

FY 2025 Annual Evaluation Plan



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I. Introduction

The Small Business Administration (SBA) recognizes the importance of evidence and evaluation to understand and improve the efficiency and effectiveness of its programs and operations in pursuit of the Agency's mission. To support evaluation planning, the SBA has established an Annual Evaluation Plan (AEP) in alignment with the *Foundations for Evidence-Based Policymaking Act*.¹ The AEP identifies the evaluations the Agency plans to undertake through the next fiscal year.

New program evaluations are selected annually through consultations with SBA program leadership, review and development by internal program evaluators and management, and coordination with external stakeholders, including the U.S. Office of Management and Budget (OMB). The evaluations are designed to meet SBA priorities, answer research questions in the Enterprise Learning Agenda (ELA) and build a suite of evidence to inform decision-making. Evaluations highlighted in this AEP reflect the most significant planned evaluations for FY 2025. The SBA defines evaluations as "significant" based on how they align with its mission, as reflected in its *FY 2022–2026 Strategic Plan* and their ability to fill important knowledge gaps that, when addressed, will most strongly support program improvement and impact small businesses and other Agency stakeholders.

Agency program evaluations follow the *SBA Framework and Guidelines for Program Evaluation at the US Small Business Administration*.² They include a broad range of evaluation types, from evaluability assessments to impact evaluations, to best answer the questions posed. To ensure actionable results, the SBA's evaluations follow the principles of ethics, independence, rigor, relevance, and transparency. These principles reflect standards in OMB Memo M-20-12.³

After the SBA completes an evaluation, it conducts pre-dissemination review with the Evaluation Officer, Performance Improvement Officer, and Associate Administrator of the evaluated program's respective office. The SBA takes actions to help programs transform processes and activities through the evidence gathered by creating recommended action plans, where appropriate. To promote transparency, the SBA publishes its evaluations on its Program Evaluation and Evidence Registry website and presents results to internal and external stakeholders (e.g., presentations to the SBA's Evidence and Evaluation Community of Practice, interagency committees and councils, trade associations, and grantees).⁴

The following sections, organized by strategic objective, provide an overview of the programs to be evaluated, their connection to the SBA's ELA, the specific evaluation questions for the study, key methods and data, anticipated challenges, and remedies, and plans for using and disseminating results in alignment with OMB guidance. The evaluations identified below advance the Agency's cross-cutting equity and customer-centric design and delivery priorities and build on prior-year and ongoing evidence-building activities. As a result, many of this year's activities are expected to produce Government- or Agency-wide evidence insights.

¹ www.congress.gov/bill/115th-congress/house-bill/4174

² www.sba.gov/document/policy-guidance--framework-guidelines-program-evaluation-us-small-business-administration

³ www.whitehouse.gov/wp-content/uploads/2020/03/M-20-12.pdf

⁴ <https://www.sba.gov/about-sba/organization/performance#section-header-6>

II. Program Evaluation: SBIR/STTR Outcome Evaluation

Strategic Plan Linkage.

- Strategic Objective 1.2: Build a thriving national innovation ecosystem that promotes investments in all small business communities.

Overview. The SBA's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs aim to stimulate technological innovation in the US by investing Federal research and development (R&D) funds into high-tech small businesses. Agencies spending over \$100 million in R&D must participate in the programs, setting aside a portion of their R&D budgets for small businesses. The programs aim to stimulate technological innovation, meet federal R&D needs, encourage participation of women and economically disadvantaged individuals in R&D, and increase commercialization of the innovations funded through the programs.

This evaluation will assess the outcomes of the SBIR/STTR programs, including (as available) jobs created/retained, business survival/sales/exits/spin-offs, revenue, patents, and business obtainment of additional R&D funding. This study will provide a comprehensive analysis of SBIR/STTR program outcomes, which are often studied at the agency-level and through self-report, but are less well studied across all funding agencies, and through outside data sources.

