

Small Business Administration
Office of Entrepreneurial Development



Impact Study of Entrepreneurial Development Resources

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

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I. INTRODUCTION

The Small Business Administration's (SBA's) Office of Business and Community Initiatives designed a multi-year study to assess the impact of the Entrepreneurial Development (ED) programs that it offers to small businesses. This study is part of the process of meeting the President's Management Agenda and subsequent evaluative processes such as the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) evaluation. SBA hired Concentrance Consulting Group to assist it in administering the study, to analyze the findings and to write this report. This report presents the findings of the impact of ED Resources on clients served during the fourth quarter of 2004, as well as the findings of a follow-up study of 2003 client respondents.

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

This report details our research as follows.

- Executive Summary
- Research questions
- Methodology
 - Sampling, data collection, and survey administration
 - Response rate
 - Analysis of non-response
 - Follow-Up
 - Limitations
- Findings: 2004 Economic Impact Study
 - Impact of Total ED Resources (2003 vs. 2004)
 - Impact of SBDC resources 2004
 - Impact of SCORE resources 2004
 - Impact of WBC resources 2004
- Findings: Follow-Up Study of 2003 ED Resource Clients
- Qualitative Analysis of free-form letters, notes and comments sent in by clients
- Research Summary and Recommendations

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

Concentrance would like to thank the SBA Office of Business and Community Initiatives and SBA's office of Entrepreneurial Development Program Offices: Small Business Development Centers, Women-owned Businesses, and SCORE for their assistance in conducting this research. Both headquarter offices and local ED Resources spent considerable effort to ensure that surveys and

follow-ups were conducted. The rich dataset that now exists is in no small measure due to these efforts.

Research Questions

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

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

Follow-Up Study of 2003 ED Resources:

6. How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics (PSED) database (i.e. Kauffman study)?
7. Was the financial impact (job creation, job retention and sales) of the services/assistance provided by SBA ED Resources (SBDC, SCORE, and WBC) since last year greater than or equal to a representative small business population?

II. EXECUTIVE SUMMARY

The Small Business Administration’s (SBA) Office of Business and Community Initiatives designed a study to assess the impact of its Entrepreneurial Development (ED) Resource assistance on small business clients and hired Concentrance Consulting Group to conduct this study. This report presents our findings of the initial impact study of 2004 clients and a follow-up study of 2003 clients.

ED Resource Clients Studied

Three ED Resource Partners were studied comprising:

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

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

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

We compared the 2003 initial impact study results with those of 2004, analyzed the impact of ED Resource assistance on demographic groups: gender, race/ethnicity and veteran status, as well as the relationship of these groups to the impact of ED Resource assistance, and we assessed the financial development and business growth of 2003 clients during 2004.

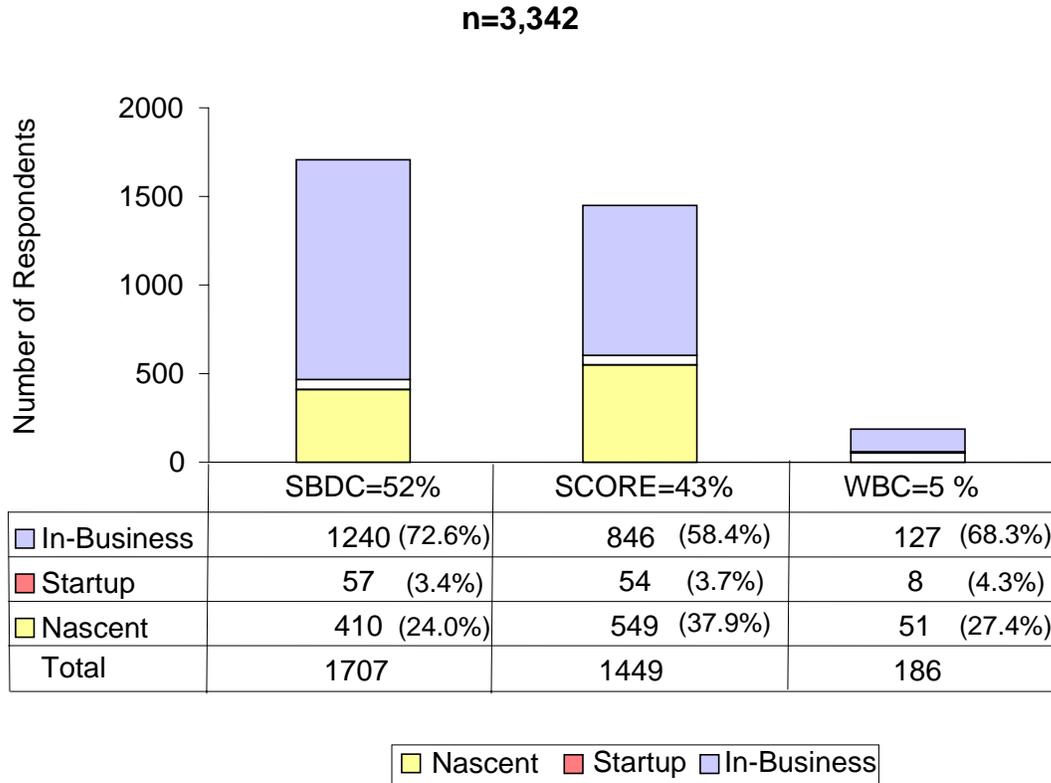
Quantitative Findings (FY2004)

Data were collected, coded, and analyzed for 3,453 respondents with an overall response rate of 23 percent. The table below provides the number of respondents and the business segment composition of each ED Resource.

ED Resource	Stratified Sample Size	Usable Sample Size ¹	Surveys Received	Response Rate
SBDC	11,551	8,776	1,792	20%
SCORE	7,988	5,552	1,472	27%
WBC	1,230	1,003	189	19%
Total	20,769	15,331	3,453	23%

¹ The stratified sample comprises all clients selected to be surveyed. The usable sample comprises stratified sample minus surveys returned to mail house due to incorrect mailing addresses.

Distribution of Respondents by Segment² (FY2004)



The 2003 clients were resurveyed to determine financial and firm growth. Their response rate was 25 percent.

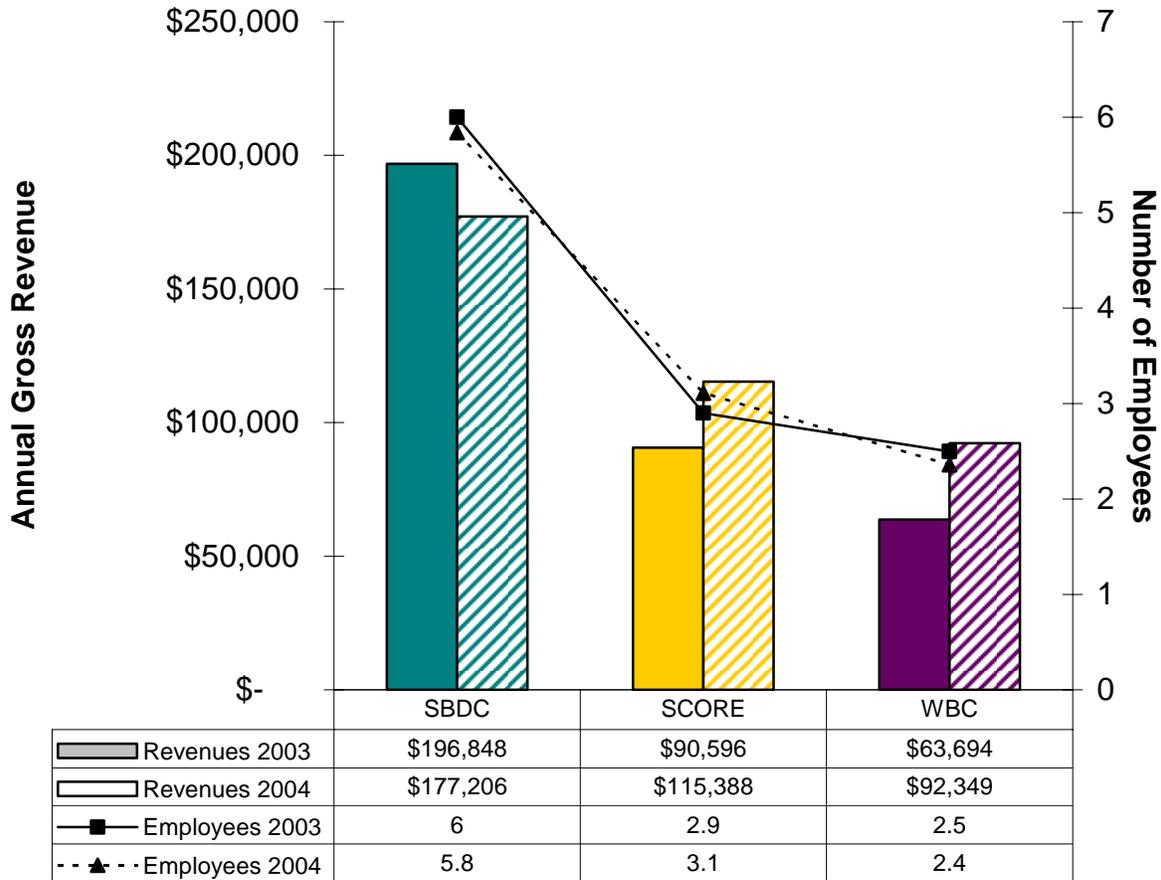
ED Resource Center	Stratified Sample Size	Useable Sample Size ³	Surveys Received	Response Rate
SBDC	1,866	1,623	428	26%
SCORE	284	249	50	20%
WBC	346	288	65	23%
Total	2,496	2,160	543	25%

² Respondents (111) who reported being in business but who did not provide a valid start date for that business, were not assigned to a business segment. Last year these firms were classified as In-Business.

³ The stratified sample comprises all clients selected to be surveyed. The usable sample comprises stratified sample minus surveys returned to mail house due to incorrect mailing addresses.

Clients served in 2004 were similar to clients served in 2003 with respect to financial, business, and demographic characteristics.

- The financial profile of client firms by ED Resource suggests that the 2004 clients, like the 2003 clients, represented firms of varying sizes in terms of revenues and number of employees.



- Ed Resources had a diverse client base: females (49 percent), Black/African American (13 percent), Veteran (10 percent), Hispanic/Latino (7 percent), Asian (4 percent), American Indian/Native Alaskan (2 percent), and Native Hawaiian/Pacific Islander (1 percent).
- The highest revenues were reported by American Indian/Native Alaskan firm owners, followed by males, whites and Hispanic/Latinos.

- Average revenues reported by 2004 clients increased compared to those reported by 2003 clients for all groups except for females, service disabled veterans, and Native Hawaiian/Pacific Islanders.
- The primary business types for 2004 clients were the same as for 2003 clients: retail and services.
- The majority of 2004 clients were between the ages of 35-54. (This demographic characteristic was not captured for 2003 clients).

2004 respondents gave high ratings to the usefulness of the assistance they received, however these ratings were slightly lower (high value is 70 percent in 2004 versus 77 percent in 2003) than ratings in 2003.

- It is important to note that comparisons between 2003 and 2004 should be interpreted with caution. Cross-sectional data were collected from a different set of firms each year, and these firms were operating under different economic conditions.
- Other usefulness ratings are also slightly lower than last year: decision to start or not to start a business, impact on changes to management practices, impact on increasing sales, hiring new staff, and increase in profit margins.
- The impact on retaining current staff however, is slightly higher for 2004 clients.

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

- SBDC clients' perceptions of usefulness of assistance were high (74 percent reported high value ratings), and similar to last year's ratings. However, ratings for SBDC Nascent clients are somewhat lower than last year. SBDC clients reported higher financial impacts than the average for all ED Resource clients combined, although these financial impacts are somewhat smaller in 2004 than in 2003.
- Approximately 65 percent of SCORE respondents reported that the information they received from their counselor was valuable, compared to 70 percent of clients from all ED Resources combined. Interestingly, 30 percent of SCORE Start-Ups reported that SCORE assistance resulted in their retaining current staff compared to 16 percent for all ED Resource clients. The financial impacts reported by SCORE clients were similar to those of other ED resources, and similar to last year.

- Regardless of segment, WBC clients assigned higher usefulness ratings than ED Resource clients combined. In addition, 42 percent of WBC In-Business respondents reported that WBC assistance resulted in increased sales compared to 20 percent of ED Resource clients combined. Financial impacts were also larger for WBC than the average for total ED Resource clients combined, but are comparable to those reported for WBC in 2003.

Age of respondent and firm size have a significant impact on the perceived usefulness of assistance received and on perceived assistance with the decision to start or not to start a business.

- Younger clients and larger firms perceived higher usefulness of the assistance they received.
- Larger firms reported higher levels of assistance with the decision to start or not to start a business.
- There were significant differences in perceived financial outcomes for African American and Veteran respondents. This impact is significantly lower than for their counterpart groups (white and non-veteran).

ED Resource clients have a higher survival rate than those analyzed in the PSED Kauffman study. *

- The follow-up study of clients served in 2003 found that 88 percent of firms survived from 2003 to 2004, whereas the survival rate of firms in the PSED sample was 82 percent.

ED Resource clients had revenue growth of approximately 9 percent and an average increase in number of employees by 19 percent. *

- Revenue growth for these firms compares favorably with the growth in real GDP of 3.8 percent during this period.
- Clients from all three ED Resources saw significant firm development from 2003 to 2004.
 - 24 percent of Nascent SBDC clients were In-Business in 2004
 - 27 percent of Nascent SCORE clients were In-Business in 2004
 - 100 percent of Nascent WBC clients were In-Business in 2004

* *According to the Authors, the follow-up sample meets some ad hoc but not formal statistical criteria. Further study is warranted to support the conclusions.*

Qualitative Findings

- A few clients from each ED Resource provided ad hoc commentaries in letter form or in the form of hand written note on the survey instrument.
- Comments were a mix of positive and negative for each ED Resource with no particular outstanding issue stressed.

Recommendations

Our recommendations focus primarily on improving response rates to the follow up survey and include the following:

- Using telephone versus mail for the follow-up surveys,
- Shortening the survey by eliminating questions that have been asked previously and do not comprise trend data.

Methodology

The initial study of 2004 clients was quantitative in nature, based upon responses to mail and telephone surveys at one point in time. Statistical analyses utilized frequency distributions, mean comparisons, cross tabulations, and regression models.

The initial survey of 2004 clients resulted in a respondent sample of 3,453. ED Resources provided Concentrance with a random sample list (proportionately distributed across ED Resources) of clients served during the fourth quarter of 2004. Surveys were mailed to each client and mailed again to non-respondents ten days later. Phone surveys were attempted for clients who did not respond to mail surveys. According to statistical tests, there was no evidence of bias due to non-response, therefore mail and phone surveys were analyzed together.

Regression analyses were used to test for the impact of client demographics on the outcomes of the ED Resources.

The respondent sample for the follow-up survey of 2003 clients was 543⁴ with 205⁵ having valid client codes enabling us to match them to the previous survey. We used the matched sample to perform pair-wise statistical tests that compare changes in growth and business segment to other groupings.

⁴ This is the number for which there was valid client telephone or address information provided by ED Resource Centers.

⁵ This is the number of clients for which there were valid client codes to match.

Limitations to consider when interpreting these results include:

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

III. METHODOLOGY

This report contains findings from the 2004 Impact Study of ED Resources and the Follow-Up Study of the 2003 Initial Impact Survey. The methodology for the 2004 Impact Study is presented first, followed by the methodology for the 2003 Follow-Up Study.

Sampling and Data Collection

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

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

The sampling distribution is shown in Table 3.1. It represents the distribution of clients served in 2004 across ED Resources. This sample provides a statistically significant number of respondents by ED Resource. To determine if the sample size for this study was sufficient, sample size was computed on the basis of reported sales revenues. The sample size of 3,453 is sufficiently large enough for accuracy within plus or minus \$30,000 in reported annual sales revenues at a 99 percent confidence level.

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 percent, which is consistent with response rates found in other surveys of entrepreneurs. For example, Aldrich and Baker (2000) found that nearly a third of surveys of entrepreneurs had response rates below 25 percent, and that the average response rate is approximately 30 percent.⁶ In another example, the National Federation of Independent Business (NFIB) has a response rate of 25 percent in its Survey of Small Business Economic Trends (Dennis 2003).⁷

Table 3.1 – Sampling Frame (FY 2004)

ED Resource Center	Stratified Sample Size	Useable Sample Size ⁸	Surveys Received	Response Rate (FY2004)	Response Rate (FY2003)
SBDC	11,551	8,776	1,792	20%	23%
SCORE	7,988	5,552	1,472	27%	22%
WBC	1,230	1,003	189	19%	46%
Total	20,769	15,331	3,453	23%	24%

⁶ 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.

⁷ Dennis, William J., Jr. (2003), “Raising response rates in mail surveys of small business owners: Results of an Experiment,” *Journal of Small Business Management*, July, 41(3), pg. 278

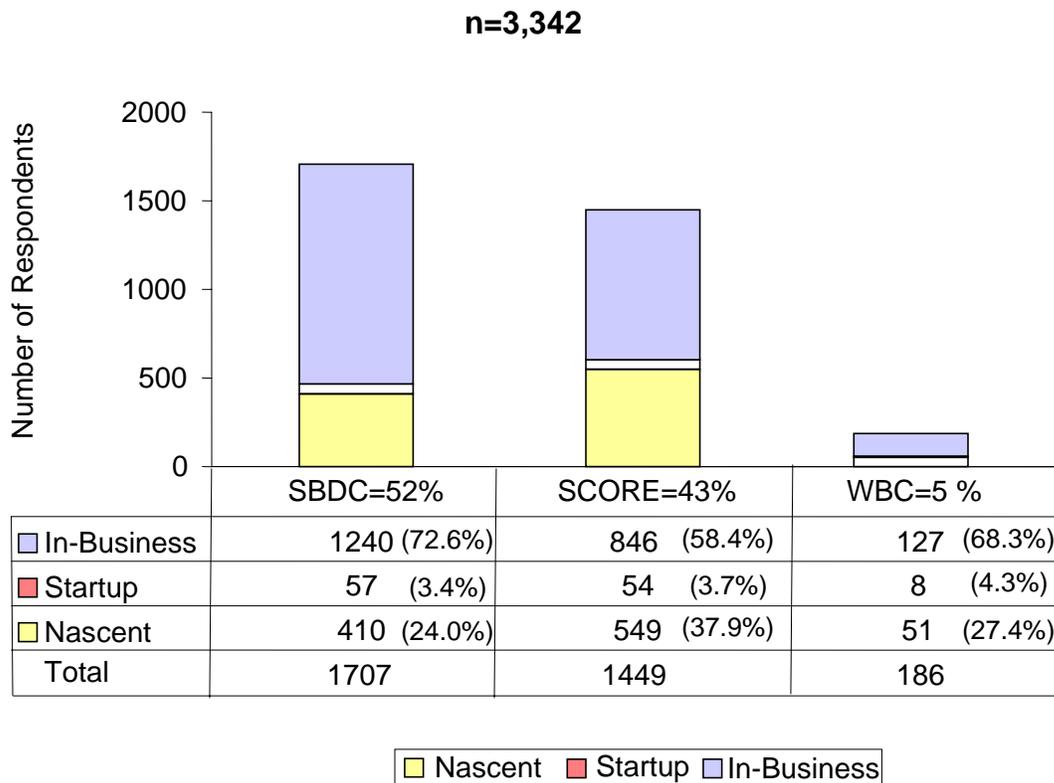
⁸ Stratified sample comprises all clients selected to be surveyed. Usable sample comprises stratified sample minus surveys returned to mail house due to incorrect mailing addresses.

Survey Administration

Concurrence developed a random sample table for each ED Resource. SBA ED Resource personnel, using the random sample table, selected clients served within the fourth quarter of 2004. See Appendix 4 for survey instrument. Concurrence printed, and mailed SBA’s cover letters and survey instruments, approved by OMB. All surveys were computer-coded with client codes to ensure that a second mailing was sent to non-respondents ten days after the initial mailing and that information would remain confidential. Concurrence logged-in all received surveys, entered the surveys into a database for analysis and developed an electronic database list of non-respondents for telephone follow-up.

Figure 3.1 shows the distribution of respondents by resource and business segment. The In-Business segment was the largest segment served for all resources. The Start-up segment is only 4 percent, in part because of the narrow definition of Start-ups (firms that have been in business for 6 months or less) and in part because a valid start date for the business must be available to identify this segment.

Figure 3.1 – Survey Sample Sizes by ED Resource and Segment⁹ (FY2004)



⁹ Respondents (111) who reported being in business but did not provide a valid start date for that business were not assigned to a business segment. Last year these firms were classified as In-Business.

Data Analysis

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

Analysis of Non-Response

SBA's research plan for this study included a methodology for estimating potential non-response. Non-response bias can occur in survey research if respondents differ substantially from those who do not respond. The best way to protect against this bias is to improve the response rate. Another effective method for achieving high response rates is the use of follow-ups and reminders. In this study, non-response bias was minimized by the second mailing of the survey and further by telephone follow-ups to non-respondents.¹⁰

In addition, we assessed the extent and direction of potential non-response bias by studying the differences between those who responded and those who did not. Our approach was to conduct a phone survey of non-respondents. **A total of 544 phone surveys were conducted with mail non-respondents. The next step was to conduct a comparative analysis of the responses of the two groups.**

Although there were some differences between these groups, there is no strong evidence to conclude that there is significant bias due to non-response. Results of these analyses indicated that the differences between the mail and phone samples were statistically significant in some cases, but not significant in others.¹¹ For example, mail and phone respondents differed significantly in terms of annual revenues and number of employees. Phone respondents were significantly less likely than mail to report annual revenues. In addition, phone respondents on average have fewer employees than mail respondents. On the other hand, results of chi-square contingency tests revealed no significant association between mode of data collection (mail vs. phone) and business segment.

However, because these differences were small and did not pose any risk of systematic bias in the results, responses from the mail and phone survey administrations were combined in all analyses.

¹⁰ Research in this area suggests that the optimum number of follow-up mailings or reminders is two.

¹¹ These findings were based on results of a one-way analysis-of-variance (ANOVA) to determine whether mail versus phone respondents differed significantly in terms of sales revenues ($t=10.96$, $dfs=1$; $p=0.0001$). This was a test of the null hypothesis that the average sales revenues were the same between these groups. A p-value less than 0.01 suggests that there is evidence of significant differences between mail and phone respondents. A second ANOVA was conducted to determine whether mail versus phone respondents differed significantly in terms of number of employees ($t=02.039$, $dfs=1$; $p=0.0415$). This was a test of the null hypothesis that the average number of employees was the same between these groups. A p-value greater than 0.01 suggests that there is no statistically significant difference between mail and phone respondents.

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

There were 4,718 respondents to the 2004 survey. A follow-up survey of these respondents was conducted in 2005 by phone. The follow-up survey sample included 543 respondents. While this represents only 11 percent of the overall Initial Impact Study sample, it represents a 25 percent response rate based on respondents for whom useable address or telephone data was available. Table 3.2 shows response rates by ED Resource.

Table 3.2 – Follow-up Impact Study Clients (FY2003)

ED Resource Center	Stratified Sample Size	Useable Sample Size ¹²	Surveys Received	Response Rate
SBDC	1,866	1,623	428	26%
SCORE	284	249	50	20%
WBC	346	288	65	23%
Total	2,496	2,160	543	25%

Out of the 543 completed follow-up surveys, 205 had valid client codes that could be matched on a one-to-one basis with the initial impact survey responses. **Thus, for a sample of 205 clients, there were detailed data which could be tracked from 2003 to 2004.**

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

Non-response bias can occur in follow-up surveys if the characteristics of the initial respondent sample differ significantly from the follow-up sample. The extent and direction of potential non-response bias were assessed by comparing the two samples. A statistical comparison of average revenues reveals that there is no statistically significant difference between these samples.¹³

¹² The stratified sample comprises all clients selected to be surveyed. The usable sample comprises stratified sample minus surveys returned to mail house due to incorrect mailing addresses.

¹³ $t=1.127, df=3,658, p=0.2596$.

Limitations (FY2003 Follow-up)

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

- **Measures included in this survey are primarily attitudinal** and all items are self-reported. Thus, there are few objective measures that can be used to assess actual client performance or make comparisons with other data sources.
- Many respondents did not report revenue data, which is critical to measure growth from year-to-year. For example, out of Start-Up and In-Business firms, approximately 63 percent reported zero revenues or did not report revenues.
- This survey does not measure ED Resource utilization. Thus, we cannot measure the relationship between the amount of assistance provided by ED Resources and key outcomes, such as financial impacts. In other words, these analyses cannot differentiate between clients who had limited contact with a counselor and clients who had more extensive assistance. This problem would be alleviated if the agency provided, for example, data on number of hours of assistance. The ability to conduct regression analysis, causal modeling, and other statistical measures of relationships are similarly limited.
- **The follow-up study results must be interpreted with caution due to the small size of the sample that could be matched with last year's returned surveys.** The size of this sample was limited because of missing or incorrect/inconsistent client codes needed to match each respondent one-for-one with last year's survey and because numerous surveys were returned from the mail house due to incorrect addresses. This problem has been alleviated for subsequent surveys since all respondents are assigned a permanent client code by Concentrance at the time the first survey of the respondent is received. In addition, for future mailings, the post office will correct address changes for the prior 36 months prior to mailing surveys. Conducting all follow-ups using an abbreviated follow-up survey via phone should increase response rates. This approach is also faster and more efficient than conducting mail follow-ups (Dennis 2003).
- Finally, since this was the first follow-up to the initial or baseline survey, **respondents may have had insufficient time in which to realize the effects of ED Resource assistance.**

IV. TOTAL ED RESOURCES COMBINED 2003 VS. 2004

The following section presents comparison results of clients from 2003 versus 2004. We have included 2003 clients from Pennsylvania SBDC not included in last year's report and we have excluded 503 BIC clients from 2003 totals. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

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

It is important to note that comparisons between 2003 and 2004 clients should be interpreted with caution. Cross-sectional data were collected from a different set of firms each year, and these firms were operating under different economic conditions. Cross-sectional research has limited usefulness for examining changes over time since the data does not provide information about sequential changes in variables.

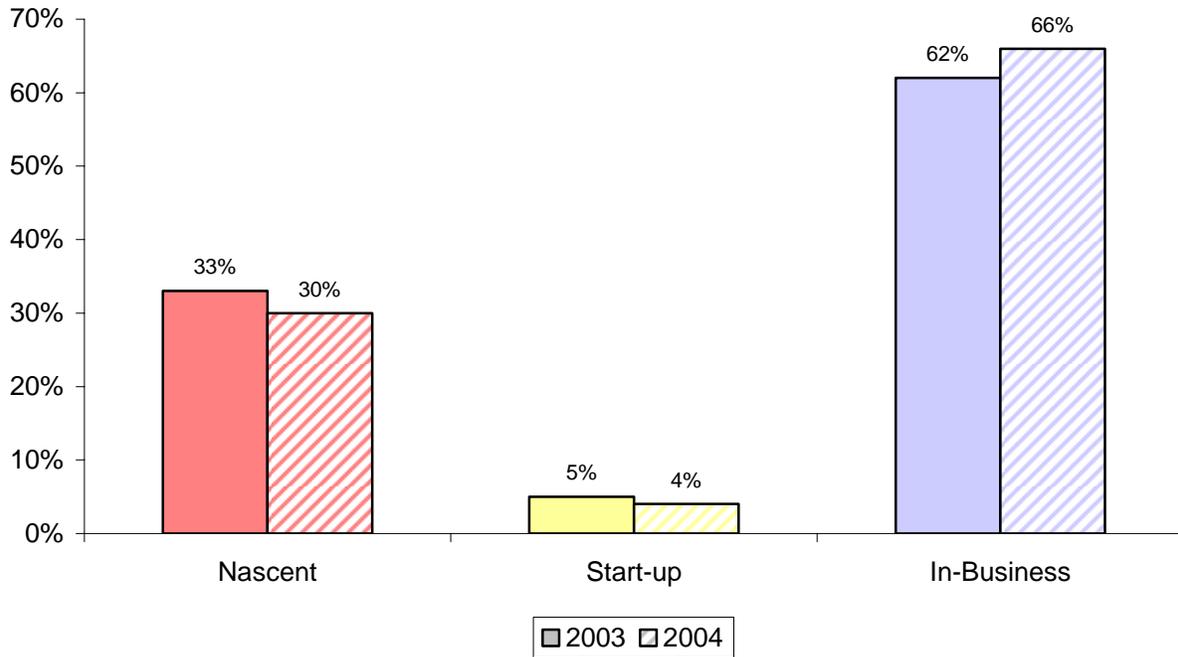
Demographic Characteristics of ED Resource Clients

This section describes the general demographic and financial characteristics of all ED Resource respondents who were served in 2004. These results are based on an analysis of 3,453 completed surveys.¹⁴

¹⁴ The sample size in 2004 was 4,718 and included data from BICs. These data were not collected in 2005.

