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Office of Entrepreneurial Development



Impact Study of Entrepreneurial Development Resources

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

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FOREWORD

Concetrance would like to thank the 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 2003. 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 seventh report¹ in the study and presents the findings from three separate study groups as shown in the table below; 2009 clients' initial attitudinal assessment of their counseling experience, and a follow-up with 2007 and 2008 clients to assess the financial impact of the received assistance.²

	Study Year 2008	Study Year 2009	Study Year 2010
2007 Clients	Initial survey	First follow-up	Second follow-up
2008 Clients		Initial survey	First follow-up
2009 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 late summer or early fall of 2007, 2008 or 2009. The ED Resources include: Small Business Development Centers (SBDC), SCORE, and Women Business Centers (WBC).

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 (2007 - 2008 - 2009)
 - Regression analysis
 - Perception of impact of SBDC resources 2009
 - Perception of impact of SCORE resources 2009
 - Perception of impact of WBC resources 2009
 - Quantitative analysis overview
 - Qualitative analysis of collected client comments
- Findings: Follow-up study of 2007 and 2008 ED Resource clients
- Recommendations for further research

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

² For information on 2003, 2004, 2005 and 2006 clients please see previous reports.

- The appendix includes the distribution of responses for each survey question, sample survey instruments, additional regression results and distribution of responses for each ED Resource by state.

Research Questions

The following questions are 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 of multi-year data.

1. What is the demographic, financial, and business profile of firms who utilize ED Resources?
2. Is there a relationship between the services/assistance provided by ED Resources (SBDC, SCORE, and WBC) and the client's perception of the usefulness and value of the services/assistance received?
3. Is there a relationship between the services/assistance provided by ED Resources and the client's decision to start a business?
4. Is there a relationship between the services/assistance provided by 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 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 2007 and 2008 ED Resource clients:

6. Based on a comparison of the total ED Resources with the Panel Study of Entrepreneurial Dynamics³ (PSED II), 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 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), and Standard & Poor's SmallCap 600 Index⁴, 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 2005 and 2006 clients, it is the most recent survey of its kind, and the most applicable as a benchmark.

⁴ The S&P SmallCap 600 Index represents approximately 3% of the U.S. equities market and includes 600 'small cap' companies with market capitalizations between \$250 million and \$1.2 billion. We replaced benchmark data from the NFIB with benchmark data from the S&P SmallCap 600 Index. The S&P SmallCap 600 Index is a more commonly used benchmark for growth.

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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 contracted Concentrance Consulting Group to conduct this study. This study has thus far examined ED Resource clients that received services in 2003, and each subsequent year up to and including the present study of 2009 clients. This report presents our findings of the initial attitudinal impact study of 2009 clients and a follow-up study showing the financial impact on 2007 and 2008 clients.

ED Resource Clients Studied

Concentrance studied three ED Resources comprising:

- Small Business Development Centers (SBDC),
- SCORE, and
- Women Business Centers (WBC).

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 one year or less; and
- In-Business – Those individuals who have been in business more than one year and are classified as small by the SBA.

For the 2009 clients who responded to the initial impact study, we analyzed demographic characteristics, perceived usefulness of assistance, and initial impact on businesses. We also assessed the survival rates and financial growth of 2007 and 2008 clients.

Quantitative Findings (Initial Impact Study 2009)

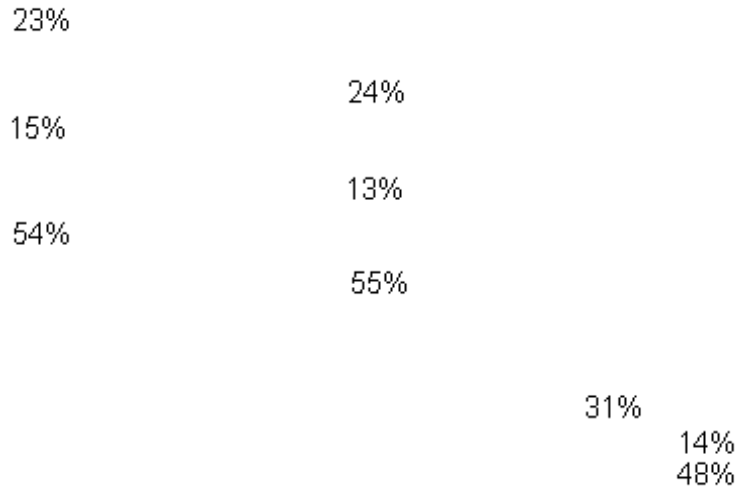
Concentrance collected, coded, and analyzed data for 8,493 ED Resource clients with an overall response rate of 23%. This year’s survey comprised the largest sample and achieved the greatest number of respondents since the inception of the study. The table below provides the number of respondents and response rates for each ED Resource.




Resource Center	Stratified Sample Size	Usable Sample Size ¹	Surveys Received via Web	Surveys Received via Phone	Total Surveys Received	Response Rate 2009
SBDC	22,092	17,267	3,333	987	4,320	25%
SCORE	19,862	16,901	2,808	887	3,695	22%
WBC	2,826	2,053	351	127	478	23%
Total	44,780	36,221	6,492	2,001	8,493	23%

⁵ The usable sample size comprises the stratified sample minus surveys noted as undeliverable by web or telephone due to incorrect contact information. There is some concern over the accuracy and completeness of the contact information for clients provided by ED Resource offices.

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

Distribution of Respondents by Segment (2009 Clients)



	Nascent	992	890	147
	Start-up	631	466	68
	In-Business	2350	2019	230
	Total	3973	3375	445

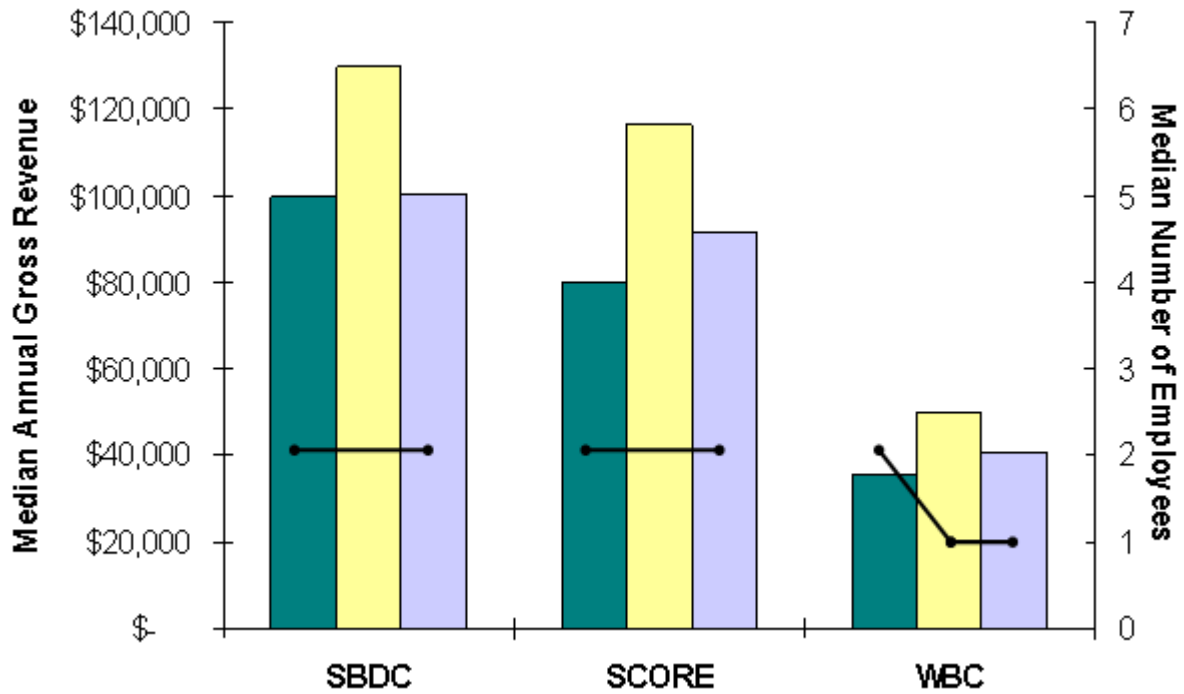
The 2007 clients were resurveyed in 2010 to determine financial impact after two years in terms of financial growth and firm survival rates. Their response rate was 23%. The 2008 clients were also resurveyed at this time to determine financial impact and firm survival rates after one year. The response rate for this group was 15%.

Client Year	Stratified Sample Size	Useable Sample Size	Follow-up	Surveys Received in 2008	Response Rate
2007	648	648	2 nd	150	23%
2008	6,770	5,870	1 st	854	15%

⁶ Respondents (700) who reported being in-business but who did not provide a valid start date for that business, were not assigned to a business segment, therefore percentages of clients in each business segment will not equal 100%.

FY2009 SBDC, SCORE and WBC clients all reported lower revenues than those served in the previous year. SBDC continues to serve the clients with the highest median revenues (\$100,250), followed by SCORE (\$91,500), and WBC (\$40,500).

- Median employment levels for SBDC, SCORE and WBC clients remained at 2008 levels.



■ Rev. 2007	\$100,000	\$79,000	\$35,500
■ Rev. 2008	\$130,000	\$116,500	\$50,000
■ Rev. 2009	\$100,250	\$91,500	\$40,500
—● Empl. 2007	2	2	2
—● Empl. 2008	2	2	1
—● Empl. 2009	2	2	1

ED Resources served a diverse client base in FY2009, similar to past years regarding demographic and business characteristics.

- The total ED Resource client base consisted of: Female (49%), Male (50%)⁷, White (77%), Black/African American (11%), Veteran (10%), Service-disabled Veteran (2%), Hispanic/Latino (7%), Asian (4%), American Indian/Native Alaskan (2%), and Native Hawaiian/Pacific Islander (0.5%).⁸ The percentage of firms owned by Male, White, and Veteran clients are all up from last year. The number of American Indian/Native Alaskan firms went down one percentage point from last year.
- The majority of 2009 clients (32%) were between the ages of 45-54. Those between the ages of 35-44 made up 24% of clients. Twenty-three percent consisted of clients between the ages of 55-64; up three percentage points from last year. Clients 25-34 were 12% of the total ED resource client base.⁹
- The most often cited primary business industries for 2009 clients remained the same as in past years: service (14%) and retail (11%). Though retail was still the second most often cited primary business type, it is down three percentage points from last year, and has declined for the past two years. Conversely, manufacturing and construction have both seen increases to 10% and 9% respectively.
- Firms owned by men reported revenues, on average, more than twice as high as those owned by women, though revenues for women-owned firms have been climbing for the past three years. The highest average revenues by race/ethnicity were reported by Hispanic/Latinos, followed by White and Asian firms. Average revenues for every race/ethnicity, except American Indian/Alaskan Natives, experienced increases, especially Hispanic/Latinos. Veterans also experienced increases in average revenues, while Service-disabled Veterans reported lower revenues than the previous year.

FY2009 clients gave slightly lower ratings (75%) than the previous year's respondents (79%) to the usefulness of the assistance they received. The affect of counseling assistance on the client's ability to develop a business plan (33%), marketing plan (29%) has remained consistent across past studies. General management (20%) is a new category for this year.

⁷ Male and Female 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 2007 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, Female business owners were 36%, Black business owners were at 7%, and American Indian/Alaskan Native business owners were at 1%.

⁹ These demographic distributions were comparable across age brackets to the results of the above study except that 18-24 was reported at 3% (compared to 1%)

- Usefulness ratings also include the financial impact of assistance on hiring new staff (13%), retaining current staff (19%), increase in profit margin (24%) and increase in sales (29%). The ratings for increase in profit margin and sales has increased for the past three years.

Larger firms reported higher levels of perceived usefulness of ED Resource assistance than did smaller firms. Firms that received less than 3 hours of assistance reported lower levels of perceived usefulness than firms with 3 or more hours of counseling.

- Total ED Resource clients that received 3 or more hours of counseling reported median revenues of \$100,000 while those that received less than 3 hours of counseling reported median revenues of \$77,000. WBC clients that received 3 or more hours of counseling reported \$16,000 less in median revenues than those that received less than 3 hours.
- There were no differences in perceived usefulness based on business segment, ED resource or geographic location.
- There were no significant effects of client's age, gender or race on perceived usefulness. However, Hispanic/Latino clients reported significantly higher perceived usefulness.

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

- For SCORE clients, 41% reported the perceived reputation of SCORE led to their decision to seek ED Resource assistance, compared to 35% for SBDC clients and 27% for WBC clients.
- Approximately 40% of WBC Start-ups and 43% of WBC In-Business clients reported that assistance they received resulted in increased sales compared to 30% and 38% respectively for SCORE client and 35% and 39% for SBDC clients, respectively.
- For SBDC clients, 37% of Start-ups reported that they decided to go into business as a result of assistance compared to 30% for SCORE and 28% for WBC.

Firms in the In-Business segment, and SCORE clients were less likely to report that their decision to start a business was the result of ED Resource assistance.

- Twenty-six percent of Nascent clients and 34% of Start-up clients reported that their decision to start a business was the result of ED Resource assistance.
- There were no significant differences based on business segment, ED Resource, hours of counseling received, or client demographic characteristics in regards to perceived assistance with the decision to start a business.

There were no significant differences in financial impacts of ED Resource assistance based on firm size, ED Resource, business segment, hours of assistance or geographic location. However there were some differences based on client demographics.

- Older clients, Hispanic/Latino, and Female clients were more likely to report positive financial impacts.
- Veterans reported significantly lower financial impacts.

Findings from an analysis of follow-up surveys of 2007 and 2008 clients suggest that ED Resource assistance had a significant impact on firm survival. During 2009, the recession appears to have had a negative impact on revenue growth for 2008 clients, but not for 2007 clients.

- Approximately 93% of 2007 ED Resource clients surveyed for the second follow-up and 95% of 2008 clients surveyed for the first follow-up were still in business in 2010. This compares to survival rates of firms in the PSED II of 80% and 90% respectively.
- In the second follow-up study, ED Resource clients showed decreases in median revenue from \$125,000 in 2007 to \$80,000 in 2008, but an increase to \$200,000 for 2009.¹⁰
- Firms in the ED Resource sample that reported revenues outpaced the economy overall from 2008 to 2009. During the 2008 to 2009 period, ED Resource client revenue growth rates increased from -19% to 40%, while GDP (gross domestic product)¹¹ growth declined two percentage points. This acceleration of ED Resource client revenue growth mirrors patterns reflected in the S&P SmallCap 600 Index growth trends over the same period.

¹⁰ Revenues from Nascent firms are not included. Start-up or In Business Firms with revenues below \$1,000 and more than \$20 million were excluded from this analysis.

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

Qualitative Findings

- A few clients from each ED Resource provided ad hoc commentaries in emails with their survey instrument.
- Comments were both positive and negative for each ED Resource.

Recommendation for Further Research

- An additional study could examine the effects of different types of assistance (e.g. business plan vs. financial strategy) on perceived improvements, survival, and business growth.

Methodology

The initial impact study of 2009 clients was quantitative in nature, based upon responses to web surveys. Statistical analyses utilized frequency distributions, average comparisons, cross tabulations, and regression models.

The survey of clients resulted in a respondent sample of 8,493 clients. ED Resources provided Concentrance with a random sample list of 44,780 clients served during the late summer or early fall of 2009. Surveys were sent via email to each client and we sent reminder emails each week for four weeks after the initial emailing. Phone surveys were attempted for clients who did not respond to web 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, geographic location and hours of assistance) on a particular resource impact. These impacts included: perceived usefulness of ED Resource assistance, perceived impact on the decision to start a business, and perceived impact on sales.

The respondent sample for the second follow-up survey of 2007 clients was 150. The respondent sample for the first follow-up of 2008 clients was 854. A matched sample was used to perform pairwise 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 II, the Private Company Index, and the S&P SmallCap 600 Index.¹²

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.

¹² We replaced benchmark data from the NFIB with benchmark data from the S&P SmallCap 600 Index. The S&P SmallCap 600 Index is a more commonly used benchmark for growth.

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III. METHODOLOGY

This report contains findings from the initial impact study of ED Resources for 2009 clients and the follow-up study of the 2007 and 2008 clients that participated in initial impact studies in previous years. The methodology for the initial impact study for 2009 clients reports clients' attitudinal assessments of their counseling experience and is presented first, followed by the methodology for the 2007 and 2008 follow-up study, which reports long-term financial impact on client firms.

Sampling and Data Collection

This study examines the affects of SBA ED Resource assistance by respective ED Resource and by clients in the following 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 one year or less
- In-Business – Individuals who have been in business more than one year and are classified as small by the SBA

The initial study of 2009 clients was quantitative in nature, based upon responses to web and telephone surveys. These responses provided a statistically significant sample for each 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 8,493 is sufficiently large enough for accuracy within plus or minus \$34,000 in reported annual sales revenues at a 99% confidence level.¹³

¹³ This assumes a standard deviation of annual revenues of \$1,200,000.

Table 3.1 below depicts the distribution of surveys across ED Resource and the response rates by ED Resource. The overall response rate was 23%, which is comparable to 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%.¹⁴ In another example, the National Federation of Independent Business (NFIB) had a response rate of 20% in its Small Business Economic Trends survey conducted in June of 2010.¹⁵

Table 3.1 – Sampling Frame

Resource Center	Stratified Sample Size	Usable Sample Size ¹	Surveys Received via Web	Surveys Received via Phone	Total Surveys Received	Response Rate 2009
SBDC	22,092	17,267	3,333	987	4,320	25%
SCORE	19,862	16,901	2,808	887	3,695	22%
WBC	2,826	2,053	351	127	478	23%
Total	44,780	36,221	6,492	2,001	8,493	23%

Survey Administration

Following a successful pilot test of web-based survey administration for the 2008-2009 impact study of ED Resources, Concentrance adopted web-based survey administration as the primary technique for this study. The pilot test showed that the change in delivery mechanism provided greater efficacy with regards to raising the number of ED Resource clients we could contact. A portion of clients that did not respond to the web-based survey were also contacted via telephone.

ED Resources drew a random sample of clients served during the late summer or early fall of 2009 based on a random sample table provided to each ED Resource. See Appendix 3 for the survey instrument. Via email, Concentrance sent selected clients SBA cover letters and an invitation to take a web-based, OMB approved survey. We sent reminder emails each week for four weeks after the initial emailing. We logged-in all received surveys, entered the survey data into a database for analysis, and developed an electronic database list of non-respondents for a telephone follow-up survey. All surveys were computer-coded with client codes to facilitate unique identification of each client for follow-up surveys while ensuring privacy.

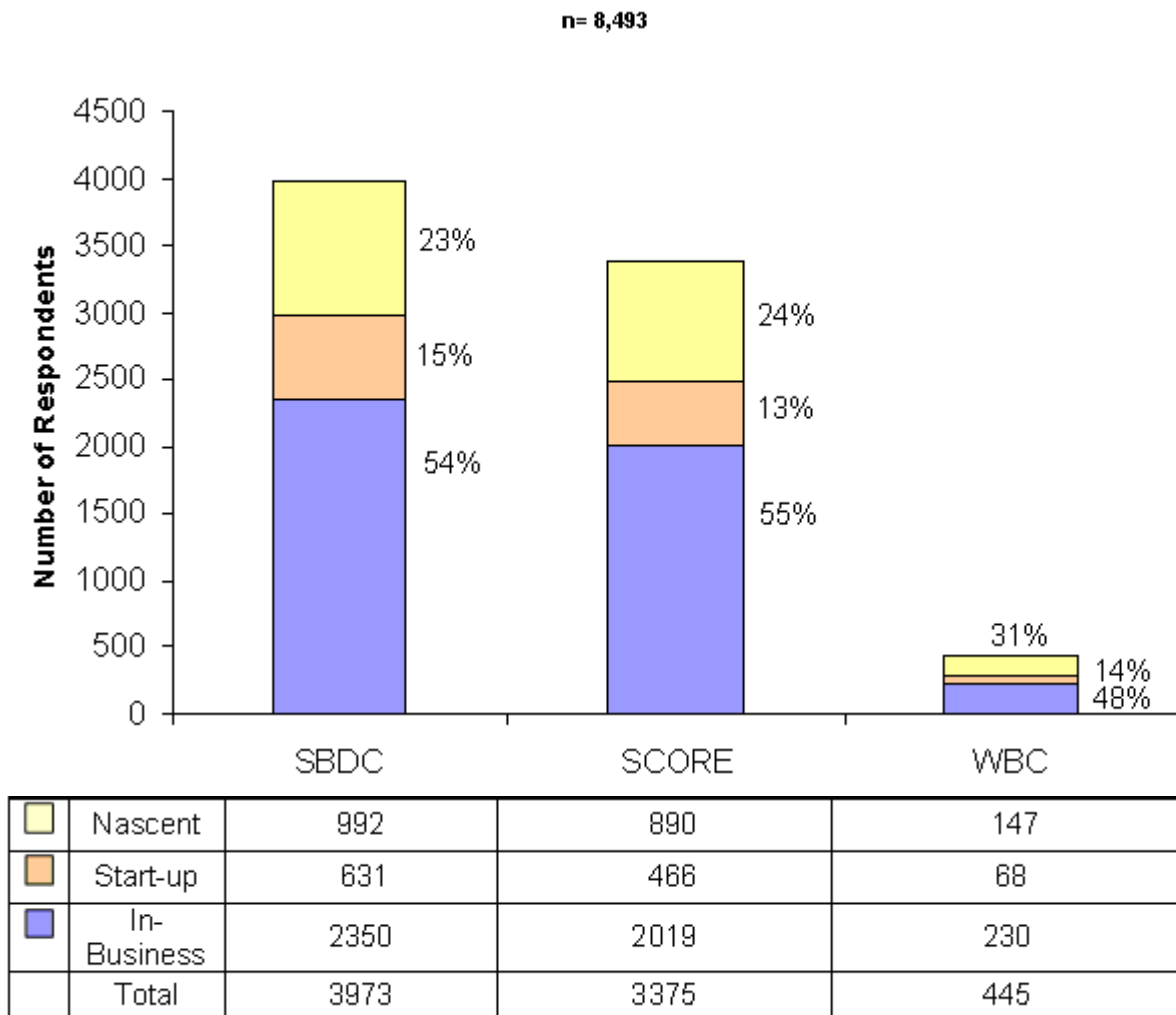
¹⁴ Aldrich, Howard E. and Ted Baker (2000), “Blinded by the Cites: Has there been any progress in entrepreneurship research?” in *Entrepreneurship 2000*, ed. Donald L. Sexton and Raymond L. Smilor, Chicago: Upstart Publishing, p. 377-400.

¹⁵ William K. Dunkelberg and Holly Wade, “NFIB Small Business Economic Trends” [NFIB.com](http://www.nfib.com). July 2010. <<http://www.nfib.com/Portals/0/PDF/sbet/sbet201007.pdf>>

¹⁶ The usable sample size comprises the stratified sample minus surveys noted as undeliverable by web or telephone due to incorrect contact information

Figure 3.1 shows the distribution of survey respondents by respective 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 one year or less).

Figure 3.1 – Distribution of Respondents by Segment (2009 clients)¹⁷



¹⁷ Respondents (700) who reported being in business but who did not provide a valid start date for that business, were not assigned to a business segment, therefore percentages of clients in each business segment will not equal 100%.

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 ED Resources, business segments, and hours of counseling received. 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. We selected these analyses to meet the objectives of each research question and to facilitate interpretation of findings.

Analysis of Non-Response

SBA's research plan for this study included a methodology for estimating potential non-response bias. Non-response bias can occur in survey research if respondents differ substantially from those that 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 sending four reminder emails containing a link to the survey and minimized further by telephone follow-ups to non-respo...dents.

In addition, we assessed the extent and direction of potential non-response bias by comparing the characteristics of clients who responded to the internet survey with those who did not. Our approach was to conduct a phone survey of non-respondents. We conducted a total of 2,001 phone surveys with web non-respondents. The next step was to conduct a comparative analysis of the responses between these groups.

Results of regression analyses revealed no significant differences between web and phone survey respondents in terms of revenues or number of employees. Since there was no evidence of response bias, these samples were pooled in subsequent analyses.¹⁸

¹⁸ These findings were based on results of a regression analysis to determine whether web 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 ($t=2.27, p>0.0235$). A second regression was performed to determine whether web 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 the same for web and phone follow-up respondents ($t=-1.12, p<0.2608$). A p-value of less than 0.01 is evidence of significant differences between web and phone respondents.

Follow-up Study 2007 and 2008 – Sampling, Data Collection, and Analysis of Non-Response

A follow-up study was conducted of both 2007 and 2008 clients in order to evaluate the financial impact on these groups one year and two years after they were counseled by ED Resources. There were 648 clients from 2007 that were contacted for a second follow-up in the beginning of 2010. There were 150 respondents to this second follow-up, which represents a 23% 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 150 clients, there were detailed data which could be tracked for three years.**

There were 6,770 respondents to the initial impact survey of 2008 clients. Concentrance conducted a follow-up survey of 5,870 of these respondents by phone. **Of these, there were detailed data from 854 respondents that could be tracked for two years.** The response rate for this group was 15%.

Table 3.2 shows the number of surveys received by total ED Resources 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 2008	Response Rate
2007	648	648	2 nd	150	23%
2008	6,770	5,870	1 st	854	15%

These matched samples were used to perform pair-wise statistical tests that compared changes in growth by business segment and by 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 were inherent in 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 41% 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 2007 - 2008 - 2009

The following section presents comparison results of clients from 2007, 2008, and 2009. First, the general demographic and financial characteristics of the total ED Resource clients 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 services/assistance provided by ED Resources (SBDC, SCORE, and WBC) and the client's perception of the usefulness and value of services/assistance received?
- Is there a relationship between the services/assistance provided by ED Resources (SBDC, SCORE, and WBC) and the client's decision to start a business?
- Is there a relationship between the services/assistance provided by ED Resources (SBDC, SCORE, and WBC) and the client's decision to implement and/or change management and/or marketing practices in their business?
- Are the services/assistance provided by ED Resources (SBDC, SCORE, and WBC) having an impact on the client's financial position in terms of job creation, job retention, and sales?

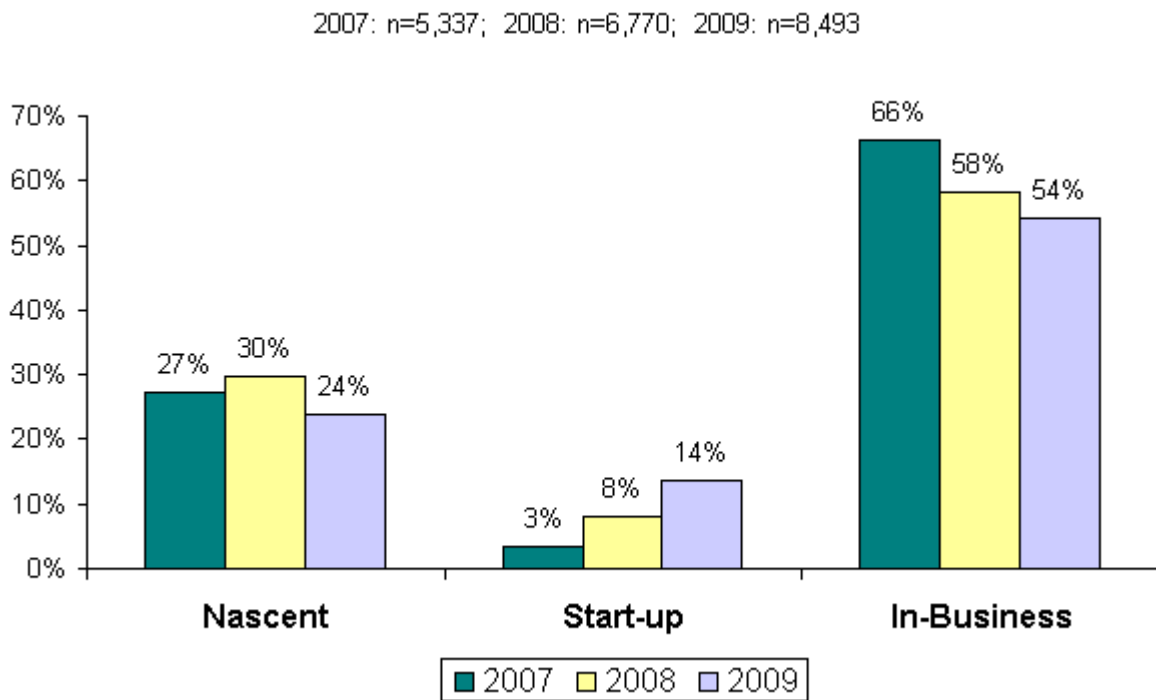
It is important to note that comparisons between the 2007, 2008, and 2009 initial study clients should be interpreted with caution. Concentrance collected cross-sectional data from a different set of firms each year, and these firms were operating under different economic conditions. To better understand 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 Resource clients that were served in 2009. These results are based on an analysis of 8,493 completed surveys.

As shown in Figure 4.1, the In-Business segment (54%) was the largest business segment served by ED Resources in 2009. The size of the In-Business segment was down from the previous year while the Start-up segment was larger, in part due to the revised definition of Start-up businesses. This year, the SBA revised the definition of Start-up to include firms that have been in business for one year or less in order to be consistent with other prominent small business research studies.

Figure 4.1 – Total ED Resources – Client Segments Served¹⁹



The median annual revenue for ED Resources' clients was \$97,000.

Table 4.1 – Total ED Resources-Revenues and Employment²⁰ (2009)

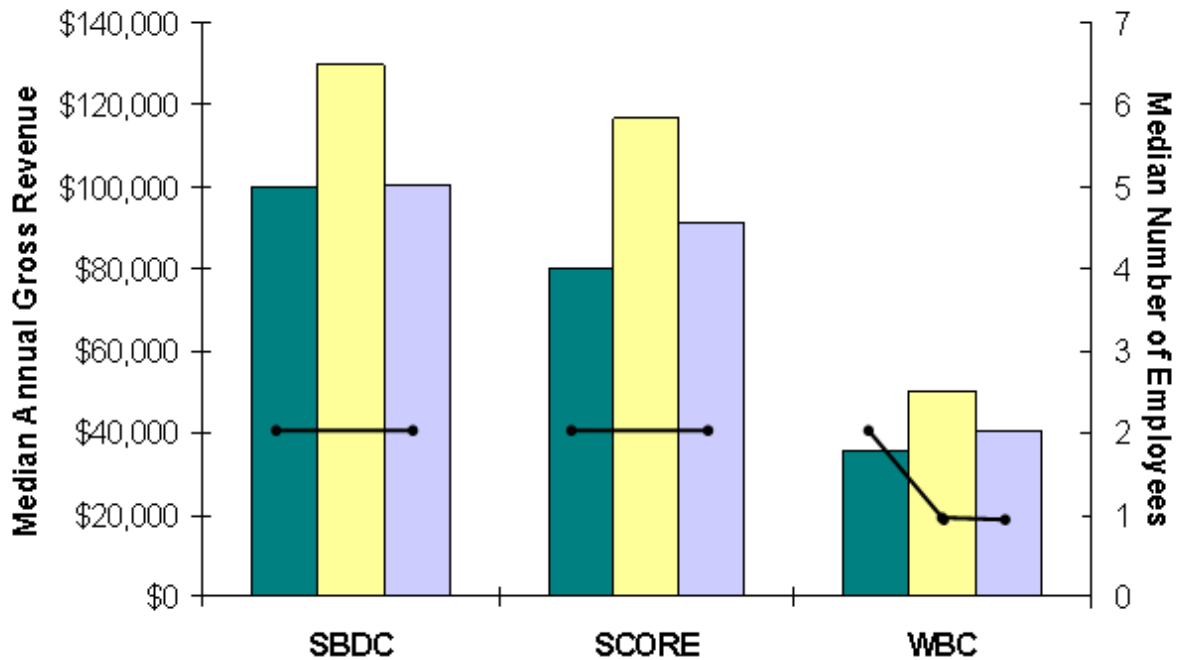
	Total ED Resources
Median Revenue	\$97,000
Median Employees	2

¹⁹ Respondents (700 for 2009) 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%.

²⁰ Firms were required to report revenues within the range of \$1000 to \$20,000,000.

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 (\$100,250 median), followed by SCORE (\$91,500 median), and WBC (\$40,500 median). SBDC, SCORE, and WBC clients that received assistance in 2009 reported lower median annual revenues than those assisted in 2008 but greater than those served in 2007. Median employment was the same for SBDC, SCORE, and WBC clients served in 2009 and 2008. The general relationship of client revenues between each ED Resource has been consistent since the inception of this study in 2004.

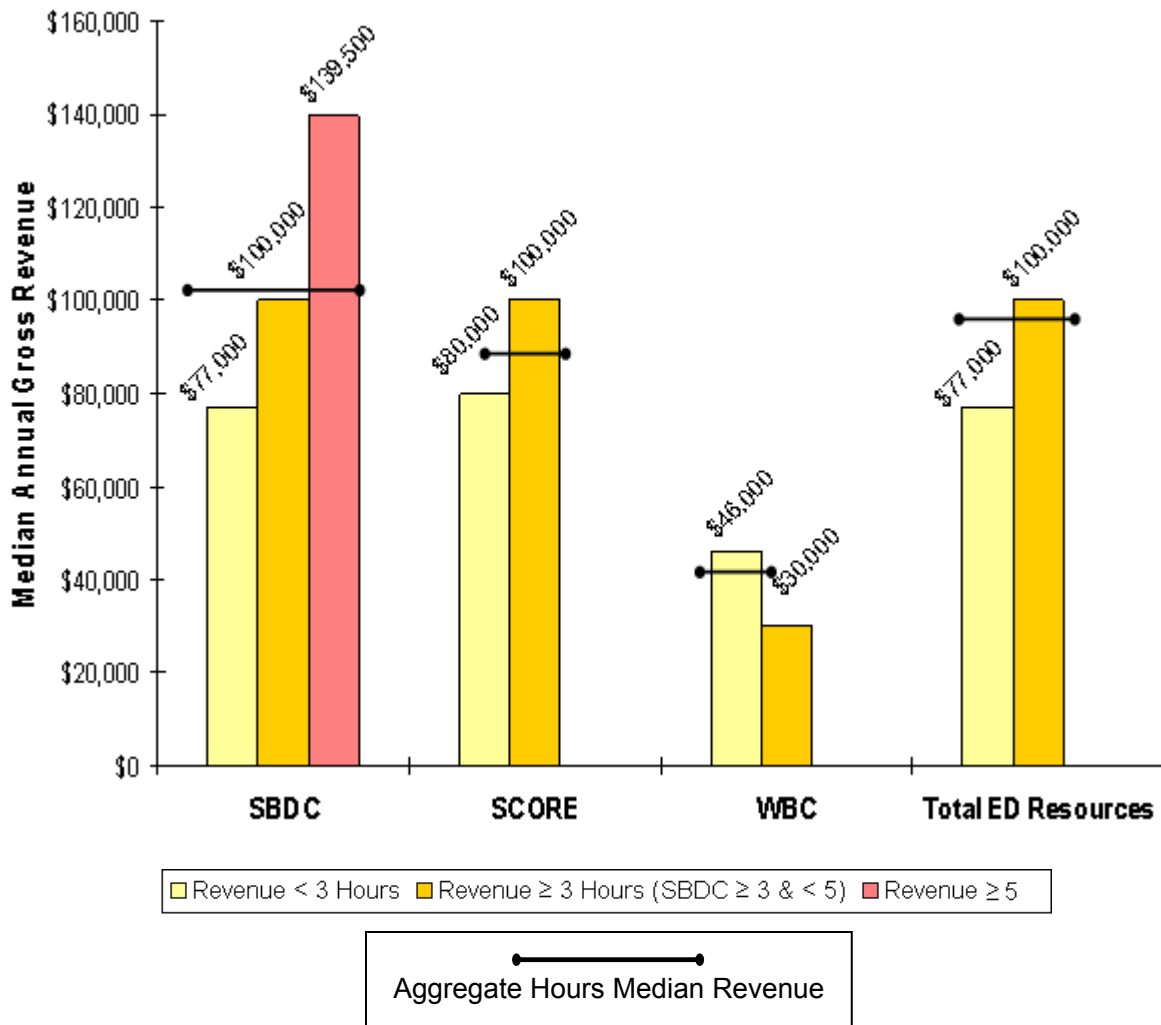
Figure 4.2 – Total ED Resources – Revenue and Employment (median ED client revenues and number of employees)



■ Rev. 2007	\$100,000	\$79,000	\$35,500
■ Rev. 2008	\$130,000	\$116,500	\$50,000
■ Rev. 2009	\$100,250	\$91,500	\$40,500
—● Empl. 2007	2	2	2
—● Empl. 2008	2	2	1
—● Empl. 2009	2	2	1

Figure 4.2A examines the median revenues by the hours of counseling received²¹ to understand the relationship between client revenues and resource utilization. Those clients from SBDC and SCORE that received a greater number of hours of counseling tended to be larger in size. 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 3 or more hours of counseling was \$100,000. This trend is also apparent with SBDC clients where the difference between clients that received 5 or more hours of counseling and those that received less than 3 hours of counseling is \$60,000.