Enterprise Learning Agenda. This evaluation supports the SBA's understanding of the following ELA question:

- What impact does funding have on job creation, revenue growth, export sales, and additional capital growth, how do these impacts vary by business owner demographics, and what factors are responsible for these observed impacts?

Evaluation Questions. The SBA seeks to answer the following evaluation questions in this study:

1. What are the economic outcomes of the SBIR/STTR programs (e.g., jobs created/retained, business survival/sales/exits/spin-offs, revenue, patents, additional R&D funding, etc.)?
2. How do these outcomes vary by owner and business characteristics (e.g., SBA socio-economic small business category [SDB, WOSB, HUBZone], veteran status, owner race/ethnicity, geography, business size, industry, etc.)?

Data. The SBA maintains administrative records of firms that have obtained SBIR/STTR awards, as well as SBIR/STTR applicants and SBIR.gov website registrants. Available outcome measures are being explored and may include data from sources such as Dun and Bradstreet, IRS, US Patent and Trademark Office, Crunchbase, Experian, The Startup Cartography Project, and/or other private or public sources. Business and owner characteristics are available from the SBA's administrative program records as well as owner demographics reported via SAM.gov. Data may also be collected directly from firms.

Methods. The project will focus on SBIR/STTR firms participating since 2012 (approximately 15,000-17,000 firms), plus a comparison group selected from applicants, website registrants, or non-participating R&D firms. Records of these firms will be linked to various outcome datasets described above, to compare outcomes between SBIR/STTR participants and a comparison group or groups. Differences in outcomes will be explored by owner and business characteristics as listed above. If data cannot be obtained from outside sources, a survey may be designed to collect self-reported outcomes data from the firms under study.

Anticipated Challenges. Data availability is the central challenge to this project, as not all desired datasets (e.g., Census data) will be available in the period in which results are needed. This challenge will be addressed by relying on multiple data sources, if necessary, to mitigate risk and the investigation of partnerships early to ensure successful data matching. Survey data collection could also be utilized if outside data sources are unavailable or insufficient to answer the research questions.

Evidence Use and Dissemination. This evaluation presents an opportunity to understand outcomes for the SBIR/STTR programs as they are considered for reauthorization in 2025. Findings will be published online, shared with SBIR/STTR program and SBA leadership, and presented to the SBA's Evidence and Evaluation Community of Practice.

III. **Program Evaluation: Office of Government Contracting & Business Development (GCBD) Program Evaluability Assessment**

Strategic Plan Linkage.

- Strategic Objective 1.4: Build back an inclusive and proficient small business contracting base ready to compete for all federal procurement opportunities.

Overview. The SBA continues to build a substantial body of knowledge on the outcomes and impacts of its programs. As part of its evaluation process, the SBA regularly engages in activities to understand the evaluability of its programs. However, the SBA typically conducts these activities informally as part of evaluation scoping and does not yet have a single formalized evaluability standard or evaluability assessment checklist to use systematically. To address this need, the SBA intends to conduct a series of evaluability assessments to build a pipeline of planned evaluations for the future and establish a formalized evaluability assessment standard and checklist for future use.

For this evaluation, the SBA aims to establish a systematic process that it can use to determine the ability of programs to demonstrate the measurement of intended results. This process will then be used to conduct evaluability assessments of the 8(a), HUBZone, Women-Owned Small Business (WOSB), Economically Disadvantaged Women-Owned Small Business (EDWOSB), Veteran-Owned Small Business (VOSB), and Service-Disabled Veteran-Owned Small Business (SDVOSB) Federal contracting assistance programs. These programs aim to build a diverse base of small businesses that can successfully compete for Federal contracts and support a major mission area of the SBA (Strategic Objective 1.4). Thus, this project will simultaneously prepare the SBA to conduct future evaluations of its government contracting programs and create a standard, materials, and training for future evaluability assessments. Programs deemed ready for an outcome or impact evaluation will be slated for a future evaluation. Programs deemed not ready for evaluation will receive technical assistance to prepare the program for a future outcome or impact evaluation.

