

U.S. Small Business Administration
Office of Entrepreneurial Development



Impact Study of Entrepreneurial Development Resources

September 10, 2009

Final Report

Order Number: SBAHQ07F0281

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

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FOREWORD

Concurrence would like to thank the U.S. Small Business Administration's (SBA) Office of Entrepreneurship Education and SBA's Office of Entrepreneurial Development Program Offices: Small Business Development Centers, Women's Businesses Centers, 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.

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I. INTRODUCTION

The U.S. Small Business Administration’s (SBA) Office of Entrepreneurial Development (ED) designed a multi-year time series study to assess the impact of the programs it offers to small businesses. This study has examined clients who received services starting in FY2003. The SBA initiated this study as part of the process of meeting the then President’s Management Agenda and subsequent evaluative processes such as the Office of Management and Budget’s (OMB) Program Assessment Rating Tool (PART) evaluation. SBA contracted with Concentrance Consulting Group to assist in administering the study, to analyze the findings and to write this report. This report is the sixth report¹ in the study and presents the findings of three separate study groups as shown in the table below; the FY2008 clients’ initial attitudinal assessment of their counseling experience, and a follow-up with FY2006 and FY2007 clients to assess the financial impact of the received assistance.²

	Study Year 2007	Study Year 2008	Study Year 2009
FY2006 Clients	Initial Survey	First Follow-up	Second Follow-up
FY2007 Clients		Initial Survey	First Follow-up
FY2008 Clients			Initial Survey

This study measures attitudinal assessments, perceptions of changes in management/marketing practices, and business growth for firms that utilized SBA’s ED Resources during the fourth quarter of 2006, 2007 or 2008. The ED Resources include: Small Business Development Centers (SBDCs), SCORE, and Women Business Centers (WBCs).

This report includes:

- Research questions
- Executive Summary
- Methodology
 - Sampling, data collection, response rate, and survey administration
 - Data analysis and analysis of non-response
 - Follow-up
 - Limitations
- Findings: Initial Economic Impact Study
 - Impact of total ED Resources (FY2006 - FY2007 - FY2008)
 - Regression Analysis
 - Perception of impact of SBDC resources FY2008
 - Perception of impact of SCORE resources FY2008
 - Perception of impact of WBC resources FY2008
 - Summaries of Quantitative and Qualitative Findings
- Findings: Follow-up Study of FY2006 and FY2007 ED Resource Clients
- Further Research and Recommendations
- The appendix includes the distribution of responses for each survey question, and sample survey instruments.

¹ Each ED Resource Final Report can be found at <http://www.sba.gov/aboutsba/sbaprograms/ed/index.html>.

² For information on FY2003, FY2004 and FY2005 clients please see previous reports.

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, numbers six and seven, posed for study by the SBA are addressed in the Follow-up Study, which comprises time series analysis and requires multi-year data.

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

Follow-up Study of 2006 and 2007 ED Resource clients:

6. Based on a comparison of the total ED Resources with the Panel Study of Entrepreneurial Dynamics³ (PSED), what is the impact of ED Resource assistance on firm survival?
 - What was the rate of transition of Nascent and Start-up firms to the In-Business segment?
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?
 - How does the growth of ED Resource clients compare with selected growth benchmarks, such as the gross domestic product (GDP), National Federation of Independent Businesses (NFIB), and the Entrex Private Company Index (PCI)?

³ A nationally funded, multi-million dollar survey of nascent entrepreneurs, by the Kauffman Foundation, of a random sample of over 30,000 small business owners. The primary purpose of the study is to identify adults active in business creation, obtain detailed information about the start-up effort, and perform follow-up interviews to determine business outcomes. Although this survey was conducted on 2003 and 2004 clients, it is the most recent survey of its kind, and the most applicable as a benchmark. The PSED II, a subsequent panel study, has recently been completed; but research into firm survival has yet to be adequately conducted to allow for comparison.

II. EXECUTIVE SUMMARY

The U.S. Small Business Administration’s (SBA) Office of Entrepreneurial Development designed a study to assess the impact of its Entrepreneurial Development (ED) Resource assistance on small business clients and hired Concentrance Consulting Group to conduct this study. This study has thus far examined clients that received services in fiscal years 2003, 2004, 2005, 2006, 2007 and 2008. This report presents our findings of the initial attitudinal impact study of FY2008 clients and a Follow-up Study showing the financial impact on FY2006 and FY2007 clients.

ED Resource Clients Studied

Concentrance studied three ED Resources comprising:

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

Within each ED Resource we studied three small business client segments, 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 FY2008 clients, who responded to the initial impact study, we analyzed the clients’ perceptions of the impact of ED Resource assistance based on demographic groups: gender, race/ethnicity and veteran status, and we assessed the survival rates and financial growth of FY2006 and FY2007 clients through 2009.

Quantitative Findings (Initial Impact Study 2008)

Concentrance collected, coded, and analyzed data for 6,770 respondents with an overall response rate of 29%. This year’s survey equaled the response rate of last year’s study, and achieved the greatest number of respondents since the inception of the study. The table below provides the number of respondents and response rates for each ED Resource.

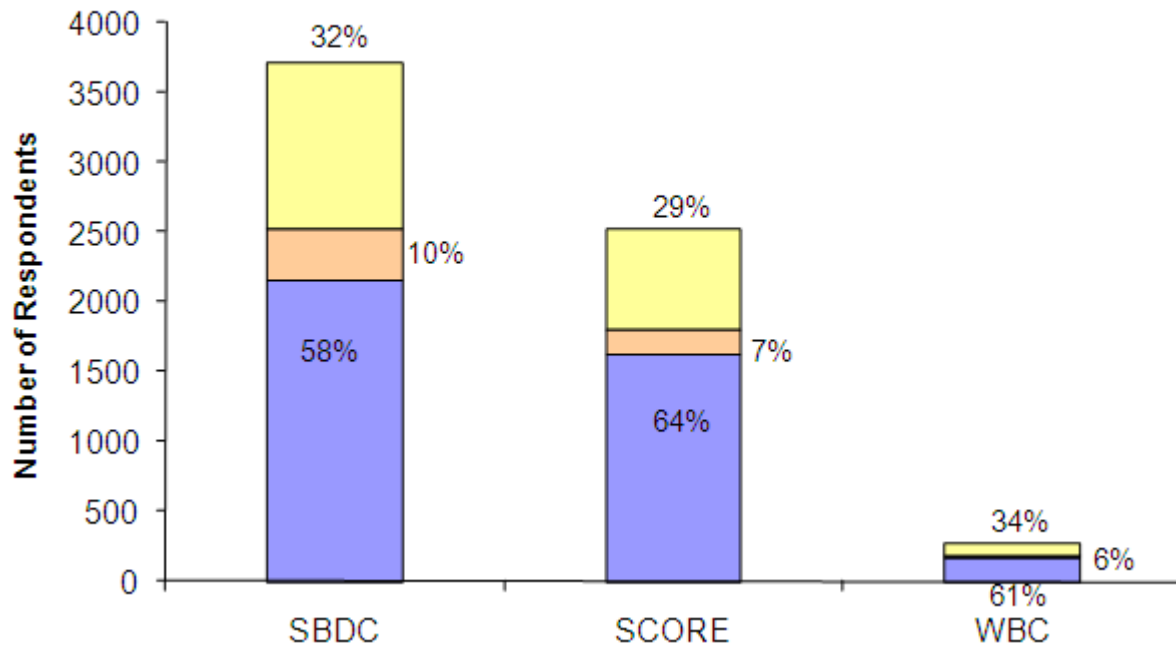
Resource Center	Stratified Sample Size	Usable Sample Size ⁴	Surveys Received	Response Rate '08 Clients
SBDC	12,000	9,183	2,946	32%
SCORE	11,103	9,230	2,617	28%
WBC	1,432	1,116	278	25%
Subtotal	24,535	19,529	5,841	30%
SBDC (Web Only)	4,000	4,000	929	23%
Grand Total	28,535	23,529	6,770	29%

⁴ The usable sample size comprises the stratified sample minus surveys undeliverable by mail or telephone due to incorrect contact information

The chart below illustrates the business segment composition of each ED Resource.

Distribution of Respondents by Segment (FY2008 Clients)⁵

n=6,770



	Nascent	1196	722	90
	Start-up	370	169	15
	In-Business	2150	1631	163
	Total	3716	2522	268

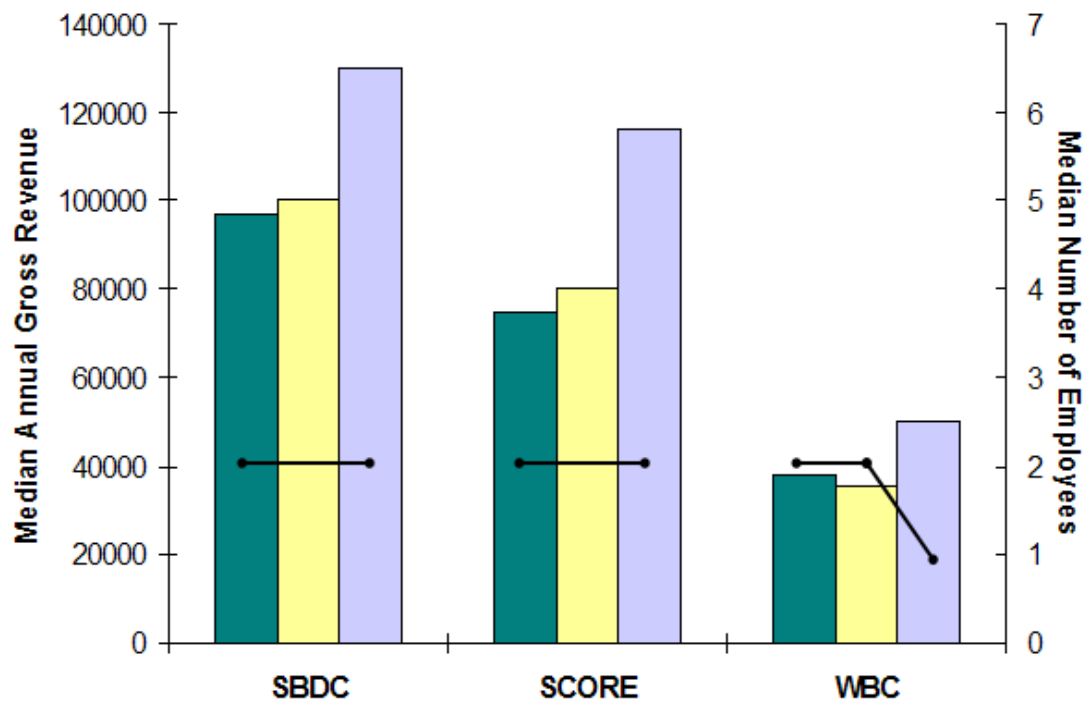
The FY2006 clients who responded in 2008 were resurveyed to determine financial impact after two years in terms of financial growth and firm survival rates. Their response rate was 22%. The FY2007 clients who responded in 2008 were resurveyed to show financial impact and firm survival rates after one year and their response rate was 14%.

Client Year	Stratified Sample Size	Useable Sample Size	Follow-up	Surveys Received in 2009	Response Rate
FY2006	429	381	2 nd	86	22%
FY2007	5,337	4,501	1 st	648	14%

⁵ Respondents (264) who reported being in-business but who did not provide a valid start date for that business, were not assigned to a business segment.

FY2008 SCORE, SBDC and WBC clients all reported higher revenues than those served in the previous year. SBDC continues to serve the highest revenue clients (\$130,000 median), followed by SCORE (\$116,500 median), and WBC (\$50,000 median).

- The reported median⁶ revenue for SCORE clients consistently increased over the past three years but still remains below the level of SBDC clients. SBDC clients' revenues have also increased over the past three years.
- The same pattern of revenue distinctions between each ED Resource is also apparent in the previous studies of FY2003, FY2004 and FY2005 clients.
- For WBC the median employment levels declined to 1 employee in 2008.



■ Rev. 2006	\$97,000	\$75,000	\$38,000
■ Rev. 2007	\$100,000	\$79,000	\$35,500
■ Rev. 2008	\$130,000	\$116,500	\$50,000
—● Empl. 2006	2	2	2
—● Empl. 2007	2	2	2
—● Empl. 2008	2	2	1

⁶ Indicates that revenue or employment figures are reported at levels representing the midpoint of the samples.

ED Resources served a diverse client base in FY2008, similar to past years regarding demographic and business characteristics.

- The total ED Resource client base consisted of: females (50%), males (47%)⁷, White (75%), Black/African American (11%), Veteran (9%), Hispanic/Latino (7%), Asian (4%), American Indian/Native Alaskan (3%), and Native Hawaiian/Pacific Islander (1%).⁸ The number of whites and veterans served decreased this year. The number of Asians went up 1% from 2007.
- The majority of 2008 clients (31%) were between the ages of 45-54. Those between the ages of 35-44 made up 25% of clients, 20% consisted of clients between the ages of 55-64, and clients 25-34 were 14% of the total ED resource client base.⁹ This is consistent with the distribution in previous years.
- The primary business industries for 2008 clients remained the same as past years: retail (14%) and services (14%).
- Firms owned by men reported revenues on average almost twice as high as those owned by women, though this gap has been narrowing over the past three years. The highest revenues by race/ethnicity were reported by Whites, followed by Asians and American Indian/Alaskans. Average revenues for every race/ethnicity except White experienced reductions, especially for Hawaiian/Pacific Islander and Hispanics/Latinos. Veterans also experienced reductions in revenues, while Service Disabled Veterans reported substantially higher revenues than the previous year.

FY2008 clients gave slightly higher ratings (79%) than the previous year's respondents (78%) to the usefulness of the assistance they received. Counseling assistance affects on the ability to develop business plan (36%), marketing plan (27%), and cash flow analysis (17%) has remained consistent across past studies.

- Usefulness ratings also include: decision to start (40%) or not to start (15%) a business, hiring new staff (12%), retaining current staff (15%) and increase in profit margins (23%).
- Twenty-seven percent of 2008 clients reported that changes made after counseling had an impact on increasing sales. This figure is up one percentage point from the previous two years of the study.

⁷ Males and females do not add up to 100% as some respondents did not indicate a gender.

⁸ These 2007 demographic distributions were compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau. The figures were comparable across characteristics except for the following: white business owners were 83% of the small business population, black business owners were at 5%, and American Indian/Alaskan Native business owners were at 0.8%. The percentage of women was also smaller.

⁹ These demographic distributions were comparable across age brackets to the results of the above study except for the following: 18-24 was reported at 3% and >65 were reported at 9% (compared to 5% for total ED Resources).

For FY2008 clients there was no significant difference in perceived usefulness of ED resource assistance based on firm size, business segment or hours of assistance. However, smaller firms reported higher levels of ED Resource assistance with the decision to start a business.

- With larger firms there was less impact on reported levels of assistance with the decision to start a business. There were no differences in reported levels of assistance with the decision to start a business based on business segment, or ED Resource. Furthermore, there was no significant relationship between hours of assistance received and the impact on the decision to start a business.

Clients who received 3 or more hours of assistance reported significantly higher financial impacts than firms which received less than 3 hours.

- For the following financial categories: sales, profits, jobs, and retention of employees, ED Resource clients who received 3 or more hours of assistance reported higher financial impacts than those who received fewer hours of assistance. This finding is consistent with the initial study findings for 2007 clients.
- On average, ED Resource clients that received 3 or more hours of counseling reported median revenues of \$150,000 while those that received less than 3 hours of counseling reported median revenues of \$81,000. The difference in revenues for WBC clients was less pronounced than for SCORE and SBDC clients; however, WBC clients that received 3 or more hours of counseling reported only \$2,500 more in median revenues than those that received less than 3 hours.

Although client reported perceptions of each ED Resource were largely similar, there were some key differences.

- For SBDC clients, 82% reported the perceived usefulness of SBDC was high, compared to 76% for SCORE clients.
- Approximately 20% of WBC Start-ups reported that WBC assistance resulted in their increasing sales compared to 31% for SCORE Start-ups, 36% for SBDC Start-ups, and 27% for total ED Resource clients combined.
- SCORE Start-up clients (54%) reported that they changed management practices as a result of assistance. This was lower than WBC (67%) and SBDC (63%) clients.

Overall, demographic characteristics were not significant determinants of the client's perception of the usefulness and value of the services/assistance received or the client's decision to start a business.

- However, smaller firms reported higher levels of ED Resource assistance with the decision to start a business.
- Asians and Hawaiian/Pacific Islanders reported slightly higher assistance with starting a business and perceived usefulness respectively.

Findings from an analysis of follow-up surveys of ED Resource clients in 2006 and 2007 suggest that ED Resource assistance had a substantial impact on firm survival. However, the recent economic downturn prevented surviving businesses from growing their revenues from 2007 to 2008.

- Approximately 93.5% of 2006 ED Resource clients surveyed for the second follow-up and 95.2% of 2007 clients surveyed for the first follow-up were still in business in 2009. This compares to survival rates of firms in the PSED of 71% and 80% respectively.
- 2006 ED Resource clients reported increases in median revenue from \$49,000 in 2006 to \$90,000 in 2007, but a reduction to \$75,000 in 2008.¹⁰ Firms in the ED Resource sample still outpaced the economy overall from 2007 to 2008. During the 2007 to 2008 period, ED Resource client revenue growth rates declined from 67% to 15%, while GDP (gross domestic product)¹¹ only saw growth of 3.3%.¹² This slowdown of ED Resource client revenue growth mirrors patterns reflected in the GDP, NFIB sales trends¹³, and the Private Company Index (PCI)¹⁴ over the same period.

Qualitative Findings

- A few clients from each ED Resource provided ad hoc commentaries in letters, emails or hand written notes on the survey instrument.
- Comments were both positive and negative for each ED Resource.

¹⁰ Revenues from Nascent firms are not included. Start-up or In Business Firms reporting zero revenues were treated as missing.

¹¹ Source: <http://www.bea.gov/national/xls/gdpchg.xls>

¹² These growth rates are based on the average revenues from each year to maximize comparability with benchmarks.

¹³ The NFIB conducts quarterly mail surveys of approximately 11,000 small businesses in order to report economic trends. The NFIB reports net changes in actual sales changes and actual employment for the previous three months. The average monthly net changes in sales for the year are reported here.

¹⁴ The Private Company Index (PCI) published by Entrex, measures revenue performance in the sector of private companies ranging from \$3 million to \$60 million in annual revenues (<http://www.privatecompanyindex.com>).

Recommendation

- Assess the impact of Hours of Counseling Received for 2007, 2008 and 2009 clients in the upcoming study.

Methodology

The Initial Impact Study of FY2008 clients was quantitative in nature, based upon responses to mail, web and telephone surveys. Statistical analyses utilized frequency distributions, average comparisons, cross tabulations, and regression models.

The survey clients resulted in a respondent sample of 6,770. ED Resources provided Concentrance with a random sample list of 28,535 clients served during the fourth quarter of 2008. Surveys were mailed to each client and mailed again to non-respondents within thirty days. Web survey invitations were sent to clients' e-mail addresses for 4,000 SBDC clients. 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.

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

The respondent sample for the second follow-up survey of 2006 clients was 86. The respondent sample for the first follow-up of 2007 clients was 648. A matched sample was used to perform pair-wise statistical tests that compared changes in growth and business segment to other groupings. Revenue and employment growth for ED Resource clients were examined by comparing SBA data to that of the PSED, the Private Company Index, and the NFIB Small Business Survey Monthly Report.

Limitations to consider when interpreting these results include:

- Measures of ED Resource impacts are attitudinal as reported by the client;
- Many respondents did not report revenue data;
- Financial and growth outcomes for the follow-up groups should be viewed with caution due to the small sample sizes.

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III. METHODOLOGY

This report contains findings from the Initial Impact Study of ED Resources for FY2008 clients and the Follow-up Study of the FY2006 and FY2007 clients who participated in the Initial Impact Studies in previous years. The methodology for the Initial Impact Study for FY2008 clients, which reports clients' attitudinal assessments of their counseling experience, is presented first, followed by the methodology for the FY2006 and FY2007 Follow-up Study which reports the long-term financial impact on the client firms.

Sampling and Data Collection

This study examines the affects of SBA ED Resource assistance by 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 initial study of FY2008 clients was quantitative in nature, based upon responses to mail, web and telephone surveys. These responses provided a statistically significant sample by respective ED Resource. To determine if the sample size for this study was sufficient, Concentrance tested the sample size on the basis of reported sales revenues. The sample size of 6,770 is sufficiently large enough for accuracy within plus or minus \$25,000 in reported annual sales revenues at a 99% confidence level.¹⁵

Web surveys were added for the FY2008 study to conduct a pilot using SBDC clients. Four thousand SBDC clients received e-mail invitations to complete the web survey. The response rate for the web survey was comparable to that of the mail and telephone surveys, indicating that clients were comfortable with the web survey format. Response outcomes and the types of questions answered were also largely comparable to the phone and mail surveys.

¹⁵ This assumes a standard deviation of annual revenues of \$800,000.

Table 3.1 below depicts the distribution of surveys across ED Resource and the response rates by ED Resource. The overall response rate was 29%, which exceeds the 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%.¹⁶ In another example, the National Federation of Independent Business (NFIB) had a response rate of 21% in its Small Business Economic Trends survey conducted in November of 2008.¹⁷

Table 3.1 – Sampling Frame

Resource Center	Stratified Sample Size	Usable Sample Size ⁴	Surveys Received	Response Rate '08 Clients
SBDC	12,000	9,183	2,946	32%
SCORE	11,103	9,230	2,617	28%
WBC	1,432	1,116	278	25%
Subtotal	24,535	19,529	5,841	30%
SBDC (Web Only)	4,000	4,000	929	23%
Grand Total	28,535	23,529	6,770	29%

Survey Administration

Concetrance utilized 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 FY2008. See Appendix 3 for the survey instrument. Concetrance printed and mailed SBA’s cover letters and survey instruments, approved by OMB. A second mailing was sent to non-respondents within 30 days of the initial mailing. Concetrance 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. All surveys were computer-coded with client codes to facilitate unique identification of each client for follow-up surveys while ensuring privacy.

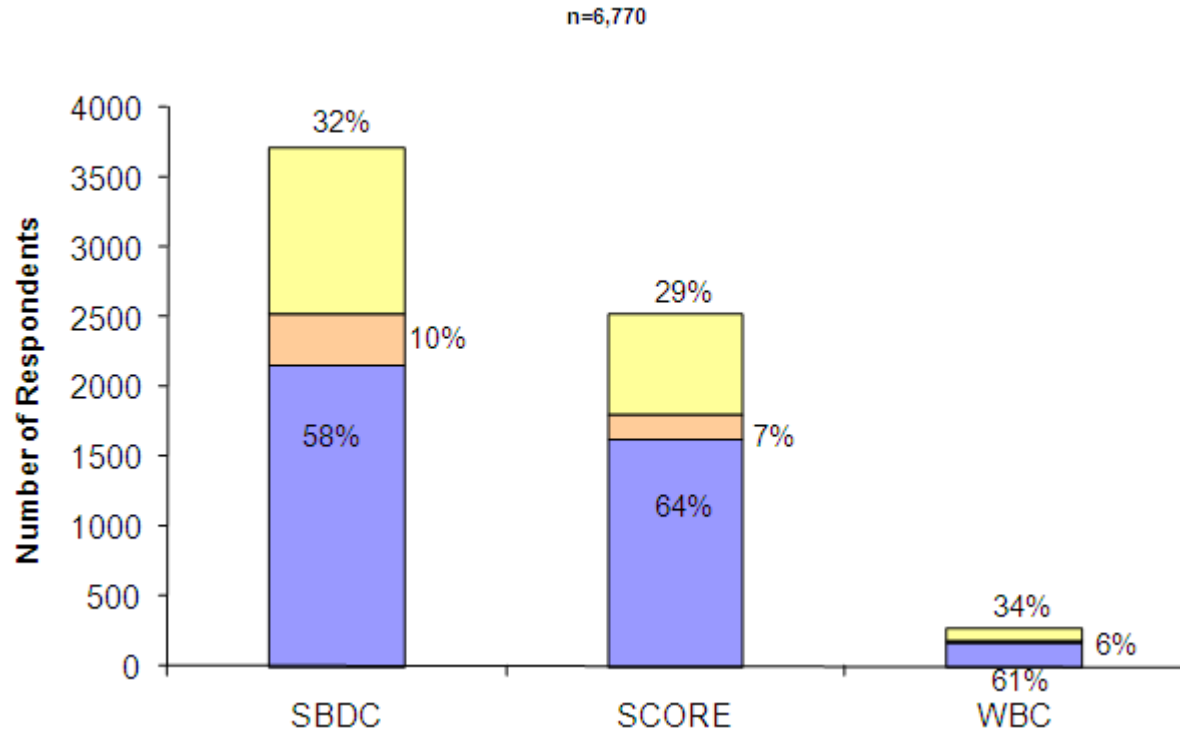
¹⁶ Aldrich, Howard E. and Ted Baker (2000), “Blinded by the Cites: Has there been any progress in entrepreneurship research?” in *Entrepreneurship 2000*, ed. Donald L. Sexton and Raymond L. Smilor, Chicago: Upstart Publishing, p. 377-400.

¹⁷ William K. Dunkelberg and Holly Wade, “NFIB Small Business Economic Trends” [NFIB.com](http://www.nfib.com/page/sbet). December 2008. <<http://www.nfib.com/page/sbet>>

¹⁸ The usable sample size comprises the stratified sample minus surveys noted as undeliverable by mail or telephone due to incorrect contact information

Figure 3.1 shows the distribution of respondents by ED Resource and business segment. The In-Business segment was the largest segment served for all resources. The Start-up segment is considerably smaller than the other segments in part because of the narrow definition of Start-ups (firms that have been in business for 6 months or less).

Figure 3.1 – Distribution of Respondents by Segment (FY2008 clients)¹⁹



	Nascent	1196	722	90
	Start-up	370	169	15
	In-Business	2150	1631	163
	Total	3716	2522	268

¹⁹ Respondents (264) who reported being in business but who did not provide a valid start date for that business, were not assigned to a business segment.

Data Analysis

Analyses included the following methods: **basic descriptive statistics, frequency distributions, cross tabulations and regression.** Concentrance used basic descriptive statistics for continuous variables such as annual sales revenues. We used frequency distributions for Likert scales and respondents answered on a scale of 1 to 5. Cross-tabulations were used to compare responses across resources and segments. Finally, Concentrance used multiple regression analyses to test for differences in key outcomes, such as perceived usefulness or financial impact of ED Resource assistance, based on demographic or firm characteristics. Concentrance selected these analyses 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.²⁰

In addition, Concentrance assessed the extent and direction of potential non-response bias by studying the differences between those who responded and those who did not. The approach was to conduct a phone survey of non-respondents to the mail survey. **Concentrance conducted a total of 420 phone surveys with mail non-respondents. We also collected 929 surveys via the internet. The next step was to conduct a comparative analysis of the responses between these groups.**

Concentrance did not find any statistically significant differences between mail, phone, and web respondents in terms of revenues. In addition, there were no significant differences found between mail and web respondents in terms of number of employees. Phone respondents were slightly larger than the other groups in terms of number of employees. However, since there was no evidence of systematic response bias, these samples were pooled in subsequent analyses.²¹

²⁰ Research in this area suggests that the optimum number of follow-up mailings or reminders is two. James, Jeanine M and Richard Bolstein, "The Effect of Monetary Incentives and Follow-Up Mailings on the Response Rate and Response Quality in Mail Surveys," *Public Opinion Quarterly*, 54, Fall 1990, 346-61.

²¹ These findings were based on results of a regression analysis to determine whether mail versus phone respondents differed significantly in terms of sales revenues. This was a test of the null hypothesis that the average sales revenues were the same between these groups ($t=-0.57$, $p>0.5669$). A second regression was performed to determine whether mail versus phone respondents differed significantly in terms of number of employees. This was a test of the null hypothesis that the average number of employees was slightly higher for phone follow-up respondents ($t=2.78$, $p<0.01$). These regression analyses were repeated to compare mail and phone with web survey respondents. This was a test of the null hypothesis that revenues and the average number of employees, respectively, were the same for mail, phone, and web respondents ($t=-0.87$, $p=0.385$; $t=-0.89$, $p=0.3725$). Any p-value which is less than 0.05 is evidence of significant differences between respondent groups.

Follow-up Study 2006 and 2007 – Sampling, Data Collection, and Analysis of Non-Response

A Follow-up Study was conducted of both FY2006 and FY2007 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 429 clients from FY2006 who were contacted for a second follow-up in 2008. There were 86 respondents to this second follow-up, which represents a 22% 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 86 clients, there were detailed data which could be tracked for three years.**

There were 5,337 respondents to the Initial Impact Survey of FY2007 clients. Concentrance conducted a follow-up survey of these respondents by phone. **Of these, Concentrance was able to collect follow-up data from 648 respondents.**

Table 3.2 shows the number of surveys received by total ED Resources combined 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 2009	Response Rate
FY2006	429	381	2 nd	86	22%
FY2007	5,337	4,501	1 st	648	14%

These matched samples were used to perform pair-wise statistical tests that compared changes in growth by business segment and ED Resource. Although there were a small number of observations available for this analysis, these findings provide 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 measuring growth from year-to-year. For example, out of Start-up and In-Business firms, approximately 42% reported zero revenues or did not report revenues.
- Estimates of firm survival and growth over time should be interpreted with caution. Due to attrition, firms which have gone out of business may be under-represented.

IV. TOTAL ED RESOURCES COMBINED 2006 - 2007 - 2008

The following section presents comparison results of clients from FY2006, FY2007 and FY2008. First, the general demographic and financial characteristics of the total ED Resource respondents are presented. This is followed by additional findings on the impact of the total ED Resources on Nascent, Start-up and In-Business firms organized by research question as follows:

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

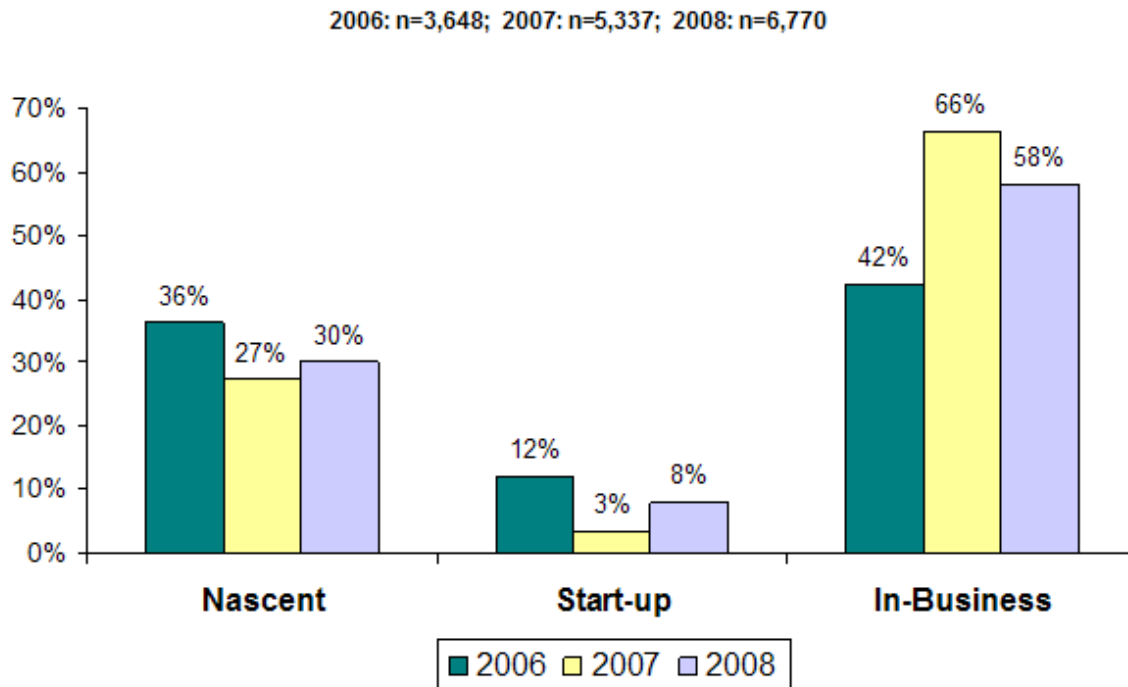
It is important to note that comparisons between 2006, 2007, and 2008 clients should be interpreted with caution. Concentrance collected cross-sectional data from a different set of firms each year, and these firms were operating under different economic conditions. To better understand changes over time, the Follow-up Study included in this report tracks the same firms over a three year period.

Demographic Characteristics of ED Resource Clients

This section describes the general demographic and financial characteristics of total ED Resources combined who were served in FY2008. These results are based on an analysis of 6,770 completed surveys.

As shown in Figure 4.1, the In-Business segment (58%) was the largest business segment served by ED Resources in 2008. The size of the In-Business segment was down from the previous year while the Start-up segment was larger.

Figure 4.1 – Total ED Resources – Client Segments Served²²



The median annual revenue for ED Resources’ clients was \$120,000.

Table 4.1 – Total ED Resources-Revenues and Employment²³ (FY2008)

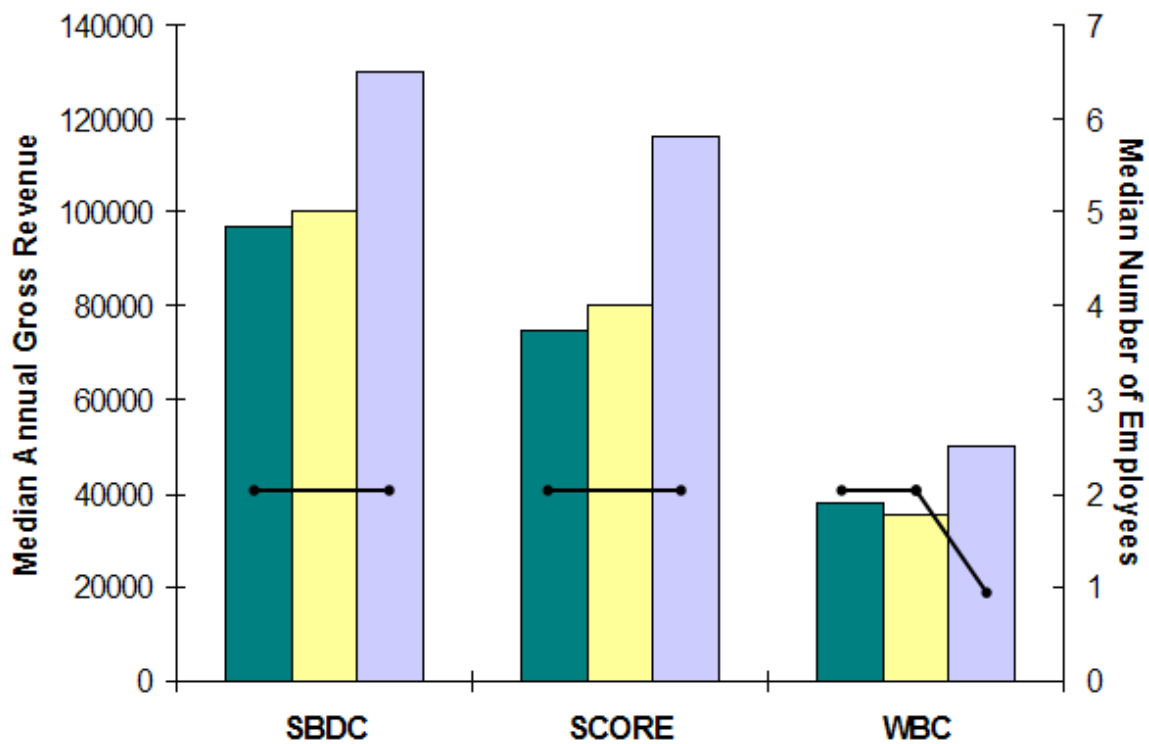
	Total ED Resources
Median Revenue	\$120,000
Median Employees	2

²² Respondents (264 for 2008) 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 total of client segments served for each year will therefore not equal 100%.

²³ Three firms who reported revenues of \$25 million or more were considered outliers and were omitted from revenue analyses.

ED Resources continued to differ in terms of the size of firms they served, as shown in Figure 4.2. SBDC continues to serve the highest revenue clients (\$130,000 median), followed by SCORE (\$116,500 median), and WBC (\$50,000 median). SBDC, SCORE and WBC clients that received assistance in FY2008 reported higher median annual revenues than those assisted in FY2007 or FY2006. Median employment remained the same for SBDC and SCORE clients while WBC clients that received assistance in FY2008 reported lower median employment than those served in FY2006 or FY2007. The pattern of revenue distinction among each ED Resource has been consistent since the inception of this study for FY2003 clients.