As shown in Figure 4.1, the largest business segment served by ED Resources was the In-Business segment (66%). In 2003, 62 percent of ED Resource clients were in this segment. This difference is due to the fact that ED Resources served fewer Nascent clients in 2004 (30 percent vs. 34 percent in 2003). The percentage of Start-Ups was similar in both years.

Figure 4.1 – Total ED Resources – Client Segments Served



ED Resource clients averaged \$148,952 in annual revenues. In 2004, this figure was \$134,539¹⁵. Average total employees did not change from last year. On average, In-Business clients have been operating for just over 6 ½ years.

Table 4.1 – Total ED Resources-Revenues, Employment, and Firm Age¹⁶ (FY2004)

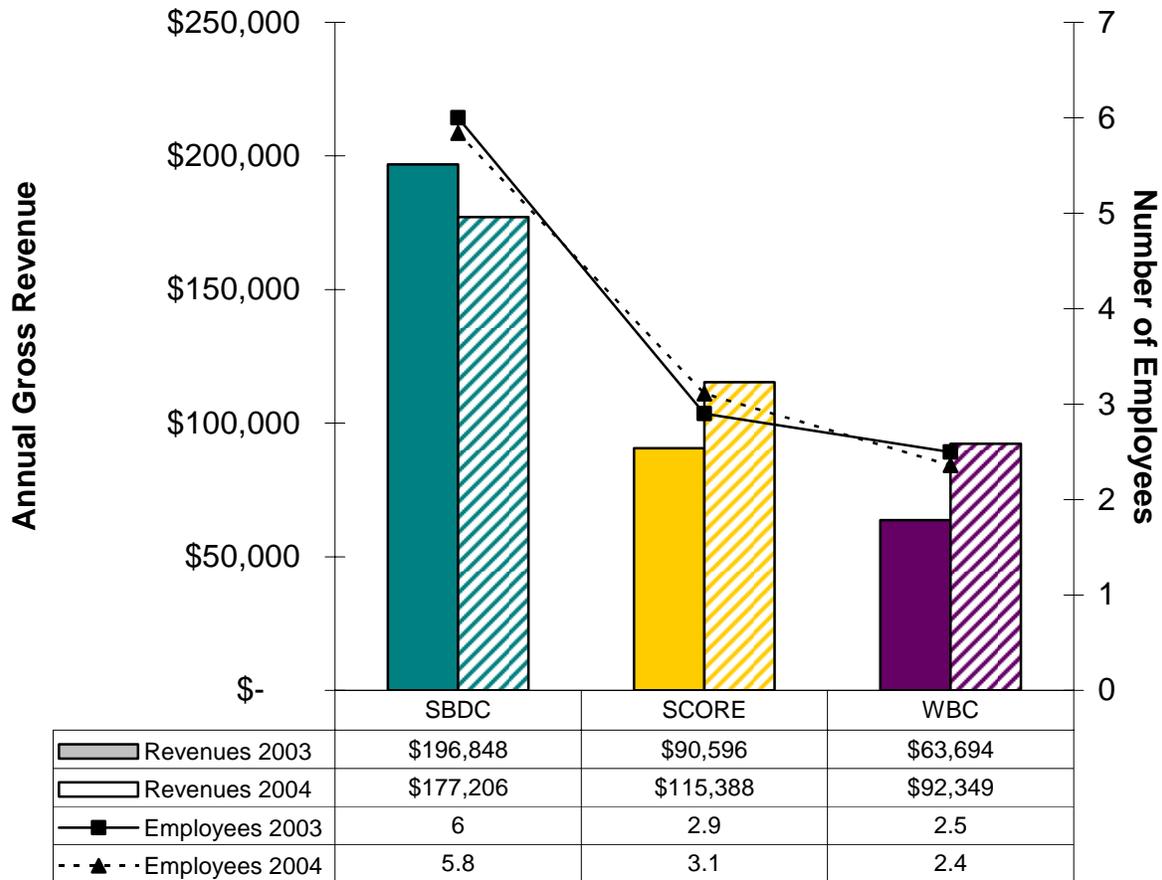
	Startup	In-Business	Total ED Resources
Average Revenue	\$44,987	\$160,473	\$148,952
Average Employees	1.2	5.0	4.6
Firm Age (in years)	0.4	6.7	6.4

¹⁵ This estimate differs from average revenues reported in last year’s report. This revised estimate includes data from Pennsylvania clients, and excludes data from BICs. In addition, 7 firms who reported revenues over \$8 million were considered outliers and were excluded from this estimate.

¹⁶ Firms who reported revenues of \$8 million or more were considered outliers and were omitted from revenue analyses. There were 6 firms with revenues over \$8 million in 2004.

ED Resources differed in terms of the size of firms they serve, as shown in Figure 4.2. For example, SBDC clients were significantly larger than those served by SCORE and WBC, in terms of revenues and employees. SBDC clients have somewhat lower revenues and fewer employees than last year. SCORE and WBC clients have slightly higher revenues and similar number of employees as last year.

Figure 4.2 – ED Resources – Revenue and Employment



Demographic characteristics of ED Resource clients in terms of gender, race, ethnicity, and veteran status, are presented in Figure 4.3. These demographic characteristics differed only slightly from 2004 clients. Females represented 49 percent of this year's sample compared to 46 percent last year. This year, 13 percent of respondents were African-American and 7 percent were Hispanic or Latino, compared to 13 and 6 percent respectively last year. The share of veterans and service-disabled veterans was also similar to last year's.

Figure 4.3 – Total ED Resources – Demographic Characteristics

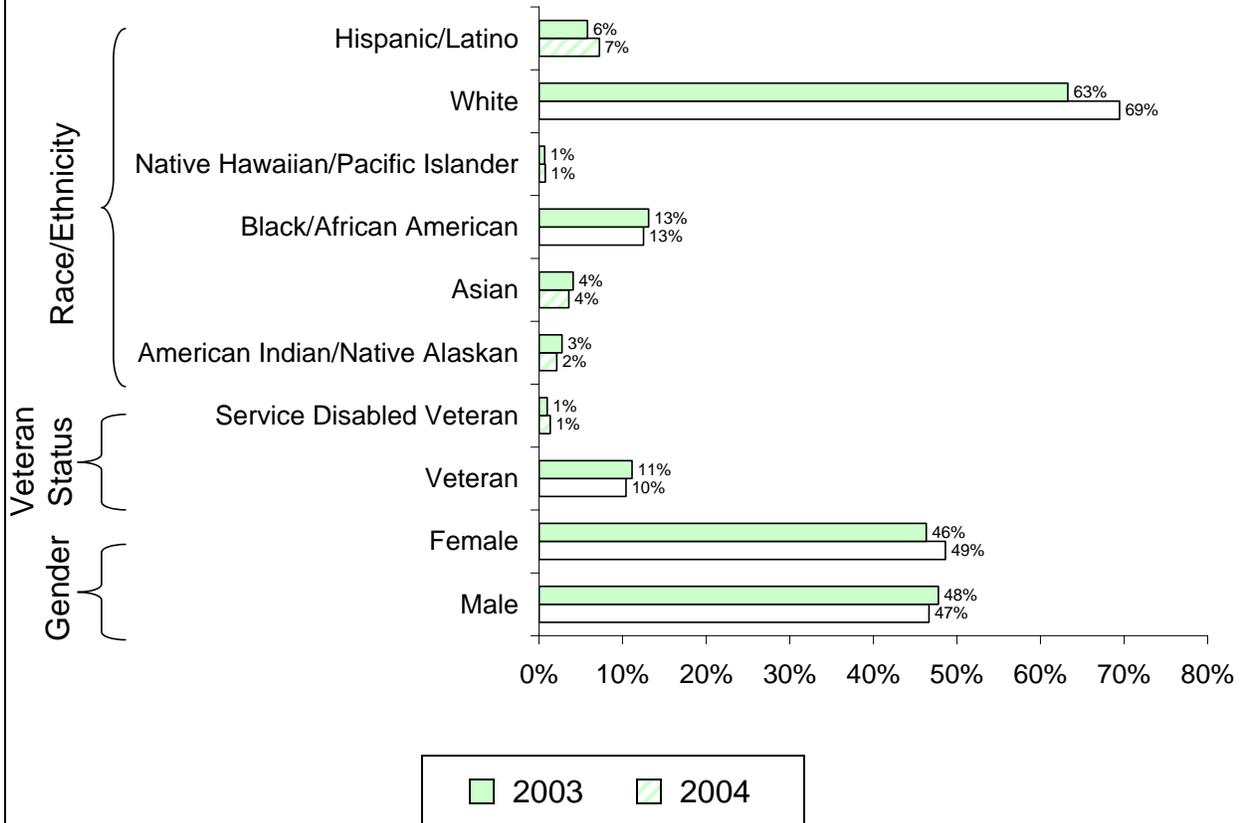
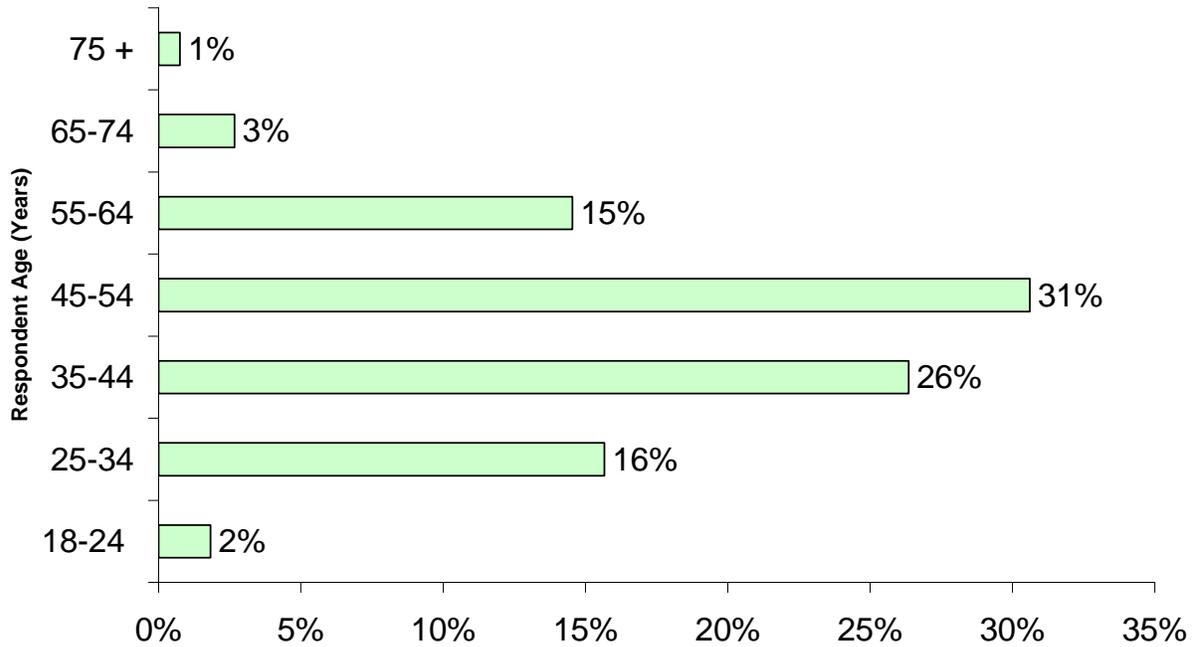


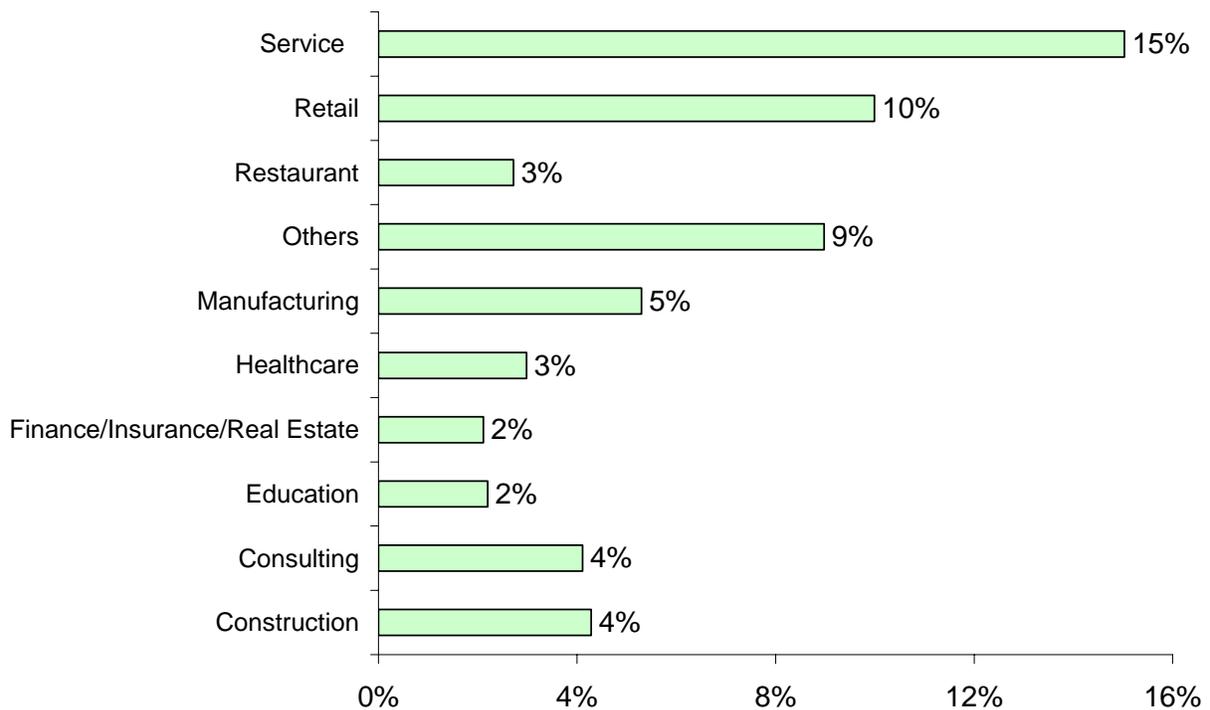
Figure 4.4 shows the distribution of ED Resource clients by age of the business owner. The largest group of ED Resource clients was the 45 to 54 category (30.6 percent). These data were not available in last year's survey.

Figure 4.4 – Total ED Resources – Age of Business Owner (FY2004)



The two most common types of businesses served by ED Resources are service and retail businesses. These results are similar to last year, although 2004 respondents could choose from several additional business categories that were not available previously. These estimates are consistent with the top 2 employment sectors reported by the Bureau of Labor Statistics¹⁷ (BLS), although the industry classifications are not identical. According to the BLS, the most common employment sectors in 2004 were retail and wholesale trade establishments (16 percent) and professional and business services (12 percent).

Figure 4.5 – Total ED Resources – Primary Business Type (FY2004)



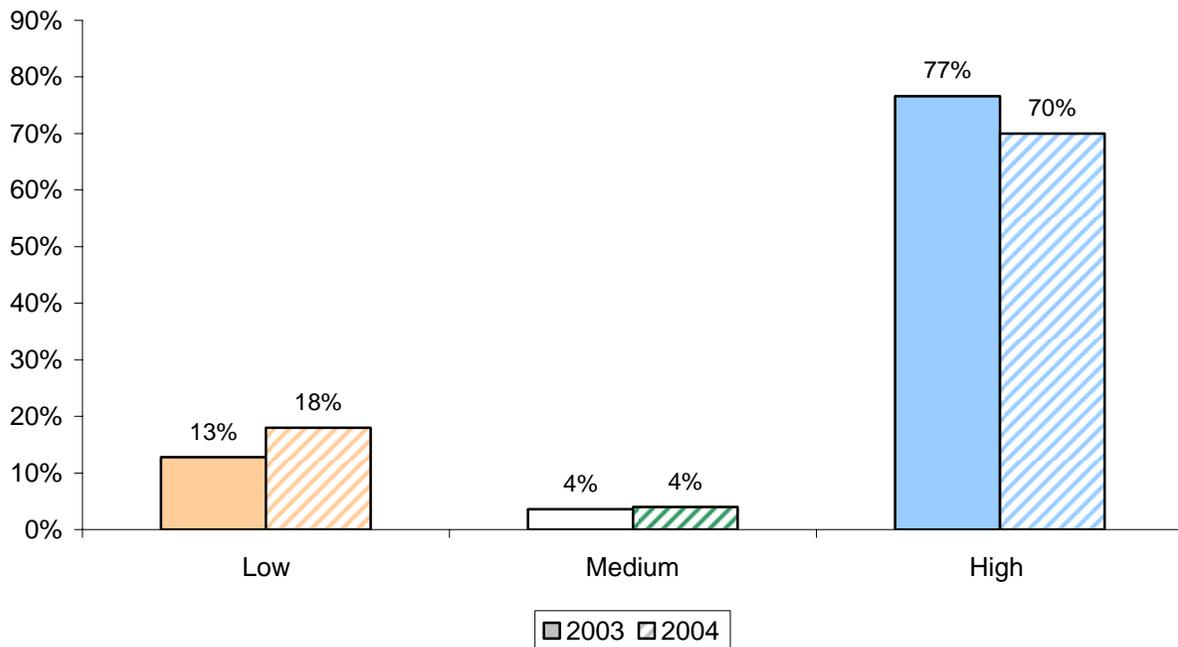
¹⁷ Source: “Industry Employment,” *Occupational Outlook Quarterly*, U.S. Bureau of Labor Statistics, Winter 2005-06.

Resource Impacts

Impact on Usefulness and Value of Services or Assistance Received

As shown in Figure 4.6, 70 percent of ED Resource respondents combined reported that the information they received from their counselor was valuable. However, perceived usefulness ratings were slightly lower than those reported last year.

Figure 4.6 – Total ED Resources – How useful was the information you received?¹⁸

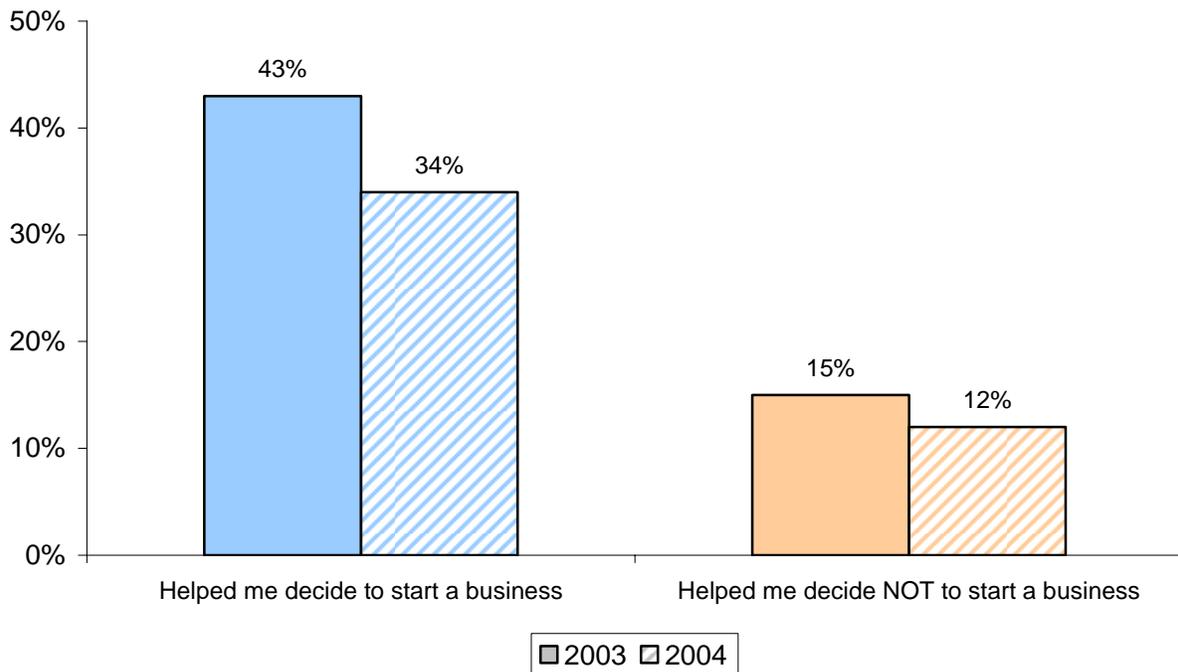


¹⁸ Low value includes the ‘Somewhat Valuable’ and ‘Not Valuable’ response categories. High value includes the ‘Extremely Valuable’ and ‘Valuable’ response categories.

Impact on the Decision to Start or Not Start a Business

ED Resources assisted clients in their decision to start a business for 34 percent of respondents. Last year, 43 percent of respondents reported that ED Resources assisted them in their decision to start a business. In addition, 12 percent of this year’s respondents reported that ED Resource assistance helped them decide not to start a business, and this is about the same as last year. In cases when individual entrepreneurs lack resources such as knowledge or expertise necessary to create a successful start-up, the prevention of business failures is an important type of ED resource assistance. In particular, these activities are part of the SBA’s strategic plan that calls for increasing the number and success of small business start-ups, and maximizing the sustainability of existing small businesses¹⁹.

Figure 4.7 – Total ED Resources – Were these services useful in starting or NOT starting a business?²⁰



¹⁹ “Enabling the Establishment and Viability of Small Businesses: Strategic Plan FY2003-FY2008,” U.S. Small Business Administration.

²⁰ Helpful includes the ‘Very Useful’ and ‘Useful’ response categories only.

Impact on Clients' Decision to Change Management Practices

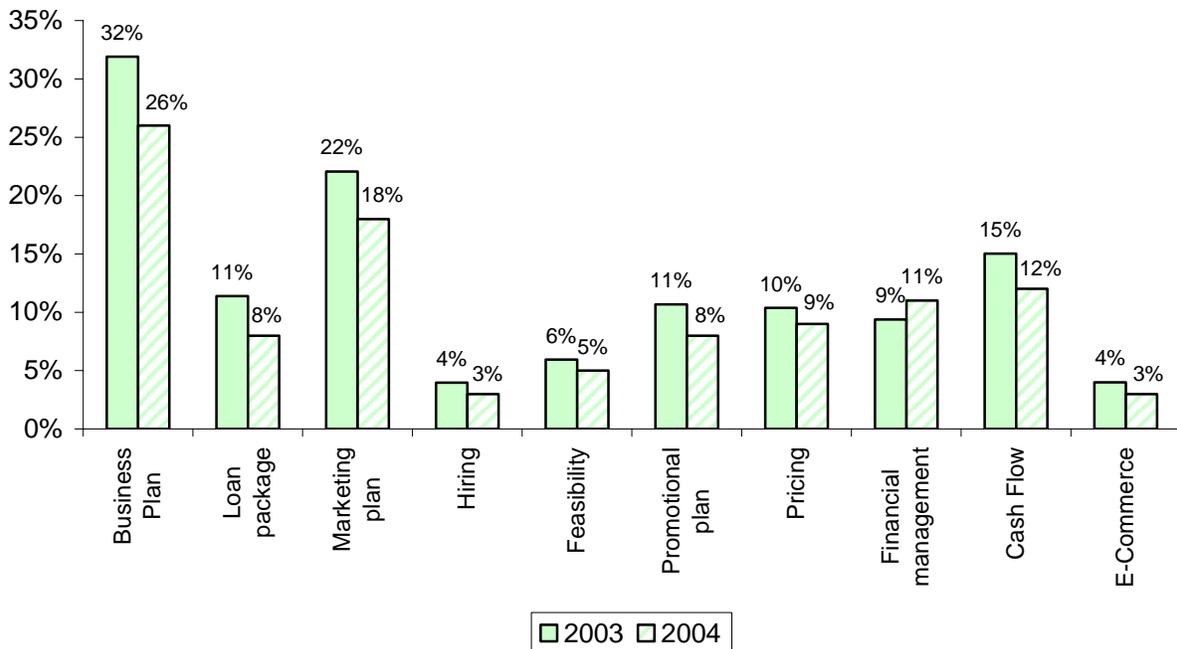
As a result of ED Resource assistance, 51 percent of Start-Up and 58 percent of In-Business firms have changed their current management practices or strategies. These figures are somewhat lower than in the previous year, when 63 percent of Start-ups and 64 percent of In-Business firms changed their management practices.

Table 4.2 – ED Resources Impact on Managerial Practices

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

Figure 4.8 shows the business functions that were changed as a result of ED Resource assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and financial strategies. These areas were similar to those reported last year.

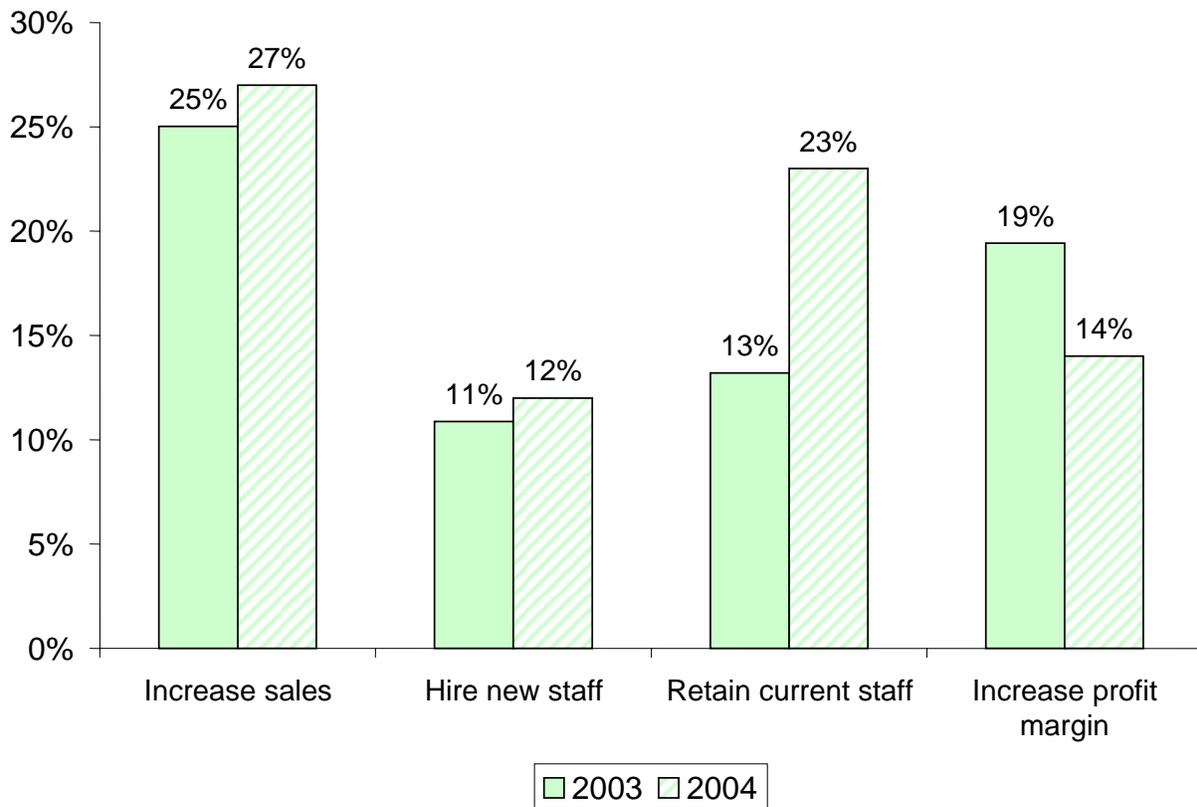
Figure 4.8 – Total ED Resources – Changes in Management Practices



Impact on Sales, Job Creation and Job Retention

Figure 4.9 presents findings on the economic impact of ED Resource assistance. For example, 20 percent of respondents reported that they were able to increase sales as a result of ED Resource assistance, and 9 percent were able to hire new staff. The perceived impact of ED Resource assistance on sales, hiring new staff and profits is somewhat smaller than for 2003 clients, but the perceived impact on staff retention is higher for 2004 clients.