Figure 4.2A – Total ED Resources – Revenues by Hours of Counseling²²

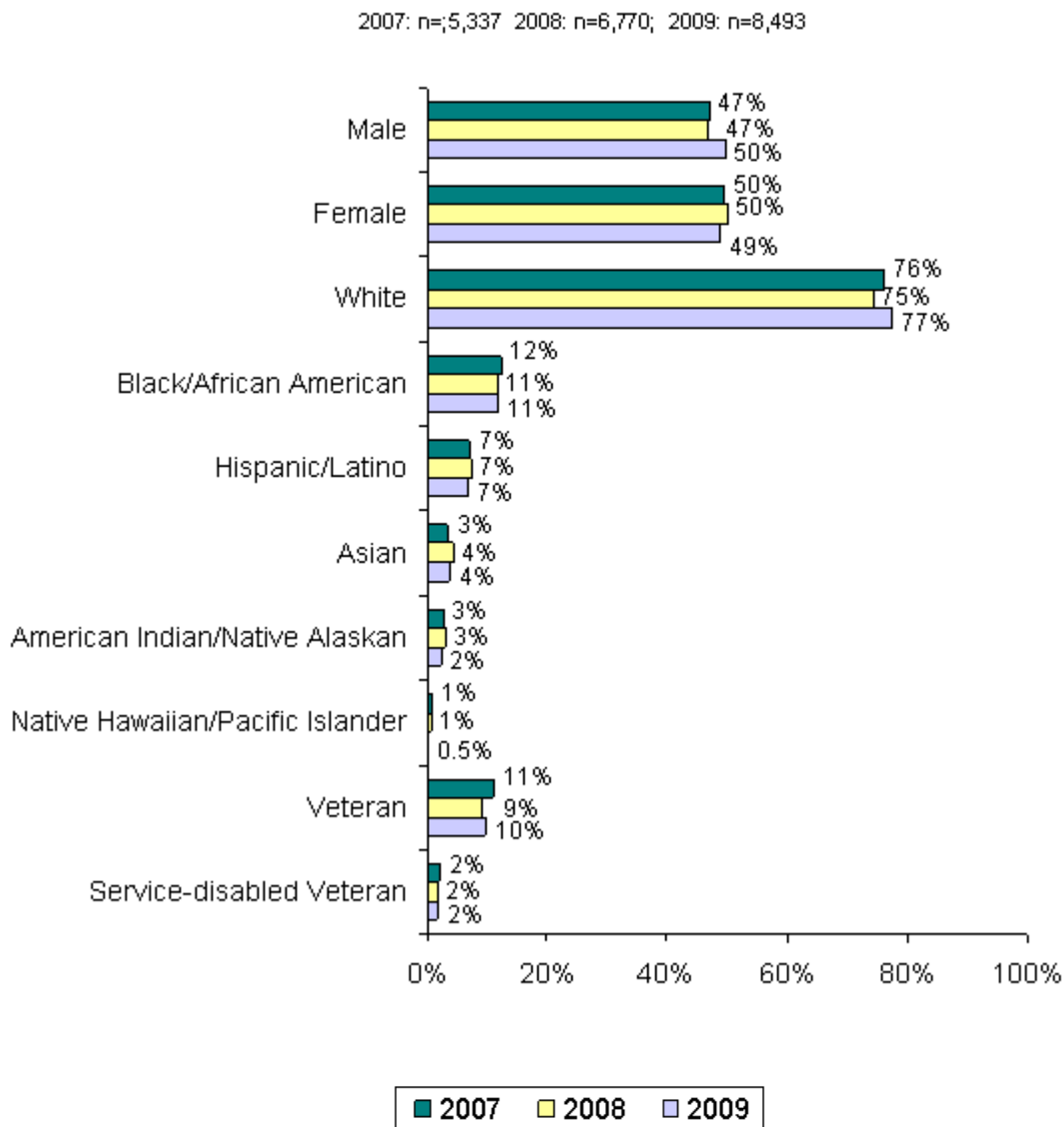


²¹ For each ED Resource, the number of respondents is comparable for each category of hours of counseling received. **SBDC:** < 3 hrs= 1441; ≥ 3 & < 5 hrs= 1438; ≥ 5 hrs= 1441/**SCORE:** < 3 hrs= 1848; ≥ 3 hours= 1847/**WBC:** < 3 hrs= 239; ≥ 3 hours= 239.

²² SBDC reports hours of counseling in three categories (< 3, 3 to 5, ≥ 5), whereas SCORE and WBC report two categories (< 3, ≥ 3); SCORE and WBC also provide 5 or more hours of counseling to their clients and these hours are captured in the 3 or more hours of counseling category. When comparing ED Resources by hours of counseling, those clients receiving 3 or more hours of counseling from SBDC reported median revenues of \$120,000.

Figure 4.3 presents the demographic characteristics of ED Resource clients in terms of gender, race, ethnicity, and veteran status.²³ The percentage of Male, White and Veteran firms are all up from last year. The percentages of Black/African American, Asian, Hispanic/Latino, and Service-disabled Veteran firms have not changed from 2008. Female and American Indian/Native Alaskan firms' representation decreased for this year.

Figure 4.3 – Total ED Resources – Demographic Characteristics²⁴

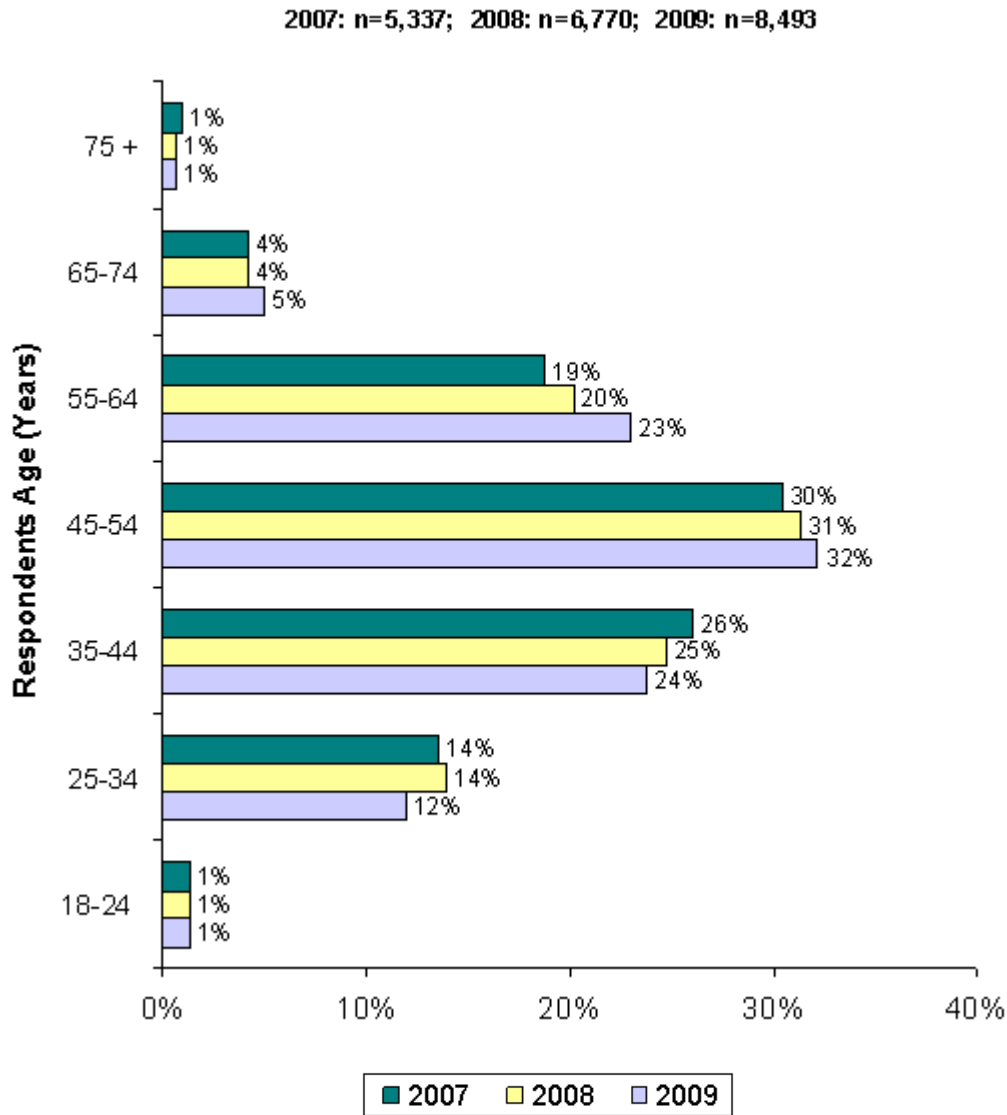


²³ The Veteran and Service-disabled Veteran categories are shown in the chart above. Additional results for total ED Resource clients included: Reservist (0.3%) and National Guard Member (0.3%).

²⁴ The total may not equal 100% due to respondents that selected multiple ethnicities. The gender categories do not total 100% due to non-respondents. The 2009 demographic distribution was compared to the national averages from the 2007 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, Female business owners were 36%, and Black business owners were 7%.

Figure 4.4 shows the distribution of ED Resource clients by age of business owner. The largest groups of ED Resource clients belonged to the 45 to 54 and 35 to 44 age categories, 32% and 24% respectively. This outcome is consistent with previous years. The 55-64 category is up three percentage points from 2008.

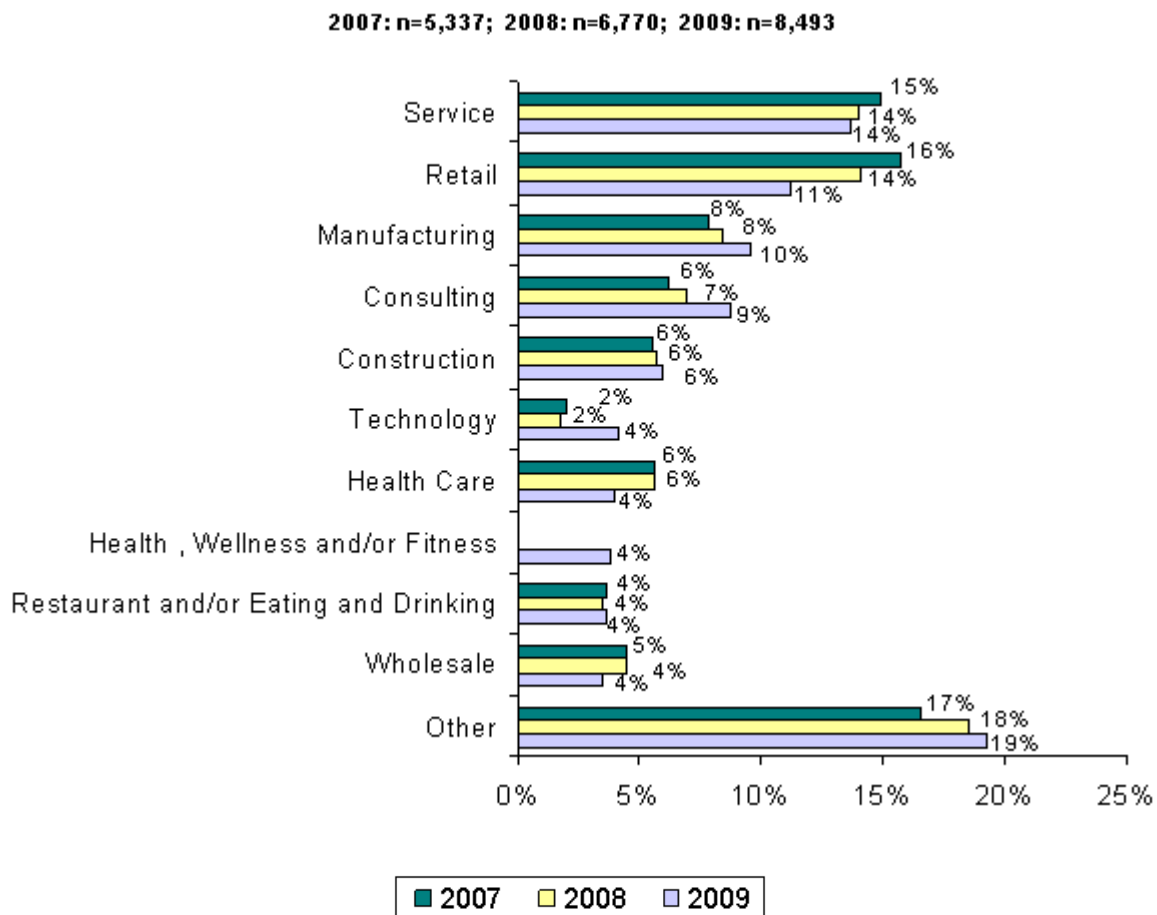
Figure 4.4 – Total ED Resources – Age of Business Owner²⁵



²⁵ The 2009 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 1% and 6% for ED Resources).

As shown in Figure 4.5, the two most designated business types, besides “Other” businesses, served by ED Resources were the service and retail businesses.²⁶ These results are generally consistent with the national averages from the 2007 Survey of Business Owners (SBO) from the U.S. Census Bureau. Results that were not consistent included Manufacturing, reported in the SBO to be 2%, Construction, reported to be 13%, and Health Care, reported to be 9%.²⁷ Also, the chart depicts the percentage of clients in the retail industry as having decreased over the past three years, while the percentage of clients in the manufacturing and consulting industries have increased over the same period

Figure 4.5 – Total ED Resources – Primary Business Type²⁸



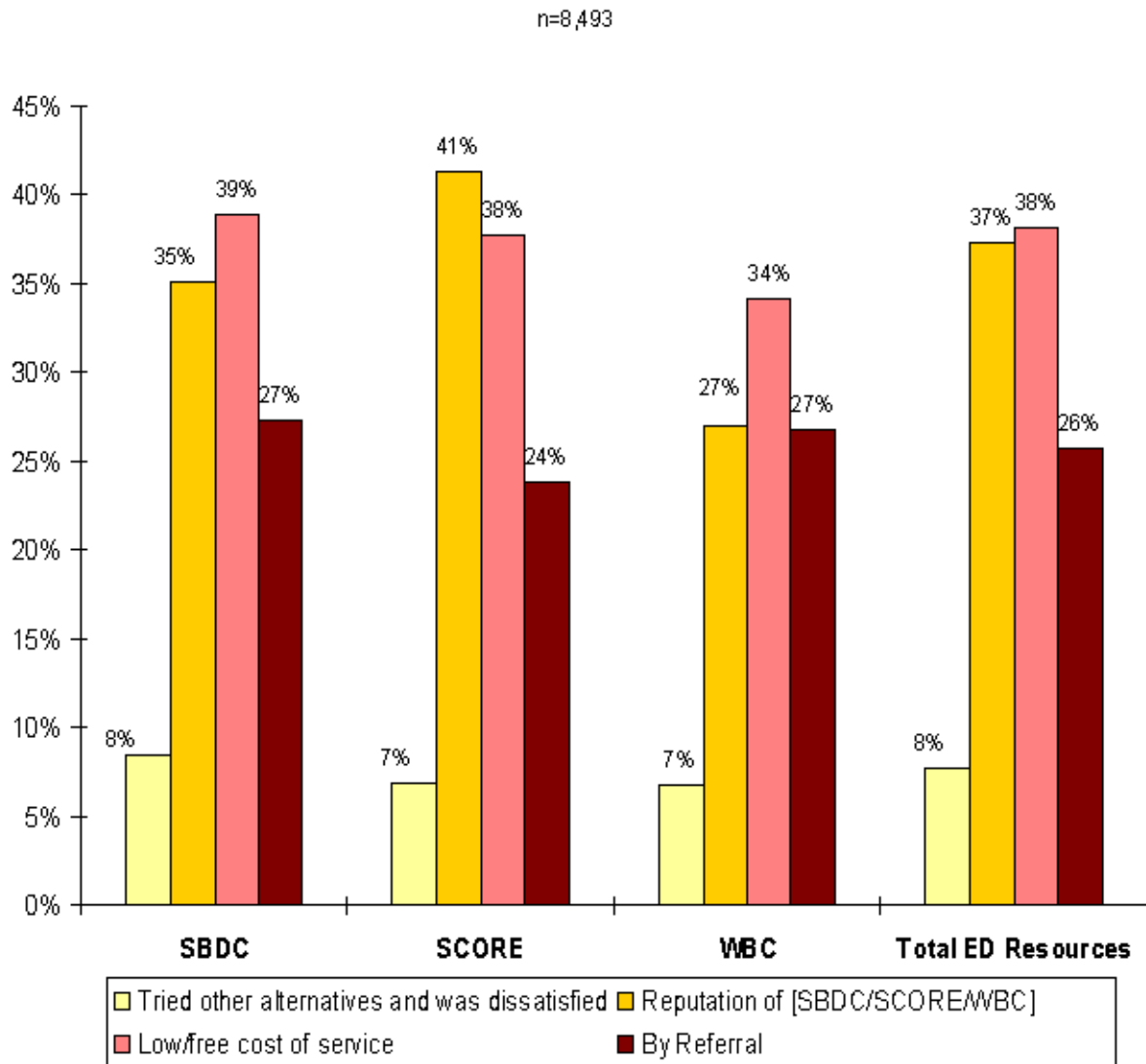
²⁶ The top 11 results for 2009 are displayed in the chart above. Additional results for 2009 included: Finance, Insurance and Real Estate (3%), Education (3%), Entertainment (2%), Publishing (2%), Transportation (1%), Engineering (1%), Day Care (1%).

²⁷ Other SBO results that conflicted with the findings included: Finance, Insurance, and Real Estate (13%), Entertainment (5%), and Transportation (5%). Industry classifications are not identical.

²⁸ Several 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, and beauty related professions. Due to non-responses the total for all business types may not equal 100%.

Figure 4.6 depicts the reasons clients reported seeking business counseling from ED Resources. It is clear from the data that reputation and low/free cost of service were the most common reasons for clients to seek assistance from ED Resources. WBC clients reported low/free cost of service as the most common reason (34%), but unlike SBDC and SCORE clients, WBC clients rated reputation of the ED Resource and referral as equally strong reasons.

Figure 4.6 – Total ED Resources – What led to your decision to seek business counseling from ED Resources?²⁹



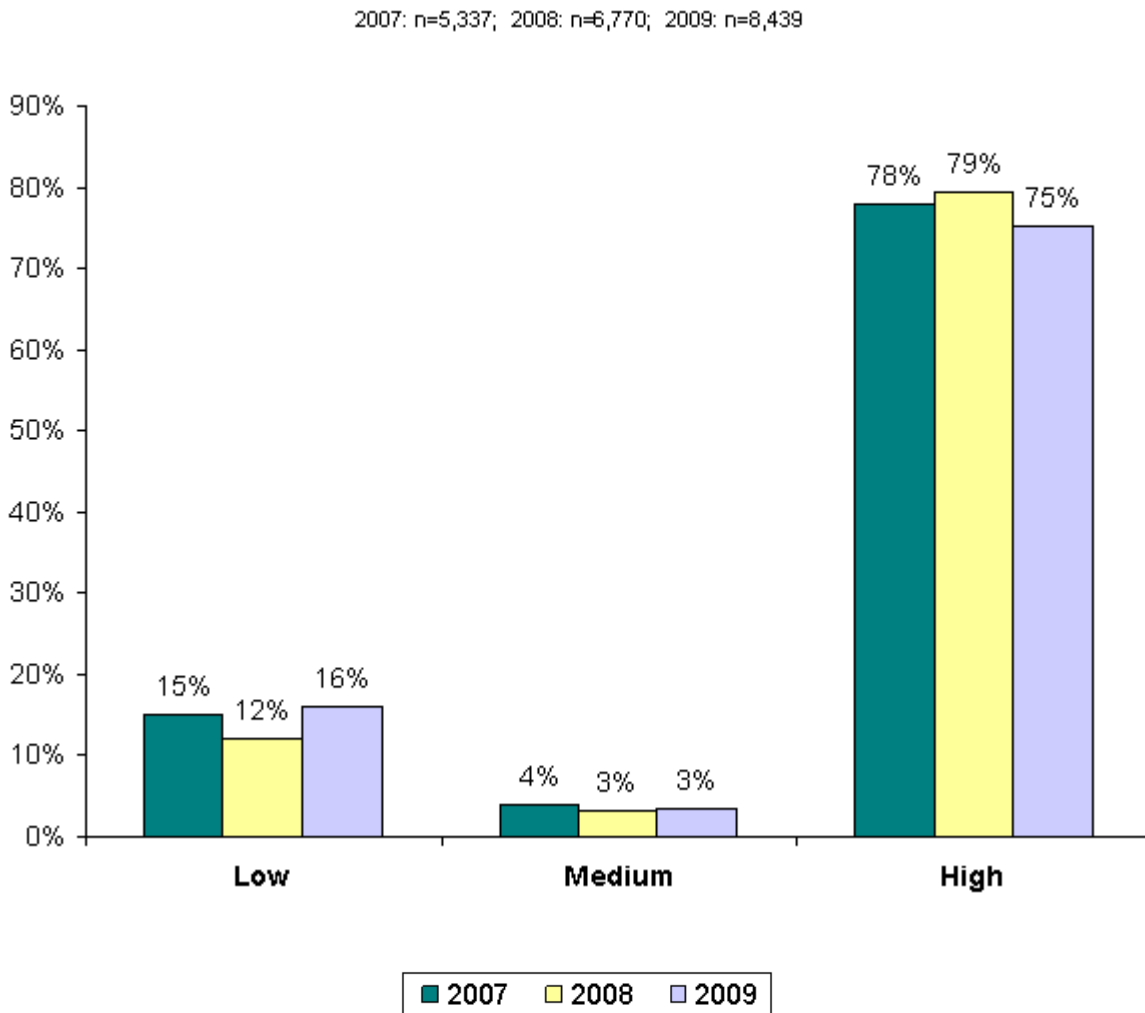
²⁹ The total may not equal 100% due to respondents selecting multiple factors. This chart compares results by individual ED Resource; therefore corresponding charts are not repeated in the individual ED Resource sections of this report.

Resource Impacts

Usefulness and Value of Services or Assistance Received

As shown in Figure 4.7 below, 75% of 2009 ED Resource clients reported that the information they received from their counselor was valuable. This shows a decrease of four percentage points compared to last year.

Figure 4.7 – Total ED Resources – How useful was the information you received?³⁰

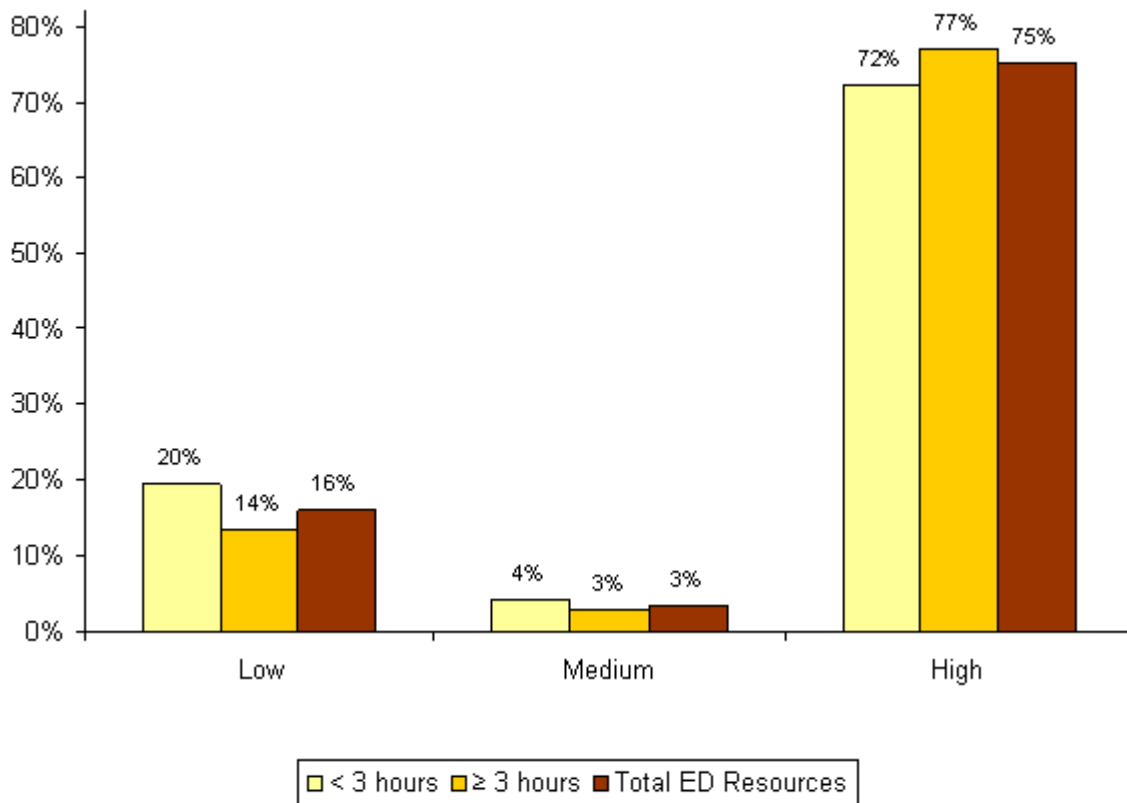


³⁰ Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories. Percentages will not total 100% due to non-response. Results were largely unchanged when segmented by individual ED Resource, therefore corresponding charts are not repeated in the individual ED Resource sections of this report.

Figure 4.7A 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, ED Resource clients 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.³¹ Seventy-seven percent of clients who received 3 or more hours of counseling rated the usefulness of total ED Resources as “high”, versus 72% of those that received less than 3 hours of counseling.

Figure 4.7A – How useful was the information you received? Total ED Resources by Hours of Counseling vs. Total ED Resources Aggregate Hours³²



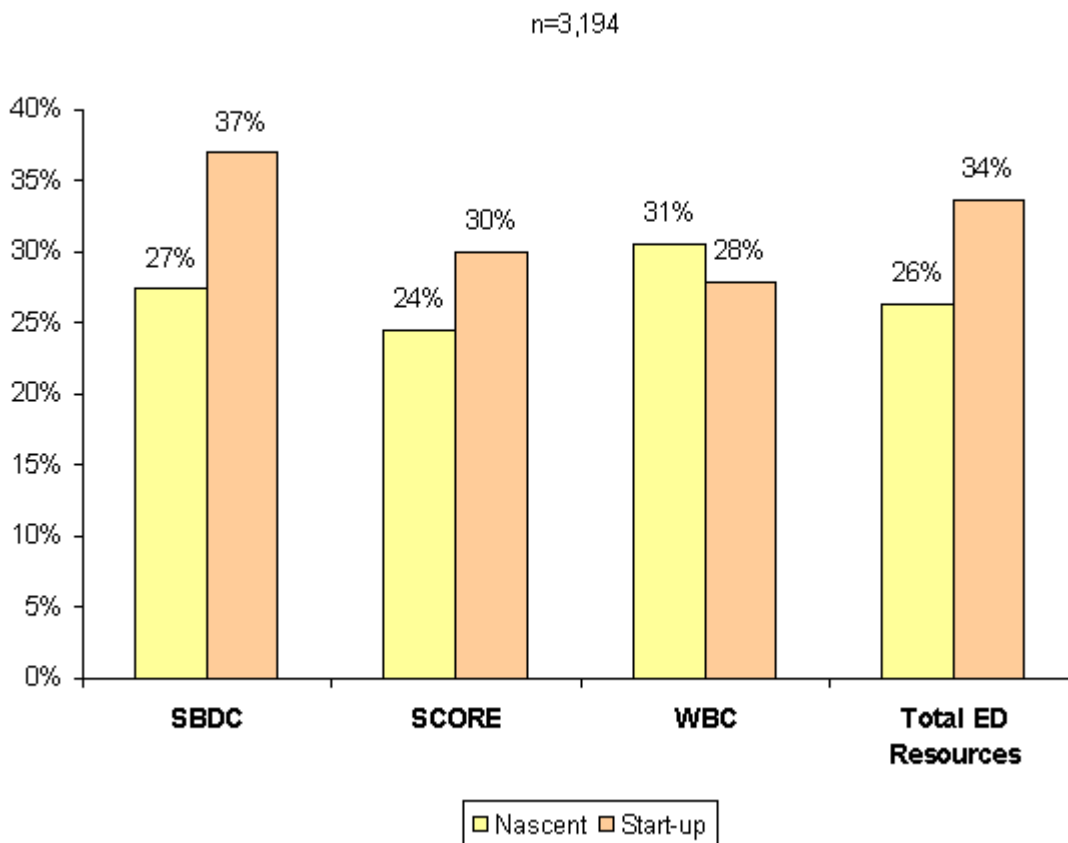
³¹ This finding is supported by the regression analysis beginning on page 39.

³² Results were largely unchanged when segmented by individual ED Resource, therefore corresponding charts are not repeated in the individual ED Resource sections of this report.

Decision to Start a Business

Figure 4.8 depicts the perceived assistance of ED Resources on the client’s decision to start a business. These results are presented by individual ED Resource and total ED Resources. Results for Nascent and Start-up firms are reported in each category.³³ Start-up clients for total ED Resources reported they decided to start a business as a result of the assistance they received 34% of the time, while Nascent clients reported they started a business as a result of assistance they received 26% of the time. The direction of the overall results is similar for both SBDC and SCORE clients. However, Nascent WBC clients reported that they started a business due to the assistance they received more often (31%) than Start-up WBC clients (28%).

Figure 4.8 – Total ED Resources – Did you decide to go into business as a result of the assistance you received?³⁴



³³ The corresponding survey question for this chart asked, “If you were not in business at the time you were assisted by the counselor, did you decide to go into business as a result of that assistance?” Therefore, In-Business clients were not observed because these clients were in business at the time they received counseling. This resulted in a reduced denominator for this calculation. Start-up clients were observed because they may not have been in business at the time of counseling.

³⁴ This chart compares results by individual ED Resource; therefore corresponding charts are not repeated in the individual ED Resource sections of this report.

Clients' Decision to Change Management Practices

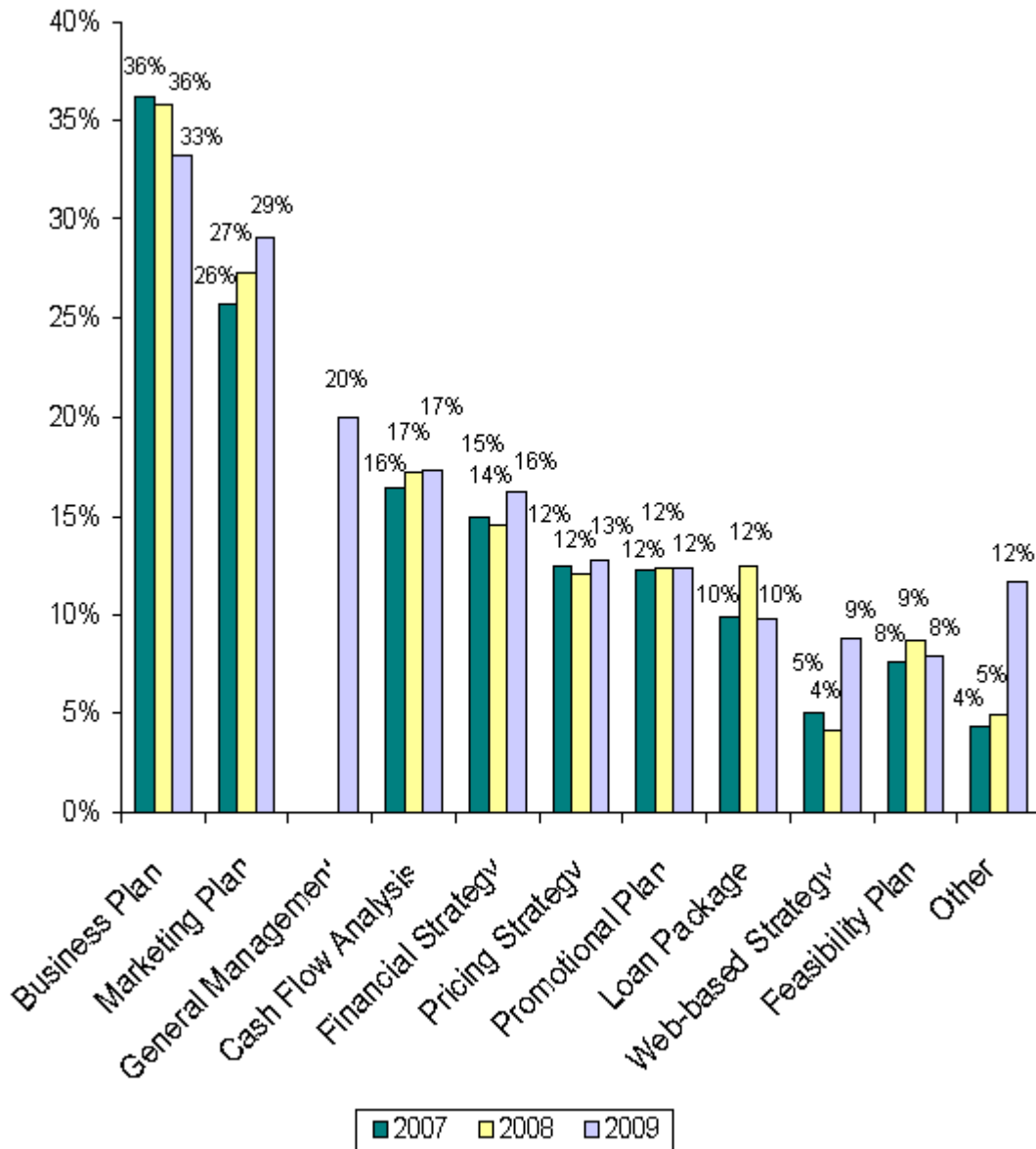
As a result of ED Resource assistance for 2009 clients, 59% of Start-up and 62% of In-Business firms changed their current management practices or strategies. The percentage of In-Business clients reporting that they changed their management practices or strategies has increased for the past three years of this study. The instances of Start-up firms reporting changes in management practices or strategies decreased one percentage point from 2008.

Table 4.2 – ED Resources Impact on Managerial Practices

	2007 Changed current management practices/strategies	2008 Changed current management practices/strategies	2009 Changed current management practices/strategies
Start-up	57%	60%	59%
In-Business	58%	61%	62%

Figure 4.9 below reflects the percentage of firms reporting that ED Resource assistance led to the development of **business plans, marketing plans, etc.** General management (20%) is a new category this year and has supplanted cash flow analysis (17%) as the third highest reported item for ED Resources.

Figure 4.9 – Total ED Resources – Assistance in Plan Development³⁵

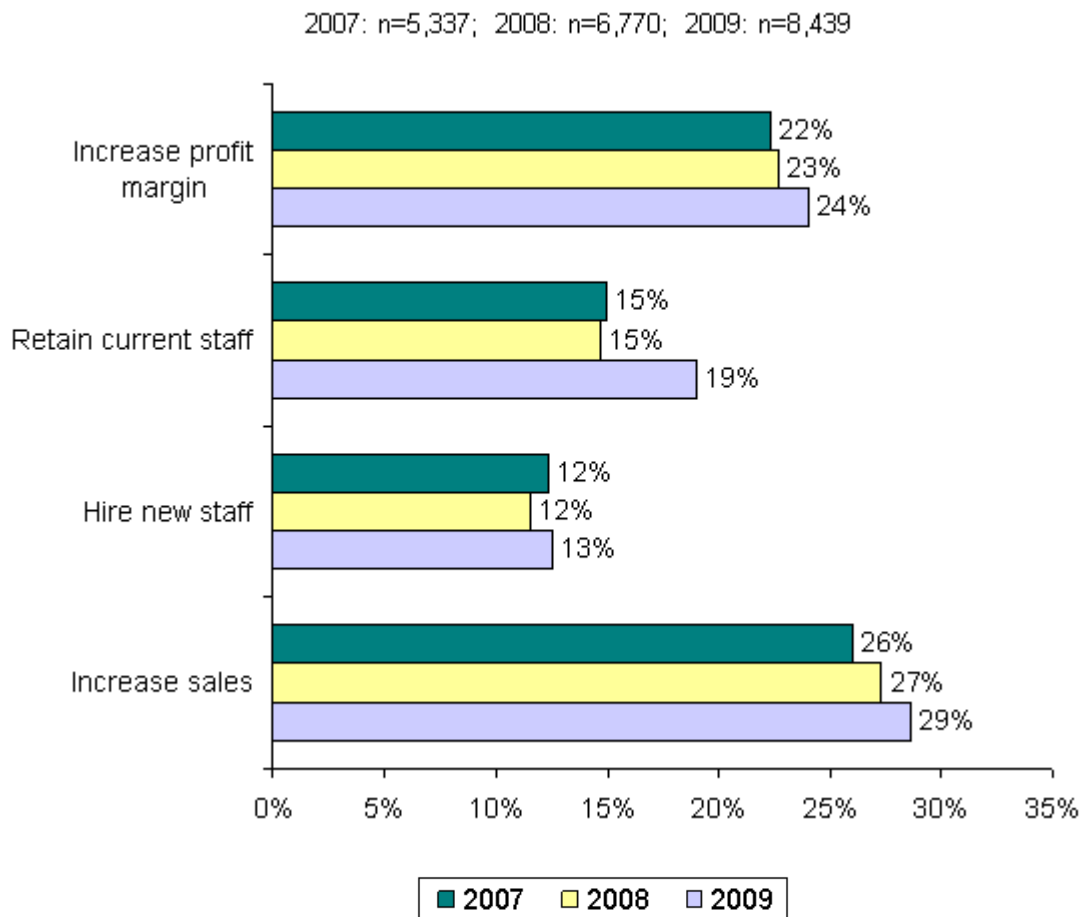


³⁵ The 2009 results for the top 11 categories are displayed in the chart above. Additional results for 2009 included: hiring plan (5%), purchasing strategy (4%), production plan (4%), distribution plan (3%), training plan for staff (3%), international trade (2%). For 2009, the former category of e-commerce has changed to web-based strategy. The 2007 and 2008 results are still used for comparison.

Sales, Job Creation, and Job Retention

Figure 4.10 presents findings on the attitudes toward financial impact of ED Resource assistance irrespective of clients' reasons for seeking assistance. Twenty-nine percent of clients reported they increased sales as a result of ED Resource assistance and 24% reported they were able to increase their profit margins. These categories have both risen for three consecutive years. Also, 19% of ED Resource clients reported that the assistance they received had an impact on their ability to retain current staff. This is a four percentage point increase from last year.