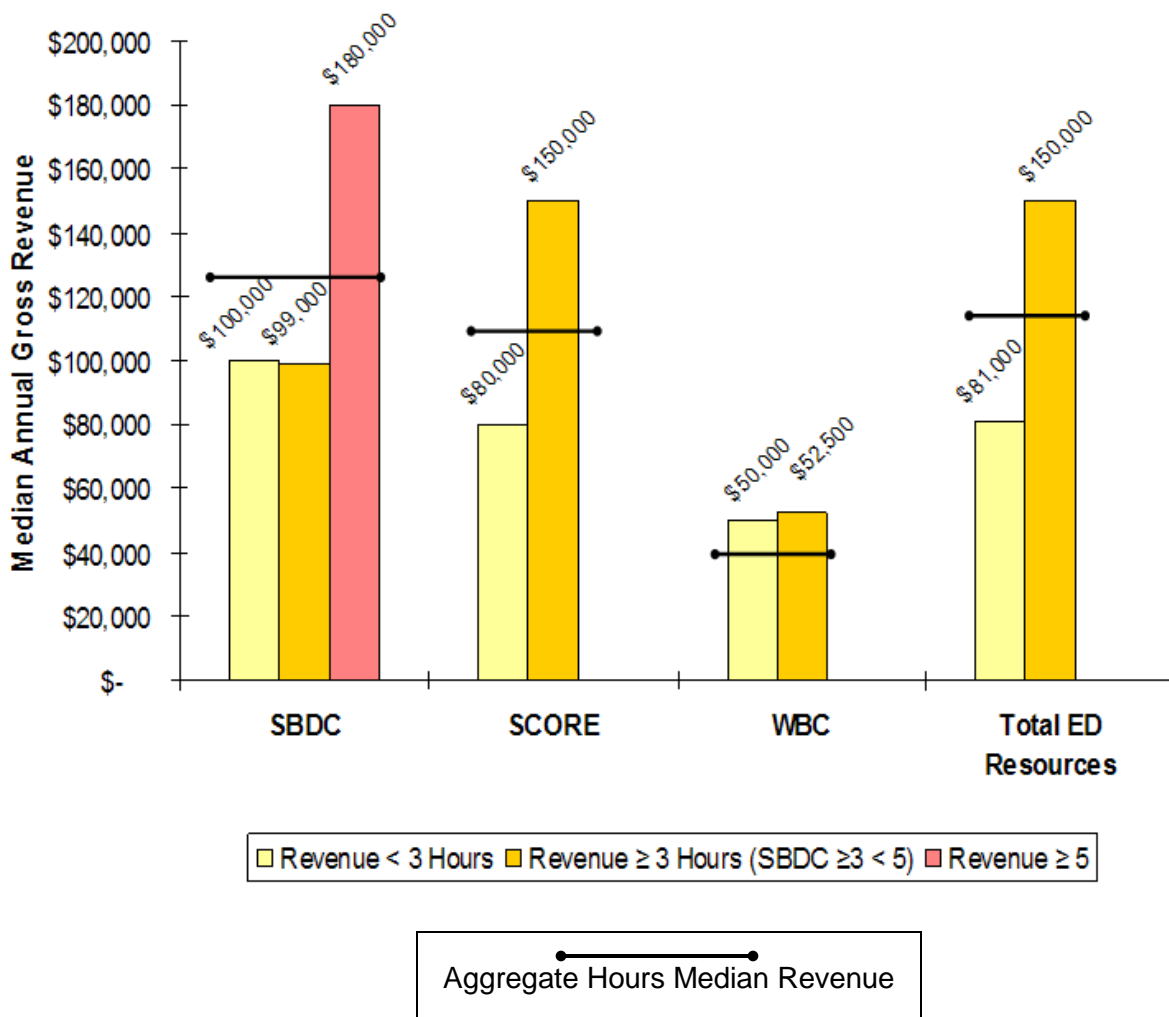
Figure 4.2 – ED Resources – Revenue and Employment (median ED client revenues and number of employees)



■ Rev. 2006	\$97,000	\$75,000	\$38,000
■ Rev. 2007	\$100,000	\$79,000	\$35,500
■ Rev. 2008	\$130,000	\$116,500	\$50,000
● Empl. 2006	2	2	2
● Empl. 2007	2	2	2
● Empl. 2008	2	2	1

Figure 4.2A examines the median revenues by the hours of counseling received²⁴ to understand the relationship between client revenues and resource utilization. It is apparent from the chart below that those clients that received a greater number of hours of counseling also tended to be larger in size, with the exception of SBDC clients who received 3-5 hours of counseling. For example, the median revenue for SCORE clients who received less than 3 hours of counseling was \$80,000, while the median revenues for clients who received over 3 hours of counseling was \$150,000. This trend is also apparent with SBDC clients, though only clients who received more than 5 hours of counseling from SBDC reported considerably greater revenue. WBC clients that received 3 or more hours of counseling reported only slightly greater revenue than those WBC clients that received less than 3 hours of counseling.

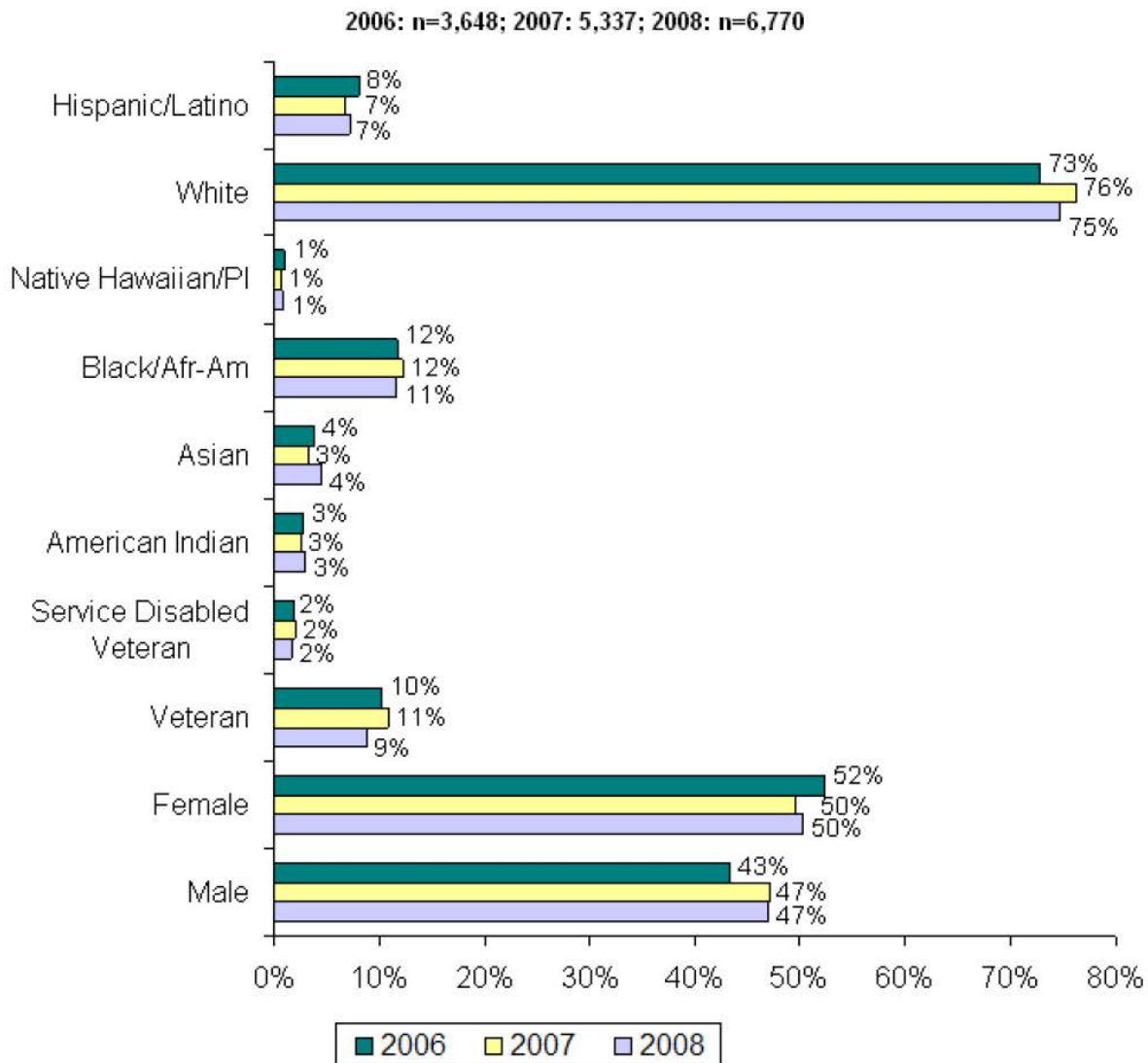
Figure 4.2A – ED Resources – Revenues by Hours of Counseling



²⁴ For each ED Resource, the number of respondents is comparable for each category of hours of counseling received. **SBDC:** < 3 hrs= 1093; ≥ 3 < 5 hrs= 1236; ≥ 5 hrs= 1544 **SCORE:** < 3 hrs= 1216; ≥ 3 hours= 1401 **WBC:** < 3 hrs= 195; ≥ 3 hours= 79.

Demographic characteristics of ED Resource clients in terms of gender, race, ethnicity, and veteran status, are presented in Figure 4.3. Asians represented 4% of the 2008 sample, up from 3% from the 2007 sample. The number of white clients, black/African-American clients and veteran clients all decreased this year.

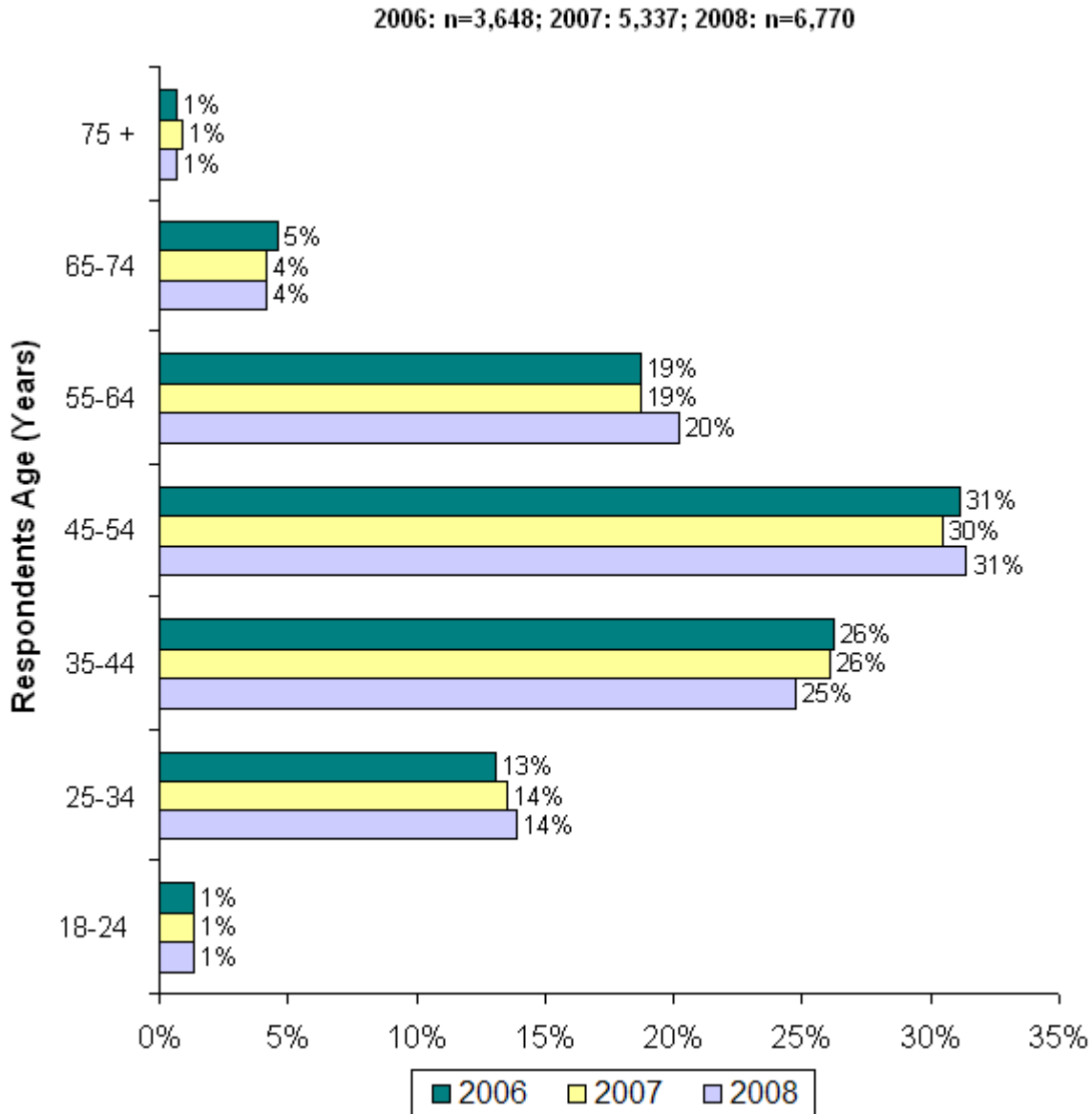
Figure 4.3 – Total ED Resources – Demographic Characteristics²⁵



²⁵ The total percentage may not equal 100 due to respondents that selected multiple ethnicities. The gender categories do not total 100% due to non-respondents. The 2008 demographic distribution was compared to the national averages from the 2002 Survey of Business Owners from the Census Bureau. The distribution was comparable across characteristics except for the following: white business owners were 83% of the small business population, black business owners were 5%, and American Indian/Alaskan Native business owners were 1%. The percentage of women was also smaller.

Figure 4.4 shows the distribution of ED Resource clients by age of the business owner. The largest groups of ED Resource clients belonged to the 35 to 44 and 45 to 54 categories, 26% and 31% respectively. This outcome is consistent with previous years.

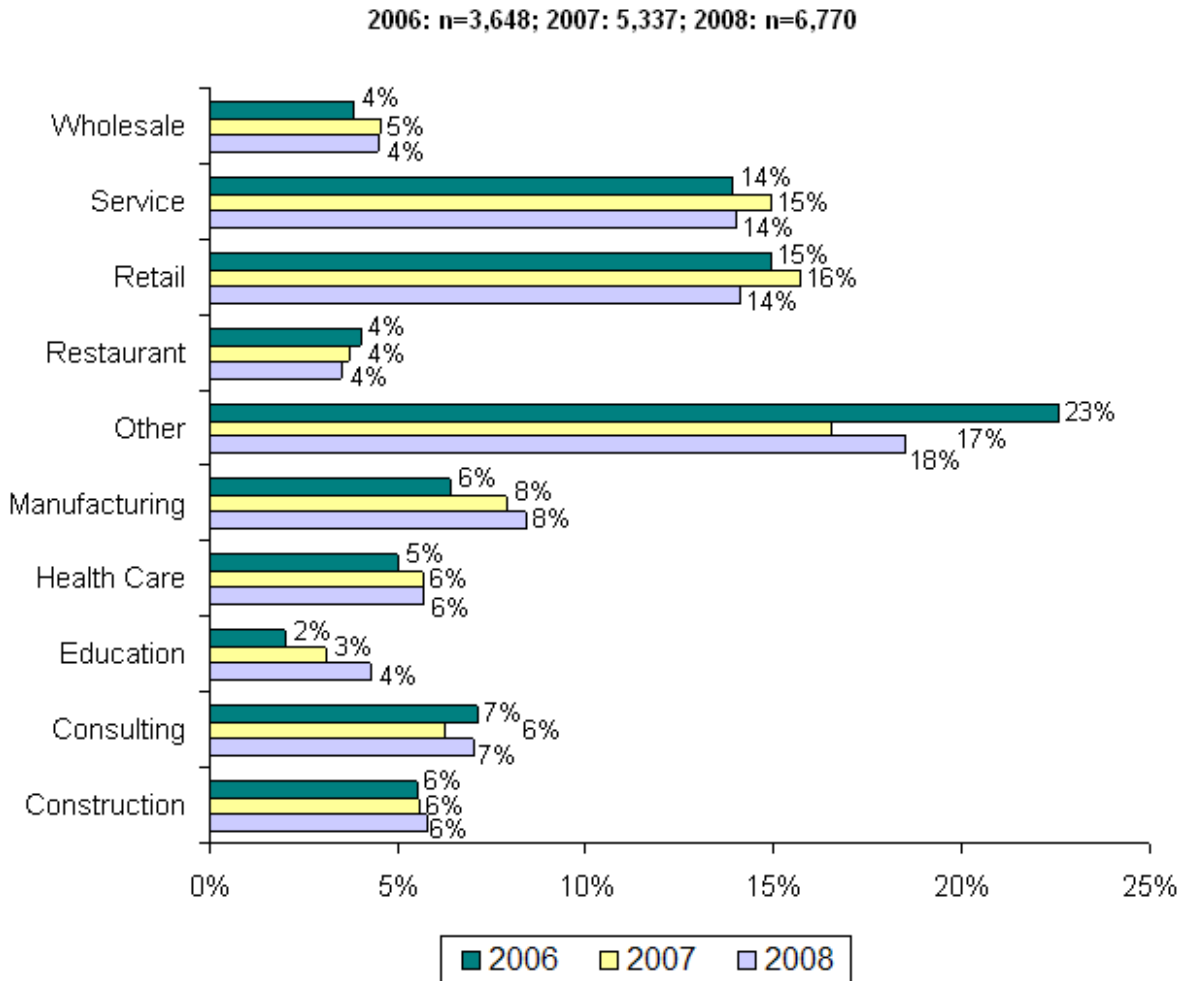
Figure 4.4 – Total ED Resources – Age of Business Owner (FY2008 Clients)²⁶



²⁶ The 2008 demographic distribution was compared to the national averages from the 2009 Small Business Economy Report for data year 2008. The figures were comparable across age brackets except for the following: 18-24 was reported at 3%, and >65 was reported at 10.5% (compared to 6% for Total ED Resources).

As shown in Figure 4.5, the two most designated business types, besides “other” businesses, served by ED Resources were service and retail businesses. These numbers are consistent with the top 2 employment sectors reported by the Bureau of Labor Statistics²⁷ (BLS), although the industry classifications are not identical. According to the BLS, the most common employment sectors in 2006 were retail and wholesale trade establishments (15%) and professional and business services (13%).

Figure 4.5 – Total ED Resources – Primary Business Type (FY2008 Clients)²⁸



²⁷ Source: “Industry Employment,” *Occupational Outlook Quarterly*, U.S. Bureau of Labor Statistics, Fall 2007. The 2008 distribution among job types was also compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau. The figures were comparable across industries except for the following: Services was reported to be 11%, Retail was at 12%, Manufacturing at 3%, and Construction was reported to be 12%.

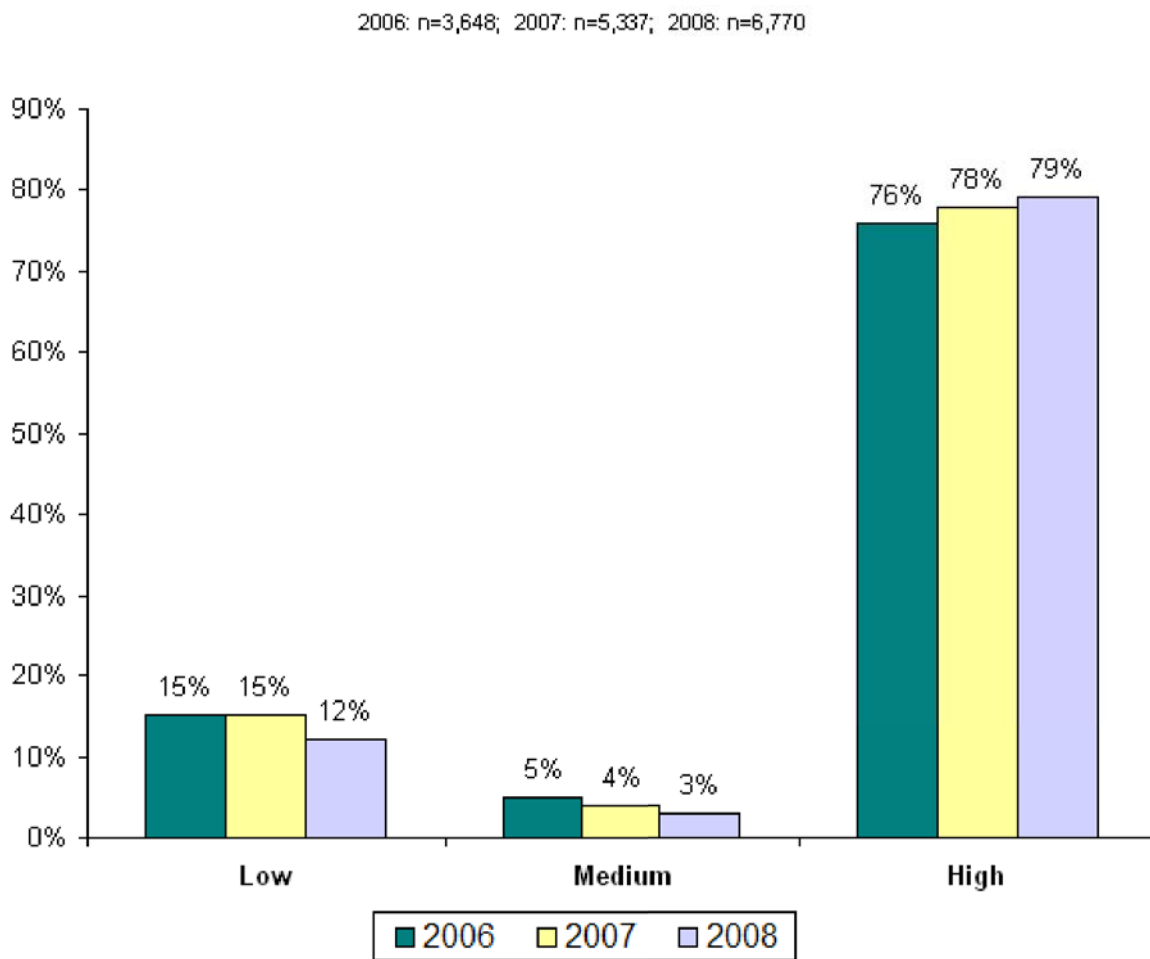
²⁸ Several large groupings were found to be present among those respondents who classified their business type as “other”. These included multiple responses for non-profits, design, art related professions, beauty related professions, and health & fitness. Due to non-responses and multiple business type 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, 79% of 2008 ED Resource respondents combined reported that the information they received from their counselor was valuable. This shows an increase of one percentage point compared to last year and the greatest perceived usefulness since the inception of this study in 2003.

Figure 4.6 – Total ED Resources – How useful was the information you received?²⁹

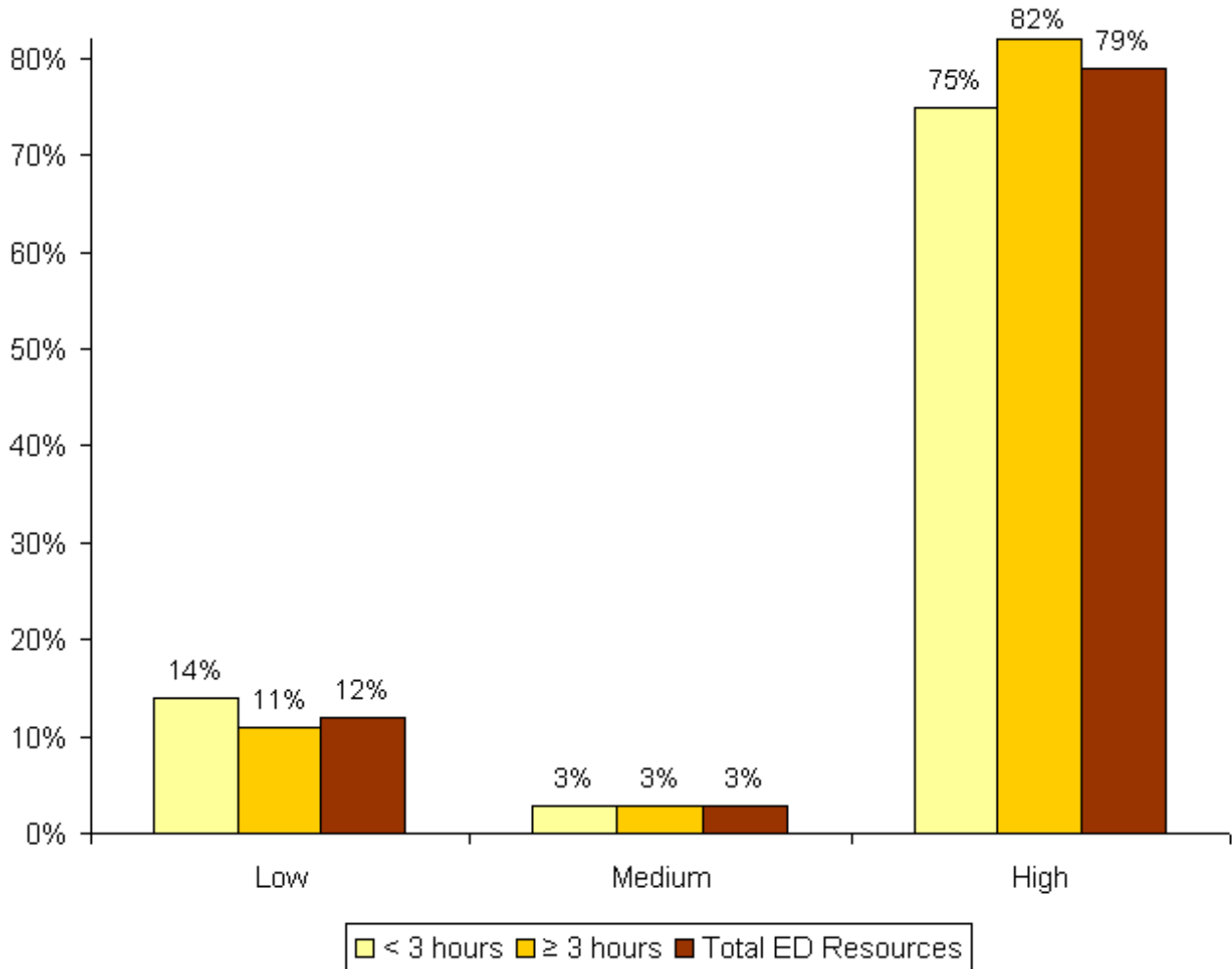


²⁹ Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories. Percentages will not total 100% due to non-response.

Figure 4.6A shows the perceived usefulness of ED Resources relative to the number of hours of counseling received recorded in two categories, less than 3 hours and 3 or more hours. For comparison, the overall level of perceived usefulness is also provided, which does not distinguish by hours of counseling received.

As illustrated below, respondents who had three or more hours of counseling rated usefulness of ED Resources as “high” more often than those who had less than three hours of counseling. Eighty-one percent of respondents who received 3 or more hours of counseling rated the usefulness of total ED Resources as “high”, versus 75% of those that received less than 3 hours of counseling.

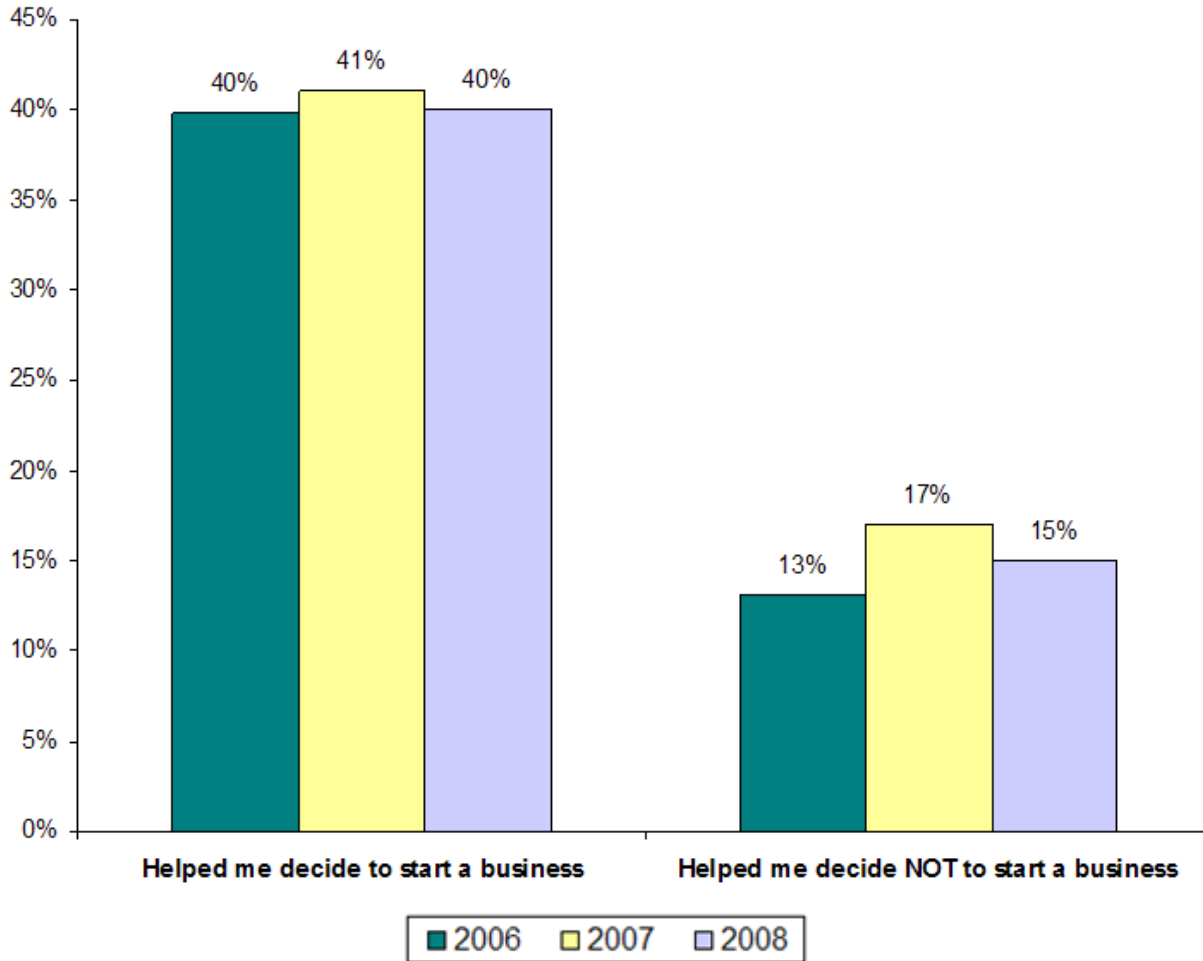
Figure 4.6A – How useful was the information you received? Total ED Resources by Hours of Counseling vs. Total ED Resources Aggregate Hours



Decision to Start or Not to Start a Business

Figure 4.7 shows ED Resources assisted 40% of clients in their decision to start a business. For FY2007 clients, this number was 41% and in 2006, 40%. Additionally, 15% of 2008's respondents reported that ED Resource assistance helped them decide not to start a business.

Figure 4.7 – Total ED Resources – Were these services useful in starting or NOT starting a business?³⁰



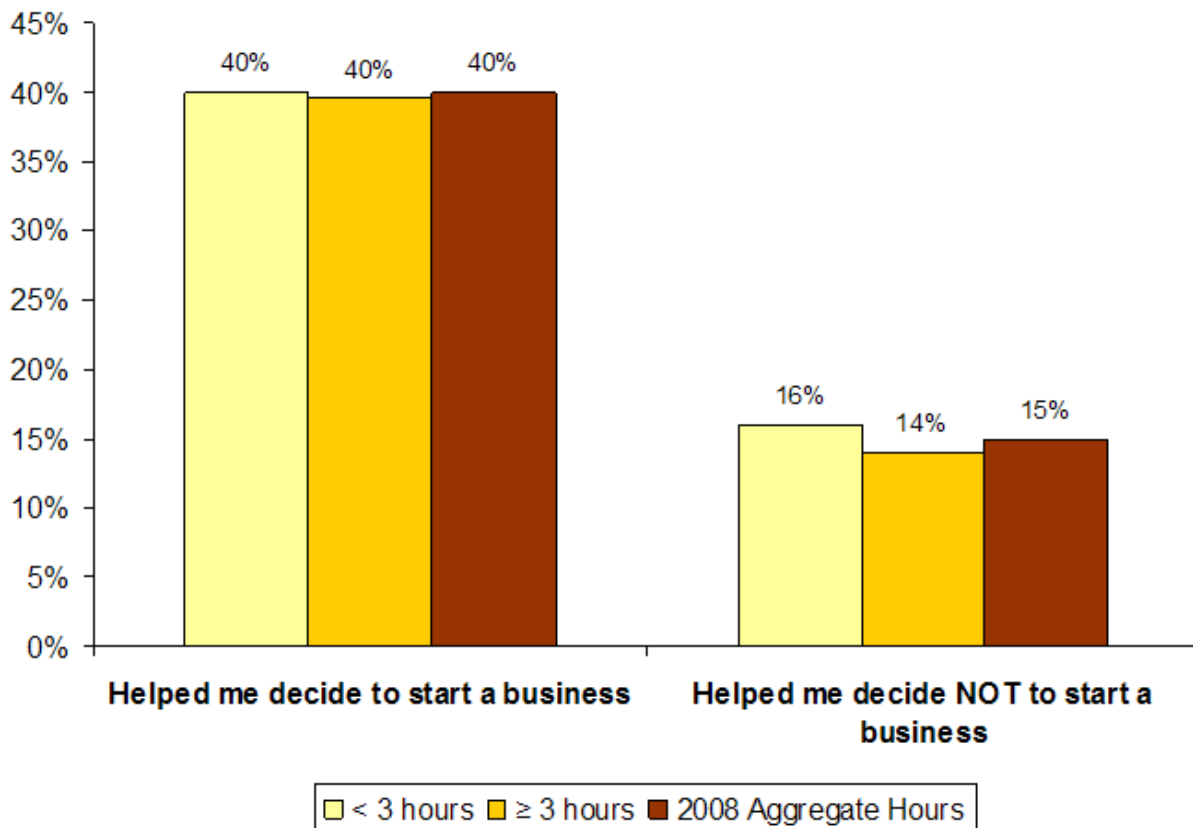
³⁰ Helpful includes the 'Very Useful' and 'Useful' response categories only.

Figure 4.7A shows the extent to which ED Resources assisted clients in their decision to start or not to start a business relative to the number of hours of counseling they had received. The duration of counseling was recorded in two categories: less than 3 hours and 3 or more hours.

As illustrated below, 40% of respondents who had 3 or more hours of counseling reported ED Resources to be helpful in deciding to start a business. Those who had less than 3 hours of counseling also reported ED Resources as helpful in deciding to start a business 40% of the time. There is a two percentage point difference between respondents who received less than 3 hours of counseling vs. respondents who received 3 or more hours in regards to whether ED Resources were helpful in deciding not to start a business.

It is apparent that hours of counseling received does not significantly impact the perceived usefulness of ED Resources in regards to the decision to start a business.³¹

Figure 4.7A – Were these services useful in starting or NOT starting a business? (Total ED Resources by Hours of Counseling vs. Total ED Resources Aggregate Hours)



³¹ This finding is supported by the regression analysis beginning on page 36.

Clients' Decision to Change Management Practices

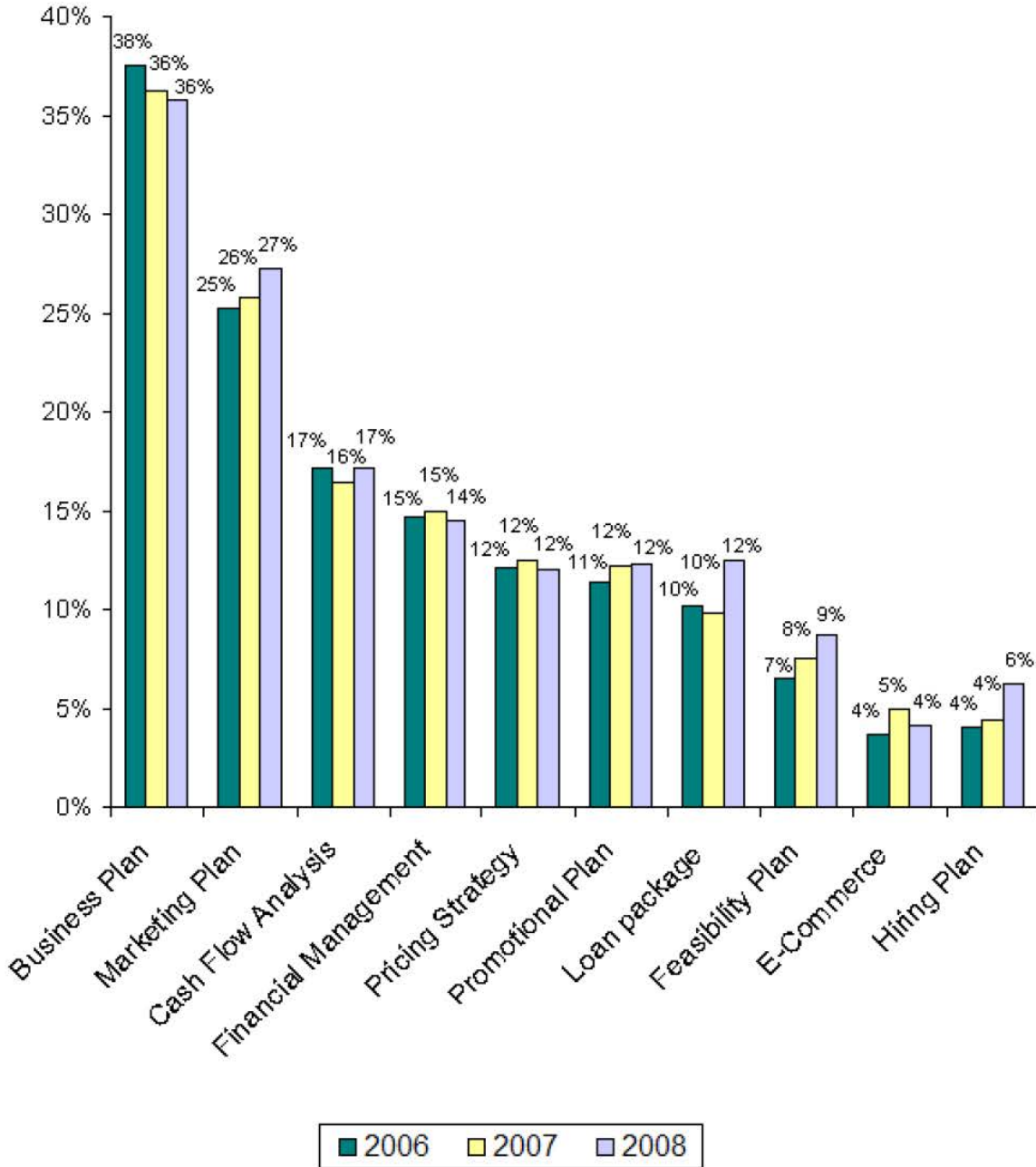
As a result of ED Resource assistance for FY2008 clients, 60% of Start-up and 61% of In-Business firms changed their current management practices or strategies. Clients who received assistance in FY2008 more often reported a change in management practices than did FY2007 and FY2006 clients.