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

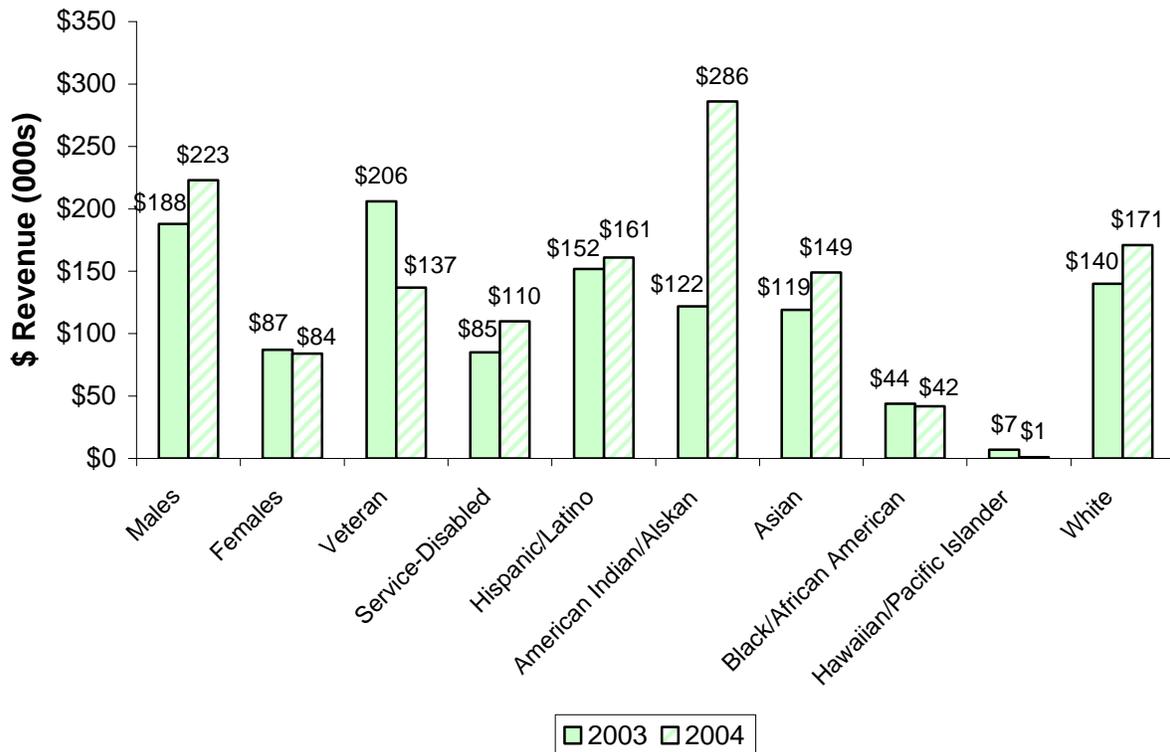


Cross-Sectional Demographic Analysis

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

Figure 4.10 compares average revenues for firms in each demographic category. For example, this figure shows that women-owned and minority-owned firms (except for American Indian/Alaskan) tended to be smaller than firms owned by males or Whites. The average women-owned business has \$83,857 in revenues compared to an average of \$223,179 for firms owned by men. In terms of minority-owned firms, average revenues for Hispanic/Latino-owned firms were \$160,739; \$149,250 for Asian-owned firms; and \$42,250 for Black/African-American-owned firms. In 2004, firms owned by American Indian/Alaskans had the largest revenues, although the size of this sub-sample is very small (n=50). These figures should be interpreted with caution due to the fact that almost 30 percent of respondents did not report revenue data. There was a similar incidence of data not reported on race and ethnicity.

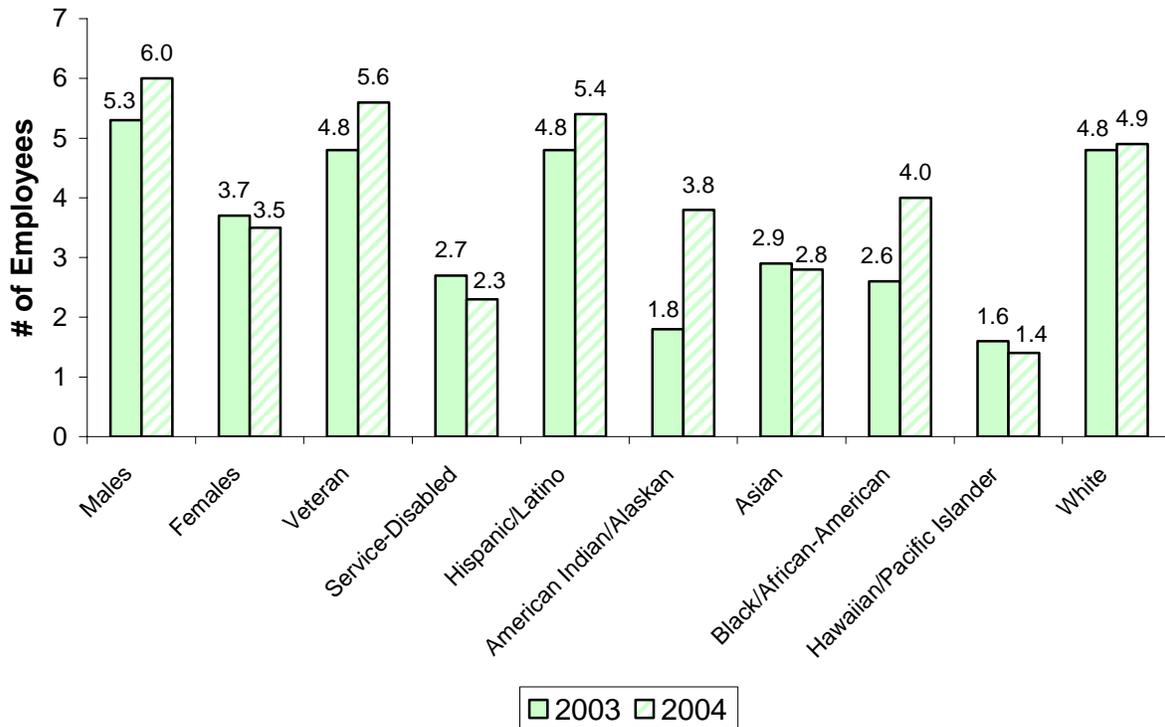
Figure 4.10 – Average Revenues (000s) for Firms in Selected Demographic Categories²¹



²¹ Firms who reported revenues of \$8 million were considered outliers and were omitted from revenue analyses from both 2003 and 2004. There were 6 firms with revenues over \$8 million in 2003 and 7 in 2004.

Figure 4.11 compares employment by demographic category. Similar to revenues, women-owned businesses tended to have fewer employees than firms owned by males. Male, Hispanic-owned, white and Veteran-owned firms had more employees than the overall average (4.6 percent).

Figure 4.11 – Average Total Employees for Firms in Selected Demographic Categories



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

This section presents findings of an analysis of the effects of firm demographic characteristics on key resource impacts. We report results from a series of multiple regression analyses. These were conducted to test whether respondents differed significantly in perceived usefulness, perceived assistance with the decision to start a business, and financial impacts of ED Resource assistance based on selected demographic (age, gender, race, ethnicity, veteran status) and firm (revenues, business segment, ED Resource) characteristics. This approach is different from last year, when different models were estimated separately for each ED Resource. This year, the data was combined

across all resources in order to increase the amount of data available from smaller demographic categories.

These analyses address the following research questions:

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

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

Each resource impact is used as a dependent variable. For example, the dependent variable for the first model is perceived usefulness of ED Resource assistance. The dependent variable for the second model is perceived usefulness in the decision to start a business. The dependent variable for the third model is a financial impact score, which is a summary measure based on 4 self-reported financial impact measures (the effect of assistance on increases in market share, sales, cash flow, and profit margins).²²

The set of independent or predictor variables included binary (i.e. dummy) variables representing the demographic or firm characteristics including:

- Respondent age
- Gender
- Race
 - Hispanic
 - American Indian
 - Asian
 - Black/African-American

²² This scale is the sum of the following questionnaire items: q7a, q7b, q7c and q7g. This scale has a Cronbach's alpha coefficient of 0.9513, which reflects high internal consistency of items, and is considered an indicator of very good scale reliability.

- Native Hawaiian/Pacific Islander
- Ethnicity
 - Hispanic/Latino
- Veteran or Service-Disabled Veteran
- Client Segment
 - Start-Up
 - In-Business
- Sales Revenues
- ED Resource (SBDC, SCORE, or WBC)

The first regression model tested for a relationship between selected demographics and firm characteristics and the client's perception of the usefulness and value of the services/assistance received.²³

Results of this regression suggest that there is a significant difference in perceived usefulness of ED Resource assistance based on age of respondent. **In particular, there is a significant and negative relationship between client age and perceived usefulness.** In other words, older clients report lower levels of perceived usefulness. This may be due to the fact that older respondents had more business acumen than younger respondents. **There were no significant effects of gender, race, ethnicity, or veteran status on perceived usefulness.**

There is a significant and positive relationship between firm size and perceived usefulness. **Larger firms reported higher levels of perceived usefulness.** There were no significant effects of business segment on this outcome. Finally, perceived usefulness was significantly lower for SCORE clients than those of SBDC or WBC regardless of firm characteristics.

The second regression model tested for a relationship between selected demographics (age, gender, race, ethnicity, veteran status) and firm characteristics (revenues, business segment, and ED Resource) and the perceived usefulness of assistance with the client's decision to start a business.²⁴

Results of this regression suggest that there is a significant difference in perceived usefulness of assistance with the decision to start a business based on age of respondent. **In particular, there is a significant and negative relationship between client age and assistance with starting a business.** In other words, older clients report lower levels of usefulness of assistance with starting a business. **There were no significant effects of gender, race, ethnicity, or veteran status on perceived usefulness of assistance with starting a business.**

There is also a significant and positive relationship between firm size and perceived usefulness of assistance with starting a business. **In particular, larger firms reported higher levels of perceived usefulness of assistance with decision to start a business.** There were no significant effects of business segment on this outcome. Finally, perceived usefulness of assistance with

²³ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.0413). Coefficients reported here were significant at the 0.05 level. The sample size was 1,589.

²⁴ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.0565). Coefficients reported here were significant at the 0.05 level. The sample size was 1,338.

decision to start a business was significantly lower for SCORE clients than those of SBDC or WBC regardless of firm characteristics.

The third regression model tested for a relationship between selected demographic (age, gender, race, ethnicity, veteran status) and firm characteristics (revenues, business segment, and ED Resource) and the self-reported financial impact of ED Resource assistance. These impacts included a combination of increases in market share, sales, cash flow and profits.²⁵

Results of this regression suggest that there was a significant difference in financial impact based on race and veteran status. **In particular, African-American respondents reported significantly lower financial impacts than White respondents.** In addition, veterans reported significantly lower financial impacts than non-veterans. **There were no significant effects of age, gender, race other than African-American, or ethnicity on financial impact.**

There is also a significant and positive relationship between firm size and financial impact. **In particular, larger firms were more likely to report higher financial impacts than smaller firms.** There were no significant effects of business segment on this outcome. However, perceived usefulness of assistance with starting a business was significantly lower for SCORE clients than those of SBDC or WBC regardless of firm characteristics.

In summary, in most cases, clients' demographic characteristics are not significant determinants of the client's perception of the usefulness and value of the services/assistance received, the client's decision to start a business, or the client's business having a positive financial impact. However, there are differences in these outcomes based on age and firm size. In addition, there are significant differences in financial impact for African-American and veteran respondents.

It is important to note that these models are not comparable to last year's regression results due differences in the variables specified and the sample. In addition, these results should be interpreted with extreme caution. There are a number of omitted variables that may be correlated with gender, race, ethnicity or veteran status, such as type of business or type of assistance received, and these factors could affect the findings reported here. In addition, missing data resulted in a substantial reduction in the sample size.

²⁵ The overall model was significant at the $p < 0.0001$ level, although the R^2 was very small (0.0780). Coefficients reported here were significant at the 0.05 level. The sample size was 1,040.

V. SBDC 2004 VS. TOTAL ED RESOURCES

The following section presents results from SBDC respondents. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

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

Demographic Characteristics of SBDC Clients

This section describes the general demographic and financial characteristics of SBDC respondents. These results are based on an analysis of 1,792 completed surveys.

As shown in Figure 5.1, the largest business segment served by SBDC is the In-Business segment (69 percent). In 2003, 66 percent of ED Resource clients were in this segment. These results also show that compared to other ED Resources, SBDC clients are less likely to be in the Nascent segment.

Figure 5.1 – SBDC – Distribution of Respondents by Segment (FY2004)

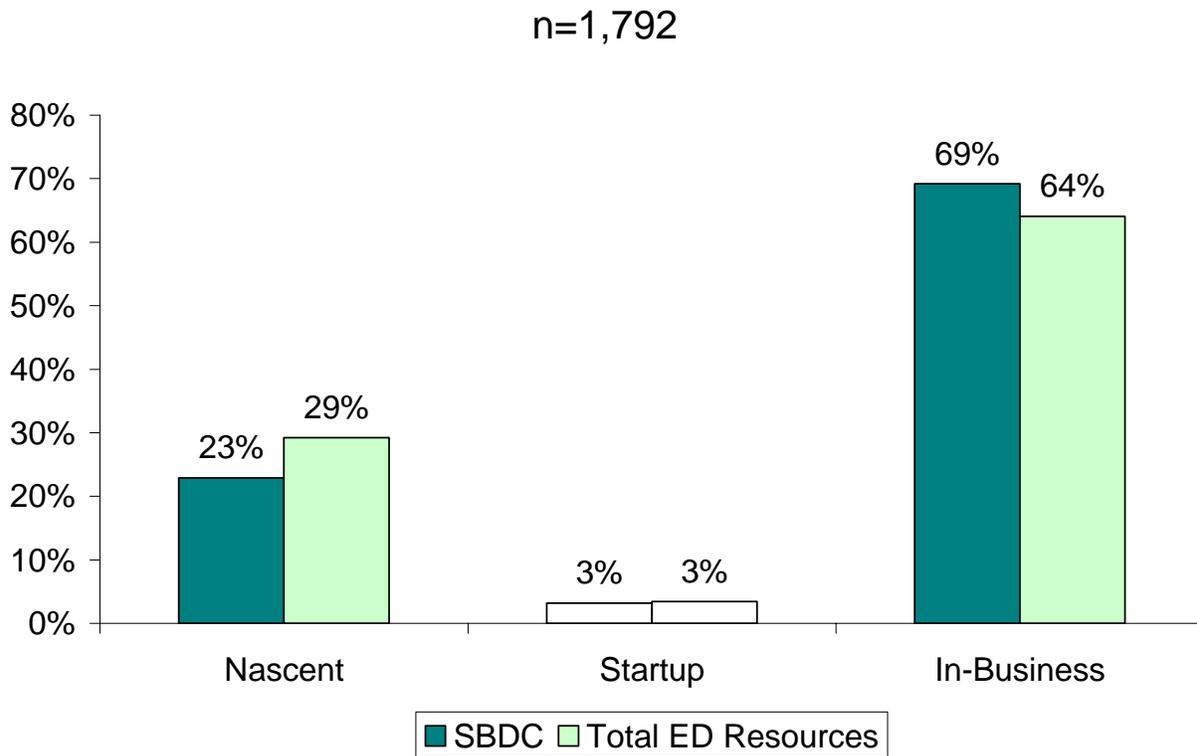


Table 5.1 compares revenues, employment, and firm age for SBDC vs. Total ED Resources. These results indicate that SBDC clients have higher revenues and more employees than clients of other ED Resources. In addition, average revenues for SBDC clients were \$177,206, compared to \$196,848 in last year’s survey.

Table 5.1 – SBDC-Revenues, Employment, Firm Age (FY2004)

	SBDC	Total ED Resources
Average Revenue	\$177,206	\$148,952
Average Employees	5.8	4.6
Firm Age (in years)	6.9	6.4

Demographic characteristics of SBDC clients, including gender, race, ethnicity, and veteran status are reported in Figure 5.2. About 47 percent of SBDC clients are female. Ten percent of SBDC clients are African-American, and another 8 percent are Hispanic/Latino. Eleven percent of SBDC clients are veterans, and 1 percent of these clients are in the service-disabled category. These percentages are similar to those in the prior year.

Figure 5.2 – SBDC – Demographic Characteristics (FY2004)

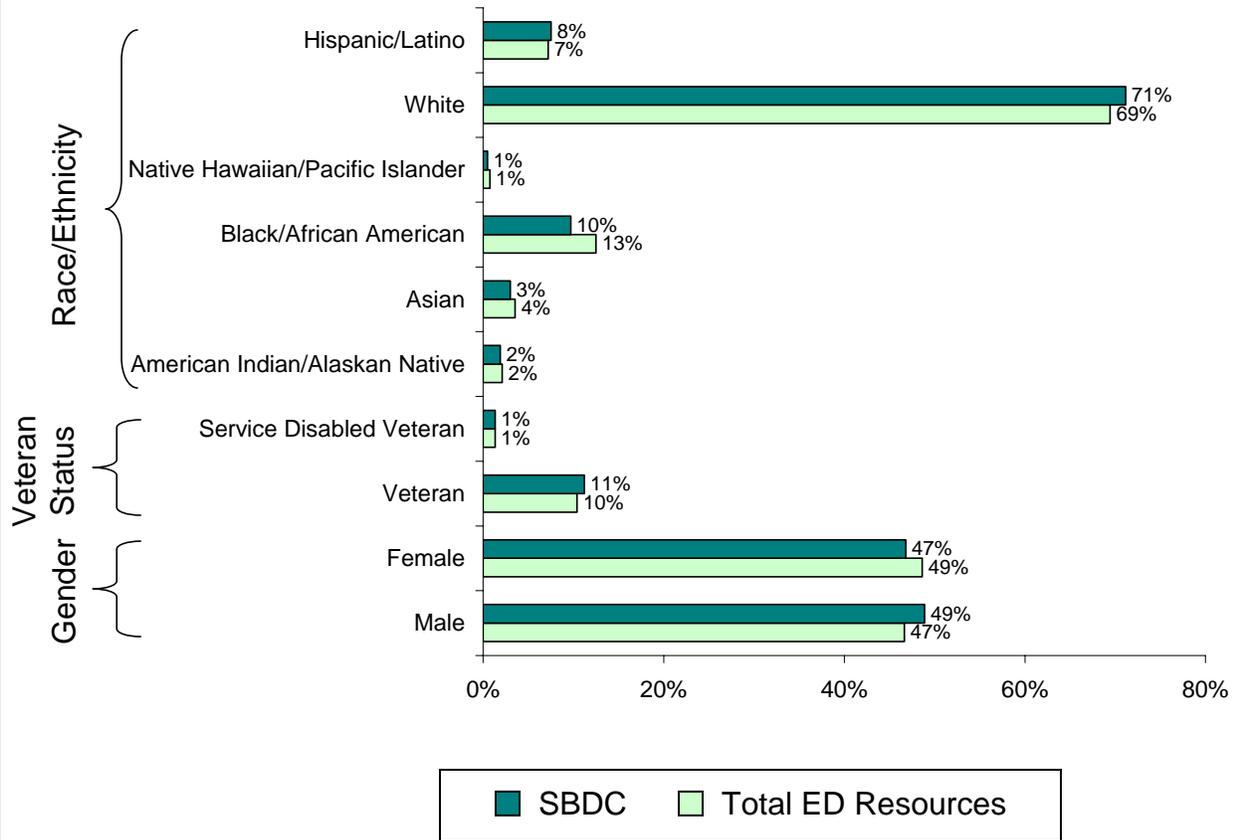
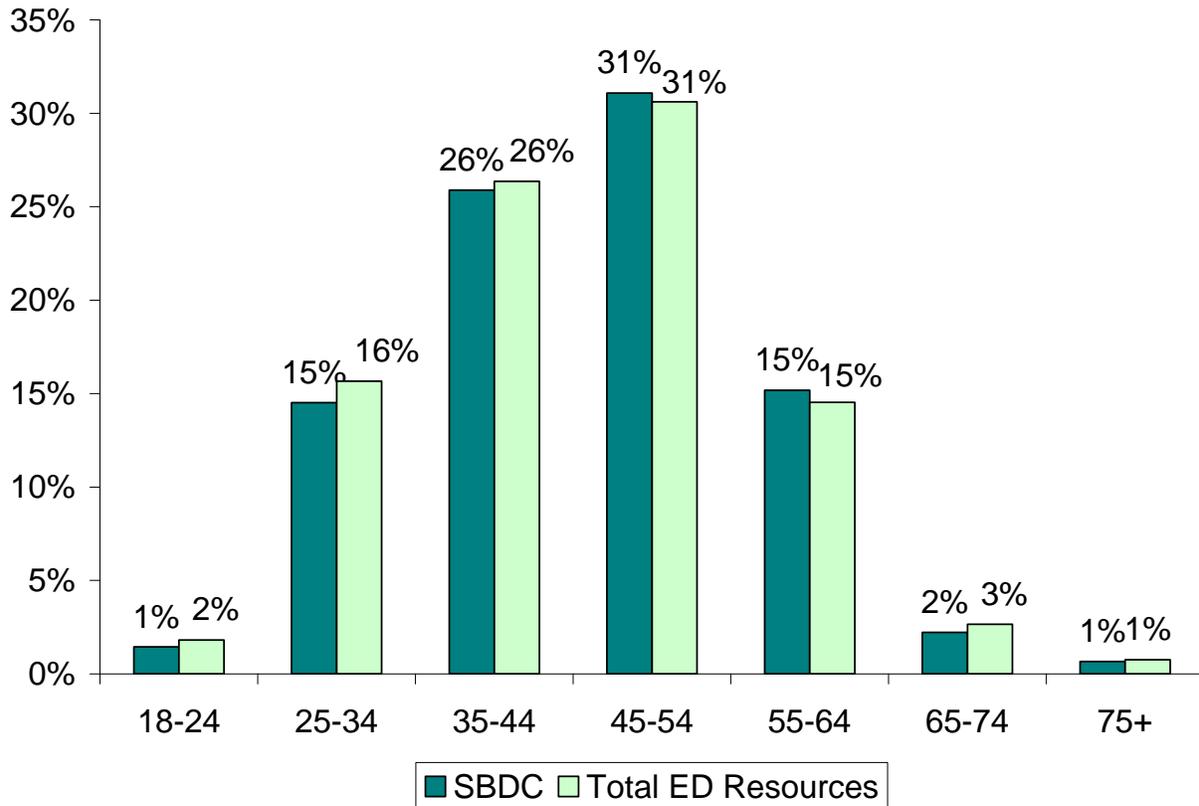


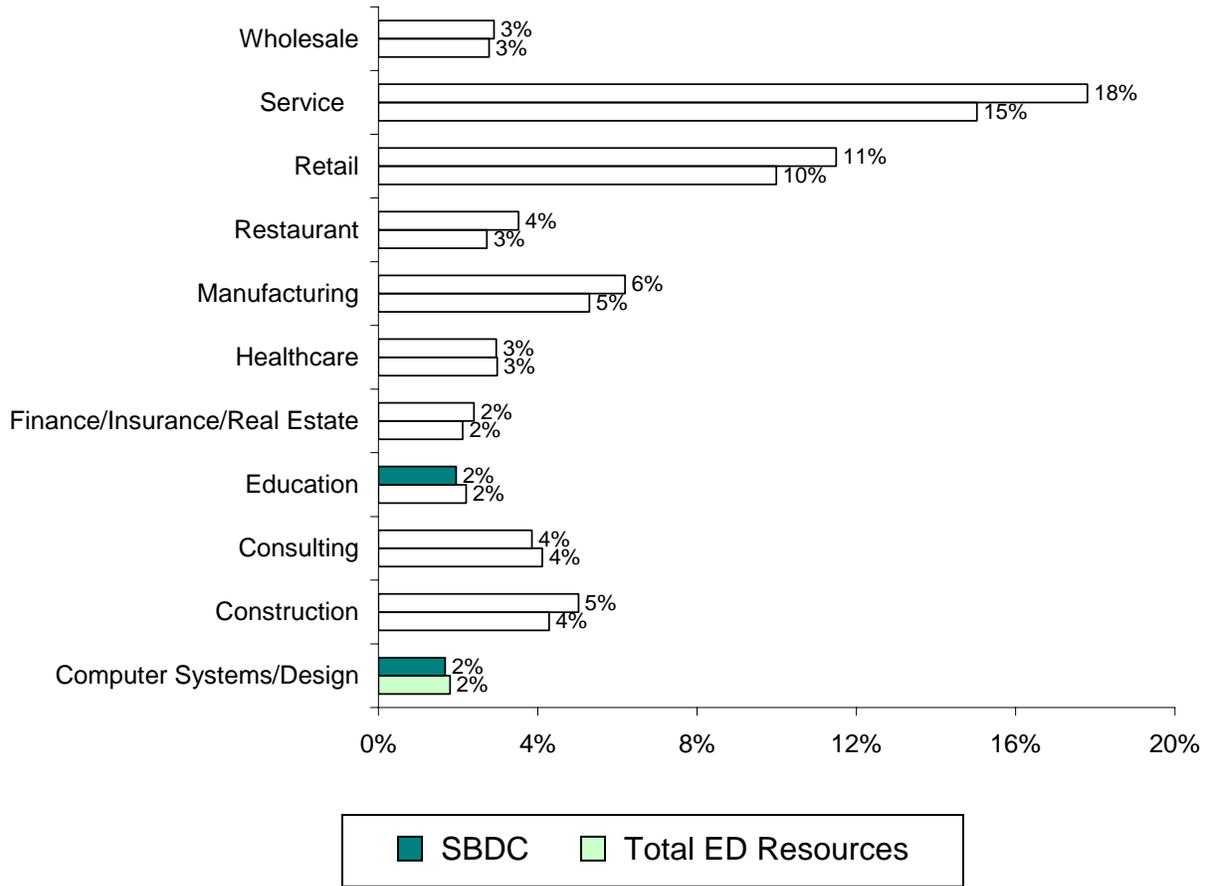
Figure 5.3 shows the distribution of SBDC clients by age of business owner. More than half of SBDC clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54. These data were not available in last year's survey.

Figure 5.3 – SBDC – Age of Business Owner (FY2004)



As shown in Figure 5.4, the most common types of businesses served by SBDC are in the service and retail categories. These results are similar to last year, although 2004 respondents could choose from several additional business categories that were not available previously.

