

Neighborhood Development Center

Outcomes evaluation

A P R I L 2 0 1 1

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April 2011

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Acknowledgments

Wilder Research would like to thank the Neighborhood Development Center staff, especially Mike LaFave, Kathy Moriarty, Samir Saikali, Emma Spillman, Mihailo Temali, and Teshite Wako, for their support in the data collection for this project. Wilder Research would also like to thank the business owners who participated in this evaluation. Without their involvement, this evaluation would not be possible.

Wilder Research would also like to thank Walker Bosch, Rena Cleveland, Marilyn Conrad, Louann Graham, and Ryan McArdle for the time and energy they provided to this project.

Evaluation summary

Assistance received from NDC

Of the 207 business owners surveyed in 2010 (out of the 413 in business at the time of this study), 60 percent participated in NDC's 16 week training, 35 percent received financing, 31 percent attended a workshop, 22 percent obtained assistance from the Business and Career Center, and 21 percent had a location in an NDC incubator.

Profile of surveyed business owners

Half of surveyed business owners are men; half women. The average and median age are 45. The race/ethnicity of owners varied, with the majority of owners identifying as Latino, Hispanic, or Chicano (32%), Caucasian or European American (not-Hispanic, 30%), and/or African American or Black (22%).

In terms of employment, income, and health insurance coverage:

- 67 percent have prior experience trying to run a business.
- 72 percent work at their business full-time, 21 percent part-time, and 7 percent seasonally. Thirty percent of owners also have another job.
- For about half of owners, their primary source of income is their business. On average, 53 percent of household income is brought in by the business.
- 22 percent of owners have a monthly household income of \$2,500 a month or less, 16 percent between \$2,501 and \$3,500, and 53 percent more than \$3,500 monthly. Nine percent of owners did not provide their monthly household income.
- Sixty-seven percent of owners have health insurance.

Profile of businesses

With NDC assistance, 38 percent of surveyed owners started a new business, and 60 percent expanded a pre-existing business (2% didn't provide this information). The typical NDC-assisted business is a sole proprietorship, with one location, providing a service to customers within and outside of its immediate neighborhood.

Of the 207 surveyed business owners:

- 19 percent own more than one business.
- 75 percent estimate that they have at least some customers from within one mile of their location.
- 42 percent of owners report gross monthly revenues of more than \$5,000 (\$60,000 a year), including 20 percent with gross monthly revenues over \$16,600 (about \$200,000 a year).
- 17 percent have not yet made a profit. Thirty-six percent did so in a year or less, 16 percent in about one to two years, and 16 percent in more than two years. Fifteen percent didn't know or didn't respond to the question.
- 26 percent of owners have no debt currently. Seventeen percent owe less than \$5,000. The average debt is about \$54,500; the median \$7,000, with a range of \$0 to \$1.5 million. The total amount of business debt is about \$10.5 million.

Business expansion since NDC assistance

Of the 124 owners of pre-existing businesses (i.e., businesses that existed prior to NDC's involvement):

- 56 percent have increased their gross monthly revenues. The average increase is about \$10,000 (up from \$4,000 in 2007), the median \$2,000 (up from \$1,000 in 2007).
- 36 percent increased their monthly personal income. The average increase is about \$1,100, the median about \$800.
- 36 percent of owners have increased their hours of business since NDC assistance. The average increase is about 17 hours per week, the median 15 hours.
- 31 percent have increased their number of employees (up from 21% in 2007). The average increase is seven employees (up from about four in 2007), the median two.
- 15 percent increased their number of locations by at least one.
- 11 percent moved from a home-based business to a commercial space.

Goals of NDC-assisted business owners

- 82 percent of owners have as a goal to increase their gross monthly revenues. The average goal is an increase of about \$40,000 a month, the median an increase of \$10,000 a month. If these owners meet their goals, their revenues would increase by about \$84 million annually.
- 74 percent have as a goal to increase their number of employees. On average, these owners want to hire nine additional employees; the median is three. If these owners meet their goals, they would employ an additional 1,800 people.
- Other common goals include expanding marketing or advertising (61%), purchasing additional stock or equipment (52%), and providing a new product or service (52%).
- According to the owners, the average amount of additional capital needed to achieve these goals is about \$146,000; the median \$30,000. The total amount of capital needed is about \$26 million.
- The top three ways that owners believe NDC could help their businesses grow are: help obtaining funding (79%); technical assistance or training around marketing and advertising (70%); and technical assistance or training around financial management, accounting, and taxes (65%).

Impacts on neighborhoods

NDC-assisted businesses continue to contribute substantially to their communities through rent, property taxes, employment/payroll, payroll taxes, business expenses, and tangible support for neighborhood activities and events. The 207 surveyed owners report the following impacts.

- Owners who lease their business location report paying \$2.2 million in rent annually.
- Owners who own their business location report paying a total of about \$171,000 in property taxes annually.
- 41 percent of businesses occupy a building that was formerly vacant (up from 32% in 2007), and 25 percent are in spaces that were rehabbed for the business.
- 45 percent of owners have employees. These owners employ a total of 688 individuals. Seventy-three percent of these businesses employ neighborhood residents.

- 53 percent of the 688 employees work full-time (up from 34% in 2007), an additional 24 percent work 30 to 39 hours per week (down from 32% in 2007). The remaining 23 percent work 29 hours a week or less (down from 39% in 2007).
- The average wage for employees is about \$11.14 an hour (up from \$10.75 an hour), the median \$11.42 (up from \$9 an hour).
- 52 percent of all employees are neighborhood residents.
- 75 percent of employees are people of color.
- Of the 93 business owners who have employees, 82 percent provide employee training.
- 16 percent of business owners with employees offer partially and/or fully paid health insurance coverage.
- The total monthly payroll of business owners with employees is about \$791,000. This is equivalent to \$9.5 million annually.
- About half of owners with employees report the amount of payroll taxes they pay monthly. The total amount per month is \$139,000 or about \$1.6 million annually.
- 44 percent of owners have hired subcontractors or cash workers in the past year, for a total expenditure of about \$3.4 million.
- Owners report spending a total of \$1 million a month on business expenses (not including rent and payroll), or \$12 million annually. Of this amount, approximately \$176,000 a month, or \$2.1 million annually, is spent within one to two miles of the businesses.
- 68 percent of business owners contributed time, money, or in-kind support to neighborhood events and activities in the past year (up from 60% in 2007). Owners value their contributions at a total of \$320,000.

Business owners also contribute to their communities in less tangible ways, such as serving as role models, participating as leaders, and providing a safe and comfortable gathering place.

- 83 percent of owners say they serve as role models for youth and/or young adults in their communities.
- 31 percent report that they serve as leaders in groups or organizations in their neighborhood or ethnic community.

- 38 percent of owners say their business serves as a gathering place for their community.
- 57 percent of owners say they feel connected with neighborhood groups or associations.

Owners' views of NDC

In general, surveyed owners have positive views of NDC assistance.

- About three-fourths of owners say that their business is as successful as it is today largely (25%) or somewhat (52%) because of NDC. Owners primarily attribute this success to NDC's educational opportunities and financial assistance.
- About seventy of owners say they have used NDC business advice a lot (40%) or some (29%). The most helpful advice includes the following topics: business development, business plans, and research; accounting, finances, and taxes; and marketing and advertising.

Introduction

Background

The mission of the Neighborhood Development Center (NDC) is to help emerging entrepreneurs develop successful businesses that serve their community and to help community groups build a stronger neighborhood economy. NDC works primarily in the low-income communities of both St. Paul and Minneapolis. NDC primarily works with entrepreneurs of color with low incomes who reside in or want to open/expand businesses in these communities.

In partnership with neighborhood organizations (e.g., CDCs, District Councils) and ethnic organizations, NDC provides micro-entrepreneur training to entrepreneurs in small groups in their own neighborhoods and communities. The trainings are 16 weeks long, totaling 24 hours. Classroom sessions (2 hours long) alternate with one-on-one training (one hour long), leading to a written business plan. NDC also provides specialized ethnic-based training to Hmong, Latino, Somali, East African, and American Indian entrepreneurs in their own languages and peer groups. The ethnic-based training generally follows the standard 16 weeks, 24 hours schedule, but sometimes is modified to meet particular community needs.

Following graduation from micro-entrepreneur training, and after an entrepreneur opens a business or expands an existing one, NDC provides the following: professional consulting services, access to pro bono legal services, free listings in the annual business directory, networking opportunities, opportunities to participate in joint marketing initiatives, and eligibility to apply for small business financing.

NDC offers Workshops for Existing Businesses (WEB) to business owners on such topics as merchandising, marketing, financial management, trademark and copyright law, tax law, and restaurant management. In addition, these sessions provide business owners with the opportunity to network with and learn from each other.

NDC also offers its clients financial services. The Micro-Enterprise Loan Program lends up to \$10,000 to business owners with incomes below 80 percent of the area median who operate businesses in target neighborhoods and have completed the micro-entrepreneur training program. The Emerging Businesses/Emerging Neighborhoods Program provides loans up to \$50,000 to qualified owners of existing businesses, on the condition that they match NDC financing with a bank loan and agree to hire entry-level employees through a non-profit or government workforce development agency active in NDC's target neighborhoods.

In 2001, NDC added a fund for Islamically-acceptable business financing. Islamic law forbids all financing which involves interest. To be able to better serve Muslim alumni, NDC developed guidelines and obtained funds to grow a financing program for small businesses that is Islamically acceptable. The need for this financing is primarily with the many business start-ups in the Somali immigrant community, but the program is open to all NDC businesses. The cost is the same for the business, 10 percent per year, but is in the form of profit rather than interest.

NDC also uses incubators to support businesses. Incubators are locations owned by NDC where businesses can start and grow in a supportive environment, with lower rent costs, group marketing opportunities, and access to ongoing business support. Current incubators include the Midtown Business Center, the Mercado Central, the Midtown Global Market, Plaza Verde, and Plaza Latina.

Since 1993, NDC has assisted over 4,000 entrepreneurs. At the time of this evaluation, these entrepreneurs had approximately 468 businesses up and running across the Twin Cities.

In this report, number of businesses was calculated differently than in previous reports, and, thus, the total number of businesses and other calculations based on this number are not comparable to previous years. Specifically, prior to 2010, the total number of businesses was counted as one business per business owner. In 2010, total number of businesses includes second businesses of business owners who were interviewed. As has been done in the past, businesses with multiple locations are counted as one business.

Purposes of the evaluation

The purposes of this evaluation are to document NDC's impacts on alumni as well as on the neighborhoods where alumni operate businesses and to assess the extent to which NDC is both leveraging its resources (staff and budget) and living up to its mission. The information will assist in NDC strategic planning, implementation, and fundraising.

The key evaluation questions are:

- What are the statuses of NDC alumni's businesses?
- What are the business plans of NDC alumni?
- How are NDC alumni doing financially?
- How are neighborhoods with NDC partnerships benefiting?
- What is the scale of NDC, and how cost efficient is it?
- How well are alumni businesses doing in the five neighborhoods targeted in NDC's strategic plan?

Evaluation methods

This evaluation is based on information from surveys conducted by telephone by Wilder Research interviewers with business owners assisted by NDC, as well as data from NDC records.