Enterprise Learning Agenda. This evaluation supports the SBA's understanding of the following ELA questions:

- How can the SBA advance equitable contracting policies and streamline small business certification in order to help more underserved small businesses win federal contracts?
- How does SBA technical assistance impact small business performance, and how can firms be better prepared to successfully participate and compete in the federal marketplace?

Evaluation Questions. The SBA seeks to answer the following evaluation questions in this study:

1. How ready are the SBA's Federal contracting programs for an outcome or impact evaluation that addresses the SBA's priority questions?
2. For those programs ready for an outcome or impact evaluation, what design, data, and timelines are needed to conduct rigorous, useful evaluations?
3. For those programs not ready for an outcome or impact evaluation, what activities would make them ready?

Data. The evaluability assessment will rely on internal and published SBA documents, review of SBA administrative and other available data, and interviews or other data collection from program staff and leadership.

Methods. The assessment will start with identifying a systematic process and a specified standard to assess evaluability according to best practices in the evaluation field. A checklist will also be developed to systematically assess each program's readiness for evaluation according to the criteria developed. Primary considerations include a clearly stated and measurable logic model or theory of change with clearly defined outcomes, expected program impact, the availability and quality of information to be used in the evaluation, and evaluation utility. The assessment will involve the review of available logic models, administrative and other available data, and interviews or other data collection from program staff and leadership. The project will culminate in recommendations for evaluating or improving the evaluability of each program, as well as creating and training on an evaluability assessments tool and standard.

Anticipated Challenges. Participation and buy-in from SBA program staff will be critical to the success of both the evaluability assessment and future evaluations stemming from the assessment. This challenge will be addressed by the SBA's work to promote active participation in the evaluability assessment and identify a skilled partner who will further facilitate trust and participation.

Evidence Use and Dissemination. This pre-evaluation effort will inform decision-making and assist the SBA in determining whether it is appropriate and worthwhile for the specified programs to be subject to an outcome or impact evaluation. It will also build evaluation capacity within the SBA by preparing SBA programs for evaluation and developing an evaluability assessment standard for SBA evaluators. Findings will be published online, shared with GCBD program and SBA leadership, shared with evaluators and other analysts at the SBA, and presented to the SBA's Evidence and Evaluation Community of Practice.

IV. **Program Evaluation:** Office of Women's Business Ownership: Women's Business Centers' Outcomes

Strategic Plan Linkage.

- Strategic Objective 1.5: Build an equitable entrepreneurial ecosystem through tailored training and counseling.

Overview. In 1988, the Women's Business Center (WBC) grant program was created to provide entrepreneurs who are women with mentoring, counseling, and access to capital services and resources. These services support the Office of Women's Business Ownership's (OWBO) mission to enable and empower women entrepreneurs through advocacy, outreach, education, and support. This outcome evaluation seeks to understand several intended outcomes defined in the logic model, including business

formation, growth, and maintenance, access to capital, and access to contracting. The results of this evaluation will inform future program design activities in the OWBO and technical assistance activities across the WBC Network.

Enterprise Learning Agenda. This evaluation supports the SBA's understanding of the following ELA questions:

- What are the business outcomes (including access to capital/financing) and impacts of the SBA's counseling, training, and outreach programs and services?
- How can the SBA's counseling, training, and outreach programs and services best contribute to the development of an equitable entrepreneurial ecosystem?

Evaluation Questions. The SBA seeks to answer the following evaluation questions in this study:

1. How do business outcomes (job creation, business formation, business growth, access to capital, access to contracting) vary based on Women's Business Center grantee and client characteristics?
2. How do outcomes vary for WBC clients and WOSBs based on WBC business development services (i.e., training, technical assistance, marketing assistance, and related services)?
3. How do WBC clients access capital and in what amounts? What is the relationship between loan amounts and business formation, growth, and survival?
4. How are WBCs referring clients to other SBA programs and services?

