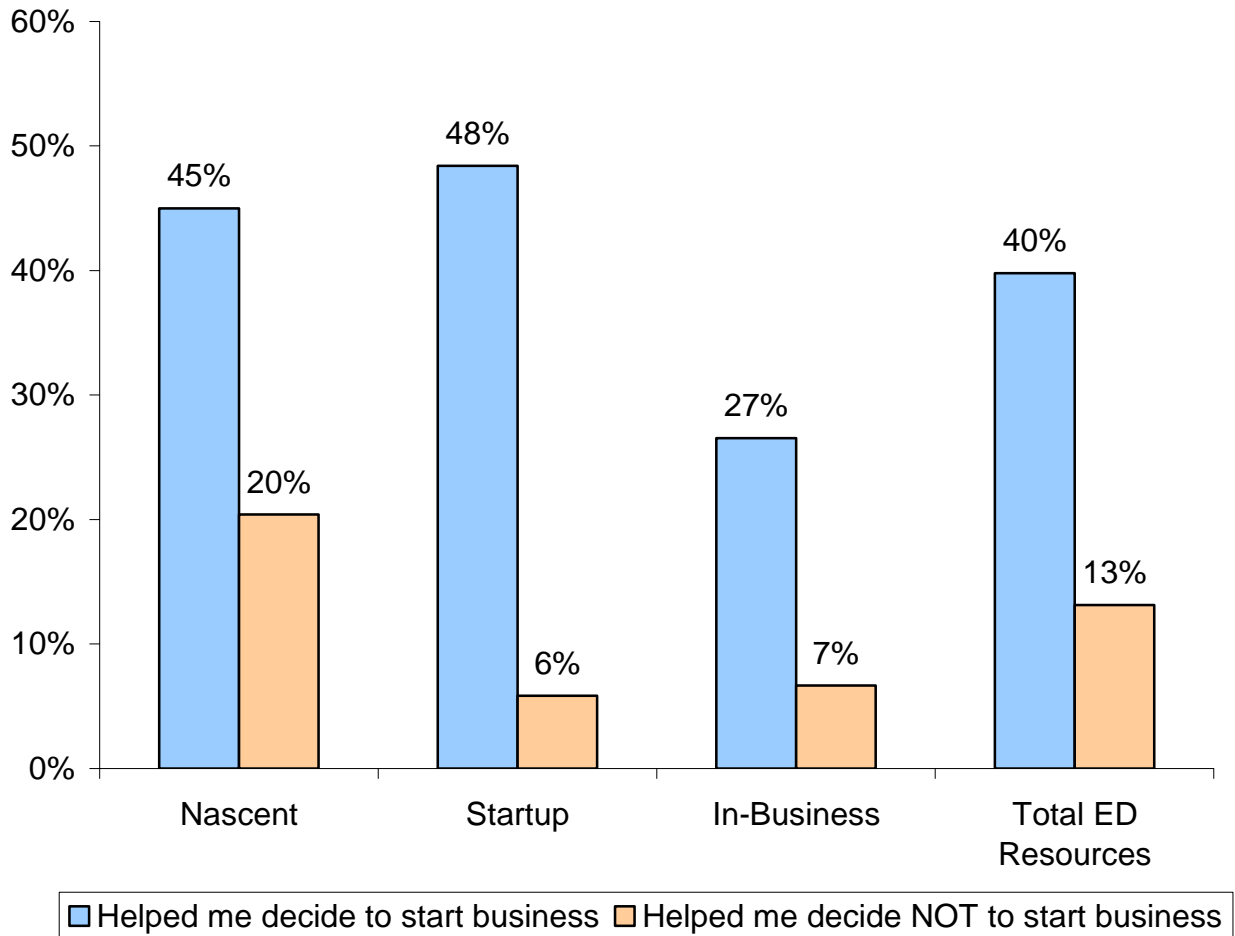
³⁰ Low value includes the 'Somewhat Useful' and 'Not Useful' response categories. High value includes the 'Extremely Useful' and 'Useful' response categories.

Decision to Start or Not Start a Business

As reported in Figure 6.6, SCORE assisted in the decision to start a business for 45% of Nascent respondents and 48% for Start-ups, both similar to the average of 40% for all ED Resource clients combined. However, SCORE In-Business clients reported a much lower 27% rating for assistance in the decision to start a business. In addition, 20% of 2006 SCORE Nascent respondents reported that resource assistance helped them decide not to start a business, more than the Total ED Resource clients combined.

Figure 6.6 – SCORE – Usefulness of SCORE ED Resources in Starting or NOT Starting a Business³¹ (FY2006 Clients)

SCORE vs. Total ED Resources



³¹ Helpful includes the 'Very Helpful' and 'Helpful' response categories only.

Clients' Decision to Change Management Practices

Figure 6.7 compares SCORE client decisions to change management practices or strategies by segment. As a result of SCORE assistance, 43% of Start-up firms have changed their current management practices or strategies, and 49% of In-Business clients reported changing management practices. These figures are slightly lower than were reported by ED Resource clients combined.

Figure 6.7 – SCORE – Changed Management Practices/Strategies as a Result of SCORE ED Resource Assistance (FY2006 Clients)

SCORE vs. Total ED Resources

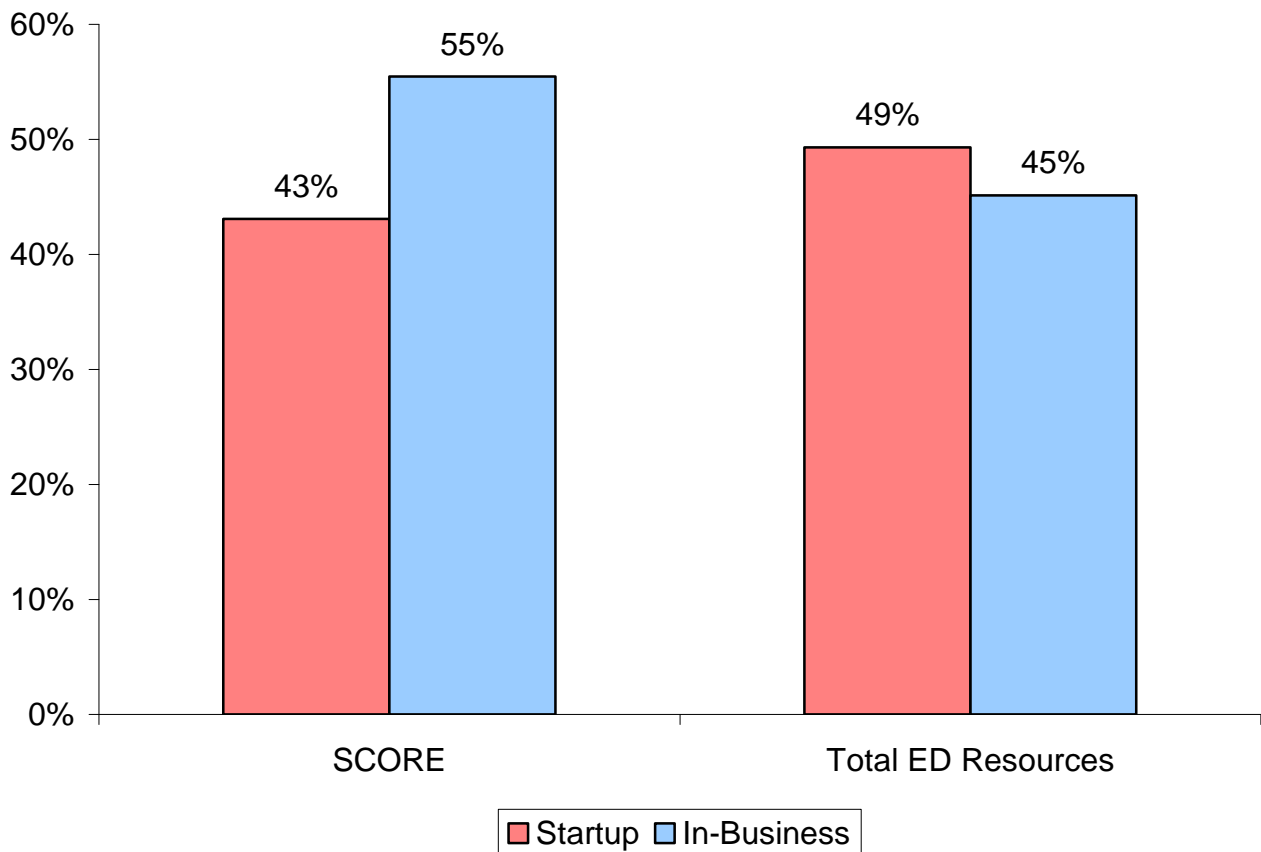
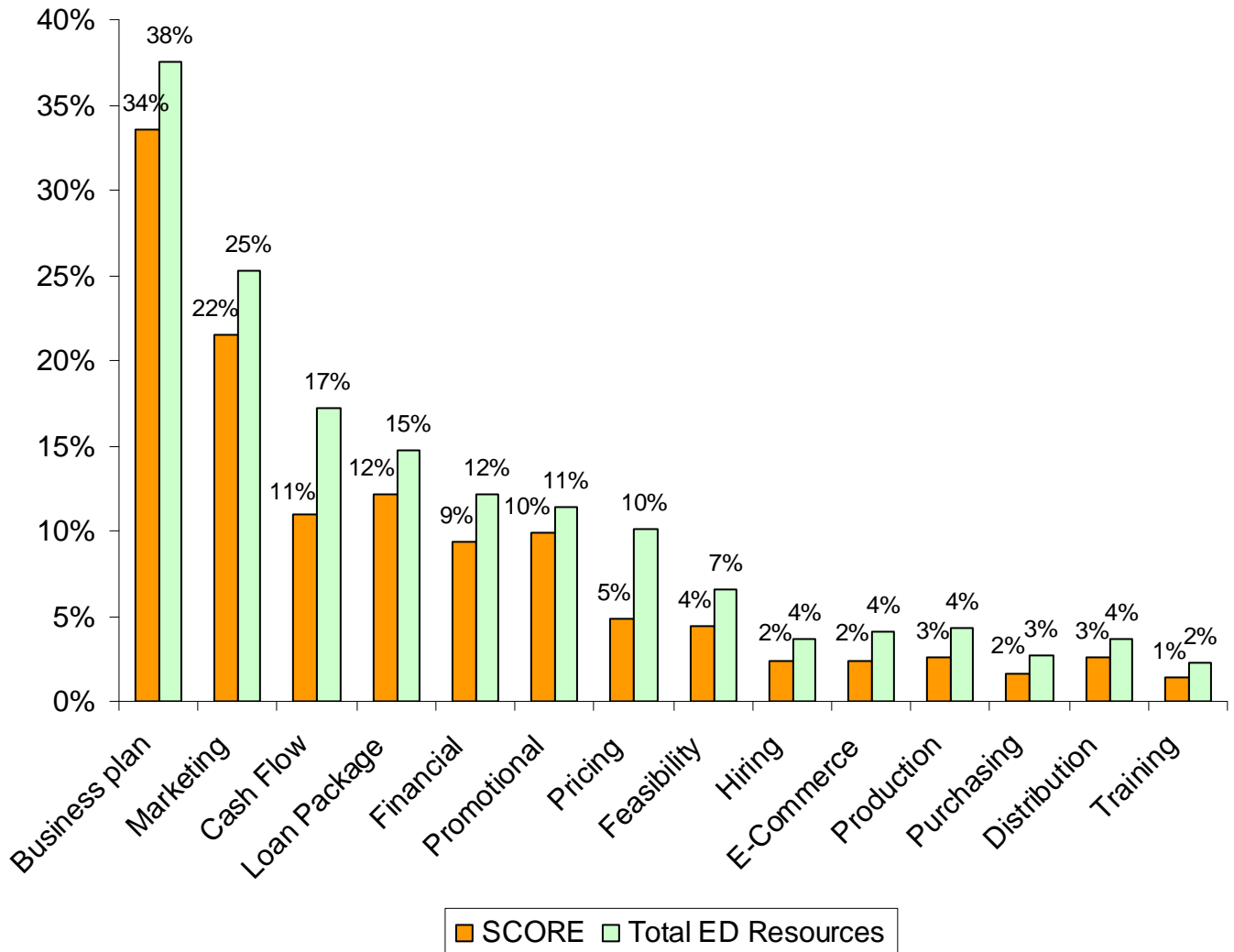


Figure 6.8 shows the business functions that were changed as a result of SCORE assistance. Business plans and marketing plans were the most frequently cited functions, followed by loan package and cash flow.

Figure 6.8 – SCORE – Changes in Management Practices by Business Function (FY2006 Clients)

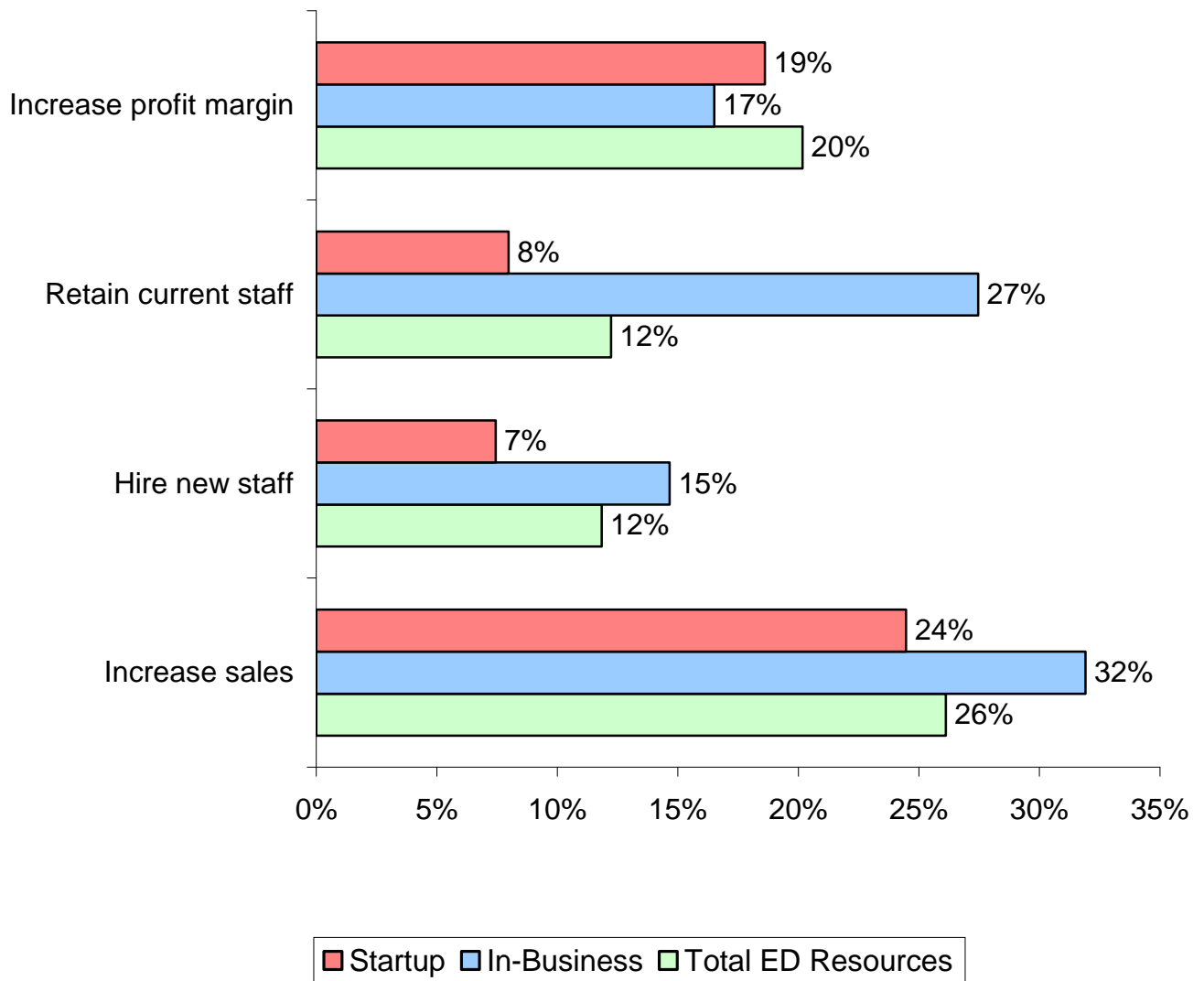
SCORE vs. Total ED Resources



Sales, Job Creation and Job Retention

Figure 6.9 compares SCORE Start-up and In-Business clients in terms of the reported usefulness of SCORE assistance for increases in sales, profits, jobs, and the retention of employees. Twenty Seven percent of SCORE In-Business reported that SCORE assistance resulted in their retaining current staff, which is more than double the percentage reported by all ED Resource clients combined. In addition, while 32% of In-Business respondents reported that they were able to increase sales as a result of SCORE assistance, only 24% of SCORE Start-ups were able to increase sales. With the exception of assistance retaining current staff, the percentages are similar to those reported by ED Resource clients combined.