The surveys were conducted from May to September 2010. Wilder Research began with a list of 499 potential business owners identified by NDC. Each potential owner was mailed a letter from NDC describing the purpose of the evaluation and asking for his or her cooperation. Wilder Research made attempts to contact all 499 business owners. Names of owners who could not be reached were returned to NDC. NDC, in turn, looked for additional contact information for the business and, if none could be found, sought to determine whether or not the business was still operational.

Through this process, 207 interviews were completed and 413 NDC-assisted business owners were determined to be definitely or likely in business. Thus, the response rate for the survey was 50 percent. Of the remainder, 11 percent expressly refused to participate, and 14 percent were not able to or interested in completing the survey within the timeframe of the study.

The 207 business owners surveyed have a total of 262 businesses. Survey respondents are representative of all potential owners initially identified by NDC in regard to gender, race/ethnicity, education, and income at onset of NDC assistance.

Overview of NDC program performance

Figure 1 outlines the scale and cost efficiency of NDC from 2002 through 2009, estimating the program costs per entrepreneur, per business started or expanded, and per job created or retained. The estimated financial return of NDC-assisted business to their neighborhoods and to the Twin Cities is also provided.

1. Overview of NDC program performance*

NDC program inputs (2002 to 2009)	
Total program expenses	\$9,212,762
Average NDC staff FTE per year	20
Average number of trainers per year	12
Average number of partners per year	16
Average number of entrepreneurs assisted per year	289
Total number entrepreneurs assisted	2,309
NDC program outcomes (September 2009-August 2010)	
Number of open businesses**	468**
Number of jobs created or retained—full-time and part-time (includes business owners and their employees)	2,023
NDC program effectiveness and efficiency (2000-2009 inputs & September 2009-August 2010 outcomes)	
Cost per entrepreneur served	\$4,000
Cost per current business	\$19,700
Cost per current job	\$4,600
Entrepreneur to business owner ratio	6:1
Average annual entrepreneur to staff FTE ratio***	14:1
Average annual entrepreneur to staff FTE/trainer ratio***	9:1
Average annual entrepreneur to staff FTE/trainer/partner ratio***	6:1
Average number of employees per business (not including owner)	3.3
Dollars returned to neighborhood per dollar of NDC spending (2002-2009) ratio	\$25:\$1
Dollars of NDC spending per year of employment (2002-2009) ratio	\$747:1

* Figures are for all 468 businesses based on responses from the 207 surveyed business owners.

** Prior to 2010, the total number of businesses was counted as one business per business owner. In 2010, total number of businesses includes second businesses owned by business owners who were interviewed. Thus, this number and other calculations based on this number are not comparable to previous years. Businesses with multiple locations are counted as one business.

*** As in 2007, this figure is calculated based on the average number of clients served per year.

1. Overview of NDC program performance* (continued)

Estimated annual financial return by businesses (September 2009 – August 2010)

Estimated dollars returned annually to **neighborhoods** for **all** businesses based on survey responses:

Rent	\$4,946,741
Business expenses (excluding rent and payroll)—in neighborhood	\$4,718,510
Cash/in-kind contributions—in neighborhood	\$713,602
Payroll of business owners <i>who employ neighborhood residents</i>	\$15,642,885
Payroll taxes of owners <i>who employ neighborhood residents</i>	\$2,479,575
Property taxes	\$380,599
Payments to subcontractors and cash workers	\$7,683,050
Total annual return to neighborhoods	\$36,564,962
Average per business per year	\$79,260
Number of months to pay back NDC program costs from 2002-2009	4 months

Estimated dollars returned annually overall to the **Twin Cities area** for **all** businesses based on survey responses:

Rent	\$4,946,741
Business expenses (excluding rent and payroll)	\$26,036,449
Cash/in-kind contributions (in neighborhood)	\$713,602
Payroll of all business owners	\$21,160,659
Payroll taxes of all business owners	\$3,712,998
Payments to subcontractors and cash workers	\$7,683,050
Property taxes	\$380,599
Sales Tax	\$3,504,717
Total annual return to Twin Cities area	\$68,138,815
Average annual return per business per year	\$147,701
Number of months to pay back NDC program costs from 2002-2009	2 months

* *Figures are for all 468 businesses based on responses from the 207 surveyed business owners. Ten businesses were in operation for only part of the 12-month period, so their contributions are pro-rated.*

Profile of NDC-assisted business owners

Demographics of NDC-assisted business owners

Respondent's gender, age and race/ethnicity (Figure 2)

The 207 NDC-assisted business owners surveyed are 50 percent men and 50 percent women. Respondents range in age from 24 years old to 68 years old, with an average and median age of 45.

Thirty-two percent of business owners are Latino, Hispanic, or Chicano; 30 percent Caucasian or White (not Hispanic), 22 percent African American or Black, 4 percent Hmong, and 3 percent Somali. Two percent of the owners identify as each of the following: Oromo, Native American, other African (neither Somali nor Oromo), and other Asian (not Hmong). One percent identified as “other” (a race or ethnicity not listed).

Number in household (Figure 2)

Almost half of the business owners (47%) live in a household of four or more people. Eleven percent live alone, 23 percent with one other person, and 18 percent in a three-person household. The household size of these business owners ranges from 1 to 9, with an average household size of three people.

Financial status of business owners prior to NDC assistance (Figure 3)

At the beginning of assistance, NDC asks its owners their annual income. Five percent of business owners reported an income of up to \$10,000, 12 percent \$10,000 to \$19,999, 17 percent \$20,000 to \$29,999, 16 percent \$30,000 to \$39,999, 9 percent \$40,000 to \$49,999, and 7 percent \$50,000 or more. Information was unavailable for 33 percent of respondents.

Education and work experience of business owners prior to NDC assistance (Figure 3)

Education level prior to NDC assistance

Sixty-two percent of the business owners have at least high school diploma or GED (97% of those for whom there is information). Thirty-eight percent have some education beyond high school (59% of those for whom there is information), including 6 percent who have graduate training (10% of those for whom there is information). The education level is unknown or doesn't apply for 36 percent of the owners.

Business experience prior to NDC assistance

Two-thirds of the business owners had previous experience trying to run their own business.

Current employment and financial status of NDC-assisted business owners (Figure 4)

Employment status of NDC-assisted business owners

Seventy-two percent of business owners surveyed work at their own business full-time, 21 percent part-time, and 7 percent seasonally. Thirty percent of owners also work at another job, with about half working at this other job full-time and about half part-time.

Nineteen percent of owners have another business. Specifically, 13 percent have one other business, 3 percent two, and 1 percent three or more.

Primary income source

For about half of the owners surveyed (51%), their primary source of income is their business. The next most common primary sources of income are a spouse or partner's job (23%), and another job held by the business owner (16%). Eight percent receive their primary income from other sources, such as disability-related payments, Social Security, pension funds, child support, and foster care payments. Two percent did not provide this information.

Household income

Owners were asked their current monthly household income. Seven percent have an income of \$1,500 a month or less, 15 percent between \$1,500 and \$2,500, 16 percent between \$2,501 and \$3,500, and 53 percent more than \$3,500 monthly. Nine percent of owners did not provide their monthly household income. On average, 53 percent of household income is brought in by the NDC-assisted business.

Two percent of owners surveyed were receiving MFIP or General Assistance at the time the survey was completed, compared to 3 percent at the onset of NDC assistance.

Household income brought in by business

For 16 percent of the business owners surveyed, their business provides none of their household income. Thirty-four percent derive from 1 to 50 percent of their household income from their business. For 43 percent of owners, more than half of their household

income comes from their business, including 33 percent whose business provides more than 90 percent of their household income.

Business, commercial, and personal insurance

Seventy-three percent of owners have general liability or umbrella coverage, 51 percent have commercial property insurance, and 40 percent have workers' compensation.

Sixty-seven percent of owners have health insurance. Since starting their business, most owners said their family's level of health insurance coverage has stayed the same, while 24 percent said it has worsened and 12 percent said it improved.

Assistance received from NDC (Figure 5)

Of the 207 surveyed business owners, 60 percent participated in NDC's 16-week training, 35 percent received financing, 31 percent attended a workshop, 22 percent obtained assistance from a business resource center, and 21 percent had a location in an NDC incubator. In sum, 40 percent of respondents received training only, 21 percent incubator space and additional services, 16 percent financing only, and 12 percent training and financing. In addition, 11 percent of respondents only participated in less intensive services, such as attending a workshop and/or receiving assistance from a business resource center.

NDC-assisted businesses

Current status of NDC-assisted businesses (Figure 6)

Number, type, and age of NDC-assisted businesses

Based on information gathered during the evaluation process, 413 NDC alumni currently operate their own businesses. This section describes the businesses of the 207 owners who participated in this evaluation.

With the assistance of NDC, 38 percent of those surveyed started a new business, and 60 percent expanded an existing business. Two percent did not provide this information.

Fifty percent of the businesses are service-oriented, 26 percent retail (excluding restaurants), 14 percent restaurant or catering, 5 percent construction, 3 percent production or manufacturing, 1 percent specialty food production, and less than 1 percent wholesale. In addition, one respondent (<1%) characterized their business type as “art.”

Sixteen percent of the businesses have been operating for two years or less, 22 percent three to four years, 30 percent five to nine years, and 32 percent 10 or more years. The average length of time in business is eight years; the median six.

Eighty-nine percent of the businesses have one location, 8 percent two, and 3 percent three or more. Number of locations range from 1 to 30, with an average and median of one. In total, the 207 businesses consist of 265 locations.

Co-owners

About one-fourth of the NDC-assisted business owners surveyed (22%) co-own their business (17% have one co-owner, 2% two, and 2% three or more). Fourteen percent of business owners have family members as co-owners.

Business space

Thirty-four percent of the businesses are home-based; 56 percent are located in leased commercial space; and 9 percent are in commercial space owned by the respondent. One percent of owners did not identify where their business is located.

Percentage of business from within one mile

Owners were asked to estimate the amount of business that comes from within one mile of their business location. Seventy-five percent of owners surveyed said at least some of

their customers come from within one mile of their business location. Specifically, 31 percent estimate less than one-fourth does, 19 percent between one-fourth and one-half, and 25 percent half to all. On average, respondents estimate that 34 percent of their business comes from within one mile of their location. The median is 25 percent.

Monthly bookkeeping service

Fifty-six percent of business owners use some kind of monthly bookkeeping service (up from 45% in 2007).

Current level of gross monthly revenues

Four percent of respondents report no sales to date. Twenty percent report monthly gross revenues below \$2,000, 25 percent from \$2,001 to \$5,000, and 14 percent from \$5,001 to \$10,000. Twenty-eight percent have monthly gross revenues of more than \$10,000, including 20 percent whose revenues exceed \$16,600 a month (about \$200,000 a year). Eight percent of business owners did not know or refused to provide their gross monthly revenue.

Months to profitability

Seventeen percent of owners have not yet made a profit from their businesses. Thirty-six percent made a profit in less than one year, 16 percent in between one and two years, and 16 percent in over two years. Fifteen percent didn't know or didn't respond to the question.

Loan sources and debt levels

Business owners were asked if they had ever received loans to finance their business from any of a number of specified sources. Seventy-nine percent of business owners report having had at least one loan. The most common sources of these loans are credit cards (43%), NDC (37%), banks (33%), and family or friends (29%). In addition, 17 percent of owners have had a loan from a city program and 16 percent from another non-profit agency (other than NDC).

