

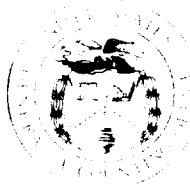
GAO

Briefing Report to the Chairman,
Committee on Small Business,
U. S. Senate

November 1989

SMALL BUSINESS

Development Centers Meet Counseling Needs of Most Clients



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Resources, Community, and
Economic Development Division

B-209790

November 22, 1989

The Honorable Dale Bumpers
Chairman, Committee on Small
Business
United States Senate

Dear Mr. Chairman:

As requested in your letter and in subsequent discussions with your office, this briefing report provides information on the Small Business Development Center (SBDC) program. This program is administered by the Small Business Administration (SBA) and, unless reauthorized by the Congress, will expire on October 1, 1990. The SBDC program, started in 1977, provides business-related counseling, training, and specialized support assistance to the small business community. The program is implemented at the state and local level through a nationwide network of 53 Small Business Development Centers and 534 Subcenters as of April 1989. (Section 1 provides a more detailed description of the program.)

Specifically, this report provides nationwide information on

- client satisfaction with program assistance,
- sources of program funding,
- services provided by the program,
- clients' characteristics and minority participation,
- staff characteristics, and
- usefulness of on-site reviews of the program.

Information on client counseling came from responses to questionnaires sent to a projectable sample of 997 counseled clients. Information on program operations, including general characteristics, staffing, funding, and administration came from responses to questionnaires sent to all center and subcenter directors responsible for implementing the program at the state and local level. (Section 2 provides a more detailed description of our objectives, scope, and methodology.)

In summary, we found that most clients counseled by the SBDC program reported that they were satisfied with the assistance they received. In addition, most would use SBDC program services again if they had similar needs in the future and would recommend the program to others. To improve program administration and operation, SBA has initiated action

to determine the feasibility of a multiyear grant approval process. We believe this change would benefit the program. Additionally, SBA is conducting on-site reviews at centers. We believe these reviews are useful to both SBA and center directors.

Clients Satisfied With Program Assistance

Overall, 69 percent of clients were satisfied with the counseling they received. Similarly, 76 percent indicated they would contact the program for future help if needed, and 82 percent would recommend the SBDC program to others. SBDC clients also said they were assisted quickly, received the kind and amount of assistance they wanted, and found the assistance useful. About 17 percent of clients counseled by the program were not satisfied with the assistance they received. Dissatisfied clients believed they were not assisted quickly and did not receive the kind and amount of assistance they wanted, and they reported that the assistance received was not useful. Few of these dissatisfied clients indicated they would use the program in the future or recommend it to others. About 14 percent of those counseled by the program were neither satisfied nor dissatisfied with the assistance they received. (Section 3 contains more information on client satisfaction with the program.)

Sources of Program Funding

Centers received federal grants from SBA to operate the SBDC program and provided an equal matching amount from nonfederal sources. Federal funding for the program increased annually from \$360,000 in 1977 for 9 centers to \$45 million in 1989 for 53 centers. Of the 53 centers receiving funding in 1989, 28 had reached their maximum federal funding limit. (See app. II.) In addition, states' contributions to the program have been increasing. (See app. III.) To reduce centers' annual administrative burden associated with applying for funds, SBA is looking into the feasibility of using a multiyear grant approval process. (Section 4 contains a detailed description of program funding.)

Program Services Emphasize Counseling

SBDC centers and subcenters provide a variety of services to clients but emphasize counseling. Client counseling was provided most frequently by program staff and less frequently by private sector consultants. Most centers coordinated their activities with other organizations and programs that address small business needs. (Section 5 provides detailed information on the services provided by SBDC centers and subcenters.)

Characteristics of Clients Counseled

Clients who received SBDC counseling were most frequently male, white, and 31 to 40 years old. Most had some college experience or a college degree. Most clients were in or planned to be in the retail or service sector. Few clients wanted or received assistance in obtaining government contracts. Of those who received this assistance, about a third were minorities. (Section 6 provides data on the characteristics of clients.)

Characteristics of Center and Subcenter Staff

Centers and subcenters employ professional and support staff on both a full-time and part-time basis. The average number of staff was 20 for centers and 5 for subcenters. Center and subcenter directors were most often male, white, and 31 to 50 years old. Most had attained a professional or graduate degree and had several years prior experience in business-related activities, with the most frequent type of experience being private industry employment. (Section 7 provides data on the characteristics of center and subcenter staff.)

On-Site Reviews Are Useful

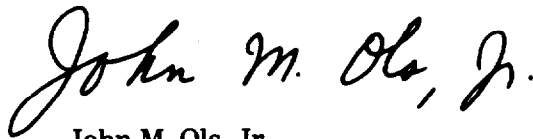
SBA is required by law to carry out on-site reviews of each center every 2 years. SBA, the Association of Small Business Development Centers, and center directors reported some benefits from on-site reviews. At a minimum, they are providing SBA with program data not otherwise available and are providing a forum for the exchange of ideas between program directors. (Section 8 contains a description of on-site reviews and their usefulness.)

We discussed the report's contents with SBA program officials and have incorporated their comments where appropriate. However, as requested, we did not obtain official comments on this briefing report from the Administrator, Small Business Administration.

Unless you publicly announce its contents earlier, we plan no further distribution of this briefing report until 30 days from the date of this letter. At that time, we will send copies to interested congressional committees and to the Administrator, Small Business Administration. We will also make copies available to others upon request.

If you have additional questions or if we can be of further assistance on this issue, please contact me at (202) 275-5525. Other major contributors to this briefing report are listed in appendix V.

Sincerely yours,

A handwritten signature in cursive script that reads "John M. Ols, Jr.".

John M. Ols, Jr.
Director, Housing and
Community Development Issues

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Abbreviations

GAO	General Accounting Office
SBA	Small Business Administration
SBDC	Small Business Development Center

The Small Business Development Center Program

The objective of the SBDC program is to leverage federal dollars and resources with those of the state, academic community, and private sector to

- strengthen the small business community,
- contribute to the economic growth of the communities served,
- make assistance available to more small businesses than is possible with present federal resources, and
- create a broader-based delivery system to the small business community.

The Small Business Development Center (SBDC) program provides business-related counseling, training, and specialized assistance to strengthen the small business community and contribute to the economic growth of the communities served. It is administered by the Small Business Administration (SBA).

The program was started by SBA in 1977 as a pilot project. It was made a national program by the Small Business Development Center Act of 1980 (P.L. 96-302) and operates under the provisions of that act, as amended. Unless reauthorized by the Congress, federal funding for the SBDC program will expire October 1, 1990.

The SBDC program is implemented at the state and local level through a nationwide network of Small Business Development Centers and Subcenters, which are usually operated by colleges or universities.¹ Centers operate on the basis of annual cooperative agreements with SBA to deliver services within a state or other designated geographical area. The SBDC legislation places the program under the general management and oversight of SBA, with recognition that a partnership exists between SBA and the operating organization. At the national level, center directors collectively address matters of common interest through membership in the Association of Small Business Development Centers, headquartered in Washington, D.C.

¹Of the 53 centers, 45 were operated by colleges or universities and 8 by state government agencies.

Section 1
The Small Business Development
Center Program

Organizations that directly receive federal funds to operate an SBDC program within a state or other area are referred to as centers; participating organizations that receive funding through centers are generally referred to as subcenters. The SBDC program embodies a broad-based service delivery network. As of April 1989, the program included 53 centers and 534 subcenters operating in 46 states,² the District of Columbia, Puerto Rico, and the Virgin Islands.³ Center directors responding to our survey advised us that, on average, 94 percent of their states' population had reasonable access (within 1 to 2 hours commute) to SBDC program services.

Centers receive program funding from both federal and nonfederal sources. Specifically, centers receive financial assistance from SBA in the form of annual grants. To be eligible for an SBDC program grant, centers must provide an equal matching amount from nonfederal sources. The matching amount must be at least 50 percent cash and not more than 50 percent indirect costs and in-kind contributions.

Centers and subcenters generally provide a variety of business-related services to clients. However, most put major emphasis on counseling, which is provided at no cost to the client.

In addition to services provided by SBDC program resources, centers are encouraged to use the resources of other federal, state, and local governments; academia; and private sector programs concerned with assisting the small business community. Centers and subcenters coordinate their efforts with a wide range of other programs and activities.

²As of March 1988, 52 centers and 499 subcenters were operating SBDC programs. As of April 1989, the total number of centers and subcenters increased to 53 and 534, respectively.

³The four states not participating in the program were California, Hawaii, New Mexico, and Virginia. New Mexico subsequently joined the program in July 1989.

Objectives, Scope, and Methodology

Our objectives were to obtain and analyze information on

- client satisfaction with program counseling and the types of assistance wanted and received,
- sources of program funding,
- services provided by the program and degree of assistance provided by program staff and consultants,
- the characteristics of clients served and the extent of minority participation in the program,
- the characteristics of program directors, and
- the usefulness and frequency of and procedures for on-site reviews.

On November 2, 1987, the Chairman of the Senate Committee on Small Business, requested that we study the SBDC program. As agreed with the Chairman's office, we developed information on the above objectives.

To determine client satisfaction with counseling received and to identify client characteristics, we mailed questionnaires to a random sample of 997 SBDC program clients. This sample was selected from a universe of about 128,000 clients identified by 52 centers as receiving counseling for 1 hour or more during the 15-month period from January 1, 1987, through March 31, 1988. We selected a sample size large enough to ensure that the sampling error for estimates of percentages did not exceed 6 percent at a 95-percent level of confidence. We received a 75-percent response rate to our survey. Our results are presented as estimates of how the universe of traceable clients would have responded had we sampled them all. Further details of our review methodology are shown in appendix I. Results of our client questionnaire are shown in appendix IV.