Table 4.2 – ED Resources Impact on Managerial Practices

	2006 Changed current management practices/strategies	2007 Changed current management practices/strategies	2008 Changed current management practices/strategies
Start-up	49%	57%	60%
In-Business	60%	58%	61%

Figure 4.8 below reflects the percentage of firms reporting that ED Resource assistance led to the development of **business plans, marketing plans, etc.**

Figure 4.8 – Total ED Resources – Assistance in Plan Development



Sales, Job Creation and Job Retention

Figure 4.9 presents findings on the attitudes toward financial impact of ED Resource assistance. Twenty-seven percent of respondents reported they were able to increase sales as a result of ED Resource assistance and 23% reported they were able to increase their profit margins. These figures are both one percentage point greater than the previous year. The other categories, retain current staff and hire new staff, did not change from the previous year.

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

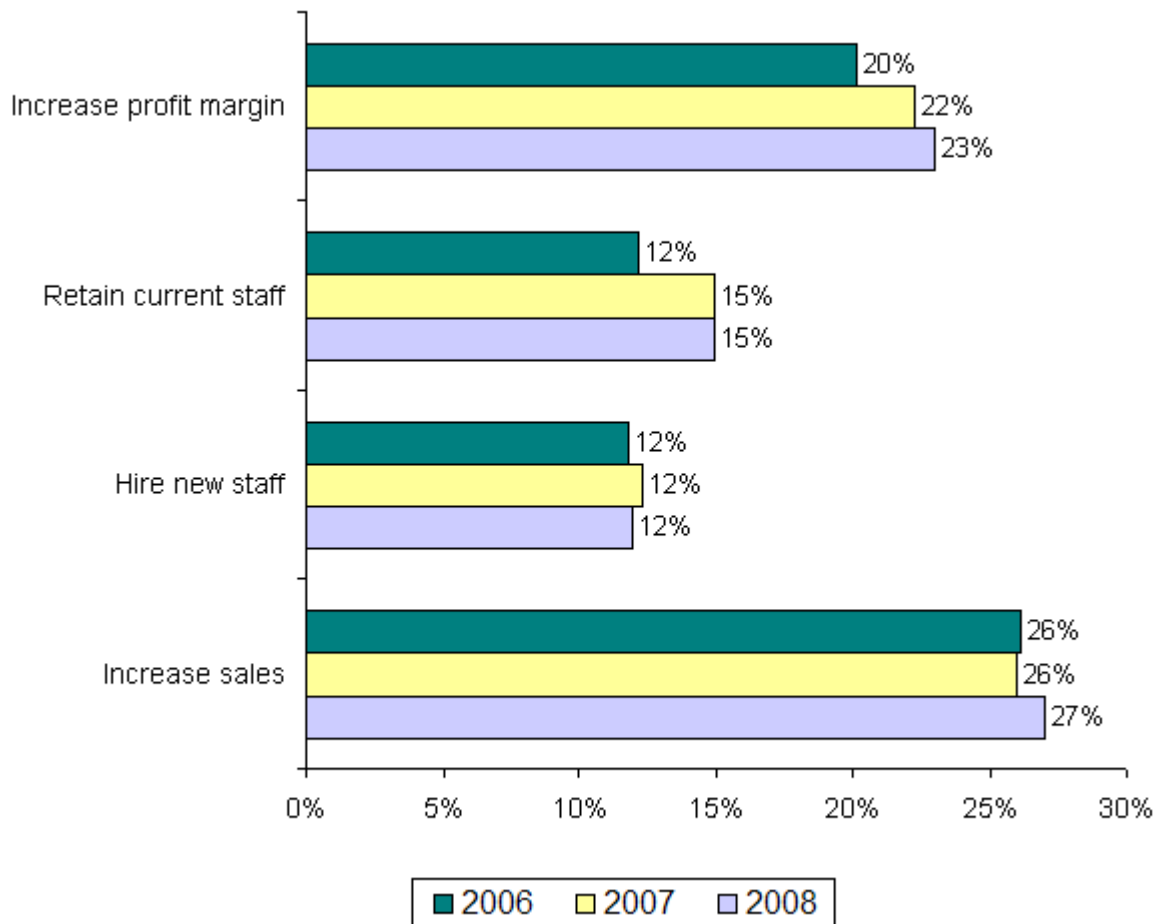
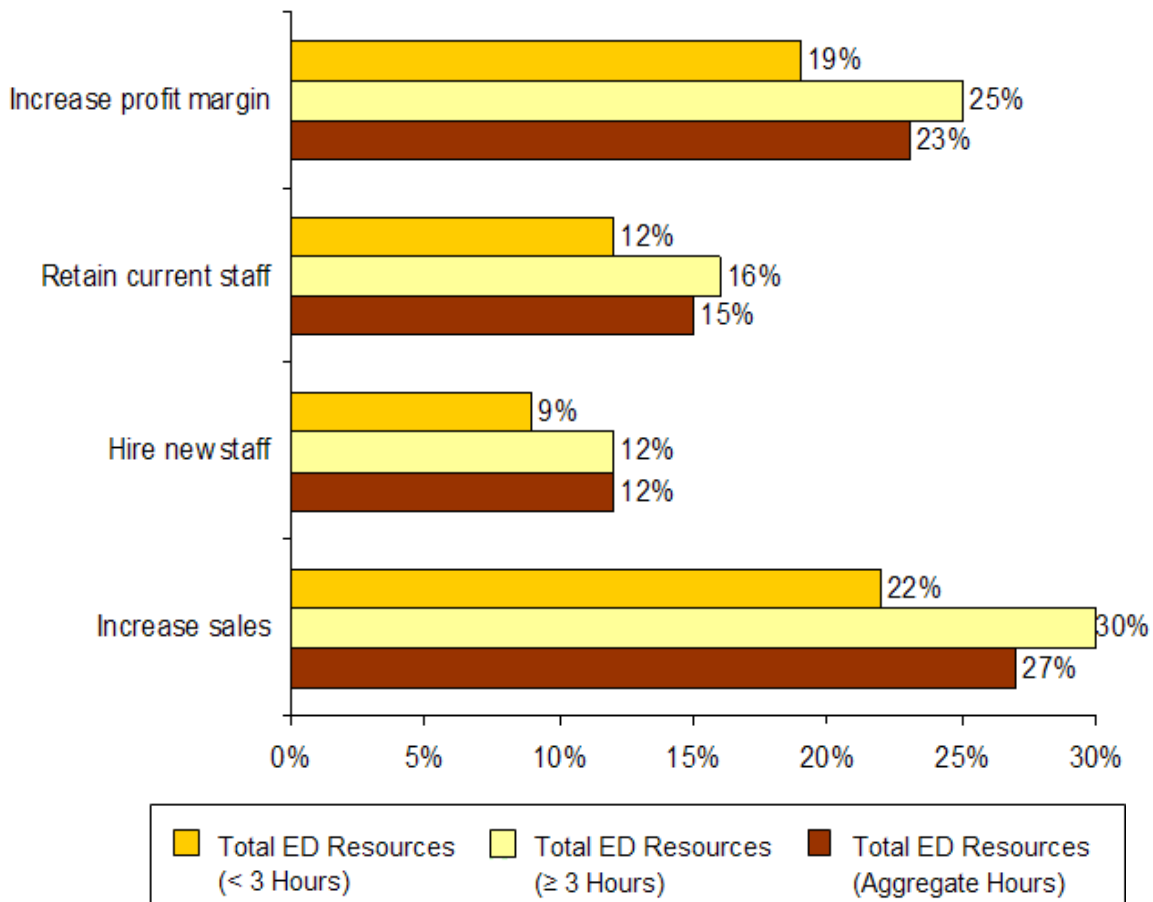


Figure 4.9A compares the total ED Resources impact on 2008 client performance to performance by number of hours of counseling received. The number of hours is reported with two categories: less than 3 hours and 3 or more hours of counseling received.

It is notable that across all four categories ED Resource clients with more than 3 hours of counseling reported a greater positive financial impact than the reported total ED Resource impact.³²

Clients that received more than 3 hours of counseling increased their sales 30% of the time; whereas clients that received less than 3 hours of counseling increased their sales 22% of the time.

Figure 4.9A – Total ED Resources – How have these changes had an impact on your firm? (Hours of Counseling Received vs. Aggregate Hours)



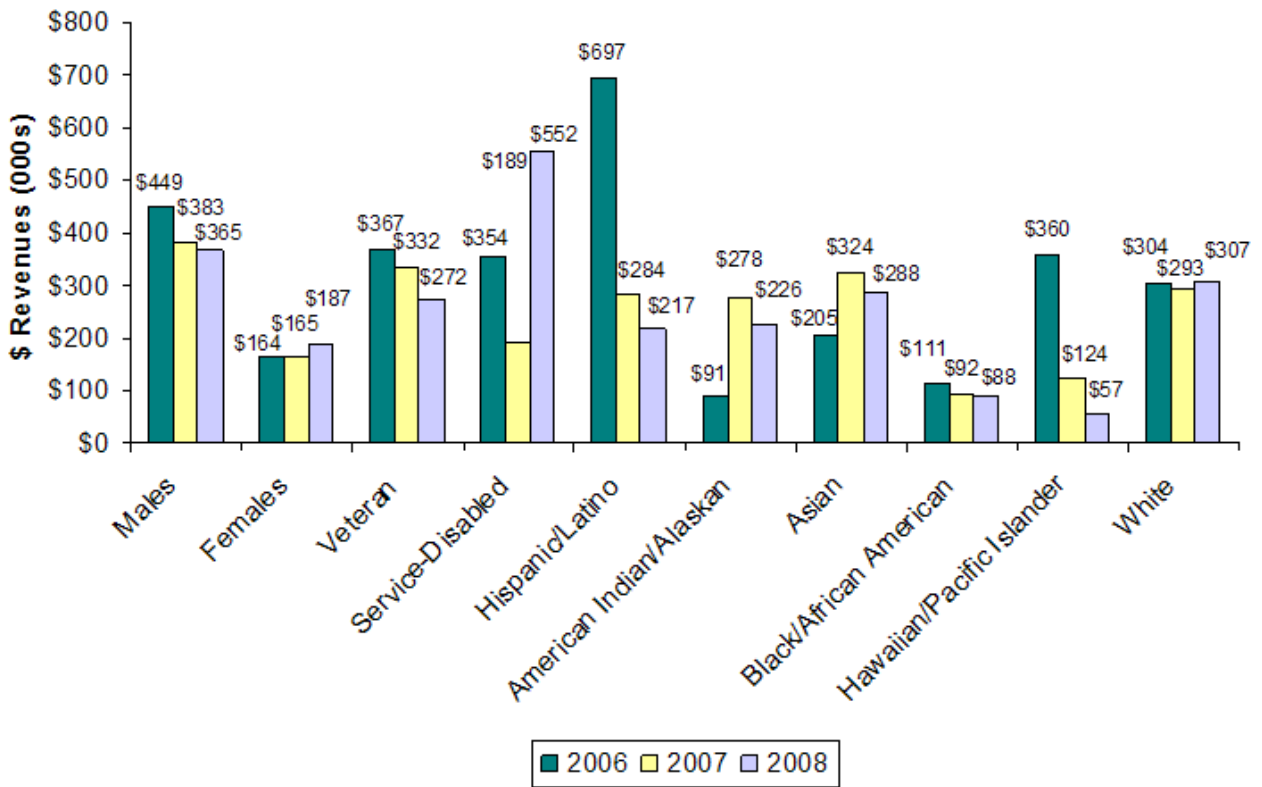
³² This finding is supported by the regression analysis beginning on page 36.

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 tended to be smaller than firms owned by males or Whites in 2007.

Women-owned businesses had an average of \$186,872 in revenues compared to an average of \$365,116 for firms owned by men. In terms of minority-owned firms, average revenues for Hispanic/Latino-owned firms decreased to \$217,458; Native Hawaiian/Pacific Islander-owned firms decreased to \$57,435; and Black/African-American-owned firms decreased to \$87,950.³³ Average revenues for Service Disabled Veteran owned firms showed a dramatic increase from approximately \$189,000 in 2007 to \$551,594 in 2008; higher than any other demographic. Firms owned by Whites showed a slight increase from approximately \$293,000 in 2007 to \$306,848 in 2008. Firms owned by women also showed an increase from approximately \$165,000 in 2007.

Figure 4.10 – Revenues (000s) for Firms in Selected Demographic Categories³⁴

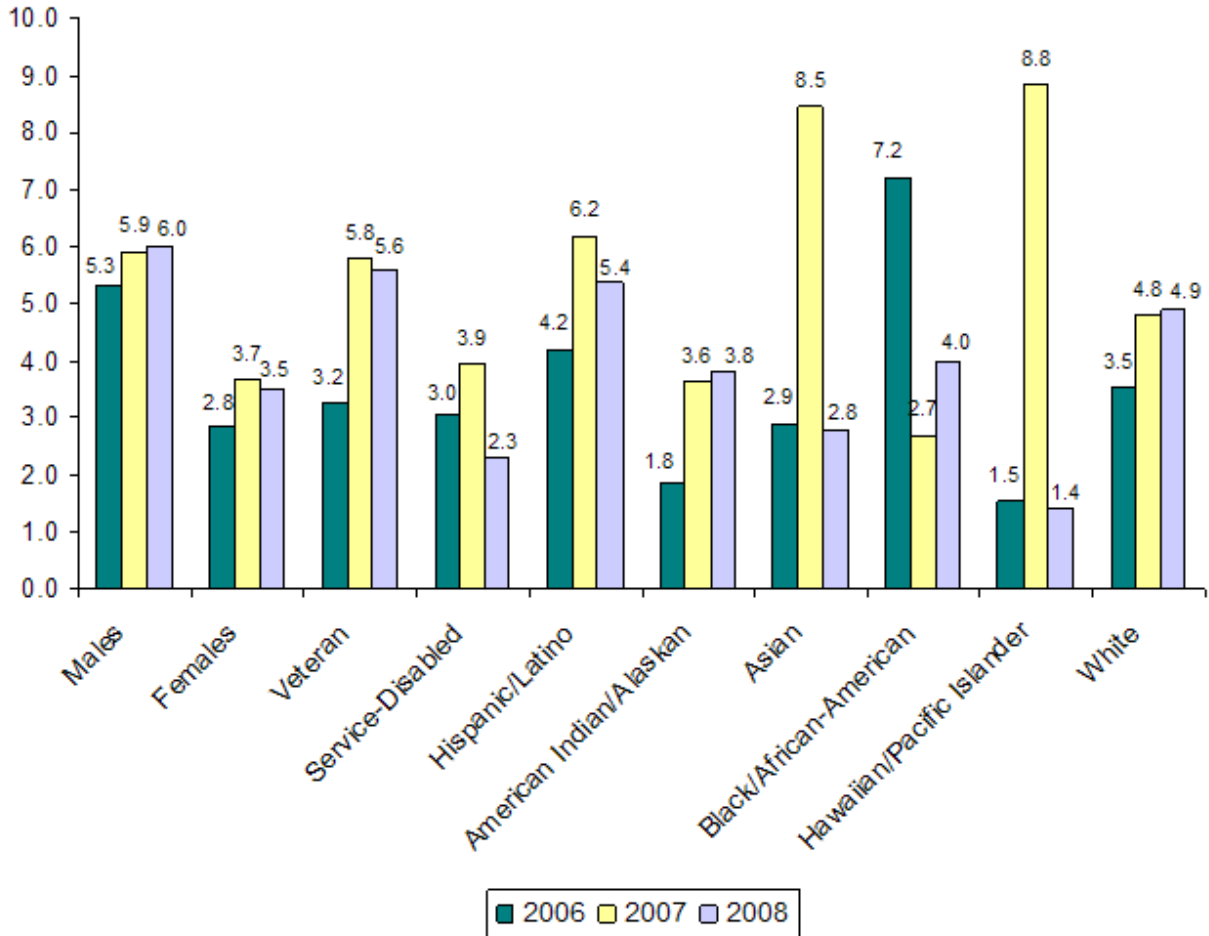


³³ Of 112 Hispanic/Latino firms in 2006 and 54 Service Disabled veteran firms in 2008 that reported revenue, five firms reported figures between \$14 and \$24 million and between \$3 and \$24 million respectively. This small number of firms creates the appearance of a significant increase in Hispanic/Latino and Service Disabled Veteran firm revenues.

³⁴ 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. Hispanic/Latino, African American and American-Indian-owned firms had more employees than other minority demographic categories. Hawaiian/ Pacific Islander and Asian-owned firms reported fewer employees from 2008 than in 2007.

Figure 4.11 –Total Employees for Firms in Selected Demographic Categories



Regression Analysis of the 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 and owner characteristics on ED Resource impacts. Results are reported 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 perceived financial impacts of ED Resource assistance based on selected firm (revenues, business segment, ED Resource, hours of assistance) and demographic (age, gender, race, ethnicity, veteran status) characteristics.

These analyses address the following research questions:

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

Each regression model examined the impact of selected demographic characteristics (age, gender, race, ethnicity and veteran status) and firm characteristics (size, business segment, ED Resource, number of hours) on a particular resource impact. These impacts included: perceived usefulness of ED Resource assistance, perceived usefulness of assistance with 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 (questions 1 and 2) is perceived usefulness of ED Resource assistance. The dependent variable for the second model (questions 3 and 4) is perceived usefulness in the decision to start a business. The dependent variable for the third model (questions 5 and 6) 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).³⁵

³⁵ This scale is the sum of the following questionnaire items: q7(1), q7(2), q7(5) and q7(7). This scale has a Cronbach's alpha coefficient of 0.9150, 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 firm and owner demographic characteristics and include the following:

- Sales Revenues
- Client Segment
 - Nascent
 - Start-up
 - In-Business
- ED Resource (SBDC, SCORE, or WBC)
- Number of hours of assistance (less than 3, 3 or more)
- Respondent age
- Gender
- Race
 - Hispanic
 - American Indian
 - Asian
 - Black/African-American
 - Native Hawaiian/Pacific Islander
- Ethnicity
 - Hispanic/Latino
- Veteran or Service Disabled Veteran

Regression Results

In the results presented in this section, Concentrance identifies statistically significant predictor variables.³⁶ (Appendix 5)

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.³⁷

Results of this regression suggest that there is no significant difference in perceived usefulness of ED resource assistance based on firm size or business segment. There were also no significant differences in perceived usefulness based on hours of assistance, or ED resource. SCORE clients reported marginally lower levels of perceived usefulness than other ED Resource clients.

In terms of owner demographics, there were **no significant differences in perceived usefulness based on age, gender, or ethnicity**. However, veterans reported slightly lower perceived usefulness, while respondents in the Hawaiian/Pacific Islander category reported slightly higher perceived usefulness.

³⁶ Relationships are considered statistically significant at the 0.05 level. Marginal significance is defined as significant at the 0.10 level.

³⁷ The overall model was not statistically significant, and the R² was very small (0.0153). Coefficients reported here were significant at the 0.10 level. The usable sample size was 1,584.

The second regression model tested for a relationship between selected demographic and firm characteristics and the perceived usefulness of assistance with the client's decision to start a business.³⁸

Results of this regression suggest that there is a significant, inverse effect of firm size on reported levels of assistance with starting a business. In other words, **smaller firms reported higher levels of usefulness of ED resource assistance with the decision to start a business.** Otherwise, there were no differences in reported levels of assistance with starting a business based on business segment, or ED Resource. Furthermore, there was no significant relationship between number of hours and usefulness of assistance with starting a business.

There were also no significant effects of owner's age, gender, ethnicity, or veteran status on perceived usefulness of assistance with starting a business. Asian respondents reported slightly lower levels of perceived usefulness of assistance than respondents in other categories.

The third regression model tested for a relationship between selected demographic and firm characteristics 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.³⁹ This analysis does not include Nascent businesses, since this impact does not apply to these firms.

Results of this regression suggest that **larger firms were significantly more likely to report a higher financial impact of ED Resource assistance than smaller firms.** However, there was no difference in financial impact between ED resources.

Clients who received 3 or more hours of assistance reported significantly higher financial impacts than firms who received less than 3 hours of assistance.

There were no significant effects of owner's age, gender, race, or veteran status on reported financial impact of ED Resource assistance.

These regression analyses show that both firm and client characteristics can be 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.

Variations in perceived usefulness, assistance with starting a business, and financial impacts are due in part to differences in firm size and hours of assistance. There were no significant differences based on business segment. In addition, there were no significant effects of gender, age and the few differences based on veteran status, race and ethnicity were small.

³⁸ The overall model was not statistically significant, and the R² was very small (0.0153). Coefficients reported here were significant at the 0.10 level. The sample size was 2,041.

³⁹ The overall model was significant at the p<0.01 level, although the R² was very small (0.0209). Coefficients reported here were significant at the 0.10 level. The useable sample size, including Start-up and In Business firms, was 2,436.

V. SBDC 2008 VS. TOTAL ED RESOURCES

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

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

Concentrance surveyed 4,000 SBDC clients via web for the FY2008 study to test the viability of conducting future studies via the web versus mail. Concentrance sent SBDC clients e-mail invitations to complete the web survey. The response rate for the web survey was comparable to that of the mail and telephone surveys, indicating that clients were comfortable with the web survey format. No statistically significant differences were found between mail, phone, and web respondents in terms of revenues. In addition, Concentrance found no significant differences between mail and web respondents in terms of number of employees. Since there was no evidence of systematic response bias, Concentrance pooled these samples in subsequent analyses.⁴⁰

⁴⁰ Regression analyses were completed to compare mail and phone with web survey respondents. This was a test of the null hypothesis that revenues and the average number of employees, respectively, were the same for mail, phone, and web respondents ($t=-0.87$, $p=0.385$; $t=-0.89$, $p=0.3725$). Any p-value which is less than 0.05 is evidence of significant differences between respondent groups.

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 3,716 completed surveys. As shown in Figure 5.1, the largest business segment served by SBDC is the In-Business segment (58%). SBDC serves a slightly lower share of In-Business clients than the total ED Resources combined.

Figure 5.1 – SBDC – Distribution of Respondents by Segment (FY2008 Clients)

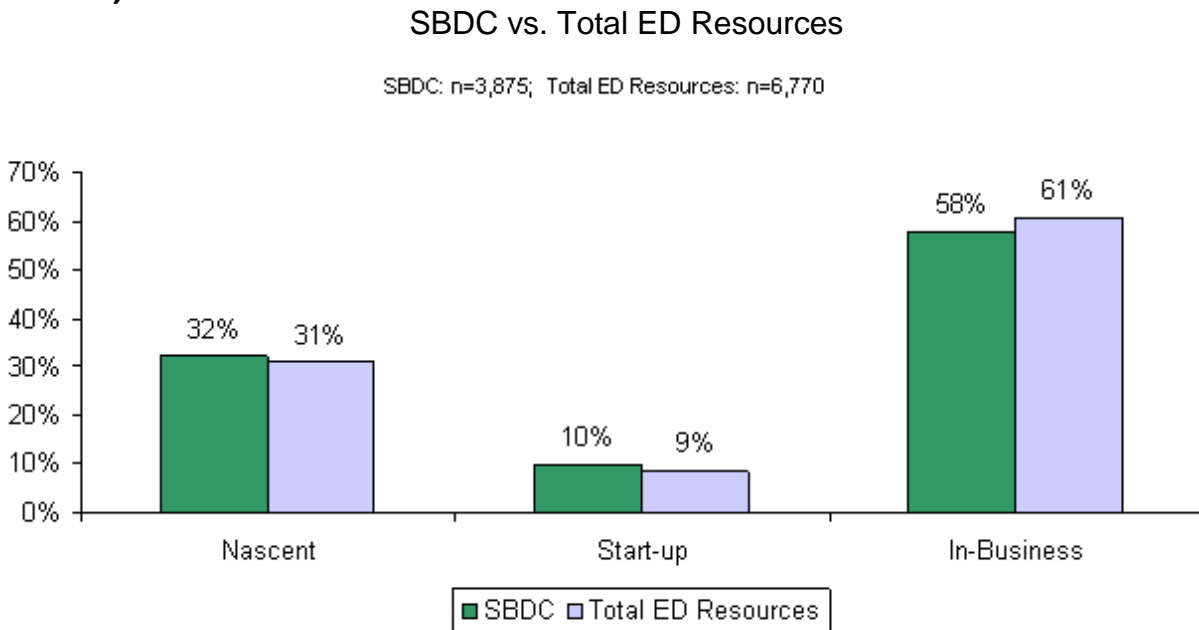


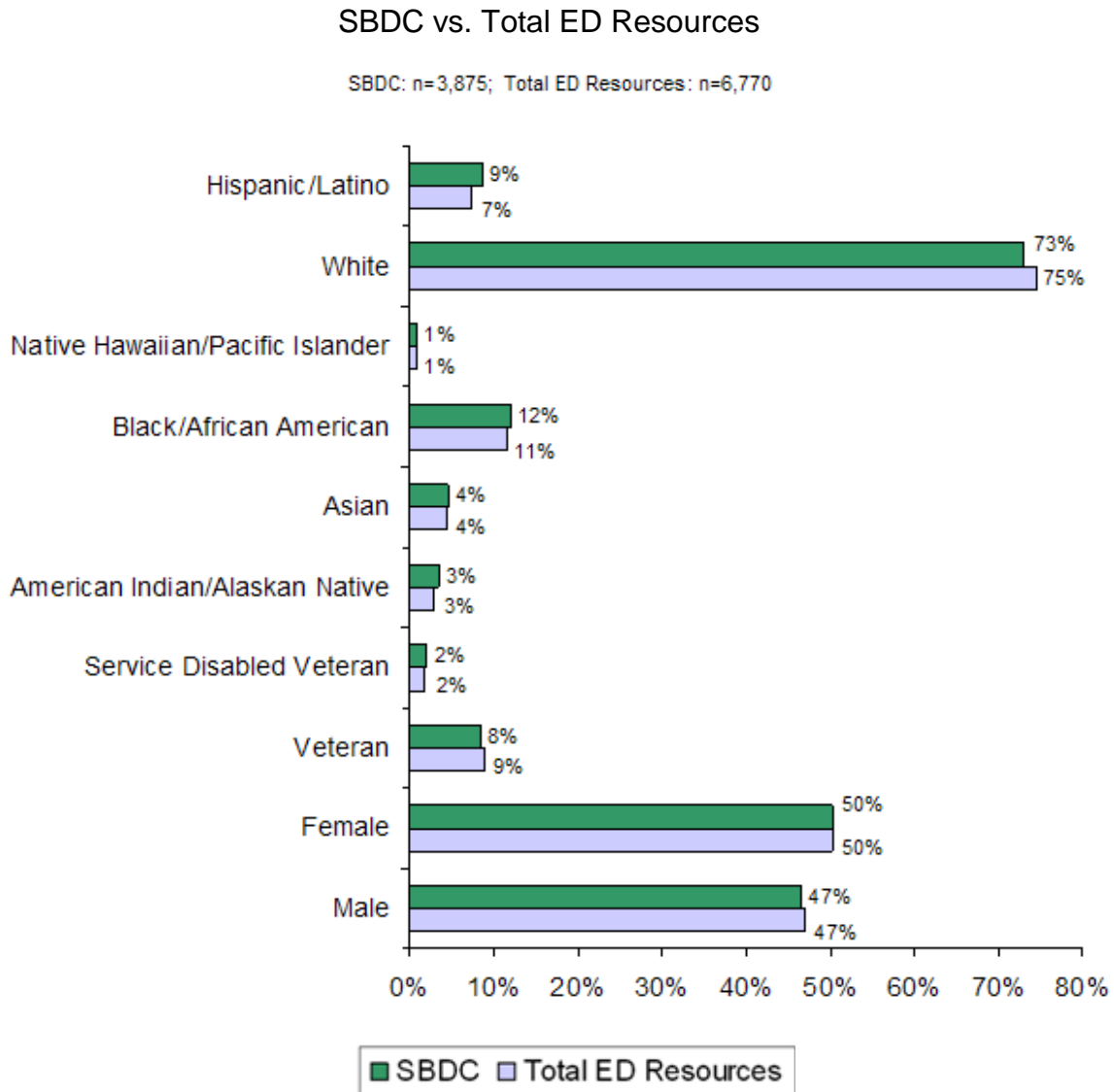
Table 5.1 compares revenues and employment for SBDC vs. total ED Resources. These results indicate that SBDC clients have higher revenues than the total ED Resource clients combined.

Table 5.1 – SBDC Client Revenues and Employment (FY2008)

	SBDC	Total ED Resources
Median Revenue	\$130,000	\$120,000
Median Employees	2	2

Demographic characteristics of SBDC clients, including gender, race, ethnicity, and veteran status are reported in Figure 5.2. About 50% of SBDC clients are female. Twelve percent of SBDC clients are African Americans and 9% are Hispanic/Latino. Ten percent of SBDC clients are veterans, with 2% in the Service Disabled category.

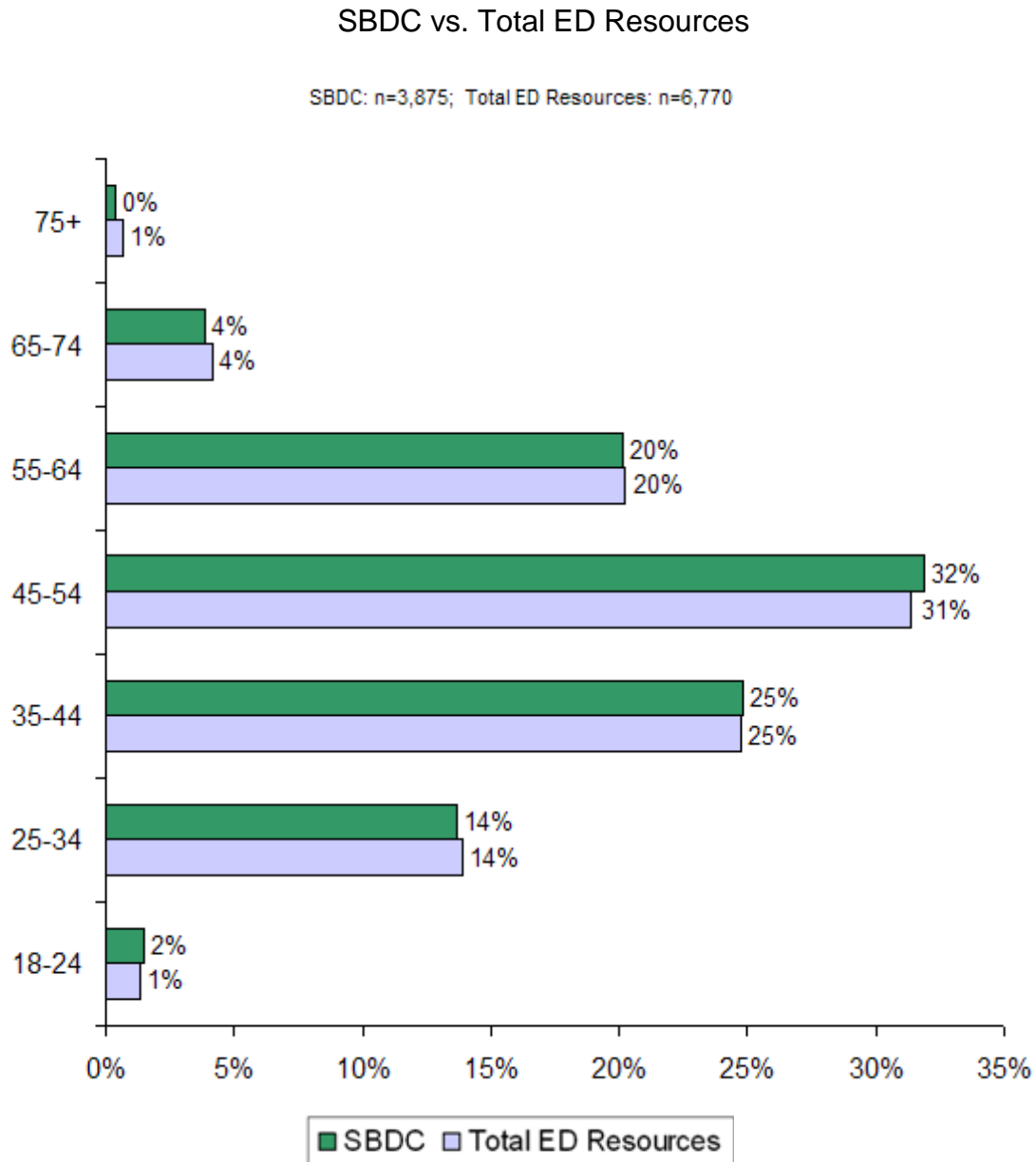
Figure 5.2 – SBDC – Demographic Characteristics (FY2008 Clients)⁴¹



⁴¹ The total percentage might not equal 100 due to respondents who selected multiple ethnicities. The SBDC demographic distribution was compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau. The distribution was comparable across characteristics except for the following: white business owners were 83% of the small business population, black business owners were 5%, and American Indian/Alaskan Native business owners were 1%. The percentage of women was also smaller.

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.

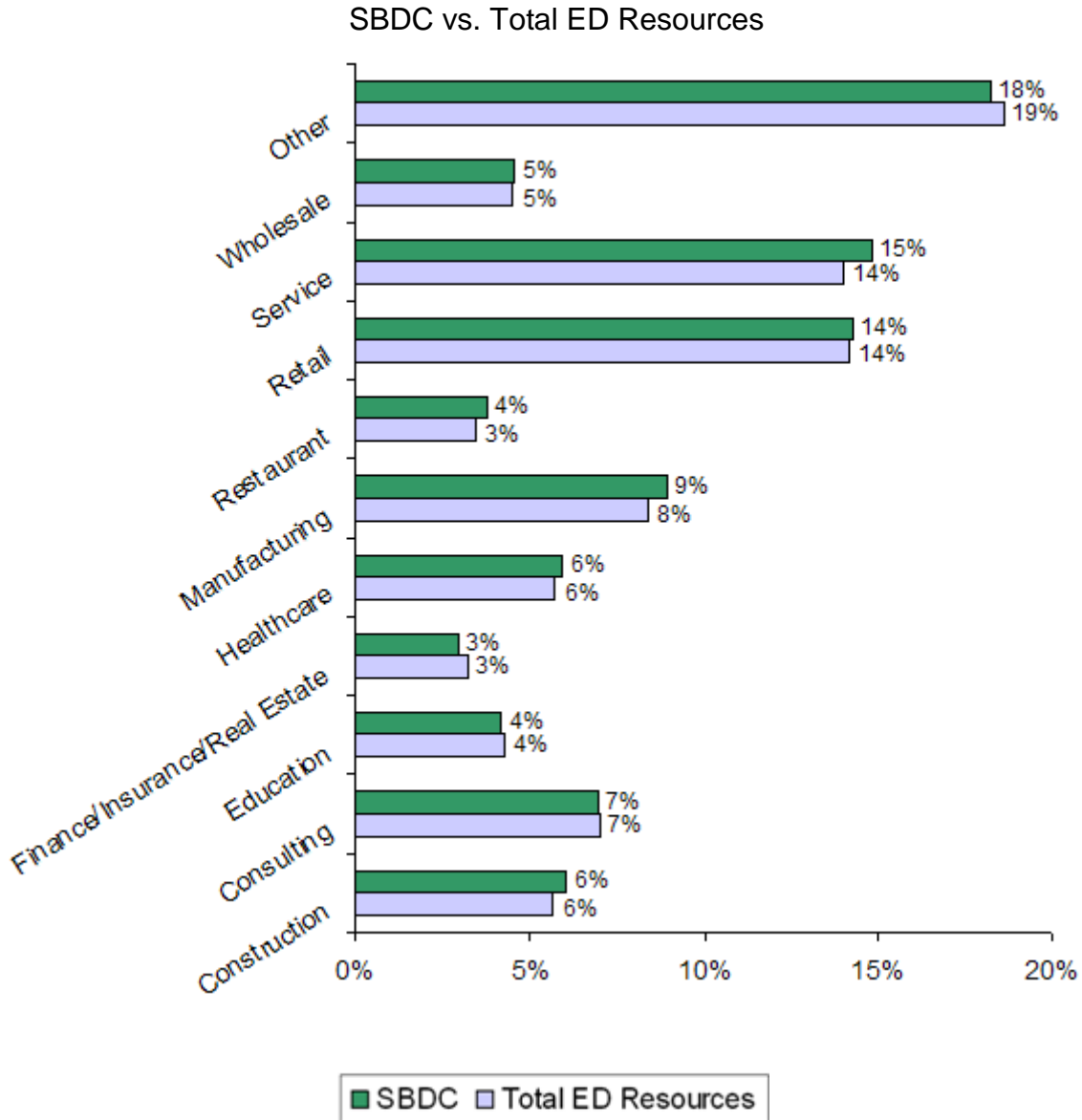
Figure 5.3 – SBDC – Age of Business Owner (FY2008 Clients)⁴²



⁴² The 2008 demographic distribution was compared to the national averages from the 2009 Small Business Economy Report for data year 2008. The distribution was comparable across age brackets except for the following: 18-24 was reported at 3%, and >65 was reported at 9% (compared to 4% for SBDC).