Figure 5.4 – SBDC – Type of Business (FY2004)

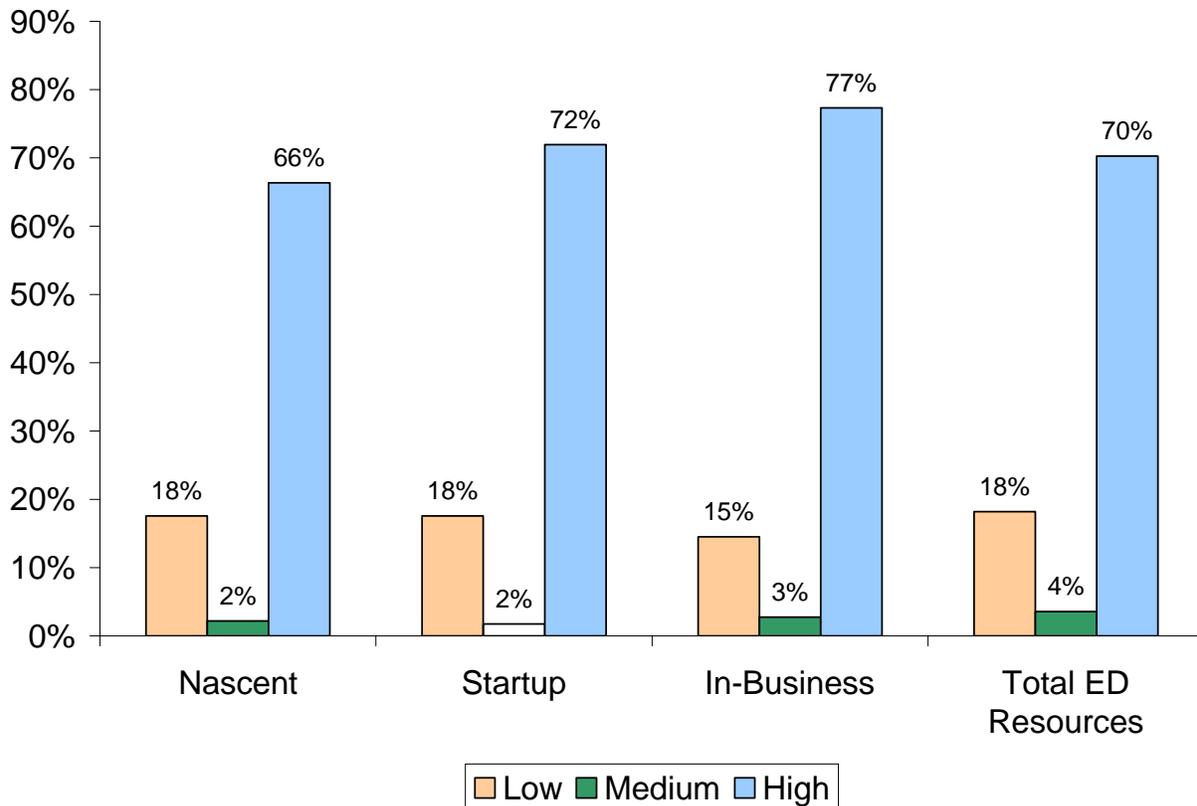


Resource Impacts

Impact on Usefulness and Value of Services or Assistance Received

Approximately 74 percent of SBDC respondents reported that the information they received from their counselor was valuable. Figure 5.5 shows ratings of usefulness of services received by business segment. Out of SBDC Start-Ups, 66 percent rated the information as highly useful, compared to 77 percent of In-business firms. These results are similar to those reported last year, although ratings for Nascent businesses are somewhat lower than last year (73 percent in 2003).

Figure 5.5 – SBDC – How useful was the information you received?²⁶ (FY2004)

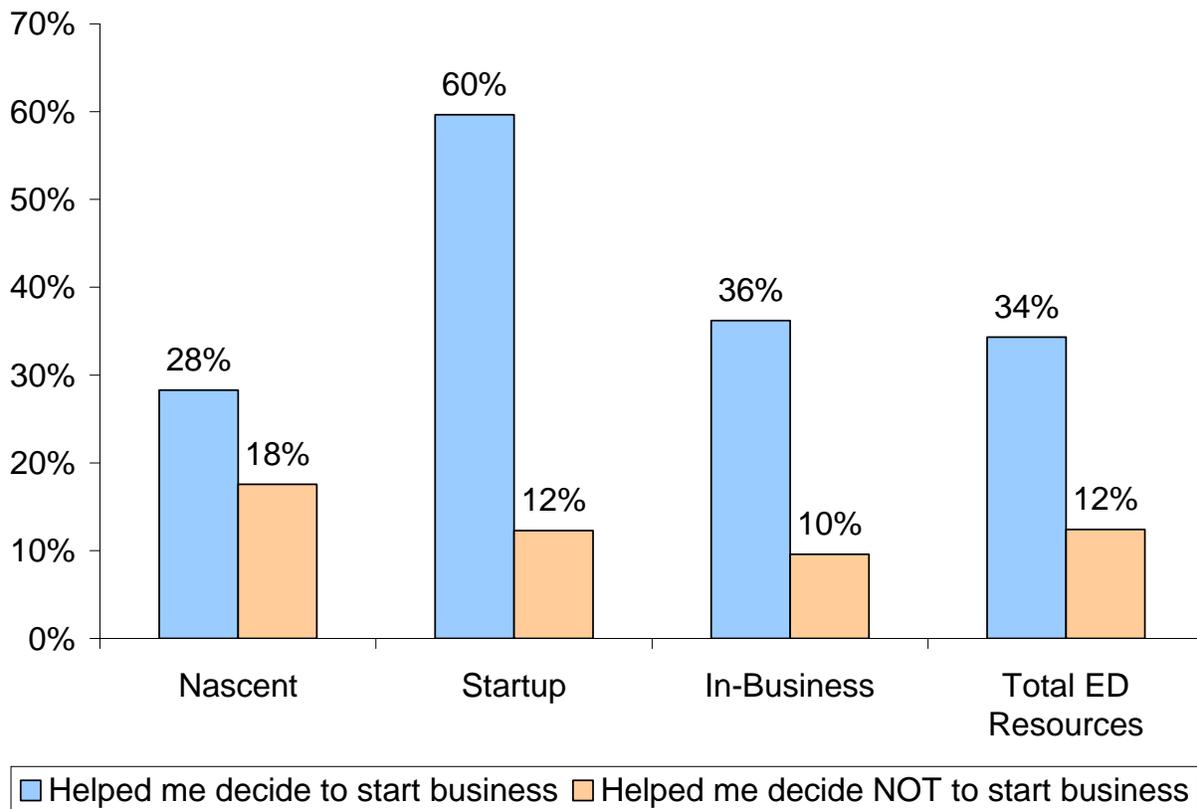


²⁶ Low value includes the ‘Somewhat Useful’ and ‘Not Useful’ response categories. High value includes the ‘Extremely Useful’ and ‘Useful’ response categories.

Impact on the Decision to Start or Not Start a Business

As reported in Figure 5.6, SBDC impacted the decision to start a business for 28 percent of Nascent respondents. In contrast, last year, 44 percent of SBDC Nascent respondents reported that SBDC assistance was helpful in their decision to start a business. Approximately 60 percent of Start-Up clients reported that SBDC assistance was helpful in their decision to start a business, compared to 34 percent for ED Resource clients combined. In addition, 12 percent of this year’s respondents reported that SBDC assistance helped them decide not to start a business, and this is about the same as other ED Resource clients and SBDC clients from last year.

Figure 5.6 – SBDC – Were these services helpful in starting or NOT starting a business?²⁷ (FY2004)



²⁷ Helpful includes the ‘Very Helpful’ and ‘Helpful’ response categories only.

Impact on Clients' Decision to Change Management Practices

Figure 5.7 compares SBDC client decisions to change management practices or strategies by segment. As a result of SBDC assistance, 49 percent of Start-Up firms have changed their current management practices or strategies. In contrast, 17 percent of SBDC In-Business clients reported changing management practices. These figures are somewhat lower than in the previous year, when 62 percent SBDC Start-ups and 64 percent of SBDC In-Business clients reported these changes.

Figure 5.7 – SBDC – As a result of assistance, have you changed management practices/strategies? (FY2004)

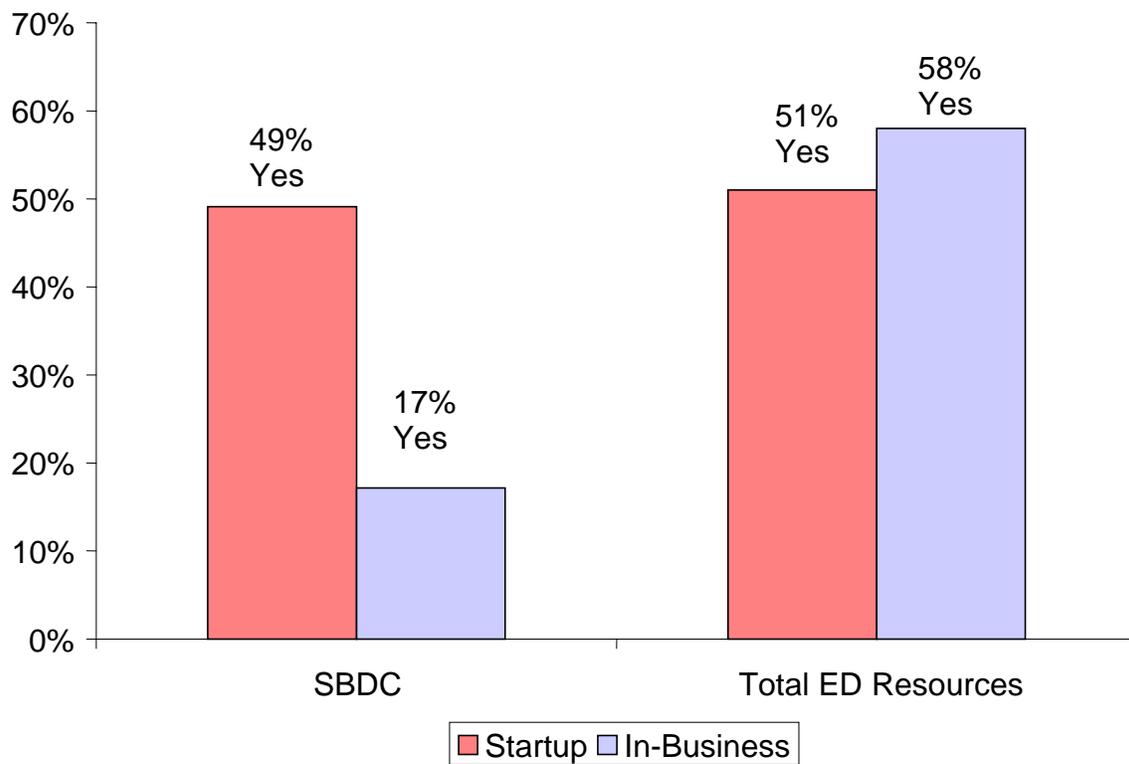
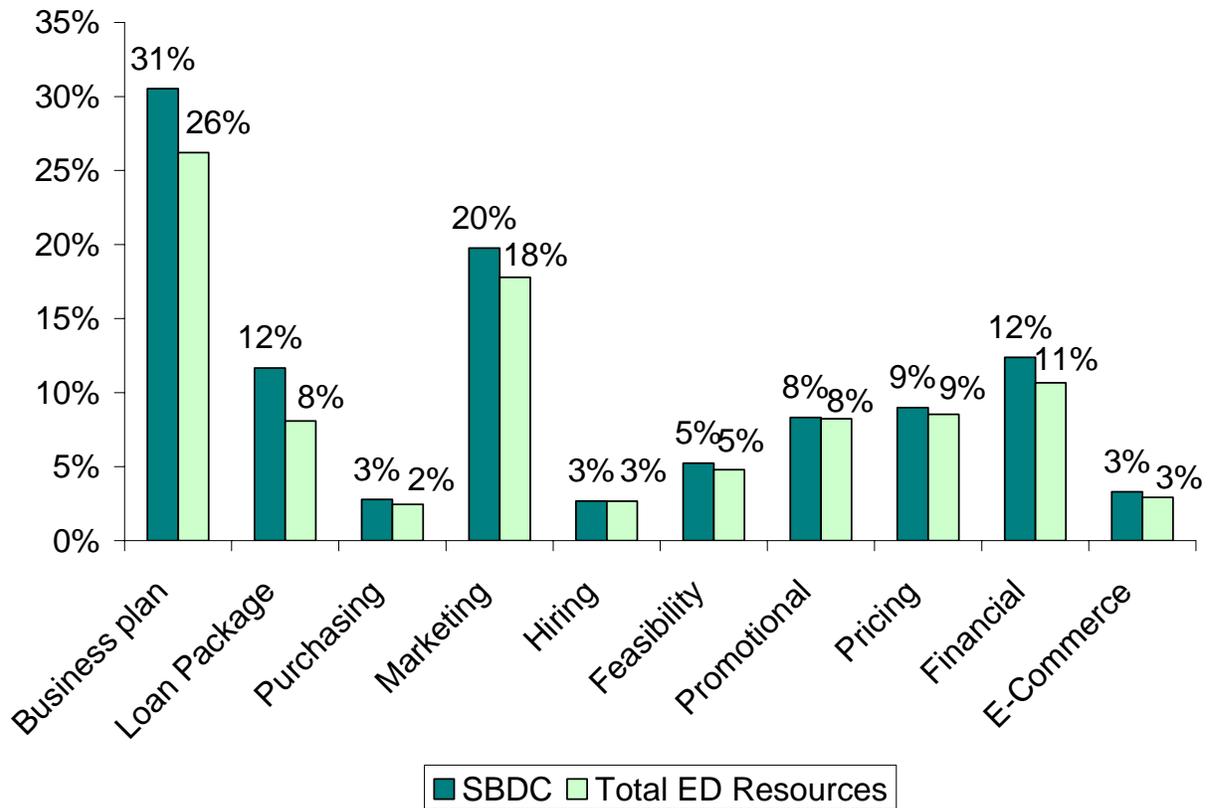


Figure 5.8 shows the business functions that were changed as a result of SBDC assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and financial strategies. Compared to other ED Resources, SBDC provides more assistance with business plans and loan packages.

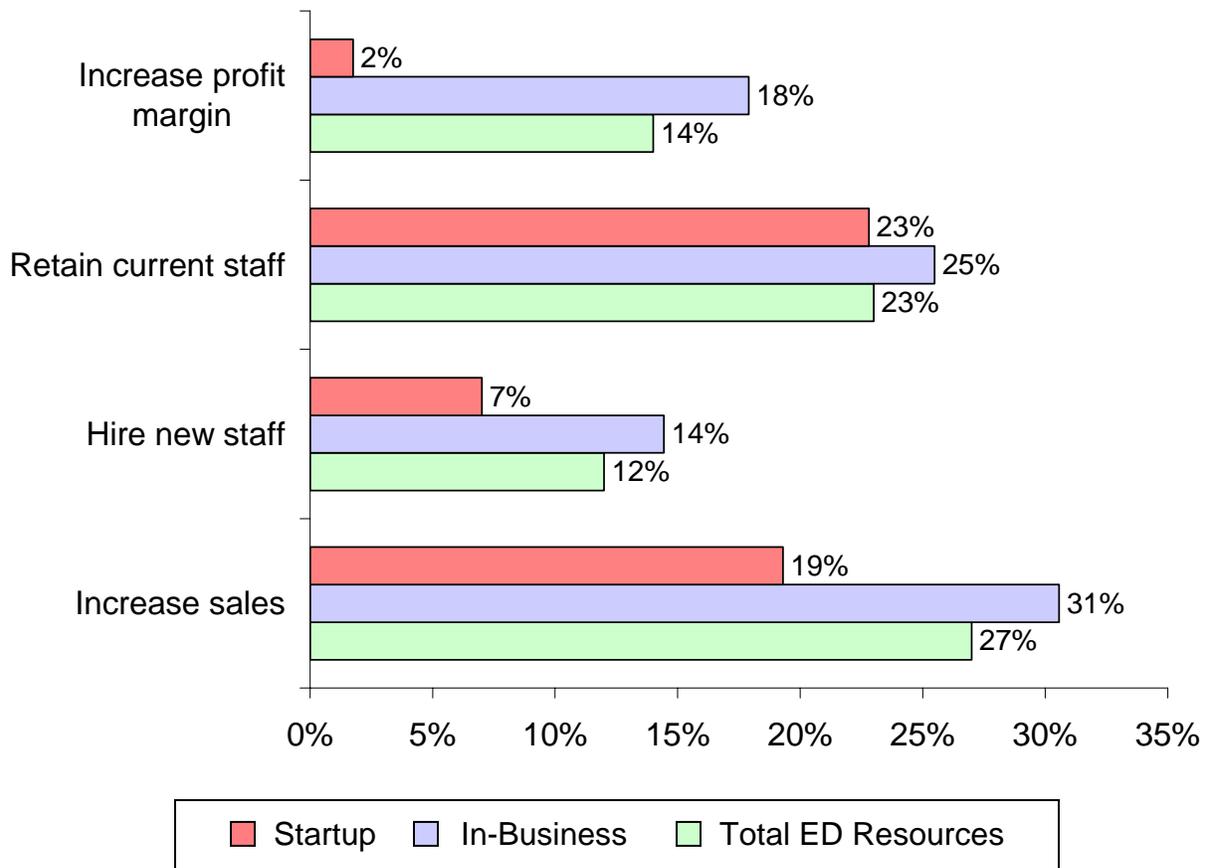
Figure 5.8 – SBDC – Changes in Management Practices (FY2004)



Impact on Sales, Job Creation and Job Retention

Figure 5.9 compares SBDC Start-Up and In-Business clients in terms of the reported impact of SBDC assistance on increases in sales, profits, jobs, and the retention of employees. In terms of economic impact, 19 percent of SBDC Start-Ups and 31 percent of In-Business respondents reported that they were able to increase sales as a result of SBDC assistance. These impacts are higher than the average of 20 percent for all ED Resource clients combined. However, these impacts are somewhat smaller when compared to 2003 clients, as increases in sales were reported by 25 percent of SBDC Start-Ups and 37 percent of In-Business respondents.

Figure 5.9 – SBDC – How have these changes had an impact on your firm? (FY2004)



VI. SCORE 2004 VS. TOTAL ED RESOURCES

The following section presents results from SCORE respondents. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

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

Demographic Characteristics of SCORE Clients

This section describes the general demographic and financial characteristics of SCORE respondents. These results are based on an analysis of 1,472 completed surveys.

As shown in Figure 6.1, the largest business segment served by SCORE is the In-Business segment (57 percent). These results also show that compared to other ED Resources, a larger share of SCORE clients are in the Nascent segment.

Figure 6.1 – SCORE – Distribution of Respondents by Segment (FY2004)

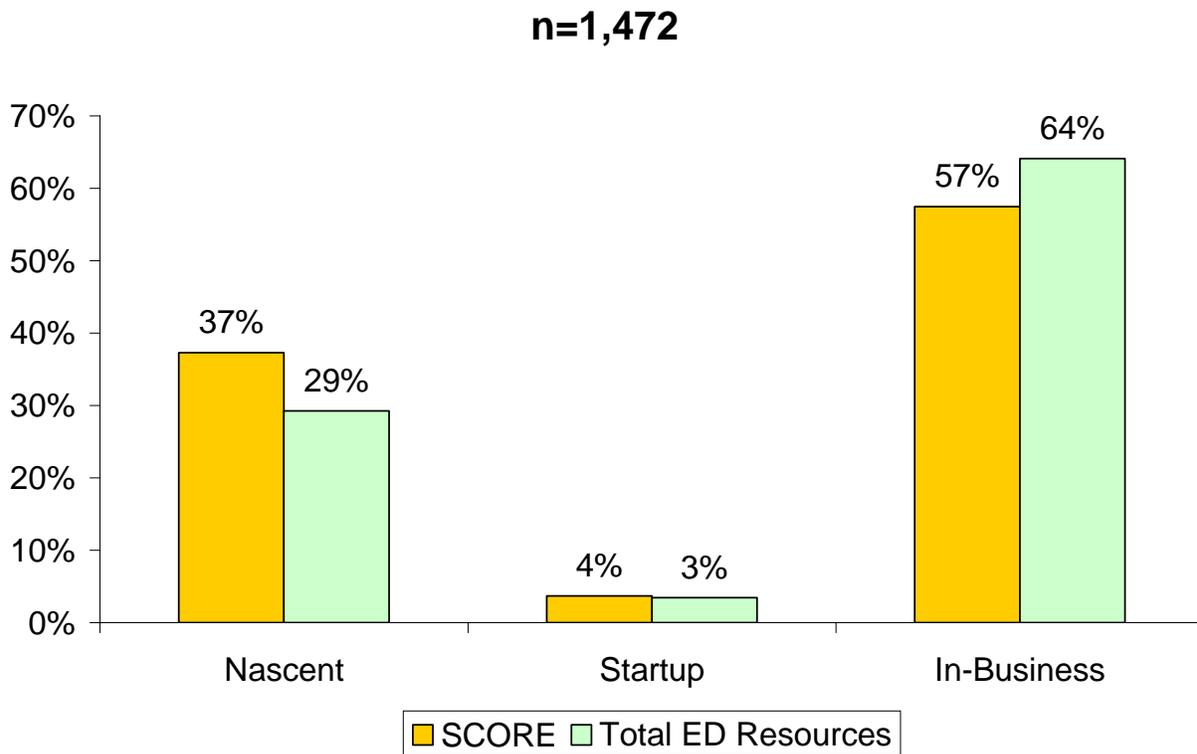


Table 6.1 compares revenues, employment, and firm age for SCORE clients vs. Total ED Resources. SCORE clients are smaller in terms of revenues and employees than the average for ED Resources combined. In addition, average revenues for SCORE clients were \$115,388 in 2004, compared to \$90,596 in last year’s survey.

Table 6.1 – SCORE Revenues, Employment, and Age of Firms (FY2004)

	SCORE	Total ED Resources
Average Revenue	\$115,388	\$148,952
Average Employees	3.1	4.6
Firm Age (in years)	5.9	6.4

Demographic characteristics of SCORE clients, including gender, race, ethnicity, and veteran status are reported in Figure 6.2. About 46 percent of SCORE clients are female. Fifteen percent of SCORE clients are African-American, and another 7 percent are Hispanic/Latino. Ten percent of SCORE clients are veterans, and 1 percent of these clients are in the service-disabled category. These percentages are similar to ED Resources overall, and those for last year's SCORE clients.

Figure 6.2 – SCORE – Demographic Characteristics (FY2004)

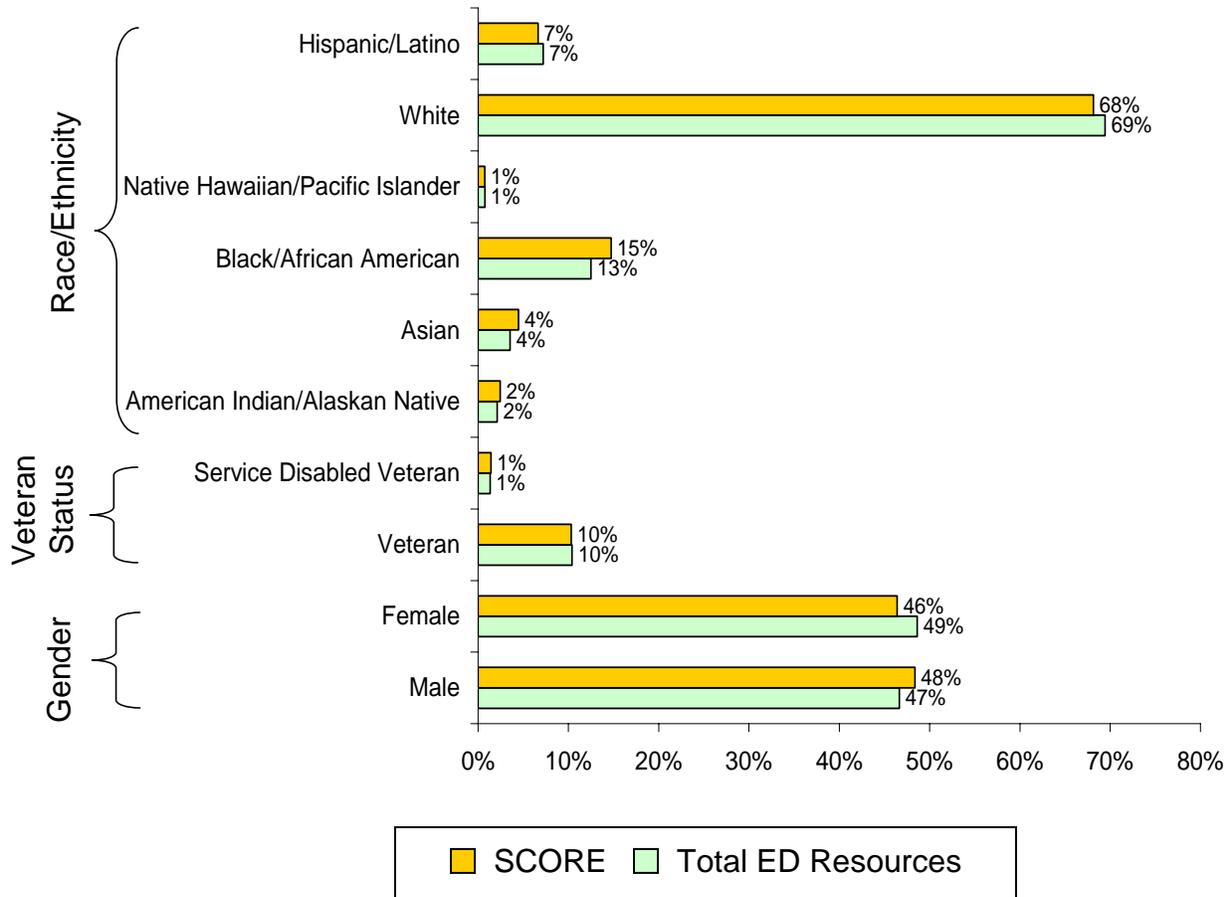
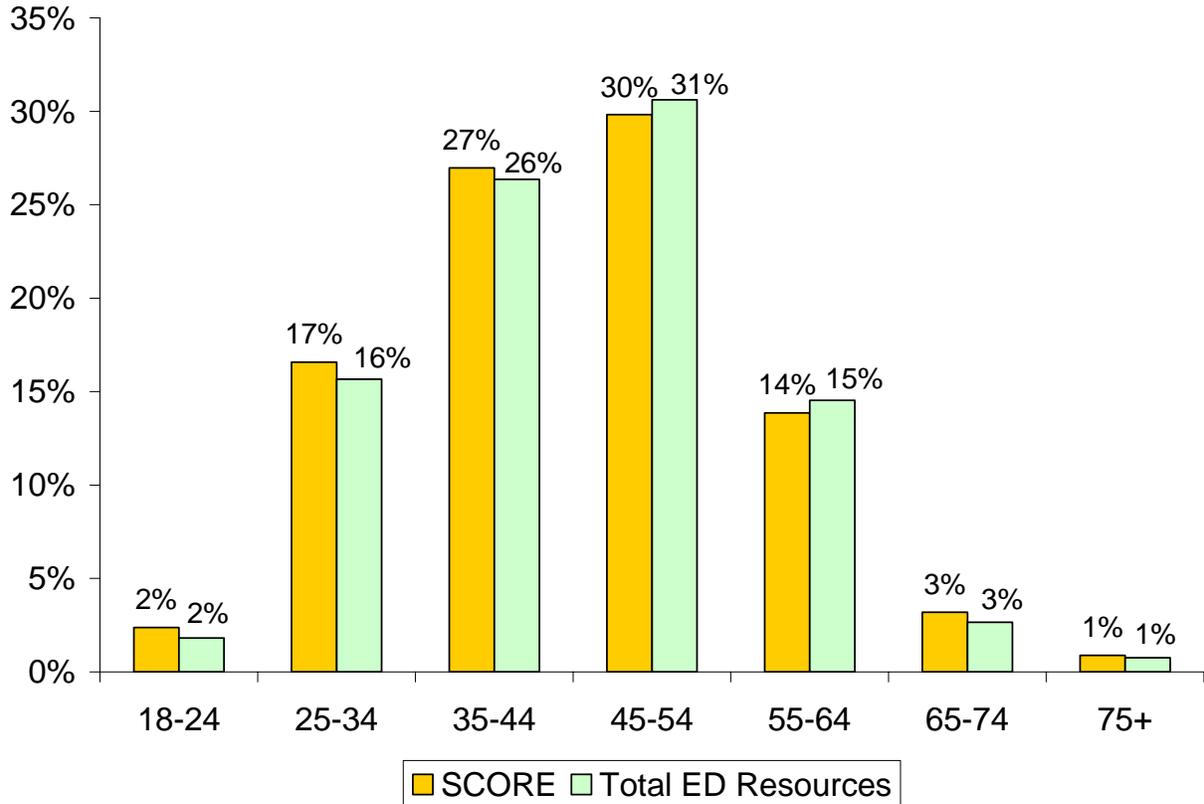


