

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.

TABLE OF CONTENTS

TABLE OF CONTENTS	ii
TABLE OF CHARTS	iii
TABLE OF TABLES	v
I. INTRODUCTION.....	2
II. EXECUTIVE SUMMARY.....	4
III. METHODOLOGY.....	12
IV. TOTAL ED RESOURCES COMBINED 2003 - 2004 - 2005.....	17
V. SBDC 2005 VS. TOTAL ED RESOURCES.....	33
VI. SCORE 2005 VS. TOTAL ED RESOURCES	43
VII. WBC 2005 VS. TOTAL ED RESOURCES	53
VIII. RESULTS FOLLOW-UP STUDY: 2003 AND 2004 CLIENTS	63
IX. SUMMARY OF QUANTITATIVE FINDINGS	74
X. SUMMARY OF QUALITATIVE FINDINGS	77
XI. FURTHER RESEARCH AND RECOMMENDATIONS	80
XII. APPENDICES.....	81
Appendix 1 – Survey Response Values by Research Topic.....	81
Appendix 2 – Quantified Survey Results – Initial Survey 2005-2006	86
Appendix 3 – Survey Instrument.....	91
Appendix 4 –Follow-Up Survey.....	95
Appendix 5 – Regression Results	97

TABLE OF CHARTS

Methodology

Figure 3.1 – Survey Sample Sizes by ED Resource and Segment (FY2005).....13

Total ED Resources 2003 vs. 2004

Figure 4.1 – Total ED Resources – Client Segments Served.....18
 Figure 4.2 – ED Resources – Revenue and Employment.....19
 Figure 4.3 – Total ED Resources – Demographic Characteristics.....20
 Figure 4.4 – Total ED Resources – Age of Business Owner (FY2005).....21
 Figure 4.5 – Total ED Resources – Primary Business Type (FY2005).....22
 Figure 4.6 – Total ED Resources – How useful was the information you received?.....23
 Figure 4.7 – Total ED Resources – Were these services useful in starting or NOT starting a business.....24
 Figure 4.8 – Total ED Resources – Changes in Management Practices.....26
 Figure 4.9 – Total ED Resources –How have these changes had an impact on your firm?.....27
 Figure 4.10 – Average Revenues (000s) for Firms in Selected Demographic Categories....28
 Figure 4.11 – Average Total Employees for Firms in Selected Demographic Categories...29

Research Findings - SBDC

Figure 5.1 – SBDC – Distribution of Respondents by Segment (FY2005 Clients).....34
 Figure 5.2 – SBDC – Demographic Characteristics (FY2005 Clients).....35
 Figure 5.3 – SBDC – Age of Business Owner (FY2005 Clients).....36
 Figure 5.4- SBDC – Type of Business (FY2005Clients).....37
 Figure 5.5 – SBDC –Usefulness of SBDC (FY2005 Clients).....38
 Figure 5.6 – SBDC – Usefulness of SBDC in Starting or NOT Starting a Business (FY2005 Clients).....39
 Figure 5.7 – SBDC – Changed Management Practices/Strategies as a Result of SBDC Assistance (FY2005 Clients).....40
 Figure 5.8 – SBDC – Changes in Management Practices by Business Function (FY2005 Clients).....41
 Figure 5.9 – SBDC – The Usefulness of Assistance (FY2005 Clients).....42

Research Findings - SCORE

Figure 6.1 – SCORE – Distribution of Respondents by Segment (FY2005 Clients)....44
 Figure 6.2 – SCORE – Demographic Characteristics (FY2005 Clients).....45
 Figure 6.3 – SCORE – Age of Business Owner (FY2005 Clients).....46
 Figure 6.4 – SCORE – Type of Business (FY2005 Clients).....47
 Figure 6.5 – SCORE – Usefulness of SCORE (FY2005 Clients).....48
 Figure 6.6 – SCORE – Usefulness of SCORE in Starting or NOT Starting a

Business (FY2005 Clients).....	49
Figure 6.7 – SCORE – Changed Management Practices/Strategies as a Result of SCORE Assistance (FY2005 Clients).....	50
Figure 6.8 – SCORE – Changes in Management Practices by Business Function (FY2005 Clients).....	51
Figure 6.9 – SCORE – The Usefulness of Assistance (FY2005 Clients).....	52

Research Findings - WBC

Figure 7.1 – WBC – Distribution of Respondents by Segment (FY2005 Clients).....	54
Figure 7.2 – WBC – Demographic Characteristics (FY2005 Clients).....	55
Figure 7.3 – WBC – Age of Business Owner (FY2005 Clients).....	56
Figure 7.4 – WBC – Type of Business (FY2005 Clients).....	57
Figure 7.5 – WBC –Usefulness of WBC (FY2005 Clients).....	58
Figure 7.6 – WBC – Usefulness of WBC s in Starting or NOT Starting a Business (FY2005 Clients).....	59
Figure 7.7 – WBC – Changed Management Practices/Strategies as a Result of WBC Assistance (FY2005 Clients).....	60
Figure 7.8 – WBC – Changes in Management Practices by Business Function (FY2005 Clients).....	61
Figure 7.9 – WBC – The Usefulness of the Changes for Firm (FY2005 Clients).....	62

Follow-up Results

Figure 8.1A – 2003 Follow-up: Transition and Survival of 2003 Segments to 2006 In-Business.....	64
Figure 8.1B – 2004 Follow-up: Transition and Survival of 2004 Segments to 2006 In-Business.....	65
Figure 8.2 – Comparison of Follow-up Survival Rate Results with PSED.....	67
Figure 8.3- GDP and ED Resource Revenue Growth.....	68
Figure 8.4-Revenue and Employment: 2003 Survivors over Time.....	69
Figure 8.5A-Revenue and Employment: 2004 Survivors over Time.....	70
Figure 8.5B- SBDC Revenue and Employment: 2004 Survivors Over Time.....	71
Figure 8.5C- SCORE Revenue and Employment: 2004 Survivors over Time.....	72
Figure 8.5D- WBC Revenue and Employment: 2004 Survivors Over Time.....	73

Appendices

Appendix 1 – Survey Response Values by Research Topic.....	81
Appendix 2 – Quantified Survey Results – Initial Survey 2005-2006.....	86
Appendix 3 – Survey Instrument.....	91
Appendix 4 –Follow-Up Survey.....	95
Appendix 5 – Regression Results.....	97

TABLE OF TABLES

Table 3.1 – Sampling Frame.....	12
Table 3.2 – Follow-up Impact Study Clients (FY2003/4).....	15
Table 4.1 – Total ED Resources-Revenues, Employment (FY2005).....	18
Table 4.2 – ED Resources Impact on Managerial Practices.....	25
Table 5.1 – SBDC-Revenues, Employment (FY2005).....	35
Table 6.1 – SCORE Revenues, Employment (FY2005).....	45
Table 7.1 – WBC Revenues, Employment(FY2005).....	55

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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- ◆ Kimberly Eaglin- Consultant, Concetrance Consulting Group

I. INTRODUCTION

The Small Business Administration’s (SBA’s) Office of Business and Community Initiatives designed a multi-year time series study to assess the impact of the Entrepreneurial Development (ED) 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 it 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 2005 clients’ initial attitudinal assessment of their counseling experience, as well as a follow-up of the long-term economic impact on the 2003 and 2004 clients.

	Study Year 1	Study Year 2	Study Year 3 (current)
2003 Clients	Initial Survey	First Follow-up	Second Follow-up
2004 Clients		Initial Survey	First Follow-up
2005 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 2005, 2004, and 2003. The ED Resources include: Small Business Development Centers (SBDCs), SCORE, and Women Business Centers (WBCs).

This report details our research as follows.

- 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 (2003 - 2004 - 2005)
 - Regression Analysis
 - Perception of impact of SBDC resources 2005
 - Perception of impact of SCORE resources 2005
 - Perception of impact of WBC resources 2005
- Findings: Follow-Up Study of 2003 and 2004 ED Resource Clients
- Qualitative Analysis of free-form letters, notes and comments sent in by 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 positive 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 positive 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 positive 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 a positive impact on the client's financial position in terms of job creation, job retention and sales?

Follow-Up Study of 2003 and 2004 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? Additionally, what is the relationship between ED Resource clients financial growth compared to GDP growth?

II. EXECUTIVE SUMMARY

The Small Business Administration’s (SBA) Office of Business and Community Initiatives 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 2005 clients and a follow-up study showing the economic impact on 2003 and 2004 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 2005 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 of 2003 and 2004 clients during 2005.

Quantitative Findings (Initial Impact Study 2005)

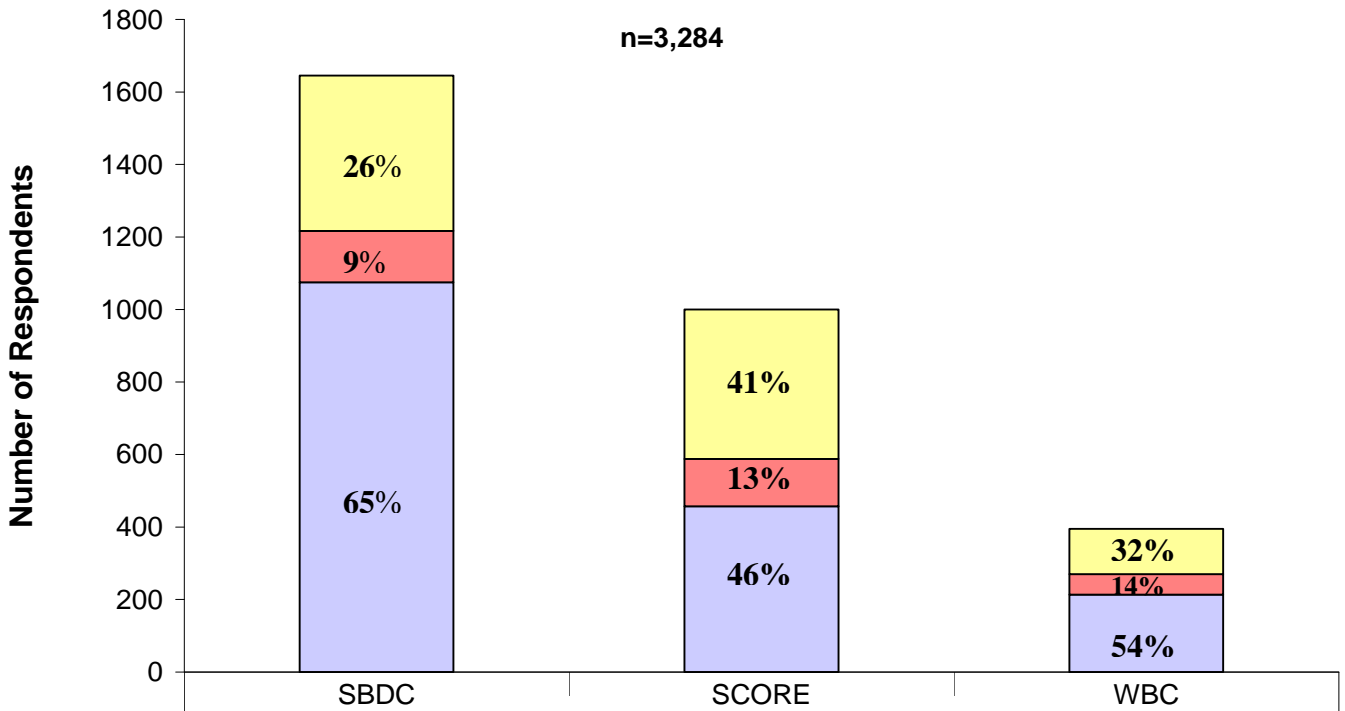
Data were collected, coded, and analyzed for 3,284 respondents with an overall response rate of 19%. The table below provides the number of respondents and the business segment composition of each ED Resource.




ED Resource Center	Stratified Sample Size	Usable Sample Size ¹	Surveys Received	Response Rate ²
SBDC	11,766	9,950	1,798	18%
SCORE	6,818	5,032	1,069	21%
WBC	2,587	1,977	417	21%
Total	21,171	16,959	3,284	19%

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

² The 2005-2006 initial survey was conducted in March 2007 however; the clients were initially counseled in the fourth quarter of FY05. There are several plausible reasons why the response rate might be lower such as businesses shutting down, relocations, and clients forgetting about counseling.

Distribution of Respondents by Segment (FY2005)³



	Nascent	428	412	125
	Start-Up	142	131	57
	In-Business	1,075	457	213
	Total	1,645	1,000	395

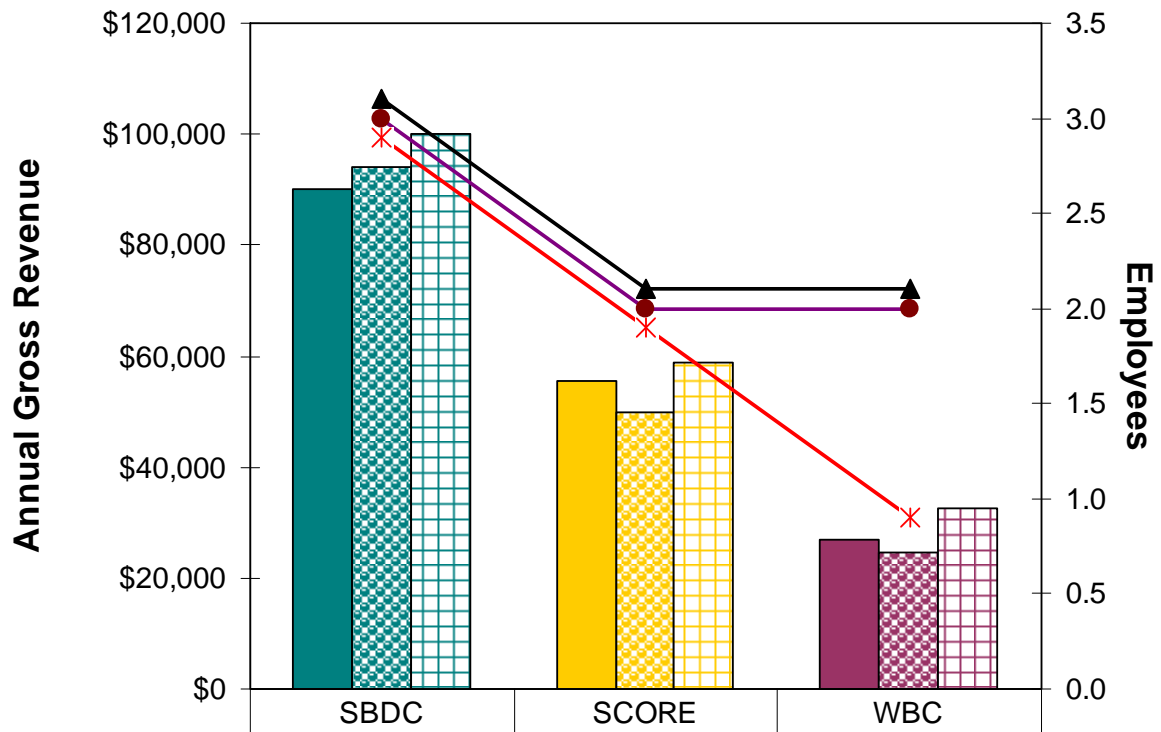
The 2003 clients who responded in 2005 were resurveyed to determine economic impact after two years in terms of financial and firm growth. Their response rate was 30%. The 2004 clients who responded in 2005 were resurveyed to show economic impact after one year and their response rate was 17%.

Client Year	Stratified Sample Size	Useable Sample Size	Follow-Up	Surveys Received in 2006	Response Rate
2003	543	484	2 nd	145	30%
2004	3,453	2,474	1 st	430	17%

³ Respondents (244) 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 2005 clients reported higher revenues than those of past years.

- The reported median revenues for 2005 SBDC clients were slightly higher than the revenues of 2004 clients, the same is true for both WBC and SCORE clients.



■ Revenue 2003	\$90,000	\$55,500	\$27,000
■ Revenue 2004	\$94,000	\$50,000	\$24,500
■ Revenue 2005	\$100,000	\$59,000	\$32,500
▲ Employees 2003	3	2	2
-X- Employees 2004	3	2	1
● Employees 2005	3	2	2

Clients served in 2005 were diverse with notable findings regarding demographic and business characteristics.

- The total ED Resource client base consisted of: females (54%), Black/African American (13%), Veteran (9%), Hispanic/Latino (8%), Asian (4%), American Indian/Native Alaskan (3%), and Native Hawaiian/Pacific Islander (1%).
- The majority of 2005 clients (32%) were between the ages of 45-54.
- African Americans made up 20% of WBC clients compared to just 13% of the total ED Resources.
- The primary business types for 2005 clients were: retail (12%) and services (12%).
- The highest revenues by gender were reported by male firm owners; the highest by race/ethnicity were reported by Asians followed by Whites and Hispanic/Latinos.

2005 client respondents gave reasonably high ratings (64%) to the usefulness of the assistance they received.

- Other usefulness ratings include: decision to start (32%) or not to start a business (14%), impact on changes to management practices, impact on increasing sales (25%), hiring new staff (13%), and increase in profit margins (21%).
- 13% of 2005 clients reported that changes made after counseling had an impact on retaining current staff.

Although client reported perceptions of each ED Resource were similar for the most part, there were some key differences demonstrating that ED Resources serve different client segments.

- Approximately 57% of SBDC Start-Up clients reported that assistance was helpful in their decision to start a business, which is a substantially larger than the 47% of Start-Up WBC clients who found their assistance to be helpful in starting a business.
- Approximately 68% of SCORE Start-Up respondents reported that the information they received from their counselor was useful, compared to 78% of SBDC Start-Up respondents.
- Only 7% of SCORE Start-Ups reported that SCORE assistance resulted in their retaining current staff compared to 13% for all ED Resource clients.

- When asked about changing their current management practices or strategies, regardless of segment, WBC clients reported higher figures than those reported by all ED Resource clients combined. Fifty-six percent of WBC Start-Up respondents reported that WBC assistance helped them change their current management practices compared to 50% of ED Resource clients combined. Compared to other ED Resources, a larger share of WBC clients are in the In-Business segment, but fewer in the Nascent segment.

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, there are differences in these outcomes based on firm size and business segment.

- 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) than smaller firms.
- Firms in the In-Business Segment perceive higher levels of usefulness of assistance than Nascent and Start-Up clients.

ED Resource clients have a higher survival rates than those analyzed in the PSED study.

- The second follow-up study of clients served in 2003 found that 72% of firms survived from 2003 to 2005, whereas the survival rate of firms in the PSED sample was 71% at twenty four months.
- This pattern occurred again with the 2004 clients; 82% of these firms were still in business at their one year follow-up, compared to 80% of firms in the PSED sample.

Both 2003 and 2004 ED Resource clients saw growth in revenues and a sizable number transitioned their business segment.

- Revenue growth for these firms showed increases of 28% between 2004 and 2006. These figures compare favorably with the growth in real GDP which increased by 6% between 2004 and 2006.

- 2004 clients saw significant firm development by 2006.
 - 53% of Nascent clients were In-Business by 2006
 - 71% of Start-Up clients were In-Business in 2006

- 2003 clients also saw firm development by 2006 with about 2 out of 5 Nascent clients transitioning to In-Business.

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.
- Comments were both positive and negative for each ED Resource.

Recommendations

We recommend adding database instructions that include a cut-off point for revenues in order to limit the number of clients who report incorrect or bogus data to avoid revealing revenue information. We also recommend adding a data field to record information regarding the amount of time spent in counseling to determine if the number of hours of counseling has an impact on client perceptions.

Methodology

The initial study of 2005 clients was quantitative in nature, based upon responses to mail and telephone surveys at one point in time. Statistical analyses utilized frequency distributions, median comparisons, cross tabulations, and regression models.

The initial survey of 2005 clients resulted in a respondent sample of 3,284. ED Resources provided Concentrance with a random sample list (proportionately distributed across ED Resources) of clients served during the fourth quarter of 2005. 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.

The respondent sample for the second follow-up survey of 2003 clients was 145. The respondent sample for the first follow-up of 2004 clients was 430. We used the matched sample to perform pair-wise statistical tests that compare changes in growth and business segment to other groupings.

Limitations to consider when interpreting these results include:

- Measures of ED Resource impacts are attitudinal rather than objective, and objective data on financial outcomes are difficult 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, particularly for 2003 clients, should be viewed with caution due to the small sample sizes.

III. METHODOLOGY

This report contains findings from the 2005 initial Impact Study of ED Resources and the Follow-Up Study of the clients who were served in 2003 and 2004 clients who participated in the initial Impact Studies of 2004 and 2005, respectively. The methodology for the 2005 Impact Study, which reveals clients’ attitudinal opinions of their counseling experience, is presented first, followed by the methodology for the 2003 and 2004 client Follow-Up Studies which reveal the long-term economic impact on the clients.

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 2005 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 3,284 is sufficiently large enough for accuracy within plus or minus \$25,000 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 19%, 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	11,766	9,950	1,798	18%
SCORE	6,818	5,032	1,069	21%
WBC	2,587	1,977	417	21%
Total	21,171	16,959	3,284	19%

⁴ This assumes a standard deviation of annual revenues of \$700,000.

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.

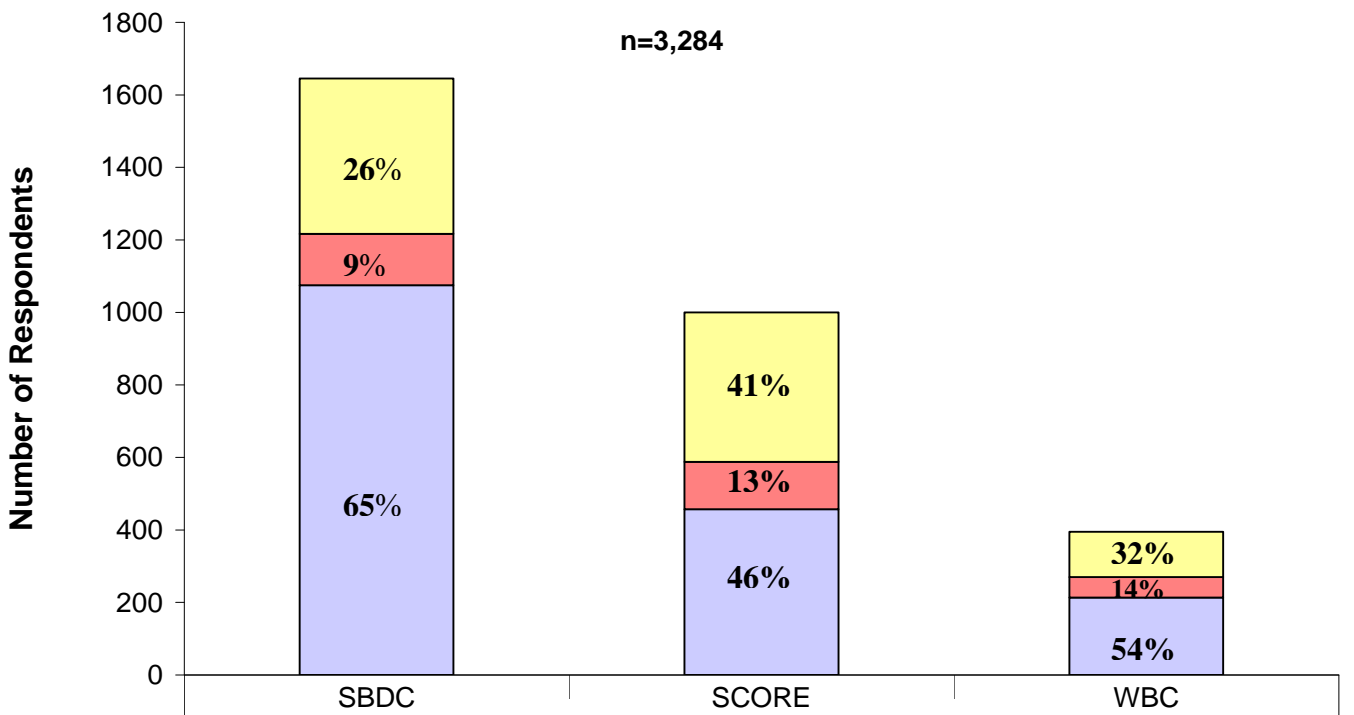
⁶ Dennis, William J., Jr. (2003), “Raising response rates in mail surveys of small business owners: Results of an Experiment,” *Journal of Small Business Management*, July, 41(3), pg. 278




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 2005. 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 only 10%, 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 – Survey Sample Sizes by ED Resource and Segment (FY2005)



	Nascent	428	412	125
	Start-Up	142	131	57
	In-Business	1,075	457	213
	Total	1,645	1,000	395

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 526 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 either not statistically significant or very minor.⁸ For example, mail and phone respondents did not differ significantly in terms of annual revenues but did differ in terms of number of employees. In particular, phone respondents on average have fewer employees than mail respondents. Thus, responses from the mail and phone survey administrations were combined in all analyses.

⁷ Research in this area suggests that the optimum number of follow-up mailings or reminders is two.

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 ($t=-1.73$, $p=0.08$). This was a test of the null hypothesis that the average sales revenues were the same between these groups. A p-value less than 0.01 would be evidence of significant differences between mail and phone respondents. A second ANOVA test was performed to determine whether mail versus phone respondents differed significantly in terms of number of employees ($t=-2.58$; $p>0.01$). This was a test of the null hypothesis that the average number of employees was the same between these groups.

Follow-Up Study 2003 and 2004 – Sampling, Data Collection, and Analysis of Non-Response

We conducted a follow-up study of both 2003 and 2004 clients in order to evaluate the financial impact on these groups one year and two years after they were counseled by the ED Resources. There were 543 clients from FY2003 who were contacted for follow-up for the first time in 2005 and were contacted for a second follow-up in 2006. There were 145 respondents to this second follow-up, which represents a 30% 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 145 clients, there were detailed data which could be tracked for two years.**

There were 3,453 clients from FY2004 who responded to the initial study conducted in 2005. The first follow-up of these respondents was conducted in 2006. The follow-up survey sample included 430 respondents. **Thus, for a sample of 430 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
2003	543	484	2 nd	145	30%
2004	3,453	2,474	1 st	430	17%

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 fewer 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 40 % reported zero revenues or did not report revenues. A few respondents reported inaccurate data as a ruse, e.g. \$60 billion. 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 sample dropout and attrition, firms who 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 2003 - 2004 - 2005

The following section presents comparison results of clients from 2003, 2004, and 2005. 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. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

- 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?
- Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to start a business?
- 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?
- Is there a positive 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?

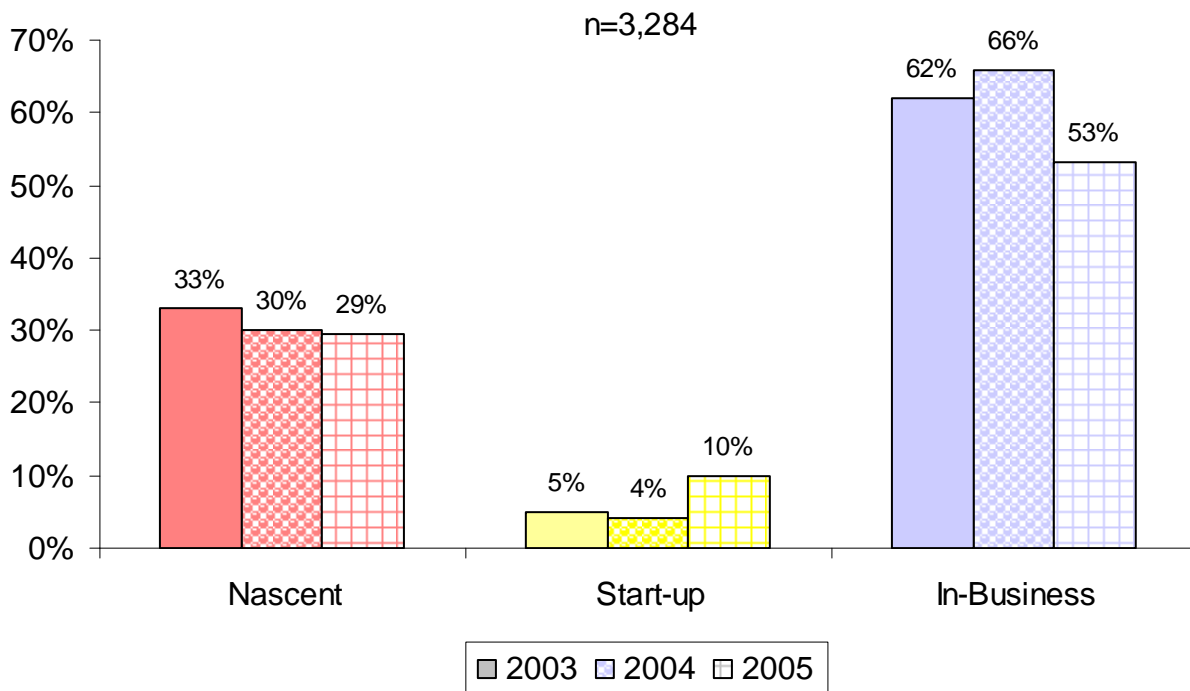
It is important to note that comparisons between 2003, 2004, and 2005 clients should be interpreted with caution. Cross-sectional data were collected from a different set of firms each year, and these firms were operating under different economic conditions. Cross-sectional research has limited usefulness 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 2005. These results are based on an analysis of 3,284 completed surveys.