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 Business⁴³ (FY2008 Clients)



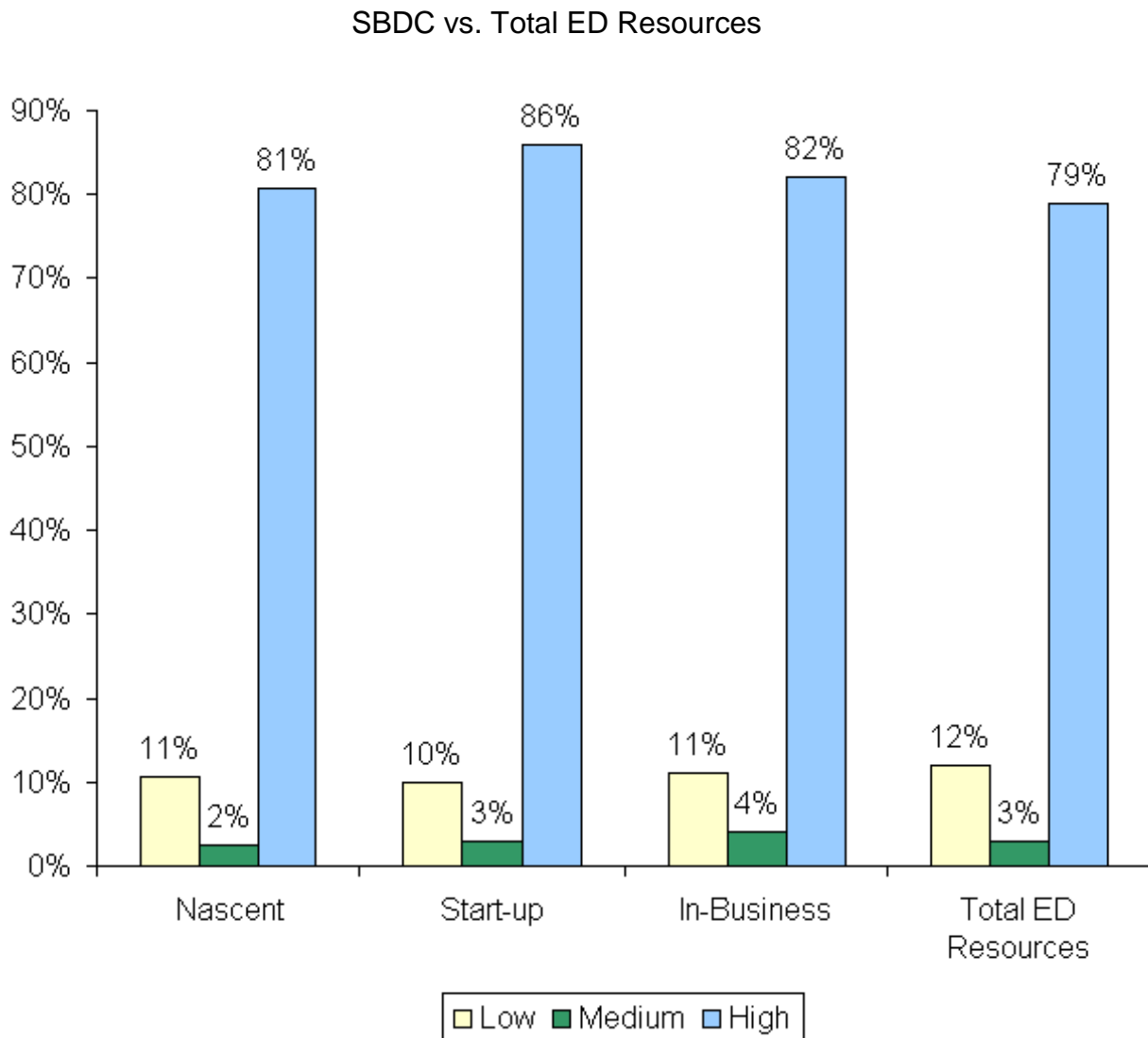
⁴³ Due to non-responses and multiple business type selections, the total for all business types might not equal. The SBDC distribution among job type was also compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau. The distribution was comparable across industries except for the following: Services was reported to be 11%, Retail was at 12%, Manufacturing at 3%, and Construction was reported to be 12%.

SBDC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 82% of SBDC respondents reported that the information they received from their counselor was valuable. Figure 5.5 shows ratings of usefulness of SBDC ED Resources, as assessed by business segment, compared to total ED Resources. The SBDC Start-up firms rated the usefulness of information somewhat higher than the Nascent and In-Business firms. SBDC clients assigned higher ratings than the 79% average for ED Resource clients combined.

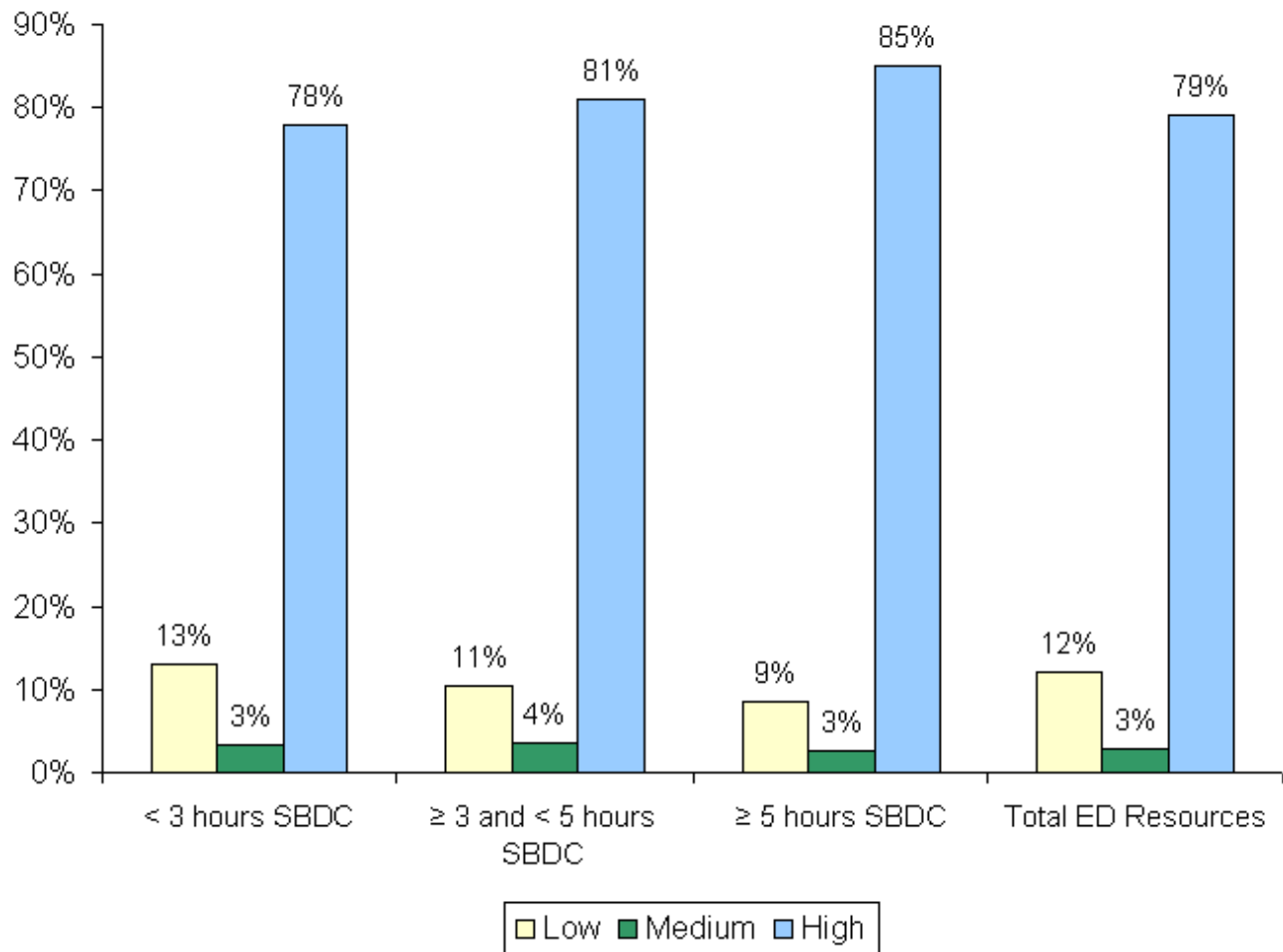
Figure 5.5 – SBDC –Usefulness of SBDC⁴⁴ (FY2008 Clients)



⁴⁴ Low value includes the 'Somewhat Valuable' and 'Not Valuable' response categories. High value includes the 'Extremely Valuable' and 'Valuable' response categories.

Figure 5.5A below shows the perceived usefulness of SBDC assistance based upon the number of hours of counseling received. Figure 5.5A shows that 81% of SBDC respondents that received between 3 and 5 hours and 85% that received more than 5 hours of counseling rated SBDC usefulness as “high” vs. 78% of respondents that received less than 3 hours of counseling.

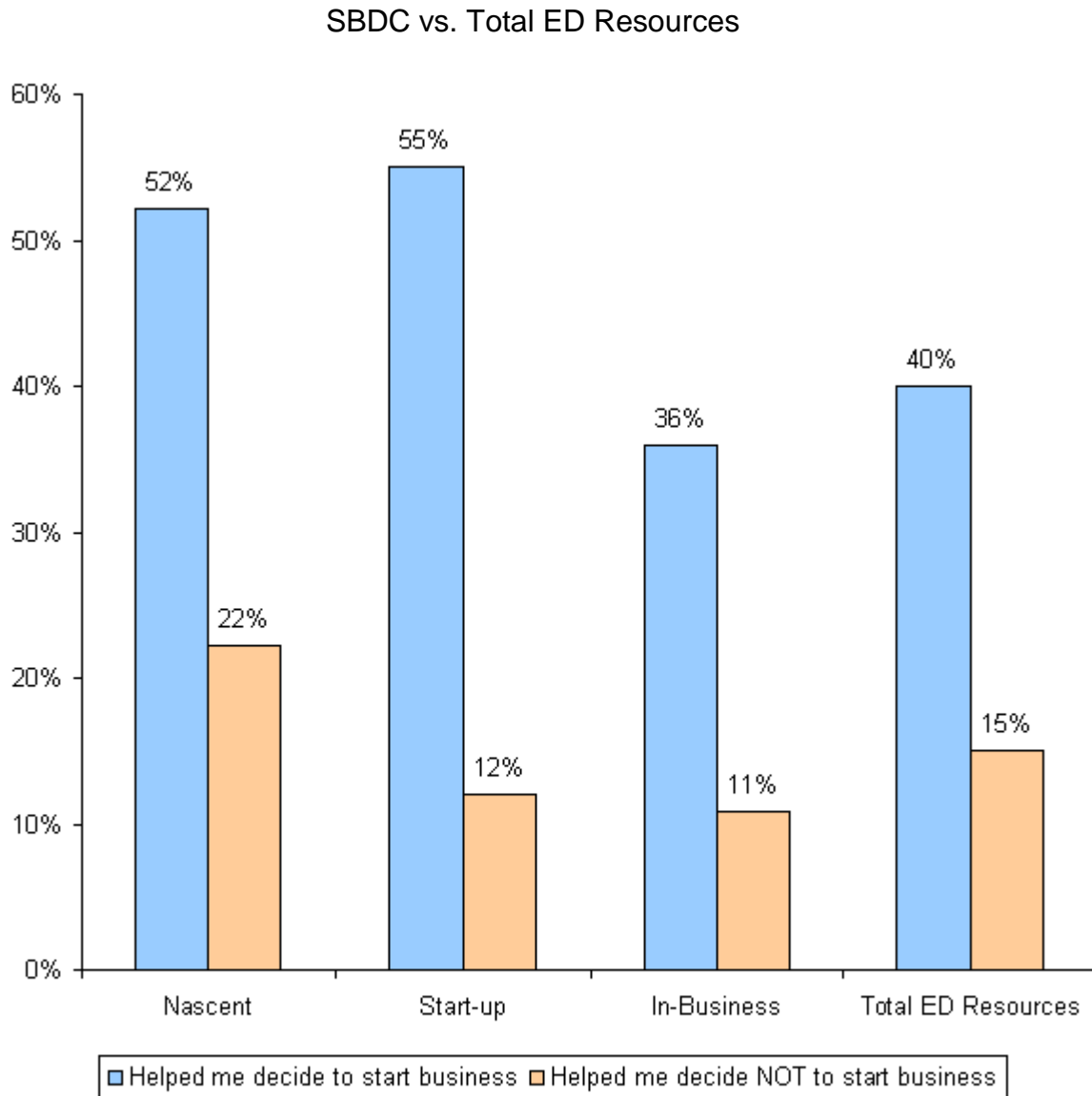
Figure 5.5A – Usefulness of SBDC: SBDC by Hours of Counseling vs. Total ED Resources Aggregate Hours



Decision to Start or Not Start a Business

As reported in Figure 5.6, 52% of Nascent clients and 55% of Start-up clients reported that SBDC ED Resource assistance was useful with the decision to start a business, compared to 40% of total ED Resource clients combined. Nascent clients also reported help with not starting a business at nearly twice the rate of the other segments.

Figure 5.6 – SBDC – Usefulness of SBDC ED Resources in Starting or NOT Starting a Business⁴⁵ (FY2008 Clients)



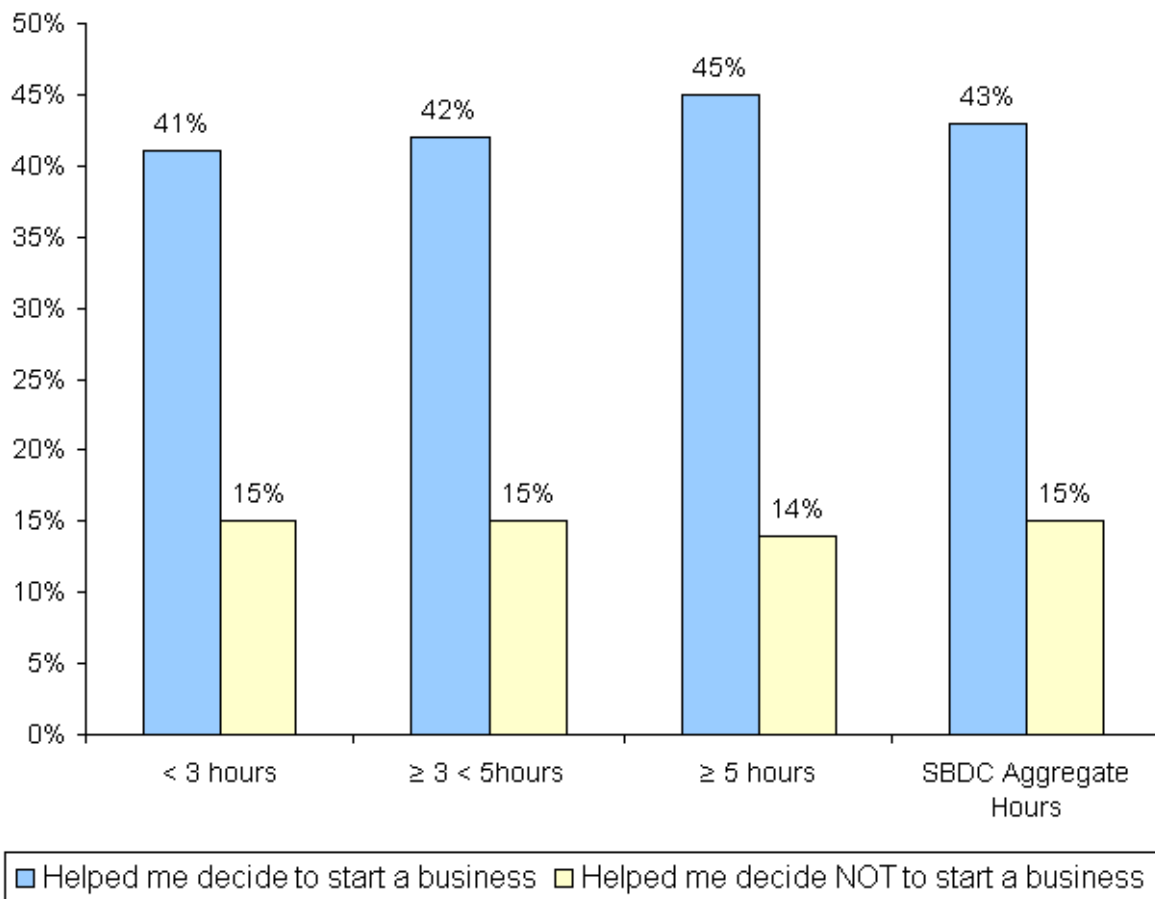
⁴⁵ Helpful includes the 'Very Useful' and 'Useful' response categories only.

Figure 5.6A shows the extent to which SBDC assistance was useful to clients in their decision to start or not to start a business relative to the number of hours of counseling received.

As illustrated below, 45% of respondents who had 5 or more, and 42% of respondents who had between 3 and 5 hours of counseling reported SBDC assistance to be useful in making the decision to start a business. For those who received less than three hours of counseling, 41% found SBDC to be helpful in deciding to start a business.

Fifteen percent of respondents who received between 3 and 5, and less than 3 hours of counseling reported that SBDC helped them decide not to start a business, which was slightly higher than 14% of those clients who received 5 or more hours of counseling.

Figure 5.6A – SBDC – Usefulness of SBDC ED Resources in Starting or NOT Starting a Business: SBDC by Hours of Counseling vs. SBDC Aggregate Hours (FY2008 Clients)



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, 63% of Start-up firms changed their management practices or strategies. For 2008 clients, 60% of SBDC In-Business clients reported changing management practices. The figures for SBDC Start-ups are higher than for ED Resource clients combined, while the In-Business segment was just below that for total ED Resources.

Figure 5.7 – SBDC – Changed Management Practices/Strategies as a Result of SBDC ED Resource Assistance (FY2008 Clients)

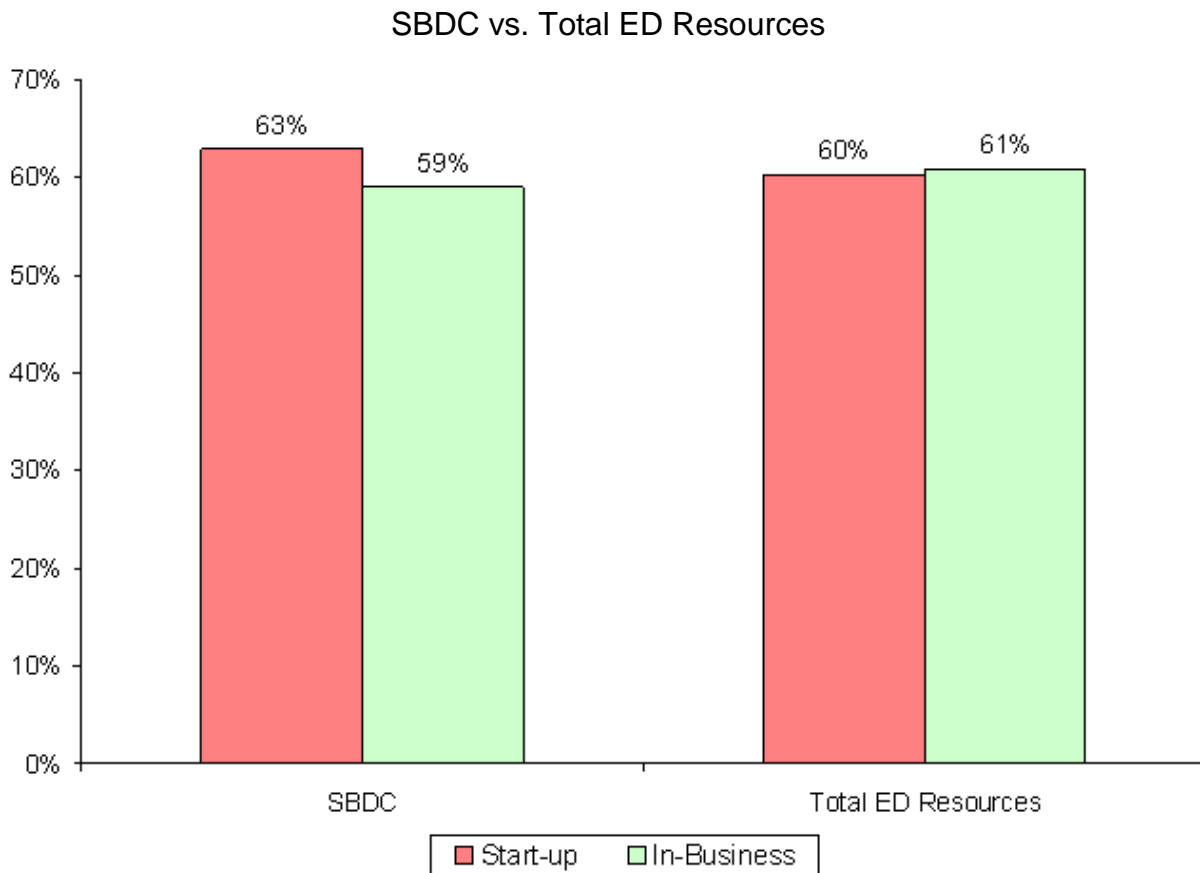
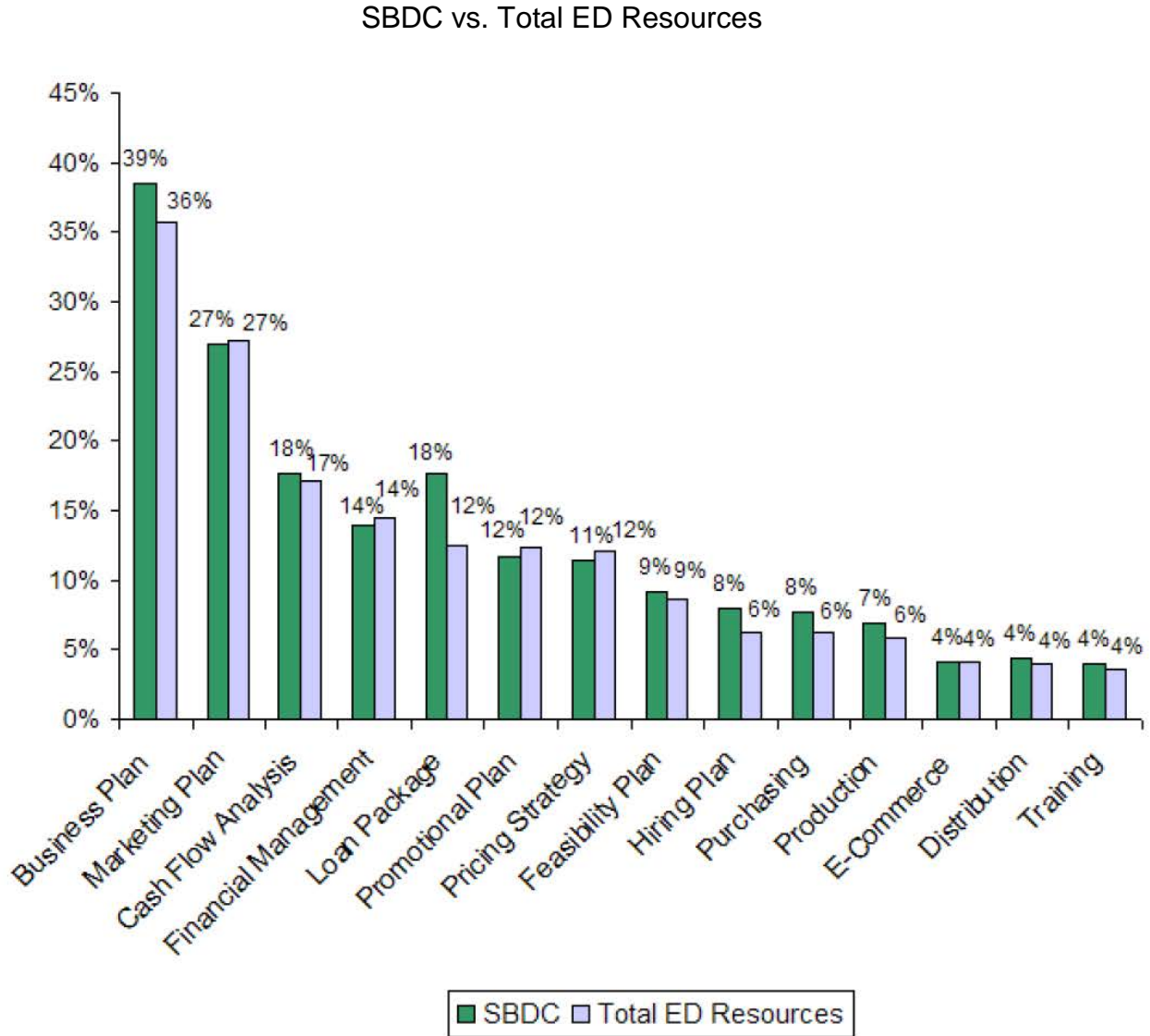


Figure 5.8 below reflects the percentage of firms reporting that SBDC ED Resource assistance led to the development of **business plans, marketing plans, etc.**

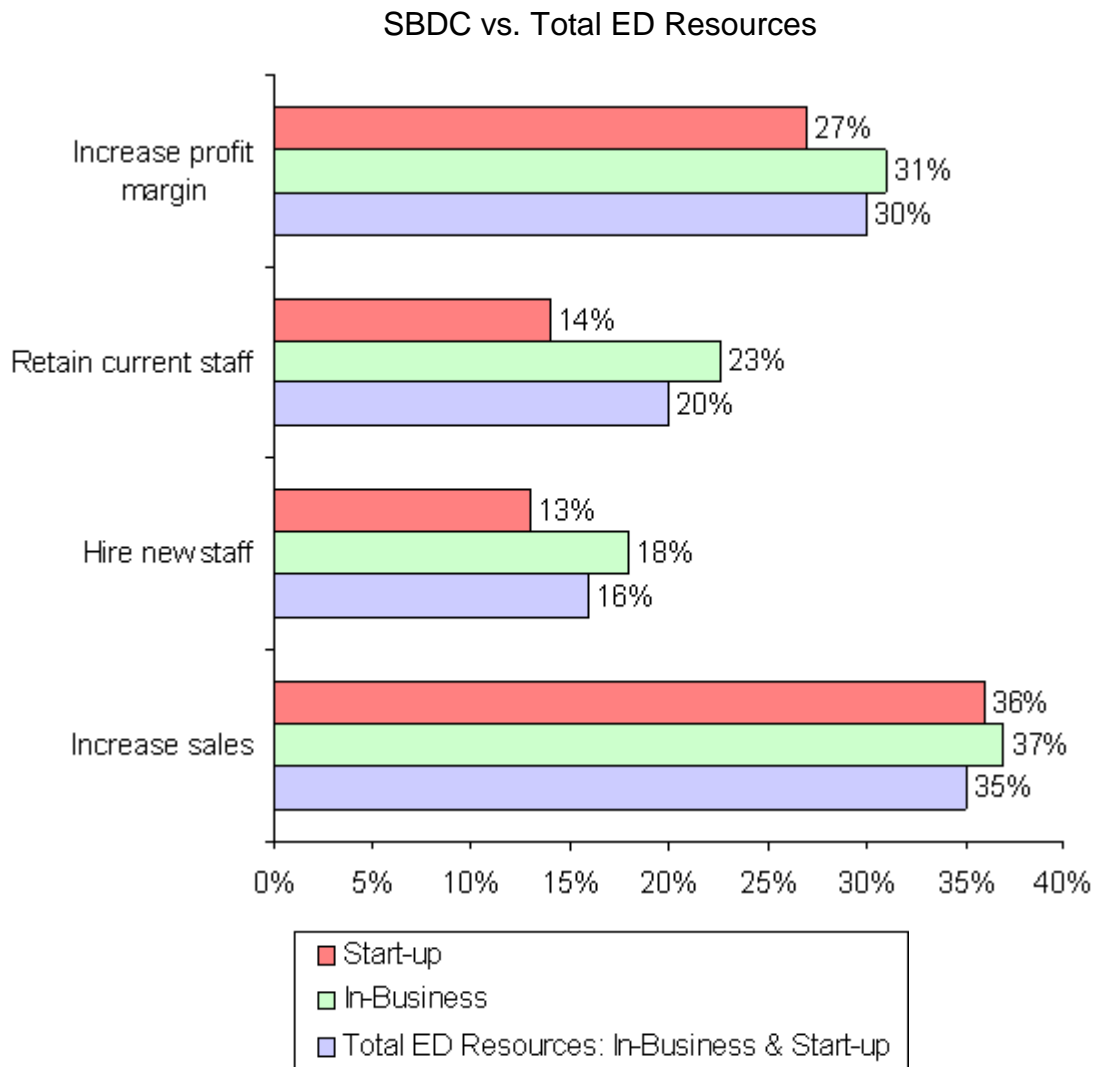
Figure 5.8 – SBDC – Assistance in Plan Development (FY2008 Clients)



Sales, Job Creation and Job Retention

Figure 5.9 compares SBDC Start-up and In-Business clients in terms of the reported impact of SBDC ED assistance on increases in sales, profits, jobs, and the retention of employees. Thirty-six percent of SBDC Start-ups and 37% of In-Business respondents reported that they were able to increase sales as a result of SBDC ED Resource assistance, compared to 35% for total ED Resources.⁴⁶ Twenty-seven percent of Start-up clients and 31% of In-Business clients reported that they were able to increase profit margin as a result of assistance, compared to 30% for total ED Resources.

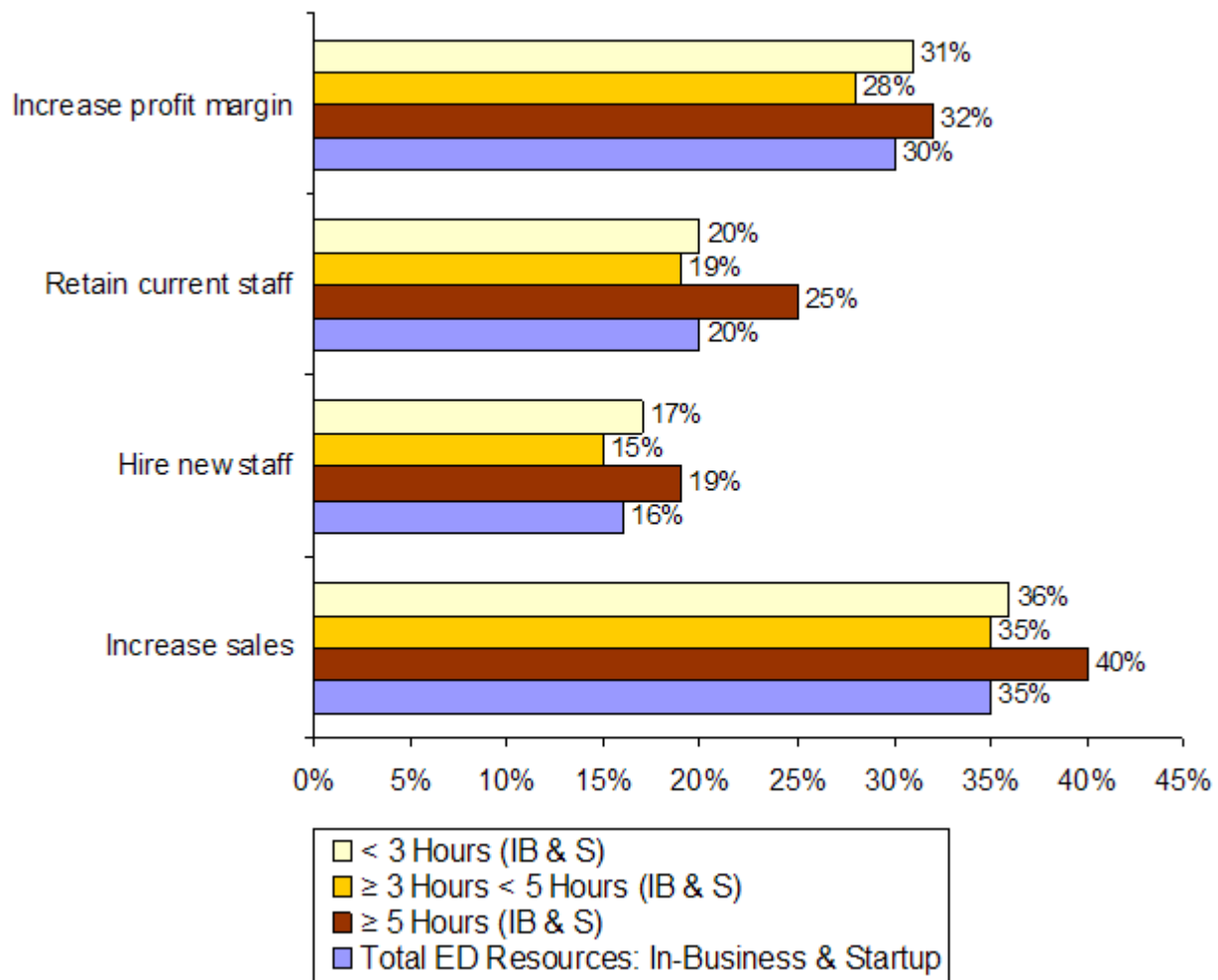
Figure 5.9 – SBDC – Perceived Impact of Assistance (FY2008 Clients)



⁴⁶ This comparison excludes the Nascent category for total ED Resources and SBDC.

Figure 5.9A compares the total ED Resources impact of assistance for increasing sales, profits, jobs, and the retention of employees to the impact of the number of hours of counseling on those ratings for SBDC. The number of hours of counseling received comprises 3 categories for SBDC: less than 3 hours, between 3 and 5 hours, and 5 or more hours. SBDC clients who received 5 or more hours of counseling reported greater perceived impact of SBDC assistance than total ED Resources. For example, 40% of clients that received 5 or more hours of SBDC counseling reported an increase in sales and 32% of clients that received 5 or more hours reported an increase in profit margins.

Figure 5.9A – SBDC – Perceived Impact of Assistance: SBDC Hours of Counseling Received for In-Business and Start-ups vs. Total ED Resources Aggregate Hours for In-Business and Start-ups



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VI. SCORE 2008 VS. TOTAL ED RESOURCES

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

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

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

Demographic Characteristics of SCORE Clients

This section describes the general demographic and financial characteristics of SCORE respondents. These results are based on an analysis of 2,617 completed surveys. As shown in Figure 6.1, the largest business segment served by SCORE is the In-Business segment (65%), which is four percentage points higher than the In-Business segment for total ED Resources. The Nascent segment is the second largest at 29%.

Figure 6.1 – SCORE – Distribution of Respondents by Segment (FY2008 Clients)

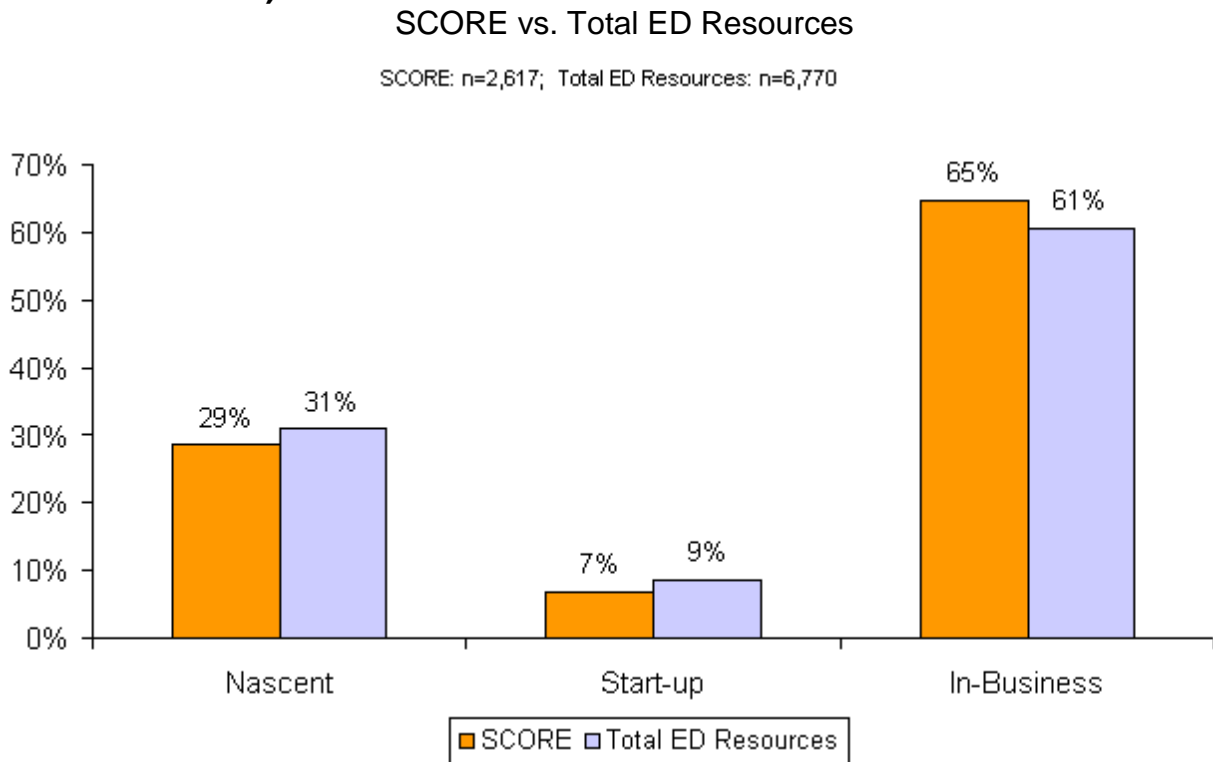


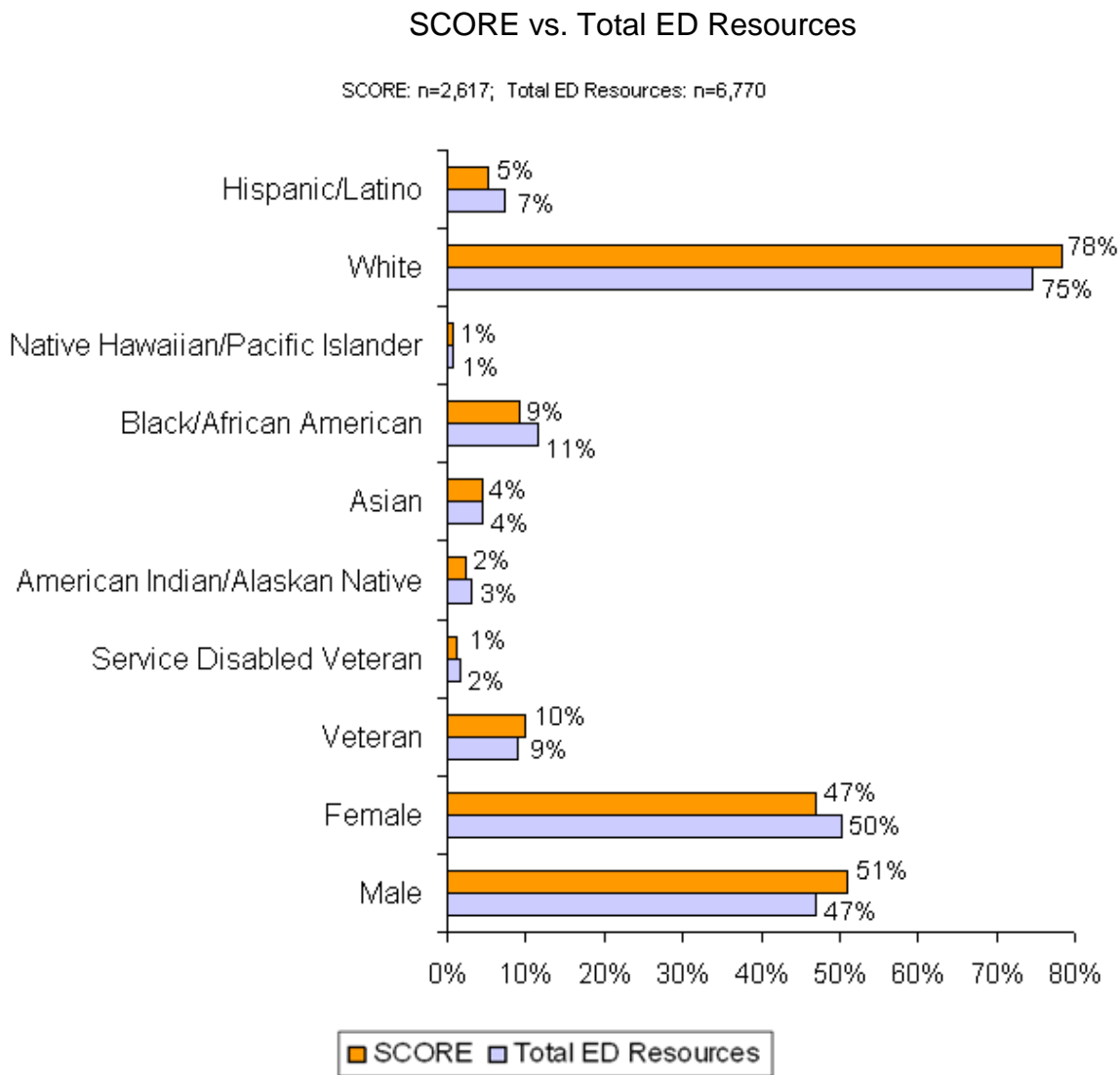
Table 6.1 compares revenues and employment for SCORE clients vs. total ED Resources. SCORE client revenues are marginally lower than the median for total ED Resources combined.