Figure 6.9 – SCORE – The Usefulness of Assistance (FY2006 Clients)
SCORE vs. Total ED Resources



VII. WBC 2006 VS. TOTAL ED RESOURCES

The following section presents results from WBC respondents. First, demographic characteristics of the sample are presented. This is followed by additional findings on the impact of WBC ED Resources on Nascent, Start-up and In-Business firms organized by research question, as follows:

- Is there a relationship between the services/assistance provided by WBC and the client's perception of the usefulness and value of the services/assistance received?
- Is there a relationship between the services/assistance provided by WBC and the client's decision to start or not to start a business?
- Is there a relationship between the services/assistance provided by WBC and the client's decision to implement and/or change management and/or marketing practices in their business?
- Is there a relationship between the services/assistance provided by WBC and the client's business having a positive financial impact on job creation and retention and increase in sales?

Analysis of the Attitudes of WBC Clients Regarding the Assistance They Received from WBC

Demographic Characteristics of WBC Clients

This section describes the general demographic and financial characteristics of WBC respondents. These results are based on an analysis of 268 completed surveys.

As shown in Figure 7.1, the largest business segment served by WBC is the In-Business segment (53%). This graph also shows that compared to total ED Resources, there are significantly more WBC clients in the In-Business segment. However, compared to total ED Resources, there are less WBC clients in Nascent and Start-up segments.

Figure 7.1 – WBC – Distribution of Respondents by Segment (FY2006 Clients)

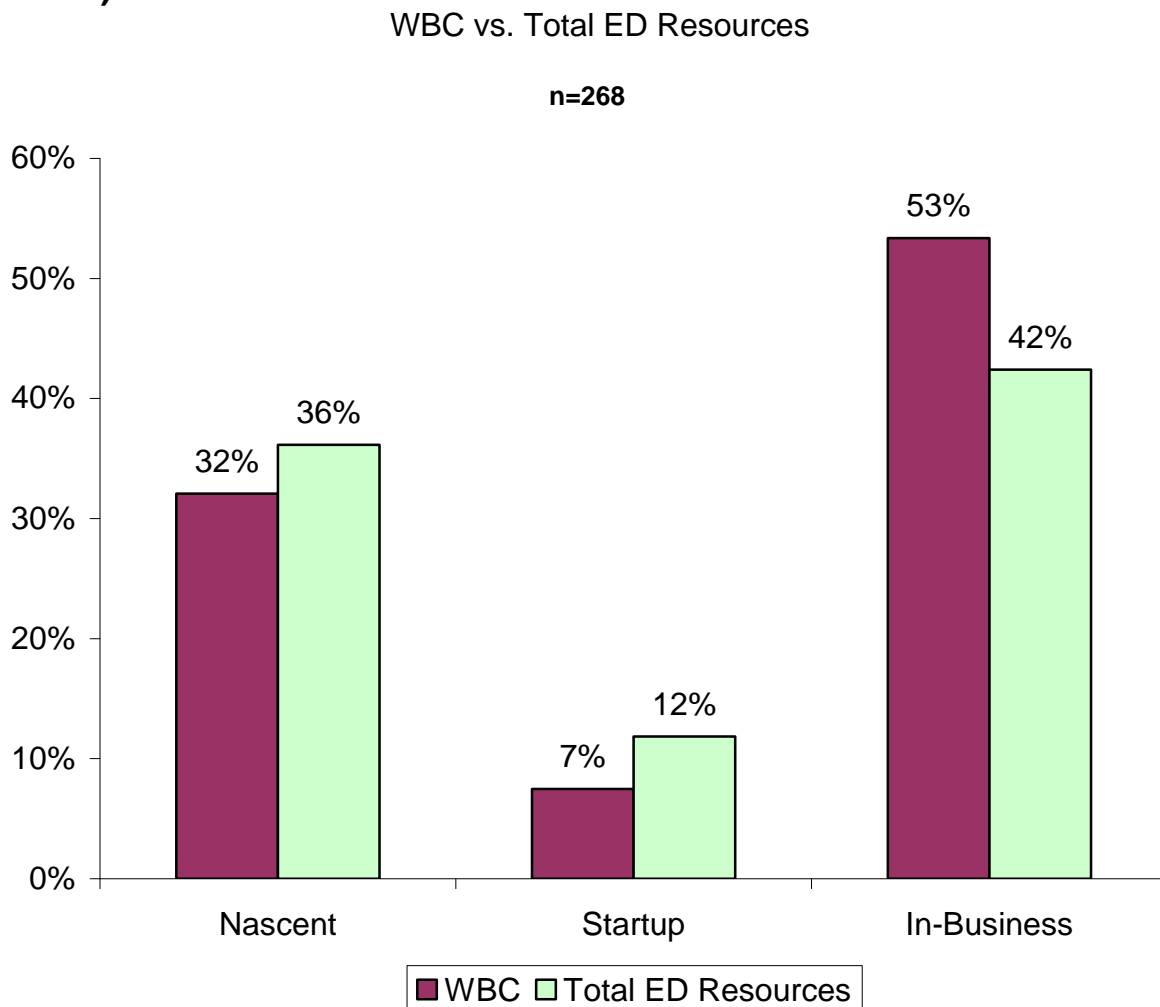


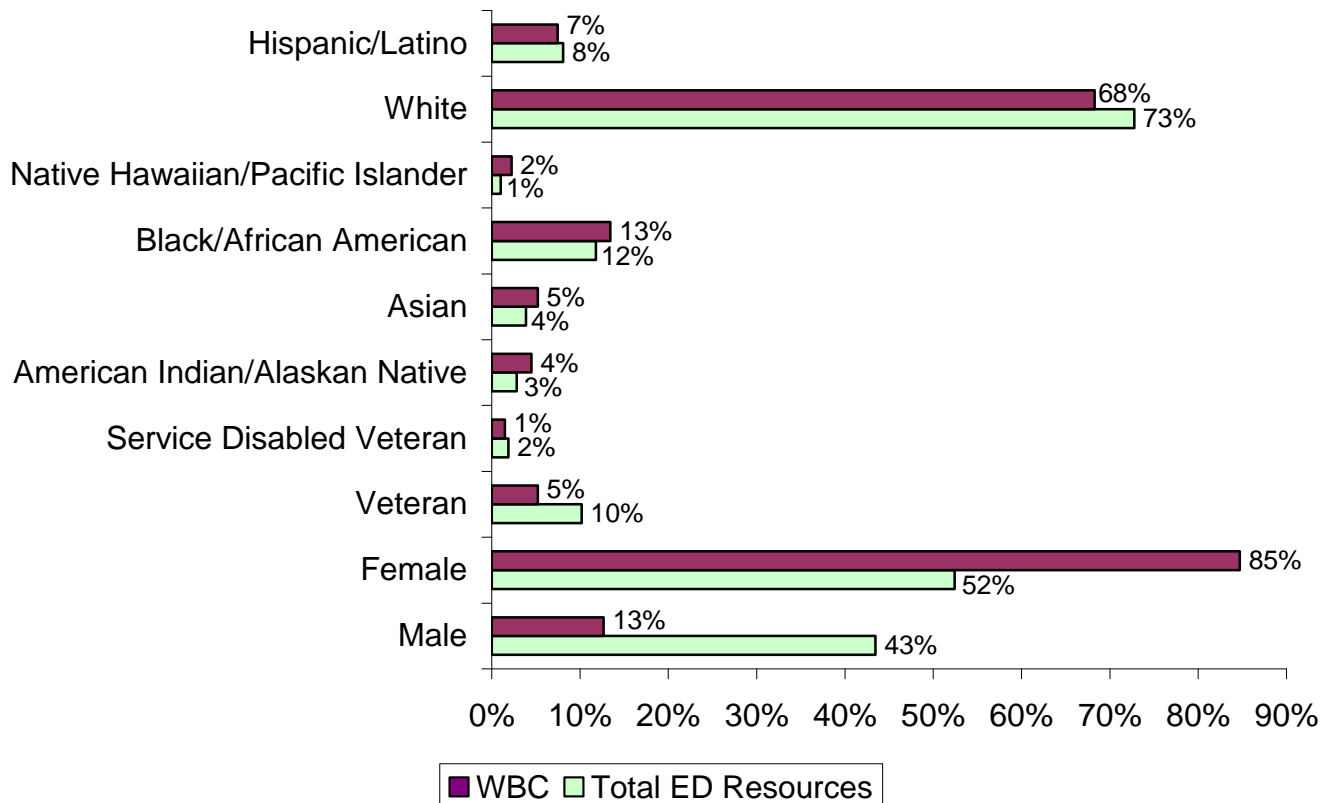
Table 7.1 compares revenues, employment, and firm age for WBC clients vs. Total ED Resources. These results indicate that WBC clients are smaller in terms of revenues but the same in terms of number of employees as the average for ED Resources combined.

Table 7.1 – WBC Client Revenues and Employment (FY2006)

	WBC	Total ED Resources
Median Revenue	\$38,000	\$78,000
Median Employees	2	2

Demographic characteristics of WBC clients, including gender, race, ethnicity, and veteran status are reported in Figure 7.2. Not surprisingly, about 85% of WBC clients are female. A noteworthy 13% of WBC clients are African-American, compared to 12% of all ED Resource clients combined. Hispanic/Latino clients represent 7% of WBC clients. WBC serves a small share of veterans (5%) and service-disabled veterans (1%).

Figure 7.2 – WBC – Demographic Characteristics (FY2006 Clients)³²
WBC ED vs. Total ED Resources

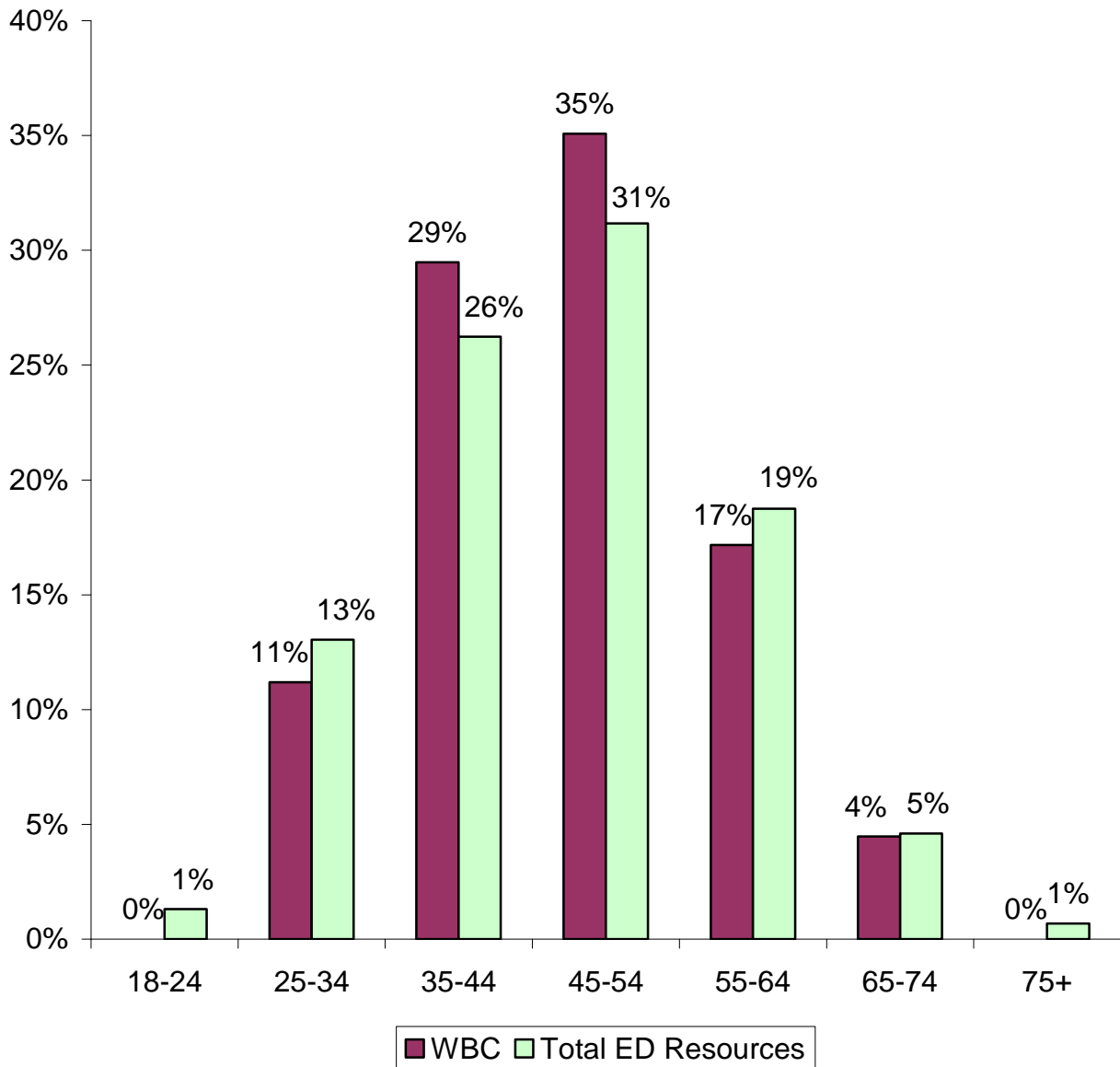


³² In some instances, the total percentage might not equal 100 due to respondents who selected multiple ethnicities.

Figure 7.3 shows the distribution of WBC clients by age of business owner. **More than half of WBC clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54.**

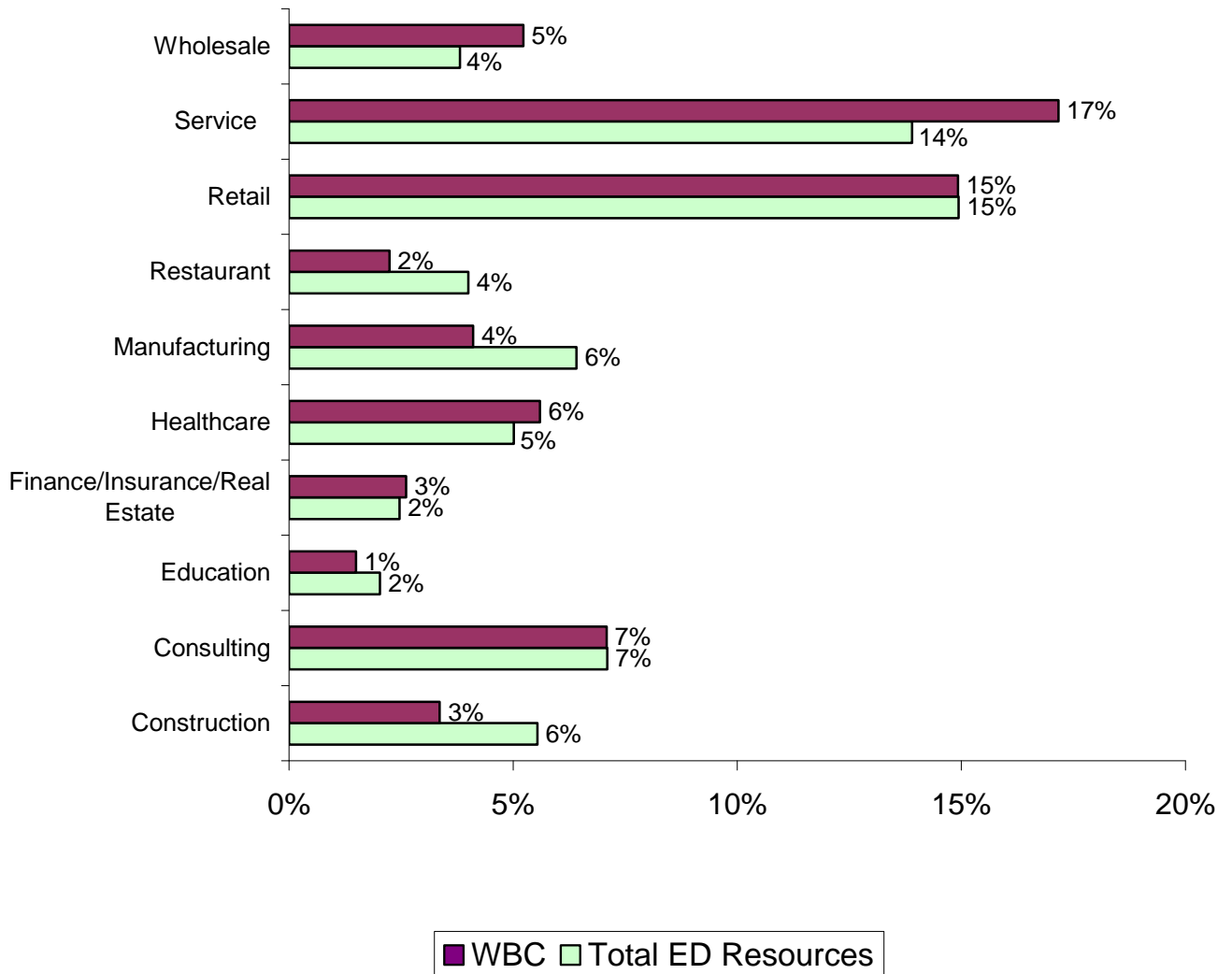
Figure 7.3 – WBC – Age of Business Owner (FY2006 Clients)