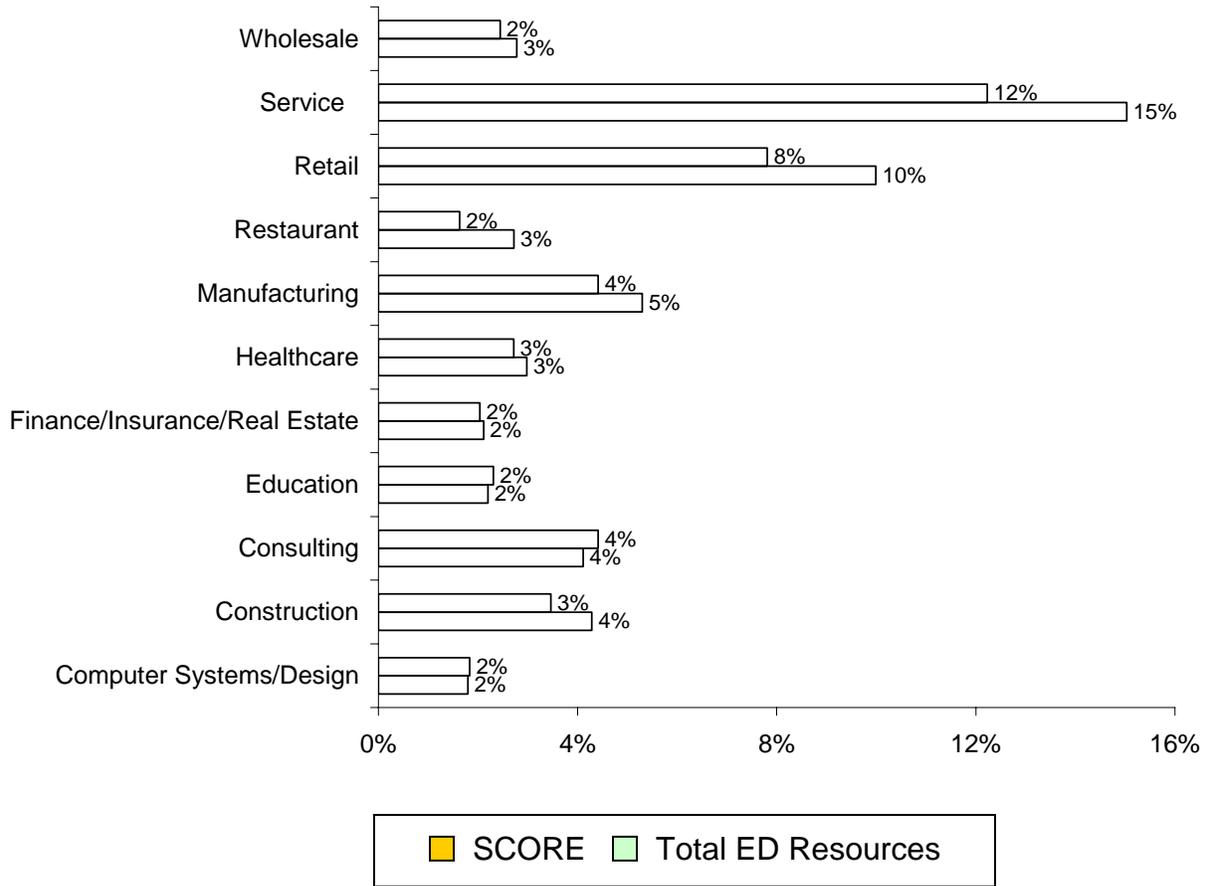
Figure 6.3 shows the distribution of SCORE clients by age of business owner. More than half of SCORE clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54. These data were not available in last year's survey

Figure 6.3 – SCORE – Age of Business Owner (FY2004)



As shown in Figure 6.4, the most common types of businesses served by SCORE are in the service and retail categories. These results are similar to last year, although 2005 respondents could choose from several additional business categories that were not available previously

Figure 6.4 – SCORE – Type of Business (FY2004)

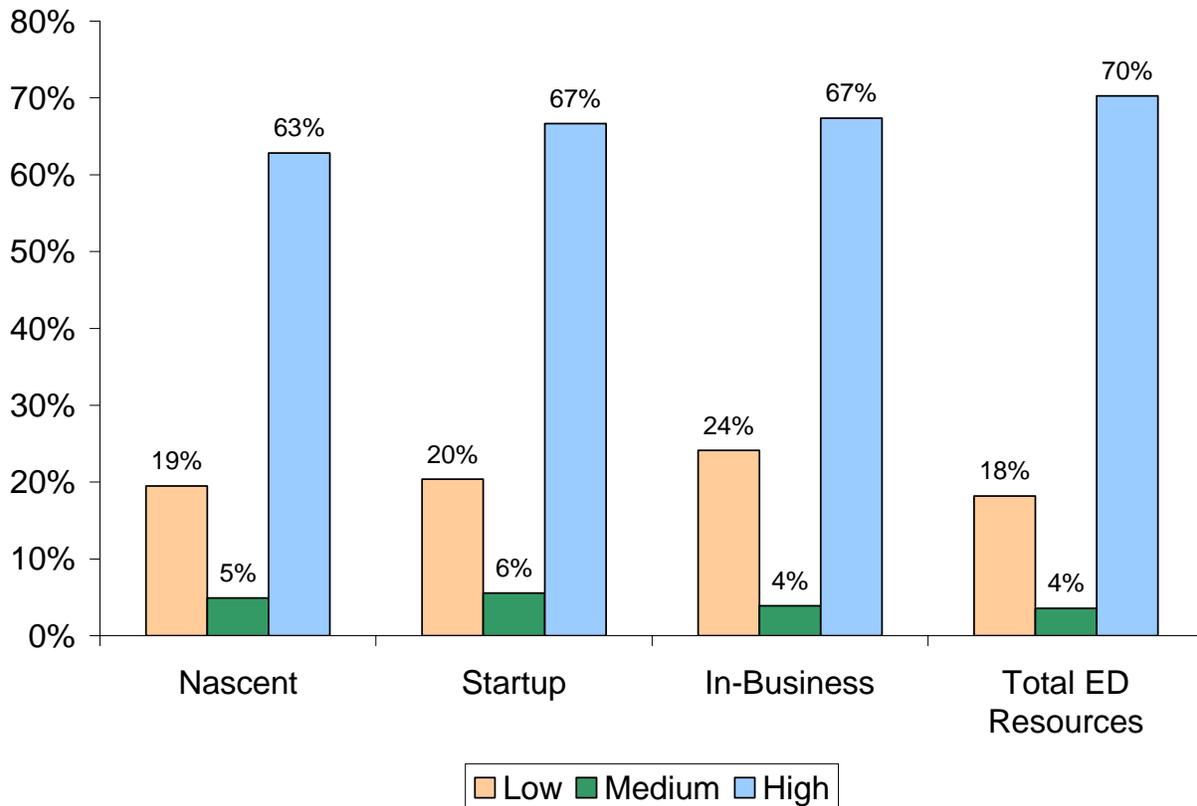


Resource Impacts

Impact on Usefulness and Value of Services or Assistance Received

Approximately 65 percent of SCORE respondents reported that the information they received from their counselor was useful, compared to 70 percent of clients from all ED Resources combined. Figure 6.5 shows these ratings of usefulness of services received by business segment. Start-Up and In-business firms rated the information they received as more useful than Nascent businesses. These results are similar to those reported last year.

Figure 6.5 – SCORE – How useful was the information you received?²⁸ (FY2004)

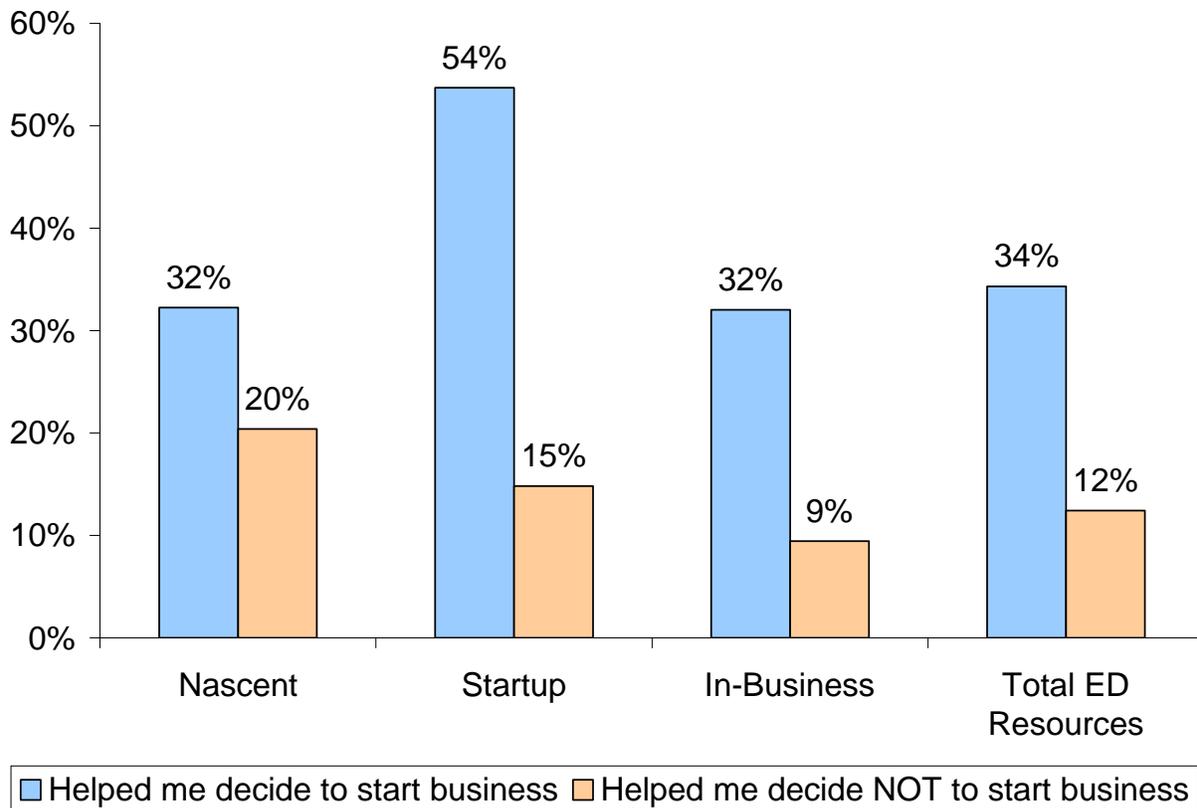


²⁸ Low value includes the 'Somewhat Useful' and 'Not Useful' response categories. High value includes the 'Extremely Useful' and 'Useful' response categories.

Impact on the Decision to Start or Not Start a Business

As reported in Figure 6.6, SCORE assisted in the decision to start a business for 32 percent of Nascent respondents, which is similar to last year’s percentage. For Start-Ups, this figure was 54 percent, which is high relative to the average of 34 percent for all ED Resource clients combined. In addition, 20 percent of this year’s Nascent respondents reported that SCORE assistance helped them decide not to start a business, compared to 25 percent last year.

Figure 6.6 – SCORE – Were these services useful in starting or NOT starting a business?²⁹ (FY2004)



²⁹ Helpful includes the ‘Very Useful’ and ‘Useful’ response categories only.

Impact on Clients' Decision to Change Management Practices

As a result of SCORE assistance, 46 percent of Start-Up firms have changed their current management practices or strategies, and 51 percent of In-Business clients reported changing management practices. Figure 6.7 compares SCORE client decisions to change management practices or strategies by segment. These figures are somewhat lower than in the previous year, when 55 percent of SCORE Start-ups and 58 percent of SCORE In-Business clients reported these changes. These figures are also somewhat lower than were reported by ED Resource clients combined.

Figure 6.7 – SCORE – As a result of assistance, have you changed management practices/strategies? (FY2004)

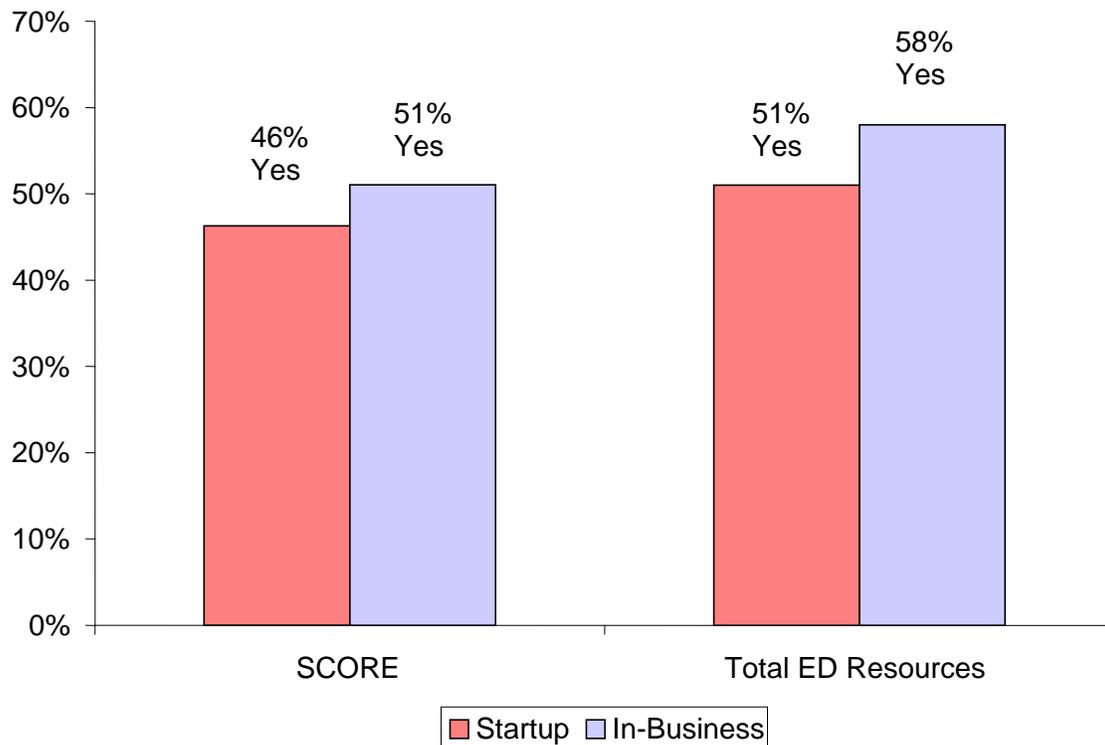
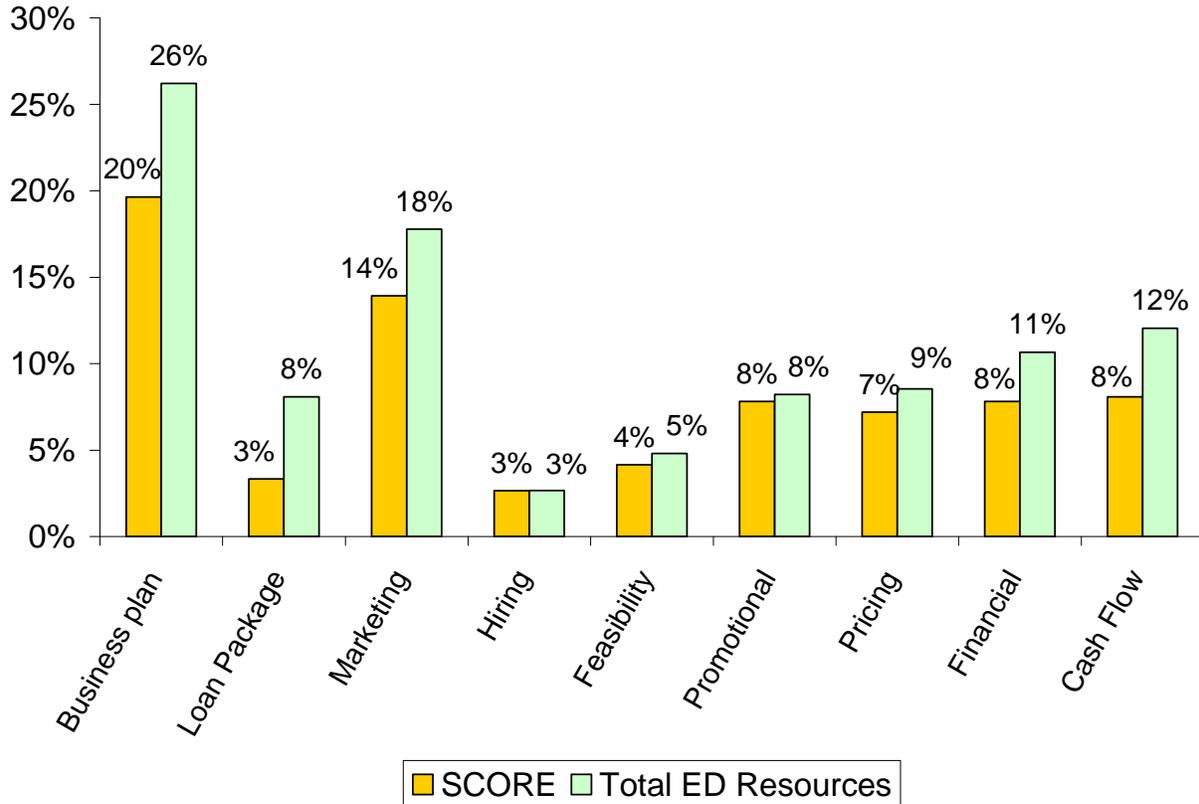


Figure 6.8 shows the business functions that were changed as a result of SCORE assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and financial strategies.

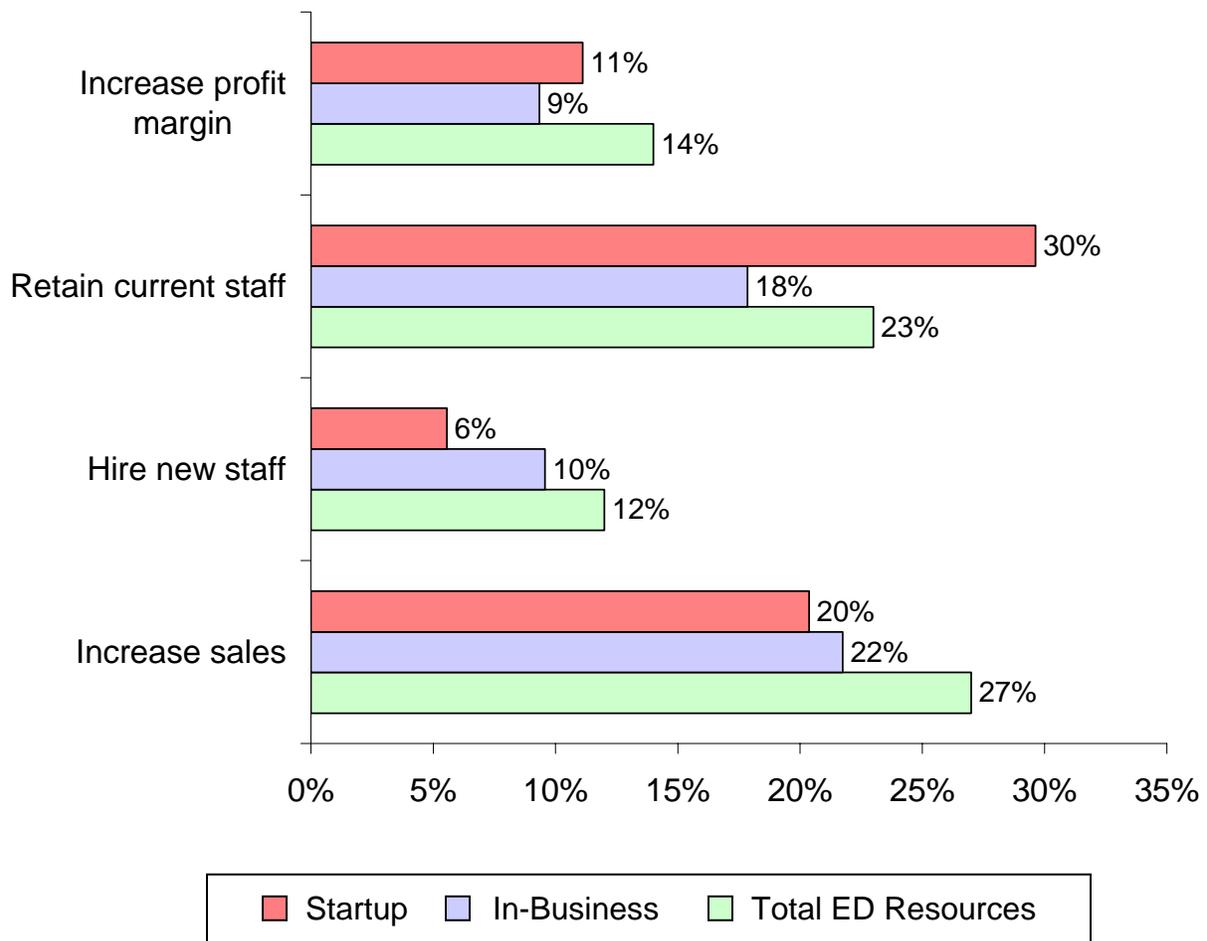
Figure 6.8 – SCORE – Changes in Management Practices (FY2004)



Impact on Sales, Job Creation and Job Retention

Figure 6.9 compares SCORE Start-Up and In-Business clients in terms of the reported impact of SCORE assistance on increases in sales, profits, jobs, and the retention of employees. Interestingly, 30 percent of SCORE Start-Ups reported that SCORE assistance resulted in their retaining current staff compared to 16 percent of ED Resource clients combined. In addition, 20 percent of SCORE Start-Ups and 22 percent of In-Business respondents reported that they were able to increase sales as a result of SCORE assistance. These percentages are similar to those reported by ED Resource clients combined. These impacts are similar to 2003, when increases in sales were reported by 25 percent of SCORE Start-Up and 26 percent of In-Business respondents.

Figure 6.9 – SCORE – How have these changes had an impact on your firm? (FY2004)



VII. WBC 2004 VS. TOTAL ED RESOURCES

The following section presents results from WBC respondents. First, demographic characteristics of the sample are presented, followed by additional findings organized by research question, as follows:

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

Demographic Characteristics of WBC Clients

This section describes the general demographic and financial characteristics of WBC respondents. These results are based on an analysis of 189 completed surveys.

As shown in Figure 7.1, the largest business segment served by WBC is the In-Business segment (67 percent). The distribution of WBC clients across segments is similar to the distribution of all ED Resource clients combined.

Figure 7.1 – WBC – Distribution of Respondents by Segment (FY2004)

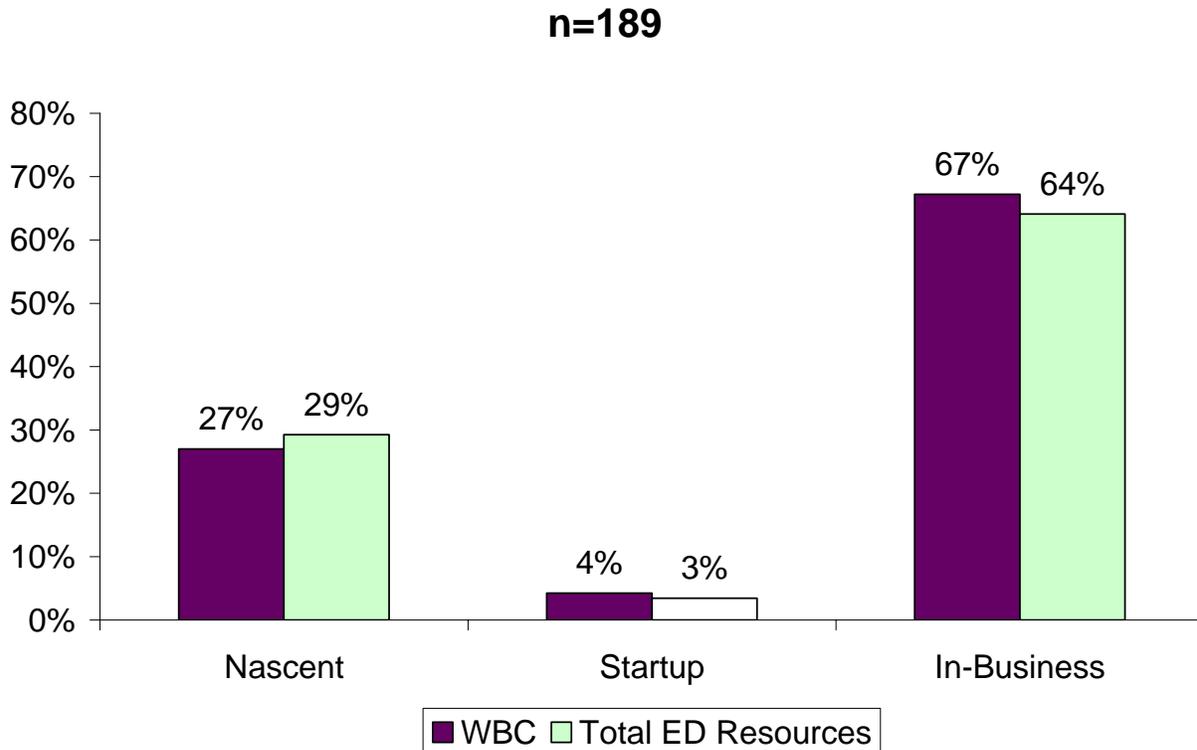


Table 7.1 compares revenues, employment, and firm age for WBC clients vs. Total ED Resources. These results indicate that WBC clients are smaller in terms of revenues and employees than the average for ED Resources combined. In addition, average revenues for WBC clients were \$92,349 in 2004, compared to \$63,694 in last year’s survey.

Table 7.1 – WBC Revenues, Employment, and Age of Firms (FY2004)

	WBC	Total ED Resources
Average Revenue	\$92,349	\$148,952
Average Total Employees	2.4	4.6
Firm Age (in years)	4.8	6.4

Demographic characteristics of WBC clients, including gender, race, ethnicity, and veteran status are reported in Figure 7.2. Not surprisingly, about 83 percent of WBC clients are female. Twenty-two percent of WBC clients are African-American, compared to 13 percent of all ED Resource clients combined. Hispanic/Latino clients represent about 8 percent of WBC clients, which is similar to the percentage for all ED Resource clients combined. Compared to ED Resource clients overall, WBC serves a small share of veterans. These percentages are similar to those based on last year's WBC clients.