Table 6.1 – SCORE Client Revenues and Employment (FY2008)

	SCORE	Total ED Resources
Median Revenue	\$116,500	\$120,000
Median Employees	2	2

Demographic characteristics of SCORE clients, including gender, race, ethnicity, and veteran status are reported in Figure 6.2. About 47% of SCORE clients are female. Nine percent of SCORE clients are African-American, and 5% are Hispanic/Latino. Ten percent of SCORE clients are veterans, with 1% in the Service Disabled category. These percentages are similar to ED Resources overall.

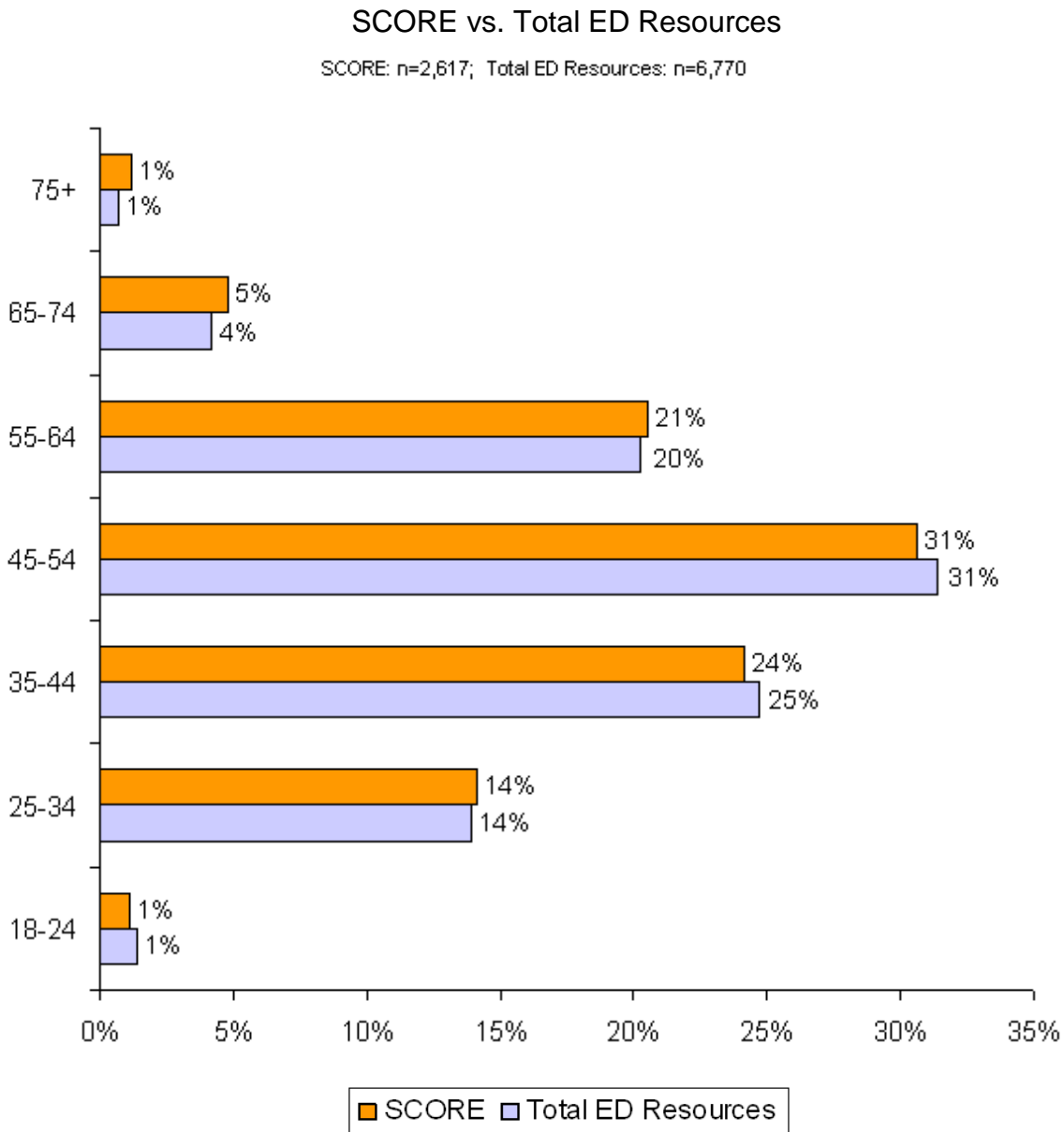
Figure 6.2 – SCORE – Demographic Characteristics (FY2008 Clients)⁴⁷



⁴⁷ In some instances, the total percentage might not equal 100 due to respondents who selected multiple ethnicities. The SCORE demographic distribution was compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau. The distribution was comparable across characteristics except for the following: white business owners were 83% of the small business population, black business owners were 5%, and American Indian/Alaskan Native business owners were 1%. The percentage of women was also smaller.

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. The largest age group served are those between the ages of 45 and 54.

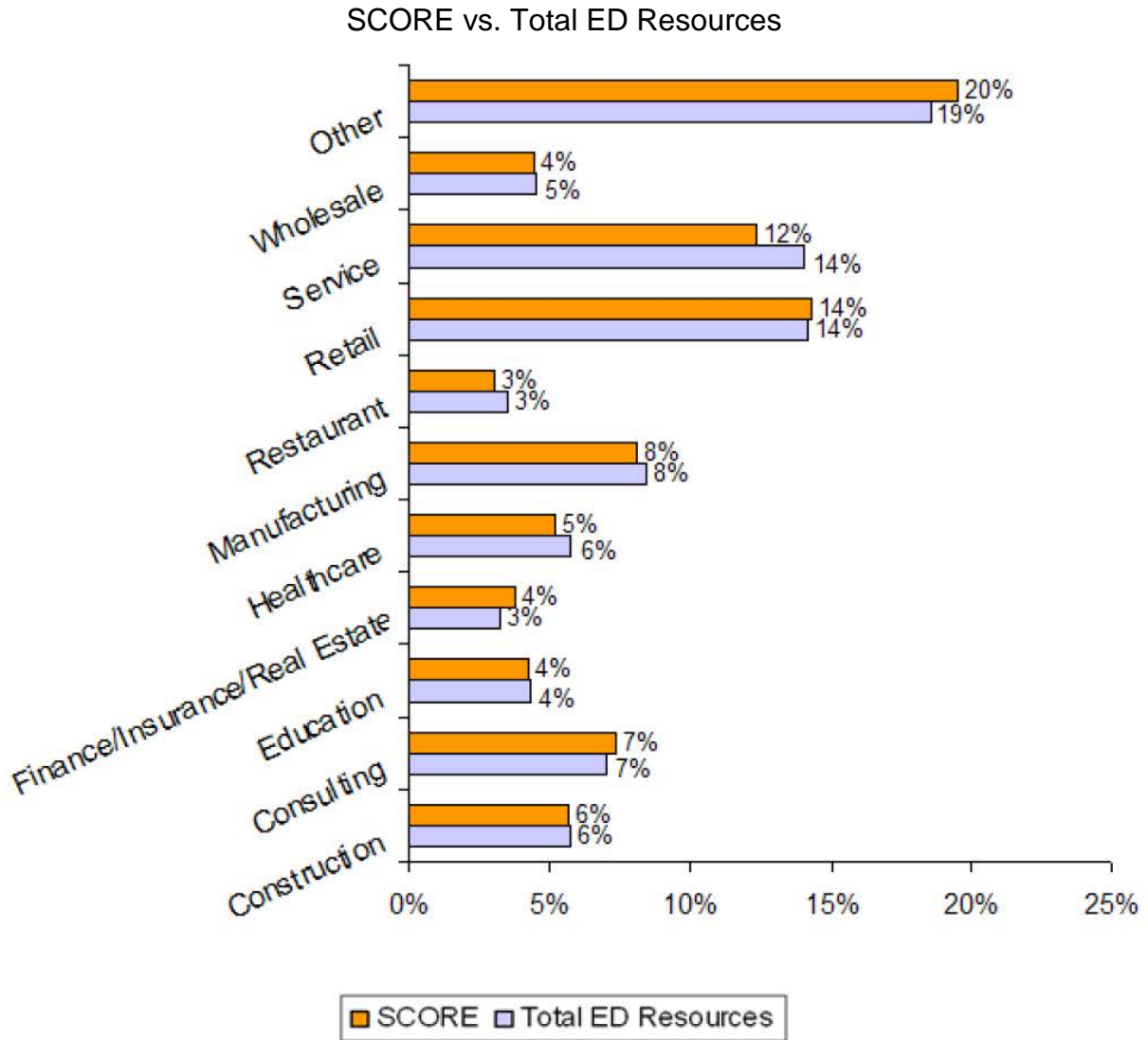
Figure 6.3 – SCORE – Age of Business Owner (FY2008 Clients)⁴⁸



⁴⁸ The 2008 demographic distribution was compared to the national averages from the 2009 Small Business Economy Report for data year 2008. The distribution was comparable across age brackets except for the following: 18-24 was reported at 3%, and >65 was reported at 9% (compared to 6% for SCORE).

Figure 6.4 shows that the most common types of businesses served by SCORE are in the **service** and **retail** categories.

Figure 6.4 – SCORE – Type of Business (FY2008 Clients)⁴⁹



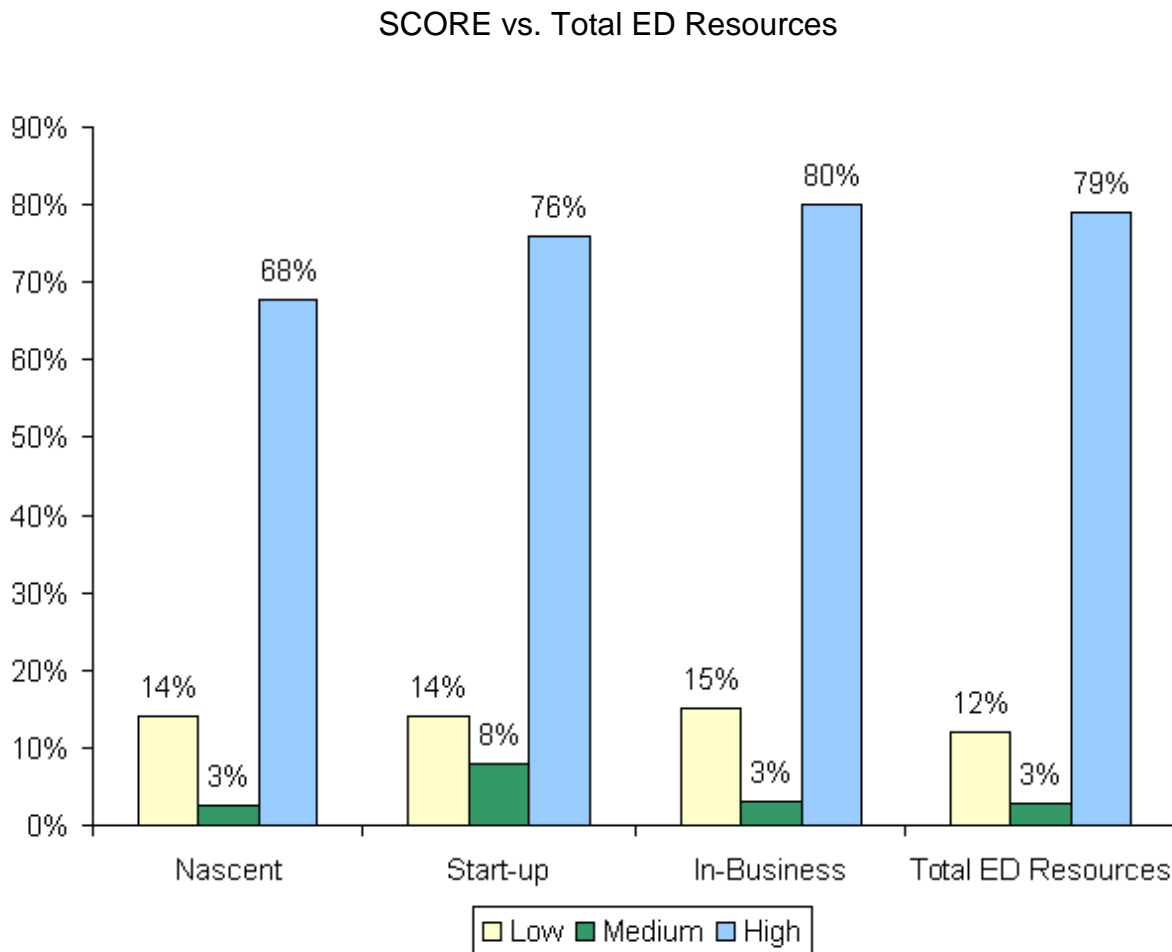
⁴⁹ Due to non-responses and multiple business type selections, the total for all business types might not equal 100%. The SCORE distribution among job type was also compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau. The distribution was comparable across industries except for the following: Manufacturing at 3%, and Construction was reported to be 12%.

SCORE Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 76% of SCORE respondents reported that the information they received from their counselor was valuable, three percentage points less than total ED Resources combined. Figure 6.5 shows ratings of usefulness of SCORE ED Resources, as assessed by business segment, compared to total ED Resources. SCORE In-Business firms rated the information they received as useful 80% of the time, while Nascent firms rates the information they received as useful 68% of the time.

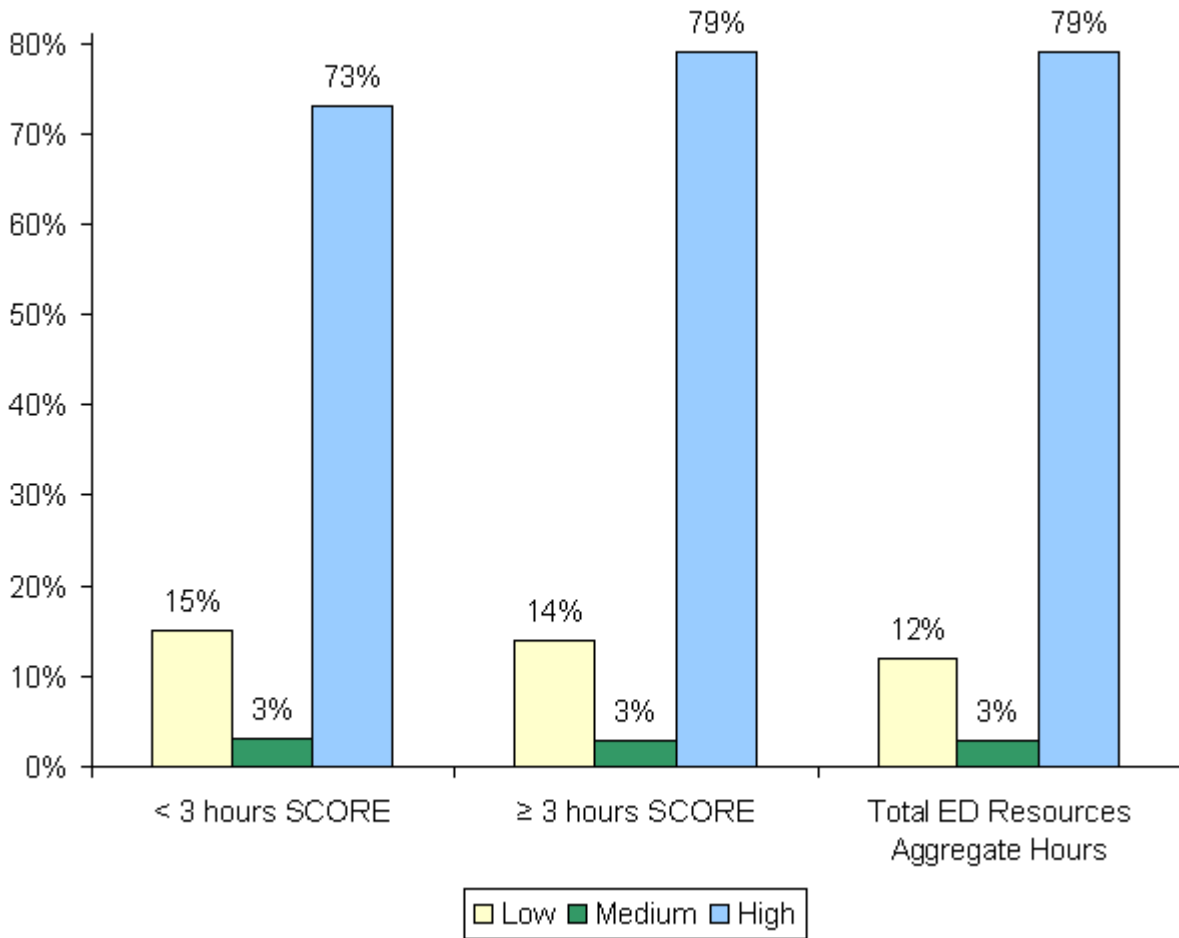
Figure 6.5 – SCORE –Usefulness of SCORE (FY2008 Clients)⁵⁰



⁵⁰ Low value includes the 'Somewhat Valuable' and 'Not Valuable' response categories. High value includes the 'Extremely Valuable' and 'Valuable' response categories.

Figure 6.5A below shows the perceived usefulness of SCORE assistance based upon the number of hours of counseling received. Figure 6.5A shows that 79% of SCORE respondents that received 3 or more hours of counseling rated SCORE usefulness as “high” compared to 73% of respondents that received less than 3 hours of counseling. The share of respondents that reported “low” levels of SCORE usefulness decreased from 15% to 14% when the duration of counseling was 3 or more hours.

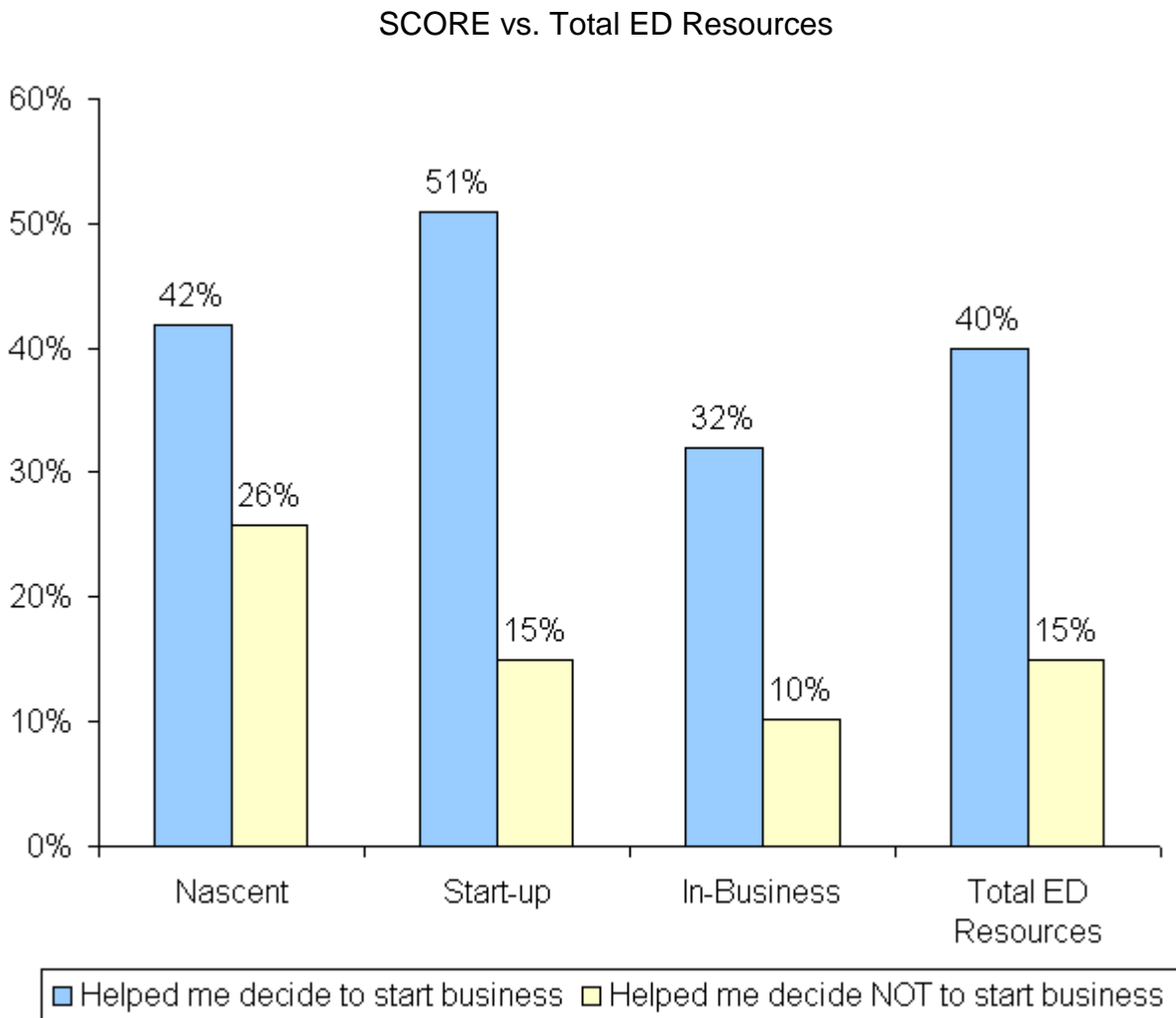
Figure 6.5A – Usefulness of SCORE: SCORE by Hours of Counseling vs. Total ED Resources Aggregate Hours



Decision to Start or Not Start a Business

As reported in Figure 6.6, 42% of Nascent clients and 51% of Start-up clients reported that SCORE ED Resource assistance was useful with the decision to start a business, both above the average of 40% for total ED Resources combined. SCORE Nascent respondents reported that resource assistance helped them decide not to start a business 26% of the time, compared to 15% for total ED Resources combined.

Figure 6.6 – SCORE – Usefulness of SCORE ED Resources in Starting or NOT Starting a Business (FY2008 Clients)⁵¹



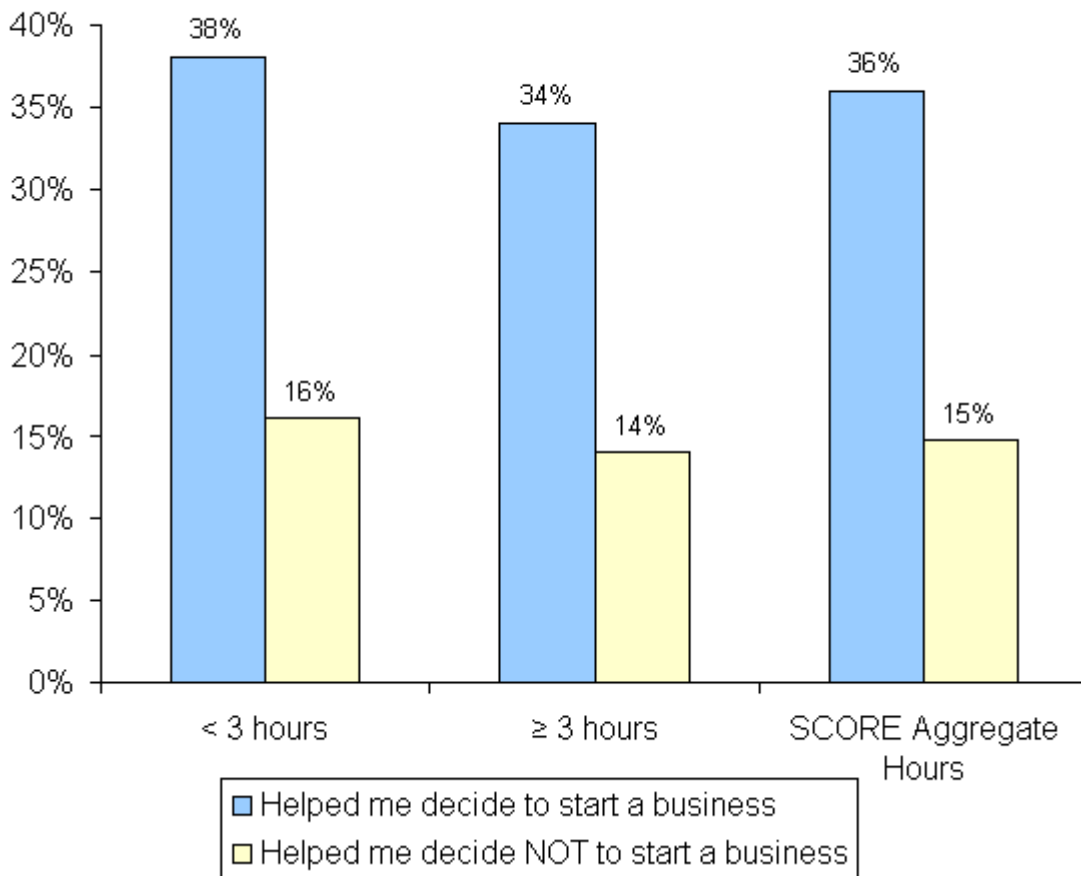
⁵¹ Helpful includes the 'Very Useful' and 'Useful' response categories only.

Figure 6.6A shows the extent to which SCORE assistance was useful to clients in their decision to start or not to start a business relative to the number of hours of counseling received.

As illustrated below, 38% of respondents who received less than 3 hours of counseling reported that SCORE assistance was useful in making the decision to start a business, which was slightly higher than 34% of those clients who received 3 or more hours of counseling.

Similarly, 16% of respondents who received less than 3 hours of counseling reported SCORE to be helpful in deciding not to start a business, while those that received 3 or more hours of counseling reported help with not starting a business 14% of the time.

Figure 6.6A – SCORE – Usefulness of SCORE ED Resources in Starting or NOT Starting a Business: SCORE by Hours of Counseling vs. SCORE Aggregate Hours (FY2008 Clients)



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, 54% of Start-up firms changed their management practices or strategies, and 63% of In-Business clients reported changing management practices. The figures for SCORE Start-ups are lower than for total ED Resources combined, while the In-Business segment was slightly higher.

Figure 6.7 – SCORE – Changed Management Practices/Strategies as a Result of SCORE ED Resource Assistance (FY2008 Clients)

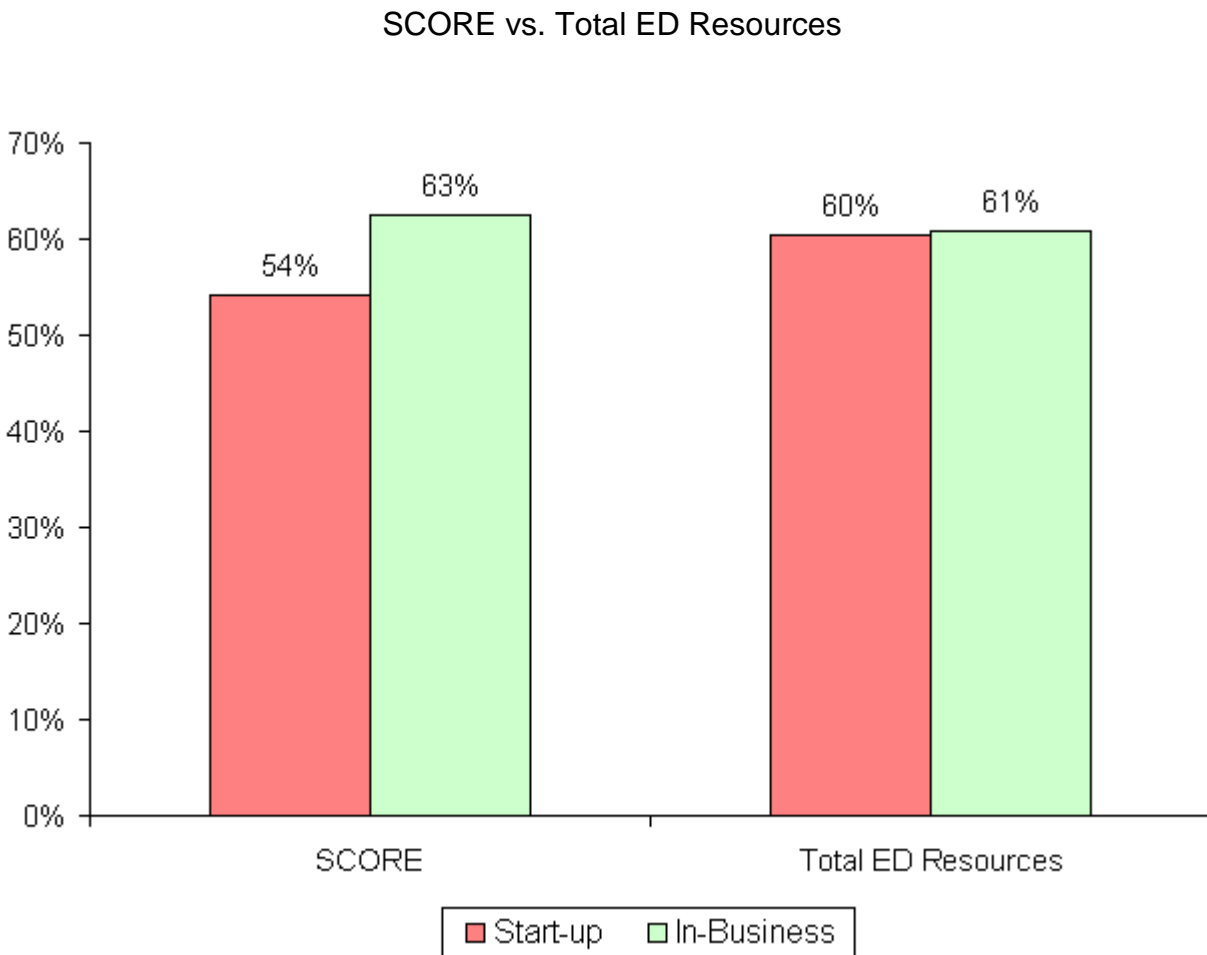
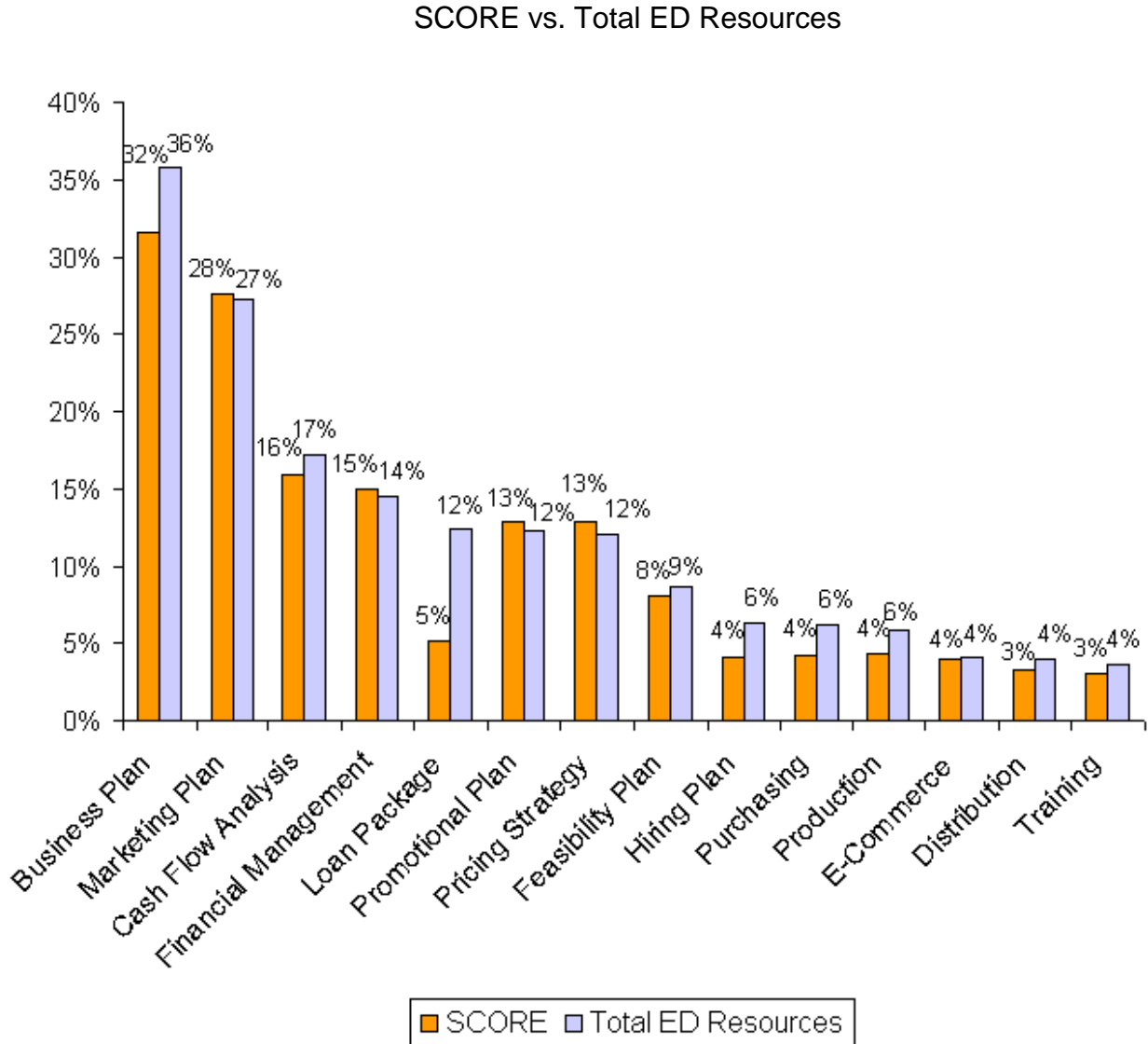


Figure 6.8 below reflects the percentage of firms reporting that SCORE ED Resource assistance led to the development of **business plans, marketing plans, etc.**

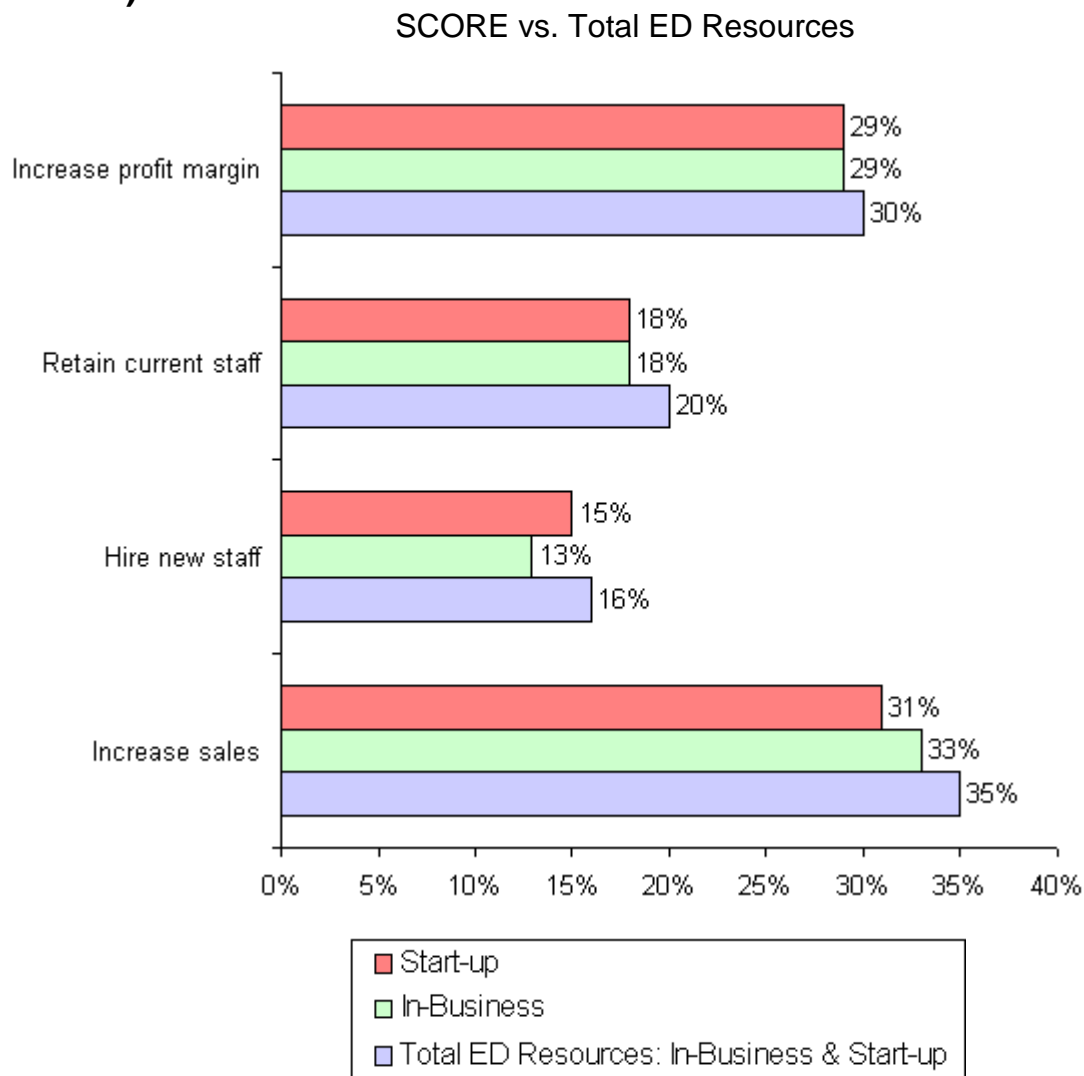
Figure 6.8 – SCORE – Assistance in Plan Development (FY2008 Clients)



Sales, Job Creation and Job Retention

Figure 6.9 compares SCORE Start-up and In-Business clients in terms of the reported impact of SCORE ED assistance on increases in sales, profits, jobs, and the retention of employees. Thirty-one percent of SCORE Start-ups and 33% of In-Business respondents reported that they were able to increase sales as a result of SCORE ED Resource assistance, compared to 35% for total ED Resources.⁵² In addition, 29% of SCORE In-Business and Start-up clients reported that they were able to increase profit margins as a result of SCORE assistance. There appears to be little difference between SCORE Start-up and In-Business clients in regards to the perceived financial impact of assistance.