We obtained information on other program areas primarily through the use of questionnaires to directors of all 52 centers and all 499 sub-centers that were responsible for implementing the program at the state

and local level as of March 1988.¹ These questionnaires provided information on states' financial contributions; program services provided; the extent of assistance to minorities; characteristics of program directors; and the usefulness, procedures, and frequency of on-site reviews. We received completed questionnaires from 51 centers and 450 subcenters.

In addition to using questionnaires, we conducted follow-up interviews with center directors in Arkansas, Arizona, Florida, Illinois, and New York to obtain more detail on survey responses. These five sites were selected to provide a range of program coverage in terms of federal funding level, geographic distribution, and type of operating organization. Further, we interviewed program officials and obtained funding and other program statistics at SBA headquarters. We also interviewed representatives of the Association of Small Business Development Centers to obtain their position on matters relating to the administration and operation of the SBDC program.

We coordinated our work with SBA's Office of Inspector General and reviewed recent audit reports on SBDC activities. We also reviewed other studies of the SBDC program. However, we did not use the results of these other studies in our analysis because they were not representative of the program nationwide. In addition, these studies primarily covered early years of program implementation and were therefore somewhat outdated. We discussed the report's contents with SBA program officials and have incorporated their comments where appropriate. As requested, however, we did not obtain official agency comments on this briefing report.

Our work was performed between January 1988 and May 1989 in accordance with generally accepted government auditing standards.

¹As of April 1989 the total number of centers and subcenters that received SBDC funding increased to 53 and 534, respectively.

Client Satisfaction With SBDC Program Counseling

Overall, about 69 percent of clients were satisfied with the help they received from the program. Most clients

- expressed positive attitudes about SBDC counseling,
- received prompt assistance,
- got the types and amount of assistance wanted,
- wanted and received a variety of assistance,
- applied results of SBDC counseling, and
- had good working relationships with SBDC program staff.

About 17 percent of counseled clients were dissatisfied, and 14 percent were neither satisfied nor dissatisfied.

SBDC program counseling is meeting the needs of many in the small business community. During the 15-month period from January 1987 through March 1988, Small Business Development Centers and Subcenters reported that about 128,000 clients received program counseling for 1 hour or more. Our survey of these clients showed that about 69 percent were satisfied with the assistance they received. Similarly, about 76 percent indicated they would use SBDC program services if they had similar needs in the future and would recommend the SBDC program to others. In addition, most SBDC clients said they were assisted quickly, received the kind and amount of assistance they wanted, and found the assistance useful. Further, most said their working relationship with program staff was good.

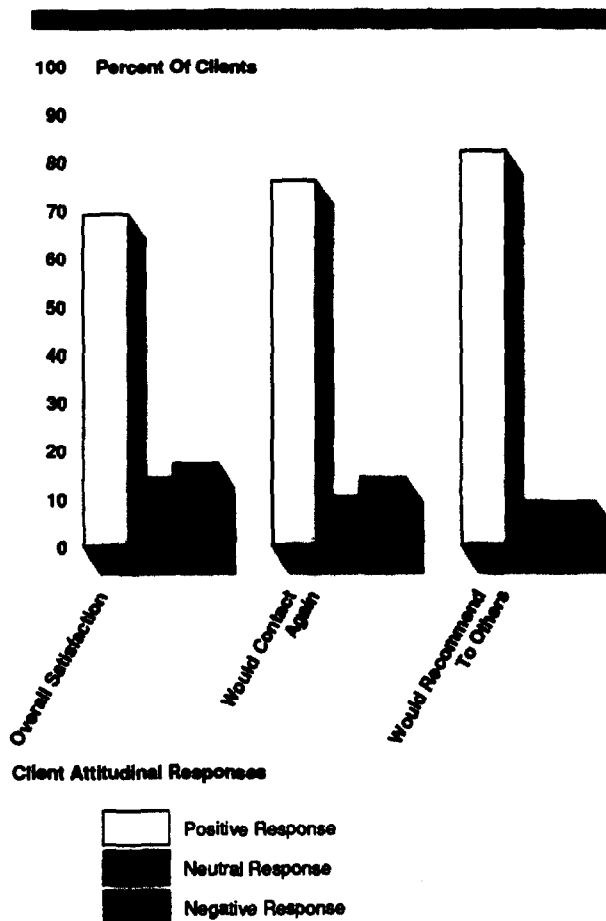
Conversely, about 17 percent of counseled clients were dissatisfied with the SBDC assistance they received. Few of these clients indicated that they would use the program in the future or recommend the program to others. Dissatisfied clients said they were not assisted quickly, did not receive the kind and amount of assistance they wanted, and found the assistance not useful.

About 14 percent of counseled clients were neither satisfied nor dissatisfied with the assistance they received from the SBDC program.

Most Clients Expressed Positive Attitudes About SBDC Counseling

A high percentage of clients were satisfied with SBDC program counseling, were willing to use the program in the future, and were willing to recommend the program to others. Sixty-nine percent of clients were satisfied overall with the counseling they received. Similarly, 76 percent of the clients indicated they would contact the program for future help if needed and 82 percent would recommend the SBDC program to others. (See fig. 3.1.)

Figure 3.1: Clients Had Positive Attitudes About SBDC Counseling



In general, those who expressed higher degrees of overall satisfaction with the help they received from the program also expressed positive attitudes on several other program factors. In contrast to dissatisfied clients, satisfied clients indicated that

- they received more of the assistance they wanted;
- the SBDC staff understood their business needs better;
- they considered the SBDC staff to be more knowledgeable in their field;
- the assistance received increased their business skills more;
- the experience affected their business decisions more; and
- the SBDC staff provided a faster response.

Of those who were dissatisfied with the program, about 19 percent would contact the SBDC for assistance in the future, and about 27 percent would recommend the program to others. In general, those clients who expressed dissatisfaction with the help they received from the program also expressed dissatisfaction with other program factors.

Clients Received Prompt Assistance

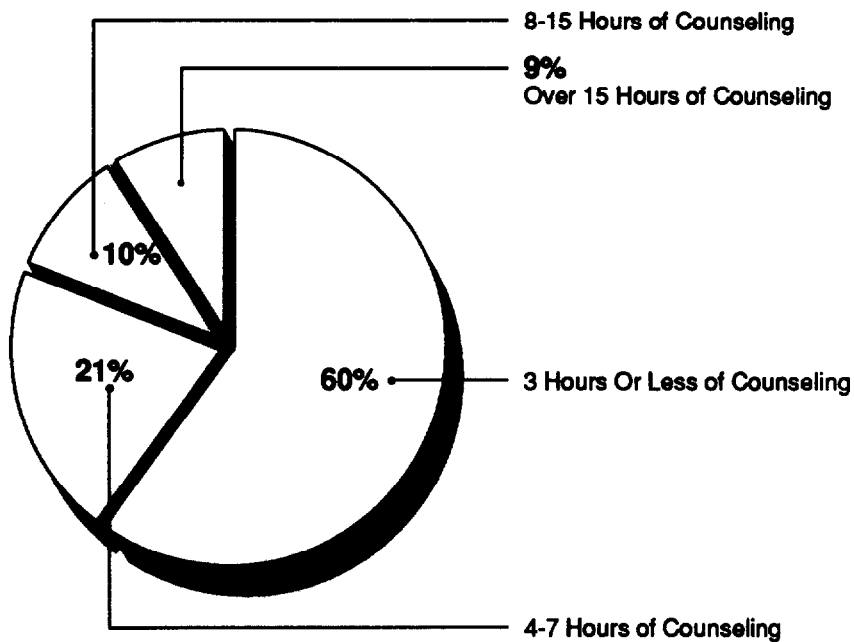
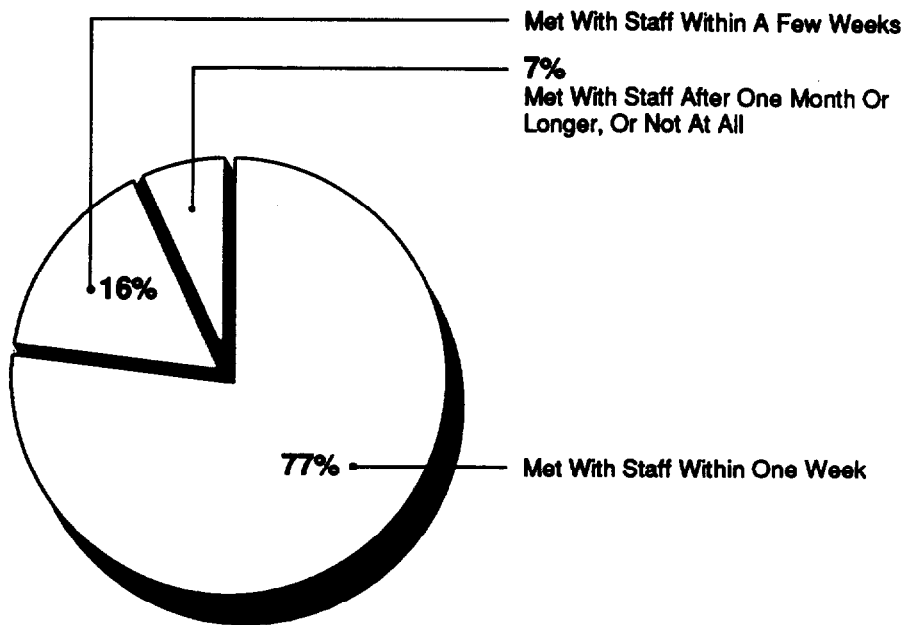
Most clients counseled by the SBDC program believed that, overall, they were assisted quickly. Most were satisfied with the time it took to get an appointment with program staff and with the overall time required to get program assistance.