Twenty-six percent of the owners report having no business debt currently. Seventeen percent owe less than \$5,000, 20 percent \$5,000 to \$20,000, 14 percent \$20,001 to \$50,000, and 17 percent more than \$50,000. Seven percent did not provide the amount owed. The mean amount of reported debt is \$54,500, and the median is \$7,000. The maximum amount of debt owed by any one individual is \$1,500,000. The total amount of business debt of all respondents is \$10.5 million.

Business expansion since NDC assistance

(Figure 7)

Of the 207 surveyed owners, 124 (60%) already owned their own business when they sought NDC assistance. These owners of pre-existing businesses were asked several questions about the degree to which their businesses have grown since NDC assistance.

Expansion of gross monthly revenues

Fifty-six percent of pre-existing business owners report increasing their gross monthly revenues. Specifically, 18 percent increased their gross monthly revenue \$1,000 or less, 14 percent \$1,001 to \$5,000, and 10 percent more than \$5,000. Fifteen percent report that they have increased revenues but did not know, or refused to say, by how much. Of those who report the amount of increase, the average is about \$10,000 (up from about \$4,000 in 2007); the median is \$2,000 (up from \$1,000 in 2007).

Expansion of personal income

Thirty-six percent of pre-existing business owners report increasing their monthly personal income from their business. Specifically, 11 percent increased their income by less than \$500 per month, 9 percent by \$501 to \$1,500, and 4 percent by more than \$1,500. Twelve percent of owners say they increased their income but did not know or would not say by how much. Of those who report the amount of increase, the average is \$1,100; the median is \$800. The range is from \$15 to \$6,900.

Expansion of hours

Thirty-six percent of the 124 owners of pre-existing businesses report that they have expanded their hours of business since NDC assistance. Specifically, 13 percent expanded up to 10 hours per week, 15 percent 11 to 20 hours, and 6 percent over 20 hours. Three percent say they expanded the number of hours but did not say by how many hours. The average expansion is an additional 17 hours per week, with a median of 15 hours. The range is from 1 to 77 hours.

Expansion of staff

Thirty-one percent of the pre-existing business owners have hired more employees since NDC assistance (up from 21% in 2007). Specifically, 24 percent added one to five employees and 5 percent six or more (2% did not provide this information). Of those businesses who increased their number of employees, the average increase is seven employees (up from three to four in 2007); the median is two. The range is from 1 to 134 employees.

Expansion of number of locations

Fifteen percent of the pre-existing business owners expanded their businesses to at least one additional location. In total, 20 new locations were created, of which 70 percent are in Minneapolis, 20 percent in Saint Paul, and 10 percent in a Twin Cities suburb.

Change from home-based to commercial space

Eleven percent of the owners of pre-existing businesses expanded from a home-based business to running their business in a commercial space.

Goals of NDC-assisted business owners and how NDC can help

Financial and personal goals (Figure 8)

Forty-one percent of the business owners report that being in business is meeting their personal goals “quite a bit,” 30 percent “somewhat,” 20 percent “a little,” and 9 percent “not at all” (1% did not provide this information).

Substantially fewer owners say being in business is meeting their financial goals. Specifically, 14 percent say it is “quite a bit,” 35 percent “somewhat,” 24 percent “a little,” and 27 percent “not at all.”

Future business goals (Figure 8)

NDC-assisted business owners were asked about their future business goals and the amount of capital it would require to meet all of their goals.

In total, 82 percent of owners surveyed have as a goal to increase their gross monthly revenues (2% do not have this as a goal; 16% were unsure or did not answer the question). Specifically, 47 percent of owners want to increase their revenue by over \$10,000 a month and 35 percent by \$50 to \$10,000 monthly. The average goal is an increase of about \$40,000 a month (up from \$21,000 in 2007), the median an increase of \$10,000 a month (up from \$8,000 in 2007). If these owners meet their goals, their businesses will gross an additional \$7 million a month, or about \$84 million annually.

Seventy-four percent of owners have as a goal to hire additional employees (20% do not want additional employees; 6% did not know or did not answer the question). Twenty-five percent want one to two additional employees, 22 percent three to five, 17 percent 6 to 10, and 10 percent 11 or more. Owners range from wanting one additional employee to 500. On average, these owners want to hire nine additional employees. The median is three. If these owners meet their goals, they would employ an additional 1,800 people in addition to the 688 people already employed by all of the surveyed businesses.

Owners were also asked about their interest in several other goals. Over half of owners say they are interested in each of the following: expanding their advertising and/or marketing (61%), purchasing additional stock or equipment (52%), and providing a new product or service (52%). Over one-third (39%) want to add a new location. About one-fourth of owners want to start a new business (25%) and/or relocate their current business (22%).

Capital needed to achieve business goals (Figure 8)

Seven percent of respondents say they would need no additional capital to achieve their goals. Seventeen percent need less than \$10,000, 35 percent \$10,001 to \$50,000, and 27 percent more than \$50,000. Fourteen percent didn't know or didn't respond. Of those who provided an amount, the average capital needed is about \$146,000 (up from about \$114,000 in 2007); the median is \$30,000 (up from \$25,000 in 2007). In total, respondents need about \$26 million in capital to achieve their goals.

Ways NDC can help business grow (Figure 9)

NDC-assisted business owners were asked if they are interested in receiving specific types of assistance from NDC to help their businesses grow. Almost all respondents (94%) would like some assistance. The most common types of assistance desired are help obtaining funding (79%); training or technical assistance around marketing and advertising (70%); and training or technical assistance about financial management, accounting, and taxes (65%). Slightly over half of owners would like to receive assistance developing a business plan (53%) and to receive information about city regulations, zoning, and/or licensing (51%). Forty-three percent would like NDC's help to find or rehab a new space.

Neighborhood impacts of NDC-assisted businesses

Building and property-related impacts of businesses (Figure 10)

Forty-one percent of NDC-assisted businesses occupy a building that was formerly vacant (up from 32% in 2007), and 25 percent of businesses are in spaces that were rehabbed for their businesses. Ten percent are in spaces that were substantially rebuilt in order for the business to move in, resulting in neighborhood blight removal.

Nine percent of business owners report paying property taxes. Of those who pay property taxes, 39 percent pay less than \$5,000 annually, 28 percent pay \$5,001 to \$10,000, and 33 percent pay more than \$10,000. For those who pay property tax, the average amount is about \$9,000 annually, the median \$5,600. The total amount of property taxes paid annually by respondents is about \$171,000.

Fifty-six percent of business owners report paying rent. Of those who pay rent, 30 percent pay less than \$1,000 a month, 40 percent pay between \$1,000 and \$1,999, and 26 percent pay \$2,000 or more. Three percent did not know or did not report their monthly rent. For those who provided the amount of their monthly rent, the average is about \$1,700 (up from \$1,500 in 2007); the median is \$1,300 (up from \$1,000 in 2007). In total, these owners pay \$185,000 monthly or approximately \$2.2 million annually.

Employment impacts of businesses (Figure 11)

Number and profile of persons employed by NDC-assisted businesses

Forty-five percent of surveyed business owners have paid employees. These 93 business owners employ from 1 to 178 individuals, with an average of seven employees per business, and a median of three employees. In total, these businesses employ 688 individuals.

Fifty-three percent of employees work full-time (up from 34% in 2007). Twenty-four percent work 30 to 39 hours per week (down from 32% in 2007), 13 percent 20 to 29 hours, and 10 percent less than 20 hours (down from 21% in 2007).

Forty-nine percent of businesses with employees (or 22% of all businesses) employ family members. Seventeen percent of all employees are family members.

Seventy-three percent of businesses with employees (or 33% of all businesses) employ neighborhood residents. Fifty-two percent of all employees are neighborhood residents (down from 62% in 2007).

Forty-six percent of businesses with employees (or 21% of all businesses) have at least one employee who holds an assistant manager or manager level position. On average, businesses with employees have one employee with a position at this level. Of all employees, 11 percent hold an assistant manager or manager level position.

Employers were asked to record the ethnicity/race of their employees, with the option of selecting multiple ethnic/racial categories for each employee. According to employers, 36 percent of employees are Latino or Hispanic, 23 percent European American or Caucasian (not Hispanic; up from 14% in 2007), 17 percent Hmong, 9 percent African American or Black (down from 15% in 2007), 9 percent other Asian (not Hmong; up from 4% in 2007), 2 percent Native American, and 1 percent Somali (down from 9% in 2007). One percent of employees were identified as “other” (a race or ethnicity not listed). The ethnic/racial composition of employees has changed from 2007 with an increase in European American employees and employees who are Asian, but not Hmong and a decrease in African American and Somali employees. The percentages are similar to those found in the 2005 NDC study.

Employee health-related benefits

In terms of health insurance, 16 percent of business owners with employees offer partially and/or fully paid health insurance coverage. Specifically, 11 percent of the owners with employees offer partially-paid coverage to their employees, including 8 percent who partially pay for health insurance coverage for the employee’s family as well. Seven percent offer fully-paid health insurance to their employees, with 1 percent also offering this benefit for the employee’s family.

Owners were asked if there were other ways, besides the provision of health insurance, that they supported employee’s health. Individual responses were grouped into categories. The most common themes include the employer providing health-related goods and services (for example, healthy food, or over-the-counter medicines) free or at a reduced cost and the employer maintaining a safe environment to prevent injury. Several owners note that they provide time off for health-related reasons, such as sick days, mental health days, and time to go to medical appointments. In addition, several owners report encouraging their employees to take care of themselves, take time off as needed, and seek medical care when appropriate.

Other benefits

Of the 93 business owners with employees, 82 percent report providing some form of employee training. Eight percent have sent employees to NDC for training.

Thirty-seven percent of business owners with employees provide paid vacation (up from 30% in 2007), 37 percent paid holidays (up from 27% in 2007), and 27 percent paid sick days (up from 23% in 2007). Ten percent offer a retirement plan.

Wages and payroll

Owners with paid employees were asked for the hourly wages of their employees. Thirty-three percent of employees earn less than \$10 an hour, 55 percent \$10 to \$20 an hour, and 1 percent more than \$20 an hour. Wages were not provided for 11 percent of employees. On average, employees earn about \$11.14 an hour; the median is \$11.42 an hour. The range is from \$5.00 to \$30.00 an hour.

Owners with paid employees were also asked for the amount of their monthly payroll. Five percent of businesses with employees have monthly payrolls of less than \$1,000, 24 percent have payrolls between \$1,001 and \$2,500 per month, 22 percent have monthly payrolls between \$2,501 and \$5,000, and 33 percent have monthly payrolls over \$5,000. Sixteen percent didn't know or didn't respond to the question. The range of monthly payrolls is \$100 to \$121,000. The average is about \$10,000 and the median \$4,000. The total monthly payroll of these business owners is about \$791,000 or about \$9.5 million annually.

Of the business owners with employees, 19 percent report paying \$500 a month or less in payroll taxes, 5 percent \$501 to \$1,000 a month, and 28 percent more than \$1,000 a month. Almost half (47%) either didn't know what they paid or refused to answer the question. For those who report their monthly payroll taxes, amounts range from \$20 to \$24,000 a month, with an average of \$2,800 and a median of \$1,400. The payroll taxes for these business owners totaled \$139,000 a month, or more than \$1.6 million annually.

Forty-four percent of owners have hired subcontractors or cash workers in the past year. For those owners who hire subcontractors, the average amount spent annually is \$41,000 and the median \$3,000. The total amount spent is over \$3.4 million.