As shown in Figure 4.1, the largest business segment in 2005 that was served by ED Resources was the In-Business segment (53%). In 2004, 66% of clients were in this segment and in 2003, 62%.

Figure 4.1 – Total ED Resources – Client Segments Served



The median annual revenue for ED Resource clients was \$79,000.

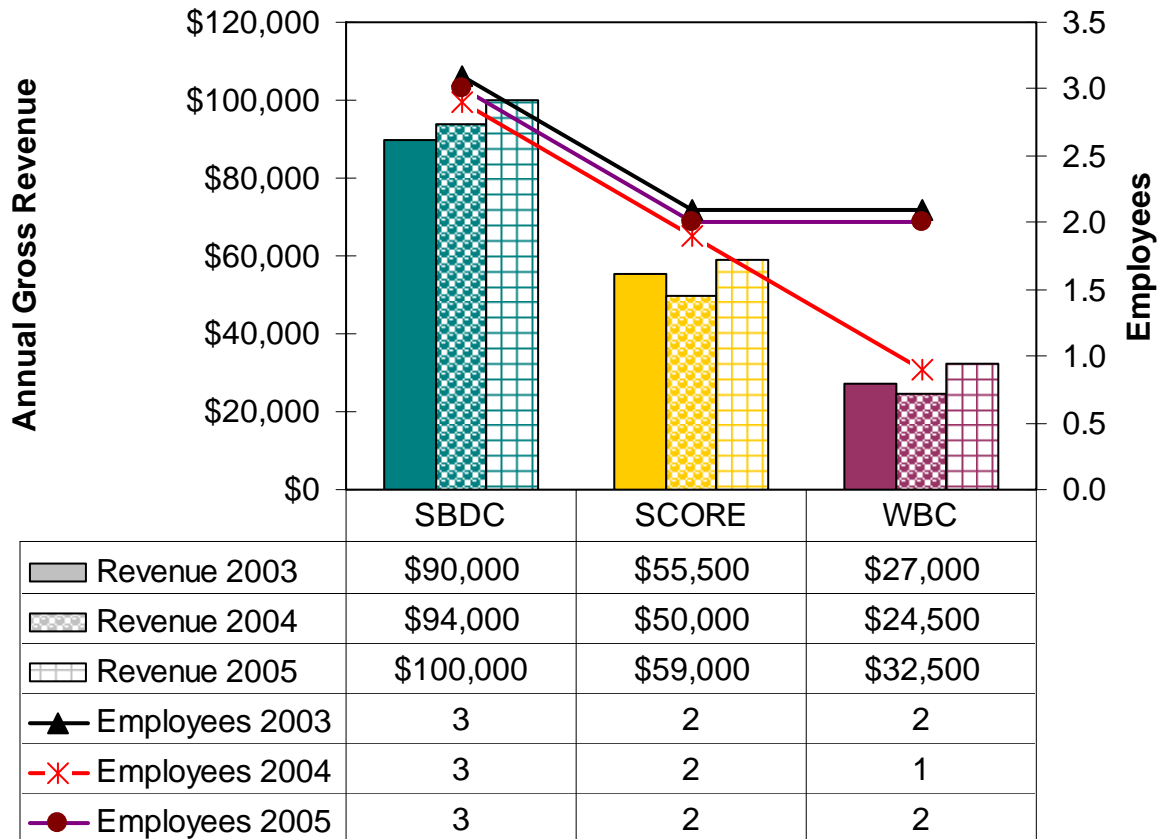
Table 4.1 – Total ED Resources-Revenues and Employment⁹ (FY2005)

	Total ED Resources
Median Revenue	\$79,000
Employees	3

⁹ Firms who reported revenues of \$25 million or more were considered outliers and were omitted from revenue analyses. There were 6 firms reporting revenues over \$25 million in 2005.

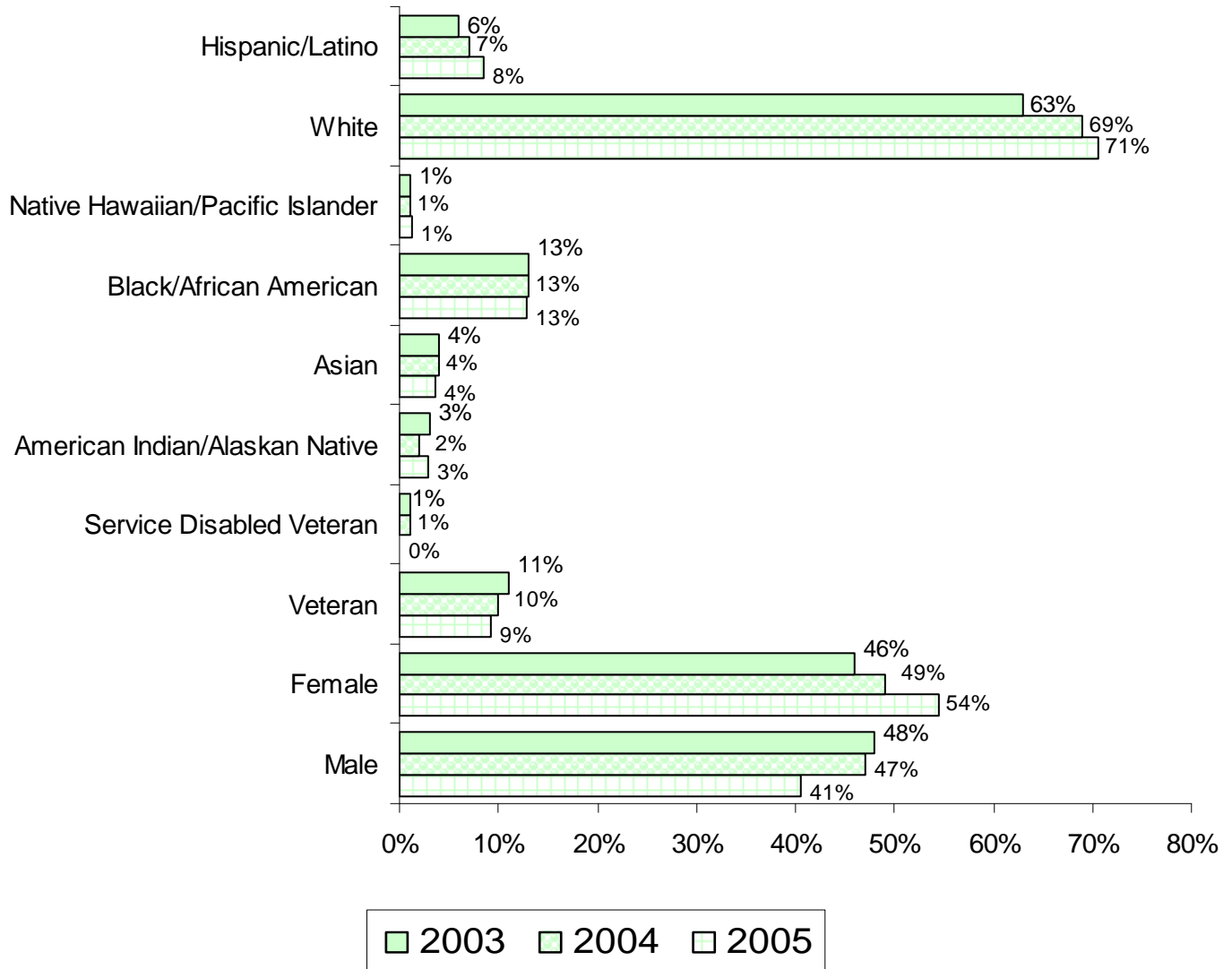
ED Resources differed in terms of the size of firms they serve, as shown in Figure 4.2. For example, SBDC clients were larger in 2005 than those served by WBC and SCORE, in terms of revenues. Although, SBDC clients had more employees than WBC clients, the number of WBC employees rose from 2004 to 2005. Though SCORE clients showed higher revenues than in 2003 and 2004, they ranked lower than SBDC and higher than WBC clients in 2005.

Figure 4.2 – ED Resources – Revenue and Employment



Demographic characteristics of ED Resource clients in terms of gender, race, ethnicity, and veteran status, are presented in Figure 4.3. Females represented 54% of the 2005 sample, 13% of respondents were African-American, and 8% were Hispanic or Latino. Nine percent of respondents were veterans and there were no service-disabled veterans.

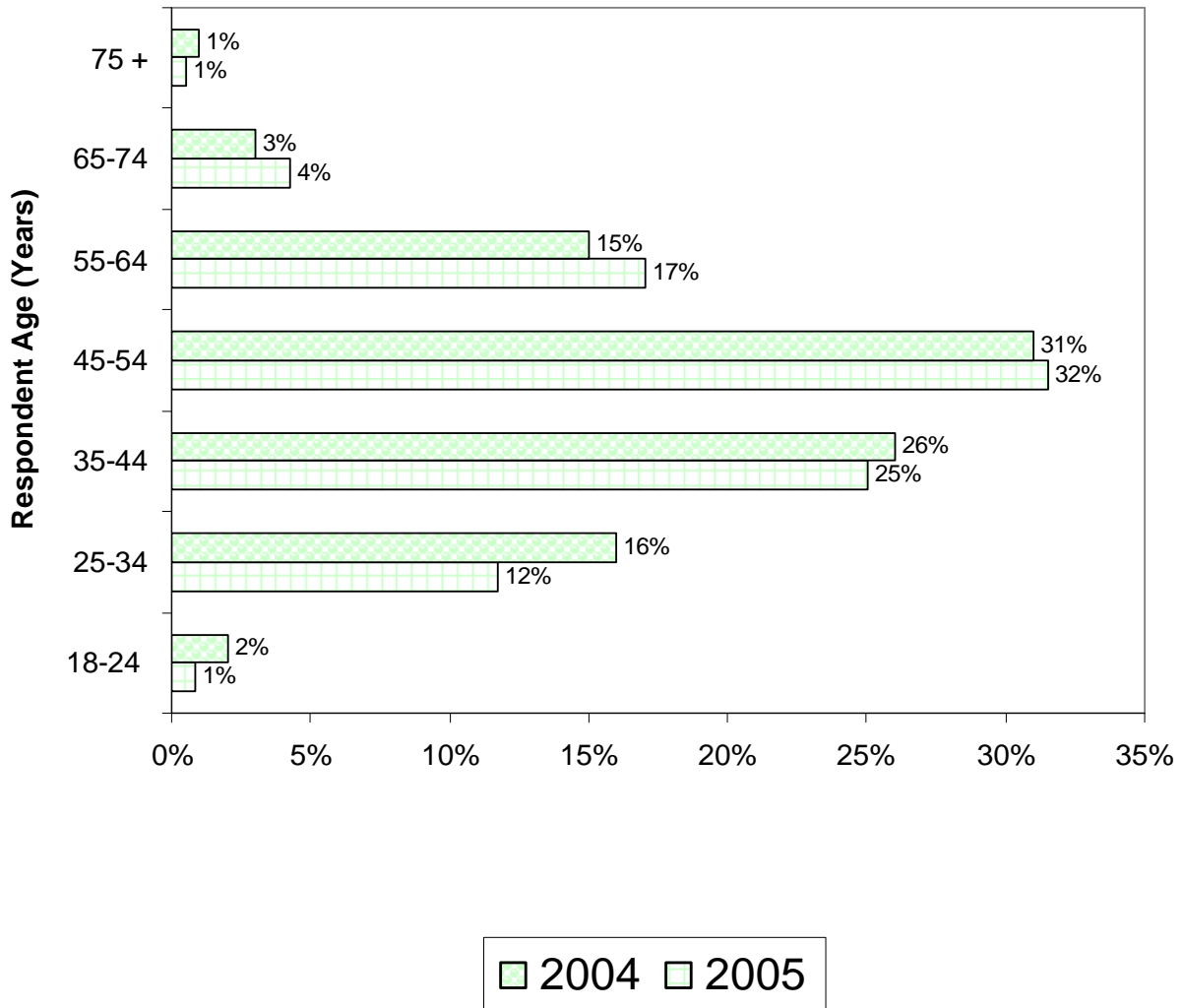
Figure 4.3 – Total ED Resources – Demographic Characteristics¹⁰



¹⁰ The total percentage may 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, 25 and 32 % respectively.

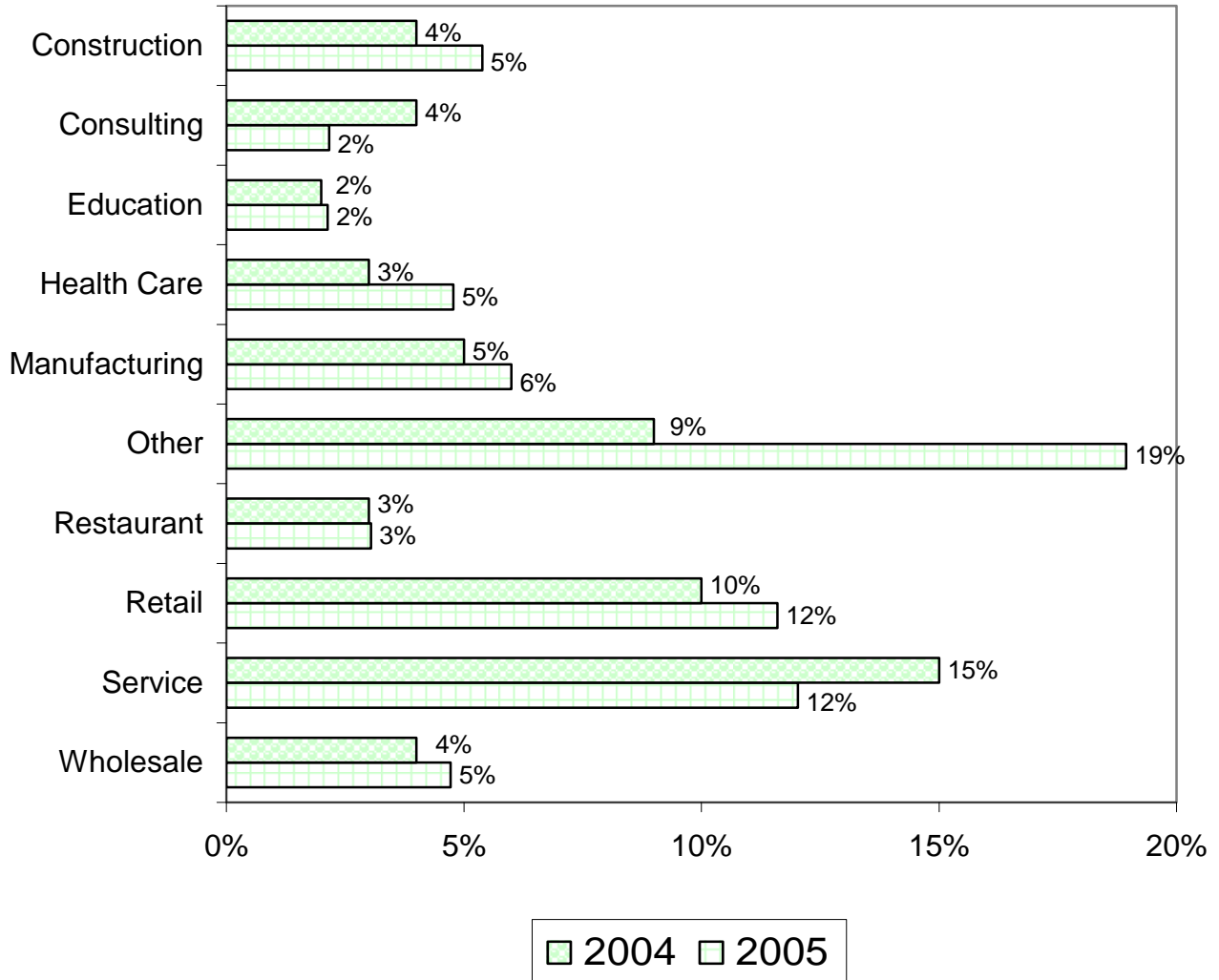
Figure 4.4 – Total ED Resources – Age of Business Owner (FY2005)¹¹



¹¹ Age categories were not recorded for 2003 clients.

As shown in Figure 4.5, the two most common types of businesses, besides other businesses, served by ED Resources are service and retail businesses. These estimates are consistent with the top 2 employment sectors reported by the Bureau of Labor Statistics¹² (BLS), although the industry classifications are not identical. According to the BLS, the most common employment sectors in 2004 were retail and wholesale trade establishments (16 %) and professional and business services (12 %).

Figure 4.5 – Total ED Resources – Primary Business Type (FY2005)¹³



¹² Source: “Industry Employment,” *Occupational Outlook Quarterly*, U.S. Bureau of Labor Statistics, Winter 2005-06.

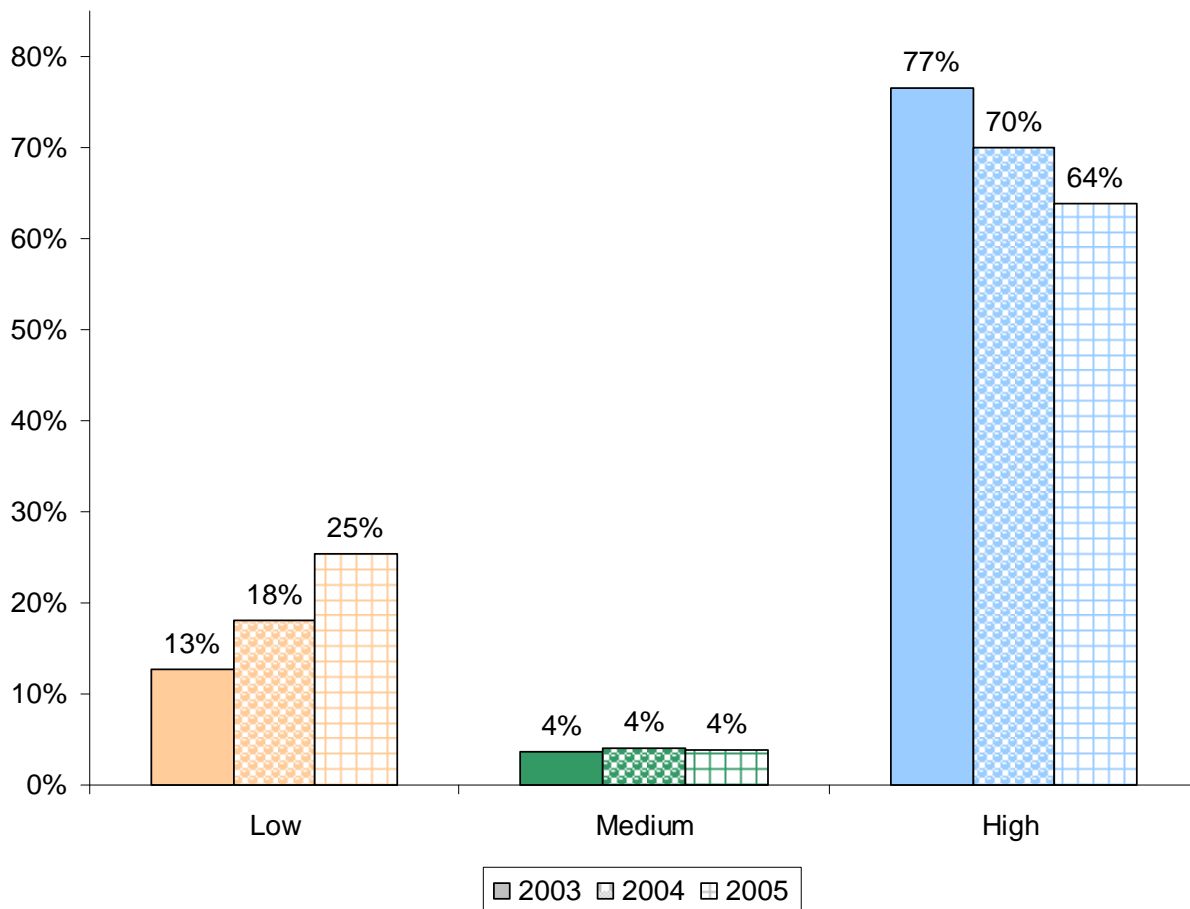
¹³ Several large groupings were found to be present among those respondents who classified their business type as “Other”. These included multiple responses in food services not directly restaurant related, automotive services, art related professions, and beauty related professions. Due to non-responses 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, 64 % of 2005 ED Resource respondents combined reported that the information they received from their counselor was valuable.

Figure 4.6 – Total ED Resources – How useful was the information you received?¹⁴

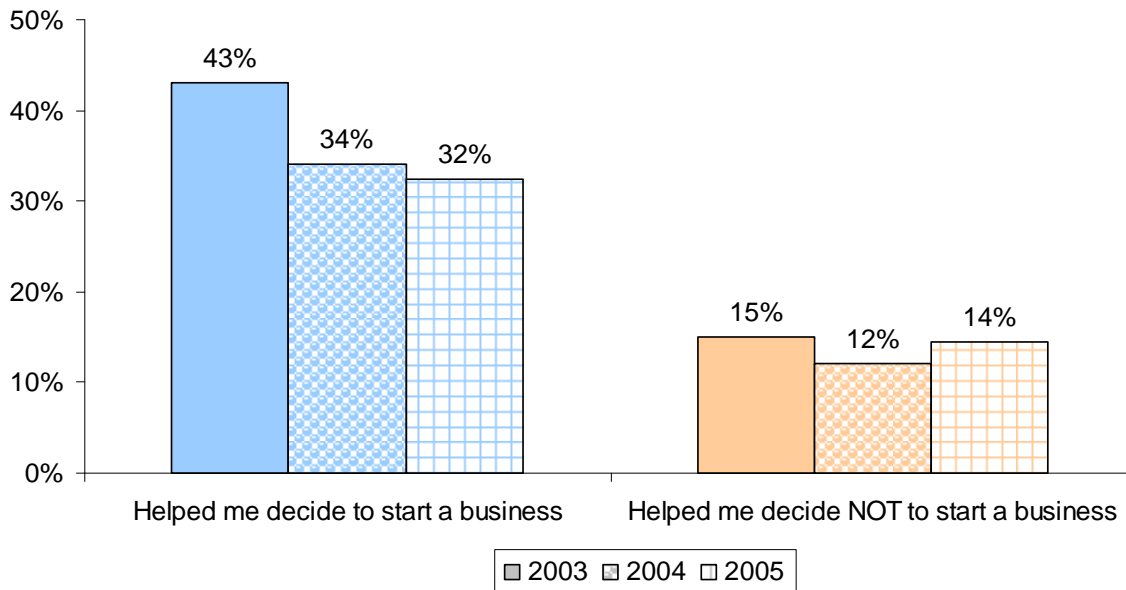


¹⁴ Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

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 32% of respondents. For 2004 clients, this number was 34 and in 2003, 43%. In addition, 14% of 2005's respondents reported that ED Resource assistance helped them decide not to start a business higher than 2004 clients, 12%. 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 businesses¹⁵.

Figure 4.7 – Total ED Resources – Were these services useful in starting or NOT starting a business?¹⁶



¹⁵ “Enabling the Establishment and Viability of Small Businesses: Strategic Plan FY2003-FY2008,” U.S. Small Business Administration.

¹⁶ Helpful includes the ‘Very Useful’ and ‘Useful’ response categories only.

Clients' Decision to Change Management Practices

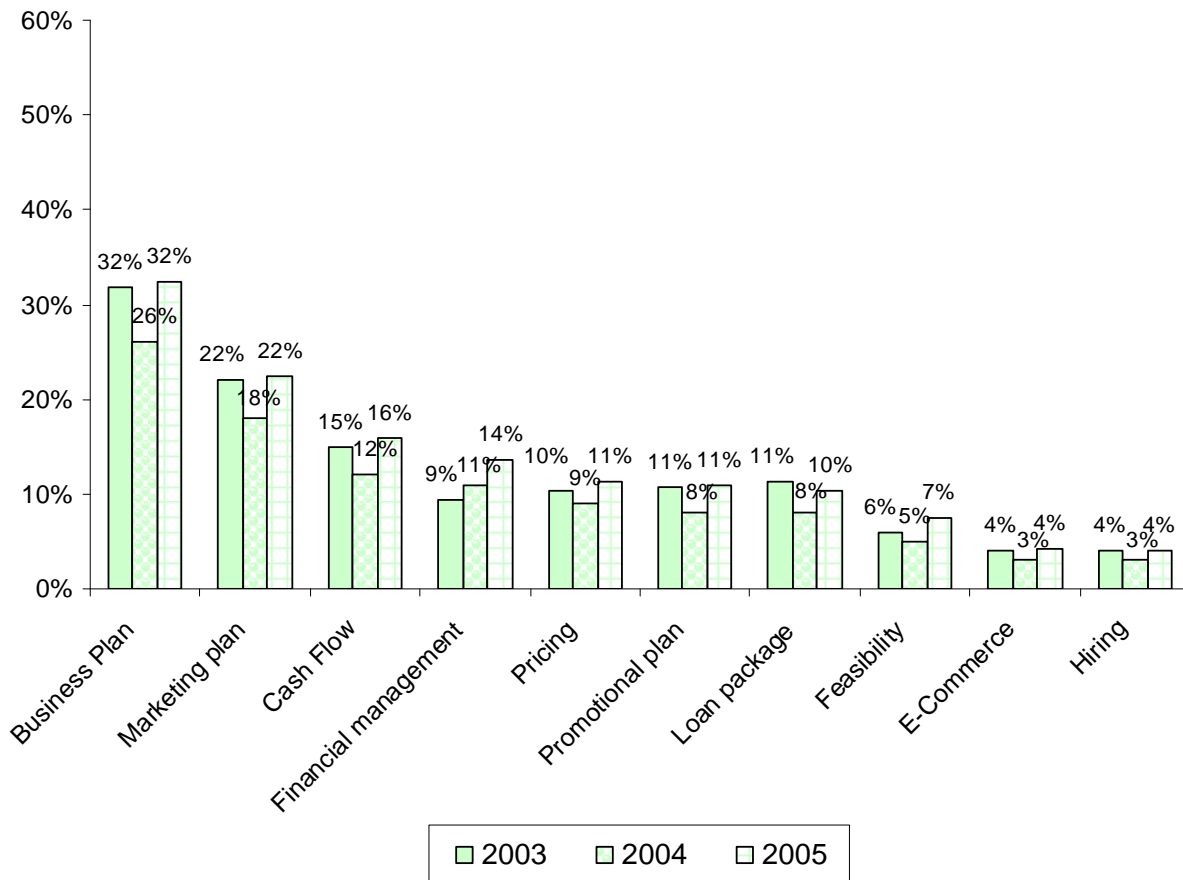
As a result of ED Resource assistance, 50% of Start-Up and 52% of In-Business firms have changed their current management practices or strategies. These figures are lower than those in 2003 and 2004.

Table 4.2 – ED Resources Impact on Managerial Practices

	2003 Changed current management practices/strategies	2004 Changed current management practices/strategies	2005 Changed current management practices/strategies
Total ED Resources	64%	57%	52%
Start Up	63%	51%	50%
In-Business	64%	58%	52%

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.