Figure 4.10 – Total ED Resources – Perceived Impact of Assistance³⁶



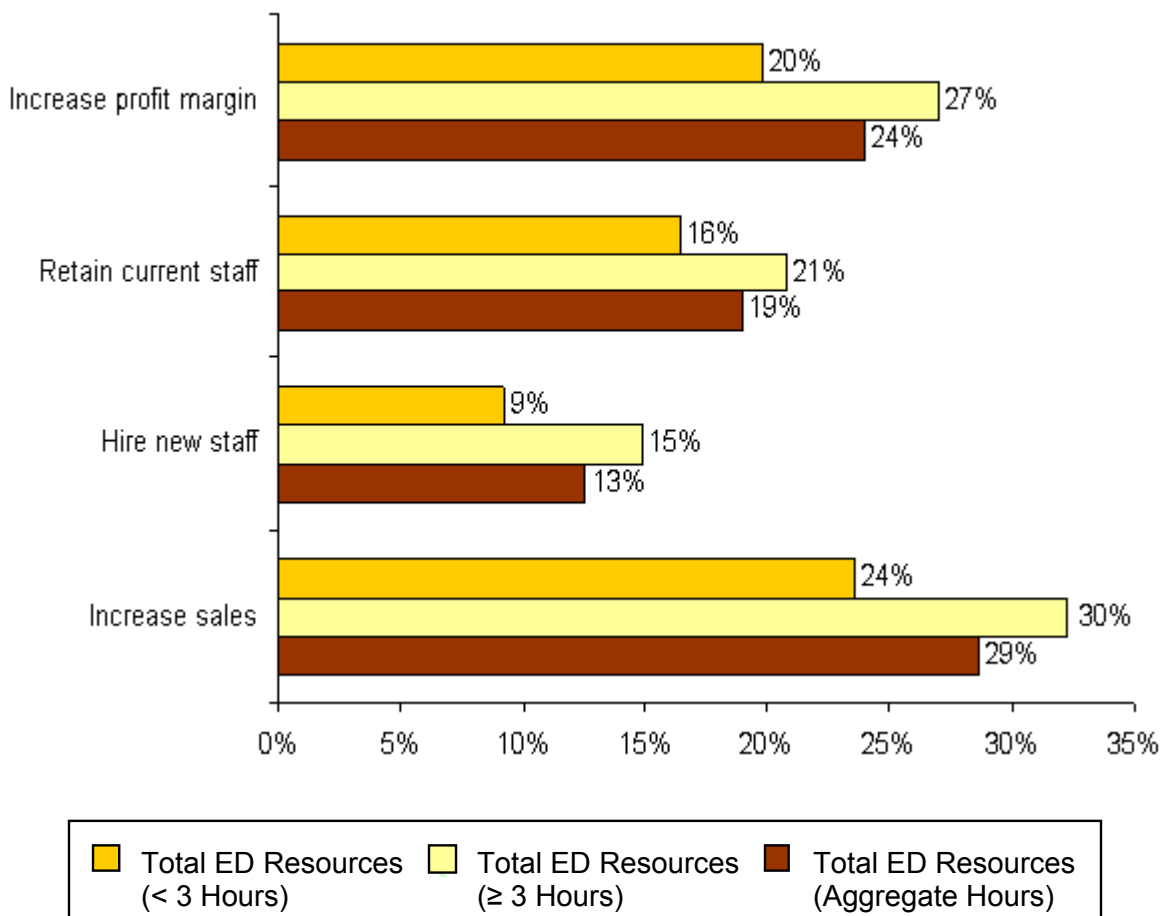
³⁶ Clients attributed these impacts to the counseling they received, regardless of the type of assistance they were originally seeking. See Appendix 2 for a more detailed response to Question 4. In addition to the reported findings in the chart above, data was also collected for 2009 clients' perceived impact of assistance regarding the acquisition of a bank loan (11%), a SBA guarantee loan (7%), and a SBA Disaster loan (1%).

Figure 4.10A shows the perceived financial impact 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 of counseling received. For comparison, the overall level of perceived financial impact is also provided, which does not distinguish by hours of counseling

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 total ED Resource clients.

For example, clients that received more than 3 hours of counseling increased their profit margins 27% of the time; whereas clients that received less than 3 hours of counseling increased their profit margins 20% of the time.

Figure 4.10A – Total ED Resources – Perceived Impact of Assistance (Hours of Counseling Received vs. Aggregate Hours)

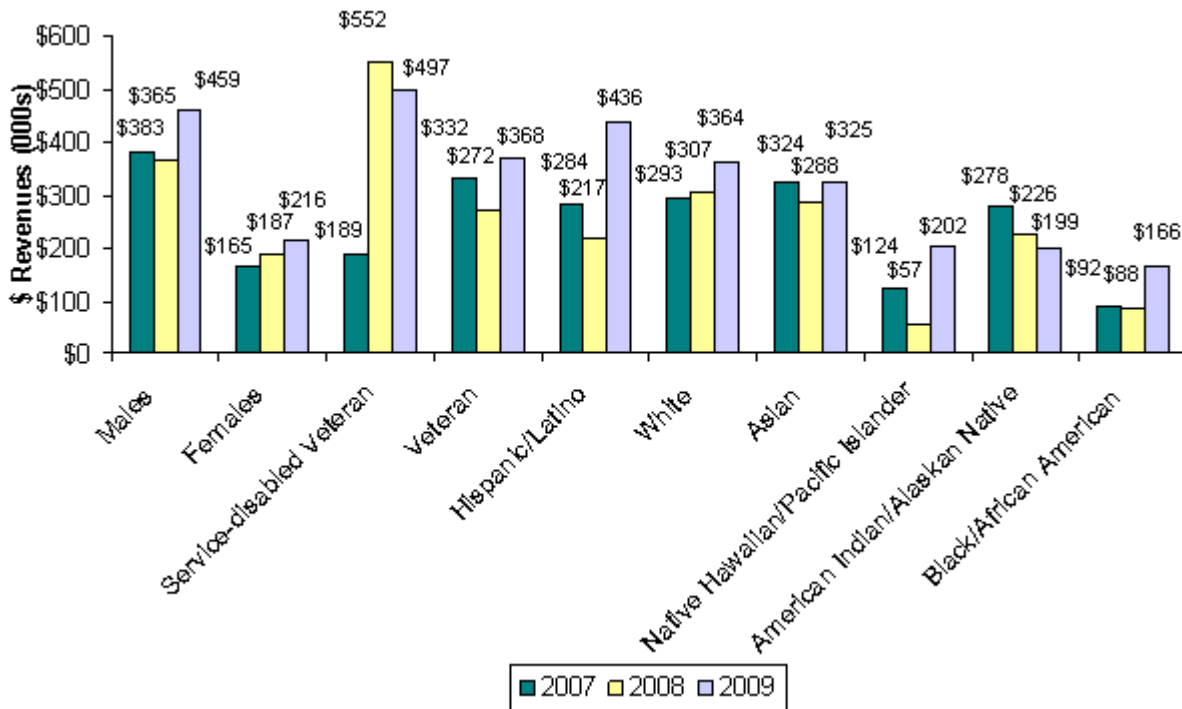


Cross-Sectional Demographic Analysis

This section compares revenues and employment for ED Resource clients by gender, race, ethnicity, and veteran status. Figure 4.11 compares average revenues for firms in each demographic category. For example, this chart shows that Female and Black/African American firms tended to be smaller than firms owned by Male, Asian, Hispanic/Latino, or White clients in 2009.

Women-owned businesses had an average of \$215,687 in revenues compared to an average of \$459,145 for firms owned by men. Both groups saw an increase in average revenues this year. Veteran-owned firms had an average of \$367,732 in revenue; the highest revenues by Veterans in the past three years. Over the past year, reported revenues for Service-disabled Veterans fell to an average of \$497,172. In terms of minority-owned firms, average revenues for Black/African American firms increased to \$165,920; American Indian/Alaskan Native firms decreased, for the third year in a row, to \$198,921. Average revenues for Asian firms increased to \$325,220; Hawaiian/Pacific Islander firms increased to \$201,978. Hispanic/Latino firms showed a dramatic increase from approximately \$217,000 in 2008 to \$435,522 in 2009. Firms owned by White clients showed an increase from approximately \$307,000 in 2008 to \$364,490 in 2009.

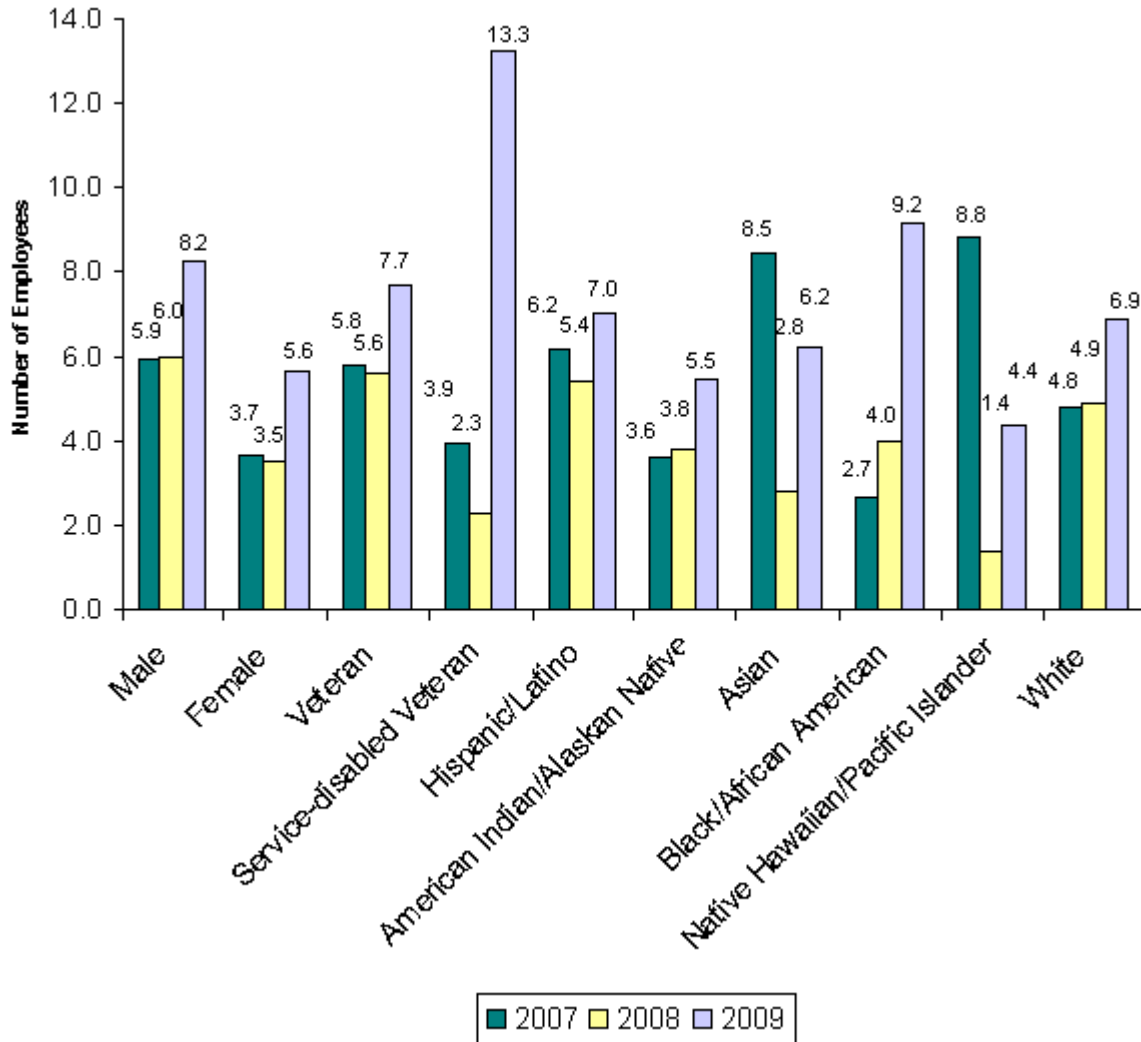
Figure 4.11 – Revenues (000s) for Firms in Selected Demographic Categories³⁷



³⁷ Firms were required to report revenues within the range of \$1000 to \$20,000,000. Due to small sample sizes, corresponding charts are not repeated in the individual ED Resource sections of this report.

Figure 4.12 compares employment by demographic category. As was the case with revenues, firms owned by Female clients tended to have fewer employees than firms owned by Male clients. Hispanic/Latino, Black/African American, and Asian firms had more employees than other minority demographic categories. In each category of firms, average number of employees has gone up for 2009.³⁸

Figure 4.12 –Total Employees for Firms in Selected Demographic Categories



³⁸ Due to the small sample size of Service-disabled veterans (42) who reported having employees, results should be treated with caution. Due to small sample sizes, corresponding charts are not repeated in the individual ED Resource sections of this report.

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

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

These analyses address the following research questions:

1. Are there differences in perceived usefulness of ED Resource assistance based on firm size, business segment, ED Resource, geographic location or number of hours?
2. Are there differences in perceived usefulness of ED Resource assistance based on age, gender, race, ethnicity, or veteran status?
3. Are there differences in perceived usefulness of ED Resource assistance with the decision to start a business based on firm size, business segment, ED Resource, geographic location or number of hours?
4. Are there differences in perceived usefulness of ED Resource 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, geographic location or number of hours?
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, geographic location, hours of counseling received) on a particular resource impact. These impacts included: perceived usefulness of ED Resource assistance, perceived assistance with the decision to start a business, and perceived financial impacts (sales, cash flow, hiring, and profits).

Each resource impact is used as a dependent (i.e. outcome) variable. For example, the dependent variable for the first model is perceived usefulness of ED resource assistance. The dependent variable for the second model is perceived assistance with the decision to start a business. The dependent variable for the third model is a financial impact score, which is a summary measure based on four self-reported financial impact measures (the effect of assistance on increases in sales, cash flow, new hires, and profit margins).³⁹

³⁹ This scale is the sum of the following questionnaire items: q4a, q4b, q4e and q4g. This scale has a Cronbach's alpha coefficient of 0.884, 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 client demographic characteristics include the following:

- Sales revenues
- Client segment
 - Nascent
 - Start-up
 - In-Business
- ED Resource (SBDC/SCORE/WBC)
- Geographic location (urban, suburban, rural)
- Number of hours of assistance (less than 3, 3 or more)
- Respondent age
- Gender
- Race
 - American Indian/Alaskan Native
 - Asian
 - Black/African American
 - Native Hawaiian/Pacific Islander
- Ethnicity
 - Hispanic/Latino
- Veteran or Service-disabled Veteran

Regression Results

In the results presented in this section, statistically significant predictor variables are identified.⁴⁰ Detailed regression results are presented in Appendix 5.

The first regression model tested for a relationship between selected firm and client characteristics and the client's perception of the usefulness of the services/assistance received.⁴¹

Results of this regression suggest **that larger firms reported higher levels of perceived usefulness of ED Resources assistance than smaller firms. Firms who received less than 3 hours of assistance reported lower levels of perceived usefulness than firms with 3 or more hours of counseling.** However, there were no differences in perceived usefulness based on business segment, ED resource or geographic location.

In terms of client demographics, there were **no differences in perceived usefulness based on age, gender or veteran status.** Hispanic/Latino clients reported significantly higher perceived usefulness, but there were no other differences based on race or ethnicity.

The second regression model tested for a relationship between selected firm and client characteristics and perceived ED resource assistance with the decision to start a business.⁴² Results

⁴⁰ Relationships are considered statistically significant at the 0.05 level. Marginal significance is defined as significant at the 0.10 level.

⁴¹ The overall model was statistically significant at the 0.01 level, although the R², a measure of model fit, was very small (0.0107). Coefficients reported here were significant at the 0.05 level. The usable sample size was 3,359.

of this analysis suggest that **larger firms, firms in the In-Business segment, and SCORE clients were less likely to report that their decision to start a business was the result of ED resource assistance.** Since In-Business clients were less likely to report assistance with starting a business, this also indicates Nascent and Start-up firms are more likely to report assistance with the decision to start their businesses. There were no significant differences based on other firm or client demographic characteristics.

The third regression model tested for a relationship between selected firm and client characteristics and the self-reported financial impact of ED resource assistance. These impacts include a combination of increases in sales, cash flow, hiring of new and retention of employees, and profits.⁴³ This analysis does not include Nascent businesses, since this impact does not apply to these firms.

Unlike previous years, **results of this regression suggest that financial impacts of ED Resource assistance do not vary based on firm size.** There were also no differences in financial impact based on ED resource, business segment, hours of assistance, or geographic location.

However, there were several significant differences in financial impacts based on client demographics. For example, **older clients as well as Female clients were more likely to report positive financial impacts. Also, Hispanic/Latino reported significantly higher financial impacts, while Veterans reported significantly lower financial impacts.**

These regression analyses indicate that both firm and client characteristics can be significant determinants of the client's perception of the usefulness of the services/assistance received, perceived assistance with the decision to start a business, or the financial impact of assistance received.

Variations in perceived usefulness, perceived assistance with the decision to start a business, and financial impacts are due in part to differences in firm size, ED Resource, hours of assistance, and geographic location. Similar to last year's results, larger firms and firms who receive 3 or more hours of counseling report more positive outcomes. In addition, in some cases, there were significant effects of gender, age, ethnicity, and veteran status. However, none of these effects were consistent across outcomes.

⁴² This model was estimated using a logistic regression analysis due to the binary dependent variable (Q1c). The overall model was significant at the $p < 0.01$ level, although the pseudo R^2 was very small (0.0827). Coefficients reported here were significant at the 0.10 level.

⁴³ The overall model was significant at the $p < 0.01$ level, although the R^2 was very small (0.0220). Coefficients reported here were significant at the 0.10 level.

V. SBDC 2009 VS. TOTAL ED RESOURCES

The following section presents results from SBDC clients. First, we report the general demographic and financial characteristics of SBDC 2009 clients. This is followed by additional findings on the usefulness of SBDC for Nascent, Start-up and In-Business firms organized by research question as follows:

- Is there a relationship between services/assistance provided by SBDC and the client's perception of the usefulness and value of services/assistance received?
- Is there a relationship between the services/assistance provided by SBDC and the client's decision 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?
- Are the services/assistance provided by SBDC having an impact on the client's financial position in terms of job creation, job retention and sales?

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

Demographic Characteristics of SBDC Clients

This section describes the general demographic and financial characteristics of SBDC clients. These results are based on an analysis of 4,320 completed surveys. As shown in Figure 5.1, the largest business segment served by SBDC is the In-Business segment (54%). The proportions of business segments served by SBDC were very closely matched to those of total ED Resources.

Figure 5.1 – SBDC – Distribution of Clients by Segment (2009 Clients)⁴⁴

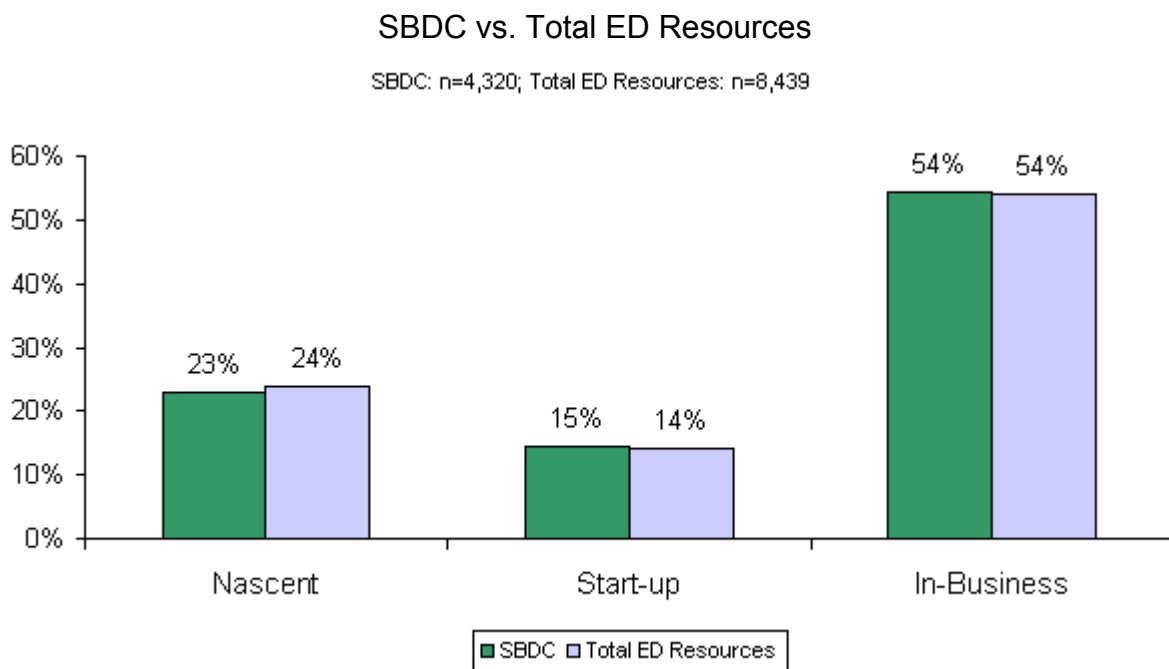


Table 5.1 compares revenues and employment for SBDC vs. total ED Resources. These results indicate that SBDC clients have higher revenues than total ED Resource clients.

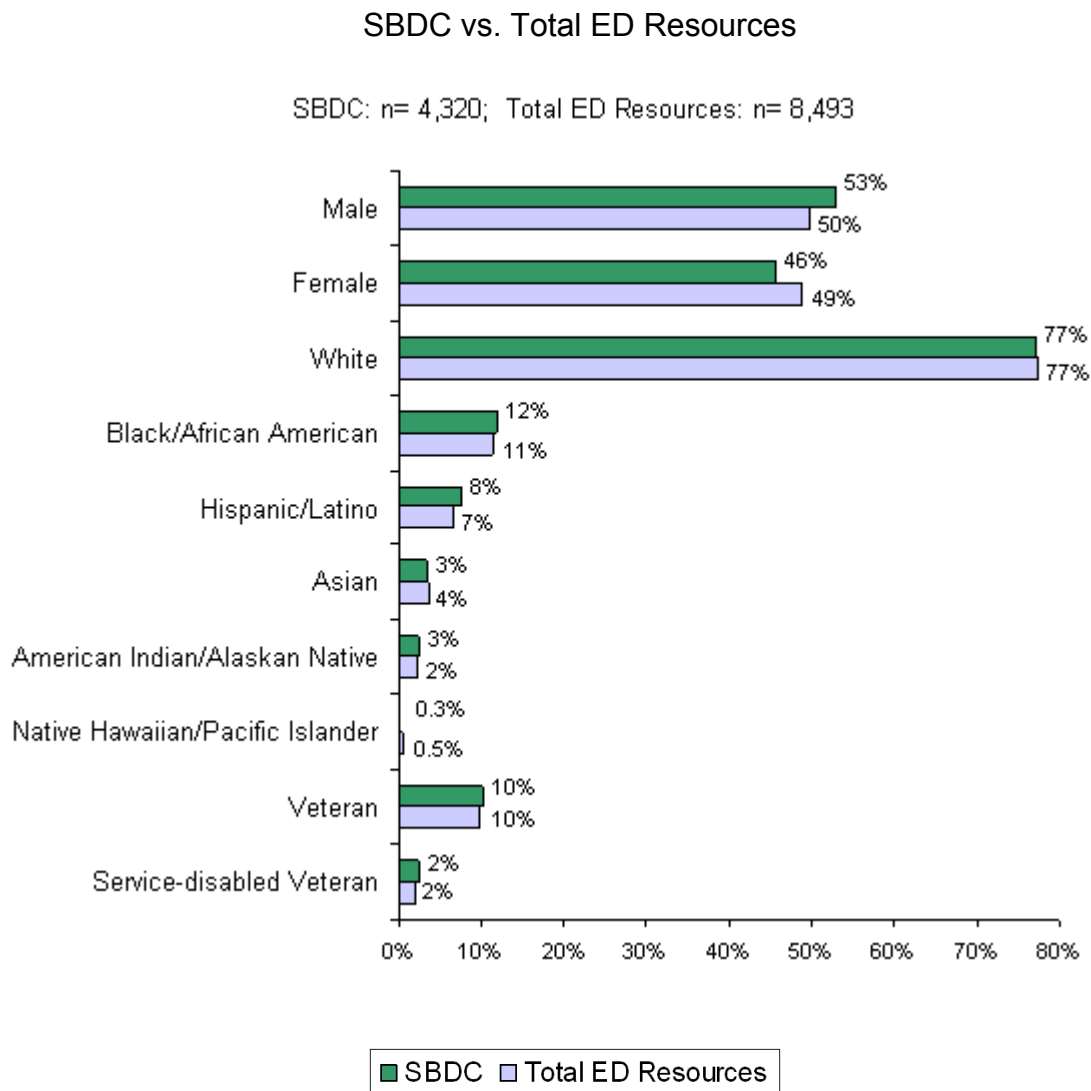
Table 5.1 – SBDC Client Revenues and Employment (2009)

	SBDC	Total ED Resources
Median Revenue	\$100,250	\$97,000
Median Employees	2	2

⁴⁴ Respondents 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 SBDC will therefore not equal 100%.

Demographic characteristics of SBDC clients, including gender, race, ethnicity, and veteran status are reported in Figure 5.2.⁴⁵ About 53% of SBDC clients were Male. SBDC served a slightly higher percentage of Black/African American, American Indian/Alaskan Native, and Hispanic/Latino businesses than did total ED Resources. Twelve percent of SBDC clients are Veterans; 2% of those were Service-disabled Veterans.

Figure 5.2 – SBDC – Demographic Characteristics (2009 Clients)⁴⁶

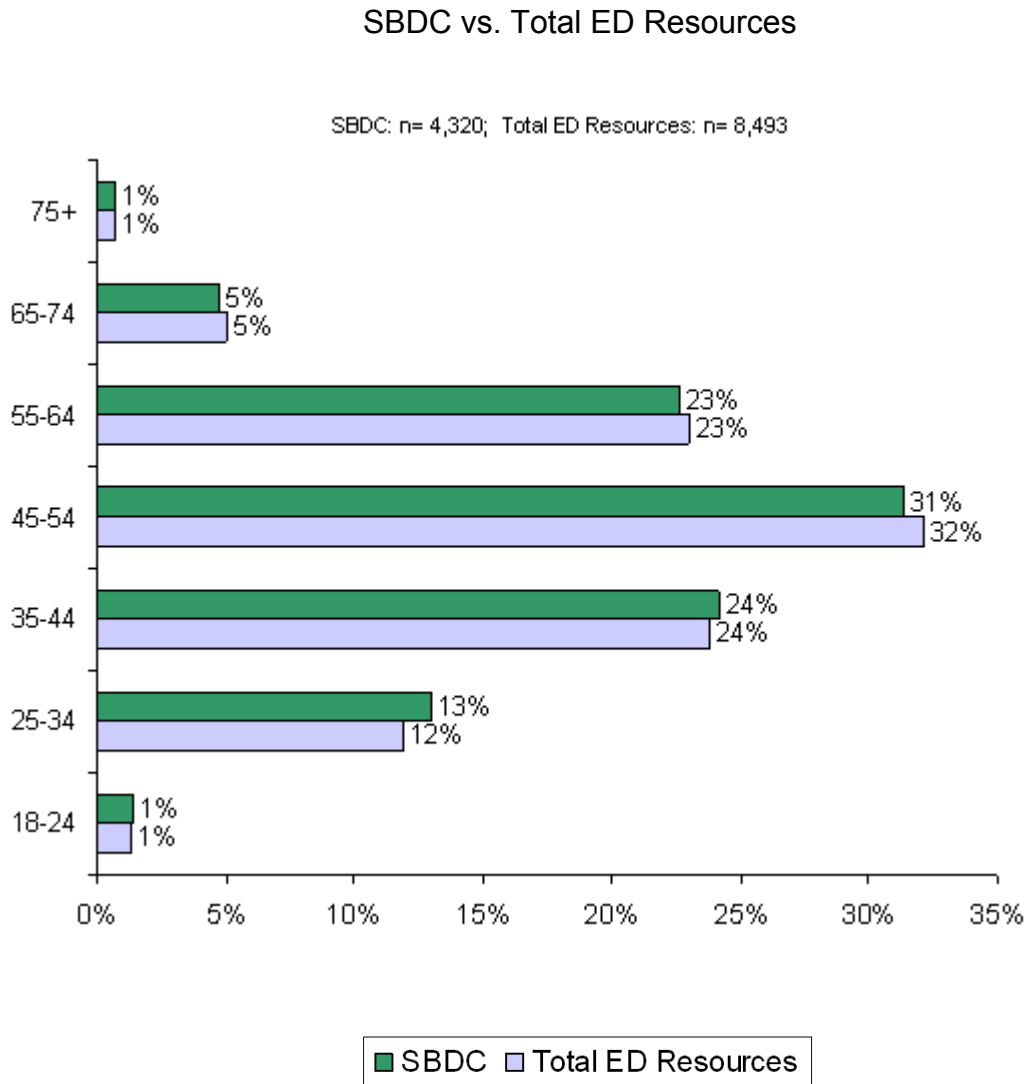


⁴⁵ The Veteran and Service-disabled Veteran categories are shown in the chart above. Additional results for SBDC clients included: Reservist (0.2%) and National Guard Member (0.3%).

⁴⁶ 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 2007 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, Female business owners were 36%, Black business owners were 7%, and American Indian/Alaskan Native business owners were less than 1%.

Figure 5.3 shows the distribution of SBDC clients by age of business owner. The largest age group served was between the ages of 45 and 54 (31%). SBDC clients' age distribution was consistent with that of total ED Resources

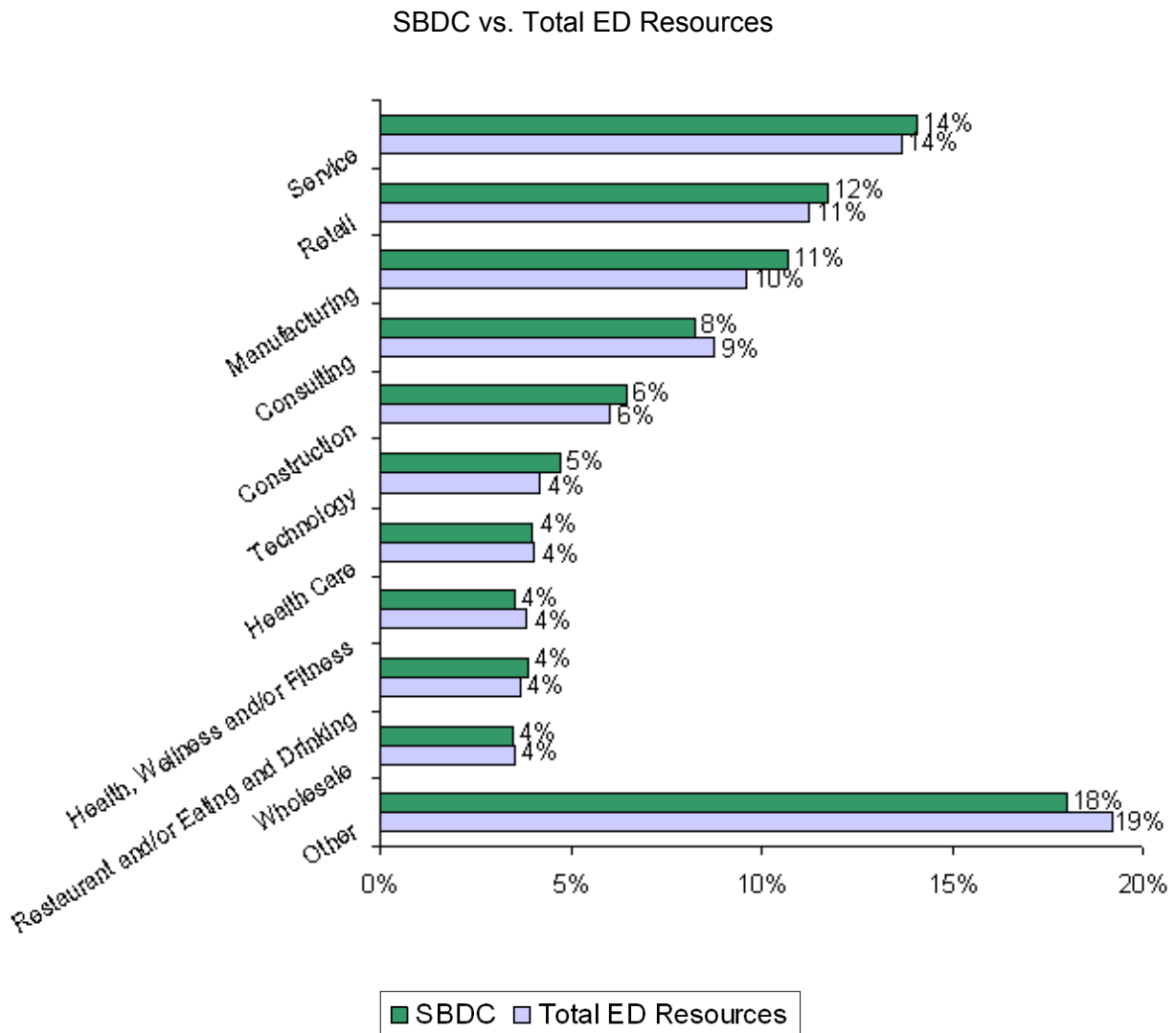
Figure 5.3 – SBDC – Age of Business Owner (2009 Clients)⁴⁷



⁴⁷ The 2009 client 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 1% and 6% for SBDC).

Figure 5.4 shows that the most common types of businesses served by SBDC were in the **service and retail categories**.⁴⁸ These results are generally consistent with the national averages from the 2007 Survey of Business Owners (SBO) from the U.S. Census Bureau. Results that were not consistent included Manufacturing, reported in the SBO to be 2%, Construction, reported to be 13%, and Health Care, reported to be 9%.⁴⁹ Also, the chart shows the share of SBDC clients in the retail, manufacturing, construction, and technology industries was higher than total ED Resources.

Figure 5.4 – SBDC – Type of Business (2009 Clients)⁵⁰



⁴⁸ The top 11 categories for 2009 clients are displayed in the chart above. Additional results for 2009 clients included: Finance, Insurance and Real Estate (3%), Education (2%), Entertainment (2%), Publishing (1%), Transportation (2%), Engineering (2%), Day Care (1%).

⁴⁹ Other SBO results that conflicted with the findings included: Finance, Insurance, and Real Estate (13%), Entertainment (5%), and Transportation (5%). Industry classifications are not identical.

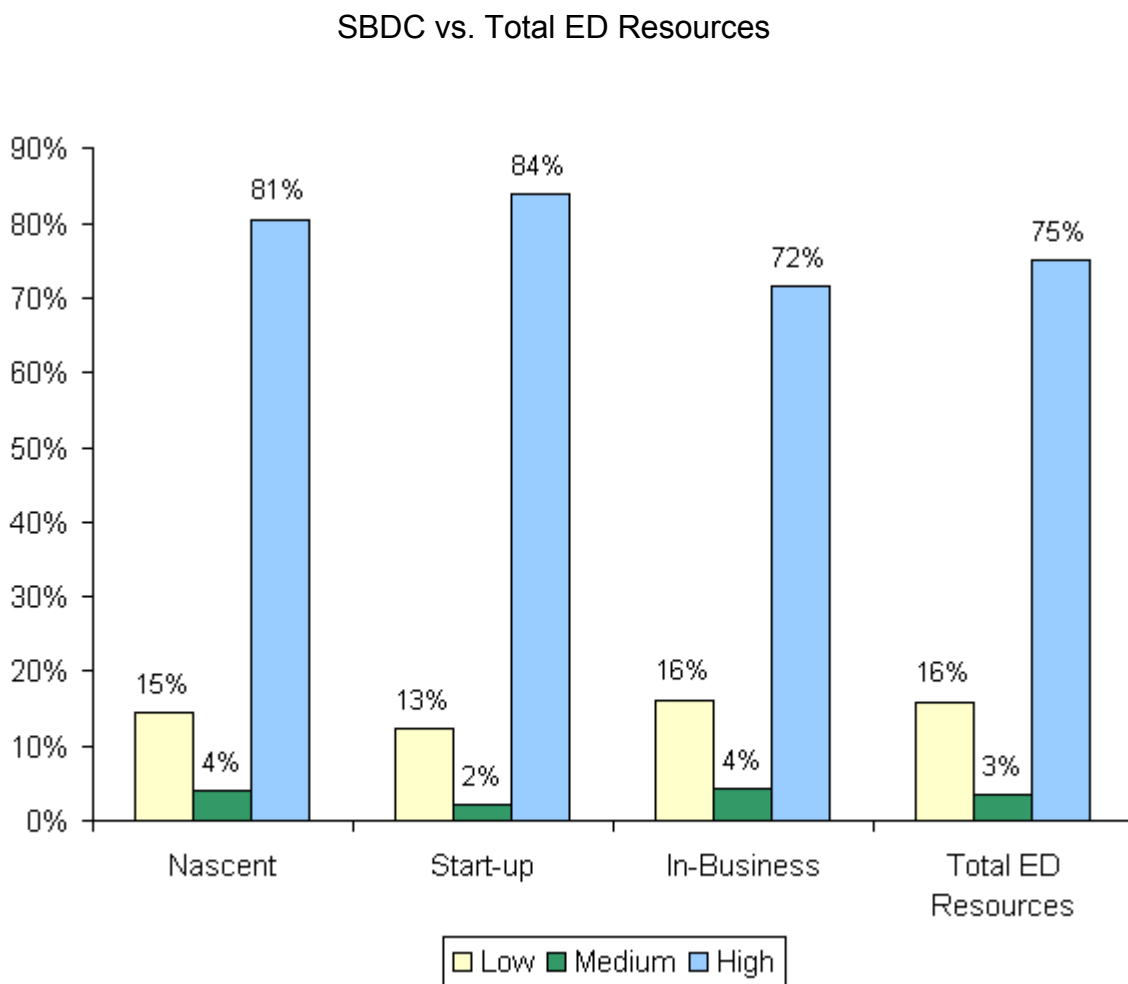
⁵⁰ Due to non-responses and multiple business type selections, the total for all business types might not equal 100%.