Other contributions to neighborhood economy and quality of life (Figure 12)

Estimated total monthly business expenses

Owners were asked to estimate their total monthly business expenses, not including rent and payroll. Four percent of business owners say they have none. Twenty-nine percent spend less than \$500 each month, 16 percent \$500 to \$999, 25 percent \$1,000 to \$4,999, and 15 percent \$5,000 or more. Ten percent did not provide this information. The average amount spent on monthly business expenses, excluding rent and payroll, is \$5,000, the median \$600. The largest amount reported is \$138,000. The total amount spent per month is about \$1 million or about \$12 million annually.

Owners were asked what percentage of their monthly business expenses, excluding rent and payroll, is spent within one to two miles of their business (i.e., in the business's neighborhood). Fifteen percent say none, 28 percent one-fourth or less, 13 percent over one-fourth to one-half, and 32 percent over half, including 13 percent who say all or almost all of their business expenses are spent in their neighborhood. Thirteen percent of respondents did not provide this information. On average, 43 percent of monthly business expenses are spent in the neighborhood, with a median of 30 percent.

In terms of dollar amounts, 15 percent of business owners say none of their monthly business expenses, excluding rent and payroll, are spent in their neighborhood. Sixteen percent spend less than \$100 each month, 25 percent \$100 to \$499, 9 percent \$500 to \$999, and 17 percent \$1,000 or more. This information could not be calculated for 17 percent of respondents. The average amount spent monthly on business expenses in the neighborhood, excluding rent and payroll is about \$1,000 (down from \$2,900 in 2007), the median \$200 (similar to 2007). The largest amount is \$32,000. The total amount spent per month is \$176,000 or about \$2.1 million annually.

Sales tax

Business owners were asked to estimate the amount of sales tax they pay monthly. Twenty-three percent say they do not pay sales tax. Of those who do, 18 percent pay less than \$250 a month, 18 percent between \$250 and \$999, and 14 percent \$1,000 or more. Twenty-four percent did not know how much they pay and 2 percent chose not to answer the question. The average amount of sales tax paid monthly is about \$850, the median \$180. The range is from \$0 to \$24,000. The total amount spent per month is about \$131,000 or about \$1.6 million annually.

Business owners' contributions to neighborhood events or activities in past 12 months

Sixty-eight percent of business owners report contributing some time, money, or in-kind support to neighborhood events or activities in the past 12 months (up from 60% in 2007). These owners were asked to describe their contribution, and their answers were grouped into categories. Sixty-one percent provided products, services, and/or space; 39 percent cash donations; 7 percent discounts on products and/or services; and 5 percent fundraising assistance. Twenty-eight percent cited the event they assisted with, rather than the type of assistance they provided to the event.

Owners were asked to assign a dollar value to their contributions. One percent said their contributions had no monetary value. As mentioned, 32 percent did not provide a contribution. Sixteen percent made contributions valued at \$1 to \$200, 14 percent between \$201 and \$500, 9 percent between \$501 and \$1,000, 17 percent between \$1,001 and \$5,000, and 5 percent more than \$5,000. Seven percent did not know or did not answer the question. For those who estimated an amount, responses ranged from \$35 to \$70,000, with an average of about \$2,600 and a median of \$600. In sum, respondents estimate that they made approximately \$320,000 worth of contributions to neighborhood events and activities during the past year.

Business owners as role models

Business owners were asked if they serve as role models for youth or young adults. Eighty-three percent say they do. These owners were then asked how they serve as role models, and their responses were grouped into categories. The most common ways include being a successful business owner (38%), providing mentorship and advice (20%), providing time and assistance to groups and associations (19%), and modeling a strong work ethic and determination (18%). Other ways owners serve as role models cited by 10 percent or more of respondents include: teaching marketable skills (16%), providing employment (15%), educating groups of youth (13%), and selling products or services for youth (10%).

Business owners as leaders

Business owners were asked if they serve as leaders for groups or organizations in their neighborhood or ethnic community. Thirty-one percent report they do. Owners serve as leaders for a variety of organizations including ones related to: the arts, careers and employment, culture, health, neighborhoods, people with disabilities, politics, religion, and youth.

Connection to and space for the community

Fifty-seven percent of business owners say they feel connected with neighborhood groups or associations.

Thirty-eight percent of business owners say their business serves as a gathering place for the community.

Other contributions

Owners were asked if they contributed anything to their community that was not already mentioned. Individual responses were grouped into categories. The most common contribution cited is providing needed goods and services (50%).

Owners' views of NDC assistance (Figure 13)

NDC assistance that is most beneficial

Business owners were asked what aspect of NDC's assistance was most beneficial to them. Multiple responses were allowed. The most common responses are the training (50%; down from 64% in 2007) and financing (27%; up from 16% in 2007). In addition, 17 percent say the technical assistance (up from 9% in 2007), 15 percent support and encouragement, 8 percent contacts and networking, and 6 percent a location in an NDC incubator.

The 122 owners who said that training and/or technical assistance was most beneficial were asked what topic was most helpful to them. Multiple responses were allowed. Forty-nine percent say developing a business plan; 24 percent bookkeeping, accounting, or financial advice; 20 percent marketing or advertising (up from 14% in 2007); 10 percent general business management skills; and 2 percent restaurant management skills.

Business relationship with NDC

Owners were also asked to choose from a list of statements the one that best describes their business relationship with NDC. Twenty-five percent of owners say their business is as successful as it is today largely because of NDC's assistance, and 52 percent somewhat because of NDC's assistance. Twenty percent say their business is neither better nor worse off due to NDC, and less than 1 percent say it is worse off. Three percent of respondents did not provide a rating.

All respondents were then asked to explain their rating. Individual responses were grouped into categories. The most common responses are highlighted below. (All categories of response can be found in Table 13.)

The 51 owners who say their business is successful largely due to NDC most commonly attribute their success to the following forms of assistance: business management advice and skill development (35%), assistance starting a business (29%), and financial help (25%).

The 107 owners who say they are successful *somewhat* due to NDC most commonly cite the following as having contributed to their success: financial help (21%) and education and training (17%). These owners also cite reasons why NDC was only somewhat responsible for their success. The most common being that they did not take advantage of the help offered (5%).

The 42 owners who say their business is no better or worse off due to NDC assistance primarily discussed reasons why NDC assistance was not helpful. Almost half (46%) say that NDC's help wasn't bad or good, describing their experience as neutral. Fifteen percent say that either NDC did not provide any help or it did not provide any useful help, 13 percent say NDC helped initially but then stopped, and 10 percent say they did not take advantage of the help offered.

Only one owner described his/her business as worse off due to NDC assistance. Individual comments are not reported here to protect that individual's confidentiality.

Business advice from NDC

Forty-four percent of NDC-assisted owners say that they used the business advice they received from NDC a lot, 29 percent some, 16 percent a little, and 7 percent not at all. Eight percent did not provide a rating.

The owners who used NDC's business advice a lot (N=82) and those who used it some (N=59) most commonly cited the same types of advice as being most helpful. Advice related to business development, business plans, and research (30% and 32%, respectively); accounting, finances, and taxes (23% and 21%); and marketing and advertising (15% and 25%) was identified as most helpful by both groups.

The 34 owners who used NDC's business advice a little, most frequently say they haven't used the advice yet (16%); the advice didn't apply to their business (26%), and/or they did not want advice (22%). To the extent these owners did use a little of NDC's advice, financial advice is the type most commonly cited as helpful (10%).

The 15 owners who did not use NDC's advice at all most commonly say that NDC did not provide any new advice or information to them (54%). In addition, 23 percent say they did not want or need advice.

NDC-assisted effort to run a business compared to previous efforts

Sixty-seven percent of respondents had experience running a business before their involvement with NDC. These 138 owners were asked how their experience running a business during or after involvement with NDC is different from their previous efforts. Multiple responses were given and then grouped into categories. About one-fourth of the owners say that their experience running a business with NDC hasn't been different than their previous attempts. For the remaining owners, the most common difference reported is that NDC provides guidelines, structure, and/or focus for their efforts (28%).

Comparisons by type of NDC assistance (Figure 14)

Based on the type(s) of assistance they received from NDC, business owners were compared on a range of measures. Specifically, owners who received training only (N=83), those who received training and financing (N=25), those who are in an incubator as well as having received other services (N=43), and those who only received financing (N=33) were compared on the characteristics of their businesses, their experience with NDC, the impact of NDC on their businesses, and their future business goals. Respondents who only used a business resource center and/or attended a workshop or who did not provide the type of assistance they received were excluded for these analyses. The following section highlights differences and similarities among the four groups (more information can be found in Figure 14).

Business status

The training and financing group and the incubator group are more likely to start a new business (56%) than maintain or expand an existing business (44%) with the help of NDC. For the training only and financing only respondents, a greater proportion of owners used NDC assistance to expand a business (60% and 76%, respectively), than to start one (36% and 24%).

Service-related businesses are most common for the training only (61%), training and financing respondents (44%), and financing only (42%) respondents. Retail businesses are most common for the incubator respondents (49%).

Financing only respondents, on average, have operated their businesses the longest (9 years) and incubator respondents the shortest (6 years). Median number of years in business for all groups ranged from five (incubator) to seven (training and financing and financing only).

The training and financing group has the highest percentage of owners with another business (28%), followed by the incubator group and the financing only group (21% each), and then the training only group (12%).

In terms of gross revenue, 73 percent of financing only respondents report gross monthly revenues of over \$5,000, compared to 46 percent of incubator respondents, 36 percent of training and financing respondents, and 27 percent of training only respondents.

Similarly, financing only respondents have the highest proportion of owners reporting monthly revenues over \$16,600 a month (about \$200,000 a year; 46%), followed by

incubator respondents (23%), training and financing respondents (16%), and training only respondents (8%).

Financing only respondents have the highest average debt (\$142,300), followed by training and financing respondents (\$86,700), incubator respondents (\$37,900), and training only respondents (\$22,500). Financing only respondents have the highest median debt as well (\$55,000), followed by training and financing respondents (\$16,000), incubator respondents (\$10,000), and training only respondents (\$1,300).

A greater proportion of training and financing respondents report making a profit within one year (52%) than either financing only (39%), training only (36%), or incubator (32%) respondents.

The financing only group and the incubator group are the most likely to have paid employees (63-64%), followed by training and financing respondents (52%), and training only respondents (31%). The training and financing group and the financing only group have an average of 7 or 8 employees and a median of five. The training only and incubator groups both have an average of four employees and a median of two.

The average and median percentage of staff who are neighborhood residents is highest for the incubator group (75% and 100%, respectively) and lowest for the training only respondents (45% and 39%).

The majority of the training and financing respondents' employees work full-time (67%). The majority of the employees of the training only group work part-time (69%). Incubator respondents' employees and financing only respondents' employees are slightly more likely to work part-time (56% and 54%, respectively).

The race/ethnicity of employees varies across the four groups, but overall is less diverse than in 2007. Latino, Hispanic, and Chicano individuals make up the highest percentage of employees of the training and financing (79%), incubator (55%), and training only (42%) groups, and make up the second highest percentage of financing only employees (27%). White individuals make up the highest percentage of the financing only group's employees and the second highest percentage of training only employees (31%) and incubator employees (26%). African American and Black employees comprise 21 percent of training only staff, 12 percent of financing only staff, and 8 percent each of training and financing staff and incubator staff. (In 2007, African American and Black individuals comprised from 1% to 43% of employees of each of the four groups.)