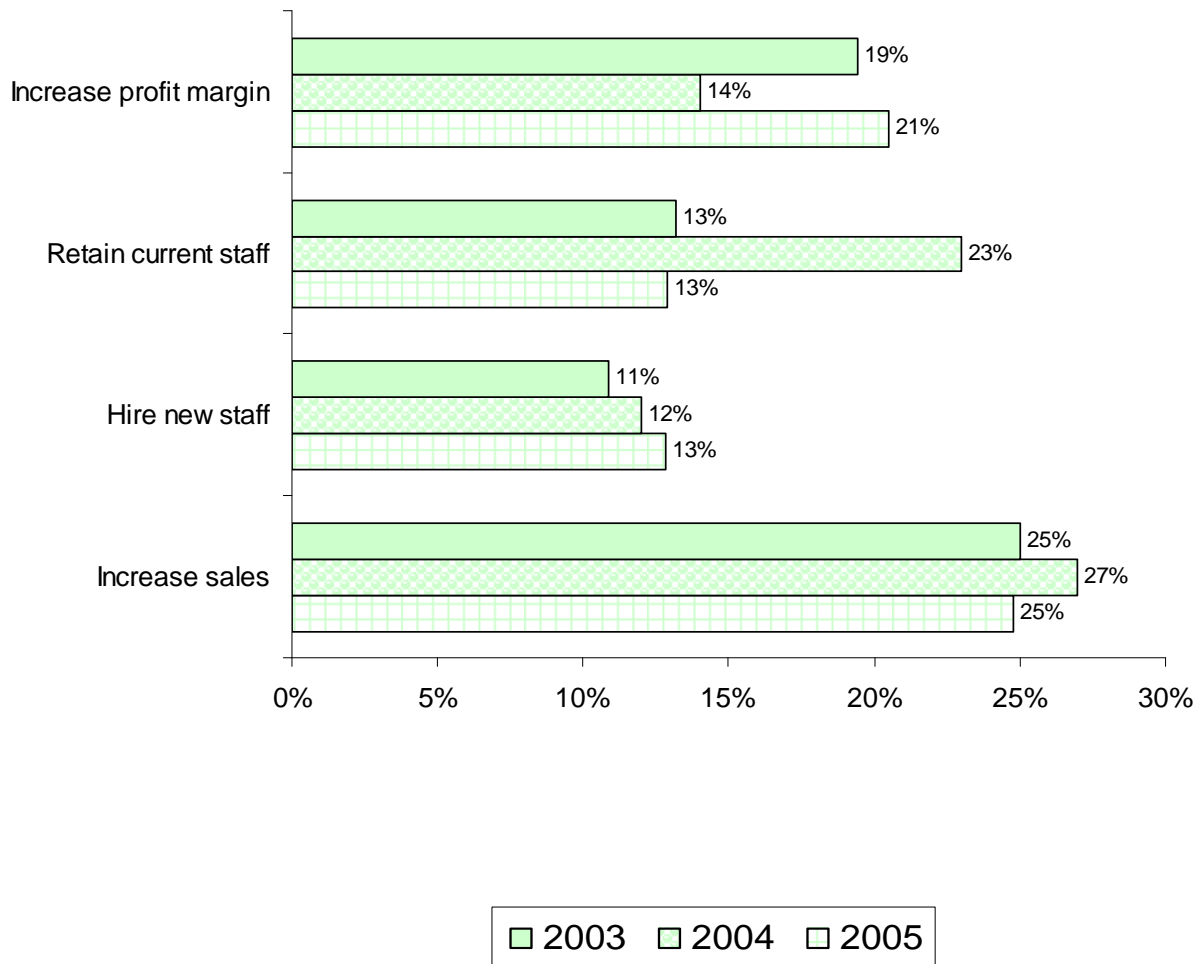
Figure 4.8 – Total ED Resources – Changes in Management Practices



Sales, Job Creation and Job Retention

Figure 4.9 presents findings on the economic impact of ED Resource assistance. For example, 25% of respondents reported that they were able to increase sales as a result of ED Resource assistance, and 13 % were able to hire new staff. The perceived impact of ED Resource assistance on hiring new staff and profits is higher for 2005 clients than 2004 clients. The difference is most acute in the ability to increase the profit margin which is up 7 percentage points with 2005 clients over 2004 clients.

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



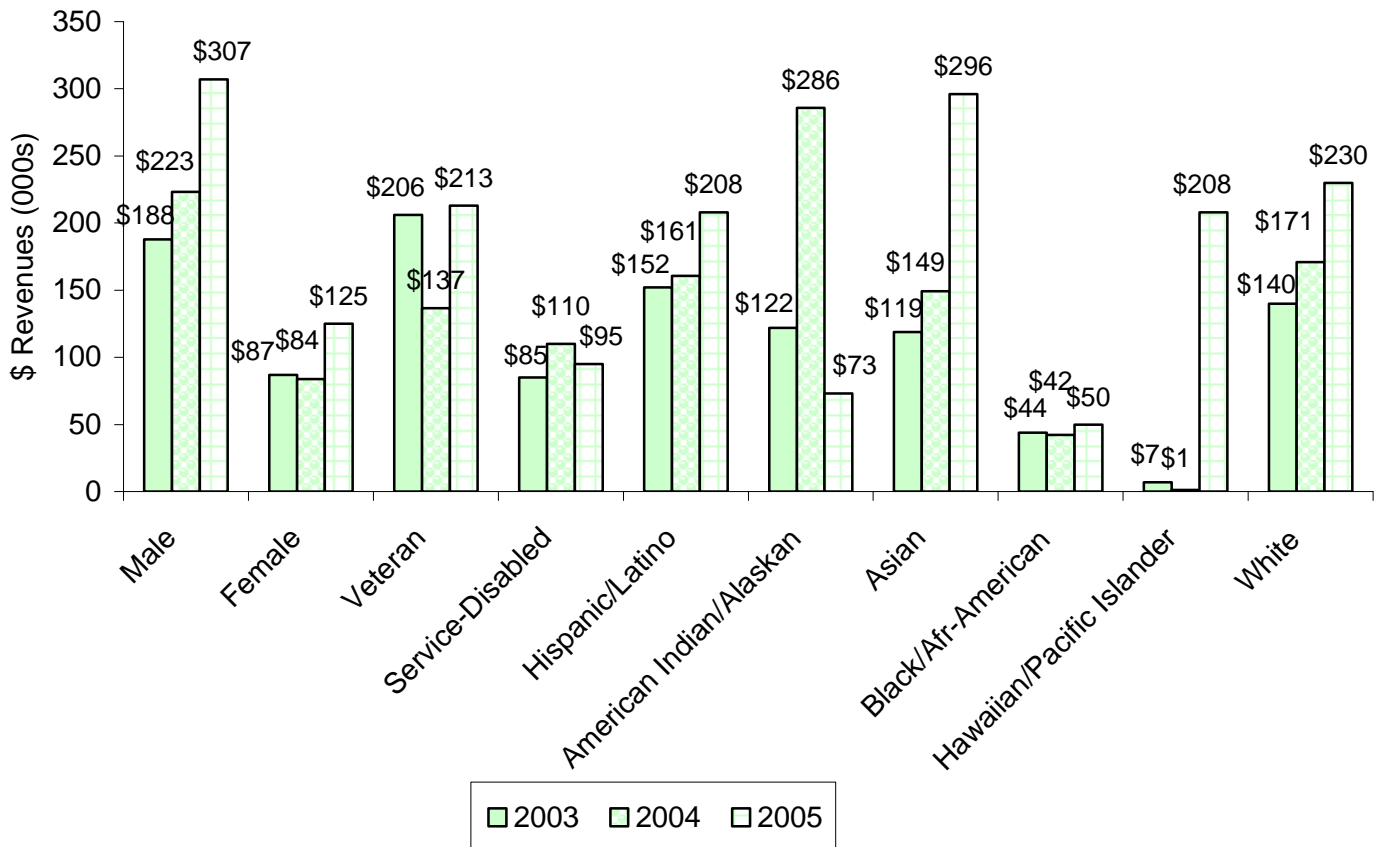
Cross-Sectional Demographic Analysis

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 Asians) tended to be smaller than firms owned by males or Whites.

The average women-owned business has \$125,318 in revenues compared to an average of \$307,376 for firms owned by men. In terms of minority-owned firms, average revenues for Hispanic/Latino-owned firms were \$207,959; \$296,002 for Asian-owned firms; and \$50,311 for Black/African-American-owned firms. Veteran owned firms were among the highest with \$212,686 in revenues for 2005.

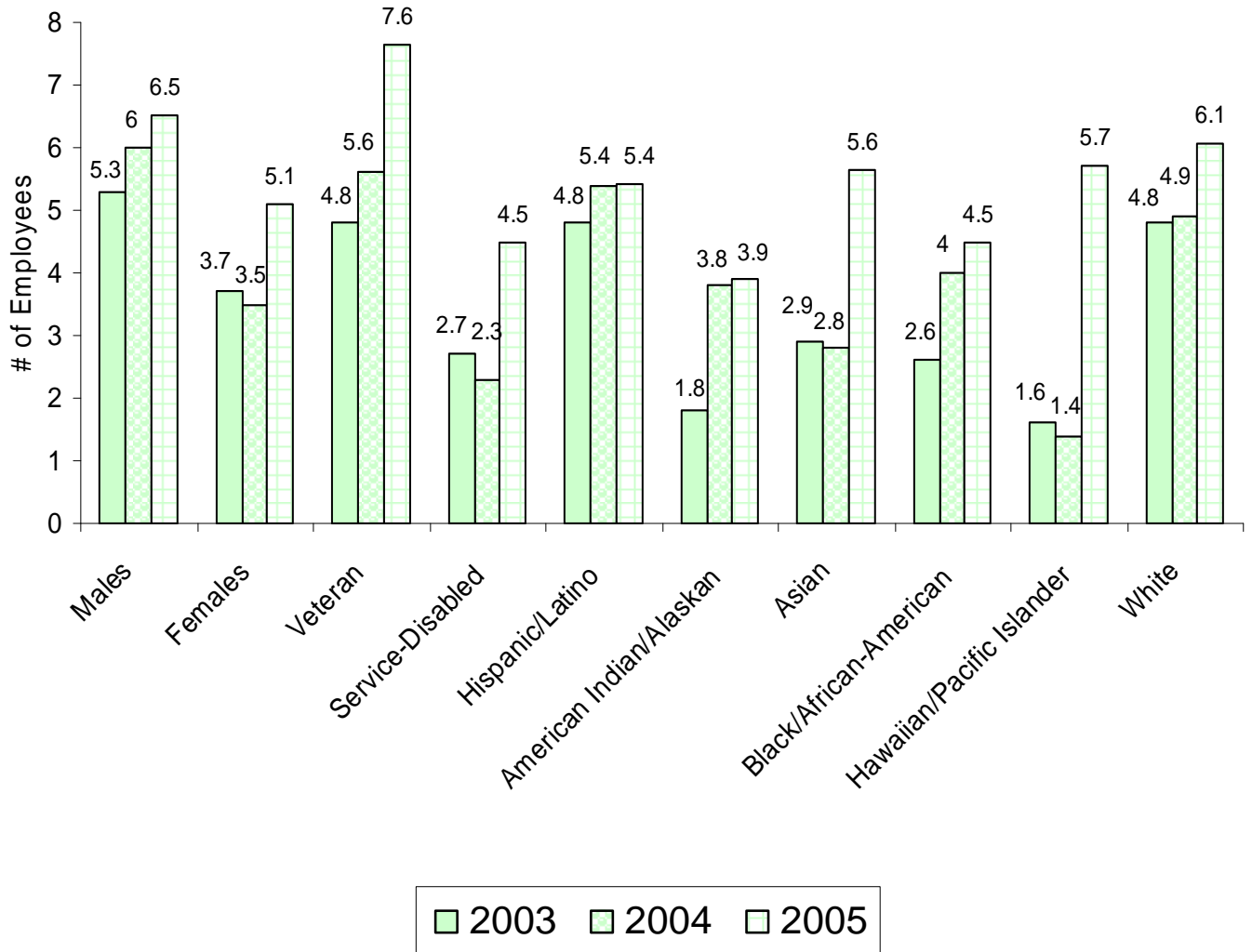
Figure 4.10 – Average Revenues (000s) for Firms in Selected Demographic Categories¹⁷



¹⁷ Six 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, white and Veteran-owned firms had more employees than other demographic categories. 2005 Native Hawaiian or Pacific Islander firms, Veterans, and Asian firms had a much larger number of employees than in 2004.

Figure 4.11 – Average 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 demographic (age, gender, race, ethnicity, veteran status) and firm (revenues, business segment, ED resource) characteristics.

These analyses address the following research questions:

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

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 is 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 0.93, which reflects high internal consistency of items, and is considered an indicator of very good scale reliability.

The set of independent or predictor variables included binary variables representing the demographic categories is listed below.

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

Regression Results

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.¹⁹

Results of this regression suggest that there is a significant difference in perceived usefulness of ED resource assistance based on firm size. In particular, there is a significant and positive relationship between firm size and perceived usefulness. In other words, larger firms reported higher levels of perceived usefulness. There were no other significant effects based on business segment or ED Resource.

In addition, there were no significant effects based on owner's age, gender, race, ethnicity, or veteran status on perceived usefulness.

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.²⁰

¹⁹ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.0244). Coefficients reported here were significant at the 0.01 level. The usable sample size was 2,463.

²⁰ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.0275). Coefficients reported here were significant at the 0.01 level. The sample size was 2,192.

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. In particular, compared to Start-Up firms, firms in the In-Business segment report significantly higher levels of assistance with starting a business. There were no significant effects of firm size or ED Resource on this outcome. There were also no effects of owner's age, gender, race, ethnicity, or veteran status on perceived assistance with starting a business.

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.²¹

Results of this regression suggest that there a significant and positive relationship between firm size and financial impact. In particular, larger firms were more likely to report a higher financial impact of ED Resource assistance than smaller firms. At the same time, In-Business clients reported a higher financial impact of ED Resource assistance than Start-Ups while financial impact was also significantly lower for SBDC clients than those of SCORE or WBC.

There were no significant effects based on owner's age, gender, race, ethnicity, or veteran status on perceived assistance with starting a business.

In summary, 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, there are differences in these outcomes based on firm size. 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) than smaller firms. There is also evidence that firms in the In-Business Segment perceive higher levels of usefulness and assistance than Nascent and Start-Up clients.

Detailed regression results are included in Appendix 5.

²¹ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.1256). Coefficients reported here were significant at the 0.01 level. The sample size was 1,445.

V. SBDC 2005 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. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

- Is there a positive 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 positive relationship between the services/assistance provided by SBDC and the client's decision to start or not to start a business?
- Is there a positive 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 positive 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 1,798 completed surveys. As shown in Figure 5.1, the largest business segment served by SBDC is the In-Business segment (60%). SBDC serves a higher share of In-Business clients than the total ED Resources combined.

Figure 5.1 – SBDC – Distribution of Respondents by Segment (FY2005 Clients)
SBDC vs. Total ED Resources

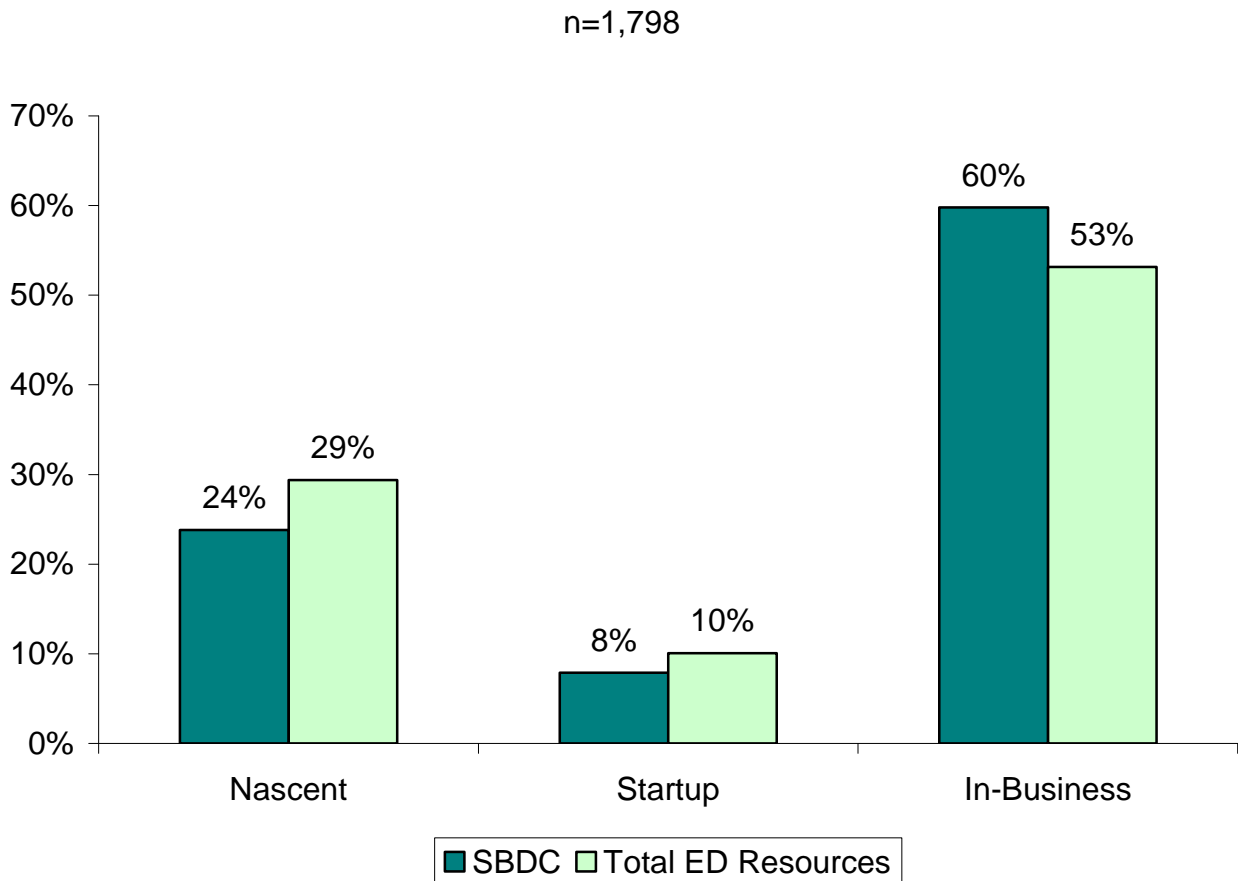


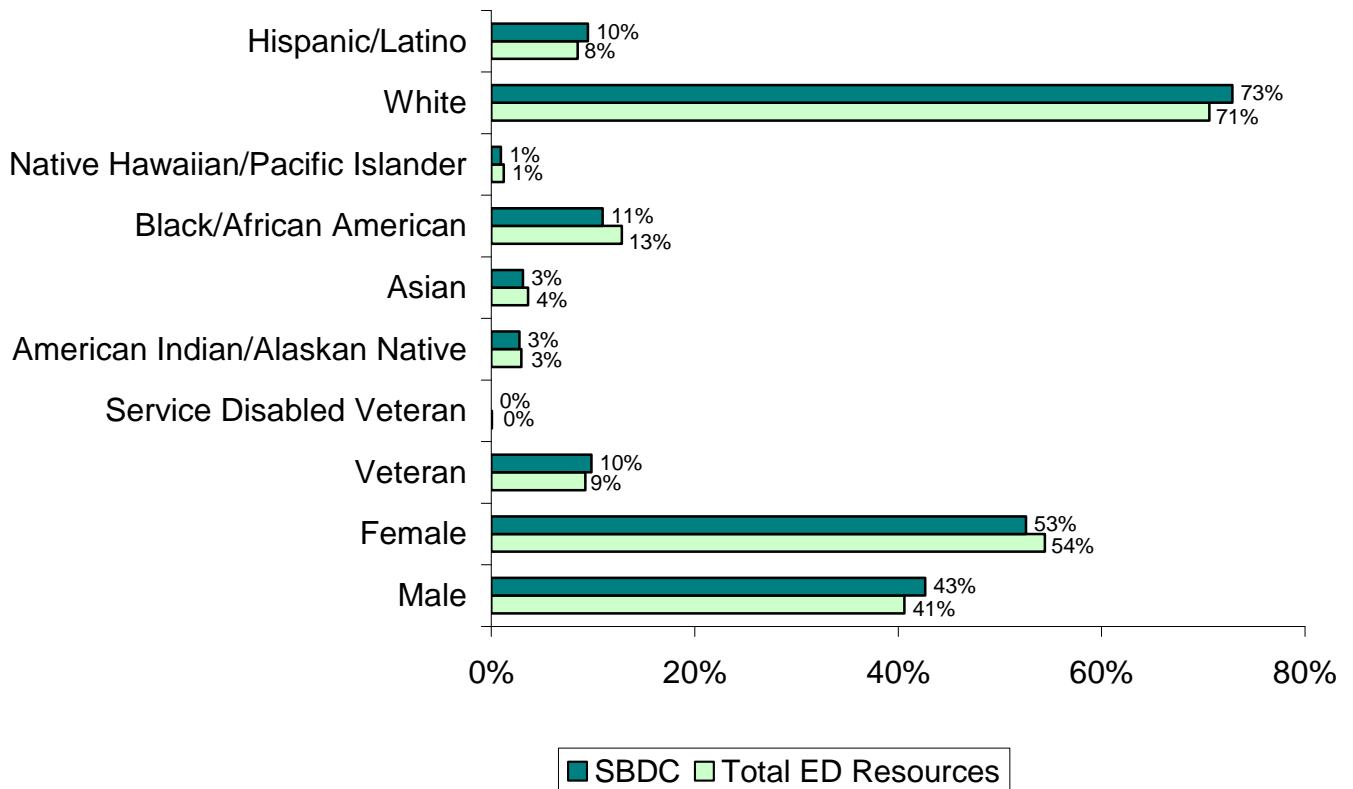
Table 5.1 compares revenues and employment for SBDC vs. Total ED Resources. These results indicate that SBDC clients have higher revenues than the median ED Resource clients combined.

Table 5.1 – SBDC Client Revenues and Employment (FY2005)

	SBDC	Total ED Resources
Median Revenue	\$100,000	\$79,000
Median Employees	3	3

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 10% are Hispanic/Latino. Ten percent of SBDC clients are veterans, with no clients in the service-disabled category.

Figure 5.2 – SBDC – Demographic Characteristics (FY2005 Clients)²²
SBDC vs. Total ED Resources



²² The total percentage may 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 (FY2005 Clients)
SBDC vs. Total ED Resources

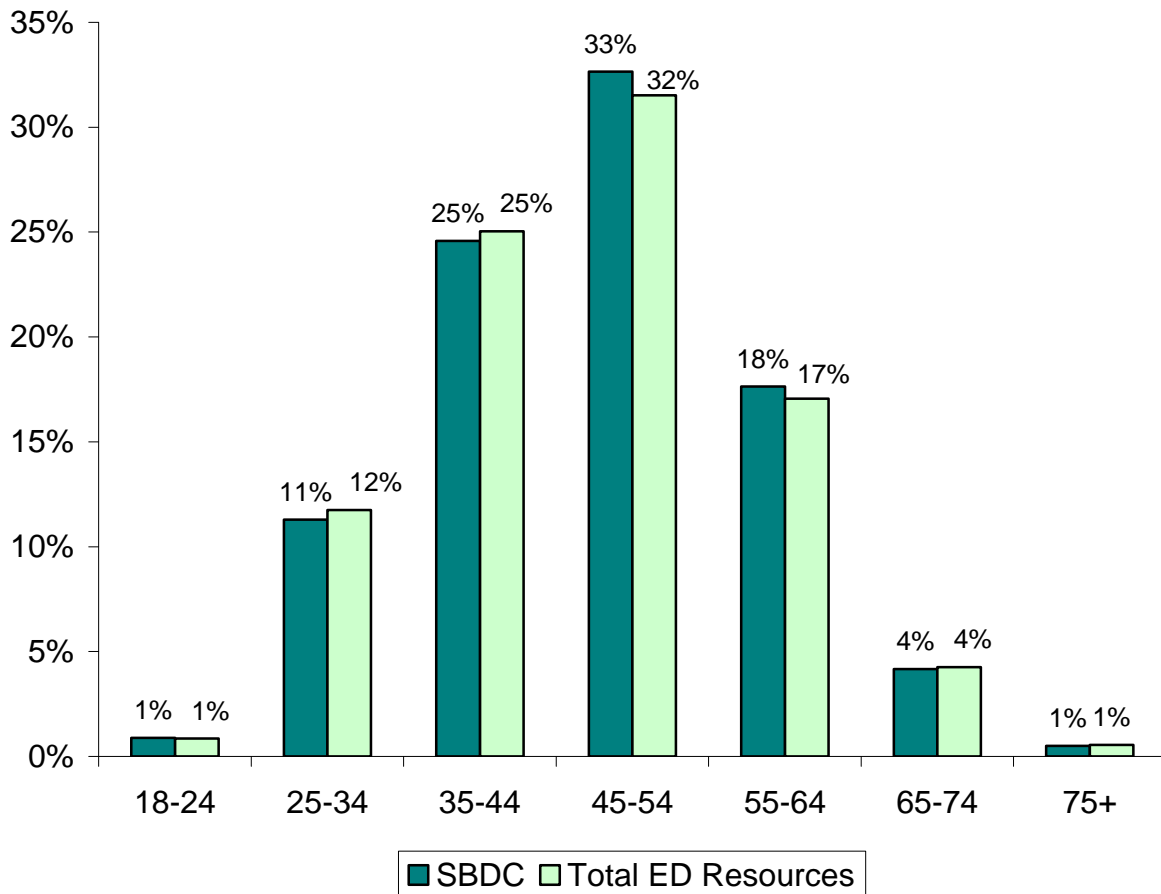
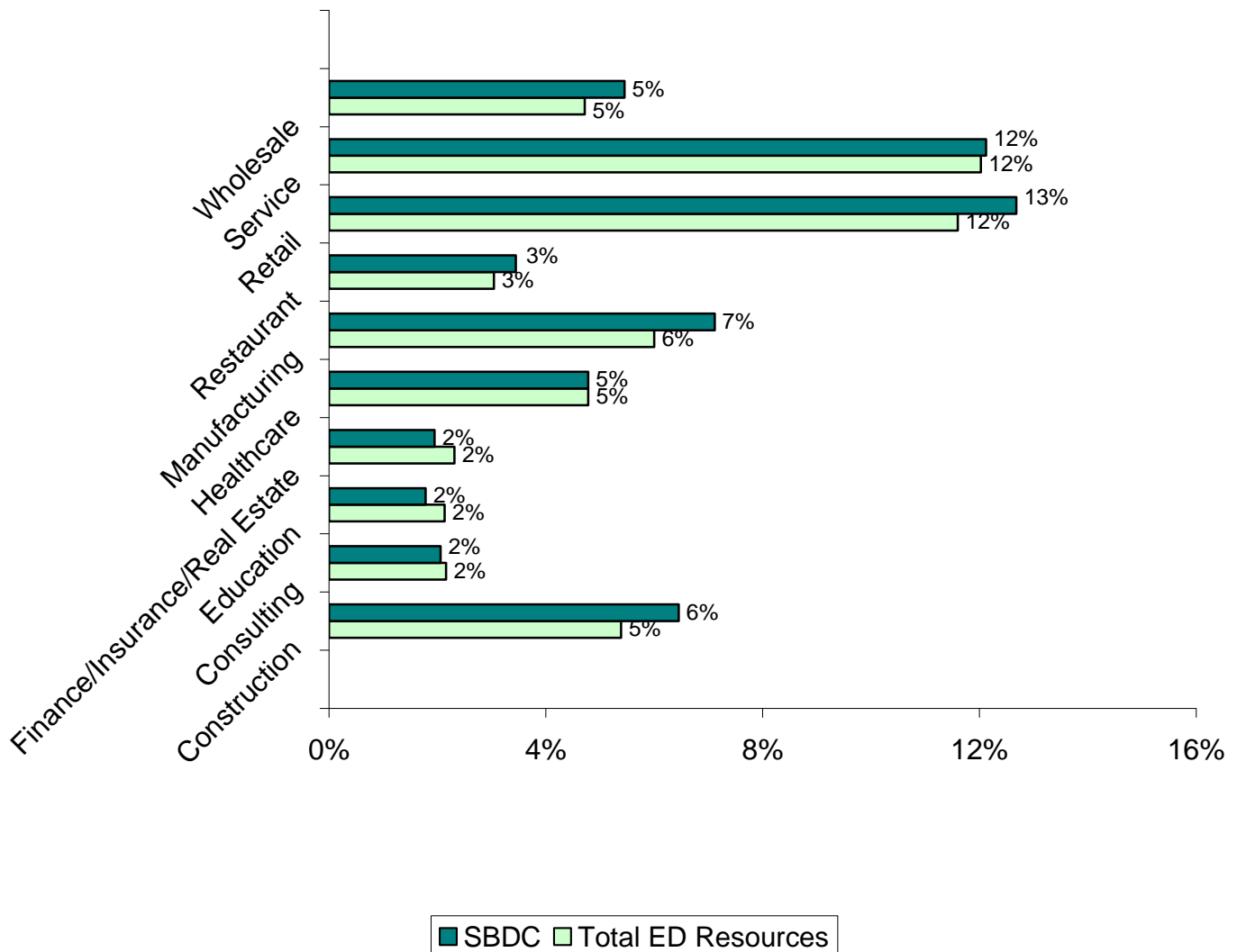


Figure 5.4 shows that the most common types of businesses served by SBDC are in the retail and service categories.