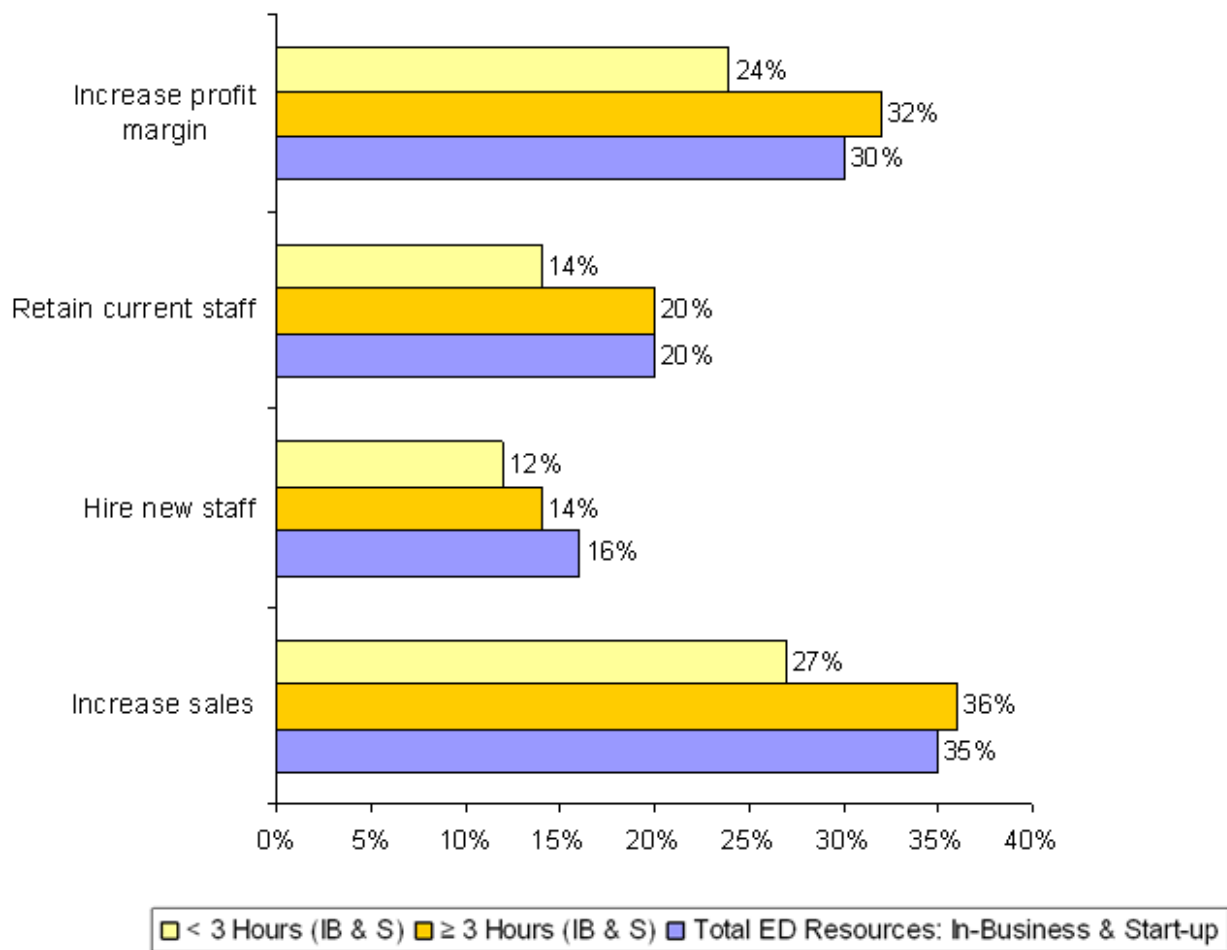
Figure 6.9 – SCORE – Perceived Impact of Assistance (FY2008 Clients)



⁵² This comparison excludes the Nascent category for total ED Resources and SBDC.

Figure 6.9A compares the total ED Resources impact of assistance for increasing sales, profits, jobs, and the retention of employees to the impact of the number of hours of counseling on those ratings for SCORE. The number of hours of counseling received comprises two categories for SCORE: less than 3 hours, and 3 or more hours. It is clear from the figure below that the greater the number of hours of counseling received, the greater the perceived impact of assistance reported by SCORE In-Business and Start-up clients. It is also apparent that for both hour categories, and across all categories of impact, the perceived impact of SCORE assistance is less than the average impact reported for total ED Resources.

Figure 6.9A – SCORE – Perceived Impact of Assistance: SCORE Hours of Counseling Received for In-Business and Start-ups vs. Total ED Resources Aggregate Hours for In-Business and Start-ups



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VII. WBC 2008 VS. TOTAL ED RESOURCES

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

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

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

Demographic Characteristics of WBC Clients

This section describes the general demographic and financial characteristics of WBC respondents. These results are based on an analysis of 278 completed surveys. As shown in Figure 7.1, the largest business segment served by WBC is the In-Business segment. WBC serves the same share of In-Business clients as for total ED Resources. This figure also shows that, compared to total ED Resources, there are a greater share of WBC clients in the Nascent segment and lower share in the Start-up segment.

Figure 7.1 – WBC – Distribution of Respondents by Segment (FY2008 Clients)

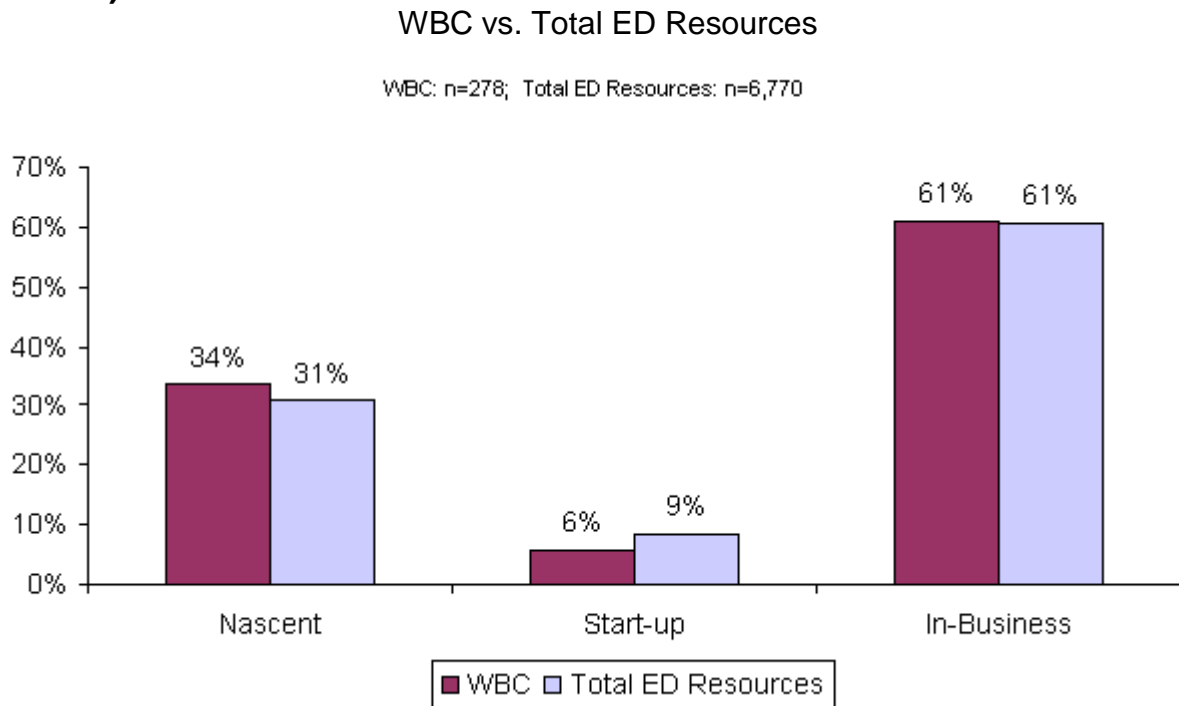


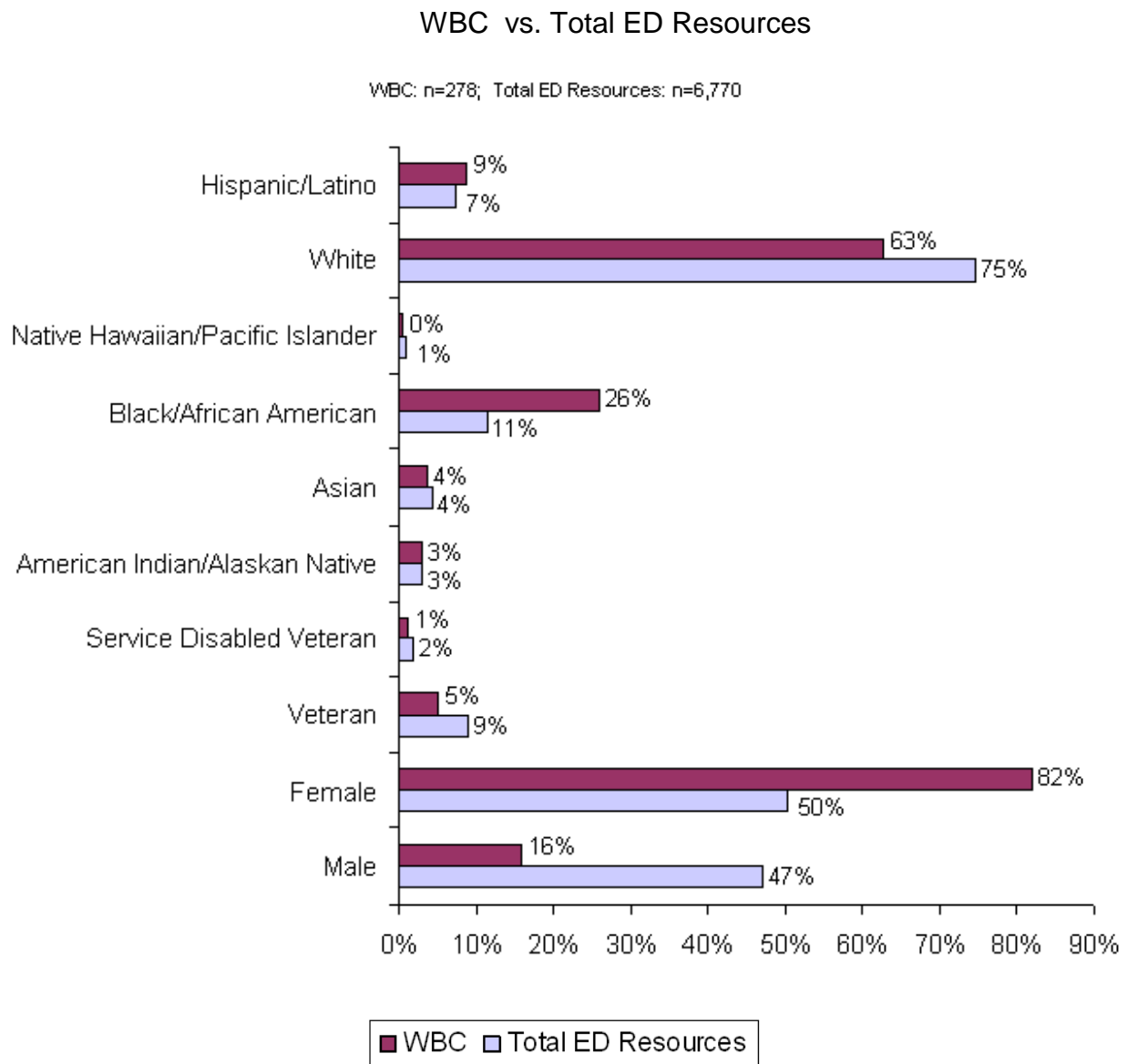
Table 7.1 compares revenues and employment for WBC clients vs. total ED Resources. These results indicate that WBC clients are smaller in terms of revenues and number of employees than total ED Resources combined.

Table 7.1 – WBC Client Revenues and Employment (FY2008)

	WBC	Total ED Resources
Median Revenue	\$50,000	\$120,000
Median Employees	1	2

Demographic characteristics of WBC clients, including gender, race, ethnicity, and veteran status are reported in Figure 7.2. Not surprisingly, about 82% of WBC clients are female. A noteworthy 26% of WBC clients are African-American, compared to 11% for total ED Resources combined. Hispanic/Latino clients represent 9% of WBC clients. WBC serves a small share of veterans (5%) and Service Disabled veterans (1%).

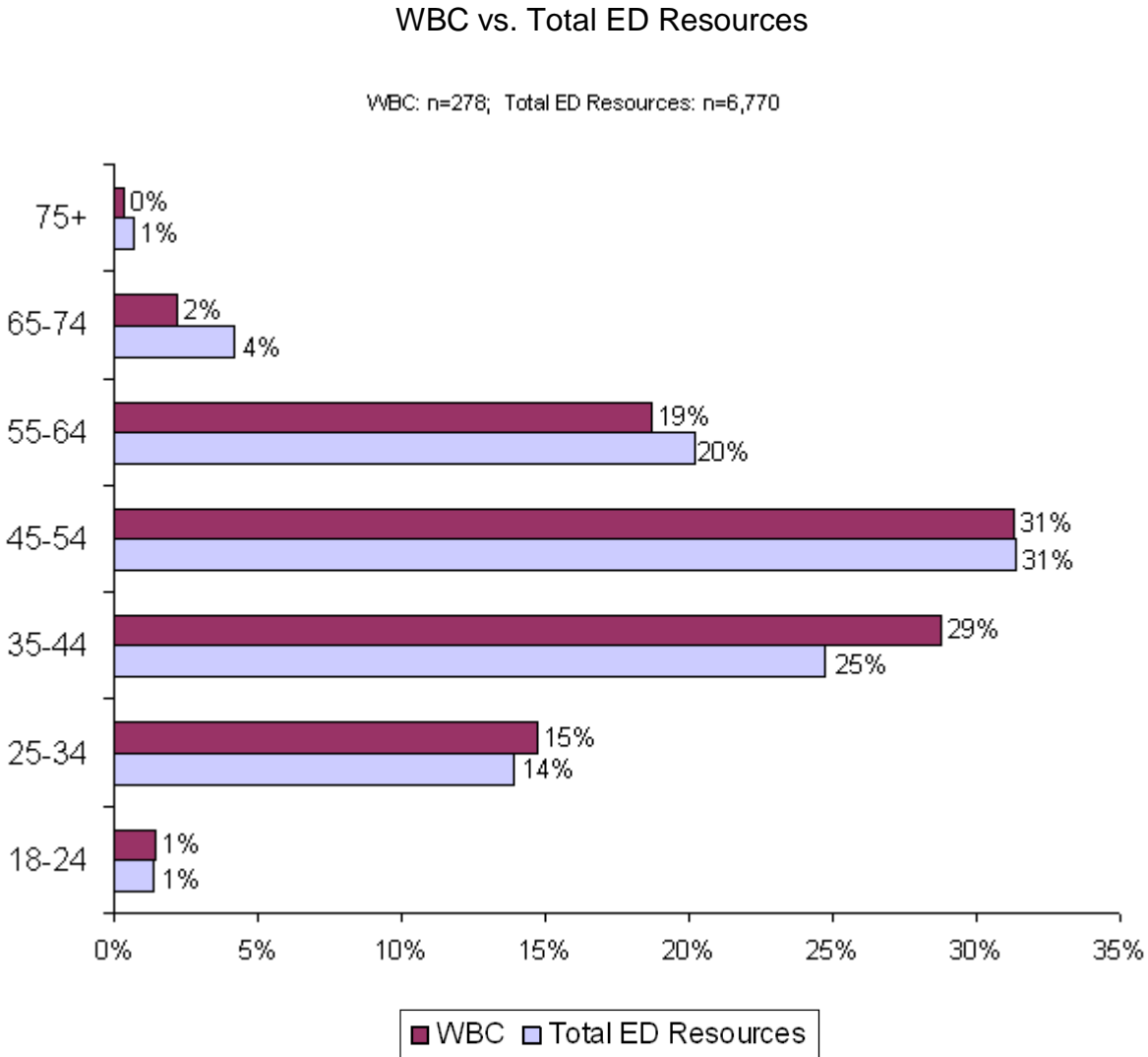
Figure 7.2 – WBC – Demographic Characteristics (FY2008 Clients)⁵³



⁵³ In some instances, the total percentage might not equal 100 due to respondents who selected multiple ethnicities. The WBC demographic distribution was compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau for Women Owned Businesses. The distribution was different for the following: Hispanic/Latino women business owners was reported to be 5%, White women business owners made up 84%, Black women business owners were 5%, and American Indian/Alaskan Native Women business owners were 1%.

Figure 7.3 shows the distribution of WBC clients by age of business owner. **Approximately 60% of WBC clients are between 35 and 54 years of age, and the largest age group served includes those between the ages of 45-54.**

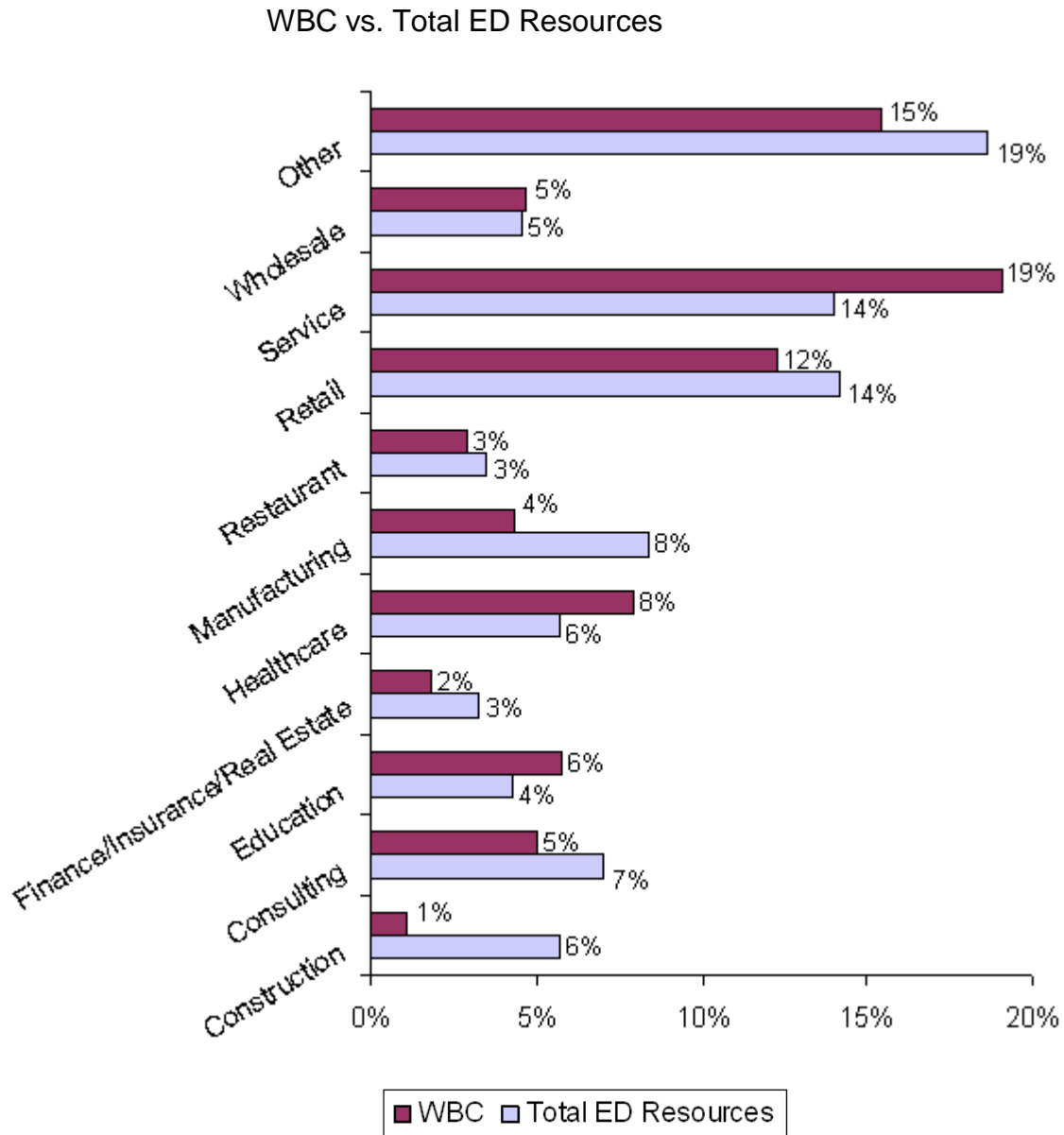
Figure 7.3 – WBC – Age of Business Owner (FY2008 Clients)⁵⁴



⁵⁴The WBC demographic distribution was compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau for Women Owned Businesses. The figures were comparable across age brackets except for the following: 18-24 was reported to be 3%, and >65 was 8% (compared to 2% for WBC clients.)

Figure 7.4 shows that the most common types of businesses served by WBC besides are in the service or retail categories. **The share of WBC clients in the service, healthcare and education industries is higher than that of total ED Resources combined.**

Figure 7.4 – WBC – Type of Business (FY2008 Clients)⁵⁵



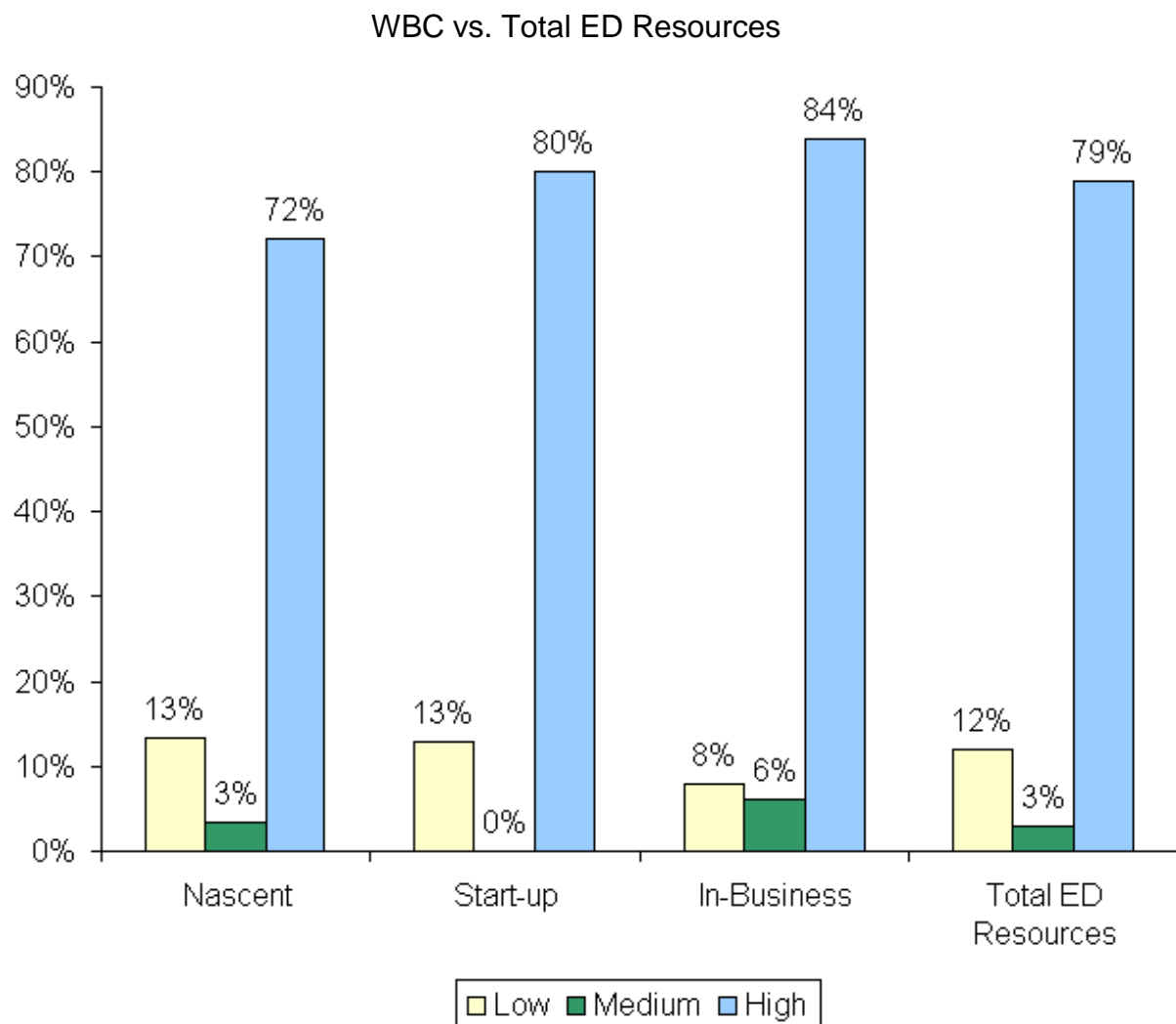
⁵⁵ Due to non-responses and multiple business type selections, the total for all business types might not equal 100%. The WBC distribution among job type was compared to the national averages from the 2002 Survey of Business Owners from the U.S. Census Bureau for Women Owned Businesses. The figures were comparable across industries except for the following: Retail was reported to be 15%, Manufacturing was 2%, Health Care was 16%, Wholesale was 2% and Construction at 3%.

WBC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 80% of WBC respondents reported that the information they received from their counselor was valuable. Figure 7.5 shows ratings of usefulness of WBC ED Resources, as assessed by business segment, compared to total ED Resources. WBC In-Business clients more often rated the assistance as useful (84%) than total ED Resources (79%). Nascent clients less often rated the assistance as useful (72%) than total ED Resources (79%). Nascent clients less often rated the assistance as useful (72%) than total ED Resources (79%). No Start-up clients rated assistance in the “medium” category, which may be explained by the small sample size for WBC clients.

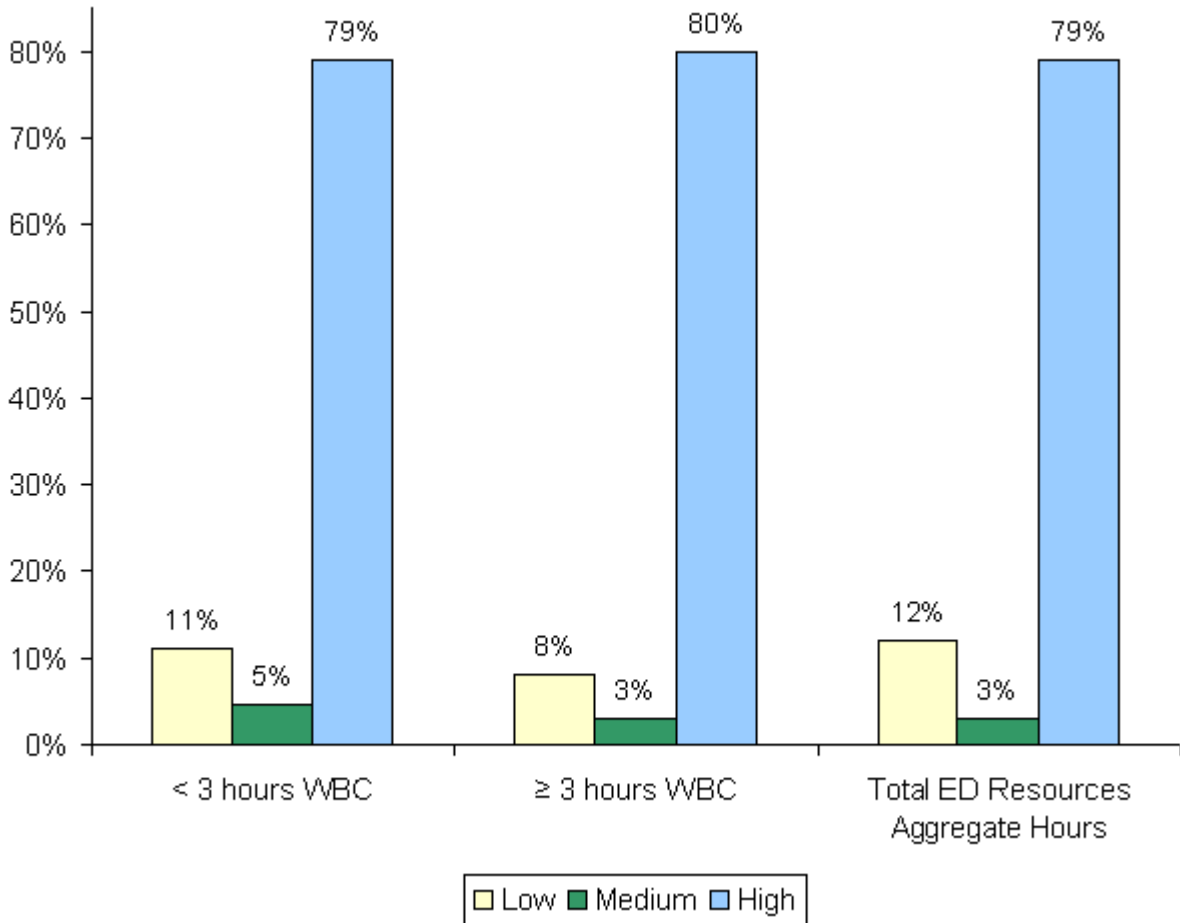
Figure 7.5 – WBC – Usefulness of WBC⁵⁶ (FY2008 Clients)



⁵⁶Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

Figure 7.5A below shows the perceived usefulness of WBC assistance based upon the number of hours of counseling received. Figure 7.5A shows that 80% of WBC respondents that received more than 3 hours of counseling rated WBC usefulness “high” as compared to 79% of respondents that received less than 3 hours of counseling.

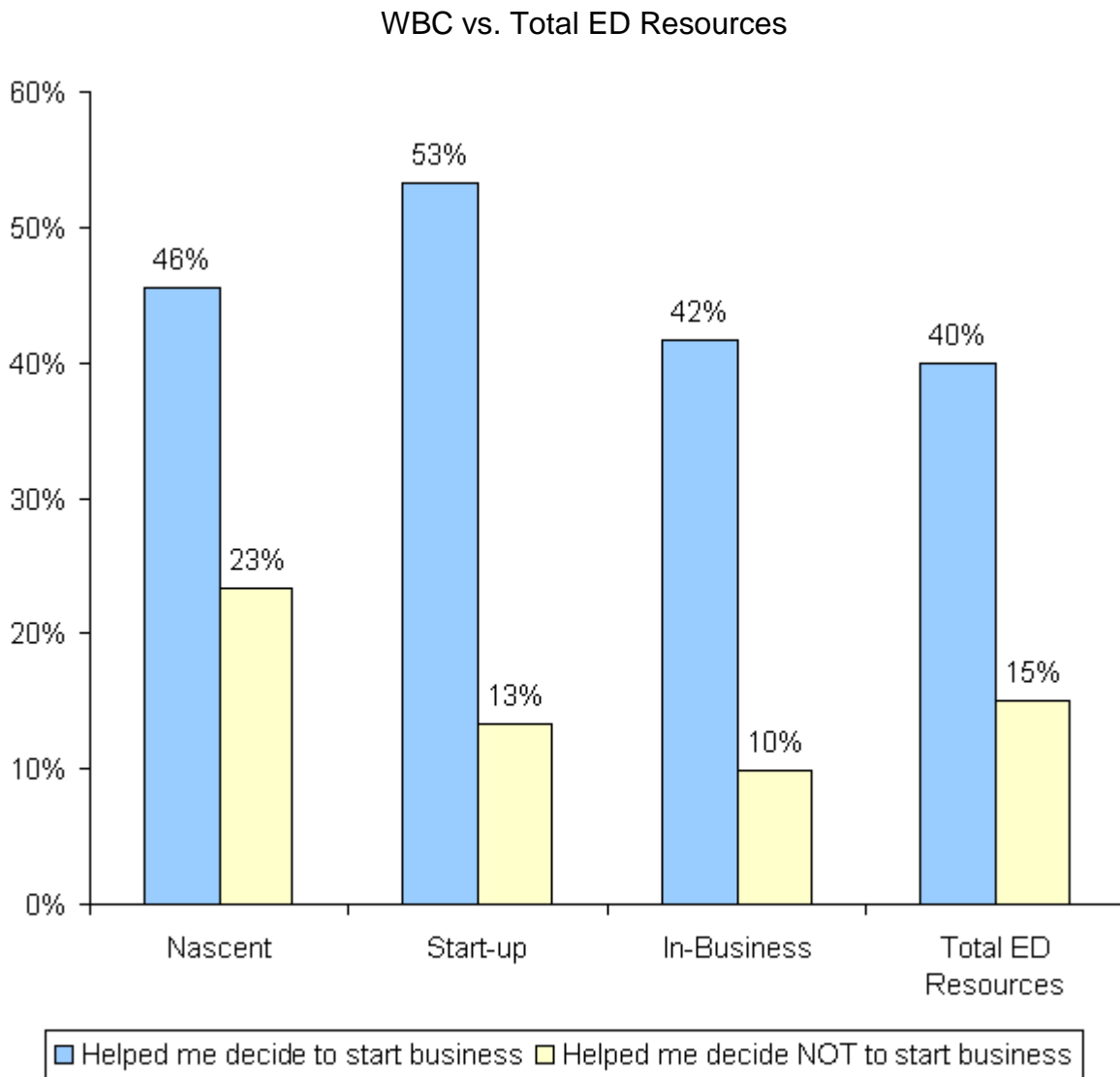
Figure 7.5A – Usefulness of WBC: WBC by Hours of Counseling vs. Total ED Resources Aggregate Hours



Decision to Start or Not Start a Business

As reported in Figure 7.6, 46% of Nascent clients, 53% of Start-up clients and 42% of In-Business clients reported that WBC ED Resource assistance was useful with the decision to start a business, all of which are higher than the average of 40% for total ED Resources combined. In addition, 23% of the 2008 Nascent respondents reported that WBC assistance helped them decide not to start a business, compared to 15% for ED Resources combined.