In each of the four groups, Native American employees make up less than 5 percent of staff, Somali employees less than 4 percent, and Hmong employees less than 3 percent. These percentages are lower than 2007, when the training only group's staff was 36

percent. Among employees and the training and financing groups staff was 32 percent Somali employees and 7 percent Native American employees.

Growth of pre-existing businesses

Data was examined on training only, training and financing, incubator, and financing only respondents who maintained or expanded an already-existing business with the help of NDC. The most common forms of growth for incubator respondents with pre-existing businesses was expanding business hours and increasing growth monthly revenue (58% each). Gross monthly revenues was also the most frequent type of expansion for pre-existing business owners in the training only (64%), training and financing (64%), and financing only (44%) groups. Sample sizes were too small to make meaningful comparisons across groups (see Figure 14 for additional data).

Goals

On average, the financing only respondents want to increase their gross monthly revenues by \$80,000, compared to about \$49,000 for the incubator respondents, \$24,000 for the training only respondents, and \$19,000 for the training and financing respondents. The financing only respondents also have the highest median goal, \$21,500, compared to a median of \$12,000 for the incubator respondents, \$9,000 for training only respondents, and \$7,000 for training and financing respondents.

Regarding staffing, the training and financing group want an average of 17 additional employees, the financing only group nine additional employees, and the other two groups between four and five additional employees. The medians are much closer, ranging between two (training only) and five (financing only) additional employees.

Owners were asked their interest in several other goals as well. Sixty percent or more of the training and financing group (68%), the financing only group (67%), and the training only group (60%), and slightly over half of the incubator group (54%) are interested in expanding their marketing and advertising. Over half of the incubator group (56%), the training only group (52%), and the financing only group (52%) and slightly less than half of the training and financing group (48%) want to purchase additional stock or equipment. Sixty percent of the training and financing respondents, about half of the incubator and financing only respondents, and 46 percent of the training only respondents want to offer a new product or service.

In terms of capital to attain their goals, the training and financing respondents report needing an average of about \$232,400, the financing only respondents about \$129,700, training only respondents \$71,400, and incubator respondents about \$59,300. The

medians are much closer, ranging from \$20,000 for the training only and incubator groups to about \$50,000 for the financing only and training and financing groups.

Impact of businesses

Businesses contribute to the community in a variety of ways, including: rent, payroll, sales tax, serving as role models, providing leadership, contributing to neighborhood activities, and offering a safe and comfortable gathering place. Average monthly rent ranges from \$1,400 for the training only group to \$2,100 for the financing only group. Median monthly rent is similar, but slightly lower, from \$1,200 for the training only group to \$1,800 for the financing only group.

Average monthly payroll amounts are about \$13,000 for the training and financing and financing only groups and about \$5,000 for the training only and incubator groups. The financing only group has the highest median monthly payroll of \$8,000.

Training and financing respondents report the highest monthly sales tax on average (\$2,400), followed by financing only respondents (\$1,400), incubator respondents (\$700), and training only respondents (\$400). Financing only respondents pay the highest median monthly sales tax (\$900), with incubator respondents and training and financing respondents paying the second highest (\$300), and training only respondents the lowest (\$30).

NDC-business owners also put money back to the community through the hiring of subcontractors. The average annual amount spent is about or slightly above \$50,000 for the training only and financing groups and about \$13,400 for the training and financing and incubator groups. The medians range from \$1,100 (incubator) to \$3,000 (training only and financing only).

The proportion of respondents that consider themselves role models ranges from 79 percent of the incubator group to 88 percent of the financing only group. About 60 percent of the training only, incubator, and financing only groups and 32 percent of the training and financing group report providing leadership to organizations and/or associations in their neighborhood or ethnic community. Ninety-one percent of incubator respondents, 73 percent of financing only respondents, and about 57 percent of training only respondents and training and financing respondents contribute time, money, and/or in-kind support to neighborhood activities. Incubator respondents are also the most likely to say that their business serves as a gathering space (67% vs. 36% financing only, 32% training and financing, and 31% training only).

Views on NDC

Training and financing and incubator respondents are the most likely to say that their business is as successful as it is today due to NDC's assistance (about 36% each), and are about equally likely to say that their success is somewhat related to NDC's help (44% training and financing, 35% incubator). Financing only and training only respondents most commonly say that their business's success is somewhat related to NDC assistance (70% and 61%, respectively).

For the training and financing, incubator respondents, and financing only respondents, the highest percentage of owners say they used NDC advice a lot, although the actual percentage varied from 33 percent (financing only) to 60 percent (training and financing). For the training only respondents, a similar percentage said they used NDCs advice a lot (34%) and some (36%).

Second stage businesses (Figure 15)

One of the goals of the study is to understand the specific strengths and goals of second stage businesses. A business is considered “second stage” if it has two or more locations, five or more employees, and/or gross annual revenues of \$200,000 or more. Second stage business owners comprise 29 percent of all business owners surveyed.

Of the 60 second stage business owners, 55 percent received financing from NDC, 40 percent attended the 16-week training, 23 percent have attended a workshop, 23 percent have an incubator location, and 17 percent have used a business resource center. As was true of all owners, second stage business owners most commonly say that financing (43%) and training (38%) are the most beneficial services they have received from NDC.

The second stage business owners were asked the source of their business knowledge. Multiple responses were allowed and grouped into categories. The most common source of business knowledge is experience working for someone else (50%). In addition, some second stage business owners completed formal coursework related to business management (28%), participated in entrepreneur training, including NDC training (23%), took advice from family and friends (18%), and/or were self-taught (17%).

Second stage business owners were also asked the source of their start-up money for their businesses. Multiple responses were allowed. The most common source is personal savings or earnings (58%, down from 70% in 2007), followed by bank loans (33%), financing from NDC (25%, down from 37% in 2007), money from family and friends (20%, down from 31% in 2007), and credit card use (15%). In addition, 12 percent of these owners received funding from a non-profit organization other than NDC (up from 6% in 2007) and 3 percent had private investors.

Forty percent of second stage business owners say they have come very close to going out of business. These 24 owners were then asked what prevented it from happening. Multiple responses were allowed and grouped into categories. The most common responses are determination and hard work (38%) and additional financing (33%).

Second stage business owners were asked what accounts for their success. Multiple responses were allowed and grouped into categories. Forty-two percent of owners attribute their success to determination and hard work. Other reasons for success cited by 10 percent or more of owners include: high quality products or services (15%), good customer service and repeat customers (13%), a good business plan/strategic plan (12%), and high demand for their products and services (10%).

Second stage business owners were asked what advice they would give to someone starting a business. Multiple responses were allowed and grouped into categories. The most common responses include: be determined and work hard (32%), have a business plan and set goals (25%), do extensive research (15%), and take business classes such as the ones offered by NDC (13%).

Comparisons of first stage and second stage business owners (Figure 16)

First stage and second stage businesses were compared on a wide variety of factors related to business goals, service needs, and satisfaction with NDC services. In terms of satisfaction with NDC services, first stage business and second stage business owners are similarly likely to attribute their success largely to NDC.

Second stage business owners are more likely to say that their business is meeting their personal goals “quite a bit” (55%) compared to first stage business owners (35%). In contrast, first and second stage business owners are similarly likely to say their financial goals are being met “quite a bit” (13% and 17%, respectively).

No statistically significant differences exist between the goals of first and second stage business owners. One statistically significant difference was found in regard to desired assistance from NDC. Specifically, first stage business owners are more likely than second stage business owners to want training or technical assistance about financial management, accounting, and/or taxes (69% vs. 55%).

Figures of results

2. Demographic profile of business owners (N=207)

Gender	
Male	50%
Female	50%
Age	
24 – 29	4%
30 – 39	23%
40 – 49	38%
50 – 59	25%
60- 69	8%
Missing	0%
Refused	1%
Mean	45
Median	45
Range	24-68
Race/ethnicity	
Latino/Hispanic/Chicano	32%
Caucasian/White (non Hispanic)	30%
African American/Black	22%
Hmong	4%
Somali	3%
Native American/American Indian	2%
Other Asian	2%
Oromo	2%
Other African	1%
Other	1%
Missing	0%
Number in household	
Single person	11%
Two persons	23%
Three persons	18%
Four persons	20%
Five or more persons	27%
Mean	3
Median	3
Range	1-9

3. Education, business management experience, and income at onset of NDC assistance (N=207)

Education level at onset of NDC assistance	
Less than high school	2%
High school/GED	24%
Two-year degree	15%
Four-year degree	16%
Graduate training	6%
Not applicable (Not educated in country with these categories)	3%
Missing/unknown	33%
Prior experience trying to run own business	
Yes	67%
No	31%
Missing	2%
Annual income prior to NDC assistance	
Less than \$10,000	5%
\$10,000 to \$19,999	12%
\$20,000 to \$29,999	17%
\$30,000 to \$39,999	16%
\$40,000 to \$49,999	9%
\$50,000 or more	7%
Missing	33%

4. Current employment and financial status of NDC-assisted business owners (N=207)

Employment at own business	
Works full-time at own business	72%
Works part-time at own business	21%
Works seasonally at own business	7%
Other employment	
No other employment	70%
Works full-time at another job	15%
Works part-time at another job	14%
Works seasonally at another job	1%
Other businesses	
Does not have another business	80%
Has another business	19%
1 other business	13%
2 other businesses	3%
3 or more other businesses	1%
Total number of additional businesses	55
Percent of business owners surveyed on MFIP or GA	
Previous to work with NDC	3%
At time of survey	2%
Primary income source	
Your business	51%
Another job of yours	16%
Your spouse or partner's job	23%
Another source*	8%
Refused/don't know	2%

* Other sources include: Social security and disability-related payments, pension/retirement funds, and child support and foster care payments.

4. Current employment and financial status of NDC-assisted business owners (N=207) (continued)

Monthly household income	
\$1,500 or less	7%
\$1,501 to \$2,500	15%
\$2,501 to \$3,500	16%
More than \$3,500	53%
Missing/don't know/refused	9%
Percent of monthly household income brought home from business (includes reported and unreported income)	
0%	16%
1% to 25%	19%
26% to 50%	15%
51% to 90%	10%
91% to 100%	33%
Don't know/refused	5%
Mean	53%
Median	50%
Business and commercial insurance	
Percentage who have:	
General liability or umbrella coverage	73%
Commercial property insurance	51%
Workers' compensation	40%
Health insurance	
Percent who have health insurance	67%
Since opening the business, family's level of health insurance coverage has:	
Improved	12%
Stayed the same	62%
Worsened	24%
Missing	2%

5. Assistance received from NDC (N=207)

Assistance received from NDC (multiple responses possible)	
Training	60%
Financing	35%
Assistance from a Business Resource Center	22%
Incubator location	21%
Mercado	7%
Midtown Business Center	2%
Plaza Verde	1%
Midtown Global Market	10%
Plaza Latina	0%
Workshop attendance	31%
Missing	<1%
Total assistance received from NDC	
16 week training only	40%
Training and financing	12%
Incubator location and additional services	21%
Financing only	16%
Business Resource Center assistance and/or workshop only	11%
Missing	<1%

Note: Sum of individual incubators varies from total in an incubator due to rounding.