Figure 7.2 – WBC – Demographic Characteristics (FY2004)

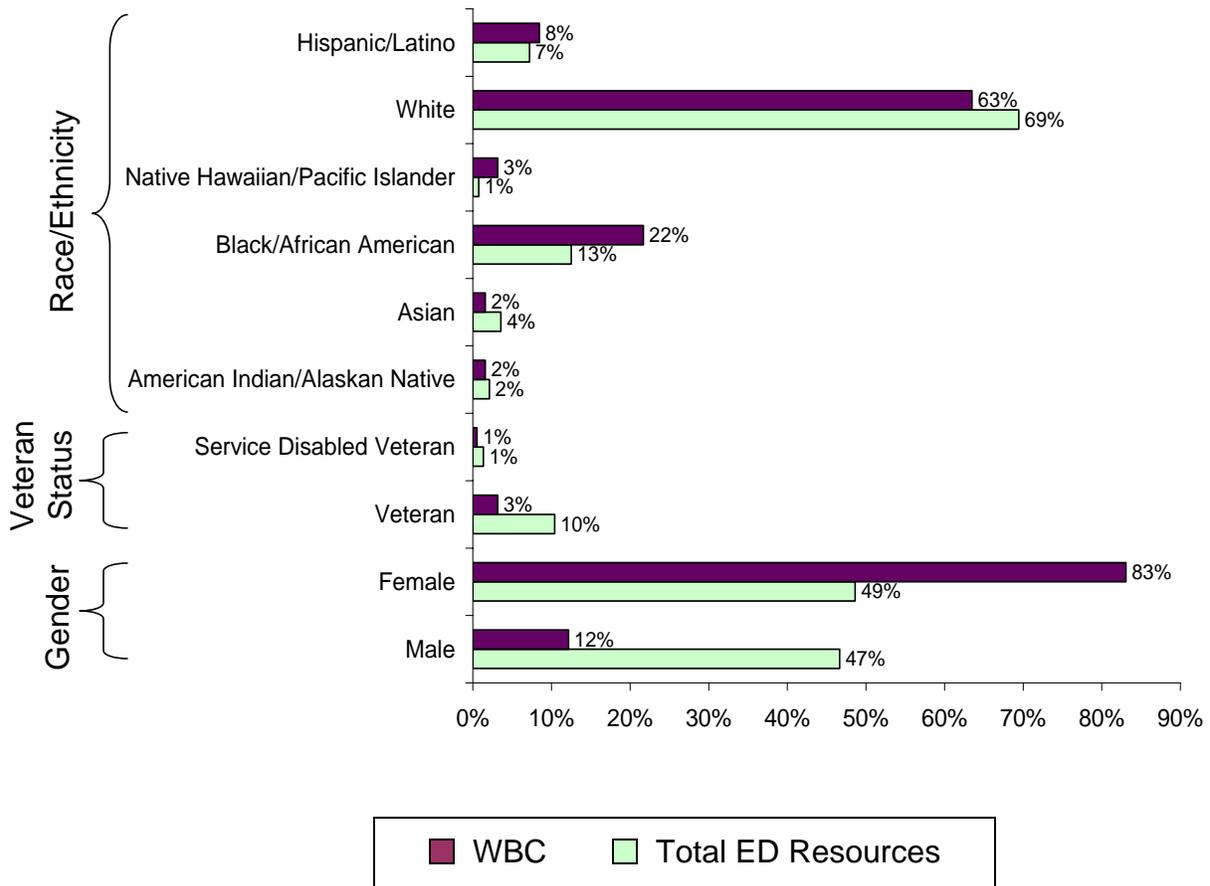
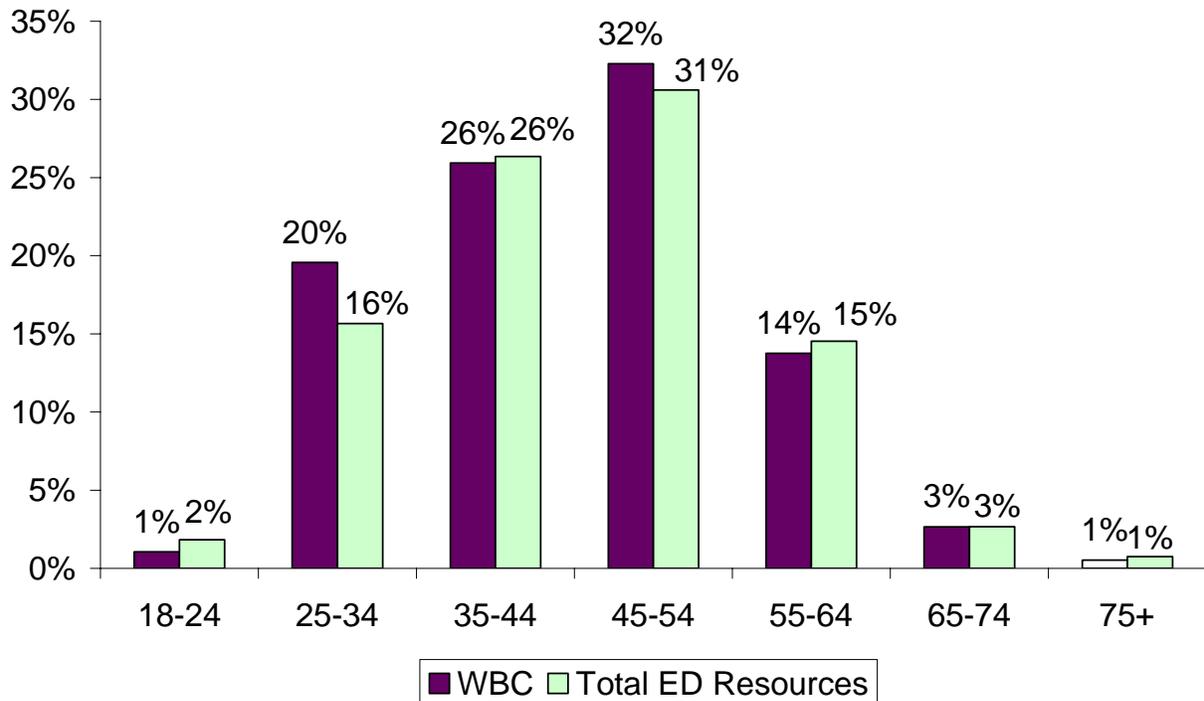


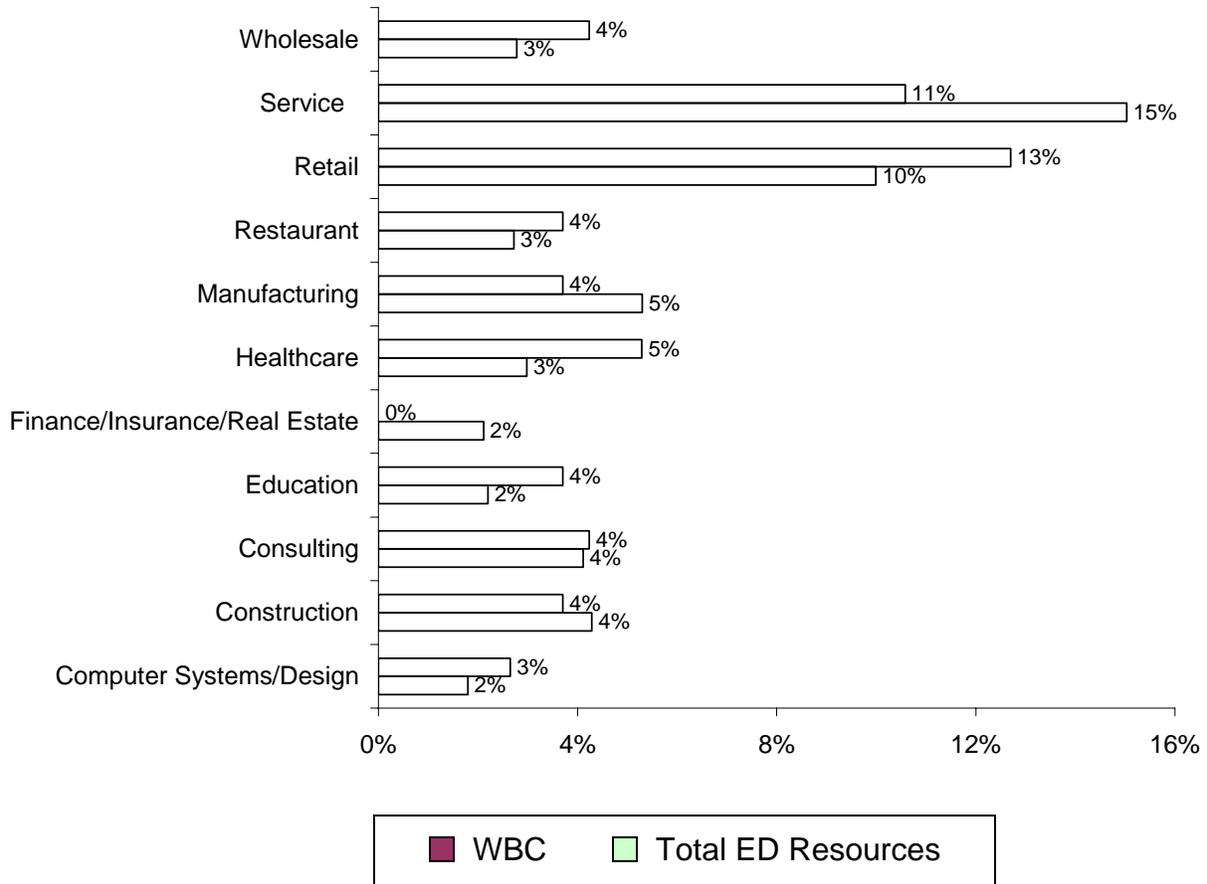
Figure 7.3 shows the distribution of WBC clients by age of business owner. More than half of WBC clients are between 35 and 54 years of age, and the largest age group served are those between the ages of 45 and 54. However, compared to other ED Resources, WBC clients are relatively younger, with 20 percent between the ages of 25 and 34. These data were not available in last year's survey.

Figure 7.3 – WBC – Age of Business Owner (FY2004)



As shown in Figure 7.4, the most common types of businesses served by WBC are in the service and retail categories. However, WBC clients are more likely to be in the retail, restaurant, and health care businesses than other ED Resource clients. These results are similar to last year, although 2005 respondents could choose from several additional business categories that were not available previously.

Figure 7.4 – WBC – Type of Business (FY2004)

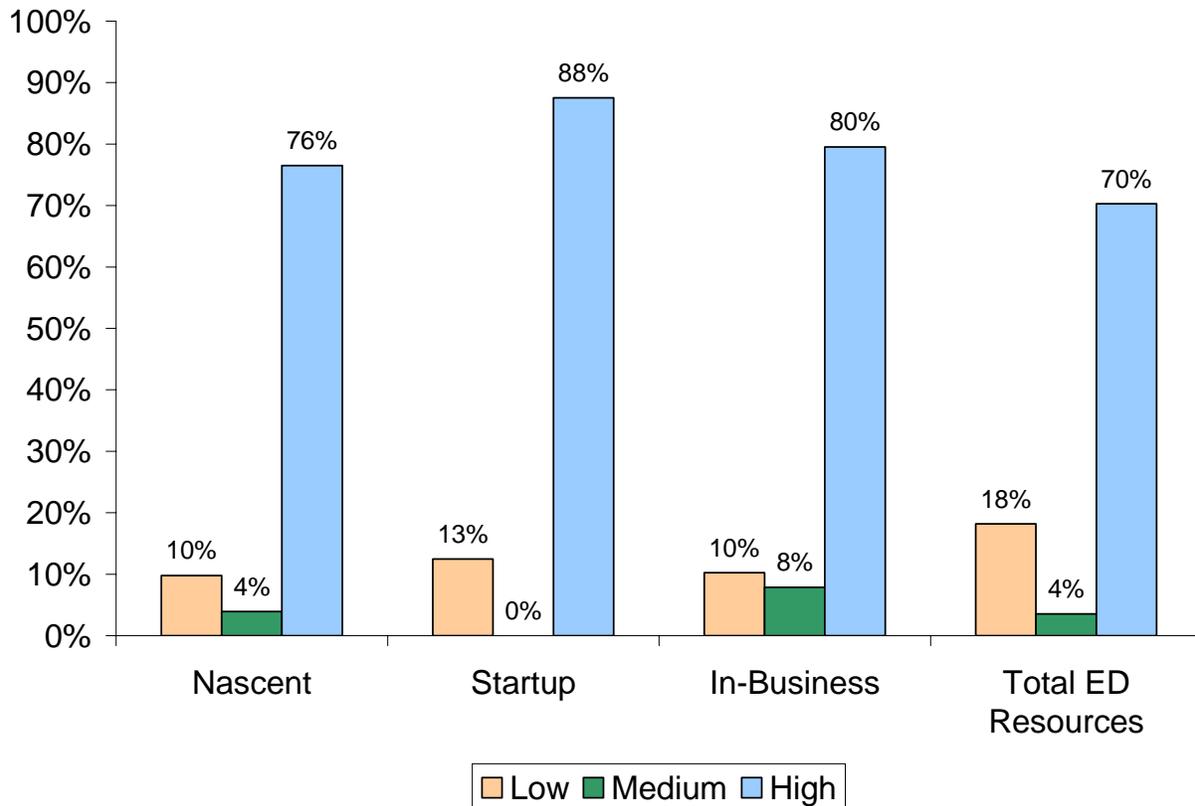


Resource Impacts

Impact on Usefulness and Value of Services or Assistance Received

Approximately 79 percent of WBC respondents overall reported that the information they received from their counselor was valuable. Figure 7.5 shows ratings of usefulness of services received by business segment. Regardless of segment, WBC clients assigned higher ratings than the 70 percent average for ED Resource clients combined. For example, out of WBC Start-Ups, 88 percent rated the information as highly useful, and this figure was 80 percent for In-business firms. These results are similar to those reported by WBC clients last year.

Figure 7.5 – WBC – How useful was the information you received?³⁰ (FY2004)

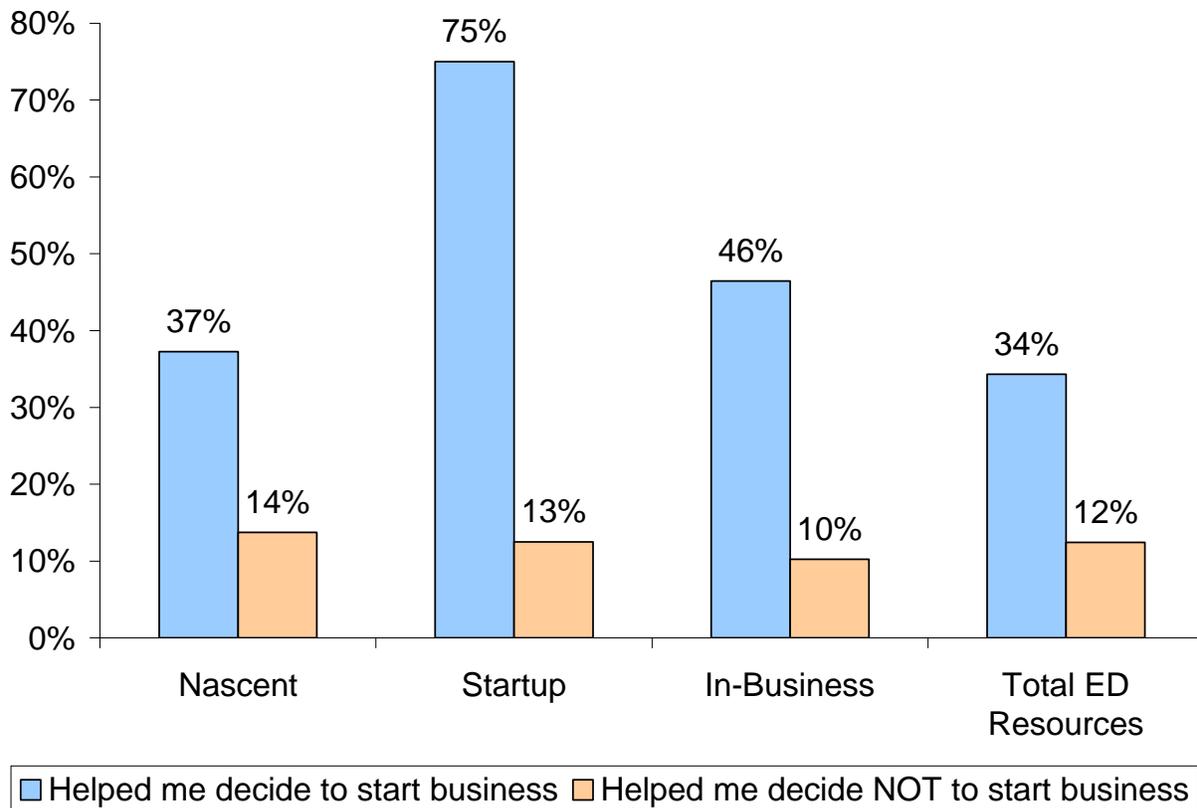


³⁰ Low value includes the ‘Somewhat Useful’ and ‘Not Useful’ response categories. High value includes the ‘Extremely Useful’ and ‘Useful’ response categories.

Impact on the Decision to Start or Not Start a Business

As reported in Figure 7.6, WBC assisted in the decision to start a business for 37 percent of Nascent respondents. For Start-Ups, this figure was 75 percent, which is much higher than the average of 34 percent for all ED Resource clients combined. In addition, 14 percent of this year’s Nascent respondents reported that WBC assistance helped them decide not to start a business, compared to 25 percent last year.

Figure 7.6 – WBC – Were these services useful in starting or NOT starting a business?³¹ (FY2004)



³¹ Useful includes the ‘Very Useful’ and ‘Useful’ response categories only.

Impact on Clients' Decision to Change Management Practices

Figure 7.7 compares WBC client decisions to change management practices or strategies by segment. As a result of WBC assistance, all of Start-Up respondents and 74 percent of In-Business respondents reported changing their current management practices or strategies. These figures are considerably higher than those reported by Total ED Resource clients combined, but are similar to those reported by WBC clients last year.

Figure 7.7 – WBC – As a result of assistance, have you changed management practices/strategies? (FY2004)

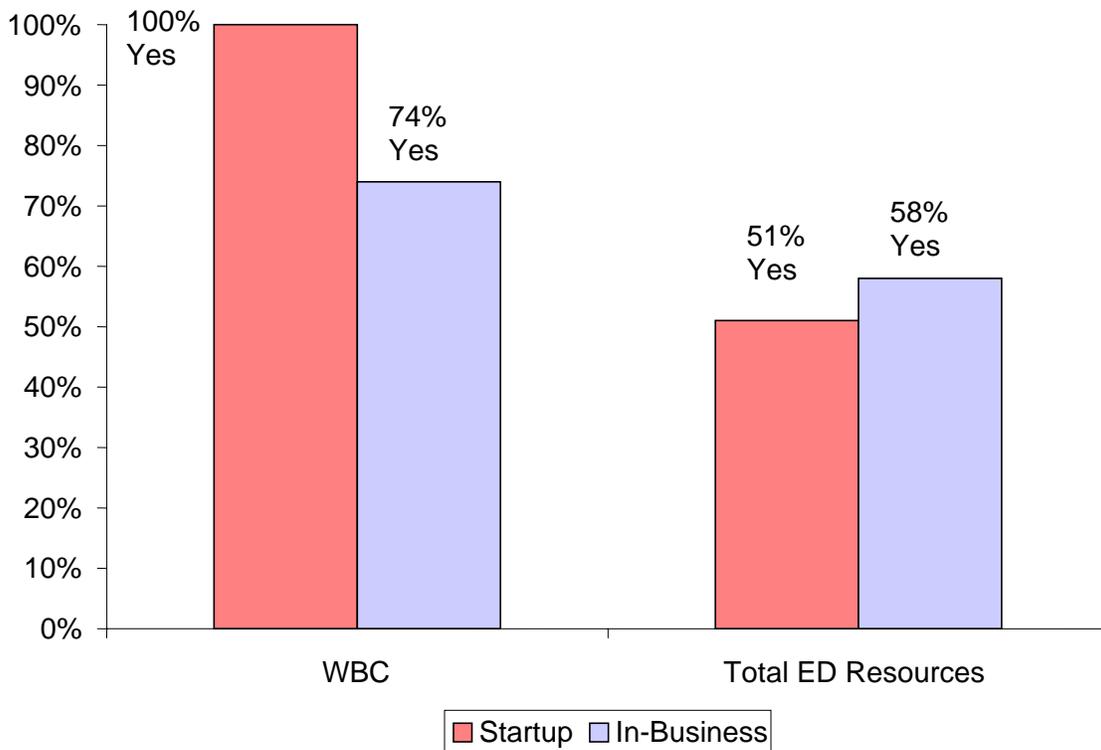
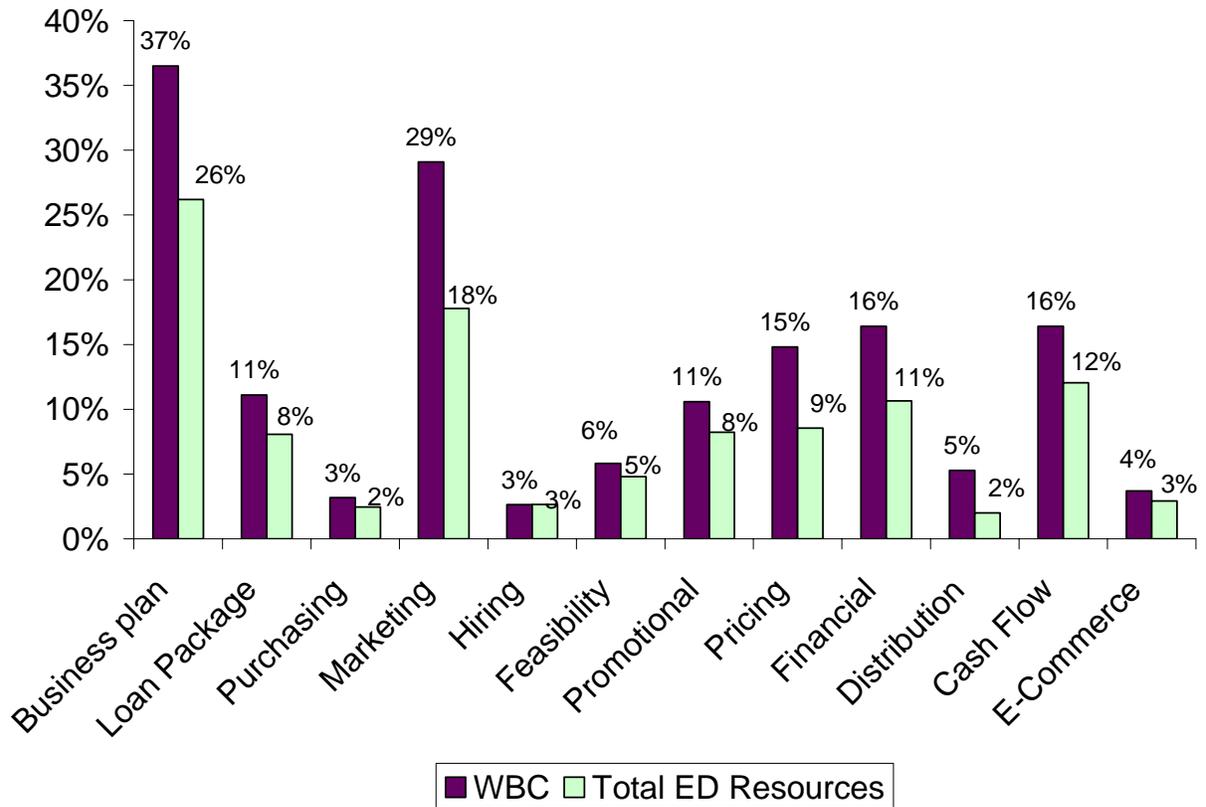


Figure 7.8 shows the business functions that were changed as a result of WBC assistance. Business plans and marketing plans were the most frequently cited functions, followed by cash flow analysis and financial strategies. Compared to other resources, larger shares of WBC respondents cited changes in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

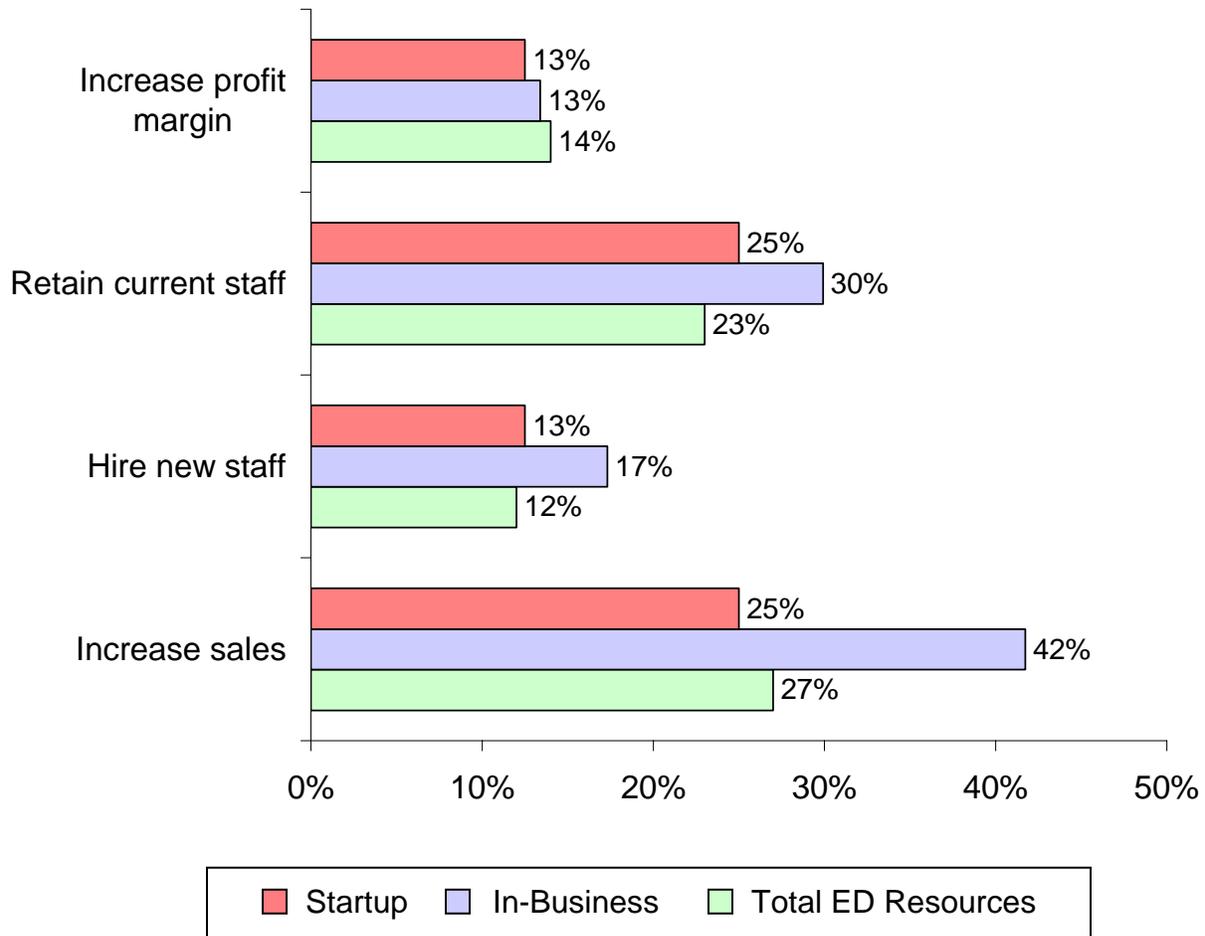
Figure 7.8 – WBC – Changes in Management Practices (FY2004)



Impact on Sales, Job Creation and Job Retention

Figure 7.9 compares WBC Start-Up and In-Business clients in terms of the impact of WBC assistance on increases in sales, profits, jobs, and the retention of employees. Interestingly, 42 percent of WBC In-Business respondents reported that WBC assistance resulted in increased sales compared to 20 percent of ED Resource clients combined. In addition, 17 percent of WBC In-Business clients reported increases in hiring new employees and 30 percent of In-Business respondents reported that they were able to retain current staff as a result of WBC assistance. These impacts are larger than the average for total ED Resource clients combined, but are comparable to those reported for WBC 2003 clients.

Figure 7.9 – WBC – How have these changes had an impact on your firm? (FY2004)



VIII. RESULTS FOLLOW-UP STUDY 2003 CLIENTS*

The follow-up survey of 2003 ED Resource Clients collected longitudinal data to examine the impact of ED Resource assistance one year after assistance was received. The following analysis addresses 2 key research questions:

1. **How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics (PSED) database? In particular:**
 - What was the rate of transition of Nascent and Start-Up firms to the In-business segment?
 - Based on a comparison with the PSED, what is the impact of ED Resource assistance on firm survival?
2. **Was the financial impact (job creation, job retention and sales) on the client's, provided services/assistance by SBA ED Resources (SBDC, SCORE, and WBC), financial position since last year greater than or equal to a representative small business population? In particular:**
 - What was the financial impact of services/assistance provided by SBA ED Resources in terms of job creation, job retention and sales?
 - What is the relative impact of different kinds of ED Resource assistance on revenue growth?

In terms of measuring financial impact, this Follow-Up study is one of the few existing studies that tracks actual revenues and employment on an annual basis. This allows for actual growth measurements to be compared with other indicators of economic growth, such as GDP. Other studies of small businesses, such as the NFIBs Small Business Economic Survey, or the PSED, do not report actual growth in revenues or employment, or do not do so annually.

Methodology

There were 4,823 respondents to the Initial Economic Impact Survey in 2004. A follow-up survey of these respondents was conducted in 2005 by mail and phone. The follow-up survey sample included 543 respondents, resulting in an 11 percent response rate. Out of the 543 completed follow-up surveys, approximately 205 had valid client codes that could be matched on a one-to-one basis with the initial impact survey responses, including 133 from SBDC, 49 from SCORE, and 23 from WBC. Thus, for a sample of 205 clients, there is detailed data which can be tracked from 2003 to 2004. This sample can be used to perform pair-wise statistical tests that compare changes in growth by segment, ED Resource, and other groupings. Although there are fewer observations available for this analysis, findings provide a more precise estimate of changes in revenues and employment over time than aggregate, non-matched comparisons.