Figure 5.4 – SBDC – Type of Business²³ (FY2005 Clients)
SBDC vs. Total ED Resources



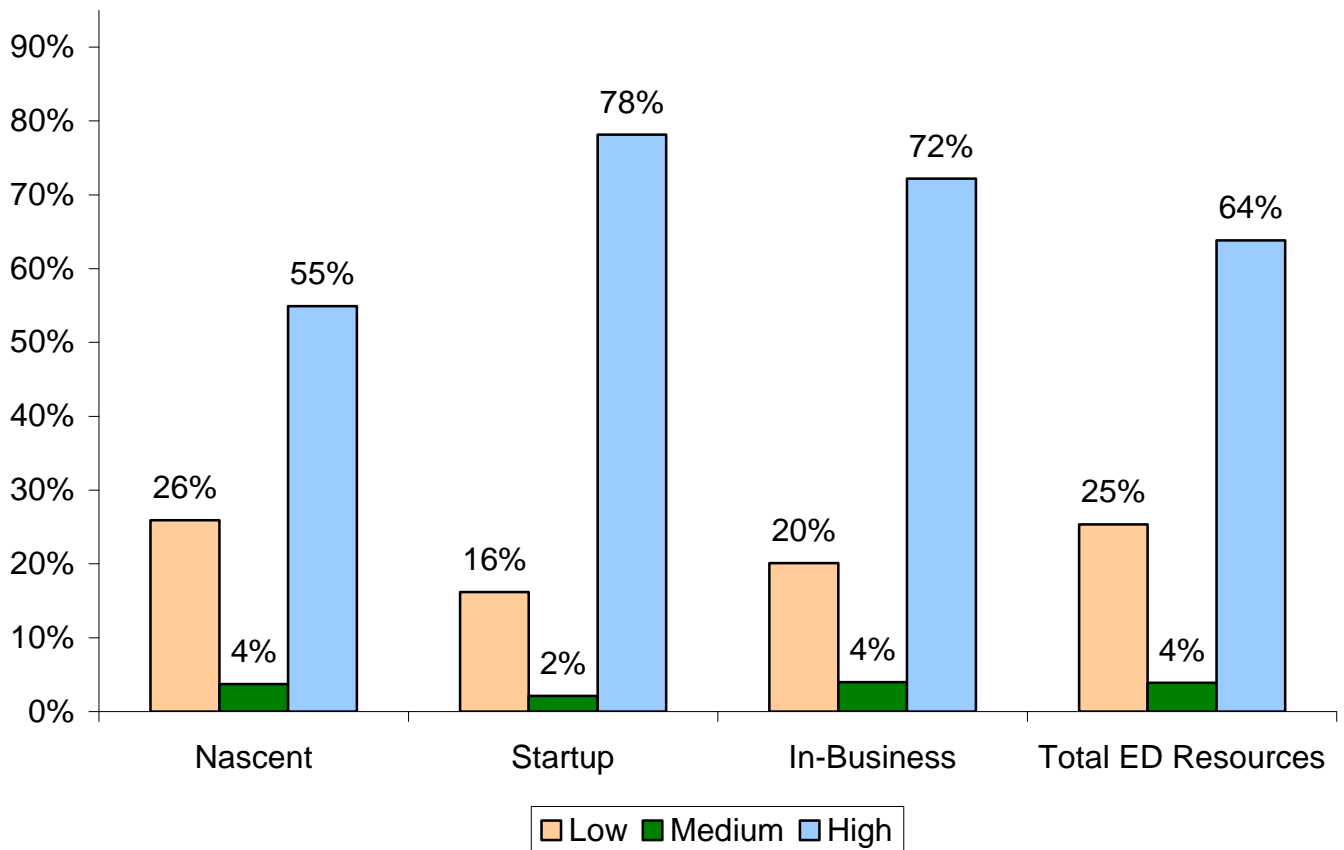
²³ Due to non-responses and multiple business type selections, the total for all business types may not equal 100%.

SBDC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 68% 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. Both the SBDC Start-Up and In-Business firms rated the usefulness of information significantly higher than the Nascent firms. Start-up and In-Business clients assigned higher ratings than the 64% for ED Resource clients combined. For instance, out of SBDC Start-Ups, 78% rated the information as highly useful, and this figure was 72% for In-business firms.

Figure 5.5 – SBDC –Usefulness of SBDC²⁴ (FY2005 Clients)
SBDC vs. Total ED Resources



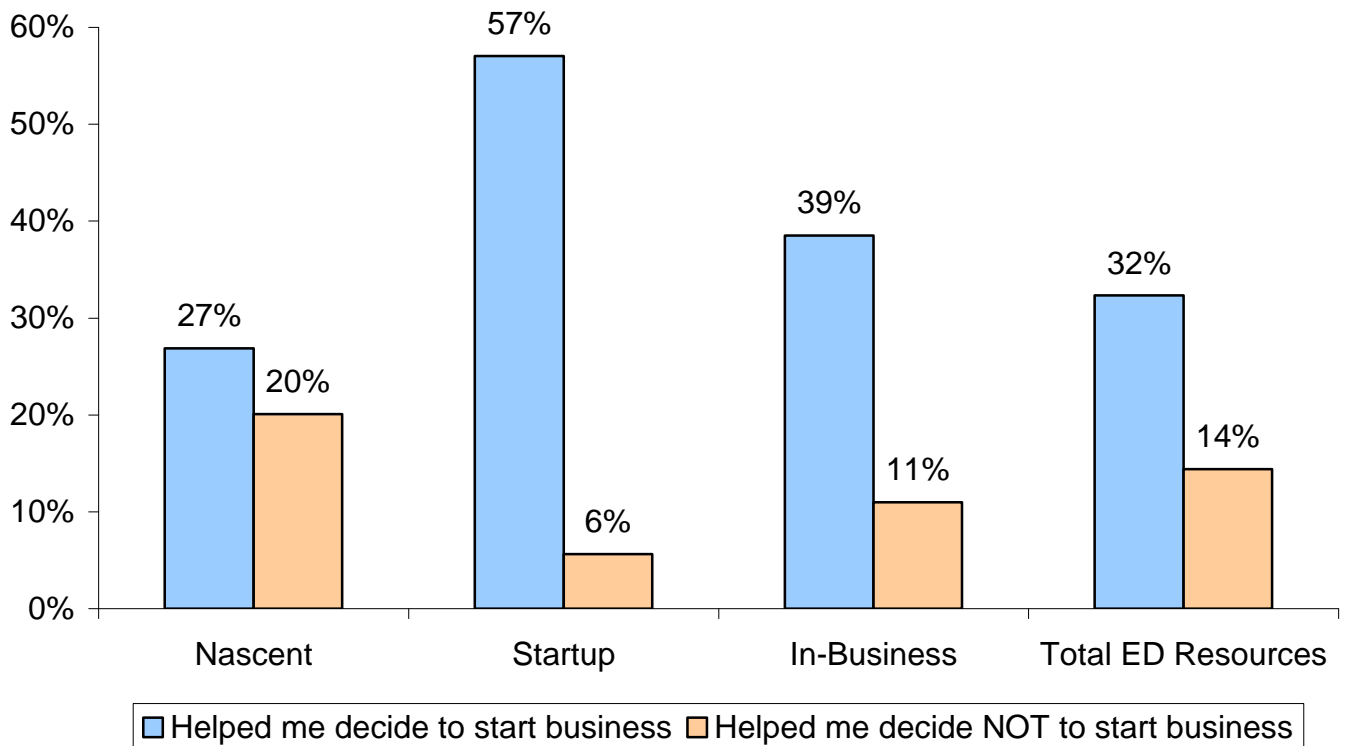
²⁴ Low value includes the 'Somewhat Useful' and 'Not Useful' response categories. High value includes the 'Extremely Useful' and 'Useful' response categories.

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 27% of Nascent respondents. Approximately 57% of Start-Up clients reported that SBDC assistance was helpful in their decision to start a business compared to just 32% of Total ED Resource clients combined.

Figure 5.6 – SBDC – Usefulness of SBDC ED Resources in Starting or NOT Starting a Business²⁵ (FY2005 Clients)

SBDC vs. Total ED Resources



²⁵ 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, 48% of Start-Up firms have changed their current management practices or strategies. For 2005 clients, 54% 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 (FY2005 Clients)

SBDC vs. Total ED Resources

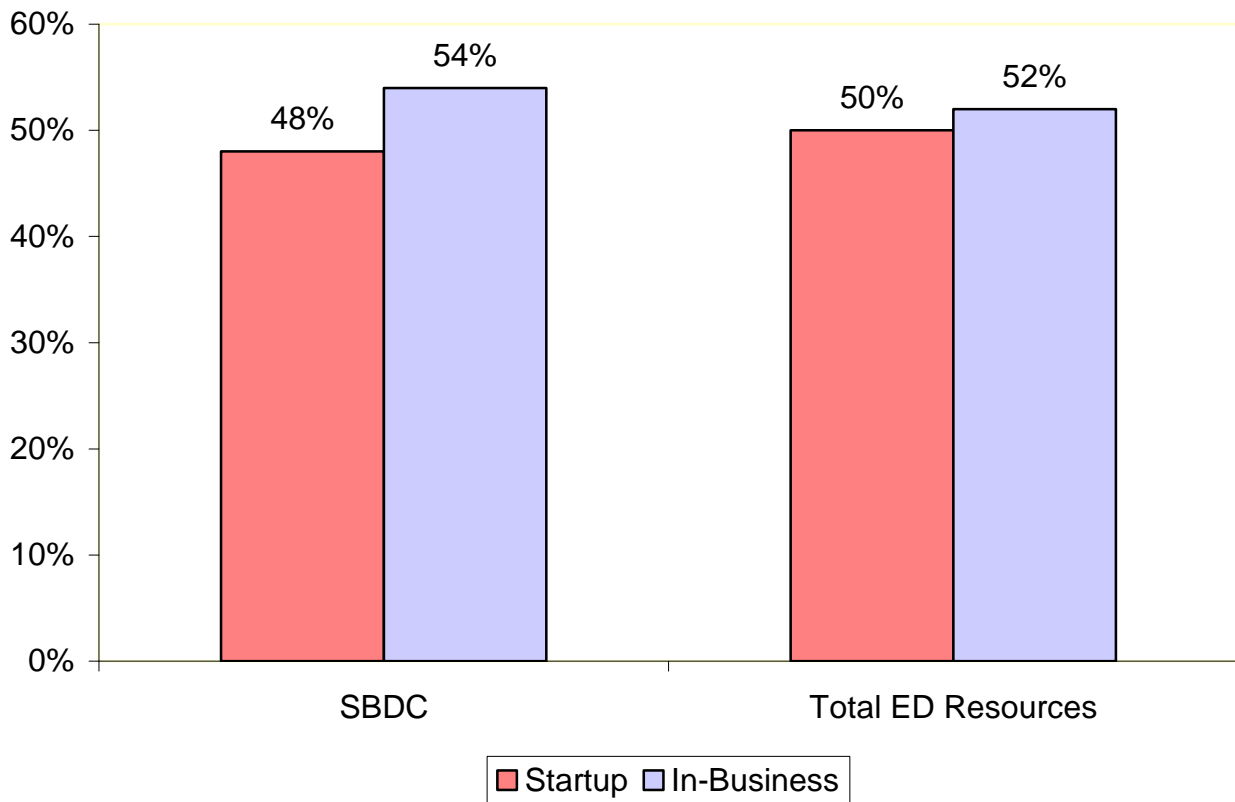
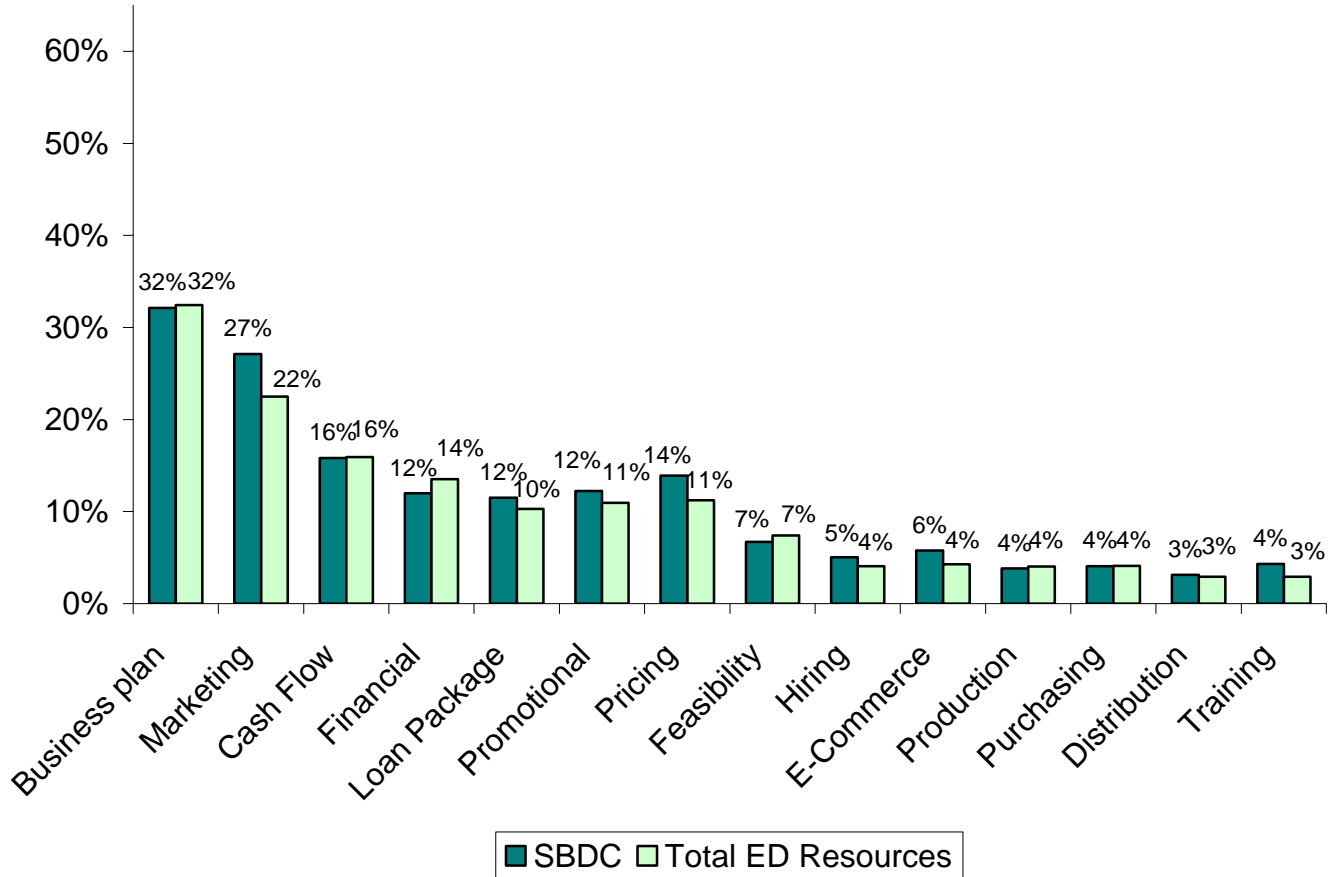


Figure 5.8 shows the business functions that were changed as a result of SBDC ED assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and pricing strategies.

Figure 5.8 – SBDC – Changes in Management Practices by Business Function (FY2005 Clients)

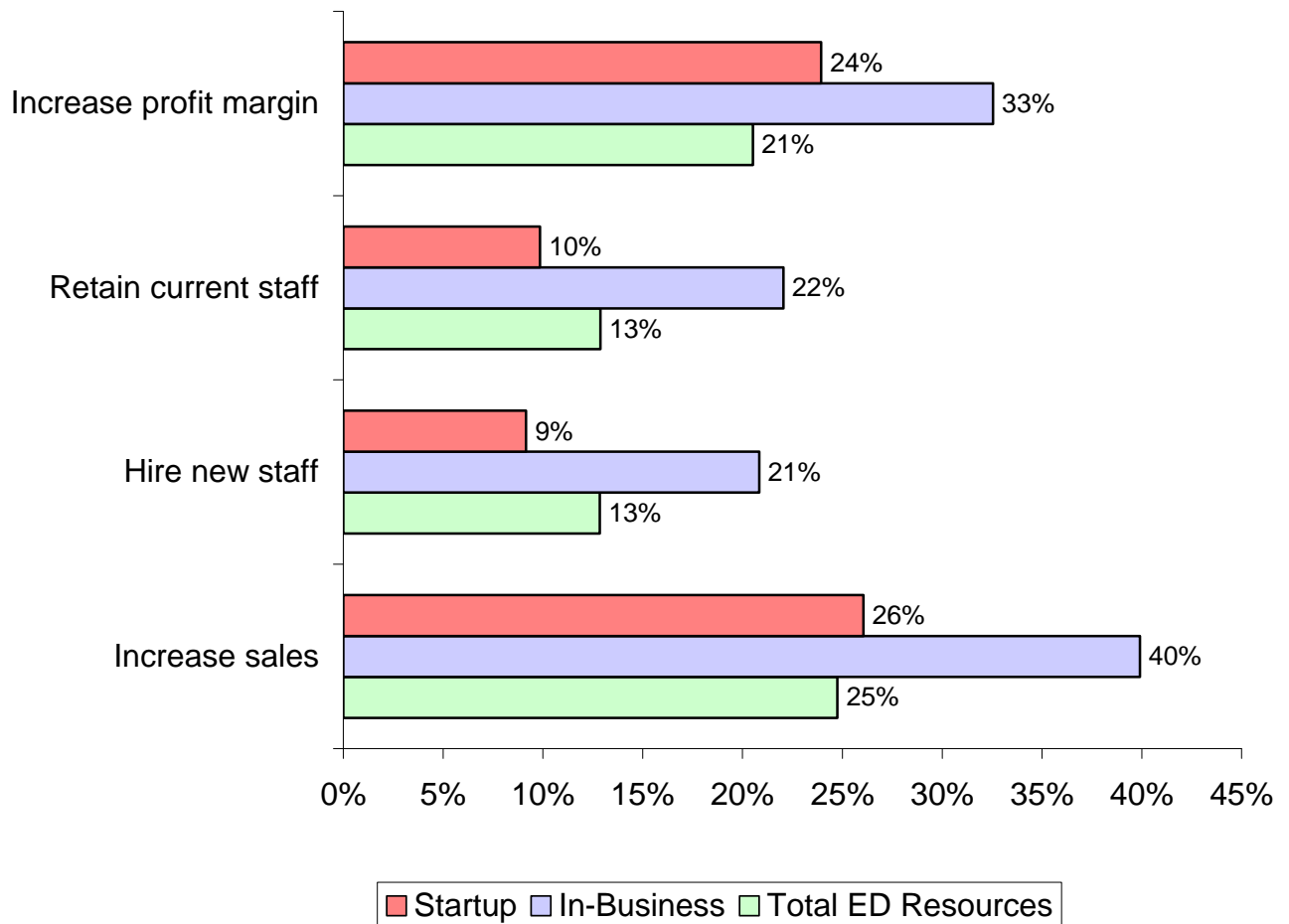
SBDC vs. Total ED Resources



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, 26% of SBDC Start-Ups and 40% of In-Business respondents reported that they were able to increase sales as a result of SBDC ED assistance, compared to 25% for total ED Resources. Thirty-three percent of In-Business clients reported that they were able to increase their profit margins, compared to 21% for total ED Resources.

Figure 5.9 – SBDC – The Usefulness of Assistance (FY2005 Clients)
SBDC vs. Total ED Resources



VI. SCORE 2005 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 resources for Nascent, Start-Up and In-Business firms. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

- Is there a positive 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 positive relationship between the services/assistance provided by SCORE and the client's decision to start or not to start a business?
- Is there a positive 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 positive 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 1,069 completed surveys.

As shown in Figure 6.1, the largest business segment served by SCORE is the In-Business segment (43%). This graph also shows that compared to other ED Resources, a larger share of SCORE clients are in the Nascent segment.

Figure 6.1 – SCORE – Distribution of Respondents by Segment (FY2005 Clients)

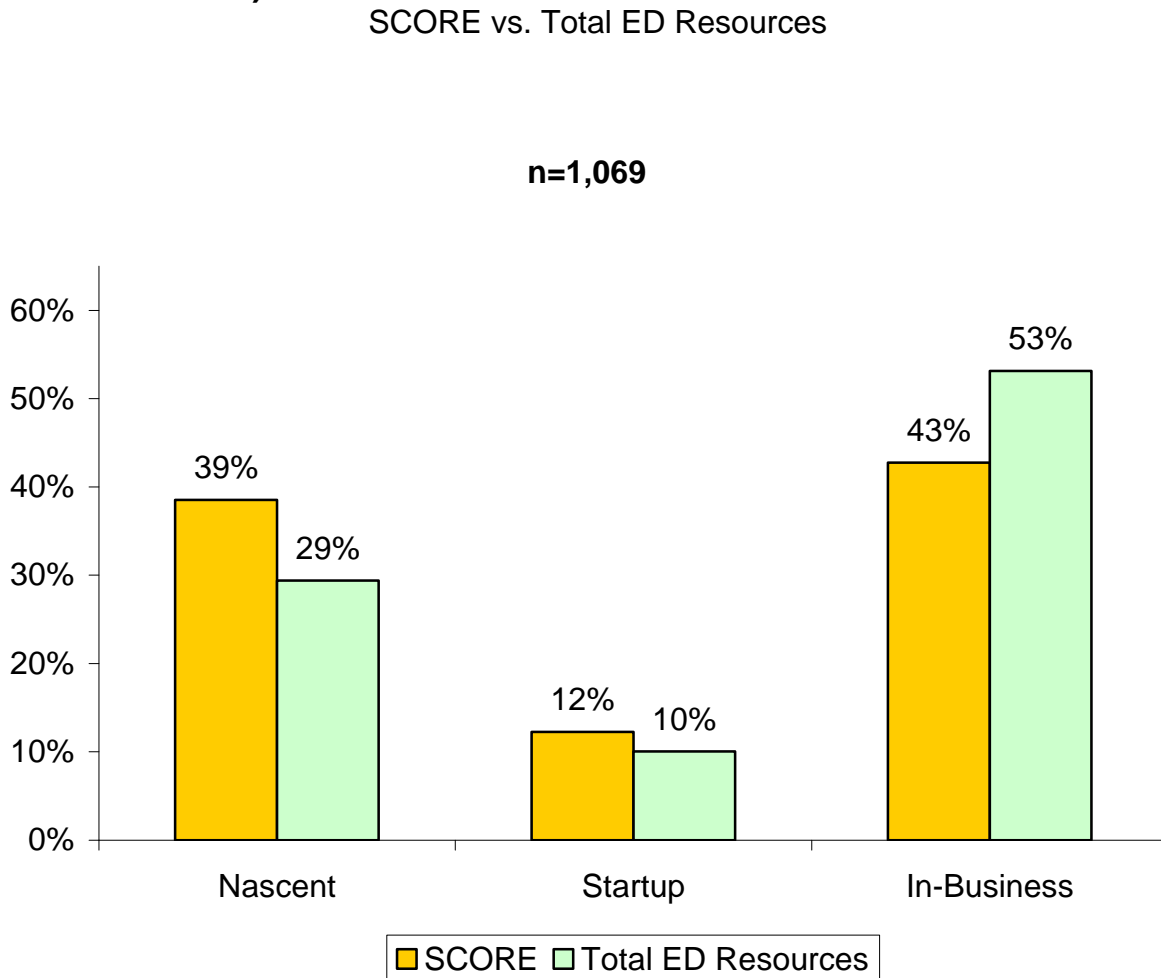


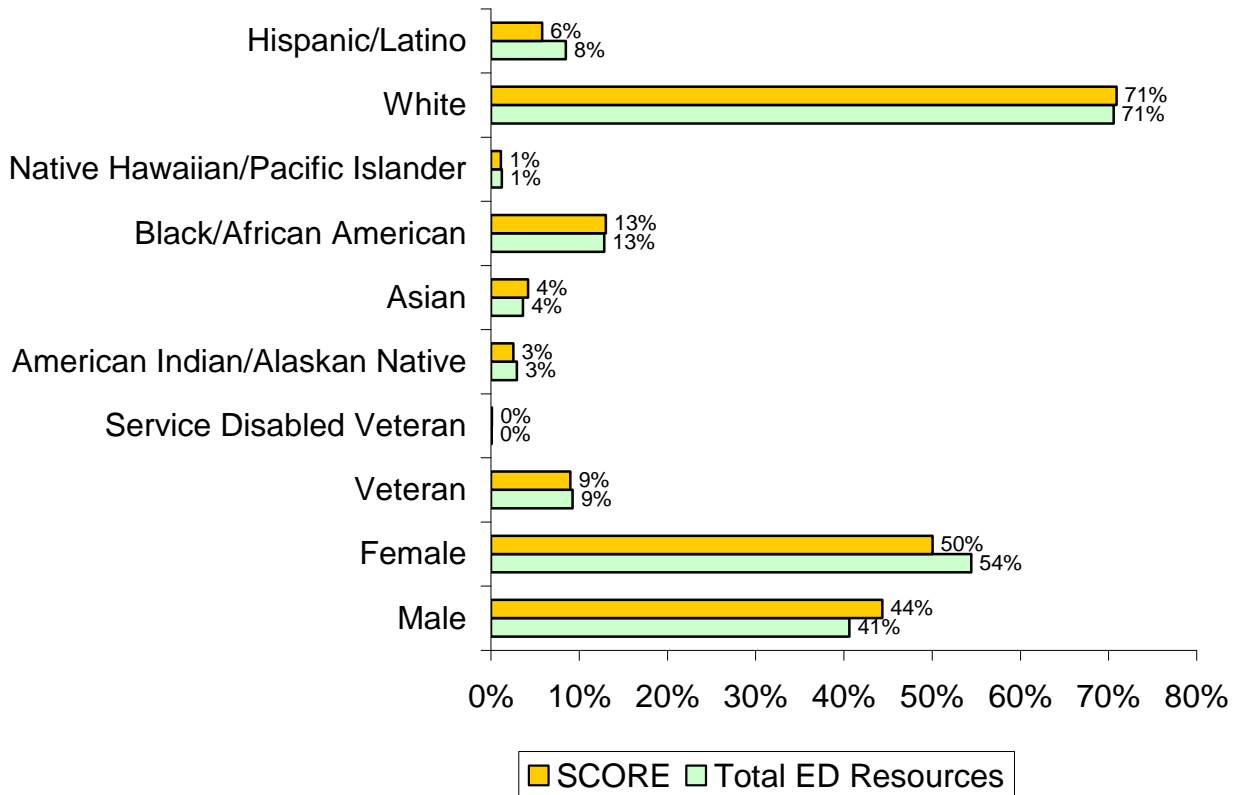
Table 6.1 compares revenues and employment for SCORE clients vs. Total ED Resources. SCORE clients are smaller in terms of revenues and employees than the median for ED Resources combined.

Table 6.1 – SCORE Client Revenues and Employment (FY2005)

	SCORE	Total ED Resources
Median Revenue	\$59,000	\$79,000
Median Employees	2	3

Demographic characteristics of SCORE clients, including gender, race, ethnicity, and veteran status are reported in Figure 6.2. About 50% of SCORE clients are female. Thirteen percent of SCORE clients are African-American, and another 6% are Hispanic/Latino. Nine percent of SCORE clients are veterans, with none of these clients in the service-disabled category. These percentages are similar to ED Resources overall.