WBC vs. Total ED Resources



As shown in Figure 7.4, the most common types of businesses served by WBC are in the service and retail categories. **The share of WBC clients in the services industry is higher than that of total ED Resources combined.**

Figure 7.4 – WBC – Type of Business³³ (FY2006 Clients)
WBC vs. Total ED Resources



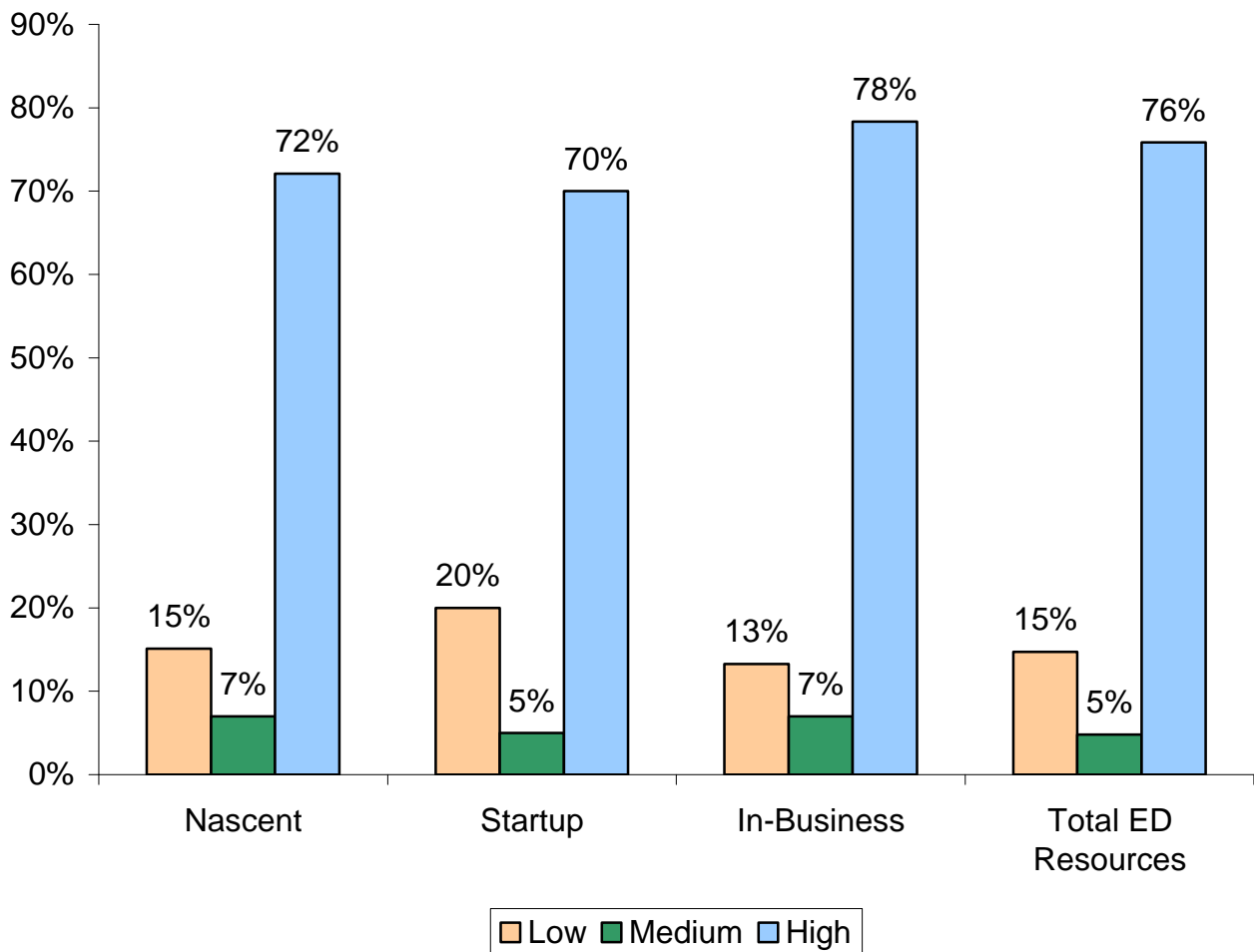
³³ Due to non-responses and multiple business type selections, the total for all business types might not equal 100%.

WBC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 73% of WBC respondents overall reported that the information they received from their counselor was valuable. Figure 7.5 shows ratings of usefulness of services received by business segment. WBC In-Business clients assigned higher ratings than the 76% average for ED Resource clients combined. Nascent and Start-up segments, 72 and 70% respectively are lower than the average for ED Resource clients combined.

Figure 7.5 – WBC –Usefulness of WBC³⁴ (FY2006 Clients)
WBC vs. Total ED Resources



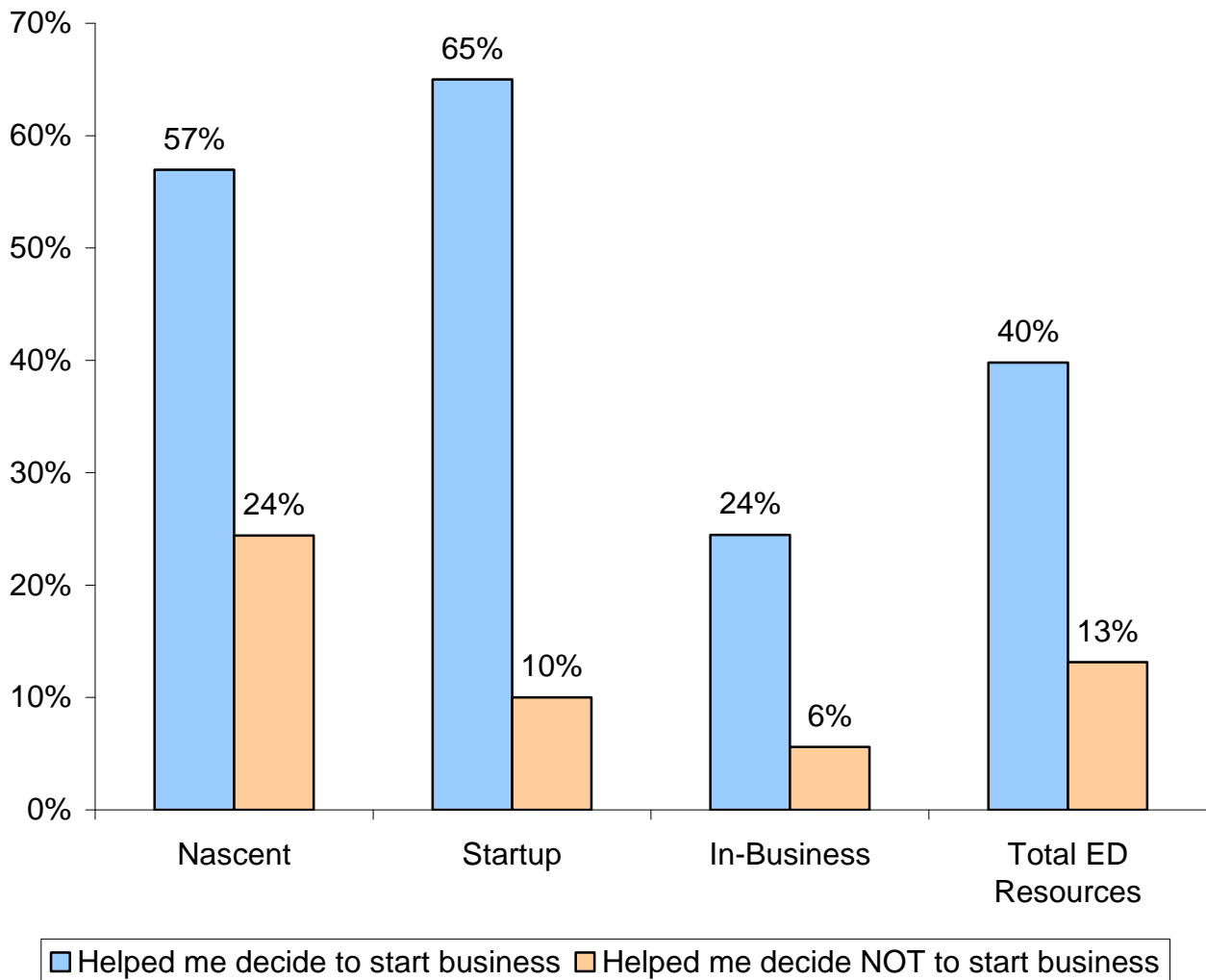
³⁴ Low value includes the 'Somewhat Useful' and 'Not Useful' response categories. High value includes the 'Extremely Useful' and 'Useful' response categories.

Decision to Start or Not Start a Business

As reported in Figure 7.6, WBC assisted in the decision to start a business for 57% of Nascent respondents. For Start-ups, this figure was 65%, which is much higher than the average of 40 % for all ED Resource clients combined. In addition, 24% of the 2006 Nascent respondents reported that WBC assistance helped them decide not to start a business.

Figure 7.6 – WBC – Usefulness of WBC ED Resources in Starting or NOT Starting a Business³⁵ (FY2006 Clients)

WBC vs. Total ED Resources



³⁵ Helpful includes the 'Very Helpful' and 'Helpful' response categories only.

Clients' Decision to Change Management Practices

Figure 7.7 compares WBC client decisions to change management practices or strategies by segment. As a result of WBC assistance, 50% of Start-up respondents and 58% of In-Business respondents reported changing their current management practices or strategies. These figures are considerably lower than those reported by all ED Resource clients combined.

Figure 7.7 – WBC – Changed Management Practices/Strategies as a Result of WBC ED Resource Assistance (FY2006 Clients)

WBC vs. Total ED Resources

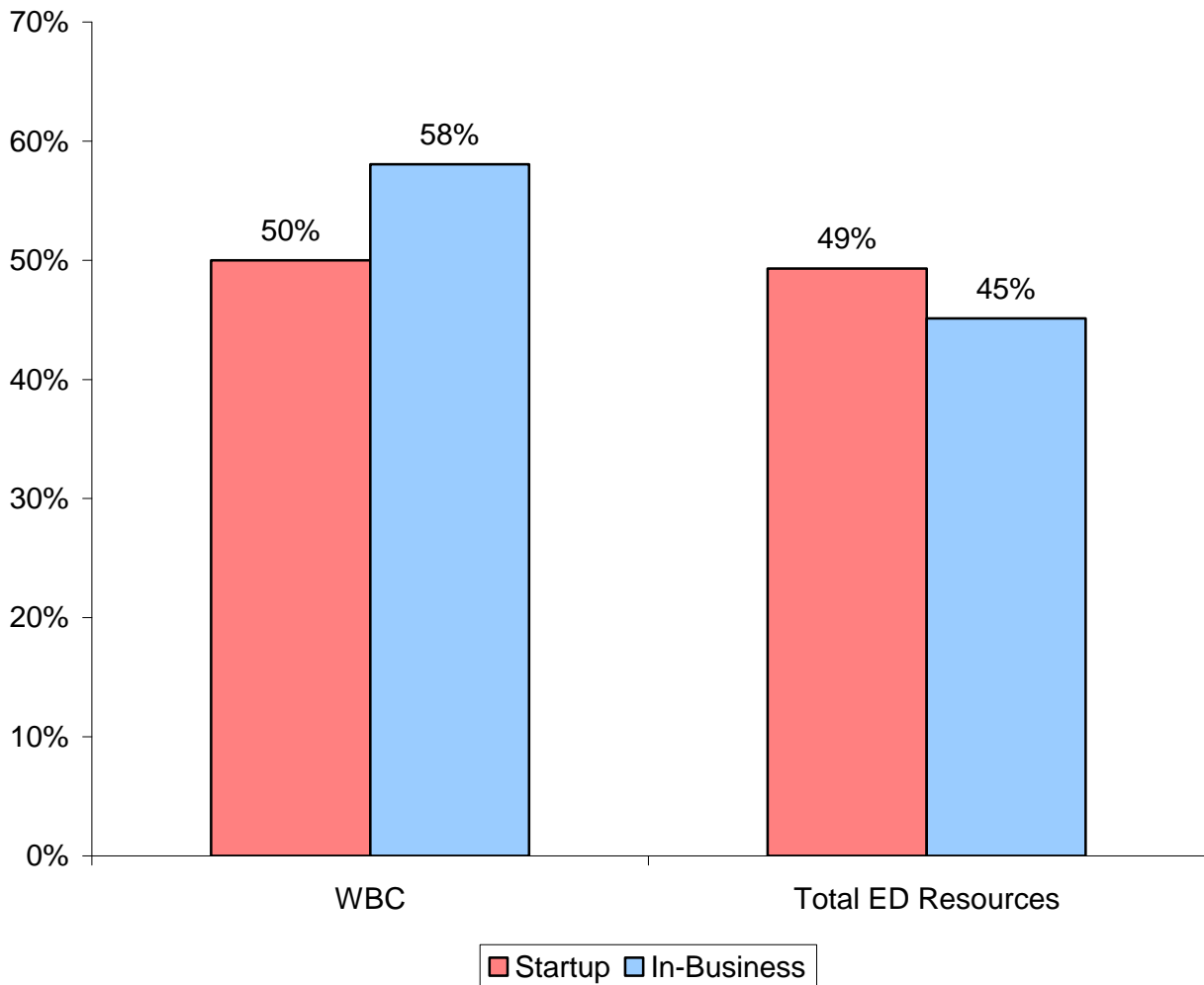
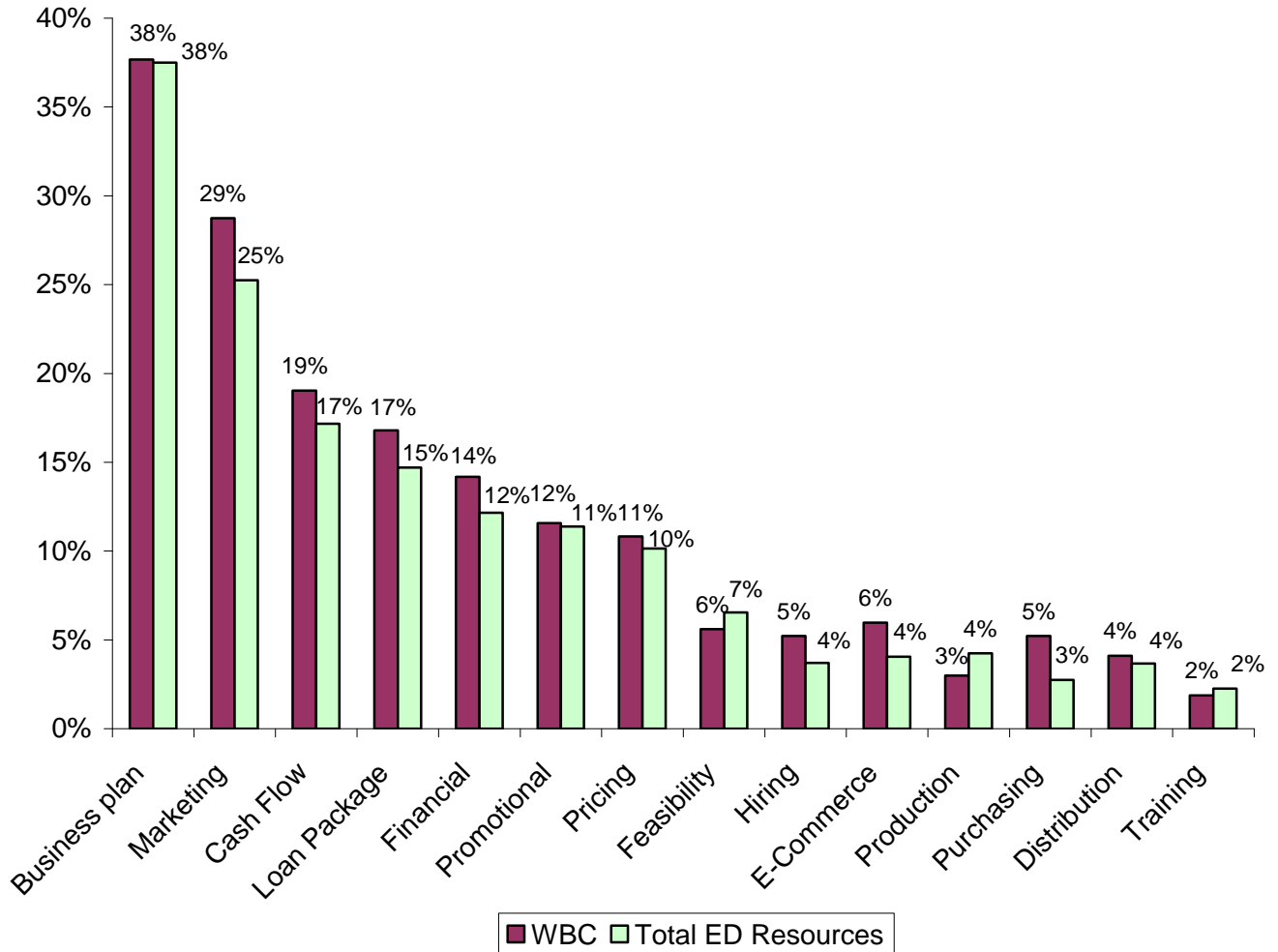


Figure 7.8 shows the business functions that were changed as a result of WBC assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and loan package.