SBDC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 76% of SBDC clients reported that the information they received from counselors was valuable.⁵¹ Figure 5.5 shows ratings of usefulness of SBDC ED Resources, provided by business segment and compared to total ED Resources. SBDC Start-up firms rated the usefulness of information somewhat higher than Nascent and In-Business firms. Nascent and Start-up clients both rated the usefulness of the assistance received as higher more often than did the 75% average for total ED Resource clients.

Figure 5.5 – SBDC –Usefulness of SBDC (2009 Clients)⁵²

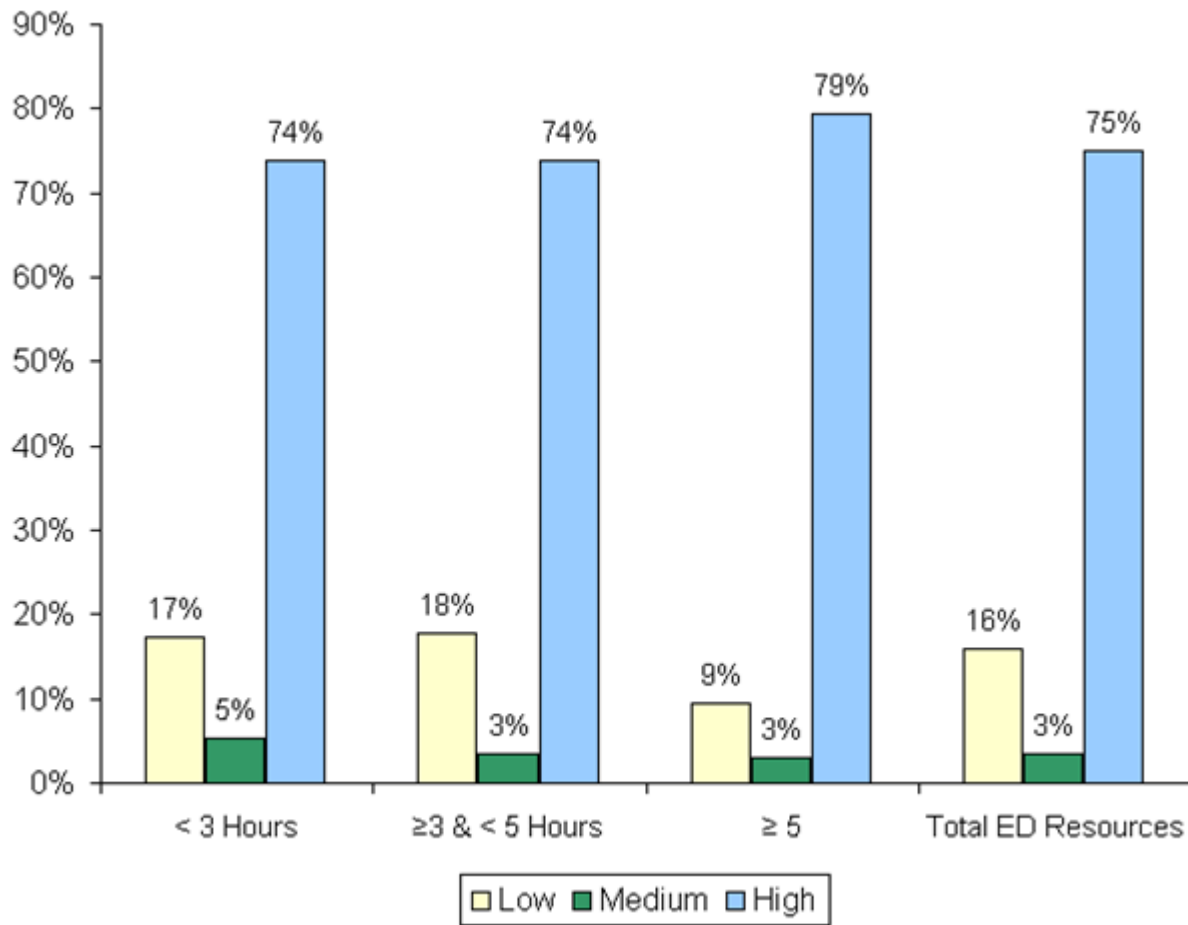


⁵¹ This result does not appear in the chart above, which is segmented by business stage. This percentage was calculated for SBDC clients overall, without regard to business stage.

⁵² 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 SBDC clients who received 5 or more hours of counseling rated usefulness as “high” more frequently than those SBDC clients who received less than 5 hours of counseling.

Figure 5.5A – Usefulness of SBDC: SBDC by Hours of Counseling vs. Total ED Resources Aggregate Hours (2009 Clients)



Clients' Decision to Change Management Practices

Figure 5.6 compares SBDC client decisions to change management practices or strategies by business segment. As a result of SBDC assistance, 58% of Start-up firms changed their management practices or strategies, and 59% of In-Business clients reported changing management practices or strategies. The levels of SBDC Start-up and In-Business clients that changed their management practices were just below those for total ED Resource clients.

Figure 5.6 – SBDC – Changed Management Practices/Strategies as a Result of SBDC ED Resource Assistance (2009 Clients)

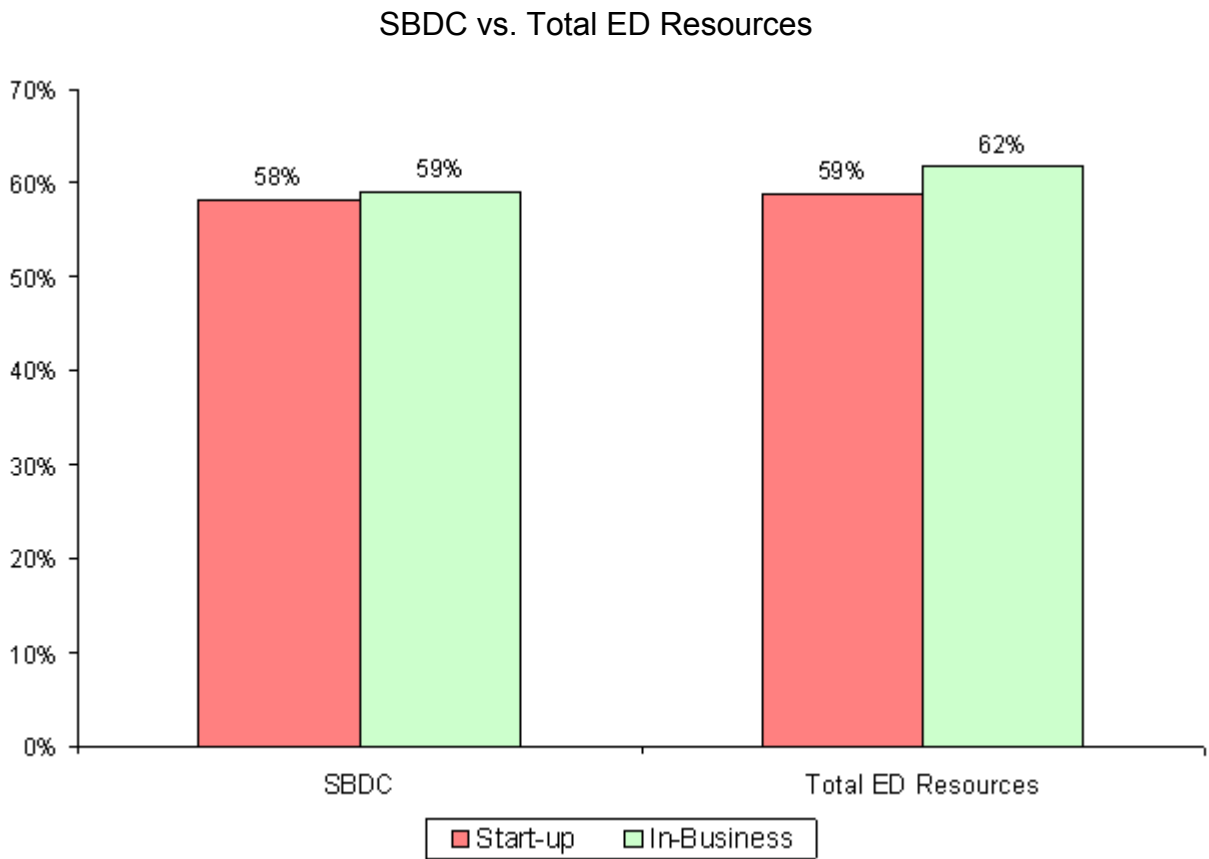
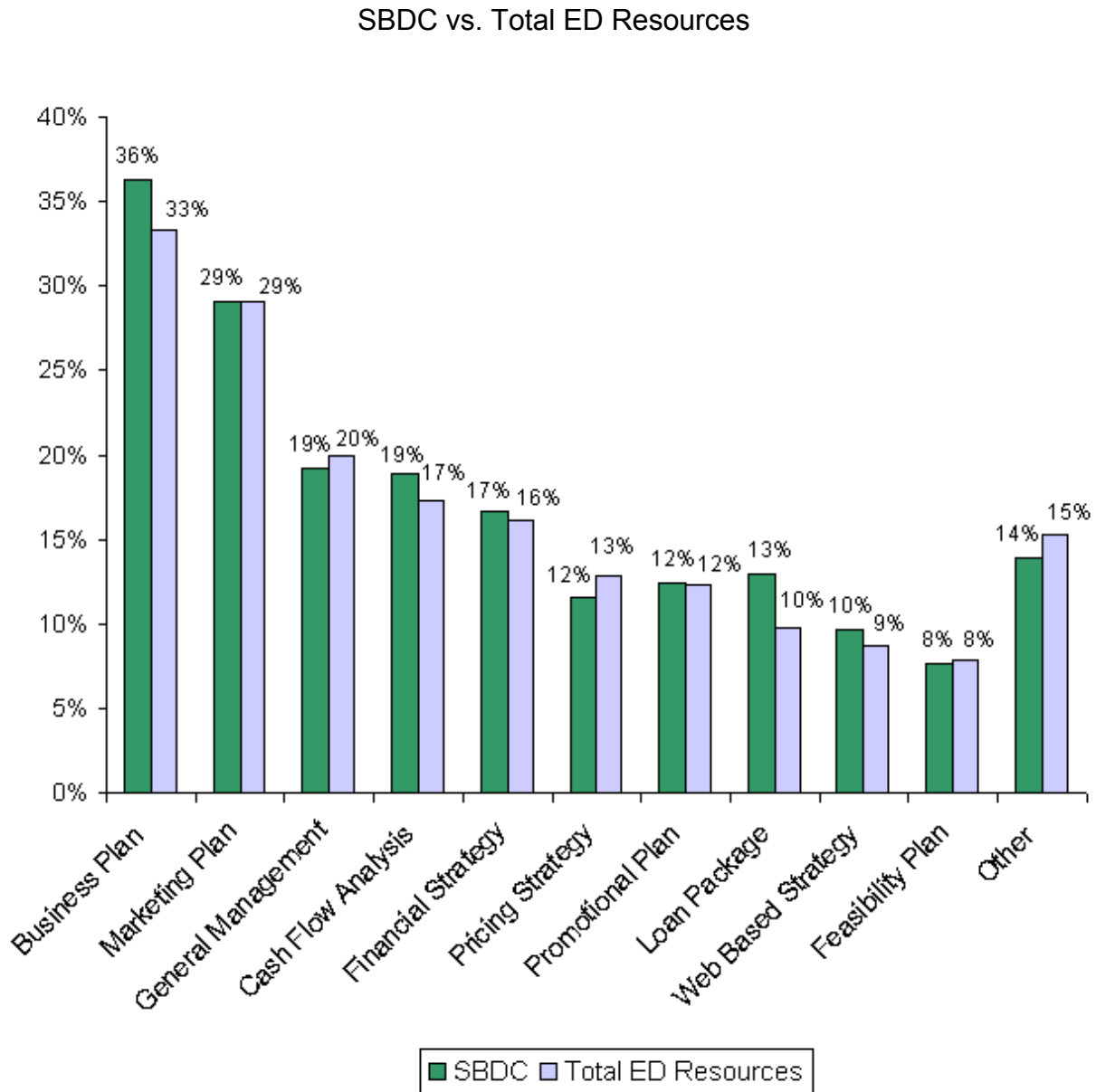


Figure 5.7 below reflects the percentage of firms reporting that SBDC assistance led to the development of **business plans, marketing plans, etc.**⁵³ General management (19%) is a new category this year and has matched cash flow analysis (19%) for third highest reported item for SBDC clients.

Figure 5.7 – SBDC – Assistance in Plan Development (2009 Clients)

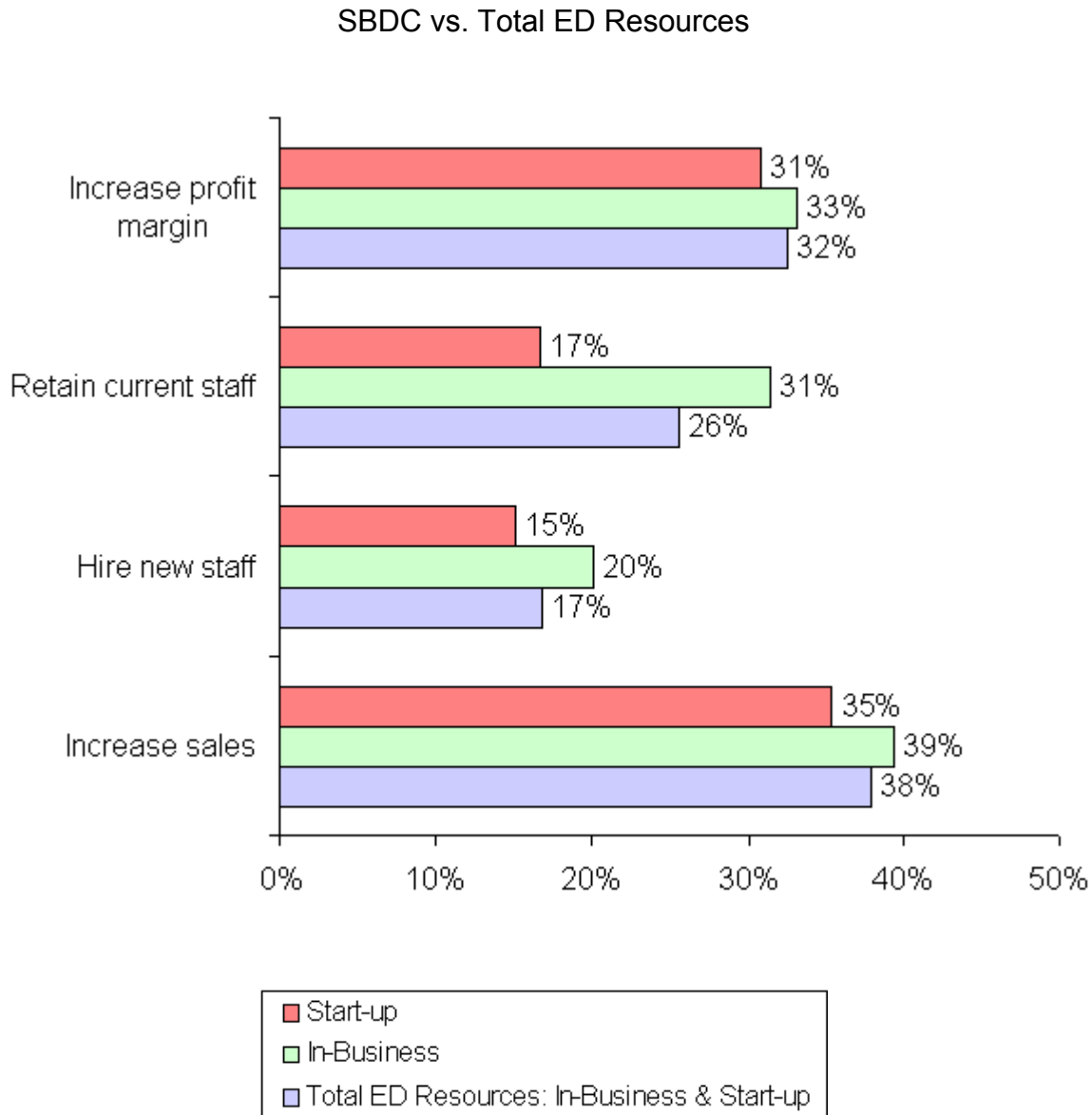


⁵³ The 2009 results for the top 11 categories are displayed in the chart above. Additional results for 2009 clients included: Hiring plan (5%), Purchasing Strategy (4%), Production Plan (4%), Distribution Plan (4%), Training Plan for Staff (3%), International Trade (2%).

Sales, Job Creation, and Job Retention

Figure 5.8 compares SBDC Start-up and In-Business clients in terms of reported financial impact of SBDC assistance on sales, profits, jobs, and the retention of employees irrespective of reasons for seeking assistance. Thirty-five percent of SBDC Start-ups and 39% of In-Business clients reported that they were able to increase sales as a result of SBDC assistance, compared to 38% for total ED Resources.⁵⁴ SBDC In-Business clients reported financial impact surpassed total ED Resources in each category.

Figure 5.8 – SBDC – Perceived Impact of Assistance (2009 Clients)⁵⁵

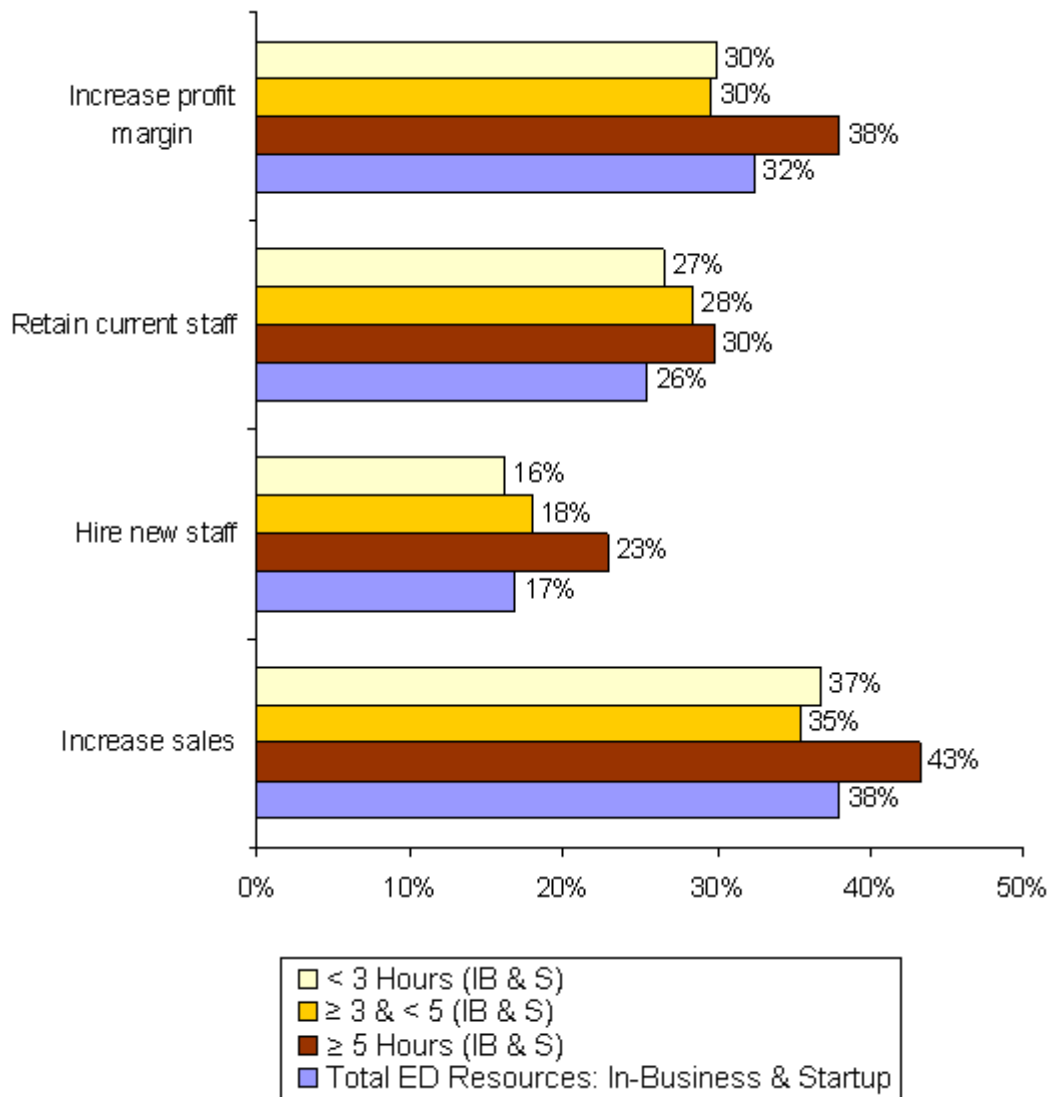


⁵⁴ This comparison excludes the Nascent category for total ED Resources and SBDC.

⁵⁵ Clients attributed these impacts to the counseling they received, regardless of the type of assistance they were originally seeking.

Figure 5.8A compares SBDC's financial impact of assistance on sales, profits, jobs, and the retention of employees to the financial impact results for total ED Resources, presented by hours of counseling received. The number of hours of counseling received is divided into three 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, 43% of clients that received 5 or more hours of SBDC counseling reported an increase in sales and 38% of clients that received 5 or more hours reported an increase in profit margins. Total ED Resources reported 38% and 32% in the same categories, respectively.

Figure 5.8A – 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 (2009 Clients)



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VI. SCORE 2009 VS. TOTAL ED RESOURCES

The following section presents results from SCORE clients. First, we report the general demographic and financial characteristics of SCORE clients as provided by 2009 clients. This is followed by additional findings on the usefulness of SCORE for Nascent, Start-up, and In-Business firms organized by research question as follows:

- Is there a relationship between services/assistance provided by SCORE and the client's perception of the usefulness and value of services/assistance received?
- Is there a relationship between the services/assistance provided by SCORE and the client's decision 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?
- Are the services/assistance provided by SCORE having an impact on the client's financial position in terms of job creation, job retention and 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 clients. These results are based on an analysis of 3,695 completed surveys. As shown in Figure 6.1, the largest business segment served by SCORE was the In-Business segment (55%), which was one percentage point higher than the In-Business segment for total ED Resources. The Nascent segment was the second largest at 24%, approximately equal to total ED Resources.

Figure 6.1 – SCORE – Distribution of Clients by Segment (2009 Clients)⁵⁶

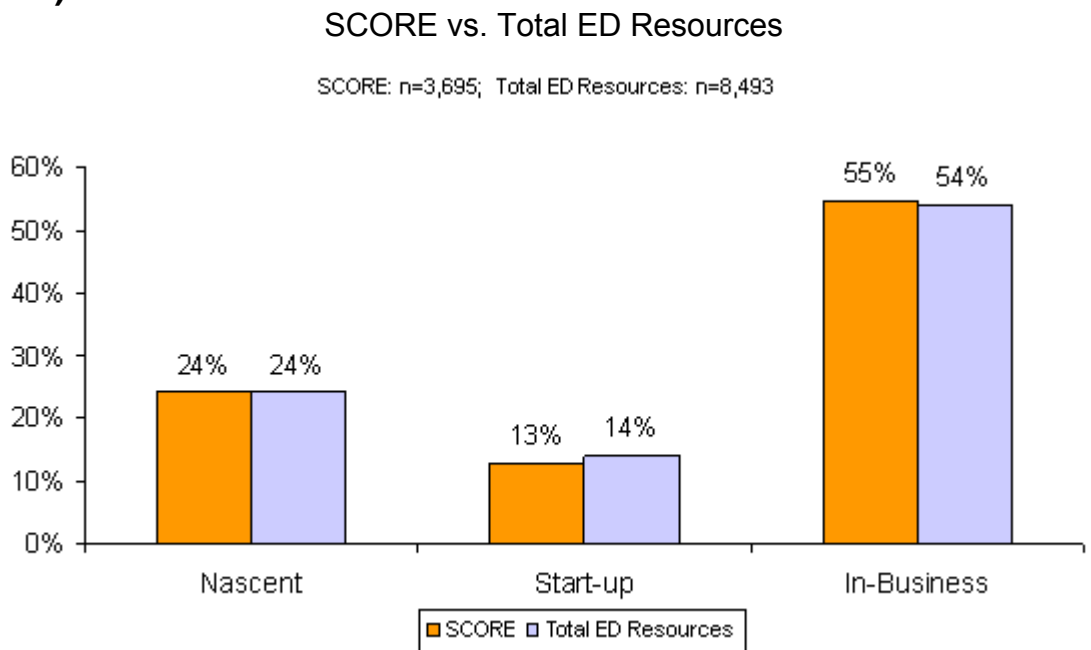


Table 6.1 compares revenues and employment for SCORE clients vs. total ED Resources. SCORE client revenues are lower than the median for total ED Resources combined.

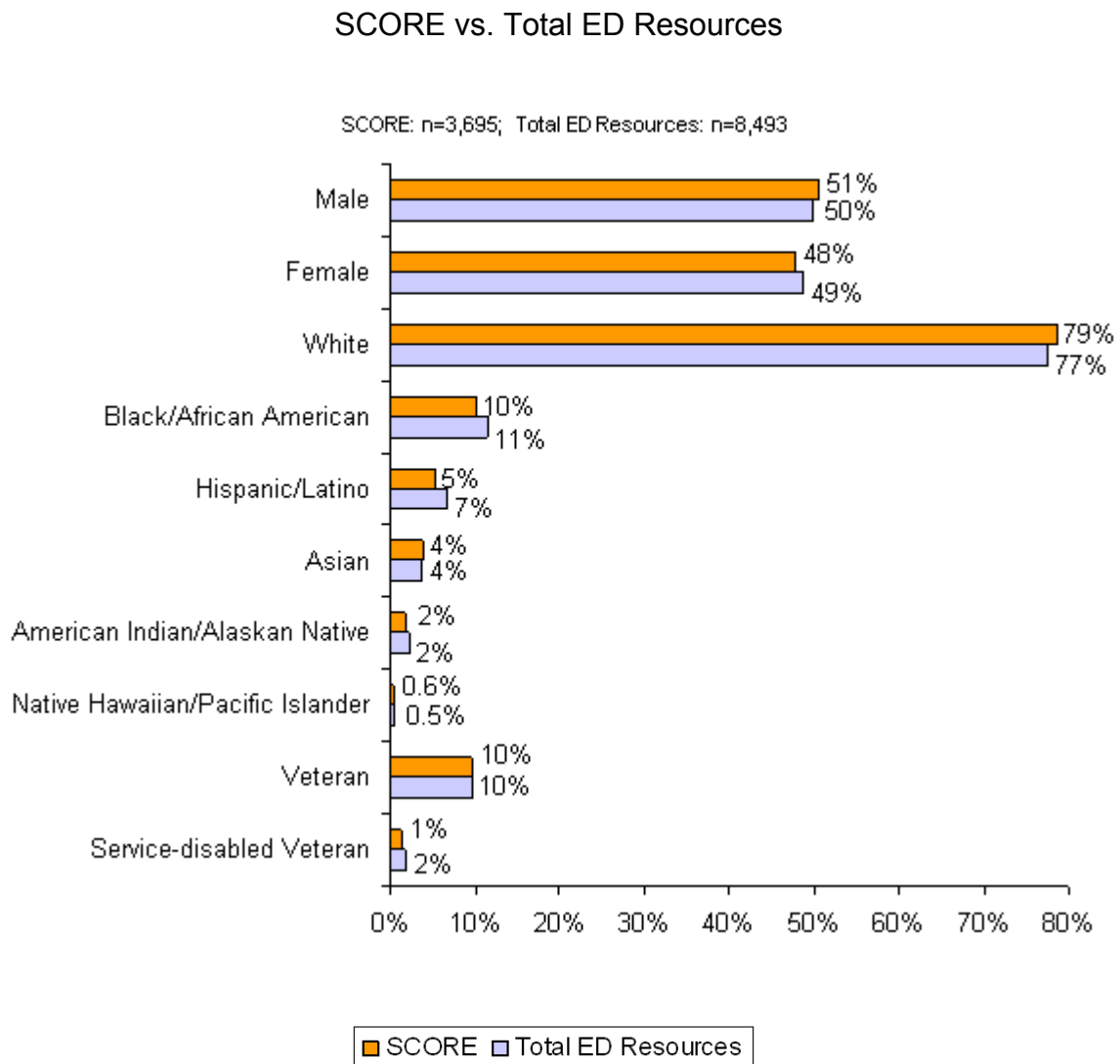
Table 6.1 – SCORE Client Revenues and Employment (2009)

	SCORE	Total ED Resources
Median Revenue	\$91,500	\$97,000
Median Employees	2	2

⁵⁶ Respondents 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 SCORE will therefore not equal 100%.

Demographic characteristics of SCORE clients, including gender, race, ethnicity, and veteran status are reported in Figure 6.2.⁵⁷ These percentages for Male and Female clients were similar to ED Resources overall. About 5% of SCORE clients are Hispanic/Latino, 2% less than total ED Resources. Ten percent of SCORE clients were Veterans; 1% of clients are Service-disabled Veterans.

Figure 6.2 – SCORE – Demographic Characteristics (2009 Clients)⁵⁸

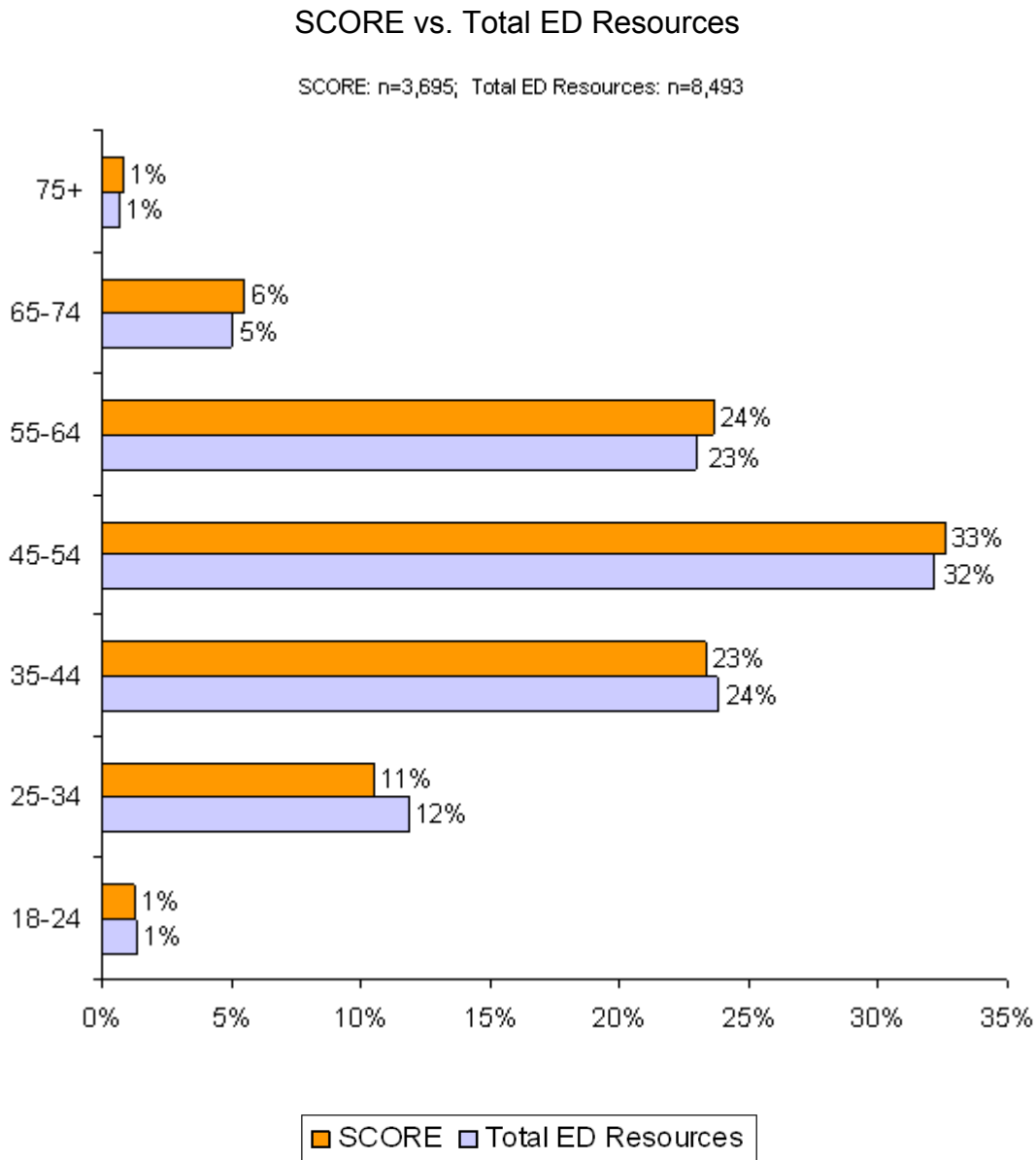


⁵⁷ The Veteran and Service-disabled Veteran categories are shown in the chart above. Additional results for SBDC clients included: Reservist (0.4%) and National Guard Member (0.4%).

⁵⁸ 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, Female business owners were 36%, Black business owners were 7% and Hispanic/Latino business owners were 8%.

Figure 6.3 shows the distribution of SCORE clients by age of business owner. The largest age group served was between the ages of 45 and 54 (33%). SCORE clients' age distribution was consistent with that of total ED Resources.

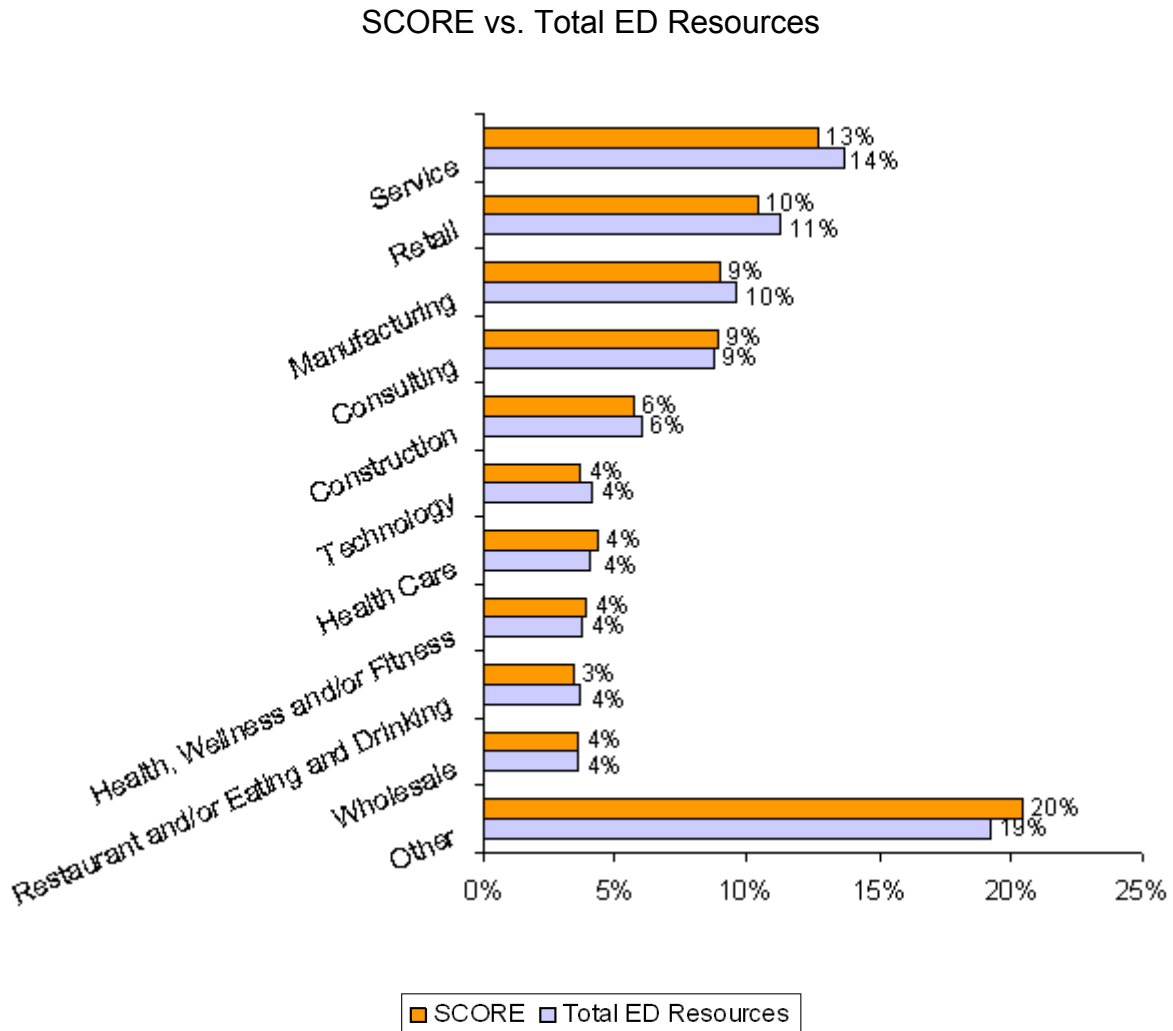
Figure 6.3 – SCORE – Age of Business Owner (2009 Clients)⁵⁹



⁵⁹ The 2009 client demographics 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%.

Figure 6.4 shows that the most common types of businesses served by SCORE were in the **service** and **retail categories**.⁶⁰ These results are generally consistent with the national averages from the 2007 Survey of Business Owners (SBO) from the U.S. Census Bureau. Results that were not consistent included Manufacturing, reported in the SBO to be 2%, Construction, reported to be 13%, and Health Care, reported to be 9%.⁶¹ Also, the chart shows the share of SCORE clients in the service, retail, manufacturing and restaurant and/or eating and drinking industries was lower than total ED Resources.

Figure 6.4 – SCORE – Type of Business (2009 Clients)⁶²



⁶⁰The top 11 categories for 2009 clients are displayed in the chart above. Additional results for 2009 included: Finance, Insurance and Real Estate (3%), Education (3%), Entertainment (2%), Publishing (2%), Transportation (1%), Engineering (1%), Day Care (1%).