Non-response bias can occur in follow-up surveys if the characteristics of the initial respondent sample differ significantly from the follow-up sample. We assess the extent and direction of potential non-response bias by comparing the two samples. A statistical comparison of average

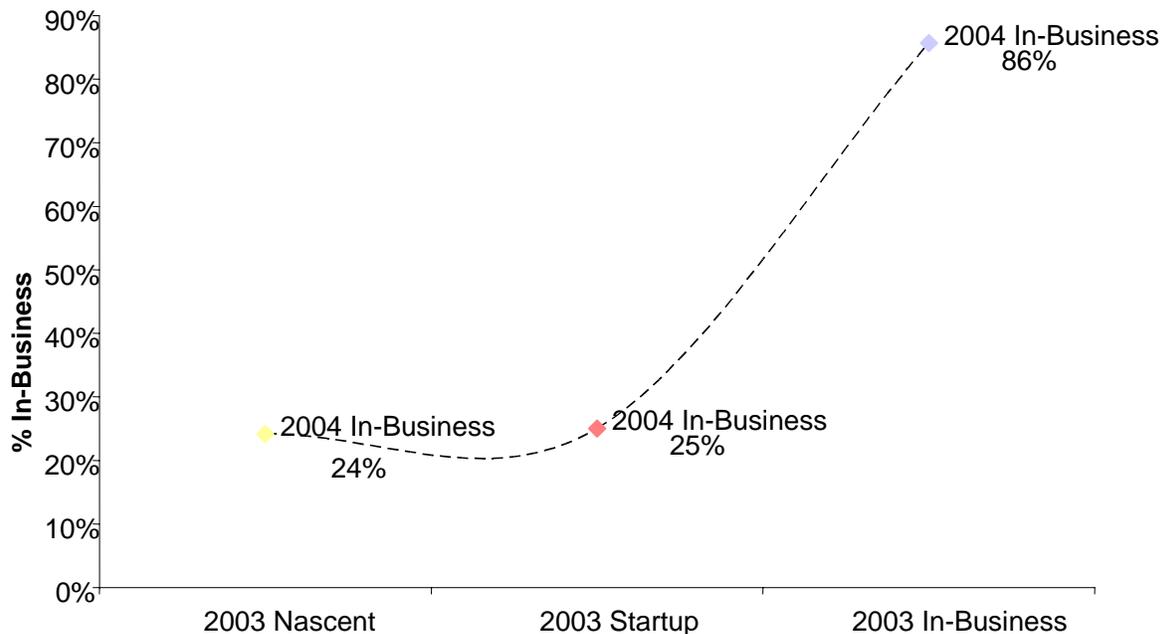
* According to the authors, the follow-up sample meets some ad hoc but not formal statistical criteria. Further study is warranted to support the conclusions.

revenues reveals that there is no statistically significant difference between these samples.³² Thus, there is no evidence of response bias due to sample dropout or attrition.

What is the rate of transition of Nascent and Start-Up firms to the In-business segment?³³

Figure 8.1 shows the movement of firms from their 2003 segment to the In-Business segment in 2004. These transitions are presented for each ED Resource separately in Appendix A. For example, 24 percent of 2003 Nascent clients transitioned into the In-Business category by 2004, while 45 percent of 2003 Nascent clients remained in the Nascent category in 2004. The remaining 31 percent are likely to have gone out of business. In addition, 86 percent of 2003 In-Business respondents remained in the In-Business category in 2004. The remaining 14 percent of the 2003 In-Business segment were in the Nascent or Start-Up categories in 2004. This suggests that either respondents did not answer consistently, or they went out of business during this time period.

Figure 8.1 – Transition from 2003 Segments to 2004 In-Business



These findings are similar to those found in the entrepreneurship literature that suggests that approximately 30 to 40 percent of Nascent businesses become Start-Ups and about 90 percent of these Start-Ups survive from year-to-year. Thus, about 1 out of 4 Nascent and Start-Up businesses were In-Business after one year. At the same time, about 1 in 7 In-business firms had gone out of business within this year.

Impact of ED Resource Assistance on Firm Survival

³² T=1.127, df=3658, p=0.2596.

³³ Segments are defined as follows: Nascent included those who have not yet started a business; Start-Up firms have been in business for 6 months or less; In-Business firms have been operating for more than 6 months.

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

The PSED data serves as a benchmark for comparing the proportion of Nascent and Start-Up businesses that can now be classified as In-Business firms. The PSED is a sample of Nascent entrepreneurs in the process of going into business.

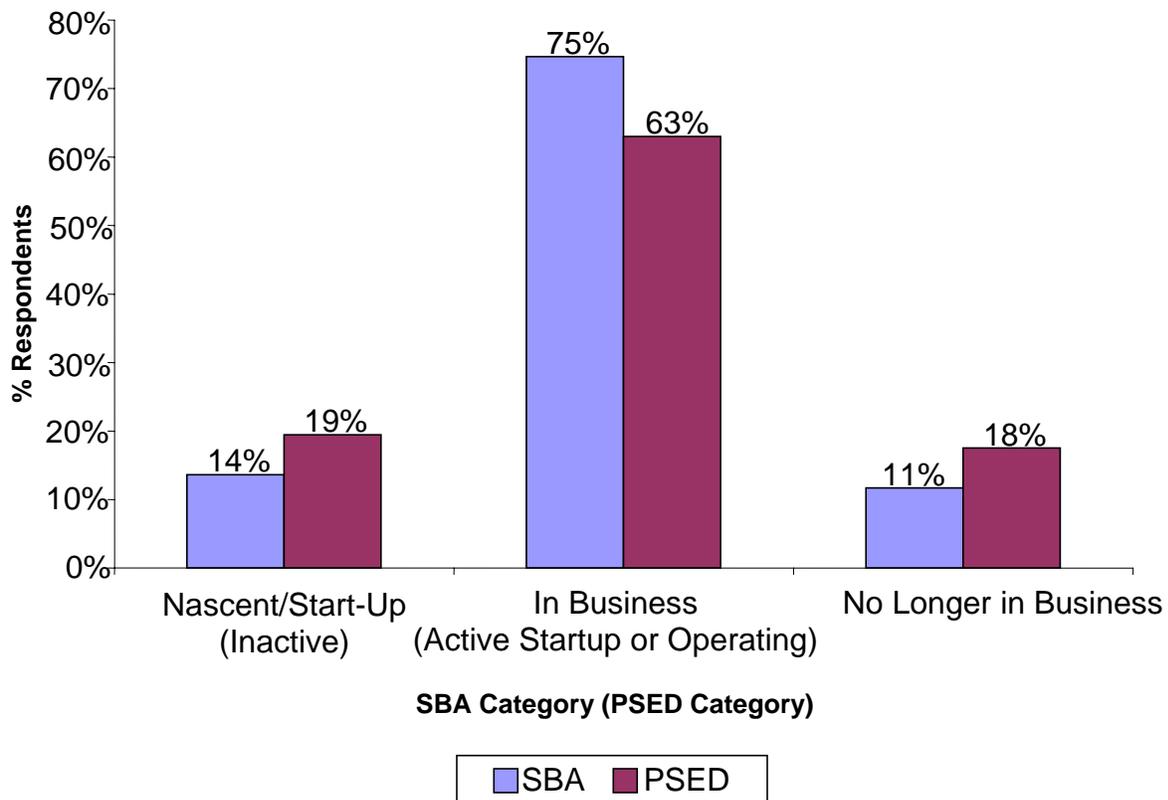
Definitions of small business segments used for SBA's study of the Impact of ED Resources are different from those used in the PSED. For example, the PSED defines 5 categories of businesses in their follow-up survey: currently an operating business; still in an active start-up phase; still a start-up but currently inactive; no longer being worked on by anyone; or other. Thus, our segment categories are not exactly the same as the PSED categories. However, our Nascent segment combined with our Start-Up category roughly corresponds to the 'Inactive' and 'Active Start-Up' businesses in PSED. In addition, the In-Business segment used in our study is approximately the same as the 'currently in-business' group in the PSED follow-up. Finally, if we assume that the firms who were In-Business in 2003 and classified as Nascent in 2004 have gone out of business, we can compare this group with 'no longer in business' category in the PSED follow-up study.

Figure 8.2 compares the distribution of firms by segment in our follow-up study with segments in the PSED.³⁴ These results imply that businesses that received ED Resource assistance may have a higher survival rate than other small businesses such as those randomly sampled for the PSED.

In addition, these results indicate that these two datasets are similar in terms of business segments.

For example, 14 percent of 2003 Nascent client and Start-Up client respondents remained in the Nascent or Start-up categories in 2004. This estimate is comparable to the 19 percent of the PSED follow-up sample that were classified as Inactive Start-Ups. Another 75 percent of SBA respondents and 63 percent of PSED respondents were currently in business. SBA respondents are classified as no longer in business if they reported being in business in 2003 but reverted to the Nascent or Start-Up categories in 2004. Thus, according to this definition, about 11 percent of SBA respondents were no longer in business in 2004, compared to 18 percent based on the PSED.

Figure 8.2 – Comparison of Follow-up Results with PSED (FY2004)



³⁴ Source: Reynolds (2000), “National Panel Study of U.S. Business Startups,” *Databases for the Study of Entrepreneurship*, JAI/Elsevier Inc Volume 4, pages 153–227.

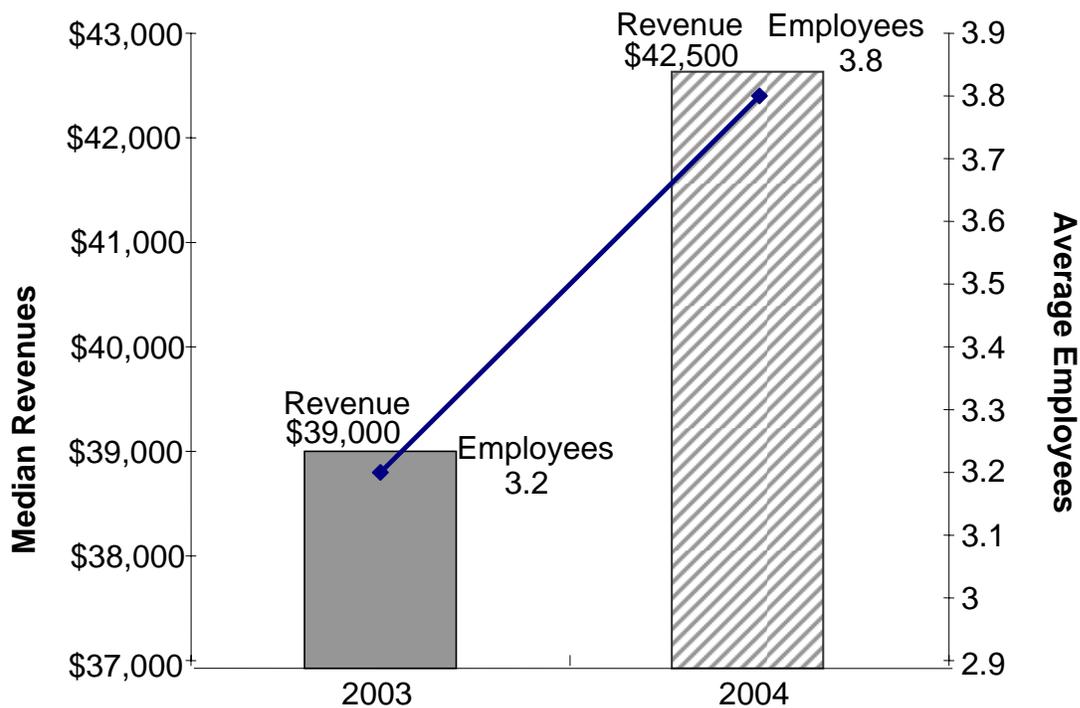
What is the financial impact of services/assistance provided by SBA ED Resources in terms of job creation, job retention and sales?

Figure 8.3 compares firms in the matched sample in terms of annual revenues and number of employees in 2003 and 2004.

According to this matched comparison, median revenues increased from \$39,000 in 2003 to \$42,500 in 2004.³⁵ This represents an increase of approximately 9 percent. By comparison, real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.8 during this period, according to the Bureau of Economic Analysis.³⁶

At the same time, the average number of employees per firm increased from 3.2 in 2003 to 3.8 in 2004.

Figure 8.3 – Revenue and Employment: 2003 vs. 2004



³⁵ Median revenues are reported here rather than mean revenues because in the case of dollar values medians are less influenced by extremes and are considered to be more representative of the majority of observations. This is particularly the case with small samples. On the other hand, the mean number of employees is reported because of the presence of many outlier values. The median number of employees was equal to 1 in both 2003 and 2004.

³⁶ Source: http://www.bea.doc.gov/bea/newsrelarchive/2005/gdp404f_fax.pdf

Annual revenues and number of employees are presented by ED Resource in Figures 8.4 and 8.5.

The median annual revenue for SBDC clients fell from \$200,000 in 2003 to \$85,000 in 2004. Median revenues increased for both SCORE and WBC clients. However, it is important to use caution when interpreting these differences due to the small sample size, which increases the likelihood of misleading results. Based on the incidence of respondents reporting invalid revenue values, it is likely that many respondents do not answer the revenue question correctly. In addition, these revenue differences may reflect differences in the businesses served by SBDC, SCORE, and WBC rather than reflecting differences in the quality of assistance provided by these resources.

Figure 8.4 – Median Revenue by ED Resource: 2003 vs. 2004

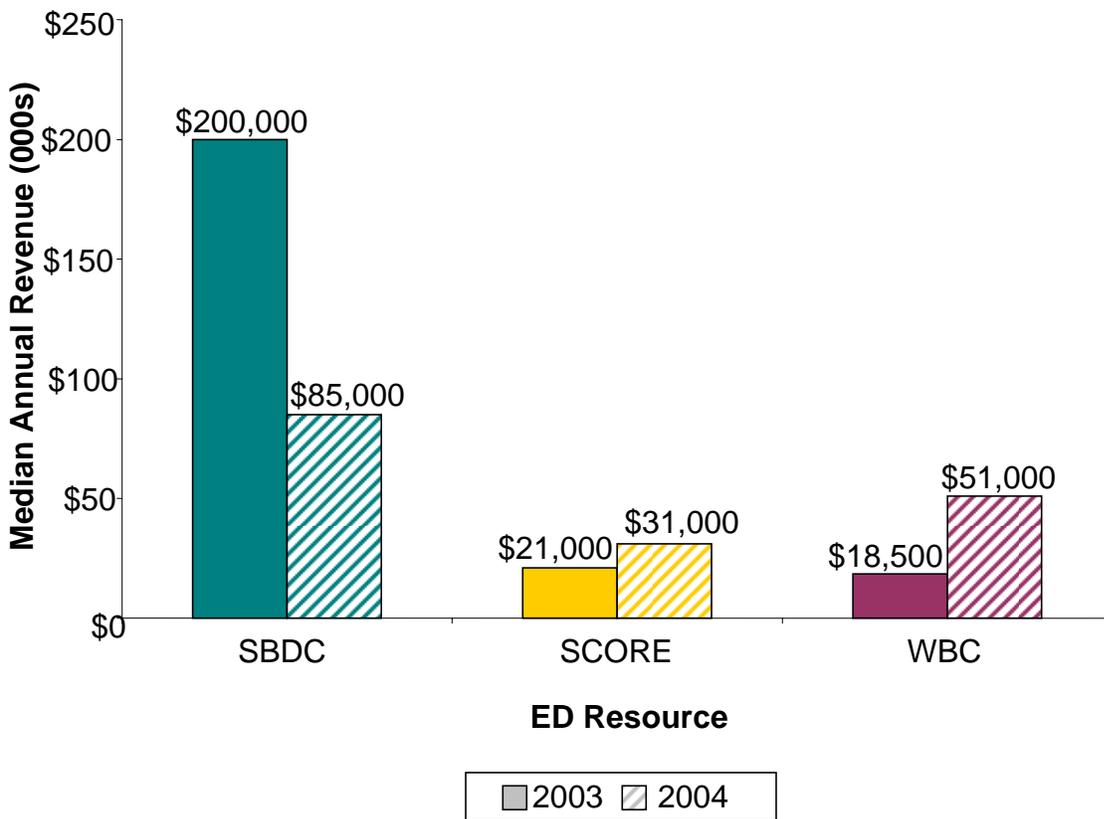
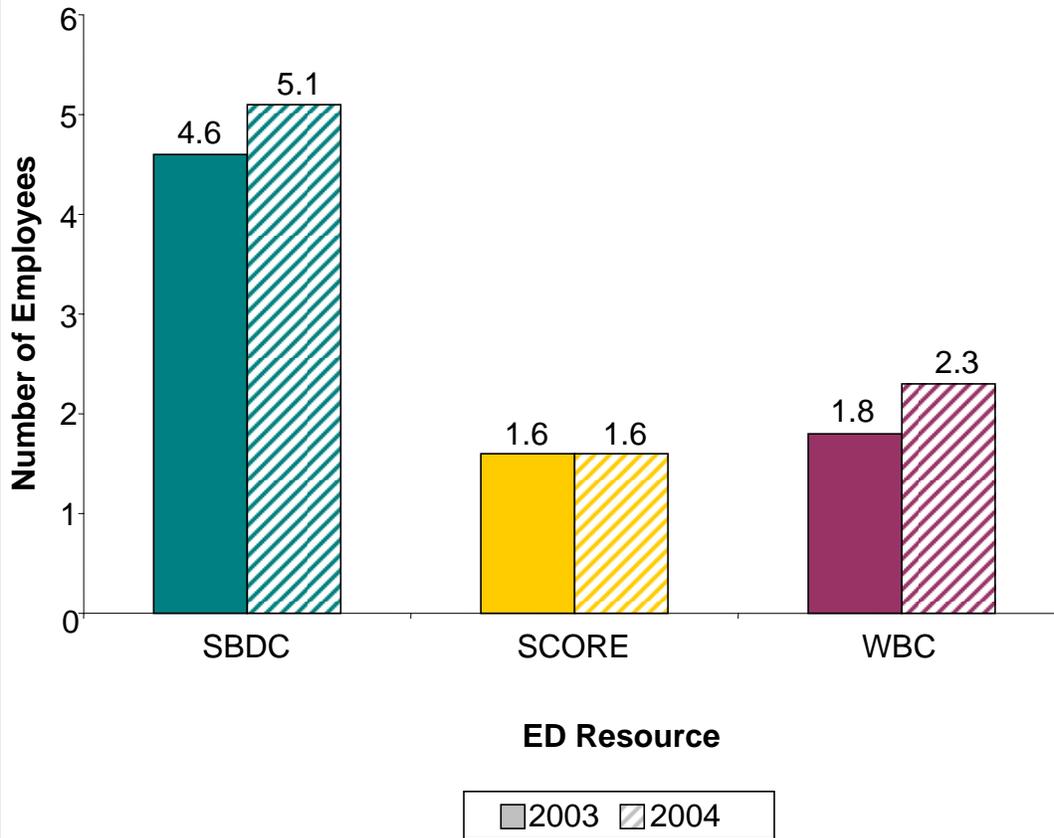


Figure 8.5 shows a similar comparison of employment by ED Resource. The number of employees increased for both SBDC and WBC clients during this period, while employment remained the same for SCORE clients.

Figure 8.5 – Average Employment by ED Resource: 2003 vs. 2004

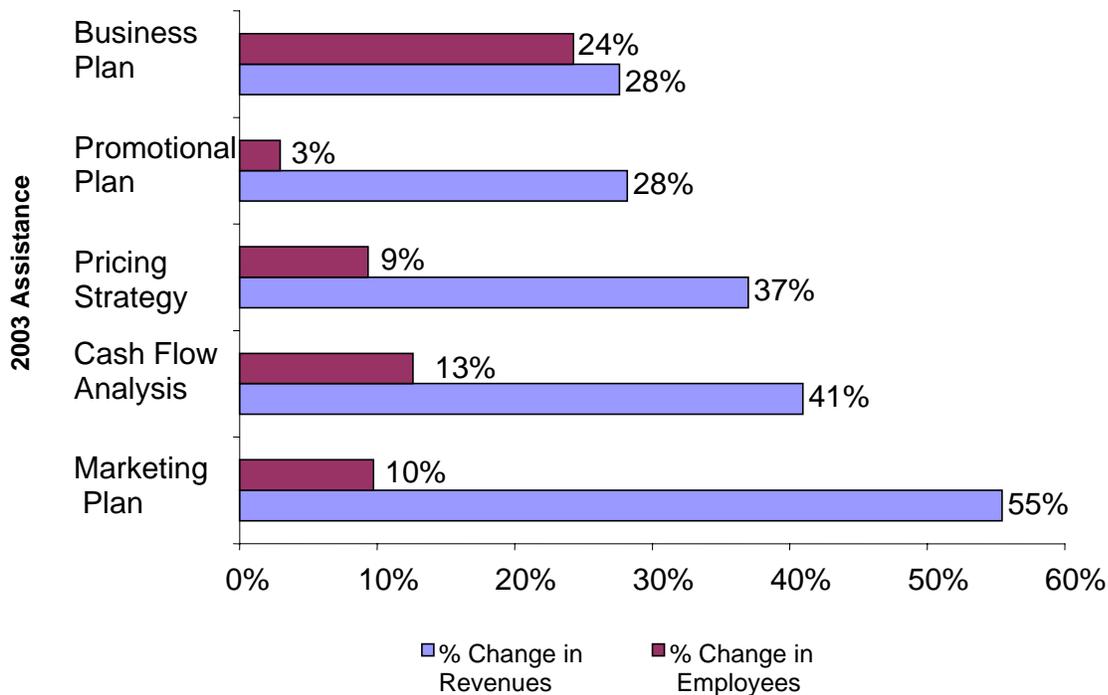


What is the financial impact of ED Resource assistance, such as business plans, financial plans, etc. on revenues and employment?

Figure 8.6 lists the top 5 most common types of assistance provided to 2003 clients and it shows the average percentage change in revenues and employees for each type of assistance. Thus, within each category of type of assistance, e.g. respondents who were assisted with business plans, the average percentage change in revenues or number of employees was computed. For example, revenues increased by an average of 28 percent for respondents who were assisted with business plans. This average was 55 percent for respondents who were assisted with marketing plans. Types of assistance reported by fewer than 20 respondents are not shown.³⁷

Respondent firms who received assistance with marketing plans had the highest growth in revenues. Firms that received assistance with business plans had the highest growth in employees. Interestingly, assistance with marketing plans and business plans is more common for Start-Up than In-Business firms. Similarly, In-Business firms are more likely to have received assistance with cash flow analysis, pricing strategy and promotional plans, and these firms show slower-growth than Start-Ups. Members of the In-Business segment seem to benefit more from assistance with pricing or cash flow analysis.

Figure 8.6 – Change in Revenues and Employment by Type of Assistance Received (FY2003)



³⁷ Types of assistance selected by fewer than 20 respondents included: Training Plan for Staff, Procurement Strategy, Distribution Plan, Feasibility Plan, Hiring Plan, Financial Management Strategy, Production Plan, E-Commerce Strategy, and Loan Package.

Summary of Findings

How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics (PSED) Kauffman study? In particular:

- What was the rate of transition of Nascent and Start-Up firms to the In-business segment?
- Based on a comparison with the PSED, what is the impact of ED Resource assistance on firm survival?

According to a comparison of 2003 with 2004 ED Resource clients, about 1 in 4 Nascent or Start-Up businesses were In-Business after one year. At the same time, about 1 in 7 In-business firms had gone out of business during this period.

A comparison of transition rates of ED Resource clients with the PSED suggests that businesses who received ED Resource assistance may have a higher survival rate than other small businesses.

Was the financial impact (job creation, job retention and sales) on the client's, provided services/assistance by SBA ED Resources (SBDC, SCORE, and WBC), financial position since 2003 greater than or equal to a representative small business population? In particular:

- What was the financial impact of services/assistance provided by SBA ED Resources in terms of job creation, job retention and sales?
- What is the relative impact of different kinds of ED Resource assistance on revenue growth?

Median annual revenues of ED Resource clients increased by 9 percent from 2003 to 2004, based on an analysis of respondent firms that reported revenues in both years. In addition, the average number of employees increased by 18.7 percent. By comparison, real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.8 during this period, according to the Bureau of Economic Analysis.³⁸

SCORE and WBC clients experienced substantial revenue increases, although revenues for SBDC clients declined. These differences by ED Resource are most likely due to the differences in the size and types of businesses of the clients served by each of these resources.

Firms who received assistance with marketing plans or cash flow analysis realized higher revenue growth than other types of assistance.

³⁸ Source: http://www.bea.doc.gov/bea/newsrelarchive/2005/gdp404f_fax.pdf

IX. SUMMARY OF QUALITATIVE FINDINGS

In addition to the quantitative findings based on survey data, we conducted a qualitative analysis of additional letters and comments submitted by survey respondents. **A total of 217 comments were collected from the respondents.** These comments came from all three ED Resources. **The mix of positive and negative reactions reported by the respondents regarding the information and assistance that they received was also distributed across all three ED Resources.**

There was a wide range of positive comments regarding counseling experience and several themes emerged. In general respondents cited the following:

- The counselor was courteous and knowledgeable;
- The advice given by the counselor regarding financing options was very useful;
- The counselor was helpful in providing an effective and sound business plan; and
- The counselor was able to identify major hurdles that the respondent might face.

Several respondents emphasized the advantages of having a counselor assist them in their business plans and strategies. One respondent wrote:

“My counselor aided me most by validating my concepts and strategies and pointing out major stumbling blocks. I felt I could talk to [him] as an enthusiastic friend whose objective wisdom aided in clarifying my thought process.”

Another respondent commented:

“Counselor’s services are greatly appreciated. It is good to have another source for advice and to bounce things off of. We use accountants and attorneys but his input is like having our own in-house advisor or mentor.”

One respondent felt the individual counselor assigned to work with him determined the quality of assistance he received and stated:

“My feelings are the SBDC is only as good as the directors in the field. I am very fortunate to have a very good SBDC director in my area. Small business owners may not have all the answers, or money to get the answers, so it’s a good thing to be able to turn to someone who can help.”

A few respondents commented that the resources were not well known by individuals seeking to undertake a new business, one respondent said:

“More people need to know about your program; it is very effective in helping, from a real perspective, not just a textbook.”

There were also respondents who did not find the counseling effective and were not able to capitalize on the tools offered by the different ED Resources. The main themes emerging from the qualitative comments were:

- Counselors were not experienced in the particular area where help was needed.
- In several instances counselors did not call back or follow up on promises made to the respondents.

Regarding the lack of the counselor's understanding of the needs, one respondent said:

"They didn't understand my niche business and didn't address my core issues/needs/fears of running the business..."

Some counselors were ineffective at returning calls and following up with what they had promised, a respondent noted that:

"The office was going to put together a business plan for me...I have called numerous times and they have yet to put anything together or call me back. I didn't want to be annoying so I stopped calling."

Another respondent wrote:

"I felt that the counselor was not interested in my business. He was interrupted by phone calls during our appointment and gave me no help whatsoever! I was very disappointed."

A respondent frustrated with the assistance provided to her stated:

"My counselors made me feel as though I was stupid for even considering opening my own shop. They as much told me that it was not a woman's field and wondered why I ever thought I could make it. As a single mom and US Vet, I would think there would be more helpful people and programs to help. This was the worst experience of my life...Thanks for nothing."

Interestingly, several respondents mentioned that they do not recall receiving any assistance or attending any class. Others commented that they had sought or received assistance a long time ago, thus having no recollection of the particulars of the assistance provided or any other details related to the counseling. A respondent stated:

"This survey would be much more useful if it was sent while the information was fresher on our minds. I barely remember now!"

X. SUMMARY OF QUANTITATIVE FINDINGS

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

- Firms that have been in business for more than 6 months comprise the In-Business client segment. Sixty-six percent of ED Resource clients were in the In-Business category. Nascent clients represented 30 percent of ED Resource respondents while the smallest segment, Start-Up clients, represented 4 percent.
- The average firm served by ED Resources has revenues of \$148,952, 5 full-time employees, and has been in business for approximately 6 years. However, firm size varies by ED Resource. For example, SBDC clients have significantly higher average revenues and employment than SCORE clients, who are significantly larger than WBC clients.
- ED Resources served during 2004 represented a wide variety of business types at different stages in development. The most common types of industries included service and retail businesses.
- ED Resource clients represented a wide variety of demographic groups: 49 percent of clients were female, 4 percent were Asian or Pacific Islander, 13 percent were African-American, and 7 percent were Hispanic. In addition, 10 percent of ED Resource clients were veterans. The largest age group served by ED Resources included clients between 45 and 54 years of age. In particular, 31 percent of ED Resource clients were in this age category.
- A comparison of revenues and employment for ED Resource clients by gender, race, ethnicity, and veteran status revealed that women-owned and minority-owned firms tend to be smaller than firms owned by males or Whites. Furthermore, in most cases, clients' demographic characteristics are not significant determinants of the client's perception of the usefulness and value of the services/assistance received, the client's decision to start a business, or the client's business having a positive financial impact. However, there are differences in these outcomes based on respondent age and firm size, and significant differences in financial impact for African-American and veteran respondents.