Results of our survey showed that 82 percent of counseled clients were satisfied with the time required to arrange their first meeting with program staff, and 71 percent were satisfied with the time taken overall to get assistance. About 77 percent of clients met with program staff within 1 week of their initial contact.

Most clients received relatively few hours of program counseling. Sixty percent of clients spent 3 hours or less working with program staff; another 21 percent spent 4 to 7 hours working with program staff. (See fig. 3.2.)

Section 3
Client Satisfaction With SBDC
Program Counseling

Figure 3.2: Clients Met With SBDC Staff Soon After the Initial Contact and Clients Spent Few Counseling Hours With SBDC Staff



Clients Got Types and Amount of Assistance Wanted

Most SBDC clients were satisfied with the kinds of counseling assistance they received, and most clients received the amount of assistance they wanted. Sixty-four percent of counseled clients in our survey indicated they were satisfied with the kinds of assistance received. (See fig. 3.3.) Further, 63 percent indicated that they received all or most of the assistance they wanted. (See fig. 3.4.)

Figure 3.3: Clients Were Generally Satisfied With Kinds of Assistance Provided

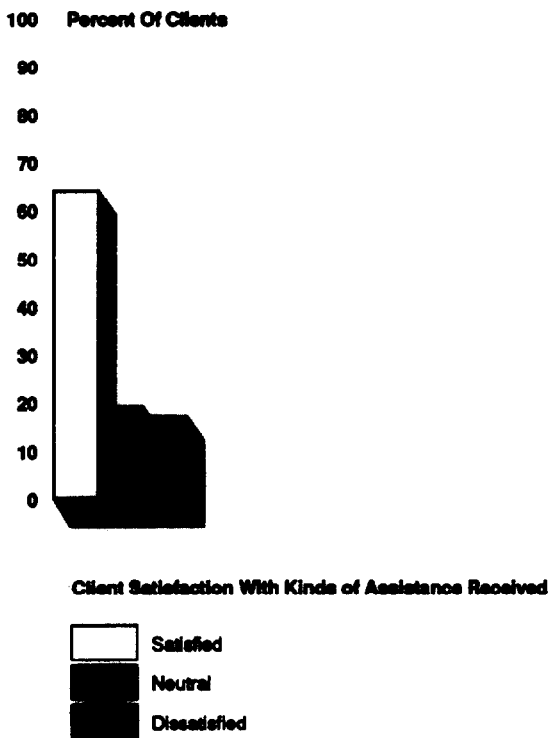
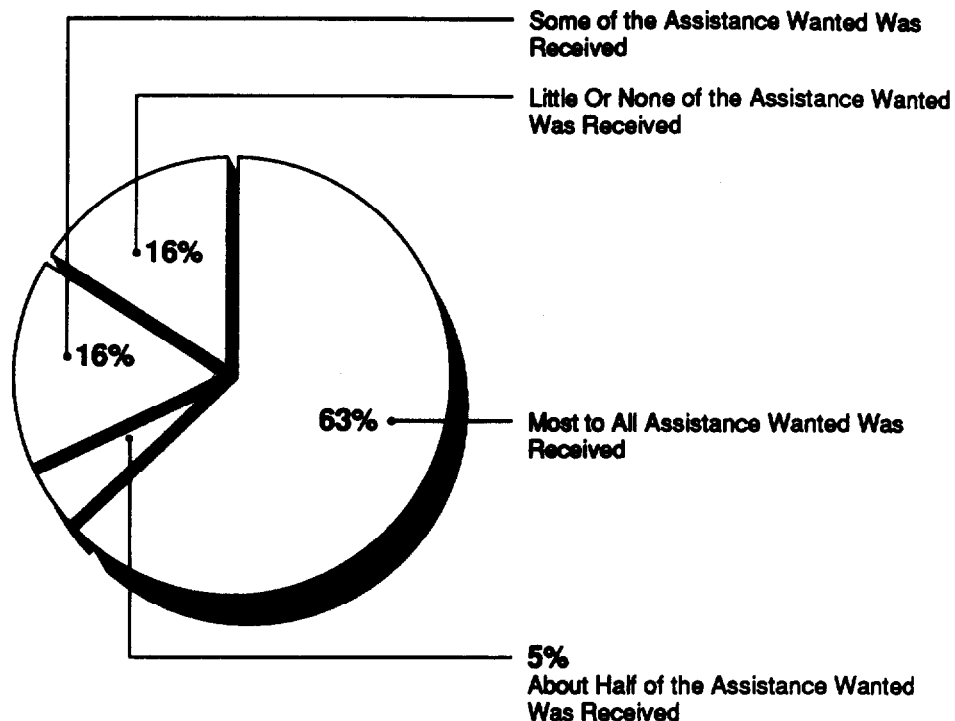


Figure 3.4: Clients Generally Received the Amount of Assistance Wanted



Clients Wanted and Received a Variety of Assistance

Generally, SBDC clients received counseling on topics related to general planning assistance, technical matters, and financial matters. Seventy-six percent received counseling on general planning assistance, 48 percent on technical matters, and 40 percent on financial matters.

Under each category of assistance, SBDC clients received counseling on a wide range of specific topics. Over 50 percent of all clients received general business advice, and 47 percent received advice on starting a business. Table 3.1 shows specific counseling topics under each category and the percent of clients receiving counseling on each topic.

**Section 3
Client Satisfaction With SBDC
Program Counseling**

Table 3.1: Counseling Requested and Received by SBDC Clients

Topic	Percent of clients ^a	
	Assistance wanted	Assistance received
General planning:		76
General business advice	56	54
Starting a business	57	47
Changing businesses	5	3
Advertising/marketing/developing a product/service overseas	7	4
Advertising/marketing/developing a product/service in the United States	35	25
Financial:		40
Filling out loan applications/ other forms	19	11
Applying for government contracts/ grants	16	7
Requesting a loan from the center	18	4
Identifying sources of money/ capital	32	17
Help with accounting or bookkeeping	24	17
Technical:		48
Legal advice	15	9
Tax information	20	16
Use of computers/special equipment	8	5
Business training	13	9
Referrals to other sources for assistance	33	26
Business-related publications	17	15
Other	6	4

^aPercentages exceed 100 because some clients wanted and/or received assistance in more than one category.

Clients Applied Results of SBDC Counseling

Most clients who received SBDC counseling believed that the assistance they received was useful in meeting their business-related needs. Most believed that the assistance they received increased their business skills and subsequently affected their business decisions.

About 77 percent of those receiving SBDC counseling considered the assistance they received somewhat to extremely useful in meeting their business-related needs. Similarly, about 70 percent of counseled clients believed that SBDC assistance increased their business-related skills and knowledge at least to some extent. (See tables 3.2 and 3.3.)

**Section 3
Client Satisfaction With SBDC
Program Counseling**

Table 3.2: Counseling Was Useful to Clients

Extent of usefulness	Percent of clients
Extremely useful	11
Very useful	30
Moderately useful	20
Somewhat useful	16
Little or no use	23

Table 3.3: Counseling Increased Clients' Skills and Knowledge

Extent of increase	Percent of clients
Very greatly increased	6
Greatly increased	20
Moderately increased	26
Somewhat increased	18
Little or no increase	30

SBDC clients also believed the assistance they received from the program affected their subsequent business decisions. About 92 percent of the clients who responded to our survey indicated that they made business-related decisions subsequent to their contact with the program. Nearly 70 percent of the clients who made business decisions believed that their experience with the SBDC program somewhat to very greatly affected their decisions. (See table 3.4.)

Table 3.4: Counseling Affected Clients' Business Decisions

Extent of effect	Percent of clients^a
Very greatly affected	10
Greatly affected	21
Moderately affected	23
Somewhat affected	14
Little or no effect	31

^aFigures do not total 100 due to rounding.

SBDC counseling may have also affected the change in clients' business status subsequent to their contact with the program. Results of our client survey showed that, overall, the number of clients in business has increased. Fifty-three percent of the clients in our survey were in business, and 47 percent were not in business at the time they first contacted the SBDC program for assistance. At the time of our survey,

66 percent were in business, an additional 13 percentage points. In addition, 90 percent of those who were in business when they first contacted the program were still in business at the time of our survey. Further, 39 percent of those who were not in business when they first contacted the program were in business at the time of our survey.

Clients Had Good Working Relationships With SBDC Program Staff

Clients who received SBDC counseling believed that they had positive working relationships with SBDC staff who provided program assistance. Further, they characterized SBDC program staff as having an understanding of their business needs and as being knowledgeable in the area of counseling provided.

About 58 percent of counseled clients believed that their working relationship with SBDC program staff was above average to excellent, and only 9 percent considered the relationship to be below average or poor. (See table 3.5.)

Table 3.5: Good Staff Working Relationships

Relationship type	Percent of clients
Excellent	33
Above average	25
Average	33
Below average	5
Poor	4

Client perceptions of how well SBDC program staff understood their needs and how knowledgeable staff were in their area of counseling may have contributed to the favorable working relationships that developed between clients and staff. About 61 percent of counseled clients considered program staff to have a good to total understanding of their needs. (See table 3.6.) Further, about 66 percent considered staff expertise or knowledge in their area of counseling to be high to extremely high. (See table 3.7.)