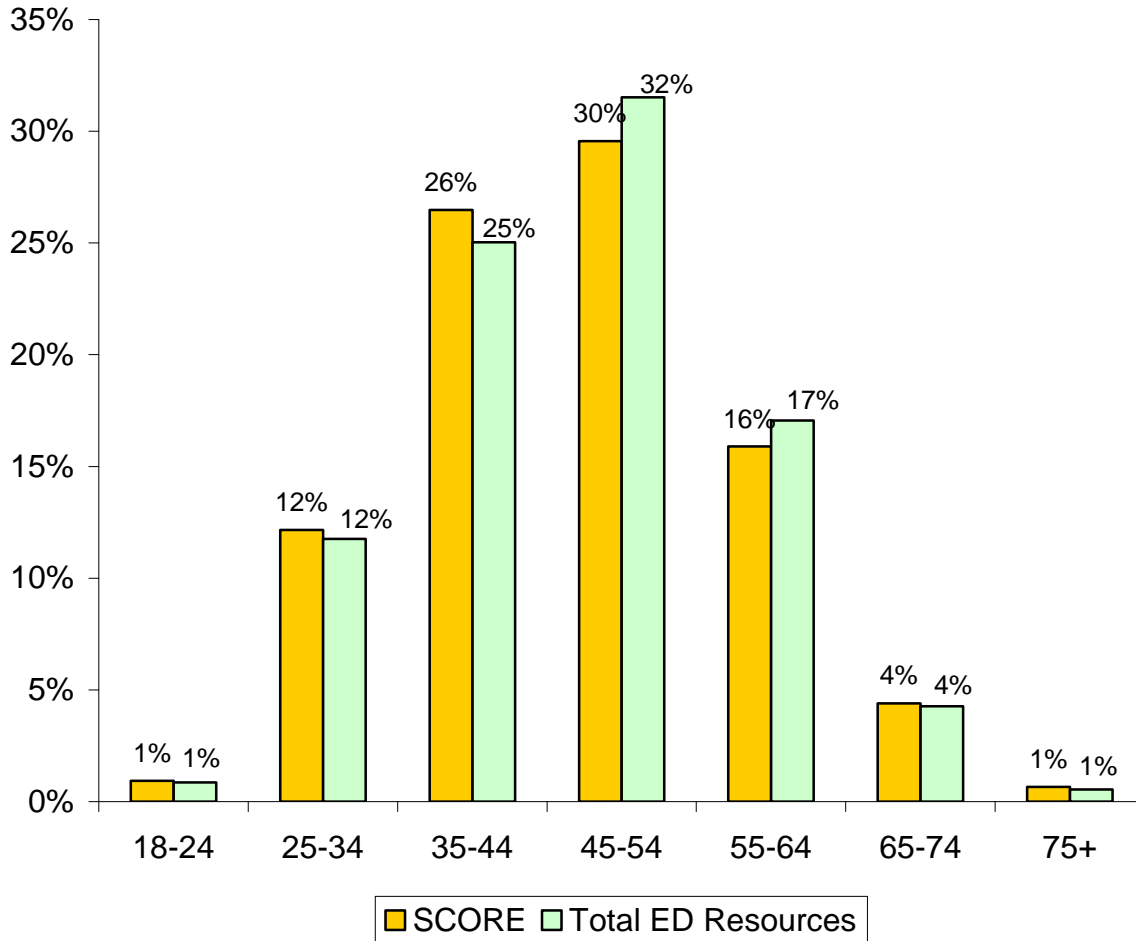
Figure 6.2 – SCORE – Demographic Characteristics (FY2005 Clients)²⁶
SCORE vs. Total ED Resources



²⁶ In some instances, the total percentage may not equal 100 due to respondents who selected multiple ethnicities.

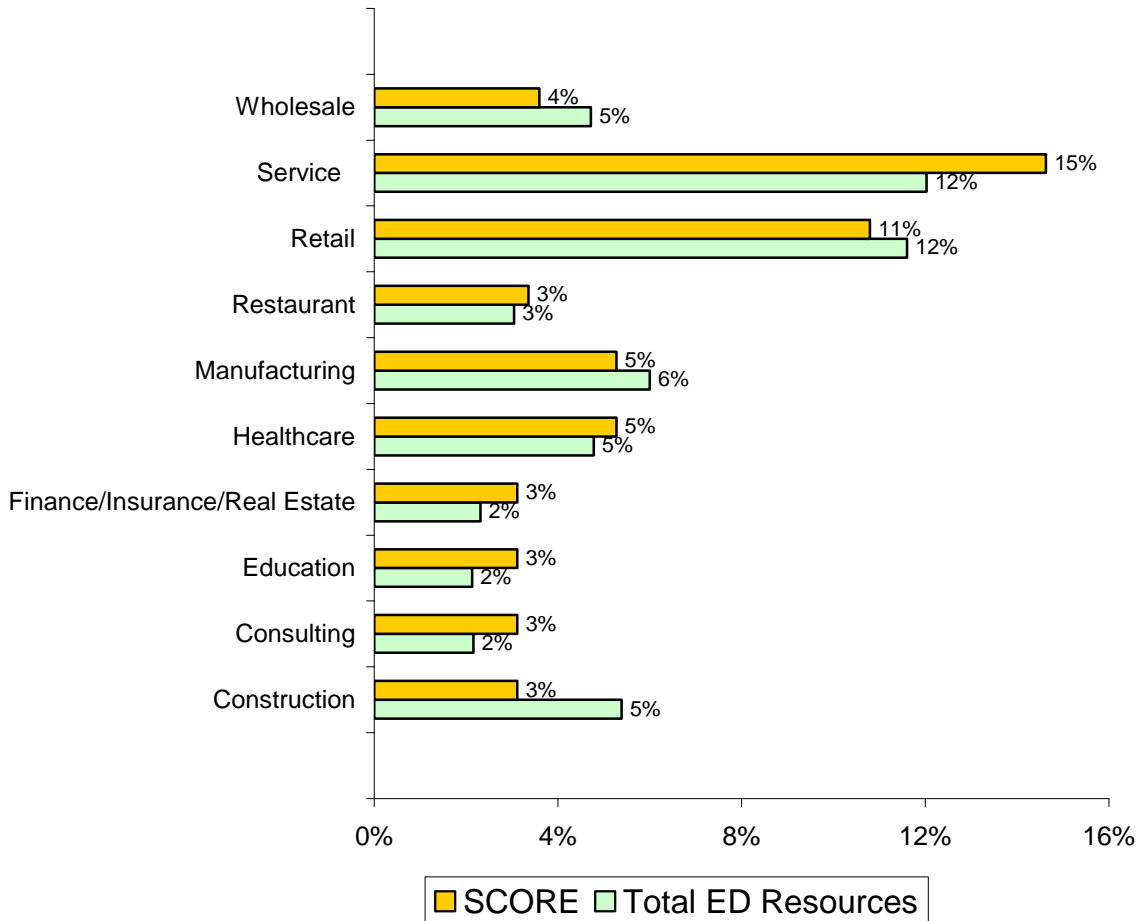
Figure 6.3 shows the distribution of SCORE clients by age of business owner. More than half of SCORE clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54.

Figure 6.3 – SCORE – Age of Business Owner (FY2005 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 Business²⁷ (FY2005 Clients)
SCORE vs. Total ED Resources



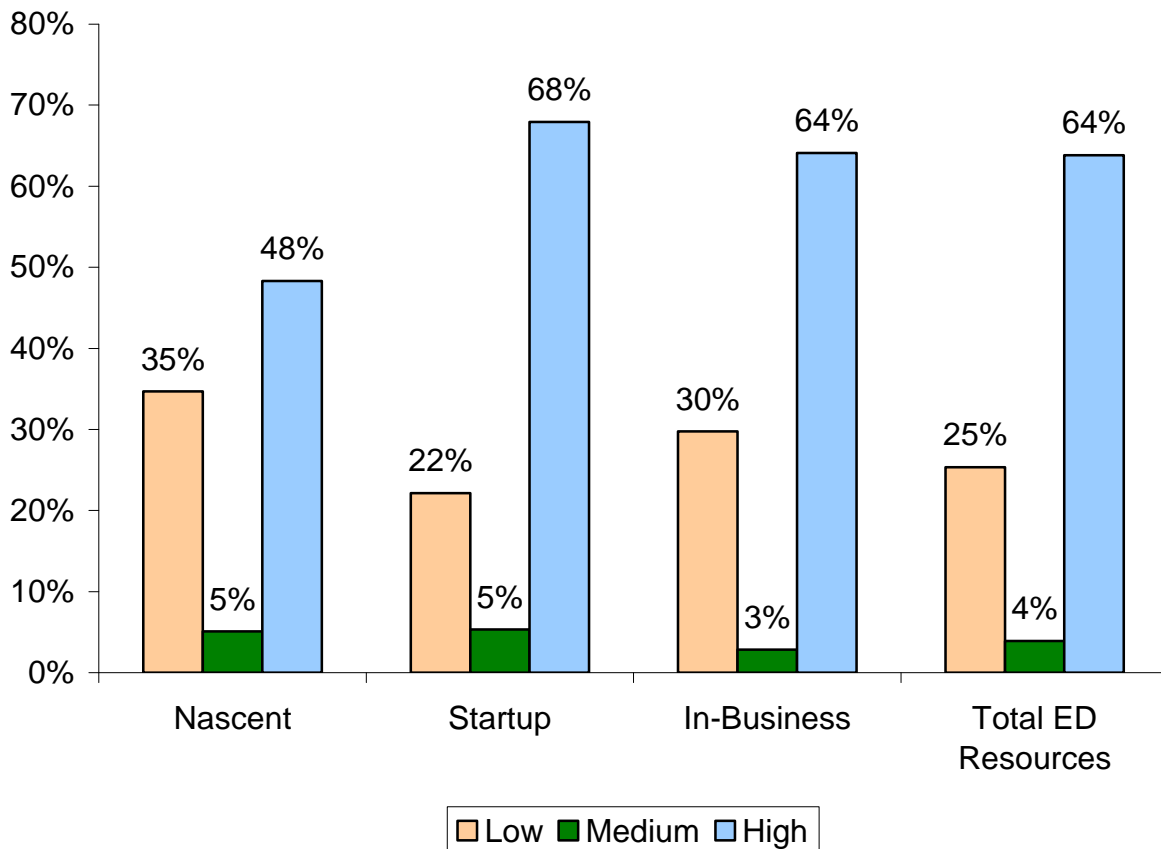
²⁷ Due to non-responses and multiple business type selections, the total for all business types may not equal 100%.

SCORE Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 60% of SCORE respondents reported that the information they received from their counselor was useful, compared to 64% of clients from all ED Resources combined. Figure 6.5 shows these ratings of usefulness of services received by business segment. Start-Up and In-business firms rated the information they received as useful substantially higher than Nascent businesses.

Figure 6.5 – SCORE –Usefulness of SCORE²⁸ (FY2005 Clients)
SCORE vs. Total ED Resources

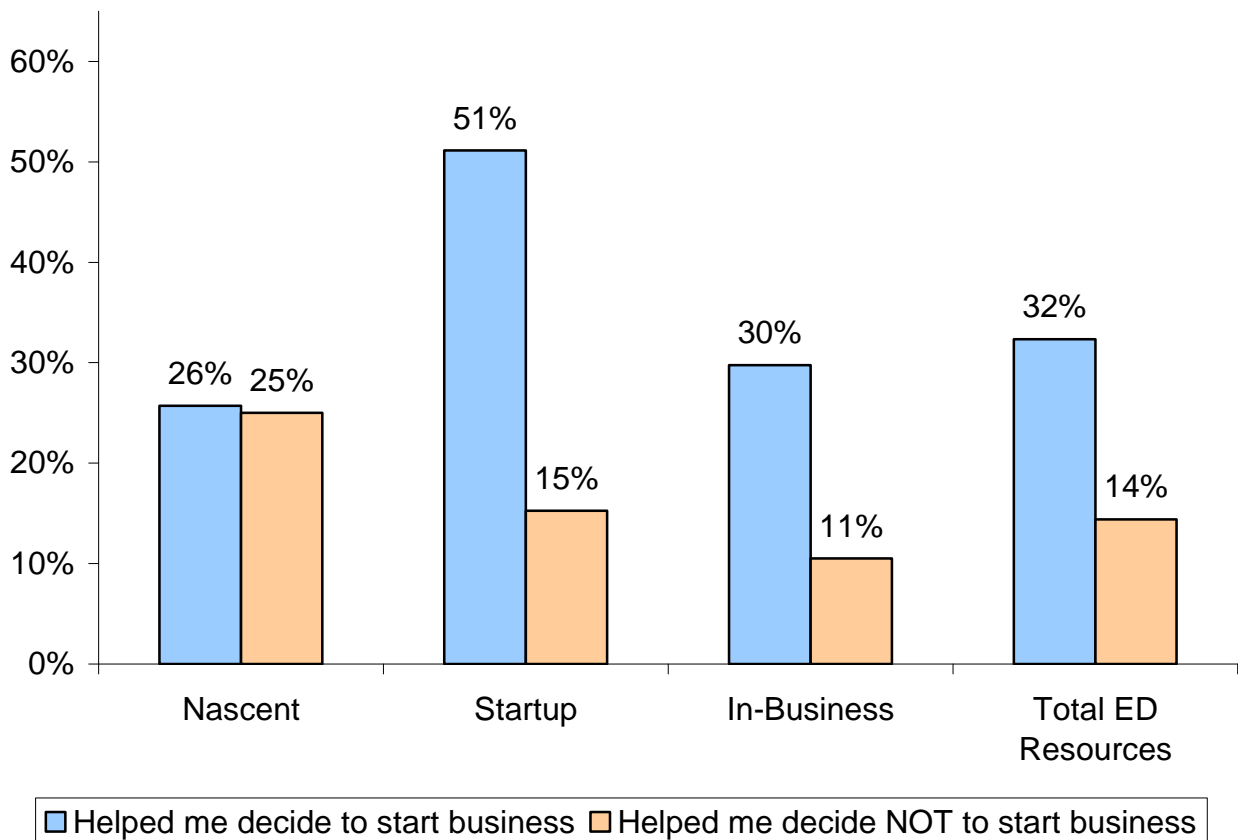


²⁸ Low value includes the 'Somewhat Useful' and 'Not Useful' response categories. High value includes the 'Extremely Useful' and 'Useful' response categories.

Decision to Start or Not Start a Business

As reported in Figure 6.6, SCORE assisted in the decision to start a business for 26% of Nascent respondents. For Start-Ups, this figure was 51%, which is high relative to the 32% for all ED Resource clients combined. In addition, 25% of 2005 Nascent respondents reported that SCORE assistance helped them decide not to start a business, more than any other ED resources and almost double that of all ED Resource clients combined.

Figure 6.6 – SCORE – Usefulness of SCORE ED Resources in Starting or NOT Starting a Business²⁹ (FY2005 Clients)
SCORE vs. Total ED Resources



²⁹ 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, 48% of Start-Up firms have changed their current management practices or strategies, and 50% 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 (FY2005 Clients)

SCORE vs. Total ED Resources

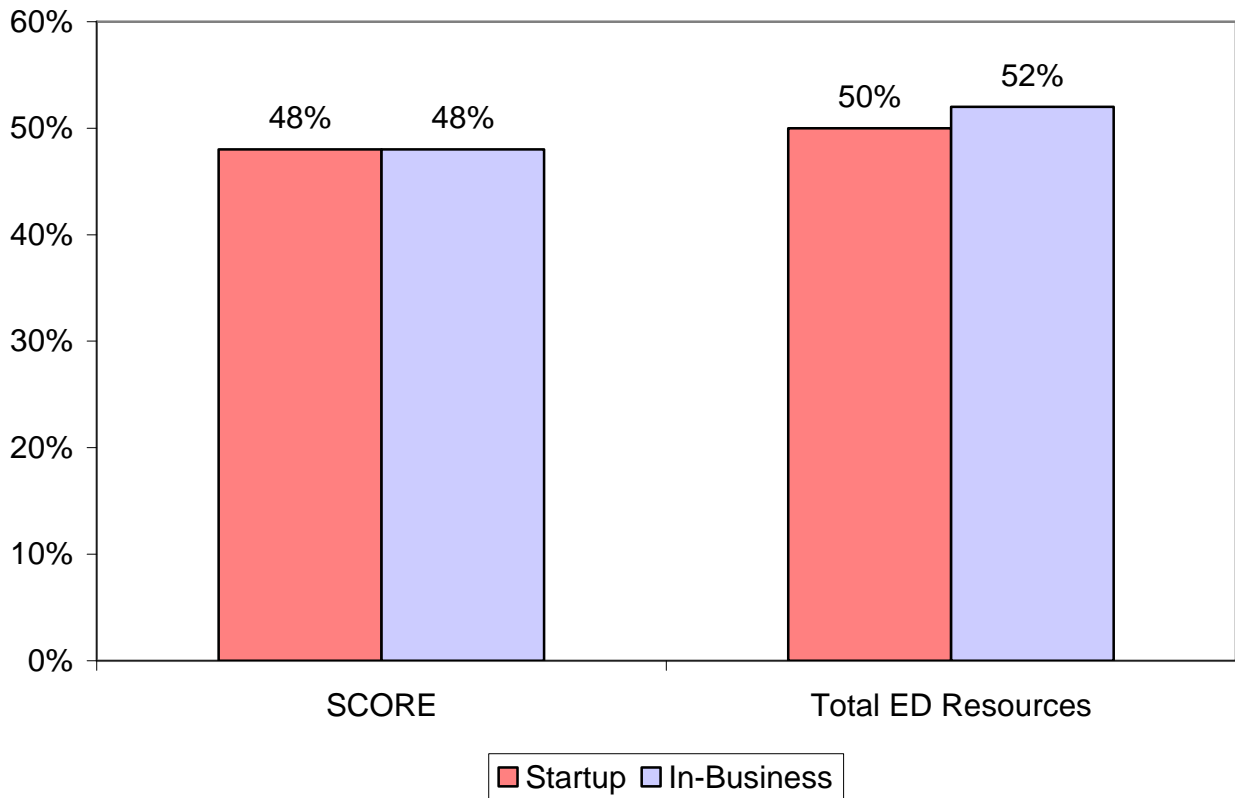
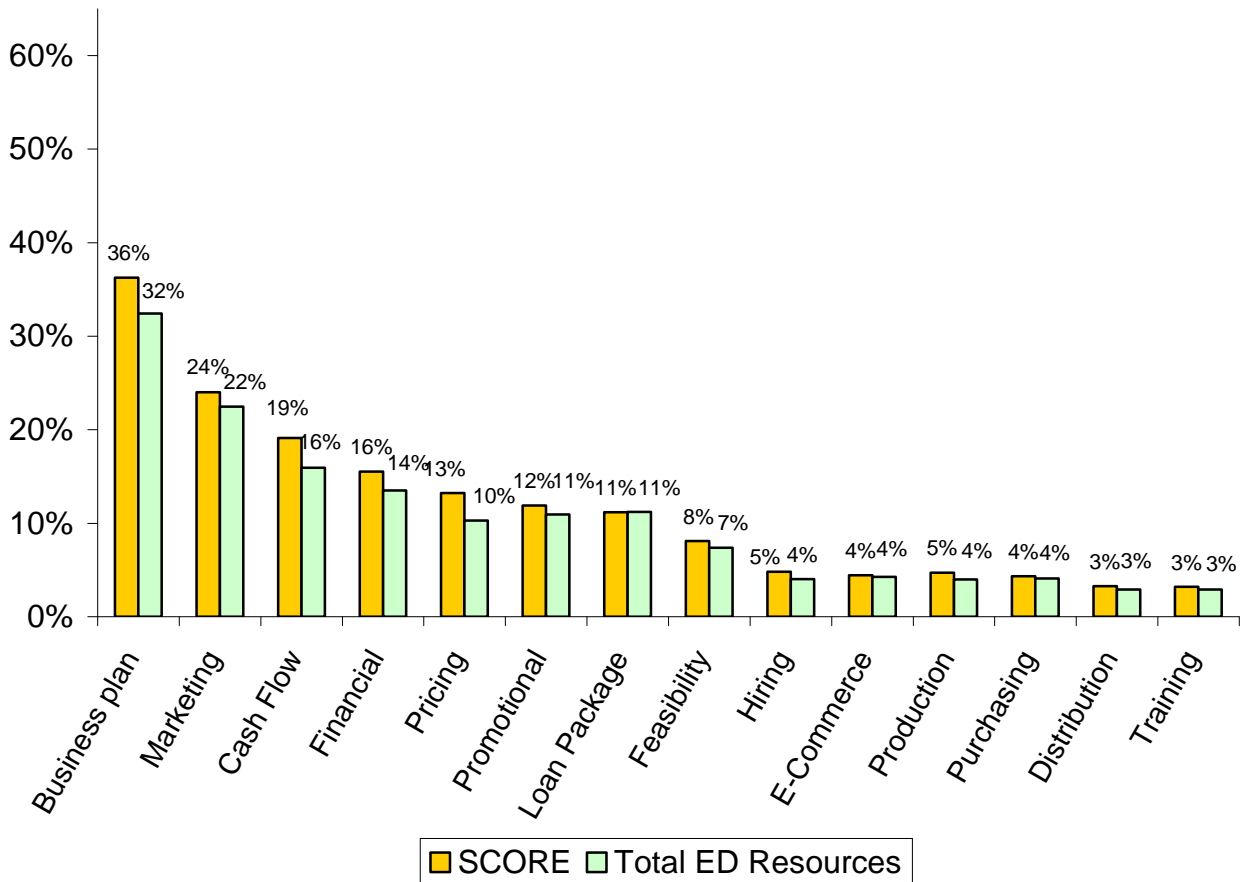


Figure 6.8 shows the business functions that were changed as a result of SCORE assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and financial strategies.

Figure 6.8 – SCORE – Changes in Management Practices by Business Function (FY2005 Clients)

SCORE vs. Total ED Resources

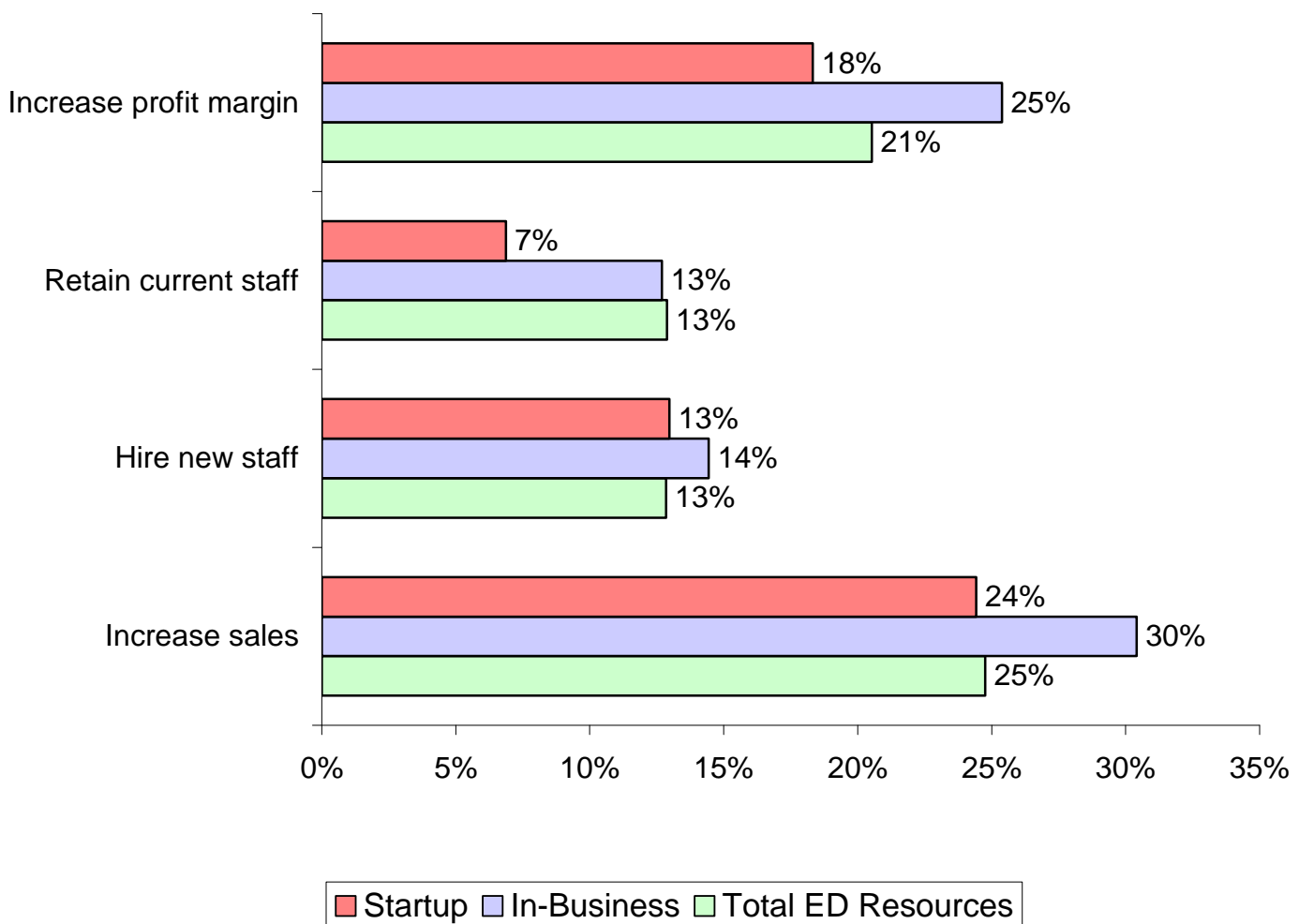


Sales, Job Creation and Job Retention

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. Seven percent of SCORE Start-Ups reported that SCORE assistance resulted in their retaining current staff compared to 13% of all ED Resource clients combined. In addition, while 30% 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. These percentages are similar to those reported by ED Resource clients combined.

Figure 6.9 – SCORE – The Usefulness of Assistance (FY2005 Clients)

SCORE vs. Total ED Resources



VII. WBC 2005 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 resources on Nascent, Start-Up and In-Business firms. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

- Is there a positive 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 positive relationship between the services/assistance provided by WBC and the client's decision to start or not to start a business?
- Is there a positive 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 positive 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 417 completed surveys.

As shown in Figure 7.1, the largest business segment served by WBC is the In-Business segment (51%). This graph also shows that compared to total ED Resources, there are fewer WBC clients in the In-Business segment. The share of clients by segment in WBC is slightly higher than that of total ED Resources combined.