Figure 7.6 – WBC – Usefulness of WBC ED Resources in Starting or NOT Starting a Business⁵⁷ (FY2008 Clients)



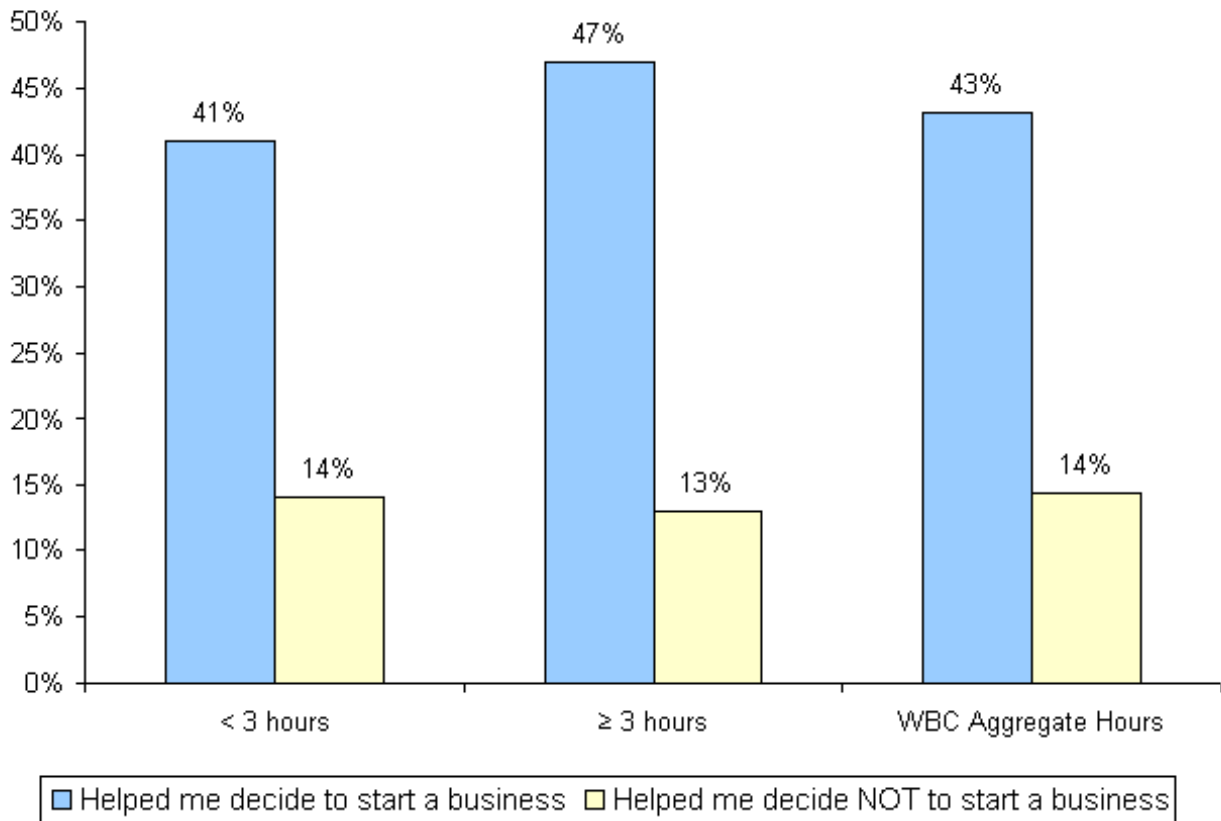
⁵⁷ Helpful includes the 'Very Useful' and 'Useful' response categories only.

Figure 7.6A shows the extent to which WBC assistance was useful to clients in their decision to start or not to start a business relative to the number of hours of counseling received.

As illustrated below, 47% of respondents who received 3 or more hours of counseling reported WBC to be helpful in deciding to start a business. Forty-one percent of clients who received less than three hours of counseling found WBC assistance was useful in making the decision to start a business.

Thirteen percent of respondents who received 3 or more hours of counseling reported that WBC helped them decide not to start a business, which was slightly lower than those clients who had less than three hours of counseling.

Figure 7.6A – WBC – Usefulness of WBC ED Resources in Starting or NOT Starting a Business: WBC by Hours of Counseling vs. WBC Aggregate Hours (FY2008 Clients)



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, 67% of Start-up respondents and 69% of In-Business respondents reported changing their management practices or strategies. These figures are noticeably higher than for total ED Resources combined.

Figure 7.7 – WBC – Changed Management Practices/Strategies as a Result of WBC ED Resource Assistance (FY2008 Clients)

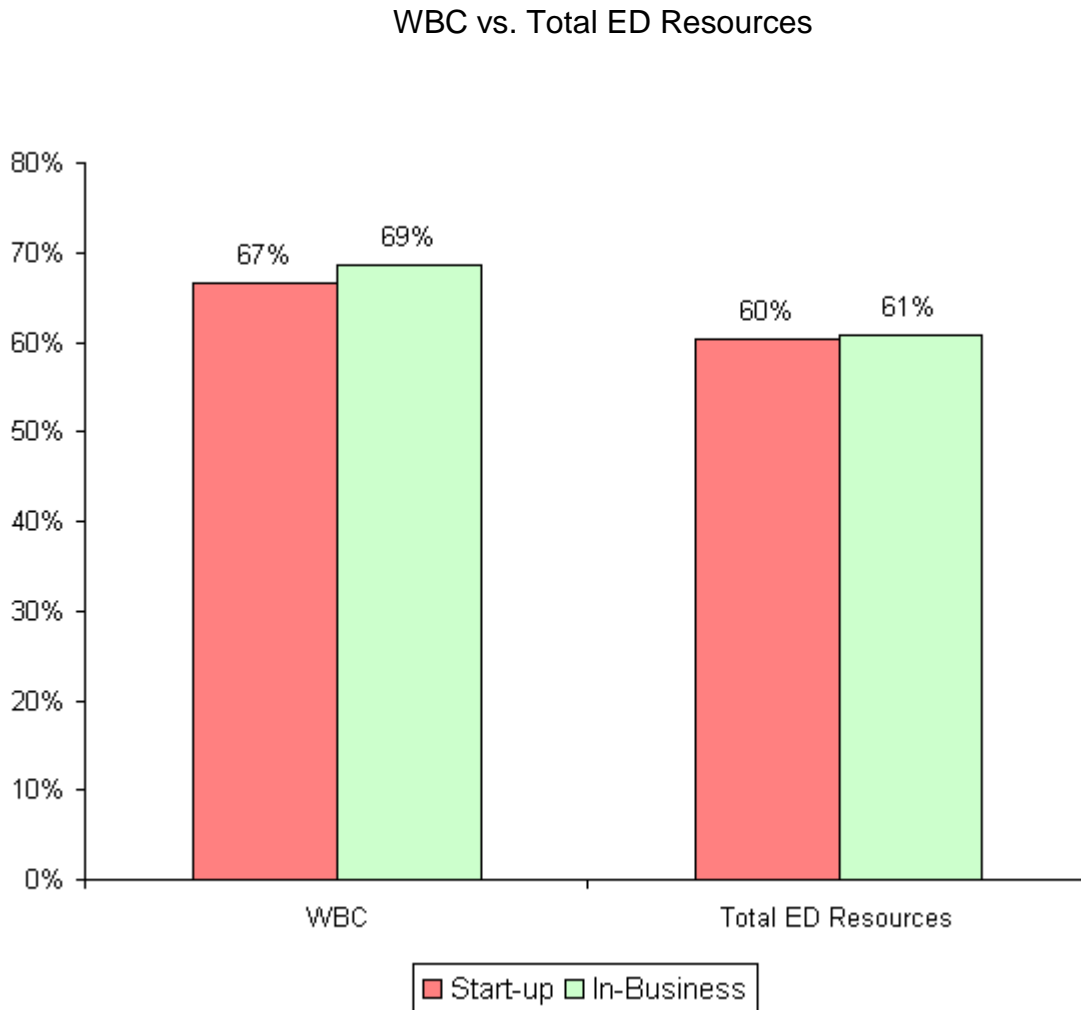
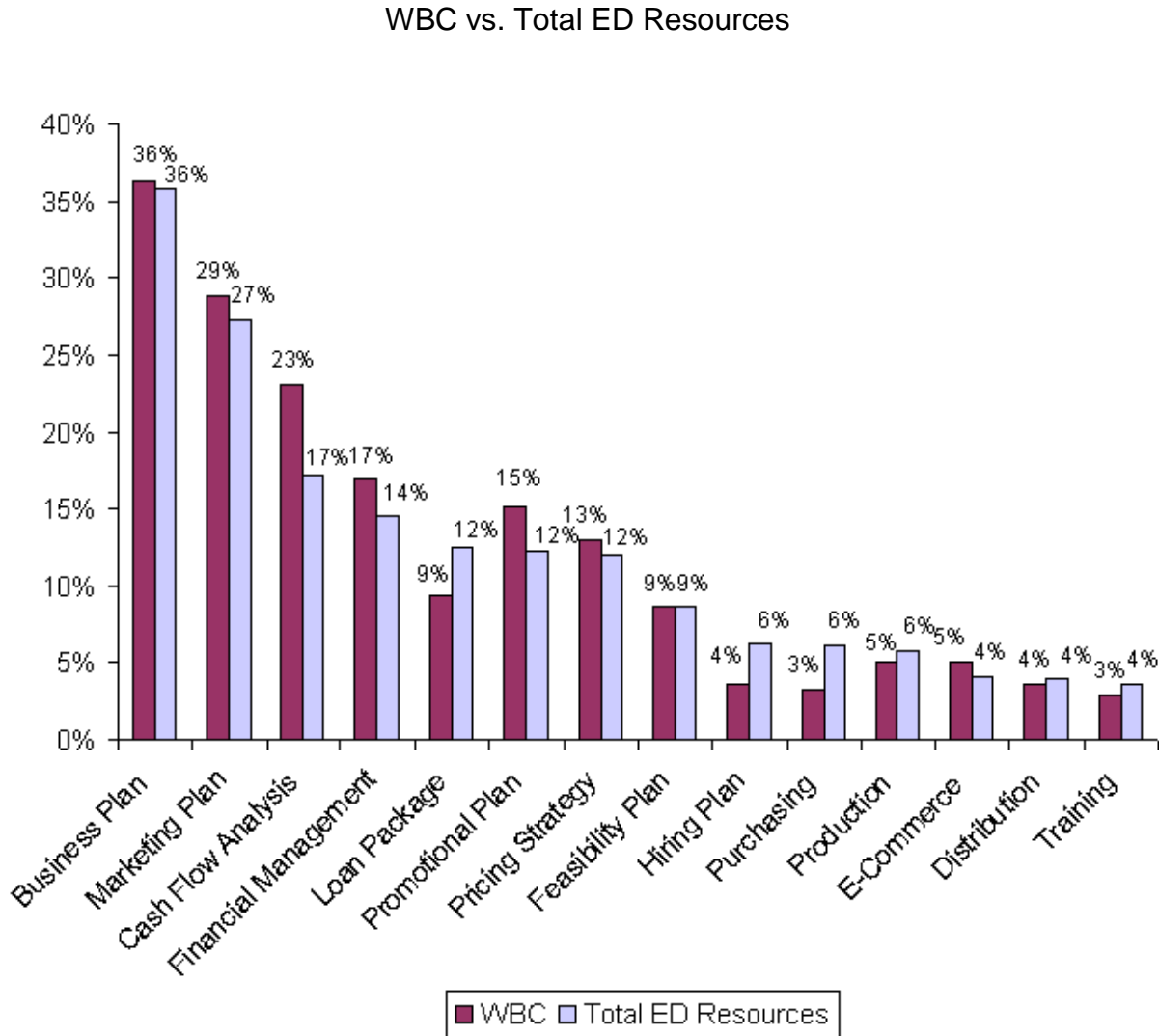


Figure 7.8 below reflects the percentage of firms reporting that WBC ED Resource assistance led to the development of **business plans, marketing plans, etc.**

Figure 7.8 – WBC – Assistance in Plan Development (FY2008 Clients)



Sales, Job Creation and Job Retention

Figure 7.9 compares WBC Start-up and In-Business clients in terms of the reported impact of WBC assistance on increases in sales, profits, jobs, and the retention of employees. Twenty-eight percent of WBC In-Business clients reported increases in profit margin compared to 20% of WBC Start-up clients. In addition, 36% of WBC In-Business clients reported that WBC assistance resulted in increased sales, compared to 20% of WBC Start-up clients.

Figure 7.9 – WBC – Perceived Impact of Assistance (FY2008 Clients)

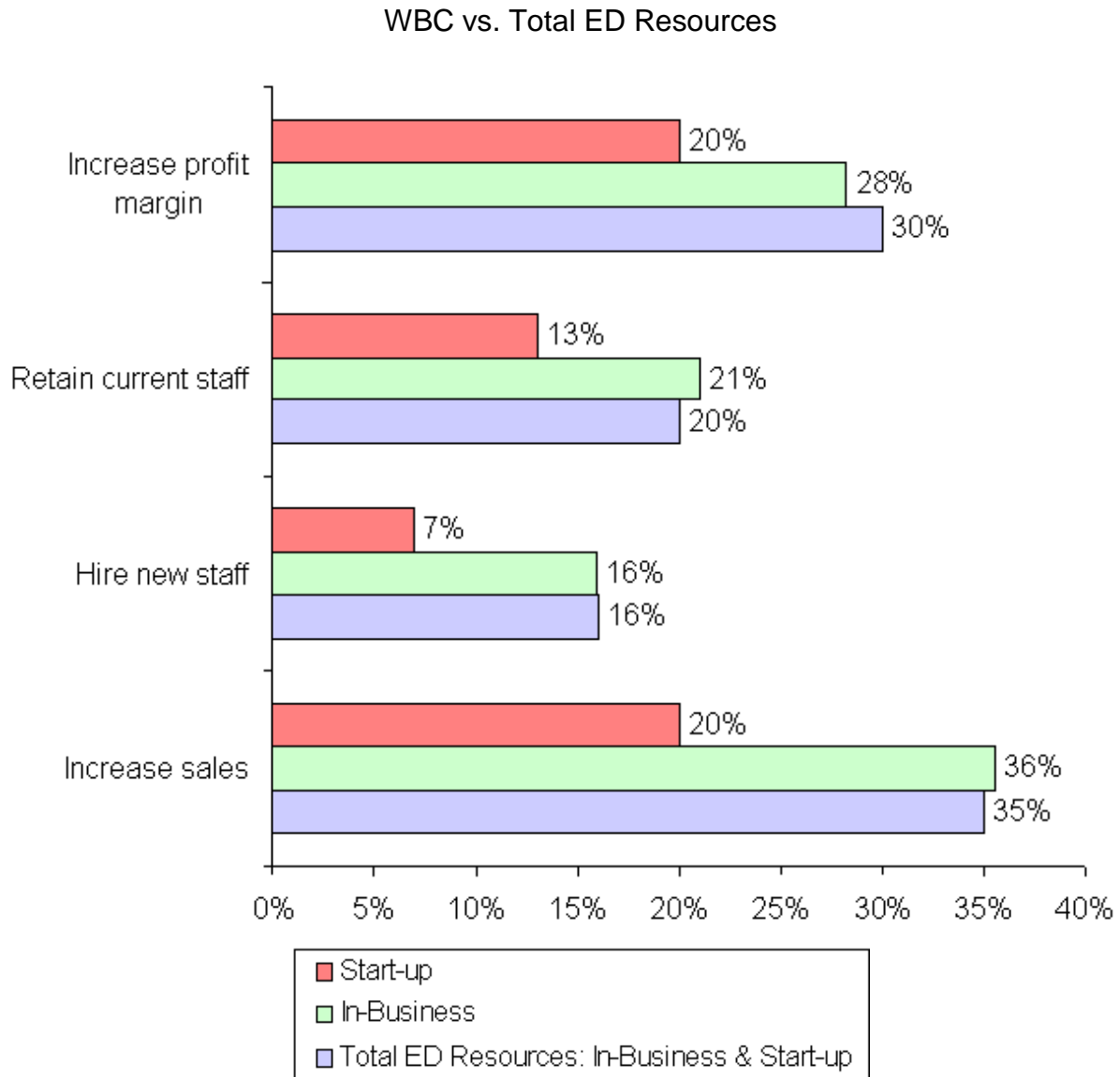
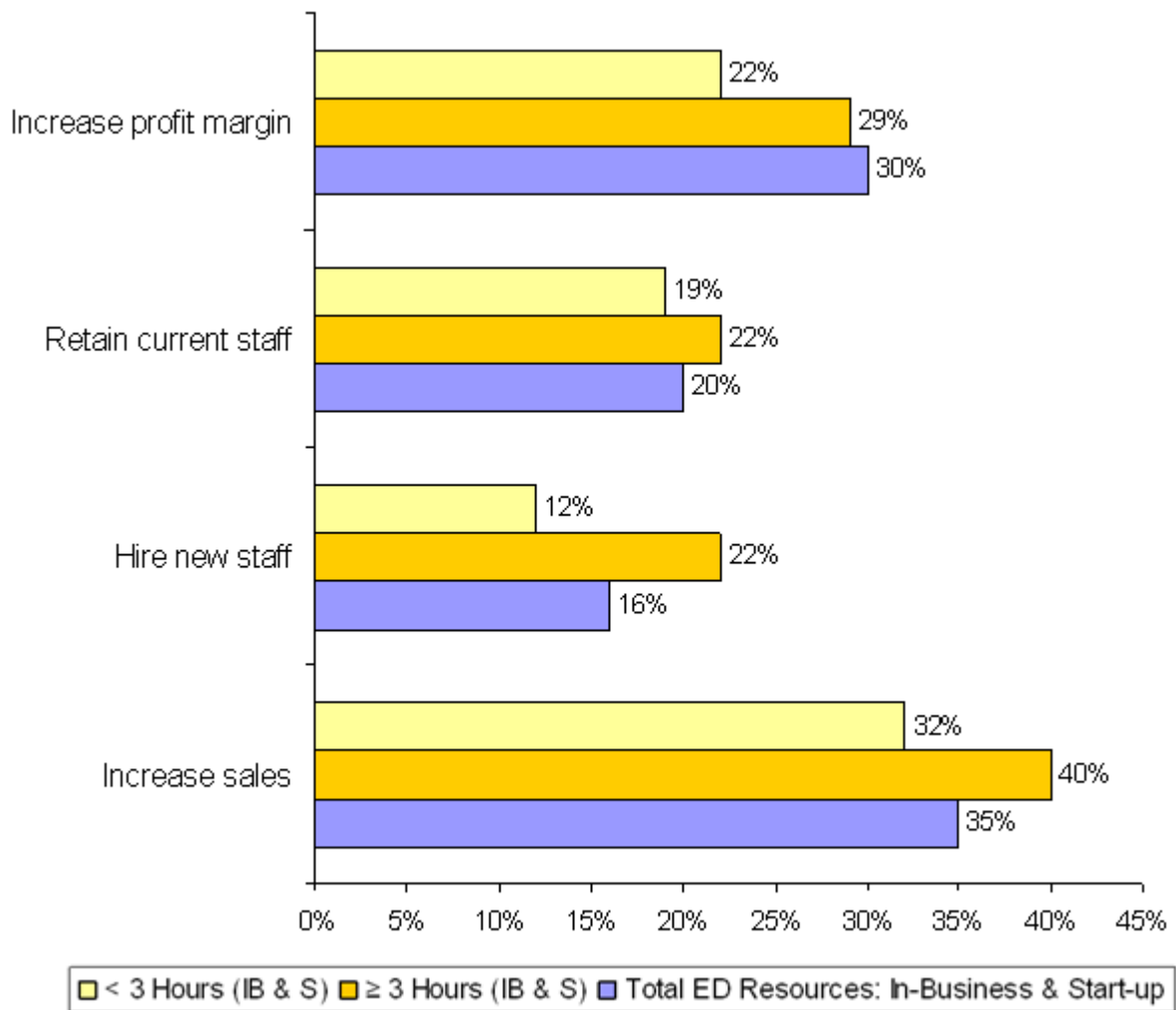


Figure 7.9A compares the total ED Resources impact of assistance for increasing sales, profits, jobs, and the retention of employees to the impact of the number of hours of counseling on those ratings for WBC. The number of hours of counseling received comprises two categories for WBC: less than 3 hours, and 3 or more hours. It is clear from the figure below that the greater the number of hours of counseling received, the greater the perceived impact of assistance reported by WBC In-Business and Start-up clients. The clients that received 3 or more hours of counseling from WBC reported an increase in sales 40% of the time, and an increase in hiring new staff 22% of the time, both higher than total ED Resources and the level for less than 3 hours of counseling.

Figure 7.9A – WBC – Perceived Impact of Assistance: WBC Hours of Counseling Received for In-Business and Start-ups vs. Total ED Resources Aggregate Hours for In-Business and Start-ups



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VIII. FOLLOW-UP STUDY RESULTS: FY2006 AND FY2007 CLIENTS

In this section, Concentrance reports findings from our analysis of follow-up surveys of FY2006 and FY2007 ED Resource clients. These follow-up surveys were conducted in order to examine the impact of ED Resource assistance over time. This year’s follow-up survey of FY2006 ED Resource clients represents the second Follow-up Study of this sample. The first follow-up survey was conducted last year. The Follow-up Study of FY2007 ED Resource clients is the first follow-up survey of these clients.

This analysis addresses the following 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 Dynamics⁵⁸ (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?
- How does the growth of ED Resource clients compare with key benchmarks, such as the gross domestic product (GDP), National Federation of Independent Businesses (NFIB), and the Entrex Private Company Index (PCI)?

Follow-up Methodology

There were 3,648 respondents to the Initial Economic Impact Survey of FY2006 clients. The first follow-up survey of these respondents was conducted by phone, and included 429 respondents. These respondents were re-contacted for the second follow up survey. Of these, Concentrance was able to collect follow-up data from 86 respondents, for which detailed data can be tracked to 2009.

There were 5,337 respondents to the Initial Impact Survey of FY2007 clients. Of these, Concentrance was able to collect follow-up data from 648 respondents, for which detailed data can be tracked to 2009.

2006 Clients	Sample Size	Response Rate
Initial Study	3,648	23%
Follow-up 1	429	14%
Follow-up 2	86	22%
2007 Clients	Sample Size	Response Rate
Initial Study	5,337	29%
Follow-up 1	648	14%

⁵⁸ A nationally funded, multi-million dollar survey of nascent entrepreneurs by the Kauffman Foundation from a sample of over 30,000 small business owners. The primary purpose of the study is to identify adults active in business creation, obtain detailed information about the start-up effort, and perform follow-up interviews to determine outcomes. Although this survey was conducted on 2003 and 2004 clients, it is the most recent survey of its kind, and the most applicable as a benchmark. The PSED II, a subsequent panel study, has recently been completed; but research into firm survival has yet to be adequately conducted to allow for comparison. Results must also be interpreted with caution as there is response bias potential and PSED clients specify if they have gone out of business whereas this study deduces the number of firms that have gone out of business.

Changes in Business Segments from 2007 to 2009

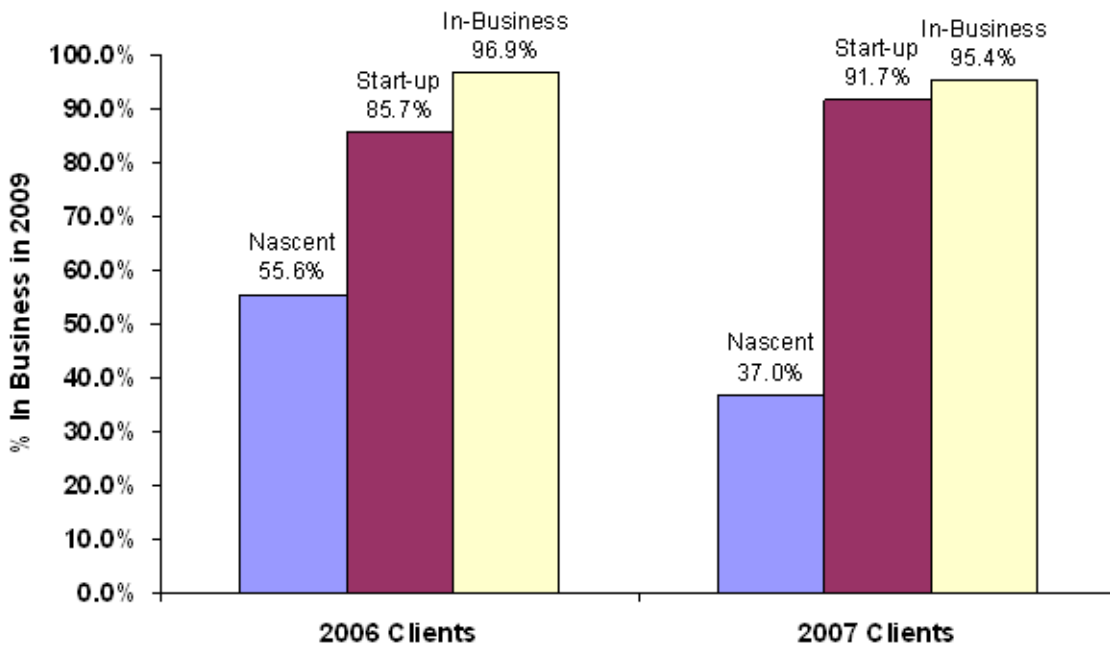
What is the rate of transition of Nascent and Start-up firms to the In-Business segment?⁵⁹

Figure 8.1 shows the movement of firms from their initial segments to the In-Business segment in 2009. For example, 55.6% of 2006 Nascent clients and 85.7% of 2006 Start-up clients transitioned into the In-Business category by 2009. For 2006 clients that were initially in the In-Business segment, 96.9% remained in business by 2009. Figure 8.1 also shows the movement of firms from their initial 2007 client segment to the In-Business segment in 2009. For example, 37% of 2007 Nascent clients had transitioned into the In-Business category by 2009.

By comparison, according to a study by Carter, et al. (2004)⁶⁰, 30% of nascent entrepreneurs in the PSED had started businesses at the time of the first follow-up. Thus, based on results of both follow-up studies, Nascent ED Resource clients are more likely to start a business than firms in the PSED sample.

At the same time, less than 5% of 2006 or 2007 clients that were in business for more than six months at the time they were surveyed reported going out of business by 2009.

Figure 8.1 – Transitions and Survival of 2006 and 2007 Clients to 2009 In-Business



⁵⁹ 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.

⁶⁰ Carter, Nancy M., William B. Gartner and Paul D. Reynolds (2004), "Firm Founding," in Handbook of Entrepreneurial Dynamics: The Process of Business Creation, eds. W.B. Gartner, K. G. Shaver, N.M. Carter, P.D. Reynolds, Thousand Oaks, CA: Sage Publications, Inc., 311-323.

Impact of ED Resource Assistance on Firm Survival

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

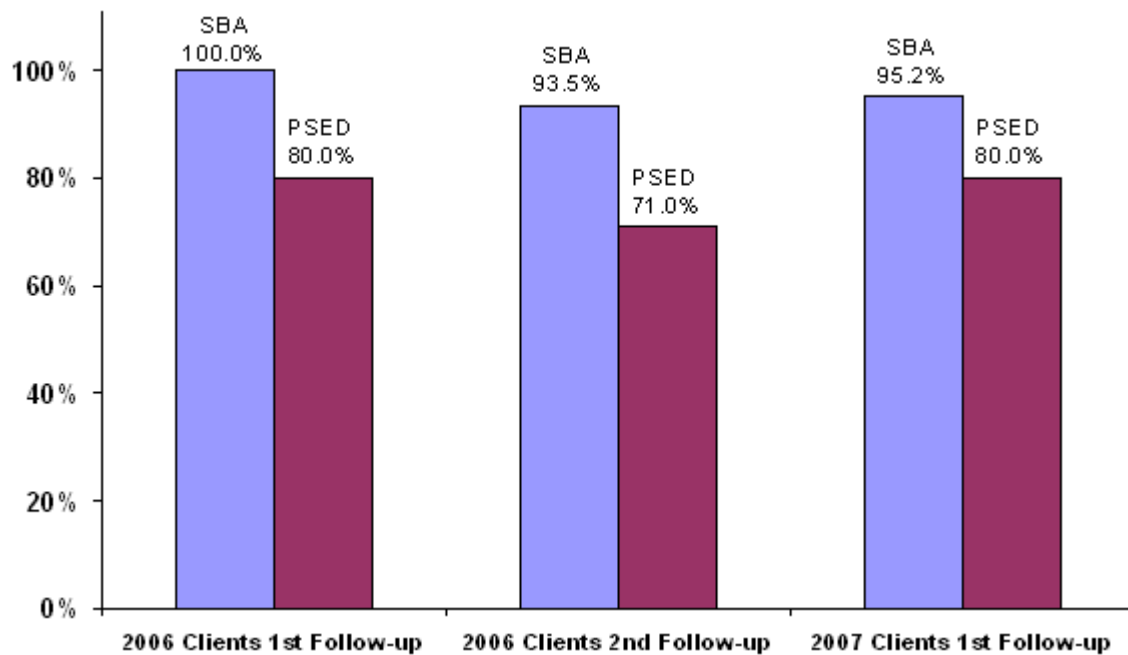
The PSED data serves as a benchmark for comparing the proportion of Nascent and Start-up businesses that can now be classified as In-Business firms. The PSED is a sample of nascent entrepreneurs, who are in the process of going into business; a portion of the sample received some form of counseling or assistance.

Figure 8.2 compares the survival rates for firms in the Follow-up Study with the PSED.⁶¹ These results suggest that businesses which 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 Follow-up Study of FY2007 ED Resource clients, 95.2% were still in business one year later. In contrast, only 80% of firms in the PSED sample remained in business after one year. This pattern occurred again with the Follow-up Study of FY2006 Ed Resource clients. Nearly 94% of these firms were still in business after two years, while only 71% of firms in the PSED sample were still in business after two years.

In addition to the PSED analysis, ED Resource client survival rates were higher than reported in other studies. For example, according to a study published in the Monthly Labor Review, two-thirds of new employer firms survive at least two years, and about 44% survive at least four.⁶²

Figure 8.2 – ED Resource Clients have Higher Survival Rates than PSED Firms



⁶¹Source: Parker, Simon C. What happens to nascent entrepreneurs? An econometric analysis of the PSED. *Entrepreneurship in a Diverse World*. U. S. Association for Small Business and Entrepreneurship (USASBE). 2005. 8 pp.

⁶² Survival and Longevity in the Business Employment Dynamics Database, *Monthly Labor Review*, May 2005.

Changes in Revenues and Employees

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

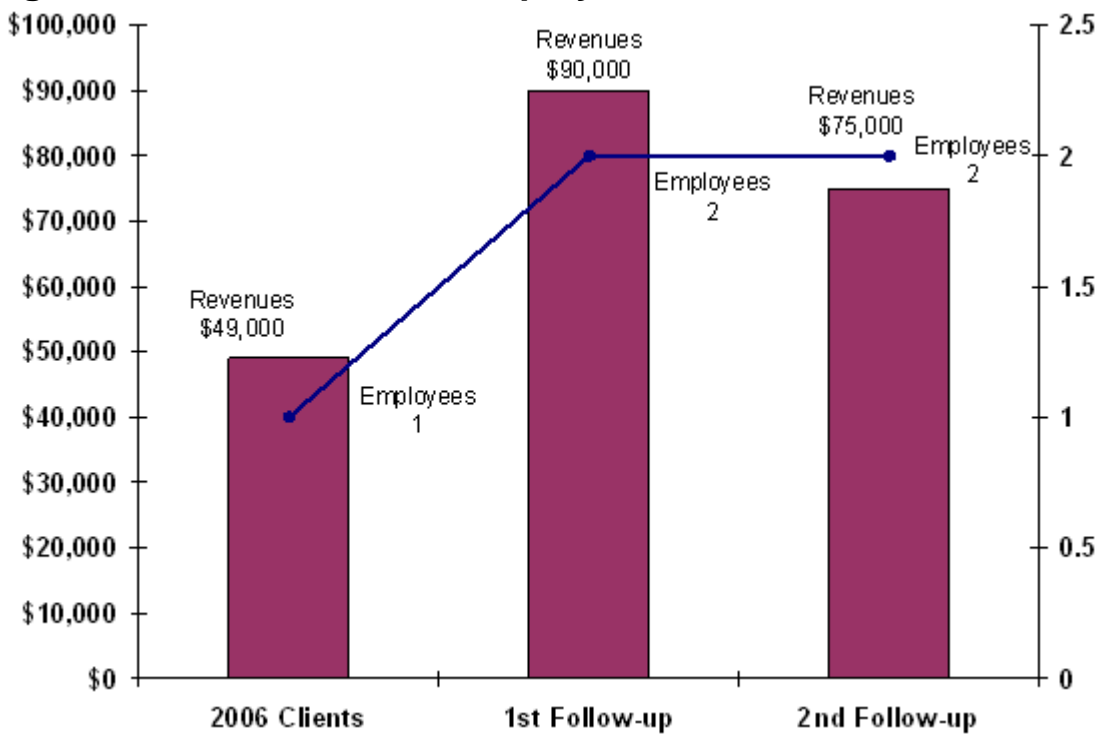
Figure 8.3 compares 2006 clients in terms of median annual revenues and number of employees in the initial and two subsequent follow-up studies.

According to this matched comparison, median revenues increased from \$49,000 in 2006 to \$90,000 in 2007, but fell to \$75,000 in 2008.⁶³

At the same time, the median number of employees per firm increased from 1 in 2006 to 2 in 2008, and remained at 2 in 2009.

This decline in revenues is consistent with the overall condition of the economy during this period, which went into a recession in December 2007, according to the National Bureau of Economic Research.⁶⁴ In addition, a survey of small business owners conducted by the National Federation of Independent Businesses (NFIB), business owners in 2008 reported historically low expectations about growth and employment, and increasing concerns about inflation.⁶⁵

Figure 8.3 - Revenues and Employment: 2006 Survivors Over Time



⁶³ Revenues from Nascent firms are not included. Start-up or In-Business Firms reporting zero revenues were treated as missing.

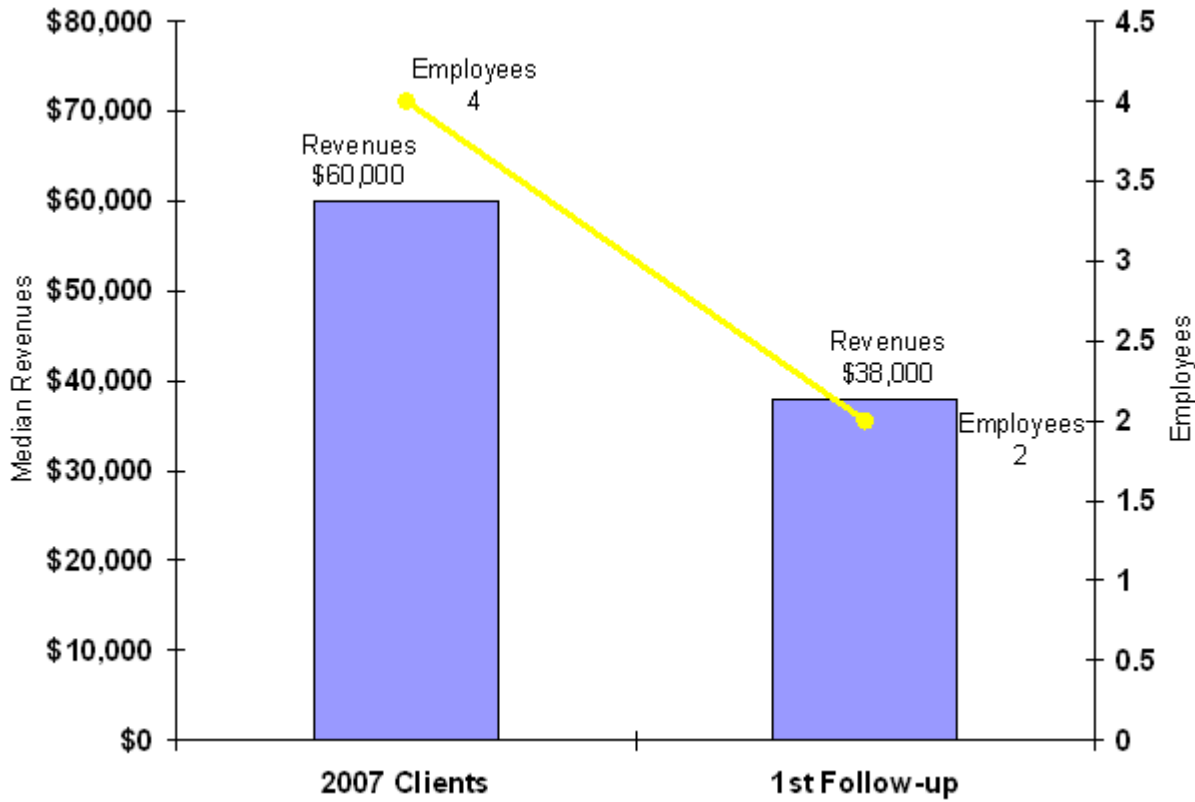
⁶⁴ National Bureau of Economic Research, "Determination of the December 2007 Peak in Economic Activity", December 11, 2008 <http://www.nber.org/cycles/dec2008.pdf>

⁶⁵ Dunkelberg, William C. and Holly Wade (2008), "NFIB Small Business Economic Trends," July, <http://www.nfib.com/page/sbet>.

This analysis was repeated for the follow-up sample of 2007 clients. Figure 8.4 compares firms in terms of median annual revenues and number of employees in 2007 and in the first follow-up survey.

According to this matched comparison, median revenues fell from \$60,000 in 2007 to \$38,000 in 2008. At the same time, the median number of employees per firm also declined from 4 to 2. This is likely to be further evidence of the impact of the recession on surviving small businesses as similar patterns of decline appear in both follow up studies.

Figure 8.4 - Revenues and Employment: 2007 Survivors Over Time



The following charts show changes in median revenue and employment for 2007 clients by ED Resource.⁶⁶

⁶⁶ The second follow-up sample of 2007 clients included only 86 firms. This sample is insufficient for a statistically meaningful analysis by individual ED Resource.