**Section 3
Client Satisfaction With SBDC
Program Counseling**

Table 3.6: SBDC Staff Understood Client Needs

Extent of understanding	Percent of clients
Total or almost total understanding	23
Good understanding	38
Moderate understanding	18
Some understanding	12
Little or no understanding	9

Table 3.7: Clients Believed That SBDC Staff Were Knowledgeable in Their Field of Counseling

Knowledge/expertise	Percent of clients^a
Extremely high	24
High	42
Average	25
Low	5
Extremely low	3

^aFigures do not total 100 due to rounding.

SBDC Program Funding

Funds available for the SBDC program have been increasing, and SBA is taking action to streamline funding procedures.

- Federal and state program funding has been increasing.
- SBA may adopt a multiyear grant approval process to reduce administrative burden.

Funding Sources

Centers receive program funding from both federal and nonfederal sources. Specifically, they receive financial assistance from SBA in the form of annual grants. In addition, they receive funding from state and local sources (see table 4.1).

Table 4.1: Sources of SBDC Program Funding for Program Years 1986-88

Dollars in millions

Sources	SBDC program funding ^a					
	1986		1987		1988	
	Amount	Percent	Amount	Percent	Amount	Percent
Federal ^b :	\$26.1	42	\$29.7	42	\$35.6	43
Non federal: (matching amounts)						
State government	8.5	14	11.6	16	13.8	17
Local government	.4	1	1.1	2	1.0	1
Univ./colleges	22.7	37	26.1	37	30.3	36
All other sources	3.9	6	2.1	3	2.7	3
Total	\$61.6	100	\$70.6	100	\$83.4	100

^aAll centers did not operate on the same budget/funding year. Twenty-five centers used a calendar year basis, 19 used the federal fiscal year, and 9 used other periods.

^bNot all centers provided us with detailed funding data. Therefore, amounts shown do not total to amounts appropriated for the program.

SBDC program legislation established the maximum annual federal grant amount that a center may receive. The maximum grant amount is the center's prorata share of a \$65 million program, based on the population to be served by the center as compared to the total population of the United States or \$200,000, whichever is greater. Through fiscal year 1989, federal funds made available for the SBDC program totaled about \$248 million; they have increased annually from \$360,000 for 9 centers in fiscal year 1977 to \$45 million for 53 centers in fiscal year 1989 (see

**Section 4
SBDC Program Funding**

table 4.2). As of fiscal year 1989, 28 centers had reached their maximum annual grant amount. Appendix II is a list of grant amounts by center.

Table 4.2: Appropriated Federal Funds and Number of Centers for the SBDC Program

Fiscal year	Amount	Number of centers
1977	\$360,000	9
1978	1,200,000	9
1979	2,600,000	16
1980	4,300,000	18
1981	8,500,000	19
1982	11,500,000	23
1983	16,000,000	26
1984	22,000,000	36
1985	28,500,000	44
1986	33,500,000	48
1987	35,000,000	49
1988	40,000,000	53
1989	45,000,000	53
Total	\$248,460,000	

Source: SBA.

To be eligible for an SBDC program grant, centers must provide an equal matching amount from nonfederal sources. In responding to our survey, centers indicated that during program years 1986-88 the nonfederal matching requirements were met—nonfederal amounts represented about 58 percent of the total program funding and were primarily contributed by colleges and universities (see table 4.1). During the same period, contributions from states represented about 14 to 17 percent, increasing from \$8.5 million to \$13.8 million. Appendix III is a breakdown of contributions by states.

SBDC Program Grant Approval

To obtain federal SBDC program funding, centers are required by SBA to annually submit a detailed proposal describing their program for the coming year. Centers with ongoing programs often submit proposals that are essentially the same as the prior years' because programs of long-established centers usually do not change significantly from year to year. SBA has proposed adopting a multiyear grant approval process which it believes should reduce overall administrative efforts and allow center staff time to be redirected to other program activities.

Section 4
SBDC Program Funding

Each year, centers must submit to SBA a detailed program proposal that addresses items such as how the applicant will develop, manage, and operate the center and its subcenters; how it will coordinate with federal, state, and local governments, educational systems, and private sector resources; center plans for program promotion, research, and minority services; geographic coverage of service delivery areas; and services offered by the SBDC and its subcenters. In addition to these items, the proposal must identify all nonfederal matching amounts and sources.

According to the SBA Deputy Associate Administrator for the program, the current annual grant approval process is time-consuming for both centers and SBA. Also, according to the Administrator, center proposals do not change significantly from one year to the next. To reduce the administrative effort involved, SBA is initiating a pilot project to evaluate the feasibility of a multiyear grant approval concept. Under the project, from 5 to 10 centers that have reached their maximum annual federal funding limit will submit proposals covering a 3-year period. On the basis of these initial detailed proposals, SBA will approve the project for the 3-year period and award funding for the first of the 3 years. To apply for federal funding in each of the following 2 years, these centers will only need to submit a brief document to SBA on their planned program activities instead of a detailed application. SBA believes that streamlining the proposal process should reduce administrative efforts of center staff, allowing this time to be redirected to serving clients. SBA also believes that the new process will not hinder its management control over the program.

A representative of the Association of Small Business Development Centers advised us that annual proposals generally duplicate previous years' submissions and unnecessarily require time-consuming administrative efforts by centers at their federal funding limit. The Association advocates a multiyear funding or grant approval process to reduce these duplicative efforts. We believe the multiyear grant approval process offers potential for reducing the administrative burden associated with an annual proposal process and for making additional staff time available to serve clients.

Center directors responding to our survey prefer a grant approval process that would make a distinction between new and ongoing programs. Thirty-three directors believe SBA should award grants to initial program

Section 4
SBDC Program Funding

applicants on an annual basis. However, for ongoing programs, all center directors believe SBDC grants should cover a period of 2 or more years.

Services Provided by Small Business Development Centers

The SBDC program provided clients a variety of business-related services.

- Centers' programs gave major emphasis to counseling.
 - Client counseling was provided primarily by program staff and to a limited extent by private sector consultants.
 - SBDC programs were coordinated with many other programs and activities.
-

Programs Emphasize Counseling

The 51 center directors responding to our survey reported that their SBDC programs provided a wide range of services to clients such as counseling, training, market analysis, and library resources. However, almost all of the centers gave their greatest emphasis to counseling (see table 5.1). During the 3-year period 1986-88, centers and subcenters on average applied to counseling about \$3 for every \$1 they applied to client training, the area which received the second greatest emphasis. In responding to our survey, directors of 29 centers and 382 subcenters indicated they provided direct counseling to clients. During fiscal years 1986-88, these centers and subcenters applied an estimated 35 to 37 percent of their total SBDC program funds to counseling. In comparison, during the same period, centers and subcenters applied about 11 percent of program funds to training, the area of second greatest emphasis.

Centers and subcenters reported that for program year 1987 they counseled a total of 118,000 different individuals for 1 hour or longer. They also reported providing clients a median of about 4 hours and 5 hours of counseling, respectively. The median counseling cost per client was \$258 for centers and \$333 for subcenters.

**Section 5
Services Provided by Small Business
Development Centers**

Table 5.1: Activities Included in Centers' Programs and Emphasis Placed on Each Activity (Number of Centers)

Activity	Level of emphasis				
	Very great	Great	Moderate	Some	Little or none
Counseling	43	7	1	•	•
Training	22	19	9	•	1
Resource development (public and private)	8	25	13	4	1
Economic development (e.g., incubators)	11	18	12	9	1
International trade	7	20	17	5	1
Minority small business development	9	17	18	4	3
Procurement	10	16	10	13	2
Capital formation (e.g., venture capital)	10	15	18	7	1
Innovation and technology transfer	8	17	15	10	1
Advocacy	7	15	18	8	2
Research projects (e.g., market analysis)	1	12	16	19	3
Publications (e.g., brochures)	2	5	22	17	4

Client Counseling Provided Mostly by Program Staff

Client counseling was provided mostly by program staff (in-house staff, faculty, and students) and, to a lesser extent, by private sector consultants (paid and volunteer). The extent to which each type of counselor was used beginning in program year 1987 is indicated in table 5.2.

While most centers and subcenters used private sector consultants to some extent, the percentage of clients counseled by consultants was relatively low. Most centers and subcenters that used private sector consultants used them to counsel 20 percent or less of their clients.

Thirty-three of the centers and 217 of the subcenters had an upper dollar limit that could be paid to consultants. The average dollar limit per hour was about \$40 at centers and about \$30 at subcenters.