⁶¹ Other SBO results that conflicted with the findings included: Finance, Insurance, and Real Estate (13%), Entertainment (5%), and Transportation (5%). Industry classifications are not identical.

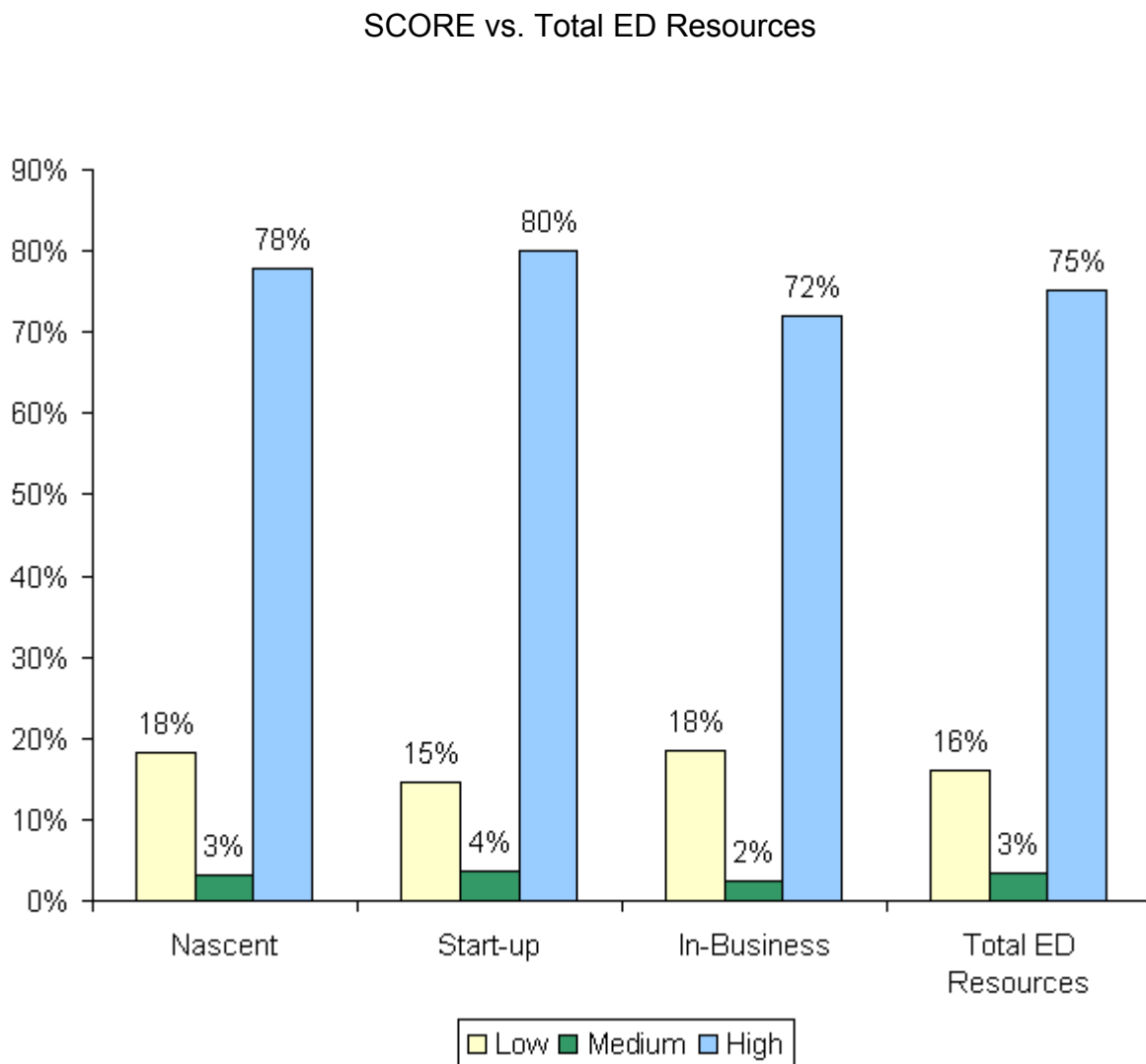
⁶² Due to non-responses and multiple business type selections, the total for all business types might not equal 100%.

SCORE Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 74% of SCORE clients reported that the information they received from counselors was valuable.⁶³ Figure 6.5 shows ratings of usefulness of SCORE, provided by business segment and compared to total ED Resources. Start-up firms rated the assistance they received as useful 80% of the time, while In-Business firms rated the assistance they received as useful 72% of the time. Total ED Resources rated the assistance received as useful 75% of the time.

Figure 6.5 – SCORE –Usefulness of SCORE (2009 Clients)⁶⁴

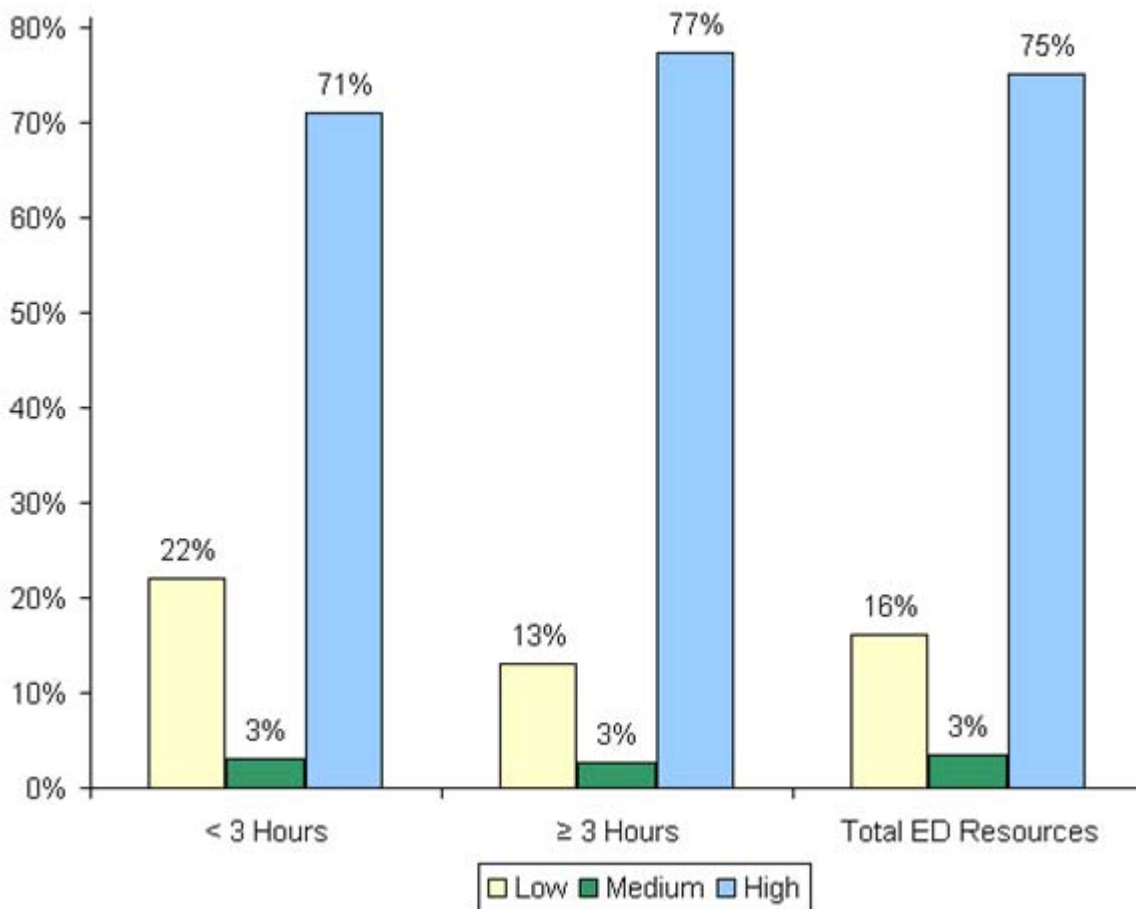


⁶³ This result does not appear in the chart above, which is segmented by business stage. This percentage was calculated for SCORE clients overall, without regard to business stage.

⁶⁴ 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 77% of SCORE clients that received 3 or more hours of counseling rated SCORE usefulness as “high” compared to 71% of clients that received less than 3 hours of counseling.

Figure 6.5A – Usefulness of SCORE: SCORE by Hours of Counseling vs. Total ED Resources Aggregate Hours (2009 Clients)



Clients' Decision to Change Management Practices

Figure 6.6 compares SCORE client decisions to change management practices or strategies by business segment. As a result of SCORE assistance, 60% of Start-up firms changed their management practices or strategies, and 65% of In-Business clients reported changing management practices or strategies. The levels for SCORE Start-up and In-Business clients that changed their management practices and strategies were higher than those for total ED Resources.

Figure 6.6 – SCORE – Changed Management Practices/Strategies as a Result of SCORE ED Resource Assistance (2009 Clients)

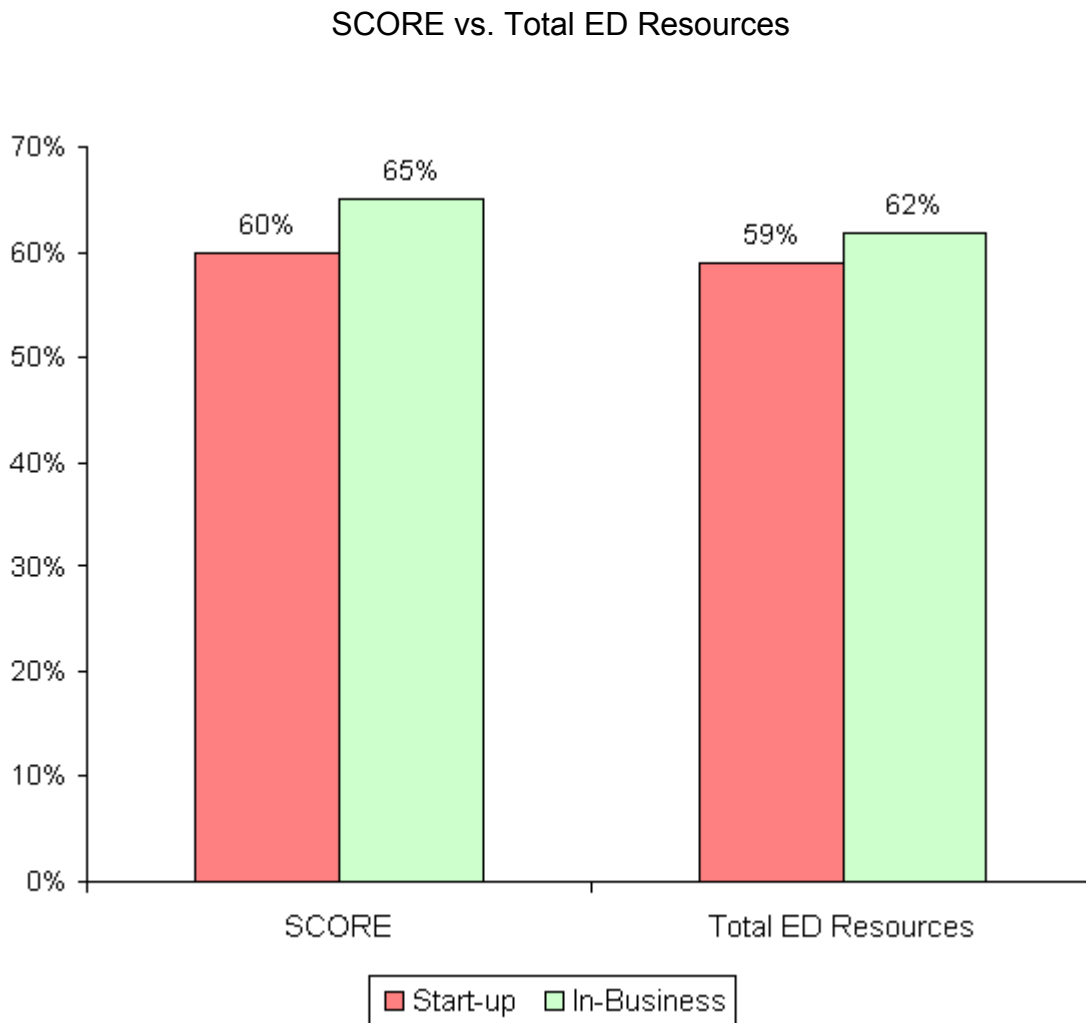
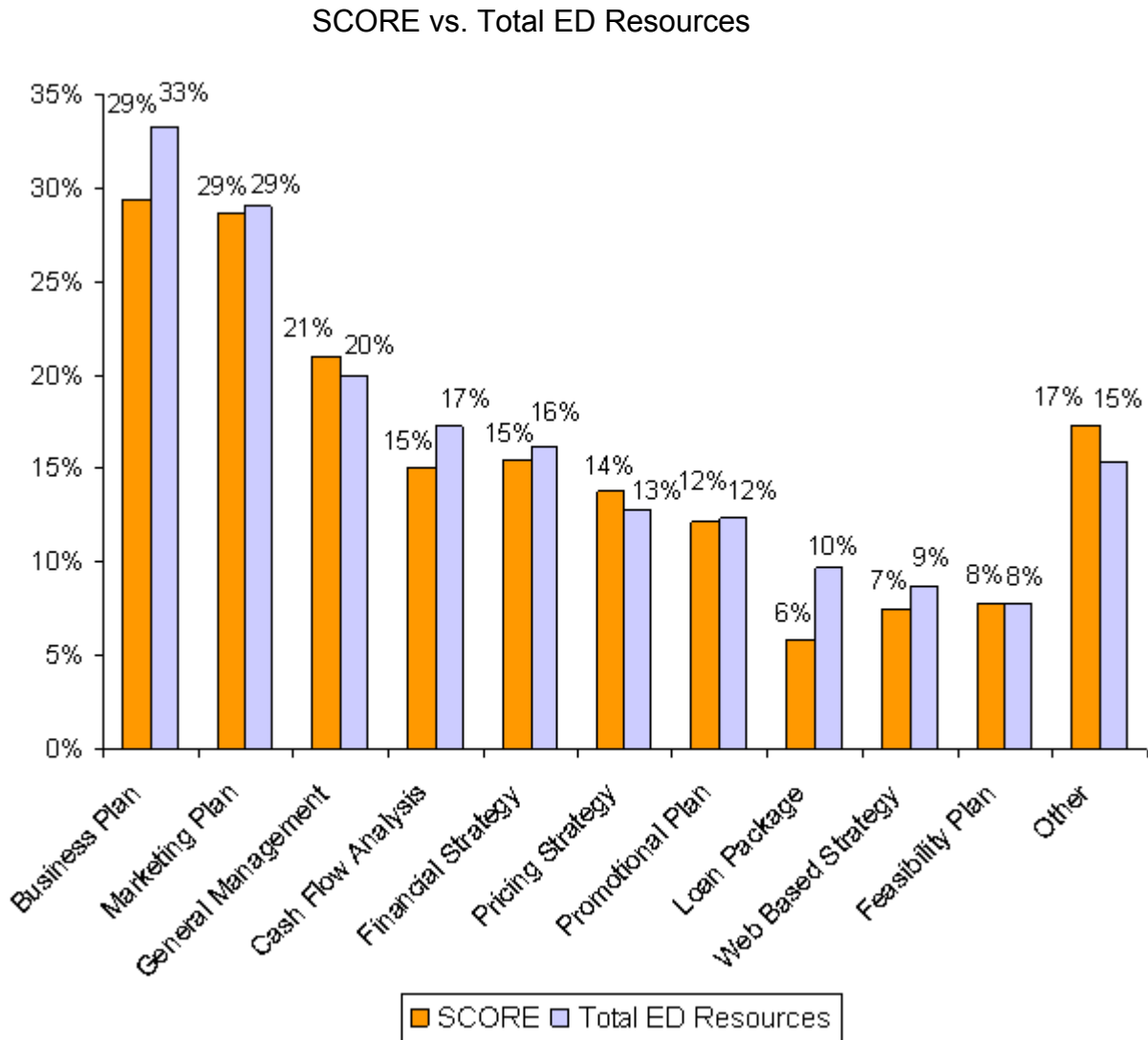


Figure 6.7 below reflects the percentage of firms reporting that SCORE ED Resource assistance led to the development of **business plans, marketing plans, etc.**⁶⁵ General management (21%) is a new category this year and has supplanted cash flow analysis (15%) as the third highest reported item for SCORE clients.

Figure 6.7 – SCORE – Assistance in Plan Development (2009 Clients)



⁶⁵ The 2009 results for the top 11 categories are displayed in the chart above. Additional results for 2009 clients included: Hiring plan (4%), Purchasing Strategy (4%), Production Plan (3%), Distribution Plan (3%), Training Plan for Staff (3%), International Trade (1%).

Sales, Job Creation, and Job Retention

Figure 6.8 compares SCORE’s Start-up and In-Business clients in terms of the reported financial impact of SCORE assistance on sales, profits, jobs, and the retention of employees irrespective of reasons for seeking assistance. Thirty percent of Start-up clients reported that they were able to increase sales as a result of SCORE assistance, compared to 38% for total ED Resources.⁶⁶ In addition, 34% of In-Business clients reported that they were able to increase profit margins as a result of SCORE assistance, outpacing total ED Resources (32%).

Figure 6.8 – SCORE – Perceived Impact of Assistance (2009 Clients)⁶⁷

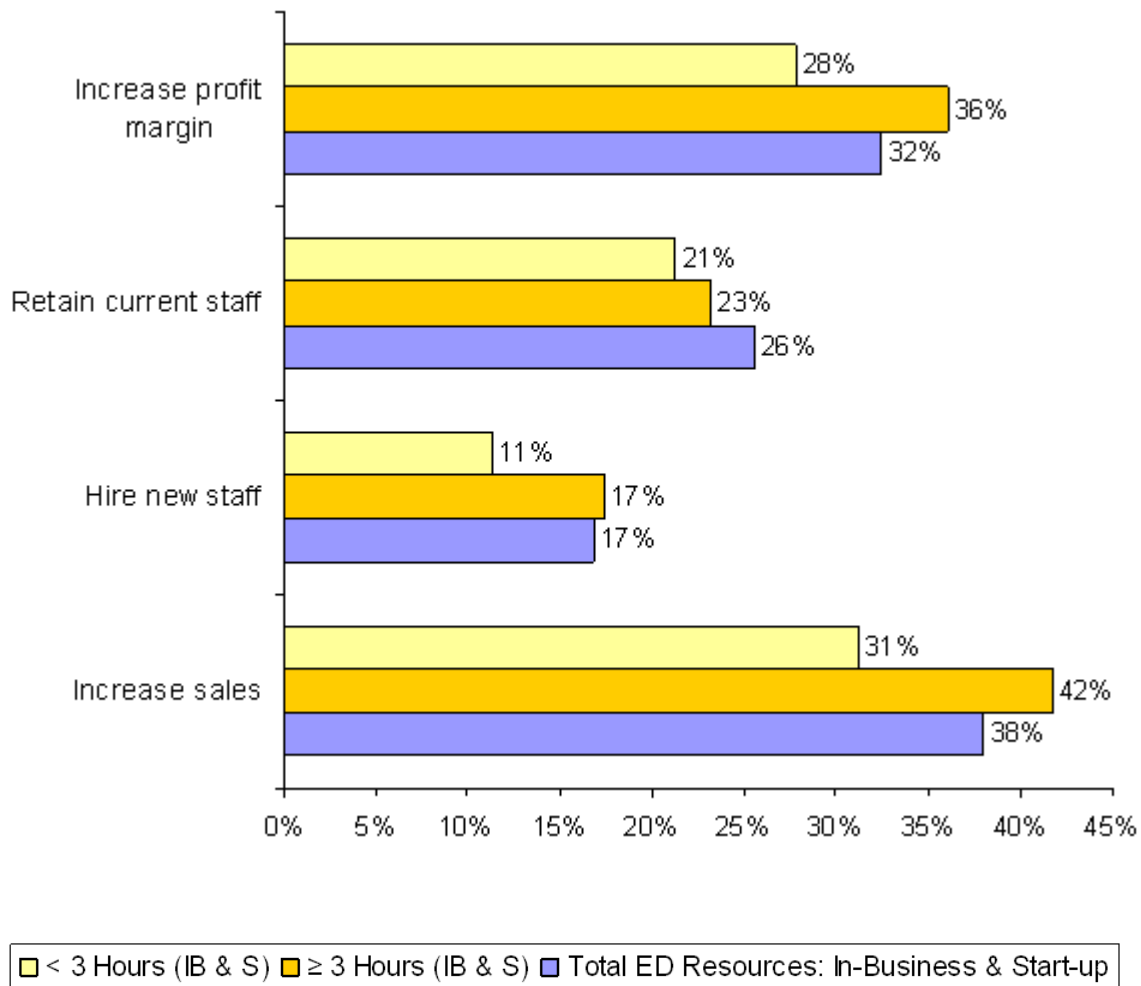


⁶⁶ This comparison excludes the Nascent category for total ED Resources and SCORE.

⁶⁷ Clients attributed these impacts to the counseling they received, regardless of the type of assistance they were originally seeking.

Figure 6.8A compares SCORE’s financial impact of assistance for increasing sales, profits, jobs, and the retention of employees to the financial impact results for total ED Resources presented by hours of counseling received. The number of hours of counseling received is divided into two categories for SCORE: less than 3 hours, and 3 or more hours. It is clear from the chart 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.

Figure 6.8A – 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 (2009 Clients)



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VII. WBC 2009 VS. TOTAL ED RESOURCES

The following section presents results from WBC clients. First, we report the general demographic and financial characteristics of WBC clients as provided by 2009 clients. This is followed by additional findings on the usefulness of WBC for Nascent, Start-up and In-Business firms organized by research question as follows:

- Is there a relationship between services/assistance provided by WBC and the client's perception of the usefulness and value of services/assistance received?
- Is there a relationship between the services/assistance provided by WBC and the client's decision 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?
- Are the services/assistance provided by WBC having an impact on the client's financial position in terms of job creation, job retention and 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 clients. These results are based on an analysis of 478 completed surveys. As shown in Figure 7.1, the largest business segment served by WBC is the In-Business segment. Forty-eight percent of WBC respondents were In-Business clients compared to 54% of total ED Resource clients. The chart also shows that there was a greater share of WBC clients in the Nascent segment, compared to total ED Resources.

Figure 7.1 – WBC – Distribution of Respondents by Segment (2009 Clients)⁶⁸

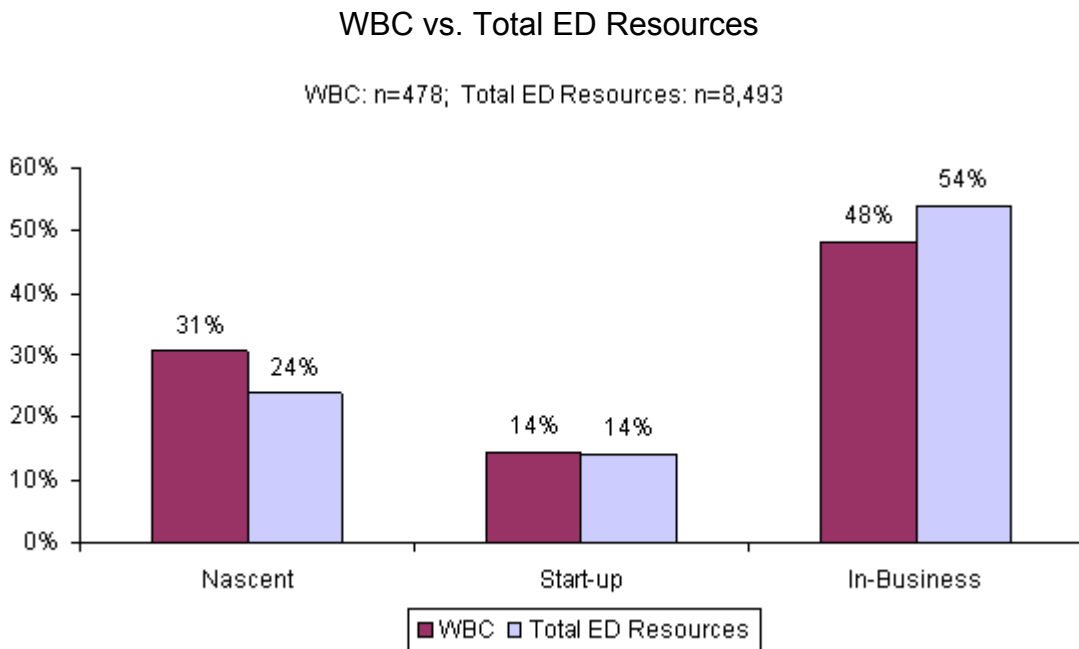


Table 7.1 compares revenues and employment for WBC clients vs. total ED Resources. These results indicate that WBC clients are smaller in terms of revenues and number of employees than total ED Resources combined.

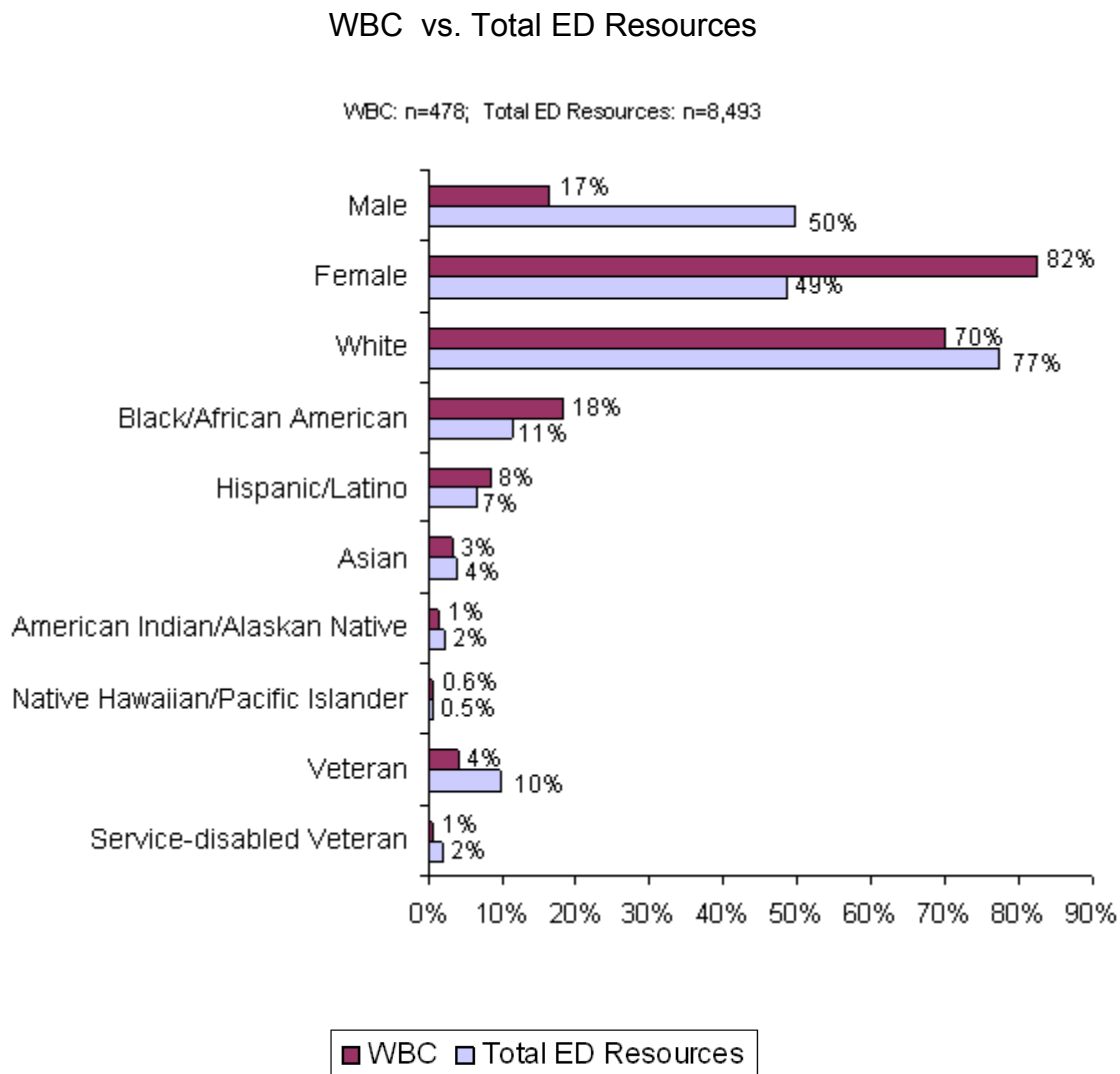
Table 7.1 – WBC Client Revenues and Employment (2009)

	WBC	Total ED Resources
Median Revenue	\$40,500	\$97,000
Median Employees	1	2

⁶⁸ Respondents 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 WBC will therefore not equal 100%.

Demographic characteristics of WBC clients, including gender, race, ethnicity, and veteran status are reported in Figure 7.2.⁶⁹ Not surprisingly, about 82% of WBC clients are Female. A noteworthy 18% of WBC clients are Black/African American, compared to 11% for total ED Resources. Hispanic/Latino clients represent 8% of WBC clients. WBC serves a small share of Veterans (4%) and Service-disabled veterans (1%).

Figure 7.2 – WBC – Demographic Characteristics (2009 Clients)⁷⁰

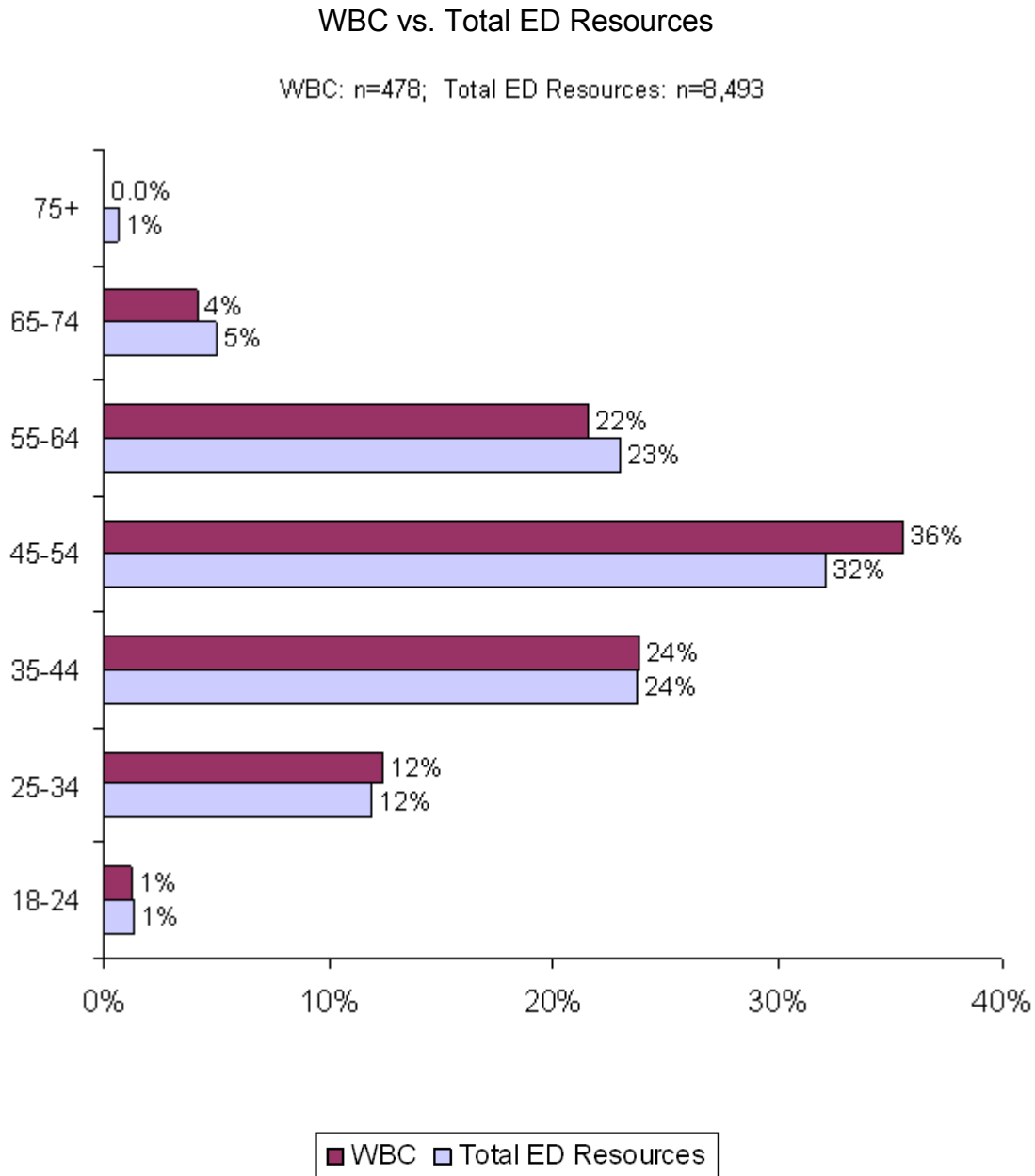


⁶⁹ The Veteran and Service-disabled Veteran categories are shown in the chart above. Additional results for WBC clients included: Reservist (0.0%) and National Guard Member (0.0%).

⁷⁰ 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 2007 SBO does not yet have demographic data available for women-owned firms). The distribution was comparable across characteristics except for the following: White business owners were 84% of the small business population and Black business owners were 5%, American Indian/Alaskan Native business owners were 1%.

Figure 7.3 shows the distribution of WBC clients by age of business owner. The largest age group served was between the ages of 45-54, which accounts for 36% of WBC clients, compared to 32% of total ED Resource clients. Approximately 60% of WBC clients were between 35 and 54 years of age.

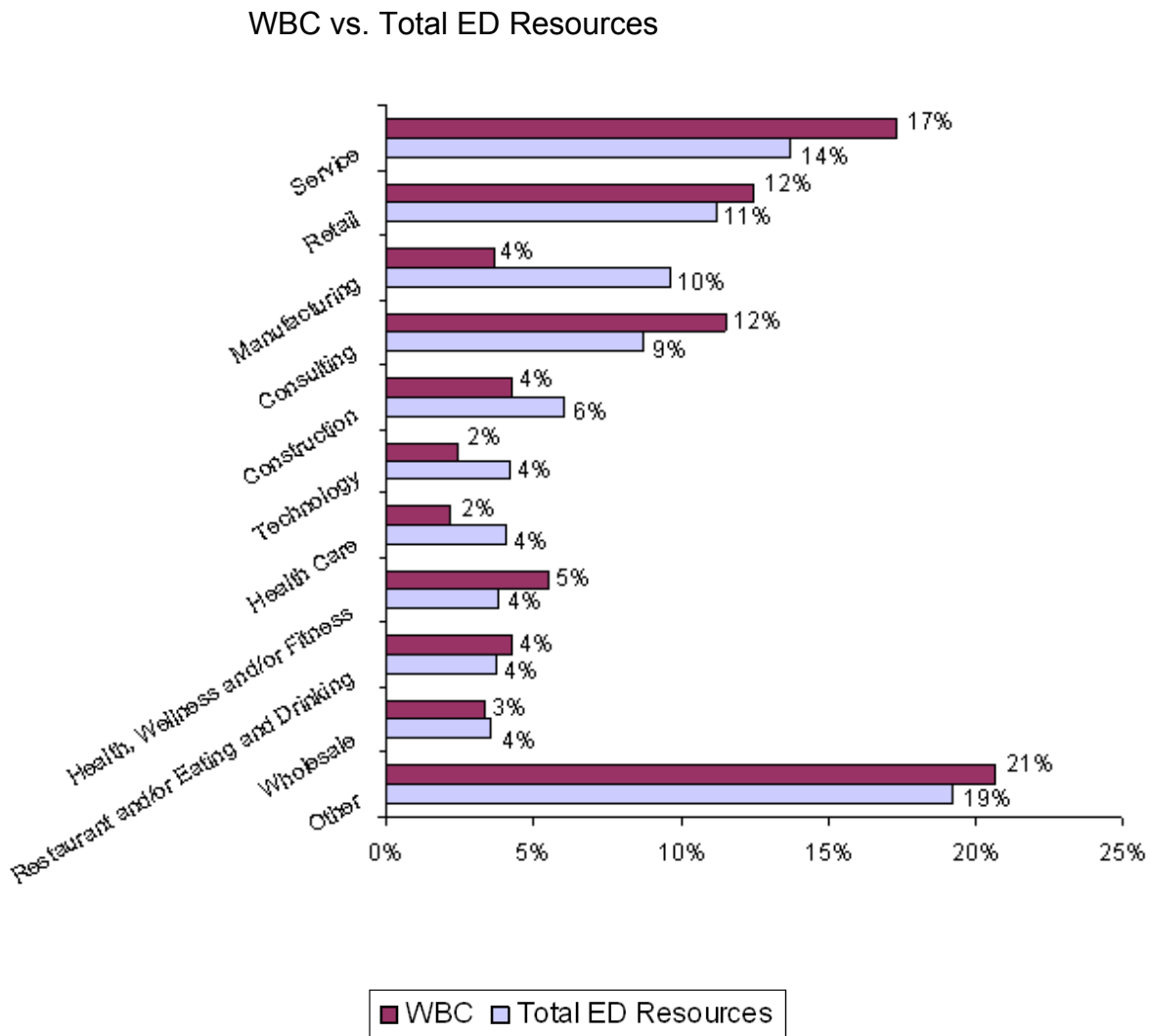
Figure 7.3 – WBC – Age of Business Owner (2009 Clients)⁷¹



⁷¹The 2009 client demographics 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%.

Figure 7.4 shows that the most common types of businesses served by WBC, besides other, were in the service and retail categories.⁷² These results are generally consistent with the national averages from the 2007 Survey of Business Owners (SBO) from the U.S. Census Bureau for Women-owned firms. Results that were not consistent included Health Care, reported in the SBO to be 16%, and Manufacturing, reported to be 1%.⁷³ The chart also shows the share of WBC clients in the service, retail and consulting industries was higher than that of total ED Resources, while the share of clients in the manufacturing, construction, technology and health care industries was lower than total ED resources.