Data. This evaluation will use administrative and program records, including data from Nexus, to assess program outcomes. Additional data to supplement administrative data may be required to assess outcomes.

Methods. This is an outcome evaluation which will employ quantitative analyses of administrative and extant data.

Anticipated Challenges. Variations among WBCs include entity-type (e.g., economic development councils, colleges and universities), geographic area and reach, and organizational history and structure; these variations contribute to the differences in WBC implementation, including how and what types of data are collected. This challenge will be addressed by supplementing administrative data with third-party data, if necessary.

Evidence Use and Dissemination. The findings will inform program design and technical assistance needs for the WBC Network. They will also be shared with resource partner programs, OWBO program and SBA leadership, published online, and presented to the SBA's Evidence and Evaluation Community of Practice.

V. **Program Evaluation: Equity in Procurement**

Strategic Plan Linkage.

- Strategic Objective 1.4: Build back an inclusive and proficient small business contracting base ready to compete for all Federal procurement opportunities.

Overview. The Federal Government has historically awarded approximately 10% of all federal contract dollars, or roughly \$50 billion in contracts, to Small Disadvantaged Businesses. In July 2022, President

Biden issued Executive Order (E.O.) 14091, *Further Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, announcing the goal to increase procurement awards to small business concerns owned and controlled by socially and economically disadvantaged individuals (SDB) to 15% by 2025. Advancing the President's vision, in FY 2022, the federal government awarded \$69.9 billion to SDBs, which represents 11.4% of all contracting dollars, up from 11.01% the previous year. The percentage of procurement awards also increased for service-disabled veteran-owned small businesses (SDVOSBs) and Historically Underutilized Business Zone (HUBZone) small businesses but decreased for women-owned small businesses (WOSBs). To further efforts to expand procurement dollars awarded to SDBs, the SBA continues building on foundational learnings from Equity in Procurement evaluations and projects in FY 2023 and FY 2024 to build agency-specific and government-wide evidence around practices that contribute to equitable Federal spending.

Enterprise Learning Agenda. This evaluation supports the SBA's understanding of the following ELA question:

- How can the SBA advance equitable contracting policies and streamline small business certification to help more underserved small businesses win Federal contracts?

Evaluation Questions. The SBA seeks to answer the following evaluation questions in this study:

1. What activities support equitable Federal procurement spending with socially and economically disadvantaged small businesses?
2. Which activities could be more broadly adopted by Federal agencies to promote equity in Federal procurement?

Data. This portfolio of evaluations has used existing administrative records, including Federal contracting spending data from the SBA, SAM.gov, USAspending, and other available sources. Administrative data will be supplemented by interviews, surveys, focus groups, observation, or user testing.

Methods. Initiated in FY 2024, this portfolio of evaluations continues into FY 2025 and will use randomized buyer-focused and supplier-focused interventions. Buyer-focused interventions aimed at boosting the number of contracts or amount of contracting dollars the federal government awards to SDBs. Supplier-focused interventions aimed at increasing the number of SDBs in the federal marketplace enrolled in SBA contracting assistance programs.

Anticipated Challenges. Data availability, data integrity, data matching opportunities, lack of standardization across federal buying offices, sample size sufficiency, opportunities for embedded randomization, and response or participation rates may influence the study and will be considered when finalizing the evaluation design.

Evidence Use and Dissemination. The knowledge gained through the equity in procurement evaluations offers an opportunity to increase the number of SDBs that are ready, willing, and able to support the federal government's procurement needs and increase the procurement dollars awarded to SDBs by sharing leading practices that contribute to equitable Federal spending. Findings will be published online and shared with the SBA, OMB leadership, the Small Business Procurement Advisory Council, and the SBA's Evidence and Evaluation Community of Practice.