**Section 5
Services Provided by Small Business
Development Centers**

Table 5.2: Consultants Were Used Less Frequently Than Program Staff for Most Counseling Subjects

Counseling subject	How often centers used		How often subcenters used	
	Program staff ^a	Consultants	Program staff ^a	Consultants
Business start-up/ acquisition	Very often	On occasion	Very often	On occasion
Source of capital	Often	On occasion	Very often	On occasion
Marketing/sales	Often	On occasion	Often	On occasion
Government procurement	On occasion	On occasion	On occasion	Seldom
Accounting and records	Often	On occasion	Often	On occasion
Financial analysis/ cost control	Often	On occasion	Often	On occasion
Inventory control	Often	On occasion	On occasion	Seldom
Engineering, R&D	On occasion	On occasion	Seldom	Seldom
Personnel	On occasion	On occasion	On occasion	Seldom
Computer systems	On occasion	On occasion	On occasion	On occasion
International trade	On occasion	On occasion	On occasion	Seldom
Business liquidation/ sales	On occasion	On occasion	Seldom	Seldom

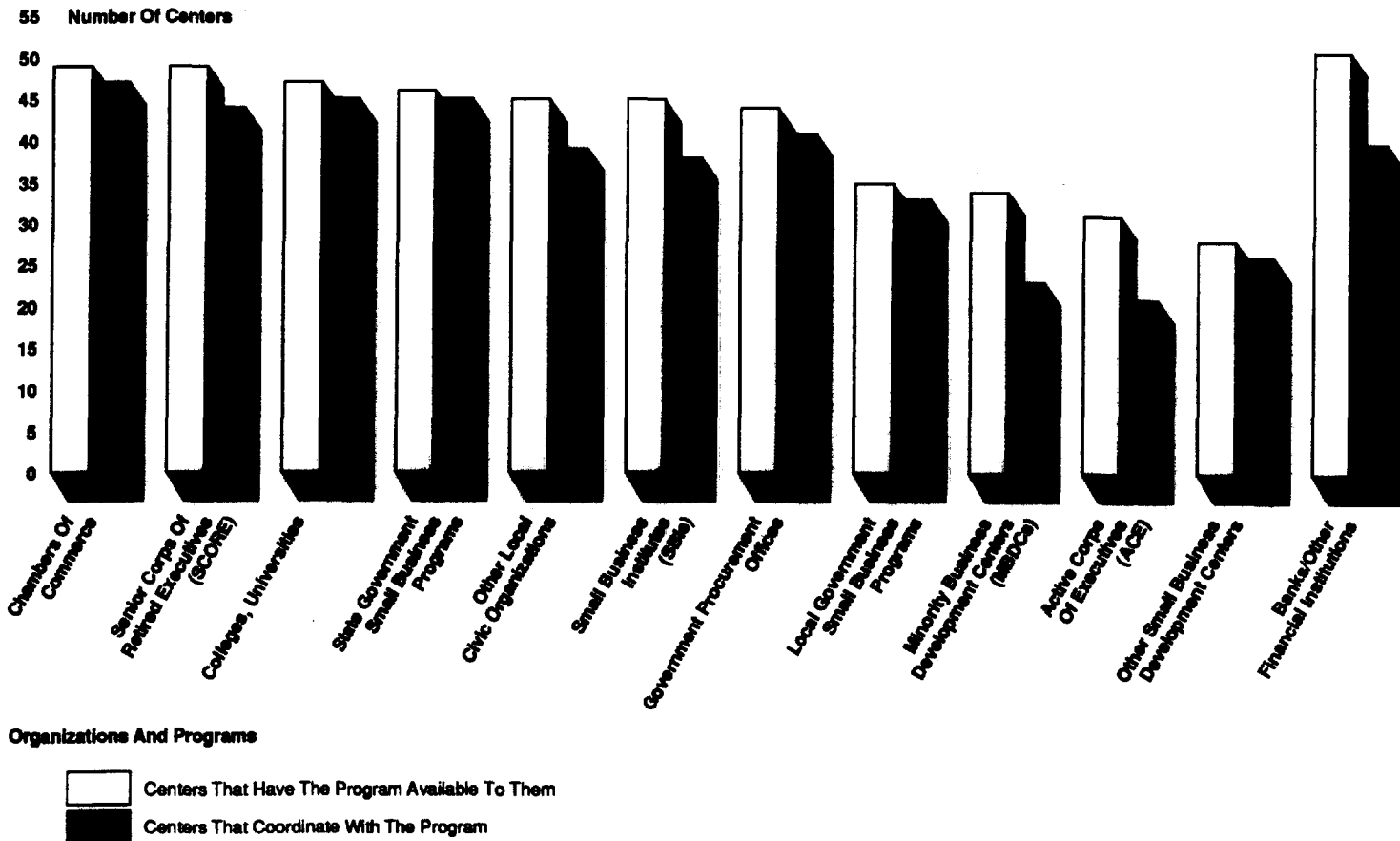
^aIncludes in-house staff, faculty, and students.

**Centers and
Subcenters Coordinate
With Other
Organizations and
Programs**

SBA policy encourages centers and subcenters to use the resources of other federal, state, and local government; academic; and private sector programs concerned with assisting small business. Center and subcenter directors responding to our survey were generally coordinating their activities with other organizations and programs that address small business needs. They did so in various ways, primarily by cosponsoring training activities, referring clients to other training programs or other counseling services, and sharing physical facilities. Other resources available to centers and subcenters and the extent to which they coordinated are shown in figures 5.1 and 5.2.

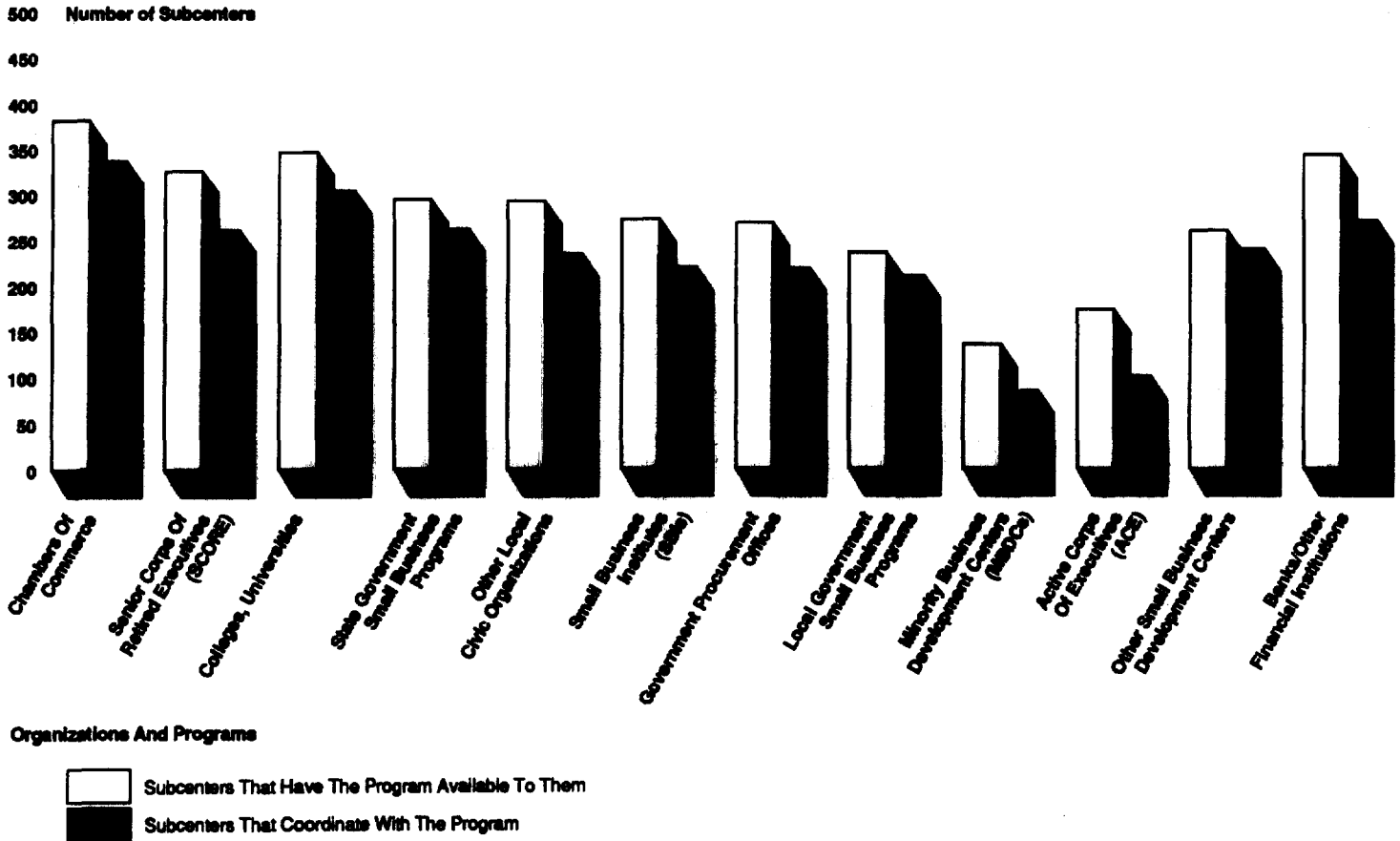
Section 5
 Services Provided by Small Business
 Development Centers

Figure 5.1: Centers Network With a Variety of Organizations and Programs



Section 5
 Services Provided by Small Business
 Development Centers

Figure 5.2: Subcenters Network With a Variety of Organizations and Programs



Characteristics of Clients Counseled by the SBDC Program

Most clients who received SBDC program counseling were

- white males with at least some college education;
- in business when they contacted the SBDC program;
- in or planned to be in the retail or service industry; and
- not given assistance in obtaining government contracts, but of those who were, about a third were minorities.

Data from our client survey showed that most clients were male, white, and 31 to 40 years old. Most had some college experience or a college degree. About half of the clients were in business when they contacted the SBDC program and about two-thirds were in business at the time we contacted them. Most clients were in or planned to be in the retail or service sector. Of those in business when contacted by us, about three-fourths had one to four full-time employees.

Section 6
Characteristics of Clients Counseled by the
SBDC Program

Table 6.1: Client Characteristics and Background

	Percent of clients^a
Gender	
Male	62
Female	37
Race	
White, not of Hispanic origin	81
Black, not of Hispanic origin	10
Hispanic	4
Asian or Pacific Islander	2
American Indian or Alaskan Native	1
Other	2
Age range	
30 years or younger	17
31 - 40	43
41 - 50	26
51 - 60	11
61 - 70	2
Over 70	1
Highest education level attained	
Less than high school graduate	3
High school graduate	14
Some college	30
College graduate (2-year degree)	12
College graduate (4-year degree)	28
Professional or graduate degree	13
U.S. veteran	
Yes	25
No	75
Business status when contacted program	
In business	53
Not in business	47
Business status when contacted by GAO	
In business	66
Not in business	34
Years in business when contacted program	
Less than 1	33
1 to 3	31
4 to 6	12
over 6	24

(continued)

**Section 6
 Characteristics of Clients Counseled by the
 SBDC Program**

	Percent of clients ^a
Clients' type of business (actual or planned)	
Services	45
Retail	19
Manufacturing	12
Wholesale	5
Construction	3
Agriculture	2
Finance, insurance, real estate	1
Transportation, communications, utilities	1
Mining	•
Other	12
Number of clients' full-time employees at time of GAO survey	
None	4
1 - 2	51
3 - 4	19
5 - 6	10
7 - 8	4
9 or more	12

^aFigures may not total 100 due to rounding.