Figure 7.8 – WBC – Changes in Management Practices by Business Function (FY2006 Clients)

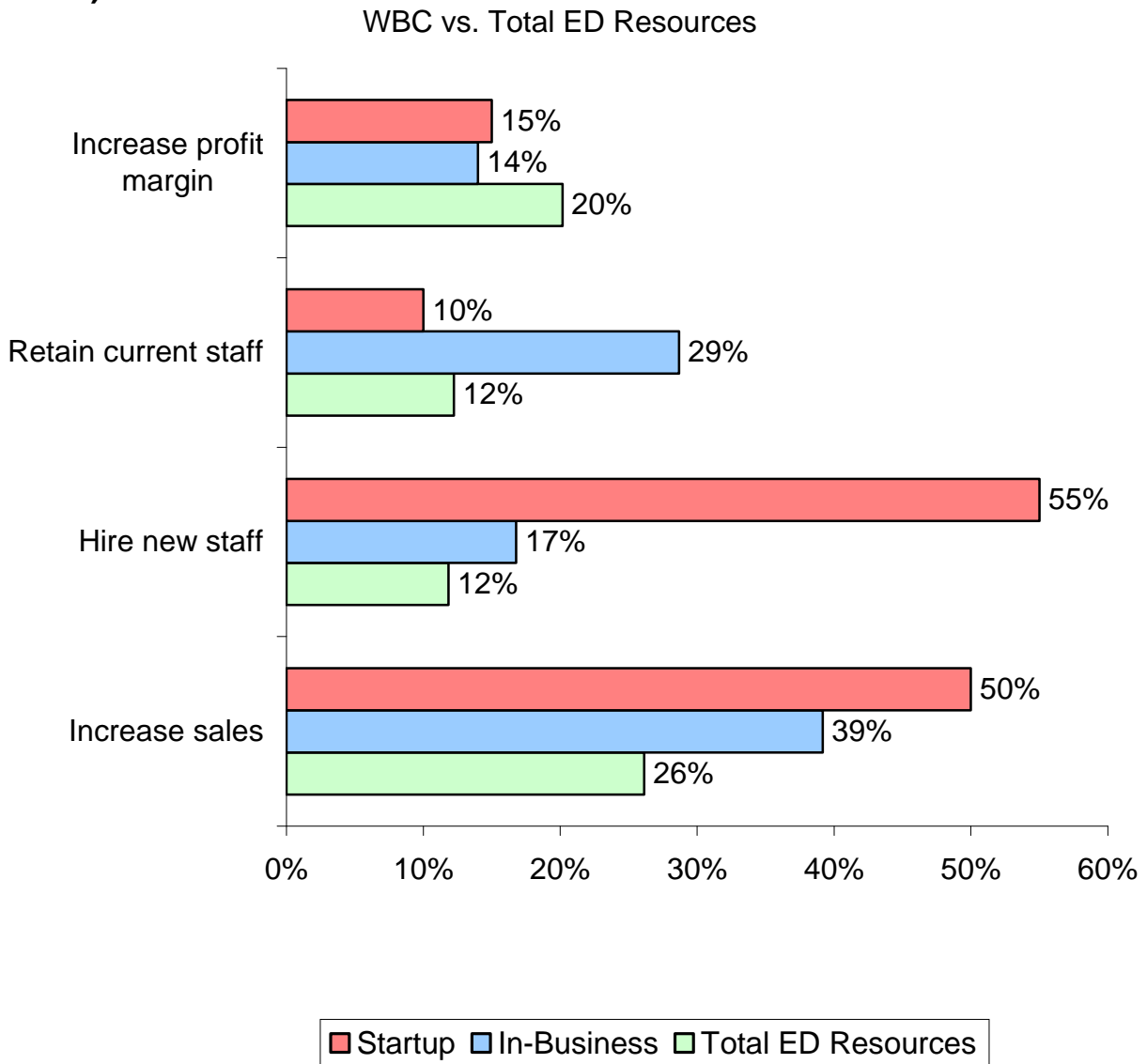
WBC vs. Total ED Resources



Sales, Job Creation and Job Retention

Figure 7.9 compares WBC Start-up and In-Business clients in terms of the impact of WBC assistance on increases in sales, profits, jobs, and the retention of employees. Interestingly, 55% of WBC Start-up clients reported increases in hiring new employees compared to just 12% of Total ED Resource clients. In addition, 50% of WBC Start-up respondents and 39% of In-Business respondents reported that WBC assistance resulted in increased sales compared to 26% of all ED Resource clients combined. When compared to all ED Resource clients combined, In-Business clients who used WBC resources were better able to increase sales and hire and retain staff.

Figure 7.9 – WBC – The Usefulness of the Changes for Firm (FY2006 Clients)



VIII. RESULTS FOLLOW-UP STUDY: FY2004 AND FY2005 CLIENTS

The following section presents findings from an analysis of follow-up surveys of FY2004 ED Resource clients and FY2005 ED Resource clients. These follow-up surveys were conducted in order to examine the impact of ED Resource assistance over time. This year's follow-up survey of 2004 ED Resource clients represents the second follow-up study of this sample. The first follow-up study of 2004 clients was conducted last year.

The follow-up study of 2005 ED Resource clients is the first follow-up survey of these clients. A second follow-up study of these clients is planned for 2008.

The following analysis addresses 4 key research questions:

- What was the rate of transition of Nascent and Start-up firms to the In-Business segment?
- Based on comparisons with data reported by the Panel Study of Entrepreneurial Dynamics (PSED), what is the impact of ED Resource assistance on firm survival?
- What was the financial impact of services/assistance provided by SBA ED Resources in terms of job creation, job retention and sales?
- Based on comparisons with data reported by the National Federation of Independent Businesses (NFIB), what is the impact of ED Resource assistance on revenue and employment growth?

Methodology

There were 3,453 respondents to the Initial Economic Impact Survey of 2004 Clients. The first follow-up survey of these respondents was conducted by mail and phone, resulting in 271 returned surveys. These respondents were re-contacted for the second follow-up survey. Thus, there is detailed data which can be tracked from 2004 to 2007 for a sample of 67 of the 2004 clients.

There were 3,284 respondents in the Initial Impact Survey of 2005 clients conducted in 2007. A follow-up survey of these respondents was conducted by mail and phone, resulting in 363 responses. Thus, there is detailed data which can be tracked from 2006 to 2007 for a sample of 363 of the 2005 clients.

2004 Client Survey Samples

	Sample Size	Response Rate
2004 - 2005 Original	3,453	23%
Follow Up 1	430	17%
Follow Up 2	67	17%

2005 Client Survey Samples

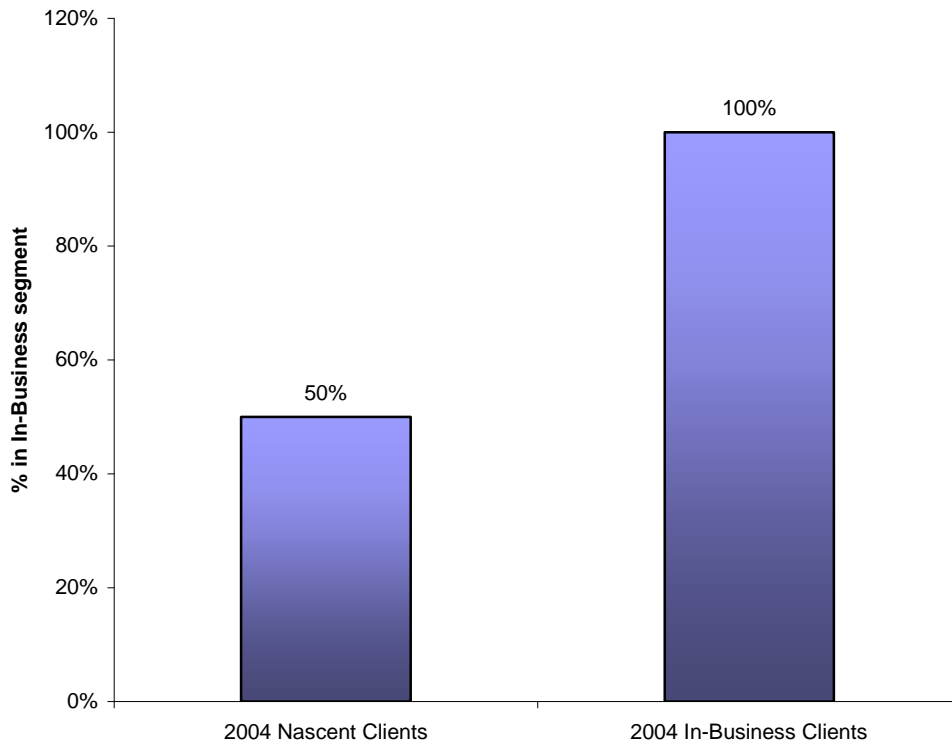
	Sample Size	Response Rate
2005 - 2006 Original	3,284	19%
Follow Up 1	363	11%

Changes in Business Segments from 2004 to 2007

What is the rate of transition of Nascent and Start-up firms to the In-Business segment?

Figure 8.1A shows the movement of firms from their 2004 client segments to the In-Business segment in 2007. For example, 50% of 2004 Nascent clients had transitioned into the In-Business category by 2007. None of 2004 Start-up clients survived at the time of returning their second follow-up surveys. However, 100% of the respondents in the In-Business segment in 2004 remained in business in 2007.³⁶

Figure 8.1A –Transition and Survival of 2004 Segments to 2007 In-Business

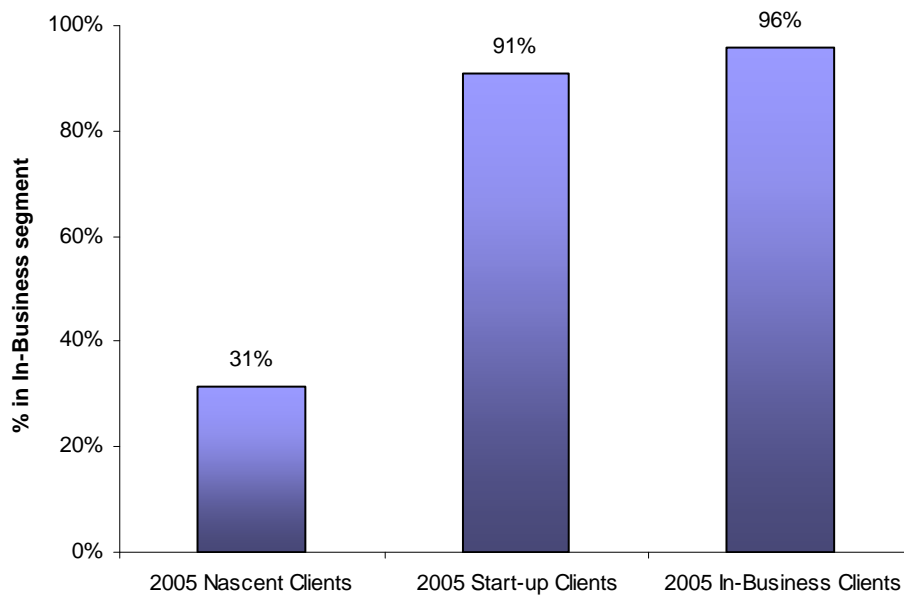


³⁶ Findings from the second follow-up on 2004 clients should be interpreted with caution due to the small useable sample size. This sample included a total of 32 clients from 2004: 1 Nascent, 4 Start-ups and 32 In-Business firms.

Figure 8.1B shows the movement of firms from their 2005 client segment to the In-Business segment in 2007. For example, 31% of 2005 Nascent clients transitioned into the In-Business category by 2007. Thus, about one third of Nascent businesses went into business between 2005 and 2007. By comparison, according to a study by Carter, et al. (2004), 30% of Nascent entrepreneurs in the PSED had started businesses at the time of the first follow-up.³⁷

Ninety-one percent of 2005 Start-up respondents and 96% of In-Business respondents remained in business in 2007. At the same time, less than 1 out of 10 firms that were In-business in 2005 went out of business by 2007.

Figure 8.1B –Transition and Survival of 2005 Segments to 2007 In-Business



³⁷ Carter, Nancy M., William B. Gartner and Paul D. Reynolds (2004), “Firm Founding,” in Handbook of Entrepreneurial Dynamics: The Process of Business Creation, eds. W.B. Gartner, K. G. Shaver, N.M. Carter, P.D. Reynolds, Thousand Oaks, CA: Sage Publications, Inc., 311-323.

Impact of ED Resource Assistance on Firm Survival

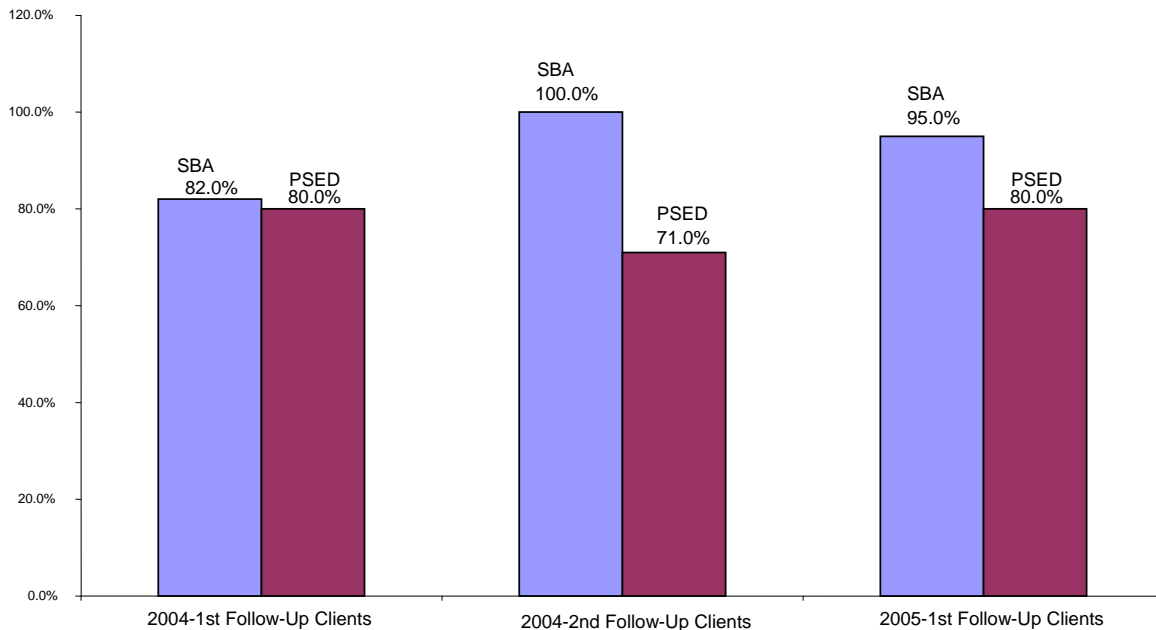
Does ED Resource assistance have a positive impact on firm survival?