Figure 7.1 – WBC – Distribution of Respondents by Segment (FY2005 Clients)
WBC vs. Total ED Resources

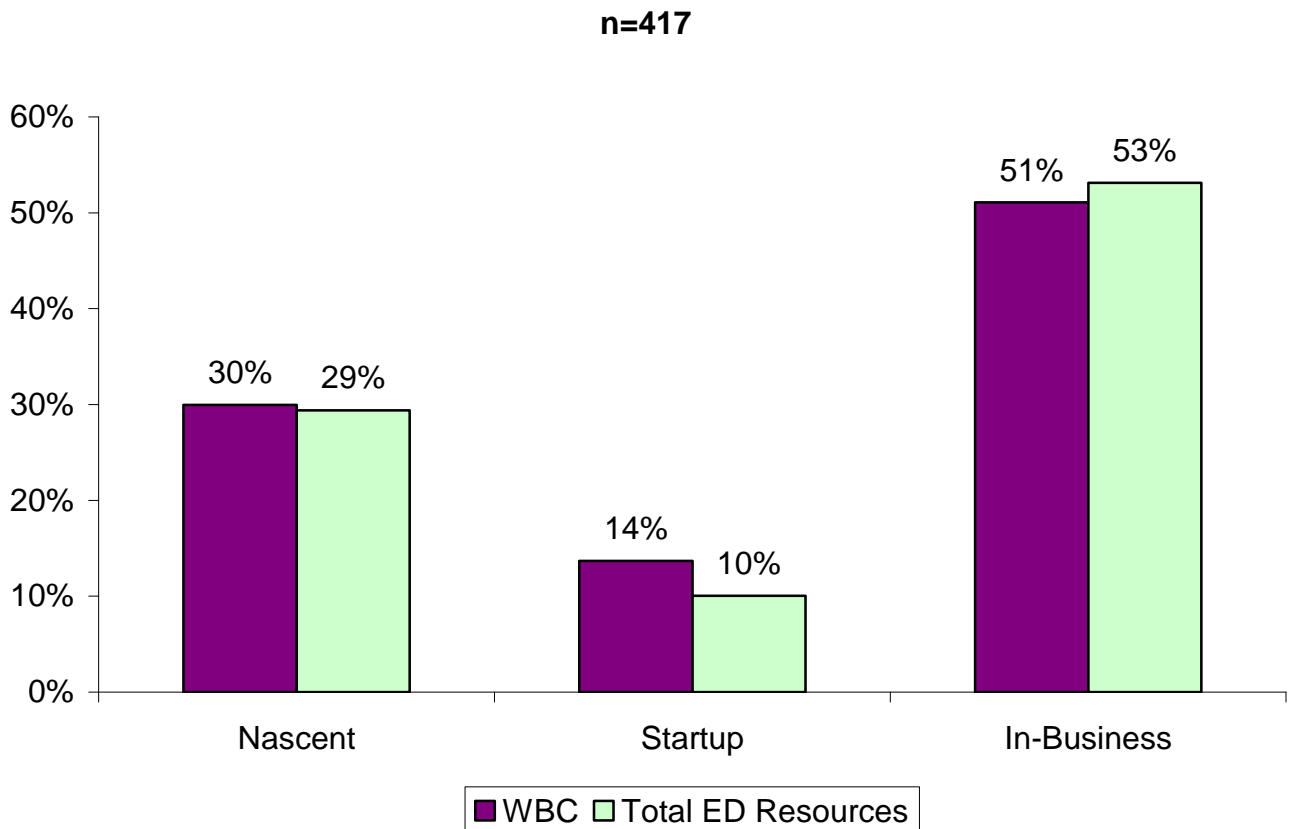


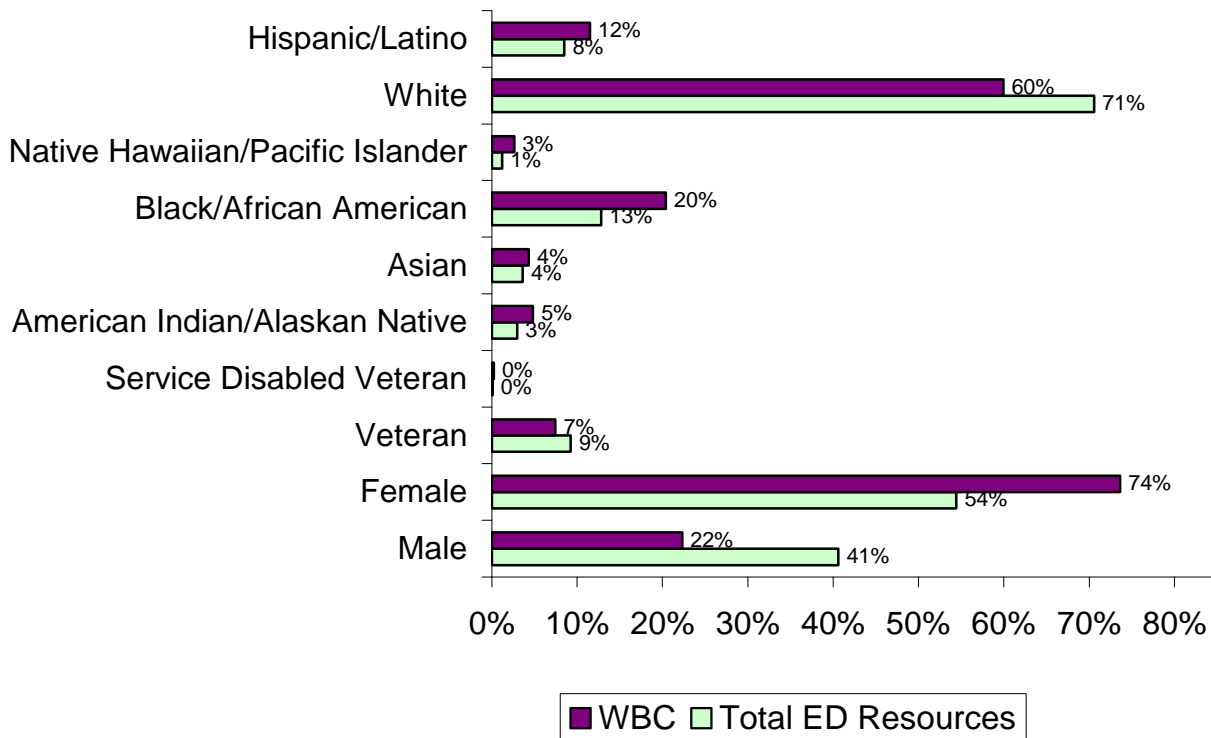
Table 7.1 compares revenues and employment for WBC clients vs. Total ED Resources. These results indicate that WBC clients are smaller both in terms of revenues and number of employees than the median for ED Resources combined.

Table 7.1 – WBC Client Revenues and Employment (FY2005)

	WBC	Total ED Resources
Median Revenue	\$32,500	\$79,000
Median Employees	2	3

Demographic characteristics of WBC clients, including gender, race, ethnicity, and veteran status are reported in Figure 7.2. Not surprisingly, about 74% of WBC clients are female. A noteworthy 20% of WBC clients are African-American, compared to 13 % of all ED Resource clients combined. Hispanic/Latino clients represent 12 % of WBC clients. WBC serves a small share of veterans (7%) and no service-disabled veterans.

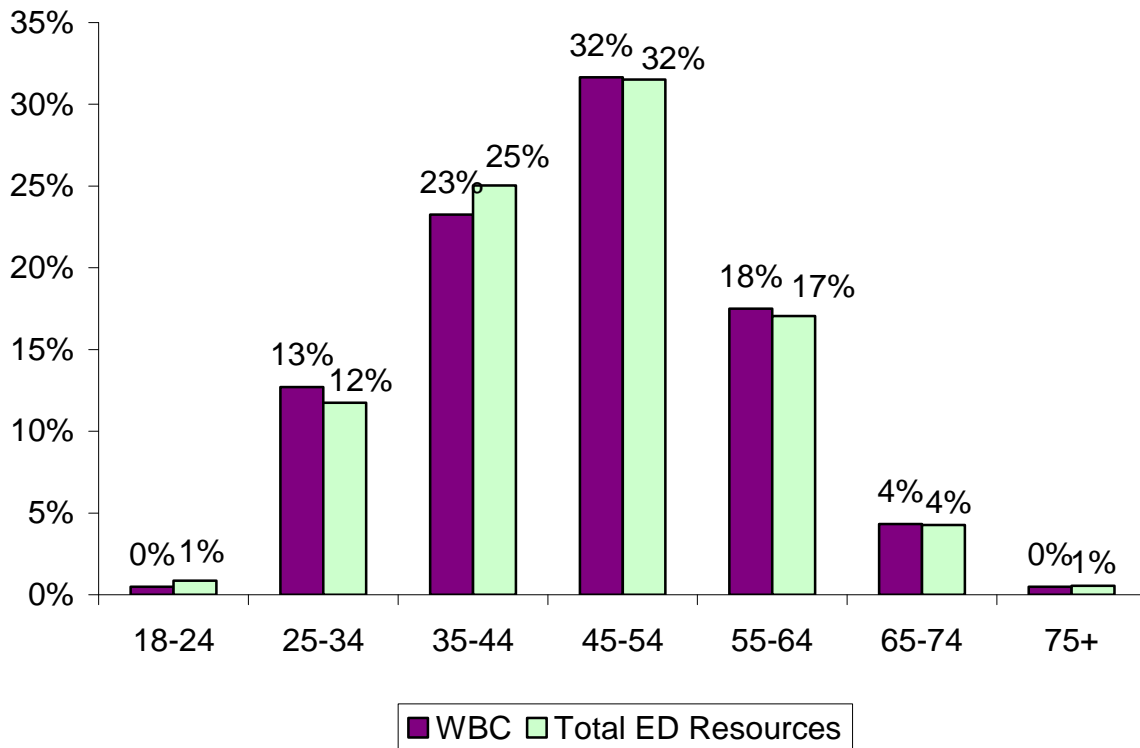
Figure 7.2 – WBC – Demographic Characteristics (FY2005 Clients)³⁰
WBC ED vs. Total ED Resources



³⁰ In some instances, the total percentage may not equal 100 due to respondents who selected multiple ethnicities.

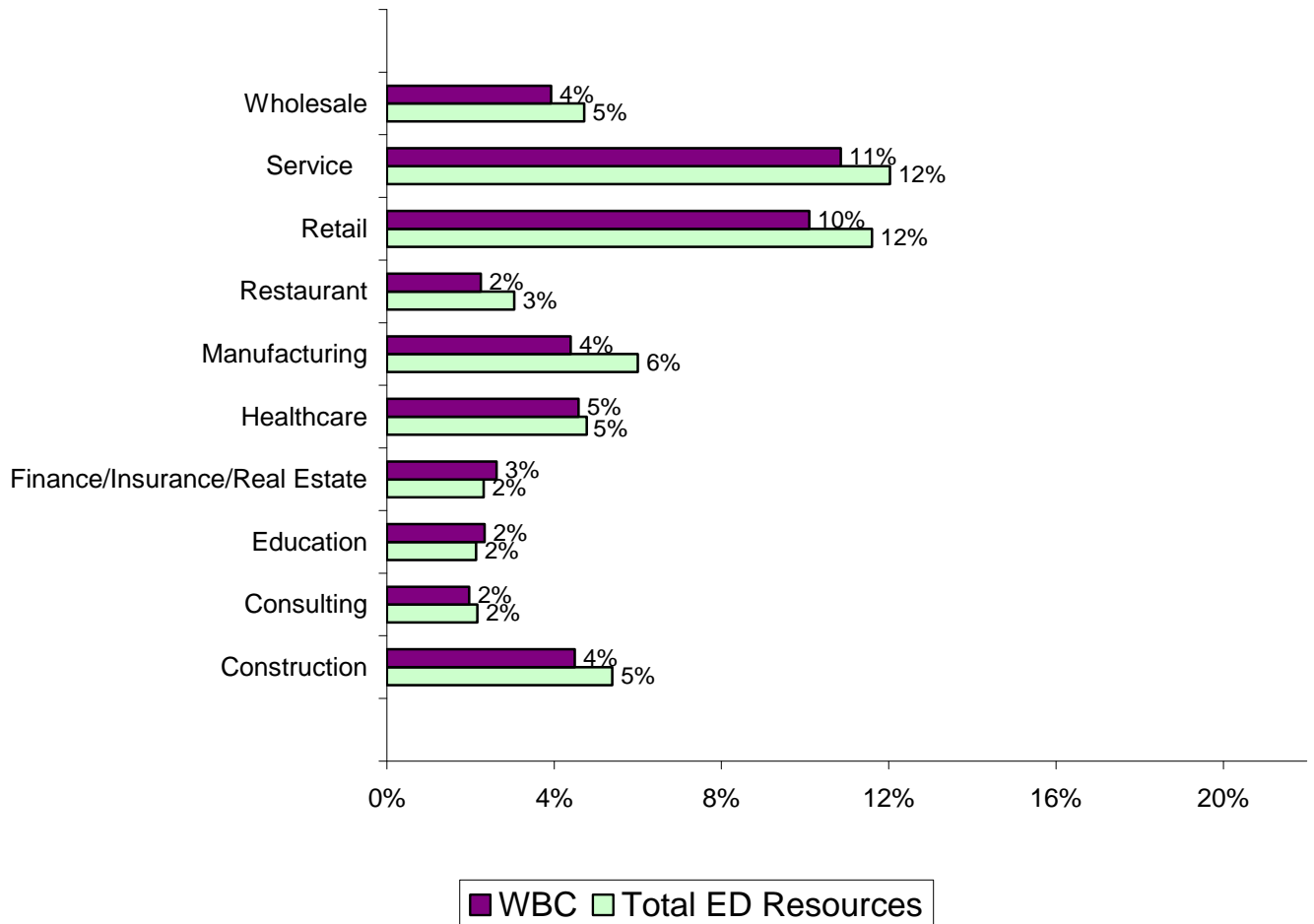
Figure 7.3 shows the distribution of WBC clients by age of business owner. More than half of WBC clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54. However, compared to other ED Resources, WBC has a larger number of younger clients than total ED Resources combined, with 13% between the ages of 25 and 34.

Figure 7.3 – WBC – Age of Business Owner (FY2005 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. However, the share of WBC clients in the services industry is lower than that of total ED Resources combined.

Figure 7.4 – WBC – Type of Business³¹ (FY2005 Clients)
WBC vs. Total ED Resources



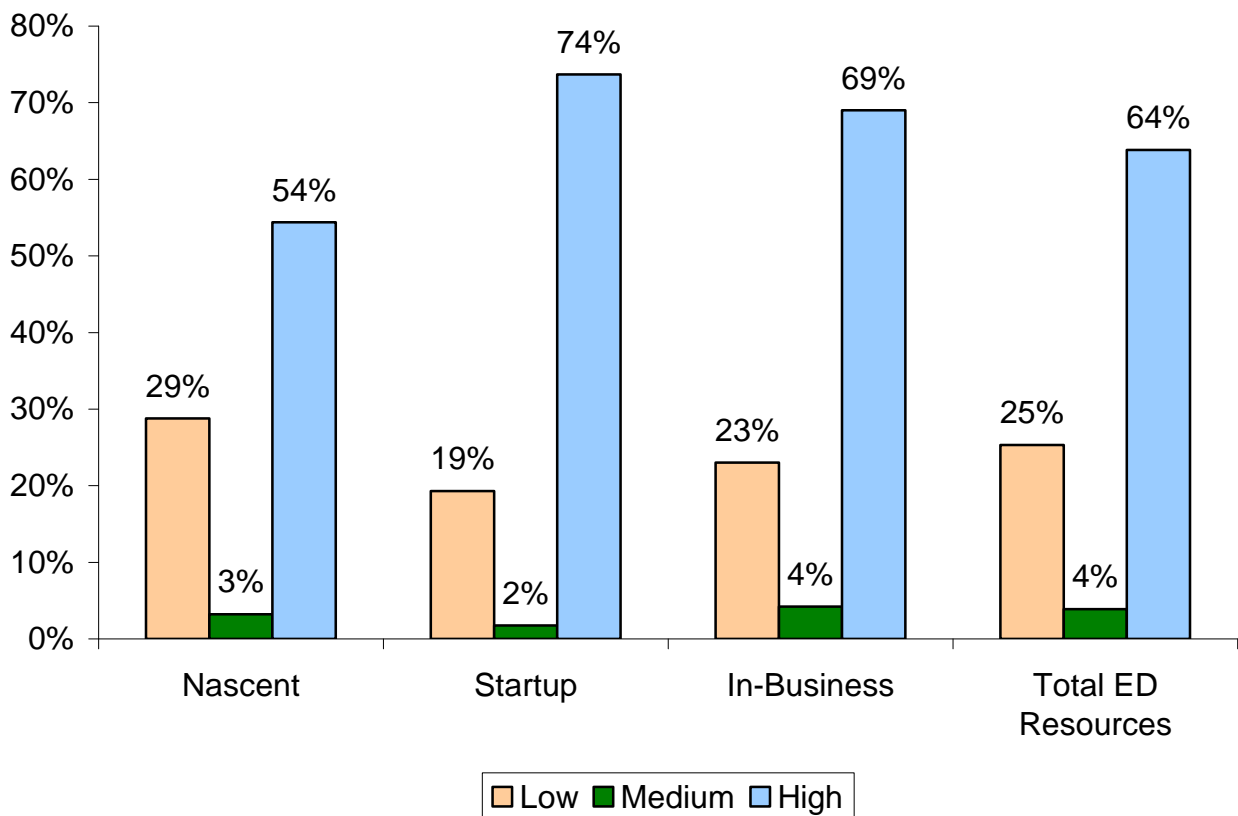
³¹ Due to non-responses and multiple business type selections, the total for all business types may not equal 100%.

WBC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 66% 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. Regardless of segment, WBC clients assigned higher ratings than the 64% average for ED Resource clients combined. For example, out of WBC Start-Ups, 74 % rated the information as highly useful, and this figure was 69% for In-business firms.

Figure 7.5 – WBC –Usefulness of WBC³² (FY2005 Clients)
WBC vs. Total ED Resources



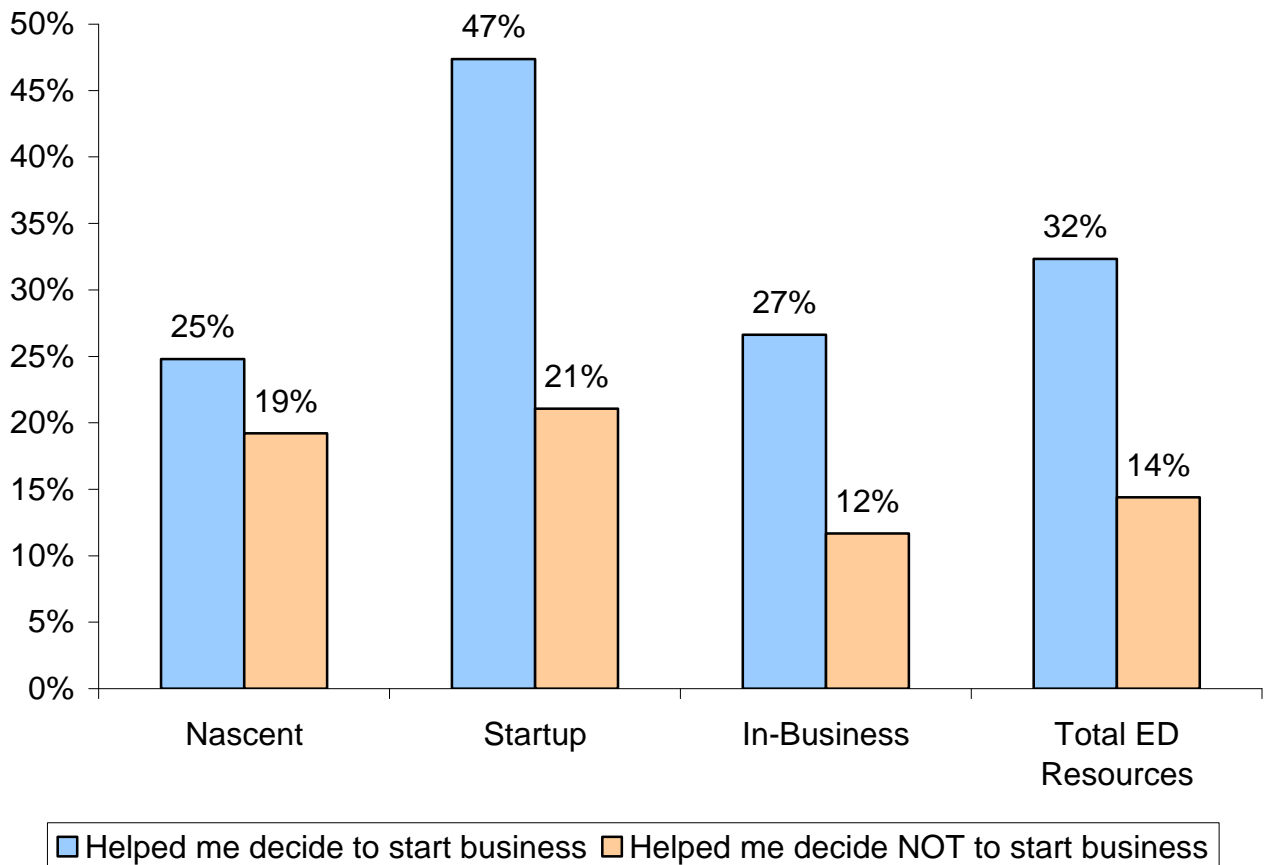
³² Low value includes the ‘Somewhat Useful’ and ‘Not Useful’ response categories. High value includes the ‘Extremely Useful’ and ‘Useful’ response categories.

Decision to Start or Not Start a Business

As reported in Figure 7.6, WBC assisted in the decision to start a business for 25% of Nascent respondents. For Start-Ups, this figure was 47%, which is much higher than the average of 32% for all ED Resource clients combined. In addition, 19% of the 2005 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 Business³³ (FY2005 Clients)

WBC vs. Total ED Resources



³³ 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, 56% of Start-Up respondents and 53% of In-Business respondents reported changing their current management practices or strategies. These figures are slightly higher 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 (FY2005 Clients)

WBC vs. Total ED Resources

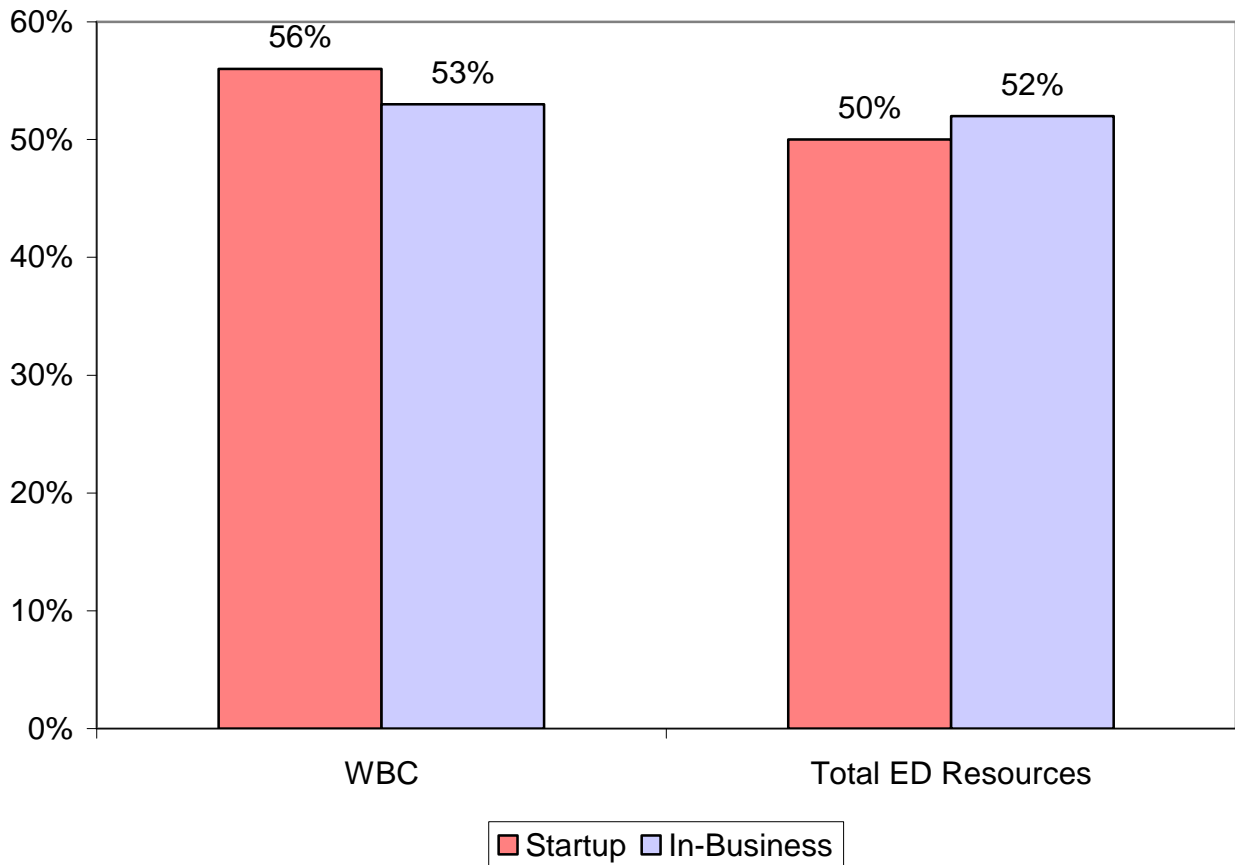
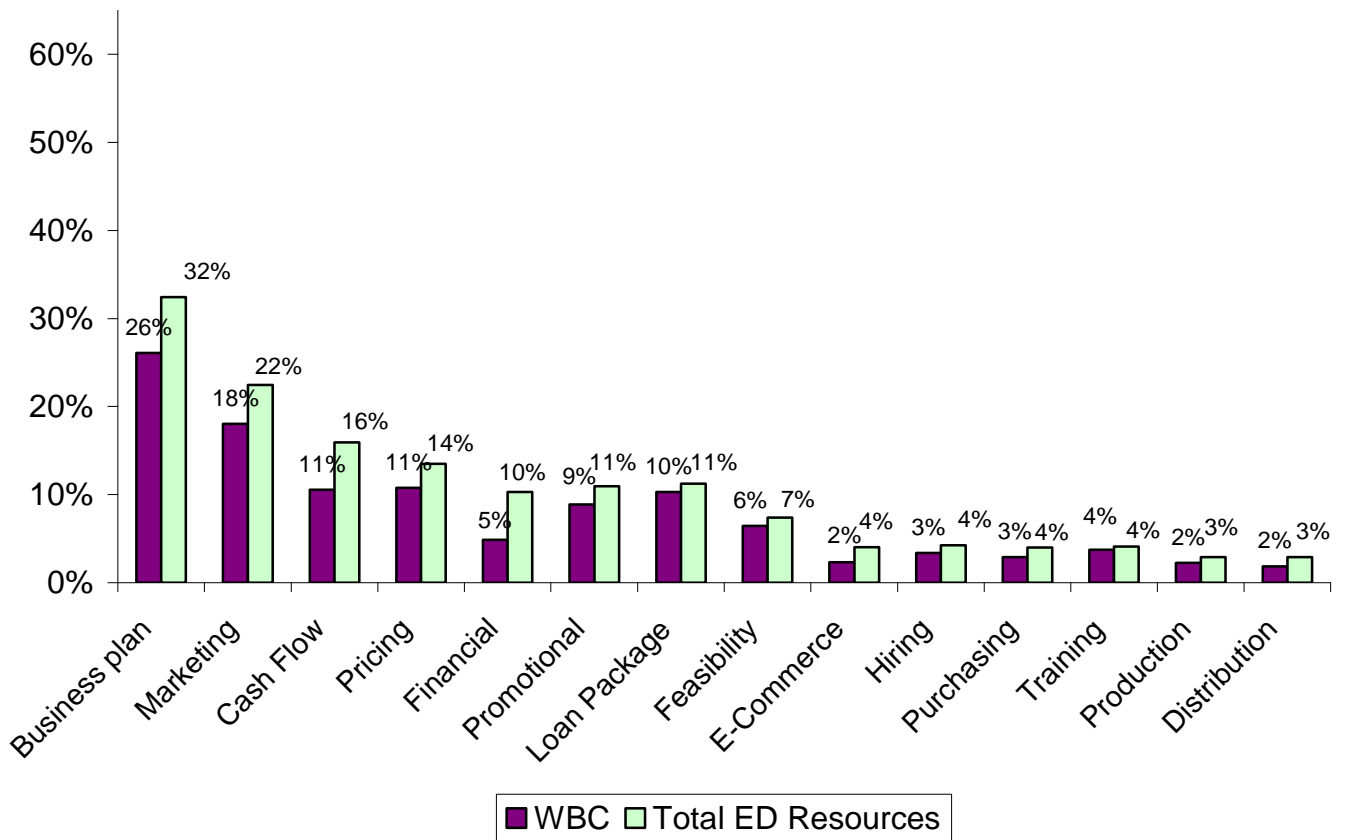


Figure 7.8 shows the business functions that were changed as a result of WBC assistance. Business plans and marketing plans were the most frequently cited functions, followed by pricing strategies and cash flow analysis. Compared to other resources, lower shares of WBC respondents cited changes in marketing plans.