Extent of Government Procurement Assistance Provided and Minority Participation

Of the centers and subcenters that counseled clients, 11 and 195, respectively, offered assistance in obtaining government procurement contracts. As shown in table 3.1, about 16 percent of clients responding to our survey indicated they wanted this assistance. Of the clients counseled by these centers and subcenters in program year 1987, an average of 5 to 8 percent received such assistance. Of those who received this assistance, an average of from 28 to 32 percent were minorities at centers and subcenters, respectively. (See table 6.2.)

Table 6.2: Average Percentage of Counseled Clients Given Assistance in Obtaining Government Procurement Contracts

	Percent of all clients	Percent of minority clients
Centers	8	28
Subcenters	5	32

Characteristics of Center and Subcenter Staff

Centers and subcenters do not have large staffs.

- Directors of both centers and subcenters were generally college graduates with prior experience in business-related activities.
- The criterion that centers and subcenters used most often in selecting private sector consultants was the consultants' areas of specialization.

Centers and subcenters employ professional and support staff both full time and part time. The average number of staff at centers and subcenters is shown in table 7.1.

Table 7.1: Average Number of Center and Subcenter Staff

	Average number of staff		
	Full-time	Part-time	Total
Center			
Professional	10	4	14
Support	4	2	6
Total	14	6	20
Subcenter			
Professional	2	1	3
Support	1	1	2
Total	3	2	5

Data from our center and subcenter surveys showed that most directors were male, white, and 31 to 50 years old. Most had attained a professional or graduate degree and had several years prior experience in business-related activities, with the most frequent type of experience being private industry employment. (See tables 7.2 and 7.3.)

Section 7
Characteristics of Center and Subcenter Staff

Table 7.2: Characteristics of Center and Subcenter Directors

	Number of directors	
	Center	Subcenter
Gender		
Male	44	293
Female	7	93
Race		
White, not of Hispanic origin	47	359
Black, not of Hispanic origin	2	16
Hispanic	2	8
Asian or Pacific Islander	•	1
American Indian or Alaskan Native	•	1
Other	•	1
Age range		
30 years or younger	•	25
31-40 years	19	115
41-50 years	19	145
51-60 years	9	73
61-70 years	4	24
Over 70 years	•	2
Highest level of education attained		
High school graduate or less	•	1
Some college	2	13
College graduate	9	89
Professional or graduate degree	40	281

Table 7.3: Prior Experience in Business-Related Activities of Center and Subcenter Directors

Activity^a	Centers		Subcenters	
	Number of directors	Average number of years	Number of directors	Average number of years
Managing other federal/state programs	31	6	196	4
Economic/community development work	27	6	210	5
Private industry employment	41	9	291	9
Business consulting	29	5	238	5
Business owner/manager	33	6	250	7
College/university administration	19	3	122	3
Teaching business or related courses	32	4	218	6
Other	6	5	49	5

^aCategories are not mutually exclusive.

Section 7
Characteristics of Center and Subcenter Staff

In selecting consultants, centers and subcenters use several different selection criteria. As shown in table 7.4, the criterion most often used was the consultants' areas of specialization.

Table 7.4: Centers and Subcenters Often Use a Variety of Criteria for Selecting Consultants

Criteria	How often centers use criteria	How often subcenters use criteria
Areas of specialization	Extremely often	Very often
Personal interview	Very often	Very often
Review of prior work/products	Often	Very often
Availability of consultant	Very often	Often
Resume	Often	Often
Recommendations by others	Often	Very often
Reasonableness of fees	Very often	Often
Direct observation of counseling	On occasion	Often

On-Site Reviews

SBA is required by law to carry out on-site reviews of each Small Business Development Center every 2 years.

- SBA, the Association of Small Business Development Centers, and center directors believe that to some extent on-site reviews are useful.
- SBA, the Association of Small Business Development Centers, and center directors believe reviews should be conducted less frequently than every 2 years.

SBA is required by law to conduct on-site reviews of centers' operations. SBA, the Association of Small Business Development Centers, and center directors believe that to some extent on-site reviews serve a useful purpose. However, they believe that these reviews are required too frequently. We believe that on-site reviews are serving a useful purpose for SBA and center directors even though both have questioned the frequency of these reviews. We believe these reviews provide SBA with program data not otherwise available, and they provide an effective forum for the exchange of ideas between those responsible for implementing the SBDC program.

The Small Business Development Center Improvement Act of 1984 (P.L. 98-395) requires SBA to develop and implement a program for conducting an on-site review of each Small Business Development Center at least every 2 years. The purpose of these reviews is to assist SBA and centers in improving all aspects of their operations.

To carry out the on-site evaluation mandate, SBA, in collaboration with the Association, developed an on-site review process. The process requires each center to prepare a written self-study of its operations prior to arrival of a review team, which is composed of one or two SBA representatives and one or two SBDC personnel from other centers. Using the self-study as a guide, the review team performs an on-site evaluation of the center's operations, prepares a written report, and where appropriate, develops recommendations for program improvements. The review team performing the subsequent on-site review is responsible for following up on these findings and recommendations. As of April 1989, 14 centers had been reviewed once and 35 had been reviewed twice.

The SBA Deputy Associate Administrator, the Association and center directors believe that on-site reviews are to some extent useful to them. All indicated that these reviews provide a means for exchanging ideas

among those responsible for implementing and administering the program. According to the Administrator, on-site reviews provide data on program operations that would not otherwise be available to SBA. Further, the Association and center directors advised us that recommendations made by the review teams are useful and are generally implemented.

SBA and Association officials and some center directors believe that programs that have been operating for several years do not change significantly from year to year. Consequently, they question the need for conducting on-site reviews every 2 years at every center and believe that on-site reviews should be conducted less frequently. Specifically, SBA would prefer a system that bases the frequency of reviews on other factors, such as program age or indications of problems. The Association prefers that, generally, on-site reviews be conducted once every 3 to 4 years for centers that have been operating for several years since SBDC operations do not change significantly in such a short period as 2 years. Thirty-six center directors who responded to our survey said full-scale on-site reviews should be conducted less often than every 2 years.

Details of GAO's Review Methodology

To determine client satisfaction with counseling received and to obtain demographic client and program data, we mailed questionnaires to a random sample of 997 SBDC program clients. This sample was selected from a universe of about 128,000 clients identified by 52 centers as receiving counseling for 1 hour or more during the period January 1, 1987, through March 31, 1988. As agreed with the requester's office, the questionnaire emphasized clients' experiences with SBDC counseling rather than training activities.

All sample surveys are subject to sampling error; that is, sample results can differ from results that would be obtained if the entire population responded to the questionnaire. The sampling error for estimates of percentages reported in the text did not exceed 6 percent at a 95-percent level of confidence.

To test for differences between survey respondents and nonrespondents, we randomly sampled one-third of the nonrespondents and asked them to participate in a telephone survey using the same questions that appeared in our mail-in questionnaire. Of the 78 nonrespondents we sampled, 51 completed the questionnaire over the phone. To adjust for differences between these clients and the mail-in respondents, we weighted the phone responses by a factor of three in our analyses of survey questions.

Of our original client sample, we ultimately achieved a 75-percent response rate. We estimate that 13.2 percent of the original universe of clients are not traceable by mail or phone and that an additional 8.5 percent believe they do not meet the criterion of having received at least 1 hour of counseling. Our results are presented as estimates of how the universe of traceable clients meeting our services criterion would have responded had we sampled them all.

We obtained information on the other program areas primarily through the use of questionnaires to Small Business Development Center and Subcenter directors who were responsible for implementing the program at the state and local level. We identified directors from lists provided to us by SBA of the 52 centers having cooperative agreements with SBA as of March 1988 and the 499 subcenters having similar agreements with these centers.

All 52 centers responded to our questionnaire, and responses from 51 were included in our analysis. One center was unable to complete the

questionnaire because it did not begin operating a program until March 1988, the last month of the 15-month time period used for our survey.

Of the 499 subcenters identified for us by SBA, our subcenter analysis included responses from

- 390 subcenters that responded directly to our questionnaire and
- 60 subcenters or satellites to subcenters that combined their responses with another subcenter.

The remaining 49 subcenters were not included in our analysis for the following reasons:

- 18 merged their response with the center questionnaire.
- 17 had ceased operations.
- 7 returned blank or incomplete questionnaires.
- 7 did not return a questionnaire.