The PSED data serves as a benchmark for comparing the proportion of Nascent and Start-up businesses that can now be classified as In-Business firms. The PSED is a sample of Nascent entrepreneurs assembled while they are in the process of going into business. The research design for this study requires comparison with the PSED; however, the reader should note that the PSED study was conducted in 2003 and 2004 whereas the SBA research was conducted in 2007.

Figure 8.2 compares the survival rates of firms in our follow-up study with the PSED.³⁸ These results suggest that businesses that received ED Resource assistance have a higher survival rate than other small businesses such as those randomly sampled for the PSED. For example, based on the 2005 follow up study of Ed Resource clients, 95% were still in business in 2007. In contrast, only 80% of firms in the PSED sample remained in business after one year. In the case of the two 2004 follow-up surveys, Ed Resource clients also had higher survival rates than those in the PSED benchmark sample.

In addition to the PSED analysis, ED Resource client survival rates are higher than other previous studies. For example, according to a recent study, two-thirds of new employer firms survive at least two years, and about 44% survive at least four.³⁹

Figure 8.2 – Comparison of Follow-up Survival Rate Results with PSED



³⁸ Source: Parker, Simon C. What happens to nascent entrepreneurs? An econometric analysis of the PSED. *Entrepreneurship in a Diverse World*. United States Association for Small Business and Entrepreneurship (USASBE).2005 8p

³⁹ Survival and Longevity in the Business Employment Dynamics Database, *Monthly Labor Review*, May 2005.

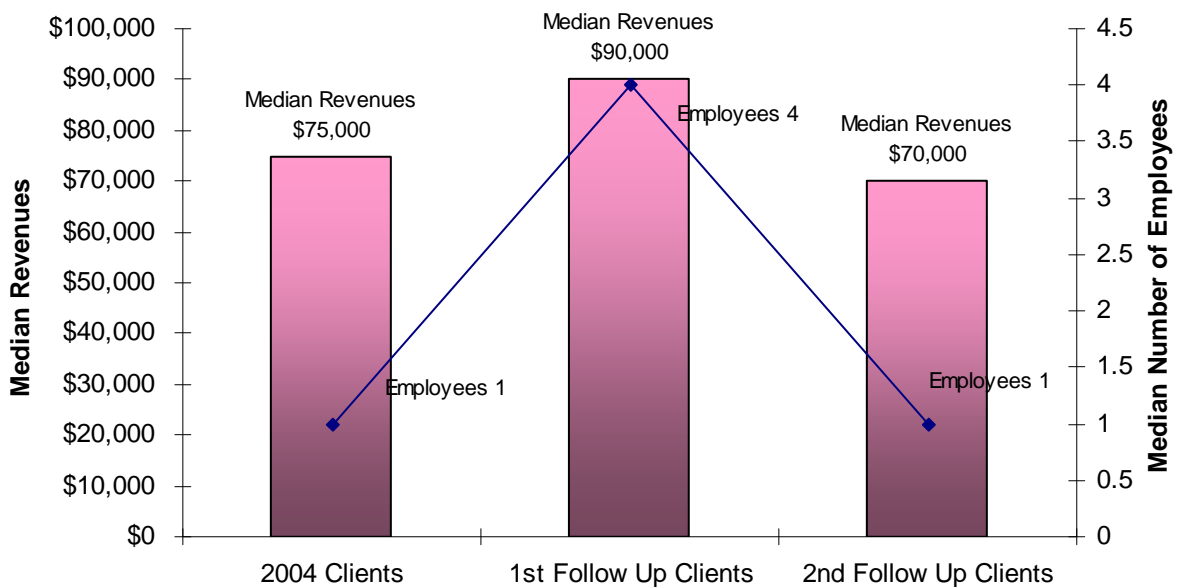
Changes in Revenues and Employees

What is the financial impact of services/assistance provided by SBA ED Resources in terms of job creation, job retention and sales?

Figure 8.3 compares annual revenues and number of employees of 2004 clients in their two subsequent follow-up surveys. According to this matched comparison, median revenues grew from \$75,000 initially to \$90,000 at the time of the first follow-up. By 2007, however, median revenues had fallen to \$70,000, and the median number of employees had fallen as well.⁴⁰ This is consistent with other economic indicators, which reflect a downturn over this time period. Although proprietor’s income increased in 2007, small business owners were pessimistic about growth potential.⁴¹ At the same time, growth rates for real GDP declined and unemployment rates increased.⁴²

This pattern is also reflected in other measures of small business growth. The Private Company Index (PCI) published by Entrex is recognized by investment professionals and financial media as a leading and authoritative source on private company revenue performance. **According to the PCI annual revenue growth measure, private companies grew 25% from 2004 to 2005, and 52% from 2005 and 2006, but had fallen to 33% from 2006 to 2007.**⁴³

Figure 8.3- Total ED Resources Revenue and Employment: 2004 Survivors over Time



⁴⁰ Firms reporting zero revenues were treated as missing. This analysis is not provided for individual ED resources due to insufficient valid revenue and employment data.

⁴¹ “Small Business Economic Trends,” William C. Dunkelberg and Holly Wade, NFIB, December 2007.

⁴² “The Economy and Small Business,” *Quarterly Indicators*, SBA Office of Advocacy, Fourth Quarter 2007, <http://www.sba.gov/advo/research/sbqei0704.pdf>.

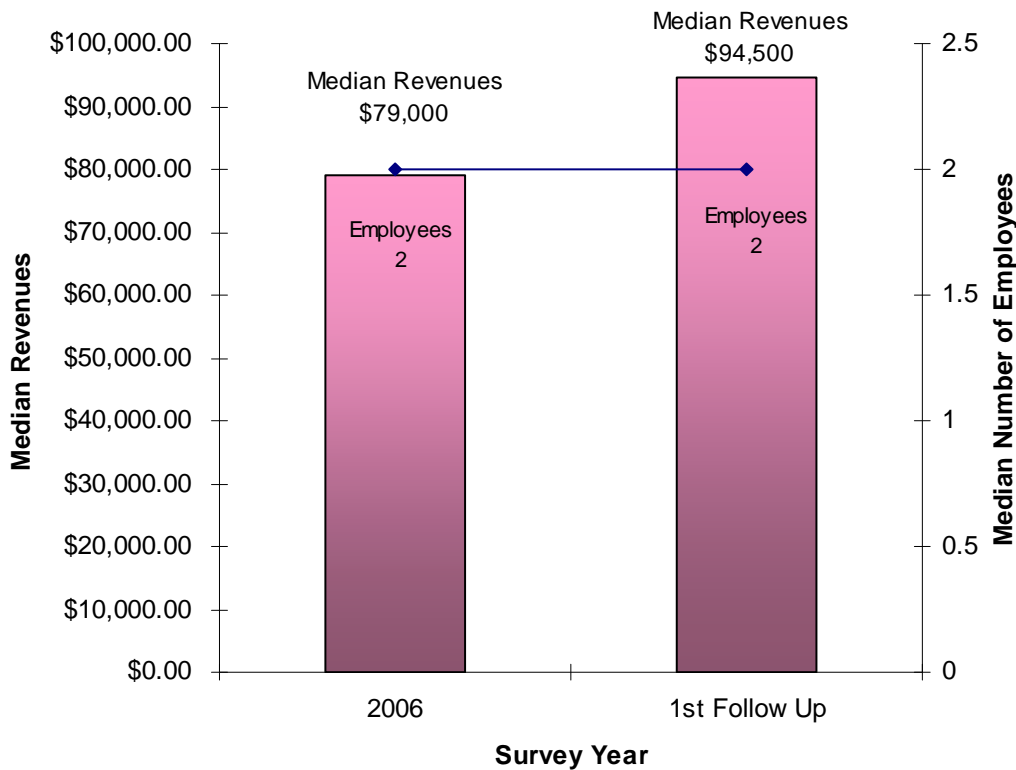
⁴³ <http://www.privatecompanyindex.com/news/060118.php>

Due to the extremely small sample size of 2004 clients, the results for Total ED Resources combined are provided, however the figures for individual resources are not calculated. Sample sizes for 2005 clients are larger, enabling us to report on individual ED Resources.

Figure 8.4A compares annual revenues and number of employees in 2005 and 2007.

According to this matched comparison, median revenues grew from \$79,000 in 2005 to \$94,500 in 2007—an increase of 19.4%.⁴⁴ However, the median number of employees per firm remained the same over this period.

Figure 8.4A- Total ED Resources Revenue and Employment: 2005 Survivors over Time

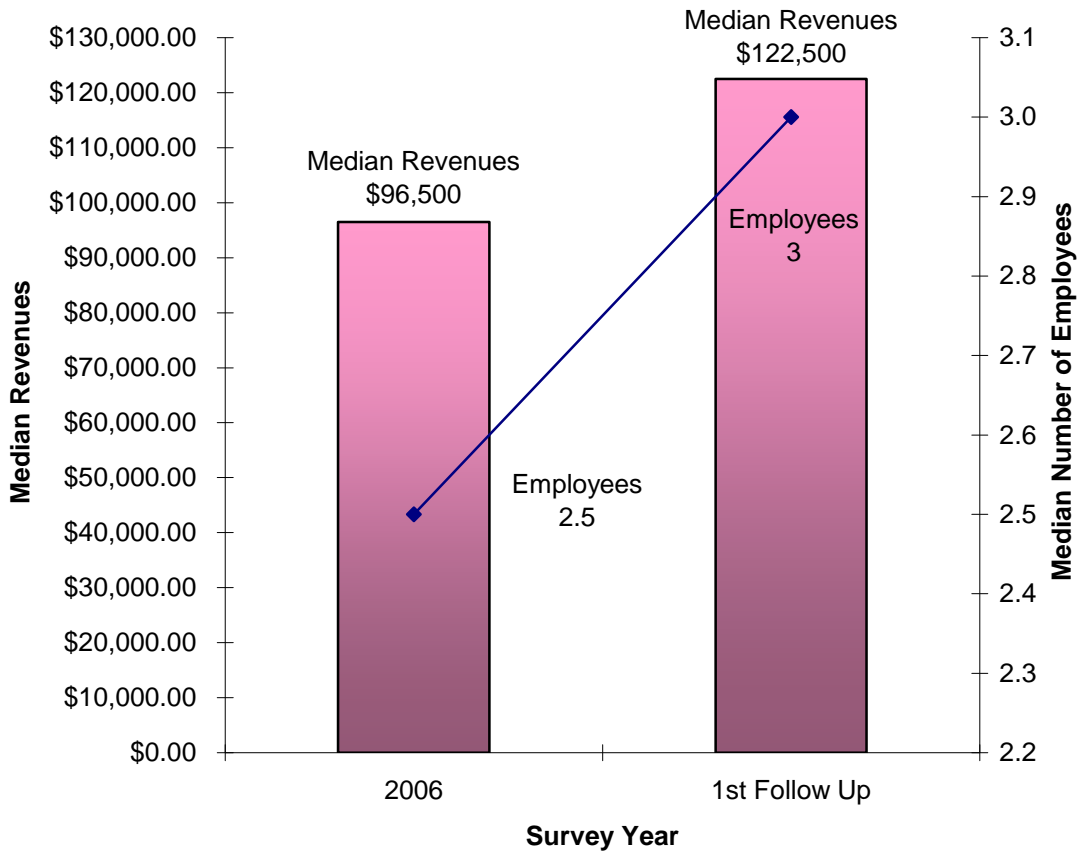


This analysis is repeated for each ED Resource in Figures 8.4B, 8.4C and 8.4D.

⁴⁴ Firms reporting zero revenues were treated as missing.

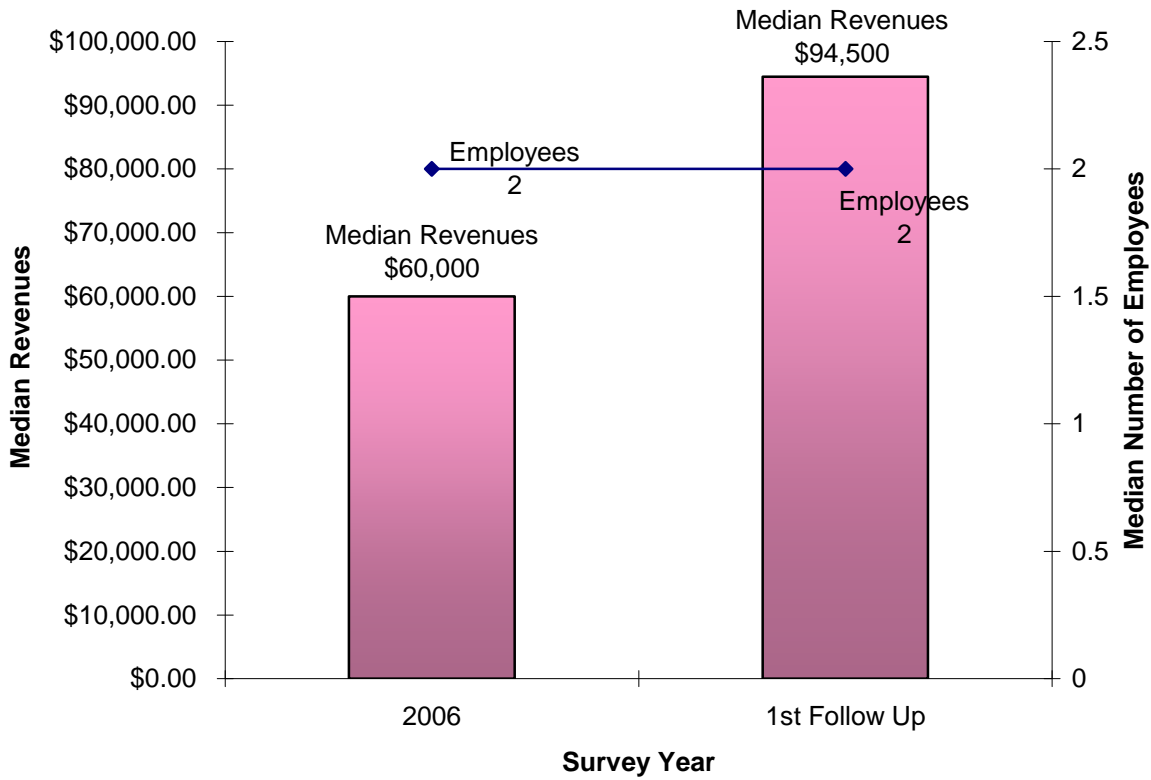
SBDC clients reported similar information with revenues increasing from \$96,500 to \$122,500. These firms also reported a slight increase in the number of employees.