Figure 7.4 – WBC – Type of Business (2009 Clients)⁷⁴



⁷² The top 11 categories for 2009 clients are displayed in the chart above. Additional results for 2009 clients included: Finance, Insurance and Real Estate (2%), Education (5%), Entertainment (1%), Publishing (2%), Transportation (1%), Engineering (0%), Day Care (1%).

⁷³ Other SBO results that conflicted with the findings included: Finance, Insurance, and Real Estate (11%), and Entertainment (5%). Industry classifications are not identical.

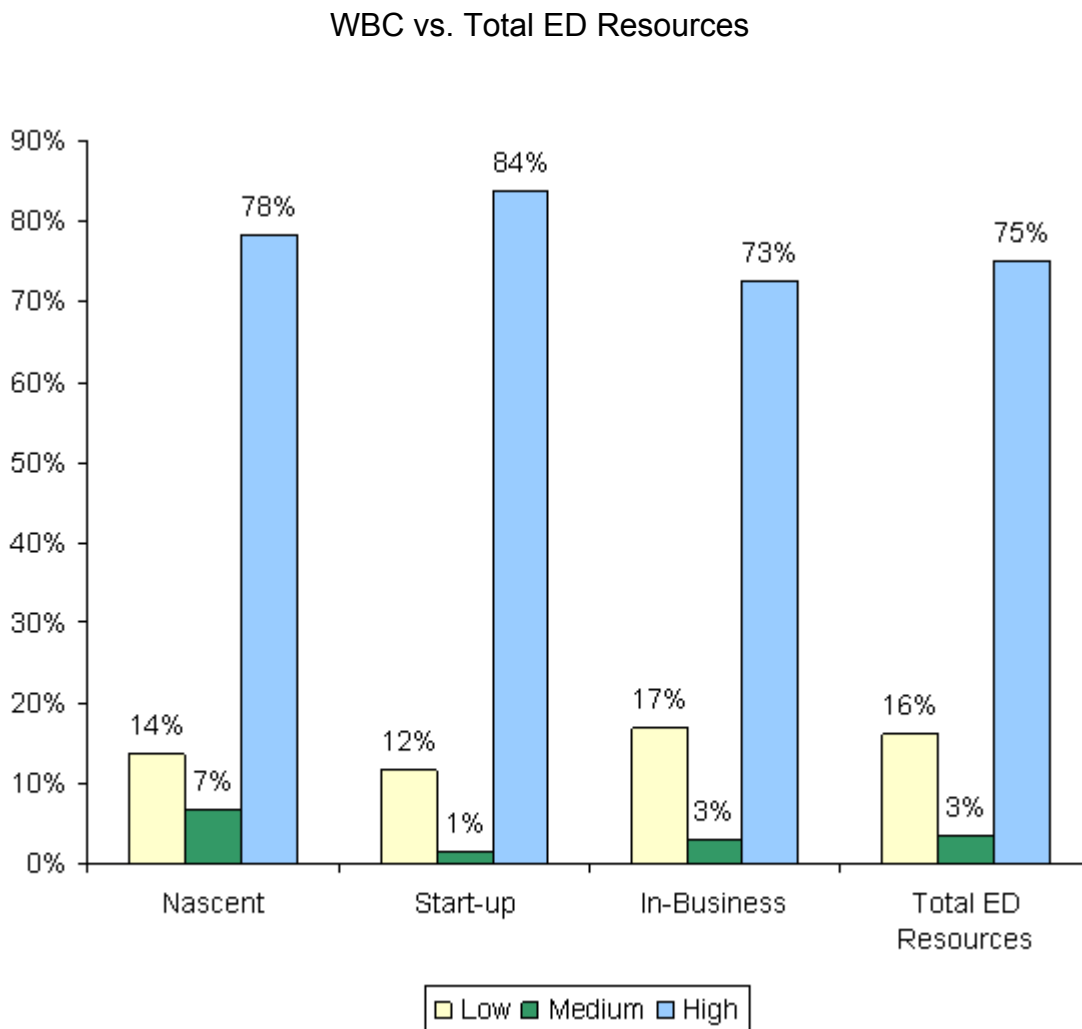
⁷⁴ Due to non-responses and multiple business type selections, the total for all business types might not equal 100%.

WBC Client Attitudes Regarding ED Resource Assistance

Usefulness and Value of Services or Assistance Received

Approximately 76% of WBC clients reported that the information they received from counselors was valuable.⁷⁵ Figure 7.5 shows ratings of usefulness of WBC, provided by business segment and compared to total ED Resources. WBC Start-up clients more often rated assistance as useful (84%) than total ED Resources (75%). In-Business clients rated assistance as useful less often (73%) than total ED Resources (75%).

Figure 7.5 – WBC – Usefulness of WBC (2009 Clients)⁷⁶

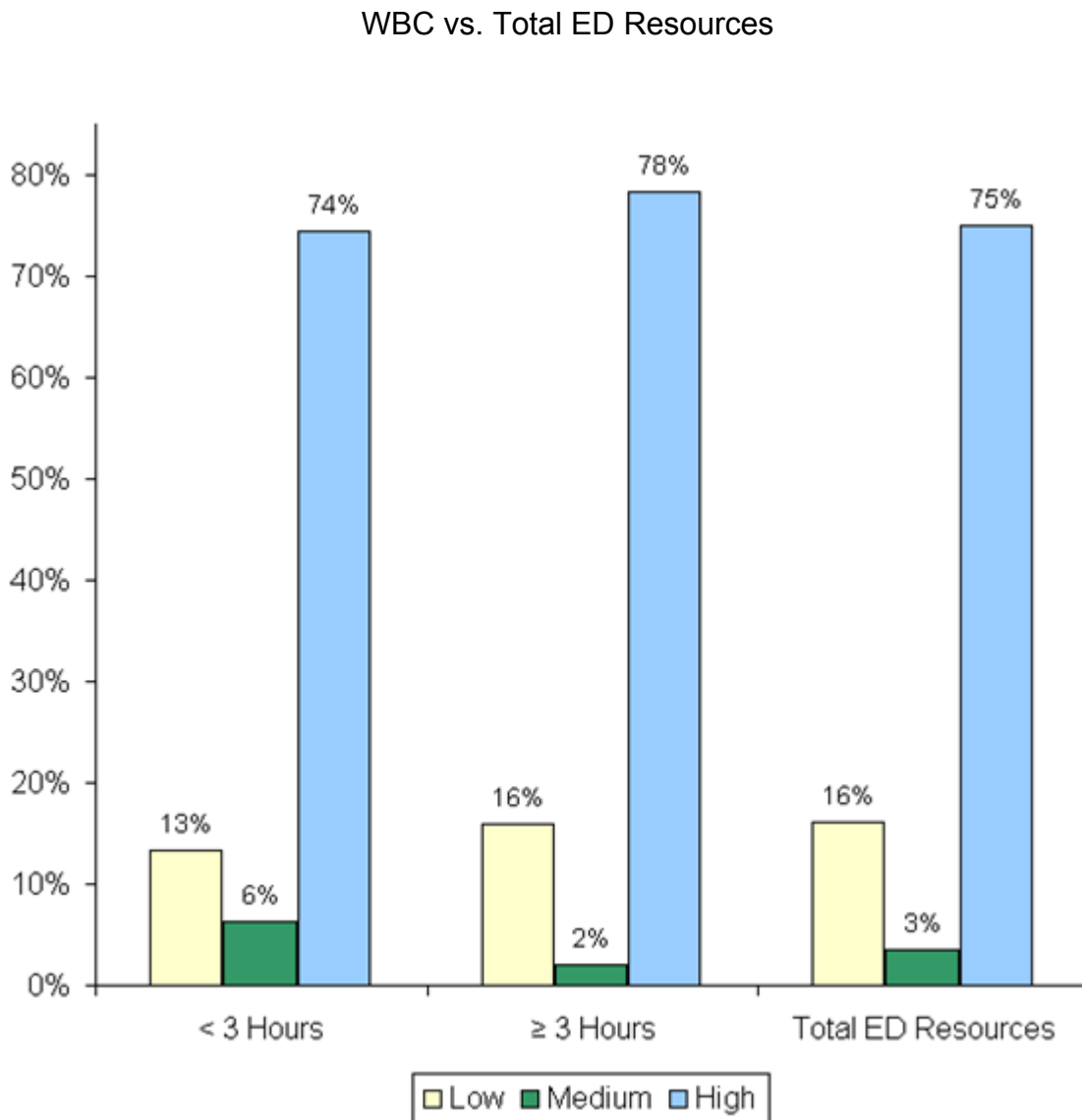


⁷⁵ This result does not appear in the chart above, which is segmented by business stage. This percentage was calculated for WBC clients overall, without regard to business stage.

⁷⁶ Low 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 78% of WBC clients that received more than 3 hours of counseling rated WBC usefulness “high” as compared to 74% of clients 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 (2009 Clients)



Clients' Decision to Change Management Practices

Figure 7.6 compares WBC client decisions to change management practices or strategies by business segment. As a result of WBC assistance, 59% of Start-up clients and 60% of In-Business clients reported changing their management practices or strategies. The levels of WBC Start-up and In-Business clients that changed their management practices were just below those for total ED Resource clients.

Figure 7.6 – WBC – Changed Management Practices/Strategies as a Result of WBC ED Resource Assistance (2009 Clients)

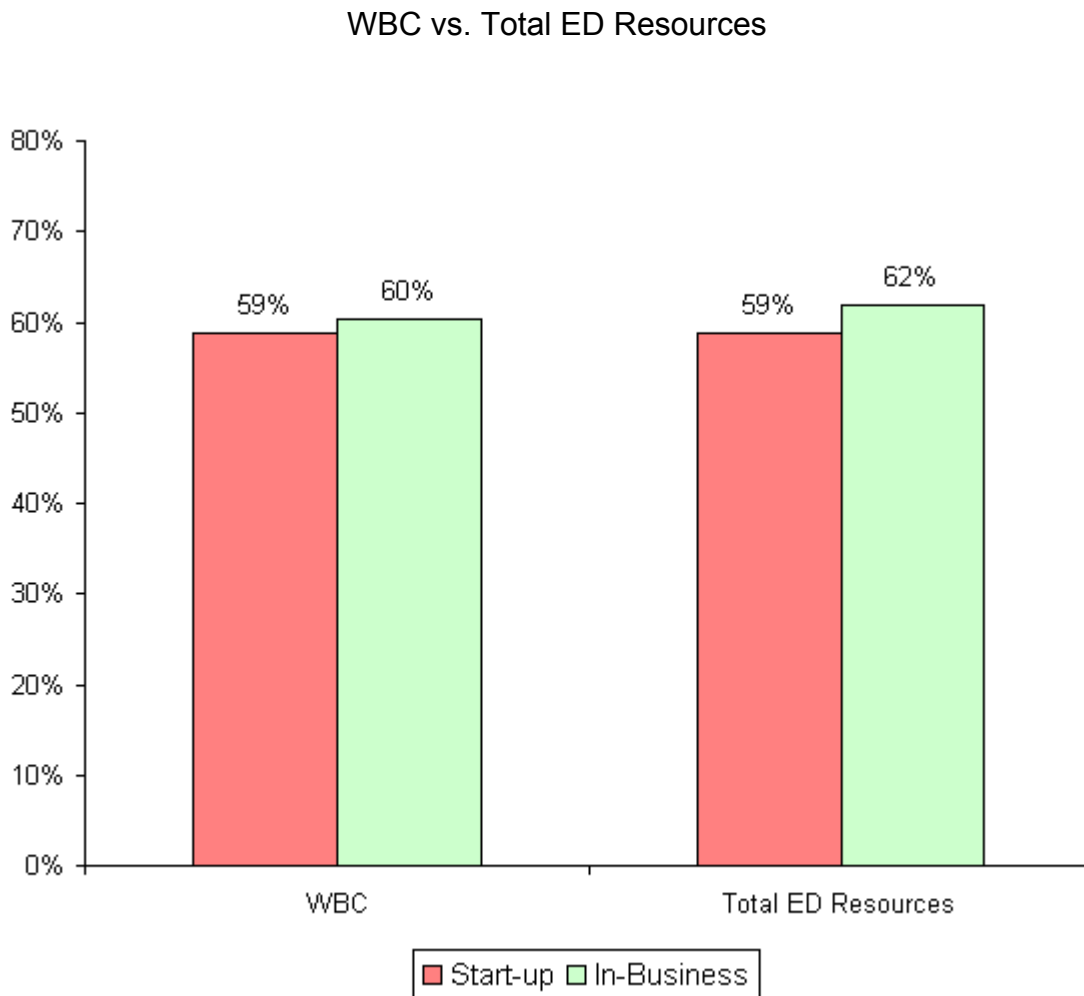
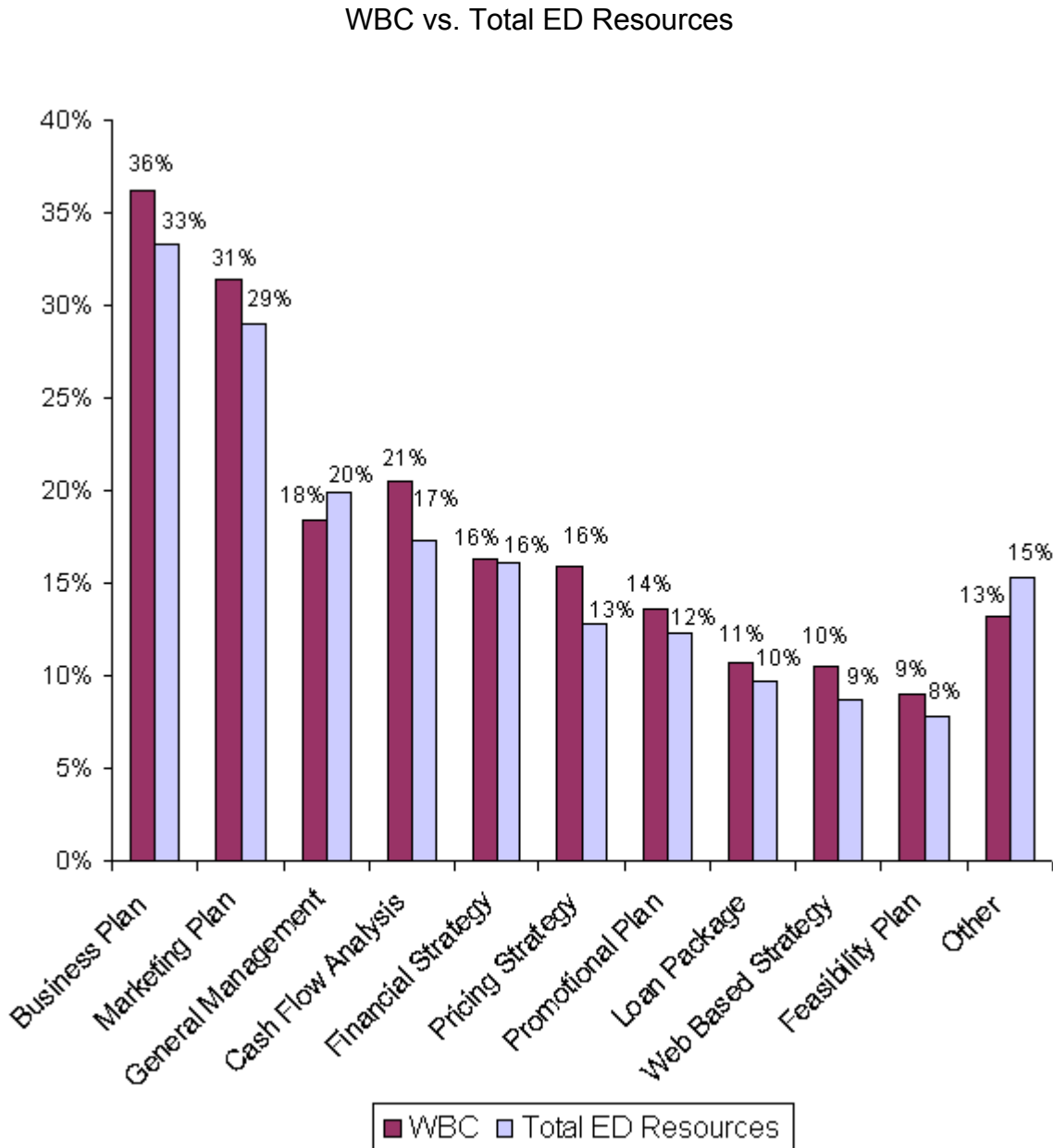


Figure 7.7 below reflects the percentage of firms reporting that WBC ED Resource assistance led to the development of **business plans, marketing plans, etc.**⁷⁷ General management (18%) is a new category this year and has supplanted financial strategy (16%) as the fourth highest reported item for WBC clients.

Figure 7.7 – WBC – Assistance in Plan Development (2009 Clients)

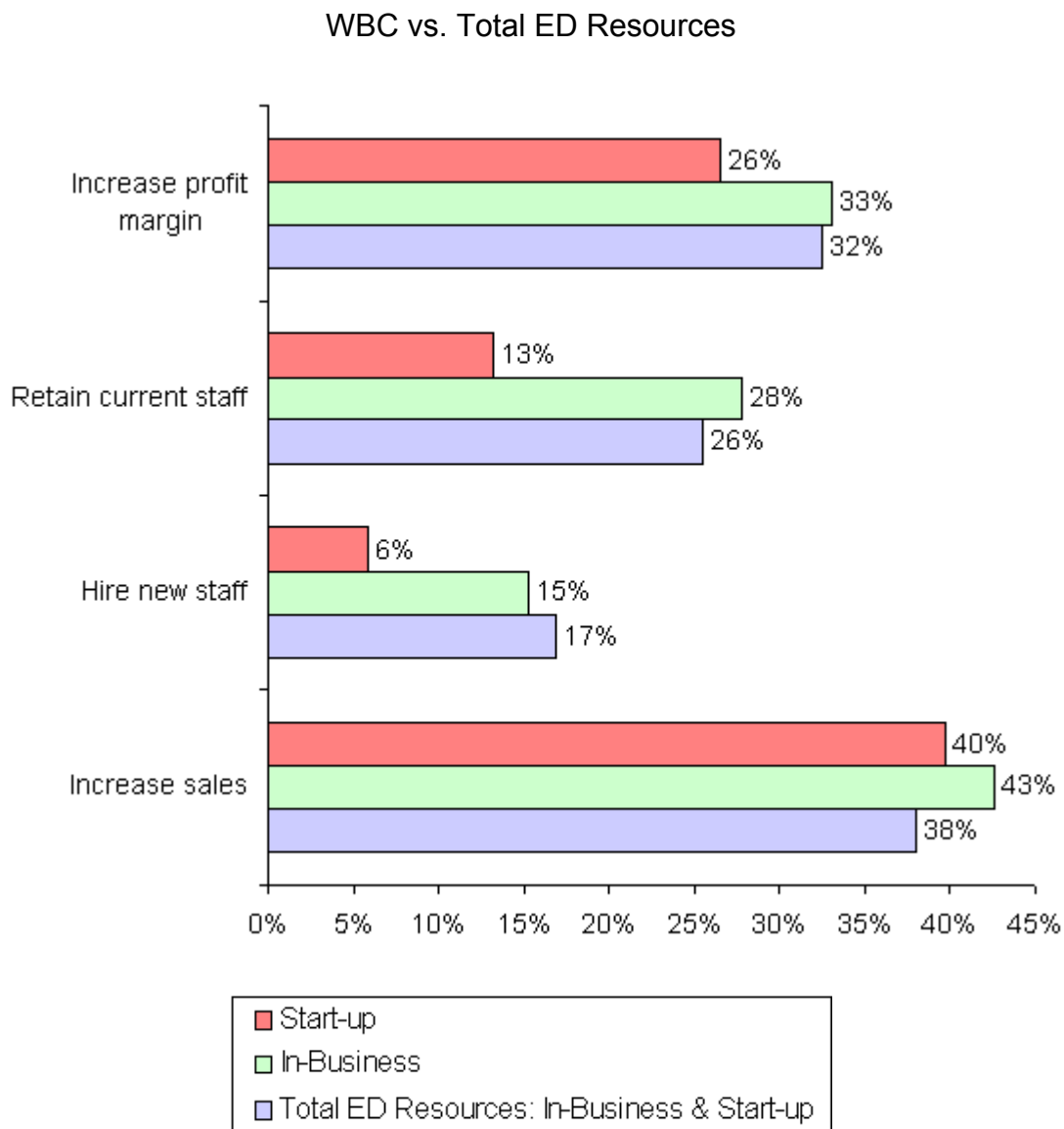


⁷⁷ The 2009 results for the top 11 categories are displayed in the chart above. Additional results for 2009 clients included: Hiring plan (5%), Purchasing Strategy (4%), Production Plan (4%), Distribution Plan (3%), Training Plan for Staff (3%), International Trade (2%).

Sales, Job Creation, and Job Retention

Figure 7.8 compares WBC Start-up and In-Business clients in terms of the reported financial impact of WBC assistance on sales, profits, jobs, and the retention of employees irrespective of reasons for seeking assistance. Thirty-three percent of WBC In-Business clients reported increases in profit margin compared to 26% of WBC Start-up clients. Notably, **both Start-up and In-Business clients reported that WBC assistance resulted in increased sales more often than did total ED Resource clients.**⁷⁸

Figure 7.8 – WBC – Perceived Impact of Assistance (2009 Clients)⁷⁹

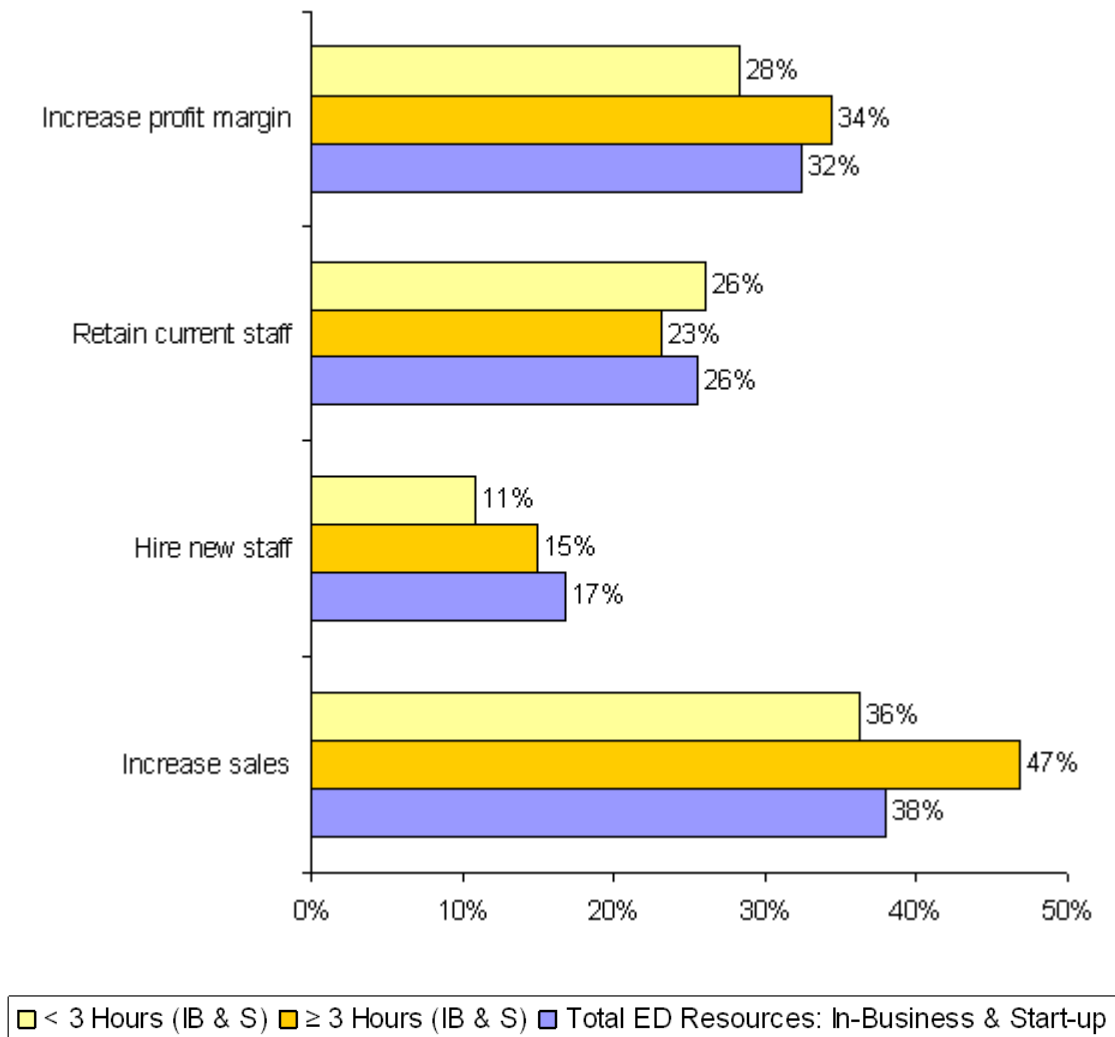


⁷⁸ This comparison excludes the Nascent category for total ED Resources and WBC.

⁷⁹ Clients attributed these impacts to the counseling they received, regardless of the type of assistance they were originally seeking.

Figure 7.8A compares WBC’s financial impact of assistance on sales, profits, jobs, and the retention of employees to the financial impact results for total ED Resources, presented by hours of counseling received. The number of hours of counseling received is divided into two categories for WBC: less than 3 hours, and 3 or more hours. Clients that received 3 or more hours of counseling reported an increase in sales 47% of the time, compared to clients who received less than 3 hours of counseling who reported increasing sales 36% of the time. Conversely, 26% of WBC clients who received less than 3 hours of counseling reported that they retained current staff more frequently than clients who received 3 or more hours of counseling (23%).

Figure 7.8A – 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 (2009 Clients)



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VIII. FOLLOW-UP STUDY RESULTS: 2007 & 2008 CLIENTS

In this section, Concentrance reports findings from our analysis of follow-up surveys of 2007 and 2008 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 2007 ED Resource clients represents the second follow-up study of this sample. The first follow-up survey was conducted in 2009. The follow-up study of 2008 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 Dynamics⁸⁰ (PSED II), 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), the Entrex Private Company Index (PCI), and the Standard and Poor's SmallCap 600 Index⁸¹?

Follow-up Methodology

There were 5,337 respondents to the initial economic impact survey of 2007 clients. The first follow-up survey of these respondents was conducted by phone, and included 648 respondents. These respondents were re-contacted for the second follow up survey. Of these, we were able to collect follow-up data from 150 respondents.

There were 6,770 respondents to the initial impact survey of 2008 clients. Of these, we were able to collect follow-up data from 854 respondents.

2007 Clients	Sample Size	Response Rate
Initial study	5,337	29%
Follow-up 1	648	14%
Follow-up 2	150	23%
2008 Clients	Sample Size	Response Rate
Initial study	6,770	29%
Follow-up 1	854	15%

⁸⁰ The PSED II began in 2005 with a sample of 31,845 adults. Of these 1,213 nascent businesses were selected and scrutinized to provide a unique, unprecedented description of the initial stages of the entrepreneurial process, including firm survival. The PSED II is funded by the Kauffman Foundation and its findings have substantial implications for policy makers who wish to improve the capacity of the US entrepreneurial sector. We rely on the PSED II as a benchmark; however, results should be interpreted with caution due to potential response bias and definitional differences in the ways that firms are classified.

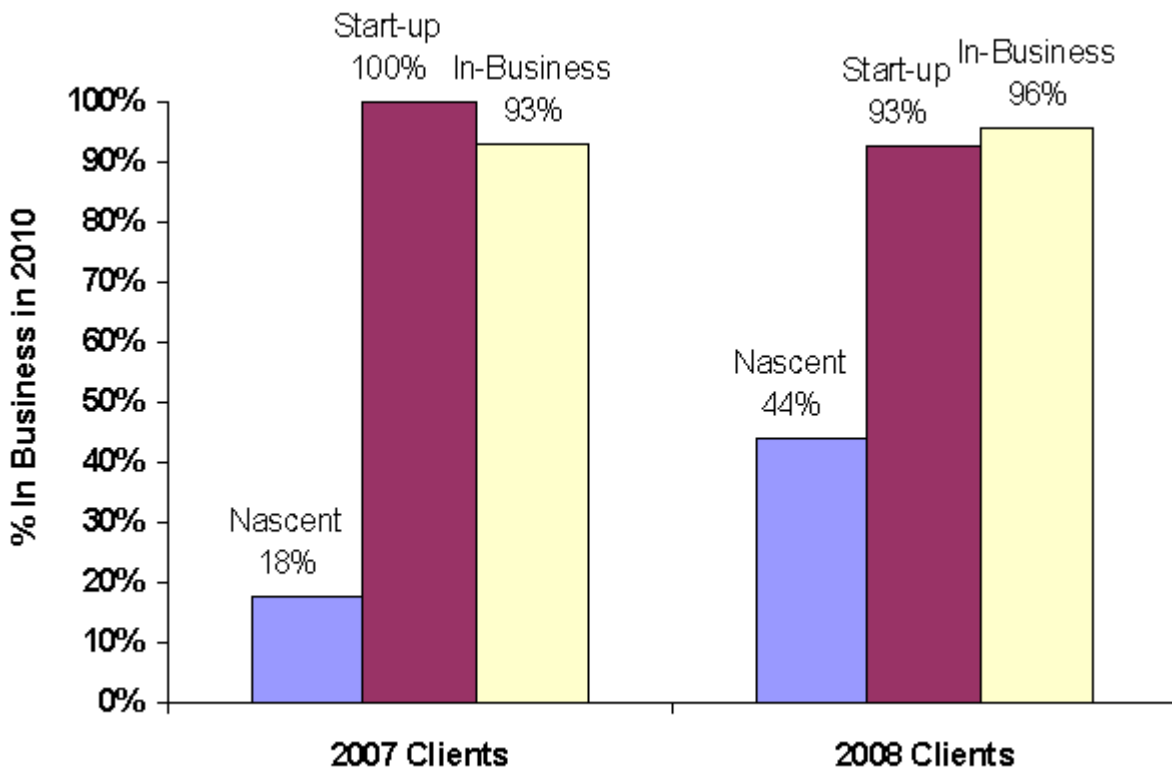
⁸¹ We replaced benchmark data from the NFIB with benchmark data from the S&P SmallCap 600 Index. The S&P SmallCap 600 Index is a more commonly used benchmark for growth.

Changes in Business Segments from 2008 to 2010

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

Figure 8.1 shows the movement of firms from their initial segments to the In-Business segment in 2010. For example, 18% of 2007 Nascent clients had started businesses by 2010. This is substantially lower than the share of Nascent clients who went into business in last year's follow-up cohort of 2006 clients; most likely a result of the economic recession. For 2007 clients that were initially in the In-Business segment, 93% remained in business in 2010. Figure 8.1 also shows the movement of firms from their initial 2008 business segment to the In-Business segment in 2010. For example, 44% of 2008 Nascent clients had transitioned into the In-Business segment by 2010, which is 26% percentage points higher than 2007 Nascent clients that had started businesses by last year's survey.

Figure 8.1 – Transition and Survival of 2007 and 2008 Clients to 2010 In-Business



By comparison, according to a study by Reynolds and Curtin (2008)⁸², approximately 19% of nascent entrepreneurs in the PSED II had started businesses within two years of inception. Thus, while 2007 Nascent ED Resource clients were less likely than PSED participants to start businesses during this period, 2008 clients (44%) were significantly more likely.

At the same time, less than 7% of 2007 and 2008 clients that were in business for more than one year had gone out of business by 2010.

⁸² Paul D. Reynolds and Richard T. Curtin (2008), "Business Creation in the United States: Panel Study of Entrepreneurial Dynamics II Initial Assessment," *Foundations and Trends in Entrepreneurship*, Vol. 4, No. 3, pgs. 155–307.

Impact of ED Resource Assistance on Firm Survival

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

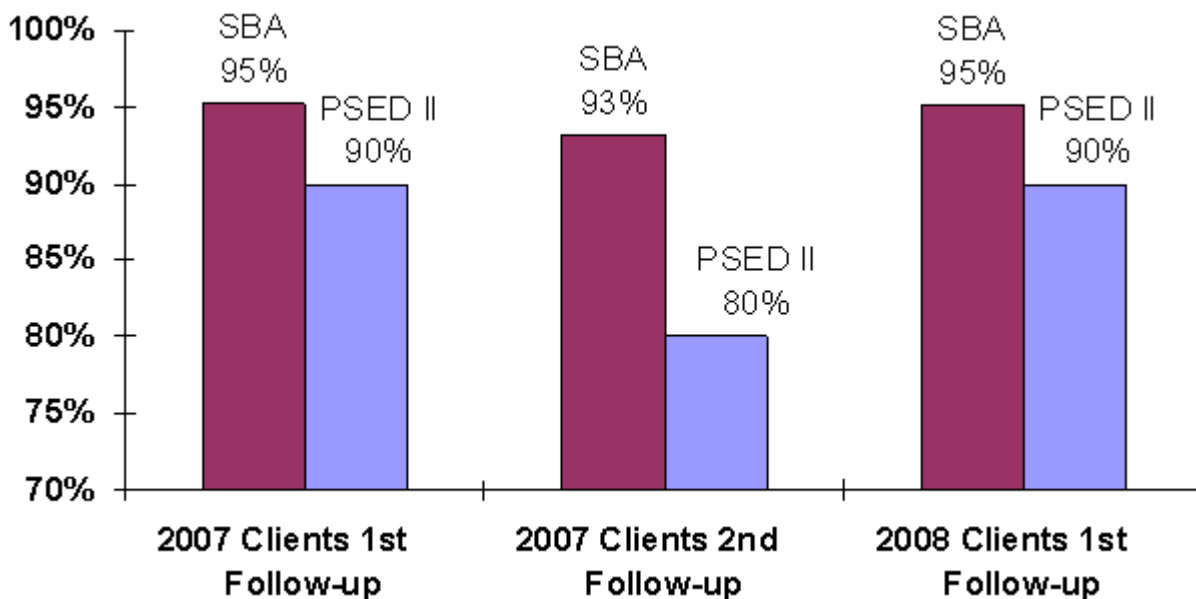
The PSED II data serve as a benchmark for comparing the proportion of Nascent and Start-up businesses that can now be classified as In-Business firms. The PSED II is a sample of nascent entrepreneurs, who are in the process of going into business; a portion of the sample received some form of counseling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

Figure 8.2 compares the survival rates for firms in the follow-up study with the PSED II.⁸³ These results suggest that businesses that received ED Resource assistance had a higher survival rate than other small businesses such as those randomly sampled for the PSED.

For example, based on the second follow-up study, 93% of 2007 ED Resource clients were still in business after two years. In contrast, only 80% of PSED firms remained in business after two years⁸⁴. Similarly, in the follow-up study of 2008 ED Resource clients, 95% of these firms remained in business after one year, compared to 90% of firms in the PSED sample.

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.⁸⁵

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



⁸³Source: Parker, Simon C. (2005), "What happens to nascent entrepreneurs? An econometric analysis of the PSED." *Entrepreneurship in a Diverse World*. U. S. Association for Small Business and Entrepreneurship.

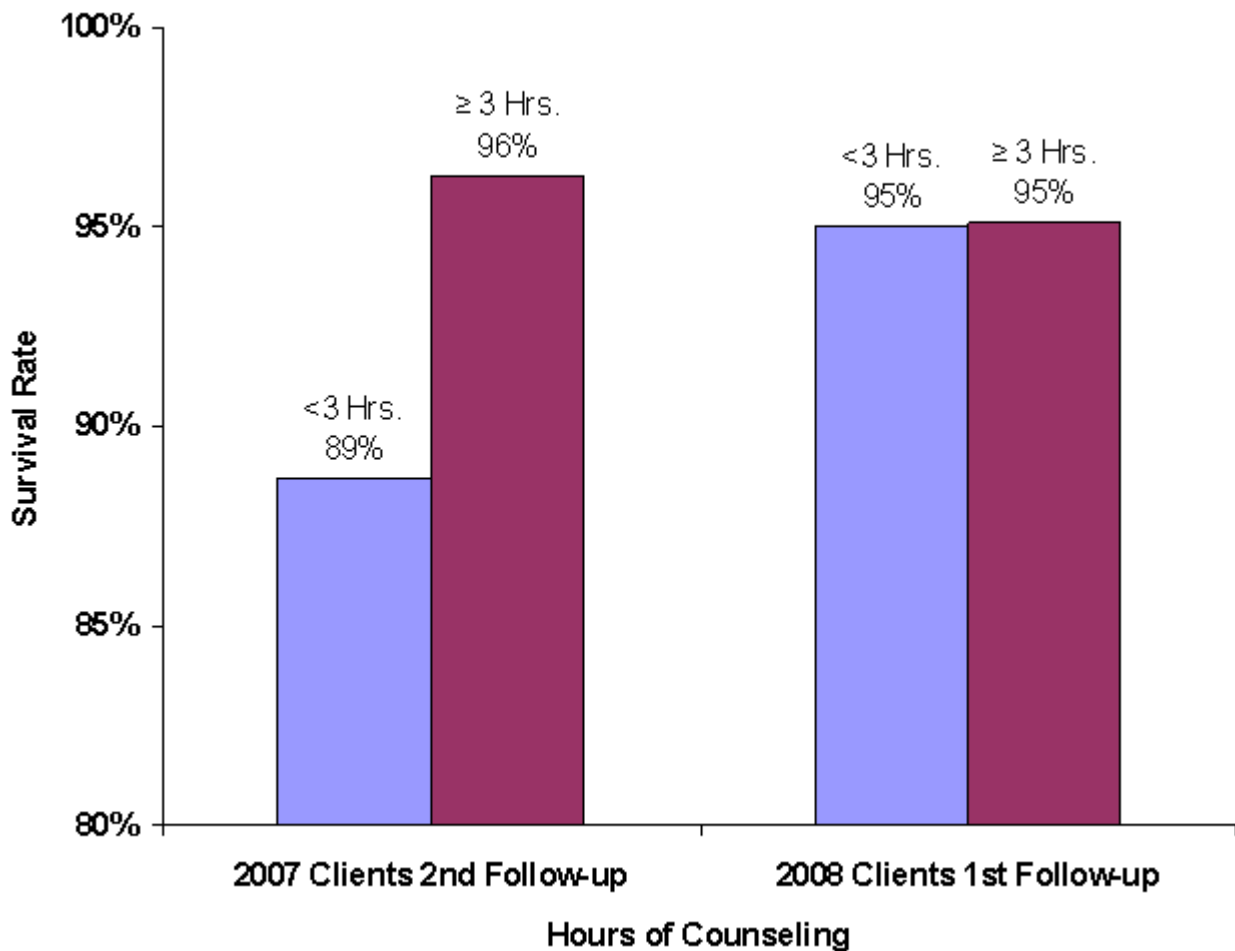
⁸⁴ The PSED II reports the rate of disengagement of start-up firms relative to the time of inception. According to Reynolds and Curtin (2008), this period is somewhat arbitrary may not actually capture all start-up activities. Thus, we report an approximate PSED survival rate based on firms at 1 year and 2 years after inception.