Impact study data was used to examine 4 resource impacts. Findings for each of these impacts are described below.

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

- In general, ED Resource clients perceived information and assistance provided by ED Resource counselors to be valuable. Approximately 70 percent of ED Resource clients overall reported that assistance they received had high value. This rating was 74 percent for SBDC, 65 percent for SCORE, and 79 percent for WBC. Overall, perceived usefulness ratings were slight lower than those reported last year.

- 3. Is there a positive relationship between the services/assistance provided by ED Resources and the client's decision to start a business?**
 - Services/assistance from ED Resources often helped clients start their businesses. In fact, 34 percent of respondents reported that this assistance helped them start a business while 12 percent of respondents reported that this assistance helped them decide not to start a business. Ratings of perceived assistance with the decision to start a business are somewhat lower than last year's ratings.
- 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, 57 percent of clients changed management practices or strategies. Clients used ED Resources most widely in developing business plans, marketing plans, cash flow analysis and financial strategy. Compared to 2003, there appears to be a slightly smaller emphasis on business plans and marketing plans.
- 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 percent of ED Resource clients reported that assistance provided by ED Resources resulted in increased sales. In terms of jobs, 9 percent of clients reported that ED Resource assistance led to the hiring of new staff and 16 percent reported that ED Resources assisted them in retaining current staff. The perceived impact of ED Resource assistance on sales and profits is somewhat smaller than in 2003, although the perceived impact on hiring and retention are similar in both years.

Follow-Up Study of 2003 ED Resources:

- 6. How do the results of this survey compare with the Panel Survey of Entrepreneurial Dynamics (PSED) Kauffman study?**
 - Businesses who received ED Resource assistance may have a higher survival rate than other small businesses such as those randomly sampled for the PSED. About 11 percent of SBA respondents were no longer in business in 2004, compared to 18 percent based on the PSED.
- 7. Was the financial impact (job creation, job retention and sales) on the client's, provided services/assistance by SBA ED Resources (SBDC, SCORE, and WBC), financial position since 2003 greater than or equal to a representative small business population?**
 - Median annual revenues of ED Resource clients increased by 9 percent from 2003 to 2004, based on an analysis of respondent firms that reported revenues in both years. In addition, the average number of employees increased by 18.7 percent. By comparison, real gross

domestic product -- the output of goods and services produced by labor and property located in the United States -- increased at an annual rate of 3.8 during this period, according to the Bureau of Economic Analysis.³⁹

³⁹ Source: http://www.bea.doc.gov/bea/newsrelarchive/2005/gdp404f_fax.pdf

XI. FURTHER RESEARCH AND RECOMMENDATIONS

Measuring the effects of ED Resources on business operations, as well as financial and economic outcomes, requires longitudinal data that track respondents over time. A second follow-up study is planned for FY2006 involving a second survey administration with respondents from the study presented in this report. The purpose of the second phase of this research is to follow-up with clients who received assistance from SBA ED Resources in FY 2003 and FY 2004 and who completed a survey in FY2004. This longitudinal/panel study will determine the extent to which SBA ED Resources have resulted in actual survival and growth for businesses in each segment.

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

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

- *Collect follow-up data on firm growth and survival only by selecting a subset of key survey questions.*

The purpose of the follow-up study is to measure survival and growth of small business clients, and to compare these outcomes with other small business benchmarks. These goals can be achieved by collecting fewer data elements than are currently included in the Follow-Up Impact Survey. An abbreviated version of the follow-up questionnaire would reduce respondent burden, improve respondent cooperation and increase response rates. An example of an abbreviated follow-up questionnaire is included in the Appendix.

- *Conduct follow-up surveys via telephone interview.*

Follow-up data collection via telephone survey would be faster, more efficient, and possibly more cost effective than conducting follow-ups via mail. This is particularly the case if an abbreviated survey is administered.

XII. APPENDICES

Appendix 1 – Follow-up 2003 Clients Survey Charts

Figure A.1 - Transition from 2003 Segment to In-Business: SBDC

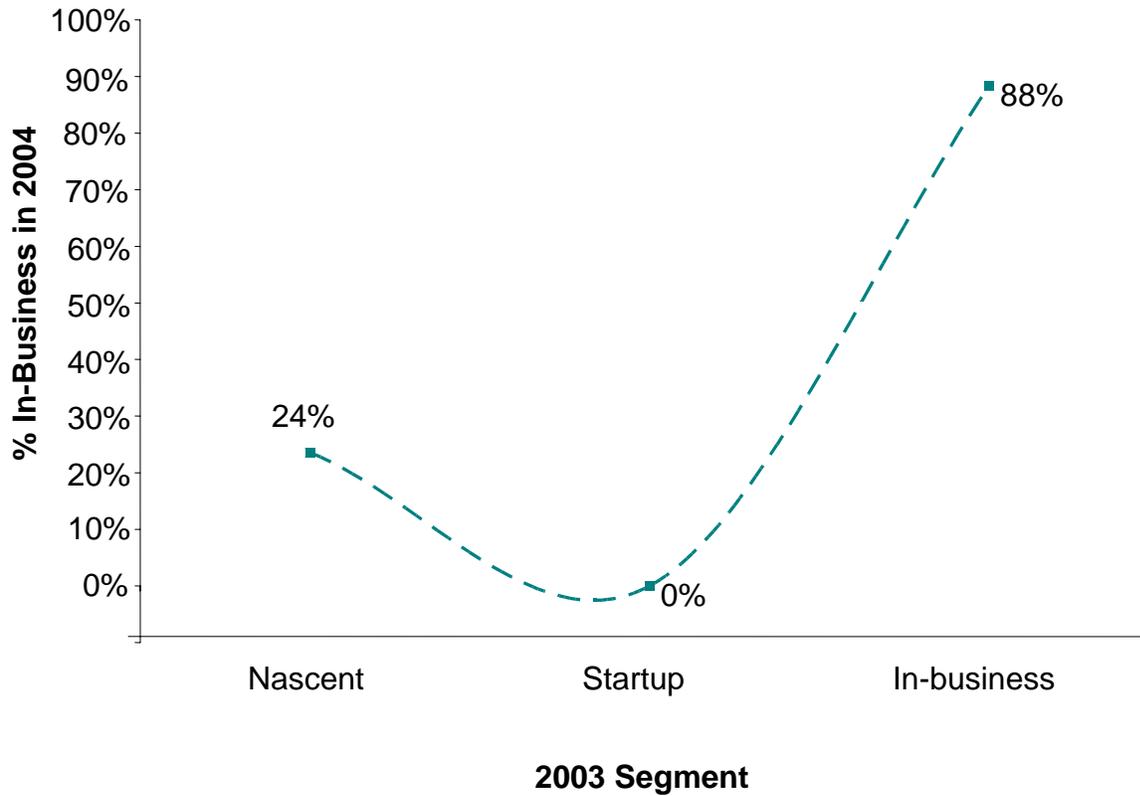


Figure A.2 - Transition from 2003 Segment to In-Business: SCORE

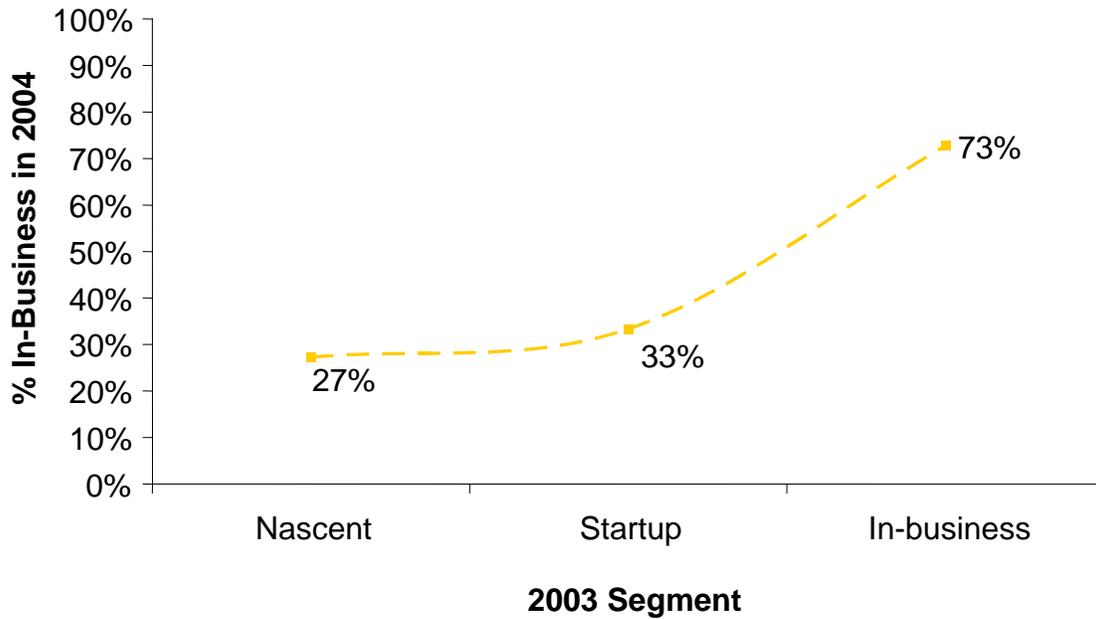
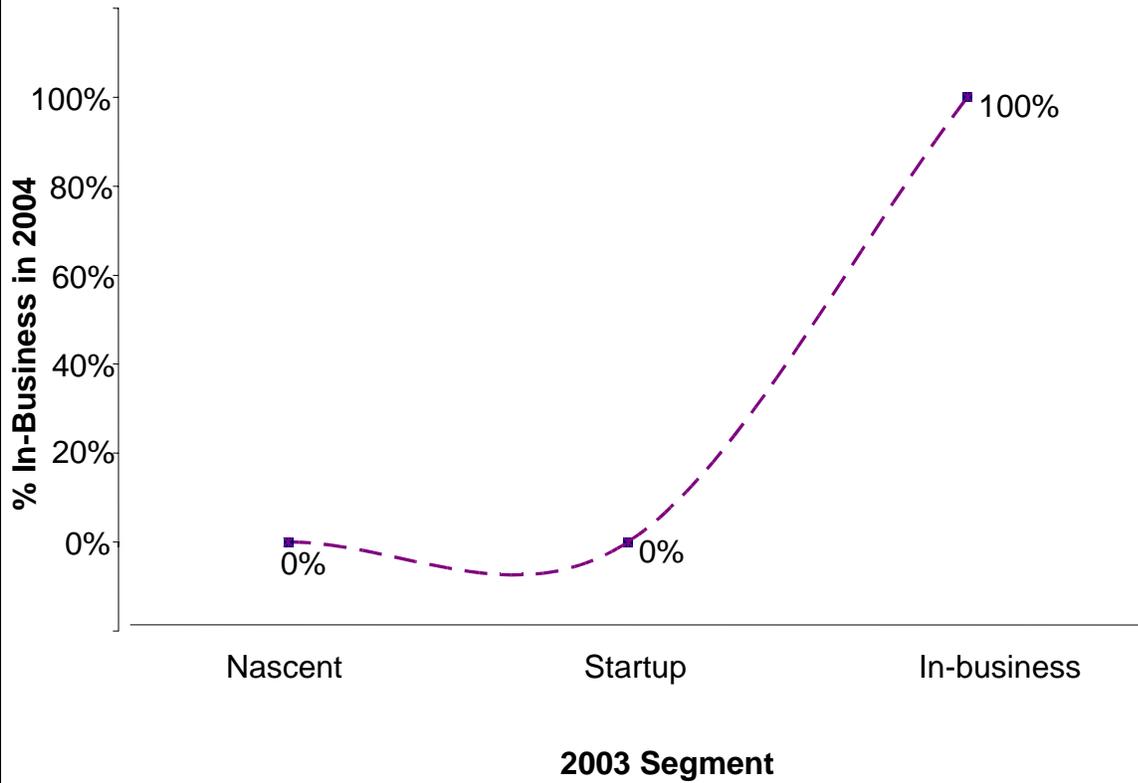


Figure A.3 - Transition from 2003 Segment to In-Business: WBC



Appendix 2 – Survey Response Values by Research Topic

RESEARCH TOPIC	SURVEY QUESTIONS	RESPONSE CODE/DATABASE VALUES
Demographic Characteristics	#8. At the time you were assisted by WBC, SCORE, SBDC what was the approximate annual gross revenue of your business?	Open ended
	#9. At the time you were assisted by WBC, SCORE, SBDC, how many people (full or part-time), including yourself, did your business employ?	Open ended
	#13. Gender	Male=1, Female=2
	#14. Veteran Status	Veteran=1, Service Disabled=2, Non-Veteran=3
	#15. Age	18-24= 1, 25-34 = 2, 35-44 = 3, 45-54 = 4, 55-64 = 5, 65-74 = 6, 75+ = 7
	#16. Are you: Hispanic or Latino, Not Hispanic/Latino Origin	Hispanic or Latino=1, Not of Hispanic/Latino Origin=0
	#17. Are you: American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, White	American Indian or Alaskan=1 or 0, Asian=1 or 0, Black or African American=1 or 0, Native Hawaiian or Pacific Islander=1 or 0, White=1 or 0
	#18. If you are in business, what is the primary type of business? <input type="checkbox"/> Construction <input type="checkbox"/> Manufacturing <input type="checkbox"/> Consulting <input type="checkbox"/> Wholesale <input type="checkbox"/> Finance, Ins. and Real Estate <input type="checkbox"/> Entertainment <input type="checkbox"/> Retail <input type="checkbox"/> Restaurant <input type="checkbox"/> Engineering <input type="checkbox"/> Publishing <input type="checkbox"/> Education <input type="checkbox"/> Service <input type="checkbox"/> Health Care <input type="checkbox"/> Day Care <input type="checkbox"/> Transportation <input type="checkbox"/> Computer System & Design <input type="checkbox"/> Other	Construction=1 or 0, Manufacturing=1 or 0, Consulting =1 or 0, Wholesale =1 or 0, Finance, Ins. And Real Estate =1 or 0, Entertainment =1 or 0, Retail =1 or 0, Restaurant =1 or 0, Engineering =1 or 0, Publishing =1 or 0, Education =1 or 0, Service =1 or 0, Health Care =1 or 0, Day Care =1 or 0, Transportation =1 or 0, Computer System & Design =1 or 0, Other =1 or 0.

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

	<p>#6. As a result of the assistance I received from the WBC, SCORE, SBDC counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business. [Check all that apply]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business Plan <input type="checkbox"/> Marketing Plan <input type="checkbox"/> Promotional Plan <input type="checkbox"/> Pricing Strategy <input type="checkbox"/> Cash Flow Analysis <input type="checkbox"/> Loan Package <input type="checkbox"/> Hiring Plan <input type="checkbox"/> Training Plan for Staff <input type="checkbox"/> Financial Strategy <input type="checkbox"/> E-Commerce Strategy <input type="checkbox"/> Purchasing Strategy <input type="checkbox"/> Feasibility Plan <input type="checkbox"/> Production Plan <input type="checkbox"/> Distribution Plan <input type="checkbox"/> Other 	<p>If checked = 1 Not checked = 0</p>
	<p>#7. Please indicate the impact these changes have had on your firm:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 4. Expand my products/services <input type="checkbox"/> 6. Revise my marketing strategy <input type="checkbox"/> 9. Develop an e-commerce strategy 	<p>Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1</p>
<p>Is there a positive relationship between the services/assistance provided by SBA ED Resources and the clients' businesses having a positive financial impact on job creation and retention and increase in sales?</p>	<p>#7. Please indicate the impact these changes have had on your firm:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1. Increase my market share <input type="checkbox"/> 2. Increase my sales <input type="checkbox"/> 3. Improve my cash flow <input type="checkbox"/> 5. Hire new staff <input type="checkbox"/> 7. Increase my profit margin <input type="checkbox"/> 8. Retain current staff <input type="checkbox"/> 10. Other 	<p>Strongly Agree=5, Agree=4, No Opinion=3, Disagree=2, Strongly Disagree=1</p>
<p>General Business</p>	<p>#1a. Are you currently in business?</p> <p>#1b. If yes, when was the business started?</p> <p>#1c. What zip code is your business</p> <p>#2. If NO, when do you plan on starting a business?</p> <p>#3. Have you ever been in business?</p>	<p>Yes=1, No=0</p> <p>mm/yyyy</p> <p>xxxxx</p> <p>Within 30 days=1, 31-90 days=2, 91-120 days=3, No idea at this time=4</p> <p>Yes=1, No=0</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</p>
	<p>#19. Did you utilize any other SBA resources/program?</p>	<p>Yes=1, No=0</p>
	<p>#20. If YES, select those you used [Check all that apply]</p> <ul style="list-style-type: none"><input type="checkbox"/> SCORE<input type="checkbox"/> SBDC<input type="checkbox"/> Women Business Center<input type="checkbox"/> SBA's Guarantee Loan Programs<input type="checkbox"/> SBIC Financing Program<input type="checkbox"/> SBA's Surety Bond Program	<p>SCORE =1 or 0, SBDC =1 or 0, Women Business Center =1 or 0, SBA's Guarantee Loan Programs =1 or 0, SBIC Financing Program =1 or 0, SBA's Surety Bond Program =1 or 0</p>

Appendix 3 – Quantified Survey Results – Initial Survey 2004

Surveys Questions	Percentage of Sample
Q1. Are you currently in business? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	70.75% 29.25% -
Q2. If no, when do you plan on starting a business? <input type="checkbox"/> Within 30 days <input type="checkbox"/> 31-90 days <input type="checkbox"/> 91-120 days <input type="checkbox"/> No idea at this time <input type="checkbox"/> Missing	4.60% 7.43% 10.00% 66.24% 12.28%
Q3. Have you ever been in business? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	- - 100%
Q4. As a result of the assistance you received, have you changed any of your current management practices/strategies? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing	39.80% 18.36% 41.85%
Q5. As a result of the assistance you received, which management strategies have you changed? <input type="checkbox"/> Financial Management <input type="checkbox"/> Promotional Strategy <input type="checkbox"/> Human Resource (Hiring/Firing) <input type="checkbox"/> Obtaining Capital <input type="checkbox"/> Marketing Strategy <input type="checkbox"/> General Management <input type="checkbox"/> International Trade <input type="checkbox"/> Other	19.23% 10.43% 4.23% 10.14% 21.72% 12.05% 1.19% 1.33%

<p>Q6. As a result of the assistance I received from the counselor I was able to develop [i.e., Business Plan] in order to start or better manage my business.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Business Plan 26.21% <input type="checkbox"/> Loan Package 8.08% <input type="checkbox"/> Purchasing Strategy 2.46% <input type="checkbox"/> Marketing Plan 17.78% <input type="checkbox"/> Hiring Plan 2.66% <input type="checkbox"/> Feasibility Plan 4.81% <input type="checkbox"/> Promotional Plan 8.22% <input type="checkbox"/> Training Plan for Staff 1.80% <input type="checkbox"/> Production Plan 1.53% <input type="checkbox"/> Pricing Strategy 8.54% <input type="checkbox"/> Financial Strategy 10.66% <input type="checkbox"/> Distribution Plan 2.00% <input type="checkbox"/> Cash Flow Analysis 12.05% <input type="checkbox"/> E-Commerce Strategy 2.92% <input type="checkbox"/> Other 1.04% 						
<p>Q7. Please indicate the impact of these changes have had on your firm: [Strongly Agree=SA, Agree=A, No Opinion-No, Disagree=D, Strongly Disagree=SD]</p> <p>I was able to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Increase my market share 4.00% 9.73% 19.72% 2.09% 5.13% 59.34% <input type="checkbox"/> Increase my sales 5.73% 13.29% 15.00% 2.20% 5.04% 58.73% <input type="checkbox"/> Improve my cash flow 6.28% 13.55% 15.00% 2.06% 5.18% 57.92% <input type="checkbox"/> Expand my products/services 4.81% 10.60% 17.73% 2.35% 5.13% 59.40% <input type="checkbox"/> Hire new staff 2.52% 6.11% 22.15% 2.95% 5.99% 60.27% <input type="checkbox"/> Revise my marketing strategy 7.41% 15.29% 12.80% 1.82% 4.84% 57.83% <input type="checkbox"/> Increase my profit margin 4.95% 10.95% 17.12% 2.49% 5.24% 59.25% <input type="checkbox"/> Retain current staff 3.07% 6.69% 22.01% 1.82% 5.47% 60.93% <input type="checkbox"/> Develop an e-commerce strategy 2.00% 4.81% 23.31% 2.43% 5.82% 61.63% <input type="checkbox"/> Other 2.72% 1.30% 10.74% 0.72% 3.56% 80.94% 	SA	A	NO	D	SD	Missing
<p>Q10. Please indicate the value of the information received from the counselor you visited: [Extremely Valuable=EV, Valuable=V, No Opinion=NO, Somewhat Valuable=SW, Not Valuable, NV]</p> <ul style="list-style-type: none"> <input type="checkbox"/> Usefulness of information 37.62% 32.64% 3.56% 8.83% 9.35% 7.99% <input type="checkbox"/> Relevancy of the information 34.78% 33.42% 5.27% 8.25% 9.44% 8.83% <input type="checkbox"/> Timeliness of the information 34.84% 31.16% 7.91% 7.44% 9.61% 9.04% <input type="checkbox"/> Rate your overall experience 36.92% 31.51% 4.23% 8.34% 10.37% 8.63% 	EV	V	NO	SV	NV	Missing

Q11. Please indicate how effective the counselor was in assisting you: [Effective=E, Somewhat Effective=SE, No Opinion=NO, Somewhat Ineffective=SI, Ineffective=I]	E	SE	NO	SI	I	Missing
<input type="checkbox"/> Assistance met my needs <input type="checkbox"/> Counselor's ability to assist me <input type="checkbox"/> Counselor was friendly <input type="checkbox"/> Counselor was current on management issues <input type="checkbox"/> Counselor was knowledgeable	48.80%	20.71%	4.69%	5.33%	11.41%	9.06%
	48.83%	20.45%	5.15%	5.04%	10.43%	10.11%
	68.61%	13.44%	3.39%	1.62%	4.58%	8.37%
	51.26%	17.64%	10.77%	2.98%	7.04%	10.31%
	57.86%	17.81%	5.91%	3.16%	6.72%	8.54%
Q12. Please indicate how useful the services you received from the counselor who assisted you in identifying and correcting problems in operating your business and/or assisted you in starting or not starting a business: [Very Useful=VU, Useful=U, No Opinion=NO, Somewhat Useful=SU, Not Useful=NU]	VU	U	NO	SU	NU	Missing
<input type="checkbox"/> Identification of problem(s)	28.87%	23.49%	12.74%	4.69%	10.08%	20.13%
<input type="checkbox"/> Correction of problem(s)	22.68%	20.85%	17.98%	4.11%	12.89%	21.49%
<input type="checkbox"/> Assisted in starting a business	20.27%	14.05%	20.62%	3.76%	13.70%	27.60%
<input type="checkbox"/> Helped me decided not to start a business	7.21%	5.21%	34.64	1.68%	11.76%	39.50%
Q13. Gender:						
<input type="checkbox"/> Male	46.66%					
<input type="checkbox"/> Female	48.62%					
<input type="checkbox"/> Missing	4.72%					
Q14. Veteran Status						
<input type="checkbox"/> Veteran	10.40%					
<input type="checkbox"/> Service Disable Veteran	1.33%					
<input type="checkbox"/> Non Veteran	68.11%					
<input type="checkbox"/> Missing	20.16%					
Q15. Age						
<input type="checkbox"/> 18-24	1.82%					
<input type="checkbox"/> 25-34	15.67%					
<input type="checkbox"/> 35-44	26.35%					
<input type="checkbox"/> 45-54	30.61%					
<input type="checkbox"/> 55-64	14.54%					
<input type="checkbox"/> 65-74	2.66%					
<input type="checkbox"/> 75 +	0.75%					
<input type="checkbox"/> Missing	7.59%					
Q16. Are you Hispanic or Latino						
<input type="checkbox"/> Hispanic/Latino	7.21%					
<input type="checkbox"/> Non-Hispanic/Latino	67.45%					
<input type="checkbox"/> Missing	25.31%					

<p>Q17. Are you:</p> <ul style="list-style-type: none"> <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Pacific Islander <input type="checkbox"/> White <input type="checkbox"/> Missing 	<p>2.11%</p> <p>3.56%</p> <p>12.51%</p> <p>0.75%</p> <p>69.45%</p> <p>11.61%</p>
<p>Q18. If you are in business, what is the primary type of business? (This question includes multiple responses)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Construction <input type="checkbox"/> Manufacturing <input type="checkbox"/> Consulting <input type="checkbox"/> Wholesale <input type="checkbox"/> Finance, Insurance, Real Estate <input type="checkbox"/> Entertainment <input type="checkbox"/> Retail <input type="checkbox"/> Restaurant <input type="checkbox"/> Engineering <input type="checkbox"/> Publishing <input type="checkbox"/> Education <input type="checkbox"/> Service <input type="checkbox"/> Health Care <input type="checkbox"/> Day Care <input type="checkbox"/> Transportation <input type="checkbox"/> Computer Systems & Design <input type="checkbox"/> Other <input type="checkbox"/> Missing 	<p>4.29%</p> <p>5.30%</p> <p>4.11%</p> <p>2.78%</p> <p>2.11%</p> <p>1.13%</p> <p>9.99%</p> <p>2.72%</p> <p>0.78%</p> <p>0.90%</p> <p>2.20%</p> <p>15.03%</p> <p>2.98%</p> <p>1.33%</p> <p>1.33%</p> <p>1.80%</p> <p>8.98%</p>
<p>Q19. Did you utilize any other SBA resources/program?</p> <ul style="list-style-type: none"> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Missing 	<p>17.03%</p> <p>73.00%</p> <p>9.96%</p>
<p>Q20. If yes, select those you used</p> <ul style="list-style-type: none"> <input type="checkbox"/> SCORE <input type="checkbox"/> SBA's Guarantee Loan Program <input type="checkbox"/> SBDC <input type="checkbox"/> SBIC Financing Program <input type="checkbox"/> Women Business Center <input type="checkbox"/> SBA's Surety Bond Program 	<p>27.72%</p> <p>34.52%</p> <p>23.64%</p> <p>5.27%</p> <p>20.59%</p> <p>1.19%</p>



Appendix 4 – Survey Instrument

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

OMB Number 3245-0351
Expiration 12/31/2005

Dear Small Business Client:

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

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

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

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

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

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

	SA	A	NO	D	SD
I was able to:					
1. Increase my market share	5	4	3	2	1
2. Increase my sales	5	4	3	2	1
3. Improve my cash flow	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. Develop an e-commerce strategy	5	4	3	2	1
10. Other (specify _____)	5	4	3	2	1

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

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

Number of Full-Time Employees _____

Number of Part-Time Employees _____

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

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

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

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

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

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

13. Gender: Male Female

14. Veterans status: Veteran Service Disabled Veteran
Non Veteran

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

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

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

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



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

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

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

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

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

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

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

NOTE Mail completed surveys back in business reply envelope.

THANK YOU



Appendix 5 – Recommended Follow-Up Survey

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

OMB Number 3245-0351
Expiration 12/31/2006

Dear Small Business Client:

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

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

- 1. Are you currently in business? Yes [] No []
If YES when was the business started? __/__/____
mm/ yyyy

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

3. Have you ever been in business? Yes [] No []
If YES, when was the business started? __/__/____
mm/ yyyy

4. As a result of the assistance received from the [SBDC/WBC/SCORE] Counselor which of the following were you able to develop [i.e., Business Plan] in order to start or better manage your business. [Check all that apply]
Business Plan [] Loan Package [] Purchasing Strategy []
Marketing Plan [] Hiring Plan [] Feasibility Plan []
Promotional Plan [] Training Plan for Staff [] Production Plan []
Pricing Strategy [] Financial Strategy [] Distribution Plan []
Cash Flow Analysis [] E-Commerce Strategy [] Other _____



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

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

Number of Full-Time Employees _____

Number of Part-Time Employees _____

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

Yes No

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

SCORE SBA's guarantee loan programs

SBDC SBIC Financing Program

Women Business Center SBA's Surety Bond Program

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

NOTE Mail completed surveys back in business reply envelope.

THANK YOU