Figure 8.4B- SBDC Revenue and Employment: 2005 Survivors Over Time



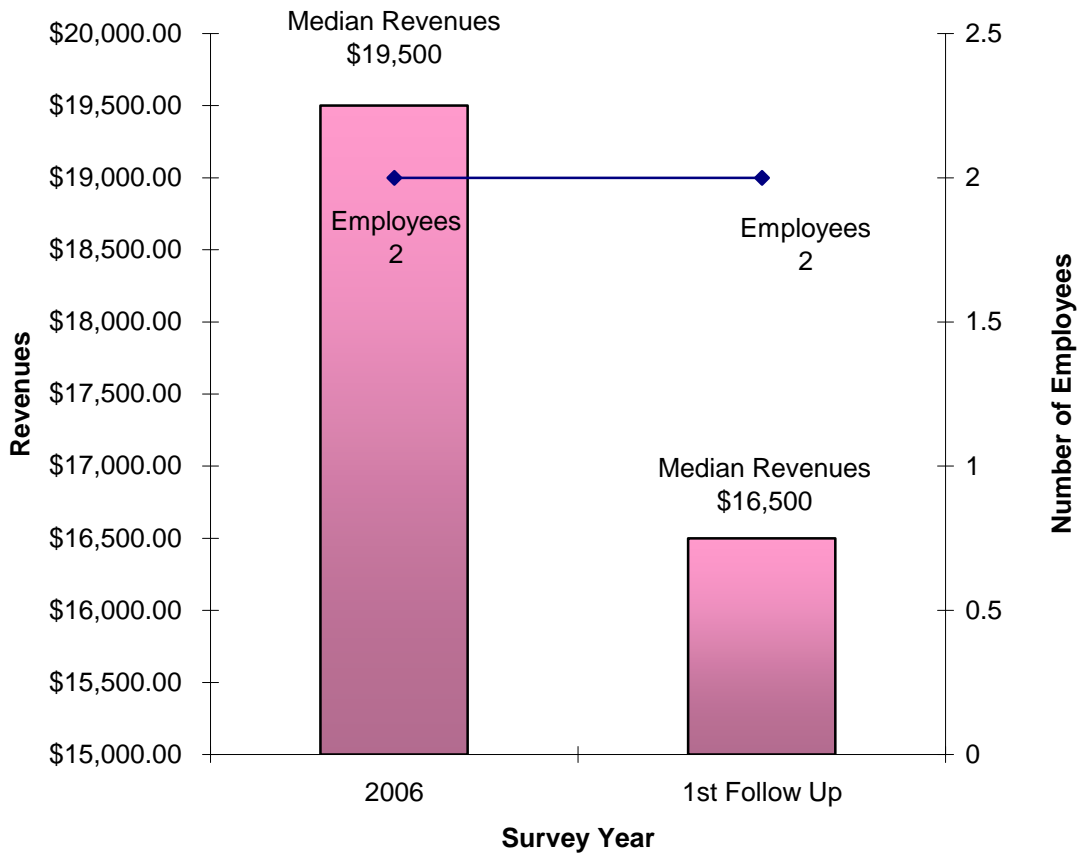
Similar increases in revenue were also reported by SCORE clients.

Figure 8.4C- SCORE Revenue and Employment: 2005 Survivors over Time



As shown in Figure 8.4D, WBC clients represent the only ED Resource center with a reported decrease in revenue from 2006-2007, with median revenues falling from \$19,500 to \$16,500. However, the number of employees for these firms remained the same.

Figure 8.4D- WBC Revenue and Employment: 2005 Survivors Over Time

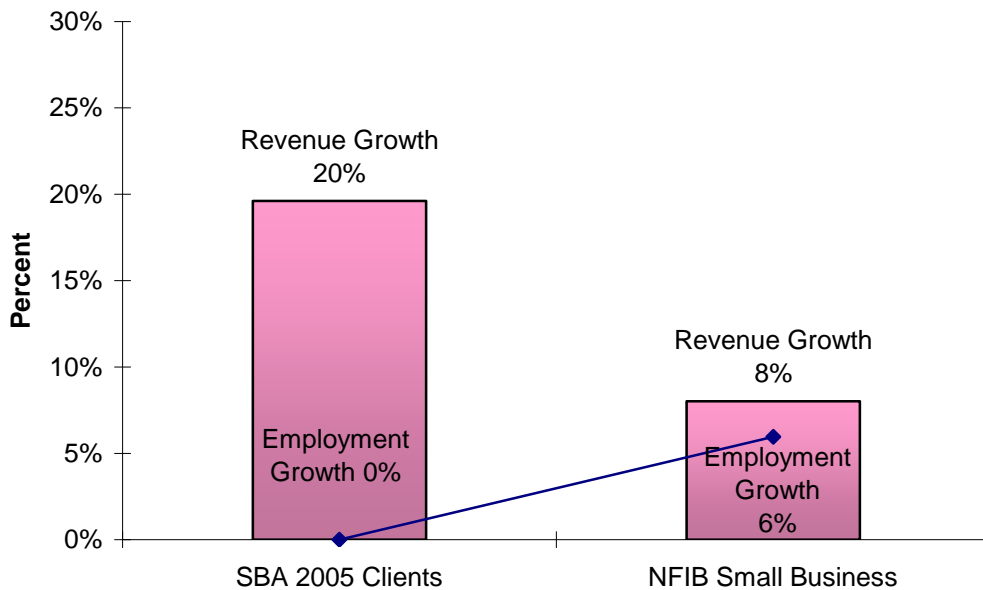


Benchmark Comparisons

In order to measure the impact of total ED Resource assistance on revenue and employment growth, Figure 8.5A compares the growth of total ED Resource clients with annualized actual sales changes and actual employment changes from NFIB Small Business Survey Monthly Report published in January 2007. The NFIB conducts quarterly mail surveys of small business in order to report economic trends. The sample for the comparison survey was approximately 11,000 small business owners. Results of this analysis are mixed. For example, in terms of revenues, firms in the SBA ED Resource sample grew considerably more than firms surveyed by the NFIB, suggesting a positive impact of ED Resource assistance. However, in terms of numbers of employees, firms surveyed by the NFIB reported higher employment growth.

Due to the small 2004 client sample size, and the date of the comparison study, the results are reported only for 2005 clients.

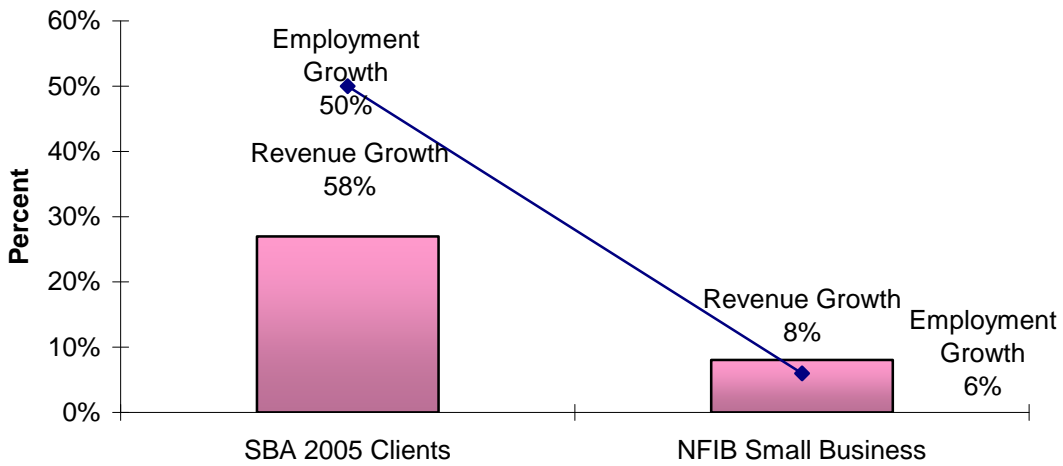
Figure 8.5A- Total ED Resource Revenue and Employment Growth: Comparison of 2005 Clients with NFIB Small Business Survey



Figures 8.5B, 8.5C, and 8.5D include similar growth comparisons for each ED Resource.

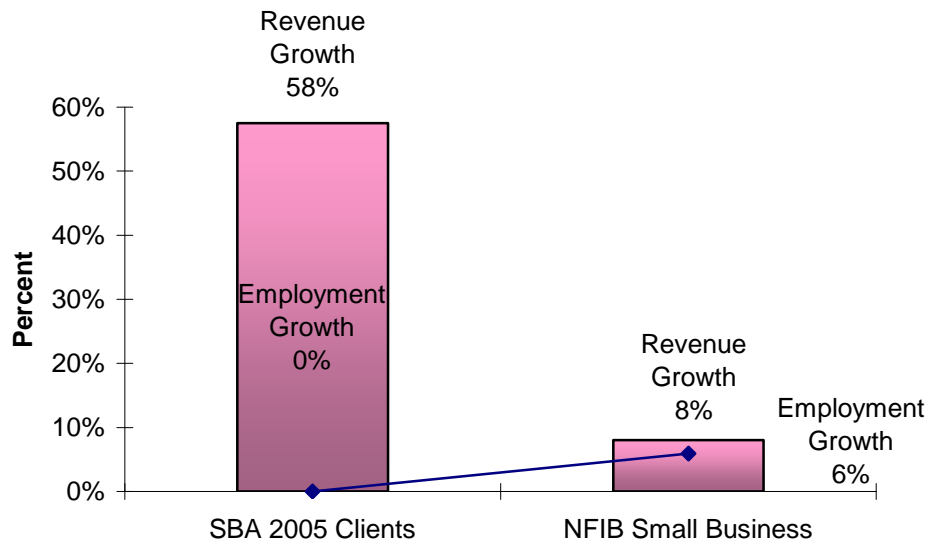
As shown in Figure 8.5B, growth amongst SBDC clients was also considerably higher than growth reported by business in the NFIB survey, both in terms of revenue and employees.

Figure 8.5B- Revenue and Employment Growth: Comparison of 2005 SBDC Clients with NFIB Small Business Survey



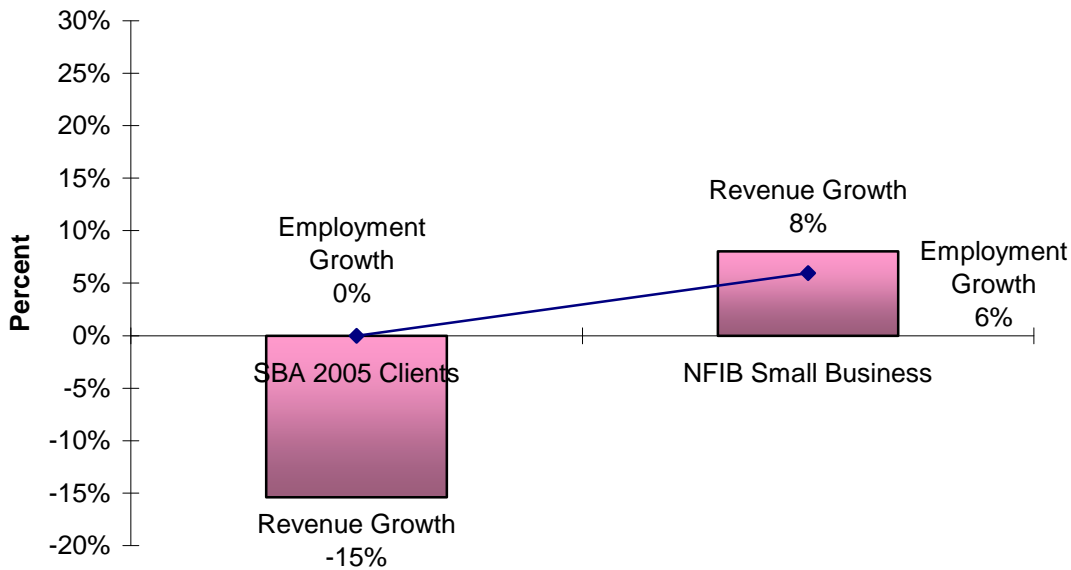
Revenue growth for SCORE clients was also much higher than for the business surveyed by NFIB; however, SCORE firms did not report employment growth.

Figure 8.5C- Revenue and Employment Growth: Comparison of 2005 SCORE Clients with NFIB Small Business Survey



Unlike the other ED Resources, WBC clients reported negative growth in terms of revenue and no growth in employment when compared to the NFIB businesses.

Figure 8.5D- Revenue and Employment Growth: Comparison of 2005 WBC Clients with NFIB Small Business Survey



Summary

Findings from an analysis of longitudinal surveys of FY2004 and FY2005 ED Resource clients suggest that ED Resource assistance has a substantial impact on firm survival and growth. Between 31 and 50 percent of Nascent businesses go into business after receiving ED Resource assistance. At the same time, more than 90% of Start-up and In-Business firms in the 2004 and 2005 follow-up samples remained in business after one year. These survival rates are higher than those reported in previous studies in the published entrepreneurship literature.

Revenue growth was higher for ED Resource clients than for other small businesses as reported by the NFIB. Revenue and employment growth were positive for 2005 clients at the time of their first follow-up survey. However, in the past year, revenues and employment for 2004 clients has declined since their first follow-up. This is consistent with other economic indicators, which reflect a downturn over this time period.

IX. SUMMARY OF QUANTITATIVE FINDINGS

1. What is the demographic, financial, and business profile of firms who utilize SBA ED Resources?

- Firms that have been in business for more than 6 months comprise the In-Business client segment. Forty-two percent of ED Resource clients were in the In-Business category. Nascent clients represented 36% of ED Resource respondents while the smallest segment, Start-up clients, represented 12%.
- The median revenue for firms served by ED Resources is \$78,000, with 2 full-time employees. However, firm size varies by ED Resource. For example, SBDC clients have significantly higher average revenues than SCORE clients, who are larger than WBC clients.
- ED Resources served during 2006 represented a wide variety of business types at different stages in development. The most common types of industries included service and retail businesses.
- ED Resource clients represented a wide variety of demographic groups: 52% of clients were female, 4% were Asian, 12% were African-American, and 8% were Hispanic. In addition, 10% of ED Resource clients were veterans. The largest age group served by ED Resources included clients between 45 and 54 years of age. In particular, 31% of ED Resource clients were in this age category.
- A comparison of revenues and employment for ED Resource clients by gender, race, ethnicity, and veteran status revealed that women-owned firms tend to be smaller than firms owned by males. As in previous years, firm size affected perceived impact. Larger firms (i.e. firms with higher revenues) report higher levels of perceived usefulness and a higher impact of assistance on financial outcomes (i.e., sales, profits, cash flow, and market share). Furthermore, in most cases, clients' demographic characteristics are not significant determinants of the client's perception of the usefulness and value of the services/assistance received, the client's decision to start a business, or the client's business having a positive financial impact. However, this is not true for African-Americans and Latinos who reported lower levels of financial impact and perceived assistance with starting a business.

Impact study data was used to examine four ED resource perceptions of impact. Findings for each of these impacts are described below.

2. Is there a positive relationship between the services/assistance provided by ED Resources and the client's perception of the usefulness and value of the services/assistance received?

- In general, ED Resource clients perceived information and assistance provided by ED Resource counselors to be valuable. Approximately 76% of ED Resource clients overall reported that assistance they received had high value. This rating was 80% for SBDC, 73% for SCORE, and 73% for WBC.

- 3. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to start a business?**
 - Services/assistance from ED Resources often helped clients start their businesses. In fact, 40% of respondents reported that this assistance helped them start a business while 13% of respondents reported that this assistance helped them decide not to start a business.

- 4. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to implement and/or change management and/or marketing practices in their business?**
 - As a result of ED Resource assistance, 45% of clients changed management practices or strategies. Clients used ED Resources most widely in developing business plans, marketing plans, cash flow analysis and financial management.

- 5. Is there a positive relationship between the services/assistance provided by ED Resources and financial impacts, including job creation and retention and increases in sales?**
 - Twenty-six percent of ED Resource clients reported that assistance provided by ED Resources resulted in increased sales. In terms of jobs, 12% of clients reported that ED Resource assistance led to the hiring of new staff and 12% reported that ED Resources assisted them in retaining current staff. The perceived impact of ED Resource assistance profits was similar to previous years, with 20% of respondents reporting increases in profit margin.

Follow-Up Study of 2004 and 2005 ED Resource clients:

- 6. How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics (PSED) study?**
 - Based on the 2005 follow up study of Ed Resource clients, 95% were still in business in 2007. In contrast, only 80 percent of firms in the PSED sample remained in business after one year. In the case of the two 2004 follow-up studies, Ed Resource clients also had higher survival rates than those in the PSED benchmark sample.

- 7. Was the financial impact (job creation, job retention and sales) on the clients who were provided services/assistance by SBA ED Resources (SBDC, SCORE, and WBC), financial position since 2003 greater than or equal to a representative small business population?**
 - ED Resource clients reported 20% revenue growth compared to 8% reported by small businesses surveyed by NFIB. Revenue and employment growth were positive for 2005 clients at the time of their first follow-up survey. However, in the past year, revenues and employment for 2004 clients declined since their first follow-up.

X. SUMMARY OF QUALITATIVE FINDINGS

Clients often included additional comments that were not captured in the quantitative analysis of the survey data. Respondents expressed both negative and positive reactions to their experiences with ED Resource Centers. The number of open ended comments this year was considerably less than previous years.

Among the positive comments, several themes emerged:

- Counselors were resourceful and provided invaluable assistance;
- ED Resources were effective in assisting business owners in creating business plans or obtaining loans; and
- Survey respondents were inclined to return to the Center for continued assistance.

Some respondents attributed the success of their business to their ED Resource counselor. Surveys included several positive responses to specific counselors, for example:

“My counselor helped me to start my business when I moved from California to Minnesota! I appreciate all her resources to get my business going.”

Respondents also stated how counselors provided comprehensive information and strategies for small business owners:

“SBA counselor was helpful in several areas.”