⁸⁵ Survival and Longevity in the Business Employment Dynamics Database, *Monthly Labor Review*, May 2005.

Does the number of hours of ED Resource assistance have a positive impact on firm survival?

Figure 8.3 shows the survival rate of ED Resource clients in each category of hours of counseling for the second follow-up survey of 2007 clients and the first follow-up of 2008 clients. In the second follow-up, firms receiving 3 or more hours of counseling had much higher survival rates than those who received less than 3 hours of counseling. However, there is not a clear relationship between counseling hours and survival in the first follow-up sample of 2008 clients.

Figure 8.3 - ED Resource Client Survival by Hours of Counseling



Changes in Revenues and Employees

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

Figure 8.4 compares 2007 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 fell from \$125,000 in 2007 to \$80,000 in 2008. This decline in revenues between 2007 and 2008 is consistent with the recessionary conditions of the economy during this period. Surprisingly, however, for the subset of firms that survived and reported revenue data, median revenues were \$200,000 in 2009.⁸⁶

At the same time, the median number of employees per firm remained at 2 for both follow-up years.

Figure 8.4 - Revenues and Employment: 2007 Survivors Over Time⁸⁷



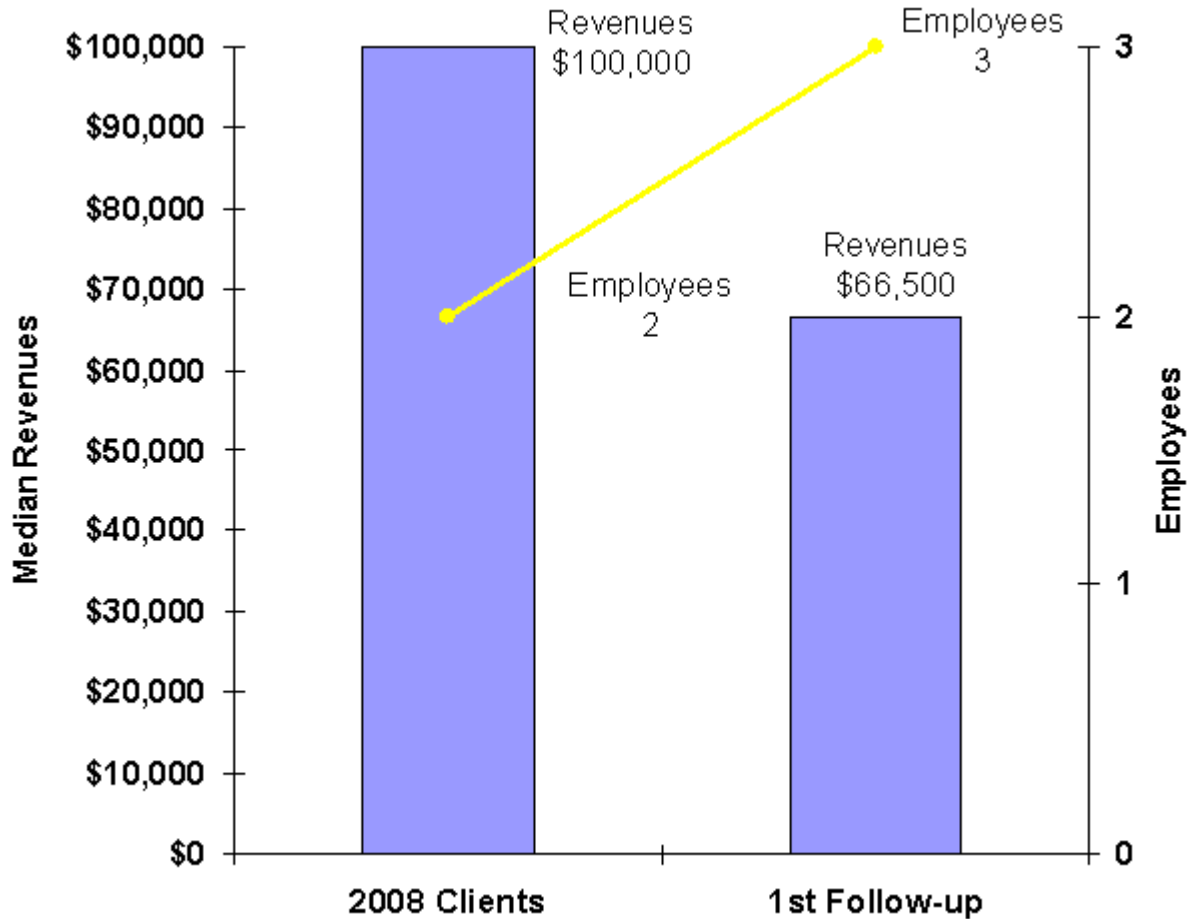
⁸⁶ Revenues from Nascent firms are not included. In addition, Start-up or In-Business firms with revenues below \$1,000 and more than \$20 million were excluded from this analysis.

⁸⁷ Due to the limited number of respondents that reported revenue for three consecutive years (<50), results should be treated with caution.

This analysis was repeated for the follow-up sample of 2008 clients. Figure 8.5 compares firms in terms of median annual revenues and number of employees in 2008 and in the first follow-up survey.

According to this matched comparison, median revenues fell from \$100,000 in 2008 to \$66,500 in 2009. However, the median number of employees per firm increased from 2 to 3.

Figure 8.5 - Revenues and Employment: 2008 Survivors Over Time



The following charts show changes in median revenue and employment for 2008 clients by ED Resource. WBC clients were not included due to an insufficient number of observations in the 1st and 2nd follow-up studies.⁸⁸

⁸⁸ The second follow-up sample of 2007 clients included only 150 firms. This sample is insufficient for a statistically meaningful analysis of revenue and employment levels by individual ED Resource.

Figure 8.5A - SBDC Revenues and Employment: 2008 Survivors Over Time

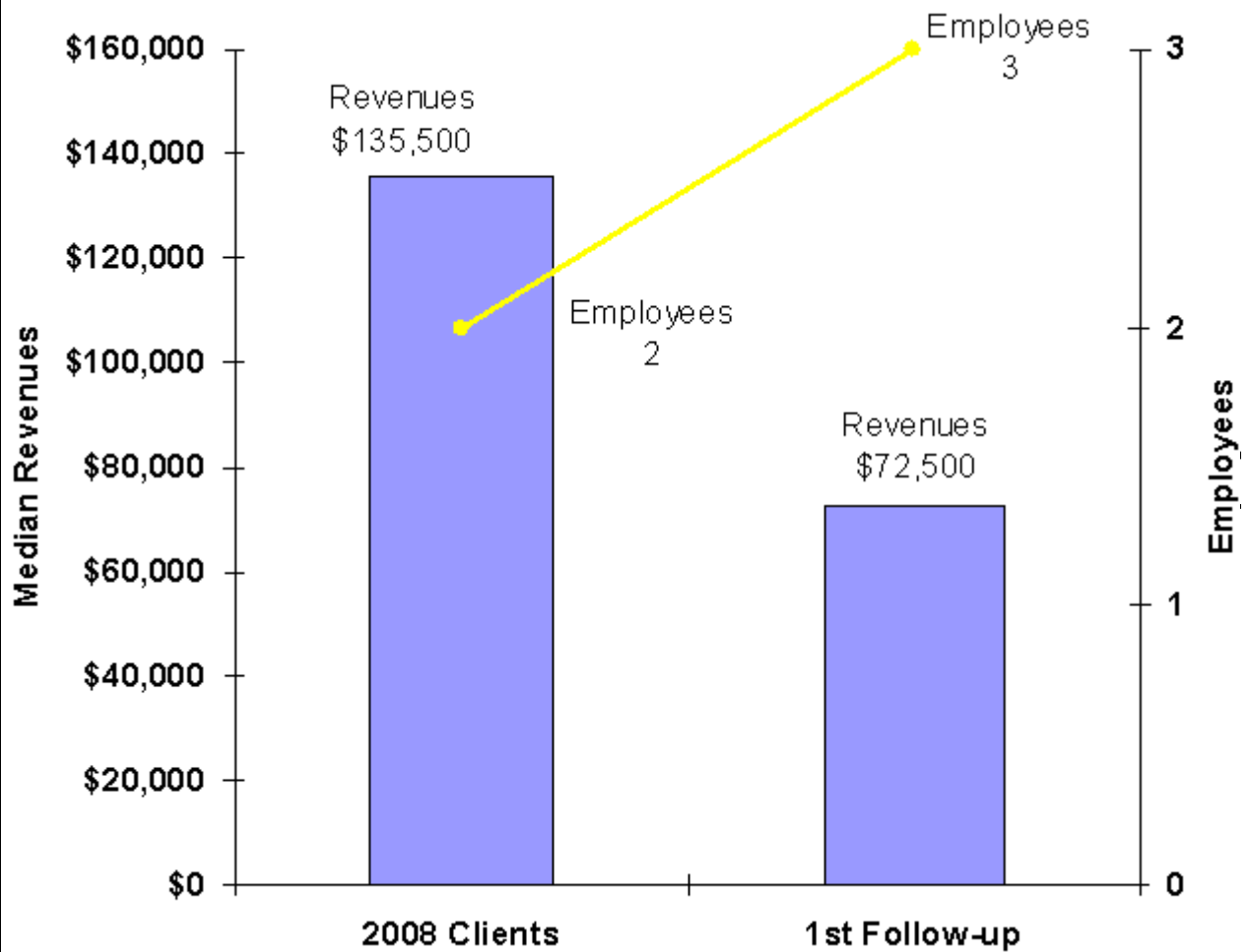


Figure 8.5B - SCORE Revenues and Employment: 2008 Survivors Over Time

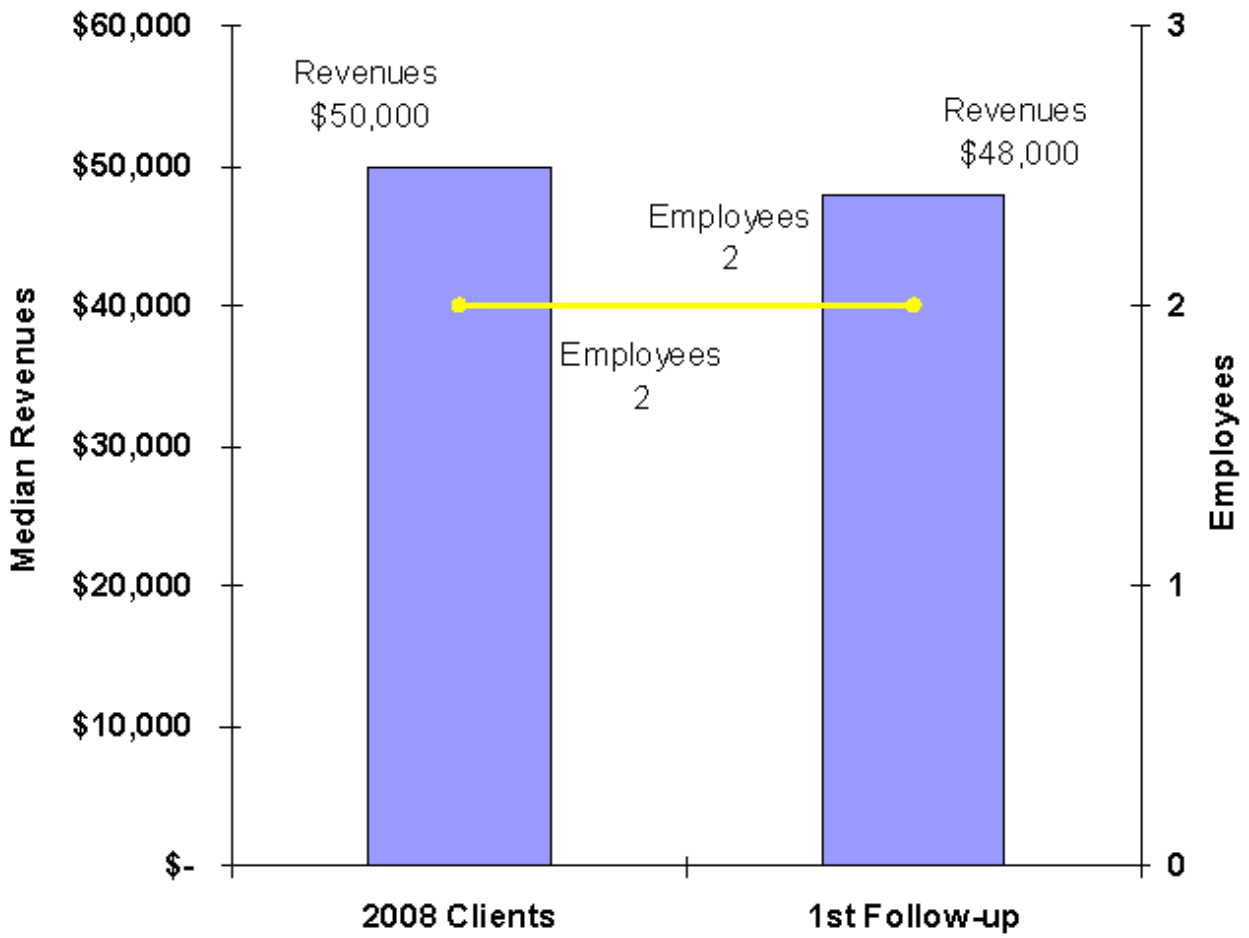
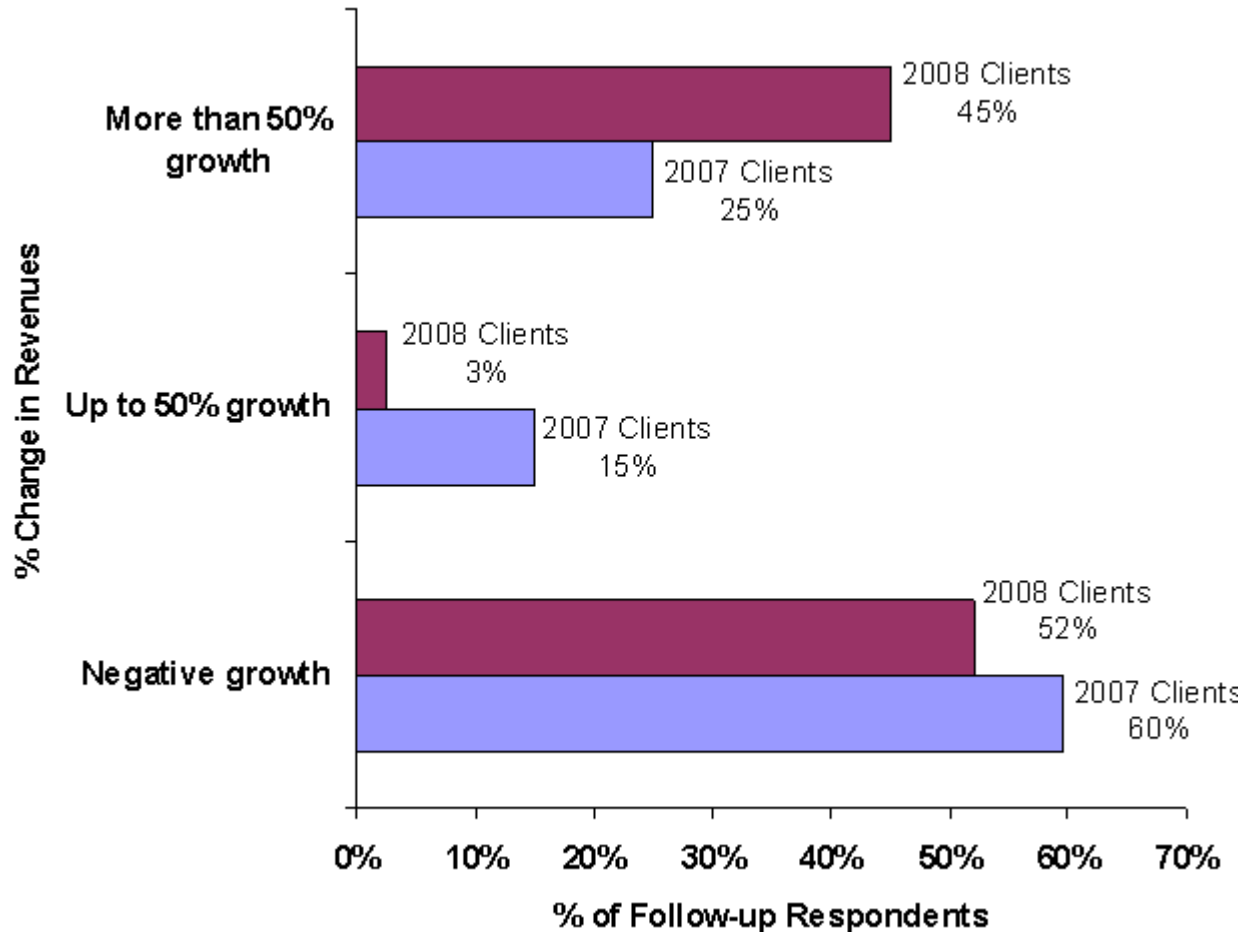


Figure 8.6 provides additional detail on the change in revenues for 2007 and 2008 clients. For example, 40% of 2007 clients experienced revenue growth by 2009, while 60 percent experienced declining in revenues over this period. At the same time, 48 percent of 2008 clients realized increased revenues in 2009 compared to 52% who experienced a decline in revenues.

Figure 8.6 - Distribution of ED Resource Clients' Percentage Change in Revenues



Benchmark Comparisons

Figure 8.7A and 8.7B depict firm survival over time as compared to the Panel Study of Entrepreneurial Dynamics (PSED I and PSED II).⁸⁹ Figure 8.7A shows firm survival rates after one year of being in business over a period of six years. Figure 8.7B shows firm survival rates after two years of being in business over a period of five years. In both charts, the benchmark for comparison is the PSED, which provides data for survival rates of businesses after one and two years of being in business.⁹⁰ ED Resource clients have outpaced the samples from the PSED study for six consecutive years, as shown in the charts below.

Figure 8.7A – Firm Survival Rates for ED Resource Clients After One Year (Total ED Resources vs. PSED)

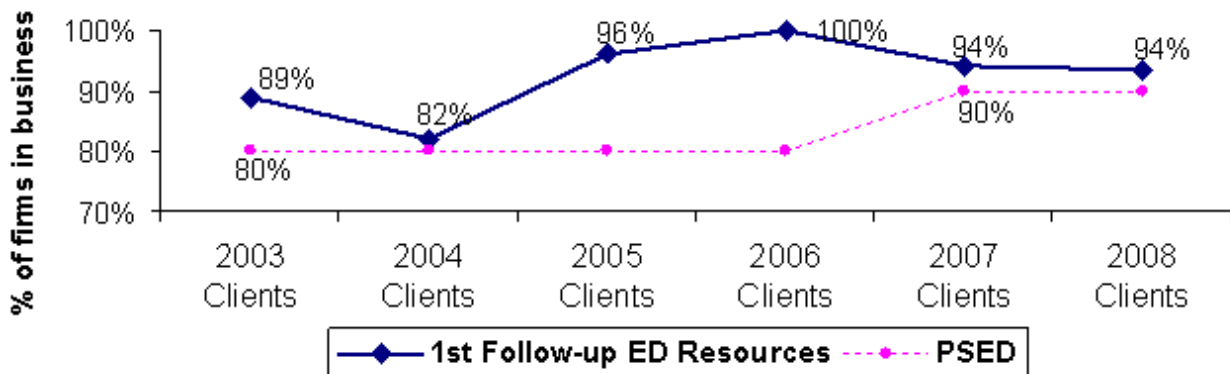
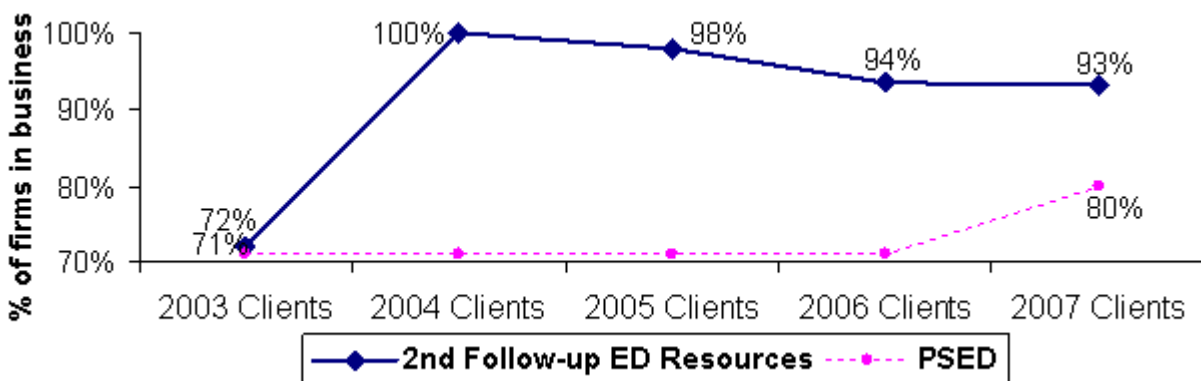


Figure 8.7B – Firm Survival Rates for ED Resource Clients After Two Years (Total ED Resources vs. PSED)



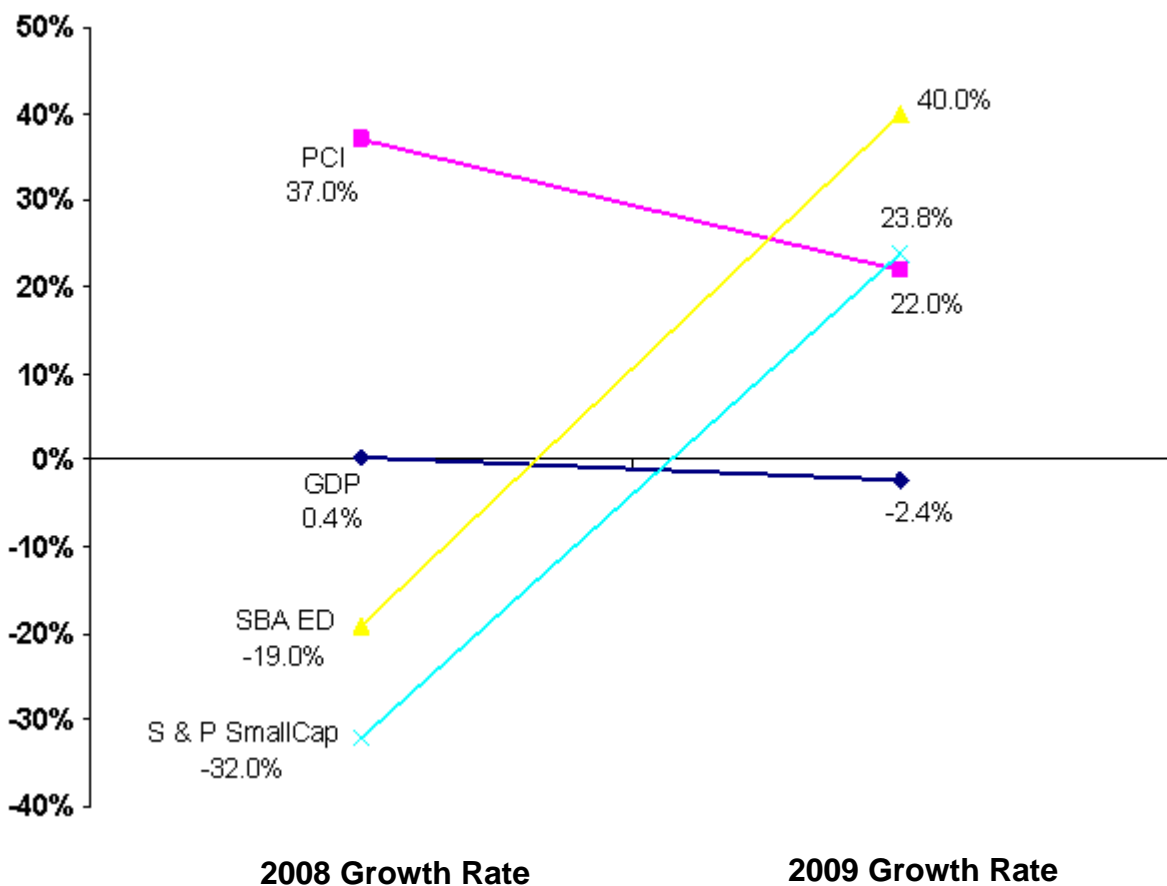
⁸⁹ The Panel Study of Entrepreneurial Dynamics is a nationwide, multi-million dollar survey of nascent entrepreneurs funded by the Kauffman Foundation. The primary purpose of the study is to identify adults active in business creation, obtain detailed information about the start-up effort, and perform follow-up interviews to determine outcomes. We rely on the PSED and PSED II as a benchmark; however, results must also be interpreted with caution due to potential response bias and definitional differences in the ways that firms are classified.

⁹⁰ For years 2007 to 2008, a new PSED with updated data became available, and was therefore utilized as the new benchmark. This explains the increased survival rates for the benchmarks on each chart; 80% to 90% in 8.7A and 71% to 80% in 8.7B.

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

Despite the economic recession, surviving firms owned by 2007 clients in the ED Resource sample outpaced the economy overall. Figure 8.8 compares growth of ED Resource clients to three benchmarks—GDP,⁹¹ the Private Company Index (PCI),⁹² and the S&P SmallCap 600 Index.⁹³ These comparisons show that growth rates for SBA ED Resource clients have increased, while growth rates for the PCI and GDP have declined during this period. ED Resource client revenue growth increased over these periods, as did the S&P SmallCap 600 Index. Historically, smaller firms experience stronger growth rates during recessionary periods than do larger firms.

Figure 8.8 - ED Resource Client Revenue Growth Rate Compared to Selected Benchmarks - Percent Change from Previous Year⁹⁴



⁹¹ Source: <http://www.bea.gov/national/xls/gdpchg.xls>

⁹² 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>).

⁹³ The S&P SmallCap 600 Index represents approximately 3% of the U.S. equities market and includes 600 ‘small cap’ companies with market capitalizations between \$250 million and \$1.2 billion. We replaced benchmark data from the NFIB with benchmark data from the S&P SmallCap 600 Index. The S&P SmallCap 600 Index is a more commonly used benchmark for growth.

⁹⁴ Growth rate is the amount that a specific variable (i.e. revenue) has gained within a specific period and context. SBA ED figures are based on average revenues from the two follow-up surveys of 2007 clients. Due to the low number of respondent that reported revenue for three consecutive years (<50), results should be treated with caution.

Summary of Follow-up Study Findings

Firm Survival

Approximately 18 percent of 2007 Nascent clients had transitioned to the In-Business segment after two years, while 44 % of 2008 Nascent clients had gone into business by 2010. At the same time, less than 7 % of 2007 Start-up or In-Business clients and 5 % of 2008 clients went out of business by 2010. (See Figure 8.2.) In addition, in the second follow-up, firms receiving 3 or more hours of counseling had higher survival rates than those who received less than 3 hours of counseling.

Based on a comparison to firms in the PSED, businesses that received ED Resource assistance have a higher survival rate than other small businesses. For example, the survival rate after two years was 93 % for ED Resource clients compared to 80 % for firms in the PSED II (See Figure 8.2).

Financial Impact and Growth

These analyses show that ED Resource assistance has had a significant impact on the revenue and employment growth of small business clients. The recession appears to have had a negative impact on revenue growth for 2008 clients, but not for 2007 clients reporting revenue in the second follow-up.

Surviving 2007 clients in the ED Resource sample outpaced the economy overall in 2009. Surviving 2007 clients in the second follow-up experienced a 40% increase in average revenues from 2008 to 2009, while median revenues declined by 34% for 2008 clients in the first follow-up sample. Still, 48% of 2008 clients saw an increase in revenues in 2009. Despite the recession, firms in the second follow-up sample maintained a median of 2 employees, while median employment for firms in the first follow-up of 2008 clients increased from 2 to 3 (See Figures 8.4, 8.5, 8.6, and 8.8).

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IX. SUMMARY OF QUANTITATIVE FINDINGS

Initial Impact Study of 2009 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 one year comprise the In-Business client segment. 54% of ED Resource clients were in the In-Business category. Nascent clients represented 24% of ED Resource clients while the smallest segment, Start-up clients, represented 14%.⁹⁵
- The median revenue for firms served by ED Resources is \$97,000 with 2 employees. Firm size varies by ED Resource. For example, SBDC clients have higher median revenues at \$100,250 than SCORE clients at \$91,500. WBC clients' revenues are lowest, with median revenues of \$40,500. These revenue figures are lower than client groups studied in 2008.
- ED Resource clients represented a variety of demographic groups: Fifty percent of clients were Male, 49% Female. Seventy-seven percent were White, 11% Black/African American, 7% Hispanic/Latino, 4% Asian, and 2% American Indian/Native Alaskan. Ten percent of ED Resource clients were Veteran and 2% were Service-disabled Veteran. The largest age group served by ED Resources, accounting for 32% of the total sample, included clients between 45 and 54 years of age.
- ED Resource clients served during 2009 represented a wide variety of business types at different stages in development. The most common types of industries included service, retail, and manufacturing businesses.
- ED Resources assisted clients in developing a plans and strategies in order to start or better manage their businesses. The most frequently reported of these were, business plans (33%), marketing plans (29%), and general management (20%). General management is a new category this year and has supplanted cash flow analysis (17%) as the third highest reported item.
- For 2009 clients, the low/free cost of service was the most commonly reported reason for seeking business counseling from ED Resources, at 38%. The least commonly reported reason for seeking business counseling from ED Resources was that clients had tried other alternatives and were dissatisfied, at 8%. SCORE clients reported the reputation of SCORE as a reason they sought assistance (41%), more often than than the low/free cost of service (38%).

⁹⁵ Respondents (700) who reported being in business but who did not provide a valid start date for that business, were not assigned to a business segment.

- **Firms who received less than 3 hours of assistance reported lower levels of perceived usefulness than firms with 3 or more hours of counseling.** However, there were no differences in perceived usefulness based on business segment, ED resource or geographic location.
- **There were no significant effects of client's age, gender or race on perceived usefulness of assistance.** However, Hispanic/Latino clients reported significantly higher perceived usefulness.
- Unlike previous years, **results of this years' regression suggest that there were no significant differences in financial impacts of ED Resource assistance based on firm size.** There were also no differences in financial impacts based on ED resource, business segment, hours of assistance, or geographic location.
- In the case of client demographics, older clients as well as Female clients were more likely to report positive financial impacts. Also, Hispanic/Latinos reported significantly higher financial impacts, while Veterans reported significantly lower financial impacts.

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

2. 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?

- In general, ED Resource clients perceived information and assistance provided by ED Resource counselors to be valuable. Approximately 75% of ED Resource clients overall reported that assistance they received had high value in terms of usefulness. This rating was 76% for SBDC, 74% for SCORE, and 76% for WBC. SCORE clients reported marginally lower levels of perceived usefulness than other ED Resource clients.
- Seventy-seven percent of clients who received 3 or more hours of counseling rated the usefulness as high, whereas 72% of those who received less than 3 hours of counseling did likewise. Regression analysis also indicated that clients who received less than 3 hours of counseling reported lower levels of perceived usefulness than clients who received 3 or more hours of counseling.

3. Is there a relationship between the services/assistance provided by ED Resources and the client perceptions of assistance with the decision to start a business?

- Regression results suggest larger firm, firms in the In-Business segment, and SCORE clients were less likely to report that their decision to start a business was the result of ED Resource assistance.
- There were no significant differences based on business segment, ED Resource, hours of counseling received, or client demographic characteristics in regards to perceived assistance with the decision to start a business.

4. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to implement and/or change management and/or marketing practices in their business?

- As a result of ED Resource assistance, 62% of 2009 In-Business clients and 59% of Start-up clients changed management practices or strategies, up from 2007 and 2008 levels. Clients used ED Resources most widely in developing business plans, marketing plans, general management and cash flow analysis.

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-nine percent of ED Resource clients reported that assistance provided by ED Resources resulted in increased sales. In terms of jobs, 13% of clients reported that ED Resource assistance led to the hiring of new staff and 19% reported that ED Resources assisted them in retaining current staff, an increase of four percentage points from 2008. The perceived impact of ED Resource assistance with profits was two percentage points more than 2008, with 24% of clients reporting increases in profit margin.
- For the following financial categories: sales, profits, cash flow, and hiring 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. However, this finding was not supported by regression analysis.
- Profit margins was the financial category that showed the most prominent relationship with hours of counseling received; more than sales, hiring of new staff, or retention of staff. Clients that received more than 3 hours of counseling reported increasing their profit margin 27% of the time; whereas clients that received less than 3 hours of counseling increased their profit margin 20% of the time.

Follow-up Study of 2007 and 2008 ED Resource Clients

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 2007 ED Resource clients, 95% were still in business while 90% of firms in the PSED II sample remained in business after one year. For 2008 ED Resource clients, 95% were still in business. In addition, for the second follow-up study for 2007 clients, 93% of ED Resource clients remained in business compared to 80% for those in the PSED II 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 2007 greater than or equal to a representative small business population?
- The follow-up study analyses show that ED Resource assistance had a significant impact on the revenue and employment growth of small business clients. The recession appears to have had a negative impact on revenue growth for 2008 clients, but not for 2007 clients reporting revenue in the second follow-up. Surviving 2007 clients in the ED Resource sample outpaced the economy overall in 2009. Surviving 2007 clients in the second follow-up experienced a 40% increase in average revenues from 2008 to 2009, while median revenues declined by 34% for 2008 clients in the first follow-up sample. Still, 48% of 2008 clients saw an increase in revenues in 2009. Despite the recession, firms in the second follow-up sample maintained a median of 2 employees, while median employment for firms in the first follow-up of 2008 clients increased from 2 to 3.

X. SUMMARY OF QUALITATIVE FINDINGS

There were over 120 additional comments about the services and resources provided by ED Resources. Through these communications, clients expressed both positive and negative thoughts and feelings about their experiences with ED Resources. This section reviews a selection of these comments.

Among the positive comments, several themes emerged:

- ED Resources were proactive in notifying business owners about featured services such as special programs and seminars;
- Counselors were attentive and provided invaluable assistance that kept business owners coming back for more;
- Clients were pleased with the professional demeanor of the ED Resource office counselors and staff.

Some clients were encouraged by the numerous offerings and notifications of SBA sponsored programs.

"I would like to state that I visited the office of [ED Resource] once and they were very helpful and advised me to contact [ED Resource] in [Location]. Since then I have received several announcements for programs and seminars dealing with obtaining government contracts and so on."

Clients also commented on how specific counselors assisted their businesses tremendously, for example:

"I started my personal history business a little over two years ago and it is absolutely taking off. It has been two years of developing and marketing and learning technology but it is ultimately going to very successful both financially and in terms of hiring others to assist me... There is no way I could have accomplished what I have without [ED Resource] and specifically [Counselor] who has been an enormous support and help far beyond the call of duty."

One respondent praised their counselor for identifying potential risks in their business structure.

"I went to [ED Resource] to begin to put together a business plan... [Counselor], who was excellent, identified a real business risk I have with the design and structure of my work. [Counselor] urged me to begin a dialogue with all my peers... It was amazing."

ED Resource counselors have the ability to create long lasting relationships with small business owners which encourages a continued use of services.

"I am a very happy nine year veteran client of [ED Resource]..."

Numerous e-mail comments attested to the professionalism and knowledge of the ED Resource Counselors and staff.

"[Counselor A] with [ED Resource] has always, ALWAYS been outstanding!! He's been an incredible source of support and information. [Counselor B] with [ED Resource] has also been an incredible asset to my business growth. She is wonderfully thought provoking and really asks some deeper questions/ideas. Thanks so much for this incredible gift to small business owners, especially single moms like myself."

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

- Lack of available ED Resource locations, including complaints of proximity to business,
- Counselors were discouraging and at times unprofessional,
- Clients had difficulty gaining valuable information due to insufficient support, failed follow-up to calls/e-mails and lack of subject matter expertise from counselors.

Some clients stated difficulty in obtaining ED Resource help due to a small or no presence of resource centers near their businesses.

"Do you really want to help us? ... We need SBA PTAC [Procurement Technical Assistance Center] counselors that will be able to come to our small businesses on site with real one on one time. My SBA PTAC guy is over 2 hours away in [Location], the only ONE in [the entire state]..."

Other comments illustrated dissatisfaction with counselors who were discouraging, unwilling to help and at various times, unprofessional.