6. Current status of business (N=207)

New or expanded business	Business owners
New businesses	38%
Existing businesses (supported or expanded)	60%
Missing/refused/don't know	2%
Type of business	
Service	50%
Retail (excluding restaurants)	26%
Restaurant/catering	14%
Construction	5%
Production/manufacturing	3%
Specialty food production	1%
Wholesale	<1%
Other ("Art")	<1%
Missing	0%
Age of business	
<1 year	2%
1-2 years	14%
3-4 years	22%
5-9 years	30%
10-19 years	29%
20 or more years	3%
Don't know/refused	0%
Mean	8
Median	6
Range	0-85
Number of locations	
1	89%
2	8%
3 or more	3%
Missing	0%
Mean	1
Median	1
Range	1-30
Total locations	265

6. Current status of business (N=207) (continued)

Co-owner(s)	
Does not have co-owners	77%
Has co-owners	22%
1 co-owner	17%
2 co-owners	2%
3 or more co-owners	2%
Missing	1%
Percent who have family members as co-owners	14%
Current business space	
Home-based business	34%
Leased commercial space	56%
Owned commercial space	9%
Missing	1%
Use monthly bookkeeping service	56%
Percentage of business from within one mile	
0%	16%
1% to 25%	31%
26% to 50%	19%
51% to 100%	25%
Don't know/refused/missing	8%
Mean	34%
Median	25%
Monthly gross revenue from business	
No sales to date/0\$	4%
Less than \$500	8%
\$501 to \$1,000	4%
\$1,001 to \$2,000	8%
\$2,001 to \$5,000	25%
\$5,001 to \$10,000	14%
\$10,001 to \$16,600	8%
More than \$16,600	20%
Don't know/refused	8%

6. Current status of business (N=207) (continued)

How many months to make a profit	
Have not yet made a profit	17%
Less than 6 months	16%
6 to 12 months	20%
About 12 to 18 months	8%
Around 2 years	8%
More than 2 years	16%
Don't know/refused	15%
Loans	
Does not have loan	21%
Has loan (source listed below; multiple responses possible)	79%
Credit Card	43%
Bank	33%
Relative or Friend	29%
NDC	37%
Another non-profit agency	16%
City program	17%
Total amount of business debt	
\$0	26%
Less than \$5,000	17%
\$5,000 to \$10,000	12%
\$10,001 to \$20,000	8%
\$20,001 to \$50,000	14%
More than \$50,000	17%
Missing/Don't know	7%
Mean	\$54,459
Median	\$7,000
Range	\$0-\$1,500,000
Total amount of business debt	\$10,510,650

7. Growth of pre-existing businesses since NDC assistance

Since receiving NDC assistance	Owners of pre-existing businesses
Expanded hours of business (N=124)	36%
By up to 10 hours per week more	13%
By 11 to 20 hours per week	15%
By more than 20 hours per week	6%
Missing/refused/don't know	3%
Mean (N=41)	17 hrs/week
Median (N=41)	15 hrs/week
Range (N=41)	1-77 hrs/week
Increased number of employees (N=124)	31%
By up to 5 more	24%
By 6 -10 or more	3%
More than 10	2%
Missing/refused/don't know	2%
Mean (N=35)	7
Median (N=35)	2
Range (N=35)	1-134
Increased monthly gross revenues (N=124)	56%
By \$500 or less	9%
By \$501 to \$1,000	9%
By \$1,001 to \$2,000	6%
By \$2,001 to \$5,000	8%
By more than \$5,000	10%
Don't know/refused	15%
Mean (N=51)	\$9,893
Median (N=51)	\$2,000
Range (N=51)	\$20-\$250,000

7. Growth of pre-existing businesses since NDC assistance (continued)

Since receiving NDC assistance	Owners of pre-existing businesses
Increased personal monthly income (N=124)	36%
By up to \$200	3%
By \$201 to \$500	8%
By \$501 to \$1,500	9%
By more than \$1,500	4%
Don't know/refused	12%
Mean (N=30)	\$1,141
Median (N=30)	\$800
Range (N=30)	\$15-\$6,900
Expanded to additional location (N=124)	15%
Total number of additional locations (N=19)	20
City location is in (N=20)	
Minneapolis	70%
St. Paul	20%
Twin Cities suburb	10%
Moved from home-based to commercial business (N=124)	11%

8. Goals of NDC-assisted business owners (N=207)

Extent that being in business is meeting personal goals	
Quite a bit	41%
Somewhat	30%
A little	20%
Not at all	9%
Missing	1%
Extent that financial goals and expectations are being met	
Quite a bit	14%
Somewhat	35%
A little	24%
Not at all	27%
Missing/refused/don't know	0%
Additional gross monthly revenue goals	
No gross monthly revenue goal	2%
Less than \$5,000	19%
\$5,000 to \$9,999	16%
\$10,000 to \$24,999	25%
\$25,000 or more	22%
Missing/don't know/refused	16%
Mean	\$40,141
Median	\$10,000
Range	\$0-\$1,000,000
Total	\$6,984,610
Number of additional employees (goal)	
No goal regarding additional employees	20%
1 to 2	25%
3 to 5	22%
6 to 10	17%
11 to 20	5%
More than 20	5%
Don't know/refused	6%
Mean	9
Median	3
Range	0-500
Total	1,846

8. Goals of NDC-assisted business owners (N=207) (continued)**Other goals (multiple responses possible)**

Expanding advertising or marketing	61%
Purchasing additional stock or equipment	52%
Providing a new product or service	52%
Adding a new location	39%
Starting a new business	25%
Relocating business	22%
Other*	14%

Amount of capital needed to achieve business goals

\$0	7%
\$1 to \$10,000	17%
\$10,001 to \$50,000	35%
More than \$50,000	27%
Missing/don't know/refused	14%
Mean	\$146,025
Median	\$30,000
Range	\$0-\$5,000,000
Total	\$25,992,450

* "Other" includes working/networking with other organizations, redecorating and/or renovating space, doing own manufacturing, changing role in business, getting community involved with business, and getting more training for the owners and employees.

9. Ways NDC can help businesses grow (N=207)

Ways NDC can help businesses grow	
Percentage who want NDC's assistance to grow business	94%
Type of assistance wanted (multiple responses possible)	
Provide or help identify sources of funding	79%
Provide training or technical assistance around marketing and/or advertising	70%
Provide training or technical assistance about financial management, accounting, and/or taxes	65%
Help with developing a business plan	53%
Provide information about city regulations, zoning, or licensing	51%
Help find or rehab new space	43%
Other*	18%

* Other responses included providing legal counseling, providing a help line, analyzing businesses, bidding for contracts, purchasing services from their businesses, providing more networking opportunities, and offering insurance and day care.

10. Building/property-related impacts of businesses

Changes to building (N=207)

Business occupied vacant building	41%
Building was rehabbed so that business could move in	25%
Building was substantially rebuilt so that business could move in	10%

Property taxes

Percentage who pay property taxes (N=272)	9%
Amount of annual property tax (N=18)	
Less than \$5,000	39%
\$5,001 to \$10,000	28%
Over \$10,000	33%
Mean	\$8,988
Median	\$5,600
Range	\$970-\$34,000
Total annual property taxes	\$170,776

Rent

Percentage who pay rent (N=207)	56%
Amount of <i>monthly</i> rent (N=115)	
Less than \$1,000	30%
\$1,000-\$1,999	40%
\$2,000 or more	26%
Don't know/refused	3%
Mean	\$1,666
Median	\$1,300
Range	\$100-\$7,800
Total monthly rent	\$184,968
Estimated total <i>annual</i> rent	\$2,219,616

11. Employment impacts of businesses

Employees (not counting owners)

Does business have *paid* employees (N=207)

Yes	45%
1 to 2 employees	16%
3 to 5 employees	15%
6 or more employees	14%
No, business has only unpaid employees	3%
No, business has no employees	52%
Missing	0%

Of business with paid employees (N=93)

Mean number of paid employees	7
Median number of paid employees	3
Range	1-178

Of all employees (N=726)

Total number who are paid	688
Percent who are paid	95%

Number of hours per week worked by paid employees (N=688)

40 or more hours per week	53%
35 to 39 hours per week	14%
30 to 34 hours per week	10%
20 to 29 hours per week	13%
10 to 19 hours per week	8%
Fewer than 10 hours per week	2%

Paid employees who are family members

Of all businesses, percentage with a family member employed (N=207)	22%
Of businesses with employees: (N=93)	
Percentage employing a family member	49%
Average percent of employees who are family members	26%
Median percent of employees who are family members	0%
Range number of employees who are family members	0-6
Of paid employees: (N=688)	
Total number who are family members	120
Percentage who are family members	17%

11. Employment impacts of businesses (continued)

Paid employees who are neighborhood residents

Of all businesses, percentage employing neighborhood residents (N=207)	33%
Of businesses with employees: (N=93)	
Percentage employing neighborhood residents	73%
Average percent of employees who are neighborhood residents	56%
Median percent of employees who are neighborhood residents	67%
Range number of employees who are neighborhood residents	0-89
Of paid employees: (N=688)	
Total number who are neighborhood residents	355
Percentage who are neighborhood residents	52%

Paid employees who have assistant manager or manager level positions

Of all businesses, percentage with employees who have assistant manager or manager level positions (N=207)	21%
Of businesses with employees: (N=93)	
Percentage with assistant manager or manager level positions	46%
Average number of filled assistant manager or manager level positions	1
Median number of filled assistant manager or manager level positions	0
Range	0-5
Of all employees: (N=688)	
Total number who have assistant manager or manager level positions	78
Percentage who have assistant manager or manager level positions	11%

Ethnicity of paid employees (multiple responses possible; N=688)

Latino/Chicano/Hispanic	36%
White (non Hispanic)	23%
Hmong	17%
African American/Black	9%
Other Asian	9%
Native American/American Indian	2%
Somali	1%
Other	1%
Missing	2%

11. Employment impacts of businesses (continued)

Employee training (N=93)	
Percent of employers who provide training for employees	82%
Percentage who have sent employees to NDC for training	8%
Owners with employees who provide benefits (N=93)	
Paid vacation	37%
Paid holidays	37%
Paid sick days off	27%
Partially-paid health insurance for the employee	11%
Partially-paid health insurance for the employee's family	8%
Fully-paid health insurance for the employee	7%
Fully-paid health insurance for the employee's family	1%
Retirement plan	10%
Hourly wage rates of paid employees (N=688)	
\$5.25 - \$9.99 an hour	33%
\$10.00 - \$20.00 an hour	55%
More than \$20.00 an hour	1%
Unknown	11%
Mean	\$11.14
Median	\$11.42
Range	\$5.00-\$30.00
Monthly payroll of owners with paid employees (N=93)	
\$1,000 or less	5%
\$1,001 to \$2,500	24%
\$2,501 to \$5,000	22%
\$5,001 to \$10,000	16%
More than \$10,000	17%
Don't know/refused	16%
Of owners who provided a payroll amount (N=78)	
Mean monthly payroll	\$10,144
Median monthly payroll	\$4,000
Range of monthly payrolls	\$100-\$121,000
Total monthly payroll (N=78)	\$791,237
Estimated total <i>annual</i> payroll	\$9,494,844