Federal SBDC Program Funds Obligated by Center for Fiscal Years 1986-89

State	1986	1987	1988	1989
Alabama	\$1,098,500 ^d	^b	\$1,098,500 ^d	\$1,098,500 ^d
Alaska	•	\$200,000 ^d	200,000 ^d	200,000 ^d
Arizona	•	•	250,000	384,600
Arkansas	643,500 ^d	643,500 ^d	643,500 ^d	623,391
Colorado	•	•	350,000	477,275
Connecticut	459,312	528,208	528,208	607,439
Delaware	135,506	175,480	168,882	194,214 ^c
Dist. of Columbia	682,514 ^d	646,511 ^d	745,108 ^d	815,710 ^d
Florida	2,351,186	2,270,312	2,657,153	2,756,000 ^d
Georgia	1,539,417	1,540,500 ^d	1,540,500 ^d	1,540,500 ^d
Idaho	200,000	266,500 ^d	266,500 ^d	266,500 ^d
Illinois	1,022,000	1,217,500	1,700,236	1,955,271
Indiana	327,485	388,500	581,458	668,680
Iowa	825,000	825,000	825,000	825,500 ^c
Kansas	639,604	661,660	669,500 ^d	669,500 ^d
Kentucky	1,033,500 ^d	1,033,500 ^d	1,033,500 ^d	1,033,500 ^c
Louisiana	787,549	819,070	899,208	1,034,090 ^c
Maine	318,500 ^d	318,500 ^d	318,500 ^d	318,500 ^d
Maryland	•	•	300,000	375,000 ^c
Massachusetts	1,125,432	1,294,246	1,488,382	1,618,500 ^c
Michigan	1,754,000	2,037,500	1,763,338	2,391,673 ^c
Minnesota	1,100,000	1,100,000	1,150,000	1,150,000
Mississippi	715,000 ^d	^b	648,355	715,000 ^d
Missouri	1,362,610	340,650	701,074	1,391,001 ^d
Montana	•	•	185,017	221,000 ^d
Nebraska	440,000	442,000 ^d	442,000 ^d	442,000 ^d
Nevada	220,215	220,938	227,500 ^d	227,500 ^d
New Hampshire	235,380	235,000	260,000 ^d	260,000 ^d
New Jersey	606,115	607,302	814,332	940,409
New York				
Upstate	619,999	731,000	834,000	959,100 ^c
Downstate	16,602 ^a	515,409	798,822	1,028,100
North Carolina	^a	519,955	474,655	545,855
North Dakota	^a	172,882	199,915	200,000 ^d
Ohio	350,000	437,332	785,733	899,526
Oklahoma	^a	562,124	646,443	675,680
Oregon	646,375	716,263	741,000 ^d	741,000 ^d
Pennsylvania	2,614,068	3,152,604	3,148,731	3,386,734 ^d
Puerto Rico	^a	269,446	406,000	466,900
Rhode Island	266,500 ^d	266,500 ^d	266,500 ^d	266,500 ^d

(continued)

**Appendix II
Federal SBDC Program Funds Obligated by
Center for Fiscal Years 1986-89**

State	1986	1987	1988	1989
South Carolina	\$700,000	\$774,956	\$824,000	\$884,000 ^d
South Dakota	200,000 ^d	200,000 ^d	200,000 ^d	200,000 ^d
Tennessee	435,178	528,927	784,378	955,016
Texas				
Dallas	300,000	666,459	744,503	809,100 ^c
Houston	428,621	1,006,364	1,053,426	1,153,682 ^c
Lubbock	185,464	426,254	19,736 ^a	471,212
San Antonio	212,443	17,704 ^a	396,484	483,397
Utah	409,471	409,440	409,464	409,500 ^d
Vermont	200,000 ^d	200,000 ^d	200,000 ^d	200,000 ^{c,d}
Virgin Islands	10,000 ^a	122,941	159,532	183,465
Washington	962,415	1,113,372	1,170,000 ^d	1,170,000 ^d
West Virginia	524,001	552,000	552,000	552,000
Wisconsin	1,326,000 ^d	1,326,000 ^d	1,326,000 ^d	1,326,000 ^d
Wyoming	233,344 ^d	200,548 ^d	186,731	200,000 ^d

^aWas funded for more than 12 months in the prior fiscal year.

^bCenter was refunded on the last day of the prior fiscal year.

^cProjected funding, to be refunded on 9/30/89.

^dCenters that have reached their maximum annual federal funding limit:

1986 - 11 centers

1987 - 13 centers

1988 - 18 centers

1989 - 28 centers

Source: SBA.

States' Contributions to the SBDC Program by Center for Program Years 1986-88

Of the 51 centers completing our survey, 38 reported to SBA that they received state contributions for at least one program year during 1986-88. Of the 32 states that contributed in 1986, 22 increased their contributions in 1988.

State	1986	1987	1988
Alabama	\$421,462	\$413,701	\$396,552
Alaska	•	200,000	200,000
Arkansas	•	•	•
Colorado	•	•	•
Connecticut	100,000	239,272	200,078 ^a
Delaware	56,250	56,250	47,025
Dist. of Columbia	62,100	101,572	86,441 ^a
Florida	320,000	329,000	338,000 ^a
Georgia	869,230	1,281,658	1,611,630 ^a
Idaho	•	•	•
Illinois	221,699	378,036	1,143,864 ^a
Indiana	•	•	•
Iowa	673,000	700,000	825,000 ^a
Kansas	250,000	250,000	275,000 ^a
Kentucky	172,000	96,765	90,158
Louisiana	247,000	254,544	278,429 ^a
Maine	216,561	232,410	249,475 ^a
Massachusetts	460,498	510,920	647,123 ^a
Michigan	669,000	1,000,000	974,600 ^a
Minnesota	120,000	120,000	150,000 ^a
Mississippi	403,000	676,548	667,063 ^a
Missouri	100,043	81,376	81,376
Montana	•	•	130,000
Nebraska	127,236	170,438	335,295 ^a
Nevada	•	•	•
New Hampshire	97,000	98,000	100,000 ^a
New Jersey	250,000	250,000	250,000
New York			
Upstate	•	883,538	820,000
Downstate	350,000	385,000	400,000 ^a
North Carolina	•	•	•
North Dakota	179,566	188,011	203,414 ^a
Ohio	220,000	242,750	549,293 ^a
Oklahoma	301,249	282,420	380,639 ^a
Oregon	646,000	497,500	475,000

(continued)

**Appendix III
States' Contributions to the SBDC Program
by Center for Program Years 1986-88**

State	1986	1987	1988
Pennsylvania	•	•	•
Puerto Rico	•	•	•
Rhode Island	•	•	•
South Carolina	\$387,000	\$400,000	\$400,000 ^a
South Dakota	•	51,500	61,322
Tennessee	231,986	590,732	543,936
Texas			
Dallas	•	•	•
Houston	•	•	•
Lubbock	•	•	•
San Antonio	14,352	•	•
Utah	75,000	150,000	210,000 ^a
Vermont	40,000	40,000	40,000
Virgin Islands	•	•	100,000
Washington	97,500	97,500	96,500
West Virginia	153,668	182,241	196,740 ^a
Wisconsin	•	•	•
Wyoming	•	204,166	220,000

^aIndicates states that increased their contributions to the program between 1986 and 1988.

U.S. General Accounting Office Survey of Small Business Development Center Clients

U.S. GENERAL ACCOUNTING OFFICE

SURVEY OF SMALL BUSINESS DEVELOPMENT CENTER CLIENTS

At the request of Congress, the U.S. General Accounting Office is reviewing the Small Business Development Center program, which receives funds from the Small Business Administration, to determine how well the program is helping the small business community.

As part of our review, we are conducting a nationwide survey of people, like yourself, who have received assistance through the program. Please help us by completing this questionnaire. It should only take about 15 minutes to complete.

We will treat your responses as confidential, reporting them along with those of others in summary form only. The identifying number on this page is for follow-up purposes only.

INSTRUCTIONS:

- o If you visited more than one Center or had more than one experience with a Center, please base your answers on your most recent experience, unless otherwise instructed.
- o If you have any questions about our survey, please call Melvin McCombs or Norman Psenski collect at (313) 226-6044.
- o Return your completed questionnaire in the enclosed envelope within 10 days, if possible. This will help us to avoid costly follow-up mailings.
- o In the event that the return envelope is misplaced, our return address is:

Mr. Melvin McCombs
 U.S. General Accounting Office
 441 G Street, N. W.
 Room 4476, RCED
 Washington, DC 20548

ID (1-4)
 CDI (5)

1. How did you first hear about the Small Business Development Center you visited? (Check all sources that apply) (6-14)

- A.[226] Friend, relative or small business owner/operator
- B.[84] Someone who has used the Center's services
- C.[90] College/university teacher
- D.[33] Lawyer, accountant or other professional consultant
- E.[62] Bank/other financial institution
- F.[124] Chamber of Commerce or other small business assistance program
- G.[96] Small Business Administration
- H.[186] Mass media (radio, newspaper, phone book, brochure, etc.)
- I.[71] Other (specify):

2. About when did you first contact the Center for information or help? (Enter date) (15-18)

 (month) / (year)

3. About how long was it from the time you first contacted the Center until you actually saw or met with the person assigned to help you? (Check one) (19)

- 1.[87] Same day
- 2.[278] A few days
- 3.[203] A week
- 4.[120] A few weeks
- 5.[17] A month
- 6.[26] Longer than a month

**Appendix IV
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4. Which of the following kinds of information or assistance did you want from the Center and which kinds have you received to date? (Check all that apply)^a
(20-36) (37-53)

	<u>Assistance Wanted</u>	<u>Assistance Received</u>
GENERAL PLANNING:		
(1) General business advice	[350]	[333]
(2) Starting a business	[354]	[289]
(3) Changing my business	[30]	[19]
(4) Advertising/marketing/developing my product/ service <u>overseas</u>	[45]	[23]
(5) Advertising/marketing/developing my product/ service <u>in the United States</u>	[216]	[153]
FINANCIAL:		
(6) Filling out loan applications /other forms	[117]	[69]
(7) Applying for government contracts/grants	[101]	[41]
(8) A loan from the Center	[110]	[25]
(9) Identifying sources of money/capital	[197]	[107]
(10) Help with accounting or bookkeeping	[150]	[104]
TECHNICAL:		
(11) Legal advice	[91]	[56]
(12) Tax information	[124]	[98]
(13) Use of computers/special equipment	[51]	[31]
(14) Business training	[82]	[55]
(15) Referrals to other sources for assistance	[207]	[162]
(16) Business-related publications	[106]	[93]
OTHER (specify below):		
(17)	[35]	[27]

NOTE: ^aQuestion 4 was not asked during our telephone follow-up with nonrespondents. Therefore, frequencies shown are based on mailed-in responses.