ED Resource counselors often provide strategies and approaches to obtaining loans or creating business plans. Respondents voiced positive reactions to the counselors’ instruction, and attributed the success of their businesses to the ED Resources. Regarding a SBDC seminar, one respondent commented:

“I would love to see more of these types of seminars in our area. This really helped me to keep from trying to open my business before I was ready.”

Another respondent wrote how a counselor effectively prepared him or her to secure loans:

“My counselor is wonderful! I received two loans—twice for one school and once for my new school.”

Business owners also attested to their positive experiences with ED Resources through their enthusiasm and continued relationships with centers and counselors. One respondent wrote how he or she used the ED Resources for ongoing support:

“Thank you for making this service available. We’ve used it many times over the years—excellent! Regards!”

There was also negative feedback provided by survey respondents regarding their experiences with ED Resources. General concerns expressed included:

- Counselors were discouraging;
- Counselors lacked practical or technical knowledge; and
- ED Resources were not accessible or effective at meeting business owners' specific needs.

A few respondents included negative feedback on specific counselors or programs. The following respondent was discouraged by a counselor and chose to seek another organization for assistance:

“They spent 1 hour putting me down, telling me I couldn’t make it. FYI, I went through a organization called WECO, I wrote my own business plan, I was able to get the funding I needed.”

Other respondents felt that, although counselors were encouraging, they lacked sufficient experience or technical knowledge. One respondent wrote:

“Basically, my SBDC advisor was a “cheerleader” who was enthusiastic and supportive but gave very little hard-headed critical input or analysis specific to my situation/planning.”

Additional feedback criticized ED Resources for being unable to meet specific business needs. For example, the following respondent felt that he or she did not gain from his or her experience because it provided limited tools:

“I attempted to use. Agent was not knowledgeable nor computer literate. Total waste of time. All I got was a note of a grant writing class.—if I wanted to learn agent’s job, I’d have done so. Worthless self serving government bureaucracy.”

Another respondent similarly remarked:

“It seems that all any of them can do is help write a business plan. Even the Woman’s Business Center was of no help.”

Survey comments also included concerns that resources were not accessible. One respondent felt that resources were unavailable when seeking assistance:

“We have not seen anyone except for a few days in 2005 when we were trying to get someone to work with us. Since then we are on our own. We still need assistance. We have no counselor. We try to have someone but the person does not have time to talk to us.”

XI. FURTHER RESEARCH AND RECOMMENDATIONS

Measuring the effects of ED Resources on business operations, as well as financial and economic outcomes, requires longitudinal data that track respondents over time. The first follow-up study of 2006 clients and second of 2005 client respondents is currently underway. This longitudinal/panel study will determine the extent to which SBA ED Resources have resulted in actual survival and growth for businesses in each segment.

Further research with this dataset can allow comparison of the effects of different kinds of ED Resource assistance and services on financial and economic outcomes for clients. For example, one study could examine effects of different types of assistance (e.g. business plan vs. financial strategy) perceived improvements, actual survival and actual business growth.

On the basis of our findings, we offer the following recommendations be incorporated into the upcoming year's surveys.

- *Add data instructions that include a cut-off point for revenues.*

As noted in past years, it is still a common occurrence for respondents to leave the revenue question blank or report extremely high revenues inconsistent with those of typical small business. A maximum revenue limit could be added to avoid having to delete these extreme outliers when preparing the analysis.

- *Add a data field to record information regarding the amount of time spent in counseling.*

Recording this information will help in determining if the number of hours of counseling has an impact on client perceptions.

XII. APPENDICES

Appendix 1 – Survey Response Values by Research Topic

RESEARCH TOPIC	SURVEY QUESTIONS	RESPONSE CODE/DATABASE VALUES
Demographic Characteristics	#8. At the time you were assisted by WBC, SCORE, SBDC what was the approximate annual gross revenue of your business?	Open ended
	#9. At the time you were assisted by WBC, SCORE, SBDC, how many people (full or part-time), including yourself, did your business employ?	Open ended
	#13. Gender	Male=1, Female=2, No response = N
	#14. Veteran Status	Veteran=1, Service Disabled=2, Non-Veteran=3, No response = N
	#15. Age	18-24= 1, 25-34 = 2, 35-44 = 3, 45-54 = 4, 55-64 = 5, 65-74 = 6, 75+ = 7, No response = N
	#16. Are you: Hispanic or Latino, Not Hispanic/Latino Origin	Hispanic or Latino=1, Not of Hispanic/Latino Origin=0, No response = N
	#17. Are you: American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, White	American Indian or Alaskan=1 or 0, Asian=1 or 0, Black or African American=1 or 0, Native Hawaiian or Pacific Islander=1 or 0, White=1 or 0, No response = N
	#18. If you are in business, what is the primary type of business? <input type="checkbox"/> Construction <input type="checkbox"/> Manufacturing <input type="checkbox"/> Consulting <input type="checkbox"/> Wholesale <input type="checkbox"/> Finance, Ins. and Real Estate <input type="checkbox"/> Entertainment <input type="checkbox"/> Retail <input type="checkbox"/> Restaurant <input type="checkbox"/> Engineering <input type="checkbox"/> Publishing <input type="checkbox"/> Education <input type="checkbox"/> Service <input type="checkbox"/> Health Care <input type="checkbox"/> Day Care <input type="checkbox"/> Transportation <input type="checkbox"/> Computer System & Design	Construction=1 or 0, Manufacturing=1 or 0, Consulting =1 or 0, Wholesale =1 or 0, Finance, Ins. And Real Estate =1 or 0, Entertainment =1 or 0, Retail =1 or 0, Restaurant =1 or 0, Engineering =1 or 0, Publishing =1 or 0, Education =1 or 0, Service =1 or 0, Health Care =1 or 0, Day Care =1 or 0, Transportation =1 or 0, Computer System & Design =1 or 0, Other = open ended, No response =N

	<input type="checkbox"/> Other	
Is there a positive relationship between the services/assistance provided by SBA ED Resources and the client's perceptions of the usefulness and value of the services/assistance received?	<p>#10. Please indicate the value of the information you received from the WBC, SCORE, SBDC counselor you visited:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. Usefulness of information <input type="checkbox"/> 2. Relevancy of the information <input type="checkbox"/> 3. Timeliness of the information <input type="checkbox"/> 4. Rate your overall experience 	Extremely Valuable=5, Valuable=4, No Opinion=3, Somewhat Valuable=2, Not Valuable=1, No response = N
	<p>#11. Please indicate how effective the counselor was in assisting you:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. Assistance met my needs <input type="checkbox"/> 2. Counselor's ability to assist me <input type="checkbox"/> 3. Counselor was friendly <input type="checkbox"/> 4. Counselor was current on management issues <input type="checkbox"/> 5. Counselor was knowledgeable 	Effective=5, Somewhat Effective=4, No Opinion=3, Somewhat Ineffective=2, Ineffective=1, No response = N
Is there a positive relationship between the services/assistance provided by SBA ED Resources and the degree those services and assistance influence the client's decision to start a business	<p>#12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. Identification of problems <input type="checkbox"/> 2. Correction of problems <input type="checkbox"/> 3. Assisted in starting a business <input type="checkbox"/> 4. Helped me to decide not to start a business 	Very Useful=5, Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1, No response = N
Is there a positive relationship between the services/assistance provided by SBA ED Resources and clients' decisions to implement and/or change management and/or marketing practices in their business	<p>#4. As a result of the assistance you received, have you changed any of your current management practices?</p>	Yes=1, No=0, No response = N
	<p>#5. As a result of the assistance you received, which management practices have you changes?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Financial Management <input type="checkbox"/> Human Resource Management <input type="checkbox"/> Marketing Strategy <input type="checkbox"/> International Trade 	If checked = 1 Not checked = 0, open ended, No response = N

	<input type="checkbox"/> Promotional Strategy <input type="checkbox"/> Obtaining Capital <input type="checkbox"/> General Management <input type="checkbox"/> Other	
	<p>#6. As a result of the assistance I received from the WBC, SCORE, SBDC counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business. [Check all that apply]</p> <input type="checkbox"/> Business Plan <input type="checkbox"/> Marketing Plan <input type="checkbox"/> Promotional Plan <input type="checkbox"/> Pricing Strategy <input type="checkbox"/> Cash Flow Analysis <input type="checkbox"/> Loan Package <input type="checkbox"/> Hiring Plan <input type="checkbox"/> Training Plan for Staff <input type="checkbox"/> Financial Mgmt Strategy <input type="checkbox"/> E-Commerce Strategy <input type="checkbox"/> Purchasing Strategy <input type="checkbox"/> Feasibility Plan <input type="checkbox"/> Production Plan <input type="checkbox"/> Distribution Plan <input type="checkbox"/> Other	<p>If checked = 1, Not checked = 0, Other=open ended, No response = N</p>
	<p>#7. Please indicate the impact these changes have had on your firm:</p> <input type="checkbox"/> 4. Expand my products/services <input type="checkbox"/> 6. Revise my marketing strategy	<p>Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1, No response = N</p>
<p>Is there a positive relationship between the services/assistance provided by SBA ED Resources and the clients' businesses having a positive financial impact on job creation and retention and increase in sales?</p>	<p>#7. Please indicate the impact these changes have had on your firm:</p> <input type="checkbox"/> 1. Increase my sales <input type="checkbox"/> 2. Improve my cash flow <input type="checkbox"/> 3. Acquire an SBA loan <input type="checkbox"/> 5. Hire new staff <input type="checkbox"/> 7. Increase my profit margin <input type="checkbox"/> 8. Retain current staff <input type="checkbox"/> 9. Acquire a government contract <input type="checkbox"/> 10. Other	<p>Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1, other=open ended, No response = N</p>
<p>General Business</p>	<p>#1a. Are you currently in business?</p>	<p>Yes=1, No=0, No response = N</p>
	<p>#1b. If yes, when was the business started?</p>	<p>mm/yyyy</p>
	<p>#1c. What zip code is your business</p>	<p>xxxxx</p>

	#2. If NO, when do you plan on starting a business?	Within 30 days=1, 31-90 days=2, 91-120 days=3, No idea at this time=4, No response = N
	#3. Have you ever been in business?	Yes=1, No=0, No response = N
	#12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business <input type="checkbox"/> 1. Identification of problem(s) <input type="checkbox"/> 2. Correction of problem(s)	Very Useful=5, Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1, No response = N
	#19. Did you utilize any other SBA resources/program?	Yes=1, No=0, No response = N
	#20. If YES, select those you used [Check all that apply] <input type="checkbox"/> SCORE <input type="checkbox"/> SBDC <input type="checkbox"/> Women Business Center <input type="checkbox"/> SBA's Guarantee Loan Programs <input type="checkbox"/> SBIC Financing Program <input type="checkbox"/> SBA's Surety Bond Program	SCORE =1 or 0, SBDC =1 or 0, Women Business Center =1 or 0, SBA's Guarantee Loan Programs =1 or 0, SBIC Financing Program =1 or 0, SBA's Surety Bond Program =1 or 0, No response = N

Appendix 2 – Quantified Survey Results – Initial Survey 2006-2007

Surveys Questions	Percentage of Sample
Q1. Are you currently in business? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	65.43% 22.7% 11.86%
Q2. If no, when do you plan on starting a business? <input type="checkbox"/> Within 30 days <input type="checkbox"/> 31-90 days <input type="checkbox"/> 91-120 days <input type="checkbox"/> No idea at this time <input type="checkbox"/> Missing	0.66% 2.30% 3.59% 16.06% 77.38%
Q3. Have you ever been in business? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	25.71% 29.44% 44.85%
Q4. As a result of the assistance you received, have you changed any of your current management practices/strategies? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	45.12% 54.88% 0%
Q5. As a result of the assistance you received, which management strategies have you changed? <input type="checkbox"/> Financial Management <input type="checkbox"/> Promotional Strategy <input type="checkbox"/> Human Resource (Hiring/Firing) <input type="checkbox"/> Obtaining Capital <input type="checkbox"/> Marketing Strategy <input type="checkbox"/> General Management <input type="checkbox"/> International Trade <input type="checkbox"/> Other	26.21% 15.65% 7.48% 12.64% 28.21% 18.97% 1.86% 6.11%

<p>Q6. As a result of the assistance I received from the counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business Plan <input type="checkbox"/> Loan Package <input type="checkbox"/> Purchasing Strategy <input type="checkbox"/> Marketing Plan <input type="checkbox"/> Hiring Plan <input type="checkbox"/> Feasibility Plan <input type="checkbox"/> Promotional Plan <input type="checkbox"/> Training Plan for Staff <input type="checkbox"/> Production Plan <input type="checkbox"/> Pricing Strategy <input type="checkbox"/> Financial Strategy <input type="checkbox"/> Distribution Plan <input type="checkbox"/> Cash Flow Analysis <input type="checkbox"/> E-Commerce Strategy <input type="checkbox"/> Other 	<p>37.5%</p> <p>10.14%</p> <p>4.25%</p> <p>25.25%</p> <p>4.06%</p> <p>6.55%</p> <p>11.38%</p> <p>2.74%</p> <p>3.67%</p> <p>12.14%</p> <p>14.69%</p> <p>2.25%</p> <p>17.16%</p> <p>3.7%</p> <p>4.47%</p>																																																																													
<p>Q7. Please indicate the impact of these changes have had on your firm: [Strongly Agree=SA, Agree=A, No Opinion-No, Disagree=D, Strongly Disagree=SD]</p> <p>I was able to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Increase my sales <input type="checkbox"/> Improve my cash flow <input type="checkbox"/> Acquire SBA loan <input type="checkbox"/> Expand my products/services <input type="checkbox"/> Hire new staff <input type="checkbox"/> Revise my marketing strategy <input type="checkbox"/> Increase my profit margin <input type="checkbox"/> Retain current staff <input type="checkbox"/> Acquire a government contract <input type="checkbox"/> Other 	<table border="1"> <thead> <tr> <th></th> <th>SA</th> <th>A</th> <th>NO</th> <th>D</th> <th>SD</th> <th>Missing</th> </tr> </thead> <tbody> <tr> <td>Increase my sales</td> <td>8.00%</td> <td>18.12%</td> <td>24.92%</td> <td>3.1%</td> <td>6.66%</td> <td>39.2%</td> </tr> <tr> <td>Improve my cash flow</td> <td>8.28%</td> <td>16.91%</td> <td>25.44%</td> <td>3.51%</td> <td>6.72%</td> <td>39.14%</td> </tr> <tr> <td>Acquire SBA loan</td> <td>7.29%</td> <td>3.18%</td> <td>32.24%</td> <td>2.99%</td> <td>11.68%</td> <td>42.63%</td> </tr> <tr> <td>Expand my products/services</td> <td>6.17%</td> <td>12.75%</td> <td>28.65%</td> <td>3.29%</td> <td>7.84%</td> <td>41.31%</td> </tr> <tr> <td>Hire new staff</td> <td>3.59%</td> <td>8.25%</td> <td>32.98%</td> <td>3.32%</td> <td>9.07%</td> <td>42.79%</td> </tr> <tr> <td>Revise my marketing strategy</td> <td>10.44%</td> <td>21.27%</td> <td>20.75%</td> <td>2.11%</td> <td>6.55%</td> <td>38.87%</td> </tr> <tr> <td>Increase my profit margin</td> <td>6.52%</td> <td>13.65%</td> <td>28.40%</td> <td>3.13%</td> <td>7.10%</td> <td>41.20%</td> </tr> <tr> <td>Retain current staff</td> <td>3.7%</td> <td>8.53%</td> <td>33.39%</td> <td>2.60%</td> <td>8.30%</td> <td>43.59%</td> </tr> <tr> <td>Acquire a government contract</td> <td>1.59%</td> <td>1.97%</td> <td>36.16%</td> <td>3.59%</td> <td>11.84%</td> <td>44.85%</td> </tr> <tr> <td>Other</td> <td>3.04%</td> <td>1.51%</td> <td>16.20%</td> <td>0.71%</td> <td>4.11%</td> <td>74.42%</td> </tr> </tbody> </table>		SA	A	NO	D	SD	Missing	Increase my sales	8.00%	18.12%	24.92%	3.1%	6.66%	39.2%	Improve my cash flow	8.28%	16.91%	25.44%	3.51%	6.72%	39.14%	Acquire SBA loan	7.29%	3.18%	32.24%	2.99%	11.68%	42.63%	Expand my products/services	6.17%	12.75%	28.65%	3.29%	7.84%	41.31%	Hire new staff	3.59%	8.25%	32.98%	3.32%	9.07%	42.79%	Revise my marketing strategy	10.44%	21.27%	20.75%	2.11%	6.55%	38.87%	Increase my profit margin	6.52%	13.65%	28.40%	3.13%	7.10%	41.20%	Retain current staff	3.7%	8.53%	33.39%	2.60%	8.30%	43.59%	Acquire a government contract	1.59%	1.97%	36.16%	3.59%	11.84%	44.85%	Other	3.04%	1.51%	16.20%	0.71%	4.11%	74.42%
	SA	A	NO	D	SD	Missing																																																																								
Increase my sales	8.00%	18.12%	24.92%	3.1%	6.66%	39.2%																																																																								
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Other	3.04%	1.51%	16.20%	0.71%	4.11%	74.42%																																																																								
<p>Q8. At the time you were assisted by the (SBFC/WBC/SCORE), what was the approximate annual gross revenue of your business?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Revenue given <input type="checkbox"/> Missing 	<p>37.77%</p> <p>62.23%</p>																																																																													