11. Employment impacts of businesses (continued)

Monthly payroll taxes of owners with paid employees (N=93)	
\$500 or less	19%
\$501 - \$1,000	5%
More than \$1,000	28%
Don't know/refused/missing	47%
Of owners who provided a payroll tax amount (N=49)	
Mean	\$2,833
Median	\$1,400
Range	\$20-\$24,000
Total monthly payroll taxes	\$138,836
Estimated total <i>annual</i> payroll taxes	\$1,666,032
Subcontractors or contract/cash workers in past year	
Used subcontractors/cash workers in past year (N=207)	44%
Amount paid to subcontractors/cash workers (N=91)	
Under \$1,000	25%
\$1,000 to \$9,999	43%
\$10,000 to \$24,999	21%
\$25,000 or more	3%
Don't know/refused	8%
Of owners who provided an amount (N=84)	
Mean	\$41,041
Median	\$3,000
Range	\$75-\$1,700,000
Total dollar value of subcontractors/cash workers	\$3,447,405

12. Other contributions to neighborhood economy and quality of life

Estimated monthly business expenses (excluding rent and payroll; N=207)	
\$0	4%
Less than \$500	29%
\$500 to \$999	16%
\$1,000 to \$4,999	25%
\$5,000 to \$9,999	5%
\$10,000 or more	10%
Missing/don't know/refused	10%
Of owner's who provided an amount (N=186)	
Mean	\$5,234
Median	\$650
Range	\$0-\$138,000
Total spent per month	\$973,552
Estimated total amount spent <i>annually</i>	\$11,682,624
Percent of monthly business expenses (excluding rent and payroll) spent within one or two miles of business (N=207)	
0%	15%
1% to 25%	28%
26% to 50%	13%
51% to 90%	11%
91% to 100%	21%
Don't know/refused	13%
Of owner's who provided an amount (N=180)	
Mean	43%
Median	30%
Estimated monthly business expenses (excluding rent and payroll) spent within one or two miles of business (N=207)	
\$0	15%
Less than \$100	16%
\$100 to \$499	25%
\$500 to \$999	9%
\$1,000 or more	17%
Missing/don't know/refused	17%
Of owners with data (N=171)	
Mean	\$1,032
Median	\$200
Range	\$0-\$32,000
Total spent per month	\$176,434
Estimated total amount spent <i>annually</i>	\$2,117,208

**12. Other contributions to neighborhood economy and quality of life
(continued)**

Estimated amount of sales taxes paid each month	
\$0	23%
Less than \$250	18%
\$250 to \$499	10%
\$500 to \$999	8%
\$1,000 or more	14%
Missing/don't know/refused	26%
Of owners who provided sales tax amount (N=153)	
Mean sales tax paid monthly	\$856
Median sales tax paid monthly	\$180
Range of sales tax paid monthly	\$0-\$24,000
Total spent per month	\$131,048
Estimated total amount spent <i>annually</i>	\$1,572,576
Time, money, and in-kind contributions (N=207)	
Percent of owners reporting contribution of any time, money, or in-kind support to neighborhood events or activities in past 12 months	68%
Type of contribution (multiple responses grouped into categories) (N=140)	
Products/services/space	61%
Cash donations	39%
Time/assistance	21%
Fundraising	5%
Discounts	7%
Unspecified	28%
Dollar value of business contributions to neighborhood events/activities in past 12 months (N=207)	
No contribution	32%
\$1-\$200	16%
\$201-\$500	14%
\$501-\$1,000	9%
\$1,001-\$5,000	17%
More than \$5,000	5%
Don't know/refused	7%
For those who provided an estimated amount (N=125)	
Mean estimated value of contributions	\$2,562
Median estimated value of contributions	\$600
Range	\$35-\$70,000
Total annual contributions	\$320,195

12. Other contributions to neighborhood economy and quality of life (continued)

Role models for communities (N=207)	
Business owners who feel they serve as a role model for youth or young adults	83%
How respondents serve as a role model (individual responses grouped into categories; multiple responses allowed) (N=172)	
Being successful business owner	38%
Serve as role model (unspecified)	25%
Provide advice/mentorship	20%
Provide time and assistance to groups and associations	19%
Model strong work ethic and determination	18%
Teach marketable skills	16%
Provide employment	15%
Educate groups	13%
Sell products/services for youth	10%
Teach "soft" skills	7%
Expose youth to business opportunities	5%
Assist with youth programming	4%
Assist youth with school work	3%
Teach life skills such as savings and banking	1%
Leadership (N=207)	
Business owners who serve as a leader for groups or organizations in neighborhood or ethnic community	31%
Connection to and space for the community (N=207)	
Business owners who feel connected with groups or associations in the neighborhood	57%
Business serves as a community gathering place	38%
Other contributions (individual responses grouped into categories; multiple responses possible) (N=207)	
Provide needed/affordable/convenient services	50%
Promote cultural diversity	18%
Support neighborhood families	11%
Neighborhood upkeep	7%
Promote healthy living	7%
Provide training/workshops	6%
Improve safety/watch for crime	5%
Help protect/take care of environment	4%

13. Views of NDC assistance

Most beneficial help from NDC (multiple responses possible) (N=207)

Training	50%
Support and encouragement	15%
Technical assistance	17%
Financing	27%
Contacts/networking	8%
Incubator	6%
Other*	3%

What specific training or technical assistance topic was most helpful to you (asked only of respondents who said training or technical assistance was most beneficial; multiple responses possible) (N=122)

Business plan	49%
Bookkeeping/accounting/financial	24%
Marketing/advertising	20%
General business management skills	10%
Restaurant management skills	2%
Other**	1%

Perceived influence of NDC on success of business (N=207)

My business is as successful as it is today largely because of the assistance I received from NDC	25%
My business is as successful as it is today somewhat because of the assistance I received from NDC	52%
My business is no better off or no worse off due to NDC	20%
My business would be doing much better today if it were not connected with NDC	<1%
Don't know/refused	3%

* Other types of help included one-on-one counseling, ongoing relationships with NDC staff and clients, access to legal resources, the Business Resource Center, and assistance with redecorating.

** For "Other" topics, one respondent said all the topics met his/her business needs; another respondent said computer help was most useful.

13. Views of NDC assistance (continued)**Explanation for largely successful business relationship with NDC (individual responses grouped into categories; multiple responses possible) (N=51)**

Business management advice and skill development	35%
Help getting business started	29%
Financial help	25%
Support/encouragement	16%
Education/training/classes	14%
Help with contacts/referrals	12%
Provide ongoing assistance	12%
Help finding good business location	10%
Technical assistance	10%
Help with business plan	8%
Marketing/advertising assistance	8%
Bookkeeping/accounting/financial/tax advice	4%
Help focusing ideas and giving business structure	4%
Help with legal issues	2%
Help acquiring a license	2%
Help expanding business	2%
General help, unspecified	4%
Missing	4%

13. Views of NDC assistance (continued)

**Explanation for somewhat successful business relationship with NDC
(individual responses grouped into categories; multiple responses possible)
(N=107)**

Explanations of how NDC was helpful	
Financial help	21%
Education/training/classes	17%
Help getting business started	12%
Support/encouragement	10%
Business management advice and skill development	9%
Help with business plan	8%
Marketing/advertising	7%
Help focusing ideas and giving business structure	5%
Technical assistance	5%
Bookkeeping/accounting/financial/tax advice	4%
Help finding good business location	4%
Good to have what already knew confirmed	4%
Help with renovations or repairs	3%
Help with contacts/referrals	2%
Help acquiring a license	2%
Help increasing sales	2%
Provide ongoing assistance	2%
Help expanding business	1%
Help with legal issues	1%
Incubator space	1%
General help, unspecified	17%
Explanations/comments on why NDC was not helpful	
Owner didn't use advice	5%
NDC did not provide any/useful help	4%
Wasn't good or bad/was neutral	4%
Helped initially but then stopped providing services/responding	3%
Had problems getting loan from NDC	3%
Too early in business to tell	2%
NDC's services do not apply to the business	1%
Missing	3%

13. Views of NDC assistance (continued)

Explanations for no better or no worse because of business relationship with NDC (individual responses grouped into categories; multiple responses possible) (N=42)

Explanations of how NDC was helpful	
Good to have what already knew confirmed	5%
Incubator	5%
Help with business plan	3%
Help starting a business	3%
Financial help	3%
Bookkeeping/financial/tax advice	3%
Help finding good business location	3%
Marketing/advertising	3%
Business management advice and skill development	3%
General help, unspecified	8%
Explanations/comments on why NDC was not helpful	
Wasn't good or bad/was neutral	46%
NDC did not provide any/useful help	15%
Helped initially but then stopped providing services/responding	13%
I did not take advantage of help	10%
NDC's services do not apply to the business	8%
Business isn't doing well	3%
Unnecessary initial expenses due to NDC rules	3%
Missing	7%
Extent owners have used business advice from NDC (N=207)	
A lot	40%
Some	29%
A little	16%
Not at all	7%
Missing/refused/don't know	8%

Note: *In order to protect the individual's anonymity, the explanations provided by the one respondent who said their business was worse off because of their relationship with NDC are not included.*

13. Views of NDC assistance (continued)

Most helpful advice: Used business advice a lot (individual responses grouped into categories; multiple responses possible) (N=82)

Business development/business plan	30%
Accounting/financial/tax advice	23%
Marketing/advertising	15%
Business management	10%
Legal advice	6%
Contacts/customer relations	5%
Helped me stay on task/stick to goals	5%
Loan advice/help finding a loan	5%
Support and encouragement	4%
Business expansion	4%
Cultural/community relations	3%
Help researching other businesses/competition	3%
Pricing	3%
Renovation/Redecorating	3%
Computer advice/assistance	3%
How to find other resources for help	3%
Planning (Unspecified)	3%
One-on-one sessions	1%
Real estate/business placement	1%
How to avoid common business mistakes	1%
Food industry	1%
General knowledge (unspecified)	16%
Missing	2%

13. Views of NDC assistance (continued)

Most helpful advice: Used business advice some (individual responses grouped into categories; multiple responses possible) (N=59)

Business development/business plan	32%
Marketing/advertising	25%
Accounting/financial/tax advice	21%
Loan advice/help finding a loan	9%
Legal advice	5%
Contacts/customer relations	5%
Business management	5%
Help me stay on task/stick to goals	5%
How to find other resources for help	5%
Support and encouragement	4%
One-on-one sessions	4%
Business expansion	4%
Pricing	4%
Planning (Unspecified)	2%
Real estate/business placement	2%
General knowledge (unspecified)	19%
Missing	3%

Explanation why: Used business advice a little (individual responses grouped into categories; multiple responses possible) (N=34)

What advice was helpful	
Financial	10%
Business development/business plan	7%
Licensing issues	3%
Marketing	3%
Why (other) advice wasn't helpful	
Didn't use advice	23%
Didn't apply to our business	26%
Don't need/want advice	22%
NDC provided no new advice/knowledge	13%
NDC doesn't come by often enough	3%
Business goals have changed	3%
NDC didn't help (reason unspecified)	7%
Missing	9%

13. Views of NDC assistance (continued)

Explanation why: Did not use business advice at all (individual responses grouped into categories; multiple responses possible) (N=15)

NDC provided no new advice/knowledge	54%
Don't need/want advice	23%
NDC didn't help (unspecified)	23%
Didn't apply to our business	8%
Didn't use advice	8%
Missing	13%