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5. In your opinion, how fast or slow has the Center been in assisting you overall? (Check one) (54)

- 1.[231] Extremely fast
- 2.[258] Moderately fast
- 3.[181] Neither fast nor slow
- 4.[29] Moderately slow
- 5.[30] Extremely slow

6. In total, about how many of your meetings with people from the Center have been at their office and how many have been at your home or place of business? (Check one box for each location) (55-56)

	<u>Their Office</u>	<u>My Home/ Business</u>
A. None	[69]	[592]
B. 1 meeting	[302]	[64]
C. 2 - 3 meetings	[239]	[47]
D. 4 - 5 meetings	[68]	[17]
E. 6 - 7 meetings	[30]	[6]
F. 8 or more meetings	[35]	[17]

7. In total, about how many hours have you spent working with someone from the Center? (Check one) (57)

- 1.[445] 3 hours or less
- 2.[154] 4 - 7 hours
- 3.[77] 8 - 15 hours
- 4.[23] 16 - 23 hours
- 5.[44] 24 hours or more

8. Are you still working with someone from the Center or not? (Check one) (58)

- 1.[118] Yes, I am still working with someone from the Center
- 2.[626] No, I am no longer working with someone from the Center

9. Overall, how much, if at all, did or does the person(s) providing you assistance understand your particular business needs? (Check one) (59)

- 1.[173] Total or almost total understanding
- 2.[281] Good understanding
- 3.[131] Moderate understanding
- 4.[91] Some understanding
- 5.[68] Little or no understanding

10. Overall, how excellent or poor is your working relationship with the person(s) from the Center who provided you assistance? (Check one) (60)

- 1.[238] Excellent
- 2.[186] Above average
- 3.[242] Average
- 4.[36] Below average
- 5.[30] Poor

11. How would you rate the overall level of expertise/knowledge of the person(s) from the Center who provided you assistance? (Check one) (61)

- 1.[178] Extremely high
- 2.[310] High
- 3.[185] Average
- 4.[38] Low
- 5.[20] Extremely low

ID (1-4)
CD2 (5)

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12. Since you contacted the Center, which, if any, of the following business decisions have you made? (Check all that apply)

(6-14)

- A.[235] Started/decided to start a new business
- B.[192] Canceled/delayed plans to go into business
- C.[36] Closed my business
- D.[26] Reduced the size of my business
- E.[118] Expanded my business
- F.[72] Increased/plan to increase number of my employees
- G.[15] Decreased/plan to decrease number of my employees
- H.[151] Changed my business procedures or operations
- I.[116] Other (specify):

13. Overall, how much, if at all, did your experience at the Center affect the business decisions you checked in Question 12 above? (Check one) (15)

- 1.[68] Very greatly affected
- 2.[146] Greatly affected
- 3.[161] Moderately affected
- 4.[100] Somewhat affected
- 5.[213] Little or no effect

14. In your opinion, how much, if at all, has the assistance you received increased your business-related skills or knowledge? (Check one) (16)

- 1.[43] Very greatly increased
- 2.[143] Greatly increased
- 3.[194] Moderately increased
- 4.[135] Somewhat increased
- 5.[218] Little or no increase

15. How useful, if at all, has the assistance you received been in meeting your business-related needs? (Check one) (17)

- 1.[79] Extremely useful
- 2.[217] Very useful
- 3.[151] Moderately useful
- 4.[117] Somewhat useful
- 5.[172] Little or no use

16. How much, if at all, has the person(s) who assisted you encouraged or discouraged you from coming back for assistance in the future? (Check one) (18)

- 1.[311] Greatly encouraged
- 2.[173] Somewhat encouraged
- 3.[199] Neither encouraged nor discouraged
- 4.[34] Somewhat discouraged
- 5.[26] Greatly discouraged

17. How much, if any, of the advice or assistance that you wanted from the Center have you received to date? (Check one) (19)

- 1.[301] All or almost all
- 2.[164] Most
- 3.[40] About half
- 4.[117] Some
- 5.[120] Little or none

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18. Overall, how satisfied or dissatisfied are you with each of the following features of your experience with the Center? (Check one for each feature)^a (20-25)

	Extremely Satisfied 1	Moderately Satisfied 2	Neither Satisfied nor Dissatisfied 3	Moderately Dissatisfied 4	Extremely Dissatisfied 5
A. Knowledge/expertise of person(s) providing the assistance	257	208	79	43	21
B. Amount of assistance received	214	193	101	48	47
C. Kinds of assistance received	198	179	113	50	49
D. Time taken to get an appointment	310	177	76	19	15
E. Time taken overall to get assistance	264	152	107	25	40
F. Other (specify):	16	4	6	7	18

NOTE: ^aQuestion 18 was not asked during our telephone follow-up with nonrespondents. Therefore, frequencies shown are based on mailed-in responses.

19. All things considered, how satisfied or dissatisfied are you with the help you have received to date from the Center? (Check one) (26)

- 1. [267] Extremely satisfied
- 2. [240] Moderately satisfied
- 3. [105] Neither satisfied nor dissatisfied
- 4. [78] Moderately dissatisfied
- 5. [48] Extremely dissatisfied

20. All things considered, if you needed similar assistance in the future would you contact the Center again or not? (Check one) (27)

- 1. [425] Definitely would contact
- 2. [138] Probably would contact
- 3. [76] Unsure
- 4. [64] Probably would not contact
- 5. [42] Definitely would not contact

21. In general, would you recommend the Center to others for business assistance or not? (Check one) (28)

- 1. [455] Definitely would recommend
- 2. [154] Probably would recommend
- 3. [69] Unsure
- 4. [43] Probably would not recommend
- 5. [24] Definitely would not recommend

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BUSINESS BACKGROUND

22. Which category below best describes the type of business you were in or planned to be in the very first time you contacted the Center? (Check one) (29)

- A.[39] Wholesale trade
- B.[141] Retail trade
- C.[335] Services
- D.[87] Manufacturing
- E.[24] Construction
- F.[7] Transportation, communications, utilities, etc.
- G.[7] Finance, insurance, real estate
- H.[1] Mining
- I.[11] Agriculture
- J.[91] Other (specify):

23. Were you actually in business the very first time you contacted the Center or not? (Check one) (30)

- 1.[391] Yes, I was in business then
- 2.[352]*No, I was not in business then

*If No, GO TO QUESTION 26

24. About how long had you been in business when you first contacted the Center? (Check one) (31)

- 1.[126] Less than 1 year
- 2.[121] 1 to 3 years
- 3.[45] 4 to 6 years
- 4.[94] Over 6 years

25. When you first contacted the Center, about how many full-time and other employees, counting yourself, worked for your business? (Enter numbers)

median = 2.0 mean = 5.76
 _____ Full-time employees (32-35)
 median = 1.00 mean = 2.51
 _____ Other employees (36-39)
 (temporary, part-time, etc.)

26. Are you currently in business or not? (Check one) (40)

- 1.[485] Yes, I am in business now
- 2.[253]*No, I am not in business now

*If No, GO TO QUESTION 29

27. About how many full-time and other employees, counting yourself, currently work for your business? (Enter numbers)

median = 2.0 mean = 5.95
 _____ Full-time employees (41-44)
 median = 1.0 mean = 2.94
 _____ Other employees (45-48)
 (temporary, part-time, etc.)

28. Overall, how much, if at all, has the assistance you received to date from the Center helped or hurt each of the following? (Check one box for each) (49-54)

	Greatly Helped 1	Somewhat Helped 2	No Effect 3	Somewhat Hurt 4	Greatly Hurt 5	Too Early To Tell 6
A. Business income	37	93	280	3	6	23
B. Profits	35	84	286	3	6	25
C. Efficiency of business operations	57	132	233	6	3	12
D. Employee relations	24	46	331	5	0	14
E. Owner morale	89	117	188	17	12	12
F. Other (specify):	14	3	40	0	3	7

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PERSONAL BACKGROUND

29. What is the highest level of education you had attained the very first time you contacted the Center? (Check one) (55)

- 1.[23] Less than high school graduate
- 2.[101] High school graduate
- 3.[221] Some college or business/ technical school courses
- 4.[92] Two year degree (A.A. or business/ technical school degree)
- 5.[211] College graduate (B.A./B.S.)
- 6.[93] Professional or graduate degree (M.B.A., etc.)

30. What is your current age? (Enter number of years) (56-57)

median = 31-40 years
_____ years of age

31. Which of the following categories best describes your ethnic background? (Check one) (58)

- 1.[598] White, not of Hispanic Origin
- 2.[74] Black, not of Hispanic Origin
- 3.[29] Hispanic
- 4.[18] Asian or Pacific Islander
- 5.[7] American Indian or Alaskan Native
- 6.[15] Other

32. Are you a U.S. Veteran? (Check one) (59)

- 1.[183] Yes
- 2.[549] No

33. What is your gender? (Check one) (60)

- 1.[462] Male
- 2.[275] Female

34. Comments. (If you have any additional comments or opinions about your experience with the Center or this questionnaire, please provide them in the space below.) (61)

Thank you for your cooperation in this important program evaluation.

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