Figure 7.8 – WBC – Changes in Management Practices by Business Function (FY2005 Clients)

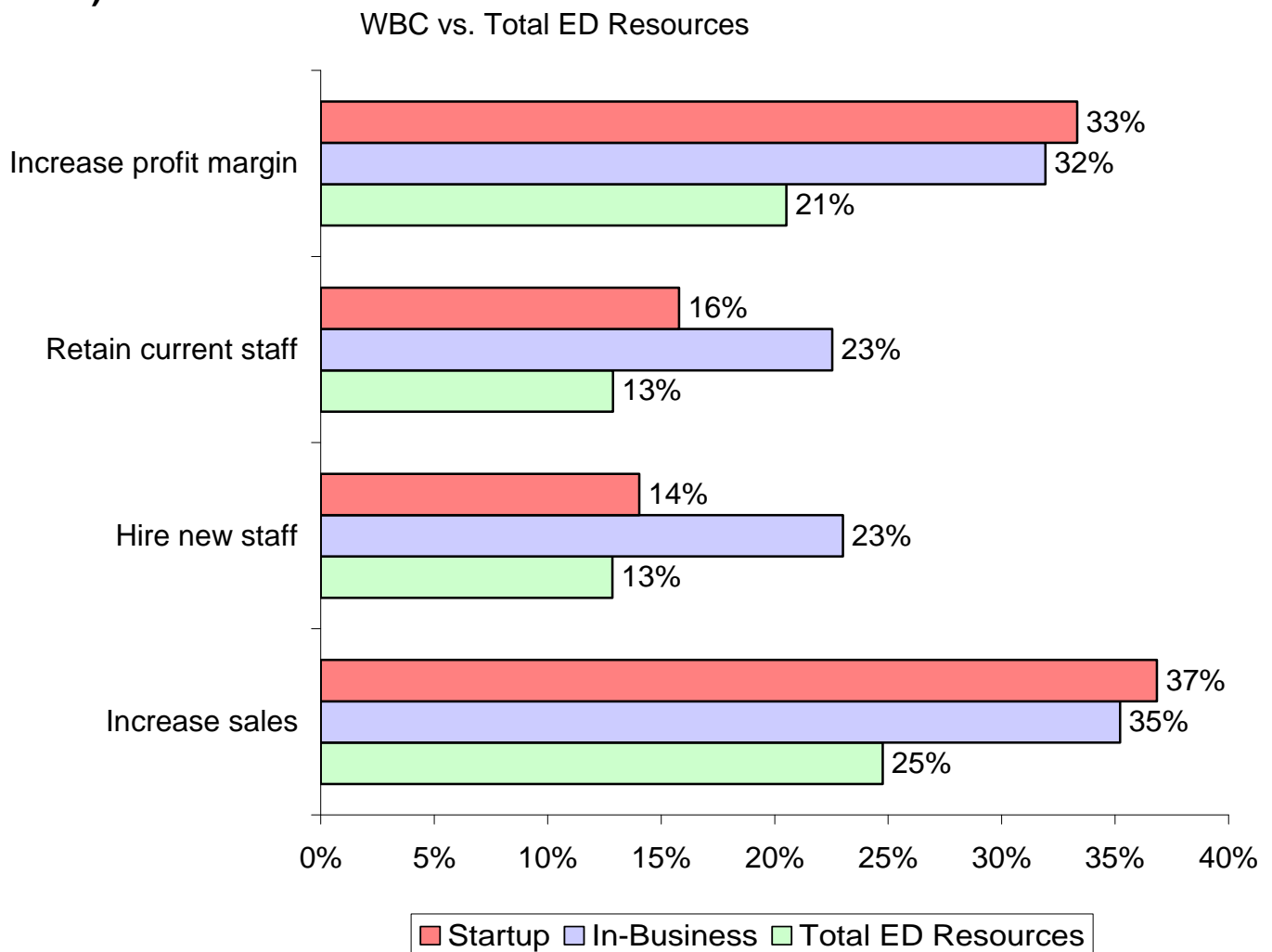
WBC vs. Total ED Resources



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, 37% of WBC Start-Up respondents and 35% of In-Business respondents reported that WBC assistance resulted in increased sales compared to 25% of all ED Resource clients combined. In addition, 23% of WBC In-Business clients reported increases in hiring new employees and 23% of In-Business respondents reported that they were able to retain current staff as a result of WBC assistance. When compared to all ED Resource clients combined, In-Business clients who used WBC resources were better able to increase sales and profit margins, as well as retain and hire staff.

Figure 7.9 – WBC – The Usefulness of the Changes for Firm (FY2005 Clients)



VIII. RESULTS FOLLOW-UP STUDY: 2003 AND 2004 CLIENTS

In this section, we report findings from an analysis of follow-up surveys of 2003 ED Resource clients and 2004 ED Resource clients. These follow-up surveys were conducted in order to examine the economic impact of ED Resource assistance over time. The most recent follow-up survey of 2003 ED Resource clients represents the second follow-up study of this sample. The first follow-up study was conducted in 2005.

The follow-up study of 2004 ED Resource clients is the first follow-up survey of these clients. The second follow-up study of 2004 ED Resource clients is currently underway.

The following analysis addresses 3 key research questions:

- What was the rate of transition of Nascent and Start-Up firms to the In-business segment?
- Based on a comparison with 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? Additionally, what is the relationship between ED Resource clients financial growth compared to GDP growth?

Methodology

There were 4,215 respondents to the Initial Economic Impact Survey of 2003 clients. The first follow-up survey of these respondents was conducted by mail and phone. This first follow-up sample included 543 returned surveys.³⁴ These respondents were re-contacted for the second follow-up study. Of these, Concentrance was able to collect follow-up data from 145 respondents. Thus, for a sample of 145 of the 2003 clients, there is detailed data which can be tracked from 2003 to 2006.

There were 3,453 respondents to the Impact Survey of 2004 clients conducted in 2005. A follow-up survey of these respondents was conducted by mail and phone. Of these, Concentrance was able to collect and match follow-up data for 430 respondents. Thus, for a sample of 430 of the 2004 clients, there is detailed data which can be tracked from 2004 to 2006.

³⁴ Of the 543 returned surveys in the first follow up on 2003 clients, 205 were able to be matched for a comparative analysis with the initial 2003 survey responses.

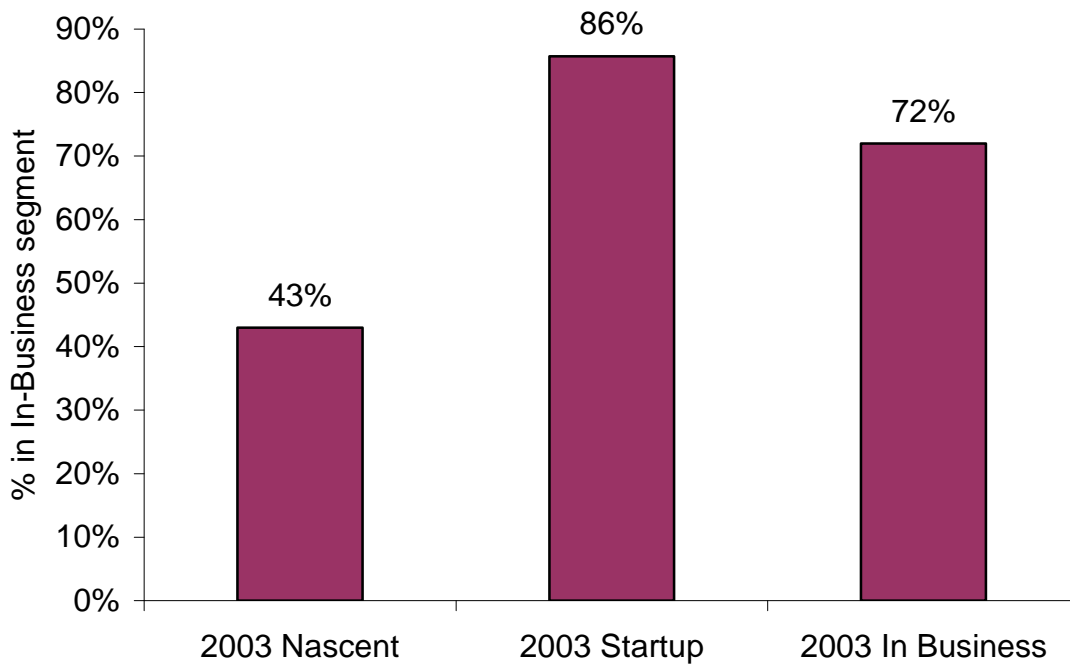
Changes in Business Segments from 2004 to 2006

What is the rate of transition of Nascent and Start-Up firms to the In-business segment?³⁵

Figure 8.1A shows the movement from and survival of the firms' 2003 client segment to the In-Business segment in 2006. For example, 43% of 2003 Nascent clients transitioned into the In-Business category by 2006. By comparison, according to a study by Carter, et al. (2004), 30% of Nascent entrepreneurs in the PSED had started businesses at the time respondents completed their first year follow-up.³⁶

In addition, 86 % of 2003 Start-Up respondents went into business by 2006. Seventy-two percent of the 2003 In-Business segment remained in business in 2006. Thus, about 2 out of 5 Nascent clients transitioned to In-Business during this time frame. At the same time, about 1 in 3 firms that were In-business in 2003 went out of business during this period.

Figure 8.1A – 2003 Follow-up: Transition and Survival of 2003 Segments to 2006 In-Business

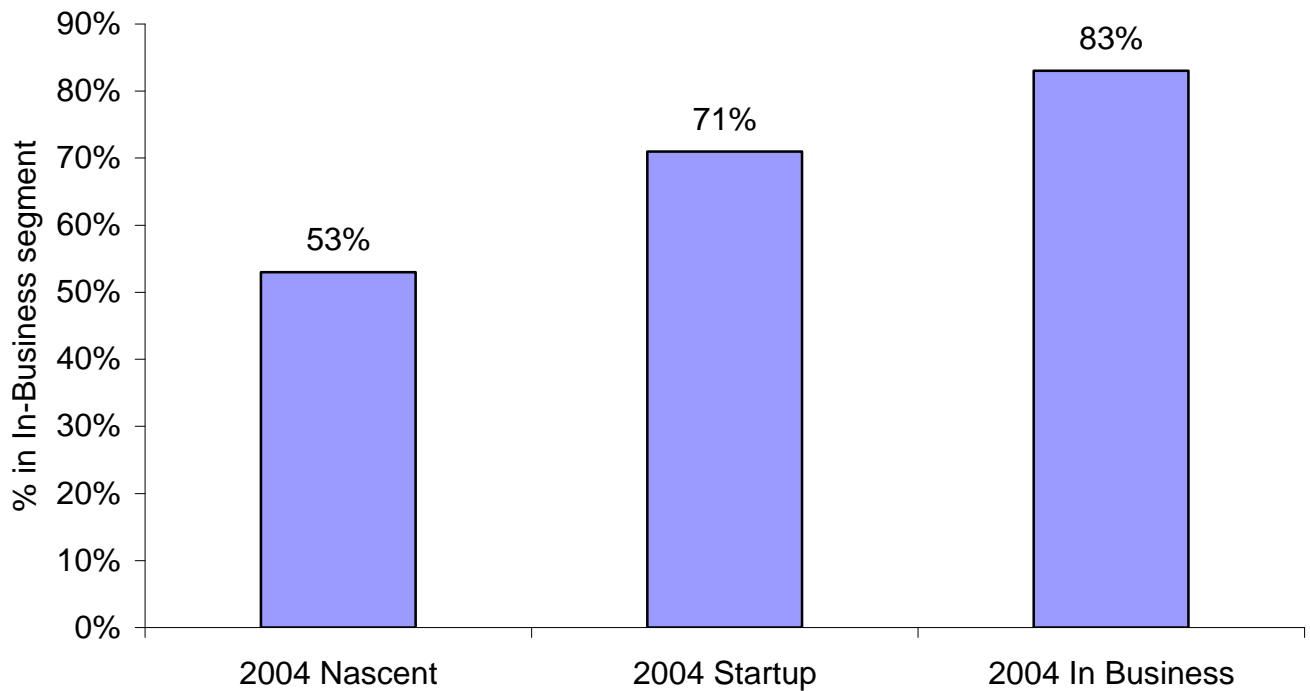


³⁵ Segments are defined as follows: Nascent included those who have not yet started a business; Start-Up firms have been in business for 6 months or less; In-Business firms have been operating for more than 6 months.

³⁶ 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.

Figure 8.1B shows the movement of firms from their 2004 client segment to the In-Business segment in 2006. For example, 53% of 2004 Nascent clients transitioned into the In-Business category by 2006, while 71% of 2004 Start-Up respondents remained in business in 2006. Thus, slightly more than half of Nascent businesses went into business between 2004 and 2006. At the same time, about 1 out of 5 firms that were In-business in 2004 went out of business during this period.

Figure 8.1B – 2004 Follow-up: Transition and Survival of 2004 Segments to 2006 In-Business



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.

Figure 8.2 compares the survival rates of firms in our follow-up study with those in the PSED.³⁷ Our study results suggest that businesses who 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 first follow-up study of 2003 ED Resource clients, 89% were still in business in 2004. In contrast, only 80% of firms in the PSED sample remained in business after one year. This pattern occurred again to a lesser extent with the follow-up study of 2004 ED Resource clients. Eighty-two percent of these firms were still in business in 2006, compared to 80% of firms in the PSED sample.

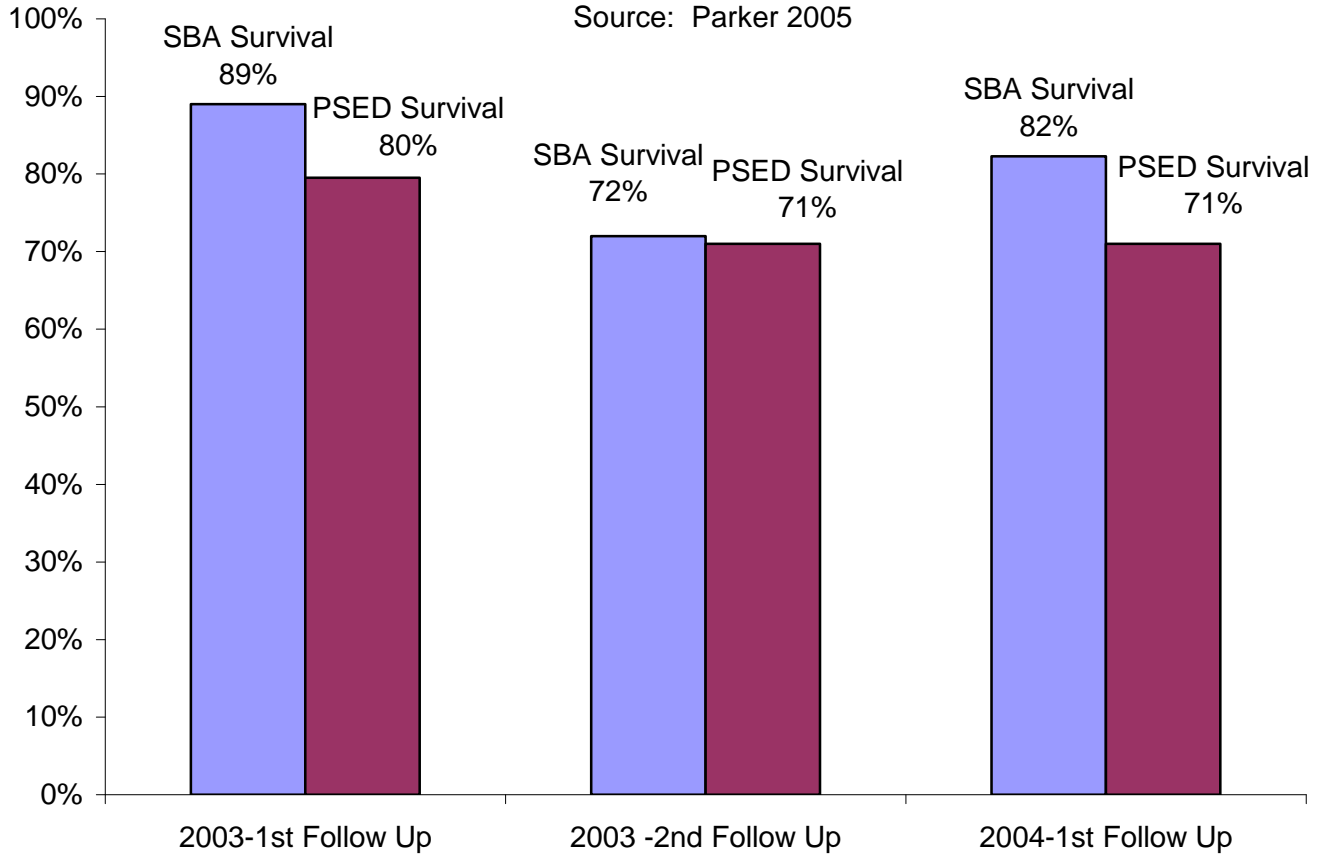
In addition to the PSED analysis, ED Resource client survival rates are higher than those reported in other previous studies. For example, according to a recent study, 67% of new employer firms survive at least two years, and about 44% survive at least four.³⁸ In another example, an analysis of the Census Bureau's Statistics on U.S. Businesses revealed that the 5-year survival rate was 61.4% for one-person establishments and 70.1% for establishments employing two or three persons.³⁹

³⁷ Source: Parker, Simon C. (2005), 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).

³⁸ Knaup, Amy (2005), "Survival and Longevity in the Business Employment Dynamics Database," *Monthly Labor Review*, May, 50-56.

³⁹ Perline, Rich, Robert Axtell, and Daniel Teitelbaum (2006), "Volatility and Asymmetry of Small Firm Growth Rates Over Increasing Time Frames," SBA Office of Advocacy, published under contract number SBAHQ-05-Q-0018.

Figure 8.2 – Comparison of Follow-up Survival Rate Results with PSED⁴⁰



⁴⁰ The PSED study results are based on one group that was tracked for twenty four months. The one year survival rates for SBA 2004 clients are compared against the PSED 2003 clients after one year.

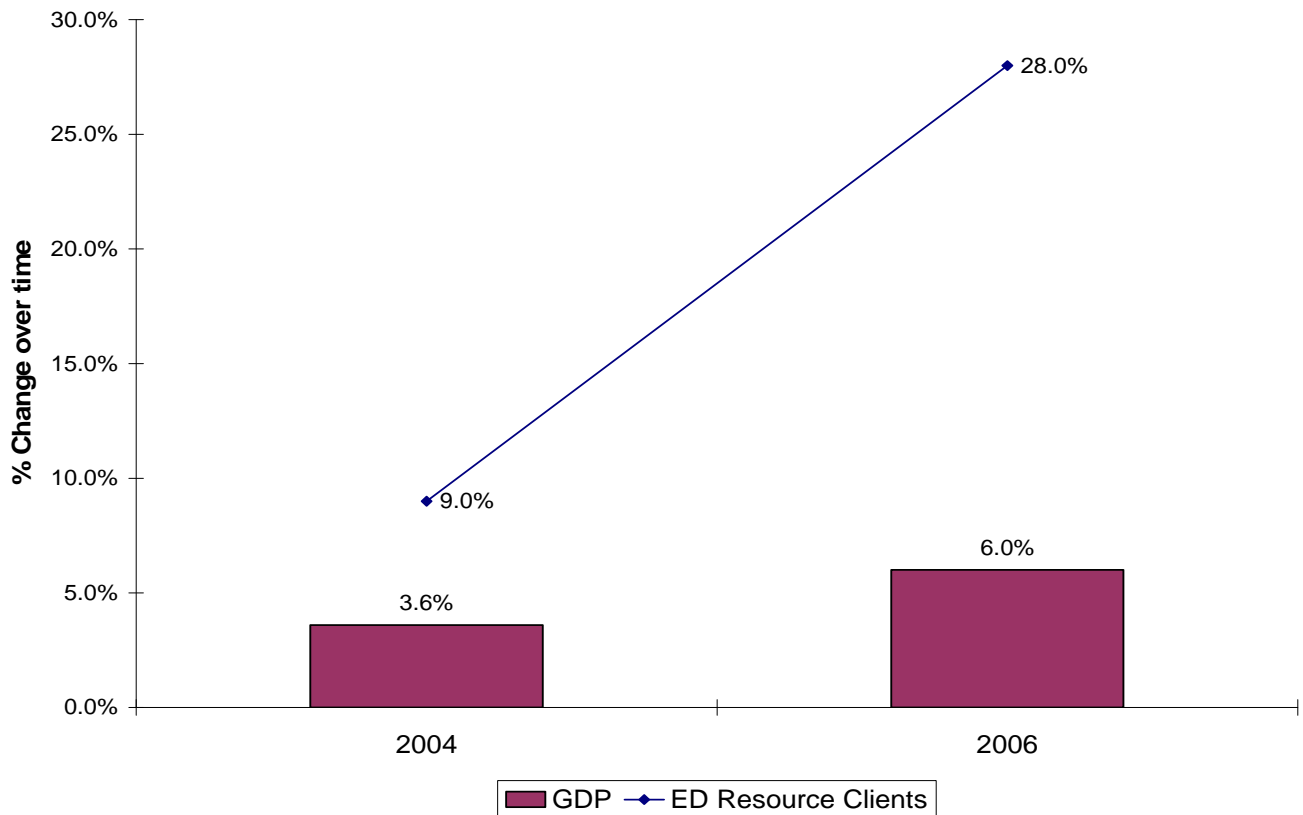
Comparisons to Economic Data

What is the relationship between ED Resource clients financial growth compared to GDP growth?

Real Gross Domestic Product (GDP), used to measure size and growth of an economy, is the market value of all of goods and services produced; and is the standard benchmark for economic growth. Our results are compared to GDP as there is no appropriate benchmark for small business growth paralleling our study time frame. For example, neither Standard and Poor’s nor the Census Bureau has recent data on small business growth.

Real GDP increased by 6% over two years, between 2004 and 2006⁴¹. Figure 8.3 shows that growth of 2003 ED Resource clients has outpaced changes in Real Gross Domestic Product (GDP) for the U.S. with an increase of 28% over that time period.

Figure 8.3- GDP and ED Resource Revenue Growth



⁴¹ Source: Bureau of Economic Analysis (2007), "NATIONAL INCOME AND PRODUCT ACCOUNTS SECOND QUARTER 2007 GDP (ADVANCE) REVISED ESTIMATES: 2004 THROUGH FIRST QUARTER 2007," <http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>

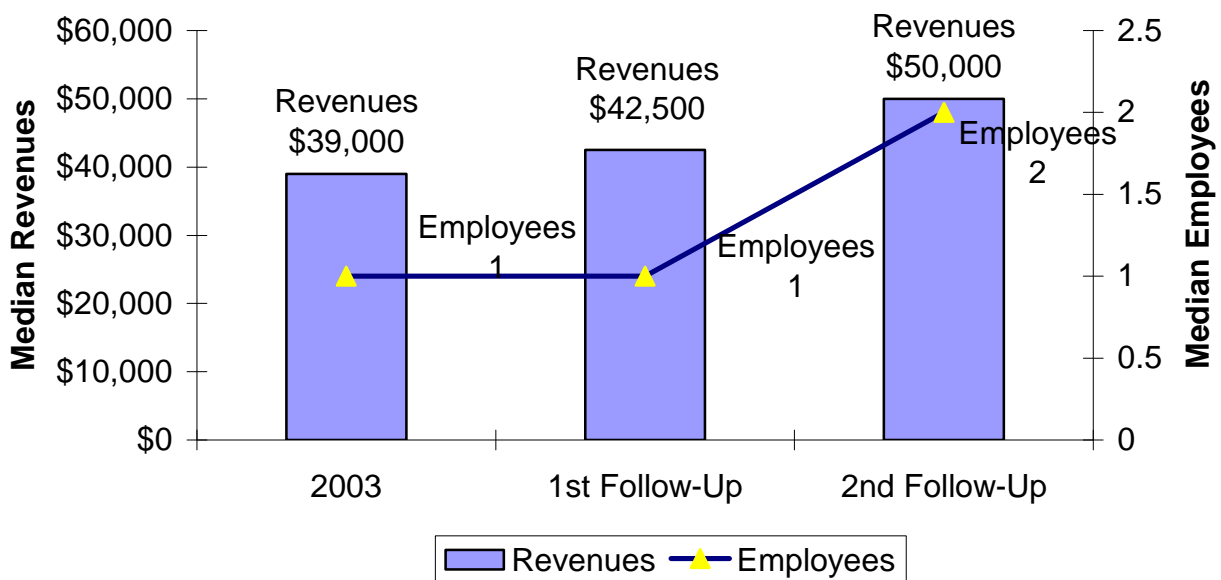
Changes in Revenues and Employees

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

Figure 8.4 compares firms in terms of median annual revenues and number of employees in 2003, and in the subsequent follow-up studies. According to this matched comparison, median revenues increased from \$39,000 in 2003 to \$42,500 in 2005 and had increased to \$50,000 by 2006. Thus, median revenues grew about 28% for firms that survived from 2003 to 2006. Strong growth in small businesses has been documented in previous studies, and is believed to be the result of unique characteristics of successful small businesses.⁴²

At the same time, the median number of employees per firm increased from 1 in 2003 to 2 in 2006. This is consistent with the overall economic picture over this time period. For example, in 2004, the U.S. economy experienced record growth, enabled by low inflation, low unemployment, and low interest rates. In addition, according to a survey of small business owners conducted by the National Federation of Independent Businesses (NFIB), business owners in 2004 reported record high profits and cash flow, and there was a substantial increase in the number reporting plans to create new jobs.⁴³ Due to small sample sizes (SCORE n=6, WBC n=5, SBDC n=7) revenue and employment data for 2003 clients by ED Resource is not included.

Figure 8.4- Revenue and Employment: 2003 Survivors over Time



⁴² Perline, Rich, Robert Axtell, and Daniel Teitelbaum (2006), Volatility and Asymmetry of Small Firm Growth Rates Over Increasing Time Frames, SBA Office of Advocacy, *Small Business Research Summary*, No. 285.

⁴³ Dunkelberg, Bill (2005), "Forecast for 2005: Record Highs," National Federation of Independent Businesses, 02/ 01/ 2005, http://www.nfib.com/object/IO_20041.html.

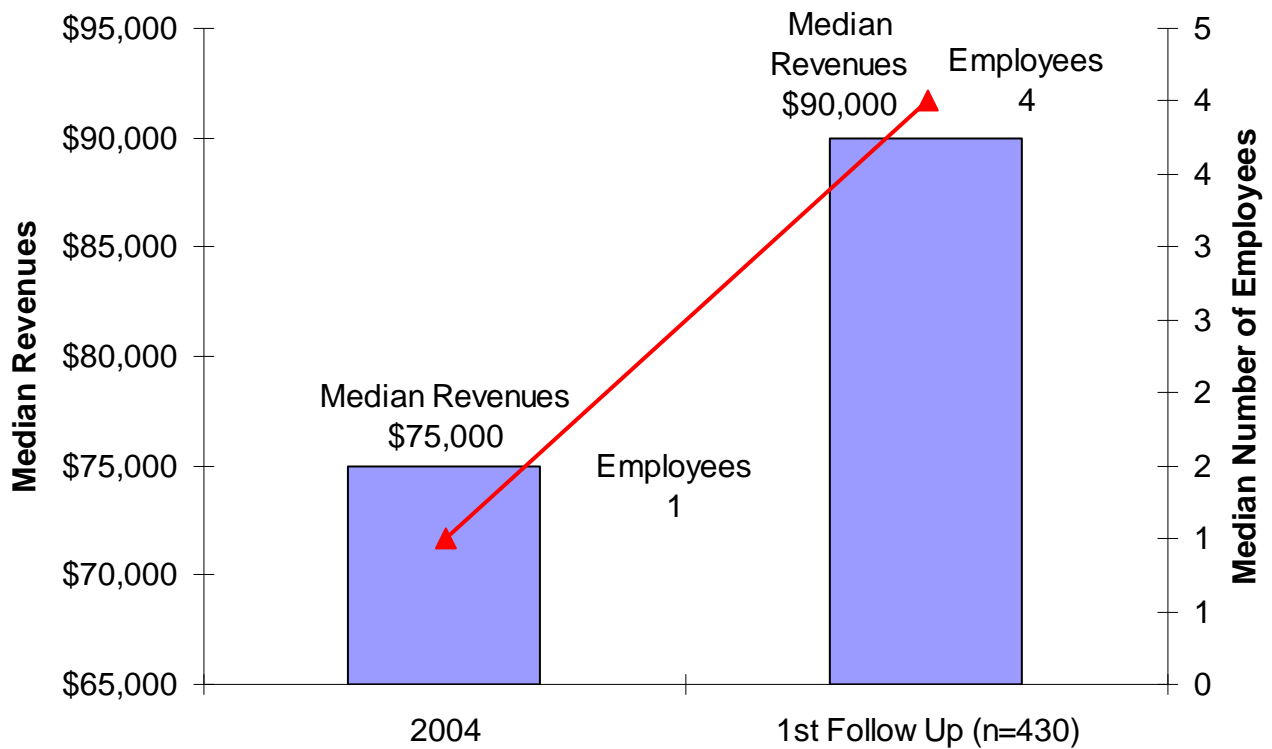
We repeated this analysis for the follow-up sample of 2004 clients. Figure 8.5A compares firms in terms of median annual revenues and number of employees in 2004 and in the first follow-up survey.

According to this matched comparison, average revenues increased from \$75,000 in 2004 to \$90,000 in 2006. This suggests that these firm revenues have grown approximately 20% per year.

At the same time, the median number of employees per firm increased from 1 in 2004 to 4 in 2006.