How experience with NDC is different from previous experience trying to run a business (asked only of respondents with previous business experience; multiple responses possible) (N=138)

Provided guidelines/structure/focus	28%
It isn't different	23%
Received help/technical assistance (unspecified)	11%
Financial help/loan	10%
More resources/contacts/networking	9%
More support	6%
Business expansion	5%
Advertising/marketing	5%
More professional	4%
Bookkeeping/accounting/financial planning	4%
Gave me confidence/perseverance	3%
Help with legal aspects	3%
Improved business space or location	3%
Better customer relations	2%
Improved sales	2%
Step-by-step assistance	2%
See business as part of community	1%
Missing/difference unspecified	5%

14. Comparisons by type of assistance received

	Training only (N=83)	Training and financing (N=25)	Incubator (N=43)	Financing only (N=33)
BUSINESS STATUS				
New or expanded business				
New	36%	56%	56%	24%
Expanded	60%	44%	44%	76%
Missing/Don't know	4%	0%	0%	0%
Type of business (of businesses for which this information was provided)				
Service	61%	44%	26%	42%
Retail (excluding restaurants)	17%	32%	49%	27%
Restaurant/catering	10%	20%	23%	18%
Specialty food production	1%	4%	0%	0%
Construction	7%	0%	0%	0%
Production/manufacturing	4%	0%	2%	6%
Other*	0%	0%	0%	6%
Age of business in years (average/ median)	8/6	7/7	6/5	9/7
Has another business	12%	28%	21%	21%
Gross monthly revenue				
No sales to date/0\$	4%	0%	5%	3%
\$1 to \$1,000	19%	8%	9%	3%
\$1,001 to \$2,000	8%	8%	12%	0%
\$2,001 to \$5,000	31%	48%	16%	15%
\$5,001 to \$10,000	13%	8%	16%	15%
\$10,001 to \$16,600	6%	12%	7%	12%
More than \$16,600	8%	16%	23%	46%
Unknown	10%	0%	12%	6%
Debt (average/median)	\$22,500/ \$1,300	\$86,700/ \$16,000	\$37,900/ \$10,000	\$142,300/ \$55,000
Months to make a profit				
Not yet made a profit	16%	16%	23%	18%
Less than 6 months	18%	12%	9%	21%
6 to 12 months	18%	40%	23%	18%
About 12 to 18 months	6%	8%	9%	12%
Around 2 years	7%	12%	5%	3%
More than 2 years	18%	12%	14%	18%
Missing/don't know	17%	0%	16%	9%

14. Comparisons by type of assistance received: Employees (continued)

	Training only	Training and financing	Incubator	Financing only
EMPLOYEES				
Number of paid employees	(N=83)	(N=25)	(N=43)	(N=33)
Businesses with paid employees	31%	52%	63%	64%
Number of paid employees (average/median)	4/2	8/5	4/2	7/5
Percent of paid employees who are neighborhood residents (average/median)	45%/39%	50%/63%	75%/100%	51%/50%
Number of hours employees work	(N=87)	(N=117)	(N=108)	(N=159)
40 to 35 hours	31%	67%	44%	46%
Less than 35 hours	69%	33%	56%	54%
Race/Ethnicity of employees	(N=107)	(N=117)	(N=110)	(N=164)
Latino/Hispanic/Chicano	42%	79%	55%	27%
Caucasian/White (non-Hispanic)	31%	6%	26%	48%
African American/Black	21%	8%	8%	12%
Native American	4%	3%	2%	1%
Somali	2%	3%	1%	1%
Other Asian	1%	0%	4%	9%
Hmong	0%	2%	0%	1%
Other	0%	0%	5%	0%
GROWTH and GOALS				
Growth of pre-existing businesses	(N=50)	(N=11)	(N=19)	(N=25)
Expanded hours of business	44%	36%	58%	16%
Expanded number of employees	28%	46%	42%	28%
Increased gross monthly revenues	64%	64%	58%	44%
Increased monthly income from business	46%	46%	53%	12%
Expanded to additional locations	8%	46%	16%	20%
Moved from being home-based to commercial space	8%	9%	21%	4%

14. Comparisons by type of assistance received (continued)

	Training only	Training and financing	Incubator	Financing only
Goals	(N=83)	(N=25)	(N=43)	(N=33)
Additional gross monthly revenues (average/median)	\$24,100/ \$9,000	\$18,900/ \$7,000	\$48,700/ \$12,000	\$80,100/ \$21,500
Additional employees (average/median)	5/2	17/3	4/3	9/5
Expanding your marketing/advertising	60%	68%	54%	67%
Purchasing additional equipment or stock	52%	48%	56%	52%
Providing a new product or service	46%	60%	51%	52%
Adding a new location	37%	40%	47%	33%
Starting a new business	43%	20%	19%	24%
Relocating your business	24%	32%	19%	12%
Capital needed to achieve goals (average/median)	\$71,400/ \$20,000	\$232,400/ \$47,500	\$59,300/ \$20,000	\$129,700/ \$50,000
Impact	(N=83)	(N=25)	(N=43)	(N=33)
Monthly rent (average/median)	\$1,400/ \$1,200	\$1,900/ \$1,500	\$1,500/ \$1,200	\$2,100/ \$1,800
Monthly payroll (average/median)	\$5,900/ \$3,000	\$12,800/ \$4,800	\$5,000/ \$2,000	\$13,100/ \$8,000
Serve as role model for youth/young adults	83%	84%	79%	88%
Monthly sales tax (average/median)	\$400/\$30	\$2,400/\$300	\$700/\$300	\$1,400/ \$900
Annual amount paid to subcontractors (average/median)	\$58,100/ \$3,000	\$13,400/ \$2,500	\$13,400/ \$1,100	\$49,000/ \$3,000
Provide leadership to community groups or associations	64%	32%	61%	61%
Contribute time, money, or in-kind support to neighborhood activities	58%	56%	91%	73%
Provide gathering space	31%	32%	67%	36%
IEWS on NDC	(N=83)	(N=25)	(N=43)	(N=33)
Business relationship with NDC				
My business is as successful as it is today largely because of the assistance I received from NDC	17%	36%	35%	24%
My business is as successful as it is today somewhat because of the assistance I received from NDC	61%	44%	35%	70%
My business is no better off or no worse off due to NDC	20%	12%	23%	6%
My business would be doing much better today if it were not connected with NDC	1%	0%	0%	0%
Missing	0%	8%	7%	0%

14. Comparisons by type of assistance received (continued)

	Training only	Training and financing	Incubator	Financing only
Extent owners have used business advice from NDC	(N=83)	(N=25)	(N=43)	(N=33)
A lot	34%	60%	47%	33%
Some	36%	24%	19%	24%
A little	25%	8%	12%	12%
Not at all	2%	0%	14%	12%
Missing	2%	8%	9%	18%

Note. Given the group has an N less than 10, frequencies for Incubator respondents are reported as numbers rather than percentages. An asterisk in a cell signifies that the N was too small to allow for the inclusion of meaningful data.

15. Second stage businesses (N=60)

Assistance received from NDC (multiple responses possible)

Financing	55%
Training	40%
Attended workshop	23%
Incubator location (multiple responses possible)	23%
Mercado	5%
Midtown Business Center	0%
Plaza Verde	3%
Midtown Global Market	15%
Plaza Latina	0%
Assistance from a business resource center	17%
Missing	0%

Most beneficial help from NDC (multiple responses possible)

Financing	43%
Training	38%
Technical assistance	13%
Incubator	12%
Contacts/networking	8%
Support and encouragement	7%

15. Second stage businesses (N=60) (continued)**Source of business knowledge (individual responses grouped into categories; multiple responses allowed)**

Working for someone else	50%
Formal business-related education	28%
Entrepreneur training/NDC training	23%
Advice from friends/family/others	18%
Self taught/learning as they run their business	17%

Source of money to start business (multiple responses allowed)

Personal savings	58%
Bank loan	33%
Financing from NDC	25%
Family or friends	20%
Credit card	15%
Other non-profit funding resource	12%
Private investors	3%

Percentage who have come very close to going out of business 40%**What kept respondent from going out of business (Individual responses grouped into categories; multiple responses allowed; N=24)**

Determination/hard work	38%
Additional financing/money	33%
Change in business name/services	8%
Assistance through NDC	8%
Money invested while business was going well	8%
Divine intervention/God	8%
Community program provided assistance	8%
Change in location	4%
Business planning	4%
Advice from other business owners	4%
Advertising	4%
Missing	4%

15. Second stage businesses (N=60) (continued)

What accounts for business coming so far (individual responses grouped into categories; multiple responses allowed)

Determination/hard work	42%
High quality products/services	15%
Good customer service/repeat customers	13%
Good business plan/strategic planning	12%
High demand for products/services	10%
Low spending, such as minimizing overhead and debt	8%
Reasonable pricing	8%
Good location	7%
Training and assistance through NDC	5%
Dedicated employees/good staff	5%
Lots of support/connection to the community	5%
Experience/skills/knowledge	3%
Partnership/networking/referrals	3%
Liking what I do	3%
Divine intervention/God	3%
Personality and attitude toward life	2%
Marketing	2%
Being a minority	2%
Don't know/Missing	18%

15. Second stage businesses (N=60) (continued)**Advice to people who are starting a business (multiple responses grouped into categories)**

Be determined/work hard	32%
Have a business plan/set goals	25%
Do a lot of research	15%
Take NDC/business classes	13%
Create as little debt as possible and pay it off quickly	10%
Seek counsel from other business owners	10%
Choose something you like to do	8%
Treat customers well	7%
Have a support system	7%
Plan ahead	5%
Have sufficient start-up money	5%
Learn about bookkeeping/accounting/taxes	5%
Get business experience	5%
Offer high quality product/services	5%
Know how to run a business	3%
Marketing/advertising	3%
Start with something easy	3%
Find the right location	2%
Offer good prices	2%
Become involved in your community	2%
Wait for economy to improve	2%
Be organized/reliable/responsible	2%
Specialize in one thing	2%
Keep control over staffing	2%
Don't do it if you have young children	2%
Missing	13%

Note. Second stage businesses have five or more employees, 2 or more locations, and/or have gross annual revenues at or above \$200,000.

16. Second stage businesses' views of ND, goals, and service needs compared to other businesses

	First stage businesses (N=147)	Second stage businesses (N=60)
Business relationship with NDC		
My business is as successful as it is today largely because of the assistance I received from NDC	24%	27%
My business is as successful as it is today somewhat because of the assistance I received from NDC	51%	53%
My business is no better off or no worse off due to NDC	22%	17%
My business would be doing much better today if it were not connected with NDC	1%	0%
Don't know/refused	3%	3%
Extent that being in business is meeting <u>personal</u> goals		
Quite a bit	35%	55%
Somewhat	35%	17%
A little	20%	18%
Not at all	10%	8%
Missing	1%	2%
Extent that financial goals and expectations are being met		
Quite a bit	13%	17%
Somewhat	35%	35%
A little	23%	27%
Not at all	29%	22%
Missing/refused/don't know	0%	0%
How NDC can help business grow		
Help find or rehab new space	42%	45%
Provide financing or help find funding	78%	83%
Help develop a business plan	54%	52%
Provide training or technical assistance about financial management, accounting or taxes	69%	55%
Provide information about city regulations, zoning or licensing	50%	53%
Provide training or technical assistance around marketing or advertising	69%	70%