Figure 8.4A SBDC Revenues and Employment: 2007 Survivors Over Time

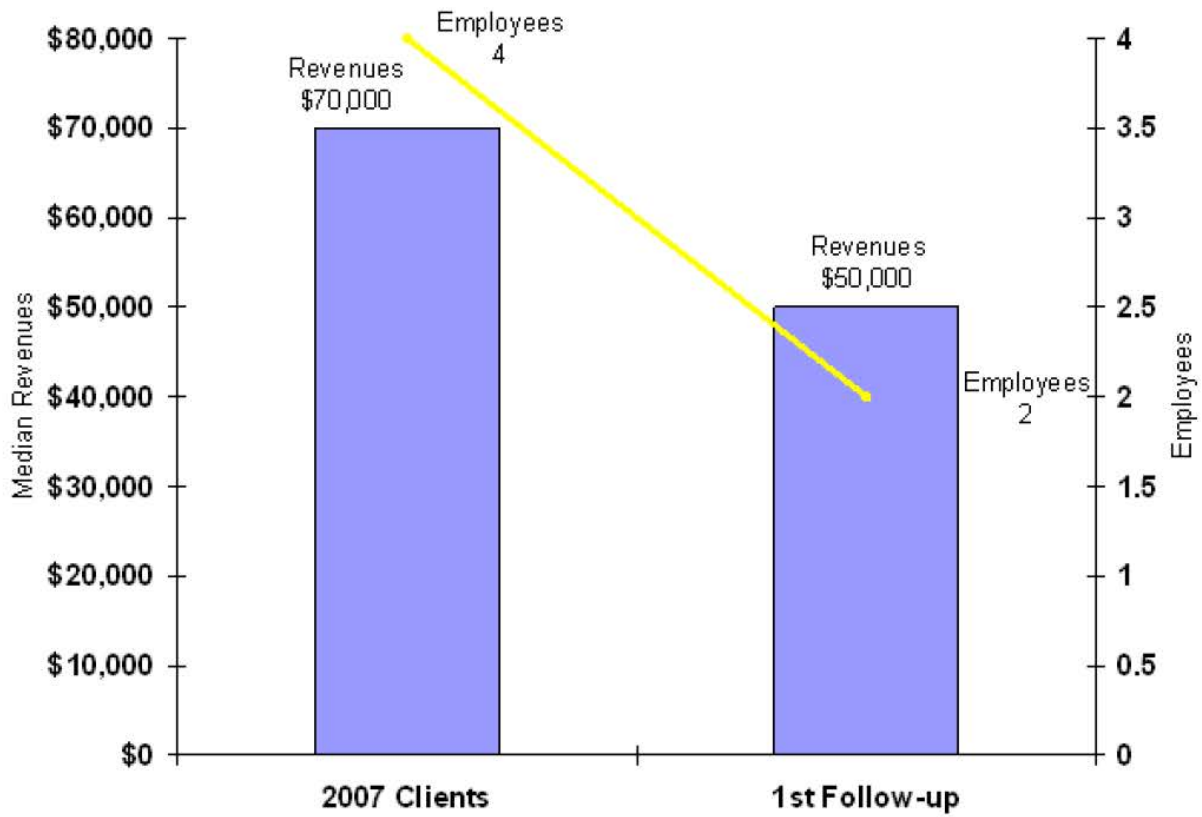


Figure 8.4B SCORE Revenues and Employment: 2007 Survivors Over Time

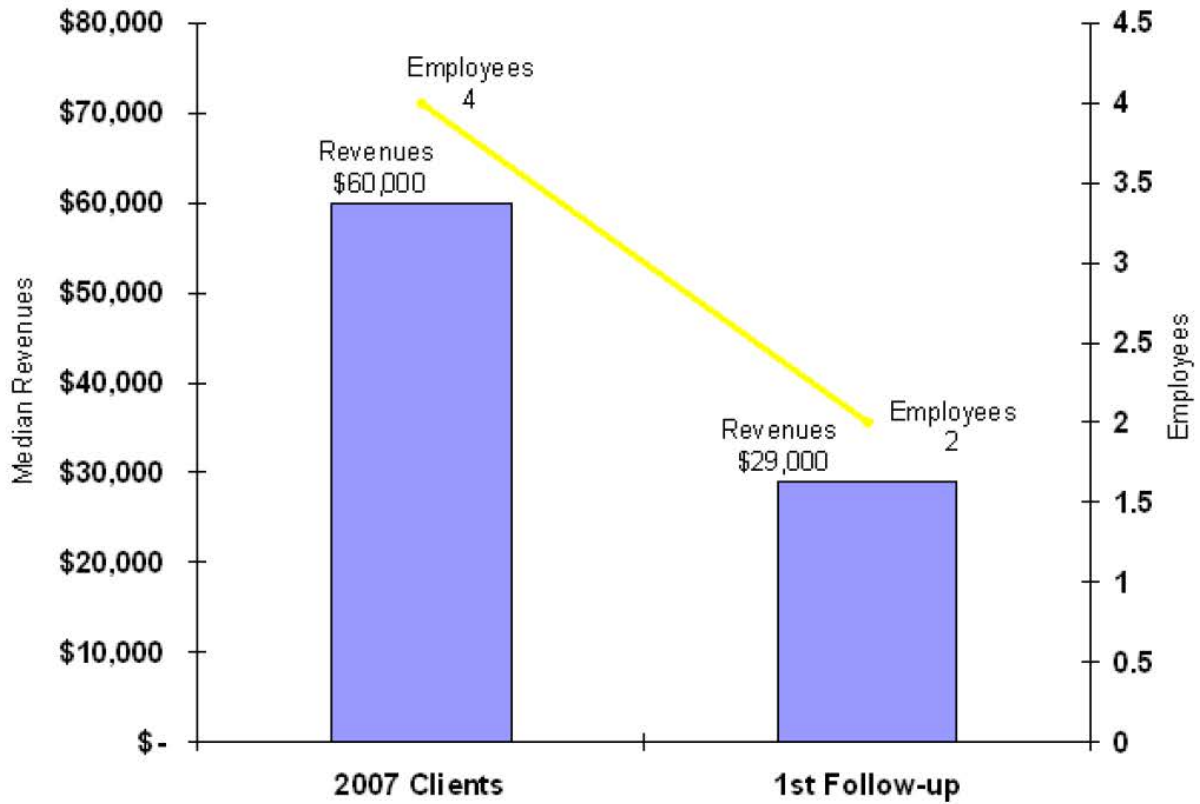
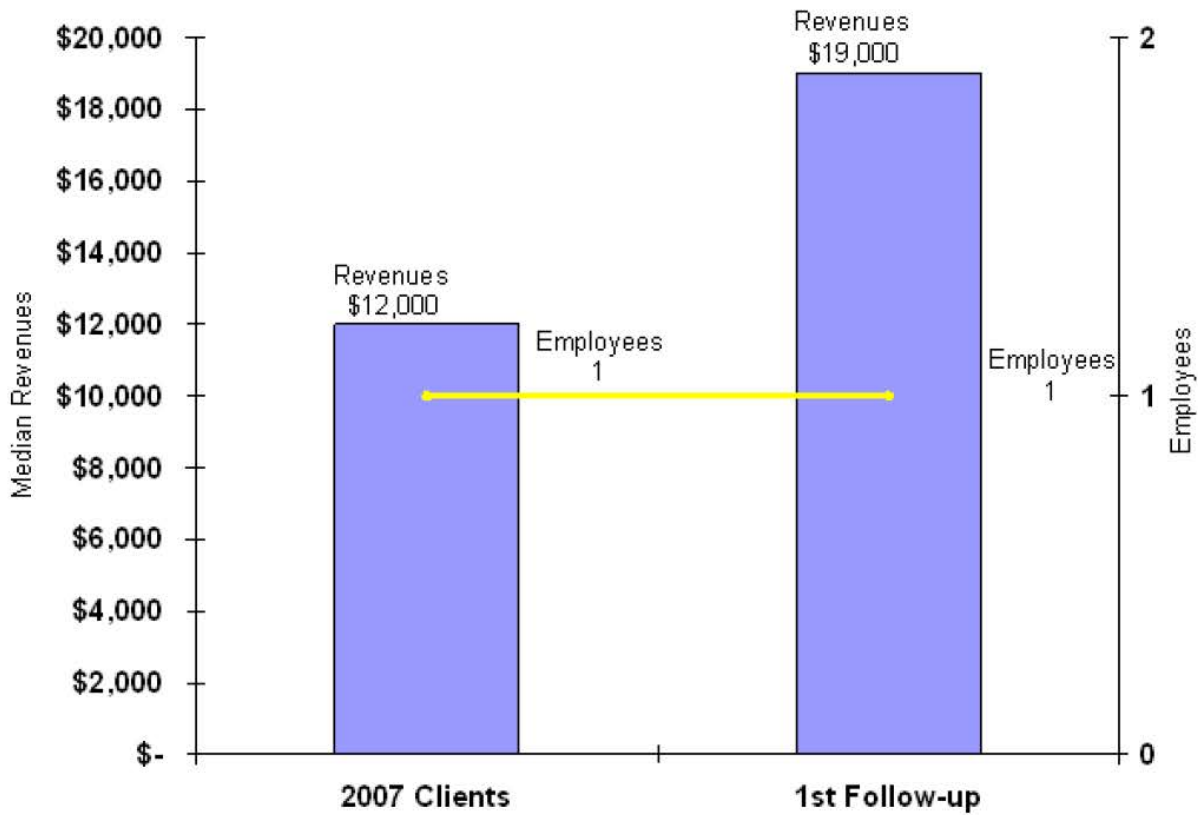


Figure 8.4C WBC Revenues and Employment: 2007 Survivors Over Time

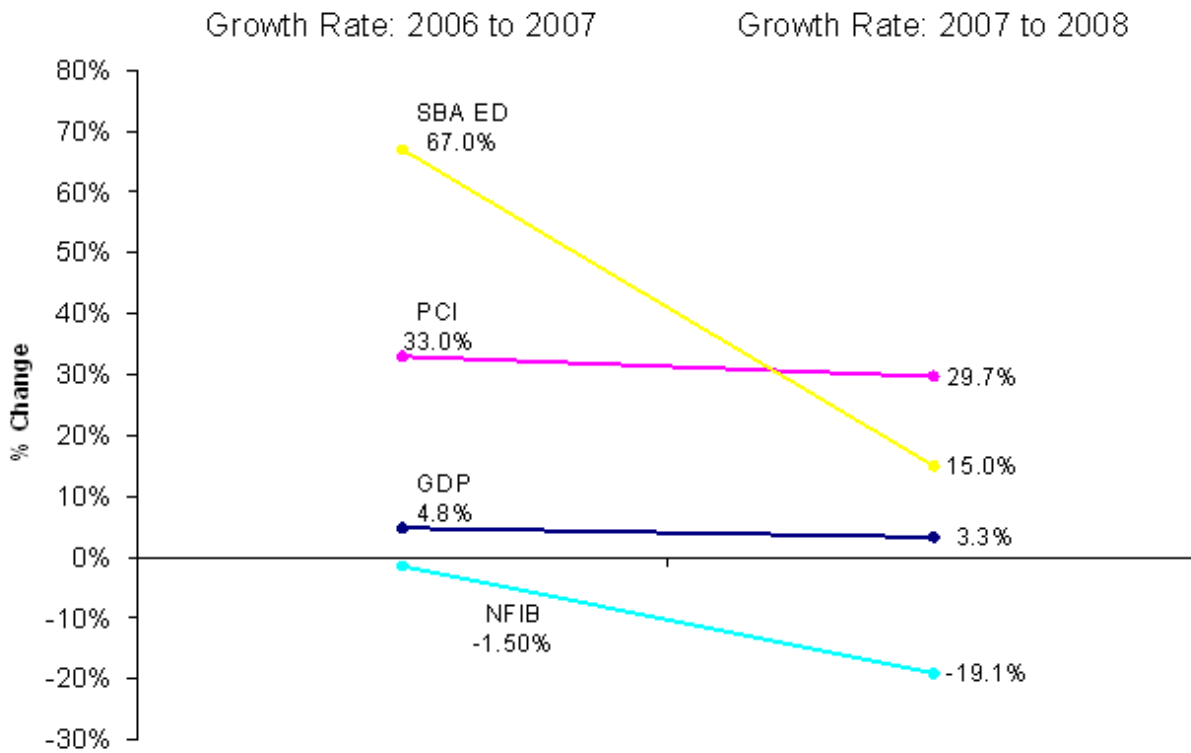


Benchmark Comparisons

How does the growth of ED Resource clients compare with key benchmarks of economic growth?

The economic recession appears to have resulted in slower growth for ED Resource clients. However, surviving firms in the ED Resource sample still outpaced the economy overall. Figure 8.5 compares growth of ED Resource clients to three benchmarks—GDP⁶⁷, the National Federation of Independent Businesses (NFIB) survey⁶⁸ and the Private Company Index (PCI).⁶⁹ Current growth rates show that SBA ED Resource clients, though behind the PCI growth rate of 29.7%, are outpacing NFIB firms (-19.1%) and GDP (3.3%). During the 2007 to 2008 period, ED Resource client revenue growth declined from a rate of 67% to 15%, which represents a growth rate decline of nearly 52 percentage points.⁷⁰ This slowdown of ED Resource client revenue growth mirrors the overall patterns reflected in the GDP, NFIB sales trends, and the PCI over this period.

Figure 8.5 ED Resource Client Revenue Growth Compared to Selected Benchmarks - Percent Change from Previous Year



⁶⁷ Source: <http://www.bea.gov/national/xls/gdpchg.xls>

⁶⁸ The NFIB conducts quarterly mail surveys of approximately 11,000 small businesses in order to report economic trends. The NFIB reports net changes in actual sales changes and actual employment for the previous three months. The average monthly net changes in sales for the year are reported here.

⁶⁹ The Private Company Index (PCI) published by Entrex, measures revenue performance in the sector of private companies ranging from \$3 million to \$60 million in annual revenues (<http://www.privatecompanyindex.com>).

⁷⁰ These growth rates are based on the average revenues from each year to maximize comparability with benchmarks.

Summary of Follow-up Study Findings

Firm Survival

Despite the recessionary economic environment, more than half of Nascent clients had transitioned to the In-Business segment after 2 years, and 37% of 2007 Nascent clients had transitioned into the In-Business category by 2008. At the same time, less than 5% of firms that were Start-ups or In-Business in 2006 or in 2007 had gone out of business by 2008. (See Figure 8.1.)

In addition, consistent with results from previous years, a comparison of transition rates of ED Resource clients with the PSED suggests that businesses who received ED Resource assistance have a higher survival rate than other small businesses. Figure 8.2 shows that the PSED survival rate after two years is 71%, compared to 94% for ED Resource clients.

Financial Impact and Growth

These analyses show that ED Resource assistance has had a significant impact on the survival and growth of small business clients. However, the recession appears to have had a significant and negative impact on economic outcomes for ED Resource 2006 and 2007 clients in the follow-up samples. For example, the second follow-up for 2006 clients sample realized a 20% decrease in revenues, while 2007 clients in the first follow-up sample experienced a 58% decrease in revenues. Firms in the second 2006 follow-up sample maintained a median of 2 employees, while median employment for firms in the first follow-up on 2007 clients fell from 4 to 2. (See Figures 8.3 and 8.4.)

IX. SUMMARY OF QUANTITATIVE FINDINGS

Initial Impact Study of FY2008 Clients

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. 58% of ED Resource clients were in the In-Business category. Nascent clients represented 30% of ED Resource respondents while the smallest segment, Start-up clients, represented 8%.
- The median revenue for firms served by ED Resources is \$120,000 with 2 full-time employees. However, firm size varies by ED Resource. For example, SBDC clients have higher median revenues at \$130,000 than SCORE clients at \$116,500. WBC clients' revenues are lowest, with median revenues of \$50,000. These revenue figures are higher than client groups studied in previous years.
- ED Resource clients served during 2008 represented a wide variety of business types at different stages in development. The most common types of industries included service and retail businesses, the same as previous years.
- ED Resource clients represented a variety of demographic groups: 50% of clients were female, 47% male, 75% white, 4% Asian, 11% African-American, and 7% Hispanic/Latino. Nine percent of ED Resource clients were veterans and 2% were Service Disabled. The largest age group served by ED Resources, accounting for 31% of the total sample, included clients between 45 and 54 years of age.
- As in previous years, firm size affected perceived financial impact. **Larger firms (firms with higher revenues) were significantly more likely to report a higher financial impact of ED Resource assistance than smaller firms.** Financial impact was lower for SCORE clients than for SBDC or WBC clients.
- **Clients who received 3 or more hours of assistance reported significantly higher financial impacts than firms who received less than 3 hours of assistance.** Clients who received 3 or more hours of assistance also tended to report more revenues, with the exception of WBC clients.
- **This year's analysis shows there were no significant differences in perceived usefulness based on hours of counseling received.**
- 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, Asian-owned firms reported levels of perceived assistance at marginally higher levels of assistance with the decision to start a business and Hawaiian/Pacific Islander-owned firm reported higher levels of perceived usefulness.

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

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

- In general, ED Resource clients perceived information and assistance provided by ED Resource counselors to be valuable. Approximately 79% of ED Resource clients overall reported that assistance they received had high value. This rating was 82% for SBDC, 76% for SCORE, and 79% for WBC. SCORE clients reported marginally lower levels of perceived usefulness than other ED Resource clients.
- Eighty-two percent of respondents who received 3 or more hours of counseling rated the usefulness as high, whereas 75% of those who received less than 3 hours of counseling did likewise. However, regression analysis indicated that there were no significant differences in perceived usefulness based on hours of assistance.

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 with the decision to start their businesses. In fact, 40% of respondents reported that this assistance helped them decide to start a business. Fifteen percent of respondents reported that this assistance helped them decide not to start a business, down from 17% the previous year.
- **Smaller firms reported higher levels of ED Resource assistance with the decision to start a business.** With larger firms there is a significant, inverse effect of firm size on reported levels of assistance with starting a business. Otherwise, there were no differences in reported levels of assistance with starting a business based on business segment, or ED Resource. Furthermore, there was no significant relationship between number of hours and assistance with starting 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, 61% of FY2008 In-Business clients and 60% of Start-up clients changed management practices or strategies, up from 2006 and 2007 levels. 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-seven percent of ED Resource clients reported that assistance provided by ED Resources resulted in increased sales. This figure has been within a percentage point the last three years of the study. In terms of jobs, 12% of clients reported that ED Resource assistance led to the hiring of new staff and 15% reported that ED Resources assisted them in retaining current staff. The perceived impact of ED Resource assistance with profits was one percentage point more than 2007, with 23% of respondents reporting increases in profit margin.
- For the following financial categories: sales, profits, jobs, and retention of employees, ED Resource clients who received 3 or more hours of assistance reported higher financial impacts than firms who received fewer than 3 hours of assistance.
- Sales were the financial category that showed the most prominent relationship with hours of counseling received. Clients that received more than 3 hours of counseling reported increasing their sales 30% of the time; whereas clients that received less than 3 hours of counseling increased their sales 22% of the time.

Follow-up Study of 2006 and 2007 ED Resource Clients⁷¹

6. How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics (PSED) study?

- Based on the first follow-up study of 2006 ED Resource clients, 100% were still in business while only 80% of firms in the PSED sample remained in business after one year. For 2007 ED Resource clients, 95.2% were still in business. In addition, for the second Follow-up Study for 2006 clients, 93.5% of ED Resource clients remained in business compared to 71% for those 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 2006 greater than or equal to a representative small business population?

- **2006 ED Resource clients reported that median revenues increased from \$49,000 in 2006 to \$90,000 in 2007, but fell to \$75,000 in 2008.**⁷² This decline in revenues is consistent with the overall condition of the economy during this period, which went into a recession in December 2007, according to the National Bureau of Economic Research.⁷³ This slowdown also mirrors the overall patterns reflected in the GDP, NFID sales trends and the PCI over this period.

⁷¹ The follow-up study does not include hours of counseling received.

⁷² Revenues from Nascent firms are not included. Start-up or In Business Firms reporting zero revenues were treated as missing.

⁷³ National Bureau of Economic Research, "Determination of the December 2007 Peak in Economic Activity", December 11, 2008 <http://www.nber.org/cycles/dec2008.pdf>

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X. SUMMARY OF QUALITATIVE FINDINGS

Some clients included additional hand-written comments on their survey. Respondents expressed both positive and negative reactions to their experiences with ED Resources. There were over 130 additional comments about the services and resources provided by SBA.

Among the positive comments, several themes emerged:

- Counselors were resourceful and provided invaluable assistance;
- ED Resources played an instrumental role in helping entrepreneurs to follow through on their plans to start a business; and
- Survey respondents were inclined to return to ED Resources for additional information and assistance.

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

“Our counselor is an invaluable resource to us. We started working with him in the winter of 2008 and still meet with him every 2-3 months.”

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

“The counselor's help is very valuable. SBA is a great resource for small business owners like me who need advice constantly.”

ED Resource counselors often provide strategies and approaches for making solid business decisions. Respondents voiced positive reactions to the counselors' instruction, and attributed the success of their businesses to the ED Resources.

“Emotionally kept me from getting discouraged AND forced me to be realistic. Thank you so much for this extremely valuable assistance. Even business vocabulary, let alone business thinking, was a complete foreign language when I started.”

Another respondent happily wrote about how, thanks to the help received from SBA, their business remains successful even in the face of today's economy:

The information given to us and explained to us by [the counselor] is what allowed us to start [Company], which is thriving despite the current economy. We could not have done it without their expertise and knowledge. By having all the information personally explained to us and getting our questions answered we were able to make the most educated and best decisions regarding starting our own business. [The SBA resource] continued to be available for our on going questions and needs.

Business owners also attested to their inspiring experiences with ED Resources by showing their enthusiasm for the future. One respondent wrote this to describe how ED Resources had taken them through the process of beginning a business:

“We went from dreamers to planners with a goal and a date!”

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

- Counselors were discouraging,
- Counselors lacked practical or technical knowledge or provided information that was outdated, and
- ED Resources were not accessible or disinclined to make follow-up calls/answer e-mails.

A few respondents included negative feedback on specific counselors or programs. The following respondent was dissatisfied with the amount of viable help received and the outcome of their experience with [the counselor]:

“The [counselor] was very nice but didn’t help me at all! Unavailable to me most of the time. I was not helped at all; I finally went to a local bank to do the SBA loan. No strategies given. He never returned my last email about help with writing a business plan and to this day has never ever called me. I feel if I’d had help I may have gotten a loan.”

Other respondents felt that counselors were unprofessional and unwilling to listen. One respondent wrote:

“Truthfully, first counselor was unprofessional and insulting in front of my intern. Was of no help as well. Second counselor kind, but not a lot of help. Also, [Counselor] harped on a point that I had already looked into many times that was not possible and he suggested I contact him for info referral - I called and emailed - He never bothered to get back to me.”

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

“As you can see from our response the value we derived from [the ED Resource] was negligible. When we approached the [ED Resource] we asked for assistance to help us devise an e-commerce strategy for our digital content business. Your agency was not prepared to render help in this regard.”

Another respondent similarly remarked:

“I found the counselor not really interested in what I was doing. When I signed up for the day seminar with lunch he said he would drop by and did not. Neither did he bother to make a follow up call. I thought all of the speakers excellent but the handout materials were very outdated.”

Survey comments also included concerns that SBA did not understand/ care about respondents’ businesses. One respondent felt that they weren’t getting effective suggestions:

“The counselors were all knowledgeable and helpful but most of their suggestions we had already tried. Our interest was in more effective marketing in the private sector and specifically to the Federal Government. We also wanted help with branding our product and although there was one counselor knowledgeable in that area, having 3 counselors at every meeting caused conflicting advice.”

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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 2008 clients and second of 2007 client respondents will soon be 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, Concentrance offers the following recommendation to be incorporated into the upcoming year's surveys.

- *Assess the impact of Hours of Counseling Received results for 2007, 2008 and 2009 clients in the upcoming study.*

ED Resource clients who received 3 or more hours of assistance reported significantly higher positive financial impact of ED Resources than those with less than 3 hours of assistance for 2007 and 2008 clients. 2007 clients who received 3 or more hours of assistance also reported significantly higher usefulness ratings for ED Resources than those that received less than 3 hours of assistance. This was not the case for 2008 clients, however. It will be important to compare these results with the results from the upcoming survey to better assess the affect of 3 or more hours of counseling.

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XII. APPENDICES

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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 and 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 <input type="checkbox"/> Other	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
Is there a positive relationship between the	#10. Please indicate the value of the information you received from the	Extremely Valuable=5, Valuable=4, No Opinion=3,

<p>services/assistance provided by SBA ED Resources and the client's perceptions of the usefulness and value of the services/assistance received?</p>	<p>[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 	<p>Somewhat Valuable=2, Not Valuable=1, No response = N</p>
	<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 	<p>Effective=5, Somewhat Effective=4, No Opinion=3, Somewhat Ineffective=2, Ineffective=1, No response = N</p>
<p>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>	<p>#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</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. Identification of problem(s) <input type="checkbox"/> 2. Correction of problem(s) <input type="checkbox"/> 3. Assisted in starting a business <input type="checkbox"/> 4. Helped me to decide not to start a business 	<p>Very Useful=5. Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1, No response = N</p>
<p>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>	<p>#4. As a result of the assistance you received, have you changed any of your current management practices?</p>	<p>Yes=1, No=0, No response = N</p>
	<p>#5. As a result of the assistance you received, which management practices/strategies have you changed? [Check all that apply]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Financial Management <input type="checkbox"/> Human Resource (Hiring/Firing) <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 	<p>If checked = 1 Not checked = 0, Other = open ended, No response = N</p>

	<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 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 is the zip code of your business</p> <p>#2. If NO, when do you plan on starting a business?</p> <p>#3a. 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>

	#3b. If YES when was the business started?	mm/yyyy
	#12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business <input type="checkbox"/> 1. Identification of problem(s) <input type="checkbox"/> 2. Correction of problem(s)	Very Useful=5, Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1, No response = N
	#19. Did you utilize any other SBA resources/program?	Yes=1, No=0, No response = N
	#20. If YES, select those you used [Check all that apply] <input type="checkbox"/> SCORE <input type="checkbox"/> SBDC <input type="checkbox"/> Women Business Center <input type="checkbox"/> SBA's Guarantee Loan Programs <input type="checkbox"/> SBIC Financing Program <input type="checkbox"/> SBA's Surety Bond Program	SCORE =1 or 0, SBDC =1 or 0, Women Business Center =1 or 0, SBA's Guarantee Loan Programs =1 or 0, SBIC Financing Program =1 or 0, SBA's Surety Bond Program =1 or 0, No response = N

Appendix 2 – Quantified Survey Results – Initial Survey 2008-2009

Surveys Questions	Percentage of Sample
Q1. Are you currently in business?	
<input type="checkbox"/> Yes	74.42%
<input type="checkbox"/> No	24.65%
<input type="checkbox"/> Missing	0.93%
Q2. If no, when do you plan on starting a business?	
<input type="checkbox"/> Within 30 days	1.61%
<input type="checkbox"/> 31-90 days	3.15%
<input type="checkbox"/> 91-120 days	2.95%
<input type="checkbox"/> No idea at this time	14.87%
<input type="checkbox"/> Missing	77.42%
Q3. Have you ever been in business?	
<input type="checkbox"/> Yes	8.74%
<input type="checkbox"/> No	15.63%
<input type="checkbox"/> Missing	75.63%
Q4. As a result of the assistance you received, have you changed any of your current management practices/strategies?	
<input type="checkbox"/> Yes	59.97%
<input type="checkbox"/> No	30.67%
<input type="checkbox"/> Missing	9.36%
Q5. As a result of the assistance you received, which management strategies have you changed?	
<input type="checkbox"/> Financial Management	27.42%
<input type="checkbox"/> Promotional Strategy	18.17%
<input type="checkbox"/> Human Resource (Hiring/Firing)	12.22%
<input type="checkbox"/> Obtaining Capital	11.08%
<input type="checkbox"/> Marketing Strategy	31.77%
<input type="checkbox"/> General Management	19.34%
<input type="checkbox"/> International Trade	3.88%
<input type="checkbox"/> Other	5.27%

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.						
<input type="checkbox"/> Business Plan	35.76%					
<input type="checkbox"/> Loan Package	12.45%					
<input type="checkbox"/> Purchasing Strategy	6.17%					
<input type="checkbox"/> Marketing Plan	27.27%					
<input type="checkbox"/> Hiring Plan	6.26%					
<input type="checkbox"/> Feasibility Plan	8.69%					
<input type="checkbox"/> Promotional Plan	12.29%					
<input type="checkbox"/> Training Plan for Staff	3.57%					
<input type="checkbox"/> Production Plan	5.82%					
<input type="checkbox"/> Pricing Strategy	12.02%					
<input type="checkbox"/> Financial Strategy	14.48%					
<input type="checkbox"/> Distribution Plan	3.93%					
<input type="checkbox"/> Cash Flow Analysis	17.18%					
<input type="checkbox"/> E-Commerce Strategy	4.11%					
<input type="checkbox"/> Other	5.08%					
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]	SA	A	NO	D	SD	Missing
I was able to:						
<input type="checkbox"/> Increase my sales	8.80%	18.46%	22.85%	3.34%	5.32%	41.23%
<input type="checkbox"/> Improve my cash flow	8.69%	18.09%	22.72%	3.53%	5.36%	41.61%
<input type="checkbox"/> Acquire SBA loan	5.32%	3.49%	30.55%	4.37%	9.88%	46.40%
<input type="checkbox"/> Expand my products/services	7.06%	16.26%	23.68%	3.53%	5.82%	43.65%
<input type="checkbox"/> Hire new staff	4.00%	7.55%	30.97%	4.11%	6.94%	46.43%
<input type="checkbox"/> Revise my marketing strategy	14.00%	24.48%	14.61%	2.17%	4.68%	40.06%
<input type="checkbox"/> Increase my profit margin	7.21%	15.41%	24.37%	3.53%	5.76%	43.72%
<input type="checkbox"/> Retain current staff	4.76%	9.91%	29.82%	2.76%	5.86%	46.88%
<input type="checkbox"/> Acquire a government contract	2.16%	2.63%	33.10%	4.36%	9.76%	47.99%
<input type="checkbox"/> Other	3.49%	1.68%	10.78%	0.58%	2.73%	80.74%
Q8. At the time you were assisted by the (SBFC/WBC/SCORE), what was the approximate annual gross revenue of your business?						
<input type="checkbox"/> Revenue given	44.59%					
<input type="checkbox"/> Missing	55.41%					

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]	EV	V	NO	SV	NV	Missing
<input type="checkbox"/> Usefulness of information	48.67%	30.64%	3.25%	6.77%	5.41%	5.27%
<input type="checkbox"/> Relevancy of the information	45.24%	32.07%	4.39%	6.94%	5.39%	5.97%
<input type="checkbox"/> Timeliness of the information	44.61%	30.96%	6.65%	5.82%	5.76%	6.20%
<input type="checkbox"/> Rate your overall experience	49.34%	28.91%	3.49%	6.62%	6.22%	5.44%
Q11. Please indicate how effective the counselor was in assisting you: [Effective=E, Somewhat Effective=SE, No Opinion=NO, Somewhat Ineffective=SI, Ineffective=I]	E	SE	NO	SI	I	Missing
<input type="checkbox"/> Assistance met my needs	58.86%	19.99%	4.05%	4.43%	6.99%	5.69%
<input type="checkbox"/> Counselor's ability to assist me	59.66%	19.39%	4.49%	4.25%	6.20%	6.00%
<input type="checkbox"/> Counselor was friendly	78.12%	10.61%	2.41%	1.14%	2.45%	5.27%
<input type="checkbox"/> Counselor was current on management issues	62.82%	16.04%	9.14%	2.16%	3.69%	6.14%
<input type="checkbox"/> Counselor was knowledgeable	68.35%	16.13%	4.65%	2.16%	3.53%	5.18%
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]	VU	V	NO	SU	NU	Missing
<input type="checkbox"/> Identification of problem(s)	40.84%	27.96%	10.78%	4.80%	6.14%	9.47%
<input type="checkbox"/> Correction of problem(s)	32.04%	27.08%	16.25%	4.84%	8.95%	10.84%
<input type="checkbox"/> Assisted in starting a business	25.47%	14.74%	28.09%	3.29%	9.60%	18.80%
<input type="checkbox"/> Helped me decided not to start a business	9.44%	5.35%	44.82%	1.42%	9.53%	29.45%

Q13. Gender:	
<input type="checkbox"/> Male	46.99%
<input type="checkbox"/> Female	50.28%
<input type="checkbox"/> Missing	2.73%
Q14. Veteran Status	
<input type="checkbox"/> Veteran	8.89%
<input type="checkbox"/> Service Disabled Veteran	1.74%
<input type="checkbox"/> Non Veteran	71.06%
<input type="checkbox"/> Missing	18.30%
Q15. Age	
<input type="checkbox"/> 18-24	1.36%
<input type="checkbox"/> 25-34	13.90%
<input type="checkbox"/> 35-44	24.73%
<input type="checkbox"/> 45-54	31.37%
<input type="checkbox"/> 55-64	20.22%
<input type="checkbox"/> 65-74	4.15%
<input type="checkbox"/> 75 +	0.69%
<input type="checkbox"/> Missing	3.57%
Q16. Are you Hispanic or Latino	
<input type="checkbox"/> Hispanic/Latino	7.28%
<input type="checkbox"/> Non-Hispanic/Latino	80.40%
<input type="checkbox"/> Missing	12.32%
Q17. Are you:	
<input type="checkbox"/> American Indian or Alaskan Native	2.95%
<input type="checkbox"/> Asian	4.42%
<input type="checkbox"/> Black or African American	11.49%
<input type="checkbox"/> Native Hawaiian or Pacific Islander	0.81%
<input type="checkbox"/> White	74.56%
<input type="checkbox"/> Missing	8.35%

Q18. If you are in business, what is the primary type of business? (This question includes multiple responses)	
<input type="checkbox"/> Construction	5.76%
<input type="checkbox"/> Manufacturing	8.42%
<input type="checkbox"/> Consulting	6.99%
<input type="checkbox"/> Wholesale	4.49%
<input type="checkbox"/> Finance, Insurance, Real Estate	3.19%
<input type="checkbox"/> Entertainment	1.96%
<input type="checkbox"/> Retail	14.12%
<input type="checkbox"/> Restaurant	3.52%
<input type="checkbox"/> Engineering	1.31%
<input type="checkbox"/> Publishing	1.45%
<input type="checkbox"/> Education	4.30%
<input type="checkbox"/> Service	14.03%
<input type="checkbox"/> Health Care	5.69%
<input type="checkbox"/> Day Care	1.24%
<input type="checkbox"/> Transportation	1.39%
<input type="checkbox"/> Computer System or Design	1.82%
<input type="checkbox"/> Other	18.49%
Q19. Did you utilize any other SBA resources/program?	
<input type="checkbox"/> Yes	21.09%
<input type="checkbox"/> No	76.22%
<input type="checkbox"/> Missing	2.69%
Q20. If yes, select those you used	
<input type="checkbox"/> SCORE	7.43%
<input type="checkbox"/> SBA's Guarantee Loan Program	6.14%
<input type="checkbox"/> SBDC	3.09%
<input type="checkbox"/> SBIC Financing Program	1.21%
<input type="checkbox"/> Women Business Center	3.90%
<input type="checkbox"/> SBA's Surety Bond Program	0.34%

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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 []
3. If NO (to question 1), have you ever been in business? Yes [] No []
If YES when was the business started? __/____
mm/yyyy

If you answered NO to question 1, please skip to Question 10

- 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 _____ | |

SBA Form 2214

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	1	2	3	4	5
2. Improve my cash flow	1	2	3	4	5
3. Acquire an SBA loan	1	2	3	4	5
4. Expand my products/services	1	2	3	4	5
5. Hire new staff	1	2	3	4	5
6. Revise my marketing strategy	1	2	3	4	5
7. Increase my profit margin	1	2	3	4	5
8. Retain current staff	1	2	3	4	5
9. Acquire a government contract	1	2	3	4	5
10. Other (specify _____)	1	2	3	4	5

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

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

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

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

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

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

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

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

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

13. Gender: Male Female

14. Veterans status: Veteran Service Disabled Veteran
Non Veteran

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

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

17. Are you: **[Please choose one or more]**

- American Indian or Alaskan Native
- Asian
- Black or African American
- Native Hawaiian or Pacific Islander
- White



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

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

19. Did you utilize any other SBA resources/program?

- | | | | |
|-----|--------------------------|----|--------------------------|
| Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
|-----|--------------------------|----|--------------------------|

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

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

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

NOTE Mail completed surveys back in business reply envelope.

SBA Form 2214

THANK YOU



Appendix 4 – Follow-up Survey

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

OMB Number 3245-0351
Expiration 03/31/2009

Dear Small Business Client:

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

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

- 1. Are you currently in business? Yes [] No []
If YES when was the business started? __/__/____ mm/yyyy
2. If NO, when do you plan on starting a business?
Within 30 days [] 31-90 days []
91-120 days [] No idea at this time []
3. Have you ever been in business? Yes [] No []
If YES, when was the business started? __/__/____ mm/yyyy
4. As a result of the assistance received from the [SBDC/WBC/SCORE] Counselor which of the following were you able to develop [i.e., Business Plan] in order to start or better manage your business. [Check all that apply]
Business Plan [] Loan Package [] Purchasing Strategy []
Marketing Plan [] Hiring Plan [] Feasibility Plan []
Promotional Plan [] Training Plan for Staff [] Production Plan []
Pricing Strategy [] Financial Strategy [] Distribution Plan []
Cash Flow Analysis [] E-Commerce Strategy [] Other _____
5. What was the approximate annual gross revenue of your business in 2008? \$____,____,____.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 | <input type="checkbox"/> | SBA's guarantee loan programs | <input type="checkbox"/> |
| SBDC | <input type="checkbox"/> | SBIC Financing Program | <input type="checkbox"/> |
| Women Business Center | <input type="checkbox"/> | SBA's Surety Bond Program | <input type="checkbox"/> |

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

THANK YOU

Appendix 5 – Regression Computations
Regression Results: Effects of Firm and Demographic Characteristics on Perceived Usefulness, Assistance with Starting a Business, and Financial Impact

Independent Variable	Dependent Variable					
	Perceived Usefulness		Assistance with Start Up Decision		Financial Impact	
Log of Sales	-0.01205		-0.02261	***	0.13959	***
Nascent	-0.14250		0.01835		--	
Startup	-0.04335		0.0705		0.19278	
Veteran	-0.18062	**	-0.06605		-0.04822	
Age	0.000199		0.000237		-0.00027	
Gender	-0.00012		-0.000052		0.00082	
Latino	-0.17615		-0.03278		-0.59923	
Native American	-0.22808		-0.09548		-0.70687	
Asian	0.05568		0.17773	*	0.05118	
Black	-0.10987		-0.01261		-0.16507	
Hawaiian/Pacific Islander	0.69590	*	0.30870		0.66117	
WBC	0.15243		-0.08701		0.59859	
SCORE	-0.10785	*	-0.00323		-0.20729	
<=3 hours	-0.05082		-0.04794		-0.36972	**
R-Square	0.0146		0.0113		0.0158	

***Significant at 0.01 level

**Significant at 0.05 level

*Significant at 0.10 level