These results are also consistent with the economic environment in 2005 and early 2006. Although growth in GDP slowed slightly during this period, unemployment fell to historic lows. In the first quarter of 2006, more small-business owners than ever reported that they were planning to increase employment⁴⁴.

Figure 8.5A-Revenue and Employment: 2004 Survivors over Time



⁴⁴ Dunkelberg, Bill (2006), "The Small-Business Take on Recent Economic News," *NFIB*, 03/ 31/ 2006, http://www.nfib.com/object/IO_27607.html.

The following charts show changes in median revenue and employment for 2004 clients by ED Resource.

Figure 8.5B- SBDC Revenue and Employment: 2004 Survivors over Time

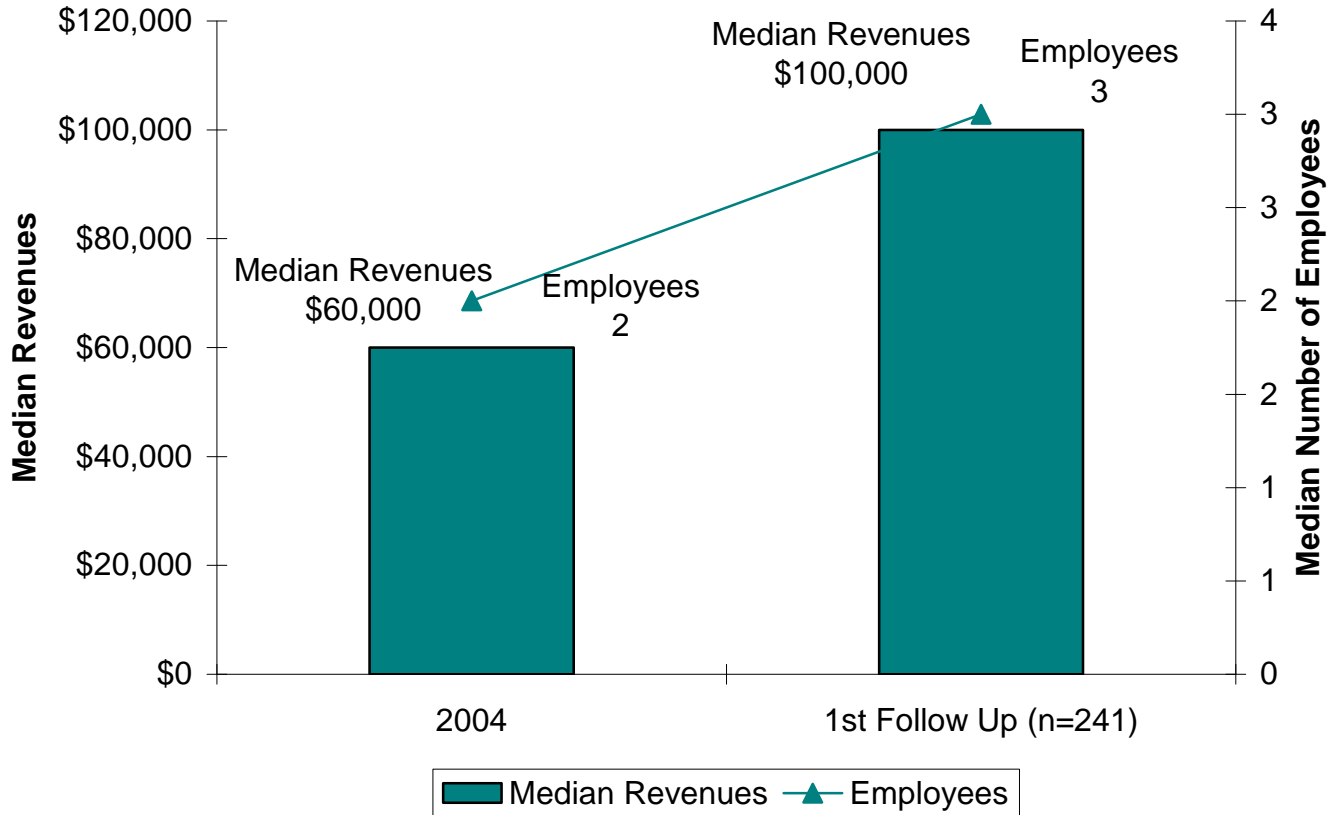


Figure 8.5C- SCORE Revenue and Employment: 2004 Survivors over Time

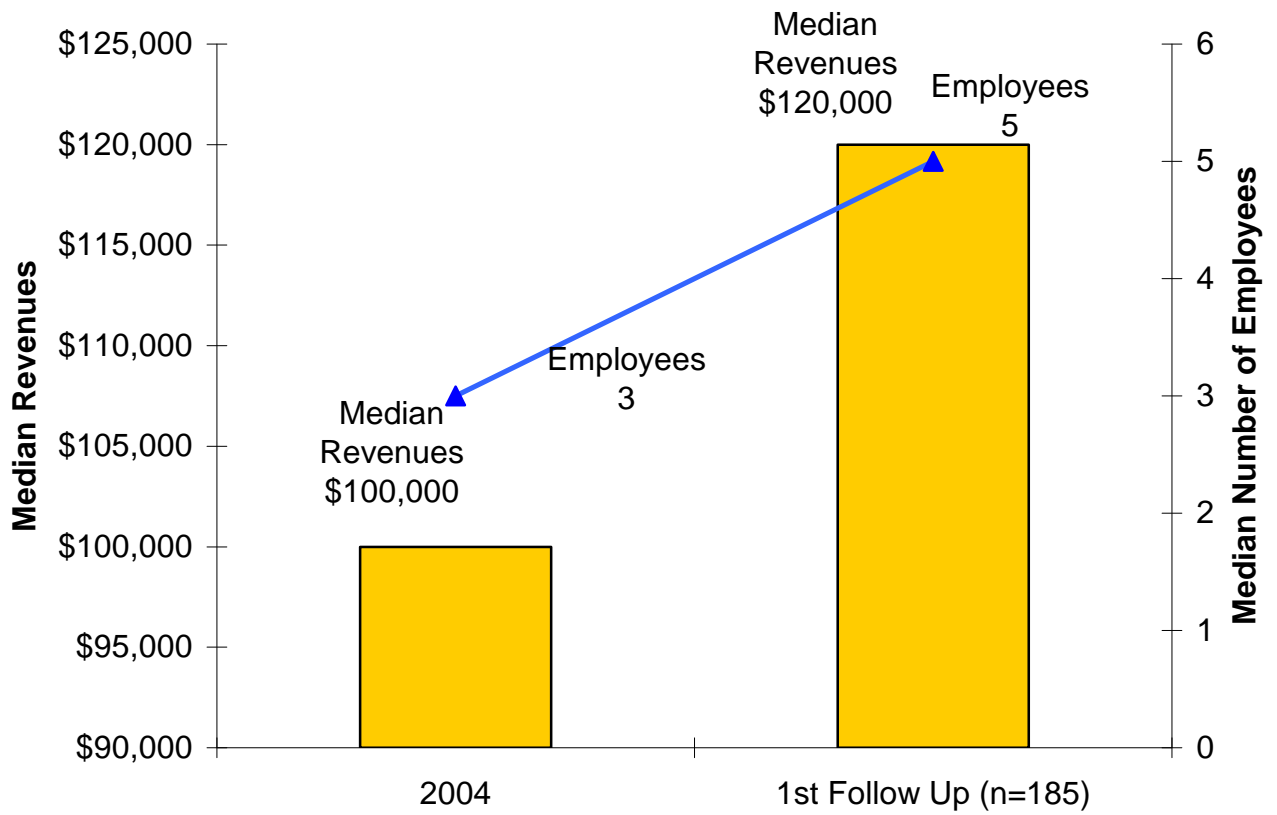
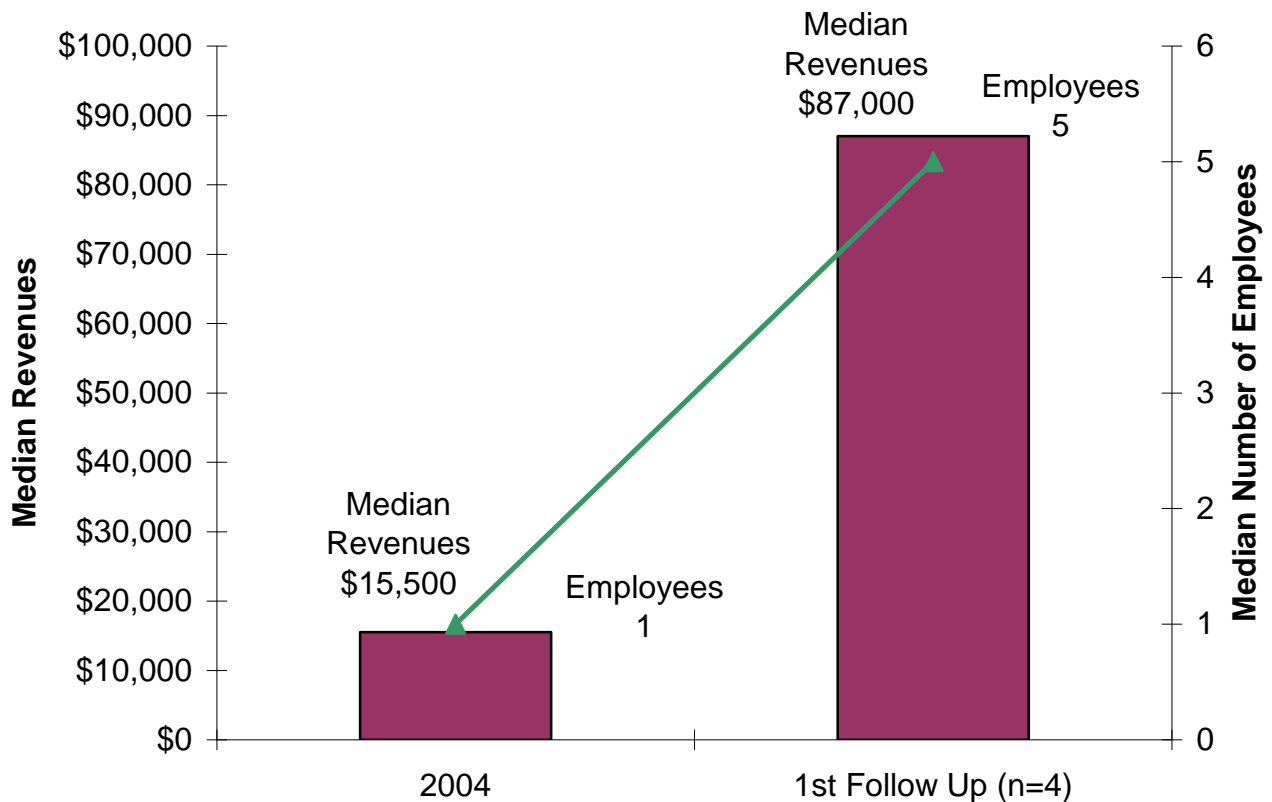


Figure 8.5D- WBC Revenue and Employment: 2004 Survivors over Time



Summary of Findings

These analyses show that ED Resource assistance has had an impact on the survival and growth of small business clients. According to an analysis of 2004 ED Resource clients, more than half of Nascent businesses went into business between 2004 and 2006. At the same time, about 1 in 5 firms that were In-Business in 2004 went out of business by 2006. These findings are consistent with previous studies of Start-Up businesses in the entrepreneurship literature.

A comparison of transition rates of ED Resource clients with the PSED suggests that businesses that received ED Resource assistance have a higher survival rate than other small businesses. The PSED survival rate after two years is 71%, compared to 82% for ED Resource clients.

In terms of growth, annual median revenues of ED Resource clients increased at a rate of 28% for firms that survived from 2003 to 2006 and have increased 20% since 2004 based on an analysis of follow-up data. At the same time, the median number of employees per firm increased from 1 in 2003 to 2 in 2006. For 2004 clients, the median number of employees for surviving firms also quadrupled over the last three years.

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. Fifty-three percent of ED Resource clients were in the In-Business category. Nascent clients represented 29% of ED Resource respondents while the smallest segment, Start-Up clients, represented 10%.
- The average firm served by ED Resources has revenues of \$79,000 and 3 full-time employees. However, firm size varies by ED Resource. For example, SBDC clients have significantly higher average revenues and employment than WBC clients.
- ED Resources served during 2005 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: 54% of clients were female, 4% were Asian or Pacific Islander, 13% were African-American, and 8% were Hispanic. In addition, 9% 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, 32% 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. 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, there are differences in these outcomes based on firm size. 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) than smaller firms.

Impact study data was used to examine 4 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 64% of ED Resource clients overall reported that assistance they received had high value. This rating was 68% for SBDC, 60% for SCORE, and 66% 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, 32% of respondents reported that this assistance helped them start a business while 14% 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, 52% 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-five percent of ED Resource clients reported that assistance provided by ED Resources resulted in increased sales. In terms of jobs, 13% of clients reported that ED Resource assistance led to the hiring of new staff and 13% percent reported that ED Resources assisted them in retaining current staff. The perceived impact of ED Resource assistance profits is much higher than in previous years, with 21% of respondents reporting increases in profit margin.

Follow-Up Study of 2003 and 2004 ED Resource clients:

6. **How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics (PSED) study?**
 - Businesses that received ED Resource assistance may have a higher survival rate than other small businesses such as those randomly sampled for the PSED. Eighty-two percent of 2004 client firms were still in business after one year, compared to 80% of firms in the PSED sample. Also, based on the second follow-up study of 2003 ED Resource clients, 72% were still in business after two years, compared to 71% of firms in the PSED 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?**
 - Median annual revenues increased by approximately 28% and median number of employees doubled for firms that survived from 2003 to 2006. Clients served in 2004 saw a 20% growth in revenue after their first year, while their average number of employees increased from 1 to

4. By comparison, real gross domestic product increased by 6 percent between 2004 and 2006⁴⁵.

⁴⁵ Source: Bureau of Economic Analysis(2007), "NATIONAL INCOME AND PRODUCT ACCOUNTS SECOND QUARTER 2007 GDP (ADVANCE) REVISED ESTIMATES: 2004 THROUGH FIRST QUARTER 2007," <http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>

X. SUMMARY OF QUALITATIVE FINDINGS

In addition to the quantitative analysis of the survey data, we conducted qualitative analysis of other comments and feedback submitted by survey respondents. One hundred sixty six of these additional comments were collected, and the comments included both positive and negative reactions to all three ED Resources.

Several themes emerged among the positive comments:

- Counselors were often encouraging and knowledgeable;
- Survey respondents were inclined to recommend ED Resources to other potential or current small business owners;
- ED Resources were comprehensive and particularly effective in assisting potential or current business owners in formulating successful marketing and business plans; and
- Counselors provided invaluable technical assistance and useful feedback on marketing and business plans.

Many respondents praised individual counselors for their assistance and instruction, identifying them as influential in the success of their business. Some of these respondents cited their endorsement of ED Resources to other potential or current small business owners as well. One respondent wrote:

My SCORE counselor has been absolutely integral to my business success. I don't know what I would do without the assistance of her and SCORE-Norwalk, CT chapter. I tell all small business owners I meet about how wonderful the SCORE program is.

Some respondents specifically cited how they benefited from assistance with marketing or business plans. The following respondent commented:

Coming to SBA gave me a new perspective in marketing my medical consulting services; (it) allowed me to 'step out of the box' in a lucrative and creative way.

Another respondent highlighted the direct benefit he or she received from assistance in formulating a business plan:

The business plan was great. We received our loan from an area bank and as of today have been in business for 2 years and doing great.

Some respondents reported that they received invaluable technical assistance from counselors, for example, in setting up QuickBooks. Counselors also provided feedback on business plans that contributed to clients' success. One respondent stated:

(The counselor) helped me identify problem areas in the business I was contemplating, which would have likely caused it to fail.

Several respondents also appreciated the comprehensiveness of ED Resource programs, as one wrote:

What I received was a lot of training, excellent classes, teachers, and counselors with a huge amount of support- the assistance I received was all excellent, I can only say I am glad I attended and would highly recommend this Women's Business Center and these classes. My sales and income (have) really increased while my expenses have decreased.

There were also respondents who provided criticism of ED Resources and counseling. The major themes of negative feedback included:

- Counselors were not knowledgeable of a client's particular field or line of business and were thus unable to provide assistance with specific questions;
- Counselors were not useful in providing potential or current business owners with loan and grant information; and
- Counselors did not provide adequate, personalized counseling or assistance and did not follow-up with clients or return phone calls.

Some survey respondents felt that they could not benefit from ED Resources, because the assistance was not relevant or counselors were not familiar with their particular business needs. One respondent who felt that he or she could not benefit from counseling wrote:

Counselor had no knowledge of leasing finance. Just wasn't his forte. Otherwise, he was very knowledgeable and wanted to help.

Another respondent commented:

Unfortunately, I did not receive any useful assistance. SCORE person was unfamiliar with our business needs, and was unable to provide a more knowledgeable contact.

Some respondents stated that they were dissatisfied with their experience because the program did not assist them in attaining a loan or grant for their business, as one respondent wrote:

The only thing she helped me do was write a business plan. I wanted loan/grant info and that was not forthcoming.

A few respondents were discouraged by the lack of follow-up by counselors. A particular respondent stated:

I met with a counselor one time and basically gave the person information. The person promised to call, I never heard from them again. Consequently, I have nothing positive to share with you.

One respondent, disappointed by a lack of personalized attention, stated:

They said I was doing everything possible to succeed but it just takes time. Seems to be no investment by the counselor. They acted very busy, threw a lot at me, and there was no follow-up. It was disappointing.

Another respondent commented that he or she felt that the counselor should have provided more detailed guidance to potential or new business owners:

The information was given to me and for my part: I have never run a business before- Did not know how to write a business plan- I did not get the assistance I would have liked. I felt very overwhelmed by the task of forecasting a business that was not yet in existence. Please in the future offer a walk through program don't just tell the applicant here is the packet go home fill it out and submit it to us I needed more hands-on to initiate my business model. Thank you.

A few respondents also suggested that some counselors were inappropriately discouraging. A particular respondent commented that:

One (counselor) was very approachable; the other was aloof and gave advice like she didn't think I could do it. It was an irritating experience to meet her. They should be careful not to send messages like that out- let me figure out if I can build a business or not.

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 2005 clients and second of 2004 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 database instructions that include a cut-off point for revenues*

Over the years, it has been noted that many respondents are hesitant to disclose annual revenue information. Often this question is simply left blank; however, there are a small number of clients who report extremely high revenues inconsistent with those of typical small businesses. A maximum revenue limit could be added in order 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 	If checked = 1 Not checked = 0, open ended, No response = N

	<p>Management</p> <ul style="list-style-type: none"><input type="checkbox"/> Marketing Strategy<input type="checkbox"/> International Trade<input type="checkbox"/> Promotional Strategy<input type="checkbox"/> Obtaining Capital<input type="checkbox"/> General Management<input type="checkbox"/> Other	
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	<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> <ul style="list-style-type: none"> <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> <ul style="list-style-type: none"> <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> <ul style="list-style-type: none"> <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>#1b. If yes, when was the business started?</p> <p>#1c. What zip code is your business</p> <p>#2. If NO, when do you plan on starting a business?</p> <p>#3. Have you ever been in business?</p>	<p>Yes=1, No=0, No response = N</p> <p>mm/yyyy</p> <p>xxxxx</p> <p>Within 30 days=1, 31-90 days=2, 91-120 days=3, No idea at this time=4, No response = N</p> <p>Yes=1, No=0, No response = N</p>

	<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> <p><input type="checkbox"/> 1. Identification of problem(s)</p> <p><input type="checkbox"/> 2. Correction of problem(s)</p>	<p>Very Useful=5, Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1, No response = N</p>
	<p>#19. Did you utilize any other SBA resources/program?</p>	<p>Yes=1, No=0, No response = N</p>
	<p>#20. If YES, select those you used [Check all that apply]</p> <p><input type="checkbox"/> SCORE</p> <p><input type="checkbox"/> SBDC</p> <p><input type="checkbox"/> Women Business Center</p> <p><input type="checkbox"/> SBA's Guarantee Loan Programs</p> <p><input type="checkbox"/> SBIC Financing Program</p> <p><input type="checkbox"/> SBA's Surety Bond Program</p>	<p>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</p>

Appendix 2 – Quantified Survey Results – Initial Survey 2005-2006

Surveys Questions	Percentage of Sample
Q1. Are you currently in business? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	70.4% 27.04% 2.56%
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	0.73% 2.09% 2.34% 29.9% 62.39%
Q3. Have you ever been in business? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	23.33% 26.49% 50.18%
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	30.66% 38.79% 30.54%
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	23.48% 14.8% 6.76% 11.85% 25.79% 16.53% 2.19% 5.88%

<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 	<table> <tr> <td>32.43%</td> </tr> <tr> <td>10.29%</td> </tr> <tr> <td>4.11%</td> </tr> <tr> <td>22.47%</td> </tr> <tr> <td>4.05%</td> </tr> <tr> <td>7.4%</td> </tr> <tr> <td>10.96%</td> </tr> <tr> <td>2.92%</td> </tr> <tr> <td>4.02%</td> </tr> <tr> <td>11.24%</td> </tr> <tr> <td>13.52%</td> </tr> <tr> <td>2.92%</td> </tr> <tr> <td>15.93%</td> </tr> <tr> <td>4.26%</td> </tr> <tr> <td>5.72%</td> </tr> </table>	32.43%	10.29%	4.11%	22.47%	4.05%	7.4%	10.96%	2.92%	4.02%	11.24%	13.52%	2.92%	15.93%	4.26%	5.72%																																																																					
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<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>I was able to:</td> <td>8.07%</td> <td>16.69%</td> <td>20.1%</td> <td>4.51%</td> <td>7.06%</td> <td>43.57%</td> </tr> <tr> <td><input type="checkbox"/> Increase my sales</td> <td>7.67%</td> <td>16.81%</td> <td>20.19%</td> <td>4.75%</td> <td>6.94%</td> <td>43.64%</td> </tr> <tr> <td><input type="checkbox"/> Improve my cash flow</td> <td>7.58%</td> <td>5.02%</td> <td>26.55%</td> <td>3.35%</td> <td>9.84%</td> <td>47.66%</td> </tr> <tr> <td><input type="checkbox"/> Acquire SBA loan</td> <td>6.94%</td> <td>14.31%</td> <td>22.23%</td> <td>4.6%</td> <td>6.91%</td> <td>45.01%</td> </tr> <tr> <td><input type="checkbox"/> Expand my products/services</td> <td>4.81%</td> <td>8.04%</td> <td>27.86%</td> <td>4.02%</td> <td>7.8%</td> <td>47.47%</td> </tr> <tr> <td><input type="checkbox"/> Hire new staff</td> <td>9.2%</td> <td>19.34%</td> <td>17.45%</td> <td>4.26%</td> <td>6.21%</td> <td>43.54%</td> </tr> <tr> <td><input type="checkbox"/> Revise my marketing strategy</td> <td>7.13%</td> <td>13.4%</td> <td>22.87%</td> <td>4.84%</td> <td>6.43%</td> <td>45.34%</td> </tr> <tr> <td><input type="checkbox"/> Increase my profit margin</td> <td>4.35%</td> <td>8.53%</td> <td>28.44%</td> <td>4.02%</td> <td>7.19%</td> <td>47.47%</td> </tr> <tr> <td><input type="checkbox"/> Retain current staff</td> <td>2.65%</td> <td>3.96%</td> <td>30.33%</td> <td>3.53%</td> <td>10.41%</td> <td>49.12%</td> </tr> <tr> <td><input type="checkbox"/> Acquire a government contract</td> <td>3.14%</td> <td>1.16%</td> <td>10.87%</td> <td>0.3%</td> <td>3.65%</td> <td>80.85%</td> </tr> <tr> <td><input type="checkbox"/> Other</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		SA	A	NO	D	SD	Missing	I was able to:	8.07%	16.69%	20.1%	4.51%	7.06%	43.57%	<input type="checkbox"/> Increase my sales	7.67%	16.81%	20.19%	4.75%	6.94%	43.64%	<input type="checkbox"/> Improve my cash flow	7.58%	5.02%	26.55%	3.35%	9.84%	47.66%	<input type="checkbox"/> Acquire SBA loan	6.94%	14.31%	22.23%	4.6%	6.91%	45.01%	<input type="checkbox"/> Expand my products/services	4.81%	8.04%	27.86%	4.02%	7.8%	47.47%	<input type="checkbox"/> Hire new staff	9.2%	19.34%	17.45%	4.26%	6.21%	43.54%	<input type="checkbox"/> Revise my marketing strategy	7.13%	13.4%	22.87%	4.84%	6.43%	45.34%	<input type="checkbox"/> Increase my profit margin	4.35%	8.53%	28.44%	4.02%	7.19%	47.47%	<input type="checkbox"/> Retain current staff	2.65%	3.96%	30.33%	3.53%	10.41%	49.12%	<input type="checkbox"/> Acquire a government contract	3.14%	1.16%	10.87%	0.3%	3.65%	80.85%	<input type="checkbox"/> Other						
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<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 	<table> <tr> <td>59.95%</td> </tr> <tr> <td>40.05%</td> </tr> </table>	59.95%	40.05%																																																																																		
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<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
	33.1%	30.72%	3.9%	12.15%	13.19%	6.94%
	31.3%	29.75%	6.09%	11.81%	13.25%	7.8%
	30.66%	28.87%	7.49%	11.33%	13.82%	7.83%
	33.13%	29.02%	5.3%	11.08%	14.49%	6.97%
<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
	42.94%	18.76%	5.69%	7.03%	18.27%	7.31%
	42.81%	18.85%	6.55%	6.97%	17.45%	7.37%
	60.05%	12.61%	7.43%	4.08%	9.04%	6.79%
	45.95%	15.07%	12.36%	4.11%	14.83%	7.67%
	50.27%	15.68%	6.36%	4.75%	15.86%	7.06%
<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
	25.61%	25%	14.49%	8.98%	13.22%	12.7%
	20.28%	21.44%	21.22%	8.19%	15.1%	13.76%
	19.91%	12.42%	19.79%	4.29%	11.78%	31.79%
	9.44%	4.96%	38.98%	3.75%	14.19%	28.68%
<p>Q13. Gender:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Missing 	40.62%					
	54.42%					
	4.96%					
<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 	9.26%					
	0.06%					
	71.44%					
	19.24%					

<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"> 0.85% 11.75% 25.03% 31.52% 17.05% 4.26% 0.55% 8.98%
<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"> 8.56% 71.59% 19.85%
<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"> 2.95% 3.62% 12.82% 1.22% 70.58% 8.81%
<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"> 5.39% 6% 2.16% 4.72% 2.31% 1.28% 11.6% 3.05% 0.97% 1.28% 2.13% 12.03% 4.78% 1.49% 1.58% 18.94%
<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"> 27.44% 66.11% 6.46%

Q20. If yes, select those you used

<input type="checkbox"/> SCORE	19.31%
<input type="checkbox"/> SBA's Guarantee Loan Program	6.49%
<input type="checkbox"/> SBDC	11.48%
<input type="checkbox"/> SBIC Financing Program	1.07%
<input type="checkbox"/> Women Business Center	6.21%
<input type="checkbox"/> SBA's Surety Bond Program	0.52%



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 Manufacturing Consulting
- Wholesale Finance, Insurance and Real Estate Entertainment



- Retail Restaurant Engineering
- Publishing Education Service
- Health Care Day Care Other (describe) _____
- Transportation Computer Systems & Design

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

20. 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 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 2005? \$ __, __, __.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 Results

Effects of Firm and Demographic Characteristics on Perceived Usefulness, Assistance with Start Up Decision, and Financial Impact

Independent Variable	Dependent Variable		
	Perceived Usefulness	Assistance with Start Up Decision	Financial Impact
Intercept	3.758	3.015	10.99
Log of Sales	0.022***	0.003	0.155***
In Business	0.037	0.211***	2.135***
Gender	-0.025	-0.054	-0.111
Veteran	-0.025	-0.066	-0.382
Age	-0.008	-0.019	-0.263
Latino	-0.048	-0.7	-0.098
Native American	-0.135	-0.142	-0.475
Asian	0.144	-0.061	-0.792
Black	0.074	-0.231	0.116
Hawaiian/Pacific Islander	-0.068	-0.129	0.609
WBC	-0.092	-0.267**	0.278
SCORE	-0.302***	-0.407***	-1.168***
R-Square	0.0229	0.0234	0.1256

***Significant at 0.01 level

**Significant at 0.05 level

*Significant at 0.10 level