<p>Q10. Please indicate the value of the information received from the counselor you visited: [Extremely Valuable=EV, Valuable=V, No Opinion=NO, Somewhat Valuable=SW, Not Valuable, NV]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Usefulness of information <input type="checkbox"/> Relevancy of the information <input type="checkbox"/> Timeliness of the information <input type="checkbox"/> Rate your overall experience 	EV	V	NO	SV	NV	Missing
	42.79%	33.06%	4.80%	7.32%	7.40%	4.63%
	40.16%	32.84%	6.20%	7.43%	7.68%	5.70%
	39.36%	32.18%	8.50%	6.30%	7.59%	6.06%
	43.64%	30.56%	5.29%	7.26%	7.68%	5.56%
<p>Q11. Please indicate how effective the counselor was in assisting you: [Effective=E, Somewhat Effective=SE, No Opinion=NO, Somewhat Ineffective=SI, Ineffective=I]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Assistance met my needs <input type="checkbox"/> Counselor's ability to assist me <input type="checkbox"/> Counselor was friendly <input type="checkbox"/> Counselor was current on management issues <input type="checkbox"/> Counselor was knowledgeable 	E	SE	NO	SI	I	Missing
	50.11%	24.59%	5.73%	6.25%	9.05%	4.28%
	50.93%	23.71%	6.36%	6.25%	8.14%	4.61%
	69.76%	16.39%	3.76%	1.97%	3.76%	4.36%
	54.11%	20.75%	11.38%	3.56%	5.18%	5.02%
	59.59%	21.27%	5.92%	3.76%	4.88%	4.58%
<p>Q12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business: [Very Useful=VU, Useful=U, No Opinion=NO, Somewhat Useful=SU, Not Useful=NU]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Identification of problem(s) <input type="checkbox"/> Correction of problem(s) <input type="checkbox"/> Assisted in starting a business <input type="checkbox"/> Helped me decided not to start a business 	VU	U	NO	SU	NU	Missing
	32.84%	28.81%	14.14%	5.98%	9.21%	9.02%
	25.71%	25.99%	19.60%	6.28%	12.01%	10.42%
	23.44%	16.37%	26.07%	5.02%	14.14%	14.97%
	8.31%	4.82%	43.15%	1.32%	12.88%	29.52%
<p>Q13. Gender:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Missing 	43.45%					
	52.41%					
	4.14%					
<p>Q14. Veteran Status</p> <ul style="list-style-type: none"> <input type="checkbox"/> Veteran <input type="checkbox"/> Service Disable Veteran <input type="checkbox"/> Non Veteran <input type="checkbox"/> Missing 	10.17%					
	1.89%					
	69.19%					
	18.75%					

<p>Q15. Age</p> <ul style="list-style-type: none"> <input type="checkbox"/> 18-24 <input type="checkbox"/> 25-34 <input type="checkbox"/> 35-44 <input type="checkbox"/> 45-54 <input type="checkbox"/> 55-64 <input type="checkbox"/> 65-74 <input type="checkbox"/> 75 + <input type="checkbox"/> Missing 	<ul style="list-style-type: none"> 1.32% 13.05% 26.23% 31.17% 18.75% 4.61% 0.69% 4.19%
<p>Q16. Are you Hispanic or Latino</p> <ul style="list-style-type: none"> <input type="checkbox"/> Hispanic/Latino <input type="checkbox"/> Non-Hispanic/Latino <input type="checkbox"/> Missing 	<ul style="list-style-type: none"> 8.09% 76.10% 15.82%
<p>Q17. Are you:</p> <ul style="list-style-type: none"> <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White <input type="checkbox"/> Missing 	<ul style="list-style-type: none"> 2.82% 3.87% 11.81% 1.01% 72.78% 5.65%
<p>Q18. If you are in business, what is the primary type of business? (This question includes multiple responses)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Construction <input type="checkbox"/> Manufacturing <input type="checkbox"/> Consulting <input type="checkbox"/> Wholesale <input type="checkbox"/> Finance, Insurance, Real Estate <input type="checkbox"/> Entertainment <input type="checkbox"/> Retail <input type="checkbox"/> Restaurant <input type="checkbox"/> Engineering <input type="checkbox"/> Publishing <input type="checkbox"/> Education <input type="checkbox"/> Service <input type="checkbox"/> Health Care <input type="checkbox"/> Day Care <input type="checkbox"/> Transportation <input type="checkbox"/> Other 	<ul style="list-style-type: none"> 5.54% 6.41% 7.10% 3.81% 2.47% 2.11% 14.94% 4.00% 1.10% 1.56% 2.03% 13.90% 5.02% 3.70% 1.32% 22.56%
<p>Q19. Did you utilize any other SBA resources/program?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing 	<ul style="list-style-type: none"> 32.43% 59.92% 7.65%

Q20. If yes, select those you used	
<input type="checkbox"/> SCORE	25.03%
<input type="checkbox"/> SBA's Guarantee Loan Program	6.03%
<input type="checkbox"/> SBDC	14.58%
<input type="checkbox"/> SBIC Financing Program	1.43%
<input type="checkbox"/> Women Business Center	6.72%
<input type="checkbox"/> SBA's Surety Bond Program	0.25%



Appendix 3 – Survey Instrument

U.S. Small Business Administration
Office of Entrepreneurial Development
Initial Economic Impact Survey

OMB Number 3245-0351
Expiration 03/31/2009

Dear Small Business Client:

Thank you for your recent visit to SBA’s Entrepreneurial Development (ED) Resource Partners the [Small Business Development Center (SBDC), Women’s Business Center (WBC), or SCORE]. We hope you found the business assistance you sought. The SBA is always striving to better its programs and deliver relevant and meaningful assistance. We want to know if our programs and services are helping the economy by providing useful information on starting and managing a business and eventually helping your business create jobs, increasing your business’ revenues and, in general, fueling the entrepreneurial spirit in America.

We would appreciate you taking a few minutes to answer some brief questions that will help us know the quality and impact of the programs. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the [SBDC, WBC, SCORE], please use that experience as a benchmark to answer the following:

- 1. Are you currently in business? Yes No
If YES when was the business started? mm/yyyy
What is the zip code of your business location
2. If NO, when do you plan on starting a business? Within 30 days 31-90 days 91-120 days No idea at this time
If you answered NO to question 1, Skip to Question 10
3. Have you ever been in business? Yes No
If YES when was the business started? mm/yyyy
4. As a result of the assistance you received, have you changed any of your current management practices/strategies? Yes No
5. As a result of the assistance you received, which management practices/strategies have you changed? [Check all that apply]
Financial Management Promotional Strategy
Human Resource (Hiring/Firing) Obtaining Capital
Marketing Strategy General Management
International Trade Other

6. As a result of the assistance I received from the [SBDC/WBC/SCORE] Counselor, I was able to develop [i.e., Business Plan] in order to start or better manage my business. **[Check all that apply]**

- | | | | | | |
|--------------------|--------------------------|-------------------------|--------------------------|---------------------|--------------------------|
| Business Plan | <input type="checkbox"/> | Loan Package | <input type="checkbox"/> | Purchasing Strategy | <input type="checkbox"/> |
| Marketing Plan | <input type="checkbox"/> | Hiring Plan | <input type="checkbox"/> | Feasibility Plan | <input type="checkbox"/> |
| Promotional Plan | <input type="checkbox"/> | Training Plan for Staff | <input type="checkbox"/> | Production Plan | <input type="checkbox"/> |
| Pricing Strategy | <input type="checkbox"/> | Financial Strategy | <input type="checkbox"/> | Distribution Plan | <input type="checkbox"/> |
| Cash Flow Analysis | <input type="checkbox"/> | E-Commerce Strategy | <input type="checkbox"/> | Other | _____ |

7. Please indicate the impact these changes have had on your firm:
[Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

	SA	A	NO	D	SD
I was able to:					
1. Increase my sales	5	4	3	2	1
2. Improve my cash flow	5	4	3	2	1
3. Acquire an SBA loan	5	4	3	2	1
4. Expand my products/services	5	4	3	2	1
5. Hire new staff	5	4	3	2	1
6. Revise my marketing strategy	5	4	3	2	1
7. Increase my profit margin	5	4	3	2	1
8. Retain current staff	5	4	3	2	1
9. Acquire a government contract	5	4	3	2	1
10. Other (specify _____)	5	4	3	2	1

8. At the time you were assisted by the [SBDC/WBC/SCORE], what was the approximate annual gross revenue of your business? Please fill in to nearest \$1,000: **[Note: all data will be aggregated and kept in strict confidence]**

9. At the time you were assisted by the [SBDC/WBC/SCORE], how many people (full and part-time), including yourself, did your business employ?

Number of Full-Time Employees _____
Number of Part-Time Employees _____

10. Please indicate the value of the information you received from the [SBDC/WBC/SCORE] Counselor you visited:

	Extremely Valuable	Valuable	No Opinion	Somewhat Valuable	Not Valuable
1. Usefulness of information	5	4	3	2	1
2. Relevancy of the information	5	4	3	2	1
3. Timeliness of the information	5	4	3	2	1
4. Rate your overall experience	5	4	3	2	1

11. Please indicate how effective the counselor was in assisting you:

	Effective	Somewhat Effective	No Opinion	Somewhat Ineffective	Ineffective
1. Assistance met my needs	5	4	3	2	1
2. Counselor's ability to assist me	5	4	3	2	1
3. Counselor was friendly	5	4	3	2	1
4. Counselor was current on management issues	5	4	3	2	1
5. Counselor was knowledgeable	5	4	3	2	1

12. Please indicate how useful the services were that you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business.

	Very Useful	Useful	No Opinion	Somewhat Useful	Not Useful
1. Identification of problem(s)	5	4	3	2	1
2. Correction of problem(s)	5	4	3	2	1
3. Assisted in starting a business	5	4	3	2	1
4. Helped me to decide not to start a business	5	4	3	2	1

13. Gender: Male Female

14. Veterans status: Veteran Service Disabled Veteran
Non Veteran

15. Age: **[Circle one]** 18-24 25-34 35-44 45-54 55-64 65-74 75+

16. Are you: Hispanic or Latino Not of Hispanic/Latino Origin

17. Are you: **[Please choose one or more]**
 American Indian or Alaskan Native
 Asian
 Black or African American
 Native Hawaiian or Pacific Islander
 White

18. If you are in business, what is the primary type of business? **[Please choose only one]**

Construction <input type="checkbox"/>	Manufacturing <input type="checkbox"/>	Consulting <input type="checkbox"/>
Wholesale <input type="checkbox"/>	Finance, Insurance and Real Estate <input type="checkbox"/>	Entertainment <input type="checkbox"/>
Retail <input type="checkbox"/>	Restaurant <input type="checkbox"/>	Engineering <input type="checkbox"/>
Publishing <input type="checkbox"/>	Education <input type="checkbox"/>	Service <input type="checkbox"/>
Health Care <input type="checkbox"/>	Day Care <input type="checkbox"/>	Other (describe) _____
Transportation <input type="checkbox"/>	Computer Systems & Design <input type="checkbox"/>	



19. Did you utilize any other SBA resources/program?
Yes No

20. If YES, select those you used [**Check all that apply**]

- | | | | |
|-----------------------|--------------------------|-------------------------------|--------------------------|
| SCORE | <input type="checkbox"/> | SBA's guarantee loan programs | <input type="checkbox"/> |
| SBDC | <input type="checkbox"/> | SBIC Financing Program | <input type="checkbox"/> |
| Women Business Center | <input type="checkbox"/> | SBA's Surety Bond Program | <input type="checkbox"/> |

PLEASE NOTE: The estimated burden for completing this form is 10 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-0351). PLEASE DO NOT SEND FORMS TO OMB.

NOTE Mail completed surveys back in business reply envelope.
SBA Form 2214

THANK YOU



Appendix 4 –Follow-Up Survey

U.S. Small Business Administration
Office of Entrepreneurial Development
Follow-up Economic Impact Survey

OMB Number 3245-0351
Expiration 03/31/2009

Dear Small Business Client:

Within the last twelve months you were kind enough to respond to our request for some initial data regarding your visit(s) to SBA’s Entrepreneurial Development resource the [Small Business Development Center (SBDC), Women’s Business Center (WBC), SCORE]. To continually understand the impact our programs and services are having on the economy it would be helpful to know if our assistance to you regarding starting and managing a business resulted in job creation, increases in your business’ revenues or other results.

We understand that you responded to a thorough survey not so long ago, but we ask that you help us in answering a few questions for this follow-up survey which will take less than 5 minutes. All responses to these questions are voluntary and will be held in confidence. The data will not be released to any other government agency or private firm. Based on your visit to the [SBDC, WBC, SCORE], please use that experience as a benchmark to answer the following:

- 1. Are you currently in business? Yes No
If YES when was the business started? mm/yyyy
2. If NO, when do you plan on starting a business? Within 30 days 31-90 days 91-120 days No idea at this time
3. Have you ever been in business? Yes No
If YES, when was the business started? mm/yyyy
4. As a result of the assistance received from the [SBDC/WBC/SCORE] Counselor which of the following were you able to develop [i.e., Business Plan] in order to start or better manage your business. [Check all that apply]
Business Plan Loan Package Purchasing Strategy
Marketing Plan Hiring Plan Feasibility Plan
Promotional Plan Training Plan for Staff Production Plan
Pricing Strategy Financial Strategy Distribution Plan
Cash Flow Analysis E-Commerce Strategy Other



5. What was the approximate annual gross revenue of your business in 2006? \$ __, ____, ____.00

6. Currently, how many people (full and part-time), including yourself, does your business employ?

Number of Full-Time Employees _____

Number of Part-Time Employees _____

7. Have you utilized any other SBA resources/program?

Yes No

8. If YES, select those you used [Check all that apply]

SCORE SBA's guarantee loan programs

SBDC SBIC Financing Program

Women Business Center SBA's Surety Bond Program

PLEASE NOTE: The estimated burden for completing this form is less than 5 minutes per response. You are not required to respond to any collection of information unless it displays a currently valid OMB approval number. Comments on the burden should be sent to U.S. Small Business Administration, Chief, AIB, 409 3rd St., S.W., Washington, D.C. 20416 and Desk Officer for the Small Business Administration, Office of Management and Budget, New Executive Building, Room 10202, Washington, D.C. 20503. OMB Approval (3245-0351). PLEASE DO NOT SEND FORMS TO OMB.

THANK YOU

Appendix 5 – Regression Computations

Independent Variable	Dependent Variable		
	Perceived Usefulness	Assistance with Start Up Decision	Financial Impact
Log of Sales	0.01032**	0.01246***	0.04868***
Nascent	0.11145*	0.09933**	--
In Business	0.13201**	0.05149	0.21735
Veteran	-0.1337**	-0.09348*	-0.61155*
Gender	0.0963**	0.04083	0.04587
Age	-0.0477**	-0.02952**	-0.2321**
Latino	-0.0712	-0.18676***	-0.31491
Native American	-0.10568	-0.0622	-0.30501
Asian	-0.07219	-0.06215	-0.62937
Black	-0.01059	-0.21151***	-0.70509**
Hawaiian/Pacific Islander	0.09459	0.1026	1.97889**
WBC	-0.16854**	-0.09427	-0.24375
SCORE	-0.21138***	-0.15478***	-0.56381***
R-Square	0.0185	0.0234	0.0289

***Significant at 0.01 level

**Significant at 0.05 level

*Significant at 0.10 level