"I just wanted you to know that I have met at least 5 other women like myself who had the same kind of negative experience I had with the counselors at [ED Resource] in [Location]. ...I was going to [ED Resource] to get guidance on a new business concept that I had. [Counselor] was extremely negative to me, blew off my idea, gave me all kinds of reasons why it won't work etc. Said I'll never get a loan etc. etc. Sent me away with nothing but rejection and "I'll send you a format for a business plan on email." Lesson learned, I am tougher than most. If those men do this to all the people that come to them, it's a shame... However, the SBA or [ED Resource] or whoever is funding this needs to get some better qualified volunteers on board."

Additional feedback from one respondent criticized the inability for any of the ED Resources to help him or her in their entrepreneurial aspirations.

"I and my business have been denied all services of SBDC, SCORE, and all other opportunities to open and grow my business in [location]. I have complained, begged and pleaded for assistance from SBA, USDA, SCORE, my senators, congressman, governor, DECD et al... NO ONE CARES, NO ONE LISTENED, NO ONE ASSISTED..."

Clients also had difficulty dealing with counselors who lacked subject matter expertise in their field of work thus gaining no valuable information.

"While I know that the man who assisted me at [ED Resource] was a volunteer, he was completely unaware of what my business was about and had no useful advice for my question about being not for profit versus a for profit type of business. It was a waste of several hours of my time. "

Another respondent similarly remarked:

"The counseling I received was incomplete, because after one session, I knew that I didn't have enough information at my disposal, specifically financial info, to work any further with the gentleman. He didn't seem to be interested in hearing our story or our ideas. The gentleman tried, but was more geared to the concerns of a novice entrepreneur's requirements than our business needs. In my opinion, it would have taken me at least 10 sessions to accomplish anything relevant... But, I would consider [ED Resource] advice again. They are a valuable resource, just not for us at this time. "

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XI. RECOMMENDATIONS FOR FURTHER RESEARCH

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 2009 clients and second of 2008 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 could afford comparison of the effects of different kinds of ED Resource assistance and services on financial and economic outcomes for clients.

On the basis of our findings, Concentrance offers the following recommendation for further research.

- *An additional study could examine the effects of different types of assistance (e.g. business plan vs. financial strategy) on perceived improvements, survival, and business growth.*

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XII. APPENDICES

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Appendix 1 – Survey Response Values by Research Topic

Demographic Characteristics	#6. At the time you were assisted by [SBDC, SCORE, WBC] what was the approximate annual gross revenue for each of the calendar years below? 2008 _____ 2009 _____	Open ended between \$1,000 and \$20,000,000
	#7. Counting yourself, how many full-time employees and part-time employees did you employ at the end of the following years you were in business? 2008 Full/Part _____ 2009 Full/Part _____	Open ended
	#15. Gender	Male=1, Female=2, No response = N
	#16. Veteran Status	Veteran=1, Service-disabled Veteran=2, Reservist=3, National Guard Member=4, Non-veteran=5, No response= N
	#17. Age	18-24= 1, 25-34 = 2, 35-44 = 3, 45-54 = 4, 55-64 = 5, 65-74 = 6, 75+ = 7, No response = N
	#18. Are you: Hispanic or Latino, Not Hispanic/Latino Origin	Hispanic or Latino=1, Not of Hispanic/Latino Origin=0, No response = N
	#19. Are you: American Indian/Alaskan Native, Asian, Black/African American, Native Hawaiian/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
	#9. 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	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, Technology =1 or 0, Health, Wellness or Fitness Yes=1 No= 0, Other = open ended, No response =N

RESEARCH TOPIC		
	<input type="checkbox"/> Service <input type="checkbox"/> Health Care <input type="checkbox"/> Day Care <input type="checkbox"/> Transportation <input type="checkbox"/> Technology <input type="checkbox"/> Health, Wellness and/or Fitness <input type="checkbox"/> Other	
	#10. Indicate the geographic location of your primary business. <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	
	#11. What lead to your decision to seek business counseling? <input type="checkbox"/> Tried other alternatives <input type="checkbox"/> Reputation of SBDC/SCORE/WBC <input type="checkbox"/> Low/free cost of service <input type="checkbox"/> Referred by	
Is there a positive relationship between the services/assistance provided by SBA ED Resources and the client's perceptions of the usefulness and value of the services/assistance received?	#5 Pleas indicate how useful the services were that you received from the counselor who assisted you in identifying and correcting problems in operating your business. <input type="checkbox"/> Relevancy of Counseling <input type="checkbox"/> Timeliness of Counseling <input type="checkbox"/> Helpfulness of Counseling	
	#12. Please indicate the value of the information you received from the [WBC, SCORE, SBDC] counselor you visited: <input type="checkbox"/> 1. Usefulness of information <input type="checkbox"/> 2. Relevancy of the information <input type="checkbox"/> 3. Timeliness of the information	Extremely Valuable=5, Valuable=4, No Opinion=3, Somewhat Valuable=2, Not Valuable=1, No response = N
	#14. I would refer the counseling services I received to other small businesses.	Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1, other=open ended, No response = N
Is there a positive relationship between the services/assistance provided by SBA ED Resources and the client's perceived quality of the counseling experience?	Please indicate the counselor's effectiveness in assisting you: <input type="checkbox"/> 1. The counselor exhibited excellent customer service techniques. <input type="checkbox"/> 2. The counselor was able to assist me <input type="checkbox"/> 3. The counselor exhibited a high level of professionalism	Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1, other=open ended, No response = N

RESEARCH TOPIC		
	<input type="checkbox"/> 4. The counselor was knowledgeable of current management practices and issues. <input type="checkbox"/> 5. The counselor indentified with my needs. <input type="checkbox"/> 6. I would rate my overall experience with the counselor as excellent	
Is there a positive relationship between the services/assistance provided by SBA ED Resources and the client's decision to start a business?	<input type="checkbox"/> #1c If you were not in business at the time you were assisted by the counselor, did you decide to go into business as a result of that assistance?	Yes = 1 No=0 No Response = N
Is there a positive relationship between the services/assistance provided by SBA ED Resources and clients' decisions to implement and/or change management and/or marketing practices in their business	#2. As a result of the assistance you received, have you changed any of your current management practices?	Yes=1, No=0, No response = N
	#3. 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] <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"/> General Management <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"/> Web-based Strategy <input type="checkbox"/> Purchasing Strategy <input type="checkbox"/> Feasibility Plan <input type="checkbox"/> Production Plan <input type="checkbox"/> Distribution Plan <input type="checkbox"/> International Trade <input type="checkbox"/> Other 	If checked = 1, Not checked = 0, Other =open ended, No response = N

RESEARCH TOPIC		
<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>#4. 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 a bank loan <input type="checkbox"/> 4. Expand my products/ services <input type="checkbox"/> 5. Hire new staff <input type="checkbox"/> 6. Revise my marketing strategy <input type="checkbox"/> 7. Increase my profit margin <input type="checkbox"/> 8. Retain current staff <input type="checkbox"/> 9. Acquire a SBA guarantee loan <input type="checkbox"/> 10. Acquire a government contract <input type="checkbox"/> 11. Acquire a SBA Disaster loan <input type="checkbox"/> 12. Other 	<p>Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1, other=open ended, No response = N</p>
	<p>#8 If you were projecting to reduce your total number of employees prior to counseling by SBDC/SCORE/WBC how many positions have you retained due to the counseling?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Full time _____ <input type="checkbox"/> Part time _____ 	<p>Open Ended</p>
<p>General Business</p>	<p>#1.i. Are you currently in business?</p>	<p>Yes=1, No=0, No response = N</p>
	<p>#1.ii. If yes, when was the business started?</p>	<p>mm/yyyy</p>
	<p>#1.iii. What is the zip code of your business</p>	<p>Xxxxx</p>
	<p>#1a. If NO, when do you plan on starting a business?</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>#1b. Have you ever been in business?</p>	<p>Yes=1, No=0, No response = N</p>
	<p>#1b.i. If YES when was the business started?</p>	<p>mm/yyyy</p>
	<p>#12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. Identification of problem(s) <input type="checkbox"/> 2. Correction of problem(s) 	<p>Very Useful=5, Useful=4, No Opinion=3, Somewhat Useful=2, Not Useful=1, No response = N</p>

RESEARCH TOPIC		
	#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] <ul style="list-style-type: none"> <input type="checkbox"/> SBDC <input type="checkbox"/> SCORE <input type="checkbox"/> WBC <input type="checkbox"/> SBA's Guarantee Loan Programs <input type="checkbox"/> SBIC Venture Capital Program <input type="checkbox"/> Government contracting <input type="checkbox"/> SBA's Surety Bond Program <input type="checkbox"/> Small Business Training Network (Online Training) <input type="checkbox"/> Disaster Assistance 	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

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Appendix 2 – Quantified Survey Results – Initial Survey 2009 Clients

Q1) Are you currently in business?	
<input type="checkbox"/> Yes	76.11%
<input type="checkbox"/> No	23.89%
<input type="checkbox"/> Missing	0.00%
Q1a) If no, when do you plan on starting a business?	
<input type="checkbox"/> Within 30 days	1.55%
<input type="checkbox"/> 31-90 days	2.98%
<input type="checkbox"/> 91-120 days	3.47%
<input type="checkbox"/> No idea at this time	14.31%
<input type="checkbox"/> Missing	77.69%
Q1b) Have you ever been in business?	
<input type="checkbox"/> Yes	8.08%
<input type="checkbox"/> No	15.60%
<input type="checkbox"/> Missing	76.32%
Q1c) If you were not in business at the time you were assisted by the counselor, did you decide to go into business as a result of that assistance?	
<input type="checkbox"/> Yes	15.78%
<input type="checkbox"/> No	33.71%
<input type="checkbox"/> Missing	50.51%
Q2) As a result of the assistance you received, have you changed any of your current management practices/strategies?	
<input type="checkbox"/> Yes	61.26%
<input type="checkbox"/> No	38.37%
<input type="checkbox"/> Missing	0.37%

Q3) 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	33.27%					
<input type="checkbox"/> Loan Package	9.71%					
<input type="checkbox"/> Purchasing Strategy	4.17%					
<input type="checkbox"/> Marketing Plan	29.02%					
<input type="checkbox"/> Hiring Plan	4.59%					
<input type="checkbox"/> Feasibility Plan	7.82%					
<input type="checkbox"/> Promotional Plan	12.33%					
<input type="checkbox"/> Training Plan for Staff	3.19%					
<input type="checkbox"/> Production Plan	3.66%					
<input type="checkbox"/> Pricing Strategy	12.79%					
<input type="checkbox"/> Financial Strategy	16.14%					
<input type="checkbox"/> Distribution Plan	3.37%					
<input type="checkbox"/> Cash Flow Analysis	17.30%					
<input type="checkbox"/> Web-based Strategy	8.74%					
<input type="checkbox"/> International Trade	1.53%					
<input type="checkbox"/> General Management Strategy	19.95%					
<input type="checkbox"/> Other	15.33%					
Q4) 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	7.39%	21.24%	28.92%	7.49%	5.39%	29.57%
<input type="checkbox"/> Improve my cash flow	7.50%	22.14%	27.93%	7.38%	5.36%	29.70%
<input type="checkbox"/> Acquire a bank loan	5.75%	5.15%	38.81%	10.60%	8.56%	31.14%
<input type="checkbox"/> Expand my products/services	7.12%	19.07%	30.00%	8.02%	5.40%	30.38%
<input type="checkbox"/> Hire new staff	3.65%	8.88%	38.94%	10.35%	6.61%	31.58%
<input type="checkbox"/> Revise my marketing strategy	12.20%	29.80%	18.83%	5.45%	4.71%	29.01%
<input type="checkbox"/> Increase my profit margin	6.23%	17.76%	31.08%	8.44%	5.55%	30.94%
<input type="checkbox"/> Retain current staff	4.78%	14.20%	37.85%	6.24%	5.18%	31.74%
<input type="checkbox"/> Acquire a SBA guarantee loan	3.98%	2.86%	40.85%	10.56%	9.81%	31.94%
<input type="checkbox"/> Acquire a government contract	1.18%	2.41%	43.37%	11.43%	8.97%	32.64%
<input type="checkbox"/> Acquire a SBA Disaster loan	0.27%	0.60%	45.57%	11.49%	9.18%	32.89%
<input type="checkbox"/> Other	5.19%	1.92%	15.39%	0.74%	2.48%	74.27%

Q5) 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: [Very Useful=VU, Useful=U, No Opinion=NO, Somewhat Useful =SU, Not Useful =NU]	VU	U	NO	SU	NU	Missing
<input type="checkbox"/> Relevancy of Counseling	39.57%	19.47%	3.07%	6.51%	6.19%	25.17%
<input type="checkbox"/> Timeliness of Counseling	39.24%	21.09%	4.67%	4.51%	4.89%	25.60%
<input type="checkbox"/> Helpfulness of Counseling	41.00%	18.69%	3.23%	5.00%	6.26%	25.82%
Q6) At the time you were assisted by [SBDC/SCORE/WBC], what was the approximate annual gross revenue for each of the calendar years below?						
2008						
<input type="checkbox"/> Revenue given	37.64%					
<input type="checkbox"/> Missing	62.36%					
2009						
<input type="checkbox"/> Revenue given	43.33%					
<input type="checkbox"/> Missing	56.67%					
Q7) Counting yourself, how many full-time employees and part-time employees did you employ at the end of the following years you were in business?						
<input type="checkbox"/> 2009 Full-time jobs	Median = 2					
<input type="checkbox"/> 2008 Full-time jobs	Median = 2					
<input type="checkbox"/> 2009 Part-time jobs	Median = 2					
<input type="checkbox"/> 2008 Part-time jobs	Median = 2					
Q8) At the time you were assisted by [SBDC/SCORE/WBC], what was the approximate annual gross revenue for each of the calendar years below?						
<input type="checkbox"/> Existing Full-time jobs saved	Total Full-time Jobs Saved – 8,889					
<input type="checkbox"/> Existing Part-time jobs saved	Total Part-time Jobs Saved – 5,092					
<input type="checkbox"/> Firms that saved jobs	16.32%					

Q9) If you are in business, what is the primary type of business? (This question includes multiple responses)	
<input type="checkbox"/> Construction	5.53%
<input type="checkbox"/> Manufacturing	8.82%
<input type="checkbox"/> Consulting	8.02%
<input type="checkbox"/> Wholesale	3.26%
<input type="checkbox"/> Finance, Insurance, Real Estate	2.67%
<input type="checkbox"/> Entertainment	1.50%
<input type="checkbox"/> Retail	10.31%
<input type="checkbox"/> Restaurant and/or Eating and Drinking	3.40%
<input type="checkbox"/> Engineering	1.29%
<input type="checkbox"/> Publishing	1.40%
<input type="checkbox"/> Education	2.40%
<input type="checkbox"/> Service	12.55%
<input type="checkbox"/> Health Care	3.72%
<input type="checkbox"/> Day Care	0.63%
<input type="checkbox"/> Transportation	1.33%
<input type="checkbox"/> Technology	3.85%
<input type="checkbox"/> Health, Wellness and/or Fitness	3.50%
<input type="checkbox"/> Other	25.81%
<input type="checkbox"/> Missing	0.00%
Q10) Indicate the geographic location of your primary business.	
<input type="checkbox"/> Rural	15.08%
<input type="checkbox"/> Suburban	26.48%
<input type="checkbox"/> Urban	21.32%
<input type="checkbox"/> Missing	37.11%
Q11) What led to your decision to seek business counseling from [SBDC/SCORE/WBC]?	
<input type="checkbox"/> Tried other alternatives but was dissatisfied	7.65%
<input type="checkbox"/> Reputation of [SBDC/SCORE/WBC]	37.35%
<input type="checkbox"/> Low/free cost of service	38.11%
<input type="checkbox"/> Referred by _____	2.93%

Q12) Please indicate the value of the information: [Extremely Valuable=EV, Valuable=V, No Opinion=NO, Somewhat Valuable=SV, Not Valuable=NV]	EV	V	NO	SV	NV	Missing
<input type="checkbox"/> Usefulness of Information	43.71%	31.38%	3.46%	9.44%	6.59%	5.42%
<input type="checkbox"/> Relevancy of the Information	41.72%	32.26%	4.58%	9.10%	6.55%	5.79%
<input type="checkbox"/> Timeliness of the Information	41.87%	32.30%	6.13%	7.41%	6.24%	6.05%
Q13) Please indicate the counselor's effectiveness in assisting you: [Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]	SA	A	NO	D	SD	Missing
<input type="checkbox"/> The counselor exhibited excellent customer service techniques	57.01%	30.20%	5.76%	2.33%	3.03%	1.67%
<input type="checkbox"/> The counselor was able to assist me	49.19%	32.41%	7.08%	4.56%	4.86%	1.90%
<input type="checkbox"/> The counselor exhibited a high level of professionalism	61.36%	28.58%	4.13%	1.39%	2.25%	2.30%
<input type="checkbox"/> The counselor was knowledgeable of current management practices and issues	53.11%	31.03%	8.74%	2.45%	2.66%	2.01%
<input type="checkbox"/> The counselor identified with my needs	50.18%	31.66%	7.58%	4.34%	4.27%	1.95%
<input type="checkbox"/> I would rate my overall experience with the counselor as excellent	53.84%	27.86%	7.15%	4.59%	4.45%	2.11%
Q14) I would refer the counseling services I received to other small businesses. [Strongly Disagree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]	SA	A	NO	D	SD	Missing
	60.00%	25.22%	5.29%	3.93%	4.23%	1.33%
Q15) Gender:						
<input type="checkbox"/> Male	49.79%					
<input type="checkbox"/> Female	48.75%					
<input type="checkbox"/> Missing	1.46%					
Q16. Veteran Status						
<input type="checkbox"/> Veteran	9.61%					
<input type="checkbox"/> Service-disabled Veteran	1.81%					
<input type="checkbox"/> Reservist	0.26%					
<input type="checkbox"/> National Guard Member	0.33%					
<input type="checkbox"/> Non-veteran	72.72%					
<input type="checkbox"/> Missing	15.27%					

Q17. Age	
<input type="checkbox"/> 18-24	1.33%
<input type="checkbox"/> 25-34	11.90%
<input type="checkbox"/> 35-44	23.80%
<input type="checkbox"/> 45-54	32.13%
<input type="checkbox"/> 55-64	23.00%
<input type="checkbox"/> 65-74	5.04%
<input type="checkbox"/> 75 +	0.71%
<input type="checkbox"/> Missing	2.10%
Q18. Are you:	
<input type="checkbox"/> Hispanic/Latino	6.62%
<input type="checkbox"/> Non-Hispanic/Latino	83.81%
<input type="checkbox"/> Missing	9.57%
Q19. Are you:	
<input type="checkbox"/> American Indian or Alaskan Native	2.20%
<input type="checkbox"/> Asian	3.65%
<input type="checkbox"/> Black or African American	11.47%
<input type="checkbox"/> Native Hawaiian or Pacific Islander	0.46%
<input type="checkbox"/> White	77.38%
<input type="checkbox"/> Missing	4.49%
Q20) Did you utilize any other SBA resources/program?	
<input type="checkbox"/> Yes	47.36%
<input type="checkbox"/> No	50.35%
<input type="checkbox"/> Missing	2.30%
Q20 cont.) If yes, select those you used	
<input type="checkbox"/> SCORE	19.44%
<input type="checkbox"/> SBA's Guarantee Loan Program	18.74%
<input type="checkbox"/> Women Business Center	5.11%
<input type="checkbox"/> SBIC Venture Capital Program	2.64%
<input type="checkbox"/> Government Contracting	2.85%
<input type="checkbox"/> SBDC	8.80%
<input type="checkbox"/> SBA's Surety Bond Program	0.47%
<input type="checkbox"/> Small Business Training Network (Online Assistance)	6.00%
<input type="checkbox"/> Disaster Assistance	0.61%
<input type="checkbox"/> Missing	2.05%

Appendix 3 – Survey Instrument

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

OMB Number 3245-0351
 Expiration 03/31/2013

Dear Small Business Client:

Thank you for your recent visit to **[the Small Business Development Center (SBDC)/ SCORE/ the Women’s Business Center (WBC)]** , one of SBA’s Entrepreneurial Development (ED) Resource Partners. 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. Please answer the following questions based on your visit to **[the Small Business Development Center (SBDC)/ SCORE/ the Women’s Business Center (WBC)]**.

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 _____
 If Yes, skip to question 1c

- 1a. **If NO, when do you plan on starting a business?**
 Within 30 days 31-90 days
 91-120 days No idea at this time

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

- 1c. **If you were not in business at the time you were assisted by the counselor, did you decide to go into business as a result of that assistance?**
 Yes No

If you answered NO to question 1, please skip to Question 12

2. As a result of the assistance you received, have you changed any of your current management practices/strategies? Yes No

3. As a result of the assistance I received from the [SBDC/ SCORE/ WBC] Counselor, I was able to develop (i.e., Business Plan] in order to 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"/> | Web Based Strategy | <input type="checkbox"/> | International Trade | <input type="checkbox"/> |
| General Management | <input type="checkbox"/> | Other _____ | | | |

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

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

5. 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.

	Very Useful	Useful	No Opinion	Somewhat Useful	Not Useful
1. Relevancy of Counseling	5	4	3	2	1
2. Timeliness of Counseling	5	4	3	2	1
3. Helpfulness of Counseling	5	4	3	2	1

6. At the time you were assisted by [the Small Business Development Center (SBDC)/ SCORE/ the Women's Business Center (WBC)], what was the approximate annual gross revenue for each of the calendar years below:
 [All data will be held in strict confidence and reported only in the aggregate without identifying any individual small business] *Enter dollar figures only. Do not include commas or currency symbols.*

2008: _____

2009: _____

7. Counting yourself, how many full-time employees (35 hours or more per week) and part-time employees (less than 35 hours per week) did you employ at the end of the following years you were in business?

2008 _____ Number of Full-time employees

2009 _____ Number of Full-time employees

2008 _____ Number of Part-time employees

2009 _____ Number of Part-time employees

8. If you were projecting to reduce your total number of employees prior to counseling by [SBDC/ SCORE/ WBC] how many positions have you retained due to the counseling?

Existing Full-time jobs saved _____

Existing Part-time jobs saved _____

9. 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 and/or Eating and Drinking | <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"/> |
| Health, Wellness and/or Fitness | <input type="checkbox"/> | Other (describe) _____ | | | |

10. Indicate the geographic location of your primary business.

Rural Suburban Urban

11. What lead to your decision to seek business counseling from [SBDC/ SCORE/ WBC]? **[Check all that apply]**

Tried other alternatives and was dissatisfied

Reputation of [SBDC/ SCORE/ WBC]

Low/free cost of service

Referred by _____

(Fill in blank or add options such as *SBA office of _____*)

12. Please indicate the value of the information you received from the counselor you visited:

	Extremely Valuable	Valuable	No Opinion	Somewhat Valuable	Not Valuable
1. Usefulness of Information	5	4	3	2	1
2. Relevancy of Information	5	4	3	2	1
3. Timeliness of Information	5	4	3	2	1

13. Please indicate the counselor's effectiveness in assisting you:
 [Strongly Agree=SA, Agree=A, No Opinion=NO, Disagree=D, Strongly Disagree=SD]

	SA	A	NO	D	SD
1. The counselor exhibited excellent customer service techniques	5	4	3	2	1
2. The counselor was able to assist me	5	4	3	2	1
3. The counselor exhibited a high level of professionalism	5	4	3	2	1
4. The counselor was knowledgeable of current management practices and issues	5	4	3	2	1
5. The counselor identified with my needs	5	4	3	2	1
6. I would rate my overall experience with the counselor as excellent	5	4	3	2	1

14. I would refer the counseling services I received to other small businesses.
 Strongly Agree Agree No Opinion Disagree Strongly Disagree

15. Gender: Male Female

16. Veterans status: Veteran Service-disabled Veteran
 Reservist National Guard member Non-Veteran

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

18. Are you: Hispanic or Latino Not of Hispanic or Latino Origin

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

20. Did you utilize any of the following SBA resources or programs?
 Yes No

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

- | | |
|--|--|
| SBDC <input type="checkbox"/> | SCORE <input type="checkbox"/> |
| SBA's Guarantee Loan programs <input type="checkbox"/> | Women Business Center <input type="checkbox"/> |
| SBIC Venture Capital Program <input type="checkbox"/> | Government Contracting <input type="checkbox"/> |
| SBA's Surety Bond Program <input type="checkbox"/> | Small Business Training Network <input type="checkbox"/> |
| Disaster Assistance <input type="checkbox"/> | (On-line training) <input type="checkbox"/> |

PLEASE NOTE: The estimated burden for completing this form is 12 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.

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 TBD
 Expiration TBD

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 <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 _____

5. What was the approximate annual gross revenue of your business in 2009? \$_____,_____,_____.00

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

Number of Full-Time Employees _____

Number of Part-Time Employees _____

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

Yes No

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

SCORE SBA's guarantee loan programs

SBDC SBIC Financing Program

Women Business Center SBA's Surety Bond Program

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

Independent Variable	Dependent Variable				
	Perceived Usefulness		Assistance with Decision to Start a Business		Financial Impact
Log of Sales	6.05403	***	-0.1392	***	3.13772
In Business	16.46312		-1.0160	***	-44.60853
Age	2.11079		-0.0743		30.24843
Gender	10.10618		0.0921		97.30758
Hispanic/Latino	0.03769	**	-0.00024		0.15313
American Indian/Alaskan Native	8.53047		0.2505		-42.36430
Asian	14.09877		-0.1538		45.96383
Black/African American	-0.43295		-0.0598		-1.36979
Native Hawaiian/Pacific Islander	-63.83391		0.1257		-187.33427
Veteran	-2.25855		0.0332		-34.41867
WBC	6.28665		0.4011		-26.39994
SCORE	8.72914		-0.4511	*	-24.91646
<=3 hours	-33.43607	**	0.2227		-65.26026
>3 hours	-13.04623		0.1378		-47.15884
Rural	0.59954		0.0847		-38.08825
Suburb	8.41147		0.2539		-0.57235
R-Square	0.0107		0.0827		0.0220

***Significant at 0.01 level

**Significant at 0.05 level

*Significant at 0.10 level

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Appendix 6 – State by State Response Data

The tables below display national response data segmented by ED Resource and aggregated data for total ED Resources.

SBDC Clients

ED Resource	State	Surveys Received	SBDC Client Contacts Received	Response Rate	% of Total SBDC Clients *
SBDC	AK	9	33	27%	0.21%
SBDC	AL	52	273	19%	1.20%
SBDC	AR	47	144	33%	1.09%
SBDC	AS	0	9	0%	0.00%
SBDC	AZ	107	392	27%	2.48%
SBDC	CA	475	2503	19%	11.00%
SBDC	CO	68	310	22%	1.57%
SBDC	CT	53	257	21%	1.23%
SBDC	DC	7	42	17%	0.16%
SBDC	DE	8	63	13%	0.19%
SBDC	FL	151	1239	12%	3.50%
SBDC	GA	148	631	23%	3.43%
SBDC	GU	5	9	56%	0.12%
SBDC	HI	27	93	29%	0.63%
SBDC	IA	44	224	20%	1.02%
SBDC	ID	32	92	35%	0.74%
SBDC	IL	196	957	20%	4.54%
SBDC	IN	80	428	19%	1.85%
SBDC	KS	45	224	20%	1.04%
SBDC	KY	74	304	24%	1.71%
SBDC	LA	52	343	15%	1.20%
SBDC	MA	100	433	23%	2.31%
SBDC	MD	81	434	19%	1.88%
SBDC	ME	26	98	27%	0.60%
SBDC	MI	206	769	27%	4.77%
SBDC	MN	96	381	25%	2.22%
SBDC	MO	89	408	22%	2.06%
SBDC	MS	27	214	13%	0.63%
SBDC	MT	10	32	31%	0.23%
SBDC	NC	144	595	24%	3.33%
SBDC	ND	14	50	28%	0.32%
SBDC	NE	21	130	16%	0.49%
SBDC	NH	14	92	15%	0.32%
SBDC	NJ	115	661	17%	2.66%
SBDC	NM	39	221	18%	0.90%
SBDC	NV	34	142	24%	0.79%
SBDC	NY	199	1444	14%	4.61%

ED Resource	State	Surveys Received	SBDC Client Contacts Received	Response Rate	% of Total SBDC Clients *
SBDC	OH	165	886	19%	3.82%
SBDC	OK	65	268	24%	1.50%
SBDC	OR	62	268	23%	1.44%
SBDC	PA	202	967	21%	4.68%
SBDC	PR	40	294	14%	0.93%
SBDC	RI	14	86	16%	0.32%
SBDC	SC	156	795	20%	3.61%
SBDC	SD	12	57	21%	0.28%
SBDC	TN	64	442	14%	1.48%
SBDC	TX	262	1588	16%	6.06%
SBDC	UT	25	170	15%	0.58%
SBDC	VA	119	547	22%	2.75%
SBDC	VI	3	9	33%	0.07%
SBDC	VT	8	53	15%	0.19%
SBDC	WA	111	449	25%	2.57%
SBDC	WI	93	359	26%	2.15%
SBDC	WV	16	133	12%	0.37%
SBDC	WY	8	42	19%	0.19%
Total		4,320	22,087		100.00%

* Percent of Total SBDC Clients is calculated by dividing surveys received from each state by the total number of SBDC Surveys

SCORE Clients

ED Resource	State	Surveys Received	SCORE Client Contacts Received	Response Rate	% of Total SCORE Clients *
SCORE	AK	3	19	16%	0.08%
SCORE	AL	18	93	19%	0.49%
SCORE	AR	26	155	17%	0.70%
SCORE	AZ	97	600	16%	2.63%
SCORE	CA	339	1891	18%	9.17%
SCORE	CO	61	290	21%	1.65%
SCORE	CT	140	737	19%	3.79%
SCORE	DC	11	58	19%	0.30%
SCORE	DE	32	149	21%	0.87%
SCORE	FL	246	1339	18%	6.66%
SCORE	GA	82	517	16%	2.22%
SCORE	HI	21	90	23%	0.57%
SCORE	IA	28	148	19%	0.76%
SCORE	ID	24	95	25%	0.65%
SCORE	IL	130	808	16%	3.52%
SCORE	IN	63	340	19%	1.71%
SCORE	KS	18	80	23%	0.49%

ED Resource	State	Surveys Received	SCORE Client Contacts Received	Response Rate	% of Total SCORE Clients *
SCORE	KY	41	204	20%	1.11%
SCORE	LA	21	102	21%	0.57%
SCORE	MA	122	569	21%	3.30%
SCORE	MD	64	317	20%	1.73%
SCORE	ME	35	205	17%	0.95%
SCORE	MI	94	485	19%	2.54%
SCORE	MN	113	542	21%	3.06%
SCORE	MO	54	260	21%	1.46%
SCORE	MS	6	27	22%	0.16%
SCORE	MT	12	43	28%	0.32%
SCORE	NC	116	659	18%	3.14%
SCORE	ND	11	63	17%	0.30%
SCORE	NE	15	72	21%	0.41%
SCORE	NH	85	366	23%	2.30%
SCORE	NJ	74	443	17%	2.00%
SCORE	NM	46	244	19%	1.24%
SCORE	NV	34	236	14%	0.92%
SCORE	NY	207	1343	15%	5.60%
SCORE	OH	226	1071	21%	6.12%
SCORE	OK	14	102	14%	0.38%
SCORE	OR	94	624	15%	2.54%
SCORE	PA	276	1112	25%	7.47%
SCORE	PR	0	1	0%	0.00%
SCORE	RI	7	63	11%	0.19%
SCORE	SC	73	399	18%	1.98%
SCORE	SD	3	18	17%	0.08%
SCORE	TN	63	344	18%	1.71%
SCORE	TX	112	847	13%	3.03%
SCORE	UT	13	114	11%	0.35%
SCORE	VA	96	464	21%	2.60%
SCORE	VT	42	163	26%	1.14%
SCORE	WA	89	488	18%	2.41%
SCORE	WI	93	430	22%	2.52%
SCORE	WV	5	29	17%	0.14%
SCORE	WY	0	3	0%	0.00%
Total		3,695	19,861		100.00%

* Percent of Total SCORE Clients is calculated by dividing surveys received from each state by the total number of SBDC Surveys

WBC Clients

ED Resource	State	Surveys Received	WBC Client Contacts Received	Response Rate	% of Total WBC Clients *
WBC	AK	0	6	0%	0.00%
WBC	AL	17	103	17%	3.56%
WBC	AS	1	14	7%	0.21%
WBC	AZ	2	12	17%	0.42%
WBC	CA	46	402	11%	9.62%
WBC	CO	1	32	3%	0.21%
WBC	CT	6	30	20%	1.26%
WBC	DC	0	1	0%	0.00%
WBC	DE	3	15	20%	0.63%
WBC	FL	20	80	25%	4.18%
WBC	GA	4	35	11%	0.84%
WBC	HI	3	22	14%	0.63%
WBC	IA	3	22	14%	0.63%
WBC	ID	0	1	0%	0.00%
WBC	IL	0	4	0%	0.00%
WBC	IN	20	113	18%	4.18%
WBC	KS	3	14	21%	0.63%
WBC	LA	2	31	6%	0.42%
WBC	MA	4	13	31%	0.84%
WBC	MD	10	31	32%	2.09%
WBC	ME	14	49	29%	2.93%
WBC	MI	49	228	21%	10.25%
WBC	MN	8	67	12%	1.67%
WBC	MO	7	48	15%	1.46%
WBC	MS	0	1	0%	0.00%
WBC	NC	60	407	15%	12.55%
WBC	ND	3	10	30%	0.63%
WBC	NE	2	34	6%	0.42%
WBC	NH	7	17	41%	1.46%
WBC	NJ	4	18	22%	0.84%
WBC	NM	15	70	21%	3.14%
WBC	NV	6	88	7%	1.26%
WBC	NY	25	117	21%	5.23%
WBC	OK	1	7	14%	0.21%
WBC	PA	15	57	26%	3.14%
WBC	RI	1	12	8%	0.21%
WBC	SC	1	4	25%	0.21%
WBC	TN	0	1	0%	0.00%
WBC	TX	24	180	13%	5.02%
WBC	UT	7	43	16%	1.46%
WBC	VA	1	1	100%	0.21%
WBC	VT	9	26	35%	1.88%
WBC	WA	39	184	21%	8.16%

ED Resource	State	Surveys Received	WBC Client Contacts Received	Response Rate	% of Total WBC Clients *
WBC	WI	26	140	19%	5.44%
WBC	WV	9	20	45%	1.88%
Total		478	2,810		100.00%

* Percent of Total WBC Clients is calculated by dividing surveys received from each state by the total number of SBDC Surveys

Total ED Resources

ED Resource	State	Surveys Received	ED Resource Client Contacts Received	Response Rate	% of Total Sample Clients *
Total ED Resources	AK	12	58	21%	0.14%
Total ED Resources	AL	87	469	19%	1.02%
Total ED Resources	AR	73	299	24%	0.86%
Total ED Resources	AS	1	23	4%	0.01%
Total ED Resources	AZ	206	1004	21%	2.43%
Total ED Resources	CA	860	4796	18%	10.13%
Total ED Resources	CO	130	632	21%	1.53%
Total ED Resources	CT	199	1024	19%	2.34%
Total ED Resources	DC	18	101	18%	0.21%
Total ED Resources	DE	43	227	19%	0.51%
Total ED Resources	FL	417	2658	16%	4.91%
Total ED Resources	GA	234	1183	20%	2.76%
Total ED Resources	GU	5	9	56%	0.06%
Total ED Resources	HI	51	205	25%	0.60%
Total ED Resources	IA	75	394	19%	0.88%
Total ED Resources	ID	56	188	30%	0.66%
Total ED Resources	IL	326	1769	18%	3.84%
Total ED Resources	IN	163	881	19%	1.92%
Total ED Resources	KS	66	318	21%	0.78%
Total ED Resources	KY	115	508	23%	1.35%
Total ED Resources	LA	75	476	16%	0.88%
Total ED Resources	MA	226	1015	22%	2.66%
Total ED Resources	MD	155	782	20%	1.83%
Total ED Resources	ME	75	352	21%	0.88%
Total ED Resources	MI	349	1482	24%	4.11%
Total ED Resources	MN	217	990	22%	2.56%
Total ED Resources	MO	150	716	21%	1.77%
Total ED Resources	MS	33	242	14%	0.39%
Total ED Resources	MT	22	75	29%	0.26%
Total ED Resources	NC	320	1661	19%	3.77%
Total ED Resources	ND	28	123	23%	0.33%
Total ED Resources	NE	38	236	16%	0.45%
Total ED Resources	NH	106	475	22%	1.25%

ED Resource	State	Surveys Received	ED Resource Client Contacts Received	Response Rate	% of Total Sample Clients *
Total ED Resources	NJ	193	1122	17%	2.27%
Total ED Resources	NM	100	535	19%	1.18%
Total ED Resources	NV	74	466	16%	0.87%
Total ED Resources	NY	431	2904	15%	5.07%
Total ED Resources	OH	391	1957	20%	4.60%
Total ED Resources	OK	80	377	21%	0.94%
Total ED Resources	OR	156	892	17%	1.84%
Total ED Resources	PA	493	2136	23%	5.80%
Total ED Resources	PR	40	295	14%	0.47%
Total ED Resources	RI	22	161	14%	0.26%
Total ED Resources	SC	230	1198	19%	2.71%
Total ED Resources	SD	15	75	20%	0.18%
Total ED Resources	TN	127	787	16%	1.50%
Total ED Resources	TX	398	2615	15%	4.69%
Total ED Resources	UT	45	327	14%	0.53%
Total ED Resources	VA	216	1012	21%	2.54%
Total ED Resources	VI	3	9	33%	0.04%
Total ED Resources	VT	59	242	24%	0.69%
Total ED Resources	WA	239	1121	21%	2.81%
Total ED Resources	WI	212	929	23%	2.50%
Total ED Resources	WV	30	182	16%	0.35%
Total ED Resources	WY	8	45	18%	0.09%
Total		8,493	44,758		100%

* Percent of Total Sample Clients is calculated by dividing surveys received from each state by the total number of ED Resource Surveys.